



MORNING SUMMARY | EQUITY RESEARCH | August 12, 2014

Morning Summary is compiled from research reports and summary comments published by ROTH Capital. Please click on the headline of each comment to access a copy of the full research report (including applicable disclosures).

Cleantech

XWES: Q2 Beat, 2014 Guidance Raised - Shen

World Energy Solutions, Inc., Buy, \$7.00 PT, \$50.3 Mkt. Cap.(mil)

XWES posted a Q2 beat. Energy procurement generated strong retail bookings, and EE revenues grew 47% YoY. The company continues to leverage its best-in-class energy procurement platform to drive margin expansion, bookings growth, and new partnerships. We believe automation is a key opportunity ahead and could drive new revenue streams. As a result, we reiterate our Buy rating and \$7 PT.

Consumer

BDE: Tempered Growth Outlook Following 2Q14 Shortfall - King, CFA

Black Diamond, Neutral, \$10.00 PT, \$288.7 Mkt. Cap.(mil)

2Q14 results missed, while management tempered its 2014 growth outlook and guided 2015 below expectations. BDE hired former Sony & Gap Senior Exec Zeena Freeman as President, effective immediately, as CEO, effective by June 2015. We like BDE for its sport-defining lifestyle brand portfolio, experienced Board, and meaningful earnings growth potential. We believe management is taking a prudent approach to its ongoing apparel launch, but worry about overly optimistic investor expectations.

CRLRF: A Natural Fiber With Economic, Sustainability, & Performance Benefits - King, CFA

Crailar Technologies Inc., Buy, \$1.00 PT, \$27.1 Mkt. Cap.(mil)

We are initiating coverage of Crailar with a Buy rating and \$1.00 price target. CRAiLAR flax is the first eco-friendly cotton alternative with moisture management properties, making it suitable for a wide range of textile products. The company has strong relationships with leading industry customers and supply is just now coming on-line to meet substantial demand. Ultimately, Crailar could make for an attractive takeout candidate for one of its partners.

Energy & Industrials

MPAA: Nice FQ1'15 Beat, Reiterate Buy; Transferring Lead Coverage - Koranda

Motorcar Parts of America, Inc., Buy, \$30.00 PT, \$397.5 Mkt. Cap.(mil)

MPAA beat FQ1'15 estimates on the top and bottom line as higher-than-expected revenues from both rotating electrical and wheel hub combined with lower-than-expected opex. The company unveiled its new product line as brake master cylinders, commencing shipments in late Jul'14. We view this product introduction as a nice catalyst for the stock and expect potential new products to continue to drive growth going forward. Reiterate Buy and \$30 PT.

Healthcare

ADHD: All Focus Now On the Phase 3 Readout in Two Months - Chattopadhyay

Earnings Calendar

Aug 12 (BMO): RNA, RTRX, SOL, SPNS
Aug 12 (AMC): AAOI, PSG
Aug 13 (BMO): CSIQ, PSG
Aug 13 (AMC): IAG, CNAT, INSV, NVEE, PDII
Aug 14 (BMO): IAG
Aug 14 (AMC): SVL-T
Aug 18 (BMO): JKS
Aug 20 (BMO): JASO
Aug 21 (AMC): CRM, LTRX

Upcoming Events

Aug 18: ROTH Biotechnology Bus Tour – Boston, MA
Sep 3: 5th Annual ROTH Semiconductor Corporate Access Day – San Francisco, CA
Oct 22: 2014 ROTH Solar Symposium – Las Vegas, NV

Please contact your salesperson for more information.

Non-Deal Roadshows

Aug 12: MXWL | NY
Aug 14: RNA | SF
Aug 18-19: FLML | MINN, MILW, CHI
Sep 3: EXAS | BOS
Sep 4: VICL | NYC
Sep 5: BREW | NY
Sep 9-10: LF | CHI, MINN
Sep 10-11: NEOG | SF, DENV
Sep 11: HILL | CHI
Sep 11-12: PZG | MINN, MILW, CHI
Sep 16-17: MIDD | London
Sep 17: SYRG | NY
Nov 5-6: SYRG | Atlanta, KC, St. Louis
Nov 18: CODE | Florida

Alcobra Pharma, Buy, \$40.00 PT, \$272.1 Mkt. Cap.(mil)

Alcobra reported a net loss of (\$0.57), in line with our model. Importantly, management reiterated expectations of three significant data events by the end of 2014, which includes a phase 3 readout and two phase 2 studies in adolescent ADHD, and Fragile X syndrome. In today's call, management confirmed that 39% of the study population, or 119 patients were of the ADHD-I subtype, which drives the study power to 90%. Reiterate Buy.

CYTX: 2Q14; Broadening Therapeutic Programs ex-U.S. and New CFO - Pantginis, Ph.D.**Cytori Therapeutics, Buy, \$3.50 PT, \$134.4 Mkt. Cap.(mil)**

Cytori announced 2Q14 results posting EPS of (\$0.15) vs. our estimate of (\$0.12) and a consensus of (\$0.13). The company reported total revenues of \$1.3 million vs. our estimate of \$2.9 million and consensus estimate of \$2.5 million. CYTX announced the departure of CFO Mark Saad. A new CFO has been found and will be announced soon. Reiterate Buy.

GALE: 2Q14 Results; Promising Clinical Progress; Abstral Sales Need Boost - Pantginis, Ph.D.**Galena Biopharma, Inc., Buy, \$8.00 PT, Estimate Change, \$361.7 Mkt. Cap.(mil)**

GALE announced 2Q14 results posting an EPS of (\$0.17) vs. our estimate of (\$0.10) and a consensus of (\$0.09). The company's total revenues were \$2.3 million vs. our estimate of \$2.9 million and a consensus of \$3 million. GALE is ready to initiate the Phase II study of GALE-401 and expects to initiate the Phase II study of NeuVax+Herceptin in high HER2-expressing breast cancer patients this fall. Reiterate Buy.

ICUI: Growth Still Flat; Management Introduces Sales Changes - Lewis**ICU Medical, Inc., Neutral, \$56.00 PT, \$883.9 Mkt. Cap.(mil)**

ICUI reported 2Q results above guidance despite flat revenues, resulting from continued challenges in the Hospira/OEM business (down 12% yoy). We are encouraged by management's sales infrastructure initiatives, but expect these strategies will take time to materialize into more consistent direct growth. At this point, we maintain our Neutral rating and \$56 target price, which implies 1.8x our 2014 revenue estimate on an enterprise value basis.

UPI: NGS Coverage Marks Significant Reimbursement Milestone - Lewis**Uroplasty, Inc, Buy, \$5.00 PT, \$54.0 Mkt. Cap.(mil)**

UPI announced National Government Services (NGS), a Medicare Administrative Contractor (MAC), has issued a positive coverage decision for UPI's PTNS for the treatment of overactive bladder. With the positive coverage, UPI now has positive reimbursement coverage for all 50 million Medicare beneficiaries across all 50 states. We view the news as a significant reimbursement milestone in the company's commercial history.

VOLC: Analyst Day Introduces Reduced 5-Year Outlook - Lewis**Volcano Corporation, Buy, \$16.00 PT, \$620.1 Mkt. Cap.(mil)**

At its Analyst Day, VOLC introduced a more modest five-year financial outlook, calling for revenue CAGR of 6-8%, down from its prior outlook of 11-13%+. While the company continues to be challenged by stagnant end markets and increasing competition, we remain encouraged by the company's expanding peripheral product portfolio, which is expected to grow at 25% over the next five years.

Resources**PVG: Q2 Update; Brucejack Progressing - Reagor****Pretium Resources Inc., Buy, \$13.00 PT, Estimate Change, \$789.9 Mkt. Cap.(mil)**

On August 8, 2014, PVG released its results for Q2 2014. EPS loss of \$0.03 was in line as the company continues to work towards permitting its flagship Brucejack project. We continue to view the Brucejack deposit as an elite undeveloped gold project. We are maintaining a Buy rating and \$13.00 price target.

Disclosures

Regulation Analyst Certification ("Reg AC"): The research analyst primarily responsible for the content of this report certifies the following under Reg AC: I hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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Shares of Crailar Technologies Inc., Amerigo Resources Ltd. (OTCQX: ARREF) and InSite Vision, Inc may not be eligible for sale in one or more states.

A Research Analyst and/or a member of the Analyst's household own(s) shares of Alcobra Pharma, InSite Vision, Inc, Middleby Corporation, PDI, Inc. and Prosensa Therapeutic, NV. stock.

On September 28, 2010, ROTH changed its rating system in order to replace the Hold rating with Neutral.

On May 26, 2011, ROTH changed its rating system in order to incorporate coverage that is Under Review.

Distribution of IB Services Firmwide

Rating	Count	Percent	IB Serv./Past 12 Mos. as of 08/12/14	
			Count	Percent
Buy [B]	190	80.85	106	55.79
Neutral [N]	22	9.36	8	36.36
Sell [S]	1	0.43	0	0
Under Review [UR]	21	8.94	12	57.14

Our rating system attempts to incorporate industry, company and/or overall market risk and volatility. Consequently, at any given point in time, our investment rating on a stock and its implied price movement may not correspond to the stated 12-month price target.

Ratings System Definitions - ROTH employs a rating system based on the following:

Buy: A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return of at least 10% over the next 12 months.

Neutral: A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return between negative 10% and 10% over the next 12 months.

Sell: A rating, which at the time it is instituted and or reiterated, that indicates an expectation that the price will depreciate by more than 10% over the next 12 months.

Under Review [UR]: A rating, which at the time it is instituted and or reiterated, indicates the temporary removal of the prior rating, price target and estimates for the security. Prior rating, price target and estimates should no longer be relied upon for UR-rated securities.

Not Covered [NC]: ROTH does not publish research or have an opinion about this security.

For important disclosure information regarding the companies in this summary report, please contact: The Director of Research at (800) 678-9147 or write to: ROTH Capital Partners, LLC, Attention: Director of Research, 888 San Clemente Drive, Newport Beach, CA 92660

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