

V.I.M.COR
BUY RECOMMENDATION

CPAC		CPAK		\$ 6.70		YIELD	
52 WK PRICE RANGE		DIV	YIELD	EPS			AVERAGE DAILY VOLUME MILL \$
				2001	LATEST 12 MO	2002	2003
\$ 8.50-5.15	\$ 0.28	4.40 %	\$0.82	\$ 0.82	\$ 0.90	\$ 0.97	\$ 991.3
		P/E :	8.2	8.2 x	7.4 x	6.9 x	
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EPS COMPOUND GROWTH RATE							
VAL MODEL	P/E LEAST	PAST 5 YRS.	LATEST QUARTER	THIS YEAR	NEXT YEAR	NEXT 5 YRS.	
47.0 %	0.96 x	-19 %	-53.0 %	10 %	8.0 %	8.0 %	

BASIS OF RECOMMENDATION

CPAK has undergone some tough times recently, but even so, it has little debt, a reasonable payout ratio of only 34%, and sells highly recognizable products. I believe that as the company recovers that it will be rewarded with a higher P/E multiple closer inline to the industry average P/E of 24. To be conservative, we will assume that it will achieve a P/E of 12. This gives a tentative price target of \$10.80 for 2002. A total return of around 62%.

POSITIVES

- * Fuller Brush is a widely known and respected brand (about 58% of sales).
- * Strong worldwide sales distribution help insulate against any single market breakdown.
- * Management is continuing a share buyback program that will increase EPS and should help the share price.

NEGATIVES

- * Sales have decreased in the latest quarter. It may be some time before we see a true recovery.
- * As the US and other countries continue their economic slowdown, CPAK's recovery period may get extended.

ANALYST	DATE OF STOCK PRICE	SPX PRICE THAT DATE	DATE OF THIS REPORT
Gary Vassalotti	July 10, 2001	\$ 1181.52	July 10, 2001

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