

APM Class Summary
April 30, 2007

Shenoy's #: (785)218-6161, leave by 7:30 am for ConAgra visit
Business Professional dress for Friday business casual for Saturday

Final Exam at professor's house at 4:30pm on 7th

We still need sponsors for the golf tournament this fall, contact groups 1 or 3

Group 3: FCStone sustainable double-digit revenue growth for the next few years
Integrated commodity risk management and trading Services Company
4 business segments:

- Commodity and risk management services; acct for over 60% of revenues
- Clearing and Execution services; futures market
- Financial services
- Grain Merchandising

Risks- commodity pricing changes

BUY rating → implied price of \$62.66 about 25% undervalued

Group 4: Interactive Brokers, L.L.C. is a pure play brokerage.

Trade 18.7% of world's options

Risks- competitors are able to copy their technology, computer failure,
decreases in trade volume, and increases in regulation compliance cost
IPO on May 3

Intrinsic Price per share of \$32.80 → undervalued by 20-30%

Group 5: Oneok, Inc. Gas utilities

Undervalued by 35%

Large ownership in ONEOK partners giving them a competitive
advantage

Group 2: CROX shoes

Undervalued by 10%

Sales growth has been huge over the last couple years

Recommend covered puts

Group 1: Short TWI

Entirely depend on US markets

Make tires for ag and construction machines

Shortage of tires in mining industry, only grow by acquisition

Overvalued by 20%, but wait until third quarter to short

Group 6: American Dairy Association ADY

Strong financials and ratios

Undervalued by 75%

Comparable 2519.HK best comparable for ADY

LKQ: Acquired 3 more businesses, NI was up, their own projections for future income were lower. Gross margin will “creep” up for awhile.

KC Southern: Fairly good conference call, a few draw backs including several accidents, poor weather made out for a slow start. Better Y-O-Y numbers.

BXXX: Is gaining more margin percentage on what they are lending due to lower cost of capital.

PXP: Started a Limited Partnership to acquire land in Colorado.

Know how Gary Rodman affected ConAgra upon his arrival in management.
Dana Wright set up the visit and will be joining us on May 4th.