

IN THE NEWS

MARKETS END LOWER

Wall Street extended its decline Monday as concerns about a market correction offset investor optimism that acquisition activity is on pace to set a record this year. However, stocks were unable to sustain gains amid speculation that the market may be in for a correction.



JAPAN SKI DRAW

For increasingly affluent Asians, Japan's ski slopes are emerging as the top draw from Shanghai to Singapore. Even as skiing wanes in popularity at home, Japanese villages are trading on their snow, high-tech infrastructure and reasonable prices to thrive as boom towns. International investors are also taking an interest in Japanese resorts as the region's skiers eschew Aspen and Davos.

ALAN GREENSPAN

The former U.S. Federal Reserve chairman warned that the American economy might slip into recession by year's end. He said the economy has been expanding since 2001 and there are signs the current economic cycle is ending. Greenspan said that while it would be "very precarious" to try to forecast that far into the future, he could not rule out the possibility of a recession.



Greenspan

HOT STOCKS

NYSE

Name	Volume	Last	Chg.
AMD	65,468,886	15.68	+0.99
QwestComm	46,140,869	8.75	+0.21
TXU Corp	45,752,872	67.93	+7.91
DowChem	35,049,961	44.99	+1.54
Citigroup	34,697,932	52.68	-1.09

AMEX

Name	Volume	Last	Chg.
iShRus2K nya	76,860,747	81.75	-0.20
SPDR	65,290,467	145.24	-0.06
SP Energy	19,024,968	59.00	+0.35
SP FincI	17,330,851	37.05	-0.25
SemiconHTr	10,534,800	35.51	-0.05

NASDAQ

Name	Volume	Last	Chg.
Intel	71,723,423	20.85	+0.09
SiriusS	59,779,892	3.74	
Microsoft	58,052,247	29.07	+0.17
SunMicro	38,295,761	6.27	
Cisco	37,462,152	27.24	-0.27

DOW JONES
-15.22 / 12,632.26

NASDAQ
-10.58 / 2,504.52

S&P 500
-1.82 / 1,449.37

10-YR. T-NOTE
-0.04 / 4.63%

DOLLAR/YEN
-0.47 / ¥120.57

DOLLAR/EURO
-0.0013 / €0.7584

The Packaging Store prides itself on being a major shipping center, capable of picking up delicate computer servers or works of art, packaging them carefully and then shipping them out of a large industrial space.

Shipping franchise to expand

Packaging Store seeing success with handling of technology, rare goods

By Kate Williamson
Staff Writer

John Sandhu has made a living for himself packaging and shipping the obscure and the delicate, from space rovers to antique elephant taxidermy. Now, with stores in San Francisco, Pleasanton and San Jose humming along, this franchisee of the nationwide Packaging Store chain is preparing to launch two more locations. The first, this year, will be in Menlo Park. The second will be another San Francisco store.

The better term might be "warehouse." The Packaging Store prides itself on being a major shipping center, Sandhu said, capable of picking up delicate computer servers or works of art, packaging them carefully and then shipping them out of a large industrial space. The more than 140-store franchise decided to move toward the cavernous after United Parcel Service purchased a competitor, Mailboxes Etc., in the 1980s.

"It made us understand that the whole marketplace is evolving ... there is a wide need for customer service on a local basis, a brick and mortar location," Sandhu said. "You see an industrial feel ... large wooden crates, large wooden pallets."

The overall franchise has shrunk from 180 to 140 stores over the last five years, but revenues chainwide have grown 8 percent to 10 percent a year for the last three years, Sandhu said. His own business has beat that, growing revenue by 15 percent a year for the past five, he said, through acquisition of the second two stores. His 2006 revenue was \$1.8 million in gross sales.

"The fact that we're not marketing just in our area, but we're marketing to the entire Bay Area ... we're starting to get a lot of new business. Our name is now well-known in the B2B market," he said.

Customers include the New York



The Packaging Store has three Bay Area locations now and plans to add two more, one in Menlo Park and a second store in San Francisco. — Courtesy photo

Stock Exchange, which utilizes the firm to ship computer servers. More one-of-a-kind shipments include the dome of an 18th-century Czech church sold by a local private collector on eBay, giant sports-celebrity sculptures by a Brisbane artist, and the prototype for a rover NASA sent to Mars.

Matt Kramer, proprietor of Dual, a maker of furniture and disc jockey consoles to hold turntables and mixers, said: "We were using a couple of other companies that weren't really as good. We've been using them ever

since. They basically customize packing for all these units. There're sometimes other, smaller parts that come off individually and they pack them individually and pack them into the units. Customers ... actually compliment us on how well they're packed."

Brian Eick, president of celebrity-memorabilia powerhouse Antiquities of California on Pier 39, said he works with the firm because they do pickup, have good prices and are careful with his irreplaceable merchandise.

LOCAL COMPANIES

Gap closes Forth & Towne to focus on turnaround

Gap Inc. (GPS) is closing the Forth & Towne chain that was supposed to help the struggling San Francisco retailer sell more clothes to older women, aborting the 18-month expansion so management can concentrate on reviving the company's more established brands. The decision affects all 19 Forth & Towne stores including the San Francisco location — opened since Gap unveiled the concept in West Nyack, N.Y., north of New York City in August 2005. The store closures are expected to be completed by the end of June.

Electronic Arts replaces CEO Probst with Riccitiello

Electronic Arts Inc. (ERTS) replaced Larry Probst as chief executive on Monday, naming former EA executive John Riccitiello as the new leader of world's largest video game publisher. Riccitiello will become CEO April 2. Probst — widely criticized for allowing EA to rely largely on sequels to current hits instead of encouraging innovative new games — will remain as executive chairman of the Redwood City game company's board of directors.

Apple TV launch delayed until March with no reason

Apple Inc. (AAPL) said it delayed the launch of its upcoming Apple TV video-streaming product until March, but the company would not explain why. The company had said in January that the \$299 set-top box would be available this month. Apple TV is designed to move content from a computer to a TV set and is anticipated to be a highly competitive product in the growing crop of offerings that deliver Internet-based videos to the television.

Hewlett-Packard to acquire software maker PolyServe

Hewlett-Packard Co. (HPQ), the world's biggest maker of personal computers, agreed to acquire PolyServe Inc., a closely held Beaverton, Ore., maker of storage software with more than 500 customers. Financial terms weren't disclosed. PolyServe's software consolidates data on server computers running Microsoft Corp.'s (MSFT) Windows and the freely distributed Linux operating system.

— Wire reports

MARKET MOVERS

Stocks that moved substantially or traded heavily Monday:

NYSE

TXU Corp.
+\$7.91 at \$67.93

The Texas electric utility agreed to be taken private by a consortium of private equity firms in the largest leveraged buyout in U.S. corporate history.

Dow Chemical Co.
+\$1.54 at \$44.99

Investors snapped up shares of Dow Chemical on a report that a group of private equity firms might make a \$54 billion bid for the company.

Temple-Inland Inc.
+\$7.06 at \$62.01

The conglomerate announced it will spin off its real estate and financial services units to focus on packaging.

NASDAQ

Merck & Co.
+\$1.54 at \$44.48

The pharmaceutical company was raised to a "Buy" rating from Citigroup on stronger demand for its diabetes drug.

Gilead Sciences Inc.
+\$0.42 at \$74.05

The biopharmaceutical reported its latest HIV drug interacts well with other medications in combination therapy.

COMING TODAY

- » **Reports:** Consumer Confidence Index, durable goods orders, home sales.
- » **Earnings:** Blockbuster Inc., Cablevision Systems Corp., CBS Corp., DreamWorks Animation SKG Inc., Dynegy Inc., El Paso Corp., Federated Department Stores Inc., H.J. Heinz Co., Harrah's Entertainment Inc., RadioShack Corp., Sirius Satellite Radio Inc., Target Corp., Tenet Healthcare Corp., Wynn Resorts Ltd.