



## HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 23

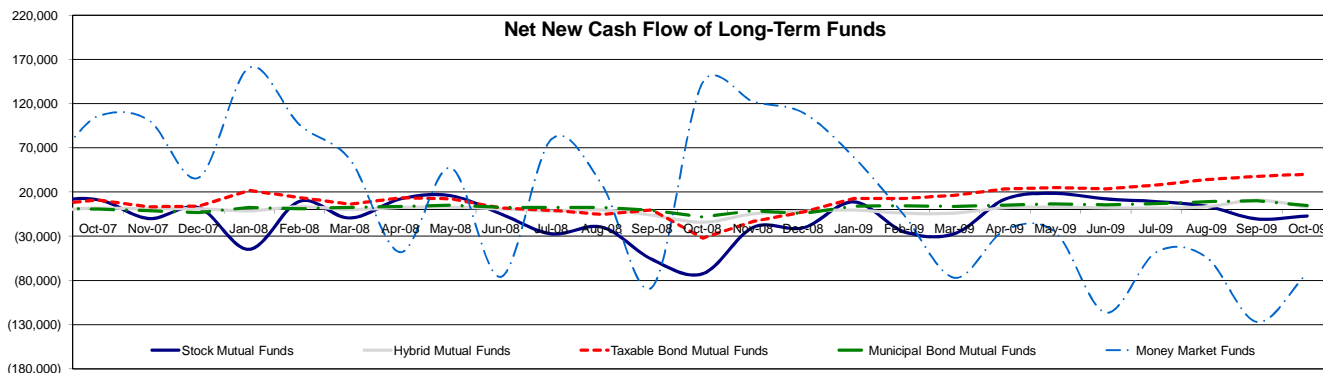
Week ending December 4, 2009

### Key Market Indicators - Source: Bloomberg

	December 4, 2009		2 Week		2 Week		2 Week		YTD	
	Open	Close	High	Low	Change	Change %	Change	Change %	Change	Change %
DJIA	10,366.15	10,388.90	10,471.58	10,309.92	70.74	0.69%	1,354.21	15.76%		
Nasdaq	2,173.14	2,194.35	2,194.35	2,138.44	48.31	2.25%	562.14	34.44%		
S&P 500	1,099.92	1,105.98	1,110.63	1,091.49	14.60	1.34%	174.18	18.69%		
Russell 2000	588.78	602.79	602.79	577.21	18.11	3.10%	96.95	19.17%		
OEX Volatility Index	22.46	21.25	24.74	20.47	(0.94)	(4.24%)	(17.94)	(45.78%)		
Prime Rate	3.25%									
LIBOR	1 month	3 months	6 months	1 Year						
	0.23%	0.26%	0.48%	1.03%						

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

	Oct-09	Sep-09	Aug-09	Jul-09	Jun-09	May-09	Apr-09	YTD
Stock Mutual Funds	(\$7,080)	\$3,998	\$9,215	\$12,191	\$18,380	\$11,896	(\$27,148)	(\$4,886)
Hybrid Mutual Funds	\$2,942	\$3,139	\$1,794	\$1,910	\$2,797	\$2,068	(\$4,045)	\$16,622
Taxable Bond Funds	\$40,256	\$33,988	\$27,905	\$23,573	\$25,103	\$23,434	\$16,433	\$253,429
Municipal Bond Funds	\$4,767	\$9,044	\$6,796	\$5,379	\$6,535	\$5,093	\$3,478	\$59,420
Money Market Funds	(\$71,798)	(\$53,816)	(\$48,325)	(\$116,419)	(\$25,552)	(\$23,234)	(\$77,019)	(\$489,927)



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

Index	Oct-09 Level	Sep-09 Level	Aug-09 Level	Jul-09 Level	Jun-09 Level	May-09 Level	Apr-09 Level	YTD Return
Altman-NYU Defaulted Bank Loans Index	135.1	135.4	127.2	121.8	115.9	115.3	110.9	20.99%
Altman-NYU Defaulted Public Bonds Index	132.5	127.2	117.2	108.0	100.5	97.5	82.4	74.54%
Combined Bank Loan-Public Bond Index	149.3	147.1	136.9	128.9	121.6	119.7	109.8	40.94%
S&P 500 (Dividends Reinvested)	159.3	159.3	159.3	159.3	159.3	159.3	159.3	17.05%
Citigroup High Yield Index	229.8	234.2	225.8	217.9	202.6	202.2	191.5	48.57%

### Distressed News

Story Description	Size (\$mil)	Date	*Source
Canopy Files For Chapter 11, Blames Two Executives In Scandal	50.0	12/2/2009	DBR
S&P Cuts Radian's Bond-Insurer Unit To Junk Territory	6,223.5	11/30/2009	DBR
Ambac Financial's CFO Quits To 'Pursue Other Interests'	20,927.5	11/30/2009	DBR
Global Energy Enters Chapter 11 To Sell Off Nonessential Assets	9.2	11/25/2009	DBR
Reader's Digest Creditors Can Vote On Bankruptcy-Exit Plan	3,400.0	11/25/2009	DBR
Axiant Enters Bankruptcy Protection, Proposes Acquisition By NCO Group	10.0	11/24/2009	DBR

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

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

Target	Date	Acquirer	Value (\$mm)	Industry
NBC Universal, Inc.	12/3/2009	Comcast Corporation	13,750.0	Broadcasting
PGS Onshore, Inc.	12/3/2009	Geokinetics Inc.	208.1	Oil and Gas Equipment and Services
ICO Inc.	12/2/2009	A. Schulman, Inc.	218.4	Specialty Chemicals
Ascent Healthcare Solutions, Inc.	11/30/2009	Stryker Corp.	525.0	Healthcare Equipment
Dune Networks, Inc.	11/30/2009	Broadcom Corp.	178.0	Communications Equipment
Iowa Telecommunications Services, Inc.	11/23/2009	Windstream Corporation	1,137.5	Integrated Telecom Services
Freewest Resources Canada Inc.	11/23/2009	Cliffs Natural Resources Inc.	177.9	Precious Metals and Minerals

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Unifi Inc	12/4/2009	LT Local Issuer Credit	S&P	B-	CCC+	Textile-Apparel
Viskase Cos Inc	12/4/2009	LT Local Issuer Credit	S&P	B-	CCC+ *	Food-Misc/Diversified
Dana Holding Corp	12/3/2009	LT Local Issuer Credit	S&P	B	B-	Auto/Trk Prts&Equip-Orig
priceline.com Inc	12/3/2009	LT Local Issuer Credit	S&P	BBu	BB-u	E-Commerce/Services
Hanesbrands Inc	12/2/2009	LT Local Issuer Credit	S&P	BB-	BB- *	Apparel Manufacturers
Nova Chemicals Corp	12/2/2009	LT Local Issuer Credit	S&P	B+	B- *	Chemicals-Diversified
SandRidge Energy Inc	12/2/2009	LT Local Issuer Credit	S&P	B *	B	Oil Comp-Explor&Prodn
Alberto-Culver Co	12/1/2009	LT Local Issuer Credit	S&P	BBB	BBB-	Cosmetics&Toiletries
KAR Auction Services Inc	12/1/2009	LT Local Issuer Credit	S&P	B- *	B-	Auction House/Art Dealer
Butler Animal Health Supply LLC	11/30/2009	LT Local Issuer Credit	S&P	B *	B	Veterinary Products
Autoliv ASP Inc	11/26/2009	LT Local Issuer Credit	S&P	BBB	BBB-	Auto/Trk Prts&Equip-Orig
Ashland Inc	11/25/2009	LT Local Issuer Credit	S&P	BB	BB- *	Chemicals-Specialty
Cornell Cos Inc	11/25/2009	LT Local Issuer Credit	S&P	B+	B	Private Corrections
Hercules Inc	11/25/2009	LT Local Issuer Credit	S&P	BB	BB- *	Chemicals-Specialty
Salem Communications Corp	11/25/2009	LT Local Issuer Credit	S&P	B	B- *	Radio
Rock-Tenn Co	11/24/2009	LT Local Issuer Credit	S&P	BBB-	BB+ *	Containers-Paper/Plastic
Integra Telecom Inc	11/23/2009	LT Local Issuer Credit	S&P	CCC+	SD	Satellite Telecom
Protection One Alarm Monitoring Inc	11/23/2009	LT Local Issuer Credit	S&P	B+	B *	Protection-Safety
William Lyon Homes	11/23/2009	LT Local Issuer Credit	S&P	CCC	CCC- *	Bldg-Residential/Commer

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Cumulus Media Inc	12/4/2009	LT Local Issuer Credit	S&P	B-	B	Radio
Dune Energy Inc	12/2/2009	LT Local Issuer Credit	S&P	D	CCC	Oil Comp-Explor&Prodn
Bellisio Foods Inc	12/1/2009	LT Local Issuer Credit	S&P	B- *	B	Food-Wholesale/Distrib
Central Parking Corp	12/1/2009	LT Local Issuer Credit	S&P	CCC	B-	Commercial Services
EnCana Corp	11/30/2009	LT Local Issuer Credit	S&P	BBB+	A- *	Oil Comp-Explor&Prodn
Booz Allen Hamilton Inc	11/25/2009	LT Local Issuer Credit	S&P	B+ *	BB-	Consulting Services
Catalyst Paper Corp	11/25/2009	LT Local Issuer Credit	S&P	CC *	CCC+ *	Paper&Related Products
Vangent Inc	11/25/2009	LT Local Issuer Credit	S&P	B	B+	Decision Support Softwar
Ciena Corp	11/24/2009	LT Local Issuer Credit	S&P	B *	B+ *	Telecom Eq Fiber Optics
Holdings Gaming Borrower LP	11/24/2009	LT Local Issuer Credit	S&P	CCC	B *	Diversified Operations
Windstream Corp	11/24/2009	LT Local Issuer Credit	S&P	BB *	BB+ *	Telephone-Integrated
Foot Locker Inc	11/23/2009	LT Local Issuer Credit	S&P	B+	BB-	Retail-Apparel/Shoe
International Rectifier Corp	11/23/2009	LT Local Issuer Credit	S&P	B+	BB-	Electronic Compo-Semicon
Liberty Media Corp	11/23/2009	LT Local Issuer Credit	S&P	BB-	BB+ *	Multimedia

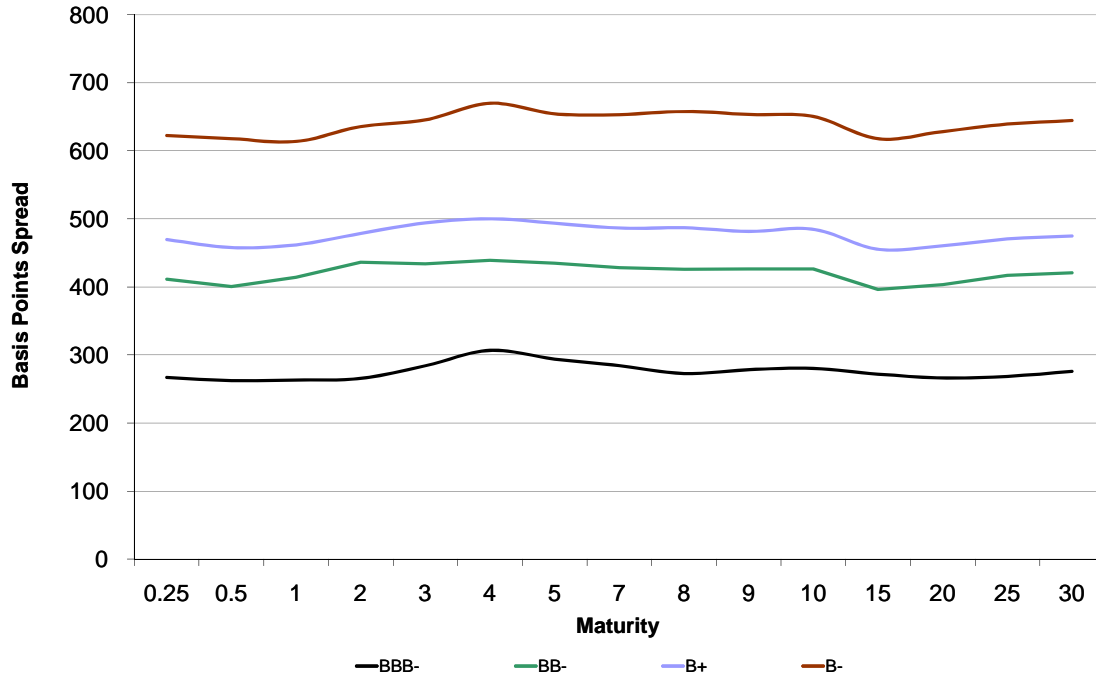


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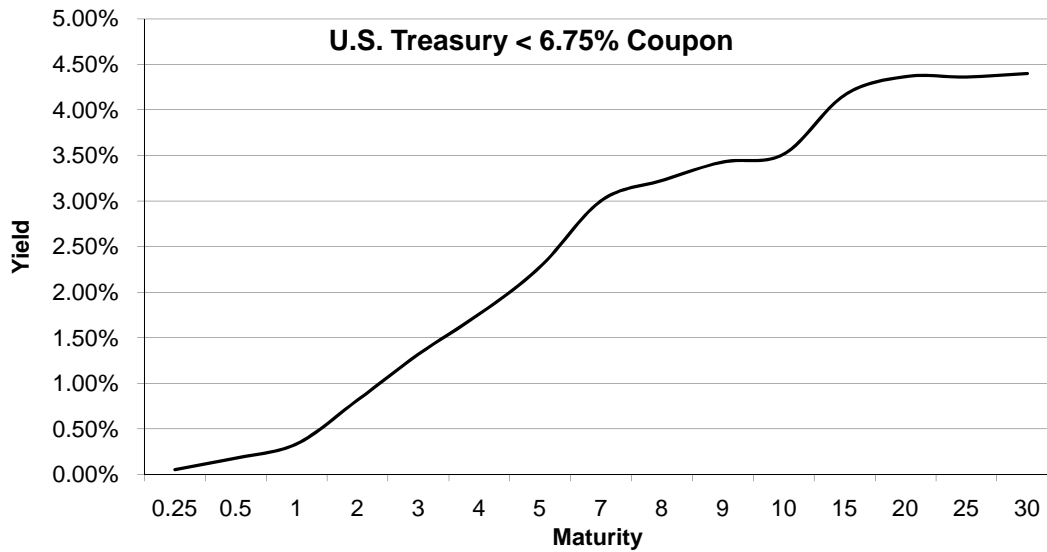
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Bond Spread To US Treasury Data - Source: Bloomberg



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-	(1)	(33)	(119)	(230)
BB-	(6)	(67)	(143)	(618)
B+	(2)	(113)	(219)	(668)
B-	(28)	(88)	(286)	(726)





**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.



a subsidiary of **AnchorBlue**, has been acquired by **Levi Strauss & Co.**

Financial advisor to Anchor Blue Group, Inc.

> RESTRUCTURING / SECTION 363 ASSET SALE



**Automotive Systems**

has completed a **Chapter 11 reorganization**

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING



has completed an **out-of-court recapitalization**

Financial advisor to Hilite International, Inc.

> RESTRUCTURING



has completed a **Chapter 11 reorganization**

Financial advisor to Key Plastics, LLC

> RESTRUCTURING



has been acquired by **LHI Enterprises, Inc.**, an entity controlled by **Sun Capital Partners, Inc.** and **Catterton Partners**

Financial advisor to Lang Holdings, Inc.

> RESTRUCTURING /



**Pierre Foods**

has completed a **Chapter 11 reorganization**

Financial advisor to the plan sponsor

> RESTRUCTURING



has completed a **Chapter 11 reorganization**

Financial advisor to the ad-hoc committee of noteholders

> RESTRUCTURING



has completed a **recapitalization**

Financial advisor to the plan sponsor

> RESTRUCTURING