

Newslinks for the week of February 18th:



Cosmetic surgery market stands firm

Economic belt-tightening hasn't slowed down sales of implants, Botox or laser surgery - so far.

By Aaron Smith, CNNMoney.com staff writer

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NEW YORK (CNNMoney.com) -- The current economic downturn could give a nip and tuck to the \$10 billion cosmetic surgery market, but simple consumer vanity may outweigh recession fears.

"If [consumers] aren't feeling good about the finance and the economy, they'll want to feel good about how they look," said Anthony Vendetti, analyst for Maxim Group, who believes baby boomers will continue to spend big bucks searching for the ever-elusive Fountain of Youth.

If financial sacrifices have to be made, he said, many luxury consumers will eschew that new fur coat or leather jacket in favor of breast implants or laser surgery. At the very least, they'll keep up their Botox and Restylane shots, he said.

Best face forward

Analysts believe the facial aesthetics market, which is dominated by Allergan Inc., ([AGN](#)) Medicis Pharmaceutical Corp. ([MRX](#)) and Artes Medical ([ARTE](#)), is the best-positioned to succeed in the face of a market downturn. Patients will continue getting regular shots of Botox and Restylane and the various dermal fillers because they won't want to go back to the way they looked before.

"You get used to the way you look, and that's a big deal for the demographic," said Jose Haresco, analyst for Merriman Curhan Ford. "It's an incredibly effective dynamic."

Haresco called Allergan "one of the best-run companies out there," armed with an effective franchise combining Botox and Juvederm. Allergan's products compete directly against Medicis' Restylane and Artes' ArteFill. Juvederm, Restylane and ArteFill are

dermal fillers, while Botox is an injectable toxins that smooth wrinkles by temporarily paralyzing facial muscles.

Botox [hit a bump on Feb. 8](#), when the Food and Drug Administration linked the product to side effects that caused deaths in some children being treated for cerebral palsy. In these cases, Botox, and a similar product from Solstice Neurosciences were being injected into the legs of children to calm spasticity. But the use is not FDA-approved and represents a small part of overall sales.

An Allergan spokeswoman said the children were receiving much larger doses of Botox than the adults who inject it into their faces for cosmetic purposes. Allergan and Solstice also said their products had not been proven to cause the side effects.

A slowdown in sales growth

Allergan's stock has fallen 5% since the FDA announcement. But Aaron Gal, analyst for Sanford C. Bernstein, said the problems with the off-label usage are unlikely to have any lasting affect, unless the FDA decides to take further action.

The outlook isn't as firm for the breast implant market, owing to relatively high product costs and a crowded field.

Breast implant sales have surged dramatically since November, 2006, when the FDA lifted its 14-year ban on silicone. The material is generally considered more consistent and able to maintain a more normal-looking shape than saline, but it was outlawed in the U.S. because of rupturing concerns. The FDA later determined silicone was safe enough.

The implant market is dominated by Allergan and Mentor Corp. ([MNT](#)) Julie Schumacher Hoggatt, analyst for Noble Financial Group, said she rates Mentor's stock a "hold" because its breast implant procedure costs \$7,000, which is prohibitive to many consumers, compared with cosmetic procedures that cost hundreds of dollars, she said.

Haresco of Merriman Curhan Ford recently downgraded his rating on Mentor's stock to "neutral" because of Allergan's dominance.

"While Mentor may ultimately benefit from a turnaround in the economy somewhere down the line, sequential quarterly losses in market share have convinced us that it will be difficult to out-muscle Allergan's marketing capabilities in the near-term," he wrote in a Feb. 1 note to investors.

Allergan's chief executive David Pyott expects implant sales for his company to grow up to \$350 million in 2008, compared to \$300 million in 2007, which was up 68% from the year before.

But sales are driven by the cost of the more expensive silicone implants, rather than volume, which has been decreasing year over year, said Haresco. But the higher prices should continue to drive sales through 2008, he said.

For consumers faced with a recession, the up-front cost is measured in thousands of dollars instead of hundreds, as with Botox. "I think that implant sales will continue to go up, and they are showing growth, but I believe that growth will be tempered by the economy and consumer confidence," said Vendetti of Maxim Group.

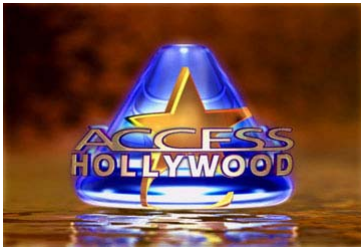
The high cost of technology

Laser surgery, which is dominated by companies such as Palomar Medical Technologies ([PMTI](#)), Cutera Inc., ([CUTR](#)) Syneron Medical ([ELOS](#)), Candela Lazer Corp., ([CLZR](#)) and Cynosure Inc. ([CYNO](#)), faces a tough challenge in the vanity industry because of the high price of the machines, which range from \$40,000 to \$200,000. Doctors often lease the machines instead of buying them. But the current credit crunch could make it more difficult for doctors with shaky finances to lease them.

Consumers will continue to spend money on laser treatments, said Vendetti of Maxim Group, though their spending habits will change. A recession might actually boost the popularity for low-cost procedures, he said, such as \$150 for a hair removal, but consumers would be less enthusiastic about spending \$5,000 on a full-body cellulite treatment.

Many analysts are projecting that the recession could be over by 2009. Cosmetics companies had better hope they're right.

"If we go into a protracted recession, all bets are off, and even the low-cost laser procedures could get crimped," said Vendetti. ■



Fountain Of Youth: How Stars Like Martha & Madonna Stay Looking Young

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For the next two weeks, Access Hollywood will be showing you the extraordinary measures stars are taking to stay looking young.

"It's this gel and it's made from like goat testicles or something," Patricia Heaton said of her favorite personal beauty secret.

"I sleep a lot," Ellen Barkin told Access Hollywood.

"I don't like sleeping that much," Martha Stewart revealed.

So what does the domestic goddess do? Ivengar Yoga!

"It's the one hour a day that I don't think about other things," Martha said of her time on the mat.

Another yoga fan, Madonna, stores her secrets in her scalp — via acupuncture.

Acupuncture needles are the new youth preservers, but plenty of people do preserve their youth through other kinds of needles.

"The easiest treatment [has] now become the most popular drug in the world and that is Botox," Dr. Everett Lautin told Access Hollywood.

But injections may soon become a thing of the past.

Infrared skin resurfacing is a trend quickly taking off.

"This is the wrinkle killer," Dr. Lautin said. "I have had some patients in their mid 50's, late 50's that have been carded."



Filler Fix

Top 5 Fillers for Younger Looking Skin

Peggy Pico, NBC 7/39 Medical Reporter

POSTED: 11:28 am PST February 19, 2008

There are now dozens of ways to erase your wrinkles. One of the most popular is with a filler -- but how do you know which one is right for your face?

There are a dozen FDA approved wrinkle treatments on the market.

"Each one is designed to work best on different areas of your face," said cosmetic surgeon Johan Brahame. "There are some that work better in the lips and some that are better in the nasal labial folds."

To help sort all this out, NBC 7/39 medical correspondent Peggy Pico investigated the top five wrinkle fillers to show you which ones work best, how long they'll last, and the price you'll pay for younger looking skin.

First is **Artefill**. It's the first permanent filler and is typically used on deep folds between the nose and mouth. It is the longest lasting filler, lasting up to five years. It's also the most expensive at about \$1,500 a treatment. Also, if there's a problem it's hard to reverse; you actually have to surgically remove it.

Second is **Cosmoderm** and **Cosmoplast**, which are temporary fixes. Both treat scars and fine lines around the eyes. Results last just three to four months and cost between \$350 and \$500.

Coming in third, the most popular and commonly used fillers in America: **Juvederm**, **Restylane**, and **Perlane**. All of them share the same ingredient: hylaronic acid, which binds water up to a thousand times its weight. It'll plump lips and fill in deep folds and lasts about six months to a year. The cost: \$500 to \$700.

Fourth is **Radiesse**, which is made from bone. It fills in large areas on the face, hands, and feet. The results last up to two years and costs around \$800.

Rounding out the top five is **Sculptra**. This filler is mainly used in large areas like the cheek or hands. The results last one to two years and will set you back about \$1,200.

But what about **Botox**? While it is used to reduce wrinkles it's not a filler. It blocks muscle activity, so when the muscle doesn't move neither will the skin, so wrinkles temporarily relax. Botox works best for lines in the forehead as well as crows feet, but since it's not a filler, consumers cannot really use it around the lips, Brahmae said.

Before getting any treatments, consumers should make sure it's FDA-approved and that a skilled person is injecting it.

INDYSTAR★**COM** Indiana's No. 1 local media site
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Baby boomers fuel 'body work' industry

From Botox to surgery, 800+ providers bring 'youthful appearance' to forefront

Physicians, tourism gurus and business experts say Hamilton County is becoming a draw for services that cater to a growing population of wealthy and well-educated baby boomers wanting to age with grace.

John Aker and his medical partners in 2000 decided to change their plastic surgery practice from reconstructive to cosmetic, and they also moved their practice, Sando Jones Aker Cosmetic Plastic Surgery, from Indianapolis to Noblesville.

Aker said the move was strategic. The market in Hamilton County, he thought, would be well-suited to that kind of practice.

He was right: Aker's business has seen a steady growth in clientele over the years.

He's not the only one finding a niche in the market.

Places that provide "body work" from Botox injections to LASIK eye surgery have cropped up across the county as the baby boomer population has grown, along with the number of medical facilities which provide a place for surgeons to perform their services.

Those in the business say the county's demographics make it a place they can establish a successful practice.

A new Indiana University report, "Workers Needed: Please Apply by 2025 -- The Changing 25-to-54 Age Group," highlights a 1.7 percent decline in Indiana over 2005, but Hamilton County and four other metropolitan Indianapolis counties will buck that prediction. Hamilton County is projected to add the most of any Indiana county, 54,356 employees in the age group, the report says.

"The population in Hamilton County continues to have a lot of growth, and the growth is probably in that baby boomer category," said Debra Bergman, who opened Carmel Cosmetic and Plastic Surgeons in August 2006. "The baby boomer population is more in tune with their overall health. They want to maintain their youthful appearance."

A 'booming' market

No one group tracks this portion of the health services industry in the county, but on the whole that sector boasts 808 businesses countywide. Nationwide, more than \$11.3 billion was spent on cosmetic procedures in 2006, according to the American Society of Plastic Surgeons.

Of the local health services businesses, more than 700 have fewer than 20 employees, according to the Hamilton County Alliance.

Even with all the competitors, those who provide the services say business is thriving.

The Lafayette-based United Laser Clinics opened a Carmel Drive branch more than a year ago. It provides services such as skin rejuvenation treatments performed with a medical laser.

Since January 2007, the clinic has tripled its clientele, said manager Brittney Crane.

"The very interesting thing is you can throw a stone and hit several of our competitors," Crane said. "It's a huge, growing industry."

That growth is fueled largely by baby boomers, who this year will turn between 44 and 62 years old.

According to the plastic surgeons group, 45- to 54-year-olds accounted for 45 percent of patients in 2006, with about 5 million boomers getting procedures from liposuction to chemical peels.

Another 2.9 million, or 26 percent of patients, came from the 55 age group and older.

In Hamilton County, the 45 to 59 age group accounts for 51,467 residents, roughly a fifth of the population.

Experts say that group has the money to spend on these types of treatments, some of which can range in the thousands and come out of pocket.

That could be particularly true in Hamilton County, where the median household income was \$78,930 among U.S. counties in 2005, according to the county alliance.

"We're considered more affluent in this area with possibly more disposable income," said Sharon McMahon, president of the Noblesville Chamber of Commerce. "That would attract these kinds of businesses."

Lydia Pelly, one of Aker's patients, is part of the boomer category. The Fishers resident and dietician got a tummy tuck as a gift to herself for her 50th birthday.

Pelly paid \$8,500 for the procedure with money she'd saved from teaching online nutrition courses, and she said the splurge was worth it. She dropped four sizes after removing 15 pounds through the procedure.

"When your clothes fit and your husband says, 'You look hot,' at 50 years old, it really makes you feel good," she said.

The bottom line of service

Beyond the services' impact on people like Pelly, they also bring dollars and jobs to the area.

Health-related services are among the fastest-growing job sectors in the county, accounting for about 13,500 employees, said Jeff Burt, president of the county alliance.

Burt said more medical complexes are being developed across the county, with many attracting these types of services.

Two offices in Lauth Property Group's pair of medical buildings on North Meridian Street in Carmel have two tenants in this vein: a plastic surgeon and a medical spa. That's one of the niches they're courting to occupy additional space.

"It's a huge side of the business right now," said Lauth spokesman Marc Lotter.

Hotels also are seeing the benefit.

Matt Hohenstreet, sales and marketing director for Doubletree Guest Suites in Carmel, said his hotel serves out-of-town clients who come to the area specifically to get procedures such as plastic surgery.

Trends like these are prompting tourism officials to add medical-related options to the list of reasons to visit the county, an initiative that Brenda Myers of the Hamilton County Convention and Visitors Bureau said will be part of her group's survey this year.

Meanwhile, as the number of medical facilities, such as hospitals, grows in the county, it spawns more of these services.

Aker, for instance, is moving his practice from the Noblesville location to North Meridian Street in Carmel this month, in part because the abundance of hospitals there makes it easy to find a place to perform surgery.

And as long as clients like Pelly are around, Aker's business will continue to thrive.

She has talked about going back for a breast lift.

"People don't frown upon cosmetic surgery anymore," Pelly said. "Fifty is the new 40, and I don't look 50."

WJLA – ABC News (DC)

Popular New Gift Idea: Fountain of Youth

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A popular new gift idea in Washington could leave some recipients speechless because it's the gift of beauty, but it doesn't involve makeup or perfume.

Vikki Roth is positive her friend is going to be thrilled with the birthday present she bought this year. It's a gift card for cosmetic procedures. "How many perfumes and makeup can you have and everybody likes to treat themselves with something different."

Roth isn't the only one standing in line for the cards. "It's definitely become more popular," said dermatologist Dr. Marilyn Berzin.

Most gift card buyers are women like Roth, treating their girlfriends or men purchasing for their wives, but something they're bought for parents, siblings or even curious husbands.

"A number of women have had procedures done and look so great that husbands then come in to get similar procedures," said Berzin.

Doctors say botox, microdermabrasion and laser hair removal are topping gift card users' lists so far, especially when the proof isn't on their credit card bills. Roth says most women she knows are getting cosmetic work done and she's glad her friend will be able to use the gift card anything and for any procedure she wants.

"I don't think I'd give it to someone to say you need it, but when you know your friends are doing it, it's something that's going to be appreciated."

Even though most cosmetic procedures involve possible complications and risks, clients continue to buy gift cards. Doctors suggest that may be because the people purchasing the cards are the ones who have already had work done.