

## Five Prime Therapeutics (FPRX : US\$11.82)

### Five Prime Therapeutics tumbles 22.9% in third quarter, underperforming 85% of the market

Five Prime Therapeutics Inc, NASDAQ's 34th largest medical company by market cap, tumbled US\$3.52 (or 22.9%) in the quarter ended September 30 to close at US\$11.82. This loss means the stock has underperformed 85% of NASDAQ-listed stocks in quarter ended September 30. The volume in the quarter was 0.8 times the average trading of 148,400 shares. Compared with the NASDAQ-100 Index which rose 150.2 points (or 3.8%), this represents a relative price change of -26.8%. In the third quarter the market cap declined US\$55.7 million.

## Introduction

**We are currently bearish on this stock, both in the short-term based on technical indicators, as well as in the long-term based on fundamental metrics**

**What makes us most bearish on the stock is the following:**

- Its Moving Average Convergence Divergence indicators are falling, with its 12-day EMA lower than its 26-day EMA.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 3.1. Compared with the rest of the market the stock is overvalued and ranks in the bottom quartile of stocks by value of Q Ratio.
- The price to 200-day MAP ratio is 0.82, a bearish indicator.
- In the last three months the number of falls outnumbered rises 30:18 or 1.67:1.

**However, there are some reasons why some in the market are more bullish on the stock:**

- The Price to Book of 4.4 lower than average of 7.9 for the Medical sector and 6.6 for the Total NASDAQ Market.

## Stock Summary

|                                 |                   |
|---------------------------------|-------------------|
| <b>Sector</b>                   | Medical           |
| <b>Market Cap</b>               | US\$252.4 million |
| <b>Shares Outstanding</b>       | 21,357,363        |
| <b>ISIN</b>                     | US33830X1046      |
| <b>Relative Strength (3 mo)</b> | 15                |

## MCap: A Historical Perspective

|      | Share Price (USD) | Market Cap (US\$) |
|------|-------------------|-------------------|
| Last | 11.8              | 252.4 million     |

# Analysis

## Bearish Signals

- Falls to Rises: In the last three months the number of falls outnumbered rises 30:18 or 1.67:1.
- In the last 8 trading sessions there has been a net decline of 0.17%; the stock has retreated twelve times and the biggest one day decline was 4.4% on Sep 19.
- In the NASDAQ market of 2,413 stocks traded today, the stock has a 6-month relative strength of 10 indicating it is trailing 90.0% of the market.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 11.96 minus the 26-day EMA of 12.01 is negative suggesting a bearish signal. Both the 12-day EMA as well as the 26-day EMA are falling, another bearish signal.
- The price to 200-day MAP ratio is 0.82, a bearish indicator. The 200-day MAP has decreased to US\$14.41. A decrease is another bearish indicator.
- The current short volume is 1.1 times its own historical average of 0.4%. It increased 0.7% from the previous day, jumped 8.5% from a week ago and jumped 7.5% from a month ago, a significant bearish indicator.

## Overvaluation:

- Price/Sales of 16.01 versus sector average of 2.5 and market average of 2.3.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 3.1. Compared with the rest of the market the stock is overvalued and ranks in the bottom quartile of stocks by value of Q Ratio.

## Other Bearish Signals:

The stock has a score of merely 1 out of 9 set by Joseph Piotroski [pass mark >=5]:

Improvement in current ratio from 3 to 5.6.

## Bearish Indicators and Rank in Market:

| Description            | Value            | Rank In Market     |
|------------------------|------------------|--------------------|
| Price/MAP200           | 0.82             | In Bottom Quartile |
| Price Change %         | -1.9             | In Bottom Quartile |
| %Prem To Vol Wtd Price | 0.3              | In Bottom Quartile |
| Annual Revenue         | US\$15.8 million | In Bottom Quartile |
| Relative Strength (6M) | 10               | In Bottom 9%       |
| Price/MAP50            | 0.48             | In Bottom 3%       |
| Price to Sales         | 16               | In Bottom 1%       |

## Note

- The price is equal to its 1-month volume weighted average price of US\$11.79.

## Neutral Indicators and Rank in Market:

| Description         | Value             | Rank In Market  |
|---------------------|-------------------|-----------------|
| Turnover in Quarter | US\$102.6 million | In 3rd Quartile |
| MCap                | US\$252.4 million | In 3rd Quartile |

## Bullish Signals:

- The Price/MAP of 0.82 for FPRX is higher than the Price/MAP for the NASDAQ-100 Index of 0.3.

## Undervaluation:

- The Price to Book of 4.4 lower than average of 7.9 for the Medical sector and 6.6 for the Total NASDAQ Market.

## Other Bullish Signals:

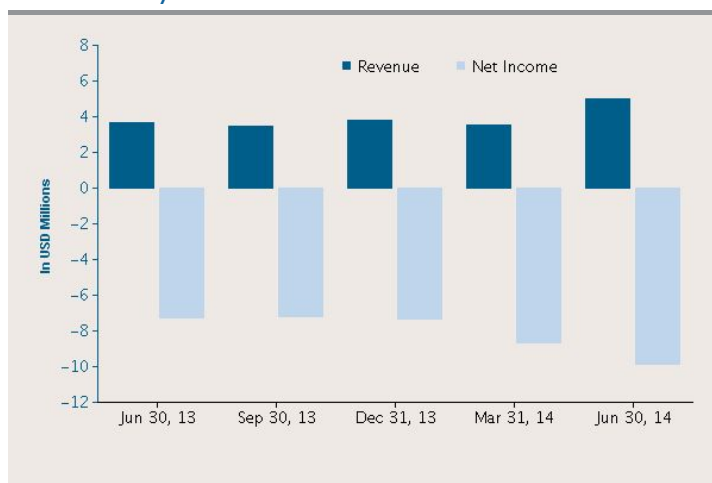
- Net Profit margin is negative but improving in recent quarters.

## Quarterly Trend:

[Quarter ended, all figures in %]:

| Qtr    | Revenue Growth | Net Profit Margin |
|--------|----------------|-------------------|
| Jun 14 | 41.1           | -198.1            |
| Mar 14 | -              | -243.8            |

## Quarterly Revenue & Net Income



- Net Profit margin is negative but improving in recent years.

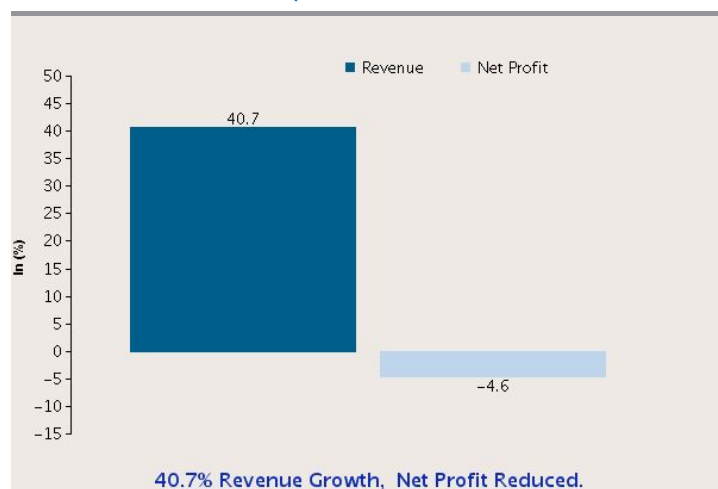
## Analysis (continued)

### Annual Trend:

[Year ended, all figures in %]:

| Year   | Net Profit Margin |
|--------|-------------------|
| Dec 13 | -201.3            |
| Dec 12 | -270.8            |

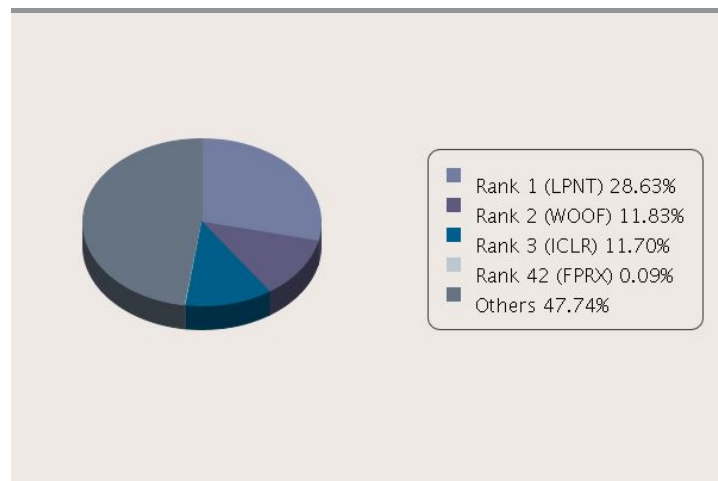
### % Growth Y.O.Y, Revenue & Net Profit



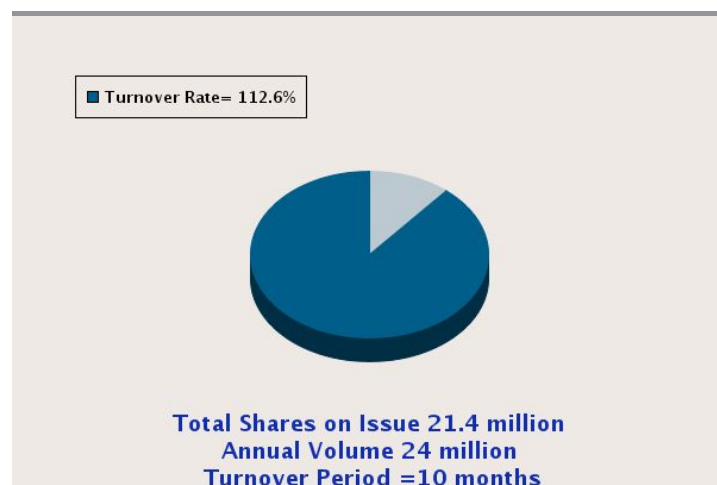
Also, the following criteria set by Benjamin Graham:

- "Current ratio of two or more"; current assets are 5.6 times current liabilities.

### Revenue Share Medical



### Turnover Rate & Turnover Period



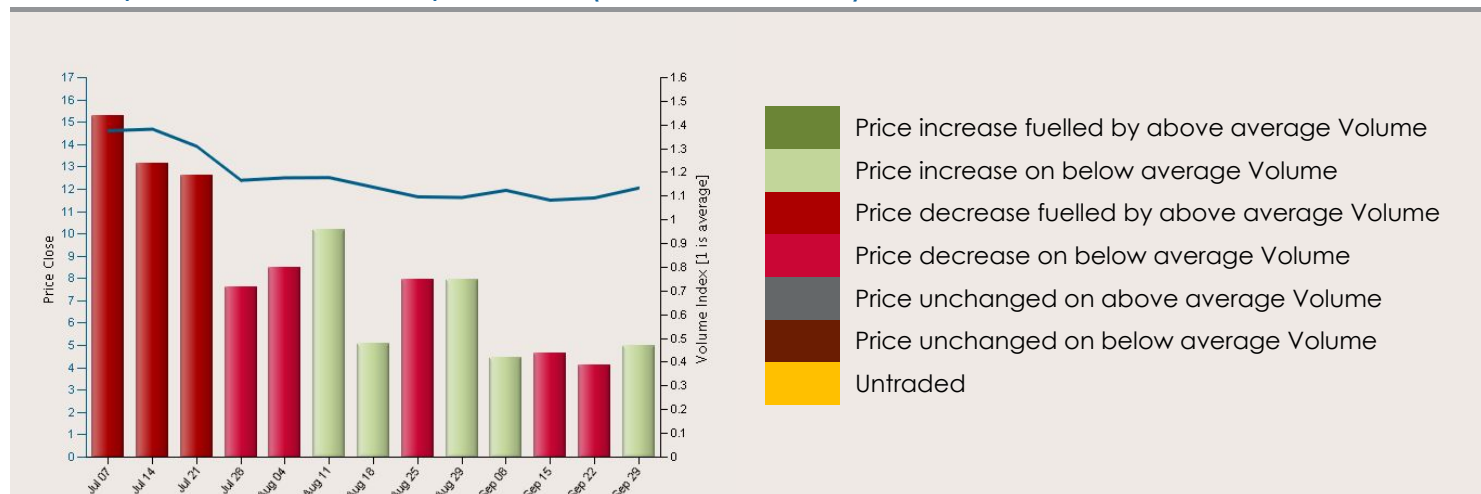
### Trailing 3 months

|                         |                   |
|-------------------------|-------------------|
| Turnover                | US\$102.6 million |
| Volume                  | 7,827,521         |
| Volume Index (1 is avg) | 0.8               |

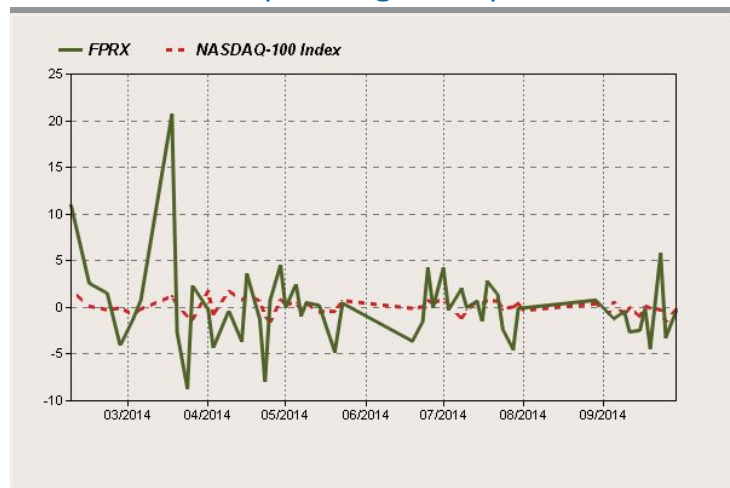
## Price Volume Trend: Trailing Quarter



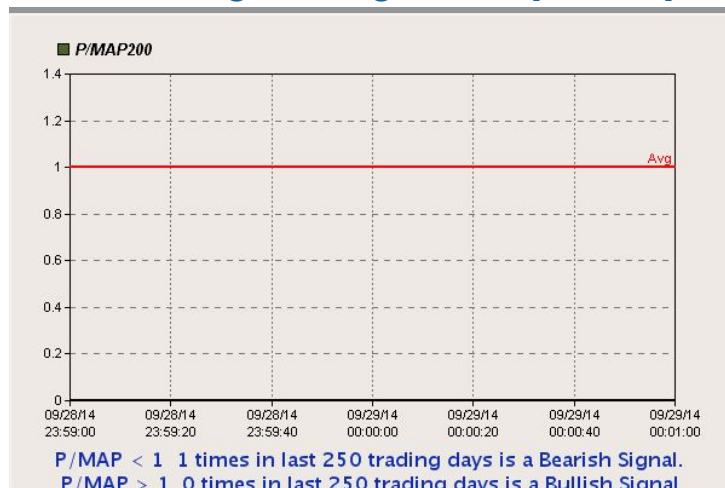
## Weekly Price Volume Dynamics (Last 12 Weeks)



## Stock v Index (Trailing Year)



## Price/Moving Average Price [P/MAP]



## Peer Group Analysis

[Sector sorting](#)

| Name                         | Last Price | Relative strength (6-months) | MCap () | PV \$1000 (1 yr) | Revenue () | Net Profit () | Total Assets () |
|------------------------------|------------|------------------------------|---------|------------------|------------|---------------|-----------------|
| Nature's Sunshine Products   | 15.1       | 84                           | 288.3M  | 787              | 376.5M     | 19.6M         | 199.6M          |
| Five Prime Therapeutics      | 11.8       | 10                           | 252.4M  | 0                | 15.8M      | -33,060,000   | 81.8M           |
| Alliance HealthCare Services | 22.5       | 13                           | 239.5M  | 0                | 440.7M     | -1,385,000    | 489.8M          |

## Recent Analyst Recommendations

| Date        | Brokerage  | Action             | Past Rating | Current Rating | Prev Target | Price Target |
|-------------|------------|--------------------|-------------|----------------|-------------|--------------|
| 06-Aug-2014 | Guggenheim | Lower Price Target | -           | -              | 28          | 27           |

# Company Overview

## Regulatory Announcements

To view Recent Company Headlines, [click here](#)

September 17: Five Prime Therapeutics Appoints Dr. Robert Sikorski as Vice President of Global Clinical Development

September 03: Five Prime Therapeutics to Present at Morgan Stanley 2014 Global Healthcare Conference

July 29: Five Prime Therapeutics to Announce Second Quarter Financial Results and Host Conference Call on August 5, 2014

June 11: Five Prime Therapeutics to Present at 2014 Wells Fargo Healthcare Conference

May 28: Five Prime Therapeutics to Present at Jefferies 2014 Global Healthcare Conference

May 20: Five Prime Therapeutics: Submission of Matters to a Vote of Security Holders

May 08: Five Prime Therapeutics Announces First Quarter 2014 Financial Results

To view 8-K people news for Five-Prime-Therapeutics,

[click here](#)

May 20: Five Prime Therapeutics Elects 3 Directors

To view 8-K other news for Five-Prime-Therapeutics,

[click here](#)

August 05: Five Prime Therapeutics: Results of Operations and Financial Condition

March 25: Five Prime Therapeutics: Results of Operations and Financial Condition

March 19: Five Prime Therapeutics: Entry into a Material Definitive Agreement

March 14: Five Prime Therapeutics: Regulation FD Disclosure

## Issued Capital

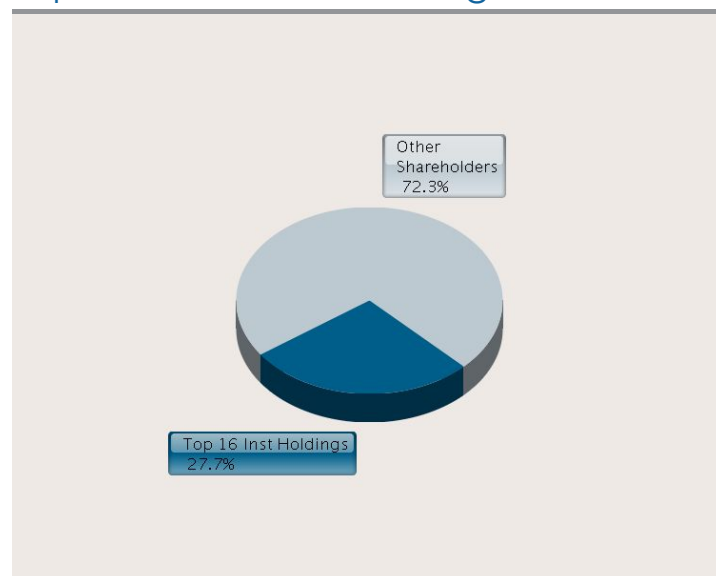
Based on 21,357,363 issued equity shares the market capitalisation is US\$252.4 million. It is NASDAQ's 42nd largest Medical company by total revenue.

The top sixteen shareholders hold 27.7% of the issued capital leaving a float of 72.3%.

## Top 10 Shareholders

| Name of Shareholder                 | No. of Shares    | % Held       |
|-------------------------------------|------------------|--------------|
| Wellington Management Co Llp        | 1,860,963        | 8.71         |
| Orbimed Advisors Llc                | 1,075,400        | 5.04         |
| Eventide Asset Management Llc       | 513,200          | 2.4          |
| Putnam Investments Llc              | 447,572          | 2.1          |
| Healthcor Management L.P.           | 416,944          | 1.95         |
| Millennium Management Llc           | 307,482          | 1.44         |
| Marxe Austin W & Greenhouse David M | 300,000          | 1.4          |
| Vanguard Group Inc                  | 231,651          | 1.08         |
| Blackrock Fund Advisors             | 192,291          | 0.9          |
| Wells Fargo & Company/Mn            | 153,796          | 0.72         |
| <b>Total</b>                        | <b>5,499,299</b> | <b>25.75</b> |

## Top 16 Institutional Holdings





## Board and Management

### Lewis T. "Rusty" Williams CEO & President & Director



Dr. Williams founded the company in December 2001 and has served as a member of our board of directors since January 2002, as our President and Chief Executive Officer since August 2011, and as our Executive Chairman from July 2003 to January 2012. Previously, Dr. Williams spent seven years at Chiron Corporation, a biopharmaceutical company, now Novartis Vaccines and Diagnostics, Inc., most recently as its Chief Scientific Officer. He also served on Chiron's board of directors from 1999 to 2001. Prior to joining Chiron, Dr. Williams was a professor of medicine at the University of California, San Francisco and served as director of the University's Cardiovascular Research Institution and Daiichi Research Center.

### Brian G. Atwood Chairman

Mr. Atwood has served as a member of our board of directors since May 2002 and as chairman of the board since January 2012. Since 1999, Mr. Atwood has served as Managing Director of Versant Ventures, a healthcare-focused venture capital firm he co-founded. Prior to co-founding Versant Ventures, Mr. Atwood spent four years at Brentwood Associates, a venture capital firm, where, as a general partner, he led investments in biotechnology, pharmaceuticals and bioinformatics. Mr. Atwood was also the founder, President and Chief Executive Officer of Glycomed, Inc., a public biotechnology company. Mr. Atwood currently serves on the boards of directors of Cadence Pharmaceuticals, Inc., and Clovis Oncology, Inc., each of which is a public biopharmaceutical company. Mr. Atwood was previously a member of the board of directors of Helicos BioSciences Corporation and Pharmion Corporation, both of which were public companies during Mr. Atwood's service as a director. Mr. Atwood received a B.S. in Biological Sciences from the University of California, Irvine, an M.S. in Ecology from the University of California, Davis, and an M.B.A. from Harvard Business School.

### Marc Belsky CFO & Senior Vice President



Mr. Belsky has served as our Vice President and Chief Financial Officer since October 2013. From October 2009 to October 2013 he served as our Vice President, Finance. From December 2006 to October 2009, Mr. Belsky served as Vice President, Finance, and Chief Accounting Officer of Cell Genesys, Inc., a biotechnology company acquired by BioSante Pharmaceuticals, Inc. Prior to 2006, Mr. Belsky served as Vice President, Global Visa Commerce at Visa Inc., Chief Financial Officer at Active Aero Group, Inc. and Chief Financial Officer at DataWave Systems Inc. Prior to these positions, he served for 15 years at Michigan National Corporation, a holding company for Michigan National Bank which was acquired by BANA Holding Corporation, in positions of increasing responsibility, most recently as Senior Vice President, U.S. Payment Products and Services. Mr. Belsky started his career as an auditor with Coopers & Lybrand. Mr. Belsky received a B.S. in Accounting from Wayne State University and an M.B.A. from University of Michigan. He is a certified public accountant, a chartered global management accountant and a certified treasury professional.

## Board and Management (continued)

### Mark D. McDade Director

Mr. McDade has served as a member of our board of directors since July 2006. Mr. McDade currently serves as Executive Vice President, Established Brands, Solutions and Supply, at UCB S.A., which he joined in April 2008. UCB is a global biopharmaceutical company focused on the discovery and development of innovative medicines. Mr. McDade previously served as Chief Executive Officer and a member of the board of directors of PDL BioPharma, Inc., a biotechnology company, and as Chief Executive Officer of Signature BioScience, Inc., a drug discovery company focused on developing treatments and leads for cancer and other diseases. Mr. McDade also served as an officer and a director of Corixa Corporation, a company he co-founded, which focused on developing innovative products that regulate immunity. At Corixa, he most recently served as its President and Chief Operating Officer. Mr. McDade received a B.A. from Dartmouth College and an M.B.A. from Harvard Business School.

### Franklin M. Berger Director

Mr. Berger has served as a member of our board of directors since September 2010. Mr. Berger is a consultant to biotechnology industry participants, including major biopharmaceutical firms, mid-capitalization biotechnology companies, specialist asset managers and venture capital companies, providing business development, strategic advisory, financing, partnering, and royalty acquisition advice. Mr. Berger is also a biotechnology industry analyst with over 25 years of experience in capital markets and financial analysis. Mr. Berger worked at Sectoral Asset Management as a founder of the small-cap focused NEMO Fund from 2007 through June 2008. From May 1998 to March 2003, he served at J.P. Morgan Securities, most recently as Managing Director, Equity Research and Senior Biotechnology Analyst. In this position, he initiated coverage of 26 biotechnology companies and was responsible for technical, scientific and clinical due diligence as well as company selection. Previously, Mr. Berger served in similar capacities at Salomon Smith Barney and Josephthal & Co. Mr. Berger also serves on the boards of directors of BELLUS Health, Inc., BioTime, Inc., Seattle Genetics, Inc. and Thallion Pharmaceuticals, Inc., each of which is a public biotechnology company. Mr. Berger previously served as a member of the board of directors of Isotechnika Pharma Inc., a public biopharmaceutical company, and Emisphere Technologies, Inc. and VaxGen, Inc., each of which were public biopharmaceutical companies during Mr. Berger's service as a director. Mr. Berger received a B.A. in International Relations and an M.A. in International Economics both from Johns Hopkins University and an M.B.A. from the Harvard Business School.

### Peder K. Jensen Director

Dr. Jensen has served as a member of our board of directors since July 2011. Dr. Jensen is currently President of Bay Way Consultants, LLC, a consulting firm founded by Dr. Jensen in 2010 that advises pharmaceutical and biotechnology companies. Dr. Jensen has over 24 years of global drug development experience in both pharmaceutical and biotechnology companies and has been responsible for more than 40 new drug approvals in the U.S., Europe and Japan during his career. Dr. Jensen's experience includes over 20 years with Schering-Plough Corporation, a global pharmaceutical company, and then Merck & Co., Inc. after the merger of Schering-Plough with Merck in 2009. Dr. Jensen most recently served at Schering-Plough as Corporate Senior Vice President, and General Manager, R&D for Japan and Asia/Pacific from 2006 to 2010. Dr. Jensen has also served at British Biotech plc and Chiron Corporation in clinical development executive positions and earlier in his career at CIBA-GEIGY Limited. Dr. Jensen is also a member of the board of directors of Acorda Therapeutics, Inc., a public biotechnology company, and BioCryst Pharmaceuticals, Inc., a public pharmaceutical company. Dr. Jensen received an M.D. degree from the University of Copenhagen, where he also completed his post-graduate medical training in neurology and internal medicine.



## Board and Management (continued)

### Fred E. Cohen Director

Dr. Cohen has served as a member of our board of directors since May 2002. Dr. Cohen currently serves as a Partner and Managing Director of TPG Biotechnology Partners, L.P., which he joined in 2001, and serves as co-head of TPG's biotechnology group. Dr. Cohen is also an Adjunct Professor of Cellular and Molecular Pharmacology at University of California, San Francisco, where he has taught since 1988. Dr. Cohen is a member of the boards of directors of BioCryst Pharmaceuticals, Inc., Genomic Health, Inc., Quintiles Transnational Holdings, Inc., Tandem Diabetes Care, Inc., and Veracyte, Inc., each of which is a public company. He is a member of the Institute of Medicine and the American Academy of Arts and Sciences. Dr. Cohen received a B.S. degree in Molecular Biophysics and Biochemistry from Yale University, a D.Phil. degree in Molecular Biophysics from Oxford University, where he was a Rhodes Scholar, and an M.D. degree from Stanford University.

### R. Lee Douglas Director

Mr. Douglas has served as a member of our board of directors since January 2002. Since 1998, Mr. Douglas has been an independent consultant to biotechnology companies. Since 2003, he also has been a visiting scholar in the laboratory of Dr. Matthew Welch, Department of Molecular & Cell Biology at the University of California, Berkeley. Mr. Douglas was a co-founder of COR Therapeutics, Inc., a biotechnology company, and served in a variety of capacities there from 1988 to 1998, including as its Chief Executive Officer, Chief Financial Officer and Vice President, Corporate Development. Prior to co-founding COR, he was a general partner in the venture group at Robertson, Stephens & Co. Mr. Douglas was previously a member of the board of directors of Affymax, Inc., which is a public biotechnology company. Mr. Douglas received a B.A. from University of North Carolina at Charlotte, an MCRP from the Harvard Graduate School of Design and an M.B.A. from Harvard Business School.

### Aron Knickerbocker Director & Senior Vice President



Mr. Knickerbocker has served as our Senior Vice President and Chief Business Officer since April 2012 and as a member of our board of directors since October 2013. From September 2009 to April 2012, he served as our Vice President, Business Development. From 2001 to September 2009, Mr. Knickerbocker served at Genentech, Inc. in positions of increasing responsibility most recently as Senior Director, Business Development from 2005 to September 2009. Prior to 2001, Mr. Knickerbocker served as Director of Commercial Development at ALZA Corporation, a pharmaceutical company acquired by Johnson & Johnson, as Senior Manager, Corporate Development at Amgen Inc., a public biotechnology company and as a scientist at Bristol-Myers Squibb Company, a public biopharmaceutical company. Mr. Knickerbocker received an A.B. in biology from Washington University in St. Louis and an M.B.A. from the University of Michigan.

## Board and Management (continued)

**Julie Hambleton**  
Senior Vice President



Dr. Hambleton has served as our Senior Vice President and Chief Medical Officer since December 2012. From April 2010 to December 2012, Dr. Hambleton served as Vice President, Clinical Development, at Clovis Oncology, Inc., a public biopharmaceutical company. From 2003 to April 2010, Dr. Hambleton served at Genentech, Inc., a biotechnology company acquired by Hoffman-LaRoche AG, in positions of increasing responsibility, most recently as Group Medical Director, Global Clinical Development from July 2009 to April 2010. Prior to 2003, Dr. Hambleton served for 10 years in academic positions in the Division of Hematology/Oncology at the University of California, San Francisco, most recently as Associate Professor of Clinical Medicine. Dr. Hambleton received a B.S. from Duke University and an M.D. from Case Western Reserve University School of Medicine. She is Board Certified in Hematology and Internal Medicine.

**Francis Sarena**  
Senior Vice President



Mr. Sarena has served as our Senior Vice President since January 2013, and as General Counsel and Secretary since December 2010. Mr. Sarena also served as Vice President from December 2010 to January 2013. From December 2008 to July 2010, Mr. Sarena served as Vice President, General Counsel and Secretary of Facet Biotech Corporation, a public biotechnology company that was spun off from PDL BioPharma, Inc. and was later acquired by Abbott Laboratories. From April 2006 to December 2008, Mr. Sarena served at PDL BioPharma, Inc. in positions of increasing responsibility, most recently as Vice President, General Counsel and Secretary from June 2008 to December 2008. Prior to 2006, Mr. Sarena served as an associate at Bingham McCutchen LLP where he represented public and private life science and high tech clients primarily in merger and acquisition transactions, corporate and securities law matters and equity financing transactions. Mr. Sarena received a B.S. in Finance from San Francisco State University and a J.D. from University of California, Berkeley.

**W. Michael Kavanaugh**  
Senior Vice President



Dr. Kavanaugh has served as our Senior Vice President and Chief Scientific Officer since January 2013. From February 2009 to January 2013, Dr. Kavanaugh served as our Senior Vice President, Research and Development. Previously, Dr. Kavanaugh served at Novartis Vaccines and Diagnostics, Inc., a healthcare company, in positions of increasing responsibility, most recently as Vice President of Novartis Vaccines & Diagnostics, Inc. and Executive Director of Novartis Institutes of Biomedical Research from 2006 to February 2009. Novartis Vaccines and Diagnostics, Inc. was formerly known as Chiron Corporation before its acquisition in 2006. Dr. Kavanaugh also currently serves as an Attending Staff Physician, Coronary Intensive Care Unit at the San Francisco Veterans Administration Medical Center and as an Associate Clinical Professor of Medicine at the University of California, San Francisco. Dr. Kavanaugh received a B.S. in Molecular Biochemistry and Biophysics from Yale University and an M.D. from Vanderbilt University. He trained in Internal Medicine, Cardiovascular Disease and Molecular and Cellular Biology at the University of California, San Francisco and the Cardiovascular Research Institute. He is Board Certified in Cardiovascular Disease and Internal Medicine.

# Financial Results (Half Year)

30 June, 2014

## INCOME STATEMENT

| Currency in Thousand of USD  | 2014-06-30 | 2013-06-30 | Change %           |
|--|------------|------------|--------------------|
| Collaboration revenue  | 8,527      | 6,524      | Up 30.7            |
| Operating expenses:  |            |            |                    |
| Research and development   | 20,799     | 16,515     | Up 25.9            |
| General and administrative   | 6,304      | 4,778      | Up 31.9            |
| Total operating expenses   | 27,103     | 21,293     | Up 27.3            |
| Loss from operations   | -18,576    | -14,769    | Deterioration 25.8 |
| Interest income  | 91         | 28         | Up 225.0           |
| Other income (expense), net  | -25        | 420        | Deterioration      |
| Net loss   | -18,510    | -14,321    | Deterioration 29.3 |
| Basic and diluted net loss per common share                        | -92.0c     | -1,155.0c  | Reduced 92.0       |
| Shares used to compute basic and diluted net loss per common share | 20,160,000 | 1,240,000  | Up 1,525.8         |

## BALANCE SHEET

| Currency in Thousand of USD            | 2014-06-30 | 2013-12-31 | Change %  |
|--|------------|------------|-----------|
| Assets                                 |            |            |           |
| Current assets:                        |            |            |           |
| Cash and cash equivalents              | 13,059     | 8,161      | Up 60.0   |
| Marketable securities                  | 127,522    | 67,561     | Up 88.8   |
| Receivable from collaborative partners | 177        | 296        | Down 40.2 |
| Prepaid and other current assets       | 1,257      | 1,640      | Down 23.4 |
| Total current assets                   | 142,015    | 77,658     | Up 82.9   |
| Property and equipment, net            | 3,957      | 3,744      | Up 5.7    |
| Other long-term assets                 | 442        | 389        | Up 13.6   |
| Total assets                           | 146,414    | 81,791     | Up 79.0   |
| Liabilities and stockholders' equity   |            |            |           |
| Current liabilities:                   |            |            |           |
| Accounts payable                       | 767        | 348        | Up 120.4  |
| Accrued personnel-related expenses     | 2,319      | 2,957      | Down 21.6 |
| Other accrued liabilities              | 4,834      | 2,056      | Up 135.1  |
| Deferred revenue, current portion      | 11,647     | 7,913      | Up 47.2   |
| Deferred rent, current portion         | 590        | 549        | Up 7.5    |
| Total current liabilities              | 20,157     | 13,823     | Up 45.8   |
| Deferred revenue, long-term portion    | 22,961     | 7,123      | Up 222.4  |
| Deferred rent, long-term portion       | 1,830      | 2,146      | Down 14.7 |
| Other long-term liabilities            | 560        | 673        | Down 16.8 |
| Commitments                            |            |            |           |
| Stockholders' equity:                  |            |            |           |
| Common stock                           | 21         | 17         | Up 23.5   |

## Financial Results (Half Year) (continued)

30 June, 2014

|  |          |          |                    |
|--|----------|----------|--------------------|
| Preferred stock                            |          |          |                    |
| Additional paid-in capital                 | 270,928  | 209,580  | Up 29.3            |
| Accumulated other comprehensive income     | 41       | 3        | Up 1,266.7         |
| Accumulated deficit                        | -170,084 | -151,574 | Deterioration 12.2 |
| Total stockholders' equity                 | 100,906  | 58,026   | Up 73.9            |
| Total liabilities and stockholders' equity | 146,414  | 81,791   | Up 79.0            |

### PERFORMANCE RATIOS

|                     | 2014-06-30 | 2013-06-30 | Change %     |
|---------------------|------------|------------|--------------|
| Return on Equity(%) | -18.34     | -24.68     | Reduced 25.7 |
| Return on Assets(%) | -12.64     | -17.51     | Reduced 27.8 |

### PER SHARE FIGURES

|     | 2014-06-30 | 2013-06-30 | Change %     |
|-----|------------|------------|--------------|
| EPS | -92.0c     | -1,155.0c  | Reduced 92.0 |

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