



Zacks Buy List Highlights: ADTRAN, ESS Technology, Ameritrade, and UnitedHealth Group

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CHICAGO Zacks.com releases another list of stocks that are currently members of the coveted Zacks #1 Ranked list which has produced an average annual return of +31.35% since 1988 and has gained +13.3% annually since 2000 as the markets have been tumbling down. Among the #1 ranked stocks today we highlight the following companies: ADTRAN, Inc. (NASDAQ:ADTN) and ESS Technology (NASDAQ:ESST). Further they announced #2 Rankings (Buy) on two other widely held stocks: Ameritrade Holding Corporation (NASDAQ:AMTD) and UnitedHealth Group Inc. (NYSE:UNH). To see the full Zacks #1 Ranked list or the rank for any other stock then visit. <http://www.zacksrank1bw.zacks.com>

Here is a synopsis of why these stocks have a Zacks Rank of 1 (Strong Buy). Note that a #1 Strong Buy rating is applied to 5% of all the stocks we rank:

ADTRAN, Inc. (NASDAQ:ADTN) designs, develops, manufactures, markets and services a broad range of high-speed digital transmission products utilized by telephone companies and corporate end-users to implement advanced digital data services over existing telephone networks. In October ADTRAN reported third quarter earnings of 42 cents per share, assuming dilution, on sales of about \$106.2 million. The earnings result easily surpassed the year-ago performance while matching the consensus. Sales improved by +20% in the quarter. The company said that the quarterly results reflect its ability to successfully secure new growth opportunities through new product development initiatives and to aggressively expand market share as the cost leader. At the time of its third quarter report, ADTRAN's Board of Directors also declared a two-for-one stock split, which is usually music to investors' ears. The good news keeps coming as earnings estimates for this year and next have each moved forward by approximately 3 cents and 7 cents, respectively over the past seven trading days. Over the past month, analysts have boosted their estimates by approximately +3% and +4% respectively for those two periods. Analysts expect next year's earnings to improve by about +19% over this year's. ADTRAN believes itself to be well-positioned for the future, especially as the enterprise spending environment improves. Investors looking to dial into higher returns may want to choose ADTN.

ESS Technology (NASDAQ:ESST) is a leading supplier of high-performance feature-rich chips for the rapidly expanding digital video, digital imaging and digital entertainment markets. The company is also a leading provider of solutions for applications in the growing consumer entertainment market. In October, ESST reported net revenues for the third quarter of 2003 of \$48.2 million compared to \$31.0 million for the second quarter of 2003. Non-GAAP net income for the third quarter of 2003 was \$5.3 million, or 13 cents per diluted share, compared to the Street's estimate of a 2-cent loss, making a +750% earnings surprise. Non-GAAP net income excludes the effects of amortization of intangible assets, write-down of investments, in-process research and development and their related tax effects. The company was very pleased with their third quarter results as new products drove significant growth. All digital entertainment product lines grew during the third quarter, and all of the markets that they serve are still expanding. Going forward, revenue for the fourth quarter of 2003 is expected to increase by 35% - 40% over the third quarter. Overall the company expects a GAAP net income per diluted share to be in the range of 6 cents to 9 cents and non-GAAP net income per diluted share to be in the range of 10 cents to 13 cents. ESST might be just the stock to help improve your portfolio's image.

Here is a synopsis of why these stocks have a Zacks Rank of 2 (Buy). Note that a #2 Buy rating is applied to 15% of all the stocks we rank:

Ameritrade Holding Corporation (NASDAQ:AMTD) provides online brokerage services and Internet-based financial management services. They provide technology-based brokerage services primarily to retail investors through a variety of mediums, predominantly through the Internet. Back in October, Ameritrade announced record fourth quarter net income of \$55 million, or 13 cents per share. Full year net income of \$137 million, 32 cents per share was also a record. And the records didn't stop there, net revenues of \$713 million and client assets of \$55 billion were also records. Investors will agree that 2003 was a fantastic year for Ameritrade. Liquid assets and client assets are at historical highs, and Ameritrade bought back almost 17 million shares of stock. In response to the fantastic quarter and year, Ameritrade has increased its current projections for the fiscal year 2004 to 31 cents to 57 cents per share. As the economy and markets continue to show signs of strength, Ameritrade said it remains well-positioned for the future to capture more of investors' assets and further their growth, which could help to broker higher profits for your portfolio.

UnitedHealth Group Inc. (NYSE:UNH) offers health care coverage and related services to help people achieve improved health and well-being through all stages of life. The company's products and services reflect a number of core capabilities, including medical information management, health benefit administration, care coordination, risk assessment and pricing, health benefit design and provider contracting. In fact the managed care industry is poised for another year of strong gains in 2004, with profits projected to increase at least +16%, according to preliminary findings from The Outlook for Managed Care, 2004, by the Corporate Research Group, Inc. In the third quarter, UnitedHealth had strong sequential and year-over-year operating performance across the diversified family of businesses. This helped the company report record results. Back in October the company reported earnings of 77 cents per share, which exceeded the consensus by approximately +4% while beating the year-ago total of 56 cents by +38%. In addition, consolidated revenues pushed past \$7.2 billion, marking an increase of +16%, or \$1 billion. UnitedHealth expects full year 2003 earnings growth of +37% and 2004 growth in earnings per share of +21% to +22%. Over the past 2 months analysts have raised this year's estimate by +2% and next year's by 4%. UNH operates in a very healthy environment and looks to be heading in the right direction.

To truly take advantage of the Zacks Rank, you need to first understand how it works. That's why we created the free special report; "Zacks Rank Guide: Harnessing the Power of Earnings Estimate Revisions." Download your free copy now to prosper in the years to come. <http://freezrguideprbw1.zacks.com>

About the Zacks Rank

For over 15 years the Zacks Rank has proven that "Earnings estimate revisions are the most powerful force impacting stock prices." Since 1988 the #1 Ranked stocks have generated an average annual return of +33.6% compared to the (a)S&P 500 return of only +11.3%. Plus this exclusive stock list has generated average gains of +13.3% during the last 3 years; a substantial return compared to the large losses suffered by most investors during that time frame. Also note that the Zacks Rank system has just as many Strong Sell recommendations (Rank #5) as Strong Buy recommendations (Rank #1). And since 1988 the S&P 500 has outperformed the Zacks #5 Ranked stocks by 166.7% annually (11.3% vs. 4.2% respectively). Thus, the Zacks Rank system can truly be used to effectively manage the trading in your portfolio.

For continuous coverage of Zacks #1 Ranked stocks, then get your free subscription to "Profit from the Pros" e-mail newsletter where we highlight #1 Ranked stocks poised to outperform the market. <http://www.zacksrank2bw.zacks.com/>

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