

**DOW CORNING****corporate  
news**

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## DATE:

March 19, 1992

**Dow Corning announces \$10 Million Research Fund to  
Continue Study of Silicone Breast Implant Safety;  
Affirms Financial Support for Implant Removal  
Under Certain Conditions; and Announces its  
Withdrawal from the Silicone Breast Implant Market**

Washington, D.C. (March 19, 1992) -- Dow Corning today announced it would establish a \$10 million fund for breast implant research; provide financial support for removal of implants for women who have a medical need for the procedure but who cannot afford to pay for it; and announced it would not re-enter the silicone breast implant market worldwide.

Keith McKennon, Chairman of the Board and CEO of Dow Corning, said the company has established a \$10 million research fund to be audited by the independent accounting firm of Price Waterhouse. This fund, along with the interest income it earns, will be used for the sole purpose of funding continuing breast implant research. Price Waterhouse will report periodically how these funds have been spent. This \$10 million was included in the \$25 million charge previously taken by Dow Corning against 1991 earnings.

"The single, most important objective of this research is to answer those remaining questions women may have about their implants," said McKennon. "For example, the February FDA panel agreed that insufficient evidence exists to show any link between implants and systemic diseases of the immune system. The panel also said there is insufficient evidence to prove no such link exists. Thus, continuing research is obviously important. We agree with the need for more studies, and are committed to fund additional research to provide an expanded scientific base to answer these questions. We will ensure that results of these studies be made available to all interested parties."

McKennon also announced a new program for women who have a medical need to have their Dow Corning implants removed but who cannot afford the necessary surgical procedure.

"More than any other group," McKennon explained, "women in these circumstances would be left without the choice to have their implants removed when a medical need made this procedure necessary. We have now designed a program to help women in that situation."

In explaining the new program, McKennon emphasized the FDA Advisory Panel's recommendation that implants performing satisfactorily need not be removed. As a result, the new program is limited to women with Dow Corning implants "who have agreed with their physician that, for medical reasons, her implant(s) need be removed, but who cannot afford the procedure. For such patients, we will provide up to \$1200 to support the medical costs of the removal procedure," said McKennon.

Patients with Dow Corning implants who believe they qualify for the program can call the company's Breast Implant Information Center at 1-800-442-5442 to find out more information about the program.

McKennon also stated that Dow Corning will continue its replacement warranty program for women using Dow Corning Silastic II® or MSI® implants. The program, under appropriate circumstances, provides those women with a replacement device and \$600 in financial support. "Dow Corning will continue that program," explained McKennon, "perhaps by increasing the dollar amount so that patients can purchase a device from other manufacturers."

Finally, McKennon said that after careful consideration of a variety of factors, Dow Corning has decided not to resume sales or production of breast implants. "In making this announcement, said McKennon, "let me make very clear that Dow Corning remains satisfied that Dow Corning implants produced over the years have filled an important medical need for thousands of women, and did not and do not represent an unreasonable risk. Based on past experience, we believe that the vast majority of women who have our implants will remain satisfied with the device. Our reasons for not resuming production and sales, therefore, are not related to issues of science or safety but to the existing condition of the marketplace."

"Dow Corning has remained in the silicone breast implants business even though for us, this is a small business. The products represent less than 1% of our revenues and have not been profitable over their history. Given the continued controversial environment surrounding this product; I see no prospect for business improving. Instead, I believe that the future use of this product will be curtailed to a considerable extent. However, women in general and the medical community in

particular, are fortunate that two other manufacturers of silicone breast implants supply the product around the world. I believe that both of these manufacturers intend to remain in the device business and will provide women and their physicians with a future source of supply for the devices."

McKennon concluded by assuring women with Dow Corning implants that the company "remains fully committed to them as the manufacturer of this device -- we will stand by them, by our commitments to continuing research, and by our other support programs. Let me also assure women and physicians that we will continue to cooperate with the FDA as we develop the test protocols that will guide ongoing research, and we will assure that results of that research will be communicated to all interested parties."