

ZHONGPIN INC

NASDAQ: HOGS
Industry: Food Products

SABRIENT

BUY

RATING

Stock Fundamentals as of November 16, 2009

Sabrient Rating	Buy
Ticker	HOGS
Market Cap Designation	Small-cap
Market Capitalization (Millions)	\$481.7
Price	\$13.97
52-Week High/Low	\$16.79/6.83
EPS (TTM)	\$1.21
P/E Ratio (TTM)	11.5
Dividend Yield	N/A
S&P 500 P/E Ratio	24.6
Price/Book Ratio	2.3
Price/Sales Ratio	0.8
30-Day Average Volume (Thousands)	831.2
Beta	3.17
Current Ratio	0.9
Short Interest Ratio	1.1
Shares Outstanding (Millions)	34.5

Sabrient Ratings

Sabrient's Buy/Hold/Sell ratings are based on a combination of dynamic filters that determine which attributes of a stock are most predictive in the prevailing market and which stocks best reflect those attributes but are not yet rewarded.

Sabrient starts with an "extraction" process that uses the best performing filters to identify stocks having certain compelling attributes currently sought by the market. Then, a composite scoring process uses a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. As a result, the Buy/Hold/Sell rating may, in certain cases, seem inconsistent with a simple average of the scores cited in this analysis.

A BUY rating means the stock is expected to outperform its relevant benchmark substantially over the next 6 months. A SELL rating means the stock is expected to underperform its relevant benchmark substantially over the next 6 months. A HOLD rating means the stock is expected to perform in line with its relevant benchmark over the next 6 months.

If a stock is rated HOLD, the investor should review the stock's history of Sabrient ratings to see if it has recently changed to HOLD from BUY or SELL. If so, this indicates one of the following: (1) there has been a significant change in the stock's fundamentals, (2) the stock is already appropriately rewarded or punished by the market, or (3) there simply has been some recent price consolidation that warrants attention. A reading of Sabrient's analysis should identify which it is.

More about Sabrient on Page 4

Sabrient's Market Cap Designations

Large Cap	> \$5.0 Billion
Mid Cap	\$1.0 - \$5.0 Billion
Small Cap	\$150 Million - \$1.0 Billion
Micro Cap	< \$150.0 Million

Report prepared on **November 17, 2009** Page 1

Please see important disclaimer on page 5 of this report.

Copyright ©2009 Sabrient Systems LLC. All rights reserved.

ZHONGPIN INC



Company Profile

Zhongpin Inc., through its subsidiaries, engages in the processing and distribution of meat and food products primarily in the People's Republic of China.

Earnings and Revenue Update: For the quarter ended June 30, 2009, Zhongpin reported earnings of \$10.7 million or \$0.36 per share compared with \$9.7 million or \$0.33 per share for the prior quarter and \$8.5 million or \$0.29 per share for the same quarter one year ago. Revenues were \$161.8 million for the quarter ended June 30, 2009 compared with \$153.8 million for the prior quarter and \$137.5 million for the same quarter one year ago. Last twelve months' earnings were \$1.21 per share compared with \$0.94 per share a year ago. Last twelve months' revenues were \$609.3 million compared with \$418.2 million a year ago.

Sabrient Analysis

HOGS is rated a Buy for its superior value and growth profiles as determined by Sabrient's stock selection filters.

- **Value:** A Sabrient Value Score of 88.1 indicates that HOGS's stock price does not fully reflect recent and projected earnings results. This implies that the stock holds considerable potential for price gain together with reduced downside risk.
- **Growth:** Also, an impressive 83.5 for the predictive Sabrient Growth Score is a reflection of the company's high earnings growth potential.
- **Momentum:** HOGS shows average momentum with a score of 60.0 for the Sabrient Momentum Score. This is a composite measure of price, earnings and group momentum.
- **Timeliness:** HOGS has a Sabrient Timeliness Score of 59.3. This measures technical strength based on short-term and long-term price performance and long-term group strength.

Sabrient Analysis continued on Page 3

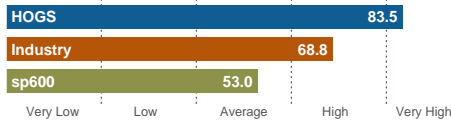
Sabrient

Leaders In Investment Research

Current Sabrient Scores Compared with Industry and Relevant Benchmark

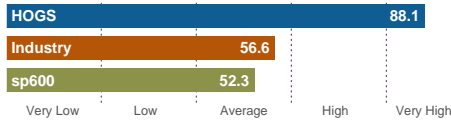
These Sabrient scores compare various aspects of ZHONGPIN INC with its industry and relevant benchmarks. The scores are percentile rankings from 0 to 99.9. Higher scores are better. We use a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. Therefore, the Sabrient rating may seem inconsistent with a simple average of the scores cited in this analysis.

Growth Score: 83.5



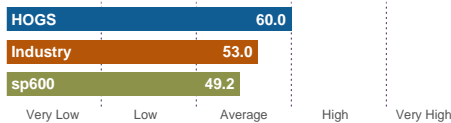
The Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures. With a Sabrient Growth Score of 83.5, Zhongpin is moderately higher than the average of its industry group, which has a Sabrient Growth Score of 68.8.

Value Score: 88.1



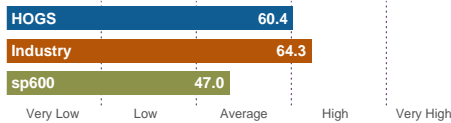
The Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. With a Sabrient Value Score of 88.1, Zhongpin is substantially higher than the average of its industry group, which has a Sabrient Value Score of 56.6.

Momentum Score: 60.0



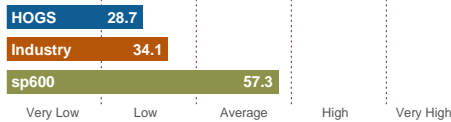
The Sabrient Momentum Score measures a company's earnings and price momentum, evenly weighted, and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. With a Sabrient Momentum Score of 60.0, Zhongpin is marginally higher than the average of its industry group, which carries a Sabrient Momentum Score of 53.0.

Earnings Score: 60.4



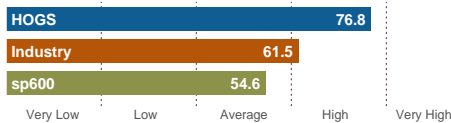
The Sabrient Earnings Score assesses a company's overall earnings performance and projected outlook. Time periods include an average look-back of three years with an emphasis on the past four quarters and a forward look of one to five years. With a Sabrient Earnings Score of 60.4, Zhongpin is marginally lower than the average of its industry group, which has a Sabrient Earnings Score of 64.3.

Balance Sheet Score: 28.7



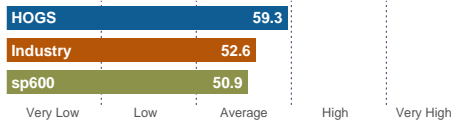
The Sabrient Balance Sheet Score measures a company's liquidity and debt issues, as well as receivables and inventory quality. This score is used to assess relative risk associated with a stock: the lower the score, most likely the higher the inherent risk. With a Sabrient Balance Sheet Score of 28.7, Zhongpin is marginally lower than the average of its industry group, which carries a Sabrient Balance Sheet Score of 34.1.

Fundamental Score: 76.8



The Sabrient Fundamental Score is the broad measure of a company's financial health, including its balance sheet, cash flow, revenue, and earnings quality. With a Sabrient Fundamental Score of 76.8, Zhongpin is moderately higher than the average of its industry group, which carries a Sabrient Fundamental Score of 61.5.

Timeliness Score: 59.3

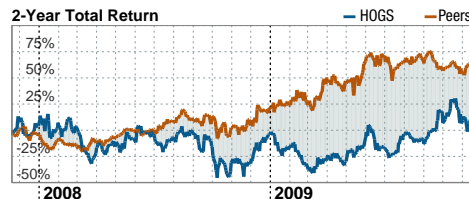


The Sabrient Timeliness Score is an assessment of a stock's short and long-term price strength as determined by various chart-based indicators and measures of group momentum and relative price performance. With a Sabrient Timeliness Score of 59.3, Zhongpin is marginally higher than the average of its industry group, which carries a Sabrient Timeliness Score of 52.6.

Peer Analysis

This table compares HOGS with other similar-sized companies in the same industry group, focusing on Sabrient's growth, momentum and value scores, which represent the three main investing styles. The Peer Analysis chart compares HOGS's 2-year total return with the average 2-year total return of these companies.

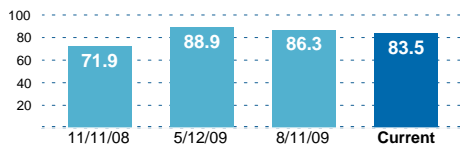
Symbol	Company	Growth Score	Momentum Score	Value Score	Market Cap.(M)
AITP	American Italian Pasta	91.0	53.9	76.8	\$618.5
CALM	Cal-Maine Foods	36.4	26.6	90.2	\$592.1
ADY	American Dairy	87.9	43.1	78.0	\$554.4
DMND	Diamond Foods	59.6	40.7	64.7	\$505.5
HOGS	ZHONGPIN INC	83.5	60.0	88.1	\$481.7
BGS	B&G Foods	69.6	38.6	67.5	\$384.1
SMBL	Smart Balance Inc	73.7	38.4	76.5	\$315.0



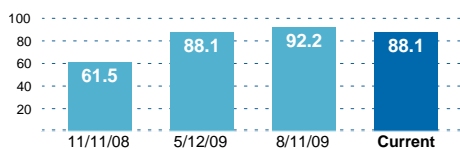
Historical Sabrient Scores

The recent histories of key Sabrient scores provide insight into the stock's trends -- whether they are increasing or decreasing in strength in a particular area or simply holding steady. The Sabrient scores are percentile rankings from 0 to 99.9, with higher scores better. Keep in mind that Sabrient ratings may seem inconsistent with a simple average of these key scores because a weighted average of several key scores is used to quantify the relative likelihood of upside or downside price action.

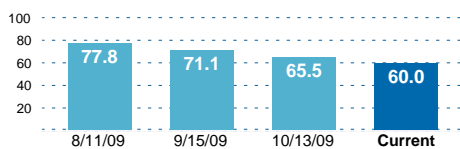
Growth Score: 83.5



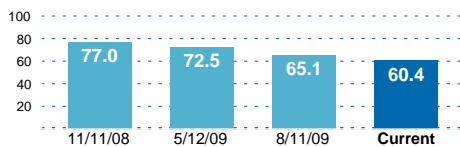
Value Score: 88.1



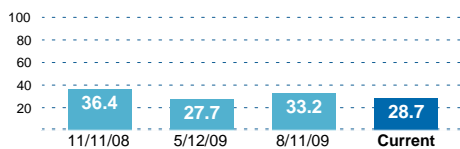
Momentum Score: 60.0



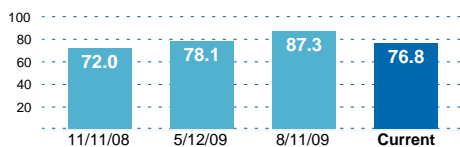
Earnings Score: 60.4



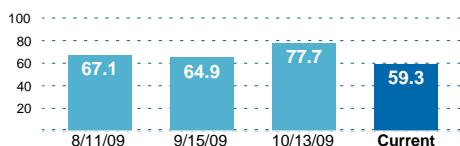
Balance Sheet Score: 28.7



Fundamental Score: 76.8



Timeliness Score: 59.3



Sabrient Analysis continued from Page 1

- **Best Performing Filters:** To determine the likelihood of near-term performance, Sabrient builds and backtests "Smart Filters" to establish which caps, styles and attributes are drawing a premium in today's market. Currently, the three most predictive filters for the relevant segment are:

Primary Value Filter: The Primary Value Filter measures key growth and valuation ratios, both long-term and short-term. It is currently one of our best-performing filters, showing a significant premium to its small-cap benchmark for the past three months. HOGS scores 97.8 for this filter.

Price Trend Filter: The Price Trend Filter uses a sophisticated statistical analysis to evaluate a stock's current price with respect to its long-term trend and to compare the result to the stock's core growth characteristics. A high score means the stock is below its long-term trend, especially in light of its earnings performance. A low score means the stock is above its long-term trend and may likely fall back to or below the mean. As of last month, this filter showed a substantial premium to its small-cap benchmark. HOGS scores 34.6 for this filter.

Valuation Ratios Filter: The Valuation Ratios Filter is a proxy for fundamental valuation, bestowing high Sabrient scores on stocks with low, and therefore favorable, valuation ratios such as price-to-earnings and price-to-sales. This filter outperformed its small-cap benchmark by a substantial margin over the past three months. HOGS scores 68.5 for this filter.

In summary, HOGS's Buy rating is based on its excellent growth and value attributes. This analysis should be considered in light of the recent behavior of the market, discussed below.

What the Market Wants: November 2009

[Note: For email delivery of the weekly What the Market Wants, sign up at www.sabrient.com. To view this week's stock ideas and market stats, see "What the Market Wants" at the Sabrient blog at <http://www.sabrient.com/blog/>.]

MARKET IN STRANGE DANCE WITH THE DOLLAR

By David Brown, Chief Market Strategist

(November 16, 2009)

Since the November 6th unemployment release of 10.2%, virtually all economic announcements have been modestly positive and the late reporting companies have posted strong results (including revenues) and strong guidance. So why has the market been going up and down on a daily basis over the past week?

The short answer is the dollar. Recently the market has seemed inversely tied to the value of the dollar. The dollar goes down, the market goes up; the dollar goes up, the market goes down. Generally speaking, the dollar has gone down, and the market has gone up.

In fact, today as I write, we have reached a new high for the year for the S&P500, the Nasdaq, the Dow and just about anything you want to name. And sure enough, the dollar is down once again.

Frankly, this inverse relationship between the dollar and the market is not that surprising since a weak dollar means more exports and fewer imports for the U.S. and higher material prices. That also explains the strength of large-caps over small-caps, since as general rule large-cap stocks have much more revenues from exports than small-caps. Clearly, most major natural resource companies are also large caps. At the November 7th G-20 meeting, the leaders had pledged to continue to support the recovery until it is assured, and that has led to a weaker dollar.

Last week was not a particularly exciting week, but once again, all cap/styles were up led again by Large-cap Growth (+2.5%) with Small-cap Growth (+0.8) at the bottom. Thanks to the weak dollar Materials led along with Technology, while sectors that normally are strong during recessionary pressures were at the bottom though still positive (think: Healthcare, Utilities and at times, Energy). As long as the dollar remains weak, this sector ranking is likely to continue.

Our forward-looking SectorCast ranks are still biased in favor of Telecom, Healthcare and Consumer Staples which means that our model is still worried about the recovery. That is understandable in light of the high unemployment and continued financial concerns.

I recommend continued bargain-hunting (which is getting harder) in the large-cap and mid-cap segments and among the leading sectors in our forward rankings.

To view this week's stock ideas and market stats, see "What the Market Wants" on the Sabrient blog at www.sabrient.com/blog/.

Next update: Monday, November 23.

Company Description

Zhongpin Inc., through its subsidiaries, engages in the processing and distribution of meat and food products primarily in the People's Republic of China. It offers pork and pork products, such as chilled pork, frozen pork, pig by-products and various meats, and prepared meats; processed chicken and beef products; and fruits and vegetables, which include white asparagus, green asparagus, green cauliflowers, sweet corn, yellow peaches, broccoli, carrots, mushrooms, lima beans, strawberries, capsicum, and shepherd's purse. The company supplies its products to fast food companies, processing factories, school cafeterias, factory canteens, and army posts and national departments, as well as to retail outlets, including supermarkets in the People's Republic of China. Zhongpin, Inc. also exports its products to the European Union, Eastern Europe, the Russian Federation, Hong Kong, Japan, and South Korea. As of December 31, 2008, it had approximately 132 showcase stores; 961 network stores; and 1,968 supermarket counter locations. The company is based in Changge City, the People's Republic of China.

About Sabrient

Sabrient Systems is an independent research firm providing statistical analysis of a company's fundamental data to investment professionals. We use a computer-driven, quantitative methodology to identify stocks that appear poised to outperform or underperform the market.

The Sabrient methodology was developed by an experienced research team led by David Brown, a former NASA scientist and retired CEO of Telescan and designer of its premier stock search program, ProSearch. The research team employs a scientific approach to the creation and testing of multi-factor filters. Each filter targets a key area of traditional stock analysis, including value, growth, momentum, fundamentals, earnings, balance sheet, and group strength. Using an adaptive process, filters are continually tested and monitored to ensure that only the best performing filters are at work.

Sabrient's ratings begin with an extraction process in which each of the few best-performing filters scans the universe of equities to identify stocks having certain compelling attributes sought, but not sufficiently rewarded, by the current market. Then, a composite scoring system employs a broader set of "weighting" filters to rank the extracted stocks. To support individual investors, Sabrient uses the same sophisticated methodology to provide individual stock reports on a universe of approximately 5,600 stocks.

Sabrient regularly tests the performance of its stock selections, using its primary list of published rankings and statistical techniques it believes appropriate. These recommendations have consistently outperformed relevant benchmarks across a broad range of investing styles, market caps, time frames and market conditions, demonstrating the robustness of Sabrient's proprietary methodology. While past performance is no guarantee of future results, Sabrient believes it can maintain its strong performance through its rigorous, scientific approach to filter construction and ongoing backtesting within a dynamic and adaptive composite scoring system.

For more information on Sabrient and its performance, go to www.sabrient.com

Disclaimer

Sabrient SmartStock™ research is provided for informational purposes only. It is neither a solicitation to buy nor an offer to sell these securities. The report is based upon data from sources believed to be reliable, but Sabrient makes no representation as to the data's adequacy, accuracy, completeness or timeliness. The report does not address individual investment objectives or financial situations. The analysis used in preparing these reports may also be used in the preparation of other research products which may reflect distinct investment objectives. Sabrient accepts no liability for any loss arising from any use of this report.

This report is based solely on mathematical calculations and does not reflect any bias of individual analysts. Sabrient provides no investment banking, consulting or other services to the subject company of this report. No Sabrient employee is on the Board of Directors of the subject company, and no one at the subject company serves on the Board of Directors of Sabrient Systems. Sabrient or its employees may have long or short positions in the securities or other related investments of the company mentioned herein, but never more than one percent (1%) of the outstanding shares of any company covered by Sabrient. No part of this document may be reproduced without the written permission of Sabrient Systems.