Pacira Pharmaceuticals, Inc. (PCRX)

3-Month Delay in EXPAREL Launch Results in Only Slight Revenue Impact But Provides Additional Time for Manufacturing and Pre-Launch Activities.

- **Pacira announced plans to launch EXPAREL™ in April 2012 versus our previous expectation of January.** Due to minor manufacturing challenges and the desire to ensure sufficient product supply to accommodate demand, Pacira has decided to delay launch by three months until April 2012. Importantly, the manufacturing challenges are not related to any regulatory issues and the company is confident that they will be able to address them. Although not ideal, we believe this is a smart decision by the company as a temporary supply shortage during launch can sometimes lead to a permanent dampening in sales.
- **We have updated our model to reflect the launch delay and see only a very modest impact on near-term revenue.** As a result of the 3-month delay, our 2012 revenue estimate goes to $16MM from $18MM, but our peak (2017) sales estimate of about $356MM remains unchanged. Management commented that they do not believe the delay will have a significant impact on sales ramp with the main loss being about 2.5 months worth of elastomeric bag and plastic surgery sales. Management also noted that part of their rationale for delaying launch stemmed from early positive feedback from the medical community, and thus, they wanted to ensure there would be enough supply to meet this demand.
- **Pre-launch activities remain on schedule and we see a robust launch in April.** As previously planned, Pacira has hired and trained a sales force and will proceed with the formulary approval process. Additionally, the company is initiating multiple Phase 4 clinical programs designed to give physicians hands-on experience with EXPAREL™ and its health economic benefits. We anticipate data from these trials will be available around the time of launch and our initial impression from management is that the data will be quite compelling in terms of prospectively identifying cost outliers who would be ideal candidates for EXPAREL™.
- **We reiterate our OUTPERFORM rating and $16 fair value.** Our fair value is calculated based on sum-of-parts for each drug/indication combination using a 30% annual discount from our peak annual revenues projections and 1-10x multiple, depending on stage of development to reflect risk.

FYE Dec	2010A	2011E			2012E		
REV (M)	ACTUAL	CURR.	PREV.	CONS.	CURR.	PREV.	CONS.
Q1 Mar	--	$3.9A		--	--		--
Q2 Jun	--	3.6A		--	--		--
Q3 Sep	--	4.0A		--	--		--
Q4 Dec	--	4.3E		4.1E	--		--
Year*	**$14.6A**	**$15.7E**		**$15.7E**	**$36.0E**	**$37.5E**	**$45.2E**
Change	--	--			--		
	2010A	2011E			2012E		
EPS	ACTUAL	CURR.	PREV.	CONS.	CURR.	PREV.	CONS.
Q1 Mar	--	($0.98)A		--	--		--
Q2 Jun	--	(0.51)A		--	--		--
Q3 Sep	--	(0.55)A		--	--		--
Q4 Dec	--	(0.58)E		(0.54)E	--		--
Year*	**($47.29)A**	**($2.46)E**		**($2.44)E**	**($1.49)E**	**($1.42)E**	**($1.48)E**
P/E	NMx	NMx			NMx		
Change	--	--			--		

Consensus estimates are from Thomson First Call.
** Numbers may not add up due to rounding.*

January 9, 2012

Price
$8.10

Rating
OUTPERFORM

Fair Value Estimate
$16

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Company Information

Shares Outst (M)	25.3
Market Cap (M)	$205
52-Wk Range	$6.16 - $15.34
Book Value/sh	$2.55
Cash/sh	$3.39
Enterprise Value (M)	$149
LT Debt/Cap %	24

Company Description

Pacira Pharmaceuticals, Inc. is an emerging specialty pharmaceutical company focused on the development, manufacture, and commercialization of DepoFoam-enhanced extended release drug candidates, such as Exparel, for use in hospital and ambulatory surgery centers.

Source: Thomson Reuters

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Figure 1: Model Update

Pacira Pharmaceuticals, Inc. (PCRX:NASDAQ)												Wedbush Securities, Inc.
Historical and Projected Income Statement												*Richard Lau*
(In thousands except per share data)												*Liana Moussatos, PhD*
	2010A	2011E					2012E	2013E	2014E	2015E	2016E	2017E
	FY:10A	Q1A	Q2A	Q3A	Q4	FY:11E	FY:12E	FY:13E	FY:14E	FY:15E	FY:16E	FY:17E
Gross Sales:												
Exparel US - Infiltration					-	-	16,237	47,838	121,984	227,814	312,470	356,252
Exparel EU - Infiltration					-	-	-	3,972	19,534	54,390	115,583	176,158
Exparel ROW (Japan) - Infiltration					-	-	-	-	-	3,144	9,554	23,606
Revenues:												
Exparel US Sales - Infiltration		0	0	0	0	0	16,237	47,838	121,984	227,814	312,470	356,252
Exparel EU Royalties - Infiltration		0	0	0	0	0	0	826	4,065	11,316	24,045	36,642
Exparel ROW (Japan) Royalties - Infiltration		0	0	0	0	0	0	0	0	488	1,482	3,659
Exparel Total - Revenues and Royalties		0	0	0	0	0	16,237	48,665	126,049	239,618	337,997	396,553
DepoDur/DepoCyt(e) Supply and Royalty Revenue	11,345	2,653	2,353	2,604	3,293	10,903	13,778	14,904	15,815	16,586	17,249	17,880
Total Net Product Revenues	$ 11,345	$2,653	$2,353	$2,604	$3,293	$ 10,903	$ 30,015	$ 63,569	$ 141,864	$ 256,204	$ 355,246	$ 414,433
Collaborative Licensing and Development Revenue	3,217	1,210	1,283	1,352	1,000	4,845	6,000	11,000	3,500	4,500	7,000	0
Total Revenues	**14,562**	**3,863**	**3,636**	**3,956**	**4,293**	**15,748**	**36,015**	**74,569**	**145,364**	**260,704**	**362,246**	**414,433**
Total COGS (including royalties and milestones owed)	12,276	3,667	3,115	3,357	2,800	12,939	20,655	13,032	19,152	32,025	40,853	43,515
Gross Margin	**2,286**	**196**	**521**	**599**	**1,493**	**2,809**	**15,360**	**61,537**	**126,212**	**228,678**	**321,393**	**370,917**
Operating Expenses:												
R&D	18,628	3,513	4,381	4,344	4,431	16,669	13,633	17,130	21,280	23,058	21,315	20,722
SG&A	6,030	3,805	4,671	4,988	9,538	23,002	41,910	49,272	57,271	63,816	71,108	79,233
Acquired in-process R&D	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	**24,658**	**7,318**	**9,052**	**9,332**	**13,969**	**39,671**	**55,543**	**66,402**	**78,551**	**86,874**	**92,423**	**99,955**
Operating Income (Loss)	**(22,372)**	**(7,122)**	**(8,531)**	**(8,733)**	**(12,476)**	**(36,862)**	**(40,184)**	**(4,865)**	**47,661**	**141,804**	**228,970**	**270,963**
Other income (expense)	(34)	110	(22)	(27)	(27)	34	-	-	-	-	-	-
Interest Income	146	29	37	46	550	662	1,580	154	256	3,278	8,494	14,960
Interest (Expense)	(3,959)	(2,481)	(676)	(910)	(722)	(4,789)	(2,310)	(1,244)	(244)	-	-	-
Royalty Interest Obligation	(930)	(311)	429	116	116	350	2,230	817	-	-	-	-
Income Before Income Taxes	**(27,149)**	**(9,775)**	**(8,763)**	**(9,508)**	**(12,558)**	**(40,604)**	**(38,683)**	**(5,138)**	**47,672**	**145,082**	**237,464**	**285,923**
(Provision)/benefit for Income Taxes	-	-	-	-	-	-	-	-	-	(26,847)	(85,487)	(102,932)
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.0%	36.0%	36.0%
Net Income (Loss)	$ (27,149)	$ (9,775)	$ (8,763)	$ (9,508)	$ (12,558)	$ (40,604)	$ (38,683)	$ (5,138)	$ 47,672	$ 118,235	$ 151,977	$ 182,991
GAAP EPS	**(47.29)**	**(0.98)**	**(0.51)**	**(0.55)**	**(0.58)**	**(2.46)**	**(1.49)**	**(0.19)**	**1.71**	**4.09**	**5.08**	**5.92**
Weighted Average Shares Outstanding	574	10,014	17,233	17,231	21,506	16,496	25,904	26,904	27,904	28,904	29,904	30,904
Cash	**$26,133**	**$59,331**	**$47,205**	**$37,068**	**$72,988**	**$72,988**	**$13,183**	**($8,365)**	**$28,342**	**$142,913**	**$289,145**	**$466,739**
Cash Per Share	**$45.52**	**$3.45**	**$2.74**	**$2.15**	**$3.39**	**$4.42**	**$0.51**	**($0.31)**	**$1.02**	**$4.94**	**$9.67**	**$15.10**
Cash Burn (Generation)						**($10,055)**	**$59,805**	**$21,548**	**($36,707)**	**($114,571)**	**($146,233)**	**($177,594)**
Exparel as % Total Revenues				0%	0%	0%	45%	65%	87%	92%	93%	96%

Source: Company data, Wedbush Securities, Inc.

We have updated our model to reflect the launch delay and see only a very modest impact on near-term revenue. As a result of the 3-month delay, our 2012 revenue estimate goes to $16MM from $18MM, but our peak (2017) sales estimate of about $356MM remains unchanged. Management commented that they do not believe the delay will have a significant impact on sales ramp with the main loss being about 2.5 months worth of elastomeric bag and plastic surgery sales. Management also noted that part of their rationale for delaying launch stemmed from early positive feedback from the medical community, and thus, management wanted to ensure there would be enough supply to meet this demand. We have also moved the $10MM milestone payment owed to Skye Pharma for the first commercial sales of EXPAREL™ to Q2:12 from Q1:12.

*POTENTIAL UPCOMING MILESTONES (*OUR ESTIMATES)*

April 2012	**US launch of EXPAREL™ (infiltration)**
May 23, 2012	**Potential April sales and prescription data for EXPAREL™ from Wolters Kluwer Health**
H1:12	**Data release from multiple Phase 4 clinical programs for EXPAREL™**
2012*	Potential partnership for ex-US and/or animal health rights of EXPAREL™
2012*	Potential additional technology partnerships

The next major catalyst for Pacira will be commercial launch of EXPAREL™ in April 2012. In our view, EXPAREL's™ launch is differentiated from other recently launched hospital products due to a more targeted launch strategy and higher price point per patient (~$285/patient). We anticipate that Pacira's initial launch strategy will focus on high-volume hospitals in the areas of soft tissue surgery, plastic surgery, and elastomeric bag replacement, with potential early (pre-formulary approval) sales from plastic surgeries given it is generally an all-cash business. To support the launch, the company expects to have data from both retrospective and prospective health outcome studies showing the medical and economic benefits of EXPAREL™ treatment due to decreased opioid usage and opioid-related adverse events. We have modeled year 1 EXPAREL™ sales of about $16MM assuming that hospital formulary adoption will take about 6-12 months. The first indication of how initial EXPAREL™ sales are going will likely come from the release of April prescription and sales data from Wolters Kluwer Health on May 23, 2012.

Figure 2: Pipeline Valuation

PCRX Product Pipeline Valuation		Eligible #	Pricing	Gross Peak Revs	Net Peak Revs*	Peak		Estimated/Actual	Discount	Estimate	Fair Value
Product	Indication	Patients	$/Patient	($000)	($000)	Penetration	Multiple	Launch	Rate	Fair Value	per Share
DepoDur	Postoperative Pain	145,030,200	$118	$679	$679	0%	3	1/1/2004	30%	$2,666	$0.09
DepoCyte	Lymphomatous Meningitis	7,020,000	$407	$17,012	$17,012	8%	3	7/1/1999	30%	$12,164	$0.43
DepoMethotrexate	Autoimmune (RA)	7,100,000	$963	$486,643	$305,001	8%	1	1/3/2016	30%	$28,865	$1.02
DepoMethotrexate	Oncology	189,000	$407	$19,858	$12,439	24%	1	1/3/2016	30%	$1,177	$0.04
DepoNSAID	Pain	145,030,200	$26	$123,232	$78,391	5%	1	1/3/2016	30%	$5,707	$0.20
EXPAREL	Total Infiltration	60,275,000	$250	$556,016	$374,743	5%	9	4/1/2012	30%	$428,305	$15.08
EXPAREL	Nerve Block	22,062,500	$80	$104,443	$67,563	11%	5	1/3/2014	30%	$41,562	$1.46
EXPAREL	Epidural	18,125,000	$161	$165,033	$108,463	11%	4	1/3/2015	30%	$41,060	$1.45

We use multiples to account for clinical and regulatory risk at various stages of development.

1: in preclinical testing
2: passed preclinical
3: IND filing/stable mature product
4: Phase 1 data
5: Phase 2 data
6: in Phase 3
7: Phase 3 data
8: regulatory review
9: approved
10: launched

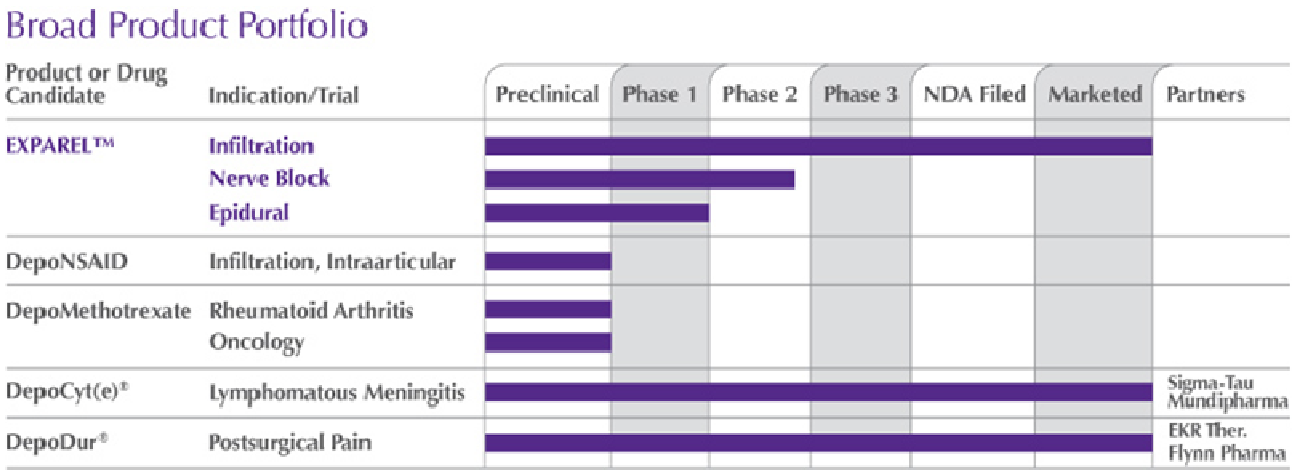
*Net Peak Revs includes 5.5% net royalty ow ed

	Stock	MktCap	Upside
Fair Value	$15.51	$443,134	91%
Total Pipeline Value	$19.77	$593,790	
Current Cash	$2.57	$72,988	
Current Price	$8.10	$230,022	

Source: Wedbush Securities, Inc.

We reiterate our OUTPERFORM rating and $16 fair value. While delaying EXPAREL™ launch by three months had a slight impact on our fair value, it remains at $16 due to rounding. We have also removed DepoDur from our fair value due to the termination of the supply agreement with EKR Therapeutics. We view this as a non-event given DepoDur supply revenue is minimal (~$200,000 in 2011 per our estimates). Our fair value is calculated based on sum-of-parts for each drug/indication combination using a 30% annual discount from our peak annual revenues projections and 1-10x multiple, depending on stage of development to reflect risk.

Figure 3: Product Portfolio



Source: Reprinted with permission from Pacira Pharmaceuticals

CORPORATE OVERVIEW

Pacira, located in Parsippany, New Jersey, is a fully-integrated emerging specialty pharmaceutical company focused on developing and commercializing therapeutics for patients in the acute care hospital and ambulatory surgical settings. Emerging from SkyePharma in 2007, Pacira currently receives manufacturing and royalty revenues from DepoDur® and DepoCyt(e)® and has ongoing development collaborations for pharmaceutical applications of its DepoFoam technology. However, the majority of our projected revenue is from sales of its lead product candidate, EXPAREL™ (long-acting bupivacaine encapsulated in DepoFoam), as a treatment for pain in the hospital setting. Pacira also has an early pipeline of drug candidates utilizing the DepoFoam liposome-based platform for development of sustained-release injectable products. DepoFoam technology can enhance the dosing of approved drugs by encapsulating the active ingredient in multi-vesicular liposomal particles which release the active ingredient over time without altering its chemistry.

DepoCyt(e)® (DepoFoam-based sustained-release cytarabine) and DepoDur® (DepoFoam-based sustained-release morphine sulfate) are indicated for lymphomatous meningitis and postoperative pain, respectively. FDA approved in 1999 and 2004, these products provide annual revenues in the range of $12-18 million which we continue to project for the next several years as these products are mature. DepoCyt(e)® is partnered with Sigma-Tau (US) and Mundi Pharma (ex-US) while DepoDur® is partnered with EKR Therapeutics (US) and Flynn Pharma (ex-US). DepoCyt(e)® was approved for intrathecal treatment of lymphomatous meningitis, which begins as primary lymphoma and spreads to meninges which line the spinal cord and brain. Its sustained release formulation has been associated with improved response rates and a more convenient dosing regimen compared with immediate release cytarabine. The DepoFoam formulation has a more patient-friendly administration from twice weekly to once every two weeks and can provide treatment on an outpatient basis. DepoDur®, a sustained-release, injectable morphine sulfate, was approved for treatment of postsurgical pain. One injection at the lumbar level can relieve pain up to 48 hours improving mobility without indwelling catheters.

What we consider to be Pacira's significant value driver is EXPAREL™, a long-lasting formulation of bupivacaine using DepoFoam technology. The two Phase 3 trials were multicenter, randomized, double-blind, placebo-controlled with one trial in soft tissue surgery (hemorrhoidectomy) and the other trial in orthopedic surgery (bunionectomy). Both trials met their primary endpoints with statistical significance showing pain control (~30% reduction versus placebo) through 72 hours for the hemorrhoidectomy trial ($P<0.0001$) and 24 hours for the bunionectomy trial ($P=0.0005$). Additionally, both trials met multiple secondary endpoints related to both opioid use and patient satisfaction. Due to the attributes of DepoFoam-based delivery and successful clinical results indicating that EXPAREL™ can deliver up to 72 hours of pain relief post-surgery compared to about 7 hours for current formulations of bupivacaine, we consider EXPAREL™ to be superior to other bupivacaine formulations and anticipate significant uptake. Furthermore, we believe the reduction in opioid consumption presents a compelling argument for the use of EXPAREL™ from a health economic standpoint. An NDA for EXPAREL™ was submitted in September 2010, accepted for filing in December 2010 and approved on October 28, 2011.

RISKS TO ATTAINMENT OF OUR FAIR VALUE

Regulatory Risk. Pacira submitted a 505(b)(2) NDA for EXPAREL™ treatment of postsurgical pain with the FDA in September 2010 that was accepted for review on December 10, 2010, and approved on October 28, 2011. The basis for the NDA was supported by two pivotal Phase 3 clinical trials.

Although EXPAREL™ has been approved for postsurgical pain management administered as a single-dose infiltration, there is no guarantee that it will also be approved for other administration techniques such as nerve block and epidural. We anticipate the company will need to run additional pivotal trials in order to file for approval in these follow-on indications. With that being said, the fact that EXPAREL™ was approved for infiltration does give us greater confidence that it may potentially be approved for nerve block and epidural as well.

Commercial Risk. Pacira does not currently have a commercial infrastructure for the marketing, sale or distribution of any pharmaceutical products, but is in the process of building one out. With EXPAREL™ approval by the FDA, Pacira is hiring a sales force of about 63 reps who will cover about 81% of the target market opportunity. Furthermore, the company may seek to further penetrate the US market through collaborations with other pharmaceutical companies. Outside the US, we believe Pacira is likely to out-license rights to EXPAREL™ without building its own sales force. There can be no assurance that Pacira will be able to successful build a commercial sales team in a timely and cost-effective manner or obtain commercial partners. Furthermore, market uptake of EXPAREL™ will be dependent on acceptance of the product onto hospital formularies which can be a lengthy process that typically takes between six to 12 months. Overall, we believe commercial risk is average given Pacira's current lack of sales and marketing infrastructure. However, we believe this is offset by management's track record of successfully commercializing pharmaceutical products.

Competitive Risk. We expect EXPAREL™ will directly compete with Durect's Posidur (Optesia in Europe), if Posidur is eventually approved. However, we believe EXPAREL™ offers several advantages over Posidur including more convenient dosing as well as likely being the first to market. We also anticipate EXPAREL™ will compete with other non-opioid products such as bupivacaine,

Marcaine, ropivacaine, and other anesthetics/analgesics. While many of these products are generic and thus cheaper than EXPAREL™, they also all have a shorter duration of action. Therefore, we believe EXPAREL™ will offer a therapeutic advantage that can command premium pricing due to decreased opioid consumption and related opioid side effects. However, there is risk that physicians will still opt to use cheaper generic caine-based products.

Furthermore, we expect EXPAREL™ will indirectly compete against several other classes of approved drugs, some of which are generic. Competing products available for the treatment of postsurgical pain include opioids such as morphine, fentanyl, meperidine and hydromorphone. Additionally, Ketorolac (generic) and Caldolor (branded ibuprofen) are two injectable non-steroidal anti-inflammatory drugs (NSAIDs) available for the treatment of postsurgical pain management. OFIRMEV (IV acetaminophen) is a non-NSAID and non-narcotic IV analgesic that was recently approved for pain management and fever.

Overall, we believe competitive risk in the near-term is low given that the only direct competitor we see is Posidur which is at least one year behind EXPAREL™.

Reimbursement Risk. Sales of DepoCyt(e), DepoDur®, EXPAREL™, and/or any future product candidates are partially dependent on the availability of coverage and reimbursement from third-party payers such as Medicare, Medicaid, managed care providers, private health insurers and other organizations. Coverage decisions by third-party payers are generally based upon clinical and economic benefit that can sometimes disfavor new higher priced drugs versus lower cost alternatives. As such, we expect Pacira's commercialization strategy for EXPAREL™ to include a health economics and outcomes research (HEOR) program that highlights the economic benefits of EXPAREL™ versus lower cost alternatives. Overall, we believe reimbursement risk is average as we have confidence in management's experience with applying health economic outcomes research to support a successful launch of EXPAREL™.

Manufacturing Risk. Pacira currently manufactures all DepoFoam-based products at their two manufacturing facilities in San Diego. The facilities are in compliance with current good manufacturing practices (cGMP), but there can be no guarantee for the future. With EXPAREL™ approval, Pacira has installed additional specialized processing equipment in order to expand the manufacturing capacity. If Pacira is unable to expand their manufacturing capacity, they may not be able to produce sufficient quantities of EXPAREL™ to meet patient demand. Furthermore, failure to scale up manufacturing would likely have a negative impact on gross margins.

The company also plans to transition to a new manufacturing process in 2013 in order to further improve gross margins. Given the complex process by which EXPAREL™ is manufactured, there can be no assurance that Pacira will be able to switch to the new manufacturing process. We believe this risk is off-set by the company's significant experience in manufacturing Depo-Foam based products for many years. Overall, we see manufacturing risk as average given that Pacira already has a manufacturing process in place with a plan to have adequate supply of EXPAREL™ to support initial launch.

Intellectual Property (IP) Risk. Pacira relies on several strategies to protect their intellectual property around DepoFoam-based products. In the US, the issued patent on EXPAREL™ composition expires in November 2013 and the issued patents on methods for modifying rate of drug release expires on January 2017. Additionally, pending applications on composition and manufacturing methods, if granted, would expire in September 2018 and November 2018, respectively. In the EU, the issued patents on EXPAREL™ composition expire in November 2014 and September 2018. Additionally, pending applications relating to methods for modifying rate of drug release and manufacturing process, if granted, would expire in January 2018 and November 2018, respectively. Pacira has also filed preliminary patents for the new manufacturing process which could provide intellectual property through 2031 if granted. Furthermore, Pacira's DepoFoam technology is protected by 15 patent families.

Aside from patent protection, we believe Pacira's intellectual property is also protected by significant manufacturing know-how. It is our understanding that the manufacturing process for DepoFoam-based products is fairly complex as it requires aseptic manufacturing and filling, and would require a significant amount of capital to replicate. Therefore, we believe the hurdle for another company to develop generic DepoFoam-based products to be higher than for normal pharmaceuticals. Overall, we believe IP risk is average given the patent protection and manufacturing know-how.

Financial Risk. The company ended Q3:11 with about $37MM in cash; and with proceeds from this offering, we project PCRX will end the year with about $73MM in cash. We believe this gives the company cash runway into mid-2013. Furthermore, we believe the company could bolster its balance sheet through strategic partnerships around ex-U.S. and/or animal health rights for EXPAREL™.

Analyst Certification
I, Richard Lau, Liana Moussatos, Ph.D., certify that the views expressed in this report accurately reflect my personal opinion and that I have not and will not, directly or indirectly, receive compensation or other payments in connection with my specific recommendations or views contained in this report.

Disclosure information regarding historical ratings and price targets is available at http://www.wedbush.com/ResearchDisclosure/DisclosureQ311.pdf

Investment Rating System:
Outperform: Expect the total return of the stock to outperform relative to the median total return of the analyst's (or the analyst's team) coverage universe over the next 6-12 months.
Neutral: Expect the total return of the stock to perform in-line with the median total return of the analyst's (or the analyst's team) coverage universe over the next 6-12 months.
Underperform: Expect the total return of the stock to underperform relative to the median total return of the analyst's (or the analyst's team) coverage universe over the next 6-12 months.

The Investment Ratings are based on the expected performance of a stock (based on anticipated total return to price target) relative to the other stocks in the analyst's coverage universe (or the analyst's team coverage).*

Rating Distribution (as of September 30, 2011)	**Investment Banking Relationships (as of September 30, 2011)**
Outperform:59% Neutral: 35% Underperform: 6%	Outperform:10% Neutral: 2% Underperform: 0%

The Distribution of Ratings is required by FINRA rules; however, WS' stock ratings of Outperform, Neutral, and Underperform most closely conform to Buy, Hold, and Sell, respectively. Please note, however, the definitions are not the same as WS' stock ratings are on a relative basis.

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Wedbush Equity Research Disclosures as of January 9, 2012

Company	Disclosure
Pacira Pharmaceuticals, Inc.	1,3,4,5,7

Research Disclosure Legend
1. WS makes a market in the securities of the subject company.
2. WS managed a public offering of securities within the last 12 months.
3. WS co-managed a public offering of securities within the last 12 months.
4. WS has received compensation for investment banking services within the last 12 months.
5. WS provided investment banking services within the last 12 months.
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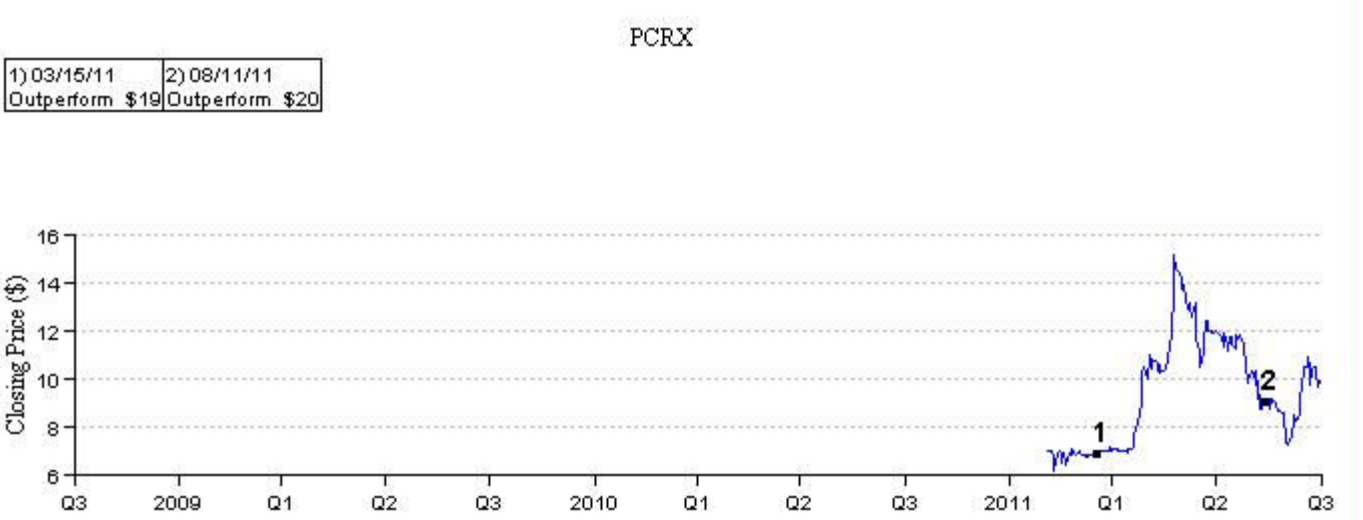

* WS changed its rating system from (Strong Buy/Buy/Hold/Sell) to (Outperform/ Neutral/Underperform) on July 14, 2009.
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