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April 19, 2011  
**Monitored Company Profile**  
**China**  
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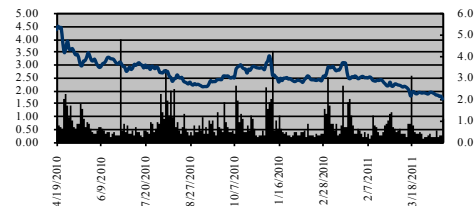
## MONITORED COMPANY PROFILE

### AgFeed Industries, Inc. (NasdaqGS: FEED)

**Company Address**  
 Suite A1001-1002 Tower 16  
 Hengmao Int'l Center Nanchang  
 City, Jiangxi Province 330003, China  
 Tel: 86 79 1666 9093

**Management**  
 Chairman & CEO: John Stadler  
 CFO: Edward Pazdro  
 COO: Gerard Daignault

**Auditor**  
 McGladrey &  
 Pullen, LLP



### Financial Overview

Current Price	\$ 1.59	All figures in \$MM (Except per share)						
		FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	
Diluted Shares (mm)	47.5	Total Revenue	7.6	8.6	36.2	143.7	173.2	243.6
Float (mm)	43.4	Growth Y/Y %	N/A	12.9%	320.8%	297.3%	20.6%	40.7%
Short Interest (mm)	3.0	Gross Profit	2.3	3.1	10.4	34.4	26.5	14.7
Average Daily Volume (k)	0.6	Margin %	29.9%	36.6%	28.8%	23.9%	15.3%	6.0%
52-week Range	4.55 - 1.52	Y/Y Growth %	N/A	38.5%	230.3%	230.7%	-22.8%	-44.7%
<b>Market Cap (mm)</b>	<b>\$ 88.69</b>	EBITDA	1.0	1.1	6.5	25.6	14.4	-5.1
Cash & Investments (mm)	12.4	Margin %	12.7%	13.3%	17.9%	17.8%	8.3%	-2.1%
Debt (mm)	74.1	Y/Y Growth %	N/A	18.2%	468.2%	295.4%	-44.0%	-135.2%
Enterprise Value (mm)	150.6	EBIT	0.9	1.0	6.3	23.9	11.7	-8.7
Net Cash/SH	-1.3	Margin %	11.6%	12.0%	17.5%	16.7%	6.7%	-3.6%
Tangible Book Value/Sh	1.9	Y/Y Growth %	N/A	17.4%	511.4%	278.8%	-51.3%	-174.6%
		Net Income	0.6	1.2	6.7	16.9	10.3	-42.7
		Margin %	7.4%	13.7%	18.4%	11.8%	6.0%	-17.5%
		Y/Y Growth %	N/A	109.6%	466.9%	154.4%	-38.9%	-512.7%
		Diluted EPS	\$ 0.04	\$ 0.07	\$ 0.25	\$ 0.53	\$ 0.25	\$ (0.90)
		Growth Y/Y %	N/A	75.0%	257.1%	112.0%	-52.8%	-460.0%

### Agfeed: A Company in Transition

AgFeed, like many of the early US-listed Chinese companies, has had a volatile public existence. The company listed originally as an RTO and very quickly built a following that drove the market capitalization near \$500MM. The investor interest came on the heels of rapidly rising pork prices and the evolving story in which the company intended to acquire a network of farms that would position it as the largest hog producer in China. That was then and this is now; soon after the acquisitions and a series of capital raises, reality settled into both the Chinese pork market and the US equities market. Over the next year pork prices had been more than cut in half and, from its all-time high, shares of AgFeed declined by approximately 90%. Over this period of time, the company had undergone a significant transformation that has taken it from a provincial Chinese pig and feed producer to a multi-national commercial hog company with a meaningful production base in the US and what is becoming one of the largest modern commercial farms in China. These changes have been driven by a nearly complete turnover in executive and senior management with US hog industry experts (and US citizens) manning all of the top positions. The company is still in its transition and shares have continued to remain under pressure as management has written off legacy assets and discussed a recapitalization plan that involves a potential spin-out of the nutrition business. However, management still has a lot of work to do to complete the turnaround and to be well positioned as a public company. We plan to continue monitoring AgFeed's progress in this transition.

**SEE DISCLAIMER & OTHER DISCLOSURES AT THE END OF THIS REPORT**

## The Recent Evolution of AgFeed's Business Model

FEED was brought public through the much maligned reverse takeover (RTO) process in 2007. At the time, the company was a small player in the animal nutrition space, largely through nutritional supplements and blended feed products sold into the Chinese pork industry. The intention of creating a public company was to source growth capital that would enable FEED to become a consolidator in the large and highly fragmented Chinese pork industry. The company conducted several capital raises in early 2008 with the use of proceeds being a series of acquisitions in which they bought small, private hog farms in an effort to build a network of farms, ranging from 600 to 1,500 productive sows at each location. The company had amassed several hundred thousand head of pigs production capacity through these asset acquisitions. This strategy was driven by strong price increases across the pork market created by a series of events including disease breakout and inclement weather which resulted in supply shortages. The company intended to build accretion through a private to public arbitrage, the ability to use the then highly valued equity capital as a source of funds with which management could buy smaller players at 3x-5x earnings and fold their operations into the AgFeed network. By late 2008/early 2009 the price of pork had fallen off precipitously, returning to more normalized historic levels at which time street estimates had set the company up for disappointment. Additionally, management's lack of public company experience began to show through, drawing interest from a number of short sellers and causing many of the traditional investors to exit the stock. The company was left in a precarious situation, in which they had amassed a significant amount of traditional hog assets that had little to no synergistic value at a time when pork prices had hit all-time highs. And with prices dropping, profitability and strategy came into question. While there was scale, from an operating capacity standpoint, in the aggregated network, there was little structure and no real operating leverage or true growth strategy for the company to follow through a challenging market period.

At this point the company engaged consultants with US hog industry experience. We believe management had come to the conclusion that they needed to determine a plan of action from here and that they did not have the industry experience to recognize what they had vs. what they needed in order to be successful. This was a significant turning point for the company and what began as a consulting relationship has evolved into an almost full change in the executive and senior management roles and the addition of several industry players as board members. Below is an illustration of this change; here we have the FY 2010 management composition and background description and below that we see the same information from FY 2007. Through selective hires and the acquisition of a US-based hog producer, M2P2, the company has transformed itself from a small provincial farm collection into what is becoming a significant multi-national commercial pig producer. This transition is still in progress as many of the original farm assets were written down in Q4 and the company has only recently added a CFO with meaningful US experience while there remain internal control weaknesses as reported by its auditor, McGladrey & Pullen, LLP. Operationally the company has completed the construction process and begun the biological process for its China-based genetic nucleus, boar stud farm and its first full-scale commercial farm which at capacity the model would accommodate 20,000 productive sows and 400 boars, which can produce ~500,000 pigs annually. The operational structure has been modeled after industry-leading US farms and utilizes world class husbandry technology to limit the labor intensive nature of the process and to better monitor feed, water, health and climate conditions.

**Management Team Comparison of 2010 and 2007**

2010 AgFeed Management Team		
Position & Title	Name	Bio
Chairman and CEO	<u><a href="#">John Stadler</a></u>	Mr. Stadler, a founder of M2 P2, LLC and its former Chairman, has over 45 years of experience as a senior executive and investor in the animal production and processing industry.
Vice Chairman of the Company's hog production business	<u><a href="#">Dr. Songyan Li</a></u>	Former Chairman
Chief Financial Officer	<u><a href="#">Edward Pazdro</a></u>	Mr. Pazdro has more than 25 years of financial expertise to Holdings. For the past five years, he served as the Controller for PIC USA Inc., a subsidiary of biotechnology leader Genus plc, an international leader in providing genetically superior pig breeding stock and technical support for maximizing genetic potential to the global pork chain. Mr. Pazdro possesses broad-based financial management experience, which he gained at National Futures Association and global organizations including Tate & Lyle North America, Inc. and Gambro, Inc. Mr. Pazdro has been a certified public accountant since 1981.
Board of Directors and as a member of its Audit Committee.	<u><a href="#">Milton P. Webster, III</a></u>	Mr. Webster received his MBA from the University of Chicago in 1971 and is a partner of Anchor Equities, LLC a private equity firm. Mr. Webster's experience has included serving as an advisor to Wasserstein & Perella, Inc. in connection with their strategic advisory and financing activities in the Greater China Region and since 1978, as a principal investor and advisor in the acquisition, operations, improvement and sale of the assets of undervalued companies.
President	<u><a href="#">Raymond M. Cesca</a></u>	From August 2006 to July 2009, Mr. Cesca served as president of the World Agricultural Forum, an international agriculture and agribusiness-driven forum promoting the role agriculture plays in economic development and food security, after serving on its board of advisors since 1996. Since January 2000, he also serves as president and chief executive officer of Global Alliance for Economic Advancement (GAEA), a market development, trade and strategic planning organization that promotes the development of small to medium-sized enterprises in support of economic advancement in developing countries.
Chief Operating Officer	<u><a href="#">Gerard Daignault</a></u>	Prior to joining AgFeed, Mr. Daignault has more than 26 years of senior US executive experience including 18 years at the Chief Financial Officer level for several leading U.S. and global agricultural companies in animal feed and hog production. He co-founded Spectrum Agribusiness LLC in 2006 and served as its Managing Director from October 2007 to August 2008. He served as Director of Finance/Chief Financial Officer of Purina Mills LLC, the largest U.S. feed company since 1980 and Chief Financial Officer of PMAG Products, a subsidiary of Tate & Lyle, N.A since 1990. Mr. Daignault also served as Chief Financial Officer of Newsham Hybrids Genetics. From May 2004 to October 2007, he served as Chief Financial Officer and Director of Finance of PIC North America, Inc., where he was responsible for operational and organizational restructuring that allowed PIC to profitably reposition itself to meet the needs of the rapidly consolidating North American pork industry. He serves as Member of Advisory Board at Covenant Group of China, Inc. Mr. Daignault has a Bachelor's Degree in finance and accounting from the University of MissAgFeed in 1979.
2007 AgFeed Management Team		
Position & Title	Name	Bio
Chairman	<u><a href="#">Dr. Songyan Li</a></u>	Dr. Songyan Li, PhD founded Nanchang Best and served as its Manager of the Technical Research and Development Department since 1995. Dr. Li has been Chief Technology Officer of AgFeed Industries, Inc. since April 2009. He has been Vice Chairman of Hog Production Business at AgFeed Industries, Inc. since February 14, 2011. He served as Executive Chairman of AgFeed Industries, Inc. from December 2006 to February 14, 2011. Prior to Nanchang Best, Dr. Li served as Technical Manager of Guangxi Peter Hand Premix Feed Co. Ltd. from 1991 to 1994. He serves as Chairman of the Board of Directors of Nanchang Best since 2004. Dr. Li served as Chairman of the Board of Wallace Mountain ResAgFeedces Corp. since October 31, 2006. He served as a Director of AgFeed Industries, Inc. until February 14, 2011. He received his PhD in Animal Nutrition from Nanjing Agricultural University in 2004.
Chief Financial Officer and Chief Accounting Officer	<u><a href="#">Liangfan Yan</a></u>	Mr. Liang Fan Yan has been Internal Controller of AgFeed Industries, Inc. since April 2009. Mr. Yan served as Chief Financial Officer of AgFeed Industries, Inc., from November 2006 to April 2009 and its Principal Accounting Officer until April 2009. He served as Chief Financial Officer of Wallace Mountain ResAgFeedces Corp. since October 31, 2006. Mr. Yan also served as Chief Executive Officer of Nanchang Best from October 2005 to November 2006. He served as a Financial Consultant of Nanchang Best from November 2003 to October 2005. Mr. Yan served as the Senior Manager of Chengdu Accounting Firm from 2002 to 2003. From 1996 to 2001, he served as the Section Chief of the Audit Inspection Department of the New Hope Group. Mr. Yan holds the certification of CPA in China and Graduated from Correspondence College of Economics of Beijing in 1989.
Chief Executive Officer and Vice Chairman	<u><a href="#">Junhong Xiong</a></u>	Mr. Xiong has served as AgFeed Chief Executive Officer and Vice Chairman since November 2006. Mr. Xiong has also served as Chief Executive Officer of Nanchang Best since its founding in 1995. Prior to that, Mr. Xiong worked for Guangzhou Huashi Animal Nutritionals Company as a sales representative, sales manager, and head of marketing from 1993 to 1995. He was a technician at the Chongming Progressing Farm Company in Shanghai from 1992 to 1993. Mr. Xiong graduated from Animal Husbandry & Veterinary College in Jiangxi Agricultural University and received a Bachelors Degree in 1992.

**Recent Photos From Da Hua Commercial Farm Project**

On Feb 23, 2011, AgFeed announced the delivery of live animals to AgFeed’s first western-style hog production pod in Da Hua in Guangxi Province. The Da Hua farm, which broke ground in November 2009, has been built using western style design and technologies for the production of hogs. The initial Da Hua farm is currently in its transition from the construction process into the production mode.

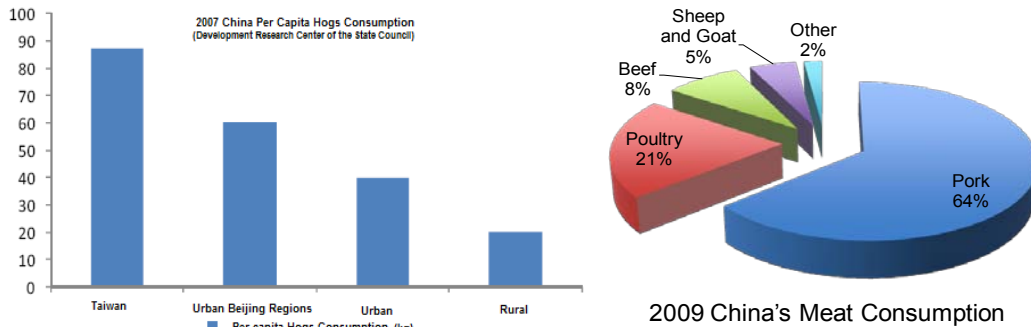
**Overview of Da Hua Farm**



Source: Company, GHS Research

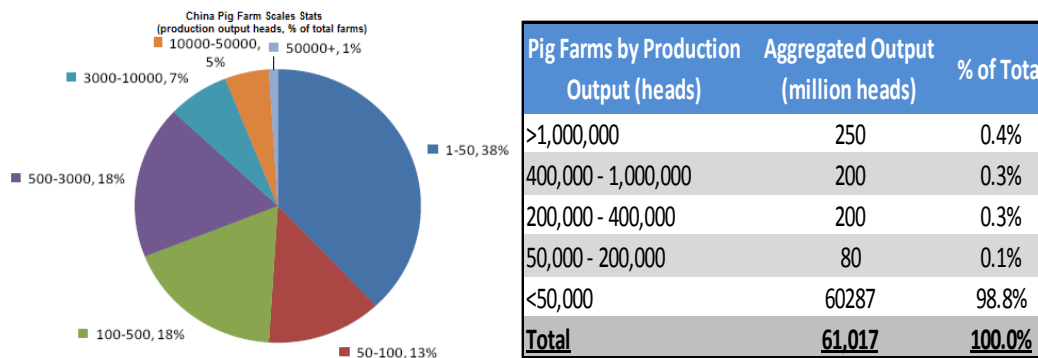
**China Pork Industry Overview**

- **China consumes approximately 50% of the world’s pork.** Pork is the protein of choice throughout China, accounting for ~64% of total meat consumption. By contrast, poultry is ~21% while lamb and beef combined account for ~13%. On a per capita basis, projections show that the Chinese could be consuming up to 72kg (158lbs) of protein per year by 2012. This is dramatic growth from the 2007 census that measured average Chinese protein consumption at 136lbs.



Source: Company, National Statistics Bureau, Development Research Center of the State Council

- **Extremely fragmented market provides opportunities for modern commercial hog farms.** In China, total production of pig farms with annual output of over 50,000 heads only accounts for approximately 1% of the national total pig productions, while 98.8% hogs are being raised by small local farmers.



Source: China Meat Associations, Dakang Husbandry, GHS Research

- **Government support and incentives.** The PRC government offers significant support to the commercial hog producers. Generally the pig raising farms are completely exempt from income tax and receive various subsidies to support its business operations.

#### **What it takes to be successful in Animal Husbandry**

Success in the pork industry, regardless of geographic location, revolves around the efficiency of production; the ability to drive costs down on a per animal basis in order to maximize profitability despite price fluctuations in both inputs (feed) and pork prices. Nowhere has this been more true than in the North American pork industry in which rising corn prices and an oversupply of breeding stock has created a market dynamic in which many producers have been forced to rationalize stock rather than grow pigs to maturity because they would be losing money on a gross basis. The current management of Agfeed are nearly all former US hog industry leaders, many joining as a result of the acquisition of M2P2, a US hog producer selling exclusively to Hormel processors. These individuals have made it their lives work to create a strong genetics program to ensure adequate breeding stock, conservative disease control practices in order to prevent and address disease and general husbandry practices focused on maximizing efficiencies, largely on feed conversion as feed (corn, soy mash and nutritional additives) accounts for the largest component of COGS for any producer. AgFeed has essentially assembled a team of US commercial hog experts that have brought modern farming practices to build and consolidate China's large but fragmented and antiquated hog industry.

#### **What is needed to complete the Turnaround – Time and Proof of Concept**

The company is still in the process of bringing its first commercial farm on line and has only recently completed the write down of the legacy hog assets. The model that management has put forward appears attractive in concept but we believe investors will likely want to see the economic rewards recognized from the strategy shift before shares garner a material institutional investor following. The right changes have been made and the right people have been brought in to see this to fruition, now it is a matter of execution and striking a balance between the operational side of the business and capital markets efforts to rebuild the shareholder base.

#### **FY2010 Financial Results Recap**

- FY2010 revenue of \$243.6MM, up 40.7% from \$173.2MM in FY2009.
- Gross profit in FY2010 declined by 44.7% to \$14.7MM from \$26.5MM in FY2009.
- AgFeed reported FY2010 loss of \$42.7MM, or \$(0.90) per fully diluted share. According to the company, AgFeed's loss for 2010 is attributable to operating losses in its legacy Chinese hog production system of \$14.9MM, of which \$8.9MM was attributable to eight legacy farms being closed and non-cash, non-recurring, write downs and reserves of \$30.6MM related to the restructuring of this business unit. This \$30.6MM in asset write downs included \$16.8MM of goodwill written off during Q3 FY2010, \$4.8MM of goodwill written off during Q4 FY2010 and \$9MM of fixed assets written down during Q4 FY2010.
- The company had \$12.4MM in cash, \$4.6MM in short-term debt and \$66.9MM in long-term debt as of FY2010.
- Total accounts receivable of \$21.9MM and inventory of \$84.6MM as of FY2010, which translates into a DSO of 20 days and inventory outstanding of 135 days.
- Operating cash outflow of \$10.0MM in FY2010, compared to inflow of \$3.9MM and \$18.5MM in FY2009 and FY2008, respectively.
- As of December 31, 2010, the company had 47.5 common and diluted shares on a weighted average base.

## Comparable Sheet

Name	Ticker	Rating	Price	Market Value	EV	Net Debt/Total Cap	P/E			PEG	EV/EBITDA		
							2009	2010	2011		'08 - '11	2009	2010
China Yurun Food Group Ltd.	1068	Not Rated	\$3.70	\$6,707.5	\$6,407.9	-4.2%	26.3	23.7	17.5	1.3	24.8	18.8	13.5
People's Food Holdings Ltd.	P05	Not Rated	\$0.63	\$709.7	\$479.9	-28.3%	49.6	11.0	7.9	NA	6.3	NA	NA
Tianli Agritech, Inc.	OINK	Not Rated	\$3.43	\$34.7	\$27.5	-20.5%	6.2	NA	NA	NA	5.1	NA	NA
Yuhe International, Inc.	YUII	Buy	\$5.70	\$115.4	\$92.9	-17.7%	7.0	5.0	3.5	0.3	6.0	4.4	2.7
American Lorain Corporation	ALN	Buy	\$2.14	\$73.7	\$86.1	11.5%	3.9	3.6	3.2	0.9	3.6	2.8	2.4
Sen Yu International Holdings, Inc	CSWG	Not Rated	\$3.27	\$64.6	\$53.3	-16.5%	0.0	NA	NA	NA	9.6	NA	NA
China Nutrifruit Group Limited	CNGL	Not Rated	\$2.44	\$89.8	\$65.5	-27.1%	18.1	5.1	NA	NA	6.3	2.5	NA
China Marine Food Group Limited	CMFO	Buy	\$3.75	\$108.7	\$93.4	-14.0%	5.9	4.9	3.8	0.3	5.7	3.3	2.5
Zhongpin, Inc.	HOGS	Accumulate	\$15.81	\$638.0	\$775.2	16.0%	10.7	9.8	8.5	0.7	12.4	10.2	7.4
Zhengzhou Sanquan Foods Co.,	002216	Not Rated	\$5.41	\$1,011.5	\$930.6	-7.9%	74.1	53.5	35.3	2.5	51.6	40.9	31.5
Sichuan Gaojin Food Co. Ltd.	002143	Not Rated	\$1.61	\$258.3	\$334.5	20.2%	247.9	50.5	30.9	NA	40.7	NA	NA
Shandong Minhe Animal Husbandry	002234	Not Rated	\$3.53	\$379.9	\$418.3	8.7%	NA	51.8	37.2	6.9	305.8	27.6	16.4
Tongwei Co. Ltd.	600438	Not Rated	\$1.46	\$1,004.2	\$1,165.5	12.9%	46.8	32.1	24.1	1.7	12.7	12.4	10.0
COFCO Xinjiang Tunhe Co., Ltd.	600737	Not Rated	\$1.79	\$1,796.7	\$2,301.6	21.6%	45.8	29.0	25.0	2.7	30.6	17.4	17.2
Xinjiang Chalkistomato Co., Ltd.	000972	Not Rated	\$2.23	\$1,076.8	\$1,612.8	31.5%	246.0	NA	38.1	NA	35.3	29.9	17.6
Dalian Tianbao Green Foods Co.,	002220	Not Rated	\$2.90	\$569.2	\$649.8	12.3%	50.8	36.5	25.1	1.8	32.3	NA	NA
SkyPeople Fruit Juice, Inc.	SFU	Not Rated	\$3.80	\$97.6	\$59.0	-35.6%	4.6	4.1	4.2	0.4	2.6	1.8	1.5
Hefei Fengle Seed Co. Ltd.	000713	Not Rated	\$2.82	\$841.9	\$864.5	2.5%	77.0	47.3	45.6	3.1	64.5	28.6	33.2
Xinjiang Talimu Agriculture Devel	600359	Not Rated	\$2.40	\$771.1	\$899.2	13.4%	87.0	49.5	NA	NA	30.4	NA	NA
<b>China Average</b>				<b>\$860.5</b>	<b>\$911.5</b>	<b>-1.1%</b>	<b>25.2</b>	<b>20.5</b>	<b>13.6</b>	<b>1.9</b>	<b>33.1</b>	<b>15.4</b>	<b>11.3</b>
Golden Agri-Resources Ltd.	ESH	Not Rated	\$0.56	\$6,747.5	\$7,569.9	10.5%	10.6	17.9	13.2	NA	19.4	12.3	9.0
Pilgrims Pride Corporation	PPC	Not Rated	\$7.24	\$1,552.8	\$2,784.5	42.6%	4.0	16.5	98.7	NA	11.3	6.1	9.2
Overhill Farms Inc.	OFI	Not Rated	\$6.10	\$96.5	\$100.8	4.1%	11.6	NA	NA	NA	5.3	NA	NA
BRF - Brasil Foods S.A.	BRFS3	Not Rated	\$19.42	\$16,821.2	\$19,247.4	11.5%	166.3	42.8	22.4	2.3	56.3	13.9	10.6
Archer Daniels Midland Company	ADM	Not Rated	\$34.45	\$21,955.1	\$33,481.1	33.3%	13.2	12.0	10.2	1.8	9.6	10.5	8.7
Smithfield Foods Inc.	SFD	Not Rated	\$23.01	\$3,820.9	\$5,750.8	30.5%	NA	NA	8.0	0.5	28.3	14.6	5.0
Chiquita Brands International Inc.	CQB	Not Rated	\$14.68	\$666.7	\$1,144.4	36.7%	7.2	13.4	8.2	NA	5.6	7.1	5.8
Cal-Maine Foods, Inc.	CALM	Not Rated	\$28.89	\$689.5	\$584.9	-13.1%	8.6	10.7	11.8	NA	3.9	4.6	6.0
Bunge Limited	BG	Not Rated	\$70.61	\$10,368.7	\$14,632.7	28.0%	31.5	18.8	12.0	NA	42.8	9.9	7.8
Hormel Foods Corp.	HRL	Not Rated	\$28.29	\$7,554.5	\$7,255.0	-3.8%	22.2	19.4	16.8	1.6	11.0	9.5	8.5
Tyson Foods Inc.	TSN	Not Rated	\$19.48	\$7,353.7	\$8,779.7	14.4%	NA	9.2	9.5	0.8	10.1	4.3	4.5
Sanderson Farms, Inc.	SAFM	Not Rated	\$45.22	\$1,000.2	\$1,062.5	5.9%	11.5	8.0	NA	NA	5.9	4.4	NA
ConAgra Foods, Inc.	CAG	Not Rated	\$24.37	\$9,964.7	\$12,314.3	17.8%	11.3	14.0	13.8	NA	8.5	7.4	7.4
<b>Large Cap Average</b>				<b>\$6,814.8</b>	<b>\$8,823.7</b>	<b>16.8%</b>	<b>13.2</b>	<b>14.0</b>	<b>20.4</b>	<b>1.3</b>	<b>10.8</b>	<b>8.7</b>	<b>7.5</b>
<b>Combined AVERAGE</b>				<b>\$3,837.6</b>	<b>\$4,867.6</b>	<b>7.8%</b>	<b>19.2</b>	<b>17.3</b>	<b>17.0</b>	<b>1.6</b>	<b>22.0</b>	<b>12.1</b>	<b>9.4</b>
AgFeed Industries, Inc.	FEED	Not Rated	\$1.59	\$56.2	\$221.2	58.2%	1.1	1.0	0.9	0.1	3.5	2.8	2.1

Source: GHS Research

## Historical Financial Statements

<b>Income Statement</b>							
For the Fiscal Period Ending	12 months		12 months		12 months		12 months
	Dec-31-2005	Dec-31-2006	Dec-31-2007	Dec-31-2008	Dec-31-2009	Dec-31-2010	
Currency	\$MM	USD	\$MM	USD	\$MM	USD	\$MM
<b>Total Revenue</b>	<b>7.6</b>	<b>8.6</b>	<b>36.2</b>	<b>143.7</b>	<b>173.2</b>	<b>243.6</b>	
<b>Gross Profit</b>	<b>2.3</b>	<b>3.1</b>	<b>10.4</b>	<b>34.4</b>	<b>26.5</b>	<b>14.7</b>	
Selling General & Admin Exp.	1.4	2.1	4.1	10.5	14.9	23.4	
R & D Exp.	-	-	-	-	-	-	
Depreciation & Amort.	-	-	-	-	-	-	
Other Operating Expense/(Income)	-	-	-	-	-	-	
<b>Operating Income</b>	<b>0.9</b>	<b>1.0</b>	<b>6.3</b>	<b>23.9</b>	<b>11.7</b>	<b>(8.7)</b>	
Interest Expense	0	0	(0.2)	(5.7)	(1.0)	(1.4)	
Interest and Invest. Income	-	0.0	0.1	0.2	0.2	0.1	
<b>Net Interest Exp.</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>(5.5)</b>	<b>(0.8)</b>	<b>(1.2)</b>	
Currency Exchange Gains (Loss)	-	-	-	(0.6)	0	0	
Other Non-Operating Inc. (Exp.)	0	0.0	0.2	0.1	0.5	(0.1)	
<b>EBT Excl. Unusual Items</b>	<b>0.8</b>	<b>1.1</b>	<b>6.5</b>	<b>18.0</b>	<b>11.3</b>	<b>(10.0)</b>	
Merger & Related Restruct. Charges	-	-	-	-	-	(1.1)	
Impairment of Goodwill	-	-	-	-	-	(21.6)	
Asset Writedown	-	-	-	-	-	(9.0)	
Other Unusual Items	-	-	-	-	-	-	
<b>EBT Incl. Unusual Items</b>	<b>0.8</b>	<b>1.1</b>	<b>6.5</b>	<b>18.0</b>	<b>11.3</b>	<b>(41.8)</b>	
Income Tax Expense	0.3	(0.1)	(0.2)	0.6	1.1	1.2	
<b>Net Income to Company</b>	<b>0.6</b>	<b>1.2</b>	<b>6.7</b>	<b>17.4</b>	<b>10.2</b>	<b>(43.0)</b>	
Minority Int. in Earnings	-	-	-	(0.4)	0.2	0.3	
<b>Net Income</b>	<b>0.6</b>	<b>1.2</b>	<b>6.7</b>	<b>16.9</b>	<b>10.3</b>	<b>(42.7)</b>	
<b>Per Share Items</b>							
Basic EPS	\$0.037	\$0.066	\$0.255	\$0.537	\$0.253	(\$0.9)	
Weighted Avg. Basic Shares Out.	15.0	17.9	26.1	31.6	41.0	47.5	

Source: SEC filings, Capital IQ, GHS Research

<b>Balance Sheet</b>						
<b>Balance Sheet as of:</b>						
<b>Currency</b>	<b>Dec-31-2006</b>	<b>Dec-31-2007</b>	<b>Dec-31-2008</b>	<b>Dec-31-2009</b>	<b>Dec-31-2010</b>	
	<b>\$MM USD</b>	<b>\$MM USD</b>	<b>\$MM USD</b>	<b>\$MM USD</b>	<b>\$MM USD</b>	
<b>ASSETS</b>						
Cash And Equivalents	1.2	7.7	24.8	37.6	12.4	
<b>Total Cash &amp; ST Investments</b>	<b>1.2</b>	<b>7.7</b>	<b>24.8</b>	<b>37.6</b>	<b>12.4</b>	
Accounts Receivable	1.9	6.1	9.5	14.4	21.9	
Other Receivables	0.4	0.5	2.1	2.2	-	
<b>Total Receivables</b>	<b>2.3</b>	<b>6.6</b>	<b>11.5</b>	<b>16.6</b>	<b>21.9</b>	
Inventory	0.8	2.7	20.6	23.8	84.6	
Prepaid Exp.	0.0	0.6	1.2	1.4	1.2	
Deferred Tax Assets, Curr.	-	-	-	-	0.1	
Other Current Assets	1.0	0.4	0.8	1.2	2.8	
<b>Total Current Assets</b>	<b>5.3</b>	<b>18.1</b>	<b>58.9</b>	<b>80.5</b>	<b>122.9</b>	
Gross Property, Plant & Equipment	1.7	4.7	33.8	38.8	71.8	
Accumulated Depreciation	(0.3)	(0.5)	(2.1)	(4.2)	(5.8)	
<b>Net Property, Plant &amp; Equipment</b>	<b>1.4</b>	<b>4.2</b>	<b>31.7</b>	<b>34.6</b>	<b>66.0</b>	
Goodwill	-	-	-	42.7	22.4	
Other Intangibles	0.5	0.8	43.8	1.1	5.8	
Deferred Tax Assets, LT	-	-	-	-	2.3	
Other Long-Term Assets	-	-	2.6	4.0	4.1	
<b>Total Assets</b>	<b>7.3</b>	<b>23.1</b>	<b>137.1</b>	<b>162.9</b>	<b>223.5</b>	
<b>LIABILITIES</b>						
Accounts Payable	0.8	1.5	5.2	6.2	9.7	
Accrued Exp.	0.1	0.2	1.1	1.2	7.1	
Short-term Borrowings	1.8	1.1	-	4.4	4.6	
Curr. Port. of LT Debt	-	-	-	-	2.7	
Curr. Income Taxes Payable	0.3	0.0	0.5	0.4	1.9	
Unearned Revenue, Current	0.1	0.1	0.3	0.6	0.5	
Other Current Liabilities	0.8	0.7	5.8	1.9	4.7	
<b>Total Current Liabilities</b>	<b>3.9</b>	<b>3.6</b>	<b>12.9</b>	<b>14.6</b>	<b>31.2</b>	
Long-Term Debt	-	-	3.2	0.9	66.9	
Other Non-Current Liabilities	-	-	-	-	-	
<b>Total Liabilities</b>	<b>3.9</b>	<b>3.6</b>	<b>16.1</b>	<b>15.5</b>	<b>98.0</b>	
Common Stock	0.0	0.0	0.0	0.0	0.1	
Additional Paid In Capital	1.3	10.1	90.9	109.3	125.8	
Retained Earnings	1.9	8.6	25.5	35.9	(6.8)	
Treasury Stock	-	-	(1.8)	(1.8)	(1.9)	
Comprehensive Inc. and Other	0.1	0.8	4.2	4.2	8.1	
<b>Total Common Equity</b>	<b>3.4</b>	<b>19.5</b>	<b>118.8</b>	<b>147.6</b>	<b>125.3</b>	
Minority Interest	-	-	2.1	(0.2)	0.2	
<b>Total Equity</b>	<b>3.4</b>	<b>19.5</b>	<b>121.0</b>	<b>147.4</b>	<b>125.4</b>	
<b>Total Liabilities And Equity</b>	<b>7.3</b>	<b>23.1</b>	<b>137.1</b>	<b>162.9</b>	<b>223.5</b>	

Source: SEC filings, Capital IQ, GHS Research

<b>Cash Flow</b>						
For the Fiscal Period Ending	12 months		12 months		Restated	
	Dec-31-2005	Dec-31-2006	Dec-31-2007	Dec-31-2008	Dec-31-2009	Dec-31-2010
Currency	\$MM USD	\$MM USD	\$MM USD	\$MM USD	\$MM USD	\$MM USD
<b>Net Income</b>	<b>0.6</b>	<b>1.2</b>	<b>6.7</b>	<b>16.9</b>	<b>10.3</b>	<b>(42.7)</b>
Depreciation & Amort.	0.1	0.1	0.1	1.6	2.6	3.4
Amort. of Goodwill and Intangibles	0.0	0.0	0.0	0.1	0.1	0.2
<b>Depreciation &amp; Amort., Total</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>1.7</b>	<b>2.7</b>	<b>3.6</b>
Other Amortization	-	-	-	4.9	0.7	0.1
(Gain) Loss From Sale Of Assets	0.0	-	0.0	0.0	1.3	2.7
Asset Writedown & Restructuring Costs	-	-	-	-	-	30.6
Stock-Based Compensation	-	-	0.0	0.2	0.6	1.7
Other Operating Activities	-	-	-	0.7	(0.2)	(0.3)
Change in Acc. Receivable	(0.6)	(0.3)	(4.0)	(2.3)	(4.9)	(3.0)
Change In Inventories	0.2	(0.1)	(0.9)	(8.8)	(3.6)	1.5
Change in Acc. Payable	0.2	(0.1)	0.5	3.3	1.0	(2.1)
Change in Unearned Rev.	0.1	0	0.0	0.2	0.3	(0.1)
Change in Inc. Taxes	0.2	(0.2)	(0.3)	0.4	(0.1)	1.5
Change in Def. Taxes	-	-	-	-	-	(2.4)
Change in Other Net Operating Assets	(0.1)	(0.1)	(1.0)	1.1	(4.3)	(1.1)
<b>Cash from Ops.</b>	<b>0.6</b>	<b>0.5</b>	<b>1.1</b>	<b>18.5</b>	<b>3.9</b>	<b>(10.0)</b>
Capital Expenditure	(0.1)	(0.1)	(0.3)	(10.7)	(9.8)	(21.1)
Cash Acquisitions	0	(0.9)	(2.7)	(67.5)	-	(12.0)
Divestitures	-	-	-	-	0.8	-
Sale (Purchase) of Intangible assets	-	-	(0.3)	(0.1)	(0.1)	(0.5)
Invest. in Marketable & Equity Secur.	-	-	-	-	-	-
Net (Inc.) Dec. in Loans Originated/Sold	0.0	-	-	-	-	-
Other Investing Activities	-	-	-	-	-	-
<b>Cash from Investing</b>	<b>(0.1)</b>	<b>(1.0)</b>	<b>(3.3)</b>	<b>(78.3)</b>	<b>(9.0)</b>	<b>(33.6)</b>
Short Term Debt Issued	0.1	1.7	1.0	-	4.5	-
Long-Term Debt Issued	-	-	-	19.0	-	5.5
<b>Total Debt Issued</b>	<b>0.1</b>	<b>1.7</b>	<b>1.0</b>	<b>19.0</b>	<b>4.5</b>	<b>5.5</b>
Short Term Debt Repaid	(0.1)	0	(2.5)	-	-	-
Long-Term Debt Repaid	(0.4)	-	-	(1.2)	-	(0.4)
<b>Total Debt Repaid</b>	<b>(0.5)</b>	<b>0</b>	<b>(2.5)</b>	<b>(1.2)</b>	<b>-</b>	<b>(0.4)</b>
Issuance of Common Stock	0.2	0.3	10.1	68.1	18.1	13.0
Repurchase of Common Stock	-	-	-	(1.8)	-	0
<b>Total Dividends Paid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Dividend Paid	-	-	-	-	-	-
Other Financing Activities	(0.4)	(0.4)	(0.1)	(7.6)	(4.7)	0
<b>Cash from Financing</b>	<b>(0.6)</b>	<b>1.5</b>	<b>8.5</b>	<b>76.5</b>	<b>17.9</b>	<b>17.9</b>
Foreign Exchange Rate Adj.	0.0	0.0	0.2	0.5	0.0	0.4
<b>Net Change in Cash</b>	<b>(0.1)</b>	<b>1.1</b>	<b>6.5</b>	<b>17.1</b>	<b>12.7</b>	<b>(25.2)</b>

Source: SEC filings, Capital IQ, GHS Research

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