DEBTWIRE NORTH AMERICA

Press Release

For Immediate Release

Debtwire Unveils 2008 Distressed Debt Outlook for North America

Survey Participants Predict Moderate Climb in Default Rate, Sharp Increase in Hedge Fund Liquidations; 70 Percent of Prop Desks Predict Recession

New York (January 15, 2008) – Debtwire, the leading distressed debt and leveraged finance real-time news and data service, today announced the findings of its **2008 Distressed Debt Market Outlook for North America** survey. The study, published in conjunction with Bingham McCutchen LLP, FTI Consulting, Inc. and Macquarie Securities (USA) Inc., highlights major issues and trends facing the North American distressed debt market in 2008 and includes the expectations of market participants.

While most traditional 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. Nearly three-quarters of respondents said they plan to place more of their assets in distressed debt in 2008.

Debtwire interviewed 101 of the largest distressed-debt market participants to gauge their outlook for 2008. Continued market decline is one of the major trends of study, with 70 percent of proprietary trading desks predicting a recession, and none ruling one out. Fifty-seven percent of hedge funds said they expect a recession, and 43 percent of institutional investors agreed.

"We've already seen a brisk pick-up in the fourth quarter of 2007 of commercial loan and bond restructurings beyond the subprime and asset-backed defaults we saw all summer," said Michael Reilly, co-leader of Bingham's Financial Restructuring Practice Group. "Distressed debt momentum is building rapidly because lenders who were hammered in the asset-backed markets in 2007 are now forced to be more conservative in the commercial markets in 2008."

According to Ken Meehan, Editor of Debtwire, North America, "The days of easy corporate credit and wide-spread issuer friendly concessions aren't coming back anytime soon. Refinancing opportunities and economic growth are both expected to erode in 2008, prompting expectations of a substantial increase in the amount of capital distressed debt investors plan to allocate to the asset class. However, unlike the beginning of past cycles when distressed securities were abundant and specialized investors were relatively few, this time around there promises to be much more competition among a wider pool of prepared professionals."

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"The potential fallout from a sustained contraction in corporate credit markets could be worse than in previous cycles because many more large U.S. companies have borrowed aggressively and are financially vulnerable, judging by the overall distribution of corporate credit ratings and the preponderance of "deep junk" issuers, commented DeLain Gray, leader of FTI Consulting's Corporate Finance Practice. "Borrowers will still have access to capital, but many of the more highly leveraged credits will be shut out of traditional borrowing channels. For distressed investors, such a scenario spells opportunity," adds Gray.

Mick Solimene, Managing Director, Macquarie Securities (USA) Inc., added, “There is clearly a sizeable and growing interest in distressed debt investing going into 2008. The euphoria we’ve seen in the buyout market over the past few years is clearly muted at the present time. As the liquidity chill takes longer to thaw, distressed debt investors will have greater capital to work their way through an increasing supply of distressed opportunities in 2008.”

Among the other survey findings:

- The ratings agency predicts a spike in the default rate over the next 12 months to 4.2 percent, while survey participants expect a moderate climb, with 39 percent of respondents anticipating a default rate between2-3 percent by the end of 2008, and 47 percent of respondents expecting a 3-4 percent rate.
- Three-quarters of those surveyed believe that hedge fund liquidations will increase in 2008, with roughly 10 percent of respondents to the 2008 Outlook predicting a 50-75 percent risk of systematic shock, compared to zero in last year’s study.
- Two-thirds of participants picked financial services as one of the top three sectors offering the greatest distressed investing opportunities in 2008. Almost three-quarters listed first-lien loans among the three most attractive instruments for the next year. Only 17 percent singled out the loans as one of the three least attractive investment opportunities.

The full survey is available at **www.debtwire.com**.

About Debtwire
Debtwire publishes real-time news and data for financial professionals in the distressed debt and leveraged finance markets across the world. Debtwire is part of the Mergermarket Group which has more than 400 employees worldwide and regional head offices in New York, London and Hong Kong. Visit us at www.debtwire.com.

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About Bingham McCutchen LLP
With 1,000 lawyers in 13 offices worldwide, Bingham McCutchen LLP, www.bingham.com, is a national law firm with global capabilities. The firm represents clients in financial restructuring, high-stakes litigation, complex

financing and regulatory matters, government affairs, and a wide variety of sophisticated corporate and technology transactions.

About Macquarie
The Macquarie Group (Macquarie) is a diversified international provider of banking, financial, advisory and investment services, with approximately US$200 billion of total assets under management (as of September 30, 2007). Headquartered in Sydney, Australia, Macquarie Group Limited (ASX: MQG) is a top 20 company listed on the Australian Securities Exchange with a current market capitalization of over US$19 billion.

Macquarie has been active in the Americas for over a decade, establishing its first office in New York in 1994. Today Macquarie has more than 1,500 staff in 25 locations in North and South America. Macquarie continues to grow its North and South American activities by expanding existing businesses, forming joint ventures with local partners and making niche acquisitions

About FTI Consulting
FTI Consulting is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 2,400 professionals located in most major business centers in the world, we work closely with clients every day to anticipate, illuminate, and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring. More information can be found at www.fticonsulting.com.

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