

MONTHLY TECHNOLOGY COMMENT

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STAYING WITH TECH, A FEW BUMPS POSSIBLE

In this issue:

- *Up to date with Unisys – Looking Good*
- *What to do with IBM*
- *Dell Now: More Controversial – Start to Buy!*
- *Scott McNealy Steps Down at Sun – End of an Era*

ECONOMY CONTINUES STRONG

We now have a report on first quarter GDP, which was up a whopping 4.8%. Conventional wisdom has it slowing to 3% – 3 ½% for the remainder of the year, but the economy is proving surprisingly resilient and surprisingly strong. Housing appears to be doing better than the skeptics expected; existing home sales were actually slightly up in the latest report. Consumer confidence is also surprisingly strong, despite economic uncertainties, \$3 a gallon gasoline, and so on. Capital equipment business seems firm, but not extra heavy or something like that. So the underpinning of the market looks about the same, short term.

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.

INTEREST RATES

Rates for the moment are being considered a positive. Fed Chairman Bernanke told a Congressional Committee that we could have a “pause”, or a break, in the steady advance of the Fed Funds rate, now 4 ¾% but widely expected to go to 5% on May 10. Presumably the pause would come at that time. The equity market would like this, short term, based on everything we hear. But the bond market is showing a little pressure in long rates and the dollar fell against the euro and the yen, so this area remains one to be heavily watched, we think.

We noticed China raised its one-year lending rate from 5.58% to 5.85%; presumably the 10% GDP growth in this country in each of the last three years needs to be slowed down some. We’re not sure what, if anything, should be thought about by investors here.

EQUITY MARKET PSYCHOLOGY

Despite gasoline over \$3 a gallon, gold over \$600 for the first time since 1981, and nuclear saber rattling in Iran, the market plows straight on ahead. This seems similar to Bernard Baruch’s famous theorem that the market is best when it climbs a wall of worry! Well, no matter, the equity investor now has his head on and these Big Picture concerns are in the background. We advocate, however, looking for signs the market is tired or ready for a “pause” itself; we even think this would be healthy.

OUTLOOK FOR TECH STOCKS

We don’t see any reason for tech to underperform the market right now. The news flow is generally good. We note that, for the year to date, the equity market is up 5% (using the S&P 500 as proxy) while tech stocks are up 5.3% (using the NASDAQ Composite as proxy).

CURRENT THINKING ON THE GROUP

With one exception, we have not changed the Buys on our list. We still have Hewlett-Packard (which has room in P/E as well as EPS) as the most dynamic situation in the large cap companies, and IBM, which has been suffering underperformance while waiting for the services business to turn (like our clients, our patience is running thin here). We are still recommending Unisys and Lexmark, a couple of stocks that have had hard times but where a case can be made the future could change dramatically.

The exception we speak of is a new name, Dell Computer. New, because despite a \$100 billion market cap until recently, we have only recommended this stock once for a short period in the more than five years we have been publishing this letter, while having a sell

on it last July for a number of months. We will spare the reader a ton of background and simply say that the stock in our view had fallen into the very top end of a buying range as a technology equity value, so we added it.

We turn next to our industry sector comments.

DATA STORAGE

EMC (\$13.51 - Hold)

EMC reported its first quarter, EPS in line, and within 1% of revenue expectations. The stock moved a shade higher on the news, that's all. We've remarked before on how this company has done all that was expected but the stock price is the same. As Rodney Daingerfield used to say, "we don't get no respect."

Well, the quarter was solid. Revenue was up 14%. Information Storage Systems was up 20% at \$1.227 billion, while software (affected by acquisitions) was up 56% to \$925 million. Services in this breakdown was \$396 million, up 4%. Business was spread nicely among the geographies, particularly North America up 14% (gaining share) and Europe up 17%. Gross margins were flat, operating margins were slightly less. EPS was \$0.11 (GAAP, stock options expensed) vs. \$0.07 a year ago.

Guidance (\$11.1 – 11.3 billion for the year, \$0.54-\$0.57 EPS on GAAP/expense stock option basis) was in alignment with Wall Street generally; our estimate going in to this quarter was \$0.57 for the year, for example.

The one big thing in the report was the CLARiiON number. While the large, high priced Symmetrix products were up 10% year-over-year (a good performance) the real growth for the company lies in the lower priced, mid- to high-end CLARiiON, and these products were up only 13%. Management reported that word of new high performance products to come was in the marketplace, and suppressed sales. These are expected by us to come in the second quarter, and specifically in April. This is the shot in the arm needed to make the numbers!

For the year, our work suggests 17.1% operating margins, against 16.3% a year ago. These are strong profitability numbers.

We have converted our estimates now to a complete GAAP basis, and expensed stock options. This makes the multiple a little richer, which is justifiable given the higher quality of the EPS reported.

As we said last issue, EMC remains a valuation puzzle to us. It would seem to require better business than expected, or a new and packaged way to look at the \$4 billion worth of software acquisitions, to get the stock moving. For now, we continue our **Hold** rating.

SERVERS

Sun Microsystems (\$5.00 - Hold)

The big news last month at Sun was the stepping down of Scott McNealy as CEO (he remains as chairman) and the elevation of his hand-picked successor, Jonathan Schwartz, age 40, as CEO. Schwartz has been with Sun for years in a variety of posts including head of software; he was named president in 2004.

The news caused barely a ripple in the stock market. Presumably this is because Mr. Schwartz had no big programs or philosophies to state at this time. This is a company **badly overdue for one big or several restructurings** – which Mr. McNealy resisted as much as possible. Although UNIX is dead in the minds of investors, it will have a long technology tail and there should be some opportunities surrounding it. The change in command then, as we see it, is symbolic: **the end of an era**, the era of proprietary operating systems and the hardware that runs it. In the interest of brevity, and the sanity of our readers, we will not go into a philosophical discussion of where the industry goes from here.

International Business Machines (\$82.34 - Strong Buy)

IBM reported a quarter that was up 22% in EPS and beat analyst expectations by \$0.03 per share or more, but on minor revenue growth. The stock did not respond one way or another, due we think to performance in the key Services operation.

Our own view, in fact, was that **IBM was going to turn the corner in services** and start to grow again. This is absolutely key to the stock. The first quarter report of 2006, unfortunately, offers thin evidence, but it is some evidence. We consider the stock *low risk* and keep the **Strong Buy** rating in the belief that there will be a lot *more* evidence in the second half.

In the first quarter, the services division showed a 1% drop in revenue, but it would have been a 3% gain with foreign currency translation. The 3% figure to us is a good start. Bookings, the other major metric, were \$11.4 billion, up 13% from \$10 billion a year ago. While this looks super, we caution these jump around all over the place. Next time, we'll show a rolling 4-quarter average to measure the bookings progress. Underneath the bookings number was 20% growth in long-term contracts, 5% in short-term contracts, a desirable mix. **Investors should be aware that upcoming second quarter bookings will be down.** The second quarter a year ago was absolutely huge and out of order at \$14.6 billion. IBM is steadfast, though, in saying it will match the 5% revenue growth model predicted in the second half. So, we expect strong bookings, just not abnormal.

Hewlett-Packard (\$32.47 - Strong Buy)

The latest media cave-in on in-depth reports praising the “new” Hewlett Packard, were *Barron’s* and *Fortune*. Although the management change and early financial results are in, reaping of the financial rewards and strategic positioning still lie ahead of us. So, although Hewlett isn’t a “new” story any more, we continue to support it.

Putting it another way, the market will normally buy the “dynamic” companies in a group considered to have a good group outlook. Hewlett still has this appeal.

Accordingly, we continue our **Strong Buy** rating despite the good performance of the stock up to here.

PC’S AND RELATED

Dell Computer (\$26.20 - Hold)

It’s still open season on Dell. The general background is the revenue shortfall in the fiscal second quarter, the revenue and EPS shortfall in Q3, and light guidance given in Q4. The next marker will be the reporting date of **May 18**. A variety of issues have come out now that have always been there but where they have been silent when everything is going ok.

In particular comes to mind the age-old tradeoff between margin and growth. Dell has used gross margin as a weapon of market growth before, with some flexibility in the overhead accounts to keep results healthy. We are in another such period now, perhaps. Dell needs the volume, and companies like Hewlett and Lenovo have been doing better. The case for **margin re-set** has never been stronger, maybe. Some adjustment may well be made, we think, but to see something dramatic would surprise us. We don’t think Dell has gotten that far out of balance.

It should be remembered Dell’s mix is perhaps 60% traditional, mature markets, where we think of single-digit growth, and perhaps 40% in emerging markets, including China and India, where we visualize much, much higher growth. In other words we don’t rule out double-digit growth for Dell overall, current concerns notwithstanding.

The stock is down to \$26 now, not \$36. At this price we think estimate reductions are likely discounted. We have consistently thought that it is too early to invest in Dell, and even now it may be early. We see some tough quarters to slog through. But the value in our view seems to be there, and we would start positions and nibble a little. We raise the rating to **Buy**.

nVidia (\$29.22 - Hold)

This past month has not been a reporting quarter for nVidia, but there have been a few positive news items. For one, at the Game Developers Conference, nVidia announced a refresh of the whole *GeForce 7* line (7900, 7600, 7300). These are the first 90 nanometer parts (previous chips were 1.1 micron) which should be smaller, faster and cheaper. They come from TSMC, one of two big foundries nVidia uses.

The company also announced the “nVidia Business Platform” in conjunction with AMD as an offering in the small-medium business market. We’ll have more details later.

As a reminder, Microsoft *Vista* is a big plus for the entire graphics industry. *Vista* has been delayed a couple of months but this doesn’t mean anything even short term.

Our current estimates are \$1.28 for this year and \$1.40 next year (both adjusted for the recent 2-for-1 split). We suspect these could go higher after the **May 11** conference call. Continue rating of **Hold**.

Gateway (\$2.20 - Hold)

Last issue we suggested adding Gateway to the “radar screen” and we still mean it.

Gateway reported for the first quarter, revenue of \$1.08 billion (somewhat higher than expected) and a loss of \$0.03 per share (which actually was breakeven if you went underneath the numbers). Gateway was the **only PC company to show sequential growth in units** in the retail sector in the U.S. market.

The Retail sector was responsible for this performance. In dollars, its \$767 million in sales, was sequentially down only 3%. Gateway has performed well here, estimated 6% gross margin, and the Gateway brand apparently counts for about half of sales. This performance was partly offset by losses in the Professional (“Pro”) unit. New leadership has been brought in here and Pro should benefit from a new assembly facility in the U.S. for responsiveness and flexibility. Pro sales were \$202 million, down 7% sequentially, and a money losing operation currently. Direct sales of \$109 million were down 6% sequentially. New management has recently been installed here, an area we believe to be one of considerable promise.

This would be a plausible picture but for one thing: we have no CEO. Interim CEO Rick Snyder, who looked like the right man for the job, has declined, citing family reasons. The CEO search will continue, and this will be important. The next reporting date is August 3 and we would like to see a new chief firmly on board by then. Meantime, we **continue to advise keeping the stock on the radar screen. Hold**.

Lexmark (\$48.70 - Buy)

Lexmark reported a quarter that was in line with guidance as to revenue (down) but where EPS was *above* guidance. The stock has rallied quite strongly on the news, although the fact EPS was higher looks to us to be a slender reed to hang on to.

The story of the quarter, in our view, was as follows:

1. Supplies revenue was up 3%, whereas the company had expected flat. This huge margin business accounted for all of the gain, as we see it.
2. Revenues were down, but prices were relatively benign.
3. \$300 million in share repurchase was made (authorization for \$1 billion more remains) – average price \$47.22.

The upcoming second quarter guidance:

1. Down revenue.
2. Another moderate EPS number – \$0.70 - \$0.80 per share – and year-over-year decline.
3. Based on less inkjet supplies sales and stepped up operating expense.

After that, quarterly comparisons become **favorable** if for no other reason than last year's collapse took place in the final two quarters. This year we see the company changing over to newer, more attractive products, absorbing the last of the channel inventory, and despite a slower growing market, getting some product out there into which the high-profit supplies can be pumped. We see a much better 2007 and better stock performance as a result. Although nothing positive can be expected near term (except maybe stock buyback) we maintain our **Buy** rating.

We need to mention OEM business was down, which doesn't trouble us since some consolidation and re-focus here is badly needed. On the other hand, the branded product performance improved, which is what has to happen if this is to be a good stock over time.

Simultaneous with the earnings release was the introduction of three new products, all-in-one inkjet products at new incredibly low prices. We were impressed by this as well as the cheap "one cartridge" technology.

It seems to us that the brunt of the company's problems are being absorbed in 2006 while the company slowly works away at fixing the issues. In our view, this stock should be a rewarding holding over time, so we maintain our **Buy** rating.

DATA SERVICES

Unisys (\$6.24 - Strong Buy)

Unisys reported its first quarter that the market didn't like that much; the stock actually was down. We attribute this to Unisys not making the analyst numbers (even though the company did not offer guidance beforehand), lack of forward guidance, and disappointing hardware business. **The market ignored many positive features that make this a great two-year stock, however.** We mention three here:

1. The successful sale of Nihon Unisys Limited during the quarter raised \$374 million, which enables the company now to **go beyond 3,600** personnel cuts in the restructuring, and generate **more** than the \$250 million estimated annual cost savings. Accordingly, the company moved up the timetable for the savings to be generated, to the second half of 2007 rather than the end of 2007 as announced.
2. The first quarter **reduced pension expense**. Last issue we pointed out the major changes in Unisys' revision of retirement benefits (huge, lower). Now at March 31 under the accounting rules the whole plan has been revalued. Unisys achieved positive returns and a higher rate; U.S. pension expense will be \$26 million lower as a result. Personnel retirements under the restructuring plan will also help.
3. The company achieved double-digit **new orders in the Services sector** despite re-aligning the sales effort. Among other things this re-alignment is designed to focus on the top 500 accounts and top 10 geographies and to drive this effort with a new high-powered team. Services delivery is also being re-aligned, with most of the training required scheduled for 2006. Sounds like these programs are off to a good start.

We find these developments very encouraging, not discouraging. Goals for 2008 remain at: mid- to high-single digit revenue growth, and 8% to 10% operating margins. These objectives **now look even more achievable, and why we think this is a great two-year stock.**

Now, we'll go back and clean up some loose ends.

- The company reported a loss of \$0.08 per share for the quarter (GAAP) after taking a restructuring charge of \$145 million and non-recurring gains of \$195 million. We were at a \$0.02 loss but estimates were all over the map presumably for lack of company guidance.
- The company declined to offer any guidance again this time, for the same reason. Divestitures and sales are planned that could involve as much as \$500 million in revenue, which makes forecasting next to impossible.
- The hardware business posted a significant decline in revenue, margins and new orders. This should improve in the second half as new products in the main mainframe lines come out and product cycle forces begin to work.

The final earnings estimates we decided to submit to First Call were a loss of \$0.13 per share for 2006, \$0.62 per share for 2007, and \$1.12 per share for 2008. These estimates are *after* pension expense, not excluding it.

PERFORMANCE AND RATING CHANGES

The market consolidated gains in April, with the S&P 500 up 1% and the NASDAQ Composite softened a little less than 1%. Within that framework, storage had a mixed month. EMC was down 1%, Net App up 3% – Net App has been the place to be in 2006. In servers, IBM was flat, Hewlett off 1%, and Sun off 3%. In PC/Related, Lexmark was up 7%, nVidia up 2%, Gateway up one-half percent, with Dell down 12%. In services, Unisys had a disappointing down 9% in performance.

This month the only rating change we made was to add Dell as a Buy. We made estimate changes at Dell, Gateway and Lexmark. Changes were moderate. Readers are reminded that our current quarterly and annual estimates are carried 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 5 stocks (31%) and no sell ratings (0%). 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		E.P.S.				P/E		Rating
		4/28/2006	52-week Range	2004A	2005A	2006E	2007P	2005A	2006E	
S&P 500*	SPX	1311	1318 1139	\$67.10	\$76.28	\$82.06	\$86.94	17	16	
NASDAQ Composite	COMP	2323	2376 1890							
Storage										
EMC Corp. (Dec)	EMC	13.51	15 - 12	\$0.37	\$0.53	\$0.62	\$0.72	25	22	HOLD
Network Appl. (Apr)	NTAP	37.07	39 - 23	\$0.62	\$0.80	E \$1.01	u/r	46	37	HOLD
Servers										
Hewlett-Packard (Oct)*	HPQ	32.47	35 - 20	\$1.36	\$1.72	\$2.01	\$2.31	19	16	STRONG BUY
IBM Corp. (Dec)*	IBM	82.34	90 - 73	\$4.50	R \$5.32	\$5.87	\$6.38	15	14	STRONG BUY
Sun Micro. (Jun)*	SUNW	5.00	5 - 4	(\$0.12)	(\$0.12)	(\$0.12)	(\$0.08)	NMF	NMF	HOLD
Personal Computers										
ATI Technologies (Aug.)*	ATYT	15.52	18 - 10	\$0.90	(\$0.03)	\$0.79	\$1.00	NMF	20	HOLD
Dell (Jan fol.)	DELL	26.20	42 - 26	\$1.28	\$1.53	\$1.57	\$1.82	17	17	BUY
Gateway (Dec)	GTW	2.20	4 - 2	(\$0.40)	\$0.12	\$0.06	\$0.22	18	37	HOLD
Lexmark (Dec)	LXK	48.70	70 - 39	\$4.13	\$3.35	\$3.27	\$4.00	15	15	BUY
nVidia (Jan fol.) ⁴	NVDA	29.22	31 - 10	\$0.29	\$0.86	\$1.28	\$1.40	34	23	HOLD
Wireless										
palmOne (May) ²	PALM	22.60	25 - 10	\$0.65	\$0.73	\$0.94	\$0.97	31	24	HOLD
Res. in Motion (Feb) ¹	RIMM	76.63	91 - 51	\$1.67	\$2.59	\$2.81	\$3.51	30	27	HOLD
Services										
Accenture (Aug)*	ACN	29.07	33 - 21	\$1.28	\$1.50	\$1.63	\$1.81	19	18	HOLD
Affiliated Computer (June)*	ACS	55.76	64 - 47	\$2.83	\$3.23	\$3.52	\$3.91	17	16	HOLD
First Data (Dec)*	FDC	47.69	49 - 37	\$2.16	\$2.25	\$2.39	\$2.74	21	20	HOLD
Unisys (Dec) ³	UIS	6.24	7 - 4	\$0.31	(\$0.46)	(\$0.13)	\$0.62	NMF	NMF	STRONG BUY

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

²Palm became palmOne and PalmSource which started trading October 29, 2003. The stock split 2-for-1 effective March 15, 2006.

³Unisys estimates GAAP and include pension accounting.

⁴nVidia split 2-for-1 effective April 6, 2006.

* First Call consensus estimates.

u/r = under review

Source: Nutmeg Securities estimates, except as noted.

Table II - Price History

Company (FY)	12/31/2004	12/30/2005	Prices				% chg April	2006 year to date
			1/31/2006	2/28/2006	3/31/2006	4/28/2006		
S&P 500	1212	1248	1280	1281	1295	1311	1.2%	5.0%
NASDAQ Composite	2175	2205	2306	2281	2340	2323	-0.7%	5.3%
Storage								
EMC Corp. (Dec)	14.87	13.62	13.40	14.02	13.63	13.51	-0.9%	-0.8%
Network Appl. (Apr)	33.22	27.00	31.20	33.16	36.03	37.07	2.9%	37.3%
Servers								
Hewlett-Packard (Oct) (1)	20.97	28.63	31.18	32.81	32.90	32.47	-1.3%	13.4%
IBM Corp. (Dec) (1)	98.58	82.20	81.30	80.24	82.47	82.34	-0.2%	0.2%
Sun Micro. (Jun)	5.39	4.19	4.50	4.17	5.13	5.00	-2.5%	19.3%
Personal Computers								
ATI Technologies (Aug)	19.39	16.99	17.85	15.88	17.18	15.52	-9.7%	-8.7%
Dell (Jan)	42.14	29.95	29.31	29.00	29.76	26.20	-12.0%	-12.5%
Gateway (Dec)	6.01	2.51	2.72	2.36	2.19	2.20	0.5%	-12.4%
Lexmark (Dec)	85.00	44.83	48.57	47.09	45.38	48.70	7.3%	8.6%
nVidia (Jan)	11.78	18.28	22.48	23.57	28.63	29.22	2.1%	59.8%
Wireless								
Palm, Inc. (May)	15.78	15.90	19.74	20.65	23.16	22.60	-2.4%	42.1%
Res. in Motion (Feb)	82.42	66.01	67.53	70.53	84.88	76.63	-9.7%	16.1%
Services								
Accenture (Aug)	27.00	28.87	31.53	32.66	30.07	29.07	-3.3%	0.7%
Affiliated Computer (June)	60.19	59.18	62.60	62.92	59.66	55.76	-6.5%	-5.8%
First Data (Dec)	42.54	43.01	45.10	45.13	46.82	47.69	1.9%	10.9%
Unisys (Dec)	10.18	5.83	6.69	6.68	6.89	6.24	-9.4%	7.0%

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

Palm became palmOne and PalmSource which started trading October 29, 2003. Stock split 2-for-1 on March 15, 2006.

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

Celestica
Hold 8/30/02 at \$22.97
Ended coverage 5/2/05 at \$11.50

Flextronics
Hold 8/30/02 at \$9.47
Ended coverage 5/2/05 at \$11.15

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
LT Buy 7/1/05 at \$23.51
Strong Buy 8/1/05 at \$24.62

Lexmark International
Hold 1/5/04 at \$78.64
Strong Buy 3/31/04 at \$92.00
Hold 11/1/05 at \$41.52
Strong Buy 12/1/05 at \$47.62
Buy 2/1/06 at \$48.57

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

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
Sell on 7/1/05 at \$39.46
Hold on 9/1/05 at \$35.60
Buy 5/1/06 at \$26.20

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
Hold 6/1/05 at \$3.46

IBM
Hold 10/31/01 at \$108.77
Buy 1/5/05 at \$98.58
Strong Buy 5/2/05 at \$76.38

Network Appliance
Strong Buy 10/31/01 at \$13.30
Buy 9/1/04 at \$20.07
Strong Buy 6/1/05 at \$28.76
Hold 1/3/06 at \$27.00

PalmSource
u/r 10/31/03 at \$38.17
Acquired 11/14/05 at \$18.50

EMC
Buy 10/31/01 at \$12.32
Strong Buy 3/28/02 at \$11.92
Buy 8/1/05 at \$13.69
Hold 1/3/06 at \$13.62

Globix
Spec. Buy 10/31/01 at \$0.56
Hold 1/31/02 at \$0.06
Ended coverage 5/2/05 at \$3.55

Jabil
Hold 8/30/02 at \$18.71
Ended coverage 5/2/05 at \$27.60

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
Hold 10/29/04 at \$14.47
Buy 3/1/05 at \$28.99
Strong Buy 4/1/05 at \$23.76
Hold 2/1/06 at \$44.96

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
Sell 7/1/05 at \$3.73
Hold 1/3/06 at \$4.19

Taiwan Semi Mfg.
Hold 8/30/02 at \$8.17
Ended coverage 5/2/05 at \$8.61

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
Buy 10/29/04 at \$10.62
Long Term Buy 1/5/05 at \$10.18
Buy 6/1/05 at \$7.24
Long Term Buy 8/1/05 at \$6.47
Strong Buy 11/1/05 at \$5.11
Buy 2/1/06 at \$6.69
Strong Buy 4/3/06 at \$6.89

Accenture
Hold 5/2/05 at \$21.70

Affiliated Computer
Hold 5/2/05 at \$47.67

First Data
Hold 5/2/05 at \$38.03

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