7:6:

HYLAND THERAPEUTICS DIVISION
TRAVENOL LABORATORIES, INC.

P.O. Box 1976
444 West Glenoaks Blvd.
Glendale, California 91202, U. S. A.
213-956-3200

May 4, 1983

Dear Customer:

I want to advise you of several actions being taken by Hyland Therapeutics in connection with the risk of Acquired Immune Deficiency Syndrome ("AIDS").

As you are aware the causative agent of this disease has not been identified. However, some evidence suggests that it is caused by a virus which is transmitted, among other means, by blood and certain blood products. Some further evidence suggests that certain groups of plasma donors represent an increased risk of transmitting the disease. Hyland Therapeutics instituted donor screening procedures, designed to eliminate those high-risk donors from the donor population well before the March 24, 1983 directive on screening procedures from the National Center for Drugs and Biologics.

In spite of this precaution, Hyland Therapeutics recently became aware that one of its plasma donors, though not finally diagnosed, has been identified as a possible victim of AIDS. The donor in question is a member of a high risk group, although, on several occasions prior to donating, he denied being a member of such group. While healthy at the time of donation, he subsequently has been determined to have some of the clinical findings associated with AIDS, including an inverted T4/T8 ratio and generalized lymphadenopathy. His final diagnosis is still in question.

As a precaution, however, Hyland has, by a separate letter, recalled the one lot of AUTOPLEX® Anti-Inhibitor Coagulant Complex manufactured from the pools which contained that donor's plasma and which had been distributed to customers. This action was taken at Hyland Therapeutic's initiative, and not at the request of the National Center for Drugs and Biologics.

Hyland Therapeutics has recently introduced HEMOFIL® T Antihemophilic Factor (Human), Method Four, Dried, Heat-Treated, a new product of equal potency and effectiveness with HEMOFIL® Antihemophilic Factor (Human) but which has been subjected, during manufacture, to an additional heat treating step designed to reduce active viral content.

MDL BAX003931
CONFIDENTIAL

AZ1 BAX 005977

Plaintiff's Exh. #0585

PLTF005599

CGRA0000292_0001

Since the causative agent for AIDS has not been identified, and since the effect of the heat treating process on all viruses has not been determined, Hyland Therapeutics cannot, at present, give assurance that the heat treated product eliminates the risk of transmission of AIDS. However, Hyland Therapeutics believes at this time that administration of the heat treated product, rather than the regular product, is in the patients's best interest.

Because of this belief, Hyland will, as expeditiously as possible, convert its manufacturing facilities so as to manufacture only heat treated Antihemophilic Factor (Human). Furthermore, effective immediately, Hyland Therapeutics' domestic average price of the heat treated product will be reduced to 30 percent below its initial price and $.02 above its current average price for the non-heat treated product.

Hyland Therapeutics will also, as expeditiously as possible, develop and file for regulatory approval of heat treated PROPLEX® Factor IX Complex (Human) and AUTOPLEX® Anti-Inhibitor Coagulant Complex and convert its facilities so as to manufacture only heat treated versions of these products.

Hyland Therapeutics believes that this represents responsible action which balances the risk and the need to continue the supply of coagulation factor concentrates to the hemophilic population.

I would welcome your comments and suggestions.

Very truly yours,

GRO-C

David L. Cantaldi
President
Hyland Therapeutics Division

DLC:lcy

MDL BAX003932
CONFIDENTIAL