Zacks Small-Cap Research

June 4, 2012
Grant Zeng, CFA
312-265-9466
gzeng@zacks.com

scr.zacks.com
111 North Canal Street, Chicago, IL 60606

Advaxis Inc (ADXS-OTC)

ADXS: Positive results presented at ASCO-- Outperform

Current Recommendation	**Outperform**
Prior Recommendation	N/A
Date of Last Change	04/07/2011
Current Price (06/01/12)	$0.10
12-month Target Price	**$0.20**

OUTLOOK

Advaxis is a Listeria based immunotherapy company focused on the development of immunotherapeutics for cancer treatment. We are optimistic about the Company's unique Listeria platform technology which has advantages over its peers. The Company's lead drug candidate ADXS-HPV is in Phase II clinical trials for the treatment of cervical cancer and cervical dysplasia. Another Phase I/II trial is initiated for the treatment of head and neck cancer. Other pipeline candidates target breast, brain and prostate cancer.

We rate its shares Outperform.

SUMMARY DATA

52-Week High	**$0.19**
52-Week Low	**$0.09**
One-Year Return (%)	**-39.51**
Beta	**0.72**
Average Daily Volume (sh)	**1,954,543**
Shares Outstanding (mil)	**278**
Market Capitalization ($mil)	**$28**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**1**
Insider Ownership (%)	**13.4**
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 2011 Estimate	**N/A**
P/E using 2012 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**Above Avg.,**
Type of Stock	**N/A**
Industry	**Med Products**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Jan)	Q2 (Apr)	Q3 (Jul)	Q4 (Oct)	Year (Oct)
2010	0.00 A	0.09 A	0.18 A	0.24 A	0.51A
2011	0.00 A	0.00 A	0.00 A	0.00 A	0.00 A
2012	0.00 A	0.00 E	0.00 E	0.00 E	0.00 E
2013					1.50 E

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

	Q1 (Jan)	Q2 (Apr)	Q3 (Jul)	Q4 (Oct)	Year (Oct)
2010	-$0.03 A	-$0.03 A	-$0.01 A	-$0.00 A	-$0.06 A
2011	-$0.02 A	-$0.02 A	-$0.02 A	-$0.03 A	-$0.08 A
2012	-$0.01 A	-$0.02 E	-$0.02 E	-$0.02 E	-$0.06 E
2013					-$0.04 E

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

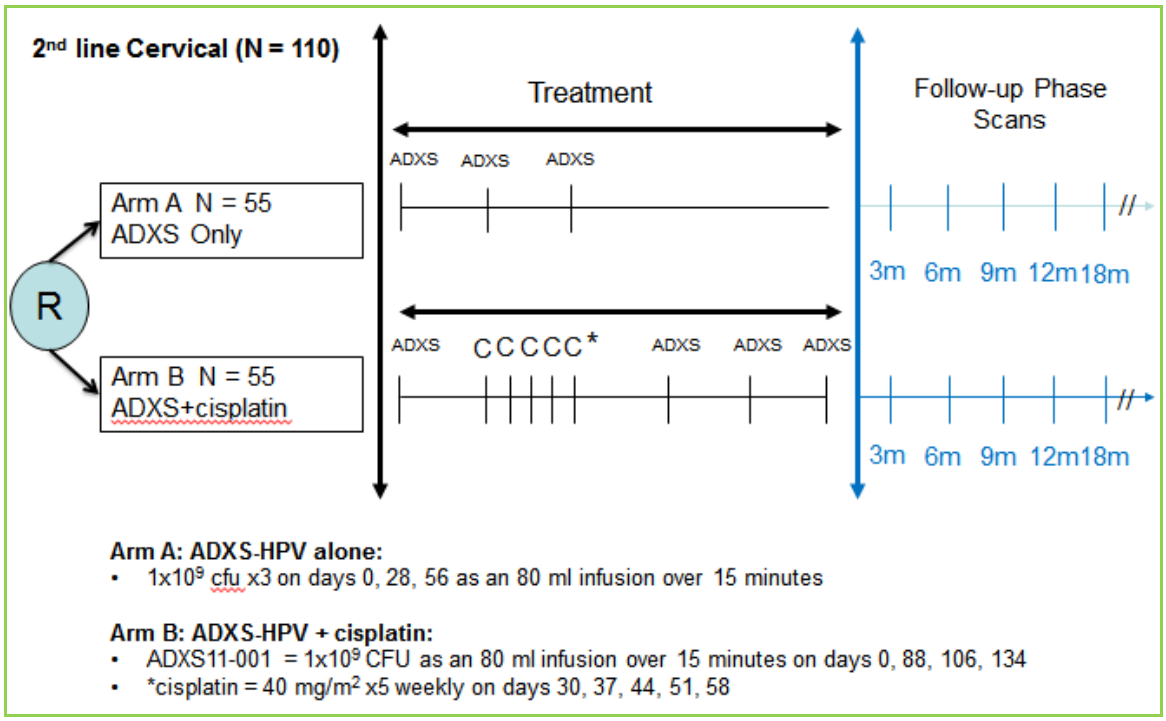
WHAT'S NEW

Updated Data from ADXS-HPV Phase II Cervical Cancer Study Presented at ASCO

On May 29, Advaxis, Inc. (ADXS) completed enrollment of the 110 patient, randomized **Phase II** trial of **ADXS-HPV** in women with recurrent/refractory **cervical cancer,** who have failed cytotoxic therapy. The trial is designed to assess if ADXS-HPV can be safely administered in combination with and without cisplatin chemotherapy. The primary endpoint of this trial is overall survival. Secondary efficacy endpoints are tumor response (RECIST) and progression free survival (PFS).

This study is being conducted at 22 sites in India. All patients randomized to the trial have been previously treated with chemotherapy, radiotherapy or both, and their cancer has progressed subsequent to treatment and has been confirmed by CT or radiologic scan.

Patients are randomized into 2 groups of 55 patients receiving: ADXS-HPV or ADXS-HPV + cisplatin Patients got either 3 doses of ADXS-HPV at 1 x 10^9 CFU or 4 doses of ADXS-HPV at 1 x 10^9 CFU with **cisplatin** chemotherapy. Naprosyn and oral promethazine are given as premedications and a course of ampicillin is given 72h after infusion thereby clearing any residual vector. Patients receive CT scans at baseline and Days 84, 184, 273, 365 and 545. **The primary endpoint is 12 month survival**.



Advaxis presented updated preliminary data from this study at the 2012 American Society of Clinical Oncology **(ASCO)** Annual Meeting.

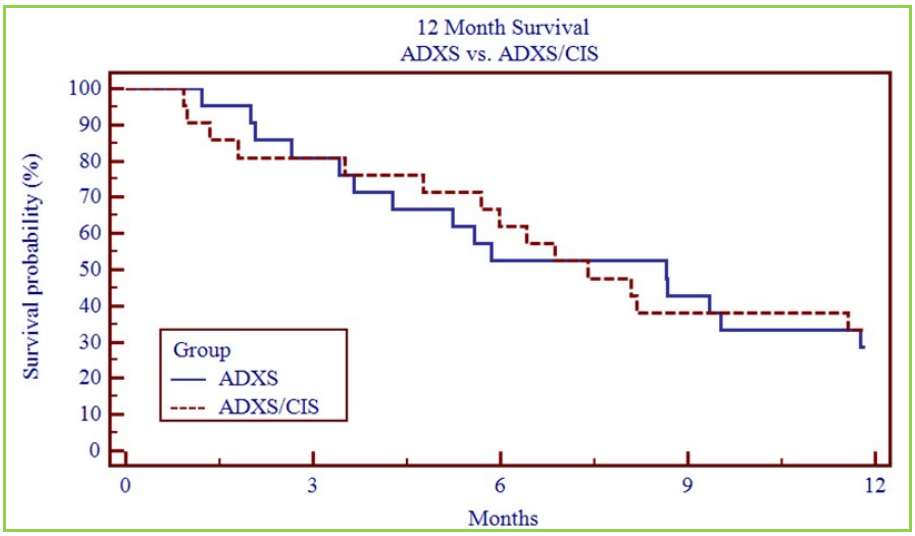
As of May 18, 2012, 109 patients have received 255 doses of ADXS-HPV. ADXS-HPV is well tolerated. One grade 3 adverse event (dyspnea) and 95 grade 1-2 adverse events possibly related to study treatment have been reported in 36% (39/109) of patients. The non-serious adverse events consisted predominately of transient, non-cumulative flu-like symptoms associated with infusion that responded to symptomatic treatment, or resolved on their own within hours of treatment.

The percentage of patients alive at 6 months is at 65% (47/72); at 9 months at 40% (22/55) and at 12 months at 31% (13/42). Tumor responses have been observed in both treatment arms with 4 complete responses (elimination of tumor burden), 5 partial responses (≥30% reduction in tumor burden) by

RECIST and 33/76 (43%) patients with stable disease (≤20% increase in tumor burden or ≤ 30% reduction in tumor burden).

	6-month	9-month	12-month
ADXS-HPV			
N	72	55	42
n alive	47	22	13
% alive	**65%**	**40%**	**31%**
GOG Historical Controls			**5%**

Preliminary analysis of overall survival indicates no fundamental difference in the response to ADXS-HPV with the addition of cisplatin 40mg/m2 weekly x5.



Following table summarize the data of the 9 patients with complete or partial response.

Patient #	First Line Tx	Stage	Tx Arm	Tumor Burden (mm)					Tumor Decrease
				Baseline	3 mo.	6 mo.	9 mo.	12 mo.	
Complete Responses									
103-014	CT	IVB	ADXS	223	228	0	N/A	N/A	100%
115-005	RT	IIB	ADXS + CIS	30	0	0	0	0	100%
110-009	CT + RT	IB	ADXS + CIS	23	0	0	0	N/A	100%
103-010	CT	IVA	ADXS	35	0	0	0	N/A	100%
Partial Responses									
110-002	RT	IVB	ADXS + CIS	284	84	56	34	20	93%
101-001	CT + RT	IVB	ADXS + CIS	50	42	44	20	exp. 11.5 mo.	60%
103-012	CT + RT	IVB	ADXS + CIS	18	9	25	N/A	N/A	50%
103-017	CT + RT	IVB	ADXS	106	62	exp. 3.1 mo.	-	-	41%
100-012	CT + RT	IVB	ADXS	164	107	105	108	exp. 9.5 mo.	36%

Our takeaways From the Preliminary Results

- Incidence and severity of adverse effects (AEs) is lower than chemotherapy;
- Only one grade 3 side effect. Most AEs are acute, grade 1/2, transient, non-cumulative, and consist of flu-like symptoms that respond to symptomatic treatment or resolve on their own;
- Clinical benefits have been observed in refractory disease setting;
- Tumor responses (including 4 CR and 5 PR's) have been observed in both treatment arms;
- Preliminary survival data are very encouraging.

The preliminary data are very encouraging. The safety profile is excellent and great efficacy has been observed. Although it's too early to assess the primary endpoint: overall survival, the preliminary survival data and the early responses, which are the secondary endpoint, are very promising. Compared to GOG historical one year survival of 5%, ADXS-HPV has achieved 31% one year survival rate. This is a huge improvement. Other literature data showed that generally, recurrent cervical cancer has a poor 1-year survival rate of 15% and a 5-year survival rate of 3-13%. ADXS-HPV's 31% one year survival rate is also a 100% improvement. Further investigation is warranted.

The positive ADXS-HPV data may trigger partnership talks for Advaxis.

Cancer Research UK Initiates Phase I/II Clinical Trial of ADXS-HPV for Head and Neck Cancer

On May 8, Advaxis' partner Cancer Research UK (CRUK) began to enroll patients into REALISTIC, a Phase I/II study to investigate the use of ADXS-HPV for the treatment of HPV positive head and neck cancer. HPV is associated with 40-70% of head and neck cancers.

This trial is being conducted at the Aintree Hospital at the University of Liverpool, the Royal Marsden Hospital at the University of London, and the Cardiff Hospital at the University of Wales. The study will investigate the safety and efficacy of ADXS-HPV in **preventing recurrence** of head and neck cancer among patients who have been treated with surgery, radiotherapy, and/or chemotherapy; alone or in combination. A maximum of 45 patients are to be enrolled in this study, and all costs will be assumed by CRUK. Two patients have already been enrolled in the trial at the Aintree Hospital in Liverpool, UK.

This trial further expands the ADXS-HPV clinical development program to another HPV-associated tumor type.

According to the National Cancer Institute and the American Cancer Society, head and neck cancers represent approximately 3 percent of all cancers in the United States and are twice as common in men as in women. Historically, head and neck cancer has been associated with people over the age of 50 and with the use of alcohol and tobacco (including smokeless tobacco), however, there has been a recent rise in HPV-related oropharyngeal cancers in caucasian men under the age of 50. Recurrence rates in patients are high, in some studies over 80% within 2 years. ADXS-HPV may provide a treatment option for doctors and patients with HPV-related head and neck cancers.

ADXS Development Pipeline

Product	Indication	Stage
ADXS-HPV	Cervical Intraepithelial Neoplasia (CIN)	**Phase II** Company sponsored study, initiated in March 2010 in the US. The Company completed enrollment of the low-dose cohort in September 2011 (41 patients) and as of January 17, 2012 has enrolled 25/40 patients in the mid-dose cohort.
	Cervical Cancer	**Phase II** Company sponsored study initiated in November 2010 in India in 110 Patients with recurrent or refractory cervical cancer. Enrollment completed in May 2012, preliminary results presented at 2012 ASCO.
	Cervical Cancer	**Phase II** The Gynecologic Oncology Group (GOG) of the National Cancer Institute is conducting a study in 67 patients with recurrent or refractory cervical cancer which is currently open to enrollment. 1 patient has been dosed as of Jan 11, 2012.
	Head & Neck Cancer	**Phase I/II** The Cancer Research UK (CRUK) is funding a study of 45 patients with head & neck cancer at 3 UK sites which began to enroll patients in May 2012
ADXS-PSA	Prostate Cancer	**Phase I** Company sponsored (timing to be determined).
ADXS-HER2	Breast and other Cancers	**Phase I** Company sponsored (timing to be determined).
ADXS-HER2	Canine Osteosarcoma	**Phase 1** Company sponsored study, initiated in July 2011 in the US.

Source: company filings/ website and Zacks Investment Research

Advaxis Reports Positive Low Dose Cohort Phase II Trial of ADXS-HPV for CIN 2/3

On Feb 27, 2012, Advaxis (ADXS) announced that it has completed the first of 3 dose cohorts in the single blind, placebo controlled **Phase II** dose escalation study assessing the safety and efficacy of **ADXS-HPV** in the treatment of cervical intraepithelial neoplasia **(CIN) 2/3**.

As a reminder, Advaxis initiated the multicenter, randomized, single blind, placebo-controlled, **Phase II** clinical trial of ADXS-HPV for the treatment of cervical intraepithelial neoplasia (CIN) in March 2010. The study is designed to assess the safety and efficacy of ADXS-HPV for the treatment of CIN grade 2/3, which is late stage cervical dysplasia that requires surgery to prevent invasive cancer. Numoda Corporation is Advaxis' strategic partner in the conduction and execution of this trial.

The study has three cohorts consisting of 40 patients each: 30 patients receive 3 doses of ADXS-HPV at 50 million, 330 million or 1 billion cfu and 10 patients receive 3 doses of placebo. The primary objective of this study is to determine a safe dose of ADXS-HPV for the treatment of CIN 2/3. Efficacy is determined by an adjudicated panel of pathologists who are blinded to treatment and conduct microscopic assessments of the tissue removed at pretreatment biopsies and during their treatment surgery to determine if the lesions have regressed or returned to normal. Immunogenicity and HPV DNA data will be collected, as well.

Dosing of patients began in late May 2010, and total of 120 patients will be enrolled in this trial.

Following is the summary of the Cohort 1 results:

- In the ADXS-HPV arm, 52% of CIN 2/3 lesions regressed from CIN 2/3 to CIN 1 or normal. This means surgery is no longer be required. The dose in cohort 1 is about 1/20th of the dose being used in trials of ADXS-HPV in cervical cancer.

- This 52% regression rate of ADXS-HPV with the lowest dose tested is very encouraging. According to the American Academy of Clinical Research's Task Force on the Treatment and Prevention of Intraepithelial Neoplasia, 50% objective regression rate with a new treatment agent is considered clinically meaningful.

- Further, according to O'Shaughnessy, et al 2002, CCR, 8:314, "An improvement in CIN 2/3 to either pathologically normal cervix or of CIN 3 to CIN 1, with no new CIN 2/3 lesions appearing in at least 50% of the treated patients, is evidence of clinical benefit of the new agent."

- In the cohort 1 trial, 40% of CIN 2/3 lesions spontaneously regressed in the placebo arm. This is within the range reported in the scientific literature of 35%-43% (Wright, et. al. 2003. Am J Obstet Gynecol, Am. J. Obstet. Gynecol. 289:295).

- ADXS-HPV is safe. Less than 1/3 (29%) of the patients treated reported any side effects associated with treatment. Those that occurred were mild and self-resolved or responded quickly to treatment.

- No SAEs (serious adverse events) were reported.

This study is enrolling at several sites in the U.S. with a target enrollment of 120 patients across the 3 dose cohorts. Enrollment in cohort 2 (the mid dose) is 75% complete and is expected to report in early Q4 2012.

We are encouraged by the positive preliminary results of this Phase II trial especially at this low dose. ADXS-HPV at low dose meets 50% efficacy target. With cohort 2 dosage 6 times higher and cohort 3 dosage 20 times higher, higher response rates are expected to achieve.

CIN 2/3 is the precursor to cervical cancer. CIN is diagnosed in 450,000 American women annually. Progressive CIN is currently treated with surgery to prevent cancer from occurring. However, this treatment is associated with a number of problems, which include the development of an "incompetent cervix" i.e., a condition that prevents women from carrying a baby to full term. The typical CIN patient is a woman between 25 and 45 years of age. Although surgery is a viable short-term solution for the condition, it does not address the cause of the disease, which is a human papilloma virus (HPV) infection. Women who require surgery once may need it again. Current HPV vaccination products have not demonstrated effectiveness against active HPV infections.

The goal of this treatment is to prevent progression to cervical cancer and to eliminate the need for surgery and subsequent obstetric risks. With these positive preliminary results, ADXS-HPV seems on track to achieve this goal.

New Phase II of ADXS-HPV for Cervical Cancer Initiated by GOG/NCI

On Jan 11, 2012, Advaxis announced at the OneMedForum in San Francisco that patient dosing has begun in the Gynecologic Oncology Group (GOG) 67 patient Phase II study evaluating the Company's ADXS-HPV construct for the treatment of advanced cervical cancer. The study is sponsored by the GOG with the majority of funding from the National Cancer Institute.

The GOG study is in a patient population similar to the ongoing 110 patient study that Advaxis is conducting in India. Both studies will assess safety and efficacy in cervical cancer patients who have not responded to conventional cytotoxic treatment and whose cancer has metastasized and resumed growth.

This study will complement the Company's cervical cancer trial in India and, upon completion of enrollment for both trials, result in a total of over 170 patients in Phase II cervical cancer program.

Advaxis Completes Pre-IND Meeting for ADXS-HER2

Advaxis completed a pre-IND (Investigational New Drug) meeting with the FDA on November 22, 2011 to discuss the development plan for ADXS-HER2, an immunotherapy for the treatment of HER2 expressing cancers. The FDA addressed the Company's questions and provided guidance on the requirements to file an IND to initiate clinical trials. This IND is expected to be submitted in the first half of 2012.

HER2 (human epidermal growth factor receptor 2) is a gene which is over expressed in a percentage of certain types of cancers such as breast, stomach, bladder, pancreatic, brain, and ovarian.

ADXS- HER2 immunotherapy is the third Lm-LLO agent Advaxis is advancing to the clinic. ADXS-HER2 uses a proprietary chimeric form of the HER2 antigen (cHER2) that gives it the potential to overcome "escape mutations" in cancer, and has shown encouraging results in mouse models for HER2 positive **breast cancer** and preliminary data in brain cancer.

Advaxis Licenses Novel Antigen for Severe Breast Cancer and Other Tumor Types

On November 15, 2011, Advaxis (ADXS) exclusively licensed the use of antigen **ISG15** in Advaxis' Lm-LLO based immunotherapies from the University of Pennsylvania. This intellectual property resulted from research conducted in Dr. Yvonne Paterson's laboratory that demonstrated ISG15 was an effective immunological target for the treatment of breast cancer in animal models.

ISG15 is a novel protein associated with numerous cancers. Recently published data demonstrate that Advaxis' Lm-LLO immunotherapy reduced primary and metastatic breast tumors in an animal model when directed against ISG15. Therefore, targeting ISG15 may represent a new therapeutic approach suitable for a population of patients with advanced breast cancer for whom few approved treatments currently exist.

The research conducted by Dr. Paterson and colleagues, as well as research conducted at other institutions, suggests that ISG15 may have utility in treating other tumor types as well.

With the acquisition of ISG15, Advaxis' first proprietary antigen, Advaxis has further expanded its intellectual property assets and boosted its pipeline. This will help to sustain the long term growth of the Company in our view.

VALUATION AND RECOMMENDATION

We maintain our Outperform rating for ADXS and our 12-month price target is $0.20 per share.

We think Advaxis' live, attenuated Listeria technology is a unique immunotherapeutic platform which can target various cancer indications and infectious diseases. This technology has advantages over other immunotherapies in three unique ways:

- Advaxis' Listeria-based cancer vaccine can deliver bioengineered cancer antigen fused with a unique, proprietary strong adjuvant LLO which elicits both innate and adaptive immune systems in the body to fight cancer. The immune response elicited by Advaxis' cancer vaccines has been the most comprehensive and robust so far in the industry.

- Advaxis' cancer vaccines can reduce the amount of regulatory T cells and myeloid suppressor cells which help protect tumors from attacking by cytotoxic T cells.

- Another distinctive feature of Advaxis' cancer vaccines is its ability to change the ratio between killer T-cells and regulatory T cells (the Kill Ratio) inside the tumor from a 1:1.3 to a 22.7:1.

Based on this unique platform technology, Advaxis has established a pipeline targeting a variety of cancer indications including cervical cancer/cervical dysplasia, head and neck cancer, prostate cancer and breast/brain cancers. The Company currently has three Phase II clinical trials under way and two additional Phase II trials are planned soon.

We admit that it's always difficult to value a development stage biotech company, Advaxis is no exception. However, we do think that Advaxis is undervalued. The Company should be worth more than current value of $28 million in market cap by comparing the Company with its peers in the same industry.

Currently, the Company shares are trading at about $0.10 per share which values the Company at about $28 million in market cap based on about 280 million shares outstanding. This is certainly a huge discount compared to its peers. Most small biotech companies of development stage are valued from $50 million to $500 million depending on how advanced the pipeline is and which indications the company is targeting. Advaxis is a mid-stage development biotech company, and its lead candidate ADXS-HPV is under three Phase II and one Phase I/II clinical trials. ADXS-HPV currently targets three cancer indications: cervical cancer, cervical dysplasia and heal and neck cancers. Market potential is huge for the combined three markets.

Our price target of $0.20 per share values the Company at $56 million in market cap based on 280 million shares outstanding.

We noticed recent acquisition of private BioVex by Amgen. The deal was valued at $1 billion with $425 million in upfront and up to $575 million in additional payments upon the achievement of certain regulatory and sales milestones. BioVex is developing OncoVex, an oncolytic vaccine in Phase III clinical development, for the treatment of melanoma and head and neck cancer.

Although BioVex's OncoVex is in more advanced trials (Phase III) than ADXS-HPV (Phase II), we also noticed that Advaxis has a broader technology. Therefore, this transaction convinces us that Advaxis is undervalued.

Apparently, risk is high for Advaxis at this stage, but return should also be high. Investors with high risk tolerance and relatively long investment horizon may consider Advaxis as a component of their portfolios.

Cash Burn is our Chief Concern

Advaxis has been losing money and recorded negative cash flow from operations since its inception and the Company has no meaningful revenue yet to fund its operations so far. It depends on outside funds to finance its operations. We believe the Company will continue to generate losses for the foreseeable future.

As of January 31, 2012, Advaxis had $0.6 million in cash. The Company does not have adequate cash on hand to cover its anticipated expenses for the next 12 months. On May 15, Advaxis retired $4.5 million in debt, and raised additional $1,240,000 in new financing.

As the Company advances its clinical programs especially the ADXS-HPV candidate for cervical cancer/CIN, R&D spending will soar. The Company needs to raise additional funds very soon. We reminder investors that equity financing will dilute existing shareholder base, and share price may suffer.

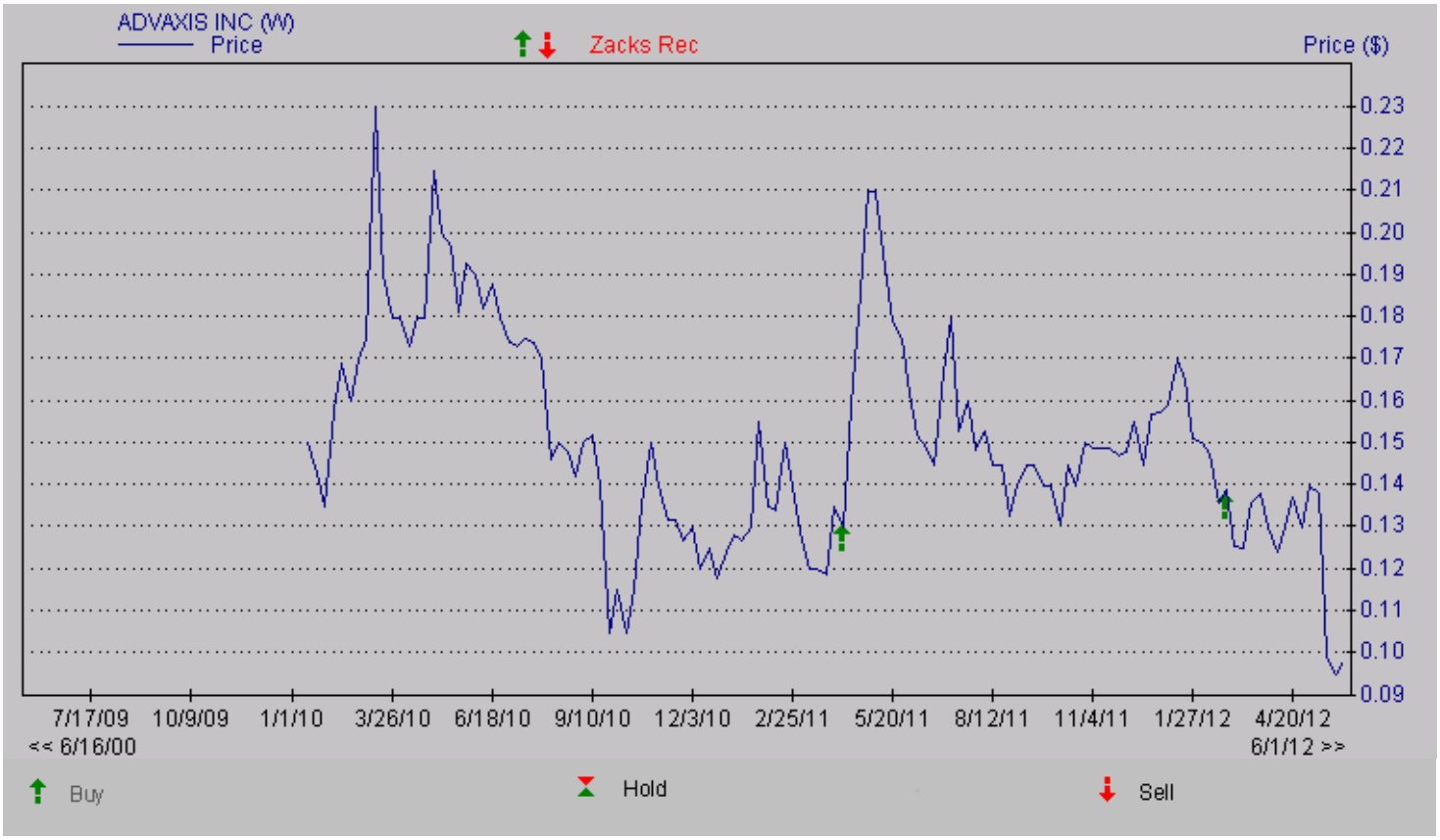
The Company's strategy is to license its clinical programs to potential partners after Phase II clinical trials. Recent positive Phase II data from ADXS-HPV may trigger partnership talks. If a deal can be close, the cash burn concern can be greatly relieved.

PROJECTED INCOME STATEMENT

	2011A (Oct)					2012E (Oct)					2013E (Oct)	2014E (Oct)	2015E (Oct)
$ in million except per share data	Q1A	Q2A	Q3A	Q4A	FYA	Q1A	Q2E	Q3E	Q4E	FYE	FYE	FYE	FYE
Product Revenue	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$5.00
R&D revenue	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1.50	$2.00	$4.50
Total Revenues	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$1.50**	**$2.00**	**$9.50**
YOY Growth	-	-	-	-	*0.0%*	-	-	-	-	-	-	*133.3%*	*475.0%*
CoGS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Income	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$1.50**	**$2.00**	**$9.50**
Gross Margin	-	-	-	-	-	-	-	-	-	-	*100.0%*	*100.0%*	*100.0%*
R&D	$1.99	$2.45	$1.96	$1.69	$8.08	$2.21	$2.05	$2.10	$2.40	$8.76	$10.00	$12.00	$15.00
% R&D	-	-	-	-	-	-	-	-	-	-	-	-	-
SG&A	$0.98	$0.96	$1.64	$1.36	$4.94	$1.03	$1.35	$1.40	$1.40	$5.18	$6.50	$7.50	$8.50
% SG&A	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
% Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Income	**($3.0)**	**($3.4)**	**($3.6)**	**($3.0)**	**($13.0)**	**($3.2)**	**($3.4)**	**($3.5)**	**($3.8)**	**($13.9)**	**($15.0)**	**($17.5)**	**($14.0)**
Operating Margin	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Net	$2.4	($6.4)	$7.1	$0.9	$3.9	($1.0)	($1.0)	($1.0)	($1.0)	($4.0)	($0.8)	($1.0)	($1.0)
Pre-Tax Income	**($0.6)**	**($9.8)**	**$3.5**	**($2.1)**	**($9.1)**	**($4.3)**	**($4.4)**	**($4.5)**	**($4.8)**	**($18.0)**	**($15.8)**	**($18.5)**	**($15.0)**
Income taxes(benefit)	($0.4)	$0.0	$0.0	$0.0	($0.4)	($0.3)	$0.0	$0.0	$0.0	($0.3)	$0.0	$0.0	$0.0
Tax Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Reported Net Income	**($0.2)**	**($9.8)**	**$3.5**	**($2.1)**	**($8.7)**	**($3.9)**	**($4.4)**	**($4.5)**	**($4.8)**	**($17.6)**	**($15.8)**	**($18.5)**	**($15.0)**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Margin	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares Out	*206.8*	*213.4*	*300.8*	*170.6*	*222.9*	*262.8*	*285.0*	*300.0*	*315.0*	*290.7*	*355.0*	*400.0*	*450.0*
Reported EPS	**($0.00)**	**($0.05)**	**$0.01**	**($0.01)**	**($0.04)**	**($0.01)**	**($0.02)**	**($0.02)**	**($0.02)**	**($0.06)**	**($0.04)**	**($0.05)**	**($0.03)**
YOY Growth					-	-	-	-	-	-	-	-	-
One time charge	*($3.84)*	*$5.83*	*($9.01)*	*($2.74)*	*($9.76)*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*
Non GAAP Net Income	**($4.1)**	**($4.0)**	**($5.6)**	**($4.9)**	**($18.5)**	**($3.9)**	**($4.4)**	**($4.5)**	**($4.8)**	**($17.6)**	**($15.8)**	**($18.5)**	**($15.0)**
Non GAAP EPS	**($0.02)**	**($0.02)**	**($0.02)**	**($0.03)**	**($0.08)**	**($0.01)**	**($0.02)**	**($0.02)**	**($0.02)**	**($0.06)**	**($0.04)**	**($0.05)**	**($0.03)**

Source: Company filing and Zacks Investment Research estimates

HISTORICAL ZACKS RECOMMENDATIONS



DISCLOSURES

The following disclosures relate to relationships between Zacks Investment Research ("ZIR") and Zacks Small-Cap Research ("Zacks SCR") and the issuers covered by the Zacks SCR analysts in the Small-Cap Universe.

ZIR or Zacks SCR Analysts do not hold or trade securities in the issuers which they cover. Each analyst has full discretion on the rating and price target based on their own due diligence. Analysts are paid in part based on the overall profitability of Zacks SCR. Such profitability is derived from a variety of sources and includes payments received from issuers of securities covered by Zacks SCR for non-investment banking services. No part of analyst compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in any report or blog.

ZIR and Zacks SCR do not make a market in any security nor do they act as dealers in securities. Zacks SCR has never received compensation for investment banking services on the small-cap universe. Zacks SCR does not expect received compensation for investment banking services on the small-cap universe. Zacks SCR has received compensation for non-investment banking services on the small-cap universe, and expects to receive additional compensation for non-investment banking services on the small-cap universe, paid by issuers of securities covered by Zacks SCR. Non-investment banking services include investor relations services and software, financial database analysis, advertising services, brokerage services, advisory services, investment research, and investment management.

Additional information is available upon request. Zacks SCR reports are based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Because of individual objectives, the report should not be construed as advice designed to meet the particular investment needs of any investor. Any opinions expressed by Zacks SCR Analysts are subject to change. Reports are not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. Zacks SCR uses the following rating system for the securities it covers. Buy/Outperform: The analyst expects that the subject company will outperform the broader U.S. equity market over the next one to two quarters. Hold/Neutral: The analyst expects that the company will perform in line with the broader U.S. equity market over the next one to two quarters. Sell/Underperform: The analyst expects the company will underperform the broader U.S. Equity market over the next one to two quarters.

The current distribution of Zacks Ratings is as follows on the 1027 companies covered: Buy/Outperform- 16.3%, Hold/Neutral- 77.3%, Sell/Underperform – 5.6%. Data is as of midnight on the business day immediately prior to this publication.