

Press Release



For immediate release

Contact Information:

Robert Pearson
Marketing/PR Manager
Debtwire
212.500.1383
robert.pearson@mergermarket.com

Tom Orewlyer
Marketing Communications
Bingham McCutchen
212-705-7485
tom.orewlyer@bingham.com

Lisa Gonzalez
Marketing Communications
Chanin Capital Partners
212.758.2629
lgonzalez@chanin.com

Debtwire Unveils 2006 Distressed Debt Market Outlook for North America

New York, NY, January 25, 2006 -- Debtwire, a leading provider of market intelligence on distressed and high yield credits, in conjunction with Bingham McCutchen and Chanin Capital Partners, today announced findings on the outlook for the North American distressed debt market in 2006. This landmark survey provides unique expectations and forecasts from the top hedge funds, brokers and advisors active in the distressed space.

While most investors look for companies on a growth track, distressed specialists focus on the darker side of the economy. They track industries and corporations that are poised for collapse or those that have already fallen and are undervalued as a result.

Debtwire interviewed 124 of the largest players in the distressed debt market to get their perspectives on what 2006 will bring. This outlook provides a contrarian point of view to the inevitably sunny forecasts trumpeted by economists and asset managers alike at the beginning of each New Year.

Among the findings:

- Like the loans Distressed investors aren't known for being cautious, but in 2006, they plan to play it safe. As liquidity tightens, buyers of distressed assets expect the unsecured **bond market to correct downward** and will shift their allocations toward secured bank loans that can better withstand market volatility.
- Shifting to shares With bonds relatively overvalued at present, distressed specialists are also expanding their investment strategies to **include equities**.
- Industrial infection Investors expect an increase in distressed and restructuring activity to be concentrated in the **automotive, packaging and healthcare** sectors in 2006.
- Default spike in 2007 While distressed investors are bearish on bonds, they expect only a moderate increase in default rates this year followed by a **sharp increase in 2007** as tighter lending and large maturities take their toll.

About Debtwire

Debtwire is a leading provider of proprietary intelligence and research on all aspects of North American distressed credits.

We regularly identify evolving distressed situations ahead of the market, analyzing each situation to identify the most price-sensitive issues (accounting problems, M&A activity, and renegotiation of credit lines) and deliver insights from informed sources. As an independent organization, our experienced team generates unbiased and value-added intelligence for our clients.

About Bingham McCutchen

Bingham McCutchen LLP is an international law firm with 850 attorneys in 11 offices. The firm focuses on serving clients in complex financial regulatory and transactional matters, high-stakes litigation, and a wide variety of sophisticated corporate and technology matters. Bingham McCutchen represents many of the world's largest hedge funds, private equity funds, institutional fund managers and financial services companies in out-of-court restructurings, in-court proceedings, and distressed M&A transactions throughout the US and throughout the world. We also have market-leading investment management, fund formation, compliance and securities litigation practices, making Bingham one of the premier service providers for the investment community.

About Chanin Capital Partners

Chanin Capital Partners is a top-ranked specialty investment banking firm that provides financial advisory services, including Financial Restructurings; Mergers and Acquisitions; Fairness, Valuation and Solvency Opinions; and, Capital Raising. With 45 dedicated professionals and offices in Detroit, London, Los Angeles and New York, Chanin Capital Partners is one of the largest, independent, specialty investment banks providing financial advisory services for the middle market and for distressed transactions. Since 1984, the professionals of Chanin Capital Partners have completed more than \$157 billion in financial restructuring transactions, consummated more than \$32 billion in mergers and acquisitions mandates, and delivered hundreds of fairness and solvency opinions and valuation reports.