

M. R. Greenberg
Chairman

**PLAINTIFF'S
EXHIBIT
124**

February 15, 2001

Ms. C. Hamrah

RE: "American International Group Too Pricey, Despite Strengths" by Travis Pascavis

What firm is this?

Maybe we should get them in some time. This is nuts.

MRG

MRG/mb
Attachment

PLAINTIFF'S
EXHIBIT NO. 66
FOR IDENTIFICATION
DATE: 9/29/08 RPTR:
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The Ninth Annual Louis Rukeyser Investment Conference	Las Vegas	2-3-01 to 2-4-01
NAVA Marketing Conference	Phoenix	2-4-01 to 2-7-01
TD Waterhouse	San Diego	2-7-01 to 2-10-01

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*Addi has no more
mutual funds
How soon will she*

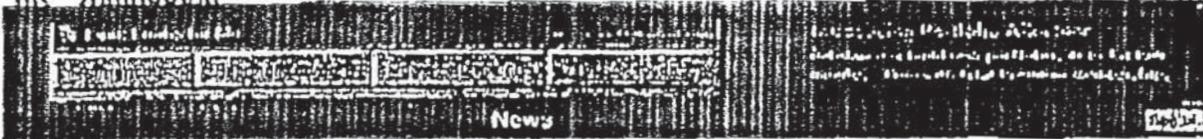
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American International Group Too Pricy, Despite Strengths

by Travis Pascavis | 12:37 PM | 02-08-01 | [E-mail Article to a Friend](#)

What Happened?

On Thursday, American International Group AIG reported fourth-quarter net income before realized capital gains and losses of \$0.65 per share. This 15% increase from a year ago met First Call consensus estimates and was in line with the company's other quarters in 2000. Net insurance premiums written--an important indicator of future insurance revenue--increased 12%, topping even the strong performance in the third quarter. AIG's sore spot continues to be the personal insurance business, but the company has filed for rate increases in each state where it operates, which should help improve profitability there.

What It Means for Investors

AIG remains one of the strongest insurance companies around, with one serious flaw: a hefty stock price. The current quarter's numbers leave little doubt of continued growth. In particular, the company's focus on asset management, through its SunAmerica division, outpaced many of its other businesses. SunAmerica clocked a healthy 26% rise in operating income in 2000. Given the growing market for retirement savings both in the United States and internationally, the future looks bright for this division. Moreover, despite weak economies in Southeast Asia, AIG's operations in the region seem to be meeting expectations, and the company is expanding into Vietnam. It may take time for these operations to start delivering double-digit profits, but we think they will complement AIG's already extensive overseas distribution network.

But, as we have been saying for some time, we believe AIG shares are too expensive, and so investors may want to look elsewhere for a defensive stock pick. AIG fetches 35 times First Call 2001 consensus earnings estimates, a whopping 45% premium to its most comparable peer, AXA Group AXA. But even considering the company's healthy growth rate, AIG's steep premium doesn't seem justified, and AXA Group may be a better choice.



CH