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HEALTH CARE EQUITY CAPITAL MARKETS REVIEW

2009 Q3 Review

Piper Jaffray Equity Capital Markets
October 2009

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THE JOURNEY.®

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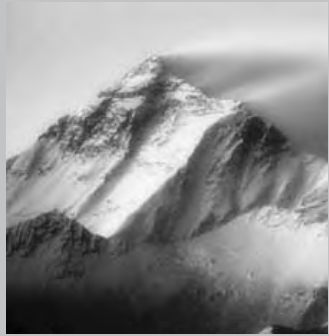
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SECTION I

Key Themes in Q3 2009

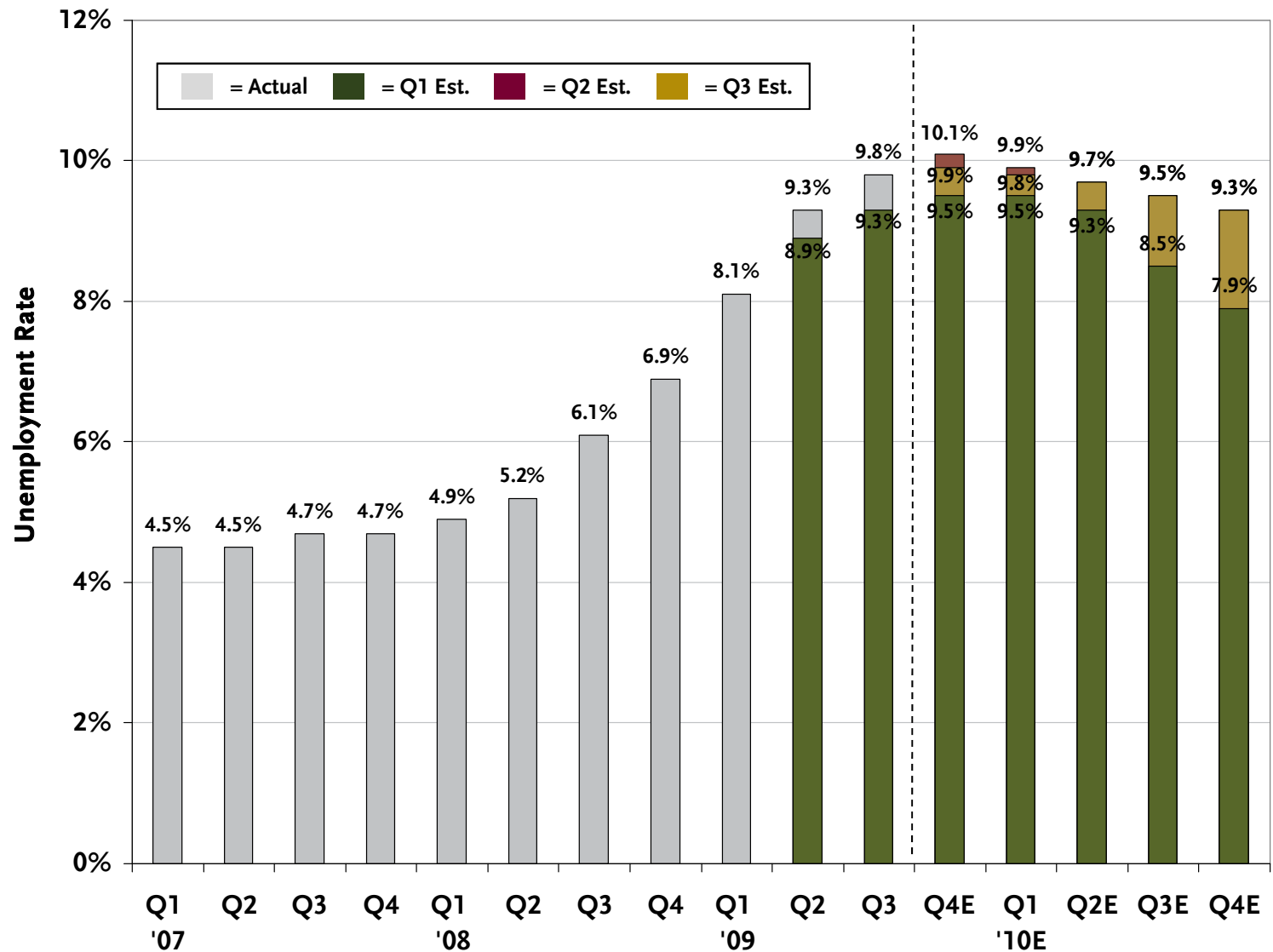
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KEY THEMES IN Q3 2009

The unemployment rate is still forecasted to peak in Q4 '09, however recent estimates have been reduced during Q3

The Unemployment Rate: Actual vs. 2009 Quarterly Estimates

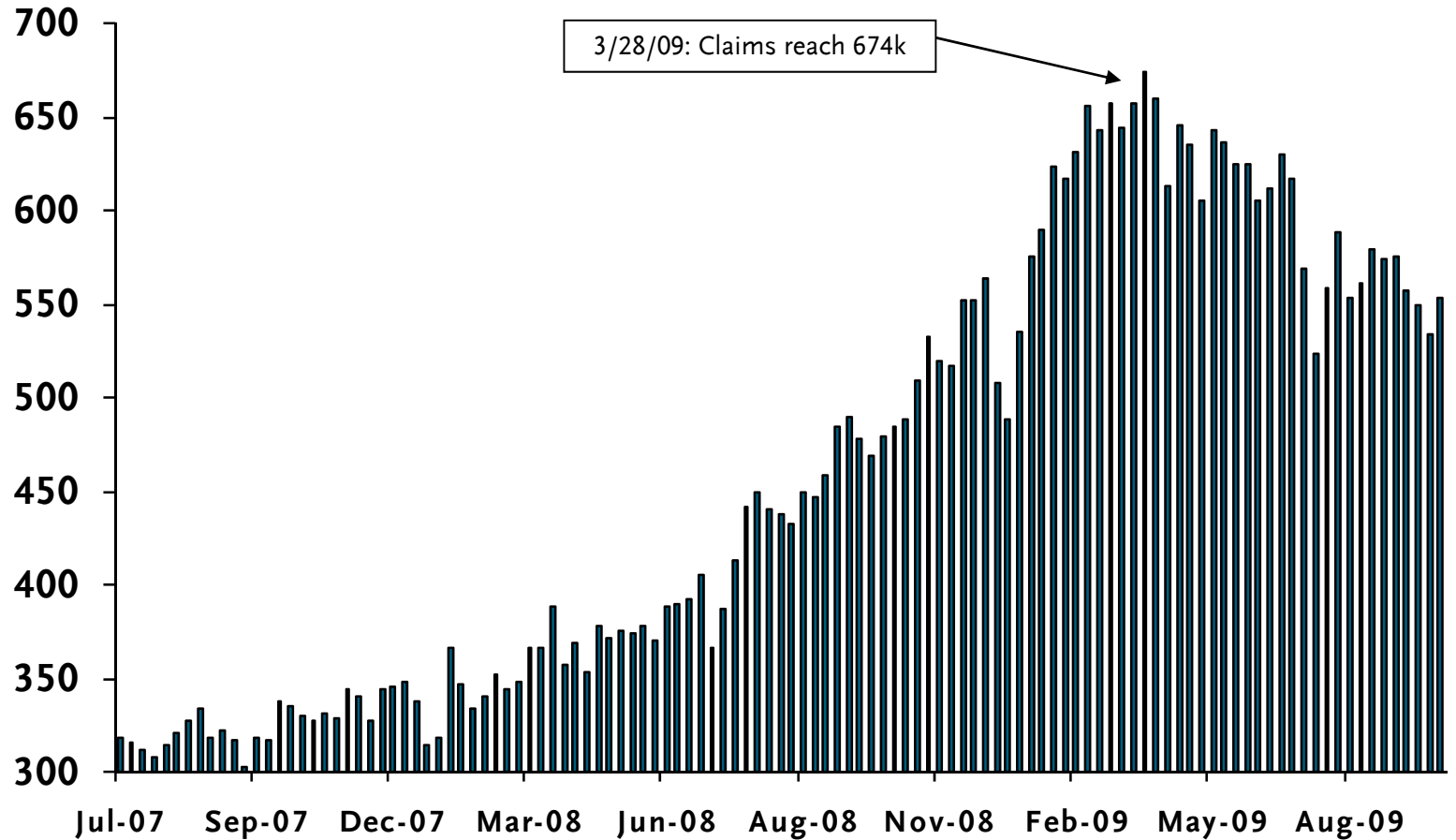


Source: Thomson Baseline

KEY THEMES IN Q3 2009

Jobless claims, considered to be a real time indicator of economic health, have also shown a steady downward trend

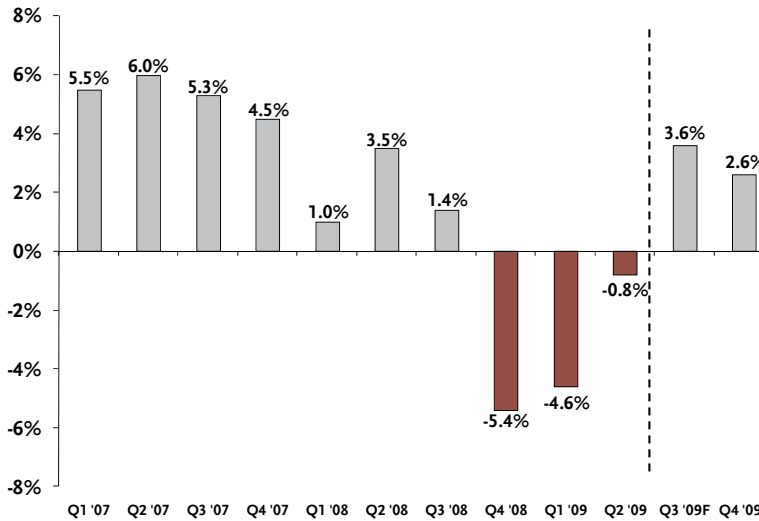
Weekly Initial Claims



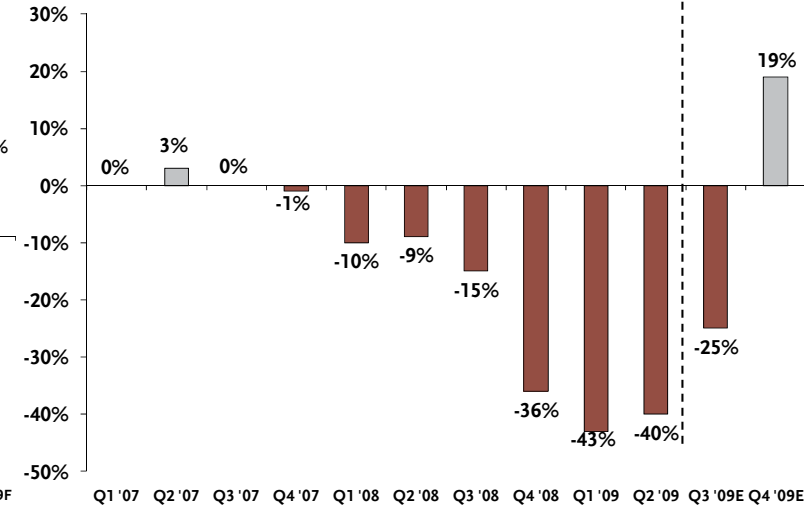
KEY THEMES IN Q3 2009

Expectations for growth, both in terms of U.S. GDP and small cap earnings, have turned positive as rising consumer confidence and new home sales point to an economic recovery

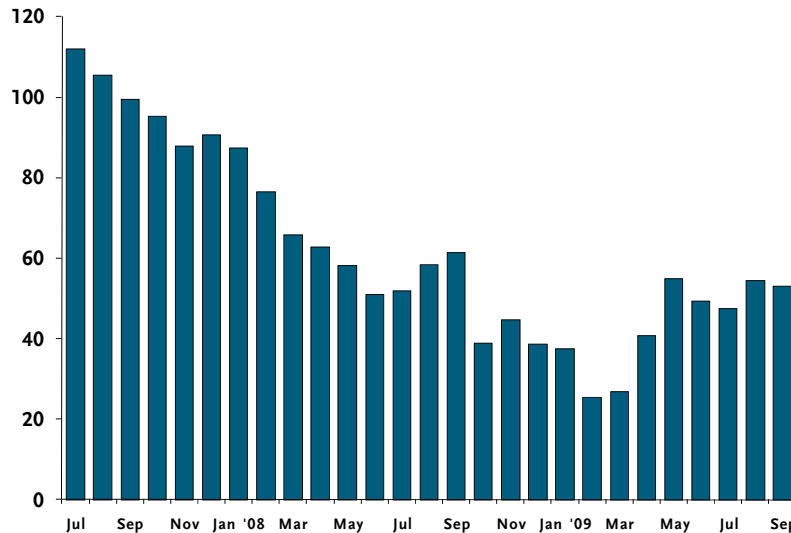
US Nominal GDP Growth by Quarter



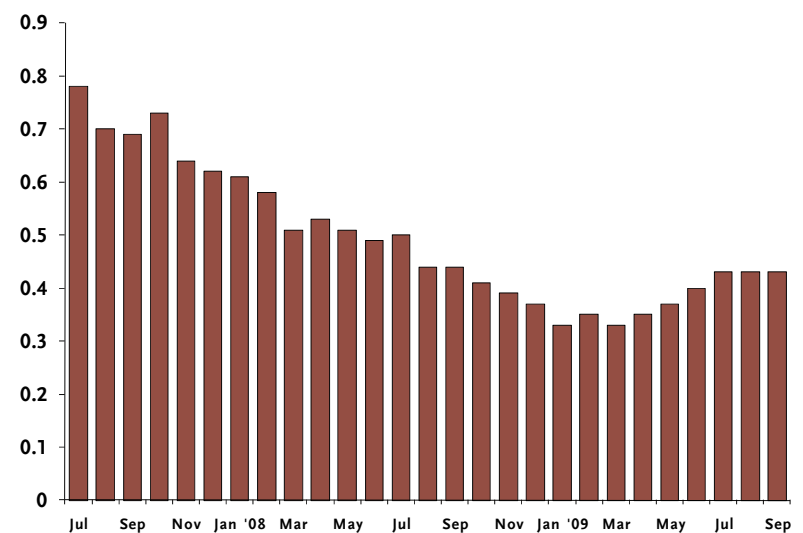
S&P 600 Quarterly Earnings Growth



Consumer Confidence



Monthly New Home Sales (MM)

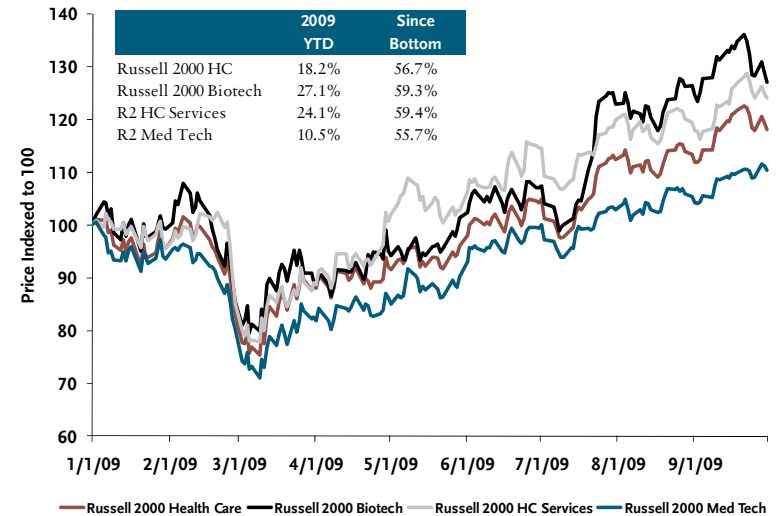
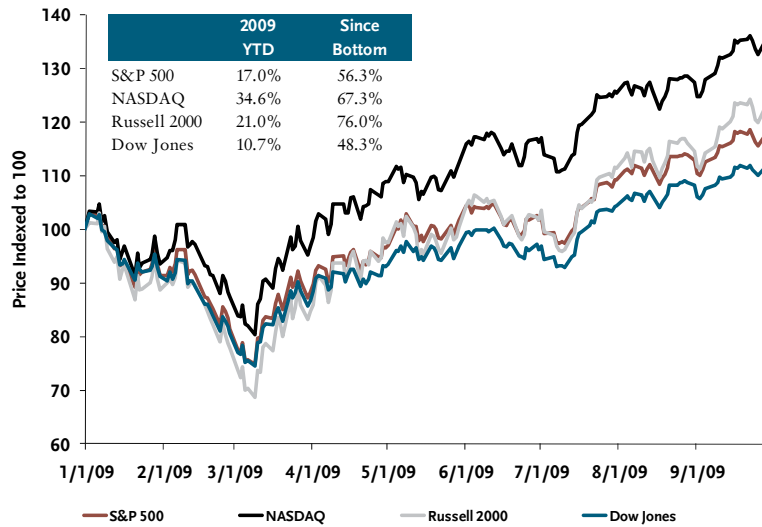


Source: Thomson Baseline & CapitalIQ

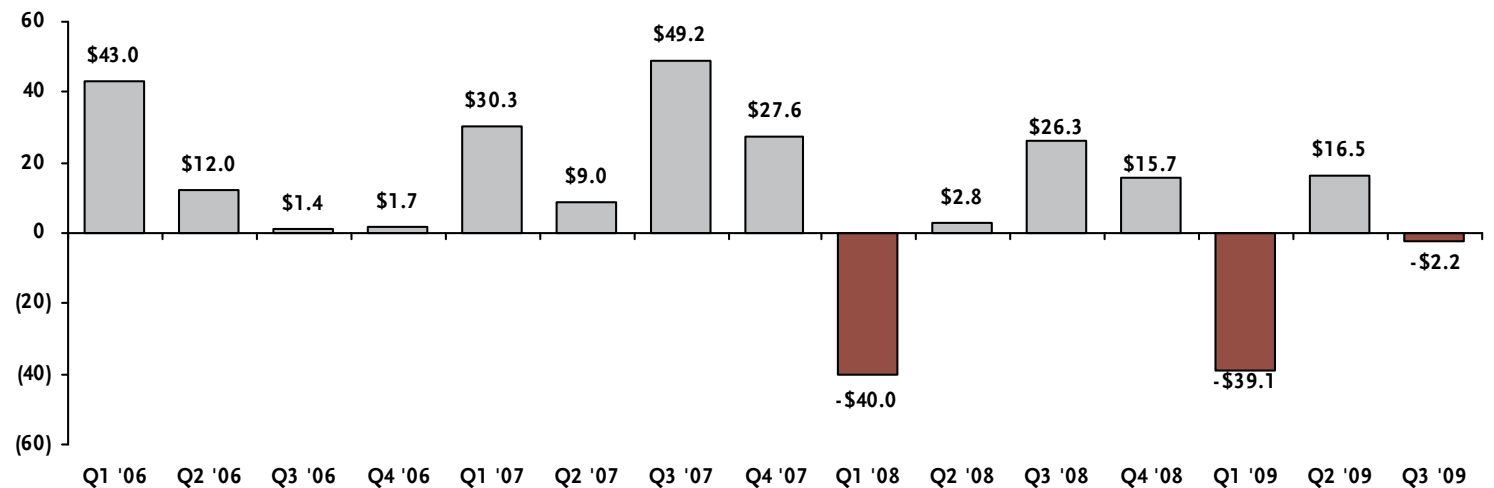
KEY THEMES IN Q3 2009

Health Care growth focused funds continued their rally since bottoming in March, albeit underperforming the broader markets

Market Performance



Quarterly Mutual Fund Flows (\$ Billions)

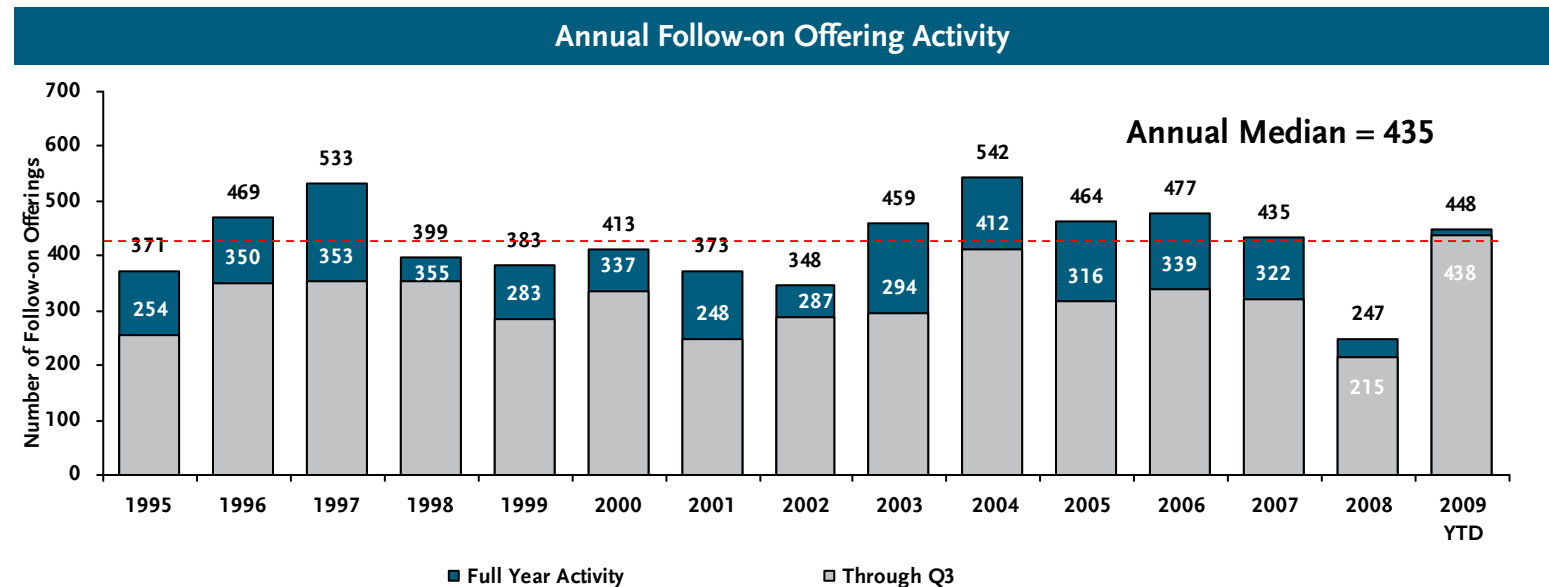
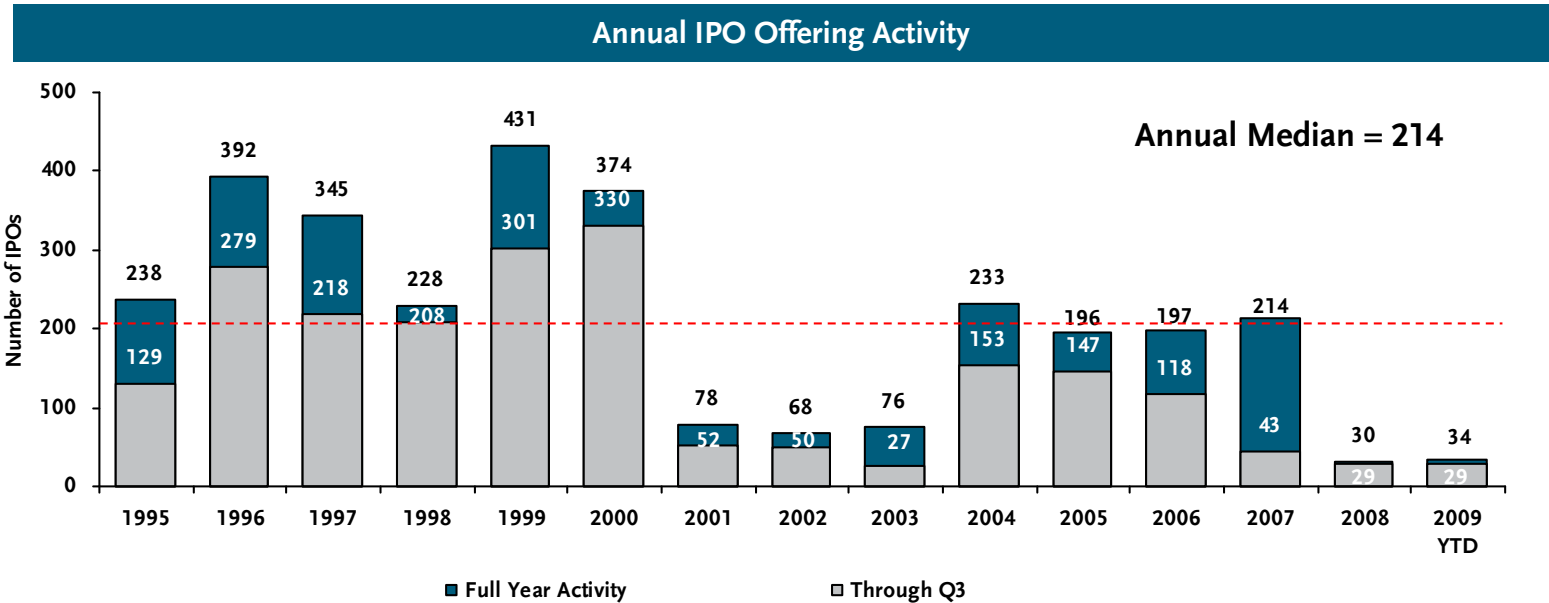


Source: CapitalIQ and Decision Economics, Inc.

KEY THEMES IN Q3 2009

2009 IPO issuance activity has exceeded the record low levels of 2008

Follow-on activity through September has reached record levels

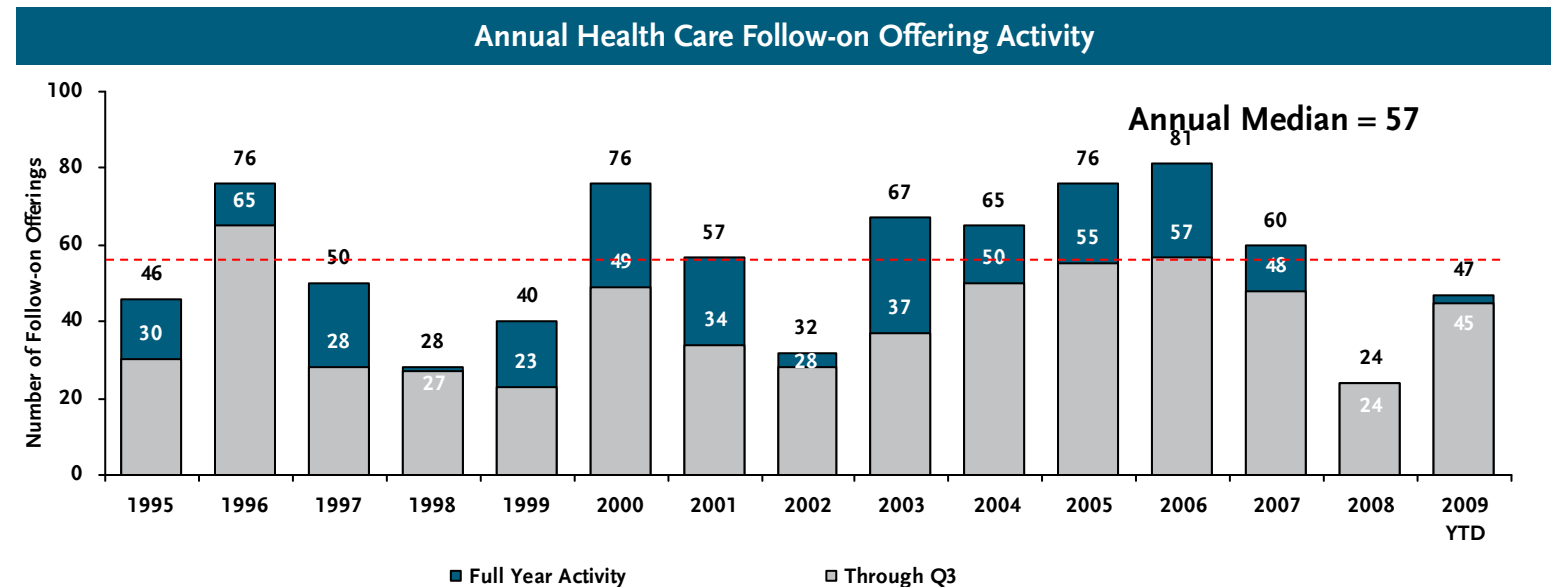
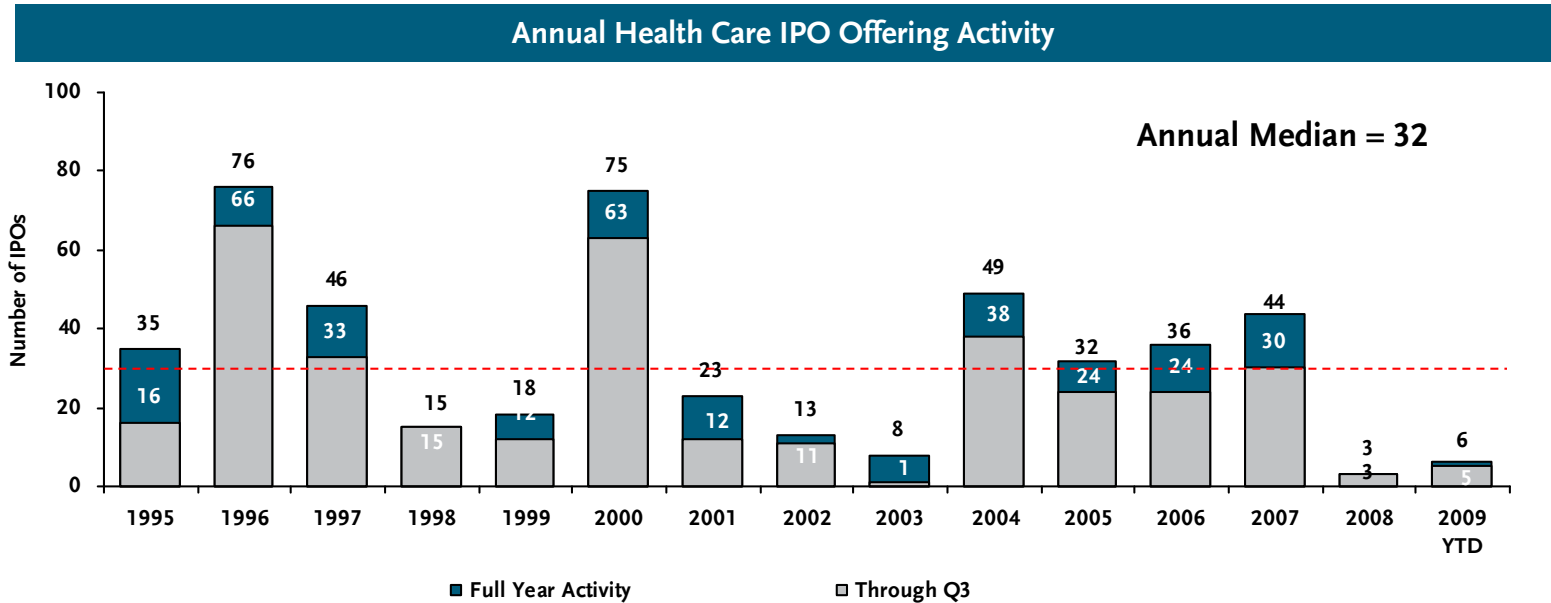


Source: Dealogic and Piper Jaffray ECM
Excludes BCC/SPACs, closed-end funds, and transactions less than \$20mm

KEY THEMES IN Q3 2009

Health Care IPO

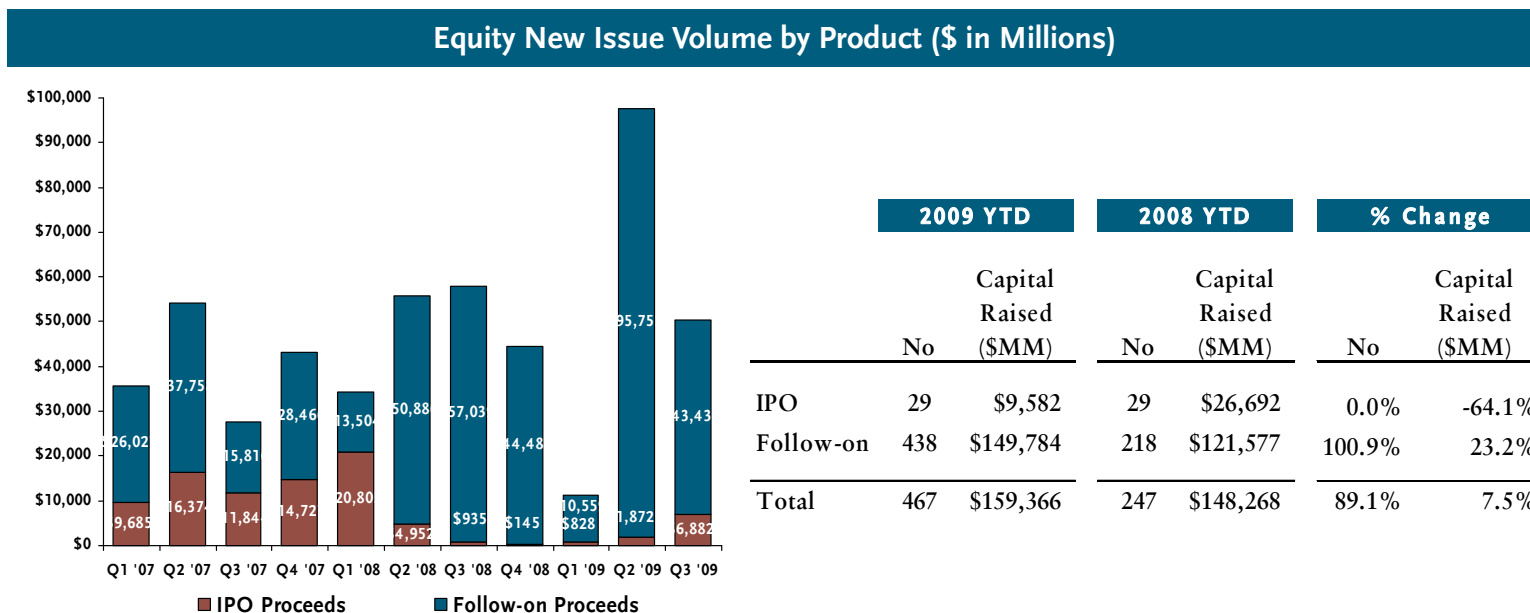
issuance continues to lag while follow-ons are on track to exceed historical levels



Source: Dealogic and Piper Jaffray ECM
Excludes BCC/SPACs, closed-end funds, and transactions less than \$20mm

KEY THEMES IN Q3 2009

2009 new issue market highlights











	2009 YTD		2008 YTD		% Change	
	No	Capital Raised (\$MM)	No	Capital Raised (\$MM)	No	Capital Raised (\$MM)
IPO	29	\$9,582	29	\$26,692	0.0%	-64.1%
Follow-on	438	\$149,784	218	\$121,577	100.9%	23.2%
Total	467	\$159,366	247	\$148,268	89.1%	7.5%

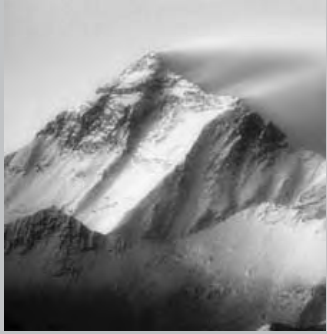
- Offering activity has increased significantly since Q1 '09 and is on track to significantly outpace 2008
- Follow-on issuance is leading the resurgence with nearly 400 issuances raising \$140 billion since the first quarter of 2009. Offering activity has largely been driven by small-cap issuers (sub \$2 billion in market cap) which account for 70% of transactions
- Shelf registration statements continue to prove to be instrumental financing tools with over 90% of follow-ons this year coming as shelf takedowns
- Q3 '09 saw a resurgence of fully marketed follow-ons which accounted for 50 of the 197 follow-ons vs. 23 in the first half of the year; a good sign of confidence in the equity markets as issuers willingness to take market risk is increasing
- The IPO market continues to improve as 15 IPOs priced in Q3 '09, 4 of which came on behalf of Health Care issuers
- The 2009 class of IPOs continue to perform well in the aftermarket, up 21% from offer price on average; positive performance should continue to drive investor demand for the asset class
- Health Care issuance continues its sequential improvement for the year with 6 transactions in Q1 growing to 13 and 36 offerings in Q2 and Q3, respectively; activity has largely been driven by Biotech issuers

PIPER JAFFRAY EQUITY CAPABILITIES

Piper Jaffray is the Preferred Bookrunner in the Middle Market in 2009

<p>\$32,900,000</p>  <p>Underwritten Registered Direct Sole Manager October 16, 2009</p>	<p>\$58,360,000</p>  <p>Underwritten Registered Direct Sole Manager August 14, 2009</p>	<p>\$422,452,500</p>  <p>IPO Co-Manager August 11, 2009</p>	<p>\$80,500,000</p>  <p>Underwritten Registered Direct Sole Bookrunner July 30, 2009</p>	<p>\$16,000,000</p>  <p>Underwritten Registered Direct Sole Manager July 29, 2009</p>
<p>\$52MM / \$100MM</p>  <p>Bought Deal / Secured Loan Sole Manager June 8 & 17, 2009</p>	<p>\$300MM / \$500MM</p>  <p>Tandem Follow-on / Convert Co-Manager May 21, 2009</p>	<p>\$38,000,000</p>  <p>Underwritten Registered Direct Sole Manager April 16, 2009</p>	<p>\$10,000,000</p>  <p>Registered Direct Sole Manager March 10, 2009</p>	<p>\$48,000,000</p>  <p>Underwritten Registered Direct Sole Manager January 30, 2009</p>

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SECTION II

IPO Market Update

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IPO MARKET UPDATE

Q3 '09 continued to see improvement in the IPO market with 15 offerings coming to market, the most active quarter since Q4 '07

IPO Market Update – Key Takeaways

Offering Activity Continues to Increase; Driven by Growth Sector and Sponsor-Backed Issuers

- 15 IPOs priced in Q3 '09, the most active quarter since Q4 '07; 29 IPOs have priced year-to-date
- Issuance activity has largely been driven by the Technology(10), Financial(8), and Health Care(5) sectors
- Financial Sponsors have played a key role in 2009 IPO activity; 14 of the IPOs priced in 2009 have been on behalf of sponsor-backed companies
- Issuers have seen strong pricing performance with 24 of the 29 IPOs this year pricing at the mid-point of the range or better, indicating a strong investor bid for IPOs
- The 2009 class of IPOs continues to perform well in the aftermarket trading up 21% from offer, on average; this strong performance should help continue to drive demand for the asset class
- Filing activity continues to increase as issuers recognize a receptive investor community

Investor Sentiment has Improved; Investors Taking on More Risk to Drive Performance

- The recent rally has resulted in more interest and new capital flowing back into equities; investors continue to take on risk in efforts to outperform their benchmark indices
- We have seen the investor pool evolve first hand in 2009, with large, long-only mutual funds, small-cap generalists, and sector-specific hedge funds becoming increasingly more active in recent transactions
- As the investor community becomes increasingly more active in new issues the offering window will open to earlier stage issuers; for example, we anticipate the percentage of profitable IPO issuers to decline over the next few quarters

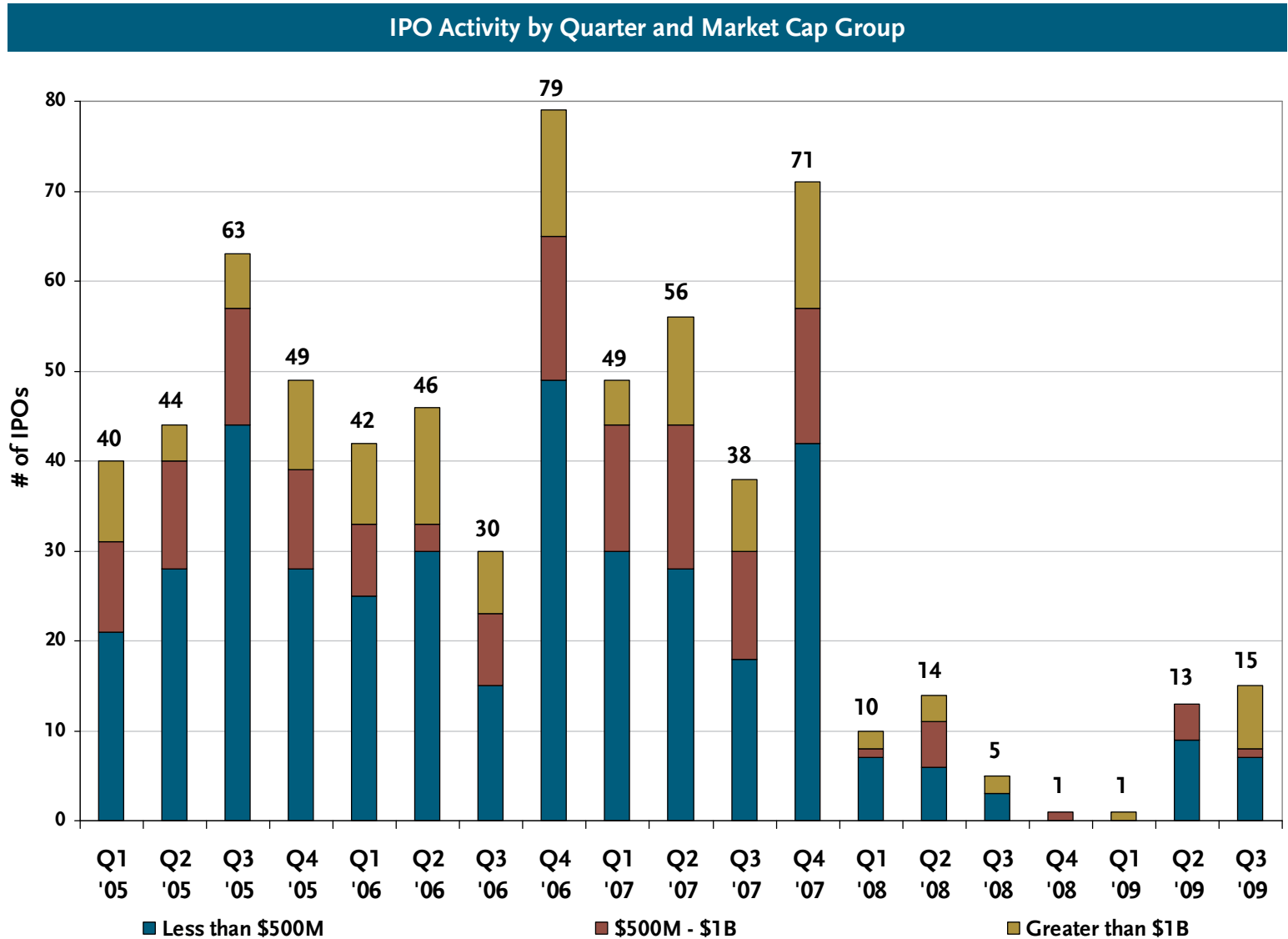
Health Care IPO Activity is Accelerating – Issuance is Being Driven by Services and Biotech Issuers

- 5 Health Care IPOs have been priced in '09, raising nearly \$2 billion in capital
- Pricing performance has been mixed with 2 of the offerings pricing below the range and trading down in the aftermarket
- Issuance has come from the Services(3) and Biotech(2) sectors; no Medical Technology IPO has priced since Q1 '08

IPO MARKET UPDATE

Although IPO activity remains below historical levels, the new issuance window appears to be broadening

The mix of issuers, based on market cap, is similar to historical trends

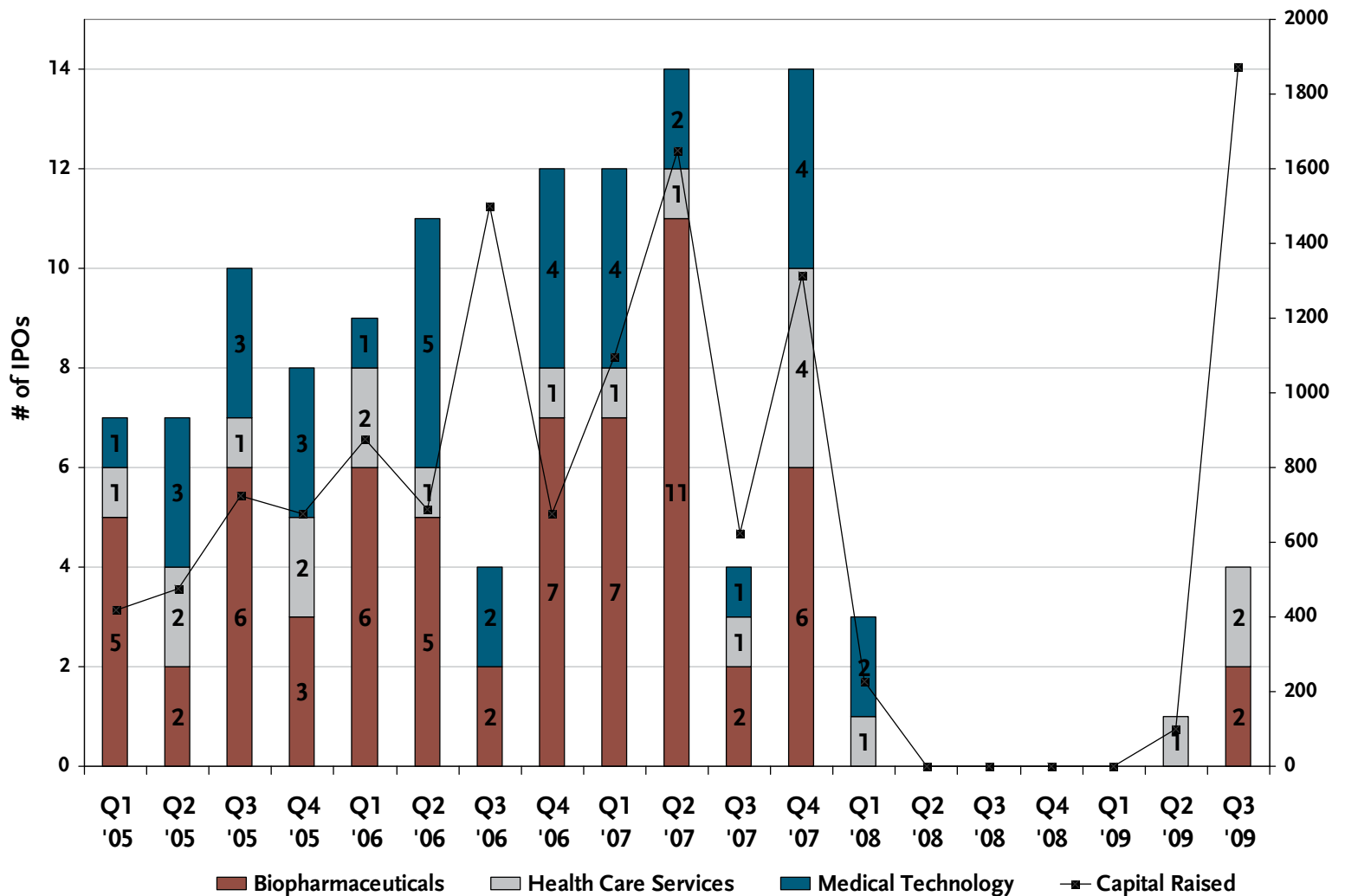


Source: company filings, Dealogic, and Piper Jaffray ECM
 Data through 9/30/09
 Excludes BCC/SPACs, closed-end funds, and transactions less than \$20mm

IPO MARKET UPDATE

Health Care IPO activity has been driven by Services and Biopharma issuers

Health Care IPO Activity by Quarter and Subsector



Source: company filings, Dealogic, and Piper Jaffray ECM
 Data through 9/30/09
 Excludes transactions less than \$20 million

IPO MARKET UPDATE

2009 YTD IPOs

15 IPOs priced in Q3,
more than the
previous two quarters
combined

IPOs have performed
well in the
aftermarket, trading
up 21% on average

(\$ in millions)										Pricing Performance				Sector
Pricing Date	Issuer	Ticker	Filing Range	Offer Price	Deal Value	Market Value	Deal Value / Market Value	% Secondary	% Change FTO	% Change 1-Day	% Change Current			
9/30/09	Talecris Biotherapeutics Holdings	TLCR	18.00 - 20.00	\$19.00	\$950	\$2,276	42%	42%	0%	11%	11%	Health Care		
9/24/09	Shanda Games Ltd	GAME	10.50 - 12.50	\$12.50	\$1,044	\$3,601	29%	84%	9%	-14%	-6%	Consumer		
9/24/09	Select Medical Holdings Corp	SEM	11.00 - 13.00	\$10.00	\$300	\$1,561	19%	0%	-17%	1%	1%	Health Care		
9/23/09	A123 Systems Inc	AONE	8.00 - 9.50	\$13.50	\$438	\$1,325	33%	2%	54%	50%	58%	Clean Tech		
9/23/09	Colony Financial Inc	CLNY	20.00 - 20.00	\$20.00	\$250	\$255	98%	0%	0%	-3%	-2%	Financial		
9/23/09	Vitacost.com	VITC	11.00 - 13.00	\$12.00	\$132	\$329	40%	60%	0%	0%	-9%	Technology		
9/23/09	Apollo Commercial Real Estate Finance	ARI	20.00 - 20.00	\$20.00	\$200	\$200	100%	0%	0%	-8%	-9%	Financial		
9/23/09	Artio Global Investors Inc	ART	24.00 - 26.00	\$26.00	\$650	\$1,966	33%	0%	4%	5%	1%	Financial		
9/16/09	CreXus Investment Corp	CXS	15.00 - 15.00	\$15.00	\$200	\$272	74%	0%	0%	-2%	-5%	Financial		
8/11/09	Starwood Property Trust Inc	STWD	20.00 - 20.00	\$20.00	\$932	\$851	109%	0%	0%	0%	1%	Financial		
8/11/09	Emdeon Inc	EM	13.50 - 15.50	\$15.50	\$422	\$1,780	24%	55%	7%	7%	5%	Health Care		
8/10/09	Cumberland Pharmaceuticals Inc	CPIX	19.00 - 21.00	\$17.00	\$85	\$392	22%	0%	-15%	-1%	-5%	Health Care		
8/5/09	Avago Technologies	AVGO	13.00 - 15.00	\$15.00	\$745	\$3,210	23%	50%	7%	8%	14%	Technology		
8/5/09	CDC Software Corp	CDCS	11.00 - 13.00	\$12.00	\$58	\$300	19%	17%	0%	-17%	-23%	Technology		
7/29/09	PennyMac Mortgage Investment Trust	PMT	20.00 - 20.00	\$20.00	\$294	\$340	87%	0%	0%	-5%	0%	Financial		
6/30/09	LogMeIn Inc	LOGM	14.00 - 16.00	\$16.00	\$123	\$342	36%	25%	7%	25%	14%	Technology		
6/25/09	Invesco Mortgage Capital Inc	IVR	20.00 - 20.00	\$20.00	\$176	\$170	104%	0%	0%	-3%	9%	Financial		
6/24/09	Duoyuan Global Water Inc	DGW	13.00 - 15.00	\$16.00	\$101	\$336	30%	0%	14%	37%	106%	Clean Tech		
6/24/09	MediData Solutions Inc	MDSO	11.00 - 13.00	\$14.00	\$101	\$313	32%	0%	17%	21%	8%	Health Care		
6/23/09	Chemspec International Ltd	CPC	7.00 - 9.00	\$9.00	\$73	\$327	22%	22%	13%	0%	-22%	Industrials		
6/11/09	Cypress Sharpridge Investments Inc	CYS	11.00 - 13.00	\$11.00	\$115	\$184	62%	0%	-8%	5%	29%	Financial		
6/2/09	Government Properties Income Trust	GOV	20.00 - 22.00	\$20.00	\$230	\$399	58%	0%	-5%	-3%	20%	REIT		
5/20/09	OpenTable Inc	OPEN	12.00 - 14.00	\$20.00	\$69	\$432	16%	48%	54%	59%	38%	Technology		
5/19/09	SolarWinds Inc	SWI	9.50 - 11.50	\$12.50	\$174	\$802	22%	26%	19%	10%	76%	Technology		
5/13/09	DigitalGlobe Inc	DGI	16.00 - 18.00	\$19.00	\$279	\$853	33%	91%	12%	13%	18%	Technology		
4/15/09	Rosetta Stone Inc	RST	15.00 - 17.00	\$18.00	\$129	\$366	35%	50%	13%	40%	28%	Technology		
4/14/09	Bridgepoint Education Inc	BPI	14.00 - 16.00	\$10.50	\$163	\$559	29%	74%	-30%	6%	45%	Technology		
4/1/09	Changyou.com Ltd	CYOU	14.00 - 16.00	\$16.00	\$138	\$820	17%	50%	7%	25%	122%	Technology		
2/10/09	Mead Johnson Nutrition Co	MJN	21.00 - 24.00	\$24.00	\$828	\$4,800	17%	0%	7%	10%	88%	Consumer		
Mean					\$324	\$1,012	44%	24%	6%	10%	21%			
Median					\$200	\$399	33%	2%	4%	5%	9%			

Source: Dealogic & Piper Jaffray ECM
Includes deals greater than \$20 million in deal size
Shading denotes Piper Jaffray managed offerings

IPO MARKET UPDATE

Financial Sponsors have been a primary driver of IPOs so far this year

Sponsors have used the IPO market as a path to liquidity, not necessarily a means to liquidity, as a number of Sponsor-backed IPOs have been smaller in size and included only primary shares

2009 Financial Sponsor Backed IPOs

Pricing Date	Issuer	Post-Deal Mkt Value (\$MM)	Deal Value (\$MM)	% Secondary Shares	Financial Sponsor	% Ownership Pre-Deal	% Sold on Deal	% Ownership Post-Deal
9/30/09	Talecris Biotherapeutics	\$2,276	\$1,064	42%	Cerberus Partners	97.1%	23.9%	56.1%
9/24/09	Select Medical Holdings	\$1,561	\$300	0%	Welsh, Carson, Anderson & Stowe	66.7%	-	53.9%
9/23/09	A123 Systems	\$1,325	\$438	2%	North Bridge Venture Partners Sequoia Capital	12.5% 4.1%	-	9.0% 2.9%
8/11/09	Emdeon Inc	\$1,780	\$422	55%	General Atlantic Hellman & Friedman	57.3% 32.4%	15.7% -	45.8% 29.8%
8/5/09	Avago Technologies	\$3,533	\$745	50%	KKR	80.7%	10.0%	65.9%
6/30/09	LogMeIn Inc	\$342	\$123	25%	Prism Venture Partners Polaris Venture Ptns. Integral Capital Ptns	23.8% 21.0% 8.9%	- 13.5% 21.4%	18.2% 13.9% 5.4%
6/24/09	MediData Solutions Inc	\$313	\$101	0%	Insight Venture Ptns. Milestone Venture Ptns Stonehenge Capital Fund	33.9% 7.6% 6.1%	- - -	24.3% 5.5% 4.4%
6/24/09	Duoyuan Global Water Inc	\$336	\$101	0%	Global Environment Fund	19.3%	-	14.3%
5/20/09	OpenTable Inc	\$432	\$69	48%	Benchmark Capital Ptns Impact Venture InterActiveCorp Integral Capital Ptns	26.4% 17.5% 10.9% 7.5%	- - -	24.5% 16.2% 10.0% 7.0%
5/19/09	SolarWinds Inc	\$802	\$174	26%	Bain Capital Venture Insight Ventures Donald C. Yonce	25.5% 31.5% 28.4%	6.7% 6.7% -	20.4% 25.3% 24.4%
5/13/09	DigitalGlobe Inc	\$853	\$279	91%	Morgan Stanley Beach Point Capital	36.8% 14.9%	10.2% 26.5%	32.0% 10.6%
4/15/09	Rosetta Stone Inc	\$366	\$129	50%	ABS Capital Ptns Norwest Equity Ptns	44.0% 28.7%	25.0% 25.0%	27.9% 18.2%
4/14/09	Bridgepoint Educ. Inc	\$559	\$163	74%	Warburg Pincus	89.3%	16.2%	68.9%

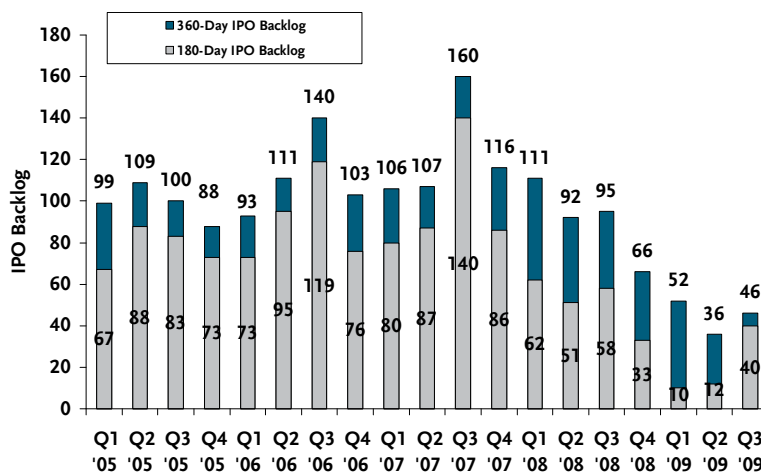
Source: Dealogic & Piper Jaffray ECM
Includes deals greater than \$20 million in deal size
Shading denotes Piper Jaffray managed offerings

IPO MARKET UPDATE

The IPO backlog has seen a turnaround from Q2 lows with 76% of the backlog filing in the last 90 days

6 of 8 Health Care issuers in backlog have LTM revenues greater than \$100 million

IPO Backlog



IPO Backlog Aging by Sector

	Days Since Filing					Total
	0 - 44	45 - 89	90 - 119	120 - 180	181 - 360	
Consumer	1	5			1	7
Energy & Mining	2	3		1	2	8
Financial	4	4	1	2	1	12
Health Care	2	2				4
Industrials	4	1				5
REIT	1					1
Technology	2	3	1		2	8
Transportation		1				1
Total	16	19	2	3	6	46


Health Care IPO Backlog

Filing Date	Issuer	Ticker	Deal Value (\$MM)	LTM Rev's (\$MM)	LTM NI (\$MM)	Subsector	Business Description
9/29/2009	Accretive Health Inc	AH	\$200	\$449	\$7	Health Care Services	Provider of healthcare revenue cycle management services.
9/15/2009	Anthera Pharmaceuticals Inc	ANTH	\$70	-	(\$17)	Biopharmaceuticals	Pharmaceutical development company.
8/17/2009	HealthPort Inc	HPRT	\$100	\$285	(\$59)	Health Care Services	Information technology company and provider of turnkey revenue cycle management
7/17/2009	Addus HomeCare Corp	ADUS	\$69	\$245	\$5	Health Care Services	Provider of home social and medical services.
7/25/2008	AutoGenomics Inc	AGMX	\$86	\$4	(\$13)	Biopharmaceuticals	Provides automated molecular testing solutions.
6/20/2008	AGA Medical Holdings Inc	AGAM	\$200	\$164	\$8	Medical Technology	Holding company for manufacturer of transcatheter occlusion devices for heart defects.
3/7/2008	Bostwick Laboratories Inc	BOST	\$100	\$103	\$2	Health Care Services	Laboratory focused on the diagnosis of cancer.
12/19/2007	Prometheus Laboratories Inc	RXDX	\$100	\$292	\$29	Medical Technology	Pharmaceuticals, pharmacogenetic testing, drug monitoring, pathology and IT services.

RECENT PIPER JAFFRAY INITIAL PUBLIC OFFERINGS

2009 Piper Jaffray Managed IPOs

October 01, 2009



EDMC
Education Management Corporation

Initial Public Offering
\$414,000,000

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August 11, 2009



emdeon

Initial Public Offering
\$422,452,500

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August 11, 2009



STARWOOD
PROPERTY TRUST

Initial Public Offering
\$931,500,000

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June 30, 2009



LogMeIn®

Initial Public Offering
\$122,666,672

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June 24, 2009



Duoyuan Global Water

Initial Public Offering
\$101,200,000

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June 23, 2009



CHEMSPEC

Initial Public Offering
\$72,783,000

GUIDES FOR THE JOURNEY® | PiperJaffray.

April 15, 2009



RosettaStone®
Language Learning Success

Initial Public Offering
\$129,375,000

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April 14, 2009

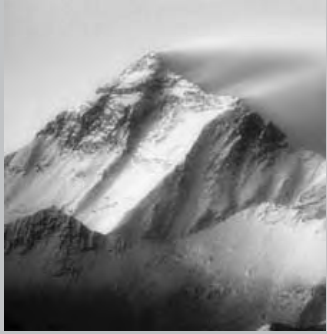


Bridgepoint®
EDUCATION

Initial Public Offering
\$163,012,500

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SECTION III

Follow-on Market Update

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FOLLOW-ON MARKET UPDATE

Q3 '09 saw the second consecutive quarter of record follow-on activity with more issuers utilizing a longer marketing period (4-6 days vs. 1-2 days in Q2)

Follow-on Market Update – Key Takeaways

Q3 Saw Another Strong Quarter of Offering Activity With 197 Transactions Pricing

- The follow-on market remains extremely active with nearly 400 follow-ons pricing over the previous two quarters raising \$140 billion in capital
- Activity continues to be driven by small cap issuers which account for 70% of the transactions this year
- Shelf registrations continue to be a critical financing tool with over 90% of this year's follow-ons coming as shelf takedowns
- Q3 '09 saw a resurgence of fully marketed follow-ons which accounted for 50 of the 197 follow-ons vs. 23 in the first half of the year; a good sign of confidence in the equity markets as issuers willingness to take market risk is increasing
- Marketed follow-on pricing has improved from low double-digit discounts to high single-digit discounts

Investor Sentiment has Improved; Investors Taking on More Risk to Drive Performance

- The recent rally has resulted in more interest and new capital flowing back into equities; investors continue to take on risk via liquidity events in an effort to outperform their benchmark indices
- The follow-on offering window is wide open, however, we're seeing early signs of demand tapering off into year-end

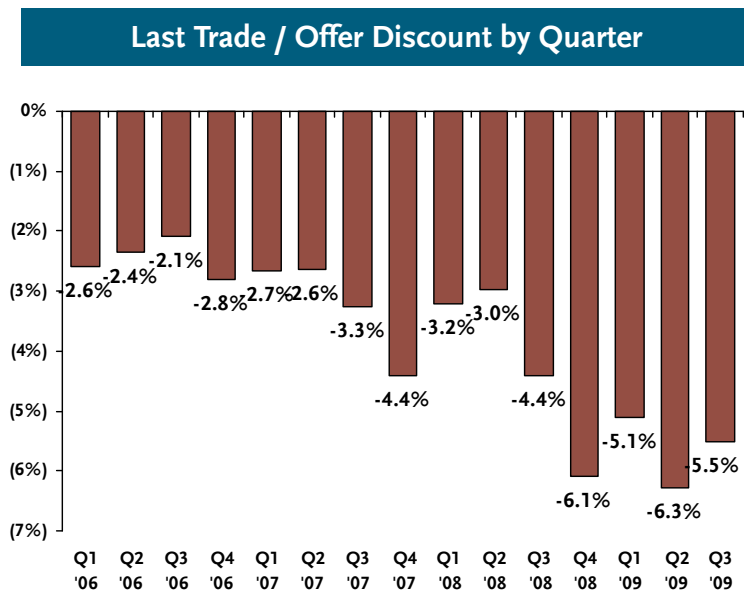
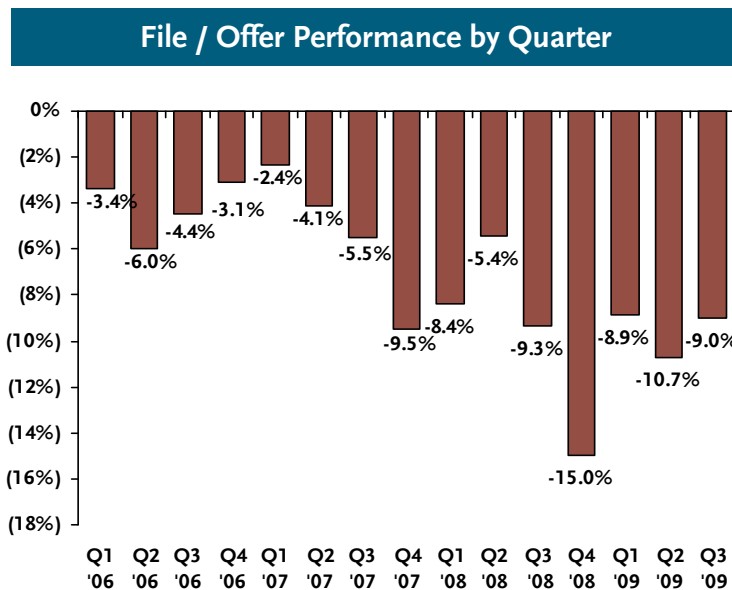
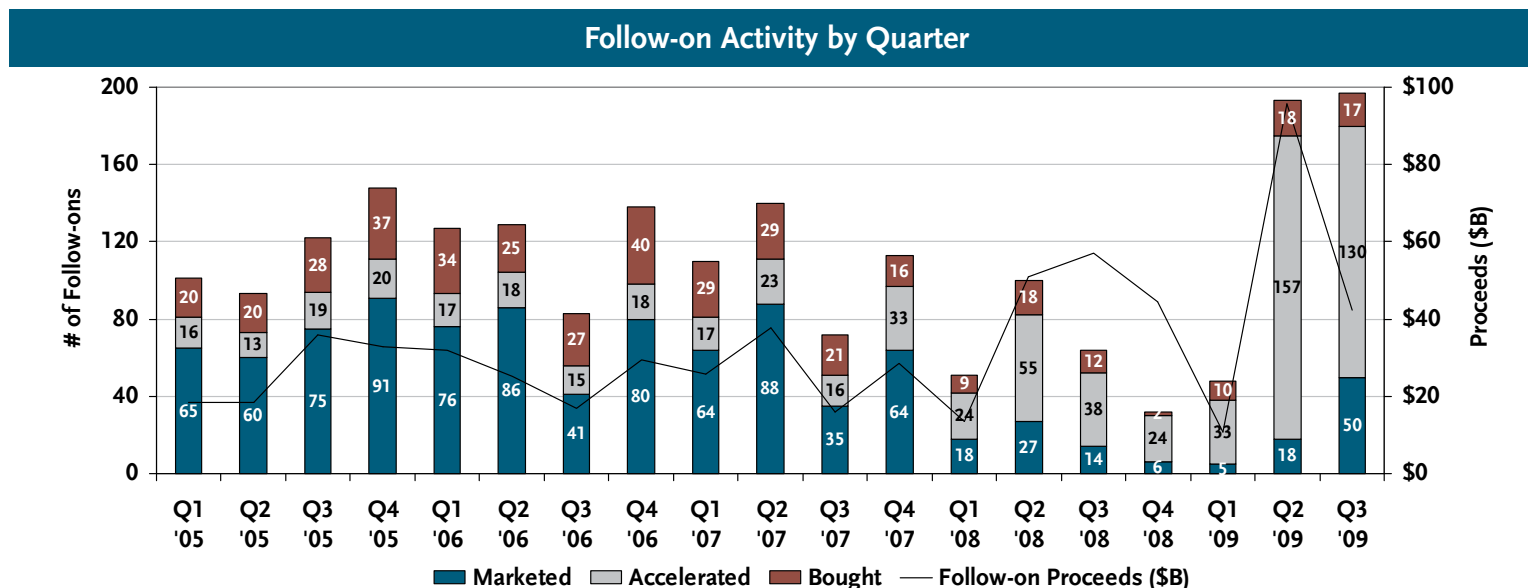
Health Care Offering Activity is Happening – Issuance is Being Driven by Biopharma

- Q3 '09 was the most active quarter in terms of Health Care follow-on issuance since Q1 '06; offering activity is being driven by Biopharmaceutical issuers who had the most active quarter on record
- 29 follow-ons priced in Health Care raising \$3.6 billion in capital; 22 in Biopharma, 4 in Med Tech, and 3 in Services
- 2009 offerings continue to perform well, up 19% in the aftermarket; these "IPO-like" returns will continue to drive demand in the space

FOLLOW-ON MARKET UPDATE

Follow-on activity continued to improve in Q3; notably, fully marketed follow-on activity increased nearly three-fold from Q2

File-to-offer discounts are returning to more normal levels



Source: company filings, Dealogic and Piper Jaffray ECM
 Data through 9/30/09
 Excludes transactions less than \$20mm and closed-end funds

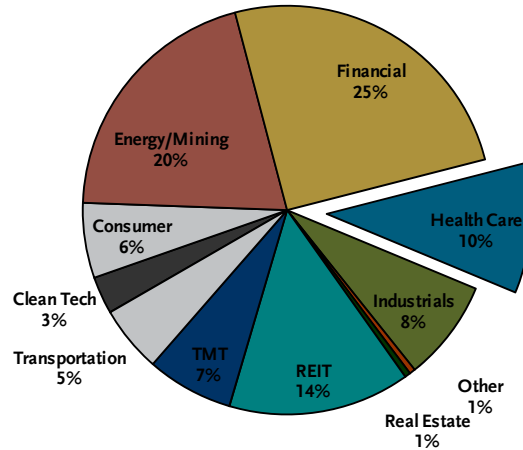
FOLLOW-ON MARKET UPDATE

Follow-on offering activity continues to be driven by companies in the financial, energy & mining, and REIT sectors

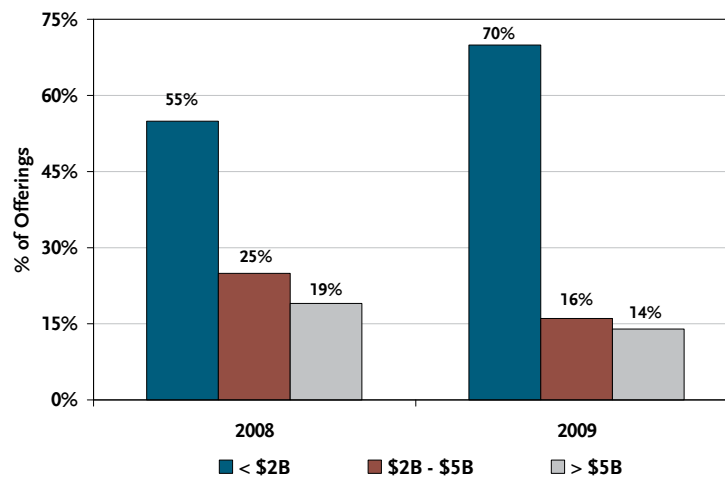
The second half of 2009 has witnessed a resurgence of fully marketed follow-ons as companies are less concerned about market risk

Follow-on Offering Activity Breakdown

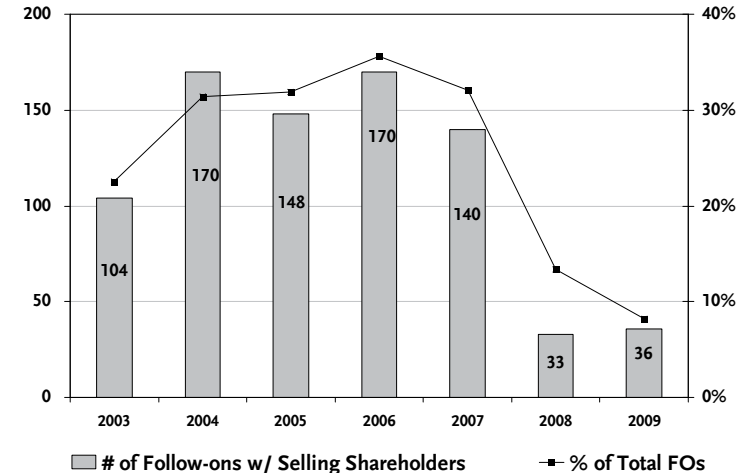
2009 YTD Follow-on Deal Volume by Sector



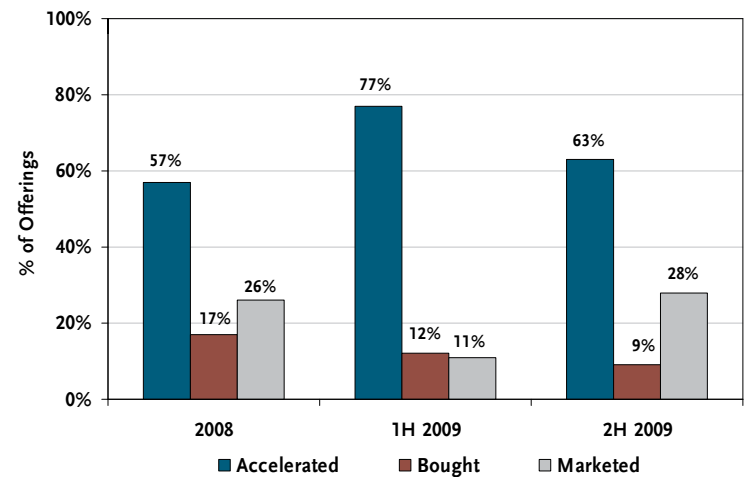
Follow-ons by Market Cap



Follow-ons Driven by Selling Shareholders*



Follow-ons by Marketing Style

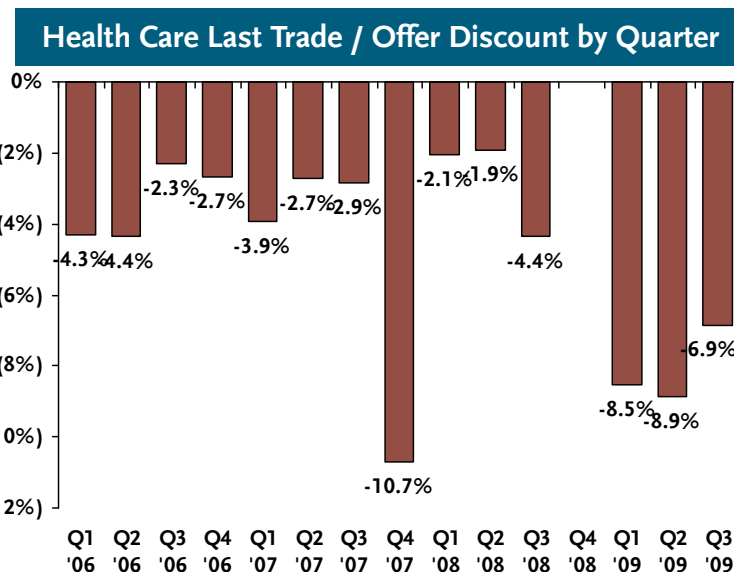
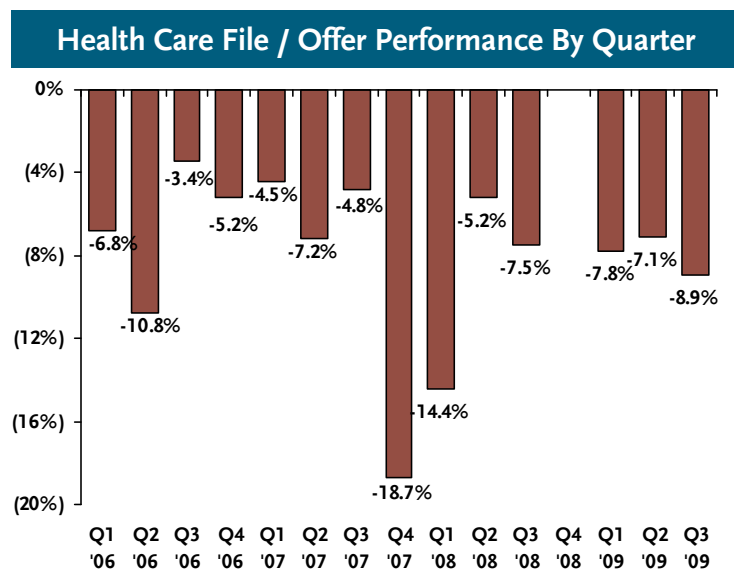
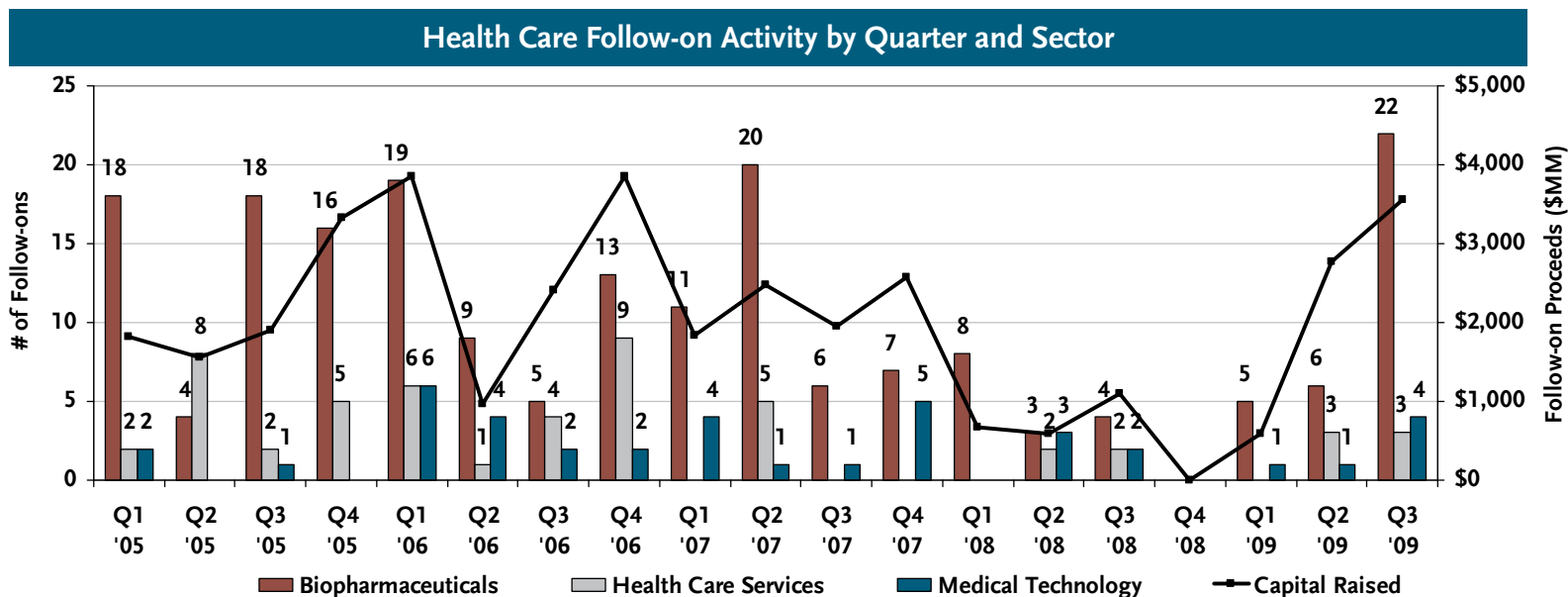


Source: company filings, Dealogic and Piper Jaffray ECM
Data through 9/30/09

*Defined as selling shareholder selling 50% or more of the offering
Excludes transactions less than \$20mm and closed-end funds

FOLLOW-ON MARKET UPDATE

Health Care follow-ons surged in Q3 lead by the Biopharmaceutical sector



Source: company filings, Dealogic and Piper Jaffray ECM
 Data through 9/30/09
 Excludes transaction less than \$20mm and closed-end funds

FOLLOW-ON MARKET UPDATE

2009 Health Care Follow-ons

Biopharmaceutical Follow-ons

Pricing Date		Issuer	Ticker	Filing Price	Offer Price	Marketing Style	Deal Value	Market Value	% Secondary	Pricing Performance		
										% Change FTO	% Change 1-Day	% Change Current
9/30/09		Dyax Corp	DYAX	\$4.07	\$3.83	Bought	\$21	\$318	0%	-6%	-6%	-6%
9/29/09		China-Biotics Inc	CHBT	\$17.21	\$15.00	Accelerated	\$69	\$373	0%	-13%	7%	7%
9/25/09		Auxilium Pharmaceuticals Inc	AUXL	\$35.62	\$34.50	Bought	\$119	\$1,631	0%	-3%	0%	-1%
9/24/09		Incyte Corp	INCY	\$8.13	\$6.75	Accelerated	\$140	\$797	0%	-17%	-2%	0%
9/23/09		Momenta Pharmaceuticals Inc	MNTA	\$11.60	\$10.75	Accelerated	\$43	\$509	0%	-7%	1%	-1%
9/17/09		Rigel Pharmaceuticals Inc	RIGL	\$7.66	\$7.25	Accelerated	\$94	\$382	0%	-5%	5%	13%
9/17/09		Vivus Inc	VVUS	\$10.79	\$10.50	Accelerated	\$109	\$836	0%	-3%	5%	-1%
8/20/09		AVI BioPharma Inc	AVII	\$1.78	\$1.42	Accelerated	\$35	\$190	0%	-20%	-2%	21%
8/11/09		Seattle Genetics Inc	SGEN	\$11.84	\$10.75	Accelerated	\$136	\$1,076	0%	-9%	8%	31%
8/6/09		MAP Pharmaceuticals Inc	MAPP	\$10.10	\$9.70	Accelerated	\$34	\$246	0%	-4%	0%	8%
8/6/09		ONYX Pharmaceuticals Inc	ONXX	\$36.55	\$30.50	Accelerated	\$140	\$1,874	0%	-17%	6%	-2%
8/5/09		Idenix Pharmaceuticals Inc	IDIX	\$3.69	\$3.14	Accelerated	\$23	\$245	0%	-15%	0%	-2%
8/5/09		Inspire Pharmaceuticals Inc	ISPH	\$4.97	\$4.50	Accelerated	\$100	\$392	0%	-9%	2%	16%
8/4/09		Ariad Pharmaceuticals Inc	ARIA	\$1.99	\$1.75	Accelerated	\$38	\$211	0%	-12%	8%	26%
8/4/09		MannKind Corp	MNKD	\$8.13	\$7.35	Bought	\$54	\$903	0%	-10%	1%	34%
7/30/09		Micromet Inc	MITI	\$5.59	\$5.00	URD	\$81	\$372	0%	-11%	27%	33%
7/28/09		Human Genome Sciences Inc	HGSI	\$14.00	\$14.00	Accelerated	\$374	\$2,330	0%	0%	5%	34%
7/23/09		OREXIGEN Therapeutics Inc	OREX	\$8.27	\$7.50	Accelerated	\$86	\$369	0%	-9%	5%	31%
7/22/09		Cell Therapeutics Inc	CTIC	\$1.63	\$1.30	Accelerated	\$44	\$803	0%	-20%	8%	-5%
7/8/09		XenoPort Inc	XNPT	\$21.50	\$19.00	Accelerated	\$55	\$641	0%	-12%	2%	12%
7/8/09		Arena Pharmaceuticals Inc	ARNA	\$4.67	\$4.17	Bought	\$52	\$432	0%	-11%	-5%	7%
6/30/09		Skystar Bio-Pharmaceutical Co	SKBI	\$7.00	\$12.98	Marketed	\$21	\$59	0%	N/A	7%	20%
6/23/09		Halozyme Therapeutics Inc	HALO	\$7.53	\$6.50	Accelerated	\$40	\$673	0%	-14%	0%	9%
6/18/09		ImmunoGen Inc	IMGN	\$7.82	\$7.00	Accelerated	\$40	\$439	0%	-10%	1%	16%
5/27/09		Medivation Inc	MDVN	\$25.00	\$21.00	Accelerated	\$66	\$741	0%	-16%	2%	29%
5/21/09		Cephalon Inc	CEPH	\$63.07	\$60.00	Accelerated	\$300	\$4,657	0%	-5%	-1%	-3%
5/7/09		Dendreon Corp	DNDN	\$19.76	\$19.20	Bought	\$230	\$2,204	0%	-3%	0%	46%
3/31/09		Allos Therapeutics Inc	ALTH	\$6.99	\$6.30	Bought	\$49	\$623	0%	-10%	-2%	15%
2/18/09		Vertex Pharmaceuticals Inc	VRTX	\$32.56	\$32.00	Accelerated	\$320	\$5,250	0%	-2%	5%	18%
2/13/09		InterMune Inc	ITMN	\$17.96	\$16.35	Bought	\$66	\$769	0%	-9%	7%	-3%
2/13/09		Geron Corp	GERN	\$7.77	\$6.60	Bought	\$48	\$671	0%	-15%	-3%	-1%
1/28/09		Seattle Genetics Inc	SGEN	\$10.46	\$9.72	Bought	\$56	\$907	0%	-7%	4%	44%
Mean							\$96	\$998	0%	-10%	3%	14%
Median							\$61	\$656	0%	-10%	2%	12%

Source: company filings, Dealogic and Piper Jaffray ECM
 Data through 9/30/09
 Excludes transaction less than \$20mm
 Shading denotes Piper Jaffray managed offerings

FOLLOW-ON MARKET UPDATE

2009 Health Care Follow-ons

Health Care Services Follow-ons

(\$ in Millions)									Pricing Performance		
Pricing Date	Issuer	Ticker	Filing Price	Offer Price	Marketing Style	Deal Value	Market Value	% Secondary	% Change FTO	% Change 1-Day	% Change Current
9/17/09	SXC Health Solutions Inc	SXCI	\$43.48	\$41.50	Marketed	\$215	\$1,218	0%	-5%	13%	13%
8/27/09	Clariant Inc	CLRT	\$3.55	\$3.50	Accelerated	\$64	\$276	100%	-1%	16%	20%
8/18/09	American Dental Partners Inc	ADPI	\$13.10	\$12.00	Accelerated	\$31	\$201	0%	-8%	0%	17%
8/6/09	Emergency Medical Services Corp	EMS	\$39.89	\$40.00	Marketed	\$368	\$431	100%	0%	5%	16%
6/4/09	Express Scripts Inc	ESRX	\$64.45	\$61.00	Marketed	\$1,613	\$16,870	0%	-5%	4%	27%
6/2/09	Brookdale Senior Living Inc	BKD	\$12.35	\$10.75	Accelerated	\$173	\$1,297	0%	-13%	1%	69%
5/19/09	Beckman Coulter Inc	BEC	\$53.33	\$53.00	Accelerated	\$250	\$3,396	100%	-1%	0%	30%
Mean						\$388	\$3,384	43%	-5%	6%	27%
Median						\$215	\$1,218	0%	-5%	4%	20%

Medical Technology / Diagnostics Follow-ons

(\$ in Millions)									Pricing Performance		
Pricing Date	Issuer	Ticker	Filing Price	Offer Price	Marketing Style	Deal Value	Market Value	% Secondary	% Change FTO	% Change 1-Day	% Change Current
9/24/09	Qiagen NV	QGEN	\$22.37	\$20.25	Accelerated	\$640	\$4,768	0%	-9%	2%	5%
9/22/09	Bruker Corp	BRKR	\$10.02	\$9.85	Marketed	\$128	\$1,653	100%	-2%	-1%	8%
8/14/09	MAKO Surgical Corp	MAKO	\$7.72	\$7.25	URD	\$58	\$248	0%	-6%	3%	21%
8/6/09	Sirona Dental Systems Inc	SIRO	\$28.00	\$23.75	Marketed	\$205	\$1,352	100%	-15%	1%	25%
4/16/09	Hansen Medical Inc	HNSN	\$3.82	\$3.25	URD	\$38	\$141	0%	-15%	14%	8%
1/30/09	DexCom Inc	DXCM	\$3.12	\$3.00	URD	\$48	\$143	0%	-4%	8%	164%
Mean						\$186	\$1,384	33%	-9%	4%	39%
Median						\$93	\$800	0%	-8%	2%	15%

Key Takeaways:

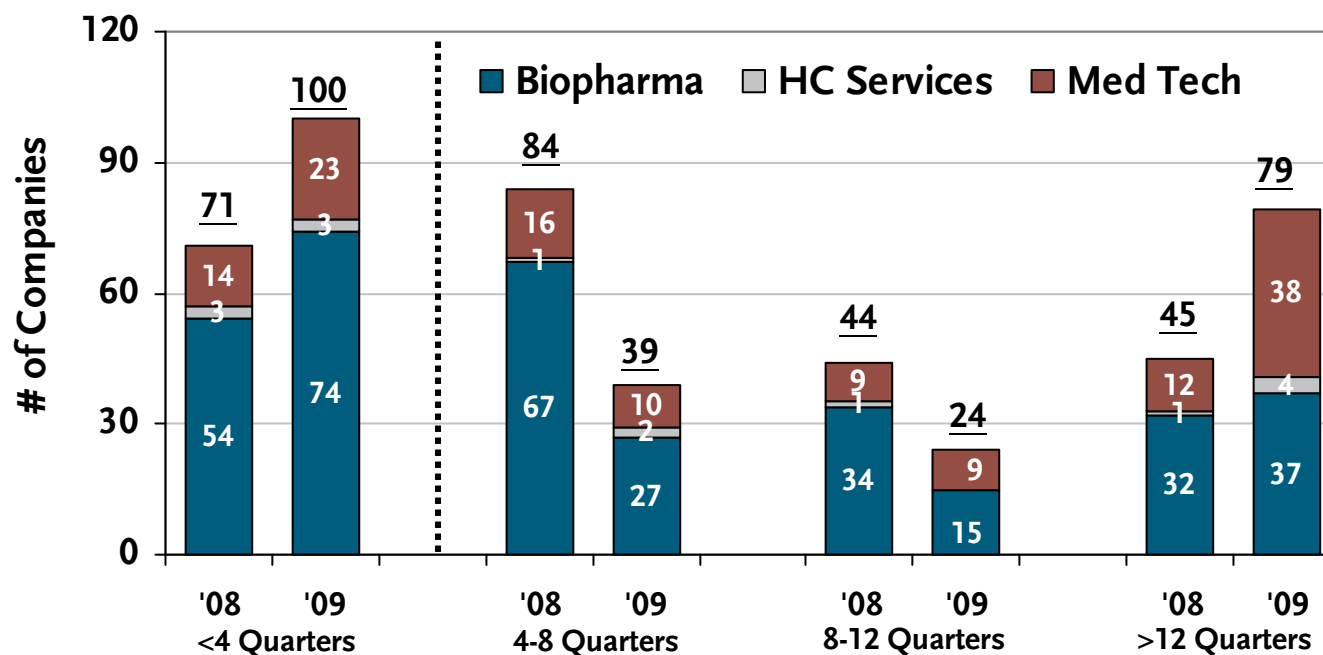
- Shelf registrations continue to be instrumental as 49 of the 51 HC follow-ons came as shelf takedowns
- Biopharmaceuticals continues to drive activity as demand for higher beta sectors remains strong
- Strong aftermarket performance has increased investor appetite for Health Care stocks

FOLLOW-ON MARKET UPDATE

We are seeing the impact of the market downturn on small cap Health Care companies

Follow-on Market Update – Financing Needs

Quarters of Cash for Small Cap Health Care Companies¹

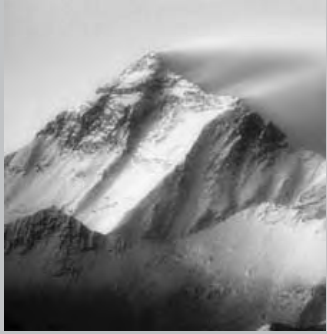


Small Cap Health Care Companies Are Feeling More Pressure

- Compounded by the credit crisis and the lack of a financing market, a number of small cap Health Care companies have seen a noticeable reduction in quarters of available cash to fund operations
- 100 companies have less than 1 year of operational cash at their current burn rate as compared to 71 companies in 2008
- That said, we have seen a sequential increase in recapitalized companies with 79 companies with greater than 12 quarters of cash at the end of Q3 vs. just 52 at the end of Q2

Source: Bloomberg, and Piper Jaffray ECM

¹Examines companies >\$20 million and <\$2 billion in market cap with negative operating cash flows



SECTION IV

Equity Distribution Programs

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EQUITY DISTRIBUTION PROGRAMS

Since 2008 EDPs have become increasingly popular financing tools with 2009 seeing the most filings on record

Equity Distribution Programs – Key Takeaways

Equity Distribution Program Overview

- Equity Distribution Programs are an agreement between an issuer and an agent, whereby an agreed upon amount of capital can be raised via multiple draw downs “at-the-market” over a set period of time
- The stock is offered pursuant to an effective shelf registration statement
- The draw down period is initiated at the issuers request and typically lasts 5-20 days; it is protocol to have a minimum threshold price, below which the agent will not sell stock

EDPs Have Become Increasingly Popular Financing Tools; 2009 Has Seen The Most EDPs On Record

- EDPs have become increasingly popular with 90 programs announced in the first three quarters of 2009 vs. 108 programs in 2004 - 2008
- We are seeing the product evolve to a more common tool for Health Care issuers to acquire growth capital
- Aiding the increasing popularity is the discreet nature of the draw down periods, low cost of execution, and minimal time commitment by issuers because no filing is required
- Filing activity has been driven by companies of all market caps, and small-cap issuers account for 60%
- For issuers with the appropriate liquidity and trading profile (at least \$2 - \$4mm ADTV), this product is an excellent alternative that offers minimal market risk and maximum flexibility
- These programs offer superior execution to traditional investor driven Equity Lines of Credit

Health Care Has Been Active in Terms of EDPs Announced Accounting for 10% of 2009 Activity

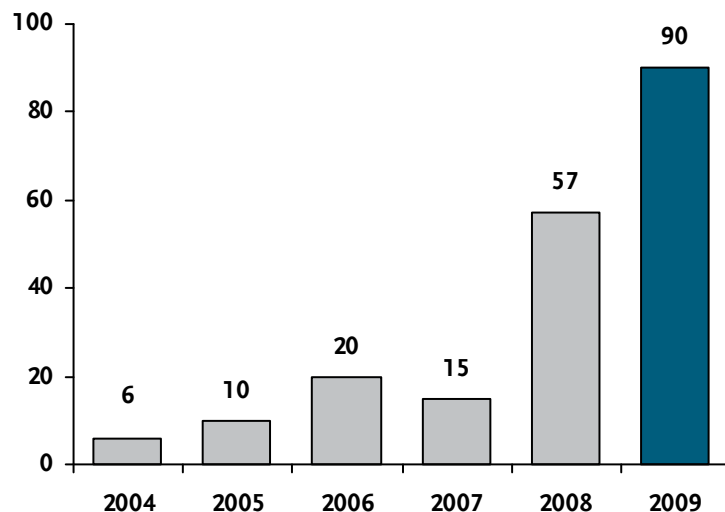
- 9 Health Care EDPs have been announced in 2009 accounting for \$222 million in capital
- Activity is being driven by Biopharma which accounts for 8 programs; we have seen 1 in the Services space
- Piper Jaffray recently announced a \$25 million Equity Distribution Program with Array Biopharma

EQUITY DISTRIBUTION PROGRAMS

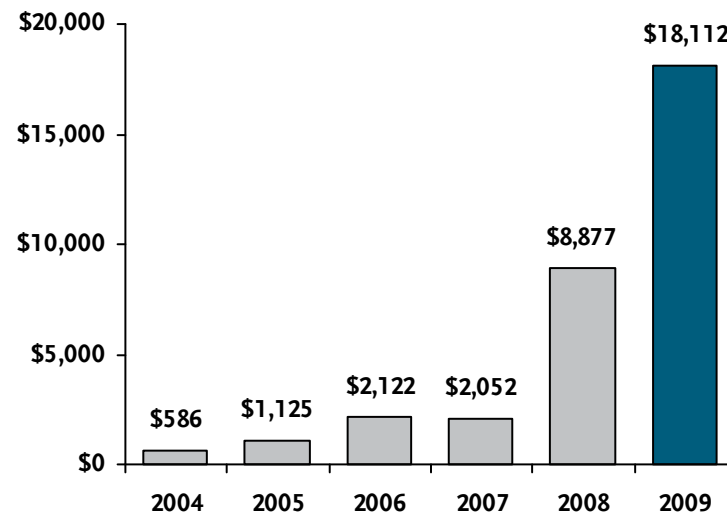
2009 has outpaced previous years in terms of the number of EDPs announced

In previous years, EDPs were primarily executed on behalf of REITS, Energy, and Specialty Finance companies – 2009 has seen activity coming from growth sectors like Consumer and Health Care

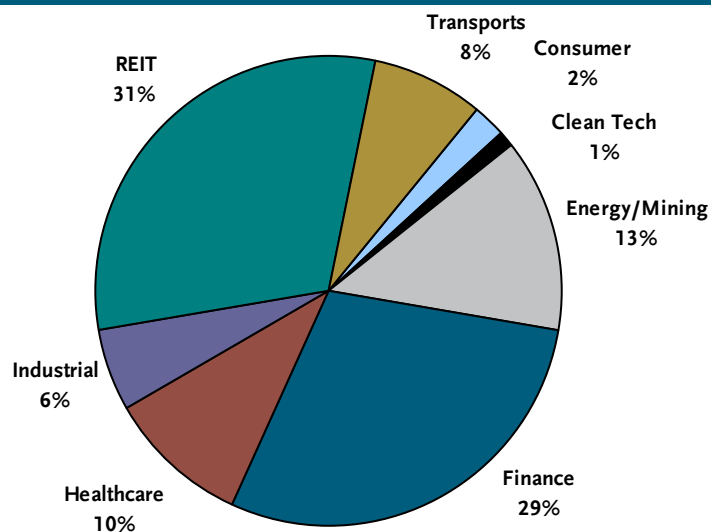
Number of Announced EDPs since 2004



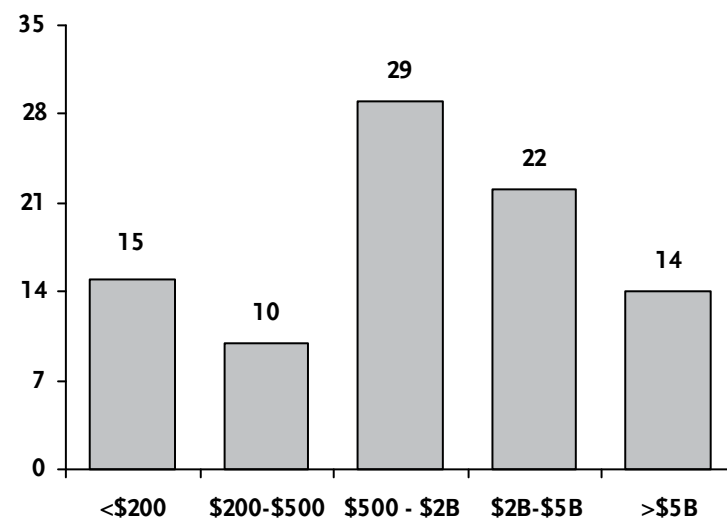
Total Value of EDPs Announced since 2004



EDPs by Sector since 1/1/2009



EDPs by Market Capitalization since 1/1/2009



Source: company filings, Dealogic, Bloomberg, and Piper Jaffray ECM
Data through 9/30/09

EQUITY DISTRIBUTION PROGRAMS

EDPs have seen minimal price impact upon announcement, down just 1%

29 of the last 44 companies to file EDPs this year had market caps under \$2 Billion

Date Announced	Company	Sector	Price @ Announce	Amount (\$MM)	Mkt Val (\$MM)	EDP/ MV	90-Day ADTV	EDP/ ADTV	% Chg Price 1 Day	% Chg Price 7 Days	% Chg Price 30 Days
9/29/09	Equity Residential	REIT	\$31.46	\$535	\$9,154	5.8%	\$133.85	4.00x	-2%	-	-
9/18/09	Array Biopharma Inc	Healthcare	\$2.82	\$25	\$136	18.4%	\$2.06	12.14x	1%	-12%	-24%
9/17/09	Solarfun Power Holdings Co Ltd	Clean Tech	\$6.20	\$30	\$300	10.0%	\$9.11	3.29x	4%	-1%	-10%
9/17/09	Zions Bancorp	Finance	\$19.31	\$250	\$2,227	11.2%	\$103.66	2.41x	-5%	-8%	-5%
9/15/09	Novavax Inc	Healthcare	\$5.58	\$19	\$540	3.5%	\$68.12	0.28x	-9%	-15%	-30%
9/15/09	UDR Inc	REIT	\$14.25	\$214	\$2,145	10.0%	\$41.61	5.14x	5%	7%	9%
9/14/09	E*Trade Financial Corp	Finance	\$1.66	\$150	\$1,987	7.5%	\$156.61	0.96x	8%	20%	2%
9/9/09	Huntington Bancshares Inc	Finance	\$4.08	\$150	\$2,467	6.1%	\$86.20	1.74x	0%	11%	12%
9/9/09	Cathay General Bancorp	Finance	\$8.87	\$75	\$440	17.1%	\$7.80	9.61x	5%	10%	3%
9/8/09	Euroseas Ltd	Transports	\$4.40	\$31	\$166	18.6%	\$0.68	45.57x	2%	8%	1%
9/4/09	Central Pacific Financial Corp	Finance	\$2.42	\$15	\$70	21.6%	\$4.12	3.64x	-6%	-5%	0%
9/4/09	BioMed Realty Trust Inc	REIT	\$12.72	\$120	\$1,248	9.6%	\$21.43	5.60x	2%	2%	3%
8/27/09	Sun Communities Inc	REIT	\$18.36	\$29	\$371	7.9%	\$1.77	16.57x	-1%	-4%	18%
8/26/09	Energy Transfer Partners LP	Energy/Mining	\$41.70	\$300	\$7,040	4.3%	\$25.76	11.65x	-1%	-5%	2%
8/21/09	American Equity Investment Life Holding Co	Finance	\$8.15	\$50	\$474	10.5%	\$3.43	14.57x	0%	4%	-5%
8/20/09	Host Hotels & Resorts Inc	REIT	\$9.67	\$400	\$5,840	6.8%	\$110.20	3.63x	9%	5%	15%
8/19/09	AECOM Technology Corp	Industrial	\$28.61	\$114	\$3,271	3.5%	\$27.95	4.10x	0%	-1%	1%
8/18/09	Chicago Bridge & Iron Co NV - CB&I	Industrial	\$14.65	\$147	\$1,576	9.3%	\$20.51	7.14x	-1%	9%	21%
8/17/09	Dynavax Technologies Corp	Healthcare	\$1.53	\$15	\$56	27.0%	\$1.34	11.23x	3%	7%	39%
8/14/09	Nationwide Health Properties Inc	REIT	\$30.93	\$155	\$3,456	4.5%	\$41.60	3.72x	-5%	2%	2%
8/12/09	AvalonBay Communities Inc	REIT	\$66.61	\$400	\$5,324	7.5%	\$122.35	3.27x	0%	-7%	3%
8/5/09	Almost Family Inc	Healthcare	\$31.59	\$50	\$309	16.2%	\$5.78	8.65x	-8%	-8%	-11%
8/5/09	LTC Properties Inc	REIT	\$25.97	\$75	\$602	12.5%	\$3.59	20.90x	-4%	-5%	-6%
8/4/09	FPL Group Inc	Energy/Mining	\$57.01	\$335	\$23,457	1.4%	\$135.94	2.46x	-1%	1%	-3%
8/3/09	Tortoise Energy Capital Corp	Finance	\$20.25	\$30	\$354	8.5%	\$1.37	21.96x	0%	2%	-9%
8/3/09	Washington Real Estate Investment Trust	REIT	\$25.91	\$94	\$1,509	6.2%	\$16.27	5.78x	2%	6%	-2%
7/31/09	Affiliated Managers Group	Finance	\$66.46	\$200	\$2,743	7.3%	\$39.89	5.01x	2%	4%	-2%
7/30/09	AVANIR Pharmaceuticals	Healthcare	\$2.27	\$28	\$188	15.1%	\$1.88	15.13x	-5%	-5%	-15%
7/27/09	DiamondRock Hospitality Co	REIT	\$7.13	\$75	\$643	11.7%	\$9.93	7.55x	-7%	-5%	0%
7/21/09	Tortoise Energy Infrastructure Corp	Finance	\$26.66	\$40	\$627	6.4%	\$1.41	28.42x	-1%	0%	-1%
7/14/09	Peregrine Pharmaceuticals Inc	Healthcare	\$0.79	\$25	\$187	13.4%	\$2.19	11.43x	362%	381%	375%
6/19/09	MDU Resources Group Inc	Energy/Mining	\$18.73	\$94	\$3,539	2.6%	\$14.76	6.34x	-3%	-1%	4%
6/12/09	Hartford Financial Services Group Inc	Finance	\$14.08	\$900	\$5,372	16.8%	\$307.81	2.92x	-18%	-12%	-20%
6/12/09	Omega Healthcare Investors Inc	REIT	\$15.93	\$100	\$1,313	7.6%	\$20.30	4.93x	-4%	-4%	-4%
6/12/09	Hersha Hospitality Trust	REIT	\$2.99	\$45	\$189	23.7%	\$0.76	59.37x	-9%	-16%	-25%
6/10/09	CB Richard Ellis Group Inc	REIT	\$8.14	\$50	\$2,203	2.3%	\$48.83	1.02x	11%	4%	-1%
6/9/09	Valley National Bancorp	Finance	\$12.53	\$71	\$1,848	3.8%	\$18.38	3.86x	-6%	-8%	-9%
6/8/09	StemCells Inc	Healthcare	\$1.75	\$30	\$181	16.6%	\$3.92	7.65x	-5%	-6%	-10%
6/5/09	Paragon Shipping Inc	Transports	\$5.46	\$55	\$258	21.2%	\$9.04	6.04x	-8%	-16%	-35%
6/4/09	Stifel Financial Corp	Finance	\$46.40	\$46	\$1,313	3.5%	\$21.17	2.19x	-1%	-5%	-1%
6/2/09	ProLogis	REIT	\$9.26	\$370	\$4,099	9.0%	\$135.07	2.74x	-9%	-2%	-18%
6/1/09	Zions Bancorp	Finance	\$13.68	\$250	\$1,808	13.8%	\$113.97	2.19x	7%	5%	-17%
5/29/09	NorthStar Realty Finance Corp	REIT	\$3.32	\$33	\$255	13.0%	\$2.25	14.76x	1%	-3%	-13%
5/27/09	Park National Corp	Finance	\$65.22	\$70	\$911	7.7%	\$3.17	22.08x	-2%	-3%	-13%
Mean (n=44)				\$143	\$2,323	10.5%	\$43.36	9.86x	7%	8%	5%
Median				\$75	\$1,280	9.2%	\$17.32	5.69x	-1%	-1%	-2%
Mean (Sub \$2B Mkt Cap) (n=29)				\$63	\$685	12.5%	\$18.36	12.88x	11%	11%	8%
Median (Sub \$2B Mkt Cap)				\$46	\$440	11.7%	\$4.12	8.65x	-1%	-3%	-5%

Source: company filings, Dealogic, Bloomberg, and Piper Jaffray ECM
Data through 9/30/09

CASE STUDY: ARRAY BIOPHARMA

- **Deal Value:** \$25 million
- **Offering Price:** At Market
- **Last Trade Before Filing:** \$2.82
- **Market Value:** \$136 million
- **Deal Value/Market Value:** 18%

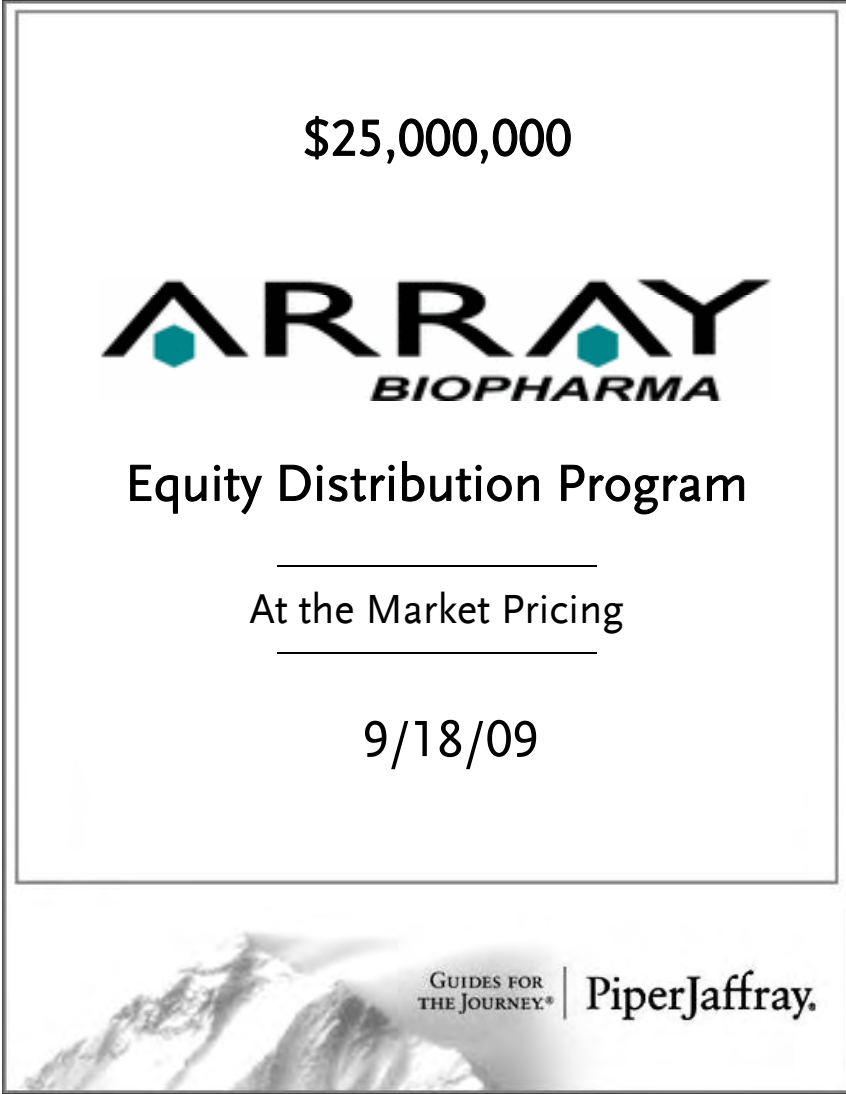
- **Fees:** 3% commission

- **Stock Price:** Announcement/1-day: 0.7%

- **Liquidity:** Pre-Deal 90-Day ADTV: \$2.1 million
Deal Value/ADTV: 12.1x

- **Use of Proceeds:**
 - Make payments on credit facilities currently accruing at the rate of 7.5% per annum
 - Fund research and development efforts

- **Description:**
 - Develops small molecule drugs to treat cancer and diseases. The company has seven developments in the pipeline.



\$25,000,000

ARRAY
BIOPHARMA

Equity Distribution Program

At the Market Pricing

9/18/09

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SECTION V

Convertible Market Update

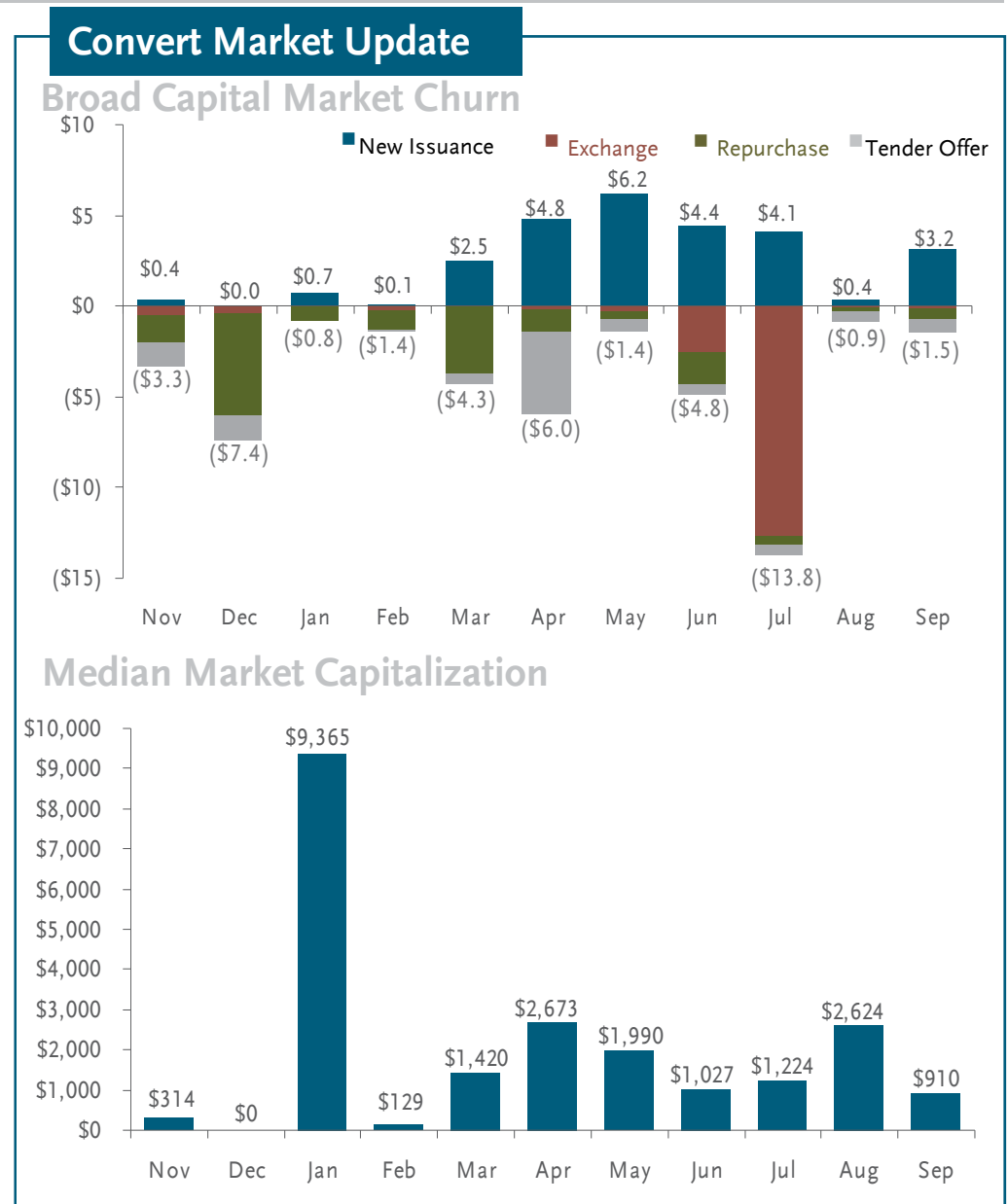
CONVERTIBLE MARKET UPDATE

Convertible Market Affirmatively Open

- The primary market affirmatively opened with 91 new issues representing \$26bln of new convertible capital raised YTD
- Generally, convertibles from larger market cap issuers, require fewer days of trading (as measured by the number of underlying shares over the average daily trading volume), and represent a smaller share of the issuers' market cap are considered higher quality convertibles
- By that standard, September's new issues represented a more diverse quality of issuer
 - The new convertibles in September came from smaller market cap issuers on average than the previous months
 - The September issues represent on average 26% of their issuers' market cap, greater than the 19% for convertible issues in the previous 8 months
 - The September issues, also required more days of trading than 5 of last 8 months

We believe the convertible market will remain open for issuers with less than pristine characteristics:

- Capital has returned to convertible investing strategies
 - Year to date, \$34.7B in par value convertibles have been retired by debt for equity exchanges, issuer repurchases, or restructuring. This compares to \$26.1B of new issue convertibles in 2009
 - Investors are reporting an increased availability and cost of leverage
 - We estimate convertible investors received \$4.5B of new capital in-flows
- Pricing for new issue convertibles remains driven by breakeven pricing. Issues in Q3 priced with coupons high enough to recoup the conversion premiums within the call protection period
- This "wide" pricing has encouraged outright convertible investors interested in equity exposure and downside protection provided by bonds

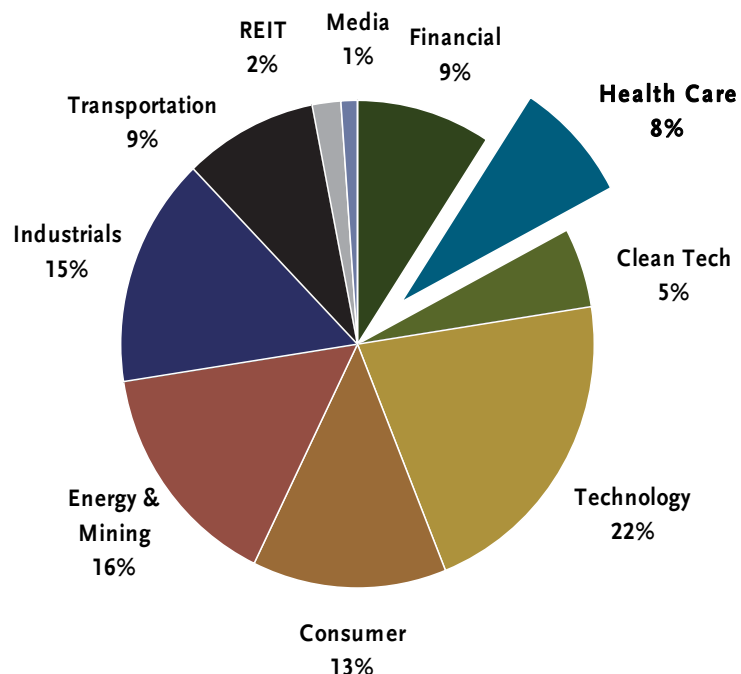


Data through September 30, 2009

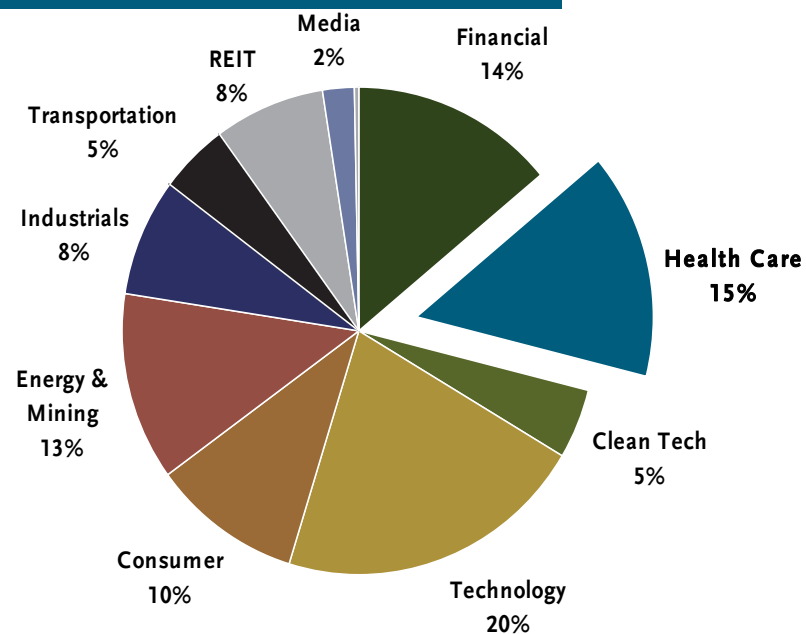
Source: Piper Jaffray analysis of Company filings/press releases

HEALTHCARE CONVERTIBLE MARKET UPDATE

2009 Industry Breakdown



2005 – 2008 Industry Breakdown



First Trade Date	Company	Security	Market Cap (MM)	Total Size (MM)	Yield	Premium	Years to Maturity	Days Trading	% of Market Cap	Breakeven	Concurrent Equity
9/24/2009	Incyte Corp	Sr Note	\$673MM	\$400MM	4.750%	30.0%	5	20.7x	59.5%	4.86x	\$139.7
9/22/2009	Tenet Healthcare Corp	Mandatory	\$2,814MM	\$335MM	7.000%	20.0%	3	5.0x	11.9%	2.38x	\$0.0
8/7/2009	ONYX Pharmaceuticals Inc	Sr Note	\$2,000MM	\$200MM	4.000%	30.0%	7	5.0x	10.0%	5.77x	\$140.3
	Number of Deals = 3	Average:	\$1,829MM	\$312MM	5.250%	26.7%	5	10.2x	27.1%	4.34x	\$93.3
	Sum of Deals = \$935.0	Median:	\$2,000MM	\$335MM	4.750%	30.0%	5	5.0x	11.9%	4.86x	\$139.7

Data through September 30, 2009

Source: Piper Jaffray analysis of Company filings/press releases



SECTION VI

PIPE and Registered Direct Market Update

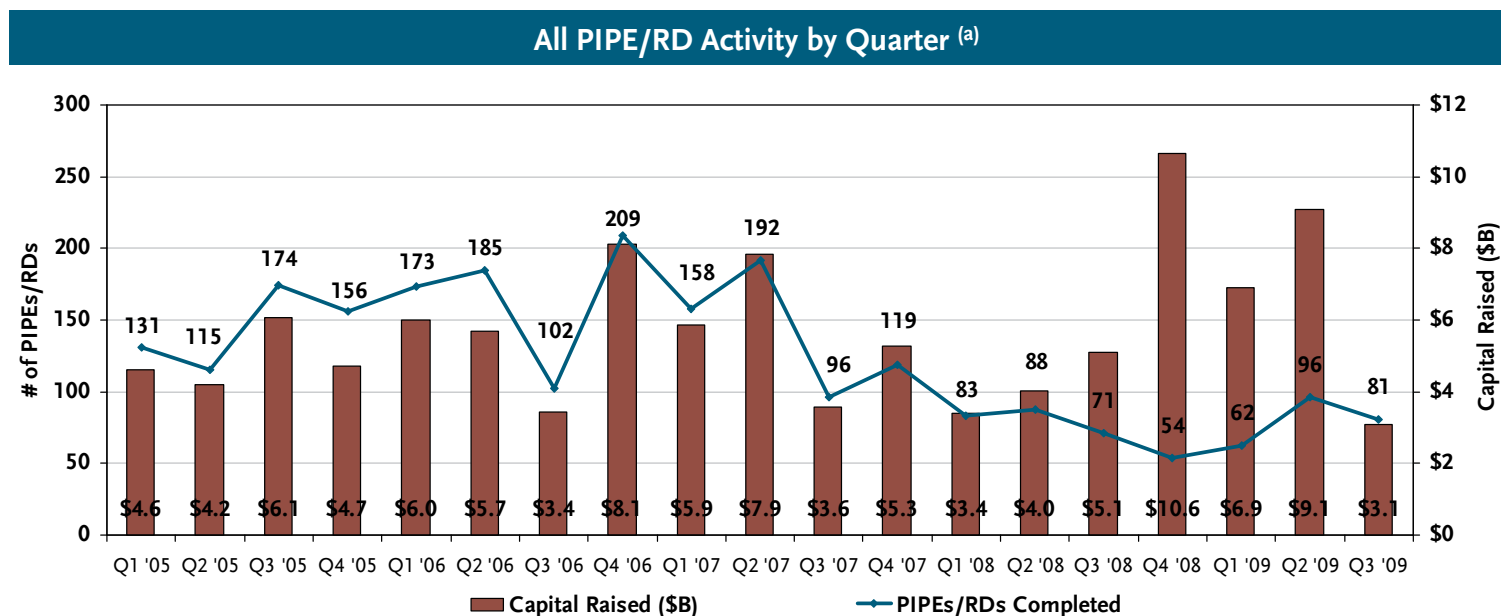
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PIPE AND REGISTERED DIRECT MARKET UPDATE

81 PIPEs/RDs were completed for \$3.1 billion in Q3 '09, up 14% versus Q3 '08 PIPE/RD issuance

2005 – 2009 YTD PIPE/RD Activity



PIPE/RD Activity Since 1/1/2009

Common Stock Sector	No.	Total Amt Off (MM)
Clean Tech	16	\$463
Consumer	14	\$3,037
Energy	16	\$486
Financial	14	\$6,314
Health Care	81	\$1,901
Industrial Growth	17	\$1,391
Technology	19	\$1,018
Total	177	\$14,610

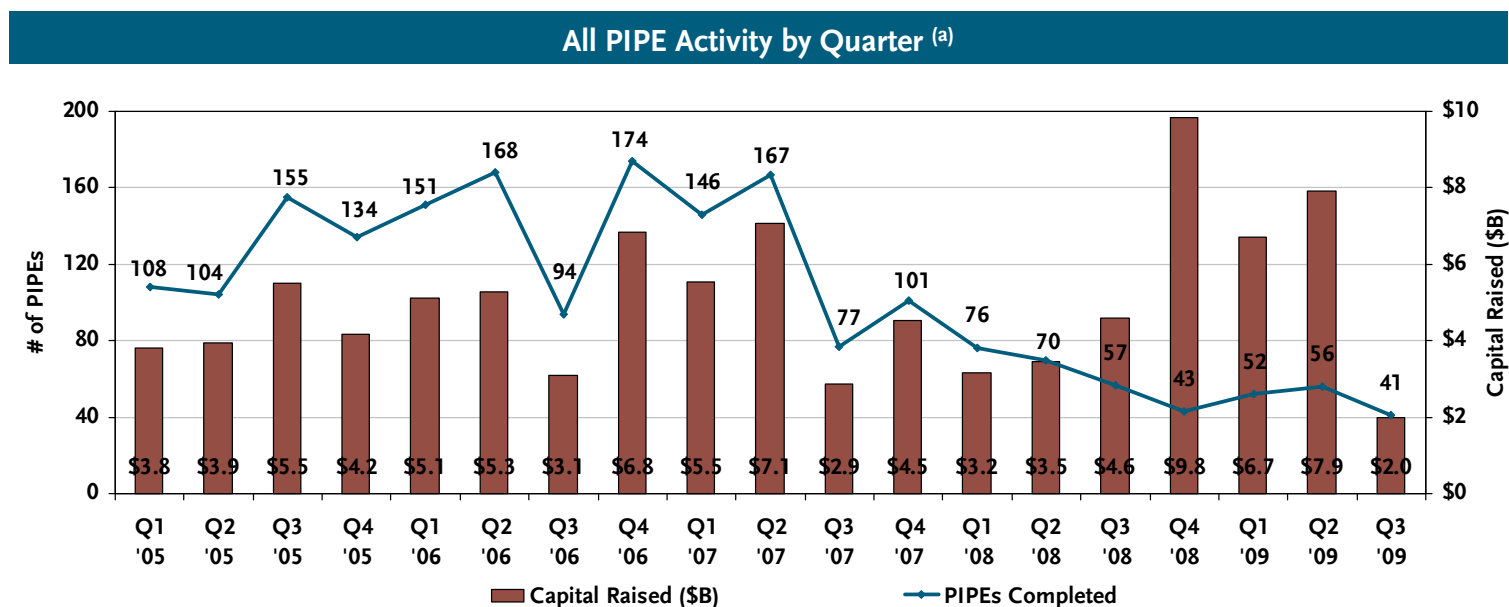
Convertible Sector	No.	Total Amt Off (MM)
Clean Tech	10	\$321
Consumer	7	\$636
Energy	5	\$154
Financial	8	\$533
Health Care	11	\$320
Industrial Growth	11	\$2,195
Technology	10	\$310
Total	62	\$4,469

(a) Source: PlacementTracker.com as of September 30, 2009. Includes all common stock, convertible preferred and convertible debt PIPE/RD transactions greater than \$10 million.
 (b) Percentage indicated is based on number of offerings.

PIPE AND REGISTERED DIRECT MARKET UPDATE

41 PIPEs were completed for \$2.0 billion in Q3 '09, down 28% versus Q3 '08 PIPE issuance

2005 – 2009 YTD PIPE Activity



PIPE Activity Since 1/1/2009

Common Stock Sector	No.	Total Amt Off (MM)
Clean Tech	3	\$47
Consumer	10	\$2,952
Energy	10	\$270
Financial	12	\$6,251
Health Care	31	\$625
Industrial Growth	14	\$1,225
Technology	10	\$840
Total	90	\$12,210

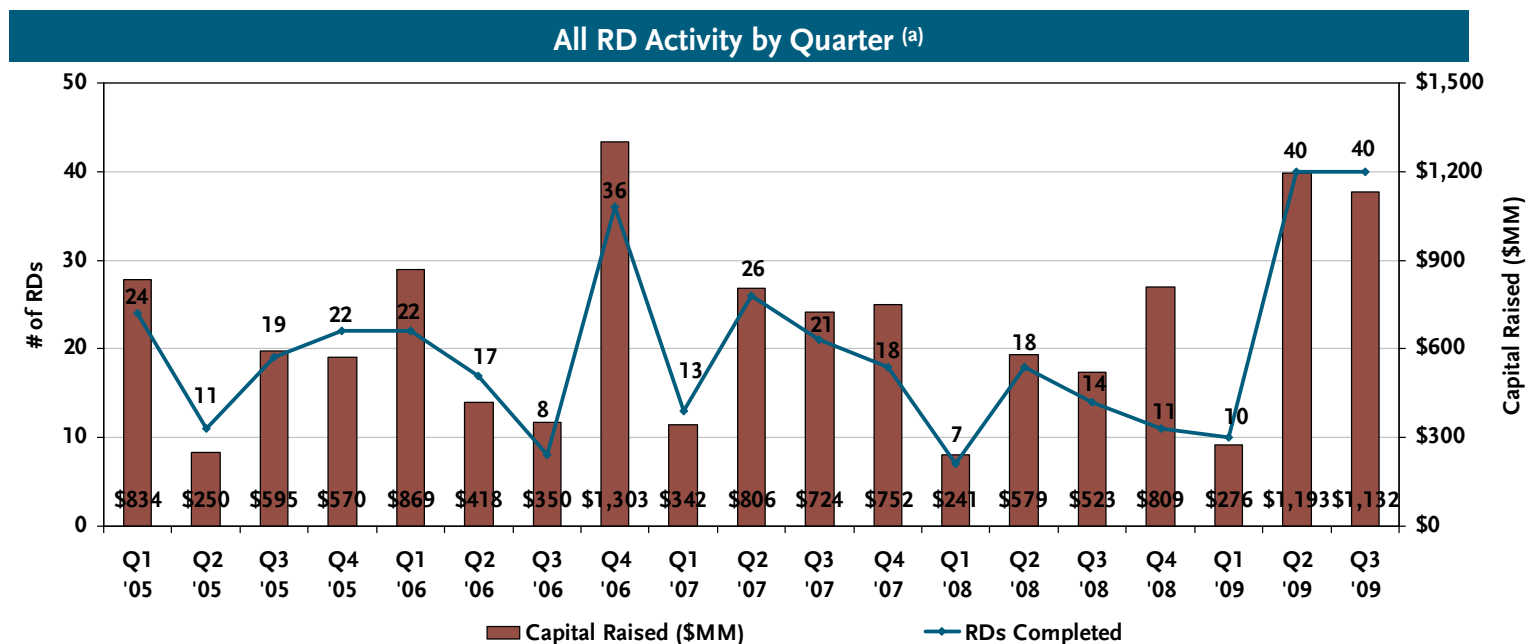
Convertible Sector	No.	Total Amt Off (MM)
Clean Tech	10	\$321
Consumer	7	\$636
Energy	5	\$154
Financial	8	\$533
Health Care	9	\$265
Industrial Growth	11	\$2,195
Technology	9	\$255
Total	59	\$4,359

(a) Source: PlacementTracker.com as of September 30, 2009. Includes all common stock, convertible preferred and convertible debt PIPE transactions greater than \$10 million.
 (b) Percentage indicated is based on number of offerings.

PIPE AND REGISTERED DIRECT MARKET UPDATE

Q3 '09 RD issuance matched the previous quarter's record total of 40 RDs completed

2005 – 2009 YTD RD Activity



RD Activity Since 1/1/2009

Common Stock Sector	No.	Total Amt Off (MM)
Clean Tech	13	\$416
Consumer	4	\$85
Energy	6	\$216
Financial	2	\$62
Health Care	50	\$1,277
Industrial Growth	3	\$167
Technology	9	\$268
Total	87	\$2,491

Convertible Sector	No.	Total Amt Off (MM)
Clean Tech	0	—
Consumer	0	—
Energy	0	—
Financial	0	—
Health Care	2	\$55
Industrial Growth	0	—
Technology	1	\$55
Total	3	\$110

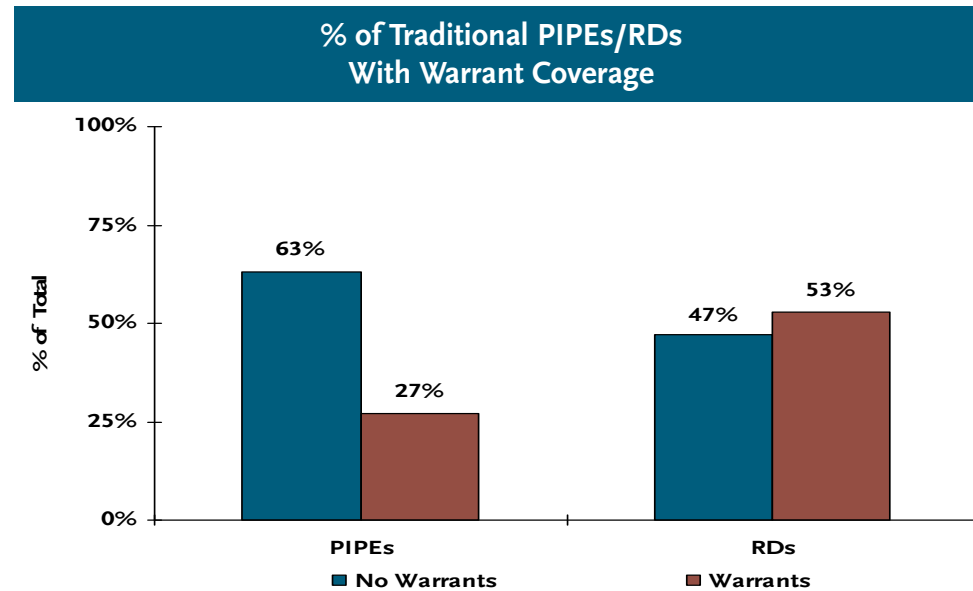
(a) Source: PlacementTracker.com as of September 30, 2009. Includes all common stock, convertible preferred and convertible debt RD transactions greater than \$10 million.

(b) Percentage indicated is based on number of offerings.

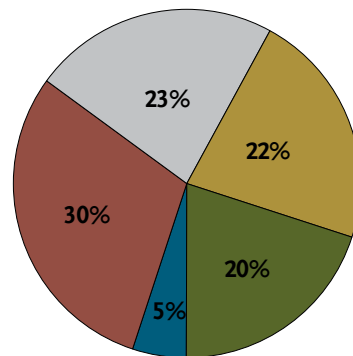
PIPE AND REGISTERED DIRECT MARKET UPDATE

So far in 2009, only 27% of traditional common stock PIPEs and 53% of traditional common stock RDs had warrant coverage

2009 YTD Common Stock PIPE/RD Activity (a, b)

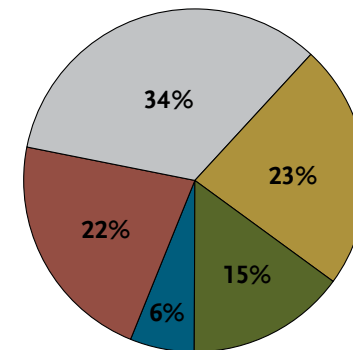


Traditional PIPE/RD Transaction Size as % of Market Cap



■ 0% to 5% ■ 5% to 10% ■ 10% to 15% ■ 15% to 20% ■ Greater than 20%

PIPE/RD Issuer Market Cap



■ Less than \$50MM ■ \$50MM to \$100MM ■ \$100MM to \$200MM
 ■ \$200MM to \$400MM ■ Greater than \$400MM

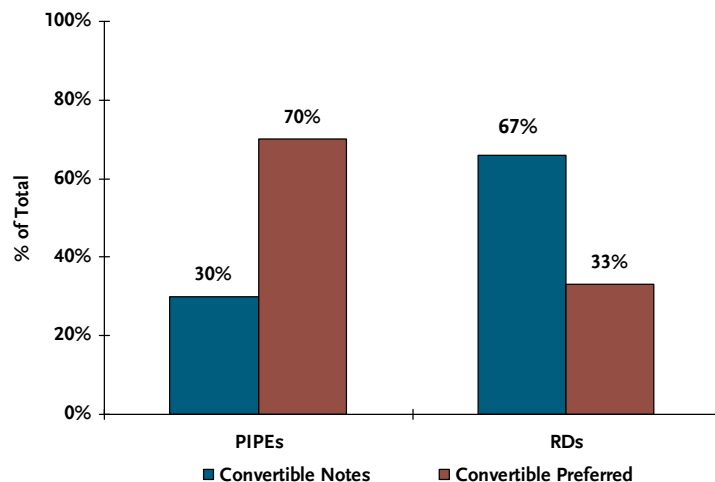
(a) Source: PlacementTracker.com as of September 30, 2009. Includes all agented common stock PIPE/RD transactions greater than \$10 million.
 (b) Percentage indicated is based on number of offerings.

PIPE AND REGISTERED DIRECT MARKET UPDATE

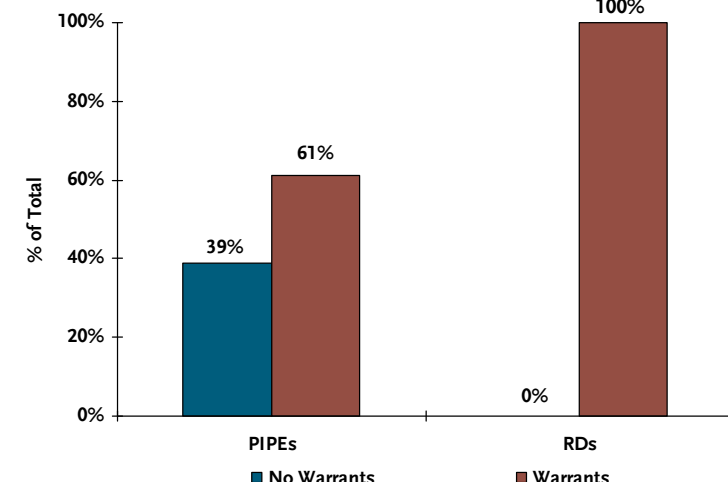
\$100-200 million market cap issuers have led the convertible PIPE/RD activity in 2009 YTD, accounting for 34% of issuance

2009 YTD Convertible PIPE/RD Activity (a, b)

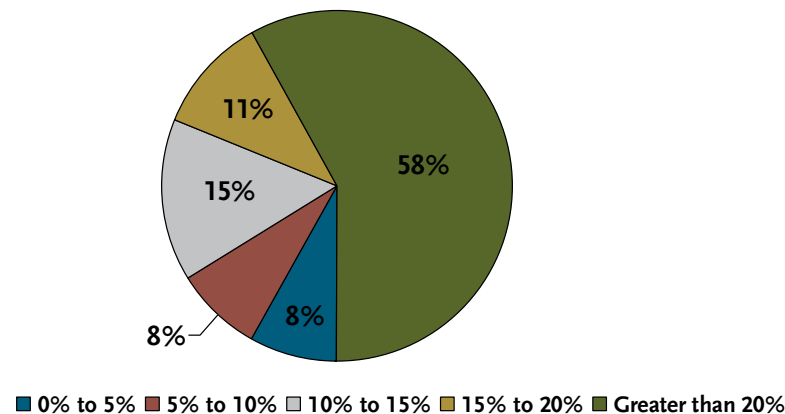
PIPE/RD Structure Breakdown



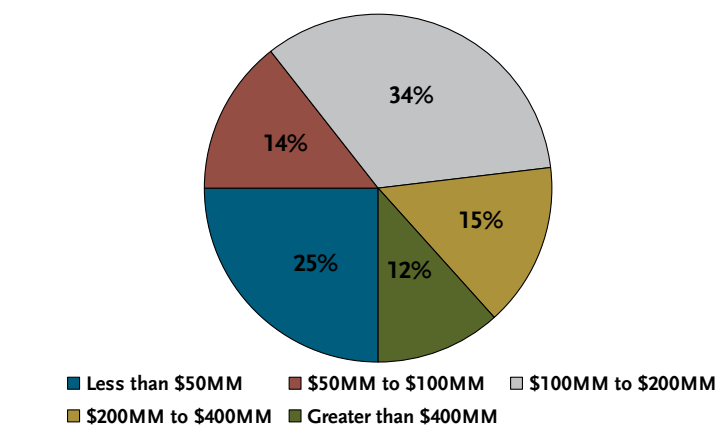
% of Traditional PIPEs/RDs With Warrant Coverage



PIPE/RD Transaction Size as % of Market Cap



PIPE/RD Issuer Market Cap



(a) Source: PlacementTracker.com as of September 30, 2009. Includes all agented convertible PIPE/RD transactions greater than \$10 million.
 (b) Percentage indicated is based on number of offerings.



SECTION VII

Institutional Health Care Fund Movement

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INSTITUTIONAL HEALTH CARE FUND MOVEMENT

Health Care sector
equity asset
movement among
the top Health Care
funds – as measured
by equity assets
under management

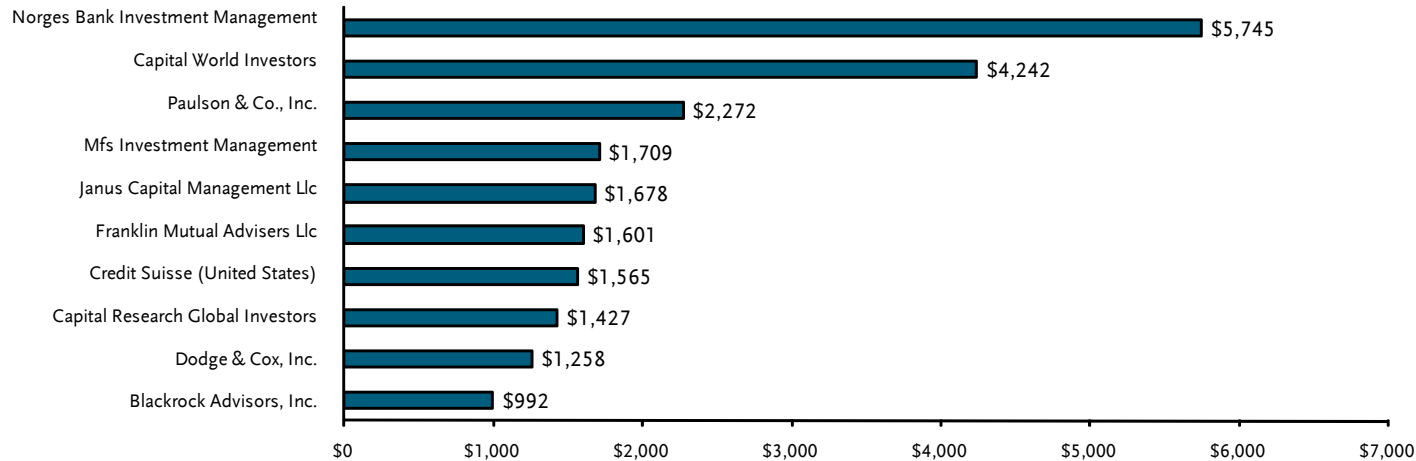
Equity Movements Among Funds With the Most Health Care Assets Under Management

Institution Name	City	Style	Q4 '08	Q1 '09	Q1 '09	Q2 '09		HC Assets Under Mgmt (\$MM)	Funds Under Mgmt (\$MM)
			HC Portfolio Weight	% Change	HC Portfolio Weight	% Change	HC Portfolio Weight		
Fidelity Management & Research	Boston	Growth	15%	-2%	13%	-2%	11%	\$58,710	\$518,555
Wellington Management Co. Llp	Boston	Value	24%	-2%	22%	-2%	20%	\$50,871	\$254,105
Capital World Investors	Los Angeles	Value	12%	0%	12%	-1%	11%	\$43,957	\$416,341
Capital Research Global Investors	Los Angeles	Growth	11%	-1%	10%	-1%	10%	\$30,064	\$315,836
T. Rowe Price Associates, Inc.	Baltimore	Growth	16%	-2%	14%	-1%	13%	\$29,326	\$231,463
Alliancebernstein Lp	New York	Value	14%	-1%	13%	-2%	11%	\$27,046	\$248,478
Dodge & Cox, Inc.	San Francisco	Contrarian	24%	-9%	15%	4%	19%	\$20,960	\$112,205
Blackrock Advisors, Inc.	New York	Value	15%	-1%	14%	-1%	13%	\$19,708	\$146,731
Norges Bank Investment Management	Oslo	Growth	8%	-1%	7%	0%	7%	\$16,142	\$215,916
Columbia Management Advisors, Inc.	Boston	Value	11%	0%	12%	0%	12%	\$12,855	\$111,235
Primecap Management Co.	Pasadena	Growth	25%	-1%	24%	-2%	22%	\$12,449	\$56,287
Janus Capital Management Llc	Denver	Aggressive Growth	14%	0%	15%	-1%	14%	\$10,866	\$78,655
Goldman Sachs Asset Management Lp (United States)	New York	Growth	14%	-2%	13%	-1%	12%	\$10,514	\$87,591
Bank Of New York Mellon Asset Management	New York	Value	10%	3%	13%	0%	12%	\$10,385	\$83,088
Mfs Investment Management	Boston	Value	12%	0%	12%	0%	11%	\$10,362	\$90,942
Clearbridge Advisors	New York	Growth	21%	-3%	18%	0%	18%	\$9,384	\$53,258
Grantham, Mayo, Van Otterloo Co. Llc	Boston	Value	18%	-1%	17%	-1%	16%	\$9,178	\$57,826
Jennison Associates Llc	New York	Growth	24%	-4%	20%	-3%	17%	\$9,024	\$53,476
Jpmorgan Asset Management, Inc.	New York	Value	13%	-1%	11%	-1%	10%	\$8,585	\$82,005
Oppenheimerfunds, Inc.	New York	Growth	10%	-1%	10%	0%	10%	\$8,406	\$85,086
Fil Investments International Ltd.	London	Growth	12%	-1%	11%	-1%	9%	\$7,323	\$77,159
State Farm Insurance Co. Asset Management	Bloomington	Income	19%	-1%	18%	-1%	17%	\$7,248	\$42,303
Neuberger Berman Llc	New York	Value	13%	-1%	12%	0%	12%	\$7,042	\$59,879
Intech Investment Management Llc	West Palm Beach	Growth	15%	0%	14%	0%	14%	\$6,885	\$48,046
Eaton Vance Management, Inc.	Boston	Value	13%	0%	14%	-1%	12%	\$6,525	\$52,397
Invesco Aim Management Group, Inc.	Houston	Growth	18%	-1%	17%	-2%	15%	\$6,412	\$42,654
Ubs Global Asset Management Switzerland	Zürich	Growth	12%	0%	12%	-1%	11%	\$6,277	\$55,765
Putnam Investment Management, Inc.	Boston	Value	17%	-1%	16%	-1%	15%	\$6,250	\$42,050
Barrow, Hanley, Mewhinney & Strauss, Inc.	Dallas	Contrarian	18%	-3%	16%	-2%	14%	\$6,074	\$44,272
Ubs Global Asset Management	Chicago	Value	14%	-2%	12%	-1%	11%	\$6,004	\$54,852
Median			14%	-1%	13%	-1%	12%	\$9,873	\$80,330

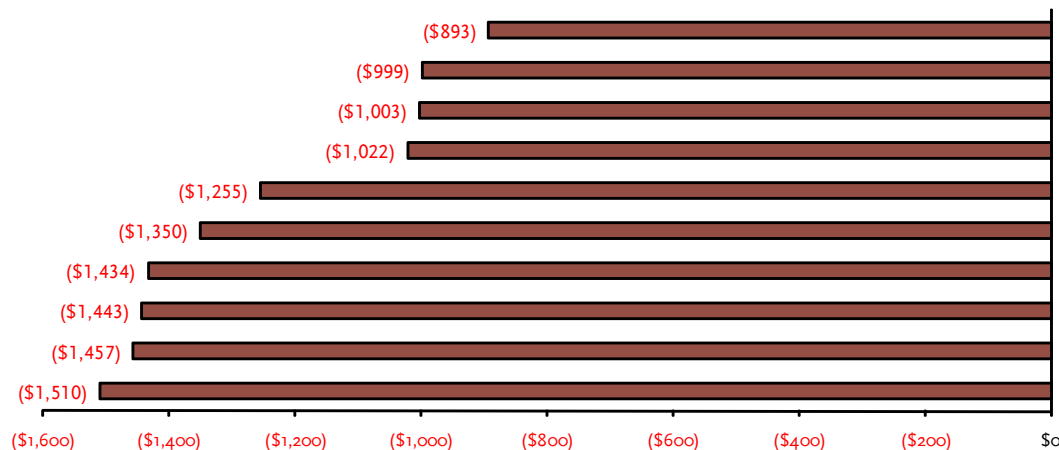
% representative of change in assets between 3/31/09 and 6/30/09
Source: Bigdough, excludes Indexed & Quantitative Investors
“-” denotes accounts that have no holdings in the subsector

INSTITUTIONAL HEALTH CARE FUND MOVEMENT

Top Health Care Buyers and Sellers (\$MM)



% Change in Position	Current Position (\$MM)
55%	\$16,142
11%	\$43,957
79%	\$5,143
20%	\$10,362
18%	\$10,866
59%	\$4,292
39%	\$5,541
5%	\$30,064
6%	\$20,960
5%	\$19,708



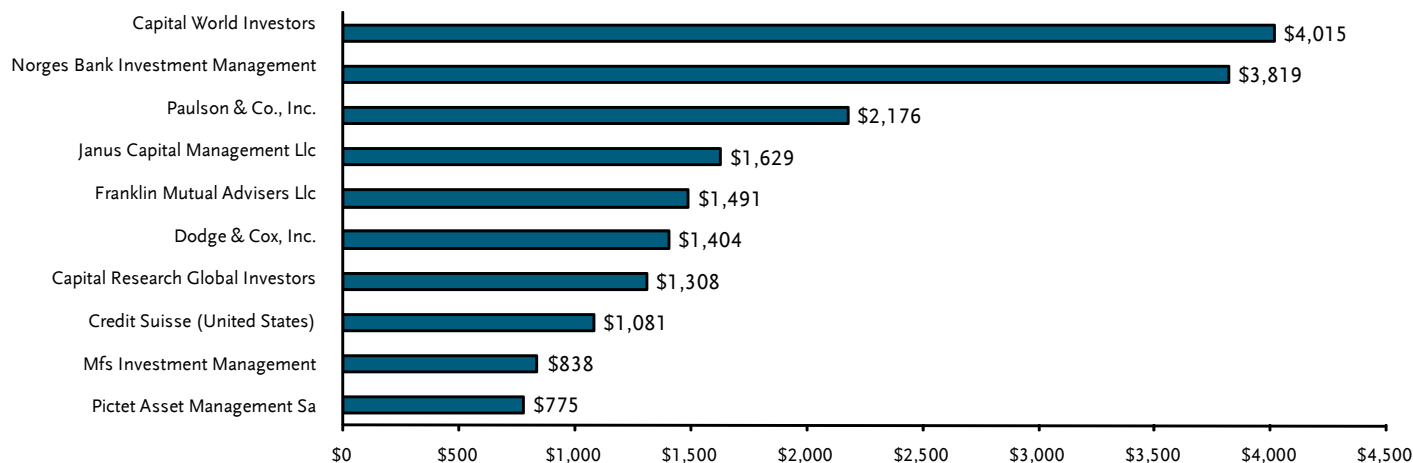
Friess Associates Llc
 Rbc Dominion Securities, Inc.
 Lord Abbett & Co. Llc
 Fidelity Management & Research
 Putnam Investment Management, Inc.
 Alliancebernstein Lp
 Renaissance Technologies Llc
 Bill & Melinda Gates Foundation
 Wellington Management Co. Llp
 Marsico Capital Management Llc

% Change in Position	Current Position (\$MM)
-33%	\$1,840
-44%	\$1,292
-18%	\$4,622
-2%	\$58,710
-17%	\$6,250
-5%	\$27,046
-32%	\$3,033
-97%	\$42
-3%	\$50,871
-37%	\$2,627

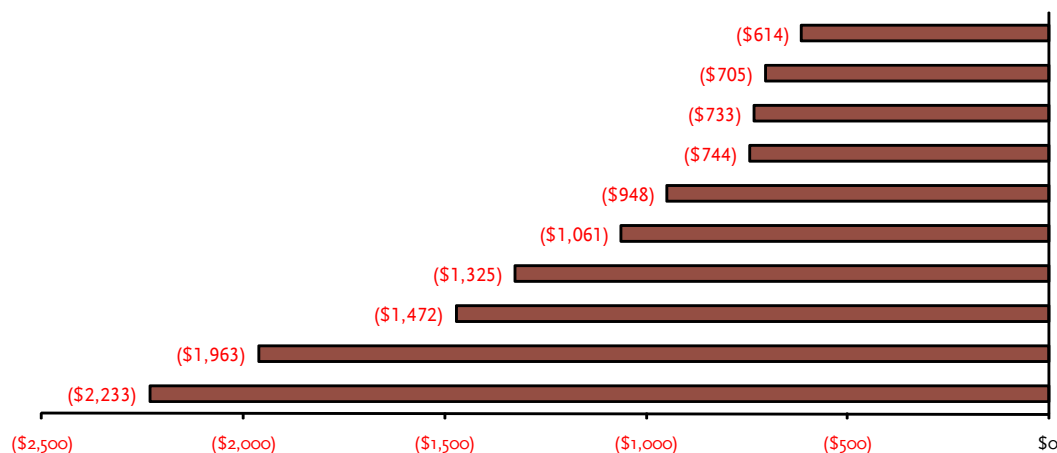
% representative of change in assets between 3/31/09 and 6/30/09
 Source: Bigdough
 Excludes Indexed & Quantitative Investors

INSTITUTIONAL HEALTH CARE FUND MOVEMENT

Top Biopharmaceutical Buyers and Sellers (\$MM)



% Change in Position	Current Position (\$MM)
15%	\$31,649
51%	\$11,352
126%	\$3,907
31%	\$6,898
87%	\$3,206
11%	\$14,620
7%	\$21,432
38%	\$3,959
18%	\$5,586
53%	\$2,249

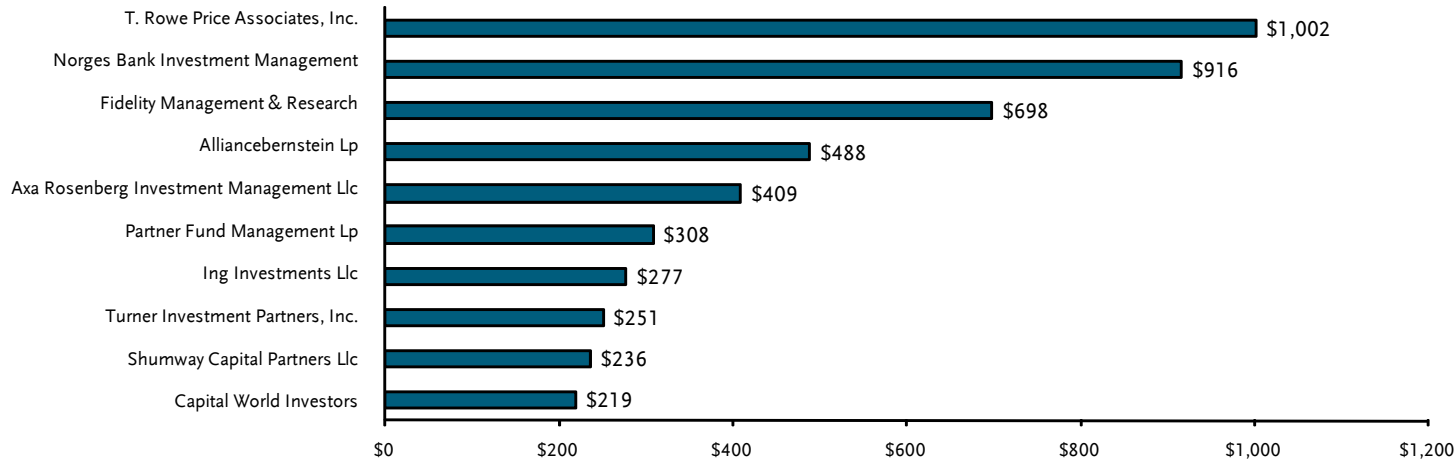


% Change in Position	Current Position (\$MM)
-7%	\$7,825
-48%	\$752
-18%	\$3,309
-30%	\$1,712
-30%	\$2,207
-7%	\$14,791
-97%	\$42
-36%	\$2,573
-10%	\$18,562
-6%	\$33,664

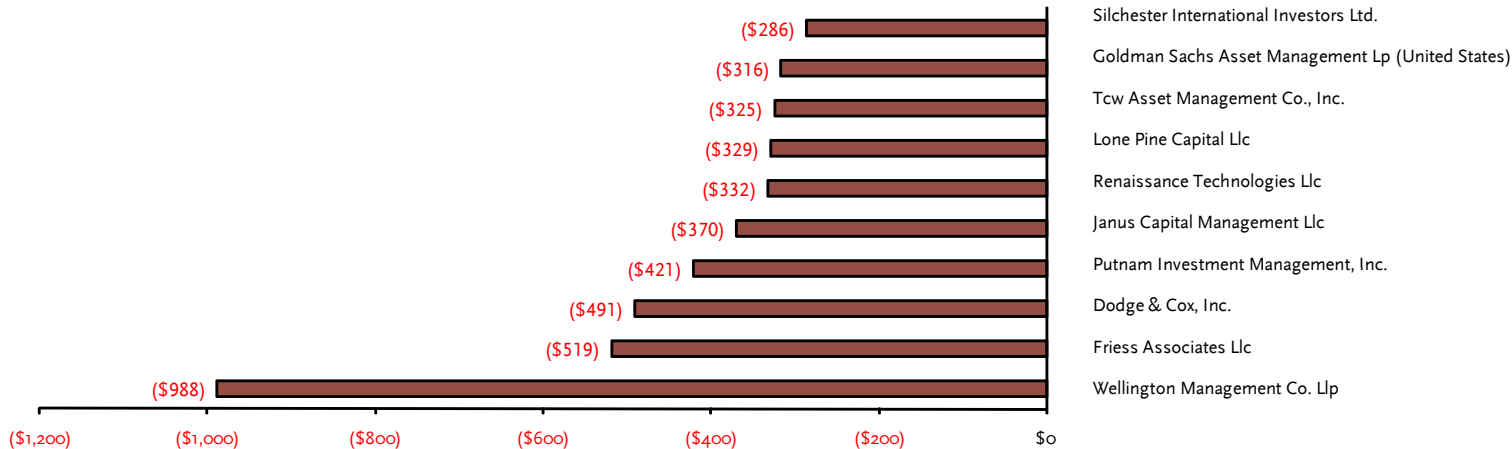
% representative of change in assets between 3/31/09 and 6/30/09
 Source: Bigdough
 Excludes Indexed & Quantitative Investors

INSTITUTIONAL HEALTH CARE FUND MOVEMENT

Top Health Care Services Buyers and Sellers (\$MM)



% Change in Position	Current Position (\$MM)
14%	\$8,205
83%	\$2,015
6%	\$12,263
12%	\$4,432
67%	\$1,023
551%	\$364
71%	\$669
45%	\$807
-	\$236
8%	\$3,100

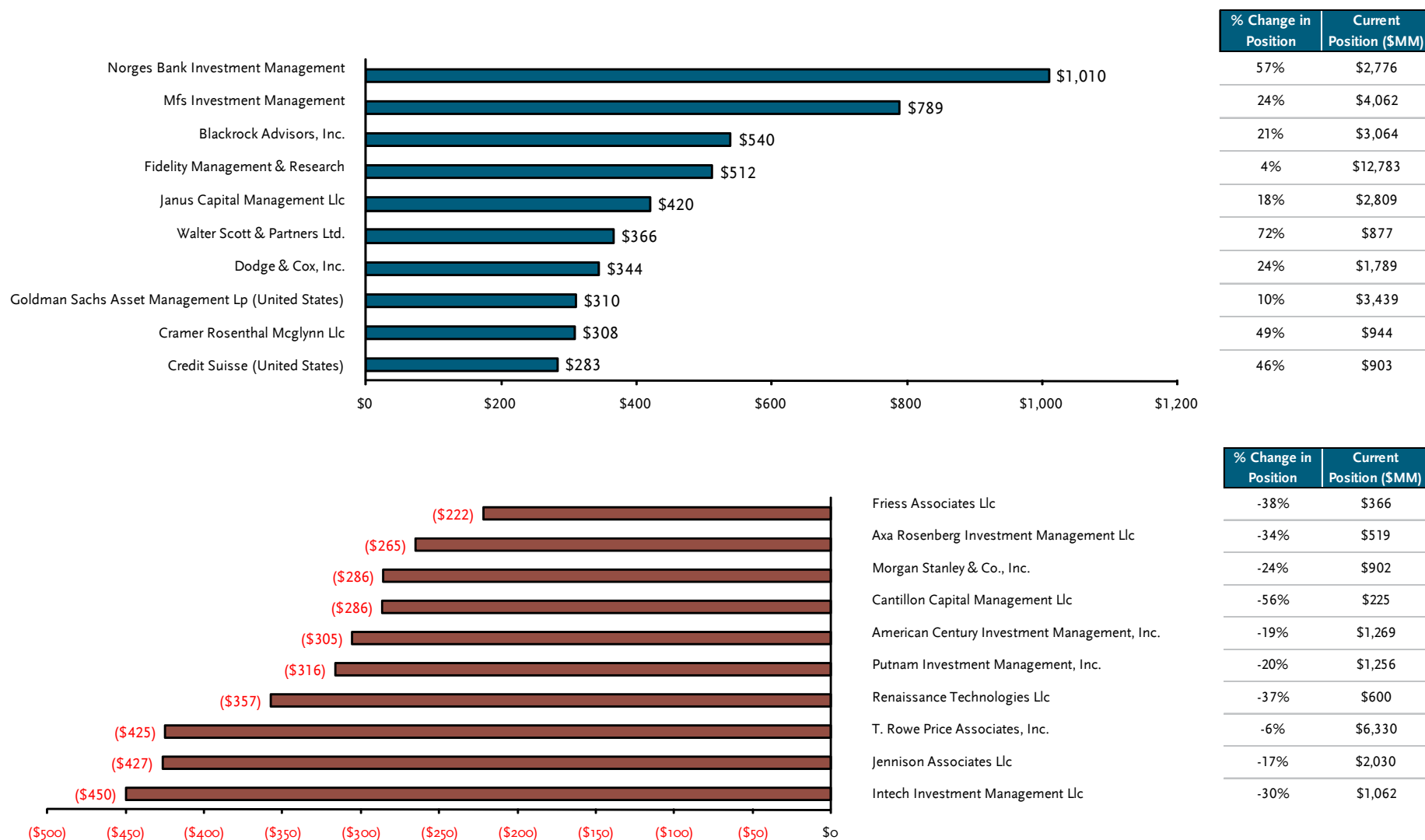


% Change in Position	Current Position (\$MM)
-89%	\$34
-18%	\$1,407
-30%	\$763
-100%	\$0
-32%	\$722
-24%	\$1,158
-25%	\$1,239
-10%	\$4,551
-56%	\$412
-10%	\$9,233

% representative of change in assets between 3/31/09 and 6/30/09
 Source: Bigdough
 Excludes Indexed & Quantitative Investors

INSTITUTIONAL HEALTH CARE FUND MOVEMENT

Top Medical Technology Buyers and Sellers (\$MM)



% representative of change in assets between 3/31/09 and 6/30/09
 Source: Bigdough
 Excludes Indexed & Quantitative Investors

INSTITUTIONAL HEALTH CARE FUND MOVEMENT

Health Care sector
equity asset
movement among
the top sub \$10
billion funds – as
measured by equity
assets under
management

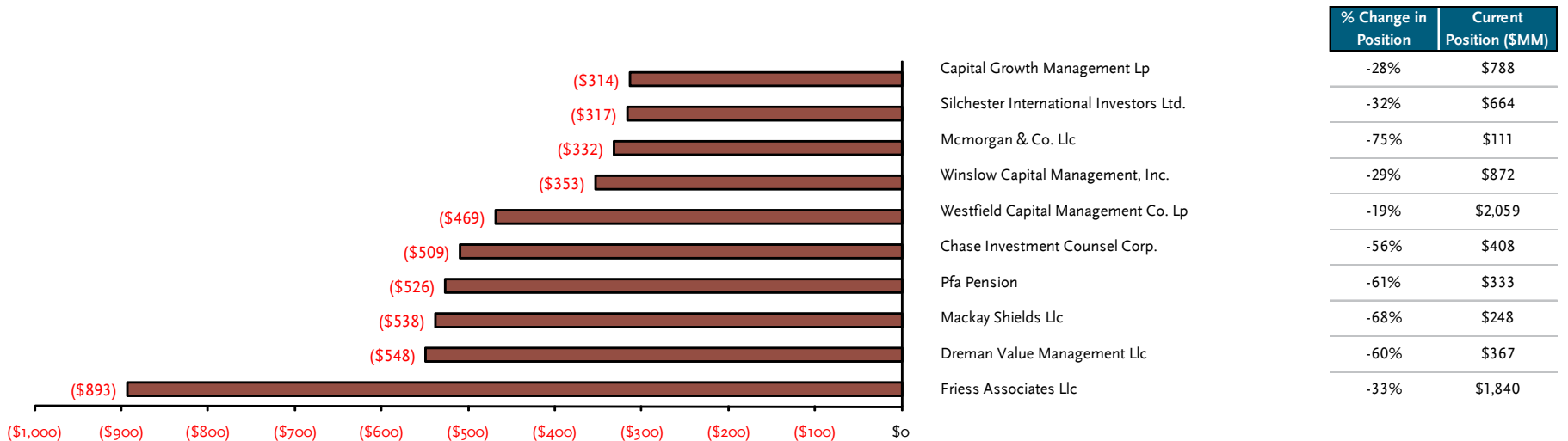
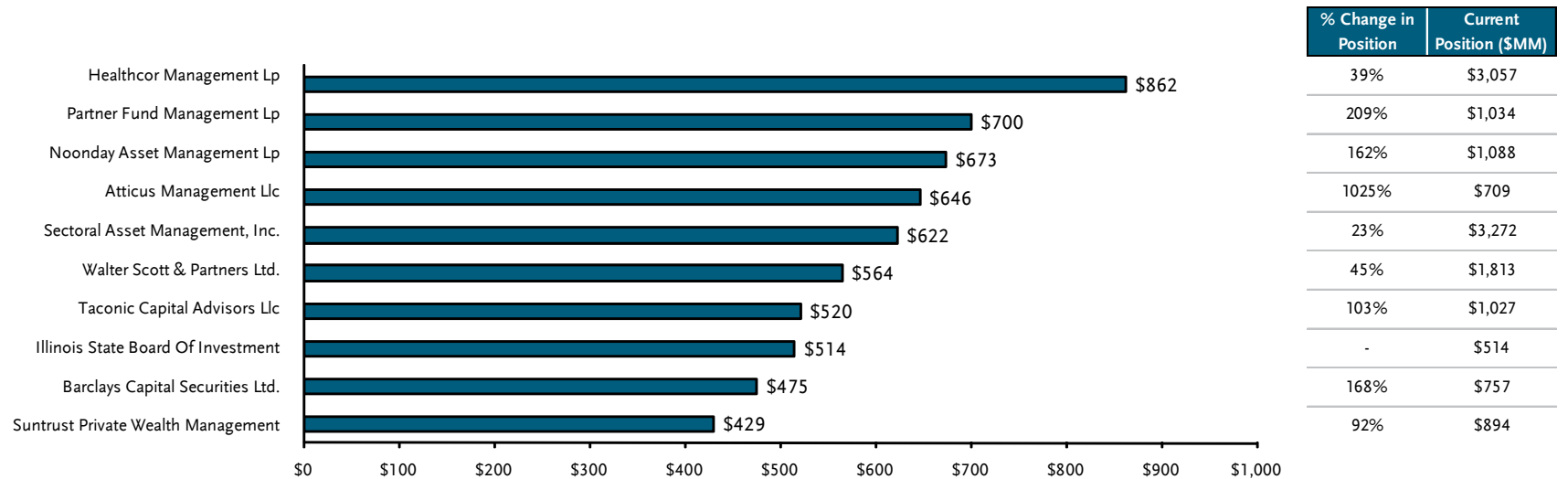
Equity Movements Among the Top Sub \$10B Health Care Funds

Institution Name	City	Style	Q4 '08	Q1 '09	Q1 '09	Q2 '09	Q2 '09	HC Assets	Funds
			HC Portfolio Weight	% Change	HC Portfolio Weight	% Change	HC Portfolio Weight	Under Mgmt (\$MM)	Under Mgmt (\$MM)
Lilly Endowment, Inc.	Indianapolis	Growth	100%	0%	100%	0%	100%	\$4,481	\$4,481
Orbimed Advisors, Inc.	New York	Growth	99%	0%	99%	-2%	97%	\$3,390	\$3,489
Sectoral Asset Management, Inc.	Montreal	Long/Short	98%	-8%	90%	9%	100%	\$3,272	\$3,277
Fairholme Capital Management Llc	Miami	Value	45%	-8%	38%	0%	38%	\$3,201	\$8,475
Healthcor Management Lp	New York	Long/Short	97%	-7%	90%	3%	92%	\$3,057	\$3,309
Millennium Management Llc	New York	Growth	19%	4%	23%	1%	24%	\$2,204	\$9,373
Altrinsic Global Advisors Llc	Stamford	Value	17%	-4%	13%	22%	36%	\$2,137	\$6,007
Westfield Capital Management Co. Lp	Boston	Aggressive Growth	30%	-2%	28%	-7%	21%	\$2,059	\$9,804
Sectoral Asset Management Inc. (Geneva Branch)	Geneva	Growth	100%	0%	100%	0%	100%	\$1,885	\$1,885
Friess Associates Llc	Greenville	Aggressive Growth	27%	1%	28%	-9%	19%	\$1,840	\$9,732
Glenview Capital Management Llc	New York	alternative	55%	-1%	54%	-13%	41%	\$1,819	\$4,414
Walter Scott & Partners Ltd.	Edinburgh	Growth	18%	0%	18%	3%	21%	\$1,813	\$8,803
Greenleaf Asset Management, Inc.	Kalamazoo	Growth	65%	28%	93%	0%	93%	\$1,798	\$1,942
Timesquare Capital Management Llc	New York	Aggressive Growth	18%	0%	19%	-1%	18%	\$1,756	\$9,945
Bellevue Asset Management Ag	Küsnacht	Growth	78%	6%	84%	-1%	83%	\$1,746	\$2,095
Iridian Asset Management Llc	Westport	Growth	23%	1%	23%	-1%	22%	\$1,477	\$6,666
Eagle Asset Management, Inc.	St. Petersburg	Growth	17%	0%	17%	-1%	16%	\$1,463	\$9,194
Jacobs Levy Equity Management, Inc.	Florham Park	Growth	16%	-2%	14%	0%	14%	\$1,393	\$9,754
Edgewood Management Llc	New York	Growth	23%	-2%	22%	0%	22%	\$1,357	\$6,134
Analytic Investors Llc	Los Angeles	Growth	16%	-2%	14%	0%	15%	\$1,284	\$8,614
Chevy Chase Trust Co.	Bethesda	Value	14%	0%	14%	-1%	13%	\$1,274	\$9,728
Baker Bros. Advisors Llc	New York	Growth	82%	1%	83%	2%	85%	\$1,259	\$1,482
Relational Investors Llc	San Diego	Contrarian	20%	5%	25%	-3%	22%	\$1,250	\$5,614
Harris Investment Management, Inc.	Chicago	Value	14%	-1%	13%	0%	13%	\$1,232	\$9,657
Mason Street Advisors Llc	Milwaukee	Growth	15%	-2%	13%	0%	13%	\$1,232	\$9,807
S.A.C. Capital Advisors Lp	Stamford	Growth	11%	4%	15%	1%	17%	\$1,179	\$7,121
Maverick Capital Ltd.	Dallas	Growth	19%	-5%	15%	0%	15%	\$1,178	\$7,749
Sound Shore Management, Inc.	Greenwich	Value	17%	-1%	16%	4%	20%	\$1,158	\$5,701
Icahn Associates Corp.	New York	Turnaround	20%	-5%	16%	0%	16%	\$1,150	\$7,322
Cramer Rosenthal Mcglynn Llc	New York	Value	8%	3%	11%	1%	11%	\$1,135	\$9,915
Median			20%	0%	22%	0%	22%	\$1,612	\$7,221

% representative of change in assets between 3/31/09 and 6/30/09
Source: Bigdough, excludes Indexed & Quantitative Investors
“-” denotes accounts that have no holdings in the subsector

INSTITUTIONAL HEALTH CARE FUND MOVEMENT

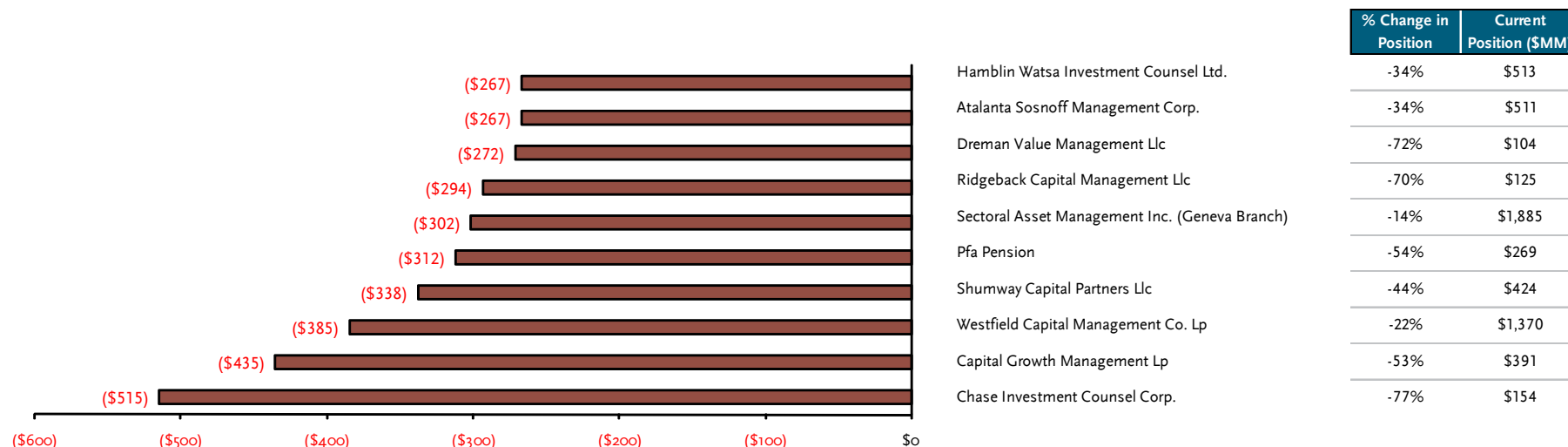
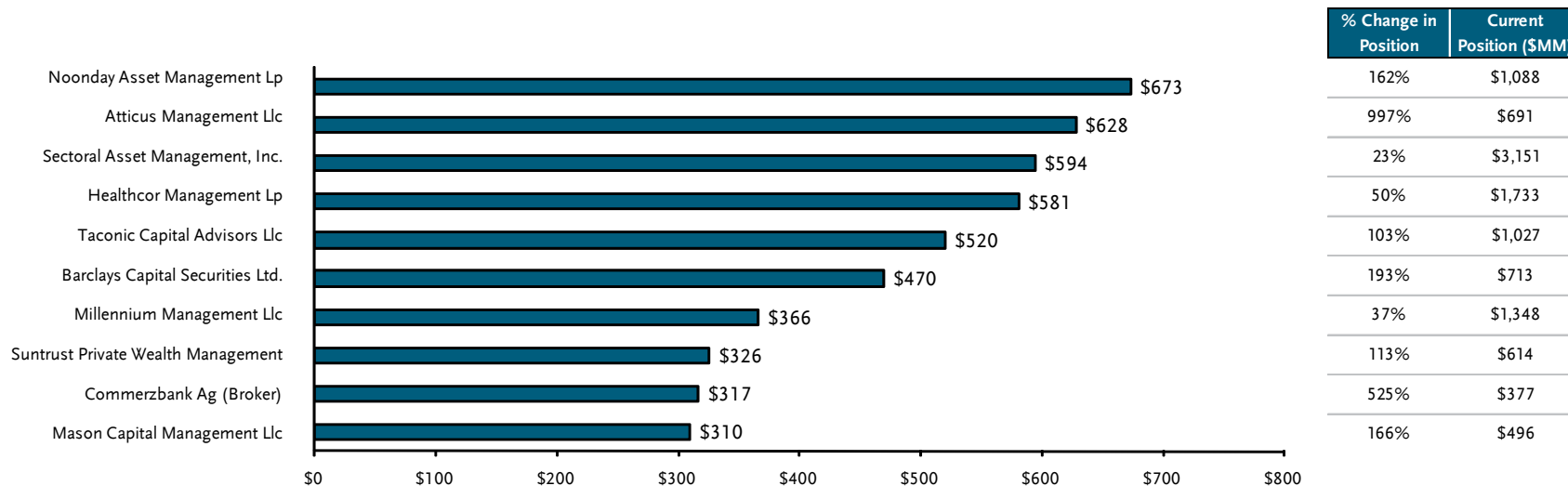
Top Health Care Buyers and Sellers (\$MM) - <\$10B Under Management



% representative of change in assets between 3/31/09 and 6/30/09
 Source: Bigdough
 Excludes Indexed & Quantitative Investors

INSTITUTIONAL HEALTH CARE FUND MOVEMENT

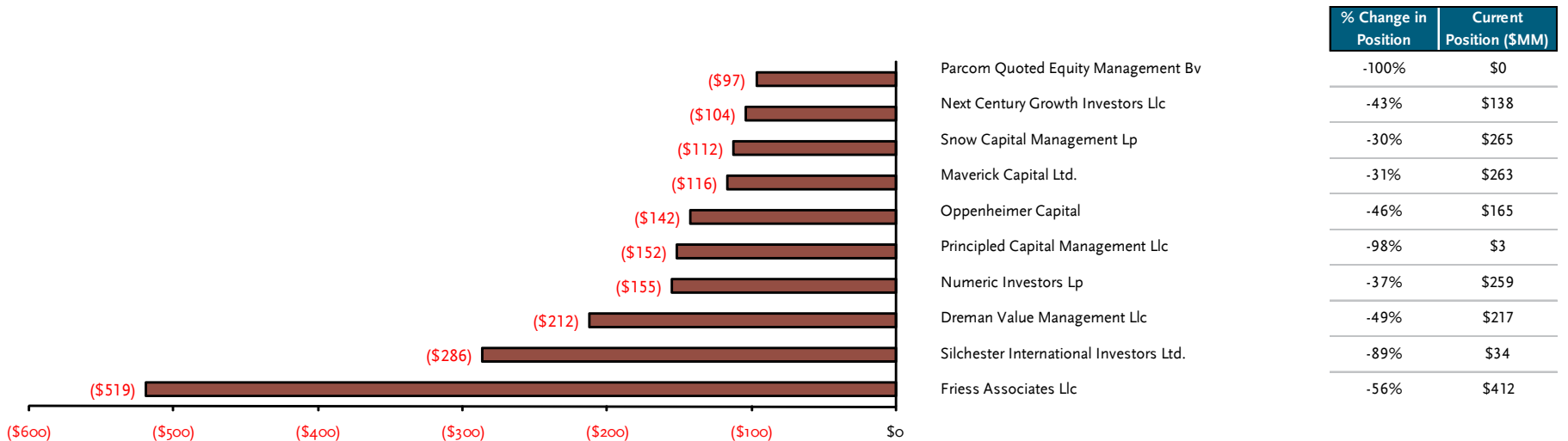
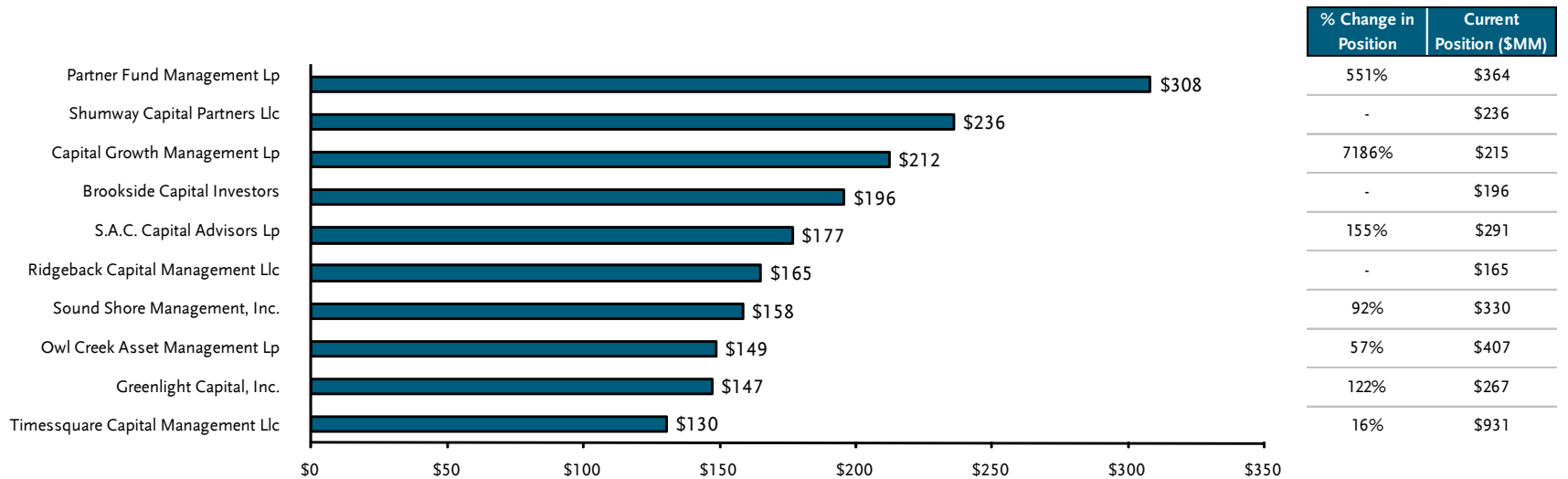
Top Biopharmaceutical Buyers and Sellers (\$MM) - <\$10B Under Management



% representative of change in assets between 3/31/09 and 6/30/09
 Source: Bigdough
 Excludes Indexed & Quantitative Investors

INSTITUTIONAL HEALTH CARE FUND MOVEMENT

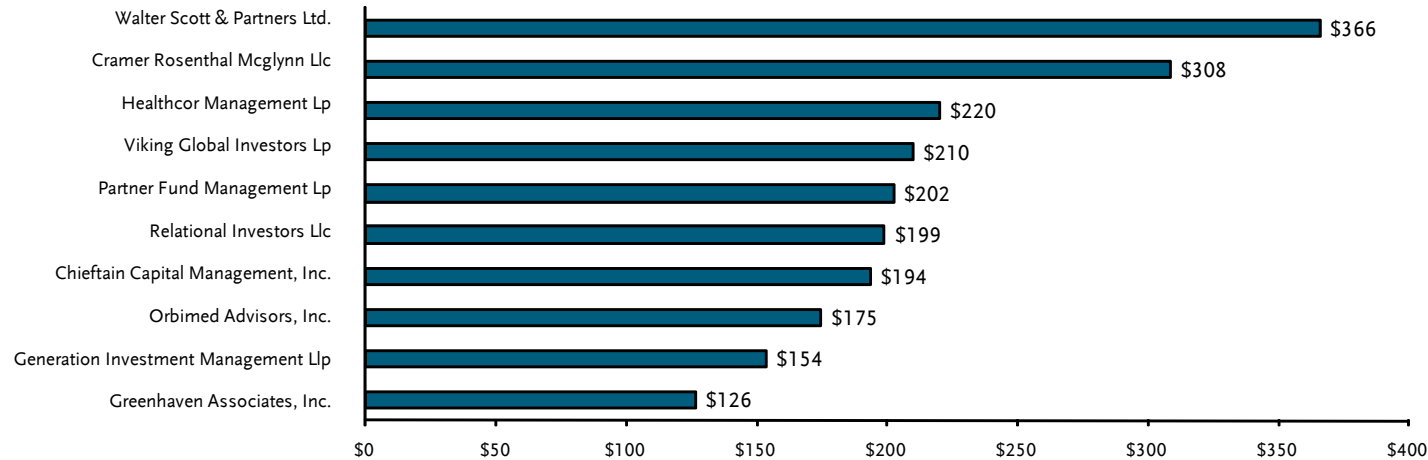
Top Health Care Services Buyers and Sellers (\$MM) - <\$10B Under Management



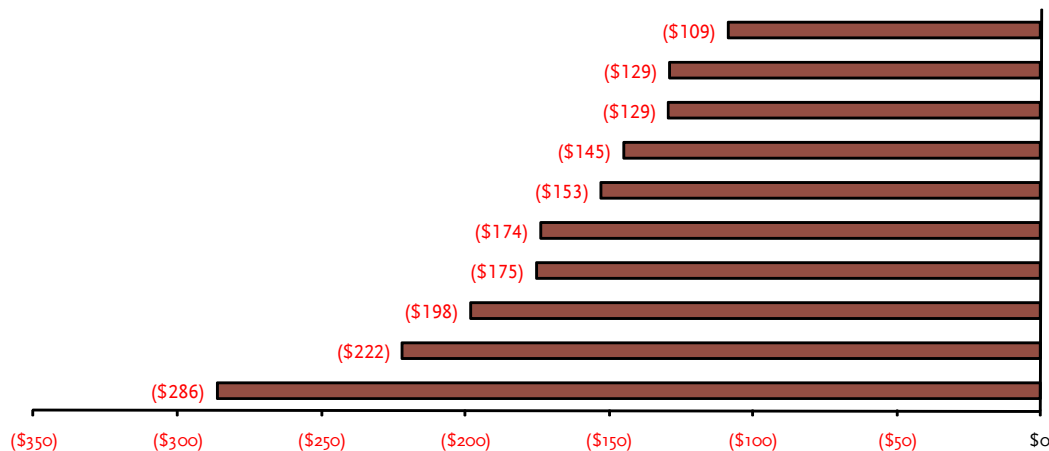
% representative of change in assets between 3/31/09 and 6/30/09
 Source: Bigdough
 Excludes Indexed & Quantitative Investors

INSTITUTIONAL HEALTH CARE FUND MOVEMENT

Top Medical Technology Buyers and Sellers (\$MM) - <\$10B Under Management



% Change in Position	Current Position (\$MM)
72%	\$877
49%	\$944
30%	\$942
238%	\$298
348%	\$261
31%	\$831
107%	\$375
54%	\$499
51%	\$453
-	\$126



Chase Investment Counsel Corp.
 Millennium Management Llc
 Sg Americas Securities Llc
 Pfa Pension
 Winslow Capital Management, Inc.
 Silvant Capital Management
 Trilogy Global Advisors
 Mackay Shields Llc
 Friess Associates Llc
 Cantillon Capital Management Llc

% Change in Position	Current Position (\$MM)
-68%	\$51
-30%	\$304
-55%	\$107
-77%	\$44
-35%	\$287
-63%	\$104
-52%	\$161
-74%	\$69
-38%	\$366
-56%	\$225

% representative of change in assets between 3/31/09 and 6/30/09
 Source: Bigdough
 Excludes Indexed & Quantitative Investors



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