



8 December 2017

PHARMAC FUNDING OF BLOOD GLUCOSE/KETONE METERS FROM 1 FEBRUARY 2018

Dear Sir/Madam,

Following the award of the PHARMAC contract for CareSens blood glucose meters and test strips in November 2017, we are writing to advise you of changes in products and price.

Pharmaco (N.Z.) Limited ('Pharmaco') has made a significant contribution in lowering the per unit cost price to enable wider access to blood glucose meters for people with diabetes in New Zealand. We are now following a PHARMAC process which will lead to a reduction in the price of CareSens N and CareSens N POP meters; and the introduction of new CareSens N Premier and CareSens Dual meters from 1 February 2018.

Leading up to this, you will be able to purchase the CareSens range of meters at the new price from 12 January 2018. Please refer to the table below for a comprehensive list of price changes.

Pharmacode	Products	Reasons	Current price	New price
2403137	CareSens N meter	Existing product price change	\$20.00	\$10.00
2403145	CareSens N POP meter	Existing product price change	\$20.00	\$10.00
2403153	CareSens N test strips	Existing product no price change	\$10.56	\$10.56
2535416	CareSens N Premier meter	New Product	-	\$20.00
2535408	CareSens Dual Meter	New Product	-	\$20.00
2535424	CareSens PRO test strips	New Product	-	\$10.56
2535432	KetoSens test strips	New Product	-	\$15.50
2403129	CareSens II meters	Existing product - will be delisted after 31 st July 2018	\$20.00	-
2422662	CareSens test strips	Existing product - will be delisted after 31 st July 2018	\$10.56	-

Pharmaco will not be providing customers with price support for existing meters and therefore suggests that where possible wholesalers and distributors should run their stock holdings down from now until 31 January 2018 to minimise any potential exposure.

We appreciate your support as we transition the new contract into the New Zealand market and should you have any queries regarding this, please do not hesitate to contact us.

Yours sincerely,

Anthony Mitchelson
Head of Finance and Commercial Operations