

## Company Update

# TELEFIX COMMUNICATIONS HOLDINGS, INC.

## New Acquisition Means Price Target

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**TELEFIX COMMUNICATIONS HOLDINGS, INC. (OTC:PK – TLFX - \$0.50)****Revised Price Target: \$1.75****Rating: Speculative Buy**

### COMPANY SNAPSHOT

TeleFix Communications, Inc. is a minority and woman-owned telecommunications services company. TeleFix serves the wireless infrastructure development, upgrade, and repair market with a focus on RF design and testing for converged networks and broadband access. As a Tier Contractor, turnkey supplier, and qualified vendor on behalf of some of the largest technology companies in the U.S., the Company generates revenue through services provided directly to carriers or through these TURF and General Contractors.

### KEY STATISTICS

Price as of 5/23/12	\$0.50
52 Wk High – Low	\$0.52 – 0.002
Est. Shares Outstanding	96.8M
Free Trading Shares	28.0M
Restricted Shares	68.8M
Market Capitalization	\$48.4M

### COMPANY INFORMATION

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### INVESTMENT HIGHLIGHTS

**The Bottom Line:** Just last week, we initiated coverage of TLFX at a price of \$0.33 with a price target of \$1.10. Although the stock is up by more than 50%, TLFX's M&A news yesterday prompts us to reiterate our Speculative Buy recommendation and raise our price target to \$1.75.

**The News:** The Company announced that it has signed a letter of intent to acquire VOM Solutions, LLC, a firm with top tier expertise in key disciplines of telecom services ranging from outside plant, wireless, 4G RAN Roll-outs, and DAS Networks.

**What this means:** VOM's principals have 60 years of telecom services experience with a specialization in mobile broadband design engineering and implementation, which reflect TeleFix's sweet spots. VOM brings TLFX serious manpower to enable it to complete multiple large-scale projects at the same time.

**Our Take:** We believe that this move is both a precursor and great step prior to the Company winning meaningful contracts in the near-term. In our view, it seals the Company's positioning and ability to perform and implement multiple projects, including those in other previously non-core areas.

**Raising Price Target:** In response to this greater positioning, we are reiterating our Speculative Buy recommendation and substantially raising our target to \$1.75 per share. Once the deal closes, the Company will be able to win and implement more projects than previously ascertained. We are leaving our forecasts unchanged, pending further visibility.

**Bonus:** Investors should be aware that due to the Company's capital structure as a woman-owned entity, there are only a few hundred thousand shares in the public float. This bonus makes TLFX a great stock to own.

To access the original report, visit [www.goldmanresearch.com](http://www.goldmanresearch.com).

# TELEFIX COMMUNICATIONS HOLDINGS, INC. (OTC:PKQB – TLFY)

## Analyst: Robert Goldman

Rob Goldman has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell-side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

## Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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