



# Summer Street Research Partners - Best Ideas -

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#### BUY...

**AFFY-BUY:** Affymax's lead product, Hematide, is a peptide based Q4W IV or SQ ESA. We believe that Affymax's Hematide will be the only entrant into the contracting \$9B US ESA market prior to Amgen's patent expirations in 2015. Affymax expects the results of 4 pivotal Hematide CKD trials in early 2009. We consider these trials to be low risk and expect that Hematide will be approved in 2011 for treatment of anemia in CKD in the US and will have worldwide peak sales of ~1B+ by 2016.

 [\[Last published report 3/17/08\]](#)

**ALGN-BUY:** We are reiterating our BUY rating on ALGN with a price target of \$25/share (5.0x 2008E revenue of \$350MM). We believe ALGN's flagship product, InvisAlign, will drive the company's 20%+ compound annual revenue growth trajectory from 2007 to 2012. In our opinion, InvisAlign is a revolutionary innovation that could change the shape of the malocclusion (misalignment of teeth) treatment market by introducing an approach that is cosmetically superior to traditional treatment devices. By 2011, we expect the addressable US market will grow from \$1B to nearly \$1.5B. We estimate InvisAlign's US market penetration will grow from 15% in 2007 to 45% in 2011. ALGN is a pure launch story, in which the Street has yet to recognize the near-term growth potential of InvisAlign. We believe that ALGN is poised for stronger than expected growth in 2007. Our conversations with both orthodontists and dentists lead us to believe that InvisAlign is still in early stage adoption and that patient awareness of the product has risen significantly over the past 6-12 months, implying a potential surge in usage during the coming 12-18 months. The recent announcement of new product launches in 2008 makes management's 2008 revenue guidance (\$320-...

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