IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NOVARTIS VACCINES AND DIAGNOSTICS, INC., Plaintiff, v. INSTITUT PASTEUR, *et al.*, Defendants.	Civil Case No. 07-00034 (RWR)
NOVARTIS VACCINES AND DIAGNOSTICS, INC., Plaintiff, v. UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES, *et al.*, Defendants.	Civil Case No. 07-02138 (RWR)
THE UNITED STATES OF AMERICA, Plaintiff, v. INSTITUT PASTEUR, *et al.*, Defendants.	Civil Case No. 08-00161 (RWR)

JOINT STATUS REPORT

On January 28, 2008, this Court ordered the parties to Case No. 1:07-cv-00034, which at that time were Novartis Vaccines and Diagnostics, Inc. ("Novartis") and Institut Pasteur and Centre Nationale de la Recherche ("Pasteur"), to file a joint status report on or before March 28,

2008, that includes a proposed schedule on which that case should proceed. On March 19, 2008, this Court ordered the consolidation of the above-captioned three cases pursuant to a joint stipulation of Novartis, Pasteur, and the United States Department of Health and Human Services and the National Institutes of Health ("NIH"). The three cases were consolidated under Case No. 1:07-cv-00034.

The three involved parties ("the Parties") respectfully submit that they have been actively involved in settlement discussions in an effort to resolve this case out of Court. The following actions in support of settlement have been taken.

1. Novartis and Pasteur voluntarily submitted this case to the Court's mediation program, pursuant to the Court's May 31, 2007, Scheduling Order.

2. On November 7, 2007, Novartis and Pasteur met in the United States District Court House for the first mediation session with the Court appointed mediator, Ms. Joan K. Lawrence. Novartis and Pasteur reached an agreement during the first mediation session on a framework for further settlement discussions, including discussions with NIH.

3. On November 29, 2007, the Parties met in New York to continue their settlement discussions. Pasteur was represented by personnel from Paris, Novartis by personnel from California, and NIH by personnel from Washington DC. During this second session, the Parties signed a Memorandum of Understanding.

4. The Parties conducted a telephone settlement discussion on December 17, 2007. During the third session, the Parties divided responsibility for preparing settlement agreements.

5. The Parties met in Paris, France on March 4-5, 2008, and in Washington DC on March 21, 2008. During these sessions, draft settlement agreements were circulated.

6. The Parties have also conducted at least two conference calls to discuss aspects of settlement. Most recently, the Parties conducted a conference call on March 27, 2008, for the purpose of discussing revised drafts of the settlement agreements.

7. The Parties represent that they are interested in continuing their good faith negotiations towards settlement.

The Court has ordered that the parties include a proposed schedule upon which the case should proceed. In view of the pace and the fruitfulness to date of the settlement discussions, the Parties believe that setting forth a proposed schedule would be premature. Therefore, the Parties propose that a further status report setting forth a schedule for proceedings in this case, if needed, be filed May 28, 2008.

Respectfully submitted,

Dated: March 28, 2008

By: /s/Matthew I. Kreeger

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Dated: March 28, 2008

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