BIND Therapeutics (BIND)

Rating	**OUTPERFORM* [V]**
Price (14 Jul 14, US$)	11.33
Target price (US$)	20.00[1]
52-week price range	15.40 - 8.06
Market cap. (US$ m)	186.37
Enterprise value (US$ m)	74.88

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.
[V] = Stock considered volatile (see Disclosure Appendix).

Research Analysts
Jason Kantor, PhD
415 249 7942
jason.kantor@credit-suisse.com
Jeremiah Shepard, PhD
415 249 7933
jeremiah.shepard@credit-suisse.com
Ravi Mehrotra PhD
212 325 3487
ravi.mehrotra@credit-suisse.com
Lee Kalowski
212 325 9683
lee.kalowski@credit-suisse.com
Koon Ching PhD
212 325 6286
koon.ching@credit-suisse.com
Anuj Shah
212 325 6931
anuj.shah@credit-suisse.com

SMALL & MID CAP RESEARCH

Update on the "Class of 2013" Part 5

We are revisiting the names in our coverage that went public last year and assessing their accomplishments and upcoming catalysts. Prior notes in this series include: PTCT, XNCR, ESPR and PTLA.

BIND went public in September 2013 with plans to advance its proprietary nanoparticle enabled cancer drug, BIND-014, through two Phase II trials in prostate cancer and non-small cell lung cancer, and to develop its technology for additional payloads for both its internal pipeline and corporate partners.

- **Programs on track with original timelines:** Since its IPO, BIND has (1) completed enrollment in the Q3W Phase II studies for both prostate and lung cancer, (2) initiated the weekly dosing cohort of the Phase II lung cancer trial, (3) initiated a new trial in KRAS mutant lung cancer following potentially positive interim data from the first stage of its lung cancer trial, and (4) signed a partnership with Roche for its Accurin nanoparticle technology. On the negative side, its partner AMGN decided not to move forward with an undisclosed Accurin drug candidate.
- **Upcoming catalysts:** BIND anticipates releasing initial tumor response results from its two Phase II trials in prostate and lung cancer in H2:14. A more specific update on the timing is likely on its next earnings call. More mature PFS and OS results are likely to follow at a subsequent medical meeting. BIND also hopes to initiate a Phase II trial in Q4:14 with multiple tumor-specific cohorts in bladder, cervical, neuroendocrine, and cholangio carcinoma.

Financial and valuation metrics

Year	12/13A	12/14E	12/15E	12/16E
EPS (CS adj.) (US$)	-5.28	-2.03	-0.22	-2.05
Prev. EPS (US$)	—	—	—	—
P/E (x)	-2.1	-5.6	-52.2	-5.5
P/E rel. (%)	-11.9	-33.7	-350.4	-41.1
Revenue (US$ m)	10.9	9.0	67.4	19.2
EBITDA (US$ m)	-25.4	-35.2	-3.4	-59.7
OCFPS (US$)	-2.19	-1.84	-0.06	-1.75
P/OCF (x)	-6.9	-6.1	-184.3	-6.5
EV/EBITDA (current)	-6.5	-4.7	-49.0	-2.8
Net debt (US$ m)	-47	-111	-108	-221
ROIC (%)	-119.99	-86.30	-10.23	-124.43

Number of shares (m)	16.45	IC (current, US$ m)	22.39
BV/share (Next Qtr., US$)	11.7	EV/IC (x)	3.9
Net debt (Next Qtr., US$ m)	-28.3	Dividend (current, US$)	—
Net debt/tot cap (Next Qtr., %)	-41.2	Dividend yield (%)	—

Important catalysts from two Phase II trials

In H2:14, BIND plans to release the initial results of two Phase II trials of BIND-014 dosed on an every three week schedule. Additional trials are ongoing and will have results in 2015.

- **Phase II non-small cell lung cancer (NSCLC):** This 80-patient trial is examining two different dosing regimens (Q3W and Q1W dosing). Forty patients will be enrolled into each dosing regimen and both dosing cohorts follow a two-stage design. A minimum response rate hurdle is set for the first 20 patients, and if cleared the remaining 20 are enrolled. The Q3W cohort is fully enrolled, and results are expected in H2:14. BIND previously provided some insight into the trial by reporting 2 PRs and 2 SD among the 6 patients in the first stage who were KRAS mutant. No information was provided for the other 14 patients in that cohort. Enrollment in the Q1W cohort is ongoing.
- **Phase II metastatic castrate-resistant prostate cancer (mCRPC):** The HRPC trial is examining BIND-014 in 40 mCRPC patients that are chemotherapy-naive. BIND previously announced that enrollment is complete and is on track to release initial response results in H2:14.

In 2015, we expect (1) potential initiation of pivotal trials in NSCLC and/or mCRPC, (2) data from the Phase II trial in KRAS mutant NSCLC, and (3) initial stage 1 results from the planned Phase II trial in multiple rarer tumor types. We also expect potentially one IND from a partner and multiple clinical candidates selected for internal development.

Exhibit 1: BIND news flow

Product/Event	Indication	Catalyst	Expected Date	Price Sensitivity
BIND-014	4 new indications	Initiate new Phase II trial	Q3:14	Low
BIND-014	NSCLC	Phase II response data	H2:14	High
BIND-014	mCRPC	Phase II response data	H2:14	High
BIND-014	KRAS mutant NSCLC	Initial Phase II data	2015	High
BIND-014	Bladder, cervical, cholangio, and neuroendocrine	Stage I data from Phase II	2015	High
BIND-014	NSCLC and mCRPC	Phase II data for weekly schedule	2015	High
Partnered program	N/A	IND submission	2015	Low

Source: Company data, Credit Suisse estimates

Exhibit 2: BIND-014 Phase II trial design

	NSCLC	mCRPC
Patients	80	40
Inclusion criteria	Second-line NSCLC (Failed one prior platinum-containing regimen)	Chemo naïve, may receive hormonal therapy, including next gen androgen receptor targted agents
Primary endpoint	ORR	Radiographic PFS (rPFS)
Secondary endpoint	PFS, OS, safety	Time to PSA progression, OS, safety
Exploratory endpoint	PSMA expression by IHC	PSMA expression by IHC
Dosing	60 mg/m2 every 3 weeks (40 pts); 40 mg/m2 weekly (40 pts)	60 mg/m2 every 3 weeks, will add a weekly dosing arm if favorable in Phase I
Status	Enrollment for Q3W complete; Q1W enrollment ongoing; Data in H2:14	Enrollment completed Data in H2:14

Source: Company data, Credit Suisse estimates

Positive thesis on targeted nanoparticle technology

We continue to believe that BIND's Accurin technology offers a unique and targeted approach to improving the drug properties of standard cancer chemotherapies and potentially a variety of other cancer and non-cancer drugs.

The first real proof-of-concept data could come in H2:14 with the release of the first Phase II results. Though uncontrolled, these trials test BIND-014 in tumor types that are likely to have a relatively low response rate to taxotere alone (the active agent in BIND-014), so a higher than expected response rate or prolonged PFS/OS could be a significant positive for BIND.

- **Our $20 target price** for BIND includes ~$16.6/share for BIND-014 and ~$3.6/share for the partnerships. For BIND-014, we assume a 65% probability of success and a 2018 launch. Positive Phase II results could provide significant support for our assumptions and potentially take our probability higher.

Interim results show activity in KRAS mutant NSCLC

The two-stage Phase II trials in NSCLC and mCRPC each have a similar design. Stage 1 includes 20 patients. If a prespecified efficacy hurdle is met, then the remaining 20 patients are enrolled. Both trials have now completed enrollment of the full 40 patients (Exhibit 3).

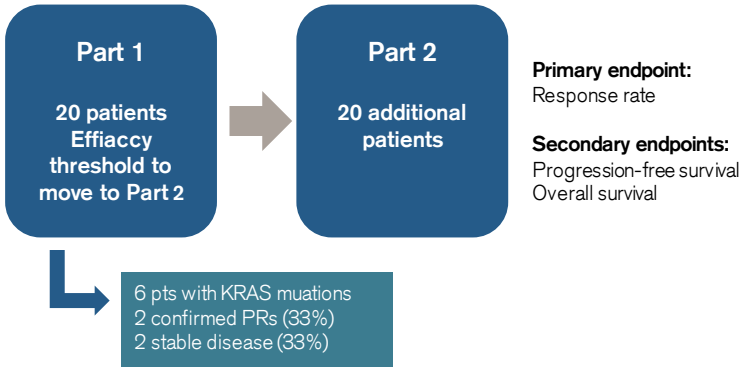
BIND disclosed some preliminary data from Part 1 of the NSCLC Phase II trial, which was triggered by its decision to start a new trial specifically targeting patients with mutant KRAS.

BIND initially looked at KRAS mutations because they had the expectation that these patients might do very poorly based on prior data for taxotere in this population (Exhibit 4, left side). In prior trials, KRAS mutant NSCLC patients have had response rates as low as 0% and as high as 11%. If the results with BIND-014 were equally bad in this population, BIND had planned not to enroll any more KRAS mutant patients in Stage 2.

The results were quite the opposite. Among the first 20 patients in the trial, there were 6 patients with KRAS mutations. Of these, two patients had confirmed PRs (33%) and 2 had stable disease. This potentially very strong signal led BIND to initiate a separate Phase II trial in this subpopulation.

Presumably there are more KRAS mutant patients in Part 2, and this subgroup will be of particular interest when the full Phase II data is unblinded.

Exhibit 3: Two-stage Phase II NSCLC trial; preliminary data in KRAS mutant patients

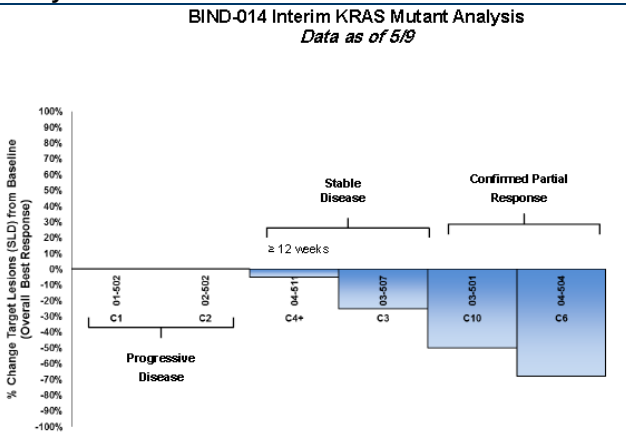


Source: Company data, Credit Suisse estimates

Exhibit 4: Evidence of enhanced activity in KRAS mutant NSCLC

Docetaxel Monotherapy Efficacy in KRAS Mutant NSCLC

Trial	ORR (n)	95%CI
Gefitinib vs. Docetaxel	3.7% (1/27)	(0.1%, 19.0%)
Vandetanib +/- Docetaxel	5.0% (1/20)	(0.1%, 24.9%)
Selumetinib +/- Docetaxel	0% (0/40)	(0%, 8.8%)
Trametinib vs. Docetaxel	11.4%[1] (5/43)	(3.9%, 25.1%)
Total Meta-analysis	**5.4% (7/130)**	**N/A**



Source: Company data, Credit Suisse estimates

Hurdle for Phase III trials

Assuming positive Phase II results, Phase III trials could begin in 2015. In order to progress to Phase III, BIND-014 will need to show either a safety or efficacy benefit over docetaxel. The specific efficacy and safety thresholds are not defined, but we have some rough estimates of what might be needed to show a clear benefit.

- The current response rate for docetaxel in NSCLC is around 5-9%. We believe that a >20% response rate signal would be significant for supporting a move into Phase III. In addition, we believe that a 1.5-2 month PFS improvement over the current 3-month PFS of docetaxel, would be significant in Phase II.
- Prostate cancer represents a higher bar, since docetaxel is more active (PFS of 6-8 months and 45-65% response rate). Also, the treatment landscape in prostate cancer is changing significantly with chemotherapy used later in the course of treatment.

Exhibit 5: Docetaxel Response Rate and PFS

Indication	PFS	Response rate
mBC	6 mo	30-60%
Advanced NSCLC	3 months	5-9%
mCRPC	6-8 months	45-65%

Source: Company data, Credit Suisse research.

Efficacy and differentiated profile seen in Phase I

BIND conducted a Phase I dose-escalation study in refractory solid tumors, testing two dosing strategies: Q3W (every three weeks) and Q1W (weekly) dosing study. Phase II testing mirrors the Phase I, with trials testing both Q3W and Q1W.

Results of the Phase I Q3W study demonstrated the following:

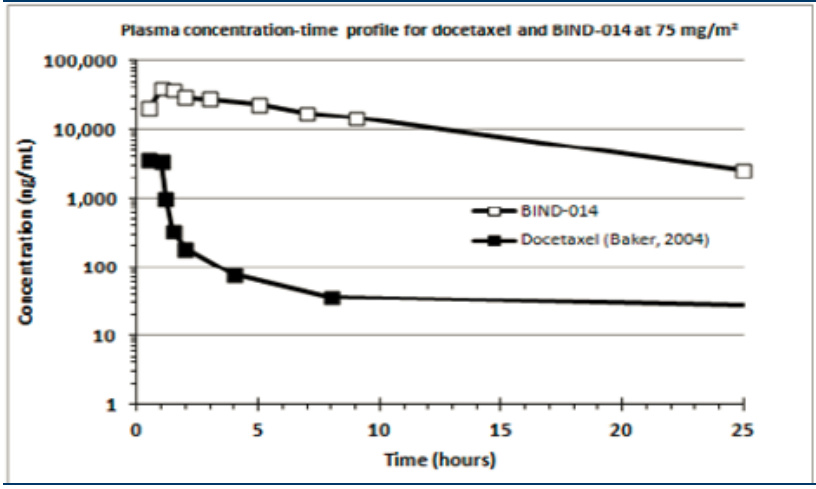
- **Prolonged pharmacokinetics**, with 90%+ of the plasma docetaxel sequestered within the nanoparticles (Exhibit 6)
- **Clear signs of efficacy** with 4 (14%) confirmed clinical responses (CR+PR), and 5 additional patients with stable disease. Responses were seen in cervical, non-small cell lung, prostate, and ampullary cancer (Exhibit 7). How well the efficacy compares to taxotere alone is not evaluable in this Phase I trial.

- **Potentially differentiated safety profile** with less fatigue, edema, and gastrointestinal side effects compared to historical docetaxel trials (Exhibit 9). The main dose-limiting toxicities are neutropenia and fatigue, like docetaxel. The MTD of BIND-014 was 60mg/m2 every three weeks.

Results of the Phase I Q1W study demonstrated the following

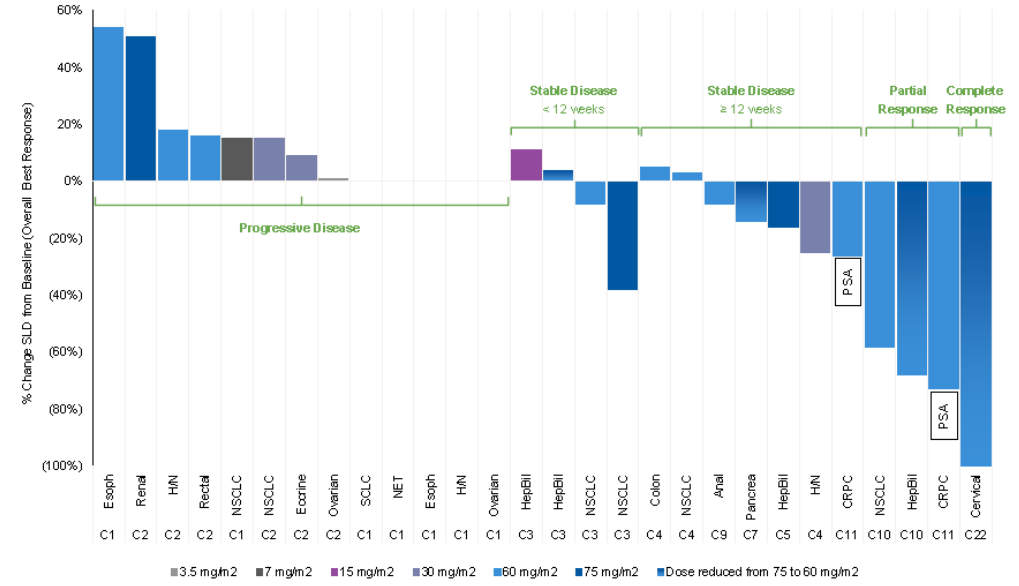
- **Greater total drug exposure was achieved.** The MTD for the weekly dosing schedule was 40 mg/m2. This is a 50% increase in total exposure compared to the 60mg Q3W dose. The dose limiting toxicities were one case of febrile neutropenia and one grade 3 mucositis at 45 mg/m2.
- **Substantially less neutropenia** was observed compared to the Q3W schedule (Exhibit 9). There may have been an increase in mucositis and GI related toxicity.
- **Clear signs of efficacy.** 2 PRs were observed in breast cancer and gastroesophageal cancer and 5 other patients had stable disease lasting at least 12 weeks. How well the efficacy compares to taxotere alone is not evaluable in this Phase I trial.

Exhibit 6: BIND-014 Has a Long Circulation Time Compared to Docetaxel in Humans As Well



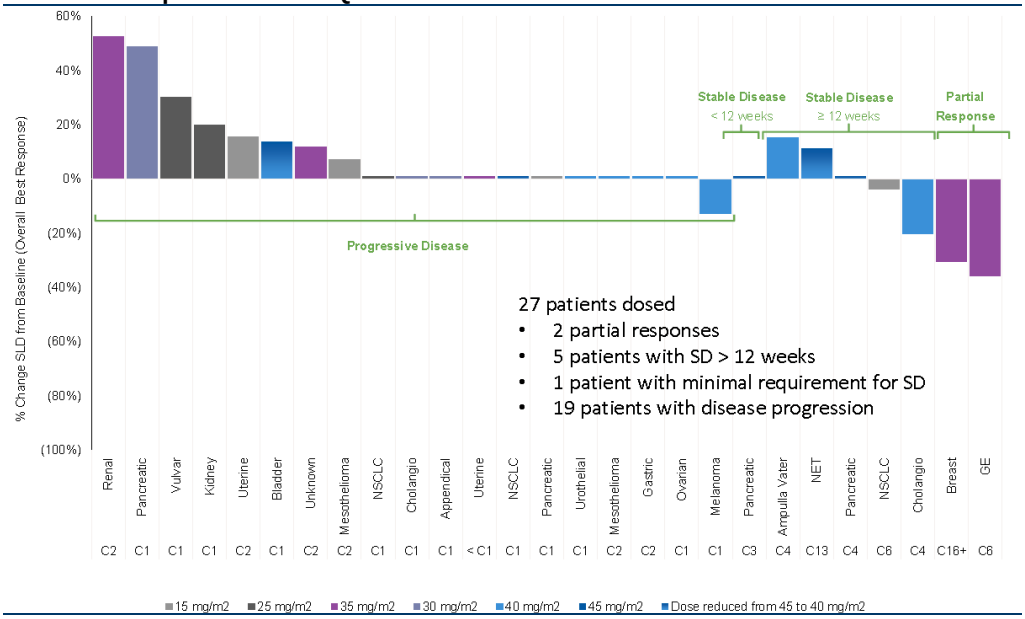
Source: Company data, Credit Suisse research.

Exhibit 7: Responses for the Q3W Phase I



Source: Company data

Exhibit 8: Responses for the Q1W Phase I



Source: Company data

Exhibit 9: AE profile in both Phase I trials

	Q3W Schedule		Q1W Schedule	
Adverse event	Any grade	Grade ≥3 AEs	Any grade	Grade ≥3 AEs
Neutropenia	36%	36%	19%	4%
Fatigue	25%	4%	56%	4%
Diarrhea	21%		26%	
Anemia	18%	7%	26%	11%
Alopecia	14%		19%	
Infusion Related Reaction	14%		not reported	
Dehydration	11%		not reported	
Leukopenia	11%	14%	11%	
Nausea	11%		30%	
Vomiting	11%		19%	
Edema	4%	4%	not reported	
Hypokalemia	4%	4%	not reported	
Sepsis	4%	4%	not reported	
Decreased appetite	not reported		15%	
Dysgeusia	not reported		15%	
Stomatitis	not reported		15%	
Dry mouth	not reported		11%	
Leukopenia	not reported		11%	
Mucosal inflammation	not reported		11%	11%
Rash	not reported		11%	

Source: Company data

Refresher on the Accurin Drug Delivery Platform

Platform Is Broadly Applicable for Different Drugs, Targeting Multiple Tissues and Tumor Types

BIND's nanomedicine platform was developed out of technology from the lab of Robert Langer and Omid Farokhzad at MIT and Harvard, respectively. Essentially, the labs developed a polymer system that can encapsulate cytotoxic chemotherapy agents. The polymers can be modified with specific targeting agents to direct the nanoparticle to the tumor. The polymer system and targeting ligand of BIND-014 were discovered through screening a large library of nanoparticle formulations for key properties (e.g., size, charge, degradation rate, release rate, drug loading, and surface density targeting ligand).

In theory, there are two potential advantages to this approach over conventional chemotherapy.

1) The drug might be expected to accumulate in tumor tissue at higher concentrations than conventional chemotherapy, due to the longer circulation time of the nanoparticle, the physical properties of the particles that tend to accumulate in tumors, and molecular targeting with a selective ligand to enhance tumor localization and retention.

2) The drug's toxic effects on healthy tissues could be less than with free/unbound drug, since the nanoparticle is designed to accumulate in the tumor selectively. The nanoparticle is a controlled-release formulation, so there is relatively little free drug in the bloodstream (estimated <10% free drug). In Phase I, there was evidence that the nanoparticle formulation reduced severity of docetaxel's nonhematological side effects.

Several Key Features Drive Potential Benefits of Delivery System

Accurins have several unique properties that potentially improve the clinical profile of the active drug. In the case of BIND-014, the nanoparticle system enables an increased concentration of docetaxel in the vicinity of the tumor due to the combined effects of prolonged circulation time, extravasation into tumors through blood vessel defects, binding of particles to PSMA on the tumor surface, and the controlled release of docetaxel.

- **Cellular Targeting:** BIND-014 displays a ligand that binds to the extracellular domain of PSMA (prostate-specific membrane antigen), which is expressed on the surface of prostate cancer cells and on the neovasculature of multiple cancers. PSMA is a well validated target that has shown clinical activity with other targeted therapies, such as ADCs and mAbs. The targeting ligand can be modified for different types of cancers or tissues.

Exhibit 10: **PSMA Expression by Tumor Type**

	Number of Tissue Samples		Number of US patients	
Tumor	Tumor Cells	Neovasculature	Annual Incidence	Annual Mortality
Prostate	184/184 (100%)	2/12 (17%)	238,590	29,720
Breast	0/6	5/6 (83%)	232,340	39,620
NSCLC	0/5	5/5 (100%)	228,190	159,480
Bladder	8/187 (5%)	166/167 (99%)	72,570	15,210

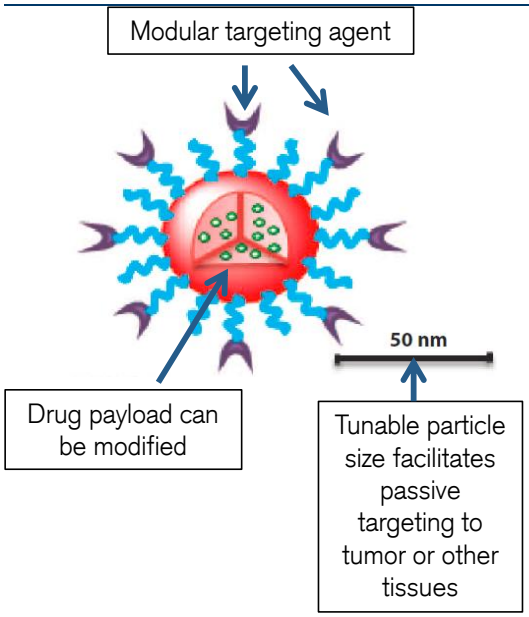
Source: Company data, Credit Suisse estimates.

- **Tissue Targeting:** Due to the size of the particles (<100nm), the drug circulates longer (avoids liver clearance) and accumulates in tumors at sites of "leaky vasculature". The size, shape, and surface properties (e.g., charge) can all be modified for optimal delivery. The particle surface consists of hydrated PEG molecules, which have the effect of masking the particle from the immune system and clearance mechanisms. PEG is a well validated tool for increasing circulation time.

- **Molecular Targeting/Active Drug:** The drug, docetaxel, has proven clinical activity in multiple tumors. The Accurin formulation is designed to reduce the toxicity and increase the efficacy of docetaxel. The platform is amenable for delivery of different types of drugs, both novel therapeutics and currently marketed drugs.

With the Accurin system, the nanoparticles do not appear to be directly internalized by the tumor cells. Instead, the particles are directed to the tumor milieu by the three mechanisms previously outlined. The controlled release polymer shell is designed to break down slowly over time, releasing the drug in the vicinity of the tumor, increasing the concentration of the drug in the tumor relative to other tissues. The polymer degrades into lactic acid and is not expected to have any toxicity.

Exhibit 11: Modular Platform Enables Use with Range of Drugs and Targeting Ligands



Source: Company data, Credit Suisse research.

All of the current indications in development for Accurins are in oncology. However, it is possible that the platform could also be modified for delivery to other tissues. For example, it may be possible to utilize this system for treating cardiovascular disease (e.g., plaque localization).

Exhibit 12: BIND Earnings Model

	2013A	Q1:14A	Q2:14A	Q3:14E	Q4:14E	2014E	2015E	2016E	2017E	2018E
Revenues										
BIND-014 US sales										50.6
BIND-014 ex-US royalties and mfg. rev										
Partnering, grants, milestones	10.9	1.6	0.8	5.8	0.8	9.0	67.4	19.2	38.4	39.0
Total Revenues	**10.9**	**1.6**	**0.8**	**5.8**	**0.8**	**9.0**	**67.4**	**19.2**	**38.4**	**89.6**
Expenses										
Research and development	24.4	6.8	8.0	8.5	9.0	32.3	57.0	60.4	64.0	67.9
Sales, general, administrative	13.4	3.3	3.3	3.4	3.4	13.3	15.3	20.1	36.1	107.9
Cost of goods										6.1
Royalty expense										1.5
Total Operating Expenses	**37.8**	**10.1**	**11.3**	**11.9**	**12.4**	**45.7**	**72.3**	**80.5**	**100.2**	**183.4**
Operating income (loss)	(26.9)	(8.5)	(10.5)	(6.1)	(11.6)	(36.7)	(4.9)	(61.3)	(61.8)	(93.8)
Total Other Income (Expense)	(0.8)	0.2	(0.0)	(0.0)	(0.0)	0.2	(0.0)	0.8	0.6	0.4
Pre Tax Income	(27.7)	(8.3)	(10.5)	(6.1)	(11.6)	(36.6)	(5.0)	(60.5)	(61.2)	(93.4)
Income tax										
Net Income	**(31.4)**	**(8.3)**	**(10.5)**	**(6.1)**	**(11.6)**	**(36.6)**	**(5.0)**	**(60.5)**	**(61.2)**	**(93.4)**
EPS - basic (proforma)	($5.28)	($0.51)	($0.64)	($0.37)	($0.51)	($2.03)	($0.22)	($2.05)	($2.04)	($3.08)
EPS - diluted (proforma)	($5.28)	($0.51)	($0.64)	($0.37)	($0.51)	($2.03)	($0.22)	($2.05)	($2.04)	($3.08)
Shares outstanding - basic (proforma)	5.94	16.42	16.51	16.59	22.67	18.05	22.96	29.48	29.92	30.37
Shares outstanding - diluted (proforma)	5.94	16.42	16.51	16.59	22.67	18.05	23.77	29.48	29.92	30.37

Source: Company data, Credit Suisse estimates

Exhibit 13: BIND News Flow

Product/Event	Indication	Catalyst	Expected Date
BIND-014	KRAS mutant NSCLC	Initiate new Phase II trial	Q3:14
BIND-014	4 new indications	Initiate new Phase II trial	Q3:14
BIND-014	NSCLC and mCRPC	Phase II data in NSCLC and mCRPC	H2:14
BIND-014	KRAS mutant NSCLC	Initial Phase II data	Q1:15
Partnered program	N/A	IND submission	H1:15
BIND-014	4 new indications	Initial Phase II data	H1:15
2nd BIND product	N/A	IND submission	2015
3rd BIND product	N/A	IND enabling tox studies	2015

Source: Company data, Credit Suisse estimates

Exhibit 14: BIND Pipeline

Drug	Indication	Stage	Partner
BIND 014 (PSMA targeted docetaxel)	NSCLC and mCRPC	Phase II	Proprietary
Solid Tumor Accurin	Solid Tumor	Pre-clinical	Proprietary
Hematologic Cancer Accurin	Hematologic Cancer	Pre-clinical	Proprietary
AZD1152 (Aurora-B kinase inhibitor)	N/A	Pre-clinical	AstraZeneca
Targeted therapies	N/A	Pre-clinical	Pfizer
N/A	Non-oncology	Pre-clinical	Roche

Source: Company data, Credit Suisse estimates

CREDIT SUISSE

Companies Mentioned *(Price as of 14-Jul-2014)*

Amgen Inc. (AMGN.OQ, $118.98)
AstraZeneca (AZN.L, 4369.5p)
BIND Therapeutics (BIND.OQ, $11.33, OUTPERFORM[V], TP $20.0)
Pfizer (PFE.N, $30.24)
Roche (ROG.VX, SFr266.1)

Disclosure Appendix

Important Global Disclosures

Jason Kantor, PhD, Ravi Mehrotra PhD and Lee Kalowski each certify, with respect to the companies or securities that the individual analyzes, that (1) the views expressed in this report accurately reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

3-Year Price and Rating History for Amgen Inc. (AMGN.OQ)

AMGN.OQ	Closing Price	Target Price	
Date	(US$)	(US$)	Rating
01-Aug-11	53.77	59.00	N
07-Nov-11	58.43		R
08-Dec-11	58.41	59.00	N
09-Dec-11	58.59	71.00	
25-Jul-12	77.96	85.00	O
26-Jul-12	79.30	90.00	
03-Jan-13	88.59	100.00	
22-Jan-13	83.29	90.00	N
04-Mar-13	92.73	100.00	
04-Apr-13	105.90	115.00	
17-May-13	105.63	120.00	
10-Dec-13	114.10	125.00	

** Asterisk signifies initiation or assumption of coverage.*

3-Year Price and Rating History for AstraZeneca (AZN.L)

AZN.L	Closing Price	Target Price	
Date	(p)	(p)	Rating
19-Oct-11	2981.00	2600.00	U
21-May-12	2654.50		*
22-May-12	2650.00		*
17-Jul-12	2953.50	2600.00	U
14-Jan-13	3030.00	3050.00	
22-Apr-13	3350.00	3130.00	
10-Oct-13	3133.00	3220.00	
20-Jan-14	3920.00	4000.00	
28-Apr-14	4666.50	4800.00	N

** Asterisk signifies initiation or assumption of coverage.*

3-Year Price and Rating History for BIND Therapeutics (BIND.OQ)

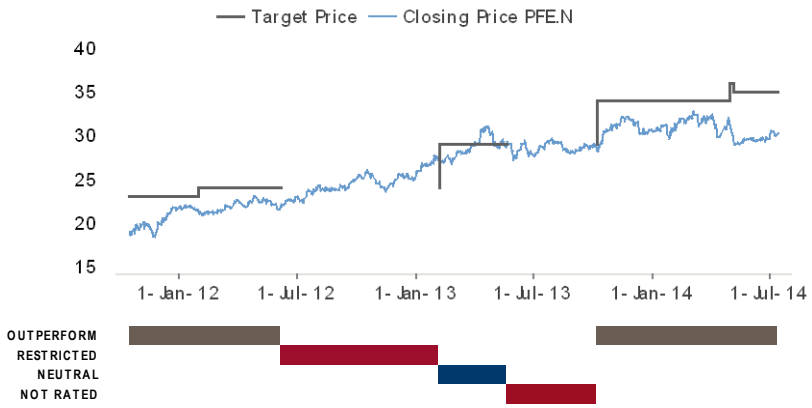
BIND.OQ	Closing Price	Target Price	
Date	(US$)	(US$)	Rating
15-Oct-13	15.10	21.00	O *
02-Jul-14	12.88	20.00	

** Asterisk signifies initiation or assumption of coverage.*

3-Year Price and Rating History for Pfizer (PFE.N)

PFE.N	Closing Price	Target Price	
Date	(US$)	(US$)	Rating
17-Oct-11	18.69	23.00	O
31-Jan-12	21.40	24.00	
07-Jun-12	21.94		R
07-Feb-13	26.96	29.00	N
22-May-13	29.30		NR
08-Oct-13	28.24	34.00	O *
01-May-14	31.15	36.00	
07-May-14	29.02	35.00	

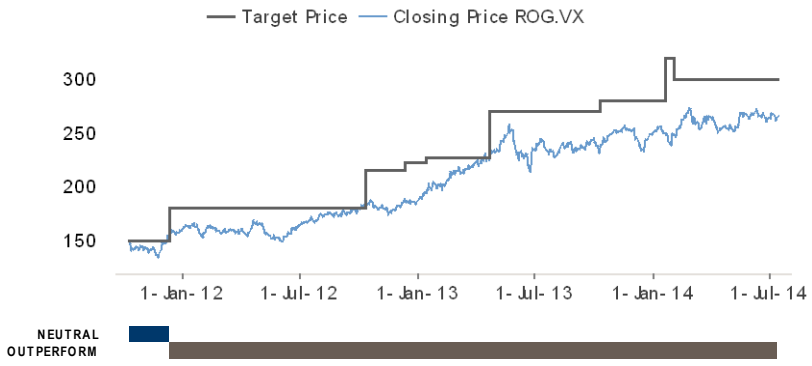
** Asterisk signifies initiation or assumption of coverage.*



3-Year Price and Rating History for Roche (ROG.VX)

ROG.VX	Closing Price	Target Price	
Date	(SFr)	(SFr)	Rating
11-Oct-11	148.90	150.00	N
12-Dec-11	153.90	180.00	O
11-Oct-12	181.20	215.00	
12-Dec-12	187.20	223.00	
14-Jan-13	194.60	227.00	
22-Apr-13	225.10	270.00	
10-Oct-13	234.60	280.00	
20-Jan-14	250.00	320.00	
03-Feb-14	248.20	300.00	

** Asterisk signifies initiation or assumption of coverage.*



The analyst(s) responsible for preparing this research report received Compensation that is based upon various factors including Credit Suisse's total revenues, a portion of which are generated by Credit Suisse's investment banking activities

As of December 10, 2012 Analysts' stock rating are defined as follows:

Outperform (O) : The stock's total return is expected to outperform the relevant benchmark*over the next 12 months.

Neutral (N) : The stock's total return is expected to be in line with the relevant benchmark* over the next 12 months.

Underperform (U) : The stock's total return is expected to underperform the relevant benchmark* over the next 12 months.

**Relevant benchmark by region: As of 10th December 2012, Japanese ratings are based on a stock's total return relative to the analyst's coverage universe which consists of all companies covered by the analyst within the relevant sector, with Outperforms representing the most attractive, Neutrals the less attractive, and Underperforms the least attractive investment opportunities. As of 2nd October 2012, U.S. and Canadian as well as European ratings are based on a stock's total return relative to the analyst's coverage universe which consists of all companies covered by the analyst within the relevant sector, with Outperforms representing the most attractive, Neutrals the less attractive, and Underperforms the least attractive investment opportunities. For Latin American and non-Japan Asia stocks, ratings*

are based on a stock's total return relative to the average total return of the relevant country or regional benchmark; prior to 2nd October 2012 U.S. and Canadian ratings were based on (1) a stock's absolute total return potential to its current share price and (2) the relative attractiveness of a stock's total return potential within an analyst's coverage universe. For Australian and New Zealand stocks, 12-month rolling yield is incorporated in the absolute total return calculation and a 15% and a 7.5% threshold replace the 10-15% level in the Outperform and Underperform stock rating definitions, respectively. The 15% and 7.5% thresholds replace the +10-15% and -10-15% levels in the Neutral stock rating definition, respectively. Prior to 10th December 2012, Japanese ratings were based on a stock's total return relative to the average total return of the relevant country or regional benchmark.

Restricted (R) : In certain circumstances, Credit Suisse policy and/or applicable law and regulations preclude certain types of communications, including an investment recommendation, during the course of Credit Suisse's engagement in an investment banking transaction and in certain other circumstances.

Volatility Indicator [V] : A stock is defined as volatile if the stock price has moved up or down by 20% or more in a month in at least 8 of the past 24 months or the analyst expects significant volatility going forward.

Analysts' sector weightings are distinct from analysts' stock ratings and are based on the analyst's expectations for the fundamentals and/or valuation of the sector* relative to the group's historic fundamentals and/or valuation:

Overweight : The analyst's expectation for the sector's fundamentals and/or valuation is favorable over the next 12 months.

Market Weight : The analyst's expectation for the sector's fundamentals and/or valuation is neutral over the next 12 months.

Underweight : The analyst's expectation for the sector's fundamentals and/or valuation is cautious over the next 12 months.

**An analyst's coverage sector consists of all companies covered by the analyst within the relevant sector. An analyst may cover multiple sectors.*

Credit Suisse's distribution of stock ratings (and banking clients) is:

Global Ratings Distribution

Rating	Versus universe (%)	Of which banking clients (%)
Outperform/Buy*	45%	(54% banking clients)
Neutral/Hold*	39%	(50% banking clients)
Underperform/Sell*	13%	(48% banking clients)
Restricted	3%	

**For purposes of the NYSE and NASD ratings distribution disclosure requirements, our stock ratings of Outperform, Neutral, and Underperform most closely correspond to Buy, Hold, and Sell, respectively; however, the meanings are not the same, as our stock ratings are determined on a relative basis. (Please refer to definitions above.) An investor's decision to buy or sell a security should be based on investment objectives, current holdings, and other individual factors.*

Credit Suisse's policy is to update research reports as it deems appropriate, based on developments with the subject company, the sector or the market that may have a material impact on the research views or opinions stated herein.

Credit Suisse's policy is only to publish investment research that is impartial, independent, clear, fair and not misleading. For more detail please refer to Credit Suisse's Policies for Managing Conflicts of Interest in connection with Investment Research: http://www.csfb.com/research and analytics/disclaimer/managing_conflicts_disclaimer.html

Credit Suisse does not provide any tax advice. Any statement herein regarding any US federal tax is not intended or written to be used, and cannot be used, by any taxpayer for the purposes of avoiding any penalties.

Price Target: (12 months) for BIND Therapeutics (BIND.OQ)

Method: Our $20 target price for BIND is based on DCF (discounted cash flow) using probability-weighted sales estimates for BIND-014 modeled through 2028 ($16.6 per share) and a DCF analysis of three partnerships with major pharmaceutical companies ($3.6 per share). We estimate a 65% probability of success for BIND-014 and a 15% probability of success for partnered programs. We model a commercial launch of BIND-014 in 2018. We use a 38% tax rate and a 12% discount rate.

Risk: Risks to our $20 target price for BIND are (1) unexpected negative efficacy or safety result in ongoing Phase II BIND-014 study, (2) regulatory risk of potential approval for BIND-014, (3) execution risk in signing a potential partner for BIND-014 and/or launch and marketing of BIND-014, if approved, (4) failure of its partners to move forward with current programs, and (5) financing risk.

Please refer to the firm's disclosure website at https://rave.credit-suisse.com/disclosures for the definitions of abbreviations typically used in the target price method and risk sections.

See the Companies Mentioned section for full company names

The subject company (BIND.OQ, PFE.N, AMGN.OQ, AZN.L, ROG.VX) currently is, or was during the 12-month period preceding the date of distribution of this report, a client of Credit Suisse.

Credit Suisse provided investment banking services to the subject company (BIND.OQ, PFE.N, AMGN.OQ) within the past 12 months.

Credit Suisse provided non-investment banking services to the subject company (PFE.N, AMGN.OQ, AZN.L, ROG.VX) within the past 12 months

Credit Suisse has managed or co-managed a public offering of securities for the subject company (BIND.OQ, PFE.N, AMGN.OQ) within the past 12 months.

Credit Suisse has received investment banking related compensation from the subject company (BIND.OQ, PFE.N, AMGN.OQ) within the past 12 months

Credit Suisse expects to receive or intends to seek investment banking related compensation from the subject company (BIND.OQ, PFE.N, AMGN.OQ, AZN.L) within the next 3 months.

Credit Suisse has received compensation for products and services other than investment banking services from the subject company (PFE.N, AMGN.OQ, AZN.L, ROG.VX) within the past 12 months

As of the date of this report, Credit Suisse makes a market in the following subject companies (BIND.OQ, PFE.N, AMGN.OQ).

As of the date of this report, an analyst involved in the preparation of this report has the following material conflict of interest with the subject company (PFE.N). As of the date of this report, an analyst involved in the preparation of this report, Vamil Divan, has following material conflicts of interest with the subject company. The analyst or a member of the analyst's household has a long position in the common stock Pfizer (PFE.N). A member of the analyst's household is an employee of Pfizer (PFE.N).

As of the date of this report, an analyst involved in the preparation of this report has the following material conflict of interest with the subject company (PFE.N). As of the date of this report, an analyst involved in the preparation of this report, Ronak Shah, has the following material conflict of interest with the subject company. The analyst has a long position in the common stock Pfizer (PFE.N).

Important Regional Disclosures

Singapore recipients should contact Credit Suisse AG, Singapore Branch for any matters arising from this research report.

The analyst(s) involved in the preparation of this report have not visited the material operations of the subject company (BIND.OQ, PFE.N, PFE.N, PFE.N, AMGN.OQ, AZN.L, ROG.VX) within the past 12 months

Restrictions on certain Canadian securities are indicated by the following abbreviations: NVS--Non-Voting shares; RVS--Restricted Voting Shares; SVS--Subordinate Voting Shares.

Individuals receiving this report from a Canadian investment dealer that is not affiliated with Credit Suisse should be advised that this report may not contain regulatory disclosures the non-affiliated Canadian investment dealer would be required to make if this were its own report.

For Credit Suisse Securities (Canada), Inc.'s policies and procedures regarding the dissemination of equity research, please visit http://www.csfb.com/legal_terms/canada_research_policy.shtml.

The following disclosed European company/ies have estimates that comply with IFRS: (AZN.L).

Credit Suisse has acted as lead manager or syndicate member in a public offering of securities for the subject company (BIND.OQ, PFE.N, AMGN.OQ) within the past 3 years.

As of the date of this report, Credit Suisse acts as a market maker or liquidity provider in the equities securities that are the subject of this report.

Principal is not guaranteed in the case of equities because equity prices are variable.

Commission is the commission rate or the amount agreed with a customer when setting up an account or at any time after that.

For Credit Suisse disclosure information on other companies mentioned in this report, please visit the website at https://rave.credit-suisse.com/disclosures or call +1 (877) 291-2683.

CREDIT SUISSE

References in this report to Credit Suisse include all of the subsidiaries and affiliates of Credit Suisse operating under its investment banking division. For more information on our structure, please use the following link: https://www.credit-suisse.com/who_we_are/en/This report may contain material that is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Credit Suisse AG or its affiliates ("CS") to any registration or licensing requirement within such jurisdiction. All material presented in this report, unless specifically indicated otherwise, is under copyright to CS. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of CS. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of CS or its affiliates. The information, tools and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. CS may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. CS will not treat recipients of this report as its customers by virtue of their receiving this report. The investments and services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. CS does not advise on the tax consequences of investments and you are advised to contact an independent tax adviser. Please note in particular that the bases and levels of taxation may change. Information and opinions presented in this report have been obtained or derived from sources believed by CS to be reliable, but CS makes no representation as to their accuracy or completeness. CS accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that such liability arises under specific statutes or regulations applicable to CS. This report is not to be relied upon in substitution for the exercise of independent judgment. CS may have issued, and may in the future issue, other communications that are inconsistent with, and reach different conclusions from, the information presented in this report. Those communications reflect the different assumptions, views and analytical methods of the analysts who prepared them and CS is under no obligation to ensure that such other communications are brought to the attention of any recipient of this report. Some investments referred to in this report will be offered solely by a single entity and in the case of some investments solely by CS, or an associate of CS or CS may be the only market maker in such investments. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication by CS and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. Investors in securities such as ADR's, the values of which are influenced by currency volatility, effectively assume this risk. Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility, and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct their own investigation and analysis of the product and consult with their own professional advisers as to the risks involved in making such a purchase. Some investments discussed in this report may have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realised. Those losses may equal your original investment. Indeed, in the case of some investments the potential losses may exceed the amount of initial investment and, in such circumstances, you may be required to pay more money to support those losses. Income yields from investments may fluctuate and, in consequence, initial capital paid to make the investment may be used as part of that income yield. Some investments may not be readily realisable and it may be difficult to sell or realise those investments, similarly it may prove difficult for you to obtain reliable information about the value, or risks, to which such an investment is exposed. This report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of CS, CS has not reviewed any such site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to CS's own website material) is provided solely for your convenience and information and the content of any such website does not in any way form part of this document. Accessing such website or following such link through this report or CS's website shall be at your own risk. This report is issued and distributed in Europe (except Switzerland) by Credit Suisse Securities (Europe) Limited, One Cabot Square, London E14 4QJ, England, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. This report is being distributed in Germany by Credit Suisse Securities (Europe) Limited Niederlassung Frankfurt am Main regulated by the Bundesanstalt fuer Finanzdienstleistungsaufsicht ("BaFin"). This report is being distributed in the United States and Canada by Credit Suisse Securities (USA) LLC; in Switzerland by Credit Suisse AG; in Brazil by Banco de Investimentos Credit Suisse (Brasil) S.A or its affiliates; in Mexico by Banco Credit Suisse (México), S.A. (transactions related to the securities mentioned in this report will only be effected in compliance with applicable regulation); in Japan by Credit Suisse Securities (Japan) Limited, Financial Instruments Firm, Director-General of Kanto Local Finance Bureau (*Kinsho*) No. 66, a member of Japan Securities Dealers Association, The Financial Futures Association of Japan, Japan Investment Advisers Association, Type II Financial Instruments Firms Association; elsewhere in Asia/ Pacific by whichever of the following is the appropriately authorised entity in the relevant jurisdiction: Credit Suisse (Hong Kong) Limited, Credit Suisse Equities (Australia) Limited, Credit Suisse Securities (Thailand) Limited, regulated by the Office of the Securities and Exchange Commission, Thailand, having registered address at 990 Abdulrahim Place, 27th Floor, Unit 2701, Rama IV Road, Silom, Bangrak, Bangkok 10500, Thailand, Tel. +66 2614 6000, Credit Suisse Securities (Malaysia) Sdn Bhd, Credit Suisse AG, Singapore Branch, Credit Suisse Securities (India) Private Limited (CIN no. U67120MH1996PTC104392) regulated by the Securities and Exchange Board of India (registration Nos. INB230970637; INF230970637; INB010970631; INF010970631), having registered address at 9th Floor, Ceejay House, Dr.A.B. Road, Worli, Mumbai - 18, India, T- +91-22 6777 3777, Credit Suisse Securities (Europe) Limited, Seoul Branch, Credit Suisse AG, Taipei Securities Branch, PT Credit Suisse Securities Indonesia, Credit Suisse Securities (Philippines) Inc., and elsewhere in the world by the relevant authorised affiliate of the above. Research on Taiwanese securities produced by Credit Suisse AG, Taipei Securities Branch has been prepared by a registered Senior Business Person. Research provided to residents of Malaysia is authorised by the Head of Research for Credit Suisse Securities (Malaysia) Sdn Bhd, to whom they should direct any queries on +603 2723 2020. This report has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (each as defined under the Financial Advisers Regulations) only, and is also distributed by Credit Suisse AG, Singapore branch to overseas investors (as defined under the Financial Advisers Regulations). By virtue of your status as an institutional investor, accredited investor, expert investor or overseas investor, Credit Suisse AG, Singapore branch is exempted from complying with certain compliance requirements under the Financial Advisers Act, Chapter 110 of Singapore (the "FAA"), the Financial Advisers Regulations and the relevant Notices and Guidelines issued thereunder, in respect of any financial advisory service which Credit Suisse AG, Singapore branch may provide to you. This research may not conform to Canadian disclosure requirements. In jurisdictions where CS is not already registered or licensed to trade in securities, transactions will only be effected in accordance with applicable securities legislation, which will vary from jurisdiction to jurisdiction and may require that the trade be made in accordance with applicable exemptions from registration or licensing requirements. Non-U.S. customers wishing to effect a transaction should contact a CS entity in their local jurisdiction unless governing law permits otherwise. U.S. customers wishing to effect a transaction should do so only by contacting a representative at Credit Suisse Securities (USA) LLC in the U.S. Please note that this research was originally prepared and issued by CS for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of CS should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents. This research may relate to investments or services of a person outside of the UK or to other matters which are not authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority or in respect of which the protections of the Prudential Regulation Authority and Financial Conduct Authority for private customers and/or the UK compensation scheme may not be available, and further details as to where this may be the case are available upon request in respect of this report. CS may provide various services to US municipal entities or obligated persons ("municipalities"), including suggesting individual transactions or trades and entering into such transactions. Any services CS provides to municipalities are not viewed as "advice" within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. CS is providing any such services and related information solely on an arm's length basis and not as an advisor or fiduciary to the municipality. In connection with the provision of the any such services, there is no agreement, direct or indirect, between any municipality (including the officials, management, employees or agents thereof) and CS for CS to provide advice to the municipality. Municipalities should consult with their financial, accounting and legal advisors regarding any such services provided by CS. In addition, CS is not acting for direct or indirect compensation to solicit the municipality on behalf of an unaffiliated broker, dealer, municipal securities dealer, municipal advisor, or investment adviser for the purpose of obtaining or retaining an engagement by the municipality for or in connection with Municipal Financial Products, the issuance of municipal securities, or of an investment adviser to provide investment advisory services to or on behalf of the municipality. If this report is being distributed by a financial institution other than Credit Suisse AG, or its affiliates, that financial institution is solely responsible for distribution. Clients of that institution should contact that institution to effect a transaction in the securities mentioned in this report or require further information. This report does not constitute investment advice by Credit Suisse to the clients of the distributing financial institution, and neither Credit Suisse AG, its affiliates, and their respective officers, directors and employees accept any liability whatsoever for any direct or consequential loss arising from their use of this report or its content. Principal is not guaranteed. Commission is the commission rate or the amount agreed with a customer when setting up an account or at any time after that.

Investment principal on bonds can be eroded depending on sale price or market price. In addition, there are bonds on which investment principal can be eroded due to changes in redemption amounts. Care is required when investing in such instruments.

When you purchase non-listed Japanese fixed income securities (Japanese government bonds, Japanese municipal bonds, Japanese government guaranteed bonds, Japanese corporate bonds) from CS as a seller, you will be requested to pay the purchase price only.