

# MEDICAL INSIGHT



Mini Report

## Body Shaping and Cellulite Reduction: A Technological Renaissance

August 2009

## **i. Methodology**

This mini report represents the sixth edition of Medical Insight, Inc.'s Body Shaping and Cellulite Reduction Mini Report series. Like its predecessor, which was issued in January 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.

Body Shaping and Cellulite Reduction 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, 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;
- industry analyst reports;

- exclusive interviews with and feedback from company executives, researchers, sales representatives, physicians, patients, consultants and other industry experts

**M.I.I Disclaimer**

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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, 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 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](http://www.aestheticshow.com) and/or [www.miinews.com](http://www.miinews.com)

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

Many different technologies and devices are now used to reduce cellulite, tone and firm the skin, and reduce girth. Europe, in particular, has seen the introduction of dozens of new devices incorporating many different technologies. While consumer demand and product availability have expanded, however, a weak global economy is constraining practitioners' ability to purchase systems. Therefore, the sales forecasts in this report are lower than in previously predicted.

In 2008, the global market for all body shaping platforms reached \$284.8 million. Through 2013, the overall body shaping market (platforms) will expand by 11.7% per year, on average, to reach \$494.7 million. LPG (Miami, Fla.) led the market in dollar sales of platforms in 2008 with 18.7% of the market. This was attributable to the company's strong distribution into spas and salons, which are attempting to compete with the physicians who are now offering advanced body shaping procedures. Cynosure (Westford, Mass.) followed closely with 17.3%, much of which was related to sales of the new, premium-priced Smartlipo MPX. Syneron (Irvine, CA) took third place with 15.3% in sales of VelaShape and new LipoLite. Through 2013, however, new players such as Erchonia (McKinney, Texas) and Invasix Ltd. (Ontario, Canada) will emerge.

As in the market for light-based devices, some manufacturers of advanced body shaping systems are introducing systems that require the usage of a disposable component. While sales of body shaping disposables are estimated at just \$10.8 million in 2008, they will expand strongly through 2013 to reach \$86.9 million.

In 2008, almost 45,000 body shaping devices were installed worldwide. With more than 8 million procedures performed during the year, practitioners earned fees in excess of \$2.8 billion. Through 2013, the installed base of systems will rise to more than 54,000 units as physicians who did not offer body shaping increasingly purchase new, clinically validated devices as an adjunct to their growing aesthetic practices and some practices utilize more than one system. Assuming that 20% of new device sales each year will replace older,

retired units, this will result in procedure volume expanding to more than 14 million treatments in 2013 and fees rising to over \$6.0 billion.