

The Depository Trust Company
IMPORTANT

B#: 3108
DATE: March 05, 2002
TO: All participants
CATEGORY: Dividends
FROM: Anthony Capizzi, Domestic Tax Services, Dividend Dept.
ATTENTION: Managing Partner/Officer, Cashier, Dividend Mgr. Tax Mgr.
SUBJECT: Longleaf Partners
CUSIP# Various
2001 Tax Information

The Following correspondence containing tax information was received by the Depository Trust Company.
If applicable please consult your tax advisor to assure proper treatment of this event.

Longleaf Partners Funds — TAX INFORMATION
SOURCES OF DISTRIBUTIONS
for the year ended December 31, 2001

CAPITAL GAIN DISTRIBUTION

Record date: November 13, 2001

Paid: November 14, 2001

	Partners (#133)	Small-Cap (#134)	International (#136)
Long-term capital gain	\$ 0.256	\$ 1.835	\$ 0.426
Short-term capital gain	0.073	0.0086	0.425
Total capital gain	0.329	1.8436	0.851
Reinvest price	22.86	20.89	12.44

NET INCOME DISTRIBUTION

Record date

Paid

Net income

Reinvest price

	Partners (#133)	Small-Cap (#134)	International (#136)	Realty (#135)
Record date	12-27-01	12-27-01	12-27-01	10-24-01
Paid	12-28-01	12-28-01	12-28-01	10-25-01
Net income	\$ 0.195	\$ 0.24	\$ 0.13	\$ 0.40
Reinvest price	24.67	21.87	12.33	13.91

TAX RECHARACTERIZATIONS

Real Estate Investment Trusts (REITs) held by the Partners, Small-Cap and Realty Funds recharacterized a portion of their dividends. The International Fund elected to pass through a foreign tax credit. For each Fund, the total distribution remains the same but should be reported for tax purposes as follows:

	Partners (#133)	Small-Cap (#134)	International (#136)	Realty (#135)
Original net income distribution	\$ 0.195	\$ 0.24	\$ 0.13	\$ 0.40
Percentage reported as:				
Ordinary dividends	100.0%	98.82%	111.6149%	34.146%
Long-term capital gain	-	1.18	-	-
Return of capital	-	-	-	65.854
Foreign taxes paid	-	-	(11.6149)	-

COST BASIS INFORMATION:

The Internal Revenue Service allows several methods to calculate capital gains and losses. With any method, you will need a record of all the activity in your account and the historical tax treatment of all distributions. If you have saved your year-end statements and tax forms, you should have the information you need to calculate your gain or loss.

You may request copies of your account history or prior year tax forms by calling Extension 100 at the toll free number below. The tax treatment history of Longleaf distributions is also available on our website www.longleafpartners.com. Please allow ten business days to process your request.

FOREIGN TAX CREDITS:

The International Fund is passing through the tax credit it received for paying foreign taxes on dividends. An explanation of this credit and information to complete Form 1116 was mailed with your Form 1099-DIV. To receive an additional copy, call the toll free number below and ask for extension 100.

PLEASE SEE REVERSE FOR ADDITIONAL INFORMATION

NOTE: Longleaf representatives are not able to offer tax advice. Please consult your tax advisor for further guidance. For questions about your account, call (800) 445-9469, option 0.

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TAX WORKSHEET

COMPONENTS OF NET INCOME:	Partners (#133)	Small-Cap (#134)	International (#136)	Realty (#135)
To calculate your net income distribution:				
Record date	12-27-01	12-27-01	12-27-01	10-24-01
Shares of each Fund held by you on the record date				
Multiplied by distribution rate per share	x \$0.195	x \$0.24	x \$0.13	x \$0.40
Net income distribution per your statement	\$ _____	\$ _____ (A)	\$ _____	\$ _____
Multiplied by tax reallocations	x 1	x .9882	x 1.116149	x .34146
Tax adjusted net income distribution	\$ _____	\$ _____	\$ _____	\$ _____
Percentage of net income (per box above) derived from:				
Interest on Repurchase Agreements	6.26%	9.41%	3.46%	6.87%
Interest on Exempt Federal Obligations	9.41	19.10	16.74	8.55
Interest on State/Municipal Obligations	None	None	None	None
Amount qualifying for calculation of the Dividends Received				
Deduction (corporate shareholders only)	44.09	21.57	7.73	33.73
Foreign source dividends	18.11	21.17	65.88	22.74

HOLDING PERIODS FOR LONG-TERM GAINS:	Partners (#133)	Small-Cap (#134)	International (#136)
To calculate your long-term gain distribution:			
Shares of each Fund held by you on the record date 11-13-01			
Multiplied by distribution rate per share	x \$0.256	x \$1.835	x \$0.426
Long-term capital gains	\$ _____	\$ _____	\$ _____
Adjusted for reallocation of net income:			
For Small-Cap only: multiply net income on line (A) above by .0118		+	\$ _____
Tax adjusted long-term capital gains	x	\$ _____	
Percentage of long-term capital gain from assets held:			
Less than two years	11.44%	6.63%	77.01%
Between two and three years	88.56	52.43	22.99
Between three and four years	—	—	—
Between four and five years	—	26.85	—
Between five and six years	—	12.03	—
Six years and over	—	2.06	—
OTHER:			
Percentage of Federal Obligations in share value at 12-31-01	7.76	7.34	14.38

NOTE: This worksheet is designed to provide you with certain tax information regarding the composition of your net income and long-term capital gain distributions. Please consult your tax advisor to determine whether this information is applicable to you.

PLEASE SAVE THIS INFORMATION WITH YOUR TAX RECORDS