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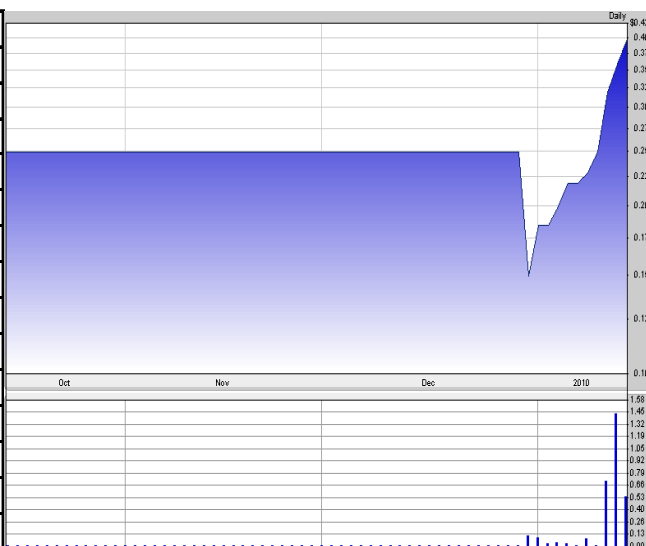
Telephone: 415.454.6985

January 18, 2010

InfoSpi, Inc.



Symbol	ISPI.OB
Current Price	\$0.40
Fiscal Year End	31-Dec
Dividend Yield (TTM)	NA
52-Week High	\$0.40
52-Week Low	\$0.12
Daily High Price	\$0.40
Daily Low Price	\$0.28
Previous Close	\$0.36
Daily Volume	547,609
Beta Coefficient	2.0
Shares Outstanding ('000 shares)	69,990
Market Capitalization (M\$)	28.0
% Float Outstanding	NA
Number of Shareholders on Record	NA



The Cohen Price Target

\$1.45

INVESTMENT THESIS & RECOMMENDATION

InfoSpi, Inc. is a developmental stage diverse alternative energy company involved in the production of bio-fuel using scrap tires, sludge and microalgae. The Company is planning to secure exclusive rights to multiple industrial processes that convert a variety of feed stocks into biofuel. The business model creates multiple revenue streams from sub-licensing and service contracts.

The biofuel industry has grown at a rapid pace in the last few years due to rising oil prices and global warming concerns. The industry is expected to have significant growth, in the short to intermediate term, as the new non-food feedstock technologies emerge and drive the market place.

We estimate the Company will successfully raise approximately \$6.5 million in fiscal 2011. The Cohen Price Target, which is calculated from market based multiples and intrinsic valuation, is \$1.45 per share. At \$0.40 per share, we recommend ISPI as a BUY for long-term, risk-averse investors.



EXECUTIVE SUMMARY

- InfoSpi is a developmental stage company whose focus is the research and development of proven proprietary technologies for waste management and treatment, recycling, and alternative fuel production. The Company's expertise and strategic alliances in this field will allow for the proprietary development and licensing of processes.
- The Company intends to implement two revolutionary technologies that will eliminate some of the most challenging contamination problems in the United States. InfoSpi has exclusive rights on these technologies within US territory, including Canada, and Mexico.
- The technology can convert scrap plastics and tires into liquid fuel oil and carbon. The process applies pyrolysis technology, which decomposes organic materials by heat in the absence of oxygen and enables 95% recovery of raw materials from tires and plastics. It is estimated that each machine (MA-6) used for biofuel production using scrap tires is capable of handling up to 10,000 tons of tires a year. The method is environmental friendly and eliminates excessive waste and contaminants being sent to the landfills.
- The Company also has an exclusive technology agreement with IBS, Spain that converts sludge and sewage waste into biofuel. The Company plans to manufacture and install similar sewage re-treatment plants in North America. The bio-fuel produced using this technology eliminates the use of costly anaerobic digesters and yields a biofuel with a higher energy content.
- The Company's technology is also able to use CO₂ byproduct from power stations of other industries as food for growing the microalgae, which can then be turned into biodiesel. This process yields the highest amount of biofuel.
- The Company is also focusing on other byproduct sources to produce biodiesel, such as Jatropha and Castor seeds. InfoSpi intends to gain access to 100,000 hectares of Jatropha and Castor in countries such as Ecuador and Nicaragua by signing agreements with local farmers. These crops are estimated to yield sustainable supply of biofuel for nearly 30 years.
- The company signed a letter of intent with Little Lighthouse, LLC for exclusive rights to operate Tire to Oil facilities in Duval, St. Johns, Volusia, Brevard, Seminole, Orange, and Osceola counties in Florida. InfoSpi intends to begin operations at the Pompano Beach plant by early 2011.
- The Company expects its technology to enable it to deliver biofuel to market four years earlier than its competitors. The Company intends to use this early to market advantage to develop distribution networks and gain higher market share.
- Risks: Access to capital and management's execution of its business plan.

Financials and Valuations:

- The Company expects revenues from three sources, 1) exclusive licensing rights to affiliates, 2) medium to long-term service agreements with sewage companies, and 3) medium term supply agreements.
- We expect robust revenue growth from \$4.4 million in fiscal 2010 to \$43.6 million in 2014 representing a CAGR of 77.8%. Our model assumes the Company raises capital through long term and short term debt of approximately \$6.5 million in 2010.
- The Cohen Price Target is calculated using market-based multiple valuation, Discounted Cash Flow (DCF) and Cohen Price Performance Index approach. The multiple based valuation approach uses the expected 2011 Price-to-Earnings and Price-to-Capital Employed ratio. We also include the Cohen Price Performance Index, which is a representative of the post coverage performance of all stocks covered by us. The last component in calculating the Cohen Price Target is the value derived using the long-term DCF valuation approach. Based on an average of these methods, the ISPI common stock is valued at \$1.45 per share, 262% higher than current market price of \$0.40.



Sales, Earnings Margin 5 Year Forecast

all figures in \$ 000s; unless otherwise	2010E	2011E	2012E	2013E	2014E
Revenues	4,362	8,744	17,476	26,222	43,623
% growth	NM	100.5%	99.9%	50.0%	66.4%
EBIT	935	1,305	4,941	6,583	15,945
EBIT Margin	21.4%	14.9%	28.3%	25.1%	36.6%
EBITDA	935	1,305	4,941	6,583	15,945
EBITDA Margin	21.4%	14.9%	28.3%	25.1%	36.6%
Net Profit	498	747	2,424	3,409	8,601
Net Profit Margin	11.4%	8.5%	13.9%	13.0%	19.7%
Earnings Per Share - Diluted	0.05	0.07	0.24	0.34	0.85
Free Cash Flow to Firm	663	(3,614)	(1,620)	(5,224)	8,041

\$000	2010E	2011E	2012E	2013E	2014E
Units (in tons)					
Oil (in gallons)	950,400	1,444,608	2,629,187	3,588,840	5,311,483
% growth		52%	82%	37%	48%
Black Carbon	3,136	4,767	8,629	11,778	17,432
% growth		52%	81%	37%	48%
Steel	1,045	1,589	2,876	3,926	5,811
% growth		52%	81%	37%	48%
Price (\$)					
Oil	3	3	4	4	4
% growth		10%	10%	10%	11%
Black Carbon	300	330	363	399	441
% growth		10%	10%	10%	11%
Steel	500	550	605	666	735
% growth		10%	10%	10%	11%
Revenues (\$ '000)					
Oil	2,899	4,847	9,703	14,569	23,826
% growth		67%	100%	50%	64%
Black Carbon	941	1,573	3,132	4,703	7,691
% growth		67%	99%	50%	64%
Steel	523	874	1,740	2,613	4,273
% growth		67%	99%	50%	64%
Tires/year (in tons)	784,080	1,450,548	2,901,096	4,337,139	7,832,872
% growth		85%	100%	50%	81%
Tipping fee (\$)	-	1	1	1	1
Tipping fees (\$ '000)	-	1,451	2,901	4,337	7,833
Total Revenue	4,362	8,744	17,476	26,222	43,623
% Growth	NM	100.5%	99.9%	50.0%	66.4%

5 YEAR COHEN DISCOUNTED CASH FLOW (DCF) SUMMARY

Assuming a growth rate of 1.5% our DCF Base Case forecast is \$1.45
(25% weighted component of Cohen Price Target)

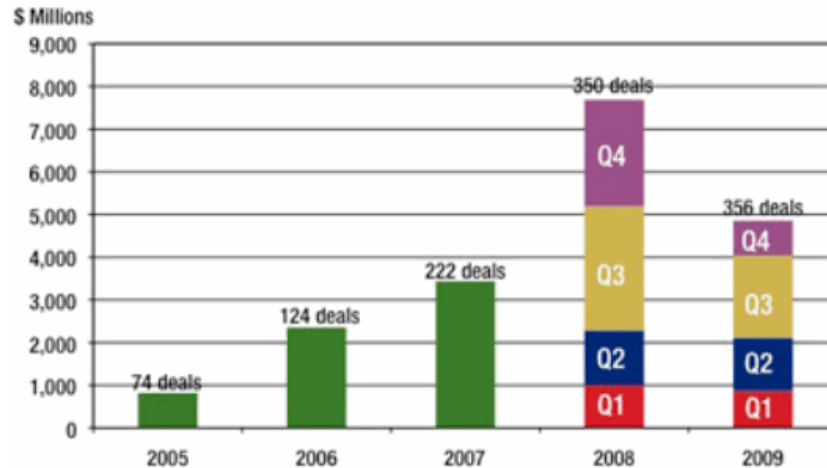
Price Targets vs. Discount Rates

Terminal Growth Rates	13%	12%	11%	10%
Optimistic Case	\$1.46	\$1.54	\$1.64	\$1.77
Base Case	\$1.27	\$1.34	\$1.43	\$1.54
Pessimistic Case	\$1.14	\$1.21	\$1.29	\$1.38



BULL CASE

- InfoSpi's technologies for reducing carbon emissions is less expensive compared to the other technologies currently available on the market, such as CCS, which captures carbon dioxide through a very expensive process and stores it underground with a high degree of environmental risk. The Company's cost effectiveness will give it a competitive edge.
- According to Greentech Media Research (GTM), venture capital investments in green technologies were down by a significant 36% to \$4.85 billion in 2009. Although investments were down, the sector witnessed an increase in the number of deals from the previous year. Environmental awareness, along with the government's emphasis to make the country less reliant on foreign sources of energy, is driving growth in this sector.



- The Obama administration's Green Initiatives will support clean and renewable energy effort in the United States. The President has stressed his administration's guiding principle to advance energy and climate security. To date \$106 billion has been proposed for federal investment in green projects.
- The government has regulations, which require mandatory use of certain percentages of biofuel. As the company's biofuel is substantially lower priced than ethanol, InfoSpi should be able to subscribe medium-term supply agreements with large fleets, which will provide a secured source of revenue.

BEAR CASE

- The current economic environment may pose difficulties for the Company in executing its business strategy. The worldwide credit squeeze has resulted in a tight financing situation and has made raising funds difficult. The Company must continually have access to the capital markets to raise funds for operations.



InfoSpi, Inc

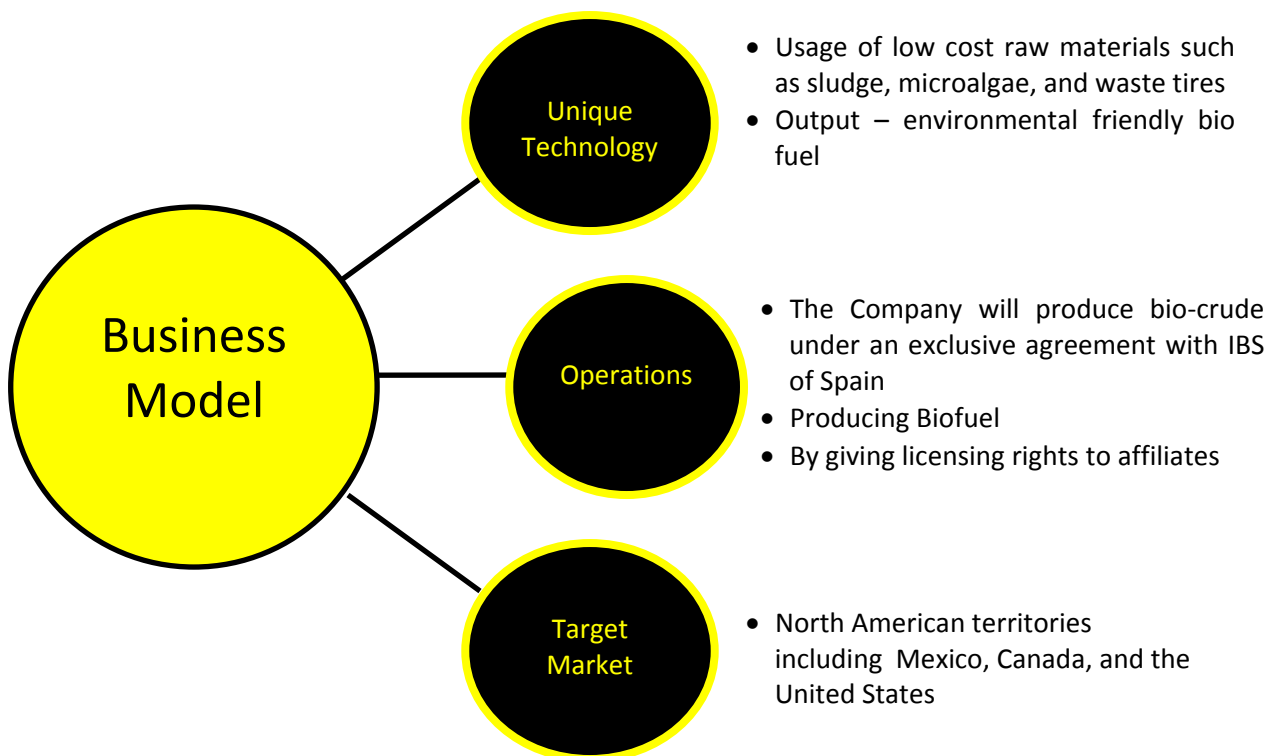


Mission:

InfoSpi with its revolutionary techniques aims to recover oil and other valuable raw materials from under-utilized sources and alleviate potential waste and environmental contamination. The Company's objective is to minimize contamination issues prevalent in the United States.

Business Model:

InfoSpi's business model seeks to benefit from the ongoing shift towards green products and technologies. The Company's technology uses waste tires and plastics, sludge and microalgae to produce biofuel. Cost to acquire such raw material is almost negligible. The thermal fluid heating process utilized for biofuel conversion consumes less energy, is environmental friendly, and has significantly low production costs.





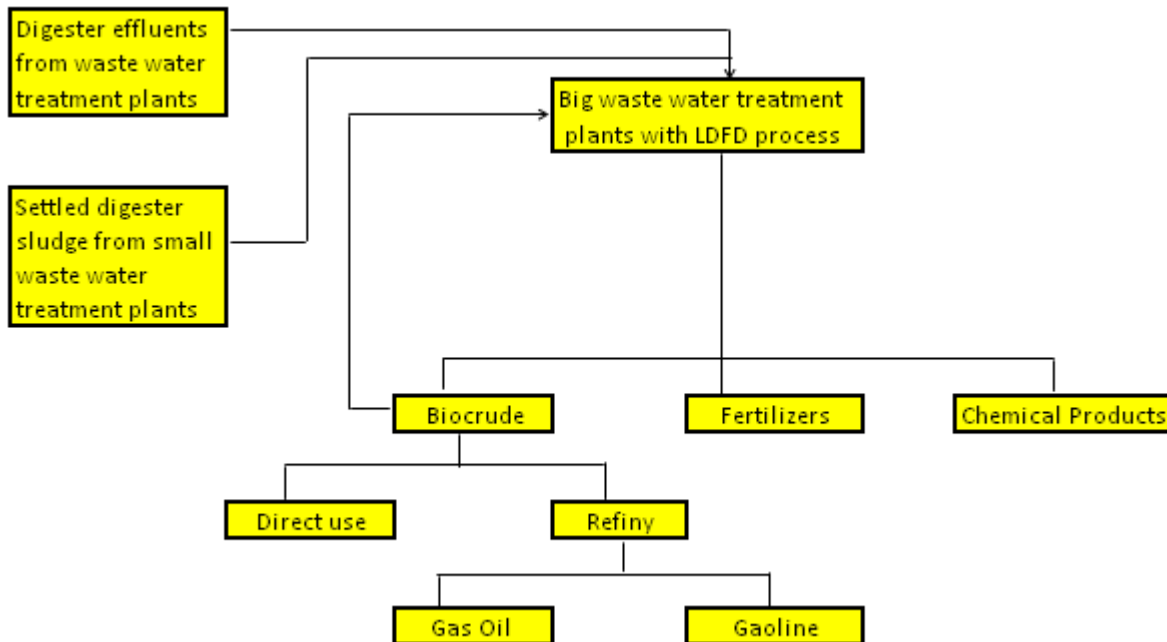
The Company will produce biofuel under a licensing agreement with IBS of Spain. The licensing rights are exclusive to the company for its usage in the United States. The Company plans to sub-license this technology to various sewage treatment companies in the United States. InfoSpi aims to install a series of sewage re-treatment plants. These plants will eliminate the need of costly anaerobic digesters and yield bio-fuel with higher energy content. The technologies included in the company's portfolio are unique with no significant competition.

Primary target markets are North America, including Mexico and Canada. These markets are ahead of their European counterparts in adopting biofuel and represent a strong growth market.

Technology

SLUDGE TO BIOPETROLEUM

The technology allows treatment of biomass, which results in a second generation bio-crude of high energy power. Biocrude is composed of a mixture of chemical compounds. The feedstock used is microalgae and municipal solid waste, manure, cellulosic products (straw, forest residues, etc).



Advantages

The system has the following advantages versus anaerobic digestion treatment, the only currently used –

- Elimination of the costly anaerobic digesters
- Less production cost
- The water-treatment plant can be projected in bigger capacities, therefore more and better drinking water will be produced.



- Less capital expenditure requirement and faster return on investment.
- There is no landfills requirement; no water-wasted output is available.
- Methane gas release is avoided, which is 15 times more harmful than carbon-dioxide

TIRE TO OIL

The revolutionary technique allows the recovery of oil and other valuable raw materials from underutilized sources and potential waste and environmental contamination. The process allows for the cost-effective, environmentally safe recovery of virtually all of the original chemical/mineral materials from scrap tires. Each Machine MA-6 is capable of handling up to 10,000 tons of tires a year.

Using proprietary technology, tires are broken down into tire component parts, recapturing for resale virtually all of the original resources used to manufacture them. The Company can also extract usable oil from these scrap tires, which was previously thought to be unattainable.

ALTERNATE FUELS

Microalgae to Bio-petroleum

The Company is also developing alternate energy crops such as microalgae feed stock and jatropha/castor feedstock for biofuel production. The Microalgae oil production process begins with the selection, identification and trials of eight species of Microalgae, including cyanobacteria. These species create a micro biosystem. This technology is designed for the purpose of facilitating breeding and reproduction, and preventing and avoiding the contamination of crops by external agents such as bacteria, fungi or other elements that may completely or partially harm breeding or reproduction of microalgae.

This process provides two elements, lipids or crude oil – algal crude – and remaining biomass. The obtained crude lipids go to the oil refining machine. The refining of crude algal oil produces the final raw material which subsequently is turned into biodiesel. From the remaining algal biomass two by-products are obtained- Biogas and Microalgae Flour.

Advantages

- No residues requiring disposal are left from the entire process, without the subsequent economic and/or environmental burden.
- Cost effective and environmental friendly technique

CO2 Captor & Digester Technology

The Company capture of gases that are currently vented to the atmosphere. The process of gas capturing, treatment and digestion will be as follows-

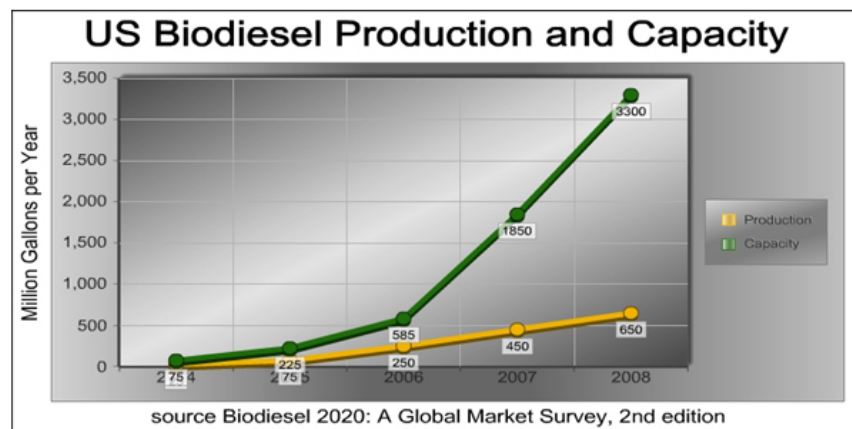
- Algae biomass will be formed in blind photo-bioreactors using water supplied from heat exchangers at a temperature suitable for growth and reproduction.



- Once formed, the biomass will be introduced into the piping system, where there is constant circulation of the culture media in accordance with preset technical parameters.
- The total culture media used on a permanent basis is 8,000 cubic meters, considering the volumes existing in the three devices mentioned above: photo-bioreactors, exchangers and piping.
- The captured CO₂ will be introduced into the pipes, where the digestion process will occur.
- The process will render an algae biomass that can be used as follows -
 - Biogas - used as a source of energy for the CO₂ capturing and digestion system;
 - the biogas captured and the waste has been dried, can undergo a pressing process to produce microalgae flour, which can be sold to the specialty target market; and
 - Any remaining waste meeting the required parameters will be relocated in the microalgae feeding process.

Industry: Biofuel

Rising oil prices along with increasing concerns about global warming issues are driving growth of environmental friendly bio-fuels over the last few years. The reduced carbon emissions resulting from the usage of bio-fuel has led nations around the globe to establish mandatory fuel blending regulations or levels of overall energy consumption to be replaced for renewable sources. These regulations along with the government's stimulus to support green technologies should be favorable for the industry growth.

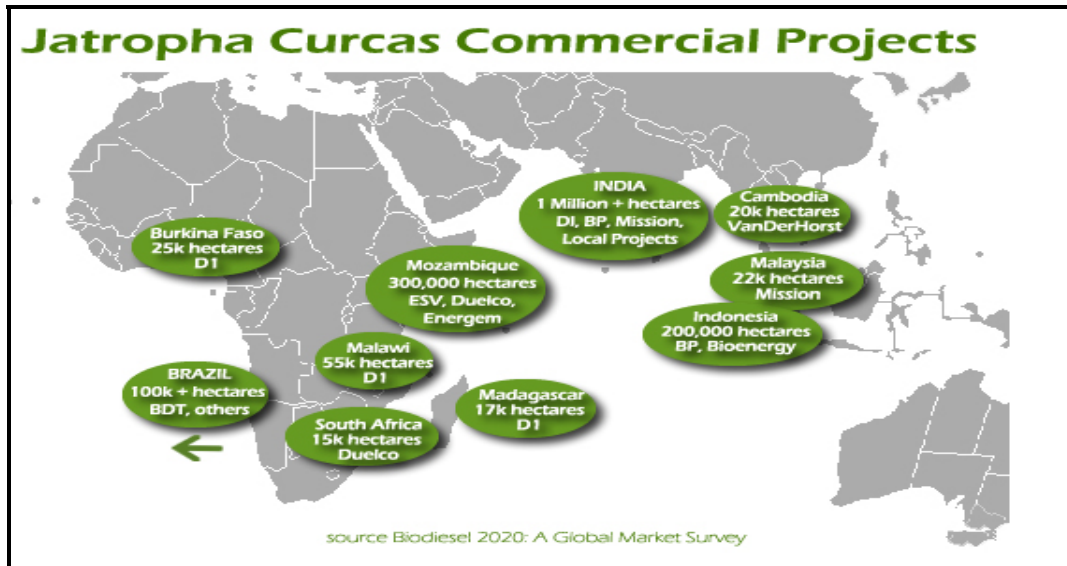


Demand for Biofuel

The Biodiesel 2020 report noted that the United States is ramping up production at a faster rate than Europe, and Brazil is expected to surpass U.S. and European biodiesel production by the year 2015. The market price of biodiesel is very attractive to consumers, especially when compared with other alternative fuels such as ethanol. This makes biodiesel an especially attractive fuel option for fleet owners. The first generation biodiesel markets in Europe and the US have reached impressive biodiesel production capacity levels, but remain constrained by feedstock availability. An increasing number of second generation biodiesel projects are now emerging in response to governmental clean energy



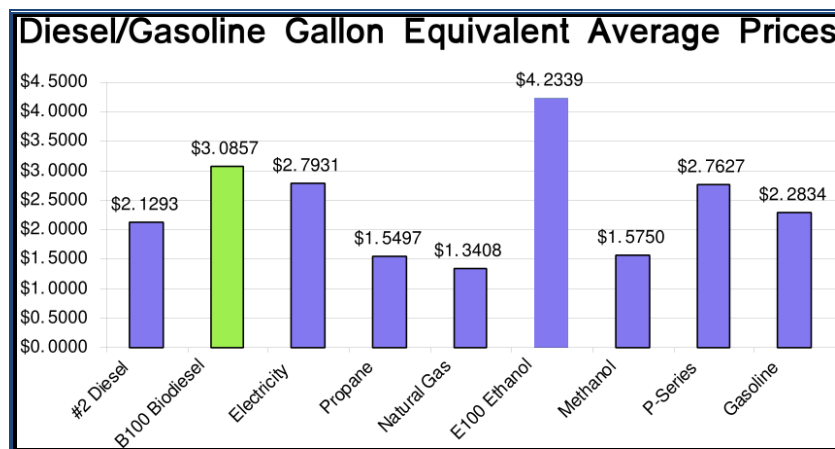
concerns, as well as in response to market demands for improved process efficiencies and greater feedstock production yields.



Alternative Feedstock

The price of bio-diesel depends largely on the feed stock used. The current technologies employ corn and sugar case for the production bio fuels, which is expensive and subject to market speculation. As a result major projects are in progress for lower-cost feed stocks from renewable diesel, tallow, yellow grease, and waste recycling. In the US and the EU, algae-based biodiesel ventures are growing in response to demands for clean fuels. If governments continue to aggressively pursue targets for second generation fuels; and continue to promote research and development in investment in alternative, non-food feedstocks such as grease tallow, jatropha, castor, algae, and renewable diesel, the prospects for biodiesel will be realized faster than anticipated. It is possible that Biodiesel could represent as much as 20% of all on-road diesel used in Brazil, Europe, China and India by the year 2020 with the pursuit of second generation, non-food feedstocks.

Comparative Pricing



Source: Biodiesel Market Prospectus Ender Management Team, October, 2005

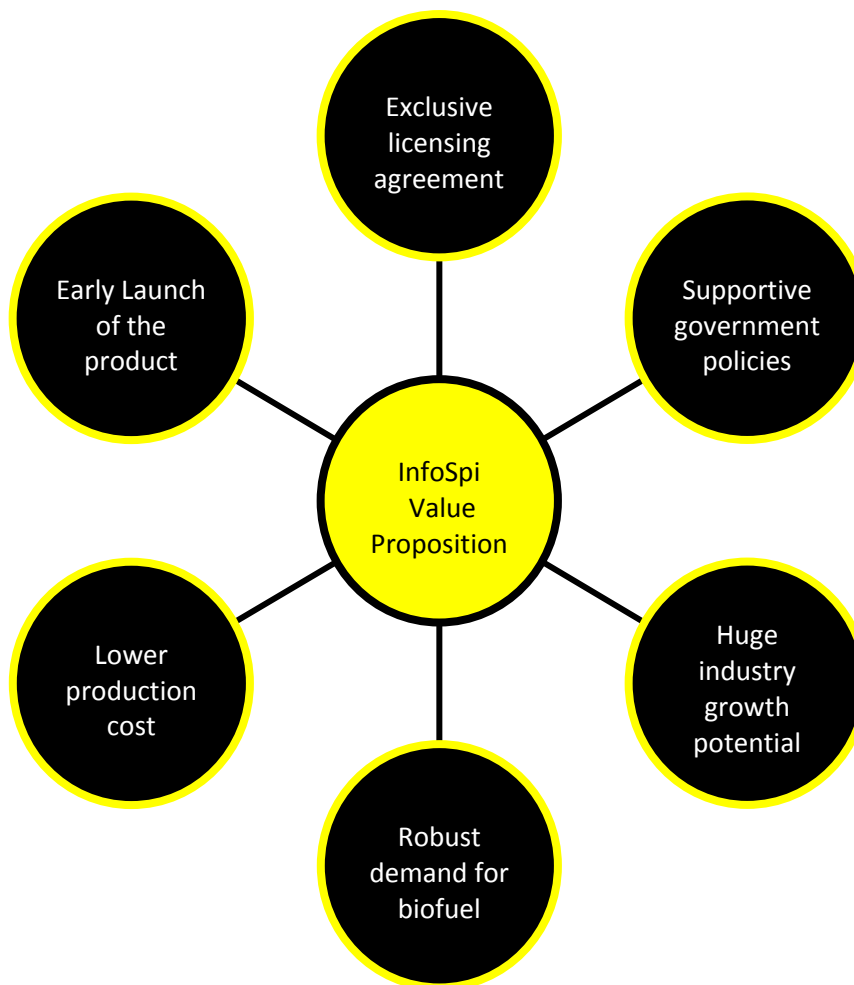


Competition & Competitive Advantage:

The renewable industry is highly competitive. The most important competitive factors include price, production capacity, reliability, and efficiency. The Company tries to distinguish itself from competitors on the basis of its unique technology, execution capabilities, and price.

Value Proposition:

The InfoSpi value proposition lies in the Company's ability to launch environmental friendly, cost-effective green technology.



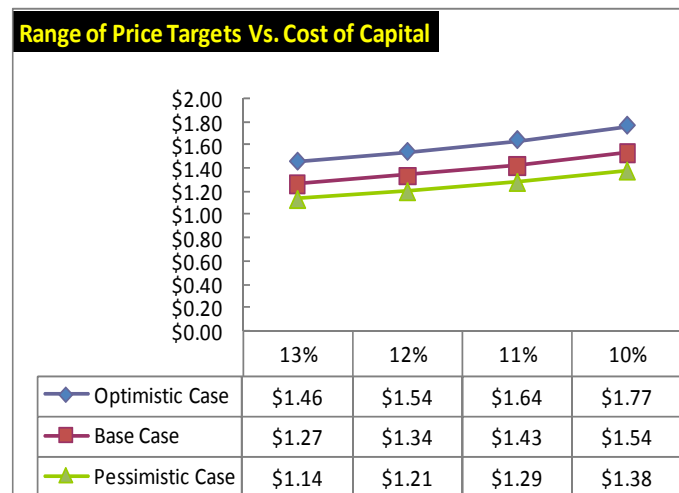
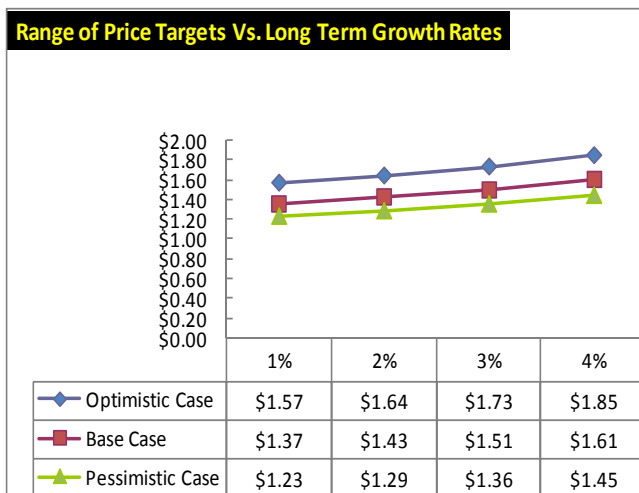


VALUATION

THE COHEN PRICE TARGET - \$1.45

Price-to-Earnings (P/E)	in US\$	in US\$
ISPI - Earnings Per Share - 2011 Forecasts	0.07	
Industry Average P/E Ratio	29.6x	
Price based on P/E Ratio		2.18
Price-to-Capital Employed (P/CE)	in US\$	in US\$
ISPI - Capital Employed - 2011 Forecasts	0.64	
Industry Average P/CE Ratio	2.2x	
Price based on P/CE Ratio		1.41
Cohen Performance Index	in US\$	in US\$
Cohen Price Performance Index Value	94.1%	
ISPI - Current Stock Price	0.40	
Price based on Cohen Performance Index		0.78
Cohen Discounted Cashflow	in US\$	in US\$
DCF - Base Case Valuation	1.43	
Price based on DCF Calculation		1.43
Simple Average of Price Targets		1.45
The Cohen Price Target		1.45

Discounted Cash flow Based Valuation





Cohen Growth Drivers

Annual Revenues, Margins, Assets, Turns					
all figures in \$ 000s	2010E	2011E	2012E	2013E	2014E
Revenue	4,362	8,744	17,476	26,222	43,623
Operating Margin	21.4%	14.9%	28.3%	25.1%	36.6%
Net Margin	11.4%	8.5%	13.9%	13.0%	19.7%
EPS - Diluted	0.049	0.074	0.239	0.336	0.848
EBITDA	935	1,305	4,941	6,583	15,945
Free Cash Flow to Firm	663	(3,614)	(1,620)	(5,224)	8,041
Cash	2,250	1,586	7,849	7,006	6,898
Working Capital	584	1,168	1,113	1,653	2,746
Long Term Debt	-	12,000	12,000	12,000	5,000
Total Debt	500	12,000	22,000	32,000	17,000
Total Assets	7,206	15,165	27,862	42,119	37,416
DSO	51	51	30	30	30

Percentage Change in Annual Revenues, Margins, Assets, Turns					
	2010E	2011E	2012E	2013E	2014E
Revenues	NM	100.5%	99.9%	50.0%	66.4%
Operating Margin	NM	-6.5%	13.4%	-3.2%	11.4%
Net Margin	NM	-2.9%	5.3%	-0.9%	6.7%
EPS - Diluted	NM	50.0%	224.4%	40.7%	152.3%
EBITDA	NM	39.5%	278.6%	33.2%	142.2%
Free Cash Flow	NM	NM	NM	NM	NM
Cash	NM	-29.5%	395.0%	-10.7%	-1.5%
Working Capital	NM	99.9%	-4.7%	48.5%	66.1%
Long Term Debt	NM	NM	0.0%	0.0%	-58.3%
Total Debt	NM	2300.0%	83.3%	45.5%	-46.9%
Total Assets	NM	110.5%	83.7%	51.2%	-11.2%
DSO	NM	0.0%	-40.7%	0.0%	0.0%

InfoSpi intends to generate revenues from the production and sale of environmental friendly biofuel energy. The Company through its relationship with IBS has exclusive licensing rights to use the technology within North American territory. The Company will also be entitled to carbon credits as the output and the process by which fuel is generated are conducive to the environment. The Company intends to secure medium-long term servicing agreements with companies operating sewage treatment plants, and also medium term supply agreements for biofuel.

InfoSpi expects to capitalize on its early-movers advantage by entrenching deep relationships within the industry. Early launch and lower price of the product should help InfoSpi garner significant market share. We expect total revenues to increase from \$4.4 million in 2010 to more than \$43.6 million by 2014. We expect operating margin to expand from 21% in 2010 to 37% in 2014, with increased production.

Our Growth assumes the Company successfully raises approximately \$6.5 million in 2011. Our projections reflect a strong and positive outlook for ISPI in the intermediate-to-long term. The favorable market dynamics for the Company's products enhances our outlook.



Management

Chris Hamilton, CEO

Chris Hamilton has immense experience in construction and property development. His core strength lies as a relationship builder. He maintains relationship with the investors both in financial objectives and business execution.

Haim Mayan, President

Haim mayan is also from a construction and development background. He uses his skills to manage the delivery of the various components of the company. He has spent the past four years researching the field of Bio Fuels and the recovery of oil from tires. Having now having established the plantations in Nicaragua and Ecuador, he is focused on the pilot tire to oil facility in Florida.

Olivier Danan, COO

Oliver is directly responsible for the design, permitting and establishment of the global Infospi facilities, from Micro Algae ponds, tire to oil extractors to even the processing of Jatropha and Castor crops. Using his experience as an architect and project manager, he finds this post challenging and rewarding.

CONCLUSION

The growing concerns with regard to the global warming and dependence on foreign oil are stimulating the demand for alternative sources of energy such as biofuel. The use of biofuel has proven to be environmentally friendly, but cost ineffective given food based raw material. Several companies have emerged with innovative technologies that use low cost, non-food based feedstock for biodiesel production. InfoSpi's technology advancement provides it's a significant competitive advantage over competition.

The Company uses scrap tires, sludge, microalgae for the production of biofuel. Management aims to penetrate the North American markets by launching the product earlier than competitors at a lower rate. We are confident of the ability of the Company to penetrate the market and garner a larger market share. Risks include raising capital, and the execution of the Company's proposed business strategy. The Company will have to raise \$6.5 million of capital in 2011 to meet our projections.

We believe IPSI is on a fast paced growth trajectory and offers a solid value proposition for investment opportunity in the lucrative renewable energy market for risk-averse investors.

PJ/Grass Roots Research and Distribution, Inc.



LATEST PRESS RELEASE

Source: InfoSpi Inc.
January 15, 2010

InfoSpi to Create \$500m Green Hedge Fund Focusing on the Carbon Credit Market

FT. LAUDERDALE, Fla., Jan. 15 /PRNewswire-FirstCall/ -- InfoSpi (OTC Bulletin Board: ISPI) are to create a Green Hedge Fund to provide further investment for the company's growth in the coming years.

"Taking carbon credit trading to a new level" is how CEO Chris Hamilton views this decision. "Funding change is the fundamental ethos behind this program."

As controlling and ultimately reducing Carbon Emissions feature so highly on the agenda of every Government, the demand for Carbon Offset Credits will grow. It is here that InfoSpi see a niche to generate investment revenue to support growth in their business.

Newly appointed Prince Carlos, who is heading up the fund stated, "We will fund the development of our projects from the revenue generated by the sale of the carbon credits that we have created by our technology for companies that need them to offset their emissions, almost like a closed loop." "This differentiates us from other hedge funds, as we control the production of the CO2 credits and therefore channelling the carbon 'tax' back as a solution to the problem. Of course the ultimate goal is to bring about change in how we capture and eliminate the emissions from our industrial demands."

A brief overview of the carbon trading market will tell the investors in InfoSpi that this may well present a very sound move. The New York Times recently reported that Carbon trading is one of the "fastest-growing specialties in financial services," and companies are scrambling to get a slice of the market now worth well over 100 billion and that could grow to \$1 trillion within a decade.

Safe Harbor Statement

This press release contains statements that may constitute "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Those statements include statements regarding the intent, belief or current expectations of InfoSpi Inc. and members of its management as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. Important factors currently known to management that could cause actual results to differ materially from those in forward-statements include fluctuation of operating results, the ability to compete successfully, and the ability to complete before-mentioned transactions. The company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.

Contact:

For additional information contact:

Investor Relations
+1 (954) 776 1698



HISTORICAL HEADLINES

Fri, Jan 15, 2010

- [InfoSpi Appoints Prince Carlos von Hohenzollern to the Board of Directors](#)

Wed, Jan 13, 2010

- [InfoSpi Finalizing a Lease for Warehouse to be Used as a Tire to Oil Plant](#)

Fri, Jan 8, 2010

- InfoSpi Appoints New Board to Lead the Company Into the Renewable Energy Sector



APPENDIX

The Cohen Price Target

The Cohen Price TargetTM is derived using a combination of academic and market-based valuation approaches. The following four equal weighted (25%) components used in calculating our target price, include the assumption of capital raised:

1. The first 25% equal weighted component: is the market multiple based valuation methodology. This method uses the industry average 2011E Price-to-Earnings ratio to calculate the potential stock price (and/or price to Book if an asset based company). We take the average Price-to-Earnings multiple of a given industry. This means that, on an average, stocks in this industry should currently trade at a multiple times their 2010 expected earnings. These earnings in a small cap company are usually only generated by a small company raising cash to meet its master budget. The index, therefore, reflects capital invested in any micro/small cap company.
2. The second 25% equal weighted component: Cohen Capital Employed based valuation. Most start-up and micro/small cap companies require significant capital to meet our projections. Our Cohen Price TargetTM reflects the Company's ability to raise additional capital. Based on our capital projection and long-term price target from our Cohen DCFTM valuation model, we derive a Price-to-Capital Employed ratio. We then multiply this ratio with our capital employed per share assumption to derive this target price.
3. Our third 25% equal weighted component: is our use of the Cohen Price Performance IndexTM, which calculates the average price increase of all the stocks covered by Grass Roots Research and Distribution Inc. and Cohen Research after their release. Currently, for the week ending December 15, 2009, the Cohen Price Performance IndexTM is up by 94.6%, meaning that we expect the stock to follow the same trend and rise by 94.6%. To date, since May 2009, 95.5% of all of our stocks post report release have traded above the price of our initiate coverage report within 25 days. The Index assumes that all of its companies had capital employed in each company. In general, almost 100% of our researched stocks went up close to 100%.
4. Our fourth 25% equal weighted component: is our Cohen Discounted Cash Flow (DCF) method of valuation. Our Cohen DCFTM valuation includes a complex trademarked formula proprietary to our firm that includes an assumed long-term sustainable growth rate, cost of capital and assumed capital invested in a given company. Our DCF price target values a company today, based on projections of how much future cash will be generated from a given company. We assume that a company is worth all of the cash it can make available to investors in the future. It is called 'discounted' cash flow because cash in the future is worth less than cash today, and therefore must be discounted to today. We forecast various line items including assuming a given amount of capital is raised, to calculate the free cash flow we project a company to generate during our 5 year forecasted time period. If a company does not raise our estimated cash requirements, it is highly unlikely to reach our forecasts and can go out of business. After using a formula to discount free cash flow, we divide the total forecasted equity of the company by the shares of stock outstanding to calculate our Cohen DCF valuation, or theoretical price per share target. We believe the Cohen DCFTM formula is a more accurate measurement of operating cash than the traditional DCF used by most Wall Street research analysts. A DCF, or 5 year forecasted free cash flow projection,



can not be calculated without forecasting the three statements (IS, BS, CF) for 5 years. We are the only firm in the investor awareness industry that forecasts all of our companies for 5 years in three assumed cases. We believe this in depth level of securities analysis is a must for all of our companies, and is a foundation of the Cohen Research Method™.

Capital raising and cash are the life blood of any micro cap/small company. Our Cohen Price Target™ includes 4 components, 25% equal weighted, that together reflect capital is raised in our client companies. Our components are trademarked and proprietary to our firm, as is the Cohen Performance Index™.

Most micro/small cap companies have difficulty raising sufficient funds to reach our theoretical forecasts; hence there is considerable risk for any investor. While we do not give investment advice, any company that cannot raise adequate capital to finance its business model is a highly risky investment, short term or long term. Investment awareness campaigns also affect our price targets. Do not rely on our price targets because they are based on academic theory. Do your own research or consult with your investment professional.

Price Targets

Price targets can be heavily influenced by investor awareness campaigns. In general, we believe the more money spent on such campaigns, the greater the probability for price increases post report release. Our price targets assume capital raising and forecast 5 year Income Statement, Balance Sheet and Cash Flow statements. In a perfect world, these assumptions may be realized. We do not give investment advice. However, in the practical/real world, it is very difficult for a small company to reach our theoretical 5 year projections. We are not aware of any research firm that forecasts the three statements (IS, BS, CF) in 3 cases for 5 years. We believe our price targets are unique to the body of knowledge in the field of securities analysis.

Note: How we calculate our Price Targets

We further explain our Cohen DCF, which is an important 25% component of The Cohen Price Target. The Cohen Discounted Cash Flow Analysis (DCF) creates a price target and values a company today, based on projections of how much future cash will be generated from a Company. Our DCF analysis assumes that a Company is worth all of the cash that it can make available to investors in the future. It is called "discounted" cash flow because cash in the future is worth less than cash today, and therefore must be discounted to today. We forecast various line items including assuming capital is raised, to calculate the free cash flow we expect a company to generate during our 5 year forecasted time period. After using a formula to discount free cash flow, we divide the total forecasted equity of the company by the shares of stock outstanding to calculate our Cohen DCF (Discounted Cash Flow) valuation, or theoretical price per share target. We believe our Cohen DCF is a more accurate method of calculating operating cash. We forecast three assumed price targets because companies change during 5 years, Base Case, Optimistic Case, and Pessimistic Case.

Note: What is our formula used to calculate our DCF, the Cohen Price Target?

Some line items include free cash flow to the firm, the weighted average cost of capital, assumption of capital raised and capital spent, and the total enterprise value of the business less its debt, total equity value, total shares outstanding, and our projected price per share. A DCF cannot be academically calculated without projecting the 5 year cash flow statement.



Risks of the Cohen Price Target

Our Price Targets assume capital will be raised in three of four of our components, or 75% of the Cohen Price Target. The majority of micro cap/small cap companies need capital to reach our 5 year sales and cash flow projections. In the academic world, The Gordon Growth Model justifies an analyst's decision to forecast for 5 years. We forecast the three statements for 5 years in 3 cases. However, in the practical/real world, buying a micro cap stock based on 5 year forecasting is highly risky.

If smaller companies are able to raise capital, our theoretical price targets in a perfect world might be justified, providing the company executes on its business model. If an investor believes that a given Company cannot raise the necessary capital to reach our projections, then any investment becomes highly risky.

The investor should consider the possibilities of a given company being able to raise capital and execute over 5 years. Few micro/small cap companies are able to raise enough capital and execute over an extended period of time, primarily due to competition, management competence, access to capital, and execution of their master budget. Our price targets are academic theory and should not be relied upon. Investors should do their own research and consult with their financial consultants.

FINANCIAL EXHIBITS

Income Statement – Base Case

all figures in \$ 000s	2010E	2011E	2012E	2013E	2014E
Revenues	4,362	8,744	17,476	26,222	43,623
Cost of Goods Sold	2,380	5,076	8,434	13,250	17,396
Gross Profit	1,982	3,668	9,042	12,972	26,228
Expenses					
General and administrative	236	515	871	1,261	1,895
Sales & Marketing	633	1,331	2,372	3,708	6,312
Research & Development	179	517	858	1,420	2,075
Other Expenses	-	-	-	-	-
Total Expenses	1,047	2,363	4,101	6,390	10,282
Operating Profit/ EBIT	935	1,305	4,941	6,583	15,945
Interest Expense, Net	60	60	902	901	1,611
Extraordinary income/ (expense)	(45)	-	-	-	-
Earnings before tax	830	1,245	4,039	5,682	14,334
Provision for Taxation	332	498	1,616	2,273	5,734
Net Profit/Loss	498	747	2,424	3,409	8,601
Shares Outstanding - Basic	5,143	5,143	5,143	5,143	5,143
Shares Outstanding - Diluted	10,143	10,143	10,143	10,143	10,143
EPS - Basic	0.097	0.145	0.471	0.663	1.672
EPS - Diluted	0.049	0.074	0.239	0.336	0.848

**Balance Sheet – Base Case**

all figures in \$ 000s	2010E	2011E	2012E	2013E	2014E
ASSETS					
Cash	2,250	1,586	7,849	7,006	6,898
Accounts Receivable	611	1,224	1,451	2,176	3,621
Inventories	607	1,218	1,181	1,756	2,926
Other Current Assets	74	146	175	262	436
Current Assets	3,541	4,174	10,655	11,200	13,881
Fixed Assets	3,664	10,991	17,207	30,919	23,535
Total Assets	7,206	15,165	27,862	42,119	37,416
LIABILITIES					
Short term debt	500	-	-	-	-
Current portion of long term debt	-	-	10,000	20,000	12,000
Accounts payable and accrued liabilities	635	1,274	1,518	2,279	3,801
Other Current liabilities	72	146	175	262	436
Total Current Liabilities	1,207	1,420	11,693	22,541	16,237
Long term debt	-	12,000	12,000	12,000	5,000
Total Liabilities	1,207	13,420	23,693	34,541	21,237
Preferred Stock	5,000	-	-	-	-
Common Stock	500	500	500	500	500
Additional paid-in capital	-	-	-	-	-
Accumulated comprehensive loss	498	1,245	3,669	7,078	15,678
Total Shareholders Equity	5,998	1,745	4,169	7,578	16,178
Total Liabilities, Shareholders Equity, N	7,206	15,165	27,862	42,119	37,416

Cash Flow Statement – Base Case

all figures in \$ 000s	2010E	2011E	2012E	2013E	2014E
Operating Activity					
Net Income	498	747	2,424	3,409	8,601
Adjustments to Reconcile Cash Flows					
Depreciation & Amortization	1,465	2,918	4,422	7,370	7,384
(Increase)/Decrease in:					
accounts receivable	(611)	(613)	(226)	(726)	(1,444)
inventory	(607)	(611)	37	(575)	(1,170)
other current assets	906	(72)	(29)	(87)	(174)
accounts payable and accrued liabilities	635	639	244	761	1,522
other current liabilities	72	74	29	87	174
Change in Working Capital	396	(584)	55	(540)	(1,093)
Cash Flow from Operating Activities	2,359	3,081	6,901	10,239	14,892
Investing Activity					
Capital Expenditures	(109)	(10,245)	(10,638)	(21,082)	-
Cash Flow from Investing Activities	(109)	(10,245)	(10,638)	(21,082)	-
Financing Activity					
Short-term debt	500	(500)	10,000	10,000	(8,000)
Preferred Stock	(1,000)	(5,000)	-	-	-
Proceeds of common shares	-	-	-	-	-
Proceeds long term debt	-	12,000	-	-	(7,000)
Cash Flow from Financing Activities	(500)	6,500	10,000	10,000	(15,000)
Net Change in Cash	1,750	(664)	6,263	(843)	(108)
Opening Cash Balance	500	2,250	1,586	7,849	7,006
Ending Cash Balance	2,250	1,586	7,849	7,006	6,898



Financial Summary – Base Case

Sales Metrics	2010E	2011E	2012E	2013E	2014E
G&A/Sales (%)	5.4%	5.9%	5.0%	4.8%	4.3%
Receivables/Sales (%)	14.0%	14.0%	8.3%	8.3%	8.3%
Cohen Forward P/E Multiple	29.1x	19.4x	6.0x	4.3x	1.7x
Receivables per day of Sales (Days)	51	51	30	30	30

Profitability Metrics	2010E	2011E	2012E	2013E	2014E
EBITDA Margin	21.4%	14.9%	28.3%	25.1%	36.6%
Pre Tax profit Margin	19.0%	14.2%	23.1%	21.7%	32.9%
Net profit Margin	11.4%	8.5%	13.9%	13.0%	19.7%
Effective Tax Rate	40.0%	40.0%	40.0%	40.0%	40.0%

Performance Metrics	2010E	2011E	2012E	2013E	2014E
Return on Equity (ROE)	8.3%	42.8%	58.1%	45.0%	53.2%
Return on Assets(ROA)	6.9%	4.9%	8.7%	8.1%	23.0%
Return on Invested Capital (ROI)	6.9%	4.9%	8.7%	8.1%	23.0%

Per Share Data	2010E	2011E	2012E	2013E	2014E
Sales per Share	\$0.430	\$0.862	\$1.723	\$2.585	\$4.301
Cash per Share	\$0.222	\$0.156	\$0.774	\$0.691	\$0.680
Current Assets per Share	\$0.349	\$0.412	\$1.050	\$1.104	\$1.369
Total Assets per Share	\$1.401	\$2.949	\$5.418	\$8.190	\$7.276
Tangible Book Value per Share	\$0.591	\$1.495	\$2.747	\$4.153	\$3.689
Long Term Debt - per Share	\$0.119	\$1.323	\$2.336	\$3.406	\$2.094
Working Capital per Share	\$0.058	\$0.115	\$0.110	\$0.163	\$0.271
Free Cash Flow per Share	\$0.080	-\$0.062	\$0.671	-\$0.030	\$0.085



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