



Loan CDS Report

April 10, 2007

NORTH AMERICA

Bank of America / Matthew Slate

Credit Suisse / Doug Grossberg

Goldman Sachs / Timothy Milton

JPMorgan / Robert Milam

Lehman Brothers / Robert Alloway

Morgan Stanley / Mike Weir & Timothy Fitzpatrick

EUROPE

Credit Suisse / Shane O'Gorman

Deutsche Bank / Matt Smith

DRKW / Tom Johannessen

Goldman Sachs / Stephen Byrne

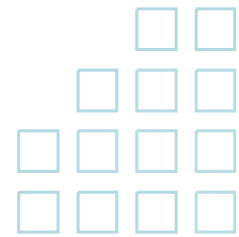
Lehman Brothers / John Cortese

Morgan Stanley / Robert Lepone

The European LCDS Conference

At The London Hilton Metropole

2 May, 2007



8:15	Breakfast & Registration	
	Chairperson's Welcome and Opening Remarks	
8:50	Speaker: Tom Price	
9:00	Overview of the LCDS Market	
	§ Size of the market	<i>Tom Johannessen, DRKW</i>
	§ Active Players	<i>Lisa Watkinson, LEHMAN BROTHERS</i>
	§ Liquidity, Pricing	
	§ Indices: LevX and LCDX	
9:45	European LCDS Standard Documentation Update	
	§ Compare with Existing Doc	<i>Robert Lepone, MORGAN STANLEY</i>
10:30	Morning Coffee Break	
	Structured Credit Markets 101	
10:45	§ Index Tranches	<i>Marcus Weber, LEHMAN BROTHERS (Moderator)</i>
	§ Bespoke Tranches	<i>BARCLAYS</i>
		<i>RBS</i>
	LCDS Trading & Strategies 101	
	§ European vs. N American LCDS Contract	<i>Shane O'Gorman, CREDIT SUISSE (Moderator)</i>
11:30	§ The problem of loan prepayment risk, Valuation?	<i>Matt Smith, DEUTSCHE BANK</i>
	§ Hedging & Trading Strategies, Arbitrage Opp's	<i>Stephen Byrne, GOLDMAN SACHS</i>
	§ Index products, the future – tranches?	

The European LCDS Conference

At The London Hilton Metropole

2 May, 2007

12:15 Lunch — Lance Uggla

Track A:

1:30 Rating Agency Considerations

RBS (Moderator)

Jeremy Carter, FITCH RATINGS

Keith A. Guarnuccio, S&P

William Ma, MOODY'S

2:15 Overview of U.S. Markets

§ Market Overview

§ LCDX

§ SSL

§ Valuations

Tim Milton, GOLDMAN SACHS (Moderator)

Jeremy Vogelmann, BARCLAYS

Doug Grossberg, CREDIT SUISSE

John Corfese, LEHMAN BROTHERS

Michael Weir, MORGAN STANLEY

Track B:

Byuside Panel: Commercial Banking

§ Basel II & Regulatory Issues

Matt Smith, DEUTSCHE BANK (Moderator)

Brand Richey, BARCLAYS

Richard Kennaugh, DEUTSCHE BANK

Stephen Faldo, MIZUHO

Operational Issues

§ DTCC & Trade Settlement

§ Corporate Events

§ Material Non-Public Information

§ RED for Loans

Rohan Murphy, GOLDMAN SACHS (Moderator)

Oliver Stuart, MORGAN STANLEY

Penny Davenport, MARKIT

3:00 Afternoon Coffee

3:30 LCDS Trading Strategies 201

Shane O'Gorman, CREDIT SUISSE (Moderator)

Mark Heath, DRKW

Kai Seeger, BARCLAYS

Robert Alloway, LEHMAN BROTHERS

Credit Events & Settlement

§ Physical vs. Cash Settlement

§ Auctions

Julia Fu, RKO (Moderator)

David Reynolds, CREDIT SUISSE

Lisa Opoku, GOLDMAN SACHS

David Genn, ISDA

4:15 Structured Credit Markets 201

Marcus Weber, LEHMAN BROTHERS (Moderator)

Jonathan Donne, GOLDMAN SACHS

Byuside Panel: Hedge Funds

Stephen Byrne, GOLDMAN SACHS (Moderator)

Simon Richards, RAB CAPITAL

Mark Conway, CQS

5:00 Cocktail Reception

Key Loan CDS Activities

Markit Group has been working closely with dealers, investors, ISDA, iTraxx and CDX towards the development of a standardized, transparent and liquid loan CDS market. With the October 30 launch of the LevX index in Europe and the pending launch of the LCDX index in North America, loan CDS trading volumes have increased substantially. To support the continued growth of this market, Markit Group is engaged in eight key loan CDS activities.

Loan CDS Spreads

Markit is currently receiving spreads from the six North American dealers and the six European dealers listed on the cover of this report. Additional dealers have committed to provide loan CDS spreads to Markit and should come online throughout the next few months. Currently, Markit quotes loan CDS spreads for 453 unique reference entities. While all of these spreads are available to investors, only spreads with at least three contributions are available to dealers. As additional dealers contribute, it is expected that the quantity of spreads available to both investors and dealers will increase tremendously.

Loan CDS Valuations

Both the "Non-cancellable" and "Cancellable" loan CDS contracts are in fact cancellable. The cancellable loan CDS contract is currently the standard in Europe and is cancelled when the underlying loans are refinanced. The non-cancellable loan CDS contract that is traded in North America is cancellable only when there is no existing deliverable of the relevant tier. As such, five year cancellable loan CDS will probably terminate prior to maturity, while five year non-cancellable loan CDS may terminate early. Working in conjunction with the dealers trading the cancellable loan CDS contract in Europe, Markit runs a trader poll to determine the consensus unwind date for the purpose of valuing loan CDS. In North America, Markit is working with dealers to value the infrequently used cancellable option in a "non-cancellable" contract.

Syndicated Secured List/RED for Loans

In addition to the standard CDS deliverable requirements, loan CDS deliverables in North America must be syndicated and secured. The key mechanism to determine if a particular loan meets these deliverable requirements is the Syndicated Secured List. Markit manages the Syndicated Secured List and there are sixteen dealers eligible as voting participants. Based upon an agreement with the dealers, Markit makes the Syndicated Secured List available, free of charge, on a view only basis to institutional investors. As a non-cancellable contract is expanded into Europe, it is expected that some form of a Syndicated Secured List will be used in Europe as well.

Loan CDS Indices

Markit Group is the official Calculation Agent for the iTraxx LevX (the European Loan CDS Index) and will be the official Calculation Agent for the LCDX (the North American Loan CDS Index) when it launches. The expected launch of the LCDX is later this month.

Loan CDS Auctions

Following a credit event, a cash settlement price needs to be determined in order to settle CDS trades that are not physically settled. With the CDX indices, Markit and CreditEx administer auctions to determine the cash settlement price. Markit Group and CreditEx are working with a group of dealers and ISDA to develop the appropriate auction process to utilize for loan CDS auctions.

Loan CDS Quotes

Over the last several months, Markit has developed technology for investors to read dealer pricing emails and runs programmatically. Facility and security descriptions in those emails are mapped to Markit's standard database, and real time prices are made available strictly to the institution receiving the email.

Loan CDS Conferences

With sponsorship from six sell-side firms, Markit held a free loan CDS conference in London in July for 350 investors and dealers. On May 2, along with 8 sell-side firms, Markit is hosting its 2nd Annual European Loan CDS Forum. Due to the overwhelming response of the first forum, this years forum will accommodate a much larger audience. Markit is also working with dealers to have a free loan CDS conference in New York this year.

Loan CDS Trade Processing

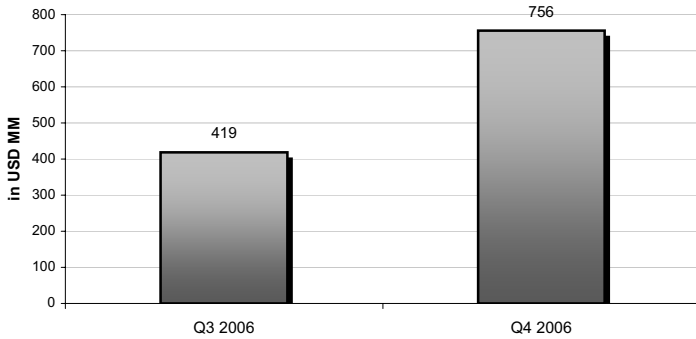
Markit's all-inclusive, web-based suite of solutions for automating processing of OTC derivative transactions is the most utilized trade processing platform in the industry covering all asset classes for OTC derivatives. Since adding loan CDS to the platform Markit Trade Processing helped process hundreds of loan CDS transactions. Clients affirm and confirm Loan CDS trades in a completely paperless environment with all economic disputes uncovered and resolved on T+1. Since its launch in February 2005, Markit's trade processing service has attracted more than 2,500 individual users from over 100 buy-side and sell-side firms, and is processing over 40,000 trades per month with a value of USD 3 trillion.

Loan CDS Liquidity

Using Markit's Trade Processing data, we have compiled data on 273 loan CDS trades from the previous year. This data set includes information on the reference entity, trade date, length of protection, and contract size. Utilizing this data we can apply several metrics to analyze loan CDS volume, such as the growth of volume over time, average contract size, and volume by spread bucket.

The dataset in this section is derived from the loan CDS trades that Markit processes. As such this section should not be understood as a representative sample of the loan CDS market. The analysis is meant to demonstrate what Markit has seen in the loan CDS space.

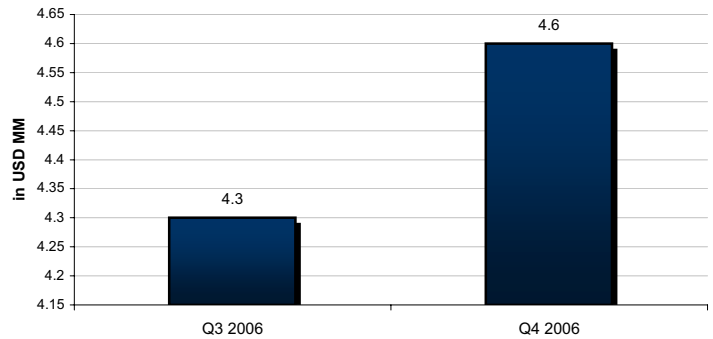
Volume by Quarter



Loan CDS saw substantial growth in trading volume during Q4 2006. Markit processed over \$750 million in loan CDS trades during this period, an increase of almost 80% from the Q3 2006 number of \$419 million. The actual number of loan CDS trades processed by Markit increased by 65% from Q3 as well.

The average contract size has remained almost the same from Q3 2006 to Q4 2006 at about \$4.5 million.

Average Contract Size by Quarter



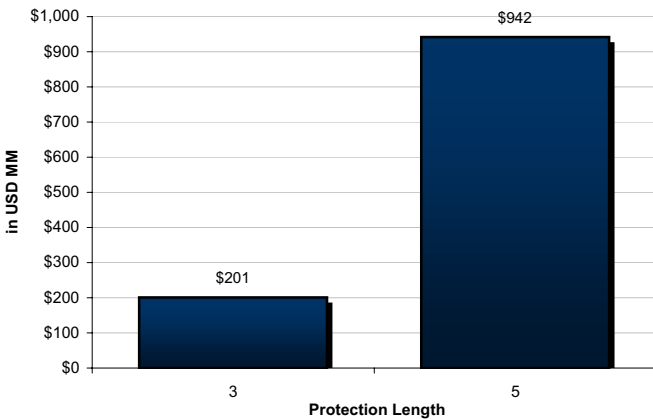
Similar to their bond counterparts, loan CDS contracts are most liquid at the five-year point on the credit curve. Markit's trade processing data indicates that five-year volume is almost five times that of three-year protection. The graph below shows the volume difference between the two protection lengths.

The majority of loan CDS volume is traded at spreads below 150 basis points. As shown in the graph below, approximately every three out of four loan CDS transactions traded below 150 basis points.

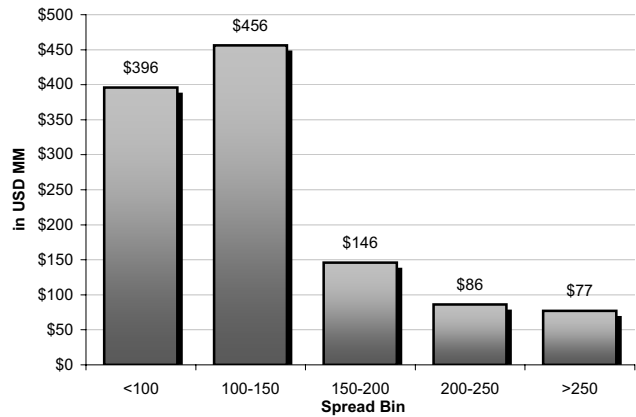
The majority of LCDS trade volume is 5 year...

The majority of LCDS trade volume is below 150 bps...

Loan CDS Volume by Tenor



Loan CDS Volume by Spread



Source: Markit Group Limited

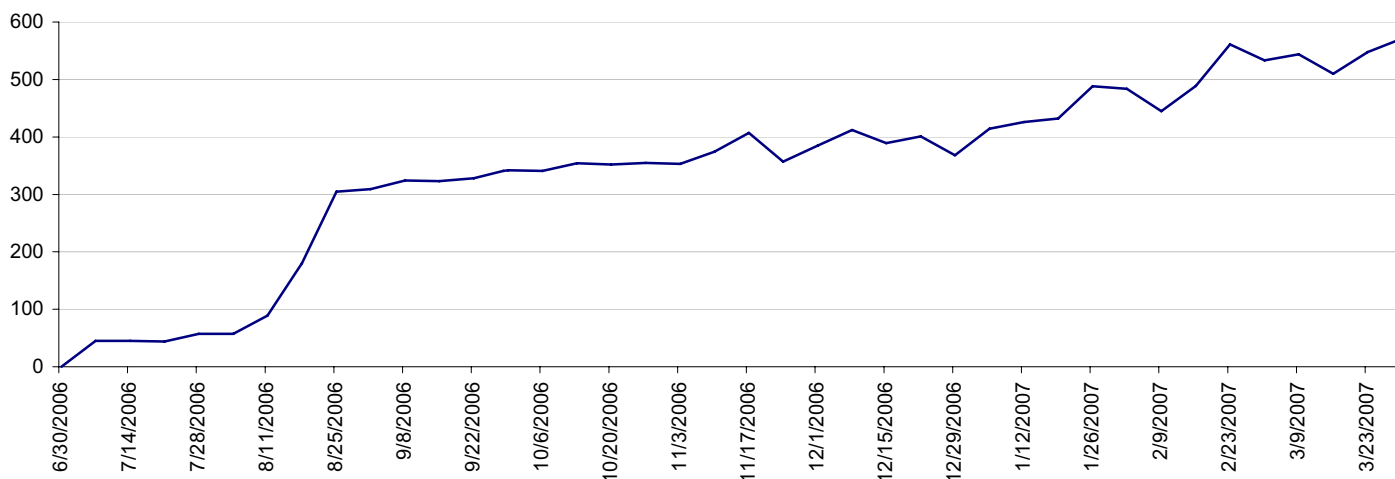
Loan CDS Priced by Markit

Markit is currently receiving loan CDS spreads from six dealers in Europe and six dealers in North America. In both regions, Markit is working with additional dealers to provide loan CDS spreads. Buy-side clients of loan CDS will have access to spreads even if they are thinly priced.

The number of loan CDS spreads is expected to increase substantially in the near future as Markit receives more loan CDS spreads from the dealer community.

Email sales@markit.com for more information on Markit's complete loan CDS dataset.

LCDS Priced Over Time



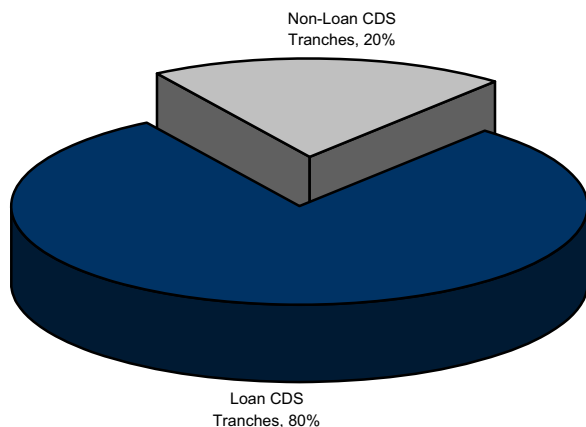
*Data is at the entity-tier-documentation clause level

Markit's Loan CDS Coverage

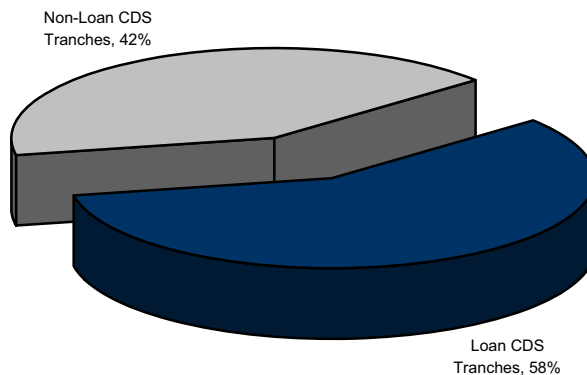
We currently have spreads for 453 Reference Entities globally. Of these, approximately one-third are in Europe and two-thirds are in North America.

The coverage of a typical cash loan portfolio by the loan CDS market is expanding on a weekly basis. As indicated in the pie charts below, 80% of the Credit Suisse Leveraged Loan Index and 58% of the Credit Suisse Western European Leveraged Loan Index are priced in the loan CDS market. As expected in both North America and Western Europe, the larger, more liquid credits are more likely to have loan CDS coverage.

Credit Suisse Leveraged Loan Index



Credit Suisse Western European Leveraged Loan Index



Source: Markit Group Limited, Credit Suisse

*Percentage by Market Value

Sample Loan CDS Current Market

Markit provides loan CDS spreads with data at the entity, tier, currency and documentation clause level. Currently, Markit has loan CDS spreads on 453 entities. The below list is a representative sample of the most liquid names for which Markit has loan CDS spreads.

Name	Tier	Doc. Clause	Sector	LCDS	CDS	LCDS/CDS
AFFILIATED COMPUTER SVCS INC	LIEN1	XR	Technology	112	260	43%
AMADEUS IT GROUP SA	LIEN1	MM	Industrials	121	-	-
ARAMARK CORP	LIEN1	XR	Consumer Services	129	243	53%
ARVINMERITOR INC	LIEN1	XR	Consumer Goods	97	307	32%
BASELL AF SCA	LIEN1	MM	Basic Materials	102	293	35%
BOWATER INC	LIEN1	XR	Basic Materials	92	391	24%
BOYD GAMING CORP	LIEN1	XR	Consumer Services	83	192	43%
CONSTELLATION BRANDS INC	LIEN1	XR	Consumer Goods	73	145	50%
CSC HLDGS INC	LIEN1	XR	Consumer Services	104	190	55%
DEBITEL AG	LIEN1	MM	Telecommunications	153	-	-
DIRECTV HLDGS LLC	LIEN1	XR	Consumer Services	73	167	44%
FREEPORT MCMORAN COPPER & GOLD INC	LIEN1	XR	Basic Materials	66	120	55%
FRESENIUS AG	LIEN1	XR	Health Care	84	-	-
GA PAC CORP	LIEN1	XR	Consumer Goods	85	187	45%
GEN MTRS CORP	LIEN1	XR	Consumer Goods	172	459	37%
GOODYEAR TIRE & RUBR CO	LIEN1	XR	Consumer Goods	75	177	42%
HCA INC.	LIEN1	XR	Health Care	129	293	44%
HEALTH MGMT ASSOC INC	LIEN1	XR	Health Care	108	129	84%
HEALTHSOUTH CORP	LIEN1	XR	Health Care	119	274	43%
HERCULES INC	LIEN1	XR	Basic Materials	66	165	40%
HEXION SPECIALTY CHEMS INC	LIEN1	XR	Basic Materials	155	-	-
HLI OPER CO INC	LIEN1	XR	Consumer Goods	132	-	-
INEOS GP HLDGS PLC	LIEN1	MM	Basic Materials	120	399	30%
INTELSAT CORP	LIEN1	XR	Telecommunications	73	122	60%
JARDEN CORP	LIEN1	XR	Consumer Goods	98	-	-
KABEL DEUTSCHLAND GMBH	LIEN1	MM	Consumer Services	106	343	31%
LEAR CORP	LIEN1	XR	Consumer Goods	164	404	41%
LYONDELL CHEM CO	LIEN1	XR	Basic Materials	78	176	44%
MOSAIC CO	LIEN1	XR	Basic Materials	63	124	51%
NALCO CO	LIEN1	XR	Utilities	84	187	45%
NRG ENERGY INC	LIEN1	XR	Utilities	86	208	41%
OSHKOSH TRUCK CORP	LIEN1	XR	Industrials	112	-	-
TDC A/S	LIEN1	MM	Telecommunications	91	114	80%
TOYS R US INC	LIEN1	XR	Consumer Services	143	447	32%
TRW AUTOMOTIVE INC	LIEN1	XR	Consumer Goods	83	204	41%
UNIVISION COMMS INC	LIEN1	XR	Consumer Services	174	407	43%
UTD RENTS NORTH AMER INC	LIEN1	XR	Industrials	86	246	35%
VISTEON CORP	LIEN1	XR	Consumer Goods	215	497	43%
WINDSTREAM CORP	LIEN1	XR	Telecommunications	60	121	50%

Source: Markit Group Limited

Sample Loan CDS Movers

Name	Tier	Doc. Clause	Sector	LCDS	1 Month Change %
TDC A/S	LIEN1	MM	Telecommunications	91	-3.9
TOMMY HILFIGER CORP	LIEN1	MM	Consumer Services	202	2.6
WEETABIX LTD	LIEN1	MM	Consumer Goods	124	2.9
HLI OPER CO INC	LIEN1	XR	Consumer Goods	132	3.3
JARDEN CORP	LIEN1	XR	Consumer Goods	98	7.3
VISTEON CORP	LIEN1	XR	Consumer Goods	215	14.9
DIRECTV HLDGS LLC	LIEN1	XR	Consumer Services	73	15.9
LEAR CORP	LIEN1	XR	Consumer Goods	164	16.6
WINDSTREAM CORP	LIEN1	XR	Telecommunications	60	16.6
TRW AUTOMOTIVE INC	LIEN1	XR	Consumer Goods	83	17.9
HEALTHSOUTH CORP	LIEN1	XR	Health Care	119	22.3
CSC HLDGS INC	LIEN1	XR	Consumer Services	104	25.0

Source: Markit Group Limited

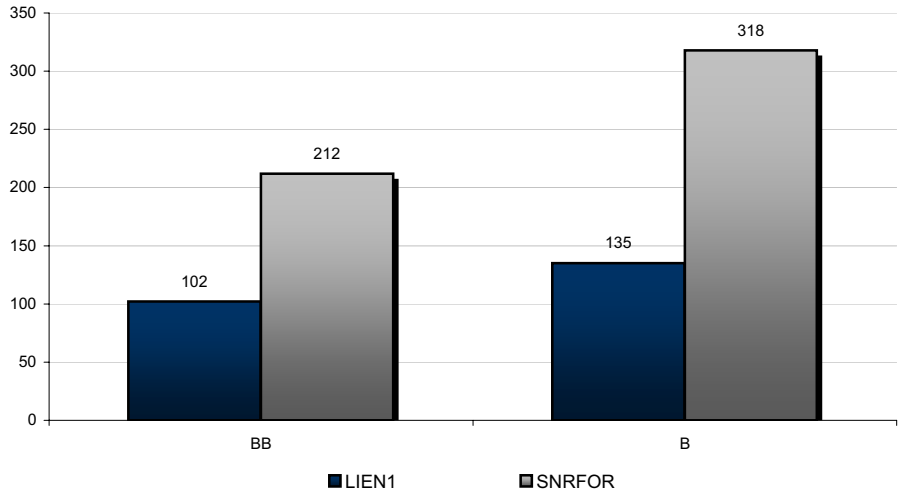
Loan CDS Spreads by Rating

Using Markit's loan CDS and CDS data in conjunction with S&P's current bank loan ratings, we can analyze the average credit spreads between first lien bank debt (LIEN1) and senior unsecured debt (SNRFOR) for BB and B rated credits. The spreads shown here are for five year protection, as they are the most liquid points on both the loan CDS and CDS curves.

For a BB rated credit, the premium for assuming the risks associated with senior unsecured debt versus first lien bank debt is 110 bps. As the rating deteriorates to B, the premium increases to 183 bps.

Although the premiums increase as ratings deteriorate, the LCDS-to-CDS ratio remains similar. On average BB and B rated credits trade at .48x and .42x respectively:

Rating	LCDS/CDS
BB	.48x
B	.42x



Source: Markit Group Limited, Standard & Poor's

Loan CDS Spread Outliers

Using the average spreads by rating category, we can identify credits that are trading significantly above or below the average spread for that rating.

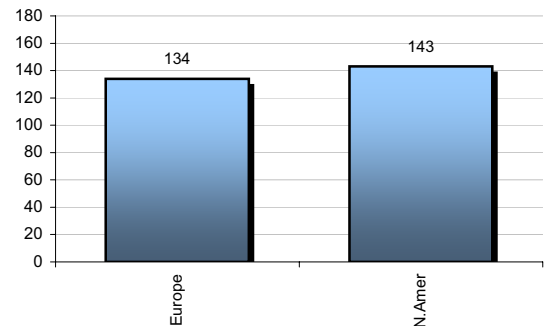
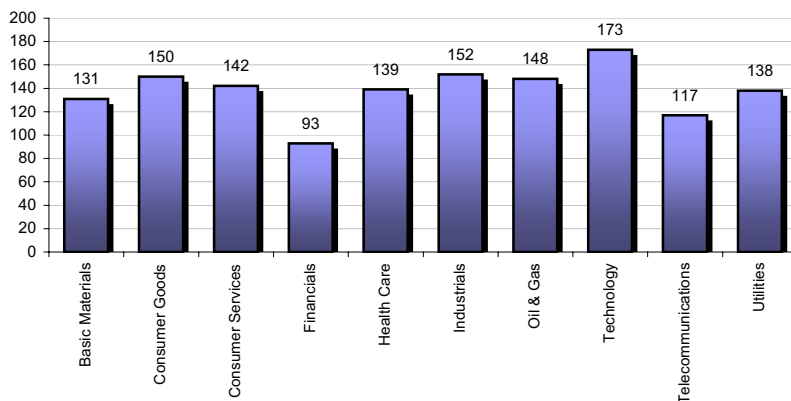
Credit	Tier	Rating Category	Doc. Clause	LCDS (1)	Delta	% Delta
MOSAIC CO	LIEN1	BB	XR	63	-39	-62%
GA GULF CORP	LIEN1	BB	XR	170	68	40%
BASELL AF SCA	LIEN1	B	MM	102	-33	-32%
LYONDELL CHEM CO	LIEN1	BB	XR	78	-24	-31%
RELIANT ENERGY INC	LIEN1	B	XR	110	-25	-23%
FRESENIUS AG	LIEN1	BB	XR	84	-18	-21%
NALCO CO	LIEN1	BB	XR	84	-18	-21%
HCA INC.	LIEN1	BB	XR	129	27	21%
LEAR CORP	LIEN1	B	XR	164	29	18%

Source: Markit Group Limited, Standard & Poor's

(1) Thin pricing is available to buy-side clients

Loan CDS Spreads by Sector & Region

The below charts show the loan CDS spread relationship across sectors and regions. The average loan CDS spreads were taken from LIEN1 tiers at the five year point. Aggregate market spreads indicate that the Financials and Telecommunications sectors have tighter spreads, whereas the Technology and Industrials sectors currently have wider spreads.



Source: Markit Group Limited

Loan CDS Spreads Implied by Senior Unsecured CDS Spreads

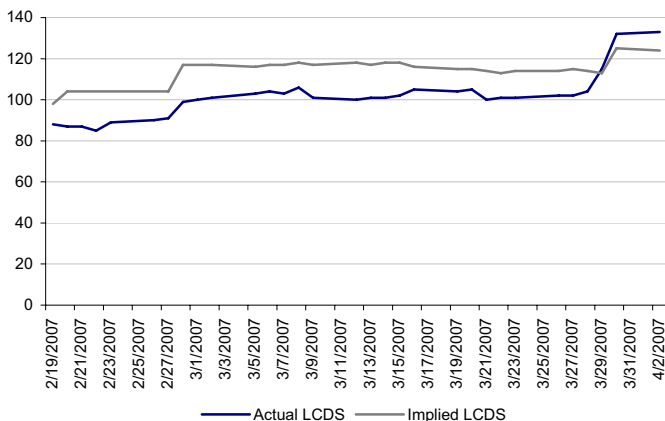
Assuming loans and senior unsecured bonds have the same probability of default for the same issuer, the LCDS and CDS relationship should theoretically be:

$$\frac{1 - R(\text{lcds})}{1 - R(\text{cds})}$$

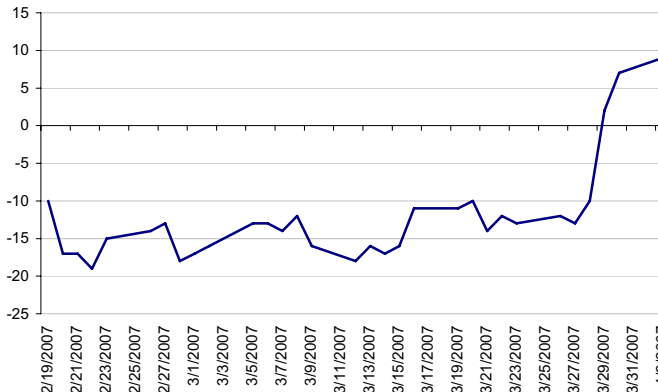
So, with an expected recovery rate of 70% for loans and 40% for senior unsecured bonds, LCDS should approximately be .5x that of the senior unsecured CDS spread.

To observe the general difference between actual and implied loan CDS spreads, we took the daily straight average of loan CDS spreads where we had at least 3 contributors and compared them to their senior unsecured CDS spread.

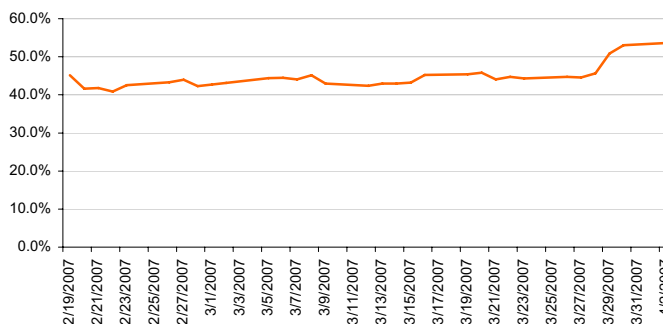
Actual LCDS vs Implied LCDS



Actual LCDS - Implied LCDS



LCDS-to-CDS Ratio



As seen from the graph to the right, LCDS has been trading at approximately .5x that of the senior unsecured CDS spread

Implied Loan CDS Spreads

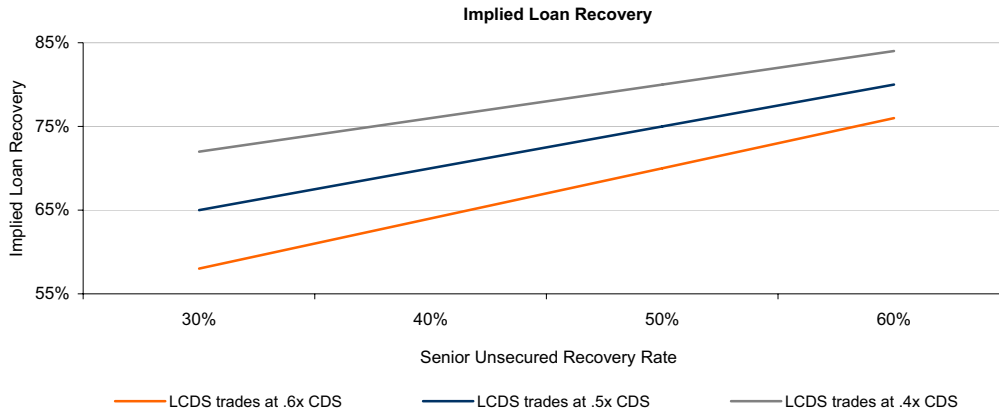
Using the relationship of loan CDS to senior unsecured CDS, an investor can determine the approximate spread for a loan CDS contract. The following chart shows the loan CDS spreads that differ significantly from their implied loan CDS spreads. Loan CDS is assumed to trade at .5x that of the senior unsecured CDS.

Name	Tier	Doc. Clause	LCDS	CDS	Implied LCDS	Delta	% Delta
BOWATER INC	LIEN1	XR	92	391	196	-104	-113%
INEOS GP HLDGS PLC	LIEN1	MM	120	399	200	-80	-66%
KABEL DEUTSCHLAND GMBH	LIEN1	MM	106	343	172	-66	-62%
ARVINMERITOR INC	LIEN1	XR	97	307	154	-57	-58%
TOYS R US INC	LIEN1	XR	143	447	224	-81	-56%
BASELL AF SCA	LIEN1	MM	102	293	147	-45	-44%
UTD RENTS NORTH AMER INC	LIEN1	XR	86	246	123	-37	-43%
HEALTH MGMT ASSOC INC	LIEN1	XR	108	129	65	44	40%
TDC A/S	LIEN1	MM	91	114	57	34	37%
GEN MTRS CORP	LIEN1	XR	172	459	230	-58	-33%

Source: Markit Group Limited

Loan CDS Recovery Rates Implied by Senior Unsecured Recovery Rates

Based upon the aforementioned spread relationship, the assumed recovery rate for the loan can also be implied. For example, assuming that loan CDS spreads should trade at .5x that of their senior unsecured counterparts, and assuming a 40% senior unsecured recovery rate, the implied recovery rate for the loan is 70%.



The current LCDS to CDS relationship, approximately .5x, would be supported by a 70% to 40%, 60% to 20%, or 80% to 60% loan to senior unsecured recovery rate, respectively.

Implied Loan CDS Recovery Rates

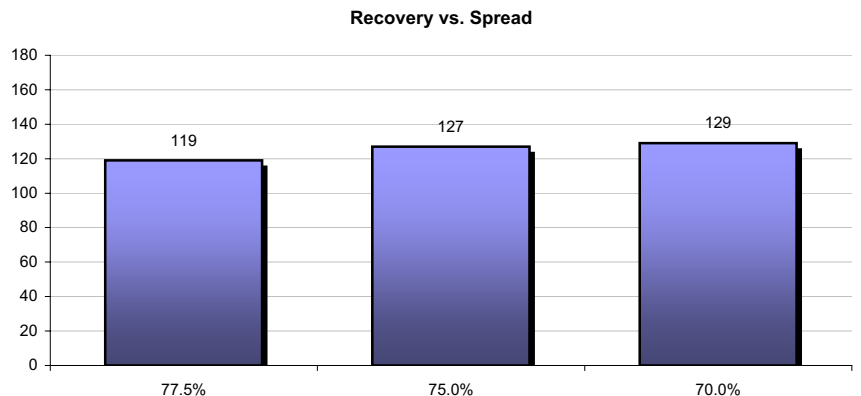
Using the relationship of loan CDS to senior unsecured CDS similar to how we used the relationship for implied spreads, an investor can determine the approximate recovery rate assumption for a loan CDS contract. The chart below shows the loan CDS recovery rates that differ from their assumed 70% recovery rate based on the current LCDS-to-CDS ratio. Senior unsecured recovery rate is assumed to be 40%.

Name	Tier	Doc. Clause	LCDS	CDS	LCDS/CDS	Implied Recovery	Delta
HEALTH MGMT ASSOC INC	LIEN1	XR	108	129	84%	50%	-20%
TDC A/S	LIEN1	MM	91	114	80%	52%	-18%
BOWATER INC	LIEN1	XR	92	391	24%	86%	16%
INEOS GP HLDGS PLC	LIEN1	MM	120	399	30%	82%	12%
KABEL DEUTSCHLAND GMBH	LIEN1	MM	106	343	31%	82%	12%
ARVINMERITOR INC	LIEN1	XR	97	307	32%	81%	11%
TOYS R US INC	LIEN1	XR	143	447	32%	81%	11%
BASELL AF SCA	LIEN1	MM	102	293	35%	79%	9%
UTD RENTS NORTH AMER INC	LIEN1	XR	86	246	35%	79%	9%
GEN MTRS CORP	LIEN1	XR	172	459	37%	78%	8%
HERCULES INC	LIEN1	XR	66	165	40%	76%	6%
INTELSAT CORP	LIEN1	XR	73	122	60%	64%	-6%

Source: Markit Group Limited

Recovery Rates and Loan CDS Spreads

As seen from the chart to the right, as the expected recovery rate decreases, the loan cds spread will increase. By categorizing the spreads by rating, we can control for the credit risk variable that also drives loan CDS spreads. We found for a B rated loan, a decrease in the recovery rate from 77.5% to 75% will increase the spread on average by 8 bps from 119 to 127. Furthermore, a decrease from 75% to 70% will increase the spread on average 2 bps, from 127 to 129.



Source: Markit Group Limited

Loan CDS Basis

The loan CDS basis is the difference between the loan CDS spread and the spread on the cash loan. Currently, loan CDS spreads are tighter than cash loan spreads, due to both a high demand for selling loan CDS protection and the discount that cash loan investors require to compensate for the call option that the borrower possesses. Although loan CDS spreads are trading tighter than cash loan spreads, some factors might influence a widening of loan CDS spreads to cash loan spreads. Among these factors are (1) a high demand for protection buying, (2) no voting rights, (3) amendment fees, (4) and step-up provisions (step-down features due to a lower leverage ratio, and hence, a lower LIBOR spread, would have the opposite effect).

LCDS Spreads Tighter...

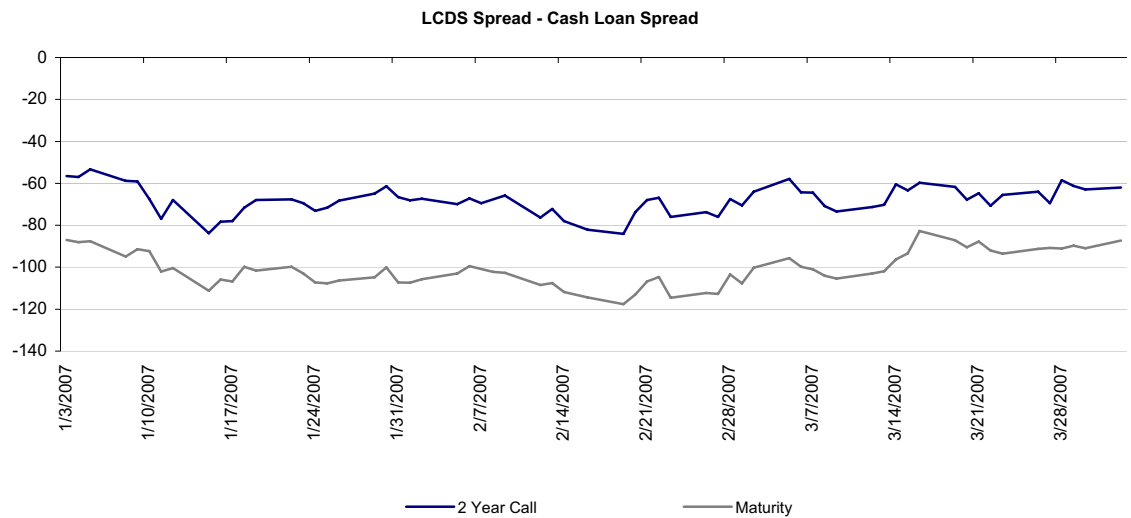
- Large demand to sell LCDS protection
- Cash loan borrower has call option

LCDS Spreads Wider...

- Large demand for buying LCDS protection
- No voting rights for protection seller
- No amendment fees for protection seller
- No step-up provisions for protection seller

To track how the basis has changed over time, the straight average was taken each day for names where we had 3 or more contributors for the loan CDS spread. We assume here that a cash loan investor can fund at LIBOR as well.

As seen in the graph to the right, loan CDS spreads currently trade tighter than cash loan spreads.



A negative basis generally implies that an investor could profit from buying the cash loan and receiving the coupon, while also buying protection on the loan. Listed below are issuers with a large negative basis. Since a loan exists on average for two to three years, we also list the LIBOR spread to a two year call.

Name	Tier	LCDS	Spread to Maturity	Basis	Spread to 2yr Call	Basis
FREEMONT MCMORAN COPPER & GOLD INC	LIEN1	66	169	-103	153	-87
HCA INC.	LIEN1	129	256	-127	212	-83
TDC A/S	LIEN1	91	218	-127	172	-81
AMADEUS IT GROUP SA	LIEN1	121	250	-129	202	-81
JARDEN CORP	LIEN1	98	188	-90	172	-74
GA PAC CORP	LIEN1	85	186	-101	159	-74
LYONDELL CHEM CO	LIEN1	78	167	-89	150	-72
BASELL AF SCA	LIEN1	102	224	-122	168	-66
ARVINMERITOR INC	LIEN1	97	170	-73	163	-66
LEAR CORP	LIEN1	164	242	-78	230	-66
NRG ENERGY INC	LIEN1	86	182	-96	150	-64
MOSAIC CO	LIEN1	63	160	-97	126	-63
HERCULES INC	LIEN1	66	136	-70	125	-59
ARAMARK CORP	LIEN1	129	205	-76	185	-56
OSHKOSH TRUCK CORP	LIEN1	112	190	-78	166	-54
UTD RENTS NORTH AMER INC	LIEN1	86	168	-82	140	-54

Source: Markit Group Limited

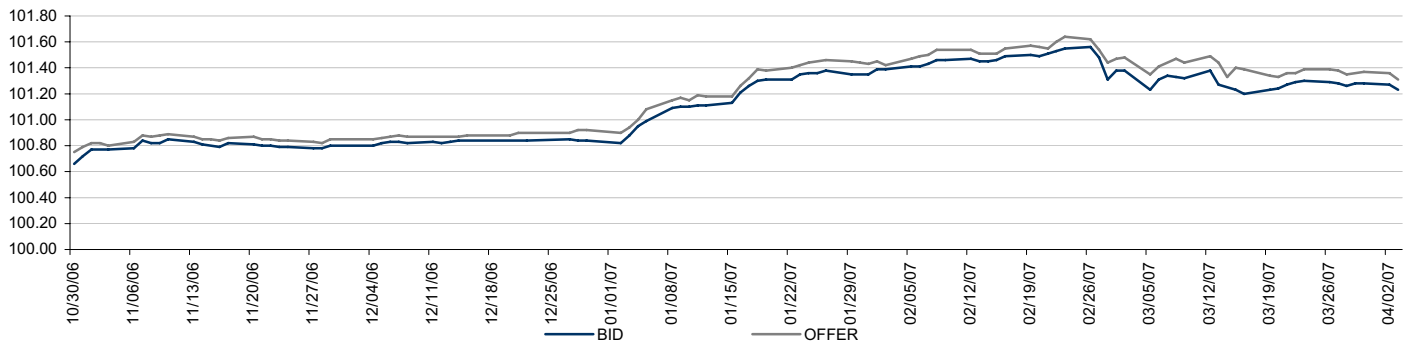
Loan CDS Indices

Separate working groups were formed in North America and Europe for the purpose of launching tradeable loan CDS indices. In Europe, a group of six dealers have worked with International Index Co (IIC) and Markit Group to develop the iTraxx LevX Senior Index and the iTraxx LevX Subordinated Index. In North America, a group of fifteen dealers have been working with CDX Index Co, Markit and ISDA on the development of LCDX.

The LevX Senior Index was priced at 170 and began trading on October 30, 2006. Since then it has seen between 50-100mm Euro in volume daily. The LevX Subordinated Index was priced at 450 and began trading on November 13, 2006. The annex, rules and confirmation are provided free of charge on the Markit web site. In its role as Calculation agent, Markit calculates the official mid day (11:00 a.m. GMT) and end-of-day (4:30 p.m. GMT) levels for both the LevX Senior and Subordinated Indices.

It is expected that the LCDX, the loan CDS index for North America, will be launched later this month.

iTraxx LevX Senior Price Performance



LevX Senior Constituents

Credit	Ranking	Weighting	LCDS (1)	Cash Loan (1)	CDS	LCDS/CDS
Amadeus Global	LIEN1	2.86%	121	101.060	-	-
Automobile Association	LIEN1	2.86%	Thin	100.948	-	-
Avio	LIEN1	2.86%	Thin	101.500	-	-
Basell	LIEN1	2.86%	102	101.172	293	35%
Brenntag Group	LIEN1	2.86%	Thin	101.359	-	-
Debitel	LIEN1	2.86%	153	99.958	-	-
Eircom	LIEN1	2.86%	-	101.146	-	-
Gala Group	LIEN1	2.86%	Thin	100.925	-	-
German Media Partners	LIEN1	Paid Down	-	-	-	-
Grohe	LIEN1	2.86%	Thin	99.617	469	-
Ineos	LIEN1	2.86%	120	101.307	399	30%
Invensys	LIEN1	2.86%	-	100.475	-	-
ISS Global	LIEN1	2.86%	-	101.333	-	-
KDG	LIEN1	2.86%	106	101.183	343	31%
New Look	LIEN1	2.86%	Thin	100.292	-	-
NTL	LIEN1	2.86%	-	100.440	-	-
Numericable	LIEN1	2.86%	Thin	100.263	-	-
Orangina	LIEN1	2.86%	Thin	101.455	-	-
Pirelli Cables	LIEN1	2.86%	Thin	100.242	163	-
Rexel	LIEN1	2.86%	-	100.278	-	-
RuhrGas	LIEN1	2.86%	Thin	101.323	-	-
Sanitec	LIEN1	2.86%	Thin	100.365	-	-
SBS Broadcasting	LIEN1	2.86%	Thin	100.214	-	-
SEAT	LIEN1	2.86%	Thin	100.744	215	-
SigmaKalon Groep	LIEN1	2.86%	Thin	100.731	-	-
Smurfit Kappa Group	LIEN1	2.85%	-	100.679	-	-
SSP	LIEN1	2.85%	Thin	101.325	-	-
TDC	LIEN1	2.85%	91	100.930	114	80%
Tommy Hilfiger	LIEN1	2.85%	202	Thin	-	-
Travelex	LIEN1	2.85%	-	Thin	-	-
UPC	LIEN1	2.85%	Thin	100.354	-	-
VNU	LIEN1	2.85%	Thin	100.866	-	-
Wind	LIEN1	2.85%	Thin	100.563	-	-
World Directories	LIEN1	2.85%	Thin	100.719	-	-
Yell	LIEN1	2.85%	Thin	101.056	-	-

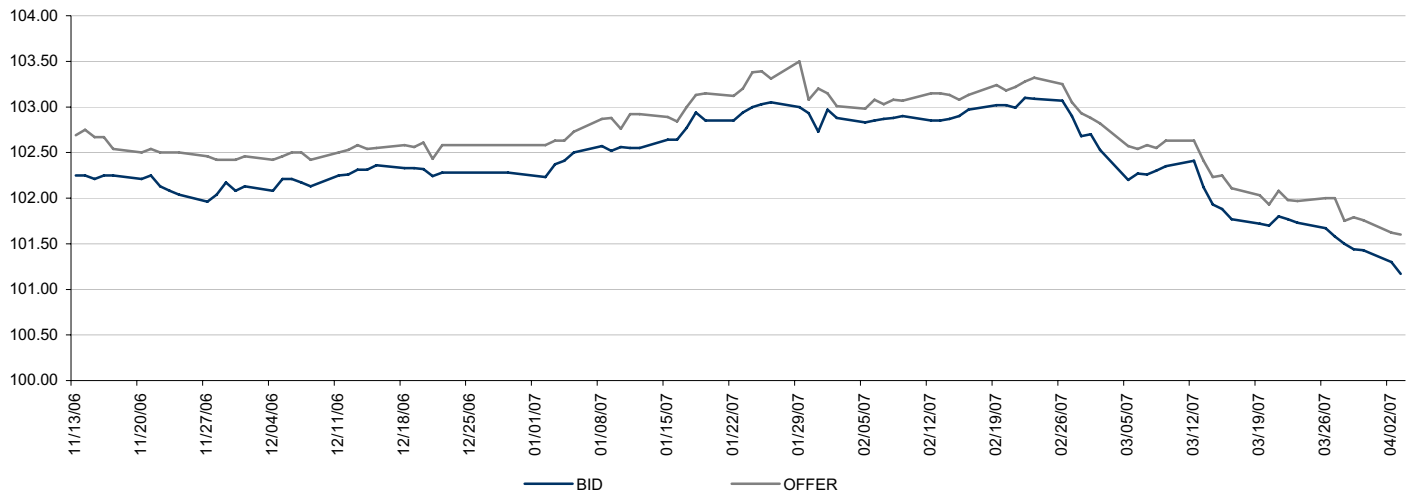
Source: Markit Group Limited

(1) Thin pricing is available to buy-side clients

Loan CDS Indices (cont'd)

As mentioned previously, Markit is currently receiving loan CDS spreads from six dealers in Europe and six dealers in North America. In both regions, additional dealers are working to provide LCDS spreads to Markit. At the moment, a significant portion of Markit's LCDS spreads are thinly priced and are only available to investors. As this report is sent to both dealers and investors, the loan CDS spreads listed below for the constituents of both the LevX Senior and LevX Subordinated are often not provided.

iTraxx LevX Subordinated Price Performance



LevX Subordinated Constituents

Credit	Ranking	Weighting	LCDS (1)	Cash Loan (1)	CDS	LCDS/CDS	In Senior Series
Amadeus Global	LIEN2	2.86%	Thin	101.868	-	-	<input checked="" type="checkbox"/>
Automobile Association	LIEN3	2.86%	Thin	Thin	-	-	<input checked="" type="checkbox"/>
Avio	LIEN2	2.86%	Thin	102.208	-	-	<input checked="" type="checkbox"/>
BAA	LIEN2	2.86%	Thin	100.376	-	-	
Balta	LIEN2	2.86%	Thin	99.000	-	-	
Brenntag Group	LIEN2	2.86%	Thin	102.396	-	-	<input checked="" type="checkbox"/>
British Vita	LIEN2	2.86%	Thin	100.188	-	-	
Casema	LIEN3	2.86%	Thin	102.838	-	-	
Cognis	LIEN2	2.86%	Thin	101.500	339	-	
Debitel	LIEN2	2.86%	Thin	100.556	-	-	<input checked="" type="checkbox"/>
Edscha	LIEN3	2.86%	Thin	99.050	-	-	
Eircom	LIEN2	2.86%	-	102.359	-	-	<input checked="" type="checkbox"/>
Elior	LIEN3	2.86%	Thin	Thin	-	-	
Flint	LIEN2	2.86%	Thin	101.925	-	-	
Framatome Connectors	LIEN3	Paid Down	-	-	-	-	
Gala Group	LIEN3	2.86%	Thin	101.917	-	-	<input checked="" type="checkbox"/>
Igloo Birds Eye	LIEN3	2.86%	-	102.995	-	-	
Ineos	LIEN2	2.86%	Thin	101.844	399	-	<input checked="" type="checkbox"/>
Kabel BW	LIEN2	2.86%	Thin	100.867	-	-	
Kwik-fit	LIEN2	2.86%	Thin	101.038	-	-	
Macquarie Broadcasting	LIEN2	2.86%	-	100.063	-	-	
Manchester United	LIEN2	2.86%	Thin	Thin	-	-	
New Look	LIEN2	2.86%	Thin	100.646	-	-	<input checked="" type="checkbox"/>
Numericable	LIEN3	Paid Down	-	-	-	-	<input checked="" type="checkbox"/>
Orangina	LIEN2	2.86%	Thin	102.009	-	-	<input checked="" type="checkbox"/>
Sanitec	LIEN2	2.85%	Thin	100.563	-	-	<input checked="" type="checkbox"/>
SBS Broadcasting	LIEN3	2.85%	-	Thin	-	-	<input checked="" type="checkbox"/>
SigmaKalon Groep	LIEN2	2.85%	Thin	100.917	-	-	<input checked="" type="checkbox"/>
SSP	LIEN3	2.85%	Thin	Thin	-	-	<input checked="" type="checkbox"/>
Terreal SA (Saint-Gobain)	LIEN2	2.85%	Thin	Thin	-	-	
Tommy Hilfiger	LIEN2	2.85%	Thin	Thin	-	-	<input checked="" type="checkbox"/>
Vetco	LIEN3	Paid Down	-	-	-	-	
Weetabix	LIEN2	2.85%	Thin	102.313	-	-	
Wind	LIEN2	2.85%	Thin	103.375	-	-	<input checked="" type="checkbox"/>
Yellow Brick Road Sarl	LIEN3	2.85%	Thin	Thin	-	-	

Source: Markit Group Limited

(1) Thin pricing is available to buy-side clients

Loan CDS Indices (cont'd)

It is expected that the LCDX (the North American Loan CDS Index) will launch later this month. The following list contains the one-hundred proposed credits to be included in the index. The cash loan price, loan CDS spread and CDS spread are also listed.

At the moment, a significant portion of Markit's LCDS spreads are thinly priced and are only available to investors. As this report is sent to both dealers and investors, the loan CDS spreads listed below for the constituents are often not provided.

Credit	Ranking	Cash Loan (1)	LCDS (1)	CDS	LCDS/CDS
ADVANCED MICRO DEVICES INC	LIEN1	100.438	Thin	355	-
AFFILIATED COMPUTER SVCS INC	LIEN1	100.179	Thin	260	-
ALERIS INTERNATIONAL, INC	LIEN1	100.125	Thin	336	-
ALLIED WASTE NORTH AMER INC	LIEN1	100.354	Thin	227	-
ALTIVITY PACKAGING LLC	LIEN1	-	Thin	-	-
AMC ENTMT INC	LIEN1	100.469	Thin	-	-
AMERN AIRLS INC	LIEN1	100.656	Thin	-	-
ARAMARK CORP	LIEN1	100.294	129	243	53%
ARVINMERITOR INC	LIEN1	Thin	97	307	32%
AVIS BUDGET CAR RENT LLC	LIEN1	99.818	Thin	174	-
BCP CRYSTAL US HLDGS CORP	LIEN1	100.153	Thin	131	-
BERRY PLASTICS HOLDING CORP	LIEN1	100.292	-	-	-
BLOCKBUSTER INC	LIEN1	100.825	Thin	393	-
BOISE CASCADE LLC	LIEN1	100.531	Thin	-	-
BOSTON GEN LLC	LIEN1	100.75	Thin	-	-
BOYD GAMING CORP	LIEN1	100.181	Thin	192	-
BURGER KING CORP	LIEN1	100.078	-	-	-
BURLINGTON COAT FACTORY WHSE CORP	LIEN1	99.275	Thin	-	-
CAP AUTOMOTIVE LP	LIEN1	100.847	Thin	-	-
CEDAR FAIR LP	LIEN1	100.838	Thin	-	-
CENTENNIAL CELLULAR OPER CO LLC	LIEN1	100.65	Thin	-	-
CEQUEL COMMS LLC	LIEN1	99.964	Thin	-	-
CHARTER COMMS OPER LLC	LIEN1	99.602	Thin	129	-
CHIQUITA BRANDS LLC	LIEN1	Thin	-	-	-
CONSTELLATION BRANDS INC	LIEN1	100.268	Thin	145	-
CSC HLDGS INC	LIEN1	100.224	Thin	190	-
DAVITA INC	LIEN1	100.125	Thin	-	-
DEAN FOODS COMPANY	LIEN1	Thin	-	-	-
DEL MONTE CORP	LIEN1	100.125	Thin	165	-
DIRECTV HLDGS LLC	LIEN1	100.188	Thin	167	-
DOLE FOOD CO INC	LIEN1	99.7	Thin	570	-
DOMTAR INC.	LIEN1	Thin	Thin	158	-
ED MGMT LLC	LIEN1	100.396	-	-	-
EL PASO CORP	LIEN1	100.469	Thin	99	-
EMMIS OPER CO	LIEN1	100.524	Thin	130	-
FORD MTR CO	LIEN1	100.319	Thin	623	-
FREEMPORT-MCMORAN COPPER & GOLD INC.	LIEN1	100.159	66	120	55%
FREESCALE SEMICONDUCTOR INC	LIEN1	100.125	Thin	354	-
FRESENIUS MED CARE AG & CO KGAA	LIEN1	99.688	-	-	-
GA PAC CORP	LIEN1	100.504	Thin	187	-
GEN GROWTH PPTYS INC	LIEN1	99.727	Thin	-	-
GEN MTRS CORP	LIEN1	100.594	172	459	37%
GEORGIA GULF CORPORATION	LIEN1	100.4	Thin	476	-
GOODYEAR TIRE & RUBR CO	LIEN1	100.219	Thin	177	-
GRAHAM PACKAGING CO	LIEN1	100.375	Thin	355	-
GRAPHIC PACKAGING INTL INC	LIEN1	100.75	Thin	235	-
HANESBRANDS INC	LIEN1	Thin	Thin	-	-
HAWAIIAN TELCOM COMMS INC	LIEN1	100.089	Thin	-	-
HAYES LEMMERZ INTL INC	LIEN1	100.25	Thin	-	-
HCA INC.	LIEN1	100.89	129	293	44%
HEALTH MANAGEMENT ASSOCIATES, INC.	LIEN1	100.208	Thin	129	-
HEALTHSOUTH CORP	LIEN1	100.523	Thin	274	-
HERTZ CORP	LIEN1	100.656	Thin	156	-

Source: Markit Group Limited

(1) Thin pricing is available to buy-side clients

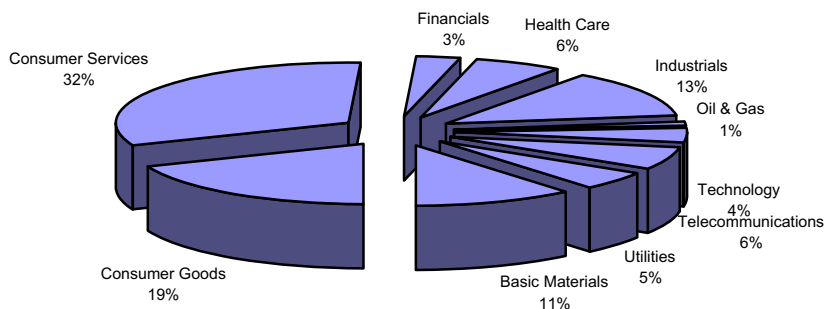
Loan CDS Indices (cont'd)

Credit	Ranking	Cash Loan (1)	LCDS (1)	CDS	LCDS/CDS
HEXION SPECIALTY CHEMS INC	LIEN1	100.514	Thin	-	-
HUNTSMAN INTL LLC	LIEN1	100.153	Thin	290	-
IDEARC INC	LIEN1	100.525	Thin	178	-
INSIGHT MIDWEST HLDGS LLC	LIEN1	100.681	Thin	-	-
INTELSAT CORP	LIEN1	100.625	Thin	122	-
JARDEN CORP	LIEN1	100.156	98	-	-
LEAR CORP	LIEN1	100.025	164	404	41%
LYONDELL CHEM CO	LIEN1	100.111	78	176	44%
MASONITE INTL CORP	LIEN1	98.208	Thin	-	-
MEDIACOM LLC	LIEN1	99.917	Thin	307	-
METRO GOLDWYN MAYER INC	LIEN1	99.854	Thin	-	-
METROPCS COMMUNICATIONS, INC	LIEN1	100.411	-	-	-
MICHAELS STORES INC	LIEN1	100.775	Thin	283	-
MIRANT NORTH AMERICA LLC	LIEN1	100.188	Thin	230	-
MOMENTIVE PERFORMANCE MATLS INC	LIEN1	100.375	-	-	-
MOVIE GALLERY INC	LIEN1	100.203	Thin	638	-
MUELLER GROUP LLC	LIEN1	100.55	Thin	-	-
NALCO CO	LIEN1	100.694	84	187	45%
NEIMAN MARCUS GP INC	LIEN1	100.795	Thin	140	-
NEWPAGE CORP	LIEN1	Thin	Thin	350	-
NRG ENERGY INC	LIEN1	100.63	Thin	208	-
OSHKOSH TRUCK CORP	LIEN1	100.375	112	-	-
OWENS IL GROUP INC	LIEN1	100.175	Thin	-	-
PENN NATL GAMING INC	LIEN1	100.578	Thin	68	-
REGAL CINEMAS CORP	LIEN1	100.229	-	-	-
RELIANT ENERGY INC	LIEN1	100.616	Thin	233	-
REYNOLDS AMERN INC	LIEN1	100.542	Thin	101	-
RH DONNELLEY INC	LIEN1	99.813	-	-	-
ROCKWOOD SPECIALTIES GP INC	LIEN1	100.906	Thin	-	-
SABRE HOLDINGS CORPORATION	LIEN1	Thin	-	-	-
SENSATA TECH BV	LIEN1	99.744	Thin	-	-
SIX FLAGS INC	LIEN1	100.729	Thin	590	-
SMURFIT STONE CONTAINER ENTERPRISES INC	LIEN1	100.679	Thin	305	-
SOLO CUP CO	LIEN1	101.229	Thin	-	-
SUNGARD DATA SYS INC	LIEN1	100.719	Thin	250	-
SUPERVALU INC	LIEN1	100.292	Thin	113	-
TOYS R US DELAWARE INC	LIEN1	102.234	-	-	-
TRAVELPORT INC	LIEN1	100.768	Thin	279	-
TRW AUTOMOTIVE INC	LIEN1	99.813	Thin	204	-
UNIVISION COMMUNICATIONS INC.	LIEN1	99.984	174	407	43%
US AIRWAYS GROUP, INC.	LIEN1	100.4	Thin	-	-
UTD AIR LINES INC	LIEN1	-	Thin	-	-
UTD RENTS NORTH AMER INC	LIEN1	100.719	86	246	35%
VENETIAN CASINO RESORT LLC	LIEN1	100.571	Thin	-	-
VISTEON CORP	LIEN1	Thin	Thin	497	-
WARNER CHILCOTT CO INC	LIEN1	100.25	-	-	-
WINDSTREAM CORP	LIEN1	100.521	60	121	50%

Source: Markit Group Limited

(1) Thin pricing is available to buy-side clients

LCDX Breakdown by Sector:

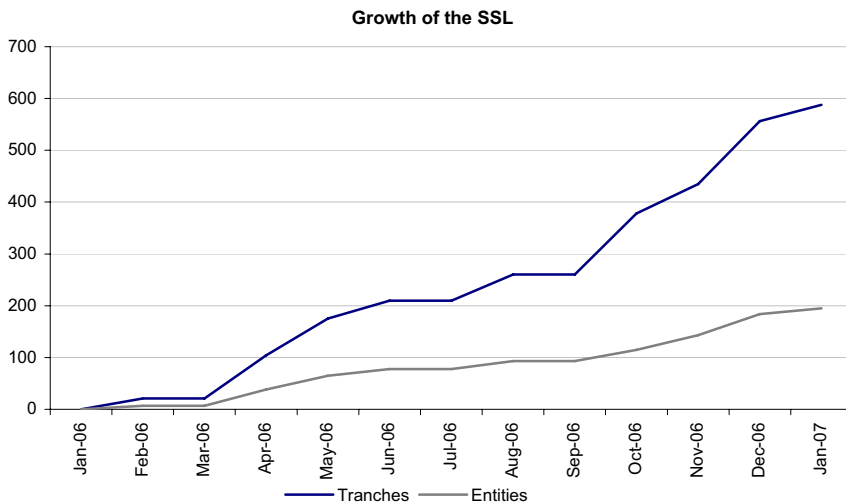


Syndicated Secured List - Reference Obligations

Following a credit event, the buyer of protection that is physically settling a transaction will deliver a suitable obligation to the protection seller and receive par. The ISDA 2003 definitions govern the requirements for a deliverable obligation. With regard to North American loan CDS, additional requirements exist for a loan to be deliverable. Specifically, a loan is required to be syndicated, secured and trade as the relevant tier (i.e. first lien, second lien or third lien). The primary mechanism for determining whether a particular loan meets those deliverability requirements is the Syndicated Secured List, a list of reference entities and deliverable obligations maintained by Markit Group.

The standard loan CDS contract that currently trades in Europe is cancelled upon a refinancing of the existing loans. As such, there is no current need to have a mechanism to determine any replacement obligations. Therefore, a Syndicated Secured List in Europe is not necessary, as the existing loans/credit agreement would be the deliverable obligations. As interest in a European loan CDS contract that survives the loan refinancing grows, the Syndicated Secured List is expected to expand into Europe.

Email support@markit.com to obtain access to Markit's Syndicated Secured List.



Dealers currently participating in the SSL

Bank of America
 Barclays Capital
 Bear Stearns
 BNP Paribas
 Citibank
 Credit Suisse
 Deutsche Bank
 Goldman Sachs
 JPMorgan
 Lehman Brothers
 Merrill Lynch
 Morgan Stanley
 Royal Bank of Scotland
 TD Securities
 UBS Securities
 Wachovia Bank

*Includes entities/tranches currently being polled

Reference Entity	Reference Obligation	Maturity	Ccy / Amnt / Sprd	Trade As
ACCO Brands Corporation	Dollar Revolving Facility	17-Aug-10	USD / 130 / L+200	First Lien
AMC Entertainment Inc.	Revolving Credit Facility	26-Jan-12	USD / 200 / L+175/TIE+175	First Lien
Accuride Corporation	U.S. Revolving Credit Facility	31-Jan-10	USD / 95 / L+250	First Lien
Advanced Micro Devices Inc.	Term Loans	31-Dec-13	USD / 2500 / L+225	First Lien
Affiliated Computer Services, Inc.	Primary Revolving Facility	20-Mar-12	USD / 800 / L+200	First Lien
Allegheny Energy Supply Company, LLC	Revolving Facility	2-May-11	USD / 200 / L+87.5	First Lien
Alliance Imaging, Inc.	New Revolving Loans	29-Dec-10	USD / 70 / L+175	First Lien
Allied Waste North America, Inc.	Revolving Credit Facility	15-Jan-10	USD / 1575 / L+300	First Lien
Altivity Packaging, LLC	2nd Lien	30-Dec-13	USD / 330 / L+500	Second Lien
Altivity Packaging, LLC	Revolver	30-May-13	USD / 150 / L+225	First Lien
American Airlines, Inc.	Revolving Credit 1 Facility	17-Jun-09	USD / 325 / L+350	First Lien
American Cellular Corporation	Revolving Loan	7-Aug-11	USD / 50 / L+225	First Lien
Ameritrade Holding Corporation	Revolving Credit Facility	31-Dec-10	USD / 300 / L+150	First Lien
Amscan Holdings, Inc.	Revolving Loans	23-Dec-11	USD / 85 / L+300	First Lien
Amscan Holdings, Inc.	Second Lien Term Loans	23-Dec-12	USD / 60 / L+500	Second Lien
Apria Healthcare Group Inc.	Revolving Loans	23-Nov-11	USD / 500 / L+100	First Lien
Aramark Corporation	Revolving Credit	23-Jan-13	USD / 435 / L+200	First Lien
Arby's Restaurant Group, Inc.	Revolving Loan	25-Jul-11	USD / 100 / L+200	First Lien
Arch Coal, Inc.	Revolving Credit	23-Jun-11	USD / 800 /	First Lien
ArvinMeritor, Inc.	Revolving Loan	23-Jun-11	USD / 980 / L+150	First Lien
Avis Budget Car Rental, LLC	Revolving Facility	19-Apr-11	USD / 1500 / L+150	First Lien
BCP Crystal US Holdings Corp	Revolving Facility	6-Apr-09	USD / 600 / L+250	First Lien
BI-LO, LLC	Revolving Facility	9-Aug-10	USD / 50 / L+400	First Lien

Source: Markit Group Limited

Syndicated Secured List - Reference Obligations (cont'd)

Reference Entity	Reference Obligation	Maturity	Ccy / Amnt / Sprd	Trade As
Ball Corporation	Multicurrency Revolving Facility	13-Oct-11	USD / 715 / L+87.5	First Lien
Blockbuster Inc.	Revolving Loan	20-Aug-09	USD / 500 / L+275	First Lien
Boise Cascade, L.L.C.	Revolving Loan	29-Oct-10	USD / 475 / L+175	First Lien
Bowater Canadian Forest Products Inc.	Revolving Credit Loans	30-May-07	USD / 165 / L+150	First Lien
Bowater Incorporated	Revolving Credit Loans	25-May-11	USD / 415 / L+175	First Lien
Boyd Gaming Corporation	Revolving Loan	30-Jun-10	USD / 1350 / L+175	First Lien
Burger King Corporation	Global Revolving Loan	30-Jun-11	USD / 142.5 / L+175	First Lien
Burlington Coat Factory Warehouse Corporation	Revolving Credit Loans	28-May-11	USD / 800 / L+150	First Lien
CBRL Group, Inc.	Revolving Credit Facility	27-Apr-11	USD / 250 / L+150	First Lien
CHS/Community Health Systems, Inc.	Revolving Credit Loan	19-Aug-09	USD / 425 / L+175	First Lien
CSC Holdings, Inc.	Revolving Credit Loan	24-Feb-12	USD / 1000 / L+125	First Lien
Canwest Mediaworks Inc.	Loan	13-Oct-10	USD / 500 / L+175	First Lien
Capital Automotive L.P.	Revolving Credit Facility	16-Dec-09	USD / 250 / L+175	First Lien
Carmike Cinemas, Inc.	Revolving Loan	19-May-10	USD / 50 / L+225	First Lien
Casella Waste Systems, Inc.	Revolving Loans	28-Apr-10	USD / 360 / L+200	First Lien
Cedar Fair, L.P.	U.S. Revolving Facility	30-Aug-11	USD / 310 / L+250	First Lien
Centennial Cellular Operating Co. LLC	Revolving Credit Facility (Tranche B)	9-Feb-10	USD / 75 / L+325	First Lien
Conveo Corporation	Revolving Credit Loan	21-Jun-12	USD / 100 / L+175	First Lien
Cequel Communications, LLC	Revolving Credit	5-May-13	USD / 200 / L+150	First Lien
Charter Communications Operating, LLC	Revolving Facility	27-Apr-10	USD / 1500 / L+300	First Lien
Chiquita Brands L.L.C.	Revolving Loan	28-Jun-10	USD / 200 / L+300	First Lien
Cincinnati Bell Inc.	Revolving Loan	16-Feb-10	USD / 250 / L+200	First Lien
Cinemark USA Inc.	Revolving Credit Loans	1-Aug-12	USD / 150 / L+200	First Lien
Constellation Brands, Inc.	Revolving Loan	5-Jun-11	USD / 500 / L+125	First Lien
Cooper-Standard Automotive Inc.	Dollar Facility Revolving Loan	23-Dec-10	USD / 100 / L+200	First Lien
Covalence Specialty Materials Corp.	Revolving Loan	18-May-12	USD / 200 / L+150	First Lien
Covalence Specialty Materials Corp.	Second Lien Credit	16-Aug-13	USD / 175 / L+325	Second Lien
Covanta Energy Corporation	Revolving Commitments	24-Jun-11	USD / 100 / L+300	First Lien
Covanta Energy Corporation	Second Lien Term Loans	24-Jun-13	USD / 400 / L+550	Second Lien
Cricket Communications, Inc.	Revolving Credit Loan	16-Jun-11	USD / 200 / L+275	First Lien
Cumulux Media Inc.	Revolving Loan	7-Jun-12	USD / 100 / L+200	First Lien
DIRECTV Holdings LLC	Revolving Loan	13-Apr-11	USD / 500 / L+150	First Lien
DaVita Inc.	Revolving Facility	5-Oct-11	USD / 250 / L+200	First Lien
Dean Foods Company	Dollar Revolving-1 Loans	13-Aug-09	USD / 1500 / L+75	First Lien
Del Monte Corporation	Revolving Credit Loan	8-Feb-11	USD / 450 / L+150	First Lien
Dex Media East LLC	Revolving Loan	8-Nov-08	USD / 100 / L+125	First Lien
Dex Media West LLC	Revolving Loan	9-Sep-09	USD / 100 / L+125	First Lien
Dole Food Company, Inc.	Revolving Loan	12-Apr-11	USD / 350 / L+150	First Lien
Dura Operating Corp.	Revolving Loan	3-May-10	USD / 175 / L+200	First Lien
Dura Operating Corp.	Second Lien Term Loan	3-May-11	USD / 225 / L+375	Second Lien
Dynegy Holdings Inc.	Revolving Credit Facility	19-Apr-09	USD / 470 / L+175	First Lien
Eastman Kodak Company	Revolving Credit Facility	18-Oct-10	USD / 1000 / L+200	First Lien
El Paso Corporation	Revolving Loan	31-Jul-09	USD / 1250 / L+200	First Lien
El Paso Production Holding Company	"Loans" (Borrowing Base Revolving Credit)	30-Aug-10	USD / 500 / L+187.5	First Lien
Emmis Operating Company	Revolving Credit Loan	10-Nov-11	USD / 350 / L+200	First Lien
Enterprise GP Holdings L.P.	Revolving Credit Loan	9-Jan-09	USD / 200 / L+175	First Lien
Fairchild Semiconductor Corporation	Revolving Loan	26-Jun-12	USD / 100 / L+150	First Lien
Fairpoint Communications, Inc.	RF Loan	8-Feb-11	USD / 100 / L+200	First Lien
Flowserve Corporation	Revolving Loan	12-Aug-10	USD / 400 / L+175	First Lien
Ford Motor Company	Revolving Facility	15-Dec-11	USD / 11485 / L+275	First Lien
Foundation PA Coal Company, LLC	New Revolving Facility Loan	7-Jul-11	USD / 500 / L+125	First Lien
Freescale Semiconductor, Inc.	Revolving Credit	1-Dec-12	USD / 750 / L+200	First Lien
Fresenius Medical Care AG & Co. KGaA	Revolving Loans	31-Mar-11	USD / 1000 / L+87.5	First Lien
General Growth Properties, Inc.	Revolving Credit Facility	24-Feb-10	USD / 650 / L+150	First Lien
General Motors Corporation	US Secured Loan	20-Jul-11	USD / 2463.2 / L+175	First Lien
Gentiva Health Services, Inc.	Revolving Credit Facility	28-Feb-12	USD / 75 / L+225	First Lien
Georgia-Pacific Corporation	Revolver	20-Dec-08	USD / 1750 / L+200	First Lien
Graham Packaging Company, L.P.	Revolving Loans	7-Oct-10	USD / 250 / L+275	First Lien
Graham Packaging Company, L.P.	Second-Lien Loan	7-Apr-12	USD / 350 / L+425	Second Lien

Source: Markit Group Limited

Syndicated Secured List - Reference Obligations (cont'd)

Reference Entity	Reference Obligation	Maturity	Ccy / Amnt / Sprd	Trade As
Graphic Packaging International, Inc.	Revolving Credit Loans	8-Aug-09	USD / 325 / L+300	First Lien
HBI Branded Apparel Limited, Inc.	Second Lien Loans	5-Mar-14	USD / 450 / L+375	Second Lien
HCA Inc.	Revolving Credit Loans	16-Nov-12	USD / 2000 / L+175	First Lien
Hanesbrands Inc.	Revolving Loans	5-Sep-11	USD / 500 / L+175	First Lien
Hawaiian Telcom Communications, Inc.	Revolving Loan	30-Apr-12	USD / 200 / L+225	First Lien
Hayes Lemmerz International, Inc.	Revolving Credit Facility	3-Jun-08	USD / 100 / L+350	First Lien
Hayes Lemmerz International, Inc.	Term C Facility	3-Jun-10	USD / 150 / L+600	Second Lien
HealthSouth Corporation	Revolving Loan	10-Mar-12	USD / 400 / L+325	First Lien
Helix Energy Solutions Group, Inc.	Revolving Credit Loan	1-Jul-11	USD / 300 / L+200	First Lien
Hercules Incorporated	Revolving Credit Facility	8-Apr-09	USD / 150 / L+150	First Lien
Hexion Specialty Chemicals, Inc.	U.S. Tranche Revolving Facility Loans	31-May-11	USD / 50 / L+250	First Lien
Houghton Mifflin Company	Revolving Loan	31-Dec-08	USD / 250 / L+325	First Lien
Huntsman International LLC	Revolving Loan	16-Aug-10	USD / 650 / L+175	First Lien
Iasis Healthcare LLC	Revolving Loan	22-Jun-10	USD / 250 / L+250	First Lien
Idearc Inc.	Revolving Loans	17-Nov-11	USD / 250 / L+150	First Lien
Insight Midwest Holdings, LLC	Revolving Loan	30-Jun-09	USD / 425 / L+150	First Lien
Intelsat Corporation	Revolving Credit	3-Jul-12	USD / 250 / L+212.5	First Lien
Intelsat Subsidiary Holding Company, Ltd.	Revolving Credit	3-Jul-12	USD / 300 / L+225	First Lien
Jarden Corporation	Revolving Loan	24-Jan-10	USD / 200 / L+250	First Lien
JohnsonDiversey, Inc.	Revolving Loan Facility	16-Dec-10	USD / 175 / L+250	First Lien
Jostens Canada Ltd.	Canadian Revolving Credit Loan	4-Oct-09	CAD / 20 / L+250	First Lien
K&F Industries, Inc.	Revolving Credit Facility	18-Nov-10	USD / 50 / L+250	First Lien
Kinetic Concepts, Inc.	Revolving Loan	11-Aug-09	USD / 100 / L+250	First Lien
LPL Holdings Inc.	Revolver	28-Dec-11	USD / 100 / L+200	First Lien
LSP Gen Finance Co, LLC	First Lien Term Loan	13-Apr-13	USD / 950 / L+175	First Lien
LSP Gen Finance Co, LLC	Second Lien Term Loan	13-Apr-14	USD / 250 / L+350	Second Lien
Las Vegas Sands, Inc.	Revolving Loan	22-Feb-10	USD / 450 / L+175	First Lien
Lear Corporation	U.S. Revolving Credit Loans	23-Mar-10	USD / 1700 / L+175	First Lien
Level 3 Financing, Inc.	Loans	1-Dec-11	USD / 730 / L+300	First Lien
LifePoint Hospitals, Inc.	Revolving Loans	15-Apr-10	USD / 300 / L+175	First Lien
Longview Fibre Company	Revolving Loans	23-Dec-10	USD / 200 / L+150	First Lien
Lyondell Chemical Company	Revolving Loan	16-Aug-11	USD / 1055 / L+200	First Lien
Mediacom Broadband LLC	Revolving Credit Facility	31-Mar-10	USD / 600 / L+200	First Lien
Mediacom LLC	Revolving Credit Facility	30-Sep-11	USD / 400 / L+150	First Lien
Medimmune, Inc.	Revolving Credit Facility	25-Apr-09	USD / 600 / L+20	First Lien
Michael Foods, Inc.	Revolving Credit	21-Nov-09	USD / 100 / L+200	First Lien
Midwest Generation, LLC	Revolving Credit	27-Apr-11	USD / 500 / L+175	First Lien
Mirant North America, LLC	Revolving Facility	3-Jan-12	USD / 800 / L+225	First Lien
Movie Gallery, Inc.	Revolving Loans	27-Apr-10	USD / 75 / L+350	First Lien
Mueller Group, LLC	Revolving Credit Facility	4-Oct-10	USD / 145 / L+250	First Lien
NRG Energy, Inc.	Revolving Credit	2-Feb-11	USD / 1000 / L+200	First Lien
NTL Investment Holdings Limited	Revolving Facility	10-Jan-12	GBP / 100 / GBL+187.5	First Lien
Nalco Company	Revolving Credit Facility	5-Nov-09	USD / 250 / L+250	First Lien
Neenah Paper, Inc.	Revolving Credit Facility	30-Nov-08	USD / 150 / L+200	First Lien
Nielsen Finance LLC	Revolving Credit	9-Aug-12	USD / 687 / L+250	First Lien
Nortek, Inc.	Revolving Credit Facility	27-Aug-10	USD / 100 / L+225	First Lien
Novelis Inc.	Revolving Credit Facility	7-Jan-10	USD / 500 / L+200	First Lien
Oshkosh Truck Corporation	Revolving Credit	6-Dec-13	USD / 550 / L+175	First Lien
Owens & Minor Medical, Inc.	Revolving Loans	3-May-11	USD / 250 / L+125	First Lien
Owens-Illinois Group, Inc.	Revolving Loan	15-Jun-12	USD / 900 / L+175	First Lien
Penn National Gaming, Inc.	Revolving Credit Facility	3-Oct-10	USD / 750 / L+200	First Lien
Pinnacle Entertainment, Inc.	Revolving Credit Facility	14-Feb-10	USD / 450 / L+225	First Lien
Pinnacle Foods Group Inc.	Revolving Credit Facility	25-Nov-09	USD / 65 / L+325	First Lien
Quintiles Transnational Corporation	Revolving Credit	31-Mar-12	USD / 225 / L+200	First Lien
R.H. Donnelley Inc.	Revolving Loans	31-Dec-09	USD / 175 / L+125	First Lien
Rainbow National Services LLC	Revolving Credit Loan	30-Jun-12	USD / 600 / L+125	First Lien
Regal Cinemas Corporation	Revolving Loans	10-Nov-09	USD / 100 / L+300	First Lien
Reliant Energy, Inc.	Revolving Credit Facility	22-Dec-09	USD / 1700 / L+287.5	First Lien
Rent-A-Center, Inc.	Revolving Loans	13-Jul-11	USD / 400 / L+100	First Lien

Source: Markit Group Limited

Syndicated Secured List - Reference Obligations (cont'd)

Reference Entity	Reference Obligation	Maturity	Ccy / Amnt / Sprd	Trade As
Revlon Consumer Products Corporation	Aggregate Term Loan	9-Jul-10	USD / 800 / L+600	First Lien
Reynolds American Inc.	Revolving Loans	31-May-11	USD / 550 / L+187.5	First Lien
Rockwood Specialties Group, Inc	Tranche F Term Loans	30-Jul-12	EUR / 273.436 / L+275	First Lien
Rockwood Specialties Limited	Revolving Credit	30-Jul-10	EUR / 250 / L+250	First Lien
Sealy Mattress Company	US Revolving Credit Loans	6-Apr-10	USD / 100 / L+250	First Lien
Sears Holdings Corporation	Revolving Credit Facility	22-Feb-10	USD / 4000 / L+87.5	First Lien
Select Medical Corporation	Revolving Credit Facility	24-Feb-11	USD / 300 / L+250	First Lien
Semiconductor Components Industries, LLC	Revolving Loan	4-Aug-08	USD / 25 / L+275	First Lien
Sensata Technologies B.V.	Revolving Credit Facility	21-Apr-12	USD / 150 / L+200	First Lien
Simmons Bedding Company	Revolving Credit Facility	19-Dec-09	USD / 75 / L+250	First Lien
Six Flags, Inc.	Revolving Credit Loans	30-Jun-08	USD / 300 / L+200	First Lien
Smurfit-Stone Container Enterprises, Inc.	Revolving Loans	1-Nov-09	USD / 600 / L+225	First Lien
Solo Cup Canada Inc. (formerly known as Lily Cups Inc.)	Revolving Credit Facility	24-Sep-07	CAD / 16.5 / CBAR+175	First Lien
Solo Cup Company	Revolving Credit Facility	27-Feb-10	USD / 150 / L+275	First Lien
Solo Cup Company	Second Lien Facility	25-Feb-12	USD / 80 / L+450	Second Lien
Spectrum Brands, Inc.	Revolving Credit Facility	6-Feb-11	USD / 300 / L+300	First Lien
Stile Acquisition Corp.	Revolving Facility	6-Apr-11	USD / 350 / L+250	First Lien
Sungard Data Systems Inc.	Revolving Credit Facility	11-Aug-11	USD / 1000 / L+250	First Lien
Supervalu Inc.	Revolving Loan	2-Jun-11	USD / 2000 / L+150	First Lien
TRW Automotive Inc.	Revolving Facility Loans	28-Feb-09	USD / 900 / L+137.5	First Lien
Targa Resources, Inc.	Revolving Credit Facility	28-Oct-11	USD / 250 / L+225	First Lien
Telecordia Technologies, Inc.	Revolving Credit Facility	15-Mar-11	USD / 100 / L+250	First Lien
Tenneco Automotive Inc.	Revolving Loans	12-Dec-10	USD / 320 / L+325	First Lien
Terex Corporation	Domestic Revolving Credit	14-Jul-12	USD / 500 / L+175	First Lien
The AES Corporation	Revolving Credit Facility	23-Jun-10	USD / 450 / L+175	First Lien
The Goodyear Tire & Rubber Company	Revolving Loan	30-Apr-10	USD / 1000 / L+175	First Lien
The Goodyear Tire & Rubber Company	Second Lien Loan	30-Apr-10	USD / 1200 / L+275	Second Lien
The Goodyear Tire & Rubber Company	Third Lien Loan	1-Mar-11	USD / 300 / L+350	Third Lien
The Hertz Corporation	U.S. Facility Revolving Credit Loan	21-Dec-10	USD / 1125 / L+200	First Lien
The Jean Coutu Group (PJC) Inc.	U.S. Revolving Loans	30-Jul-09	USD / 250 / L+250	First Lien
The Mosaic Company	Revolving Loan	18-Feb-10	USD / 450 / L+125	First Lien
The NASDAQ Stock Market, Inc.	Revolving Loans	18-Apr-11	USD / 75 / L+175	First Lien
The Neiman Marcus Group, Inc.	Senior Secured Asset-Based Revolving Credit Facility	6-Oct-10	USD / 600 / L+175	First Lien
The Scotts Miracle-Gro Company	Revolving Credit	21-Jul-10	USD / 1000 / L+120	First Lien
Toys "R" Us-Delaware, Inc.	Revolving Credit Facility (Tranche A Loans)	21-Jul-10	USD / 1650 / L+175	First Lien
TransDigm Inc.	Revolving Loans	23-Jun-12	USD / 150 / L+200	First Lien
Triad Hospitals, Inc.	Revolving Loans	10-Jun-11	USD / 600 / L+125	First Lien
Tupperware Corporation	Revolving Credit Facility	5-Dec-10	USD / 200 / L+150	First Lien
US Airways Group, Inc.	Loan	31-Mar-11	USD / 1250 / L+350	First Lien
United Air Lines, Inc.	Tranche A Revolving Loan	1-Feb-12	USD / 200 / L+375	First Lien
United Rentals (North America), Inc.	Revolving Loans	13-Feb-09	USD / 650 / L+225	First Lien
Vanguard Health Holding Company II, LLC	Revolving Loan Commitment	23-Sep-10	USD / 250 / L+250	First Lien
Visant Corporation	US Revolving Credit Loan	4-Oct-09	USD / 230 / L+250	First Lien
Visteon Corporation	Revolving Loan	14-Aug-11	USD / 350 / L+200	First Lien
Vought Aircraft Industries, Inc.	Revolving Loan	22-Dec-10	USD / 150 / L+250	First Lien
WMG Acquisition Corp	Tranche A Revolving Credit Loan	28-Feb-10	USD / 100 / L+275	First Lien
Warner Chilcott Company, Inc.	Revolving Credit Facility	18-Jan-11	USD / 150 / L+250	First Lien
Windstream Corporation	Revolving Loan	17-Jul-11	USD / 500 / L+125	First Lien
Young Broadcasting Inc.	Revolving Credit Facility	3-May-10	USD / 20 / L+250	First Lien

Source: Markit Group Limited

Neither Markit Group Limited, its affiliates nor any data provider or other person or entity makes any warranty, express or implied, as to results to be attained by subscriber or others from the use of the Syndicated Secured List, and there are no express or implied warranties of condition of quality or any express or implied warranty of title, non-infringement, merchantability or fitness for a particular purpose or use. By use of this Syndicated Secured List, you acknowledge that you have not relied upon any warranty, guaranty or representation made by Markit Group Limited or any other person or entity.

Neither Markit Group Limited, its affiliates nor any other person or entity shall in any way be liable to the user of this Syndicated Secured List or any client of such user for any inaccuracies, errors or omissions, regardless of cause, in the information available on this Syndicated Secured List or for any damages (whether direct or indirect) resulting therefrom. Under no circumstances will Markit Group Limited be liable for any indirect, incidental, special, consequential or lost profits damages with respect to the use of this Syndicated Secured List or the information available herein, regardless of whether such damages could have been foreseen or prevented.

Frequently Asked Loan CDS Questions

What are the main differences between North American loan CDS and European loan CDS?

Contract Survival

The standard loan CDS contract traded in North America is cancellable only if there is no deliverable obligation (i.e. the reference entity has no existing debt of the relevant tier). Subsequently, cancellation of North American loan CDS will be relatively rare. The standard loan CDS contract currently traded in Europe is cancellable if the current deliverable obligations are refinanced. As the average life of a loan is approximately two years, five-year European loan CDS is unlikely to exist for the full five years. (Note: The future standard loan CDS contract in Europe, now under development, is generally expected to survive the refinancing similar to the North American version in this respect.)

Credit Event

Restructuring is a credit event in Europe but not in North America.

Reference Entity vs. Reference Credit Agreement

Similar to unsecured CDS, the standard loan CDS contract traded in North America references an entity. Currently, the standard loan CDS contract traded in Europe references a particular credit agreement. For jurisdictional and tax reasons, the borrower in a European credit agreement can change frequently. As such, it is expected that European loan CDS will continue to reference a credit agreement or specific reference obligations rather than an entity.

Are North America and Europe expected to eventually use a similar contract?

It is expected that the standard European loan CDS contract will eventually survive a refinancing. Europe currently uses a “cancellable” contract due to the interests of some commercial banks. These banks are the natural buyers of loan CDS protection. In North America, development of the product has been driven more by hedge funds and other institutional investors. Europe and North America will almost assuredly continue to have different definitions of a credit event, as well as other significant differences reflecting the differences between the two cash markets.

How is loan CDS valued?

In both North America and Europe, a loan CDS contract is cancellable. While in Europe the contract will probably be cancelled early (i.e. after a refinancing), the North American contract is only potentially cancellable (i.e. if the reference entity has no deliverable of the relevant tier). Subsequently, the cancellable option in European loan CDS is much more significant. In practice, the cancellable option in North American loan CDS is often ignored, as market participants expect the impact on valuation to be small for at least first lien loan CDS.

Markit is working with the six dealers that trade cancellable European loan CDS on valuation. In order to determine consensus on likely termination date, Markit polls each dealer monthly. At the time of this report, Markit has conducted two polls.

What is the status of the loan CDS Index?

The iTraxx LevX (European loan CDS index) was launched in late October. Six dealers were involved in the launch. As discussions have been progressing rapidly on altering the standard contract in Europe to survive a refinancing, it is expected that the LevX will be modified to use “non-cancellable” loan CDS in the future. With further growth in volumes over time, the index is likely to gain broader dealer support.

The LCDX (North American loan CDS Index) is expected to launch later this month. The LCDX has complete backing of nearly all the major dealers that contributed to the North American LCDS product.

Copyright

Unpublished work © 2006 Markit Group Limited

This work is an unpublished, copyrighted work and contains confidential information. Only authorized users are permitted to access this work. Any unauthorized use, disclosure, reproduction or dissemination, in full or in part, in any media or by any means, without the prior written permission of Markit Group Limited will subject the unauthorized party to civil and criminal penalties.

Trademarks

Mark-it™, Markit, Markit Loans™, Markit RED™ and Markit Metrics™ are trademarks of Markit Group Limited. Other brands or product names are trademarks or registered trademarks of their respective holders and should be treated as such.

Data Services Agreement and Use Restrictions

You are bound by the terms and conditions of the Data Services Agreement as agreed to by your employer or its affiliate. In particular, access to the Markit website is limited to the number of locations and to the number of users specifically set forth in such Data Services Agreement whether such use is through physical transfer of a copy, electronic access through a wide area network of any description, or by any other means whatsoever. The Markit system and website contain trade secrets. Accordingly, you are expressly prohibited from (i) modifying, translating, reverse engineering, or disassembling any of the information, services or data found on such system and website, or (ii) creating derivative works based thereon, in each case, except as expressly permitted, if at all, by the Data Services Agreement governing your use thereof. Unauthorized copying of the Markit website or this user manual constitutes copyright infringement. Software piracy is theft.

To the extent anything in this user manual is inconsistent with or conflicts with the terms and conditions of the applicable data services agreement or the terms of use, the terms and conditions of the Data Services Agreement or the Terms of Use, as applicable, shall control.

Each user upon his initial accessing of the Markit website must agree and acknowledge as a condition to his access thereto to be bound by the terms and conditions of the data services agreement through which it was provided a username and password.

Limited Warranty and Disclaimer

Except for the express limited warranties set out in the applicable Data Services Agreement, Markit makes, and the user and the client it is associated with receives, no warranties, express, implied, statutory or allegedly extended in any communication with the user or the client it is associated with. Markit specifically disclaims any implied warranty or merchantability or fitness for a particular purpose. Markit does not warrant that the operation of the program or website, or use of this publication shall be uninterrupted or error free. In no event shall Markit be liable for any damages, including without limitation, direct damages, punitive or exemplary damages, damages arising from loss of data, cost of cover, or other special, incidental, consequential or indirect damages of any description arising out of the use or inability to use the Markit system or website or accompanying documentation, however caused, and on any theory of liability.

This user guide may be updated or amended from time to time and at any time by Markit in its sole and absolute discretion and without notice thereof. Markit is not responsible for informing any client of, or providing any client with, any such update or amendment. Please regularly check the Markit website to obtain the current version of this manual.

Any download or distribution of data from the Markit website is subject to restrictions on the use thereof as set forth in the Data Services Agreement entered into between Markit and the client institution through which you were provided a username and password. Access to the website is expressly conditioned upon the compliance by each user with the restrictions, terms, and conditions set forth in its client institution Data Service Agreement. It is the responsibility of each user to be familiar with the restrictions, terms, and conditions contained in the Data Services Agreement.

London

P : +44 (0)20 7260 2000
F : +44 (0)20 7260 2001

5th Floor
2 More London Riverside
London
SE1 2AP
UK

New York

P : +1 212 931 4900
F : +1 212 221 9860

7 Times Square
Suite 2503
New York, NY
10036
USA

Chicago

P : +1 312 831 9700
F : +1 312 831 9777

20 N. Wacker Drive
Suite 2200
Chicago, IL
60606
USA

Toronto

P : +1 416 481 4923
F : +1 416 947 0167

181 Bay Street
Suite 3600
Toronto, Ontario
Canada
M5J 2T3

Tokyo

P : +813 5413 6751
F : +813 5413 0668

Seirin Building. 3F
2-27-21, Minamiaoyama
Minato-ku
Tokyo, 107-0062
Japan

Singapore

P : +65 6 823 13 70
F : +65 6 823 14 82

9 Raffles Place
Republic Plaza
Level 58
Singapore
048619

White Plains

P: +1 914 872 2800
F : +1 914 872 2808

360 Hamilton Avenue
2nd Floor
White Plains, NY
10601
USA

Amsterdam

P: +31 20 5025800
F: +31 20 5025801

H. Walaardt Sacréstraat 413
1117 BM Schiphol Oost
The Netherlands

Brussels

P: +32 2 772 1000
F: +32 2 772 1957

Avenue de Tervuren 273
1150 Brussels
Belgium

Luxembourg

P: +352 461 256
F: +352 471 267

1B, Parc d'Activité Syrdall
L-5365 Muensbach
Luxembourg