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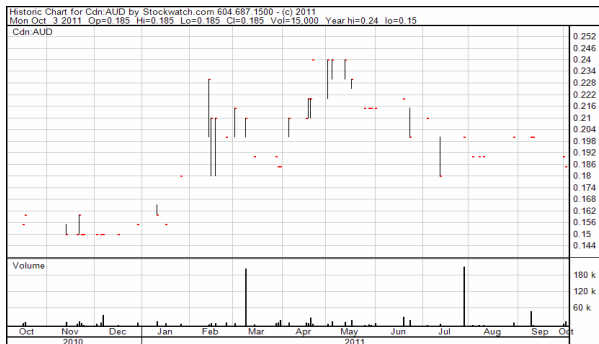
QIS COMPANY PROFILE



Audiotech Healthcare Corporation (AUD:TSX-V)

Date: October 3, 2011
 Price: \$0.185

(coverage initiated on Nov. 8, 2004 at \$0.14)



KEY INFORMATION

Fiscal Year-end	September 30
52-Week High/Low	\$0.24 - \$0.15
3-Month Avg. Daily Trading Volume	4,800 shares
Market Capitalization	\$2.4 million
Enterprise Value	\$2.4 million
Working Capital per share (Jun. 30)	\$0.07
Current Ratio	2.3
Gross Margin (Qtr ended Jun. 30)	68%
LT Debt to f2010 EBITDA	1.4
Price to f2009 Earnings	nm
Price to f2010 Earnings	6.8

FINANCIAL HISTORY (000s of Canadian Dollars)

	2007	2008	2009	2010
Revenues	4,102	4,427	4,978	5,100
EBITDA	349	(41)	312	603
Net Income	88	(1,272)	3	354
per share	0.007	(0.095)	0.000	0.027

FINANCIAL DATA (000s of Canadian Dollars)

	3 Months Jun. 30		9 Months Jun. 30	
	2011	2010	2011	2010
Revenues	\$ 1,436	\$ 1,337	\$ 4,037	\$ 3,782
CoGS	461	414	1,227	1,162
Gross Profit	975	923	2,810	2,620
Clinic Costs	673	648	1,944	1,992
Int. - LT Debt	24	27	76	85
Net Income	160	141	398	215
per share	0.012	0.011	0.030	0.016

BALANCE SHEET (as at June 30, 2011)

Current Assets	\$ 1,682,782
Total Assets	2,127,651
Current Liabilities	732,905
Long-Term Debt	825,890
Shareholders' Equity	555,653

SHARES OUTSTANDING (as at June 30, 2011)

Basic (67% held by mgmt & insiders)	13,229,825
Fully-Diluted	14,449,825

Highlights:

- strong gross margins expected to continue for the foreseeable future
- on track to reach \$0.04 EPS in fiscal 2011
- recently expanded or relocated several clinics in western Canada
- trading at 4.5 times trailing earnings with \$0.07 per share in positive working capital
- potential takeover candidate

CORPORATE OVERVIEW

Audiotech Healthcare was founded in 1997 to take advantage of the fragmented hearing care industry in North America by establishing a network of hearing care centres by means of acquisitions and new clinic openings. Currently, the company operates and manages 16 hearing clinics in British Columbia, Alberta, and Idaho through its two operating subsidiaries, Canadian Hearing Care and American Hearing Care.

Over the past several years, Audiotech has become an attractive acquisition candidate. There is a growing consolidation trend in the industry in which hearing aid manufacturers are buying up successful hearing clinics to gain the opportunity to sell their own line of products at company-owned locations. Companies like Audiotech are especially appealing since an entire chain of clinics could be acquired at once. In addition, the company is profitable with a stable balance sheet. Audiotech had a particularly successful year in fiscal 2010 with a slight increase in revenues but a pronounced improvement in costs and profitability. This foundational work has continued to improve the bottom line throughout the first three quarters of fiscal 2011.

Audiotech targets growth by establishing and opening new clinics in strategic locations as well as by identifying quality acquisition candidates that meet firm consolidation criteria and can achieve ongoing operating efficiencies. The company is becoming a

regional industry leader by targeting primary hearing care providers in each major market. As North America's "baby-boomer" generation ages, the demand for hearing care services is expected to increase considerably.

Audiotech is continuously monitoring its operations for ways to maximize efficiencies and minimize costs. For example, in mid-2009, some staffing changes were implemented at the company's Kelowna, B.C. clinic, which resulted in improved operating cash flow. This clinic ended up generating a profit a full quarter ahead of expectations. Another example of improving efficiency includes the company's January 2010 decision to close its Southwest Calgary clinic and merge its operations with the Northwest Calgary clinic due to lower than expected results. While estimated annual revenue loss of \$100,000 to \$130,000 will occur, the company is also expected to save approximately \$75,000 annually in operating costs. Ongoing initiatives to improve efficiencies and to capitalize upon growth opportunities within these clinics will continue to be emphasized in fiscal 2011.

In October 2010, Audiotech opened a new clinic in Sorrento, B.C. The equipment previously used in the discontinued Calgary clinic has been re-deployed to this new location, which allows the company to keep its capital costs to a minimum with this new clinic.

For the third quarter ended June 30, 2011, Audiotech generated sales of \$1.44 million, a year-over-year increase of 7.4%. Year-over-year Canadian sales improved 5.9% while U.S. sales increased by 11.3% despite the unfavorable change in currency exchange rates. Audiotech recorded a strong gross margin of 68% during Q3, and management anticipates continued strength in gross margins for the foreseeable future.

Audiotech is anticipating further improvements in profitability while generating strong operating cash flow. The company is currently planning further initiatives to strengthen its position as a dominant regional hearing care provider particularly in the interior of B.C. Management is confident that these investments to secure the company's market position will result in a higher corporate valuation in the event that Audiotech is acquired by another entity in the current market consolidation cycle.

Due to the increasingly competitive and expensive nature of completing clinic acquisitions within the hearing industry, Audiotech has shifted its focus from actively seeking out accretive acquisitions to considering ways to grow organically through new clinic openings, existing clinic expansions and the opening of satellite clinics. Additional satellite clinic openings are anticipated in 2011. Management may continue to review potential acquisition opportunities, but this will now be a secondary growth strategy.

The third quarter of fiscal 2011 marked the seventh consecutive profitable quarter for Audiotech and the fifth consecutive quarter with net earnings over \$100,000 despite the fact that the company is now taxable. In the third quarter, current income tax expenses were \$54,534.

On a trailing 12 month basis, Audiotech has achieved revenues of \$5.4 million, net income of \$537,709, and earnings per share of \$0.041. The company is currently trading at only 4.5 times trailing earnings. Audiotech is trading at about 0.5 times sales, which is an attractive valuation for potential suitors. During 2009, the average price to sales ratio in the hearing care industry was approximately 1.6 times.

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