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#### Reason for Report:

Change in Price Target

Changes	Previous	Current
Rating	--	Overweight
Price Tgt	\$27.00	\$29.00
FY13E Rev (mil)	\$214.3	\$230.4
FY14E Rev (mil)	\$267.4	\$297.3
FY13E EPS	\$0.61	\$0.56
FY14E EPS	\$0.79	\$0.83
Price		\$19.20
52 Week High		\$29.35
52 Week Low		\$14.28
12-Month Price Target		\$29.00
35x FY14E EPS		
Shares Out (mil)		39.1
Market Cap. (mil)		\$750.7
Avg Daily Vol (000)		272
Book Value/Share		\$1.72
Net Cash Per Share		\$0.46
Debt to Total Capital		0%
Div (ann)		\$0.00
Est LT EPS Growth		35%
P/E to Est LT EPS Growth		1.2x
Fiscal Year End:		Jan

Rev (mil)	2012A	2013E	2014E
Apr	\$34.9A	\$44.8E	--
Jul	\$31.3A	\$44.8E	--
Oct	\$33.4A	\$46.9E	--
Jan	\$68.4A	\$93.8E	--
FY	\$168.1A	\$230.4E	\$297.3E
CY	\$230.4E	\$297.3E	--
FY RM	4.5x	3.3x	2.5x
CY RM	3.3x	2.5x	--

EPS	2012A	2013E	2014E
Apr	\$0.09A	\$0.09E	--
Jul	\$0.03A	\$0.02E	--
Oct	\$0.02A	\$0.02E	--
Jan	\$0.32A	\$0.43E	--
FY	\$0.46A	\$0.56E	\$0.83E
CY	\$0.56E	\$0.83E	--
FY P/E	41.7x	34.3x	23.1x
CY P/E	34.3x	23.1x	--

## Teavana Holdings, Inc. Overweight

(TEA – \$19.20)

### A "Matcha" Made In Heaven: Teavana Acquiring Teaopia; Reiterating OW

#### CONCLUSION:

We are reiterating our Overweight rating and raising our price target from \$27 to \$29 on the heels of Teavana's announcement that it intends to acquire Teaopia--a Canadian specialty retailer of tea--for \$26.9 million. Longer term, we believe Teavana is still in the early stages of its domestic store growth, and we are encouraged by continued e-commerce strength and now what we believe to be a period of harvesting both sales and margins in Canada with the just-announced acquisition.

- **So Much For Tip Toeing Into Canada: TEA Acquires Its' Inspired Sister Up In Canada.** Following what appears to be at least months of conversations, Teavana is acquiring Teaopia--a 46-store chain that began operations in 2005 and looks, acts, smells, and feels a lot like Teavana. We believe sales and margin expansion tied to this integration are on deck in the years to come.
- **Acquisition Expected To Contribute \$0.03-\$0.04 To FY14 EPS; No Impact To FY13 Ex-Transaction/Integration Costs.** For FY13, management expects that the acquisition of Teaopia will be neutral to EPS, excluding \$0.04-\$0.05 of transaction and integration expenses. We are including these expenses in our revised estimates, and thus we are lowering our FY13 EPS estimate from \$0.61 to \$0.56. For FY14, management expects the acquired stores to contribute \$0.03-\$0.04 to EPS.
- **Teaopia's Strong Real Estate Profile Suggests Substantial Opportunity To "Catch Up" To Teavana Stores.** Although Teaopia incurs similar occupancy costs as Teavana and operates in top-tier malls in which the overall center has a similar sales per square foot as Teavana's locations, Teaopia's sales per store are approximately \$435,000 per year, well below Teavana's \$913,000 in FY12. Over the course of FY13, the newly acquired Teaopia stores will all be re-branded as Teavana stores; we believe there is substantial opportunity for the productivity of the acquired stores to approach the Teavana chain average as Teavana rolls out its merchandise assortment and sales and training methodologies to the Teaopia organization (refer to exhibits in this note).
- **Adjusting Our EPS Outlook; Raising Price Target From \$27 To \$29.** We are adjusting our EPS estimates as follows: from \$0.10 to \$0.09 in FQ1; from \$0.61 to \$0.56 in FY13; and from \$0.79 to \$0.83 in FY14. Our reduced estimate for FY13 reflects \$0.05 in incremental costs related to transaction and integration expenses. We are raising our price target from \$27 to \$29, which is based on 35x our FY14 EPS estimate, consistent with our prior multiple.

#### INVESTMENT RECOMMENDATION:

We rate TEA shares Overweight with a \$29 price target based on 35x FY14E EPS.

#### RISKS TO ACHIEVEMENT OF TARGET PRICE:

Macroeconomic pressures, risk to opening stores internationally and working with franchise partners, reliance on key top management, limited ability to hedge costs.

#### COMPANY DESCRIPTION:

Teavana is a specialty retailer of loose tea and related accessories operating approximately 200 stores.

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## Exhibit 1

**LOOK FAMILIAR? TEOPIA FOLLOWING TEAVANA'S FOOTSTEPS**

Teaopia Today... (FY12)		Teavana Five Years Ago... (FY07)	
<b>Stores</b>	<b>46</b>	<b>Stores</b>	<b>47</b>
Sales CAD (M)	\$17	Sales USD (M)	\$34
Sales/Avg Store (K)	\$435	Sales/Avg Store (K)	\$844
EBITDA %	5.9%	EBITDA %	3.9%
Loose Tea	50%	Loose Tea	43%

Source: Company website; filings; Piper Jaffray &amp; Co. research

## Exhibit 2

**CLOSING THE REVENUE GAP: TEOPIA VS. TEAVANA**

Teaopia Today... (FY12)		Teavana Today... (FY12)	
Stores	46	Stores	200
Sales CAD (M)	\$17	Sales USD (M)	\$168
<b>Sales/Avg Store (K)</b>	<b>\$435</b>	<b>Sales/Avg Store (K)</b>	<b>\$913</b>
EBITDA %	5.9%	EBITDA %	22.3%
Loose Tea	50%	Loose Tea	55%

Source: Company website; filings; Piper Jaffray &amp; Co. research

## Exhibit 3

**CLOSING THE MARGIN GAP: TEOPIA VS. TEAVANA**

Teaopia Today... (FY12)		Teavana @ 50% Loose Tea (FY09)	
Stores	46	Stores	87
Sales CAD (M)	\$17	Sales USD (M)	\$64
Sales/Avg Store (K)	\$435	Sales/Avg Store (K)	\$875
<b>EBITDA %</b>	<b>5.9%</b>	<b>EBITDA %</b>	<b>11.6%</b>
Loose Tea	50%	Loose Tea	50%

Source: Company website; filings; Piper Jaffray &amp; Co. research

Income Statement  
(Millions of Dollars, Except Per-Share Data)

4/16/2012

	FY 2007	FY 2008	FY 2009	FY 2010	Q1 Apr-10	Q2 Jul-10	Q3 Oct-10	Q4 Jan-11	FY 2011	Q1 Apr-11	Q2 Jul-11	Q3 Oct-11	Q4 Jan-12	FY 2012	Q1E Apr-12	Q2E Jul-12	Q3E Oct-12	Q4E Jan-13	FYE 2013	FYE 2014
<b>Net sales</b>	33.760	47.200	63.860	90.260	25.770	22.980	24.750	51.200	124.700	34.939	31.313	33.426	68.422	168.100	44.791	44.829	46.942	93.796	230.359	297.290
% Change		39.8%	35.3%	41.3%	43.2%	33.1%	32.4%	41.0%	38.2%	35.6%	36.3%	35.1%	33.6%	34.8%	28.2%	43.2%	40.4%	37.1%	37.0%	29.1%
Cost of goods sold	15.930	19.970	27.190	36.430	10.020	9.460	10.240	16.560	46.280	12.451	12.186	12.749	23.517	60.903	15.968	17.483	17.838	32.360	83.649	108.163
% of Net sales	47.2%	42.3%	42.6%	40.4%	38.9%	41.2%	41.4%	32.3%	37.1%	35.6%	38.9%	38.1%	34.4%	36.2%	35.7%	39.0%	38.0%	34.5%	36.3%	36.4%
<b>Gross profit</b>	17.830	27.230	36.670	53.830	15.750	13.520	14.510	34.640	78.420	22.488	19.127	20.677	44.905	107.197	28.823	27.346	29.104	61.436	146.709	189.127
% Gross Margin	52.8%	57.7%	57.4%	59.6%	61.1%	58.8%	58.6%	67.7%	62.9%	64.4%	61.1%	61.9%	65.6%	63.8%	64.4%	61.0%	62.0%	65.5%	63.7%	63.6%
Selling, general, and administrative expenses	16.500	22.230	29.240	38.140	10.800	10.810	12.120	16.840	50.570	14.758	15.367	17.511	22.045	69.681	21.276	23.688	25.114	30.202	100.280	122.666
% of Net sales	48.9%	47.1%	45.8%	42.3%	41.9%	47.0%	49.0%	32.9%	40.6%	42.2%	49.1%	52.4%	32.2%	41.5%	47.5%	52.8%	53.5%	32.2%	43.5%	41.3%
EBITDA	1.330	5.000	7.430	15.690	4.950	2.710	2.390	17.800	27.850	7.730	3.760	3.166	22.860	37.516	7.547	3.658	3.990	31.234	46.430	66.461
EBITDA Margin	3.9%	10.6%	11.6%	17.4%	19.2%	11.8%	9.7%	34.8%	22.3%	22.1%	12.0%	9.5%	33.4%	22.3%	16.9%	8.2%	8.5%	33.3%	20.2%	22.4%
Depreciation & amortization	1.510	2.020	2.670	3.490	0.970	1.060	1.110	1.220	4.360	1.274	1.428	1.554	1.671	5.927	1.820	2.300	2.440	2.560	9.120	11.570
% of Net sales	4.5%	4.3%	4.2%	3.9%	3.8%	4.6%	4.5%	2.4%	3.5%	3.6%	4.6%	4.6%	2.4%	3.5%	4.1%	5.1%	5.2%	2.7%	4.0%	3.9%
<b>Operating income</b>	(0.180)	2.980	4.760	12.200	3.980	1.650	1.280	16.580	23.490	6.456	2.332	1.612	21.189	31.589	5.727	1.358	1.550	28.674	37.310	54.891
% Operating Margin	-0.5%	6.3%	7.5%	13.5%	15.4%	7.2%	5.2%	32.4%	18.8%	18.5%	7.4%	4.8%	31.0%	18.8%	12.8%	3.0%	3.3%	30.6%	16.2%	18.5%
Interest expense	(1.270)	(1.590)	(2.060)	(2.440)	(0.620)	(0.650)	(0.690)	(0.630)	(2.590)	(0.689)	(0.742)	(0.122)	(0.120)	(1.673)	(0.065)	(0.100)	(0.100)	(0.100)	(0.365)	(0.400)
Pre-tax income	-1.450	1.390	2.700	9.760	3.360	1.000	0.590	15.950	20.900	5.767	1.590	1.490	21.069	29.916	5.662	1.258	1.450	28.574	36.945	54.491
Income Taxes	-0.100	1.010	1.500	4.470	1.430	0.430	0.250	6.800	8.910	2.444	0.559	0.554	8.600	12.157	2.254	0.501	0.577	11.372	14.704	21.688
Tax Rate	6.9%	72.7%	55.6%	45.8%	42.6%	43.0%	42.4%	42.6%	42.6%	42.4%	35.2%	37.2%	40.8%	40.6%	39.8%	39.8%	39.8%	39.8%	39.8%	39.8%
<b>Net income (GAAP)</b>	-1.350	0.380	1.200	5.290	1.930	0.570	0.340	9.150	11.990	3.323	1.031	0.936	12.469	17.759	3.409	0.757	0.873	17.202	22.241	32.804
% Net Margin	-4.0%	0.8%	1.9%	5.9%	7.5%	2.5%	1.4%	17.9%	9.6%	9.5%	3.3%	2.8%	18.2%	10.6%	7.6%	1.7%	1.9%	18.3%	9.7%	11.0%
<b>Net income per share (Basic)</b>	\$ (0.04)	\$ 0.01	\$ 0.03	\$ 0.14	\$ 0.05	\$ 0.02	\$ 0.01	\$ 0.25	\$ 0.33	\$ 0.09	\$ 0.03	\$ 0.02	\$ 0.33	\$ 0.47	\$ 0.09	\$ 0.02	\$ 0.02	\$ 0.44	\$ 0.58	\$ 0.84
EPS Growth Rate		NM	NM	NM	NM	NM	NM	77%	127%	72%	81%	165%	31%	45%	-2%	-30%	-8%	36%	22%	46%
<b>Net income per share (Diluted)</b>	\$ (0.04)	\$ 0.01	\$ 0.03	\$ 0.14	\$ 0.05	\$ 0.02	\$ 0.01	\$ 0.24	\$ 0.32	\$ 0.09	\$ 0.03	\$ 0.02	\$ 0.32	\$ 0.46	\$ 0.09	\$ 0.02	\$ 0.02	\$ 0.43	\$ 0.56	\$ 0.83
EPS Growth Rate		NM	NM	NM	NM	NM	NM	75%	124%	71%	81%	167%	32%	45%	-1%	-29%	-8%	36%	22%	46%
<b>Shares outstanding (Millions)</b>																				
Basic	36.702	36.749	36.749	36.749	36.749	36.749	36.749	36.749	36.749	36.749	36.762	38.138	38.251	37.481	38.301	38.491	38.681	38.871	38.586	38.871
Diluted	36.702	36.751	37.095	37.322	37.472	37.725	37.725	37.725	37.725	37.729	37.802	38.965	39.059	38.419	39.109	39.299	39.489	39.679	39.394	39.679
<b>Same-Store Sales (% Change)</b>	3.7%	8.4%	3.0%	6.9%	15.7%	6.9%	5.9%	7.5%	8.7%	6.0%	6.4%	6.0%	4.4%	5.5%	2.0%	3.0%	3.0%	3.0%	2.8%	3.0%

Notes:

Estimates assume Teapopia's revenues and expenses including \$0.05 of transaction/integration expenses in FY13 (2012)

Current disclosure information for this company can be found at <http://www.piperjaffray.com/researchdisclosures>.

**Teavana**

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## STORE ECONOMICS

	FY 2007	FY 2008	FY 2009	FY 2010	Q1 Apr-10	Q2 Jul-10	Q3 Oct-10	Q4 Jan-11	FY 2011	Q1 Apr-11	Q2 Jul-11	Q3 Oct-11	Q4 Jan-12	FY 2012	Q1E Apr-12	Q2E Jul-12	Q3E Oct-12	Q4E Jan-13	FYE 2013	FYE 2014
<b>NET SALES</b>																				
Teavana Stores (ex- Teaopia acquisition)				\$ 85,025					\$ 115,800					\$ 155,324					\$ 16,100	\$ 29,900
% Change, year-over-year									36.2%					34.1%					NM	0.650
Stores Acquired From Teaopia																\$ 4,600	\$ 4,600	\$ 6,900		
Sales per store																0.100	0.100	0.150		
Teavana E-Commerce				\$ 5,235					\$ 8,900					\$ 12,776						
% Change, year-over-year									70.0%					43.5%						
% of total sales				5.8%					7.0%					7.6%						
Total net sales (ex-Teaopia acqition)	\$ 33,760	\$ 47,200	\$ 63,860	\$ 90,260	\$ 25,770	\$ 22,980	\$ 24,750	\$ 51,200	\$ 124,700	\$ 34,939	\$ 31,313	\$ 33,426	\$ 68,422	\$ 168,100	\$ 44,791	\$ 40,229	\$ 42,342	\$ 86,896	\$ 214,259	\$ 267,390
% Change, year-over-year		39.8%	35.3%	41.3%	43.2%	33.1%	32.4%	41.0%	38.2%	35.6%	36.3%	35.1%	33.6%	34.8%	28.2%	28.5%	26.7%	27.0%	27.5%	24.8%
<b>Total net sales</b>	<b>\$ 33,760</b>	<b>\$ 47,200</b>	<b>\$ 63,860</b>	<b>\$ 90,260</b>	<b>\$ 25,770</b>	<b>\$ 22,980</b>	<b>\$ 24,750</b>	<b>\$ 51,200</b>	<b>\$ 124,700</b>	<b>\$ 34,939</b>	<b>\$ 31,313</b>	<b>\$ 33,426</b>	<b>\$ 68,422</b>	<b>\$ 168,100</b>	<b>\$ 44,791</b>	<b>\$ 44,829</b>	<b>\$ 46,942</b>	<b>\$ 93,796</b>	<b>\$ 230,359</b>	<b>\$ 297,290</b>
% Change, year-over-year		39.8%	35.3%	41.3%	43.2%	33.1%	32.4%	41.0%	38.2%	35.6%	36.3%	35.1%	33.6%	34.8%	28.2%	43.2%	40.4%	37.1%	37.0%	29.1%
<b>% CHANGE SAME-STORE SALES</b>	<b>3.7%</b>	<b>8.4%</b>	<b>3.0%</b>	<b>6.9%</b>	<b>15.7%</b>	<b>6.9%</b>	<b>5.9%</b>	<b>7.5%</b>	<b>8.7%</b>	<b>6.0%</b>	<b>6.4%</b>	<b>6.0%</b>	<b>4.4%</b>	<b>5.5%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>2.8%</b>	<b>3.0%</b>
<b>NUMBER OF TEAVANA STORES (ex-Teaopia acquisit</b>	<b>47</b>	<b>59</b>	<b>87</b>	<b>108</b>	<b>118</b>	<b>128</b>	<b>141</b>	<b>146</b>	<b>146</b>	<b>161</b>	<b>179</b>	<b>196</b>	<b>200</b>	<b>200</b>	<b>218</b>	<b>236</b>	<b>254</b>	<b>260</b>	<b>260</b>	<b>330</b>
% Change, year-over-year		25.5%	47.5%	24.1%	28.3%	26.7%	31.8%	35.2%	35.2%	36.4%	39.8%	39.0%	37.0%	37.0%	35.4%	31.8%	29.6%	30.0%	30.0%	26.9%
Average number of stores (T4Q)				101	105	112	120	129	129	139	150	164	177	177	191	205	220	235	235	299
<b>NUMBER OF STORES ACQUIRED FROM TEAOPIA</b>																46	46	46	46	46
Gross Sq. Feet (Mil.) (ex-Teaopia acquisition)	43	54	77	95					130					178					232	294
% Change, year-over-year		25.6%	42.6%	23.4%					36.8%					37.0%					30.0%	26.9%
Gross Sq. Feet Acquired From Teaopia (Mil.)																			41	41
<b>TOTAL Gross Square Feet (Mil.)</b>	<b>43</b>	<b>54</b>	<b>77</b>	<b>95</b>					<b>130</b>					<b>178</b>					<b>273</b>	<b>335</b>
% Change, year-over-year		25.6%	42.6%	23.4%					36.8%					37.0%					53.2%	22.8%

## Consolidated Balance Sheet

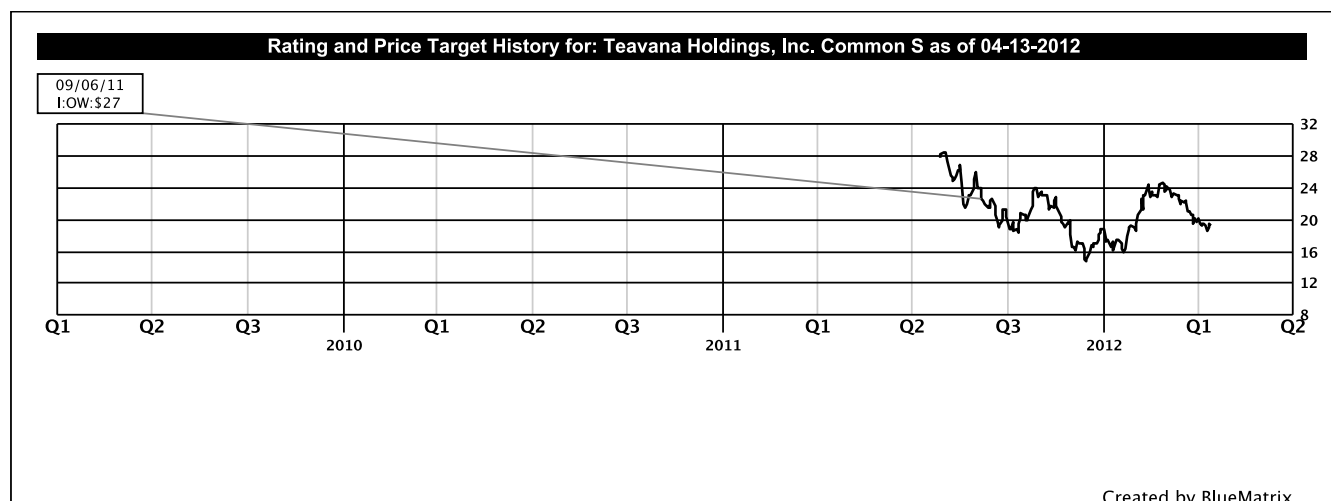
(Millions of Dollars)

	FY 2010	FY 2011	Q1 Apr-11	Q2 Jul-11	Q3 Oct-11	Q4 Jan-12	FY 2012
<b>CURRENT ASSETS:</b>							
Cash and cash equivalents	\$1.314	\$7.901	\$3.740	\$1.623	\$0.036	\$17.818	\$17.818
Accounts receivable	0.284	0.292					
Prepaid expenses and other assets	1.003	2.041			4.082	2.475	2.475
Prepaid rent	1.061	1.400				1.856	1.856
Inventory	11.615	16.928	18.286	22.720	32.512	25.676	25.676
Deferred tax asset and other	0.772	1.629	5.827	11.647	8.106	1.839	1.839
<b>Total current assets</b>	<b>16.049</b>	<b>30.191</b>	<b>27.853</b>	<b>35.990</b>	<b>44.736</b>	<b>49.664</b>	<b>49.664</b>
Property & equipment, net	22.513	31.028	34.795	38.000	40.669	42.785	42.785
Goodwill	2.394	2.394	2.394	2.394	2.394	2.394	2.394
Deferred tax asset, non-current	0.184	-					
Other non-current assets	0.627	0.513	0.760	0.693	0.673	0.775	0.775
<b>Total assets</b>	<b>\$41.767</b>	<b>\$64.126</b>	<b>\$65.802</b>	<b>\$77.077</b>	<b>\$88.472</b>	<b>\$95.618</b>	<b>\$95.618</b>
<b>CURRENT LIABILITIES</b>							
Accounts payable	\$2.564	\$3.631	\$2.112	\$5.751	\$6.770	\$3.898	\$3.898
Income taxes payable	\$3.994	\$4.809				1.821	1.821
Deferred revenue	\$1.083	\$1.344				1.813	1.813
Note payable	\$0.250	\$0.000					
Series A redeemable preferred stock	\$0.000	\$12.992	13.591	14.217			
Other current liabilities	\$3.395	\$5.539	9.659	6.865	8.116	5.034	5.034
<b>Total current liabilities</b>	<b>11.286</b>	<b>28.315</b>	<b>\$25.362</b>	<b>\$26.833</b>	<b>\$14.886</b>	<b>\$12.566</b>	<b>12.566</b>
Deferred franchise income	0.600	0.525					
Deferred tax liability, non-current	-	0.420			2.547	2.570	2.570
Deferred rent	3.851	7.524	8.943	11.139	12.134	12.905	12.905
Long-term debt	1.000	1.000	1.000	5.359	4.501		
Series A redeemable preferred stock	10.848	-					
Other long-term liabilities			0.870	2.997	0.575	0.575	0.575
<b>Total liabilities</b>	<b>27.585</b>	<b>37.784</b>	<b>36.175</b>	<b>46.328</b>	<b>34.643</b>	<b>28.616</b>	<b>28.616</b>
<b>Stockholders' equity (deficit)</b>							
<b>Total stockholders' equity (deficit)</b>	<b>14.182</b>	<b>26.342</b>	<b>29.627</b>	<b>30.749</b>	<b>53.829</b>	<b>67.002</b>	<b>67.002</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$41.767</b>	<b>\$64.126</b>	<b>\$65.802</b>	<b>\$77.077</b>	<b>\$88.472</b>	<b>\$95.618</b>	<b>\$95.618</b>

Condensed Statement of Cash Flows  
(Millions of Dollars)

	FY 2010	Q1 Apr-10	Q2 Jul-10	Q3 Oct-10	Q4 Jan-11	FY 2011	Q1 Apr-11	Q2 Jul-11	Q3 Oct-11
<b>Operating activities:</b>									
<b>Net Income</b>	<b>\$5.291</b>	<b>\$1.927</b>	<b>\$2.506</b>	<b>\$2.846</b>	<b>\$12.003</b>	<b>\$12.003</b>	<b>\$3.323</b>	<b>\$4.354</b>	<b>\$5.291</b>
Adjustments to reconcile net income to net cash:	0.000								
Depreciation and amortization	3.489	0.973	2.033	3.143	4.361	4.361	1.274	2.703	4.257
Non-cash interest expense	1.925	0.570	1.140	1.710	2.279	2.279	0.633	1.282	1.304
Deferred income taxes	0.532				(0.253)	(0.253)			
Stock based compensation	0.169	0.034	0.068	0.102	0.157	0.157	0.037	0.063	0.527
Excess tax benefit from stock options									(2.577)
Other	-				0.130	0.130	0.140	0.099	0.150
Change in assets and liabilities:									
Inventory	(3.646)	(0.571)	(0.875)	(6.582)	(5.313)	(5.313)	(1.359)	(5.792)	(15.584)
Income tax receivable	(0.230)	0.181	0.021		(1.452)	(1.452)	(0.081)	(5.874)	(6.004)
Income taxes payable	2.772	(4.205)	(5.973)	(3.995)	0.815	0.815	(2.696)	(4.809)	(2.232)
Deferred rent	1.124	0.457	0.996	1.832	3.673	3.673	1.419	3.615	4.610
Accounts payable			(0.524)	(0.564)				1.164	2.896
Other current assets			0.130	(2.340)				1.866	(0.417)
Deferred income taxes									1.892
Other accrued liabilities	(0.355)	0.305	(0.209)	1.662	2.997	2.997	(1.548)	1.018	0.970
<b>Net cash (used in) provided by operating activities</b>	<b>11.071</b>	<b>(0.329)</b>	<b>(0.687)</b>	<b>(2.186)</b>	<b>19.397</b>	<b>19.397</b>	<b>1.142</b>	<b>(0.311)</b>	<b>(4.917)</b>
<b>Investing activities:</b>									
Capital Expenditures	(6.640)	(2.346)	(5.038)	(8.980)	(12.560)	(12.560)	(5.056)	(8.848)	(13.785)
<b>Net cash used in investing activities</b>	<b>(6.640)</b>	<b>(2.346)</b>	<b>(5.038)</b>	<b>(8.980)</b>	<b>(12.560)</b>	<b>(12.560)</b>	<b>(5.056)</b>	<b>(8.848)</b>	<b>(13.785)</b>
<b>Financing activities:</b>									
Proceeds from revolving credit facility	93.980	29.815	56.489	88.495	132.239	132.239	35.510	74.338	113.152
Payments on revolving credit facility	(98.265)	(27.303)	(52.078)	(77.708)	(132.239)	(132.239)	(35.510)	(69.979)	(109.652)
Proceeds from IPO, net									15.322
Proceeds from stock option exercises									0.552
Payment on note payable					(0.250)	(0.250)			
Payment to redeem preferred stock									(10.683)
Payments on term loan									
Cash paid for financing costs								(0.433)	(0.433)
Payment of initial public offering costs		-					(0.247)	(1.110)	
Other								0.065	2.577
<b>Net cash used in financing activities</b>	<b>(4.285)</b>	<b>2.512</b>	<b>4.411</b>	<b>10.787</b>	<b>(0.250)</b>	<b>(0.250)</b>	<b>(0.247)</b>	<b>2.881</b>	<b>10.835</b>
Effect of exchange rate									0.002
Net increase (decrease) in cash and cash equivalent	0.146	(0.163)	(1.314)	(0.379)	6.587	6.587	(4.161)	(6.278)	(7.865)
Cash and cash equivalents, beginning of period	1.168	1.314	1.314	1.314	1.314	1.314	7.901	7.901	7.901
<b>Cash and cash equivalents, end of period</b>	<b>\$1.314</b>	<b>\$1.151</b>	<b>(\$0.000)</b>	<b>\$0.935</b>	<b>\$7.901</b>	<b>\$7.901</b>	<b>\$3.740</b>	<b>\$1.623</b>	<b>\$0.036</b>

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I: Initiating Coverage

R: Resuming Coverage

T: Transferring Coverage

D: Discontinuing Coverage

S: Suspending Coverage

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N: Neutral

UW: Underweight

B: Buy (Piper Jaffray discontinued use of the B, N, and S ratings on June 30, 2009)

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			Count	Percent
BUY [OW]	349	54.45	59	16.91
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SELL [UW]	34	5.30	0	0.00

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