Biostar Pharmaceuticals, Inc.

OTCBB : BSPM

www.biostarpharmaceuticals.com

February 16, 2010

DJIA:	10,268.81
S&P 500:	1,094.87
NASDAQ Comp:	2,214.19
Russell 2000:	620.84

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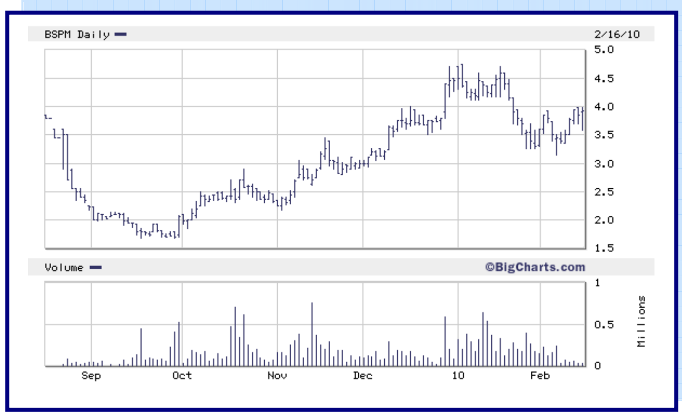
Recommendation: **STRONG BUY**

12 Mo. Price Target: ***$9.13***

COMPANY AND MARKET DATA

Stock Price:	***$3.92***	**Market Cap.:**	***$91.10 M***	**3–mo. Avg. Vol. (est.)**	***230,700***
52 Week Price Range:	***$3.14 – 4.75***	**Shares Outstanding:**	***23.24 M***	**Current Ratio**	***5.86***
Industry/Sector:	***Pharmaceutical***	**Float (est):**	***12.98 M***	**P/E TTM (FY09E)**	***7.75***
FY 2009E EPS	***$0.51***	**FY 2010E EPS**	***$0.70***	**FY 2009E EBITDA %**	***30%***

BASIS FOR RECOMMENDATION



- We are initiating a **STRONG BUY** rating for Biostar Pharmaceuticals, Inc. (OTCBB: BSPM), a Xianyang-based developer, manufacturer and supplier of pharmaceutical products and medical nutrients addressing a variety of diseases and conditions, including hepatitis B, a disease afflicting an estimated 8-10% of the Chinese population. We feel our peer comparison is very strong in this case and that the Company's growth and strategy warrants a higher valuation and rating.
- **Huge Market:** The Chinese pharmaceutical market is expected to reach $68-78 billion by 2013 and rank 3rd in the world.
- **Strong competitive advantages:** The Company's Xin Aoxing Capsule for the treatment of hepatitis B is (and will remain for the foreseeable future because of governement regulation) the only OTC approved drug of its kind, with 93% efficacy and a cost that is pennies on the dollar compared to global competitors.
- **Solid Year-over-Year Growth:** The Company has shown strong revenue and earnings growth in the last three years, growing revenue and earnings from $15.9MM and $4.0MM, respectively in 2007 to giving guidance recently for fiscal 2009 of approximately $55MM and $12MM – roughly a threefold increase during that timeframe. Estimated 3-year sales CAGR (FY07-FY10) = 64.7%.
- **Burgeoning Pipeline:** In addition to the current 15 OTC, prescription and nutraceutical products, the 2010 pipeline consists of three over-the-counter drugs and eight prescription drugs. The Company's goal is to launch three to five new products per year.

BUSINESS / PRODUCT OVERVIEW

Biostar Pharmaceuticals, Inc., a Maryland corporation, through its wholly-owned subsidiary in China, Aoxing Pharmaceutical, develops, manufactures and markets pharmaceutical and medical nutrient products for a variety of diseases and conditions. The Company's leading product is its Xin Aoxing Oleanolic Acid Capsule, an over-the-counter ("OTC") medicine for chronic hepatitis B, a disease affecting approximately 10% of the Chinese population. In addition to its hepatitis product, Biostar manufactures two broad-based OTC products, two prescription-based pharmaceuticals and thirteen nutrients.

Product Lines

Located near the Qinling Mountains in Xian Yang, Biostar has access to more than 3,000 botanic plant varieties, many with medicinal potential. The Company operates an herbal medicine planting base which provides it with many of its needed materials at a significantly lower cost than purchasing from third parties, and eliminates most needs for transportation. Biostar produces and sells five major drugs and remedies:

- AoXing No 1 Oleanolic Acid Capsule - an OTC drug for the treatment of chronic hepatitis B disease.
- Danshen Granule – an OTC cold remedy for symptoms of the common cold, including runny nose, fever, body aches and sneezing
- Gan Wang - a prescription drug treating coronary heart disease, myocardditis (inflammation of heart muscle) and angina pectoris.
- Taohuasan - a prescription drug used for treating children's cough and respiratory tract infection.
- Tianqi Dysmenorrhea - an An OTC traditional Chinese medicine for treating dysmenorrhea, a medical condition characterized by severe uterine pain during menstruation.

The Company's products are currently being sold through an established network of more than 200 dedicated sales people. Biostar is also in the process of testing the China Hepatitis Internet Hospital. This unique, multi-purpose site serves as an effective marketing tool and distribution channel for Biostar's Hepatitis and nutrient products, while providing patients with convenient, confidential and dedicated service, all handled by qualified, responsible personnel.

Company Strategy Brief

Supply Chain Control. The Company is in the process of constructing a raw materials processing facility – connected to its herbal plantation base, which grows twelve of the most widely used medicinal Chinese herbs, including Ginkgo, Prickly Ash, Red Sage Root, Schisandra Chinensis and Eucommia. This vertical step helps to facilitate progress in several areas. Biostar's goal is to utilize 25% of raw material production internally for better quality control. Biostar aims to generate another source of revenue as it will sell the remaining 75% externally.

New Product Development / R&D. The Company has a highly focused development team that is in the process of developing new products and expanding and diversifying the product line(s). The 2010 pipeline consists of three over-the-counter drugs and eight prescription drugs.

Acquisitions. Biostar's goal is to make strategic acquisitions when appropriate and take advantage of depressed valuations. In December, the Company announced it had signed a letter of intent with a Xi'an-based medical equipment and nutrients manufacturer that manufactures and distributes topical hernia treatment belts - with two traditional Chinese medicine bags being applied to body points associated with hernia. This acquisition could open a significant a medical equipment distribution opportunity for the Company.

Sales and Marketing. The Company is employing a large direct sales force of 200 people and aggressively pursuing a first-mover advantage in the massive Chinese rural market by selling its products through small rural health clinics. Biostar currently has 3,512 sales outlets in six provinces, with plans to expand to 10,000 in several more provinces by the end of 2010.

Increase Capacity. Biostar could reach a capacity of $100 million in annual production output. The Company is currently operating at 60% with the goal of reaching 80% in 2010. Its raw materials processing facility is expected to have capacity of 500 tons/year of raw material.

MARKET SNAPSHOT

The Chinese Pharmaceutical Market

China represents one of the world's largest pharmaceutical and nutraceutical markets. According to IMS Health Inc., which provides market data on the pharmaceutical and healthcare industries, China is poised to become the world's third biggest pharmaceutical market by 2013, up from its current No. 5 spot. The $24.5 billion market is expected to grow to $68 billion to $78 billion by 2013 (or 22% annually according to IMS Health, Inc.), following only the United States and Japan. With its population of over one billion people, rising middle-class, aging population and fast-growing economy (still over 10% last year), China presents significant potential for the pharmaceutical and nutraceutical industries. It is estimated that domestic drug companies hold a 70% market share.

In many ways, the Chinese pharmaceutical industry has mirrored that of the United States, yet decades behind. In the early years, the industry was unfortunately like some others in China, mired with false claims of indications and effectiveness, and poor quality. Today, quality is paramount and the government has realized that drugs are not like other industries and must be regulated much more heavily. Indeed, there were as many as 5,000 drug companies in 2004, but only 3,500 in 2007, with that number continuing to drop according to industry experts.

With the SFDA (China's equivalent of the U.S. FDA), coupled with mandatory good manufacturing practices (GMP) and ISO certification to be able to export, the Chinese pharmaceutical industry is rapidly coming up the curve while pushing out the riff-raff. There are regional government standards as well that vary in stringency. Furthermore, Chinese companies know that if they want to compete globally, they must not only have a good reputation, but adhere to international and regional standards as well, such as the EU's COS certification.

The rise in disposable income of many Chinese residents has resulted in greater demand and affordability of prescription and over-the-counter medicines. Furthermore, the increasing population of elderly people in China has resulted in a stronger demand for such medicines and other healthcare-related products, because elderly people tend to spend more money on medicine than younger people, on average. The Chinese population aged 60+ is expected to reach 15% of the total population by 2015. In addition, China has undertaken an ambitious $124 billion effort to provide basic health coverage for the vast majority of its citizens by 2011, further pointing to increased demand for drugs.

Hepatitis B

Fifty to 100 times more infectious than HIV, hepatitis B is a potentially life-threatening liver infection caused by the hepatitis B virus (HBV). It is a major global health problem and the most serious type of viral hepatitis. It can cause chronic liver disease and puts people at high risk of death from cirrhosis (scarring of the liver) and liver cancer. And like HIV, there is no cure – only drugs and treatments that stave off chronic liver damage as long as possible.

Despite the fact that a 95%-effective vaccine against hepatitis B has been available since 1982, the World Health Organization (WHO) estimates that two billion people have been infected with the virus worldwide, and more than 350 million have chronic (long-term) liver infections. An estimated 600,000 persons die each year due to the acute or chronic consequences of hepatitis B. About 25% of adults who become chronically infected during childhood later die from liver cancer or cirrhosis caused by the chronic infection.

According to the WHO, hepatitis B is endemic in China and other parts of Asia. Most people in the region become infected with HBV during childhood. In these regions, 8% to 10% of the adult population are chronically infected. Liver cancer caused by HBV is among the first three causes of death from cancer in men, and a major cause of cancer in women.

PRODUCTS

Clearly, Biostar's flagship product is the AoXing Oleanolic Acid Capsule (aka: Xin Aoxing Capsule), representing nearly 70% of the Company's sales through the first nine months of FY2009, and also its highest gross margin product (78% in Q109). The drug is the only one offered over the counter in Chinese drug stores, after the failure of two competing treatments, according to management.

AoXing Oleanolic Acid Capsule

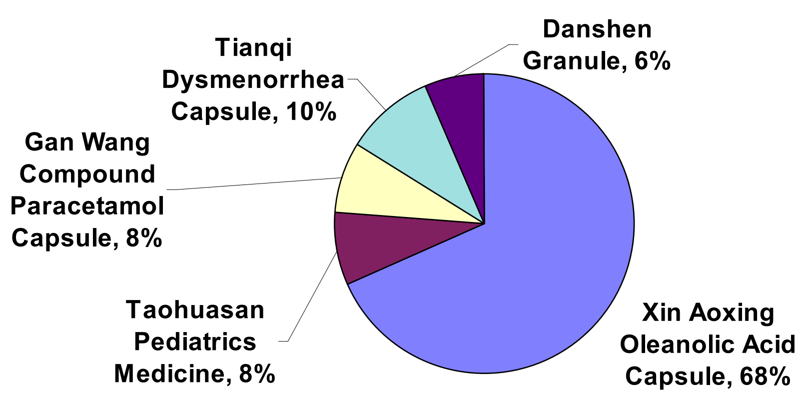
In addition to the products mentioned previously, Biostar manufactures and distributes 10 other nonprescription, prescription and nutraceutical products.

Furthermore, the pipeline for new products (or those just hitting the market) looks strong. The 2010 pipeline consists of three over-the-counter drugs and eight prescription drugs. In October, Biostar announced the Chinese Military Drug Administration granted clearance to begin clinical trials on Biostar's new drug, Zushima Analgesic Aerosol Spray. The Company anticipates formal product approval by the Chinese Military Drug Administration in the second quarter of 2010. Management expects this product to contribute at least $2.0 million to revenues in FY2010.

Also in October, the Company Biostar Pharmaceuticals reported it received a 20-year patent from China's State Intellectual Property Bureau for Aoxing Ganbao, a complementary medicine for the Xin Aoxing Capsule. Ganbao is a traditional Chinese medicine (TCM) product applied topically and effective in nourishing the liver and reducing inflammation with no reported side effects.

Sales and Distribution Strategy

Product Revenue Breakdown
(Nine-Months Ended, 09/30/09)



Biostar is pursuing multiple channels in the distribution of its medicines and remedies. We feel that the most promising one is the rural targeting, both from a business and philanthropic standpoint. Though rapid urban migration is still happening all over the country, it is estimated that the rural population still accounts for over half of China's 1.3 billion people. In November, the Company announced that it had 3,512 sales outlets in six provinces, with plans to expand to 10,000 in several more provinces by the end of 2010.

With that said, Biostar is not forgoing urban centers. Biostar launched its marketing and operational initiatives for selling Xin Aoxing Capsules in Beijing, Shanghai in December, and Tianjin in November. The deployment included staff recruitment, establishing sales offices, engaging distributors and strategic advertisement. Beijing, Shanghai, and Tianjin are three of the largest markets in China with a total population estimated at 50 million, and Biostar will leverage both distributors and direct sales in these three markets. The Company will also consider making acquisitions of distributors to increase its market presence into areas not currently served.

Internally, the Company's products are currently being sold through an established network of more than 200 dedicated sales people and is in the process of testing the China Hepatitis Internet Hospital, a unique, multi-purpose online marketing tool and distribution channel.

OUTLOOK / VALUATION

Historical and Projected Financials

\$000s Actual - A Estimates - E	Fiscal **2007-A** 31-Dec-07		Fiscal **2008-A** 31-Dec-08		**Q1** **2009-A** 31-Mar-09	**Q2** **2009-A** 30-Jun-09	**Q3** **2009-A** 30-Sep-09	**Q4** **2009-E** 31-Dec-09	Fiscal **2009-E** 31-Dec-09		Fiscal **2010-E** 31-Dec-10	
Net Sales	**$ 15,887**	**100%**	**$ 33,911**	**100%**	**$ 7,448**	**$ 13,245**	**$ 15,556**	**$ 18,270**	**$ 54,519**	**100.0%**	**$ 71,000**	**100.0%**
Cost of Sales	5,225	33%	14,059	41%	2,659	3,510	3,585	5,192	15,492	28.4%	17,750	25.0%
Gross Profit	**10,662**	**67%**	**19,852**	**59%**	**4,789**	**9,735**	**11,971**	**13,079**	**39,574**	**72.6%**	**53,250**	**75.0%**
Operating Expenses												
Selling, General & Administrative	5,227	33%	11,444	34%	2,314	4,105	7,719	9,066	23,203	42.6%	31,240	44.0%
Total Operating Expenses	5,227	33%	11,444	34%	2,314	4,105	7,719	9,066	23,203	42.6%	31,240	44.0%
Operating Income (Loss) / EBITDA	**5,435**	**34%**	**8,408**	**25%**	**2,475**	**5,630**	**4,252**	**4,013**	**16,370**	**30.0%**	**22,010**	**31.0%**
Other Expense/(Income)				0%								
Depreciation/Amortization	590	4%	646	2%	166	166	138	138	609	1.1%	609	0.9%
Interest, net	57	0%	38	0%	-	-	-		-	0.0%	50	0.1%
Impairment on Loss of Building	-	0%	-	0%	-	249	-		249	0.5%		0.0%
Foreign Exchange Loss	4	0%	-	0%	-	-	-	-	-	0.0%	-	0.0%
Other	-	0%	-	0%	-	-	-	-	-	0.0%	-	0.0%
Total Other Expense (Income)	651	4%	684	2%	166	415	138	138	858	-1.6%	659	-0.9%
Income (Loss) Before Taxes	4,784	30%	7,724	23%	2,309	5,215	4,114	3,875	15,513	28.5%	21,351	30.1%
Provision for Income Taxes	821	5%	1,033	3%	480	1,360	988	931	3,759	24.3%	5,180	29.2%
Effective Tax Rate	17%		13%		21%	26%	24%	24%	24%		24%	
Net Income (Loss)	**$ 3,963**	**25%**	**$ 6,691**	**42%**	**$ 1,829**	**$ 3,855**	**$ 3,126**	**$ 2,944**	**$ 11,754**	**21.6%**	**$ 16,171**	**22.8%**
Less Preferred Stock Participation	$ -		$ 1,462		$ -	$ -	$ -	$ -	$ -		$ -	
Net Income (Loss) Used for Basic EPS	$ 3,963	25%	$ 5,229		$ 1,829	$ 3,855	$ 3,126	$ 2,944	$ 11,754	21.6%	$ 16,171	22.8%
Basic EPS	**$ 0.20**		**$ 0.23**		**$ 0.08**	**$ 0.17**	**$ 0.13**	**$ 0.13**	**$ 0.51**		**$ 0.70**	
Fully Diluted EPS	**$ 0.19**		**$ 0.22**		**$ 0.08**	**$ 0.16**	**$ 0.13**	**$ 0.11**	**$ 0.48**		**$ 0.56**	
Weighted Average Shares:												
Basic Shares Out.	20,220,037		22,369,434		23,240,899	23,240,899	23,240,899	23,240,899	23,240,899		23,240,899	
Fully Diluted Shares Out.	20,858,278		23,257,470		23,509,458	23,659,071	23,720,233	26,100,000	24,247,191		29,000,000	
3-Year Revenue CAGR (E)			**64.7%**									

Estimates based on previously disclosed management guidance

With a solid operating history and reasonable visibility in the coming year at least, we feel that multiple comparisons, such as price-to-earnings ratio (P/E), and price-to-sales ratio (P/S), also have the best value in our opinion in that they show the current market values of similar companies. To form the basis of our valuation we are using the underlying assumption that the value of the Company should mirror that of its closest peers - based on at least one of the following: product(s), target markets, sales and corporate strategies:

Peer Data

	China Sky One Medical, Inc. (CSKI)	SINOBIOPHARMA, INC. (SNBP.OB)	Skystar Bio Pharmaceutical Company (SKBI)	SciClone Pharmaceuticals, Inc.* (SCLN)	Tongli Pharmaceuticals, Inc. (TGLP.OB)	Dynavax Technologies Corporation* (DVAX)	China-Biotics, Inc. (CHBT)	Idenix Pharmaceuticals Inc.* (IDIX)	Tianyin Pharmaceutical Co., Inc. (TPI)
TTM Sales (000)	$ 126,200	$ 5,379	$ 31,210	$ 69,600	$ 7,030	$ 50,070	$ 71,380	$ 13,840	$ 51,570
TTM EBITDA (000)	$ 47,340	$ 430	$ 10,530	$ 7,440	$ 2,410	$ 1,290	$ 30,590	$ (48,850)	$ 11,810
EBITDA Margin	38%	8%	34%	11%	34%	3%	43%	-353%	23%
Net Earnings (000)	36,100	55	7,940	6,360	1,540	2,800	19,350	(54,860)	7,430
Shares Outstanding (000)	16,660	97,520	6,960	36,650	10,230	41,280	22,370	66,340	24,910
Earnings Per Share	$ 2.17	$ 0.00	$ 1.14	$ 0.17	$ 0.15	$ 0.07	$ 0.86	$ (0.83)	$ 0.30
Price as of 02/16/10 close	$ 18.00	$ 0.27	$ 8.79	$ 2.94	$ 0.56	$ 1.50	$ 14.79	$ 3.00	$ 3.69
Market Capitalization (000)	$ 299,880	$ 26,330	$ 61,178	$ 107,751	$ 5,729	$ 61,920	$ 330,852	$ 199,020	$ 91,918
Enterprise Value (000)	$ 243,600	N/A	$ 46,730	$ 104,220	N/A	$ 15,490	$ 201,070	$ 139,530	$ 73,440
Price/Sales	2.38	4.90	1.96	1.55	0.81	1.24	4.64	14.38	1.78
Price/Earnings	8.31	478.73	7.71	16.94	3.72	22.11	17.10	N/A	12.37
EV/Sales	1.93	N/A	1.50	1.50	N/A	0.31	2.82	10.08	1.42
EV/EBITDA	5.15	N/A	4.44	14.01	N/A	12.01	6.57	N/A	6.22

Note: All figures as of 02/16/10 as reported. EV approximate.

**** - SCLN, DVAX & IDIX all have drugs or clinical trials for the treatment of hepatitis B***

Peer Valuation Matrix

BPSM Actual and Projected

Averages:

Weighted:

EV/EBITDA (TTM)	5.75
P/E	13.52
EV/Sales (TTM)	3.31
P/S	4.87

BPSM Estimate		
TTM FY09E Sales (000)	$	54,519
TTM FY09E EBITDA (000)		16,370
EBITDA Margin		30%
TTM FY09E Net Earnings (000)	$	11,754
Shares Outstanding (000)		23,241

Proj Market Cap based on Avg. P/E ($000)	$	158,962
Proj Market Cap based on Avg. P/S ($000)	$	265,501

AVERAGE	$	212,231
FMV PER SHARE	*$*	*9.13*

For our final valuation, we have taken the weighted average of the P/S multiples, as well as the P/E of seven companies that had positive earnings (re-weighted to eliminate IDIX and SNBP, a clear outlier) and applied it Biostar to get an estimate of the Company's FMV. We have taken the Company's FY09 revenue and earnings guidance ($54.5 and $11.8 million, respectively). Applying these figures to the weighted average of the peer multiples, we obtain our current fair value of **$9.13 per share**.

Capital Resources

Biostar has been profitable, has had positive operating cash flow, and shown strong growth for the past three years. While this might lead to a show of self-sustainability, Biostar has recently completed two financings for a total of $4.6M, thus showing that it needs capital to pursue its growth plan – with these monies being used to complete the capital-intensive processing facility. Biostar will most likely have to undertake steps to raise additional capital if it chooses to pursue strategic acquisitions. Cash requirements for 2010 and beyond will depend primarily upon the level of product sales, inventory levels, product development, sales and marketing expenses, and capital expenditures.

Risk Factors

Competitive Threat. The pharmaceutical industry both within China and globally is increasingly competitive and is characterized by rapid and significant technological progress. The Company's competitors, both domestic and international, include large pharmaceutical companies, universities, and public and private research institutions that currently engage in or may engage in efforts related to the discovery and development of new pharmaceuticals or nutraceuticals. There are many drugs approved in various regions worldwide, as well as a significant development pipeline, for the treatment of hepatitis B.

Political Risks. It is a world fact that China has gone through a near-complete transformation when it comes to business, namely the allowance of private enterprise after decades of a State-run economic system. The Chinese central government, while making great strides in building a free-market system, still has a tendency to be unpredictable. Furthermore, a unique form of political risk occurs in China - the constant battle between the central government and the provincial and local governments over applicable law, and observance or non-observance of it. This makes it difficult for companies operating in China to know exactly what the rules are. In addition, the central bank has recently altered monetary policy to slow growth (inflation), which adds to the uncertainty of future economic policy.

Loss of Proprietary Rights. While patent protection should minimize this threat, the protection of Biostar's proprietary technology is critical to its business prospects. The loss of any of the proprietary rights that the Company believes are protected under intellectual property safeguards may result in the loss of its competitive advantage over present and potential competitors with respect to production efficiency, capabilities and capacity.

Dilution. All else being equal, the raising of future equity capital, or issuance of additional stock for acquisitions, could depress share price and could significantly affect our share valuation. The Company recently closed two convertible preferred stock financings of its Series B Preferred Stock that could potentially add 5.56 million common shares if all warrants are exercised and "make good" provisions are not met. Full ratchet and anti-dilution adjustments for subsequent lower price issuances by the Company could add even more.

Competitive Advantages

Despite the risk of current and potential competition, which will always be present in the ever-changing Chinese economy, we believe that the Company holds several key, competitive advantages over its Chinese peers:

- Market Leading Position. As China's only SFDA-approved <u>OTC</u> capsule treating Hepatitis B, and with the government's hold on new OTC approvals for this indication, Biostar has near monopoly status with the Xin Aoxing capsule.
- Cost Efficiency. With 93.1% efficacy, a six month treatment with Xin Aoxing retails for about $450, far below that of Western competitors such as Roche (Interferon), and with much fewer side effects.
- Vertical Integration. The Company hedges against supply chain interruptions by controlling the supply chain: plantation, raw material processing, R&D and production, distribution, and sales and marketing.
- R&D. Biostar is equipped with the highest quality equipment and production facilities, which includes approximately 50 pieces of advanced testing equipment and 120 pieces of standard production equipment. In addition to in-house R&D, Biostar collaborates with such prestigious academic institutions as Xianyang Material Medical Institute, Shaanxi University of Science and Technology, and the College of Life Sciences of Northwest University. The Company's intellectual property portfolio includes one patent, two patents pending and 12 registered trademarks.
- Diversification. Unlike many of its competitors, and though the bulk of its sales are currently from one product, Biostar does rely on a relatively diverse product line (one that gives all indications of expanding), which enables it to exploit multiple markets and channels.

Recommendation and Conclusion

We are initiating coverage of Biostar Pharmaceuticals, Inc. with a STRONG BUY rating and 12-month price target of $<u>9.13</u> a share. Certainly from a fundamental standpoint, the Company is exhibiting phenomenal growth and financial strength in the midst of a global recession. We feel this is a testament to the increasing industry demand and business model that Biostar is executing, and certainly solidifies our confidence in the Company moving forward. We feel the peer comparison is very strong in this case and that the Company's growth and strategy warrants a higher valuation and rating.

Operating results and stock performance could be subject to greater volatility as the Company grows, but with the stock at these levels, long-term investors might be interested in using this period as an opportunity to build positions with risk capital in anticipation of stronger performance in FY2010 and beyond.

About EquityNet Research

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About the Analyst

Randy Lewis, CFA, founder and Senior Equity Analyst of EquityNet, has more than 14 years experience in equity and portfolio analysis, as well as financial consulting and strategic planning. Prior to forming EquityNet, Mr. Lewis served as an equity analyst at SSI Investment Management, Inc., a $500-million, money management firm, specializing in sophisticated, hedged investment strategies, and serving institutional and high net worth clients. Previous to SSI, Mr. Lewis was a financial analyst for Griffin Financial Services, the securities brokerage arm of Home Savings of America, the then-largest savings and loan in the U.S. Mr. Lewis has had several articles published, most recently in HFR Journal of Hedge Fund Research on the subject of merger arbitrage. He received his Bachelors Degree with honors in Finance from California State University, Fullerton, his MBA at the Anderson School of Management at UCLA, and has earned the Chartered Financial Analyst (CFA) designation. He is also an assistant professor of business at Pierce College in Los Angeles and a member of the National Association of Certified Valuation Analysts (NACVA).

Explanation of Ratings

- STRONG BUY – The analyst feels that the stock is significantly undervalued and holds superior long-term price appreciation potential.

- BUY — The stock appears attractively valued and the analyst feels the stock's total return will exceed that of the market over the next 12 months.

- SPECULATIVE BUY - Under current conditions, the stock appears to be appropriately valued, but short-term event(s) could dramatically alter the future landscape of the company in terms of revenue, earnings and cash flow.

- HOLD — The stock appears appropriately valued and the analyst believes the stock's total return will be relatively inline with the market over the next 12 months.

- SELL — The stock appears overvalued and the analyst believes the stock's total return will be below the market over the next 12 months.

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