

Ticker	Rating	P-T	Analyst	Headline	Action
ESTIMATE CHANGES					
GALT	Buy	\$6.00	Shiv Kapoor	Liver Fibrosis Program On Track Following 2Q; Reiterating Buy Rating	Estimates Change
NBS	Buy	\$3.50	Shiv Kapoor	Chinese Business Disappoints; AMR-001 Ahead of Schedule; Reiterate Buy	Estimates Change
COMPANY/INDUSTRY COMMENTS					
TWER	Sell	\$3.00	Ilya Grozovsky	Dropping Coverage with Sell Rating and \$3 PT	Company Update
VMED	Hold	NA	David B. Kestenbaum	UKTV Transaction Consistent With Strategy To Shift Away From Content	Company Update

UPCOMING EVENTS

8/16 (Tuesday) **Las Vegas Bus Tour**

IGT, SHFL, Konami Gaming, Inc., WMS, BYI, Caesars Entertainment, Inc., PNK, BYD, Creative Casinos, MGM, ASCA Las Vegas

8/18 (Thursday) **Galectin Therapeutics (GALT.OB)**

Peter Traber, President, Chief Executive Officer, Chief Medical Officer
Boston

8/30 (Tuesday) **Liberty Global (LBTYA)**

Rick Westerman, Senior Vice President - Investor Relations and Corporate Communications
New York- Group Lunch Meeting, no 1x1s

8/30 (Tuesday) **Sanderson Farms, Inc. (SAFM)**

Joe Sanderson, Chief Executive Officer and Chairman
Mike Cockrell, Chief Financial Officer and Treasurer
Lampkin Butts, Chief Operating Officer and Director
New York, 1x1s

9/7 (Wednesday) **Hill International, Inc. (HIL)**

David Richter, President & COO
New York, 1x1s + Group Lunch at Hill's Office, One Penn Plaza

9/14 (Wednesday) **Neoprobe Corporation (NEOP)**

9/15 (Thursday) Mark Pykett | President & Chief Executive Officer
Brent Larson, Chief Financial Officer
New York (9/14), Connecticut (9/15)

The Disclosure section may be found on pages 7 - 11 of this report.

The Valuation section may be found on page 9

9/20 (Tuesday) **LPath, Inc. (LPTN)**

9/21 (Wednesday) Scott Pancoast, Chief Executive Officer

New York, Boston (order, TBC)

9/19 (Monday) **Pernix Therapeutics Holdings (PTX)**

9/20 (Tuesday) Cooper Collins, Chief Executive Officer and Joseph Schepers, Head of Corporate Communications and Investor Relations.

New York, CT (order, TBC)

10/4-10/5 **Stage Stores (SSI)**

Andrew Hall, President & Chief Executive Officer

Oded Shein, Chief Financial Officer, Executive Vice President

NY, BOS & Mid-Atlantic

11/30 – 12/1 **Aviat Networks, Inc. (AVNW)**

Michael Antonio Pangia, President, Chief Executive Officer and

Thomas Cronan, Chief Financial Officer

New York (11/30), Boston (12/1)

On The Radar:

Park-Ohio Holdings Corp. (PKOH), Ed Crawford, Chairman & Chief Executive Officer & Jeff Rutherford, Chief Financial Officer

– Chicago/MidWest, dates TBC

Local.com (LOCM), Heath Clarke, Chairman and CEO – New York, dates TBC

Key Metrics

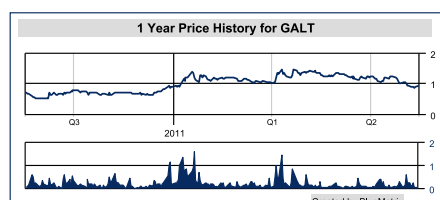
GALT - OTC BB	\$0.90
Pricing Date	Aug 12 2011 4:41PM
Price Target	\$6.00
52-Week Range	\$1.57 - \$0.48
Shares Outstanding (mm)	74.1
Market Capitalization (\$mm)	\$66.7
3-Mo Average Daily Volume	129,620
Book Value/Share	\$0.12
Price/Book	7.5x

EPS(\$ FY: December

		Prior	Curr.	Prior	Curr.
	2010	2011	2011	2012	2012
1 Q-Mar	--	--	(0.04)A	--	--
2 Q-Jun	--	(0.03)E	(0.06)A	--	--
3 Q-Sep	--	(0.04)E	(0.05)E	--	--
4 Q-Dec	--	(0.05)E	(0.04)E	--	--
FY	(0.15)	(0.17)E	(0.19)E	--	(0.21)E
P/E					

Revenue(\$mm)

		Prior	Curr.	Prior	Curr.
	2010	2011	2011	2012	2012
1 Q-Mar	--	--	0.0A	--	--
2 Q-Jun	--	--	0.0A	--	--
3 Q-Sep	--	--	0.0E	--	--
4 Q-Dec	--	--	0.0E	--	--
FY	0.0	--	0.0E	--	0.0E



Company Description:

Galectin Therapeutics Inc., a small biopharmaceutical company based in Newton, Massachusetts, is a leader of galectin science, applying its expertise to drug development for fibrotic disease and oncology.

Galectin Therapeutics Inc.

Rating: Buy

Liver Fibrosis Program On Track Following 2Q; Reiterating Buy Rating

Investment Highlights:

- 2Q11 Report.** This past Friday, Galectin Therapeutics reported a 2Q11 loss of (\$0.06). Results fell short of our loss-per-share estimate of (\$0.03) primarily because some R&D programs progressed faster than what we were projecting. The company is continuing on CEO Peter Traber's turnaround path, which focuses on liver fibrosis. Our long-term forecast remains largely unchanged. We are reiterating our Buy rating and \$6 price target on Galectin Therapeutics.
- Expect GM-CT-01 Phase I in 1H12.** In our opinion, Phase I and II studies with lead drug candidate GM-CT-01 demonstrate solid proof of safety and encouraging signs of efficacy in colorectal cancer. In addition, Dr. Traber has begun to focus the company on developing a drug for the treatment of liver fibrosis. Because of the high unmet need in liver fibrosis, we believe peak sales for a drug that can reverse fibrosis could reach \$3.6 billion in 2018. We believe there is very strong preclinical proof that Galectin's drugs can reverse liver fibrosis. Management expects to initiate Phase I/II trials in 1H12, with possible proof of concept results by 1H13.
- Other Key Catalysts.** We believe GALT has upside potential from additional pipeline projects. The company expects INVIMA, the Colombian regulatory agency, to make a decision on marketing approval in colorectal cancer, possibly by 1Q12. If approved, we believe the drug could eventually generate \$7mm-\$10mm of profit, which would help GALT finance development of its pipeline. In September, the Ludwig Institute for Cancer Research (Belgium) is expected to initiate a Phase I/II study to investigate the immunological mechanism of GM-CT-01 in advanced metastatic melanoma patients, with results possible by mid-2012. We think positive results could significantly expand the combination potential of GM-CT-01 with cancer vaccines and chemotherapeutics.

Key Metrics

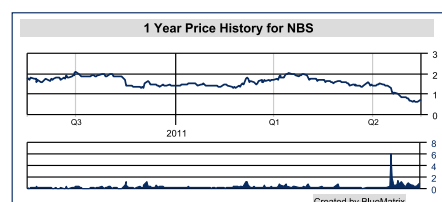
NBS - AMEX	\$0.74
Pricing Date	Aug 15 2011 4:41PM
Price Target	\$3.50
52-Week Range	\$2.15 - \$0.60
Shares Outstanding (mm)	98.0
Market Capitalization (\$mm)	\$72.5
3-Mo Average Daily Volume	465,113
Book Value/Share	\$0.65
Price/Book	1.1x

EPS(\$) FY: December

	2010A	Prior 2011E	Curr. 2011E	Prior 2012E	Curr. 2012E
1Q-Mar	(0.12)	--	(0.11)A	--	--
2Q-Jun	(0.11)	--	(0.11)A	--	--
3Q-Sep	(0.13)	--	(0.10)E	--	--
4Q-Dec	(0.11)	--	(0.08)E	--	--
FY	(0.46)	--	(0.40)E	--	(0.40)E
P/E	NM		NM		NM

Revenue(\$mm)

	2010A	Prior 2011E	Curr. 2011E	Prior 2012E	Curr. 2012E
1Q-Mar	15.8	--	19.6A	--	--
2Q-Jun	19.4	--	18.5A	--	--
3Q-Sep	16.5	--	20.8E	--	--
4Q-Dec	18.1	--	21.7E	--	--
FY	69.8	--	80.6E	--	97.5E



Company Description:

NeoStem, Inc. is a biopharmaceutical company that markets generic antibiotics through a majority controlled business in China, and develops pharmaceuticals, and cell-based therapies in the U.S. and China.

NeoStem, Inc.

Rating: Buy

Chinese Business Disappoints; AMR-001 Ahead of Schedule; Reiterate Buy

Investment Highlights:

- **Reiterating Buy Rating.** In its recently filed Form 10-Q, NeoStem provided disappointing results for its Chinese Pharmaceuticals business. NeoStem also announced faster progress of lead drug candidate AMR-001. In our opinion, lowered expectations for NeoStem's Chinese business are more than compensated for by the company's low stock price; we believe the Street is underestimating the value of NeoStem's franchises, especially AMR-001, which could be a significantly large cardiovascular drug currently in mid-stage. Therefore, we are reiterating our Buy rating and \$3.50 price target.
- **Chinese Business Disappoints.** 2Q11 revenues from Erye were \$16.2 million, compared with our estimate of \$22.2 million and 1Q11 revenues of \$18.1 million. The company has missed expectations for the China business recently, and our confidence about a significant uptick in the second half has markedly decreased. Therefore, we are lowering our expectations for this business in a meaningful way. If there is an effect from higher manufacturing capacity leading to improved gross margins going forward, it would represent upside to our estimates.
- **Operating Costs Drag.** The company has had higher-than-expected R&D expenses because of its acquisitions and higher-than-anticipated SG&A because of acquisitions and strategic initiatives. We expect costs related to PCT to continue going forward (\$1.9mm this quarter); there could be some one-time expenses exaggerating NeoStem's current operating spend, like \$1.47mm in legal, accounting, and other professional fees related to NeoStem's strategic shift to cell therapy. With \$26.5mm in cash (\$9.7mm at the end of the quarter plus \$16.5mm recently raised), we believe the company has around 3-4 quarters of cash.
- **Faster Progress on AMR-001.** On the positive side, NeoStem is ahead of schedule enrolling the first patient in the key Phase II trial; the company had previously expected to initiate this trial early in 2012. Research we recently conducted with independent consultants regarding the prospects of AMR-001 indicated a strong likelihood of success for the Phase II trial. However, we do not expect any results from this trial until 2013.
- **Vatican Initiatives To Be Highlighted This Year.** This year we expect a lot more newsflow from the Vatican's Pontifical Council for Culture's collaboration with NeoStem to advance adult stem cell research. From November 9 to November 11, the Vatican and NeoStem are planning to hold a conference in Rome on adult stem cell research. We believe this event will highlight NeoStem's capabilities and worldwide leadership in regenerative medicine.

Key Metrics

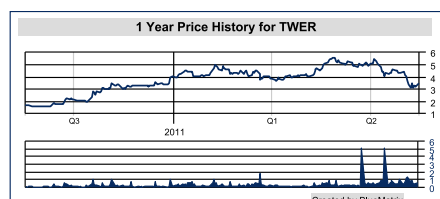
TWER - NASDAQ	\$3.24
Pricing Date	Aug 12 2011 4:41PM
Price Target	\$3.00
52-Week Range	\$5.70 - \$1.50
Shares Outstanding (mm)	42.4
Market Capitalization (\$mm)	\$137.5
3-Mo Average Daily Volume	624,168
Institutional Ownership	NA
Debt/Total Capital	0.0%
ROE	NA
Book Value/Share	\$0.92
Price/Book	3.5x
Dividend Yield	NA
LTM EBITDA Margin	NA

EPS(\$ FY: December

		Prior	Curr.	Prior	Curr.
	2010A	2011E	2011E	2012E	2012E
1Q-Mar	(0.04)	--	(0.04)A	--	--
2Q-Jun	(0.04)	--	(0.03)E	--	--
3Q-Sep	(0.04)	--	(0.03)E	--	--
4Q-Dec	(0.04)	--	(0.03)E	--	--
FY	(0.16)	--	(0.12)E	--	0.15E
P/E	NM		NM		21.6x

Revenue(\$mm)

		Prior	Curr.	Prior	Curr.
	2010A	2011E	2011E	2012E	2012E
1Q-Mar	4.2	--	6.0A	--	--
2Q-Jun	4.9	--	6.5E	--	--
3Q-Sep	5.1	--	6.7E	--	--
4Q-Dec	5.5	--	6.9E	--	--
FY	19.6	--	26.0E	--	33.5E



Company Description:

Towerstream is a facilities-based telecommunications service provider addressing the needs of small businesses. Based in Middletown, Rhode Island, the company is leveraging the cost efficiencies of wireless networks based on the new WiMAX standard to serve its clients.

Towerstream Corporation

Rating: Sell

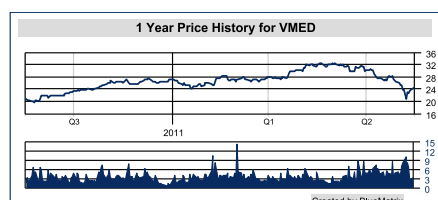
Dropping Coverage with Sell Rating and \$3 PT

Investment Highlights:

- Towerstream is expected to report June-quarter results today after the close of trading. We are projecting revenues and EPS of \$6.5 million and a loss of (\$0.03) compared with the previous quarter's \$6.0 million and a loss of (\$0.04) and the year-ago quarter's \$4.9 million and a loss of (\$0.04), respectively. The base business continues to grow organically and through acquisitions.
- We believe the WiFi off-load opportunity could add revenues to Towerstream once contracts are announced. However, given that there is no precedent as to how much it will add, or visibility into when such a contract will materialize, we continue to model just the existing business in our estimates.
- We are maintaining our 2011 and 2012 revenue and EPS estimates of \$26 million and a loss of (\$0.12) and \$33.5 million and positive \$0.15, respectively. Our price target of \$3.00 is based on approximately 15x our 2012 EPS estimate of \$0.15 plus current cash per share of \$0.52.
- We are dropping coverage of Towerstream as a result of reallocation of resources. As such, our Sell rating, price target, and estimates should not be relied upon going forward.
- Most Recent Quarter Results. For its first quarter ended March, Towerstream reported sales and EPS of \$6.0mm and a loss of (\$0.04), respectively. At the time the company reported 1Q11 results, it also announced the filing of a \$125mm shelf, which we believe was intended to be an event-driven source of capital should the company need to raise capital upon receiving a large Wi-Fi customer for its offloading network. Towerstream also reported the acquisition of One Velocity's assets in the Las Vegas and Reno areas. In addition, Towerstream reported further sequential improvement in adjusted EBITDA of \$736,000. This excluded Wi-Fi offload operating expenses and one-time M&A related expenses.

Key Metrics

VMED - NASDAQ	\$23.64
Pricing Date	Aug 12 2011 4:41PM
Price Target	NA
52-Week Range	\$33.32 - \$19.34
Shares Outstanding (mm)	313.2
Market Capitalization (\$mm)	\$7,405.0
3-Mo Average Daily Volume	4,411,605
Institutional Ownership	75%
Debt/Total Capital	74.3%
ROE	NM
Book Value/Share	\$3.56
Price/Book	6.6x
Dividend Yield	3.5%
LTM EBITDA Margin	32.30%



Company Description:

Virgin Media Inc. (www.virginmedia.com) is the largest cable television provider in the United Kingdom and one of the country's largest providers of broadband and communications services. The company provides residential broadband and dial-up Internet; telephony service, cable television service, and a suite of commercial voice services and Internet access, managed business communications networks, and communication transport services.

Virgin Media Inc.

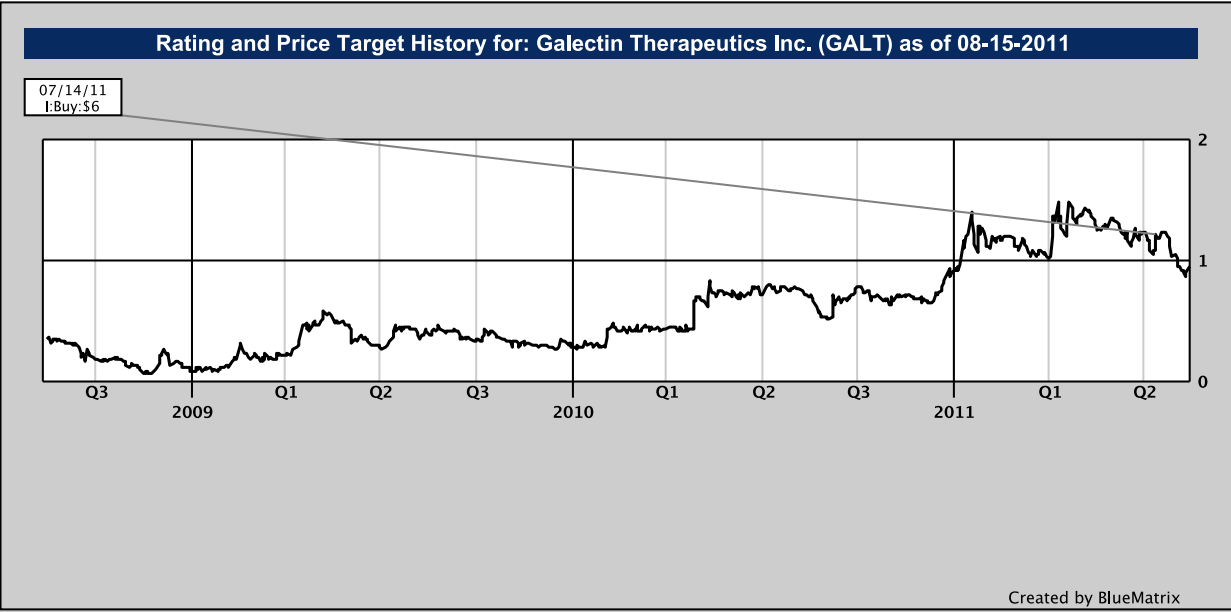
Rating: Hold

UKTV Transaction Consistent With Strategy To Shift Away From Content

Investment Highlights:

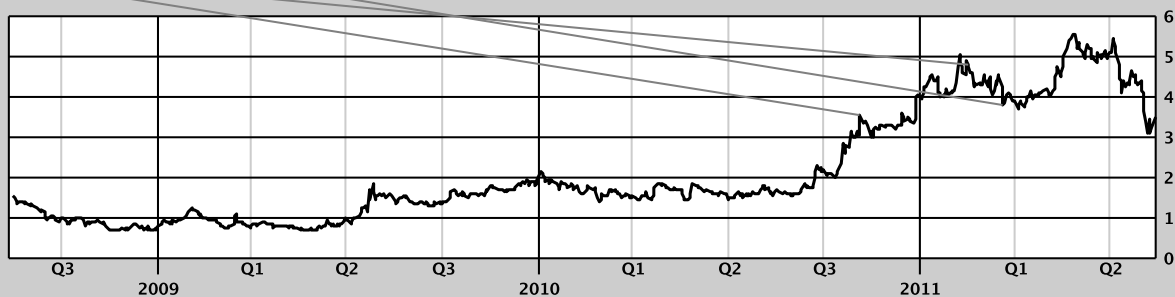
- Virgin Media Offloads Its Final Content Assets.** Today, the company agreed to sell the last remaining content assets—50% share of its joint venture with BBC, termed UKTV. For Virgin Media, the deal fits within its strategy of providing high-speed broadband and technology to access content, instead of producing content. The transaction is subject to regulatory approvals in the Republic of Ireland and Jersey.
- The Deal.** For £239mm, Virgin Media has agreed to sell its share of UKTV to Scripps Network Interactive Inc. Scripps will also pay approximately £100mm to acquire the outstanding preferred stock and debt owed by UKTV to Virgin Media. We estimate that Virgin Media is selling the stake at an attractive 14.9x multiple on 2010A net income. In 1H11, net income of UKTV declined by £2.8mm or 20.6% y/y, to £10.8mm. Related to the transaction, Scripps and UKTV's other owner, BBC, are negotiating an agreement in which BBC, through subsequent transactions, may increase its stake from the current 50% to a maximum 60%.
- Transaction Blueprints Opportunities For Further Deleveraging And Repurchasing.** In 2Q11, Virgin Media successfully completed its initial capital return program and subsequently announced a new capital return program consisting of up to £625mm for stock buybacks by the end of 2012, as well as an additional £225mm for other purposes. Proceeds from the transaction should, therefore, provide an additional source of cash for stock buyback purposes, as well as ease the company's burden of debt pile.
- A Focused Future.** Virgin Media will clearly focus on broadband, TV, mobile phone, and telephony, as well as providing business services. Performance in 2Q11 was disappointing, with net customer loss of 36k. However, roughly 29% of the churned customers were single-play. Compared to a year ago, quad-play penetration has increased to 12.6%, 11.5% higher than the level in 2Q10. Furthermore, the number of triple- and quad-play customers has increased 2.6% y/y, while the number of single- and dual-play customers has decreased 3.5% y/y. As more customers gravitate toward Virgin Media's multi-play offers, churn could drop and stabilize.

Required Disclosures



Rating and Price Target History for: Towerstream Corporation (TWER) as of 08-15-2011

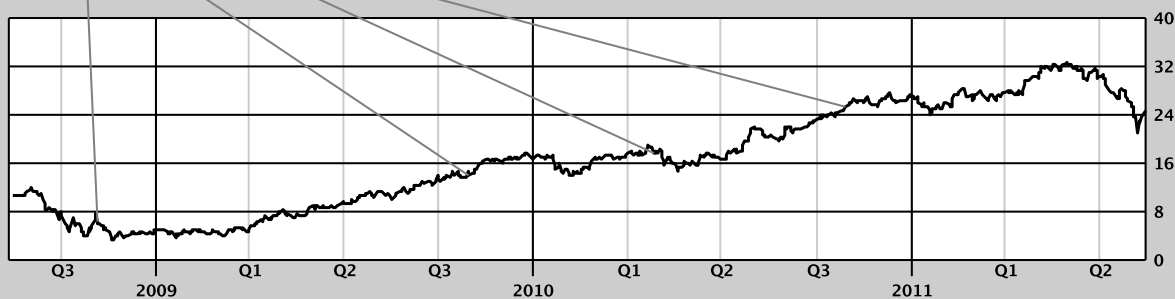
11/05/10 Buy:\$4.75	02/16/11 Hold:NA	03/22/11 Sell:\$3
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Created by BlueMatrix

Rating and Price Target History for: Virgin Media Inc. (VMED) as of 08-15-2011

11/05/08 Buy:\$15	10/30/09 Buy:\$18	04/27/10 Buy:\$22.5	10/28/10 Hold:NA
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Created by BlueMatrix

NeoStem, Inc.**Price Target**

Our price target is \$3.50.

Valuation

We use a sum-of-the-parts valuation to calculate the intrinsic value estimate for NeoStem and round off our estimate to derive our \$3.50 price target.

Risk Factors

- **Technology risk.** We believe usage of stem cell products beyond blood cancers has not been proven safe and effective in humans. There is significant risk with disparate technologies attempting to use stem cells in various regenerative, immunologic, metabolic, cardiovascular, and neurodegenerative areas.
- **Clinical risks.** Drugs in clinical trials may not advance because of inadequate safety, efficacy, or because a determination of efficacy or safety cannot be made.
- **Regulatory risks.** Drugs may not gain approval from U.S. and Chinese regulatory agencies. NeoStem could encounter significant regulatory risks in the developed countries due to the novel nature of stem cell therapy. In addition, it could face unknown regulatory risks in China.
- **Ethical concerns.** NeoStem could face ethical concerns surrounding stem cell therapy that may lead to significant delays due to prevalent social or political views.
- **Financial risks.** The company may need financing to sustain and grow its pipeline, which could be dilutive to current shareholders.
- **Competition.** We expect competition for NeoStem's products from many public and private companies developing pharmaceuticals.
- **Reimbursement risk.** Sales of NeoStem's products will likely be highly dependent on reimbursement from private insurers as well as government agencies. Success of an approved drug will depend on reimbursement, which can depend on the strength of clinical data.

Galectin Therapeutics Inc.**Price Target**

Our price target is \$6 per share.

Valuation

We calculate an intrinsic value of approximately \$6 per share for Galectin Therapeutics through our sum-of-parts methodology, in which we assign a per-share value to the company's liver fibrosis pipeline, oncology pipeline, and technology using an 89.5 million share count (in 2013), assuming meaningful dilution from current levels.

Risk Factors

Financial Risks. The company may need financing to sustain and grow its pipeline, which could be dilutive to current shareholders.

Clinical Risks. Drugs in pre-clinical and clinical trials may not advance because of inadequate safety, efficacy, or because a determination of efficacy or safety cannot be made.

Regulatory Risks. Drugs may not gain approval from regulatory agencies such as the FDA, EMEA, or INVIMA.

Competition. Although competition with galectin technologies is limited, We expect competition for Galectin Therapeutics' drugs from many public and private companies developing pharmaceuticals using disparate technologies.

Reimbursement Risk. Sales of Galectin therapeutics' drugs will likely be highly dependent on reimbursement from private insurers as well as government agencies. Success of an approved drug will depend on reimbursement, which can depend on the strength of clinical data.

Collaborative Risk. Galectin Therapeutics may have little or no control over partnered programs, and since interests of collaborative partners such as may not be aligned with those of the company's shareholders.

Towerstream Corporation

Price Target

Our price target is \$3.00.

Valuation

Our price target is based on approximately 15x our 2012 EPS estimate of \$0.15 plus current cash per share of \$0.52.

Risk Factors

- **Pricing risk.** Improving economic conditions may alleviate price pressures and drive ASPs higher than we expect and increase Towerstream's revenues.
- **Offloading opportunity could be greater than expected.** Towerstream's opportunities to help operators offload some of their network traffic onto the company's Wi-Fi networks may be larger than we anticipate, which could materially add to revenue.
- **External conditions within the telecom industry or the economy.** Obviously affected by the underlying environment, Towerstream could be positively affected by a significant and prolonged economic recovery.

I, David B. Kestenbaum, the author of this research report, certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers, and no part of my compensation was, is, or will be directly or indirectly tied to the specific recommendations or views contained in this research report.

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Morgan Joseph TriArtisan LLC has managed or co-managed a public offering of securities for ImmunoGen Inc. within the past 12 months.

Morgan Joseph TriArtisan LLC has received compensation for investment banking services from Neostem, Inc. within the past 12 months.

Morgan Joseph TriArtisan LLC makes a market in the shares of IMGN.

Morgan Joseph TriArtisan LLC makes a market in the shares of TWER.

Morgan Joseph TriArtisan LLC has managed or co-managed a public offering of securities for Neostem, Inc. within the past 12 months.

Rating	Investment Banking Services/Past 12 Mos.	
	Percent	Percent
BUY [B]	67.80	13.75
HOLD [H]	31.40	2.70
SELL [S]	0.80	0.00

Meaning of Ratings

- A) A Buy rating is assigned when we do not believe the stock price adequately reflects a company's prospects over 12-18 months.
- B) A Hold rating is assigned when we believe the stock price adequately reflects a company's prospects over 12-18 months.
- C) A Sell rating is assigned when we believe the stock price more than adequately reflects a company's prospects over 12-18 months.

Other Disclosures

The information contained herein is based upon sources believed to be reliable but is not guaranteed by us and is not considered to be all inclusive. It is not to be construed as an offer or the solicitation of an offer to sell or buy the securities mentioned herein. Morgan Joseph TriArtisan LLC, its affiliates, shareholders, officers, staff, and/or members of their families, may have a position in the securities mentioned herein, and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the Firm from time to time in the open market or otherwise. Opinions expressed are our present opinions only and are subject to change without notice. Morgan Joseph TriArtisan LLC is under no obligation to provide updates to the opinions or information provided herein. Additional information is available upon request.

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