From: Vialle, George

**Sent:** 08/04/2011 11:41:37 AM

To: Scanlon, Christine

Subject: RE: Uro Polypropylene Resin HGX-03-01

Yes, if possible. The resin issue is our top business threat for women's health.

From: Scanlon, Christine

**Sent:** Thursday, August 04, 2011 11:40 AM

**To:** Vialle, George

Subject: RE: Uro Polypropylene Resin HGX-03-01

Does this have to be today?

From: Vialle, George

Sent: Thursday, August 04, 2011 11:39 AM

**To:** Scanlon, Christine

**Subject:** FW: Uro Polypropylene Resin HGX-03-01

Importance: High

### Chris,

Can you schedule 30 minutes for John, Mike, Rupa and me to talk regarding the Marlex Resin Issue. Rupa is OoO and may not be able to attend. Mike and I have a 4-4:30 Sensor call that it would be better not to miss but could meet then if needed.

Thanks, George

From: Kelly, Mike (Marlboro)

**Sent:** Thursday, August 04, 2011 11:29 AM

To: Vialle, George; Pedersen, John

Cc: Cornell, Rupa

Subject: RE: Uro Polypropylene Resin HGX-03-01

**Importance:** High

George pls get the 4 of us together today.

## Mike Kelly

Multi-Site Vice President, Operations Boston Scientific 100 Boston Scientific Way Marlborough, MA 01752



#### 508-683-6812

"Defining tomorrow, today"

From: Vialle, George

**Sent:** Thursday, August 04, 2011 11:24 AM **To:** Pedersen, John; Kelly, Mike (Marlboro)

Cc: Cornell, Rupa

Subject: Re: Uro Polypropylene Resin HGX-03-01

We have the 700 lbs of the last buy resin on hand at Proxy that will, when combined with all pipeline inventory, provide FG inv coverage until Feb '13 at current fcst.

From: Pedersen, John

**Sent**: Thursday, August 04, 2011 10:04 AM **To**: Vialle, George; Kelly, Mike (Marlboro)

Cc: Cornell, Rupa

Subject: RE: Uro Polypropylene Resin HGX-03-01

## So we have nothing?

From: Vialle, George

Sent: Thursday, August 04, 2011 10:12 AM

**To:** Kelly, Mike (Marlboro) **Cc:** Pedersen, John; Cornell, Rupa

**Subject:** Uro Polypropylene Resin HGX-03-01

# Mike,

Here is the updated Marlex status.

- The division did a last Marlex resin buy in '05, purchasing a 7 year supply. This resin is used for all mesh products, \$120M annual sales +/-.
- The plan was to validate a new resin prior to run out at end of '12 that is run out of finished goods
- New resin validation was delayed until Q1/Q2 this year.
- Fire drill at July PIB based on FG inventory coverage falling short of YE '12 projection, due to loss of product to recall, stolen truck and variation to 2005 plan run out. Stock out date is late Q3 '12.
  Reviewing inv and yields with processing vendors to stretch current supply
- Due to FDA anti-mesh position it is highly unlikely FDA would approve any material change without clinical data
- Only logical path forward is to get more of the old resin
- Resin consultant found 1300 lbs in US, about a year's worth, this was reviewed/tested and found to be the wrong resin

- BSC sent one of our APAC sourcing employees to the Chinese distributor to verify the pedigree of the Chinese resin, they had no resin in stock when he got there.
- Sourcing is pursuing other sources
- Todd McCaslin traded e-mails with Philips Sumika GM asking to purchase additional HGX-03-01, including the possibility of running another batch. They have 77K lbs but will not sell to BSC "at any price", likely due to legal exposure for medical use
- To date we have found no additional, usable inventory

George