SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(MARK ONE)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

From the transition period from to

Commission file number 0-4829-03

NABI

(Name of Registrant)

Delaware	59-1212264
(State or Jurisdiction of Incorporation or Organization)	I.R.S. Employer Identification Number

5800 Park of Commerce Boulevard N.W., Boca Raton, Florida 33487

Securities Registered Pursuant to Section 12(g) of the Act:

COMMON STOCK, PAR VALUE $.10 PER SHARE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

As of February 29, 2000, 35,526,498 shares of common stock were outstanding, of which 34,947,999 shares were held of record by non-affiliates. The aggregate market value of shares held by non-affiliates was approximately $384,427,989 based on the closing price per share of such common stock on such date as reported by the Nasdaq National Market.

Documents Incorporated by Reference

Portions of Nabi's definitive Proxy Statement for its annual meeting of shareholders which Nabi intends to file within 120 days after the end of Nabi's fiscal year ended December 31, 1999 are incorporated by reference into Part III hereof as provided therein.

PART I

ITEM 1. BUSINESS

OVERVIEW

Nabi (the "Company") is nearing completion of a multi-year transition from being a leading provider of antibody products (plasma) to other pharmaceutical manufacturers to becoming a fully-integrated biopharmaceutical company developing, manufacturing and marketing its own products for the prevention and treatment of infectious diseases and immunological disorders. During 1999, the Company achieved two major milestones that are key to the success of this transition plan. In March, Nabi received the Food and Drug Administration's ("FDA") approval and quickly launched its first internally developed pharmaceutical product, Nabi-HB(TM) [Hepatitis B Immune Globulin (Human)], produced from antibodies collected in Nabi's own network of U.S.-based antibody collection centers. This has confirmed the Company's ability to both develop and successfully commercialize products that address infectious and autoimmune diseases, while at the same time leveraging the value of its expertise in collecting specialty antibodies. In December, the Company filed with the FDA a Biologics License Application ("BLA") for a hepatitis immune globulin product to be produced at its Boca Raton manufacturing facility. When approved, Nabi will have a product that it controls from collection of the specialty antibody through the manufacture, sale and distribution of the final pharmaceutical product. Building on these significant achievements, Nabi also realized two other major goals in 1999 - a return to operating profitability and the announcement of positive interim data from its pivotal phase III clinical trial for Nabi(R) StaphVAX(R) (STAPHYLOCOCCUS AUREUS Type 5 and Type 8 Capsular Polysaccharide Conjugate Vaccine). Each of these accomplishments will be discussed further in this Annual Report on Form 10-K.

Nabi currently markets four pharmaceutical products, Nabi-HB, WinRho SDF(R) [Rho(D) Immune Globulin Intravenous (Human)], Autoplex(R) T [Anti-Inhibitor Coagulant Complex, Heat Treated] and Aloprim(TM) [(Allopurinol sodium) for injection]. In addition the Company has an extensive pipeline of new products under development. At December 31, 1999 the Company was conducting clinical trials related to five of its products, both currently marketed and products under development. The Company is also one of the largest collectors and suppliers of non-specific and specialty antibody products in the world. Nabi collects these products from an extensive donor base in the U.S. Some of these antibodies are used in the production of Nabi's pharmaceutical products. Most are supplied to other pharmaceutical companies for the manufacture of numerous products. The mission of the Company is to generate value for its shareholders by focusing Nabi's competitive advantages in technology, facilities, people and markets on delivering products that prevent and treat life-threatening conditions.

PRODUCTS

CURRENTLY MARKETED PHARMACEUTICAL PRODUCTS

Revenues generated from Nabi's pharmaceutical products have grown almost eight-fold since 1994. Sales of these products totaled $71 million in 1999, representing a 29% increase over the 1998 level of $55 million. In 1999, pharmaceutical products accounted for more than 30% of the Company's total revenues and 79% of the Company's gross margin. During 1999, Nabi launched two new products, Nabi-HB and Aloprim. Each of Nabi's four currently marketed pharmaceutical products are described below:

NABI-HB [HEPATITIS B IMMUNE GLOBULIN (HUMAN)]

According to the U.S. Center for Disease Control and Prevention ("CDC"), viral hepatitis ranks third as a reportable disease, surpassed only by venereal diseases and chickenpox. Approximately one third of all viral hepatitis cases are reported as hepatitis B. The hepatitis B virus ("HBV") is a major health concern globally as it now affects approximately 300 million people worldwide. Hepatitis B is 100 times more infectious than the human immunodeficiency virus ("HIV"). The CDC estimates that in the U.S. alone there are one to two million chronic hepatitis B carriers, 300,000 new hepatitis B infections per year, 22,000 babies born to hepatitis B positive mothers and 5,000 individuals who die from hepatitis B, or its complications, annually.

Nabi-HB is a human polyclonal antibody product used to prevent hepatitis B following sexual or other exposure, including needlestick and transmission from a hepatitis B antigen-positive mother to a newborn. Nabi launched the product immediately upon receipt of FDA approval in March 1999. Cangene Corporation ("Cangene") currently manufactures Nabi-HB for the Company. See also "Strategic Alliances."

WINRHO SDF [RHO(D) IMMUNE GLOBULIN INTRAVENOUS (HUMAN)]

Immune Thrombocytopenia Purpura ("ITP") is an autoimmune disease that manifests itself in abnormally low platelet levels (thrombocytopenia) resulting in excessive bleeding. The term "purpura" refers to the appearance of large purple patches on the body caused by bleeding into the skin and mucous membranes. In ITP, the body's immune system produces antibodies that attach to platelets causing them to be removed from circulation, primarily by the spleen. Because platelets are required for blood clotting, as platelet counts decrease, the incidence of bleeding episodes increase. In certain cases, such as severe trauma or spontaneous intracranial hemorrhage, the bleeding can be life threatening. In the U.S., it is estimated that there are 15 per 100,000 cases of ITP annually, or approximately 40,000 cases. In children, the disease is usually acute in onset and is often resolved with treatment in six months. In adult ITP, the onset is insidious and rarely resolves itself spontaneously. Additionally, ITP is more common in females than males. ITP can occur as either a primary disease, or secondary to another underlying disease such as HIV or Lupus.

WinRho SDF is a human polyclonal antibody product approved for the treatment of ITP and for the suppression of Rh isoimmunization. WinRho SDF has been designated by the FDA as an Orphan Drug for the treatment of ITP through 2002. Nabi began exclusive marketing of WinRho SDF in the U.S. in mid-1995 under a license and distribution agreement with Cangene. Nabi is currently conducting several Phase IV clinical studies involving WinRho SDF, including (a) a comparison of WinRho SDF versus IVIG for the treatment of ITP, (b) an evaluation of WinRho SDF in the treatment of ITP during pregnancy, and (c) a comparison of WinRho SDF versus routine care with prednisone followed by splenectomy in the management of ITP. See also "Strategic Alliances" and "Government and Industry Regulation-Orphan Drug Act."

AUTOPLEX T [ANTI-INHIBITOR COAGULANT COMPLEX, HEAT TREATED]

Hemophilia is a blood disorder characterized by a lack of a particular functional coagulation factor. In the case of hemophilia A, the deficient factor is Factor VIII. Physicians typically treat hemophilia by replacing the deficient factor with either recombinant clotting factor or plasma derived human Factor VIII or IX. In most cases, replacement therapy is effective in stopping bleeding episodes. However, the treatment of hemophilia A is complicated when an inhibitor or antibody is produced in response to outside sources of Factor VIII. These antibodies combine with the infused Factor VIII and neutralize its activity. There are approximately 20,000 hemophilia A patients in the U.S., and approximately 10-15% of them suffer from the production of these inhibitors.

Autoplex T is a coagulation complex used to treat hemophilia A patients who have developed inhibitors to Factor VIII. Autoplex T "bypasses" the Factor VIII requirement for clotting by stimulating other components of the coagulation process. Nabi acquired exclusive rights to Autoplex T in the U.S.,

Canada and Mexico from Baxter Healthcare Corporation ("Baxter") in May 1997. In connection with the acquisition, Baxter agreed to manufacture Autoplex T until May 2000 or such later time as may be determined under the terms of a consent order entered into between Baxter and the Federal Trade Commission ("FTC"), but in any event four months after Nabi receives approval from the FDA to manufacture Autoplex T. The FTC could require Nabi to return to Baxter Nabi's rights to Autoplex T if Nabi does not obtain FDA approval to manufacture the product by May 2000 or by a later date agreed to by the FTC. At the discretion of the FTC, the period Baxter manufactures Autoplex T can be extended for up to four twelve-month intervals. Nabi anticipates that the period Baxter manufactures Autoplex T under the terms of a consent order from the FTC will be extended for the first twelve-month period through May 2001. If the rights revert to Baxter and Baxter later sells these rights, Nabi and Baxter will share equally the proceeds of any such sale and, under certain circumstances, Baxter will be required to make a specified payment to Nabi.

ALOPRIM [(ALLOPURINOL SODIUM) FOR INJECTION]

Aloprim is indicated for the treatment of chemotherapy induced hyperuricemia in patients with leukemia, lymphomas, or solid organ tumors. There are approximately 90,000 patients annually who suffer from these conditions in the U.S. Aloprim I.V. was licensed from Catalytica Pharmaceuticals ("Catalytica") in June 1999, as part of Nabi's ongoing strategy to opportunistically in-license late stage products targeted to the physician population Nabi currently sells to. Nabi has exclusive U.S. and Canadian distribution rights to Aloprim and global rights to launch the product in those territories in which Glaxo Wellcome (former license holder prior to Catalytica) does not sell the product. Nabi is currently exploring future clinical development of Aloprim in new indications beyond oncology. See also "Strategic Alliances."

MARKETED ANTIBODY PRODUCTS

NON-SPECIFIC ANTIBODIES

Nabi is one of the world's largest suppliers of human non-specific antibody products to the pharmaceutical and diagnostic industries.

In 1999, Nabi derived revenues of $109.3 million from sales of non-specific antibodies as compared to 1998 levels of $133.1 million. The lower revenue from non-specific antibodies was attributable to two major factors. First, Nabi sold six U.S. centers in April 1999 and transferred its German antibody collection operations to a third party in the fourth quarter of 1999. These changes were part of the Company's ongoing efforts to increase profitability by concentrating on the production and sale of higher margin specialty antibody and pharmaceutical products. Second, the Company experienced a decline in antibody collections on a same store basis. The Company believes low unemployment levels and the increasing impact of regulations limiting donor eligibility have contributed to these lower collection levels. Sales of non-specific antibodies in 1999 accounted for 47% of total Company revenues, an 8% decrease from 1998 levels.

Among other uses, non-specific antibodies are used to manufacture intravenous immune globulin ("IVIG"), a product used to fight infections and in the treatment of several conditions, including bone marrow transplantation, B cell chronic lymphocytic leukemia, hypogammaglobulinemia, Kawasaki syndrome and other chronic immune deficiencies.

SPECIALTY ANTIBODIES

During 1999, sales of specialty antibodies were $53.2 million, a 3% decrease from 1998 sales of $55 million. Although certain specialty product sales increased during 1999, including anti-CMV, tetanus, and anti-Hbs, this increase was more than offset by reduced sales for anti-D, anti-RSV, lower laboratory testing service revenue and reduced sales of diagnostic products. Specialty antibody sales accounted for 23% of the Company's total revenue in 1999 and 1998.

Specialty antibody products, derived from plasma that contains high concentrations of a specific antibody, are used primarily to manufacture hyperimmune globulins. These immunoglobulins are used to treat chronic immune disorders as well as to prevent and treat viral diseases such as hepatitis A and B, CMV, tetanus and rabies. Specialty antibodies are also used to treat Rh incompatibility and to develop diagnostic products. Over time, Nabi anticipates a strategic shift of converting non-specific antibody production into the production of specialty antibodies used in the manufacture of its own pharmaceutical products.

Nabi identifies potential specialty antibody donors through screening and testing procedures. Nabi also has developed FDA-licensed programs to vaccinate potential donors to stimulate their production of specific antibodies. Through Nabi's nationwide operations and access to its large and diverse donor base of approximately 275,000 individuals, Nabi believes it has a strategic advantage in its ability to collect specialty antibodies.

Nabi's principal specialty antibody products include:

- ANTI-D. Anti-D is the antibody to the Rh blood group antigen D. This antigen is responsible for the designation of blood as either Rh+ or Rh-. Anti-D antibodies have long been used to prevent Rh-D immunization in Rh-negative women and subsequent hemolytic disease ("blue baby disease") in Rh-positive infants. These antibodies collected from donors who have high levels of anti-D antibodies, are also used to treat ITP in children and adults. Nabi has proprietary donor stimulation and management programs that enhance its ability to increase collection of anti-D antibodies.

- HEPATITIS B ANTIBODIES. Antibodies to HBV are used to manufacture hepatitis B immune globulin therapeutic products that provide passive immunity against HBV. Nabi is strategically committed to utilizing its collection of these specialty antibodies to produce Nabi-HB, the Company's hepatitis B pharmaceutical product. Nabi believes that its proprietary donor stimulation and donor management programs generally allow Nabi to produce anti-hepatitis B antibodies having a higher concentration and broader specificity than competing products.

- CMV ANTIBODIES. By screening its large donor population, Nabi can identify individuals with high concentrations of CMV antibodies, and can supply these antibodies to manufacturers to enhance intravenous immune globulin products and to produce CMV-specific immune globulin therapeutic products.

- RABIES ANTIBODIES. Rabies antibodies are used by manufacturers to make therapeutic products that provide a short-term protective antibody immunity to patients exposed to the rabies virus. Nabi utilizes donor stimulation and management programs that enhance its ability to increase collection of rabies antibodies.

- TETANUS ANTIBODIES. Manufacturers use specialty antibodies enriched with antibodies to tetanus toxin to produce therapeutic products, which provide short-term protective immunity to patients exposed to tetanus. Nabi utilizes donor stimulation and management programs that enhance its ability to increase collection of tetanus antibodies.

The following is a summary of Nabi's currently marketed products :

PRODUCTS	INDICATIONS OR POTENTIAL APPLICATIONS	STATUS
NABI-HB	Post exposure prevention of hepatitis B infection	CURRENTLY MARKETED; in Phase IV clinical trials
WINRHO SDF	Treatment of ITP	CURRENTLY MARKETED; in Phase IV clinical trials
AUTOPLEX T	Treatment of hemophilia patients with inhibitors to Factor VIII	CURRENTLY MARKETED
ALOPRIM	Manage patients with leukemia, lymphoma and solid tumor malignancies receiving cancer therapy and who suffer from elevated serum and urinary uric acid levels.	CURRENTLY MARKETED
NON-SPECIFIC ANTIBODIES	Intermediate for production of non-specific antibodies (i.e., standard IVIG)	CURRENTLY MARKETED
SPECIALTY ANTIBODIES	Intermediate for production of specific antibodies (e.g., tetanus, rabies, HBV and anti-D antibodies)	CURRENTLY MARKETED

RESEARCH AND DEVELOPMENT PRODUCT PIPELINE

Nabi has an extensive pipeline of anti-microbial pharmaceutical products under development. Its lead program consists of first and second-generation vaccines for long-term protection against Gram-positive infections in at risk populations. These vaccines will also be used as immunizing agents in donors for the production of Nabi antibody products. Nabi is initially concentrating its development efforts on preventing those infections that are hospital-acquired (nosocomial infections) or associated with chronic disease. Nabi believes there also may be areas outside of infectious diseases, for example, in the prevention and treatment of nicotine addiction, where its conjugate vaccine technologies may also be applied successfully. During April 1999, Nabi was awarded the Frost and Sullivan 1998 Market Engineering Entrepreneurial Company Award as recognition for its work in the area of specialty vaccines.

NABI GRAM-POSITIVE PROGRAM

EPIDEMIOLOGY

In the U.S. alone, approximately 5-7 million people annually are at risk for nosocomial bacterial infections. Bacteria such as S. AUREUS, S. EPIDERMIDIS, and ENTEROCOCCUS species are included in the

Gram-positive category. It is estimated that in 1995, there were approximately 2 million nosocomial infections in the U.S. Between 60,000 and 80,000 of these patients will die, mostly due to bacteremia (blood infections) and pneumonia. In a recent survey of hospitals throughout the U.S. reported in 1999, the mortality rate associated with Gram-positive bacteremia was determined to be approximately 25%.

S. AUREUS is the cause of approximately 15% of these nosocomial infections. It is estimated that S. AUREUS is carried on the skin or in the noses of up to 40% of people, including healthcare workers, who may then transmit this infection to patients. S. AUREUS infections are caused when this organism enters patients through surgical or other incisions or intravenous lines. The infections may also pass from patient to patient. Staph infections can also occur without hospitalization. The potential severity of community-acquired antibiotic-resistant S. AUREUS infections was recently demonstrated in a report by the CDC of four pediatric deaths from community-acquired methicillin-resistant S. AUREUS ("MRSA") infections in Minnesota and North Dakota between 1997-1999.

Over the past two decades, infectious disease experts have become increasingly concerned about the emerging Gram-positive bacterial resistance to contemporary antibiotics, coupled with the increasing prevalence of organisms having greater virulence. It is currently estimated that up to 40% of S. AUREUS and more than 80% of S. EPIDERMIDIS are methicillin-resistant. Of greater concern is the fact that a number of infections caused by another Gram-positive pathogen, ENTEROCOCCUS, are also very resistant to most antibiotics including vancomycin. If vancomycin resistance becomes broadly applicable to S. AUREUS and S. EPIDERMIDIS, many clinicians fear a return to the pre-penicillin era of the 1950's and 1960's when staph infections were generally fatal.

Beyond the significant morbidity and mortality associated with Gram-positive infections, the costs associated with these infections are significant. In a study conducted by The Lewin Group in New York City, the average cost per infection attributable to S. AUREUS is estimated to exceed $30,000, and the average hospital charge attributable to S. AUREUS is more than double the average cost associated with hospital stays overall. The majority of the cost and mortality of S. AUREUS infections was due to pneumonia and bacteremia.

DUAL APPROACH

Nabi is taking two approaches to developing products to combat staph infections. Nabi StaphVAX is a vaccine intended to stimulate antibody production to provide active, long-term protection. After receiving the vaccine, the patient's immune system responds in about two weeks with the production of specific antibodies which may last for over a year. Nabi(R) Altastaph(TM) is a purified form of the antibodies to Nabi StaphVAX. It can be provided to a patient who is at immediate risk of infection. The protection provided by Nabi Altastaph is short-term (potentially lasting two to three weeks) but may be extended by giving repeated doses. Clinical trials are currently underway to evaluate the extent of protection offered by these two approaches.

NABI STAPHVAX (STAPHYLOCOCCUS AUREUS TYPE 5 AND TYPE 8 CAPSULAR POLYSACCHARIDE CONJUGATE VACCINE)

Nabi is in a pivotal Phase III clinical trial with Nabi StaphVAX, a vaccine intended to prevent S. AUREUS infections. Nabi StaphVAX is a capsular polysaccharide based conjugate vaccine which targets the two S. AUREUS serotypes (Type 5 and Type 8) responsible for over 85% of S. AUREUS infections. Active vaccination with Nabi StaphVAX induces the body's production of specific antibodies that are believed will bind to and help kill invading S. AUREUS bacteria. The antibodies to the vaccine are polyclonal and bind to multiple sites on the bacteria, making it difficult for the bacteria to develop resistance by mutating. This bivalent vaccine, currently in pivotal Phase III clinical trials, is based on patented vaccine technology in-licensed by Nabi from the Public Health Services ("PHS")/National Institute of Health ("NIH"). See also "Strategic Alliances".

Nabi StaphVAX relies on a completely different mechanism of action than those of systemic antibiotics. It is believed that this approach will be effective against even antibiotic resistant strains of S. AUREUS. In

addition, since vaccines and antibodies present a different mechanism of action from that of antibiotics, concurrent use of Nabi StaphVAX with Nabi Altastaph or antibiotics may act synergistically, or additively, to combat infection. The success of such treatments might help to reduce the emergence of additional antibiotic resistant strains of bacteria in the future.

Nabi StaphVAX is being developed for patients who are at high risk of infection and able to respond to a vaccine by producing their own antibodies. The initial clinical target is hemodialysis patients with end stage renal disease ("ESRD") who are at high risk and long-term risk of S. AUREUS infections due to their vascular access grafts. Other potential patient populations for Nabi StaphVAX include: (a) at-risk patients such as the elderly who are expected to have long stays in medical or extended care facilities; (b) patients undergoing planned surgery who can be vaccinated in advance and in whom staph infections can have serious consequences; (c) prosthetic surgery and vascular graft patients whose implants are at long-term risk of staph infections; (d) chronic osteomyelitis patients; and (e) hematology/oncology patients, for whom S. AUREUS is an increased risk.

Nabi StaphVAX is currently nearing the completion of a Phase III pivotal trial in patients on hemodialysis. Earlier clinical trials have shown Nabi StaphVAX to be safe and immunogenic in humans. In August 1999, Nabi announced that, based on an analysis of interim data from its ongoing pivotal clinical trial of Nabi StaphVAX, statistical significance may be achievable given the trend towards protection seen to date. The double-blinded, placebo-controlled trial, involving 1,800 ESRD patients on hemodialysis, was fully enrolled as of August 1999. Assuming a one-year follow-up period for all patients, the Company anticipates that the trial will be completed by or around the end of the third quarter of 2000 and the results compiled this year. However, Nabi has filed a request with the FDA to accelerate trial completion, allowing the Company to compile results around the end of the third quarter of 2000. If these results demonstrate statistical significance, Nabi will pursue FDA licensure. Nabi intends to establish the safety and immunogenicity of Nabi StaphVAX in other patient populations to expand the clinical indications for this vaccine beyond the Phase III trial's patient population. Currently, Nabi does not have internal commercial scale vaccine manufacturing capability and is in the process of identifying an appropriate third party contract-manufacturer or partner for commercial production of Nabi StaphVAX. Concurrent with transferring production to this third party and completion of the necessary bridging studies required by the FDA for filing a BLA, commercialization of Nabi StaphVAX is expected to commence in late 2002.

NABI ALTASTAPH [STAPHYLOCOCCUS AUREUS IMMUNE GLOBULIN INTRAVENOUS (HUMAN)]

Nabi Altastaph is a specific human antibody-based product that contains high levels of antibodies against S. AUREUS Type 5 and Type 8 polysaccharides. These specialty antibodies are produced by immunizing healthy plasma donors with Nabi StaphVAX at Nabi's donor centers. The collected antibodies will be purified at the Company's manufacturing facility in Boca Raton, Florida. In contrast to Nabi StaphVAX, which is intended to provide long-term protection, Nabi Altastaph is designed to provide immediate, on-demand protection for patients who are at high, short-term risk from infection or who are immunocompromised and cannot respond effectively to a vaccine. This type of prophylactic treatment is likely to be cost-effective because a single dose persists in the bloodstream for several weeks to provide protection for the entire risk period. High-risk populations include low birth weight newborns, trauma patients and emergency surgical patients.

In 1999, Nabi Altastaph successfully completed a Phase I/II trial in low birth weight newborns that demonstrated its safety and pharmacokinetics at a variety of dosage levels. The preliminary pharmokinetics analysis indicates that titers of the specific anti-staph antibodies are dose-related. Even the lowest dose (500 mg/kg) of Nabi Altastaph resulted in plasma titers that preclinical models predict may be protective against infection.

Nabi also plans to evaluate the use of Nabi Altastaph as a therapeutic drug for the treatment of diagnosed S. AUREUS infections. As a therapeutic product, Nabi Altastaph may act synergistically, or additively, with antibiotics. Clinical studies of Nabi Altastaph in bacteremia in hospital-intensive care units are in the planning stages. Nabi is also planning to conduct clinical studies of the combined use of Nabi

Altastaph and Nabi StaphVAX in preventing infections. Nabi's antibody collection centers will provide a significant advantage in the immunization of donors and the procurement of the specialty antibodies used in the manufacture of Nabi Altastaph.

ONGOING DEVELOPMENT

Nabi has also identified and patented a serotype of S. AUREUS, named type 336, that accounts for over 90% of non-type 5 and non-type 8 S. AUREUS clinical infections (about 10%-12% of all clinically significant S. AUREUS infections). The Company has identified, purified and characterized type 336 antigen and has prepared a conjugate vaccine that is capable of protecting animals from challenge with clinical isolates of this serotype. During 1998, Nabi was issued a patent on a S. AUREUS 336 antigen, vaccines made from that antigen, and antibodies reactive to the antigen. The next generation of Nabi StaphVAX is expected to contain type 336 antigen in addition to type 5 and type 8 antigens.

S. EPIDERMIDIS and ENTEROCOCCUS SPP. are the two other clinically significant Gram-positive bacteria causing nosocomial infections. Nabi intends to extend product coverage to these two Gram-positive bacteria in subsequent generations of Nabi StaphVAX and Nabi Altastaph. The Company has filed patent applications on selected enterococcal antigens and was issued two patents during 1999 containing claims covering both a S. EPIDERMIDIS VACCINE and a hyperimmune globulin made using the vaccine. Prototypic S. EPIDERMIDIS and enterococcal vaccines produced by Nabi have been shown to induce antibodies that are protective in animal models and that facilitate killing of bacteria by human phagocytes.

ANTI-VIRAL PROGRAM:

HEPATITIS B IMMUNE GLOBULIN (HUMAN)

In December 1999, Nabi submitted to the FDA a BLA for its Hepatitis B Immune Globulin (Human) for post-exposure prophylaxis to HBV and its Boca Raton manufacturing facility in which the pharmaceutical product will be manufactured. In November 1999, Nabi initiated clinical studies for the use of hepatitis B immune globulin to prevent the reinfection of transplanted livers in HBV positive patients. Nabi's application to the FDA for this new indication for the product will be filed as a new BLA later in 2000.

NABI(R) CIVACIR(TM) [HEPATITIS C IMMUNE GLOBULIN (HUMAN)]

Hepatitis C virus ("HCV") has significant economic impact because it causes chronic infections in a large percentage of those infected and results in significant morbidity and mortality in later stages of the disease. Management believes that approximately 40% to 50% of liver transplants are due to complications resulting from chronic HCV infections. HCV infection also contributes to frequent hospitalizations and failure of the transplanted liver when it occurs in transplant patients. There are approximately four million individuals in the U.S. and an estimated 170 million individuals worldwide infected with HCV. Nabi Civacir contains antibodies that are neutralizing to HCV. Nabi is developing Nabi Civacir for the prevention of HCV reinfection of transplanted livers and for the treatment of certain stages of chronic HCV infections.

In 1999, Nabi completed a series of chimpanzee studies of Nabi Civacir in collaboration with the CDC under a Cooperative and Research Development Agreement ("CRADA"). The results from these animal studies suggest that the elevated level of anti-HCV in serum maintained by multiple infusions of Nabi Civacir may be associated with the elimination of virus from the blood, prevention of acute hepatitis and the possible elimination of HCV antigen from liver cells after experimental HCV infection. In chronically infected chimpanzees, Nabi Civacir appears to reduce circulating levels of HCV in the bloodstream and reduce liver disease. Nabi has manufactured a clinical lot of Nabi Civacir and also plans to manufacture commercial lots at its Boca Raton manufacturing facility when the product is licensed by the FDA.

RENS (RING EXPANDED NUCLEOSIDES AND NUCLEOTIDES)

Nucleosides and nucleotides are the building blocks of DNA and RNA. Scientists at the University of Maryland Baltimore County ("UMBC") and at Nabi have developed a novel, proprietary, platform technology which permits the synthesis of a new class of nucleoside and nucleotide analogs called Ring Expanded Nucleosides ("RENs") and Ring Expanded Nucleotides ("RENt"). Nucleoside and nucleotide analogs have been shown to possess anti-microbial, anti-viral and anti-tumor activities. In addition to evaluating RENs compounds as stand alone drugs, Nabi believes there are opportunities to evaluate use of its current antibody based anti-virals in combination with RENs compounds.

In 1998, Nabi and UMBC were issued a U.S. patent with claims encompassing certain RENs and RENt compounds. Nabi has exclusively licensed UMBC rights in the patented inventions, inclusive of a pending patent application claiming therapeutic (anti-viral/anti-tumor) uses of these analogs. A number of active compounds have been prepared by Nabi through its collaboration with UMBC under a series of Maryland Industrial Partnership ("MIPS") grants. A lead compound, Nabi 3700.001, has been selected for further development. In pre-clinical IN-VITRO studies, this drug has been shown to have an acceptable toxicity profile and to have good anti-viral activity and specificity against hepatitis B virus. Under the license agreement Nabi is obligated to pay the UMBC a royalty based on net sales.

OTHER PROGRAMS:

NABI(R) NICVAX(TM) (NICOTINE CONJUGATE VACCINE)

The use of tobacco products has been associated with increased risk of heart and lung diseases and cancer worldwide. Globally, one out of three people over the age of 15 smoke, compared to one out of four in the U.S. Smoking related medical expenses account for about $50 billion per year and $50 billion in indirect costs. Smoking related deaths number 400,000 each year, more than AIDS, alcohol, drug abuse, car crashes, murders, suicides, and fires combined. Approximately 80% of those who smoke begin before they are 18, with 3,000 more starting each day. Addiction to nicotine has been identified as one of the major factors that prevent cigarette smokers and other tobacco users from discontinuing the activity.

Leveraging the conjugate vaccine technology developed for its Gram-positive program, Nabi is developing Nabi NicVAX, a vaccine to prevent and treat nicotine addiction. Prototypic versions of the vaccine have been shown to induce high titers of nicotine-specific antibodies in vaccinated animals. Preclinical studies evaluating the ability of the vaccine to prevent entrance of nicotine into the brain and to modify animal behavior in response to nicotine were conducted during 1998 and 1999, and results have been published in a peer-reviewed journal. Antibodies generated in response to vaccinations with Nabi NicVAX appear to block the physiological and behavioral responses to nicotine addiction in animal models. Nabi believes that a nicotine vaccine that produces highly specific antibodies that bind to nicotine might also prevent nicotine addiction in humans by blocking nicotine from reaching acetylcholine receptors in the brain. The Company also believes that Nabi NicVAX might be an effective product for those attempting to give up tobacco by helping to prevent relapse into continued nicotine use. The Company has filed a patent application on Nabi NicVAX and its uses to prevent and treat nicotine addiction. Clinical trials on Nabi NicVAX are anticipated to begin immediately following toxicology studies currently underway in collaboration with the National Institute on Drug Abuse.

The following is a summary of Nabi's products under development:

PRODUCTS	PURPOSE	STATUS
GRAM-POSITIVE PROGRAM:		
Nabi StaphVAX	Vaccine to provide long-term protection against onset of staph infections	In pivotal Phase III clinical trials in ESRD patients on hemodialysis, completion expected in 2000
Nabi Altastaph	High dose of antibodies to provide treatment or immediate protection against staph infections	Completed Phase I/II clinical trials in premature infants; scheduled for Phase II trials in second half of 2000, subject to the timing of NIH funding
Next generation products (vaccines and hyperimmune antibodies)	Combat S.AUREUS, S. EPIDERMIDIS, and Enterococcal bacterial infections	Research and pre-clinical development
ANTI VIRAL PROGRAMS:		
Hepatitis B Immune Globulin (Human)	Antibodies administered post exposure for prevention of hepatitis B virus infection	BLA filed with FDA December 1999 for product to be manufactured in Boca Raton facility.
	Prevention of hepatitis B virus reinfection in liver transplant patients	In pivotal Phase II/III clinical trials
Nabi CIVACIR	Antibody to treat chronic hepatitis C virus infections and to prevent reinfection of transplanted livers in patients with hepatitis C liver disease	Scheduled for Phase I/II clinical trials in liver transplant patients 2000, subject to the timing of NIH funding
RENS & RENT	Small molecule nucleoside and nucleotide analog technology to treat viral infections and cancer.	Research
OTHER PROGRAMS:		
Nabi NicVAX	Vaccine for smoking cessation and prevention and treatment of nicotine addiction	Phase I/II clinical trial anticipated to begin once toxicology studies are completed later in 2000

STRATEGIC ALLIANCES

Nabi is actively pursuing strategic alliances to assist in the development of its product pipeline. The Company's current key strategic alliances are discussed below.

CANGENE CORPORATION

Under a license and distribution agreement with Cangene, Nabi has exclusive marketing rights for, and shares in the profits from, sales of WinRho SDF in the U.S. Cangene, which holds the FDA licenses for the product, is required to supply the necessary quantities of WinRho SDF to support such sales. The Cangene agreement terminates in 2005 and requires Nabi, among other things, to meet specified

annual sales goals or make specified annual payments to Cangene in order to maintain exclusivity. During 1999, Nabi continued to meet and exceed these goals.

Cangene also manufactures Nabi-HB for the Company under an agreement with a three-year term through March 2002. See also "Supply and Manufacturing - Pharmaceuticals". In addition, Cangene has exclusive marketing rights for Nabi-HB in Canada provided it meets specified sales goals. Nabi shares in the profits from sales of Nabi-HB in Canada. The term of the Canadian marketing agreement with Cangene for Nabi-HB is co-extensive with the term of the manufacturing agreement for Nabi-HB.

CATALYTICA PHARMACEUTICALS

In 1999, Nabi entered into an agreement with Catalytica under which Catalytica has granted Nabi exclusive distribution rights in the U.S. and Canada to Aloprim, as well as global rights in territories where the license holder prior to Catalytica (Glaxo Wellcome) has not commercialized the product. Under the five-year agreement, Nabi will sell and Catalytica will manufacture the product and both companies will share in profits from the sale of the product. Nabi has the option to purchase the rights to the product at any time within five years from the effective date of the agreement. Aloprim is not currently approved for sale and distribution in Canada. Catalytica shall use its commercially reasonable best efforts to acquire the sales and distribution rights for Aloprim in Canada. The costs associated with obtaining these Canadian sales and distribution rights will be shared equally by Catalytica and Nabi.

OTHER LICENSES

Nabi is seeking partnering opportunities to license certain of its currently marketed products outside the U.S. with entities who have international marketing and distribution capabilities. Under a license agreement with the PHS/NIH, Nabi has exclusive rights to a patent relating to a carbohydrate/protein conjugate vaccine against STAPHYLOCOCCUS, and is obligated to pay PHS a royalty based on net sales. The licensed patent rights cover Nabi StaphVAX and Nabi Altastaph products. The license terminates with respect to each country on the date that the patent rights expire in such country.

CUSTOMER RELATIONSHIPS

Nabi sells its pharmaceutical products to wholesalers, distributors, and home healthcare companies and sells its antibody products to pharmaceutical and diagnostic manufacturers, most of which have been customers of Nabi for many years.

Customers for antibody products to which sales exceeded 10% of Nabi's annual consolidated sales in the last three fiscal years ending December 31, 1999 were Baxter and Bayer Corporation. Aggregate sales of antibody products to these customers were approximately $95 million, $89 million and $93 million, or 41%, 37% and 41% of total sales for the years ended December 31, 1999, 1998 and 1997, respectively.

Nabi generally sells its antibody products under contracts ranging from one to five years. Certain contracts allow for annual pricing renegotiations. Others contain provisions that provide for fixed price increases that have been agreed to by both parties at the inception of the contract period. Pricing for product deliveries is generally mutually agreed to prior to the beginning of the contract year and fixed for that year, but generally does provide for price increases/decreases to reflect changes in customer specifications and new governmental regulations. Consequently, Nabi's profit margins may be adversely or beneficially affected if the cost of collecting antibody products rises or falls during the year.

Effective July 1, 1999, Nabi entered into an agreement to supply non-specific and anti-D antibodies to Baxter through December 31, 2004. The five and one-half year contract is expected to generate $300 million of revenues for Nabi over the term of the agreement. The supply agreement includes pricing adjustments and replaces a multi-year agreement that expired at the end of fiscal 1999.

SUPPLY AND MANUFACTURING

PHARMACEUTICAL PRODUCTS

Nabi has completed construction of a biopharmaceutical manufacturing facility in Boca Raton, Florida that is designed for the manufacture, formulation, processing and packaging of pharmaceutical products produced from specialty antibodies collected at its U.S. centers. Nabi submitted a BLA to the FDA in December 1999 for a hepatitis B immune globulin (human) product for post exposure prophylaxis of hepatitis B to be manufactured in this new facility. Nabi has manufactured clinical lots of the Hepatitis B Immune Globulin (Human) and Civacir in this new facility.

Catalytica manufactures Aloprim for and has granted the Company exclusive distribution rights in the U.S. and Canada under an agreement which terminates in June 2004.

Cangene manufactures Nabi-HB for the Company under an agreement that establishes minimum purchase quantities and terminates March 2002, although either party may terminate the agreement upon 12 months' notice. Nabi collects and supplies the specialty antibodies necessary for the manufacture of Nabi-HB.

Nabi is required to purchase its requirements of WinRho SDF from Cangene, which has granted Nabi exclusive marketing rights to the product in the U.S., under an agreement which terminates in 2005.

In 1997, Nabi acquired from Baxter the exclusive rights to Autoplex T in the U.S., Canada and Mexico. In connection with the acquisition, Baxter agreed to manufacture Autoplex T until May 2000 or such later time as may be determined under the terms of a consent order entered into between Baxter and the Federal Trade Commission ("FTC"), but in any event four months after Nabi receives approval from the FDA to manufacture Autoplex T. The FTC could require Nabi to return to Baxter Nabi's rights to Autoplex T if Nabi does not obtain FDA approval to manufacture the product by May 2000 or by a later date agreed to by the FTC. At the discretion of the FTC, the period Baxter manufactures Autoplex T can be extended for up to four twelve-month intervals. Nabi anticipates that the period Baxter manufactures Autoplex T under the terms of a consent order from the FTC will be extended for the first twelve-month period through May 2001. If the rights revert to Baxter and Baxter later sells these rights, Nabi and Baxter will share equally the proceeds of any such sale and under certain circumstances Baxter will be required to make a specified payment to Nabi. Nabi expects to manufacture Autoplex T for commercial sale in its Boca Raton manufacturing facility.

Nabi manufactures both pre-clinical and clinical lots of vaccine products under development at its facility in Rockville, Maryland and immune globulin products under development at its Boca Raton, Florida and Miami, Florida facilities. Currently, Nabi does not have a commercial scale vaccine manufacturing capability. Nabi is in the process of identifying an appropriate third party contract-manufacturer or partner for initial commercial production of Nabi StaphVAX .

ANTIBODY COLLECTION PROCESS

Nabi currently collects and processes antibody products from 57 collection centers located across the U.S. Each Nabi-owned center is licensed and regulated by the FDA. Most of Nabi's centers are located in urban areas and many are near universities and military bases. Prospective donors are required to complete a medical questionnaire and are subject to laboratory testing and a physical examination under the direction or supervision of a physician. Following this screening, antibodies are collected from suitable donors by means of a process known as plasmapheresis. During 1999, eleven of Nabi's antibody collection centers received Bayer Quality Awards and one center was the recipient of Bayer's prestigious William A. Tarleton Excellence Award for 1999.

PATENTS AND PROPRIETARY RIGHTS

Nabi's continued success will depend, in part, on its ability to obtain and protect its patent rights, trade secrets and other intellectual property. Nabi has acquired title or obtained licenses to a number of patents or patent applications and has filed a number of patent applications of its own. During 1999, Nabi was issued two patents (U.S. Pat. Nos. 5,866,140 and 5,961,975) containing claims covering both a S. EPIDERMIDIS vaccine and a hyperimmune globulin made using the vaccine. See also "Factors to Be Considered - Uncertainty of Legal Protection Afforded by Patents and Proprietary Rights".

GOVERNMENT AND INDUSTRY REGULATION

The collection, processing and sale of Nabi's products as well as its research, preclinical development and clinical trials are subject to regulation for safety and efficacy by numerous governmental authorities in the U.S. and other countries, including the United Kingdom, Germany and Australia. Domestically, the federal Food, Drug and Cosmetic Act, the Public Health Service Act, and other federal and state statutes and regulations govern the collection, testing, manufacture, safety, efficacy, labeling, storage, record keeping, approval, advertising and promotion of Nabi's products.

PHARMACEUTICAL PRODUCTS

Vaccines and human polyclonal antibody products are classified as "biological products" under FDA regulations. The steps required before a biological product may be marketed in the U.S. generally include preclinical studies and the filing of an Investigational New Drug ("IND") application with the FDA, which must be accepted by the FDA before human clinical studies may commence. After human clinical studies, the FDA must approve a Biologics License Application/New Drug Application ("BLA"/"NDA"). In addition to approving each product, the FDA must approve the manufacturing facilities for the product. Biological products, once approved, have no provision allowing competitors to market generic versions. Each biological product must undergo the entire development process in order to be approved.

Preclinical studies are conducted to evaluate the potential safety and efficacy of a product. The results of preclinical studies are submitted as part of the IND application, which must be approved by the FDA before human clinical trials may begin. The initial human clinical evaluation, called a Phase I trial, generally involves administration of a product to a small number of normal healthy volunteers to test for safety. Phase II trials involve administration of a product to a limited number of patients with a particular disease to determine dosage and safety, as well as provide indications of efficacy. Phase III trials examine the efficacy and safety of a product in an expanded patient population at geographically dispersed clinical sites. The FDA reviews the clinical plans and the results of trials and can discontinue the trials at any time if there are significant safety issues.

The results of all trials are submitted in the form of a BLA/NDA for approval to commence commercial sales. For BLA/NDA approval, the FDA requires, among other things, that the prospective manufacturer's methods conform to the agency's current Good Manufacturing Practice ("cGMP") regulations, which must be followed at all times. In complying with standards set forth in these regulations, manufacturers must continue to expend time, money and effort in the area of production and quality control to ensure full regulatory compliance. The approval process is affected by several factors, including the severity of the disease, the availability of alternative treatments, and the risks and benefits demonstrated in clinical trials. The FDA also may require post-marketing surveillance to monitor potential adverse effects of the product. The regulatory process can be modified by Congress or the FDA in specific situations.

ANTIBODY PRODUCTS

The collection, storage and testing of antibody based products is regulated by the FDA. Any person operating a plasma collection facility in the U.S. must have an Establishment License and individual

Product Licenses issued by the FDA and each collection facility must be inspected and approved by the FDA. In the future, the Establishment License Application ("ELA") and Product License Application ("PLA") will be replaced by a single application, the BLA. Nabi holds Establishment Licenses and Product Licenses issued by the FDA covering all Nabi-owned collection centers located in the U.S. In addition, collection centers require FDA approval to collect each specialty antibody product. Nabi is also subject to and is required to be in compliance with applicable regulatory requirements of the foreign countries where it exports products.

Nabi continually pursues its commitment to quality and compliance with applicable FDA regulations and other regulatory requirements through its own internal training and quality assurance programs. As part of its commitment to quality, Nabi has embraced the Quality Plasma Program ("QPP") which was initiated by the American Blood Resources Association, an industry group that establishes standards for plasmapheresis centers. QPP imposes standards for plasmapheresis centers in addition to those presently required by the FDA. QPP certification is proving increasingly significant, because many customers will only purchase antibodies that have been collected in QPP certified centers. All of Nabi's domestic-owned centers are QPP certified centers.

ORPHAN DRUG ACT

Under the Orphan Drug Act, the FDA may designate a product as having Orphan Drug status to treat a "rare disease or condition," which currently is defined as a disease or condition that affects populations of less than 200,000 individuals in the U.S., or, if victims of a disease number more than 200,000, for which the sponsor establishes that it does not realistically anticipate its product sales in the U.S. will be sufficient to recover its costs. If a product is designated an Orphan Drug, the sponsor is entitled to receive certain incentives to undertake the development and marketing of the product. In addition, the sponsor that obtains the first marketing approval for a designated Orphan Drug for a given indication effectively has marketing exclusivity for a period of seven years. There may be multiple designations of Orphan Drug status for a given drug and for different indications. However, only the sponsor of the first BLA/NDA approved for a given drug for its use in treating a given rare disease may receive marketing exclusivity. WinRho SDF and Aloprim have received Orphan Drug protection, WinRho SDF for the treatment of ITP through 2002, and Aloprim for treatment of chemotherapy induced hyperuricemia through 2003. See also "Factors to Be Considered - Uncertainty of Orphan Drug Designation".

OTHER

Nabi's Miami-based FDA-certified testing laboratory is licensed by the State of Florida agency for Health Care Administration, and the states of Maryland, New York, and Pennsylvania. The laboratory also has testing permits from California and West Virginia. The laboratory is licensed pursuant to Medicare regulations and regulations of the U.S. Health Care Finance Administration's Clinical Laboratory Improvement Act of 1988. Nabi is currently seeking ISO 9001 certification for the laboratory.

COMPETITION

PHARMACEUTICAL PRODUCTS

Nabi believes that Nabi-HB has achieved a significant share of the domestic market and that Nabi's access to the vaccines and specialty antibodies necessary for the manufacture of Nabi-HB will allow it to maintain its market share. See also "Supply and Manufacturing - Pharmaceutical Products".

Nabi believes that WinRho SDF has a significant and growing share of the domestic market for ITP treatment. Competing therapeutic modalities include the use of steroids, intravenous immune globulins ("IVIG"), and splenectomy (a surgical procedure to remove the spleen).

Autoplex T competes in the anti-inhibitor segment of the hemophilia A marketplace. Autoplex T and other competitive agents are used to treat patients that have developed inhibitors (an immunity) to Factor

VIII, the standard therapy for people suffering from hemophilia A. There are two pharmaceutical products currently on the market that compete with Autoplex T.

Aloprim is the only intravenous indication that competes in the allopurinol market for leukemia, lymphoma and solid organ tumor patients that have chemotherapy-induced hyperuricemia. Specifically, Aloprim, being an intravenous agent, can also be used in patients who have difficulty swallowing oral allopurinol due to their cancer status.

ANTIBODY PRODUCTS

Nabi and other independent suppliers of antibody products sell these products principally to pharmaceutical companies that process this raw material into finished products. Although these pharmaceutical companies generally own plasmapheresis centers, in the aggregate, they purchase a substantial portion of their antibody requirements from independent suppliers. There is competition among these independent suppliers. Nabi attempts to compete for sales by maintaining competitive pricing and by providing customers with high-quality products and superior customer service. Management believes Nabi has the ability to continue to compete successfully in these areas.

Nabi competes for donors with pharmaceutical companies that obtain antibodies for their own use through their own collection centers, other commercial collectors of antibody products, and non-profit organizations such as the American Red Cross and community blood banks which solicit donations of whole blood. Nabi competes for donors by providing competitive compensation and outstanding donor service, by implementing programs to attract donors through education as to the uses for collected antibodies, by encouraging groups to have their members become antibody donors for fund raising purposes and by improving the attractiveness of Nabi's collection facilities.

EMPLOYEES

Nabi employed 1,746 persons at December 31, 1999. Nabi believes that the relations between Nabi's management and its employees are generally good.

FACTORS TO BE CONSIDERED

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this Annual Report on Form 10-K that are not historical facts are hereby identified as "forward-looking statements" for the purpose of the safe harbor provided by Section 21E of the Securities and Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Words such as "estimate", "project", "plan", "intend", "expect", "believe" and similar expressions are intended to identify forward-looking statements. All forward-looking statements are necessarily only estimates of future results and there can be no assurance that actual results will not differ materially from expectations, and, therefore, investors are cautioned not to place undue reliance on such statements. Set forth below is a discussion of certain factors which could cause Nabi's actual results to differ materially from the results projected or suggested in such forward-looking statements. Investors should understand that it is not possible to predict or identify all such factors and that this list should not be considered a complete statement of all potential risks and uncertainties. Nabi undertakes no obligation to update any forward-looking statements as a result of future events or developments.

UNCERTAINTY OF NEW PRODUCT DEVELOPMENT

Nabi's future success will depend on its ability to achieve scientific and technological advances and to translate such advances into commercially competitive products on a timely basis. Nabi's pharmaceutical products under development are at various stages, and substantial further development, preclinical testing and clinical trials will be required to determine their technical feasibility and commercial viability. The proposed development schedules for these products may be affected by a variety of factors, including technological difficulties, competition, failure to achieve desired results in clinical trials, proprietary technology positions of others, reliance on third parties for manufacturing, failure to market

effectively and changes in government regulation. Positive results for a product in a clinical trial do not necessarily assure that positive results will be obtained in future clinical trials or that government approval to commercialize the product will be obtained. In addition, any delay in the development, introduction or marketing of Nabi's products under development could result either in such products being marketed at a time when their cost and performance characteristics would not be competitive in the marketplace or in a shortening of their commercial lives. There can be no assurance that Nabi's pharmaceutical products under development will prove to be technologically feasible, commercially viable and able to obtain necessary regulatory approvals and licenses on a timely basis, if at all. Nabi's failure to successfully develop and commercialize in a timely manner its pharmaceutical products and obtain necessary regulatory approvals could have a material adverse effect on Nabi's future operations. In particular, Nabi's failure to obtain the statistically significant results for Nabi StaphVAX required for FDA approval may have a major impact on market valuation.

COSTS OF RESEARCH AND DEVELOPMENT

Nabi has incurred and expects to continue incurring significant expenses associated with its pharmaceutical product development activities, including the cost of clinical trials relating to product development and marketing expenses relating to product introduction. Products under development may not generate revenues for several years or at all. Nabi currently does not have the financial resources to concurrently fund all of its pharmaceutical product development programs. Nabi has elected to focus on its product development activities relating to Nabi StaphVAX and clinical support for Nabi's currently marketed products. Nabi is actively pursuing strategic alliances to assist in the development and commercialization of its pharmaceutical products. There can be no assurance that Nabi's efforts will be successful, and if they are not, Nabi will not be able to continue to aggressively develop its early stage products. Nabi's ability to continue to fund its ongoing research and development activities will be dependent on its ability to generate revenues from its pharmaceutical products or obtain financing. There can be no assurance, therefore, that Nabi will be able to continue to fund its research and development activities at the current level and if Nabi is required to further reduce the funding for its research and development activities, this could have a material adverse effect on Nabi's future prospects.

COMPETITIVE MARKET FOR PHARMACEUTICAL PRODUCTS

Nabi's currently marketed pharmaceutical products compete with those of other companies. Most of these companies have greater financial resources, research and product development capabilities and marketing organizations than Nabi. In order to successfully develop additional pharmaceutical products, additional expenditures, management resources and time will be required. Nabi may need to supplement its own sales efforts through the use of a partner. If Nabi so elects, there can be no assurance that Nabi will be able to find a partner on acceptable terms or at all, or that any such partner will be successful in its efforts. If Nabi succeeds in bringing one or more products to market, it will compete with many other companies that may have extensive and well-funded marketing and sales operations. Nabi's failure to successfully market new pharmaceutical products could have a material adverse effect on Nabi's business, financial condition and results of operations.

RISK WITH RESPECT TO CERTAIN EXISTING PRODUCTS

Nabi could lose its exclusive marketing rights to WinRho SDF if it fails to achieve specified performance criteria including sales goals and compensatory payments. Pursuant to the terms under which Nabi acquired its rights to Autoplex T from Baxter, the FTC could require Nabi to return to Baxter Nabi's rights to Autoplex T if Nabi does not obtain FDA approval to manufacture the product by May 2000 or a later date agreed to by the FTC. Nabi will not obtain FDA approval to manufacture Autoplex T by May 2000 and is seeking an extension from the FTC. Although Nabi believes it will receive the extension, there can be no assurance that it will be granted by the FTC. Loss of exclusive marketing rights to market WinRho SDF or rights to Autoplex T would have an adverse effect on Nabi's business, financial condition and results of operations.

The future capability of Nabi to produce high potency anti-HBs antibodies will be directly dependent on the availability of a suitable vaccine to stimulate the antibody response in donors. Nabi is currently utilizing a human plasma source vaccine for donor stimulation. The supply of the vaccine, which is no longer manufactured, is expected to be exhausted in the next few years. Based on studies conducted to date with currently licensed alternative vaccines manufactured using recombinant technology, Nabi has been unable to identify a comparable replacement for the human source vaccine. Nabi's cost of production of hepatitis B immune globulin will significantly increase if the currently licensed vaccines remain the only alternative for stimulation of antibody production in donors.

ADDITIONAL FINANCING REQUIREMENTS AND ACCESS TO CAPITAL

Nabi's outstanding debt matures in 2002 and 2003. To satisfy these obligations, Nabi may need to raise additional capital to repay the debt or restructure the outstanding debt. In addition, Nabi may need to raise additional capital to increase funding of its product research, development and marketing activities and to support capital expenditures. Nabi intends to seek additional funding through public or private equity or debt financing, collaborative arrangements with strategic partners or from other sources. There can be no assurance, however, that additional financing will be available on acceptable terms, if at all. If adequate funds are not available, Nabi will have to defer certain investments in the areas of research, product development, manufacturing or marketing activity, or otherwise modify its business strategy, and its business and future prospects could be materially and adversely affected.

UNCERTAINTY OF MARKET ACCEPTANCE

There can be no assurance that any of Nabi's products in development will achieve market acceptance. The degree of market acceptance will depend upon a number of factors, including the receipt of regulatory approvals, the establishment and demonstration in the medical community of the clinical efficacy and safety of Nabi's products and their potential advantages over existing treatment methods, the prices of such products, and reimbursement policies of government and third party payers. The failure of Nabi's product pipeline to gain market acceptance could have a material adverse effect on Nabi's business, financial condition and results of operations.

FACTORS AFFECTING ANTIBODY PRODUCTS SUPPLY AND DEMAND; UNCERTAINTY OF TECHNOLOGICAL CHANGE

Nabi's customers for antibody products, including itself in the cases of Nabi Altastaph and Civacir, are subject to extensive regulation by the FDA. Failure by these customers to comply with FDA regulations can lead to temporary closure of their manufacturing facilities. Cutbacks in the customers' production would reduce the need for antibodies provided by Nabi and impact its revenues. Plant closures and cutbacks in customers' production because of regulatory problems have occurred in recent years, and Nabi's financial performance has been adversely affected as a result thereof. There can be no assurance that these customer regulatory problems, which are not within Nabi's control, will not re-occur with the same adverse impact on Nabi.

Concern over the safety of antibody products has resulted in the adoption of more rigorous screening procedures by regulatory authorities and manufacturers of antibody products. These changes resulted in increased cost to Nabi in providing non-specific and specialty antibodies to its customers. New procedures, which include a more extensive investigation into a donor's background and new tests, have also disqualified numerous potential donors and discouraged other donors who may be reluctant to undergo the screening procedures. These more stringent measures, particularly when coupled with a period of low unemployment nationally, could adversely affect Nabi's antibody production with a corresponding adverse effect on Nabi's business, financial condition and results of operations. In addition, Nabi's efforts to increase production to meet customer demand have resulted in higher costs to attract and retain donors.

Most of the antibody products Nabi collects, processes and sells to its customers are used in the manufacture of therapeutic products to treat certain diseases. Several companies are marketing and developing products to treat some of these diseases based upon technology which would lessen or

eliminate the need for human antibodies. Such products could adversely affect the demand for antibody products. Products utilizing technology developed to date have not proven as cost-effective and marketable to healthcare providers as products based on human antibodies. However, Nabi is unable to predict the impact on its business of future technological advances.

The worldwide supply of plasma has fluctuated historically. Future changes in government regulation relating to the collection and use of antibodies, its fractionation or any negative public perception about the antibody collection process or the safety of products derived from blood or plasma could further adversely affect the overall supply of or demand for antibodies. Increases in supply or decreases in demand of antibody products could have a material adverse effect on Nabi's business, financial condition and results of operations.

GOVERNMENT REGULATION; UNCERTAINTY OF REGULATORY APPROVALS

Nabi's research, preclinical development, clinical trials, manufacturing and marketing of its products are subject to extensive regulation by various government authorities in the U.S. The process of obtaining FDA and other required regulatory approvals is lengthy and expensive, and the time required for such approvals is uncertain. The approval process is affected by such factors as the severity of the disease, the availability of alternative treatments, and the risks and benefits demonstrated in clinical trials. The FDA also may require post-marketing surveillance to monitor potential adverse effects of the product. The regulatory process can be modified by Congress or the FDA in specific situations. Many of Nabi's clinical trials are at a relatively early stage and, except for Nabi-HB, WinRho SDF, Autoplex T, Aloprim and certain non-specific and specialty antibody products, no approval from the FDA or any other government agency for the manufacturing or marketing of any of its products under development has been granted. There can be no assurance that Nabi will be able to obtain the necessary approvals for manufacturing or marketing of any of its products. Failure to obtain additional FDA approvals of products currently marketed or FDA approval for products under development could have a material adverse effect on Nabi's future business, financial condition and results of operations. If a product is approved, its failure to comply with applicable regulatory requirements could, among other things, result in fines, suspension or revocation of regulatory approvals, product recalls or seizures, operating restrictions, injunctions and criminal prosecutions.

Distribution of Nabi's products outside the U.S. is subject to extensive government regulation. These regulations, including the requirements for approvals or clearance to market, the time required for regulatory review and the sanctions imposed for violations, vary from country to country. There can be no assurance that Nabi will obtain regulatory approvals in such countries or that it will not be required to incur significant costs in obtaining or maintaining its foreign regulatory approvals. In addition, the export by Nabi of certain of its products that have not yet been cleared for domestic commercial distribution may be subject to FDA export restrictions. Failure to obtain necessary regulatory approvals, the restriction, suspension or revocation of existing approvals or any other failure to comply with regulatory requirements would have a material adverse effect on Nabi's business, financial condition and results of operations.

Nabi's U.S. antibody collection, storage, labeling and distribution activities also are subject to strict regulation and licensing by the FDA. Nabi's collection centers in the U.S. are subject to periodic inspection by the FDA, and from time to time Nabi receives notices of deficiencies from the FDA as a result of such inspections. Nabi's failure or the failure of its collection centers to continue to meet regulatory standards or to remedy any such deficiencies could result in corrective action by the FDA, including closure of one or more collection centers and fines or penalties. In addition, before new antibody collection centers are opened, the collection centers and their procedures and personnel must meet certain regulatory standards to obtain necessary licenses. New regulations may be enacted and existing regulations or their interpretation or enforcement are subject to change. Therefore, there can be no assurance that Nabi will be able to continue to comply with any regulations or that the costs of such compliance will not have a material adverse effect on Nabi's business, financial condition and results of operations.

DEPENDENCE UPON THIRD PARTIES TO MANUFACTURE PRODUCTS; LIMITED MANUFACTURING CAPABILITY AND EXPERIENCE

Nabi does not currently manufacture any of its marketed pharmaceutical products and is dependent upon third parties to manufacture these products for Nabi. The failure by Nabi's manufacturers to meet Nabi's needs for these products or delays in the receipt of deliveries could have a material adverse effect on Nabi's business, financial condition and results of operations. Nabi has constructed a biopharmaceutical manufacturing facility that is designed to allow Nabi to manufacture, formulate and package pharmaceutical products. Nabi submitted a BLA for licensure for a product manufactured in the Boca Raton facility to the FDA in December 1999. No assurance can be given that Nabi will be able to obtain such licensure, and failure to obtain such licensure on a timely basis, or at all, would have a material adverse effect on business, financial condition and results of operations. The new facility is designed to process specialty antibodies into pharmaceutical products. However, Nabi has not previously owned or operated such a facility and has no direct experience in commercial, large-scale manufacturing of pharmaceutical products. There can be no assurance that when FDA licensure is received, Nabi will have sufficient product to manufacture so that the facility can be operated efficiently and profitably. Further, there can be no assurance that when the facility is ready for its intended use Nabi will have product to manufacture, either on its own behalf or on behalf of third parties, to offset the cost of the facility's operation. Nabi's failure to successfully operate its new manufacturing facility would have a material adverse effect on Nabi's business, financial condition and results of operations.

Nabi anticipates that the facility will be able to produce Nabi-HB for commercial sale in 2001, but there can be no assurance that Nabi will be able to do so. However, Nabi expects to have an adequate supply of Nabi-HB based on its manufacturing agreement with Cangene that expires in 2002. Moreover, manufacturing products at a single site may present risks if a disaster (such as a fire or hurricane) causes interruption of manufacturing capability. In such an event, Nabi will have to resort to alternative sources of manufacturing that could increase its costs as well as result in significant delays while required regulatory approvals are obtained. Any such delays or increased costs could have a material adverse effect on Nabi's business, financial condition and results of operations.

Nabi's research and development pipeline principally involves specialty vaccines. In order to obtain FDA approval to market these vaccines, Nabi must be able to demonstrate that it has FDA-licensed facilities to manufacture the vaccines. Nabi currently does not have such facilities. Nabi's failure to develop an acceptable manufacturing capability in a timely manner will adversely impact the timing of an FDA submission and FDA approval to sell the vaccines on a commercial basis. Although Nabi is discussing arrangements with third parties, there can be no assurance that Nabi will be able to enter into agreements on terms acceptable to Nabi.

POTENTIAL ADVERSE EFFECT OF LITIGATION

Antibody products collected by Nabi and products using these antibody products manufactured by Nabi's customers run the risk of being HIV-contaminated. As a result, suits may be filed against Nabi's customers and Nabi claiming that the plaintiffs became infected with HIV as a result of using the HIV-contaminated products. Such suits have been filed in the past, and in a number of suits Nabi was one of several defendants. With the exception of one suit which is still pending, all of these suits have been dismissed without liability to Nabi. No assurance can be given that additional lawsuits relating to infection with HIV will not be brought against Nabi by persons who have become infected with HIV or from plasma fractionates. In addition, there can be no assurance that lawsuits based on other causes of action will not be filed or that Nabi will be successful in the defense of any or all existing or potential future lawsuits. Defense of suits can be expensive and time-consuming, regardless of the outcome, and an adverse result in one or more suits, could have a material adverse effect on Nabi's business, financial condition and results of operations.

RISK OF PRODUCT LIABILITY; LIMITED INSURANCE

The processing and sale of Nabi's products involves a risk of product liability claims, and Nabi currently is a party to litigation involving such claims. In addition, there can be no assurance that infectious diseases will not be transmitted by Nabi's products and create additional product liability claims. Product liability insurance for the biopharmaceutical industry generally is expensive to the extent it is available at all. There can be no assurance that Nabi will be able to maintain such insurance on acceptable terms or that it will be able to secure increased coverage if the commercialization of its products progresses, or that existing or future claims against Nabi will be covered by Nabi's product liability insurance. Moreover, there can be no assurance that the existing coverage of Nabi's insurance policy and/or any rights of indemnification and contribution that Nabi may have will offset existing or future claims. A successful claim against Nabi with respect to uninsured liabilities or in excess of insurance coverage and not subject to any indemnification or contribution could have a material adverse effect on Nabi's business, financial condition and results of operations.

STRATEGIC ALLIANCES

Nabi is pursuing strategic alliances with third parties for the development of certain of its pharmaceutical products. No assurance can be given that Nabi will be successful in these efforts or, if successful, that the collaborators will conduct their activities in a timely manner. If Nabi is not successful in its efforts, Nabi will not be able to continue to aggressively develop its early stage products. Even if Nabi is successful, if any of Nabi's collaborative partners violate or terminate their agreements with Nabi or otherwise fail to conduct their collaborative activities in a timely manner, the development or commercialization of products could be delayed, and Nabi might be required to devote significant additional resources to product development and commercialization or terminate certain development programs. In addition, there can be no assurance that disputes will not arise in the future with respect to the ownership of rights to any technology developed with third parties. These and other possible disagreements between collaborators and Nabi could lead to delays in the collaborative research, development or commercialization of certain products or could require or result in litigation or arbitration, which would be time-consuming and expensive, and could have a material adverse effect on Nabi's business, financial condition and results of operations.

UNCERTAINTY OF LEGAL PROTECTION AFFORDED BY PATENTS AND PROPRIETARY RIGHTS

The patent positions of biotechnology firms generally are highly uncertain and involve complex legal and factual questions. There can be no assurance that existing patent applications will result in issued patents, that Nabi will be able to obtain additional licenses to patents of others or that Nabi will be able to develop additional patentable technology of its own. Because patent applications in the U.S. are not disclosed by the Patent and Trademark Office until patents issue, and because publication of discoveries in the scientific or patent literature often lags behind actual discoveries, Nabi cannot be certain that it was the first creator of inventions covered by its pending patent applications or that it was the first to file patent applications for such inventions. There can be no assurances that any patents issued to Nabi will provide it with competitive advantages or will not be challenged by others. Furthermore, there can be no assurance that others will not independently develop similar products, or, if patents are issued to Nabi, design around such patents.

A number of pharmaceutical companies, biotechnology companies, universities and research institutions have filed patent applications or received patents relating to products or processes competitive with or similar to those of Nabi. Some of these applications or patents may be competitive with Nabi's applications or conflict in certain respects with claims made under Nabi's applications. Such a conflict could result in a significant reduction of the coverage of Nabi's patents, if issued. In addition, if patents that contain competitive or conflicting claims are issued to others and such claims are ultimately determined to be valid, Nabi may be required to obtain licenses to these patents or to develop or obtain alternative technology. If any licenses are required, there can be no assurance that Nabi will be able to obtain any such licenses on commercially favorable terms, if at all. Nabi's failure to obtain a license to any technology that it may require to commercialize its products could have a material adverse effect on Nabi's business, financial condition and results of operations. Litigation, which could result in substantial

cost to Nabi, may also be necessary to enforce any patents issued to Nabi or to determine the scope and validity of third party proprietary rights.

Nabi also relies on secrecy to protect its technology, especially where patent protection is not believed to be appropriate or obtainable. Nabi maintains strict controls and procedures regarding access to and use of its proprietary technology and processes. However, there can be no assurance that these controls or procedures will not be violated, that Nabi would have adequate remedies for any violation, or that Nabi's trade secrets will not otherwise become known or be independently discovered by competitors.

UNCERTAINTY OF ORPHAN DRUG DESIGNATION

If a product is designated an Orphan Drug by the FDA, the sponsor is entitled to receive certain incentives to undertake the development and marketing of the product. In addition, the sponsor that obtains the first marketing approval for a designated Orphan Drug for a given indication effectively has marketing exclusivity for a period of seven years. There may be multiple designations of Orphan Drug status for a given drug with different indications. However, only the sponsor of the first approved BLA/NDA for a given drug indication in treating a given rare disease may receive marketing exclusivity. While it may be advantageous to obtain Orphan Drug status for eligible products, there can be no assurance that the precise scope of protection that is currently afforded by Orphan Drug status will be available in the future or that the current level of exclusivity will remain in effect. Congress has considered legislation that would amend the Orphan Drug Act to limit the scope of marketing exclusivity granted to Orphan Drug products. WinRho SDF has received Orphan Drug marketing exclusivity for the treatment of ITP (and has obtained Orphan Drug status for certain other indications) and certain other of Nabi's products under development have Orphan Drug status. Aloprim has received Orphan Drug status for the treatment of chemotherapy induced hyperuricemia. There can be no assurance that Nabi will succeed in obtaining Orphan Drug marketing exclusivity for products that have Orphan Drug status or that Orphan Drug marketing exclusivity with respect to WinRho SDF or other products, if obtained, will be of material benefit to Nabi. Furthermore, another manufacturer could obtain an Orphan Drug designation as well as approval for the same product for a different indication or a different product for the same indication.

INTENSE COMPETITION; UNCERTAINTY OF TECHNOLOGICAL CHANGE

Competition in the development of biopharmaceutical products is intense, both from biotechnology and pharmaceutical companies, and is expected to increase. Many of Nabi's competitors have greater financial resources and larger research and development staffs than Nabi, as well as substantially greater experience in developing products, obtaining regulatory approvals, and manufacturing and marketing pharmaceutical products. Competition with these companies involves not only product development, but also acquisition of products and technologies from universities and other institutions. Nabi also competes with universities and other institutions in the development of pharmaceutical products, technologies and processes and for qualified scientific personnel. There can be no assurance that Nabi's competitors will not succeed in developing technologies and products that are more effective or affordable than those being developed by Nabi. In addition, one or more of Nabi's competitors may achieve product commercialization of or patent protection for competitive products earlier than Nabi, which would preclude or substantially limit sales of Nabi's products. Further, several companies are attempting to develop and market products to treat certain diseases based upon technology that would lessen or eliminate the need for human antibodies. The successful development and commercialization by any of Nabi's competitors of any such product could have a material adverse effect on Nabi's business, financial condition and results of operations.

Nabi competes for antibody donors with pharmaceutical companies, other independent antibody suppliers, other commercial collection companies and non-profit organizations such as the American Red Cross and community blood banks that solicit the donation of blood. A number of these competitors have access to greater financial, marketing and other resources than Nabi. Nabi competes for donors by offering financial incentives to donors to compensate them for their time and inconvenience, providing outstanding customer service to its donors, implementing programs designed to attract donors

through education as to the uses for collected antibodies, encouraging groups to have their members become antibodies donors and improving the attractiveness of Nabi's antibodies collection facilities. Nabi also competes with other independent antibody suppliers that sell antibodies principally to pharmaceutical companies that process antibodies into finished products. If Nabi is unable to maintain and expand its donor base, its business, financial condition and results of operations will be materially and adversely affected.

DEPENDENCE ON SMALL NUMBER OF CUSTOMERS FOR SIGNIFICANT ANTIBODY PRODUCT SALES

Nabi's antibody sales are currently concentrated among a few large pharmaceutical companies. During the 1999, 1998 and 1997 fiscal years, antibody product sales to Nabi's top two customers collectively accounted for approximately 41%, 37% and 41%, respectively, of Nabi's consolidated sales. Only these top two customers purchased more than 10% of our consolidated sales in any such period. The loss of any major customer or a material reduction in a major customer's purchases of antibodies could have a material adverse effect upon Nabi's business, financial condition and results of operations.

UNCERTAINTY OF PRODUCT PRICING AND REIMBURSEMENT

Nabi's ability to commercialize its pharmaceutical products and related treatments will be dependent in part upon the availability of, and Nabi's ability to obtain, adequate levels of reimbursement from government health administration authorities, private healthcare insurers and other organizations. Significant uncertainty exists as to the reimbursement status of newly approved healthcare products, and there can be no assurance that adequate third party coverage will be available, if at all. Inadequate levels of reimbursement may prohibit Nabi from maintaining price levels sufficient for realization of an adequate return on its investment in developing new pharmaceutical products and could result in the termination of production of otherwise commercially viable products. Government and other third party payers are increasingly attempting to contain healthcare costs by limiting both the coverage and level of reimbursement for new products approved for marketing by the FDA and by refusing, in some cases, to provide any coverage for disease indications for which the FDA has not granted marketing approval. Also, the trend towards managed healthcare in the U.S. and the concurrent growth of organizations such as HMOs, which could control or significantly influence the purchase of healthcare services and products, as well as legislative proposals to reform healthcare or reduce government insurance programs, may all result in lower prices for Nabi's products. The cost containment measures that healthcare providers are instituting and the impact of any healthcare reform could have an adverse effect on Nabi's ability to sell its products and may have a material adverse effect on Nabi's business, financial condition and results of operations.

There can be no assurance that reimbursement in the U.S. or foreign countries will be available for Nabi's products, or, if available, will not be decreased in the future, or that reimbursement amounts will not reduce the demand for, or the price of, Nabi's products. The unavailability of third party reimbursement or the inadequacy of the reimbursement for medical treatments using Nabi's products could have a material adverse effect on Nabi's business, financial condition and results of operations. Moreover, Nabi is unable to forecast what additional legislation or regulation, if any, relating to the healthcare industry or third party coverage and reimbursement may be enacted in the future or what effect such legislation or regulation would have on Nabi's business.

Most of Nabi's antibody product sales are made pursuant to contracts having initial terms ranging from one to five years. These contracts generally provide for annual pricing renegotiations. The pricing generally remains fixed for the first year and subsequently is subject to price changes to reflect changes in customer specifications or price adjustments to compensate Nabi for increased costs associated with new governmental or customer testing requirements. As a result, Nabi's business, financial condition and results of operations would be adversely affected if its costs of collecting and preparing antibodies rise during a given year and Nabi is not able to pass on the increased costs until the next annual pricing re-negotiation.

ITEM 2. PROPERTIES

A majority of the space occupied by Nabi is primarily used to collect antibody products and is leased from non-affiliates under leases expiring through 2010. A majority of these leases contain renewal options that permit Nabi to renew the leases for varying periods up to ten years at the then fair rental value. Nabi believes that in the normal course of its business it will be able to renew or replace its existing leases. Nabi also owns four collection facilities located in Arizona, Indiana, Minnesota and Washington. Nabi's collection centers range in size from approximately 3,000 to 21,000 square feet.

Nabi leases office, laboratory, warehouse and pilot manufacturing space in Miami, Florida and Rockville, Maryland.

Nabi owns a facility that houses its executive offices and its biopharmaceutical manufacturing facility in Boca Raton, Florida. Nabi will commence commercial manufacturing in this location after it obtains FDA licensure.

ITEM 3. LEGAL PROCEEDINGS

Nabi is a party to litigation in the ordinary course of business. Nabi does not believe that any such litigation will have a material adverse effect on its business, financial position or results of operations.

In addition, Nabi is a co-defendant with various other parties in one suit filed in the U.S. by, or on behalf of, individuals who claim to have been infected with HIV as a result of either using HIV-contaminated products made by the defendants other than Nabi or having familial relations with those so infected. The claims against Nabi are based on negligence and strict liability. Several similar suits previously pending against Nabi, including a purported class action, have been dismissed.

Nabi denies all claims against it in these suits and intends to defend these cases vigorously. Nabi believes that any such litigation will not have a material adverse effect on its business, financial position or results of operations.

ITEM 3A. EXECUTIVE OFFICERS OF THE REGISTRANT

The executive officers of Nabi are as follows:

NAME	AGE	POSITION
DAVID J. GURY	61	Chairman of the Board, President and Chief Executive Officer
BRUCE K. FARLEY	49	Senior Vice President, Manufacturing Operations
THOMAS H. MCLAIN	42	Senior Vice President, Corporate Services and Chief Financial Officer
DAVID D. MUTH	46	Senior Vice President, Business Operations
ROBERT B. NASO, PH.D.	55	Senior Vice President, Quality, Regulatory and Product Development
MARK L. SMITH	38	Senior Director of Finance and Chief Accounting Officer

DAVID J. GURY has served as Nabi's Chairman of the Board, President and Chief Executive Officer since April 3, 1992. Previously, since May 21, 1984, he was Nabi's President and Chief Operating Officer. He has been a director of Nabi since 1984.

BRUCE K. FARLEY has served as Senior Vice President, Manufacturing Operations since February 1999, when he joined Nabi. Previously, Mr. Farley was Executive Vice President and Chief Operating Officer of Meris Laboratories, where he led the Company through a strategic reorganization and sale. From 1983 to 1996, he was employed by Laboratory Corporation of America (formerly National Health Laboratories) in numerous positions of increasing general management and operational responsibility as Vice President, Divisional Manager Northwest (Seattle), Vice President, Chief Operating Officer, Esoteric and Drugs of Abuse Testing (Nashville), Divisional Manager, California (San Diego), and Regional Manager (Houston).

THOMAS H. MCLAIN has served as Senior Vice President, Corporate Services and Chief Financial Officer of Nabi since June 1998. Previously, from 1988 to 1998, Mr. McLain was employed by Bausch & Lomb, Inc. where, as Staff Vice President, Business Process Reengineering, he led a cross functional team to restructure the global finance and purchasing organizations. He also held various positions of increasing responsibility in finance at Bausch & Lomb, including Staff Vice President, Accounting and Reporting and Assistant Corporate Controller. Before joining Bausch & Lomb, Mr. McLain practiced with the accounting firm of Ernst & Young.

DAVID D. MUTH has served as Senior Vice President of Business Operations since March 1998. Since November 1996, he was Senior Vice President of Sales, Marketing and Business Development and responsible for growing Nabi's pharmaceutical business. Mr. Muth joined Nabi in August 1996 as the Senior Vice President of Business Development. Previously, he was Senior Vice President of Business Development at Duramed Pharmaceuticals, Inc. from February 1995 to May 1996. From 1978 to 1995, Mr. Muth was employed at Johnson and Johnson where he held numerous positions of increasing responsibility in business development, sales, marketing, new product development and finance at the Corporate Headquarters in New Brunswick, New Jersey, at Ethicon Inc. in Sommerville, New Jersey and at Ortho McNeil Pharmaceuticals in Raritan, New Jersey.

ROBERT B. NASO, PH.D. has served as Senior Vice President Quality, Regulatory and Product Development, since August 1998. He joined Nabi in November 1995 as Senior Vice President, Research and Development and General Manager, Rockville Operations. Previously, he was Vice President of Research at Univax Biologics, Inc. beginning in May 1992, and became Vice President of Research and Development in October 1994. From 1983 to 1992, Dr. Naso was employed at Johnson and Johnson where he held various positions of increasing responsibility in research and development.

MARK L. SMITH has served as Senior Director of Finance and Chief Accounting Officer since joining the Company in August 1999. Prior to joining the Company, Mr. Smith served as Vice President of Finance and Chief Financial Officer of Neuromedical Systems, Inc. where he played a leadership role in that company's strategic restructuring and sale. Prior to joining Neuromedical Systems, Mr. Smith served in various financial executive capacities at Genzyme Corporation from 1996 until 1998 and as Vice President of Finance and Administration and Chief Financial Officer of Genetrix, Inc. from 1991 until 1996. Before joining Genetrix, Mr. Smith practiced with the accounting firm of PricewaterhouseCoopers in both Australia and the U.S.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Nabi's common stock is quoted on the Nasdaq National Market under the symbol "NABI." The following table sets forth for each period the high and low sale prices for the common stock (based upon intra-day trading) as reported by the Nasdaq National Market.

	HIGH	LOW
1999		
First Quarter	4	2 1/2
Second Quarter	3 5/8	2 13/32
Third Quarter	6	2 13/16
Fourth Quarter	5 7/8	3 1/16
1998		
First Quarter	4 7/8	2 5/8
Second Quarter	4 1/2	2 21/32
Third Quarter	3 3/4	1 7/8
Fourth Quarter	3 7/16	1

The closing price of Nabi common stock on February 29, 2000 was $11 per share. The number of record holders of Nabi's common stock at December 31, 1999 was 1,430.

No cash dividends have been previously paid on Nabi's common stock and none are anticipated in 2000. Nabi's credit agreement also restricts dividend payments.

ITEM 6. SELECTED FINANCIAL DATA - FIVE YEARS ENDED DECEMBER 31, 1998

The following table sets forth selected consolidated financial data for Nabi for the five years ended December 31, 1999 that were derived from Nabi's audited consolidated financial statements. On November 29, 1995, Univax, a publicly traded biopharmaceutical company, was merged with and into Nabi in a tax-free, stock-for-stock transaction. The merger was accounted for as a pooling of interests and accordingly, all prior period financial information has been combined.

The data should be read in conjunction with, and are qualified by reference to, Nabi's Consolidated Financial Statements and the Notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations". All amounts in the following table are expressed in thousands, except for per share data.

	FOR THE YEARS ENDED DECEMBER 31,				
	1999	1998	1997	1996	1995
STATEMENT OF OPERATIONS DATA:					
Sales	$233,603	$243,087	$228,744	$239,909	$195,928
Cost of products sold	163,407	178,366	180,533	181,914	152,148
Gross profit	70,196	64,721	48,211	57,995	43,780
Selling, general and administrative expense	33,282	31,151	25,012	21,095	26,816
Research and development expense	15,469	21,822	19,126	16,721	20,132
Royalty expense	13,739	10,946	6,617	5,253	3,490
Freight and amortization	1,905	2,169	3,087	3,757	3,015
Non-recurring (credit) charges	(1,935)	14,605	5,680	--	--
Operating income (loss)	7,736	(15,972)	(11,311)	11,169	(9,673)
Interest income	74	48	272	1,275	1,064
Interest expense	(4,313)	(5,681)	(4,712)	(3,987)	(1,931)
Other, net	(110)	(105)	(70)	(511)	(334)
Income (loss) before income taxes and extraordinary charge	3,387	(21,710)	(15,821)	7,946	(10,874)
(Provision) benefit for income taxes	(43)	(47)	4,668	6,214	(6,687)
Income (loss) before extraordinary charge	3,344	(21,757)	(11,153)	14,160	(17,561)
Extraordinary charge	--	--	--	(932)	--
Net income (loss)	$ 3,344	$(21,757)	$(11,153)	$ 13,228	$(17,561)
Basic earnings (loss) per share:					
Income (loss) before extraordinary charge	$ 0.10	$ (0.62)	$ (0.32)	$ 0.41	$ (0.52)
Extraordinary charge	--	--	--	(0.03)	--
Net income (loss)	$ 0.10	$ (0.62)	$ (0.32)	$ 0.38	$ (0.52)
Diluted earnings (loss) per share:					
Income (loss) before extraordinary charge	$ 0.09	$ (0.62)	$ (0.32)	$ 0.40	$ (0.52)
Extraordinary charge	--	--	--	(0.03)	--
Net income (loss)	$ 0.09	$ (0.62)	$ (0.32)	$ 0.37	$ (0.52)

	DECEMBER 31,				
	1999	1998	1997	1996	1995
BALANCE SHEET DATA:					
Working capital	$ 35,999	$ 41,964	$ 63,933	$ 63,530	$ 14,690
Total assets	214,162	218,300	225,906	202,142	137,975
Notes payable, including current maturities	112,998	118,044	121,081	83,465	42,894
Total stockholders' equity	58,177	54,189	75,663	86,061	69,442

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of Nabi's financial condition and results of operations for each of the three years ended December 31, 1999, 1998, and 1997, should be read in conjunction with the Consolidated Financial Statements and Notes thereto and with the information contained under "Factors to be Considered" in Item 1. All amounts are expressed in thousands, except for per share data.

Nabi is nearing completion of a multi-year transition from being a leading provider of antibody products to other pharmaceutical manufacturers to becoming a fully integrated biopharmaceutical company, developing, manufacturing and marketing its own products for the prevention and treatment of infections diseases and immunological disorders. Nabi has a portfolio of marketed products and significant research and development capabilities that are focused on the development and commercialization of products that prevent and treat infectious and autoimmune diseases. Nabi currently has several clinical trials underway in these areas and has four marketed pharmaceutical products.

RESULTS OF OPERATIONS

The following table sets forth Nabi's results of operations expressed as a percentage of sales:

	FOR THE YEARS ENDED DECEMBER 31,		
	1999	1998	1997
RESULTS OF OPERATIONS			
Sales	100.0%	100.0%	100.0%
Cost of products sold	70.0%	73.4%	78.9%
Gross profit margin	30.0%	26.6%	21.1%
Selling, general and administrative expense	14.2%	12.8%	10.9%
Research and development expense	6.6%	9.0%	8.4%
Royalty expense	5.9%	4.5%	2.9%
Other operating expense	0.8%	0.9%	1.3%
Non-recurring charges	(0.8)%	6.0%	2.5%
Operating income (loss)	3.3%	(6.6)%	(4.9)%
Interest income	0.0%	0.0%	0.0%
Interest expense	(1.9)%	(2.3)%	(2.0)%
Other, net	(0.0)%	(0.0)%	(0.0)%
Income (loss) before (provision) benefit for income taxes	1.4%	(8.9)%	(6.9)%
(Provision) benefit for income taxes	(0.0)%	(0.0)%	2.0%
	1.4%	(8.9)%	(4.9)%

Information concerning Nabi's sales by industry segment, for the respective periods, is set forth in the following table. All dollar amounts set forth in the table are expressed in thousands.

	FOR THE YEARS ENDED DECEMBER 31,					
SEGMENT	1999		1998		1997	
Pharmaceutical Products	$71,112	30.4%	$54,983	22.6%	$34,470	15.0%
Antibody Products:						
-Non-specific antibodies	109,316	46.8	133,141	54.8	135,331	59.2
-Specialty antibodies	53,175	22.8	54,963	22.6	58,943	25.8
	162,491	69.6	188,104	77.4	194,274	85.0
TOTAL	$233,603	100.0%	$243,087	100.0%	$228,744	100.0%

1999 AS COMPARED TO 1998

SALES. Nabi's strategy is to shift the mix of revenues from low-margin non-specific antibody products to higher margin specialty antibody and pharmaceutical products. While total sales for 1999 decreased by $9.5 million, or 4%, from 1998, pharmaceutical sales increased as a percentage of total sales to 30.4% in 1999 from 22.6% of revenues in 1998. Pharmaceutical sales increased by approximately $16 million or 29% from 1998, reflecting the successful launch of Nabi-HB in March 1999, which contributed to 47% of the pharmaceutical sales increase; increased sales of WinRho SDF attributable to higher volumes shipped to distributors and improved pricing, which resulted in 36% of the pharmaceutical sales increase; and the launch of Aloprim in June 1999, representing 14% of the pharmaceutical sales increase. During the third quarter of 1998, Nabi had exhausted the remaining inventory of H-BIG, the predecessor product to Nabi-HB.

Total antibody sales decreased by 14% from 1998. Non-specific antibody sales decreased 18%, reflecting lower production volumes. This was attributable to two major factors. First, Nabi sold six of its U.S. centers in April 1999 and transferred its German antibody collection operations to a third party in the fourth quarter. Second, the Company experienced a decline in antibody collections on a same store basis. The Company believes low unemployment levels and the increasing impact of regulations limiting donor eligibility have contributed to these lower collection levels. Specialty antibody sales decreased slightly (3%), reflecting lower revenues for laboratory services, diagnostic products, and anti-D and RSV antibodies, partially offset by increased sales of other specialty products, including anti-CMV, tetanus, hepatitis B and rabies.

GROSS PROFIT MARGIN. The strategic transition of Nabi's business from low-margin, non-specific antibodies to high-margin pharmaceutical products and specialty antibody products continued in 1999. As a result, despite a 4% decrease in sales, gross profit for 1999 was $70.2 million or 30.0% of sales, compared to $64.7 million or 26.6% of sales in 1998. The increase in gross profit margin resulted from an improved sales mix of higher-margin pharmaceutical products, offset by the effects of reduced margins on lower non-specific and specialty antibody sales.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE. Selling, general and administrative expense was $33.3 million or 14.2% of sales in 1999, compared to $31.2 million or 12.8% of sales in 1998. The increase reflects higher advertising expenses and costs to expand the Company's sales force to drive increased pharmaceutical product sales and support the launches of Nabi-HB and Aloprim. 1999 expenses also include systems costs related to Nabi's Year 2000 readiness efforts. The increase was partially offset by the cost benefits associated with reorganizational measures initiated in the first half of 1998.

RESEARCH AND DEVELOPMENT EXPENSE. Research and development expense was $15.5 million or 6.6% of sales in 1999, compared to $21.8 million or 9.0% of sales in 1998. In 1998, Nabi incurred significant expenditures related to the advancement of clinical trials and the submission of the PLA for Nabi-HB, which was approved by the FDA in March 1999. In 1999, Nabi reduced pre-clinical product development activities at its Rockville, Maryland site, and focused its ongoing research and development efforts on

the Gram-positive program, including Nabi StaphVAX, and support for currently marketed products. At the same time, the Company is actively seeking corporate and government partners to fund the significant cost of further development for the products at earlier stages in Nabi's extensive research and development pipeline.

ROYALTY EXPENSE. Nabi has entered into various royalty and profit-sharing agreements requiring royalty payments related to specified pharmaceutical product sales. Royalty expense was $13.7 million, or 19.3% of pharmaceutical sales in 1999, compared to $10.9 million, or 19.9% of pharmaceutical sales in 1998. Royalty expense decreased as a percentage of pharmaceutical revenue due to a recent agreement limiting the amount of royalties to be paid on sales of Nabi-HB in 1999 and 2000. Royalty obligations related to WinRho SDF shall decrease in 2000 through the termination of the agreement due to achieving profitability milestones.

NON-RECURRING CREDIT AND CHARGES. During the fourth quarter of 1998, Nabi's Board of Directors approved a plan to sell or close certain antibody collection centers and actions to reduce pre-clinical product development activities at the Company's Rockville, Maryland facility. Results for 1998 included approximately $14.6 million for non-recurring charges. The 1998 charges were comprised of restructuring ($13.0 million) and litigation ($1.6 million) costs. In February 1999, the Company reduced staff levels at its Rockville facility, thereby eliminating 35 positions as a result of the restructuring. During 1999, the Company sold or closed seven U.S. antibody collection centers out of the eight centers specified in the original plan. Resolution of the contemplated actions relating to the remaining antibody collection center is expected to be completed by the end of the third quarter of 2000.

As part of the plan to restructure Nabi's antibody operations, the Company made a provision in 1998 for the cost of the planned shut-down of its German antibody collection operations, which was determined likely to occur at that time. However, in the third quarter of 1999, Nabi was able to reach an agreement to transfer those operations to a third party. As a result, Nabi avoided estimated cash expenses for severance and future lease costs amounting to $1.9 million and accordingly recognized a non-recurring credit in that amount.

INTEREST EXPENSE. Interest expense for 1999 was $4.3 million, compared to $5.7 million in 1998. The decrease in interest expense is attributable to both higher amounts of capitalized interest and lower average outstanding bank borrowings during 1999. Capitalized interest relating primarily to construction of Nabi's biopharmaceutical manufacturing facility in Boca Raton, Florida was approximately $4.7 million for 1999 as compared to $3.8 million for 1998.

OTHER FACTORS. The provision for income taxes was $43,000 for 1999, compared to $47,000 in 1998. The 1.3% effective tax rate for 1999 differs from the statutory rate of 35% due to the tax benefit from the transfer of Nabi's German operations to a third party and from a reduction in the valuation allowance relating to the Company's deferred tax assets which had been previously reserved.

1998 AS COMPARED TO 1997

SALES. Sales for 1998 increased by $14.3 million, or 6%, to $243.1 million compared to $228.7 million for 1997. The increase was primarily attributable to a substantial increase in pharmaceutical sales based on strong demand for WinRho SDF and Autoplex T. Pharmaceutical sales in 1998 also included sales of H-BIG during the first three fiscal quarters until Nabi essentially exhausted its inventory of this product. Nabi's successor product, Nabi-HB, was launched immediately after the announcement of FDA approval on March 25, 1999. This significant improvement in pharmaceutical sales was offset by a 3% decrease in antibody product sales. Certain high-margin specialty antibody sales increased during 1998, such as anti-D and hepatitis B, but these revenue gains were more than offset by decreased market demand for other lower margin specialty antibody products. While non-specific antibody shipments increased in 1998, sales declined due to lower pricing under contracts which were negotiated in late 1997 when there was a general disruption in the plasma industry. Antibody product revenues

also benefited from a short-term opportunity to provide laboratory testing services for a plasma fractionator during 1998.

GROSS PROFIT MARGIN. Gross profit and related margin for 1998 was $64.7 million or 26.6%, compared to $48.2 million or 21.1% in 1997. The significant improvement in the gross profit margin resulted from increased contribution from sales of high-margin pharmaceutical products and certain high-margin specialty antibodies, offset by the effects of reduced margins earned on non-specific antibody sales. Gross profits and related margins on antibody product sales were adversely impacted by several factors in 1998: lower contract prices for non-specific antibodies, higher fees paid to donors to increase production to meet demand, higher costs to meet new regulatory and quality requirements and underabsorption of fixed overhead as a result of reduced production levels. The impact of these factors was partially offset by a reduction in certain expenses associated with process improvement initiatives within antibody operations.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE. Selling, general and administrative expense was $31.2 million or 12.8% of sales in 1998, compared to $25.0 million or 10.9% of sales in 1997. The increase was primarily attributable to the expansion of the Company's sales force and promotional activity expenses associated with increasing pharmaceutical product sales. In addition, incremental expenditures were incurred in 1998 associated with ongoing support of new information systems that were implemented enterprise wide in mid 1997.

RESEARCH AND DEVELOPMENT EXPENSE. Research and development expense was $21.8 million or 9% of sales in 1998, compared to $19.1 million or 8.4% of sales in 1997. The increase in expenses relates primarily to the higher costs associated with the advancement of clinical trials for Nabi-HB, Nabi StaphVAX and Nabi Altastaph.

ROYALTY EXPENSE. Royalty expense is directly related to pharmaceutical sales. The Company incurred $10.9 million of royalty expense, or 19.9% of pharmaceutical sales in 1998, compared to $6.6 million, or 19.2% of pharmaceutical sales in 1997. This increase in expense is attributable to higher sales of pharmaceutical products.

NON-RECURRING CHARGES. Results for 1998 include approximately $14.6 million of non-recurring charges. The 1998 charges were comprised of certain restructuring costs ($13.0 million) and costs relating to litigation ($1.6 million). During the fourth quarter of 1998, Nabi's management determined that certain restructuring initiatives were necessary to sharpen the Company's focus and to improve overall profitability and cash flow. As part of this process, management and the Board of Directors re-examined each of the Company's business segments with a view towards strategic optimization. While sales of antibody products were essentially flat year over year, there was considerable margin pressure in this segment of the Company's overall business. To address this problem, the Company decided to pursue a shift in its revenue mix towards higher margin specialty antibody products and streamline its production of non-specific antibodies.

Nabi also determined its own product development spending needs to be focused on clinical trials and marketing programs for currently marketed and late development stage pharmaceutical products. As a result of these decisions, the Company will decrease its rate of internal spending on preclinical research activities in 1999 and reduced staff accordingly at its Rockville, Maryland facility in February 1999. Also included in the restructuring charge is the write-off of the Company's vaccine pilot plant in Maryland.

The additional non-recurring charge of $1.6 million relates to management's estimate of the Company's costs incurred in connection with its ongoing litigation with the general contractor for the Boca Raton, Florida manufacturing facility. This litigation was initiated by Nabi.

INTEREST EXPENSE. Interest expense for 1998 was $5.7 million, compared to $4.7 million in 1997. The increase was primarily attributable to higher average outstanding borrowings as compared to 1997. Capitalized interest relating primarily to construction of Nabi's biopharmaceutical manufacturing facility in

Boca Raton, Florida during 1998 was approximately $3.8 million as compared to $2.4 million during 1997.

OTHER FACTORS. The provision for income taxes was $47,000 for 1998, compared to a benefit of $4.7 million in 1997. The benefit for 1997 relates to the refund of income taxes previously paid on taxable income in prior years. The effective tax rate differs from the statutory rate of 35% due primarily to the establishment of a valuation allowance for net operating loss carryforwards generated in 1998.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 1999, Nabi's credit agreement provided for a revolving credit facility of up to $45 million subject to certain borrowing base restrictions, and a $5 million term loan. The credit agreement matures in September 2002. Borrowings under the revolving credit and term loan agreement totaled $32.5 million at December 31, 1999 as compared to $37.5 million at December 31, 1998, and additional availability was approximately $7.4 million at December 31, 1999. The credit agreement is secured by substantially all of Nabi's assets, requires the maintenance of certain financial covenants and prohibits the payment of dividends.

Effective February 1, 2000, Nabi amended its credit agreement retroactively to December 31, 1999. The amendment provided for the amendment of certain current and future financial covenants, a reduction of certain excess credit facility requirements, and the extension of the maturity of the term loan to be concurrent with that of the revolving credit agreement, September 2002. The amendment requires monthly principal payments of $83,333 on the term loan commencing May 1, 2000, continuing through the expiration of the agreement at which time the remaining balance is due in full.

As of December 31, 1999, Nabi's current assets exceeded current liabilities by $36 million as compared to a net working capital position of $42 million at December 31, 1998. Cash and cash equivalents at December 31, 1999 were $0.8 million compared to $1 million at December 31, 1998. The primary source of cash during 1999 was operations, including the positive effect of non-cash adjustments to net income for the year, reductions of trade receivables, and increases in trade payables and accrued expenses. Net cash provided by operating activities was $23.3 million representing an improvement of $5.1 million from 1998. The primary uses of cash during 1999 were capital expenditures, principally associated with the Company's manufacturing facility in Boca Raton, Florida, and a $5 million reduction of borrowings under the revolving credit agreement.

Projected capital expenditures for 2000 include costs associated with the Boca Raton, Florida manufacturing facility, including capitalized interest, the development of Nabi StaphVAX manufacturing capability with a third party contract-manufacturer or partner, the development of information systems and related expenditures, and antibody collection center renovations. Nabi believes that cash flow from operations and its available bank credit facilities will be sufficient to meet its anticipated cash requirements for 2000. The Company is also in the process of seeking additional cash to fund the development of its pharmaceutical product pipeline from strategic alliances and may seek additional funding from new or existing credit facilities and equity placements.

YEAR 2000

During 1998, a cross-functional team was established to address Year 2000 readiness for key financial and operational computer systems, equipment (including lab equipment), information and business systems and external supplier and customer relationships. The Company established a program to address Year 2000 issues which focused on Nabi's business critical processes and had four overlapping phases: Phase I, the identification and assessment of systems, equipment and business relationships; Phase II, the testing of Year 2000 readiness for internal systems and equipment and the inquiry/audit of Year 2000 readiness for external suppliers and customers; Phase III, the remediation or replacement of equipment or business relationships that would not be Year 2000 compliant/ready, including re-testing as required; and Phase IV, contingency planning to mitigate the potential effect of problems which might be so deeply embedded in the identified business critical processes that they are beyond the Company's

reasonable ability to identify and control. The Company utilized both internal and external resources in its Year 2000 readiness efforts.

Prior to year end, Nabi completed its Year 2000 readiness efforts for business critical processes including the Desktop Computer Installation and Donor Management System (DMS) implementation referenced in the Company's Form 10-Q, filed in November 1999. The total project cost to achieve Year 2000 readiness is estimated at $3 million dollars, including expense and capital expenditures, not all of which were incremental to the Company's operations. These expenditures have primarily been incurred during 1998 and 1999, however, some cost will be expended in 2000. These costs have been funded by a combination of operating cash flows, bank credit facilities, and operating lease agreements. Approximately 25% of Nabi's 1999 information technology planned expenditures were directly attributable to Year 2000 remediation efforts. Year 2000 related expenditures were approximately $0.8 million in the fourth quarter of 1999 and $2.3 million for the twelve months ended December 31, 1999.

Nabi will continue to communicate with business critical suppliers and customers as necessary and monitor new developments throughout year 2000. At this time the company is not aware of any negative impact on its operations from the Year 2000 problem. However, given the nature of the Year 2000 problem, there can be no absolute assurance that the Company's efforts have been fully successful. If they have not, the Company's operations or financial condition may be materially and adversely affected in the future.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Financial Statements and information required by Item 8 are listed in the Index, presented as Item 14, and included herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On September 15, 1999, the Company filed a current report on Form 8-K, reporting under Item 4 thereof, a change in the Registrant's Certifying Accountant. This Form 8-K is hereby incorporated by reference.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information called for by this Item and not already provided in Item 3A will be contained in Nabi's Proxy statement, which Nabi intends to file within 120 days following Nabi's fiscal year end, December 31, 1999, and such information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information called for by this Item will be contained in Nabi's Proxy Statement which Nabi intends to file within 120 days following Nabi's fiscal year end, December 31, 1999, and such information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information called for by this Item will be contained in Nabi's Proxy Statement which Nabi intends to file within 120 days following Nabi's fiscal year end, December 31, 1999, and such information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information called for by this Item will be contained in Nabi's Proxy Statement which Nabi intends to file within 120 days following Nabi's fiscal year end, December 31, 1999, and such information is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 10th day of March, 2000.

NABI

By: /s/ David Gury
David J. Gury
Chairman of the Board, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in capacities and on the dates indicated.

SIGNATURES	TITLE	DATE
/s/ David J. Gury David J. Gury	Chairman of the Board, President, Chief Executive Officer	March 10, 2000
/s/ Thomas McLain Thomas H. McLain	Senior Vice President, Corporate Services and Chief Financial Officer	March 10, 2000
/s/ Mark Smith Mark L. Smith	Chief Accounting Officer, Senior Director of Finance	March 10, 2000
/s/ David Castaldi David L. Castaldi	Director	March 10, 2000
/s/ Joseph Cook Joseph C. Cook, Jr.	Director	March 10, 2000
/s/ George Ebright George W. Ebright	Director	March 10, 2000
/s/ Richard Harvey Richard A. Harvey, Jr.	Director	March 10, 2000
/s/ Linda Jenckes Linda Jenckes	Director	March 10, 2000
/s/ David Thompson David A. Thompson	Director	March 10, 2000

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1) FINANCIAL STATEMENTS

The following consolidated financial statements of Nabi and its subsidiaries are included pursuant to Item 8 hereof.

(a) (2) FINANCIAL STATEMENT SCHEDULES

All other schedules omitted are not required, inapplicable or the information required is furnished in the financial statements or notes therein.

(b) REPORTS ON FORM 8-K

On November 29, 1999, the Company filed a current report on Form 8-K, reporting under Item 8 thereof, a change in fiscal year beginning fiscal 2000.

REPORT OF MANAGEMENT

The following consolidated financial statements of Nabi were prepared by the Company's management, which is responsible for their reliability and objectivity. The statements have been prepared in conformity with accounting principles generally accepted in the U.S. and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Financial information elsewhere in this annual report is consistent with that in the consolidated financial statements.

Management is further responsible for maintaining a system of internal controls to provide reasonable assurance that Nabi's books and records reflect the transactions of the Company; that assets are safeguarded; and that management's established policies and procedures are followed. Management systematically reviews and modifies the system of internal controls to improve its effectiveness. The internal control system is augmented by the communication of accounting and business policies throughout the Company; the careful selection, training and development of qualified personnel; the delegation of authority and establishment of responsibilities.

Independent accountants are engaged to audit the consolidated financial statements of the Company and issue a report thereon. They have informed management and the audit committee of the Board of Directors that their audits were conducted in accordance with auditing standards generally accepted in the U.S., which require a review and evaluation of internal controls to determine the nature, timing and extent of audit testing. The Reports of Independent Certified Public Accountants are included in this report.

The recommendations of the independent certified public accountants are reviewed by management. Control procedures have been implemented or revised as appropriate to respond to these recommendations. In management's opinion, as of December 31, 1999, the internal control system was functioning effectively and accomplished the objectives discussed herein.

/s/ David Gury David J. Gury	Chairman of the Board, President, Chief Executive Officer
/s/ Thomas McLain Thomas H. McLain	Senior Vice President, Corporate Services and Chief Financial Officer
/s/ Mark Smith Mark L. Smith	Chief Accounting Officer, Senior Director of Finance

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
and Stockholders of Nabi

We have audited the accompanying consolidated balance sheet of Nabi and subsidiaries as of December 31, 1999, and the related consolidated statements of operations, changes in stockholder's equity, and cash flows for the year then ended. Our audit also included the financial statement schedule listed in the Index at Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nabi and subsidiaries as of December 31, 1999, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP
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ERNST & YOUNG LLP
Miami, Florida
February 16, 2000

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
and Stockholders of Nabi

In our opinion, the consolidated financial statements listed in the index appearing under Item 14 (a) (1) and (2) present fairly, in all material respects, the financial position of Nabi and its subsidiaries at December 31, 1998, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 1998, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of Nabi's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above. We have not audited the consolidated financial statements of Nabi for any period subsequent to December 31, 1998.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Miami, Florida
March 26, 1999

CONSOLIDATED BALANCE SHEETS

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)	DECEMBER 31, 1999	1998
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 806	$ 1,016
Trade accounts receivable, net	34,019	40,029
Inventories, net	35,932	38,203
Prepaid expenses and other current assets	7,747	6,227
TOTAL CURRENT ASSETS	78,504	85,475
PROPERTY, PLANT AND EQUIPMENT, NET	109,138	99,018
OTHER ASSETS:		
Goodwill, net	13,236	16,165
Intangible assets, net	6,028	7,032
Other, net	7,256	10,610
TOTAL ASSETS	$ 214,162	$ 218,300
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	$ 16,025	$ 14,964
Accrued expenses	25,776	28,466
Notes payable	704	81
TOTAL CURRENT LIABILITIES	42,505	43,511
NOTES PAYABLE	112,294	117,963
OTHER	1,186	2,637
TOTAL LIABILITIES	155,985	164,111
COMMITMENTS AND CONTINGENCIES	--	--
STOCKHOLDERS' EQUITY:		
Convertible preferred stock, par value $.10 per share: 5,000 shares authorized; no shares outstanding	--	--
Common stock, par value $.10 per share: 75,000 shares authorized; 34,961 and 34,903 shares issued and outstanding, respectively	3,496	3,490
Capital in excess of par value	138,071	137,911
Accumulated deficit	(83,390)	(86,734)
Accumulated other comprehensive loss	--	(478)
TOTAL STOCKHOLDERS' EQUITY	58,177	54,189
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 214,162	$ 218,300

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF OPERATIONS

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)	FOR THE YEARS ENDED DECEMBER 31, 1999	1998	1997
Sales	$ 233,603	$ 243,087	$ 228,744
COSTS AND EXPENSES:			
Costs of products sold	163,407	178,366	180,533
Selling, general and administrative expense	33,282	31,151	25,012
Research and development expense	15,469	21,822	19,126
Royalty expense	13,739	10,946	6,617
Freight and amortization	1,905	2,169	3,087
Non-recurring (credit) charges	(1,935)	14,605	5,680
OPERATING INCOME (LOSS)	7,736	(15,972)	(11,311)
INTEREST INCOME	74	48	272
INTEREST EXPENSE	(4,313)	(5,681)	(4,712)
OTHER, NET	(110)	(105)	(70)
INCOME (LOSS) BEFORE INCOME TAXES	3,387	(21,710)	(15,821)
(PROVISION) BENEFIT FOR INCOME TAXES	(43)	(47)	4,668
NET INCOME (LOSS)	$ 3,344	($ 21,757)	($ 11,153)
BASIC EARNINGS (LOSS) PER SHARE	$ 0.10	($ 0.62)	($ 0.32)
DILUTED EARNINGS (LOSS) PER SHARE	$ 0.09	($ 0.62)	($ 0.32)
BASIC WEIGHTED AVERAGE SHARES OUTSTANDING	34,934	34,885	34,737
DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	35,841	34,885	34,737

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997

(IN THOUSANDS)	COMMON STOCK SHARES	COMMON STOCK AMOUNT	COMMON STOCK WARRANTS SHARES	COMMON STOCK WARRANTS AMOUNT	CAPTIAL IN EXCESS OF PAR VALUE	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	STOCKHOLDERS' EQUITY
BALANCE AT DECEMBER 31, 1996	34,614	$3,461	100	$ --	$136,525	($53,824)	($102)	$ 86,060
Comprehensive loss:								
Net loss for the year	--	--	--	--	--	(11,153)	--	(11,153)
Foreign currency translation adjustments	--	--	--	--	--	--	(518)	(518)
Total comprehensive loss	--	--	--	--	--	--	--	(11,671)
Stock options exercised	185	19	--	--	427	--	--	446
Tax benefit from stock options exercised	--	--	--	--	477	--	--	477
Other	2	--	--	--	351	--	--	351
BALANCE AT DECEMBER 31, 1997	34,801	3,480	100	--	137,780	(64,977)	(620)	75,663
Comprehensive loss:								
Net loss for the year	--	--	--	--	--	(21,757)	--	(21,757)
Foreign currency translation adjustments	--	--	--	--	--	--	142	142
Total comprehensive loss	--	--	--	--	--	--	--	(21,615)
Stock options exercised	97	10	--	--	105	--	--	115
Tax benefit from stock options exercised	--	--	--	--	5	--	--	5
Other	5	--	--	--	21	--	--	21
BALANCE AT DECEMBER 31, 1998	34,903	3,490	100	--	137,911	(86,734)	(478)	54,189
Comprehensive income:								
Net income for the year	--	--	--	--	--	3,344	--	3,344
Write-down of cumulative foreign currency translation adjustments related to the transfer of German operations to a third party	--	--	--	--	--	--	478	478
Total comprehensive income	--	--	--	--	--	--	--	3,822
Stock options exercised	42	4	--	--	85	--	--	89
Tax benefit from stock options exercised	--	--	--	--	32	--	--	32
Other	16	2	--	--	43	--	--	45
BALANCE AT DECEMBER 31, 1999	34,961	$3,496	100	$ --	$138,071	($83,390)	$ --	$58,177

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(AMOUNTS IN THOUSANDS)	FOR THE YEARS ENDED DECEMBER 31, 1999	1998	1997
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 3,344	($21,757)	($11,153)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	10,128	11,502	9,856
Non-recurring (credit) charges	(1,935)	13,039	5,680
Provision for slow-moving or obsolete inventory	2,235	2,936	1,023
Deferred income taxes	--	--	2,503
Other	(22)	459	1,179
Change in assets and liabilities:			
Trade accounts receivable	6,146	(3,949)	1,066
Inventories	35	2,248	(16,119)
Prepaid expenses and other assets	(895)	9,912	(12,259)
Other assets	(43)	1,298	(2,633)
Accounts payable and accrued liabilities	4,271	2,520	(4,769)
Total adjustments	19,920	39,965	(14,473)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	23,264	18,208	(25,626)
CASH FLOW FROM INVESTING ACTIVITIES:			
Proceeds from maturity of short-term investments	--	--	8,850
Proceeds from sale of centers	2,518	--	--
Capital expenditures	(21,036)	(18,931)	(36,367)
NET CASH USED IN INVESTING ACTIVITIES	(18,518)	(18,931)	(27,517)
CASH FLOW FROM FINANCING ACTIVITIES:			
(Repayments) borrowings under line of credit, net	(5,002)	(1,783)	34,246
Repayments of term debt	--	(261)	(614)
Borrowings under term debt	--	5,000	--
Other debt	(43)	(4,729)	3,949
Proceeds from the exercise of options	89	115	446
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(4,956)	(1,658)	38,027
NET DECREASE IN CASH AND CASH EQUIVALENTS	(210)	(2,381)	(15,116)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,016	3,397	18,513
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 806	$ 1,016	$ 3,397
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	$ 8,232	$ 8,336	$ 6,295
Income taxes (refunded) paid, net	($ 103)	($ 7,645)	$ 350

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(ALL DOLLAR AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 1 BUSINESS AND ORGANIZATION

Nabi is nearing completion of a multi-year transition from being a leading provider of antibody products to other pharmaceutical manufacturers to becoming a fully integrated biopharmaceutical company, developing, manufacturing and marketing its own products for the prevention and treatment of infectious diseases and immunological disorders. Nabi has a portfolio of marketed products and significant research and development capabilities that are focused on the development and commercialization of products that prevent and treat infectious and autoimmune diseases. Nabi currently has several clinical trials underway in these areas and has four marketed pharmaceutical products.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of Nabi and its subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

ACCOUNTING ESTIMATES: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BASIS OF PRESENTATION: Certain items in the 1998 and 1997 consolidated financial statements have been reclassified to conform to the current year's presentation. All dollar amounts are expressed in thousands of dollars except amounts related to per share data.

REVENUE RECOGNITION: Revenue is recognized when title and risk of loss are transferred to the customer. Cash collections in excess of amounts earned on billings are recorded as deferred revenue and recognized as services are rendered or products are shipped.

RESEARCH AND DEVELOPMENT EXPENSE: Research and development costs are expensed as incurred. Amounts payable to third parties under collaborative product development agreements are recorded at the earlier of the milestone achievement or as payments become contractually due.

ADVERTISING COSTS: The Company accounts for advertising costs under guidance set forth in Statement of Position 93-7, "Reporting on Advertising Costs," which allows the Company to defer costs associated with the production of media advertising for major new campaigns until the time the advertising first takes place. Once the advertising is publicly released for the first time, all related deferred costs must be expensed. Other advertising costs are expensed as incurred. Deferred advertising costs of $545 are recorded as other current assets as of December 31, 1999. Advertising expenses for the years ended December 31, 1999, 1998, and 1997 amounted to $3,418, $2,340, and $1,484, respectively.

EARNINGS PER SHARE: Basic earnings per share are determined based on the weighted average number of common shares outstanding during the year. Diluted earnings per share are determined based on the weighted average number of common shares and potentially dilutive securities outstanding during the year.

FINANCIAL INSTRUMENTS: The carrying amounts of financial instruments including cash and cash equivalents, short-term investments, accounts receivable, accounts payable and short-term debt approximated fair value as of December 31, 1999 and 1998, because of the relatively short maturity of these instruments.

CASH EQUIVALENTS & SHORT-TERM INVESTMENTS: Cash equivalents consist of money market funds and bankers acceptances with maturities of three months or less. Short-term investments consist of securities issued or guaranteed by the U.S. Treasury and U.S. Government Agency Securities.

INVENTORIES: Inventories are stated at the lower of cost or market with cost determined on the first-in first-out ("FIFO") method.

PROPERTY, PLANT AND EQUIPMENT: Property, plant and equipment are carried at cost. Depreciation is recognized on the straight-line method over the estimated useful lives of the assets. Depreciable lives of property and equipment are as follows:

ASSET	LIFE
Buildings	35 - 39 Years
Furniture and fixtures	5 - 8 Years
Information systems	3 - 7 Years
Machinery and equipment	3 - 8 Years
Leasehold improvements	Lesser of lease term or economic life

GOODWILL: Goodwill represents the excess of cost over the fair value of identifiable assets acquired in business acquisitions. Goodwill is amortized ratably from the dates of acquisition over periods ranging from 10 to 25 years and is evaluated periodically.

INTANGIBLE ASSETS: Intangible assets represent the fair values of certain assets acquired in business, product and plasma center acquisitions including customer lists, donor lists, trademarks and trademark registrations, and non-competition agreements. These costs are amortized ratably from the date of acquisition over periods ranging from 3 to 25 years and are evaluated periodically.

IMPAIRMENT OF LONG-LIVED ASSETS: The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. If this review reveals indications of impairment, as generally determined based on estimated undiscounted cash flows, the carrying amount of the related long-lived assets are adjusted to fair value.

STOCK-BASED COMPENSATION: The Company accounts for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion 25, ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES, and related interpretations in accounting for stock options granted at fair market value. Note 9 to the consolidated financial statements contains a summary of the pro forma effects to reported net income (loss) and earnings (loss) per share for 1999, 1998 and 1997 as if the Company had elected to recognize compensation expense based on the fair market value of the options granted at grant date as prescribed by SFAS No. 123, ACCOUNTING FOR STOCK-BASED COMPENSATION.

NOTE 3 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are comprised of the following:

	DECEMBER 31,	
	1999	1998
Trade accounts receivable	$34,081	$40,250
Allowance for doubtful accounts	(62)	(221)
TOTAL	$34,019	$40,029

NOTE 4 INVENTORIES

The components of inventories are as follows:

	DECEMBER 31,	
	1999	1998
Finished goods	$35,547	$36,975
Work in process	701	1,964
Raw materials	2,960	3,772
	39,208	42,711
Allowances for slow-moving and obsolete inventory	(3,276)	(4,508)
TOTAL	$35,932	$38,203

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and related allowances for depreciation and amortization are summarized below:

	DECEMBER 31,	
	1999	1998
Information systems	$ 21,605	$ 21,968
Leasehold improvements	16,521	20,747
Machinery and equipment	10,179	18,075
Land and buildings	8,628	8,852
Furniture and fixtures	4,258	5,052
Construction in progress	76,743	56,297
Total property, plant and equipment	137,934	130,991
Less accumulated depreciation and amortization	(28,796)	(31,973)
TOTAL	$109,138	$ 99,018

Construction in progress consists primarily of costs incurred in connection with construction of Nabi's biopharmaceutical manufacturing facility in Boca Raton, Florida and includes deferred validation costs of $24,679 and $16,268 at December 31, 1999 and 1998, respectively. Capitalized interest associated with the biopharmaceutical facility and system development projects was approximately $13,560 and $8,902 at December 31, 1999 and 1998, respectively. Interest capitalized amounted to $4,658, $3,753, and $2,392 during 1999, 1998 and 1997, respectively.

The biopharmaceutical manufacturing facility requires FDA licensure to produce pharmaceutical products for sale in the U.S. The anticipated costs of completion to prepare the facility for its intended use are estimated to be approximately $15,000 in 2000.

Depreciation and amortization expense during 1999, 1998 and 1997 includes depreciation and amortization of property, plant and equipment of $7,828, $8,596 and $6,506, respectively, and amortization of assets under capital leases of approximately $169, $191 and $447, respectively.

NOTE 6 OTHER ASSETS

Other assets consist of the following:

	DECEMBER 31,	
	1999	1998
Goodwill	$18,452	$21,442
Less accumulated amortization	(5,216)	(5,277)
	$13,236	$16,165
Intangible assets	$11,201	$12,601
Less accumulated amortization	(5,173)	(5,569)
	$6,028	$7,032
Other, primarily deferred tax assets and deferred loan costs	$10,016	$12,631
Less accumulated amortization	(2,760)	(2,021)
TOTAL	$ 7,256	$10,610

NOTE 7 ACCRUED EXPENSES

Accrued expenses consist of the following:

	DECEMBER 31,	
	1999	1998
Employee compensation and benefits	$ 5,618	$ 5,682
Accrued royalties and product costs	8,915	3,422
Accrued interest	2,379	2,424
Accrued restructuring costs, current	3,307	10,970
Other	5,557	5,968
TOTAL	$25,776	$28,466

NOTE 8 NOTES PAYABLE

Notes payable consist of the following:

	DECEMBER 31,	
	1999	1998
Bank indebtedness:		
Revolving credit facility	$ 27,461	$ 32,463
Term loan	5,000	5,000
	32,461	37,463
6.5% Convertible Subordinated Notes	80,500	80,500
Equipment term notes	--	81
Other	37	--
Total notes payable	112,998	118,044
Current maturities	(704)	(81)
Notes payable, long-term	$112,294	$117,963

At December 31, 1999, the annual aggregate maturities of debt through the year 2004 and thereafter were $704; $1,000; $30,794; $80,500; and $0.

Short-term indebtedness outstanding at December 31, 1999 and 1998 had a weighted-average interest rate of approximately 9.38% and 5.39%, respectively.

At December 31, 1999, Nabi's credit agreement provided for a revolving credit facility of up to $45,000 subject to certain borrowing base restrictions, and a $5,000 term loan. The credit agreement matures in September 2002. Borrowings under the revolving credit and term loan agreement totaled $32,461 at December 31, 1999 as compared to $37,463 at December 31, 1998, and additional availability was approximately $7,400 at December 31, 1999. This credit agreement bears interest at the bank's prime rate plus 1%, is secured by substantially all assets, including a mortgage on the biopharmaceutical manufacturing facility, and contains covenants prohibiting dividend payments and requiring the maintenance of certain financial covenants. At December 31, 1999 Nabi had outstanding letters of credit for approximately $814 that reduce the Company's availability under the revolving credit facility.

Effective February 1, 2000, Nabi amended its credit agreement to allow for retroactive application to December 31, 1999. The amendment provided for the amendment of certain financial covenants and the extension of the maturity of the term loan to be concurrent with that of the revolving credit agreement, or September 2002. The amendment requires monthly principal payments on the term loan of $83 commencing May 1, 2000 through the expiration of the agreement, at which time the remaining balance is due in full.

During 1996, Nabi issued $80,500 of 6.5% Convertible Subordinated Notes due February 1, 2003 ("Notes") in a private placement. The Notes are convertible into common stock at a conversion price of $14 per share at any time and may be redeemed at Nabi's option without premium. A total of 5,750,000 shares of common stock have been registered and reserved for issuance upon conversion of the Notes. At December 31, 1999, the fair value of Nabi's 6.5% Convertible Subordinated Notes was approximately $59,872. The fair value was estimated using an independently quoted market price. The carrying value of all other long-term notes payable approximated fair value based upon quoted market prices for the same or similar debt issues.

NOTE 9 STOCKHOLDERS' EQUITY

WARRANTS

In November 1995, Nabi issued a warrant to purchase 100,000 shares of its common stock to an affiliate of its principal bank lender in connection with an agreement whereby Nabi had the right to issue up to $20,000 in subordinated notes. The warrants have an exercise price of $9.82 per share and expire on December 31, 2000. No subordinated notes have been issued under this agreement.

STOCK OPTIONS

Nabi maintains four stock option plans for its employees. Under these plans, Nabi has granted options to certain employees entitling them to purchase shares of common stock within ten years. The options vest over periods ranging from six months to four years from the date of grant and have been granted at exercise prices equal to the fair market value of the underlying common stock on the date of grant.

Nabi also maintains a Stock Plan for Non-Employee Directors, under which Nabi has granted options to certain directors entitling them to purchase shares of Nabi common stock within five years, vesting at six months after the date of grant and at an exercise price equal to the fair market value of the underlying common stock at the date of grant.

At December 31, 1999, there were options outstanding under all of Nabi's stock plans to acquire 6.2 million shares of its common stock of which 3.0 million are exercisable. Additionally, 2.6 million shares of common stock are reserved for future grants under the plans. Stock options granted and outstanding under these plans as of December 31, 1999 are presented below:

	OPTIONS	EXERCISE PRICE PER SHARE	WEIGHTED AVERAGE EXERCISE PRICE
	(In Thousands)		
BALANCE AT DECEMBER 31, 1996	3,117	$.19 - $13.75	$ 7.96
Granted	1,001	4.25 - 11.13	10.89
Exercised or canceled	(345)	1.03 - 13.75	6.59
BALANCE AT DECEMBER 31, 1997	3,773	.19 - 13.75	8.46
Granted	1,959	2.63 - 4.06	3.38
Exercised or canceled	(741)	.19 - 13.75	6.74
BALANCE AT DECEMBER 31, 1998	4,991	.19 - 13.75	8.63
Granted	1,999	2.69 - 5.94	2.86
Exercised or canceled	(754)	.19 - 13.75	6.35
BALANCE AT DECEMBER 31, 1999	6,236	$.19 - $13.75	$ 8.53

	Outstanding			Exercisable	
Exercise Price Range	Options (In Thousands)	Average Years Remaining	Average Exercise Price	Options (In Thousands)	Average Exercise Price
$ .19 - $ 4.25	3,662	7.9	$ 3.04	978	$ 3.19
$ 4.44 - $ 7.59	1,122	5.0	6.58	1,006	6.80
$ 8.39 - $11.125	814	6.6	10.79	520	10.66
$12.97 - $13.75	638	7.0	13.73	514	13.72
TOTAL	6,236	6.6	$ 8.53	3,018	$ 8.59

The following information reflects Nabi's pro forma loss information as if compensation expense associated with Nabi's stock plans had been recorded under the provisions of SFAS 123. Pro forma compensation expense has been determined based upon the estimated fair market value of the options at the date of grant.

	1999	1998	1997
Net loss	($1,744)	($25,779)	($12,658)
Basic and diluted loss per share	($0.05)	($0.74)	($0.36)

The estimated fair value of each option grant is determined using the Black-Scholes option-pricing model with the following ranges of assumptions: expected term of two to five years; expected volatility of 57% - 99%; and expected risk-free interest rates of 4% - 8%. The weighted-average estimated fair value of options granted during 1999, 1998 and 1997 was $1.90, $2.32 and $6.48, respectively.

SHAREHOLDERS RIGHTS PLAN

Effective July 25, 1997, Nabi's Board of Directors adopted a shareholders rights plan under which a dividend of one preferred share purchase right (the "Right") was distributed for each outstanding share of common stock. Each right entitles the holder to purchase one one-hundredth of a share of Series One Preferred Stock at a price of $70, subject to adjustment. The Rights expire August 1, 2007, and are exercisable only if an individual or group has acquired or obtained the right to acquire, or has announced a tender or exchange offer that if consummated would result in such individual or group acquiring beneficial ownership of 15% or more of the common stock. Such percentage may be lowered at the Board's discretion. If the Rights become exercisable, the holder may be entitled to receive upon exercise shares of Nabi's common stock having a market value of two times the exercise price of the Rights, or the number of shares of the acquiring company which have a market value of two times the exercise price of the Rights. The Rights separate from the common stock if they become exercisable. Nabi is entitled to redeem the Rights in whole for $0.01 per Right under certain circumstances.

NOTE 10 NON-RECURRING CHARGES

In December 1998, the Board of Directors approved a plan to sell or close certain antibody collection centers, including the Company's German operations. In addition, the Board approved actions to reduce product development activities at the Company's Rockville, Maryland facility. This reflected a decision for Nabi to primarily focus its ongoing research and development investment on support for products which are currently marketed or in later stages of development. Nabi is actively seeking corporate and government partners to fund further development of the remaining products in its research and development pipeline.

In connection with the plan, Nabi recorded a net restructuring charge of $13,164 in the fourth quarter of 1998. The restructuring charge was comprised of $2,529 in termination benefits resulting from the elimination of 36 positions within U.S. antibody operations, 67 positions within German operations, and

36 positions in Rockville; $3,682 for non-cancelable lease obligations; $5,058 for write-downs of leasehold improvements, equipment and furniture and fixtures, of which $4,797 is a non-cash item; and $967 in non-cash write-downs of intangible assets. The write-downs were based upon management's assessment of fair value.

In February 1999, the Company reduced staff levels at its Rockville facility, thereby eliminating 35 positions as a result of the restructuring. As of December 31, 1999, $3,000 of the remaining restructuring accrual primarily relates to non-cancelable lease obligations associated with the Rockville facility.

Included in the original $13,164 restructuring charge were estimated cash expenses for severance and future lease costs related to the planned shut-down of the Company's German operations which was determined likely to occur at that time. Rather than shutting down these operations, Nabi successfully reached an agreement during the third quarter of 1999 to transfer those operations to a third party. As a result, Nabi reversed $1,935 of the accrual related to severance and future lease costs since the Company will avoid these obligations.

During 1999, the Company sold or closed seven U.S. antibody collection centers out of the eight centers as specified in the original plan. Additionally, two executives were terminated and primarily all of their related severance benefits were paid as of December 31, 1999. As of December 31, 1999, approximately $400 of the remaining restructuring accrual is associated with unpaid severance benefits and costs for disposition of the remaining antibody collection center. Resolution of the contemplated actions relating to this center is expected to be completed by the end of the third quarter of 2000.

A summary of the Company's restructuring activity for 1998 and 1999 is presented below:

	AMOUNTS IN THOUSANDS
BALANCE AT DECEMBER 31, 1997	$1,365
ACTIVITY DURING 1998:	
Restructuring accrual associated with disposition of antibody centers and the reduction of product development activities	13,164
Termination benefit payments	(354)
Non-cancelable lease obligation payments and other cash outflows	(742)
Non-cash write downs of fixed and intangible assets	(98)
Change in estimated restructuring charge	(121)
BALANCE AT DECEMBER 31, 1998	13,214
ACTIVITY DURING 1999:	
Non-recurring credit	(1,935)
Termination benefit payments	(957)
Non-cancelable lease obligation payments and other cash outflows	(467)
Non-cash write downs of fixed and intangible assets	(5,018)
Non-cash write downs related to German operations transfer	(754)
BALANCE AT DECEMBER 31, 1999	$ 4,083

The current portion of the restructuring accrual was $3,307 and $10,970 at December 31, 1999 and 1998, respectively.

In addition, during 1998, Nabi recorded a $1,563 non-recurring charge which represented management's estimate of costs incurred in connection with the Company's ongoing litigation with the general contractor for its biopharmaceutical manufacturing facility in Boca Raton, Florida. This litigation was initiated by Nabi and concluded in 1999 with no material amounts incurred by Nabi above the original estimate.

NOTE 11 INCOME TAXES

Income (loss) before income taxes was taxed under the following jurisdictions:

	FOR THE YEARS ENDED DECEMBER 31,		
	1999	1998	1997
Domestic	$ 933	($16,595)	($15,348)
Foreign	2,454	(5,115)	(473)
TOTAL	$3,387	($21,710)	($15,821)

The (provision) benefit for income taxes consists of the following:

	FOR THE YEARS ENDED DECEMBER 31,		
	1999	1998	1997
Current			
Federal	$ --	$ --	$ 6,929
State	(43)	(47)	(60)
	(43)	(47)	6,869
Deferred			
Federal	--	--	(2,126)
State	--	--	(75)
	--	--	(2,201)
TOTAL	($43)	($47)	$ 4,668

Deferred tax assets (liabilities) are comprised of the following:

	DECEMBER 31,		
	1999	1998	1997
DEFERRED TAX ASSETS:			
Net operating loss ("NOL") carryforward	$ 22,255	$ 22,543	$ 17,987
Capitalized research and development costs	6,235	7,619	9,003
Non-recurring charge	2,186	3,162	--
Research tax credit	3,248	3,368	2,882
Provision for slow-moving and obsolete inventory	1,180	1,695	482
Amortization	2,277	2,167	2,349
Provision for bad debt	22	80	145
Depreciation	913	653	678
Alternative minimum tax credit	900	900	703
Other	2,273	1,089	928
	41,489	43,276	35,157
Valuation allowance	(34,886)	(36,508)	(28,324)
Deferred tax assets	6,603	6,768	6,833
DEFERRED TAX LIABILITIES:			
Amortization	(885)	(945)	(906)
Other	--	(13)	(4)
Deferred tax liabilities	(885)	(958)	(910)
Net deferred tax assets	$ 5,718	$ 5,810	$ 5,923

In November 1995, Univax, a publicly traded biopharmaceutical company, was merged with and into Nabi. The merger qualifies as a tax-free reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended. Univax's pre-merger deferred tax assets are available to offset the future taxable income of Nabi, subject to certain annual and change of control limitations. The Univax pre-merger deferred tax assets primarily include NOL carryforwards, capitalized research and development expense and research tax credit carryforwards. Nabi's NOLs of $63,649 and research tax credit carryforwards of $3,248 expire in varying amounts through the year 2019.

The ultimate realization of the remaining deferred tax assets is largely dependent on Nabi's ability to generate sufficient future taxable income. Nabi believes that the valuation allowance of $34,886 at December 31, 1999 is appropriate, given its historical loss experience and other factors. The change in the valuation allowance during 1999 was $1,622.

The significant elements contributing to the difference between the federal statutory tax rate and the effective tax rate are as follows:

	FOR THE YEARS ENDED DECEMBER 31,		
	1999	1998	1997
Federal statutory rate	35.0%	(35.0)%	(35.0)%
State income taxes, net of federal benefit	0.8	0.1	0.1
Goodwill and other amortization	4.6	0.8	1.1
Foreign trade income	--	--	1.0
Transfer of German operations	(37.7)	--	--
Merger transaction cost	(1.1)	--	(0.9)
Increase (reduction) in valuation allowance	(4.7)	37.7	5.5
Tax credits	--	(3.1)	0.2
Other	4.4	(0.3)	(1.5)
TOTAL	1.3%	0.2%	(29.5)%

NOTE 12 EARNINGS PER SHARE

The following is a reconciliation between basic and diluted earnings per share for the years ended December 31, 1999, 1998 and 1997:

	Basic EPS	Effect of Dilutive Securities Stock options	Diluted EPS
1999			
Net income	$ 3,344	--	$ 3,344
Weighted average shares	34,934	907	35,841
Per Share	$ 0.10		$ 0.09
1998			
Net loss	$(21,757)	--	$(21,757)
Weighted average shares	34,885	--	34,885
Per Share	$ (0.62)		$ (0.62)
1997			
Net loss	$(11,153)	--	$(11,153)
Weighted average shares	34,737	--	34,737
Per Share	$ (0.32)		$ (0.32)

NOTE 13 EMPLOYEE BENEFIT PLANS

The Company has two defined contribution plans. The plans permit employees to contribute up to 15% of pre-tax annual compensation with a discretionary match by the Company equal to 50% of each participant's contribution, up to an amount equal to 2% of the participant's earnings. Nabi's matching contributions to the plans were approximately $510, $494 and $438 in 1999, 1998, and 1997, respectively.

NOTE 14 LEASES

Nabi conducts a majority of its operations under operating lease agreements. The majority of the related lease agreements contain renewal options which enable Nabi to renew the leases for periods of two to five years at the then fair rental value at the end of the initial lease term.

Rent expense was approximately $6,092, $6,868 and $6,785 for the years ended December 31, 1999, 1998 and 1997, respectively.

As of December 31, 1999, the aggregate future minimum lease payments under all non-cancelable operating leases with initial or remaining lease terms in excess of one year are as follows:

YEAR ENDING DECEMBER 31,	
2000	$6,153
2001	5,452
2002	3,614
2003	3,222
2004	2,091
Thereafter	3,965
Total minimum lease commitments	$24,497

NOTE 15 RELATED PARTY TRANSACTIONS

Effective September 30, 1992, Nabi acquired H-BIG (hepatitis B immune globulin) a proprietary antibody-based product from Abbott Laboratories ("Abbott"), in consideration of 2 million shares of Nabi common stock valued at $3,854 and royalties based upon product sales. Nabi's replacement product for H-BIG, Nabi-HB, was launched in March 1999. During 1999, the royalty agreement was amended limiting the amount of royalties to be paid on sales of Nabi-HB. With respect to its investment in Nabi, Abbott has agreed to various standstill measures, including agreements not to acquire additional shares without approval of Nabi's Board of Directors and to vote its shares in the same proportion as other shareholders.

Related party transactions with Abbott for the years ended December 31, 1999, 1998 and 1997 are summarized below:

	1999	1998	1997
Sales of antibody products	$ 427	$ 2,949	$ 2,720
Purchases of diagnostic, pharmaceutical and testing products	9,142	12,606	14,028
Product royalty obligations	1,500	2,311	2,489
Laboratory testing equipment rental payments and other	1,123	1,030	1,030

At December 31, 1999 and 1998, trade accounts receivable from Abbott totaled $46 and $301 respectively, and trade accounts payable to Abbott aggregated $1,696 and $2,167, respectively.

At December 31, 1999, notes receivable from corporate officers aggregated $315, bear interest at the prime rate and mature on December 31, 2000. At December 31, 1998, notes receivable from corporate officers aggregated $431 at an interest rate of prime and matured on December 31, 1999.

NOTE 16 STRATEGIC ALLIANCES, LICENSES AND ROYALTY AGREEMENTS

In connection with an exclusive licensing and distribution agreement with Cangene Corporation ("Cangene") to market and distribute WinRho SDF in the U.S. through March 2005, Nabi was obligated to expend a minimum of $3,000 for sales and marketing expenses in each of the fiscal years ended May 1996 and 1997. In addition, Nabi agreed to loan Cangene fifty percent (50%) of the cost of capital improvements to its manufacturing facility up to $3,000, of which $2,380 was advanced at December 31, 1999 and is due March 2000. Under the agreement, which terminates in 2005, Nabi has exclusive marketing rights for, and shares in the profits of, sales of WinRho SDF in the U.S., provided that Nabi achieves specified sales or makes specified payments. Nabi continued to meet and exceed these sales goals in 1999.

Effective April 1999, Nabi entered into a manufacturing agreement with Cangene for the manufacture of Nabi-HB which superseded an agreement entered into in 1997. The manufacturing agreement requires Nabi to purchase a specified minimum amount. In addition, Cangene has exclusive marketing rights for Nabi-HB in Canada provided it meets specified sales goals. Nabi will share in the profits from sales of Nabi-HB in Canada. The term of the Canadian marketing agreement with Cangene for Nabi-HB is co-extensive with the term of the manufacturing agreement for Nabi-HB.

As discussed in Note 15, Nabi is obligated to pay Abbott royalties based upon its Nabi-HB product sales. Nabi is also obligated to pay royalties to the New York Blood Center, Inc. based upon sales of its Nabi-HB product.

In 1997, Nabi acquired from Baxter Healthcare Corporation ("Baxter") the exclusive rights to Autoplex T in the U.S. Canada and Mexico. In connection with the acquisition, Baxter agreed to manufacture Autoplex T until May 2000 or such later time as may be determined under the terms of a consent order entered into between Baxter and the Federal Trade Commission ("FTC"), but in any event four months after Nabi receives approval from the FDA to manufacture Autoplex T. The FTC could require Nabi to return to Baxter Nabi's rights to AutoPlex T if Nabi does not obtain FDA approval to manufacture the product by May 2000 or by a later date agreed to by the FTC. At the discretion of the FTC, the period Baxter manufactures AutoPlex T can be extended for up to four twelve-month intervals. Nabi anticipates that the period Baxter manufactures AutoPlex T under the terms of a consent order from the FTC will be extended for the first twelve-month period through May 2001. If the rights revert to Baxter and Baxter later sells these rights, Nabi and Baxter will share equally the proceeds of any such sale, and under certain circumstances, Baxter will be required to make a specified payment to Nabi. Upon FDA licensure to manufacture the product, Nabi is obligated to pay $1,000 to Baxter, subject to recovery of fifty percent (50%) of expenditures incurred to license the product in excess of $6,000. Baxter is also a significant antibody products customer and a principal supplier of antibody collection supplies to Nabi.

In 1999, Nabi entered into an agreement with Catalytica Pharmaceuticals, Inc. ("Catalytica") under which Catalytica has granted Nabi exclusive distribution rights in the U.S. and Canada to Aloprim, as well as global rights in territories where the license holder prior to Catalytica (Glaxo Wellcome) has not commercialized the product. Under the five-year agreement, Nabi will sell and Catalytica will manufacture the product and both companies will share in profits from the sale of the product. Nabi has the option to purchase the rights to the product at any time within five years from the effective date of the agreement.

NOTE 17 COMMITMENTS AND CONTINGENCIES

Nabi is a party to litigation in the ordinary course of business. In addition, Nabi is a co-defendant with various other parties in one suit filed in the U.S. by, or on behalf of, individuals who claim to have been infected with HIV as a result of either using HIV-contaminated products made by the defendants other than Nabi or having familial relations with those so infected. Nabi does not believe that any such litigation will have a material adverse effect on its business, financial position or results of operations.

During July 1999, Nabi entered into a purchase agreement with Baxter to supply antibody collection materials and related collection equipment. The purchase agreement requires Nabi to purchase stated minimum quantities of specified supplies or a minimum percentage of total supplies of the specified types purchased by Nabi, whichever is the greater. The purchase agreement ends December 31, 2004.

At December 31, 1999, Nabi had outstanding purchase commitments in the normal course of business with various suppliers.

NOTE 18 INDUSTRY SEGMENT INFORMATION

Nabi adopted SFAS 131, DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION, in the fourth quarter of 1998. Prior year segment information has been restated to a comparative basis.

Nabi manages its operations in two reportable segments, the antibody products and pharmaceutical products segments. The antibody products segment consists of the collection and sale of non-specific and specialty antibody products to other pharmaceutical manufacturers, the production and sale of antibody-based control and diagnostic products and laboratory testing services. The pharmaceutical products segment consists of the production and sale of proprietary pharmaceutical products and research and development efforts for the pharmaceutical product line.

The accounting policies for each of the segments are the same as those described in the summary of significant accounting policies. There are no intersegment revenues. Nabi evaluates the performance of each segment based on operating profit or loss; interest expense and income taxes are not allocated.

Information regarding Nabi's operations and assets for the two industry segments is as follows:

	For the Years Ended December 31,		
	1999	1998	1997
SALES:			
Antibody Products	$162,491	$188,104	$194,274
Pharmaceutical products	71,112	54,983	34,470
	$233,603	$243,087	$228,744
OPERATING INCOME (LOSS):			
Antibody Products	$ 2,302	$ (4,473)	$ 1,990
Pharmaceutical products	5,434	(11,499)	(13,301)
	$ 7,736	$(15,972)	$(11,311)
DEPRECIATION AND AMORTIZATION EXPENSE:			
Antibody Products	$ 7,281	$ 8,340	$ 6,687
Pharmaceutical products	2,159	2,427	2,520
	$ 9,440	$ 10,767	$ 9,207
NON-RECURRING CHARGE:			
Antibody Products	$ (1,935)	$ 5,855	$ 1,839
Pharmaceutical products	--	8,750	3,841
	$ (1,935)	$ 14,605	$ 5,680
CAPITAL EXPENDITURES:			
Antibody Products	$ 5,170	$ 4,377	$ 20,226
Pharmaceutical products	15,866	14,147	16,071
	$ 21,036	$ 18,524	$ 36,297

	December 31,	
	1999	1998
ASSETS:		
Antibody Products	$106,506	$129,572
Pharmaceutical products	99,691	78,725
	$206,197	$208,297

A reconciliation of reportable segment selected financial information to the total combined amounts of the selected financial information is as follows:

	For the Years Ended December 31,		
	1999	1998	1997
INCOME (LOSS) BEFORE INCOME TAXES:			
Reportable segment operating income	$ 7,736	$(15,972)	$(11,311)
Unallocated interest expense	(4,313)	(5,681)	(4,712)
Unallocated other income and expense, net	(36)	(57)	202
Consolidated income (loss) before income taxes	$ 3,387	$(21,710)	$(15,821)
DEPRECIATION AND AMORTIZATION EXPENSE:			
Reportable segment depreciation & amortization expense	$ 9,440	$ 10,767	$ 9,207
Unallocated (corporate) depreciation & amortization expense	688	735	649
Consolidated depreciation & amortization expense	$ 10,128	$ 11,502	$ 9,856
CAPITAL EXPENDITURES:			
Reportable segment capital expenditures	$ 21,036	$ 18,524	$ 36,297
Unallocated (corporate) capital expenditures	--	407	70
Consolidated capital expenditures	$ 21,036	$ 18,931	$ 36,367

	December 31,	
	1999	1998
ASSETS:		
Reportable segment assets	$206,197	$208,297
Unallocated (corporate) assets	7,965	10,003
Consolidated assets	$214,162	$218,300

Information regarding sales and long-lived assets by geographic area for the years ended December 31, 1999 is as follows:

	For the Years Ended December 31,		
	1999	1998	1997
SALES:			
Domestic	$177,463	$177,870	$163,502
Foreign	56,140	65,217	65,242
Total	$233,603	$243,087	$228,744
LONG-LIVED ASSETS:			
Domestic	$135,658	$131,317	$125,201
Foreign	--	1,508	1,733
Total	$135,658	$132,825	$126,934

Foreign revenue is determined based upon customer location. The majority of the Company's revenues are generated from the U.S. The Company's principal foreign markets are the United Kingdom, Korea and Germany.

Sales in 1999 to two customers of Nabi's antibody products segment exceeded 10% of total sales, representing $50,100 and $44,960 respectively. Sales in 1998 to two customers of Nabi's antibody products segment exceeded 10% of total sales, representing $44,920 and $44,215, respectively. Sales in 1997 to two customers of Nabi's antibody product segment exceeded 10% of total sales, representing $59,244 and $34,128, respectively.

NOTE 19 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

	SALES	GROSS MARGIN	NET INCOME (LOSS)	BASIC EARNINGS (LOSS) PER SHARE	DILUTED EARNINGS (LOSS) PER SHARE
1999					
1st Quarter	$58,023	$12,794	($514)	($0.01)	($0.01)
2nd Quarter	62,198	19,529	1,052	0.03	0.03
3rd Quarter (1)	54,181	16,592	1,450	0.04	0.04
4th Quarter	59,201	21,281	1,356	0.04	0.04
YEAR 1999	$233,603	$70,196	$3,344	$0.10	$0.09
1998					
1st Quarter	$58,614	$14,025	($1,918)	($0.06)	($0.06)
2nd Quarter	61,178	17,636	(517)	(0.01)	(0.01)
3rd Quarter	58,713	16,193	(3,757)	(0.11)	(0.11)
4th Quarter (2)	64,582	16,867	(15,565)	(0.44)	(0.44)
YEAR 1998	$243,087	$64,721	($21,757)	($0.62)	($0.62)

(1) During the third quarter of 1999, Nabi reversed $1.9 million of the accrued severance and lease charges relating to its German operations that were originally planned to be shut down in 1998, but were susequently transferred to a third party. See Note 10.

(2) During the fourth quarter of 1998, Nabi recognized approximately $14.6 million of non-recurring charges. The charges were comprised of certain restructuring costs ($13.0 million) and costs relating to litigation ($1.6 million). See Note 10.

NABI

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

Classification	Balance At Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts	Deductions: Write-Offs Charged Against Reserve	Balance At End of Period
(IN THOUSANDS)					
YEAR ENDED DECEMBER 31, 1999:					
Allowance for doubtful accounts	$ 221	$ (136)	$ --	$ 23	$ 62
Deferred tax asset valuation allowance	$36,508	$ --	$(1,622)	$ --	$34,886
Inventory reserve	$ 4,508	$2,235	$ (802)	$2,665	$ 3,276
YEAR ENDED DECEMBER 31, 1998:					
Allowance for doubtful accounts	$ 403	$ (20)	$ --	$ 162	$ 221
Deferred tax asset valuation allowance	$28,324	$ --	$ 8,184	$ --	$36,508
Inventory reserve	$ 641	$2,936	$ 1,692	$ 761	$ 4,508
YEAR ENDED DECEMBER 31, 1997:					
Allowance for doubtful accounts	$ 647	$1,013	$ --	$1,257	$ 403
Deferred tax asset valuation allowance	$27,251	$ --	$ 1,073	$ --	$28,324
Inventory reserve	$ 5,555	$1,023	$ 625	$6,562	$ 641

EXHIBIT INDEX

- ----------
* FILED HEREWITH

Exhibit 10.25

AMENDMENT NO. 4
DATED AS OF FEBRUARY 1, 2000
TO
LOAN AND SECURITY AGREEMENT

THIS AMENDMENT NO. 4 dated as of February 1, 2000 (this "Amendment") is made between Nabi, a Delaware corporation (the "Borrower"), the financial institutions party from time to time to the Loan Agreement referred to below (the "Lenders"), and Bank of America, N.A., formerly NationsBank, N.A., a national banking association, as agent for the Lenders (in that capacity, together with any successors in that capacity, the "Agent").

PRELIMINARY STATEMENTS

The Borrower, the Lenders and the Agent are parties to a Loan and Security Agreement dated as of September 12, 1997, as amended by Amendment No. 1 and Waiver dated November 14, 1997, Amendment No. 2 and Waiver dated March 30, 1998 and Amendment No. 3 and Waiver dated as of March 1, 1999 (the "Loan Agreement"; unless otherwise defined herein, terms are used herein as defined in the Loan Agreement).

The Borrower has requested that the Lenders modify certain financial covenants, adjust the amortization of the Term Loan and amend certain other provisions of the Loan Agreement, and the Lenders have agreed, upon and subject to the terms, conditions and provisions of this Amendment.

STATEMENT OF AGREEMENT

NOW, THEREFORE, in consideration of the Loan Agreement, the Loans made by the Lenders and outstanding thereunder, the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. AMENDMENT TO LOAN AGREEMENT. The Loan Agreement is hereby amended, subject to the provisions of Section 2 of this Amendment,

(a) by amending Section 2B.3 REPAYMENT OF TERM LOAN in its entirety to read as follows:

> SECTION 2B.3. REPAYMENT OF TERM LOAN. Subject to the provisions of this Agreement, the outstanding principal amount of the Term Loan is due and payable, and shall be repaid in full by the Borrower, in consecutive monthly installments each in the amount of $83,333.33 on the first day of each month commencing May 1, 2000 and a final installment on the Termination Date in the full remaining unpaid amount of the Term Loan.

(b) by amending subsections (b) and (c) of Section 10.1 FINANCIAL RATIOS in their entirety to read as follows:

> (b) MINIMUM FIXED CHARGE COVERAGE. The consolidated Fixed Charge Coverage Ratio of the Borrower and its Consolidated Subsidiaries for any fiscal period described below to be less than the ratio set forth below opposite such period:

PERIOD	RATIO
the four consecutive Fiscal Quarters ending December 31, 1998	.89 to 1
the two consecutive Fiscal Quarters ending June 30, 1999	.54 to 1
the three consecutive Fiscal Quarters ending September 30, 1999	1.05 to 1
the four consecutive Fiscal Quarters ending December 31, 1999	1.00 to 1
the four consecutive Fiscal Quarters ending March 31, 2000, June 30, 2000, September 30, 2000 and December 31, 2000	1.20 to 1
the four consecutive Fiscal Quarters ending March 31, 2001, June 30, 2001, September 30, 2001	1.25 to 1
the four consecutive Fiscal Quarters ending December 31, 2001 and the last day of each Fiscal Quarter ending thereafter	1.40 to 1

(c) MINIMUM EBITDA Consolidated EBITDA of the Borrower and its Consolidated Subsidiaries for each fiscal period set forth below to be less than the amount set forth opposite such fiscal period:

FISCAL PERIOD	AMOUNT
the Fiscal Quarter ending March 31, 1999	$1.00
the Fiscal Year ending December 31, 2000	$18,500,000
the Fiscal Year ending December 31, 2001 and each Fiscal Year ending thereafter	$22,500,000

(c) by amending Section 10.5 CAPITAL EXPENDITURES by replacing the schedule set forth therein with the following schedule:

FISCAL YEAR	AMOUNT
1998	$33,500,000
1999	$24,000,000
2000	$27,900,000
Each Fiscal Year thereafter	$10,000,000 or such greater or lesser amount as may be agreed to by the Borrower and the Required Lenders

(d) by amending Section 10.15 MINIMUM COLLATERAL AVAILABILITY in its entirety to read as follows:

SECTION 10.15. MINIMUM COLLATERAL AVAILABILITY. Permit Collateral Availability at any time during each period set forth below to be less than the amount set forth opposite such period:

February 1, 2000 through August 31, 2000	$0
September 1, 2000 through September 30, 2000	$1,000,000
October 1, 2000 through October 31, 2000	$1,500,000
On or after November 1, 2000	$2,000,000

Section 2. EFFECTIVENESS OF AMENDMENT. This Amendment shall become effective retroactively to December 31, 1999 as of the first date (the "Amendment Effective Date") on which the Agent shall have received the following documents (each of which shall be in form and substance satisfactory to the Agent and, other than the Term Notes referred to below, in sufficient copies for each Lender):

(a) this Amendment duly executed and delivered by the Borrower, each Lender and the Agent;

(b) an Amended and Restated Term Note in the form attached hereto as ANNEX A, properly completed and duly executed and delivered by the Borrower payable to each Lender;

(c) a certificate of the Secretary of the Borrower having attached thereto the articles or certificate of incorporation and bylaws of the Borrower as in effect on the Amendment Effective Date (or containing the certification of such Secretary that no amendment or modification of such articles or certificate or bylaws has become effective since the last date on which such documents were delivered to the Lenders pursuant to the Loan Agreement), all corporate action, including shareholders' approval, if necessary, taken by the Borrower and/or its shareholders to authorize the execution, delivery and performance of this Amendment, and to the further effect that the incumbency certificate delivered in connection with the occurrence of the Effective Date remains in effect, unchanged;

(d) a certificate of the president or any vice-president of the Borrower on behalf of the Borrower stating that, to the best of his knowledge and based on an examination reasonably believed by him to be sufficient to enable him to make an informed statement,

(i) after giving effect to the Amendment, all of the representations and warranties made or deemed to be made under the Loan Agreement are true and correct in all material respects as of the date hereof, and

(ii) after giving effect to the Amendment, no Default or Event of Default exists, and the Agent shall be satisfied as to the truth and accuracy thereof;

(e) the Confirmation of Guarantors attached hereto as ANNEX B duly executed and delivered by each Guarantor;

(f) an amendment fee to the Agent for the Ratable benefit of the Lenders in the amount of $125,000 which fee is earned on the date hereof and is not subject to rebate or refund and shall be payable in two installments: the first installment, payable on the date hereof, shall be in the amount of $75,000 and the second installment, payable on April 1, 2000, shall be in the amount of $50,000; PROVIDED, HOWEVER, that the second installment shall not be payable if the Borrower shall have received, on or prior to April 1, 2000, an amount in settlement of certain past due Receivables, which, had such amount been included in the computation of the Borrower's 1999 financial results, would have resulted in a Fixed Charge Coverage Ratio of the Borrower and its Consolidated Subsidiaries as of December 31, 1999 of at least 1.25 to 1 or consolidated Net Income of the Borrower and its Consolidated Subsidiaries for Fiscal Year 1999 of at least $3,300,000; and

(g) such other documents and instruments as the Agent or any Lender may reasonably request.

Section 3. REPRESENTATIONS AND WARRANTIES. The Borrower hereby makes the following representations and warranties to the Agent and the Lenders, which representations and warranties shall survive the delivery of this Amendment and the making of additional Loans under the Loan Agreement as amended hereby:

(a) AUTHORIZATION OF AGREEMENTS. The Borrower has the right and power, and has taken all necessary action to authorize it, to execute, deliver and perform this Amendment and each other agreement contemplated hereby to which it is a party in accordance with their respective terms. This Amendment and each other agreement contemplated hereby to which it is a party have been duly executed and delivered by the duly authorized officers of the Borrower and each is, or each when executed and delivered in accordance with this Amendment will be, a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms.

(b) COMPLIANCE OF AGREEMENTS WITH LAWS. The execution, delivery and performance of this Amendment and each other agreement contemplated hereby to which the Borrower is a party in accordance with their respective terms do not and will not, by the passage of time, the giving of notice or otherwise,

(i) require any Governmental Approval or violate any Applicable Law relating to the Borrower or any of its Subsidiaries,

(ii) conflict with, result in a breach of or constitute a default under the articles or certificate of incorporation or by-laws or any shareholders' agreement of the Borrower or any of its Subsidiaries, any material provisions of any indenture, agreement or other instrument to which the Borrower, any of its Subsidiaries or any of Borrower's or such Subsidiaries' property may be bound or any Governmental Approval relating to the Borrower or any of its Subsidiaries, or

(iii) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by the Borrower other than the Security Interest.

Section 4. EXPENSES. The Borrower agrees to pay or reimburse on demand all costs and expenses, including, without limitation, reasonable fees and disbursements of counsel, incurred by the Agent in connection with the negotiation, preparation, execution and delivery of this Amendment and the other Loan Documents contemplated hereby or the filing or recording of any thereof, including, without being limited to, any taxes, title premiums or other expenses related thereto.

Section 5. EFFECT OF AMENDMENT. From and after the Amendment Effective Date, all references in the Loan Agreement and in any other Loan Document to "this Agreement," "the Loan Agreement,"

"hereunder," "hereof" and words of like import referring to the Loan Agreement, shall mean and be references to the Loan Agreement as amended by this Amendment. Except as expressly amended hereby, the Loan Agreement and all terms, conditions and provisions thereof remain in full force and effect and are hereby ratified and confirmed. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lenders under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

Section 6. COUNTERPART EXECUTION; GOVERNING LAW.

(a) EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed signature page of any party hereto by facsimile transmission shall be effective as delivery of a manually delivered counterpart thereof.

(b) GOVERNING LAW. This Amendment shall be governed by and construed in accordance with the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

[CORPORATE SEAL]

Attest:

By: /s/ Thomas H. McLain

Name: Thomas H. McLain
Title: Sr. VP Corporate Services and CFO

BORROWER:

Nabi

By: /s/ David J. Gury

Name: David J. Gury
Title: President & CEO

AGENT:

BANK OF AMERICA, N.A.,
formerly NATIONSBANK, N.A..

By: /s/ Andrew Doherty

Name: Andrew Doherty
Title: Vice President

LENDERS:

BANK OF AMERICA, N.A.,
formerly NATIONSBANK, N.A.

By: /s/ Andrew Doherty

Name: Andrew Doherty
Title: Vice President

BANKBOSTON, N.A.

By: /s/ Michael R. O'Neal

Name: Michael R. O'Neal
Title: Vice President

ANNEX A

AMENDED AND RESTATED TERM NOTE

$2,500,000 Atlanta, Georgia
February 1, 2000

FOR VALUE RECEIVED, the undersigned, NABI, a Delaware corporation (the "Borrower"), hereby unconditionally promises to pay to the order of BANKBOSTON, N.A. (the "Lender") at the offices of Bank of America, N.A., a national banking association, as agent for the Lenders (together with its successor agents the "Agent") located at 600 Peachtree Street, N.E., Atlanta, Georgia, 30308, or at such other place within the United States as shall be designated from time to time by the Agent, the principal amount of TWO MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($2,500,000), constituting the Term Loan made by the Lender to the Borrower pursuant to the Loan Agreement (as hereinafter defined), in lawful money of the United States of America in federal or other immediately available funds, in such amounts and on the dates specified in the Loan Agreement applicable from time to time in accordance with the provisions thereof.

The Borrower also unconditionally promises to pay interest on the unpaid principal amount of this Note outstanding from time to time for each day from the date of disbursement until such principal amount is paid in full at the rates per annum and on the dates specified in the Loan Agreement applicable from time to time in accordance with the provisions thereof. Nothing contained in this Note or in the Loan Agreement shall be deemed to establish or require the payment of a rate of interest in excess of the maximum rate permitted by any Applicable Law. In the event that any rate of interest required to be paid hereunder exceeds the maximum rate permitted by Applicable Law, the provisions of the Loan Agreement relating to the payment of interest under such circumstances shall control.

For the purposes of this Note, "LOAN AGREEMENT" means the Loan and Security Agreement dated as of September 12, 1997, as amended, between the Borrower, the Lender, the other financial institutions party thereto from time to time, and the Agent, as the same may be further amended, modified, supplemented or restated from time to time. Reference is made to the Loan Agreement for the definitions of other terms used in this Term Note.

This Term Note is one of the Term Notes under, and is subject to the provisions and entitled to the benefits of, the Loan Agreement, is secured by the Collateral and other property as provided in the Loan Documents, is subject to optional and mandatory prepayment in whole or in part and is subject to acceleration prior to maturity upon the occurrence of one or more Events of Default, all as provided in the Loan Documents.

This Term Note is made by the Borrower in favor of the Lender in substitution and exchange for the Term Note dated May 7, 1998 payable to the order of the Lender in the original principal amount of $2,500,000, but not in extinguishment or as a novation of the indebtedness evidenced by such Note.

Presentment for payment, demand, protest and notice of demand, notice of dishonor and notice of non-payment and all other notices are hereby waived by the Borrower to the fullest extent permitted by Applicable Law. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

The Borrower hereby agrees to pay on demand all costs and expenses incurred in collecting the Secured Obligations hereunder or in enforcing or attempting to enforce any of the Lender's rights

hereunder, including, but not limited to, reasonable attorneys' fees and expenses if collected by or through an attorney, whether or not suit is filed, all as provided in the Loan Agreement.

THE PROVISIONS OF SECTION 14.5 OF THE LOAN AGREEMENT ARE HEREBY EXPRESSLY INCORPORATED BY REFERENCE HEREIN.

THIS TERM NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the day and year first above written.

NABI

By: /s/ David J. Gury

Name: David J. Gury
Title: President and Ceo

[CORPORATE SEAL]

Attest:
By: /s/ Thomas H. McLain

Name: Thomas H. McLain
Title: Sr. VP Corporate Services and CFO

ANNEX A

AMENDED AND RESTATED TERM NOTE

$2,500,000 Atlanta, Georgia
February 1, 2000

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The Borrower also unconditionally promises to pay interest on the unpaid principal amount of this Note outstanding from time to time for each day from the date of disbursement until such principal amount is paid in full at the rates per annum and on the dates specified in the Loan Agreement applicable from time to time in accordance with the provisions thereof. Nothing contained in this Note or in the Loan Agreement shall be deemed to establish or require the payment of a rate of interest in excess of the maximum rate permitted by any Applicable Law. In the event that any rate of interest required to be paid hereunder exceeds the maximum rate permitted by Applicable Law, the provisions of the Loan Agreement relating to the payment of interest under such circumstances shall control.

For the purposes of this Note, "LOAN AGREEMENT" means the Loan and Security Agreement dated as of September 12, 1997, as amended, between the Borrower, the Lender, the other financial institutions party thereto from time to time, and the Agent, as the same may be further amended, modified, supplemented or restated from time to time. Reference is made to the Loan Agreement for the definitions of other terms used in this Term Note.

This Term Note is one of the Term Notes under, and is subject to the provisions and entitled to the benefits of, the Loan Agreement, is secured by the Collateral and other property as provided in the Loan Documents, is subject to optional and mandatory prepayment in whole or in part and is subject to acceleration prior to maturity upon the occurrence of one or more Events of Default, all as provided in the Loan Documents.

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Presentment for payment, demand, protest and notice of demand, notice of dishonor and notice of non-payment and all other notices are hereby waived by the Borrower to the fullest extent permitted by Applicable Law. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

The Borrower hereby agrees to pay on demand all costs and expenses incurred in collecting the Secured Obligations hereunder or in enforcing or attempting to enforce any of the Lender's rights

hereunder, including, but not limited to, reasonable attorneys' fees and expenses if collected by or through an attorney, whether or not suit is filed, all as provided in the Loan Agreement.

THE PROVISIONS OF SECTION 14.5 OF THE LOAN AGREEMENT ARE HEREBY EXPRESSLY INCORPORATED BY REFERENCE HEREIN.

THIS TERM NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the day and year first above written.

NABI

By: /s/ David J. Gury

Name: David J. Gury
Title: President and Ceo

[CORPORATE SEAL]

Attest:
By: /s/ Thomas H. McLain

Name: Thomas H. McLain
Title: Sr. VP Corporate Services and CFO

CERTIFICATE AS TO CERTIFICATE OF INCORPORATION, BY-LAWS, CORPORATE ACTION AND INCUMBENCY OF OFFICERS OF NABI

I, Thomas H. McLain, Assistant Secretary of Nabi, a Delaware corporation (the "Borrower"), in my capacity as such officer, hereby certify to Bank of America, N.A., formerly NationsBank, N.A., a national banking association (the "Agent") in connection with the Amendment No. 4, dated as of February 1, 2000, to the Loan and Security Agreement dated as of September 12, 1997, as amended by Amendment No. 1 and Waiver dated as of November 14, 1997, Amendment No. 2 and Waiver dated as of March 27, 1998 and Amendment No. 3 and Waiver dated as of March 1, 1999 (as so amended, the "Loan Agreement"), between the Borrower, the financial institutions party thereto from time to time (the "Lenders") and the Agent as follows:

1. There has been no amendment or other modification to the Certificate of Incorporation of the Borrower from the form of such Certificate delivered to the Lenders on September 12, 1997 in connection with the making of the Initial Loans under the Loan Agreement, except for changing the Borrower's name from NABI to Nabi, as evidenced to you in connection with the execution of Amendment No. 2 on December 23, 1997, and the Certificate of Incorporation, as so amended, has been in effect at all times from and including September 12, 1997, through and including the date hereof.

2. Attached as EXHIBIT A hereto are the Amended and Restated By-laws of the Borrower as amended through May 28, 1999, which incorporate the only modification of such By-laws from the form of the By-laws delivered to the Lenders on September 12, 1997 in connection with the making of the Initial Loans under the Loan Agreement. The By-laws attached hereto have been in effect at all times from and including May 28, 1999, through and including the date hereof.

3. The resolutions of the Borrower's Board of Directors furnished to the Agent on September 12, 1997, authorizing the execution, delivery and performance of the Loan Agreement and any amendments thereto by David J. Gury, President and Chief Executive Officer of the Borrower, have not been rescinded, amended or modified and are in full force and effect on the date hereof.

4. The incumbency certificate furnished to the Agent on September 12, 1997 as it relates to David J. Gury remains on the date hereof in effect and unchanged.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of February, 2000.

/s/ Thomas H. McLain

Thomas H. McLain

The undersigned, David J. Gury, Chairman, President and Chief Executive Officer of the Borrower, does hereby certify that Thomas H. McLain is the duly elected, qualified and acting Assistant Secretary of the Borrower and the signature set forth above is his genuine signature.

/s/ David J. Gury

David J. Gury

EXHIBIT A

AMENDED AND RESTATED

BY-LAWS OF

NABI

AS AMENDED THROUGH
MAY 28, 1999

ARTICLE I

OFFICES

The registered office shall be in the City of Dover, County of Kent, State of Delaware, and the name of the resident agent in charge thereof is The United States Corporation Company.

The corporation may also have offices at such other places within or without the State of Delaware as the Board of Directors may from time to time appoint or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 1. PLACE OF MEETINGS. All meetings of stockholders for any purpose shall be held at such place, within or without the State of Delaware, as shall be designated by the Board of Directors or the Chairman of the Board and stated in the notice of the meeting.

SECTION 2. ANNUAL MEETING. An annual meeting of the stockholders of the corporation, for the election of Directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held on such date and at such time as shall be fixed from time to time by the Board of Directors and stated in the notice of the meeting.

SECTION 3. SPECIAL MEETINGS. Special meetings of the stockholders may be called by the Chairman of the Board or by order of the Board of Directors, and, subject to the procedures set forth in this Section 3, shall be called by the Chairman of the Board or by the Secretary at the request in writing of stockholders owning shares of the capital stock of the corporation which represent a majority of the votes entitled to be cast at such meeting. Upon request in writing sent by registered mail to the Chairman of the Board by any stockholder or stockholders entitled to call a special meeting of stockholders pursuant to this Section 3 (which request shall state the purpose or purposes of the proposed meeting), the Board of Directors shall determine a place and time for such meeting, which time shall be not less than ninety (90) nor more than one hundred (100) days after the receipt and determination of the validity of such request, and a record date for the determination of stockholders entitled to vote at such meeting in the manner set forth in Section 8 of this Article II. Business transacted at any special meeting shall be confined to the purpose or purposes stated in the notice of such meeting.

SECTION 4. NOTICE OF MEETING. Notice of the time and place of holding each annual meeting and each special meeting of stockholders shall be given by the Secretary, not less than ten nor more than

sixty days before the meeting, to each stockholder of record entitled to vote at such meeting. Notices of all meetings of stockholders shall state the purposes for which the meetings are held.

SECTION 5. LIST OF STOCKHOLDERS. At least ten days before every meeting of stockholders a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be prepared by the Secretary, who shall have charge of the stock ledger. Such list shall be open for said ten days to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, either at a place specified in the notice of the meeting (which place shall be within the city where the meeting is to be held) or, if no such other place has been so specified, at the place where the meeting is to be held. Such list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder present at the meeting.

SECTION 6. QUORUM. At any meeting of stockholders, the holders of issued and outstanding shares of capital stock which represent a majority of the votes entitled to be cast thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time until a quorum shall be present or represented. Unless the adjournment is for more than thirty days or a new record date is fixed for the adjourned meeting, notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment is taken. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 7. VOTING. At any meeting of the stockholders, every stockholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such stockholder and bearing a date not more than eleven months prior to said meeting. When a quorum is present at any meeting, the holders of shares of stock present in person or represented by proxy, which shares represent a majority of votes cast on any question before the meeting, shall decide the question unless the question is one upon which by express provision of law or of the certificate of incorporation or of these by-laws a different vote is required, in which case such express provision shall govern and control the decision of such question.

SECTION 8. FIXING OF RECORD DATE. (a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action other than stockholder action by written consent, the Board of Directors may fix a record date, which shall not precede the date such record date is fixed and shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any such other action. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given. The record date for any other purpose other than stockholder action by written consent shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record

date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within 10 days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within 10 days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or any officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

SECTION 9. NOMINATION OF DIRECTORS. Only persons who are nominated in accordance with the procedures set forth in the By-laws shall be eligible to serve as Directors. Nominations of persons for election to the Board of Directors of the corporation may be made at a meeting of stockholders (a) by or at the direction of the Board of Directors or (b) by any stockholder of the corporation who is a stockholder of record at the time of giving of notice provided for in this Section 9, who shall be entitled to vote for the election of directors at the meeting and who complies with the notice procedures set forth in this Section 9. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 90 days; provided, however, that in the event that less than 100 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the meeting or such public disclosure was made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a Director all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected); and (b) as to the stockholder giving the notice (i) the name and address, as they appear on the corporation's books, of such stockholder and (ii) the class and number of shares of the corporation which are beneficially owned by such stockholder. At the request of the Board of Directors, any person nominated by the Board of Directors for election as a Director shall furnish to the Secretary of the corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. No person shall be eligible to serve as a Director of the corporation unless nominated in accordance with the procedures set forth in this By-law. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the By-laws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 9, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder with respect to the matters set forth in this Section.

SECTION 10. NOTICE OF BUSINESS. At any meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of the corporation who is a stockholder of record at the time of giving of the notice provided for in this Section 10, who shall be entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 10. For business to be properly brought

before a stockholder meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation not less than 90 days prior to the meeting; provided, however, that in the event that less than 100 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder, to be timely must be received no later than the close of business on the 10th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the meeting (a) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the corporation which are beneficially owned by the stockholder and (d) any material interest in the stockholder in such business. Notwithstanding anything in the By-laws to the contrary, no business shall be conducted at a stockholder meeting except in accordance with the procedures set forth in this Section 10. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of the By-laws, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. Notwithstanding the foregoing provisions of this Section 10, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder with respect to the matters set forth in this Section.

ARTICLE III

DIRECTORS

SECTION 1. DIRECTORS AND THEIR TERMS OF OFFICE. There shall be a Board of Directors consisting of not less than three nor more than fifteen persons, the exact number of Directors to be determined from time to time by resolution adopted by affirmative vote of a majority of the number of Directors required at the time to constitute a full board as fixed in or determined pursuant to these by-laws as then in effect. The Directors shall, except as otherwise provided in Section 3 of this Article, be elected at the annual meeting or at any meeting of the stockholders held in lieu of such annual meeting, which meeting, for the purposes of these by-laws, shall be deemed the annual meeting, and each Director so elected shall hold office until his successor is elected and qualified. A Director need not be a stockholder. Within the limits above specified, the number of Directors may at any time be increased or decreased by vote of the Directors at any meeting of the Directors provided that no decrease in the number of Directors shall affect the term of any Director in office.

SECTION 2. POWERS OF DIRECTORS. The affairs, property and business of the corporation shall be managed by the Board of Directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by law or by the certificate of incorporation or these by-laws directed or required to be exercised or done by the stockholders.

SECTION 3. VACANCIES. If any vacancies occur in the Board of Directors caused by death, resignation, retirement, disqualification or removal from office of any Directors or otherwise, or any new Directorship is created by any increase in the authorized number of Directors, Directors to fill the vacancy or vacancies or to fill the newly created Directorship may be elected solely by a majority vote of the Directors then in office, whether or not a quorum, at any meeting of the Board and the Directors so chosen shall hold office until their successors, if any, are duly elected and qualified.

SECTION 4. ANNUAL MEETING OF DIRECTORS. The first meeting of each newly elected board may be held without notice immediately after an annual meeting of stockholders (or a special meeting of stockholders held in lieu of an annual meeting) at the same place as that at which such meeting of stockholders was held; or such first meeting may be held at such place (within or without the State of

Delaware) and time as shall be fixed by the consent in writing of all the Directors, or may be called in the manner hereinafter provided with respect to the call of special meetings.

SECTION 5. REGULAR MEETINGS OF DIRECTORS. Regular meetings of the Board of Directors may be held at such times and at such place or places (within or without the State of Delaware) as the Board of Directors may from item to time prescribe. No notice need be given of any regular meeting and a notice, if given, need not specify the purposes thereof.

SECTION 6. SPECIAL MEETINGS OF DIRECTORS. Special meetings of the Board of Directors may be called at any time by or under the authority of the Chairman of the Board and shall be called by him or by the Secretary on written request of any two Directors or, if they fail to do so, by two Directors in the name of the Secretary, to be held in each instance at such place (within or without the State of Delaware) as the person calling the meeting may designate in the call thereof. Notice of each special meeting of the Board of Directors, stating the time and place thereof, shall be given to each Director by the Secretary, not less than twenty-four hours before the meeting. Such notice need not specify the purposes of the meeting.

SECTION 7. QUORUM; VOTING. At any meeting of the Board of Directors a majority of the number of Directors required to constitute a full Board, as fixed in or determined pursuant to these by-laws as then in effect, shall constitute a quorum for the transaction of business, but if a quorum shall not be present at any meeting of Directors, the Directors present thereat may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present. Except as otherwise provided by law or by the certificate of incorporation or by the by-laws, the affirmative vote of at least a majority of the Directors present at a meeting at which there is a quorum shall be the act of the Board of Directors.

SECTION 8. MEETINGS BY TELEPHONE. Members of the Board of Directors or of any committee thereof may participate in meetings of the Board of Directors or of such committee by means of conference telephone or similar communications equipment by means of which all person participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

SECTION 9. ACTION WITHOUT MEETING. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or of such committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board of Directors or of such committee.

SECTION 10. COMPENSATION. By resolution of the Board of Directors, the Directors, as such, may receive stated salaries for their services, and may be allowed a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board. Members of committees may also be allowed a fixed sum and expenses of attendance, if any, for attending committee meetings. Nothing herein contained shall preclude any Director from serving the corporation in any other capacity and receiving compensation for such services.

ARTICLE IV

EXECUTIVE AND OTHER COMMITTEES

The Board of Directors, by the affirmative vote of a majority of the number of Directors required at the time to constitute a full board as fixed in or determined pursuant to these by-laws as then in effect, may designate two or more of its members to constitute an Executive Committee, which committee shall, when the Board of Directors is not in session, have and may exercise, to the extent provided by resolution of the Board of Directors, from time to time, all the powers of the Board of Directors (including all action

which may be taken by the Board of Directors as by law, by the certificate of incorporation or by the by-laws provided) insofar as such powers may be lawfully delegated, and may have power to authorize the seal of the corporation to be affixed to all papers which may require it.

The Board of Directors, by the affirmative vote of a majority of the number of Directors required at the time to constitute a full board as fixed in or determined pursuant to these by-laws as then in effect, may also appoint other committees, the members of which may, but need not, be Directors, the number composing such committees, not less than two, and the powers (to be advisory only if all the members are not Directors) conferred upon them to be determined by resolution of the Board of Directors.

No committee shall have power or authority in reference to amending the certificate of incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the by-laws; and unless the resolution shall expressly so provide, no committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

Vacancies in the membership of committees shall be filled by the Board of Directors at a regular meeting or at a special meeting.

At any meeting of any committee a majority of the whole committee shall constitute a quorum and except as otherwise provided by statute or by the certificate of incorporation or by the by-laws the affirmative vote of at least a majority of the members present at a meeting at which there is a quorum shall be the act of the committee.

The Secretary of the corporation, or in his absence, an Assistant Secretary, or other person designated by a committee, shall act as secretary of such committee.

The Executive Committee and each of the other committees, except as otherwise provided by resolution of the Board of Directors, shall fix the time and place of its meetings within or without the State of Delaware, shall adopt its own rules and procedure, and shall keep a record of its acts and proceedings and report the same from time to time to the Board of Directors.

ARTICLE V

OFFICERS

SECTION 1. OFFICERS AND THEIR ELECTION, TERM OF OFFICE AND VACANCIES. The officers of the corporation shall be a Chairman of the Board, a President, a Secretary, a Treasurer and such Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Directors may from time to time determine and elect or appoint. All officers shall be elected annually by the Board of Directors at their first meeting following the annual meeting of stockholders or any special meeting held in lieu thereof and shall hold office until their successors are duly elected and qualified. The Chairman of the Board must be a Director. All other officers may, but need not be, members of the Board of Directors. Two or more offices may be held by the same person. Any officer elected by the Board of Directors may be removed at any time by the Board of Directors. If any vacancy shall occur among the officers, it shall be filled by the Board of Directors.

SECTION 2. CHAIRMAN OF THE BOARD. The Chairman of the Board shall be the chief executive officer of the corporation with full control and responsibility for management decisions, subject to the supervision and control of the Board of Directors and such limitations as the Board of Directors may from time to time impose. The Chairman of the Board when present shall preside at all meetings of the stockholders and of the Directors. It shall be his duty and he shall have the power to see that all orders

and resolutions of the Board are carried into effect. The Chairman of the Board shall perform such additional duties and have such additional powers as the Directors shall designate. In the absence or disability of the Chairman of the Board, his powers and duties shall be performed by such officer of the corporation as the Board shall designate.

SECTION 3. PRESIDENT. The President shall be the chief operating officer of the corporation with full control and responsibility for the operations of the corporation. The President, as soon as reasonably possible after the close of each fiscal year, shall submit to the Board a report of the operations of the corporation for such year and a statement of its affairs and shall from time to time report to the Board all matters within his knowledge which the interests of the corporation may require to be brought to its notice. The President shall perform such duties and have such powers additional to the foregoing as the Board shall designate.

SECTION 4. VICE PRESIDENTS. In the absence or disability of the President, his powers and duties shall be performed by the Vice President, if only one, or, if more than one, by the one designated for the purpose by the Board. Each Vice President shall have such other powers and perform such other duties as the Board shall from time to time designate.

SECTION 5. TREASURER. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositaries as shall be designated by the Board or in the absence of such designation in such depositaries as he shall from time to time deem proper. He shall disburse the funds of the corporation as shall be ordered by the Board, taking proper vouchers for such disbursements. He shall promptly render to the President and to the Board such statements of his transactions and accounts as the President and Board respectively may from time to time require. The Treasurer shall perform such duties and have such powers additional to the foregoing as the Board may designate.

SECTION 6. ASSISTANT TREASURERS. In the absence or disability of the Treasurer, his powers and duties shall be performed by the Assistant Treasurer, if only one, or if more than one, by the one designated for the purpose by the Board Each Assistant Treasurer shall have such other powers and perform such other duties as the Board shall from time to time designate.

SECTION 7. THE SECRETARY. The Secretary shall issue notices of all meetings of stockholders and Directors and of the executive and other committees where notices of such meetings are required by law or these by-laws. He shall keep the minutes of meetings of stockholders and of the Board of Directors and of the executive and other committees, respectively, unless such committees appoint their own respective secretaries and be responsible for the custody thereof. Unless the Board shall appoint a transfer agent and/or registrar, the Secretary shall be charged with the duty of keeping, or causing to be kept, accurate records of all stock outstanding, stock certificates issued and stock transfers. He shall sign such instruments as require his signature and shall perform such other duties and shall have such powers as the Board of Directors shall designate from time to time, in all cases subject to the control of the Board of Directors. The Secretary shall have custody of the corporate seal, shall affix and attest such seal on all documents whose execution under seal is duly authorized. In his absence at any meeting, an Assistant Secretary or the Secretary pro tempore shall perform his duties thereat.

SECTION 8. ASSISTANT SECRETARIES. In the absence or disability of the Secretary, his powers and duties shall be performed by the Assistant Secretary, if only one, or, if more than one, by the one designated for the purpose by the Board. Each Assistant Secretary shall have such powers and perform such other duties as the Board shall from time to time designate.

SECTION 9. Salaries. The salaries of officers, agents and employees shall be fixed from time to time by or under authority from the Board of Directors.

ARTICLE VI

RESIGNATIONS AND REMOVALS

SECTION 1. OFFICERS, AGENTS. EMPLOYEES AND MEMBERS OF COMMITTEES. Any officer, agent or employee of the corporation may resign at any time by giving written notice to the Board of Directors or to the Chairman of the Board or to the Secretary of the corporation; and any member of any committee may resign by giving written notice either as aforesaid or to the committee of which he is a member or to the chairman thereof. Any such resignation shall take effect at the time specified therein, or if the time be not specified, upon receipt thereof, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The Board of Directors may at any time, with or without cause, remove from office or discharge or terminate the employment of any officer, agent, employee or member of any committee.

SECTION 2. DIRECTORS. Any Director of the corporation may resign at any time by giving written notice to the Board of Directors or to the Chairman of the Board or to the Secretary of the corporation. Any such resignation shall take effect at the time specified therein, or if the time be not specified, upon receipt thereof; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. When one or more Directors shall resign from the Board of Directors, effective at a future date, a majority of the Directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective and each Director so chosen shall hold office as provided in these by-laws in the filling of other vacancies. The stockholders of the corporation entitled to vote upon the election of Directors may, at any time, remove from office any one or more Directors only with cause, and his successor or their successors shall be elected by the remaining Directors as provided in these By-laws in the filling of other vacancies. A Director may be removed for cause only after reasonable notice and opportunity to be heard before the body proposing to remove him.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

SECTION 1. The corporation shall indemnify, to the fullest extent permitted by the General Corporation Law of the State of Delaware as presently in effect or as hereafter amended:

(a) Subject to the provisions of Section 10, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether external or internal to the corporation (other than by action by or in the right of the corporation) by reason of the fact that he is or was a Director or officer of the corporation, or is or was serving at the request of the corporation as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such suit, action or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of NOLO CONTENDERE or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was lawful.

(b) Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a Director or officer of the corporation, or is or was serving at the request of the corporation as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

SECTION 2. The Board of Directors, in its discretion, may authorize the corporation to indemnify to the fullest extent permitted by the General Corporation Law of the State of Delaware (as presently in effect or as hereafter amended):

(a) Subject to the provisions of Section 10, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was an employee or agent of the corporation, or is or was serving at the request of the corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such suit, action or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was an employee or agent of the corporation, or is or was serving at the request of the corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

SECTION 3. Any indemnification under this Article VII (unless required by law or ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that

indemnification of the Director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections l and 2 of this Article VII. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders of the corporation.

SECTION 4. Expenses incurred by a Director or officer in defending a civil or criminal action, suit or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this Article VII. Any advance under this Section 4 shall be made promptly, and in any event within ninety days, upon the written request of the person seeking the advance.

SECTION 5. The indemnification and advancement of expenses provided by, or granted pursuant to, the other Sections of this Article VII shall not be deemed exclusive of any other rights to which any person, whether or not entitled to be indemnified under this Article VII, may be entitled under any statute, by-law, agreement, vote of stockholders or disinterested Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Each person who is or becomes a Director or officer as described in Section 1 shall be deemed to have served or to have continued to serve in such capacity in reliance upon the indemnity provided for in this Article VII. All rights to indemnification under this Article VII shall be deemed to be provided by a contract between the corporation and the person who serves as a Director or officer of the corporation at any time while these by-laws and other relevant provisions of the General Corporation Law of the State of Delaware and other applicable law, if any, are in effect. Any repeal or modification thereof shall not affect any rights or obligations then existing.

SECTION 6. The Board of Directors may at any time and from time to time cause the corporation to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of the General Corporation Law of the State of Delaware (as presently in effect or hereafter amended), the Certificate of Incorporation of the corporation or these By-laws.

SECTION 7. The corporation's indemnification under Sections 1 and 2 of this Article VII of any person who is or was a Director, officer, employee or agent of the corporation, or is or was serving, at the request of the corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person receives as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the corporation, (ii) from such other corporation, partnership, joint venture, trust or other enterprise, or (iii) under any other applicable indemnification provision.

SECTION 8. In the discretion of the Board of Directors of the corporation, for the purposes of this Article VII, references to "the corporation" may also include any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its Directors or officers, so that any person who is or was a Director or officer of such constituent corporation, or is or was serving at the request of such constituent corporation as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise, would stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as he would have with respect to such other constituent corporation if its separate existence had continued.

SECTION 9. In addition to and without limiting the foregoing provisions of this Article VII and except to the extent otherwise required by law, any person seeking indemnification under or pursuant to Section 1 of this Article VII shall be deemed and presumed to have met the applicable standard of conduct set forth in Section l unless the contrary shall be established.

SECTION 10.

(a) In addition to and without limiting the foregoing provisions of this Article VII and except to the extent otherwise required by law, (a) it shall be a condition of the corporation's obligation to indemnify under Sections l(a) and 2(a) of this Article VII (in addition to any other condition in these By-laws or by law provided or imposed) that the person asserting, or proposing to assert, the right to be indemnified, promptly after receipt of notice of commencement of any action, suit or proceeding in respect of which a claim for indemnification is or is to be made against the corporation, notify the corporation of the commencement of such action, suit or proceeding, including therewith a copy of all papers served and the name of counsel retained or to be retained by such person in connection with such action, suit or proceeding, and thereafter to keep the corporation timely and fully apprised of all developments and proceedings in connection with such action, suit or proceeding or as the corporation shall request, and (b) the fees and expenses of any counsel retained by a person asserting, or proposing to assert, the right to be indemnified under Section l(a) or 2(a) of this Article VII shall be at the expense of such person unless the counsel retained shall have been approved by the corporation in writing.

(b) If a claim for indemnification or advancement of expenses under this Article VII is not paid in full by the corporation within 90 days after a written claim therefor has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim.

SECTION 11. For purposes of this Article VII, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service by a Director or officer of the corporation which imposes duties on, or involves services by, such person with respect to any employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Article VII.

SECTION 12. To the extent that a Director, officer, agent or employee of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or in Section 2, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

SECTION 13. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VII shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 14. If any term or provision of this Article VII or the application thereof to any person, property or circumstance shall to any extent be invalid or unenforceable, the remainder of this Article VII or the application of such term or provision to persons, property or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term and provision of this Article VII shall be valid and enforced to the fullest extent permitted by law.

ARTICLE VIII

CAPITAL STOCK

SECTION 1. STOCK CERTIFICATES. Each stockholder shall be entitled to a certificate or certificates representing in the aggregate the share owned by him and certifying the number and class thereof, which shall be in such form as this Board shall adopt. Each certificate of stock shall be signed by the Chairman of the Board or the President or a Vice President, and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before the certificate is issued, such certificate may nevertheless be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

SECTION 2. TRANSFER OF STOCK. Shares of stock shall be transferable on the books of the corporation pursuant to applicable law and such rules and regulations as the Board of Directors shall from time to time prescribe.

SECTION 3. HOLDERS OF RECORD. Prior to due presentment for registration of transfer the corporation may treat the holder of record of a share of its stock as the complete owner thereof exclusively entitled to vote, to receive notifications and otherwise entitled to all the rights and powers of a complete owner thereof, notwithstanding notice to the contrary.

SECTION 4. TRANSFER AGENT AND REGISTRAR. The Board of Directors may at any time appoint a transfer agent or agents and/or registrar or registrars for the transfer and/or registration of shares of stock.

SECTION 5. LOST, STOLEN, DESTROYED OR MUTILATED STOCK CERTIFICATES. The Board of Directors may direct a new stock certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, destroyed or mutilated, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, destroyed or mutilated. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, destroyed or mutilated certificate or certificates, or his legal representative, to (a) advertise the same in such manner as it shall require and/or (b) give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, destroyed or mutilated and/or (c) comply with any other reasonable requirements prescribed by the Board.

ARTICLE IX

SECURITIES OF OTHER CORPORATIONS

Subject to any limitations that may be imposed by the Board of Directors, the Chairman of the Board, the President or any person or persons authorized by the Board may in the name and on behalf of the corporation (i) act, or appoint any other person or persons (with or without powers of substitution) to act in the name and on behalf of the corporation (as proxy or otherwise), at any meeting of the holders of stock or other securities of any corporation or other organization, securities of which shall be held by this corporation, or (ii) express consent or dissent, as a holder of such securities, to corporate or other action by such other corporation or organization.

ARTICLE X

CHECKS, NOTES, DRAFTS AND OTHER INSTRUMENTS

Checks, notes, drafts and other instruments for the payment of money drawn or endorsed in the name of the corporation may be signed by any officer or officers or person or persons authorized by the Board of Directors to sign the same. No officer or person shall sign any such instrument as aforesaid unless authorized by the Board to do so.

ARTICLE XI

DIVIDENDS AND RESERVES

SECTION 1. DIVIDENDS. Dividends upon the capital stock of the corporation may, subject to any provisions of the certificate of incorporation, be declared pursuant to law by the Board of Directors. Dividends may be paid in cash, in property or in shares of the capital stock.

SECTION 2. RESERVES. Before payment of any dividend there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, thinks proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Directors shall think conducive to the interest of the corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE XII

CORPORATE SEAL

The corporate seal shall be in such form as the Board of Directors may from time to time prescribe and the same may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

ARTICLE XIII

FISCAL YEAR

The fiscal year of the corporation shall end on the 31st day of December of each year.

ARTICLE XIV

BOOKS AND RECORDS

The books, accounts and records of the corporation, except as may be otherwise required by the laws of the State of Delaware, may be kept outside of the State of Delaware, at such place or places as the Board of Directors may from time to time appoint. Except as may otherwise be provided by law, the Board of Directors shall determine whether and to what extent the books, accounts, records and documents of the corporation, or any of them, shall be open to the inspection of the stockholders, and no stockholder shall have any right to inspect any book, account, record or document of the corporation, except as conferred by law or by resolution of the stockholders or Board of Directors.

ARTICLE XV

NOTICES

SECTION 1. MANNER OF GIVING OF NOTICE. Whenever the provisions of a law, the certificate of incorporation, the by-laws or rules of a committee require notice to be given to any Director, officer,

stockholder or member of a committee, they shall not be construed to mean personal notice; such notice may be given by telegram or by depositing such notice in a post office or letter box, in a postpaid, sealed wrapper, addressed to such Director, officer, stockholder or member of a committee at his address as the same appears in the books or records of the corporation (unless he shall have filed with the Secretary a written request that notice intended for him be sent to some other address, in which case it shall be sent to the address designated in the most recent such request); and the time when such telegram shall be transmitted or notice deposited shall be deemed to be the time of the giving of such notice.

SECTION 2. WAIVER OF NOTICE. Whenever notice is required by law, the certificate of incorporation, the by-laws, or as otherwise provided by law, a written waiver thereof, signed by the person entitled to notice, shall be deemed equivalent to notice, whether signed before or after the time required for such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, Directors or members of a committee of directors need be specified in any written waiver of notice.

ARTICLE XVI

SEPARABILITY

If any term or provision of the by-laws, or the application thereof to any person or circumstance or period of time, shall to any extent be invalid or unenforceable, the remainder of the by-laws, or the application of such term or provision to persons or circumstances or periods of time other than those as to which it is invalid or unenforceable, shall not be affected thereby and each term and provision of the by-laws shall be valid and enforced to the fullest extent permitted by law.

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ARTICLE XVII

AMENDMENTS

The by-laws may be made, altered or repealed by the stockholders or, if such power is conferred by the certificate of incorporation, by the Board of Directors except that any by-law made by the stockholders may be altered or repealed only by the stockholders if such by-law expressly so provides.

CERTIFICATE AS TO REPRESENTATIONS, WARRANTIES AND NO DEFAULTS

I, Thomas H. McLain, Assistant Secretary, Chief Financial Officer and Senior Vice President and Senior Vice President, Corporate Services of NABI, a Delaware corporation (the "Borrower"), in my capacity as such officer, hereby certify to Bank of America, N.A., formerly NationsBank, N.A., a national banking association (the "Agent") in connection with the effectiveness of Amendment No. 4 dated as of February 1, 2000 (the "Amendment") to the Loan and Security Agreement dated as of September 12, 1997, as amended by Amendment No. 1 and Waiver dated as of November 14, 1997, Amendment No. 2 and Waiver dated as of March 27, 1998 and Amendment No. 3 and Waiver dated as of March 1, 1999 (as so amended, the "Loan Agreement"), between the Borrower, the financial institutions party thereto from time to time (the "Lenders") and the Agent that, to the best of my knowledge and based on an examination sufficient to enable me to make an informed statement, after giving effect to the Amendment,

1. All of the representations and warranties made or deemed to be made under the Loan Agreement are true and correct in all material respects on and as of the date hereof; and

2. No Default or Event of Default under and as defined in the Loan Agreement exists on the date hereof.

IN WITNESS WHEREOF, I have executed this Certificate this 2nd day of February, 2000.

/s/ Thomas H. McLain

Thomas H. McLain

ANNEX B

CONSENT AND CONFIRMATION OF GUARANTORS

The undersigned, each in their capacity as a Guarantor under the Subsidiary Guaranty dated as of September 12, 1997 (as modified or amended to date, the "Subsidiary Guaranty"), in favor of the Lenders, hereby confirms, for the benefit of the Borrower and the Lenders, that (1) such Guarantor is a Subsidiary of Borrower, (2) such Guarantor has received a copy of Amendment No. 4 dated as of February 1, 2000 and consents thereto (to the extent such consent may be required) and (3) the Subsidiary Guaranty of which such Guarantor is the maker constitutes a continuing, unconditional, guaranty of the Secured Obligations under and as defined in the Subsidiary Guaranty. Each of the undersigned is and continues to be liable under the Subsidiary Guaranty in accordance with the terms thereof, notwithstanding the execution and delivery of the aforesaid Amendment.

Dated: February 2, 2000

BIOMUNE CORPORATION

[CORPORATE SEAL]

By: /s/ Thomas H. McLain

Name: Thomas H. McLain
Title: Treasurer and Director

NABI FINANCE, INC.

[CORPORATE SEAL]

By: /s/ Thomas H. McLain

Name: Thomas H. McLain
Title: President and Director

ACKNOWLEDGMENT OF EXECUTION

STATE OF NEW YORK

COUNTY OF SUFFOLKS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this 2nd day of February, 2000, personally appeared David J. Gury who, being by me duly sworn, says that he resides at 2360 NW 43rd Street, Boca Raton, FL 33431, is known to be the President and Chief Executive Officer of Nabi, a Delaware corporation (the "Corporation"), and that by authority duly given, by and as the act of the Corporation, the foregoing and annexed Amendment No. 4 dated as of February 1, 2000 to Loan and Security Agreement dated as of September 12, 1997 was signed by him as said officer on behalf of the Corporation in Suffolk County, February 2, 2000 on this date.

WITNESS my hand and official seal, this 2nd day of February, 2000.

/s/ Lisa G. Guerra

Notary Public, State of New York
No. 41-4968358

My commission expires: JUNE 18, 2000

[NOTARIAL SEAL]

SUBSIDIARIES OF THE REGISTRANT

Set forth below is a listing of all of the existing subsidiaries of the Registrant. The Registrant owns 100% of the stock of each of the subsidiaries listed below.

SUBSIDIARIES	STATE OR NATION OF INCORPORATION
NABI Foreign Sales, Ltd.....	Barbados, West Indies
BioMune Corporation.....	Delaware
NABI Finance, Inc.....	Delaware

NABI EXHIBIT 23.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statement Form S-3 No. 333-2253) of Nabi and in the related Prospectus and the Registration Statements (Forms S-8 No. 33-42223, No. 33-42224, No. 33-05219, No. 33-60795, No. 33-64092, No. 33-65069, No. 333-56037, No. 333-56071, No. 333-81009 and No. 333-95269) pertaining to the following employee benefit plans of Nabi (1990 Equity Incentive Plan, 1998 Non-Qualified Employee Stock Option Plan, Stock Option Plan for Non-Employee Directors, North American Biologicals, Inc. Amended and Restated Incentive Stock Option Plan (ISO), and 1989 Stock Option Plan for Univax Corporation) of our report dated February 16, 2000, with respect to the consolidated financial statements and schedule of Nabi included in this Annual Report (Form 10-K) for the year ended December 31, 1999.

/s/ Ernst & Young LLP

Ernst & Young LLP

Miami, Florida
March 10, 2000

NABI EXHIBIT 23.2

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-3 (No. 333-2253) and the Registration Statements on Form S-8 (No. 33-42223, No. 33-42224, No. 33-05219, No. 33-60795, No. 33-64092, No. 33-65069, No. 333-56037, No. 333-56071, No. 333-81009 and No. 333-95269) of Nabi and its subsidiaries of our report dated March 26, 1999, appearing in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

Miami, Florida
March 14, 2000

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 1999 AND THE CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATMENTS.

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YEAR	
DEC-31-1999	
JAN-01-1999	
DEC-31-1999	
	806
	0
	34,019
	0
	35,932
	78,504
	109,138
	0
	214,162
	42,505
	112,998
	0
	0
	3,496
	54,681
	214,162
	233,603
	233,603
	163,407
	163,407
	62,460
	0
	4,313
	3,387
	43
	3,344
	0
	0
	0
	3,344
	0.10
	0.09

RECEIVABLES, INVENTORIES AND PP&E REPRESENT NET AMOUNTS.
LOSS PROVISION INCLUDED IN OTHER EXPENSES.