VALUATION REPORT:

UNIMAR INTERNATIONAL, INC. & SUBSIDIARIES

AS OF SEPTEMBER 30, 1990

PREPARED BY

Management Advisory Services, Inc.

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Management
Advisory
Services, Inc.

Financial Solutions For Business

Please Refer to
Client No. U-22

June 21, 1991

To the Trustees of Unimar International,
Inc.'s Employee Stock Ownership Trust

In accordance with your authorization, we have made an appraisal of Unimar International, Inc. and Subsidiaries (hereinafter referred to as "Unimar" or "the Company"), and herewith submit a report on our findings.

The purpose of this appraisal is to express an opinion of the fair market value of the common stock of the Company as of September 30, 1990. It is our understanding that this appraisal is for the administration of the Company's Employee Stock Ownership Plan (ESOP) and Trust (ESOT).

The term "fair market value" as used herein is defined as the amount at which the common stock would be exchanged between a willing buyer and a willing seller, each having reasonable knowledge of all relevant facts, neither being under any compulsion to act, with equity to both.

Based upon the investigation, premises and analyses described in the accompanying report, it is our opinion that as of September 30, 1990, the fair market value of the common stock of Unimar for ESOP administration purposes is reasonably stated in the amount of:

1.36¢/Share

based on 879,518 common shares outstanding.

In accordance with recognized professional ethics, the fee for this service is not contingent upon our conclusion of value. Neither Management Advisory Services, Inc. nor any of its employees has an ownership interest in the Company.

This appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practices of the American Society of Appraisers. Furthermore, the American Society of Appraisers has a mandatory recertification program for all of its Accredited Senior Appraisers (ASA). The ASA signing this report is in compliance with the requirements of this program.

The accompanying report documents the premises, analyses and logic upon which our conclusions are founded. The opinion expressed above and the related conclusions developed in the report are advisory in nature. Before relying upon the results set forth in this letter, the narrative report should be read and analyzed in its entirety.

Neither all nor any part of the contents of this letter and the accompanying pages should be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media, without the prior written consent and approval of Management Advisory Services, Inc.

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Future services regarding the subject matter of this letter, including but not limited to testimony or attendance in court shall not be required of Management Advisory Services, Inc. unless previous arrangements have been made therefore in writing.

Respectfully submitted,

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U22-0591
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TABLE OF CONTENTS

		Page
I.	INTRODUCTION	1
II.	HISTORY AND NATURE OF THE BUSINESS	2
III.	GENERAL ECONOMIC OVERVIEW (1990)	10
IV.	INDUSTRY TRENDS	14
V.	FINANCIAL OVERVIEW	18
VI.	SUMMARY OF OUTLOOK	28
VII.	VALUATION ANALYSIS	30
VIII.	VALUATION SUMMARY	40
IX.	LIMITING FACTORS AND OTHER ASSUMPTIONS	41

EXHIBITS

1.	Comparative Summary Statement of Income - Unimar & Subsidiaries	42
2.	Comparative Summary Balance Sheet - Unimar & Subsidiaries	43
3.	Financial Ratio Trends - Unimar & Subsidiaries	44
4.	Projected Statement of Income - Corporate Holding Company (CHC)	45
5.	Comparative Summary Balance Sheet - CHC	46
6.	Sources and Uses of Cash - CHC	47
7.	Assumptions - CHC	48
8.	Projected Statement of Income - UMS	49
9.	Comparative Summary Balance Sheet - UMS	51
10.	Sources and Uses of Cash - UMS	53
11.	Assumptions - UMS	55
12.	Variable Payout Analysis - UMS	57
13.	Projected Statement of Income - UMS	59

TABLE OF CONTENTS (CONT'D)

14. Comparative Summary Balance Sheet - UMTB 61

15. Sources and Uses of Cash - UMTB 63

16. Assumptions - UMTB 65

17. Variable Payout Analysis - UMTB 67

18. Analysis of Terminal Obligations in 2003 - UMTB 69

19. Analysis of Terminal Obligations in 2003 - UMTB 70

20. Valuation Analysis Based on Fiscal 2009 Terminal Value - Unimar 71

21. Market Value of Invested Capital Approach - Unimar & Subsidiaries 72

22. Liquidation Analysis - Unimar & Subsidiaries 73

23. Valuation Ratios for Selected Public Companies - Ship Repair and Conversion Industry 74

24. Valuation Ratios for Selected Public Companies - Marine Transportation Industry 75

25. Comparative Rates of Return 76

26. Description of Management Advisory Services, Inc. 77

27. Qualifications of Valuation Consultants 78

VALUATION REPORT

I. INTRODUCTION

Purpose

The purpose of this valuation is to determine the fair market value of the common stock of Unimar International, Inc. (hereinafter referred to as "Unimar" or "the Company"), as of September 30, 1990. It is our understanding that the purpose of this valuation is for the administration of the Company's Employee Stock Ownership Plan ("the ESOP").

Definition of Fair Market Value

The term "fair market value" as used herein is defined as the amount at which the subject property would be exchanged between a willing buyer and a willing seller, each having reasonable knowledge of all relevant facts, neither being under any compulsion to buy or sell, with equity to both.

Scope of Investigation

The appraisal investigation included a visit to the Company's facilities at Seattle, Washington; discussions with management regarding the history and nature of the business; a review of financial statements and reports; and consideration of other factors that were deemed necessary under the circumstances. The Company's audited financial statements and other pertinent information provided to us have been accepted without further verification as correctly reflecting the results of operations and the financial and business conditions of the Company for the respective periods. We have not examined the financial records of the Company to determine the accuracy of the data presented in its financial statements. Other data and publicly available information relied upon by us are also assumed to be accurate. We have not independently appraised the individual assets owned by the Company in arriving at the conclusion of value. The descriptive information contained in this report is current up to valuation date.

II. HISTORY AND NATURE OF THE BUSINESS

Unimar is a Washington corporation formed in August, 1988 to be the successor in interest to the reorganizing subsidiaries of WFI Industries, Inc. ("WFI") under Chapter 11 of the Bankruptcy Code. WFI and its twelve subsidiaries were engaged in various commercial marine vessel repair and construction in shipyards in Seattle. They also provided contract hauling with their fleet of tugs and barges. In early 1986, WFI and its twelve subsidiaries filed for voluntary reorganization. Four of the group were subsequently converted to Chapter 7 proceedings. The remaining entities, including WFI, were reorganized into the newly formed Unimar International, Inc. and two wholly-owned subsidiaries effective August 23, 1988.

The Company's operations since August 23, 1988 have been conducted through its two wholly-owned subsidiaries:

1. **United Marine Shipbuilding, Inc. ("UMS")**

   UMS is essentially the successor to the marine vessel repair and construction activities of WFI. It took over the repair facility at Fox Avenue ("the Fox Avenue Yard") by the Duwamish River and the facility at Northlake Way ("the Northlake Yard") by Lake Union, as well as certain repair and construction contracts.

2. **United Marine Tug and Barge, Inc. ("UMTB")**

   UMTB is essentially the successor to the contract marine hauling activities conducted by WFI and its subsidiaries. It took over 17 tugboats and 16 barges but no shore based moorage facility.

Since the reorganization in 1988, Unimar has gradually reduced its asset base in response to market dynamics and its financial needs. In July, 1989, UMS completely vacated the Fox Avenue Yard and consolidated all repair and construction work at the Northlake Yard. Starting in early 1990, Unimar began a gradual reduction of employee head count

and disposition of marine vessels to maintain liquidity. The operations of Unimar and its subsidiaries around valuation date are elaborated in the following sections:

UMS Operations

The Northlake Yard is located at 1441-1455 North Northlake Way in Seattle. It occupies a 66,420 square foot site including over 60,000 square feet of submerged area. The office buildings on the upland portion of the site provide about 18,000 square feet of office space and 12,200 square feet of shop/storage space. Four drydocks are anchored off a concrete deck area built on pilings. (Another drydock was kept unused at Astoria, Oregon). The shipyard is also equipped with lifting capacity of up to 4,000 tons. By valuation date, all of Unimar's administrative functions and the marine repair and construction activities were located at this facility.

A high percentage of the marine vessels brought to UMS's facilities for repair are commercial fishing vessels that operate in the Alaskan waters. UMS performs routine drydock hull maintenance or repair work, as well as major construction work installing or expanding the vessel's fish processing capacity. UMS competes with several other shipyards located at Lake Union for the commercial fishing vessel business. Around the Puget Sound area, there are several larger shipyards that also compete for the same business. The Company's shipyard has the largest drydock on Lake Union, but otherwise its capabilities are generally comparable to other shipyards in the area. UMS and other shipyards compete on the basis of price and drydock availability. UMS has no long-term repair or maintenance contracts with vessel owners or operators that provide continued business.

Around valuation date, UMS had a permanent staff of about 16 people. The operation is managed by Dan Kistler, president and chief operating officer for UMS. Directly reporting to him are approximately ten foremen and supervisors, three security guards, and one person each in marketing and administration. Some of the yard foremen and

supervisors are members of the Pacific Coast Metal Trades District. Production crews are hired from the unions for specific jobs.

On the date of valuation, UMS was in the process of selling one of the four drydocks at the Lake Union facility as well as the drydock located in Astoria, Oregon. During fiscal 1990, UMS disposed of one other drydock.

UMTB Operations

Immediately after the approved reorganization in 1988, Unimar's tug and barge fleet consisted of 33 vessels. Since then, UMTB has disposed of a number of vessels to liquidate excess assets or to satisfy debt repayments. All of the vessels collateralize UMTB's obligations to the U.S. Maritime Administration ("MARAD"). Around valuation date, UMTB's fleet comprised the following:

Tugboats	Barges
M/V Explorer	MLC 165
M/V Sandy	MLC 281
M/V Cecile B	MLC 330
M/V Independent Voyager	MLC 331
M/V Independent Victory	MLC 332
	MLC 333
	MLC 340-1
	MLC 340-2
	MLC 340-3
	MLC 344

In addition, in May 1989, UMTB leased three tugboats and two barges from Labor Equipment Finance, Inc. to supplement its fleet to compete in the contract hauling market. The leases are structured on a one-year term, with monthly fixed payments to the lessor plus a percentage of certain cash flow generated by UMTB from hiring out the vessels. According to management, UMTB has been in arrears with its payments to the lessor since July, 1990. The vessels covered by these leases are:

1. Marine Challenger
2. Marine Constructor
3. Nuka Bay
4. MPE 105
5. MLC 260

Currently, several vessels are under long-term charters to customers. Their specifics are provided here:

	Vessel	Charter Rate	Current Charter Expiration
1.	M/V Independent Voyager	$1,150/day	March, 1992
2.	M/V Independent Victory	$1,030/day	February, 1992
3.	Barge MLC344	$2,660/day	May, 1993
4.	M/V Marine Challenger and Barge UMTB 340-1	$7,600/day	December, 1990

The charter contracts for the first two tugboats provide options for the charterer to purchase the vessels during the term of the contracts. The fourth charter was being negotiated for extension around valuation date. The rest of UMTB's fleet typically is offered for hire for hauling cargos between ports from the Alaskan coastline in the north down to the California coastline in the south. A majority of the trips are between Puget Sound and Alaska for hauling timber and drilling rigs. These are short-term charters secured by UMTB in the spot market based on competitive bids and vessel availability.

The daily operation of UMTB is the responsibility of Rusty Devereaux, president and chief operating officer of this subsidiary. The other permanent staff includes a port captain and an administrative assistant. This level of staffing around valuation date reflects the results of staff reductions during fiscal 1990 for cost savings purposes.

UMTB hires boat crews for specific trips from the International Organization of Masters, Mates & Pilots and the Inlandboatmen's Union.

There are numerous tug and barge companies that operate out of Puget Sound and compete with UMTB in the contract hauling business. However, UMTB has ocean-worthy tug boats, a capability not shared by all other competitors. Because of the Company's cash needs, UMTB has been pursuing long-term charters for its vessels for the steady long-term cash flow.

Corporate Management

Unimar's corporate management staff includes Charles Madison, president and chief operating officer; William Conn, chief financial officer; Ruth Nelson, legal counsel; James Ishii, support manager; and Gregg Bishop, safety/environmental manager. About eleven other employees comprise the rest of the corporate staff. The corporate staff around valuation date handled bidding, estimating, regulation compliance, and all administrative requirements of the two subsidiary operations.

Board of Directors

The Board of Directors of Unimar consists of a maximum of eleven people. Of these, five are employees, three are officers, one represents the holder of the preferred stock, one represents Drexel Burnham Lambert, Inc., and one represents the unsecured creditors. Of the five employee directors, four represent various organized labor groups, and one represents all employees who are not represented by an organized labor group. On September 30, 1990, no directors held either the preferred stockholder or Drexel Burham Lambert, Inc. seats, and the board consisted of nine members.

Ownership Structure

The ownership of Unimar is represented by one class of preferred stock and one class (seven series) of common stock. As a result of the 1988 reorganization, all of the 1,000,000 outstanding shares of preferred stock were issued to a creditor, Industrial Indemnity Company ("IIC"). The key features of the preferred stock are summarized here:

1. Cumulative dividend equal to the lesser of $1 per share per annum or up to 10 percent of "net cash flow" of the operating companies as calculated in accordance with generally accepted accounting principles.

2. The preferred stock shareholders as a class are entitled to elect one member of the Board of Directors. Approval from the preferred shareholders as a class is required to authorize the issuance of capital stock more senior than the Preferred Stock, or the redemption of shares of junior capital stock. A consent of 75 percent of the preferred shareholders is required for any consolidation, merger, or sale of substantially all of the assets of the Company if the preferred shareholders do not receive value at least equal to their liquidation preference as a result of the transaction.

3. Before August 22, 1991, the preferred stock may be redeemed at $5 per share. After August 22, 1991, all preferred stock must be redeemed at $10 per share by August 22, 1998.

4. In the event of liquidation, the preferred stock is entitled to a liquidation preference of $10 per share.

There were 879,518 shares of the common stock outstanding on valuation date. As part of the 1988 reorganization, Unimar formed an Employee Stock Ownership Plan to purchase 730,000 shares of newly issued Series A common stock for a $4,885,000 promissory note. The promissory note is payable in 15 annual installments of $325,667 plus interest at 10 percent. The remaining common shares are owned by Richard Woeck, Drexel Burnham Lambert, Inc., and unsecured creditors. Within the ESOP, no single employee holds more than 700 shares of common stock. The seven different series of common (Series A through G) reflect different ownership of the stock; there are no distinctions between the series in terms of rights or privileges.

The ESOP owns 83.0 percent of the outstanding common shares of Unimar. The common stock shares voting rights with the preferred stock on most issues. Accordingly, the ESOP has approximately 38.8 percent of the total votes outstanding on most issues.[a] However, the preferred is entitled to elect only one director. Company bylaws provide for cumulative voting for directors, allowing the ESOP to control a majority of seats on the board. However, as noted above, the preferred stock may vote as a class on certain issues, including a merger or consolidation with another corporation in which the preferred stock does not receive liquidation value.

Litigation Matters

Around valuation date, several litigation matters were pending. They are described in summary form here:

1. As a result of a consent decree between Unimar's predecessor, WFI, and the U.S. Government Environmental Protection Agency, Unimar is liable to perform certain cleanup procedures on the lake adjacent to its shipyard at Lake Union. The cleanup requirements were not fully defined and the Company's cleanup plan

[a] 730,000/(1,000,000 + 879,518) x 100%

was not yet approved around valuation date. Cost estimates vary according to the required cleanup procedures, and may range from $500,000 to $5,000,000.

2. A major bareboat charter customer of UMTB filed for bankruptcy in 1989. As a result, UMTB's vessels were seized by the bankrupt customer's creditors. In order to seek release of its vessels, UMTB provided a letter of credit, held in escrow, in favor of the creditors. The Company also filed suit against the customer. Around valuation date, Unimar was contingently liable on the $187,000 letter of credit.

3. A customer filed a lawsuit in 1990 alleging breach of contract and interference with business activities. The suit asked for $597,000 in damages plus punitive damages. The suit was in a relatively early stage on September 30, 1990, but management was of the opinion that the suit had absolutely no merit whatsoever. The suit was subsequently dropped by the plaintiff.

III. GENERAL ECONOMIC OVERVIEW (1990)[a]

National Economy

The crisis in the Persian Gulf has further subdued an already slowing economy. All estimates regarding inflation, GNP and unemployment have been revised to reflect the changing world economy. The Commerce Department release on July 27, 1990 revised GNP growth rates down for each quarter since the second quarter of 1989. The first estimate for the second half of 1990 and 1991 is a 1.2 percent growth rate. The forecast then calls for real GNP to rise to 2.9 percent in 1992 and 2.0 percent in 1993. This forecast anticipates that near-recession conditions will prevail for the next few quarters. The chance of a relatively mild recession in 1990 and 1991 and a subsequent recovery in 1992 and 1993 depend on a favorable resolution to the Middle East crisis.

Inflation, which has been almost nonexistent for the past few years, is expected to rise 4.5 percent in fiscal 1990. The spike in oil prices will raise inflation to 5.1 percent in 1991. The resolution of the Middle East conflict and weak real growth will push inflation lower in 1992 and 1993 falling to 4.0 and 3.9 percent, respectively. Consumer prices are already beginning to indicate the changing economic environment. Consumer prices jumped 0.9 percent in August 1990 reflecting the steep rise in retail gasoline prices after the Iraqi invasion of Kuwait. Increased fuel costs will substantially effect the price of other consumer goods.

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[a] State of Washington Economic and Revenue Forecast, Economic and Revenue Forecast Council, 9/90.
Northwest Business Barometer, U.S. Bancorp, 8/90.
"Big Growth in Boxes Forecast for Washington Ports," *Journal of Commerce and Commercial*, 8/20/90.
"Washington Ports Task Force Says Competition Boosts Market Share."
Alaska Economic Outlook, Federal Home Loan Bank of Seattle, 7/90.
Marple's Business Newsletter, 5/23/90.

The housing sector was in a recession before the Iraqi invasion of Kuwait. The higher mortgage rates and a loss of consumer confidence since the invasion have dimmed the outlook further. Housing starts are forecast to fall 13.9 percent in fiscal 1991 to 1.149 million units before recovering modestly to 1.322 and 1.361 million units in fiscal 1992 and 1993. Nonresidential construction surged 9.2 percent in July 1990 but has since fallen off as companies scale back capital spending plans.

Consumer spending declined in the second quarter of 1990 for the second time in the last three quarters. Spending on services rose at a 5.5 percent rate while spending on durables and non-durables fell. Building material purchases weakened and a subdued real estate market helped to hold down spending on household durables such as furniture. Consumer expectations have declined in recent months. 1990 retail sales declined in March, April, and May before rising in June. The behavior in this sector is critical because it accounts for two-thirds of the GNP.

The U.S. unemployment rate, which was remained at about 5.3 percent for almost two years, began to inch up in the third quarter of 1990. Job growth is not expected to pick up in the last quarter of 1990 and most of 1991 because the outlook for consumer and business spending is so poor. The forecast anticipates that unemployment will rise throughout fiscal 1991, peaking at 6.2 percent at the end of 1991. The recovery in growth will reduce unemployment in 1992 and 1993 to 5.8 percent.

The Federal Budget outlook has also deteriorated. The weaker economy will produce less tax revenue and military spending will clearly be higher than expected. The budget deficit is expected to rise from $153.0 billion in 1990 to $174.1 billion in 1991 before improving in 1992 and 1993.

Through the first quarter of 1991, the dollar is expected to continue its decline paving the way for an improvement in the trade deficit. The deficit, on a National Income and Products Accounts basis, is expected to decline from $41.3 billion in fiscal 1991 to $18.0 billion in 1992 and $16.9 billion in 1993.

Washington Economy

The Pacific Northwest remains the strongest regional economy, consistently outperforming the nation for the past few years. Although the economy continues to perform well, there is evidence of a slowdown. In the first half of 1990, the economy of Washington State slowed considerably. In the first six months of 1990, employment grew at a 1.6 percent, a decline from the 6.4 percent of the previous six months.

The Bureau of Economic Analysis estimates that in the first quarter of 1990 Washington personal income was $375 million, below the June 1990 forecast. Total wages and salaries were also below forecast by $510 million, primarily as a result of the manufacturing industries which were $344 million short. Real personal income growth is forecast to accelerate to 4.9 percent in fiscal 1990, the strongest annual increase since the 1970s, then predictions of growth slowing to 2.0 percent in 1991. 1992 and 1993 are expected to bring a slight recovery with growth figures set at 2.4 and 3.3 percent, respectively.

One of the reasons for Washington's strong economic performance is that it has a higher percentage of its gross state product sold overseas than any other state. Last year, Boeing moved ahead of Ford and General Motors, becoming the leading exporter at $11 billion or 54.4 percent of total sales. Other major export factors include forest products, agriculture, software, and other electronic equipment. The Washington Public Ports Association forecast the container volume moving through the Puget Sound ports is expected to increase 71 percent, or about 3.4 million 20 foot equivalent units, by the year 2000.

Alaska Economy

After the severe slump in 1986-1987, the Alaskan economy has been slowly recovering. Non-farm employment averaged 227,300 during 1989, an increase of 13,500 new jobs. This growth represented a growth rate of 6.4 percent, but a significant portion of this large gain is attributable to the clean-up of the Valdez oil spill. In March of 1990, Alaska's unemployment rate was 7.9 percent. The largest employment gains occurred in the transportation, communications and utilities industry segment. Although the pace of employment is forecast to fall from the figures reached in 1989, there are some indications that employment levels will remain high. Extensive repair work on the Trans-Alaska pipeline and improvements to North Shore oil fields is expected during the next few years. In addition, the Red Dog mine is scheduled to become fully operational during 1990 and both Federal Express and UPS are expanding air cargo operations. Alaska is forecast to add 10,000 new salary jobs in 1990-91.

IV. INDUSTRY TRENDS[a]

National Ship Building And Repair

Although the international shipbuilding output showed an increase in 1989, the U.S. commercial ship construction market is at its lowest level since World War II. One reason for this is the 25 to 35 percent price gap between U.S. built ships and those built in Japan or South Korea. U.S. commercial shipyards are crippled by high wages and lack of government subsidies.

During 1987, 1988 and the first 9 months of 1989, no orders were placed with U.S. shipyards for commercial vessels of 1,000 gross tons and over. In January of 1990, the first order for a commercial ocean going vessel since 1984 was placed. In 1978, there were 60 merchant ships in excess of 1,000 gross tons under construction or on order. By 1988, there were no commercial ships under construction. Since 1979, 45 yards have closed and employment has dropped from 150,000 workers to 72,000. Further reductions in the number of shipyards and employees are forecast through 1991 when the number of operating shipyards is estimated to be 57, employing a workforce of 68,000.

Ship builders are hopeful that orders may pick up toward the end of the decade, when the aging world fleet will need major replacements and new legislation may take effect requiring conversion of tankers to double hulled tankers.

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[a] U.S. Industrial Outlook, *U.S. Department of Commerce*, 1/90.
"Waiting for Better Times at America's Shipyards," *New York Times*, 8/12/90.
"For Shipbuilders, It's Full Speed Ahead," *Business Week*, 7/9/90.
"Shipbuilding Output Shows Upward Trend," *Motor Ship*, 3/90.
"Crippled Industry Needs Commercial Orders," *Motor Ship*, 8/90.
"Ship Repair: Boom Times Lie Ahead," *Motor Ship*, 5/90.
"Shipyard Bad Times May be Over," *American Shipper*, 3/90.
"Shipbuilding in the 1990s," *Motor Ship*, 4/89.
"The Japanese Do It Again," *Forbes*, 10/16/89.
"Shipyard Survival Strategies," *Marine Digest*, 4/90.
"Alaskan Shipping Wrap-Up," *Marine Digest*, 9/90.

Shipyards primarily engaged in building barges and towboats experienced a boom in the late 1970s and early 1980s. Activity in this sector slowed when surplus inland and coastal waterway transportation capacity depressed freight rates. In 1989, barge orders began to recover. The largest barge builder, which halted production in mid-1986, resumed operations in mid-1989. Also, prices for used barges sold because of loan defaults and bankruptcies are rising. Tug and supply boat builders are still experiencing poor economic conditions. For those yards primarily engaged in building or converting fishing boats, excursion boats, research vessels, ferries and other vessels, competition is expected to remain intense.

According to a 1988 survey, employment levels in inland and coastal vessel shipyards had declined from 28,083 in 1981 to 10,240 in 1984 and then rose slightly to 10,694 in 1988. Though new construction has declined from 3,719 vessels in 1981 to 294 in 1988, repair activity has recovered and has reached a 10-year high of 17,441 vessels. Forecasts for 1990s in this sector are for modest sustained growth in the repair and replacement activity as surviving tug and barge operators seek to upgrade their equipment. Analysts do not foresee a dramatic turnaround in the industry unless substantial long-term markets develop for grain and coal exports.

Regional Shipbuilding

Northwest shipyards have experienced a sharp decline in U.S. Navy and other federal business which has forced the industry to reorganize. Puget Sound shipyard employment has fallen from between 15,000 to 20,000 in 1984 to an estimated 5,000 in 1990. So far the business decline has been primarily in federal building contracts and large vessels, but it is anticipated that there will also be a slump in the building of commercial fishing vessels.

Most Northwest shipbuilding yards have survived the past contract crunch by building for a booming bottomfish industry. Industry predictions are that the brisk business done in fishing vessels will slack off. Although there will be maintenance on the vessels presently operating, new contracts will be rarer and competition stiff.

Larger shipyards are looking for new niches in the market. Tacoma Boat has been selling components and technology to overseas yards since 1970, working in joint ventures with Far Eastern shipbuilding yards. Tacoma Boat is also repositioning itself to pursue the growing Northwest cruise business and luxury yacht building. Other shipbuilders such as Northwest Marine are also seeking to enter the cruise market.

New players are also entering the competitive northwest shipbuilding business. With the removal of tariffs by the U.S./Canada Free Trade agreement, Canadian companies entered into competitive bidding for projects. Prior to the agreement, the U.S. duty added 20 to 25 percent to the cost of a job for U.S. vessels in Canadian shipyards. Although the Jones Act requirements which prohibit the building of an entire U.S. flagged ship for coastal trading in Canada and limits the amount of repairs in foreign yards, Canadian yards will be able to pick up some U.S. business.

Regional Shipping

The impact of the Middle East crisis and its effect on oil prices on the Pacific Northwest shipping industry is difficult to predict. On the one hand, higher oil prices may encourage oil companies to spend more for development of new oil fields and exploratory drilling. On the other, soaring fuel costs at the fuel dock and bunker barge may cause a decline in the shipping industry.

The climb in oil prices will adversely affect the huge Alaska vessel-operating fishing industry, the biggest source of southbound cargo for the Puget Sound based carriers and a significant buyer of supplies shipped northbound.

The higher cost of oil may also harm the seafood processing and forest products industry. These two Alaskan industries ship to Asian countries and with the rising costs of oil, exports may decline. Tourism may also be squeezed.

As of the first half of 1990, the Alaskan shipping industry was making a stronger showing than in previous years. The Rail Belt market (Anchorage, Kenai Peninsula, Fairbanks) has improved at least 5 percent over the same period last year. Analysts forecast that with the resurgence of the Alaskan economy, shipping may improve by about 8 to 9 percent. A modest increase in Southeast Alaska shipping has also been reported. The region has been enjoying strength in some of the local industries. The fishing industry in early 1990 was strong, but negative factors began to affect the industry by mid-year.

V. FINANCIAL OVERVIEW

Valuation of a business ownership interest requires a complete analysis of the subject company, including a review of historical operating results, financial condition, as well as a projection of future operations. Our investigation included a review of the Company's financial statements since its inception in 1988, as well as other pertinent information bearing upon its recent operating results and financial condition. These reported financial statements are summarized for review purposes as Exhibit 1, Comparative Summary Statement of Income; Exhibit 2, Comparative Summary Balance Sheet; and Exhibit 3, Financial Ratio Trends. A discussion of significant data in these exhibits follows.

Operating Results

Unimar's audited income statements up to valuation date are summarized in Exhibit 1. The fiscal 1989 data include the results of operations since the Company's inception in August, 1988. Compared to fiscal 1989, total revenues in fiscal 1990 declined by over 40 percent due to several factors. Upon the inception of Unimar in August, 1988, UMS inherited a major ship reconstruction contract for its Fox Avenue Yard, which was completed during fiscal 1989 and generated $5,255,000 in revenue. The Exxon Valdez oil spill at Prince William Sound in March 1989 also resulted in a substantial contract for UMS to provide drydock service at Price William Sound. Most of the $5 million in contract revenues from Exxon were recognized in fiscal 1989. In fiscal 1990, a dearth of major ship repair or construction work (UMS no longer has the Fox Avenue Yard that can handle the very large jobs) cut the revenues generated by UMS to about $7.5 million from over $15 million in fiscal 1989. For UMTB, fiscal 1990 was also a significant down year with revenue dropping to about $10 million from over $15 million in fiscal 1989. The loss of one long-term charter due to the customer's bankruptcy filing is one of the reasons. Also, during fiscal 1990 UMTB reduced its fleet by returning four tugboats to

MARAD to satisfy certain debts. Two other tugboats and two barges were either sold or disposed of during fiscal 1990. Also, the market for tug and barge services was generally weak in fiscal 1990.

Gross profit after direct expenses showed a drastic reversal in fiscal 1990. According to management, the Exxon contract in fiscal 1989 was unusually profitable which mitigated the severe cost overrun ($2,277,000 loss recognized for fiscal 1989) related to the major ship reconstruction project referred to earlier. Selling, general, and administrative expenses declined by $506,000 in fiscal 1990 due to the significant scaling down of staffing started in early 1990. Nevertheless, the loss from operations still rose by 55 percent in fiscal 1990 to about $4.5 million.

Given the debt burden on Unimar, it has significant interest expense. Imputed interest expense is recognized due to the method of accounting for the Company's debts, discussed subsequently. Also, around valuation date, Unimar planned to dispose of several barges and tugboats. The anticipated losses of $1,867,000 were recognized. As a result, total losses in fiscal 1990 increased by $4,037,000 to $15,944,044.

Financial Condition

The Company's balance sheet data at fiscal year end are summarized in Exhibit 2. As indicated, total assets declined 26.5 percent to $43,307,000 in fiscal 1990. Current assets declined 62.6 percent from $6,196,000 to $2,320,000, largely due to significant reductions in accounts receivable and other receivables. The large accounts receivable balance at the end of fiscal 1989 was a reflection of the contract (largely completed) with Exxon. The large "Other Receivables" balance on September 30, 1989 reflects a $1.8 million insurance claim receivable related to the sinking of a barge.

Net vessels, equipment, and property declined 21.9 percent or $11,037,000 to $39,388,000 in fiscal 1990 due to the sale of some vessels and the write-down of other vessels. The write-down was applied to vessels which were held for sale on September 30, 1990, and which had estimated values below book values.

Unimar had cash held in escrow amounting to $2,835,000 on September 30, 1990, of which $1,236,000 was in current assets. This escrow account holds funds which provide a secondary source of payment for an $8,400,000 debt to the Washington State Department of Transportation (WSDOT) and a $200,000 note to National Bank of Alaska (NBA). The Company and its UMS subsidiary are the primary source of payment for these two debts. The escrow account is funded by a contribution by *all* employees (including UMTB employees) of 4.5 percent of their gross payroll; 4 percent of gross payroll is earmarked for the WSDOT debt, and 0.5 percent is earmarked for the NBA debt.[a]

Current liabilities declined $2,144,000, or 20.5 percent in fiscal 1990. A drop in accrued expenses of nearly $2.5 million was partly offset by increases in the current portion of long-term debt and accrued interest payable. Accrued expenses were particularly high on September 30, 1989 because of an insurance claim payable; the previously described insurance claim receivable was entirely payable to MARAD.

Unimar, UMS, and UMTB each had their own individual debt obligations, described as follows:

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[a] To the extent that both debts are satisfied and that cash remains in the fund, the fund will then be used to fund pre-petition MOAC claims (insurance claims) *exceeding* $943,352.87 (estimated by management to be zero) and LCM-8 (Emerson Diesel) obligations, estimated by management to be approximately $900,000. As with the WSDOT and NBA debts, Unimar and UMS are the primary sources of repayment for the MOAC and LCM-8 claims. To the extent that the employee fund is not needed to satisfy any of the claims, the fund balance will be distributed to the employees.

Unimar

The holding company's obligations on September 30, 1990 consisted of the $8.4 million WSDOT debt discussed above, and $2,169,208 in pre-petition obligations to creditors. Neither obligation bears interest, and the primary source of funds to pay these obligations is cash flow distributed from UMS and UMTB. It should be noted that UMTB is not obligated under the terms of the WSDOT debt, although its *employees* do contribute to the fund described above. Most obligations of Unimar and its subsidiaries were categorized as A, B, or C notes, based largely on priority. The WSDOT debt is an A note, and the pre-petition liabilities were not categorized.

UMS

UMS had long-term debt obligations to four creditors and on the date of valuation was renegotiating two accounts payable into long-term notes.

1. **Marine Midland Bank (MMB)**

   UMS has A, B, and C notes payable to MMB. The A note has a balance of $1,025,000, bears interest at 10 percent, and requires fixed principal payments starting in February, 1991 and ending August, 2003. The B note has a balance of $1.9 million and accrues interest at 8 percent. Neither interest nor principal are due unless UMS meets certain thresholds defined by a complex cash flow formula. Neither interest nor principal was payable in either fiscal 1989 or 1990. Both the A and B notes are collateralized by drydocks numbers 2, 6, and 9.

   The MMB C note is collateralized by drydocks numbers 3, 4, 8, and Sam's Warehouse, which were being liquidated around the date of valuation. Payments are contingent upon the daily utilization of the drydocks and the cash flow of UMS. UMS plans to eliminate the C note after selling the collateral.

2. **National Bank of Alaska (NBA)**

UMS has an A note payable to NBA of $1 million and a B note payable to NBA of $200,000. The A note is payable at the rate of $10,000 per month, including interest at 10 percent, with a balloon payment of approximately $710,000 due in 2000. The B note is payable in semi-annual installments of $25,000 beginning in June, 1991; the B note does not bear interest.

3. **Transamerica**

UMS's obligations to Transamerica include both an A note and a B note. The A note has a balance of $170,000, bears interest at 10 percent, and requires semi-annual payments of $21,250 starting February, 1991 and ending August, 1994. The B note has a balance of $205,000 and accrues interest at 8 percent. Both principal and interest are payable only if UMS reaches certain cash flow thresholds.

4. **Evergreen Leasing**

As with NBA and Transamerica, UMS has both A note and B note obligations to Evergreen Leasing. The A note obligation has a balance of $693,000 and requires monthly payments of $9,275 including interest at 11 percent. The B note has a balance of approximately $29,000 and requires monthly payments of $710, including interest at 11.5 percent.

Around the date of valuation, management was renegotiating two accounts payable. The first was a $272,000 account payable to Neal & Co., and the anticipated repayment schedule called for payments for $6,032 per month, including interest at 12 percent. This payment schedule had been proposed by UMS by September 30, 1990, but not yet agreed to by Neal & Co. The second account payable, in the amount of $104,000, called for

monthly payments of $2,759 to Eagle Pacific. Eagle Pacific had informally agreed to these terms by September 30, 1990.

UMTB

UMTB had long-term debt obligations to four creditors described as follows:

1. **United States Maritime Administration (MARAD)**

   UMTB's debt structure is dominated by obligations to MARAD, consisting of both A and B notes. The A notes amounted to $29,856,000, including the notes collateralizing vessels for sale or in the process of being returned to MARAD. The A note bears interest at 10 percent. Principal payments are due quarterly and the final payment is due August, 2003. Management indicated that federal law will not permit significant forbearance by MARAD with regard to payments on the A note. The MARAD B note has a balance of $14,500,000 and accrues interest at 8 percent. Payments of both principal and interest are contingent upon meeting certain thresholds defined by a complex cash flow formula. No B note payments have ever been made, and on September 30, 1990, accrued interest stood at $2,442,000.

2. **Marine Midland Bank (MMB)**

   UMTB has a B note payable to MMB with a face value of $1,025,000. The note requires payment of $8,333 per month, including interest at 3.92 percent. The final payment will be made in early fiscal 2004.

3. **Marine Mates and Pilots' Union Individual Retirement Account Plans (MM&P)**

   UMTB owes MM&P approximately $68,000, payable in monthly installments of $1,516 ending in fiscal 1995. The payments include interest at 12 percent.

4. **Inlandboatmen's Union (IBU)**

   A UMTB debt in the amount of $143,000 is owed to IBU. Monthly payments of $3,165, including interest at 12 percent, are payable through fiscal 1995.

In summary, the face value of all of the Company's and its subsidiaries' long-term debts on September 30, 1990 was $61,860,358. On the Company's audited financial statements, the debts were reported at discounted values. The discounts ranged from 15 percent to 24 percent. The discounted values accrue interest over time in order to bring the discounted values up to face value. Management indicated that the discounted book values do not represent the total principal repayment obligations over the terms of the debts.

As described previously, equity in the Company consisted of one class of preferred stock and one class of common stock. On September 30, 1990, the Company's accumulated losses totalled $27,851,000 and total equity was a deficit of $9,413,000.

Forecasted Profitability

Projecting future income is among the most important parts of the valuation analysis since, regardless of the Company's historical performance, a prospective buyer will only participate in the Company's future earnings. For Unimar, because of its past losses, its going-concern ability can only be analyzed in its projected performance. Analyzing historical operating results, however, contributes to the understanding of the business and its performance in relation to its competitors, the marketplace, as well as the economy. In our process of formulating an income projection for Unimar, we have conferred with management regarding its expectations and operating plans, analyzed current conditions in the marketplace and the economy, and relied on relevant economic and industry information. In order to manage the numerous financial details surrounding the Company

and its subsidiaries, we have developed separate comprehensive projections for Unimar (as a holding company), UMS, and UMTB.

Unimar

Exhibits 4 through 7 present our projections for Unimar for fiscal years 1991 through 1995. Unimar has no source of revenue and all funds for expenses and debt payments must come from cash provided by UMS and UMTB. It is assumed that, over the long run, the holding company will be neither a net user nor a net producer of cash. Accordingly, our primary focus was on UMS and UMTB, and no projections for fiscal 1996 or beyond were deemed necessary for Unimar.

UMS

Exhibits 8 through 12 present forecast income statements, balance sheets, sources and uses of cash statements, and assumptions for UMS. Based on the market circumstances around the date of valuation, a drop in revenue was forecast for fiscal 1991, followed by revenue increases through fiscal 1995. Thereafter, revenue is assumed to plateau at the fiscal 1995 level of approximately $10 million. Exhibit 12 presents two schedules showing the calculations for the preferred stock dividends and B note payments. For the purposes of the model, these dividends and payments are accrued and not paid until 2003. As indicated, based on this scenario and the assumptions detailed in Exhibit 9, UMS will encounter some modest cash deficits. It is assumed that UMS can arrange for the forbearance of creditors in order to manage these cash deficits. **It should be noted that, given the business outlook around valuation date, this scenario is based on optimistic revenue and expense assumptions. Should market conditions not permit the achievement of the forecast profit levels, it is highly probable that UMS will have to liquidate.**

The terminal year for this model is fiscal 2003. At that point, UMS will have paid off all interest-bearing debts except for the B note. The valuation section describes more fully the projected treatment of the B note and the preferred stock.

UMTB

Exhibits 13 through 17 provide the details of our forecast for UMTB. As indicated, revenue in fiscal 1991 is forecast to drop 24.5 percent due to weak market conditions around the date of valuation. Subsequent increases are projected through fiscal 1994, following which revenues are projected to be level at approximately $14 million. Exhibit 17 presents calculations of the B note payments and preferred dividends that would be required under this scenario. These payments are accrued but not paid until 2003. As indicated, UMTB is forecast to encounter some modest cash deficits early in the scenario. The assumption is made that UMTB can negotiate forbearance by a sufficient number of creditors to permit management of these cash shortfalls. **It should be noted that, based on the business conditions around valuation date, this scenario is based on optimistic revenue and expense assumptions. Should market conditions be such that UMTB is unable to achieve the forecast profit levels, it is highly probable that it will have to liquidate.**

The terminal year for this model is fiscal 2003. At that time, UMTB is forecast to have paid off substantially all interest-bearing debts except for the principal and some accrued interest on the MARAD B notes.

Projected Financing Needs

In order to adequately maintain capital assets and to improve productivity, capital expenditures usually are indispensable to a going concern. In addition, investments in working capital are needed as sales grow. Based on our projection, UMS and UMTB will have insufficient funds available to make meaningful capital investments until fiscal 1994

at the earliest. Management commented that the repair and maintenance expense as projected should be *marginally* adequate to maintain capital equipment, barring unforeseen equipment failures. The forecast takes into account additional working capital needs.

Management also indicated that prospects for finding additional financing, for any purpose, were very poor. Discussions with various lending institutions had not been fruitful. Accordingly, all requirements for funds must be met with internally generated cash. The only exceptions are the WSDOT note and one NBA note which can be paid with cash drawn from the employee contribution fund.

VI. SUMMARY OF OUTLOOK

The success of Unimar is entirely contingent upon the success of its two subsidiaries. Based upon the information reviewed, the following represents our assessment of UMS and UMTB as long-term investment opportunities:

UMS

The shipbuilding and vessel repair industries are profoundly depressed. UMS's hopes for recovery are contingent upon a recovery in the fishing industry in Alaska, which is also depressed, or higher utilization of shipyards due to the navy home port being constructed in Everett. There is some prospect that the weakness in the fishing industry will require retrofitting of vessels in order to adapt them to different fish species or fishing conditions. Furthermore, continued loss of human life in the fishing industry has led to a gradual emphasis on safety by the United States Coast Guard. Such an emphasis may result in upgrades of ballasts, bulkheads, and other safety features on vessels. Despite these prospects, there was little sign on the date of valuation that a meaningful recovery in business was at hand.

UMTB

The demand for UMTB's tug and barge service is heavily dependent on the Alaska economy, as well as the demand for tug and barge service in general. Demand for such service was very weak around the date of valuation, although the economy in Alaska was strengthening gradually. UMTB's emphasis is on ocean-going tugs and barges, which are in somewhat shorter supply than smaller tugs and barges. Nevertheless, the industry has historically been cyclical and was suffering from oversupply around the date of valuation.

Overall

Adding to the risk of the very weak markets for the services of UMS and UMTB is an overwhelming burden of debt. Such debt is likely manageable only if there is a significant and relatively prompt return to strong markets for the Company. Accordingly, an investment in the common equity of Unimar can only be described as speculative. **There is a significant probability that the common shareholder will never see any return on investment.**

VII. VALUATION ANALYSIS

Basic Theory

Valuation of a business ownership interest requires consideration of all pertinent factors bearing upon its investment merits. Many of these factors have been outlined in the INTRODUCTION section of this report. In practice, the value of a going business concern usually is expressed as a function of its future returns, measured as earnings or operating cash flow, which are capitalized or discounted at an appropriate rate of return to arrive at their present values. For this application, the selected rates of return should reflect the degree of uncertainties, i.e. risk, associated with the future returns and other rates of return available from alternative investments. Often referred to as the "discounted earnings" and "discounted operating cash flow" approaches, they have application to a variety of business valuation problems. They are based on the widely accepted financial principle that the level of risk affects the required rate of return, which in turn affects the discounted present value. For the same expected returns, the greater the risk, the higher the required rate of return that, when used in discounting, produces a lower present value for the investment or business ownership interest.

An alternative is to value the invested capital (equity and debt) of the Company and then to determine the common equity value by subtracting the value of all of the other forms of capital (in Unimar's case, the debt and preferred stock). Such a scenario could be realized by selling the operations as a going concern, paying off the debt and preferred stock, and distributing the net proceeds to common shareholders. This approach is known as the market value of invested capital (MVIC) approach.

Alternatively, the value of a business ownership interest can be expressed as the net value available to the owners if the company were to cease operations and to liquidate its assets. In this approach, the market values of the company's assets are estimated. Net of the

outstanding debts and selling expenses, the remaining balance should represent value available to the owners in liquidation. Generally referred to as the "net assets approach," it should indicate the minimal valuation of the business. Presumably the owners can always liquidate the company and realize its liquidation value.

In summary, there are two very general categories of approaches to valuing a business enterprise: going concern approaches such as the discounted cash flow or MVIC methods, and net assets or liquidation approaches, which presume the business enterprise to be not a going concern. Selection of the appropriate approach or the value indicated by either approach depends upon the subject business enterprise, the purpose of the appraisal, and other relevant considerations.

Selection of Valuation Approaches for Unimar

As previously discussed, Unimar is highly leveraged and is dependent upon an immediate and significant upturn in business for its long-term survival. Should such an upturn fail to materialize, it is likely that the Company will be in default of its loan obligations, leading to a liquidation of the Company. Given this level of risk, the potential sources of value to the common shareholders come from three scenarios:

1. Assuming cooperation from creditors and the long range projection as presented above for UMS and UMTB, the present value of future residual value to the common stock after all current obligations are paid off.

2. Sale of the assets as a going concern (instead of a liquidation) to the extent that the sales price exceeds the liabilities.

3. A bankruptcy or liquidation proceeding as a consequence of insolvency. The potential proceeds to the common shareholders, if any, provide a gauge of the common stock value.

The first scenario will be analyzed by way of the discounted cash flow valuation approach, and the second by the market value of invested capital approach. The third scenario is also analyzed in a subsequent section.

Discounted Cash Flow (DCF) Approach

The discounted cash flow approach focuses on the returns available to the common equity holders over a number of years, and discounts them to a present value. In addition, a terminal value is generally forecast, often by capitalizing the projected terminal cash flow, and discounting that value to a present value also. In a typical case, returns to shareholders might be forecast over the next five years and a terminal value five years hence would be determined. In the case of Unimar, however, as demonstrated by the projections developed for UMS and UMTB, there is virtually no prospect for any return to common shareholders for many years. The objective of this approach, then, will be to estimate the value in some future year when a return is available to shareholders, and discount that value over the appropriate number of years to arrive at the value today.

As indicated in the projections for UMS and UMTB, certain B notes will remain outstanding at the end of fiscal 2003. At that time, UMS is projected to have $4,911,000 in debt remaining, while UMTB will have $24,563,000 in debt remaining. Furthermore, all of the preferred stock will be outstanding; the projection indicates that redemption of the preferred stock in 1998, as provided for in the preferred stock agreement, will not occur as a practical matter. Our assumption is that all available cash flow will be utilized beginning in fiscal 2004 to first retire the remaining debt of the Company, and then to retire the preferred stock.

Exhibit 18 details this process for UMS. In fiscal 2004 and beyond, UMS is assumed to have static cash flow of $971,000. Of this, ten percent must be paid to the preferred shareholders as dividends, leaving $874,000 per year or $73,000 per month to pay down the remaining B note. Given payments of $73,000 per month, it will take 45 months to retire the remaining debt in UMS, assuming eight percent interest.

Exhibit 19 provides a similar analysis for UMTB. UMTB is assumed to have static annual cash flow of $3,489,000 in 2004 and beyond. After a 10 percent dividend to preferred shareholders, $3,140,000 or $262,000 per month remains to pay off the debt. Assuming eight percent interest, the debt will be retired in 36 months.

Because UMTB will retire its debt before UMS in this scenario, it is assumed that all UMTB cash flow in excess of that needed for preferred dividends will be used to retire preferred stock for the 9 months following debt retirement. At that time, all debt in both subsidiaries will have been retired. The preferred stock is then assumed to be paid off with all available cash flow, but assuming that the preferred shareholders will require a 10 percent rate of return on the outstanding balance. The combined entities have cash flow of $4,460,000 per year or $372,000 per month. Based on the projected cash flow, the preferred stock is expected to be retired approximately 23 months after the debt of both entities is completely retired. Consequently, it is expected to take approximately 68 months after September 30, 2003 to retire both the B notes and the preferred stock; approximately 19 years (rounded) after September 30, 1990, *all* existing debt and preferred stock will be retired under this scenario.

In the scenario thus far, no provision has been made for taxes. Around the date of valuation, the status of net operating loss carryforwards (NOL's) benefitting the Company was very uncertain. Some $187 million of the predecessor companies' NOL's may have

survived the reorganization, although over $150 million of this may be offset by income as a result of debt forgiveness due to the reorganization. Nevertheless, audited financial statements indicate NOL's of at least $28 million expiring through 2006. Further NOL's will accrue over the near term as the Company continues to report losses. For simplicity, the assumption is made that no tax liability is incurred until fiscal 2009, when all remaining debt and preferred stock is retired.

In summary, 19 years from the date of valuation the pretax cash flow of $4,460,000 should be available to the common shareholders. Assuming income taxes at 34 percent, and continuing the assumption that operations are static and that capital expenditures equal depreciation, distributable cash of $2,943,000 should be generated by operations. This cash flow is capitalized at an appropriate capitalization rate to determine the value of such cash flow at that time.

The capitalization rate to be used to estimate the terminal value of cash flows should be determined with regard to rates of return available on alternative investments, and should incorporate the risk factors found in Unimar. Various alternative rates of return were studied, and some of these are presented in Exhibit 25. Factors considered in our selection of a capitalization rate include the following:

1. Unimar has an experienced management team and employee base, although both of these have been pared back to the bare minimum.

2. The Company features relatively large tugs and barges as well as relatively large drydocks, which could be to its advantage in a business upturn.

3. Both the shipyard and tug and barge service industries are depressed and have a very uncertain outlook. Competition for charters and shipyard contracts is extremely intense.

4. The Company is struggling under a heavy debt load, and its ability to meet its debt commitments is highly uncertain.

5. The Company is involved in potentially devastating environmental litigation, as well as other suits with uncertain outcomes.

6. As discussed in the History and Nature of the Business section of this report, the block of stock being valued does not possess absolute control over the Company.

7. The marketability of the Series A common stock is uncertain. While the ESOP agreement provides for a put option in the case of death, disability, or retirement, management indicated that employees terminating for other reasons may have to wait until the ESOP obligation is retired.

Based on the rates of return listed in Exhibit 25, the factors identified above, and other factors we deem relevant, we conclude that a discount rate of no less than 40 percent is justified for an investment in Unimar. In order to determine a capitalization rate from the discount rate determined above, typically a growth rate assumption must be subtracted from the discount rate. However, Unimar's markets are not only highly cyclical, but it is unclear if the long-term trend will include significant growth. Accordingly, we conservatively assume a growth rate of zero, making the discount rate the same as the capitalization rate.

Capitalizing the future cash flow at 40 percent leads to a future value in fiscal 2009 of the common equity of $7,358,000. Discounting the future value at 40 percent leads to an indicated present value of $12,000 based on the discounted cash flow approach.

Market Value of Invested Capital (MVIC) Approach

As previously described, an alternative approach is to determine the value of invested capital, and then to subtract the value of interest-bearing debt and preferred stock to arrive at the value of the common equity. An approach to valuing the invested capital is to capitalize earnings before depreciation, interest, and taxes (EBIDT).

In order to determine appropriate MVIC/EBIDT multiples, we searched for publicly traded companies in the same or similar lines of business. For Unimar, our search for comparable companies included a review of Moody's Manuals, Standard & Poor's Corporation Stock Reports, and other sources considered reliable, all of which contain financial and operating information on actively traded public companies. After reviewing numerous candidates, our final selection for UMS was narrowed to the five companies identified alphabetically below:

		Traded
A.	Addsco Industries	OTC
B.	American Shipbuilding	NYSE
C.	Avondale Industries	OTC
D.	Tacoma Boatbuilding	NYSE
E.	Todd Shipyards	NYSE

For UMTB, the following companies were used:

A.	Hornbeck Offshore Services	OTC
B.	International Shipholding	OTC

C.	Kirby Corp.	ASE
D.	Maritrans Partners	NYSE
E.	Overseas Shipholding	NYSE

Most of the public companies offer a diversified line of services and numerous facilities, employ hundreds or thousands of people, and serve customers nationwide or worldwide. By comparison, UMS and UMTB have smaller scale operations, occupy a single facility, and employ far fewer people. The factors outlined previously in our discussion of capitalization rates are also relevant here.

Valuation multiples for the selected companies are presented in Exhibits 23 and 24. The long-term multiples for the selected companies were computed by relating their September 1990 invested capital valuations to their EBIDT.

In our opinion, investments in the ownership of UMS and UMTB represent risks higher than those represented by the comparable companies as a group, despite the dire circumstances of some of the selected companies. Thus, the MVIC/EBIDT multiples chosen for the two subsidiaries should be correspondingly lower than the selected companies. There is little consistency among the public company multiples, but they can be used to provide a general guideline.

Based upon the above factors, a MVIC/EBIDT multiple of 5.0 times the historical and forecast EBIDT of UMS and UMTB is the highest that we can consider reasonable given the risks inherent in the two subsidiaries. This valuation approach is presented in Exhibit 21. As indicated, neither UMS nor UMTB had positive EBIDT in fiscal 1990, leaving projected fiscal 1991 performance as the only basis for estimating the MVIC. Capitalizing UMTB's projected EBIDT results in an indicated MVIC of $17,180,000. On

the same basis, UMS's MVIC is $2,975,000, leading to a combined MVIC for Unimar of $20,155,000.

The next step is to subtract the market value of interest-bearing debt. This is a problematic step in the process because of the lack of good indicators for the market value of the debt of the Company. Typically, the book value of a company's debt is a reasonable proxy for the market value of the debt. In the aggregate, Unimar reported its debt with a book value of $41,849,281 on valuation date. However, the face value of the debt is nearly $62 million, and if the funds were available, creditors would have a claim on that amount. Nevertheless, the true market value of the debt may be considerably less than the book value because of the enormous amount of debt relative to the collateral available. However, even using the reported debt book value of $41.8 million, the value of the invested capital falls far short of the debt burden. In this analysis, a sale of the operations as a going concern will not provide any proceeds to equity holders (either preferred or common). Accordingly, the indicated value for the common stock under the MVIC approach is zero.

Liquidation Approach

As noted before, Unimar has a high probability of insolvency and bankruptcy or a liquidation proceeding would ensue as a result. According to management, a Chapter 11 filing may not be an option, given its past reorganization history. A Chapter 7 proceeding may be more likely. When a liquidation is a reasonable possibility, liquidation value can provide a floor for value; presumably a shareholder will not sell for less than can be obtained in a liquidation. Exhibit 22 provides a summary liquidation analysis. It should be noted that there are no current independent appraisals for most of the individual assets owned by Unimar. It is our understanding that the assets were reported at their current values at the time of the reorganization in 1988. However, management indicated that market conditions are such that they are not confident that they could realize a value as

high as the reported book values for most vessels and other property. For simplicity, it was assumed that their reported book values could be realized in liquidation.

As discussed above, the reported book value of Unimar's interest-bearing debts is materially different from the face value of the debts. Again, we assumed that the Company's debts could be retired in an orderly liquidation for book value. Even with this assumption, it is apparent that there would be no residual funds available for either preferred or common shareholders in an orderly liquidation of the Company. Accordingly, the indicated value of the common equity in Unimar under an orderly liquidation scenario is zero.

VIII. VALUATION SUMMARY

The valuation analysis developed in this report employed several recognized methodologies and gave consideration to other factors which provided indicators of fair market value. These indicators of common stock value are summarized below:

I.	Discounted Future Cash Flow Approach	$12,000
II.	Market Value of Invested Capital Approach	0
III.	Liquidation Approach	0

Based on these indicators, it is clear that an equity investment in Unimar is highly speculative. An equity investor would only invest with the full realization that the investment presents tremendous risks, and consequently potential rewards would need to be commensurate. Emphasizing discounted future cash flow because it does incorporate the potential for such long-term rewards, we conclude that the common stock of Unimar had a fair market value on September 30, 1990 of $12,000 or 1.36¢ per share, based on 879,518 shares issued and outstanding.

IX. LIMITING FACTORS AND OTHER ASSUMPTIONS

In accordance with recognized professional ethics, the fee for this service is not contingent upon our conclusion of value. Neither Management Advisory Services, Inc. nor any of its employees has an ownership interest in the Company.

The opinion of value expressed herein is valid only for the stated purpose and date of the appraisal, and is to be relied upon only by the party addressed in the transmittal letter.

Financial statements and other information provided by the Company or its representatives in the course of this investigation have been accepted without further verification as correctly reflecting business conditions and operating results for the respective periods, except as specifically noted herein.

Neither all nor any part of the contents of this report should be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent and approval of Management Advisory Services, Inc.

Future services regarding the subject matter of this report, including but not limited to testimony or attendance in court, shall not be required of Management Advisory Services, Inc. unless previous arrangements have been made therefore in writing.

EXHIBIT 1

UNIMAR INTERNATIONAL, INC. AND SUBSIDIARIES

COMPARATIVE SUMMARY STATEMENT OF INCOME

STATEMENT TYPE	AUDITED		AUDITED	
STATEMENT DATE	9/30/90		9/30/89	
	($000)	%	($000)	%
REVENUES	18077	100.00	31460	100.00
TOTAL REVENUES	18077	100.00	31460	100.00
COST OF REVENUES	18960	104.89	27976	88.93
LOSS ON VESSEL RECONSTRUCTION, NET	0	0.00	2277	7.24
TOTAL COST OF SALES	18960	104.89	30253	96.16
TOTAL GROSS PROFIT	-883	-4.89	1207	3.84
OPERATING EXPENSES:				
SELLING, GENERAL & ADMIN.	3606	19.95	4112	13.07
TOTAL OPERATING EXPENSE	3606	19.95	4112	13.07
OPERATING INCOME (LOSS)	-4490	-24.84	-2905	-9.23
OTHER INCOME (EXP):				
INTEREST INCOME	118	0.65	135	0.43
INTEREST EXPENSE	-4306	-23.82	-5029	-15.98
IMPUTED INTEREST EXPENSE	-3052	-16.88	-2831	-9.00
LOSS ON DISPOSAL OF VESSEL & EQUIP.	-2648	-14.65	-1465	-4.66
LOSS ON ASSETS HELD FOR RESALE	-1867	-10.33	188	0.60
OTHER	301	1.66	188	0.60
PRETAX INCOME	-15944	-88.20	-11718	-37.25
INCOME TAXES	0	0.00	0	0.00
NET INCOME	-15944	-88.20	-11718	-37.25
OTHER DATA:				
DEPRECIATION	5146	28.47	5969	18.97
IMPUTED INTEREST	3052	16.88	2831	9.00
DEFERRED INCOME TAX	0	0.00	0	0.00
OPERATING CASH FLOW	-7746	-42.85	-2918	-9.28

EXHIBIT 2

UNIMAR INTERNATIONAL, INC. AND SUBSIDIARIES

COMPARATIVE SUMMARY BALANCE SHEETS

STATEMENT TYPE	AUDITED		AUDITED	
STATEMENT DATE	9/30/90		9/30/89	
CURRENT ASSETS:	($000)	%	($000)	%
CASH	178	0.41	256	0.43
CASH HELD IN ESCROW	1236	2.85	160	0.27
TRADE ACCOUNTS RECEIVABLE, NET	276	0.64	2705	4.59
INSURANCE CLAIMS RECEIVABLE	120	0.28	1796	3.05
FEDERAL INCOME TAX RECEIVABLE	0	0.00	460	0.78
OTHER RECEIVABLES	13	0.03	163	0.28
COSTS & ESTIMATED EARNINGS IN EXCESS	30	0.07	49	0.08
OPERATING SUPPLIES	467	1.08	608	1.03
TOTAL CURRENT ASSETS	2320	5.36	6196	10.52
PROPERTY	1780	4.11	1780	3.02
VESSELS	38089	87.95	53589	90.94
VESSELS LEASED TO A THIRD PARTY	4013	9.27	0	0.00
EQUIPMENT AND OTHER	956	2.21	903	1.53
GROSS PROPERTY	44838	103.54	56272	95.50
ACCUM DEPRECIATION	8223	18.99	5847	9.92
NET PROPERTY	36615	84.55	50425	85.58
VESSELS HELD FOR RESALE	2773	6.40	0	0.00
CASH HELD IN ESCROW	1599	3.69	2303	3.91
TOTAL ASSETS	43307	100.00	58925	100.00
CURRENT LIABILITIES:				
CURRENT PORTION-LTD	2186	5.05	1645	2.79
TRADE ACCOUNTS PAYABLE	1666	3.85	1708	2.90
ACCRUED EXPENSES	1775	4.10	4245	7.20
PAYABLE TO CREDITORS UNDER PLAN OF REORG.	2169	5.01	2468	4.19
ACCRUED INTEREST PAYABLE	509	1.18	383	0.65
TOTAL CURRENT LIABILITIES	8306	19.18	10450	17.73
ACCRUED INTEREST PAYABLE	3051	7.05	1621	2.75
LONG TERM DEBT, NET OF CURRENT	39663	91.59	39016	66.21
LIABILITIES DEFERRED-PLAN OF REORG.	0	0.00	728	1.24
DEFERRED INCOME TAXES	1700	3.93	1700	2.89
TOTAL LIABILITIES	52720	121.74	53515	90.82
EQUITY:				
PREFERRED STOCK	10000	23.09	10000	16.97
COMMON STOCK & ADDITIONAL PAID-IN CAPITAL	8437	19.48	7317	12.42
RETAINED EARNINGS (DEFICIT)	-27851	-64.31	-11907	-20.21
TOTAL EQUITY	-9413	-21.74	5410	9.18
TOTAL LIAB/EQUITY	43307	100.00	58925	100.00

EXHIBIT 3

UNIMAR INTERNATIONAL, INC. AND SUBSIDIARIES

FINANCIAL RATIOS

	9/30/90	9/30/89
SOLVENCY RATIOS		
CURRENT	0.28	0.59
WORKING CAPITAL ($000)	-5986	-4253
SAFETY RATIOS		
L.T.DEBT/EQUITY	-4.39	7.66
DEBT/EQUITY	-5.60	9.89
PROFIT RATIOS (%)		
GROSS PROFIT MARGIN	-4.89	3.84
OPER PROFIT MARGIN	-24.84	-9.23
PRETAX MARGIN	-88.20	-37.25
RETURN ON EQUITY - PRETAX a	NM	-199.9 b
RETURN ON ASSETS - PRETAX a	-73.63	-18.36 b
ASSET TURN RATIOS		
SALES/TOTAL ASSETS a	0.83	0.49 b
SALES/NET FIXED ASSETS a	0.99	0.58 b
SALES/EQUITY a	NM	5.37 b
SALES/WORKING CAPITAL a	NM	NM b
A/R TURNOVER a	131.21	10.74 b
A/R TURNOVER (DAYS) a	2.74	33.53 b
COS/ACCOUNTS PAYABLE a	22.76	16.35 b
OPER. EXP./ACCRUED EXP. a	1.20	0.89 b

NM = NOT MEANINGFUL
a) Average balance sheet values used.
b) Annualized; income statement reflects 13 months of operations.

EXHIBIT 4

UNIMAR INTERNATIONAL, INC.

CORPORATE HOLDING COMPANY

PROJECTED STATEMENT OF INCOME

STATEMENT TYPE	ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
STATEMENT DATE	9/30/90	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95
	($000)	($000)	($000)	($000)	($000)	($000)
TOTAL REVENUES	546	0	0	0	0	0
DIRECT LABOR	0	0	0	0	0	0
MATERIAL/SUBCONTRACTORS	203	0	0	0	0	0
COMMISSIONS	120	0	0	0	0	0
OTHER DIRECT EXPENSES	21	0	0	0	0	0
TOTAL DIRECT EXPENSE	345	0	0	0	0	0
OPERATING INCOME	202	0	0	0	0	0
GENERAL & ADMINISTRATIVE EXPENSES:						
G & A SALARIES & BENEFITS	736	773	834	901	973	1051
G & A EXPENSES	365	384	411	439	470	503
CORPORATE ALLOCATION	-1010	-1181	-1265	-1357	-1455	-1562
TOTAL OPERATING EXPENSE	91	-25	-21	-16	-12	-8
EBDIT	111	25	21	16	12	8
OTHER EXPENSES (INCOME):						
DEPRECIATION EXPENSE	22	18	12	7	3	3
MISC. (INCOME) EXPENSE	-116	0	0	0	0	0
INTEREST PAID	129	0	0	0	0	0
LOSS(GAIN) CONS. SUB.	14101	2892	2406	578	-318	-491
RESTATEMENT OF DEBT	-593	0	0	0	0	0
IMPUTED INTEREST	542	0	0	0	0	0
PRETAX INCOME	-13973	-2885	-2397	-569	328	496
INCOME TAXES	0	0	0	0	0	0
NET INCOME	-13973	-2885	-2397	-569	328	496

EXHIBIT 5

UNIMAR INTERNATIONAL, INC.

CORPORATE HOLDING COMPANY

COMPARATIVE SUMMARY BALANCE SHEET

STATEMENT TYPE	ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
STATEMENT DATE	9/30/90	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95
CURRENT ASSETS:	($000)	($000)	($000)	($000)	($000)	($000)
CASH & EQUIVALENTS	6	295	315	331	341	345
NOTES & TRADE ACCTS REC.	0	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0	0
INCOME TAX RECEIVABLE	460	0	0	0	0	0
INTERCOMPANY ACCOUNTS	1102	302	-498	-1298	-2098	-2898
TOTAL CURRENT ASSETS	1568	596	-183	-967	-1758	-2553
GROSS PROPERTY a	48	48	48	48	51	54
ACCUM DEPRECIATION	11	29	41	48	51	54
NET PROPERTY	38	20	8	1	1	1
RESTRICTED CASH	769	0	0	0	0	0
INVESTMENT IN AFFILIATES	1800	-1092	-3498	-4075	-3757	-3266
TOTAL ASSETS	4175	-476	-3673	-5042	-5514	-5818
CURRENT LIABILITIES:						
CURRENT PORTION -LTD	800	800	800	800	800	800
ACCTS PAYABLE/ACCR. EXP.(b)	1608	642	642	642	642	642
BANK NOTES PAYABLE	0	0	0	0	0	0
ACCRUED INTEREST PAYABLE	0	0	0	0	0	0
TOTAL CURRENT LIABILITIES	2408	1442	1442	1442	1442	1442
LONG TERM DEBT (a)	7600	6800	6000	5200	4400	3600
DEFERRED INCOME TAXES	1700	1700	1700	1700	1700	1700
OTHER LIABILITIES (c)	2169	2169	2169	2169	2169	2169
TOTAL LIABILITIES	13877	12112	11312	10512	9712	8912
EQUITY:						
PREFERRED STOCK	10000	10000	10000	10000	10000	10000
CAPITAL STOCK	100	100	100	100	100	100
COMMON STOCK	4266	4266	4266	4266	4266	4266
PAID-IN CAPITAL	4072	4072	4072	4072	4072	4072
DEBT WRITE-UP ADJUSTMENT(a)	-4784	-4784	-4784	-4784	-4784	-4784
RETAINED EARNINGS	-23356	-26241	-28638	-29206	-28879	-28383
TOTAL EQUITY	-9702	-12587	-14985	-15553	-15226	-14729
TOTAL LIAB/EQUITY	4175	-476	-3673	-5042	-5514	-5818

a Debt has been written up to face value, with the offsetting debit to equity.
b Reduction of A/P and Accrued Expenses in 1991 is partly a reflection of the payment of a tax refund-related payable to MARAD, and partly a reflection of downsizing.
c Other liabilities consists mostly of prepetition liabilities.

EXHIBIT 6

UNIMAR INTERNATIONAL, INC.

CORPORATE HOLDING COMPANY

SOURCES AND USES OF CASH

	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95
BEGINNING CASH	6	295	315	331	341
SOURCES:					
NET INCOME	7	9	9	9	5
DEPRECIATION & AMORTIZATION	18	12	7	3	3
INCREASE IN ACCTS PAYABLE/ACCRUED LIAB.	-965	0	0	0	0
CHANGE IN ACCRUALS & OTHER CURRRENT LIAB.	0	0	0	0	0
DECREASE (INCREASE) IN INCOME TAX REC.	460	0	0	0	0
DECREASE (INCREASE) IN RESTRICTED CASH	769	0	0	0	0
TOTAL SOURCES	289	21	16	12	8
USES:					
INCREASE IN ACCTS RECEIVABLE	0	0	0	0	0
CHANGE IN PREPAID EXPENSES	0	0	0	0	0
INCREASE (DECREASE) IN INTERCOMPANY ACCOU	-800	-800	-800	-800	-800
CAPITAL EXPENDITURES	0	0	0	3	3
CHANGE IN OTHER ASSETS	0	0	0	0	0
DECREASE (INCREASE) IN LONG TERM DEBT	800	800	800	800	800
DECREASE/INCREASE IN OTHER L-T LIAB.	0	0	0	0	0
CHANGE IN BANK NOTES PAYABLE	0	0	0	0	0
TOTAL USES	0	0	0	3	3
ENDING CASH	295	315	331	341	345
NET CASH PRODUCED	288	21	16	9	5

EXHIBIT 7

UNIMAR INTERNATIONAL, INC.

CORPORATE HOLDING COMPANY

ASSUMPTIONS

	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95
REVENUE GROWTH	-100.0%	0.0%	0.0%	0.0%	0.0%
TAX RATE ASSUMED	34.00%	34.00%	34.00%	34.00%	34.00%
DEPRECIATION & AMORT.	18	12	7	3	3
ACCTS REC. TURNOVER	8.00	8.00	8.00	8.00	8.00
CAPITAL EXPENDITURES	0	0	0	3	3
INCREASE (DECR.) IN RESTRICTED CASH	-769	0	0	0	0
INCREASE (DECR.) IN INCOME TAX RECEIVABLE	-460	0	0	0	0
(COST OF SALES+OPER.EXP)/(A/P+ACCR. EXP.)	1.8	1.8	1.8	1.8	1.8
CHANGE IN PREPAID EXPENSES (%)	5%	5%	5%	5%	5%
CASH RECEIVED FROM SUBSIDIARIES RE: WSDOT (FLOWS THROUGH INTERCOMPANY RECEIVABLE)	800	800	800	800	800
INCREASE (DECREASE) IN BANK NOTES PAYABLE	0	0	0	0	0
INTEREST RATE ON LINE OF CREDIT	10.00%	10.00%	10.00%	10.00%	10.00%
INCREASE (DECREASE) IN LONG TERM DEBT	-800	-800	-800	-800	-800
INCREASE (DECR.) IN OTHER L-T LIAB.	0	0	0	0	0
INT. RATE ON LONG TERM DEBT	0.00%	0.00%	0.00%	0.00%	0.00%

EXHIBIT B

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

PROJECTED STATEMENT OF INCOME

STATEMENT TYPE	ACTUAL		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
STATEMENT DATE	9/30/90		9/30/91		9/30/92		9/30/93		9/30/94		9/30/95		9/30/96	
	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
TOTAL REVENUES	7564	100.00	5834	100.00	7584	100.00	8343	100.00	9177	100.00	10095	100.00	10095	100.00
DIRECT LABOR & BENEFITS	4016	53.10	2509	43.01	3262	43.01	3588	43.01	3947	43.01	4342	43.01	4342	43.01
MATERIAL/SUBCONTRACTORS	1784	23.58	1061	18.19	1379	18.19	1517	18.19	1669	18.19	1836	18.19	1836	18.19
SHOP SUPPLIES	169	2.23	55	0.94	55	0.72	55	0.66	55	0.60	55	0.54	55	0.54
YARD EXPENSE	267	3.53	51	0.88	67	0.88	73	0.88	80	0.88	89	0.88	89	0.88
INSURANCE	184	2.43	118	2.03	154	2.03	169	2.03	186	2.03	205	2.03	205	2.03
OTHER OPERATING EXPENSES	207	2.73	328	5.62	426	5.62	469	5.62	516	5.62	568	5.62	568	5.62
TOTAL OPERATING EXPENSE	6626	87.60	4123	70.68	5344	70.46	5872	70.39	6454	70.33	7094	70.28	7094	70.28
OPERATING INCOME	938	12.40	1711	29.32	2241	29.54	2470	29.61	2723	29.67	3000	29.72	3000	29.72
OPERATING EXPENSES:														
SUPP SERV WAGES & BENEFITS	112	1.48	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
G & A SALARIES & BENEFITS	244	3.23	222	3.81	233	3.08	245	2.94	257	2.80	270	2.68	270	2.68
G & A EXPENSES	738	9.76	221	3.80	232	3.07	244	2.93	256	2.79	269	2.67	269	2.67
CORPORATE ALLOCATION	382	5.05	672	11.52	706	9.31	741	8.88	778	8.48	817	8.09	817	8.09
TOTAL OPERATING EXPENSE	1476	19.52	1116	19.13	1172	15.45	1230	14.75	1292	14.08	1356	13.44	1356	13.44
EBDIT	-538	-7.12	595	10.20	1069	14.09	1240	14.86	1431	15.59	1644	16.28	1644	16.28
OTHER EXPENSES (INCOME):														
DEPRECIATION EXPENSE	1030	13.61	800	13.71	800	10.55	800	9.59	800	8.72	800	7.93	600	5.94
MISC. (INCOME) EXPENSE	-24	-0.31	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"A" NOTE INTEREST PAID	42	0.56	294	5.05	277	3.65	258	3.10	238	2.59	219	2.17	201	1.99
"B" NOTE INTEREST PAID	21	0.27	41	0.71	37	0.48	27	0.32	16	0.17	5	0.05	0	0.00
"C" NOTE INTEREST PAID	38	0.51	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
OTHER INTEREST PAID (REC'D)	-93	-1.23	-86	-1.47	-50	-0.66	0	0.00	0	0.00	0	0.00	0	0.00
"A" NOTE INT. ACCR.(UNPAID)	155	2.05	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"B" NOTE INT. ACCR.(UNPAID)	168	2.23	168	2.89	168	2.22	168	2.02	168	1.84	168	1.67	168	1.67
"C" NOTE INT. ACCR.(UNPAID)	180	2.38	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
LOSS ON DISPOSAL OF ASSETS	419	5.53	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
EMP. CONTR.-RESTRICTED CASH	NA	NA	-64	-1.10	-82	-1.08	-90	-1.07	-98	-1.07	-107	-1.06	-107	-1.06
RESTATEMENT OF DEBT	-18	-0.23	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
IMPUTED INTEREST	210	2.77	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
PRETAX INCOME	-2666	-35.3	-559	-9.58	-81	-1.1	76	0.91	307	3.3	559	5.54	782	7.75
INCOME TAXES	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
NET INCOME	-2666	-35.3	-559	-9.58	-81	-1.07	76	0.91	307	3.34	559	5.54	782	7.75

EXHIBIT 8 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

PROJECTED STATEMENT OF INCOME

STATEMENT TYPE	PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
STATEMENT DATE	9/30/97		9/30/98		9/30/99		9/30/00		9/30/01		9/30/02		9/30/03	
	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
TOTAL REVENUES	10095	100.00	10095	100.00	10095	100.00	10095	100.00	10095	100.00	10095	100.00	10095	100.00
DIRECT LABOR & BENEFITS	4342	43.01	4342	43.01	4342	43.01	4342	43.01	4342	43.01	4342	43.01	4342	43.01
MATERIAL/SUBCONTRACTORS	1836	18.19	1836	18.19	1836	18.19	1836	18.19	1836	18.19	1836	18.19	1836	18.19
SHOP SUPPLIES	55	0.54	55	0.54	55	0.54	55	0.54	55	0.54	55	0.54	55	0.54
YARD EXPENSE	89	0.88	89	0.88	89	0.88	89	0.88	89	0.88	89	0.88	89	0.88
INSURANCE	205	2.03	205	2.03	205	2.03	205	2.03	205	2.03	205	2.03	205	2.03
OTHER OPERATING EXPENSES	568	5.62	568	5.62	568	5.62	568	5.62	568	5.62	568	5.62	568	5.62
TOTAL OPERATING EXPENSE	7094	70.28	7094	70.28	7094	70.28	7094	70.28	7094	70.28	7094	70.28	7094	70.28
OPERATING INCOME	3000	29.72	3000	29.72	3000	29.72	3000	29.72	3000	29.72	3000	29.72	3000	29.72
OPERATING EXPENSES:														
SUPP SERV WAGES & BENEFITS	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
G & A SALARIES & BENEFITS	270	2.68	270	2.68	270	2.68	270	2.68	270	2.68	270	2.68	270	2.68
G & A EXPENSES	269	2.67	269	2.67	269	2.67	269	2.67	269	2.67	269	2.67	269	2.67
CORPORATE ALLOCATION	817	8.09	817	8.09	817	8.09	817	8.09	817	8.09	817	8.09	817	8.09
TOTAL OPERATING EXPENSE	1356	13.44	1356	13.44	1356	13.44	1356	13.44	1356	13.44	1356	13.44	1356	13.44
EBDIT	1644	16.28	1644	16.28	1644	16.28	1644	16.28	1644	16.28	1644	16.28	1644	16.28
OTHER EXPENSES (INCOME):														
DEPRECIATION EXPENSE	600	5.94	600	5.94	500	4.95	500	4.95	500	4.95	500	4.95	500	4.95
MISC. (INCOME) EXPENSE	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"A" NOTE INTEREST PAID	182	1.80	161	1.60	139	1.38	116	1.15	28	0.27	13	0.12	4	0.04
"B" NOTE INTEREST PAID	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"C" NOTE INTEREST PAID	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
OTHER INTEREST PAID (REC'D)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"A" NOTE INT. ACCR.(UNPAID)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"B" NOTE INT. ACCR.(UNPAID)	168	1.67	168	1.67	168	1.67	168	1.67	168	1.67	168	1.67	168	1.67
"C" NOTE INT. ACCR.(UNPAID)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
LOSS ON DISPOSAL OF ASSETS	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
EMP. CONTR.-RESTRICTED CASH	-107	-1.06	-107	-1.06	-107	-1.06	-107	-1.06	-107	-1.06	0	0.00	0	0.00
RESTATEMENT OF DEBT	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
IMPUTED INTEREST	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
PRETAX INCOME	801	7.94	822	8.14	944	9.35	967	9.58	1055	10.45	963	9.54	971	9.62
INCOME TAXES	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
NET INCOME	801	7.94	822	8.14	944	9.35	967	9.58	1055	10.45	963	9.54	971	9.62

EXHIBIT 9

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

COMPARATIVE SUMMARY BALANCE SHEET

STATEMENT TYPE	ACTUAL a		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
STATEMENT DATE	9/30/90		9/30/91		9/30/92		9/30/93		9/30/94		9/30/95		9/30/96	
CURRENT ASSETS:	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
CASH & EQUIVALENTS	12	0.14	-72	-0.96	468	6.86	254	4.23	249	4.59	589	11.31	781	14.91
NOTES & TRADE ACCTS REC.	183	2.16	729	9.71	948	13.92	1043	17.39	1147	21.18	1262	24.24	1262	24.08
PREPAID EXPENSES	86	1.01	69	0.92	72	1.06	76	1.27	80	1.47	84	1.61	84	1.60
COSTS & PROFITS > BILLINGS	30	0.35	29	0.39	29	0.43	29	0.49	29	0.54	29	0.56	29	0.56
INTERCOMPANY ACCOUNTS	226	2.66	226	3.01	226	3.32	226	3.77	226	4.18	226	4.34	226	4.32
TOTAL CURRENT ASSETS	537	6.31	981	13.06	1743	25.59	1628	27.14	1731	31.96	2190	42.06	2382	45.46
GROSS PROPERTY (f)	7887	92.75	7887	104.98	7887	115.76	7887	131.52	7887	145.65	7887	151.48	8187	156.22
ACCUM DEPRECIATION	1359	15.99	2159	28.75	2959	43.44	3759	62.69	4559	84.21	5359	102.95	5959	113.72
NET PROPERTY	6527	76.76	5727	76.23	4927	72.32	4127	68.82	3327	61.44	2527	48.54	2227	42.50
RESTRICTED CASH	1439	16.92	804	10.71	142	2.09	242	4.04	357	6.59	489	9.40	631	12.04
OTHER ASSETS	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
TOTAL ASSETS	8503	100.00	7512	100.00	6813	100.00	5997	100.00	5415	100.00	5206	100.00	5240	100.00
CURRENT LIABILITIES:														
CURRENT PORTION -LTD	252	2.96	292	3.89	331	4.86	350	5.83	239	4.41	183	3.52	188	3.59
ACCTS PAYABLE/ACCR. EXP.(b)	243	2.85	262	3.49	326	4.78	355	5.92	387	7.15	423	8.12	423	8.06
BANK NOTES PAYABLE	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ACCRUED INTEREST PAYABLE	80	0.93	76	1.01	72	1.05	68	1.14	65	1.20	62	1.18	58	1.12
TOTAL CURRENT LIABILITIES	574	6.75	629	8.38	729	10.70	773	12.89	691	12.76	667	12.82	669	12.77
"A" NOTES	2750	32.34	2586	34.42	2392	35.11	2190	36.53	2023	37.35	1845	35.44	1657	31.62
"B" NOTES - FIXED PMT (c)	490	5.77	363	4.83	226	3.31	77	1.29	6	0.11	0	0.00	0	0.00
"B" NOTES-CASH FLOW PMT (d)	2105	24.76	2105	28.02	2105	30.90	2105	35.10	2105	38.88	2105	40.43	2105	40.17
"C" NOTES (e)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"B" NOTE INTEREST ACCRUED	617	7.26	785	10.45	954	14.00	1122	18.71	1291	23.83	1459	28.02	1627	31.05
TOTAL LIABILITIES	6536	76.87	6468	86.10	6405	94.01	6268	104.52	6115	112.93	6077	116.72	6059	115.61
EQUITY:														
PAID-IN CAPITAL	7132	83.87	7132	94.93	7132	104.68	7132	118.93	7132	131.71	7132	136.99	7132	136.09
DEBT WRITE-UP ADJUSTMENT d	-2269	-26.68	-2269	-30.20	-2269	-33.30	-2269	-37.83	-2269	-41.90	-2269	-43.58	-2269	-43.29
RETAINED EARNINGS	-2896	-34.06	-3819	-50.84	-4455	-65.39	-5134	-85.62	-5563	-102.7	-5733	-110.1	-5681	-108.4
TOTAL EQUITY	1967	23.13	1044	13.90	408	5.99	-271	-4.52	-700	-12.93	-870	-16.72	-818	-15.61
TOTAL LIAB/EQUITY	8503	100.00	7512	100.00	6813	100.00	5997	100.00	5415	100.00	5206	100.00	5240	100.00

a Adjusted to reflect debt at face value.

b Excludes $272k and $104k payable to Neal & Co. and Eagle Pacific respectively. These payables were refinanced into notes around DOV.

c Includes "B" notes and Neal & Co. and Eagle Pacific notes for which fixed payment schedules existed.

d Includes all "B" notes for which payments are based on cash flow.

e Adjusted to eliminate the "C" note. The collateral was all sold or for sale on valuation date.

f Adjusted to remove drydocks #3, 4, & 8, which were for sale on valuation date.

EXHIBIT 9 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

COMPARATIVE SUMMARY BALANCE SHEET

STATEMENT TYPE	PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
STATEMENT DATE	9/30/97		9/30/98		9/30/99		9/30/00		9/30/01		9/30/02		9/30/03	
CURRENT ASSETS:	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
CASH & EQUIVALENTS	980	18.52	1175	21.97	1268	22.99	598	11.88	1102	19.22	2042	30.13	2983	38.09
NOTES & TRADE ACCTS REC.	1262	23.85	1262	23.60	1262	22.88	1262	25.09	1262	22.01	1262	18.62	1262	16.11
PREPAID EXPENSES	84	1.58	84	1.57	84	1.52	84	1.66	84	1.46	84	1.24	84	1.07
COSTS & PROFITS > BILLINGS	29	0.55	29	0.55	29	0.53	29	0.58	29	0.51	29	0.43	29	0.37
INTERCOMPANY ACCOUNTS	226	4.27	226	4.23	226	4.10	226	4.50	226	3.94	226	3.34	226	2.89
TOTAL CURRENT ASSETS	2580	48.78	2775	51.90	2869	52.02	2199	43.71	2703	47.15	3643	53.74	4584	58.53
GROSS PROPERTY (f)	8487	160.42	8787	164.32	9187	166.60	9687	192.58	10187	177.70	10687	157.67	11187	142.84
ACCUM DEPRECIATION	6559	124.00	7159	133.89	7659	138.91	8159	162.22	8659	151.06	9159	135.14	9659	123.34
NET PROPERTY	1927	36.43	1627	30.43	1527	27.69	1527	30.36	1527	26.64	1527	22.53	1527	19.50
RESTRICTED CASH	783	14.80	945	17.67	1118	20.28	1304	25.93	1503	26.22	1608	23.73	1721	21.97
OTHER ASSETS	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
TOTAL ASSETS	5290	100.00	5347	100.00	5514	100.00	5030	100.00	5733	100.00	6778	100.00	7831	100.00
CURRENT LIABILITIES:														
CURRENT PORTION -LTD	200	3.78	214	3.99	887	16.09	189	3.75	84	1.46	84	1.24	0	0.00
ACCTS PAYABLE/ACCR. EXP.(b)	423	7.99	423	7.90	423	7.66	423	8.40	423	7.37	423	6.23	423	5.40
BANK NOTES PAYABLE	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ACCRUED INTEREST PAYABLE	56	1.05	53	0.99	50	0.91	48	0.95	45	0.79	43	0.63	41	0.52
TOTAL CURRENT LIABILITIES	678	12.82	689	12.88	1360	24.66	659	13.10	552	9.62	549	8.11	463	5.92
"A" NOTES	1457	27.54	1243	23.25	356	6.46	168	3.33	84	1.46	0	0.00	0	0.00
"B" NOTES - FIXED PMT (c)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"B" NOTES-CASH FLOW PMT (d)	2105	39.79	2105	39.37	2105	38.18	2105	41.85	2105	36.72	2105	31.06	2105	26.88
"C" NOTES (e)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"B" NOTE INTEREST ACCRUED	1796	33.95	1964	36.73	2133	38.67	2301	45.75	2469	43.08	2638	38.92	2806	35.83
TOTAL LIABILITIES	6036	114.10	6001	112.23	5954	107.97	5232	104.03	5210	90.88	5292	78.08	5374	68.63
EQUITY:														
PAID-IN CAPITAL	7132	134.82	7132	133.37	7132	129.34	7132	141.79	7132	124.41	7132	105.22	7132	91.07
DEBT WRITE-UP ADJUSTMENT d	-2269	-42.89	-2269	-42.43	-2269	-41.14	-2269	-45.11	-2269	-39.58	-2269	-33.47	-2269	-28.97
RETAINED EARNINGS	-5609	-106.0	-5517	-103.2	-5303	-96.16	-5066	-100.7	-4340	-75.71	-3377	-49.83	-2406	-30.72
TOTAL EQUITY	-746	-14.10	-654	-12.23	-439	-7.97	-203	-4.03	523	9.12	1486	21.92	2457	31.37
TOTAL LIAB/EQUITY	5290	100.00	5347	100.00	5514	100.00	5030	100.00	5733	100.00	6778	100.00	7831	100.00

EXHIBIT 10

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

SOURCES AND USES OF CASH

	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95	9/30/96
BEGINNING CASH	12	-72	468	254	249	589
SOURCES:						
NET INCOME	-559	-81	76	307	559	782
DEPRECIATION & AMORTIZATION	800	800	800	800	800	600
INCREASE IN ACCTS PAYABLE	19	64	29	32	35	0
CHANGE IN ACCRUALS & OTHER CURRENT LIAB.	-4	-4	-4	-3	-3	-3
"B" NOTE INTEREST ACCRUED	168	168	168	168	168	168
DECREASE (INCREASE) IN RESTRICTED CASH	635	662	-100	-115	-132	-142
TOTAL SOURCES	1060	1609	971	1189	1427	1406
USES:						
INCREASE IN ACCTS RECEIVABLE	546	219	95	104	115	0
CHANGE IN PREPAID EXPENSES	-17	3	4	4	4	0
INCREASE IN COSTS + PROFITS > BILLINGS	0	0	0	0	0	0
CAPITAL EXPENDITURES	0	0	0	0	0	300
CHANGE IN OTHER ASSETS	0	0	0	0	0	0
DECREASE (INCREASE) IN LONG TERM DEBT	252	292	331	350	239	183
CHANGE IN BANK NOTES PAYABLE	0	0	0	0	0	0
CASH PAID TO PARENT FOR WSDOT OBLIGATION	364	555	755	736	729	730
TOTAL USES	1144	1069	1185	1194	1087	1213
ENDING CASH	-72	468	254	249	589	781
NET CASH PRODUCED	-84	540	-214	-5	340	192

EXHIBIT 10 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

SOURCES AND USES OF CASH

	9/30/97	9/30/98	9/30/99	9/30/00	9/30/01	9/30/02	9/30/03
BEGINNING CASH	781	980	1175	1268	598	1102	2042
SOURCES:							
NET INCOME	801	822	944	967	1055	963	971
DEPRECIATION & AMORTIZATION	600	600	500	500	500	500	500
INCREASE IN ACCTS PAYABLE	0	0	0	0	0	0	0
CHANGE IN ACCRUALS/OTHER CUR. LIAB	-3	-3	-3	-3	-2	-2	-2
"B" NOTE INTEREST ACCRUED	168	168	168	168	168	168	168
DECR. (INCR.) IN RESTRICTED CASH	-152	-162	-174	-186	-199	-105	-113
TOTAL SOURCES	1415	1425	1436	1447	1523	1524	1525
USES:							
INCREASE IN ACCTS RECEIVABLE	0	0	0	0	0	0	0
CHANGE IN PREPAID EXPENSES	0	0	0	0	0	0	0
INCR.-COSTS + PROFITS > BILLINGS	0	0	0	0	0	0	0
CAPITAL EXPENDITURES	300	300	400	500	500	500	500
CHANGE IN OTHER ASSETS	0	0	0	0	0	0	0
DECR.(INCR.) IN LONG TERM DEBT	188	200	214	887	189	84	84
CHANGE IN BANK NOTES PAYABLE	0	0	0	0	0	0	0
CASH TO PARENT-WSDOT OBLIGATION	729	730	729	730	330	0	0
TOTAL USES	1217	1230	1343	2117	1019	584	584
ENDING CASH	980	1175	1268	598	1102	2042	2983
NET CASH PRODUCED	198	195	93	-670	504	940	941

EXHIBIT 11

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

ASSUMPTIONS

	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95	9/30/96
REVENUE GROWTH	-22.9%	30.0%	10.0%	10.0%	10.0%	0.0%
TAX RATE ASSUMED	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
DEPRECIATION & AMORT.	800	800	800	800	800	600
ACCTS REC. TURNOVER	8.00	8.00	8.00	8.00	8.00	8.00
(COSTS + PROFITS > BILLINGS)/REVENUE	0.005	0.005	0.005	0.005	0.005	0.005
CAPITAL EXPENDITURES	0	0	0	0	0	300
INCREASE (DECR.) IN RESTRICTED CASH	-436	-800	-800	0	0	0
(COST OF SALES+OPER. EXP)/(A/P+ACCR. EXP)	20.0	20.0	20.0	20.0	20.0	20.0
CHANGE IN PREPAID EXPENSES (%)	-20%	5%	5%	5%	5%	0%
DIRECT LABOR (ASSUMES 100% AND 25% BENEFIT BURDEN ON SHIPYARD & ADMIN. LABOR, RESPECTIVELY)	1433	1818	1990	2180	2387	2387
ADDITION TO EMP. FUND (4.5% X DIR. LABOR)	64	82	90	98	107	107
INCREASE (DECREASE) IN BANK NOTES PAYABLE	0	0	0	0	0	0
INTEREST RATE ON LINE OF CREDIT	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
INCREASE (DECREASE) IN "A" NOTES	-138	-164	-194	-202	-168	-177
INCREASE (DECR.) IN "B" NOTES-FIXED PMT	-114	-127	-137	-148	-71	-6
INCR. (DECR.) IN "B" NOTES-CASH FLOW PMT	0	0	0	0	0	0
INCR. (DECR.) IN "C" NOTES	0	0	0	0	0	0
INT. RATE ON "A" NOTES EXCEPT EVERGREEN	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
INTEREST RATE ON EVERGREEN "A" NOTE	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
INT. RATE ON MMB & TRANSAMERICA "B" NOTES	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
INTEREST RATE ON EVERGREEN "B" NOTE	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
INTEREST RATE ON NNB "B" NOTE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INTEREST RATE ON MMB "C" NOTE	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
INTEREST RATE ON NEAL/EAGLE PAC. NOTES	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
CASH PAID TO PARENT FOR WSDOT OBLIGATION	364	555	755	736	729	730
INTEREST RATE EARNED ON RESTRICTED CASH	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

EXHIBIT 11 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

ASSUMPTIONS

	9/30/97	9/30/98	9/30/99	9/30/00	9/30/01	9/30/02	9/30/03
REVENUE GROWTH	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TAX RATE ASSUMED	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
DEPRECIATION & AMORT.	600	600	500	500	500	500	500
ACCTS REC. TURNOVER	8.00	8.00	8.00	8.00	8.00	8.00	8.00
(COSTS+PROFITS>BILLINGS)/REVENUE	0.005	0.005	0.005	0.005	0.005	0.005	0.005
CAPITAL EXPENDITURES	300	300	400	500	500	500	500
INCR. (DECR.) IN RESTRICTED CASH	0	0	0	0	0	0	0
(COS+OPER. EXP)/(A/P+ACCR. EXP)	20.0	20.0	20.0	20.0	20.0	20.0	20.0
CHANGE IN PREPAID EXPENSES (%)	0%	0%	0%	0%	0%	0%	0%
DIRECT LABOR (ASSUMES 100% AND 25% BENEFIT BURDEN ON SHIPYARD & ADMIN. LABOR)	2387	2387	2387	2387	2387	2387	2387
ADD. TO EMP. FUND(4.5%XDIR. LABOR)	107	107	107	107	107	0	0
INCREASE (DECREASE) IN BANK NOTES	0	0	0	0	0	0	0
INTEREST RATE ON LINE OF CREDIT	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
INCREASE (DECREASE) IN "A" NOTES	-188	-200	-214	-887	-189	-84	-84
INCR. (DECR.)-"B" NOTES-FIXED PMT	0	0	0	0	0	0	0
(DECR.)-"B" NOTES-CASH FLOW PMT	0	0	0	0	0	0	0
INCR. (DECR.) IN "C" NOTES	0	0	0	0	0	0	0
INT. RATE-"A" NOTES EXC. EVERGREEN	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
INTEREST RATE-EVERGREEN "A" NOTE	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
INT. RATE ON MMB & TRANS. "B" NOTE	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
INT. RATE ON EVERGREEN "B" NOTE	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
INTEREST RATE ON NNB "B" NOTE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INTEREST RATE ON MMB "C" NOTE	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
INT. RATE ON NEAL/EAGLE PAC. NOTES	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
CASH TO PARENT-WSDOT OBLIGATION	729	730	729	730	330	0	0
RATE EARNED ON RESTRICTED CASH	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

EXHIBIT 12

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

VARIABLE PAYOUT ANALYSIS

CALCULATION OF CASH FLOW FOR "B" NOTE PURPOSES

	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95	9/30/96
PRETAX INCOME	-559	-81	76	307	559	782
PLUS:						
INTEREST EXPENSE	504	482	453	422	392	369
DEPRECIATION	800	800	800	800	800	600
DEBT PAYMENTS	252	292	331	350	239	183
LESS:						
CAPITAL EXPENDITURES	0	0	0	0	0	300
WORKING CAPITAL DEFICIT	0	0	0	0	0	0
"OPERATIONAL CASH GENERATION"	997	1493	1660	1879	1990	1635
DEBT PAYMENTS	252	292	331	350	239	183
INTEREST PAYMENTS	336	313	285	254	224	201
"CASH FLOW"	409	887	1044	1275	1527	1251
X 0.5 =						
"AVAILABLE CASH FLOW"	205	444	522	638	764	625
X 0.7521 =						
AMOUNT OF "B" NOTE PAYMENT	154	334	393	480	574	470

(NO CASH FLOW-CONTINGENT "B" PAYMENTS ARE ASSUMED IN THE MODEL; CASH IS ACCUMULATED INSTEAD)

CALCULATION OF PREFERRED STOCK DIVIDEND REQUIREMENTS

10 PERCENT OF CASH FLOW > 0	0	54	0	0	34	19
CUMULATIVE	0	54	54	54	88	107

(PREFERRED DIVIDENDS ARE ASSUMED TO ACCUMULATE UNPAID UNTIL 2003)

EXHIBIT 12 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

VARIABLE PAYOUT ANALYSIS

CALCULATION OF CASH FLOW FOR "B" NOTE PURPOSES

	9/30/97	9/30/98	9/30/99	9/30/00	9/30/01	9/30/02	9/30/03
PRETAX INCOME	801	822	944	967	1055	963	971
PLUS:							
INTEREST EXPENSE	350	330	308	284	196	181	173
DEPRECIATION	600	600	500	500	500	500	500
DEBT PAYMENTS	188	200	214	887	189	84	84
LESS:							
CAPITAL EXPENDITURES	300	300	400	500	500	500	500
WORKING CAPITAL DEFICIT	0	0	0	0	0	0	0
"OPERATIONAL CASH GENERATION"	1639	1651	1565	2138	1440	1228	1228
DEBT PAYMENTS	188	200	214	887	189	84	84
INTEREST PAYMENTS	182	161	139	116	28	13	4
"CASH FLOW"	1270	1290	1212	1135	1224	1131	1140
X 0.5 =							
"AVAILABLE CASH FLOW"	635	645	606	568	612	566	570
X 0.7521 =							
AMOUNT OF "B" NOTE PAYMENT	478	485	456	427	460	425	429

(NO CASH FLOW-CONTINGENT "B" PAYMENTS ARE ASSUMED IN THE MODEL; CASH IS ACCUMULATED INSTEAD)

CALCULATION OF PREFERRED STOCK DIVIDEND REQUIREMENTS

10 PERCENT OF CASH FLOW > 0	20	20	9	0	50	94	94
CUMULATIVE	127	147	156	156	206	300	394

(PREFERRED DIVIDENDS ARE ASSUMED TO ACCUMULATE UNPAID UNTIL 2003)

EXHIBIT 13

UNIMAR INTERNATIONAL, INC.

UNITED MARINE TUG & BARGE, INC.

PROJECTED STATEMENT OF INCOME

STATEMENT TYPE	ACTUAL		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
STATEMENT DATE	9/30/90		9/30/91		9/30/92		9/30/93		9/30/94		9/30/95		9/30/96	
	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
TOTAL REVENUES	10717	100.00	8086	100.00	9097	100.00	12736	100.00	14009	100.00	14009	100.00	14009	100.00
WAGES & BENEFITS	3208	29.94	1135	14.04	1277	14.04	1788	14.04	1967	14.04	1967	14.04	1967	14.04
INSURANCE	1106	10.32	602	7.44	677	7.44	948	7.44	1042	7.44	1042	7.44	1042	7.44
M & R - OVERHAUL	36	0.33	1028	12.71	1156	12.71	1618	12.71	1780	12.71	1780	12.71	1780	12.71
M & R - VOYAGE	828	7.72	141	1.74	705	7.75	987	7.75	1086	7.75	1086	7.75	1086	7.75
DECK & TOW GEAR	216	2.02	90	1.12	102	1.12	142	1.12	157	1.12	157	1.12	157	1.12
VOYAGE EXPENSE	1711	15.97	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
NON-VESSEL OPER. EXPENSES	732	6.83	205	2.54	231	2.54	323	2.54	356	2.54	356	2.54	356	2.54
COMMISSIONS	315	2.94	70	0.86	78	0.86	110	0.86	121	0.86	121	0.86	121	0.86
OTHER OPERATING EXPENSES	480	4.48	223	2.76	251	2.76	351	2.76	386	2.76	386	2.76	386	2.76
TOTAL COST OF SALES	8633	80.56	3494	43.20	4477	49.21	6267	49.21	6894	49.21	6894	49.21	6894	49.21
TOTAL GROSS PROFIT	2084	19.44	4593	56.80	4620	50.79	6468	50.79	7115	50.79	7115	50.79	7115	50.79
OPERATING EXPENSES:														
SHOP WAGES & BENEFITS	137	1.28	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
SHOP EXPENSES	71	0.66	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
G & A SALARIES & BENEFITS	359	3.35	183	2.27	206	2.27	289	2.27	317	2.27	317	2.27	317	2.27
G & A EXPENSES	1134	10.58	228	2.82	257	2.82	359	2.82	395	2.82	395	2.82	395	2.82
CORPORATE ALLOCATION	668	6.23	509	6.29	560	6.15	616	4.83	677	4.83	745	5.32	745	5.32
PROFIT SHARING	0	0.00	236	2.92	266	2.92	372	2.92	409	2.92	409	2.92	409	2.92
TOTAL OPERATING EXPENSE	2370	22.12	1156	14.30	1288	14.16	1635	12.84	1799	12.84	1867	13.32	1867	13.32
EBDIT	-286	-2.67	3436	42.50	3332	36.63	4833	37.95	5316	37.95	5249	37.47	5249	37.47
OTHER EXPENSES (INCOME):														
DEPRECIATION EXPENSE	4094	38.20	2500	30.92	2500	27.48	2500	19.63	2500	17.85	2700	19.27	2700	19.27
MISC. (INCOME) EXPENSE	-130	-1.21	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"A" NOTE INTEREST PAID	2109	19.68	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MARAD "A" NOTE INT. PAID	NA	NA	2087	25.81	1987	21.84	1842	14.46	1668	11.91	1494	10.67	0	0.00
MARINE MIDLAND INT. PAID	NA	NA	39	0.48	37	0.40	34	0.27	32	0.22	29	0.21	0	0.00
MM & P IRAP INTEREST PAID	NA	NA	8	0.09	6	0.07	5	0.04	3	0.02	1	0.01	6	0.05
IBU INTEREST PAID	NA	NA	16	0.20	13	0.14	10	0.08	6	0.05	2	0.02	0	0.00
EXTRAORDINARY LOSS	1947	18.17	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"A" NOTE INT. ACCR.(UNPAID)	216	2.02	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"B" NOTE INT. ACCR.(UNPAID)	1158	10.81	1160	14.35	1160	12.75	1160	9.11	1160	8.28	1160	8.28	1160	8.28
LOSS ON DISPOSAL OF ASSETS	1123	10.48	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
EMP. CONTR.-RESTRICTED CASH	NA	NA	-41	-0.50	-46	-0.50	-64	-0.50	-70	-0.50	-70	-0.50	-70	-0.50
RESTATEMENT OF DEBT	-449	-4.19	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
IMPUTED INTEREST	1170	10.91	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
PRETAX INCOME	-11526	-107.5	-2333	-28.85	-2325	-25.6	-654	-5.13	18	0.1	-68	-0.48	1453	10.4
INCOME TAXES	0	0.00	0	0.00	0	0.00	0	0.00	6	0.04	0	0.00	0	0.00
NET INCOME	-11526	-107.5	-2333	-28.85	-2325	-25.55	-654	-5.13	12	0.08	-68	-0.48	1453	10.37

EXHIBIT 13 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE TUG & BARGE, INC.

PROJECTED STATEMENT OF INCOME

STATEMENT TYPE	PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
STATEMENT DATE	9/30/97		9/30/98		9/30/99		9/30/00		9/30/01		9/30/02		9/30/03	
	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
TOTAL REVENUES	14009	100.00	14009	100.00	14009	100.00	14009	100.00	14009	100.00	14009	100.00	14009	100.00
WAGES & BENEFITS	1967	14.04	1967	14.04	1967	14.04	1967	14.04	1967	14.04	1967	14.04	1967	14.04
INSURANCE	1042	7.44	1042	7.44	1042	7.44	1042	7.44	1042	7.44	1042	7.44	1042	7.44
M & R - OVERHAUL	1780	12.71	1780	12.71	1780	12.71	1780	12.71	1780	12.71	1780	12.71	1780	12.71
M & R - VOYAGE	1086	7.75	1086	7.75	1086	7.75	1086	7.75	1086	7.75	1086	7.75	1086	7.75
DECK & TOW GEAR	157	1.12	157	1.12	157	1.12	157	1.12	157	1.12	157	1.12	157	1.12
VOYAGE EXPENSE	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
NON-VESSEL OPER. EXPENSES	356	2.54	356	2.54	356	2.54	356	2.54	356	2.54	356	2.54	356	2.54
COMMISSIONS	121	0.86	121	0.86	121	0.86	121	0.86	121	0.86	121	0.86	121	0.86
OTHER OPERATING EXPENSES	386	2.76	386	2.76	386	2.76	386	2.76	386	2.76	386	2.76	386	2.76
TOTAL COST OF SALES	6894	49.21	6894	49.21	6894	49.21	6894	49.21	6894	49.21	6894	49.21	6894	49.21
TOTAL GROSS PROFIT	7115	50.79	7115	50.79	7115	50.79	7115	50.79	7115	50.79	7115	50.79	7115	50.79
OPERATING EXPENSES:														
SHOP WAGES & BENEFITS	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
SHOP EXPENSES	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
G & A SALARIES & BENEFITS	317	2.27	317	2.27	317	2.27	317	2.27	317	2.27	317	2.27	317	2.27
G & A EXPENSES	395	2.82	395	2.82	395	2.82	395	2.82	395	2.82	395	2.82	395	2.82
CORPORATE ALLOCATION	745	5.32	745	5.32	745	5.32	745	5.32	745	5.32	745	5.32	745	5.32
PROFIT SHARING	409	2.92	409	2.92	409	2.92	409	2.92	409	2.92	409	2.92	409	2.92
TOTAL OPERATING EXPENSE	1867	13.32	1867	13.32	1867	13.32	1867	13.32	1867	13.32	1867	13.32	1867	13.32
EBDIT	5249	37.47	5249	37.47	5249	37.47	5249	37.47	5249	37.47	5249	37.47	5249	37.47
OTHER EXPENSES (INCOME):														
DEPRECIATION EXPENSE	2700	19.27	400	2.86	400	2.86	400	2.86	400	2.86	600	4.28	600	4.28
MISC. (INCOME) EXPENSE	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"A" NOTE INTEREST PAID	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MARAD "A" NOTE INT. PAID	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
MARINE MIDLAND INT. PAID	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
MM & P IRAP INTEREST PAID	2	0.02	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
IBU INTEREST PAID	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
EXTRAORDINARY LOSS	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"A" NOTE INT. ACCR.(UNPAID)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"B" NOTE INT. ACCR.(UNPAID)	1160	8.28	1160	8.28	1160	8.28	1160	8.28	1160	8.28	1160	8.28	1160	8.28
LOSS ON DISPOSAL OF ASSETS	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
EMP. CONTR.-RESTRICTED CASH	-70	-0.50	-70	-0.50	-70	-0.50	-70	-0.50	-70	-0.50	0	0.00	0	0.00
RESTATEMENT OF DEBT	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
IMPUTED INTEREST	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
PRETAX INCOME	1457	10.40	3759	26.8	3759	26.83	3759	26.83	3759	26.8	3489	24.90	3489	24.90
INCOME TAXES	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
NET INCOME	1457	10.40	3759	26.83	3759	26.83	3759	26.83	3759	26.83	3489	24.90	3489	24.90

EXHIBIT 14

UNIMAR INTERNATIONAL, INC.

UNITED MARINE TUG & BARGE, INC.

COMPARATIVE SUMMARY BALANCE SHEET

STATEMENT TYPE	ACTUAL a		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
STATEMENT DATE	9/30/90		9/30/91		9/30/92		9/30/93		9/30/94		9/30/95		9/30/96	
CURRENT ASSETS:	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
CASH & EQUIVALENTS	160	0.84	-181	-1.14	-116	-0.87	1202	9.68	1019	8.62	2884	26.27	5124	48.72
NOTES & TRADE ACCTS REC.	139	0.73	404	2.54	455	3.40	637	5.13	700	5.93	700	6.38	700	6.66
PREPAID EXPENSES	375	1.98	300	1.88	315	2.35	331	2.66	347	2.94	347	3.16	347	3.30
RESTRICTED CASH	436	2.30	245	1.54	45	0.34	64	0.52	71	0.60	70	0.64	71	0.68
INTERCOMPANY ACCOUNTS	-1328	-7.00	-1328	-8.33	-1328	-9.93	-1328	-10.70	-1328	-11.24	-1328	-12.10	-1328	-12.63
TOTAL CURRENT ASSETS	-218	-1.15	-560	-3.51	-629	-4.70	905	7.29	809	6.85	2673	24.36	4914	46.73
GROSS PROPERTY b	23996	126.46	23996	150.52	23996	179.43	23996	193.39	25996	220.09	25996	236.84	25996	247.19
ACCUM DEPRECIATION	5000	26.35	7500	47.05	10000	74.77	12500	100.74	15000	126.99	17700	161.26	20400	193.98
NET PROPERTY	18996	100.11	16496	103.47	13996	104.65	11496	92.65	10996	93.09	8296	75.58	5596	53.21
RESTRICTED CASH	191	1.01	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
OTHER ASSETS	6	0.03	6	0.04	6	0.05	6	0.05	6	0.05	6	0.06	6	0.06
TOTAL ASSETS	18975	100.00	15942	100.00	13374	100.00	12408	100.00	11812	100.00	10976	100.00	10517	100.00
CURRENT LIABILITIES:														
CURRENT PORTION -LTD	941	4.96	1372	8.60	1845	13.80	1853	14.93	1861	15.76	1812	16.51	1815	17.25
ACCTS PAYABLE/ACCRUED EXP.	1402	7.39	930	5.83	1153	8.62	1581	12.74	1739	14.72	1752	15.96	1752	16.66
BANK NOTES PAYABLE	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ACCRUED INTEREST PAYABLE	214	1.13	203	1.27	193	1.44	183	1.48	174	1.47	165	1.51	157	1.49
TOTAL CURRENT LIABILITIES	2557	13.47	2505	15.71	3191	23.86	3617	29.15	3774	31.95	3729	33.97	3724	35.41
MARAD "A" NOTE c	20342	107.21	19071	119.63	17333	129.61	15596	125.69	13858	117.33	12121	110.43	10383	98.73
MARAD "B" NOTE	14500	76.42	14500	90.95	14500	108.42	14500	116.86	14500	122.76	14500	132.10	14500	137.88
MARINE MIDLAND NOTE	964	5.08	901	5.65	835	6.24	766	6.18	695	5.89	621	5.66	544	5.17
MM & P IRAP	58	0.30	46	0.29	32	0.24	17	0.14	0	0.00	0	0.00	0	0.00
IBU	120	0.63	95	0.60	67	0.50	36	0.29	0	0.00	0	0.00	0	0.00
"B" NOTE INTEREST ACCRUED	2442	12.87	3602	22.60	4762	35.61	5922	47.73	7082	59.96	8242	75.09	8220	78.16
TOTAL LIABILITIES	40984	215.99	40720	255.42	40721	304.49	40454	326.03	39910	337.89	39213	357.26	37371	355.35
EQUITY:														
PAID-IN CAPITAL	16251	85.65	16251	101.94	16251	121.52	16251	130.98	16251	137.59	16251	148.06	16251	154.53
DEBT WRITE-UP ADJUSTMENT a	-16957	-89.37	-16957	-106.4	-16957	-126.8	-16957	-136.7	-16957	-143.6	-16957	-154.5	-16957	-161.2
RETAINED EARNINGS	-21303	-112.3	-24072	-151.0	-26641	-199.2	-27340	-220.3	-27392	-231.9	-27531	-250.8	-26149	-248.6
TOTAL EQUITY	-22009	-116.0	-24778	-155.4	-27347	-204.5	-28046	-226.0	-28098	-237.9	-28237	-257.3	-26855	-255.4
TOTAL LIAB/EQUITY	18975	100.00	15942	100.00	13374	100.00	12408	100.00	11812	100.00	10976	100.00	10517	100.00

a Adjusted to reflect debt at face value.

b Excludes vessels sold or under terminal charter.

c Excludes debt associated with vessels sold or under terminal charters.

EXHIBIT 14 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE TUG & BARGE, INC.

COMPARATIVE SUMMARY BALANCE SHEET

STATEMENT TYPE	PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
STATEMENT DATE	9/30/97		9/30/98		9/30/99		9/30/00		9/30/01		9/30/02		9/30/03	
CURRENT ASSETS:	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
CASH & EQUIVALENTS	7363	73.23	8580	66.65	10815	73.54	13048	78.88	15277	83.16	16511	78.59	18784	82.80
NOTES & TRADE ACCTS REC.	700	6.97	700	5.44	700	4.76	700	4.23	700	3.81	700	3.33	700	3.09
PREPAID EXPENSES	347	3.45	347	2.70	347	2.36	347	2.10	347	1.89	347	1.65	347	1.53
RESTRICTED CASH	70	0.70	71	0.55	70	0.48	70	0.42	0	0.00	0	0.00	0	0.00
INTERCOMPANY ACCOUNTS	-1328	-13.21	-1328	-10.32	-1328	-9.03	-1328	-8.03	-1328	-7.23	-1328	-6.32	-1328	-5.85
TOTAL CURRENT ASSETS	7153	71.13	8371	65.03	10605	72.11	12837	77.61	14996	81.64	16231	77.26	18504	81.56
GROSS PROPERTY b	25996	258.52	27996	217.48	27996	190.35	27996	169.26	27996	152.40	29996	142.78	29996	132.21
ACCUM DEPRECIATION	23100	229.73	23500	182.55	23900	162.50	24300	146.91	24700	134.46	25300	120.42	25900	114.16
NET PROPERTY	2896	28.80	4496	34.93	4096	27.85	3696	22.34	3296	17.94	4696	22.35	4096	18.05
RESTRICTED CASH	0	0.00	0	0.00	0	0.00	1	0.00	71	0.39	76	0.36	81	0.36
OTHER ASSETS	6	0.06	6	0.05	6	0.04	6	0.04	6	0.04	6	0.03	6	0.03
TOTAL ASSETS	10056	100.00	12873	100.00	14708	100.00	16540	100.00	18370	100.00	21009	100.00	22688	100.00
CURRENT LIABILITIES:														
CURRENT PORTION -LTD	1818	18.08	1821	14.14	1824	12.40	1828	11.05	1831	9.97	1793	8.53	13	0.06
ACCTS PAYABLE/ACCRUED EXP.	1752	17.42	1752	13.61	1752	11.91	1752	10.59	1752	9.54	1752	8.34	1752	7.72
BANK NOTES PAYABLE	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ACCRUED INTEREST PAYABLE	149	1.48	142	1.10	135	0.92	128	0.77	122	0.66	115	0.55	110	0.48
TOTAL CURRENT LIABILITIES	3719	36.99	3715	28.86	3711	25.23	3708	22.42	3705	20.17	3661	17.42	1875	8.26
MARAD "A" NOTE c	8646	85.98	6908	53.66	5170	35.15	3433	20.75	1695	9.23	0	0.00	0	0.00
MARAD "B" NOTE	14500	144.20	14500	112.64	14500	98.59	14500	87.66	14500	78.93	14500	69.02	14500	63.91
MARINE MIDLAND NOTE	464	4.61	381	2.96	294	2.00	204	1.23	110	0.60	13	0.06	0	0.00
MM & P IRAP	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
IBU	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
"B" NOTE INTEREST ACCRUED	8196	81.51	9150	71.08	9124	62.04	9099	55.01	9073	49.39	10062	47.89	10050	44.30
TOTAL LIABILITIES	35525	353.28	34653	269.19	32800	223.01	30943	187.08	29084	158.32	28235	134.39	26425	116.47
EQUITY:														
PAID-IN CAPITAL	16251	161.62	16251	126.24	16251	110.50	16251	98.25	16251	88.47	16251	77.35	16251	71.63
DEBT WRITE-UP ADJUSTMENT a	-16957	-168.6	-16957	-131.7	-16957	-115.3	-16957	-102.5	-16957	-92.3	-16957	-80.7	-16957	-74.7
RETAINED EARNINGS	-24763	-246.3	-21074	-163.7	-17386	-118.2	-13697	-82.8	-10008	-54.5	-6520	-31.0	-3031	-13.4
TOTAL EQUITY	-25469	-253.3	-21780	-169.2	-18092	-123.0	-14403	-87.1	-10714	-58.3	-7226	-34.4	-3737	-16.5
TOTAL LIAB/EQUITY	10056	100.00	12873	100.00	14708	100.00	16540	100.00	18370	100.00	21009	100.00	22688	100.00

EXHIBIT 15

UNIMAR INTERNATIONAL, INC.

UNITED MARINE TUG & BARGE, INC.

SOURCES AND USES OF CASH

	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95	9/30/96
BEGINNING CASH	160	-181	-116	1202	1019	2884
SOURCES:						
NET INCOME	-2333	-2325	-654	12	-68	1453
DEPRECIATION & AMORTIZATION	2500	2500	2500	2500	2700	2700
INCREASE IN ACCTS PAYABLE	-472	223	428	158	14	0
CHANGE IN ACCRUALS & OTHER CURRENT LIAB.	-11	-10	-10	-9	-9	-8
"B" NOTE INTEREST ACCRUED	1160	1160	1160	1160	1160	-22
DECREASE (INCREASE) IN RESTRICTED CASH	382	199	-19	-6	1	0
TOTAL SOURCES	1226	1747	3405	3814	3798	4122
USES:						
INCREASE IN ACCTS RECEIVABLE	266	51	182	64	0	0
CHANGE IN PREPAID EXPENSES	-75	15	16	17	0	0
CAPITAL EXPENDITURES	0	0	0	2000	0	0
CHANGE IN OTHER ASSETS	0	0	0	0	0	0
DECREASE (INCREASE) IN LONG TERM DEBT	941	1372	1845	1853	1861	1812
CHANGE IN BANK NOTES PAYABLE	0	0	0	0	0	0
CASH PAID TO PARENT FOR WSDOT OBLIGATION	436	245	45	64	71	70
TOTAL USES	1568	1682	2088	3997	1932	1882
ENDING CASH	-181	-116	1202	1019	2884	5124
NET CASH PRODUCED	-341	65	1318	-183	1865	2240

EXHIBIT 15 (Cont'd)

UNIMAR INTERNATIONAL, INC.

UNITED MARINE TUG & BARGE, INC.

SOURCES AND USES OF CASH

	9/30/97	9/30/98	9/30/99	9/30/00	9/30/01	9/30/02	9/30/03
BEGINNING CASH	5124	7363	8580	10815	13048	15277	16511
SOURCES:							
NET INCOME	1457	3759	3759	3759	3759	3489	3489
DEPRECIATION & AMORTIZATION	2700	400	400	400	400	600	600
INCREASE IN ACCTS PAYABLE	0	0	0	0	0	0	0
CHANGE IN ACCRUALS/OTHER CUR. LIAB	-8	-7	-7	-7	-6	-6	-6
"B" NOTE INTEREST ACCRUED	-24	954	-25	-25	-25	988	-11
DECR. (INCR.) IN RESTRICTED CASH	1	0	1	0	0	-5	-5
TOTAL SOURCES	4125	5105	4127	4126	4127	5066	4066
USES:							
INCREASE IN ACCTS RECEIVABLE	0	0	0	0	0	0	0
CHANGE IN PREPAID EXPENSES	0	0	0	0	0	0	0
CAPITAL EXPENDITURES	0	2000	0	0	0	2000	0
CHANGE IN OTHER ASSETS	0	0	0	0	0	0	0
DECR. (INCR.) IN LONG TERM DEBT	1815	1818	1821	1824	1828	1831	1793
CHANGE IN BANK NOTES PAYABLE	0	0	0	0	0	0	0
CASH TO PARENT - WSDOT OBLIGATION	71	70	71	70	70	0	0
TOTAL USES	1886	3888	1892	1894	1898	3831	1793
ENDING CASH	7363	8580	10815	13048	15277	16511	18784
NET CASH PRODUCED	2239	1217	2235	2232	2229	1234	2273

EXHIBIT 16

UNIMAR INTERNATIONAL, INC.

UNITED MARINE TUG & BARGE, INC.

ASSUMPTIONS

	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95	9/30/96
REVENUE GROWTH	-24.5%	12.5%	40.0%	10.0%	0.0%	0.0%
TAX RATE ASSUMED	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
DEPRECIATION & AMORT.	2500	2500	2500	2500	2700	2700
ACCTS REC. TURNOVER	20.00	20.00	20.00	20.00	20.00	20.00
CAPITAL EXPENDITURES	0	0	0	2000	0	0
INCREASE (DECR.) IN RESTRICTED CASH	-436	-245	-45	-64	-71	-70
COST OF SALES + OPER. EXP./A/P & ACCRUALS	5.0	5.0	5.0	5.0	5.0	5.0
CHANGE IN PREPAID EXPENSES (%)	-20%	5%	5%	5%	0%	0%
DIRECT LABOR (ASSUMES BENEFITS OF 50% AND 25% OF DIRECT WAGES FOR TUG CREWS AND ADMIN., RESPECTIVELY)	903	1016	1423	1565	1565	1565
4.5% OF PAYROLL CONTR. TO EMPLOYEE FUND	41	46	64	70	70	70
INCREASE (DECREASE) IN BANK NOTES PAYABLE	0	0	0	0	0	0
INTEREST RATE ON LINE OF CREDIT	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
INCREASE (DECREASE) IN MARAD "A" NOTE	-848	-1271	-1738	-1738	-1738	-1738
INCREASE (DECREASE) IN MARAD "B" NOTE	0	0	0	0	0	0
INCREASE (DECR.) IN MARINE MIDLAND NOTE	-61	-63	-66	-68	-71	-74
INCREASE (DECREASE) IN MM & P IRAP NOTE	-11	-12	-13	-15	-17	0
INCREASE (DECREASE) IN IBU NOTE	-22	-25	-28	-32	-36	0
(DECR.) ON ACCRUED "B" NOTE INTEREST (BASED ON "AVAILABLE CASH FLOW" SCHEDULE BELOW)	0	0	0	0	0	-1182
INTEREST RATE ON MARAD "A" NOTE	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
INTEREST RATE ON MARAD "B" NOTE	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
INTEREST RATE ON MARINE MIDLAND NOTE	3.92%	3.92%	3.92%	3.92%	3.92%	3.92%
INTEREST RATE ON MM & P NOTE	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
INTEREST RATE ON IBU NOTE	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
CASH PAID TO PARENT FOR WSDOT OBLIGATION	436	245	45	64	71	70
INTEREST RATE EARNED ON RESTRICTED CASH	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

EXHIBIT 17

UNIMAR INTERNATIONAL, INC.

UNITED MARINE TUG & BARGE, INC.

VARIABLE PAYOUT ANALYSIS

CALCULATION OF CASH FLOW FOR "B" NOTE PURPOSES

	9/30/91	9/30/92	9/30/93	9/30/94	9/30/95	9/30/96
NET INCOME	-2333	-2325	-654	12	-68	1453
PLUS:						
DEPRECIATION	2500	2500	2500	2500	2700	2700
INCREASE IN A/P	-472	223	428	158	14	0
LESS:						
INCREASE IN A/R	266	51	182	64	0	0
INTEREST ON "A" NOTES	2087	1987	1842	1668	1494	0
PRINCIPAL ON THE "A" NOTES	848	1271	1738	1738	1738	1738
CAPITAL EXPENDITURES	0	0	0	2000	0	0
"CASH FLOW OF THE OWNER"	-3505	-2910	-1488	-2800	-586	2415
X 0.5 =						
"AVAILABLE CASH FLOW"	0	0	0	0	0	1208
X 0.9791 =						
CASH FOR "B" NOTE	0	0	0	0	0	1182

CALCULATION OF PREFERRED STOCK DIVIDEND REQUIREMENTS

10 PERCENT OF NET CASH FLOW > 0	0	7	132	0	187	224
CUMULATIVE	0	7	138	138	325	549

(PREFERRED DIVIDENDS ARE ASSUMED TO ACCUMULATE UNPAID UNTIL 2003).

EXHIBIT 18

UNIMAR INTERNATIONAL, INC.

UNITED MARINE SHIPBUILDING, INC.

ANALYSIS OF TERMINAL OBLIGATIONS IN 2003

REMAINING DEBT	
REMAINING DEBT AT THE END OF 2003	4911
TERMINAL CASH IN FISCAL 2003	2983
LESS: PREFERRED STOCK DIVIDENDS	-394
CASH FOR OPERATIONS	-500
CASH AVAILABLE TO PAY OFF DEBT	2088
DEBT REMAINING	2823
TERMINAL CASH FLOW (ASSUMES STATIC OPERATIONS, CAPITAL EXPENDITURES = DEPR.)	971
PREFERRED DIVIDEND @ 10% OF CASH FLOW	97
CASH FLOW AVAILABLE FOR DEBT PAYMENTS	874
MONTHLY PAYMENT (874/12)	73
NUMBER OF MONTHS TO RETIRE DEBT @ 8%	45

SEE EXHIBIT 19 FOR ANALYSIS OF PREFERRED STOCK RETIREMENT.

EXHIBIT 19

UNIMAR INTERNATIONAL, INC.

UNITED MARINE TUG & BARGE, INC.

ANALYSIS OF TERMINAL OBLIGATIONS IN 2003

($000)

REMAINING DEBT	
REMAINING DEBT AT THE END OF 2003 ($000)	24563
TERMINAL CASH IN FISCAL 2003	18784
LESS: PREFERRED DIVIDENDS PAID	-1915
OPERATING CASH REQUIREMENT	-500
CASH AVAILABLE FOR DEBT REDUCTION	16369
REMAINING DEBT AFTER CASH PAYDOWN	8194
CASH FROM OPERATIONS a	3489
LESS: PREFERRED STOCK DIVIDEND @ 10% OF CASH FLOW	-349
CASH AVAILABLE FOR DEBT PAYMENTS	3140
MONTHLY PAYMENT = 3140/12	262
MONTHS TO RETIRE REMAINING DEBT @ 8% INTEREST	36

PREFERRED STOCK	
PREFERRED STOCK TO BE RETIRED	10000
CASH FLOW AVAILABLE FOR PAYMENTS	262
MOS. BEFORE UMS MAKES PFD RETIREMENT PAYMENTS (45-36) b	9
AMT OF PFD AT THE TIME UMS STARTS PAYMENTS c	7645
UMTB CASH FLOW	3489
UMS CASH FLOW	971
TOTAL UII CASH FLOW AVAILABLE FOR PFD STOCK PAYMENTS	4460
MONTHLY PAYMENT = 4460/12	372
MONTHS TO RETIRE PREFERRED @ 10% INTEREST	23
TOTAL MONTHS TO RETIRE DEBT & PREFERRED STOCK (23+45)	68
NUMBER OF YEARS TO BE FREE & CLEAR OF DEBT & PREFERRED STOCK (ROUNDED)	19

a Assumes static operations; capital expenditures equal depreciation.

b UMS is projected to take 45 months after 9/30/03 to retire its remaining debt. UMTB is projected to take 36 months. For the next 9 months, UMTB alone will be making payments towards retirement of preferred stock.

c Assumes 9 monthly payments at $261,667 each have been made.

EXHIBIT 20

UNIMAR INTERNATIONAL, INC.

VALUATION ANALYSIS BASED ON FISCAL 2009 TERMINAL VALUE

	($000)
TERMINAL CASH FLOW OF UII IN 2009	4460
FEDERAL INCOME TAXES @ 34%	1516
NET AFTERTAX CASH FLOW	2943
CAPITALIZATION RATE (ASSUMES 0% GROWTH)	40.00%
FUTURE VALUE OF COMMON EQUITY IN FISCAL 2009	7358
PRESENT VALUE OF COMMON EQUITY IN UII	12

EXHIBIT 21

UNIMAR INTERNATIONAL, INC. AND SUBSIDIARIES

MARKET VALUE OF INVESTED CAPITAL APPROACH

($000)

UNITED MARINE TUG AND BARGE, INC.		PROJECTED 1991	ACTUAL 1990
EBIDT (a)		3436	-286
MVIC/EBIDT MULTIPLE (b)	X	5	5
INDICATED VALUE OF INVESTED CAPITAL		17180	NM
LESS: MARKET VALUE OF DEBT (c)		32923	32923
INDICATED VALUE OF EQUITY		NM	NM

UNITED MARINE SHIPBUILDING, INC.		PROJECTED 1991	ACTUAL 1990
EBIDT (a)		595	-538
MVIC/EBIDT MULTIPLE (b)	X	5	5
INDICATED VALUE OF INVESTED CAPITAL		2975	NM
LESS: MARKET VALUE OF DEBT (c)		4932	4932
INDICATED VALUE OF EQUITY		NM	NM

a EBIDT = Earnings before interest, depreciation, and taxes.

b MVIC = Market value of invested capital.

c Discounted book value per in-house statement.

NM = Not meaningful.

EXHIBIT 22

UNIMAR INTERNATIONAL, INC. AND SUBSIDIARIES

LIQUIDATION ANALYSIS

STATEMENT TYPE	AUDITED		ESTIMATED MARKET VALUE		
STATEMENT DATE	9/30/90		9/30/90		
CURRENT ASSETS:	($000)	%	($000)	%	
CASH	178	0.41	178	0.35	100%
CASH HELD IN ESCROW	1236	2.85	1236	2.40	100%
TRADE ACCOUNTS RECEIVABLE, NET	276	0.64	276	0.53	100%
INSURANCE CLAIMS RECEIVABLE	120	0.28	120	0.23	100%
OTHER RECEIVABLES	13	0.03	13	0.03	100%
COSTS & ESTIMATED EARNINGS IN EXCESS	30	0.07	30	0.06	100%
OPERATING SUPPLIES	467	1.08	467	0.91	100%
TOTAL CURRENT ASSETS	2320	5.36	2320	4.50	
PROPERTY	1780	4.11	1780	3.45	100%
VESSELS	38089	87.95	38089	73.92	100%
VESSELS LEASED TO A THIRD PARTY	4013	9.27	4013	7.79	100%
EQUIPMENT AND OTHER	956	2.21	956	1.86	100%
GROSS PROPERTY	44838	103.54	44838	87.01	
ACCUM DEPRECIATION	8223	18.99	0	0.00	0%
NET PROPERTY	36615	84.55	44838	87.01	
VESSELS HELD FOR RESALE	2773	6.40	2773	5.38	100%
CASH HELD IN ESCROW	1599	3.69	1599	3.10	100%
TOTAL ASSETS	43307	100.00	51530	100.00	
CURRENT LIABILITIES:					
CURRENT PORTION-LTD	2186	5.05	2186	4.24	100%
TRADE ACCOUNTS PAYABLE	1666	3.85	1666	3.23	100%
ACCRUED EXPENSES	1775	4.10	1775	3.44	100%
PAYABLE TO CREDITORS UNDER PLAN OF REORG.	2169	5.01	2169	4.21	100%
ACCRUED INTEREST PAYABLE	509	1.18	509	0.99	100%
TOTAL CURRENT LIABILITIES	8306	19.18	8306	16.12	
ACCRUED INTEREST PAYABLE	3051	7.05	3051	5.92	100%
LONG TERM DEBT, NET OF CURRENT	39663	91.59	39663	76.97	100%
DEFERRED INCOME TAXES	1700	3.93	1700	3.30	100%
TOTAL LIABILITIES	52720	121.74	52720	102.31	
TOTAL EQUITY/NET ASSET VALUE	-9413	-21.74	-1190	-2.31	
TOTAL LIAB/EQUITY	43307	100.00	51530	100.00	

Note: Asset values are estimated at cost or book value, whichever is higher. Management indicated that the market for used vessels and used equipment is weak and that realizable values in an orderly disposal may be lower than either cost or book. Furthermore, no adjustment is made to write liabilities up to face value. Despite these aggressive assumptions, net asset value is negative, indicating that neither the preferred nor common stock would realize any proceeds in an orderly sale of the assets.

EXHIBIT 23

UNIMAR INTERNATIONAL, INC.

VALUATION RATIOS FOR SELECTED PUBLIC COMPANIES

SHIP REPAIR AND CONVERSION INDUSTRY

I. MARKET VALUE OF INVESTED CAPITAL/EARNINGS BEFORE INTEREST, DEPRECIATION & TAXES (MVIC/EBIDT)

	MARKET VALUE OF EQUITY ($000)	MARKET VALUE OF DEBT ($000)	MARKET VALUE OF INVESTED CAPITAL	MVIC/EBIDT MULTIPLES, based on: Latest 12 mos. EBIDT	Latest Fiscal Year EBIDT	Latest 3yr Weighted Avg EBIDT	Latest 3yr Straight Avg EBIDT
AMERICAN SHIP BUILDING(9/30)	13747	26700	40447	-16.57 *	-16.57 *	-6.91 *	-6.65 *
AVONDALE INDUSTRIES(12/31)	122834	55500	178334	-10.74 *	8.45	5.94	5.34
TACOMA BOATBUILDING(12/31)	9311	11442	20753	-7.17 *	5.52	6.81	7.73
TODD SHIPYARDS(4/1)	19397	281831	301228	NA *	-13.79 *	-6.39 *	-6.38 *
HARMONIC AVERAGE RATIOS				NA	6.68	6.34	6.32

* EXCLUDED FROM HARMONIC AVERAGE

EXHIBIT 24

UNIMAR INTERNATIONAL, INC.

VALUATION RATIOS FOR SELECTED PUBLIC COMPANIES

MARINE TRANSPORTATION INDUSTRY

I. MARKET VALUE OF INVESTED CAPITAL/EARNINGS BEFORE INTEREST, DEPRECITATION & TAXES (MVIC/EBIDT)

	MARKET VALUE OF EQUITY ($000)	MARKET VALUE OF DEBT ($000)	MARKET VALUE OF INVESTED CAPITAL	MVIC/EBIDT MULTIPLES, based on: Latest 12 mos. EBIDT	Latest Fiscal Year EBIDT	Latest 3yr Weighted Avg EBIDT	Latest 3yr Straight Avg EBIDT
HORNBECK OFFSHORE SVC(12/31)	34997	18251	53248	6.90	98.61 *	75.03 *	86.35 *
INT'L SHIPHOLDING(12/31)	90226	249430	339656	14.53	6.55	7.76	8.54
KIRBY CORP.(12/31)	164474	73076	237550	6.71	8.52	10.33	11.30
MARITRANS PARTNERS LP(12/31)	81922	114000	195922	NA *	5.61	5.37	5.38
OVERSEAS SHIPHOLDING(12/31)	534223	606000	1140223	9.46	10.10	12.10	12.98
HARMONIC AVERAGE RATIOS				8.54	7.31	8.09	8.54

* EXCLUDED FROM HARMONIC AVERAGE

Exhibit 25

UNIMAR INTERNATIONAL, INC.

Comparative Rates of Return

	Yield or Rate of Return September 28, 1990
Treasury Bills (90 days)[a]	7.29%
Treasury Bonds (30 years)[a]	9.10%
Commercial Paper (90 days)[a]	8.13%
Prime Rate[a]	10.0%
Common Stocks (1970 to 1989)[b]	10.0%
Small Company Stocks (1970 to 1989)[b]	13.6%
Venture Capital:[c]	

	Approximate Range of Required Return
Startup	50% to 75%
First Stage	40% to 60%
Second Stage	35% to 50%
Third Stage	30% to 50%
Fourth Stage	30% to 40%

Definitions of the various stages of development of venture capital backed companies vary slightly from firm to firm; however, the following abbreviated descriptions would probably meet with general acceptance in the industry:

"Startup" companies, usually less than a year old, are involved in early product development and testing.

"First stage" companies are performing market studies, testing prototypes, and perhaps manufacturing limited amounts of product.

"Second stage" is usually considered to be when financing for initial expansion is provided. A viable product exists and a market for it has been established. Profits, if any, are not yet meaningful.

"Third stage" should be experiencing a rapid ramp up in sales. Profit margins should be acceptable, but internally generated cash is probably insufficient to meet expansion requirements.

"Fourth stage" companies should be profitable and growing rapidly. Although capital may still be needed to fuel growth, much of the risk associated with early stage companies has been eliminated. Cash out may be only a year or two away.

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[a] *Wall Street Journal*, October 1, 1990.

[b] *Stocks Bonds, Bills and Inflation, 1990 Yearbook*, published by Ibbotson Associates.

[c] "What Do Venture Capital Pricing Methods Tell About Valuation of Closely Held Firms?" by Bradley A. Fowler, AM, *Business Valuation Review*, June, 1989.

Exhibit 26

UNIMAR INTERNATIONAL, INC.

Description of Management Advisory Services, Inc.

Management Advisory Services, Inc. (MAS) is a professional organization providing a variety of valuation, consulting and educational services to major corporations, financial institutions, business owners, trade associations and legal and accounting firms. Areas of expertise include appraisals of closely held businesses and intangible assets (patents, licenses, copyrights, etc.), general business consulting, and business and strategic planning.

Several of our consultants are qualified as expert witnesses and each member of our professional staff has a minimum of an MBA. Other qualifications include Certified Public Accountant (CPA), Chartered Financial Analyst (CFA), Accredited Senior Appraiser, American Society of Appraisers (ASA), Certified Financial Planner (CFP), and Certified Management Consultant (CMC).

Exhibit 27

UNIMAR INTERNATIONAL, INC.

Staff Qualifications

David A. Duryee

Mr. Duryee is a principal and co-founder of Management Advisory Services, Inc. and has been active in business appraising, consulting and financial training for twenty years. He received his BA and MBA from the University of Washington in finance and has diplomas from the College for Financial Planning, Pacific Coast Banking School, and the American Institute of Banking. Mr. Duryee is co-author of "Financial Management for the Closely Held Business", "Valuing an Automobile Dealership", "Small Business Banking, Assessing Needs and Establishing Strategies", and "Financial Management of an Automobile Dealership", as well as numerous articles in trade publications. He is a nationally known lecturer to business owners, bankers, and professionals, and is an experienced professor at graduate banking schools. Mr. Duryee sits on the boards of several corporations and is a qualified expert witness in both state and federal courts on matters pertaining to valuation and finance. Professional memberships include the American Society of Appraisers, Institute of Certified Financial Planners, Institute of Business Appraisers, and International Association for Financial Planning.

T. S. Tony Leung

Mr. Leung is a principal and co-founder of Management Advisory Services, Inc. and since 1978, has been active in the valuation of business interests, financial management consulting, and capital planning. He holds a BA and MBA (Finance) from the University of Washington and is a Certified Public Accountant (CPA) in the state of Washington. Mr. Leung is also a Chartered Financial Analyst (CFA), a Senior Member of the American Society of Appraisers (ASA), and a past president (1983-1985) of the Seattle Chapter, American Society of Appraisers. Mr. Leung has also served on the Business Valuation Committee of the American Society of Appraisers. His valuation experience covers businesses in various industries throughout North America and overseas. He has published frequently on the subject of valuation. Mr. Leung has testified as an expert witness in both state and federal courts, and frequently lectures on the subject of valuation. Mr. Leung has also served as a college instructor in Finance and Accounting at the graduate level.

Mark C. Tibergien

Mr. Tibergien is a principal and the managing director of Management Advisory Services, Inc. and has been working with public and private companies on matters related to corporate valuations, corporate finance, investor relations, investment research, management of pension and profit sharing plans, and mergers and acquisitions since 1972. Prior to joining MAS, he was a vice president and director of another firm specializing in valuations of businesses and investment research. He received his education from Bay de Noc College in Michigan and the University of Wisconsin, Stevens Point. He has been a director of several businesses and organizations and served as President of the Western Washington Chapter, International Association for Financial Planning (IAFP), a member

of the National IAFP Strategic Planning Committee, and Chairman of the Northwest Regional Council of IAFP. He currently is a National Board member of IAFP, and serves on its executive committee as treasurer. He is a nationally known lecturer to business owners, financial planners, and other professionals.

Christopher D. Cortese

Mr. Cortese is a Vice President with Management Advisory Services, Inc. He received his MBA (Finance) from the University of Oregon and has been active in business appraising and consulting since 1981 and is a court qualified expert witness. A Chartered Financial Analyst (CFA), Mr. Cortese also is an Accredited Senior Appraiser (ASA) with the American Society of Appraisers and a Certified Management Consultant (CMC). His valuation and consulting experience is national in scope and has covered a broad range of industries and size of businesses. He has authored numerous articles on the subject of valuation and has lectured on valuations before graduate school students and relevant professional groups.

Dennis H. Locke

Mr. Locke is a Vice President with Management Advisory Services, Inc. He has an MBA from Seattle University and a BS degree in Finance from the University of Washington. Mr. Locke is a Chartered Financial Analyst (CFA) and an Accredited Senior Appraiser, American Society of Appraisers (ASA). He has been active in business valuation, capital planning, and financial analysis since 1981 and has testified as an expert witness. Mr. Locke has been published on the subject of valuation of patents, and has lectured on valuation and financial analysis before relevant professional groups. He is a member of the Seattle Society of Financial Analysts, and serves as treasurer of the Seattle Chapter, American Society of Appraisers.

David W. Simpson

Mr. Simpson, a Senior Consultant with Management Advisory Services, Inc., received his MBA (Finance) from the University of Wisconsin where he was recognized by Beta Gamma Sigma, a national business honors society. An Accredited Member (AM) of the American Society of Appraisers and a Chartered Financial Analyst (CFA), he received his BS (High Honors) in Agricultural Science from the University of Illinois. Since joining MAS, Mr. Simpson has specialized in the valuation and analysis of closely-held businesses for mergers, acquisitions, taxation, employee stock ownership plans (ESOPs), and other purposes. Mr. Simpson has testified on valuation issues and has been published in national journals on the subjects of valuations for ESOPs and financing techniques for small business buyouts.

Wendy L. Beck

Ms. Beck is a research analyst for Management Advisory Services, Inc. She has a BA in Economics and Policy Management from Dickinson College in Pennsylvania. Prior to joining MAS, she was an arbitrage research assistant, analyzing corporate mergers and leveraged buyouts for Squire, Sanders & Dempsey, a Washington, D.C. law firm.

Linda C. Walk

Ms. Walk is a Financial Analyst for Management Advisory Services, Inc. She received her BA in Business Administration from the University of Washington where she was recognized by Beta Gamma Sigma, a national business honors society and Phi Beta Kappa, a national scholastic honors society. Ms. Walk is a Chartered Financial Analyst (CFA) and a Certified Financial Planner (CFP). Prior to joining MAS, she worked as a Client Services Associate/Investment Research Analyst with Frank Russell Trust Company in Tacoma, Washington.