



MEDICAL INSIGHT

Mini Report

Skin Tightening: Softening Demand in a Weak Economy

May 2009

M.I.I

Disclaimer

Information in this study has been obtained by Medical Insight, Inc. (Aliso Viejo, Calif.) 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. The interested reader is encouraged to contact manufacturers directly.

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.

Any use which a reader makes of this report or any reliance on or decisions to be made based on it are the sole responsibility of such reader. Medical Insight accepts no responsibility for damages, if any, suffered by any reader as a result of decisions or actions taken based on this study.

Medical Insight, Inc. reserves all rights to this copyrighted document. This study is protected by U.S. Copyright Law; Copyright 2009 Medical Insight, Inc. Unauthorized reproduction is strictly forbidden by law. This report may not be reproduced in part or in whole without written consent of a duly authorized officer of Medical Insight. Multiple copies of this report can be obtained at a nominal cost by contacting the publisher.

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
Editor and Publisher
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, 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 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

M.I.I. Table of Contents

Disclaimer		2
Professional Biography		3
Table of Contents		4
Table of Exhibits		5
Executive Summary		7
2.0	Background	8
3.0	Market Analysis	9
4.0	Market Forecasts	11
	4.1 Procedure Volume	16
5.0	Manufacturers Profiles	18
	5.1 Alma Lasers	18
	5.2 Candela	20
	5.3 Cutera	21
	5.4 Cynosure	22
	5.5 DermaMed	23
	5.6 Grupo Body Esthetic Laboratories	23
	5.7 HOYA ConBio	24
	5.8 Lumenis	24
	5.9 Palomar	25
	5.10 Primaeva Medical	26
	5.11 Pollogen	26
	5.12 Sciton	27
	5.13 Solta Medical	28
	5.14 Syneron	30
	5.15 ThermoMedic	31
	5.16 Ulthera	32

M.I.I.

Table Of Exhibits

Table 1: Leading Skin Tightening Devices, May 2009	9
Table 2: Global Installed Base of Skin Tightening Devices, March 2009	11
Figure 1: Market Shares of Top Skin Tightening Players, March 2009	12
Table 3: Global Sales of Skin Tightening Platforms, 2008 – 2013	13
Figure 2: Skin Tightening Platform Sales by Company, 2008 – 2013	14
Table 4: Sales of Skin Tightening Disposables, 2008 – 2013	15
Figure 3: Skin Tightening Disposables Sales by Company, 2008 – 2013	16
Table 5: Procedure Volume for Skin Tightening, 2008 – 2013	17

i. Methodology

This mini report represents the fourth edition of Medical Insight, Inc.'s Skin Tightening mini-report series. Like its predecessor, which was issued in October 2008, 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.

Skin Tightening 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

Section	Executive Summary
1	

Skin tightening remains an important new aesthetic procedure, although device sales are slowing in a soft economy.

In 2008, sales of skin tightening devices are estimated at \$56.9 million. Through 2013, sales are expected to rise by 10.3% annually to \$93.0 million, as physicians cut capital spending in response to economic fears. Solta Medical (Hayward, Calif.) accounted for the largest portion of annual sales of skin tightening platforms in 2008, followed by Alma Lasers (Buffalo Grove, Ill.) and Cutera (Santa Clara, Calif.). Over the forecast period, Ulthera is expected to capture a significant portion of sales as the company introduces its novel technology to markets throughout the world.

While disposable tips for skin tightening devices accounted for about \$47.5 million in 2008, they will rise by an estimated 21.3% per year to reach \$124.6 million in 2013. In 2008, Solta dominated the market for disposables related to skin tightening devices. The company benefited from a large installed base and was able to charge a relatively high unit price due to its low platform price - in 2008, Solta reported total disposable sales of \$41.3 million, representing 73% of the company's total sales. Through 2013, Solta is expected to retain its leading position as practitioners continue to expand beyond facial applications to body treatments.

As the installed base of devices rises and physicians increasingly offer skin tightening both as part of a program of facial treatment and as a stand-alone treatment, procedure volume will rise from 668,100 procedures in 2008 to almost two million treatments in 2013. Although treatment fees will decline on rising competition and pricing pressure in a soft economy, this decrease is expected to be relatively low due to the high demand for this novel procedure. Therefore, total fees earned by physicians will increase from \$968.7 million in 2008 to almost \$2.4 billion in 2013