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Zacks Small-Cap Research

Brian Marckx, CFA
bmarckx@zacks.com
Ph (312) 265-9474

scr.zacks.com
111 North Canal Street, Chicago, IL 60606

Positron Corp (POSC-OTC)

POSC: Downgrading to Sell

OUTLOOK

We are downgrading our recommendation from Neutral to Underperform and moving our price target to $0.00.

Current Recommendation	**Underperform**
Prior Recommendation	Neutral
Date of Last Change	06/13/2012
Current Price (06/13/12)	$0.01
Target Price	**$0.00**

SUMMARY DATA

52-Week High	**$0.07**
52-Week Low	**$0.01**
One-Year Return (%)	**-63.64**
Beta	**1.35**
Average Daily Volume (sh)	**1,025,173**
Shares Outstanding (mil)	**971**
Market Capitalization ($mil)	**$12**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**7**
Insider Ownership (%)	**8**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**21.2**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2012 Estimate	**N/A**
P/E using 2013 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**High,**
Type of Stock	**N/A**
Industry	**Med Instruments**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in 000s of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2010					4,623 A
2011					6,663 A
2012					
2013					

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2010					-$0.02 A
2011					-$0.01 A
2012					
2013					

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

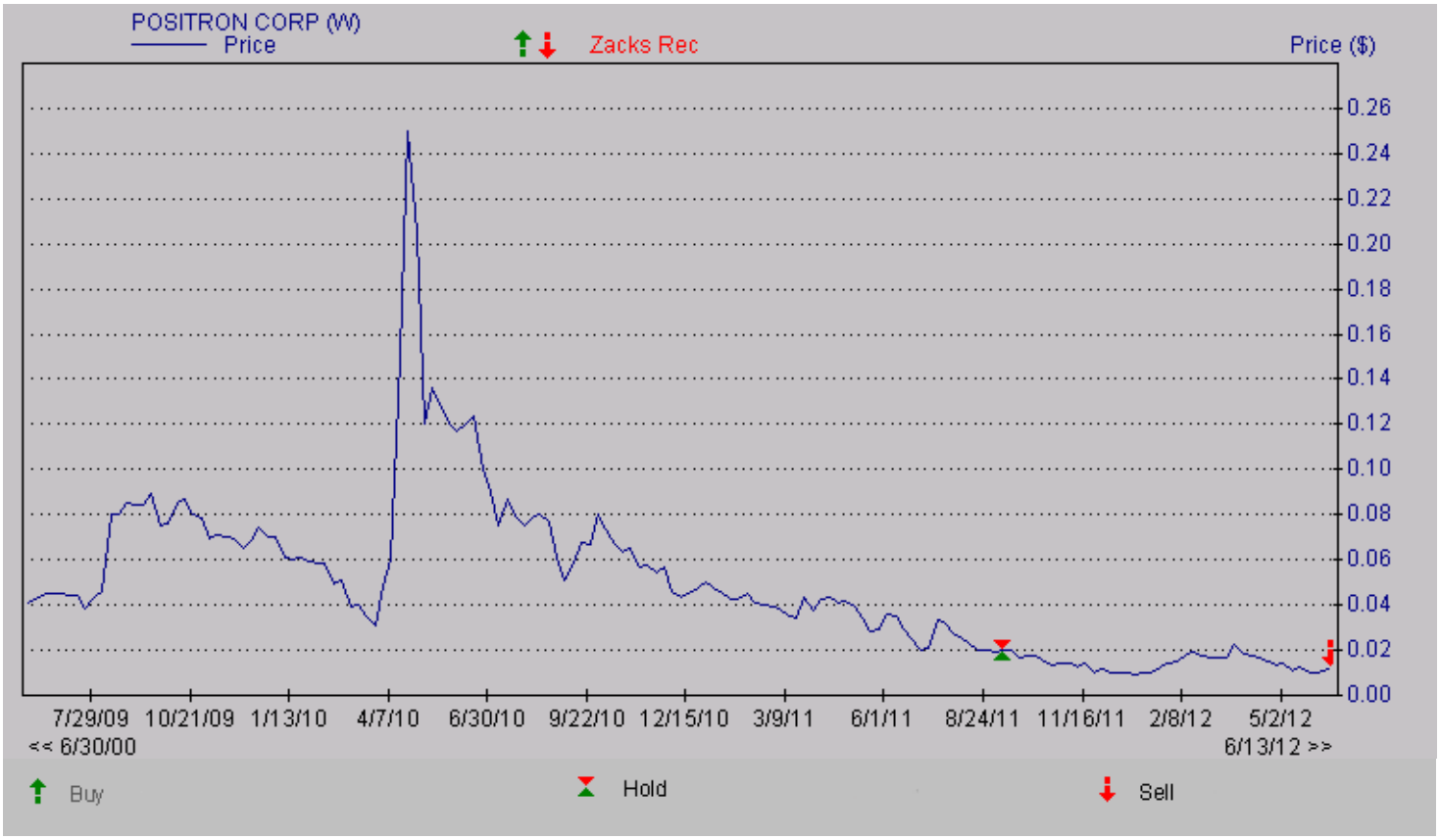
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Downgrading from Neutral to Underperfrom

We initiated coverage of Positron in September 2011 with a Neutral rating reflecting what we believed was an acceptable risk/return profile of the company at the time. Since then we feel POSC's risk profile has significantly deteriorated as a result of a number of factors which has prompted our downgrade in the stock from Neutral to Underperform. We are also removing all of our revenue and EPS estimates. Of particular concern are;

- POSC has defaulted on payables (as noted in our initiation report, this could trigger a downgrade)
- Lack of faith in management delivering on commitments or strategy
- Exhausted cash balance
- Lack of financing
- Revenue has been insignificant and well below ours and management's forecasts

HISTORICAL ZACKS RECOMMENDATIONS



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The current distribution of Zacks Ratings is as follows on the 1027 companies covered: Buy/Outperform- 14.5%, Hold/Neutral- 79.8%, Sell/Underperform – 5.1%. Data is as of midnight on the business day immediately prior to this publication.

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