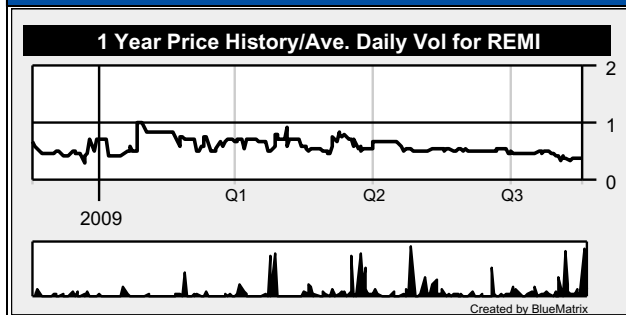


Medical Devices
Remedent, Inc. | REMI - \$0.38 - OTC BB | Buy

Stock Data	
52 Week Low - High	\$0.30 - \$1.01
Shares Out. (mil)	20.00
Mkt. Cap.(mil)	\$7.6
3-Mo. Avg. Vol.	15,035
12-Mo.Price Target	\$1.50
Cash (mil)	\$1.6
Tot. Debt (mil)	\$1.6
Est. 3Yr. EPS Growth	NA

EPS (\$)			
Yr Mar	2009	—2010E—	—2011E—
	Actual	Curr	Curr
1Q	0.01A	(0.03)A	(0.01)E
2Q	(0.25)A	(0.03)E	(0.02)E
3Q	(0.02)A	(0.02)E	0.00E
4Q	(0.05)A	(0.02)E	0.00E
YEAR	(0.31)A	(0.10)E	(0.03)E
P/E	NM	NM	NM

Revenue (\$ millions)			
Yr Mar	2009	—2010E—	—2011E—
	Actual	Curr	Curr
1Q	3.6A	2.2A	3.1E
2Q	2.8A	2.0E	2.8E
3Q	4.8A	2.7E	3.6E
4Q	3.4A	3.0E	3.7E
YEAR	14.6A	9.9E	13.2E


REMI: F2Q10 Weak on Slow Den-Mat Ramp; Call Thursday Morning

Remedent reported its fiscal-2Q10 (ended September) financial results with revenue of approximately \$1.8 million, shy of our projection by roughly \$170k on a decline of 26% yoy and 18% sequentially. We note that the comparable period (yoy) included \$2.4 million in license fees from Den-Mat that were absent in 2Q10. Management will host a conference call to discuss these results tomorrow morning at 11AM (ET).

- Our model had assumed \$1.3 million in Professional sales (GlamSmile / LumiTray) and \$689k in OTC sales. While we have yet to obtain a more detailed revenue breakdown by product line, we estimate the shortfall may be attributable to a slower than expected ramp in revenues through Den-Mat in the US.
- Although not broken out by product segment (ie Professional or Consumer), US sales grew sequentially to \$743k, from \$490k in the June period, and were down roughly \$1 million yoy. OUS revenues were \$1.0 million, down from \$1.7 million sequentially and flat yoy.
- Gross margin was reported at 27%, but was negatively impacted by a \$400k settlement with a large OTC customer; excluding this, we estimate gross margin would have been slightly up sequentially (about 48.9%).
- Loss from operations was \$994k, versus our projection for a loss of \$620k. The loss was primarily due to weaker than expected sales and a lower than expected gross margin (above) and was wider both sequentially and yoy by \$465k and \$527k, respectively. Including a one-time charge of \$160k for warrants, net loss per share was (\$0.04), a penny wider than our projection.
- The company ended September with cash and cash equivalents of \$1.7 million, up from \$1.6 million at the end of June.
- Our projections and financial model are under review, and we will provide a more detailed update following tomorrow's call. Management is scheduled to host a conference call to discuss its fiscal-2Q10 results at 11AM (ET) tomorrow, Thursday, November 19, after which we will provide a more detailed update. Dial in 800-895-1241 (domestic) or 785-424-1056 (international). Conference ID: 7REMEDENT.
- We will look for greater detail on the company's progress towards its manufacturing initiatives in China. Additionally, we look for more color on the launch of both LumiTray and FirstFit with Den-Mat and the company's

Refer to important disclosure information and rating System Definition on page 4 of this report. Regulation Analyst Certification ("Reg AC"): The research analyst primarily responsible for the content of this report certifies the following under Reg AC: I hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

outlook for the remainder of fiscal-2010.

VALUATION

Shares of REMI are currently trading with an EV to sales multiple of 0.9x our FY11 sales projection, which we believe undervalues the company's potential and the milestones it has achieved to date. Given its operational strategy and its relationship with Den-Mat, we believe Remedent's business model can achieve growth over the next several years. Our 12-month target price of \$1.50 reflects a fully diluted price to sales multiple of 3.7x our FY11 revenue projection.

RISKS

There exist a number of risks that could impede the realization of our estimates. Foremost, our projections rely heavily on the successful launch of the company's GlamSmile veneer product in the US along with continued adoption of the company's teeth whitening products in the office and over the counter marketplace. GlamSmile has significantly less clinical data than its competitors, Lumineers and traditional porcelain veneers, which could drastically slow down its ability to penetrate the market. With a constantly evolving competitive landscape, any unforeseen product and price competition, along with product malfunctions or defects, could hamper or accelerate future sales growth and accordingly affect the value of shares of REMI.

COMPANY DESCRIPTION

Remedent, Inc., a publicly-traded company on the OTCBB, specializes in the research, development, manufacturing and marketing of oral care and cosmetic dentistry products. With offices in California, Belgium and Singapore, Remedent distributes its products in more than 35 countries.

MENTIONED COMPANIES

Disclosures:

ROTH makes a market in shares of Remedent, Inc. and as such, buys and sells from customers on a principal basis.

Shares of Remedent, Inc. may not be eligible for sale in one or more states.

Shares of Remedent, Inc. may be subject to the Securities and Exchange Commission's Penny Stock Rules, which may set forth sales practice requirements for certain low-priced securities.



Each box on the Rating and Price Target History chart above represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first note written during the past three years. **Distribution Ratings/IB Services** shows the number of companies in each rating category from which Roth or an affiliate received compensation for investment banking services in the past 12 month.

Distribution of IB Services Firmwide

Rating	Count	Percent	IB Serv./Past 12 Mos. as of 11/18/09	
			Count	Percent
BUY [B]	154	73.3	17	11.0
HOLD [H]	52	24.8	0	0
SELL [S]	4	1.9	0	0
NOT RATED [NR]	0	0.0	0	0

Our rating system attempts to incorporate industry, company and/or overall market risk and volatility. Consequently, at any given point in time, our investment rating on a stock and its implied price movement may not correspond to the stated 12-month price target.