COWEN AND COMPANY

Quick Take

Hyperion Therapeutics — Outperform (1)

HPTX: $10.67

Quick Take: Highlights From Meetings With Management

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Analysts

Phil Nadeau, Ph.D.
(646) 562-1336
phil.nadeau@cowen.com

Nicholas Bishop, Ph.D.
(646) 562-1378
nicholas.bishop
@cowen.com

We hosted a series of meetings in New York for Hyperion's management team. Most important, Ravicti's regulatory review for UCD continues at pace, and management appears confident in its approval around its January 23 PDUFA. Earlier in the week Hyperion had an end-of-Phase II meeting for Ravicti in hepatic encephalopathy (HE) with the FDA. While management would not provide many details, our impression is that the meeting held no major surprises. Our opinion of Ravicti and Hyperion's stock is unchanged. Ravicti has been shown to be at least as potent as the current standard of care, but with much better tolerability and dosing convenience, in the treatment of urea cycle disorders (UCD). Our consultants expect Ravicti to be approved based on its current filing, and for it to quickly capture majority share of the UCD market. Based on Ravicti's potential in UCD alone, with no contribution from HE, we think Hyperion is significantly undervalued, and remain at Outperform. Additional highlights from the meetings follow.

Ravicti's PDUFA Right Around The Corner. With Ravicti's January 23 2013 PDUFA approaching, management remains confident in its approval. Management indicates it is not in label negotiations yet, but would expect those to take place only during the last month or so of the review. Hyperion expects to launch Ravicti with 7 sales representatives in the field, and 3 professionals facilitating reimbursement.

Hyperion Continues To Expect To Trigger The Purchase Option For Buphenyl and Ammonul. According to its revised Medicis agreement, Hyperion has secured the right to purchase Buphenyl and Ammunol at the earlier of the approval of Ravicti, or June 30, 2013. Management said it is very likely the option will be triggered, and that as H1:13 approaches, it is becoming harder and harder to imagine a situation in which the option is not exercised. An increase in the price of Buphenyl in order to narrow the difference between its price and that of Ravicti remains an element of Hyperion's commercial strategy.

Hyperion Progressing Toward Phase III Of Ravicti In Hepatic Encephalopathy. Management indicated that the End of Phase II meeting for Ravicti in HE occurred earlier in the week. While management released no details from the meeting, it did suggest that the meeting contained no major surprises. Hyperion expects to conduct a Phase III of Ravicti as an add-on to standard of care in HE, a design similar to that of the completed Phase II trial reported at the recent AASLD meeting.

Addendum

STOCKS MENTIONED IN IMPORTANT DISCLOSURES

Ticker	Company Name
HPTX	Hyperion Therapeutics

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Cowen and Company, LLC. New York (646) 562-1000 **Boston** (617) 946-3700 **San Francisco** (415) 646-7200
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Neutral (2)	Stock expected to perform in line with the S&P 500
Underperform (3)	Stock expected to underperform the S&P 500

(a) Assumptions: Time horizon is 12 months; S&P 500 is flat over forecast period.

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Rating	Pct of companies under coverage with this rating	Pct for which Investment Banking services have been provided within the past 12 months
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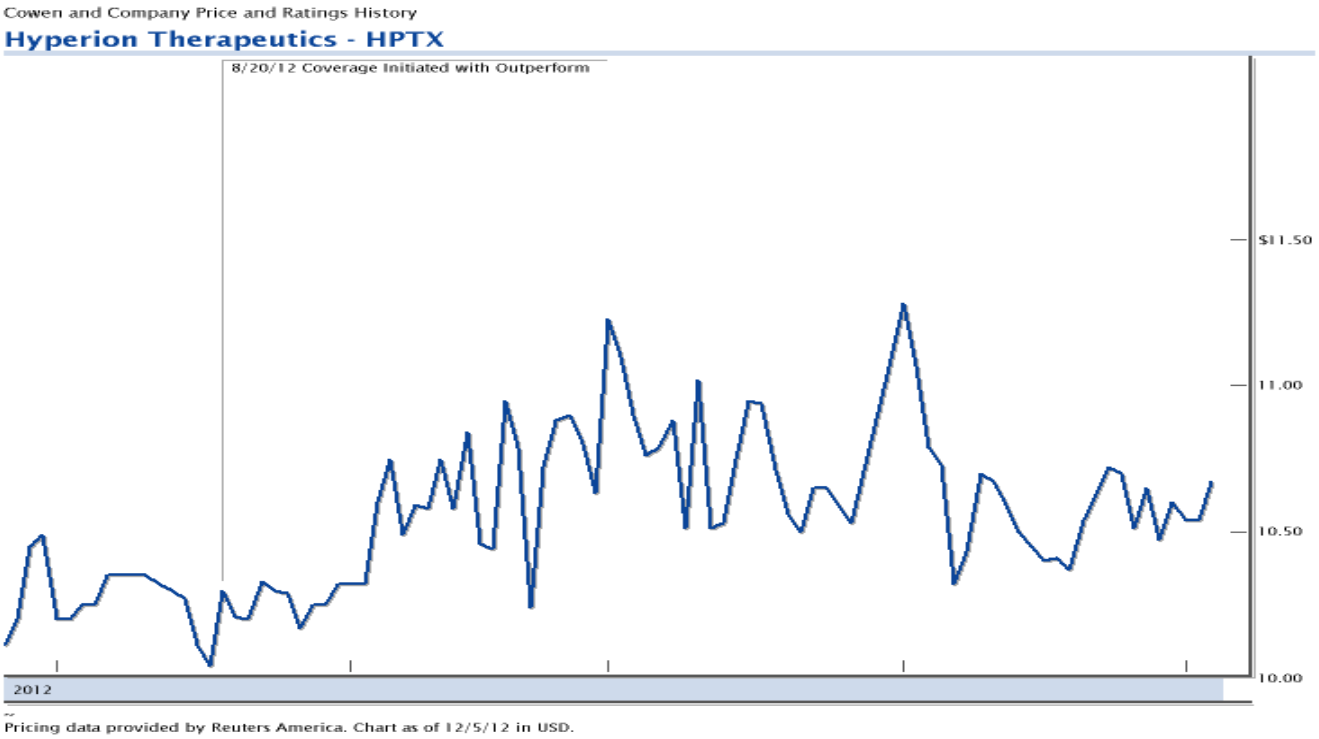
Hold (c)	41.9%	1.7%
Sell (d)	2.4%	0.0%

(a) As of 09/30/2012. (b) Corresponds to "Outperform" rated stocks as defined in Cowen and Company, LLC's rating definitions (see above). (c) Corresponds to "Neutral" as defined in Cowen and Company, LLC's ratings definitions (see above). (d) Corresponds to "Underperform" as defined in Cowen and Company, LLC's ratings definitions (see above). Note: "Buy," "Hold" and "Sell" are not terms that Cowen and Company, LLC uses in its ratings system and should not be construed as investment options. Rather, these ratings terms are used illustratively to comply with NASD and NYSE regulations.


Cowen and Company Price and Ratings History
Hyperion Therapeutics - HPTX
8/20/12 Coverage Initiated with Outperform
$11.50
11.00
10.50
10.00
2012
Pricing data provided by Reuters America. Chart as of 12/5/12 in USD.