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Press Release

U.S. Fertility Clinics & Infertility Services Market Tops \$4 Billion, But Recession Damps Demand

August 4, 2009: Marketdata Enterprises, Inc., a leading independent market research publisher covering service markets since 1979, has released a new 191-page report entitled: **U.S. Fertility Clinics & Infertility Services: An Industry Analysis**. This market study investigates demand for and the dollar value of the services of: fertility clinics, sperm banks, egg donors, fertility drugs, and surrogacy programs. It's a controversial and largely unregulated niche healthcare sector that has received lots of recent publicity via the "OctoMom" case. The study estimates industry revenues from 1988 to 2013 Forecast.

"The "baby business" is booming, catering to the needs of millions of infertile couples, both in the United States and abroad. Many women have delayed childbirth to pursue careers and are in need of assisted reproductive technology (ART) procedures such as IVF to get pregnant. However, the high price deters many, with the result that this becomes a luxury for affluent, educated Caucasian women. Each IVF cycle costs \$12,000 and most require several cycles. Since only 14 states mandate insurance coverage, this is paid out of pocket..", according to Research Director, John LaRosa.

Major Findings:

- **Market Value...** Marketdata analysts estimate that the U.S. infertility services market reached **\$4.04 billion in 2008**. The recession has impacted this business, especially in states suffering from bad real estate markets (CA, NV, AZ, FL). IVF is an elective and costly procedures, paid for with disposable income out-of-pocket.
- Marketdata analysts forecast that IVF procedure volume will decline by about 5% in 2009. Stronger growth for IntegraMed clinics, which represent about 25% of the industry's volume, will partially offset weakness in the other 75% of the market. We should see prices discounted and more package deals offered. This decline in IVF volume should translate to lower growth for fertility drug sales as well. **Marketdata forecasts that the value of the market will contract by 5%, to a value of \$3.84 billion this year.**

More...

- ART now produces more than 50,000 babies per year in the U.S. via 142,000 IVF procedures (nearly tripled since 1999), and demand is growing from the ranks of 7+ million infertile women. There are 483 U.S. **fertility clinics**, 100+ **sperm banks**, an unknown number of **egg donors**, and 1,700 **reproductive endocrinologists** competing for the business, which is lucrative.
- The global market for fertility drugs tops \$1 billion, controlled largely by Merck Serono.
- Studies indicate that up to 15% of couples of childbearing age of 20-44 in the United States are clinically infertile (about 15% of women and 10-15% of men).
- Only one corporate “chain” of fertility clinics, IntegraMed, exists, as most programs are run by small MD practices or are part of a hospital or University. IntegraMed operates 33 clinics, and its revenues grew from \$112 million to \$138 million from 2006-2008 – a strong 22.7% gain over two years. New patient visits rose 29.8% over the two-year period. However, not all fertility clinics fare as well.
- The typical or “average” U.S. fertility clinic has revenues estimated at \$3.2 million.
- ART is not regulated by the federal government and only lightly supervised by state agencies. Since 1978 - when the world's first IVF baby, Louise Brown, was born in England – more than 3 million ART babies have been born worldwide, and some experts and ethicists fear the field's rapid expansion leaves too much room for abuses.

“Women who use infertility services are more likely to be Caucasian, college educated, older than 30, have higher incomes, and never have given birth or been married. This market is largely untapped. The overwhelming share of about 75% of fertility's potential customers are not yet buying the product or service: only 15% of infertile women in the United States have used fertility drugs; only 5.5% have employed artificial insemination, and only 1% have tried IVF. If fertility services followed a different model, one that implemented lower prices and a some regulation, the market would be significantly larger.”, according to Research Director, John LaRosa.

More...

Estimated Size of the Fertility Services Industry (\$ Millions) - 2008

Procedure or Service	Number of Procedures	Average Cost	Estimated Market Value (\$ millions)
Diagnostic			
M.D. Office Consultations, new patients	384,000 #	\$324	\$124
Semen Analysis	1,560,000	\$125	195
Hormone Evaluations	1,560,000	229	357
Laparoscopic chromopertubation ("lap and dye", confirmatory)	?	?	?
Therapeutic Approaches			
Tubal Reversal Surgeries	20,000	10,116	202
Assisted Reproductive Technology			
IVF Procedures	142,415	12,000	1,709
GIFT (gamete intrafallopian transfer)	1,400	11,000	66
Genetic Testing	NA	NA	NA
Fertility Drugs	NA	\$2,000*	1,128
Donor eggs	NA	\$4,500	37
Donor sperm	NA	\$300	74
Surrogate carriers	1,200+	\$30-120,000	27
Grand Total			4,039

NA – Data not available. * per IVF cycle

- Marketdata's phone surveys determined that a typical clinic has 16 new patient visits per week, or 800 per year

Source: Marketdata estimates, based on proprietary mail and phone surveys, the CDC, company annual reports, interviews with leading company management.

Editor's Note: **U.S. Fertility Clinics & Infertility Services: An Industry Analysis**, August 2009, is an independently researched study that is 191 pages long, has 53 Tables, and costs \$1,895. It is also sold by individual chapters. Free brochure and table of contents available. John LaRosa available for interviews. Contact: Marketdata Enterprises, 8903 Regents Park Drive, Suite 120, Tampa, FL 33647. (813-907-9090). Email: marketdataent@yahoo.com

A 16 pp. Overview summary available to the public for \$79, at: www.marketdataenterprises.com.