



MEDICAL INSIGHT, Inc.

Skin Rejuvenation: Procedure Expansion  
Due to Consumer Demand

March, 2011

# M.I.I Methodology

This mini report represents the second edition of Medical Insight, Inc.'s Skin Rejuvenation mini report series. Its predecessor was issued in May 2010. It 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 in the skin rejuvenation marketplace.

Skin Rejuvenation 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 company executives, researchers, sales representatives, physicians, patients, consultants and other industry experts

Additionally, feedback from Medical Insight product information is continually built back into research products so that reports are updated with the most recent industry and market information on an ongoing basis.

**M.I.I Disclaimer**

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# M.I.I Professional Biography

Michael Moretti  
Editor and Publisher  
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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.<sup>®</sup>, 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 featuring in-depth reports on new products, procedures and trends, reaching 30,000 aesthetic practices in the U.S. In addition, *THE European Aesthetic Guide* and *THE Asian Aesthetic Guide* are each published two times per year and specifically addresses regional markets.

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 please visit [www.aestheticshow.com](http://www.aestheticshow.com) and [www.miinews.com](http://www.miinews.com).

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<b>Section</b>	<b>Executive Summary</b>
<b>1</b>	

While equipment sales slowed in the recession of 2008 to 2009, by early 2010 a mild recovery had taken hold and both consumer and business spending was improving. In fact, Medical Insight's latest Aesthetic Practice Survey, completed in December 2010, found that 79% of respondents expect their profit margins to either "increase a little" or "increase significantly" in the coming year. Part of the reason for this optimism is expected increases in patient volume. 59% of respondents said they expect average weekly patient volume to "increase a little" in 2011 and 18% said they expect patient volume to "increase significantly". New services will help drive expansion in patient volume; while skin tightening was the most frequently cited new procedure with 16% of respondents planning to add new equipment in this area in 2011, it was closely followed by light-based skin rejuvenation with 14% of respondents planning new equipment purchases.

In terms of installations, Syneron (Irvine, Calif.) dominated the skin rejuvenation market with 21.7% of all installed systems due to its recent acquisition of Candela; Candela's (Wayland, Mass.) total installed base for all applications consists of more than 14,000 devices. Lumenis followed with 10.4% share and Lutronic took third place with 10.2%.

Over the next five years, skin rejuvenation platform revenues will expand by 9.5% per year, on average, from \$308.7 million in 2010 to \$486.6 million in 2015. This is slightly lower than the CAGR of 9.9% predicted in Medical Insight's prior skin rejuvenation report, released in May 2010, and reflects a slower rate of capital equipment purchasing among physicians.

As the installed base of skin rejuvenation platforms increases, sales of disposables, such as handpieces, will also rise, growing from \$28.7 million in 2010 to an estimated \$43.3 million in 2015. While Solta Medical (Hayward, Calif.) dominated disposable sales in 2010, it is anticipated that some other developers will follow this model for future systems.

Although competition and weakened consumer spending will pressure treatment fees, as doctors increasingly utilize single-treatment ablative equipment, total procedure fees will rise from \$3.5 billion in 2010 to more than \$8.0 billion in 2015.

