



MEDICAL INSIGHT

Physician-Dispensed Topicals: Product Innovations Drive Growth

June 2011

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Medical Insight, Inc.
120 Vantis, Suite 470
Aliso Viejo, CA 92656 USA
+1 949-830-5409 telephone
+1 949-830-8944 facsimile
Email: mmoretti@miinews.com

M.I.I Professional Biography

Michael Moretti
President
Medical Insight, Inc.

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, topicals, 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 physicians, industry and analyst subscribers globally. Special editions of *THE Aesthetic Guide* address the European and Asian-Pacific market 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/or www.miinews.com

Contact Information:

Michael Moretti
Medical Insight, Inc.
120 Vantis, Suite 470
Aliso Viejo, CA 92656 USA
+1 949-830-5409 telephone
+1 949-830-8944 facsimile
Email: mmoretti@miinews.com
Or visit the Medical Insight website at: www.miinews.com

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i. Methodology

This mini report represents the fourth edition of Medical Insight, Inc.'s Physician-Dispensed mini-report series. Like its predecessor, which was issued in June 2010, 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.

Information in this report was compiled from a wide variety of public and proprietary sources. This 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, regulatory data, 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's recent surveys of aesthetic practices;
- industry analyst reports;
- exclusive interviews with, and feedback from company executives, researchers, sales representatives, physicians, patients, consultants and other industry experts

Executive Summary

Sold to patients from the physician's office or via the Internet, physician-dispensed (PD) skincare, eyelash and skin lightening products are growing quickly as both consumers and physicians increasingly understand the benefits of these products. Particularly as manufacturers continue to introduce ever more efficacious products incorporating advanced, new technologies, the products are viewed as a means to enhance office-based procedures and/or achieve results not otherwise possible. They also offer physicians an additional revenue stream which can be quite significant for offices with large re-order businesses.

In 2010, total global sales of physician-dispensed skincare products, eyelash growth products and skin lighteners, reached \$606.8 million. Through 2015, these total market sales will rise by 13.8% per year.

In 2010, global sales of physician-dispensed topicals, not including eyelash growth products and skin lighteners, reached \$324.1 million. Through 2015, growth is projected at 12.2% per year. These gains will be driven by a rebounding economy in which consumer spending on aesthetic products and procedures rises, as well as continued growth in the number of dispensing physicians and price increases.

Global sales of physician-dispensed eyelash products in 2010 are estimated at \$138.2 million. Through 2015, growth in this emerging sector is projected at 24.8% per year as usage of all products, and particularly Allergan's LATISSE, expands.

Total worldwide sales of physician-dispensed skin lightening products are estimated at \$173.5 million in 2010. Through 2015, growth in this emerging sector is projected at 12.2% per year as new products gain traction and usage of existing products rises.

Figure 1
Market Share for Leading Physician-Dispensed
Topical Brands,
2010

