PLAINTIFF'S EXHIBIT
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2000

rowing from other sources in significant amounts except for equipment purchases.

Co. has granted liens on substantially all of its assets to secure its obligations under the amended Credit Agreement. In addition, Co.'s subsidiaries other than an immaterial utility subsidiary have guaranteed Co.'s obligations under the amended Credit Agreement and, subject to certain limitations, have granted liens on substantially all of their assets to secure their guarantees.

Capital Stock: 1. Thousand Trails, Inc. (DE) common; par $0.01.

AUTH - 15,000,000 shs.

OUTSTG - Jun. 30, 1998 7,347,083 shs; par $0.01.

WARRANTS - June 30, 1998, warrants to purchase 491,697 shs. of common stock as follows:

1. 481,527 shs. at $4.24 per sh., expiring June 30, 1999.

2. 10,170 shs. at $1.625 per sh., expiring March 31, 1999.

OPTIONS -

	1998
Options outstanding, beginning of year	1,224,495
Options granted	25,000
Options canceled	(7,501)
Options exercised	(50,499)
Options outstanding, end of year	1,191,495
Options exercisable, end of year	1,152,332
Shares available for grant, end of year	50,200

LISTED - American : TRV

PRICE RANGE -

	1997	1996	1995	1994
High	5	1 7/16	3/4	2
Low	4 1/2	1 1/4	1/4	1/2

THREE-FIVE SYSTEMS, INC.

History: Incorporated in Delaware on Feb. 13, 1990 as TF Consolidation, Inc. to effect a merger with Electronic Research Associates, Inc. Present name adopted on May 1, 1990, the effective date of the merger.

On Apr. 1, 1987, Co. closed its manufacturing facility in Troy, N.Y.

In 1994, Co. dissolved its wholly-owned subsidiary, Certified Electronics Ltd. (CEL).

In 1995, Co. formed a wholly-owned subsidiary, Three-Five Systems Pacific, Inc. (Pacific).

In May 1998, Co. purchased a 20% interest in Siliscape Inc., for an undisclosed amount. The completion date of the transaction was not released. Attempts to contact management from May 15, 1998 through May 19, 1998 were unsuccessful. Further details were unavailable at the time.

Business: Co. designs and manufactures display modules for use in the end products of original equipment manufacturers, or OEMs. Co. currently specializes in custom liquid crystal display, or LCD, components and technology. Co.'s LCD modules are used in mobile handsets and other wireless communication devices as well as in office automation equipment, industrial controls, medical equipment, and instrumentation. In addition to Co.'s traditional LCD module business, Co. is pursuing the commercialization of its liquid crystal on silicon, or LCoST, microdisplays.

Properties: Co. owns and occupies a 97,000 square foot facility in Tempe, Arizona, which houses its U.S.-based manufacturing operations; its research, development, engineering, design, and corporate functions; and LCD glass manufacturing operations.

Co. leases approximately 3,500 square feet of office and warehouse space in Swindon, United Kingdom, where it maintains its European administrative offices and a distribution warehouse.

Co. leases approximately 60,000 square feet of manufacturing space in Manila, the Philippines.

Co. owns and occupies a 46,000 square foot facility in Beijing, China, including 29,000 square feet of manufacturing space.

Subsidiaries

Three-Five Systems, Ltd. (United Kingdom)
Three-Five Systems Pacific, Inc. (Philippines)
Three-Five Systems (Beijing) Co., Ltd. (China (Peoples Rep. Of))

Officers

Jack L. Saltich, Pres., C.E.O.
Jeffrey D. Buchanan, Exec. V.P., Fin. Admin., Legal, C.F.O., Trease., Sec.
Carl E. Derrington, V.P., Chief Manuf. Officer
Robert L. Melcher, Chief Tech. officer
Robert T. Berube, Corporate Contr.

Directors

Jack L. Saltich	Jeffrey D. Buchanan
David C. Malmberg	Gary R. Long
Kenneth M. Julien	Thomas A. Werner
David P. Chavoustie	Burton E. McGillivray

Auditors: Arthur Andersen L.L.P.

General Counsel: O'Connor, Cavanagh, Anderson, Westover, Killingsworth & Beshears, PA

Shareholder Relations: Peg Breen Gusich, Investor Relations **Tel.:** 602-496-0035

No. of Stockholders: Mar. 10, 2000, 808

No. of Employees: Dec. 31, 1999, 2114

Address: 1600 N. Desert Drive, Tempe, AZ 85281-1230 **Tel.:** 602 389-8600 **Fax:** 602 389-8836 **Web:** www.threefive.com

Consolidated Income Account, years ended Dec. 31 ($000):

	1999	[1]1998 (revised)	[1]1997 (revised)
Net sales	147,408	95,047	84,642
Cost of sales	117,583	76,149	64,760
Selling, gen & admin exp	11,170	7,334	6,557
Research & devel	8,745	7,159	5,106
Tot cost & exps	137,498	90,642	76,423
Oper inc	9,910	4,405	8,219
Interest, net	cr51	cr75	cr548
Other rev. /(exps), net	dr69	dr117	dr190
Tot other income (expense)	dr18	dr42	358
Inc bef inc tax	9,892	4,363	8,577
Prov for (ben from) inc tax	2,968	1,773	3,334
Common shares (000):			
Net income (loss)	6,924	2,590	5,243
Avg shares outstg-basic	10,375	[2]10,185	10,472
Avg shares outstg-diluted	10,670	[2]10,403	10,787
Yr end shares outstg	12,572	[2]9,340	10,539
Net inc per sh-basic	$0.67	[2]$0.26	$0.50
Net inc per sh-diluted	$0.65	[2]$0.25	$0.49
Tot no of employees	[4]2,114	[4]867	[3]459
Tot no of stkhlders	[4][7][5]808	[4][6]1,100	[3][5]1,160
No of beneficiary stkhlders	......	[4][6]6,000	......
Deprec & amort	5,898	4,693	4,135

[1]Reclassified to conform with 1999 presentation [2] Adjusted for 33.3% stock dividend, Dec. 20, 1999 [3]As is [4]As is [5]As of March 6, 1998 [6]As of March 8, 1999 [7]As of Mar. 10, 2000 [8]Approximate

Consolidated Balance Sheet, as of Dec. 31 ($000):

	1999	[1]1998 (revised)
Assets:		
Cash & cash equivs	45,363	4,946
Accts receivable, net	20,886	18,601
Raw mater	9,554	9,367
Work in process	1,336	1,459
Finished goods	1,454	1,667
Invent-net	12,344	12,493
Defer tax assets	3,231	2,680
Other curr assets	1,047	2,313
Tot curr assets	82,871	41,033
Buildings & improve	16,411	13,031
Furn & equip	47,036	37,324
Gross prop plt & equip	63,447	50,355
Accum deprec	22,901	17,041
Prop plt & equipment, net	40,546	33,314
Other assets	3,513	3,557
Tot assets	126,930	77,904
Liabilities:		
Accts pay	13,450	10,649
Accrued liabil	7,526	4,673
Curr tax pay	1,042	235
Curr port of long-term debt	......	651
Tot curr liabil	22,018	16,208
Long term debt	......	7,444
Defer tax liabil	3,692	3,156
Com stk	126	106
Addit paid-in cap	67,388	32,484
Retain earn	33,702	26,823
Cum transl adj	cr7	cr8
Treas stock, at cost	3	8,325
Tot stkhlders eq	101,220	51,096

[1]Reclassified to conform with 1999 presentation

Line of Credit: In November 1998, the Company entered into a commitment from Imperial Bank and the National Bank of Canada for a $25.0 million credit facility. This credit facility consists of (i) a $15.0 million revolving line of credit for general corporate needs, and (ii) a $10.0 million term loan, which provided available funds to repurchase a portion of the Company's common stock. The Company must apply all proceeds from the sale of any treasury stock to the outstanding principal balance of the term loan. On January 21, 2000, the Company entered into a new $25.0 million unsecured revolving line of credit with Imperial Bank, which matures on January 19, 2001. This line of credit bears interest at the bank's prime rate, or at the LIBOR base rate plus 1.5%, and is payable monthly. The new revolving line of credit contains restrictive covenants that include, among other things, restrictions on the declaration or payment of dividends and the sale or transfer of assets. The new revolving line of credit facility also requires the Company to maintain a specified net worth, as defined, to maintain a required debt to equity ratio, and to maintain certain other financial ratios.

The credit facility contains restrictive covenants that include, among other things, restrictions on the declaration or payment of dividends and the amount of capital expenditures. The credit facility also requires the Company to maintain a specified net worth, as defined, to maintain required debt to equity ratio, and to maintain certain other financial ratios.

Capital Stock: 1. Three-Five Systems, Inc. common; par $0.01.

AUTH - 15,000,000 shs.

OUTSTG - Dec. 31, 1999 12,572,365 shs; par $0.01.

STOCK SPLITS - $0.01 par shs. split 2-for-1 on May 4, 1994; 33.3% stock dividend Dec. 20, 1999.

OPTIONS - Dec. 31, 1999, options outstanding, 1,156,906 shares; available for issuance under the 1994 Non-Employee Directors Stock Option Plan, 66,667 shares.

TRANSFER AGENT - Bank of New York, New York, NY.

LISTED - New York : TFS

PRICE RANGE -

	1999	1998	1997	1996	1995
High	41 1/2	23 1/16	26 7/8	22 3/4	38 7/8
Low	5 7/8	6 3/8	11 5/8	8 3/8	16

[1] Bid prices. [2] ASE.

OFFERED - (1,060,000 shs.) at $50.00 per sh. (proceeds to Co. & selling stockholder, $47.13 per sh.) on Mar. 16, 1994 thru The Chicago Corp., Kemper Securities, Inc. and associates. Proceeds of 500,000 shs. for Co. account to build and equip Co.'s new facility, to purchase capital equipment for manufacturing operations in the United States and the Philippines, and to provide additional working capital. Offering contained an over-allotment of up to 159,000 shs.

(2,300,000 shs.) at $19.375 per sh. on Sept. 30, 1999. Proceeds from the offering are estimated to be $36.6 million.

TI GROUP PLC (UNITED KINGDOM)

History: Registered in England in 1919 as Tube Investments Ltd.; present name adopted May 24, 1982.

In April 1969, Co. acquired Vero Machine Tool Co. Ltd. (now Churchill Vero Ltd.).

In June 1969, Co. acquired United Flexible Metallic Tubing Co. Ltd. for £3,648,000 nominal 6½% conv. unsecured loan stock.

In July 1969, Co. acquired Coventry Gauge Ltd. for £6,817,000 nominal of 6 ½% conv. unsecured loan stock.

In Dec. 1969, Co. acquired The Cyril Bath Company (USA) through Churchill-Froriep Corp. for $2,800,000 in cash.

In early 1970, a subsidiary of Co. acquired Steel Service & Engineering Ltd., in Hamilton, Ont., Canada. An additional 11 domestic cos. were acquired during the year.

In Aug. 1970, Co. sold Churchill Tools & Services, Birmingham to Standard Pressed Steel Co. (USA) for £2,000,000.

During 1972, Co. acquired the following companies: Healy of Leicester Ltd.; Lines Bros. (Canada) Ltd.; Raleigh Industries (Australia) Ltd.; John Elwell Ltd.; Becker Equipment & Lifts Ltd.; and Clang Ltd.

Beginning 1973, Co. acquired 51% of Allen West & Co. Ltd. General Electric Co. owns the remaining 49%.

In May 1981, Co. acquired King Fifth Wheel Co.

In Jan. 1986, Co. sold the V.L. Churchill group to Sealed Power Corp.

On June 12, 1986, Co. acquired Abar Ipsen International for US$12,500,000.

On Dec. 11, 1986, Co. sold Russell Hobbs and Tower.

On Feb. 20, 1987, Co. acquired Armco Inc. for £27,000,000.

On April 3, 1987, Co. sold Raleigh and the other Group cycle interest for £18,000,000. Co. also sold TI Domestic Appliances Ltd., the holding company of Glow-worm and Parkray, to Hepworth Ceramic Holdings PLC for £63,500,000 cash.

On Sept. 22, 1987, Co. acquired Houdaille Industries Inc.

In Aug. 1987, Co. acquired 49% of Fulton from ITT for £4,300,000.

In 1987, Co. acquired John Crane, a manufacturer of mechanical seals, and disposed of other business activities.

On Jan. 22, 1988, Co. disposed of the Non-Crane Businesses which were acquired in Sept. 22, 1987 as part of the acquisition of Houdaille Industries Inc.

In Mar. 1988, Co. disposed of TI Robertson for £2,000,000 and TI Serco Corporation (Canada) for £2,500,000.

In Apr. 1988, Co. acquired Bundy Corporation for £86,000,000.

In May 1988, Co. disposed of Cold Drawn Tubes and Seamless Tubes for £4,000,000.

In Aug. 1988, Co. disposed of TI Chesterfield for £7,000,000.

In Oct. 1988, Co. acquired Thermal Scientific for £72,500,000 and simultaneously disposed of its Carbolite and Betol subsidiaries for £6,500,000.

In Nov. 1988, Co. disposed of TI Flexible Tubes for £10,000,000.

In Dec. 1988, Co. acquired Ropac SA for £6,000,000 and disposed of Cheswick and Bainbridge for £110,000,000 and Standard Tube Canada for £31,500,000.

During 1989, Co. acquired Mannesmann's 60% controlling share in Mecano-Bundy.

In Jan. 1989, Co. disposed of Thermal Scientific subsidiaries Dartec and Rosand Precision for £3,700,000.

On Feb. 16, 1989, Co. disposed of The Bundy Performance Plastics businesses for £47,500,000.

In May 1989, Co. acquired the remaining 60% of Mecano-Bundy for £22,000,000.

In June 1989, Co. acquired PEMSA for £4,000,000 and disposed of Thermal Scientific subsidiaries Uniplex Profiles, Killion Extruders, Stanton Redcroft and Omnitherm for £6,000,000.

In Aug. 1989, Co. disposed of AP Amortiguadores for Ł36,000,000.
In Oct. 1989, Co. acquired Lewis & Saunders for Ł13,000,000 and disposed of Ebtec Belts & Sciences for Ł2,400,000.
In Nov. 1989, Co. acquired John Crane Sweden for Ł2,900,000 and disposed of TI Nihon for Ł4,000,000.
In Jan. 1990, Co. sold TI Cox for an aggregate consideration of Ł13,500,000.
In Feb. 1990, Co. acquired Fouquet SA for FFr24,000,000.
In Mar. 1990, Co. acquired the remaining 50% of Bundy-Usi International partnerships in USA and Canada.
In Apr. 1990, Co. acquired the remaining 51% of John Crane Venezuela for US$4,000,000 and also Bundy Colombia for US$3,000,000.
In May 1990, Co. acquired 60% of Magnetic Bearings Inc. for US$2,000,000.
In Aug. 1990, Co. acquired Lemco for US$3,000,000.
In Oct. 1990, Co. acquired the remaining 50% of John Crane Mexico for US$4,000,000.
In June 1991, Co. acquired Huron Products Industries Inc. for Ł29,000,000.
In July 1991, Co. acquired the Marine Seals business of Dover Corporation comprising: 50.14% of Dover Japan Inc. for Ł25,000,000; Waukesha Marine Seals (USA) for Ł14,000,000; and 66.67% of Waukesha-Lips VOF (Netherlands) for Ł9,000,000.
In Oct. 1991, Co. acquired Belfab for Ł8,000,000.
In Nov. 1991, Co. acquired Cyclam for Ł14,000,000.
In 1991, Co. acquired Radcliffe Engineering and US Plastics.
On June 10, 1992, Co. acquired the Dowty Group through the issue of approx. Ł500,000,000 in new Co. shs.
On Oct. 24, 1992, Co. sold its Thermal Equipment business.
In Jan. 1993, Co. acquired 51% of Bundy India for Ł1,000,000.
In May 1993, Co. acquired Bundy Venezuela for Ł4,500,000.
In Sept. 1993, Co. sold Dowty Fuel Systems for Ł18,900,000.
In Sept. 1993, Co. disposed of Dowty Information Technology for Ł50,000,000.
In Oct. 1993, Co. sold Dowty Electronic Systems for Ł40,000,000.
In Nov. 1993, Co. disposed of Ti Interlock and Wichita Co. for Ł4,000,000.
In June 1994, Co. disposed of Dowty Batteries for Ł6,500,000.
In Sept. 1994, Co. disposed of Mecano-Simmonds for Ł1,500,000.
In Oct. 1994, Co. acquired 25% of Technoflow for Ł5,000,000.
In Dec. 1994, Co. disposed of 5% of Japan Marine Technologies for Ł9,900,000 and acquired 75% of Bundy Kft (Arktis) for Ł400,000.
On Jan. 31, 1995, the Group acquired a further interest in Technoflow GmbH, increasing its proportion of the nominal value of share capital in issue to 62.5%.
In Mar. 1995, Co. disposed of Norson Power Ltd.
In June 1995, Co. disposed of Thermopol Inc. for Ł500,000.
In July 1995, Co. acquired 50% of Klockner-Dowty GmbH for Ł1,800,000 and 10% of Bundy Tubing Co. (Australia) Pty. Ltd. for Ł4,700,000.
On Jan. 31, 1996, Co. disposed of TI Desford Tubes Ltd., Hollow Extrusions Ltd. and TI Matrix Engineering Ltd. to The Hay Hall Group Ltd. for a consideration of Ł44,200,000 in cash.
In Jan. 1996, Co. acquired the remaining 37.5% of Technoflow (Germany and Spain) for Ł8,100,000.
In Mar. 1996, Co. acquired the remaining 40% interest in John Crane Sigma (Czech Republic) for a consideration of Ł500,000; as well a further 33.3% of John Crane Tianjin Seals (China) for a consideration of Ł400,000.
In July 1996, Co. acquired Bundy South Africa for a consideration of Ł7,300,000.
In Aug. 1996, Co. acquired Bundy Brazil Refrigeration for a consideration of Ł16,100,000.
In Sept. 1996, Co. disposed of Accles & Pollock for a consideration of Ł1,100,000 and Apollo Ltd., Apollo Golf Inc. and Reynolds 531 Ltd. for a consideration of Ł3,600,000.
In Oct. 1996, Co. acquired the remaining 25% interest in Dowty Polypac for a consideration of Ł8,700,000, and the remaining interest in Bundy Tubing Co. (Australia) Pty. Ltd. Co. also increased its investment in Korea Bundy Corp. from 15% to 39% for a consideration of Ł12,800,000.
In Nov. 1996, Co. acquired Forsheda AB for Ł181,600,000.
In Dec. 31, 1996, Co. disposed of 20% interest in Usui Bundy Tubing (Japan) for a consideration of Ł6,000,000 and acquired the remaining 25% interest of Bundy Hungary for a consideration of Ł100,000.
On Jan. 1, 1998, the Polymer Engineering business of Co.'s John Crane Group was separated to form Co.'s fourth core business, and was renamed Forsheda Polymer Engineering Group.
In Feb. 1998, Co. acquired Safematic for Ł18.4 million cash, with additional payments of approx. Ł7.0 million possibly due, depending on the performance of the business prior to Dec. 31, 1999.
In Feb. 1998, Co. disposed of Thermal Processing Group for Ł18.5 million.
In Feb. 1998, Co. acquired Sealol Marine Products for Ł2.5 million in cash.
On Apr. 2, 1998, Co. purchased the EG&G Sealol Industrial Seals Division, Cranston, Rhode Island. Terms of the transactions were not disclosed.
In Apr. 1998, Co. acquired Sealol Industrial for Ł60.0 million cash.
In Apr. 1998, Co. disposed of Belfab to EG&G for Ł27.3 million in cash.
In May 1998 Co. acquired S&H for Ł202.8 million in cash.
In May 1998, Co. acquired 41.2% of Japan Marine Tehcnologies for Ł10.1 million in cash, increasing the Groups shareholdings to 91.3%.
On June 29, 1998, Co. acquired the remaining 70% of Lips United BV ('Lips') of Holland, a supplier of marine propulsion systems. The total acquisition cost of Lips is NLG 326 million (Ł96,000,000), including the 30% interest acquired in January 1998. Lips will be integrated with Co.'s global John Crane business.
In June 1998, Co. disposed of the 50% stake in Messier-Dowty and the 100% owned landing gear repair and overhaul business for Ł168.0 million in cash after adjustment for the net debt in Messier-Dowty.
In July 1998, Co. acquired EIS Group P.L.C. for Ł270.3 million comprising of 1.4 million shares of 25p each of Co.'s ordinary shares, Ł16.0 million of Co.'s loan notes and Ł245.7 million in cash.
In Sept. 1998, Co. disposed of CF Taylor Aircraft Galleys for Ł14.0 million in cash.
On Mar. 22, 1999, Co. acquired Tri-Manufacturing from GE Aircraft Engines
for $58 million to be paid in cash and purchased free of debt. The acquisition will be
incorporated into Dowty's Turbine Engine Components business with an estimated one off cost of $3 million.
In March 1999, Co. acquired Kenmore Italiana for a consideration of Ł20 million.
On June 17, 1999, Co. acquired Walbro Corp. for $20.00 per share.
In Feb. 1999, Co. disposed Industrial Machinery for a consideration of Ł2 million.
In June 1999, Co. disposed Aircraft Spares and Distribution for a consideration of Ł12 million.

Business: Co. is an international engineering group engaged in the design, manufacture and distribution of engineered sealing systems to process industries and automotive and marine markets; the manufacture of engineered elastomer seals for the industrial, automotive and aerospace industries; the development of specialized small diameter fluid carrying systems for the automotive and refrigeration industries; and the production of hydraulic and actuation systems, turbine engine components and propellers.

Property: Co. maintains its head office in Abingdon, UK. In addition, Co. maintains over 400 manufacturing and customer service facilities in over 45 countries.

Joint Venture: In Jan. 1995, Co. formed a joint venture between its Dowty aerospace division and Messier-Bugatti, the landing gear division of the Snecma Group (France). Co. will manage the equally owned company, to be named Messier-Dowty, and will supply the chairman, chief executive and finance director.

Subsidiaries

(Wholly owned unless otherwise indicated)

John Crane Inc. (United States)
Flexibox Inc. (United States)
John Crane Sealol Inc. (United States)
Lips Propellers Inc. (United States)
Lips USA Inc. (United States)
Plenty Products Inc. (United States)
Safematic Inc. (United States)
Stokes Vacuum Inc. (United States)
Hibon Inc. (Canada)
John Crane Canada Inc. (Canada)
John Crane Argentina SA (Argentina)
Flexibox do Brasil Industria e Commercio Ltda (Brazil)
Industrias John Crane de Mexico SA de CV (Mexico)
John Crane Caribe Ltd. (Puerto Rico)
John Crane Venezuela CA (Venezuela)
Sealol SA (Venezuela)
John Crane UK Ltd
Airpel Filtration Ltd
Deep Sea Seals Ltd
ETA Process Plant Ltd
Flexibox Ltd
Flexibox (Northern Ireland) Ltd
Hick Hargreaves Ltd
Lapmaster International Ltd
Oil Plus Ltd
Plastic Constructions Fabrications Ltd
Plenty Ltd
Bepac SC (Belgium)
Hibon International NV (Belgium)
SA John Crane Belgium NV (Belgium)
John Crane Sigma as (Czech Republic)
John Crane Ireland Ltd (Eire)
Safematic Oy (Finland)
Cyclam SA (France)
Flexibox SA (France)
Hibon SAS (France)
John Crane France SA (France)
Sealol France SA (France)
Flexibox GmbH (Germany)
John Crane GmbH (Germany)
John Crane Sealol GmbH (Germany)
Wilhelm Klein GmbH (Germany)
Flexibox SpA (Italy)
John Crane Italia SpA (Italy)
Flexibox BV (Netherlands) (51%)
Golden Super BV (Netherlands)
John Crane Holland BV (Netherlands)
John Crane Marine Lips vof (Netherlands)
Lips United BV (Netherlands)
Flexibox Iberica SA (Spain)
John Crane Ibercia SA (Spain)
Flexibox AB (Sweden)
John Crane Sverige AB (Sweden)
John Crane (Switzerland) AG (Switzerland)
Flexibox Pty Ltd (Australia)
John Crane Australia Pty Ltd (Australia)
Plenty Uniquip Pty Ltd (Australia)
John Crane Tianjin Ltd (China (Peoples Rep. Of)) (67%)
John Crane Engineered Sealing Systems Ltd (India) (85%)
PT John Crane Indonesia (Indonesia) (70%)
Flexibox KK (Japan)
Japan Marine Technologies Ltd (Japan) (91%)
Chuwac Engineering Pte Ltd (Singapore) (91%)
Flexibox Pte Ltd (Singapore)
John Crane Singapore Pte Ltd (Singapore)
Flexibox (Pty) Ltd (South Africa)
John Crane Pty Ltd (South Africa)
John Crane (Korea) Co Ltd (Korea (South))
John Crane Taiwan Inc. (China (Rep. Of Taiwan))
Dowty O Rings Notrh America Inc. (United States)
Forsheda Palmer-Chenard Inc. (United States)
Forsheda Pipe Seal Corp (United States)
Forsheda Shaft Seal Corp. (United States)
Dowty-Mexus International SA de CV (Mexico)
Forsheda Ltd
Woodville Polymer Engineering Ltd
Forsheda A/S (Denmark)
Forshea SA (France)
Forsheda Engineered Seals GmbH (Germany)
Forsheda GmbH (Germany)
Forsheda Polypac SpA (Italy)
Forsheda Sealing Parts SpA (Italy) (75%)
Forsheda Stefa Srl (Italy)
Forsheda (Malta) Ltd (Malta)
forsheda Tecmold Ltd (Malta)
Forsheda BV (Netherlands)
Forsheda Stefa BV (Netherlands)
forsheda AS (Sweden)
Skega Seals AB (Sweden)
Forsheda AG (Switzerland)
Bundy Corp. (United States)
S&H Fabricating and Engineering Inc. (United States)
S&H Fabricating of Canada Co. (Canada)
Titeflex Canada Ltd (Canada)
VARI-FORM Inc. (Canada)
Bundy Argentina SA (Argentina)
TI Brasil Industiae e Commercio Ltda (Brazil)
Bundy Colombia SA (Colombia)
Alunosa S de RL de CV (Mexico)
Bundy Mexico SA (Mexico)
Bundy Venezolana CA (Venezuela)
Bundy (UK) Ltd
Bundy SA (Belgium)
Bundy SRO (Czech Republic)
Bundy Danmark A/S (Denmark)
Bundy SNC (France)
Bundy GmbH (Germany)
Technoflow Tube-Systems GmbH (Germany)
Bundy Kft (Hungary)
Bundy SpA (Italy)
TI Poland Sp zo o (Poland)
Bundy SA (Spain)
Tehcnoflow Iberica SA (Spain)
Bundy AB (Sweden)
Bundy Tubing Co (Australia) Pty Ltd (Australia)
Foshan Hua Nan Bundy Tubing Co Ltd (China (Peoples Rep. Of)) (80%)
Hua Yan Bundy Tubing Corp (China (Peoples Rep. Of)) (90%)
Bundy India Ltd (India) (74%)
Bundy Japan Ltd (Japan)
Bundy Systems Ltd (Korea (South))
Walbro
Dowty Aerospace Corp (United States)
Dowty Decoto Inc. (United States)
Ebtec Corp (United States)
Hydraulic Units Inc. (United States)
King Fifth Wheel Co. (United States)
Lewis & Saunders Inc. (United States)
Titeflex Corp. (United States)
Tru-Form Inc. (United States)
AB Precision (Poole) Ltd
Aero and Industrial Services Ltd
Aero and Industrial Technology Ltd
Aeronautical & General Instruments Ltd
Aerostructures Hmble Ltd.
Air-Log Ltd
Beagle Aircraft Ltd
Beagle Aircraft (Wokingham) Ltd
C&F Millier Ltd
Cambridge Vacuum Engineering Ltd
Davall Geares Ltd
Dowty Aerospace Gloucester Ltd
Dowty Boulton Paul Ltd
Hamble Computing Ltd
Horstman Defence Systems Ltd
Kontak Manufacturing Ltd
Mollart Universal Joints Ltd
Specialised Elastomers Ltd
TI Reynolds Rings Ltd

Titeflex Europ SA (France)
Homan Engineering Ltd
Dowty Group PLC
EIS Group PLC
TI & Dowty Pensions Ltd
TI Corporate Services Ltd
TI Group Inc. (United States)
TI Group Insurance Ltd
TI Holdings (Netherlands) BV (Netherlands)
TI International Holdings Ltd

Associated Companies

(Wholly owned unless otherwise indicated)
Flexibox Argentina SA (Argentina) (50%)
John Crane (Japan) Inc (Japan) (49%)

Directors

Christopher Lewinton, Chmn.
John M. Hignett, Non-Exec. Dep. Chmn.
William J. Laule, Chief Exec.
Martin D. Angle, Group Finance Dir.

Nigel Broomfield	Colin Chandler
John M. Harris	John Langston
David P. Lillycrop	Rudolf G. Mueller
James L. Roe	T. A. Welsh
Lord Fanshawe of Richmond	

Auditors: PricewaterhouseCoopers

Secretary: David P. Lillycrop

No. of Employees: Jun. 30, 1999, 40000

Address: Lambourn Court, Abingdon, Oxon, OX14 1UH, United Kingdom **Tel.:** 44 01235 555570 **Fax:** 44 01235 555818 **Web:** www.tigroup.com

Consolidated Income Account, years ended (in thousands of British pounds):

	[1]6/30/1999	12/31/1998 (revised)	[2]12/31/1997 (revised)
Turnover	1,247,600	2,168,100	1,870,400
Less sh of jt ventures	......	dr68,800	dr166,000
Contin opers	1,211,200	2,079,300	1,670,000
Acquisitions	36,400	......	......
Discont opers	......	20,000	34,400
Group turnover	1,247,600	2,099,300	1,704,400
Costs, less other inc	......	......	1,485,600
Oper profit fr contin opers	146,900	254,300	216,100
Oper profit fr acquisitions	1,000	......	......
Oper profit fr discont opers	......	1,500	2,700
Oper profit	147,900	255,800	218,800
Contin opers fr jt vent & assoc	800	18,000	1,400
Discont opers fr jt vent & assoc	......	7,700	16,800
Jt ventures & associates	800	9,500	18,200
Profit bef int & exceptional items	148,700	265,300	237,000
Exceptional profit on disp of fixed asset	......	......	dr1,900
Profit bef int	148,700	265,300	235,100
Int	......	......	cr14,500
Profit on ordinary activs bef except items	......	......	222,500
Int	18,300	26,700	......
Profit on ordinary activs bef except items	......	......	dr1,900
Profit bef taxation	130,400	238,600	220,600
Taxation	40,400	74,000	68,800
Profit on ordinary activities after taxation	90,000	164,600	151,800
Minor interests	200	400	1,300
Profit for the finl yr	89,800	164,200	150,500
Dividends	29,000	82,600	76,000
Common shares thousands of:			
Retain profit	60,800	81,600	74,500
Avg ordinary shares outstg	493,400	478,900	476,700
Avg ordinary shares outstg-fully dil	......	479,000	479,700
Yr end ordinary shares outstg	......	481,200	478,800
Earns per ord sh bef amort & except items	$0.02	$34.30	$32.00
Earns per ord sh after exceptional items	......	......	dr$0.40
Earn per sh on profit for finl yr	......	$34.30	$31.60
Earn per ordinary sh bef except	$0.02	$34.30	......
Earn per ordinary sh-fully diluted	......	$34.30	$31.40

[1] For 6 months due to fiscal year end change [2]Restated to reflect the adoption of FRS10

Consolidated Balance Sheet, as of (in thousands of British pounds):

	6/30/1999	12/31/1998 (revised)
Assets:		
Intang assets-goodwill	762,400	524,100
Net tang assets	634,600	478,800
Associates & other invests	41,400	11,100
Tot fixed assets	1,438,400	1,014,000
Stk	348,100	303,600
Assets held for disp	8,800	21,800
Debtors & prepay	706,900	587,500
Cash & dep	177,400	173,100
Tot curr assets	1,241,200	1,086,000
Liabilities:		
Short-term borrow	128,500	128,300
Other creditors	687,000	559,600
Net curr assets	425,700	398,100
Tot assets less curr liabil	1,864,100	1,412,100
Loans & other borrow	895,700	557,500
Other creditors	8,700	14,700
Creditors falling due after more than one yr	904,400	572,200
Provs for liabil & charges	223,800	233,400
Net assets	735,900	606,500
Eq sh cap & sh premium	283,500	188,900
Cap reserve	447,400	412,100
TI shhlders fds	730,900	601,000
Eq interests of minor shhlders	5,000	5,500
Tot shhlders fds	735,900	606,500

Long Term Debt: Dec. 31, 1998, Ŀ904,400,000 comprised of:
(1) Ŀ895,700,000 loan and other borrowings
(2) Ŀ8,700,000 other creditors.

Capital Stock: 1. TI Group Plc (United Kingdom) ordinary; par o0.25.
AUTH - 678,000,000 shs.
OUTSTG - Jun. 30, 1999 481,200,000 shs; par o0.25.
STOCK SPLITS - Par changed from Ŀ1 to Ŀ0.50 by 2-for-1 split Apr. 1987; from Ŀ0.50 to Ŀ0.25 by 2-for-1 split May 29, 1992.
VOTING RIGHTS - Entitled to one vote per share.
DIVIDENDS PAID - (years ended July 31, in %):

1953	15.00	1954	17.50	1955	22.50
1956	13.75	1957	15.00	1958	17.50
1959	20.00	1960	18.25	1961-63	14.00
1964	15.00	1965-67	16.00	1968	16.50
[1]1969	25.00				

(years ended Dec. 31, in pence):

1970	18.000	1971	19.000	1972	16.500
1973	14.490	1974	15.982	1975	17.060
1976	18.760	1977	21.100	1978	23.400
1979	24.900	1980	15.000	1981-82	7.500
1983-84	10.000	1985	13.000	1986	16.000

(on Ŀ0.50 shs. after 2-for-1 split):

1987	10.000	1988	13.500	1989	17.500
1990	19.500	1991	20.500		

(on Ŀ0.25 shs. after 2-for-1 split):

1991	10.25	1992	10.70	1993	11.25
1994	12.00	1995	13.10	1996	14.50
1997	15.90	1998	17.20	[2]1999	5.80

[1] 17 mos. to Dec. 31. [2] 6 mos. to June 30. .
OPTIONS - Dec. 31, 1998, options outstanding, 17,493,363 shs.
REGISTRARS - Lloyds TSB Registrars, Birmingham.
LISTED - London
PRICE RANGE - (in pence):

	1998	1997	1996	1995	1994
High	650	697	595.00	464.00	456.23
Low	300	430	453.00	325.00	340.00

[1] After 2-for-1 split, on Ŀ0.25 shs.
CAPITAL HISTORY - On May 12, 1992, each of Co.'s *unclassified shs. of Ŀ0.50 each in the authorized share* capital were
converted into and redesignated as one ord. shs. of Ŀ0.50.
SUBSCRIPTION RIGHTS - In Sept. 1977, Co. announced rights offering to holders of registered ordi-*nary stock at a price of 350p per share on the basis for* each one held. Holders of ADR's were not available to participate in the offering.

2. TI Group Plc (United Kingdom) American Depositary Receipts; no par.
DIVIDENDS PAID - (in US$):

1959	0.322	[1]1960	0.295	1961	0.220
1962	0.211	1963	0.220	1964	0.236
1965	0.244	1966	0.294	1967	0.331
1968	0.313	1969	0.304	1970	0.345
1971	0.375	1972	0.211	1973	0.346
1974	0.476	[2]1975	0.550	1976	0.288
[3]1977	0.605	1978	0.403	1979	0.501
1980	0.583	1981	0.098	1982	0.142
1983	0.124	1984	0.179	1985	0.139
1986	0.227	[4]1987	0.237	1988	0.208
1989	0.249	1990	0.140	1991	0.391
1992	0.422	1993	0.355	1994	0.377
1995	0.413	1996	0.442	1997	0.502
1998	0.540	[5]1999	0.371		

[1] Plus $5.832 proceeds from sale of rights. [2] Incl. $0.205 proceeds from sale of rights. [3] Incl. $0.279 proceeds from sale of rights. [4] Incl. $0.181 paid prior to 2-for-1 split in 1987. [5] To Oct. 20.
DEPOSITARY - Citibank N.A., New York.
LISTED - OTC : TIGU Y
PRICE RANGE -

	1998
High	N.A.
Low	N.A.

AMERICAN DEPOSITARY RECEIPTS - (Sponsored) Each American Depositary Receipt represents two ordinary shares of par Ŀ0.25.

TIDEWATER INC.

History: Incorporated in Delaware Feb. 7, 1956 as Tidewater Marine Service Inc. Present name adopted on Aug. 12, 1977.

On Mar. 1, 1968, Co. merged Twenty Grand Marine Service, Inc. by issuance of one new conv. cum. pfd. sh. for each 2 Twenty Grand com. shs.

On July 1, 1968, Co. acquired Sandair Corp. for 32,000 common shares. (Sold in 1985).

In Mar. 1969, Co. acquired Hamer Hammer Services, Inc., Morgan City, La. for 48,000 com. shs.

On Mar. 19, 1969, Co. acquired South Coast Gas Compression Company, Inc., Houston.

In early 1970, Co. formed Pental Insurance Co. Ltd., wholly-owned insurance co. in Bermuda.

On May 1, 1973, all equipment and inventory of International Hammer Services, Inc. were sold and Co. discontinued all rental and operation of diesel hammer equipment.

On Dec. 31, 1974, Co. acquired a fleet of 25 vessels from International Offshore Services group of Co.'s for $28.9 million.

On Sept. 29, 1976, Co. purchased all of the outstanding stock of Universal Compression Services, Inc. for 79,990 shares of the Co.'s. common stock with a market value of $1,490,225, which approximated the book value of Universal's net assets.

In July 1977, Co. completed the acquisition of Hilliard Oil & Gas Inc., Menlo-Park, Cal. for 1,700,000 Co. com. shs. (Sold in 1985).

On Feb. 1, 1978, Co. acquired Texcentric, Inc. of Houston, a manufacturer and distributor of compressor valves and valve assemblies.

On Mar 10, 1978, Co. acquired Western Air Drilling Service Co., its subsidiaries and affiliates.

On July 6, 1979, Tidewater Contractor Services, Inc., a wholly owned subsidiary of Co., acquired XPLO Corp. for 15,000 common shares.

In June 1981, Tidewater Compression Inc., a wholly owned subsidiary of Co. acquired R.L. Frailey Inc., Tulsa, for 350,000 common shares.

In 1987, Co. sold its interests off Indonesia to Hispanoil, the oil company of Spain for approximately U.S. $20,000,000.

In 1988, Co. acquired three utility vessels form Bollinger Machine Shop & Shipyard Inc. and two of its affiliated companies for 168,000 common shares.

In 1988, Co. acquired four vessels from the Maritime Administration for $5,000,000.

On Jan. 15, 1992, Co. acquired all the outstanding stock of Zapata Gulf Marine Corp. for 23,786,000 shs. of Co.'s com. stk.

In Apr. 1992, Co.'s air compression division, Tide-Air Inc. of Houston, purchased the 26 unit fleet of oil-free air compressors of Airnetics Engineering Co. of Phoenix, Ariz.

On Mar. 31, 1993, Co. sold its 70% interest in Marine Transportation Services Sea-Barge Group, Inc. to a group of investors including S.E.L. Maduro (Florida) Inc., one of the present owners. The purchase price was not disclosed.

On Aug. 2, 1993, Co.'s compression division, Tidewater Compression Service, Inc., acquired 139 natural gas compressors in two separate purchases. In one transaction, Co. acquired the 26 unit gas compressor fleet of Allison Production Services, Inc. of Santa Fe, Tex. In a separate transaction, Co. acquired the 113 unit natural gas compressor fleet of BJC Operating Co., Inc. of Shreveport, La. The purchase prices were not disclosed.

On Oct. 1, 1994, Co.'s compression division, Tidewater Compression Service Inc., acquired the assets of Brazos Gas Compressing Co., a subsidiary of Mitchell Energy & Development Corp., for $35,000,000. The acquisition includes 370 natural gas compressors.

On Dec. 2, 1994, Co. acquired the natural gas compression assets of Halliburton Co. (Dallas, TX) for $205 million.

On Mar. 13, 1996, Co. acquired Hornbeck Offshore Services, Inc. Under the terms of the agreement, the merger was accounted for as a pooling-of-interests and structured as a tax free exchange, with each Hornbeck share being converted into .628 of a Co. share or a total of approx. 8,475,000 Co. shares.

On May 31, 1996, Co. acquired for $12.4 million cash the remaining 50.1% equity interest in 22 of 29 safety/standby vessels previously owned and operated by joint-venture companies in the North Sea.

On May 16,1997, Co. acquired all of the shares of O.I.L. Ltd. from Ocean Group plc in exchange for a cash payment of 328 million pounds sterling or approx. $534 million.

On Feb. 20, 1998, Co. completed the sale of its natural gas compression business, Tidewater Compression Service, Inc. to Castle Harlan Partners III, LP.

In July 1999, Co. sold all of its safety/standby vessels for approx. $40 million in an all cash transaction.

Business: Co. conducts its operations through wholly-owned subsidiaries and joint ventures. Co. provides services and equipment to the offshore energy industry through the operation of the fleet of offshore service vessels.

Co. operates services supporting all phases of offshore exploration, development and production, including: towing of and anchor-handling of mobile drilling