

Return of Private Foundation
 or Section 4947(a)(1) Nonexempt Charitable Trust
 Treated as a Private Foundation

1997

Department of the Treasury
 Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 1997, or tax year beginning , 1997, and ending , 19

Use the IRS label. Otherwise, please print or type. See Specific Instructions.

Name of organization: **Jeffrey M. & Barbara Picower Foundation**

Number and street (or P.O. box number if mail is not delivered to street address): **1410 South Ocean Boulevard**

Room/suite: _____

City or town, state, and ZIP + 4: **Palm Beach, Florida 33480**

A Employer identification number
 13 : 6927043

B State registration number (see instruction F)

C If exemption application is pending, check here

D 1. Foreign organizations, check here

2. Organizations meeting the 85% test, check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

G If address changed, check here

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16): **\$ 187,997.21**

J Accounting method: Cash Accrual
 Other (specify) _____
 (Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a). (see page 9 of the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Contributions from split-interest trusts				
	3 Interest on savings and temporary cash investments	3,821	3,821	3,821	
	4 Dividends and interest from securities	963,864	963,864	963,864	
	5a Gross rents				
	b (Net rental income or (loss) _____)				
	6 Net gain or (loss) from sale of assets not on line 10	2,125,737			
	7 Capital gain net income (from Part IV, line 2)		2,125,737		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	3,093,422	3,093,422	967,685		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	4,127			4,127
	b Accounting fees (attach schedule)	750			750
	c Other professional fees (attach schedule)	15,316			15,316
	17 Interest				
	18 Taxes (attach schedule) (see page 12 of the instructions)	65,000			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	1,420			1,420
	24 Total operating and administrative expenses Add lines 13 through 23	86,613	0	0	21,613
	25 Contributions, gifts, grants paid	3,420,409			3,420,409
26 Total expenses and disbursements. Add lines 24 and 25	3,507,022	0	0	3,442,022	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(413,600)				
b Net investment income (if negative, enter -0-)		3,093,422			
c Adjusted net income (if negative, enter -0-)			967,685		

For Paperwork Reduction Act Notice, see the instructions.

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	2,639	11,622	11,622
	2 Savings and temporary cash investments	101,131	13,947	13,947
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 14 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	65,915,619	65,580,220	187,971,672
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers—see page 15 of the instructions)	66,019,389	65,605,789	187,997,241	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0	0		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 Total net assets or fund balances (see page 15 of the instructions)	66,019,389	65,605,789		
31 Total liabilities and net assets/fund balances (see page 15 of the instructions)	66,019,389	65,605,789		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	66,019,389
2 Enter amount from Part I, line 27a	2	(413,600)
3 Other increases not included in line 2 (itemize) ▶	3	0
4 Add lines 1, 2, and 3	4	65,605,789
5 Decreases not included in line 2 (itemize) ▶	5	0
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	65,605,789

PORTFOLIO APPRAISAL
JEFFRY M. & BARBARA PICOWER FOUNDATION

December 31, 1997

Trade Date	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unrealized Gain/Loss	Annual Income	Cur. Yield
COMMON STOCK										
12-20-94	44,000	3COM CORP	20.53	903,375.00	34.94	1,537,250.00	0.8	633,875.00	0.00	0.0
03-01-95	58,000	ADOBE SYSTEMS INC	46.04	2,670,500.00	41.25	2,392,500.00	1.3	-278,000.00	11,600.00	0.5
06-22-93	3,700	ALUMINUM CO OF USA	32.81	121,406.25	70.37	260,387.50	0.1	138,981.25	3,700.00	1.4
12-03-90	34,650	AMERICAN EXPRESS COMPANY	19.93	690,600.38	89.25	3,092,512.50	1.7	2,401,912.12	31,185.00	1.0
12-04-91	8,900	AMGEN INC	26.16	232,862.50	54.12	481,712.50	0.3	248,850.00	0.00	0.0
05-01-92	2,300	BAKER HUGHES INC	19.22	44,200.00	43.62	100,337.50	0.1	56,137.50	1,058.00	1.1
06-08-93	24,900	BELL ATLANTIC CORP	49.43	1,230,712.50	91.00	2,265,900.00	1.2	1,035,187.50	76,692.00	3.4
04-04-94	44,000	BELL SOUTH CORP	27.37	1,204,500.00	56.31	2,477,750.00	1.3	1,273,250.00	63,360.00	2.6
12-16-94	37,800	BIOGEN INC	16.45	621,950.00	36.37	1,374,975.00	0.7	753,025.00	0.00	3.0
01-09-92	2,700	BOEING CO	23.37	63,112.50	48.94	132,131.25	0.1	69,018.75	1,512.00	1.1
02-02-95	153,000	BOSTON CHICKEN INC	16.76	2,564,250.00	6.44	984,937.50	0.5	-1,579,312.50	0.00	0.0
04-07-95	76,000	BOSTON SCIENTIFIC	24.04	1,827,250.00	45.87	3,486,500.00	1.9	1,659,250.00	0.00	0.0
08-03-92	500	BURLINGTON RESOURCES	38.62	19,312.50	44.81	22,406.25	0.0	3,093.75	275.00	1.2
04-03-95	100,000	CALIFORNIA MICROWAVE INC	25.19	2,518,750.00	19.37	1,937,500.00	1.0	-581,250.00	0.00	0.0
12-03-90	79,200	CATERPILLAR INC	19.36	1,533,525.00	48.56	3,846,150.00	2.1	2,312,625.00	79,200.00	2.1
04-04-91	75,366	CHASE MANHATTAN CORP (NEW)	32.98	2,485,868.75	109.50	8,252,577.00	4.4	5,766,708.25	186,907.68	2.3
12-09-94	50,000	CNF TRANSPORTATION INC	15.67	783,253.78	38.37	1,918,750.00	1.0	1,135,496.22	20,000.00	1.0
12-04-91	8,800	COCA COLA CO	16.84	148,225.00	66.62	586,300.00	0.3	438,075.00	4,928.00	0.8
12-16-94	25,000	CONSOLIDATED FREIGHTWAYS CORP	5.04	126,121.22	13.62	340,625.00	0.2	214,503.78	0.00	0.0
04-05-95	448,000	DELL COMPUTER	5.31	2,380,000.00	84.00	37,632,000.00	20.3	35,252,000.00	0.00	0.0
04-03-95	70,000	DIGITAL EQUIPMENT	34.70	2,429,000.00	37.00	2,590,000.00	1.4	161,000.00	0.00	0.0
12-15-94	115,800	DSC COMMUNICATIONS CORP	30.69	3,553,700.00	24.00	2,779,200.00	1.5	-774,500.00	0.00	0.0
12-09-91	15,600	FEDERAL NATIONAL MTG ASSN (FANNIE MAE)	13.78	214,987.50	57.05	890,175.00	0.5	675,187.50	13,104.00	1.5
12-31-97	16,042	FIDELITY SPARTAN US TREASURY MONEY MARKET	1.00	16,042.00	1.00	16,042.00	0.0	0.00	0.00	0.0
04-09-92	500	FLUOR CORP	37.12	18,562.50	37.37	18,687.50	0.0	125.00	380.00	2.0
04-13-94	41,300	FORTUNE BRANDS INC	18.64	769,856.20	37.06	1,530,681.25	0.8	760,825.05	34,692.00	2.3
04-13-94	41,300	GALLAHER GROUP PLC ADR	10.86	448,656.30	21.37	882,787.50	0.5	434,131.20	27,051.50	3.1
12-13-91	15,600	GENERAL ELECTRIC CO	15.56	242,775.00	73.37	1,144,650.00	0.6	901,875.00	16,224.00	1.4
09-01-94	1,700	GEORGIA GULF CORP	34.25	58,225.00	30.62	52,062.50	0.0	-6,162.50	544.00	1.0
01-10-92	2,050	GEORGIA PACIFIC CORP	39.12	80,191.58	60.75	124,537.50	0.1	44,337.00	4,100.00	3.3
01-10-92	2,050	GEORGIA PACIFIC TIMBER GROUP	15.85	32,500.43	22.69	46,509.37	0.0	14,008.95	0.00	0.0
12-09-91	15,200	GILLETTE CO	22.40	340,475.00	100.44	1,526,650.00	0.8	1,186,175.00	13,072.00	0.0

PORTFOLIO APPRAISAL
JEFFRY M. & BARBARA PICOWER FOUNDATION

December 31, 1997

Trade Date	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unrealized Gain/Loss	Annual Income	Cur. Yield
09-02-93	1,400	GTE CORP	35.37	49,525.00	52.25	73,150.00	0.0	23,625.00	2,632.00	3.6
12-06-91	3,900	HOME DEPOT INC	19.92	77,675.00	58.87	229,612.49	0.1	151,937.49	780.00	0.3
04-26-94	104,000	IBM	34.28	3,565,375.00	104.56	10,874,500.00	5.9	7,309,125.00	83,200.00	0.8
12-07-92	206,000	INTEL CORP	15.71	3,236,181.25	70.25	14,471,500.00	7.8	11,235,318.75	24,720.00	0.2
09-12-96	9,600	IOMEGA CORP	6.62	63,600.00	12.44	119,400.00	0.1	55,800.00	0.00	0.0
12-04-91	15,600	JOHNSON & JOHNSON	23.19	361,725.00	65.87	1,027,650.00	0.6	665,925.00	13,728.00	1.3
06-04-92	3,400	KELLOGG CO	28.51	96,925.00	49.62	168,725.00	0.1	71,800.00	3,060.00	1.8
01-09-92	2,700	MCDONALDS CORP	19.25	51,975.00	47.75	128,925.00	0.1	76,950.00	891.00	0.7
11-21-94	9,600	CKESSON CORP	31.50	302,400.00	108.19	1,038,600.00	0.6	736,200.00	9,600.00	0.9
04-12-95	62,350	MICROSOFT CORP	38.78	2,417,762.50	122.25	8,058,737.50	4.3	5,640,975.00	0.00	0.0
04-02-91	4,994	MORGAN STANLEY DEAN WITTER	19.37	96,758.75	59.12	295,270.25	0.2	198,511.50	2,796.64	0.9
04-05-95	150,000	NAT'L SEMICONDUCTOR	17.37	2,606,250.00	25.94	3,890,625.00	2.1	1,284,375.00	0.00	0.0
09-29-97	580	NETSCAPE COMMUNICATIONS CORP	38.94	22,583.75	24.37	14,137.50	0.0	-8,446.25	0.00	0.0
04-12-95	107,000	NOVELL INC	18.41	1,970,125.00	7.50	802,500.00	0.4	-1,167,625.00	0.00	0.0
12-31-92	1,233,187	ORACLE CORPORATION	3.79	4,675,073.61	22.31	27,515,496.09	14.8	22,840,422.48	0.00	0.0
12-09-91	22,800	PFIZER INC	16.59	378,150.00	74.56	1,700,025.00	0.9	1,321,875.00	15,504.00	0.9
01-01-92	3,600	PHELPS DODGE	43.44	156,375.00	62.25	224,100.00	0.1	67,725.00	7,200.00	3.2
12-01-91	11,700	PHILLIP MORRIS COS	22.42	262,275.00	45.31	530,156.25	0.3	267,881.25	18,720.00	3.5
04-08-94	57,500	PHILLIPS PETROLEUM	25.77	1,481,937.50	48.62	2,795,937.50	1.5	1,314,000.00	78,200.00	2.8
12-01-97	193	SIEBEL SYSTEMS INC	40.37	7,792.57	41.81	8,069.81	0.0	277.44	0.00	0.0
12-13-94	99,000	STAPLES INC	9.19	910,250.00	27.75	2,747,250.00	1.5	1,837,000.00	0.00	0.0
12-16-94	287,200	SUN MICROSYSTEMS INC	8.48	2,436,725.00	39.87	11,452,100.00	6.2	9,015,375.00	0.00	0.0
04-12-95	112,000	TEXAS INSTRUMENTS	21.75	2,436,000.00	45.00	5,040,000.00	2.7	2,604,000.00	76,160.00	1.5
09-25-92	34,738	TRAVELERS GROUP INC	7.12	247,457.13	53.87	1,871,509.75	1.0	1,624,052.62	17,369.00	0.9
				58,285,651.75		179,803,161.78	96.91	21,517,510.03	944,145.82	0.5
TREASURY BILLS										
02-13-97	4,900,000	US TREASURY BIL DUE 02/05/1998 5.450% Due 02-05-98	94.87	4,648,630.00	99.52	4,876,284.00	2.6	227,654.00	267,050.00	5.5
				4,648,630.00		4,876,284.00	2.6	227,654.00	267,050.00	5.5
CASH AND EQUIVALENTS										
CASH				0.75		0.75	0.0		0.00	0.0
				0.75		0.75	0.0		0.00	0.0
WARRANTS										
05-05-95	16,000	INTEL CORP 98 WTS	9.11	145,712.50	49.50	792,000.00	0.4	646,287.50	0.00	0.0
				145,712.50		792,000.00	0.4	646,287.50	0.00	0.0

PORTFOLIO APPRAISAL
JEFFRY M. & BARBARA PICOWER FOUNDATION
December 31, 1997

<u>Trade Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Unrealized Gain/Loss</u>	<u>Annual Income</u>	<u>Cur. Yield</u>
TOTAL PORTFOLIO				<u>63,079,995.00</u>		<u>185,471,446.53</u>	<u>100.01</u>	<u>22,391,451.53</u>	<u>1,211,195.82</u>	<u>0.7</u>

JEFFRY M. & BARBARA PICOWER FOUNDATION
12-31-97

PREFERRED STOCK

<u>Shares</u>	<u>Security Name</u>	<u>Cost</u>	<u>Market Value</u>
2,500	Cytokine Network, Inc. 6% Pref	\$2,500,000.00	\$2,500,000.00

COMMON STOCK

226,410	Cytokine Network, Inc.	\$ <u>226.41</u>	\$ <u>226.41</u>
		<u>\$2,500,226.41</u>	<u>\$2,500,226.41</u>

1997 REALIZED GAINS AND LOSSES
JEFFRY M. & BARBARA PICOWER FOUNDATION
From 01-01-97 Through 12-31-97

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss				
						Short Term	Mid Term 5/7 - 7/28	Mid Term 7/29 - 12/31	Long Term 1/1 - 5/6	Long Term 5/7 - 12/31
06-08-93	03-12-97	2,300	BELL ATLANTIC CORP	124,487.50	155,825.00				31,337.50	
12-31-96	04-01-97	1,988	FIDELITY SPARTAN US TREASURY MONEY MARKET	1,988.00	1,988.00	0.00				
01-31-97	04-01-97	67,268	FIDELITY SPARTAN US TREASURY MONEY MARKET	67,268.00	67,268.00	0.00				
02-28-97	04-01-97	79,302	FIDELITY SPARTAN US TREASURY MONEY MARKET	79,302.00	79,302.00	0.00				
03-31-97	04-01-97	86,052	FIDELITY SPARTAN US TREASURY MONEY MARKET	86,052.00	86,052.00	0.00				
04-30-97	05-01-97	4,121	FIDELITY SPARTAN US TREASURY MONEY MARKET	4,121.00	4,121.00	0.00				
12-04-91	05-05-97	2,500	AMGEN INC	67,812.50	146,875.00				79,062.50	
05-30-97	07-03-97	88,513	FIDELITY SPARTAN US TREASURY MONEY MARKET	88,513.00	88,513.00	0.00				
06-30-97	07-03-97	64,386	FIDELITY SPARTAN US TREASURY MONEY MARKET	64,386.00	64,386.00	0.00				
12-31-92	07-03-97	13,850	ORACLE CORPORATION	76,944.44	699,425.00					622,480.56
12-31-92	10-07-97	2,925	ORACLE CORPORATION	10,833.33	104,568.75					93,735.42
07-31-97	10-27-97	76,631	FIDELITY SPARTAN US TREASURY MONEY MARKET	76,631.00	76,631.00	0.00				
08-29-97	10-27-97	70,848	FIDELITY SPARTAN US TREASURY MONEY MARKET	70,848.00	70,848.00	0.00				
09-30-97	10-27-97	73,726	FIDELITY SPARTAN US TREASURY MONEY MARKET	73,726.00	73,726.00	0.00				
09-25-92	11-25-97	0	TRAVELERS GROUP INC	3.56	24.75					21.19
10-31-97	12-01-97	75,699	FIDELITY SPARTAN US TREASURY MONEY MARKET	75,699.00	75,699.00	0.00				
11-28-97	12-01-97	93,577	FIDELITY SPARTAN US TREASURY MONEY MARKET	93,577.00	93,577.00	0.00				
04-12-95	12-01-97	3,200	MICROSOFT CORP	110,400.00	460,000.00					349,600.00
12-01-97	12-01-97	0	SIEBEL SYSTEMS INC	13.46	13.46	0.00				
04-12-95	12-11-97	9,000	MICROSOFT CORP	310,500.00	1,260,000.00					949,500.00
TOTAL GAINS						0.00	0.00	0.00	110,400.00	2,015,337.16
TOTAL LOSSES						0.00	0.00	0.00	0.00	0.00
				1,483,105.80	3,608,842.96	0.00	0.00	0.00	110,400.00	2,015,337.16

TOTAL REALIZED GAIN/LOSS 2,125,737.16

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