# NUVILEX, INC.

## Cumulative Trial Results Even Better Than Original

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| NUVILEX, INC. (OTC:QB – NVLX - $0.04) | |
|---|---|
| Price Target: $0.50 | Rating: Speculative Buy |

## COMPANY SNAPSHOT

Nuvilex, Inc., along with its subsidiary Austrianova Singapore Pte Ltd (ASPL), is an international biotechnology provider of live therapeutically valuable, encapsulated cells and services for research and medicine. Substantial progress in multiple areas will be providing the Company with increased potential and we look forward to bringing those forward shortly. The Company's clinical offerings will include cancer, diabetes and other treatments using the its proprietary cell and gene therapy expertise and live-cell encapsulation technology.

## KEY STATISTICS

| | |
|---|---|
| Price as of 10/10/12 | $0.04 |
| 52 Wk High – Low | $0.089 – 0.02 |
| Est. FD Shares Out. | 424.0M |
| Market Capitalization | $17.0M |
| 3 Mo Avg Vol | 191,097 |
| Exchange | OTC:QB |

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## INVESTMENT HIGHLIGHTS

**Phenomenal News:** Earlier this week, Nuvilex announced the presentation of additional safety and efficacy data from a second Phase 2 pancreatic cancer clinical trial that. Not only did the results confirm the data recorded in the earlier Phase 2 trial, but, in our view, the data were even better than the original Phase 2 pancreatic cancer trial results.

**Background:** Both Phase 2 pancreatic cancer trials work through the ability of special, cellulose sulphate encapsulated, living cells expressing cytochrome P450 CYP 2B1. These cells are able to convert the inactive chemotherapy drug ifosfamide to its active form at the site they are placed in. As a result, the encapsulated cells create a high level of drug in the area of the pancreatic tumor where the treatment can provide for the greatest anti-tumor effect, coupled with a significant reduction in side-effects since much lower doses of the chemotherapeutic drug need to be used.

**1st Trial vs. 2nd Trial Highlights:**

| Data | 1st Trial | 2nd Trial |
|---|---|---|
| | | |
| Dbl median survival versus stand-alone treatment | √ | Confirmed |
| Dbl number of 1-year survivors versus stand –alone treatment | √ | Confirmed |
| Two encapsulation treatments versus multiple chemo treat. | √ | Confirmed |
| *Trial Sites* | *One* | *Four* |

**Why Is This News Important?**

The news should be viewed as landmark news by investors for a number of reasons. First, it should be noted that it is not typical for two Phase 2 trials of this type to have been undertaken. Second, much of the key data generated by the first trial was confirmed in the second trial. Furthermore, between the two trials Nuvilex now has significant data on a total of 27 evaluable patients.

Last but not least, the fact that this trial was conducted in multiple sites versus a single site in the other trial, makes the data that much more powerful.

Investors should latch onto these key themes regarding the Nuvilex approach:

- The nature of the encapsulation technology is a targeted approach directly at the tumor site
- Patients responded after only 2 treatments
- The quality of life and side effect profile is significantly better than the standard treatment on its own
- Patients required only 2 treatments with ifosfamide vs. the standard multiple chemo treatment regimen
- Data again showed a doubling of median survival vs. the standard treatment (40 wks vs. 25 wks)
- Data again showed a doubling of the number of 1-year survivors vs. the standard treatment (36% vs. 18%)

**Our Take:**

This sleepy stock with a game-changing technology and delivery system continues to be overlooked and sometimes even dismissed by investors. Savvy investors will realize the tremendous value inherent in the stock and acquire shares today at a price that will likely be the floor for the stock, going forward. Patient investors will accumulate stock and could be rewarded with a stock trading at $0.50 12-18 months from now. Traders will take advantage of investors' ambivalence and buy the stock here in order to trade out of it at $0.15 – $0.20 in the coming months, as milestones are reached.

**Analyst: Robert Goldman**

Rob Goldman has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell-side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

**Analyst Certification**

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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