

# Institutional Distressed Debt Research

Performance Plus Advisors, Inc.

Distressed Debt Research

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## Ambac Financial Group

### Trading Opportunity

We now rate the senior note claims of Ambac Financial Group currently in Chapter 11 Bankruptcy as a **Buy**, currently trading at approximately 12 – 13 cents on the dollar. In our 12/11/2011 report, we rated these securities as **Neutral**.

We have changed our opinion to a **Buy**, with a price target of 17 cents on the dollar. We base our opinion on guidance from the recent Amended Disclosure Statement. The Disclosure Statement projects a recovery of 11.5% - 17.5%.

Recent clarification of legal and tax issues along with better visibility also contribute to our favorable outlook. We expect the Ambac Financial Group reorganization in Chapter 11 Bankruptcy to be confirmed by the court in April.

### Ambac Financial Group Senior Note Claim

The following senior note claims are currently trading at approximately 12 – 13.

9.375% due 2011

9.5% due 2011

7.5% due 2023

5.95% due 2035

The following senior note claims (\$25) par are trading at approximately \$2.10

5.88 % due 2103 and 5.95 % due 2103

**See Important Disclosures**

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**BUY:** We generally expect “**BUY**” rated investment returns to be greater than or equal to plus 20% from date of the original recommendation.

**NEUTRAL:** We generally expect “**NEUTRAL**” rated investment returns to deviate plus or minus + or – 20% from date of the original recommendation.

**SELL:** We generally expect “**SELL**” rated investment returns to be equal to or greater than minus – 20% from the date of the original recommendation.

## **ANALYST RATING DISTRIBUTION AS OF 03/01/2012**

	Number of Companies	Percent of Total
Buy	5	50%
Neutral	3	30%
Sell	2	20%
Total	10	100%