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BRITE STRIKE TECHNOLOGIES INC

OTC: BSTI.PK

USD 0.41

INVESTMENT THESIS & RECOMMENDATION

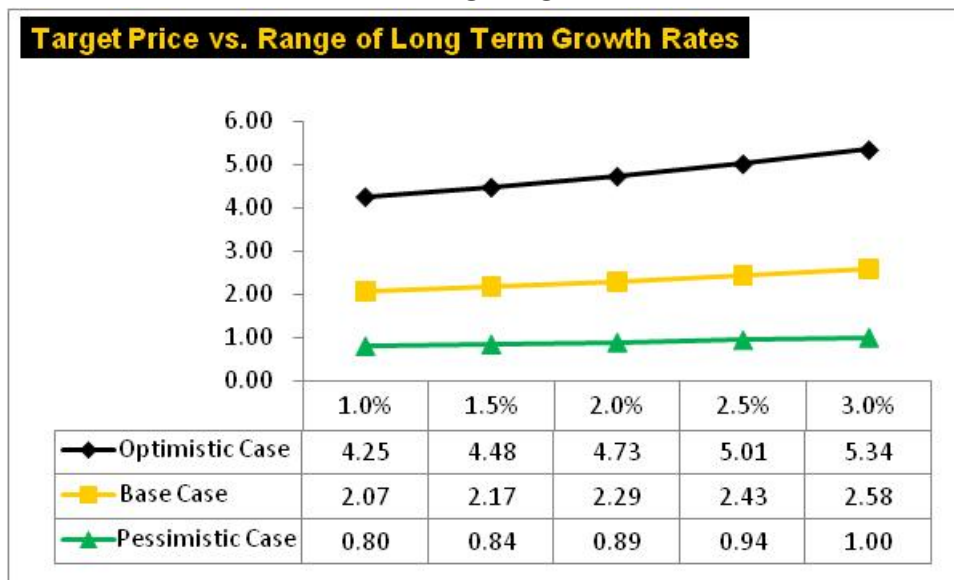
Brite Strike Technologies Inc, is a manufacturer of tactical flash lights and personal protection systems. The Company is well positioned to take advantage of increasing demand for better and safer personal security systems. The Company is expected to experience a growth in revenues from European markets, higher promotional spending and existing contracts with major retailers, such as Wal-Mart, Target and Lowes. Brite Strike will enter the solar powered security devices markets by 4Q'08. This will diversify the Company's product lines. Future prospects are exciting because the \$2 billion industry is expected to exponentially grow. We are initiating coverage on Brite Strike Technologies with a BUY rating.



Sales, Earnings Margin 5 Year Forecast

Income Statement Metrics	FY-07A	FY-08E	FY-09E	FY-10E	FY-11E	FY-12E
Sales	226	6,055	12,586	33,996	44,438	52,343
<i>Sequential Sales Growth %</i>	<i>n.a.</i>	<i>2576%</i>	<i>108%</i>	<i>170%</i>	<i>31%</i>	<i>18%</i>
Expenses						
Gross Profit	189	2,477	6,494	22,836	29,628	34,517
<i>Gross Profit Sequential Growth %</i>		<i>1211.2%</i>	<i>162.1%</i>	<i>251.6%</i>	<i>29.7%</i>	<i>16.5%</i>
<i>Gross Profit Margin %</i>	<i>84%</i>	<i>41%</i>	<i>52%</i>	<i>67%</i>	<i>67%</i>	<i>66%</i>
Selling, General & Administrative (SG&A) Expense	129	1,706	2,979	4,594	5,839	6,881
<i>SG&A Sequential Growth %</i>	<i>n.a.</i>	<i>1227.8%</i>	<i>74.6%</i>	<i>54.2%</i>	<i>27.1%</i>	<i>17.8%</i>
<i>SG&A as % of Sales</i>	<i>57%</i>	<i>28%</i>	<i>24%</i>	<i>14%</i>	<i>13%</i>	<i>13%</i>
EBIT	60	771	3,515	18,242	23,789	27,637
<i>EBIT Sequential Growth %</i>		<i>1176.0%</i>	<i>355.9%</i>	<i>419.0%</i>	<i>30.4%</i>	<i>16.2%</i>
<i>EBIT Margin %</i>	<i>27%</i>	<i>13%</i>	<i>28%</i>	<i>54%</i>	<i>54%</i>	<i>53%</i>

VALUATION



Our Base Case forecast of \$2.29 assumes a long term growth rate of 2%.

Price Targets vs. Growth Rates

Terminal Growth	1.0%	1.5%	2.0%	2.5%	3.0%
Optimistic Case	4.25	4.48	4.73	5.01	5.34
Base Case	2.07	2.17	2.29	2.43	2.58
Pessimistic Case	0.80	0.84	0.89	0.94	1.00



EXECUTIVE SUMMARY

- Brite Strike Technologies, Inc (Brite Strike) was founded by two police officers to create sophisticated tactical equipment and personal protection systems for police officers, the military and private citizens. The Company intends to market its products through major retailers and catalogues.
- Brite Strike is aggressively advertising its tactical products in print and broadcast media. The Company's advertising budget for 2008-2010 is expected to increase at a CAGR of approximately 140%. The tactical flashlights market is characterized by sophisticated technology and intense competition. Advertising constitutes a significant expense component because it is important to stimulate the consumer's attention. The Company's primary expense is targeted at aggressive advertising to capture market share in its multi-billion dollar industry.
- Brite Strike has a wide distribution network through agreements with Herrington, Frontgate and other retailers, in the United States, Europe and Japan. BJ's and Lowes.com will start selling Brite Strike products in July 2008 and by year end 2008, the Company expects to contract with other well known companies such as Wal-Mart, Target and Dicks.
- Brite Strike sources its products from low cost manufacturers in China and Malaysia. This leverages higher gross margins compared against its competitors. Product quality is not compromised. Fixed operating expenses create higher margins as the top line expands.
- There is an exciting potential for the Company's Blue Dot Series flashlights because their design meets police requirements. Blue Dot has features such as a tri-sided barrel for a firm grip and front and rear tri-strike-crown for maximum impact. There are approximately 663,535 police officers in the US. There is also increasing interest in Europe and Japan. The Company plans to open a sales office in London and has already recently received a bulk order from the German police.
- The Company has designed a seven piece personal protection system, Lightning Strike™, to address the safety needs of private citizens. With an increasing crime rate, especially against women (900,000 women assaulted in 2007), Brite Strike expects exciting sales from their Lightning Strike™ series. The Company has also launched a website www.stopaow.org, a non-profit venture, to create awareness among women to prevent assaults on their person. It also acts as a good promotional site for the site also promotes Lightning Strike™.
- The Company's management is highly experienced in the field of law enforcement. Management has decades of experience in law enforcement. Brite Strike has also secured >15 patents with various technologies through Brite Strike, Ameripure and other businesses. We expect the Company to further penetrate the flashlight markets.
- **Valuation:** Our Base Case forecast of \$2.29 assumes a long term growth rate of 2%. We calculated our two stage DCF valuation methodology. First stage: we discounted forecasted cash flow to the present date for the next forecasted five years (until 2012) based on our forecasted revenue growth and margin improvement. Second stage: beyond 2012, we assumed a 2% growth rate to derive the long-term fair value for the stock.



COHEN GROWTH DRIVERS

Cohen Growth Driver Analysis (in \$'000)	FY-07A	FY-08E	FY-09E	FY-10E	FY-11E	FY-12E
Revenues	226	6,055	12,586	33,996	44,438	52,343
Operating Margin	26.70%	12.73%	27.93%	53.66%	53.53%	52.80%
Net Margin	26.70%	8.91%	19.55%	37.56%	34.80%	34.32%
EPS - Diluted	\$ 0.00	\$ 0.01	\$ 0.03	\$ 0.18	\$ 0.22	\$ 0.25
EBITDA	60	942	3,901	19,468	25,406	29,545
Free Cash Flow	72	1,269	3,239	15,378	16,972	19,367
Cash	67	2,080	3,705	13,807	27,694	44,169
Working Capital	78	2,854	5,299	18,055	33,503	51,447
Total Assets	112	2,903	5,368	18,140	33,599	51,565
Annual Percent Change in Revenues, Margins, Assets						
Revenues	n.a.	2576.2%	107.9%	170.1%	30.7%	17.8%
Operating Margin	n.a.	-52.3%	119.3%	92.1%	-0.2%	-1.4%
EPS - Diluted	n.a.	749.5%	355.9%	419.0%	21.1%	16.2%
EBITDA	n.a.	1459.9%	313.9%	399.0%	30.5%	16.3%
Free Cash Flow	n.a.	1669.1%	155.3%	374.7%	10.4%	14.1%
Cash	n.a.	3009.3%	78.1%	272.7%	100.6%	59.5%
Working Capital	n.a.	3549.7%	85.6%	240.7%	85.6%	53.6%
Total Assets	n.a.	2487.5%	84.9%	238.0%	85.2%	53.5%

COHEN GROWTH DRIVERS

We forecast strong revenue growth driven by the Company's focus on tactical flashlights and self protection systems. Rising violent crime rates in developed countries have created demand for better tactical flash lights and self protection systems among law enforcement agencies and private citizens. The Company is targeting this market with its Tactical Blue Dot™ and Protector™ series of flash lights and its Lightning Strike™ self protection system. Agreements with Herrington, Frontgate and other major retailers, have ensured a national distribution network. With more planned retailer agreements and increased advertising spending, the Company intends to generate and expand its future revenues and margins.



INVESTMENT SUMMARY

Brite Strike Technologies was founded in June 2006 to address the needs of law enforcement agencies and private citizens using the patented Luxeon® LED and EMP chip technology. The Company markets its products to law enforcement agencies through catalogues, trade shows and to private citizens through retailers, websites and its non profit website: Stopaow (Stop assault on woman).

We are initiating coverage on Brite strike with a BUY rating. We envision exciting sales and earnings in high growth domestic and international markets.

BULL CASE

- Brite Strike has recently received a major product order from the Bel-Luxx police / swat show, billed as the largest of its kind in Europe, and plans to introduce their solar security products in the fourth quarter of the current fiscal year. The Company is in discussion stages with retailer BJs to ship ten thousand Lighting Strike™ systems later this summer.
- To tap the huge European demand, Brite Strike is opening an office in London and will attend the Shot show in Germany. The Company is rolling out a national domestic advertising campaign starting next week. Brite Strike products were featured in the Fort Worth Star-Telegram business section as a hot new item. The Company was also featured in PC MAG
- The Company sources most of its products from low cost destination manufacturers. These products are made to Company specifications. This outsourced manufacturing ensures high quality with minimum cost which improves corporate margins.
- The Company is planning to increase its retail base by introducing their products with Wal-Mart, Costco, Target and Dick's. Relationships with big name visible companies play an important role in the industry. The Company's product lines will grow with expanded retail presence.
- The markets will grow due to increasing assaults against women (900,000 in 2006) and demand for better tactical flashlights from law enforcement agencies (600,000 police officers).

BEAR CASE

- Recently, Maglite, one of the oldest and the largest companies in the market, lowered prices of the products that directly compete with the Blue Dot Series sold by Brite Strike. Further price cutting will create pricing pressure.
- Brite Strike's 8 to 10 products are not enough products at this stage in their development to diversify their risk. Companies such as Maglite, Surefire, Energizer and Streamlight, have approximately 20 to 40 products in the market, giving them substantial product depth and a wide variety of consumer choices.
- Brite Strike products were recently banned from the shelves of retailer Brookstone because of their extreme Briteness. Customers may not prefer the brightest available option.



COMPANY BUSINESS MODEL

Brite Strike is a new company in the flash lights market, deriving its revenues from selling its specialized products that include tactical flashlights and personnel protection systems. The Company's flashlight products are generally used by police officers, military personnel and citizens. The Company has developed a specialized woman targeted personal protection system Lightning Strike™. Brite Strike retails its products through large retailers such as Herrington, Frontgate, BJ's, specialized product catalogues and the internet. The Company sources its products from low cost manufacturing sources including China. These products are manufactured under Company specifications ensuring desired quality. Brite Strike also sells to the law enforcement markets. Promoting of its use of tactical flashlights and personnel protection systems, the Company also educates its citizens about self defense. The formation of a non profit organization, Stopaow, is a first step in citizen education. The Company has recently entered into the development of solar powered flashlights, expected to be introduced by late 2009.

Products:

- **Tactical Blue Dot Series:** These Tactical LED flashlights are designed to have features that a patrol officer needs, such as the tri-sided barrel for a more ergonomic grip, front and rear tri-strike crown for maximum impact during pressure points, and weapon retention techniques.
- **Lightning Strike Series:** These are seven piece personal protection systems designed for private citizens. They are easy to carry and easy to deploy. The brilliant, flawless white light momentarily blinds and disorients attackers.
- **Brite-Strike tactical Balls:** These are 1.38-inch high-impact plastic balls with two LEDs rated at 13,000 candelas that can be tossed into a room to illuminate. These balls always come to rest with the light facing upwards. They are low-tech, low-cost, zero-liability alternative distraction devices to flash-bangs.

Marketing Alliances and Partnerships: Brite Strike has signed several agreements with major retailers and manufacturers to strengthen its product technology and distribution system.

- **LED Technology deal with Phillips:** Brite Strike's deal with Phillips, in China and Malaysia, provides Phillips with its patented Lumiled Luxeon® LED's. These Luxeon LED's generate 10-15 times more lumens, (measurement of light) than normal LED's at the equivalent power consumption rate.
- **Retail Agreements:** Brite Strike has agreements with , Herrington,Frontgate, and other major retailers. BJ's will start selling Brite Strike products beginning July 2008. By year end 2008, the Company expects to sign retail agreements with Wal-Mart, Target and Dicks.
- **Internet selling:** Brite Strike also sells its products through various websites including its own www.Britestrike.com. The Company also sells its products through www.frontgate.com. www.lowes.com which will begin selling Brite Strike products July 2008 onwards

Competition:

Today's flashlights are brighter and lighter. New LED technology driving flashlight sales technology uses less power and emits brighter light. Flashlight sales today can be separated into two categories. First, there are the **tactical lights** which are predominantly manufactured by Brite Strike, SureFire, Streamlight, Insight, Inova and others for law enforcement, military, security, special operations and professional specialists. Some of these lights can be mounted on weapons, while others are designed to be hand-held for use with a particular firearm. They are also used as an excellent light source.

The second category of flashlights is the "all other" group which consists of consumers who need some type of illumination. This market is dominated by well established companies such as MagLite, Energizer and Lumecraft. A typical alkaline cell flashlight sells for a few dollars while the new high-tech lights start around \$30 and can go



up to \$100-plus, depending on the make, model and features. The high tech flashlight is price sensitive. Other major manufacturers offer educational materials to help dealers sell high-tech flashlights.

Brite Strike is a relatively new entrant in the tactical flash light market that has companies such as Surefire, Pelican, Inova and Maglite. Previously, these lights were used only by law enforcement agencies. However, with violent crime rates on the rise and the increasing awareness and concern for personal safety, most of the competitive companies have launched products that cater to the civilians as well.

Company	Law enforcement	Civilian	Civilian
	Flash lights		Personal protection
Brite Strike	Blue dot series	Protector	Lightning Strike
Surefire	Weaponlight series	Flash lights	No
Pelican	PM series, M series	MityLite, VersaBrite, Tracker	No
Inova	T-seroes	X-series	No
Maglite	No	Maglite flashlights	No

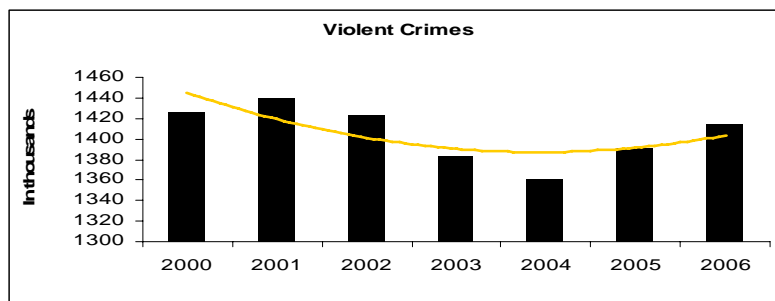
Brite Strike’s portfolio of products is limited when compared against other larger competitors. Because of this, the Company is also focusing on flashlights that can be used for personal protection, a suite of products that is not available by its competitors. The Company intends to increase its visibility across the U.S and Europe by promoting these unique features in a variety of its products.

Tactical flash lights have undergone a paradigm shift in terms of technology where the need has shifted to brighter and long lasting lights. The introduction of Light Emitting Diodes (LED) technology is the latest technology catering to this need. Although the use of tactical flashlights as a primary weapon has gone down, the new models are sturdy and are able to withstand rough usage because of ergonomically appropriate design.

	Brite Strike	Surefire	Pelican	Inova	Maglite
Incandescent	No	Yes	No	No	Yes
LED	Yes	Yes	Yes	Yes	Yes
Xenon	No	No	Yes	No	No
Halogen	No	No	Yes	No	No

Crime in the U.S

The violent crime rate in the U.S has been volatile over the past few years, with the numbers dipping to their lowest rates in 2004 and rising sharply thereafter. Although there has been a drop in crimes such as assault and robbery, the numbers are still significant. The number of assault cases against women wee an alarming 900,000 cases in 2006. Personal protection systems have gained prominence. Rather than producing stand alone products, firms have been offering comprehensive suites that cater to varied needs. We see an exciting opportunity for Brite Strike’s Lightning Strike™ series.



Source: www.disastercentre.com



Financial forecasts

The Company is poised to grow at a compound rate of 71.5% during the next four years. We project consolidated revenues to reach \$52.3 MM by 2012. This revenue growth will be primarily propelled by personal protection systems which will record a compound growth of 82.0% during 2008 – 2012 due to strong product sales. We forecast a 124.1% growth rate in units sold during the period due to increased demand from safety conscious civilians. The tactical illumination segment, which has been the driver in the past, will decline in the coming years. We expect that segment to grow at a CAGR of 40% during the period, significantly lower than the personal protection system growth.

The Company will hold price increases to a minimum due to industry wide price competition. The Company should reduce prices somewhat in the personal segment market to capture market share. During 2008 – 2012, we forecast that prices of personal protection systems will experience a decline in price from \$41 to \$18/unit. Increasing volumes are expected to make up for this price decline.

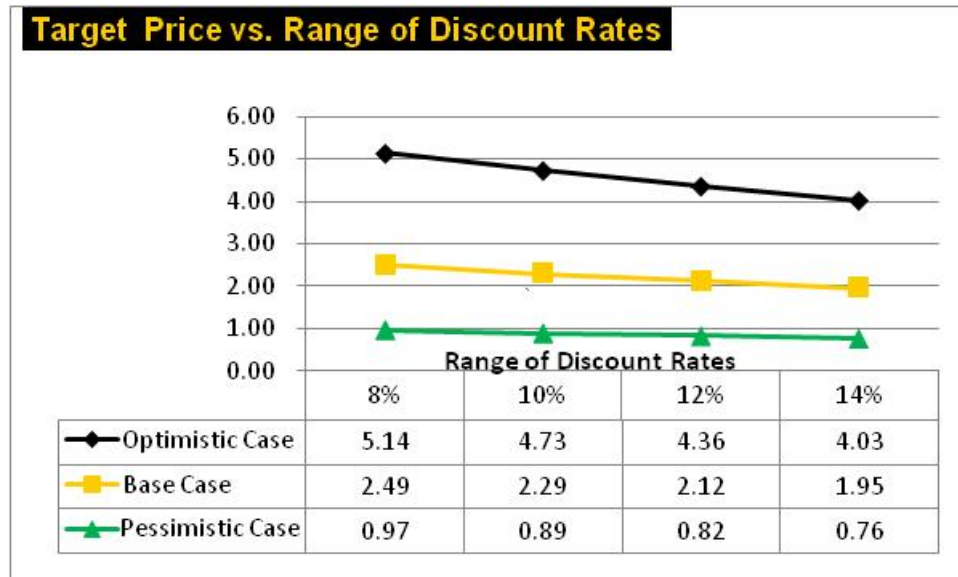
The Company's low cost manufacturing base for both units is expected to drive down costs. Thus, we expect the cost per unit of tactical illumination products to decrease from the current level of \$22 to settle in at \$19 by 2012. Personal protection systems costs should decline during the same time period from \$11 to \$9. The utilization of low cost manufacturing will boost gross margins by 2012 from 41% in 2008 to 66% in 2012.

The Company's manufacturing cost has provided Brite Strike with an advantage by increasing margins. The Blue Dot series, which is presently the Company's flagship brand, is priced at \$200; although the manufacturing cost is just \$23. The same is true for Lightning Strike which retails for \$85-\$100 from a manufacturing base of \$20. The entry into European markets is exciting because the Company plans to retail the Blue Dot series for \$100 over a manufacturing cost of \$11. This price differential will give the Company room to lower prices and compete effectively against established players. In a bid to increase its visibility, the Company will be spending more on promotional events and advertising. We forecast sales and marketing expenditures during 2008 – 2012 to increase at a compounded rate of approximately 50.0%.



VALUATION METHODS

DCF Based Valuation



Our Base Case forecast of \$2.29 assumes a long term growth rate of 2%. We calculated our two stage DCF valuation methodology. First stage: we discounted forecasted cash flow to the present date for the next forecasted five years (until 2012) based on our forecasted revenue growth and margin improvement. Second stage: beyond 2012, we assumed a 2% growth rate to derive the long-term fair value for the stock. We used the following assumptions to derive the 12-month fair value of the stock. We discounted our projected future cash flows using a 10% discount rate, using the US 10-year Treasury 3.90% yield as the benchmark Risk Free Rate. We assumed an equity risk premium of 6.2% with a Beta of 1.0.

SUMMARY OF RECENT EVENTS

Brite Strike Signs Deal with Lowes Home Improvement

Kingston, Mass - May 28, 2008 - Yesterday, Brite Strike Technologies of Kingston, Massachusetts announced it signed a deal with Lowes Home Improvement to sell Brite Strike products through Lowes.com. A Company with over \$48 billion in revenue, Lowes serves over 13 million customers a week through its 1500+ locations in the U.S. and Canada, and its online store.

Brite Strike's Tactical Blue-Dot series, Protector series, and Lightning Strike Personal Protection System will all be available for purchase through the Lowes website. The average flashlight emits 15 lumens, while the Lightning Strike series reaches 90 lumens, the Protector series 120 lumens, and the powerful Blue-Dot up to 200 lumens.



Brite Strike Product Featured In Fort Worth Star-Telegram

Kingston, Mass - May 28, 2008 - Brite Strike Technologies' Lightning Strike personal protection system was recently featured in the Sunday edition of the Fort Worth Star-Telegram's business section as a "hot new item" and a highly recommended gift for today's tech-savvy consumer.

Highlights:

"This is a 70-lumen flashlight designed by a police officer for self-defense with a Tri Strike Crown on both ends. White light can light an area or temporarily blind an attacker. It's housed in a 3.5-inch case, and is rugged and compact since it is made of aircraft-grade material."

A major U.S. daily newspaper, the Fort Worth Star-Telegram has a circulation of over 300,000 for its Sunday edition.

Brite Strike Inc. Launches a Non-Profit company

Boston, MA, May 13, 2008 - Brite Strike Inc. established a non-profit company, Stop Assaults on Women (www.stopaow.org), targeted at taking a grassroots approach to preventing assaults on women and making communities safer across the country. With over 900,000 women attacked in 2006 in the U.S. alone, Brite Strike is determined to make a difference.

STOP AOW offers tips on how to recognize potential problems and how to avoid them, as well as links to other websites that offer personal safety and protection products for women. The group is currently looking for strategic partnerships that fit the organization's mission.





CONCLUSION

Demand for tactical flash lights and other self protection systems will increase in the coming years, due to the varying needs of law enforcement agencies and rising crime rates. Brite Strike intends to leverage its promoters' experience in law enforcement to design products that address the market demand. The increased promotional programs initiated by the Company will be complemented by new product launches. All these initiatives will increase their visibility across the U.S and European markets resulting in increased demand for the Company's products. We recommend purchase of Brite Strike common stock for long term risk adverse investors.

SC/Cohen Independent Research Group

**FORECASTS****Exhibit 1: Income Statement – Base Case**

Amounts in \$'000	FY-07A	FY-08E	FY-09E	FY-10E	FY-11E	FY-12E
Tactical Illumination Revenues	184.6	1,971	3,656	5,619	6,810	7,566
Personal Protection System Revenues	-	4,084	8,930	28,377	37,628	44,777
Other Revenues	41.6	-	-	-	-	-
Total income	226.3	6,055	12,586	33,996	44,438	52,343
Tactical Illumination products cost	37.3	1,030	1,495	1,631	1,763	1,878
Personal Protection System's Cost	-	1,458	2,332	3,409	5,182	6,736
WH & Shipping Exp	-	908	1,888	5,099	6,666	7,852
Defective allowance	-	182	378	1,020	1,200	1,361
Gross profit	188.9	2,477	6,494	22,836	29,628	34,517
Sales and Marketing	24.6	468	1,069	1,564	2,000	2,355
General & Administration	103.9	1,067	1,524	1,805	2,222	2,617
Sales Commission	-	172	386	1,225	1,618	1,908
Income from operations	60.4	771	3,515	18,242	23,789	27,637
Interest Expense	-	-	-	-	-	-
Income before income taxes	60.4	771	3,515	18,242	23,789	27,637
Provision for income taxes	-	231	1,054	5,473	8,326	9,673
Net income	60.4	540	2,460	12,769	15,463	17,964
Earnings per share:						
Basic	\$ 0.00	\$ 0.01	\$ 0.03	\$ 0.18	\$ 0.22	\$ 0.25
Diluted	\$ 0.00	\$ 0.01	\$ 0.03	\$ 0.18	\$ 0.22	\$ 0.25
Outstanding Shares - Basic	68,000	71,500	71,500	71,500	71,500	71,500
Outstanding Shares - Diluted	68,000	71,500	71,500	71,500	71,500	71,500
EBITDA Calculation						
EBIT	60	771	3,515	18,242	23,789	27,637
Stock Based Compensation	-	-	-	-	-	-
Depreciation & Amortization	-	20	25	31	38	46
EBITDA	60	791	3,540	18,273	23,827	27,683



Exhibit 2: Balance Sheet – Base Case

Amounts in \$'000	FY-07A	FY-08E	FY-09E	FY-10E	FY-11E	FY-12E
Assets						
Current assets:						
Cash	67	2,080	3,705	13,807	27,694	44,169
Short term Investments						
Restricted Cash				-	-	-
Accounts receivable, net allowance.	9	747	1,552	4,191	5,722	7,170
Income Tax Receivable				-	-	-
Inventories	8	35	53	70	96	120
Deferred Income Tax				-	-	-
Other Current Assets				-	-	-
Total current assets	83	2,861	5,309	18,069	33,513	51,459
Property and equipment, at cost:						
Vehicles - Other	51	85	126	170	222	288
	51	85	126	170	222	288
Less accumulated depreciation and amortization	22	43	68	98	136	182
Net property and equipment	29	42	58	72	86	106
Other assets:						
Intangible assets, net		-	-			
Goodwill		-	-	-	-	-
Contingently returnable acquisition consideration & other assets		-	-	-	-	-
Total other assets	-	-	-	-	-	-
Total Assets	112	2,903	5,368	18,140	33,599	51,565
Liabilities and Stockholders' Equity						
Current liabilities:						
Accounts payable & Accrued liabilities	5	7	10	14	10	12
Current portion of capital lease obligation				-	-	-
Deferred revenue				-	-	-
Bank revolving line of credit				-	-	-
Notes payable - current portion				-	-	-
Dividends payable				-	-	-
Total current liabilities	5	7	10	14	10	12
Debt	14	14	14	14	14	14
Notes payable	41	41	41	41	41	41
Total Liabilities	60	62	65	69	65	67
Stockholders' equity:						
Preferred stock						
Series A, cumulative shares issued and outstanding						
Common stock issued at par Value of .001	1	2,251	2,251	2,251	2,251	2,251
Paid-in capital				-	-	-
Retained earnings	51	591	3,051	15,821	31,284	49,248
Accumulated other comprehensive income:						
Unrealized gain on interest rate swap, net of tax				-	-	-
	52	2,842	5,302	18,071	33,534	51,498
Less: Treasury stock						
Total stockholders' equity	52	2,842	5,302	18,071	33,534	51,498
Total liabilities and stockholders' equity	112	2,903	5,368	18,140	33,599	51,565

**Exhibit 3: Cash Flow Statement – Base Case**

Amounts in \$'000	FY-08E	FY-09E	FY-10E	FY-11E	FY-12E
Cash Flows from Operating Activities					
Net income	540	2,460	12,769	15,463	17,964
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	20	25	31	38	46
Provision for doubtful accounts					
Loss on sale of fixed assets					
Stock Based Compensation Expense					
Other Adjustment					
Change in:					
Receivables	(738)	(805)	(2,640)	(1,531)	(1,448)
Inventories	(27)	(19)	(17)	(26)	(23)
Prepaid expenses and other current assets					
Accounts payable	2	4	3	(4)	2
Accrued expenses & Other Current Liabilities					
Deferred revenue					
Net cash provided by (used in) operating activities	(203)	1,665	10,147	13,939	16,541
Cash Flows from Investing Activities					
Acquisition, net of cash assumed					
Contingently returnable acquisition payment					
Purchase of Property & Equipment	(34)	(41)	(44)	(52)	(66)
Purchases of short-term investments					
Proceeds from sales and maturities of short-term investments					
Changes in other assets					
Net cash (used in) investing activities	(34)	(41)	(44)	(52)	(66)
Cash Flows from Financing Activities					
Payment of Capital Lease & Note Payable					
Borrowings under Cash Overdraft					
Issuance of Common	2,250	-	-	-	-
Treasury Stock					
Dividend Paid					
Net cash provided by financing activities	2,250	-	-	-	-
Effect of exchange rate differences on cash					
Net increase in cash	2,013	1,624	10,103	13,887	16,475
Cash, beginning of period	67	2,080	3,705	13,807	27,694
Cash, end of period	2,080	3,705	13,807	27,694	44,169



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