

U.S. MARKET FOR BRACHYTHERAPY PRODUCTS

TABLE OF CONTENTS

<u>Section</u>		<u>Page</u>
1.0	MARKET STATUS, TRENDS AND FORECASTS	1
1.1	INTRODUCTION AND OVERVIEW	1
1.1.1	Implantable Prostate Seeds	1
1.1.2	Effect of Competing Technologies	2
1.1.3	Accelerated Partial Breast Irradiation (APBI)	3
1.1.4	New Breast Brachytherapy Devices	4
1.1.5	Gynecological Applications	6
1.1.6	Brain Cancer Brachytherapy	6
1.1.7	Endovascular Brachytherapy	7
1.1.8	Irradiated Microsphere Infusion for Liver Cancer	8
1.1.9	Macular Degeneration and Ophthalmic Applications	10
	1.1.9.1 Combined Approach with both Brachytherapy and VEGF Drugs	12
	1.1.9.2 Features of the NeoVista Device	12
	1.1.9.3 Market for Treating Macular Degeneration	13
1.2	BRACHYTHERAPY MARKET SUMMARY	14
1.2.1	Sales Growth of Brachytherapy Market Segments	16
1.2.2	Comparative Procedure Growth by Product Category	18
1.2.3	Brachytherapy Forecasts Relative to Incidence of Disease	20

TABLE OF CONTENTS

<u>Section</u>		<u>Page</u>
1.3	MARKET ANALYSIS AND SALES FORECASTS	24
1.3.1	Brachytherapy Prostate Seed Sales by Product Type	29
1.3.2	Analysis of Seed Sales by Manufacturer	32
1.3.3	Brachytherapy Seed Market Forecasts	34
1.4	BREAST CANCER BRACHYTHERAPY	36
1.4.1	Partial Breast Irradiation with MammoSite	37
1.4.2	Second Generation Breast Brachytherapy Devices	37
1.4.3	Market Forecasts for Breast Brachytherapy	39
1.5	GYNECOLOGICAL BRACHYTHERAPY	41
1.5.1	Newly Approved Gynecological Brachytherapy Devices	41
1.5.2	Market Forecasts for Gynecological Brachytherapy	42
1.6	GLIA-SITE BRACHYTHERAPY FOR BRAIN CANCER	42
1.5.1	Options in Treating Malignant Brain Tumors	44
1.5.2	Advantages of Using GliaSite	44
1.5.3	Market Forecasts for GliaSite	45
1.7	IRRADIATED MICROSPHERES FOR LIVER CANCER	47
1.7.1	Microsphere Properties	48
1.7.2	Product Indications	48
1.7.3	Product Pricing and Market Forecasts	49
1.8	ENDOVASCULAR BRACHYTHERAPY MARKET	51
1.8.1	Endovascular Brachytherapy Products	52
1.8.2	Transformation of the Market in 2003	52
1.8.3	Market Projections for Beta-Cath	53

TABLE OF CONTENTS

<u>Section</u>		<u>Page</u>
1.9	MACULAR DEGENERATION BRACHYTHERAPY	53
1.9.1	NeoVista's Vidion System	55
1.9.2	Market Estimates and Forecasts	56
2.0	ANALYSIS OF PROCEDURE VOLUME	59
2.1	INTRODUCTION AND OVERVIEW	59
2.1.1	LDR vs. HDR Considerations	59
2.1.2	Low Energy Beta Source Procedures	60
2.1.3	Trend Lines and Usage Patterns	60
2.2	BRACHYTHERAPY PROCEDURES	61
2.2.1	Categories of Brachytherapy Procedures	61
2.2.2	Forecasts of Brachytherapy Procedures	62
2.3	ANALYSIS OF DATA SOURCES AND METHODOLOGY	65
2.3.1	Sources of Procedure Data	66
2.3.2	Advantages and Limitations of Available Data Bases	67
2.3.2.1	Advantages of Using Existing Data Bases	67
2.3.2.1	Limitations of Some of the Available Data Bases	67
2.3.3	CMS Medicare Data	68
2.3.4	Impact of Reimbursement on Procedure Coding	68
3.0	RADIOISOTOPE PRODUCTS AND TECHNOLOGY	70
3.1	TRADE-OFFS IN RADIATION SOURCES	70
3.2	ISOTOPE CHARACTERISTICS	72
3.2.1	Radiopharmaceutical Selection	76
3.2.2	Biophysical Considerations	77

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
3.3 RADIOISOTOPE PRODUCTION METHODS	80
3.3.1 Nuclear Reactors	82
3.3.2 Accelerators	85
3.3.3 Radionuclide Generators	86
3.4 RADIOPHARMACEUTICAL PREPARATION	87
3.4.1 Commercial Radiopharmacies	88
3.4.2 New Radiopharmaceuticals	89
4.0 CURRENT DEVELOPMENTS AND EMERGING TECHNOLOGY	91
4.1 INTRODUCTION AND OVERVIEW	92
4.1.1 Types of Brachytherapy	92
4.1.2 Brachytherapy Products and Technology	92
4.2 PROSTATE SEED IMPLANTS	94
4.2.1 Design Characteristics	94
4.2.2 Clinical Considerations	95
4.2.3 Resorbable Prostate Seeds	96
4.2.3.1 Improved Cancer Cell-Killing	97
4.2.3.2 Composition of the Resorbable Seeds	98
4.3 PARTIAL BREAST IRRADIATION	99
4.3.1 Second Generation Breast Irradiation Devices	100
4.3.2 Axxent Breast Irradiation Device	101
4.3.3 Recent Approval of Axxent for Skin and Surface Treatment	102
4.4 GYNECOLOGICAL BRACHYTHERAPY	103
4.4.1 Axxent Cervical Brachytherapy Device	103

TABLE OF CONTENTS

<u>Section</u>		<u>Page</u>
	4.4.2 Gynocyte Brachytherapy Device	104
4.5	IRRADIATED MICROSPHERE INFUSION	104
	4.5.1 Treatment with SIR-Spheres	106
	4.5.2 Y-90 TheraSpheres	106
	4.5.3 Other Applications for Microsphere Technology	107
4.6	BRACHYTHERAPY FOR MACULAR DEGENERATION	108
	4.6.1 Impetus to Use Brachytherapy for Macular Degeneration	108
	4.6.2 NeoVista's Vidion Device	109
	4.6.3 Compelling Features of NeoVista's Product	110
	4.6.4 Other Ophthalmic Brachytherapy Applications	110
4.7	OTHER POST-SURGICAL BRACHYTHERAPY DEVICES	112
	4.7.1 GliaSite Brachytherapy for Brain Tumors	113
	4.7.2 Short Term Implant Philosophy	114
4.8	ENDOVASCULAR BRACHYTHERAPY	115
	4.8.1 Types of Endovascular Devices	115
	4.8.2 Radiation Sources	116
	4.8.3 Novoste Beta-Cath	117
	4.8.4 Trade-Offs with Radioactive Stents	118
5.0	END-USER ANALYSIS	119
	5.1 OVERVIEW OF THE USER ENVIRONMENT	119
	5.1.1 Organization of Nuclear Medicine Departments	120
	5.2 ALLOCATION OF HOSPITAL MEDICAL IMAGING EQUIPMENT	121
	5.3 COMPARATIVE UTILIZATION PARAMETERS	122

TABLE OF CONTENTS

<u>Section</u>		<u>Page</u>
5.4	DISTRIBUTION OF IMAGING PROCEDURES	125
5.4.1	Relative Diagnostic Activity	125
5.4.2	Relative Procedure Volume	128
5.4.3	Imaging Activity Index	129
5.5	IMPLEMENTATION OF BRACHYTHERAPY PROCEDURES	129
6.0	COMPANY PROFILES	132
6.1	INTRODUCTION	132
6.2	ADVANCED MEDICAL ISOTOPE CORP. (AMIC)	134
6.3	ANAZAO HEALTH CORPORATION	136
6.4	ANTISOMA LTD. (UK)	137
6.5	BEST MEDICAL INTERNATIONAL	139
6.6	BIO-NUCLEONICS, INC.	140
6.7	BRACHYSCIENCES, INC.	141
6.8	CIANNA MEDICAL, INC.	143
6.9	C.R. BARD, INC.	145
6.10	CORE ONCOLOGY, INC.	146
6.11	COVIDIEN, LTD.	147
6.12	CYTOGEN CORPORATION	149
6.13	GE HEALTHCARE	152
6.14	GENENTECH, INC.	156
6.15	HOLOGIC, INC.	158
6.16	IMMUNOMEDICS, INC.	164
6.17	INTUITIVE SURGICAL, INC..	166

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
6.18 ISORAY MEDICAL, INC.	169
6.19 MDS NORDION	171
6.20 NAS MEDICAL, INC.	175
6.21 NEOVISTA, INC.	177
6.22 NUCLETRON BV	179
6.23 SIRTEX MEDICAL LTD.	182
6.24 THERAGENICS CORPORATION	187
6.25 VARIAN MEDICAL SYSTEMS	189
6.26 XOFT, INC	193
APPENDIX	
SUPPLIERS OF BRACHYTHERAPY AND RADIOISOTOPE-BASED PRODUCTS	196

U.S. MARKET FOR BRACHYTHERAPY PRODUCTS

LIST OF EXHIBITS

<u>Exhibit</u>		<u>Page</u>
1-1	HISTORIC AND FORECAST SALES OF BRACHYTHERAPY PRODUCTS BY PRODUCT GROUP FROM 2006-2016	15
1-2	RELATIVE PROPORTION OF BRACHYTHERAPY SALES BY PRODUCT GROUP FROM 2006-2016	17
1-3	RELATIVE GROWTH OF BRACHYTHERAPY PROCEDURES BY PRODUCT GROUP FROM 2006-2016	19
1-4	GROWTH OF BRACHYTHERAPY PROCEDURE VOLUME WITH RESPECT TO THE INCIDENCE OF DISEASE FROM 2006-2016	21
1-5	2008 BRACHYTHERAPY SALES SUMMARY BY PROCEDURE CATEGORY AND PRODUCT TYPE	25
1-6	2016 BRACHYTHERAPY SALES SUMMARY BY PROCEDURE CATEGORY AND PRODUCT TYPE	27
1-7	HISTORIC AND FORECAST SALES GROWTH OF BRACHYTHERAPY SEEDS FOR PROSTATE IMPLANT BY PRODUCT TYPE FROM 2006-2016	31
1-8	SALES VOLUME AND DISTRIBUTOR INCOME OF PROSTATE SEED SUPPLIERS, RELATIVE GROWTH AND MARKET SHARES IN 2007 AND 2008	33
1-9	HISTORIC AND FORECAST SALES OF BRACHYTHERAPY SEEDS BY MANUFACTURERS AND DISTRIBUTORS FROM 2006-2016	35
1-10	HISTORIC AND FORECAST SALES OF BREAST CANCER BRACHYTHERAPY, MANUFACTURER'S UNIT SALES AND SALES VOLUME FROM 2006-2016	40
1-11	HISTORIC AND FORECAST SALES OF BRACHYTHERAPY DEVICES FOR GYNECOLOGY AND OTHER ACCESSIBLE CANCERS FROM 2006-2016	43

LIST OF EXHIBITS

<u>Exhibit</u>		<u>Page</u>
1-12	HISTORIC AND FORECAST SALES OF BRACHYTHERAPY DEVICES FOR TREATING BRAIN CANCER GLIOMA POST-SURGICALLY, MANUFACTURER'S SALES VOLUME FROM 2006-2016	46
1-13	HISTORIC AND FORECAST SALES OF IRRADIATED MICROSPHERES FOR DIRECT INFUSION TO TREAT LIVER CANCER, MANUFACTURER'S SALES VOLUME AND MARKET SHARE FROM 2006-2016	50
1-14	HISTORIC AND FORECAST SALES OF ENDOVASCULAR BRACHYTHERAPY, MANUFACTURER'S SALES VOLUME FROM 2006-2016	54
1-15	FORECAST SALES OF BRACHYTHERAPY PRODUCTS FOR TREATING MACULAR DEGENERATION, MANUFACTURER'S SALES FROM 2010-2016	57
2-1	GROWTH OF BRACHYTHERAPY PROCEDURE VOLUME BY PRODUCT APPLICATION FROM 2008-2014	63
2-2	PROPORTION OF BRACHYTHERAPY PROCEDURES BY PRODUCT APPLICATION FROM 2008-2015	64
3-1	COMMON BRACHYTHERAPY ISOTOPES TYPE OF RADIATION AND TYPICAL HALF-LIFE	71
3-2	DIAGNOSTIC AND THERAPEUTIC ISOTOPES	74
5-1	COMPARATIVE ALLOCATION OF DIAGNOSTIC FACILITIES BY HOSPITAL BED SIZE IN 2008	123
5-2	COMPARATIVE UTILIZATION PARAMETERS FOR DIFFERENT IMAGING MODALITIES IN 2008	124
5-3	DISTRIBUTION OF HOSPITAL DIAGNOSTIC IMAGING PROCEDURES IN THE U.S. BY HOSPITAL BED SIZE IN 2008	126
5-4	RELATIVE PROCEDURE _m VOLUME FOR DIFFERENT IMAGING MODALITIES, PERCENTAGE RELATIONSHIP BY HOSPITAL BED SIZE IN 2008	127
5-5	RELATIVE ACTIVITY INDEX AMONG DIFFERENT IMAGING, MODALITIES PROCEDURES PER BED PER YEAR BY HOSPITAL BED SIZE IN 2008	130

