

Sample of new (MS Word) research product I created for the company in the second half of 2008. Published daily, the Morning Call was a compendium of synopses of formal research reports for the day, plus analysts' internal research comments that came through via the Web-based Internal Research Publishing system I developed (see the document, Intranet Shots C Tardi 7-28-08.pdf).



One Beacon Street  
34<sup>th</sup> Floor  
Boston, MA 02108  
617-532-6100

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### Morning Call — June 12, 2008

Cited in this report: THOR (BUY), QGEN (BUY), TWTI (NR), HOLX (NR)

Conference Call ☰ **Commentary** ☑ **Full Report Attached** ■ Intraday ☺

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**Thoratec Corporation (THOR)**, Rating **BUY**, Price Target \$30 (Nasdaq Close \$17.49), Spencer Nam 617-532-6428, **Full Report Attached** ■

**Action:** We reiterate our bullish view on THOR as our early checks suggest a faster than expected ramp up of HeartMate II.

**New Today:**

We reiterate our bullish view on THOR as our early checks suggest a faster-than-expected ramp up of HeartMate II. Our conversations with surgeons have indicated that HeartMate II (HM II) adoption has been rapidly accelerating since its approval in April 2008. We have learned that new centers already have reached management's expectations of two HM II pumps. Our checks also indicate that the existing centers are showing an increase in HM II volume as most new patients are now receiving HM II vs. HM XVE. We expect THOR's revenue growth to exceed the 15-20% range. HM II adoption should exceed expectations and we do not believe THOR shares reflect this outlook. We believe that the HM II approval puts the company in a trajectory to exceed consensus revenue (\$260MM) and consensus EPS (\$0.38) as we anticipate a much stronger-than-expected adoption of HM II over the next 12-18 months. Our target price of \$30 is based on 6.0x 2008 revenue of \$277MM.

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**Qiagen N.V. (QGEN)**, Rating **BUY**, Price Target \$27 (Nasdaq Close \$19.19), Spencer Nam 617-532-6428, **Commentary** ☑ **Conference Call** ☰

**Action:** Maintain BUY rating and target price of \$27/share.

**New Today:**

QGEN announced last evening that its subsidiary QGEN Gaithersburg (formerly known as Digene) had filed its initial brief with the US Court of Appeals regarding the patent infringement lawsuit that was dismissed by the US District Court. The District Court had dismissed the lawsuit based on claims constructions (Markman hearing). QGEN is challenging this decision, citing a number of issues on claims constructions. Third Wave Technologies (TWTI-\$11.16-NR) (Hologic Inc. (HOLX-\$23.22-NR)) now has 40 days to respond, and we expect counter suits to be filed.

This matter is likely to be resolved in the next 12-18 months with a possible outcome that the lawsuit would be dismissed permanently or the lawsuit would be remanded to the District Court for a new trial. Overall, it is difficult to assess the likelihood of different outcomes of a lawsuit, but if TWTI is found liable, it could be more difficult for TWTI to be competitive with QGEN.

We continue to remain bullish on QGEN's short- and long-term competitive strength in the HPV testing market, and we reiterate our BUY rating with target price of \$27/share.

We will be holding a consultant conference call at 2 PM ET to discuss the competitive landscape in the HPV testing market.

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**Important Disclosures and Disclaimers can be Viewed at <http://www.ssrp.com> and on Page 2 of This Report.**

Summer Street Research Partners — Morning Call 6/12/08

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