

23 November 2010

## Updating Coverage

### Company Overview and Key Data

<b>Codexis inc.</b>	<b>Buy</b>
<b>(NasdaqGM: CDXS)</b>	
Share Price:	\$9.47
Price Target:	\$13.00
52-Week Range:	\$6.88 - \$14.98
Shares Outstanding:	34.2 million
Market Capitalization:	\$328.6 million
Dividend Yield:	NA

EPS	Sept.	Dec.	Mar.	June.	FY
2010E	(\$0.50)A	(\$0.15)A	(\$0.08)A	(\$0.03)	(\$0.37)
2011E	(\$0.03)	(\$0.02)	(\$0.01)	(\$0.00)	(\$0.06)

Source: Codexis Inc. SEC filings and Olympia Capital Markets Group Estimates

Codexis, Inc. focuses on biocatalyst development and production. The Company offers its products to the pharmaceuticals and bioindustrial companies, such as biofuels, carbon management, water treatment and chemicals.

Source: Reuters

# Codexis Inc. (NasdaqGM: CDXS)

## Maxygen to Distribute Codexis Holding

Maxygen, Inc., which formed Codexis in January 2002 as a wholly-owned subsidiary to operate its former chemicals business, today announced that it will distribute substantially all of the shares of the common stock of Codexis that it owns, as well as approximately \$30.0 million in cash, by way of pro rata special distributions to Maxygen's stockholders. (Codexis completed a six million share initial public offering of its common stock at a price of \$13.00 per share on April 27, 2010.)

Maxygen owns 5,957,108 shares of Codexis common stock, representing approximately 17% of Codexis' outstanding common stock, and holds a warrant to purchase an additional 30,816 shares of Codexis common stock.

Maxygen will be distributing all of its ownership interest in Codexis, including shares received upon the exercise of its warrant, other than approximately 500,000 shares of Codexis common stock, which Maxygen will retain on behalf of the holders of certain outstanding Maxygen equity awards. These retained shares will be delivered, or cash-substituted, if at all, to such holders upon the vesting or settlement of such equity awards.

As a result of the distribution of Codexis common stock, Maxygen stockholders will receive approximately 0.19 of a share of Codexis common stock for each outstanding share of Maxygen common stock they own at the close of business on December 3, 2010 (the record date for the stock distribution). The distribution of Codexis common stock will be made on December 14, 2010.

Although Codexis stock has pulled back 7% in today's market in response to this news of an imminent large influx of shares into the marketplace, we believe, longer term, the resulting greater liquidity may widen the market for Codexis shares and help these shares' performance.

We are maintaining our Buy rating and 12-month price target of \$13.00. (Our Initial Report is dated November 17, 2010.)

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**Coverage Includes:**

Archer Daniels Midland (ADM)  
Valero Energy Corp. (VLO)  
Pacific Ethanol Inc. (PEIX)  
Verenium Corp. (VRNM)  
Lime Energy Co. (LIME)  
Green Plains Renewable Energy (GPRE)  
Rex American Resources (REX)  
Weatherford Int. (WFT)  
Baker Hughes Inc. (BHI)  
Advanced Battery Technologies (ABAT)  
Codexis, Inc. (CDXS)

**Coverage Includes:**

Dick's Sporting Goods (DKS)  
Hibbett Sports (HIBB)  
Finish Line (FINL)

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**Important disclosures:****Analyst Certification:**

The following analysts hereby certify that their views about the companies and securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report:  
Paul J. Resnik, CFA

As of the date of this report, the analyst has no financial interest in Codexis Inc. (NasdaqGM: CDXS)

**Ratings:**

Buy: The stock's total return is expected to exceed 15% over the next 6-12 months.

Neutral: The stock is expected to have a positive return of less than 15% over the next 6-12 months.

Sell: The stock is expected to have a negative return over the next 6-12 months.

**Olympia Capital Market Group's distribution of stock ratings is:**

Buy	86%
Neutral	14%
Sell	0%

**Disclosures:**

Olympia Capital Markets Group does not make a market in the shares of any stock mentioned in this report and has not received compensation from or expect to receive compensation from any company mentioned in this report.

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