

Wednesday July 29, 2009

Convertibles Deal Volume

	Current Year	Previous Year
Year to Date:	\$22.010 billion in 68 deals	\$57.113 billion in 94 deals
Quarter to Date:	\$3.422 billion in 6 deals	\$2.298 billion in 6 deals
Month to Date:	\$3.422 billion in 6 deals	\$2.298 billion in 6 deals
Week to Date:	\$0.000 billion in 0 deals	
Non-U.S. Deals, Year to Date	\$17.824 billion in 40 deals	\$25.526 billion in 66 deals

UBS Convertible Index

	7/28 Close	7/27 Close	% Chng
Global	201.35	201.45	0.0%
European (€)	167.94	168.30	-0.2%
US	184.08	184.00	0.0%
US Vanilla	188.14	187.91	0.1%
US	152.12	153.05	-0.6%
Mandatory			
US Inv Grade	138.31	138.10	0.2%
US High	234.16	234.36	-0.1%
Yield & nr			

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Prospect News

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Terex, UAL Corp. higher; Wesco jumps on exchange news; USEC slumps; Sybase, THQ to price

By Rebecca Melvin

New York, July 28 – **Terex Inc.**'s convertible bonds were firmer Tuesday as its shares slipped, while **UAL Corp.**'s 4.5% convertibles jumped in active trade amid no particular news, market sources said.

Wesco International Inc. convertibles jumped in active trade after the company announced an exchange offer for those bonds, including its 1.75% convertible senior debentures due 2026 and 2.625% convertible senior debentures due 2025.

USEC Inc. dropped after news that the U.S. Department of Energy denied the Bethesda, Md., company's \$2 billion loan guarantee to build a uranium-enrichment plant in southern Ohio.

Like Monday's session, Tuesday was a mixed bag. **United States Steel Corp.**, **Massey Energy Co.**, and **Ceradyne Inc.** saw little activity despite earnings reports from those companies, sources said; while

distressed names remained firm, with no evidence of softening despite weaker equities.

"Everything was still better to buy," a Connecticut-based distressed sellside trader said.

In fact, investors would probably welcome a break in the equities action, another distressed sellside trader said, "since they feel like they have been chasing since last spring, and all the buyers poured in and everything moved up."

"It's tougher to find cheap things. A lot of big players have bought a ton of bonds," the sellside trader added.

In the primary market, **Sybase Inc.** launched an offering of \$250 million of 30-year convertibles, which will price late Wednesday and which will be used to take out \$200 million of existing debt, with \$50 million to buy back stock.

In addition, **THQ Inc.** plans to price

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Sybase to sell \$250 mln of 30-year convertibles, talked to yield 3.5% to 4%, up 30% to 35%

By Rebecca Melvin

New York, July 28 – **Sybase Inc.** plans to sell \$250 million of 30-year convertibles after the close Wednesday with talk putting the yield at 3.5% to 4% with an initial conversion premium of 30% to 35%, according to a syndicate source.

There is a \$50 million greenshoe.

The Rule 144A deal is being sold via joint bookrunners Merrill Lynch and JP Morgan.

The convertibles will be non-callable for five years until Aug. 20, 2014, with puts on Aug. 15, 2014, Aug. 15, 2019, and Aug. 15, 2024 or in the event of a fundamental change.

Of the proceeds, \$50 million will be used to buy back common shares, and \$200 million will be used to repurchase the company's existing 1.75% convertible subordinated notes due 2025.

The existing convertibles become callable/puttable in February/March 2010.

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Convertibles News

What to Watch: Week Ahead

July 29

- 8:30 a.m. ET: Durable goods, June (Census Bureau)
- Beige book (Federal Reserve)
- Treasury to auction \$39 billion five-year notes
- HannStar Display Corp. Q2 earnings, conference call 8 a.m. ET
- 8 a.m. ET: Regions Financial Corp. investor day
- 7 a.m. ET: American Tower Corp. Q2 earnings, conference call 8:30 a.m. ET
- Aspect Medical Systems, Inc. Q2 earnings, conference call 8:30 a.m. ET
- Jones Apparel Group, Inc. Q2 earnings, conference call 8:30 a.m. ET
- SPX Corp. Q2 earnings, conference call 8:30 a.m. ET
- Watson Pharmaceuticals, Inc. Q2 earnings, conference call 8:30 a.m. ET
- Central European Media Enterprises Ltd. Q2 earnings, conference call 9 a.m. ET
- Euronet Worldwide, Inc. Q2 earnings, conference call 9 a.m. ET
- Global Crossing Ltd. Q2 earnings, conference call 9 a.m. ET
- 7 a.m. ET: Kulicke & Soffa Industries Inc. Q3 earnings, conference call 9 a.m. ET
- 7 a.m. ET: Qwest Communications International Inc. Q2 earnings, conference call 9 a.m. ET
- Royal Caribbean Cruises Ltd. Q2 earnings, conference call 9 a.m. ET
- 9 a.m. ET: Spartan Stores, Inc. conference call
- 9 a.m. ET: STMicroelectronics NV conference call
- ViroPharma Inc. Q2 earnings, conference call 9 a.m. ET
- 8 a.m. ET: New York Community Bancorp, Inc. Q2 earnings, conference call 9:30 a.m. ET
- 10 a.m. ET: Brandywine Realty Trust conference call
- 10 a.m. ET: Hertz Global Holdings, Inc. conference call
- Before market open: Savvis, Inc. Q2 earnings, conference call 10 a.m. ET
- 10 a.m. ET: SBA Communications Corp. conference call
- 10 a.m. ET: Tanger Factory Outlet Centers, Inc. conference call
- Before market open: Trex Co., Inc. Q2 earnings, conference call 10 a.m. ET
- World Acceptance Corp. Q1 earnings, conference call 10 a.m. ET
- 10 a.m. ET: XL Capital Ltd. conference call
- 10:30 a.m. ET: Old National Bancorp at KBW community bank conference
- Before market open: Time Warner Inc. Q2 earnings, conference call 10:30 a.m. ET
- Affiliated Managers Group, Inc. Q2 earnings, conference call 11 a.m. ET
- Before market open: CBIZ, Inc. Q2 earnings, conference call 11 a.m. ET
- Before market open: L-1 Identity Solutions, Inc. Q2 earnings, conference call 11 a.m. ET
- 11 a.m. ET: Massey Energy Co. conference call
- 11 a.m. ET: Midwest Banc Holdings, Inc. conference call
- Sealed Air Corp. Q2 earnings, conference call 11 a.m. ET
- 11 a.m. ET: Superior Energy Services, Inc. conference call
- 11:30 a.m. ET: American Financial Group, Inc. conference call
- 11:30 a.m. ET: Raser Technologies, Inc. at CapStone small cap conference
- 12 p.m. ET: ASM International NV Q2 earnings
- Hecla Mining Co. Q2 earnings, conference call 1:30 p.m. ET
- 1:30 p.m. ET: Rambus Inc. at CapStone small cap conference
- 2 p.m. ET: Cypress Semiconductor Corp. at CapStone small cap conference
- Penske Automotive Group, Inc. Q2 earnings, conference call 2 p.m. ET
- BorgWarner Inc. Q2 earnings, conference call 3 p.m. ET
- Before market open: Pennsylvania Real Estate Investment Trust Q2 earnings, conference call 3 p.m. ET
- 3:30 p.m. ET: PrivateBancorp, Inc. at KBW community bank conference
- Akamai Technologies, Inc. Q2 earnings, conference call 4:30 p.m. ET

- 1 p.m. ET: Brookfield Homes Corp. Q2 earnings, conference call 4:30 p.m. ET
- After market close: Digital River, Inc. Q2 earnings, conference call 4:30 p.m. ET
- Rogers Sugar Income Fund Q3 earnings, conference call 4:30 p.m. ET
- After market close: TTM Technologies, Inc. Q2 earnings, conference call 4:30 p.m. ET
- After market close: GSI Commerce Inc. Q2 earnings, conference call 4:45 p.m. ET
- After market close: Amkor Technology, Inc. Q2 earnings, conference call 5 p.m. ET
- Cadence Design Systems, Inc. Q2 earnings, conference call 5 p.m. ET
- Callaway Golf Co. Q2 earnings, conference call 5 p.m. ET
- After market close: CommScope, Inc. Q2 earnings, conference call 5 p.m. ET
- Flextronics International Ltd. Q1 earnings, conference call 5 p.m. ET
- After market close: Itron, Inc. Q2 earnings, conference call 5 p.m. ET
- Symantec Corp. earnings, conference call 5 p.m. ET
- 6:30 p.m. ET: Teradyne, Inc. Q2 earnings
- After market close: Acadia Realty Trust Q2 earnings
- After market close: Aspen Insurance Holdings Ltd. Q2 earnings
- After market close: BioMed Realty Trust, Inc. Q2 earnings
- After market close: Cal Dive International, Inc. Q2 earnings
- After market close: Cliffs Natural Resources Inc. Q2 earnings
- After market close: Corporate Office Properties Trust Q2 earnings
- After market close: Crown Castle International Corp. Q2 earnings
- After market close: First Potomac Realty Trust Q2 earnings
- After market close: Goldcorp Inc. Q2 earnings
- After market close: MasTec, Inc. Q2 earnings
- After market close: Mercer International Inc. Q2 earnings
- After market close: Oil States International, Inc. Q2 earnings
- After market close: Trico Marine Services, Inc. Q2 earnings
- After market close: Triumph Group, Inc. Q1 earnings
- After market close: United Rentals, Inc. Q2 earnings
- After market close: Vale SA Q2 earnings
- After market close: Whiting Petroleum Corp. Q2 earnings
- Callaway Golf Co. Q2 earnings, conference call
- Equity Residential Q2 earnings

July 30

- 8:30 a.m. ET: Initial claims (Department of Labor)
- Treasury to auction \$28 billion seven-year notes
- Before market open: Encore Capital Group, Inc. Q2 earnings
- Alcatel-Lucent Q2 earnings, conference call 7 a.m. ET
- 7 a.m. ET: Motorola, Inc. Q2 earnings, conference call 8 a.m. ET
- 8:30 a.m. ET: Aspen Insurance Holdings Ltd. conference call
- Automatic Data Processing, Inc. Q4 earnings, conference call 8:30 a.m. ET
- 7 a.m. ET: Incyte Corp. Q2 earnings, conference call 8:30 a.m. ET
- Mylan Inc. Q2 earnings, conference call 8:30 a.m. ET
- 8:30 a.m. ET: Trico Marine Services, Inc. conference call
- Tyco International Ltd. Q3 earnings, conference call 8:30 a.m. ET
- 9 a.m. ET: ASM International NV conference call
- CMS Energy Corp. Q2 earnings, conference call 9 a.m. ET
- Endo Pharmaceuticals Holdings Inc. Q2 earnings, conference call 9 a.m. ET
- 9 a.m. ET: First Potomac Realty Trust conference call
- 9 a.m. ET: MasTec, Inc. conference call
- Ventas, Inc. Q2 earnings, conference call 9 a.m. ET
- Before market open: Barrick Gold Corp. Q2 earnings, conference call 9:30 a.m. ET
- Regal Entertainment Group Q2 earnings, conference call 9:30 a.m. ET

Convertibles News

Terex, UAL Corp. higher; Wesco jumps on exchange news; USEC slumps; Sybase, THQ to price

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\$90 million of five-year notes, also after the close Wednesday, with proceeds earmarked for general corporate purposes.

Terex adds

Terex's 4% convertible notes due 2015 traded at 112 versus a share price of \$14.25 on Tuesday, and also at 110, with a New York-based sellside desk analyst calling them up a point on the day, while their underlying shares slipped 1%.

According to an 8-K filing, the Westport, Conn.-based industrial company borrowed about \$66 million from J.P. Morgan Chase International Financing Ltd. on Friday under an incremental term loan assumption agreement.

Mentioned in this article:

Sybase Inc.	NYSE: SY
Terex Inc.	Nasdaq: TEX
THQ Inc.	Nasdaq: THQI
UAL Corp.	Nasdaq: UAUU
USEC Inc.	NYSE: USU
Wesco International Inc.	NYSE: WCC

The company will also borrow the dollar equivalent of roughly €48 million from some of the Italian lenders of Fantuzzi Industries Sarl. This agreement will be funded once certain bonds issued by Fantuzzi Finance SA have been discharged in full, which Terex expects to occur in the second half of 2009.

Interest on both loans is Libor plus 375 basis points, and they mature on July 14, 2013.

U.S. Steel steady

Meanwhile U.S. Steel, which also priced 4% convertibles due 2014, but about a month earlier than the Terex deal at the end of April, traded at 145.932 on Tuesday, which was little changed after the Pittsburgh-based steel producer reported a second-quarter loss as demand for steel products remains low

U.S. Steel's net loss was \$392 million, or \$2.92 per share, while sales dropped 69%.

In its earnings report, the company said it expects each business segment also to report an operating loss in the third quarter since operating rates will remain low, and it bears the burden of idled facility carrying costs and lower average realized prices.

On the bright side, there are signs that de-stocking has ended in North America and Central European steel markets amid increased orders across the industry, the company said.

But the outlook for overall demand remains uncertain and

the timing and magnitude of sustained economic recovery remain difficult to forecast, the U.S. Steel added.

UAL higher in active trade

UAL's 4.5% convertibles due 2021 were called "very active," and gained during the session from early trades in the 32 bid, 33 offered area and late trades moving up to about 34.5, or 34.625 last.

Shares of the Chicago-based air carrier gained 24 cents, or 6.5%, to \$3.96.

"It's never a super active name, but it was pretty active today," a New York-based sellside trader said, although he hadn't heard of any news promoting trades.

"Just the stock being up, and I did see a headline on jet fuel hedging," the sellside said.

A second sellside also said the UAL 4.5% convertibles were active.

Wesco jumps on exchange news

Wesco 1.75% convertibles due 2026 jumped to 98.875, which was up 11 points or 12 points on the day, from about 87.

The Wesco 2.625% convertibles due 2025 traded around par, up from 96 last.

The Pittsburgh-based distributor of electrical construction products and supplies announced late Monday the start of an exchange offer for its outstanding 1.75% convertible senior debentures due 2026 and its 2.625% convertible senior debentures due 2025.

The company is offering to exchange \$960 principal amount of its new 6% convertible senior debentures due 2029 for each \$1,000 principal amount of the 1.75% debentures. It is offering \$1,010 principal amount of the new 6% convertibles for each \$1,000 principal amount of 2.625% debentures.

Wesco said it will issue a maximum of \$345 million of the new securities, and the deal is conditioned on at least \$100 million being issued.

Tenders for the 1.75% debentures will be accepted before the 2.625% debentures.

The offer ends at midnight ET on Aug. 21.

If the initial conversion price of the new 6% debentures is determined to be the minimum conversion price of \$26.25 because the volume-weighted average price would result in an initial conversion price of less than \$26.25, Wesco said it will extend the offer by two business days.

The initial conversion price of the 6% debentures will be equal to 125% of the average VWAP, with the floor of \$26.25. The maximum initial conversion rate is 38.0952 shares per \$1,000 principal amount.

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Tenders and Redemptions

Tenders calendar

July 31

5 p.m. ET: Quicksilver Resources Inc. consent deadline

August 6

5 p.m. ET: Finisar Corp. tender deadline

August 11

5 p.m. ET: Mercer International Inc. tender deadline

August 12

12:01 a.m. ET: Legg Mason, Inc. tender deadline

August 21

5 p.m. ET: Magma Design Automation, Inc. tender deadline

12 a.m. ET: Wesco International, Inc. tender deadline

Ceradyne buys back \$24.5 million 2.875% convertible notes due 2035

By Devika Patel

Knoxville, Tenn., July 28 – **Ceradyne, Inc.** repurchased \$24.5 million of its 2.875% senior subordinated convertible notes due 2035 during the second quarter, according to a 10-Q filed Tuesday with the Securities and Exchange Commission.

The notes were bought for \$20.3 million.

Following this, there are \$96.5

million of the convertibles outstanding. The company may repurchase up to \$29.7 million more of the convertibles under the \$50 million program approved by the board of directors.

Ceradyne, based in Costa Mesa, Calif., develops, manufactures and markets advanced technical ceramic products and components for defense, industrial, automotive/diesel and commercial applications.

Sybase to call its 1.75% convertibles due 2025 with proceeds from convertible offering due 2029

By Susanna Moon

Chicago, July 28 – **Sybase, Inc.** said it plans to call its 1.75% convertible subordinated notes due 2025 in March 2010 with proceeds from a \$250 million offering of convertible senior notes due Aug. 15, 2029.

The convertibles are callable beginning Aug. 20, 2014 at par plus accrued interest to the redemption date. They are puttable on Aug. 15, 2014,

Aug. 15, 2019 and Aug. 15, 2024 at par plus accrued interest to the purchase date.

Sybase expects to grant a 30-day over-allotment option for an additional \$50 million principal amount of notes.

The issuer is a Dublin, Calif.-based wireless software company for mobile and wi-fi technologies and Linux server software developer.

Tenders and Redemptions

CSG Systems International repurchases \$15 million convertible debt

By Devika Patel

Knoxville, Tenn., July 28 – **CSG Systems International, Inc.** said it repurchased \$15 million of its convertible debt securities in the second quarter of 2009 for \$13.5 million.

The cost represents a weighted average price of about 90% of par, according to a company earnings report.

After the buybacks, the par value of outstanding convertibles is \$170.3 million as of June 30.

CSG Systems is an Englewood, Colo.-based provider of customer interaction management and billing services.

Group 1 repurchases \$6.7 million in 2.25% convertible notes due 2036

By Devika Patel

Knoxville, Tenn., July 28 – **Group 1 Automotive, Inc.** said it bought back \$6.7 million of its 2.25% convertible senior notes due 2036 in the second quarter.

“The combination of improving operating performance and significant reductions in debt continues to strengthen the balance sheet and ensure strong compliance with our debt covenants,”

Group 1’s senior vice president and chief financial officer John C. Rickel said in a press release.

Group 1 is a Houston-based automotive retailer.

Nihon Dempa holders to put ¥3.05 billion 0% convertibles due 2011

By Susanna Moon

Chicago, July 28 – **Nihon Dempa Kogyo Co. Ltd.** said it expects holders to put ¥3.05 billion of its zero-coupon

convertible bonds due 2011 on Aug. 24.

After the redemption, ¥250 million of the convertibles will remain outstanding.

The company originally issued ¥10

billion of the notes in 2006.

Nihon Dempa is a Tokyo-based maker of crystal-related products used in electronics.

Brandywine Realty buys back \$88 million of notes in second quarter

By Angela McDaniels

Tacoma, Wash., July 28 – **Brandywine Realty Trust** repurchased \$88 million principal amount of senior unsecured notes in open-market transactions during the second quarter, according to a company news release.

Notes repurchased included the

company’s exchangeable notes due 2026 as well as notes maturing in 2009, 2010 and 2012.

The company said its previously reported tender offer for its 5.625% guaranteed notes due 2010 generated gains of \$12.0 million on the early extinguishment of debt. Brandywine

repurchased \$34.54 million of the notes in the offer.

Brandywine is a Radnor, Pa.-based real estate investment trust that owns, develops and manages primarily class A, suburban and urban office buildings.

Host Hotels repays revolver, buys back \$101 million of debentures

By Angela McDaniels

Tacoma, Wash., July 28 – **Host Hotels & Resorts Inc.** repaid the revolving portion of its credit facility in May and has repurchased \$101 million of notes and debentures since March, according to its 10-Q report for the second quarter filed with the Securities and Exchange Commission.

Specifically, the company repurchased \$75 million principal amount of its 3.25%

exchangeable senior debentures for \$69 million in March, \$22 million principal amount of its 5.625% exchangeable debentures for \$18 million in June and \$4 million principal amount of its 7% series M senior notes at par in June.

The board of directors authorized the company in May to repurchase up to \$700 million of senior notes and exchangeable debentures through open-market purchases, privately negotiated

transactions, tender offers or, in some cases, through early redemptions.

The company said in May that it planned to repay the \$200 million drawn under its revolver using proceeds from a \$350 million senior notes offering.

Host Hotels is a Bethesda, Md.-based real estate investment trust focused on the ownership and operation of hotel properties.

India's Uflex seeks approval for convertible bonds, other securities

By Devika Patel

Knoxville, Tenn., July 28 – **Uflex Ltd.** informed the Bombay Stock Exchange that its board of directors will consider issuing convertible bonds at a meeting on Thursday.

Securities being considered are equity shares, Global Depositary Shares, American Depositary Shares and convertibles.

New Delhi-based Uflex manufactures, imports and sells primarily polyester

biaxially oriented polypropylene, moralized and cast polypropylene films as well as holographic/metalized gift wraps, laminated pouches and flexible laminates.

DineEquity files \$200 million shelf covering stock, preferreds, debt

By Devika Patel

Knoxville, Tenn., July 28 – **DineEquity, Inc.** filed a \$200 million shelf registration in an S-3 filing with the Securities and Exchange Commission. The registration covers common stock,

preferred stock, depositary shares, debt securities, subscription rights, warrants, stock purchase contracts and stock purchase units.

The securities may be structured as convertibles.

Proceeds will be used for general corporate purposes.

DineEquity is a restaurant franchisor based in Glendale, Calif.

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Standard & Poor's said it assigned an issue-level rating of B to Wesco's offering based on preliminary terms.

The agency said it also assigned a recovery rating of 6 to these notes.

All other ratings on Wesco and wholly owned subsidiary Wesco Distribution Inc. remain unchanged, the agency said.

USEC slumps on aborted loan guarantee

USEC 3% convertible senior notes due 2014 traded at 62 versus a share price of \$4.25. The bonds were down from 74 on Monday.

Shares of the Bethesda, Md.-based company the uranium producer crumbled \$2.14, or 35%, to \$4.05.

The company announced that its loan guarantee application, which has been pending for a year, has been denied by the U.S. Energy Department for its American Centrifuge Plant construction in Piketon, Ohio, about 65 miles south of Columbus.

Enriched uranium from the plant would be used in generating electricity at nuclear power plants.

"We are shocked and disappointed by DOE's decision. The

American Centrifuge met the original intent of the loan guarantee program in that it would have used an innovative, but proven, technology, reduced greenhouse gas emissions and created thousands of immediate jobs across the United States," according to a company release.

The company said that it had invested \$1.5 billion dollars in the project.

"It is unclear how DOE expects to find innovative technologies that assume zero risk, but the American Centrifuge clearly meets the energy security and climate change goals of the Obama administration."

"With DOE's decision, we are now forced to initiate steps to demobilize the project. We deeply regret the impact this decision will have on all those affected, but as we have stated in the past, a DOE loan guarantee was the path forward to completing financing for the project," the release stated.

The company said that it was pursuing strategic alternatives, but that despite this setback, its core existing business remains strong, with its Paducah plant running at its highest efficiency and \$78 million in cash at the end of its second quarter.

JSL approves proposal to issue up to \$150 million convertible bonds

By Devika Patel

Knoxville, Tenn., July 28 – **JSL Ltd.** informed the Bombay Stock Exchange that it approved plans to issue up to \$150

million of foreign-currency convertible bonds at a board of directors' meeting on July 28.

Securities may also include Global

Depository Receipts and American Depository Receipts.

The company is based in India.

Synnex Technology cuts conversion price of domestic convertible bonds

By Devika Patel

Knoxville, Tenn., July 28 – **Synnex Technology International Corp.** said it adjusted the conversion price of its domestic convertible bonds to NT\$62.20 per share from NT\$69.90 per share,

effective Tuesday.

The information technology and telecommunications company is based in Taipei, Taiwan.

Israel's Elbit Imaging to sell notes, convertibles in local market

By Angela McDaniels

Tacoma, Wash., July 28 – **Elbit Imaging Ltd.** is inviting institutional investors to participate in a proposed public offering in Israel of additional series F debentures and new series 1 convertible debentures, according to a

company news release.

The company said it is examining the possibility of enlarging the scope of the proposed offering and expects to announce the final terms of the proposed offering Wednesday.

The proposed offering is being made

in Israel to residents of Israel only.

Elbit Imaging has four main business segments: shopping and entertainment centers, hotels, image-guided treatment and residential projects. The company is based in Tel Aviv, Israel.

Sybase to sell \$250 million of 30-year convertibles, talked to yield 3.5% to 4%, up 30% to 35%

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The stock buyback may have the effect of increasing or preventing a decline in the price of Sybase's common stock

concurrently with or following the pricing of the notes.

Dublin, Calif.-based Sybase is a

wireless software company focused on mobile and wi-fi technologies.

Taiwan's Shin Kong cuts conversion price of overseas corporate bonds

By Devika Patel

Knoxville, Tenn., July 28 – **Shin Kong Financial Holding Co. Ltd.** announced it

has reset the conversion price of its 2005 overseas unsecured convertible corporate bonds to NT\$17.21 per share from

NT\$17.70 per share, effective July 28.

Taipei, Taiwan-based Shin Kong is an investment holding company.

Anixter expecting strong second half cash flow to reduce leverage

By Jennifer Lanning Drey

Portland, Ore., July 28 – **Anixter International Inc.** expects to produce strong cash flow in the balance of 2009, which will be used to reduce financial leverage in the near term, Dennis Letham, the company's chief financial officer, said during its second-quarter earnings conference call held Tuesday.

The company has used cash to reduce borrowings by \$195.3 million from year-end 2008, Letham said.

Anixter generated \$171.6 million of cash flow from operations in the second quarter, compared with \$43.5 million of cash flow from operations in the same period of 2008. The CFO said the improvement was achieved through a combination of lower working capital requirements and aggressive working capital management.

As a result of its year-to-date cash flow, cash on hand and recent steps to improve liquidity, Anixter believes it has more than ample liquidity to support the

business through 2009 and beyond, Letham said.

“We regard our strong financial position and significant liquidity as important differentiators from many companies in today's market, as they provide Anixter with financial flexibility to adjust quickly to new market realities, including allowing us to capitalize quickly on the eventual market rebound that occurs,” he said.

Liquidity improvements

Anixter also announced Tuesday that it has amended its bank revolving credit agreement to adjust the covenants to ensure it has sufficient liquidity to work through the bottom of the current economic downturn.

In addition, Anixter recently concluded a renewal of its accounts receivable securitization facility through July 2010.

At the time of the second-quarter earnings call, Anixter had \$309 million in available committed unused credit lines,

Letham said.

No convertibles put

The CFO also noted that none of the convertible bonds that could have been put to the company on July 6 were put, allowing Anixter to avoid a potential \$171 million cash outlay.

Anixter ended the second quarter with \$112.8 million of cash, of which \$47.3 million was short-term invested cash.

The company's second-quarter sales of \$1.22 billion showed a 25% decline from sales of \$1.62 billion in the same quarter of 2008.

Anixter said sales have remained relatively flat on a per-day basis through much of the first half of the year, and there are currently no signs pointing to a significant change in the pattern.

Based in Glenview, Ill., Anixter is a distributor of communications and security products, electrical and electronic wire and cable, fasteners and other small parts.

U.S. Steel repays \$655 million of term debt with stock, note proceeds

By Jennifer Lanning Drey

Portland, Ore., July 28 – **United States Steel Corp.** used a portion of the proceeds from its issuance of common stock and senior convertible notes in the second quarter to repay \$655 million of term loans due in 2010 and 2012, Gretchen Haggerty, chief financial officer of the company, reported Tuesday during its quarterly earnings conference call.

The company generated \$52 million of cash flow from operating activities during the second quarter and ended the period with cash of \$1.95 billion. Year-to-date cash flow from operations was \$361 million.

The company raised \$1.5 billion through the common stock and convertible notes offerings.

Total liquidity at June 30 was \$3.1 billion.

For the second quarter, United States Steel reported a \$465 million operating loss on net sales of \$2.13 billion. The figures compared to income from operations of \$954 million on net sales of \$6.74 billion in the same period of 2008.

The company said the operating loss was in line with the first quarter as its book and operating rates remained at low levels, spot market prices declined and the

company continued to incur carrying costs for idled facilities.

Haggerty noted that United States Steel expects to see an increase in third-quarter operating rates but still believes each of its operating segments to report a loss for the period.

Also during the second quarter, U.S. Steel amended its revolving credit facility to eliminate some of the financial covenants and provide lenders with a security interest in domestic inventory.

United States Steel is a Pittsburgh-based producer and seller of steel products.

Textron raises projected 2010 liquidity on improved cash, lower debt

By Jennifer Lanning Drey

Portland, Ore., July 28 – **Textron Inc.** increased its projection for 2010 liquidity to reflect an improved cash position, \$111 million of early debt retirement and the repayment of a \$410 million advance taken against its company-owned life insurance program, Lewis Campbell, chief executive officer of Textron, said Tuesday during the company's second-quarter earnings conference call.

The company now expects a cash balance of \$1.48 billion at the end of 2010, which is approximately \$1.30 billion more than originally planned.

Overall, the company said its liquidity position at the end of 2010 is likely to be about \$1.8 billion higher than previously expected.

"Our liquidity plan is clearly working, and we demonstrated meaningful progress once again in the second quarter," Campbell said.

Specifically, the CEO said the updated projections reflect \$775 million of proceeds from equity and convertible offerings

completed in May and a \$500 million financing facility established through the Export-Import Bank of the United States in July.

In addition, they show Textron's continued progress in liquidating Textron Financial Corp.'s non-captive portfolio, which had a gross reduction of \$1.3 billion in the second quarter and has now been reduced by \$2.2 billion year to date, he said.

The company's progress to date in reducing the portfolio spurred it to increase its two-year reduction target to \$5.2 billion from \$4.5 billion, Campbell said.

Cash projection lowered

At the same time, Textron reduced projected manufacturing cash flow for full-year 2009 by \$50 million to reflect lower expected jet deliveries, he said.

Manufacturing cash flow is now expected to range between \$300 million and \$400 million as the company offsets a portion of lower cash generation at its

Cessna business with higher cash from the rest of its manufacturing units, Campbell said.

"We obviously are focused on cash generation, and we remain committed to improving our core manufacturing capabilities and efficiencies," he said.

Mixed performance

Textron's second-quarter results reflected solid performances in its Bell and Textron Systems segments, while the Cessna, industrial and finance segments continued to experience market challenges, Campbell said during the call.

The company reported second-quarter revenues of \$2.6 billion, reflecting a 29% drop from revenues in the second quarter of 2008.

Textron now estimates 2009 revenues of approximately \$10.6 billion, down from its previous expectation of about \$11.0 billion, due to lower expected jet deliveries.

Textron is an aircraft, industrial and finance company based in Providence, R.I.

THQ to sell \$90 million of five-year convertibles, talked to yield 4.75% to 5.25%, up 20% to 25%

By Rebecca Melvin

New York, July 28 – **THQ Inc.** plans to price \$90 million of five-year convertible senior notes after the close Wednesday with terms talked at 4.75% to 5.25% with an initial conversion premium of 20% to 25%, according to a syndicate source.

There is an over-allotment option of up to an additional \$10 million of notes.

The Rule 144A deal is being sold via bookrunner Morgan Stanley.

The notes are non-callable for three years, and then provisionally callable subject to a price hurdle of 150%.

THQ intends to use proceeds for general corporate purposes.

THQ is a developer and publisher of video games based in Agoura Hills, Calif.

Convertibles Calendar

Convertibles Calendar: Sybase, THQ to price Wednesday

JULY 29

SYBASE INC.: (NYSE: SY): \$250 million of 30-year convertibles; pricing after the close Wednesday; talked to yield 3.5%-4%, up 30%-35%; \$50 million greenshoe; Rule 144A deal; via joint bookrunners Merrill Lynch and JP Morgan; non-callable for five years with puts in years five, 10 and 15; \$50 million of proceeds will be used to buy back common shares and \$200 million will be used to repurchase existing 1.75% convertible subordinated notes due 2025; Dublin, Calif.-based wireless software company for mobile and wi-fi technologies.

THQ INC.: (Nasdaq: THQI): \$90 million of five-year convertible senior notes; pricing after the close Wednesday; talked at 4.75%-5.25%, up 20%-25%; \$10 million greenshoe; Rule 144A; via bookrunner Morgan Stanley; non-callable for three years, then provisionally callable for two years with a price hurdle of 150%; proceeds for general corporate purposes; developer and publisher of video games based in Agoura Hills, Calif.

ON THE HORIZON

ADVENTRX PHARMACEUTICALS INC: (NYSE: ANX): Up to \$10 million of convertible preferred stock plus warrants and stock; via Rodman & Renshaw LLC as placement agent; to fund activities related to seeking FDA approval to market ANX-530 and ANX-514 in the U.S., pre-launch activities related to commercialization of ANX-530, and for general corporate purposes, including working capital; some proceeds will be placed in escrow for dividend and make-whole payments; San Diego-based developer of treatments for cancer and infectious diseases.

SECURITY FEDERAL CORP. (OTCBB: SFDL): \$5 million to \$15 million of 30-year convertible senior debentures; to yield 8%, with an initial conversion premium of about 67%; minimum denominations of \$5,000, and increments of \$1,000, up to a maximum of \$1 million per subscriber; non-callable for 10 years, then at par; up to \$5 million of the proceeds will be used to repay a line of credit with another financial institution; Aiken, S.C.-based savings and loan holding company for Security Federal Bank.

WACCAMAW BANKSHARES INC. (Nasdaq: WBNK): Up to \$10 million of mandatory convertible perpetual preferred stock, or 400,000 of series B mandatories, with a liquidation amount of \$25;

to yield 7%; together with warrants, which will purchase one share of common stock at \$5 per share for five years; distribution via shareholder rights offering and public offering for remainder; via McKinnon & Co., as bookrunner on a best-efforts basis; greenshoe of \$1.5 million of units; proceeds to enhance bank's capital ratios and support growth through lending, or to retire outstanding debt and to redeem securities, and for general corporate purposes; preferred stock and warrants will each be listed on the Nasdaq Global Market; Whiteville, N.C.-based bank holding company.

CLOUD PEAK ENERGY INC.: \$250 million of three-year mandatory convertible preferred stock, at a liquidation preference price of \$50 per share, via underwriter Credit Suisse, concurrent initial public offering; Cloud Peak formerly part of Rio Tinto America Inc., an indirect wholly owned subsidiary of Rio Tinto plc, and Rio Tinto America; dividends payable on a cumulative basis; no proceeds go to Cloud Peak; Gillette, Wyo.-based coal producer.

INTERNATIONAL CONVERTIBLES

ON THE HORIZON

BLACKROCK LATIN AMERICAN INVESTMENT TRUST PLC (London: BRLA): up to \$75 million of six-year convertible bonds; talked to yield 3.5%; Cenkos Securities plc is bookrunner; subject to shareholder approval at a general meeting of shareholders expected to be held in late August or early September; conversion price will be based on the investment fund's U.S. dollar net asset value on the penultimate business day before the general meeting, plus a conversion premium of 5% for the first three years, ratcheting up to 15% for the second three years; distribution will be mainly in Europe, and issue won't be offered in the United States; proceeds will be invested; London-based investment fund.

INTRALOT SA: up to €150 million of a convertible bond loan; up to seven-year duration; approved at a June 4 shareholders meeting; Athens-based provider of lottery gaming systems.

UNIONE DI BANCHE ITALIANE SCPA: €640 million of four-year convertible bonds; fixed coupon and will be listed for trading; convertible at the option of both the bondholders and the group; net share settlement; Bergamo, Italy, banking group resulting from the 2007 merger of BPU – Banche Popolari Unite and Banca Lombarda e Piemontese.

Convertibles Ratings

Moody's ups Arch outlook to stable

Moody's Investors Service said it changed the outlooks of both **Arch Coal, Inc.** and its subsidiary, **Arch Western Finance LLC**, to stable from negative.

Moody's said it also assigned a B1 rating to Arch Coal's proposed \$500 million senior unsecured notes issue and affirmed its Ba3 corporate family rating.

The B1 senior unsecured rating of Arch Western was also affirmed, the agency said, adding that the notes are guaranteed by its parent, Arch Western Resources, a subsidiary of Arch Coal.

These actions follow Arch's proposed offerings of \$500 million of senior unsecured notes and about \$300 million of equity, the proceeds of which will be used to finance the previously announced acquisition of the Jacobs Ranch mine from Rio Tinto, Moody's said.

Moody's drops TUI

Moody's Investors Service said it has lowered to B3 from B2 the corporate family rating and probability of default rating of **TUI AG**.

The agency said that the unsecured and subordinated ratings have been lowered to Caa1 from B3 and to Caa2 from Caa1, respectively.

All ratings remain under review for further possible downgrade.

According to Moody's, the rating action reflects its heightened concerns about the trading environment for the group and the implications for its longer-term liquidity profile given recent statements about additional financial support being required for its recently-divested Hapag-Lloyd division, in which it retains a 43.3% stake.

S&P cuts Headwaters to SD

Standard & Poor's said it lowered its corporate credit rating on **Headwaters Inc.** to SD (selective default) from B.

The agency said it placed all issue-level ratings on Creditwatch with negative implications.

These actions follow Headwaters'

announcement that it has completed an exchange of \$15 million in principal of its 16% convertible subordinated notes due 2016 (not rated) for 3.5 million shares of its common stock, the agency said, noting that the company offered the exchange at a 32% discount from the par value of the convertible notes.

"Under its criteria, the agency said it views an exchange offer at a discount to par by a company under substantial financial pressure as a distressed debt exchange and tantamount to a default," said S&P credit analyst Tobias Crabtree.

S&P added that it expects to assign a new corporate credit rating within the next week, which will be based on, among other things, its assessment of the company's financial and business risk factors.

S&P ups USG outlook to stable

Standard & Poor's said it revised its outlook on **USG Corp.** to stable from negative, reflecting its expectation that liquidity will remain sufficient to meet all obligations in the intermediate term.

The agency said it affirmed its ratings on the company, including the B+ corporate credit rating.

S&P said it also assigned a BB issue-level rating to the company's proposed \$250 million of senior notes. It assigned a 1 recovery rating to the proposed notes.

The agency noted that USG will use proceeds from the proposed notes as a source of additional liquidity and for general corporate purposes.

Moody's lowers USG

Moody's Investors Service said it lowered the ratings of **USG Corp.**, including the corporate family and probability of default ratings to B3 from B1.

In a related rating action, Moody's said it assigned a B1 rating to the company's proposed debt issuance, incorporating the upstream guarantee provided by USG's material domestic subsidiaries.

The speculative-grade liquidity rating remains SGL-3, the agency added.

The outlook has been changed to stable from negative.

In taking these actions, Moody's noted that USG's fundamental business position as the leading provider of gypsum wallboard to the residential and construction industries remains sound.

S&P assigns Jabil notes BB+

Standard & Poor's said it assigned its BB+ issue-level and 4 recovery ratings to **Jabil Circuit Inc.**'s proposed sale of \$200 million of senior unsecured notes due 2016.

The 4 recovery rating indicates expectations for average recovery in the event of payment default, the agency said, adding that the BB+ corporate credit rating on the company remains unchanged.

The outlook is stable.

"The ratings on St. Petersburg, Fla.-based Jabil reflect the company's diversified end markets, relatively good profitability for its industry, and good liquidity," said S&P credit analyst Bruce Hyman, "offset by competitive industry conditions, high leverage for the rating, and somewhat aggressive financial policies."

Moody's gives Jabil notes Ba1

Moody's Investors Service said it assigned a Ba1 rating to **Jabil Circuit, Inc.**'s proposed offering of \$200 million senior notes due 2016 and affirmed its existing ratings and negative outlook.

The new issue proceeds, together with balance sheet cash, will be used to purchase the outstanding \$300 million senior notes maturing July 2010 via a tender offer, Moody's said.

Moody's added that the outlook remains negative as a result of Jabil's continued weak operating margins despite the operational improvements in its consumer electronics segment and evidence of market share gains.

Fitch gives Jabil notes BB+

Fitch Ratings said it has assigned a rating of BB+ to **Jabil Circuit, Inc.**'s proposed seven-year senior unsecured bond offering.

Continued on page 12

Convertibles Ratings

Continued from page 11

Fitch said it continues to rate Jabil as follows: issuer default rating BB+; senior unsecured revolving credit facility BB+; and senior unsecured debt BB+.

The outlook is positive.

According to the agency, Jabil intends to use the proceeds from its proposed senior unsecured notes issuance to finance a tender offer for the company's 5.875% \$300 million senior unsecured notes which mature in July 2010.

S&P gives Wesco convertibles B

Standard & Poor's said it assigned an issue-level rating of B to **Wesco International Inc.**'s offering of up to \$345 million of senior convertibles notes due 2029, based on preliminary terms.

The agency said it also assigned a recovery rating of 6 to these notes.

All other ratings on Wesco and wholly owned subsidiary Wesco Distribution Inc. remain unchanged, the agency said.

Wesco announced that it is offering to exchange a portion of its outstanding \$150 million and \$300 million senior convertible notes due 2025 and 2026, respectively,

for up to \$345 million of new senior convertible notes due in 2029, the agency added.

Moody's: Wesco unchanged

Moody's Investors Service said it said that **Wesco International, Inc.**'s recently announced exchange offer does not have an impact on the ratings (Ba3 corporate family rating, stable outlook).

Specifically, Wesco is offering to exchange up to \$345 million of new 6.0% convertible debentures due 2029 for the \$150 million of 2.625% convertible senior debentures due 2025 (rated B1) and the \$300 million of 1.75% convertible senior debentures due 2026 (unrated), the agency noted.

DBRS keeps SVB at BBB

DBRS said that following the Q2 2009 financial results of **SVB Financial Group**, it still rates the company's issuer and senior debt at BBB (high) with a stable trend.

SVB reported net income available to common stockholders of \$7.8 million for the second quarter, up from a net loss of \$11.8 million in the previous quarter, but

down from \$21.0 million in Q2 2008, the agency added.

On a sequential quarter basis, lower credit costs and lower aggregate losses on venture capital/private equity investments more than offset higher FDIC assessments and margin compression, DBRS noted.

DBRS: KeyCorp unaffected

DBRS said that the Q2 2009 earnings and operating performance of **KeyCorp**, while weak, were at the low end of DBRS' expectations; thus its ratings including issuer and senior debt at A (low), and negative trend remain unchanged.

On May 1, DBRS said it downgraded Key's senior debt to A (low) and left the trend on negative.

The negative trend on the company's ratings reflects DBRS' view that significant amounts of potential losses remain embedded in the company's loan portfolios, especially given the current macroeconomic challenges, particularly declining real estate valuations, rising unemployment and the impact of those challenges on consumer-related corporate businesses, DBRS noted.

Upsized Peninsula Gaming, Arch deals price, USG slates; buyers buoy secondary; CIT busier

By Paul Deckelman and Paul A. Harris
 New York, July 28 – **Peninsula**

Gaming LLC and **Arch Coal Inc.** were heard by high yield syndicate sources to have each priced upsized bond deals on Tuesday, with Peninsula's transaction a two-part offering of senior secured and unsecured notes.

Arch's deal came too late in the session for any kind of after market activity, but Peninsula's saw some secondary action, with the secured notes firming robustly, the unsecureds somewhat less so.

Also on the new-deal front, Chicago-based building products producer **USG Corp.** kicked off a brief roadshow for an offering of five-year senior guaranteed notes, which is expected to price on Friday.

Away from the new-deal realm, traders saw a generally firm tone, with no shortage of buyers seen around for such varied issues as **HCA Inc.**, **Tenet Healthcare Corp.**, **Graphic Packaging International Inc.** and even **Kellwood Co.**

CIT Group Inc., whose paper absolutely dominated Junkbondland for some two weeks, before really stepping away from the spotlight on Monday, made something of a comeback on Tuesday, with more activity but no real direction – some bonds going up and others falling back.

Arch Coal upsizes

It was a billion-plus day in the primary market.

Two issuers priced \$1.145 billion face amount of junk in a combined three tranches.

St. Louis-based **Arch Coal, Inc.** priced an upsized \$600 million issue of 8¾% seven-year senior notes (B1) at 97.464 to yield 9¼% on Tuesday.

The yield was printed at the rich end of the 9¼% to 9½% yield talk and the deal

was increased from a planned \$500 million size.

The notes were expected to come at a reoffer price of around 97.50.

Banc of America Securities LLC/ Merrill Lynch & Co., Citigroup, Morgan Stanley and JP Morgan were joint bookrunners for the deal. PNC was joint lead manager.

Proceeds, together with a 17 million share offer priced at \$17.50 each to raise \$297.50 million, will be used to fund the acquisition of the Jacobs Ranch mining complex.

Peninsula Gaming two-parter

Meanwhile **Peninsula Gaming, LLC** and **Peninsula Gaming Corp.** completed a restructured \$545 million two-part notes transaction on Tuesday.

The Dubuque, Iowa-based gaming company upsized its six-year senior secured notes tranche to \$240 million from \$215 million. The 8 3/8% senior secured notes (Ba2/BB) were priced at 97.701 to yield 8 7/8%.

The yield came at the tight end of the 8 7/8% to 9 1/8% yield talk.

Meanwhile Peninsula Gaming downsized its eight-year senior unsecured notes tranche to \$305 million from \$315 million. The 10¾% senior unsecured notes (B3/B) were priced at 97.395 to yield 11¼%.

The yield on the unsecured notes was at the wide end of the 11% to 11¼% yield talk.

Jefferies & Co. was the left bookrunner. Wells Fargo Securities was joint bookrunner.

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Smithtown secures \$14 million; NWM raises funds for drill program; Creston Moly wraps sale

By Stephanie N. Rotondo

Portland, Ore., July 28 – The mining sector was the clear dominator of Tuesday's private placement market, though deals were on the lower end.

It was **Smithtown Bancorp Inc.** that brought one of the day's largest deals. The bank holding company said it raised \$14 million by selling subordinated debt.

In the mining arena, **NWM Mining Corp.** said it would take in C\$4 million by issuing equity units. The company said the funds would be used for its Lluvia de Oro drill program. That site had previously been closed since 1998.

Meanwhile, **Creston Moly Corp.** settled a C\$3 million placement of units. A company spokesperson also gave an update on the merger with Tenajon Resources

Corp.

Puget Ventures Inc. plans to raise C\$3.5 million in a unit sale. Proceeds will be used for exploration.

Among other sectors, **Oculus Innovative Sciences Inc.** said it would issue common share units in a private placement. The price per unit has yet to be determined.

Vical Inc., another issuer in the medical-related field, announced it inked a deal with Federated Kaufmann Funds to raise \$10 million. The company will sell approximately 2.8 million common shares are \$3.63 per share.

Proceeds will be used for development of Vical's programs, as well as for general corporate purposes.

Sprint Nextel aims at prepaid growth with Virgin buy; IBM expands business model with SPSS

By Stephanie N. Rotondo

Portland, Ore., July 28 – Technology companies were the focus of merger-and-acquisition activity Tuesday, with **Sprint Nextel Corp.** and **IBM Corp.** both announcing deals.

Sprint said it will expand its prepaid business by acquiring **Virgin Mobile USA Inc.** for \$5.50 per share.

"It looks like this is pretty much an acquisition of customers," said Steve Clement, an analyst with Pacific Crest Securities. "[Sprint] just had an opportunity to pick up some customers while being accretive to earnings."

Clement said that Sprint's prepaid

business has actually performed well in recent history, though the "core struggles" have been on the postpaid side.

"Prepaid is where the strength is," Clement said. "So it shows Sprint's increasing focus on prepaid."

"But it doesn't really address the issues on the postpaid side."

IBM meanwhile is attempting to further its own business model by picking up **SPSS Inc.** in a \$1.2 billion all-cash transaction. An analyst said that the merger is in keeping with IBM's plan of transforming itself into a business software vendor.

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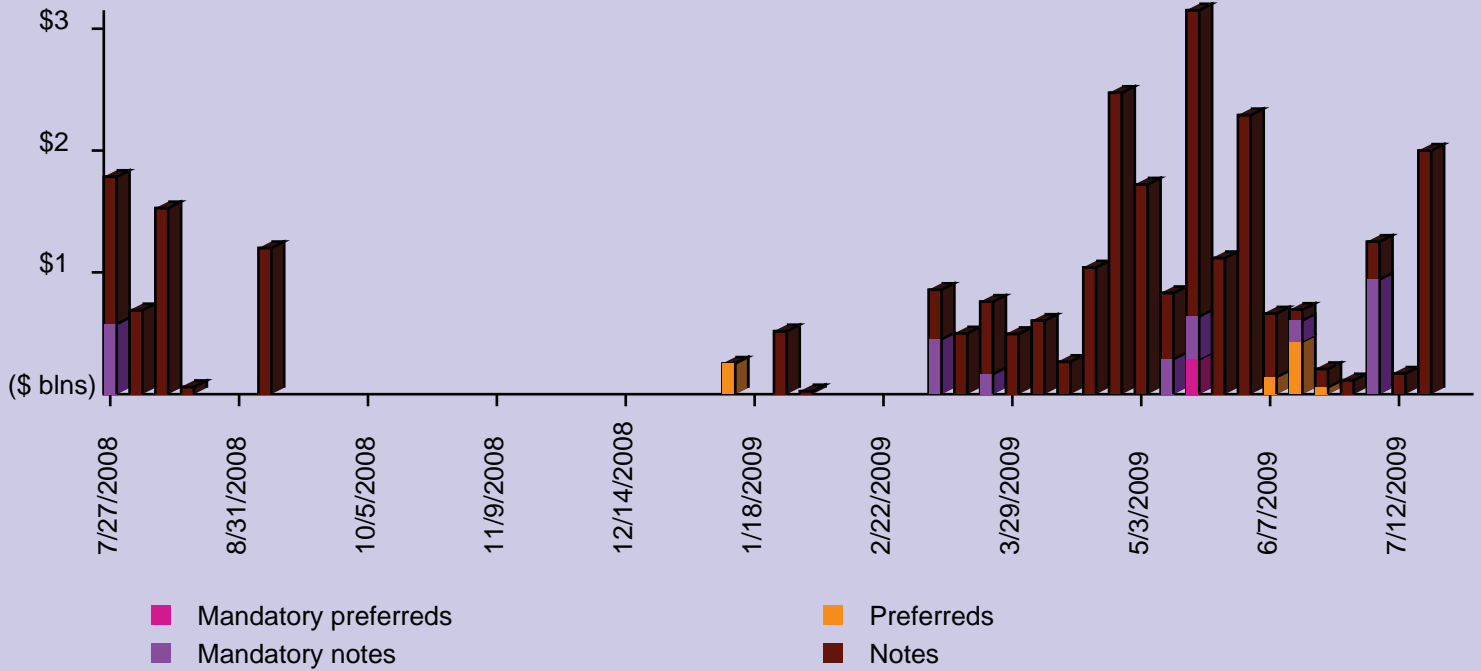
	COUPON	MATURITY	PRICE	PARITY	PREMIUM	IMPLIED VOLATILITY	PREVIOUS
Amgen 'A'	0.125	1 Feb 2011	99.13	76.11	30.20%	29.84%	99.13
Amgen 'B'	0.375	1 Feb 2013	99.16	76.46	29.70%	32.00%	99.13
Archer-Daniels	0.875	15 Feb 2014	102.71	72.93	40.80%	35.34%	100.98
Black Rock	2.625	15 Feb 2035	191.23	190.86	0.20%	52.39%	193.42
Boston Properties	3.75	15 May 2036	95.04	53.4	78.00%	9.67%	94.24
Cooper Cameron	2.5	15 Jun 2026	120.66	89.94	34.20%	50.35%	120.71
EMC 'A'	1.75	1 Dec 2011	113.57	94.11	20.70%	38.41%	112.95
EMC 'B'	1.75	1 Dec 2013	113.4	94.11	20.50%	38.01%	112.67
Essex Property	3.625	1 Nov 2025	98.87	63.09	56.70%	41.79%	98.7
Health Care REIT (NEW)	4.75	15 Jul 2027	101.86	78.8	29.30%	19.27%	101.35
Health Care REIT (OLD)	4.75	1 Dec 2026	104.5	82.28	27.00%	24.10%	104.1
Molson Coors	2.5	30 Jul 2013	112.48	82.02	37.10%	33.89%	112.46
National Retail	3.95	15 Sep 2026	99.04	81.24	21.90%	27.70%	98.16
Newmont Mining (A)	1.25	15 Jul 2014	113.87	89.99	26.50%	36.26%	114.14
Newmont Mining (B)	1.625	15 Jul 2017	110.83	89.99	23.20%	32.17%	111.13
Placer Dome / Barrick	2.75	15 Oct 2023	148.35	141.24	5.00%	41.84%	149.69
Schlumberger B	2.125	1 Jun 2023	154.16	141.22	9.20%	72.22%	155.92
Tanger Factory	3.75	15 Aug 2026	101.41	79.79	27.10%	45.96%	101.41
Teva Pharma C	0.25	1 Feb 2026	114.25	107.56	6.20%	N/A	114.25
Teva Pharma D	1.75	1 Feb 2026	118.75	100.43	18.20%	43.05%	118
TJX	0	13 Feb 2021	100.93	100.68	0.20%	51.59%	100.93
Vornado	3.875	15 Apr 2025	98.57	56.5	74.40%	21.14%	98.65

Source: Deutsche Bank. Issues are components of Deutsche Bank Balanced Investment Grade Convertible index.

Recent convertible deals

Priced	Issuer	Bookrunner	Amount	Coupon	Price	Premium	Maturity	Mandatory
7/23/2009	KfW Bankengruppe (Deutsche Post AG)	BNP Paribas, Morgan Stanley	E750	1.500%	100	35.00%	7/30/2014	-
7/21/2009	Intel Corp.	Credit Suisse, JPMorgan	\$2000	3.250%	100	20.00%	8/1/2039	-
7/21/2009	H&R Real Estate Investment Trust	CIBC, RBC, TD	C\$75	6.750%	100	17.00%	12/31/2014	-
7/21/2009	Suzlon Energy Ltd.	-	\$90	0.000%	104.3	-	-	-
7/17/2009	British Airways plc	Barclays, Deutsche Bank, HSBC, Merrill Lynch, RBS	£350	5.800%	100	37.60%	8/13/2014	-
7/15/2009	Janus Capital Group Inc.	Goldman Sachs, JPMorgan	\$170	3.250%	100	27.50%	7/15/2014	-
7/9/2009	Evraz Group SA	Goldman Sachs, Morgan Stanley, Deutsche Bank	\$650	7.250%	100	28.00%	7/15/2014	-
7/9/2009	Verigy Ltd.	Morgan Stanley, JPMorgan	\$138	5.250%	100	25.00%	7/15/2014	-
7/8/2009	Regis Corp.	Merrill Lynch, Credit Suisse	\$172.5	5.000%	100	25.00%	7/15/2014	-
7/7/2009	VALE-2012 (Vale Capital II for Vale SA)	Citigroup, JPMorgan	\$292.445	6.750%	100	17.50%	6/15/2012	Yes
7/7/2009	VALE.P-2012 (Vale Capital II for Vale SA)	Citigroup, JPMorgan	\$649.21	6.750%	100	17.50%	6/15/2012	Yes
7/2/2009	Clariant Ltd.	BNP Paribas, Citigroup, Commerzbank, UBS	CHF300	3.000%	100	30.00%	7/7/2014	-
7/2/2009	Nyrstar NV	Goldman Sachs	E120	7.000%	100	27.50%	2014	-
6/29/2009	Alliance One International Inc.	Credit Suisse, Deutsche Bank, Goldman Sachs	\$115	5.500%	100	20.00%	7/15/2014	-
6/26/2009	Petrobank Energy and Resources Ltd.	ABG Sundal Collier Norge ASA	\$400	5.125%	100	30.00%	2015	-
6/26/2009	Peugeot SA	SG, Calyon, Citigroup, HSBC	E575	4.500%	100	33.14%	1/1/2016	-
6/25/2009	Artis Real Estate Investment Trust	Canaccord, CIBC	C\$46	7.500%	100	15.00%	2014	-
6/25/2009	Daewoo International Corp.	Credit Suisse	\$300	3.250%	100	30.00%	7/6/2014	-
6/25/2009	Sudzucker International Finance BV	Deutsche Bank, JPMorgan	E255	2.500%	100	30.00%	2016	-
6/25/2009	Abengoa SA	BNP Paribas, Deutsche Bank	E200	6.875%	100	30.00%	2014	-

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