

MEDICAL INSIGHT



Mini Report

Facial Injectables: Maintaining Volume as the Economy Recovers

January 2010

i. Methodology

This mini report represents the fifth edition of Medical Insight, Inc.'s Facial Injectables Mini Report series. Like its predecessor, which was issued in April 2009, this report contains the latest industry news and updated market forecasts, which take into account recent technology, product, company, regulatory and other developments, as well as an in-depth analysis of the competitive positions of key players selling to both core and non-core aesthetic practices.

This Facial Injectables Mini Report was compiled from a wide variety of public and proprietary sources. Information was cross-checked against other data, using Medical Insight's proprietary forecasting models, and synthesized into both qualitative and quantitative analyses and projections.

Public sources that were utilized include:

- articles in trade publications, medical journals and regulatory documents
- articles in consumer magazines and newspapers
- company news releases, website information, patent documents, marketing materials and financial filings
- information from trade associations

Proprietary sources that were utilized include:

- Medical Insight's extensive databases of industry and product information
- Medical Insight survey data
- industry analyst reports
- exclusive interviews with and feedback from company executives, researchers, sales representatives, physicians, patients, consultants and other industry experts

ii. Disclaimer

Information in this study has been obtained by Medical Insight, Inc. from sources believed to be reliable. While Medical Insight believes the data provided herein to be accurate, no expressed or implied guarantees regarding accuracy or adequacy are made. Product and corporate data can change very quickly and without notice and Medical Insight continually updates its research products. Because of this, certain figures in Medical Insight reports may differ from corresponding figures in earlier reports, even if those reports were issued relatively recently. Furthermore, current economic conditions are contributing to a highly volatile market, in which actual results often diverge significantly from estimates developed by manufacturers, analysts and others, resulting in a revision of projections. Therefore, while Medical Insight will provide an explanation of figures in any of its reports, only the most recent reports contain Medical Insight's latest estimates.

This study is not intended as a substitute for proper due diligence. Although an attempt has been made to provide thorough coverage of the subject matter of this report, no guarantees regarding completeness or thoroughness are made. Medical Insight is not responsible for any errors, omissions, or results obtained from use of information provided herein.

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M.I.I Professional Biography

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Michael Moretti has served as a medical industry analyst and strategic advisor for more than 20 years. In 1993, Mr. Moretti founded Medical Insight, Inc., the leader in focused aesthetic market research offering comprehensive data on procedure volume/growth, revenue forecasts and new product introductions. Under Mr. Moretti's leadership, Medical Insight publishes global market studies and forecasts for major industry sectors such as facial injectables, cosmeceuticals, and body shaping procedures, skin rejuvenation technologies and home-use aesthetic products. Medical Insight also sponsors executive business forums throughout the year to address scientific developments and market trends for the investment community.

As an industry consultant, Mr. Moretti specializes in strategic business development projects and high-growth, emerging market segments. He provides custom reports and confidential market studies for a variety of clients, including global medical and pharmaceutical companies.

Mr. Moretti is also publisher and editor of *THE Aesthetic Guide* – a bi-monthly publication of Medical Insight featuring in-depth reports on new products, procedures and trends, reaching 50,000 physician, industry and analyst subscribers globally. Special editions of *THE Aesthetic Guide* address the European market and the Primary Care audience.

In 2007, Mr. Moretti debuted THE Aesthetic Show, the first multidisciplinary annual medical meeting designed to bring together new aesthetic procedures, products and technologies in a dynamic interactive educational format. For more information visit www.aestheticshow.com and www.miinews.com

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Section**1****Executive Summary**

The market for facial injectables continues to expand, both as a result of favorable demographics and the increasing supply of better, longer lasting and more natural looking products. Despite a steep economic downturn that has severely impacted other segments of the aesthetic market, injectables have weathered the storm relatively well compared with other market segments such as energy device treatments (hair removal, skin rejuvenation, etc.) and breast implants. Compared with Medical Insight's prior injectables report, issued in April 2009, sales estimates for neuromodulators are slightly increased while estimates for dermal fillers are moderately higher.

In 2008, the world market for neuromodulators reached \$731.0 million. Through the forecast period, total global sales are expected to rise by 12.3% per year, to \$1.3 billion in 2013. Allergan (Irvine, Calif.) led the market by a wide margin, although the company's reported BOTOX sales in the first nine months of the year are lower than the comparable period of the prior year.

Through 2013, worldwide sales of dermal fillers are expected to expand by 8.4% per year, on average, from \$759.9 million in 2008 to more than \$1.1 billion in 2013. Although Allergan also continues to lead this market, its dermal filler sales have also declined slightly in the first nine months of 2009.

In 2008, more than 6.5 million neuromodulator procedures were performed worldwide. This includes BOTOX as well as injections with other neuromodulators by the full range of practitioners who now offer treatment. By 2013, the total number of neuromodulator procedures is expected to exceed 11 million treatments, which will generate more than \$4.4 billion in total fees to physicians.

Procedure volume for dermal fillers will expand from 8.6 million injections in 2008 to more than 9.7 million in 2013, with total global treatment fees rising from \$4.8 billion to \$5.2 billion. Procedure fees will be influenced by increased competition from new products along with pricing pressure, as product safety and patient comfort (derived from products containing lidocaine) become ubiquitous.