

MARKET FOR PET RADIOPHARMACEUTICALS AND PET IMAGING

TABLE OF CONTENTS

<u>Section</u>		<u>Page</u>
1.0	PET MARKET OVERVIEW	1
1.1	Expanded Reimbursement for PET	2
1.2	PET Reimbursement for Alzheimer's Disease	3
1.2.1	Emerging Options for Treating Alzheimer's	4
1.2.2	Predicting Alzheimer's and Tracking Patients Being Treated	4
1.3	Impact of PET-CT	5
1.4	Research in PET Tracers	6
1.5	Changes in Market Environment	8
1.6	Growth of Primary Applications for PET in Oncology	9
1.7	Overview of PET Scanner Sales	10
1.7.1	New Scanners Introduced	12
1.7.2	Growth of Mobile PET	13
2.0	GROWTH IN PET PROCEDURE VOLUME	14
2.1	Expanded Reimbursement for PET	15
2.2	Distribution of PET Procedures	17
2.3	Oncology PET Procedures	19
2.4	Overlap Between PET and SPECT Imaging in Oncology	21
2.4.1	Experience with Targeted SPECT Agents for Oncology	22

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
2.4.2 Comparative Advantages of PET in Oncology	23
2.5 Clinical Requirements And Projections For PET	24
3.0 ANALYSIS OF THE FDG MARKET	25
3.1 Historic And Forecast Sales of FDG	27
3.1.1 Distribution of FDG Sales	27
3.1.2 Oncology Sales of FDG	29
3.2 Analysis of FDG Suppliers	31
3.2.1 Economics of Producing and Delivering FDG Doses	32
3.2.2 Market Distribution of Commercial FDG Suppliers	33
3.2.2.1 PETNet Pharmaceuticals	33
3.2.2.2 Other Commercial Distributors Of FDG	35
3.3 Challenges In The Production and Distribution of FDG	38
4.0 MARKET FOR PET IMAGING EQUIPMENT	39
4.1 Market Overview	39
4.2 Product Focus of PET Manufacturers	47
4.2.1 Siemens/CTI/CPS	48
4.2.2 General Electric	49
4.2.3 Philips	52
4.2.4 Positron Corporation	53
4.3 US and Worldwide Distribution of PET Scanner Sales	55
4.3.1 Domestic Unit Sales of PET Scanners	55
4.3.2 Domestic Sales Volume Distribution	57

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
4.3.3 Worldwide Sales Distribution of PET scanners	58
4.4 Mobile PET Sales	59
4.4.1 Prospects for Combined PET-CT in Mobile PET	60
4.4.2 Providers of Mobile PET	61
4.4.3 Reimbursement Issues and Factors Affecting Growth	64
5.0 US AND WORLDWIDE SALES FORECASTS FOR PET	65
5.1 US Sales Forecasts for PET Scanners	72
5.2 Camera-Based PET	73
5.3 Combined PET-CT Systems	74
5.4 Sales of Mobile PET Systems	74
5.5 Worldwide Sales Forecast for PET Scanners	75
6.0 GROWTH OF US AND WORLDWIDE INSTALLED BASE	77
6.1 Growth of the Domestic installed Base	77
6.2 Growth of Installed Base of Mobile Scanners	79
6.3 Worldwide Installed Base of PET	79
6.4 Estimated PET Procedure Volume Based on Scanner Utilization	79
6.5 Comparison of PET and SPECT Installed Base	82
7.0 END-USER PROFILE	85
7.1 Overview of the User Environment	85
7.2 Organization of Nuclear Medicine Departments	87
7.2.1 Important Functional Differences with PET	88
7.2.2 Interaction of PET with Radiology	89

TABLE OF CONTENTS

<u>Section</u>		<u>Page</u>
7.3	Allocation of Hospital Nuclear Medicine Equipment	89
7.4	Comparative Utilization Parameters	90
7.4.1	Distribution of Imaging Procedures	93
7.4.2	Relative Diagnostic Activity	93
7.4.3	Relative Procedure Volume	95
7.5	In-Hospital Hot Lab Versus Commercial Pharmacies	97
7.5.1	Unit-Dose Packaging	98
7.5.2	Pricing Practices	99
7.5.3	Other Services	99
7.5.4	Issues of Board Certification	100

**MARKET FOR PET RADIOPHARMACEUTICALS
AND PET IMAGING**

LIST OF EXHIBITS

<u>Exhibit</u>		<u>Page</u>
1	MEDICARE COVERAGE FOR PET	16
2	HISTORIC AND FORECAST PET PROCEDURE VOLUME FOR CARDIOLOGY, NEUROLOGY AND ONCOLOGY BY PROCEDURE TYPE FROM 2000-2010	18
3	HISTORIC AND FORECAST PET PROCEDURE VOLUME IN ONCOLOGY BY TYPE OF DISEASE FROM 2000-2010	20
4	HISTORIC AND FORECAST SALES OF FDG DOSES FOR CARDIOLOGY, NEUROLOGY AND ONCOLOGY BY PROCEDURE TYPE FROM 2000-2010	28
5	HISTORIC AND FORECAST SALES OF FDG FOR ONCOLOGY APPLICATIONS BY DISEASE TYPE FROM 2000-2010	30
6	DISTRIBUTION OF COMMERCIAL FDG SUPPLIERS IN THE U.S. IN 2002, NUMBER OF CYCLOTRONS AND ESTIMATED USER BASE	34
7	U.S. SALES OF PET FROM 2000-2003, MANUFACTURER'S UNIT SALES AND MARKET SHARE	40
8	U.S. SALES OF PET SCANNERS FROM 2000-2003, MANUFACTURER'S SALES DOLLAR VOLUME AND MARKET SHARE	41
9	WORLDWIDE SALES OF PET SCANNERS FROM 2000-2003, MANUFACTURER'S UNIT SALES AND MARKET SHARE	42
10	WORLDWIDE SALES OF PET SCANNERS FROM 2000-2003, MANUFACTURER'S SALES DOLLAR VOLUME AND MARKET SHARE	43
11	U.S. SALES OF MOBILE PET SCANNERS FROM 2000-2003, MANUFACTURER'S UNIT SALES AND MARKET SHARE	44
12	U.S. SALES OF MOBILE PET SCANNERS FROM 2000-2003, MANUFACTURER'S SALES DOLLAR VOLUME AND MARKET SHARE	45
13	DISTRIBUTION OF MOBILE PET UNITS AMONG MOBILE PET PROVIDERS, UNITS PURCHASED BY EACH MOBILE PET COMPANY FROM 2000-2003	62

LIST OF EXHIBITS

<u>Exhibit</u>		<u>Page</u>
14	HISTORIC AND FORECAST U.S. UNIT SALES OF PET SCANNERS AND COINCIDENCE CAMERAS FOR PET IMAGING FROM 2000-2010	66
15	HISTORIC AND FORECAST U.S. SALES VOLUME OF PET SCANNERS AND PET GAMMA CAMERAS FROM 2000-2010	67
16	FORECAST DISTRIBUTION OF PET SCANNER SALES BY PRODUCT TYPE FROM 2001-2010	68
17	HISTORIC AND FORECAST U.S. SALES OF MOBILE PET SCANNERS, MANUFACTURER'S UNIT SHIPMENTS AND SALES VOLUME FROM 2000-2010	69
18	HISTORIC AND FORECAST WORLDWIDE UNIT SALES OF PET SCANNERS AND COINCIDENCE CAMERAS FOR PET IMAGING FROM 2000-2010	70
19	HISTORIC AND FORECAST WORLDWIDE SALES VOLUME OF PET SCANNERS AND PET GAMMA CAMERAS FROM 2000-2010	71
20	GROWTH OF U.S. INSTALLED BASE OF PET SCANNERS AND CAMERA-BASED PET SYSTEMS FROM 2000-2010	78
21	GROWTH OF MOBILE PET INSTALLED BASE IN THE U.S . FROM 2000-2010	80
22	GROWTH OF WORLDWIDE INSTALLED BASE OF PET SCANNERS AND CAMERA-BASED PET SYSTEMS FROM 2000-2010	81
23	ESTIMATED PROCEDURE VOLUME BASED ON SCANNER UTILIZATION IN 2003	83
24	2003 NUCLEAR CAMERA SHIPMENTS, INSTALLED BASE AND REPLACEMENT RATES FOR NEW AND REFURBISHED CAMERAS IN HOSPITALS AND IMAGING CLINICS	84
25	COMPARATIVE ALLOCATION OF DIAGNOSTIC FACILITIES BY HOSPITAL BED SIZE IN 2003	91
26	COMPARATIVE UTILIZATION PARAMETERS FOR DIFFERENT IMAGING MODALITIES IN 2003	92

LIST OF EXHIBITS

<u>Exhibit</u>		<u>Page</u>
27	DISTRIBUTION OF HOSPITAL DIAGNOSTIC IMAGING PROCEDURES IN THE U.S. BY HOSPITAL BED SIZE IN 2003	94
28	RELATIVE PROCEDURE VOLUME AMONG DIFFERENT IMAGING MODALITIES, PERCENTAGE RELATIONSHIP BY HOSPITAL BED SIZE IN 2003	96