

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: Constar International Holdings, LLC, et al.

Case No. (Jointly Administered) 13-13281
Reporting Period: January 31, 2014

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month.

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	x	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	x	
Schedule of Cash Disbursements by Legal Entity	MOR-1b	x	
Schedule of Professional Fees Paid	MOR-1c	x	
Copies of Bank Statements			x
Cash disbursements journals			x
Statement of Operations	MOR-2	x	
Balance Sheet	MOR-3	x	
Status of Postpetition Taxes	MOR-4		x
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Accounts Receivable Reconciliation and Aging	MOR-5	x	
Debtor Questionnaire	MOR-5	x	

This Monthly Operating Report ("MOR") has been prepared solely for the purpose of complying with the monthly reporting requirements applicable in these Chapter 11 cases. The financial information contained herein is limited in scope and covers a limited time period. Furthermore, such information is preliminary and unaudited, and is not prepared in accordance with accounting principles generally accepted in the United States ("US GAAP").

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date

Signature of Authorized Individual*

Date

J Mark Borseth
Printed Name of Authorized IndividualCFO
Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

MOR-1

Constar U.S. Operations
Condensed Combined Statement of Cash Flows
(In thousands)
(Unaudited)

	One Month Ended January 31, 2014
Cash flows from operating activities:	
Net loss	\$ (3,568)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	893
Amortization of deferred financing fees	604
Changes in working capital	(1,110)
Net cash used in operating activities	<u>(3,181)</u>
Cash flows from investing activities:	
Purchases of property, plant and equipment	(175)
Net cash used in investing activities	<u>(175)</u>
Cash flows from financing activities:	
Net change in intercompany loans	9,825
Net change in short-term debt	(5,886)
Cash flows used in financing activities	<u>3,939</u>
Net change in cash and cash equivalents	583
Cash and cash equivalents at the beginning of period	<u>557</u>
Cash and cash equivalents at the end of period	<u>\$ 1,140</u>

Combined statements include Constar International Holdings LLC, Constar Group Holdings, Inc., Constar Intermediate Holdings, Inc., Constar Group, Inc., Constar International LLC., BFF, Inc., DT, Inc., Constar, Inc., and Constar Foreign Holdings, Inc.

MOR-1
Constar U.K. Operations
Condensed Statement of Cash Flows
(In thousands)
(Unaudited)

	One Month Ended January 31, 2014
Cash flows from operating activities:	
Net loss	\$ (135)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	111
Changes in working capital	5,190
Net cash provided by operating activities	<u>5,166</u>
Cash flows from investing activities:	
Purchases of property, plant and equipment	-
Net cash used in investing activities	<u>-</u>
Cash flows from financing activities:	
Change in restricted cash	3,471
Change in intercompany loans	(11,300)
Net cash provided by financing activities	<u>(7,829)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>25</u>
Net change in cash and cash equivalents	(2,638)
Cash and cash equivalents at the beginning of period	<u>3,652</u>
Cash and cash equivalents at the end of period	<u>\$ 1,014</u>

MOR-1a
Bank Reconciliations

Account Description	Account Number	GL Balance
Old Bay Lane Working Fund	8577	\$ -
Havre de Grace Employee Fund	5765	\$ -
Dallas Employee Fund	5442	\$ (4,540)
Atlanta Employee Fund	8284	\$ -
Newark Employee Fund	5054	\$ -
Charlotte Employee Fund	7790	\$ -
Newark Working Fund	9595	\$ 2,216
West Chicago Working Fund	0542	\$ (11,103)
Charlotte Working Fund	3340	\$ 1,000
New Atlanta Working Fund	7303	\$ (905)
West Chicago Employee Fund	2183	\$ -
Havre de Grace Working Fund	7106	\$ 1,392
Master Operating Account	6766	\$ 507,579
Payroll Check (Zero Balance Account)	2637	\$ 48,839
A/P Disbursements (Zero Balance Account)	2715	\$ -
Lockbox - Customer Payments	9539	\$ 593,988
Current account, Receipts	1102	\$ 825,360
Current account, Receipts	0069	\$ 28
Current account, Receipts	0077	\$ -
Current account, Payments (no transactions)	07278	\$ 184,434
Current account, Payments (no transactions)	1269	\$ 381
Current account, Payments (no transactions)	1277	\$ 502
		<u>\$ 2,149,170</u>

Schedule excludes petty cash.

MOR-1a

Bank Reconciliations

Status of Bank Reconciliations

The undersigned verifies that, to the best of his knowledge, all of the Debtors' January 31, 2014, bank balances have been reconciled in an accurate and timely manner.

By: _____ /s/ J. Mark Borseth
Name: J. Mark Borseth
Title: Executive Vice President and Chief Financial Officer

MOR-1b**Schedule of Disbursements by Legal Entity**

In re Constar International Holdings LLC, et al.
Case No. (Jointly Administered)
Reporting Period

13-13281 (CSS)
January 31, 2014

Debtor	Case Number	One Month Ended January 31, 2014	Estimated Trustee Fees
Constar International Holdings LLC	13-13281	\$ -	\$ 325
Constar Group Holdings, Inc.	13-13281	-	325
Constar Intermediate Holdings, Inc.	13-13281	-	325
Constar Group, Inc.	13-13281	-	325
Constar International LLC	13-13281	-	325
BFF Inc.	13-13281	-	325
DT, Inc.	13-13281	-	325
Constar, Inc.	13-13281 (a)	14,202,000	13,000
Constar Foreign Holdings, Inc.	13-13281	-	325
Constar International U.K. Limited	13-13281 (a)	9,287,000	13,000
Total Disbursements		<u>\$ 23,489,000</u>	<u>\$ 27,300</u>

(a) Excludes intercompany transfers between Debtor entities.

(b) Disbursements were rounded to the nearest thousand.

MOR 1-c
Schedule of Professional Fees Paid

Payee	Period Covered	Approved Amount	Payment Date	January 31, 2014			
				MTD		YTD	
				Amount Paid		Amount Paid	
				Fees	Expenses	Fees	Expenses
Seward & Kissel	12/17/13-1/16/2014	\$ -	1/16/2014	\$ 106,577	\$ -	\$ 106,577	\$ -
Barnes & Thornburg LLP	12/17/13-1/16/2014	\$ -	1/16/2014	\$ 7,297	\$ -	\$ 7,297	\$ -
Winter Harbor LLC	1/13/14-1/19/2014		1/30/2014	\$ 33,873	\$ 2,572	\$ 33,873	\$ 2,572
Kirkland & Ellis LLC	12/17/13-1/16/2014	\$ -	1/16/2014	\$ 410,000	\$ -	\$ 410,000	\$ -
Womble, Carlyle, Sandridge & Rice	12/17/13-1/16/2014	\$ -	1/16/2014	\$ 18,100	\$ -	\$ 18,100	\$ -
				<u>\$ 575,847</u>	<u>\$ 2,572</u>	<u>\$ 575,847</u>	<u>\$ 2,572</u>

MOR-2

Constar U.S. Operations
Condensed Combined Statement of Operations
(In thousands)
(Unaudited)

	<u>One Month Ended</u> <u>January 31, 2014</u>
Net sales	\$ 13,931
Cost of products sold, excluding depreciation	12,929
Depreciation and amortization	<u>810</u>
Gross profit	<u>192</u>
Selling and administrative expenses	725
Research and technology expenses	180
Provision for restructuring	<u>66</u>
Total operating expenses	<u>971</u>
Operating loss	(779)
Interest expense	(1,687)
Reorganization items, net	(1,071)
Other income (expense), net	<u>(31)</u>
Loss before income taxes	(3,568)
Benefit from income taxes	<u>-</u>
Net loss	<u>\$ (3,568)</u>

Combined statements include Constar International Holdings LLC, Constar Group Holdings, Inc., Constar Intermediate Holdings, Inc., Constar Group, Inc., Constar International LLC, BFF, Inc., DT, Inc., Constar, Inc., and Constar Foreign Holdings, Inc.

MOR-2

Constar International U.K. Limited
Condensed Statement of Operations
(In thousands)
(Unaudited)

	One Month Ended January 31, 2014
Net sales	\$ 6,575
Cost of products sold, excluding depreciation	6,471
Depreciation and amortization	111
Gross profit	<u>(7)</u>
 Selling and administrative expenses	 249
Total operating expenses	<u>249</u>
 Operating loss	 (256)
 Interest expense - intercompany	 (113)
Other income (expense), net	234
Loss before income taxes	(135)
Benefit from income taxes	-
Net loss	<u>\$ (135)</u>

MOR-3

Constar U.S. Operations
Condensed Combined Balance Sheets
(In thousands)
(Unaudited)

	January 31, 2014
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 1,140
Accounts receivable, net	12,124
Inventories, net	16,507
Prepaid expenses and other current assets	4,382
Deferred tax assets	3
Total current assets	<u>34,156</u>
Property, plant and equipment, net	59,543
Investment in subsidiaries	16,467
Intangible assets, net	14,586
Other non-current assets	1,743
Total assets	<u>\$ 126,495</u>
LIABILITIES AND MEMBERS' DEFICIT	
Current Liabilities:	
Short-term debt	\$ 15,531
Accounts payable and accrued expenses	13,589
Total current liabilities	<u>29,120</u>
Long-term debt	15,000
Liabilities subject to compromise:	
Undersecured long-term debt	86,663
Accounts payable and other accrued liabilities	18,918
Pension and post-retirement liabilities	39,372
Deferred income taxes	674
Intercompany loans	9,306
Other non-current liabilities	3,058
Total liabilities	<u>202,111</u>
Members' deficit	<u>(75,616)</u>
Total liabilities and members' deficit	<u>\$ 126,495</u>

The U.S. pension liability balance does not reflect all adjustments that may be required by US GAAP as of January 31, 2014. Settlement of the U.S. pension liability is subject to further analysis and negotiation with the Pension Benefit Guaranty Corporation.

Combined statements include Constar International Holdings LLC, Constar Group Holdings, Inc., Constar Intermediate Holdings, Inc., Constar Group, Inc., Constar International LLC, BFF, Inc., DT, Inc., Constar, Inc., and Constar Foreign Holdings, Inc.

MOR-3

Constar International U.K. Limited
Condensed Balance Sheet
(In thousands)
(Unaudited)

	January 31, 2014
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 1,014
Accounts receivable, net	14,581
Inventories, net	5,461
Prepaid expenses and other current assets	1,126
Deferred income taxes	136
Total current assets	<u>22,318</u>
Property, plant and equipment, net	7,131
Deferred income taxes	5,442
Other non-current assets	50
Total assets	<u>\$ 34,941</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current Liabilities:	
Accounts payable and accrued expenses	12,296
Total current liabilities	<u>12,296</u>
Pension liabilities	1,848
Intercompany loans	8,669
Liabilities subject to compromise:	
Accounts payable and accrued expenses	13,262
Total liabilities	<u>36,075</u>
Stockholders' deficit	<u>(1,134)</u>
Total liabilities and stockholders' deficit	<u>\$ 34,941</u>

By: /s/ J. Mark Borseth
Name: **J. Mark Borseth**
Title: **Executive Vice President and Chief Financial Officer**

MOR-5

Accounts Receivable Reconciliation and Aging
U.S. Operations
For the One Month Period Ended January 31, 2014

Accounts Receivable Reconciliation:		<u>Amount</u>
Accounts receivable - beginning	\$	10,275
Plus: Amounts billed during the period		14,208
Less: Amounts collected during the period		<u>(12,451)</u>
Accounts receivable - ending	\$	<u>12,032</u>
 Accounts Receivable Aging:		
0-30 days old	\$	10,380
31-60 days old		878
61-90 days old		140
91+ days old		<u>634</u>
Total aged accounts receivable		12,032
Allowance for doubtful accounts		(232)
Other receivables		<u>324</u>
Accounts receivable, net	\$	<u>12,124</u>

Notes:

1. Other receivables include month-end accruals and other receivables that are not aged in the Debtors' books and records.

MOR-5

Accounts Receivable Reconciliation and Aging
U.K. Operations
For the One Month Period Ended January 31, 2014

Accounts Receivable Reconciliation:

Accounts receivable - beginning	\$ 17,593
Plus: Amounts billed during the period	7,819
Less: Amounts collected during the period	<u>(11,624)</u>
Accounts receivable - ending	<u>\$ 13,788</u>

Accounts Receivable Aging:

0-30 days old	\$ 7,866
31-60 days old	5,244
61-90 days old	605
91+ days old	<u>73</u>
Total accounts receivable	13,788
Allowance for doubtful accounts	<u>(318)</u>
VAT tax receivables	<u>1,111</u>
Accounts receivable, net	<u>\$ 14,581</u>

Notes:

1. Other receivables include month-end accruals and other receivables that are not aged in the Debtors' books and records.

MOR-5
Debtor Questionnaire
January 31, 2014

- | | Yes | No |
|---|-----|----|
| 1 Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide and explanation. | | X |
| 2 Have any funds been disbursed from any account other than a debtor in possession account? If yes, provide an explanation below. | | X |
| 3 Have all postpetition tax returns been timely filed? If no, provide an explanation. | X | |
| 4 Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below. | X | |
| 5 Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened accounts(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3. | X | |

The following account was opened to receive deposits received from potential buyers of the company's assets:

Constar International Holdings Depository Account
Escrow Incoming Wire Account
Account number XXXXX3312