

Wireless Ronin Technology

Company Description: *Wireless Ronin Technologies, Inc. provides dynamic digital signage solutions targeting specific retail and service markets. Through a suite of software applications marketed as RoninCast®, RNIN provides an enterprise-level content delivery system that manages schedules and delivers digital content over wireless or wired networks.*

Application Service/Digital Signage August 5, 2009

Expect In-line Q2'09 Report, plus maybe some deal visibility (RNIN - \$2.99) BUY

Key Points

- Q2'09 Results should be in-line with our estimates. Cash burn rates will be a focal point.
- The story is about large, looming contracts. Their visibility is the most important issue. Look to management for color.
- Ronin reports after the market close on Thursday August 6, 2009. Conference call to follow.

We expect Ronin to report Q2'09 results that are in-line with our previously revised estimates, but the cash levels and burn rates will remain in focus. We currently forecast revenue of \$1.5mm, GAAP EPS of (\$0.17) and non-GAAP EPS and (\$0.14). Consensus forecasts \$1.44mm and (\$0.18), but it's unclear if this is GAAP or non-GAAP. We currently forecast that Ronin will burn roughly \$2.5mm in cash in Q2'09. We further currently forecast Ronin to burn an additional \$3.7mm in cash in 2H'09 and to exit FY'09 with roughly \$5mm in cash and no debt. In our opinion, any improvement in our liquidity outlook would be material.

With potentially large opportunities looming, NEC America's interest in reselling RoninCast® is pretty obvious. We have long held that digital signage and Ronin offer significant investment potential. We continue to believe that large contracts loom in the near-term for Ronin. We further believe inverting the relationship between NEC and Ronin makes all too much sense, lowering both risk to large potential customers and pressure on Ronin. One could speculate that inverting the NEC/Ronin relationship could be a precursor to a contract award, which would be consistent with our timing assumptions of KFC. Thus, contract visibility remains the primary point of interest for Ronin. We anticipate a robust update from management on the conference call.

Ronin will report Q2'09 results after the market close on Thursday August 6, 2009. Management will host a conference call to discuss the results and outlook at 3:30pm CT that afternoon. Interested investors can listen to the call by dialing 877-419-6596 or via the "Investors" section of the corporate website.

Financial Summary

Rev(mil)	2008A	2009E	2010E
Mar	\$1.9	\$1.4A	
Jun	\$1.6	\$1.5E	-
Sep	\$2.0	\$2.5E	-
Dec	\$1.9	\$2.9E	-
FY	\$ 7.38	\$8.3E	\$16.6E
P/Sales	6.1x	5.4x	2.7x

EPS	2008A	2009E	2010E
Mar	(\$0.29)	(\$0.20)A	-
Jun	(\$0.34)	(\$0.17)E	-
Sep	(\$0.31)	(\$0.13)E	-
Dec	(\$0.47)	(\$0.13)E	-
FY	(\$1.41)	\$(0.62)E	\$(0.43)E
P/E	NM	NM	NM

Price:	\$2.99
52-Week Range:	\$7.38 - \$0.39
Target:	\$4.00
Rating:	BUY
Shares Out. (diluted):	14.9 mil
Mkt. Capitalization:	\$44.6mil
Avg. Volume:	20,000
Inst. Ownership:	42%
BV / Share (Est.):	\$0.90
Debt / Tot. Cap.:	0%
Est. LT EPS Growth:	NM

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**Wireless Ronin Tech
 (RNIN)**

6/8/2009

December Year-end (in thousands)	Fiscal 2006	Fiscal 2007	Q1 Mar-08	Q2 Jun-08	Q3 Sep-08	Q4 Dec-08	Fiscal 2008	Q1 Mar-09	Q2E Jun-09	Q3E Sep-09	Q4E Dec-09	Fiscal 2009E	Fiscal 2010E
TOTAL SALES	3,145	5,985	1,934	1,596	1,950	1,902	7,381	1,433	1,528	2,445	2,936	8,342	16,612
Cost of Goods	1,545	3,892	1,535	1,534	1,847	1,673	6,589	1,160	1,275	1,900	2,150	6,485	11,445
GROSS PROFIT	1,600	2,093	399	62	102	229	792	273	253	545	786	1,857	5,167
Margin %	50.9%	35.0%	20.6%	3.9%	5.2%	12.1%	10.7%	19.1%	16.6%	22.3%	26.8%	22.3%	31.1%
<i>Expenses:</i>													
S&M	1,463	2,806	1,220	1,110	927	742	3,999	831	850	750	760	3,191	3,165
%	46.5%	46.9%	63.1%	69.5%	47.6%	39.0%	54.2%	58.0%	55.6%	30.7%	25.9%	38.3%	19.1%
R&D	876	1,198	454	590	793	705	2,541	391	425	450	475	1,741	1,900
%	27.8%	20.0%	23.5%	36.9%	40.7%	37.0%	34.4%	27.3%	27.8%	18.4%	16.2%	20.9%	11.4%
G&A	3,580	8,700	2,541	2,818	2,472	2,340	10,171	1,795	1,300	1,200	1,200	5,495	4,950
%	113.8%	145.4%	131.4%	176.5%	126.8%	123.0%	137.8%	125.3%	85.1%	49.1%	40.9%	65.9%	29.8%
Non-cash Op Ex.	-	704	646	662	662	3,423	5,394	199	317	317	417	1,250	2,268
Total Operating Expenses	5,918	13,408	4,861	5,180	4,854	7,210	22,105	3,216	2,892	2,717	2,852	11,677	12,283
%	188.2%	224.0%	251.4%	324.5%	249.0%	379.0%	299.5%	224.4%	189.2%	111.1%	97.1%	140.0%	73.9%
OPERATING INCOME	(4,318)	(11,315)	(4,462)	(5,118)	(4,752)	(6,981)	(21,312)	(2,943)	(2,639)	(2,172)	(2,066)	(9,820)	(7,116)
Margin %	-137.3%	-189.1%	-230.8%	-320.6%	-243.7%	-367.0%	-288.7%	-205.4%	-172.7%	-88.9%	-70.4%	-117.7%	-42.8%
Other Income	(10,469)	1,229	265	158	117	80	620	40	132	94	66	332	1
PRETAX INCOME	(14,788)	(10,086)	(4,197)	(4,959)	(4,635)	(6,900)	(20,692)	(2,903)	(2,507)	(2,078)	(2,000)	(9,488)	(7,114)
Margin %	-470.1%	-168.5%	-217.1%	-310.7%	-237.8%	-362.8%	-280.3%	-202.6%	-164.0%	-85.0%	-68.1%	-113.7%	-42.8%
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NET INCOME	(14,788)	(10,086)	(4,197)	(4,959)	(4,635)	(6,900)	(20,692)	(2,903)	(2,507)	(2,078)	(2,000)	(9,488)	(7,114)
Margin %	-470.1%	-168.5%	-217.1%	-310.7%	-237.8%	-362.8%	-280.3%	-202.6%	-164.0%	-85.0%	-68.1%	-113.7%	-42.8%
GAAP EPS	(\$9.7107)	(\$0.8226)	(\$0.2886)	(\$0.3402)	(\$0.3140)	(\$0.4672)	(\$1.4100)	(\$0.1955)	(\$0.1649)	(\$0.1341)	(\$0.1250)	(\$0.6195)	(\$0.4269)
Shares Average	1,523	11,394	14,544	14,578	14,764	14,768	14,621	14,850	15,200	15,500	16,000	15,200	16,580
Non-GAAP EPS			(\$0.24)	(\$0.25)	(\$0.27)	(\$0.23)	(\$1.05)	(\$0.16)	(\$0.14)	(\$0.11)	(\$0.10)	(\$0.54)	(\$0.29)

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Assets													
Current Assets:													
Cash & mktble sec	15,467	29,200	25,657	21,855	17,505	13,595	13,595	11,235	8,739	6,724	5,097	5,097	-1,217
Acct receivables, net	1,129	4,367	3,620	3,460	2,001	1,835	1,835	1,525	2,100	2,500	2,600	2,600	3,790
Inventories, net	256	539	622	677	2,862	462	462	341	580	600	625	625	950
Other	148	818	836	1,109	326	266	266	147	1,000	975	1,200	1,200	600
Total current asset	17,000	34,923	30,735	27,100	22,695	16,157	16,157	13,248	12,419	10,799	9,522	9,522	4,123
Property, Plant & equip	524	1,780	2,052	2,164	2,169	1,918	1,918	1,723	1,654	1,588	1,524	1,524	1,295
Deposits	23	490	450	450	450	450	450	450	450	450	450	450	450
Goodwill/Intangibles		3,175	2,912	2,800	2,593	-	0	-	-	-	-	0	0
Deferred Costs	0	0	38	38	38	34,901	35	33	-	-	0	0	0
Total Assets	17,546	40,369	36,186	32,553	27,944	18,560	18,560	15,454	14,523	12,837	11,497	11,497	5,868
Liab. & Shr. Equity													
Lines/Notes/Current L	106	100	80	74	74	71	71	52	74	74	74	74	74
Accounts Payable	949	1,387	1,302	1,301	1,856	1,068	1,068	833	1,500	1,800	2,200	2,200	4,000
Deferred Revenue	203	1,252	1,211	1,227	444	181	181	170	306	489	587	587	1,103
Accrued Liabilities	395	1,870	1,806	2,306	2,458	1,067	1,067	992	992	992	992	992	992
Total current Liabili	1,653	4,610	4,399	4,908	4,831	2,387	2,387	2,047	2,872	3,355	3,853	3,853	6,169
Notes Payable	155	0	-	-	-	-	0	-	-	-	-	0	0
Notes Payable/Other	0	71	52	32	15	-	0	-	-	-	-	0	0
Total Liabilities	1,808	4,681	4,451	4,940	4,847	2,387	2,387	2,047	2,872	3,355	3,853	3,853	6,169
Stockholder's equity	15,738	35,688	31,735	27,612	23,098	16,173	16,173	13,407	11,651	9,482	7,643	7,643	-300
Total Liab. & SE	17,546	40,369	36,186	32,553	27,944	18,560	18,560	15,454	14,523	12,837	11,497	11,497	5,868
Balance Sheet Ratios													
Cash Per Share (avg)	\$ 10.16	\$ 2.56	\$ 1.76	\$ 1.50	\$ 1.19	\$ 0.92	\$ 0.93	\$ 0.76	\$ 0.57	\$ 0.43	\$ 0.32	\$ 0.34	\$ (0.07)
Book value (avg share)	\$ 10.33	\$ 3.13	\$ 2.18	\$ 1.89	\$ 1.56	\$ 1.10	\$ 1.11	\$ 0.90	\$ 0.77	\$ 0.61	\$ 0.48	\$ 0.50	\$ (0.02)
Tangible book value (c	\$ 10.32	\$ 3.09	\$ 2.15	\$ 1.86	\$ 1.53	\$ 1.06	\$ 1.08	\$ 0.87	\$ 0.74	\$ 0.58	\$ 0.45	\$ 0.47	\$ (0.05)
Working capital	\$ 15,191	\$ 30,243	\$ 26,283	\$ 22,160	\$ 17,848	\$ 13,770	\$ 13,770	\$ 11,201	\$ 9,547	\$ 7,444	\$ 5,669	\$ 5,669	\$ (2,045)
Current ratio	10.3	7.6	7.0	5.5	4.7	6.8	6.8	6.5	4.3	3.2	2.5	2.5	0.7
Debt/total cap	1.5%	0.4%	0.3%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Days Sales	129	263	168	195	92	87	89	96	124	92	80	112	82
Inv turns	12.3x	11.1x	12.4x	9.4x	2.7x	16.5x	16.0x	16.8x	10.5x	16.3x	18.8x	13.3x	17.5x
Days Payable	108.59	83.45	60.61	73.35	85.68	50.54	52.09	52.32	88.34	66.27	67.44	94.95	86.68

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6/9/2009

Digital Signage and Display Comps

Name	Ticker	LAST	ShrsOS(miMkt	Cap(mill)	TY-E	TY-E	TY-E	TY-E	NY-E	NY-E	NY-E	NY-E
					EPS	Sales	P/E	P/S	EPS	Sales	P/E	P/S
Daktronics	DAKT	7.31	41	300	0.16	481	45.7	0.6	0.43	524	17.0	0.6
Orbotech	ORBK	7.77	34	264	(0.08)	393	(97.1)	0.7	(0.24)	395	(32.4)	0.7
Planar Corp.	PLNR	1.39	19	27	(5.05)	160	(0.3)	0.2	(0.63)	161	(2.2)	0.2
Universal Display	PANL	10.15	36	365	(0.55)	15	(18.5)	25.2	(0.29)	27	(35.0)	13.7
Zoran	ZRAN	11.56	51	590	(0.93)	348	(12.4)	1.7	(0.30)	392	(38.5)	1.5
AVERAGE:				309.14	(1.29)	279.30	(16.52)	5.67	(0.21)	299.72	(18.22)	3.33
Wireless Ronin	RNIN	2.85	15	42	(0.62)	8.3	(4.6)	5.0	(0.43)	16.6	(6.6)	2.5

Price Targets:	FY'08	FY'09
EPS:	NM	NM
Sales:	\$3.22	\$3.79

Analyst Certification

I, **Jay M. Meier**, certify that the views expressed in this research report accurately reflect my personal views about the subject company and its securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation related to the specific recommendations expressed in this report.

Important Disclosures:

The analyst or any member of his/her household **does not** hold a long or short position, options, warrants, rights or futures of this security in their personal account(s).

As of the end of the month preceding the date of publication of this report, Feltl and Company **did not** beneficially own 1% or more of any class of common equity securities of the subject company.

There is **not** any actual material conflict of interest that either the analyst or Feltl and Co. is aware of.

The analyst **has not** received any compensation for any investment banking business with this company in the past twelve months and **does not** expect to receive any in the next three months.

Feltl and Company **has** been engaged for investment banking services with the subject company during the past twelve months and **does** anticipate receiving compensation for such services in the next three months.

Feltl and Company managed the initial public offering of Wireless Ronin Technologies dated November 28, 2006.

Feltl and Company **has not** served as a broker, either as agent or principal, buying back stock for the subject company's account as part of the company's authorized stock buy-back program in the last twelve months.

No director, officer or employee of Feltl & Company serves as a director, officer or advisory board member to the subject company.

Feltl and Company Rating System: Feltl and Company utilizes a four tier rating system for potential total returns over the next 12 months.

Strong Buy: The stock is expected to have total return potential of at least 30%. Catalysts exist to generate higher valuations, and positions should be initiated at current levels.

Buy: The stock is expected to have total return potential of at least 15%. Near term catalysts may not exist and the common stock needs further time to develop. Investors requiring time to build positions may consider current levels attractive.

Hold: The stock is expected to have total return potential of less than 15%. Fundamental events are not present to make it either a Buy or a Sell. The stock is an acceptable longer-term holding.

Sell: Expect a negative total return. Current positions may be used as a source of funds.

Other Public Companies mentioned in this Report:

8/5/2009				
Ratings Distribution for Feltl and Company				
Rating	Number of Stocks	Percent of Total	----- Investment Banking -----	
			Number of Stocks	Percent of Rating category
SB/Buy	21	64%	2	10%
Hold	10	30%	0	0%
Sell	2	6%	0	0%
	33	100%	2	6%

The above represents our ratings distribution on the stocks in the Feltl and Company research universe, together with the number in (and percentage of) each category for which Feltl and Company provided investment-banking services in the previous twelve months.



Date	Nature of Report	Rating	Price Target
1/08/07	Initiation of Coverage	Buy	\$10.50
12/17/08	More Right-sizing	HOLD	\$1.50
2/18/09	Q4'08 Report Update	HOLD	\$1.20
5/7/09	Q1'09 Preview; Upgrade to BUY	BUY	\$4.00
5/8/09	Q1'09 Report	BUY	\$4.00
6/8/09	Earnings Revision	BUY	\$4.00
8/5/09	Q2'09 Report Preview	BUY	\$4.00

Felt and Company does make a market in the subject security at the date of publication of this report. As a market maker, Felt and Co. could act as principal or agent with respect to the purchase or sale of those securities.

Valuation and Price Target Methodology:

Our research shows a group of comparable vendors to Ronin currently trades at 2.5x its FY'10 revenue estimates. Applying this valuation to our \$16.6mm FY'10 revenue estimate for RNIN, we have set our price target for Ronin at \$4.00.

Risks to Achievement of Estimates and Price Target:

- Wireless Ronin is an early stage company with limited revenue and a history of operating losses. The report of its independent registered public accounting firm contains an explanatory paragraph expressing substantial doubt about the company's ability to continue as a going concern.
- RNIN's success depends on its RoninCast system achieving and maintaining widespread acceptance. Its software is complex and must meet stringent user requirements. Errors or defects could result in the rejection of RNIN's products, damage to its reputation, lost revenues, diverted development resources and increased customer service and support costs and warranty claims.
- Prospective customers can take a long time to evaluate RNIN's products, thus the sales cycle can be lengthy and difficult to predict.

- RNIN's future business model relies upon strategic partners and resellers. The successful formation of relationships with qualified partners and resellers is not assured. Failure to develop these relationships could impact future revenue generation.
- Based on current expense levels, management anticipates that the net proceeds from the IPO will be adequate to fund operations for at least the next 12 months. Future capital requirements, however, will depend on many factors, including the company's ability to successfully market and sell its products, develop new products and establish and leverage strategic partnerships and reseller relationships. In order to meet its needs beyond 2009, RNIN may be required to raise additional funding through public or private financings.
- The market for RNIN's products is characterized by rapidly changing technology, evolving industry standards, changes in customer needs, intense competition and frequent new product introductions. If RNIN fails to develop new products or modify or improve existing products in response to these changes in technology, customer demands or industry standards, its products could become less competitive or obsolete.
- The market for digital signage software is highly competitive and we expect competition to increase in the future. Some of RNIN's competitors or potential competitors have significantly greater financial, technical and marketing resources than it does. These competitors may be able to respond more rapidly to new or emerging technologies or changes in customer requirements. They may also devote greater resources to the development, promotion and sale of their products than RNIN can.
- RNIN's directors, executive officers and the Spirit Lake Tribe, an early investor, will beneficially own approximately 24.4% of the outstanding shares of the common stock after the IPO. As a result, these shareholders, if acting together, may be able to influence or control matters requiring approval by shareholders, including the election of directors and the approval of mergers or other extraordinary transactions.
- Wireless Ronin Tech currently operates with an interim management team, lacking both a permanent CEO and CFO. If RNIN fails to hire satisfactory management, the Company's operations could be affected.

Other Disclosures:

The information contained in this report is based on sources considered to be reliable, but not guaranteed, to be accurate or complete. Any opinions or estimates expressed herein reflect a judgment made as of this date, and are subject to change without notice. This report has been prepared solely for informative purposes and is not a solicitation or an offer to buy or sell any security. The securities described may not be qualified for purchase in all jurisdictions. Because of individual requirements, advice regarding securities mentioned in this report should not be construed as suitable for all accounts. This report does not take into account the investment objectives, financial situation and needs of any particular client of Felt and Company. Some securities mentioned herein relate to small speculative companies that may not be suitable for some accounts. Felt and Company suggests that prior to acting on any of the recommendations herein, the recipient should consider whether such a recommendation is appropriate given their investment objectives and current financial circumstances. Past performance does not guarantee future results. Additional information is available upon request.

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