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MDRABAR/JM

December 1, 1982

Dear

I know you are aware of the commitment Travenol has made over the years, and continues to make in support of efforts to provide appropriate quality and quantity of treatment for patients affected by haemophilia.

First and foremost we have invested large amounts in both research and development and in manufacturing plant and equipment, so as to support the National Blood Transfusion Service and The Blood Products Laboratory in pursuit of the objective of "self sufficiency" in provision of all blood products. Most recently, in this regard, the development of new types of Fenwal blood packs (made here in Thetford) and the fabrication of special processing machinery (now installed at Blood Products Laboratory - Elstree), are beginning to assist the efforts of the Transfusion Service and Blood Products Laboratory to move toward the ideal of provision of sufficient Factor VIII concentrate for all UK needs from the source of plasma available through our excellent Voluntary Blood Donor Service.

The more "traditional" forms of Fenwal Blood Packs have been in use by the BTS for many years, and to support the short term requirement for increasing amounts for material to treat haemophiliacs, since 1972 Hemofil has been imported from our fractionation plants in the U.S.A. and Belgium. Hemofil was the first product of its type licenced for sale in Britain. Hemofil remains available today, and a very considerable Research and Development budget continues to be directed to improve the safety and the efficacy of Hemofil and a variety of preparations to support the treatment of coagulation disorders.

In 1979 we developed and introduced Hemofil II. This intermediate Factor VIII concentrate was produced solely for sale in Britain and we have offered it here at competitive prices in response to the continuous pressure for budgetary constraints in the NHS at a time when consumption of products for the treatment of haemophilia has been growing. Regretably (I

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Directors:
A. W. Barrell (Managing)
W. H. Gantz (USA),
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W. D. Davey (Company Secretary)

Registered Office as above Registered in England No. 461365 believe) the fierce price competitiveness which has developed in the provision of commercially produced Factor VIII concentrates has resulted in a position wherein Hemofil II has become literally uneconomic. We have been forced to review our participation in this particular product area, (but as part of our overall commitment to the field of haemophilia care, not in isolation). Accordingly, we have take the following decisions:-

- Continue investing Fenwal resources to assist accelerated movement toward self-sufficiency for Factor VIII supply (plasma collecting pack development and processing equipment).
- o Continue to import Hemofil highly purified concentrate; to hold stocks and to provide any quantities which might be demanded (there is ample production capacity).
- Once existing contractual arrangements are fulfilled (and all will be honoured) and current stocks sold out, delete Hemofil II (intermediate purified concentrate) from the product list. We will not produce further batches of Hemofil II.

Myself, Joe O'Sullivan, Derek Thompson, and other members of the Travenol Management group are available to discuss this matter with you if you would like this. We thank you for the support and encouragement you have afforded us through the years.

With kind regards,

Yours sincerely,

A.W. Barrell Managing Director