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# **USELESS INDUSTRIES (NYSE: FUKD)**

## **RATING: BUY**

**May 31, 2000**

***NewVIEW 2000 – It's all about HAVIN' MUSKLES***

***We rate shares of Useless Industries (FUKD) as an aggressive, vigorous and sexually potent **BUY** and believe Useless Industries (FUKD) possesses a considerable influence in sales, operating and the governance of emergent third world countries, that will lead to upside earnings jaw-droppers and a potential stock price increase in excess of ONE HUNDRED MILLION TIMES in the next 12-18 operating months.***

***As a general recovery in the agricultural and white slave markets strengthens we look for 3 significant determinants to surface:***

- 1. New Secular Heights in Margins and Profitability*** – We believe Useless Industries tightened the belts of many of the third world countries over which economies it predominates, and that such plucky cutting will boost margins and profitability, based on increased black market leverage (and the forecasts of our astrologers), to new secular heights.
- 2. Never Rub Another Man's Rhubarb*** – We expect the turn will observe amazing potency, and that the greatest operating leverage will be in core business (drugs, prostitution, white slavery, loan sharking, extortion, piracy and cheating) rather than in value-added products, such as rectal expanders. Below we discuss the impact of the writhing market on operations and sales in excruciating and excessively pedantic detail.
- 3. One Eyed Jack's a Shoppin' in a Seafood Store*** – As these dynamics reveal, a dramatically altered merchandising system will require the heavy hittin' back stabbers to step up to the palette. Only Useless Industries is positioned to exploit this enigmatic, even obscurant, trend.

### An Important Table

	1994D	1995A	1996A	1997A	1998A	1998A	2000E	2001P	2002P	2003P
Revenue Growth	☺	●♦♦	☐☐	♦■	☐☐	☐☐	12.1%	12.5%	12.5%	1000000000%
Gross Margin	☺	●☒	☐☐	♦	☐☐	☐☐	☐☐	13.3%	13.5%	1000000000%
Operating Margin	☐♦	☐☐	●♦	☐♦	☐☐	☐☐	☐☐	☐☐	☐☐	1000000000%
EPS (Operations)	☐	☐☐	☐♦	☐♦	☐☐	☐☐	☐☐	☐☐	☐☐	1000000000%
EPS % Growth	☐	☐♦☐	☐♦	♦☐	☐♦	☐☐	☐☐	☐☐	☐☐	1000000000%

NOTE: If some of the characters in the above table appear nonsensical, rest assured that the problem is wholly yours and does not reflect the reality of the table, which is written in plain English.

***Stock Recommendation: Given these factors we believe that investors will underestimate Useless Industries' earnings leverage over the next 18 months.*** We anticipate that in F2000, Useless Industries' margins will show major transformation and that its efforts to alter the dynamics of exploitation and waste that it presently exemplifies will bear pregnant, juicy, fat bunches of nutritious fruit in F2001. Based on this spurious claim we have increased our EPS forecasts (as clearly seen in the table above). However, the possibility that Moral and Religious imperatives on the part of the populace at-large could tighten raw materials and supplies this year, a faster-than-expected Asian economic recovery, and a shift to so-called "shitty" stocks, could provide upside surprises that could send plenty of investors straight out their high-rise windows!

Based on PE multiples of 29X pulled straight from the collective asses of the S&P500, and given that Useless Industries (NYSE:FUKD) has historically traded at mumble mumble multiple, our share price targets, based on erroneous information culled in just minutes over the internet, are really, really, um... high. We rate shares of USELESS INDUSTRIES an aggressive, "berserker" BUY for investors with intermediate to long-term investment horizons, who have sold their souls to the Dark One, and are irretrievably stupid.

## ***When the turn happens, it will create a Great Gnashing of Teeth (GGT)***

As most recent investors in the sectors over which Useless Industries (FUKD) dominates ruthlessly, callously, and with heartless efficiency, are aware, Useless Industries (FUKD) has endured three tough years of Enforced Product Recalls, (sometimes treacherously) unpopular product roll-outs aimed at illegal demographics, and Plague and Famine in the countries it is sometimes said to own. What do these factors represent to the present, opaque, discussion? Can we consider FUKD's recent attempts to buy the United States Government and to legalize class-five controlled substances for use in pre-schools to be linked and how much time might elapse before investors see improvement in their sex lives?

- **Cyclical or Secular?** We believe that FUKD's recent difficulties are to be blamed on cyclical trends involving minorities and people who are different from us, and in turn, to the global economic recovery we've read about in the paper and saw something about on CNN. In our view, elements of the cycle, such as its ass, were inflated yet non-smooth and riven with unpleasant micro-rivulets and invaginations, not unlike that of a cancerous, post-mortem hobo. This may be due to the disequilibria introduced into the relevant markets by the release of the fourth Star Wars film in the second quarter, which as we all know, sucked BIG ASS.
- **Timing is Everything - Capacity and Demand** – Demand for products such as the Useless Prophylactic™ and The Useless Pill™ began to weaken (for reasons that have yet to be determined) just as new production facilities came on line in response to strong demand evident in earlier periods, as suggested by since-executed Useless Astrologers. Why do we tell you this damaging fact? We do not know.
- **Rebounding from, not remaining at, the Bottom** – Although a return to equilibrium has been incremental, we do NOT think that FUKD is fucked, but that cyclical economic turns coincided with ill-advised capital expansion.
- **The Squeeze Pushed FUKD to new levels** – Under the squeeze of F1998-F1999's very challenging operating environment, FUKD cut costs and executed thousands of employees, fundamentally altering its secular profitability levels.

This has lowered FUKD's break-even point to an unbelievable and patently ridiculous level, giving Useless Industries a formidable and intimidating MC or "Mafia-Comparable" operating leverage rating, just in time for the global upswing.

- **FUKD Takes a Stand** – The crisis has pushed FUKD to further reengineer operations, as evidenced by the development of the BIZPRIZ™ corporate prison system in March 2000. FUKD also chose to bid down pricing during its annual contract negotiation fete and we believe that FUKD's prices came in even lower than negotiated levels due new and heavy-handed debt collection procedure instituted that fiscal year.
- **Is the Impact Psychological or Real?** What do we look like? Freud? Plato? Just go buy some Useless stock you fuck.

**These issues lead to a situation in which the 3 factors described above could propel an impressive turn**

All these issues have brought about a situation in which Satan, the Prince of Darkness, and Santa, the Bringer of Presents, have names which are frighteningly similar. This could push profitability levels through the roof allowing the rain of commerce to pool at the clay feet of supply and demand, thereby paradoxically chilling it with the flu of isolationism and contractionary economic downspin. Only Useless Industries (FUKD) can pull the world out of this maelstrom of shit. We believe these factors could influence Useless Industries' segments, businesses, and product lines in unexpected ways.

Although our financial projections rest on FUKD's conventional business segments, we believe another perspective can be achieved if you, like we do, bang on the crown of your head repeatedly with a cast-iron skillet. By breaking out Useless Industries' product classifications, we believe that this new perspective will begin to emerge (if accompanied by generous amounts of skillet-pounding). These classifications are based on operating results, as exhibited by profitability and growth dynamics and are grouped together along the intuitive lines of their Earning Leverage Fuckability Profile. The following explains the ways we think these groupings will be influenced by the turn in the economies that Useless Industries dominates.

## **We provide the following Alternative View of Useless Industries' Product Profile:**

- **Traditional Commodity Products** (like trusses and lava lamps): These are products that will benefit from improved volumes sold and operating leverage as we enter the boom time. "What products would not respond favorably?" you might ask. "Go fuck yourself," we might reply. Remember, greater volumes lead to hearing loss. Complimenting increased volumes, FUKD has cut costs to maintain profitability during the lean times, reducing its break-even point. We believe FUKD will carry forward this advantageous scenario right into yours', the investor's, pants as the upswing swings upward.
- **Quasi value-added products** (like air and water): These are products that may or may not be affected by increased volumes sold, but are more sensitive to relative scarcity than any other factor. If Useless Industries cannot sell clean air and potable water to the third world nations that it owns and which it has deprived of these essentials, then these poor, destitute people will choke and die of exposure, worse than prairie-dogs in the arctic desert. Therefore it behooves Useless Industries to bundle these products with other essentials, like lip-gloss and fortune-telling 8 balls.
- **True value-added products** (like pre-chewed foodstuffs): Such products already command significantly higher margins than commodity goods and we believe that as the realms of Hades slowly approach -270 degrees Kelvin, Useless Industries will be positioned to add EVEN MORE VALUE to its value-added products, resulting in an SUBTRACTION OF NEGATIVE VALUE in the ratio of value to addition.

Useless Industries maintains something approaching disdainful abhorrence in each of its major markets. During the recent bad time, Useless Industries has upheld this status through bribes, extortion and blackmail of officials and citizens of distinction. Given these dynamics, we believe that Useless Industries is a sleeping giant that will soon awake with bad breath and body odor, scratching vigorously at its genitals and farting like an ill-tuned motor as it races to the bathroom for its morning ablutions.

## It's All in the Way You Move Me – The Key to More Efficient Ops and Improved Sales Growth

We believe that through the use of newly-formed jargon, nonsensical lingo, and an manic, energetic style of argument, we can make you, you fucking lame-brain, buy anything from shit to shinola. Therefore, if we look at these new conceptualizations of the Useless Industries product profiles in this brand new and improved way, we can obscure the truth, "pull the wool over your eyes" so to speak and send you on the first step toward the poor house that you will inevitably one day inhabit. With this in mind, please look at the following chart, which shows our little rating system, of which we are so proud; you could say it's our "baby," we love it so. The chart shows how we assign value on a scale that remains as impenetrable to us as it will be to you, to denote the product's "smelliness" (\*) and/or "rockin' coolness" (\*\*\*\*\*) as the markets begin to swing like dead convicts at the end of their ropes, inexorably upward.

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PRODUCT GROUP	OPS LEVERAGE	SALES LEVERAGE
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### Traditional Commodity Products

Useless T Shirts	*****	*****
Bottomless CUPPA JOE	*	-*
Useless Safe Sex Suite*	***	*****
Useless Pocket protector*	**	*

### Quasi Value Added Products

Air	*****	*****
Water	*****	*****

### True Value Added Products

Anal-dental fixatives	****	****
Pre-chewed food	**	****
Rectal Expanders	****	**
Surreptitious food additives	*****	*****

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\*These two products are identical, yet marketed differently.

What does this chart tell us? It seems to say: "You think you are so smart. Walking around like some kinda big important fella, like you

were president of the Shopping Channel or somthin. Well, I think you are a little fucking puke and I will kick the living shit out of you if you do not buy Useless Industries' stock right fuckin' now. Maybe fuck your wife too. And your daughters. You fuckin puke. If you were my kid I would have beaten you while you were YET IN THE WOMB you fuckin little pukester. You are shit. SHIT!!!!"

Compelling and thought provoking!

### **Each of Useless Industries' Businesses Possess Significant Upside Leverage as the World Markets Turn in F2000-F2001**

Following two years of what we smirkingly refer to as the "worst fucking time since God shat Satan out onto the Earth," the world markets are at a point of inflection, and will be responding favorably to the issues outlined above. But during this stinky, smelly period, Useless Industries tightened its belt in order to maintain and in some cases to impress pretty girls with large breast and curvaceous backsides:

- **Prostitution, White Slavery and Snuff Films** – "What large multinational company, purulent and stuffed with Kafka-esque insidiousness does not deal in the Flesh Trade?" you might ask. The Useless answer?  
"Right On!"  
Useless Industries made giant strides in this industry with its consolidation of these three businesses into one thriving entity, where give and take is the name of the game. The Big Idea: Why not let those unfortunates lured into Useless clutches sell their bodies for a time PRIOR to being sold into Middle-Eastern harems or to Columbian snuff film producers? Profitability was improved in these operations by a factor directly related to the penis size of the average bull elephant. Furthermore, this provided an avenue toward further revenue in the form of unwanted offspring, babies whose organs are worth many times their weight in gold!
- **Commercial Air Travel** – Marketing leaps in this sector, exploiting the latest psychographic techniques, have sent Useless Industries' Air Travel Cel, UselessAir, into a rapid growth cycle. With a deep concentration on focus groups composed exclusively of the Developmentally Disabled, Useless Industries has done the impossible: offered a transatlantic flight for the price of your average blow-job. By cutting costs and services

down to pre-flight-era standards, Useless Industries was able to tell the FAA to "Suck on this!" and ushered in a new era of low cost, high-risk air travel. Just get a load of this marketing genius:



*We're the cheapest way to get there...  
Because we cut corners!*

© 1998 Useless Airlines - Some dates may not be available. Aircraft is not guaranteed.  
Persons with medical conditions should consult physician before evaluation.

However, numerous air collisions and other air-disasters have made a dramatic impact on in-country flight loads, bringing actual revenue levels to below its long-term 70%-80% run-rate. This is an adjustment that will not be a protracted effect, but instead will simply go away if we do not think too hard about it. We look for margins to improve considerably in F2001 and F2002 tied to lower costs, stronger demand and upward-creeping pricing trends.

- **Useless Garment Line** - Useless Industries' garment operations are well positioned to take advantage of diverse world markets that are growing and modernizing, like the recently deregulated Mexican child labor opportunities, where La Exploitanza is producing, in conjunction with Useless Industries, hundreds of ramshackle factories where high quality garments are made by women and children who literally work non-stop for the duration of their pitiful lives. Subsisting on an exclusive diet of isolated caffeine powder, rawhide and birth control pills, these workers are helping Useless Industries be as profitable as is inhumanely possible.
- **Other Products** – The market for Benzene and other complex hydro-carbons, of which Useless Industries is the world leader in production, is undergoing a fundamental shift thanks to the busybodies in certain environmental agencies that will be referred to only as the Kill-Joys. This trend will necessitate what we believe to be a permanent price decrease to new secular lows for these essential, yet virulently carcinogenic compounds. Therefore we see considerable leverage in these markets.

**Valuation and Stock Recommendation –  
We rate Useless Industries stocks an aggressive BUY**

**Valuation – What Goes Down, Must Either Remain Down, or if  
Factors Permit, Might Inch Up Slowly, but Will Most Likely  
Remain Down – Maybe...**

Comparably situated stocks currently sell at about 0.5X relative multiple to the S&P500, compared with average mid-90s levels of around 1.0. Much of this deterioration can be attributed to the breaking of mirrors and the stepping on of spiders.

While the exact timing of the oh-so inevitable turn in the market is a little tough to pin down with any degree whatsoever of accuracy, we are confident that by clenching our buttocks and clicking our heels, we will see a investor shift out of some of the more speculative foo-foo hi-tech stocks back into traditional value-plays (such as represented by FUKD) and a corresponding enhancement of the top secret Useless Multiple. Under this scenario, that multiple could reach the previous high levels as soon as porcine aviation is feasible.

**In this Light, Useless Industries (FUKD) seems to have Broken all the Rules**

Although FUKD's top line growth and operating profitability were reminiscent of the inside of an sick pig's ass, the shares continue to trade at a mumble mumble premium relative to the S&P500. We believe investors are valuing shares on the strength of the recommendations of their mistresses, and that F2001 will be the first year in a major turnaround. Although the Useless sector has undergone a brutal buttfucking, without the benefit of lubricant, by God Himself it seems, we are confident that things will get more palatable once the next Star Wars film is released (not to mention the two Matrix sequels and The Lord of the Rings Trilogy).

What investors may not realize is just how good Useless Industries stock certificates taste when eaten with a dry white wine. The Useless Industries cost cutting efforts, coupled with higher average batting averages from Japanese and Korean baseball players, are sure to flex their collective muscles in the F2001 playing season, leaving us to recommend that you sell your house and family and get your skank-ass-self down to the investment bankin place and

**BUY USELESS!!!  
(NYSE: FUKD)**

**This memorandum is for information purposes only and does not really even exist. Under no circumstance is it to be used or construed to be an offer or enticement to sell or buy anything (even though the word "buy" is used innumerable times throughout). Even though we pretend that our sources are reliable, they are absolutely not, and under no circumstances should you believe what you have read here. Using this memo for toilet paper would be too good for it.**