

Multiband (MBND) \$3.19 – Top Pick for 2009 update

April 15th, 2009

Multiband Corp. (MBND)* is LOTM's top pick for 2009 performance. 2009 is off to a fast start for MBND's share price. The January 2nd 2009 price per share was \$1.23. To date in 2009 MBND shares are up 159%. LOTM believes the company is not yet discovered by institutional investors and therefore the share price will be driven by rapid revenue and earnings growth plus the "discovery" factor from institutional investors. MBND trades at 5 times LOTM's 2009 earnings est. of \$0.65 per share.

Multiband, the nation's largest DIRECTV Master System Operator (MSO) for Multiple Dwelling Units (MDU's) is experiencing rapid revenue and cash flow expansion from its merger with DirecTECH, a private company, as well as from organic growth. Multiband is benefiting from the "staycation" trend where families invest in home entertainment rather than traveling for vacations.

Strong revenue trend in motion:

2007 was \$15.08 million

2008 was \$42.98 million

2009 est. revenue is \$210 million

2008 and Fourth Quarter Results:

Multiband announced record fourth quarter and full year financial results for the period ended December 31, 2008 on March 31st.

Revenue for fiscal 2008 was \$42.986 million compared to \$15.08 million a 185% increase. EBITDA, a non GAAP measure was \$6.1 million, an increase of \$6.6 million from the previous fiscal year. Earnings for 2008 were \$944,931 (\$0.10 per share) compared to a loss of \$6,088,353 for 2007 (\$0.61 per share).

Fourth quarter 2008 results showed revenue of \$14.1 million up from \$3.1 million in the same period a year earlier. Revenue in the preceding quarter was \$12.34 million. EBITDA for the fourth quarter was \$2.054 million, an improvement of \$2.3 million from the 2007 fourth quarter. The Company generated record net income of \$842,225, or approximately \$0.09 per share, a substantial improvement from a net loss of (\$1,527,000), or (\$0.23) per share, in 4Q07.

First Quarter 2009 Projections:

First quarter 2009 is anticipated to be announced on May 15th. Revenue is anticipated to be in the area of \$50 million, up from \$5.7 million in the same quarter, prior year. "Normalized" earnings are anticipated to be in the \$0.18 to \$0.20 area. The term "normalized" is used because this is the first quarter following the close of the DirecTECH purchase. Expenses, cash as well as non-cash, related to the closing of a purchase as well as integration costs are always an unknown variable. A clearer projection for 2009 earnings will be possible following the May 15th announcement.

Fiscal 2009 Projections:

MBND has announced an improved outlook for revenue of \$210 to \$220 million up from its previous guidance of \$200 million. Based on our earnings projection of \$0.65 for fiscal 2009, LOTM is suggesting MBND can trade at ten times projected earnings. Therefore our target price for the coming twelve months is \$6.50 per share. Our gut says we are conservative with this estimate. However, we'll adjust our target price with quarterly results.

Technical Opinion:

Multiband is in a strong upward trend following its 2008 and fourth quarter results. LOTM anticipates MBND will consolidate this upward move until the first quarter 2009 results are announced on May 15th. Currently, there is no broker sponsorship. A good first quarter announcement could change that. We anticipate that following a four week consolidation period and our anticipated strong first quarter announcement, MBND's share price will stair-step to a new 52 week high. LOTM projects MBND's price will move to the \$4.50 to \$5.00 area.

MBND's One Year Daily Chart:



MBND's Three Year Weekly Chart:

The three year weekly chart displays support and resistance areas better than the one year daily chart. Support is at \$2.50 – the 150 day moving average. Near term resistance is at \$3.39 its 200-

day moving average. Should results be as we anticipate them for the first quarter, we project MBND's share price will break out above its 200-day moving average. Our price target on a break-out above the 200-day moving average would be a rally to the \$4.50 to \$5.00 area.

Between now and May 15th, we anticipate MBND will consolidate its recent move from around \$1.50 to the \$3.00 - \$3.50 area.



*An account related to LOTM has a position in this security.

LOTM's primary strategy is to "own companies" that are "niche leaders" and not yet well known by Wall Street. We then trade around price movement in these "niche leaders", attempting to create trading profits as well as long term wealth through ownership of these "core" positions

It should not be assumed that current recommendations will equal past performance or will be profitable. The information presented has been obtained from sources believed to be reliable, but accuracy cannot be guaranteed. As with any sound investment philosophy, diversification is a very important aspect of micro and small cap investing. The more diversification you can achieve, the lower your overall risk level will be.

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Phone 651-228-9164 - PO Box 4099, St. Paul, MN. 55104

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