

Constar International, Inc. has filed for bankruptcy protection... let's see what the history shows!

## Constar International, Inc.

Phone: (215) 552-3700 One Crown Way  
Philadelphia, PA 19154 United States

Ticker: [CNST](#)

**Filed for Bankruptcy on 12/30/2008**  
**Case #08-13432, filed in the U.S. Bankruptcy Court for the District of Delaware**

### Latest Financial Statements as of 9/30/2008

#### Business Summary

Constar International Inc. (Constar) is a global producer of polyethylene terephthalate (PET) plastic containers for food, beverages, and other end use applications. Constar manufactures PET containers for conventional PET applications in soft drinks and water and for custom PET applications. Custom PET container applications include food, juices, teas, sport drinks, new age beverages, household chemicals, beer and flavored alcoholic beverages. Beverage categories dominate the PET market. The Company also produces plastic closures and other non-PET containers (closures and extrusion blow mold containers) representing approximately 4% of sales during the year ended December 31, 2007. In 2007, Pepsi accounted for approximately 38% of its sales.

(Source: 10-K)

Employees: 1,746 (as of 12/31/2007)

Federal Tax Id: 131889304

#### Credit Scores

**FRISK2 Score** **1** 12/30/2008

**Probability of default range: 21.0% - 50.0%**

**Z" Score** **-2.39 (Fiscal danger)** 9/30/2008

#### Auditor Information

Last Audit: 12/31/2007

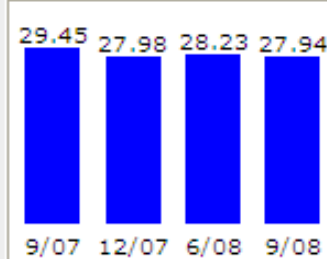
Auditors: PricewaterhouseCoopers  
LLP

Opinion: **Unqualified**

#### Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Watch
<b>Moody's</b>	Caa3	Negative		OFF
<b>S&amp;P</b>	SD	NM		

#### Days Sales Outstanding



#### Third Quarter and Year-to-Date Results

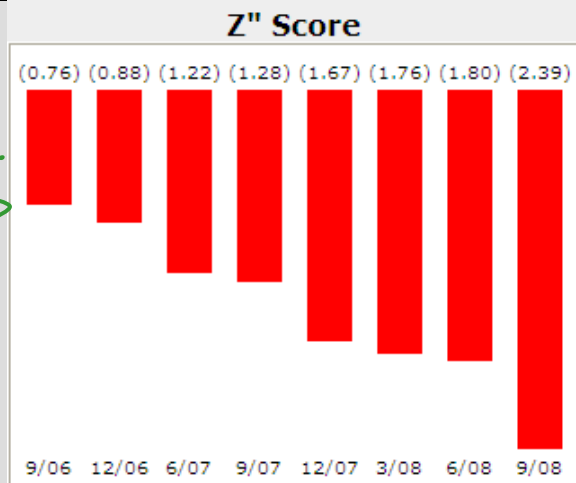
Sales for the 3 months ended 9/30/2008 increased 1.90% to \$230.13 million from last year's comparable period amount of \$225.83 million. Sales for the 9 months ended 9/30/2008 increased 1.33% to \$687.78 million from \$678.75 million for the same period last year.

Gross profit margin decreased 69.73% for the period to \$5.15 million (2.24% of revenues) from \$17.01 million (7.53% of revenues) for the same period last year. Gross profit margin decreased 34.01% for the

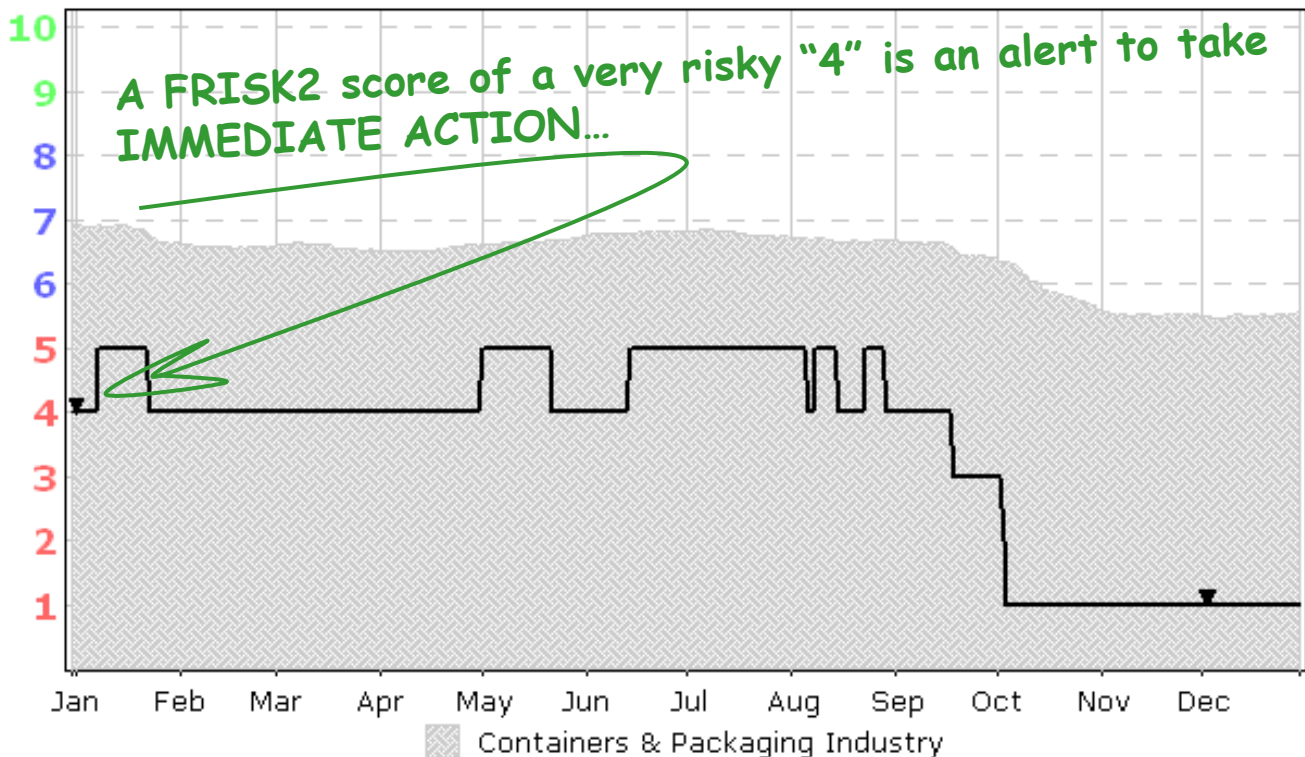
**CreditRiskMonitor**

(845) 230-3000  
info@crmz.com

The Altman Z" was early signaling trouble back in 2006...



The current FRISK2 score is 1 (probability of default\* 21.0% - 50.0%), below its 13-month average and below its industry average.



	FRISK2	Probability of default within 12 months	
		From	To
Best	10	0%	0.3%
	9	0.3%	0.4%
	8	0.4%	0.9%
	7	0.9%	1.9%
	6	1.9%	3.7%
	5	3.7%	7.4%
	4	7.4%	10.1%
	3	10.1%	14.1%
	2	14.1%	21.0%
	1	21.0%	50.0%
Worst			

**CreditRiskMonitor**

(845) 230-3000  
info@crmz.com

...plus, looking at our News Alerts you would have seen...

Presentation to bondholders regarding a debt for equity exchange as part of a pre-packaged bankruptcy filing...

Losses continue to be reported...

Announces "disappointing performance in the 3rd quarter"...

Notice received of failure to satisfy NASDAQ listing rules...

Losses reported...

#	Date	Source	Headline
1	12/30/2008	CRM News Service	<u>Constar International Files For Bankruptcy Protection</u>
2	12/30/2008	Business Wire	<u>Constar International Inc. Receives Support from the Holders of a Majority in Principal Amount of the Subordinated Notes for Plan to Reduce Debt and Annual Interest Expense</u>
3	12/20/2008	CRMZ News Service	<u>Constar International, Inc. -- updated Moody's rating available</u>
4	12/19/2008	Moody's Investors Service	<u>Moody's Downgrades Constar's CFR to Caa3 from Caa2, Concludes Review, outlook negative</u>
5	12/12/2008	CRMZ News Service	<u>CONSTAR INTERNATIONAL INC FILES (8-K) Disclosing Regulation FD Disclosure, Financial Statements and Exhibits</u>
6	12/12/2008	Business Wire	<u>Constar International Inc. Provides Financial Information to Investors</u>
7	12/3/2008	CRMZ News Service	<u>Constar International, Inc. -- updated Moody's rating available</u>
8	12/2/2008	CRMZ News Service	<u>Constar International, Inc. -- updated S&amp;P ratings available</u>
9	12/2/2008	Moody's Investors Service	<u>Moody's Downgrades Constar's CFR to Caa2 from Caa1, rating remains under review for downgrade</u>
10	11/26/2008	CRMZ News Service	<u>CONSTAR INTERNATIONAL INC FILES (8-K) Disclosing Other Events, Financial Statements and Exhibits</u>
11	11/21/2008	CRMZ News Service	<u>CONSTAR INTERNATIONAL INC FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</u>
12	11/18/2008	CRMZ News Service	<u>Constar International, Inc. -- updated financials available</u>
13	11/14/2008	CRMZ News Service	<u>CONSTAR INTERNATIONAL INC: a Form 10-Q has been Filed with the SEC</u>
14	11/14/2008	CRMZ News Service	<u>CONSTAR INTERNATIONAL INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
15	11/14/2008	Business Wire	<u>Constar International Inc. Announces 2008 Third Quarter and First Nine Months Financial Results</u>
16	11/11/2008	Business Wire	<u>Constar International Inc. to Announce 2008 Third Quarter Financial Results on November 14</u>
17	10/28/2008	CRMZ News Service	<u>CONSTAR INTERNATIONAL INC FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing</u>
18	10/28/2008	Business Wire	<u>Constar International Inc. Reports NASDAQ Has Extended Listing Compliance Requirements to March 16, 2009</u>
19	10/22/2008	CRM News Service	<u>Constar International, Inc. -- updated Moody's rating available</u>
20	10/21/2008	Moody's Investors Service	<u>Moody's Downgrades Constar's Corporate Family Rating to Caa1 from B3, Outlook Revised to Stable from Negative</u>
21	10/16/2008	CRM News Service	<u>CONSTAR INTERNATIONAL INC FILES (8-K) Disclosing Costs Associated with Exit or Disposal Activities</u>
22	10/10/2008	Business Wire	<u>Constar International Inc. and Pepsi Sign a New Four Year Agreement</u>
23	10/4/2008	CRM News Service	<u>Constar International, Inc. -- updated S&amp;P ratings available</u>
24	9/16/2008	CRM News Service	<u>CONSTAR INTERNATIONAL INC FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing, Financial Statements and Exhibits</u>
25	8/16/2008	CRM News Service	<u>Constar International, Inc. -- updated financials available</u>
26	8/14/2008	CRM News Service	<u>CONSTAR INTERNATIONAL INC: a Form 10-Q has been Filed with the SEC</u>
27	8/14/2008	CRM News Service	<u>CONSTAR INTERNATIONAL INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
28	6/10/2008	CRM News Service	<u>CONSTAR INTERNATIONAL INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
29	6/4/2008	CRM News Service	<u>Constar International, Inc. -- updated financials available</u>

Files Chapter 11...

Moody's downgrades...

Moody's downgrades...

S&P downgrades...

Company plans to default on senior notes...

Moody's downgrades...

S&P Downgrades...

Net loss continues to increase...

**CreditRiskMonitor**

(845) 230-3000  
info@crmz.com

...need more depth? Look at the Leverage Ratios...

...continual degradation in Stockholders' Equity & Tangible Net Worth...

Leverage Ratios - Sequential Quarters					
(Thousands of U.S. Dollars )					
Period Ended	3 mos 9/30/2008	6 mos 6/30/2008	3/31/2008	3 mos 12/31/2007	3 mos 9/30/2007
<b>Total debt \$</b>	<b>\$417,101</b>	<b>\$417,621</b>	<b>\$393,856</b>	<b>\$394,171</b>	<b>\$404,522</b>
% change	0.12%	6.03%	-0.08%	-2.56%	2.78%
<b>Stockholders' equity \$</b>	<b>(\$102,675)</b>	<b>(\$81,429)</b>	<b>(\$81,140)</b>	<b>(\$72,307)</b>	<b>(\$59,675)</b>
% change	-26.09%	-0.36%	-12.22%	-21.17%	-3.21%
<b>Tangible net worth \$</b>	<b>(\$251,488)</b>	<b>(\$230,242)</b>	<b>(\$229,953)</b>	<b>(\$221,120)</b>	<b>(\$208,488)</b>
% change	-9.23%	-0.13%	-3.99%	-6.06%	-0.90%
<b>Total debt to tangible net worth</b>	<b>(1.66)</b>	<b>(1.81)</b>	<b>(1.71)</b>	<b>(1.78)</b>	<b>(1.94)</b>
% change	8.56%	-5.90%	3.92%	8.13%	-1.86%
<b>Total assets \$</b>	<b>\$462,647</b>	<b>\$507,005</b>	<b>\$488,461</b>	<b>\$472,645</b>	<b>\$498,453</b>
% change	-8.75%	3.80%	3.35%	-5.18%	-1.09%
<b>Total debt to assets ratio</b>	<b>0.90</b>	<b>0.82</b>	<b>0.81</b>	<b>0.83</b>	<b>0.81</b>
% change	9.45%	2.16%	-3.32%	2.76%	3.91%
<b>Net tangible assets \$</b>	<b>\$313,834</b>	<b>\$358,192</b>	<b>\$339,648</b>	<b>\$323,832</b>	<b>\$349,640</b>
% change	-12.38%	5.46%	4.88%	-7.38%	-1.55%
<b>Short-term debt \$</b>	<b>\$23,172</b>	<b>\$23,757</b>	<b>\$58</b>	<b>\$438</b>	<b>\$10,855</b>
% change	-2.46%	40860.34%	-86.76%	-95.96%	n/a
<b>Short-term debt % of total debt</b>	<b>5.56%</b>	<b>5.69%</b>	<b>0.01%</b>	<b>0.11%</b>	<b>2.68%</b>
% change	-2.34%	38529.47%	-86.75%	-95.86%	n/a
<b>Short-term debt % of working capital</b>	<b>107.46%</b>	<b>78.98%</b>	<b>0.18%</b>	<b>1.13%</b>	<b>23.41%</b>
% change	36.06%	44792.84%	-84.48%	-95.16%	n/a
<b>Total liabilities \$</b>	<b>\$565,322</b>	<b>\$588,434</b>	<b>\$569,601</b>	<b>\$544,952</b>	<b>\$558,128</b>
% change	-3.93%	3.31%	4.52%	-2.36%	-0.65%
<b>Total liabilities to tangible net worth ratio</b>	<b>(2.25)</b>	<b>(2.56)</b>	<b>(2.48)</b>	<b>(2.46)</b>	<b>(2.68)</b>
% change	12.04%	-3.18%	-0.51%	7.94%	1.53%
Source:	10-Q 11/14/2008	10-Q 11/14/2008		10-K 3/31/2008	10-Q 11/14/2008

**CreditRiskMonitor**

(845) 230-3000  
info@crmz.com

...In the MD&A section, the CEO and CFO tell us of the strong possibility of filing Chapter 11 bankruptcy...

## CreditRiskMonitor (CRMZ)

<a href="#">Site Map</a> <a href="#">About Us</a> <a href="#">Directory</a> <a href="#">Lookup</a> <a href="#">Portfolio</a> <a href="#">News</a> <a href="#">Account</a> <a href="#">Help</a> <a href="#">Sign Off</a> <a href="#">Back</a>
<b>Report</b>
<a href="#">Overview</a>
<a href="#">Company News</a>
<a href="#">Risk Ratings</a>
<a href="#">Annual Financials</a>
<a href="#">Year/Year Interim</a>
<a href="#">Sequential Quarters</a>
<b>Liquidity (MD&amp;A)</b>
<a href="#">Liquidity (MD&amp;A) History</a>
<a href="#">SEC Filings</a>
<a href="#">Peer Analysis</a>
<a href="#">Payments</a>
<a href="#">Public Filings</a>
<a href="#">General Info</a>
<a href="#">Access History</a>
<a href="#">Credit Limit</a>
<a href="#">Add To My Portfolio</a>
<a href="#">Print/Save Report</a>
<a href="#">Currency Converter</a>
<a href="#">Send This to a Colleague</a>

From MD&A section, period 9/30/2008, filed 11/14/2008:

LIQUIDITY AND CAPITAL RESOURCES

The Company is currently engaged in preliminary discussions with holders of a majority of the Company's Subordinated Notes regarding a potential debt-for-equity exchange. The Company has engaged Greenhill & Co. as its financial advisor to assist the Company in this process. If completed, such exchange will cause substantial dilution to, or the cancellation of, currently outstanding Common Stock. If all the outstanding Subordinated Notes convert to equity, the Company's annual cash flow would improve by the elimination of the interest on the Subordinated Notes of approximately \$19.3 million. One potential outcome of these discussions could be a pre-arranged Chapter 11 filing in which subordinated notes would be converted to equity and all other creditors would be unimpaired. Our interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor the amounts and reclassifications of liabilities that may result from such a filing. There can be no assurance that the Company's discussions with the holders of Subordinated Notes will result in this or any transaction.

**CreditRiskMonitor**

(845) 230-3000  
info@crmz.com