



Folkert Kamphuis
General Manager
NAH North America

Novartis Animal Health US, Inc.
3200 Northline Avenue, Suite 300
Greensboro, NC 27408

Jim Blacka, DVM
Vice President Sales

Tel 336.387.1000

August 1, 2012

Dear Novartis Animal Health Customer:

We would like to provide you with an update on availability of Novartis Animal Health products, which has been limited over the past few months. We want to let you know that we are making progress toward getting our trusted brands back into your hands and truly regret the situation that our production issues have created, but we are convinced that we are doing the right thing by fixing the issues that have been identified.

The important news we would like to share with you is that we have initiated production of Sentinel[®] (milbemycin oxime/lufenuron) Flavor Tabs[®] at the Nebraska plant. Successfully validating the production process is the next step, and while new product will not be available for an undetermined period, the fact that the re-start of the manufacturing process has begun is positive news. We have also made progress in bringing Deramaxx[®] (deracoxib) production back on line and we hope to resume full production in the near future.

Despite our continued progress, we are still not able to provide you with definitive dates for the full supply of all brands. This is because we are investing in new equipment, facility upgrades and overall validation of manufacturing processes and quality control. These upgrades are plant wide and not specific to the Novartis Animal Health production lines in the plant.

We recognize the significant challenges that the interruption in product availability has created for practices and pet owners who rely on our products. We regret the inconvenience this has caused and want you to know that our teams remain hard at work to bring our brands back to you as quickly as possible. The steps we are taking to improve the long-term reliability of our supply chain are critical to ensure the highest quality for the brands that carry the Novartis Animal Health name. We will make every effort to inform you of availability timelines of our products, once we can predict this with more certainty.

The well-being of pets and their owners lies at the heart of our business, as it does of yours. We are striving to ensure a more reliable supply infrastructure than ever before, and we hope you will give us a chance to earn back your business when that time comes. Thank you for your continued trust and partnership.

Best regards,

A handwritten signature in black ink, appearing to read "Folkert Kamphuis".

Folkert Kamphuis
General Manager, Novartis Animal Health North America

A handwritten signature in black ink, appearing to read "Jim Blacka".

Jim Blacka, DVM
Vice President, Sales