

INDUSTRIAL

MANUFACTURERS

REPORT

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INDUSTRIAL FOCUS

The Labor Department reported that **labor productivity** increased 2.2% in the fourth quarter. For the whole year productivity increased 4.3%, the largest increase in seventeen years.

The National Association of Realtors reported that **sales of existing homes** increased 3.8% in January. This revises an earlier estimate of a 6.6% decline in existing-home sales.

The Federal Reserve reported that **consumer borrowing** increased by \$16 billion in January. Together with a \$7.2 billion jump in December, this brings total consumer debt to \$1.5 trillion.

According to the Goldman, Sachs retail composite index, **same-store sales at the nation's large retailers** increased 1.6% in February. The compares with a 3.4% increase in January and a 5.1% increase in February of 2000. According to another measure by Lehman Brothers of twenty-two big retailers, same-store sales increased 3.9%. According to the Commerce Department's figures, retail sales declined 0.2% in February--to \$275 billion. This follows an 11.1% increase in January.

The Commerce Department reported that the **U.S. gross domestic product** increased during the fourth quarter at an annual rate of only 1.1%. This is the weakest growth in five years. In contrast, the Canadian economy is doing significantly better. Statistics Canada reported that **Canada's gross domestic product** grew in the fourth quarter at an annual rate of 2.6%.

The National Association of Purchasing Management reported that its **factory index** increased slightly in January--to a measure of 41.9. While any measure below 50 indicates that the manufacturing sector of the economy is shrinking, this is the first time in twelve months that the factory index has risen.

The Commerce Department reported that **consumer spending** increased 0.7% in January. Also during the month, American consumers saw their **personal income** rise 0.6%.

The Commerce Department reported that **orders for factory goods** declined 3.8% in January. This follows a 0.6% increase in December.

DECLINES

and LOSSES

American Tower Co., a Shelby, Oh. fabricator of television towers, reported a fourth quarter loss from continuing operations of \$54.5 million. Its revenue soared 174%--to \$244 million.

Belco Oil & Gas Corp., a Manhattan, N.Y.-based energy exploration and development firm, reported a fourth quarter net loss of \$10.2 million. Its revenue increased 10%--to \$39.6 million.

Carbide/Graphite Group, a Pittsburgh, Pa. synthetics manufacturer, reported a second quarter net loss of \$3.6 million. Its revenue declined 11%--to \$47.8 million.

Cavalier Homes Inc., a Wichita Falls, Tx. manufacturer of mobile homes, reported a fourth quarter net loss of \$5.6 million. The results included pretax writedowns of \$2.1 million. Its revenue declined 51%--to \$59.4 million.

Channell Commercial Corp., a Temecula, Ca. manufacturer of precision-molded thermoplastic enclosures, reported a fourth quarter net loss of \$3.2 million. The results included charges of \$6.1 million related to restructuring and asset writedowns. Its revenue declined 16%--to \$27 million.

Core Materials Corp., a Columbus, Oh. maker of sheet-molding composites, reported a fourth quarter net loss of \$440,000. Its revenue declined 28%--to \$16.1 million.

Cray Inc., a Seattle, Wa. maker of computer systems, reported a fourth quarter net loss of \$13.9 million on sales of \$33.4 million.

Crown Cork & Seal Co., a Philadelphia, Pa. maker of packaging products, said that it anticipates a first quarter loss, primarily as a result of higher interest costs on an additional \$400 million credit facility it agreed to with a group led by J.P. Morgan. The lending group also agreed to extend the maturity date on Crown Cork's \$2.5 billion revolving credit facility until 2003. Crown Cork, which faces costs of \$500 million related to interest expenses this year, has also been affected by high costs for raw materials and energy. In a separate move, the firm said it will sell off about \$1.2 billion of its assets.

Fleetwood Enterprises Inc., a Riverside, Ca. maker of manufactured homes and travel trailers, reported a third quarter net loss of \$205 million. The results included nonrecurring charges of \$174 million. Its revenue declined 40%--to \$510 million.

Gateway Inc., the San Diego, Ca. maker of personal computers, reported a fourth quarter net loss of \$128 million. The results included nonrecurring pretax charges of \$152 million. Its sales declined 4%--to \$2.4 billion.

Groupe Bull SA, the French-based computer giant, reported a fiscal net loss of \$224 million as a result of a downturn in the computer market, a restructuring program and well as an operating loss of \$143 million.

IMP Inc., a San Jose, Ca. maker of integrated circuits, reported a fourth quarter net loss of \$1.1 million. Its revenue increased 16%--to \$10.2 million. For the year, the firm reported a net loss of \$5.4 million on a 3% sales decline--to \$26.2 million.

IVI Checkmate Inc., a Roswell, Ga. maker of automatic payment systems and related electronic products, reported a fourth quarter net loss of \$2.7 million. Its revenue increased 25%--to \$27.1 million.

Kit Manufacturing Co., a Long Beach, Ca. maker of recreational vehicles and manufactured homes, reported a first quarter net loss of \$870,000. Its revenue declined 38%--to \$6.8 million.

Lancer Corp., a San Antonio, Tx. maker of beverage-dispensing equipment, reported a fourth quarter net loss of \$1.1 million. Its revenue declined 7%--to \$24.6 million.

LM Ericsson, the Swedish electronics giant, issued a warning that it would report a loss for its first quarter, its first quarterly loss in nine years. The company has been adapting to disappointing sales, recently announcing that it would outsource the manufacture of its mobile phones. In addition, Ericsson has also been focusing more on its growing business of building mobile networks.

Massey Energy Co., a engineering, construction and natural-resources company, reported a first quarter net loss of \$1.4 million. Its revenue increased 3%--to \$280 million.

National Semiconductor Corp., a Santa Clara, Ca. maker of chips, reported its third quarter net declined 88%--to \$39.2 million. Its revenue declined 13%--to \$476 million. The results included an unspecified charge related to an acquisition.

Niagara Corp., a Manhattan, N.Y.-based manufacturer of steel bars, reported a fourth quarter net loss of \$430,000. Its revenue declined 15%--to \$70.9 million.

Owosso Corp., a King of Prussia, Pa. maker of motors, heating equipment and farm machinery, reported a first quarter net loss of \$1.9 million. The results included a \$1.4 million loss from continuing operations. Its revenue declined 28%--to \$20.6 million.

Park Ohio Holdings Corp., a Cleveland, Oh. manufacturer of forged and machined products, reported a fourth quarter net loss of \$570,000. Its revenue declined 4%--to \$173 million.

SCM Microsystems Inc., a Los Gatos, Ca. hardware and software firm, reported a fourth quarter net loss of \$6.2 million. The results included nonrecurring charges of \$9.4 million. Its revenue increased 31%--to \$52.5 million.

Seaboard Corp., a Shawnee Mission, Ks. commodities-shipping firm, reported a fourth quarter net loss of \$11.3 million. The results included a \$10.1 million loss from continuing operations. Its revenue increased 18%--to \$448 million.

SL Industries Inc., a Mount Laurel, N.J. maker of semiconductors, telecommunications systems, electronics and other products, reported a fourth quarter net loss of \$370,000. The results included nonrecurring charges of \$241,000. Its sales declined 9%--to \$39.2 million.

Southern Energy Homes Inc., an Addison, Al. maker of manufactured homes, reported a fourth quarter net loss of \$11.4 million. The results included nonrecurring charges of \$1.6 million. Its revenue declined 24%--to \$36.4 million.

Special Metals Corp., a New Hartford, N.Y. maker of special alloys, reported a fourth quarter net loss of \$5 million. Its revenue increased 19%--to \$182 million.

Standard Automotive Corp., a Hillsborough, N.J. manufacturer of trailer chassis, reported a third quarter net loss of \$1.7 million. Its revenue declined 22%--to \$32.1 million.

Webco Industries Inc., a Sand Springs, Ok. maker of carbon and stainless-steel tubes, reported a second quarter net loss of \$750,000. Its revenue increased 7%--to \$37.4 million.

PLANT CLOSINGS

and LAYOFFS

Acme Die Casting Corp. of Racine, Wi., suffering from troubles at its main customer, DaimlerChrysler AG, will shut down its two manufacturing plants in Racine and lay off 230 employees.

Aetrium Inc., a North St. Paul, Mn. company that manufactures electromechanical equipment, reduced its payroll by thirty employees as part of a restructuring plan.

Cisco Systems Inc., looking at an ongoing slowdown in business, said it will reduce its payroll by between 3,000 and 5,000 jobs (as much as 11% of its workforce) this year. The San Jose, Ca. maker of networking equipment added that it will also cut as many as 3,000 of its 4,000 contract workers in a further effort to cut costs. The restructuring will cost Cisco between \$300 million and \$400 million in extra charges, to be taken in its third and fourth quarters.

Copper Mountain Networks Inc., a manufacturer of Internet connection equipment, said that it will reduce its payroll by about one-fourth of its 450 employees as part of its restructuring efforts. The company will take charges of as much as \$7 million related to the cutbacks.

Corning Inc., the Corning, N.Y. maker of fiberoptics and other equipment, laid off 825 employees at its Photonics Technologies unit. The company said that the cutbacks do not affect its rapidly-growing fiberoptics business.

Cummins Inc., a Columbus, In. manufacturer of high-power diesel engines, will close two of its facilities in Minnesota and reduce its payroll by 340 employees. The move is part of the company's efforts to consolidate and reduce costs. The two plants, in Eden Prairie and St. Peter, Mn., will both be closed by the end of the year.

Daewoo Electronics Co., part of South Korea's Daewoo conglomerate, said that it will shutter eight of its sixty-two facilities overseas, including plants in South America and parts of the former Soviet Union. Last year, Daewoo Electronics reported a net loss of \$750 million.

Ferry Industries Inc., a Stow, Oh. supplier of rotational molding equipment, is pulling back on its Canadian operations, announcing that it will close its factory in Winkler, Manitoba as part of its consolidation efforts. Ferry gained access to the Manitoba location through its acquisition of FSP Machinery Co. only five months ago.

General Automotive Manufacturing LLC in Franklin, Wi. said that it will lay off a total of 140 employees at its two manufacturing facilities in Franklin. The supplier cited the slowdown in the automotive industry.

Gerber Scientific Inc., a South Windsor, Ct. maker of automated manufacturing systems, said that it will reduce its payroll by as many as 400 employees (15% of its worldwide workforce). The move, aimed at cutting costs, will result in fourth quarter pretax charges of between \$20 million and \$22 million. In addition, the firm reported a third quarter net loss of \$3.6 million on a 14% decline in sales--to \$134 million.

Intel Corp., the Santa Clara, Ca. semiconductor maker, warned that first quarter revenue would fall short of expectations and that it would reduce its payroll by 5,000 employees (5.5% of its workforce). Staff reductions are expected to be achieved primarily through attrition. The company said that first quarter revenue would fall as much as 25% from its fourth quarter sales of \$8.7 billion. This follows an earlier warning that first quarter sales would fall about 15% below the fourth quarter's. The firm cited the slowdown in the computer industry and the weak economy overall. Intel will also reduce planned research-and-development spending by 2%, although the chip maker still intends on spending \$4.2 billion on R&D this year and investing \$7.5 billion on building manufacturing facilities.

KoSa Ltd., a Shelby, N.C. manufacturer of polyester fibers, is reducing its payroll by 180 employees (25% of its workforce). The move is in conjunction with its efforts to divest itself of its commodity-polyester business and focus on its specialty products. KoSa earlier announced it would invest \$135 million to modernize its Shelby plant, which makes polyester fibers used to manufacture seat belts, soft-sided trucks and other products.

Littelfuse Inc., Des Plaines, Il., is reducing its payroll by 350 employees (9% of its workforce) in an effort to reduce costs. The maker of circuit-protection devices, citing weakness in the electronics market, also revised downward its projections, now expecting first quarter sales to fall about 22% from \$95 million in sales in last year's first quarter. The firm added that it expects weak business to extend through at least the second quarter.

Micro Component Technology Inc., a St. Paul, Mn. maker of semiconductor-testing equipment, is reducing its payroll by fifty employees (18% of its workforce). The move is in conjunction with the closure of a facility in Marlborough, Ma.

Microchip Technology Inc., a Chandler, Az. maker of semiconductors and prepackaged software, is reducing its payroll by 400 employees (12% of its workforce) in conjunction with a plan to cut production by 24%. The firm also said it would postpone by six months, until December, the startup of its manufacturing plant in Puyallup, Wa.

Motorola Inc. is reducing the payroll at its cellular-telephone unit by another 7,000 employees. The move is in response to a glut of phones on the market as well as its attempts to cut costs. Including the recent cutbacks, which will result in unspecified charges, Motorola has cut 18,000 jobs since December (12% of its workforce). The Schaumburg, Il. firm's cell-phone operations have been battered by the faster-moving competition, including Finland's Nokia Corp., as well as by a general slowdown in the industry. Motorola recently warned that it might report a first quarter loss, which would be its first quarterly loss in sixteen years. Motorola, which has been planning to sell off its worldwide cellular operations, said that it could raise as much as \$3 billion in proceeds from the sales. About \$1 billion of that, in cash and stock, could come in the current quarter from selling its cellular interests in Pakistan, Jordan, Israel, Egypt and Brazil. The company earlier agreed to sell its Mexican interests to Spanish-based Telefonica SA for \$1.8 billion. The Mexican deal and a proposed selloff of Hong Kong interests should be completed by the third quarter. The company said that it will use the proceeds for general corporate purposes. Separately, the judge in the bankruptcy case of Iridium, the Washington, D.C. satellite venture, has okayed creditors' plans to sue Motorola. The litigants claim that Motorola, a big investor in Iridium, improperly kept control of Iridium even after the ill-fated satellite system went public and contributed to its demise. The U.S. Bankruptcy Court in Manhattan, N.Y. provided for a company, funded with \$47 million, to be set up to manage the creditors' litigation, which is seeking damages of more than \$2 billion.

Polaroid Corp., the Cambridge, Ma. camera and film company which earlier said it would reduce its payroll by 950 employees (11% of its workforce), said that about 475 of those layoffs would come at its operations in Massachusetts. Polaroid is hoping that its job reductions will save it \$30 million annually.

SpeedFam-IPEC Inc., a Chandler, Az. semiconductor manufacturer, announced that it will lay off 220 employees (18% of its workforce). The announcement was made in anticipation of a third quarter loss that is now expected to fall between \$46 million and \$58 million.

TRW Inc., a manufacturer of high-technology products for the defense, automotive, space and information-systems markets, is reducing the payroll at its automotive business by 1,000 employees. The cutbacks bring to 9,600 the number of layoffs the Cleveland, Oh. company has announced over the past year (8.6% of its workforce). The company will take a related first quarter charge of \$40 million. The manufacturer cited a need to cut costs amid declines in production and lowered prices being demanded by auto manufacturers. TRW is now estimating that car and truck production in North America will decline 10% this year. Production of heavy trucks is expected to drop 20%.

Wellington Puritan Mills Inc., Madison, Ga., is closing its manufacturing facility in Whitesburg, Ga. and laying off sixty-five employees. The move is part of the firm's efforts to consolidate production at its other plants in Eatontown, Ga. and Greensboro, N.C.

SALES

of ASSETS

Gentek Holdings, a closely-held vinyl and aluminum siding manufacturer, has entered into an agreement to be purchased by Alcoa Inc. of Pittsburgh, Pa. for an undisclosed amount.

Iwerks Entertainment Inc., a Burbank, Ca. maker of large-format theater systems, has entered into a nonbinding agreement to be purchased by Simex Inc., a Toronto, Ontario maker of theater systems and ride-simulation devices, in a transaction valued at \$2.2 million.

Lucent Technologies Inc. reported that it will consider putting its fiberoptic-cable unit in Atlanta, Ga. on the selling block. The Murray Hill, N.J. maker of telecommunications equipment, which has been wrestling with losses and sagging under debt, could fetch between \$4 billion and \$8 billion by selling the unit. Proceeds could be used to cut its debtload, \$5 billion of which matures within the next year. The unit under consideration, called Optical Fiber Solutions, had sales last year of \$2 billion. In other recent moves to cut costs and focus on its core operations, Lucent, which also hopes to raise as much as \$7 billion by spinning off its Agere unit, has said it would slash its payroll by 10,000 employees. Lucent recently reported a first quarter net loss of \$395 million. The results included a \$1.6 billion loss from continuing operations. Its revenue declined 28%--to \$5.8 billion.

United Dominion Industries Inc., a Charlotte, N.C. maker of engineered products, announced it is discussing the possibility of being acquired. The suitor was not identified.

Xerox Corp. has agreed to sell half of its 50% interest in its Fuji Xerox joint venture to its partner, Japan-based Fuji Photo Film, for more than \$1.3 billion. The move was expected, as the Stamford, Ct. company had earlier announced plans to sell as much as \$4 billion of assets, slash costs by \$1 billion and return to a focus on its core superfast and color copiers and other products. Xerox is also expected to soon reach agreements to sell off its European and North American equipment-financing business, an operation that now accounts for nearly 65% of its \$17 billion debtload. The company is not retrenching entirely, however, as it also announced it would increase spending on research by 11%, particularly for its color-technology products.

BANKRUPT

FIRMS

Arlin Processing Inc., Hackensack, N.J., has now filed Chapter 7 in the U.S. Bankruptcy Court in New Jersey. No schedules were listed in the filing. The case number is 01-31438.

Associated Industrial Supply Inc., Midland Park, N.J., has now filed Chapter 7 in the U.S. Bankruptcy Court in New Jersey. No schedules were listed in the filing. The case number is 01-31346.

A 4/16 hearing has been scheduled to consider confirmation of the reorganization plan in the **Aureal Inc./Aureal Semiconductor** Chapter 11 bankruptcy. For further information contact the debtor's attorney, Bruce Bennett, at 213-694-1200.

Benz Energy Inc. has now received approval from the U.S. Bankruptcy Court in Tyler, Tx. to convert its Chapter 11 filing to a Chapter 7 liquidation. Benz, a Houston, Tx. oil and gas company, filed for bankruptcy protection last November along with its Texstar Petroleum Inc. subsidiary after it defaulted on a \$25 million credit facility. According to the firm's liquidation plans, Benz's creditors will essentially lose their claims.

California Power Exchange, a Pasadena, Ca. electricity-auction market, has now filed Chapter 11 in the U.S. Bankruptcy Court for the Central District of California. The company, which had been set up in 1998 to help smooth energy deregulation in the state, shut down operations at the end of January when California's financially strapped utilities stopped making payments.

Genesis Manufacturing Inc., Rochester, Mn., has now filed Chapter 7 in the U.S. Bankruptcy Court in St. Paul. The firm listed assets and liabilities of \$130,000 and \$929,000 respectively. The case number is 01-30610.

GS Industries Inc., a Charlotte, N.C. firm which recently filed Chapter 11, has estimated its assets and liabilities at more than \$100 million each. Its case number is 01-30320. Five other companies listed at the same address as GS Industries also filed Chapter 11: ME International Inc., ME West Castings Inc., GS Technologies Inc., George Steel Corp. and GS Technologies Operating Co. Inc.

GS Industries Inc., a Charlotte, N.C. firm which recently filed Chapter 11, has entered into a \$100 million credit facility with CIT Business Credit of New York. The money will help GS industries continue operating during its reorganization, which, among other things, calls for the closure of its GST Steel facility in Kansas City, Mo. GS Industries, which filed for bankruptcy protection in the U.S. Bankruptcy Court for the Western District of North Carolina, has estimated its assets and liabilities at more than \$100 million each.

High Desert Millwork Inc., Bend, Or., has now filed Chapter 7 in the U.S. Bankruptcy Court in Portland. No schedules were listed in the filing. The case number is 01-30703.

KC Automation LLC, Gloucester City, N.J., has now filed Chapter 11 in the U.S. Bankruptcy Court in Camden, N.J. No schedules were listed in the filing. The case number is 01-11300.

Keveco Inc., a Fort Worth, Tx. maker and distributor of building materials, has now completed the sale of its Design Components unit to Adorn LLC for an undisclosed amount. In addition, Keveco, which is reorganizing under Chapter 11 protection in the U.S. Bankruptcy Court for the Northern District of Texas, also expects to sell its Sunbelt Wood Components operations to Universal Forest Products Inc. of Grand Rapids, Mi.

LTV Steel Corp., reorganizing under Chapter 11 bankruptcy protection, reported a fourth quarter loss of \$351 million, more than five times the loss in last year's fourth quarter. The

results included extra charges of more than \$200 million related to the closure of its LTV Steel Mining Co. unit, reorganization at its tin business, equipment writedowns and bankruptcy-reorganization costs. The firm also cited high energy costs and pricing competition from cheap imports. Its sales fell 7.8%--to just under \$1.1 billion. LTV's loss for the year totaled \$719 million, three times the loss of 1999, although its sales increased 17%--to \$4.9 billion. Separately, the steelmaker also said that it reached a deal on \$700 million in debtor-in-possession financing. The package, provided by a group led by Chase Manhattan Bank and Abbey National Treasury Services PLC, will allow the firm to continue operating.

Morris Material Handling Inc., which recently filed Chapter 11, announced the completion of the sale of its hoist, crane, service, parts and training businesses in the United Kingdom, Southeast Asia and the Middle East to a group of Morris Material managers. The terms of the deal were not revealed.

Omni Fabricators Inc., Southampton, N.J., has now filed Chapter 7 in the U.S. Bankruptcy Court in New Jersey. No schedules were listed in the filing. The case number is 01-51410.

Owens Corning, the bankrupt Toledo, Oh. maker of building products, said that it will ask the U.S. Bankruptcy Court for approval of its employee-compensation plan.

Shelby Avionics Inc., Cordova, Tn., has now filed Chapter 7 in the U.S. Bankruptcy Court for the Western District of Tennessee. No schedules were listed in the filing. The case number is 01-22865.

Southeast Aggregates Inc., Tickfaw, La., filed Chapter 11 in the U.S. Bankruptcy Court for the Eastern District of Louisiana. No schedules were listed in the filing.

Ultimate Manufacturing Inc., Troutdale, Or., has now filed Chapter 7 in the U.S. Bankruptcy Court in Portland. No schedules were listed in the filing. The case number is 01-30816.

Worldtex Inc., as expected, has now filed Chapter 11. The filing, in the U.S. Bankruptcy Court in Delaware, is aimed at helping the Hickory, N.C. textile maker restructure its capitalization. In conjunction with the filing, Worldtex has entered into a \$40 million debtor-in-possession bank lending agreement.

GAINS and

EXPANSIONS

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.

OTHER

MANUFACTURING

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Amsted Industries Inc. is struggling hard to recover in the wake of its \$790 million acquisition two years ago of Varlen Corp. That purchase was part of an expansion strategy to make itself the unrivaled railcar-products maker in the industry. Now instead, the privately-held Chicago, Il. maker of railcars, trucks and construction equipment has been battered by a weakened economy, declining sales and a debtload of \$1.1 billion that's weighing it down. The firm has already begun selling off some of its assets, has put off expansion plans and at the end of May will shut down its American Steel Foundry in Chicago. Over the winter the firm put on hold the construction of a planned \$150 million site for its Griffin Wheel Co. unit that was to have been completed early this year. For a free copy of an article about Amsted's efforts to get back on track call 800-407-9044.

Consolidated Edison Inc. of New York City and **Northeast Utilities** of Berlin, Ct., unable to iron out differences, have effectively called off their negotiations regarding a \$3.8 billion merger deal. ConEd said that the discovery of certain power-supply obligations on Northeast's part would likely cause Northeast to be unable to fulfill obligations under the terms of the proposed merger, which was agreed to in the fall of 1999. Northeast said that it will sue ConEd for breach of contract.

Davilla Sheet Metal Inc. in Raytown, Mo. has now seen a \$64,000 federal tax lien filed against it.

EMachines Inc., although now the third-largest supplier of computers to U.S. retailers, faces a number of problems with the recent downturn in the market. The Irvine, Ca. computer manufacturer, which reported a \$31 million operational loss in its fourth quarter on a 56% drop in sales--to \$135 million, could reportedly run out of cash by the end of the year if it doesn't turn around the losses. In fact, the company's cash and short-term investments plummeted by nearly half during the quarter ended 12/30--to \$113 million. A particularly worrisome statistic is its 24% decline in sales of computers to retailers and catalogs, the main outlets for its products. While EMachines is trying to boost sales through marketing and other strategies, one industry analyst believes that EMachines could wind up out of business by the end of the year. For a free copy of an article about EMachines call 800-407-9044.

Evergreen Oil Inc. has now seen an \$825,000 judgment issued against it in Alameda County, Ca. in favor of People State of California.

Huntco Inc. has been warned by the New York Stock Exchange that it is in danger of being delisted from that market after falling below certain listing requirements. Huntco was told it has eighteen months to reestablish compliance with the NYSE. The St. Louis, Mo. steel firm has had a rough year so far, reporting losses of \$4.5 million on sales of \$231 million for its first nine months.

Hyundai Semiconductor Inc., a Eugene, Or. unit of Hyundai Electronics of South Korea, has reportedly missed a debt payment of \$57 million.

Laclede Steel Co. is already in danger of violating certain of its financial covenants by the end of the month, only two months after it emerged from Chapter 11 bankruptcy protection. The St. Louis, Mo. steelmaker, which saw its sales decline 14% in its most recent quarter--to \$51 million, has not shown a fiscal profit since 1994.

NS Group Inc., a Newport, Ky. steelmaker, is optimistic about its prospects for the coming year, although Wall Street is still down on the firm partly because of its disappointing fourth quarter results. Hurt last year by cheap imports, NS Group is now thinking that steel prices will pick up this year. The firm is coming off a fourth quarter operating loss of \$6.5 million on a 24% decline in sales--to \$73 million.

Owosso Corp., now having renegotiated its lending terms, is hoping for a reversal of its recent poor performance. The King of Prussia, Pa. maker of motors, heating equipment and farm

machinery is coming off a loss last year of \$15 million on an 11% decline in sales--to \$117 million. It has recently been warned by the Nasdaq Stock Market that it could be delisted for falling below minimum listing requirements. In addition, Owosso has to start working hard on reducing its debt, which now stands at more than \$50 million. For a free copy of an article about Owosso's attempts to turn itself around call 800-407-9044.

Pacific Gas & Electric Co. of San Francisco, Ca., received a loan valued at \$1 billion from General Electric Capital Corp. Pacific Gas will quickly use the funding to pay off nearly \$1 billion worth of commercial paper, short-term debt and stock obligations.

Pacific Aerospace & Electronics Inc., struggling to stay alive on a high-interest \$15 million bridge loan, now believes it must sell off its Aeromet International PLC unit in the United Kingdom if it wants to keep operating. The Wenatchee, Wa.-based manufacturer bought Aeromet three years ago for \$68 million, only to find that interest payments related to the acquisition have resulted in \$13 million losses in each of the past two years, despite a doubling in revenue--to about \$113 million. If Pacific Aerospace can sell the British unit, analysts believe, it will have a reasonable chance to recover, especially if it focuses its efforts on its core operations of making components for fuel-cell, medical-equipment and telecommunications manufacturers. For a free copy of an article about Pacific Aerospace call 800-407-9044.

Power-One Inc., a Camarillo, Ca. maker of power-supply equipment for manufacturers of electronic equipment, has been in a steady decline for a year now, following a downturn in the chip-making industry. Power-One has been particularly hurt by cutbacks in orders from its main customer, Cisco Systems Inc. of San Jose. Power-One saw profits of more than \$5 million in the quarter ended last March but that has dwindled each quarter through the period ended in December, when it reported a loss of millions of dollars. The company, which makes AC/DC converters and voltage power switches used by makers of communications equipment, has also been hurt by the general backlog of inventory which has reduced orders. For a free copy of an article about Power-One Inc. call 800-407-9044.

Southern California Edison Co., a unit of Edison International Inc. of Rosemead, Ca., reported that it missed \$711 million in payments to its suppliers. Southern California continues to look for financing to help with its cash difficulties. The firm, which last month deferred \$740 million in certain payments, reportedly has \$1.6 billion of cash on hand.