

# Intrinsic Value Weekly

Volume 3, No. 9

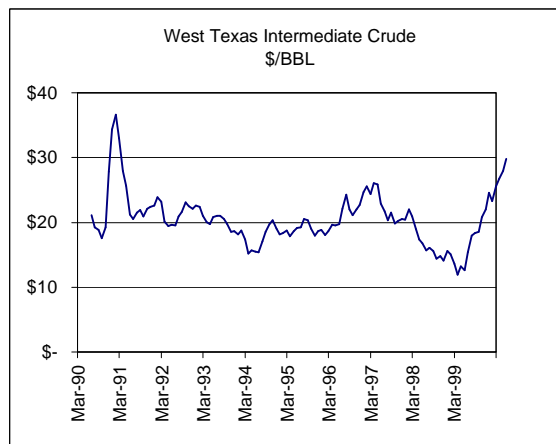
Published Weekly by Intrinsic Value Associates, LLC

February 28, 2000

## "Buy Your Christmas Presents Early"

The cost of capital has risen over the past year, just as the economy has accelerated. But commodity prices in general haven't risen. Of course, oil prices are up after cratering in the winter of 98-99. They haven't changed what has been a flat ten-year trend. As you can see from Table 1, the long run trend of crude oil prices has been remarkably stable. The departures from the \$20 price level have been associated with the Gulf War and the Asian Crisis. Now, prices have bounced back. Barring the imposition of price controls (which would worsen the problem) we expect oil prices to return to the long-run \$20 average some time later this year. To the extent that the inflation concern behind the Fed's current tightening phase is driven by oil prices, we'd expect that concern to evaporate with those lower oil and gas prices. This current bear condition will be seen as a great buying opportunity come Christmas.

Table 1



## Intrinsic Value Portfolio

Companies that create Intrinsic Value

| Symbol     | Name                         | Updated Valuation | Price 2/25/2000  | Intrinsic Value | Over/ (Under) Priced | Q Ratio    | Weekly Price Change |
|------------|------------------------------|-------------------|------------------|-----------------|----------------------|------------|---------------------|
| AC         | Alliance Capital Mgt LP      | 9/24/1999         | \$ 37.313        | \$44.68         | (16.5%)              | 6.7        | (1.6%)              |
| <b>HON</b> | <b>Honeywell Int'l Inc.</b>  | <b>4/29/1999</b>  | <b>\$ 46.563</b> | <b>\$64.60</b>  | <b>(27.9%)</b>       | <b>1.1</b> | <b>5.1%</b>         |
| BGP        | Borders Group, Inc.          | 1/10/2000         | \$ 11.188        | \$33.34         | (66.4%)              | 1.1        | (7.7%)              |
| BGG        | Briggs & Stratton            | 9/20/1999         | \$ 34.438        | \$117.62        | (70.7%)              | 1.7        | (5.2%)              |
| CTL        | CenturyTel, Inc.             | 11/22/1999        | \$ 33.688        | \$45.97         | (26.7%)              | 1.8        | (2.7%)              |
| <b>DAL</b> | <b>Delta Air Lines, Inc.</b> | <b>3/1/1999</b>   | <b>\$ 46.250</b> | <b>\$66.79</b>  | <b>(30.8%)</b>       | <b>0.9</b> | <b>0.1%</b>         |
| G          | Gillette Company             | 6/23/1999         | \$ 34.563        | \$48.52         | (28.8%)              | 4.1        | (8.0%)              |
| LOW        | Lowes Companies              | 9/27/1999         | \$ 41.750        | \$61.77         | (32.4%)              | 1.9        | (4.0%)              |
| MLHR       | Herman Miller, Inc.          | 7/5/1999          | \$ 20.313        | \$46.47         | (56.3%)              | 2.4        | (2.7%)              |
| NYT        | New York Times Co.           | 2/10/2000         | \$ 39.688        | \$49.37         | (19.6%)              | 3.1        | (9.5%)              |
| NUE        | Nucor Corporation            | 3/1/1999          | \$ 48.063        | \$57.99         | (17.1%)              | 1.7        | (1.5%)              |
| PFE        | Pfizer, Inc.                 | 6/23/1999         | \$ 32.375        | \$42.73         | (24.2%)              | 10.5       | (4.8%)              |
| WEN        | Wendy's International        | 3/1/1999          | \$ 15.688        | \$29.86         | (47.5%)              | 1.5        | (5.6%)              |

Average: (37.4%) Average: (3.7%)  
S&P 500 (1.0%)

**Bold - Outperformed the S&P 500 for the week**

## Value Drivers

## Standard Market Statistics

| Symbol     | Capital Turnover | Sales           |                   | EBIT Margin % | Return On Capital | Quarterly Sales Y/Y | Yield       | PE Last 12M | Price/ Book | Price/ Sales | Market Cap (\$billions) |
|------------|------------------|-----------------|-------------------|---------------|-------------------|---------------------|-------------|-------------|-------------|--------------|-------------------------|
|            |                  | Growth Last 12M | Return On Capital |               |                   |                     |             |             |             |              |                         |
| AC         | 1.4              | 41.2%           | 27.7%             | 38.6%         | 67.7%             | 6.7%                | 17.3        | 14.9        | 3.4         | 6.4          |                         |
| <b>HON</b> | 1.2              | <b>0.7%</b>     | <b>13.8%</b>      | <b>0.0%</b>   | <b>(1.0%)</b>     | <b>1.5%</b>         | <b>17.7</b> | <b>5.1</b>  | <b>1.6</b>  | 38.2         |                         |
| BGP        | 0.9              | 13.7%           | 6.4%              | 8.8%          | 17.6%             | 0.0%                | 13.5        | 1.5         | 0.3         | 1.1          |                         |
| BGG        | 2.2              | 14.4%           | 12.0%             | 26.4%         | 17.3%             | 3.5%                | 7.1         | 2.8         | 0.5         | 1.0          |                         |
| CTL        | 0.3              | 6.3%            | 30.4%             | 10.9%         | 2.8%              | 0.5%                | 22.5        | 3.5         | 2.8         | 5.4          |                         |
| <b>DAL</b> | 0.7              | <b>4.5%</b>     | <b>12.7%</b>      | <b>10.4%</b>  | <b>7.7%</b>       | <b>0.2%</b>         | <b>5.0</b>  | <b>1.4</b>  | <b>0.4</b>  | 6.2          |                         |
| G          | 0.9              | (1.6%)          | 23.1%             | 17.1%         | (4.4%)            | 1.7%                | 32.4        | 8.8         | 3.9         | 40.4         |                         |
| LOW        | 2.1              | 21.6%           | 7.4%              | 0.0%          | 30.0%             | 0.3%                | 26.6        | 5.0         | 1.0         | 17.1         |                         |
| MLHR       | 2.0              | (1.3%)          | 12.7%             | 18.4%         | (0.2%)            | 0.7%                | 12.9        | 8.3         | 0.9         | 1.7          |                         |
| NYT        | 1.0              | 6.6%            | 17.5%             | 11.8%         | 12.8%             | 1.1%                | 25.8        | 5.4         | 2.3         | 7.9          |                         |
| NUE        | 1.6              | (3.4%)          | 9.9%              | 12.6%         | 25.0%             | 1.1%                | 17.8        | 2.1         | 1.0         | 4.3          |                         |
| PFE        | 1.0              | 19.6%           | 27.0%             | 20.2%         | 16.6%             | 1.0%                | 42.6        | 15.9        | 7.8         | 140.1        |                         |
| WEN        | 0.8              | 6.4%            | 12.6%             | 9.2%          | 11.8%             | 1.5%                | 13.8        | 2.2         | 0.9         | 2.3          |                         |

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## ECONOMIC SECTOR VALUATION

| <u>SECTORS</u>         | <u>S&amp;P 500</u> | <u>S&amp;P MIDCAP</u> | <u>S&amp;P SMALL CAP</u> |
|------------------------|--------------------|-----------------------|--------------------------|
| BASIC INDUSTRY         | 7.1%               | (34.5%)               | (15.1%)                  |
| CONSUMER CYCLICALS     | (26.3%)            | (35.6%)               | (26.1%)                  |
| CONSUMER STAPLES       | (17.2%)            | (17.6%)               | (15.9%)                  |
| HEALTH                 | (38.0%)            | (4.1%)                | <b>39.7%</b>             |
| ENERGY                 | (10.1%)            | <b>53.5%</b>          | <b>11.0%</b>             |
| FINANCIAL              | (28.0%)            | (43.2%)               | (38.3%)                  |
| CAPITAL GOODS          | <b>6.0%</b>        | 8.4%                  | (1.7%)                   |
| TECHNOLOGY             | <b>36.9%</b>       | <b>52.9%</b>          | <b>106.6%</b>            |
| COMMUNICATIONS         | (10.7%)            | <b>48.4% *</b>        | <b>185.9% *</b>          |
| UTILITY                | (22.6%)            | (28.4%)               | (23.1%)                  |
| TRANSPORTATION         | (39.6%)            | (39.4%)               | (26.5%)                  |
| <b>Weighted Total:</b> | <b>0.5%</b>        | <b>7.6%</b>           | <b>31.4%</b>             |

RED - Overvalued

BLUE - (Undervalued)

Bold - outperformed the relevant index

## WEEKLY PRICE CHANGE

| <u>SECTORS</u>         | <u>S&amp;P 500</u> |               | <u>S&amp;P MIDCAP</u> |             | <u>S&amp;P SMALL CAP</u> |                |
|------------------------|--------------------|---------------|-----------------------|-------------|--------------------------|----------------|
|                        | Weight             | Price         | Weight                | Price       | Weight                   | Price          |
| prices as of 2/25/2000 | % of Total         | % Change      | % of Total            | % Change    | % of Total               | % Change       |
| BASIC INDUSTRY         | 2.5%               | (3.5%)        | 4.1%                  | (0.8%)      | 3.5%                     | (4.0%)         |
| CONSUMER CYCLICALS     | 7.8%               | (3.0%)        | 11.3%                 | (1.6%)      | 14.2%                    | (0.9%)         |
| CONSUMER STAPLES       | 10.5%              | (4.1%)        | 8.1%                  | (0.9%)      | 6.8%                     | 0.0%           |
| HEALTH                 | 9.4%               | (3.5%)        | 10.1%                 | (1.9%)      | <b>14.5%</b>             | <b>5.6%</b>    |
| ENERGY                 | 5.3%               | (5.3%)        | 4.9%                  | (0.7%)      | 2.8%                     | (2.4%)         |
| FINANCIAL              | 11.5%              | (2.0%)        | 9.0%                  | (0.8%)      | 8.7%                     | (1.0%)         |
| CAPITAL GOODS          | <b>7.8%</b>        | <b>(0.9%)</b> | 7.9%                  | (2.6%)      | 12.1%                    | 2.3%           |
| TECHNOLOGY             | <b>34.3%</b>       | <b>3.6%</b>   | <b>33.3%</b>          | <b>7.9%</b> | <b>31.2%</b>             | <b>6.8%</b>    |
| COMMUNICATIONS         | 7.8%               | (4.1%)        | 1.5%                  | 0.7% *      | <b>1.2%</b>              | <b>21.4% *</b> |
| UTILITY                | 2.4%               | (6.3%)        | 8.9%                  | (2.6%)      | 2.8%                     | (3.6%)         |
| TRANSPORTATION         | 0.6%               | (1.6%)        | 0.9%                  | (1.6%)      | 2.3%                     | (2.5%)         |
| <b>Index Total:</b>    |                    | <b>(1.0%)</b> |                       | <b>1.8%</b> |                          | <b>2.3%</b>    |

\* Sector contains only 3 companies

Weekly price changes may not match prior issues due to changes in composition of sectors.

**Sector Comments** The dichotomy between Tech and other stocks will continue as long as this current rise in long-term interest rates persists. Any group in which revenues are growing very fast relative to the overall economy is less interest sensitive when real interest rates are rising along with nominal interest rates. Last week's inflation numbers were consistent with this hypothesis. When real interest rates rise, the implicit growth of the economy is increased as well. For high-growth companies, we react by raising the cost of capital, but also raising sales growth rates and the "terminal sales growth" value drivers. Thus, for high growing companies, the increase in the cost of capital doesn't reduce the intrinsic value of the stock. But, with the Fed piling on with increases in short-term rates, the risk is rising that slower growing companies will be starved of capital and some sectoral problems could arise: in housing, retail, autos, financial services and other credit sensitive areas. Valuations already reflect much of the potential harm, so any capitulation by the Fed later this year could lift these sectors' prices sharply.

The January effect has worked this year and it's still working. Through last Friday, Large Caps had dropped 13.4%, Mid Caps dropped 6.9% and Small Caps rose 8.6%. Valuations of most sectors in each of the three sized markets are now attractive. Page 3 looks at Small Cap Capital Goods this week. Valuation is near fair value now, but several companies appear attractive. Valuations\* on them are available on demand.

| (\$millions) | <u>Large Capitalization</u> |       | <u>Mid-Cap Capitalization</u> |      | <u>Small-Cap Capitalization</u> |
|--------------|-----------------------------|-------|-------------------------------|------|---------------------------------|
| \$           | 11,239,473                  | 89.7% | \$897,695                     | 7.2% | \$ 395,407                      |
|              |                             |       |                               |      | 3.2%                            |

\* for clients.

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Note the low valuation and high growth in Small Cap Capital Goods

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| Company Name                     | Ticker      | Market Value - Equity | Quarterly Sales Growth | Current Price | Free Cash Flow Annuity | NOPAT Margin | PE Ratio    | Price/Book Ratio | Price/Cash Flow | Return on Capital | Dividend Yield |
|----------------------------------|-------------|-----------------------|------------------------|---------------|------------------------|--------------|-------------|------------------|-----------------|-------------------|----------------|
| <b>AAR CORP</b>                  | <b>AIR</b>  | <b>\$625</b>          | <b>8.4%</b>            | <b>23.0</b>   | <b>29.87</b>           | <b>8.1</b>   | <b>11.1</b> | <b>1.5</b>       | <b>10.7</b>     | <b>12.19</b>      | <b>1.5%</b>    |
| ALLIANT TECHSYSTEMS INC          | ATK         | \$527                 | -10.9%                 | 54.5          | 93.49                  | 9.5          | 10.3        | 5.6              | 5.3             | 12.24             | 0.0%           |
| AMCAST INDL CORP                 | AIZ         | \$106                 | 0.0%                   | 11.8          | 15.63                  | 4.7          | 11.4        | 0.7              | 2.1             | 5.47              | 4.7%           |
| AMCOL INTERNATIONAL CORP         | ACO         | \$403                 | 0.7%                   | 15.0          | 30.07                  | 10.6         | 17.0        | 2.2              | 7.7             | 17.14             | 1.9%           |
| APPLIED POWER -CL A              | APW         | \$917                 | 6.1%                   | 23.5          | 31.64                  | 8.9          | 12.5        | 2.6              | 5.9             | 10.73             | 0.3%           |
| APTARGROUP INC                   | ATR         | \$849                 | 21.7%                  | 23.3          | 0.00                   | 0.0          | 13.6        | 1.9              | 7.5             | -                 | 0.9%           |
| <b>ARTESYN TECHNOLOGIES INC</b>  | <b>ATSN</b> | <b>\$721</b>          | <b>12.3%</b>           | <b>19.3</b>   | <b>24.99</b>           | <b>10.9</b>  | <b>14.8</b> | <b>3.6</b>       | <b>16.7</b>     | <b>19.91</b>      | <b>0.0%</b>    |
| ASTEC INDUSTRIES INC             | ASTE        | \$499                 | 39.9%                  | 26.1          | 15.34                  | 6.8          | 14.3        | 3.4              | 15.2            | 12.57             | 0.0%           |
| <b>AVIATION SALES CO</b>         | <b>AVS</b>  | <b>\$105</b>          | <b>32.7%</b>           | <b>7.0</b>    | <b>31.42</b>           | <b>8.3</b>   | <b>3.4</b>  | <b>0.7</b>       | <b>2.4</b>      | <b>9.58</b>       | <b>0.0%</b>    |
| BALDOR ELECTRIC                  | BEZ         | \$561                 | 2.2%                   | 15.6          | 16.57                  | 8.1          | 14.3        | 2.4              | 8.8             | 12.38             | 3.1%           |
| BARNES GROUP INC                 | B           | \$258                 | -3.3%                  | 13.6          | 32.12                  | 8.4          | 9.9         | 1.5              | 4.3             | 11.62             | 5.6%           |
| BE AEROSPACE INC                 | BEAV        | \$224                 | -15.9%                 | 9.0           | 28.89                  | 13.4         | (2.7)       | 1.9              | (5.2)           | 11.62             | 0.0%           |
| <b>BELDEN INC</b>                | <b>BWC</b>  | <b>\$537</b>          | <b>63.3%</b>           | <b>22.1</b>   | <b>36.49</b>           | <b>9.8</b>   | <b>12.8</b> | <b>2.4</b>       | <b>9.6</b>      | <b>14.15</b>      | <b>0.9%</b>    |
| BENCHMARK ELECTRONICS IN         | BHE         | \$504                 | 135.7%                 | 31.1          | 23.46                  | 4.2          | 26.8        | 2.1              | 10.9            | 11.55             | 0.0%           |
| <b>BLACK BOX CORP</b>            | <b>BBOX</b> | <b>\$1,291</b>        | <b>49.9%</b>           | <b>71.7</b>   | <b>39.38</b>           | <b>14.9</b>  | <b>22.7</b> | <b>5.6</b>       | <b>28.4</b>     | <b>41.31</b>      | <b>0.0%</b>    |
| BMC INDUSTRIES INC/MN            | BMC         | \$149                 | 7.4%                   | 5.4           | 7.42                   | 7.1          | 16.4        | 1.0              | (15.4)          | 6.17              | 1.1%           |
| <b>BRADY CORP</b>                | <b>BRC</b>  | <b>\$561</b>          | <b>15.1%</b>           | <b>24.8</b>   | <b>27.10</b>           | <b>9.7</b>   | <b>15.0</b> | <b>2.5</b>       | <b>10.2</b>     | <b>13.11</b>      | <b>2.7%</b>    |
| BRUSH WELLMAN INC                | BW          | \$260                 | 24.5%                  | 15.9          | (1.08)                 | 3.9          | 40.0        | 1.2              | 14.9            | 3.04              | 3.0%           |
| BUTLER MFG CO                    | BBR         | \$176                 | -2.7%                  | 25.1          | 28.10                  | 2.4          | 6.1         | 1.1              | 9.2             | 7.56              | 2.6%           |
| C&D TECHNOLOGIES INC             | CHP         | \$576                 | 55.4%                  | 44.6          | 22.62                  | 7.1          | 19.7        | 4.1              | 16.3            | 12.39             | 0.2%           |
| C-COR.NET CORP                   | CCBL        | \$1,260               | 57.4%                  | 39.5          | 10.07                  | 8.5          | 39.2        | 6.4              | 39.4            | 15.00             | 0.0%           |
| CHECKPOINT SYSTEMS INC           | CKP         | \$347                 | -3.5%                  | 11.5          | 4.31                   | 7.0          | 18.7        | 1.3              | 8.0             | 4.79              | 0.0%           |
| CLARCOR INC                      | CLC         | \$426                 | 39.8%                  | 17.8          | 0.00                   | 0.0          | 11.7        | 2.2              | 8.4             | -                 | 2.6%           |
| COGNEX CORP                      | CGNX        | \$1,858               | 92.6%                  | 44.9          | 8.37                   | 18.0         | 59.1        | 7.3              | 65.9            | 9.48              | 0.0%           |
| COHU INC                         | COHU        | \$1,094               | 192.2%                 | 55.2          | 13.37                  | 9.9          | 31.5        | 5.9              | 74.7            | 12.71             | 0.3%           |
| CTS CORP                         | CTS         | \$1,830               | 112.9%                 | 66.4          | 25.56                  | 13.7         | 37.5        | 15.4             | 34.0            | 20.30             | 0.2%           |
| DIONEX CORP                      | DNEX        | \$695                 | 8.0%                   | 31.3          | 26.69                  | 22.9         | 18.2        | 6.7              | 21.7            | 42.62             | 0.0%           |
| DYCOM INDUSTRIES INC             | DY          | \$1,674               | 48.1%                  | 43.4          | 18.55                  | 10.6         | 25.0        | 3.8              | 29.5            | 18.71             | 0.0%           |
| ELECTRO SCIENTIFIC INDS INC      | ESIO        | \$1,454               | 36.5%                  | 55.0          | 8.91                   | 7.3          | 67.3        | 5.2              | 100.4           | 7.77              | 0.0%           |
| ESTERLINE TECHNOLOGIES           | ESL         | \$191                 | -7.0%                  | 11.0          | 18.94                  | 7.2          | 6.5         | 0.9              | 3.8             | 8.60              | 0.0%           |
| FLOW INTL CORP                   | FLOW        | \$180                 | 51.4%                  | 12.3          | 4.99                   | 9.5          | 28.0        | 2.4              | 15.5            | 8.35              | 0.0%           |
| FOSTER WHEELER CORP              | FWC         | \$239                 | -23.0%                 | 5.9           | (4.60)                 | 2.4          | (2.1)       | 0.5              | 11.4            | 4.39              | 4.1%           |
| <b>GARDNER DENVER INC</b>        | <b>GDI</b>  | <b>\$274</b>          | <b>-4.2%</b>           | <b>18.3</b>   | <b>56.43</b>           | <b>16.2</b>  | <b>14.7</b> | <b>1.8</b>       | <b>5.4</b>      | <b>24.53</b>      | <b>0.0%</b>    |
| GENCORP INC                      | GY          | \$299                 | -46.7%                 | 7.1           | 0.00                   | 0.0          | 7.3         | 1.0              | 3.3             | -                 | 0.4%           |
| GRACO INC                        | GGG         | \$605                 | 8.9%                   | 29.6          | 31.97                  | 12.4         | 10.5        | 66.4             | 9.8             | 20.27             | 1.9%           |
| GRIFFON CORP                     | GFF         | \$248                 | 8.6%                   | 8.2           | 0.65                   | 4.0          | 9.7         | 0.9              | 5.7             | 4.69              | 0.0%           |
| HADCO CORP                       | HDC         | \$768                 | 3.7%                   | 56.4          | 28.21                  | 5.2          | 24.5        | 2.5              | 7.7             | 8.25              | 0.0%           |
| <b>HARMAN INTERNATIONAL INDS</b> | <b>HAR</b>  | <b>\$1,037</b>        | <b>16.3%</b>           | <b>60.4</b>   | <b>62.09</b>           | <b>7.9</b>   | <b>16.8</b> | <b>2.2</b>       | <b>13.7</b>     | <b>9.30</b>       | <b>0.3%</b>    |
| HARMON INDUSTRIES INC            | HRMN        | \$158                 | 22.7%                  | 13.9          | 15.72                  | 5.4          | 164.1       | 1.6              | 7.2             | 10.86             | 0.9%           |
| IDEX CORP                        | IEX         | \$683                 | 9.9%                   | 23.1          | 26.16                  | 11.8         | 14.6        | 2.4              | 7.7             | 10.94             | 2.4%           |
| INSITUFORM TECNOL INC -CL        | INSUA       | \$692                 | 11.4%                  | 27.4          | 7.77                   | 7.8          | 25.4        | 4.9              | 19.5            | 7.92              | 0.0%           |
| INSTEEL INDUSTRIES               | III         | \$65                  | -5.9%                  | 7.7           | 18.13                  | 5.1          | 7.0         | 0.8              | 3.4             | 11.05             | 3.1%           |
| INTERMAGNETICS GENERAL C         | IMG         | \$249                 | 9.7%                   | 20.1          | 2.28                   | 3.9          | (32.1)      | 1.9              | (178.0)         | 3.77              | 0.0%           |
| IONICS INC                       | ION         | \$451                 | -3.5%                  | 27.9          | 21.08                  | 7.3          | 24.7        | 1.4              | 9.2             | 6.37              | 0.0%           |
| ITRON INC                        | ITRI        | \$80                  | -32.8%                 | 5.4           | (7.97)                 | (0.2)        | (1.6)       | 0.9              | 5.8             | (0.20)            | 0.0%           |
| <b>JLG INDUSTRIES INC</b>        | <b>JLG</b>  | <b>\$377</b>          | <b>49.6%</b>           | <b>8.5</b>    | <b>26.78</b>           | <b>12.6</b>  | <b>5.7</b>  | <b>1.4</b>       | <b>4.7</b>      | <b>25.19</b>      | <b>0.5%</b>    |

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@AF - Annual Figure

@NA - Not available

@CF - Combined Figure

@SF - SemiAnnual Figure

**Bold Blue - Favorable Drivers**

Source: Standard & Poors Corporation Compustat Research Insight®, Intrinsic Value Associates, LLC

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**Note the low valuation and high growth in Small Cap Capital Goods**

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| Company Name                    | Ticker      | Market Value - Equity | Quarterly Sales Growth | Current Price | Free Cash Flow Annuity | NOPAT Margin | PE Ratio    | Price/Book Ratio | Price/Cash Flow | Return on Capital | Dividend Yield |
|---------------------------------|-------------|-----------------------|------------------------|---------------|------------------------|--------------|-------------|------------------|-----------------|-------------------|----------------|
| KAMAN CORP -CL A                | KAMNA       | \$233                 | -9.2%                  | 10.0          | 32.01                  | 5.3          | 9.0         | 0.7              | 5.8             | 14.27             | 4.4%           |
| KEMET CORP                      | KEM         | \$2,344               | 51.6%                  | 58.6          | (0.79)                 | 3.8          | 54.7        | 6.0              | 43.4            | 3.07              | 0.0%           |
| <b>LAWSON PRODUCTS</b>          | <b>LAWS</b> | <b>\$238</b>          | <b>9.2%</b>            | <b>23.0</b>   | <b>47.29</b>           | <b>11.7</b>  | <b>11.4</b> | <b>1.7</b>       | <b>9.8</b>      | <b>20.67</b>      | <b>2.6%</b>    |
| <b>LINDSAY MANUFACTURING CC</b> | <b>LNN</b>  | <b>\$205</b>          | <b>13.2%</b>           | <b>16.5</b>   | <b>22.29</b>           | <b>15.4</b>  | <b>15.9</b> | <b>2.5</b>       | <b>13.3</b>     | <b>19.86</b>      | <b>0.8%</b>    |
| LYDALL INC                      | LDL         | \$106                 | 36.0%                  | 6.8           | 3.34                   | 4.2          | 25.9        | 1.1              | 7.0             | 4.41              | 0.0%           |
| <b>MANITOWOC CO</b>             | <b>MTW</b>  | <b>\$687</b>          | <b>7.9%</b>            | <b>26.4</b>   | <b>66.46</b>           | <b>14.8</b>  | <b>10.6</b> | <b>4.1</b>       | <b>10.4</b>     | <b>29.72</b>      | <b>1.1%</b>    |
| MORRISON KNUDSEN                | MK          | \$330                 | 22.2%                  | 6.3           | 0.00                   | 0.0          | 8.0         | 1.1              | 3.9             | -                 | 0.0%           |
| <b>MUELLER INDUSTRIES</b>       | <b>MLI</b>  | <b>\$986</b>          | <b>13.5%</b>           | <b>28.2</b>   | <b>60.08</b>           | <b>12.7</b>  | <b>11.8</b> | <b>2.3</b>       | <b>7.2</b>      | <b>30.84</b>      | <b>0.0%</b>    |
| <b>MYERS INDUSTRIES INC</b>     | <b>MYE</b>  | <b>\$269</b>          | <b>50.7%</b>           | <b>13.4</b>   | <b>19.53</b>           | <b>8.0</b>   | <b>8.5</b>  | <b>1.3</b>       | <b>5.9</b>      | <b>12.17</b>      | <b>1.8%</b>    |
| NASHUA CORP                     | NSH         | \$46                  | 2.7%                   | 7.8           | 0.00                   | 0.0          | (117.9)     | 0.7              | (126.7)         | -                 | 0.0%           |
| NEW ENGLAND BUSINESS SVC        | NEB         | \$265                 | 8.0%                   | 19.1          | 22.50                  | 7.5          | 10.0        | 2.3              | 6.9             | 10.01             | 4.2%           |
| ORBITAL SCIENCES CORP           | ORB         | \$563                 | 32.6%                  | 15.1          | (20.92)                | (0.5)        | (7.1)       | 1.3              | 18.5            | (0.35)            | 0.0%           |
| PARK ELECTROCHEMICAL CO         | PKE         | \$238                 | 4.7%                   | 22.8          | 8.06                   | 4.2          | 8.6         | 1.2              | 7.9             | 4.98              | 1.4%           |
| PAXAR CORP                      | PXR         | \$432                 | 14.5%                  | 9.3           | 18.80                  | 10.4         | 12.0        | 1.4              | 6.7             | 12.14             | 0.0%           |
| PLEXUS CORP                     | PLXS        | \$1,020               | 22.0%                  | 57.8          | 26.98                  | 6.3          | 35.8        | 5.6              | 33.5            | 5.78              | 0.0%           |
| <b>REGAL BELOIT</b>             | <b>RBC</b>  | <b>\$354</b>          | <b>7.2%</b>            | <b>16.9</b>   | <b>49.59</b>           | <b>14.7</b>  | <b>10.9</b> | <b>1.9</b>       | <b>5.4</b>      | <b>18.78</b>      | <b>2.8%</b>    |
| RELIANCE STEEL & ALUMINUM       | RS          | \$537                 | 6.0%                   | 19.3          | 0.00                   | 0.0          | 10.0        | 1.7              | 6.5             | -                 | 1.0%           |
| ROBBINS & MYERS INC             | RBN         | \$216                 | -4.9%                  | 19.8          | 12.58                  | 6.8          | 21.7        | 1.5              | 7.5             | 5.84              | 1.1%           |
| <b>ROPER INDUSTRIES INC/DE</b>  | <b>ROP</b>  | <b>\$874</b>          | <b>22.9%</b>           | <b>28.9</b>   | <b>35.94</b>           | <b>19.2</b>  | <b>21.5</b> | <b>4.4</b>       | <b>13.8</b>     | <b>22.20</b>      | <b>1.0%</b>    |
| RTI INTL METALS INC             | RTI         | \$130                 | -7.9%                  | 6.3           | 39.42                  | 16.5         | 67.0        | 0.5              | 1.8             | 16.38             | 0.0%           |
| <b>SCOTT TECHNOLOGIES INC</b>   | <b>SCTT</b> | <b>\$336</b>          | <b>26.0%</b>           | <b>18.8</b>   | <b>28.43</b>           | <b>20.4</b>  | <b>16.0</b> | <b>5.6</b>       | <b>24.2</b>     | <b>11.64</b>      | <b>0.0%</b>    |
| SLI INC                         | SLI         | \$429                 | 9.5%                   | 12.0          | 17.05                  | 7.8          | 9.9         | 1.6              | 6.9             | 9.77              | 0.0%           |
| <b>SMITH (A O) CORP</b>         | <b>AOS</b>  | <b>\$412</b>          | <b>48.2%</b>           | <b>17.6</b>   | <b>44.79</b>           | <b>9.4</b>   | <b>9.1</b>  | <b>1.1</b>       | <b>5.4</b>      | <b>12.33</b>      | <b>2.7%</b>    |
| SPARTAN MOTORS INC              | SPAR        | \$50                  | 1.0%                   | 4.0           | 5.21                   | 2.8          | (36.9)      | 1.1              | 8.3             | 9.25              | 0.0%           |
| SPECIALTY EQUIPMENT COS II      | SEC         | \$312                 | -2.9%                  | 16.3          | 46.57                  | 12.9         | 7.4         | 4,468.7          | 5.9             | 259.75            | 0.0%           |
| SPS TECHNOLOGIES INC            | ST          | \$400                 | 10.0%                  | 31.6          | 53.58                  | 8.6          | 8.3         | 1.6              | 5.4             | 12.23             | 0.0%           |
| STANDEX INTERNATIONAL CO        | SXI         | \$206                 | -4.7%                  | 16.1          | 33.20                  | 6.7          | 6.9         | 1.3              | 4.7             | 10.97             | 5.0%           |
| STONE & WEBSTER INC             | SW          | \$202                 | 19.6%                  | 14.3          | (128.36)               | (9.6)        | (1.6)       | 0.7              | (7.2)           | (22.05)           | 0.0%           |
| <b>TECHNITROL INC</b>           | <b>TNL</b>  | <b>\$757</b>          | <b>17.4%</b>           | <b>46.6</b>   | <b>34.58</b>           | <b>10.5</b>  | <b>15.3</b> | <b>3.9</b>       | <b>15.2</b>     | <b>16.81</b>      | <b>0.6%</b>    |
| TELEDYNE TECHNOLOGIES INTL      | TDY         | @NA                   | @SF                    | 8.8           | @NA                    | 10.4         | 5.2         | @NA              | @NA             | -                 | 0.0%           |
| TETRA TECHNOLOGIES INC/DE       | TTI         | \$119                 | -1.3%                  | 8.9           | 8.24                   | 7.7          | 6.9         | 0.8              | 4.8             | 6.48              | 0.0%           |
| THOMAS INDUSTRIES INC           | TII         | \$290                 | 8.2%                   | 18.4          | 17.08                  | 12.6         | 11.2        | 1.5              | 9.1             | 7.75              | 1.6%           |
| THREE-FIVE SYSTEMS INC          | TFS         | \$718                 | 70.7%                  | 59.5          | 6.14                   | 4.6          | 57.4        | 7.0              | 76.3            | 7.36              | 0.0%           |
| TITAN INTERNATIONAL INC         | TWI         | \$145                 | -6.0%                  | 7.0           | (1.36)                 | 3.2          | (13.5)      | 0.6              | 3.4             | 3.82              | 0.9%           |
| <b>TREDEGAR INDUSTRIES INC</b>  | <b>TG</b>   | <b>\$915</b>          | <b>23.4%</b>           | <b>24.6</b>   | <b>33.19</b>           | <b>12.1</b>  | <b>13.8</b> | <b>2.3</b>       | <b>10.4</b>     | <b>20.00</b>      | <b>0.7%</b>    |
| <b>UNITED STATIONERS INC</b>    | <b>USTR</b> | <b>\$892</b>          | <b>11.4%</b>           | <b>26.3</b>   | <b>43.59</b>           | <b>4.8</b>   | <b>11.0</b> | <b>2.6</b>       | <b>10.7</b>     | <b>14.25</b>      | <b>0.0%</b>    |
| URS CORP                        | URS         | \$197                 | 162.0%                 | 12.4          | 5.87                   | 7.1          | 8.1         | 1.3              | 2.8             | 8.83              | 0.0%           |
| VALENCE TECHNOLOGY INC          | VLNC        | \$1,117               | @NC                    | 32.4          | (17.32)                | @NC          | (23.8)      | 1,107.1          | (37.6)          | (99.05)           | 0.0%           |
| <b>VALMONT INDUSTRIES</b>       | <b>VALM</b> | <b>\$355</b>          | <b>4.6%</b>            | <b>15.1</b>   | <b>28.16</b>           | <b>8.3</b>   | <b>17.8</b> | <b>2.7</b>       | <b>7.9</b>      | <b>13.54</b>      | <b>1.7%</b>    |
| VICOR CORP                      | VICR        | \$952                 | 33.0%                  | 23.1          | 9.16                   | 13.2         | 88.6        | 8.1              | 35.1            | 10.87             | 0.0%           |
| WABASH NATIONAL CORP            | WNC         | \$311                 | 9.6%                   | 13.6          | 11.48                  | 2.8          | 8.3         | 1.0              | 7.5             | 6.00              | 1.2%           |
| WATSCO INC                      | WSO         | \$252                 | 17.0%                  | 8.8           | 8.23                   | 4.4          | 11.3        | 1.2              | 7.2             | 6.30              | 1.1%           |
| WATTS INDUSTRIES -CL A          | WTS         | \$367                 | 12.7%                  | 13.9          | 25.08                  | 11.1         | 13.3        | 1.0              | 7.8             | 9.95              | 2.5%           |
| WOLVERINE TUBE INC              | WLV         | \$158                 | 11.4%                  | 12.4          | 43.34                  | 8.8          | 120.5       | 0.7              | 4.2             | 12.55             | 0.0%           |

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