



**HIGH YIELD & DISTRESSED MARKET REVIEW**

Issue 16

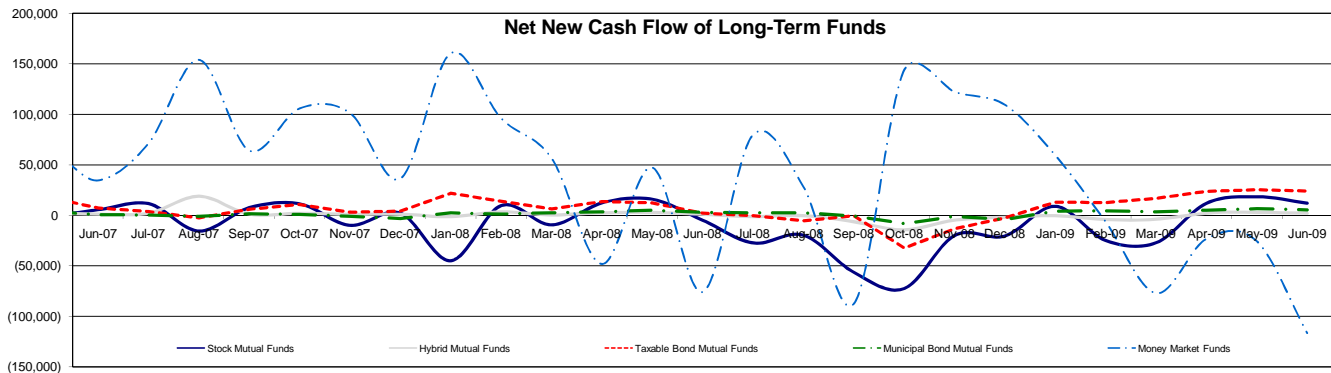
Week ending August 21, 2009

**Key Market Indicators - Source: Bloomberg**

	August 21, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD	
	Open	Close	High	Low	Change	Change %	Change	Change %	
DJIA	9,350.05	9,505.96	9,505.96	9,135.34	135.89	1.45%	471.27	4.13%	
Nasdaq	1,989.22	2,020.90	2,020.90	1,930.84	20.65	1.03%	388.69	23.81%	
S&P 500	1,007.37	1,026.13	1,026.13	979.73	15.65	1.55%	94.33	10.12%	
Russell 2000	568.68	581.51	581.51	548.18	9.11	1.59%	75.67	14.96%	
OEX Volatility Index	25.09	25.01	27.89	24.27	0.25	1.01%	(14.18)	(36.18%)	
Prime Rate	3.25%								
LIBOR	1 month	3 months	6 months	1 Year					
	0.14%	0.27%	0.67%	1.22%					

**Net New Cash Flow of Mutual Funds - Source: Investment Company Institute (\$ in millions)**

	Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08	YTD
Stock Mutual Funds	\$11,995	\$18,380	\$11,896	(\$27,148)	(\$24,881)	\$8,922	(\$20,432)	(\$836)
Hybrid Mutual Funds	\$1,916	\$2,797	\$2,068	(\$4,045)	(\$4,234)	(\$412)	(\$1,991)	(\$1,910)
Taxable Bond Funds	\$23,711	\$25,103	\$23,434	\$16,433	\$12,616	\$12,662	(\$2,699)	\$113,959
Municipal Bond Funds	\$5,379	\$6,535	\$5,093	\$3,478	\$4,349	\$3,851	(\$4,308)	\$28,685
Money Market Funds	(\$116,527)	(\$25,552)	(\$23,234)	(\$77,019)	(\$6,330)	\$59,473	\$109,353	(\$189,189)



**Altman-NYU Salomon Center Defaulted Securities Indexes (December 1995=100)**

Index	Jun-09 Level	May-09 Level	Apr-09 Level	Mar-09 Level	Feb-09 Level	Jan-09 Level	Dec-08 Level	YTD Return
Altman-NYU Defaulted Bank Loans Index	115.9	115.3	110.9	103.2	97.5	103.1	111.7	3.81%
Altman-NYU Defaulted Public Bonds Index	100.5	97.5	82.4	75.9	74.2	80.1	75.9	32.43%
Combined Bank Loan-Public Bond Index	121.6	119.7	109.8	101.8	97.4	103.7	105.9	14.80%
S&P 500 (Dividends Reinvested)	159.3	159.3	159.3	159.3	159.3	159.3	174.0	3.16%
Citigroup High Yield Index	202.6	202.2	191.5	174.7	160.7	179.8	170.6	28.60%

**Distressed News**

Story Description	Size (\$mil)	Date	*Source
Reader's Digest May Enter Chapter 11 As Early As Next Week	3,499.8	8/21/2009	DBR
Court Confirms Bally Total Fitness Plan To Exit Chapter 11 Protection	1,538.0	8/20/2009	DBR
Republic Outbids Southwest At Auction For Frontier Airlines	1,023.5	8/17/2009	DBR
Bankruptcy Judge Approves Sale Of Metaldyne To Its Lenders	927.0	8/14/2009	DBR
Court Approves Pilgrim's Pride \$1.65 Billion Exit-Loan Deal	2,913.9	8/13/2009	DBR
CIT Group To Suspend Dividend Payments On Preferred Stock	64,940.3	8/13/2009	DBR

\*Source: Daily Bankruptcy Review ("DBR")

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The information contained in this newsletter has been compiled from a variety of news sources believed to be reliable. It is intended to provide general information about the high yield and distressed markets. It is not intended to be used as financial advice.



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Week ending August 21, 2009

**M&A Announced Transactions - Source: Capital IQ**

Target	Date	Acquirer	Value (\$mm)	Industry
Kalle GmbH & Co. KG	8/20/2009	Silverfleet Capital Partners LLP	302.6	Metal and Glass Containers
Delaware Management Business Trust	8/19/2009	Macquarie Group, Ltd.	428.0	Asset Management / Custody Banks
Huntingdon Real Estate Investment Trust	8/17/2009	IAT Air Cargo Facilities Income Fund	3,129.7	Diversified REITs
Enhance Development Limited	8/16/2009	Co-Prosperity Holdings Limited	387.1	Real Estate Operating Companies
Felix Resources Ltd.	8/13/2009	Yanzhou Coal Mining Co. Ltd.	2,841.1	Coal and Consumable Fuels
PZL-Swidnik S.A.	8/13/2009	AgustaWestland NV	112.7	Data Processing
Partner Communications Co. Ltd.	8/12/2009	Scaleix Corp., Ltd.	1,902.8	Wireless Telecommunication

**High Yield Credit Rating Upgrades for Last 2 Weeks - Source: Bloomberg**

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Dollar General Corp	8/21/2009	LT Local Issuer Credit	S&P	B+ *+	B+	Retail-Discout
Stillwater Mining Co	8/21/2009	LT Local Issuer Credit	S&P	B-	B- *	Platinum
Laboratory Corp of America Holdings	8/20/2009	LT Local Issuer Credit	S&P	BBB+	BBB *+	Medical Labs&Testing Srv
Pulte Homes Inc	8/20/2009	LT Local Issuer Credit	S&P	BB	BB *	Bldg-Residential/Commer
Beazer Homes USA Inc	8/19/2009	LT Local Issuer Credit	S&P	CCC	SD	Bldg-Residential/Commer
EXCO Resources Inc	8/19/2009	LT Local Issuer Credit	S&P	B+	B *+	Oil Comp-Explor&Prodn
Newport Television LLC	8/19/2009	LT Local Issuer Credit	S&P	B-	SD	Television
Oxbow Carbon and Minerals LLC	8/19/2009	LT Local Issuer Credit	S&P	B+ *+	B+	Diversified Minerals
Worthington Industries Inc	8/18/2009	LT Local Issuer Credit	S&P	BBB	BBB *	Metal Processors&Fabrica
Con-way Inc	8/17/2009	LT Local Issuer Credit	S&P	BBB-	BBB- *	Transport-Truck
Fort James Corp	8/14/2009	LT Local Issuer Credit	S&P	BB- *+	BB-	Paper&Related Products
Georgia-Pacific LLC	8/14/2009	LT Local Issuer Credit	S&P	BB- *+	BB-	Paper&Related Products
Great Northern Nekosoa Corp	8/14/2009	LT Local Issuer Credit	S&P	BB- *+	BB-	Paper&Related Products
YRC Worldwide Inc	8/14/2009	LT Local Issuer Credit	S&P	CCC	CCC *	Transport-Truck
MXEnergy Holdings Inc	8/13/2009	LT Local Issuer Credit	S&P	NR	SD	Oil Comp-Explor&Prodn
Oshkosh Corp	8/13/2009	LT Local Issuer Credit	S&P	B+	B *+	Auto-Med&Heavy Duty Trks
Sirius XM Radio Inc	8/13/2009	LT Local Issuer Credit	S&P	B-	CCC+	Radio
XM Satellite Radio Holdings Inc	8/13/2009	LT Local Issuer Credit	S&P	B-	CCC+	Radio
CEMEX Inc	8/12/2009	LT Local Issuer Credit	S&P	B- *	B- *	Bldg Prod-Cement/Aggreg
Hillman Group Inc	8/12/2009	LT Local Issuer Credit	S&P	B	B- *+	Retail-Building Products
Kroger Co/The	8/12/2009	LT Local Issuer Credit	S&P	BBB- *+	BBB-	Food-Retail
Duane Reade Inc	8/11/2009	LT Local Issuer Credit	S&P	B-	SD	Retail-Drug Store
Gastar Exploration USA Inc	8/11/2009	LT Local Issuer Credit	S&P	B-	CCC *+	Oil Comp-Explor&Prodn

**High Yield Credit Rating Downgrades for Last 2 Weeks - Source: Bloomberg**

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Champion Enterprises Inc	8/21/2009	LT Local Issuer Credit	S&P	CC	CCC-	Bldg-Mobil Home/Mfd Hous
Tishman Speyer Real Estate DC Area Portfolio	8/21/2009	LT Local Issuer Credit	S&P	D	CCC	Inactive/Unknown
Centex Corp	8/20/2009	LT Local Issuer Credit	S&P	NR	BB- *+	Bldg-Residential/Commer
Circus & Eldorado Joint Venture	8/20/2009	LT Local Issuer Credit	S&P	B-	B	Casino Hotels
NCI Building Systems Inc	8/20/2009	LT Local Issuer Credit	S&P	CC	CCC+ *	Bldg&Construct Prod-Misc
Tensor Corp/The	8/20/2009	LT Local Issuer Credit	S&P	CCC	B-	Building-Heavy Construct
Affinity Group Inc	8/19/2009	LT Local Issuer Credit	S&P	D	CCC	Direct Marketing
Gray Television Inc	8/19/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Broadcast Serv/Program
Appleton Papers Inc	8/18/2009	LT Local Issuer Credit	S&P	CC	B	Paper&Related Products
Beazer Homes USA Inc	8/18/2009	LT Local Issuer Credit	S&P	SD	CCC	Bldg-Residential/Commer
Chemtura Corp	8/18/2009	LT Local Issuer Credit	S&P	NR	D	Chemicals-Specialty
Little Traverse Bay Bands of Odawa Indians	8/18/2009	LT Local Issuer Credit	S&P	D	CC	Casino Hotels
Norcraft Cos LP	8/18/2009	LT Local Issuer Credit	S&P	B-	B	Home Furnishings
Pliant Corp	8/18/2009	LT Local Issuer Credit	S&P	NR	D	Containers-Paper/Plastic
Ric Industries Co	8/18/2009	LT Local Issuer Credit	S&P	B-	B *	Inactive/Unknown
TLC Vision Corp	8/18/2009	LT Local Issuer Credit	S&P	CC	CCC	Medical Laser Systems
Liz Claiborne Inc	8/17/2009	LT Local Issuer Credit	S&P	B	BB-	Retail-Apparel/Shoe
Reader's Digest Association Inc/The	8/17/2009	LT Local Issuer Credit	S&P	D	CCC	Publishing-Periodicals
AGY Holding Corp	8/14/2009	LT Local Issuer Credit	S&P	B *	B	Miscellaneous Manufactur
Elizabeth Arden Inc	8/14/2009	LT Local Issuer Credit	S&P	B+	BB- *	Cosmetics&Toiletries
Hearst-Argyle Television Inc	8/13/2009	LT Local Issuer Credit	S&P	NR	BBB-	Television
Olin Corp	8/13/2009	LT Local Issuer Credit	S&P	BB-	BB+	Chemicals-Diversified
DAE Aviation Holdings Inc	8/12/2009	LT Local Issuer Credit	S&P	B-	B- *+	Aerospace/Defense
Gastar Exploration USA Inc	8/12/2009	LT Local Issuer Credit	S&P	NR	B-	Oil Comp-Explor&Prodn
MXEnergy Holdings Inc	8/12/2009	LT Local Issuer Credit	S&P	SD	CC *	Oil Comp-Explor&Prodn
One Communications Corp	8/12/2009	LT Local Issuer Credit	S&P	B *	B	Telecom Services
Remington Arms Co Inc	8/11/2009	LT Local Issuer Credit	S&P	NR	B	Retail-Sporting Goods
Duane Reade Inc	8/10/2009	LT Local Issuer Credit	S&P	SD	CC	Retail-Drug Store

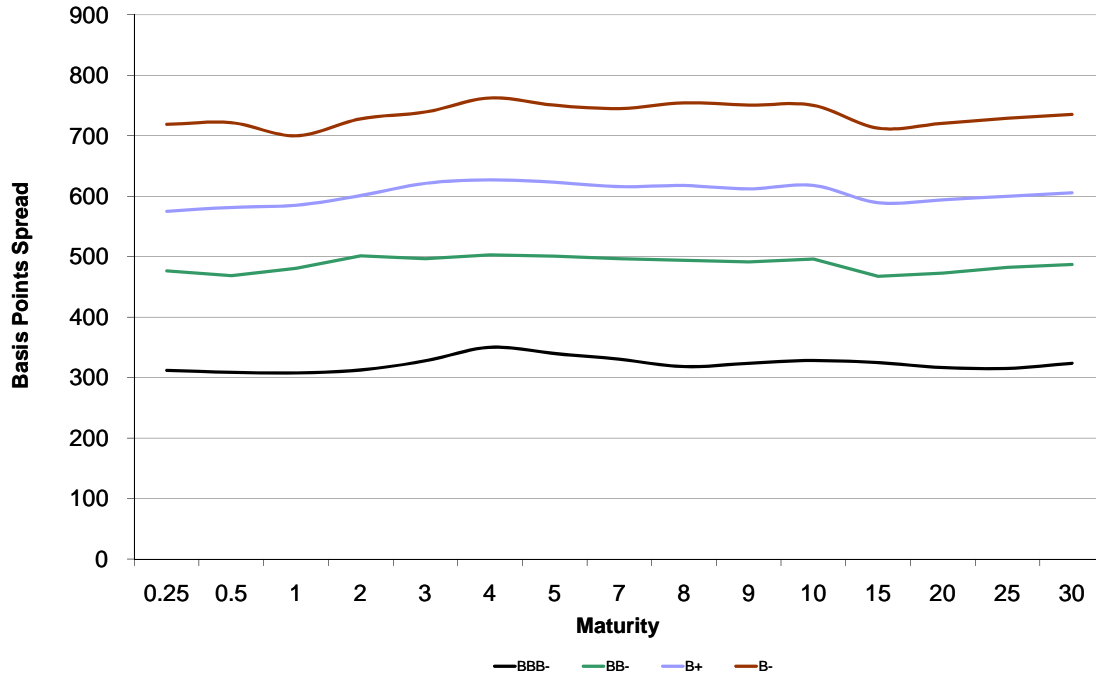


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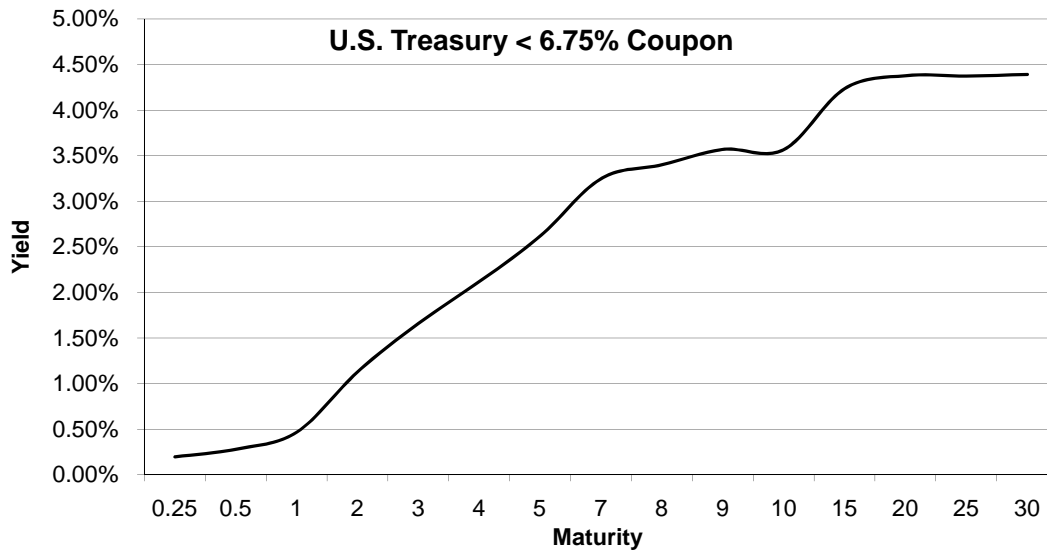
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Bond Spread To US Treasury Data - Source: Bloomberg



Change in spread to US treasuries with coupons < 6.75% (7 Year)

	Time Period of Change			
	2 weeks	3 months	6 months	1 year
BBB-	5	(102)	(167)	71
BB-	(6)	(130)	(477)	(17)
B+	(35)	(167)	(483)	86
B-	(18)	(285)	(563)	74





**HIGH YIELD & DISTRESSED MARKET REVIEW**

**Resources.  
Experience.  
Results.**

Chanin Capital Partners, a Duff & Phelps company, is a distinguished leader in providing financial advisory services to companies, creditors and stakeholders in distressed situations. Chanin bankers structure each transaction with the most favorable financial terms – then add value beyond the numbers. Investment Banking services are provided by Duff & Phelps Securities, LLC.

**ADDISON**  
a subsidiary of Fedders Corporation, has been acquired by Roberts-Gordon LLC, a portfolio company of Eastport Operating Partners

Financial advisor to Fedders Corporation

> RESTRUCTURING / SECTION 363 ASSET SALE

**BHM Technologies**

has completed a Chapter 11 reorganization \$375 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

**DURA Automotive Systems**

has completed a Chapter 11 reorganization \$1.5 billion

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

**GLOBAL POWER EQUIPMENT GROUP**

has completed a Chapter 11 reorganization \$256 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

**KEY PLASTICS L.L.C.**  
A Key Automotive Group Affiliate

has completed a Chapter 11 reorganization \$307 million

Financial advisor to Key Plastics, LLC

> RESTRUCTURING

**PALCO** and its subsidiary Scotia Pacific Company LLC

has completed a Chapter 11 reorganization \$950 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

**Pierre™** Pierre Foods

has completed a Chapter 11 reorganization \$380 million

Financial advisor to the plan sponsor

> RESTRUCTURING

**WESTWOOD ONE**

has completed an Out-of-Court restructuring \$250 million

Financial advisor to the preferred shareholders

> RESTRUCTURING