

March 30, 2001

Huffy Corporation

NYSE: HUF - \$6.73

www.huffy.com

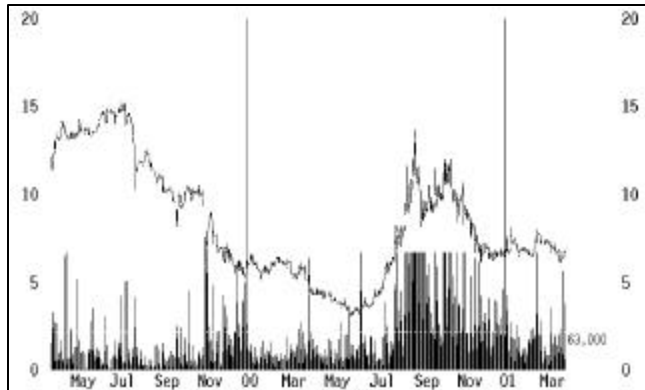
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4Q00 Results

Reconfigured and Ready to Roll: Huffy is More than Bikes and Scooters

Current Data		EPS	P/E
Fiscal Year End	Dec	2000 \$ 1.03	6.5
Current Price	\$ 6.73	2001E \$ 1.08	6.2
52-Week Range	14-3	2002E \$ 1.18	5.7
Shares Out (Mill)	10.2	Valuation	
Ave Volume LTM	86,513	P/E (Next FY)	6.25 6-3
Market Cap. (Mill)	\$ 68.65	P/B	0.93 1.2-0.8
LTD/Total Capital	0.0%	Price/Sales	0.14 0.14-0.11
Institutional Holdings	34.0%	Operating Data	
Insider Holdings	9.3%	Sales Growth	This Qtr LTM
Book Value	\$ 7.21	Operating Margin	0.0% 0.0%
10Yr Bond	5.00%	Net Inc. Growth	155.1% -127.1%

Source: Baseline except for EPS estimates, researchstock.com



Source: Baseline

Key Investment Points

- Continuing operations set records: Annual sales grew 32% and net income from continuing operations increased 127%.
- Leading brand in each of its markets.
- HUF is now a virtual manufacturer, focused on design and marketing.
- With no debt and \$20 million in cash, the Company is in the best financial condition in years.
- 12-18 month target price is \$13.00.

Company Description

Huffy Corporation ("HUF") designs and manufactures sport products and provides services for retailers. The Company makes bicycles, basketball backboards, poles, goals and related products through its wholly owned subsidiaries: Huffy Bicycle Company and Huffy Sports Company. The Company's Service First unit provides retailers with in-store and in-home assembly and repair and in-store display services for a variety of products.

The Bottom Line

HUF is not your fathers bicycle company! After a multi-year restructuring program, HUF has converted itself from a single-brand bicycle manufacturer to a multi-brand sporting goods designer and distributor that commands a leading brand name in each of its product lines. While we expect the bicycle industry to grow in the mid/low single digits (excluding fads), HUF's increased operating efficiencies should boost EPS growth above this pace.

Company Overview

HUF, as it exists today, is comprised of three operating units: Huffy Bicycle Company, Huffy Sporting Goods (basketball systems), and Huffy Service First (retail services). Each unit has the leading share in each of its markets. In this section we will discuss each unit and its sector.

Bicycle Market Overview

HUF estimates that the total bicycle market is currently 17-18 million units per year and has sales of \$2.4 billion annually. Excluding fads (i.e. scooters) we think the market will grow at a 3-4% annual rate. Fads, like scooters and inline skates, will boost sales for a season, then fall to a lower level of residual demand.

There are two channels of distribution, Independent Bicycle Dealers ("IDB") and Mass Merchandisers ("MM"). The IDBs generate higher dollar volumes on lower unit sales because they carry the higher margin, "big name" products like Cannondale. The MMs, carry much higher volumes with lower price points. The IDB's cater to the hardcore biker at \$1,000+ price points while the MMs help parents afford bikes for their kids. Huffy focuses on the MM and holds a 30% share (both in terms of units and dollars). However, HUF did acquire a firm that provides an entree into this higher-margin segment and does not compete with the MM brands.

Huffy Bicycle Company

This is the Company's largest unit and its core business. It is also the one that has undergone the most significant restructuring. In 1996, management realized that it had to take drastic action to compete with low cost imports and began the conversion from a single-brand bicycle manufacturer into a multi-brand bike designer and distributor. Here is a synopsis of the conversion process:

- **1996:** HUF had one brand (Huffy), one product (bicycles), and two plants, both in the US. HUF could produce 7 million units, but sold only 3.7million.
- **1997:** Acquired Royce Union Bicycle Company (provided HUF an IDB quality product).
- **1998:** Consolidated design, development and engineering into Springboro, Ohio plant, closed Celina, Ohio plant, opened Mexico plant.
- **1999:** Acquired American Sports Design (Airborne brand), closed remaining US manufacturing, and downsized bicycle HQ into Springboro, Ohio facility.
- **2000:** Closed last US-based facilities, launched X-Games (R) bikes and Micro™ scooter.

The key benefits of the reconfiguration are that HUF:

- Eliminated more than \$20 million of fixed costs,
- Developed a reliable supplier base, and
- Expanded its product line that taps into the higher price points in the IBD channel without compromising its strengths in the MM channel.

As the result of their acquisitions and focus on design rather than manufacturing, HUF now has a broad line of brands in key price points. The Company's expanded brand portfolio now includes Huffy (R), XGames (R), Rugrats (R), Rebike(R), Micro™, and Buzz (R). The Royce Union acquisition provided HUF with an IBD-quality product at a mass-market price. American Sports Design not only strengthened HUF's upscale positioning with the hard core enthusiast, it also provided a channel where consumers could use the Internet (www.Airborne.net) to custom design their \$4,000 bikes and have them assembled and shipped directly to them. HUF demonstrated its ability to bring new brands to market with the X-Games ® bikes and Micro™ scooters.

Huffy Sports Company

Huffy Sports holds the leading market share in home basketball systems. These systems consist of rims, poles, and backboards with in-ground or portable designs. The components are also sold separately. HUF holds the exclusive rights to the North American NBA, and NCAA licenses. HUF is also a product innovator, having introduced the first portable unit, first electronic lift system, and first lighted products (including backboards, balls, and safety gear).

The Company has three main brands in this sector:

- **Huffy** ®: Sold through MM and "big box" merchants, these systems are targeted to specific price points and feature the licensed logos of the NBA, NCAA, and WNBA.
- **Sure Shot** ®: These products are of higher quality and durability, and have higher price points (\$200 - \$300). Targeted more to the more performance conscious consumer, they are sold through independent sporting goods retailers.
- **Hydra-Rib** ®: Premium-price (\$1,000), high-quality systems geared for the serious user. These products are sold through distributors, catalogues and high-end sporting goods stores.

Huffy Sports also coordinates the licensing activity for HUF brands. Management currently forecasts that annual license royalties could reach \$4-6 million in 2003.

Huffy Service First

Huffy Service First is the largest and only nationwide supplier of retail services, including in-store and in-home assembly and repair as well as retail merchandising services. Service First has developed a network that recruits and deploys employees on a nationwide basis, even in a difficult labor market. Service First consists of two units, In-Home/In-Sore Assembly and Merchandising.

In-Home/In-Store Assembly provides assembly services on a nationwide basis. In addition to bikes, Service First is also used for grills, furniture, lawn and garden equipment, and exercise machines.

Merchandising provides services to both manufacturers and retailers, allowing them to outsource a specific stocking function to HUF. The benefit to clients is that they do not have to develop and maintain a nationwide system of labor, but can leverage HUF's system at a lower cost.

Services are divided into two segments:

- Cycle Programs: Not to be confused with bike assembly, Cycle programs consist of in-store merchandising display set-up and maintenance. A typical example would be Hallmark Card racks in Wal-Marts. Hallmark would contract with Service First to keep their displays stocked and convert the displays as holidays change and promotion programs are cycled.
- Reset Programs: Planogram changeouts and updating displays. A planogram change generally consists of a redesign of shelf space to give it a fresh look and, hopefully, generate a higher sales volume.

Competitive Advantages

In a mature market, a strong brand and large market share are competitive advantages. However, in order to maintain both, a company needs to be innovative and attuned to consumers' desires. HUF has all three.

HUF has the number 1 or 2 brand in each of its businesses and a major share of the market (see Fig 1). And, as discussed above, it has positioned its brands so that they do not compete with each other across distribution channels.

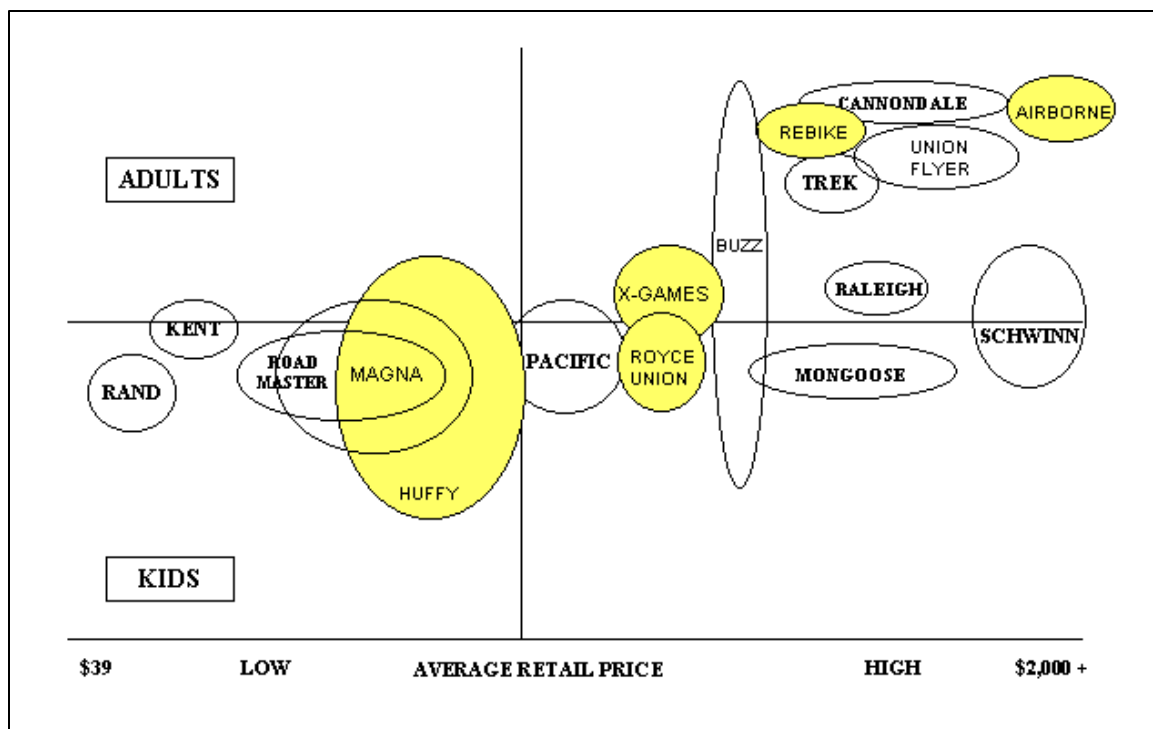


Figure 1 (Source: the Company)

The ability to innovative has been evidenced by the development of different basketball systems, lighted backboards, and lighted balls. HUF was ahead of the curve when it came to scooters, both traditional and electric.

Service First has the competitive advantage of being the only nationwide provider that handles hiring, training, and scheduling. This is a critical advantage because it makes HUF a preferred provider of outsourced services for companies that need to perform these services, but do not, or cannot, perform these services with internal resources.

This nationwide reach makes Service First a preferred provider to companies like Hallmark who need to provide added services to their bigger clients, like Wal-Mart. For example, Hallmark sells cards to Wal-Mart. Wal-Mart, not wanting to use its employees to stock and rotate the card displays, tells Hallmark that those jobs are their responsibility. However, Hallmark's core competency is creativity, not supporting a nationwide system of employees to maintain and rotate stock. But they need to provide this service to Wal-Mart in order to make the sale. The best solution for Hallmark is to find a single provider that could service all of Wal-Mart's stores across the US. HUF can provide these services at a lower cost than Hallmark could because HUF has made this their core competency and can leverage its system by serving many Hallmarks, Wal-Mart's, Sears, etc.

Management

Don R. Graber, Chairman of the Board, President and Chief Executive Officer

Mr. Graber joined HUF in 1996 as President and COO. In 1997 he became its CEO and assumed the Chairmanship of the Board of Directors. Prior to joining the Company, he was:

- President of Worldwide Household Products Group and Group VP of the Black & Decker Corporation since 1992. He joined Black & Decker in 1984 as General Manager - Household Products Group.
- General Manager-Housewares Manufacturing Dept. at General Electric. He joined GE in 1968.
- Received his MBA (1986) from The Ohio State University and a BA (1966) from Ohio University.

Randy R. Schikert, President and General Manager of Huffly Sports

Mr. Schikert joined HUF in 1992 as Director of Engineering and assumed and served in several positions of increased responsibility. He assumed his current position in 1999. Prior to joining HUF, he:

- Served in various engineering capacities for major manufacturers such including Regal Ware, Weasler Engineering, and ASI Technologies.
- Is the inventor of record for 14 US Patents and currently has numerous patents pending, the majority of which concern basketball and basketball-related equipment.
- Completed three degrees in eight years while working full time in engineering and manufacturing fields.
- Has a Bachelor of Science Degree in Mechanical Engineering Technology and Degrees in Mechanical Drafting and Mechanical Design from the Milwaukee School of Engineering.
- Is an active member of the American Society for Testing and Materials (ASTM).
- Also served on the Advisory Board for Curriculum Planning for the Masters Degree Programs at the Milwaukee School of Engineering and is a frequent lecturer at that Institution.

- Serves as an advisor to the American Basketball Council of the Sporting Goods Manufacturers Association and has published several articles in Design News regarding basketball equipment safety and performance.

Paul R. D'Aloia, President and General Manager-Huffy Service First

Mr. D'Aloia assumed his current title in 1999 after joining HUF in 1997 as President and General Manager of Huffy Sports. Before joining HUF, he worked at:

- Black & Decker from 1978 to 1994, rising through the marketing ranks from National Sales Manager-Special Markets to General Manager-Home Products.
- Gillette Company from 1982 to 1987 in sales and marketing.

He received a BS degree from Bucknell University (1980) and an MA from Colgate University (1981).

Chris W. Snyder, President and General Manager-Huffy Bicycle Company

Mr. Snyder joined HUF in 1993 as Vice President, Operations at the Company's True Temper Hardware unit and assumed his current title in 1996. Prior to joining HUF, he worked at:

- Babcock and Wilcox (Barberton, Ohio) for 18 years in positions of increasing responsibility.
- Harnischfeger Corporation (Milwaukee, Wisconsin) as Vice President of Manufacturing.
- Tomkins Industries (Dayton, Ohio) as Senior Vice President, Operation (Lau Division).

He received an MBA from Baldwin Wallace College in 1982 and a BSME from Rensselaer Polytechnic Institute in 1967.

Robert W. Lafferty, Chief Financial Officer and Treasurer

Mr. Lafferty joined HUF in January 2000 as CFO and Treasurer. Prior to HUF, he was:

- CFO at Gencor Industries (December 1998 – December 1999).
- Senior Vice President –Accounting and Information Systems at Hoechst Marion Roussel AG in Frankfurt, Germany (1996-1998).
- Senior Vice President-Finance at HMR Inc. (1995-1996).
- Vice President-Finance/Controller/Treasurer at Marion Merrill Dow (1985-1995).

He received a Bachelors of Science degree in Accounting from San Jose State.

Operating Results

Historical Review

We will focus most of our operating analysis on the post-reconfigured HUF (after 1996) since that is the Company investors should examine today. However, we will briefly review sales growth over a longer term and compare it to the adjusted results since 1996 to illustrate the change in momentum.

HUF's annual sales growth was declining as cheaper imports won market share. Figure 2 illustrates reported sales growth from 1988 to 1995. From 1996 to 1999, we used pro forma sales figures, supplied by management, that represent sales from continuing operations as of yearend 2000.

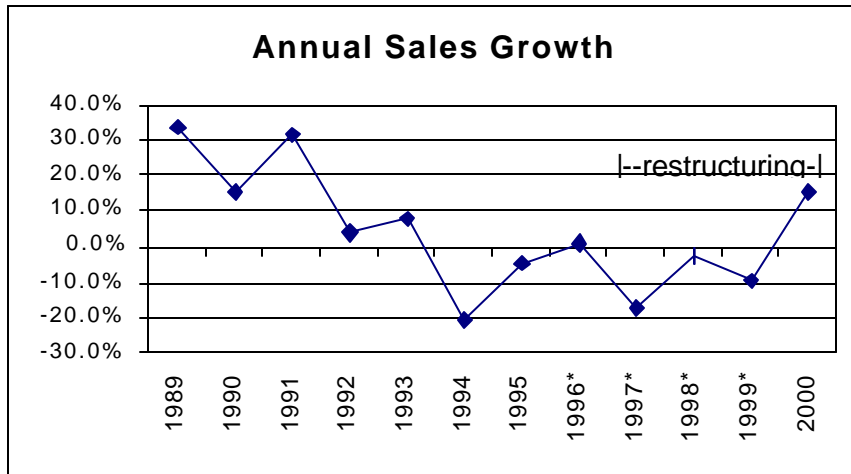


Figure 2

To better illustrate the difference between reported and sales from continuing operations, we compared the two in Figure 3. Reported sales were obtained from the 1999 annual report. The adjusted numbers represent sales from continuing operations as of year ended 2000.

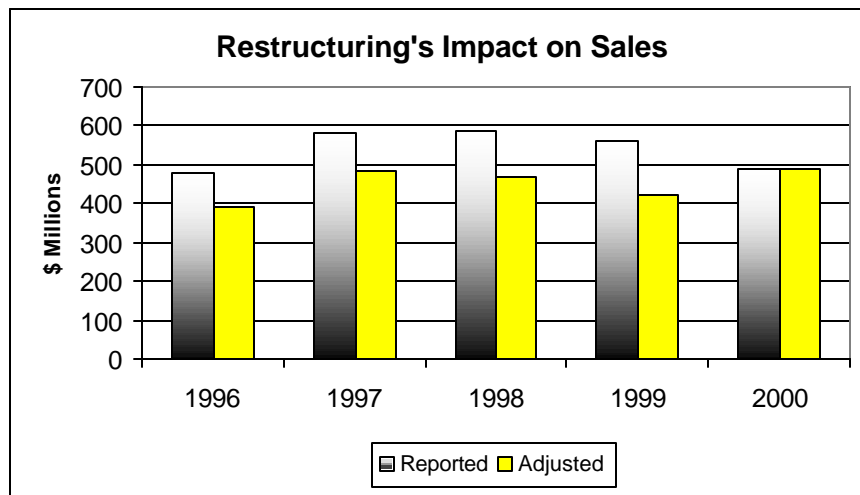


Figure 3

Operating performance improved in 2000 as HUF completed its transformation. While sales were relatively flat from 1996 to 1999, the Company posted losses for most of the period due to the ongoing restructuring charges. In 2000, sales benefited from the scooter craze and net income did not have the drag of net charges for discontinued operations. The pro forma results are illustrated in Figure 4 and Table 1.

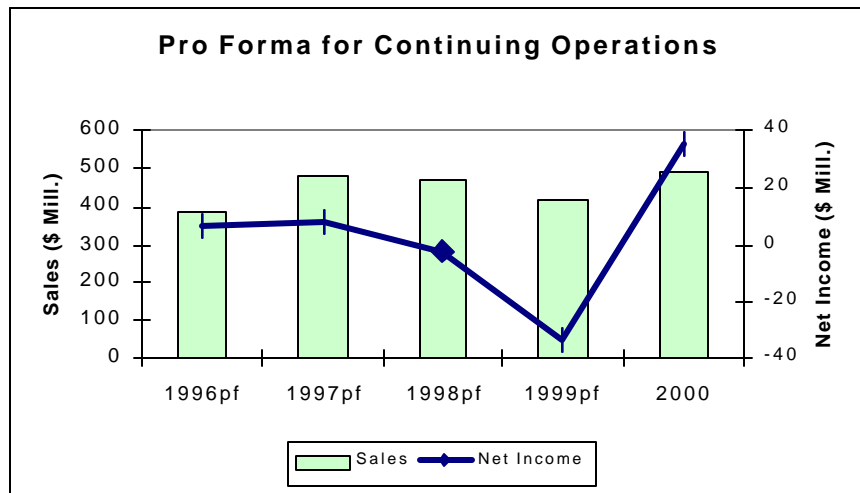


Figure 4

Table 1: Pro Forma Operations Restated for WIS Sale					
(\$ Million except EPS)	1996	1997	1998	1999	2000*
Sales	389.9	481.5	468.4	422.9	488.2
Gross Profit	55.2	74.0	76.2	36.7	81.3
OP. Earnings	4.7	10.3	13.9	-21.6	26.9
Restruct/Refin. Exp			21.3	38.6	0.7
EBT	4.7	10.3	-7.4	-60.1	17.1
Taxes (Benefits)	1.3	2.7	-2.9	-20.8	6.4
Net-Cont. Operations	3.4	7.6	-4.5	-39.4	10.7
Net-Discont Ops.	3.0	1.4	2.3	6.1	24.3
Net Income	6.5	9.0	-2.2	-33.3	35.0
EPS-Continuing Ops	\$ 0.25	\$ 0.58	\$(0.37)	\$(3.70)	\$ 1.03
As Reported	\$ 0.47	\$ 0.68	\$(0.18)	\$(3.13)	\$ 3.39
Margin Analysis					
Gross	14.2%	15.4%	16.3%	8.7%	16.7%
Operating	1.2%	2.1%	3.0%	-5.1%	5.5%
* As reported					
(Source: HUF Form 8-K dated 1/17/02)					

On a quarterly basis, and using data for continuing operations, it appears that HUF is regaining some momentum. Sales momentum increased significantly in 2000, as the result of Micro™ scooter sales (about \$100 million) and the introduction of X-Games bikes (see Figure 5).

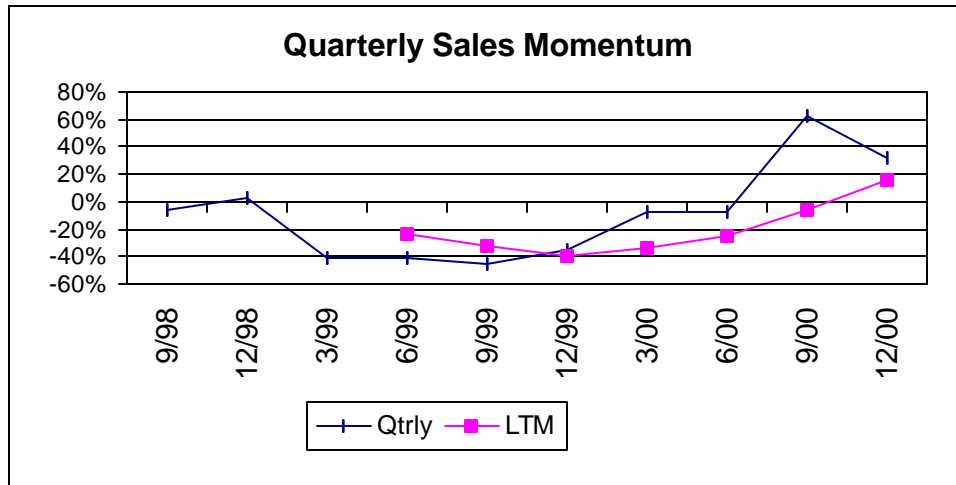


Figure 5

Profitability also appears to have improved for core operations. Figure 6 shows the trend of earnings before interest, taxes, depreciation, amortization and restructuring costs (EBITDAR), HUF's leaner operations have resulted in a return to profitability.

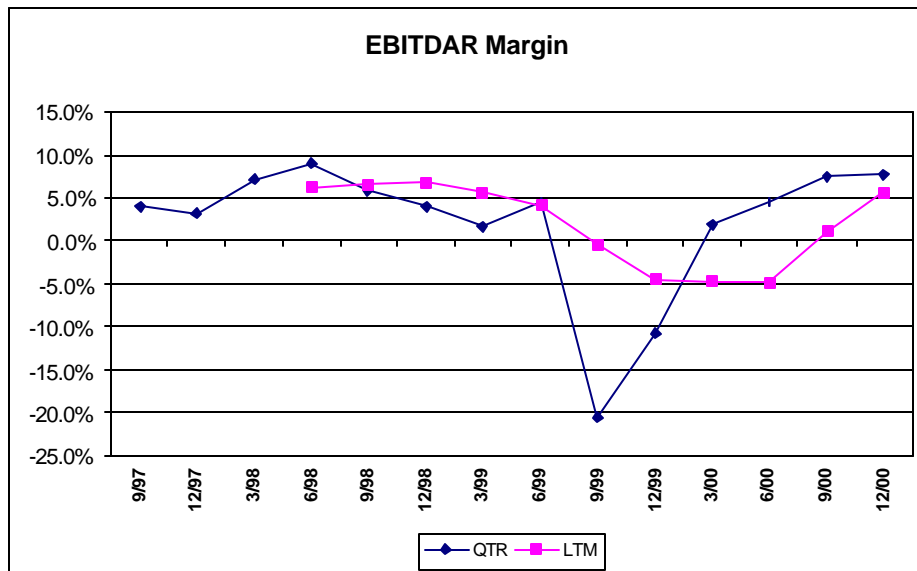


Figure 6

The impact on net income from continuing operations is shown in Figure 7.

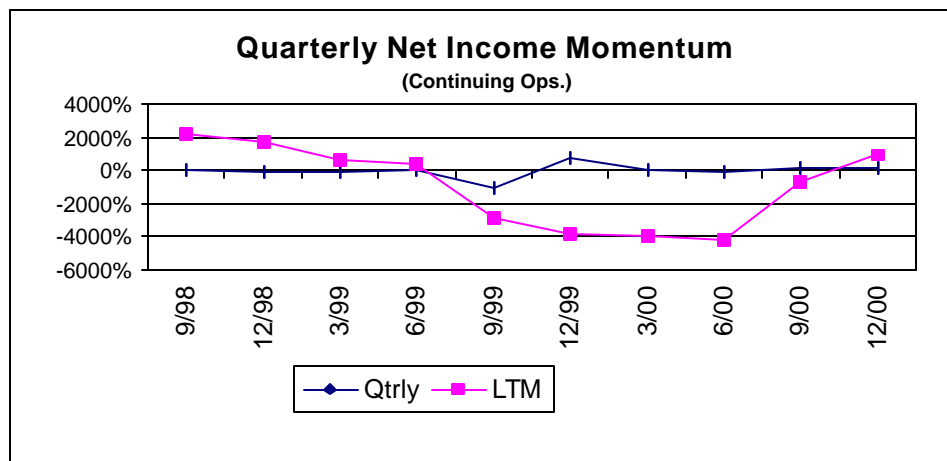


Figure 7

4Q and Fiscal 2000

Fourth quarter results were strong relative to last year as HUF benefited from sales growth and improved operating efficiencies. EPS from continuing operations were \$0.56 versus a loss of \$0.79 in 4Q99. Reported EPS was \$2.54 versus a loss of \$1.49. The \$1.98 difference in 4Q EPS is due to the gain on the Sale of WIS (\$1.97) and reconfiguration/ refinancing/ extraordinary items (\$0.01).

Sales increased 32.5% due to the success of scooter and X-Game bike sales. The Company did note that they saw some weakness in retail sales in 4Q00, especially in the last six weeks of the quarter. During the conference call (February 16, 2001), management added that January sales were "solid", but 1Q is usually a slow quarter.

The benefits from the reconfiguration were evident in expanded gross margins and reduced SG&A expenses. The gross margin improved to 19.5%, with most of the improvement coming from the bicycle business where margins increased 29.6 points. SG&A expenses as a percent of sales declined to 12% from 13% as higher sales levels were leverage on the HUF's reduced and restructured infrastructure. Table 2 compares 4Q00 results with 4Q99 (excluding discontinued operations).

Table 2: Quarterly Operating Comparison			
(\$ Million, except per share)	4Q99	4Q00	Change
Revenues	107.34	142.21	32%
Cost of Goods Sold	104.87	114.53	9%
Gross Profit	2.47	27.68	-1020%
SG&A	13.91	16.73	20%
Plant Reconfig	5.11	-0.80	-116%
Operating Income	-16.55	11.74	171%
Interest Expense/ (Inc.)	0.44	1.21	174%
Other Expenses/ (Inc.)	0.20	0.11	42%
PreTax Income	-17.19	10.42	161%
Income Taxes	-5.78	4.14	172%
Net Income-Cont. Ops	-11.40	6.28	155%
Discont. Ops.	-3.71	20.09	641%
Net Income	-15.12	26.37	274%
EPS-Diluted	\$ 1.49	\$ 2.54	70%
From Cont. ops.	\$ (1.12)	\$ 0.61	
Diluted Shares	10.2	10.4	2%
Effective Tax Rate	34%	40%	
Margin Analysis			
Gross	2.3%	19.5%	
EBITDAR	-10.7%	7.7%	
Operating	-15.4%	8.3%	
Net	-10.6%	4.4%	

For the fiscal year, sales increased 15.4% to \$488.2 million and EPS rose to \$3.39 versus a loss per share of \$3.13. Here is a breakdown of the EPS components:

	1999	2000
Before reconfiguration costs	(\$1.33)	\$1.12
Discontinued operations (WIS Sale)	0.57	2.45
Other Extraordinary	<u>(2.37)</u>	<u>(0.18)</u>
Reported EPS	(\$3.13)	\$3.39

The gross margin improved to 16.7% from 8.7% as a significant (16.1 points) improvement in bike operations offset weakness in sporting goods and Service First. Management noted that basketball sales had been soft, but showed some signs of improvement in 3Q00 and the sales of the Twilight™ products sold well during the Holiday season. Management also noted that Service First results were weaker, despite record revenues (which were not disclosed), due to one-time expenses related to the realignment of in-home and in-store services and lower than expected sales.

Table 3 summarizes the annual operating results and compares the percentage changes for year-end and the 4Q00.

Table 3: Year to Date Operating Comparison				This Qtr
(\$ Million, except per share)	YTD 99	YTD 00	Change	Change
Revenues	422.87	488.18	15%	32%
Cost of Goods Sold	386.15	406.84	5%	9%
Gross Profit	36.72	81.34	122%	-1020%
SG&A	56.16	53.76	-4%	20%
Plant Reconfig	38.56	0.71	-98%	-116%
Operating Income	-57.99	26.87	146%	171%
Interest Expense/ (Inc.)	1.82	8.43	364%	174%
Other Expenses/ (Inc.)	0.33	1.34	-303%	42%
PreTax Income	-60.14	17.10	128%	161%
Income Taxes	-20.79	6.43	131%	172%
Net Income-Cont. Ops	-39.36	10.67	127%	155%
Discont. Ops.	6.07	24.32	301%	641%
Net Income	-33.29	34.99	205%	70%
EPS-Diluted	\$ (3.13)	\$ 3.39		
From Cont. ops.	\$ (3.70)	\$ 1.03		
Diluted Shares	10.64	10.32	-3%	
Effective Tax Rate	35%	38%		
Margin Analysis				
Gross	8.7%	16.7%		
EBITDAR	-4.6%	5.6%		
Operating	-13.7%	5.5%		
Net	-9.3%	2.2%		

Peer Group Operating Performance

Developing a relevant peer is difficult because there is only one other publicly traded bicycle company, Cannondale (NASDAQ: NM-BIKE). Consequently, we compare HUF. BIKE, an average of 72 stocks in Baseline's Leisure Time Products sector, and the average of companies in this group with sales greater than \$500 million. The operation performance for the last 12 months is summarized in Table 4.

Table 4: LTM Operating Comparison							
	LTM		Margins			EPS	% Change
	Sales	Growth	Gross	EBIDTA	Net		
HUF	\$ 560	3%	18%	7.5%	2.2%	\$ 1.62	192.0%
BIKE	\$ 155	-6%	34%	7.7%	-8.5%	\$ (0.60)	-300.0%
Sector Ave.	\$ 475	17%	31%	#VALUE!	-14.3%	\$ 0.43	-7.1%
Sales>\$500MM	\$ 1,453	4%	32%	13.0%	2.4%	\$ 1.15	4.4%

The interesting things about this comparison are:

- HUF outperformed BIKE, which illustrates to us the benefits of marketing to both the MM and IBD channels.

- HUF's sales growth and net margins are equivalent to the larger companies in the sector while EPS and EPS growth were better.
- Three smaller companies bolstered the average sales growth for the total sector.

Financial Condition

HUF is in the best financial condition in years (see Figure 8). While the Company had minimal debt at year-end, it was debt free and had cash/securities of \$20 million as of February 16th. HUF also renegotiated a new \$170 million credit facility at a lower interest rate.

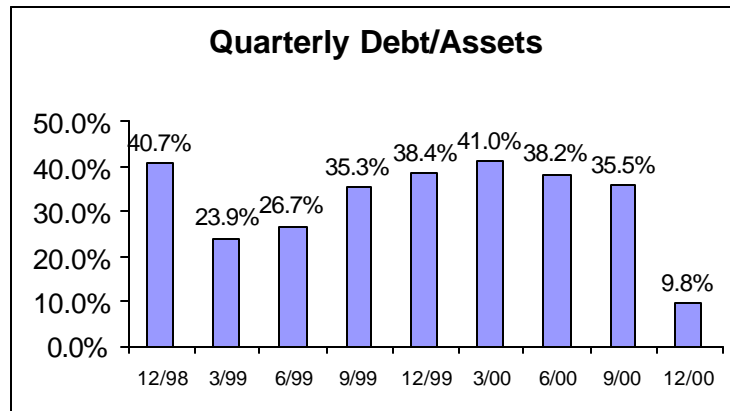


Figure 8

Asset utilization was mixed as days sales outstanding improved and inventory turnover deteriorated slightly (see Figure 9). Management indicated the average range for DSO was 45-50 days.

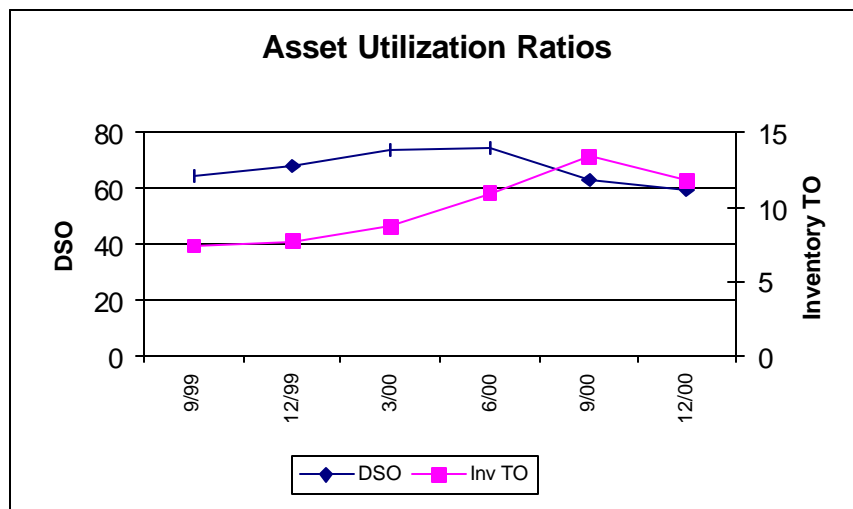


Figure 9

Inventories as a percent of total assets declined as the company reconfigured itself, but experienced a slight increase at the end of 2000 (see Figure 10). At year-end 2001, levels increased \$15 million more than expected due to some order cancellations at year-end. Management expects the merchandise to be sold during the Spring 2001 season.

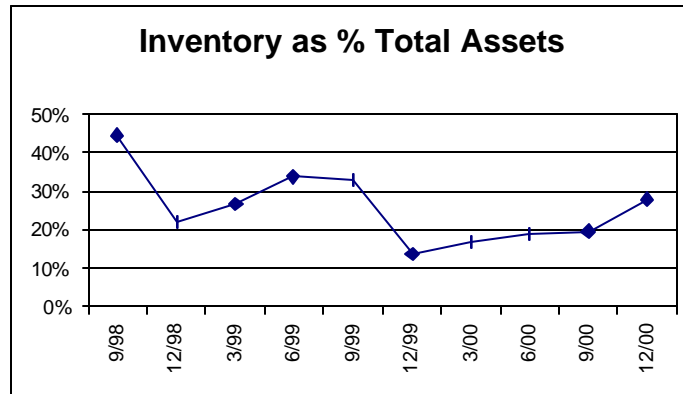


Figure 10

The net result is that operating cash flows (Figure 11, as restated in the 2000 annual) declined in 1999 and 2000. The 1999 dip was due to the net loss from discontinued operations. The net cash loss in 2000 is attributable to higher receivables and inventory levels.

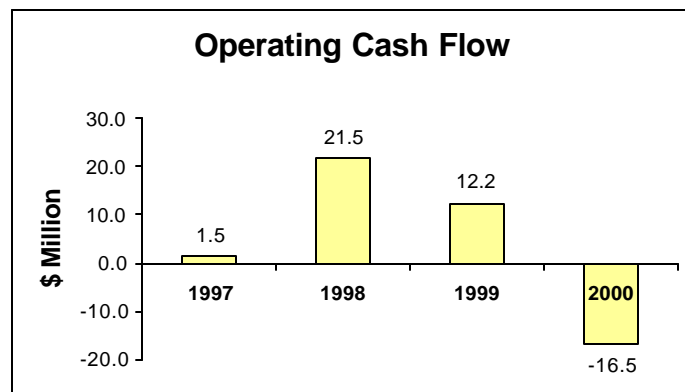


Figure 11

Outlook

Our EPS forecast of for 2001 and 2002 is \$1.08 (unchanged) and \$1.19 for 2001. Our 2001 forecast is unchanged, despite an inventory overhang, because we feel our other assumptions are sufficiently conservative to compensate for any price cuts that may be needed. To review our 2001 assumptions:

- Sales will be slightly lower than 2000;
- Gross margin of 16.4% (it was 16.7% in 2000);
- SG&A expenses increase 4% from a normalized level (excluding the \$4.0 million spike in 4Q00 discussed above);
- Nominal interest expense; and
- An effective tax rate of 38%.

Our quarterly sales forecast is compared to historical trends in Figure 12.

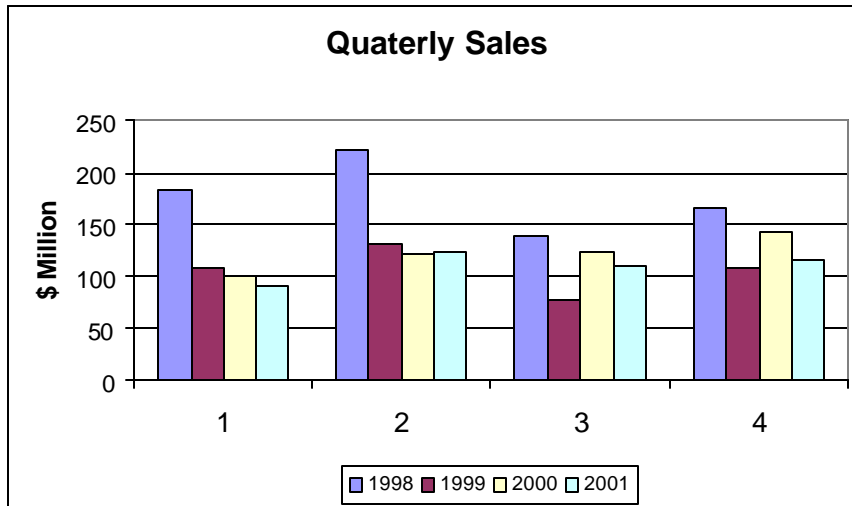


Figure 12

Our 2001 forecast is based upon:

- Sales growth of 5.0%;
- Gross margin of 16.4% (same as 2001);
- SG&A expense increase 3.5% (in line with current inflation expectations);
- Nominal interest expense; and
- An effective tax rate of 38%.

The tables below contain annual and quarterly operating results and our estimates for 2001 and 2002. Please note that data for 1997 and 1998 were not restated for divestitures made in 2000. 1999 data is restated (by management) to be comparable with 2000 continuing operations.

Table 5: Operating Forecast						
(\$ Million, except per share)	1997	1998	1999pf	2000	2001	2002
Revenues	580.7	584.2	422.9	488.2	440.0	462.0
Cost of Goods Sold	488.6	486.7	386.1	406.8	367.8	386.2
Gross Profit	92.1	97.5	36.7	81.3	72.2	75.8
SG&A	75.7	76.9	56.2	53.8	51.8	53.6
Plant Reconfig	0.0	21.3	38.6	0.7	0.0	0.0
Operating Income	16.4	-0.7	-58.0	26.9	20.4	22.2
Interest Expense/ (Inc.)	3.9	6.5	1.8	8.4	2.3	2.3
Other Income/Expenses	1.0	-0.4	0.3	1.3	0.0	0.0
PreTax Income	11.5	-6.8	-60.1	17.1	18.1	19.9
Income Taxes	3.0	-2.7	-20.8	6.4	6.9	7.5
Discont. Ops	0.5	2.0	6.1	24.3	0.0	0.0
Net Income	9.0	-2.2	-33.3	35.0	11.2	12.3
EPS-Diluted (as reported)	\$ 0.69	\$ (0.18)	\$ (3.13)	\$ 3.39	\$ 1.08	\$ 1.18
From on-going operations				\$ 1.03	\$ 1.08	\$ 1.18
Diluted Shares	13.1	12.3	10.6	10.3	10.4	10.4
Effective Tax Rate	26%	39%	35%	38%	38%	38%
Boldface data are forecasts.						
Growth Rates						
Sales	0.2%	0.6%	-27.6%	15.4%	-9.9%	5.0%
Net Income	22.1%	-124.2%	-1437.6%	205.1%	-68.0%	9.9%
Margin Analysis						
Gross	15.9%	16.7%	8.7%	16.7%	16.4%	16.4%
Operating	2.8%	-0.1%	-13.7%	5.5%	4.6%	4.8%
Net	1.5%	-0.4%	-7.9%	7.2%	2.5%	2.7%

Table 6: Quarterly Operating Forecast								
(\$ Million, except per share)	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Revenues	100.07	122.03	123.88	142.21	90.00	125.00	110.00	115.00
Cost of Goods Sold	85.31	104.97	102.03	114.53	74.88	104.63	92.07	96.26
Gross Profit	14.76	17.06	21.84	27.68	15.12	20.38	17.93	18.75
SG&A	12.90	11.60	12.54	16.73	12.60	13.00	13.10	13.10
Plant Reconfig	1.72	1.61	-1.82	-0.80	0.00	0.00	0.00	0.00
Operating Income	0.15	3.85	11.12	11.74	2.52	7.38	4.83	5.65
Interest Expense/ (Inc.)	1.97	2.54	2.71	1.21	0.80	0.80	0.40	0.30
Other Expenses/ (Inc.)	-0.01	-0.12	1.36	0.11	0.00	0.00	0.00	0.00
PreTax Income	-1.81	1.44	7.04	10.42	1.72	6.58	4.43	5.35
Income Taxes	-0.69	0.80	2.18	4.14	0.65	2.50	1.68	2.03
Net Income-Cont. Ops	-1.12	0.64	4.87	6.28	1.07	4.08	2.75	3.31
Discont. Ops.	-0.02	3.88	0.37	20.09	0.00	0.00	0.00	0.00
Net Income	-1.14	4.51	5.24	26.37	1.07	4.08	2.75	3.31
EPS-Diluted	\$ (0.11)	\$ 0.06	\$ 0.47	\$ 2.54	\$ 0.10	\$ 0.39	\$ 0.26	\$ 0.32
From Cont. ops.	\$ (0.11)	\$ 0.06	\$ 0.50	\$ 0.61	\$ 0.10	\$ 0.39	\$ 0.26	\$ 0.32
Diluted Shares	10.165	10.265	10.386	10.4	10.4	10.4	10.4	10.4
Effective Tax Rate	38%	56%	31%	40%	38%	38%	38%	38%
Margin Analysis								
Gross	14.8%	14.0%	17.6%	19.5%	16.8%	16.3%	16.3%	16.3%
EBITDAR	1.9%	4.5%	7.5%	7.7%	2.8%	5.9%	4.4%	4.9%
Operating	0.1%	3.2%	9.0%	8.3%	2.8%	5.9%	4.4%	4.9%
Net	-1.1%	3.7%	4.2%	18.5%	1.2%	3.3%	2.5%	2.9%
Boldfaced data are estimates.								

Valuation

We are raising our 12-18 month target price to \$13.00 from \$10.00 to reflect our 2002 estimates. We did not change our valuation multiples. As shown in Table 7, our multiple assumptions are well within the historical range, except for P/E (which is not as useable due to the losses posted during the last several years). We feel that the historical range is conservative because it reflects HUF's weaker operating performance prior to reconfiguration.

	<u>Multiples</u>			2002 Estimate	Target Range
	LTM	Current	Forecast		
Price/Book	3.8	0.9	2.0	\$ 9.29	\$ 18.59
	0.8		0.7		\$ 6.50
Price/Sale	0.30	0.12	0.25	\$ 44.42	\$ 11.11
	0.05		0.05		\$ 2.22
P/E	3.1	4.2	8.0	\$ 1.18	\$ 9.47
	-6.8		2.0		\$ 2.37
				Average High	\$ 13.05
				Low	\$ 3.70
				Current Price	\$ 6.73

Risk Considerations

In addition to normal investment risk, investors need to consider the following when evaluating an investment in the shares of this stock:

The shares are thinly traded and could experience significant volatility.

The Company is not widely followed by Wall Street analysts. As a consequence, any improvement in operations may not be reflected in the share price as quickly as it might if the Company was widely followed.

Investors should consider their long term goals, risk tolerance, and financial needs when making investment decisions.

This report contains "forward looking" statements within the meaning of U.S. federal securities laws. Forward-looking statements regarding the Company's performance inherently involve risks and uncertainties that could cause actual results to differ from such forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products/services in the marketplace; acceptance in the marketplace of the Company's new product lines/services; competitive factors; new product/service introductions by others; technological changes; dependence upon third party vendors; and other risks discussed in the Company's periodic report filings, including interim reports, with the Securities and Exchange Commission. By making these forward looking statements, researchstock.com, Inc. undertakes no obligation to update these statements for revisions or changes after the date of this report.

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