

## Quick Take

### BG Medicine — Outperform (1)

**BGMD: \$4.99**

### Quick Take: AMIPredict 510(k) Filed; Timing as Expected

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#### Analysts

**Doug Schenkel**  
(617) 946-3918  
doug.schenkel  
@cowen.com

**Shaun Rodriguez, Ph.D.**  
(617) 946-3929  
shaun.rodriguez  
@cowen.com

**Conclusion:** This morning, BG Medicine announced that it has filed a 510(k) application with the FDA for regulatory clearance of AMIPredict, the company's second cardiovascular diagnostic program behind the galectin-3 assay. The timing of the submission is in line with previous company guidance and our expectations. Although the fact that AMIPredict is an in vitro diagnostic multivariate index assay (IVDMIA) could make the process a bit more complicated, we believe clearance could be obtained in 2012. While a submission does not equate to a clearance, and a clearance does not equate to market success, we view the submission as important as, at this stage of development for BG Medicine, milestone timelines and cash control are arguably more important than revenues. The on-time AMIPredict submission is especially important after initial 510(k) submission for an automated galectin-3 test [through partners] had been expected by year end 2011, but was delayed to Q1:12 on the Q3 call.

According to this morning's press release, BG Medicine intends to discuss the results of the study (submission based on BiImage Study) and the market opportunity for AMIPredict by early February, potentially with Q4/2011 earnings.

**AMIPredict:** AMIPredict is a multi-biomarker (currently 7 proteins) blood-based test aiming to identify patients with a relatively higher risk of suffering a heart attack or stroke within the next two to four years, over conventional risk factor scoring, such as the Framingham Risk Score. The potential market for a test to aid in assessing risk of myocardial infarction (MI) or stroke in US alone is significant - there are an estimated 43MM men aged 50 or over and 40MM women aged 55 or over in the U.S. who may be at risk for developing vulnerable plaques. Assuming about 10% of these patients are relatively higher risk, this equates to about 80MM tests per year in the US.

We assume the 510(k) submission is based on use of AMIPredict on the Abbott ARCHITECT platform, which should provide a significant installed base through which to market AMIPredict, depending on the company's go-to-market strategy. Relative to galectin-3, AMIPredict carries better economics for BG Medicine and targets a larger addressable market but carries significant market / competitive risk. The strength of AMIPredict's label will be key to determining the true market potential for this test, and will of course be based on the perceived incremental clinical value provided by the test (based on data).

## Addendum

### STOCKS MENTIONED IN IMPORTANT DISCLOSURES

Ticker	Company Name
BGMD	BG Medicine

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(a) Assumptions: Time horizon is 12 months; S&P 500 is flat over forecast period.

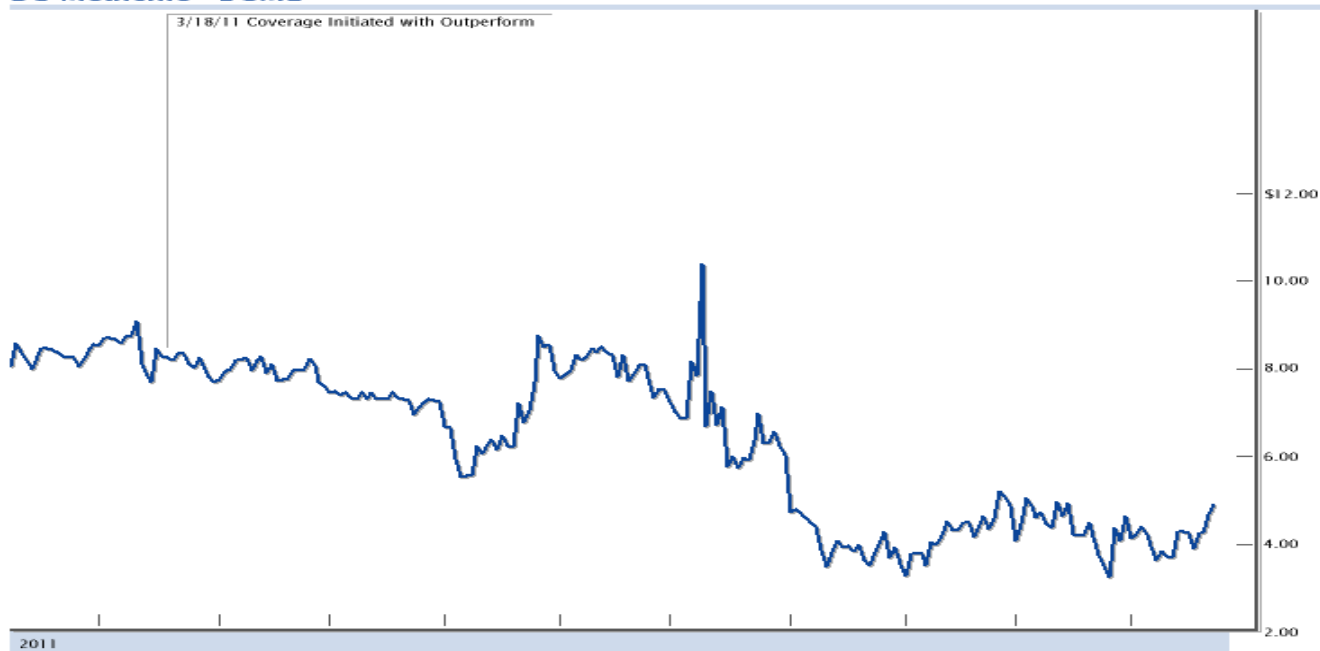
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**BG Medicine - BGMD**



Pricing data provided by Reuters America. Chart as of 12/23/11 in USD.