

MONTHLY TECHNOLOGY COMMENT

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SEASONAL LOW ZONE, REMAINING AS BUYERS

In this issue:

- *How to Play the IT Spending Cycle (in our view)*
- *EMC vs. Hitachi*
- *Gateway Morphs Again*

September-October are traditional low points for tech stocks. This may be true this year as well – not only do we have fund tax selling in October, but we have a third quarter that looks ok but not exceptional. The stocks look better towards yearend, as we will discuss.

THE PRESIDENTIAL ELECTION: LOOKS LIKE A PLUS FOR STOCKS

Unless there is some major new development, it is our view that President George W. Bush will be re-elected president, and probably winning big. We would expect the market to go up with a sigh of relief, although how sustained that would be, is strictly conjectural (after all, the same problems are there, on the other hand, we might feel better about eliminating one important uncertainty).

Disclosure

I, Peter Labé, certify that (1) the views expressed in this report reflect my personal views on all of the subject companies and securities, and (2) my opinions are not affected by my compensation which is derived solely from brokerage trade commission(s) which may or may not be of securities discussed in this report.

A win by Senator Kerry would likely give the market reason to fall – it would be a surprise, after all – plus his tax policy would be viewed as damaging, we think. We doubt a long-lasting effect, in any event.

We feel we can buy stocks right into the election and not worry about it too much.

As we suggested last issue, we have a long term concern over “a deeply divided America” as this election has played out. But shorter term, what we hope might happen is CONFIDENCE. If we can get past the election and settle down, and consumers and business regain confidence, things will look better. Confidence brings business spending, which should directly affect tech, and extend the business cycle.

WE AGREE WITH THE FED

The Fed raised short-term rates 25 basis points to 1.75%, to nobody’s surprise. This is still below the real rate of interest and has been appropriately characterized as “accommodative.” No problems with interest rates seem likely for some time to come, and long-term rates remain relatively low.

The Fed’s view of the economy appears right on. The economy moderated earlier this year, partly in response to the rapid rise in oil and energy pricing. However, the Fed’s view is that the economy has regained some traction and that the labor market has improved. This squares with our view.

OTHER ISSUES

We are not expert on oil, but have to think the bulk of the psychological impact of the rise in price is already here and maybe most of the physical effect. At any rate, no new news to share.

The Iraq geopolitical situation for now, anyway, remains as it was.

We want to discuss the federal deficit, but have decided it was too lengthy for this issue. We do not think it will weigh on stocks short term.

THIRD QUARTER REPORTS AND TECHNOLOGY DEMAND

Third quarter results are going to be particularly difficult to call this time, because of the backend loading associated with technology procurements. Be it difficult or not, we have to have a view.

Right now, our view is that the third quarter will be ok but not great. We don’t expect a lot of over-performances. There have to be shortfalls, but we don’t expect too many and nothing like the large number after Q2.

Guidance we expect to be up, but conservative – too early to call, for most.

We perceive demand to be holding up reasonably well. We think third quarter reports plus the end of election uncertainty spell a moderate uptrend to the end of the year.

HOW TO PLAY THE IT SPENDING CYCLE

In our view, playing the IT spending cycle is difficult because it is such a low growth number. In most cases, we want to avoid being tied to the IT spending aggregate in our investments. Stocks like EMC and Network Appliance we feel are addressing markets that are large and demonstrably superior to IT. A stock like Unisys is part IT, but heavily in services areas that will exceed the IT framework. Lexmark's printer business is minimally involved with IT spending. nVidia and Gateway by any measure are special situations on different market demand sectors. So, our advice is, buy away from it, and be sure you can outrun it.

We turn next to our sector reviews.

DATA STORAGE

It might be worthwhile to backtrack and see just why we like this group so much. It is Based on several fundamental principles:

- 1. IT spending growth is mature, maybe 1 ½ times GDP – but**
- 2. Storage spending growth will outpace the IT spending aggregate for the foreseeable future, however**
- 3. Networked storage should outpace the storage spending aggregate for many years to come**
- 4. The market is amenable to a proprietary solution since the software content is so high**

In our view, a business dependent on IT spending is not going to be very good **unless** there are market share gains firmly in the picture. Both **EMC Corporation (\$10.50 – Strong Buy)** and **Network Appliance Inc (\$23.00 – Buy)** qualify as companies that meet the criteria in items 2-4 and in share gains. Below, we show a comparison of each at recent market prices.

	EMC	NetApp
Revenues 2005E (\$ mill)	\$9,751	\$1,781*
EPS 2005E	\$0.50	\$0.62*
Latest quarter:		
	June 30	July 31
EPS reported	\$0.08 vs. \$0.04	\$0.13 vs. \$0.08
Gross Margin	50.6%	60.0%
Operating Margin	12.1%	15.1%
Shares (mill)	2,446	374
Cash (\$ mill)	\$6,700	\$827
Enterprise value (\$ bill)	\$ 25.81	\$8.65
Enterprise Value/05 Revenues	2.65	4.86
2005E P/E	21.0x	37.1x
PEG Ratio (5 yrs)	1.05	1.24
Price/book	4.51	3.87

Notes: *Net App revenues and EPS are calendarized by us. Enterprise value defined as market cap of common plus long-term debt. Estimates and calculations are Nutmeg Securities, Ltd. data.

Our conclusion from this comparison is that EMC stock is cheaper, at least from a commonly used statistical point of view. We have tried to reflect this in our ratings, with EMC currently rated **Strong Buy** and Network Appliance **Buy**. Both stocks should be in portfolios long term.

EMC (\$11.54 – Strong Buy)

No particular new news out of EMC this month. However, we feel ok about the quarter.

- The only news was the Hitachi large-scale disk array product announcement that has been expected for some time now and well discounted in the EMC stock price.
- The Hitachi system as announced was stated to be faster than EMC, and at 332 TB, some 3x larger capacity. The capacity is misleading, since it will take 300MB disk drives in the arrays to reach it, which are not available yet. Right now, Hitachi capacity is probably half that, or a little larger than EMC.
- Speed is hard to interpret. No ratings were given for customer environments. More important, though, customers say they don't need more speed, they want more functionality. We will assume it is a little faster than EMC.
- The system is the same basic architecture as its predecessor *Lightning* series. The only new feature that we see in the direction of functionality is it is being presented as a universal storage platform. In other words, heterogeneous devices can be attached at the front end of the array and do replication, manage volumes, etc. This is done internally in Hitachi, as against externally by the other competitors. We'll need to see how this works out.

At the end of the day, we think Hitachi has come out with a competitive box. It will give IBM some problems, and EMC too. A lot of Hitachi footprints may be kept in place. But this is not an "EMC-killer." If we define functionality as being different software that works right away, Hitachi doesn't have it – EMC is safe.

We'll keep our ratings and estimates for EMC.

Network Appliance (\$23.05 – Buy)

No news items this month. The company appeared at an investor conference and pretty much gave the standard corporate overview.

However, in the marketplace, Net App is picking up share and performing very, very well.

No change in estimates or ratings at this time.

SERVERS

"Server" is probably an obsolete category; it has also been called "systems companies" which is probably better. We'll use it from now on.

In any event, maybe we should just look at these as Big Technology – a couple of over-\$80 billion companies and a \$40 billion company. There are lots of shares out, they're widely held, and periodically one or two can outperform. The systems companies are, however, all different.

International Business Machines (\$85.74 – Hold)

IBM traditionally has had a dull hardware business which accounted for the bulk of profits. This is not to be passed over lightly. Through it, IBM is in close contact with the largest and most dynamic computer users in the world. This entrenched position is the key part of IBM's "quality." Growth, though, would have to be provided by newer and different sources, principally services. Blended growth prospects appear in single-digits, hopefully high single-digit. It is hard with its size for IBM to do appreciably better than the IT spending aggregates.

IBM stock is generally viewed as a defensive stock. We admit to being attracted to it in periods of market uncertainty, ourselves. At present, we consider IBM moderately attractive based on worldwide economic growth from current levels. We make no estimate or rating changes at this time.

Sun Microsystems (\$4.04 – Hold)

Sun has been in a difficult position in this cycle because of loss or decline of major customer sets, and the industry movement towards standards, importantly at the expense of UNIX, with UNIX the heart and soul of Sun. As IBM and mainframes show, there can be a long technology tail. We assume this will be true too at Sun, with its UNIX (called "Solaris"). How well this will be managed and over what time frame is hard to see. We continue to remain on the sidelines.

No change in estimates or rating at this time.

Hewlett-Packard (\$18.75 – Hold)

Hewlett has been a great disappointment to us. We felt the multiple was very low, and with the economy recovering, the company had large businesses that could show considerable improvement to go alongside the steady, high quality, growing core business in printing and supplies. In practice, last quarter showed there is a lot of accumulated technology deadwood. The remains of Compaq, Digital Equipment, Tandem Computers et al are showing up as a drag.

Although this is only one quarter, we don't believe the original investment concept can be revived. Although only one quarter, we wonder if the management does not go through operations with a scalpel, or at the least a major restructuring/reorganization. Hewlett could be a much more interesting stock if some of these events took place.

The question is what to do with the stock now. Apart from the problem of what do you switch it into, the stock is glaringly cheap. Using Lexmark as a guide, the stock sells as a printer company with nothing for the other \$70 billion in revenues. Our counsel would be patience; there should be more opportune times in the future to lighten up.

No change in estimates or rating at this time.

PC & RELATED

Dell Computer (\$34.60 – Hold)

The company's theme for the year has basically been "slow and steady" all year; those who got too far ahead had to retract a little bit. The same basic trends seem to be in place.

- The current quarter is seasonally strong, with a strong large corporate business and a good back-to-school.
- International continues to look good, including Europe.
- Enterprise business was up 13% and 20% the last two quarters respectively; this should continue.
- Consumer is showing no slowdown as some had feared.
- Dell continues to push printers very hard and is making progress. Dell, plus partner Lexmark, gained 7 points of share last quarter – though still tiny relative to H-P.
- The company is experiencing a slow shift to notebooks, actually an industry trend.
- Consumer electronics is too small to merit discussion.

This looks business as usual at Dell, to us. The high-20s multiples and \$92 billion market cap look ample to us, so we continue with our Hold rating.

Gateway (\$4.95 – Speculative Buy)

This highly speculative stock had a few news items for the month.

- For one, the company restated its guidance for the third quarter (loss of 7-9 cents on revenue \$900-950 million), and for the first time indicated it could have earnings between breakeven and slightly positive for Q4. No forecast for 4Q revenue was given, but \$1 billion was used as a scenario.
- The second item was that the company was backing off in Consumer Electronics. This may be too strong a statement, but to retailers Gateway would offer "convergence" products primarily, other than PC's. The large number of CE

products would be cut to a few, mostly flat panel TV's for sale on the Web or 800 number telephone.

This move, though perhaps a little pain at the bottom line, could prove fortuitous. From everything we hear and read, there is one ton of flat panel capacity coming on the market. There could be a steep decline in prices and some chaos and low profit with it. Reducing this exposure may not hurt all that much!

The next event to happen will be in December, when AOL's preferred stock automatically converts to common (roughly 22 million shares). AOL's plans for this investment are unknown at this time. There is a further 6 million shares potentially to deal with AOL's put option but this is currently being renegotiated and may be refinanced. The share count would come to just over 400 million, and estimating cash at \$800 million would mean the investor is only paying \$1.9 billion for a company with \$3.6 billion in revenue and operating profitably!

This is sufficiently cheap that we can make money if it works out – signs to date continue encouraging. We maintain estimates and ratings for now.

nVidia Corporation (\$14.52- Buy)

- New developments here relate to the new *GeForce 6* graphics processors. Both the 6600 and 6800 models have been reviewed, and both were rated convincingly as best performance in its class. This is a direct hit on ATI Technologies, the company's principal competitor. And, all are shipping. The 6600 just started to ship at retail, so everything now is available at retail.
- One example of the company's regaining strength can be seen in the 6800 now shipping to Dell in volume, for the Dell *Dimension XPS* and high end *8400*. It's been over a year and a half since we've seen an nVidia part at Dell.
- A new product is coming out for the 3D wireless market. This is the *GoForce 3D 4500*, the first to incorporate a graphics processor and geometry processor with near-desktop PC performance. The part is sampling today and has signed three OEM's (the only name made public is Tiger Telematics "Gizmondo" game machine). The product doesn't ship until the first half of calendar 2005.

We think the company is fully on track with our latest estimates for sales and earnings, as to which we make no changes. The stock, however, has now gained over 50% from the lows a few weeks ago when a shortfall quarter created some degree of panic. This is when we raised our rating to **Buy**. The current price, in our view, is at the absolute *top* of our buying range for the stock.

Lexmark International (\$84.01 – Strong Buy)

Lexmark has spent a good part of the past month announcing a ton of products, culminating on September 27 with the announcement of 3 color laser printers. One of the machines is rated for one million impressions, the only color system in the industry, and it offers features of adjusting dot size and shape simultaneously. This group of products ranges from \$1300-1800, plus one larger system including a scanner and monochrome reproduction for \$7500.

This is pretty normal, since the industry leader refreshes its product line at about the same time. It is too early to make any competitive assessments, but we feel comfortable with Lexmark.

The company has an analyst day in Cincinnati on November 9.

We make no changes in estimates, nor in our **Strong Buy** opinion.

OUTSOURCING

Unisys Corporation (\$10.32 – Strong Buy)

As we understand it, many of the problems from the previous (shortfall) quarter have been fixed, i.e. many contracts that missed revenue for missing milestones, the milestones have now been met. Also, there appears to be a better order flow in infrastructure services, an area which had been weak the past 6-9 months.

These are the problem areas and seem to be improving. The traditional large businesses, in systems integration and outsourcing, continue strong. In sum, the services picture is slowly improving.

On the hardware side, new high end *Clearpath* models are coming (will help as early as Q4) which will be important. And, just announced, LINUX is available for high-end ES 7000 open systems processors. This could be an interesting market opportunity; so far as we know there are no good 16- and 32-way open systems processors with LINUX.

The stock is very cheap on possible earnings in 2005. We maintain our estimates and **Strong Buy** rating.

PERFORMANCE IN OUR UNIVERSE

This month, the market (S&P 500) was up about 1% and the NASDAQ Composite 3% – we judge our universe did a little better than that. This marks two months of slowly inching up.

EMC and Net App were up 5% and 13% respectively; memory continues strong. In the systems group, Sun was up 4%, Hewlett 3%, IBM flattish. In PC/related, nVidia and ATI were up 15% and 7% respectively, Dell up about 2%, Gateway 5%, with Lexmark down 6%. In the outsourcing group, Unisys was up about 1%.

ESTIMATES AND RATING CHANGES

We made no important estimate changes this month, and we did not change any ratings.

Readers are reminded that our quarterly and annual estimates are kept up to date continually on First Call.

REGULATORY COMPLIANCE

Nutmeg Securities, Ltd. has implemented rules that conform to published SEC rules to address analyst conflicts. Accordingly, we note for the record that we have not acted as manager or co-manager for any equity offering, nor received investment banking fees from, any of the companies mentioned in this review. Further, we have footnoted in Table II where the analyst has a position in any of these securities. Next, we have some kind of Buy rating on 6 stocks (32%) but no sell ratings. We consider this somewhat unusual, but not in a case of an attractive investment sector. Finally, we note our investment performance can be gauged by comparing our recommendations which appear in Table I along with the prices at the time, with the NASDAQ Composite Index, which also appears in Table I.

Table I - Price, P/E and Rating

Company (FY)	Symbol	Price 9/30/2004	52-week Range	2003A	E.P.S. 2004E 2005E		P/E 2004E 2005E		Rating
S&P 500*	SPX	1115	1163 990	\$55.44	\$65.40	\$70.05	17	16	
NASDAQ Composite	COMP	1897	2154 1751						
Storage									
EMC Corp. (Dec)	EMC	11.54	16 - 9	\$0.19	\$0.36	\$0.50	32	23	STRONG BUY
Network Appl. (Apr)	NTAP	23.05	27 - 16	\$0.40	\$0.58	\$0.77	40	30	BUY
Servers									
Hewlett-Packard (Oct)*	HPQ	18.75	26 - 16	\$1.16	\$1.30	\$1.49	14	13	HOLD
IBM Corp. (Dec)*	IBM	85.74	100 - 82	\$4.34	\$4.97	\$5.51	17	16	HOLD
Sun Micro. (Jun)*	SUNW	4.04	6 - 3	(\$0.24)	\$0.02	\$0.11	NMF	37	HOLD
Personal Computers									
ATI Technologies (Aug.)*	ATYT	15.33	19 - 13	\$0.27	\$0.78	\$0.95	20	16	HOLD
Dell (Jan fol.)	DELL	35.60	37 - 31	\$1.01	\$1.28	\$1.50	28	24	HOLD
Gateway (Dec)	GTW	4.95	7 - 4	(\$0.96)	(\$0.42)	\$0.23	NMF	22	SPECULATIVE BUY
Lexmark (Dec)	LXK	84.01	98 - 63	\$3.34	\$4.05	\$4.50	21	19	STRONG BUY
nVidia (Jan fol.)	NVDA	14.52	27 - 9	\$0.50	\$0.36	\$0.80	40	18	BUY
Wireless									
palmOne (May)*	PLMO	30.44	42 - 10	(\$0.11)	\$1.75	\$1.98	17	15	HOLD
PalmSource (May)*	PSRC	20.74	48 - 15	\$0.10	\$0.73	\$1.43	28	15	u/r
Res. in Motion (Feb)*	RIMM	76.34	77 - 19	\$0.48	\$1.83	\$2.23	42	34	HOLD
Outsourcing									
Celestica Inc. (Dec)*	CLS	12.70	22 - 12	(\$0.11)	\$0.35	\$0.73	36	17	HOLD
Flextronics Intl. (Mar)*	FLEX	13.25	20 - 10	\$0.42	\$0.70	\$0.98	19	14	HOLD
Globix (Sep)	GBXX	3.25	5 - 2	(\$2.00)	u/r	u/r	N/A	N/A	HOLD
Jabil Circuit (Aug)*	JBL	23.00	32 - 19	\$1.02	\$1.23	\$1.47	19	16	HOLD
Taiwan Semi. Mfg. (Dec)*	TSM	7.14	13 - 7	\$0.30	\$0.58	\$0.59	12	12	HOLD
Unisys (Dec)	UIS	10.32	17 - 10	\$0.78	\$0.67	\$0.91	15	11	STRONG BUY

Note: Globix now trading post-bankruptcy. New Symbol GBXX. Research in Motion split 2 for 1 on June 4, 2004.

Palm became palmOne and PalmSource started trading October 29, 2003. PSRC 52-week range includes "when issued" trades.

* First Call consensus estimates.

u/r = under review

Source: Nutmeg Securities estimates, except as noted.

Table II - Price History

Company (FY)	Prices						% chg September	2004 year to date
	12/31/2002	12/31/2003	6/30/2004	7/30/2004	8/31/2004	9/30/2004		
S&P 500	879	1112	1141	1102	1104	1115	0.9%	0.2%
NASDAQ Composite	1335	2003	2048	1887	1838	1897	3.2%	-5.3%
Storage								
EMC Corp. (Dec) (1)	6.14	12.92	11.40	10.97	10.77	11.54	7.1%	-10.7%
Network Appl. (Apr)	10.00	20.44	21.53	19.29	20.07	23.05	14.8%	12.8%
Servers								
Hewlett-Packard (Oct)	17.36	22.97	21.10	20.15	17.89	18.75	4.8%	-18.4%
IBM Corp. (Dec) (1)	77.50	92.68	88.15	87.07	84.69	85.74	1.2%	-7.5%
Sun Micro. (Jun)	3.11	4.47	4.33	3.95	3.87	4.04	4.4%	-9.6%
Personal Computers								
ATI Technologies (Aug)	4.65	15.12	18.86	16.10	14.46	15.33	6.0%	1.4%
Dell (Jan)	26.74	33.98	35.82	35.47	34.84	35.60	2.2%	4.8%
Gateway (Dec)	3.14	4.60	4.50	4.50	4.39	4.95	12.8%	7.6%
Lexmark (Dec) (1)	60.50	78.64	96.53	88.50	88.45	84.01	-5.0%	6.8%
nVidia (Jan)	11.51	23.20	20.47	15.42	12.46	14.52	16.5%	-37.4%
Wireless								
palmOne (May)	15.70	11.75	34.77	40.22	32.65	30.44	-6.8%	159.1%
PalmSource (May)		21.77	17.14	20.26	22.51	20.74	-7.9%	-4.7%
Res. in Motion (Feb)	6.56	33.42	68.45	61.67	60.22	76.34	26.8%	128.5%
Outsourcing								
Celestica Inc. (Dec)	14.10	15.07	19.95	17.15	14.30	12.70	-11.2%	-15.7%
Flextronics Intl. (Mar)	8.19	14.80	15.95	12.57	12.41	13.25	6.8%	-10.5%
Globix (Sep) (1)(2)		4.00	2.90	3.20	2.80	3.25	16.1%	-18.8%
Jabil Circuit (Aug)	17.92	28.30	25.18	21.75	20.63	23.00	11.5%	-18.7%
Taiwan Semi. Mfg. (Dec) (1)	7.05	10.24	8.31	7.12	7.55	7.14	-5.4%	-30.3%
Unisys (Dec) (1)	9.90	14.85	13.88	10.24	10.04	10.32	2.8%	-30.5%

Palm Had a 20-1 reverse split in October 2002.

Globix stock quoted is post-bankruptcy stock.

Research in Motion split 2 for 1 on June 4, 2004.

Palm became palmOne and PalmSource started trading October 29, 2003.

Notes: (1) The author has a position in the common stock. (2) The author has a position in the debentures.

Source: Reuters.

DEFINITION OF OUR RATING SYSTEM

In general, we have three basic ratings of followed securities: Buy, Sell and Hold (Not Rated is a term we use where a security is not followed, or if followed, where not enough information is currently available to base an opinion).

BUY – is our rating for a stock that we consider currently attractive for purchase for most technology investors. It is a stock that we believe will outperform the market, as measured by the NASDAQ Composite, in a six to eighteen month timeframe. The recommendation could be based on industry or company fundamentals, on equity prices, or any one of a host of other factors, as assessed by the analyst.

We have also formed additional sub-categories of “BUY” rated stocks to make more clear our position. The most common of these are listed below:

- **STRONG BUY** – where the analyst feels a stock is especially attractive, in some cases due to recent price declines, in some where conventional wisdom on prospects is viewed as wrong, in some where there is a visible catalyst that will call attention to the security.
- **LONG-TERM BUY** – where the analyst considers the stock as fundamentally attractive but where fruition appears extended over a longer than normal period of time, or where the stock price currently is higher than levels where the analyst would rate the stock “BUY”.
- **SPECULATIVE BUY** – where the analyst considers the stock as very attractive on the price and the fundamentals but where well above average risk must be assumed by the investor.

HOLD – is our rating for a stock where prospects appear more or less in line with the market, or where we feel a compelling case cannot be made either for Buy or for SELL.

SELL – is our rating for a stock that in our opinion is likely to underperform the market as measured by the NASDAQ Composite in a six to eighteen month time frame.

Additional information on subjects in this report is available upon request.

Our recommendation changes on the securities mentioned in this report are as follow:

ATI Technologies Hold 4/30/04 at \$14.57	Dell Hold 10/31/01 at \$23.89 LT Buy 3/28/02 at \$26.11 Buy 8/9/02 at \$25.59 Hold 11/29/02 at \$28.60	EMC Buy 10/31/01 at \$12.32 Strong Buy 3/28/02 at \$11.92
Celestica Hold 8/30/02 at \$22.97	Gateway Value Buy 10/31/01 at \$5.65 Strong Buy 1/31/02 at \$5.21 Buy 2/28/02 at \$5.60 Strong Buy 3/25/02 at \$6.45 Buy 12/31/02 at \$3.14 Strong Buy 7/31/03 at \$5.11 Buy 4/30/04 at \$4.82 Speculative Buy 9/1/04 at 4.39	Globix Spec. Buy 10/31/01 at \$0.56 Hold 1/31/02 at \$0.06
Hewlett-Packard Sell 10/31/01 at \$16.83 LT Sell 12/31/02 at \$17.36 Hold 1/8/03 at \$19.65 Buy 5/5/03 at \$16.65 Strong Buy 5/30/03 at \$19.50 Buy 8/2/04 at \$20.15 Hold 9/1/04 at \$17.89	IBM Hold 10/31/01 at \$108.77	Jabil Hold 8/30/02 at \$18.71
Lexmark International Hold 1/5/04 at \$78.64 Strong Buy 3/31/04 at \$92.00	Network Appliance Strong Buy 10/31/01 at \$13.30 Buy 9/1/04 at \$20.07	nVidia LT Buy 10/31/01 at \$42.75 Buy 1/31/02 at \$65.74 Strong Buy 2/28/03 at \$52.01 u/r 6/28/02 at \$17.18 Buy 7/25/02 at \$15.07 Strong Buy 8/9/02 at \$9.42 Buy 5/30/03 at \$ 26.17 Strong Buy 6/30/03 at \$22.91 Buy 8/29/03 at \$18.17 Hold 9/30/03 at \$15.91 Strong Buy 1/5/04 at \$23.20 Hold 8/2/04 at \$15.42 Buy 8/9/04 at \$9.43
palmOne Sell 10/31/01 at \$48.60 Hold 1/31/02 at \$74.80 Sell 5/31/02 at \$31.80 Hold 8/30/02 at \$15.20	PalmSource u/r 10/31/03 at \$38.17	Res. In Motion Buy 10/31/01 at \$16.01 Strong Buy 2/28/02 at \$23.89 LT Buy 4/15/02 at \$20.39 Hold 2/28/03 at \$12.70
Sun Microsystems Hold/LT Sell 10/31/01 at \$10.17 LT Buy 11/29/02 at \$4.29 Buy 1/8/03 at \$3.75 Hold 9/30/03 at \$3.31 LT Buy 1/5/04 at \$4.47 Hold 4/30/04 at \$3.90	Taiwan Semi Mfg. Hold 8/30/02 at \$8.17	Unisys Value Buy 10/31/01 at \$8.93 Buy 1/31/02 at \$12.50 Strong Buy 8/9/02 at \$7.82 Buy 7/31/03 at \$12.26 Strong Buy 8/29/03 at \$12.98

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