



January 27, 2011

Joe J. Merchant, MD, FACP  
President, Iowa Oncology Society  
11600 Nebel Street, Suite 201  
Rockville, Maryland 20852-2557

Dear Dr. Merchant:

I am in receipt of your letter to the Honorable Bill Anderson and first and foremost, please be assured that APP Pharmaceuticals is acutely aware of the pressures that oncologists are under when a critically needed cancer treatment is unavailable. As a manufacturer of Doxorubicin, Leucovorin, Etoposide, Cisplatin and Cytarabine, APP is working hard to make these therapies available to patients who require them as part of their treatment regime.

As you know, during the past year several manufacturers of oncology drugs have reduced supply due to manufacturing issues thereby significantly disrupting availability. APP Pharmaceuticals has attempted to help fill the void left by these pharmaceutical companies. Where previously APP provided a small portion of the market demand of Doxorubicin, Leucovorin, Etoposide, Cisplatin and Cytarabine, we have now become a primary manufacturer of these drugs. We have accomplished this by expediting raw material orders from our suppliers and by quickly scheduling additional manufacturing so that we can produce more doses. As a result, APP has been able to significantly expand its output.

Over the course of several months APP went from supplying 10% of market demand for Doxorubicin to supplying 60% of historical market demand, and we are working hard to produce as much additional Doxorubicin as possible. We anticipate our supply to steadily increase over the next two or three months with additional product becoming available by mid-March 2011.

Physicians who prescribe Leucovorin will find that it will also become more accessible by mid-March. APP worked collaboratively with FDA Drug Shortage to expedite the review and approval of the company's Prior Approval Supplement so that we are able to manufacture the drug at an additional facility.

In addition, we have increased our production of Etoposide from a mere 2.5% of market demand to nearly 29% and our production of Cisplatin has jumped from 37% of market demand to approximately 64%. The good news is that as a result of our commitment, Etoposide is now available in all three dosage forms and we currently have two of three Cisplatin dosage forms available. We continue to increase our production of Cytarabine and expect the next release in early March 2011.

APP Pharmaceuticals is committed to helping find ways to solve the shortage of oncology drugs. As a result of our efforts we expect the market will begin to stabilize in mid-March. Furthermore, we continue to discuss this issue both internally as well as with our parent company, Fresenius Kabi, in order to find additional approaches to alleviate these shortages.

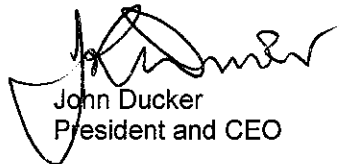
APP Pharmaceuticals  
1501 East Woodfield Road  
Suite 300 East  
Schaumburg, IL 60173

Main 847-969-2700  
Toll Free 888-391-6300  
www.APPpharma.com

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Dr. Merchant, if you would like to learn more about what APP is doing to help ease the shortage of oncology drugs or if you would like to discuss your concerns further, please do not hesitate to contact me directly.

Best regards,



John Ducker  
President and CEO