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Company Update

Microsoft-Breaking Up is Hard to Do

In the latest installment of a long-running antitrust trial, the world's #1 software company has been forced by the government -- pending appeal -- to split into two companies and change some of its business practices. One company would keep Microsoft's Windows operating systems; the other would get the rest, including the MS Office business productivity suite, Internet Explorer Web browser, online services and e-commerce portal MSN, and travel services spinoff Expedia. Microsoft develops, makes, markets, licenses, and supports a wide range of software products, including operating systems for personal computers, servers, personal information devices, and application programs, and languages, as well as Internet services, personal computer books, hardware, and multimedia products. Windows is installed on more than 275 million Intel-based PCs. Microsoft closed at $70 ½, up 7/8 on the news.

On June 8th, after the close, the U.S. District Court ruled as expected, that Microsoft should be broken up. The real story will likely play out in the next level of appeals whether they are on a direct fast track to the Supreme Court. For now Microsoft has restrictions they will have to operate under. Microsoft's first step in the appeals process will be an attempt to get those restrictions stayed pending appeal. Barring acceptance of the case by the Supreme Court, or the decision of the plaintiffs to forgo this action, the case will be heard by the D.C. Circuit Appellate Court, which can affirm the court's ruling, or overturn all or part of it, possibly sending it back to the District Court for review or further hearings. That said, we would guess that the time frame on the case could range from 6 months to 2 or more years. We would expect that Microsoft would ask for, and receive, an injunction barring the enforcement of the interim process.

Judge Jackson gave Microsoft a period of "no later that 4 months" to submit a comprehensive plan for a break-up, after which the government would have 2 months to file any objections to the plan, and Microsoft would have another 30 days to respond. The judge's remedy calls for the break up to be completed within 12 months after the final approval of the plan. Microsoft plans to file its appeal of Judge Jackson's ruling within days. If the appeal were granted, we would look for the Solicitor General to invoke the Expediting Act and ask the Supreme Court to hear the DOJ's case ahead of the appellate court. We would be surprised if the Supreme Court decided to hear the case, as it has accepted only one case (the AT&T case) ahead of the appellate court in 28 years.

We have no idea how this all will play out in the courts, but we strongly suspect that the sum of the Microsoft parts would be much greater than current levels. We find it hard to believe that splitting a 800 pound gorilla into two 400 pound gorillas will detract from Microsoft's value. In fact, we feel much of the problem is simply perspective. If one year ago, Bill Gates would have said "Microsoft is too big, we are going to split the firm in two in order to be more nimble", market pundits would have welcomed the move, and rewarded the stock. If the government is successful in forcing Microsoft to split-up, we believe the shareholders, in the long-term would be rewarded handsomely.

Microsoft (MSFT)

Price (6/7/00)	$70 ½	Debt/Total Capital	0%
52 Week Range	$120 – 60	ROE	33%
Shares Outstanding	5.5 B	Book Value/Share	$5.15
Market Capitalization	$388 B	Jun/1999A EPS	$1.38 P/E= 51x
Fiscal Year	June	Revenue 1999	$19.7 B

Company Update

3Com To Distribute Palm Shares in July

3Com announced that it will distribute its shares of Palm on July 27th to 3Com shareholders of record on July 11th. Based on the 351 million 3Com shares outstanding, the ratio will be about 1.5 Palm shares per 3Com share. 3Com owns 532 million shares of Palm, or 94.3% of the outstanding shares. Since there are about 14 million 3Com options that could be exercised between now and the record date, the ratio of Palm to be distributed will be based on the actual number of shares outstanding as of July 11th. On May 8th, 3Com received a ruling from the IRS that the Palm distribution will be tax-free. Palm began trading on March 2, 2000. Palm has 561 million shares outstanding for a current market value of $14.6 billion. Based on Palm's current stock price of $26, each share of COMS has $39 of PALM embedded (or 81.6% of COMS value). The spread has narrowed in the last month from a negative $4 per share to a positive $9.

Palm is the leading provider of handheld computing devices. Palm, based in Santa Clara, California, is focused on three areas in the mobile iApplicances space: devices, software platforms, and value-added communications services. Palm's strategy is three pronged: 1) maintain leadership in the personal companion category by bringing to market innovative new handheld devices, 2) drive adoption of the Palm OS platform throughout the iAppliance space, and 3) leverage control over users' gateway to information to drive other services such as e-commerce and wireless Internet service and accessories.

Palm makes money in three different ways: by selling its personal companions, by licensing its operating system, and by reselling wireless Internet connectivity. Devices make up the majority (99% to date) of revenue at this point. At present, Palm has three lines of mobile iApplicances—the Palm III series, the V series, and VII series. Each device targets a slightly different market. Palm products fall into the personal companion category, which is broadly characterized by lighter weight, data access and light applications, ability to synchronize data with the desktop, and pen-based input. All Palm devices feature personal information management applications such as calendar, contact, task list, memo pad, e-mail, expense tracking, and calculator and Graffiti software for pen-based data input. On the hardware side, all Palm devices have a monochrome liquid crystal display (LCD) screen, infrared port for wireless data transfer, and a cradle equipped with serial port connection to a PC.

Recent Results

Excluding an $8.2 million charge for separation costs from 3Com, Palm reported third-quarter (ended February) fiscal 2000 EPS of $0.03 versus $0.02 in the prior year period. Revenues for the quarter were $272 million, up 116% from revenues of $125 million last year due to accelerating growth across Palm's lines of devices. By geography, the U.S. (representing 68% of revenues) grew sales 16% sequentially and 103% year over year. International sales of $87 million were down 12% sequentially, but up 152% year over year.

Gross margin of 43.6% fell 2.7% from the prior year due to product price cuts and the launch of Palm.net wireless Internet service. Operating expenses nearly doubled year over year due to Palm's expanding research efforts. In terms of the balance sheet, cash as of February 25, 1999, was $40 million without taking into account the roughly $1 billion in proceeds from the company's IPO on March 2, 2000. Days sales outstanding improved to 38 from 50 at the end of the fourth-quarter fiscal 1999.

Company Update

Cabot Microelectronics

On June 7th, shares of Cabot Microelectronics surged 31% to $42 7/8 up $10 1/8 on 10X's normal volume. We are unable to explain today's dramatic price movement but thought we should update you on the company and its parent. Cabot Microelectronics (Nasdaq:CCMP) is a leading producer of slurries, a consumable material used in the chemical mechanical planarization (CMP) process. Cabot sells about 80% of all CMP slurries to IC device manufacturers worldwide. Slurries are liquids containing abrasives and chemicals used in the CMP process. CMP is a process used by chipmakers to level and smooth excess material from many of the layers that are built upon wafers to produce advanced IC devices. Cabot is based in Aurora, Illinois and manufactures slurries in Aurora, Hammond, Indiana, Barry, Whales, and Geino, Japan. Cabot was partially spun off (17.3%) from Cabot (CBT) in an IPO on April 4th, 2000. The company sold 4 million shares to the public at $20 per share. Cabot plans to distribute the remaining shares in a tax-free spin-off. Each share of Cabot has 0.271 of Cabot Micro embedded. **At current prices, Cabot has $11.61 of Cabot Micro (0.271 x $42 7/8), suggesting that the Cabot "stub" is trading at an imputed value of only $16.50 per share** (or about 9.7x the $1.70 we feel they can earn without the Cabot Micro's contribution.) We view buying Cabot as a cheap way to garner exposure to Cabot Microelectronics.

CMP is a process that helps chipmakers increase throughput and improve yields, thereby lowering costs. According to Dataquest, the CMP market is projected to grow at a 40% CAGR from 1998 to 2002. Cabot is also expanding its product offering including CMP pads and new slurries for CMP polishing of the magnetic heads used in hard disk drives. There are many advantages associated with CMP that has lead to increasing adoption of this process by chipmakers. CMP plays an important role in decreasing the number of defective IC devices produced, which obviously lowers total production costs. CMP was adopted first by IBM, then by Intel, and most recently by the entire logic industry. The growth in the CMP market is being driven by both rapid addition to capacity that the industry in currently enjoying, as well as the spreading adoption of CMP in general.

Intel is Cabot Micro's largest customer. For the year ended September 30, 1999, Cabot's five largest customers accounted for about 58% of revenues, with Intel accounting for approximately 22% of its revenues. About 46% of Cabot Microelectronics' revenues were generated by sales to customers outside the U.S. Europe represented 10% of total revenue in 1999, with Asia accounting for 35%. Asia has been a strong market for Cabot, accounting for 45% of sales in FQ1. Cabot has enjoyed a consistent track record of profitability. The company has been profitable since 1997. Revenues have grown at CAGR of 60% from 1996 – 1999, and are expected to grow at a 50% CAGR from 1999 to 2001. As a supplier of materials rather than tools, Cabot Micro is more buffered from deep downturns that is experienced by the toolmakers. We point out that Cabot's revenues have grown sequentially in every quarter since December 1997 (a period that experienced one of the worst down turns in chip equipment history).

Recent Results

On April 26th, Cabot reported FQ200 (March) results for the first time as a public company. EPS was $0.21, up 9.5% sequentially. Revenues were $39.0 million, up 12.0% from last quarter, a record high. Gross margins decreased by 450 basis points to 45.9% as the company ramps up new facilities in Aurora and Japan. R&D expenses increased $100,000 to $4.6 million, representing 11.9% of revenues (down 100 bp). SG&A spending was $5.2 million, up $100,000, but declined 150 basis points to 13.3% of sales.

Cabot Microelectronics (CCMP)

Price (6/7/00)	$42 7/8	EPS 1999A (FY-SEP)	$0.58	P/E= 74x
52 Week Range	$20 – 43 7/8	EPS 2000E	$0.85	P/E= 50x
Shares Outstanding	24.8 M	Revenues 1999	$98.7 M	P/S= 8.3x
Market Capitalization	$1,063 M	Revenues 2000E	$160 M	P/S= 5.1x

Company Update

C-Cube Semiconductor Positioned for Growth

On May 3rd, C-Cube Microsystems (NASDAQ: CUBE) completed the spin-off of its Divicom division to Harmonic, Inc. (HLIT). Simultaneously, C-Cube Semiconductor began trading as a stand-alone company. C-Cube Semiconductor provides digital video and audio solutions for both communication and consumer end markets. The company's encoder and decoder technologies target applications such as digital video disks (DVD), set-top boxes (STB), encoded broadcasting (Codecs) and video compact disks (VCD). Led by annual growth of roughly 40% in its DVD, STB and Codec expansion platforms, we expect C-Cube's sales to grow to $255 million in 2000 and $305 million in 2001.

A leader within the consumer segment of the semiconductor market, C-Cube is positioned to appreciate significantly over the next several years. DVD demand is fantastic, providing a direct demand driver for C-Cube. We believe that the company's leading position in silicon for the set-top box (STB) should allow it to expand its market share position over the next two years. With a steady decline in consumer electronics prices and the commensurate increase in unit demand, revenues at C-Cube should demonstrate solid growth both on a sequential and year-over-year basis. CUBE management estimates that DVD unit growth in 2000 should reach 13-15 million units. This could prove conservative given many estimates have this market growth reaching 16-18 million units. In the STB market, C-Cube should benefit from solid unit growth as the market is de-regulated in the US and further expanded in Europe and Asia. Though industry-wide wafer capacity is very tight, we believe the company's strong relationships with partners TSMC and UMC will enable the company to show at least 40% growth in its key expansion platforms. We expect gross margin to come in around 55.0% for 2000.

Digital Video Disc (DVD)

Higher quality video, superior functionality (ie, no rewinding), increasing format content availability and declining prices have led to explosive growth in DVD player demand. Since their introduction, DVD volumes have increased from approximately 0.7 million units in 1997 to an estimated 45 million units sold by 2002. This growth has presented C-Cube Semiconductor with a large and growing market. The market for C-Cubes DVD decoder solution is expected to grow from approximately $22 million in 1997 to $450 million in 2002. This is based upon the projected DVD unit volume growth discussed earlier and CUBE's $10 per unit ASP for its decoder solution. Currently the #1 decoder supplier in the DVD market, C-Cube should be a beneficiary of the growth in the DVD market. C-Cube's primary product in this segment is the ZiVA family of decoders. The ZiVA-3 decoder is the third generation of the company's ZiVA product and offers an advanced DVD decoder with integrated audio DSP. The product remains an industry leader for implementing 3D audio, karaoke functions and DVD audio in a cost-effective solution.

C-Cube's leading market share was gained by serving customers such as Samsung, JVC, Lucky Goldstar, Hitachi and Acer. While C-Cube has not yet received any revenues from Thomson Multimedia, the two companies recently signed an agreement in which Thomson purchased warrants to own approximately 1% of CUBE. Additionally, Thomson has the option to increase this ownership to 3% if it surpasses purchasing unit volume levels of C-Cube products. We believe this equity investment by Thomson suggests an increase in business for C-Cube in the future.

Overall, we expect C-Cube's DVD segment to show strong growth over the next several years. For 2000, we expect DVD segment sales to approach $60 million. As a percentage of sales, we expect the DVD segment to increase from 23% in 2000 to about 35% in 2002. As DVD prices continue to decline, the segment's gross margin is likely to decline to below 50% by 2001. However, the declining gross margins should be buffered by the improved unit volume.

Set-Top Box (STB)

The digital set-top box market provides an outstanding opportunity for C-Cube, as it offers a path of convergence between the TV and the functionality of the PC. Digital set-top boxes control and decode compressed television signals for digital satellite systems, digital cable systems and digital terrestrial systems. Unlike the PC industry, the performance of a digital STB is not dependent on processing speed but processing functionality, driven by consumer electronics and broadcasting industries that wish to introduce digital TV broadcasting quickly and cheaply. Digital technology allows STBs to receive more channels with higher quality audio and video than is possible with analog systems. The STB silicon content can be split into two general categories, front-end and back-end. The front-end focuses on encoding and communication with the incoming signal, whether it’s cable or satellite based transmission. Specifically, the front-end includes products such as demodulators and modulators. The back-end stresses decoding and communicating the signal to the television. This is accomplished with products such as MPEG2 video decoders, audio decoders, transport engines and graphic controllers. Historically, C-Cube has been a leading supplier of the back-end portion of the STB silicon. With the acquisition of TV-Com, C-Cube has moved into the front-end. CUBE addresses the STB market using an integrated two-chip solution providing independent decoding and demultiplexing solutions in order to give designers the latitude to optimize a uniform back-end with a front-end configuration specialized for either satellite or cable based transmission.

Codec

This part of C-Cube's growth platform offers very strong growth Potential. C-Cube is the market leader in a single chip solution integrating encoding and decoding (Codec) operations. By integrating these functions into a single chip, cost and space savings are gained without sacrificing functionality. Generally, these codec chips compress video content to speed transmission as well as decode the transmission without compromising video quality. CUBE offers codec solutions in three distinct markets: Broadcast, Video and Consumer. In the broadcast market, C-Cube offers its DVxpert family of codecs. These products offer improved image quality, efficient bandwidth utilization and reliability for broadcasting professional and networking applications. The DVxpert broadcast encoders target applications such as distribution, contribution and intranet/internet video communication.

Within the video production market, C-Cube's DVxpress codecs are single chip, multi-format video encode/decode engines that form the basis of many of today's leading nonlinear editing and video server systems. Dvxpress codec products uniquely support both DV and MPEG compression standards, enabling both formats to coexist in video production applications. For example, a nonlinear editing system based on a single DVxpress codec is able to acquire content in a DV format (miniDV, DVCPRO, DVCam), perform frame accurate, real-time edits on the content, and then output the finished program to MPEG for satellite or DVD distribution. We believe C-Cube currently commands an 80% market share in this market segment.

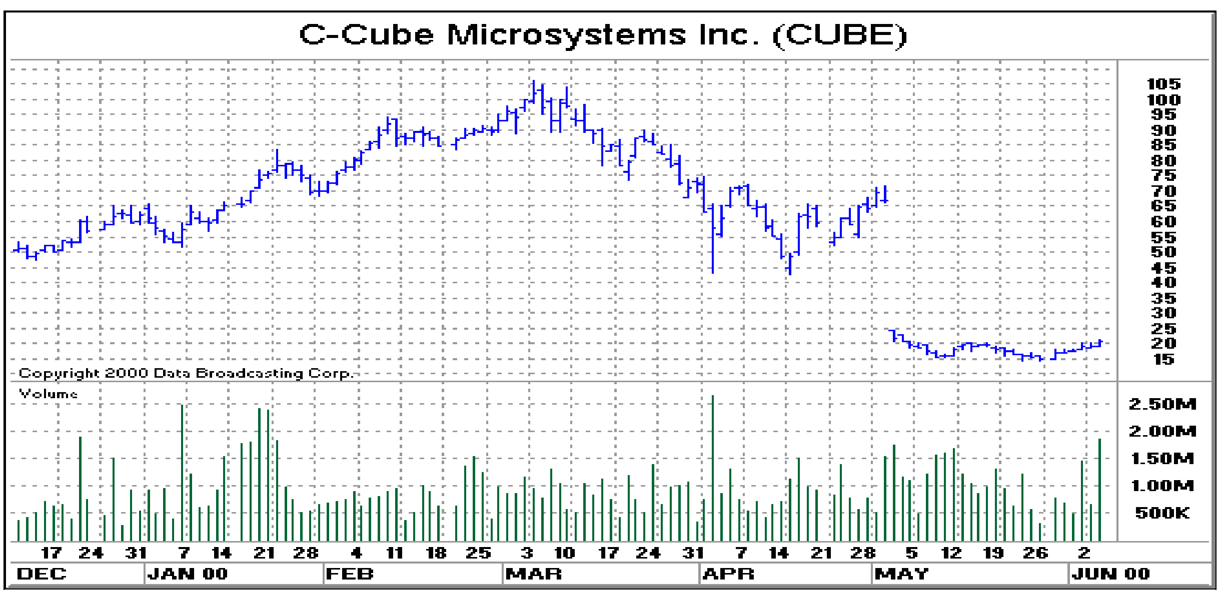
Lastly, Cube is the leader in providing codec solutions to the consumer market. For the first time, C-Cube's DVxcel and DVxplore codecs allow PC manufacturers to offer consumers DVD-quality video recording and frame accurate MPEG-2 editing, turning PCs into complete DVD recording and content creation stations. Manufacturers can incorporate sophisticated digital video recording features into consumer PC/TV products. Digital recorder applications can provide time-shifting capabilities such as instant replays of broadcast programs. As a result, manufacturers and applications developers can use the codec to establish DVD-quality (MPEG-2) video as a standard type on consumer PC and PC/TV platforms.

Outlook

As a stand-alone entity, we expect C-Cube Semiconductor to produce strong growth in both sales and earnings over the next few years. For 2000, we expect sales growth of 15.0%. This understates the rate at which CUBE's growth platforms are accelerating. CUBE's STB, DVD and Codec businesses are expected to grow in excess of 40% over the next few years. This expansion is offset by the decreasing sales of CUBE's legacy VCD business. For 2001, we expect growth to accelerate to 21.0% as the mix shifts more heavily toward CUBE's growth platform segments. During this shift in sales mix toward CUBE's expansion platform segments (STB, DVD, Codec), we expect gross margins to show slight contraction, while operating margins are expected to increase. Operating margins are expected to improve from 12.9% in 2000 to 16.1% in 2001. For 2000 , we expect EPS to reach approach $0.50.

C-Cube Semiconductor (CUBE)

Price (6/6/00)	$20.50	Long-Term Debt	$2 M
52 Week Range	$36 – 15	LT Debt/Total Capital	0.4%
Shares Outstandiing	50 M	Dividend/Yield	$0.00/0%
Market Capitalization	$1 B	1999 Revenue	$222 M
Fiscal Year	December	Price/Sales	4.5x



Company Update

Intermedia Communications Rises after CNBC says Broadwing in Talks to Buy It

On June 8th, shares of Intermedia Communications, rose 5 points to $40 ¾ in midafternoon trading after hitting $47. CNBC reported that board meetings have been scheduled through the weekend. Intermedia and Broadwing (formed through the November combination of Cincinnati Bell and IXC Communications) reportedly declined to comment. Broadwing offers local and long-distance service in Ohio, Indiana and Michigan and gained a national data network through connections to homes and businesses outside its region.

There could be some credence to the deal. **Broadwing** (NYSE:BRW-$22 7/16) could be interested in buying Intermedia in order to gain control of Digex (Nasdaq:DIGX-$68 ¾), a carveout of Intermedia. **Intermedia Communications** (Nasdaq:ICIX-$41 1/4) offers local-exchange access and private line phones; high-speed data transmission, Internet access, and Web hosting; long-distance phone services; and customer-premises communications equipment. The competitive local-exchange carrier (CLEC) is developing an Internet protocol (IP)-based backbone to allow data and voice applications to be carried over a single network. It has fiber-optic networks in 14 southeastern US cities and a 5,000-mile long-haul microwave transmission system in the Northeast. Intermedia is on a run rate to deliver $1.2 billion in sales. Because of the large amount of capital necessary to build and maintain local/long-haul telecom networks, the company is not expected to be cash flow positive until around 2001. Intermedia has 52 million shares outstanding for a market value of $2.145 billion.

Intermedia owns 62% of Digex (and 94% of the voting interest). The 39.5 million shares owned implies a ratio of .686. So each share of Intermedia has roughly $47 of Digex embedded. **Thus, the Intermedia stub is trading at a negative $5.90 per share. Digex** hosts Web sites and Web-based applications for more than 550 businesses and institutions. The company also provides consulting and enterprise services, such as firewall management and Web site activity reporting. Digex operates two data centers that house more than 1,300 company-owned and managed servers. Digex went public on July 29th, 1999 at $17 per share. Digex is expected generate $150 million in revenues in 2000 and $285 million in 2001 (up 90%).

We See a Trend

We have observed a number of similar "parent/ spin" buyouts consummated this year. Most recently (March 22), PSInet (Nasdaq:PSIX) announced its intention to acquire Metamor Worldwide (Nasdaq:MMWW). By purchasing Metamor Worldwide, PSINet instantly becomes the majority owner of Xpedior (Nasdaq:XPDR), an e-business consulting firm, which is 80% controlled by Metamor. Prior to the deal being announced (March 21), Metamor was trading at a negative $1 per share (relative to their Xpedior holdings). In addition, we saw Global Crossing (GBLX) acquire IPC Communications and IXnet (the spin), Healtheon acquire Medical Manager (MMGR) and Careinsite (CARI, the spin).

Digex (DIGX)

Price (6/8/00)	$69	Revenues 1999	59.8 M
52 Week Range	$184 – 14	EBITDA 1999	($42.3)M
Shares Outstanding	69.8 M	EPS 1999	($1.19)
Market Capitalization	$4.8 B	Price/Est. Revenue 00	32x
Fiscal Year	December	Debt/Capital	3.8%

Company Update

Methode Proceeding with Stratos Lightwave IPO

Methode Electronics (NASDAQ: METHA) plans to complete the spin-off its optical products businesses into a separate, independent publicly traded company called Stratos Lightwave (proposed NASDAQ: STLW). **The roadshow is expected to take place shortly.** Stratos will offer 8.75 million shares and Methode will retain 54 million Stratos shares or 84%. Methode plans to distribute Stratos to Deluxe shareholders dependent on a tax-free ruling by the IRS within the next 12 months. The initial public offering is expected to price between $16.00 and $18.00 per share which implies that Stratos will have a market capitalization of $1.1 billion. Methode Electronics has 35.5 million shares outstanding for a market capitalization of $1.7 billion. Based on the expected IPO price, Stratos's implied value is $26 per Methode share or over 53% methodes value (54 million / 35 million = 1.54, $17*1.54=$26).

Methode Electronics is engaged in the manufacture of electronic components and devices that connect, control and convey electrical energy, pulse and signal including connectors, automotive components, interconnect devices, printed circuits, and current carrying distribution systems. Components and devices manufactured by the Company are used in the production of electronic equipment and other products with applications in the automotive, computer, voice and data communications equipment, industrial, military and aerospace, and consumer electronics industries. The Company's products are sold primarily to original equipment manufacturers (OEMs) and also to independent distributors.

Stratos Lightwave develops, manufactures and sells optical subsystems and components for high data rate networking, data storage and telecommunication applications. Optical subsystems convert electronic signals into optical signals and back into electronic signals. There optical subsystems are designed for use in local area networks (LANs), storage area networks (SANs), metropolitan area networks (MANs), wide area networks (WANs) and central office networking in telecommunication markets.

Year End Results

Stratos reported pro-forma 2000 (FY: April) sales of $74.7 million up 61%, compared to $46.4 million in FY1999. Gross margins were 33% in 2000 vs 36.4% in 1999. Cash on hand at April 30th was $132 million ($2.12 per share). Stratos's three largest clients include Cisco, Nortel and Alcatel accounting for 44% of 2000 sales and 27%,10% and 8% respectively.

On June 7th, Methode announced record sales of $117.1 million for the 4th quarter ended April 30th, up from $111.5 million a year ago. Net income for the 4th quarter was $9.6 million up from $8.8 million in 4th quarter of 1999. Earnings per share were $0.27 versus $0.25 a year ago. The Electronic segment represents over 70% of Methode's consolidated sales and has been operating in a flat sales environment. Sales for the 4th quarter for the Electronic segment were $85.6 million up slightly from $84.2 million with pretax profits of $13.8 million as compared to $15.7 million a year ago. Fiscal year end sales were $422 million , up 5% from $403 million. Net income for the was $0.87 per share as compared to $0.93 in fiscal 1999. Comparable results are difficult to determine because of several one time charges that occurred in both years.

Methode Electronics (METHA)

Price (6/7/00)	$47 1/2	52 Week Range	$66 7/16 – 13 1/2
Shares Outstanding	35.5 M	Book Value/Shr	$7.48
Market Value	$1.73B	Dividend /Yield	$0.20 / 0.42%
Revenue FY2000	$422 M	2000A EPS	$0.87

ANNOUNCEMENT CALENDAR

Company	Symbol	Announced Date	Spin-Off	Symbol	Type
3COM	COMS	09/13/99	PALM COMPUTING	PALM	CO/SP
AMERICAN SOFTWARE	AMSWA	01/25/00	AMQUEST		
APOLLO GROUP	APOL	03/28/00	PHOENIX ONLINE		TR
APPLIED POWER	APW	01/27/00	ELECTRONICS BUSINESS		
AT&T	T	12/06/99	WIRELESS GROUP	AWE	TR
AUTONATION	AN	05/25/99	AUTONATION.COM		TR
AVISTA	AVA	01/21/00	INTERNET BILLING		
AZTEC	AZTC	03/30/00	PCSI		CO/SP
BELL ATLANTIC	BEL	04/04/00	VERIZON WIRELESS		CO
BELLSOUTH	BLS	04/05/00	WIRELESS UNIT		CO
		03/29/00	LATIN WIRELESS		IPO/TR
BRE PROPERTIES	BRE	03/16/00	VELOCITYHSI		SP
CABLEVISION	CVC	12/22/99	RAINBOW PROGRAMMING		TR
CABLETRON	CS	02/10/00	SPLIT INTO 5 COMPANIES		
CABOT CORP.	CBT	07/9/99	CABOT MICROELECTRONICS	CCMP	CO/SP
C-CUBE	CUBE	10/27/99	C-CUBE SEMICONDUCTOR	CCSC	SP
CENTRAL GARDEN & PET	CENT	03/20/00	LAWN AND GARDEN DISTRIBUTION		SP
CHRONIMED	CHMD	03/13/00	DIAGNOSTICS UNIT		SP
CIBER CORP.	CBR	03/01/00	ENTERPRISE SOLUTIONS		SP
CMGI	CMGI	12/17/99	ALTA VISTA	ALTA	CO
COMDISCO	CDO	06/17/99	PRISM		CO
COMPUTER HORIZONS	CHRZ	10/18/99	eB NETWORKS		CO
COMVERSE TECHNOLOGY	CMVT	01/19/00	ULTICOM	ULCM	CO
CONSOLIDATES STORES	CNS	01/27/00	KBKIDS.COM		CO
COPART	CPRT	12/17/99	INTERNET BUSINESS		SP
CYBER-CARE	CYBR	02/29/00	AIR RESPONSE		SP
DAISYTEK	DZTK	09/21/99	PFSWEB	PSWB	CO/SP
DAMARK	DMRK		CLICKSHIP DIRECT		
DELIA'S	DLIA		iTURF	TURF	CO/SP
DELTA WOODSIDE	DLW	02/09/99	DUCKHEAD		SP
			DELTA APPAREL		SP
DELUXE	DLX	01/31/00	eFUNDS	EFDS	CO/SPLIT
DUN & BRADSTREET	DNB	12/15/99	MOODY'S		
EATON CORP.	ETN	02/24/00	AXCELIS TECHNOLOGIES		CO
EMC Corp.	EMC	05/31/00	MCDATA	MCDT	CO
FISHER SCIENTIFIC	FSH	03/08/00	ALCHEMATRIX		CO
FORD	F	04/14/00	VISTEON	VC	SP
GETGO MAIL.COM	GTGO	02/29/00	GETGO USA		SP
GLOBAL CROSSING	GBLX	04/19/00	GLOBAL CENTER		IPO/TR
GLOBAL CROSSING	GBLX	05/23/00	ASIA GLOBAL CROSSING		CO
GREAT LAKES CHEMICAL	GLK	09/20/99	OSCA	OSCA	CO
GTE	GTE	04/10/00	GENUITY		CO
HEWLETT-PACKARD	HWP	03/02/99	AGILENT TECHNOLOGIES	A	CO/SP
HOLLYWOOD ENTERTAINMENT	HLYW	12/2/99	REEL.COM		CO
iGATE	IGTE	03/07/00	MULTIPLE UNITS		CO
INTELLIGROUP	ITIG	11/04/99	SERANOVA	SERA	SP
INTERPOOL	IPX	08/09/99	MICROTECH AND POOLSTAT		SP
JC PENNEY	JCP	05/18/99	ECKERD DRUG CHAIN		TR
KANSAS CITY SOUTHERN IND.	KSU	02/03/98	STILWELL FINANCIAL	SV	SP
KROLL O'GARA	KROG	04/18/00	SPLIT UP		SP
LASON	LSON	12/20/99	E-COMMERCE		
LUCENT	LU	03/01/00	CORPORATE NETWORKING		SP
MASTER GRAPHICS	MAGR	09/09/99	EAGLEDIRECT.COM		CO
METHODE ELECTRONICS	METHA	02/23/00	STRATOS LIGHTWAVE		CO/SP

ANNOUNCEMENT CALENDAR

Company	Symbol	Announced Date	Spin-Off	Symbol	Type
MILLER	MLR	05/13/99	ROADONE		SP
MIM CORP.	MIMS	01/20/00	INTERNET PHARMACY		
MODIS PROF. SERVICES	MPS	11/09/99	IT DIVISION / SOLUTIONS UNIT		SP/CO
NATIONAL DATA	NDC	12/21/99	eCOMMERCE		SP
NETWORK ASSOCIATES	NETA	01/31/00	INTERNET DIVISION		
NEW YORK TIMES	NYT	01/28/00	NEW YORK TIMES DIGITAL		CO/TR
NORDSTROM	JWN	08/26/99	NORDSTROM.COM		CO
NORTHERN STATES	NSP	03/29/00	NRG ENERGY		CO
ODETICS	ODETA	03/02/99	ITERIS	ITER	CO/SP
ORCKIT	ORCT	02/10/00	SEMICONDUCTOR UNIT		SP
PETSMART	PETM	02/03/00	PETSMART.COM	PSCM	CO
PLAYBOY ENTERPRISES	PLA	09/28/99	PLAYBOY.COM	PBYI	CO
PSINET	PSIX	03/28/00	CONSUMER UNIT		CO
RALSTON PURINA	RAL	06/10/99	ENERGIZER HOLDINGS	ENR	SP
PTEK HOLDINGS	PTEK	10/28/99	E RESEARCH TECHNOLOGY		CO
PRC	RES	01/14/00	CHAPARRAL BOAT DIVISION		SP
SARA LEE	SLE	05/30/00	COACH / PYA-MONARCH		CO
SGI	SGI	02/26/99	MIPS TECHNOLOGY	MIPS	CO
SOUTHERN COMPANY	SO	04/17/00	SOUTHERN ENERGY		CP
SPX CORP.	SPW	06/05/00	INRANGE TECHNOLOGY	INRG	CO
STAPLES	SPLS	09/15/99	STAPLES.COM	SDOT	TR
ST. JOE COMPANY	JOE	10/27/99	FLORIDA EAST COAST IND.	FLA	SP
SYBRON INTERNATIONAL	SYB	04/24/00	DENTAL GROUP		SP
SYMANTEC	SYMC	06/10/99	INTERNET TOOLS SOFTWARE		CO
THERMO ELECTRON		01/31/00	THERMO FIBERTEK	TFT	CO/SP
TITAN CORP	TTN	12/29/99	CAYENTA	CYTA	CO/SP
TRANSACTION SYSTEMS ARCHITECTURE	TSAI	06/02/00	INSESSION TECHNOLOGY	INSX	CO
TYCO	TYC	03/10/00	TYCOM	TCM	CO
VIACOM	VIA.B	05/06/99	BLOCKBUSTER	BBI	CO/SPLIT
	VIA.B		MTVi		CO
UCAR	UCAR	04/18/00	GRAFTECH		CO
WALMART	WMT	01/07/00	ONLINE BUSINESS		CO
WEATHERFORD	WFT	07/21/99	GRANT PRIDECO DRILLING	GRP	SP
WESTERN RESOURCES	WR	03/29/00	WESTAR ENERGY		SP
XEROX	XRX	04/27/00	CONTENTGUARD		CO
Ziff-Davis	ZD		ZDNET	ZDZ	SP

{SP} Spin-Off {CO} Carve-out {TR} Tracking {SPLIT} Split-Off

FOREIGN CALENDAR

Company	Symbol	Announced Date	Spin-Off	Symbol	Type
ALCATEL	ALA	05/04/00	CABLE AND COMPONENTS		
CANAL PLUS	CNPLY		CANAL NuMEDIA		CO
COMMERZBANK	CBK_GR	06/10/99	COMDIRECT	COM_GR	CO
DEUTSCHE TELEKOM	DT	01/25/00	DEUTSCHE TELEKOM MOBILENET		CO
IDS INTELLIGENT DETECTIONS SYSTEMS	ISD	12/14/00	GEO COMMERCE / CADUCEON		SP
MANNESMANN AG	MNNSY	09/23/99	ATECS		CO
MODERN TIMES	MTGNY	04/18/00	METRO		SP
NATIONAL POWER	NP	11/17/99	INTERNATIONAL POWER UNIT		
NOVO NORDISK	NVO	09/09/99	ENZYMES AND HEALTHCARE		CO
PENINSULAR & ORIENTAL	LSE; PO	02/03/00	PRINCES CRUISES		SP
REUTERS	RTR, RTRSY		INSTINET		CO
REUTERS	RTR, RTRSY		GREENHOUSE FUND		CO
ROCHE	ROHHY	12/06/99	GIVAUDEN		SP
SCOTTISH POWER	SPI.N	09/17/99	TELECOMMUNICATIONS		CO
THIESSEN KRUPP	THAG	11/ /99	STEEL OPERATION		CO

Calendar Highlights

Price (06/08/00):	$61 9/16
Shares Out.	279.9M
Market Cap	$17.2 B

Parent	Symbol	Listed Options	Spin-off	Symbol	Date Announced	Spin-Off Date	Tax Exempt	Ratio
CMGI	CMGI		Alta Vista	ALTA	12/17/99			CO

Delayed

The long awaited IPO of search engine Alta Vista is being delayed again until September or October. Management stated that Alta Vista should be closer to profitability at that time. Alta Vista had a net loss of $272 million for the fiscal second quarter ended January 31, on revenue of $50.9 million. Excluding expenses for amortization and stock based compensation, the company had a loss of $49.9 million. Neither the ad investment nor CMGI's high profile has been able to bolster Alta Vista's competitive position within the U.S., attesting to the level of difficulty in breaking into the highly competitive portal market.

The Palo Alto, California-based company's Web site, one of the pioneers in Web search services, attracts more than 13 million visitors each month. While best known for its search engine (AltaVista Business Solutions leases the search engine technology to other portals and e-commerce ventures), the AltaVista Web site also offers features such as a language translation service, chat rooms, online shopping, a Yellow Pages directory, free Internet access (supported by advertising) and instant messaging. The company also owns the financial community Web site, Raging Bull. AltaVista was originally created within Digital Equipment Corporation (DEC), which was acquired by Compaq Computer in 1998. In 1999 Compaq sold an 83% stake in AltaVista to CMGI, which plans to make AltaVista the focal point of its Internet properties.

Price (06/08/00):	$67 7/8
Shares Out.	130.3M
Market Cap	$11.8 B

Parent	Symbol	Listed Options	Spin-Off	Symbol	Date Announced	Spin-Off Date	Tax Exempt	Ratio
Cablevision	CVC		Rainbow Programming		12/22/99	August-00		TR

Cablevision Plans to Issue Tracking Stock for Rainbow Media Holdings

On May 16th, Cablevision Systems Corp. (NYSE: CVC) stated that it expects to issue shares in August, which will track the performance exclusively to that of its Rainbow Media Holdings Unit. The division owns the New York Knicks and Rangers sports teams, Madison Square Garden, radio City Music Hall and cable TV channels Bravo and American Movie Classics. Cablevision mentioned in December that it planned on issuing tracking shares in Rainbow. Cablevision is considering only including national programming assets, not its New York entertainment and sports properties. Cablevision probably will distribute Rainbow's tracking stock to the company's shareholders and/or may have a initial public offering. Rainbow had $361.5 million in first quarter sales, roughly one third of Cablevision's total revenue. General Electric Co.'s NBC TV network owns approximately one quarter of the unit. The company anticipates the issuance during August and needs shareholder approval in order to consummate the deal.

Calendar Highlights ...

Price (06/08/00):	$66
Shares Out.	3 B
Market Cap	$199.6 B

Parent	Symbol	Listed Options	Spin-Off	Symbol	Date Announced	Spin-Off Date	Tax Exempt	Ratio
Deutsche Telekom	DT		T-Online	TOI				CO

T-Online, Deutsche Telekom's (NYSE: DT) internet service provider, reported recently that they achieved strong growth in sales and new customers in the first three months, but warned of business slowing down over the course of the next two quarters due to seasonal effects. Subscribers were up approximately 64 percent by the end of March at 4.9M compared with the end of the first quarter last year. Together with French internet provider Club Internet, which T-Online purchased earlier this year, it had 5.3M subscribers at the end of the first quarter. There has been speculation that the ISP was not boosting its content quickly enough and price cuts would continue to pressure its margins as it increased its turnover.

In addition, T-Online AG is negotiating to acquire Freeserve for $9 billion. Price negotiations are currently going on for T-Online to be able to acquire the group so as to remain competitive with its rivals America Online Inc. and Vodafone Airtouch PLC's Arcor. T-Online is searching for a way to break out of its primarily German language market. It has been reported that Telekom was willing to pay somewhere in the neighborhood of 600 pence per share or $9 billion, for Freeserve, while Dixon's (UK: DXNS) wanted 650 pence per share.

T-Online announced separately that it would issue 24.875M new shares to pay for the stake in Comdirect, Europe's largest online bank. T-Online announced in February it would team with Comdirect, a Commerzbank unit.

T-Online International is the #1 ISP in Europe with about 5 million subscribers (besting America Online's AOL Europe operations). The company is the Internet access arm of Deutsche Telekom, Germany's former telecommunications monopoly, but it also has stormed into France by agreeing to buy Club Internet, a leading French ISP. T-Online plans to break the barrier of metered phone tolls by rolling out a flat-fee service; it also plans to create a joint venture with Deutsche Telekom's mobile phone unit to develop wireless Internet services. T-Online has been spun off from Deutsche Telekom, which remains the company's majority shareholder.

Price (06/08/00):	$ 64 7/8
Shares Out.	962.8 M
Market Cap	$ 62.4 B

Parent	Symbol	Listed Options	Spin-Off	Symbol	Date Announced	Spin-Off Date	Tax Exempt	Ratio
GTE	GTE		Genuity		04/10/00			CO

On May 24th, revealing that its IPO intentions are still in the works, GTE (NYSE: GTE) unit Genuity Inc., a provider of Internet infrastructure services, provided further insight into its offering plans, unveiling a scheme to sell 173.9 million Class A common shares in the $12-to-$15 range. On April 7, when the company first disclosed plans for an offering, it filed to register only $10 million of common stock as a place holder for a larger deal, but did not elaborate on the number of shares it hoped to hawk or a prospective per-share price range. If all goes as planned, Genuity will walk away from the stock sale with net proceeds of $2.3 billion, ample cash to fund such projects as expansion of its network infrastructure and general corporate purposes. Genuity should also be a presence to be reckoned with on the public market, as its potential market capitalization could come in at $2.59 billion, based on the total number of Class A and Class B shares to be outstanding and the $13.50 mid-point. Morgan Stanley Dean Witter and Salomon Smith Barney have teamed up to underwrite the IPO.

Based in Burlington, Mass., **Genuity** offers a suite of managed Internet infrastructure services, including: dial-up access, dedicated and digital subscriber lines; Web hosting and content delivery; and value-added e-business services, such as virtual private networks for secure data transmission and voice-over-Internet Protocol. Following the offering, all of Genuity's Class B shares, representing 9.5% of the voting power of the company's outstanding stock, will be controlled by Verizon, which was created when Bell Atlantic (BEL) combined its wireless assets with those of Vodafone AirTouch (VOD). Bell Atlantic and GTE are currently awaiting regulatory clearance to move forward with their proposed merger; formal FCC approval of the deal, which would create the nation's largest local telephone company, is expected in mid-June.

Calendar Highlights ...

Price (06/08/00):	$32 1/4
Shares Out.	24.2 M
Market Cap	$ 1.1 B

Parent	Symbol	Listed Options	Spin-Off	Symbol	Date Announced	Spin-Off Date	Tax Exempt	Ratio
IDT	IDTC		Net2Phone					CO

Liberty Media Group (NYSE: LMG.A, LMG.B) has completed the purchase of approximately 9.9% of the equity of IDT Corporation (NASDAQ: IDTC). Under the terms of the agreement, IDT issued and sold 3.7 million shares of common stock for $34.50 per share (for approximately $128.6 million) to Liberty Media. The shares that Liberty Media will be exchangeable for shares of a new class of common stock, Class B Common Stock. This new class of shares is expected to be created within one year following the closing and will trade on the NASDAQ. The Class B Common Stock will carry 1/10 of a vote per share and otherwise will have the same rights as Common Stock.

IDT Corporation is a facilities-based, multinational carrier that combines its position as an international telecommunications operator with its experience as an Internet service provider to provide a broad range of telecommunications services to its wholesale and retail customers worldwide. Through its own national telecommunications backbone and fiber optic network infrastructure, the company provides its customers with integrated and competitively prices international and domestic long distance telephony, prepaid calling cards, Internet access and digital subscriber line (DSL) service.

Price (06/08/00):	$39 1/16
Shares Out.	169.1 M
Market Cap	$ 6.6 B

Parent	Symbol	Listed Options	Spin-Off	Symbol	Date Announced	Spin-Off Date	Tax Exempt	Ratio
New York Times	NYT		New York Times Digital			Summer		Tr

On May 23rd, The New York Times Co., (NYSE: NYT), which publishes the New York Times and the Boston Globe, said its Class A and Class B shareholders have approved a proposal to create a new class of common stock to track the performance of its Internet business unit, New York Times Digital. The Media Company said in a statement that it would carefully consider market conditions before proceeding with the public offering. All of the proceeds from the offering will go toward the Internet unit, which operates NYTimes.com, Boston.com, NYToday.com, WineToday.com and GolfDigest.com. The announcement was made at the Company's annual meeting of shareholders.

The New York City-based media titan publishes *The New York Times* (the venerable paper is #4 in circulation in the US after *The Wall Street Journal, USA TODAY,* and *The Los Angeles Times*). They also publish *The Boston Globe,* and more than 20 other newspapers in six states (some of which it plans to sell). It also owns 50% of the *International Herald Tribune* (rival The Washington Post Company owns the rest), as well as three golf magazines, eight TV stations, and two radio stations. Newspapers account for about 90% of the company's revenues.

The company gets some of its newsprint from mills it partially owns. At the other end of the production spectrum, it licenses its articles, graphics, and photographs to about 650 newspapers and magazines in the US and 50 other countries, and to online computer database firms (such as Dow Jones Business Information Services) and archiving companies.

Calendar Highlights ...

Price (06/08/00): $37 5/16

Shares Out: 20.3 M
Market Cap $756.8 M

Parent	Symbol	Listed Options	Spin-Off	Symbol	Date Announced	Spin-Off Date	Tax Exempt	Ratio
Primark	PMK	Y	Yankee Group					

SOLD

On May 9th, 2000 Primark Corporation (NYSE: PMK) announced that it has executed an agreement with a subsidiary of Reuters Group, plc (NASDAQ: RTRSY) to sell its subsidiary, Yankee Group, for the cash price of $72.5 million. Primark was considering spinning off a 40% stake in The Yankee Group to the public. The sale of the Yankee Group is estimated to result in a pre-tax gain of $35 million, with after-tax cash proceeds of approximately $60 million. The company intends on using the cash proceeds to further invest in its high growth Internet and e-commerce initiatives within its core business units.

Primark operates three divisions (financial information, financial analytics, decision information), which provide financial and business information, analysis, and consulting through such brands as Baseline, Disclosure, EDGAR Direct, I/B/E/S, and The Yankee Group. Primark's information is available worldwide in print, online, and through other electronic sources. Clients include investment firms, government agencies, corporations, and individuals. CEO Joseph Kasputys owns about 9% of the company, which is expanding through acquisitions. In particular, Primark has been focusing on the global economy: Plans include the launch of Primark Global Equities Service in 2000.

The Yankee Group of Boston, MA, provides strategic planning, technology and market forecasting services, which help clients develop e-business technology initiatives consistent with their core business strategies. The group is based on one-to-one client services and penetrating analysis in all areas crucial to e-business success, including e-commerce, telecommunications, wireless mobile, internet computing, and enterprise applications.

Price (06/08/00): $1 13/16

Shares Out: 114.8 M
Market Cap $ 208 M

Parent	Symbol	Listed Options	Spin-Off	Symbol	Date Announced	Spin-Off Date	Tax Exempt	Ratio
Reliance	REL	Y	Reliance Surety		10/27/00			

SOLD

Reliance Surety Group Inc. withdrew its pending initial public offering. Reliance Group Holdings, The parent is selling the unit to Traveler Property Casualty for $580 million. Reliance Surety is a division of Reliance Group Holdings Inc. (NYSE:REL). Reliance Surety, based in Philadelphia, offers its bonds throughout the U.S. and Puerto Rico through 3,500 independent agents. The company said it posted $17.7 million in underwriting income for the first six months of 1999. **Reliance Surety Group** underwrites and sells surety and fidelity bonds. Contract surety bonds (guaranteeing the completion of a project) account for about 70% of sales. The bonds are written primarily for public works projects, but also for commercial construction projects. Reliance Surety's fidelity bonds insure against employee theft, forgery, burglary, and other misdeeds. Surety bonds are agreements where the issuer of the bond guarantees to a second party that a third party will fulfill an obligation.

Calendar Highlights ...

Price (06/08/00): $5 1/16

Shares Out: 5.6 M
Market Cap $ 28.4 M

Parent	Symbol	Listed Options	Spin-Off	Symbol	Date Announced	Spin-Off Date	Tax Exempt	Ratio
RightStart	RTST		Rightstart.com					

Canceled

Right Start, Inc. (RTST) filed May 19th, with the SEC to withdraw its pending IPO on Rightstart.com. RightStart.com cancelled the IPO due to unfavorable market conditions and timing considerations. In January, RightStart.com filed to register $69 million of common stock for an IPO. Proceeds were to be used for marketing and advertising, and the development of the online site. Deutsche Banc and J.P. Morgan were lead underwriters of the IPO, and the company's stock was to trade on the Nasdaq using the ticker symbol "TOTS."

RightStart.com, like its parent, provides developmental and educational products for children, only through an Internet connection. RightStart.com, itself the young offspring of a proud parent, can relate to the kids who use its products. The Right Start, an upscale seller of children's products through stores and catalogs, formed RightStart.com in 1999 to sell its merchandise online. RightStart.com's offerings include books, software, music, videos, toys, furniture, and feeding, safety, bath, and travel items. Items purchased online can be returned to any of its parent's 50 or so stores. The company has partnerships with Oxygen Media's cable TV network and MomsOnline site. Investor Richard Kayne owns about 60% of The Right Start, which in turn owns 60% of RightStart.com. Investment firm Sierra Ventures owns 30.5% of RightStart.com.

Price (06/08/00): $46 5/8

Shares Out. 1.7 B
Market Cap $ 78.7 B

Parent	Symbol	Listed Options	Spin-Off	Symbol	Date Announced	Spin-Off Date	Tax Exempt	Ratio
TYCO	TYC		TyCom		03/10/00			CO

On May 19th, TyCom, a supplier of undersea fiber optic networks and services raised its initial public offering to 43.5 million shares to be sold for $26-$30 a share from 40 million shares and a $20-$25 per share price range.

The company, a unit of Tyco International (NYSE:TYC), will receive $1.17 billion based on the new terms and would use the funds to deploy the first phase of its worldwide undersea fiber optic cable system TyCom Global Network. Tycom will have 500 million shares of common stock outstanding after the IPO, giving it an initial market capitalization of $14 billion based on a $28 per share initial price. TYCO's stake will be worth $7.50 per TYCO share based on the midpoint of $28. Initially, Tycom filed to IPO 40 million shares of 230 million owned by TYCO. TyCom has applied to list its shares on the New York Stock Exchange under the symbol "TCM".

In addition, on May 23rd. Global Crossing filed a lawsuit against TyCom for $1 billion for breach of contract relating to the installation of a fiber-optic cable system. Tyco International has indicated the suit is without merit and said it still plans to complete the TyCom Ltd. IPO.

Fresh Spin-Off Situations

AutoNation To Spin Car Rental Unit on June 30th

On May 31, AutoNation, Inc. (NYSE: AN) approved the tax-free spin- off of ANC Rental Corporation to AutoNation shareholders. In the spin-off, each AutoNation **shareholder of record as of June 16, 2000, will receive one share of ANC Rental Corporation for every eight shares of AutoNation owned**. The Board established a distribution date of June 30, 2000. ANC Rental has applied to trade on the Nasdaq Stock Market under the symbol "ANCX." We expect "when-issued" trading for ANC Rental to begin on Wednesday June 14th. ANC Rental will begin a "roadshow" shortly. ANC Rental Corporation comprises the Alamo, National and CarTemps USA vehicle rental companies. **The rental unit lost $71 million last year on sales of $3.5 billion.**

AutoNation, Inc. is America's largest automotive retailer, on and off the web, with more than 400 new vehicle franchises in 19 states and more than 200 web sites. AutoNation is a Fortune 100 company (#63) with more than $20 billion in annual revenue, including $1 billion of Internet-related revenue through the sale of 46,000 vehicles last year. AutoNation's sales of vehicles via the Internet are expected to reach $1.75 billion this year. In December 1999, the company announced that it will close 23 underperforming used car megastores and integrate the remaining six megastores with new car dealerships. With 361 million shares outstanding, **AutoNation's current market cap is $3 billion.** . We estimate that the value of the discontinued rental car operations to be about $1 to $1.25 per AutoNation share. **There will be no "when-issued" trading for AutoNation.**

ANC Rental Corporation is one of the world's largest car rental companies with annual revenue of approximately $3.5 billion and an average daily fleet of about 339,000 vehicles in 1999. Headquartered in Fort Lauderdale, Florida, ANC employs approximately 22,000 associates worldwide. The company will become the world's third-largest publicly traded car rental company after it is spun off from car retailer AutoNation. Its operations include National Car Rental System, which primarily serves business travelers; Alamo Rent A Car, which caters to leisure travelers; and insurance-replacement rental service CarTemps USA. To gain a foothold in Europe, ANC acquired EuroDollar Holdings, the UK's #2 rental car company, in 1998 and folded its operations into National. ANC operates, licenses, or franchises over 3,500 locations worldwide. Further expansion is planned in Europe, the Middle East, and Africa.

We would guess that ANC Rental could start trading around $8 next week in the when-issued market. Based on the distribution ratio, there will be about 45 million shares outstanding in ANC Rental, suggesting a market value of roughly $360 million. We would also expect that ANC Rental could trade lower initially. Some investors are likely to be unwilling or unable to hold the ANC distribution, which could pressure the stock.

AutoNation

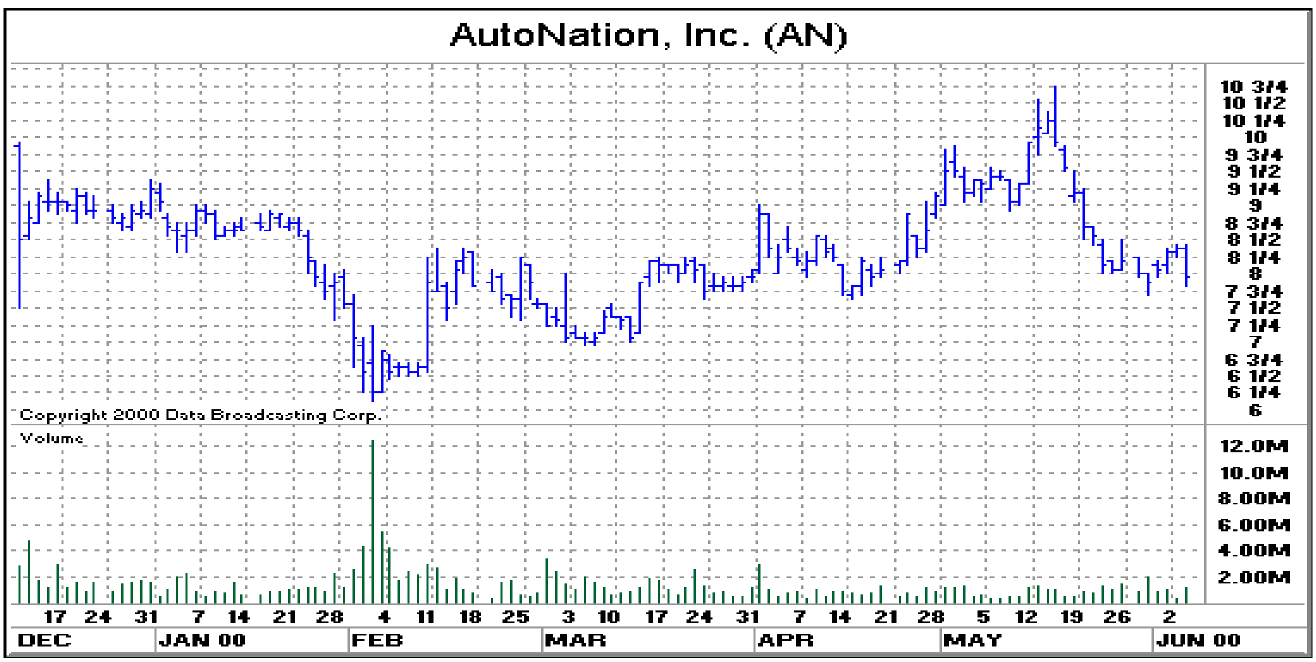
AutoNation's failure to execute consistently in all of its divisions over the last year will likely keep a lid on the stock's upside. We believe the company will need to reestablish credibility with investors in regard to its growth prospects. This may prove difficult in light of the fact that we appear to be in the later innings of the automotive cycle. AutoNation faces exposure to the U.S. economy. Sales and earnings growth will be negatively affected by any threat of recession. In addition, new vehicle sales have reached record levels and appear to have peaked.

The company's goal is to become the low cost operator in the industry, acquire critical mass, deliver a national e-commerce offering and provide a superior customer experience. Management is targeting $0.90 EPS for the year. While 8.5 times earnings may appear to be a reasonable multiple, we see no multiple upside due to the late stage of the economic expansion. Other investors appear pessimistic as AN has a substantial short position of nearly 15 million shares.

First Quarter Results

On April 27, AutoNation reported first quarter EPS of $0.18 for continuing operations (versus $0.13 last year). Revenue for the quarter increased nearly 15% to $5.23 billion, on a 7.2% overall comp store sales gain. New vehicle revenue grew 26% on 20% volume growth and higher average selling prices. Gross margin declined to 12.9% from 13.4% last year. Store level SG&A declined to 9.8% from 10.3% last year. Operating income grew 24% to $115.5 million and operating margin expanded to 2.2% from 2.0% last year. Debt was $880 million or roughly 20% of total capital. Since December, the company has repurchased 19 million shares and has about $350 million remaining under its $500 million authorization.

AutoNation (AN)			
Price (6/8/00)	$7 5/8	Book Value/Share (3/00)	$12.60
52 Week Range	$18 – 6	Dividend/Yield	None
Shares Outstanding	361 M	EPS 1999A	$0.66
Market Cap	$2.7 B	Consensus EPS Ests. 2000E	$0.90
Debt/Cap (3/99)	19%	Revenue 1999	$20.1 B
Shareholder Equity (3/00)	$4.55 B	Market Cap/1999 Revenue	15%



Fresh Spin-Off Situations

Deluxe to IPO eFunds June 26th

Deluxe (NYSE: DLX) plans to complete the spin-off its electronic payment and technology businesses into a separate, independent publicly traded company, to be called eFunds (proposed NASDAQ: EFDS). **The roadshow is expected to begin shortly with the IPO tentatively scheduled for June 26th.** eFunds will offer 6.2 million shares and Deluxe will continue to own 86.5% of eFunds or 40 million shares. Deluxe will then pursue a split-off of eFunds through an exchange offer to Deluxe shareholders dependent on a tax-free ruling by the IRS. The initial public offering is expected to price between $14.00 and $16.00 per share given eFunds an expected market capitalization of $693 million, which implies $8.25 of eFunds is embedded in every Deluxe share (40 million / 72 million = .55, $15*.55=8.25).

Deluxe is the #1 check printer in the US. Deluxe Corporation supplies paper-based and electronic payment and information solutions services and payment protection and risk management services to the financial and retail industries. Deluxe provides check printing, direct marketing, customer database management and related services to financial institutions through subsidiaries that include Chex Systems, Inc., Deluxe Payment Protection Systems, Inc., NRC Holding Corporation, Deluxe Data Resources, FUSION Marketing and Deluxe MarketWise. Deluxe sells specialty business papers, greeting cards, gift wrap and related products through its Current, Inc. and PaperDirect, Inc. subsidiaries.

eFunds is a provider of transaction processing and risk management services to financial institutions, retailers, electronic funds networks, e-commerce providers and government agencies. Products and services allow their clients to manage the electronic debit payment cycle, from account opening to transaction authorization, to electronic funds transfer and settlement. They also offer information technology professional services to complement their electronic payment services business. eFunds comprises three principal businesses: electronic payment solutions, professional services, and government services (electronic transfers of entitlements, such as food stamps). eFunds competitors include Fiserve and Equifax.

Valuation

eFunds reported revenues of $302 million in 1999 and grew 47.7% Q1 2000 over Q1 1999 to $100 million from $67.8 million. We believe eFunds could generate about $325 million in 2000, suggesting a price/revenue of 2x our projected sales. In 1999, Deluxe as a whole, produced $385.6 million in EBITDA. Paper Payments (the future stub) produced $347 million in EBITDA. Applying a 5x multiple to 1999 Paper Payments' EBITDA suggests a market value of $1.735 billion, or $24.09 per current share of Deluxe.

This suggests that the combined value of the two separate companies may be worth $39 per share. In addition, the level of shares outstanding may be considerably lower following the potential "split-off" exchange (perhaps 15 –20% lower). Currently, Deluxe is trading at $24 5/16, this is about 9.6x's the $2.62 First call estimate.

Deluxe (DLX)

Price (6/6/00)	$24 5/16	52 Week Range	$22 – $40.50
Shares Outstanding	72 M	Book Value/Shr (99)	$6.09
Market Value	$1.78B	Dividend (99)	$1.48
Revenue 1999	$1.34 B	Yield	6.06%
2000 EPS (Est.)	$2.62	P/E 12/00	9.6x

Fresh Spin-Off Situations

Ford Motor to Distribute Visteon

On June 2, Ford Motor Company (NYSE: F) announced the timing for the distribution of the company's 100 percent stake in Visteon Corporation (NYSE: VC) to its shareholders. The distribution will occur on June 28 to Ford shareholders of record on June 12. Ford Motor Company shareholders will receive one Visteon share for approximately every eight shares of Ford they own on the record date. The actual distribution ratio will be determined and announced after June 12. Ford Motor Company will make a cash distribution in lieu of Visteon stock to employees who invest in Ford stock through certain U.S. employee savings plans. The cash distribution will be of equal value to the stock distribution on a per share basis. Visteon began trading in the when-issued market on June 8, 2000 at \$18 $^{9}/_{16}$ and a market capitalization of \$2.4 billion.

Visteon is the world's #2 auto parts maker - behind Delphi Automotive and has operations in 23 countries. It has 81,000 employees working in three business segments: Dynamics and Energy Conversion; Comfort, Communication and Safety; and Glass. Its automotive products include chassis systems, climate control systems, electronics systems, exterior systems, glass systems, complete instrument panels, and powertrain control systems; non-automotive products include theater seats and power generators. Visteon is also a major supplier of technology components (mobile multimedia and telematics market) and a proven systems integrator. Visteon changes existing systems by adding technology to improve the systems' performance. These include systems such as cockpit modules, adaptive cruise control, and adaptive restraint system. Visteon also has an alliance with Intel and Microsoft to develop a computing platform for cars.

During the calendar year 1999, Visteon had pro forma sales of \$18.7 billion. At this level, Visteon will rank among the top 100 companies on the Fortune 500 once it becomes an independent company, although Visteon is not expected to become a part of the S&P 500. As a result, Visteon is likely to experience some selling pressure. Currently, Ford accounts for 88% of Visteon's sales, but Visteon is becoming less dependent on Ford. Of Visteon's new business, non-Ford customers accounted for 38% of revenues. Sales for the quarter ended March 31, 2000 grew by 9.5% over the same quarter one year ago to \$5.2 billion. Net income for the same period was \$124 million (51% over the same quarter one year ago).

Ford Motor Company is the world's largest truck maker and the #2 maker of cars and trucks (behind GM). Ford vehicles include Aston Martin, Ford, Jaguar, Lincoln, Mercury, and Volvo. Ford also owns 33% of Mazda, 81% of Hertz and recently purchased BMW's Land Rover operations. Ford's finance subsidiary, Ford Motor Credit, is the US's #1 auto finance company. The Ford family owns about 1/3 of the voting stock. Spinning-off Visteon is the latest in a series of steps resulting in Ford's becoming less asset and capital intensive. Over the last 5 years, Ford has divested itself of \$50 billion worth of assets. Ford's recent divestiture announcements include the Visteon spin-off, a couple of joint ventures, a \$10 billion cash distribution, and closing the Dagenham vehicle assembly in the UK.

Recapitalization

The Visteon stock distribution is separate from Ford Motor Company's previously announced Value Enhancement Plan (VEP) that also will generate a shareholder distribution this year. Under the VEP, class A and class B shares will participate in the distribution. Ford is exchanging one new class A share plus either a pro rata portion of \$10 billion (that Ford is using to recapitalize) or the equivalent value in new A shares for each existing A share. In the recapitalization, a B share will receive one new B share plus the same fractional A share as a class A share receives. The Ford family owns the class B shares. Shareholders will have four options: 1) \$20 cash, 2) \$20 worth of new stock, 3) a combination of cash and new stock with a value of \$20, and 4) all cash (essentially a share buyback). Timing for the VEP distribution will be announced later this summer.

Ford is expected to experience several benefits from spinning-off Visteon. First, Ford is going to eliminate about \$10 - \$12 billion in fixed cost from its income statement. As a result, Ford will be less cyclical. Next, Ford will also have more flexibility in the future to source parts from different vendors (which may have better pricing, quality or technology). Third, Ford will reduce capital spending by roughly \$900 million. Lastly, in conjunction with the spin-off, Visteon has agreed to very aggressive price terms that should help Ford's margins over the next few years.

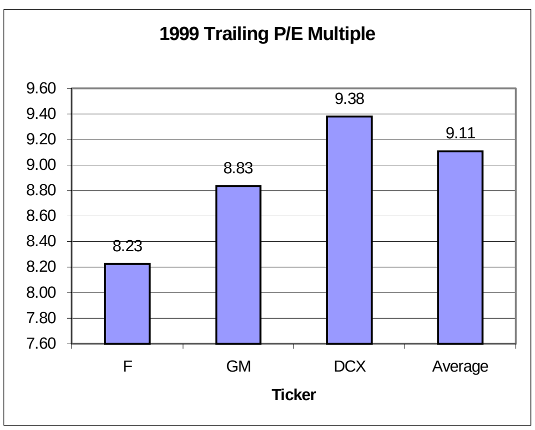
For the quarter ended March 31, 2000, Ford's revenues grew to $42.9 billion, an increase of $5 billion or 13%, over the same quarter one-year ago. The company's net income for the quarter increased by $100 million to $2.1 billion (5% increase). This resulted in the Ford's EPS for the quarter to increase to $1.70 or by 6% over last year.

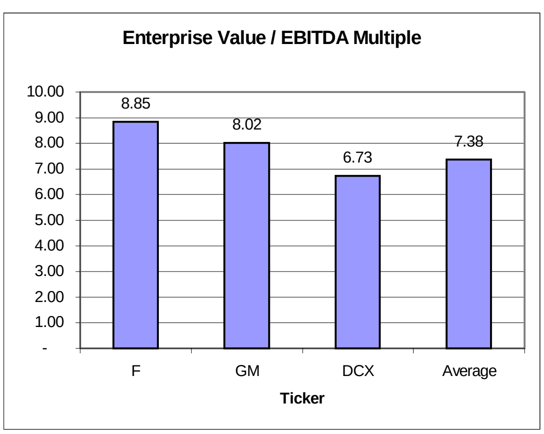
Valuation

Based on comparable companies, Visteon appears to be worth about $23 per share. This equates to a market capitalization of approximately $3 billion and an enterprise value of about $5.2 billion. At this price, Visteon will be trading at 6.8x-estimated year 2000 EPS of $3.40. This price also equates to an enterprise value of about 4x EBITDA. At $23 per share, a share of Visteon is worth about $2.50 per Ford share.

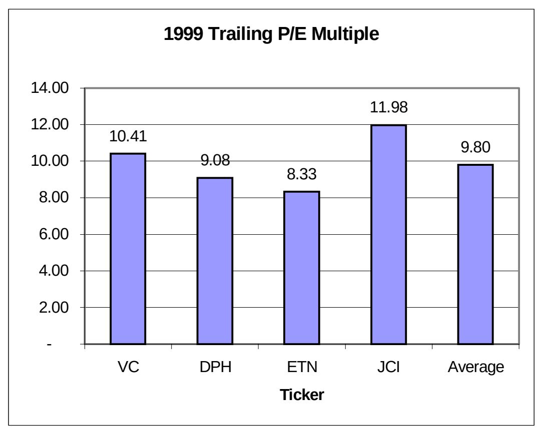
At Visteon's when-issued price of $18 $^{9}/_{16}$, the company is trading at 5.5x our estimated earnings for the year ended December 2000 and will have an enterprise value-to-EBITDA (EV/EBITDA) of 3.55. In comparison, Delphi has a P/E and an EV/EBITDA of 8.66x and 4.57, respectively. This indicates that Visteon is trading at a discount to Delphi of about 22% to 36%. Additionally, one share of Visteon is worth about $2 per Ford share.

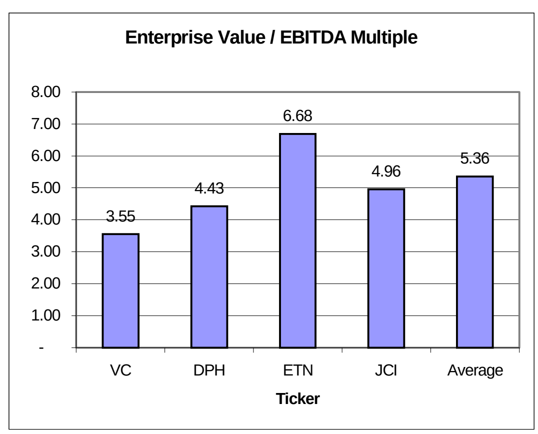
Parent Comparables





Spin-off Comparables





*Spin-Off Comparables are based on Visteon estimate of $23 per share.

Comparables

Company	Ford Motor Company	General Motors	DaimlerChrysler	Average Comp	Visteon	Delphi Automotive	Eaton	Johnson Control	Average Comp
Ticker	F	GM	DCX	Average	VC	DPH	ETN	JCI	Average
Current Implied Price	$ 47.46	$ 69.88	$ 57.31		$ 18.63	$ 17.44	$ 74.31	$ 54.88	
Shares Out. (000,000)	1,222.0	626.4	1,000.0		130.0	565.5	73.8	91.9	
Market Cap (000,000)	$ 57,991.4	$ 43,771.8	$ 57,312.5		$ 2,421.3	$ 9,861.3	$ 5,484.3	$ 5,043.0	
Enterprise Value (000,000)	$ 210,495.4	$ 178,891.8	$ 127,825.5		$ 4,621.3	$ 12,788.3	$ 8,515.3	$ 6,791.1	
EPS									
TTM Estimated / Pro Forma (diluted)	$ 5.77	$ 7.91	$ 6.11		$ 1.79	$ 1.92	$ 8.92	$ 4.58	
TTM Trailing P/E	8.23	8.83	9.38	9.11	10.41	9.08	8.33	11.98	9.80
2000E (Diluted)	$ 5.86	$ 9.79	$ 6.33		$ 3.40	$ 2.10	$ 7.36	$ 4.96	
Forward P/E	8.10	7.14	9.05	8.10	5.48	8.30	10.10	11.06	9.82
Enterprise									
Enterprise Value / EBITDA	8.85	8.02	6.73	7.38	3.55	4.43	6.68	4.96	5.36
Enterprise Value / EBIT	20.36	18.91	14.42	16.67	7.31	6.27	10.62	7.39	8.09
12 month Trailing									
EBITDA Per Share	19.47	35.59	19.00		10.00	5.11	17.26	14.90	
EBITDA Multiple	2.44	1.96	3.02	2.49	1.86	3.41	4.30	3.68	3.80
EBITDA Margin	16.03%	12.98%	12.46%		6.80%	9.79%	14.05%	8.03%	
12 month Trailing									
Trailing Sales	$ 148,438.0	$ 171,711.0	$ 152,436.0		$ 19,129.0	$ 29,527.0	$ 9,066.0	$ 17,062.6	
Price to Sales	0.39	0.25	0.38	0.32	0.13	0.33	0.60	0.30	0.41
Operating Margin	6.97%	5.51%	5.81%		3.30%	6.91%	8.85%	5.39%	
Book Value	$ 20.73	$ 35.78	$ 36.74		$ 22.42	$ 6.07	$ 36.08	$ 24.67	
Price to Book	2.29	1.95	1.56	1.76	0.83	2.87	2.06	2.22	2.39
Turnover's									
Account Rec. Turnover	44.22	1.91	2.29		6.70	5.04	6.45	7.16	
Current Asset Turnover	3.64	1.24	1.54		4.28	3.05	3.10	4.22	
Working Capital Turnover	319.91	2.17	3.46		26.38	10.53	30.63	(59.51)	
Returns									
Return on Average Equity	[redacted]	29.29%	17.16%		[redacted]	32.10%	28.37%	20.11%	
Pre-Tax Average ROA	[redacted]	3.54%	5.09%		[redacted]	11.00%	11.24%	10.46%	
Return on Average Assets	[redacted]	2.14%	3.54%		[redacted]	5.88%	9.31%	5.00%	
Return on Capital	[redacted]	-2.36%	5.74%		[redacted]	18.67%	12.89%	12.86%	
Current Ratio	1.01	2.34	1.80		1.19	1.41	1.11	0.93	
Quick Ratio	0.69	1.88	1.52		0.95	0.99	0.57	0.61	
Cash Ratio	0.61	0.35	0.31		0.19	0.13	0.04	0.06	
Cash per share	20.06	32.52	16.90		5.38	1.62	1.37	2.66	
Degree of Financing Leverage (EBIT/EBT)	1.14	7.12	1.00	4.06	1.39	1.08	1.28	1.18	1.18
Financing Leverage (Assets/Equity)	10.43	12.61	5.01	8.81	3.73	5.53	3.23	3.88	4.21
Debt to Capital	85.76%	85.77%	65.74%		43.01%	46.01%	53.23%	43.53%	
Debt to Book Equity	602.14%	602.86%	191.91%		75.47%	85.24%	113.82%	77.10%	
Debt to Enterprise Value	72.45%	75.53%	55.16%		47.61%	22.89%	35.59%	25.74%	
Liabilities to Equity	939.55%	1157.14%	400.82%		273.45%	452.71%	223.02%	281.37%	
Interest Coverage									
Interest Coverage (Earnings)	9.52	2.06	[redacted]	[redacted]	3.86	12.64	6.95	6.21	8.60
EBIT/Interest Expense	8.31	1.16	[redacted]	[redacted]	3.57	13.78	4.58	6.69	8.35

NOTES:

Fresh Spin-Off Situations

Northern States Power IPO's NRG Energy

On March 29th, Northern States Power (NSP) announced that its board of directors had approved the sale through an initial public offering (IPO) of up to an 18% interest in the common stock of its independent power subsidiary, NRG Energy. On May 30th, the IPO was priced at $15 and now trades at $17. The purpose of the IPO was to raise capital to fund a portion of NRG's project investments and other capital requirements for 2000. It is anticipated that an additional 4.2 million shares (the greenshoe) will be issued in June, which will bring the public market ownership stake to nearly 20%. We do not believe the balance of shares controlled by Northern States Power will be spun off for a minimum of two years. First, a pooling interest limitation related to the merger between Northern States Power (NSP) and New Century Energies (NCE), to be renamed Xcel upon close, would make the distribution costly. Two, tax sharing benefits between Northern States Power and NRG Energy. With 180 million shares outstanding, NRG has a current market value of $3 billion.

It's the company so nice they named it twice. **NRG Energy** is one of the largest "pure plays" in the independent power project development business with projects around the world. The company owns interests in 57 coal-, gas-, and oil-fired plants that generate 13,664 MW of electricity. The company ranks third in the US and sixth in the world by assets. Management plans for 44,000 MW by year-end 2004 (30% plus growth). Eighty percent of NRG's generating capacity is in the US, primarily in the Northeast and the South and on the West Coast. The generator's major customers are New York utilities Niagara Mohawk Power (19% of sales) and ConEd (17%). NRG is expanding in the US, as well as Australia, Europe, and Latin America. NRG is not confined to one fuel type. It has expertise in coal (35% of MW's), gas (37%), oil (26%), and other (2%). Several of the company's plants can run on multiple fuels.

The company was formed in 1989 as a wholly owned subsidiary of Minnesota-based utility Northern States Power, which retains a controlling interest in NRG.

Valuation

We expect NRG to earn $0.75 to $0.80 per share in 2000. This implies a P/E multiple of about 22. This compares to 30x for AES (AES) and 45x for Calpine (CPN), NRG's closest comparables. We believe some discount is warranted, due to the minority interest discount, NRG's short track record and small float ($480 million), relative to its implied market cap. It one is interested in having exposure to NRG, one alternative worth considering is buying the parent, Northern States Power (NSP-$21 3/8). Northern States Power will own 80% of NRG, worth some $2.4 billion at current prices. This translates into about $15 per NSP share ($2.4 billion/157 million shares out), or 71% of its market value.

NRG Energy (NRG)

Price (6/6/00)	$17	Dividend Yield	None
Range	$15 - 17 5/16	ROE	10.9%
Shares Outstanding	180 M	Equity/Total Capital	46%
Market Capitalization	$3.060 B	Book Value/Share	8.19
IPO Carveout	May 30th 2000	Fiscal Year	December

Fresh Spin-Off Situations

SGI Announces Spin-Off of MIPS Shares

Shares of MIPS Technologies rose 62% since May 18th, when we outlined the spin-off from SGI, scheduled to occur on June 20th. The stock has soared amid favorable comments from Wall Street analysts. Shares of Mountain View, Calif.-based MIPS now trades at $40 1/2. Three Wall Street firms sang the stock's praises recently, noting that the company is taking action to generate more revenue from certain business segments as other segments dry up. They also said the stock is undervalued relative to similar companies. MIPS develops technology that enables a microprocessor to communicate with its environment, and also designs processor chip systems. MIPS receives royalty and licensing fees from companies that use its technology, which include makers of set-top boxes, handheld devices, printers, and home video games system like Nintendo 64 and Sony PlayStation.

In the first week of June, H&Q reinitiated coverage of the company with a "strong buy" and a price target of $46.50. The next day, Credit Suisse First Boston reiterated his "strong buy" rating and set a price target of $65. In addition, Dain Rauscher Wessels upgraded the stock from "neutral" to "strong buy" and set a $50 price target. H&Q reasoned that the stock will be more liquid in the future because SGI will spin off its 65 percent stake in the company to SGI shareholders on June 20, thus making MIPS more attractive to large institutional investors. While this certainly could be the case down the road, we would anticipate that the SGI distribution will likely cause some downward pressure on MIPS shares immediately following the spin. We have often observed that in other similar situations that the number of natural sellers is much greater than natural buyers. The supply/demand imbalance could create a downdraft in MIPS with no regard to the fundamental outlook for the company. **Thus, the recent surge in MIPS may actually be an opportunity to place a “paired” trade at attractive levels. One could create the SGI stub for $2.70 per share by buying one share of SGI and shorting 0.135 shares of MIPS.**

On May 17, 2000 SGI (NYSE: SGI) announced that it will spin-off all of its approximately 65% interest in MIPS Technologies, Inc. (Nasdaq:MIPS) to its shareholders. The **spinoff will be in the form of a dividend with a record date of June 6, 2000, with the distribution expected to occur on June 20, 2000.** Silicon Graphics designs and develops microprocessors, operating systems, and software used in its computer systems. About 75% of SGI’s revenue are derived from systems sales that are comprised of servers and graphics systems. SGI’s service business accounts for the remaining 25% of company revenues and is derived entirely from after sales hardware and software maintenance and support contracts.

Under the spin-off, SGI will distribute to its shareholders as a dividend all of its 25,069,759 shares of Class B Common Stock of MIPS. **Based on SGI's outstanding shares at March 31, 2000, each share of SGI stock would receive 0.135 of a Class B MIPS share**. Based on this ratio, each share of SGI has about $5.40 worth of MIPS embedded ($40 1/8 x 0.135). **This suggests SGI’s core business has an imputed value of $2.70 per share.** We would also note that at the end of the quarter, SGI had $131 million in net cash, worth $0.71 per share. Subtracting this cash from the imputed trading value suggests that the core business is trading at about $2.00 per share for an implied market cap of $370 million. This represents only 18.5% of core estimated revenues of $2 billion.

The actual distribution ratio will be determined based upon the number of shares outstanding as of the record date for the dividend. The Class B MIPS shares will be listed on Nasdaq separately from the Class A MIPS shares that are currently traded on Nasdaq. The Class A and Class B shares have substantially identical rights except that the Class B shares are entitled to elect 80% of MIPS Technologies' board of directors. SGI believes, based on an opinion of counsel, that the distribution should be tax-free for U.S. federal income tax purposes to SGI and its shareholders.

Silicon Graphics manufactures high-end servers (nearly 45% of sales) as well as the advanced graphics computers used to create some of Hollywood's most striking special effects. It also makes modeling and animation software (through subsidiary Alias/Wavefront) and microprocessors (through majority-owned MIPS Technologies). Struggling in a workstation market encroached upon by increased PC power, SGI is refocusing around its servers. It spun off its streaming media software operations to fuel the transition, and intends to divest its line of NT-based workstations and sold its supercomputer business acquired from Cray Research. SGI's competitive advantage within its traditional niche markets has been threatened by increasingly powerful WinTel systems on the low end. Since its recent restructuring, the company has adopted a WinTel strategy for its new graphics workstations while at the same time maintaining its presence at the high end of the UNIX market. Competitors such as Sun Microsystems, IBM and HP are making it difficult for SGI to expand in enterprise computing.

SGI recently reported a third quarter loss for FY00 of ($0.09)/share on revenues of $564 million. Gross margins were 41.9%. Going forward, SGI expects overall gross margins to be about 40%. Revenues decreased 13% q/q and declined 9% y/y. Geographically, Americas contributed 54% of revenue, followed by Europe (21%) and ROW (25%). The backlog declined $7 million to $240 million (excluding Cray) at the end of FQ3. The company plans to ship 66% of the backlog in FQ4, which is seasonally SGI's strongest quarter. Book-to-bill was 0.99 (excluding Cray) and 0.93 (with Cray).

MIPS Technologies, Inc. is one of the world's primary architects of embedded 32-and 64-bit RISC processors. The company drives the broadest architectural alliance that is delivering 32- and 64-bit embedded RISC solutions. The company licenses its intellectual property to semiconductor companies, ASIC developers, and system OEMs. MIPS Technologies, Inc. and its licensees offer the widest range of robust, scalable processors in standard, custom, semi-custom and application-specific products. Microprocessors based on research and development from MIPS Technologies have kicked into gear more than 120 million video games, set-top boxes, handheld PCs, and other high-volume electronics products. The company licenses its reduced instruction set computer (RISC) technology to semiconductor makers, which design and sell MIPS-based microprocessors to manufacturers. Royalties from Nintendo account for the majority of sales. Other customers include Broadcom, LSI Logic, Sony, and Texas Instruments.

MIPS reported Q3 FY00 results of $0.26 EPS on $27 million in sales. Nintendo royalties were weak following soft sales for the N64 platform during the December quarter. However, strength in MIPS core business continues to be strong. Contract revenue grew 160% y/y to $8.8 million and non-Nintendo royalties continue to ramp.

Silicon Graphics

Price (6/7/00)	$8 1/8	Fiscal Year	June
52 Week Range	$19 – 6 ¼	Consensus Est. 00	($0.51)
Shares Outstanding	184.2	Revenues 1999A	$2.749 B
Market Capitalization	$1.5 B	Dividend/Yield	None
12/99 Book Value/sh	$8.19	12/99 Debt/Capital	20%

MIPS Technologies

Price (6/7/00)	$40 1/8	Fiscal Year	June
52 Week Range	$90 - $25	Consensus Est. 00	$0.68
Shares Outstanding	37 M	ROE	43%
Market Capitalization	$1.484 B	Revenues 1999 A	$71.7 M
Dividend/Yield	None	EPS 99A	$0.58 P/E=69x

Recently Announced Spin-Off Situations

EMC to Carveout McData

EMC Corp. plans to spin off its McData subsidiary in an initial public offering that could generate up to $100 million. In a filing with the SEC, EMC did not specify a per-share price range for the unit. McData will use the money for capital expenses and to pay off debt, according to the filing. Shares of Hopkinton, Mass.-based EMC (EMC) fell 4 9/16 to close at 116 5/16. McData, which was acquired by EMC in 1995, will offer its Class B common stock in the offering. EMC, a dominant player in the data storage business, said it plans to distribute all of its shares of Class A common stock (81 million shares) of McData to EMC stockholders on a pro rata basis approximately six to 12 months after the offering. No date has been set yet for the IPO. We view the offering as mildly positive for EMC. The spin-off will not materially impact EMC as McData represented less than 2% of total revenue. For McData, the transaction will result in greater independence and the elimination of a perceived conflict by customers.

EMC is the #1 maker of mainframe computer disk memory hardware and software. The company makes RAID (redundant array of independent disks) memory storage and retrieval systems for larger mainframe computers as well as UNIX and Windows NT systems. Storage hardware accounts for about 80% of its sales. Other products let users manage remote data and share information across networks of different computers. EMC continues to boost its presence in software and related services, with an emphasis on overseeing corporations' Internet data. This has helped EMC increase earnings an average of about 25% annually for the past half-decade. EMC enjoys a leading market share with worldwide market size of about $7 billion.

McData makes fibre channel switches and software for huge enterprisewide storage area networks (SANs), which let users anywhere on a network share storage devices. It also sells FabricReady preconfigured SAN systems built around its switch and director products. McDATA sells through other manufacturers, resellers, and systems integrators to large companies. Storage specialist EMC and IBM account for about 70% and 10% of sales, respectively. EMC, which acquired McDATA in 1995, owns 86% of the company through McDATA Holdings. McData expects to list under the ticker MCDT. After recording a first-quarter 1999 net loss of $1.9 million, or 2 cents per share, McData posted a first-quarter gain this year of $5.3 million, or 6 cents per share, according to the filing with the SEC. In the first quarter, McData revenue jumped to $47 million from $13 million in the year-earlier period, according to the filing. Credit Suisse First Boston will be the lead manager of McData's offering. McData generated $95.26 million in sales in 1999 and lost about $1 million.

The growing use of data for fundamental business processes has increased the performance required of servers and storage systems. The inability of traditional server-to-storage connections to provide the needed performance has caused a significant performance bottleneck. To alleviate this, fibre channel technology was introduced in the early 1990's as a means to facilitate high performance storage connectivity, accelerating the development of SANs. Sans enable fast, efficient and reliable transfer of data across multiple storage devices and servers to improve the management of data within an enterprise.

Potential Valuation

The Fibre Channel group (Anchor-ANCR, Brocade-BRCD, Gadzoox-ZOOX and Vixel-VIXL) trades around 20x estimated 2000 sales. Applying this valuation to McData suggests a market capitalization of about $2 billion. This translates to only around $0.90 per EMC share. Thus, it is unlikely that the spinoff will have much impact on EMC's valuation.

EMC supplies enterprise-orientated data storage and retrieval technology. The company's products include intelligent disk arrays for the NT/UNIX and mainframe enterprise-storage sectors, software, and services. In 1991, EMC introduced its first Symmetrix system, which today remains the core of EMC storage solution strategy. EMC believes its software business will grow 50% in C2000, driven by the need to automate more storage solutions and manage more information. EMC's gross margins expanded to 56.5% in CQ100 (up 8.2% year-over-year) due to growing software sales and stable pricing for storage systems. International sales represent about 35% of total sales.

Products

Enterprise Storage Hardware (Symmetrix, Celerra, and Connectrix) comprises 65% of revenue. EMC bases its storage hardware on a single hardware architecture called MOSAIC:2000. This platform is based on a modular design, which allows new products and technologies to be brought to market quickly. The Symmetrix product line serves the high-end market where high availability and mission critical storage solutions are important. Connectrix Network Systems integrates high-speed Fibre Channel connectivity with resilient switching technology across Storage Area Networks (SANS). This system delivers the ability to consolidate information on an enterprise wide scale from one central point. The Celerra file server combines Symmetrix technology with optimized hardware and software that provides a file serving function to free up the availability of general purpose servers. The CLARiiON product line (6% of revenues) serves the midrange storage system market. Features of this product include: Full Fibre Channel connectivity and EMC's modular architecture. EMC's Data General division (10% of revenues), which was formed in late 1999 designs, makes and supports the AviiON line of open systems servers. This product focuses on the UNIX and Windows NT market. Enterprise Storage Software (15% of revenues), delivers a combined hardware, software approach to managing data.

EMC sells its products through a direct sales force, which represents about 90% of sales. The remaining 10% of sales are generated through distribution channels, VARs, and OEMs. Key reseller agreements include Unisys, Fujitsu/Siemens, IBM (Sequent), and NEC.

Recent Results

EMC reported CQ1 EPS of $0.30. Total revenue was $1.82 billion, which reflects a 2.9% sequential decline and a 22.9% y/y growth. EMC's base business (storage hardware, software and McData) increased to $1.56 billion (up 38% y/y), and total storage revenue (including EMC base plus CLARiiON) increased to $1.65 billion (up 34% y/y). Software revenue increased 74% y/y to $270 million. Gross margins increased 150 basis points sequentially to 56.6% driven by rapidly growing high margin software sales. This represents the 5th sequential increase in gross margins.

EMC Corp (EMC)

Price (6/5/00)	$66 ½	Debt/Capital	0%
52 Week Range	$73 – 24	Dividend/Yield	None
Shares Outstanding	2.236 B	Revenues 1999	$6.71 B
Market Cap	$148.6 B	Price/Sales	22.1x
Fiscal Year	December	1999 EPS	$0.53 P/E=125x

Recently Announced Spin-Off Situations

Asia Global Crossing Files for IPO

On May 24th, - Asia Global Crossing announced that it has filed a registration statement with the Securities and Exchange Commission to cover the initial public offering of shares of its Class A common stock. Asia Global Crossing, is owned by Global Crossing (Nasdaq:GBLX), Softbank (Tokyo Stock Exchange), and Microsoft (Nasdaq:MSFT). Asia Global Crossing intends to use the proceeds from the offering to continue building its network, capital investments in its operations and for general corporate purposes. Asia Global Crossing may also use a portion of the net proceeds to make strategic investments. Asia Global Crossing anticipates that the offering will be completed this summer, subject to market conditions. The shares will be offered by an underwriting group led by joint book managers Goldman, Sachs & Co. and Salomon Smith Barney and joint-lead manager Merrill Lynch & Co.

Asia Global Crossing provides broadband Internet protocol-based data and voice communications to businesses and telecom carriers throughout the Asia/ Pacific region. Asia Global Crossing owns 65% of Pacific Crossing-1, a subsea cable connecting Japan and the US, and it's constructing the East Asia Crossing, a fiber-optic subsea system interconnecting the Pacific Rim. Asia Global Crossing's infrastructure links to Global Crossing's worldwide network. The company also owns 89% of GlobalCenter Japan, which operates a data center in Tokyo. **Formed in 1999, Asia Global Crossing is 93%-owned by Global Crossing**; Japan's SOFTBANK and Microsoft each hold a 3.5% stake.

Global Crossing is building fiber-optic cable systems under the oceans and across the globe. Its Atlantic Crossing connects the US and the UK, the Netherlands, and Germany. Other planned cables include the Pacific Crossing system connecting the US and Asia; the Mid-Atlantic Crossing connecting the eastern US, Bermuda, the Caribbean, and Central America; the Pan American Crossing linking the western US and Central America; and the South America Crossing. The company also provides local and long-distance telephone service to about 2 million customers in the US, Canada, and the UK. Global Crossing plans to issue a tracking stock for its GlobalCenter Web hosting unit. **In April, Global Crossing filed a registration statement for an IPO of tracking shares for its GlobalCenter Web-hosting services unit**. The unit, which provides space for computer servers running company Web sites, lost $59 million in 1999 on $70.9 million in sales. Global Crossing shareholders will vote on June 15th on the tracking stock proposal.

Recently Global Crossing filed a $1 billion lawsuit against Tyco, with a number of complaints ranging from pricing issues on goods and services delivered, to the use of proprietary information and the violation of non-compete agreements. We do not have any idea if the lawsuits have merit, nor how they will be resolved. However, we do not believe the lawsuit will have any impact on GBLX’s ability to roll out its network. Global Crossing has $3 billion of cash on the balance sheet and will generate $1.6 billion of EBITDA this year. At the completion of its business plan, GBLX will have 76,000 route miles of self-constructed network, both terrestrial and subsea, with the Frontier and Racal acquisitions completing the entire global network. Subsea accounts for 60,000 miles.

Global Crossing (GBLX)

Price (6/6/00)	$28 7/8	Book Value/Share (99)	$11.92
52 Week Range	$62 – 20	Revenues 2000 Est.	$5.7 B
Shares Outstanding	816 M	EBITDA 2000 Est.	$1.6 B
Market Capitalization	$23.6 B	EPS 1999 A	$(0.12)
Dividend/Yield	None	Fiscal Year	December

Recently Announced Spin-Off Situations

A Slimmer Sara Lee to Focus on Three Core Units

On May 30th, Chicago based Sara Lee (NYSE: SLE), known for its cheesecake and Hanes underwear announced a broad restructuring to focus on three distinct business units. Its regrouping under three categories: food and beverage, intimates and underwear, and household products. The company plans to sell or spin-off businesses that represent about $4 billion in sales, or 20% of overall revenue. Among the first to go will be Coach, its high-end leather goods business, and Champion, a maker of athletic apparel it plans to sell. Sara Lee's stock closed up 1/8 to $18.87 on the news. **Sara Lee plans to sell 19.9 percent of Coach and PYA/Monarch. Both IPOs are expected to take place by the end of the year. Sara Lee will then spin off the remainder of both companies within 18 months after the IPOs.**

Sara Lee Corporation is a diversified consumer packaged-goods company whose major divisions include processed meats, frozen and fresh-baked goods, coffee and coffee systems, foodservice distribution, packaged apparel, accessories, and household products. The conglomerate has over 100 brands and has been criticized for being too diversified. The company has more than 27 brands with sales in excess of $100 million each. Sara Lee is #1 in the US in frozen baked goods and #1 in the world in packaged meats, with brands such as Ball Park, Hillshire Farm, and Jimmy Dean. It also is tops in the US in intimate apparel and hosiery, with a lineup that includes Playtex and Wonderbra intimates, L'eggs hosiery, and Hanes products. The company also makes household products (Endust furniture cleaner and Kiwi shoe polish) and body care products (sold mainly in non-US markets). The US accounts for about 60% of Sara Lee's revenues.

Sara Lee Corporation announced the initial public offerings and subsequent dispositions for **Coach**, a leading global leather goods business (sales of $500 million), and **PYA/Monarch**, the country's fourth-largest, full-service foodservice distributor (sales of $2.7 billion). In addition, the company announced its intent to sell **Champion**, a global manufacturer and marketer of high-quality athletic apparel, and the **International Fabrics** division of **Courtaulds**. These moves are designed to streamline the company's structure and increase shareholders value. Sara Lee has also bought **Uniao's** coffee business to give it a number one position in Brazil. Other unit purchases include **Sol Y Oro**, the leading intimate apparel company in Argentina and a minority investment in **Jacksonville Sausage**.

Third Quarter Results

Sara Lee reported diluted EPS from continuing operations of $0.29 for FQ300, an 11.4% increase over the $0.26 earned in Q399. Sales rose 5% year-over-year. SLE experienced a 3% volume gain in the quarter. Acquisitions contributed about 5 percentage points to sales growth in the quarter. Foreign currency hurt sales by roughly 3 percentage points, as the dollar strengthened against the Euro. Through the first nine months of F2000, sales rose 2.4%. Gross profit margin slipped 110 basis points year-over-year. Operating income improved by 6.1% year-over-year, as a steep decline in Sara Lee Foods was offset by gains in Foodservice, Branded Apparel, and Coffee & Tea.

Sara Lee (SLE)

Price (6/2/00)	$17 5/8	Debt/Capital	75%
52-Week Range	$27 – 13	EPS 1999A	$1.21
Shares Outstanding	911 M	Revenues 1999	$20 B
Market Capitalization	$16 B	Dividend/Yield	$0.53/3.0%
Fiscal Year	June	Consensus EPS Ests.	$1.34

Recently Announced Spin-Off Situations

SPX to IPO Inrange Technology

On June 5th, SPX (NYSE:SPW) filed an S-1 for its storage, data and telecommunications networks division, now named Inrange Technologies. The IPO is expected to raise up to $100 million and will consist of Class B common stock. Inrange Technologies, proposed NASDAQ ticker "INRG" will issue an unspecified number of Class B (1 vote) shares while SPX retains all Class A (5 vote) shares. Salomon Smith Barney Inc. will manage the offering, with Bear Stearns Cos. and Chase H&Q acting as co-managers.

SPX is a global provider of technical products and systems, industrial products and services, service solutions and vehicle components. The Company designs, manufactures and markets fire detection systems, data networking equipment, broadcast antennas and automated fare collection systems. The Company also designs, manufactures and markets power transformers, industrial valves, mixers, electric motors, laboratory freezers and ovens, high-pressure hydraulics, industrial furnaces and coal feeders, as well as specialty service tools, equipment and services primarily to the motor vehicle industry in North America and Europe. In addition, the Company is also engaged in the design, manufacture and marketing of transmission and steering components for light and heavy-duty vehicle markets, principally in North America and Europe. SPX operates in 19 countries.

Inrange Technologies designs, manufactures, markets and services networking and switching software for storage, data and telecommunications networks. Their customers include blue chip clients such as American Express, AT&T, Bell Atlantic, British Telecom, Chase, Cisco, Comdisco, Delta Airlines, EDS, Hewlett Packard, IBM, Nortel, and Sungard. Inrange also said it has installed its products at more than 2,000 sites in over 90 countries. It distributes and supports its products through a combination of its direct sales and service operations and indirect channels.

We **do not** expect SPX to Distribute Class A shares to its shareholders in the near future. Inrange Technologies was acquired through the acquisition of General Signal (1998) and as a result will not qualify for a tax-free spin-off until October 2003.

First Quarter Results
April 25th, SPX announced first quarter 2000 financial results. First quarter 2000 results include 7.1% internal revenue growth, operating margin improvement of 140 points to 12.3%, an increase in earnings per share of 26.3%, and EVA improvement of $7.0 million. Revenues for the first quarter were $627.8 million, compared to first quarter 1999 revenues of $646.9 million. Reported revenues reflect the sale of Best Power, Dual-Lite, and Acutex, as well as the acquisition of North American Transformer during 1999. Internal growth for the quarter, excluding the impact of acquisitions and divestitures, was 7.1%. First quarter 2000 diluted earnings per share were $1.20 and are a 26.3% improvement over first quarter 1999 earnings per share of $0.95.

Inrange Technologies generated revenues of $200 million in 1999. First quarter sales fell 6 percent to $46 million vs $49.2 million first quarter 1999. Gross margins improved to 49.4% vs 45.2% in the same period of 1999, and the improvement is a result of reduced product lines and plant closures. Net income was $3.2 million for the first quarter 2000 vs a loss of $4.6 million in 1999.

SPX Corp. (SPW)

Price (6/6/00)	$118	Dividend/Yield	$0.00/0.0%
52-Week Range	$124 1/2 – 73	EPS 1999A	$3.46
Shares Outstanding	31.4 M	Revenues 1999	$2.7 B
Market Capitalization	$3.7 B	EPS 2000 Est. (P/E)	$5.89 (20x)
Fiscal Year	December	Price-to-Book	6.7 X

Recently Announced Spin-Off Situations

Transaction Systems Architects to IPO Insession

Insession Technologies filed a registration statement as the first step in Transaction Systems Architects' (NASDAQ: TSAI) spinning off the unit. Insession filed to raise as much as $70 million in an IPO but did not reveal how many shares it plans to offer or the projected price range. After the IPO, Transaction Systems Architects will own about 82% of Insession but plans to distribute its holding within twelve months, pending the receipt of a tax-free ruling from the IRS. Insession plans on using the proceeds from the offering to repay debt and for general working capital requirements plus for possible acquisitions. Insession will trade on the NASDAQ under the proposed symbol of "INSX".

Insession Technologies is currently a wholly owned subsidiary of Transaction Systems Architects. The company provides electronic business infrastructure software and services for critical business applications. Its infrastructure software facilitates communication, data movement, systems monitoring and process automation across incompatible computing systems involving mainframes, distributed computing networks and the Internet. Additionally, Insession offers application monitoring and testing tools, business process automation software, and related services. Customers of Insession include Bank One, Pacific Bell, and SBC Communications. BMC Software, IBM and IONA Technologies are the company's primary competitors. Mr. Anthony Parkinson will continue to serve as the company's President, CEO and Director.

On a pro forma basis for the six months ending March 31, 2000, Insession's revenues were $21.8 million, an increase of 1% from revenues over the same six-month period in 1999 of $21.6 million. The company was able to improve the results of its operations. The company's net income over the same six-month period in 2000 increased by $1.9 million to $1.2 million, after experiencing a loss of $0.7 million for the six-month period in 1999. The company's EBITDA increased significantly during the six months ended March 31, 2000. EBITDA for this period was $9 million, an increase of $3 million or 51%, over the $6 million of EBITDA that the company earned during the six-month period ending March 31, 1999.

Transaction Systems Architects develops, markets, installs and supports software products and services primarily focused on facilitating electronic payments and electronic commerce. The company's products are organized into four business groups: Consumer Banking, Corporate Banking, Retail Solutions, and Systems Solutions. Customers use the company's products and software to transfer funds electronically and to process ATM transactions, home banking, credit and debit cards, point of sale terminals and wire transfers. The company's customers are banks, retailers and third party transaction processors. Software accounts for about 60% of revenues. The remaining revenue comes from maintenance and technical support services. TSAI's competitors include Deluxe, Harbinger and Sterling Commerce.

For the quarter ending March 31, 2000, revenues of TSAI fell by 13% or $11.6 million to $75.4 million. The company's net income and EPS fell by 85% to $1.6 million from $10.9 million and $0.05 per share (from $0.34).

Transaction System Architects, Inc. (NASDAQ: TSAI)

Price (6/7/00)	$14 ¾	52 Week Range	$11 $^{3}/_{8}$ – 48 $^{1}/_{8}$
Shares outstanding	33.0 M	Book Value/Share	$6.84
Market Value	$461.9 M	Dividend	N/A
Revenue (ttm – 3/31/00)	$324.3 M	Yield	N/A
2000 EPS (Est.)	$0.21	P/E 9/00	70.2x

Fresh Foreign Spin-Off Situations

Commerzbank Carves out Comdirect

Shares in Comdirect, an Internet broker, opened 23 per cent higher than its issue price at E38 at its debut on Frankfurt's Neuer Markt on June 5th. Commerzbank (CBK_GR), the German bank which owns the broker, priced the shares at E31 ($29.32), the top of the book building range. The deal, which valued Comdirect at E4.3bn, was more than 10 times oversubscribed after heavy demand from retail investors. Comdirect is Germany's leading online brokerage. The initial public offering of 25.5m shares raised just over E790m. Comdirect will use the funds to strengthen its position in Europe where it faces stiff competition from German rival ConSors, which listed on the Neuer Markt last year. The offer also includes an additional greenshoe option of 2.6m shares, which will raise the total proceeds to more than E870m. Some 60% of the shares were taken by institutions the rest by retail investors. Comdirect said it had 510,000 customers in May, up from 386,000 at the end of March. But its market share fell from 29 per cent to 28 per cent in the face of increasing competition from ConSors and Direkt Analage Bank, Germany's third biggest discount broker.

Commerzbank is Germany's fourth-largest commercial bank (behind Deutsche Bank, Bayerische Hypotheken and Vereinsbank, and Dresdner Bank). Commerzbank offers a full range of consumer and business banking through more than 750 branches (as well as online banking via its COMLINE program). Other offerings include investment and asset management (it owns San Francisco's Montgomery Asset Management), bonds, equities, treasury, and international banking. The company is teaming up with German Internet service provider T-Online to offer its services online. Commerzbank operates internationally through some 60 offices in Africa, the Americas, Asia, and Europe. **Commerzbank will still have a 58.65% (82 million shares) stake in Comdirect**, with partner T-Online International owning another 21.35% (30 million shares), and the remaining 20% of the shares widely held. The bank consortium was managed by Commerzbank, with Morgan Stanley Dean Witter and Warburg Dillon Read as Co-Leads.

In the first quarter of 2000, Comdirect bank reported a strong increase in its growth rates for all business areas. In addition to the surge in new customers, a clear increase in turnover was also evident. Whereas customers in the first quarter of 1999 averaged seven orders per account, that increased to 15 for the same period this year. A total of 4.29m equities orders were settled in Q1 this year, almost five times more than a year earlier. The pre-tax profits improved to 14m euro, already two-thirds of the total earnings for 1999. To keep in step with the rapid business expansion, capacities have been greatly increased. Within three months the number of staff increased by almost 50% to 1,089 by end of March. Comdirect is technically prepared to handle up to 200,000 orders per day-twice as many as the highest business volume demanded up to now. By year's end, up to 1 million orders will be able to be handled daily.

Valuation

Commerzbank has 513 million shares outstanding with a current market capitalization of E20 billion, and Comdirect has about 140 million shares outstanding for a market capitalization of E4.9 billion. Commerzbank's equity stake of 58.65% in Comdirect is equal to E2,873 suggesting that each share of Commerzbank has E5.60 per share of Comdirect embedded.

Currently, Comdirect's market value would imply that Comdirect trades at about E8,909 per client account (E4,900/.550=8,909).

Foreign Announced Spin-Off Situations

Prudential to Go Ahead with Egg IPO

Britain's biggest life assurance group Prudential PLC said it would plough ahead with the IPO of its Internet bank Egg despite the recent market turmoil and speculation that it would delay or withdraw the float. Prudential (OTC:PPLCY-ADR) **set a price range for the IPO of at least 18 percent of Egg's shares at 130 pence to 175 pence a share, which values the group at 1.1 to 1.4 billion pounds ($1.6 to $2.1 billion).** This is well below the 2 to 3 billion pounds estimated as recently as a month ago. Egg's float is also being closely watched because its shares are being offered to its more than one million customers and it is Europe's largest stand-alone Internet bank. Prudential said the listing of the shares was scheduled to take place in June, subject to market conditions.

One of the UK's largest insurers, **Prudential plc** (not affiliated with Prudential Insurance in the US), has long been symbolized by its sales agents. Products include personal and group pension plans, investment bonds, life, home, and auto insurance. Its Prudential Banking subsidiary offers deposit and mortgage loan services in the UK; its Egg division offers Internet banking. In the US, Jackson National Life offers life insurance and investment services. The Pru is working with the Bank of China to provide pension fund and asset management in Hong Kong. To remain competitive, the firm is reducing direct sales in favor of independent agents and the Internet.

Prudential said the global offering of new shares would raise about 150 million pounds. It said it would also sell some of Prudential's existing shares in Egg, although it did not say how much of the 18 percent-plus would be existing shares. Since its launch in October 1998 as a largely phone-based savings bank, Egg has moved heavily onto the Internet and launched a credit card, mortgages, personal loans, general insurance and a mutual fund supermarket.

Egg's initial growth was unexpectedly explosive because it chose to offer a loss-leader savings account. Its deposits have grown to 7.8 billion pounds and credit card balances have jumped to 464 million pounds. It achieved its five-year target of 5 billion pounds of deposits and 500,000 customers within six months of launch. Some critics have said it is vulnerable to a slump in deposits and customer numbers once its loss-leading rates on savings are removed completely at the beginning of 2001. A net outflow of 228 million pounds of deposits in the first quarter followed the removal of a 50 basis point bonus above the official base rate at the beginning of 2000. But Egg said there had been net customer growth since the beginning of the year and the "hot" money expected to leave had not. Egg moved to slow its first-year surge in deposits in April last year when it restricted applications to the Internet only from phone and Internet.

Prudential has said it expected Egg to be profitable in the latter part of 2001, but not before initial expectations of 200 million pounds of start-up losses have almost doubled to around 400 million pounds. It lost 77 million pounds in 1998, 150 million pounds in 1999 and has said it expects around 150 million pounds of losses in 2000. Egg plans to make profits by "cross-selling" more sophisticated savings and pension products to its existing savings deposit customer base, as well as earning commission on sales through the Internet shopping mall it has set up on the site.

Fresh Foreign Spin-Off Situations

Chello Delays IPO

Chello, a Dutch high speed Internet access provider firm was set to debut this month, is being spun off from United Pan Europe Communications (a European cable operator). Chello Broadband's nearly $400 million initial public offering was tentatively set to price on June 8th. **The company said it delayed pricing because it was in strategic discussions, which might affect its value.** It was reported that Chello was discussing distribution for its services with UK cable operator Telewest Plc., but neither company confirmed the talks nor released any further news. Investment bank Goldman Sachs is leading the deal. Chello ADRs will trade on the Nasdaq under the symbol **CHLO**. The company plans to price 26.9 million shares between $11.88 and $15.53, raising about $368.7 million (at the midpoint price).

Shares of parent United Pan Europe Communications (UPC) fell last month when Chello set a price range of $3.3 billion - $4.3 billion for its IPO (below earlier estimates of its value). Until now, Chello has mainly offered its services on cable networks owned by UPC and United Globalcom, UPC's parent company. However, the company has expressed its desire to distribute its portal to other cable systems as well as telecom operators. Chello supplies a high-speed Internet access service in Europe, Latin America and Australia. As part of the service, users get access to its broadband portal, including clips of news and sports. Microsoft and Liberty Media have each agreed to take a 3.5% stake in the company (9.3 million shares each).

United Pan-Europe Communications (NASDAQ: UPCOY) provides cable TV to more than 5.9 million subscribers throughout Europe and in Israel. UPC is installing fiber-optic lines and upgrading its cable in order to provide high-speed Internet access (under the Chello brand) and telephone service. The company is forming a joint venture with Microsoft and AT&T's Liberty Media to expand its Internet access and programming businesses. UPC owns a minority stake in SBS Broadcasting, a leading operator of radio and TV stations in Europe, but has called off plans to buy the rest. **UnitedGlobalCom (NASDAQ:UCOMA) owns about 51% of UPC.**

UnitedGlobalCom (formerly United International Holdings) operates in Europe (through United Pan-Europe Communications), the Asia/Pacific region (through Austar United Communications), and Latin America. UnitedGlobalCom, is the largest broadband communications provider of video, voice and data services outside the U.S. With operations in 23 countries, United's networks reach more than 16.5 million homes and businesses, and serve approximately 9.4 million voice and video customers. As of March 31, 2000 United's telephony business had more than 395,600 telephony access lines. In addition, its high-speed Internet access business had more than 179,600 accounts. Through their broadband networks UnitedGlobal provides a full range of video, telephony, Internet/Data, and programming services to both the home consumer and business customers

United's operations are grouped into three major geographic regions, comprising Europe, Asia-Pacific, and Latin America, represented by three significant operating subsidiaries including: United Pan-Europe Communications, N.V. ("UPC" – 51% owned), the largest pan-European broadband communications company; Austar United Communications Limited ("Austar United" – 72% owned), the fastest growing satellite, cable television and telecommunications provider in Australasia; and VTR Global Com, S.A. ("VTR" – 100% owned), the largest cable television and competitive telephony provider in Chile.

Interesting Math

UnitedGlobalCom has 95 million shares outstanding for a current market capitalization of $5 billion. UPC has about 436 million shares outstanding for a market capitalization of $12.5 billion. As we previously pointed out, UnitedGlobalCom owns 51% of UPC, which suggests that the parent is trading at negative $12 per share backing out its UPC stake.

Fresh Foreign Spin-Off Situations

Granada to IPO Media Unit

May 17th, British media and leisure company Granada Group Plc, said it would take over contract caterer Compass Group Plc in an all-share deal, creating a company worth £17.5 billion ($26.22 billion). **Granada said that after the acquisition, which will give Granada 66.25 percent of the merged company, it planned to split its hospitality and media arms into two separate businesses. The media arm would be partly floated off with an initial public offer of up to 20 percent expected this summer**, management said. Granada added that it had yet to make a final decision on whether to bid for media companies Carlton Communications or United News & Media, pending the outcome of a formal regulatory review currently underway. Under the deal, holders of one Granada share will get 0.7547 Granada Compass share while Compass shareholders will get one share in the new group. The broadcasting and TV production interests are to have their own stock market listing. The deal represents a defining moment in Granada's bid to become a media powerhouse, both in the UK and globally. The media unit is valued at as much as £7 billion.

Management told Reuters there would be no immediate job cuts and a very small number of job changes despite expected cost savings of at least £70 million per year by the third year following the completion of the merger. Compass shares fell nearly 15 percent as news of the impending deal met a cool response from the market. Management believes the IPO of Granada Media will give an opportunity to clarify the true value of its media assets and will help it make a bid for either Carlton Communications or United News, the two ITV broadcasters. The restructuring will predominantly give a clear view of the underlying assets in media, which has been argued as lost in the larger Granada Group. The hospitality business, to be called Compass Hospitality, will have a revenues of £7.6 billion with shares in Britain's foodservice, travel-related catering and hotel industries.

Granada Group, Plc is a UK media and hospitality firm, which operates three franchises in Britain's Independent Television Network, reaching about 10% of the viewing audience. Its London Weekend Television shares the London area with Carlton Communications, with which it operates start-up digital broadcaster ONdigital. Granada's hospitality operations include 400 hotels operating under the Le Meridien, Heritage, and Posthouse brands, as well as nearly 200 Travelodge units. Granada also runs restaurant chains Little Chefs and Harry Ramsden's, and manages 40 roadside service areas. Granada announced plans to buy Compass Group and spin off its own media business.

Granada Plc. (LSE: GAA)

Price (6/6/99)	£6.34	52 Week Range	£7.60-£460
Shares Outstanding	1868 m	Book Value/Shr (99)	£1.13
Market Value	£11.8 B	Dividend (99)	£0.095
Revenue Sept. 1999	£4.08 B	Yield	1.51%
2000 EPS (Est.)	£0.341	P/E 09/00	9.6x

Potential Spin-Off Situations

Bright Station Plc to IPO 4 Units

On May 16th, Bright Station Plc (Nasdaq ADR: BSTN) announced it would be selling shares in four business units over the course of the next two years. The company will sell shares by seeking separate stock listings for the four units: Sparza, OfficeShopper, SmartLogik, and WebTop.

London-based**, Bright Station Plc.,** was a leading worldwide provider of online market research reports, reference materials, news, company statistics, and market and commodity prices, but it sold that core business in 2000 to pay off debt and changed its focus to Web and e-commerce products. Dialog was formed when M.A.I.D (Market Analysis Information Database) bought Knight Ridder's electronic information unit in 1997. With magnetic founder and CEO Daniel Wagner at the helm, the company took on significant debt after the Knight Ridder deal but was never able to deliver on its plan to become a dominant online data supplier. As a result, the firm sold the information operations to The Thomson Corporation and changed its name to Bright Station. The company now offers Internet searching products and services (WebTop, SmartLogik) and office supply e-commerce services (OfficeShopper.com), as well as invests in technology startups. Wagner owns 12% of Dialog. After suffering losses in four of the past five years, Dialog in 1999 shifted its focus to the riskier-yet-potentially-more-profitable Internet, becoming reclassified on the stock exchange as an Internet company. The following year the company sold its core information business to The Thomson Corporation for $275 million and changed its name to Bright Station.

Smartlogik products for knowledge management and New Media Publishing save time, labour and money by automatically and precisely categorising, linking, personalising and searching large volumes of information**. WebTop** is an internet search engine that allows users to 'drag and drop' documents or text from their desktops to search the Internet for related information. Using 'concept based' retrieval techniques, WebTop returns extremely accurate results. **OfficeShopper.com** is the UK's first fully integrated online shop for over 40,000 office products. OfficeShopper.com offers medium-sized business a supremely cost-effective way of managing all their office purchases. **Sparza** uses ecommerce technologies to enable manufacturers & wholesalers to more efficiently and profitably manage their supply chain. OfficeShopper, using Sparza technology almost exclusively, illustrates the powerful B2B capabilities of this technology.

Degussa-Huels AG May Carve-Out Degussa Dental

On May 31st, Frankfurt, Germany based speciality chemicals group Degussa-Huels AG (DHAG.DE) said it was combining its global dental operations into a new unit called Degussa Dental GmbH & Co KG. The new unit, which will begin operations on July 1 with about 1,600 employees worldwide, may subsequently be listed separately. Degussa Dental will utilize the new operating structure for opportunities to step up growth, that will include alliances and cooperation agreements, management stated.

One of Germany's largest specialty chemical companies, Degussa-Huls was created in February 1999 through the merger of Degussa SA and Huels SA. Degussa-Huels offers banking, technical, and analytical services and it also runs a venture capital group. German energy company VEBA AG owns 62% of the company.

Degussa-Huels AG is one of the world's largest producers of specialty chemicals. The company's chemical and metal products are used to make tires, animal-feed additives, pharmaceuticals, and dental alloys. The company is the world market leader in fields of dental fillings materials, absorbing materials for hygiene articles or food additives for animals. Degussa-Huels comprises of five business segments: health and food; special chemicals; basic chemicals; industrial materials (including precious metals and industrial products, e.g. car catalysts) and services (including Degussa bank) which offers financial and advisory services inside and outside the group. Industrial chemicals, materials and products accounted for 45% of fiscal 1999 revenues; polymers and basic chemicals, 18%; health and food products, 17%; specialty chemicals, 16% and services, 4%. One of Degussa-Huels' best-known brands is Plexiglas plastic sheet.

Potential Spin-Off Situations

Motorola May Spin-off Network Management

Crain's Chicago Business recently reported that Motorola plans to spin-off its stakes in about a dozen emerging-market cellular telephone systems operators in a transaction potentially worth several billion dollars. The maker of cell phones has been buying minority stakes in wireless carriers in Hong Kong, Mexico, Japan, Eastern Europe, Israel and other countries for more than a decade in exchange for the carriers' commitments to buy Motorola's wireless infrastructure equipment. The boom in cell phone demand worldwide has increased the value of Motorola's interest in the telephone operators. Motorola is shifting the stakes into a new company called Propel, which Crain's suggests will be spun off. Motorola's IR contact would not verify the plan. We have heard rumors consistent with the Crain's report. We believe the company would do a partial IPO first, then distribute the remaining shares in the form of a dividend or split-off.

Cellular products make up nearly 40% of Motorola's sales. The company is the world's #6 semiconductors maker and also produces two-way radios, pagers, computers, and networking peripherals. It provides wireless telecom services in developing nations (it was a major backer of the failed Iridium satellite network). Motorola operates globally, generating about half of its sales outside the US. Through its purchase of set-top box maker General Instrument, Motorola is sharpening its focus on the broadband communications market. It is also expanding its software and semiconductor operations. Motorola recently split 3 for 1, and know has a $87 billion market value.

Workflow Management Intends to IPO iGetSmart

Workflow Management, Inc. (NASDAQ: WORK) announced on May 10th that it has formally transferred the assets of iGetSmart.com into its own company, thereby creating a separate wholly owned subsidiary. The Company announced that the move was made to position iGetSmart. com as a separate entity, apart from the rest of Workflow Management. Assets transferred include all technological property related to iGetSmart.com and all of the Company's warehousing facilities.

While market conditions have delayed the execution of the proposed IPO and spin-off of iGetSmart.com, the company's plans have not changed. Management has segmented iGetSmart.com as a separate company and will operate it as such. When market conditions improve, the board intends on executing its plans for an initial public offering and spin-off to its own shareholders. Management stated, "Our strategy now is to be fully prepared for the return of the IPO marketplace and, more importantly, to operate the iGetSmart.com business model and continue to demonstrate its strength and potential." Workflow Management further announced that iGetSmart.com will be naming a separate Board of Directors.

iGetSmart.com, Inc., a subsidiary of Workflow Management, Inc., is an Application Service Provider (ASP) which provides a wide variety of transactional services that enable "brick and mortar" graphic arts manufacturers and distributors to develop E-commerce, "click and mortar" operations. As a licensee of the iGetSmartSM system, any company that sells business graphics can offer a "one-stop-shop" solution which enables customers to realize time and cost savings by outsourcing much of the non-core operations typically associated with the purchasing, management and fulfillment of print and office consumables. iGetSmart.com also offers graphic arts distributors access to its nationwide distribution network to further facilitate the order, storage and shipment of products to their customers.

Workflow Management has integrated business service operations and fulfillment centers located throughout the United States and Canada, with more than 2,800 employees. Its client roster, of over 30,000, includes businesses that range in size from small and home offices to large and multi-national companies like AT&T, Dreyfus Service Corporation, Aetna, Veryfine Products, Brookstone Company and Salomon Smith Barney.

Insider Transactions

Company Name	Ticker	Insider Name	Rel	# of Shares	Trans Type	Trans Date(s)	Trans Price(s)	Total Holdings
3COM Corporation	COMS	HART, JOHN H.	VP	100,000	144	3/22/00	-	-
3COM Corporation	COMS	ROBERTS, JANICE M.	VP	364,000	144	3/22/00	-	-
3COM Corporation	COMS	ROWLEY, STEPHEN	-	24,494	144	3/22/00	-	-
3COM Corporation	COMS	KESSLER, ALAN J.	-	78,840	144	3/23/00	-	-
3COM Corporation	COMS	MCCLELLAND, JOHN F	OFF	33,750	144	4/11/00	-	-
3COM Corporation	COMS	MCCLELLAND, JOHN F.	VP	10,000	S	4/11/00	$51.66	35,991
3COM Corporation	COMS	PAISLEY, CHRISTOPHER B	CFO	30,000	S	4/14/00	$42.30	98,285
3COM Corporation	COMS	PAISLEY, CHRISTOPHER B	OFF	30,000	144	4/14/00	-	-
3COM Corporation	COMS	CAMPBELL, GORDON A.	-	19,791	144	5/8/00	-	-
3COM Corporation	COMS	PAISLEY, CHRISTOPHER B	OFF	100,000	144	5/10/00	-	-
American Software	AMSWA	NOGLOWS, WILLIAM P.	EX VP	5,000	S	3/21/00	$27.63	98,649
American Software	AMSWA	WEEMS, U. ROGER	OFF	1,253	144	3/21/00	-	-
American Software	AMSWA	BURNES, KENNETT	-	21,000	144	4/28/00	-	-
American Software	AMSWA	EDENFIELD, JAMES C.	CEO	50,000	144	-	-	
American Software	AMSWA	ROTHBERG, ROBERT	VP	5,318	144	-	-	-
Arch Coal, Inc.	ACI	SANDS, THEODORE D.	DIR	10,000	B	3/21/00	$7.00	15,000
Arch Coal, Inc.	ACI	HUNT, DOUGLAS H.	DIR	1,000	B	3/31/00	$6.88	9,000
AutoNation	AN	MELK, JOHN J.	DIR	57,680	S	2/24/00	$7.63	122,001
Avista Corp.	AVA	SCHMIDT, BOBBY	DIR	174	B	4/14/00	$34.46	21,449
Avista Corp.	AVA	TAYLOR, R. JOHN	DIR	12	B	4/14/00	$34.46	10,017
Bell & Howell Corp.	BHW	COHEN, HOWARD S.	EX VP	-	3	-	-	30,000
Bell & Howell Corp.	BHW	OBERNDORF, WILLIAM E.	DIR	387,000	B	3/15/00 - 3/2/00	$32.91 - $31.06	1,470,800
Bell & Howell Corp.	BHW	SCULLY, JOHN H.	DIR	387,000	B	3/15/00 - 3/2/00	$32.91 - $31.06	1,464,800
Bell Atlantic	BEL	PFEIFFER, ECKHARD	DIR	20,000	S	3/9/00	$58.06	6,000
Bell Atlantic	BEL	RIDGWAY, ROZANNE L.	DIR	7,000	S	3/9/00	$56.88	1,987
Bell Atlantic	BEL	MAYPOLE, JOHN F.	DIR	5,000	S	3/10/00	$58.44	4,788
Bell Atlantic	BEL	KILLIAN, JOHN F.	VP	7,322	JS	3/28/00	$60.31	-
Bell Atlantic	BEL	MATHIS, MARK J.	EX VP	2,095	S	3/30/00	$61.81	88,659
Bell Atlantic	BEL	MATHIS, MARK J.	EX VP	25,768	JS	3/30/00	$61.81	-
Bell Atlantic	BEL	KENNAN, ELIZABETH T.	DIR	700	S	4/17/00	$60.00	6,384
Bell Atlantic	BEL	CULLEN, JAMES G.	PR	44,150	S	4/28/00	$59.47	254,846
Bell Atlantic	BEL	CULLEN, JAMES G.	PR	163,760	JS	4/28/00	$59.47	-
Bell Atlantic	BEL	YOUNG, SHIRLEY	DIR	10,000	S	3/9/00 - 3/6/00	$57.75 - $54.88	2,555
Bellsouth	BLS	TOBELO INVESTMENTS CORP.	-	20,000	144	3/7/00	-	-
Bellsouth	BLS	DRUMMOND, J. A.	VCB	3,914	JS	4/24/00	$50.94	-
Bellsouth	BLS	DRUMMOND, J. A.	VCB	28,820	S	4/24/00	$52.01	44,906
Bellsouth	BLS	BROWN, J.H.	DIR	5,000	B	4/25/00	$51.75	47,500
Bellsouth	BLS	DRAMIS, F.A. JR	OFF	3,930	B	4/28/00	$51.12 - $50.62	5,067
Cabletron	CS	KAMATA, NOBUO	-	89,921	144	4/5/00	-	-
Cabletron	CS	D.H. BLAIR & CO INC	-	24,112	144	5/4/00	-	-
Cabot Corp.	CBT	BURNES, KENNETT	-	21,000	144	4/28/00	-	-
Cabot Corp.	CBT	ROTHBERG, ROBERT	VP	5,318	144	-	-	-
Chronimed	CHMD	LANGSDALE, PATRICIA G.	-	6,500	144	3/7/00	-	-
Ciber, Inc.	CBR	HAHL, DONALD R.	SR VP	20,000	S	3/1/00	$26.00	185,789
Ciber, Inc.	CBR	MALMBERG, DAVID C.	-	8,571	144	3/6/00	-	-
Comdisco	CDO	VOSICKY, JOHN J.	EX VP	1,000	JS	3/3/00	$0.00	-
Comdisco	CDO	HERMAN, MICHAEL F.	SR VP	40,894	S	3/6/00	$41.57	57,355
Comdisco	CDO	VOSICKY, JOHN J.	EX VP	7,152	S	3/6/00	$45.30	27,551
Comdisco	CDO	KEOHANE, JEFFREY P.	SR VP	500	JS	3/7/00	$0.00	-
Comdisco	CDO	HARTLEY, C. KEITH	DIR	9,450	144	3/9/00	-	-
Comdisco	CDO	VOSICKY, JOHN J.	EX VP	3,633	JS	3/10/00	$53.00	-
Comdisco	CDO	KEOHANE, JEFFREY P.	SR VP	49,999	S	3/13/00	$49.21	193,447
Comdisco	CDO	HARTLEY, C. KEITH	DIR	9,450	S	3/14/00	$52.38	72,708
Comdisco	CDO	VOSICKY, JOHN J.	CFO	115,000	144	-	-	-
Comdisco	CDO	VOSICKY, JOHN J.	EX VP	112,372	S	3/8/00 - 3/6/00	$48.29 - $45.92	522,867
Computer Horizons	CHRZ	SHEA, MICHAEL J.	VP	2,000	S	3/10/00	$24.88	13,658
Computer Horizons	CHRZ	MURPHY, WILLIAM J	CFO	10,000	S	3/16/00	$22.00	-
Computer Horizons	CHRZ	WEINSTEIN, JASON	-	387	144	-	-	-

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CoorsTek	CRTK	COORS, JOHN K.	DIR	1,027	144	4/28/00	-	-
Copart, Inc.	CPRT	GROSFELD, JAMES&NANCY	DIR	13,400	S	1/12/00	$34.23	4,800,000
Cyber-Care	CYBR	CALENDRILLO, ELAINE	-	35,000	144	3/15/00	-	-
Cyber-Care	CYBR	SADLER, FRANK	-	26,666	144	3/27/00	-	-
Cyber-Care	CYBR	TUHANI, TOMMI	-	3,200	144	3/28/00	-	-
Cyber-Care	CYBR	SCIARRA, BLAISE	EMP	40,000	144	-	-	-
Cyber-Care	CYBR	SCIARRA, BLAISE	-	200,000	144	-	-	-
DaisyTek International	DZTK	HEAP, DAVID A.	P	200,000	144	5/15/00	-	-
DaisyTek International	DZTK	HEAP, DAVID A.	B/O	162,000	S	4/28/00 - 4/12/00	$14.04 - $12.04	1,636,629
DeLuxe Corp.	DLX	MARTIN, LOIS, M.	SR VP	-	3	4/1/00	-	5,617
Eaton	ETN	JASKOLSKI, STANLEY V.	VP	1,886	S	4/25/00	$82.31	5,943
Eaton	ETN	HORST, J. ROBERT	VP	2,050	S	4/28/00	$83.25	2,200
GoodGuys	GGUY	CLAYTON, JOSEPH P.	DIR	2,600	B	2/8/00	$6.56	10,011
Grant Prideco	GRP	FRIED, ELLIOT M.	DIR	20,000	B	4/26/00	$15.75	40,000
Great Lakes Chemical	GLK	BERKSHIRE HATHAWAY INC	B/O	77,700	B	3/15/00 - 3/10/00	$28.91 - $27.91	6,480,700
Great Lakes	GLK	BUFFETT, WARREN E.	B/O	77,700	B	3/15/00 - 3/10/00	$28.91 - $27.91	6,480,700
Great Lakes Chemical	GLK	GOVERNMENT EMPLYS INS	B/O	77,700	B	3/15/00 - 3/10/00	$28.91 - $27.91	6,480,700
Great Lakes Chemical	GLK	BERKSHIRE HATHAWAY INC	B/O	519,300	B	4/28/00 - 4/27/00	$26.93 - $26.83	7,000,000
Great Lakes	GLK	BUFFETT, WARREN E.	B/O	519,300	B	4/28/00 - 4/27/00	$26.93 - $26.83	7,000,000
Great Lakes Chemical	GLK	GOVERNMENT EMPLYS INS	B/O	519,300	B	4/28/00 - 4/27/00	$26.93 - $26.83	7,000,000
Hewlett - Packard	HWP	W. & F. HEWLETT FDTN.	-	500,000	144	3/3/00	-	-
Hewlett - Packard	HWP	ZITZNER, DUANE E.	VP	428	S	3/3/00	$135.00	72,559
Hewlett - Packard	HWP	BARNHOLT, EDWARD W.	CEO	26,000	144	3/6/00	-	-
Hewlett - Packard	HWP	WAYMAN, ROBERT P.	EX VP	20,000	S	3/6/00	$149.08	163,717
Hewlett - Packard	HWP	WAYMAN, ROBERT P.	OFF	20,000	144	3/6/00	-	-
Hewlett - Packard	HWP	BOWICK, SUSAN D.	VP	1,100	S	3/9/00	$152.50	36,802
Hewlett - Packard	HWP	COOKINGHAM, RAYMOND W.	VP	3,000	S	3/9/00	$146.44	47,848
Hewlett - Packard	HWP	PLATT, LEWIS E.	OFF	25,000	144	3/9/00	-	-
Hewlett - Packard	HWP	PACKARD, DAVID&LUC FDN	B/O	1,000,000	144	5/18/00	-	-
Hewlett - Packard	HWP	PEREZ, ANTONIO	VP	16,746	S	3/14/00 - 3/13/00	$146.50 - $142.89	60,643
Hewlett - Packard	HWP	TICKNOR, CAROLYN M.	VP	1,854	S	3/7/00 - 3/6/00	$146.06 - $145.00	68,238
Hotel Reservations	ROOM	D'ARCY, SANDRA	EX VP	2,800	B	3/1/00	$16.00	2,800
Hotel Reservations	ROOM	MARTIN, SHAUNA	SEC	1,000	B	3/1/00	$16.00	1,000
Hotel Reservations	ROOM	RUBIN, JACK	CFO	7,500	B	3/1/00	$16.00	7,500
Intelligroup, Inc.	ITIG	VISCO, NICHOLAS	VP	2,000	S	3/3/00 - 3/2/00	$45.00	800
Interpool Inc.	IPX	MITCHELL, GORDON I.	DIR	5,000	B	3/13/00	$5.50	10,000
Interpool Inc.	IPX	HALSTEAD, PETER H.	DIR	5,000	B	3/16/00	$6.74	7,500
Interpool Inc.	IPX	SERENBETZ, WARREN L.	DIR	1,429	B	4/12/00	$5.50	3,279,037
Interpool Inc.	IPX	TUCHMAN, MARTIN	CB	1,429	B	4/12/00	$5.50	298,365
Interpool Inc.	IPX	TUCHMAN, MARTIN	CB	5,000	B	4/12/00	$5.50	7,123,150
Interpool Inc.	IPX	GORDON, MITCHELL I.	DIR	5,000	B	4/17/00	$5.75 - $5.69	15,000
Interpool Inc.	IPX	TUCHMAN, MARTIN	CB	28,900	B	3/13/00 - 3/6/00	$6.50 - $5.50	7,118,150
Interpool Inc.	IPX	SERENBETZ, WARREN L.	DIR	14,257	B	3/13/00 - 3/9/00	$6.25 - $5.43	2,427,760
Interpool Inc.	IPX	TUCHMAN, MARTIN	CB	14,257	B	3/13/00 - 3/9/00	$6.25 - $5.43	296,937
Interpool Inc.	IPX	WITTEVEEN, RAOUL J.	PR	7,130	B	3/13/00 - 3/9/00	$6.25 - $5.43	88,310
Interpool Inc.	IPX	WITTEVEEN, RAOUL J.	PR	30,100	B	4/11/00 - 4/7/00	$5.58 - $5.50	3,588,250
JC Penney	JCP	OESTERREICHER, JAMES	CB	1,000	B	3/2/00	$14.81	72,401
JC Penney	JCP	CASTAGNA, VANESSA J.	OFF	10,000	B	3/13/00	$14.00	54,000

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Insider Transactions

Company Name	Ticker	Insider Name	Rel	# of Shares	Trans Type	Trans Date(s)	Trans Price(s)	Total Holdings
Lucent Technologies	LU	LUSK, JAMES S.	SR VP	40,000	S	4/26/00	$64.00	1,370
Lucent Technologies	LU	PETERSON, DONALD K.	OFF	244,870	S	4/27/00	$63.86	132,002
Lucent Technologies	LU	RAWSON, RICHARD J.	SR VP	100,000	S	4/27/00	$64.24	16,667
Methode Electronics	METHA	KUEHNAU, ROBERT J.	TR	9,410	S	3/1/00	$63.42	31,589
Methode Electronics	METHA	MCGINLEY, WILLIAM J.	CB	35,872	S	3/1/00	$60.86	229,368
Methode Electronics	METHA	HAYES, KEVIN J.	EX VP	15,740	S	3/6/00	$62.57	141,306
Methode Electronics	METHA	ANDRE, MICHAEL G.	SREVP	12,000	JS	3/28/00	-	135,457
Methode Electronics	METHA	MCGINLEY, JAMES W.	PR	1,000	144	-	-	-
Methode Electronics	METHA	MCGINLEY, JAMES W.	PR	2,500	144	-	-	-
Methode Electronics	METHA	MCGINLEY, JAMES W.	PR	8,406	144	-	-	-
Methode Electronics	METHA	MCGINLEY, JAMES W.	PR	10,000	144	-	-	-
MIPS Technology		MEYER, DEREK W.	VP	12,000	S	2/4/00	$55.13	1,749
MIPS Technology		MEYER, DEREK W.	OFF	8,000	S	4/18/00	$34.31	1,749
MM Corp.	MIMS	JONES, JAMES J.	OFF	-	3	3/31/00	-	999,999,999
Modis Professional	MPS	BAJALIA, GEORGE A.	-	2,500	B	4/10/00	$9.75	2,500
Modis Professional	MPS	MAYO, MARC M.	SR VP	1,000	B	4/10/00	$9.94	1,000
Modis Professional	MPS	TANOUS, PETER J.	DIR	2,000	B	4/10/00	$9.94	3,000
Modis Professional	MPS	CROUCH, ROBERT P.	VP	2,500	B	4/11/00	$10.31	2,500
Modis Professional	MPS	DEWAN, DEREK E.	CB	10,000	B	4/11/00	$10.25	286,100
Modis Professional	MPS	KENNEDY, JOHN R.	DIR	3,000	B	4/13/00	$9.81	8,000
Modis Professional	MPS	PAYNE, TIMOTHY D.	OFF	10,000	B	4/19/00	$8.88	10,000
New York Times	NYT	ROBINSON, JANET L.	PR	12,719	S	5/12/00	$40.75	4,484
Nordstrom, Inc.	JWN	NORDSTROM, JAMES A.	OFF	6,000	144	3/3/00	-	-
Nordstrom, Inc.	JWN	NORDSTROM, BLAKE W.	OFF	2,028	144	3/15/00	-	-
Nordstrom, Inc.	JWN	NORDSTROM, BLAKE W.	EX VP	2,028	S	3/16/00	$22.94	850,440
Nordstrom, Inc.	JWN	NORDSTROM, JAMES A.	OFF	8,000	144	3/17/00	-	-
Nordstrom, Inc.	JWN	DEMARTE, JOSEPH V.	OFF	1,000	144	3/24/00	-	-
Nordstrom, Inc.	JWN	NORDSTROM, JOHN N.	DIR	200,000	144	3/30/00	-	-
Nordstrom, Inc.	JWN	NORDSTROM, JOHN N.	DIR	200,000	S	3/30/00	$27.38 - $26.63	769,672
Nordstrom, Inc.	JWN	NORDSTROM, JAMES A.	OFF	4,688	144	3/31/00	-	-
Nordstrom, Inc.	JWN	NORDSTROM, JAMES A.	OFF	4,689	144	4/3/00	-	-
Nordstrom, Inc.	JWN	NORDSTROM, JOHN N.	DIR	200,000	S	4/3/00	$30.38 - $30.00	569,672
Nordstrom, Inc.	JWN	NORDSTROM, PETER E.	EX VP	1,862	S	4/5/00	$32.31	906,469
Nordstrom, Inc.	JWN	DEMARTE, JOSEPH V.	OFF	1,204	144	4/6/00	-	-
Nordstrom, Inc.	JWN	NORDSTROM, JAMES A.	OFF	9,311	144	4/6/00	-	-
Nordstrom, Inc.	JWN	NORDSTROM, JAMES A.	XOFF	50,000	144	4/17/00	-	-
Nordstrom, Inc.	JWN	NORDSTROM, JAMES A.	XOFF	50,000	144	4/20/00	-	-
Nordstrom, Inc.	JWN	NORDSTROM, JAMES A.	XOFF	50,000	144	4/26/00	-	-
Nordstrom, Inc.	JWN	WILSON TABOR, SUSAN A.	OFF	2,400	144	5/15/00	-	-
Odetics	ODETA	BARTHOLET, THOMAS G.	VP	3,000	B	3/31/00	$13.75 - $12.63	41,760
Odetics	ODETA	BARTHOLET, THOMAS G.	VP	3,477	B	3/31/00	$14.14	5,101
Odetics	ODETA	BARTHOLET, THOMAS G.	VP	1,400	B	4/5/00 - 4/4/00	$11.00 - $10.75	43,160
Palm	PALM	HOMER, MICHAEL	DIR	10,000	B	3/1/00	$38.00	10,000
Palm	PALM	SWENSON, SUSAN G.	DIR	10,000	B	3/1/00	$38.00	10,000
Primark	PMK	LAZARUS, STEVEN	DIR	12,468	B*	1/14/00	$9.00	-
PSINet	PSIX	WINKLER, LAWRENCE M.	SR VP	23,834	S	3/1/00	$51.00	-
PSINet	PSIX	POSTAL, ED	OFF	225,000	144	3/2/00	-	-
PSINet	PSIX	POSTAL, ED	OFF	218,654	144	3/3/00	-	-
PSINet	PSIX	POSTAL, EDWARD	-	20,000	144	3/21/00	-	-
PSINet	PSIX	POSTAL, EDWARD D.	XEXVP	458,446	S	3/21/00 - 3/2/00	$52.35 - $45.50	59,600
PTEK Holdings, Inc.	PTEK	ABERNATHY, ELIZABETH	OFF	2,000	B	4/25/00	$4.31	10,311
PTEK Holdings, Inc.	PTEK	ALLRED, JEFFREY A	PR	50,000	B	4/25/00	$4.31	50,768
PTEK Holdings, Inc.	PTEK	JONES, BOLAND T.	CB	50,000	B	4/25/00	$4.31	2,000,462
PTEK Holdings, Inc.	PTEK	JONES, PATRICK G.	EX VP	10,000	B	4/25/00	$4.31	30,296
PTEK Holdings, Inc.	PTEK	SCHRAFFT, THEODORE P.	OFF	2,500	B	4/25/00	$4.31	4,580
PTEK Holdings, Inc.	PTEK	VATERS, ROBERT S.	EX VP	128,350	S	3/9/00 - 3/1/00	$9.65 - $8.84	600

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Reliance	REL	JURIST, LYNDA R.	B/O	100,000	S	3/1/00	$5.00	4,325,684
Reliance	REL	STEINBERG, HOWARD E.	EX VP	55,000	144	3/1/00	-	-
Reliance	REL	SOKOLOFF, BRUCE L.	SR VP	100,000	S	3/8/00	$3.50	300,000
Reliance	REL	SOKOLOFF, RONI A.	B/O	100,000	S	3/8/00	$3.50	399,909
Reliance	REL	PROVIDENT BANK, PLEDGEE	-	1,320,207	144	5/11/00	-	-
Reliance	REL	STEINBERG, HOWARD E.	EX VP	3,000	S	3/3/00 - 3/1/00	$4.25 - $4.06	21,396
Reliance	REL	STEINBERG, HOWARD E.	EX VP	24,000	S	3/6/00 - 3/2/00	$5.00 - $4.00	80,161
SGI	SGI	CURTOLA, RON JR.	VP	-	3	3/7/00	-	1
SGI	SGI	CURTOLA, RON JR.	VP	-	3	3/7/00	-	1
SGI	SGI	CURTOLA, RON JR.	VP	1,736	144	5/5/00	-	-
St. Joe Company	JOE	RUMMELL, PETER S.	CEO	200,000	144	5/11/00	-	-
Staples	SPLS	MORSE, LAWRENCE J.	OFF	-	3	3/21/00	-	71,624
Staples	SPLS	HEISEY, W. LAWRENCE	DIR	25,030	B	3/29/00	$19.00	50,000
Staples	SPLS	MORSE, LAWRENCE J.	OFF	-	3	3/31/00	-	71,624
Staples	SPLS	NORTHERN TR CO(JM FAM TR#1)	-	70,899	144	4/26/00	-	-
Switchboard.com	SWBD	CBS CORP	B/O	20,000	PB	3/2/00	$15.00	7,488,560
Switchboard.com	SWBD	FERRY, WILLIAM	CB	25,000	PB	3/2/00	$15.00	25,000
Switchboard.com	SWBD	GREENLAW, DOUGLAS J.	CEO	16,000	PB	3/2/00	$15.00	16,000
Switchboard.com	SWBD	SPAULDING, RICHARD M.	DIR	1,000	PB	3/2/00	$15.00	1,000
Switchboard.com	SWBD	SPAULDING, RICHARD M.	DIR	9,000	PB	3/2/00	$15.00	9,000
Symantec Corp.	SYMC	WITTE, DEREK	SR VP	10,086	S	3/10/00 - 3/8/00	$80.81 - $79.00	10,414
Titan Corp.	TTN	COHEN, JOSEPH J.	P	2,647	144	3/1/00	-	-
Titan Corp.	TTN	HIRAYAMA, COLIN SCOTT	-	1,548	144	3/10/00	-	-
Titan Corp.	TTN	LEACH, JAMES R.	-	700	144	3/13/00	-	-
Titan Corp.	TTN	WINKLER, MARK	-	9,445	144	3/17/00	-	-
Titan Corp.	TTN	COOKE, CLIFTON L. SR.	P	3,191	144	3/23/00	-	-
Titan Corp.	TTN	COOKE C.R.U.	XOFF	20,000	144	3/28/00	-	-
Titan Corp.	TTN	PERL, JULUIS	-	1,000	144	3/29/00	-	-
Titan Corp.	TTN	COOKE, CLIFTON L.	XOFF	10,000	144	3/30/00	-	-
Titan Corp.	TTN	PIRET, GAYLE	-	20,715	144	4/5/00	-	-
Titan Corp.	TTN	BABBINH, ROBERT	EMP	2,219	144	4/6/00	-	-
Titan Corp.	TTN	BINGHAM, DANA & GOULD LLP	-	643	144	-	-	-
Titan Corp.	TTN	GOULD, KARL T.	-	2,647	144	-	-	-
Titan Corp.	TTN	D.DEAN & B.HORTON TRUST 2/93	-	60,345	144	-	-	-
Titan Corp.	TTN	GOLDEN TECH COMP INC.	-	93,835	144	-	-	-
Tyco International	TYC	ROBINSON, MONETTE	-	386	144	3/30/00	-	-
Tyco International	TYC	DOVEY, MICHAEL G.	-	56	144	3/31/00	-	-
Tyco International	TYC	GROVERMAN, LESLIE (TR 10/88)	-	2,996	144	4/10/00	-	-
Tyco International	TYC	SEGAL, CARLY TR DTD 95	-	26,048	144	4/10/00	-	-
Tyco International	TYC	ROBINSON, FREDERICK	-	8,000	144	5/5/00	-	-
Tyco International	TYC	ROBINSON, DANIELLE FBO	-	15,938	144	-	-	-
Tyco International	TYC	ROBINSON, GARY TR F/B/O	-	15,938	144	-	-	-
Tyco International	TYC	ROBINSON, DANIELLE	-	22,792	144	-	-	-
Tyco International	TYC	ROBINSON, JEANNE & HERMAN	-	62,950	144	-	-	-
Tyco International	TYC	SEGAL, ELISSA	-	2,960	144	-	-	-

B=Buy	S=Sell	B/O=Owner of >10%	JB=Non-Open market Buy
B*=Option Related	144=Intent to Sell	3=Form 3	JS=Non-Open Market Sale

Implied Value of Stubs

Parent Company	Symbol	Price	Carve-Out / Holding	Symbol	06/08/00 Price	Ratio (1)	Intent To Spin (6)	Economic % owned (7)	Embedded Value (2)	Residual Stub Value (3)	Date Updated
3com	COMS	$ 48.19	Palm	PALM	$ 26.63	1.524	Y	92.77%	$ 40.59	$ 7.60	03/01/00
Alpine Group	AGI	$ 6.50	Superior Telecom	SUT	$ 11.31	0.695		51.70%	$ 7.86	$ (1.36)	12/31/99
Alliance Semiconductor	ALSC	$ 29.00	Broadcom	BRCM	$ 161.88	0.011		0.23%	$ 1.84	$ 27.16	
			Chartered Semiconductor	CHRT	$ 87.00	0.050		1.59%	$ 4.33	$ 24.67	
			Chartered Semiconductor-S		$ 0.45	0.498		0.00%	$ 0.23	$ 28.77	
			Unted Microelectronics-S		$ 2.98	7.884		3.14%	$ 23.48	$ 5.52	
			Vitesse Semiconductor	VTSS	$ 66.50	0.020		0.52%	$ 1.32	$ 27.68	
									$ 31.20	$ (2.20)	
American Home Products	AHP	$ 53.44	Immunex	IMNX	$ 33.75	0.074		54.10%	$ 2.48	$ 50.96	02/28/00
Motion Corp.	MTNT	$ 12.50	XM Satellite Radio	XMSR	$ 31.56	0.279		25.90%	$ 8.82	$ 3.68	03/03/00
American Software	AMSWA	$ 4.06	Logility	LGTY	$ 4.13	0.514		83.70%	$ 2.12	$ 1.94	02/14/00
AT&T	T	$ 35.38	AT&T Wireless	AWE	$ 28.56	0.595		84.42%	$ 16.99	$ 18.38	04/20/00
			Cablevision	CVC	$ 67.63	0.016		30.06%	$ 1.07	$ 34.30	
									$ 18.06	$ 17.31	
Ascent Entertainment Group	GOAL	$ 15.19	On Command	ONCO	$ 15.44	0.578		57.00%	$ 8.92	$ 6.27	03/14/00
AXA Financial	AXA	$ 75.94	Donaldson Lufkin & Jenrette	DLJ	$ 43.00	0.390		64.50%	$ 16.79	$ 59.15	03/30/00
Banco Santander Spain	STD	$ 10.38	Santander Bancorp	SBP	$ 12.88	0.032		80.00%	$ 0.41	$ 9.96	05/25/99
ePresence	EPRE	$ 8.94	Switchboard.com	SWBD	$ 10.31	0.436		41.36%	$ 4.49	$ 4.44	03/01/00
Barnes and Noble	BKS	$ 19.13	Barnesandnoble.com	BNBN	$ 8.56	0.837		40.56%	$ 7.17	$ 11.96	03/21/00
Bowne	BNE	$ 9.31	Edgar Online	EDGR	$ 3.66	0.027		8.67%	$ 0.10	$ 9.21	03/15/00
BrookTrout	BRKT	$ 23.44	Interspeed	ISPD	$ 15.75	0.616		55.81%	$ 9.70	$ 13.74	03/15/00
Cabletron	CS	$ 22.50	Efficient Networks	EFNT	$ 62.63	0.064		21.85%	$ 3.99	$ 18.51	03/01/00
Cabot	CBT	$ 27.81	Cabot Micro Electronics	CCMP	$ 40.00	0.271	Y	82.98%	$ 10.83	$ 16.98	03/15/00
Cell Genesys	CEGE	$ 24.00	Abgenix	ABGX	$ 107.50	0.075		12.55%	$ 8.05	$ 15.95	03/22/00
Cerner	CERN	$ 27.00	CareInsite	CARI	$ 22.31	0.390		18.83%	$ 8.70	$ 18.30	06/16/99
Chris-Craft	CCN	$ 68.44	BHC Communications	BHC	$ 163.13	0.427		80.36%	$ 69.72	$ (1.29)	03/30/00
Citizens Utility	CZN	$ 16.44	Electric Lightwave	ELIX	$ 19.63	0.158		82.05%	$ 3.11	$ 13.33	03/31/00
Cohesion Technology	CSON *	$ 12.13	Boston Scientific	BSX	$ 23.06	0.086			$ 1.99	$ 10.13	
			Pharming N.V.	PHAR	$ 12.60	0.099			$ 1.25	$ 10.88	
									$ 3.24	$ 8.89	
Comverse Technology	CMVT	$ 83.75	Ulticom	ULCM	$ 25.00	0.214		87.33%	$ 5.36	$ 78.39	04/05/00
Cordant	CDD	$ -	Howmet International	HWM	$ 20.88	2.308		84.65%	$ 48.19	$ (48.19)	03/31/00
Daisytek	DZTK	$ 10.69	PFSWeb	PFSW	$ 6.88	0.827	Y	80.02%	$ 5.68	$ 5.00	03/15/00
Delia's	DLIA	$ 2.75	iTurf	TURF	$ 4.06	0.652	Y	55.26%	$ 2.65	$ 0.10	03/15/00
Deluxe	DLX	$ 24.75	eFunds	EFDS	$ 15.00	0.591	Y	86.49%	$ 8.86	$ 15.89	05/16/00
DTE Energy	DTE	$ 34.00	Plug	PLUG	$ 54.38	0.094		30.99%	$ 5.14	$ 28.86	03/31/00
Disney (Walt)	DIS	$ 40.63	Go.Com	GO	$ 12.25	0.052		72.00%	$ 0.64	$ 39.99	12/31/99
Dixons PLC	DXNS.L	3.27	Freeserve	FRE.I	4.92	0.475		85.55%	2.34	0.93	01/00/00
Donaldson Lufkin & Jenrette	DLJ	$ 43.00	DLJ Direct	DIR	$ 8.94	0.624		84.25%	$ 5.58	$ 37.42	03/30/00
eCom Ventures	ECMV	$ 2.88	Envision Development	EDV	$ 47.25	0.473		46.67%	$ 22.35	$ (19.47)	01/00/00
Flowers Ind.	FLO	$ 18.56	Keebler	KBL	$ 37.13	0.462		54.80%	$ 17.15	$ 1.41	03/31/00
First Albany	FACT	$ 19.50	Mechanical Tech.	MKTY	$ 11.06	1.515		34.00%	$ 16.76	$ 2.74	01/00/00
Ford	F	$ 48.88	Hertz	HRZ	$ 30.88	0.077		81.00%	$ 2.37	$ 46.51	05/25/99
Gartner Group	IT	$ 13.44	Jupiter Communications	JPTR	$ 24.13	0.056		24.43%	$ 1.35	$ 12.09	04/07/00
Great Lakes Chemical	GLK	$ 28.81	OSCA	OSCA	$ 15.50	0.154		60.00%	$ 2.39	$ 26.42	05/10/00
HNC Software	HNCS	$ 47.81	Retek	RETK	$ 24.44	1.550	Y	88.89%	$ 37.89	$ 9.92	03/15/00
IDT	IDTC	$ 31.94	Net2Phone	NTOP	$ 37.00	0.692		48.26%	$ 25.59	$ 6.35	03/20/00
IMS Health	RX	$ 16.50	Cog Tech Solutions	CTSH	$ 53.94	0.047		78.86%	$ 2.56	$ 13.94	03/30/00
			Gartner Group	IT	$ 13.44	0.023		7.92%	$ 0.31	$ 16.19	03/30/00
									$ 2.87	$ 13.63	
Intermedia	ICIX	$ 33.56	Digex	DIGX	$ 64.63	0.686		62.20%	$ 44.32	$ (10.75)	03/20/00
IPC Communications	IPI	$ 154.31	Ixnet	EXNT	$ 34.25	4.425		84.39%	$ 151.56	$ 2.75	03/20/00

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3) Residual Stub Value = Parent Price less Embedded Value.
4) Parent P/E = Parent price divided by First Call Estimate
5) Residual P/E = First Call estimates of the parent company less the holding company's contribution, if the parent consolidates the holding.
6) Company has announced intent to distribute shares of carve-out to parent shareholders.
7) Parents economic ownership value of carve-out. This column does not include consideration for voting rights.

Implied Value of Stubs

Parent Company	Symbol	Price	Carve-Out / Holding	Symbol	06/08/00 Price	Ratio (1)	Intent To Spin (6)	Economic % owned (7)	Embedded Value (2)	Residual Stub Value (3)	Date Updated
Kansas City Southern	KSU	$ 76.88	DST Systems	DST	$ 80.06	0.183		32.00%	$ 14.63	$ 62.24	03/20/00
Kushner-Locke	KLOC	$ 2.47	USSearch.com	SRCH	$ 2.13	0.751		55.20%	$ 1.59	$ 0.87	03/20/00
Limited	LTD	$ 22.81	Intimate Brands	IBI	$ 20.00	0.886		83.00%	$ 17.71	$ 5.10	05/31/00
Loews	LTR	$ 65.13	Diamond Offshore Drilling	DO	$ 38.81	0.674		86.49%	$ 26.16	$ 38.96	03/31/00
			CNA Insurance	CNA	$ 35.38	1.533		51.62%	$ 54.24	$ 10.89	03/31/00
									$ 80.40	$ (15.27)	
Loral	LOR	$ 7.63	Globalstar	GSTRF	$ 8.63	0.175		42.44%	$ 1.51	$ 6.12	03/31/00
Maxxam	MXM	$ 24.00	Kaiser Aluminum	KLU	$ 4.38	7.143		62.97%	$ 31.25	$ (7.25)	03/20/00
Mechanical Tech.	MKTY	$ 11.06	Plug	PLUG	$ 54.38	1.210		31.00%	$ 65.77	$ (54.71)	03/30/00
Medical Manager (new)	MMGR	$ 28.44	CareInsite	CARI	$ 22.31	1.392		69.00%	$ 31.05	$ (2.61)	03/23/00
Motorola	MOT	$ 35.75	Next Nevel Communications	NXTV	$ 70.00	0.106		60.28%	$ 7.40	$ 28.35	03/15/00
Metamor Worldwide	MMWW	$ 27.94	Xpedior	XPDR	$ 16.53	1.167		80.00%	$ 19.30	$ 8.64	03/31/00
Methode Electronics	METHA	$ 47.94	Stratos Lightwave	STLW	$ 17.00	1.570	Y	86.43%	$ 26.70	$ 21.24	06/05/00
Nabisco Group Holdings	NGH	$ 24.81	Nabisco	NA	$ 50.00	0.658		80.79%	$ 32.88	$ (8.07)	03/20/00
National City	NCC	$ 20.06	National Processing	NAP	$ 11.31	0.142		88.19%	$ 1.61	$ 18.45	03/22/00
Navarre	NAVR	$ 2.09	Net Radio	NETR	$ 2.63	0.216		50.99%	$ 0.57	$ 1.53	03/20/00
Network Associates	NETA	$ 23.63	McAfee	MCAF	$ 22.00	0.295		86.79%	$ 6.49	$ 17.14	12/31/99
News Corp	NWS	$ 49.75	Fox Corp	FOX	$ 27.88	0.639		83.01%	$ 17.80	$ 31.95	03/31/00
Northern States Power	NSP	$ 21.06	NRG Energy	NRG	$ 18.25	0.940		83.97%	$ 17.16	$ 3.90	05/31/00
Osicom	FIBR	$ 58.13	NetSilicon	NSIL	$ 19.09	0.822		56.60%	$ 15.69	$ 42.43	03/20/00
PepsiCo	PEP	$ 41.94	Pepsi Bottling Group	PBG	$ 26.13	0.040		40.00%	$ 1.05	$ 40.88	03/20/00
PICO Holdings	PICO	$ 11.00	Hyperfeed Technologies	HYPR	$ 3.94	0.833		75.52%	$ 3.28	$ 7.72	03/20/00
Ralcorp Holdings	RAH	$ 12.69	Vail Resorts	MTN	$ 17.44	0.148		22.00%	$ 2.57	$ 10.11	03/21/00
Ralston Purina	RAL	$ 20.06	DuPont	DD	$ 48.94	0.052		1.42%	$ 2.55	$ 17.52	03/21/00
			Interstate Bakeries	IBC	$ 14.81	0.099		43.18%	$ 1.46	$ 18.60	03/21/00
			Conoco	COC	$ 26.38	0.024		1.18%	$ 0.63	$ 19.43	03/21/00
									$ 4.64	$ 15.42	
Reuters	RTRSY	$ 102.00	Tibco Software	TIBX	$ 73.00	0.485		62.95%	$ 35.39	$ 66.61	05/04/00
RSL	RSLC	$ 12.19	DeltaThree	DDDC	$ 10.56	0.357		73.77%	$ 3.77	$ 8.42	03/21/00
Sabre Group	TSG	$ 29.81	Travelocity	TVLY	$ 20.00	0.260		70.00%	$ 5.19	$ 24.62	05/31/00
Seagate Technology	SEG	$ 64.31	Veritas Software	VRTS	$ 134.69	**0.467**		32.99%	$ 62.90	$ 1.41	03/21/00
			SanDisk	SNDK	$ 67.81	0.046		16.09%	$ 3.14	$ 61.18	03/21/00
			Gadzoox Networks	ZOOX	$ 33.63	0.023		25.45%	$ 0.77	$ 63.54	03/21/00
									$ 66.81	$ (2.49)	
St. Joe	JOE	$ 31.06	Florida East Coast	FLA	$ 45.56	0.225		54.00%	$ 10.26	$ 20.80	03/21/00
ShopKo	SKO	$ 18.81	Provantage Health	PHS	$ 12.19	0.380		64.00%	$ 4.63	$ 14.18	04/05/00
SGI	SGI	$ 8.38	Mips Technology	MIPS	$ 42.00	0.135		67.21%	$ 5.67	$ 2.71	03/21/00
Synovus	SNV	$ 19.69	Total Systems	TSS	$ 19.31	0.580		80.70%	$ 11.21	$ 8.48	03/21/00
Toronto-Dominion	TD	$ 25.50	TD Waterhouse Group	TWE	$ 18.50	0.521		0.00%	$ 9.64	$ 15.86	03/24/00
			Knight-Trimark	NITE	$ 31.88	0.015		8.51%	$ 0.46	$ 25.04	03/24/00
									$ 10.10	$ 15.40	
Telephone & Data Systems	TDS	$ 107.50	U.S. Cellular	USM	$ 65.63	1.155		80.91%	$ 75.83	$ 31.67	01/12/00
			VoiceStream	VSTR	$ 123.13	0.366		14.00%	$ 45.01	$ 62.49	01/12/00
			Vodafone	VOD	$ 48.19	0.044			$ 2.13	$ 105.37	01/12/00
									$ 122.96	$ (15.46)	
Time Warner	TWX	$ 79.94	Time Warner Telecom	TWTC	$ 67.56	0.046		51.00%	$ 3.10	$ 76.84	05/25/99
Titan	TTN	$ 37.50	Cayenta	CYTA	$ 12.00	0.221		60.61%	$ 2.65	$ 34.85	04/04/00
Tribune	TRB	$ 37.38	AOL	AOL	$ 54.63	0.023		0.23%	$ 1.25	$ 36.12	03/10/00
TYCO	TYC	$ 46.56	TYCOM	TCM	$ 28.00	0.270		91.30%	$ 7.56	$ 39.00	05/03/00
UnitedGlobalCom	UCOMA	$ 49.69	United Pan-Europe Comm.	UPCOY	$ 27.13	1.983		53.26%	$ 53.79	$ (4.10)	04/06/00
USA Networks	USAI	$ 19.88	Ticketmaster-Online	TMCS	$ 18.56	0.066		61.00%	$ 1.22	$ 18.66	05/25/99
			Hotel Reservation Networks	ROOM	$ 25.00	0.056		68.00%	$ 1.40	$ 18.47	03/20/00
									$ 2.62	$ 17.26	
Utilicorp	UCU	$ 20.56	Quanta Services	PWR	$ 57.63	0.214		36.00%	$ 12.33	$ 8.23	05/31/00
Viacom	VIA	$ 63.75	Blockbuster	BBI	$ 10.13	0.203		83.24%	$ 2.05	$ 61.70	03/22/00
Western Resources	WR	$ 15.50	Protection One	POI	$ 1.63	1.573		85%	$ 2.56	$ 12.94	04/06/00
			Oneok - Common	OKE	$ 27.88	0.047		11%	$ 1.31	$ 14.19	01/00/00
			Oneok-Preferred	OKE	$ 32.88	0.146		34%	$ 4.79	$ 10.71	04/06/00
									$ 8.66	$ 6.84	
Williams	WMB	$ 42.69	Williams Communications	WCG	$ 38.63	0.899		85.31%	$ 34.71	$ 7.97	03/21/00

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Potential Spin-Off Watch List

Parent	Symbol	Potential Spin-Off	Report Date
Able Telecom	ABTE	Broadband Networks	Mar-00
American Standard	ASD	Medical System Group	Aug-99
Arel Communications	ARLCF	ArelNet	May-00
AT & T	T	Cable Tracker	May-00
Autozone	AZO	Internet Sales Unit	May-00
Best Buy	BBY	E-Commerce Subsidiary	Dec-99
British Telecommunications	BTY	Internet Business	March-00
Bright Station	BSTN	4 units	June-00
Carolina Power & Light	CPL	Interpath Communications	May-00
Delphi Automotive	DPH	High Tech supplier business	April-00
Degussa-Huels		Dental Unit	June-00
Dupont	DD	Life Sciences	April-99
Elcor	ELK	Cybershield	April-00
eToys	ETYS	Babycenter Unit	Sept-99
eToys	ETYS	eToys Europe	May-00
France Telecom	FTE	Wanadoo and Itineris	Mar-00
Hilton Group Plc.	HLTGY	Betting and Gambling Business	Mar-00
INC Pharmaceuticals	ICN	Eastern Europe Operations / Biomedicals	Mar-00
Interpublic Group	IPG	Zentropy	Jan-00
Kingfisher	KJF	Internet Units	April-00
Kmart	KM	Bluelight.com	Mar-00
Litton	LIT	Electronics Division	April-00
Motorola	MOT	Network Management	June-00
Omnicom Group	OMC	Career Mosaic	Jan-00
Reuters	RTRSY	Web Security Financial Network	Mar-00
Reuters	RTRSY	Instinet	Jan-00
Reynolds and Reynolds	REY	Document Services	May-00
SBC Communications	SBC	Wireless Tracking Stock	Jan-00
Tandy	TAN	RadioShack.com	July-99
United Technologies	UTX	Fuel Cell Division	April-00
U.S. Plastics Lumber	USPL	Environmental Services Unit	Jan-00
Westell Technologies	WSTL	Conference Plus	Jan-00
WorkFlow Management	WORK	iGetSmart	June-00

Spin-Off Calendar by Date

Parent	Symbol	Listed Options	Spin-Off	Symbol	Listed Options	Date Announced	Spin-Off Date	Report Date	Tax Exempt	Ratio
Ralston Purina	RAL	Y	Energizer Holdings	ENR		06/10/99	04/01/00	April-00	Y	1:3
US Bancorp	UBAN	N	Three Rivers Bancorp	TRBC		07/12/99	04/01/00	April-00	Y	1:2
Baxter Int.	BAX	Y	Edwards Lifesciences	EW		07/12/99	04/03/00	April-00	Y	1:5
Cabot Corp.	CBT		Cabot Micro-Electonics	CCMP		07/29/99	04/04/00	April-00	Y	CO
Comverse Technology	CMVT	Y	Ulticom	ULCM		01/19/00	04/05/00	April-00		CO
Weatherford	WFT	Y	Grant Prideco Drilling	GRP		07/21/99	04/14/00	April-00	P	1:1
AT&T	T	Y	Wireless Group	AWE		12/06/99	04/27/00	April-00	Y	CO-TR
C-Cube	CUBE	Y	C-Cube Semiconductor	CUBE		10/27/99	05/03/00	May-00	N	1:1
BCE	BCE	Y	Nortel Networks	NT	Y	01/31/00	05/02/00	Feb-00	N	SP
Northern States Power	NSP		NRG Energy	NRG		03/29/00	05/31/00	June-00		CO
SGI	SGI	Y	Mips Technology	MIPS	N	02/26/99	06/20/00	June-00		.135:1
Hewlett-Packard	HWP	Y	Agilent	A	Y	03/02/99	06/02/00	June-00	Y	.37:1
Deluxe Corp.	DLX	Y	eFunds	EFDS		01/31/00	06/26/00	June-00		CO/SP
Ford	F		Visteon	VC		04/14/00	06/28/00	June-00	P	1:8
AutoNation	AN	Y	ANC Rental Corp.	ANCX		08/02/99	06/30/00	June-00	Y	1:8
Methode Electronics	METHA	Y	Stratos Lightwave	STLW		02/23/00		Mar-00		CO/SP
3Com	COMS	Y	Palm	PALM	Y	09/14/99	07/27/00	Feb-00		1.5:1
Chronimed	CHMD		MEDgenesis	MDGN		03/13/00	July-00	April-00		1:3
Eaton	ETN	Y	Axcelis Technologies			02/24/00	July-00	Mar-00		CO
BRE Properties	BRE		VelocityHSI			03/16/00	July-00	June-00	N	1:5
Intelligroup	ITIG		Seranova	SERA		11/04/00		June-00		SP
Titan	TTN	Y	Cayenta			12/29/99		December		CO
Great Lakes Chemical	GLK		OSCA	OSCA		09/20/99		October		CO
TYCO	TYC		Tycom	TCM		03/10/00		April-00		CO
Orckit	ORCT		Tioga Technologies	TIGA		02/10/00		Mar-00		SP
Global Crossing	GBLX		Global Center			04/19/00	July/Aug	May-00	Y	CO/TR
Daisytek	DZTK		PFSweb	PFSW		09/21/99	Summer	Dec-99	P	.8:1
Kansas City Southern Ind.	KSU	Y	Stilwell Financial	SV		02/03/98			Y	2:1
Comdisco	CDO	Y	Ventures			12/22/99		Dec-99	Y	CO-TR
Applied Power	APW	Y	Electronic Business			01/27/00	August-00	Feb-00		SP
Cablevision	CVC	Y	Rainbow Programming			12/22/99	August-00	Jan-00	Y	TR
New York Times	NYT	Y	New York Times Digital			01/28/00		Feb-00	Y	CO/TR
Staples	SPLS	Y	Staples.Com	SDOT		09/15/99		Oct-99	Y	CO-TR
HNC Software	HNCS		Retek	RTEK			3rd qtr-00	Dec-99	P	SP/CO
RPC	RES		Chaparral Boat Unit			01/14/00	3rd qtr-00	Feb-00		SP
Dun & Bradstreet	DNB	Y	Moody’s			12/15/99	3rd qtr-00	Jan-00		SP
National Data	NDC	Y	eHealth & eCommerce			12/21/99	Sept/Oct	Jan-00		SP
JC Penney	JCP	Y	Eckerd Drug Chain			05/18/99	4th qtr-00	June-99	Y	CO-TR
Cabot Corp.	CBT		Cabot Micro-Electonics	CCMP		07/29/99	4th qtr-00	April-00	Y	1:3.7
Avista	AVA	Y	Internet Billing			01/27/00	4th qtr-00	Feb-00		
Symantec	SYMC	Y	Internet Software			06/10/99		July-99		CO
Miller Industries	MLR	Y	RoadOne			05/13/99		June-99	P	SP
Interpool	IPX	N	Microtech and Poolstat			08/09/99				SP
Nordstrom	JWN	N	Internet Unit			08/26/99				CO
St. Joe	JOE	Y	Florida East Coast	FLA		10/27/99		Nov-99		CO
PTEK Holdings	PTEK	Y	E Research Technologies			10/28/99				CO
Computer Horizons	CHRZ	Y	eB Networks – Softech			10/18/99		Dec-99		CO
Modis Professional Services	MPS	Y	Prolianz	PRO		11/09/99		Dec-99		SP/CO
Lason	LSON	Y	E-Commerce			12/20/99		Jan-00		
American Software	AMSWA	Y	Amquest			01/25/00		Feb-00		CO
Copart	CPRT	Y	Internet Business			12/17/99		Jan-00		SP
Good Guys	GGUY		Good Guys.com			01/05/00		Feb-00		CO
Hewlett Packard	HWP	Y	Deep Canyon			01/01/00		Feb-00		
MIM Corp.	MIMS		Internet Pharmacy			01/20/00		Feb-00		CO
Thermo Electron	TMO	Y	Thermo Fibertek	TFT		01/31/00		Feb-00		SP
Wal Mart	WMT	Y	Online Business			01/07/99		Feb-00		CO
Viacom	VIA.B	Y	MTVi			02/11/00		Mar-00		CO

Spin-Off Calendar by Date

Parent	Symbol	Listed Options	Spin-Off	Symbol	Listed Options	Date Announced	Spin-Off Date	Report Date	Tax Exempt	Ratio
Cabletron	CS	Y	4 Unit break up					Mar-00		
PetSmart	PETM	Y	PetSmart.com	PSCM		02/03/00		Mar-00		CO
Ciber	CBR	Y	Enterprise Solutions			03/01/00		Mar-00		SP
Cyber-Care	CYBR		Air Response			02/29/00		Mar-00		SP
DAMARK	DMRK	Y	ClickShip Direct			02/16/00		Mar-00		SP
GETGO.COM	GTGO		GETGO USA			02/29/00		Mar-00		SP
Lucent	LU	Y	Corporate Networking			03/01/00		Mar-00		SP
Aztec	AZTC		PCSI			03/30/00		April-00		CO
Bell Atlantic	BEL		Wireless Options			04/04/00		April-00		CO
Bellsouth	BLS		Latin Wireless			03/29/00		April-00	Y	CO/TR
			Domestic Wireless			04/05/00		April-00		CO
Central Garden	CENT		Lawn and Garden Dist.			03/20/00		April-00		SP
iGate	IGTE		Multiple Divisions			03/07/00		April-00		CO
PSINet	PSIX		Consumer Unit			03/28/00		April-00		CO
Western Resources	WR		Electric Utility			03/29/00		April-00		SP
Apollo Group	APOL		Pheonix Online			03/28/00		May-00	Y	CO/TR
Fisher Scientific	FSH		Alchematrix			03/08/00		May-00		CO
GTE	GTE		Genuity			04/10/00		May-00		CO
Kroll-O'Gara	KROG		Break-Up			04/18/00		May-00		
Southern Company	SO		Southern Energy			04/17/00		May-00		CO
Sybron International	SYB		Dental Group			04/24/00		May-00		SP
UCAR	UCR		Graftech			04/18/00		May-00		CO
Xerox	XRX		Contentguard			04/26/00		May-00		CO
CMGI	CMGI	Y	Altavista	ALTA		12/17/99	Delayed	Jan-00		CO
Consolidated Stores	CNS		Kbkids.com	KBKD		01/27/00	Delayed	Mar-00		
Playboy	PLA		Playboy.com	PBYI		09/28/99	Delayed			CO
Hollywood Ent.	HLYW	Y	Reel.com	REEL		12/02/99	Delayed	Jan-00		CO

Foreign Spin-Off Calendar by Date

Parent	Symbol	Spin-Off	Symbol	Date Announced	Spin-Off Date	Report Date	Tax Exempt	Ratio
Deutsche Telekom	DT	Deutsche Telecom MobileN		01/25/00	Sept-00			CO
Mannesmann AG	MNNSY	Telecommunications		09/23/99	2000	Oct-99		SP
		Atecs			June-00			
Scottish Power	SPI.N	Telecommunications		09/17/99	2000	Oct-99		CO
IDS	IDS	B2B Commerce / Medical		12/14/99	June-00	Mar-00		SP
CommerzBank	CBK_GR	Comdirect	COM	6/10/99	06/02/00	June-00		CO
United Pan-Europe	UPCOY	Chello Broadband	CHLO	03/21/00	June-00	June-00		CO
Prudential	PRU_LN	EGG			June-00	June-00		CO
ROCHE	ROHHY	Givauden	GIVN_	12/06/99	June-00	Jan-00		1:1
National Power	NP	International Business		11/17/99	2000	Dec-99		SP
Thiessen Krupp	THAG	Steel Operation		11/ /99	2000	Dec-99		SP
Novo Nordisk	NVO.N	Enzymes and Health Care		09/09/99	2001	Nov-99		SP
Canal+	CNPLY	Canal NuMedia			2000	Jan-00		
Novartis	NVTSY	Agrochemical Business			2000	April-00		SP
Toys-R-Us	TOYS	Toys-R-Us Japan		03/20/00	2000	April-00		CO
Alcatel	ALA	Cable and Components		04/04/00	2000	May-00		
Modern Times	MTGNY	Metro		04/18/00	2000	May-00		1:1
Reuters	RTRSY	Greenhouse Fund			2000	May-00		CO