

Equity Research

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NewLink Genetics Corporation (NLNK-\$12.41)

Rating: BUY

Target Price: \$18.00

Great Data at ASCO; Raising Price Target to \$18

<u>EPS</u>	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>
2010A	(1.02)A	(1.21)A	(1.49)A	(1.12)A
2011A	(1.07)A	(1.20)A	(1.09)A	(0.44)A
2012E	(0.23)A	(0.46)E	(0.56)E	(0.54)E
<i>Prev</i>	(0.59)E	(0.59)E	(0.52)E	(0.44)E
2013E	—	—	—	—
<u>REV</u>	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>
2010A	0.3A	0.4A	0.4A	1.0A
2011A	0.6A	0.5A	0.4A	0.4A
2012E	0.4A	0.3E	0.3E	0.3E
2013E	—	—	—	—
<u>FY</u>	<u>2010A</u>	<u>2011A</u>	<u>2012E</u>	<u>2013E</u>
EPS	(4.84)A	(2.98)A	(1.77)E	(2.07)E
<i>Prev</i>	—	—	(2.98)E	(2.19)E
REV	2.1A	2.0A	1.3E	1.0E

- We are raising our 12-month price target to \$18 from \$15 based on our view that the Phase II data generated by HyperAcute Pancreas provides some de-risking to the Phase III trial, prompting us to reduce our five-year discount rate to 45% from 50%. Our new price target is based on a 40x multiple on our 2017 EPS forecast of \$2.86 discounted by 45%.
- Phase II results presented at ASCO show that HyperAcute Pancreas increased overall survival by 59% over a two-year period and 121% over three years, though there are still a handful of patients yet to read out. However, given the small number of patients pending read-out, our anticipation is that the data won't change dramatically.
- We think the durability of response is compelling, particularly given the low overall survival of pancreatic cancer, even when patients are considered disease free after surgery. While other Phase II studies are not directly comparable given treatment regimens (combination therapy), trial design, etc., the results are nonetheless compelling. These data, in our view, improve our confidence in the Phase III trial.
- Another clinical program, NLG8189, is a huge opportunity and one that has not yet been fully recognized in NewLink's pipeline or valuation, in our view. This early-stage novel mechanism compound provides a second technology platform whose value should increase over time with clinical advancement.
- We like NewLink for its pipeline of products addressing large and lucrative unmet medical needs and have greater enthusiasm post-ASCO given data presented. Our rating remains BUY.
- We have also updated our estimates to reflect 1Q:12 actual results. Based on a higher share count our new EPS forecast for 2012 is (\$1.77) from (\$2.98) and our 2013 forecast is now (2.07).

Current Statistics

Market Cap (\$Mil)	\$256.5	Float Shares (Mil):	NA
Short Interest (Mil):	NA		
52 Wk. Range	\$13.67-\$6.25		
Avg. Daily Trading Volume (3 mo.):	64,764		
Shares Out (Mil):	20.672		

Company Description

NewLink Genetics is a development stage company focused on cancer treatments. Founded in 1999, NewLink has two technology platforms, HyperAcute (allogeneic vaccine) and IDO inhibition (oral, small molecule), in various stages of trials. The HyperAcute program is the furthest in development, with the lead candidate, HyperAcute Pancreas, in a Phase III trial for pancreatic cancer. NewLink also has mid-stage trials underway in non small cell lung cancer and melanoma.

The Disclosure Section may be found on pages 10 - 14 of this report.

*Solid Pipeline with Many
Milestones, Compelling
Data*

Summary

NewLink is working in the rapidly developing field of cancer immunotherapy. The company has a novel approach based on a solid scientific foundation and is working in areas of tremendous unmet need. We have identified what we believe to be critical success factors for a cancer immunotherapy company and further believe that NewLink meets these criteria. The company has identified appropriate clinical settings with which to test its technology (modest disease burden, consistent booster dosing), has a robust trial design, is addressing critical unmet medical needs, and has a scalable, financially reasonable manufacturing process and technology. Additionally, the stage and depth of NewLink's clinical program is compelling, in our view, and there are multiple opportunities for milestone updates over the next 24 months. We are particularly encouraged by the Phase II HyperAcute Pancreas study as two- and three-year disease free and overall survival showed a strong and sustained response to the vaccine in a statistically significant manner.

- **Indications and Unmet Medical Needs.** Initial clinical programs are focused on pancreatic cancer, lung cancer, and melanoma: three diseases of major unmet medical need. The company has identified patient populations within these groups that are likely to benefit from the HyperAcute immunotherapy program and has designed clinical trials around appropriate patient populations. In addition to the HyperAcute Pancreas (algenpantucel-L) Phase III trial, we expect the company to advance its non small cell lung cancer (NSCLC) program into a later-stage trial. Further, NLG8189 is at the forefront of the immunotherapeutic development, and this program, largely overlooked, could come into greater focus over the next year.
- **Trial design.** NewLink's Phase III trial of HyperAcute Pancreas is a large, randomized Phase III clinical trial consisting of over 700 patients. The company has vetted the trial design with the FDA, and it will be conducted with a Special Protocol Assessment (SPA), mitigating the risk that the Agency takes issue with the trial design or other elements once the trial has been completed. With three-year data from the Phase II trial very close to maturity, overall survival that is 100% greater than historical control provides is very suggestive of sustained durable response for HyperAcute Pancreas, which in turn, provides us with a greater level of comfort with the current Phase III program.
- **Manufacturing.** NewLink's HyperAcute technology consists of human pancreatic cell lines transduced with a retroviral vector expressing the murine α -GT. As such, there is no need to harvest patient cells, which is time consuming and expensive, providing the company with a streamlined manufacturing process with attractive margins.
- **NLG8189 is all upside.** This candidate is a novel immunotherapeutic that inhibits the ability of cancer cells to suppress T cell response. To date, management has been quite conservative about this program given its early stage of development. Data from a Phase I and Phase Ib trial, one in combination with docetaxel and the other with a dendritic cell vaccine, were disclosed at ASCO, demonstrating that this pathway and compound appear to be viable candidates for advancement.
- **Milestones.** A key component of valuation building for biotechnology companies is derived from milestone events. Though major data releases are behind the company, we believe clinical news flow will stay strong. Our expectation is that the fully mature three-year data for HyperAcute Pancreas will be presented or published in a scientific journal and updates on other HyperAcute programs and their advancement into later-stage trials will be forthcoming, as will an update from the Phase III HyperAcute Pancreas trial. We expect that enrollment in this 700-patient trial has either passed or will be passing the halfway mark shortly, and a schedule interim look could occur in late 4Q:12/early 1Q:13.

Clinical Results Review

Phase II results of NLG0205 study were released at ASCO, demonstrating impressive disease free and overall survival for a group of 69 patients treated with algenpantucel-L following surgical resection and treatment with standard of care chemotherapy or chemo-radiation for a period of time of up to 14 vaccinations. The trial was multi-centered but single arm, and thus the comparator is based on accepted nomogram for pancreatic cancer. The trial included Stage I and Stage II patients, with 81% of algenpantucel-L-treated classified as Stage IIb, 15% Stage IIa, and the remainder Stage 1a and Stage Ib, indicating a population with more advanced disease. At the time of presentation, almost all patients had been treated for up to three years, and NewLink indicates that only a few remain to complete three years of treatment. This suggests to us that the final overall survival figure may change, but is not likely to do so by a large margin. All three data points were determined to be statistically significant from historical controls.

Exhibit 1: NLG0205 Phase II Trial Results (a)

@ Year	Overall Survival	
	HyperAcute Pancreas	Expected Control
1	86%	63%
2	51%	32%
3	42%	19%

(a)Based on Kaplan-Meier estimate, as not all patients completed through three years
Source: NewLink Genetics

According to the poster presented at ASCO, treatment was considered well tolerated with the most frequent adversity being injection site reaction (51%). There were three Grade 3 adversities: lymphopenia (6%), skin reaction and pain (3%), and leukopenia/neutropenia (3%).

Valuation

We are raising our 12-month price target to \$18 from \$15 based on our view that the Phase II data generated by HyperAcute Pancreas provide some de-risking to the Phase III trial. Hence, we are lowering our five-year discount rate to 45% from 50%. Our new price target is based on a 40x multiple on our 2017 EPS forecast of \$2.86 discounted by 45%. We have used a multiple on 2017 EPS consistent with valuation for early-stage biotechnology companies, which ranges from 30-50x forward EPS, reflecting opportunity for rapid growth. In arriving at this range, we explored historical data as well as forward consensus multiples for companies with newly launched products.

Risks

NewLink is a development-stage company, and investment is subject to risk. These risks include but are not limited to:

- Development of new drugs carries a high failure rate, either because the drug in question fails to show efficacy or significant safety issues arise during the clinical trial process. Additionally, regulatory authorities such as the Food & Drug Administration (FDA) may delay the approval process or reject NewLink's clinical findings. Because we can never dismiss such a possibility, we use a high discount rate in our valuation model to compensate for such risk. We note that NewLink's HyperAcute Pancreas program is being conducted under a Special Protocol Assessment (SPA), and while it is not a guarantee that the FDA will endorse NewLink's data, it mitigates risk against the FDA disputing the company's clinical trial design.
- Some of NewLink's clinical programs that are being co-sponsored by the NCI are in investigator-initiated clinical trials, which means that the company does not have full control over the conduct of the trials or the release of data and this may impact trial results and/or milestones as it relates to public disclosure of clinical data.
- NewLink's manufacturing process has been validated in its early clinical trial work. However, we cannot exclude the possibility that this process may not be seamless from clinical trials to commercialization.
- The clinical landscape is crowded with hundreds of oncology clinical trials. It is possible that other technologies show greater benefit to patients than NewLink's product candidates, thus tendering products obsolete or non-competitive.
- NewLink has a large intellectual property estate protecting its technology, know-how, and applications of such. However, it is always possible that a party will bring forward infringement claims that would need to be heard by a court.
- NewLink has a history of net losses. We are forecasting profitability for NewLink in 2016 based on market acceptance of HyperAcute Pancreas, but profitability could be delayed or not reached at all, depending on a variety of clinical and regulatory factors.

Exhibit 2: Annual Income Statement
NewLink Genetics Corporation

<i>All figures in millions, Year Ended 31 December</i>	2017E	2016E	2015E	2014E	2013E	2012E	2011A
Revenue	\$391.54	\$270.00	\$28.95	\$0.65	\$1.01	\$1.12	\$1.87
Cost of Goods Sold	101.68	77.69	15.47	0.00	0.00	0.00	0.00
Gross Profit	\$289.86	\$192.31	\$13.48	\$0.65	\$1.01	\$1.12	\$1.87
<i>Gross Profit Margin</i>	<i>74.03%</i>	<i>71.23%</i>	<i>46.55%</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>
Operating Expenses							
SG&A	104.37	72.65	41.18	27.51	18.16	14.17	5.68
R&D	87.63	54.31	42.25	37.74	28.66	23.62	14.26
Total Operating Expenses	\$192.00	\$126.96	\$83.43	\$65.25	\$46.82	\$37.79	\$19.93
Profit (Loss) from Operations	\$97.86	\$65.35	(\$69.95)	(\$64.60)	(\$45.81)	(\$36.67)	(\$18.06)
<i>Operating Profit Margin</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>
Other Income (Expense)	\$2.35	\$1.15	\$0.75	(\$0.03)	(\$0.00)	(\$0.23)	(\$0.03)
Pretax Income	\$100.21	\$66.50	(\$69.20)	(\$64.63)	(\$45.81)	(\$36.90)	(\$18.09)
<i>Pretax Margin</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>
Net loss attributable to noncontrolling interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income (Loss)	\$100.21	\$66.50	(\$69.20)	(\$64.63)	(\$45.81)	(\$36.90)	(\$18.09)
<i>Net Margin</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>
Basic & Diluted Net Loss Per Share	\$2.86	\$2.22	(\$2.52)	(\$2.62)	(\$2.07)	(\$1.77)	(\$2.98)
<i>Shares Outstanding</i>	<i>35.00</i>	<i>30.00</i>	<i>27.50</i>	<i>24.65</i>	<i>22.08</i>	<i>20.86</i>	<i>6.07</i>

<i>Percent Change, Year-Over-Year</i>	2016E	2016E	2015E	2014E	2013E	2012E	2011E
<i>Revenue</i>	<i>45.01%</i>	<i>832.61%</i>	<i>4354.09%</i>	<i>-35.64%</i>	<i>-9.90%</i>	<i>-40.12%</i>	<i>-9.96%</i>
<i>SG&A</i>	<i>43.66</i>	<i>76.42</i>	<i>49.69</i>	<i>51.49</i>	<i>28.15</i>	<i>149.53</i>	<i>(6.50)</i>
<i>R&D</i>	<i>61.35</i>	<i>28.54</i>	<i>11.95</i>	<i>31.68</i>	<i>21.34</i>	<i>65.70</i>	<i>12.55</i>
<i>Operating Expenses</i>	<i>51.23</i>	<i>52.18</i>	<i>27.86</i>	<i>39.36</i>	<i>23.89</i>	<i>89.58</i>	<i>6.37</i>
<i>Other Income, net</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>

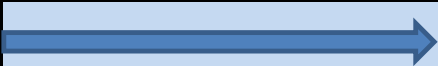




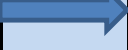
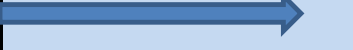

Source: NewLink Genetics, Cantor Fitzgerald estimates

Exhibit 3: Pancreatic Cancer Model

NewLink Genetics Corporation						
<i>(\$ in millions)</i>	2014E	2015E	2016E	2017E	2018E	2019E
Number of diagnoses (US)	45,769	46,341	46,341	46,920	47,507	48,101
% Stage I	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
<i>% treated</i>	<i>0.0%</i>	<i>1.2%</i>	<i>4.8%</i>	<i>7.0%</i>	<i>7.4%</i>	<i>7.5%</i>
# treated	0.00	556	2,224	3,303	3,497	3,617
% Stage II	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
<i>% treated</i>	<i>0.0%</i>	<i>1.4%</i>	<i>5.9%</i>	<i>8.1%</i>	<i>12.4%</i>	<i>15.9%</i>
# treated	0.00	626	2,753	3,801	5,900	7,662
Total Treated	0.00	1,182	4,977	7,104	9,397	11,280
Average Injections/year/patient	0	7	15.5	15.7	16.1	16.4
Cost of injection	\$0	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Cost per year	\$0	\$24,500	\$54,250	\$55,118	\$56,275	\$57,514
Total sales	\$0.0	\$29.0	\$270.0	\$391.5	\$528.8	\$648.7
Percent Change, year-over-year						
Diagnoses	1.30%	1.30%	1.25%	1.25%	1.25%	1.25%
Stage I - % treated	NA	NA	300.00	48.50	5.85	3.45
Stage II - % treated	NA	NA	340.00	38.07	55.25	29.86
Total treated	NA	NA	321.18	42.73	32.28	20.04
Average Injections/year/patient	NA	NA	NA	1.60	2.10	2.20
Annual cost	NA	NA	NA	0.00	0.00	0.00
Total sales	NA	NA	832.61	45.01	35.06	22.68

Source: NewLink Genetics, American Cancer Society, CMS, Cantor Fitzgerald estimates

Exhibit 4: R&D Pipeline

Product Name	Description/Indication	Core Technology	Phase of Development				Comments
			PreClinical	Phase I	Phase II	Phase III	
HyperAcute Pancreas	Allogenic vaccine/resectable pancreatic cancer, Stage I & II patients	HyperAcute					722-patient trial, ~300 enrolled, interim look 4Q12/1Q13. Phase II 2 & 3 year data ASCO 2012.
HyperAcute Pancreas	Allogenic vaccine/resectable pancreatic cancer, locally advanced disease	HyperAcute					Will enter Phase II
HyperAcute Lung	Allogenic vaccine/NSCLC	HyperAcute					Data expected 1H12, Phase II/III expected shortly.
HyperAcute Melanoma	Allogenic vaccine/non-visceral metastatic melanoma	HyperAcute					Data expected, likely next step is Phase II/III in 2H12
HyperAcute Prostate	Allogenic vaccine/prostate cancer	HyperAcute					Possible partnering candidate
HyperAcute various	Exhibit 16: Pancreatic Cancer Model	HyperAcute					May explore NCI funding
D-1MT	Small molecule inhibitor of IDO/solid tumors	IDO pathway inhibitor					Two posters @ ASCO demonstrate feasibility for advancement.
2nd generation IDO	Small molecule inhibitor of IDO/solid tumors	IDO pathway inhibitor					Higher potency vs. D-1MT

Source: NewLink Genetics, Cantor Fitzgerald

Exhibit 5: Select Biotechnology Stocks (all market capitalization ranges)

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Mkt Cap. Range	Company	Ticker	Rating	Price 6/4/12	Market Cap.	52-Week High	52-Week Low	Performance YTD	Performance QTD	1-Year	Earnings Per Share (a) 2011A	Earnings Per Share (a) 2012E	Earnings Per Share (a) 2013E	Revenue Per Share (a) 2011A	Revenue Per Share (a) 2012E	Revenue Per Share (a) 2013E	Per Share Cash (a)	Per Share BV (a)	Per Share EV (a)
Small Cap	Agenus	AGEN	NC	\$5.22	\$118.9	\$7.41	\$1.92	161.0%	-25.9%	-5.4%	(\$1.21)	(\$0.53)	(\$1.03)	\$0.12	(\$0.02)	(\$0.05)	\$1.08	(\$2.71)	\$165.1
	Astex	ASTX	NC	1.76	163.9	3.34	1.51	(6.9)	(4.3)	(46.3)	0.07	(0.05)	(0.11)	0.72	(0.00)	(0.00)	1.32	2.36	41.4
	Celldex	CLDX	BUY	4.17	244.9	5.66	2.05	60.4	(19.7)	14.2	(1.13)	(0.93)	(0.90)	0.16	0.16	0.05	1.57	1.17	168.5
	Celsion	CLSN	NC	1.91	63.5	4.37	1.63	12.4	1.1	(37.4)	(1.11)	(0.80)	(0.70)	0.06	(0.02)	(0.02)	0.74	0.79	39.0
	Curis	CRIS	NC	4.68	369.8	5.65	2.70	-	(3.5)	24.6	(0.13)	(0.13)	(0.17)	0.19	(0.00)	(0.00)	0.57	0.52	324.7
	Endocyte	ECYT	NC	6.43	230.4	14.80	3.02	71.0	38.0	(46.0)	(1.40)	(0.87)	(0.96)	0.01	(0.02)	0.65	3.29	3.17	125.4
	Galena Biopharma	GALE	BUY	1.40	91.9	3.54	0.36	263.2	(19.3)	26.2	(0.32)	(0.66)	(0.49)	0.00	0.00	0.00	0.35	0.21	68.9
	Newlink Genetics	NLNK	BUY	12.76	263.8	13.67	6.25	81.3	34.2	82.3	(2.98)	(1.77)	(2.07)	0.09	0.06	0.05	1.73	1.79	229.1
	Oncothyreon	ONTY	BUY	3.63	207.4	11.59	3.35	(52.1)	(37.8)	(43.9)	(1.12)	(0.63)	(0.32)	0.00	0.00	0.18	0.99	0.77	155.4
	Sunesis Pharmaceuticals	SNSS	BUY	2.91	136.2	3.19	1.01	148.7	2.1	1.8	(0.43)	(0.82)	(0.61)	0.11	0.00	0.00	0.74	0.60	110.9
	Vical	VICL	NC	2.92	250.9	5.30	2.22	(33.8)	(13.9)	(24.0)	(0.10)	(0.30)	(0.51)	0.35	(0.00)	(0.01)	1.10	0.84	156.6
	Average				\$208.6			51.4%	-6.4%	-14.5%	(0.76)	(0.63)	(0.64)	0.19	0.01	0.09	1.30	0.86	144.1
Mid Cap	Ariad	ARIA	NC	\$16.57	\$2,746.13	\$17.60	\$7.55	35.3%	2.1%	90.9%	(\$0.93)	(\$1.29)	(\$1.20)	\$0.15	(\$0.01)	(\$0.01)	\$1.74	\$1.40	\$2,470.7
	Dendreon	DNDN	HOLD	7.00	1,077.96	42.70	6.46	(7.9)	(31.6)	(83.5)	(2.31)	(1.89)	(1.76)	2.22	2.37	3.03	3.23	2.36	1,154.2
	Exelixis	EXEL	NC	4.63	687.45	11.68	3.94	(2.2)	(11.1)	(60.2)	0.58	(1.05)	(1.21)	1.95	(0.01)	(0.01)	1.64	0.67	626.1
	Human Genome Sciences	HGSI	NC	13.62	2,711.3	27.45	6.51	84.3	68.4	(50.2)	(1.97)	(1.48)	(0.98)	0.66	(0.01)	(0.00)	2.37	2.30	3,061.0
	Immunogen	IMGN	NC	14.01	1,082.9	16.20	9.17	21.0	(2.6)	15.2	(0.85)	(0.97)	(0.72)	0.25	(0.01)	(0.01)	2.27	1.83	907.3
	Incyte	INCY	NC	21.31	2,729.7	24.30	11.76	42.0	8.0	20.2	(1.49)	(0.69)	(0.09)	0.74	(0.01)	(0.00)	3.30	(1.80)	2,585.2
	Medivation	MDVN	NC	84.23	3,053.4	89.46	14.32	82.7	11.2	249.4	(1.11)	(0.75)	(1.18)	1.67	(0.02)	(0.03)	10.48	0.04	2,860.8
	ONYX Pharma	ONXX	NC	45.78	2,946.8	47.80	27.17	4.2	21.0	7.8	1.19	(2.65)	(2.47)	6.95	(0.04)	(0.04)	9.32	12.89	2,512.5
	Seattle Genetics	SGEN	NC	19.48	2,280.2	22.40	12.29	16.5	(6.5)	0.6	(1.34)	(0.54)	(0.38)	0.81	(0.00)	(0.00)	2.64	1.89	1,971.3
	Spectrum Pharm	SPPI	NC	11.59	689.9	16.00	6.94	(20.8)	(8.0)	21.7	0.84	1.40	1.05	3.24	0.02	0.02	3.13	3.19	503.8
	Average				\$2,000.6			22.0%	4.9%	12.1%	(\$0.74)	(\$0.99)	(\$0.89)	\$1.86	\$0.23	\$0.29	\$4.01	\$2.48	\$1,865.3
Large Cap	Alexion	ALXN	NC	\$90.57	\$17,397.7	\$95.01	\$43.78	26.7%	-2.7%	91.0%	\$0.91	\$1.80	\$2.54	\$4.11	\$0.01	\$0.01	\$1.87	\$6.12	\$17,393.3
	Amgen	AMGN	NC	69.52	54,066.3	72.00	47.66	8.3	2.1	14.8	4.04	6.16	6.79	20.17	0.01	0.01	24.91	23.92	56,101.3
	Biogen Idec	BIIB	NC	130.75	31,322.9	138.50	83.83	18.8	2.4	38.0	5.04	6.20	7.22	21.23	0.03	0.03	5.33	26.54	31,128.3
	Celgene	CELG	BUY	68.25	30,064.0	80.42	51.70	1.0	(12.7)	12.1	3.79	4.76	5.68	10.99	12.72	14.29	5.15	12.60	29,219.0
	Gilead	GILD	NC	49.95	37,828.2	56.50	34.45	22.0	2.4	19.7	3.55	3.78	4.36	11.18	0.00	0.01	1.92	8.95	45,855.6
	Regeneron	REGN	NC	135.65	12,619.9	145.04	42.83	144.7	12.9	126.0	(2.45)	1.04	2.93	4.79	0.01	0.03	4.65	5.42	12,348.3
	Vertex	VRTX	NC	60.04	12,672.1	66.10	26.50	80.8	48.3	11.2	0.14	2.53	2.63	6.68	0.01	0.01	4.92	3.76	12,208.3
	Average				\$27,995.9			39.4%	7.9%	31.7%	\$2.15	\$3.75	\$4.59	\$11.31	\$1.83	\$2.06	\$6.96	\$12.47	\$20,859.4
Indices	S&P 500	SPX	NA	1,310.3		1,422.38	1,074.77	4.2%	-7.7%	-2.6%									
	Dow Jones Ind	DJIA	NA	12,393.5		13,359.62	10,362.26	1.4	(6.6)	(1.4)									
	NASDAQ Comp	COMP	NA	2,827.3		3,134.17	2,298.89	8.5	(9.4)	(0.3)									
	Amex Biotech Index	BTK	NA	1,425.0		1,519.49	1,001.33	30.6	1.3	(3.8)									
	NASDAQ Biotech	NBI	NA	1,280.6		1,317.92	873.05	18.1	(0.9)	12.8									

(a) All figures consensus estimates except for rated companies. Rated companies are Cantor Fitzgerald estimates. EPS and revenue per share exclude option expense and other one-time items.

(b) Excludes Spectrum Pharmaceuticals (SPPI)

Source: Cantor Fitzgerald, FactSet

Exhibit 6: Companies Mentioned

Company Name	Ticker	Exchange	Cantor Rating
Agenus	AGEN	NASDAQ	NC
Alexion	ALXN	NASDAQ	NC
Amgen	AMGN	NASDAQ	NC
Ariad	ARIA	NASDAQ	NC
Astex	ASTX	NASDAQ	NC
Biogen Idec	BIIB	NASDAQ	NC
Celgene	CELG	NASDAQ	BUY
Celldex	CLDX	NASDAQ	BUY
Celsion	CLSN	NASDAQ	NC
Curis	CRIS	NASDAQ	NC
Dendreon	DNDN	NASDAQ	HOLD
Endocyte	ECYT	NASDAQ	NC
Exelixis	EXEL	NASDAQ	NC
Galena Biopharma	GALE	NASDAQ	BUY
Gilead	GILD	NASDAQ	NC
Human Genome Sciences	HGSI	NASDAQ	NC
Immunogen	IMGN	NASDAQ	NC
Incyte	INCY	NASDAQ	NC
Medivation	MDVN	NASDAQ	NC
Newlink Genetics	NLNK	NASDAQ	BUY
Oncothyreon	ONTY	NASDAQ	BUY
ONYX Pharma	ONXX	NASDAQ	NC
Regeneron	REGN	NASDAQ	NC
Seattle Genetics	SGEN	NASDAQ	NC
Spectrum Pharm	SPPI	NASDAQ	NC
Sunesis Pharmaceuticals	SNSS	NASDAQ	BUY
Vertex	VRTX	NASDAQ	NC
Vical	VICL	NASDAQ	NC

Source: FactSet, Cantor Fitzgerald

Disclosures Appendix

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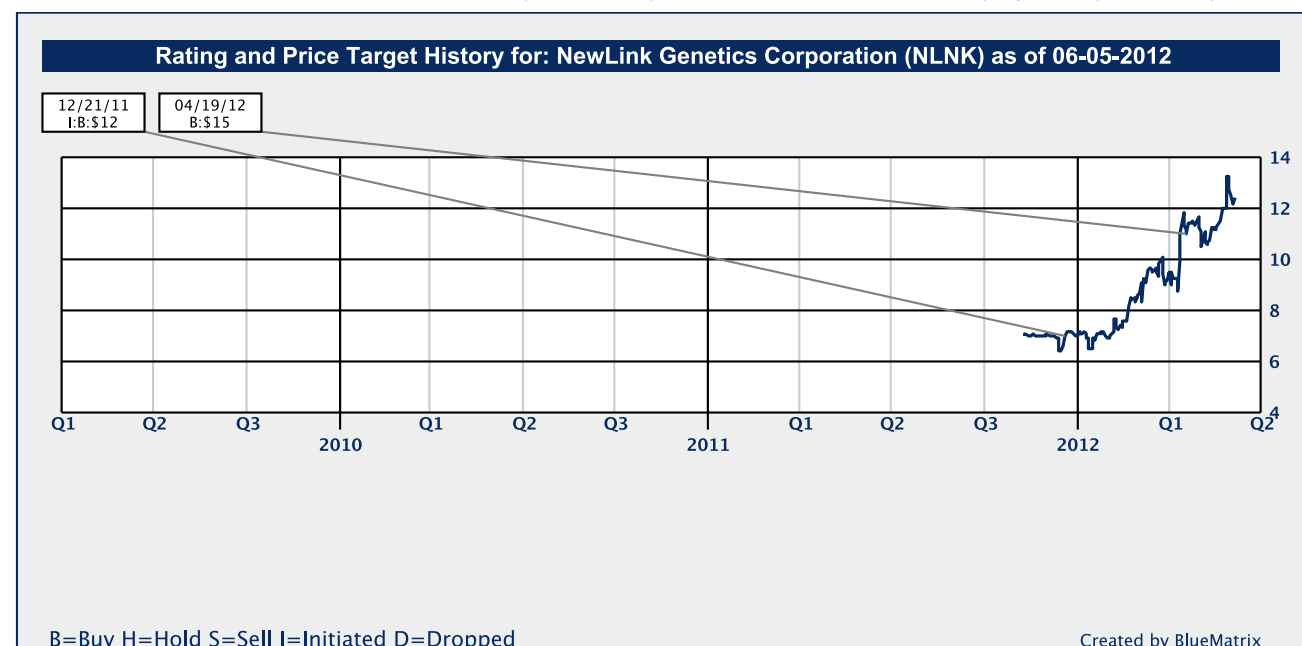
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Rating and Price Target History for: Celgene Corporation (CELG) as of 06-05-2012



B=Buy H=Hold S=Sell I=Initiated D=Dropped

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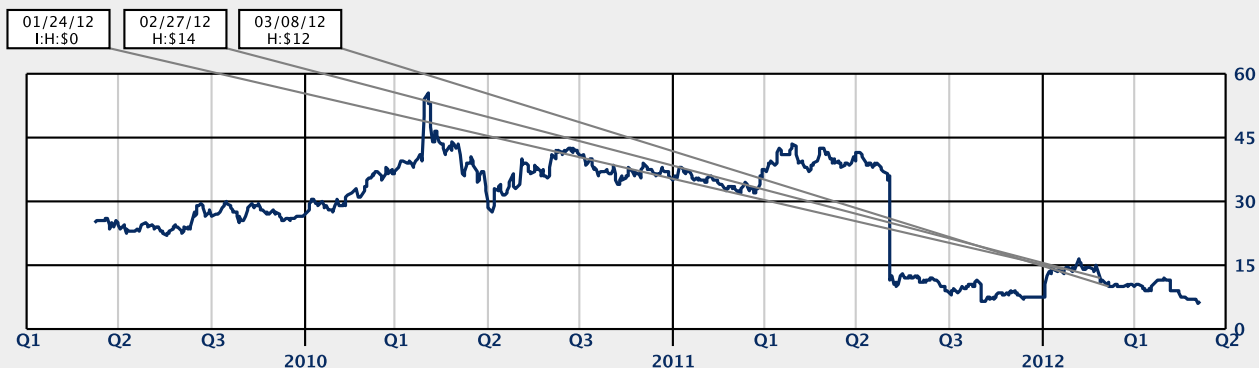
Rating and Price Target History for: Celldex Therapeutics, Inc. (CLDX) as of 06-05-2012



B=Buy H=Hold S=Sell I=Initiated D=Dropped

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Rating and Price Target History for: Dendreon Corporation (DNDN) as of 06-05-2012



B=Buy H=Hold S=Sell I=Initiated D=Dropped

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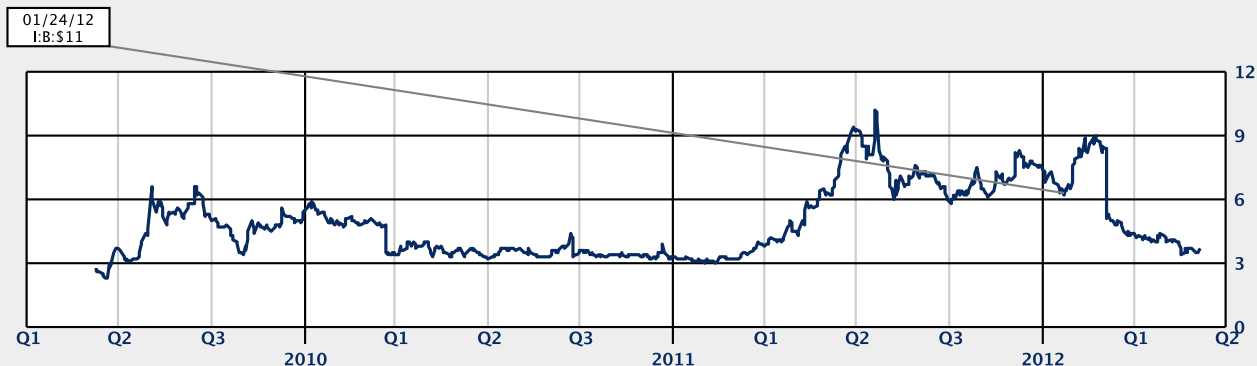
Rating and Price Target History for: Galena Biopharma (GALE) as of 06-05-2012



B=Buy H=Hold S=Sell I=Initiated D=Dropped

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Rating and Price Target History for: Oncothyreon Inc. (ONTY) as of 06-05-2012



B=Buy H=Hold S=Sell I=Initiated D=Dropped

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Rating and Price Target History for: Sunesis Pharmaceuticals, Inc. (SNSS) as of 06-05-2012



B=Buy H=Hold S=Sell I=Initiated D=Dropped

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Cantor

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [B]	64	54.70	12	18.75
HOLD [H]	42	35.90	4	9.52
SELL [S]	11	9.40	0	0.00