# STOCK TRADERS PRESS

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### Strong Buy King Pharmaceutical (NYSE) KG \$16.90

#### **Company Data**

52-Week Range	\$15-\$39
Market Cap	\$3.95B
Shares Outstanding	240.8M
Book Value	\$8.17
Price/Book	2.01
Average Daily Vol.	1.79M
Dividend/Yield	None
Target Price	\$21.00
Target Percentage	24.3%
Stop Price	\$15.00



King Pharmaceutical is a small, integrated pharmaceutical company that develops, manufacturers and markets primarily branded prescription drugs. The company also has a generic drug capability. We are attracted to King Pharmaceutical for the following reasons:

- King Pharmaceutical has demonstrated successfully its ability to purchase from the major drug companies relatively small drug licenses at very attractive prices. Once acquired, King will develop these drugs at a healthy profit.
- In addition to acquiring licenses, King has purchased small drug companies whose products easily fit into the company's product line.
- At the present time, the stock is selling at \$16 per share, which is 10 times estimated earnings of \$1.62 per share. Additionally, the company has a book value of \$8.17 per share and cash per share of \$3.80. We believe these are very conservative valuations.
- King Pharmaceuticals has achieved a growth rate in excess of 28% per year over the past several years.
- Any governmental drug prescription program would not have a noticeable impact on the company since most of King's drug products are targeted for medical problems with a very small population.
- We consider King Pharmaceutical an undervalued drug company, which has a unique niche within the industry.

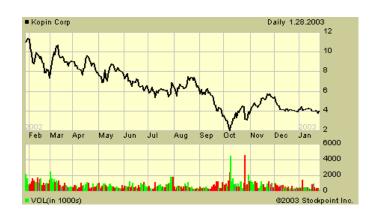
**QUOTE:** "The mind, once expanded to the dimensions of larger ideas, never returns to its original size." -- Oliver Wendell Holmes

## **Update – Strong Buy Kopin Corp. (NASD) KOPN \$4.09**

2

#### **Company Data**

52-Week Range	\$1.93 -\$1
Market Cap	\$260.2M
Shares Outstanding	69.4M
Book Value	\$2.26
Price/Book	1.66
Average Daily Vol.	712,000
Dividend/Yield	None
Target Price	\$7.00
Target Percentage	71.1%
Stop Price	\$3.25



**Kopin Corporation** is a developer and manufacture of advanced semiconductor material and flat panel displays, primarily for the telecommunications industry.

We are attracted to Kopin Corp. because of its proprietary products, which are considered the best performing in the industry. Additionally, we believe Kopin Corp.'s stock is attractive for the following reasons:

- The company has recently experienced an upturn in both sales and orders (backlog) primarily due to improved business at Motorola and Nokia. As this economic improvement continues, Kopin should show market improvement.
- Kopin Corp. has significantly reduced operating expenses over the past year and thus enjoys significant upside operating leverage.
- The company's recently introduced CyberDisplay products have received exceptional reception within the marketplace. The majority of the 78% increase in third quarter sales was the result of the new CyberDisplay products.
- Currently, the company has a book value of \$2.24 per share and \$1.00 per share in cash. The stock is presently selling at \$4.09 per share, which is modest relative to its book value and operating potential.
- We estimate that Kopin will have earnings of \$0.25 per share for 2003 as compared with an estimated loss of \$0.18 per share in 2002.