Zacks Small-Cap Research

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POZEN, Inc. (POZN-NASDAQ)

POZN: On Track For Merger With Tribute Pharmaceuticals in Fourth Quarter of 2015……

Current Recommendation	**Buy**
Prior Recommendation	Hold
Date of Last Change	03/07/2007
Current Price (09/29/15)	$5.84
Target Price	**$13.50**

UPDATE

On August 10, 2015, Pozen, Inc. reported financial results for the second quarter of 2015 that ended June 30, 2015. Total revenues in the quarter were $5.2 million and consisted entirely of royalties from the sale of Vimovo®. The company reported a net loss of $16.3 million for the quarter, which was mainly driven by increased expenses associated with the upcoming merger with Tribute Pharma along with severence costs for the company's former CEO.

The company is currently working on getting everything into place such that the merger with Tribute can occur in the fourth quarter of 2015.

SUMMARY DATA

52-Week High	**$12.44**
52-Week Low	**$5.70**
One-Year Return (%)	**-24.02**
Beta	**1.71**
Average Daily Volume (sh)	**550,846**
Shares Outstanding (mil)	**32**
Market Capitalization ($mil)	**$189**
Short Interest Ratio (days)	**4.58**
Institutional Ownership (%)	**57**
Insider Ownership (%)	**15**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/M**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2015 Estimate	**N/M**
P/E using 2016 Estimate	**13.6**

Risk Level	**Average**
Type of Stock	**Small-Growth**
Industry	**Med-Drugs**

ZACKS ESTIMATES

Revenue
(In millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	7.5 A	7.4 A	7.5 A	9.9 A	32.4 A
2015	4.4 A	5.2 A	5.3 E	6.5 E	20.5 E
2016					42.5 E
2017					101.5 E

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

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	$0.09 A	$0.09 A	$0.20 A	$0.21 A	$0.60 A
2015	-$0.00 A	-$0.50 A	$0.06 E	$0.03 E	-$0.27 E
2016					$0.08 E
2017					$0.53 E

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WHAT'S NEW

Financial Update

On August 10, 2015, Pozen, Inc. (POZN) announced financial results for the second quarter of 2015 ended June 30, 2015. Total revenues for the quarter were $5.2 million and were entirely composed of royalties received from the sale of Vimovo® in the U.S. by Horizon Pharma (HZNP) and outside the U.S. by AstraZeneca (AZN). Horizon recorded $39.8 million in revenue from sales of Vimovo® while AstraZeneca did not provide a breakdown of sales. Pozen did not report any licensing or collaborative revenue in the quarter since the YOSPRALA® licensing agreement with Sanofi U.S. was terminated in December 2014, and management recognized all remaining unamortized revenue in the fourth quarter 2014. As a result, total revenues were down 30% year-over-year.

Total operating expenses in the quarter totaled $20.5 million and consisted of $18.2 million in G&A and $2.3 million in R&D. G&A expenses were much higher than expected in part due to $5.2 million in merger related costs and one time severance costs of $7.6 million related to the company's former CEO. R&D expenses were up $0.4 million compared to the same quarter in 2014 due to increased Yosprala development costs.

Pozen exited the second quarter of 2015 with $41.6 million in cash and cash equivalents. The company will receive an additional cash infusion upon consummation of the planned merger with Tribute Pharma through the sale of $75 million in stock and an additional $75 million in convertible debt through an agreement with a number of leading healthcare investors including Deerfield Management, QLT, Inc., and Broadfin Capital, LLC.

New Leadership / New Focus

The month of June 2015 was a transformational time for Pozen.

- The company announced on June 1, 2015 that the company's founder, Chairman, and CEO, Dr. John Plachetka, was retiring.
- This was followed up a day later with the announcement that the company was forming an Irish subsidiary to maximize the significant business and commercial potential associated with the anticipated approval of YOSPRALA®.
- One week later, the company announced the acquisition of Tribute Pharmaceuticals Canada, Inc. (TBUFF).

Pozen's New CEO

When the retirement of Dr. Plachetka was announced, the Board of Directors of Pozen appointed Mr. Adrian Adams as the company's new CEO. Mr. Adams has over 30 years of experience as a pharmaceutical executive. The table below highlights the previous five positions that Mr. Adams has held:

Dates	Position	Company	Outcome
Dec. 2011 - Jan. 2015	CEO/President	Auxillium Pharmaceuticals, Inc.	Acquired by Endo Pharmaceuticals, Inc.
Sep. 2011 - Nov. 2011	CEO/Chairman	Neurologix, Inc.	Filed for Ch. 7 Bankruptcy
Feb. 2010 - May 2011	CEO/President	Inspire Pharmaceuticals, Inc.	Acquired by Merck
Mar. 2007 - Feb. 2010	CEO/President	Sepracor, Inc.	Acquired by Dainippon Sumitomo Pharma Co.
2002 - Dec. 2006	CEO/President	Kos Pharmaceuticals, Inc.	Acquired by Abbott Laboratories

Source: Zacks SCR

Interestingly, larger pharmaceutical companies have acquired the past four out of five companies that Mr. Adams has worked as the CEO. This is strong track record and one that should please Pozen shareholders.

Other New Executives

In addition to naming Mr. Adams as CEO, the Board of Directors also appointed Andrew Koven as President and Chief Business Officer, reporting to Mr. Adams. Mr. Koven most recently served as Chief Administrative Officer and General Counsel of Auxilium Pharmaceuticals Inc. Prior to joining Auxilium, Mr. Koven served as President and various other roles at Neurologix, Inspire Pharmaceuticals, Sepracor, and Kos Pharmaceuticals.

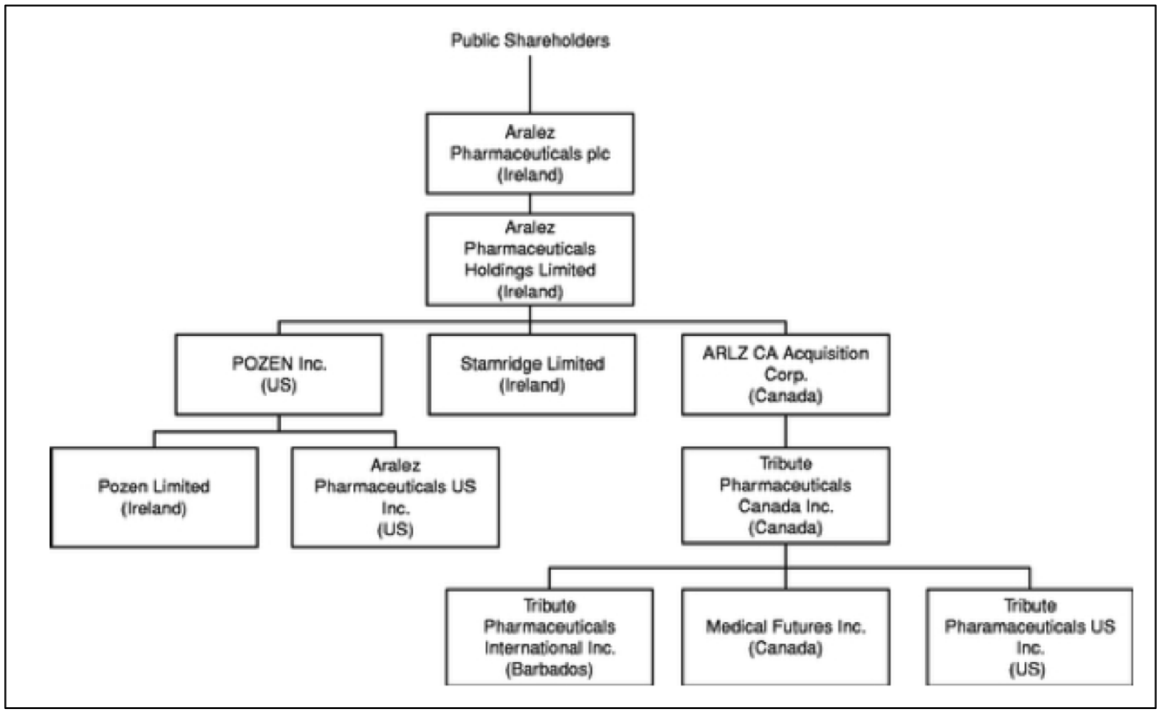
A few weeks later, the company announced three new appointments to the Executive Leadership Team, with the intention that each of these individuals will retain their positions in the newly formed Aralez Pharmaceuticals:

- Mark A. Glickman was named Chief Commercial Officer
- Eric L. Trachtenberg was named Deputy General Counsel
- Jennifer L. Armstrong was named Executive Vice President, Human Resources and Administration

Lastly, Pozen announced the hiring of Scott Charles as Senior Vice President of Finance with the intention that he will become the Chief Financial Officer of Aralez. Mr. Charles has over 19 years of experience in financial operations in public and private companies. He most recently served as Vice President of Finance and Treasuerer at Ikara, Inc. where he played an integral role in the company's spin-off of its R&D operations and sale of its commercial business to a private equity firm in 2014.

Tribute Acquisition Remains on Track

Pozen will acquire Tribute with the resulting corporation, Aralez Pharmaceuticals, Ltd., being headquartered in Ireland. A breakdown of the company structure is presented in the following graphic:



Source: Aralez Pharmaceuticals

The deal is contingent upon approval by shareholders of both companies. Upon approval, stock in Aralez will be distributed in a 1:1 fashion for Pozen shareholders, while shareholders of Tribute will receive 0.1455 shares of Aralez for each share of Tribute. Before factoring in the financing that will occur upon closing of the deal (discussed below), stockholders of Pozen will own approximately 66% of Aralez while stockholders of Tribute will own approximately 34%. Pozen's management will take charge of Aralez, with Mr. Adams as CEO, and Aralez is expected to apply to list its shares on the Nasdaq (ARLZ) and the TSX.

In conjunction with the acquisition (which we anticipate will close at some point in the fourth quarter), a group of leading healthcare investors, led by Deerfield Management, has committed up to $350 million in capital for Aralez to fund the anticipated commercial launch of YOSPRALA® and for "future acquisitions". The proposed investment in Aralez consists of $75 million in equity at a purchase price of $7.20 per share (10.4 million shares) and $75 million in 2.5% convertible senior secured notes (due in six years with a conversion price of $9.54 per share, or approximately 7.9 million shares). Thus, at closing the ownership distribution will be approximately 54%, 28%, and 17% for Pozen shareholders, Tribute shareholders, and Deerfield *et al.*, respectively.

In addition to the $150 million to be invested in Aralez at closing, another $200 million in senior secured debt is available to the company to "fund future acquisitions". We believe this will translate into a number of deals that will transpire in 2016 and beyond to build Aralez into a company with a cardiovascular-based and North American focused portfolio of products. These deals are likely to focus on products that are already approved or very near approval that the company views as low-risk, high-value assets.

Aralez Overview

The strategy behind Aralez is that the company will become a cardiovascular focused specialty pharmaceutical company with support from a pain-focused franchise. We expect that the company will be centered on YOSPRALA®, once it is approved, which we believe will occur in 2016 (discussed further below). In the run-up to the launch of YOSPRALA®, the company will focus its efforts on increasing sales of Fibricor® in the U.S., which Tribute recently purchased from Sun Pharma and will begin promoting in the U.S. in the fourth quarter of 2015. Below we highlight the products that Aralez will market once the merger between Pozen and Tribute occurs.

Cardiovascular Products: YOSPRALA® is composed of a delayed-release aspirin and an immediate-release omeprazole intended for the secondary prevention of heart attack and stroke. For patients who have suffered a heart attack or stroke, taking daily aspirin has been shown to help prevent the occurrence a second heart attack or stroke. In the U.S., there are approximately 24 million secondary prevention patients, with approximately 70% of them taking daily aspirin. In addition, approximately 40% of prescribing physicians recommend that their patients take some form of gastric acid reducer. The reason for this is that daily use of nonsteroidal anti-inflammatory drugs (NSAIDs), such as aspirin, is associated with an increased risk of developing gastric ulcers, thus the addition of an agent that decreases stomach acid production, such as the proton pump inhibitor (PPI) omeprazole, is intended to decrease the chance for the development of ulcers. Pozen has previously shown that patients taking YOSPRALA® develop significantly fewer gastric ulcers than patients taking enteric-coated aspirin after six months of treatment (Whellan *et al*., 2014). Patent coverage for YOSPRALA® expires in Feb. 2023, with the potential for filed patent applications to extend protection to 2032.

Fibricor® is a unique formulation of fenofibric acid and is indicated as an adjunctive therapy to diet for the treatment of severe hypertriglyceridemia (triglycerides ≥ 500 mg/dL), to reduce elevated LDL cholesterol, total cholesterol, triglycerides, apolipoprotein B (Apo B), and to increase HDL cholesterol. Fenofibrate was originally sold by Abbott Labs (now AbbVie Pharmaceuticals) as TriCor, with peak sales in excess of $1 billion. AbbVie brought a blockbuster next-generation product, Trilipix (fenofibric acid) to the market as a follow-on to TriCor, but now 80% of the market for fenofibrate and fenofibric acid is generic. As a reminder, Tribute only just recently acquired Fibricor® from Sun Pharma in May 2015. Tribute paid $10 million for the rights to the product, which included $5 million upfront, $2 million due in November 2015, and $3 million due in May 2016. Trailing twelve-month sales of Fibricor ending April 30, 2015 totaled $4.7 million, and that was with little to no promotion by Sun Pharma. We believe Aralez will utilize approximately 20-25 sales representatives to promote Fibricor® to approximately 3,500 cardiologists and primary care physicians beginning in the fourth quarter of 2015. Patent coverage for Fibricor expires in Feb. 2027.

Bezalip® SR (bezafibrate sustained release) is one of Tributes largest products, with sales in Canada of around CND$6-7 million. Beyond Canada, the product is approved in approximately 40 countries around the globe, but not yet approved (or filed) in the U.S. Bezalip® SR is indicated as an adjunct to diet and other therapeutic measures for the treatment of mixed hyperlipidemia, a condition defined as the elevation of plasma cholesterol, triglycerides (TGs), or both, or a low high-density lipoprotein (HDL) level that contributes to the development of atherosclerosis. The 400 mg Bezalip® SR tablet is designed for sustained release such that only once-daily dosing is sufficient to obtained therapeutic pharmacology. Tribute currently promotes Bezalip® SR with a 20-person primary-care focused sales force in Canada.

In addition to the products discussed above, Aralez will also have a synthetic beta-adrenergic blocker drug Visken® (approved in Canada) for hypertension and angina along with a combination product that includes the active ingredient in Visken® (pindolol) with a diuretic agent hydrochlorothiazide under the brand name Viskazide® (approved in Canada).

As a reminder, the New Drug Application (NDA) for YOSPRALA® was originally filed in March 2013. On August 25, 2014, Pozen received a complete response letter (CRL) from the FDA, noting that deficiencies were found during an inspection of the facility that manufactures the active ingredient of YOSPRALA®. The supplier responded to the FDA and on June 30, 2014 the NDA was resubmitted. On December 17, 2014, Pozen received a second CRL, which contained identical wording to the first CRL. YOSPRALA® cannot be approved until there is satisfactory resolution to the deficiencies noted in the CRL. The active ingredient supplier is currently working to correct those

deficiencies, and in the mean time Pozen is looking for a second supplier in case the deficiencies with the first supplier cannot be cleared up. At this point it is unclear whether after re-filing the NDA Pozen will receive a Class-1 (two month) review or a Class-2 (six month) review, however the use of a new active ingredient supplier would likely result in a Class-2 review. Regardless, we anticipate that YOSPRALA® will be approved in 2016.

Pain Products: Vimovo® is composed of the NSAID naproxen and the PPI esomeprazole, with the theory behind the drug identical to that of YOSPRALA®. Aralez will continue to collect royalties on sales of Vimovo® in the U.S. from Horizon and outside the U.S. from AstraZeneca. Patent coverage for Vimovo® expires in the U.S. in Oct. 2031.

Durela® is an extended release tramadol product with sales in Canada of approximately CND$1.5 million. Tribute acquired Durela® when the company closed on the Medical Futures acquisition just announced on June 17, 2015. Penetration rates for Durela® in Canada are extremely low and offer significant upside should Aralez management be able to improve uptake of the drug. The drug is patent protected in Canada until October 2022. We believe peak Durela® sales are approximately CND$5 million.

Cambia® (diclofenac) is the primary growth driver of the Canadian business at Tribute Pharma. The product was approved back in March 2012, but recently prescriptions have been accelerating thanks to new Canadian Headache Society (CHS) guidelines published back in October 2013 recommending the product as first-line therapy for migraine attacks where OTC products fail. This puts Cambia® ahead of triptans such as Maxalt®, Imitrex®, and Zomig®. Tribute (in collaboration with the CHS and KOLs) has developed and disseminated a national continuing education program based on the CHS guidelines to help drive awareness and uptake of Cambia®. The drug is patent protected in Canada until May 2017.

Tribute acquired the Canadian rights to Fiorinal® and Fiorinal® C in October 2014. The products are indicated for the relief of tension-type headache and would be easy to co-promote with Cambia®.

We remind investors that Pernix Pharma now has the U.S. rights to Pozen's Treximet® (naproxen + sumatriptan), one of the leading triptan products on the market for acute migraine. Aralez still owns the ex-U.S. rights to Treximet, called MT-400, which may make a nice complement to Cambia® or Fiorinal® / Fiorinal® C in Canada. If Aralez did decide to move forward with developing MT-400 in Canada, we believe the company would offer the best migraine/headache product suite for active promotion, and could see incredible synergistic uptake of all three products thanks to established awareness and strong KOL relationships.

Other Products: Other important drugs that Aralez will offer include Soriatane® (acitretin) in Canada for the treatment of severe psoriasis, Collatamp® G (gentamicin-impregnated collagen) for post-operative infection, Bilastine® (antihistamine) in Canada for allergic rhinitis and urticaria, Proferrin® for iron deficiency, and Resultz® (50% isopropyl myristate) for the treatment of head lice.

Tribute acquired the rights to Proferrin® via the Medical Futures acquisition in June 2015. Proferrin® is an iron supplement made up of heme iron polypeptide naturally sourced from bovine hemoglobin. The product is designed to provide high absorption of iron with low incidences of side effects commonly associated with iron treatments, such as cramping and constipation. Medical Futures was privately-owned prior to the acquisition by Tribute last month, so exact financials are not available; however, we have been told that sales of Proferrin® in Canada were about CND$4 million for the trailing twelve months. We believe Tribute will merge the Medical Futures sales force in with its own to promote the aforementioned products.

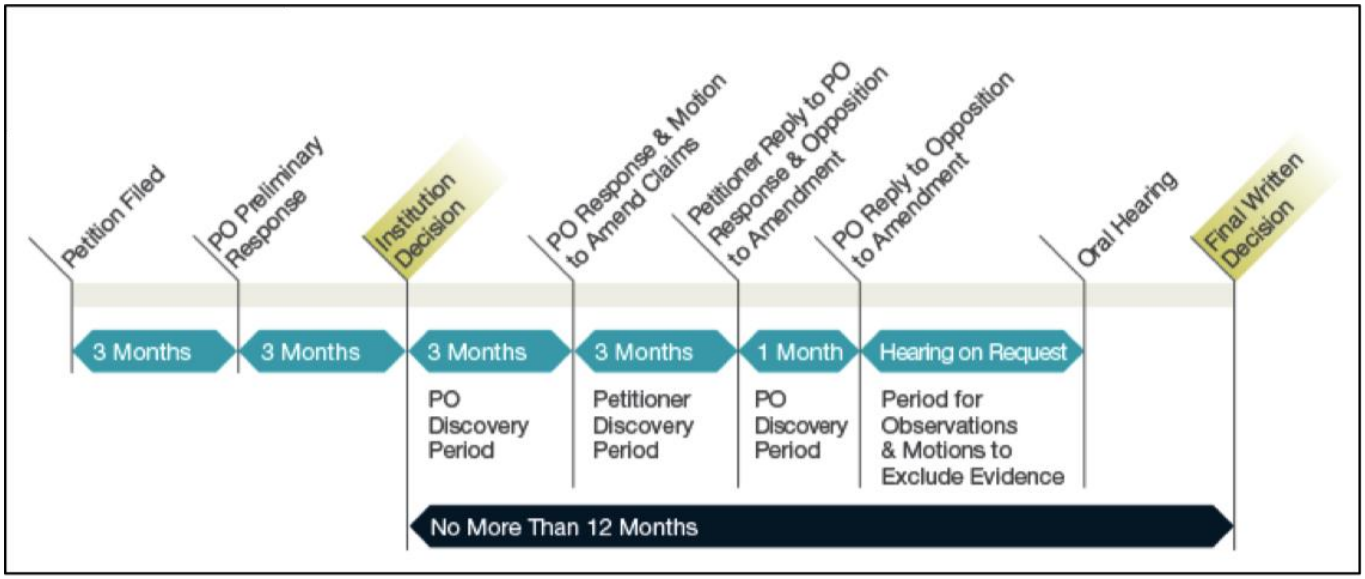
Resultz® (50% isopropyl myristate topical solution) was also acquired from Medical Futures. The product is indicated for the treatment of head lice infestations in individuals 2 years and older. Resultz® is a unique, non-toxic/pesticide free, patent protected, topical solution which is available without a prescription in pharmacies across Canada. Resultz® treatment for head lice infestations is simple and consists of only 1 to 2 applications to achieve efficacy. The drug is patent protected in Canada until Apr. 2023.

Tribute also has worldwide rights to NeoVisc® for osteoarthritis and Uracyst® for interstitial cystitis. Having two products on the market in Europe will certainly help should the company look to commercialize Yosprala® or MT-400 in the EU, or look to acquire the EU rights to Vimovo® from AstraZeneca.

Coalition for Affordable Drugs Files IPR Petitions Against Horizon and Pozen

The Coalition for Affordable Drugs (CFAD) has filed petitions for *Inter Partes* Review (IPR) of three of Pozen's U.S. Patent's related to Vimovo® (Nos. 6,926,907, 8,858996, and 8,852636) as well as one owned jointly by Horizon and

Pozen (No. 8,945,621) with the Patent Trials and Appeal Board (PTAB) of the U.S. Patent and Trademark Office (USPTO). The IPR was instituted with the America Invents Act of 2011 to replace the *inter partes* reexamination, which up until that time was one of two methods for reexamination of a patent. However, reexamination had earned a reputation for taking a long time to finish and often with results that were ambiguous. The hope with establishing IPR was that a patent review would go quickly and involve the PTAB in the first instance, rather than on appeal as with *inter partes* reexamination. The timeline for IPR is indicated below:



Source: fishpostgrant.com

J. Kyle Bass, the hedge fund billionaire most famous for predicting the subprime mortgage crisis in 2008, established the CAFD (a wholly owned subsidiary of Bass' Hayman hedge fund) to challenge patents owned by several publicly traded pharmaceutical companies in an attempt to invalidate patents they viewed as being improperly granted, and thus pave the way for generics of the targeted drugs and lower drug costs. In addition to filing IPR petitions, CAFD takes short positions in the company's stock that they are targeting, thus attempting to profit off a decline in a company's stock price upon notice of the IPR petition or the successful invalidation of the company's patent. As of September 28, 2015, CAFD has filed 33 IPR petitions against a total of 11 pharmaceutical companies. Thus far, decisions have been returned on three of those petitions and all three have been denied institution (meaning a hearing will not be held, pending an appeal by the CAFD).

Pozen has indicated that it will vigorously defend any challenges against the company's IP, and at this point we don't believe that the challenges to Pozen's patents will end up being successful, however it's important for investors to at least be aware of what is occurring. One the one hand, of the three petitions filed by the CAFD that have decisions granted as of the date of this report, all three of them have been denied institution. On the other hand, a 2014 review in the University of Chicago Law Review showed that since IPR was implemented, petitioning parties have been highly successful in getting both IPR petitions instituted and challenged patent claims invalidated (Love and Abwani, 2014). At the time the paper was published, of the 823 petitions with a decision, 84% were instituted, thus its interesting that the CFAD has been unsuccessful thus far in having any of their petitions instituted and may indicate that Mr. Bass' overall strategy is going to be unsuccessful. Additional data from the review showed that of the 160 IPRs with decisions on merit, 78% resulted in all instituted patent claims being invalidated or disclaimed. Thus, at least for the first two years of the program, parties who were able to have their IPRs instituted were extremely successful in having the challenged patent claims invalidated. The fact that the CFAD has been unsuccessful thus far in even getting a hearing for any of its challenges could indicate that nothing will come of any of the challenges undertaken by the CFAD. It will be interesting to see what occurs with the remainder of the IPRs filed by the CFAD and we advise investors to keep track of the IPR petitions, particularly the four involving Pozen and Horizon.

Conclusion and Recommendation

The specialty pharmaceutical sector has been hit hard recently by a renewed interest in trying to bring drug prices under control. This was spurred both by Hillary Clinton's drug pricing proposal as well as the controversy surrounding Turing Pharmaceuticals increasing the price of Daraprim® from $13 to $750 per pill. Due to this,

Pozen's stock price has fallen from approximately $10 on Sep. 16 to a current price of $5.84. In our opinion this is an overreaction, particularly given the fact that there is unlikely to be any serious attempt at price controls on pharmaceuticals in this country in the foreseeable future. Thus, the current environment could represent a meaningful opportunity to establish or add to a position in Pozen with good upside available once the merger with Tribute goes through.

For modeling purposes, we are anticipating that Aralez will be promoting YOSPRALA® in the U.S. as opposed to partnering the drug and collecting royalties, and we are estimating an approximately 55% operating margin. We believe there are approximately 24 million Americans who would be eligible for secondary treatment with daily aspirin. Of those, approximately 70% of patients are currently on aspirin and represent the target population for YOSPRALA®. The company is planning to initially target those patients through the use of an approximately 100 person sales force targeting the top 20% of secondary prevention specialists. Over time, this sales force could increase to 300, which would target approximately 40% of the market. In the end, we think YOSPRALA® is a potential $300-350 million drug in the U.S.

Based on our modeling for products like Bezalip® SR, Cambia®, Fibricor®, Proferrin®, and the remaining assets at Tribute, we believe Tribute is worth approximately $175 million. This is slightly above the original $146 million deal price, as we believe synergies across the two portfolios will be great and profits will be higher given the lower tax rate (eventually heading to the low 20's) stemming from moving the headquarters to Ireland. Our current model gives a net present value for Pozen of approximately $440 million, or just over $13 per share. This includes the $41.5 million in cash as of June 30, 2015.

Looking ahead to Aralez's worth after the merger, when we combine the valuation for Pozen ($440 million) and Tribute ($175 million) we arrive at a combined valuation of $615 million. Adding in the cash to be received at closing from Deerfield of $75 million gives a net present value of $690 million. The basic share count for Aralez after the merger should be on the order of 61 million shares (32.4 million from Pozen shareholders, 18.2 million from Tribute shareholders, and 10.4 million from Deerfield equity purchase). This equates to a target price of just over $11 per share.

PROJECTED FINANCIALS

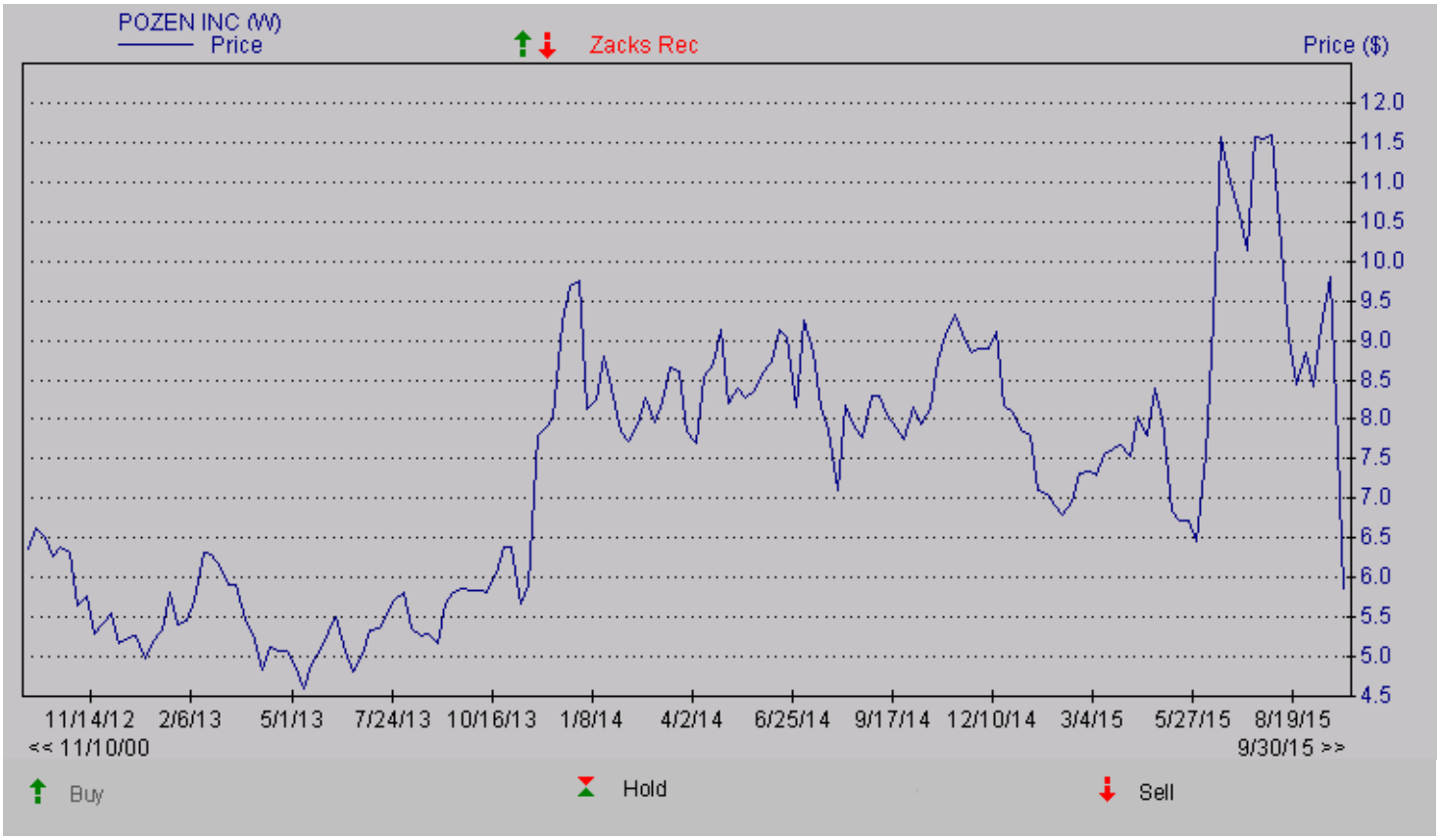
Pozen, Inc.
Income Statement

Pozen, Inc.	2013 A	2014 A	Q1 A	Q2 A	Q3 E	Q4 E	2015 E	2016 E	2017 E
Treximet / MT400 (royalty)	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-	-	-	-	-	-	-	-	-
Vimovo (royalty)	**$6.3**	**$21.1**	**$4.4**	**$5.2**	**$5.3**	**$5.6**	**$20.5**	**$22.5**	**$21.5**
YOY Growth	*30.4%*	*234.3%*	*-3.2%*	*-4.0%*	*-3.6%*	*-0.9%*	*-2.9%*	*9.6%*	*-4.4%*
Yosprala	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$20.0**	**$80.0**
YOY Growth	-	-	-	-	-	-	-	-	-
Licensing / Development	**$4.0**	**$11.3**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0.0**	**$0.0**
Total Revenues	$10.3	$32.4	$4.4	$5.2	$5.3	$5.6	$20.5	$42.5	$101.5
YOY Growth	*93.0%*	*213.8%*	*-41.7%*	*-29.9%*	*-29.2%*	*-43.6%*	*-36.6%*	*107.1%*	*138.8%*
Cost of Goods Sold	$0	$0	$0	$0	$0	$0	$0	$4	$8
Product Gross Margin	*100.0%*	*100.0%*	-	-	-	-	*100.0%*	*90.6%*	*92.1%*
SG&A	$17.2	$10.1	$3.3	$18.2	$2.3	$2.4	$26.2	$25.0	$35.0
% SG&A	*166.3%*	*31.1%*	*74.1%*	*349.8%*	*43.1%*	*43.0%*	*127.4%*	*58.8%*	*34.5%*
R&D	$9.9	$5.7	$1.0	$2.3	$0.9	$1.1	$5.3	$6.0	$7.0
% R&D	*96.3%*	*17.7%*	*22.3%*	*44.3%*	*16.9%*	*19.7%*	*25.8%*	*14.1%*	*6.9%*
Operating Income	($16.8)	$16.6	$0.2	($15.3)	$2.1	$2.1	($10.9)	$7.5	$51.5
Operating Margin	*-162.6%*	*51.2%*	*3.6%*	*-294.1%*	*40.1%*	*37.3%*	*-53.2%*	*17.6%*	*50.7%*
Interest Income / Net	$0.1	$3.1	($0.2)	$0.0	$0.0	$0.0	$0.1	$0.1	$0.1
Pre-Tax Income	($16.7)	$19.7	($0.0)	($15.3)	$2.2	$2.1	$10.8	$7.6	$51.6
Taxes	$0	$0	$0	$1	$0	$0	$0	$2	$14
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*30%*	*28%*
Net Income	($16.7)	$19.7	($0.0)	($16.3)	$2.2	$2.1	($10.8)	$5.3	$37.2
YOY Growth	*-33.9%*	*-217.8%*	-	-	-	-	*-155.0%*	*-149.2%*	*598.3%*
Net Margin	*-161.9%*	*60.7%*	*-0.6%*	*-313.0%*	*40.4%*	*37.6%*	*-52.7%*	*12.5%*	*36.6%*
Reported EPS	($0.55)	$0.60	($0.00)	($0.50)	$0.06	$0.03	($0.27)	$0.08	$0.53
Fully Diluted Shares	30.4	32.8	32.3	32.4	34.0	63.7	40.6	65.0	70.0

Source: Zacks Investment Research, Inc. *David Bautz, PhD*

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