



**BEACON  
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RESEARCH**

**Sonic Foundry, Inc.**  
NasdaqNM: SOFO

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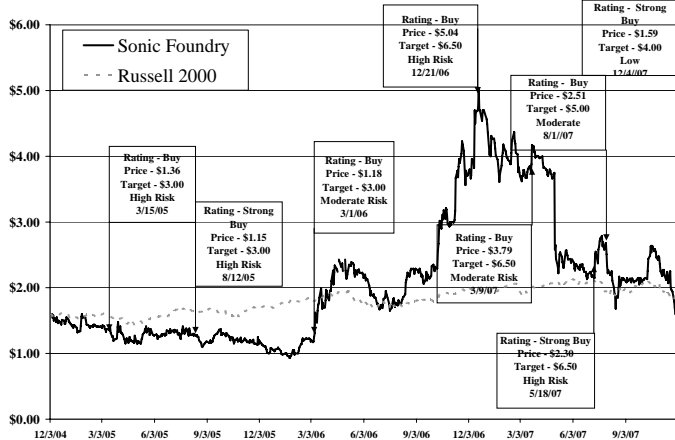
Price	\$1.52	Shares (mils)	35.5
P/E Ratio (ttm)	NA	Market Cap (mils)	\$54.1
P/S Ratio (ttm)	3.31 X	52 Week Range	\$5.15 - \$1.52
Sales/share (ttm)	\$0.48	Ave. Daily Vol.	81,878
Price/Book	3.38 X	Short Interest	38,998
Book Value	\$0.47	Gross Margin	73.8%
Cash/share	\$0.23	Oper. Margin	-31.22%
Quick Ratio	2.28	Insider Ownership	13.4%
Debt to cap ratio	0.00 %	Inst'l Ownership	7.5%

Disclosures 1,2,3,4

**Price Target**            **\$4.00**

**Rating**                    **Strong Buy**

**Risk**                        **Low**



Profit taking and tax loss selling shares has provided an excellent entry point for acquiring shares of Sonic Foundry, Inc. (Nasdaq: SOFO). Having provided research coverage on Sonic Foundry since March 15, 2005, when the price was \$1.36 per share, we find their progress in creating a revolutionary product while responding to customer preferences and creating a new market to be historic. We have had the opportunity to experience, demonstrate and witness the learning and educational experience of Sonic Foundry's rich media recorders. Some notable achievements in 4Q07 include the following:

- Adjusted revenues of \$5.0 million.
- Services increase to about 27% of revenues.
- Adjusted gross margin increases to 80%.
- Cash balances stabilize at about \$8 million.

Our upgraded rating and reduction in risk assessment recognizes that the Sonic Foundry may be moving beyond "early adopter decision makers" and now has the attention of top level decision makers in the education segment. In addition, the Company is also penetrating the corporate segment by focusing on services which should increase revenues and margins while reducing seasonality. We are reducing our 12-month price target to **\$4.00** per share and upgrading our rating to **Strong Buy** and reducing our risk assessment to **Low**.

Earnings Per Share					
	Q1: Dec	Q2: Mar	Q3: Jun	Q4: Sep	Annual*
2009E	\$ (0.01)	\$ 0.01	\$ 0.03	\$ 0.05	\$ 0.08
2008E	\$ (0.03)	\$ (0.03)	\$ (0.00)	\$ 0.00	\$ (0.06)
2007A	\$ (0.04)	\$ (0.05)	\$ (0.04)	\$ (0.04)	\$ (0.18)
2006A	\$ (0.05)	\$ (0.03)	\$ (0.02)	\$ (0.01)	\$ (0.11)

\* numbers may not add up due to rounding

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December 4, 2007

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*Company Overview*

Sonic Foundry, Inc. (Nasdaq: SOFO) is the leader in providing a complete technology solution for leveraging long-distance learning over the Internet. Sonic Foundry's presentation recorders (hardware) and plethora of presentation management software (easing management, search, and security) has simplified or even eliminated the pain and suffering of producing, viewing, and managing rich media. Rich media is the combination of video, audio, and graphics (most any type produced on personal computers or laptops). While the presentations may be streamed live or archived, Sonic Foundry's combination of hardware/software provides a distinct advantage over other alternatives to achieve what we consider high-level learning and comprehension. Considering a societal increase in the rate of change and complexity of data and context, we believe Sonic Foundry's products are becoming a staple of higher education and corporate communications.

Sonic Foundry's recorders have been referred to as the "Rolls Royce" of long distance education, due to the ease and elegance with which rich media may be produced and viewed on the Internet. As its product solution is now moving beyond the early adopters and becoming an indispensable component of long-distance communication, we see a more apt comparison is to the reach and duration of the HP 12-C, a distinctly durable and staple of business students and the investment community. Though many models of calculators have come and gone over the decades, the HP 12-C remains the standard by which others are judged.

*Content Transmitted, Received, and Understood*

We believe that Sonic Foundry's products have reduced the friction of learning, expanding their value beyond the leverage of the Internet to a potentially infinite audience. It is readily understood that its products reduce the cost and impediments to both producing and viewing rich media. Clearly, in any form of communication, understanding is more complete when both sides are fully able to both transmit and receive without friction. Sonic Foundry's products take this another step, making it possible to align the rate of transmission to the rate in which each individual in the audience may best comprehend the content transmitted. The versatility of the viewing platform actually stretches the dimensions and capacity, increasing the opportunity for heightened learning by the individual.

In our opinion, the most important attribute of Sonic Foundry's recorders is the ability of the viewer to create an environment (time and place of convenience) where they are most able to achieve high levels of understanding. Conventional Internet solutions primarily "stream" content at the viewer, and unless fully understood at the rate of transmission, content transmitted is not received, and the opportunity for actionable understanding is lost. It is Sonic Foundry's indexing and search features which we believe take the Company's products to an entirely new and competitive level. The viewer is no longer under pressure to comprehend at the sender's rate of transmission, but rather able to contemplate and synthesize the content at their own optimal rate of understanding. In other words, once having viewed a presentation, the individual is easily able to act upon their curiosity and desire to expand understanding by locating, replaying, and critically reviewing content. We believe the ability to locate, review, and contemplate provides the viewer an increased ability for viable comprehension.

*Year-end (4Q07) Earnings Release and Conference Call*

Corporate developments and financial results for 4Q07 and for fiscal 2007 ending September 30, 2007, generally met our expectations. While not yet profitable on a GAAP basis, the Company continues to close the gap toward positive cash flow and continues to make methodical progress in its product offering in response to the market. We believe anecdotal data and early financial indicators are providing evidence of crossing an inflection point in fiscal 2008. We consider the most important elements of the most recent release and conference call as follows:

- Increase in service income (improving cash flow, margins, and duration of relationships).
- Moving beyond early adoption phase with acquisition decisions by organization leaders.
- Increasing trend toward campus-wide deployment for large customers in education.
- Higher penetration of corporate segment through less capital intensive programs.
- Increased operating leverage from investments completing administrative and sales staffing.
- Stabilizing and improving cash flow and balances.

Sonic Foundry was proud to report the sale of its 2000<sup>th</sup> Mediasite Recorder to the University of Southern California. The milestone was important because USC, a well recognized leader in higher education, is working toward a campus-wide deployment. In addition, with each unit sale there is the probable annuity for sales and service and the Company continues to report high levels of repeat sales and transactions. This is due in part to the Company accommodating more complex deployments, responding with increased customer service, and improving software to manage recording, archiving, and security. This trend is becoming more obvious as the transaction size and deployments increase with sales of room-based (RL) units relative to mobile (ML) units. In addition, Sonic Foundry reported deal size varying from \$30,000 to \$600,000 in the recent quarter. Fortunately, they note that the time to close larger deals is decreasing to about 90 days from 150 days a year ago.

<b>Vertical Market Trend (customers)</b>			
	<b>2007</b>	<b>2006</b>	<b>% Change</b>
<b>Education</b>	445	309	44%
<b>Corporate</b>	282	186	52%
<b>Government</b>	100	79	27%
<b>Healthcare</b>	49	41	20%

Source: Sonic Foundry

<b>Recorder Sales</b>			
	<b>2007</b>	<b>2006</b>	<b>% Change</b>
<b>ML Recorders</b>	349	283	23%
<b>RL Recorders</b>	371	270	40%
<b>Total</b>	720*	553	32%

\* excludes records for Mediasite Now and Events

Source: Sonic Foundry

Management notes that as its products are moving past initial introductions, the value is becoming apparent to higher level decision makers who perceive the value of Sonic Foundry’s products and institutionalize their usage. This appears to be consistent in both education and corporate segments. As this continues it increases the probability that the Company is moving to an inflection point of increasing sales and duration to existing customers. As they further note the benefit of “word of mouth” references, should this occur at both the information technology and top organizational level, higher revenue levels may be anticipated.

The long-term effect of the advent of YouTube (beyond bringing its stock to the attention of short-term momentum investors) was to reaffirm the importance of video over the Internet. Management cited articles and research to that effect on the conference call, noting the growing importance of improving communication using video compared to managing or sharing data. This fits with other trends noted on the conference call toward using the Internet for acquiring content rather than search, commerce, or email. Management quoted OPA President Pam Horan, as saying “The IAI has identified a very significant and sustained trend in where consumers are spending their online time.... Over the last four years, the primary role of the Internet has shifted from communications to content.” This fits very well with demographic trends for how younger generations both sides of a college experience are increasingly relying on the Internet for useful information.

<b>Description</b>	<b>2007</b>	<b>2003</b>	<b>% change</b>
<b>Online time visiting content (on demand)</b>	47%	34%	13%
<b>Search</b>	5%	3%	2%
<b>Commerce</b>	15%	16%	-1%
<b>Communications</b>	33%	46%	-13%

Source: Sonic Foundry

Feedback from higher education customers supports macro trends for acquiring content over the Internet. They note “entering freshman expecting rich media technology” and a willingness to pay up to \$2,000 more in annual tuition for Mediasite availability for all of their classes. This is likely due to improved grades or reduced failure rates. We have noted through our experience that student satisfaction is proportional to both the desire and importance to learn the material and the difficulty in which the material may be understood in a conventional lecture or study series. Educational institutions are noting the economics and scalability of potentially increasing total tuition from students without constructing additional classrooms. Similar economics and scalability carries to the corporate segment as well. The Company also provided results for corporate deployment to organizations with over 10,000 employees, noting risk-adjusted ROIs of 155% with payback periods of 1.4 years. This takes into account increased production and reduced costs. In our experience, we would have thought the potential payback period to be shorter among corporations of any size.

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*Importance of Microsoft Silverlight*

Sonic Foundry management noted the importance of Microsoft’s Silverlight initiative in 2008. Silverlight is expected to consolidate various formats into one uniform structure for producing video over the Internet. This should allow for a broader and more uniform experience in viewing Mediasite presentations. The issue centered on open systems, or ones not supported by Microsoft. This should have the greatest impact among a growing percentage of Mac users. Management believes “Silverlight is a step ahead of model of cross platform/cross browser experience.” In our opinion, this had been one nagging area outside of the Company’s control that should simplify management of presentations for the individual viewer without the benefit of a Microsoft browser.

*Fiscal 4Q07 Financial Results*

Sonic Foundry reported the second of its two seasonally strongest quarters which are influenced by the education segment. Financial results for 4Q07 largely met our expectations for the quarter. This includes adjusting and adding back a reserve of \$305,000 for inventory and other adjustments in its distribution channel. After making the adjustment, the Company would have reported revenues of about \$5 million within reach of our estimate of \$5.3 million.

As reported, total revenues increased to \$4.7 million in 4Q07, up 16% over \$4.1 million in 4Q06. Sonic Foundry reported revenues from sales of Mediasite presentation recorders of \$3.4 million in 4Q07, up from \$3.3 million in 4Q06, which was below our forecast of \$4.0 million. As mentioned above, the importance of sales of recording units is diminishing relative to increasing service revenues and the potential revenue stream. Revenue from services increased to \$1.3 million in 4Q07, up from \$776,000 in 4Q06, and meeting our expectations. The increase in services revenues, from recognition of higher levels of unearned income, continues to offset our expectation for sales of presentation recorders. This trend is expected to continue and may provide opportunity for sustained revenue growth and potential positive revenue surprises in fiscal 2008. Other income was not significant in the quarter.

Billings are becoming an important barometer of future revenues and current cash position. The Company reports total annual billings of \$19.7 million in fiscal 2007, a 44% increase over fiscal 2006. An important component is billings for services which are collected up-front, accounted for as unearned revenues, and taken as sales over the contract period. Annual service billings were \$6.2 million in fiscal 2007, up 59% from \$3.9 million in fiscal 2006. Hosting , Mediasite Now, and Event Services billings increased to \$1.9 million in fiscal 2007 from \$500,000 in fiscal 2006. Accordingly, unearned revenue increased to \$3.3 million at the end of 4Q07, compared to \$2.0 million at the end of 4Q06. Consequently, cash balances were \$8.0 million at year-end, down about \$350,000 from the end of the prior quarter due to up-front collections. The Company’s focus on service income, evidenced by consistent higher levels of unearned income, may support revenues in seasonally weaker quarters and resumption of a trend toward higher margins.

<b>Revenues vs. Billings</b>			
<b>Impact of Services on Current Revenue</b>			
	<b>Billings</b>	<b>GAAP Rev.</b>	<b>% difference</b>
<b>2007</b>	\$19,688,000	\$16,737,000	15%
<b>2006</b>	\$13,684,000	\$12,564,000	8%

Source: Sonic Foundry

<b>Billings Mix 2007 vs. 2006</b>			
	<b>2007</b>	<b>2006</b>	<b>% Change</b>
<b>Recorder HW/SW</b>	\$10,153,000	\$7,720,000	32%
<b>Server License</b>	\$3,333,000	\$2,070,000	61%
<b>Services</b>	\$6,202,000	\$3,894,000	59%
<b>Totals</b>	\$19,688,000	\$13,684,000	44%

Source: Sonic Foundry

Gross profit was \$3.5 million in 4Q07, up from \$3.1 million in 4Q06. Including the adjustment for the inventory reserve management would have achieved an 80% gross margin in 4Q07, ahead of our forecasted gross margin of 77%. Management continues to believe that with increasing share of low-margin service revenues, margins should trend toward 80% over time.

Total operating expenses were \$5.0 million in 4Q07, down from \$5.1 million in 3Q07, and below our forecast of \$5.2 million. Based on management comments and examination of prior quarters, it would appear that the company has completed and may experience positive operating leverage in fiscal 2008. Sonic Foundry reported selling and marketing expenses of \$3.3 million in 4Q07, down from \$3.4 million in 3Q07 and our estimate for the quarter. General and administrative expenses were \$858,000 in 4Q07, below our estimate of \$1.0 million, which is notable as a second sequential quarterly decline during its two seasonally most active quarters. Product development expenses were \$783,000 in 4Q07, also below \$837,000 in 3Q07 and our estimate of \$840,000.

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Sonic Foundry reported a net loss of \$1.5 million in 4Q07, or a loss of \$0.04 per share, compared to a loss of \$341,000, or \$0.01 per share in 4Q06. We expected Sonic Foundry to have a net loss of \$1.1 million, or net loss of \$0.03 per share, in 4Q07. Management previously reported that they have a net operating loss carry forward of over \$70 million, which we estimate could reduce future taxes by about \$27 million. The company remains substantially debt free.

#### *Guidance and Outlook*

Management offered general financial guidance and outlook for fiscal 2008. They anticipate GAAP revenues to exceed \$20 million in fiscal 2008, with a growth rate continuing at about 30%, varying with seasonality. They believe investments in personnel and operations to be complete, providing operating leverage as revenues grow at a faster rate than operating expenses. They also believe revenues from services should increase from the current level during the coming fiscal year. In comparison to other technology company models, management believes there is potential for service revenues to increase to one half of total revenues. Accordingly, this would suggest solid cash flow from up-front collections and further strengthening of margins. Taken together, management believes they should breakeven on a pro-forma basis during fiscal 2008.

#### *Our Model*

We continue to be intrigued by Sonic Foundry's continually improving value proposition over the last several years with the absence of real competition. It would appear that Sonic Foundry remains well positioned to benefit from trends in the manner and quality in which individuals on the Internet are seeking information.

The education and corporate markets appear immense. Management noted on the call that there are 2,500 to 5,000 campuses with more than 10,000 students which may contain 200 to 400 classrooms. As not every subject is suited for the Company's products, the market is still virtually untouched. Management noted that six of its largest customers had capacity to record 30 to 40 classrooms, while this comprised only about 15% of their total classrooms. This would suggest even that Sonic Foundry's largest customers continue to be prime targets for expansion. In the corporate segment, Sonic Foundry had a study completed by Frost & Sullivan which estimated the total conferencing segment (audio, video, and web conferencing) to total \$5.9 million worldwide in 2007, which is expected to grow.

We have modeled total revenues of \$22.0 million for fiscal 2008. We anticipate modest increases in sales of recorders with higher sales in the second half of the year due to seasonality in the education segment. We also anticipate service income to increase 10% to 15% on a quarter-to-quarter basis, reflecting conversion of unearned income into revenues and increased focus on additional service offerings. We anticipate gross margins to increase as well, due to the relative low cost of providing other services and higher margins from licensing. Should we see the control of sales and marketing as with other operating expenses, our model suggests that Sonic Foundry may reach breakeven in fiscal 2008 and establishing a platform for positive earnings in fiscal 2009.

#### *Valuation and Conclusion*

We are reducing our 12-month price target to **\$4.00** per share from \$5.00 per share. Our target is only 7x estimated sales per share of \$0.61 for fiscal 2008, and well within historic trading ranges. Comparing the fundamental financial strength and product offering relative to inception of our research coverage, we are obliged to increase our rating to **Strong Buy** from Buy. In addition, as the Company's stock price reflects significant profit taking, despite influences of additional tax loss selling during calendar 2007, we see acquisition of shares at this level meriting a **Low** risk assessment.

# Beacon Rock Research, LLC

December 4, 2007

## Sonic Foundry, Inc.

September FYE  
 (#'s in 000's)

	1Q07A	2Q07A	3Q07A	4Q07A	1Q08E	2Q08E	3Q08E	4Q08E	2006A	2007A	2008E	2009E
	Dec.-06	Mar.-07	Jun.-07	Sept.-07	Dec.-07	Mar.-08	Jun.-08	Sept.-08				
<b>Income Statement</b>												
<b>Revenues</b>												
Mediasite revenues	\$2,586	\$2,898	\$3,544	\$3,417	\$2,800	\$3,000	\$4,200	\$4,200	\$9,902	\$12,445	\$14,200	\$15,050
Customer support fees	878	913	1,148	1,315	1,525	1,775	2,050	2,375	2,506	4,254	7,725	13,925
Other	9	10	10	9	10	10	10	10	156	38	40	40
<b>Total revenues</b>	<b>3,473</b>	<b>3,821</b>	<b>4,702</b>	<b>4,741</b>	<b>4,335</b>	<b>4,785</b>	<b>6,260</b>	<b>6,585</b>	<b>12,564</b>	<b>16,737</b>	<b>21,965</b>	<b>29,015</b>
Cost of goods sold	773	891	1,226	1,243	937	1,018	1,381	1,414	3,215	4,133	4,749	5,607
<b>Gross profit</b>	<b>2,700</b>	<b>2,930</b>	<b>3,476</b>	<b>3,498</b>	<b>3,399</b>	<b>3,768</b>	<b>4,879</b>	<b>5,172</b>	<b>9,349</b>	<b>12,604</b>	<b>17,217</b>	<b>23,409</b>
<b>Operating expenses</b>												
Selling and marketing expenses	2,504	3,043	3,353	3,336	2,950	3,050	3,375	3,400	7,630	12,236	12,775	13,800
General and administrative expenses	970	1,104	952	860	870	880	890	900	3,041	3,886	3,540	3,700
Product development expenses	675	806	837	782	790	800	800	800	2,238	3,100	3,190	3,270
Total operating expense	4,149	4,953	5,142	4,978	4,610	4,730	5,065	5,100	12,909	19,222	19,505	19,865
<b>Operating income</b>	<b>(1,449)</b>	<b>(2,023)</b>	<b>(1,666)</b>	<b>(1,480)</b>	<b>(1,212)</b>	<b>(963)</b>	<b>(186)</b>	<b>72</b>	<b>(3,560)</b>	<b>(6,618)</b>	<b>(2,289)</b>	<b>3,544</b>
Other income (expense)	20	111	77	40	50	55	60	70	77	248	235	380
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0
Income (loss) before income taxes	(1,429)	(1,912)	(1,589)	(1,440)	(1,162)	(908)	(126)	142	(3,483)	(6,370)	(2,054)	3,019
Provision for income taxes	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net income</b>	<b>(1,429)</b>	<b>(1,912)</b>	<b>(1,589)</b>	<b>(1,440)</b>	<b>(1,162)</b>	<b>(908)</b>	<b>(126)</b>	<b>142</b>	<b>(3,483)</b>	<b>(6,370)</b>	<b>(2,054)</b>	<b>3,019</b>
<b>Earnings per share</b>	<b>\$ (0.04)</b>	<b>\$ (0.05)</b>	<b>\$ (0.04)</b>	<b>\$ (0.04)</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>	<b>\$ (0.00)</b>	<b>\$ 0.00</b>	<b>\$ (0.11)</b>	<b>\$ (0.18)</b>	<b>\$ (0.06)</b>	<b>\$ 0.08</b>
Diluted shares	32,363	35,369	35,505	35,516	35,700	35,800	35,900	36,000	32,015	34,688	35,850	35,950
<b>Revenue</b>												
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	22.3%	23.3%	26.1%	26.2%	21.6%	21.3%	22.1%	21.5%	21.5%	25.6%	24.7%	21.6%
Gross profit	77.7%	76.7%	73.9%	73.8%	78.4%	78.7%	77.9%	78.5%	78.5%	74.4%	75.3%	78.4%
Selling and marketing expenses	72.1%	79.6%	71.3%	70.4%	68.1%	63.7%	53.9%	51.6%	51.6%	60.7%	73.1%	58.2%
General and administrative expenses	27.9%	28.9%	20.2%	18.1%	20.1%	18.4%	14.2%	13.7%	13.7%	24.2%	23.2%	16.1%
Product development expenses	19.4%	21.1%	17.8%	16.5%	18.2%	16.7%	12.8%	12.1%	12.1%	17.8%	18.5%	14.5%
Total operating expense	119.5%	129.6%	109.4%	105.0%	106.3%	98.9%	80.9%	77.4%	77.4%	102.7%	114.8%	88.8%
Operating income	-41.7%	-52.9%	-35.4%	-31.2%	-27.9%	-20.1%	-3.0%	1.1%	1.1%	-28.3%	-39.5%	-10.4%
Other income (expense)	0.6%	2.9%	1.6%	0.8%	1.2%	1.1%	1.0%	1.1%	1.1%	0.6%	1.5%	1.1%
Net income (continuing operations)	-41.1%	-50.0%	-33.8%	-30.4%	-26.8%	-19.0%	-2.0%	2.1%	2.1%	-27.7%	-38.1%	-9.3%
<b>Sales/share (tmn)</b>	<b>\$ 0.44</b>	<b>\$ 0.46</b>	<b>\$ 0.47</b>	<b>\$ 0.48</b>	<b>\$ 0.50</b>	<b>\$ 0.52</b>	<b>\$ 0.56</b>	<b>\$ 0.61</b>	<b>\$ 0.39</b>	<b>\$ 0.48</b>	<b>\$ 0.61</b>	<b>\$ 0.80</b>

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## Sonic Foundry, Inc.

## September FYE

(#'s in 000's)

## BALANCE SHEET

ASSETS	2004	2005	2006	2007	1Q07	2Q07	3Q07	4Q07
Cash and equivalents - (000's)	\$7,583	\$4,271	\$2,751	\$8,008	\$12,054	\$8,841	\$8,354	\$8,008
Accounts receivable	1,345	2,232	3,442	5,001	3,396	4,570	5,679	5,001
Accounts receivable, other	18	0	0	0	0	0	0	0
Inventory	371	414	398	204	297	308	85	204
Other current assets	281	363	399	975	423	731	1,103	975
Assets of discontinued operations	0	0	0	0	0	0	0	0
<b>Total current assets</b>	<b>9,598</b>	<b>7,280</b>	<b>6,990</b>	<b>14,188</b>	<b>16,170</b>	<b>14,450</b>	<b>15,221</b>	<b>14,188</b>
Net property, plant, and equipment	745	1,007	2,294	2,183	2,301	2,254	2,339	2,183
Goodwill & intangibles	8,288	7,958	7,628	7,610	7,575	7,575	7,599	7,610
Deferred long-term asset charges	0	0	0	0	0	0	0	0
Other assets	0	0	0	0	0	0	0	0
Long-term assets of discontinued operations	0	0	0	0	0	0	0	0
<b>Total assets</b>	<b>\$18,631</b>	<b>\$16,245</b>	<b>\$16,912</b>	<b>\$23,981</b>	<b>\$26,046</b>	<b>\$24,279</b>	<b>\$25,159</b>	<b>\$23,981</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Accounts payable	\$879	\$1,323	\$1,521	\$1,512	\$1,908	\$1,434	\$1,465	\$1,512
Accrued liabilities	686	780	1,225	1,023	868	819	1,115	1,023
Unearned revenues	473	957	2,005	3,314	1,931	2,244	3,122	3,314
Current portion of capital lease obligation	0	15	41	399	41	43	386	399
Convertible debt	0	0	0	0	0	0	0	0
Liabilities of discontinued operations	0	0	0	0	0	0	0	0
<b>Current liabilities</b>	<b>2,038</b>	<b>3,075</b>	<b>4,792</b>	<b>6,248</b>	<b>4,748</b>	<b>4,540</b>	<b>6,088</b>	<b>6,248</b>
Long-term debt	0	0	0	0	0	0	630	0
Deferred long-term liability charges	27	49	519	973	486	451	478	973
Other long term liabilities	0	0	0	0	0	0	0	0
Shareholders' equity	16,566	13,121	11,601	16,760	20,812	19,288	17,963	16,760
<b>Total liabilities and shareholders' equity</b>	<b>\$18,631</b>	<b>\$16,245</b>	<b>\$16,912</b>	<b>\$23,981</b>	<b>\$26,046</b>	<b>\$24,279</b>	<b>\$25,159</b>	<b>\$23,981</b>
Cash per share	\$0.26	\$0.14	\$0.09	\$0.23	\$0.37	\$0.25	\$0.24	\$0.23
Quick ratio	4.38	2.11	1.29	2.08	3.25	2.95	2.31	2.08
Current ratio	4.71	2.37	1.46	2.27	3.41	3.18	2.50	2.27
Debt to capitalization ratio	0.16%	0.37%	4.47%	5.81%	2.34%	2.34%	6.17%	5.81%
Book per share	\$0.56	\$0.43	\$0.36	\$0.64	\$0.64	\$0.55	\$0.51	\$0.47

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