

## COMPANIES

### ON THE MOVE

Issue of 15 March 2001

## CONSUMER-PRODUCTS

### MANUFACTURERS

**Abbott Laboratories**, a North Chicago, Il. medical-products maker, has completed its acquisition of Knoll Pharmaceuticals from German-based BASF AG. The \$6.9 billion acquisition expands Abbott's biotechnology operations and will increase its pharmaceuticals business in Japan and Europe. BASF's Knoll facility in Worcester, Ma., renamed the Abbott Bioresearch Center, focuses on developing monoclonal antibodies, which target disease cells in the body.

**Alpharma Inc.**, a Fort Lee, N.J. developer and marketer of pharmaceutical products, reported its fourth quarter net jumped 78%--to \$21.4 million. Its sales for the period increased 20%--to \$257 million. For the year, despite acquisition-related charges of \$4 million, the firm's net income jumped 65%--to \$61.1 million, while its revenue increased 26%--to \$920 million.

**Baxter International Inc.**, the Deerfield, Il. healthcare and biotechnology company, said that it will invest \$170 million to build a new vaccine-production plant. The planned facility, to be built in an as-yet undetermined location overseas, will be about 65,000 square feet, employ 250 workers and start up production in 2005. Baxter has been expanding its biotechnology segment in order to profit from the growing market in that sector, which is expected to increase 13% annually over the next decade. Now Baxter's fastest-growing unit, the biosciences group saw sales jump 15% last year--to \$690 million.

**Briggs & Stratton Corp.** of Milwaukee, Wi. has agreed to acquire Generac Portable Products Inc., a closely-held Jefferson, Wi. maker of generators and pressure washers for the consumer market, in a transaction valued at \$55 million. Briggs will also assume \$215 million of Generac's debt. Last year Briggs & Stratton, a manufacturer of engines, had sales of \$1.6 billion. Generac anticipates sales this year of \$250 million.

**Brunswick Corp.**, a Lake Forest, Il. manufacturer of boats and marine engines, expanded its operations by acquiring Princecraft Boats, a Princeville, Quebec unit of bankrupt Outboard Marine Corp. of Waukegan, Il., for an undisclosed amount.

**Columbia Sportswear Co.**, a Portland, Or.-based designer and maker of activewear, announced plans to buy property in Cambrai, France, where it will build a 269,000-square-foot distribution facility. The development calls for an investment of \$30 million.

**Combe Inc.** of White Plains, N.Y. expanded its product line by acquiring the oral-care products business of Brimms Inc. of Buffalo, N.Y. for an undisclosed amount. The products being

acquired by Combe include Brimms's Denturite, Plasti-Liner, Quik-Fix and Ban-a-Stain cleansers, cushions and repair kits. Combe's own products include the Sea Bond denture adhesive, Scalpicin shampoo, Grecian Formula hair coloring and Odor Eaters.

**GEAR for Sports**, a privately-held Lenexa, Ks. maker of logoed sportswear, is hoping to boost its business by acquiring the college-bookstore operations of Champion USA. The move is part of GEAR's plan to add another \$100 million to its revenue over the next five years, bringing it to about \$300 million. GEAR places location names and logos onto sportswear via either embroidery or silk-screening. Champion is a unit of Sara Lee Corp. of Chicago, Il.

**H.J. Heinz Co.**, the Pittsburgh, Pa. maker of ketchup and other foods, expanded overseas by acquiring two food companies in Costa Rica, Productos Columbia and Distribuidora Banquete, for undisclosed amounts. The acquisition of the firms gives Heinz 16% of the ketchup market in Central America. Separately, Heinz is trying to buy the Vlasic pickles and Open Pit barbecue-sauce lines from bankrupt Vlasic Foods International Inc. of Cherry Hill, N.J. for \$195 million. The acquisition is subject to an auction being held in the U.S. Bankruptcy Court.

**Jackson Products Inc.**, a Chesterfield, Mo. maker of personal-safety products such as helmets and goggles, sold 50% of its common stock to Summit Capital Group, a Houston, Tx. private-equity company, in exchange for \$41.5 million. The money will help fund Jackson Products' plans to expand internally as well as acquire other companies. In fiscal 2000, Jackson Products, which recently expanded into the Canadian and South American markets, reported revenue of \$221 million.

**Kraft Foods Inc.**, Northfield, Il., expanded overseas by purchasing Société des Cafés Enasr, a privately-held coffee company in Morocco, for an undisclosed amount. The acquisition gives Kraft access to the expanding beverage market in North Africa.

**Logitech International**, a designer, manufacturer and marketer of computer peripheral products, is complementing its product line through its recent acquisition of Labtec Inc., a Vancouver, Wa. computer-peripherals maker, in a deal that values Labtec at about \$125 million. The merger joins two companies with little overlap in their products. Logitech, with headquarters in Fremont, Ca. and Romanel, Switzerland, makes wired and wireless peripherals such as mice and keyboards. Labtec makes audio and voice-technology products. The acquisition will add about \$100 million in revenue to Logitech's annual sales of \$740 million.

**McKesson HBOC Inc.**, of San Francisco, Ca. signed a big contract to become the main supplier for **CareMark Rx Inc.**'s pharmacies and warehouses. The deal to supply CareMark, a Birmingham, Al. prescription-benefits manager, could be worth as much as \$600 million for McKesson.

**Palm Inc.**, the Santa Clara, Ca. manufacturer of handheld computer products, has entered into an agreement to purchase **Extended Systems Inc.** of Boise, Id. in a transaction valued at \$264 million. The acquisition of Extended Systems will expand Palm's reach into the market for corporate equipment. Extended Systems, with 380 employees, specializes in synchronizing

technology that connects servers, personal computers and other devices. The purchase will strengthen Palm's overall presence in the market for mobile-communications products.

**Pharmacia Corp.**, the Kalamazoo, Mi. drug company, has now completed its acquisition of Sensus Drug Development Corp., a maker of drugs used to treat glandular conditions, for an undisclosed amount.

**Phillips-Van Heusen Corp.**, a Manhattan, N.Y. maker of shirts, neckwear and other apparel and accessories, reported its fourth quarter net soared 254%--to \$6.6 million. Its sales for the period increased 26%--to \$374 million. For the year, its net nearly doubled--to \$30.1 million--on a 15% increase in sales--to \$1.5 billion.

**Serono SA**, a Geneva, Switzerland biotechnology company, reported its fiscal 2000 profits soared 61%--to \$201 million. Its sales grew 10%--to \$1.2 billion. The company also predicted that its total group sales will grow between 15% and 20% this year. Serono, the biggest biotechnology company in Europe, is the maker of the Rebif multiple-sclerosis drug as well as hormone treatments for infertility and Aids. Serono, sitting on \$1.1 billion in cash, plans on making acquisitions to diversify its product line.

**Sharp Electronics**, a Japanese maker of consumer electronics, says that it will market Linux-based handheld organizers in what could be a bold move to take on Microsoft-based Palm Pilots. Sharp will be the first major manufacturer of handheld organizers to go with a device based on the Linux operating systems, which is considered a possible competitor to Microsoft's systems.

**Sun Microsystems Inc.**, a Palo Alto, Ca.-based maker of computers, announced plans to purchase InfraSearch Inc. of Burlingame, Ca. for an undisclosed amount. Sun Microsystems is buying InfraSearch, a closely-held developer of searching technology, in order to help it provide new searching and storing capabilities on its computers.

**Vanguard Sailboats**, a Portsmouth, R.I. boat maker, has acquired Seitech Marine Products, also of Portsmouth, for an undisclosed amount. The acquisition of Seitech, which makes boat-storage racks, will add about \$1 million in annual revenue to Vanguard's annual sales of \$10 million.

**Yanoor Corp.**, a Toronto, Ontario carpet company, has acquired a rug-manufacturing facility in Monticello, Ar. from Burlington Industries Inc. of Greensboro, N.C. for an undisclosed amount.

## **RETAILERS,**

## **WHOLESALEERS**

## **and RESTAURANTS**

**Accu-Tech Corp.**, a Roswell, Ga. company that distributes voice and data products, is more than tripling the size of its operations in Charlotte, N.C. by moving into a 40,000-square-foot location. Accu-Tech is making the move to better handle growing demand for its products. The firm distributes cable, fibers, jacks and other computer equipment.

**Allied Domecq Quick Service Restaurants** of Randolph, Ma. has identified the Twin Cities market as a target for expansion. Allied, which franchises the Dunkin' Donuts, Baskin-Robbins and Togo's sandwich eateries, is now scouting around the Minneapolis-St. Paul, Mn. area for developers with experience in franchising. Allied overall plans are to add 1,400 units across the U.S. Allied's parent company, Allied Domecq of the United Kingdom, had sales \$5.6 billion in its last fiscal year.

**BJ's Wholesale Club Inc.**, a Natick, Ma.-based discount retailer of food and other merchandise, reported its fourth quarter net increased 15%--to \$54.8 million. Its sales for the period increased 18%--to \$1.5 billion. For the year, the firm's net increased 18%--to \$132 million, while its revenue increased 17%--to \$4.8 billion.

Sometimes your customers can give you the best advice. When **Caffé Luca** started out as a retail outlet in Lake Oswego, Or. seven years ago, entrepreneur John Dema found that customers wanted to buy larger quantities of his delicious coffees to take home, and they suggested that he should sell his coffees to larger institutions. Eventually, Mr. Dema closed down his retail business and focused on becoming an upscale wholesaler of coffees. Now based in nearby Tukwila, Caffé Luca has been growing at between 20% and 30% a year and will probably exceed sales of \$1 million this year. For a free copy of an article about a successful coffee-wholesaling venture call 800-407-9044.

**Chico's FAS Inc.**, a Fort Myers, Fl.-based women's-apparel retailer, is starting to become better known as its sales growth picks up speed and outpaces that of other clothing retailers. For example, with retailers reporting anemic sales increases in recent months, Chico's saw its same-store sales in February skyrocket 28% from the year-earlier period. This follows a 45% jump in January and a 34% increase in December. The company's strategic genius has been in targeting women *d'un certain age*, which is French for babyboomer women of a certain girth. While the prices are moderate, the company offers private-label styles that are colorful and loose, just the thing to camouflage those 50-year-old waistlines. The company is well ahead of the curve, as it were, with few women's apparel retailers targeting the same market very aggressively. Results speak for themselves, with profits last year jumping 83%--to \$28.4 million. Now with 250 stores and annual sales of \$259 million, Chico's plans on adding fifty-five new locations this year.

**Franchise Foodservice Inc.** won a contract to supply dry goods, food and other products to Wisconsin Hospitality Group's eighty-seven Pizza Hut restaurants in Wisconsin. Franchise Foodservice, an Oak Creek, Wi. foodservice provider, recently opened an 80,000-square-foot storage and distribution complex in Columbus, Oh.

**Gart Sports Co.**, a Denver, Co.-based chain of sporting-goods stores, reported its fourth quarter net tripled--to \$11.7 million. Its sales increased 15%--to \$232 million.

**Jos. A. Bank Clothiers Inc.**, a Hampstead, Md.-based menswear retailer, reported its fourth quarter net increased 51%--to \$2.9 million. Its sales for the period increased 15%--to \$71 million. For the year, the firm's net soared 268%--to more than \$5 million--on a 17% increase in sales--to \$206 million.

**Lands' End Inc.**, a Dodgeville, Wi. catalog apparel retailer, reported its fourth quarter net increased 12%--to \$31.8 million. Its sales for the period increased 12%--to \$539 million.

**Lithia Motors Inc.**, a Medford, Or. seller of motor vehicles, reported its fiscal 2000 profit jumped 27%--to \$24 million. Its revenue for the year jumped 34%--to \$1.7 billion.

**Marathon Ashland Petroleum**, a unit of USX Corp. of Pittsburgh, Pa., has been expanding its gas-station operations in the Florida market. The company, now with 130 locations in Florida, has been buying up the competition in Florida as part of a nationwide expansion strategy. Marathon now has 3,700 retail outlets, most of which are franchised to independent owners.

**May Department Stores Inc.**, St. Louis, Mo., agreed to buy thirteen locations from bankrupt Montgomery Ward Co. for an undisclosed amount. May, which operates the Lord & Taylor, Hecht's, Strawbridge's and other chains, will also open twenty-one new department stores this year as well as twenty-eight of its David's Bridal stores. In its most recent quarter, May reported sales of \$937 million, up 3% from the year-earlier period.

**MCSi Inc.**, a Dayton, Oh. company that distributes printers and office-automation equipment, is expanding, signing a five-year lease for 192,000 square feet of space in Memphis, Tx. The Memphis facility, which will employ 100 workers, is prompted by increased demand for MCSi's distribution operations.

**Men's Wearhouse Inc.**, a Houston, Tx. retailer of men's apparel, reported its fourth quarter net jumped 26%--to \$38.3 million. Its sales for the period increased 12%--to \$447 million.

**Michaels Stores Inc.**, an Irving, Tx. retailer of arts and crafts, reported its fourth quarter net increased 8%--to \$50.1 million. Its sales for the period increased 21%--to \$815 million. For the year, despite a \$1.9 million accounting adjustment, the firm's net increased 26%--to \$78.6 million. Its sales for the year increased 16%--to \$2.2 billion.

**Pacific Sunwear of California Inc.**, an Anaheim, Ca. casual-apparel retailer, reported its fourth quarter net increased 20%--to \$14 million. Its sales for the period soared 35%--to \$181 million. For the year, the firm's net increased 13%--to \$39.8 million. Its sales for the year increased 35%--to \$589 million. Separately, Pacific Sunwear said that it will undertake a \$90 million expansion this year by building 125 new stores and spiffing up forty of its older ones. Now with just under 600 locations, Pacific Sunwear is hoping to have 1,000 stores within two more years.

**PriceSmart Inc.**, a San Diego, Ca. company that operates warehouse-club stores, announced a series of overseas expansions. The company will open two stores in Aruba and St. Thomas, bringing to seventeen the number of stores it operates in the Caribbean region. PriceSmart has also licensed five locations in China and Micronesia as part of its expansion in the Pacific.

**Royal Ahold NV**, the Netherlands-based grocery giant, reported its fourth quarter profits soared 56%--to \$344 million. Its sales for the period jumped 78%--to \$14.2 billion. The strong growth was based in part on acquisitions over the past year. Ahold, one of Europe's biggest grocery retailers, also has extensive holdings in the U.S., particularly on the eastern seaboard.

**Southern Cross Marketing LLC**, a Sacramento, Ca. furniture distributor, has signed up on a deal to be the exclusive distributor in the western U.S. for German-based Steinhoff Group. Steinhoff, one of the biggest furniture manufacturers in the world, will also help Southern Cross in shipping and warehouse management. The deal could be a boon for Southern Cross, as the firm believes that the partnership with Steinhoff could boost its annual sales of \$4 million more than ninefold in the coming year. Steinhoff has annual sales of nearly \$1 billion.

**Southern Marketing Affiliates**, a privately-held Jonesboro, Ar. distributor of farm supplies, expanded with its acquisition of Meyer West, a Stockton, Ca. farm-products distributor, for an undisclosed amount.

**Target Corp.**, the Minneapolis, Mn.-based discount retailer, reported its fourth quarter net increased 12%--to \$552 million. Its sales for the period increased 13%--to \$12.3 billion. Target, which also operates the Marshall Field's and Mervyn's department-store chains, is projecting 15% average annual growth in earnings per share for this year. Analysts believe that even if an economic slowdown continues, Target's shrewd inventory-control system will keep it strong. Separately, Target is expanding, recently agreeing to buy the rights to buy thirty-five locations of bankrupt Montgomery Ward Co. The firm's core Target stores, which offer quality merchandise at reasonable prices, now account for more than three-quarters of the company's sales and profits.

**Ultimate Electronics Inc.**, a Denver, Co.-based retailer of electronics products, reported its fourth quarter net jumped 43%--to \$7.4 million. Its sales for the period increased 30%--to \$170 million. Among the strongest performers in the electronics-retailing industry in the recent quarter, the firm said that its same-store sales increased 10% during the period.

**Wawa Inc.**, a Wawa, Pa. grocery-store chain, is breaking into new markets, having opened up fifteen convenience stores in parts of Maryland and Virginia. The move is part of Wawa's overall expansion this year aimed at opening forty new locations.

**Wendy's International Inc.** of Dublin, Oh. announced plans for a joint venture with Irish-based IAWS Group as part of a strategy to provide a greater variety of baked goods for Wendy's Tim Hortons chain of coffee-and-donut shops. IAWS's Cuisine de France unit will provide Hortons with baguettes and other fresh-baked bread specialties. The two companies will invest \$75 million to start up a bakery in southern Ontario.

**Wilsons The Leather Experts Inc.**, a Brooklyn Park, Mn. retailer of men's and women's leather outerwear and accessories, reported its fourth quarter net increased 18%--to \$61.1 million. Its sales jumped 20%--to \$382 million. For the year, its net increased 37%--to \$41.9 million. Its fiscal sales increased %--to \$637 million.

## INDUSTRIAL

## MANUFACTURERS

## and ENERGY FIRMS

**AP Technoglass**, an Elizabethtown, Ky. automotive supplier, has decided to set up a \$3.5 million facility in Alabaster, Al. which will supply a Honda manufacturing plant in nearby Lincoln. The new facility will assemble and modify glass fixtures for Honda's minivans. Capital investment at the site could eventually grow to \$10 million and the payroll could reach as many as 200 employees.

**Ashland Inc.**, a Covington, Ky. chemicals and construction-equipment firm, has agreed to acquire the polyester operations of Finnish-based chemicals maker Neste Chemicals Oy for an undisclosed amount. Ashland expects the purchase of the unit to help expand its business in Europe.

**Atco Ltd.** of Calgary, Alberta said that its Atco Power unit will invest \$45 million to build another power plant in Alberta. The planned 92-megawatt facility is expected to be operating by next winter.

**Birdair Inc.**, Amherst, N.Y., expanded overseas by acquiring Shade Structures Pacific, an Australian manufacturer of tensioned-membrane architectural structures, for an undisclosed amount.

**Boston Scientific Corp.**, a Natick, Ma. maker of medical devices, has signed two acquisition agreements that will help expand its operations. The company recently signed a deal to buy Embolic Protection Inc., a Campbell, Ca. maker of embolic filters that clean blood vessels, in a cash deal valued at \$75 million. Also, Boston Scientific announced that it is buying Catheter Innovations Inc., a closely-held Salt Lake City, Ut. company that manufactures drug-delivery catheters. The value of that deal was not revealed. Boston Scientific is buying Catheter Innovations in order to expand its presence in the market for intravenous delivery devices.

**Brooks Automation Inc.**, a Chelmsford, Ma. maker of chipmaking-automation systems, has now expanded by acquiring the Phoenix, Az.-based Semy Engineering operations of Semitool Inc. of Kalispell, Mt. in a cash-and-stock transaction valued at nearly \$39 million. The acquisition will reportedly help Brooks expand in the market of factory-efficiency software.

**C&D Technologies Inc.**, a Blue Bell, Pa. manufacturer of electronic power products, reported its fourth quarter net soared 80%--to \$16.7 million. Its sales for the period increased 23%--to \$164 million. For the year, the firm's net jumped 88%--to \$55.9 million, while its sales increased 28%--to \$616 million. The firm cited strong demand for its products from its buyers in the telecommunications industry.

**Comtech Telecommunications Corp.**, a Melville, N.Y. company that makes antennas, amplifiers and modems, has now reached an agreement to buy certain microwave-amplifier product lines from MPD Technologies, a privately-held Hauppauge, N.Y. firm, in a cash transaction valued at \$11 million. MPD's microwave-amplifier devices are used in commercial satellites as well as by government and medical services.

**Dow AgroSciences LLC**, which has been looking to expand its agricultural-chemicals business, has entered into an agreement to acquire the farm-chemicals operations of Rohm & Haas Co. of

Philadelphia, Pa. in a transaction valued at about \$1 billion. Dow AgroSciences, based in Indianapolis, In., is a unit of Dow Chemical Co. of Midland, Mi. The acquisition of the Rohm unit follows Dow's acquisition last month of Union Carbide Corp. for \$10 billion in a move to expand its plastics operations. Rohm & Haas, a maker of specialty chemicals, will use proceeds from the sale to expand its fast-growing electronics-chemicals business.

**Exco Resources Inc.**, a Dallas, Tx. oil and gas company, has agreed to purchase Addison Energy Inc., a closely held Calgary, Alberta concern, in a deal valued at \$45 million. The move is part of Exco's strategy to expand in Canada. Separately, Exco will purchase certain oil and gas assets in Texas, Oklahoma and Louisiana from STB Energy Inc. of Tulsa, Ok. for \$15 million.

**Hargraves Technology Corp.**, a Mooresville, N.C. company that manufactures miniature pumps, more than doubled its size by moving into an 8,000-square-foot location in Charlotte's Talbert Pointe Business Park. Now with thirty employees, Hargraves expects to add another twenty workers to its staff in the next year. Hargraves's small pumps are used by makers of medical products and fluid-control equipment.

**Hunt Oil Co.**, Dallas, Tx., will expand its Canadian holdings by acquiring certain natural gas-producing properties in Alberta from Canadian 88 Energy Corp. of Calgary, Alberta in a deal valued at \$115 million.

**Kaydon Corp.**, an Ann Arbor, Mi. manufacturer of bearings, seals and filtration products, has purchased ACE Controls International Inc. in a transaction valued at \$70 million. Farmington Hills, Mi.-based ACE, which makes shock absorbers and valves for the industrial market, has annual sales in excess of \$40 million. The acquisition expands the product line of Kaydon, which also makes engineering products for the electronics, aerospace, industrial and medical markets.

**Metalink Ltd.**, coming off a doubling of its profits in fiscal 2000, announced that it will more than double the payroll at its Folsom, Ca. plant by adding as many as thirty more workers. The Israeli-based developer of chipsets for the telecommunications industry, with net income of \$2.3 million on sales of \$23.3 million, is developing the next generation of copper-line data-transmission technology.

**Microsemi Corp.**, an Orange County, Ca. maker of semiconductor chips, seems to have insulated itself from the current slowdown in the computer market. The company, whose products range from handheld devices to aerospace equipment, recently saw its stock price hit a historical high at a time when related companies have seen their share prices tumble. Through its diversified product line, Microsemi gets 29% of its revenue from military and aerospace, 20% from handheld products and 13% each from computer products and industrial gear. The firm also sells to the medical and automotive markets. While Microsemi might be vulnerable to a serious economic slowdown, its investments in aerospace and defense should help avoid the worst, as the government is expected to increase spending in those areas. The company has also in recent years made strategic acquisitions to gain access to the wireless and networking markets, two areas of long-term high-growth potential.

**PerkinElmer Inc.**, a Boston, Ma. company that manufactures laboratory equipment for the pharmaceutical industry, has reached an agreement to buy Analytical Automation Specialists Inc., a closely-held Baton Rouge, La. supplier of data software for the biotechnology industry, for an undisclosed amount.

**Plains All American Pipeline LP**, a unit of Plains Resources Inc. of Houston, Tx., has entered into an agreement to purchase the Canadian crude-oil pipeline and trucking businesses of **Murphy Oil Corp.** of El Dorado, Ar. for \$155 million. Plains will make additional payments for related assets. The acquisition, representing Plains All American's first expansion into the Canadian market, includes 121 transporting trailers, a idle 108-mile pipeline and 450 miles of active pipeline, terminal capacity and 1.1 million barrels of crude storage capacity. Murphy, seeking to sell certain noncore assets, expects to record a nonrecurring gain on the sale of \$69 million.

**Poclain Hydraulics Inc.**, a maker of hydraulic motors, has announced plans to expand its presence in Racine County, Wi. The firm will move into a new 131,000-square-foot facility, invest \$12 million in new equipment and hire 100 more workers over the next three years. The new Racine plant will also be North American headquarters for Poclain Hydraulics, which is a unit of French-based Bataille Group.

**Praxair Distribution**, a Danbury, Ct. provider of industrial gases, has agreed to purchase Interwest Home Medical Inc., a Salt Lake City, Ut. renter and seller of home medical equipment, in a transaction valued at \$42 million. The purchase allows Praxair to bolster its line of healthcare products for the Rocky Mountain area.

**Public Service Enterprise Group Inc.**, a Newark, N.J. electricity and gas company, has entered into discussions to buy Cinergy Corp. of Cincinnati, Oh. The proposed deal is reportedly valued at more than \$5.6 billion. It is believed that Public Service would also assume some \$2.9 billion of Cinergy's long-term debt. The negotiations are still at an early stage, and other companies might also submit bids for Cinergy. Among other companies that might also be wanting to expand into the Midwest market are Dominion Resources Inc. of Richmond, Va. and American Electric Power Co. of Columbus, Oh.

**Richardson Electronics Ltd.**, a LaFox, Il. maker and distributor of electronic products, is expanding overseas with its acquisition of Israeli-based Aviv Electronics.

**Sempra Energy** of San Diego, Ca., which operates San Diego Gas & Electric Co., has received approval from the government of Mexico to build a \$350 million power plant in Baja California. Sempra hopes the plant will be up and operating by the summer of 2003. The move expands Sempra's presence in Mexico, where it recently received approval to construct a more than 200-mile natural-gas pipeline from Arizona to Tijuana at a cost of about \$230 million.

**Sensormatic Corp.**, a Boca Raton, Fl. maker of electronic-surveillance equipment, has expanded by acquiring Controlled Electronic Management Systems, a Northern Ireland-based maker of control systems for the retail market, for an undisclosed amount. The acquisition also includes Controlled Electronics' parent company, Intellectual Systems.

**Shell Oil Co.**, the Houston, Tx.-based U.S. unit of **Royal Dutch/Shell Group**, has made an unsolicited offer to take over Barrett Resources Corp., a Denver, Co. natural-gas producer, for \$1.8 billion. According to the terms of the offer, Shell would also assume \$400 million of Barrett's liabilities. Royal/Dutch, through its U.S. company, is aiming to take advantage of soaring prices for natural gas in the U.S. Barrett will consider the offer, but Shell said that if Barrett turns down the bid it would proceed with a hostile takeover attempt. Shell is working on another acquisition attempt, currently in a hostile takeover battle for Australia's Woodside Petroleum Ltd. for \$3.4 billion.

**Solectron Corp.**, a Milpitas, Ca. designer and maker of electronic systems, says that it's running out of room at its 240,000-square-foot manufacturing site in Morrisville, N.C. The general manager of the Morrisville location, whose 550 employees assemble circuitboards and other equipment, said that the company may have to expand its facilities to keep up with production.

**Southside Precast Products**, a Buffalo, N.Y. manufacturer of precast concrete, will move into a larger facility in nearby Lackawanna in order to boost its production capacity. The firm will more than double its size by moving into a 17,000-square-foot location in Lackawanna's Gateway Industrial Park. In conjunction with the move, privately-held Southside Precast will invest additional money in new cranes, doors and other equipment. Over the past three years, Southside has tripled its payroll, which now stands at about sixty employees.

**SPX Corp.**, a Muskegon, Mi.-based manufacturer of engineered products, has entered into a definitive agreement to acquire **United Dominion Industries Ltd.** of Charlotte, N.C. in a stock deal valued at \$1.8 billion. SPX will pay \$954 million and also assume \$876 million of United Dominion's debtload. The merger makes a manufacturer with about \$5 billion in annual sales, although the two firms have some overlapping products. The acquisition will bolster SPX's presence in a number of lines, including pumps and filters. United manufactures a range of industrial products.

**U.S. Can Corp.**, a Lombard, Il. manufacturer of steel containers, is assuming more than 230,000 square feet of warehousing space in Baltimore County, Md. near a manufacturing facility that it operates there. The company, which makes containers for both industrial and consumer uses, had sales last year of \$714 million.

## SERVICE

## PROVIDERS

**ACS Electronics Ltd.**, an Israeli-based developer of software and electronics for motion-control systems, reported its fourth quarter net tripled--to \$860,000. Its sales for the period jumped 57%--to \$4.7 million.

**AM Communications Inc.**, a Quakertown, Pa. firm that builds networks for cable companies, got a big boost with its largest contract so far. The company has signed up on a deal worth \$15 million to supply transponders and software to monitor Charter Communication Inc.'s control

center and transmission equipment. The move is part of plan by St. Louis, Mo.-based Charter to upgrade its \$3.5 billion system.

**America Service Group Inc.**, a Nashville, Tn.-based provider of healthcare services for correctional facilities, anticipates strong growth in the coming years as a result of an unfortunate trend in the U.S. toward ever-larger prison populations. With the nation's prison population expected to jump another 25% over the next five years--to more than 2.5 million, prison operators are facing \$6 billion in healthcare costs. America Service is predicting that about half that amount will be outsourced to companies like itself. For a free copy of an article about America Service, which saw its net income more than double in the last two years--to \$10 million, call 800-407-9044.

**Brocade Communications System Inc.**, a San Jose, Ca. software developer, reported its first quarter net more than quadrupled--to \$32.5 million. Its sales also jumped nearly fourfold--to \$165 million.

**Captivate Network**, a Westford, Ma. advertising media company, will expand by acquiring Narrowcast Communications Corp. of Toronto, Ontario for an undisclosed amount. Narrowcast is best known for its Elevator News network, which provides video advertising in elevators.

**Convergys Corp.**, a Cincinnati, Oh. provider of billing and information services, will expand across the Atlantic with its agreement to buy a British competitor, Geneva Technology, in a stock transaction valued at \$678 million. The purchase of closely-held Geneva, which supplies such companies as British Telecommunications and British Sky Broadcasting, will assist Convergys in getting a foothold in the European market.

**Destiny PC**, a Charlotte, N.C. Internet company, will more than triple its size, announcing a deal to occupy 33,000 square feet in Charlotte's Carrier Center. The company, which provides both business-to-business and business-to-consumer Internet services, claims to be expanding rapidly, adding between 1,500 and 2,500 customers every month.

**Frontier Airlines**, Denver, Co., reported its traffic in February increased 15%--to 201 million revenue passenger miles. For the year to date, Frontier said its traffic increased 24%--to 408 million revenue passenger miles.

**FXpress Corp.**, a Bala Cynwyd, Pa. software company, has been booming in recent years, having grown more than 200% since 1998. The company develops and markets software which helps manage exposure to foreign-currency risks. With sales last year of \$3.5 million, FXpress has signed on a number of top-name clients, including DuPont, Time Warner, General Electric and Coca-Cola Co.

**Harris Bank** of Chicago, Il., one of the biggest networks of community banks in Illinois, will expand with an agreement to purchase First National Bank of Joliet in Joliet, Il. in a transaction valued at \$220 million. Harris has been expanding through acquisitions in recent years, tripling its number of branches since 1994. Harris, now with 149 locations, is a unit of Bank of Montreal.

**Internet.com Corp.**, a Manhattan, N.Y. company that publishes Web sites and e-newsletters, purchased **Intermedia Group Inc.**, a Westboro, Ma. Internet consulting firm, for an undisclosed amount of cash.

**Knowledge Anywhere**, a Bellevue, Wa. online training concern, is hoping that its current project of training staff for Air Canada to use inflight email and Internet access will lead to bigger things. The training system was developed in conjunction with a partner, **Tenzing Communications Inc.** in Seattle, Wa. The joint service will be also offered to some of Tenzing's other clients, including Singapore Airlines, SAS and Cathay Pacific. Knowledge Anywhere, a privately-held concern, added that it recently opened offices in Atlanta, Ga., Chicago, Il., Los Angeles, Ca. and Portland, Or. Its sales last year jumped 65%--to more than \$1 million.

**Landstar System Inc.**, a freight company based in Jacksonville, Fl., opened up a new truck inspection and repair facility in Laredo, Tx. The new location is aimed at accommodating anticipated increases in shipments across the border between Mexico and the U.S.

**Lionbridge Technologies Inc.**, a Waltham, Ma. company that provides software-testing services, has reached an agreement to acquire Data Dimensions Inc. of Bellevue, Wa. in a transaction valued at \$15 million. Lionbridge believes that by combining its own globalization services with Data Dimensions' data and applications technology it will be able to provide a complete software infrastructure for software publishers and corporate information-technology businesses. The combined companies will have eleven laboratories in the U.S. and abroad.

**Looking Glass Networks Inc.**, an Oak Brook, Il. developer of fiberoptic networks, has raised another \$275 million in financing, despite the recent downturn in high-tech investment capital. The firm will use the money to develop additional fiber products for use in metropolitan markets.

**Millennium Teleservices**, a unit of Civic Development Group of Woodbridge, N.J., is setting up a call center in Seguin, Tx., where it intends on hiring 200 employees. The call center will focus on placing outbound calls for its clients. Millennium runs thirty-one call centers in ten states and employs a total of more than 4,000 workers.

**Oklahoma Publishing Co.** of Oklahoma City, Ok. expanded by acquiring five film and sports-business companies from **Gaylord Entertainment Co.** of Nashville, Tn. The acquisition, valued at \$22 million, included Gaylord Films, Pandora Films, Gaylord Sports Management Group, Gaylord Event Television and Gaylord Production Co.

**Optiglobe**, a Bethesda, Md.-based Web-hosting infrastructure company, is moving ahead big time, recently announcing plans to set up two data centers in South America. Optiglobe said it would invest a total of \$200 million to construct two 100,000-square-foot Web-hosting sites in an effort to secure itself a firm foothold in the Latin American market. The e-commerce market has been soaring in Latin America and is expected to jump from a \$1 billion business in 1999 to as much as \$45 billion within the next two years. Optiglobe expects to break even this year at its operations in Sao Paulo, Brazil. The company is backed up with more than \$300 million in venture capital and about \$400 million in vendor-financed equipment.

**Purchasepro.com**, a Las Vegas, Nv. software company, will expand its operations by buying BayBuilder, a privately-held Boca Raton, Fl. online auction company, for \$15 million.

**Railworks Corp.**, a Baltimore, Md. rail-system repair and maintenance firm, won seven construction contracts worth a total of \$100 million. Transit-system projects include electrical and mechanical work of systems in New York City, Denver, Co. and British Columbia. In addition, the firm will manufacture railroad ties for companies in Mexico and the U.S. Separately, Railworks completed the sale of its FCM Rail unit in a move that allows the company to reduce its debtload by \$17 million.

**Red Hat Inc.**, the Linux-based software firm, said that it will buy Planning Technologies Inc. of Atlanta, Ga. to expand its line of professional consulting services. Planning Technologies, which is closely held, employs more than 200 consultants and engineers at offices throughout the U.S. Durham, N.C.-based Linux is paying \$47 million in stock for the acquisition. Red Hat helps companies develop Linux-based systems for handheld computers and other devices.

**Renal Care Group Inc.**, a Nashville, Tn. provider of dialysis services, reported its fourth quarter net increased 19%--to \$14.9 million. Its revenue for the period increased 15%--to \$164 million. For the year, Renal Care's net increased 9%--to \$51.5 million, on a 15% increase in revenue--to \$625 million.

Luxembourg-based **Société Européenne des Satellites SA** is reportedly negotiating to buy General Electric Co.'s GE American Communications Inc. satellite-services unit in a cash-and-stock deal valued at between \$4.5 billion and \$5 billion. General Electric, whose GE Capital arm in Stamford, Ct. will retain a 25% interest in the satellite unit, has apparently opted to find a partner to help develop Princeton, N.J.-based GE American, which operates a network of fifteen satellites. For its part, Société Européenne des Satellites will expand from being a regional firm to one with worldwide opportunities.

**United Parcel Service Inc.**, the Atlanta, Ga. delivery company, has agreed to acquire Mail Boxes Etc., a privately-held unit of U.S. Office Products Co. of Washington, D.C., for an undisclosed amount. The acquisition of Mail Boxes, a San Diego, Ca.-based operator of 4,300 franchise stores in twenty-nine countries, will expand UPS's shipment services for personal and small-office customers.

**World Wide Technology Inc.**, a St. Louis, Mo. developer of Internet systems, seems to be on a roll. The company recently projected that its sales this year will jump 87% to about \$1.5 billion. That's coming off a very strong 2000, when the firm's revenue doubled for the second consecutive year--to \$802 million. Over the past twelve months, World Wide hired more than 150 employees--a 43% jump in its workforce--to handle increased business. World Wide Technology, which develops Internet systems for online buyers and sellers, targets three main areas: telecommunications, commercial customers and government. For a free copy of an article about World Wide Technology Inc. call 800-407-9044.