

*November 11, 2014***Arrowhead Research (Nasdaq/ARWR/Neutral/\$6.21)***Robert M. Wasserman*

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**Elephant Talk (NYSE MKT/ETAK/Buy/\$1.00)**

**1) Arrowhead Research (Nasdaq/ARWR/Neutral/\$6.21)** – Arrowhead was very active at the current AASLD (Liver Disease) meeting in Boston, including presenting clinical updates on its ARC-520 in hepatitis B and ARC-AAT in liver disease associated with Alpha-1 antitrypsin deficiency. Arrowhead clinical trial researchers from Honk Kong presented interim data from the Phase 2a ARC-520 study which showed a statistically significant reduction in HBsAg through day 43 after a single injection with  $p < 0.05$ . The Company has completed the 3 mg/kg cohort and screening has begun for the final 4 mg/kg cohort group in the study, and Arrowhead management is confident the drug can be advanced into multi-dose Phase 2b studies as soon as next year. In addition, Arrowhead presented data on its preclinical RNAi therapeutic ARC-AAT in primates, showing long duration of effect suggesting that monthly or less frequent dosing may be sufficient for sustained suppression of hepatic AAT production. Arrowhead also hosted an investor event and presentation at the conference last night, and Company CEO Chris Anzalone talked to financial press reporting at the AASLD meeting. We currently rate ARWR shares Neutral. *RMW*

**2) Elephant Talk (NYSE MKT/ETAK/Buy/\$1.00)** – Elephant Talk reported preliminary financial results for its Q3/2014 quarter this morning, including revenues of \$7.3 million, up 40% year-over-year, with \$1.7 million in net cash from operations, Adjusted EBITDA of \$1.1 million, EBITDA of \$0.2 million and a net loss of \$2.4 million, down from \$3.2 million in the prior year period. Full results for ETAK will be released on Tuesday, November 18<sup>th</sup> before the market opens with an investor conference call at 11 am EST. We currently rate ETAK shares a Buy with a 12-18 month price target of \$2.25. *RMW*

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Ratings Distribution	Company Coverage		Investment Banking	
	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	17	81%	11	65%
Market Perform (Neutral)	4	19%	2	50%
Market Underperform (Sell)	0	0%	0	0%
Total	21	100%	13	62%

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