

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13E4

Issuer tender offer statement filed pursuant to Rule 13(e)(4)

Filing Date: **1995-07-28**
SEC Accession No. **0000950131-95-001988**

(HTML Version on secdatabase.com)

SUBJECT COMPANY

ANDERSEN GROUP INC

CIK: **6383** | IRS No.: **060659863** | State of Incorporation: **CT** | Fiscal Year End: **0228**
Type: **SC 13E4** | Act: **34** | File No.: **005-19685** | Film No.: **95557135**
SIC: **3843** Dental equipment & supplies

Mailing Address
*NEY INDUSTRIAL PARK
BLOOMFIELD CT 06002*

Business Address
*NEY INDUSTRIAL PARK
BLOOMFIELD CT 06002-3690
2032420761*

FILED BY

ANDERSEN GROUP INC

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13E-4

ISSUER TENDER OFFER STATEMENT
(Pursuant to Section 13(e)(1) of the
Securities Exchange Act of 1934)

AMENDMENT NO. 3

ANDERSEN GROUP, INC.

(Name of Issuer)

ANDERSEN GROUP, INC. and Andersen Capital L.P.

(Name of Person(s) Filing Statement)

Series A Cumulative Convertible Preferred Stock

(Title of Class of Securities)

033501206

(CUSIP Number of Class of Securities)

Francis E. Baker
President
Andersen Group, Inc.
Ney Industrial Park
Bloomfield, CT 06002
(203) 242-0761

(Name, Address and Telephone Number of
Person Authorized to Receive Notices
and Communications on Behalf of the
Person Filing Statement)

Copy to:

David A. Garbus, Esq.
Robinson & Cole
One Boston Place
Boston, MA 02108-4404
(617) 557-5900

June 5, 1995

(Date Tender Offer First Published,
Sent Or Given to Security Holders)

Calculation of filing fee

Transaction Valuation*	Amount of Filing Fee
\$5,273,037	\$1,054

* For purposes of calculating the filing fee only. This amount assumes the purchase of 430,452 shares of Series A Cumulative Convertible Preferred Stock (the "Shares"), of Andersen Group, Inc. (the "Company"), at a purchase price of \$12.25 per share. Based upon representations made to the Company by certain persons, no more than 430,452 shares will be purchased in the transaction described in this Schedule. The amount of the filing fee, calculated in accordance with Regulation 240.0-11 of the Securities Exchange Act of 1934, as amended, equals 1/50 of one percent of the value of the Shares to be purchased.

[X] Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:	\$1,054
Form or Registration No.:	Schedule 13E-4
Filing Party:	Andersen Group, Inc.
Date Filed:	June 5, 1995

Item 1. Security and Issuer.

(a) The name of the issuer of the securities to which this statement relates is Andersen Group, Inc., a Connecticut corporation (the "Company"). The address of its principal executive office is Ney Industrial Park, Bloomfield, Connecticut 06002.

(b) Information with respect to the exact number of shares of the Company's Series A Cumulative Convertible Preferred Stock (the "Shares") being sought and the consideration being offered therefor is incorporated herein by reference to the discussion under the heading "The Offer" in the Offer to Purchase for Cash dated June 5, 1995 (the "Offer to Purchase"), filed as Exhibit (a)(1) hereto, in the first paragraph of the First Amendment to Offer to Purchase for Cash, dated June 21, 1995 (the "First Amendment"), filed as Exhibit (a)(1)(A) hereto, in the first paragraph of the Second Amendment to Offer to Purchase for Cash, dated July 7, 1995 (the "Second Amendment"), filed as Exhibit (a)(1)(B) hereto, and in the first paragraph of the Third Amendment to Offer to Purchase for Cash, dated July 28, 1995 (the "Third Amendment"), filed as Exhibit (a)(1)(C) hereto. As of May 8, 1995, there were 589,036 Shares outstanding and approximately 125 Preferred Stockholders of record.

Information with respect to whether any Shares are to be purchased from any officer, director or affiliate of the Company and the details of each such transaction is incorporated herein by reference to the discussion under the headings "Special Factors -Interests of Certain Persons in the Offer" and "The Offer - Terms of the Offer" in the Offer to Purchase.

(c) Omitted in accordance with General Instruction E to Schedule 13E-4 ("General Instruction E").

(d) Omitted in accordance with General Instruction E.

Item 2. Source and Amount of Funds or Other Consideration.

(a) Omitted in accordance with General Instruction E.

(b) Not applicable.

Item 3. Purpose of the Tender Offer and Plans or Proposals of the Issuer or

Affiliate.

Omitted in accordance with General Instruction E.

Item 4. Interest in Securities of the Issuer.

Neither the Company nor, to the knowledge of the Company, any of its executive officers or directors or any associate or subsidiary of any of the foregoing nor the Standby Purchaser nor

any partner of the Standby Purchaser nor any associate of the Standby Purchaser has engaged in any transactions involving Shares during the 40 business days prior to June 5, 1995, the forty (40) business days prior to June 21, 1995, the

forty (40) business days prior to July 7, 1995, or the forty (40) business days prior to July 28 1995.

Item 5. Contracts, Arrangements, Understandings or Relationships With Respect

to the Issuer's Securities.

Omitted in accordance with General Instruction E.

Item 6. Persons Retained, Employed or to be Compensated.

Omitted in accordance with General Instruction E.

Item 7. Financial Information.

(a) (1) Omitted in accordance with General Instruction E.

(a) (2) Incorporated herein by reference to pages 3 through 6 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended May 31, 1995, filed as Exhibit (g) (1) hereto.

(a) (3) - (b) (3) Incorporated herein by reference to the discussion under the headings "Summary Historical Financial Data" and "Pro Forma Data" in the Offer to Purchase, filed as Exhibit (a) (1) hereto, and the discussion under the headings "Summary Historical Financial Data" and "Pro Forma Data" in Section 4 of the Third Amendment, filed as Exhibit (a) (1) (C) hereto.

Item 8. Additional Information.

(a) Omitted in accordance with General Instruction E.

(b) Omitted in accordance with General Instruction E.

(c) Not applicable.

(d) Omitted in accordance with General Instruction E.

(e) Not applicable.

Item 9. Material to be Filed as Exhibits.

* (a) (1) Offer to Purchase for Cash, dated June 5, 1995.

* (a) (1) (A) First Amendment to Offer to Purchase for Cash, dated June 21, 1995.

- * (a) (1) (B) Second Amendment to Offer to Purchase for Cash dated July 7, 1995.
- (a) (1) (C) Third Amendment to Offer to Purchase for Cash, dated July 28, 1995.
- * (a) (2) Letter of Transmittal.
- * (a) (3) Letter, dated June 5, 1995, from Andersen Group, Inc. to brokers, dealers, commercial banks, trust companies and other nominees.
- * (a) (4) Form of Letter to Clients of brokers, dealers, banks and trust companies.
- * (a) (5) Notice of Guaranteed Delivery.
- * (a) (6) Press Release dated June 5, 1995.
- * (a) (7) Press Release dated July 7, 1995.
- (a) (8) Press Release dated July 28, 1995.
- (b) Not applicable.
- * (c) Conformed copy of Standby Agreement between the Company and Andersen Capital L.P. dated June 1, 1995.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.
- * (g) Audited financial statements of the Company for the years ended February 28, 1995 and 1994 as set forth on pages 16 through 31, 48 and 49 of the Company's Annual Report on Form 10-K for the year ended February 28, 1995, filed with the Securities and Exchange Commission.
- (g) (1) Unaudited financial statements of the Company for the quarters ended May 31, 1995 and 1994 as set forth on pages 3 through 6 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended May 31, 1995, filed with the Securities and Exchange Commission.
- * (h) Consent of McTeague Investment Bankers, Inc., dated June 2, 1995.

* Previously filed.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

ANDERSEN GROUP, INC.

July 28, 1995

By: /s/ Francis E. Baker

Francis E. Baker
Its President

ANDERSEN CAPITAL L.P.

By: ACLP, Inc.,
Its General Partner

By: /s/ Thomas L. Seifert

Thomas L. Seifert
Its Vice President

EXHIBIT INDEX

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- * (g) Audited financial statements of the Company for the years ended February 28, 1995 and 1994 as set forth on pages 16 through 31, 48 and 49 of the Company's Annual Report on Form 10-K for the year ended February 28, 1995 filed with the Securities and Exchange Commission.
- (g) (1) Unaudited financial statements of the Company for the quarters ended May 31, 1995 and 1994 as set forth on pages 3 through 6 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended May 31, 1995, filed with the Securities and Exchange Commission.
- * (h) Consent of McTeague Investment Bankers, Inc., dated June 2, 1995.

* Previously filed.

THIRD AMENDMENT
TO
OFFER TO PURCHASE FOR CASH
BY
ANDERSEN GROUP, INC.

ANY AND ALL SHARES OF ITS SERIES A CUMULATIVE CONVERTIBLE PREFERRED STOCK FOR
\$12.25 NET PER SHARE

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, EASTERN
TIME, ON FRIDAY SEPTEMBER 1, 1995, UNLESS FURTHER EXTENDED
(SUCH TIME AND DATE, THE "EXPIRATION DATE").

This Third Amendment to Offer to Purchase for Cash (the "Third Amendment") is first being mailed on or about July 28, 1995 to holders of outstanding shares of Series A Cumulative Convertible Preferred Stock, without par value (the "Preferred Stock") of Andersen Group, Inc., a Connecticut corporation having its principal executive office at Ney Industrial Park, Bloomfield, Connecticut 06002 (the "Company"), in connection with its Offer to Purchase dated June 5, 1995, as amended, offering to purchase any and all of its outstanding shares of Preferred Stock for a purchase price of \$12.25 per share net to the seller in cash (the "Consideration"). All capitalized terms not otherwise defined herein but which are defined in the Offer to Purchase shall have the same meanings as set forth therein.

Section 1. Extension of the Offer.

The Offer is hereby extended until midnight, eastern time, on Friday September 1, 1995, unless further extended (such time and date, the "Expiration Date").

The Company will notify the Exchange Agent of such extension by oral and written notice and made a public announcement thereof prior to 9:00 A.M., eastern time, on July 31, 1995.

Section 2. Number of Shares Deposited With Exchange Agent.

As of the date of this Third Amendment, approximately 275,000 shares of Preferred Stock have been deposited with the Exchange Agent. Accordingly, the condition that a minimum of 250,000 shares be tendered is presently satisfied, subject to the Preferred Stockholders' right to withdraw shares tendered prior to the Expiration Date.

Section 3. Special Factors - Background of the Offer.

As set forth under "Special Factors - Background of the Offer", the Company has conducted negotiations during April, May, June and July 1995 with respect to forms of the divestiture agreements for the Dental Divestiture. Although these negotiations are continuing with one prospective buyer to the date of this Third Amendment, and the unresolved points have been reduced, no definitive agreements

have been signed.

Section 4. Summary Historical Financial Data

The following table sets forth, in summary form, certain consolidated historical financial data for the Company and its subsidiaries. The historical financial information at and for the quarters ended May 31, 1995 and 1994 has been summarized from the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 1995. The following summary historical financial information should be read in conjunction with, and is qualified in its entirety by reference to, such Quarterly Report on Form 10-Q and should be read in conjunction with the Company's audited consolidated financial statements for the fiscal year ended February 28, 1995 and the related notes thereto.

<TABLE>

<CAPTION>

	QUARTERS ENDED MAY 31,	
	1995	1994
	-----	-----
<S>	<C>	<C>
	(UNAUDITED AND DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	
Consolidated Statements of Earnings Data:		
Net sales.....	\$17,629	\$16,137
Investment and other income.....	371	1,433
	-----	-----
Total revenues.....	17,640	17,570
	-----	-----
Cost of sales.....	12,101	11,164
Selling, general and administrative expenses..	4,566	4,332
Research and development expenses.....	934	810
Interest expense.....	340	399
Total costs and expenses.....	17,941	16,705
	-----	-----
Income (loss) before income taxes and extraordinary.....	(301)	865
Income tax expense (benefit).....	(81)	85
	-----	-----
Income (loss) before extraordinary item.....	(220)	780
Extraordinary gain from early extinguishment of debt, net of income tax expense.....	--	1
	-----	-----
Net income (loss).....	(220)	781
Preferred dividend requirement.....	(147)	(148)
	-----	-----
Income (loss) applicable to common shares.....	\$ (367)	\$ 633
	=====	=====

</TABLE>

<TABLE>
<CAPTION>

	QUARTERS ENDED MAY 31,	
	1995	1994
	<C>	<C>
	(UNAUDITED AND DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	
Consolidated Statements of Earnings Data (cont'd): Earnings (loss) Per Common Share:(A)		
Continuing operations.....	\$ (.19)	\$.33
Extraordinary item.....	(.00)	.00
	-----	-----
Income (loss) per common share.....	\$ (0.19)	\$0.33
Ratio of earnings to fixed charges(B).....	10%	298%

</TABLE>

(A) The average number of shares of common stock outstanding during each period was 1,934,205 in 1995 and 1,929,735 in 1994, respectively.

(B) Earnings for the quarter ended May 31, 1995 were inadequate to cover fixed charges and preferred stock dividends by \$448,000.

<TABLE>
<CAPTION>

	MAY 31,	FEBRUARY 28,
	1995	1995
	<C>	<C>
	(unaudited and dollars in thousands, except per share amounts)	
Consolidated Balance Sheet Data:		
Total assets.....	\$45,493	\$43,678
Total current liabilities.....	13,126	10,947
Long-term debt, less current maturities.....	8,753	8,784
Other long-term obligations.....	1,156	1,160
Deferred income taxes.....	2,281	2,281
Redeemable cumulative convertible preferred stock..	10,631	10,593
Common stock.....	2,103	2,103
Retained earnings.....	5,608	5,975
Total common and other stockholders' equity.....	9,546	9,913
Book value per common share.....	\$4.93	\$5.13
	=====	=====

</TABLE>

PRO FORMA DATA

The following table sets forth certain financial information of the Company at May 31, 1995, and as adjusted to give effect to the consummation of the Offer for the Preferred Stock, assuming 250,000 shares of the Preferred Stock are tendered and accepted and consummation of the Dental Divestiture, assuming that the Company realized \$18.0 million in cash for the Dental Divestiture, approximately \$1.2 million in cash for the post closing purchase price adjustment and that both transactions had occurred on May 31, 1995.

<TABLE>

<CAPTION>

AS OF MAY 31, 1995			
	ACTUAL	PRO FORMA ADJUSTMENTS	PRO FORMA
<S>	<C>	<C>	<C>
	(IN THOUSANDS)		
Total assets.....	\$ 45,493	\$ 1,481 (1)	\$46,974
Total liabilities.....	25,316	(1,129) (2)	24,187
Working capital.....	14,899	3,498 (3)	18,397
Long-term debt and other obligations.....	9,909	--	9,909
Redeemable cumulative convertible preferred stock, authorized 800,000 shares; issued 789,625 shares; 589,036 shares outstanding at May 31, 1995; and 339,036 pro forma outstanding at May 31, 1995.....	10,631	(4,510) (4)	6,121
Common stock, authorized 6,000,000 shares; 1,934,205 shares outstanding at May 31, 1995 and pro forma outstanding at May 31, 1995.....	2,103	--	2,103
Additional paid-in capital.....	1,925	1,448 (5)	3,373
Retained earnings.....	5,608	5,475 (6)	11,083
Treasury Stock.....	(90)		(90)
Total common and other stockholders' equity.....	9,546	6,923	16,469
Book value per common share(B).....	\$4.93	\$3.67 (7)	\$8.60

</TABLE>

-5-

NOTES TO PRO FORMA DATA

(1) Pro Forma Total Asset Adjustments:

<TABLE>

<S>	<C>
Total assets	\$ 45,493

Add: Dental divestiture proceeds	19,200
Less: Dental assets divested	(13,806)
Transaction costs	(850)
Preferred stock cash tender	(3,063)

Total Pro Forma Assets	\$ 46,974
	=====

(2) Pro Forma Total Liabilities Adjustments:

Total liabilities	\$ 25,316
Add: Accrued income taxes	1,600
Less: Preferred stock dividend reduction	(375)
Dental liabilities divested	(1,364)
Deferred income taxes	(700)

Total Pro Forma Liabilities	\$ 24,187
	=====

(3) Pro Forma Working Capital Adjustments:

Total working capital	\$ 14,899
Add: Dental divestiture proceeds	19,200
Dental current liabilities divested	1,364
Preferred stock dividend reduction	375
Less: Dental current assets divested	(11,928)
Accrued income taxes	(1,600)
Transaction costs	(850)
Preferred stock cash tender	(3,063)

Total Pro Forma Working Capital	\$ 18,397
	=====

</TABLE>

(4) Pro Forma Redeemable Cumulative Convertible Preferred Stock:

Adjustment to reduce outstanding stock to 339,036 shares after repurchase by the Company of 250,000 shares.

(5) Pro Forma Additional Paid in Capital:

Adjustment to additional paid in capital to record the difference between the carrying value of the preferred stock and the cash tender price.

(6) Pro Forma Retained Earnings:

<TABLE>

<CAPTION>

<S>	<C>
Total retained earnings	\$ 5,608
Add: Gain on dental divestiture, net of taxes and transaction costs	5,100
Preferred stock dividend reduction	375

Total pro forma retained earnings	\$11,083
	=====

(7) Pro Forma Book Value Per Share:

Total common and other stockholders' equity	\$ 9,546
Add: Gain on dental divestiture	5,100
Preferred stock dividend reduction	375
Addition to additional paid in capital for preferred stock repurchase	1,625

Pro forma common and other stockholders' equity	16,646
Number of shares of common stock outstanding	1,934

Pro forma book value per share	\$8.60
	=====

</TABLE>

If the Offer is consummated, but the Company purchases fewer than 250,000 shares of the Preferred Stock, the increases and decreases indicated above would be proportionately reduced, reflecting the number of shares of Preferred Stock that the Company does not purchase in the Offer.

Section 5. Other Terms and Conditions.

Except as expressly amended by the provisions of this Third Amendment, all other terms and conditions of the Offer remain in full force and effect.

ANDERSEN GROUP, INC.

July 28, 1995

FOR IMMEDIATE RELEASE

CONTACT:

JACK E. VOLINSKI
CHIEF FINANCIAL OFFICER
ANDERSEN GROUP, INC.
203/242-0761

ANDERSEN GROUP EXTENDS SELF TENDER OFFER FOR PREFERRED STOCK

Bloomfield, Connecticut, July 28, 1995 -- Andersen Group, Inc. (NASDAQ: ANDR) (the "Company") announced that it has extended its previously announced cash tender offer on its own behalf to purchase any and all shares of its Series A Cumulative Convertible Preferred Stock (the "Preferred Stock") at \$12.25 per share, net.

The offer will now expire at midnight on Friday September 1, 1995. Any preferred stockholder who has tendered shares is entitled to withdraw that tender prior to the expiration date and, unless previously accepted by the Company, after 5:00 p.m., Eastern time on or after August 1, 1995.

Approximately 275,000 shares of the Preferred Stock have been deposited with the Company's Exchange Agent to date. Accordingly, the condition that a minimum of 250,000 shares be tendered is presently satisfied, subject to the Preferred Stockholders' right to withdraw shares tendered prior to the expiration date.

The Company continues to conduct negotiations with one prospective buyer for the sale of its Dental Division. Although these negotiations are continuing to this date and unresolved points have been reduced, no definitive agreements have been signed.

ANDERSEN GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)

<TABLE>
<CAPTION>

	May 31, 1995	Feb. 28, 1995
	(unaudited)	(audited)
	<C>	<C>
ASSETS		

CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,783	\$ 2,709
Marketable securities	2,016	2,180
Accounts and other receivables less allowance for doubtful accounts of \$440 and \$360	9,542	7,921
Inventories	13,376	12,690
Prepaid expenses and other assets	308	520

Total current assets	28,025	26,020

Property, plant and equipment	22,508	22,348
Accumulated depreciation	(11,334)	(10,930)

Property, plant and equipment, net	11,174	11,418

Prepaid pension expense	3,553	3,517
Other assets	2,741	2,723

	\$ 45,493	\$ 43,678

LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND COMMON AND OTHER STOCKHOLDERS' EQUITY		

CURRENT LIABILITIES:		
Accounts payable	\$ 1,696	\$ 2,119
Short term debt	5,993	3,543
Other current liabilities	5,437	5,285

Total current liabilities	13,126	10,947

Long term debt, less current maturities	8,753	8,784
Other liabilities	1,156	1,160
Deferred income taxes	2,281	2,281
Redeemable cumulative convertible preferred stock	10,631	10,593

STOCKHOLDERS' EQUITY:		
Common stock	2,103	2,103
Additional paid-in capital	1,925	1,925
Retained earnings	5,608	5,975
Treasury stock, at cost	(90)	(90)

Total stockholders' equity	9,546	9,913
	\$ 45,493	\$ 43,678

</TABLE>

See accompanying notes to consolidated financial statements.

-3-

ANDERSEN GROUP, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share data)

<TABLE>

<CAPTION>

(unaudited)	Three months ended	
	May 31, 1995	May 31, 1994
	<C>	<C>
REVENUES:		
Net sales	\$17,269	\$16,137
Investment and other income	371	1,433
	17,640	17,570
COSTS AND EXPENSES:		
Cost of sales	12,101	11,164
Selling, general and administrative	4,566	4,332
Research and development	934	810
Interest expense	340	399
	17,941	16,705
Income (loss) before income taxes and extraordinary item	(301)	865
Income tax expense (benefit)	(81)	85
Income (loss) before extraordinary item	(220)	780
Extraordinary gain from early extinguishment of debt, net of income tax expense	--	1
Net income (loss)	(220)	781
Preferred dividend requirement	(147)	(148)
Income (loss) applicable to common shares	\$ (367)	\$ 633
EARNINGS (LOSS) PER COMMON SHARE:		
Continuing operations	\$ (0.19)	\$ 0.33
Extraordinary item	0.00	0.00
Income (loss) applicable to common shares	\$ (0.19)	\$ 0.33
DIVIDENDS DECLARED PER SHARE:		
Preferred	\$ 0.00	\$ 0.00

</TABLE>

See accompanying notes to consolidated financial statements.

-4-

ANDERSEN GROUP, INC.
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 (In thousands)

<TABLE>

<CAPTION>

(unaudited)	Three months ended	
	May 31, 1995	May 31, 1994
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (220)	\$ 781
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation, amortization and accretion	575	581
Gain on sale of cellular investment	--	(1,216)
Pension income	(36)	(36)
Changes in operating assets and liabilities:		
Accounts and notes receivable	(1,621)	(1,261)
Inventories	(686)	(2,748)
Prepaid expenses and other assets	107	(296)
Accounts payable	(423)	356
Accrued expenses and other long-term obligations	40	828
Net cash used for operating activities	(2,264)	(3,011)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment, net	(308)	(167)
Proceeds from sale of cellular investment	--	3,316
Investment in other assets	63	--
Sale (purchase) of marketable securities, net	164	(1,039)
Net cash provided by (used for) investing activities	(81)	2,110
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	(31)	(34)
Issuance of short term debt, net	2,450	1,050
Net cash provided for financing activities	2,419	1,016
Net increase in cash and cash equivalents	74	115
Cash and cash equivalents - beginning of period	2,709	2,061
Cash and cash equivalents - end of period	\$ 2,783	\$ 2,176

</TABLE>

See accompanying notes to consolidated financial statements.

-5-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Accounting Policies

The accompanying interim financial statements and related notes should be read in conjunction with the Consolidated Financial Statements of Andersen Group, Inc. and related notes as contained in the Annual Report on Form 10-K for the fiscal year ended February 28, 1995. The interim financial statements include all adjustments (consisting only of normal recurring adjustments) and accruals necessary in the judgment of management for a fair presentation of such statements. In addition, certain reclassifications have been made to the prior period financial information so that it conforms to the current period presentation.

<TABLE>

<CAPTION>

(2) Inventories

Inventories consisted of the following:

	(In thousands)	
	May 31, 1995	February 28, 1995
	-----	-----
<S>	<C>	<C>
Raw materials	\$ 818	\$ 950
Work in process	2,688	2,732
Finished goods	11,236	10,374
	-----	-----
	14,742	14,056
LIFO Reserve	(1,366)	(1,366)
	-----	-----
	\$13,376	\$12,690
	=====	=====

</TABLE>

(3) Income Taxes

Income tax expense (benefit) represents an estimate of the effective income tax rate for the current fiscal year including adjustments to the Company's deferred income tax liability for prior years taxes.

(4) Dividends

The Company's cumulative convertible preferred stock (the "Preferred Stock") is entitled to accrue quarterly dividends ranging from \$.1875 to \$.4375 per share,

based upon the operating income (as defined) of The J.M. Ney Company ("Ney"), a wholly-owned subsidiary of the Company. No dividends were declared on the Preferred Stock during the period, although they were earned at the rate of \$.1875 per share, due to restrictions in the Company's debt covenants as discussed below.

Under the terms of the Company's 10 1/2% convertible subordinated debentures, the Company is restricted from paying dividends on its capital stock after April 14, 1993 until such time as the Company's cumulative consolidated earnings, as defined, reach specified amounts.

Due to the above restriction, the Company anticipates that it will be precluded from paying the quarterly Preferred Stock dividend for the foreseeable future. Through the first quarter of fiscal 1996, approximately \$994,000 has been accrued for this arrearage (for further information concerning the Company's ability to pay dividends on or purchase or redeem its capital stock see the Liquidity and Capital Resources Section of Management's Discussion and Analysis of Results of Operations and Financial Condition and Part II, Item 3 below).