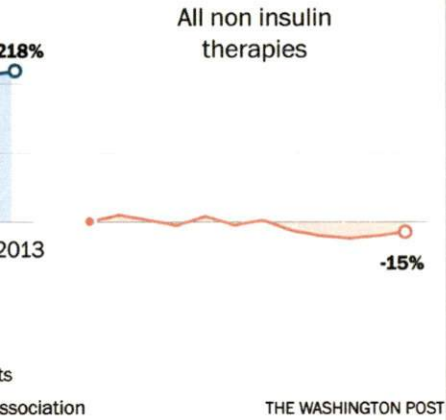


Increased faster than other

Prices skyrocketed, driven by price hikes and...
 spending was more than all other diabetes



The net price is the real price for product and the list price is what we pay at point of sale. Between these two amounts are the PDM "incentives" for tier status on formularies and incentive for success in obtaining status.

The public justification for increases have been R&D and better product... but we have realized very little actual improvement of efficacy or quality of product in 50 years.

This does not explain lockstep increases where there should be competitive decreases.

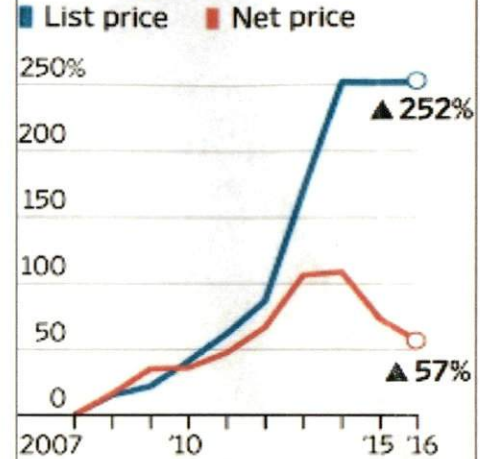
Rebates and Discounts are not realized by consumer but by PDM's and insurance.

H

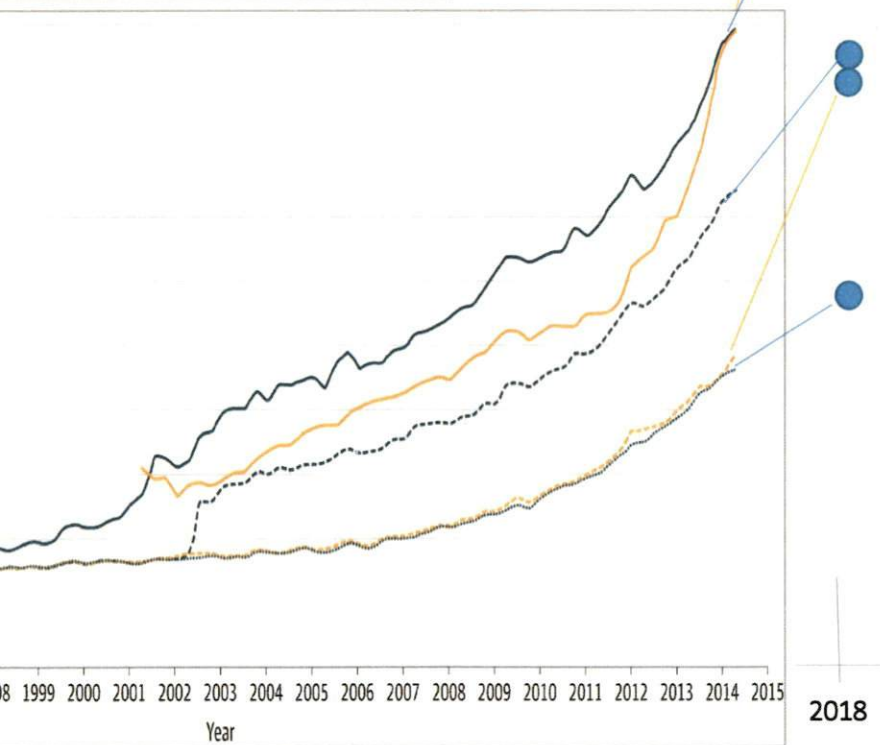
Pricing Pressure

As the list price for Sanofi's Lantus insulin has soared, the net price has risen much more modestly.

Percentage change since 2007



Sources: Truven Health Analytics (list prices) and Bernstein (net price estimates) THE WALL STREET JOURNAL.



Soaring prices

The price of two popular insulins made by Eli Lilly has skyrocketed over the past two decades. The list price of Humalog—a fast-acting insulin taken before meals—has shot up 1,157 percent, while the list price of Humulin, an intermediate insulin for between meals and overnight, has increased 799 percent.

