

May 3, 2001

Description and Inclusion Rules of the CSFB Leveraged Equity Index

Sam DeRosa-Farag

Managing Director
(212) 538-6814
sam.derosa-farag@csfb.com

Jonathan Blau

Director
(212) 538-3533
jonathan.blau@csfb.com

Indra Chandra

Associate
(212) 538-1870
indra.chandra@csfb.com

Janet Yung

Associate
(212) 538-8090
janet.yung@csfb.com

Alexander Chan

Analyst
(212) 538-8213
alexander.chan@csfb.com

Cary Ho

Analyst
(212) 538-5044
cary.ho@csfb.com

Sung Hong

Analyst
(212) 538-8342
sung.hong@csfb.com

Ivan Yi

Associate
(212) 538-4930
ivan.yi@csfb.com

Data Frequency: *Weekly, Monthly*
Inception: *January 1997*

Inclusion Rules

The CSFB Leveraged Equity Index is designed to mirror the investible universe of the public equity of issuers in the high yield debt market. As of March 30, 2001, the index included \$842 billion in tradable securities.

The index includes the common stock of every issuer in the CSFB High Yield Index which has public equity. The CSFB High Yield Index contains every issuer in the \$US-denominated high yield debt market, defined as straight corporate debt issues rated below BBB publicly registered in the US or issued under Rule 144A with registration rights. Issues are added or removed from the CSFB Leveraged Equity Index simultaneously with the inclusion of the issuer's bonds in the CSFB High Yield Index. For more information, see the research note *Description and Inclusion Rules of the CSFB High Yield Index*.

About half the issuers in the CSFB High Yield Index have public equity; the other privately-held issuers are not represented in the CSFB Leveraged Equity Index. Most issuers have only a single class of common stock, but for the few issuers which have multiple classes of common, only a single class (usually class A) is in the index.

Before May 2001, the CSFB Leveraged Equity Index was called the DLJ Leveraged Equity Index.

Analytics

Total return is computed for each stock in the index, which is the percent change in the value of the stock during the measurement period. Because virtually none of the issuers in the index pay a dividend, the total return calculation does not include dividends at this time. Thus, the total return is simply the price change during the measurement period:

$$\frac{\text{current price} - \text{previous price}}{\text{previous price}}$$

The average total return is computed over the index, weighted by market value (shares outstanding x price) at the beginning of the measurement period for every stock in the index.

The cumulative return over several periods is computed as:

$$\left(\prod (\text{total return}_i + 1) \right) - 1$$

Averages on industry sectors of the index are also computed. The averages for each sector are computed in the same way as for the entire index. The industry sector assignment is identical to the issuer's industry assignment in the CSFB High Yield Index.

AMSTERDAM.....	31 20 5754 890	JOHANNESBURG	2711 884 67 41	SÃO PAULO	55 11 3841 6000
ATLANTA	1 404 656 9500	LONDON	44 20 7888 8888	SEOUL	82 2 3707 3700
AUCKLAND.....	64 9 302 5500	MADRID	34 91 423 16 00	SHANGHAI	86 21 6881 8418
BALTIMORE.....	1 410 223 3000	MELBOURNE	61 3 9280 1666	SINGAPORE	65 212 2000
BEIJING.....	86 10 6410 6611	MEXICO CITY	52 5 283 89 00	SYDNEY.....	61 2 8205 4400
BOSTON.....	1 617 556 5500	MILAN	39 02 7702 1	TAIPEI.....	886 2 2715 6388
BUDAPEST	36 1 202 2188	MOSCOW	7 501 967 8200	THAILAND	66 2 614 6000
BUENOS AIRES.....	54 11 4131 2700	MUMBAI.....	91 22 230 6333	TOKYO.....	81 3 5404 9000
CAIRO	202 567 7600	NEW YORK.....	1 212 325 2000	TORONTO	1 416 352 4500
CHICAGO	1 312 750 3000	PALO ALTO.....	1 650 614 5000	VIENNA.....	43 1 512 3023
FRANKFURT	49 69 75 38 0	PARIS	33 1 40 76 8888	WARSAW	48 22 695 0050
GENEVA.....	41 22 394 70 00	PASADENA	1 626 395 5100	WASHINGTON DC	1 202 354 2600
HOUSTON	1 713 220 6700	PHILADELPHIA	1 215 851 1000	WELLINGTON	64 4 474 4400
HONG KONG	852 2101 6000	PRAGUE	420 2 210 83111	ZUG.....	41 41 727 97 00
ISTANBUL.....	90 212 278 2500	SAN FRANCISCO.....	1 415 836 7600	ZURICH.....	41 1 333 55 55

Copyright Credit Suisse First Boston, and its subsidiaries and affiliates, 2001. All rights reserved.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Credit Suisse First Boston or its subsidiaries or affiliates (collectively "CSFB") to any registration or licensing requirement within such jurisdiction. All material presented in this report, unless specifically indicated otherwise, is under copyright to CSFB. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of CSFB. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of CSFB.

The information, tools and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. CSFB may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. The contents of this report does not constitute investment advice to any person and CSFB will not treat recipients as its customers by virtue of their receiving the report.

Information and opinions presented in this report have been obtained or derived from sources believed by CSFB to be reliable, but CSFB makes no representation as to their accuracy or completeness and CSFB accepts no liability for loss arising from the use of the material presented in this report unless such liability arises under specific statutes or regulations. This report is not to be relied upon in substitution for the exercise of independent judgment. CSFB may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them.

CSFB may, to the extent permitted by law, participate or invest in financing transactions with the issuer(s) of the securities referred to in this report, perform services for or solicit business from such issuers, and/or have a position or effect transactions in the securities or options thereon. In addition, it may make markets in the securities mentioned in the material presented in this report. CSFB may, to the extent permitted by law, act upon or use the information or opinions presented herein, or the research or analysis on which they are based, before the material is published. CSFB may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the companies mentioned in this report. Additional information is available on request.

Some investments referred to in the research will be offered solely by a single entity and in the case of some investments solely by CSFB, or an associate of CSFB.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgement at its original date of publication by CSFB and are subject to change. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. Investors in securities such as ADR's, the values of which are influenced by currency volatility, effectively assume this risk.

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility, and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct their own investigation and analysis of the product and consult with their own professional advisers as to the risks involved in making such a purchase.

Some investments discussed in the research may have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realised. Those losses may equal your original investment. In the case of some investments the potential losses may exceed the amount of initial investment, in such circumstances you may be required to pay more money to support those losses. Income yields from investments may fluctuate and in consequence initial capital paid to make the investment may be used as part of that income yield.

Some investments may not be readily realisable and it may be difficult to sell or realise those investments, similarly it may prove difficult for you to obtain reliable information about the value, or risks, to which such an investment is exposed. The investments and services contained or referred to in this report may not be suitable for you, it is recommended you consult an independent investment advisor if you are in doubt about those investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice nor a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Nothing in the report constitutes a personal recommendation to you. CSFB does not advise on the tax consequences of investments. You are advised to contact an independent tax adviser. Please note the bases and levels of taxation may change.

This report may contain hyperlinks to websites. CSFB has not reviewed the linked site and takes no responsibility for the content contained therein. The link is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Following the link through this report or CSFB's website shall be at your own risk.

This report is issued in Europe by Credit Suisse First Boston (Europe) Limited, which is regulated in the United Kingdom by The Securities and Futures Authority ("SFA"). This report is being distributed in Europe by Credit Suisse First Boston (Europe) Limited, in the United States by Credit Suisse First Boston Corporation; in Switzerland by Credit Suisse First Boston; in Canada by Credit Suisse First Boston Securities Canada, Inc.; in Brazil by Banco de Investimentos Credit Suisse Boston Garantia S.A.; in Japan by Credit Suisse First Boston Securities (Japan) Limited; elsewhere in Asia by Credit Suisse First Boston (Hong Kong) Limited, Credit Suisse First Boston Australia Equities Limited, Credit Suisse First Boston NZ Securities Limited, Credit Suisse First Boston (Thailand) Limited, CSFB Research (Malaysia) Sdn Bhd, Credit Suisse First Boston Singapore Branch and elsewhere in the world by an authorised affiliate. Research on Taiwanese securities produced by Credit Suisse First Boston, Taipei Branch has been prepared and/or reviewed by a registered Senior Business Person.

In jurisdictions where CSFB is not already registered or licensed to trade in securities, transactions will only be effected in accordance with applicable securities legislation, which will vary from jurisdiction to jurisdiction and may require that the trade be made in accordance with applicable exemptions from registration or licensing requirements. Non-U.S. customers wishing to effect a transaction should contact a CSFB entity in their local jurisdiction unless governing law permits otherwise. U.S. customers wishing to effect a transaction should do so only by contacting a representative at Credit Suisse First Boston Corporation in the U.S.

Please note that this research was originally prepared and issued by CSFB for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of CSFB should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.