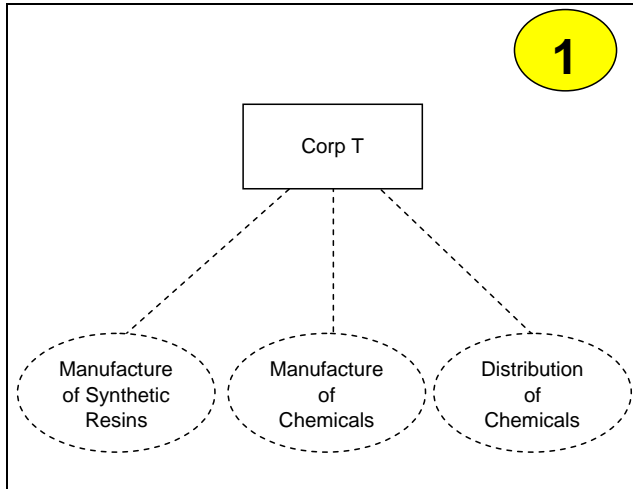
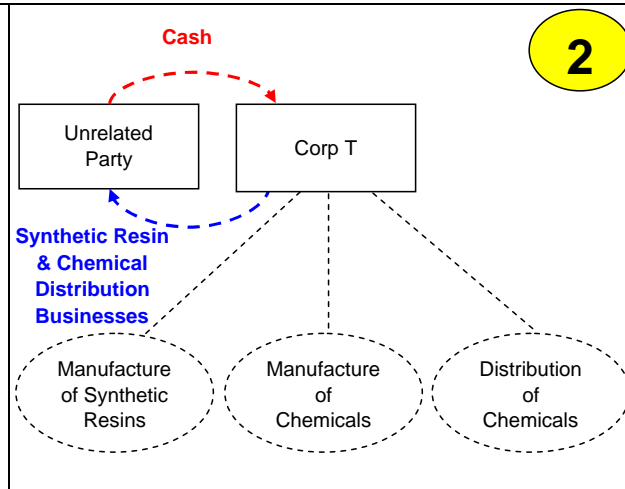


COBE - - One of Three Lines of Business Continued

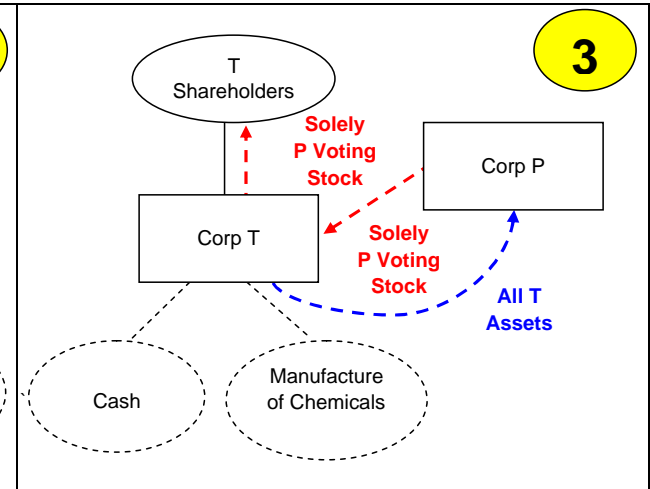
Initial Structure



Sale of Businesses (July 1, 1981)



Reorganization (December 31, 1981)



T conducts three lines of business: manufacture of synthetic resins, manufacture of chemicals for the textile industry, and distribution of chemicals. The three lines of business are approximately equal in value. On July 1, 1981, T sells the synthetic resin and chemicals distribution businesses to a third party for cash and marketable securities. On December 31, 1981, T transfers all of its assets to P solely for P voting stock. P continues the chemical manufacturing business without interruption. The continuity of business enterprise requirement is met. Continuity of business enterprise requires only that P continue one of T's three significant lines of business.

Ending Point

