

Monday, November 12, 2012

# Intercept Pharmaceuticals (Outperform)

(ICPT-NASDAQ)

## Significant Progress for OCA Beyond Initial Orphan Indication of PBC

### Flash:

Intercept Pharmaceuticals (ICPT) had updated data presented today at the AASLD Liver meeting in Boston for bile acid analog OCA in patients with portal hypertension. Initial results of the phase 2 proof-of-concept study suggest that 6/8 patients treated with OCA and evaluable for response demonstrated reductions in hepatic venous pressure gradient (HVPG) with 5/8 patients meeting the primary endpoint of HVPG reduction to <12mmHg or ≥15% reduction from baseline. In the 6 of 8 patients responding to OCA, the mean reduction in HVPG was 24mmHg. Importantly, no reduction in mean arterial pressure (MAP) was seen, and in fact, MAP actually increased slightly with OCA treatment.

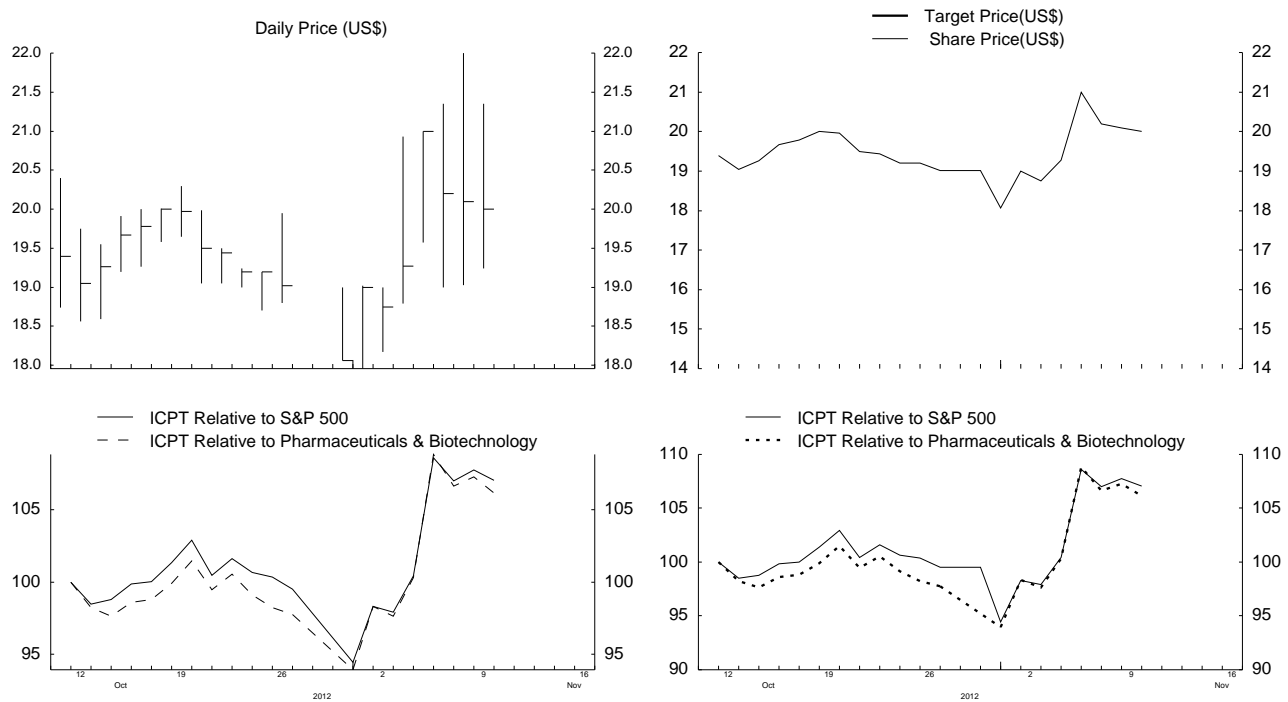
### Our View:

- \* OCA has demonstrated strong proof-of-concept for a liver selective reduction in portal hypertension, which could provide an incremental opportunity in patients with liver cirrhosis.
- \* With no established standard of care and with mixed results for off-label beta blocker use, where response rates vary from 25% to 30% and where reductions in MAP limit dosing, we believe that OCA could emerge as a standard of care in preventing complications of portal hypertension, like esophageal bleeding.
- \* While the focus will inevitably remain on progress with the phase 3 trial of OCA in primary biliary cirrhosis (PBC) we are encouraged by progress in broader liver diseases, including the announcement today of completion of enrollment in the FLINT phase 2b study of OCA for non-alcoholic steatohepatitis (NASH).

<b>Company:</b>	Intercept Pharmaceuticals (ICPT)
<b>Price/Rating/Target:</b>	\$20.21/Outperform/\$31.00
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Please refer to pages 2 to 5 for Disclosure Statements, including the Analyst's Certification.

## Intercept Pharmaceuticals (ICPT)



ICPT - Rating as of 22-Oct-12 = NR

Last Daily Data Point: November 9, 2012

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Hold	Market Perform	58.5%	7.9%	39.1%	56.4%	48.5%	40.3%
Sell	Underperform	3.1%	11.8%	3.1%	4.6%	2.0%	5.3%

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Mkt = Market Perform - Forecast to perform roughly in line with the market;

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(S) = speculative investment;

NR = No rating at this time;

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