

Broadcast International, Inc.

Profile

Ticker **BCST** | Primary Stock Exchange **OTC Bulletin Board**

Overview: This company installs, manages, and supports private communication networks.
Incorporated: INCORPORATED in Utah Jan. 12, 1983, as Laser Corp. Name changed to Broadcast International, Inc. Jan. 13, 2004, in connection with the acquisition of BI Acquisitions, Inc. for 17,210,268 (post split) Common shares. BI Acquisitions was organized in December 1999 and began operations in January 2000.

Background: Broadcast International, Inc. engages in the installation, management, and support of private communication networks for large organizations in the United States. It offers satellite-based services, such as network design and engineering, receiving equipment and installation, network management, help desk, on-site maintenance, full-time or occasional transponder purchases, and uplink facilities or remote SNG uplink trucks; and production and content development services comprising in-studio or on-location video/audio production, editing/post-production, instructional design, video/audio encoding for Internet delivery, conversion of text or PowerPoint to HTML, alternative language conversion, and access to off-the-shelf video training content. The company also provides streamed video hosting services, including server space, high-speed and redundant Internet connection, secure access, seamless links from client's Website, customized link pages and media vi(Continued on the next page of this report)

Stock Data (Capitalization as of: March 31, 2009)

Stock: **Preferred no par** | Authorized Shares **10,000,000** | Outstanding Shares **None**
 Stock: **Common \$0.05 par** | Authorized Shares **180,000,000** | Outstanding Shares **38,871,760**
 Long Term Debt **\$9,515,394.**
 Stockholders (as of March 01, 2009): **1,400**
 Principal Stockholder:
 Transfer Agent: **Interwest Transfer Co. Inc., Salt Lake City, UT**
 Additional Notes:

Dividends

16.00 1990

Common Stock

Exchange	Year	High	Low
OTC Bulletin Board	2008	4.9000	1.3000
	2007	4.9000	0.8100
	2006	3.4000	1.1500
	2005	4.4000	2.0000
	2004	10.2500	2.2000
	2003	1.1000	0.0300
	2002	1.2000	0.6600
	2001	8.5630	0.7500
	2000	11.5000	4.8750
	1999	5.3750	1.2500

Footnote:

1 Aft. 1-for-10 reverse split Jan. 23; bef., 0.55-0.45.

Corporate Information

Address:
 7050 Union Park Avenue
 Suite 600 Salt Lake City, UT 84047
Phone: 801-562-2252
Fax: 801-562-1773
Web Site:
<http://www.brin.com>
Auditors:
 HJ & Associates, LLC
 Salt Lake City, UT
I.R. Contact:
Employees: 38
Shareholders: 1,400
Founded: 1983
Domicile: Utah
Officers:
 Rodney M. Tiede President & Chief Executive Officer
 James E. Solomon Secretary, Chief Financial Officer
 & Chief Accounting Officer
 Robert W. Ingraham Chief Technology Officer
 David Van Epps SR VP
 Ron Bell SR VP
Directors:
 William A. Boyd
 James E. Solomon
 Rodney M. Tiede
 Ray Phillip Zobrist
Subsidiaries:
 BI Acquisitions, Inc.
 Interact Devices, Inc.

Profile

Background: (Continued from Page 1) ewers, testing or self-checks, interactive discussion threads, participation/performance reports for managers/administrators, notification of participants via email, pay-per-view or other e-commerce applications, live events, and technical support. In addition, it owns CodecSys, a video compression technology to convert video content into a digital data stream for transmission over satellite, cable, Internet, or wireless networks, as well as offers audio and video production services. The company's enterprise clients use its networks to deliver training programs, product announcements, entertainment, and other communications to their employees and customers. Broadcast International, Inc. was founded in 1999 and is based in Salt Lake City, Utah.

Annual Report

IncomeStatement as of Dec. 31 (US Dollar)	2008	2007	BalanceSheet as of Dec. 31 (US Dollar)	2008	2007
REVENUES			ASSETS		
Net Sales	3,401,847	4,297,784	CURRENT ASSETS		
EXPENSES			Cash and Cash Equivalents	3,558,336	16,598,300
Cost of Sales	(3,378,361)	(4,107,655)	Accounts Receivable, Net	357,221	220,834
Selling and Marketing	(1,348,179)	(556,568)	Inventory	28,118	57,218
Administrative and General	(7,974,204)	(8,755,709)	Prepaid Expenses	209,636	2,449,236
Depreciation and Amortization	(500,577)	(165,835)	Total Current Assets	4,153,311	19,325,588
Research and Development In-process	(5,083,056)	(1,274,792)	NON CURRENT ASSETS		
Impairments of Assets	(2,504)	(1,142,400)	Leasehold Improvements	377,724	247,010
Interest Expense	(5,980,318)	(2,120,215)	Furniture and Fixtures	171,031	88,370
Interest Income	351,229	50,417	Machinery, Equipment	4,247,575	2,210,241
Unrealized Loss on Long-term Investment	(233,765)		Accumulated Depreciation	(2,417,715)	(1,904,307)
Derivative Liability Valuation Gain(loss)	8,256,623	(12,526,260)	Long-term Investments	2,416,235	
Other Income/expense	17,115	(8,116)	Patents	185,190	197,346
Gain on Forgiveness of Debt		22,005	Debt offering Costs	906,525	1,367,583
Earnings before Taxes	(12,474,150)	(26,287,344)	Deposits and Other Assets	9,058	8,795
TAXES AND OTHER EXPENSES			Total Assets	10,048,934	21,540,626
Net Income (Loss)	(12,474,150)	(26,287,344)	LIABILITIES		
SUPPLEMENTARY INFO			CURRENT LIABILITIES		
Gross Profit/loss	23,486.00	190,129.00	Accounts Payable	893,130	640,292
Operating Income (Loss)	(14,885,034.00)	(11,705,175.00)	Other Accrued Expenses	541,435	55,356
Basic and diluted Eps-continuing Operations	(0.32)	(0.85)	Accrued Payroll and Related Expenses	380,162	460,236
			Current Debt Obligations	725,812	47,692
			Unearned Revenue	428	169,359
			Other Current Obligations	3,236	
			Derivative Valuation	4,549,500	14,267,600
			Total Current Liabilities	7,093,703	15,640,535
			NON CURRENT LIABILITIES		
			Convertible Debt	6,730,069	2,931,245
			Other Long-term Obligations	6,937	
			SHAREHOLDERS' EQUITY		
			Common Stock-par Value	1,938,088	1,888,752
			Additional Paid in Capital	74,727,640	69,078,448
			Retained Earnings (Deficit)	(80,447,504)	(67,973,352)
			Subscription Receivable		(25,000)
			Total Shareholders Equity	(3,781,775)	2,968,846
			Total Liabilities & Shareholders Equity	10,048,934	21,540,626