

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 06 / 03



CHANIN CAPITAL PARTNERS
A SPECIALTY INVESTMENT BANK

Week of March 14, 2003

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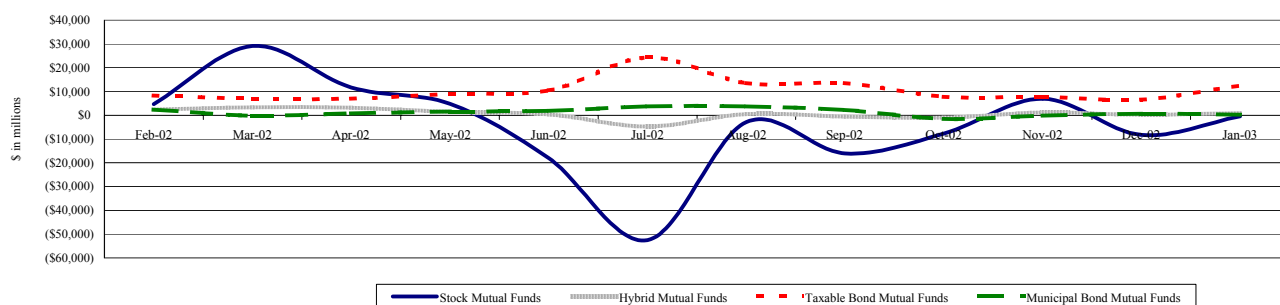
Key Market Indicators

	March 14, 2003		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	7,821.75	7,859.71	7,859.71	7,524.06	-31.37	-0.40%	-747.81	-8.69%
Nasdaq	1,340.77	1,340.33	1,340.77	1,271.47	2.81	0.21%	-44.52	-3.21%
S&P 500	831.90	833.26	834.81	800.73	-7.89	-0.94%	-75.77	-8.34%
Russell 2000	355.44	354.39	359.31	345.94	-6.13	-1.70%	-38.19	-9.73%
OEX Volatility Index	35.93	36.33	38.99	34.09	2.18	6.38%	7.81	27.38%
Prime Rate	4.25%							
			1 month	3 months	6 months	1 Year		
LIBOR			1.27%	1.23%	1.18%	1.21%		

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

	Jan-03	Dec-02	Nov-02	Oct-02	Sep-02	Aug-02	Jul-02	YTD 2003
Stock Mutual Funds	(\$466)	(\$8,301)	\$6,953	(\$7,709)	(\$16,078)	(\$2,905)	(\$52,628)	(\$466)
Hybrid Mutual Funds	\$944	\$180	\$1,205	(\$1,024)	(\$623)	\$531	(\$4,690)	\$944
Taxable Bond Funds	\$12,516	\$6,620	\$7,823	\$7,816	\$13,555	\$13,582	\$24,374	\$12,516
Municipal Bond Funds	\$177	\$671	(\$196)	(\$1,518)	\$2,324	\$3,792	\$3,765	\$177

Net New Cash Flow of Long-Term Funds



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

Index	Feb-03	Jan-03	Dec-02	Nov-02	Oct-02	Feb-03	YTD 2003
	Level	Level	Level	Level	Level	Month Return	Return
Altman-NYU Defaulted Bank Loans Index	124.7	124.4	120.5	117.6	111.6	0.20%	3.43%
Altman-NYU Defaulted Public Bonds Index	69.7	69.3	65.2	66.8	61.5	0.63%	6.88%
Combined Bank Loan-Public Bond Index	101.3	100.9	96.7	96.1	90.2	0.38%	4.75%
S&P 500 (Dividends Reinvested)	151.0	151.0	151.0	160.4	151.5	-1.50%	-4.08%
Salomon Smith Barney High Yield Index	131.3	133.3	136.8	135.2	125.6	1.34%	5.11%

Distressed Lending News

Story Description	Size (\$mil)	Date	Source
Worldcom writes off \$45 billion of impaired goodwill.	NA	02/28/03	DBR
Federal-Mogul Corp. to close plant and will lay off 260 hourly and salaried employees.	NA	02/28/03	DBR
Pathnet Operating Inc. hires Telecom Asset Management Group to sell network assets.	NA	02/28/03	DBR
AMR, American Airlines's parent company was removed from the S&P 500 index.	NA	02/28/03	DBR
IDT still interested in Global Crossing assets if Hutchison-Singapore deal is not approved by regulators.	NA	02/28/03	DBR
Bethlehem Steel signs an agreement to sell substantially all of its assets to International Steel Group.	\$1,500.0	02/28/03	DBR
Public Company Accounting Oversight Board details proposal on public company fees.	NA	02/28/03	DBR

M&A Announced Transactions

Target	Acquirer	Value (\$mil)	Date	Industry
Altria Group Inc	Altria Group Inc	\$3,000.0	02/27/03	Tobacco Products



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The information contained in this newsletter has been compiled from a variety of news sources believed to be reliable. It is intended to provide general information about the high yield and distressed markets. It is not intended to be used as financial advice.



M&A Announced Transactions (Continued)

Target	Acquirer	Value (\$mil)	Date	Industry
Guarantee Reserve Life Ins	Reassure America Life Ins	\$121.0	03/01/03	Insurance
AT&T Latin America Corp	Southern Cross Latin America	\$440.0	03/03/03	Telecommunications
LBJ-Radio Stations,TX(6)	Emmis Communications Corp	\$105.0	03/03/03	Radio and Television Broadcasting Stations
Aramark Educational Resources	Knowledge Learning Corp	\$265.0	03/04/03	Educational Services
CommWorks-Telecom Equip Bus	UTStarcom Inc	\$100.0	03/04/03	Communications Equipment
Mill Creek Bank,Salt Lake,UT	GE Consumer Finance	\$310.0	03/05/03	Credit Institutions
Zapata Corp	Hollingsworth Rothwell Roxford	\$108.1	03/05/03	Food and Kindred Products
Pfizer Inc-Estrostep,Loestrin	Galen Holdings PLC	\$484.0	03/06/03	Drugs
Chiquita Processed Foods LLC	Seneca Foods Corp	\$206.8	03/06/03	Food and Kindred Products
Christiana Mall,Newark,DE	Rouse Co	\$320.0	03/06/03	Real Estate; Mortgage Bankers and Brokers
Pennsylvania REIT-Multifamily	Morgan Ppty of King of Prussia	\$420.0	03/06/03	Real Estate; Mortgage Bankers and Brokers
Rouse Co-Shopping Mall(6)	Pennsylvania Real Estate Inv	\$548.0	03/06/03	Real Estate; Mortgage Bankers and Brokers
Valero Energy-Storage Tanks(58)	Valero LP	\$200.0	03/07/03	Oil and Gas; Petroleum Refining
Valero Energy-Pipeline Sys,TX	Valero LP	\$150.0	03/07/03	Oil and Gas; Petroleum Refining
DP Industrial LLC	CalSTRS	\$560.0	03/08/03	Real Estate; Mortgage Bankers and Brokers
Natl Fuel-Timber Ppty,PA & NY	Undisclosed Acquiror	\$190.0	03/10/03	Wood Products, Furniture, and Fixtures
Snoqualmie Tree Farm	HTRG	\$185.0	03/10/03	Agriculture, Forestry, and Fishing
El Paso Prodn-Rosa Fed Unit	Sacramento Municipal Utility	\$135.0	03/11/03	Electric, Gas, & Industry
Halliburton Co-Wellstream Bus	Investor Group	\$136.0	03/11/03	Machinery Comp-Explor&Prodn
Sylvan Learning Sys-Tutoring	Apollo Management LP	\$232.0	03/11/03	Educational Scmp-Explor&Prodn
First Bell Bancorp Inc	Northwest Bancorp,Warren,PA	\$121.9	03/12/03	Savings and Leverages-Wine/Spirits

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Benchmark Electronics Inc	03/12/03	Bank Loan Debt	Moody	Ba2	Ba3	Electronic Compo-Misc
Trump Atlantic City Associates	03/12/03	LT Local Issuer Credit	S&P	CCC +*	CCC	Casino Hotels
Trump Casino Holdings LLC	03/12/03	LT Local Issuer Credit	S&P	B-	WR	N.A.
Surgutneftegazbank	03/11/03	LT Local Issuer Credit	S&P	CCC+	CCC	N.A.
Weight Watchers International Inc	03/11/03	LT Local Issuer Credit	S&P	BB	BB- +*	Commercial Services
Carmike Cinemas Inc	03/10/03	Senior Implied Issuer	Moody	B3	Caa1	Theaters
Matria Healthcare Inc	03/10/03	LT Local Issuer Credit	S&P	B+	B+ *-	Medical-Outptnt/Home Med
EchoStar Broadband Corp	03/07/03	Senior Unsecured Debt	Moody	B1 +*	B1	Satellite Telecom
EchoStar Communications Corp	03/07/03	Senior Implied Issuer	Moody	B1 +*	B1	Cable TV
EchoStar Communications Corp	03/07/03	Equity Linked	Moody	Caa1 +*	Caa1	Cable TV
Echostar DBS Corp	03/07/03	Senior Unsecured Debt	Moody	B1 +*	B1	Cable TV
Menatep St Petersburg	03/07/03	LT Local Issuer Credit	S&P	CCC+	CCC	N.A.
KB Home	03/06/03	Senior Implied Issuer	Moody	Ba1	Ba2	Bldg-Residential/Commer
Sovereign Bancorp Inc	03/06/03	Senior Unsecured Debt	Moody	Ba1	Ba2 +*	S&L/Thrifths-Eastern US
Teck Cominco Ltd	03/06/03	Subordinated Debt	Moody	Ba1	Ba1 *-	Diversified Minerals
Dole Food Co	03/05/03	LT Local Issuer Credit	S&P	BB	BB *-	Food-Misc/Diversified
Jupiters Ltd	03/05/03	LT Local Issuer Credit	S&P	BB+ +*	BB+	Casino Hotels
Jupiters Ltd	03/05/03	Senior Unsecured Debt	Moody	Ba2 +*	Ba2	Casino Hotels
Jupiters Ltd	03/05/03	Senior Implied Issuer	Moody	Ba2 +*	Ba2	Casino Hotels
Moore North America Inc	03/05/03	Bank Loan Debt	Moody	Ba2	Ba2 *-	Printing-Commercial
Moore North America Inc	03/05/03	Senior Implied Issuer	Moody	Ba3	Ba3 *-	Printing-Commercial
Select Medical Corp	03/05/03	Senior Implied Issuer	Moody	Ba3	B1	Medical-Outptnt/Home Med
Select Medical Corp	03/05/03	Senior Subordinate	Moody	B2	B3	Medical-Outptnt/Home Med
Ventas Realty LP	03/05/03	Senior Unsecured Debt	Moody	Ba3	Ba3 *-	Real Estate Mgmt/Service
Hollywood Casino Corp	03/04/03	Senior Secured Debt	Moody	B1	B3 +*	Casino Hotels
Hollywood Casino Corp	03/04/03	Senior Implied Issuer	Moody	B1	B3 +*	Casino Hotels
NTELOS Inc	03/04/03	LT Local Issuer Credit	S&P	D	SD	Telecom Services
Inco Ltd	03/03/03	Subordinated Debt	Moody	Ba1	WR	Metal-Diversified
New World Infrastructure Ltd	03/03/03	Senior Unsecured Debt	Moody	Ba3 +*	Ba3 *	Building-Heavy Construct
Resona Bank Ltd	03/03/03	LT Local Issuer Credit	S&P	BB+	WR	Money Center Banks
Advanced Lighting Technologies	02/28/03	LT Local Issuer Credit	S&P	D	SD	Lighting Products&Sys
Asahi Finance Cayman Ltd	02/28/03	JR Subordinated Debt	Moody	Ba3	B1	Commer Banks Non-US
City of Astana/Kazakhstan	02/28/03	LC Curr Issuer Rating	Moody	Ba1	Ba3 +*	N.A.
City of Astana/Kazakhstan	02/28/03	FC Curr Issuer Rating	Moody	Ba1	Ba3 +*	N.A.
Daiwa PB Ltd	02/28/03	JR Subordinated Debt	Moody	Ba3	B1	Commer Banks Non-US
Oblast of Atyrau	02/28/03	LC Curr Issuer Rating	Moody	Ba2	B1 +*	N.A.
Oblast of Atyrau	02/28/03	FC Curr Issuer Rating	Moody	Ba2	B1 +*	N.A.
US Industries Inc	02/28/03	Senior Unsecured Debt	Moody	B3	B3 *-	Diversified Manufact Op
USI American Holdings Inc	02/28/03	Senior Unsecured Debt	Moody	B3	B3 *-	Diversified Manufact Op





High Yield Credit Rating Upgrades for Last 2 Weeks (Continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
USI American Holdings Inc	02/28/03	Bank Loan Debt	Moody	B3	B3 *	Diversified Manufact Op
Charles River Laboratories Intern:	02/27/03	LT Foreign Issuer Credit	S&P	BB+	BB	Medical-Biomedical/Gene
Charles River Laboratories Intern:	02/27/03	LT Local Issuer Credit	S&P	BB+	BB	Medical-Biomedical/Gene
Citgo Petroleum Corp	02/27/03	Senior Unsecured Debt	Moody	Ba3	Ba3 *	Oil Refining&Marketing
Citgo Petroleum Corp	02/27/03	Senior Implied Issuer	Moody	Ba3	Ba3 *	Oil Refining&Marketing
Paiton Energy Funding BV	02/27/03	Senior Secured Debt	Moody	B3	Caa2 **	Energy-Alternate Sources

High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Copamex Industrias SA DE CV	03/12/03	LT Local Issuer Credit	S&P	B+	BB-	Paper&Related Products
Corus Group Plc	03/12/03	LT Local Issuer Credit	S&P	BB *	BB	Steel-Producers
Hornbeck Offshore Services Inc	03/12/03	Senior Unsecured Debt	Moody	B1	B1 **	Oil-Field Services
Hornbeck Offshore Services Inc	03/12/03	Senior Implied Issuer	Moody	B1	B1 **	Oil-Field Services
Magellan Health Services Inc	03/12/03	LT Local Issuer Credit	S&P	D	CCC	Medical-HMO
McDermott Inc	03/12/03	Senior Unsecured Debt	Moody	B3	B2 *	Building&Construct-Misc
Rural Cellular Corp	03/12/03	LT Local Issuer Credit	S&P	B	B+ *	Cellular Telecom
SCOR SA	03/12/03	Subordinated Debt	Moody	Ba2	Ba1 *	Reinsurance
BE Aerospace Inc	03/11/03	LT Local Issuer Credit	S&P	B+ *	BB- *	Aerospace/Defense-Equip
Capitol Records Inc	03/11/03	Senior Unsecured Debt	Moody	Ba1	Baa2 **	Music
Corus Finance Plc	03/11/03	Senior Unsecured Debt	Moody	Ba2 *	Ba2	Steel-Producers
Corus Group Plc	03/11/03	Senior Unsecured Debt	Moody	Ba2 *	Ba2	Steel-Producers
EMI Group Plc	03/11/03	Senior Unsecured Debt	Moody	Ba1	Baa2 **	Music
Empresa Electrica Pehuenche	03/11/03	Senior Unsecured Debt	Moody	Ba3	Baa3 **	Electric-Generation
Empresa Nacional de Electricidad	03/11/03	Foreign Currency LT Debt	Moody	Ba3	Baa3 **	Electric-Integrated
Empresas Municipales DE Cali	03/11/03	LT Local Issuer Credit	S&P	D	CCC	N.A.
Endesa-Chile Overseas Co	03/11/03	Senior Unsecured Debt	Moody	Ba3	Baa3 **	Electric-Integrated
Enersis SA/Chile	03/11/03	Senior Unsecured Debt	Moody	Ba3	Baa3 **	Electric-Integrated
Mirant Americas Generation Inc	03/11/03	Bank Loan Debt	Moody	Ba3 *	Ba3	Electric-Integrated
Mirant Americas Generation Inc	03/11/03	Senior Unsecured Debt	Moody	Ba3 *	Ba3	Electric-Integrated
Mirant Corp	03/11/03	Bank Loan Debt	Moody	B1 *	B1	Independ Power Producer
Mirant Corp	03/11/03	Senior Unsecured Debt	Moody	B1 *	B1	Independ Power Producer
Mirant Corp	03/11/03	Senior Implied Issuer	Moody	Ba3 *	Ba3	Independ Power Producer
Mirant Mid Atlantic LLC	03/11/03	Senior Secured Debt	Moody	Ba3 *	Ba3	Electric-Integrated
Sithe/Independence Fndg	03/11/03	Senior Secured Debt	Moody	Ba1	Baa2 **	Electric-Generation
Southern Energy North America C	03/11/03	Senior Unsecured Debt	Moody	Ba3 *	Ba3	Electric-Integrated
Arbella Indemnity Insurance Co	03/10/03	LT Local Issuer Credit	S&P	BBpi	BBBpi	N.A.
Arbella Mutual Insurance Co	03/10/03	LT Local Issuer Credit	S&P	BBpi	BBBpi	N.A.
Arbella Protection Insurance	03/10/03	LT Local Issuer Credit	S&P	BBpi	BBBpi	N.A.
Hankyu Corp	03/10/03	LT Local Issuer Credit	S&P	BBpi	BB+pi	Transport-Rail
Invensys Plc	03/10/03	LT Local Issuer Credit	S&P	BB+ *	BBB- *	Diversified Manufact Op
NUI Corp	03/10/03	Senior Unsecured Debt	Moody	Ba2 *	Baa3 **	Gas-Distribution
Shaw Group Inc/The	03/10/03	Bank Loan Debt	Moody	Ba1	Baa3 **	Steel Pipe&Tube
Shaw Group Inc/The	03/10/03	Senior Unsecured Debt	Moody	Ba3	Ba2 **	Steel Pipe&Tube
Shaw Group Inc/The	03/10/03	Senior Implied Issuer	Moody	Ba2	Ba1 **	Steel Pipe&Tube
BIL International Ltd	03/07/03	LT Local Issuer Credit	S&P	BB *	BB	Real Estate Oper/Develop
Bauang Private Power Corp	03/07/03	Senior Secured Debt	Moody	Ba1 *	Ba1	Independ Power Producer
Farmers Home Mutual Insurance	03/07/03	LT Local Issuer Credit	S&P	Bpi	BBpi	N.A.
Interpublic Group Cos Inc	03/07/03	LT Local Issuer Credit	S&P	BB+ *	BBB- *	Advertising Agencies
Millennium Chemicals Inc	03/07/03	LT Local Issuer Credit	S&P	BB+	BBB-	Chemicals-Specialty
Pioneer Insurance & Surety Corp	03/07/03	LT Local Issuer Credit	S&P	Bpi	BBpi	N.A.
Pioneer Insurance Co (MN)	03/07/03	LT Local Issuer Credit	S&P	Bpi	BBpi	N.A.
UnumProvident Corp	03/07/03	JR Subordinated Debt	Moody	Ba1 *	Ba1	Life/Health Insurance
O'Sullivan Industries Hldgs	03/06/03	LT Local Issuer Credit	S&P	B	B+	Home Furnishings
O'Sullivan Industries Hldgs	03/06/03	LT Foreign Issuer Credit	S&P	B	B+	Home Furnishings
O'Sullivan Industries Inc	03/06/03	LT Local Issuer Credit	S&P	B	B+	Home Furnishings
Omnova Solutions Inc	03/06/03	LT Local Issuer Credit	S&P	BB	BB+	Chemicals-Specialty
Pacificare Inc/Oklahoma	03/06/03	LT Local Issuer Credit	S&P	BBpi	BBBpi	N.A.
Trend Technologies	03/06/03	Bank Loan Debt	Moody	Ca	Caa2 **	Rubber&Vinyl
Trend Technologies	03/06/03	Senior Implied Issuer	Moody	Ca	Caa2 **	Rubber&Vinyl
Ultramar Diamond Shamrock Cor	03/06/03	Subordinated Debt	Moody	Ba1	Baa3 **	Oil Refining&Marketing
Valero Energy Corp	03/06/03	JR Subordinated Debt	Moody	Ba1	Baa3 **	Oil Refining&Marketing
Valero Energy Corp	03/06/03	Subordinated Debt	Moody	Ba1	Baa3 **	Oil Refining&Marketing
Azteca Holdings SA	03/05/03	LT Local Issuer Credit	S&P	B- *	B-	Diversified Operations





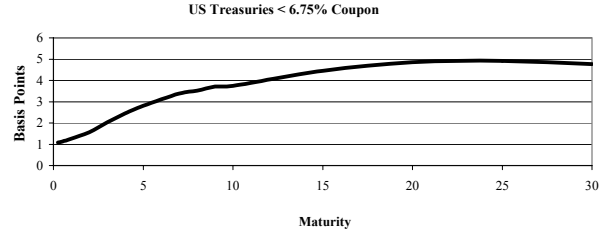
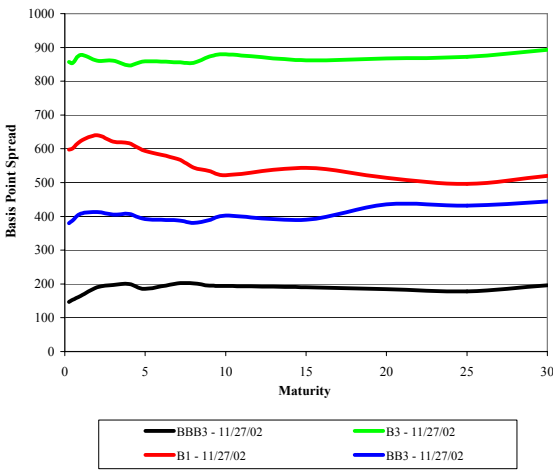
High Yield Credit Rating Downgrades for Last 2 Weeks (continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
GE Global eXchange Services	03/05/03	Senior Implied Issuer	Moody	B1	Ba3	B2B/E-Commerce
GE Global eXchange Services	03/05/03	Senior Subordinate	Moody	B3	B2	B2B/E-Commerce
Healthsouth Corp	03/05/03	LT Local Issuer Credit	S&P	BB- *	BB *	Phys Therapy/Rehab Cntrs
Neenah Corp	03/05/03	LT Local Issuer Credit	S&P	B- *	B-	Metal Processors&Fabrica
PMA Capital Corp	03/05/03	Senior Unsecured Debt	Moody	Ba1	Baa3 *-	Property/Casualty Ins
Provident Financial Group Inc	03/05/03	LT Local Issuer Credit	S&P	BB+	BBB-	Commer Banks-Central US
Provident Financial Group Inc	03/05/03	Subordinated Debt	Moody	Ba1 *-	Ba1	Commer Banks-Central US
Allegiance Telecom Inc	03/04/03	LT Local Issuer Credit	S&P	CC *-	CCC *-	Telephone-Integrated
American Manufacturers Mutual I	03/04/03	LT Local Issuer Credit	S&P	B+ *-	BB+ *-	N.A.
American Motorists Insurance	03/04/03	LT Local Issuer Credit	S&P	B+ *-	BB+ *-	N.A.
Dakota Specialty Insurance	03/04/03	LT Local Issuer Credit	S&P	CCC *-	CCC	N.A.
Eagle Pacific Insurance Co	03/04/03	LT Local Issuer Credit	S&P	B+ *-	BB+ *-	N.A.
Hollywood Casino Shreveport/Sh	03/04/03	LT Local Issuer Credit	S&P	CCC-	CCC+	Casino Hotels
Hollywood Casino Shreveport/Sh	03/04/03	Senior Secured Debt	Moody	Caa2	B3 *-	Casino Hotels
Hollywood Casino Shreveport/Sh	03/04/03	Senior Implied Issuer	Moody	Caa2	B3 *-	Casino Hotels
LaSalle Re Ltd	03/04/03	LT Local Issuer Credit	S&P	CCC *-	CCC	N.A.
Lumbermens Mutual Casualty	03/04/03	LT Local Issuer Credit	S&P	B+ *-	BB+ *-	Mutual Insurance
Lumbermens Mutual Casualty	03/04/03	Subordinated Debt	Moody	Ca	Caa1	Mutual Insurance
Pacific Eagle Insurance Co	03/04/03	LT Local Issuer Credit	S&P	B+ *-	BB+ *-	N.A.
Stillwater Mining Co	03/04/03	Senior Implied Issuer	Moody	Ba2 *-	Ba2	Platinum
Stillwater Mining Co	03/04/03	Bank Loan Debt	Moody	Ba2 *-	Ba2	Platinum
Trenwick America Corp	03/04/03	LT Local Issuer Credit	S&P	CCC- *-	CCC-	Property/Casualty Ins
Trenwick America Reinsurance	03/04/03	LT Local Issuer Credit	S&P	CCC *-	CCC	N.A.
Trenwick Group Ltd	03/04/03	LT Local Issuer Credit	S&P	CCC- *-	CCC-	Reinsurance
Trenwick International Ltd	03/04/03	LT Local Issuer Credit	S&P	CCC *-	CCC	N.A.
Cable Satisfaction International	03/03/03	LT Local Issuer Credit	S&P	D	CCC- *-	Cable TV
GEO Specialty Chemicals	03/03/03	LT Local Issuer Credit	S&P	B *	B+	Chemicals-Specialty
Geon Co	03/03/03	Senior Unsecured Debt	Moody	Ba3 *-	Baa3 *-	Chemicals-Plastics
Machadinho Energetica SA	03/03/03	Local Currency LT Debt	Moody	Ba1 *-	Ba1	Independ Power Producer
Newmont Yandal Operations Ltd	03/03/03	LT Local Issuer Credit	S&P	BB-	BBB-	Gold Mining
PolyOne Corp	03/03/03	Senior Unsecured Debt	Moody	Ba3 *-	Baa3 *-	Chemicals-Plastics
Superior Telecom Inc	03/03/03	LT Local Issuer Credit	S&P	D	CCC	Telecommunication Equip
AMR Corp	02/28/03	LT Local Issuer Credit	S&P	B- *	BB- *-	Airlines
American Airlines Inc	02/28/03	LT Local Issuer Credit	S&P	B- *	BB- *-	Airlines
Beghin-Say	02/28/03	Senior Unsecured Debt	Moody	Ba3	Ba1 *-	Agricultural Operations
Champion Enterprises Inc	02/28/03	LT Local Issuer Credit	S&P	B+	BB- *-	Bldg-Mobil Home/Mfd Hous
Champion Home Builders Co	02/28/03	LT Local Issuer Credit	S&P	B+	BB- *-	Bldg-Mobil Home/Mfd Hous
Cia Energetica de Brasilia	02/28/03	Local Currency LT Debt	Moody	Ba1 *-	Ba1	Electric-Integrated
DDI Corp /CA	02/28/03	Subordinated Debt	Moody	C	Caa3	Circuit Boards
Details Holding Corp	02/28/03	Senior Unsecured Debt	Moody	C	Caa3	Circuit Boards
Dynamic Details Inc	02/28/03	Senior Implied Issuer	Moody	Ca	Ba3	Circuit Boards
Dynamic Details Inc	02/28/03	Bank Loan Debt	Moody	Caa2	Ba3	Circuit Boards
Eridania Beghin-Say	02/28/03	Senior Unsecured Debt	Moody	Ba3	Ba1 *-	Agricultural Operations
Prime Hospitality Corp	02/28/03	LT Local Issuer Credit	S&P	BB-	BB *-	Hotels&Motels
Roma Restaurant Holdings Inc	02/28/03	Senior Unsecured Debt	Moody	Caa1	B3	Retail-Restaurants
Roma Restaurant Holdings Inc	02/28/03	Senior Implied Issuer	Moody	Caa1	B3	Retail-Restaurants
Shaw Group Inc/The	02/28/03	LT Local Issuer Credit	S&P	BB+	BBB-	Steel Pipe&Tube
Aurora Foods Inc	02/27/03	Senior Subordinate	Moody	Ca	Caa3	Food-Misc/Diversified
Aurora Foods Inc	02/27/03	Bank Loan Debt	Moody	B3	B2	Food-Misc/Diversified
Banco Mercantil SA/Bolivia	02/27/03	LT Local Issuer Credit	S&P	B	B+	Commer Banks Non-US
Banco Santa Cruz	02/27/03	LT Local Issuer Credit	S&P	B	B+	Commer Banks Non-US
Cooperative Rural de Electrificaci	02/27/03	LT Local Issuer Credit	S&P	B	B+	N.A.
Fleming Cos Inc	02/27/03	LT Local Issuer Credit	S&P	B- *	B *-	Food-Wholesale/Distrib
General Chemical Industrial Prodt	02/27/03	LT Local Issuer Credit	S&P	B-	B+	Chemicals-Specialty
Hollywood Casino Shreveport/Sh	02/27/03	LT Local Issuer Credit	S&P	CCC+	B- *-	Casino Hotels
Life Insurance Co (Ala)	02/27/03	LT Local Issuer Credit	S&P	Bpi	BBpi	Life/Health Insurance
North County Insurance Co	02/27/03	LT Local Issuer Credit	S&P	Bpi	BBpi	N.A.
Scandinavian Airlines System AB	02/27/03	Subordinated Debt	Moody	Ba1 *-	Ba1	Airlines
Seminole Casualty Insurance Co	02/27/03	LT Local Issuer Credit	S&P	CCCpi	Bpi	N.A.
Shaw Group Inc/The	02/27/03	Senior Implied Issuer	Moody	Ba1 *-	Ba1	Steel Pipe&Tube
Shaw Group Inc/The	02/27/03	Senior Unsecured Debt	Moody	Ba2 *-	Ba2	Steel Pipe&Tube





Corporate Bond Spreads to US Treasury Notes with Coupons < 6.75%



Change in spread to US treasuries with coupons < 6.75% (7 Year)

	Time Period of Change			
	2 weeks	3 months	6 months	1 year
B3	6	6	17	209
B1	(7)	1	(24)	143
BB3	(134)	(150)	(180)	0
BBB3	10	(10)	(16)	10

Airline News

Responding to requests by the airline industry for government financial assistance, the Republican chairman of the House aviation subcommittee said, "While we all are sympathetic, realistically there is only so much we can do."

In February **Varig** and **TAM**, the two largest airlines in Brazil, announced they would merge to form an airline with 218 aircraft that would take 70% of the domestic market. However, the merger may never happen because Varig, Latin America's largest airline, might collapse before then. Not having been paying for its aircraft, Varig this week surrendered six B767-200s and four B737-500s and agreed to turn over three MD-11's by June. In addition, two aircraft were recently seized in Miami and Paris. The loss of the larger aircraft will crimp Varig's ability to generate revenue because they were used on international routes which make up 60% of Varig's income. Brazil's airlines are hurting like the industry generally. In addition, Brazil's airlines' incomes are in depreciating local currency while debts are in dollars.

Swiss International Air Lines Ltd., the successor to the bankrupt Swissair, lost US\$725 million in its first year of operation and is not providing guidance for '03 although the company last month predicted a loss in '03 up to 250 million swiss francs. The airline is doing OK on international routes where the load factor is 79%. On routes within Europe, the story is different. The passenger count has been falling, to around 50%, prompting the airline to reduce the fleet by another 20 aircraft on top of the eight that were parked in November. Swiss International was a combination of 52 of Swissair's aircraft and two-thirds of its airline business plus the business of Swissair's former regional subsidiary, Corsair. The "new" airline is serving 123 destinations in 60 countries, initially using 127 aircraft.

American Airlines has retained one of the big four accounting firms (not its auditor) as its management advisor. "Just in case", American reportedly is negotiating a DIP bank credit.

Harvey Miller may have retired as a partner at Weil Gotshal but he may not have orchestrated his last major chapter 11 case. Mr. Miller, now with the investment bank Greenhill & Co., reportedly has been retained by **American Airlines**. Weil Gotshal is counsel for American. AMR's 9% bonds of '12 are trading for 12 to 15 cents.

In the context of \$798 million in losses in '02 and \$1.2 billion over the last two years, **Northwest Airlines** said last month it needs to reduce costs by another \$1.5 billion annually. In response to the airline's request for rollbacks in wages and changes in work rules and benefits, the pilots' union reviewed the company's finance and concluded there is "no need to act immediately."

The CFO for **United Airlines** said that the company had a positive cash flow of \$1 million per day in January, exceeding the company's projections. (Reports did not indicate whether the positive cash flow resulted from the fact that the airline was not paying for aircraft in January.) The CFO also said that UAL would meet the covenant tests in the DIP loan agreement for the end of January. The numbers for February are not yet complete. In the event of a war, the CFO said that United will cut its schedule by 10% and may ask employees for another round of wage cuts. Monday is the deadline set by the company for reaching long term agreements with the unions on wage reductions and work rule changes. If there is no agreement, the company says it will file a motion asking the court to terminate the existing labor contracts although negotiations will continue.





Upcoming Speaking Engagements

Please join us at these upcoming financial advisory conferences:

Conference	Venue	Date	Speaker
Commercial Loan Workout Techniques: The Keys to Successful DIP Lending	The New York Helmsley Hotel, New York	March 27, 2003	Tom Thompson
Commercial Loan Workout Techniques: Resolving Sticky Intercreditor Issues	The New York Helmsley Hotel, New York	March 28, 2003	Mike Seery
Strategic Research Institute: Strategies for Effective Restructuring and Turnaround Management	The Metropolitan Hotel, New York	June 26, 2003	Mark Rubin


Recent Valuation and Fairness Opinions

Pending




**Fairness Opinion and
Financial Advisor to the
Company**

March 2003



Valuation Opinion

February 2003




Fairness Opinion

December 2002




Fairness Opinion

December 2002



**Fairness Opinion and
Financial Advisor to the
Company**


November 2002



**Diamond Holdings plc and
NTL (Triangle) LLC**


Fairness Opinion

October 2002




Fairness Opinion

August 2002



**Valuation Opinion to the
Indenture Trustee**

February 2002



Solvency Opinion

