

FLINT TECHNOLOGIES GROUP.

Stock Symbol-	FLTT.OB
Shares-	104,423,933
Market Cap-	\$783,179
Recent Price-	\$0.0075
Short-term Target Price	\$0.045



CORPORATE INFORMATION

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FLINT TELECOM GROUP, INC.

NEWS FLASH: Flint Telecom Group announced on October 6, 2010 that it has entered into definitive agreements to acquire all of the issued capital of Debit Card Company, Ingedigit International Inc. (III) and Financial Transaction Processing Company, Gotham Ingedigit Financial Processing Corp. (P2P). These acquisitions will expand and strengthen Flint Telecom Group’s existing Pre-paid market activities and open up new international markets and products for the group. Management anticipates that these companies will add additional high revenues and margin for Flint Telecom in their own right going forward, while increasing gross margins and market penetration in the existing portfolio of Telecommunications products.

FLINT TELECOM GROUP, INC. (FLTT.OB)

BUSINESS OVERVIEW

Flint Telecom Group, based in Overland Park Kansas, is a telecom’s technology and services organization currently managing a portfolio of companies that deliver next-generation IP communications products and services. Flint has carved out a spot in the fiercely competitive technology industry by focusing on three main business segments:

- Software , Services & Equipment – the delivery of Wireless IP and ‘Cloud’ based applications to large multinational enterprises and telecom operators worldwide
- Prepaid Telecom Services – the Provision and Distribution of ‘Integrated prepaid calling and cellular products in the United States and Internationally
- Subscriber Based Services – Providing ‘white label’ technologies for both VoIP and Wireless services aimed at specialist operators in the United States and Internationally

INITIATING COVERAGE

We have initiated coverage of FLTT with a Market Outperformer rating on this stock. FLTT looks to be an undervalued stock position, in our opinion, which is based on valuations applied to its acquisitions, newly affiliated and existing contracts and surging gross margins. We believe that if Flint’s business plan can be effectively implemented over the next several years, market multiples applied to these growing assets represent far greater value to shareholders than the company’s current share price reflects.

Flint targets specific segments in both the residential and business markets that provide high margin opportunities and captive audiences rather than play in the general market where competition is high and differentiation is difficult. With the economic downturn winding down, the telecommunications industry should see strong growth over the next three years, driven largely by demand for broadband. Customers are moving to bundled services, including voice, broadband and television. When you have bundled services, there is less changing with regard to providers. 80% of U.S. voice customers will receive service through a bundle in 2011 compared to 40% in 2007.

MARKET OUTLOOK

In today’s uncertain economic environment, business owners are being forced to reexamine their expenses in order to see what can be eliminated, minimized or streamlined. The fundamental reason that businesses are implementing hosted VoIP technology, for example, is because of the profound effects it has on the bottom line. Hosted VoIP is an absolutely powerful technology that is driving profitability and improving employee productivity, while providing companies with a unique competitive advantage. In today’s rapidly changing business environment, organizations need to be agile, and they cannot afford to be held hostage by static, on premise technology. Hosted VoIP technology gives business owners the freedom to adopt the latest in communications technology and the peace of mind that it automatically happens.

VoIP based applications for mobile phones will continue to boom. This mobile VoIP phenomenon could be fueled by applications that make reloading of prepaid minutes automatic through a smartphone. In addition, access to broadband on the run has long been a hot commodity, and companies like FLTT offer prepaid solutions. Prepaid access allows users to pay for wireless Internet connectivity only when they need it and only for what they use. Without a contract or monthly bill, it is easy, convenient and far less expensive. This all adds up to the fact that prepaid wireless broadband is a product to watch for 2011 and beyond.

The telecommunications industry has been hot for years, and explosive growth prospects remain for companies that cater to what the public demands. Rapid expansion is expected to continue because consumers show signs that they want the newest, most powerful electronic gadget available. That means companies will continue looking for technological advances that put them ahead of their competitors. We feel that if you look out over the next 10 years, demand for information products is going to grow rapidly. Given that, this industry will be in good shape. The financial scope of the telecommunications industry is huge. Segments of this total industry make up the balance of over half-a-trillion dollars in annual revenue.

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WHY CONSIDER FLTT?

Investing in micro cap stocks is by nature speculating and not investing. Nevertheless, there is a place for these stocks for informed investors. While speculating in low-priced stocks comes with inherent risks, it has an exciting and unique quality. Penny stocks are the fastest movers in the stock market. Comparing them to large cap stocks, in order to double your \$20 dollar investment; it needs to reach \$40. In a penny stock of \$0.05, you only need \$0.10 to double your investment.

Realistically, you need no more than 2 or 3 penny stocks at one time. You should be able to focus on and research the stocks you have invested in as well as the other penny stocks you wish to buy in the future. If you have too many stocks to research and monitor, it could greatly reduce your chances for success.

The strength of FLTT’s management team and their recent acquisitions are very appealing in our opinion. Furthermore, we believe FLTT will reap the rewards of an improving economy, increasing sales due to recent acquisitions and a potential sharp increase in revenues that will begin to contribute to cover their costs.



ANALYST

Officers of Market Advisors, Inc. have been in business since 1983 and have provided stock market research for their clients since 1985. Company officials have often been quoted in a wide array of financial publications such as the Wall Street Journal, Investors Business Daily, Barron’s, Forbes Magazine and The Dick Davis Digest to name a few.