

Background Information

I Introduction to the Deals Database

The Deals Database contains information on over \$2 trillion of large corporate and middle market commercial loans filed with the Securities and Exchange Commission or obtained through other reliable public sources. The size of the deals in the database may vary from \$100,000 to as much as \$13 billion. In addition to commercial loan information, LPC gathers an increasing number of private placements.

II Sources of the Data

Most of the borrowers listed in the data products are publicly held companies, which are required to file with the Securities and Exchange Commission (SEC) in Washington, D.C. Data from privately held companies are available to a limited degree. If the company is private but has public debt securities traded, the company must file.

The remaining portion of the deals comes from direct research from banks where LPC may initially obtain partial or unconfirmed information. The loan data are confirmed by appropriate officials and are run through stringent editing tests before they are entered into the database. This data confirmation process, however, is not to be confused with LPC's gathering of data from private portfolios of banks. If you have any questions about these two discrete initiatives, please contact Bill Petrunik at (212) 489-5455.

If LPC is unable to confirm or complete the loan information it has gathered, the data are flagged as unconfirmed or partial. Users can choose to screen confirmed, complete, and/or partial data.

The majority of the data 70% comes directly from commitment letters or actual credit agreements. The information is gathered from the SEC from the following financial filings: 13-Ds, 14-Ds, 13-Es, 10-Ks, 10-Qs, 8-Ks, and Registration Statements (S-series filings).

III Gold Sheets: The Weekly Loan Pricing Report

Gold Sheets is a weekly publication covering the loan syndication market. It lists new loan data retrieved from the SEC and LPC's reporting staff. Data are arranged alphabetically by borrower name and include loan amount, type of facility, maturity, credit rating, spreads, fees, all-in spread (AIS), lead lender, names of participating banks and their share amounts and important comments (discussed more fully later). Gold Sheets also has a company index. Each issue of the Gold Sheets contains details on about 70 loans. The data are also broken into six main sections: Investment Grade, M&A, Leveraged Deals, Communications, Latin Debt, and Private Placements.

Key Sections in Gold Sheets

A Late-Breaking News section covers new deal syndications. In this section, readers will also see deal updates. Within one week of each publication of Gold Sheets, revised deal information is added to DealScan.

Weekly Market Features cover syndications, middle market lending, pricing trends, international markets and the secondary market. Articles regularly analyze the various levels of investor risk in bankruptcies, particularly recovery levels.

League Table: LPC publishes three types of lender rankings which cover volume by pro rata credit (L1), volume by full credit (L2), and number of transactions (L3). Only commercial and industrial (C&I)

loans are included in the League Tables. The tables are run on an agent-only and agent/co-agent basis.

Goldman Sachs/LPC Liquid Leveraged Loan Index: A joint venture, the Index shows total return of par loans.

Secondary Loan Bids: This section extensively covers the secondary market for par and distressed bank loans. Bids are based on a composite of 5-7 traders' quotes. Weekly changes are highlighted.

BSL Grid: A broadly syndicated loan grid indicates the all-in spreads associated with senior debt ratings from AA to B.

Private Placements: Private placements are covered in a weekly column.

3-Month Index: This index allows readers to find the issue of Gold Sheets in which particular deals appeared.

One other important highlight of Gold Sheets is that partial (incomplete) deal information is included, if full information is unavailable. Deals based on partial information are noted as PARTIAL. Also, in some cases, unconfirmed deal information is noted in Gold Sheets by UNCONFIRMED. In these cases, LPC has been unable to confirm the information. On an ongoing basis, LPC tries to confirm unconfirmed information or fill out partial information.

IV What You Find in the Comments Sections of Gold Sheets and DealScan

Performance Pricing Information

LPC lists the pricing structures and scenarios of given deals. The pricing of a loan may be tied to various criteria including borrower risk (as measured by one or more financial ratios or debt ratings), outstandings, time outstanding, or HLT classification. The terms of the performance pricing is detailed in the comments sections.

Other Key Elements of the Comments Section

Market commentary. Observations from market sources about how well the syndication process went: structure and pricing adjustments, oversubscriptions, etc.

Background. The following information is tracked on each credit: amendments and increases; loans to a particular subsidiary of a company or special purpose corporation, as in LBOs and takeovers.

Repayment/Amortization Schedule.

Prepayment Requirements. The stipulations placed on the borrower with regard to the size and percentage of asset sales necessary for repayment, percentage of excess cash flow required, and kinds of payments required from the sale of debt or equity.

Additional Loan Provisions. Includes information on required interest rate protection, RC reductions, clean-up provisions, compensating balances, etc.

Assignment and Participation Language. The data collected includes assignment and participation minimums, fees charged on assignments, the minimum amount of credit each bank is required to hold, and required borrower and/or agent consent.

Key Financial Ratios. The Deals Database products have information on financial covenants outlined in documentation.

Important ratios such as leverage, fixed charge coverage, interest rate coverage, and cash flow are included.

V Definitions and Abbreviations in Gold Sheets and DealScan

Bank Role

Lead Lender: Arranger, co-arranger, administrative agent, agent, co-agent.

Manager: Lead manager, co-lead manager, manager, co-manager, senior manager

Other Participant: All other roles (signatories to the original loan agreement, in general)

Interest Rate Abbreviations and Definitions

ANN:	Annual
AIS:	All-in Spread (Drawn/Undrawn)
Bid:	Competitive Bid Option
Canc:	Cancellation
CD:	Certificates of Deposit
COF:	Cost of Funds
COMMIT:	Commitment
CP:	Commercial Paper
FF:	Federal Funds
FIB:	FIBOR (Frankfurt Interbank Offered Rate)
GBR:	Gold Base Rate
LIB:	LIBOR (London Interbank Offered Rate)
MMR:	Money Market Rate
NIB:	NIBOR/NYBOR (New York Interbank Offered Rate)
P:	Prime
PIB:	PIBOR (Paris Interbank Offered Rate)
SIB:	SIBOR (Singapore Interbank Offered Rate)
T:	Treasury

Currency Abbreviations:

AUS\$:	Australian Dollars
L(£):	British Pounds
CAN\$:	Canadian Dollars
DM:	Deutsche Marks
Ffr:	French Francs
Hks:	Hong Kong Dollars
Lt:	Italian Lire
NKr:	Norwegian Kroner
Sfr:	Swiss Francs
TAI\$:	Taiwan Dollars
NLg:	Dutch Guilders

Prime is a floating rate option which is reset daily. Prime borrowing can usually be prepaid at any time.

LIBOR and CD allow the company the ability to choose several different interest periods the borrower typically has an arrangement where the rates may be used for durations of 1 month, 2 months, 3 months, or 6 months. The borrowings are fixed during these periods and may not be prepaid.

The Commercial Paper rate is usually quoted for A1/P1 or A2/P2 paper. The Treasury rate is specified in the loan agreement as the rate charged for a Treasury security of a particular maturity. In each case, the comments section will note what rating of commercial paper is being used or what type of Treasury security is being used to determine the rate.

Any other rates are covered in the comments section if they cannot be broken into data points.

Fee Abbreviations and Definitions

Adv:	Advisory Fee
Com:	Commitment Fee
Upfr:	Upfront Fee
Ann:	Annual Fee
Canc:	Cancellation Fee
LC:	Letter of Credit Fee

All fees are expressed in basis points (bps).

A Commitment fee is charged on the unused portion of the credit.

An Upfront fee is a one-time fee, which is most often collected at the closing of the deal. If the fee is assessed for a multi-part package, then the fee is expressed on each part of the deal as a fee on the percentage of total borrowings allowed. The exception is on revolving credit/term loans. If an upfront fee is charged on the entire amount available, LPC will put that fee only on the revolving credit. This is because putting the fee on both portions means that there is some measure of double counting, and it is very likely that the revolver will not term out.

An Annual fee is simply an annual charge against the entire commitment amount.

A Cancellation fee is a charge against termination or commitment reduction.

An LC fee is the annual fee charged on letter of credits issued.

Careful effort is made to describe how much of the upfront fee went to the agents/co-agents, when the annual fee was an annual agent's fee, and what fees each bank is to receive if the structure is based on the size of each bank's commitment. As much as possible, LPC will show the upfront levels by commitment or role.

Other Definitions

CF:	Cash Flow
DIP:	Debtor-in-Possession
EBITDA:	Earnings Before Interest, Expenses, Taxes, Depreciation, and Amortization
FQ:	Fiscal Quarter
FY:	Fiscal Year
HLT:	Highly Leveraged Transaction

i: Implied
is: Implied Senior
NA: Not Available/Not Applicable
PIK: Payment-in-Kind

Rating Information

S&P Senior Debt
S&P Commercial Paper
S&P Subordinated Debt

NR Not Rated