

**Featured Research:** OMED, RCPT, TEVA, Biopharma, Life Science Tools and Diagnostics, Managed Care, Medical Devices-Cardiology

**Initiations:** None | **Rating Changes:** None | **Price Target Changes:** RCPT | **Estimate Changes:** OMED  
| **MEDACorp:** Biopharma, Medical Devices-Cardiology, TEVA, Life Science Tools and Diagnostics

**Reference Tools:**

[Catalyst Tracker](#) | [Calendar of Events](#) | [HC Conferences](#) | [Earnings Rundown](#) | [Abbreviations & Acronyms](#) | [Leerink Events](#)

## Leerink Events - Please contact your Leerink Partners representative for details

**Today @ 2pm, ET, Da Vinci Due Diligence:** Two Colorectal Surgeons' Perspective On Robotics & The New Xi System

**4/11: MEDACorp Event:** UPDATES FROM EASL 2014, London

**4/14: Corporate Access:** Veracyte Inc: VCYT, New York

**4/14: MEDACorp Pulse Call:** IO Series: Focus on New Developments in Lymphoma, Boston, 12:00PM EDT

**4/15: Corporate Access:** Veracyte Inc: VCYT, Connecticut

**4/15: Corporate Access:** Veracyte Inc: VCYT, New York

**4/15: MEDACorp Pulse Call:** IO Series: Focus on New Developments in Glioblastoma (GBM), Boston, 10:00AM EDT

**4/15: Analyst Conference Call:** IO Series: Focus on New Developments in Renal Cell Carcinoma (RCC), Boston, 12:00PM EDT

**4/16: Corporate Access:** MacroGenics (MGNX): MGNX, Los Angeles

**4/16: Corporate Access:** MacroGenics (MGNX): MGNX, San Diego

## Today's Healthcare Events

**Medical Meetings:** European Association for the Study of the Liver; Clinical Immunology Society; International Society for Heart & Lung Transplantation

## Today's Research

**Biopharma** | *Seamus Fernandez, Howard Liang, Ph.D.*

**Immuno-Oncology Takeaways from AACR: Implications for PD1 Launches, IO Combos**

**Outperform:** AZN, BMY, NVS | **Market Perform:** MRK

• **Bottom Line:** The 2014 American Association for Cancer Research (AACR) meeting highlighted Immuno-Oncology (IO) developments and insights that: (1) support our expectations for PD1/PDL1 launches and CTLA4 combinations, and (2) highlight the next wave of checkpoint antagonists (LAG3 and TIM3) and agonists (GITR and Ox40). MEDACorp KOLs continue to question the early value of PDL1 as a biomarker for selecting patients for IO treatment either in melanoma or lung cancer. Rather, PDL1 biomarker status was viewed as a guidepost for selecting new tumors for IO or for choosing patients suited for PD1/L1 monotherapy vs. IO combinations. CTLA4 antibodies (primarily Yervoy) continue to be the most-discussed option for PDL1 (-) patients, with some KOLs pointing to Yervoy as a valuable priming agent for PD1/L1 antibodies. Several KOLs noted enthusiasm for new data in renal cell carcinoma (RCC), glioblastoma (GBM), lymphoma, and bladder cancer with one speaker anticipating data at ASCO 2014.

- MRK's (MP) biomarker data undifferentiated in melanoma & lung cancer; highlights need for combo therapy.
- Interest remains high for CTLA4 combos given pot'l "priming" action; LAG3 & TIM3 highlighted as exciting next-gen antagonists.
- Ox40 & GITR highlighted as the most compelling agonists for IO combinations.
- CAR-T continues to garner att'n in lymphoma; Juno trial delays viewed to have limited read-through.
- Anticipation is high for data in add'l tumors; sets the stage for ASCO/ ASH.

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**Medical Devices-Cardiology** | *Danielle Antalffy***Live From ISHLT: Shaping Up To Be a Positive Meeting for LVADs****Outperform:** HTWR, THOR

• **Bottom Line:** We're attending the ongoing International Society for Heart and Lung Transplantation (ISHLT) annual meeting -- the largest global meeting for cardiothoracic surgeons and heart failure specialists with a particular focus on LVADs (left ventricular assist devices) and heart transplants. So far, key takeaways that we've gleaned from MEDACorp physician conversations include: (1) The bogey on stroke -- combined ischemic + hemorrhagic -- in HTWR's interim PAS (Post-Approval Study) analysis to be presented is ~10% based on already-published data; (2) The HVAD UNOS analysis suggesting a 74% 6-month survival rate commercially is confounded by patient demographics; and (3) Most importantly, the physicians we spoke with have not yet seen a negative impact in referrals from the late November NEJM article highlighting increasing thrombus with THOR's HeartMate II. While this ISHLT does seem likely to be a positive meeting for LVADs overall, we'd note that physicians are keenly focused on progress of the next-gen technologies -- THOR's HeartMate III and HTWR's MVAD -- both of which are slated for FIM (first in man) in 1H14 and both of which are viewed as critical to continued market development and sustainable market growth longer term.

- Reiterate OP on HTWR and THOR.
  - HTWR PAS Data Likely Positive.
  - UNOS Analysis Confounded by Patient Demographics.
  - Still No Impact to the Referral Chain from NEJM Article.
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**Receptos, Inc. (RCPT)** | *Marko Kozul, M.D.***Increasing Positive Bias for RPC-1063 in UC Drives New \$75 PT; Reit. OP****Outperform** | **Market Cap:** \$892.9M | **Price:** \$40.22 | **Price Target:** \$60.00 → \$75.00 | **Methodology:** DCF analysis

• **Bottom Line:** We are increasing our price target on top pick RCPT to \$75 (from \$60) after increasing our probability of success (POS) estimate for RPC-1063 ("1063") in Ulcerative Colitis (UC) to the mid-30s percentage (from ~30%). After multiple MEDACorp KOL due diligence calls, we believe the 1063 Phase II blinded placebo adjusted induction clinical response delta is trending above Vedolizumab's ("Vedo") respective Phase III GEMINI-1 results. Additionally, while Vedolizumab is gaining differentiation vs. moderate to severe UC standard of care (SOC) anti-TNFs on the basis of safety, 1063 could be further differentiated on this point, in our view. While clinical remission is the ultimate key endpoint, we believe clinical response is an important surrogate. As a reminder, top-line 1063 Phase II data in Multiple Sclerosis (MS) is expected mid-14 (est July) and in UC right after in 3Q14. We believe RPCT represents an increasingly attractive risk-reward opportunity further accentuated by recent broad market turbulence. We reiterate our Outperform (OP) rating.

- We believe 1063's Phase II blinded placebo-adjusted induction clinical response delta is trending above the 22% delta observed in Vedolizumab's pivotal Phase III GEMINI-1 trial.
  - We believe 1063's emerging attractive safety profile could also significantly differentiate it vs. Vedo and anti-TNFs, which in turn could drive earlier use and penetration.
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**Teva Pharmaceutical Industries Ltd. (TEVA)** | *Jason M. Gerberry, JD***Motion to Stay Copaxone Generics Unlikely; Better to Treat as Upside****Outperform** | **Market Cap:** \$43,358.5M | **Price:** \$51.01 | **Price Target:** \$65.00 | **Methodology:** 13.5x 2015E EPS

• **Bottom Line:** In this note we address investor controversy around potential generic at-risk launches (ARLs) of Copaxone. Given the early success of TEVA's Copaxone switch strategy, the ability to secure a SCOTUS emergency injunction would effectively delay generics by 15 months -- "check mate" for TEVA in its bid to preserve its franchise. However, based on feedback from a MEDACorp patent specialist, it appears unlikely TEVA will be able to satisfy the requirements for an emergency injunction, for which there is limited precedent. In our view, the case for generic

Copaxone at-risk launch is mixed, but we believe TEVA investors are better served treating an injunction or generic delay as purely upside to TEVA's valuation. We remain OP; our price target remains \$65.

- We expect a decision from Justice Robert on the stay within the next month; stay unlikely
- Risk of increased competition post expiry of '808 patent could deter ARLs.

## Life Science Tools and Diagnostics | *Dan Leonard*

### Autoimmune Checks a Mixed Bag (MYGN, BIO)

**Market Perform:** BIO, MYGN

- **Bottom Line:** Recent due diligence (including discussions with 5 MEDACorp specialists) tempered our enthusiasm modestly for MYGN's Vectra DA product (~11% of FY2015e revenue), but we continue to see strong traction in the near term and think our FY14-FY16 numbers achievable. We also picked up increasing use of BIO's multiplexed ANA (antinuclear antibodies) screen to diagnose lupus, the lead product on its BioPlex 2200 instrument (perhaps 3%-5% of 2013e revenue). We continue to rate both BIO and MYGN Market Perform.
- We expect continued strength in Vectra DA adoption, but wonder at the ceiling; \$200M+ seems in reach.
- Usage of BIO's ANA screen increasing, consistent with recent company commentary.

## Managed Care | *Ana Gupte, Ph.D.*

### 1Q14 Preview: Better for the Diversified Names Than Pure Play Medicaid

**Outperform:** AET, CI, CNC, HUM, WCG, WLP | **Market Perform:** HNT, MGLN, MOH, UAM, UNH

- **Bottom Line:** Our coverage companies kick off the highly anticipated 1Q14 earnings season in the first full year of ObamaCare implementation with UNH on April 17. We expect earnings achievability to be highest for the diversified Managed Care names as compared to the Medicaid names, driven by Commercial and Medicare Advantage (MA) margins that we expect will be better than feared, with a utilization tailwind from severe winter weather.
- For diversified large-cap names, earnings achievability in our view is in the order UNH (MP) > HUM (OP) > AET (OP) > WLP (OP) > CI (OP).
- For the small- and mid-cap names, we see modest downside risk in the Medicaid Managed Care segment.
- Balance sheets remain solid with companies ending FY13 with \$4.50/share as Parent Cash.
- We see the quarter as a likely positive catalyst in particular for the diversified Managed Care names.
- UNH (Leerink's \$1.17 vs. Street's \$1.10) – Potential for beat with conservative pricing in both Medicare and Commercial coupled with conservative guidance and consensus.
- HUM (Leerink's \$2.00 vs. Street's \$1.96) – 1Q14 is likely to be better than expected and dispel investor fears on the margin pressure from the confluence of rate headwinds from ObamaCare.
- AET (Leerink's \$1.53 vs. Street's \$1.51) – Potential for modest beats from strong Commercial pricing, the weather utilization tailwind, and conservative guidance.
- WLP (Leerink's \$2.15 vs. Street's \$2.22) – We expect conservative guidance and headwinds from Public Exchanges and Small group “dumping” to be better than feared, though we see reserving policies as likely to remain conservative in 1H14.
- CI (Leerink's \$1.49 vs. Street's \$1.54) – We expect the company to come in line (or modestly miss estimates) while investors fear a large miss.
- CNC (Leerink's \$0.44 vs. Street's \$0.44) – Excluding the Health Insurer Provider Fee (HIPF), we expect CNC to most likely have an in-line quarter among the Medicaid names.
- MGLN (Leerink's \$0.74 vs. Street's \$0.75) – We continue to expect 2014 as a transition year and expect an in-line quarter, though potential downside risk exists from SG&A pressure due to membership growth expected throughout the year in Complete Care.
- WCG (Leerink's \$0.01 vs. Street's \$0.02) – We expect that the substantial guide-down for 2014 coupled with the tailwind from severe weather will result in an in-line quarter, excluding the transitional headwind from the HIPF.

- UAM (Leerink's \$0.07 vs. Street's \$0.07) – We see the potential for some earnings downside from SG&A pressures as the company continues to exit rural markets, though with the likelihood for a beat on the MA Medical Loss Ratio (MLR).
- HNT (Leerink's \$0.40 vs. Street's \$0.42) – We expect the earnings achievability to be less compelling given the spike in the claims cost in 4Q13.
- MOH (Leerink's \$0.03 vs. Street's \$0.04) – We expect MOH as more likely to miss even excluding the HIPF, as Medicaid expansion, administrative cost pressures and to a lesser extent Hepatitis C drug costs pressure earnings.
- Published 4.10.14.

**OncoMed Pharmaceuticals, Inc. (OMED)** | *Howard Liang, Ph.D.*

### **AACR Updates Showcase Early Candidates and Biomarker Strategies**

**Outperform** | **Market Cap:** \$817.4M | **Price:** \$28.78 | **Price Target:** \$37.00 | **Methodology:** Probability weighted NPV, 10% discount rate

- **Bottom Line:** We were in attendance at the 2014 AACR conference that concluded yesterday, where OMED had 8 poster presentations on its broad pipeline of clinical and preclinical candidates as well as an invited talk at a methodology workshop. Our takeaways include an early look at OMED's RSPO (cancer pathway) program, data supporting dual targeting of DLL4/VEGF pathway with a biospecific antibody as well as biomarker data that could support patient selection approaches in the clinical stage programs, including demcizumab (anti-DLL4, Notch pathway), vantiutumab (anti-Fzd7, WNT pathway), OMP-54F28 (Fzd8-Fc, WNT pathway), OMP-59R5 (anti-Notch2/3, Notch pathway). In total, OMED has 15 clinical trials targeting five anti-cancer stem cell therapeutics. We see further advancement in clinical development with rich catalysts in the next 6-12 months. We reiterate OP rating and \$37 valuation for OMED.
  - Anti-RSPO3, the lead candidate in the RSPO program, shows good preclinical activities in colon cancer models (#1764).
  - Updated preclinical data support additive activity of dual targeting DLL4/VEGF bispecific antibody (#207).
  - Published 4.10.14.
  - **2014E EPS/REV:** \$0.25 / \$69.0 → (\$0.85) / \$69.0
- Revenues in M; EPS are GAAP. OMED went public via an IPO on 7/18/13.*

## **Research Previews**

### **April 14-15 – Immuno-Oncology Series of MEDACorp Pulse Calls**

#### **April 14 – MEDACorp Pulse Call @ 12:00 PM – IO Series: Focus on New Developments in Lymphoma**

- Addressable unmet need in lymphoma and B-cell malignancies, following idelalisib, ibrutinib approvals
- Rationale for checkpoint inhibitors in lymphoma and evidence to date with pidilizumab
- Combinations with Rituxan and the role of ADCC
- Addressable population and commercial viability of CAR-T and adoptive T cell therapy

#### **April 15 – MEDACorp Pulse Call @ 10:00 AM – IO Series: Focus on New Developments in Glioblastoma (GBM)**

- Unmet need and total available patient population in recurring and newly diagnosed GBM
- Defining clinically meaningful improvement in GBM and prospects for future evolution of therapy
- Expectations for vaccine-based immunotherapy and ongoing clinical trials
- Trial design and promise of checkpoint inhibition with anti-PD1/PDL1 and anti-CTLA4 agents in GBM

#### **April 15 – MEDACorp Pulse Call @ 12:00 PM – IO Series: Focus on New Developments in Renal Cell Carcinoma (RCC)**

- Unmet need in metastatic RCC and defining clinically meaningful improvement
- Defining success for readout of CHECKMATE 016 study at ASCO 2014

- Expectations for combination of checkpoint inhibition with targeted therapies in RCC
- Promise of immunotherapy in front-line RCC treatment

#### April 15 – Earnings Before the Open

##### JNJ – OP – Danielle Antalfy

**Close: \$96.54, Mkt Cap: \$260,485M**

- 1Q14E Leerink EPS/Rev: \$1.46 / \$17,983.0M
- 1Q14E Street EPS/Rev: \$1.48 / \$18,007.8M
- 2014E Leerink EPS/Rev: \$5.80 / \$73,970.0M
- 2014E Street EPS/Rev: \$5.82 / \$74,143.5M
- **CC:** 8:30am EDT; **Dial-in:** 855 453-3829, **Access Code:** 10490090

#### April 16 – Earnings Before the Open

##### ABT – MP – Danielle Antalfy

**Close: \$37.26, Mkt Cap: \$59,339M**

- 1Q14E Leerink EPS/Rev: \$0.35 / \$5,297.0M
- 1Q14E Street EPS/Rev: \$0.36 / \$5,286.5M
- 2014E Leerink EPS/Rev: \$2.20 / \$22,380.0M
- 2014E Street EPS/Rev: \$2.20 / \$22,586.8M
- **CC:** 9:00am EDT; **Dial-in:** 773 799-3472, **Access Code:** Abbott Earnings

##### STJ – OP – Danielle Antalfy

**Close: \$62.19, Mkt Cap: \$17,998M**

- 1Q14E Leerink EPS/Rev: \$0.95 / \$1,331.0M
- 1Q14E Street EPS/Rev: \$0.95 / \$1,359.3M
- 2014E Leerink EPS/Rev: \$3.97 / \$5,655.0M
- 2014E Street EPS/Rev: \$3.98 / \$5,695.0M
- **CC:** 8:00am EDT; **Dial-in:** 866 393-8590, **Access Code:** 19284898

#### April 17 – Earnings Before the Open

##### BAX – OP – Danielle Antalfy

**Close: \$72.26, Mkt Cap: \$37,768M**

- 1Q14E Leerink EPS/Rev: \$1.02 / \$3,862.0M
- 1Q14E Street EPS/Rev: \$1.07 / \$3,875.6M
- 2014E Leerink EPS/Rev: \$5.13 / \$16,519.0M
- 2014E Street EPS/Rev: \$5.13 / \$16,573.3M
- **CC:** 8:30am EDT; **Dial-in:** 866 837-9782, **Access Code:** --

##### UNH – MP – Ana Gupte

**Close: \$79.99, Mkt Cap: \$74,396M**

- 1Q14E Leerink EPS/Rev: \$1.17 / \$32,667.0M
- 1Q14E Street EPS/Rev: \$1.09 / \$32,030.2M
- Potential for beat with conservative pricing in both Medicare and Commercial coupled with conservative guidance and consensus.
- 2014E Leerink EPS/Rev: \$5.57 / \$131,476.0M
- 2014E Street EPS/Rev: \$5.60 / \$129,207.4M
- **CC:** 8:45am EDT; **Webcast:** Unitedhealthgroup.com, **Access Code:** --

**April 17 – Earnings After the Close****CPHD – MP – Dan Leonard****Close: \$47.30, Mkt Cap: \$3,200M**

- 1Q14E Leerink EPS/Rev: -\$0.18 / \$103.9M
- 1Q14E Street EPS/Rev: -\$0.17 / \$104.9M
- 2014E Leerink EPS/Rev: -\$0.19 / \$455.3M
- 2014E Street EPS/Rev: -\$0.24 / \$457.5M
- **CC:** 5:00pm EDT; **Dial-in:** 888 371-8897, **Access Code:** --

**Previous Notes****April 10**[Managed Care/1Q14 Preview: Better for the Diversified Names Than Pure Play Medicaid](#), Ana Gupte[CYTK/Tirasemtiv Data Preview: KOLs Emphasize Its Uniqueness, Ahead of Data at AAN/Outperform](#), Joseph Schwartz[OMED/AACR Updates Showcase Early Candidates and Biomarker Strategies/Outperform](#), Howard Liang**Updated Models:** [CNC - Model](#), [CYNO - Model](#), [HUM - Model](#), [WLP - Model](#)**AACR (4/5-9) Wrap-up Notes**[AGIO/Remarkable Early Data Position AG-221 As a Potential Breakthrough Agent/Outperform](#), Howard Liang[IMGN/Incremental Pipeline Updates at AACR/Outperform](#), Michael Schmidt[Flash -- LLY/Ph1 Sg Agent CDK 4/6 Data Confirm Potent Drug for LLY, Active Class in HR+ MBC/Outperform](#), Seamus Fernandez[MGNX/Preclinical Data at AACR Suggests mAb-like Dosing of MGD007 Likely/Outperform](#), Michael Schmidt[OMED/AACR Updates Showcase Early Candidates and Biomarker Strategies/Outperform](#), Howard Liang[PBYI/Takeaways from KOL Dinner and Management Meeting after I SPY 2 Data/Outperform](#), Howard Liang[PFE/Final Palbociclib Analysis Solid, But Still More Questions than Answers/Market Perform](#), Seamus Fernandez[RXDX/Novel Targeted Therapy with Potential 1st Mover Advantage; Initiating with OP/Outperform](#), Howard Liang[SNSS/More Positive Vosaroxin-Decitabine AML/MDS Combo Data at AACR; Reit OP & \\$17PT/Outperform](#), Marko Kozul**Long Shelf Life Reports**[P&A V - Partnerships & Acquisitions in Biopharma: Our New Top Ten List](#), Joe Schwartz et al.[BMRN/Deep Dive on BMN111: Compelling Logic/Early Efficacy Warrant Investor Attention/Outperform](#), Joseph Schwartz[DYAX/Deep Dive on DX2930: Value Warranted for Novel HAE Monoclonal Antibody/Outperform](#), Joseph Schwartz[SHPG/Deep Dive on Ph. III Pipe; Feedback on Lifitegrast Surprisingly Constructive/Outperform](#), Jason Gerberry**Recent Surveys**[AEGR/Juxtapid Survey Shows Slower NT Growth, but We See Solid LT Uptake/Outperform](#), Joe Schwartz[TEVA/Signs of Cash Flow Stability Suggest M&A Activity Likely to Accelerate/Outperform](#), Jason Gerberry[Managed Care/Broker Survey Points to Stable Market for 2014, Shifts to Exchanges in 2015](#), Ana Gupte[KYTH/Survey Reactions to ATX-101 Validate Expectations for Successful 2015 Launch/Outperform](#), Seamus Fernandez[Medical Supplies and Devices/Hemophilia Physician Survey: BAX Share Loss Likely in Line with Estimates](#), Danielle Antalffy[AGN/4Q:13 Cosmetic Survey Highlights Stable Growth Trends, Cont'd AGN Strength/Market Perform](#), Seamus Fernandez



[Medical Devices-Orthopedics/Hip/Knee Survey Highlights 4Q Seasonality & Possible Positive Sign for 1H14](#), Richard Newitter  
[Pharmaceuticals/ Major/MEDACorp Diabetes Survey: Solid SGLT2 Prospects & A Tough Januvia \(MRK\) Outlook](#), Seamus Fernandez  
[Life Science Tools and Diagnostics/Survey Offers Mixed Feedback on Forthcoming Sequencing Demand](#), Dan Leonard

### White Papers

[Specialty Pharmaceuticals/ Generics/Future of Respiratory Generics - Next Major Generic Product Class](#), Jason Gerberry, JD  
[Medical Devices-Orthopedics/The Future Of Growth & Innovation In US Extremities Ortho Reconstruction](#), Rich Newitter  
[Biotechnology/Future of Dynamic Multiple Sclerosis Landscape](#), Marko Kozul, M.D.  
[Healthcare IT & Distribution/The Future of HCIT Population Health Management](#), Dave Larsen  
[Life Science Tools and Diagnostics/The Future of DNA Sequencing](#), Dan Leonard - Life Science Tools and Diagnostics  
[Biopharma/Future of Cancer Treatment - Immuno-Oncology](#), Seamus Fernandez  
[Biopharma/Future of Orphan Drugs: Neuro Nirvana](#), Joseph P. Schwartz - Biotechnology  
[Biopharma/Future of Hepatitis C Treatment](#), Howard Liang, Ph.D. - Biotechnology  
[Medical Devices-Cardiology/Future of Atrial Fibrillation](#), Danielle Antalffy - Medical Devices

### Leerink Partners 2014 Global Healthcare Conference

[Managed Care/Takeaways from our 2014 GHC Conference: Panel on Exchanges](#), Ana Gupte  
[Medical Supplies and Devices/Takeaways from 2014 Leerink Global Healthcare Conference](#), Antalffy/Newitter  
[Pharmaceuticals / Major/Takeaways from Our 2014 Global Healthcare Conference](#), Seamus Fernandez  
[Biopharma/Takeaways from Our 2014 Global Healthcare Conference: Immuno-oncology](#), Fernandez/Liang/Schmidt  
[Biopharma/Takeaways from our Global Healthcare Conference - The Hepatitis C Panel](#), Howard Liang  
[Biotechnology/Takeaways from our 2014 Global Healthcare Conference](#), Michael Schmidt  
[Biotechnology/Takeaways from our 2014 Global Healthcare Conference](#), Joe Schwartz  
[Biotechnology/Takeaways from our 2014 Global Healthcare Conference](#), Marko Kozul  
[Specialty Pharmaceuticals/Takeaways from our 2014 Global Healthcare Conference](#), Jason Gerberry  
[Life Science Tools and Diagnostics/Takeaways from our 2014 Global Healthcare Conference: Clinical NGS](#), Dan Leonard  
[HCIT/Takeaways from our 2014 Global Healthcare Conference](#), Dave Larsen

## Upcoming Healthcare Events

### Regulatory Events

**4/21:** FDA AdCom - Pediatric drugs  
**4/24:** FDA AdCom: Analgesic Drugs  
**4/24:** FDA AdCom: Neurologic Devices

### Medical Meetings

**4/9-13:** European Association for the Study of the Liver (EASL), ACHN, BMY, ENTA, GILD, IDIX, JNJ, MRK  
**4/10-13:** Clinical Immunology Society  
**4/10-13:** International Society for Heart & Lung Transplantation, HTWR  
**4/21:** ASCO abstract titles available  
**4/23-26:** National Kidney Foundation, XLRN  
**4/24-29:** American Society for Aesthetic Plastic Surgery

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## Disclosures Appendix

### Analyst Certification

Each analyst certifies that the views expressed in this report accurately reflect their views and that no part of their compensation was, is, or will be directly related to the specific recommendation or views contained in this report.

Distribution of Ratings/Investment Banking Services (IB) as of 03/31/14				
Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [OP]	131	68.23	46	35.11
HOLD [MP]	61	31.77	3	4.92
SELL [UP]	0	0.00	0	0.00

### Explanation of Ratings

**Outperform (Buy):** We expect this stock to outperform its benchmark over the next 12 months.

**Market Perform (Hold/Neutral):** We expect this stock to perform in line with its benchmark over the next 12 months.

**Underperform (Sell):** We expect this stock to underperform its benchmark over the next 12 months. The degree of outperformance or underperformance required to warrant an Outperform or an Underperform rating should be commensurate with the risk profile of the company.

For the purposes of these definitions the relevant benchmark will be the S&P 600® Health Care Index for issuers with a market capitalization of less than \$2 billion and the S&P 500® Health Care Index for issuers with a market capitalization over \$2 billion.

### Important Disclosures

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