

5 March 2012

Today's Changes	Annual EPS	Annual Revenue	Target
	No changes	No changes	\$5.50 from \$3.50

## TranS1

TSO : NASDAQ : US\$3.28

BUY

Target: US\$5.50 ↑

William J. Plovanic, CFA 1.847.864.1137  
wplovanic@canaccordgenuity.com

Kyle Rose 1.847.864.1139  
krose@canaccordgenuity.com

### COMPANY STATISTICS:

52-week Range: US\$1.39 - 5.42  
Market Cap (M): US\$89.4  
Avg. Daily Vol. (M): 130.530  
Shares Out diluted: 27.250

### EARNINGS SUMMARY:

FYE Dec	2011E	2012E	2013E
EV/Revenue:	2.1x	2.3x	1.9x
EV/EBITDA:	NM	NM	NM
P/E:	NM	NM	NM

Revenue (M):	Q1	5.1A	4.3	-
	Q2	5.3A	4.3	-
	Q3	4.7A	4.2	-
	Q4	4.4	4.9	-
Total		19.6	17.8	21.4
EPS:	Q1	(0.26)A	(0.16)	-
	Q2	(0.20)A	(0.16)	-
	Q3	(0.15)A	(0.17)	-
	Q4	(0.15)	(0.17)	-
Total		(0.76)	(0.66)	(0.65)

### SHARE PRICE PERFORMANCE:



Source: Interactive Data Corporation

### COMPANY DESCRIPTION:

TranS1 is a medical device company focused on designing, developing and marketing products to treat degenerative conditions of the spine's lower lumbar region.

All amounts in US\$ unless otherwise noted.

### Life Sciences -- Biomedical Devices and Services

## POSITIVE AMA CODING PANEL DECISION; LEVEL I CODE IMMINENT; REITERATE BUY, PRICE TARGET TO \$5.50 FROM \$3.50

### Investment recommendation

We reiterate our BUY rating on TranS1 following the announcement that the American Medical Association (AMA) Coding Committee has voted in favor of upgrading the company's CPT codes to category I status from category III. We believe this marks a significant catalyst for the stock as it is the first major step toward turning on Medicare payments for physicians for AxiaLIF procedures. While Medicare reimbursement does not go live until January 1, 2013, and a dollar amount still needs to be ascribed to the code, we believe investors will view this positively as it present significant upside in the out years.

### Investment highlights

- The company's request to graduate their category III CPT codes to category I was supported by the AMA CPT coding committee.
- The next step is the RUC process, which will assign a value for the code and will take place April 26-29, 2012.
- The code is expected to be assigned a value and will become active as of January 1, 2013.

### Valuation

We are raising our price target to \$5.50 from \$3.50. We base our valuation on a 4.5x EV/sales multiple applied to our 2013 revenue estimate of \$21.4M.

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## **AMA APPEAL/RESUBMISSION DELIVERS DESIRED OUTCOME**

Management announced that the AMA Editorial Panel voted positively and is supporting the company's request to convert its existing category III CPT codes (0195T and 0196T) to category I codes. Specifically, the AMA established a new category I code, 225XX1, and category III code, 019XXT. As a reminder TranS1's initial request was rejected at the October 2011 committee meeting; however, the company appealed the panel's decision and their request was brought back up for review at the February 2012 meeting. This represents a significant catalyst for the company as it could vastly improve the physician reimbursement landscape for AxiaLIF. As a reminder, the main gating item for increasing AxiaLIF utilization is predictable physician reimbursement (the implants and procedure are reimbursed through existing codes) and the graduation to a level I code opens the gates for Medicare physician reimbursement. Additionally we note that the change also provides management with additional leverage when negotiating with private payors.

The next step will be the RUC committee process, April 26-29, which determines how much reimbursement a code is given. Coming out of that meeting we expect the preliminary reimbursement information to be published in the 2013 Preliminary Medicare Physician Fee Schedule, likely to be released in the Q2/12-Q3/12 timeframe, with the final reimbursement published in the 2013 Final Medicare Physician Fee Schedule in the Q4/12, with the CPT I code and reimbursement becoming active on January 1, 2013.

We look to gain additional clarity into the business impact, both near and long term on the Q4/11 results call on March 8.

### **Additional reimbursement initiatives progressing**

We believe TranS1 receiving CPT Level I codes marks an inflection point in its reimbursement initiatives. The company continues to deliver on its strategy of obtaining incremental positive coverage policy decisions and is showing signs of acceleration with three new payers updating their policies to include AxiaLIF in the Q4/11-Q1/12. Specifically, we note that following Humana's coverage decision in the Q1/11, four additional providers, including three independent Blue Cross Blue Shield providers, have updated their coverage policies. We take this as a very positive sign that reimbursement is building momentum within the BCBS universe and note that while the BCBS association is made up of 38 independent organizations, they together cover all 50 states and over 100 million lives in the US. Humana, Palmetto and the three BCBS entities combined represent over 36 million covered lives across 24 states.

### **Update on the OIG investigation**

At our recent investor conference, management said the ongoing investigation from the Department of Health and Human Services, Office of Inspector General (OIG) is not taking up management's time or distracting from the day-to-day operations of the company. Additionally, management noted it expects resolution of the investigation in the H2/12. We view this timeline positively, as continued progress toward a resolution will remove additional legal expense and uncertainty.

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## COMPARATIVE VALUATION

The broad small-cap med-tech comp group (made up of over 60 companies with market caps under \$1.0 billion) currently trades at a mean EV/Sales multiple of 2.1x estimated C2013 sales. The high growth (15%+) small-cap med-tech comp group currently trades at a mean EV/Sales multiple of 4.5x estimated 2013 sales.

Given the positive changes in reimbursement and brighter outlook for the company we believe revenue growth will accelerate within the next 12 months to 15% or greater. As a result, we are changing our valuation methodologies to utilize the high growth small-cap med-tech comp group.

Specifically, we are increasing our price target to \$5.50 from \$3.50. We base our valuation on a 4.5 EV/sales multiple applied to our 2013 revenue estimate of \$21.4M. As we believe the company will burn through most of its cash, we are excluding it from our calculations. We note that at a quarterly burn rate of \$2.4M, the company has ample cash on hand, ending the Q3/11 quarter with \$48.0M.

**Figure 1: TranS1 comparative valuation**

		Premium to Comp Group		
		(30%)	0%	10%
Target EV/Sales multiple for Trans 1 common		3.2x	4.5x	5.0x
Implied Price Target on Trans 1 common		\$4.25	\$5.34	\$5.70
<b>Financial Metrics Used in EV/Sales Valuation Analysis</b>				
Small cap medical device EV/2012E multiple		4.5x		
Trans 1 2013E Sales (\$M)		\$21.4		
Cash (\$M)		\$48.0		
Debt (\$M)		\$0.0		
Diluted Shared Outstanding (M)		27.3		

Source: Company reports and Canaccord Genuity estimates

## WHO IS TRANS1?

TranS1 is a medical device company focused on designing, developing and marketing products to treat degenerative conditions of the spine's lower lumbar region. Using TranS1's proprietary pre-sacral approach, a surgeon can access discs in the lower lumbar region of the spine (L4-S1) through a small incision adjacent to the tailbone; an entire interbody fusion procedure can be performed through a small tube that provides direct access to the intervertebral space. The company developed its pre-sacral approach to allow spine surgeons to access and treat intervertebral spaces without compromising important surrounding soft tissue. The approach is believed to enable fusion procedures to be performed with low complication rates, low blood loss, short hospital stays, fast recovery times and reduced pain. TranS1 went public in October 2007, raising ~\$95M by issuing 6.33 million shares at \$15 per share.

## INVESTMENT RISKS

Further private payers may not decide to issue positive policy coverage decision -- In early January, TranS1 announced Humana had issued a positive coverage decision for AxiaLIF. The company continues its discussions with multiple mid-tier payers, which

could all follow suit. However, this trench warfare style battle is not easy, as different payers determine policy coverage decisions utilizing different criteria. If other payers do not turn on reimbursement, adoption of AxiaLIF would likely continue to be limited.

The company operates in the highly competitive spine market -- TranS1 operates in the highly competitive spine fusion market, which includes entrenched players with much higher investment in surgeon education and sales and marketing. Despite AxiaLIF's overwhelming benefits to the patient, surgeon, and hospital, the company has relatively small surgeon training power, which could limit AxiaLIF adoption.

History of losses and expectations for more of the same; dilution risk -- TranS1 has experienced difficulties driving adoption of AxiaLIF and growth of the business due to external reimbursement factors. Furthermore, while the revenue growth is expected to accelerate in the out years, continued net losses and cash burn are expected over the next few years. We believe the company will need to raise capital within the next three years in order to reach profitability. We note that the company has filed an S-3 with the SEC to sell shares of common stock. Such an issuance of common stock would dilute existing shareholdings.

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5 March 2012

Figure 2: TranS1 quarterly income statement

Trans1 Inc. -- Quarterly Income Statement							Canaccord Genuity - William J. Plovnic, CFA - 847.864.1137												
Canaccord Genuity (US\$000s, Except EPS)	FY2009 2009	FY2010					FY2011					FY2012E					FY2013E	FY2014E	FY2015E
		Q1/10	Q2/10	Q3/10	Q4/10	2010	Q1/11	Q2/11	Q3/11	Q4/11E	2011E	Q1/12E	Q2/12E	Q3/12E	Q4/12E	2012E			
Revenue	29,807	6,713	7,244	6,339	5,856	26,152	5,130	5,337	4,696	4,447	19,610	4,319	4,343	4,233	4,863	17,758	21,430	25,875	31,130
Cost of Revenue	5,687	1,429	1,364	1,205	3,105	7,104	1,296	1,173	1,044	1,031	4,544	1,022	999	976	1,128	4,126	4,787	5,776	6,947
Gross Profit	24,120	5,284	5,880	5,134	2,751	19,048	3,834	4,164	3,652	3,416	15,067	3,297	3,344	3,257	3,735	13,632	16,643	20,099	24,183
Research & Development	6,439	1,255	1,027	1,026	916	4,223	1,582	1,212	1,047	1,300	5,141	1,000	1,000	1,000	1,000	4,000	4,200	4,400	4,700
Sales & Marketing	34,098	7,697	6,447	5,908	6,223	26,275	6,383	5,671	4,602	5,000	21,656	5,000	5,000	5,000	5,500	20,500	22,400	23,400	24,400
General & Administrative	7,184	2,639	2,067	2,011	1,848	8,565	1,613	1,610	1,298	1,300	5,821	1,800	1,800	1,800	1,800	7,200	8,000	8,800	9,600
Operating Income	(23,601)	(6,307)	(3,661)	(3,811)	(6,236)	(20,015)	(5,744)	(4,329)	(3,295)	(4,184)	(17,551)	(4,503)	(4,456)	(4,543)	(4,565)	(18,068)	(17,957)	(16,501)	(14,517)
Proforma Operating Income (excl. 1x charges)	(23,477)	(5,092)	(3,279)	(3,729)	(4,557)	(16,657)	(5,504)	(4,221)	(3,131)	(4,184)	(17,039)	(4,503)	(4,456)	(4,543)	(4,565)	(18,068)	(17,957)	(16,501)	(14,517)
EBITDA*	(19,893)	(5,546)	(2,934)	(3,286)	(5,652)	(17,418)	(5,217)	(3,610)	(2,814)	(3,482)	(15,247)	(3,903)	(3,856)	(3,943)	(3,965)	(15,668)	(14,517)	(12,321)	(9,392)
Other Income (Expense)	405	(49)	15	20	501	486	18	20	(32)	30	36	26	22	18	14	80	40	30	10
PreTax	(23,196)	(6,356)	(3,646)	(3,791)	(5,735)	(19,529)	(5,726)	(4,309)	(3,327)	(4,154)	(17,515)	(4,477)	(4,434)	(4,525)	(4,551)	(17,988)	(17,917)	(16,471)	(14,507)
Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Loss	(23,196)	(6,356)	(3,646)	(3,791)	(5,735)	(19,529)	(5,726)	(4,309)	(3,327)	(4,154)	(17,515)	(4,477)	(4,434)	(4,525)	(4,551)	(17,988)	(17,917)	(16,471)	(14,507)
GAAP EPS	(1.13)	(0.31)	(0.18)	(0.18)	(0.27)	(0.94)	(0.27)	(0.21)	(0.16)	(0.15)	(0.79)	(0.16)	(0.16)	(0.17)	(0.17)	(0.66)	(0.65)	(0.59)	(0.51)
Proforma EPS (excl. 1x charges)	(1.12)	(0.25)	(0.16)	(0.18)	(0.22)	(0.80)	(0.26)	(0.20)	(0.15)	(0.15)	(0.76)	(0.16)	(0.16)	(0.17)	(0.17)	(0.66)	(0.65)	(0.59)	(0.51)
Diluted Shares Outstanding	20,604	20,655	20,685	20,741	20,870	20,738	20,886	20,915	21,288	27,250	22,585	27,300	27,350	27,400	27,450	27,375	27,700	27,950	28,200
Margin Analysis																			
Overall Gross	80.9%	78.7%	81.2%	81.0%	47.0%	72.8%	74.7%	78.0%	77.8%	76.8%	76.8%	76.3%	77.0%	76.9%	76.8%	76.8%	77.7%	77.7%	77.7%
R&D	21.6%	18.7%	14.2%	16.2%	15.6%	16.1%	30.8%	22.7%	22.3%	29.2%	26.2%	23.2%	23.0%	23.6%	20.6%	22.5%	19.6%	17.0%	15.1%
S&M	114.4%	114.7%	89.0%	93.2%	106.3%	100.5%	124.4%	106.2%	98.0%	112.4%	110.4%	115.8%	115.1%	118.1%	113.1%	115.4%	104.5%	90.4%	78.4%
G&A	24.1%	39.3%	28.5%	31.7%	31.6%	32.8%	31.4%	30.2%	27.6%	29.2%	29.7%	41.7%	41.4%	42.5%	37.0%	40.5%	37.3%	34.0%	30.8%
Operating	-79.2%	-94.0%	-50.5%	-60.1%	-106.5%	-76.5%	-112.0%	-81.1%	-70.2%	-94.1%	-89.5%	-104.3%	-102.6%	-107.3%	-93.9%	-101.7%	-83.8%	-63.8%	-46.6%
Proforma Operating	-78.8%	-75.9%	-45.3%	-58.8%	-77.8%	-63.7%	-107.3%	-79.1%	-66.7%	-94.1%	-86.9%	-104.3%	-102.6%	-107.3%	-93.9%	-101.7%	-83.8%	-63.8%	-46.6%
Tax Rate	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na
Net Income	-77.8%	-94.7%	-50.3%	-59.8%	-97.9%	-74.7%	-111.6%	-80.7%	-70.9%	-93.4%	-89.3%	-103.7%	-102.1%	-106.9%	-93.6%	-101.3%	-83.6%	-63.7%	-46.6%
YoY Growth																			
Total Revenues	17.8%	-22.6%	-8.7%	-8.3%	-6.7%	-12.3%	-23.6%	-26.3%	-25.9%	-24.1%	-25.0%	-15.8%	-18.6%	-9.9%	9.4%	-9.4%	20.7%	20.7%	20.3%
Proforma Operating	19.9%	-5.4%	-52.3%	-32.2%	-20.4%	-29.0%	8.1%	28.7%	-16.0%	-8.2%	2.3%	-18.2%	5.6%	45.1%	9.1%	6.0%	-0.6%	-8.1%	-12.0%
Net Income	36.2%	23.1%	-46.1%	-32.0%	0.6%	-15.8%	-9.9%	18.2%	-12.2%	-27.6%	-10.3%	-21.8%	2.9%	36.0%	9.6%	2.7%	-0.4%	-8.1%	-11.9%
Proforma EPS	33.4%	-0.9%	-51.9%	-32.3%	-21.2%	-28.3%	5.5%	27.3%	-16.9%	-30.0%	-4.8%	-37.6%	-19.3%	11.2%	8.8%	-14.1%	-1.6%	-8.9%	-12.7%
QoQ Growth																			
Total Revenues	-----	6.9%	7.9%	-12.5%	-7.6%	-----	-12.4%	4.0%	-12.0%	-5.3%	-----	-2.9%	0.6%	-2.5%	14.9%	-----	-----	-----	-----
Proforma Operating	-----	-11.1%	-35.6%	13.7%	22.2%	-----	20.8%	-23.3%	-25.8%	33.6%	-----	7.6%	-1.0%	1.9%	0.5%	-----	-----	-----	-----
Net Income	-----	11.5%	-42.6%	4.0%	51.3%	-----	-0.2%	-24.8%	-22.8%	24.8%	-----	7.8%	-1.0%	2.0%	0.6%	-----	-----	-----	-----
Proforma EPS	-----	-9.9%	-36.6%	13.3%	21.8%	-----	20.6%	-23.5%	-26.0%	2.6%	-----	7.6%	-1.1%	1.9%	0.4%	-----	-----	-----	-----
January 27, 2011																			

January 27, 2011

Source: Company reports and Canaccord Genuity estimates

5 March 2012

Figure 2: TranS1 revenue build

Trans1 Inc. -- Revenue Build							Canaccord Genuity - William J. Plovanic, CFA - 847.864.1137														
Canaccord Genuity (US\$000s)	FY2009 2009	Q1/10	Q2/10	FY2010 Q3/10	Q4/10	2010	Q1/11	Q2/11	FY2011E Q3/11E	Q4/11E	2011E	Q1/12E	Q2/12E	FY2012E Q3/12E	Q4/12E	2012E	FY2013E	FY2014E	FY2015E		
Total revenue	29,807	6,713	7,244	6,339	5,856	26,152	5,130	5,337	4,696	4,447	19,610	4,319	4,343	4,233	4,863	17,758	21,430	25,875	31,130		
Domestic revenue	28,107	6,023	6,732	5,926	5,171	23,852	4,575	4,927	4,290	3,937	17,729	3,713	3,883	3,773	4,302	15,671	18,925	22,870	27,524		
AxialIF	27,074	5,926	6,527	5,816	5,011	23,280	4,395	4,637	3,920	3,712	16,664	3,488	3,658	3,573	4,052	14,771	17,725	21,270	25,524		
Other	1,033	97	205	110	160	572	180	290	370	225	1,065	225	225	200	250	900	1,200	1,600	2,000		
Domestic cases																					
AxialIF	1,984	397	393	354	287	1,431	269	279	220	210	978	190	190	190	210	780	936	1,123	1,348		
AxialIF 2L & 2L+ & Lateral	593	142	148	136	129	555	100	88	85	80	353	80	90	85	100	355	426	511	613		
Total AxialIF	2,577	539	541	490	416	1,986	369	367	305	290	1,331	270	280	275	310	1,135	1,362	1,634	1,961		
Domestic average revenue per case																					
AxialIF	9.4	9.6	10.5	10.2	10.5	10.2	10.1	11.0	11.2	11.2	10.8	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2		
AxialIF 2L & 2L+	14.2	14.9	16.4	16.2	15.4	15.7	16.7	17.9	17.1	17.0	17.2	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0		
Total AxialIF	10.5	11.0	12.1	11.9	12.0	10.5	11.9	12.6	12.9	12.8	12.5	12.9	13.1	13.0	13.1	13.0	13.0	13.0	13.0		
Domestic AxialIF Total revenue																					
AxialIF	18,679	3,808	4,107	3,610	3,025	14,550	2,725	3,060	2,469	2,352	10,606	2,128	2,128	2,128	2,352	8,736	10,483	12,580	15,096		
AxialIF 2L & 2L+	8,395	2,118	2,420	2,206	1,986	8,730	1,670	1,577	1,451	1,360	6,058	1,360	1,530	1,445	1,700	6,035	7,242	8,690	10,428		
Total AxialIF	27,074	5,926	6,527	5,816	5,011	23,280	4,395	4,637	3,920	3,712	16,664	3,488	3,658	3,573	4,052	14,771	17,725	21,270	25,524		
International	1,700	690	512	413	685	2,300	555	410	406	510	1,881	606	460	460	561	2,087	2,504	3,005	3,606		
AxialIF cases	na	153	126	99	140	518	108	82	82	100	372	119	90	90	110	409	491	589	707		
Revenues per case	na	4.5	4.1	4.2	4.9	4.4	5.1	5.0	5.0	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1		
WW cases																					
Total AxialIF		692	667	589	556	2,504	477	449	387	390	1,703	389	370	365	420	1,544	1,853	2,224	2,668		
Direct US sales reps	45	49	49	41	52	52	40	32	32	32	32	32	32	32	32	32	32	32	32		
Cases Per Rep	57	11	11	12	8	38	9	11	10	9	42	8	9	9	10	35	43	51	61		
AxialIF surgeons trained																					
Active surgeon base																					
Cases per Active Surgeon																					
YoY Change																					
Total revenue	17.8%	-22.6%	-8.7%	-8.3%	-6.7%	-12.3%	-23.6%	-26.3%	-25.9%	-24.1%	-25.0%	-15.8%	-18.6%	-9.9%	9.4%	-9.4%	20.7%	20.7%	20.3%		
Domestic revenue	20.6%	-27.5%	-9.1%	-9.0%	-12.2%	-15.1%	-24.0%	-26.8%	-27.6%	-23.9%	-25.7%	-18.8%	-21.2%	-12.1%	9.3%	-11.6%	20.8%	20.8%	20.3%		
AxialIF	#DIV/0!	-24.8%	-9.2%	-7.7%	-12.1%	-14.0%	-25.8%	-29.0%	-32.6%	-25.9%	-28.4%	-20.6%	-21.1%	-8.9%	9.2%	-11.4%	20.0%	20.0%	20.0%		
Other	#DIV/0!	-77.1%	-6.0%	-46.9%	-13.5%	-44.6%	85.6%	41.5%	236.4%	40.6%	86.2%	25.0%	-22.4%	-45.9%	11.1%	-15.5%	33.3%	33.3%	25.0%		
Domestic cases																					
AxialIF	-3.3%	-31.7%	-21.2%	-24.5%	-34.0%	-27.9%	-32.2%	-29.0%	-37.9%	-26.8%	-31.7%	-29.4%	-31.9%	-13.6%	0.0%	-20.2%	20.0%	20.0%	20.0%		
AxialIF 2L & 2L+	159.0%	-15.5%	-14.5%	-0.7%	12.2%	-6.4%	-29.6%	-40.5%	-37.5%	-38.0%	-36.4%	-20.0%	2.3%	0.0%	25.0%	0.6%	20.0%	20.0%	20.0%		
Total AxialIF	13.0%	-28.0%	-19.5%	-19.1%	-24.4%	-22.9%	-31.5%	-32.2%	-37.8%	-30.3%	-33.0%	-26.8%	-23.7%	-9.8%	6.9%	-14.7%	20.0%	20.0%	20.0%		
Domestic average revenue per case																					
AxialIF	#DIV/0!	1.5%	11.3%	8.2%	12.3%	8.0%	5.6%	5.0%	10.1%	6.3%	6.7%	10.6%	2.1%	-0.2%	0.0%	3.3%	0.0%	0.0%	0.0%		
AxialIF 2L & 2L+	#DIV/0!	4.9%	13.1%	18.1%	9.1%	11.1%	12.0%	9.6%	5.2%	10.4%	9.1%	1.8%	-5.1%	-0.4%	0.0%	-0.9%	0.0%	0.0%	0.0%		
Total AxialIF	6.6%	4.5%	12.8%	14.1%	16.1%	0.0%	8.3%	4.7%	8.3%	6.3%	19.2%	8.5%	3.4%	1.1%	2.1%	3.9%	0.0%	0.0%	0.0%		
Domestic AxialIF revenue																					
AxialIF	#DIV/0!	-30.7%	-12.4%	-18.3%	-25.9%	-22.1%	-28.4%	-25.5%	-31.6%	-22.2%	-27.1%	-21.9%	-30.5%	-13.8%	0.0%	-17.6%	20.0%	20.0%	20.0%		
AxialIF 2L & 2L+	#DIV/0!	-11.3%	-3.3%	17.3%	22.4%	4.0%	-21.2%	-34.8%	-34.2%	-31.5%	-30.6%	-18.6%	-3.0%	-0.4%	25.0%	-0.4%	20.0%	20.0%	20.0%		
Total AxialIF	#DIV/0!	-24.8%	-9.2%	-7.7%	-12.1%	-14.0%	-25.8%	-29.0%	-32.6%	-25.9%	-28.4%	-20.6%	-21.1%	-8.9%	9.2%	-11.4%	20.0%	20.0%	20.0%		
International	#DIV/0!	84.0%	-3.8%	2.5%	75.6%	35.3%	-19.6%	-19.9%	-1.7%	-25.5%	-18.2%	9.2%	12.2%	13.3%	10.0%	11.0%	20.0%	20.0%	20.0%		
WW cases																					
AxialIF																					
AxialIF 2l & 2L+																					
Total AxialIF	#DIV/0!	#DIV/0!	#DIV/0!	-19.2%	-17.5%	#DIV/0!	-31.1%	-32.7%	-34.3%	-29.9%	-32.0%	-18.5%	-17.6%	-5.6%	7.7%	-9.3%	20.0%	20.0%	20.0%		
January 27, 2011																					

January 27, 2011

Source: Company reports and Canaccord Genuity estimates

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Global Stock Ratings  
(as of 2 February 2012)

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	#	%	#	%
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Speculative Buy	87	10.9%	56	73.6%
Hold	215	26.9%	20	20.9%
Sell	16	2.0%	6	25.0%
	799	100%		

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Company	Disclosure
TranS1	1A, 2, 3, 5, 7
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