



TESTIMONY OF RON TILLES
INTERIM CHIEF EXECUTIVE OFFICER
TURING PHARMACEUTICALS LLC

Before the
SENATE SPECIAL COMMITTEE ON AGING

Hearing on
DRUG PRICING PRACTICES

March 17, 2016

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Thank you, Chairman Collins, Ranking Member McCaskill, and distinguished Members of the Committee. I'm pleased to appear here today at your request.

I am currently the interim CEO of Turing Pharmaceuticals and chairman of its board. In my role as interim CEO, my primary responsibilities include interacting with investors, addressing issues related to the expenses of the company, and identifying new strategic opportunities. Our focus remains to invest in treatments for neglected diseases and to dedicate our revenues to research and development.

I oversee the day-to-day affairs of Turing with the assistance of Turing's senior management, including Nancy Retzlaff, who is Turing's Chief Commercial Officer, and Dr. Eliseo Salinas, who is Turing's President of R&D.

I graduated from Middlebury College and received an MBA from Columbia University in 1985. I have held various positions at investment firms over the years, but in the last ten years I have primarily focused on startups.

One of those startups was Retrophin, in which I was an early investor. I became a consultant to the company with a focus on business development.

I then joined Turing, another startup, with a similar focus on acquisition strategy and raising capital. I was the point of contact with Impax during the negotiation for the purchase of Daraprim[®]. I did not, however, develop the valuation models for the deal or analyze the issues relating to pricing of the drug.

As the Committee is aware, Martin Shkreli resigned as the CEO of Turing last year. He has also since resigned from Turing's board. He continues to be a shareholder in the company but is not involved in any of the day-to-day operations of the business.

When I took over as interim CEO, I assumed leadership of a company facing critical challenges. I am working diligently to address those challenges in concert with our executive team. Please note that we are still a young startup trying to address the issues that face all new companies.

My responsibilities as the interim CEO do not include primary oversight of drug pricing, marketing, sales, or distribution. I do not manage patient access matters or our patient assistance programs, which Turing funds in order to ensure that all patients who need Daraprim can get the drug regardless of their ability to pay.

For those matters, I rely on our talented and experienced Commercial team under the able leadership of Nancy Retzlaff. She has more than 20 years of experience in the pharmaceutical industry, including positions as the senior marketing officer for several large, established drug companies.

It's important to note that we have put in place discounts and support programs that mean ability to pay should never be a barrier to access. For example, two-thirds of Daraprim sales are to Federal and State health programs that pay Turing *one penny per pill*. In addition, we fund a patient assistance program that offers Daraprim free of charge to qualified, uninsured patients. For insured patients, we provide co-pay support and fund a bridge program to provide a supply of Daraprim at no charge if there are delays in coverage.

I am not a scientist or a medical researcher. Although I do not personally manage Turing's R&D programs, I want to ensure that Turing is fulfilling its commitment to invest in research into new and improved drug treatments, including for toxoplasmosis. For this effort, I rely on Dr. Eliseo Salinas, who is a highly respected and experienced life sciences executive and medical researcher.

I have complete confidence in the experience and expertise of my team.

All of us at Turing are working hard to uphold Turing's commitments to research and development and to patient access, even while we face critical challenges from the negative publicity surrounding our former CEO. The revenues generated by Daraprim are primarily used to fund R&D. I am very proud of our R&D efforts and my team's commitment to innovation.

We are pleased to cooperate with the Committee's inquiry, and I look forward to answering your questions.

Thank you, Madame Chairman.