



**BEACON  
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RESEARCH**

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

**Mike Niehuser**  
503-307-3188

mike@beaconrockresearch.com

www.beaconrockresearch.com

5956 N.W. 213th Place, Portland, Oregon 97229

Price	\$0.75	Shares (mils)	35.6
P/E Ratio (ttm)	NA	Market Cap (mils)	\$26.7
P/S Ratio (ttm)	1.7 X	52 Week Range	\$4.37 - \$0.62
Sales/share (ttm)	\$0.44	Ave. Daily Vol.	187,621
Price/Book	1.98 X	Short Interest	135,567
Book Value	\$0.38	Gross Margin	75.3%
Cash/share	\$0.17	Oper. Margin	-140.5%
Quick Ratio	1.20	Insider Ownership	13.4%
Debt to cap ratio	0.00 %	Inst'l Ownership	7.9%

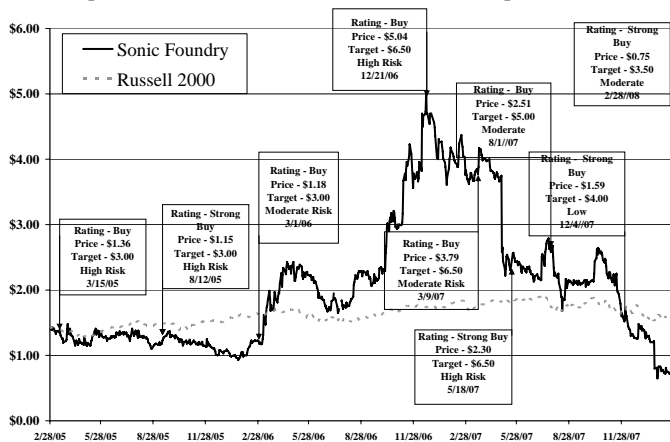
Disclosures 1,2,3,4

Price Target	<b>\$3.50</b>
Rating	<b>Strong Buy</b>
Risk	<b>Moderate</b>

Sonic Foundry, Inc. (Nasdaq: SOFO) announced on January 24, 2008 its expectations for revenues of \$2.5 million and a loss of \$3.5 million for 1Q08, citing slowing market conditions at a time when corporate customers were making buying decisions for 2008. Anticipated sales to the corporate segment failed to materialize. They also noted delayed sales pending roll outs of Microsoft's Silverlight technology. Accordingly, the Company's stock price declined from \$1.52 per share as of the date of our previous report December 4, 2007. Actual results for 1Q08 are as follows:

- Revenue of \$2.5 m in 1Q08, down from \$3.5 m in 1Q07
- Services revenue increased to \$1.6 m in 1Q08
- Cash balances declined to \$6.2 m in 1Q08

The pre-release marked management's focus on its fastest growing segment and plans to reduce operating costs by \$4 million annually. Management intends on meeting its goal of proforma breakeven during fiscal 2008, with even greater operating leverage in 2009. Based on steps to reduce costs, refocus on its fastest growing segment (ahead of its seasonally strongest financial quarters), and introduction of Microsoft Silverlight technology, we retain our **Strong Buy** rating but are reducing our 12-month price target to \$3.50 per share.



Earnings Per Share					
	Q1: Dec	Q2: Mar	Q3: Jun	Q4: Sep	Annual*
2009E	\$ (0.05)	\$ (0.03)	\$ 0.00	\$ 0.01	\$ (0.07)
2008E	\$ (0.10)	\$ (0.05)	\$ (0.01)	\$ 0.00	\$ (0.16)
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

Corporate Officer  
Contact Person  
Corporate Address  
Website

Rimas P. Buinevicius, CEO  
Kenneth A. Minor, CFO  
222 West Washington Ave., Madison, WI 53703  
www.sonicfoundry.com

(608) 443-1600  
(608) 443-1600

*Company Overview: Our Perspective “Mediasite This”*

Sonic Foundry, Inc. (Nasdaq: SOFO) is an Internet technology leader providing a complete package of solutions for the growing rich media communications marketplace. The Company provides an elegant means for capturing and viewing rich media (audio, video, and graphics) benefiting education, corporate, and government business segments. We have followed Sonic Foundry since before March 15, 2005, when we initiated research coverage at a price of \$1.36 per share. We also have had the opportunity to use the Mediasite recorder and observe first hand its functionality and benefits in long distance education and corporate communications. This report should provide our reasoning why we believe events in the prior quarter may provide investors with a significant buying opportunity.

Over the several years that we have provided research coverage, the core benefits of their Mediasite recorders have remained unchanged and remain first-in-class. In our opinion, management should receive credit that after several years their product is still the best on the market for distributing serious rich media over the Internet. Mediasite recorders provide a seamless and elegant solution for capturing presentations for “one-to-many” distribution over the Internet, providing “frictionless” learning opportunities for viewers. While the core product remains unchanged, Sonic Foundry has endeavored to improve the product offering with enhanced search capabilities and content management (two logical and inseparable value-added developments) in response to market demands for larger product deployments. The latest and most important development may be the incorporation of Microsoft Silverlight technology.

*A Look Ahead: Groundwork in Place for Potential Positive Surprise in Fiscal 2Q08*

The current share price reflects the most negative market sentiment toward Sonic Foundry’s prospects since our initiation of coverage. This disposition reflects earlier notions of revenue growth based on sales of individual units to a disparate customer base. The perspective disregards large numbers of repeat sales and continual success in completing larger sales to the higher education segment. This includes trends toward larger deployments and demands by information technology staff for content and management solutions. These larger sales, which include additional value-added software and services, are higher margin transactions. With the launch of Mediasite 4.3 in 2Q08 and the advent of Microsoft Silverlight, an impediment has been removed. This has been completed just in time for a seasonal increase in sales to the higher education segment, the largest and fastest growing segment. As potential sales for 1Q08 may have been postponed until the 2Q08 rollout, the current quarter may provide for a positive surprise heading into its seasonally strongest quarters.

*Focus on Education: “Education is the Headline”*

Sonic Foundry reports its products and services are being institutionalized at many institutions. Education sales pipeline is now over 60% and is expected to increase. Historically, education sales have accounted for about half of the company’s sales. Sales to this segment appear to be larger with increased demand by customers for value-added amenities. In addition, the buying characteristics of this segment are similar between institutions of higher learning, resulting in a scalability of sales. Most importantly (and obvious to us), is that Sonic Foundry’s products truly provide a remarkable solution to those wishing to effectively teach and those motivated and interested in learning. Having experienced the benefits of Sonic Foundry’s solution for long distance education, we offer the following quotation from an earnest, determined, and student-centered educator.



“My wholehearted support to the program... the video/audio presentations made available to the participants in the Pacific Coast Banking School via the Internet. The ability to go back and review both the lectures and the associated exhibits placed on the overhead projector or from the computer have been invaluable to my students. I have seen a drastic reduction in the number of e-mail and telephone questions asked because they are able to review pertinent parts of the course on their own and find the needed materials in an efficient manner. My University has offered on-line M.B.A. courses for the past six years and I have been an active participant in developing and presenting courses via the Internet. On more than one occasion, I have used the material provided via the PCBS web site to illustrate to administration that our static, text dominant approach to online education is antiquated and this mechanism is a much more interactive and efficient approach to online education.”

Jim Owens, PhD  
Professor of Finance  
Head, Department of Accounting, Economics and Finance  
West Texas A&M University

On the conference call, management reported that Mediasite products and solutions are being utilized by three of the nation's top five business schools (as rated by Business Week magazine). The apparent value proposition for leveraging education over the Internet appears immense. Management noted on their previous conference 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 Sonic Foundry'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 these institution's total classrooms. This would suggest even that Sonic Foundry's largest customers continue to be prime targets for expansion.

We anticipate that Sonic Foundry may begin to experience even greater success in the education segment in fiscal 2008. On the call, they noted a 70% renewal of licenses, larger installations, and standardization and branding of Mediasite solutions among higher education information technology professionals. While larger transactions are more complex and have taken additional time to close, Sonic Foundry management has reported some delays, as their technology is being incorporated into new buildings and campus-wide infrastructure programs. It would appear that some of these longer term sales efforts may be realized in the current fiscal year, and with current promotions and refocus of marketing efforts, results may become evident as early as the second quarter of fiscal 2008.

*Microsoft Silverlight: "Essential to Education"*

Potentially the most interesting and valuable nuance of our experience with Mediasite recorders may come with the incorporation of Microsoft Silverlight technology. We suspect Macintosh has a presence of 10% to 15% in the wider market. We also suspect that Macintosh has a greater following and enjoys greater customer loyalty in the higher education and K-12 market segments. This also appears to be growing among younger, trendier students (at least this is what advertising would lead us to believe). In addition, Microsoft Silverlight technology should allow for Mediasite presentations to be viewed on a variety of devices under development. We believe this may have timely and significant implications for the financial results of the remaining quarters for this fiscal year.

Sonic Foundry has stated that Microsoft Silverlight is a cross-browser, cross-platform plug-in that supports rich media experiences on the web providing consistent Mediasite experience for both Windows and Macintosh users on a variety of browsers, including Microsoft Internet Explorer, Firefox and Safari. This is important for two reasons. First, students and instructors that are loyal Mac users may now enjoy unfettered viewer benefits of Mediasite presentations. Second, back room informational technology staff has greater flexibility to manage and secure important content. Having eliminated what could be a final roadblock provides us a sense of optimism for sales to this important segment heading into its primary selling season.

*Search Capabilities Demonstrated*

Management reported that the Cincinnati Children's Hospital had made its Mediasite presentations available on its website (<http://cchmc-search.mediasite.com/>). The hospital was an early adopter of Mediasite, having accumulated thousands of hours of recorded presentations. While the site appears relatively simple, it does provide the first publicly available demonstration of Mediasite's search capabilities. This provides visitors the ability to complete a multi-modal search of the hospital's library of presentations by typing in a topic or any keyword. Management suggested searches for "cancer research," "kidney dialysis," and "congenital infection." These provide lengthy lists of presentations which include this content in the form of audio, text, or other clues. We took it a step further and searched for and located "sarcoidosis," an obscure term for the laymen and devoted fans of the television series, *House*.

We were impressed with the abundance of content and knowledge that has been made available to the public. As the volumes of Mediasite presentations build, we have increasing confidence that search will become a more important and necessary competitive component for rich media presentations. This particular function is ideally suited for universities seeking to advance knowledge, which should be their primary mission. We suspect that the search component will grow in importance to enhance sales and provide an important edge over the competition.

*Fiscal 1Q08 Financial Results*

Sonic Foundry reported financial results for the first quarter of its fiscal year, typically the weakest quarter, historically heading into stronger sales to the education segment later in the year. Financial results for 1Q08 were influenced by slowing economic conditions adversely impacting corporate sales. In addition, Sonic Foundry noted potential sales may have been held up pending the release of upgraded software, including Microsoft Silverlight technology. This led to recent financial results, which were counter to our optimism of a trend toward higher sales to the corporate segment. This may have resulted in smoothing out the seasonality from steadily increasing sales of the education segment. Up until the preannouncement of 1Q08 financial results, while our modeling has been consistently more optimistic than actual results, financial performance by Sonic Foundry has generally been as expected. Considering the challenges of developing new technologies and crafting new markets, we find it difficult to criticize financial performance, short of the most recent quarter, much of which could be argued to be impacted by general economic conditions and timing by others.

As reported, total revenues declined to \$2.5 million in 1Q08, down from \$3.5 million in 1Q07, and the weakest quarter in two years. Sonic Foundry reported revenues from sales of Mediasite presentation recorders of only \$942,000 in 1Q08, down from \$2.6 million in 1Q07, which was well below our forecast of \$2.8 million. As mentioned above, the importance of sales of recording units has declined relative to service revenues. Revenue from services increased to \$1.6 million in 1Q08, up from \$878,000 in 1Q07, and meeting our expectations. The increase in services revenues, from recognition of higher levels of unearned income, failed to offset a decline in sales of presentation recorders in the quarter. 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 were \$2.7 million at the end of 1Q08, down 27% from the same period a year earlier, and unearned income declined slightly to \$3.2 million in 1Q08, from \$3.3 million in 4Q07.

Gross profit was \$1.9 million in 1Q08, down from \$2.7 million in 1Q07. Gross margin as reported was approximately 75% for 1Q08, down from 78% in 1Q07. Management notes that 1Q07 financial results included costs of revenue for services which added about 4%. Had this been taken out of 1Q07, gross margin would have improved and approached their long term goal of 80%. This reflects an increasing percentage of revenues from services as opposed to sales of recording units.

Total operating expenses were \$5.5 million in 1Q08, up from \$4.2 million in 1Q07, and ahead of our forecast of \$4.6 million. Based on management comments to reduce operating expenses by up to \$4.0 million in fiscal 2008, this may provide substantial operating leverage during the balance of the fiscal year, especially as they move toward their seasonally strongest quarters. Sonic Foundry reported selling and marketing expenses of \$3.6 million in 1Q08, up from \$3.3 million in 4Q07 and our estimate of \$3.0 million for the quarter. General and administrative expenses were \$978,000 in 1Q08, slightly above our estimate of \$870,000. Product development expenses were \$946,000 in 1Q08, also above our estimate of \$790,000.

Sonic Foundry reported a net loss of \$3.5 million in 1Q08, or a loss of \$0.10 per share, compared to a loss of \$1.4 million, or \$0.04 per share in 1Q07. We expected Sonic Foundry to have a net loss of \$1.2 million, or \$0.03 per share. Management previously reported that they have a net operating loss carry forward of over \$77 million, which we estimate could reduce future taxes by about \$27 million. The company remains substantially debt free.

*Guidance and Outlook: Improving*

Management noted on the recent conference call that it was recognized by Frost & Sullivan, a global growth consulting company, when it received the 2007 Global Frost & Sullivan Award for Market Leadership. This credited Sonic Foundry for the market penetration, constituting 41% of a \$25 million market which Frost & Sullivan expects to quadruple by 2013. Interestingly, regarding the market and Mediasite, they stated “the need for lecture capture solutions transcends industry—deployed across educational institutions and corporations alike.” Based on our experience, having observed Mediasite in both education and corporate communications, we agree with this statement, but believe their estimate for the size of the market may be grossly understated. We see the need and available rich media content over the Internet continuing to grow with increasing demand for video over the Internet, a growing diversity of communication devices, and an inexhaustible desire to communicate, teach and learn. Mediasite appears to favor all of these trends and benefits from increasing choices made possible by technology.

A practical example of this viewpoint was alluded to on the conference call. Management noted the importance of education and training in an economic downturn. Consequently, two sectors fully engaged in this pursuit are education and healthcare institutions, two important target markets for Sonic Foundry. The positive benefits of effective one-to-many education and training over the Internet are evident in an economy oriented to constant change. For corporate retraining, the cost of assembling a large number of employees in a central location has become even more costly with gasoline approaching \$4.00 per gallon. We see Sonic Foundry as being uniquely qualified to provide solutions to these challenges.

It would appear that the events in the prior quarter have provided Sonic Foundry with a refined focus on improving operating leverage and reaching profitability. They have reduced headcount and expect to realize \$4.0 million in operating expense savings annually. They have aligned marketing with promotional programs to increase revenues in the education segment. We see the introduction of Microsoft Silverlight technology as one of the final speed bumps being removed. Management’s expertise in the education segment provides them with a level of confidence that revenues and billings in the last three quarters of fiscal 2008 will exceed the same quarters for fiscal 2007. They further believe that revenues and operating leverage will become apparent in the next quarter and extend through fiscal 2009.

*Our Model*

Management anticipates revenues of \$17 to \$19 million for fiscal 2008. In addition, they anticipate attaining proforma breakeven during fiscal 2008. Given the potential for delayed sales in 1Q08 and focused efforts on the education segment, it would appear that there is good potential for a positive financial surprise in 2Q08, which may carry into the last half of their fiscal year, typically its strongest selling season.

*Valuation and Conclusion:*

We are reducing our 12-month price target to **\$3.50** per share from \$4.00 per share. While this appears aggressive given the recent share price and other analyst targets, our long-term target is 7x estimated forward sales per share of \$0.51, and within historic trading ranges. As their stock is trading at less than 2x forward sales per share, we are reiterating our rating of **Strong Buy**. It would appear that negative sentiment may have run its course and should diminish with success later in future quarters. Though some risk for listing exists at the current share price level, it would appear that Sonic Foundry should be able to work with the exchange through its stronger financial quarters, which should reduce the risk of delisting. Taking this into account, which did not appear as a concern in our previous report, we are increasing our risk assessment to **Moderate** from Low.

# Beacon Rock Research, LLC

February 28, 2008

## Sonic Foundry, Inc.

September FYE  
(#'s in 000's)

	1Q07A	2Q07A	3Q07A	4Q07A	1Q08A	2Q08E	3Q08E	4Q08E	2006A	2007A	2008E	2009E
	Dec.-06	Mar.-07	Jun.-07	Sept.-07	Dec.-07	Mar.-08	Jun.-08	Sept.-08				
Income Statement												
Revenues												
Mediasite revenues	\$2,586	\$2,898	\$3,544	\$3,417	\$942	\$2,100	\$3,150	\$3,400	\$9,902	\$12,445	\$9,592	\$10,100
Customer support fees	878	913	1,148	1,315	1,558	1,650	2,000	2,375	2,506	4,254	7,583	12,150
Other	9	10	10	9	20	10	10	10	156	38	50	40
<b>Total revenues</b>	<b>3,473</b>	<b>3,821</b>	<b>4,702</b>	<b>4,741</b>	<b>2,520</b>	<b>3,760</b>	<b>5,160</b>	<b>5,785</b>	<b>12,564</b>	<b>16,737</b>	<b>17,225</b>	<b>22,290</b>
Cost of goods sold	773	891	1,226	1,243	622	854	1,082	1,190	3,215	4,133	3,747	4,290
<b>Gross profit</b>	<b>2,700</b>	<b>2,930</b>	<b>3,476</b>	<b>3,498</b>	<b>1,898</b>	<b>2,907</b>	<b>4,078</b>	<b>4,596</b>	<b>9,349</b>	<b>12,604</b>	<b>13,478</b>	<b>18,000</b>
Operating expenses												
Selling and marketing expenses	2,504	3,043	3,353	3,336	3,546	2,900	2,900	2,900	7,630	12,236	12,246	13,800
General and administrative expenses	970	1,104	952	860	978	900	900	900	3,041	3,886	3,678	3,700
Product development expenses	675	806	837	782	946	800	800	800	2,238	3,100	3,346	3,270
Total operating expense	4,149	4,953	5,142	4,978	5,470	4,600	4,600	4,600	12,909	19,222	19,270	18,770
<b>Operating income</b>	<b>(1,449)</b>	<b>(2,023)</b>	<b>(1,666)</b>	<b>(1,480)</b>	<b>(3,572)</b>	<b>(1,694)</b>	<b>(522)</b>	<b>(5)</b>	<b>(3,560)</b>	<b>(6,618)</b>	<b>(5,792)</b>	<b>(770)</b>
Other income (expense)	20	111	77	40	32	55	60	70	77	248	217	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)	(3,540)	(1,639)	(462)	66	(3,483)	(6,370)	(5,575)	(2,390)
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>(3,540)</b>	<b>(1,639)</b>	<b>(462)</b>	<b>66</b>	<b>(3,483)</b>	<b>(6,370)</b>	<b>(5,575)</b>	<b>(2,390)</b>
<b>Earnings per share</b>	<b>\$ (0.04)</b>	<b>\$ (0.05)</b>	<b>\$ (0.04)</b>	<b>\$ (0.04)</b>	<b>\$ (0.10)</b>	<b>\$ (0.05)</b>	<b>\$ (0.01)</b>	<b>\$ 0.00</b>	<b>\$ (0.11)</b>	<b>\$ (0.18)</b>	<b>\$ (0.16)</b>	<b>\$ (0.07)</b>
Diluted shares	32,363	35,369	35,505	35,516	35,562	35,600	35,650	35,700	32,015	34,688	35,628	35,675
Revenue												
Cost of goods sold	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit	22.3%	23.3%	26.1%	26.2%	24.7%	22.7%	21.0%	20.6%	20.6%	25.6%	24.7%	21.8%
Selling and marketing expenses	77.7%	76.7%	73.9%	73.8%	75.3%	77.3%	79.0%	79.4%	79.4%	74.4%	75.3%	78.2%
General and administrative expenses	72.1%	79.6%	71.3%	70.4%	140.7%	77.1%	56.2%	50.1%	50.1%	60.7%	73.1%	71.1%
Product development expenses	27.9%	28.9%	20.2%	18.1%	38.8%	23.9%	17.4%	15.6%	15.6%	24.2%	23.2%	21.4%
Total operating expense	19.4%	21.1%	17.8%	16.5%	37.5%	21.3%	15.5%	13.8%	13.8%	17.8%	18.5%	19.4%
Operating income	119.5%	129.6%	109.4%	105.0%	217.1%	122.3%	89.1%	79.5%	79.5%	102.7%	114.8%	111.9%
Other income (expense)	-41.7%	-52.9%	-35.4%	-31.2%	-141.7%	-45.0%	-10.1%	-0.1%	-0.1%	-28.3%	-39.5%	-33.6%
Net income (continuing operations)	0.6%	2.9%	1.6%	0.8%	1.3%	1.5%	1.2%	1.2%	1.2%	0.6%	1.5%	1.3%
	-41.1%	-50.0%	-33.8%	-30.4%	-140.5%	-43.6%	-9.0%	1.1%	1.1%	-27.7%	-38.1%	-32.4%
<b>Sales/share (tm)</b>	<b>\$ 0.44</b>	<b>\$ 0.46</b>	<b>\$ 0.47</b>	<b>\$ 0.48</b>	<b>\$ 0.44</b>	<b>\$ 0.44</b>	<b>\$ 0.45</b>	<b>\$ 0.48</b>	<b>\$ 0.39</b>	<b>\$ 0.48</b>	<b>\$ 0.48</b>	<b>\$ 0.62</b>

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**Sonic Foundry, Inc.**  
**September FYE**  
 (#'s in 000's)  
**BALANCE SHEET**

ASSETS	2004	2005	2006	2007	2Q07	3Q07	4Q07	1Q08
Cash and equivalents - (000's)	\$7,583	\$4,271	\$2,751	\$8,008	\$8,841	\$8,354	\$8,008	\$6,167
Accounts receivable	1,345	2,232	3,442	5,001	4,570	5,679	5,001	2,346
Accounts receivable, other	18	0	0	0	0	0	0	0
Inventory	371	414	398	204	308	85	204	664
Other current assets	281	363	399	975	731	1,103	975	724
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>14,450</b>	<b>15,221</b>	<b>14,188</b>	<b>9,901</b>
Net property, plant, and equipment	745	1,007	2,294	2,183	2,254	2,339	2,183	2,048
Goodwill & intangibles	8,288	7,958	7,628	7,610	7,575	7,599	7,610	7,607
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>\$24,279</b>	<b>\$25,159</b>	<b>\$23,981</b>	<b>\$19,556</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Accounts payable	\$879	\$1,323	\$1,521	\$1,512	\$1,434	\$1,465	\$1,512	\$948
Accrued liabilities	686	780	1,225	1,023	819	1,115	1,023	602
Unearned revenues	473	957	2,005	3,314	2,244	3,122	3,314	3,203
Current portion of capital lease obligation	0	15	41	399	43	386	399	396
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>4,540</b>	<b>6,088</b>	<b>6,248</b>	<b>5,149</b>
Long-term debt	0	0	0	0	0	630	0	0
Deferred long-term liability charges	27	49	519	973	451	478	973	855
Other long term liabilities	0	0	0	0	0	0	0	0
Shareholders' equity	16,566	13,121	11,601	16,760	19,288	17,963	16,760	13,552
<b>Total liabilities and shareholders' equity</b>	<b>\$18,631</b>	<b>\$16,245</b>	<b>\$16,912</b>	<b>\$23,981</b>	<b>\$24,279</b>	<b>\$25,159</b>	<b>\$23,981</b>	<b>\$19,556</b>
Cash per share	\$0.26	\$0.14	\$0.09	\$0.23	\$0.25	\$0.24	\$0.23	\$0.17
Quick ratio	4.38	2.11	1.29	2.08	2.95	2.31	2.08	1.65
Current ratio	4.71	2.37	1.46	2.27	3.18	2.50	2.27	1.92
Debt to capitalization ratio	0.16%	0.37%	4.47%	5.81%	2.34%	6.17%	5.81%	6.31%
Book per share	\$0.56	\$0.43	\$0.36	\$0.64	\$0.55	\$0.51	\$0.47	\$0.38

**DISCLOSURES:**

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