Zacks Small-Cap Research

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Grant Zeng, CFA
312-265-9466
gzeng@zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

Atossa Genetics (ATOS-NASDAQ)

ATOS: Significant revenue growth from pharmacogenomics testing in 1H15, which convinces us revenue growth will accelerate in the coming quarters,; ATOS enters therapeutic market via acquisition– Buy

Current Recommendation	**Outperform**
Prior Recommendation	N/A
Date of Last Change	12/16/2014
Current Price (08/12/15)	$0.97
Twelve- Month Target Price	**$9.00**

OUTLOOK

Atossa is a pure play breast health company with a focused growth strategy. The Company has three products/tests on the market now.

The company just reported significant revenue growth for 2Q15, which convinces us that revenue growth will accelerate in the coming quarters. We see total revenue growing at 126% CAGR from 2014 to 2020, with the Company turning profitable in 2019 with EPS of $0.29. We see EPS grow to $0.57 in 2020.

We think downside risk is low while upside potential is high at this time. We rate Atossa shares Buy.

SUMMARY DATA

52-Week High	**$2.51**
52-Week Low	**$0.82**
One-Year Return (%)	**-44.25**
Beta	**2.06**
Average Daily Volume (sh)	**127,965**
Shares Outstanding (mil)	**29**
Market Capitalization ($mil)	**$28**
Short Interest Ratio (days)	**6.21**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**N/A**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2012 Estimate	**N/A**
P/E using 2013 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**N/A**
Type of Stock	**N/A**
Industry	**Med Instruments**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2014	0.02 A	0.01 A	0.00 A	0.49 A	0.53 A
2015	1.87 A	2.69 A	2.80 E	2.70 E	10.07 E
2016					16.50 E
2017					26.00 E

Earnings per Share
(EPS is operating earnings before non recurring items)

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2014	-$0.10 A	-$0.13 A	-$0.13 A	-$0.15 A	-$0.51 A
2015	-$0.13 A	-$0.11 A	-$0.11 E	-$0.12 E	-$0.47 E
2016					-$0.32 E
2017					-$0.25 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

WHAT'S NEW

Another Strong Quarter for Revenue Growth

On Aug 6, Atossa announced its financial results for the second quarter ended June 30, 2015.

Net revenue for the 2Q15 totaled $2.7 million, as compared to $0.01 million for 2Q14. Revenue for 2Q15 was mainly derived from the company's recently launched pharmacogenomics testing (PG), while revenue for 2Q14 consisted of additional cash collections on NAF cytology tests performed in 2013.

The company did not generate any revenue from device sales for 2Q15. In March 2015, Atossa launched the FullCYTE Breast Aspirator in the U.S. and the ForeCYTE Breast Aspirator in the EU, focusing initially on the Netherlands, Germany, Switzerland and the United Kingdom. These devices are in the early stages of commercialization and have not yet generated any revenue. But we expect these devices will generate some moderate revenue for the company in 2H15.

Total revenue for 2Q15 also easily beat our estimate of $2.05 million.

Gross profit for 2Q15 totaled $0.84 million, compared to $0.01 million in the same period in 2014.

SG&A expenses were $3.5 million for 2Q15, compared to $2.7 million for 2Q14.

R&D expenses were $0.5 million for the second quarter of 2015, compared to $0.5 million for the same period of 2014.

For the three months ended June 30, 2015, total operating expenses were $4.0 million, an increase of $0.8 million (26%) from $3.2 million in the same period in 2014, mainly from the increased expenses for SG&A as a result of the ForeCYTE and FullCYTE launch and commercialization in Europe and the United States.

We expect continued increase in SG&A expenses during 2015, as the company is building a sales force in the United States and outside the United States to support the launch and commercialization of the FullCYTE and ForeCYTE Breast Aspirators and its laboratory service offerings.

Although R&D expenses have been quite flat during the past few quarters, we expect that the R&D expenses will grow moderately as Atossa advances its new products and tests in the pipeline, including Afimoxifene Gel, which was recently acquired from Besins Healthcare.

Not loss for 2Q15 was $3.1 million ($0.11 per share) as compared to net loss of $3.2 million ($0.13 per share) for 2Q14.
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We are impressed with the significant revenue growth from pharmacogenomics testing in the first half of 2015. It's even more impressive when we consider that the company achieved this in such a short period of time since the test is launched in late 2014.

Balance Sheet Remains Strong

As of June 30, 2015, Atossa held $11.4 million in cash and cash equivalents.

In late May 2015, Atossa entered into a $25 million stock purchase agreement with Aspire Capital Fund, LLC. Under terms of the agreement, Aspire has committed to purchase up to $25 million of Atossa's common stock over 30 months based on prevailing market prices over a period preceding each sale.

Key aspects of the agreement with Aspire Capital include:

- Atossa will control the timing and amount of any sales of common stock to Aspire Capital and will know the sales price before directing Aspire Capital to purchase shares;
- Aspire Capital has no right to require any sales by Atossa, but is obligated to make purchases as Atossa directs, in accordance with the terms of the purchase agreement;
- Aspire Capital has agreed to a long-only position;
- There are no limitations on use of proceeds, financial covenants, restrictions on future financings, rights of first refusal, participation rights, penalties or liquidated damages in the purchase agreement;
- The purchase agreement may be terminated by Atossa at any time, at its discretion, without any additional cost or penalty; and
- Atossa has issued shares of its common stock to Aspire Capital as a commitment fee in connection with entering into the purchase agreement.

We see these terms are favorable for Atossa.

Also in early June, Atossa priced an offering to raise approximately $6.2 million through the sale of approximately 1.83 million shares of common stock and pre-funded warrants to acquire approximately 3.61 million additional shares of common stock. The offering has been made to two institutional healthcare investors, with the shares being sold at a price of $1.15 per share, and the pre-funded warrants being sold at a price of $1.14 per warrant.

With this new financing and the above secured financing commitment, we think Atossa is in a better position to focus on its growth plan and create long term shareholder value.

Revenue Growth Will Accelerate in the Coming Quarters

Significant revenue growth in 1H15, especially revenue from pharmacogenomics testing, convinces us that revenue growth will accelerate in the rest of 2015 and beyond.

Atossa has three revenue resources in 2015: pharmacogenomics (PG) testing services, FullCYTE Breast Aspirator sales in the US, and ForeCYTE Breast Aspirator sales in the EU.

The PG testing will generate decent revenue for Atossa in 2015

Pharmacogenomics testing is a subgroup of molecular testing. PG test has become an emerging market with great potential for growth over the next 10 years. Pharmacogenomics involves testing an individual's genetic make-up to determine which drug regimen will best benefit his or her condition.

The PG test was launched in late October 2014 and Atossa performed 527 tests in 2014, which generated revenue of $525,954. In the first half of 2015, revenue from PG testing increased to $4.6 million, which is significant in our view.

Current capacity at Atossa's subsidiary, the National Reference Laboratory for Breast Health (NRLBH), can process approximately 5,000 pharmacogenetics tests per month and can increase capacity by hiring additional employees and adding additional equipment to its facility.

In order to accelerate the growth of the PG test, Atossa has retained **BioVentive Inc**. as its sales and marketing partner for the pharmacogenetics tests in the US. Going forward, BioVentive's experienced sales and marketing team of over 85 women's health sales representatives will greatly raise the visibility of the PG tests for Atossa.

Also in late July, Atossa announced that it provides a new expanded PG test based on technology and equipment provided by Luminex Corporation. The new expanded pharmacogenetic test includes a genetic analysis of **8 additional genes**. The genetic information provided by the new test helps physicians treat certain addictions and a variety of clinical conditions including depression, anxiety, and other behavioral health issues.

Atossa plans to utilize its **third-party reimbursement** firms, FedMed, MultiPlan, Xifin and HealthSmart, to maximize the amount and speed of collections and help ensure that insurance companies that are members of these organizations pay for this test for their covered patients.

The PG testing at Atossa already has gained traction since its launch in late October 2014 and it's our belief that the PG testing will grow strongly in fiscal 2015 and beyond. With the help of BioVentive, Atossa can maximize the revenue potential and profitability of the pharmacogenetics testing to help finance the company's broader business. Revenue from the pharmacogenomics testing should add substantially to the company's top and bottom line and help finance its therapeutic development and device business in a **non-dilutive** manner.

The FullCYTE Breast Aspirator Launched in the US

In late March, 2015, Atossa launched the **FullCYTE Breast Aspirator** in the United States. This is in line with our expectations. As we discussed in our previous reports, the company has shifted its focus to FullCYTE Breast Aspirator after its voluntary recall of the ForeCYTE Breast Aspirator in 2013.

Background

In October 2013 Atossa initiated a voluntary recall of the ForeCYTE Breast Health Test and Mammary Aspirate Specimen Cytology Test (MASCT) device from the US market. This was in response to concerns the FDA had made that Atossa had made changes in the device that required submission of a new 510(k) Pre-Market Notification.

In December 2013 Atossa submitted a new 510(k) for the ForeCYTE device but in September 2014 the FDA determined that it did not meet the criteria for substantial equivalence. Atossa intends to request a pre-submission meeting with the FDA to reach agreement on the new clinical studies FDA is seeking and then intends to perform those studies and submit a new 510(k) notification for the ForeCYTE Breast Aspirator to the FDA.

Focus Shifted to FullCYTE Test in the US

With the delay of ForeCYTE breast aspirator re-launch in the US market, Atossa plans to now commercialize in the US an alternative breast aspirator, called the **FullCYTE Breast Aspirator**. The FullCYTE Breast Aspirator is an FDA-cleared device that was acquired by Atossa in 2012 and is a subset of Atossa's FullCYTE Microcatheter which Atossa has been preparing for commercialization over the past 12 months. Atossa will now prioritize the commercial launch of the FullCYTE Breast Aspirator in the US market, which serves as the **second revenue source** for Atossa in 2015 and beyond.

The FullCYTE Breast Aspirator is designed to collect a nipple aspirate specimen for cytological testing. .

The FullCYTE **Microcatheter** involves collecting **ductal lavage samples** from each of the five to seven individual breast milk ducts using the Company's patented and FDA-cleared **Mammary Ductal Microcatheter System** and analyzing the samples by cytological examination.

The aspirator device is comprised of a rigid polycarbonate cup which is placed around the breast nipple. The polycarbonate cup is attached to a user supplied standard syringe, which is used to pull a gentle vacuum to express breast ductal fluid. This fluid can be placed directly into a non-gyn liquid-based cytology fixative for transport to a pathology laboratory. The FullCYTE Breast Aspirator device is intended for single patient use only.

FullCYTE was acquired in April 2012 from **Hologic, Inc.** Atossa paid an up-front fee and is obliged to pay royalties between 2% and 6% on aggregate net sales in the countries with issued patents.

Two Deals will Accelerate FullCYTE Sales Growth

We are very pleased to see the scheduled launch of the FullCYTE device in the US and believe this product will generate significant top line growth for the company in the coming quarters.

In Feb, 2015, Atossa announced two important deals with the two large, prestigious diagnostic companies in the US.

The deal with **Thermo Fisher Scientific** was announced in early Feb and the deal with **Henry Schein Medical** was announced in late Feb.

While the agreement with Thermo allows for Thermo to distribute FullCYTE Breast Aspirator in a **hospital setting** including breast clinics and women's health centers, the agreement with Henry allows for the company to distribute FullCYTE Breast Aspirator in OB/GYNs offices and smaller healthcare facilities.

Access to both the hospital market and smaller healthcare facilities is a critical part of Atossa's launch strategy for the FullCYTE Breast Aspirator in the US.

The two deals give us confidence that launch is likely to be successful and initial sales ramp for FullCYTE Breast Aspirator may be better than we thought before.

The ForeCYTE Breast Aspirator Launched in the EU

In early March, 2015, Atossa launched the ForeCYTE Breast Aspirator and Collection Kit within the European Union (EU). The initial focus is on the Netherlands, Germany, Switzerland, and the United Kingdom.

The ForeCYTE Breast Aspirator device is a reusable, hand-held pump device intended for the collection of a small amount of nipple aspirate fluid (NAF) from a woman's breast for cytological testing. Atossa received **CE Mark** from the European Medical Device Directive (MDD) for its **ForeCYTE Breast Aspirator** in October 2014, which allows for Atossa to distribute the device in the European Union and its member states.

Atossa contracted in early December 2014 with **Rhenus Advanced Services BV** to provide comprehensive logistics services and support in European markets. Rhenus will provide Atossa with logistics services and support throughout European markets from its facilities located in Tilburg, The Netherlands, including warehousing, packaging, shipping, invoicing and collections.

According to management, Atossa has accepted an initial order for ForeCYTE Breast Aspirators and Collection Kits from the University Medical Center Utrecht, The Netherlands.

The ForeCYTE Breast Aspirator will serve as **the third revenue source** for Atossa in 2015 and beyond.

Atossa Enters into Therapeutic Market

On May 18, 2015, Atossa announced that it has acquired **Afimoxifene (4-Hydroxytamoxifen) Gel** from Besins Healthcare. Atossa intends to develop Afimoxifen get for the potential treatment of **hyperplasia of the breast**, a precursor to breast cancer.

Following are the summary of the terms:

- Atossa obtains exclusive world-wide rights to develop and commercialize Afimoxifene Gel for the potential treatment and prevention of hyperplasia of the breast.
- No upfront or milestone payments to Besins.
- Royalty of 8% - 9% of net sales for the first 15 years of commercialization.
- Atossa has the non-exclusive right to also develop Afimoxifene Gel for breast cancer and other breast diseases (subject to milestone payments for these additional indications).
- Atossa obtains access to Besins' pre-clinical and clinical studies and data for the treatment of breast pain with Afimoxifene Gel, which include animal, toxicity, and clinical trials with 144 patients. Results from additional 82 patients have been published from pre-surgical studies in invasive breast cancer and ductal carcinoma in situ (DCIS). Across all indications, over 450 patients have been treated with Afimoxifene Gel.
- Besins has the right of first refusal to commercialize the Afimoxifene Gel on a country-by-country basis in countries where they have a marketing presence.

Besins has generated substantial pre-clinical and clinical data for Afimoxifen Gel that Atossa intends to utilize to advance the candidate, which will be used in conjunction with the company's devices and laboratory tests. Atossa intends to secure a manufacturing source for a clinical supply of Afimoxifene Gel and to advance the clinical development into a **Phase IIb** clinical trial.

In early August, Atossa entered into a manufacturing and quality agreements with AAIPharma Services Corp. for the manufacturing of a clinical supply for 4-Hydroxytamoxifen. We believe this will accelerate the clinical development of **Afimoxifene Gel.**

<u>Our Key Takeaways from the Acquisition</u>

We welcome the acquisition of Afimoxifen Gel as it is the fourth goal of 2015 set by management to initiate pharmaceutical clinical trials in women for the treatment of pre-cancerous proliferative breast disease via local delivery of proprietary pharmaceuticals.

Atossa will enter into the **therapeutic market** through the development of Afimoxifen Gel. Afimoxifen is the active metabolite of **Tamoxifen**, which is an oral hormonal drug typically prescribed for a five year period. Tamoxifen is the most widely used hormonal drug in the world for the treatment of **breast cancer**, with sales of over one billion dollars in the early 2000s.

However, due to the serious and highly detrimental side effects, such as endometrial cancer, cancer of the uterus; strokes, blood clots in the lungs, and blood clots in the legs, in patients pursuing a 5-year course of oral tamoxifen, its usage has been limited.

Afimoxifen Gel is a transdermal topical gel directly to the breast, which gets through the skin into the breast tissue but is not absorbed at high levels into the blood stream, which reduces the side effects of tamoxifen. This is the vision upon which Atossa was founded, to develop a pharmaceutical that can locally treat atypical hyperplasia and which will reduce the incidence of breast cancer.

Besins has conducted 16 Phase I and Phase II clinical studies of this product, providing a wealth of data on safety and pharmacokinetics of the drug in tissue and blood. Six pharmacokinetic and pharmacodynamic studies completed by Besins show that local, potentially therapeutic concentrations of Afimoxifene can be achieved while systemic plasma concentrations are minimized.

Atossa intends to develop Afimoxifen Gel for the treatment of **hyperplasia** identified by its NAF cytology using repeated NAF collection and cytology to monitor the treatment process.

Atossa intends to secure a manufacturer of the drug candidate, file an IND with the FDA and meet with the FDA to go over the entire development plan, complete any necessary animal studies and begin a **Phase IIb** clinical trial program. Besins had conducted an end-of-phase II trial meeting with the FDA and Atossa can take advantage of the outcome of that meeting in its own development process.

During the conference call, management disclosed the estimated cost of the clinical trials. Two CROs have bid on the expected trial at between $3 and $4 million. The majority of those expenses would begin in **2016** when the trial will begin.

We are also impressed with the positive terms of the acquisition. Atossa does not pay any upfront nor any milestone payments for the hyperplasia indication. The company plans to pay for the clinical trial costs out of revenues from its lab services and device sales. This non-dilutive financing strategy is very unique and will ultimately drive shareholder value.

We believe the acquisition of Afimoxifen Gel is the most significant event in the history of Atossa Genetics, which transforms the company into a **late-stage Phase II** pharmaceutical company.

Atossa Shares are Undervalued

We maintain our Buy rating for Atossa Genetics and reiterate our 12-month price target of $9.00 per share.

Atossa is an emerging medical diagnostics company with a focus on breast care. The Company currently has three sources for revenue generation: pharmacogenomics testing, FullCYTE breast aspirator in the US and ForeCYTE breast aspirator in the EU.

We think revenue will accelerate in the coming years thanks to its focused marketing strategy and continued new products/services offering. We see total revenue growing at an impressive 126% compound annual growth rate (CAGR) from fiscal 2014 to 2020 according to our financial model. We model that the Company will become profitable in fiscal 2019 with earnings per share (EPS) of $0.29 based on total revenue of $55.0 million. We forecast EPS will grow to $0.57 per share based on revenue of $69.5 million in fiscal 2020. This is impressive considering the relatively short history of the operations and the small size of the Company.

Based on Atossa’s strong fundamentals, we think the Company’s shares are undervalued. Currently, Atossa shares are trading at about $1.0 per share which values the Company at $28 million in terms of market cap based on 29 million shares outstanding. This is a deep discount compared to its peers. We think Atossa shares should trade at 38 x P/E multiple which is similar to the biotech industry average P/E ratio. If we use this P/E multiple, coupled with our estimated EPS of $0.57 in 2020, discounted at 20% for five years, we come up with a price target of $9.00 per share.

One wild card for Atossa valuation is that the Company could be an acquisition target for big players. The clinical lab testing industry is quite fragmented currently, and merger & acquisition activity is looming. We all know that big players LabCorp and Quest Diagnostics are increasingly acquiring smaller players in this field. Qiagen NV, a research service company based in Netherland, entered into molecular diagnostics market in 2007 by acquiring Digene Corp. Since then, Qiagen has been quite aggressive in acquisition of other small genetic/molecular testing companies.

With the increased activity in M&A in the industry, Atossa could be an easy target for acquisition. If acquired by big players, share price of Atossa may soar.

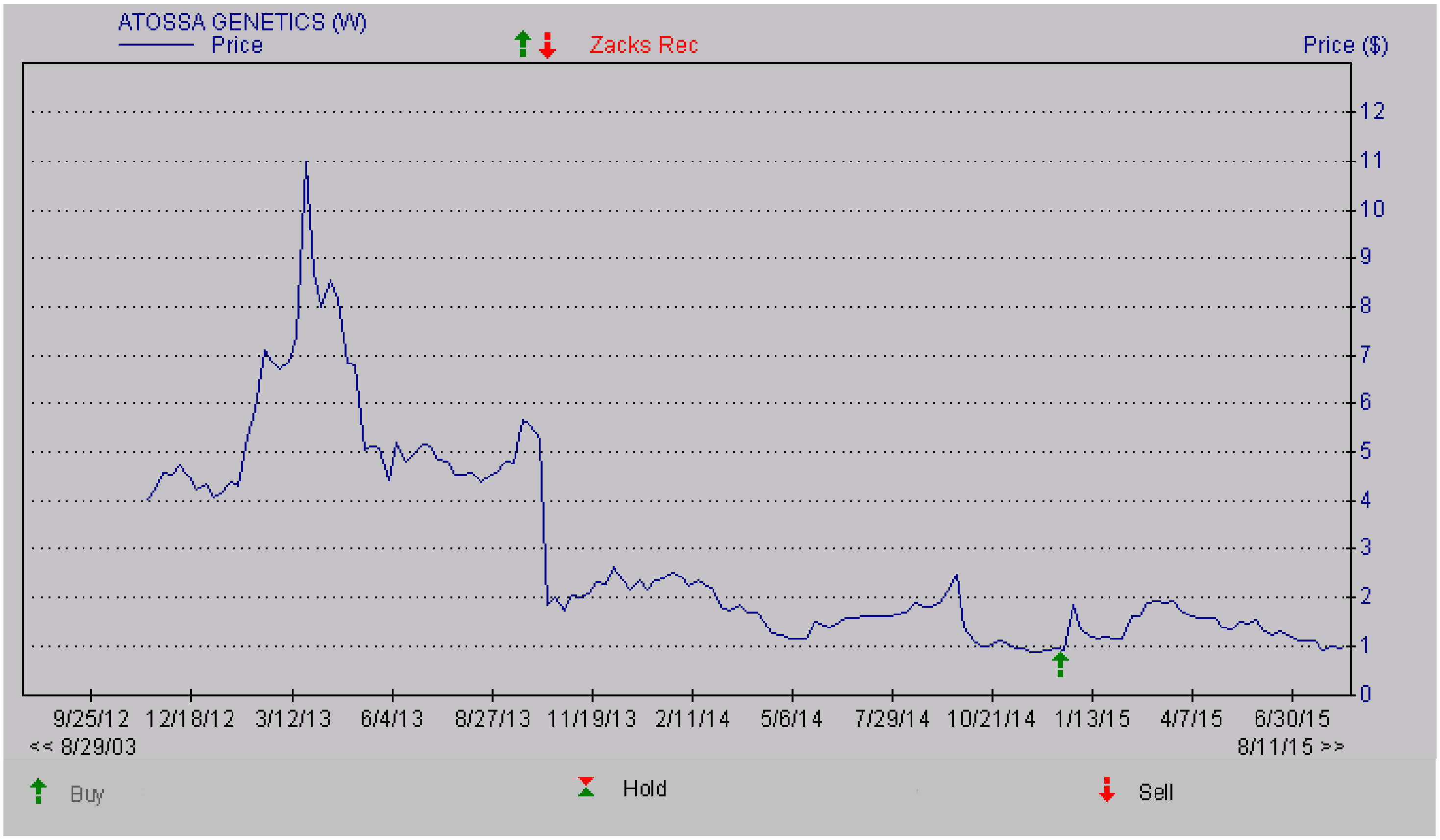
We are optimistic about the Company’s prospect. With a rapidly growing market worldwide, combined with its unique technology and broad range of product offering, the Company is well positioned to boost its top line and bottom line in the coming years. We think at this time, downside risk for Atossa is relatively low while upside potential is high.

PROJECTED INCOME STATEMENT

					2014A (Dec)	2015E (Dec)					2016E (Dec)	2017E (Dec)	2018E (Dec)	2019E (Dec)	2020E (Dec)
$ in million except per share data	Q1	Q2	Q3	Q4	FYA	Q1	Q2	Q3	Q4	FYE	FYE	FYE	FYE	FYE	FYE
Laboratory Services	$0.02	$0.01	$0.00	$0.49	$0.53	$1.87	$2.69	$2.70	$2.50	$9.77	$15.00	$22.50	$30.00	$45.00	$55.00
Medical Device sales	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.10	$0.20	$0.30	$1.50	$3.50	$7.00	$10.00	$14.50
Total Revenues	**$0.02**	**$0.01**	**$0.00**	**$0.49**	**$0.53**	**$1.87**	**$2.69**	**$2.80**	**$2.70**	**$10.07**	**$16.50**	**$26.00**	**$37.00**	**$55.00**	**$69.50**
YOY Growth	-86.8%	-97.0%	-95.5%	934.7%	-16.9%	7665.2%	27182.6%	81628.0%	452.7%	1814.1%	63.9%	57.6%	42.3%	48.6%	26.4%
CoGS	0.00	0.00	0.00	0.34	0.34	1.21	1.85	1.75	1.65	6.46	8.00	14.30	16.65	19.25	17.38
Gross Income	**$0.02**	**$0.01**	**$0.00**	**$0.15**	**$0.19**	**$0.67**	**$0.84**	**$1.05**	**$1.05**	**$3.60**	**$8.50**	**$11.70**	**$20.35**	**$35.75**	**$52.13**
Gross Margin	100.0%	100.0%	100.0%	30.3%	35.2%	35.5%	31.2%	37.5%	38.9%	35.8%	51.5%	45.0%	55.0%	65.0%	75.0%
SG&A	$2.01	$2.69	$2.33	$2.87	$9.90	$3.15	$3.52	$3.20	$3.40	$13.27	$14.50	$16.50	$17.00	$18.50	$19.50
% SG&A	8342.5%	27196.4%	67878.3%	588.3%	1881.8%	168.3%	130.8%	114.3%	125.9%	131.9%	87.9%	63.5%	45.9%	33.6%	28.1%
R&D	$0.42	$0.51	$0.92	$0.72	$2.58	$0.80	$0.51	$0.85	$0.90	$3.06	$3.50	$4.00	$4.50	$5.00	$6.00
% Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Income	**($2.4)**	**($3.2)**	**($3.2)**	**($3.4)**	**($12.3)**	**($3.3)**	**($3.2)**	**($3.0)**	**($3.3)**	**($12.7)**	**($9.5)**	**($8.8)**	**($1.2)**	**$12.3**	**$26.6**
Operating Margin	-	-	-	-	-	-	-	-	-	-	-	-33.85%	-3.11%	22.27%	38.31%
Other Net	$0.0	$0.0	$0.0	($2.4)	($2.4)	($0.1)	$0.0	$0.0	$0.0	($0.0)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)
Pre-Tax Income	**($2.4)**	**($3.2)**	**($3.2)**	**($5.8)**	**($14.7)**	**($3.3)**	**($3.1)**	**($3.0)**	**($3.3)**	**($12.7)**	**($9.6)**	**($8.9)**	**($1.2)**	**$12.2**	**$26.6**
Income taxes(benefit)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reported Net Income	**($2.4)**	**($3.2)**	**($3.2)**	**($5.8)**	**($14.7)**	**($3.3)**	**($3.1)**	**($3.0)**	**($3.3)**	**($12.7)**	**($9.6)**	**($8.9)**	**($1.2)**	**$12.2**	**$26.6**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-	-86.3%	- 1107.4%	117.9%
Net Margin	-	-	-	-	-	-	-	-	-	-					
				0											
Diluted Shares Out	24.4	24.4	24.5	22.8	24.0	24.9	27.7	27.5	28.0	27.0	30.0	35.0	40.0	45.0	50.0
Reported EPS	**($0.10)**	**($0.13)**	**($0.13)**	**($0.26)**	**($0.61)**	**($0.13)**	**($0.11)**	**($0.11)**	**($0.12)**	**($0.47)**	**($0.32)**	**($0.25)**	**($0.03)**	**$0.27**	**$0.53**
One time charge	*$0.00*	*$0.00*	*$0.00*	*$2.37*	*$2.37*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$1.00*	*$2.00*
Non GAAP Net Income	**($2.4)**	**($3.2)**	**($3.2)**	**($3.4)**	**($12.3)**	**($3.3)**	**($3.1)**	**($3.0)**	**($3.3)**	**($12.7)**	**($9.6)**	**($8.9)**	**($1.2)**	**$13.2**	**$28.6**
Non GAAP EPS	**($0.10)**	**($0.13)**	**($0.13)**	**($0.15)**	**($0.51)**	**($0.13)**	**($0.11)**	**($0.11)**	**($0.12)**	**($0.47)**	**($0.32)**	**($0.25)**	**($0.03)**	**$0.29**	**$0.57**

Source: Company filing and Zacks estimates

HISTORICAL ZACKS RECOMMENDATIONS



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