



MarketDNA™

Investment Research

MarketDNA Close Alert

February 28, 2011

Sell: Equity - LOGM - LogMeIn Inc., - \$40.35

Buy: Derivatives - LOGM110319P40, LOGM110319P35 - Mar 40 & Mar 35 Puts

Equity Target: \$35

Potential Event: Unknown inefficiency in dissemination of information.

Risks: Medium

Investors,

With LOGM hitting \$35.33 and now sitting on it's 200DSMA we will take the opportunity to close out the alert in between \$35.30 and \$35.50 and pocket the 12.5% on the short and move on.

There maybe additional downside to \$34 so if there is a desire to stay in longer but we strongly recommend a hedge to lock in the gains so far.

As always, we will continue to bring you timely actionable trading alerts on all our equities based on our proprietary investment program.

Good luck investing.

MarketDNA is a unique and very accurate proprietary research channel. **MarketDNA** uncovers trading which is occurring based on inefficiencies in dissemination of information, typically within fourteen days prior to an event occurring on the equity. **MarketDNA** provides our clients with actionable opportunity based intelligence and a suite of ala carte custom research solutions, all with exceptional track records and value.

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Matthew Rossi

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MarketDNA Update Alert

February 16, 2011

Sell: Equity - LOGM - LogMeIn Inc., - \$40.35

Buy: Derivatives - LOGM110319P40, LOGM110319P35 - Mar 40 & Mar 35 Puts

Equity Target: \$35

Potential Event: Unknown inefficiency in dissemination of information.

Risks: Medium

Investors,

Yesterday after the market close, LogMeIn announced Q4 earnings and guidance. LogMeIn's fourth-quarter profit more than doubled as the provider of remote Internet access posted better-than-expected revenue growth, helping adjusted results easily top the company's expectations.

But shares fell 6.5% to \$37.50 in after-hours trading as LogMeIn issued a weak outlook for the current quarter.

LogMeIn projected first-quarter adjusted earnings of 13 cents to 14 cents a share on revenue of \$26.3 million to \$26.6 million. Analysts polled by Thomson Reuters expected 15 cents and \$27 million, respectively.

For the full year, the company sees adjusted earnings of 68 cents to 73 cents on revenue of \$116 million to \$120 million. Wall Street expected earnings of 74 cents on revenue of \$118 million.

With the lower guidance for Q1 and the full year and assuming we hold the 50 multiple on LogMeIn we see a price range of \$34 to \$36.50. We will hold our target price of \$35 and look for continued selling over the near term.

As always, we will continue to monitor LOGM and bring you timely actionable trading alerts on all our

equities based on our proprietary investment program.

Good luck investing.

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MarketDNA Research Alert

January 27, 2011

Sell: Equity - LOGM - LogMeIn Inc., - \$40.35

Buy: Derivatives - LOGM110319P40, LOGM110319P35 - Mar 40 & Mar 35 Puts

Equity Target: \$35

Potential Event: Unknown inefficiency in dissemination of information.

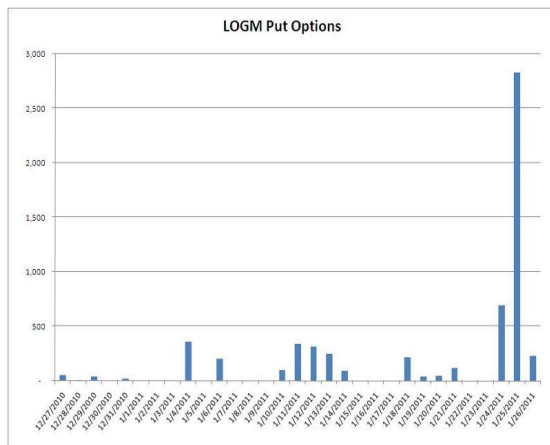
Risks: Medium

Investors,

We are seeing multiple indications of a potential downward movement for LogMeIn Inc., from our proprietary investment program and believe LOGM will move down to \$35 within the next two months. The option chart below shows the increase in put options over the last several weeks which we believe is based on an impending move down for LOGM.

Why LOGM:

- Increase in Option Volume
- Increase in Open Interest
- Increase in Implied Volatility
- Trailing P/E (ttm, intraday) 54.08
- Forward P/E (fye) 2.42
- Price/Sales (ttm) 10.56
- Price/Book (mrq) 7.65
- Enterprise Value/Revenue (ttm) 8.49
- Enterprise Value/EBITDA (ttm) 42.71



LogMeIn, Inc., incorporated in February 2003, is a provider of on-demand, remote-connectivity solutions to small and medium-sized businesses (SMBs), information technology (IT) service providers and consumers. Businesses and IT service providers use its solutions to deliver remote, end-user support, and to access and manage computers and other Internet-enabled devices more effectively. Consumers and mobile workers use its connectivity solutions to access computer resources remotely. The Company's users have connected over 94 million computers and other Internet-enabled devices to a LogMeIn service.

LogMeIn Free is its free remote access service. It provides secure access to a remote computer or other Internet-enabled device. Once installed on a device, a user can quickly and easily access that device's desktop, files, applications and network resources. LogMeIn Pro2 is its premium remote access service. It can be installed without IT expertise. LogMeIn Pro2 offers several premium features not available through LogMeIn Free, including file transfer where files and folders can be

moved easily between computers using drag-and-drop or dual-pane file transfer capabilities; remote sound where a user can hear on his local computer e-mail notifications, music and podcasts originating from a remote personal computer (PC); file share where large files can be distributed by sending a link that permits remote third parties to download a file directly from a LogMeIn subscriber's computer; remote to local printing, where files from a remote PC are automatically printed to a local printer without downloading drivers or manually configuring printer settings; desktop sharing, where a remote third-party user can be invited to view or control a LogMeIn user's desktop for online meetings and collaboration; file sync, which are files and folders that can be synchronized between remote and local computers, and drive mapping, which drives on a remote PC that can be accessed as if they are local.

LogMeIn Hamachi is a hosted virtual private network (VPN), service that sets up a computer network among remote computers. It typically works with existing network and firewall configurations and can be managed from a Web browser or the user's software. LogMeIn Ignition is a premium service that delivers one click access to remote computers that subscribe to LogMeIn Free or LogMeIn Pro2. Users can install LogMeIn Ignition on a computer or run the application from a universal storage device in order to directly access their subscribed computer, eliminating the need for installation of additional software. LogMeIn Ignition also delivers access through an Apple iPhone or Apple iPod touch.

LogMeIn Rescue is a Web-based remote support service used by helpdesk professionals to support remote computers and applications and assist computer users through the Internet. LogMeIn Rescue enables the delivery of interactive support to a remote computer without having pre-installed software. The end user grants permission to the help desk technician before the technician can access, view or control the end user's computer. Using LogMeIn Rescue, support professionals can communicate with end users through an Internet chat window while diagnosing and repairing computer problems. LogMeIn Rescue+Mobile is an extension of LogMeIn Rescue's Web-based remote support service that allows call center technicians and IT professionals to remotely access and support smartphones. Smartphone users requesting help will receive a text message from a technician to download a small software application onto the smartphone. Once installed, the user enters a code connecting the device to the technician. After the user grants the technician permission, the technician can remotely access and control the phone from their Rescue+Mobile Technician Console to remotely control and update the phone's configuration settings, access system information, file transfer and reboot the smartphone.

LogMeIn Central is a Web-based management console that helps business users, IT professionals and other users deploy and administer LogMeIn Pro2, LogMeIn Free and LogMeIn Hamachi2. It also offers a systems administration product called RemotelyAnywhere. RemotelyAnywhere is used to manage personal computers and servers from within the IT system of an enterprise.

LogMeIn Backup is a service that subscribers install on two or more computers to create a backup network and is generally sold as a complement to the LogMeIn Central or LogMeIn Pro2 services. LogMeIn Backup is easy to install and provides IT service providers a simple backup alternative to offer their customers using storage capacity that they control. Users can transfer specified files and folders from one computer to another either manually or automatically in accordance with a pre-determined schedule. The Gravity platform consists of software applications, customized databases and Web servers.

The Company competes with Citrix, Microsoft, Apple, NTRglobal, NetViewer, TeamViewer, Bomgar, Symantec and Cisco.

Currently trading at approximately \$40.35, we believe, based on our proprietary program, a downward movement to \$35.00 within the next two months is forthcoming. LOGM trades on average 300,000 shares per day and has traded up from \$38 back in November.

We recommend selling the equity straight out at \$40.25 or higher. If you like derivatives, we recommend the March 40 Puts. If you want to take additional risk/reward the March 35 Puts are also recommended.

ADDITIONAL METRICS:**RELATED COMPANIES:**

<u>Ticker</u>	<u>Company name</u>	<u>Exchange</u>	<u>Price</u>	<u>Change</u>	<u>Chg %</u>	<u>Earnings per share</u>	<u>P/E ratio</u>	<u>Mkt Cap</u>
LOGM	LogMeIn, Inc.	NASDAQ	40.21	-0.12	-0.30%	0.74	54.27	952.24M
VMW	VMware, Inc.	NYSE	86.75	+1.19	1.39%	0.84	102.89	35.95B
CTXS	Citrix Systems, Inc.	NASDAQ	65.15	+1.64	2.58%	1.45	44.81	12.23B
MSFT	Microsoft Corporation	NASDAQ	28.73	-0.05	-0.16%	2.33	12.33	245.83B
MSTR	MicroStrategy Incorpor...	NASDAQ	106.40	+1.38	1.31%	3.76	28.29	1.16B
SFSF	SuccessFactors, Inc.	NASDAQ	29.43	-0.21	-0.71%	-0.16		2.24B
BVSN	BroadVision, Inc.	NASDAQ	12.12	-0.16	-1.30%	-0.65		54.17M

FINANCIALS:

<u>In Millions of USD(except for per share items)</u>	<u>3 months ending 2009-09-30</u>	<u>3 months ending 2009-06-30</u>
Revenue	25.35	23.49
Other Revenue, Total	-	-
Total Revenue	25.35	23.49
Cost of Revenue, Total	2.24	2.26
Gross Profit	23.11	21.23
Selling/General/Admin. Expenses, Total	14.42	13.48
Research & Development	3.56	3.76
Depreciation/Amortization	0.08	0.08
Interest	-	-
Expense(Income) - Net Operating		
Unusual Expense (Income)	-	-
Other Operating Expenses, Total	-	-
Total Operating Expense	20.30	19.59
Operating Income	5.05	3.90
Interest	0.20	0.14
Income(Expense), Net Non-Operating		
Gain (Loss) on Sale of Assets	-	-
Other, Net	-0.07	0.03
Income Before Tax	5.18	4.07
Income After Tax	3.99	8.98
Minority Interest	-	-
Equity In Affiliates	-	-
Net Income Before Extra. Items	3.99	8.98
Accounting Change	-	-
Discontinued Operations	-	-

Extraordinary Item	-	-
Net Income	3.99	8.98

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