ZHONGPIN INC

NASDAQ: **HOGS**
Industry: **Food Products**

SABRIENT
BUY
RATING

Stock Fundamentals as of September 28, 2009

Sabrient Rating	**Buy**
Ticker	**HOGS**
Market Cap Designation	**Small-cap**
Market Capitalization (Millions)	**$430.4**
Price	**$14.80**
52-Week High/Low	**$15.64/6.50**
EPS (TTM)	**$1.21**
P/E Ratio (TTM)	**12.2**
Dividend Yield	**N/A**
S&P 500 P/E Ratio	**32.7**
Price/Book Ratio	**2.0**
Price/Sales Ratio	**0.7**
30-Day Average Volume (Thousands)	**377.0**
Beta	**3.23**
Current Ratio	**0.9**
Short Interest Ratio	**2.8**
Shares Outstanding (Millions)	**29.1**

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
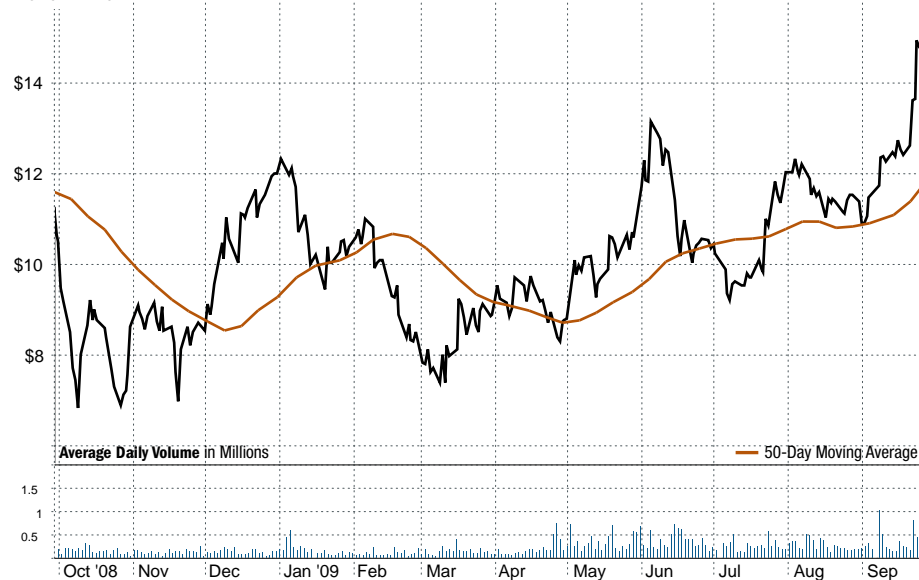
Sabrient's Market Cap Designations

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

Please see important disclaimer on page 5 of this report.

ZHONGPIN INC

Average Daily Volume in Millions   —— 50-Day Moving Average

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

Sabrient rates HOGS a Buy for its outstanding scores for growth, value and momentum, the three most important measures of investment potential.

- **Growth:** HOGS earns exceptional marks as a growth stock with a Sabrient Growth Score of 94.1. Rigorous backtesting reveals that stocks with similar growth profiles outperform the market in the long term. A high growth stock does carry the risk of substantial downside price movement if the company should miss its earnings targets.

- **Value:** Also, a score of 88.4 for the exacting Sabrient Value Score indicates that HOGS may be undervalued at its current price.

- **Momentum:** A Sabrient Momentum Score of 87.0 reflects a bullish profile for HOGS's composite measure of price, earnings and group momentum.

- **Timeliness:** HOGS has a Sabrient Timeliness Score of 96.7. This measures technical strength based on short-term and long-term price performance and long-term group strength.
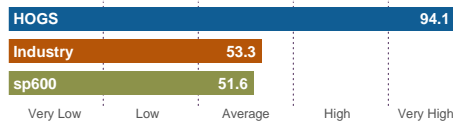
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ZHONGPIN INC

## 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: 94.1

|	
HOGS	94.1
Industry	53.3
sp600	51.6

Very Low   Low   Average   High   Very High

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 94.1, Zhongpin is significantly higher than the average of its industry group, which has a Sabrient Growth Score of 53.3.

Value Score: 88.4

|	
HOGS	88.4
Industry	55.6
sp600	51.0

Very Low   Low   Average   High   Very High
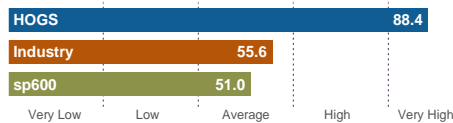
The Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. With a Sabrient Value Score of 88.4, Zhongpin is substantially higher than the average of its industry group, which has a Sabrient Value Score of 55.6.

Momentum Score: 87.0

|	
HOGS	87.0
Industry	52.9
sp600	47.9

Very Low   Low   Average   High   Very High
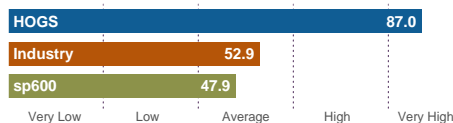
The Sabrient Momentum Score measures a company's earnings and price momentum, evenly weighted, and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. With a Sabrient Momentum Score of 87.0, Zhongpin is substantially higher than the average of its industry group, which carries a Sabrient Momentum Score of 52.9.

Earnings Score: 93.4

HOGS	93.4
Industry	53.0
sp600	45.7

Very Low   Low   Average   High   Very High
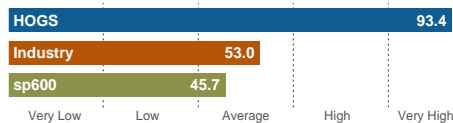
The Sabrient Earnings Score assesses a company's overall earnings performance and projected outlook. Time periods include an average look-back of three years with an emphasis on the past four quarters and a forward look of one to five years. With a Sabrient Earnings Score of 93.4, Zhongpin is significantly higher than the average of its industry group, which has a Sabrient Earnings Score of 53.0.

Balance Sheet Score: 36.9

|	
HOGS	36.9
Industry	40.5
sp600	56.5

Very Low   Low   Average   High   Very High
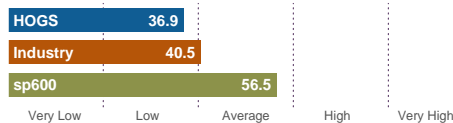
The Sabrient Balance Sheet Score measures a company's liquidity and debt issues, as well as receivables and inventory quality. This score is used to assess relative risk associated with a stock: the lower the score, most likely the higher the inherent risk. With a Sabrient Balance Sheet Score of 36.9, Zhongpin is marginally lower than the average of its industry group, which carries a Sabrient Balance Sheet Score of 40.5.

Fundamental Score: 79.1

HOGS	79.1
Industry	57.7
sp600	54.3

Very Low   Low   Average   High   Very High
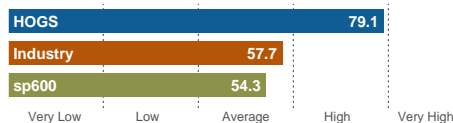
The Sabrient Fundamental Score is the broad measure of a company's financial health, including its balance sheet, cash flow, revenue, and earnings quality. With a Sabrient Fundamental Score of 79.1, Zhongpin is considerably higher than the average of its industry group, which carries a Sabrient Fundamental Score of 57.7.

Timeliness Score: 96.7

HOGS	96.7
Industry	44.8
sp600	48.6

Very Low   Low   Average   High   Very High
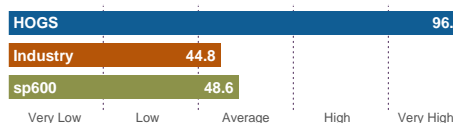
The Sabrient Timeliness Score is an assessment of a stock's short and long-term price strength as determined by various chart-based indicators and measures of group momentum and relative price performance. With a Sabrient Timeliness Score of 96.7, Zhongpin is dramatically higher than the average of its industry group, which carries a Sabrient Timeliness Score of 44.8.

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.
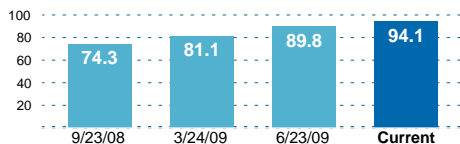

2-Year Total Return — HOGS — Peers
50%
-25%
-50%
2008   2009
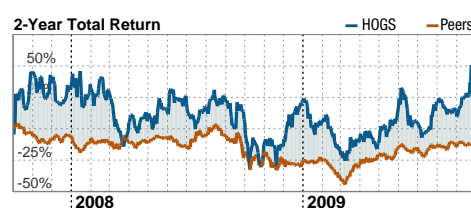
Symbol	Company	Growth Score	Momentum Score	Value Score	Market Cap.(M)
CALM	Cal-Maine Foods	22.2	12.1	93.1	$590.8
BGF	B&G Foods Holdings	77.7	54.9	63.3	$586.1
PPC	Pilgrims Pride	42.2	93.9	48.7	$521.4
DMND	Diamond Foods	51.2	63.2	57.1	$495.6
HOGS	**ZHONGPIN INC**	**94.1**	**87.0**	**88.4**	**$430.4**
SMBL	Smart Balance Inc	67.7	37.3	77.0	$389.6
FARM	Farmer Brothers	73.3	9.0	58.7	$343.2

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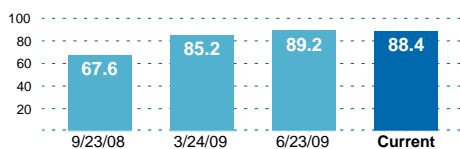
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Historical Sabrient Scores

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.
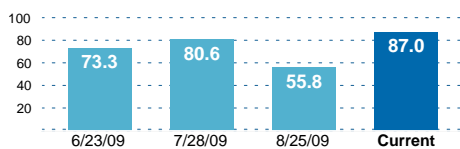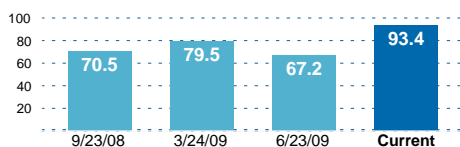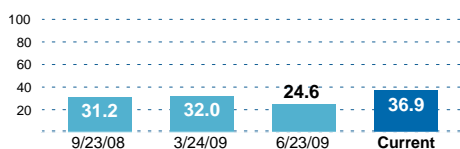
Growth Score: 94.1

74.3	81.1	89.8	94.1
9/23/08	3/24/09	6/23/09	Current

Value Score: 88.4

67.6	85.2	89.2	88.4
9/23/08	3/24/09	6/23/09	Current

Momentum Score: 87.0

73.3	80.6	55.8	87.0
6/23/09	7/28/09	8/25/09	Current

Earnings Score: 93.4

70.5	79.5	67.2	93.4
9/23/08	3/24/09	6/23/09	Current

Balance Sheet Score: 36.9

31.2	32.0	24.6	36.9
9/23/08	3/24/09	6/23/09	Current

Fundamental Score: 79.1

79.1	79.4	78.7	79.1
9/23/08	3/24/09	6/23/09	Current

Timeliness Score: 96.7

46.5	74.8	22.6	96.7
6/23/09	7/28/09	8/25/09	Current
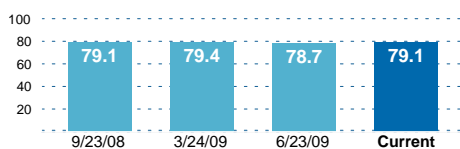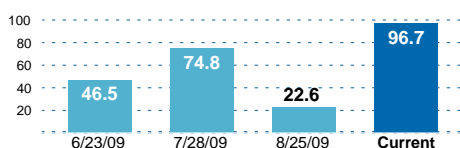
Sabrient Analysis continued from Page 1

- **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 97.6 for this filter.

Triple Rank Filter: The Triple Rank Filter considers earnings momentum, price momentum and group momentum, along with a factor that measures the flow of money into a stock. The filter has significantly outperformed its small-cap benchmark during the last 90 days. HOGS scores 96.5 for this filter.

GARP Filter: The GARP Filter is a proxy for growth at a reasonable price (GARP). A high score indicates a reasonable price for the growth potential; a low score suggests the growth potential may be overpriced. During the past three months, the filter has shown a substantial premium to its small-cap benchmark. HOGS scores 99.9 for this filter.

In summary, HOGS's Buy rating is based on top rankings for Sabrient's growth, value and momentum scores. This analysis should be considered in light of the recent behavior of the market, discussed below.

What the Market Wants: September 2009

[Note: What the Market Wants is now a weekly publication. For email delivery, sign up at www.sabrient.com. To view this week's market stats and stock selections, visit our blog at http://www.sabrient.com/blog/.]

WHERE OH WHERE IS THIS MARKET HEADED?

By David Brown, Chief Market Strategist

(September 28, 2009, 2:05 pm PST)

The market doesn't seem to know which way it wants to go. Last week was literally the mirror image of the previous week. The best style/cap two weeks ago was Small-cap Value; last week it was the worst (-3.4%). The worst style/cap two weeks ago was Large-cap Growth; this week it was the best (-1.9%).

Sectors were no different, with last week's three winners -- Financials, Industrials and Materials --turning up as this week's big three losers, led by Materials, down -4.7%. Last week's losers -- Consumer Staples, Health Care and Telecom -- were this week's best performers, led by Health Care, down only 1%. In all my years of participating in the market, I don't recall ever seeing such a complete turnabout in a single week.

Only our forward-looking sector rankings did not join in. They remain very much as last week, with Utilities, Energy and Health Care on top and Technology, Financials and Materials at the bottom.

MERGER TALK BOOSTS MARKET. Thursday and Friday were ugly market days, but inexplicably the market took off today, ostensibly on M&A talks from Abbott Laboratories (NYSE: ABT) courting Belgian chemicals maker Solvay and from Xerox Corp. (NYSE: XRX) agreeing to buy Affiliated Computer Services (NYSE: ACS).

The S&P 500 ended the day up 18 points (+1.8%) despite the fact that last week's economic indicators were average, at best, with LEI and durable goods both below expectations and jobs data and FOMC comments mildly positive.

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While it is tempting to stay on the sidelines among such volatility, that strategy has not been a reasonable one throughout 2009, as many investors who sat on their cash can attest. The trick is to simply watch the valuations . . . don't pay too much! Compare a company's valuation against its own history and also against its industry. Shop for bargains, and hedge with puts against overvalued niches.

At Sabrient, we specialize in absolute return models, which protect us from most market vagaries. We look for long positions among the strongest companies with the most favorable valuation and seek short positions among the weakest companies with high valuations. The result is that Sabrient is normally well-positioned for markets such as this one.

Next update: Monday, October 5

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*

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