

Document 0331

[20331001]

Santa Fe Pacific was the kind of story Wall Street loved .

[20331002]

Since the value of its assets was n't known , analysts were free to pick a number .

[20331003]

In one of many rosy scenarios , Bear Stearns 's Gary Schneider wrote in March that its real estate alone had a value of \$ 4.5 billion .

[20331004]

Throw in its railroad , minerals , pipeline and oil assets , he and others argued , and the Chicago-based conglomerate should be worth 30 a share .

[20331005]

And why should holders expect to realize that presumed " worth ? "

[20331006]

That was another reason the Street loved Santa Fe .

[20331008]

But value , it turns out , is only what a buyer will pay .

[20331009]

And with the company 's recent announcement that it is contemplating a partial sale of its real estate , the values suddenly look poorer .

[20331010]

Santa Fe has disclosed that it is negotiating to sell a 20 % interest in its real estate unit to the California Public Employees Retirement System for roughly \$ 400 million .

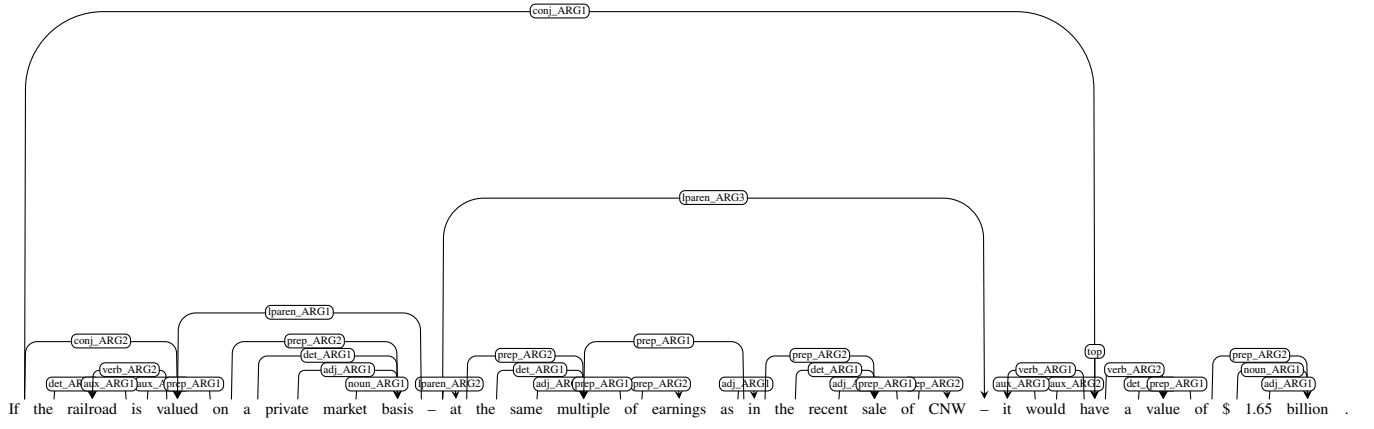
[20331011]

Since the real estate unit also includes debt , the imputed value of the real estate itself is close to \$ 3 billion .

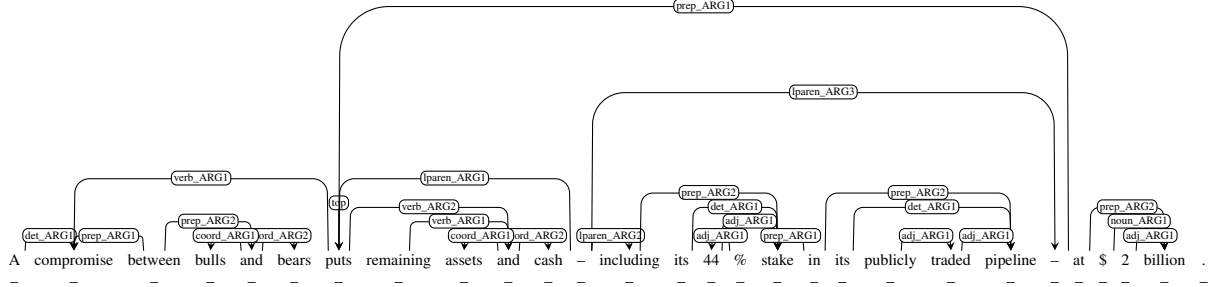
[20331013]

" The upside was in the intangible real estate ... which is no longer an intangible . "

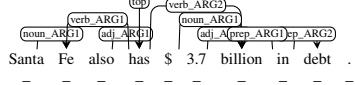
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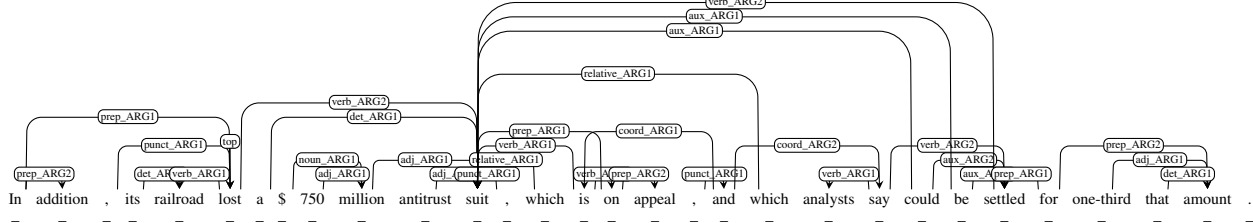
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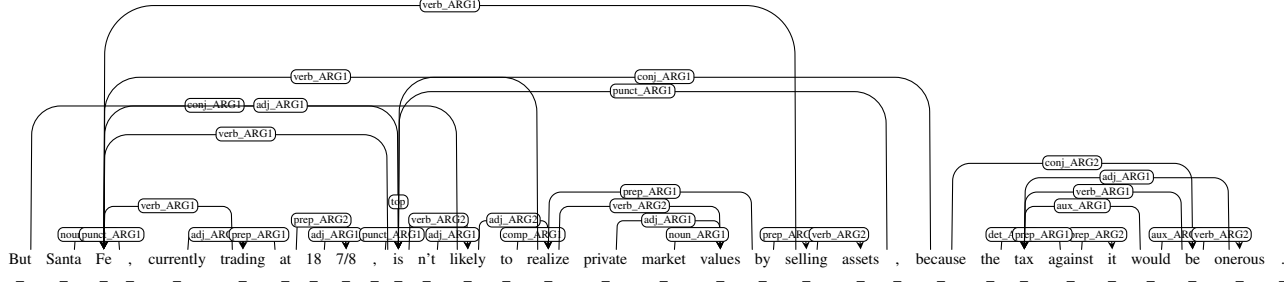
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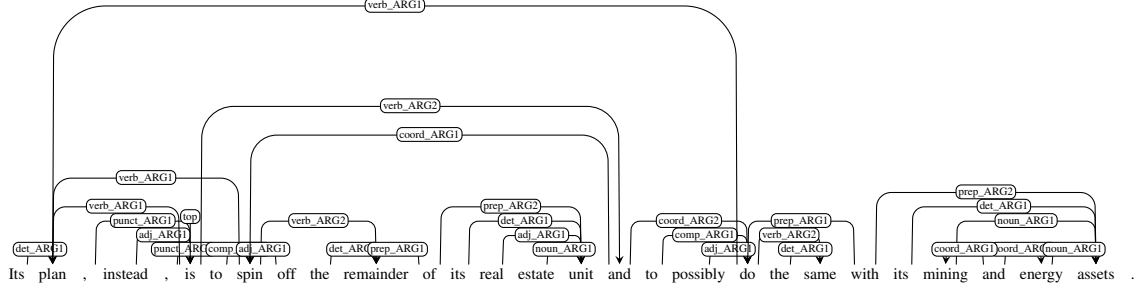
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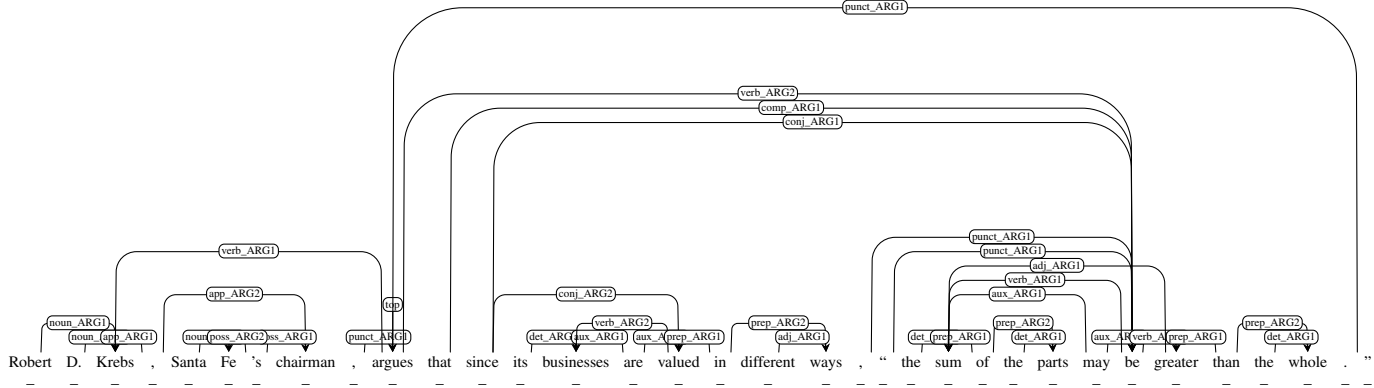
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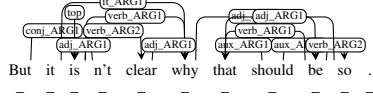
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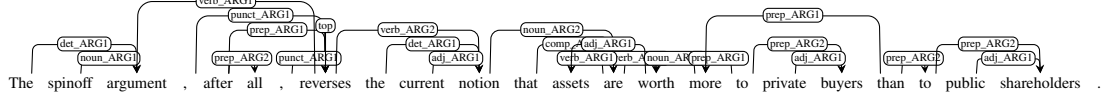
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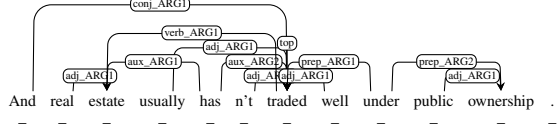
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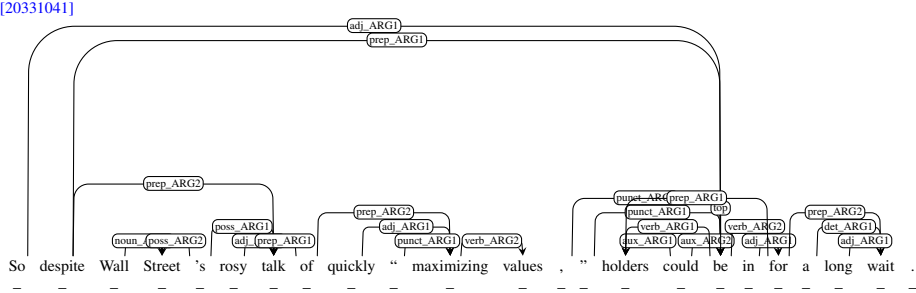
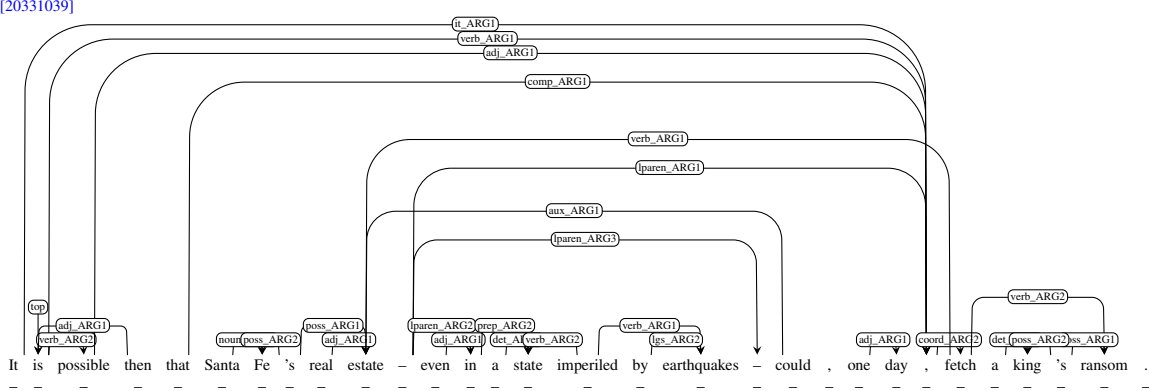
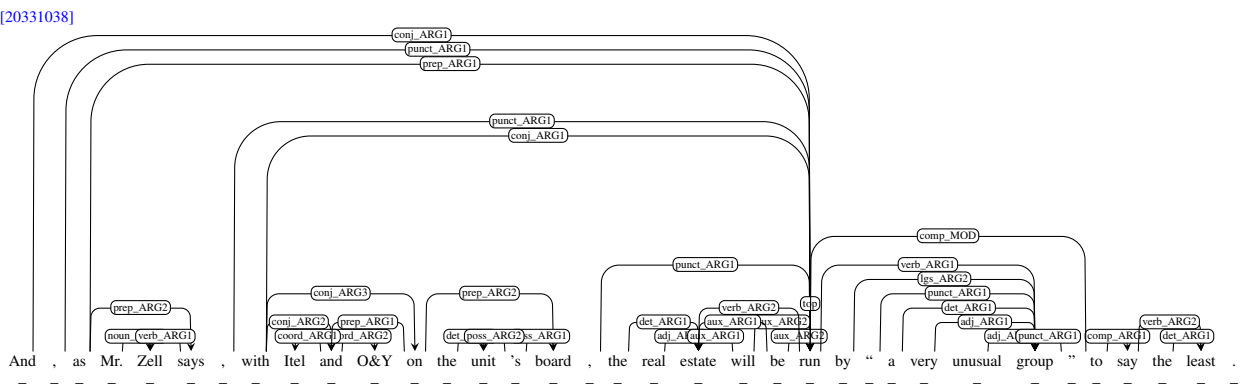
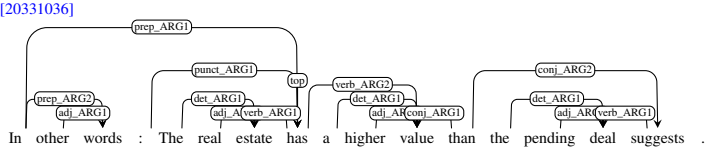
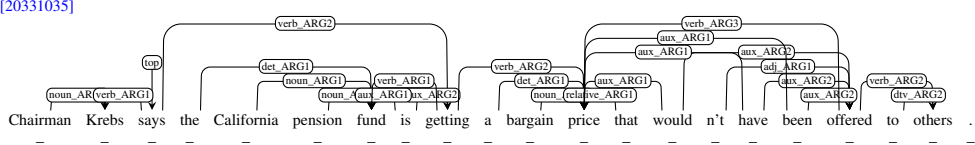
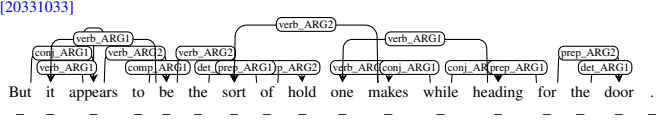
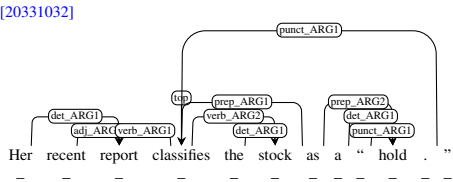
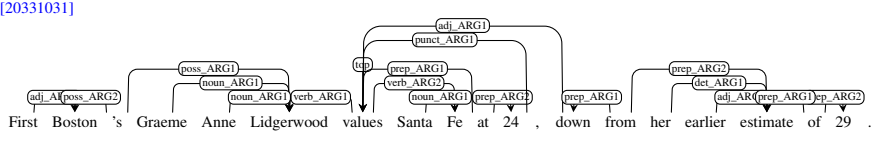
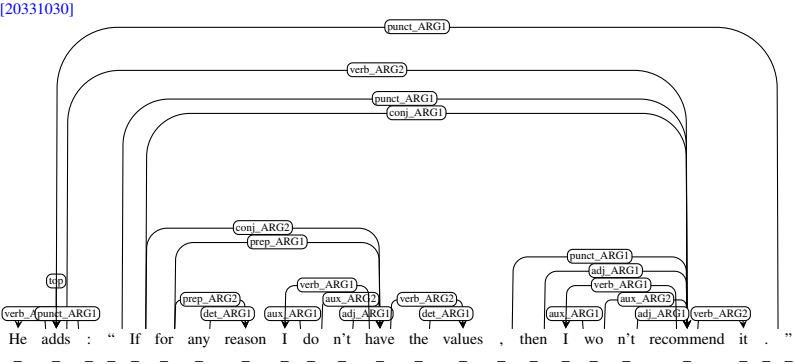
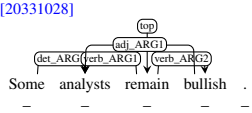
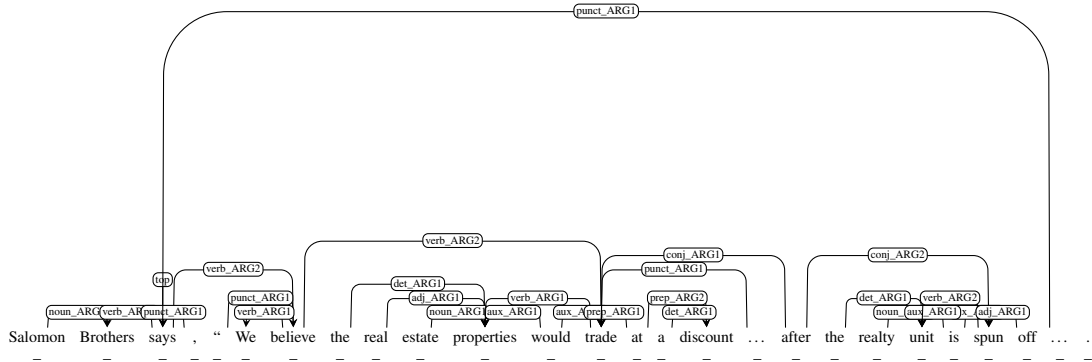
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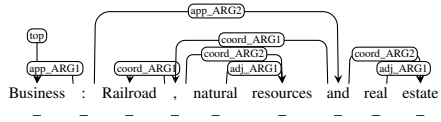
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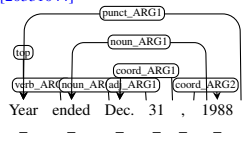
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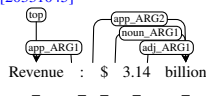
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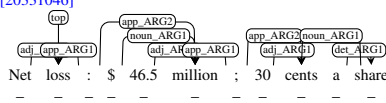
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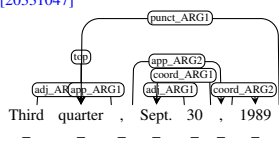
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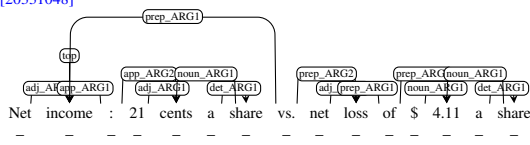
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[20331047]



[20331048]



[20331049]

