



# TAGLICHBROTHERS

The Standard of Excellence in the Microcap Market

Member: FINRA, SIPC

## Earnings Note

*Investors should consider this report as only a single factor in making their investment decision.*

### Littlefield Corporation

Rating: Speculative Buy

Luis Martins

April 29, 2009

### LTFD \$0.50 (OTC BB)

Littlefield Corporation (OTC BB: LTFD) engages in the development, ownership, and operation of charitable bingo halls in the United States. LTFD also engages in the party rental business. Its operations are primarily conducted in two segments, Littlefield Entertainment and Littlefield Hospitality.

On April 28, 2009, LTFD announced preliminary 2009 first quarter results for the period ended March 31, 2009. Below are the Company's results (\$ 000's):

	Q1 (3/09)A	Q1 (3/08)A
Revenues	\$ 2,825	\$ 2,270
Total Direct Costs	<u>1,654</u>	<u>1,558</u>
<b>Gross Profit</b>	1,171	712
<i>Gross Margins</i>	41.5%	31.4%
Total operating expenses	<u>541</u>	<u>547</u>
Operating income	630	165
Operating margins	22.30%	7.27%
Net income (loss) from continuing ops	<u>\$ 393</u>	<u>\$ (112)</u>
EPS diluted from continuing ops	<u>\$ 0.02</u>	<u>\$ (0.01)</u>
Weighted average shares (diluted)	<u>16,755</u>	<u>11,739</u>
Net income (loss)	<u>\$ 282</u>	<u>\$ (341)</u>
EPS diluted from continuing ops	<u>\$ 0.02</u>	<u>\$ (0.03)</u>
Weighted average shares (diluted)	<u>16,755</u>	<u>11,739</u>
<u>% of revenue</u>		
Operating expenses	19.15%	24.10%
<u>year / year growth</u>		
revenues	24.45%	11.81%

*\* Please view our disclaimer located on page 5.*

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**Analysis:** Due to the April 2009 sale of Premiere Tents and Events, the Company provided results for continuing operations and discontinued operations. Continuing operations consist solely of the Entertainment (bingo) segment.

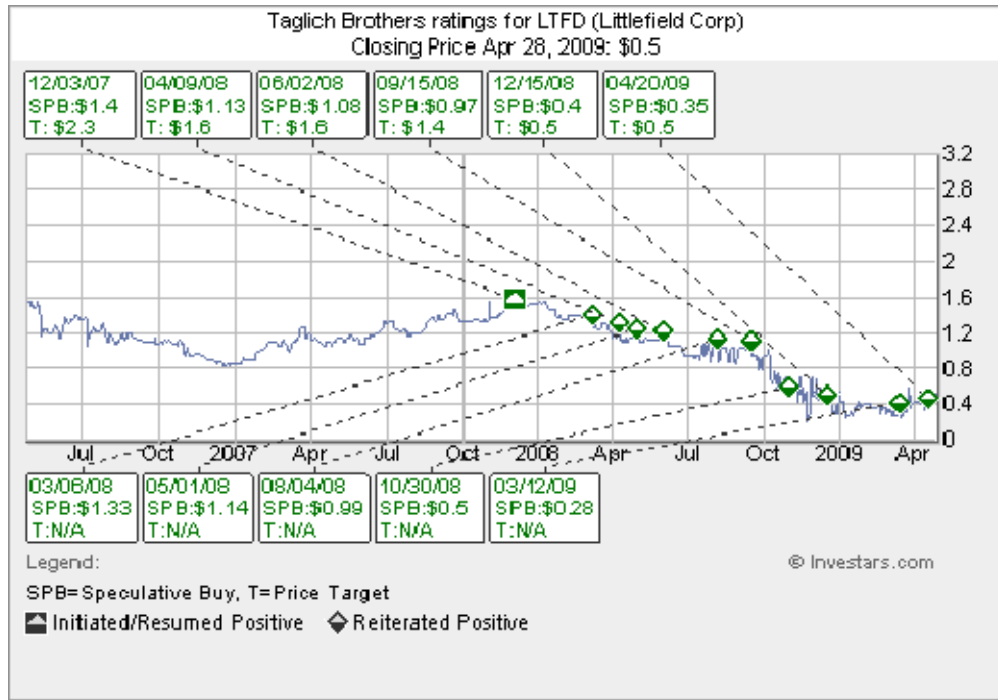
The Company's operating results improved substantially on a year-over-year basis primarily due to higher revenues, improved margins, and the benefits of recent restructuring and cost reduction efforts.

Although we did not have official estimates for the first quarter, we provided a preliminary analysis in which we envisioned revenues from the bingo unit of \$2.435 million and break-even bottom line results.

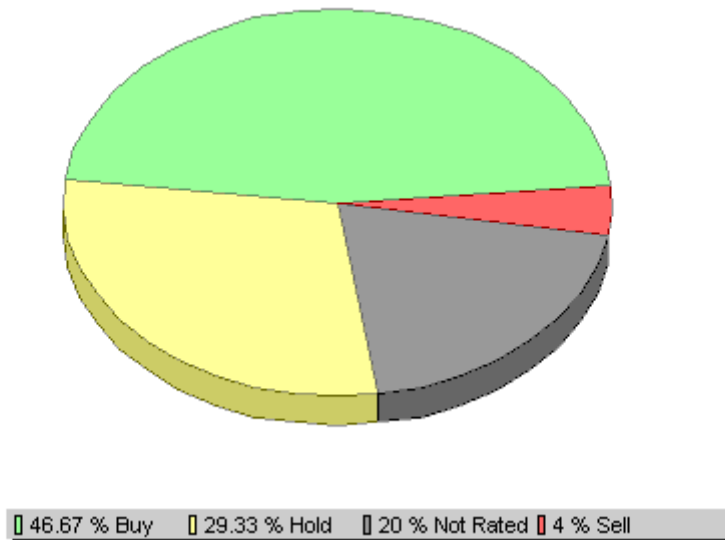
**Rating:** We are maintaining our Speculative Buy rating.

**Risks:** Please review our latest research report (dated April 20, 2009) for a summary of the principal risks underlying the stock.

## Littlefield Corporation



### Taglich Brothers Current Ratings Distribution



<b>Investment Banking Services for Companies Covered in the Past 12 Months</b>		
Rating	#	%
Buy	2	7.41%
Hold	0	0
Sell	0	0
Not Rated	0	0

Meaning of Ratings

Buy

We believe the Company is undervalued relative to its market and peers. We believe its risk reward ratio strongly advocates purchase of the stock relative to other stocks in the marketplace. Remember, with all equities there is always downside risk.

Speculative Buy

We believe that the long run prospects of the Company are positive. We believe its risk reward ratio advocates purchase of the stock. We feel the investment risk is higher than our typical “buy” recommendation. In the short run, the stock may be subject to high volatility and continue to trade at a discount to its market.

Neutral

We will remain neutral pending certain developments.

Underperform

We believe that the Company may be fairly valued based on its current status. Upside potential is limited relative to investment risk.

Sell

We believe that the Company is significantly overvalued based on its current status. The future of the Company's operations may be questionable and there is an extreme level of investment risk relative to reward.

**Some notable Risks within the Microcap Market**

**Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.**

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From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.

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As of the date of this report, we, our affiliates, any officer, director or stockholder, or any member of their families do not have a position in the stock of the company mentioned in this report. Taglich Brothers, Inc. does not currently have an Investment Banking relationship with the company mentioned in this report and was not a manager or co-manager of any offering for the company with in the last three years.

All research issued by Taglich Brothers, Inc. is based on public information. The company paid for the creation and dissemination of research reports for the first year a monetary fee of \$24,000 (USD) on September 2007 and since December 2009 pays a monthly monetary fee of \$2,000 (USD) to Taglich Brothers, Inc. for the creation and dissemination of research reports.

**I, Luis Martins, the research analyst of this earnings note, hereby certify that the views expressed in this note accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.**