

# HIGH YIELD & DISTRESSED MARKET REVIEW



Issue 15

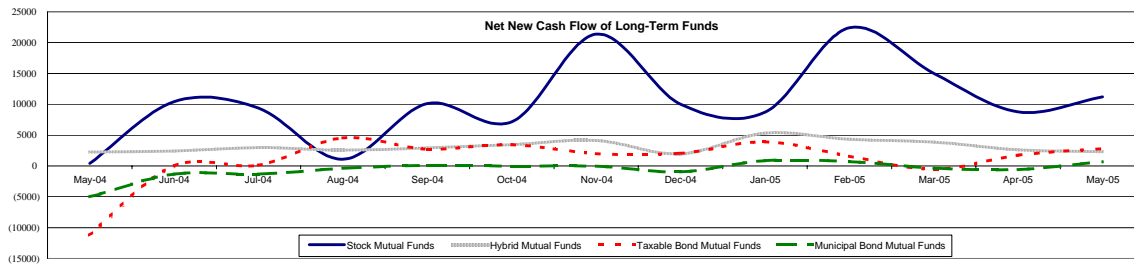
Week ending July 22, 2005

## Key Market Indicators

	July 22, 2005		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	10,627.77	10,651.18	10,689.15	10,513.89	202.04	1.93%	(131.83)	(1.31%)
Nasdaq	2,178.60	2,179.74	2,188.57	2,135.43	66.86	3.16%	4.30	0.20%
S&P 500	1,227.04	1,233.68	1,235.20	1,219.44	21.82	1.80%	21.76	1.80%
Russell 2000	667.10	677.78	677.78	658.56	15.64	0.02	26.21	4.02%
OEX Volatility Index	10.97	10.52	11.28	10.23	(0.93)	(8.12%)	(2.77)	(20.84%)
Prime Rate	6.25%							
	1 month	3 months	6 months	1 Year				
LIBOR	3.46%	3.66%	3.88%	4.12%				

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

	May-05	Apr-05	Mar-05	Feb-05	Jan-05	Dec-04	Nov-04	YTD 2005
Stock Mutual Funds	\$11,189	\$8,755	\$14,986	\$22,431	\$8,718	\$10,023	\$21,345	\$67,352
Hybrid Mutual Funds	\$2,337	\$2,621	\$3,862	\$4,337	\$5,348	\$1,947	\$4,137	\$18,270
Taxable Bond Funds	\$2,858	\$1,780	(\$505)	\$1,576	\$3,957	\$2,047	\$2,003	\$9,242
Municipal Bond Funds	\$697	(\$596)	(\$295)	\$741	\$870	(\$932)	(\$6)	\$1,386



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

Index	Jun-05 Level	May-05 Level	Apr-05 Level	Mar-05 Level	Feb-05 Level	Jun-05 Return	YTD Return
Altman-NYU Defaulted Bank Loans Index	171.7	170.2	170.8	173.1	175.9	0.90%	0.04%
Altman-NYU Defaulted Public Bonds Index	138.2	137.9	138.8	141.0	143.4	0.20%	(3.66%)
Combined Bank Loan-Public Bond Index	163.3	163.2	163.2	165.6	168.3	0.55%	(1.82%)
S&P 500 (Dividends Reinvested)	213.3	213.0	206.8	210.8	214.6	0.14%	(0.99%)
Citigroup High Yield Index	199.7	196.4	192.4	195.1	197.0	1.68%	0.82%

## Distressed News

Story Description	Size (\$mil)	Date	Source
EaglePicher Inc. is asking for bankruptcy court approval to spend \$7.9 million on an employee bonus plan	\$7.9	7/21/2005	DBR
Winn-Dixie reached an agreement to sell 102 stores to 30 buyers for around \$45.6 million	\$45.6	7/20/2005	DBR
Stelco Inc. proposed a restructuring plan that is expected to face union opposition	n/a	7/19/2005	DBR
United Airlines gets court approval for \$310 million in new financing	\$310.0	7/18/2005	DBR
W.R. Grace gets court approval to spend \$11.8 million on its long-term incentive plan	\$11.8	7/15/2005	DBR
Creditors of Enron Corp. oppose the \$25 million success fee for its turnaround firm	\$25.0	7/13/2005	DBR
United Airlines plans to call back 1451 flight attendants in 2005	n/a	7/12/2005	DBR

## M&A Announced Transactions

Target	Date	Acquirer	Value (\$mil)	Industry
Priority Healthcare Corp	7/21/2005	Express Scripts Inc	\$1,268.2	Health Services
LifeCare Management Services	7/21/2005	Carlyle Group	\$555.0	Health Services
H Street Building Corp	7/21/2005	Vornado Realty Trust	\$246.6	Real Estate; Mortgage Bankers and Brokers
Lenox Inc	7/21/2005	Department 56 Inc	\$190.0	Stone, Clay, Glass, and Concrete Products
Figuroa at Wilshire	7/20/2005	Trizec Properties Inc	\$356.7	Real Estate; Mortgage Bankers and Brokers
Guilford Pharmaceuticals Inc	7/20/2005	MGI PHARMA Inc	\$210.7	Drugs
SRC Software	7/20/2005	Business Objects SA	\$100.0	Prepackaged Software
New Plan Excel Realty-Shopping	7/19/2005	Galileo America LLC	\$980.0	Real Estate; Mortgage Bankers and Brokers
Medicine Bow Energy Corp	7/19/2005	El Paso Production Holding Co	\$814.0	Oil and Gas; Petroleum Refining
Undisclosed Retirement Home	7/19/2005	Investor Group	\$232.0	Health Services

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## M&A Announced Transactions (Continued)

Target	Date	Acquirer	Value (\$mil)	Industry
Quintiles-Business Units	7/19/2005	Aptuit Inc	\$125.0	Drugs
Falcon Gas Storage Co Inc	7/19/2005	GAStorage Investment LLC	\$100.0	Oil and Gas; Petroleum Refining
Intermix Media Inc	7/18/2005	News Corp Inc	\$580.0	Business Services
Emory-Emtriva Brand Rights	7/18/2005	Investor Group	\$525.0	Drugs
Lycoc Energy Corp	7/18/2005	Enerplus Resources Fund	\$421.0	Oil and Gas; Petroleum Refining
Fox Plaza, Century City	7/18/2005	Archstone-Smith Trust	\$147.5	Real Estate; Mortgage Bankers and Brokers
Maytag Corp	7/17/2005	Whirlpool Corp	\$2,323.9	Electronic and Electrical Equipment
GeoLogistics Corp	7/15/2005	PWC Logistics Pte Ltd	\$454.0	Transportation and Shipping (except air)
Fairmont Chicago Hotel	7/15/2005	Strategic Hotel Capital Inc	\$154.7	Hotels and Casinos
Bristol-Myers Squibb Co-US	7/14/2005	Novartis AG	\$660.0	Drugs
HCA Inc-Rural Hospitals	7/14/2005	LifePoint Hospitals Inc	\$285.0	Hotels and Casinos
Correctional Services Corp	7/14/2005	Geo Group Inc	\$186.0	Public Administration
MacGregor Group Inc	7/13/2005	Investment Technology Grp Inc	\$230.0	Prepackaged Software
Aerojet Fine Chemicals LLC	7/13/2005	American Pacific Corp	\$119.0	Drugs
Hudson United Bancorp	7/12/2005	TD Banknorth Inc,Portland,ME	\$1,928.1	Commercial Banks, Bank Holding Companies
EPI Corp-Nursing	7/12/2005	United Rehab LLC	\$180.0	Health Services
US Unwired Inc	7/11/2005	Sprint Corp	\$1,325.3	Telecommunications
Southern Star Pipeline	7/11/2005	Investor Group	\$838.0	Electric, Gas, and Water Distribution
Helix Technology Corp	7/11/2005	Brooks Automation Inc	\$453.7	Machinery
ExcellerRx Inc	7/11/2005	Omnicare Inc	\$268.8	Wholesale Trade-Nondurable Goods
D&K Healthcare Resources Inc	7/11/2005	McKesson Corp	\$212.2	Wholesale Trade-Nondurable Goods
Stagecoach Natural Gas Storage	7/11/2005	Inergy LP	\$205.0	Electric, Gas, and Water Distribution
AVAD LLC-Certain Assets	7/11/2005	Ingram Micro Inc	\$200.0	Wholesale Trade-Durable Goods
Altec Lansing Technologies Inc	7/11/2005	Plantronics Inc	\$166.0	Electronic and Electrical Equipment
IMS Health Inc	7/10/2005	VNU NV	\$6,597.1	Business Services
WPT Enterprises Inc	7/8/2005	Investor Group	\$700.0	Motion Picture Production and Distribution
EAB Plaza	7/8/2005	Reckson Associates Realty Corp	\$240.0	Construction Firms
Cornerstone Healthcare Group	7/8/2005	JW Childs Associates LP	\$160.0	Health Services
Norwesco Inc	7/8/2005	Allied Capital Corp	\$160.0	Rubber and Miscellaneous Plastic Products

## High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Nevada Power Co	7/21/2005	Bank Loan Debt	Moody's	Ba2 *+	Ba2	Electric-Integrated
Sierra Pacific Power Co	7/21/2005	Bank Loan Debt	Moody's	Ba2 *+	Ba2	Electric-Integrated
Blount Inc	7/21/2005	LT Local Issuer Credit	S&P	BB-	B+	Diversified Manufact Op
Globo Comunicacoes e Participacoes SA	7/21/2005	LT Local Issuer Credit	S&P	CCC- *+	D	Telecom Services
OJSC Oil Co Rosneft	7/21/2005	LT Local Issuer Credit	S&P	B-	B- *	Oil Comp-Integrated
Safilo SpA	7/21/2005	LT Local Issuer Credit	S&P	B	B *	Optical Supplies
TV Globo Ltda	7/21/2005	LT Local Issuer Credit	S&P	CCC- *+	D	N.A.
Nevada Power Co	7/21/2005	Senior Secured Debt	Moody's	Ba2 *+	Ba2	Electric-Integrated
Sierra Pacific Power Co	7/21/2005	Senior Secured Debt	Moody's	Ba2 *+	Ba2	Electric-Integrated
DPL Inc	7/21/2005	Senior Unsecured Debt	Moody's	Ba1	Ba2 *+	Electric-Integrated
Sierra Pacific Resources	7/21/2005	Senior Unsecured Debt	Moody's	B2 *+	B2	Electric-Integrated
Great Atlantic & Pacific Tea Co	7/20/2005	Bank Loan Debt	Moody's	B2 *+	B2	Food-Retail
Great Atlantic & Pacific Tea Co	7/20/2005	JR Subordinated Debt	Moody's	Caa2 *+	Caa2	Food-Retail
Saks Inc	7/20/2005	LT Local Issuer Credit	S&P	B+ *	CCC+ *	Retail-Major Dept Store
Great Atlantic & Pacific Tea Co	7/20/2005	Senior Implied Issuer	Moody's	B3 *+	B3	Food-Retail
Great Atlantic & Pacific Tea Co	7/20/2005	Senior Unsecured Debt	Moody's	Caa1 *+	Caa1	Food-Retail
Great Atlantic & Pacific Tea Co	7/20/2005	Subordinated Debt	Moody's	Caa2 *+	Caa2	Food-Retail
Autocam Corp	7/19/2005	Bank Loan Debt	Moody's	B3	B3 *	Metal Processors&Fabrica
National Waterworks Inc	7/19/2005	Bank Loan Debt	Moody's	B1 *+	B1	Distribution/Wholesale
DeltaCredit Bank	7/19/2005	LT Local Issuer Credit	S&P	B	B-	N.A.
Empresas Iansa SA	7/19/2005	LT Local Issuer Credit	S&P	BB	WR	Food-Misc/Diversified
Kerr-McGee Corp	7/19/2005	LT Local Issuer Credit	S&P	BB+	BB+ *	Oil Comp-Explor&Prodn
Turkiye Vakiflar Bankasi Tao	7/19/2005	LT Local Issuer Credit	S&P	BB-	Bpi	Commer Banks Non-US
Westport Resources Corp	7/19/2005	LT Local Issuer Credit	S&P	BB+	BB+ *	Oil Comp-Explor&Prodn
Autocam Corp	7/19/2005	Senior Implied Issuer	Moody's	B3	B3 *	Metal Processors&Fabrica
National Waterworks Inc	7/19/2005	Senior Implied Issuer	Moody's	B2 *+	B2	Distribution/Wholesale
Autocam Corp	7/19/2005	Senior Subordinate	Moody's	Caa2	Caa2 *	Metal Processors&Fabrica
National Waterworks Inc	7/19/2005	Senior Subordinate	Moody's	B3 *+	B3	Distribution/Wholesale
Bavaria SA	7/19/2005	Senior Unsecured Debt	Moody's	Ba3 *+	Ba3	Brewery
Maytag Corp	7/18/2005	LT Local Issuer Credit	S&P	BB+ *	BB+ *	Appliances
NBTY Inc	7/18/2005	LT Local Issuer Credit	S&P	BB	BB *	Vitamins&Nutrition Prod
North-West Telecom	7/18/2005	LT Local Issuer Credit	S&P	B+	B-	Telephone-Integrated
PCA LLC	7/18/2005	LT Local Issuer Credit	S&P	B-	CCC+ *	Photo Equipment&Supplies
Republic of Serbia	7/18/2005	LT Local Issuer Credit	S&P	BB-	B+	Sovereign
Russian Standard Bank ZAO	7/18/2005	LT Local Issuer Credit	S&P	B+	B	Commer Banks Non-US
Serbia Treasury Bills	7/18/2005	LT Local Issuer Credit	S&P	BB-	B+	Sovereign
MTU Aero Engines Investment GmbH & Co KG	7/18/2005	Senior Implied Issuer	Moody's	Ba2	Ba3 *+	Aerospace/Defense
MTU Aero Engines Investment GmbH & Co KG	7/18/2005	Senior Unsecured Debt	Moody's	Ba3	B2 *+	Aerospace/Defense
IPSCO Inc	7/15/2005	LT Local Issuer Credit	S&P	BB+	BB	Steel-Producers
Western Financial Bank	7/15/2005	Subordinated Debt	Moody's	B1 *+	B1	S&L/Thrifs-Western US
Indosat Tbk PT	7/14/2005	LC Curr Issuer Rating	Moody's	Ba1	Ba2	Telecom Services

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Telekomunikasi Indonesia Tbk PT	7/14/2005	LC Curr Issuer Rating	Moody's	Ba1	Ba3 +	Telecom Services
Jo-Ann Stores Inc	7/14/2005	LT Local Issuer Credit	S&P	BB-	B+ +	Retail-Fabric Store
Madison River Capital LLC	7/14/2005	LT Local Issuer Credit	S&P	B+	B	Finance-Other Services
Madison River Telephone Co	7/14/2005	LT Local Issuer Credit	S&P	B+	B	Telephone-Integrated
Aneka Tambang Tbk PT	7/14/2005	Senior Implied Issuer	Moody's	B1	B2	Metal-Diversified
Indosat Tbk PT	7/14/2005	Senior Implied Issuer	Moody's	Ba1	Ba2	Telecom Services
Perusahaan Gas Negara PT	7/14/2005	Senior Implied Issuer	Moody's	Ba2	Ba3	Gas-Distribution
Globe Telecom Inc	7/14/2005	Senior Unsecured Debt	Moody's	Ba2	Ba3	Telecom Services
Grant Prideco Inc	7/14/2005	Senior Unsecured Debt	Moody's	Ba2	Ba3	Oil Field Mach&Equip
Indosat Finance Co BV	7/14/2005	Senior Unsecured Debt	Moody's	Ba3	B1	Finance-Other Services
PGN Euro Finance 2003 Ltd	7/14/2005	Senior Unsecured Debt	Moody's	B1	B2	Special Purpose Entity
Trend Micro Inc	7/13/2005	LT Local Issuer Credit	S&P	BB	BB -	Internet Security
DR Horton Inc	7/13/2005	Senior Implied Issuer	Moody's	Ba1 +	Ba1	Bldg-Residential/Commer
DR Horton Inc	7/13/2005	Senior Subordinate	Moody's	Ba2 +	Ba2	Bldg-Residential/Commer
Schuler Homes Inc	7/13/2005	Senior Subordinate	Moody's	Ba2 +	Ba2	Bldg-Residential/Commer
DR Horton Inc	7/13/2005	Senior Unsecured Debt	Moody's	Ba1 +	Ba1	Bldg-Residential/Commer
Schuler Homes Inc	7/13/2005	Senior Unsecured Debt	Moody's	Ba1 +	Ba1	Bldg-Residential/Commer
Daiwa Europe Bank Plc	7/13/2005	Subordinated Debt	Moody's	Ba1 +	Ba1	Commer Banks Non-US
BF Saul Reit	7/12/2005	Senior Secured Debt	Moody's	B2	B3 +	REITS-Shopping Centers
Hynix Semiconductor Manufacturing America Inc	7/12/2005	Senior Secured Debt	Moody's	Ba3	Caa2 +	Electronic Compo-Semicon
Chevy Chase Bank FSB	7/12/2005	Subordinated Debt	Moody's	Ba2	Ba3 +	S&L/Thrifits-Eastern US
Minera Mexico SA de CV	7/11/2005	LC Curr Issuer Rating	Moody's	B1 +	B1	Metal-Diversified
Ammerchant Bank BHD	7/11/2005	LT Local Issuer Credit	S&P	BB+	BB	Diversified Finan Serv
Bank of Ayudhya Pcl	7/11/2005	LT Local Issuer Credit	S&P	BB+	BB	Commer Banks Non-US
CKE Restaurants Inc	7/11/2005	LT Local Issuer Credit	S&P	B+	B	Retail-Restaurants
Farmers Bank of China Ltd/The	7/11/2005	LT Local Issuer Credit	S&P	BB+	BB	Commer Banks Non-US
US Unwired Inc	7/11/2005	LT Local Issuer Credit	S&P	CCC+ +	CCC+	Cellular Telecom
Corning Inc	7/11/2005	Senior Implied Issuer	Moody's	Ba2 +	Ba2	Telecom Eq Fiber Optics
US Unwired Inc	7/11/2005	Senior Implied Issuer	Moody's	B3 +	B3	Cellular Telecom
US Unwired Inc	7/11/2005	Senior Secured Debt	Moody's	B2 +	B2	Cellular Telecom
US Unwired Inc	7/11/2005	Senior Subordinate	Moody's	Caa3 +	Caa3	Cellular Telecom
Corning Inc	7/11/2005	Senior Unsecured Debt	Moody's	Ba2 +	Ba2	Telecom Eq Fiber Optics
Grupo Minero Mexico SA de CV	7/11/2005	Senior Unsecured Debt	Moody's	B1 +	B1	Metal-Diversified
Accuride Corp	7/8/2005	Bank Loan Debt	Moody's	B1	B2	Auto/Trk Prts&Equip-Orig
Hamaca Holding LLC	7/8/2005	Bank Loan Debt	Moody's	Ba3	B1	N.A.
Sincruos de Oriente Sincor CA	7/8/2005	Bank Loan Debt	Moody's	Ba3	B1	N.A.
Furnas Centrais Eletricas SA	7/8/2005	LC Curr Issuer Rating	Moody's	Ba2 +	Ba2	Electric Products-Misc
Bombardier Recreational Products Inc	7/8/2005	LT Local Issuer Credit	S&P	BB-	B+ +	Leisure&Rec Products
Consol Energy Inc	7/8/2005	LT Local Issuer Credit	S&P	BB- +	BB-	Coal
MobilTel EAD	7/8/2005	LT Local Issuer Credit	S&P	BB+ +	BB+	Cellular Telecom
National Health Investors Inc	7/8/2005	LT Local Issuer Credit	S&P	BB	BB-	REITS-Health Care
Technical Olympic USA Inc	7/8/2005	LT Local Issuer Credit	S&P	B+	B+ -	Bldg-Residential/Commer
Titan Chemicals Corp	7/8/2005	LT Local Issuer Credit	S&P	BB	BB-	Chemicals-Plastics
Accuride Corp	7/8/2005	Senior Implied Issuer	Moody's	B1	B2	Auto/Trk Prts&Equip-Orig

## High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Eastman Kodak Co	7/21/2005	Senior Unsecured Debt	Moody's	Ba3 -	Ba1	Photo Equipment&Supplies
DS Waters Enterprise LP	7/21/2005	Senior Implied Issuer	Moody's	Caa2	B3	Beverages-Non-alcoholic
Eastman Kodak Co	7/21/2005	Senior Implied Issuer	Moody's	Ba2 -	Ba1	Photo Equipment&Supplies
Eastman Kodak Co	7/21/2005	LT Local Issuer Credit	S&P	BB -	BB+	Photo Equipment&Supplies
PEP Boys-Manny Moe & Jack	7/21/2005	LT Local Issuer Credit	S&P	B+	BB- -	Retail-Auto Parts
DS Waters Enterprise LP	7/21/2005	Bank Loan Debt	Moody's	Caa2	B3	Beverages-Non-alcoholic
Atrium Cos Inc	7/20/2005	LT Local Issuer Credit	S&P	CCC+ +	B -	Bldg Prod-Doors&Windows
Fleetwood Enterprises Inc	7/20/2005	LT Local Issuer Credit	S&P	B+	BB-	Bldg-Mobil Home/Mfd Hous
Sensient Technologies Corp	7/20/2005	LT Local Issuer Credit	S&P	BB+	BBB-	Chemicals-Specialty
Sungard Data Systems Inc	7/19/2005	Senior Unsecured Debt	Moody's	B3	Baa3 -	Computer Services
Anchor Glass Container Corp	7/19/2005	Senior Secured Debt	Moody's	Caa1 -	B2	Containers-Metal/Glass
Anchor Glass Container Corp	7/19/2005	Senior Secured Debt	Moody's	Caa1 -	B2	Containers-Metal/Glass
Riverdeep Group Ltd	7/19/2005	Senior Secured Debt	Moody's	B3 -	B3	Educational Software
Anchor Glass Container Corp	7/19/2005	Senior Implied Issuer	Moody's	Caa1 -	B2	Containers-Metal/Glass
Anchor Glass Container Corp	7/19/2005	Senior Implied Issuer	Moody's	Caa1 -	B2	Containers-Metal/Glass
Hertal Acquisitions Plc	7/19/2005	Senior Implied Issuer	Moody's	B2 -	B2	Specified Purpose Acquis
Arch Coal Inc	7/19/2005	LT Local Issuer Credit	S&P	BB-	BB	Coal
Arch Western Resources LLC	7/19/2005	LT Local Issuer Credit	S&P	BB-	BB	Venture Capital
Riverdeep Group Ltd	7/19/2005	LT Local Issuer Credit	S&P	B+ -	B+	Educational Software
Sungard Data Systems Inc	7/19/2005	Bank Loan Debt	Moody's	B1	Baa3 -	Computer Services
O'Sullivan Industries Inc	7/18/2005	Senior Subordinate	Moody's	C	Ca	Home Furnishings
O'Sullivan Industries Inc	7/18/2005	Senior Secured Debt	Moody's	Ca	Caa1	Home Furnishings
O'Sullivan Industries Inc	7/18/2005	Senior Implied Issuer	Moody's	Caa3	Caa1	Home Furnishings
Consol Energy Inc	7/18/2005	LT Local Issuer Credit	S&P	BB-	BB- +	Coal
Pier 1 Imports Inc	7/18/2005	LT Local Issuer Credit	S&P	BB	BBB- -	Retail-Home Furnishings
AMF Bowling Worldwide Inc/Old	7/15/2005	Subordinated Debt	Moody's	Caa1	B3 -	Recreational Centers
AMF Bowling Worldwide Inc	7/15/2005	Senior Subordinate	Moody's	Caa1	B3 -	Recreational Centers
AMF Bowling Worldwide Inc	7/15/2005	Senior Implied Issuer	Moody's	B2	B1 -	Recreational Centers
AMF Bowling Worldwide Inc/Old	7/15/2005	Senior Implied Issuer	Moody's	B2	B1 -	Recreational Centers
LifePoint Hospitals Inc	7/15/2005	LT Local Issuer Credit	S&P	BB -	BB	Medical-Hospitals
O'Sullivan Industries Holdings Inc	7/15/2005	LT Local Issuer Credit	S&P	D	CCC+	Home Furnishings
O'Sullivan Industries Inc	7/15/2005	LT Local Issuer Credit	S&P	D	CCC+	Home Furnishings
AMF Bowling Worldwide Inc	7/15/2005	Bank Loan Debt	Moody's	B2	B1 -	Recreational Centers
AMF Bowling Worldwide Inc/Old	7/15/2005	Bank Loan Debt	Moody's	B2	B1 -	Recreational Centers
United Rentals North America Inc	7/14/2005	Senior Unsecured Debt	Moody's	B2 -	B1	Rental Auto/Equipment

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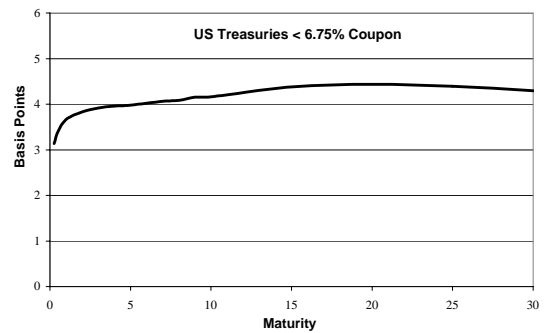
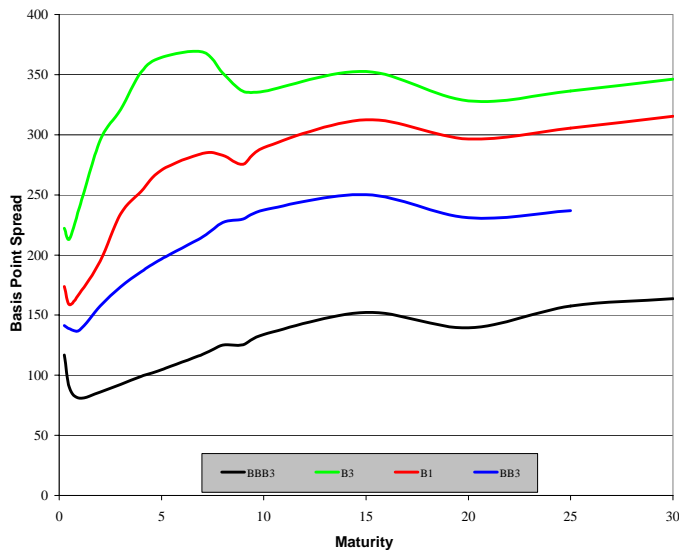
Week ending July 22, 2005

## High Yield Credit Rating Downgrades for Last 2 Weeks (Continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
United Rentals North America Inc	7/14/2005	Senior Subordinate	Moody's	B3 *-	B2	Rental Auto/Equipment
United Rentals North America Inc	7/14/2005	Senior Implied Issuer	Moody's	B1 *-	Ba3	Rental Auto/Equipment
Russell Corp	7/14/2005	LT Local Issuer Credit	S&P	BB- *-	BB-	Apparel Manufacturers
United Rentals North America Inc	7/14/2005	Bank Loan Debt	Moody's	B1 *-	Ba3	Rental Auto/Equipment
Ocwen Financial Corp	7/13/2005	Senior Unsecured Debt	Moody's	B2	B1 *-	S&L/Thrifths-Southern US
Foamex Capital Corp	7/13/2005	Senior Subordinate	Moody's	Ca	Caa2	N.A.
Foamex-LP	7/13/2005	Senior Secured Debt	Moody's	Caa2	B3	Advanced Materials/Prd
Foamex-LP	7/13/2005	Senior Implied Issuer	Moody's	Caa2	B3	Advanced Materials/Prd
Ocwen Financial Corp	7/13/2005	JR Subordinated Debt	Moody's	Caa1	B2 *-	S&L/Thrifths-Southern US
Pogo Producing Co	7/12/2005	Subordinated Debt	Moody's	Ba3 *-	Ba3	Oil Comp-Explor&Prodtn
Pogo Producing Co	7/12/2005	Senior Implied Issuer	Moody's	Ba1 *-	Ba1	Oil Comp-Explor&Prodtn
Asarco Inc	7/12/2005	LT Local Issuer Credit	S&P	CCC	BB-	Metal-Diversified
Foamex Capital Corp	7/11/2005	LT Local Issuer Credit	S&P	CCC+ *-	B	N.A.
Foamex-LP	7/11/2005	LT Local Issuer Credit	S&P	CCC+ *-	B	Advanced Materials/Prd
Pogo Producing Co	7/11/2005	LT Local Issuer Credit	S&P	BB+ *-	BB+	Oil Comp-Explor&Prodtn
North Atlantic Holding Co Inc	7/8/2005	Senior Unsecured Debt	Moody's	Ca	Caa3 *-	Tobacco
North Atlantic Trading Co	7/8/2005	Senior Unsecured Debt	Moody's	Caa1	B3 *-	Tobacco

## Spread Analysis

### 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	(39)	(46)	32	(49)
B1	(23)	(30)	26	13
BB3	(20)	(41)	1	(25)
BBB3	6	13	1	(7)

## Resources. Experience. Results.

### Situation Overview

- Chanin Capital Partners served as Financial Advisor to the Ad-hoc Committee of Noteholders of Trump Casino Holdings ("TCH"), in connection with the Chapter 11 reorganization of Trump Hotels and Casino Resorts ("THCR" or the "Company").
- The Company, through its subsidiaries TCH and Trump Atlantic City Associates ("TAC"), owns and operates four casino hotel and resort properties, primarily in Atlantic City, New Jersey.
- On November 21, 2004, the Company filed for bankruptcy, pressured by competition and burdened with considerable debt that rendered it unable to make necessary capital expenditures.

### Key Highlights

- Negotiated with Company, TAC holders and their advisors for recoveries of 107% for TCH 1st Noteholders and 95.5% for TCH 2nd Noteholders.
  - At the start of negotiations, trading levels were in the 80s for TCH 1st Notes.
- Pre-packaged bankruptcy was supported by approximately 68% of the TCH 1st Noteholders and 75% of the TCH 2nd Noteholders.
- Reduced debt burden by \$400 million and interest expense by \$98 million.
- Gained essential liquidity and access to \$500 million credit facility to make "catch-up" improvements and competitive growth investments.

May 2005

**TRUMP**  
Entertainment Resorts, Inc.

Financial Advisor to the Ad-hoc Committee of Noteholders of Trump Casino Holdings in connection with the Company's Chapter 11 restructuring of approximately \$2.2 billion of aggregate liabilities

### Transaction Summary

- Noteholders exchanged \$1.8 billion of debt securities for \$1.25 billion of new notes, and stock and warrants for 65% of the equity.
  - TCH 1st Noteholders received \$425 million of new notes as well as cash and equity securities for a 107% recovery.
  - Non-affiliate TCH 2nd Noteholders received \$47.7 million of new notes as well as cash and equity securities for a 95.5% recovery.
  - TAC Noteholders received \$777.3 million of new notes, proceeds from the rights offering and a majority of equity for a 93.2% recovery.
- Donald Trump contributed \$55 million and other assets to receive stock and warrants for 29% of the equity.
- Equity holders received cash, warrants for 5% of the equity and proceeds from the sale of certain real estate assets.
- The Company, renamed Trump Entertainment Resorts, emerged from bankruptcy on May 20, 2005.