**GSM News Release**

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**GSM financial analysis students issue mostly “Buy” recommendations.**

Students in Professor Paul Griffin’s MBA elective on financial analysis and valuation recently presented their detailed reports on company value. Armed with an understanding of the company from a detailed review of the latest SEC documents, and excellent knowledge from their other courses, students developed discounted pro forma cash and profit projections to assess whether the current market price of the company’s stock was a fair reflection of shareholder intrinsic value. This year, they discovered a few gems whose potential Wall Street may not yet fully appreciate, perhaps because they has been unfairly trampled by negative sentiment on Wall Street. In one case, Richardson Electronics (*RELL*), the market had beaten down the stock to below liquidation value per share, yet the company seemed to have a sound strategy for the future. In another case, IMAX Corporation (*IMAX*), students perceived that the market has yet to appreciate fully the benefits of a new revenue-sharing business model that links IMAX directly with most major Hollywood studios. Students’ analysis of a third company resulted in a “buy” for Chipotle Mexican Grill (*CMG*), as a quality company in the premium fast food market. CMG is currently in the sweet spot of having high store growth potential, as well as a very good outlook regarding same-store sales growth, which has increased significantly in the past few quarters despite rough economic conditions. Students’ analysis of Sunpower Corporation (*SPWRA*) focused on the benefits of the young company’s R&D efforts and its high conversion efficiency (quantity of sunlight converted into electricity by the solar cell)—one of the highest available for the mass market. However, the company’s recent troubles with an accounting restatement raised the underlying risks and tipped their conclusion to a sell, even at the lower price following the negative news. As usual, all investments reflect risk and, thus, there is no guarantee of performance. However, when a few bright GSM students put their heads together, the chances of success are no doubt improved. For further information or to contact the students directly, please write to Professor Paul Griffin (pagriffin@ucdavis.edu).