

Quarterly Industry Update

As of September 30, 2013

Industry: Oncological Therapy



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Oncological Therapy industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since September 30, 2012, the median 52-week share price return of the Oncological Therapy industry has decreased by -25.9%. In the last quarter, the median price-to-earnings multiple decreased from 31.8x to 20.9x.

Comparable Public Company Key Statistics

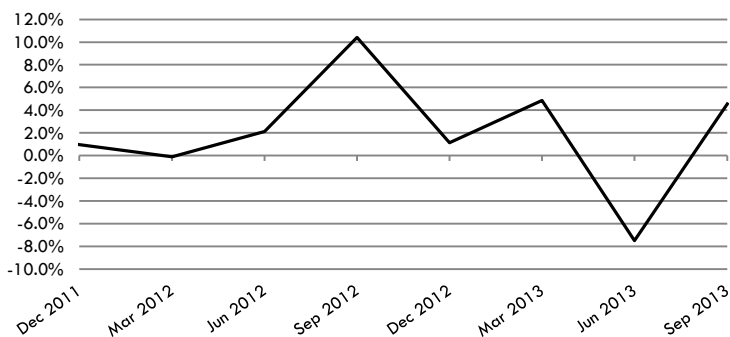
Median 52-Week Return	-25.9%	Median EV/Revenue Multiple	2.7x	Median Price/Earnings Multiple	20.9x
Median 3-Year CAGR Return	24.3%	Median EV/EBITDA Multiple	22.5x	Median EV/Gross CF Multiple	13.1x

Comparable Public Company Market Price Returns (As of September 30, 2013)

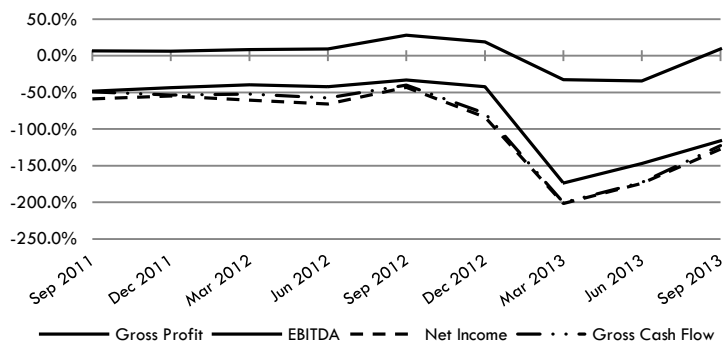
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Agenus Inc.	-32.4%	-26.9%	-39.9%	-0.9%	-22.5%	-21.8%	105.0%	-67.0%	57.8%	33.3%	-76.5%
Sunesis Pharmaceuticals, Inc.	18.1%	-4.3%	-11.9%	100.8%	25.4%	-2.7%	259.0%	-62.5%	-51.4%	234.4%	-83.9%
Infinity Pharmaceuticals, Inc.	-50.2%	7.6%	-25.9%	57.2%	46.8%	17.6%	295.9%	49.1%	-4.0%	-22.7%	-16.3%
Oncolytics Biotech Inc.	-37.8%	-15.3%	4.7%	-16.3%	-20.2%	10.2%	0.5%	-41.8%	156.7%	115.7%	-29.6%
ArQule Inc.	-16.5%	0.4%	-54.4%	-32.1%	-23.2%	-6.3%	-50.5%	-3.9%	59.1%	-12.6%	-27.2%
OncoGenex Pharmaceuticals, Inc.	-29.3%	-5.4%	-34.6%	-2.7%	-14.5%	21.2%	11.8%	-30.1%	-24.6%	642.7%	N/A
Curis, Inc.	30.0%	39.8%	7.7%	18.8%	48.2%	31.1%	-26.7%	136.4%	-39.1%	333.3%	-23.5%
Spectrum Pharmaceuticals, Inc.	-25.1%	12.3%	-28.4%	4.8%	26.2%	42.8%	-23.5%	113.0%	54.7%	198.0%	-45.2%
Incyte Corporation	129.7%	73.4%	111.4%	65.3%	33.6%	37.9%	10.7%	-9.4%	81.8%	140.4%	-62.3%
AVEO Pharmaceuticals, Inc.	-74.4%	-17.6%	-80.2%	-63.4%	-43.0%	N/A	-53.2%	17.6%	N/A	N/A	N/A
SciClone Pharmaceuticals, Inc.	17.6%	2.2%	-8.6%	15.4%	24.3%	34.8%	0.5%	2.6%	79.4%	214.9%	-64.1%
Median of Industry Public Companies	-25.1%	0.4%	-25.9%	4.8%	24.3%	19.4%	0.5%	-3.9%	56.3%	169.2%	-45.2%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Oncological Therapy Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Oncological Therapy Industry

Date:	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013
EV/Revenues Multiple	2.8x	3.6x	8.8x	4.7x	8.9x	6.5x	3.3x	2.6x	2.7x
EV/EBITDA Multiple	8.0x	11.0x	7.9x	7.9x	5.8x	4.9x	4.8x	9.3x	22.5x
Price/Earnings Multiple	10.9x	17.0x	9.8x	9.6x	11.7x	15.7x	35.2x	31.8x	20.9x
EV/Gross Cash Flows Multiple	8.6x	13.5x	7.5x	7.5x	8.7x	10.3x	19.6x	21.9x	13.1x

Note: Valuation multiples are volatile due to few companies that have positive operating performance.

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

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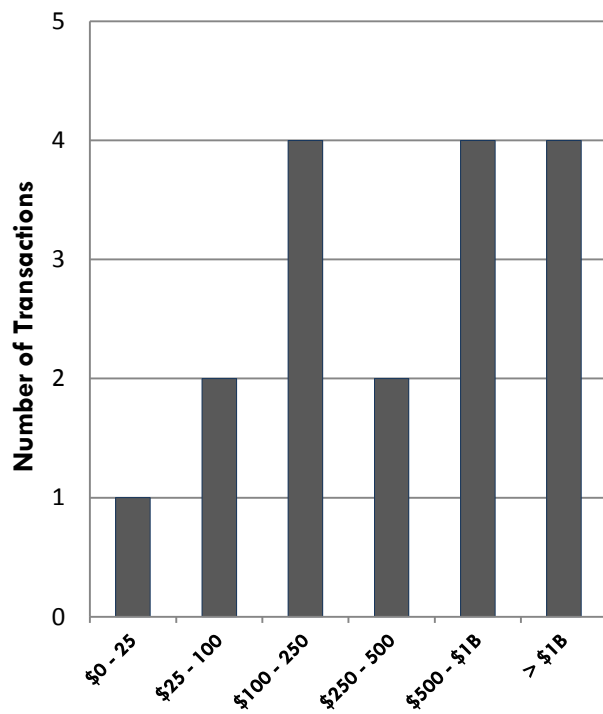
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
9/24/2013	Foundation Medicine, Inc.	\$18.00	5.9	\$106.0	\$52.3	\$2.3	\$19.3	(\$24.5)	(\$28.4)	(\$21.0)
9/18/2013	Accelleron Pharma, Inc.	\$15.00	5.6	\$83.7	\$40.0	\$20.4	\$49.3	\$3.1	(\$2.9)	\$4.1
9/17/2013	Five Prime Therapeutics, Inc.	\$13.00	4.8	\$62.4	\$35.4	\$0.0	\$12.3	(\$25.9)	(\$27.0)	N/A
5/15/2013	Ambit Biosciences Corporation	\$8.00	8.1	\$65.0	\$12.4	\$3.1	\$19.0	(\$21.5)	(\$27.0)	N/A
1/28/2013	Stemline Therapeutics, Inc.	\$10.00	3.3	\$33.2	\$5.0	\$2.0	\$0.0	\$0.0	(\$6.3)	\$0.0
6/27/2012	Tesaro, Inc.	\$13.50	6.0	\$81.0	\$93.0	\$0.0	\$0.0	(\$23.2)	(\$23.2)	(\$23.2)
3/28/2012	Merrimack Pharmaceuticals, Inc.	\$7.00	14.3	\$100.1	\$85.3	\$0.0	\$34.2	(\$76.3)	(\$79.2)	(\$72.0)
1/26/2012	Verastem, Inc.	\$10.00	5.5	\$55.0	\$59.0	\$0.0	\$0.0	(\$13.6)	(\$13.7)	(\$13.5)
4/19/2011	Sagent Pharmaceuticals, Inc.	\$16.00	5.8	\$92.0	\$118.7	\$33.7	\$95.8	(\$16.1)	(\$21.5)	N/A
4/1/2011	Tranzyme, Inc.	\$4.00	13.5	\$54.0	\$18.2	\$12.9	\$9.5	(\$5.9)	(\$8.0)	N/A
2/11/2011	AcelRx Pharmaceuticals, Inc.	\$5.00	8.0	\$40.0	\$6.8	\$12.0	\$0.0	(\$11.7)	(\$14.3)	(\$11.2)
2/4/2011	Endocyte, Inc.	\$6.00	12.5	\$75.0	\$21.2	\$25.0	\$0.0	(\$20.3)	(\$20.1)	N/A
2/2/2011	Pacira Pharmaceuticals, Inc.	\$7.00	6.0	\$42.0	\$66.6	\$79.4	\$14.6	(\$18.8)	(\$27.1)	N/A
1/24/2011	Tibet Pharmaceuticals, Inc.	\$5.50	3.0	\$16.5	\$28.2	\$0.0	\$32.4	\$14.2	\$13.1	N/A
Median of All IPOs		nm	nm	\$65.0	\$37.7	\$2.7	\$13.4	(\$17.5)	(\$20.8)	(\$13.5)

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
2/8/2013	YM BioSciences	Gilead Sciences	\$482.9	100%
6/14/2011	Chemgenex Pharmaceuticals	Cephalon	\$157.7	72%
5/12/2011	ZARS Pharma	Nuvo Research	\$36.5	100%
4/11/2011	Clinical Data	Forest Laboratories	\$1,162.0	100%
3/4/2011	BioVex	Amgen	\$1,000.0	100%
10/28/2010	Trubion Pharmaceuticals	Emergent BioSolutions	\$141.7	100%
10/15/2010	Abraxis BioScience	Celgene Corporation	\$3,659.6	100%
10/7/2010	ZymoGenetics	Bristol-Myers Squibb	\$938.2	100%
4/19/2010	Facet Biotech Corporation	Abbott Laboratories	\$747.4	100%
2/10/2010	LEAD Therapeutics	BioMarin Pharmaceutical	\$107.1	100%
12/23/2009	Neurogen	Ligand Pharmaceuticals	\$18.4	100%
11/16/2009	Proteolix	Onyx Pharmaceuticals	\$858.9	100%
11/12/2009	Peplin	LEO Pharma	\$272.4	100%
8/31/2009	Medarex	Bristol-Myers Squibb	\$2,325.2	98%
6/29/2009	Arana Therapeutics	Cephalon International	\$163.4	80%
6/1/2009	VGX Pharmaceuticals	Inovio Biomedical	\$49.5	100%
4/27/2009	BiPar Sciences	Sanofi-Aventis	\$500.0	100%
Median of All Transaction Targets			\$482.9	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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