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NASDAQ GM: FEED

AgFeed is included in the Russell 2000, Russell 3000, Russell Global Index and the Russell Microcap indexes.

Recent Price: (6-18-09)	5.91	Market Cap:	240 m
52 week high:	\$15.40	EPS (ttm):	0.53
52 week low:	\$0.90	Adjusted EPS (ttm):	0.74
50 day avg:	\$5.15	Avg Vol (3m):	3,052,260
200 day avg:	\$2.69	P/E (ttm):	11.15
Shares outstanding:	40.62 m	Gross Profit:	34.44 m
Float:	21.50 m	Rev:	143.66 m

COMPANY OVERVIEW

AgFeed Industries, Inc., through its subsidiaries, engages in the research and development, manufacturing, marketing, and sale of fodder and blended feed for use in the domestic animal husbandry markets primarily in the People's Republic of China. The company also raises, breeds, and sells hogs for use in China's pork production and hog breeding markets. Its products primarily include additive premix fodder for use in all stages of a pig's life, and blended feeds. The company offers its products primarily to distributors and large scale pig farms. As of December 31, 2008, the company had 1 breeder farm and 29 meat hog producing farms in the Jiangxi, Shanghai, Hainan, Guangxi, and Fujian provinces. The company is headquartered in Nanchang City, the People's Republic of China. AgFeed is the largest commercial hog producer and the largest premix feed company in China. Founded in 1995, they currently employ over 1,900 employees. With over 600 million hogs produced each year, compared to 100 million in the US, China represents more than 50% of the world's annual hog production as well as the world's largest and most profitable pork consumer markets.

As of December 31, 2008, AgFeed currently owns and operates 30 commercial hog farms and 5 premix feed plants. The hog farms and feed plants are strategically located in south China in the most profitable feed and hog markets in China.



RECENT EVENTS

- AgFeed Industries Inc., one of the largest independent hog production and animal nutrient companies in China, announced that it has entered into a letter of intent to form a joint venture with M2P2, a leading US hog production and industry management consulting company.
- AgFeed Industries, Inc. (FEED - News) announced Selina Jin's appointment as its Chief Financial Officer.
- AgFeed Industries, Inc. (FEED) announced its entry into a genetics program arrangement with Hypor, a Hendrix Genetics Company. Hypor is world renowned as a leading provider of superior swine genetics and technology.
- AgFeed Industries, Inc. (FEED), the largest commercial hog producer and the largest premix feed company in China, today announced record financial results for the year of 2008:
 - Earnings of \$0.54 per share compared to 2007 Earnings per Share of \$0.26
 - Net Income of \$16.95 million compared to 2007 Net Income of \$6.66 million
 - Adjusted Earnings Per Share of \$0.74
 - Adjusted Net Income of \$23.21 Million
 - Revenue was \$143.66 million up from \$36.16 million in 2007
 - Gross Profit was \$34.44 million
 - Cash and cash equivalents are \$24.84 million as of December 31, 2008
 - Total Assets of \$137.05 million as of December 31, 2008

2009 STRATEGIC PLAN

AgFeed's plan will direct its mission through 2010 and 2011 during which time the Company believes that the Chinese markets will once again attain double-digit growth rates. Increasing urbanization and the swift growth of the Chinese middle class, strongly position AgFeed for the expanding Chinese consumer pork market.

AgFeed's strategic plan calls for a series of phases that encompasses the following programs:

- Continue to build a strong financial base.
- Consolidate the Company's hog farms through the implementation of advanced management and process systems.
- Advance to the next levels of hog production by the implementation of a science based set of genetic programs which would increase throughput and birthing rates.
- Invest in the expansion of distribution networks while fully branding AgFeed's products.
- Expand AgFeed's marketing of its premix business products through the "BEST" brand label.

“*At AgFeed, we look forward to continued success with our customers and shareholders.*”

— Songyan Li, PhD, Chairman, AgFeed Industries, Inc.



DEMAND

China's feed manufacturing industry is second only to the United States in volume. In 2007, the industry grew to 123 million tons, 112 times the size in 1980. It is estimated that 4 kg of feed grain are needed to produce 1 kg of pork. As income rises in China, annual meat consumption is expected to rise, and thus the feed industry as well. China's animal feed industry is valued currently at about US\$40 billion and has been growing at a rate of about 15% per year in line with the growing demand for meat products. Feed sales in China are expected to rise to US \$50 billion by 2010.

WORLD PORK OUTPUT PRODUCT DESCRIPTION

Of the various components that make up blended feed, the premix, while constituting the smallest proportion of the total blend, (4%), requires the highest attention and technology to produce. Due to technological barriers in animal science, only companies staffed with scientists with years of practiced knowledge in animal nutrition and husbandry can produce a successful premix product. Customers are commercial farms as well as individual farmers.

Vitamin blends and premixes are used in compound feed for poultry, cattle and pigs. AgFeed's pre-mix and specially blended feed for early weaning piglets utilizes the most advanced nutritional techniques resulting in a reputation for premier products in the China market.

In terms of animal feed products, livestock producers may directly buy animal feed in finished form, referred to as "blended" feed, which already contains the concentrate and the foundational grains blended together, or, they may choose to buy the concentrate, which is composed of pre-mix and protein compounds, and then combine it with corn, hay, wheat and other elements readily available in the market to make their own blended feed. Feeding pigs a balanced diet is an essential part of the pig profit equation and since feed costs comprise 55-70% of raising costs, the quality of feed and nutrition make a significant difference to piggery profits.

A Successful Entrepreneurial Story:

Over 13 years ago (1995), AgFeed's five founders started a small feed company with less than \$10,000 in personal savings. They have since grown a privately held company into a highly profitable, multi-million dollar revenue public company. AgFeed currently benefits from an income tax free environment (hog production), successful M&As, strong synergies between their feed and hog raising segments, with a strong balance sheet and their capital strength as a public company. Particularly, we believe they have the following areas of strength:

- The management members are not only our largest shareholders but also senior industry executives. With a strong Board of Directors overseeing Agfeed's growth: The board members and their advisors are senior Wall Street executives and feed/hog industry experts.
- Favorable market environment - the hog production segment is exempt from all taxes and generates significant cash flow: Approximately 65% of China's annual meat consumption is pork. Lack of steady hog supply in a highly fragmented hog supply market and cultural preference towards daily slaughtered pork over other meats are the main reasons to drive hog price up. Strong cash flow: hog producers receive full payment upfront from wholesale buyers.
- Agfeed's products have received "Green Certification": AgFeed has received "Green Certification" from the Minister of Agriculture of PRC for its premix products under the brand label "BEST." This green certification laid the ground for their Hog Farms to produce hogs providing the certification of "green" pork.
- Currently AgFeed has established relationships with over 1,006 independently owned feed distribution chain stores: The products consist of proprietary formulated vitamins, minerals, and amino acids specifically tailored to address the nutritional requirements of livestock at various stages of life. Licensed under the Chinese Ministry of Agriculture, their products do not contain harmful components such as steroids or growth hormones. They distribute their feed products through 1,006 independently owned retail chain stores, distributors and large-scale hog farms. With an extensive product distribution network, AgFeed presents opportunities for any agricultural product distributor that wishes to enter China.
- Strong R&D capabilities and outstanding customer support: AgFeed's technical team is among some of the best educated and most experienced in China's animal feed and hog raising industries. AgFeed offers customers critically needed technical support in addition to quality products.
- AgFeed operates in a large and fast growing market environment: According to the China Feed Industry Association, China will surpass the US as the world's largest animal feed market reaching \$50 billion in annual sales by 2010. They are well positioned to continue their strong growth.
- With AgFeed's industry reputation, knowledge and capital strength, they acquire profitable businesses at low single digit current year earnings multiples: They have successfully acquired and integrated multiple feed and hog farms. AgFeed's 13 year history, strong reputation, and ability to acquire commercial hog farms at low single digit current year earnings multiples, reflects their management efficiency, experience and focus on execution in a favorable market environment.



MANAGEMENT

Songyan Li

PhD, MBA

Chairman of the Board

As one of the original founders of the Company, Dr. Li is a renowned animal nutrition scientist in China. He was named Chairman of the Board in July 2004. Prior to that, he worked as the Technical Manager in Guangxi Peter Hand Pre-mix Feed Company, a Chinese subsidiary of global animal nutrition conglomerate Provimi S.A. Mr. Li obtained his PhD in animal nutrition from Nanjing Agricultural University in September 2004. He also has an EMBA degree from China Europe International Business School, one of the best business schools in China. Dr. Li speaks fluent English.

Junhong Xiong

MBA

CEO & Vice Chairman of the Board

Since founding the Company in May 1995, Mr. Xiong has served as Chief Executive Officer. Prior to that, he worked for Guangzhou Huashi Animal Nutritionals Company as head of marketing. He rapidly rose from an entry level sales position to a top sales manager until reaching his final position as the head of marketing. Mr. Xiong Junhong earned his B.S. in Animal Husbandry & Veterinary studies from Jiangxi Agricultural University in July 1992 and has an EMBA degree from Tsinghua University in Beijing, one of China's top business schools.

Gerry Daignault

Chief Operating Officer

Head of Hog Production and Strategic Development

Mr. Gerry Daignault brings to AgFeed more than 26 years of senior US executive experience including 18 years at the Chief Financial Officer (CFO) level for several leading US and global agricultural companies in animal feed and hog production. In the 1980s, he became the Director of Finance at Purina Mills, the largest US feed company. In the late 1990's, he was the CFO for PMAG Products, a subsidiary of Tate & Lyle, N.A., a global leader in animal feeds and premix. His responsibilities included the formulation and execution of an aggressive M&A strategy that led to the consolidation of various operating subsidiaries and services positioning the company for future growth. Additionally, Mr. Daignault was the CFO of Newsham Hybrids, currently the 3rd largest swine genetics company in the US. Before co-founding Spectrum Agribusiness in 2006, he was CFO/Director of Finance for PIC North America, the largest swine genetics company in the US and a leading swine genetics company in the world. While at PIC, Mr. Daignault was responsible for operational and organizational restructuring that allowed PIC to profitably reposition itself to meet the needs of the rapidly consolidating North American pork industry. Under Mr. Daignault's guidance, operating profit grew by more than 100% during that time until the company was sold to Genus PLC, a London Stock Exchange listed company in 2005. He stayed on during the successful integration of the two businesses. He has a Bachelor's degree in finance and accounting from the University of Missouri in 1979.

Selina Jin

Chief Financial Officer

Selina Jin was named CFO of the company in 2009. She brings to AgFeed 12 years of extensive experience in financial management, researching, budgeting, reporting, investment analysis, internal controls, and design of corporate performance evaluation. She is familiar with the latest PRC GAAP, US GAAP and IFRS and is English speaking. Ms. Jin possesses a Bachelor's degree in Accounting from the School of International Business at Hunan University and a Masters of Business Administration in Finance and Accounting from Shanghai University of Financial and Economics. Ms. Jin is a member of the China Association of Chief Financial Officers, the Institute of Management Accountants, and the International Financial Management Association. Prior to joining AgFeed, Ms. Jin served as the Chief Financial Officer of Changsha Zhan Hong Energy Chemical Co., Ltd., where she directed an array of financial functions, including effective variance analyses on financial performance, financial budgeting and financial ratio monitoring. From 2003 to 2004, Ms. Jin was the Assistant Chief Executive Officer of Citia International Ltd. N. Z., where she established that company's financial and operational infrastructure and designed and implemented internal controls for its financial and operating systems.

Feng Zhou,

MBA

VP & Financial Controller, Corporate Secretary

Since founding the Company in 1995, Mr. Zhou has been serving as Corporate Secretary and VP-Financial Controller at the Company. Prior to founding the Company, he worked at Guangzhou Huashi Industries for two years as a sales representative. He received his bachelor degree in Animal Nutrition in 1992 from Jiangxi Agricultural University and upon graduation worked at Shanghai Daying Industry as a technician from July 1992 through October 1993. He obtained his EMBA degree from Tsinghua University in 2004, one of China's top business schools.



Zhengru Xiong

MBA

Vice President – Head of Hog Farm Operations

Since founding the company in May 1995, Mr. Xiong has served as VP of Technical Operations for the Company. He is the current Chairman of Jiangxi Province Hog Farm Association. He graduated from Jiangxi Agricultural University in 1992 with a Bachelor's Degree in Animal Farming and from 1992 through 1994 he worked at Jiangxi Agricultural and Technology Company as a section chief. Mr. Xiong is credited for broadening the Company's markets outside of Jiangxi especially throughout the eastern farming regions of China. Mr. Xiong has an EMBA degree from Tsinghua University, one of China's top business schools. He is not related to the Company's CEO and Vice Chairman.

Jinfeng Yuan

Ph.D.

Vice President – Technology

Dr. Yuan earned a Ph.D. degree in animal genetics from Huazhong Agricultural University and the University of Cambridge. His research area is focused on animal genetics and breeding, veterinary, molecular biology, statistics and bioinformation science. He has studied at PIC (the international leader in providing genetically superior pig breeding stock) research lab at the University of Cambridge, Tianzhong Breeder Pig Company (one of China's top breeder hog companies) and World Wildlife Fund (WWF) China. He was involved in a number of key research projects including BBSRC (UK), China's "863" Program — China's Top National High-tech R&D Program and Hubei International Collaboration Project. He is the first scientist in China to have discovered the 12 biomarkers for selecting genetic difference in resistance / susceptibility to animal disease and improving reproductive traits in swine. His research achievements have been published in the following peer journals: Journal of Animal Genetics and Breeding, Animal, Chinese Journal of Agricultural Biotechnology, Journal of Animal, Chinese Journal of Animal Biotechnology Bulletin, Agricultural Sciences in China and Acta Biologica Hungarica.

Directors

Songyan Li

Junhong Xiong

Gerry Daignault

Selina Jin

Feng Zhou

Zhengru Xiong

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