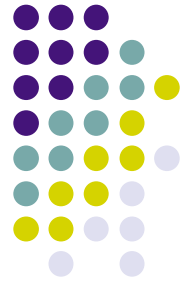


# iPhone® / Smartphone Use in Diabetes



- Question- How many People with Insulin-dependent Diabetes have and use Smart Phones (particularly Apple's iPhone® ) ?
- Answer- More than one might think (over 1 million people by the end of the year {2009} in the US).
- Details follow...



## Market Analysis

### Cell Phones in US

- 270M US wireless Users {8 yrs. ago – 100M}  
(Source: WSJ 7/7/09)
- 78% all Americans have cell phones  
(Source: IT Facts, 1'09)
- 82M AT&T wireless Users  
(Source: WSJ 7/7/09)
- 18% US Households are wireless only  
(Source: USAToday 7/7/09)





## Market Analysis

### Switching from traditional cell phones to smart phones is accelerating:



Worldwide mobile phone sales Q1'09= 269 million  
- 9.4% **decrease** from Q1'08

Smart phone sales worldwide > 36.4 million units Q1'09  
- 13.5% of all mobile sales  
- 12.7% increase from Q1'08

(Source: Gartner 5'09)

U.S. smart phone market growth:

- + 68% in '08
- +20% in 2009
- +25% in 2010

(Source: IDC, 2009)

Estimated US smart phone market share of all mobile (20%, July '09)  
If rate of swapping continues will hit 50% SOM by yr. end '10



## Market Analysis

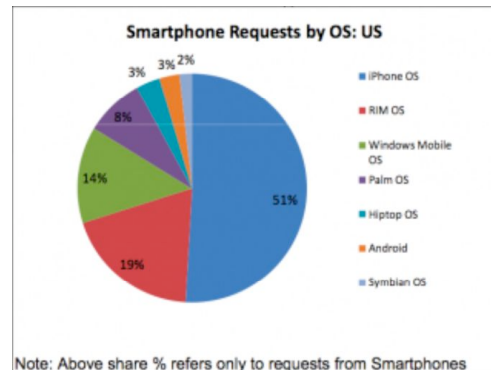
### iPhone dominates smart phone web traffic and SOM is growing:

iPhone OS = 69% US web traffic May '09 (v. 51% Feb.'09)  
- (14pt. SOM gain in 1 Q)

RIM's BlackBerry 13% May '09 (v. 19% Feb.'09)

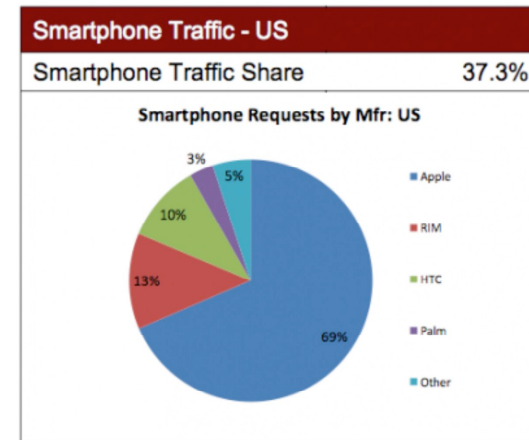
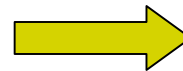
Microsoft's Windows Mobile 10% May '09 (v. 14% Feb.'09)

(Source: AdMob, Fortune 7'09)



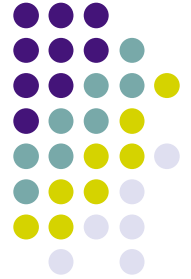
Source: <http://analytics.admob.com/>

Feb.'09



Source: <http://analytics.admob.com/>

May'09



## Market Analysis

### **iPhone dominates smart phone unit market and SOM is growing:**



- 2 M people in the US in Q4 '08 bought iPhone via just AT&T
- Apple has placed 40M iPhones/iPhone Touches
- 1B ap downloads from Apple Store just in 1st Yr.  
(Source: VentureBeat.com; USAToday 7/7/09)
- Estimated 75% share of Smart Phone Market in US (July'09)



## Market Analysis

### Cell phone use amongst Insulin-dependent people with Diabetes:



#### 5M+ Insulin-Users in US:

- 24 Million in US have diabetes, 8% of population  
(Source: CDC 2007)
- 65% are diagnosed= 15.6M  
(Source: NIH stats, 2007)
- 33% are on insulin = 5.2M insulin dependent diabetics in US  
(Source: National Diabetes Clearinghouse, 2007)



## Market Analysis



### iPhone penetration amongst Insulin-dependent people with Diabetes:

- 5.2 M Insulin Users in US x 78% cell phone use x 20% smart phone penetration x 75%  
iPhone SOM= **608,000- July '09 est.**

- 5.3 M Insulin Users in US x 78% cell phone use x 35% smart phone penetration x 80%  
iPhone SOM= **1,164,000 - Mar. '10 est.**