



Nima Farzan
Vice President Marketing, U.S. Vaccines
Novartis Vaccines & Diagnostics, Inc.
350 Massachusetts Avenue
Cambridge, MA 02139
USA

Novartis would like to address recent misperceptions about a shortage of Novartis seasonal influenza vaccine in the U.S. market. We recognize that demand for seasonal influenza vaccine has increased this year due to increased awareness about seasonal influenza resulting from concern about the A(H1N1) pandemic. We want to assure our customers and the public health community that Novartis has accelerated our efforts tremendously to meet the seasonal vaccine demand. Additionally, Novartis is collaborating with the US Government for the upcoming vaccination campaign for A(H1N1) and has made substantial investments to deliver supply beginning in October to meet the challenges of this critical public health effort. We are proud to be the largest supplier to the US of A(H1N1) vaccine.

Novartis is pleased that for this year's seasonal influenza vaccine campaign, we shipped the first doses of vaccine in early August, have shipped over 18 million doses of vaccine to date and estimate that we will complete all shipments by mid October. Our current delivery schedule indicates that about 90% of all our doses will be delivered by the end of September as committed to at the National Influenza Vaccine Summit co-chaired by the CDC and AMA in June.

Novartis Vaccines has been transparent about our supply throughout the year. We currently project delivery of approximately 27 million doses to the U.S. market, which aligns with the 27.5 million we sold in the U.S. market last season. At the Flu Summit meeting in June we announced an estimate of approximately 30 million doses brought to the US. This variation in supply is well within the norm given the unpredictable nature of influenza vaccine production.

We do recognize that some customers will not receive all of the doses that they have ordered due to the variation in supply mentioned above. All of these customers have already been notified. None of the public customers we sell to directly have been affected.

Typically, any supply variations could be overcome by continuing to manufacture seasonal vaccine. This year, in coordination with HHS, we switched to H1N1 production in late July, and did not have the standard window of opportunity to produce additional vaccine to meet any unanticipated demand or adjust for manufacturing variations. Unfortunately, supply variations are not specific to Novartis and have been experienced by many vaccine manufacturers this season.

We regret not being able to supply even a small number of customers and any inconvenience that this might cause. We realize this is difficult in a season when demand for vaccine is very high and supply is tight. We are working with our distributors to attempt to secure additional vaccine for affected customers.

Novartis Vaccines is committed to its partnership with the public health community to address the complex challenges of influenza. We have a strong commitment to support global public health efforts aimed at reducing the incidence and number of deaths from seasonal influenza and are distributing vaccine across all segments to ensure that the greatest number of individuals are protected this season.

Regards,
Nima Farzan
VP Marketing, US Vaccines