



INSTITUTIONAL RESEARCH

Healthcare & Biotechnology

TERMINATING COVERAGE

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iCAD, Inc. (Nasdaq/ICAD)

SPECULATIVE BUY Terminating Coverage

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Investment Highlights

1) We are terminating coverage on iCAD, Inc. due to the termination of the research analyst or analysts covering this stock. Our most recent rating on these shares was Speculative Buy with a price target of \$3.50 per share.

Risk Factors

This company is reliant on overall healthcare spending from **government sources and private payors**, and as such is reliant on **federal and state budgetary processes and the overall economy**. In addition, this Company and/or its clients may be **subject to decisions and inspection by the US FDA and other regulatory agencies**. Finally, this stock may **represent more risk to investors than other, larger and more established equities** available in the overall stock market due to the smaller size, relative unfamiliarity of the shares, and greater risk in operating results or need for additional funding underlying this Company.

Current Price \$1.52

Price Target \$3.50

Estimates	F2008A	F2009E	F2010E
Revenues(\$000s)	\$37.5	\$28.2	\$33.8
EPS	\$0.10	(\$0.04)	\$0.08

Stock Data	
52-Week Range	\$0.73-\$2.43
Shares Outstanding (mil.)	45.7
Market Capitalization (mil.)	\$69.5
Enterprise Value (mil.)	\$56.0
Cash (\$Mill)	\$13.5
Long-term debt (\$Mill)	\$0.0
Book Value/Share (9/09)	\$1.43
Price/Book	1.1 x
Average Trading Volume	145,000
Insider Ownership	20.0%
Institutional Ownership	19.0%
Short interest	100,000
Dividend / Yield	\$0.00/0.0%



Price target and ratings changes over the past 3 years:

- Initiated – April 12, 2004 – Buy - Target \$8-\$9
- Upgraded - April 12, 2005 – Strong Buy – Price Target \$6.75
- Upgraded – July 1, 2005 – Strong Buy – Price Target \$6.25
- Downgraded – October 6, 2005 – Buy – Price Target \$5.00
- Downgraded – March 15, 2006 – Speculative Buy – Price Target \$3.00
- Update – October 30, 2006 – Speculative Buy – Price Target \$4.00
- Update – January 24, 2007 – Speculative Buy – Price Target \$5.00
- Update – March 3, 2009 – Speculative Buy – Price Target \$3.50

Please find Important Disclosures beginning on Page 2

Important Disclosures:

Price Chart:



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Ratings definitions: 1) **Buy:** the stock is expected to appreciate and produce a total return of at least 20% over the next 12-18 months; 2) **Neutral:** the stock is fairly valued for the next 12-18 months; and 3) **Sell:** the stock is expected to decline at least 20% over the next 12-18 months and should be sold.

Ratings Distribution	Company Coverage		Investment Banking	
	# of Companies	% of Total	# of Companies	% of Totals
Buy	13	93%	6	46%
Neutral	1	7%	1	100%
Sell	0	0%	0	0%
Total	14	100%	7	50%

Information about valuation methods and risks can be found in the “STOCK VALUATION” and “RISKS” sections of this report.

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