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NewsRelease

For Immediate Release:

European Distressed Debt Market Outlook for 2010 Predicts Upswing in Restructuring

Covenant Resets/Amendments and Debt Buybacks Expected to Dominate Market

London, 27 January 2010, Launched yesterday by international law firm Cadwalader, Wickersham & Taft LLP, business advisory firm FTI Consulting Inc. and investment banking group Rothschild, in conjunction with Mergermarket's Debtwire, the annual European Distressed Debt Market Outlook for 2010 provides an in-depth analysis of the opinions and expectations of European investors regarding the outlook for the European distressed debt market in the year ahead.

Key findings from the survey include:

The majority of respondents expect European restructuring to peak during the first half of 2010, with covenant resets/amendments and debt buybacks set to dominate market activity.

For the second year running, Property and Construction was identified as having the most distressed debt opportunities, with 54% of respondents citing this sector as having most potential. Leisure and Media were second and third runners-up.

The UK remains the number one jurisdiction of choice for distressed investors (47%), finishing ahead of Germany. Enthusiasm for Spain has diminished whereas EU Eastern Europe has now usurped France, Scandinavia and Italy in investor affections.

Private equity respondents consider overleveraging the most likely trigger for restructuring of their portfolio companies, while only 20% of sponsors picked overall economic decline as their first choice.

Senior debt remains the most attractive debt instrument, but the re-emergence of the high yield market has consolidated its second place amongst investor preferences.

In a marked change from the 2009 survey, 43% of private equity respondents said that the attitude of their banking syndicates posed the greatest challenge to the restructuring of their corporates.

“Peak European restructuring volume lies ahead, not behind us,” commented Richard Nevins, a partner in the Financial Restructuring Department at Cadwalader. “Government support of financial institutions, massive liquidity injections and low interest rates have delayed, but can't indefinitely avoid, long overdue deleveraging in the private sector.”

For the full report, please visit:

<http://www.cadwalader.com/assets/feature/012710DebtwireSurvey2010.pdf>

About Cadwalader, Wickersham & Taft LLP

Cadwalader, Wickersham & Taft LLP, established in 1792, is one of the world's leading international law firms, with offices in New York, London, Charlotte, Washington and Beijing. Cadwalader serves a diverse client base, including many of the world's top financial institutions, undertaking business in more than 50 countries in six continents. The firm offers legal expertise in antitrust, banking, business fraud, corporate finance, corporate governance, environmental, healthcare, insolvency, insurance and reinsurance, litigation, mergers and acquisitions, private client, private equity, real estate, securities and financial institutions regulation, securitisation, structured finance, and tax. More information about Cadwalader can be found at www.cadwalader.com.

About Debtwire

Debtwire publishes real-time news and data for financial professionals in fixed income markets across the world. To find out more, please visit www.debtwire.com

About FTI Consulting, Inc.

FTI Consulting, Inc. 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 3,400 employees 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.

About Rothschild

Rothschild is a leading independent investment bank providing advice globally on mergers and acquisitions, debt, equity and restructuring.