

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 04

Week of February 18, 2005

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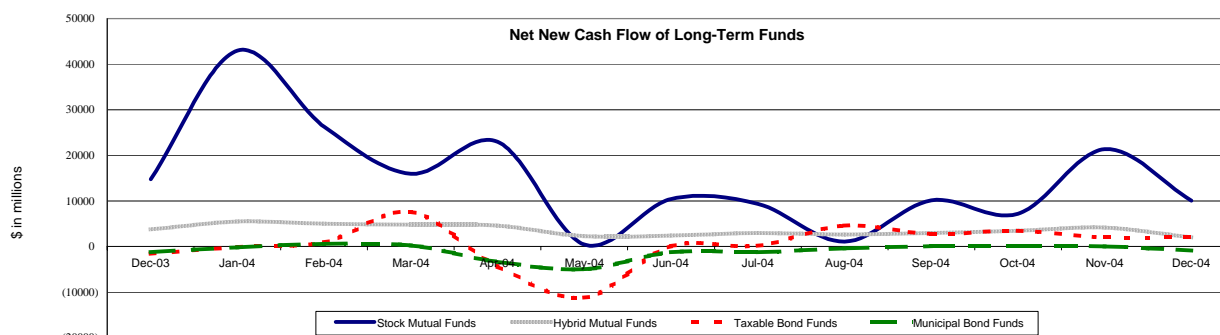
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Key Market Indicators

	February 18, 2005		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	10,754.26	10,785.22	10,837.32	10,664.11	69.09	0.64%	55.79	0.52%
Nasdaq	2,061.34	2,058.62	2,089.21	2,052.55	(28.04)	(1.34%)	(93.53)	(4.35%)
S&P 500	1,200.75	1,201.59	1,210.34	1,191.99	(1.44)	(0.12%)	(0.49)	(0.04%)
Russell 2000	631.14	630.13	638.85	625.71	(7.31)	(1.15%)	(10.31)	(1.61%)
OEX Volatility Index	11.77	11.18	12.00	11.10	(0.03)	(0.27%)	(2.90)	(20.60%)
Prime Rate	5.50%							
LIBOR	1 month	3 months	6 months	1 Year				
	2.60%	2.85%	3.08%	3.42%				

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

	Dec-04	Nov-04	Oct-04	Sep-04	Aug-04	Jul-04	Jun-04	YTD 2004
Stock Mutual Funds	\$10,023	\$21,345	\$7,169	\$10,113	\$1,089	\$9,368	\$10,397	\$177,510
Hybrid Mutual Funds	\$1,947	\$4,137	\$3,451	\$2,958	\$2,610	\$2,983	\$2,419	\$42,561
Taxable Bond Funds	\$2,047	\$2,003	\$3,470	\$2,740	\$4,565	\$126	\$62	\$3,412
Municipal Bond Funds	(\$932)	(\$6)	\$0	\$90	(\$383)	(\$1,284)	(\$1,284)	(\$13,676)



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

Index	Jan-05	Dec-04	Nov-04	Oct-04	Sep-04	Jan-05	YTD
	Level	Level	Level	Level	Level	Month Return	Return
Altman-NYU Defaulted Bank Loans Index	173.5	171.6	171.0	163.2	162.7	1.12%	1.12%
Altman-NYU Defaulted Public Bonds Index	141.8	143.4	138.3	129.6	129.0	(1.12%)	(1.12%)
Combined Bank Loan-Public Bond Index	166.3	166.3	163.0	154.2	153.6	0.01%	0.01%
S&P 500 (Dividends Reinvested)	210.2	215.4	208.4	200.2	197.2	(2.44%)	(2.44%)
Citigroup High Yield Index	197.7	198.0	195.2	193.0	189.1	(0.14%)	(0.14%)

Distressed News

Story Description	Size (\$mil)	Date	Source
United Bondholders Reach Settlement Of O'Hare Facilities \$600M Bond Issue	\$600.0	02/16/05	DBR
U.S. Postal Service Suspends Contracts With AMR and US Air	n/a	02/16/05	DBR
Stelco Inc. Gets 'Several Bids' In Capital-Raising Process	n/a	02/16/05	DBR
Footstar Inc. Seeks 45-day Extension For Ch. 11 Turnaround Plan	n/a	02/16/05	DBR
Court Approves Disclosure Statement For Trump Hotels Chapter 11 Plan	n/a	02/15/05	DBR
Adelphia's Stock and Debt Holders Allowed to Access Bidding Data	n/a	02/11/05	DBR
New U.S. Senate Bill Targets 'Venue' Shopping In Chapter 11 Cases	n/a	02/10/05	DBR

M&A Announced Transactions

Target	Acquirer	Value (\$mil)	Date	Industry
Circuit City Stores Inc	Highfields Capital Mgmt	\$3,340.3	02/15/05	Retail Trade-Home Furnishings
AMX Corp	Duchossois Industries Inc	\$274.8	02/15/05	Electronic and Electrical Equipment
Phoenix Scientific Inc	IVAX Corp	\$271.9	02/15/05	Drugs
Velocimed Inc	St Jude Medical Inc	\$82.5	02/15/05	Measuring, Medical, Photo Equipment; Clocks
MCI Inc	Verizon Communications	\$9,165.3	02/14/05	Telecommunications
CalPERS/First Washington	Investor Group	\$2,740.0	02/14/05	Real Estate; Mortgage Bankers and Brokers
DPL Inc	AlpInvest/Lexington LLC	\$850.0	02/14/05	Investment & Commodity Firms,Dealers,Exchanges

London
Suite 325, Second Floor
Berkeley Square House
London, United Kingdom W1J 6BD
Phone: 44 (0)20 7887 6088

Los Angeles
11150 Santa Monica Blvd., 6th Floor
Los Angeles, CA 90025
Phone: (310) 445-4010
Fax: (310) 445-4028

New York
330 Madison Avenue, 11th Floor
New York, NY 10017
Phone: (212) 758-2629
Fax: (212) 758-2628

www.chanin.com

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.

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M&A Announced Transactions (Continued)

Target	Acquirer	Value (\$mil)	Date	Industry
Banta Healthcare Group Ltd	Fidelity Capital Investors	\$67.0	02/14/05	Measuring, Medical, Photo Equipment; Clocks
MCI Inc	Qwest Commun Intl Inc	\$7,831.9	02/11/05	Telecommunications
Digital Impact Inc	infoUSA Inc	\$73.0	02/10/05	Business Services
Luxury Sports Clubs	Millennium Partners	\$65.0	02/10/05	Amusement and Recreation Services
Proxima Therapeutics Inc	Cytec Corp	\$160.0	02/09/05	Measuring, Medical, Photo Equipment; Clocks
Music & Arts Center	Guitar Center Inc	\$98.0	02/09/05	Retail Trade-Home Furnishings
WWHO-TV 53 & WNDY-TV 23	LIN TV Corp	\$85.0	02/09/05	Radio and Television Broadcasting Stations
Standard Life Insurance Co	Capital Assurance Corp	\$82.0	02/09/05	Insurance
Nautilus Resources LLC	BreitBurn Energy LLC	\$77.6	02/09/05	Oil and Gas; Petroleum Refining
Airprotek Gear Inc	IP Matrix Corp	\$66.2	02/09/05	Wholesale Trade-Durable Goods
American Tire Distributors Inc	Investcorp International Inc	\$710.0	02/08/05	Rubber and Miscellaneous Plastic Products
Wembley Inc	BLB Investors LLC	\$339.0	02/08/05	Amusement and Recreation Services
August Technology Corp	KLA-Tencor Corp	\$213.1	02/08/05	Measuring, Medical, Photo Equipment; Clocks
Binax Inc	Inverness Med Innovations	\$55.9	02/08/05	Measuring, Medical, Photo Equipment; Clocks
Varian Inc	Jabil Circuit Inc	\$195.0	02/07/05	Electronic and Electrical Equipment
Appro Systems Inc	Equifax Inc	\$92.0	02/07/05	Prepackaged Software
Undisclosed Natural Gas Co	Petrohawk Energy Corp	\$53.0	02/07/05	Oil and Gas; Petroleum Refining
Syrxx Inc	Takeda Pharmaceutical	\$270.0	02/05/05	Drugs
Golden Nugget Hotel	Landry's Restaurants Inc	\$295.0	02/04/05	Hotels and Casinos
John Q Hammons Hotels Inc	Investor Group	\$158.5	02/04/05	Hotels and Casinos
KMC Telecom Holdings Inc	CenturyTel Inc	\$65.0	02/03/05	Telecommunications

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Royal & Sun Alliance Insurance	02/17/05	JR Subordinated Debt	Moody's	Ba2 *+	Ba2	Property/Casualty Ins
Royal & Sun Alliance Insurance	02/17/05	Subordinated Debt	Moody's	Ba2 *+	Ba2	Property/Casualty Ins
HealthTronics Inc	02/16/05	Bank Loan Debt	Moody's	Ba3	B1	Medical Products
Huntsman LLC	02/16/05	Bank Loan Debt	Moody's	Ba3	B1 *+	Chemicals-Diversified
Polypore Inc	02/16/05	Bank Loan Debt	Moody's	B1	B1 *	Filtration/Separat Prod
Bombardier Recreational Products	02/16/05	LT Local Issuer Credit	S&P	B+ *+	B+	Leisure&Rec Products
Prestige Brands Inc	02/16/05	LT Local Issuer Credit	S&P	B+	B *+	Consumer Products-Misc
Huntsman Advanced Materials	02/16/05	Senior Implied Issuer	Moody's	Ba3	B2 *+	Special Purpose Entity
Huntsman International Holdings	02/16/05	Senior Implied Issuer	Moody's	B1	B2 *+	Chemicals-Specialty
Huntsman LLC	02/16/05	Senior Implied Issuer	Moody's	B1	B2 *+	Chemicals-Diversified
Huntsman Advanced Materials	02/16/05	Senior Secured Debt	Moody's	Ba3	B2 *+	Special Purpose Entity
Huntsman LLC	02/16/05	Senior Secured Debt	Moody's	B1	B2 *+	Chemicals-Diversified
Huntsman International LLC	02/16/05	Senior Subordinate	Moody's	B3	Caa1 *+	Chemicals-Specialty
Polypore Inc	02/16/05	Senior Subordinate	Moody's	Caa1	Caa1 *	Filtration/Separat Prod
Huntsman International Holdings	02/16/05	Senior Unsecured Debt	Moody's	B3	Caa2 *+	Chemicals-Specialty
Huntsman International LLC	02/16/05	Senior Unsecured Debt	Moody's	B2	B3 *+	Chemicals-Specialty
Huntsman LLC	02/16/05	Senior Unsecured Debt	Moody's	B2	B3 *+	Chemicals-Diversified
Herbalife Ltd	02/15/05	Senior Unsecured Debt	Moody's	B2	B3 *+	Vitamins&Nutrition Prod
Sanmina-SCI Corp	02/15/05	Subordinated Debt	Moody's	B1	WR	Electronic Compo-Misc
AES Corp	02/14/05	Bank Loan Debt	Moody's	Ba2	Ba3 *+	Electric-Generation
AES Corp	02/14/05	JR Subordinated Debt	Moody's	B2	B3 *+	Electric-Generation
Dayton Power & Light Co	02/14/05	LT Local Issuer Credit	S&P	BB- *+	BB-	Electric-Integrated
DPL Inc	02/14/05	LT Local Issuer Credit	S&P	BB- *+	BB-	Electric-Integrated
MCI Inc	02/14/05	LT Local Issuer Credit	S&P	B+ *+	B+	Telephone-Integrated
AES Corp	02/14/05	Senior Implied Issuer	Moody's	Ba3	B1 *+	Electric-Generation
AK Steel Corp	02/14/05	Senior Implied Issuer	Moody's	B1	B2	Steel-Producers
MCI Inc	02/14/05	Senior Implied Issuer	Moody's	B2 *+	B2	Telephone-Integrated
Pilgrim's Pride Corp	02/14/05	Senior Implied Issuer	Moody's	Ba2	Ba3	Poultry
AES Corp	02/14/05	Senior Subordinate	Moody's	B2	B3 *+	Electric-Generation
Pilgrim's Pride Corp	02/14/05	Senior Subordinate	Moody's	Ba3	B2	Poultry
AES Corp	02/14/05	Senior Unsecured Debt	Moody's	B1	B2 *+	Electric-Generation
AK Steel Corp	02/14/05	Senior Unsecured Debt	Moody's	B1	B3	Steel-Producers
MCI Inc	02/14/05	Senior Unsecured Debt	Moody's	B2 *+	B2	Telephone-Integrated
Pilgrim's Pride Corp	02/14/05	Senior Unsecured Debt	Moody's	Ba2	B1	Poultry
Herbalife International Inc	02/11/05	LT Local Issuer Credit	S&P	BB	BB- *+	Vitamins&Nutrition Prod
Herbalife Ltd	02/11/05	LT Local Issuer Credit	S&P	BB	BB- *+	Vitamins&Nutrition Prod
Huntsman Advanced Materials	02/11/05	LT Local Issuer Credit	S&P	BB-	B *+	Special Purpose Entity
Huntsman International LLC	02/11/05	LT Local Issuer Credit	S&P	BB-	WR	Chemicals-Specialty
Huntsman LLC	02/11/05	LT Local Issuer Credit	S&P	BB-	B *+	Chemicals-Diversified
Interpool Inc	02/11/05	LT Local Issuer Credit	S&P	BB	BB *	Transport-Equip&Leasng
Overseas Shipholding Group	02/11/05	LT Local Issuer Credit	S&P	BB+	BB+ *	Transport-Marine
Kamps AG	02/11/05	Senior Implied Issuer	Moody's	B2	B2 *	Food-Baking
Kamps AG	02/11/05	Senior Unsecured Debt	Moody's	B2	B2 *	Food-Baking
HMP Equity Holdings Corp	02/10/05	LT Local Issuer Credit	S&P	BB	B *+	Chemicals-Specialty
Huntsman International Holdings	02/10/05	LT Local Issuer Credit	S&P	BB-	B *+	Chemicals-Specialty
Joy Global Inc	02/10/05	LT Local Issuer Credit	S&P	BB+	BB *+	Machinery-Constr&Mining

CHANIN CAPITAL PARTNERS

London
44.0.20.7887.6088Los Angeles
310.445.4010New York
212.758.2629

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Rural/Metro Corp	02/09/05	LT Local Issuer Credit	S&P	B	WR	Protection-Safety
Rural/Metro Corp	02/09/05	Senior Implied Issuer	Moody's	B2	B3	Protection-Safety
Semcrude LP	02/08/05	Bank Loan Debt	Moody's	Ba2	Ba3	Pipelines
Tucson Electric Power	02/08/05	Bank Loan Debt	Moody's	Ba2 *+	Ba2	Electric-Integrated
Actuant Corp	02/08/05	LT Local Issuer Credit	S&P	BB	BB *	Diversified Manufact Op
Corning Inc	02/08/05	LT Local Issuer Credit	S&P	BB+ *+	BB+	Telecom Eq Fiber Optics
Levi Strauss & Co	02/08/05	LT Local Issuer Credit	S&P	CCC *+	CCC	Apparel Manufacturers
Manila Electric Co	02/08/05	LT Local Issuer Credit	S&P	B-	CC *	Electric-Distribution
Overseas Shipholding Group	02/08/05	Senior Implied Issuer	Moody's	Ba1	Ba1 *	Transport-Marine
SemGroup LP	02/08/05	Senior Implied Issuer	Moody's	Ba3	B1	Pipelines
Tucson Electric Power	02/08/05	Senior Secured Debt	Moody's	Ba2 *+	Ba2	Electric-Integrated
MEI Euro Finance Ltd	02/08/05	Senior Unsecured Debt	Moody's	B2	B3	Oil Comp-Explor&Prodn
Overseas Shipholding Group	02/08/05	Senior Unsecured Debt	Moody's	Ba1	Ba1 *	Transport-Marine
American Lawyer Media Inc	02/07/05	Bank Loan Debt	Moody's	B3	WR	Publishing-Periodicals
Itochu Corp	02/07/05	Local Currency LT Debt	Moody's	Ba1 *+	Ba1	Import/Export
Rostelecom	02/07/05	LT Local Issuer Credit	S&P	B+	B	Telephone-Integrated
Madison River Capital LLC	02/07/05	Senior Implied Issuer	Moody's	B1	B2	Finance-Other Services
Itochu International Inc	02/07/05	Senior Unsecured Debt	Moody's	Ba2 *+	Ba2	Distribution/Wholesale
Madison River Capital LLC	02/07/05	Senior Unsecured Debt	Moody's	B3	Caa1	Finance-Other Services
Marubeni Corp	02/07/05	Senior Unsecured Debt	Moody's	Ba2 *+	Ba2	Import/Export
Marubeni International Finance Plc	02/07/05	Senior Unsecured Debt	Moody's	Ba3 *+	Ba3	Invest Mgmt/Advis Serv
Nissho Iwai Corp	02/07/05	Senior Unsecured Debt	Moody's	Ba2	Ba3 *+	Import/Export
Nissho Iwai International	02/07/05	Senior Unsecured Debt	Moody's	Ba3	B1 *+	Import/Export
Sojitz Corp	02/07/05	Senior Unsecured Debt	Moody's	Ba2	Ba3 *+	Import/Export
Hexcel Corp	02/04/05	Bank Loan Debt	Moody's	B2	WR	Advanced Materials/Prd
IMC Global Inc	02/04/05	Bank Loan Debt	Moody's	Ba2	Ba3 *+	Agricultural Chemicals
American Lawyer Media Inc	02/04/05	LT Local Issuer Credit	S&P	CCC *+	CCC	Publishing-Periodicals
Equistar Chemicals LP	02/04/05	LT Local Issuer Credit	S&P	B+ *+	B+	Chemicals-Specialty
Lyondell Chemical Co	02/04/05	LT Local Issuer Credit	S&P	B+ *+	B+	Chemicals-Diversified
Millennium Chemicals Inc	02/04/05	LT Local Issuer Credit	S&P	B+ *+	B+	Chemicals-Specialty
Steel Dynamics Inc	02/04/05	LT Local Issuer Credit	S&P	BB	BB-	Steel-Producers
Ahold Finance BV	02/04/05	Senior Unsecured Debt	Moody's	Ba2	Ba3	Food-Retail
IMC Global Inc	02/04/05	Senior Unsecured Debt	Moody's	Ba3	B1 *+	Agricultural Chemicals
Koninklijke Ahold NV	02/04/05	Senior Unsecured Debt	Moody's	Ba2	Ba3	Food-Retail
Phosphate Resource Partners LP	02/04/05	Senior Unsecured Debt	Moody's	Ba3	Caa1 *+	Agricultural Chemicals
Ahold Finance BV	02/04/05	Subordinated Debt	Moody's	Ba3	B1	Food-Retail
Koninklijke Ahold NV	02/04/05	Subordinated Debt	Moody's	Ba3	B1	Food-Retail
AirGate PCS Inc	02/03/05	LT Local Issuer Credit	S&P	B-	CCC+	Cellular Telecom
Alamosa Holdings Inc	02/03/05	LT Local Issuer Credit	S&P	B-	CCC+	Cellular Telecom
PMA Capital Corp	02/03/05	LT Local Issuer Credit	S&P	B	CC *+	Property/Casualty Ins
Radio One Inc	02/03/05	LT Local Issuer Credit	S&P	B+ *+	B+	Radio

High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Trimas Corp	02/17/05	LT Local Issuer Credit	S&P	B+	BB- *	Metal Processors&Fabrica
Allied Waste North America	02/16/05	Bank Loan Debt	Moody's	B1 *	B1	Non-hazardous Waste Disp
Great Lakes Dredge & Dock Corp	02/16/05	Bank Loan Debt	Moody's	B3	B2 *	Marine Services
American Color Graphics Inc	02/16/05	LT Local Issuer Credit	S&P	CCC+	B	Printing-Commercial
Hilite International Inc	02/16/05	LT Local Issuer Credit	S&P	BB- *	BB-	Auto/Trk Prts&Equip-Orig
Madison River Telephone Co	02/16/05	LT Local Issuer Credit	S&P	B	B *	Telephone-Integrated
MedQuest Inc	02/16/05	LT Local Issuer Credit	S&P	B+ *	B+	Medical Instruments
MQ Associates Inc	02/16/05	LT Local Issuer Credit	S&P	B+ *	B+	Medical Instruments
Allied Waste Industries Inc	02/16/05	Senior Implied Issuer	Moody's	B2 *	B2	Non-hazardous Waste Disp
Globe Telecom Inc	02/16/05	Senior Implied Issuer	Moody's	Ba3	Ba2 *	Telecom Services
Great Lakes Dredge & Dock Corp	02/16/05	Senior Implied Issuer	Moody's	B3	B2 *	Marine Services
Allied Waste North America	02/16/05	Senior Secured Debt	Moody's	B2 *	B2	Non-hazardous Waste Disp
Browning-Ferris Industries Inc	02/16/05	Senior Secured Debt	Moody's	B2 *	B2	Non-hazardous Waste Disp
Northeast Generation Co	02/16/05	Senior Secured Debt	Moody's	Ba1	Baa3 *	Electric-Generation
Allied Waste Industries Inc	02/16/05	Senior Subordinate	Moody's	Caa2 *	Caa2	Non-hazardous Waste Disp
Allied Waste North America	02/16/05	Senior Subordinate	Moody's	Caa2 *	Caa2	Non-hazardous Waste Disp
Allied Waste North America	02/16/05	Senior Unsecured Debt	Moody's	Caa1 *	Caa1	Non-hazardous Waste Disp
Banco de Oro Universal Bank	02/16/05	Senior Unsecured Debt	Moody's	B1	Ba2 *	Commer Banks Non-US
Globe Telecom Inc	02/16/05	Senior Unsecured Debt	Moody's	Ba3	Ba2 *	Telecom Services
National Power Corp	02/16/05	Senior Unsecured Debt	Moody's	B1	Ba2 *	Electric-Generation
Equitable PCI Bank	02/16/05	Subordinated Debt	Moody's	B1	Ba2 *	Commer Banks Non-US
Great Lakes Dredge & Dock Corp	02/16/05	Subordinated Debt	Moody's	Caa3	Caa2 *	Marine Services
Metropolitan Bank & Trust	02/16/05	Subordinated Debt	Moody's	B1	Ba2 *	Commer Banks Non-US
Herbalife International Inc	02/15/05	Bank Loan Debt	Moody's	Ba3	Ba3 *+	Vitamins&Nutrition Prod
Avio Holding SpA	02/15/05	LT Local Issuer Credit	S&P	B	B+	Specified Purpose Acquis
Plastech Engineered Products Inc	02/15/05	LT Local Issuer Credit	S&P	BB- *	BB-	Auto/Trk Prts&Equip-Orig

CHANIN CAPITAL PARTNERS

London
44.0.20.7887.6088Los Angeles
310.445.4010New York
212.758.2629

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Herbalife Ltd	02/15/05	Senior Implied Issuer	Moody's	Ba3	Ba3 *	Vitamins&Nutrition Prod
American & Foreign Power	02/14/05	LT Local Issuer Credit	S&P	BB *	BB	Paper&Related Products
Meridian Automotive Systems Inc	02/14/05	LT Local Issuer Credit	S&P	CCC+	B+	Auto/Trk Prts&Equip-Orig
OfficeMax Inc	02/14/05	LT Local Issuer Credit	S&P	BB *	BB	Retail-Office Supplies
Omnova Solutions Inc	02/14/05	LT Local Issuer Credit	S&P	B *	B+	Chemicals-Specialty
Worldspan LP	02/14/05	LT Local Issuer Credit	S&P	B	B+	Travel Services
Avio Holding SpA	02/14/05	Senior Implied Issuer	Moody's	Ba3 *	Ba3	Specified Purpose Acquis
Winn-Dixie Stores Inc	02/14/05	Senior Implied Issuer	Moody's	Caa1	B1	Food-Retail
Winn-Dixie Stores Inc	02/14/05	Senior Unsecured Debt	Moody's	Caa3	B3	Food-Retail
Liberty Group Operating Inc	02/11/05	Bank Loan Debt	Moody's	B2	B1	Publishing-Newspapers
Nortek Inc	02/11/05	Bank Loan Debt	Moody's	B2	B1	Bldg&Construct Prod-Misc
Bally Total Fitness Holding Corp	02/11/05	LT Local Issuer Credit	S&P	CCC+	B-	Recreational Centers
Winn-Dixie Stores Inc	02/11/05	LT Local Issuer Credit	S&P	CCC	B-	Food-Retail
Nortek Inc	02/11/05	Subordinated Debt	Moody's	Caa1	B3	Bldg&Construct Prod-Misc
Eco-Bat Technologies Plc	02/10/05	LT Local Issuer Credit	S&P	B	B+	Bldg&Construct Prod-Misc
Nortek Inc	02/10/05	LT Local Issuer Credit	S&P	B	B+	Bldg&Construct Prod-Misc
Paxson Communications Corp	02/10/05	LT Local Issuer Credit	S&P	CCC+	B-	Television
Star Gas Partners LP	02/10/05	LT Local Issuer Credit	S&P	CCC+ *	B *	Retail-Propane Distrib
Concordia Bus AB	02/10/05	Senior Implied Issuer	Moody's	Caa3	Caa1 *	Transport-Services
Muzak Holdings LLC	02/10/05	Senior Implied Issuer	Moody's	Caa1	B3	Telecom Services
Concordia Bus AB	02/10/05	Senior Subordinate	Moody's	Ca	Caa3 *	Transport-Services
Muzak LLC	02/10/05	Senior Subordinate	Moody's	Ca	Caa2	Telecom Services
Muzak Holdings LLC	02/10/05	Senior Unsecured Debt	Moody's	C	Ca	Telecom Services
Muzak LLC	02/10/05	Senior Unsecured Debt	Moody's	Caa2	Caa1	Telecom Services
Bally Total Fitness Holding Corp	02/09/05	Bank Loan Debt	Moody's	B3	B2 *	Recreational Centers
Blockbuster Inc	02/09/05	Bank Loan Debt	Moody's	Ba2 *	Ba2	Retail-Video Rental
Hamaca Holding LLC	02/09/05	Bank Loan Debt	Moody's	B1	B1 *	N.A.
Jarden Corp	02/09/05	Bank Loan Debt	Moody's	B1	Ba3 *	Consumer Products-Misc
Sincrudos de Oriente Sincor CA	02/09/05	Bank Loan Debt	Moody's	B1	B1 *	N.A.
Bally Total Fitness Holding Corp	02/09/05	Senior Implied Issuer	Moody's	Caa1	B3 *	Recreational Centers
Blockbuster Inc	02/09/05	Senior Implied Issuer	Moody's	Ba2 *	Ba2	Retail-Video Rental
Jarden Corp	02/09/05	Senior Implied Issuer	Moody's	B1	Ba3 *	Consumer Products-Misc
Cerro Negro Finance Ltd	02/09/05	Senior Secured Debt	Moody's	B1	B1 *	Oil Comp-Integrated
Petrozuata Finance Inc	02/09/05	Senior Secured Debt	Moody's	B1	B1 *	Oil Comp-Integrated
Blockbuster Inc	02/09/05	Senior Subordinate	Moody's	B1 *	B1	Retail-Video Rental
Jarden Corp	02/09/05	Senior Subordinate	Moody's	B3	B2 *	Consumer Products-Misc
Bally Total Fitness Holding Corp	02/09/05	Senior Unsecured Debt	Moody's	Caa1	B3 *	Recreational Centers
Health Net Inc	02/09/05	Senior Unsecured Debt	Moody's	Ba1 *	Ba1	Medical-HMO
Bally Total Fitness Holding Corp	02/09/05	Subordinated Debt	Moody's	Ca	Caa2 *	Recreational Centers
EaglePicher Holdings Inc	02/08/05	LT Local Issuer Credit	S&P	B *	B+ *	Diversified Manufact Op
Health Net Inc	02/08/05	LT Local Issuer Credit	S&P	BB+ *	BB+	Medical-HMO
Riggs National Corp	02/08/05	Subordinated Debt	Moody's	B2 *	B1 *	Commer Banks-Eastern US
Sanitec Ltd Oy	02/07/05	Bank Loan Debt	Moody's	B1 *	B1	Bldg&Construct Prod-Misc
Danka Business Systems PLC	02/07/05	LT Local Issuer Credit	S&P	B	B+	Office Automation&Equip
Innophos Inc	02/07/05	LT Local Issuer Credit	S&P	B	B+ *	Chemicals-Other
O'Sullivan Industries Inc	02/07/05	LT Local Issuer Credit	S&P	CCC+	B-	Home Furnishings
Sanitec International SA	02/07/05	Senior Implied Issuer	Moody's	B1 *	B1	Special Purpose Entity
Sanitec International SA	02/07/05	Senior Secured Debt	Moody's	B3 *	B3	Special Purpose Entity
Innophos Inc	02/04/05	Bank Loan Debt	Moody's	B2	B1	Chemicals-Other
Schefenacker AG	02/04/05	Bank Loan Debt	Moody's	B2	Ba3 *	Auto/Trk Prts&Equip-Orig
GenTek Inc	02/04/05	LT Local Issuer Credit	S&P	B+	BB *	Diversified Manufact Op
Sanitec International SA	02/04/05	LT Local Issuer Credit	S&P	B+ *	B+	Bldg&Construct Prod-Misc
Celestica Inc	02/04/05	Senior Implied Issuer	Moody's	Ba3	Ba2 *	Electronic Compo-Misc
Oriental Trading Co	02/04/05	Senior Implied Issuer	Moody's	B2	B1	Toys
Schefenacker AG	02/04/05	Senior Implied Issuer	Moody's	B2	Ba3 *	Auto/Trk Prts&Equip-Orig
Celestica Inc	02/04/05	Senior Subordinate	Moody's	B2	Ba3 *	Electronic Compo-Misc
Innophos Inc	02/04/05	Senior Subordinate	Moody's	Caa1	B3	Chemicals-Other
Schefenacker AG	02/04/05	Senior Subordinate	Moody's	Caa1	B2 *	Auto/Trk Prts&Equip-Orig
K&F Industries Inc	02/03/05	Bank Loan Debt	Moody's	B2	Ba3	Aerospace/Defense-Equip
Russian Standard Bank	02/03/05	Long Term Bank Deposits	Moody's	Ba3	Ba3 *	Commer Banks Non-US
NDCHHealth Corp	02/03/05	LT Local Issuer Credit	S&P	CCC *	B *	Medical Information Sys
Tommy Hilfiger USA	02/03/05	LT Local Issuer Credit	S&P	BB *	BB *	Apparel Manufacturers
Intelsat Ltd	02/03/05	Senior Implied Issuer	Moody's	B2	B1	Satellite Telecom
Intelsat Ltd	02/03/05	Senior Unsecured Debt	Moody's	Caa1	B3	Satellite Telecom
Russian Standard Bank	02/03/05	Senior Unsecured Debt	Moody's	Ba3	Ba3 *	Commer Banks Non-US
K&F Industries Inc	02/03/05	Subordinated Debt	Moody's	Caa1	B3 *	Aerospace/Defense-Equip

CHANIN CAPITAL PARTNERS

London
44.0.20.7887.6088

Los Angeles
310.445.4010

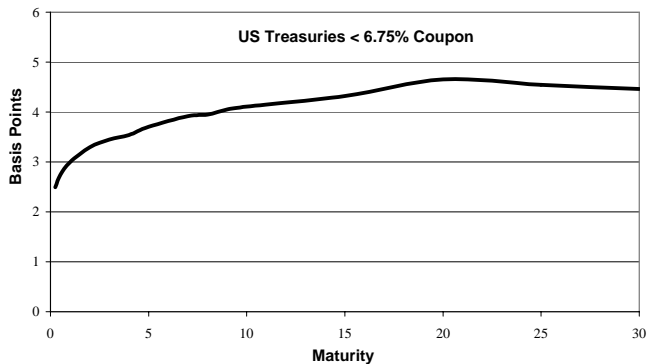
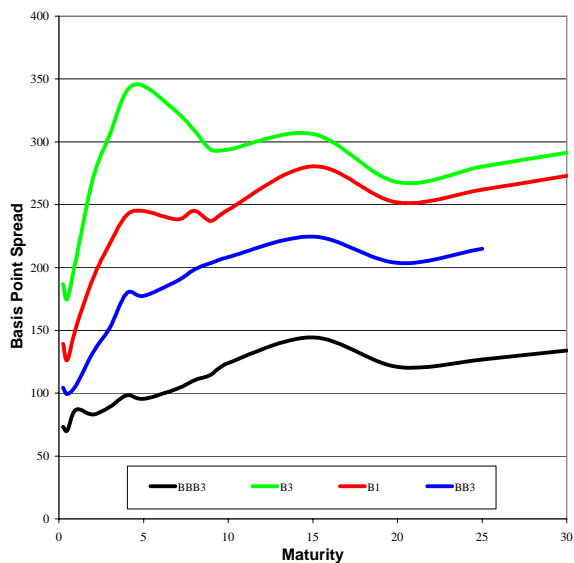
New York
212.758.2629

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 04

Week of February 18, 2005

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	(10)	(62)	(121)	(157)
B1	(13)	(14)	(65)	(83)
BB3	(14)	(8)	(70)	(69)
BBB3	(11)	(7)	(20)	(31)

CHANIN CAPITAL PARTNERS

London
44.0.20.7887.6088

Los Angeles
310.445.4010

New York
212.758.2629

Resources. Experience. Results.

Chanin Capital Partners represented the Official Committee of Unsecured Creditors (the "Committee") in connection with the bankruptcy filing and sale of Mississippi Chemical Corporation ("Mississippi Chemical" or the "Company") to Terra Industries, Inc. ("Terra").

Mississippi Chemical is one of the largest manufacturers and marketers of agricultural-grade ammonium nitrate fertilizer in the United States.

On May 15, 2003, Mississippi Chemical filed for Chapter 11 in the United States Bankruptcy Court, Southern District of Mississippi, after missing the coupon payment on its Senior Notes.

> The Company's liquidity crisis was caused by a prolonged cyclical downturn for its products coupled with high raw materials costs (primarily natural gas).

As Financial Advisor to the Committee, Chanin assisted in arranging an alternative \$160 million DIP Facility for the Company so that it could take out the existing secured lenders and retain its 50% interest in its very profitable Trinidad ammonia plant.

On August 9, 2004, the Company entered into an agreement under which Terra would acquire Mississippi Chemical. Chanin played an integral part in the negotiations between Terra and the Company in this transaction.

On December 21, 2004, Terra completed the acquisition of Mississippi Chemical for approximately \$350 million. As part of the transaction, Terra issued common and preferred stock to Mississippi Chemical's Unsecured Creditors with an estimated closing value of approximately \$160 million.

> Chanin also negotiated the transfer of the Company's Phosphates business to certain Unsecured Creditors as a final hurdle to the completion of the Terra acquisition.

December 2004



Financial Advisor to the Official Committee of Unsecured Creditors in connection with the sale of substantially all of the Company's nitrogen assets to Terra Industries, Inc., and its Chapter 11 restructuring of approximately \$400 million in aggregate liabilities

Since the filing, Mississippi Chemical's \$200 million of 7.25% Senior Notes due 2017 rallied from 8% to approximately 73% of face value as of December 31, 2004, a nine-fold increase.

In January 2005, at the conclusion of the case, the Committee filed an application with the court seeking a special fee enhancement for Chanin. In the application, the Committee characterized Chanin's efforts and the results achieved as "...well beyond the expectations of the Committee, both in terms of the amount and the timing of creditor recoveries."

Restructuring Group Contacts

LOS ANGELES

Russ Belinsky
Senior Managing Director
rbelinsky@chanin.com

Skip Victor
Senior Managing Director
svictor@chanin.com

NEW YORK

Mark Rubin
Managing Director
mrubin@chanin.com

Mike Seery
Senior Vice President
mseery@chanin.com

CHANIN CAPITAL PARTNERS

London
44.0.20.7887.6088

Los Angeles
310.445.4010

New York
212.758.2629