



10x45 BARGAIN HUNTER

Presented by the Research Team of

THE MANUAL OF
Ideas

"Confronted with the challenge to distill the secret of sound investment into three words, we venture the motto: Margin of Safety." —Ben Graham • September 5, 2009



Presented by the
**Manual of Ideas
Research Team**

Dear Fellow Idea Seekers,

We are pleased to bring you this latest issue of *10x45 Bargain Hunter*, our bi-weekly stock screening report. This report is based on market prices as of September 4th.

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Your Manual of Ideas Team

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About This Publication

10x45 Bargain Hunter is a bi-weekly screening service for investors looking to uncover hidden value in the stock market. *Bargain Hunter* is brought to you by the acclaimed Manual of Ideas research team.

Inspired by the Zeiss 10x45 Victory Rangefinding Binocular ("essential equipment for long range hunting and a reliable shot"), the *10x45 Bargain Hunter* is designed as an essential tool for every value investor's arsenal. Whether you run your own screens or not, we hope you'll find *10x45 Bargain Hunter* a valuable ally as you seek out undervalued companies trading in U.S. markets.

Top Three Screen Results, by Category

Company	Ticker	Price	Market Value	Enterprise Value		
"Magic Formula," based on Trailing Financials					LTM EBIT / EV	
1	KHD Humboldt Wedag	KHD	\$9.33	\$282mn	-\$67mn	infinite
2	GT Solar	SOLR	\$5.19	\$744mn	\$583mn	26%
3	ePlus	PLUS	\$15.80	\$130mn	\$102mn	24%
"Magic Formula," based on This Year's EPS Estimates					EPS Yield FY0	
1	EarthLink	ELNK	\$8.42	\$894mn	\$519mn	13%
2	Pre-Paid Legal	PPD	\$45.57	\$500mn	\$508mn	14%
3	Centene	CNC	\$18.03	\$818mn	\$663mn	11%
"Magic Formula," based on Next Year's EPS Estimates					EPS Yield FY1	
1	GigaMedia	GIGM	\$4.79	\$261mn	\$178mn	13%
2	PRG-Schultz	PRGX	\$5.48	\$127mn	\$115mn	13%
3	Pre-Paid Legal	PPD	\$45.57	\$500mn	\$508mn	14%
Contrarian: Shunned by the market, but not by insiders					Insider Buys	
1	GHL Acquisition	GHQ	\$9.95	\$483mn	n/m	\$5,214mn
2	* China Medical Tech	CMED	\$12.79	\$411mn	\$599mn	\$2,711mn
3	Ideation Acquisition	IDI	\$7.80	\$98mn	n/m	\$2,504mn
Contrarian: Biggest Losers (deleveraged & profitable)					Δ Price YTD	
1	Cardionet	BEAT	\$7.28	\$173mn	\$129mn	-70%
2	Rostelecom	ROS	\$29.92	\$3,633mn	\$3,144mn	-46%
3	Celera	CRA	\$6.50	\$532mn	\$212mn	-42%
Value with Catalyst: Cheap Repurchasers of Stock					Δ Shares Q-Q	
1	QLT	QLTI	\$4.25	\$232mn	\$97mn	-11%
2	Makita	MKTAY	\$29.21	\$4,024mn	\$3,319mn	-7%
3	Banco Macro	BMA	\$22.23	\$1,353mn	n/m	-7%
Profitable Dividend Payors with Decent Balance Sheets					Div. Yield	
1	Am. Capital Agency	AGNC	\$25.43	\$382mn	\$322mn	24%
2	TICC Capital	TICC	\$5.21	\$139mn	n/m	12%
3	Pioneer Southwest	PSE	\$19.90	\$597mn	\$534mn	10%
Deep Value: Lots of Revenue, Low Enterprise Value					EV/Revenue	
1	Tech Data	TECD	\$38.97	\$1,959mn	\$1,270mn	.06x
2	Ingram Micro	IM	\$16.82	\$2,742mn	\$1,761mn	.06x
3	World Fuel Services	INT	\$45.32	\$1,343mn	\$1,040mn	.08x
Deep Value: Neglected Gross Profiteers					EV/GP	
1	WellCare Health	WCG	\$24.27	\$1,025mn	\$84mn	.08x
2	Interactive Brokers	IBKR	\$18.15	\$748mn	\$197mn	.16x
3	Kindred Healthcare	KND	\$15.02	\$586mn	\$665mn	.17x
Activist Targets: Potential Sales, Liquidations or Recaps					NCAV / MV	
1	Imation	IMN	\$8.21	\$313mn	\$223mn	117%
2	Insmmed	INSM	\$0.82	\$106mn	-\$16mn	112%
3	Adapteq	ADPT	\$3.00	\$360mn	-\$22mn	104%

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Contrarian: Biggest Losers (deleveraged & profitable)

Non-financial companies with no net debt, positive analyst estimates for next year's EPS, and large YTD price drop

NEW FEATURE!
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	Company	Ticker	Price (\$)	MV (\$mn)	EV (\$mn)	Price Change Since December 31,			Price to Tangible Book	Next FY P/E	Insiders	
						2002	2007	2008			% Own.	# of Buys
1	Cardionet	BEAT	7.28	173	129	n/m	n/m	-70%	1.6x	182x	4%	10
2	Rostelecom	ROS	29.92	3,633	3,144	321%	-57%	-46%	2.1x	18x	52%	-
3	Celera	CRA	6.50	532	212	-32%	-59%	-42%	1.4x	163x	2%	2
4	VAALCO Energy	EGY	4.48	260	177	205%	-4%	-40%	1.7x	10x	3%	1
5	Imation	IMN	8.21	313	223	-77%	-61%	-39%	.6x	21x	1%	2
6	ViroPharma	VPHM	8.07	625	493	453%	2%	-38%	7.9x	161x	1%	29
7	Questcor Pharma	QCOR	5.87	376	307	505%	2%	-37%	5.2x	9x	7%	-
8	ICx Technologies	ICXT	5.09	175	151	n/m	-47%	-36%	2.0x	39x	5%	-
9	Aceto	ACET	6.50	161	121	37%	-19%	-35%	1.2x	11x	1%	-
10	JAKKS Pacific	JAKK	13.70	383	358	2%	-42%	-34%	1.4x	10x	4%	-
11	Immucor	BLUD	17.92	1,263	1,127	348%	-47%	-33%	5.6x	14x	1%	-
12	Emergent BioSolution	EBS	17.84	543	496	n/m	253%	-32%	2.4x	23x	45%	-
13	* Synovis Life Tech	SYNO	12.85	149	100	43%	-34%	-31%	2.0x	26x	3%	-
14	Pharma Product	PPDI	20.07	2,371	1,798	37%	-50%	-31%	2.3x	14x	10%	-
15	Energy Recovery	ERII	5.25	263	184	n/m	n/m	-31%	2.4x	26x	12%	1
16	Lexmark	LXK	18.80	1,468	1,307	-69%	-46%	-30%	1.6x	10x	1%	-
17	Viad	VVI	17.45	359	263	n/m	-45%	-29%	1.5x	25x	3%	-
18	BigBand Networks	BBND	3.91	259	86	n/m	-24%	-29%	1.7x	17x	41%	-
19	Luminex	LMNX	15.36	637	544	274%	-5%	-28%	4.5x	33x	7%	-
20	Granite Construction	GVA	31.62	1,223	1,090	104%	-13%	-28%	1.6x	15x	2%	-
21	EMS Technologies	ELMG	18.67	285	281	20%	-38%	-28%	2.5x	11x	1%	-
22	Hot Topic	HOTT	6.70	295	213	-56%	15%	-28%	1.1x	14x	1%	-
23	EZchip Semiconductor	EZCH	11.58	271	215	127%	-37%	-27%	5.0x	23x	2%	-
24	Cephalon	CEPH	57.10	4,262	4,010	17%	-20%	-26%	13.0x	9x	1%	-
25	Callaway Golf	ELY	6.90	445	394	-48%	-60%	-26%	.9x	21x	0%	1
26	Comtech Telecomm.	CMTL	34.06	959	704	610%	-37%	-26%	2.3x	17x	2%	7
27	Orbital Sciences	ORB	14.55	822	599	245%	-41%	-25%	1.9x	15x	1%	-
28	Landauer	LDR	54.66	511	479	57%	5%	-25%	9.2x	19x	1%	-
29	Met-Pro	MPR	9.94	145	121	63%	-17%	-25%	2.4x	17x	1%	-
30	Bankrate	RATE	28.48	538	483	640%	-41%	-25%	6.8x	24x	23%	1
31	Medicines Company	MDCO	11.06	583	398	-31%	-42%	-25%	2.2x	16x	1%	1
32	* Marchex	MCHX	4.39	159	130	n/m	-60%	-25%	1.6x	40x	45%	-
33	FLIR Systems	FLIR	23.20	3,514	3,257	280%	-26%	-24%	4.7x	15x	2%	2
34	Gorman-Rupp	GRC	23.58	394	368	96%	-24%	-24%	2.4x	23x	14%	1
35	National HealthCare	NHC	38.95	532	642	123%	-25%	-23%	1.6x	16x	23%	-
36	IRIS International	IRIS	10.74	193	161	n/m	-45%	-23%	2.7x	19x	4%	1
37	* Contango Oil & Gas	MCF	43.50	689	651	1238%	-15%	-23%	2.0x	15x	20%	-
38	Cogent	COGT	10.70	959	665	n/m	-4%	-21%	1.8x	20x	48%	-
39	* Integrys Energy	TEG	33.90	2,591	2,283	-13%	-34%	-21%	1.2x	12x	1%	-
40	* InterDigital	IDCC	21.89	944	729	50%	-6%	-20%	n/m	9x	2%	-
41	* Syms	SYMS	7.07	103	82	0%	-53%	-20%	.6x	177x	55%	-
42	* Allegiant Travel	ALGT	38.68	773	605	n/m	20%	-20%	2.8x	9x	23%	-
43	* Sucampo Pharma	SCMP	4.58	192	82	n/m	-75%	-20%	1.7x	13x	69%	-
44	* Rochester Medical	ROCM	12.26	148	117	182%	10%	-20%	2.6x	94x	15%	-
45	* Deckers Outdoor	DECK	63.74	837	662	1808%	-59%	-20%	2.2x	8x	3%	2

Screening criteria: ► Positive net cash ► Positive next FY EPS estimate ► Market value > \$100 million
New additions are highlighted. MV = market value. EV = enterprise value. Number of insider transactions relates to most recent six-month period.

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