UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 4, 2007

Nabi Biopharmaceuticals

(Exact name of registrant as specified in its charter)

Delaware	**000-04829**	**59-1212264**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

12276 Wilkins Avenue, Rockville, MD	**20852**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (301) 770-3099

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Definitive Material Agreement.

As further described under Item 2.01 below, on December 4, 2007, Nabi Biopharmaceuticals, a Delaware corporation (the "Company" or "Nabi") completed the sale of certain assets to Biotest Pharmaceuticals Corporation ("Biotest Pharmaceuticals"), a Delaware corporation and wholly owned subsidiary of Biotest AG ("Biotest"), a company organized under the laws of Germany. In connection with the closing of the transaction (the "Closing"), the Company entered into the following definitive material agreements.

Nabi entered into a Side Letter with Biotest Pharmaceuticals and Biotest AG, a company organized under the laws of Germany ("Biotest"), effective as of the date of the Closing, amending the Purchase Agreement (as defined below) to provide that until the issuance of Biotest Pharmaceuticals' Florida Prescription Drug Wholesaler license and Florida Prescription Drug Manufacturer permit (the "Permit Issuance Date"):

- Title to Nabi-HB finished goods inventory, work-in-progress, and raw material will remain with Nabi on an interim basis until the Permit Issuance Date;
- The Company will not to pledge or encumber the Nabi-HB inventory, and that the Nabi-HB inventory will be shipped and invoiced in Nabi's name, with payments received for such shipments deposited in a Nabi account and transferred to Biotest promptly after the Permit Issuance Date;
- The Company will retain oversight and control authority over the manufacture, marketing, distribution and sale of Nabi-HB (the "HB Activities") until the Permit Issuance Date; and
- Jordan I. Siegel will remain in his position as Nabi's Senior Vice President, Finance and Administration, Chief Financial Officer and Treasurer until March 28, 2008, and will have principal on-site responsibility for exercising the Company's oversight and control with respect to the HB Activities. Mr. Siegel may also accept the position as Chief Financial Officer of Biotest Pharmaceuticals provided that his duties in that position do not unreasonably interfere with his duties to Nabi. To the extent applicable, this information shall be deemed filed under Item 5.02 of this Form 8-K.

Pursuant to the Side Letter, Biotest Pharmaceuticals will indemnify the Company for matters related to the HB Activities except to the extent relevant losses result from the Company's gross negligence or willful misconduct.

The Company entered into a Transition Services Agreement with Biotest Pharmaceuticals, effective as of the date of the Closing, pursuant to which the Company and Biotest Pharmaceuticals agreed to provide transition services (including services related to finance, human resources, information technologies, and clinical and regulatory matters) to each other for a period of up to six months after closing for a price equal to 150% of direct salary costs plus out of pocket costs, provided, however, that there will be no charge for services provided by Biotest Pharmaceuticals to Nabi during the first 60 days after Closing.

The Company entered into a Right of First Refusal and Right of First Negotiation Agreement with Biotest Pharmaceuticals, effective as of the date of the Closing, pursuant to which the Company granted Biotest Pharmaceuticals a right of first negotiation and a right of first refusal to obtain non-exclusive rights to utilize StaphVAX® [*Staphylococcus aureus* Polysaccharide Conjugate Vaccine] and to license certain StaphVAX intellectual property that is necessary to enable Biotest Pharmaceuticals to use StaphVAX solely for the manufacture, production or use of Altastaph® [*Staphylococcus aureus* Immune Globulin Intravenous (Human)], one of the development stage biologic products conveyed to Biotest Pharmaceuticals at the Closing.

The Company and Biotest Pharmaceuticals entered into a Manufacturing Services Agreement which enables Nabi to obtain clinical lots of Nabi's retained products as well as component products thereof from Biotest Pharmaceuticals through December 31, 2009. The Manufacturing Services Agreement provides for payments to Biotest Pharmaceuticals for manufacturing the products in an amount equal to Biotest's cost to manufacture the products, calculated in accordance with generally accepted accounting principles in substantially the same manner as calculated by the Company prior to the Closing, but specifically excluding depreciation, amortization and other non-cash items. The Manufacturing Services Agreement obligates Biotest Pharmaceuticals to allocate fifty percent of its vaccine manufacturing capacity in the Boca Raton facility, calculated on an average monthly basis, to the production of the Nabi products under the agreement. Also, Biotest Pharmaceuticals is obligated to use commercially reasonable efforts to assist the Company in transitioning the manufacturing of products to Nabi or its designee, including providing technical support, copies of relevant documentation, technical know-how and allowing third-party access to the Boca Raton facility, for which Biotest Pharmaceuticals will be compensated on a time and materials basis at Biotest Pharmaceuticals' cost to provide such services.

The foregoing descriptions of the Side Letter Agreement, the Transition Services Agreement and the Right of First Refusal and Right of First Negotiation Agreement do not purport to be complete and are qualified in their entirety by reference to such agreements, which are filed herewith as Exhibits 10.1, 10.2, and 10.3, respectively, and are incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On September 11, 2007, the Company, Biotest, and Biotest Pharmaceuticals Corporation entered into a Purchase Agreement (the "Purchase Agreement") pursuant to which Biotest Pharmaceuticals agreed to (i) acquire substantially all of the assets of the Company relating to, used in or necessary to the Company's Biologics strategic business unit and certain of the Company's corporate shared services assets, and (ii) generally assume post-closing liabilities related to the purchased assets as set forth in the Purchase Agreement (collectively, the "Transaction"). Biotest guaranteed all of the obligations of Biotest Pharmaceuticals under the Purchase Agreement.

Closing of the Transaction occurred on December 4, 2007, provided, however, that from and after 12:01 a.m. Washington, DC timing on December 3, 2007, the operations of the Company's Biologics strategic business unit are conducted for the benefit, and at the risk, of Biotest Pharmaceuticals, and the benefits and charges related to the purchased assets and assumed liabilities are for the account of Biotest.

Included in the assets sold were Nabi-HB, subject to the Side Letter described above, and other plasma business assets, including Nabi's state-of-the-art plasma protein production plant, nine FDA-certified plasma collection centers across the U.S., and investigational products, Civacir® [Hepatitis C Immune Globulin (Human)] and Altastaph® [*Staphylococcus aureus* Immune Globulin Intravenous (Human)] . The acquisition also included most of Nabi's Corporate Shared Services group assets (other than cash and cash equivalents) and the Company's Boca Raton, Florida headquarters and real properties. Nabi retained all cash, cash equivalents and accounts receivable, its Rockville, Maryland facility, which has become its new corporate headquarters, and its Pharmaceuticals strategic business unit assets, including NicVAX® [Nicotine Conjugate Vaccine], its innovative and proprietary investigational vaccine for nicotine addiction and the prevention of smoking relapse, and its investigational StaphVAX® [Staphylococcus aureus Polysaccharide Conjugate Vaccine] programs. Nabi also retained the right to receive up to an additional $75 million in milestone and royalty payments related to the divestiture of PhosLo in November 2006.

Pursuant to the Purchase Agreement, at the Closing, the Company was paid $185 million in cash, subject to certain adjustments for prorated expenses, taxes and fees, and $10 million of which was placed into an escrow account to support any indemnification claims or inventory adjustment following the closing. Biotest Pharmaceuticals assumed certain liabilities.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to such Purchase Agreement. The Purchase Agreement was filed as Exhibit 2.1 to the Company's Current Report on Form 8-K dated September 11, 2007 and is incorporated herein by reference.

Unaudited pro forma financial statements showing how the Transaction might have affected historical financial statements of the Company if the Transaction had been consummated in prior periods are filed herewith as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information

Unaudited pro forma financial statements showing how the Transaction might have affected historical financial statements of the Company if the Transaction had been consummated in prior periods are filed herewith as Exhibit 99.1.

(d) Exhibits

Exhibit No.	Description
10.1	Side Letter, dated December 4, 2007, by and among Nabi Biopharmaceuticals, Biotest Pharmaceuticals Corporation and Biotest AG.
10.2	Transition Services Agreement, dated as of December 4, 2007, by and among Nabi Biopharmaceuticals and Biotest Pharmaceuticals Corporation.
10.3	Right of First Refusal and Right of First Negotiation Agreement, dated as of December 4, 2007, by and among Nabi Biopharmaceuticals and Biotest Pharmaceuticals Corporation.
99.1	Unaudited pro forma financial statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NABI BIOPHARMACEUTICALS

By: /s/ Jordan I. Siegel
Name: Jordan I. Siegel
Title: Senior Vice President, Finance and Administration, Chief Financial Officer and Treasurer

Date: December 10, 2007

EXHIBIT INDEX

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99.1	Unaudited pro forma financial statements.

Exhibit 10.1

December 4, 2007

Biotest Pharmaceuticals Corporation
c/o Biotest AG
Landsteinerstr. 5
63303 Dreieich
Germany

Biotest AG
Landsteinerstr. 5
63303 Dreieich
Germany

RE: Letter Agreement Regarding Interim Operations and Regulatory Arrangements

Ladies and Gentlemen:

Reference is made to that certain Asset Purchase Agreement by and among Nabi Biopharmaceuticals ("**Nabi**"), Biotest Pharmaceuticals Corporation ("**Biotest**") and Biotest AG ("**Parent**"; and together with Nabi and Biotest, the "**Parties**"), dated as of September 11, 2007, as amended from time to time (the "**Purchase Agreement**"). Capitalized terms used in this letter agreement that are not defined herein have the meanings assigned to such terms in the Purchase Agreement. The Parties hereby agree as follows:

1. Operations Pending Issuance of Florida Licenses. The manufacture, marketing, distribution, and sale of Nabi-HB® at the current establishment (the "**Licensed Business**") shall continue to be operated under Nabi's oversight and control in full accordance with and pursuant to Nabi's Florida manufacturing and wholesale distributor licenses (the "**Nabi Florida Licenses**") during the period (the "**Interim Period**") from and after the Effective Time until Biotest is issued a Florida manufacturing license and prescription drug wholesale distributor license (collectively, the "**Biotest Florida Licenses**") and consistent in all material respects with Nabi's past practices and procedures.

a. Oversight and Control Over Licensed Business. During the Interim Period, Nabi shall continue to have oversight and control authority over the Licensed Business including with respect to the Nabi Florida Licenses and the compliance of the Licensed Business with all requirements and obligations thereunder. Biotest and all Biotest employees shall comply in all respects with requests and/or instructions of Nabi in the exercise of Nabi's oversight and control authority hereunder.

b. Meetings, Coordination and Reporting. Representatives of Nabi and Biotest shall meet regularly (no less frequently than once per week) as necessary to coordinate with respect to Nabi's oversight and control authority and with respect to Nabi's responsibility for Florida regulatory compliance and transition matters. Each such Party shall

promptly (i) provide the other with copies of all correspondence between such Party and the Florida Department of Health ("**FDOH**") and any other Governmental Authority involved in administration of the Nabi Florida Licenses and (ii) inform the other Party of material events or occurrences relating to compliance with the Nabi Florida Licenses.

c. Nabi Corporate Officer. Nabi's Senior Vice President, Finance and Administration, Chief Financial Officer and Treasurer, Jordan I. Siegel, will remain an employee and officer of Nabi during the Interim Period and shall be based at 5800 Park of Commerce Blvd., NW, Boca Raton, FL, the facility where the Licensed Business is conducted (the "**Facility**"). Mr. Siegel shall have principal on-site authority for exercising on behalf of Nabi the oversight and control authority described herein during the Interim Period.

d. Ownership of Nabi-HB Inventory, WIP, And API. Notwithstanding anything to the contrary contained in the Purchase Agreement or the Other Agreements, Nabi shall retain title to the Nabi-HB® Finished Goods, Nabi-HB WIP, and Nabi-HB raw materials (collectively, "**Nabi-HB Inventory**") until such time as the Biotest Florida Licenses are issued (which for purposes of this Agreement shall also encompass any alternative means, authorized by the relevant Florida State Governmental Authorities, of granting to Biotest authority necessary under Florida law to own the Nabi-HB Inventory). All labeled Nabi-HB Inventory shall retain its current Nabi labeling until Biotest obtains all applicable approvals for new Biotest labeling and the Biotest Florida Licenses are issued. During the Interim Period, Nabi shall not allow any Encumbrances on the Nabi-HB Inventory other than Permitted Encumbrances. Upon issuance of the Biotest Florida Licenses, Nabi will convey to Biotest all of its right, title and interest in the Nabi-HB Inventory that has not, prior to that time, been sold in accordance with Section 1.e below.

e. Nabi Maintenance Of Nabi Florida Licenses. During the Interim Period, Nabi shall correct, if necessary, its pending Florida state wholesalers license application and respond to any requests or questions raised by the State of Florida and shall use commercially reasonable efforts to maintain and keep in full force and effect the Nabi Florida Licenses and to.

f. Marketing, Distribution and Sale of Nabi-HB. During the Interim Period, all marketing, distribution, and sales of Nabi-HB Inventory shall be conducted by Nabi. When orders for Nabi-HB are received Nabi will cause such orders to be fulfilled and invoiced in Nabi's name in the same manner as prior to the Effective Time, provided that remittance instructions shall be to Nabi in a manner reasonably acceptable to Biotest, with payout to Biotest in accordance with the reconciliation provisions of Section 1.g hereof when the Biotest Florida Licenses are issued. During the Interim Period, Biotest shall comply with the requests and/or instructions of Nabi that Nabi believes in good faith to be necessary in order to ensure that the conduct of Nabi-HB marketing, distribution, and sales activities comports with Federal and State law and the obligations of both Nabi and Biotest thereunder.

g. Rights to Trademarks and Promotional Materials. Nabi shall retain rights to the Promotional Materials and BSBU Marks as necessary to effectuate the purposes of this Agreement and comply with the Nabi Florida Licenses. Biotest shall not use the Promotional Materials or BSBU Marks until the Biotest Florida Licenses are issued.

h. Operation for the Account of Biotest; Reconciliation Activities. Nabi's operation of the Licensed Business during the Interim Period shall be for the ultimate financial benefit of Biotest in order to give effect to the Parties' intentions under the Purchase Agreement. Accordingly, all revenues and expense of operation of the Licensed Business from and after the Effective Time shall be for the account of Biotest. The Parties shall conduct a periodic reconciliation, no less frequently than once per week, to ensure that revenues and expenses relating to the operation of the Licensed Business during the Interim Period are properly allocated to Biotest. Such reconciled revenues shall be paid or received by Biotest when the Biotest Florida Licenses are issued.

2. Interim Oversight With Respect to Federal Registrations. From the Closing until the transfers of Nabi's federal Registrations to Biotest are authorized and all federal licenses issued or transferred to Biotest, Nabi shall have oversight and control authority over the elements of Biotest's post-Closing operations that are subject to such Registrations (to the extent that authorization for transfer has not been received) as necessary or as mandated by FDA in connection with the compliance of such operations with the requirements of such Registrations. Biotest shall comply in all respects with requests and/or instructions of Nabi in the exercise of Nabi's oversight and control authority hereunder.

3. Indemnification. Biotest shall indemnify and defend the Seller Indemnitees against, and agrees to hold them harmless from, any Losses sustained or incurred (payable promptly upon written request by any Seller Indemnitee), to the extent arising from, in connection with, or otherwise with respect to acts or omissions by or on behalf of Nabi relating to this Agreement and the activities contemplated hereunder, *provided*, *however*, that Biotest shall not be required to indemnify any Person, and shall not have any liability under this Section 3 to the extent the liability or obligation is directly caused by the gross negligence or willful misconduct of any Seller Indemnitee. Except as expressly provided herein, indemnification of Seller Indemnitees hereunder shall be governed by Article XI and other applicable provisions of the Purchase Agreement as if the indemnification were of Losses with respect to an Assumed Liability.

4. Nabi CFO. Mr. Siegel shall remain as an employee of Nabi in the position of Senior Vice President, Finance and Administration, Chief Financial Officer and Treasurer from the Effective Time through March 28, 2008 unless Mr. Siegel resigns or is terminated by Nabi. During such time, Mr. Siegel may accept simultaneous appointment as Chief Financial Officer of Biotest and may perform the duties of that position to the extent that such duties do not unreasonably interfere with Mr. Siegel's duties to Nabi. Biotest may announce the appointment of Mr. Siegel as its Chief Financial Officer from and after the Effective Date. Nabi shall pay Mr. Siegel's compensation during such period in accordance with his existing employment agreement. In the event that Mr. Siegel determines that there is an actual or potential conflict between his duties to Nabi and his duties to Biotest with respect to any matter or issue, Mr. Siegel shall promptly inform the Chief Executive Officers of Nabi and Parent and their mutual determination with respect

to such conflict shall control. If the conflict cannot be resolved in the foregoing manner, either Party may refer the conflict to arbitration in accordance with Section 12.8 of the Purchase Agreement. Pending resolution of the conflict, Mr. Siegel shall not have a duty to either Nabi or Biotest with respect to the matter or issue. In any such circumstance, Nabi shall as soon as reasonably possible appoint another Nabi officer who shall have principal on-site authority for exercising on behalf of Nabi the oversight and control authority described herein during the Interim Period. Biotest hereby confirms for the benefit of Mr. Siegel that his continued employment by Nabi pursuant to this Section 4 will not constitute grounds for termination for cause under his employment agreement with Biotest. Nabi hereby confirms for the benefit of Mr. Siegel that his employment by Biotest pursuant to this Section 4 will not constitute grounds for termination for cause under his Employment Agreement with Nabi dated April 29, 2006 and that his continued employment by Nabi will not effect his status as an "affected employee" for purposes of certain benefits to which he is eligible as a result of the closing of the transactions contemplated by the Purchase Agreement.

5. Mutual Waiver of Certain Purchase Agreement Provisions. Each Party waives any breach by the other Party of a representation, warranty or covenant of such other Party under the Purchase Agreement or any Other Agreement that occurs as a direct result of such other Party's performance of its obligations under this Agreement.

6. Incorporation by Reference of Certain Provisions of Purchase Agreement. Except as specifically provided herein or unless the context requires otherwise, Article XII of the Purchase Agreement is hereby incorporated by reference herein as if set out at length herein, and shall be read to apply to this letter agreement standing on its own.

7. Controlling Document. In the event of any inconsistency between the terms of this letter agreement and any term of the Purchase Agreement or any Other Agreement, the terms of this letter agreement shall govern.

[*signature page follows*]

If the foregoing reflects your understanding with respect to the subject matter of this letter agreement, please acknowledge your agreement with and acceptance of the same by signing the enclosed counterpart of this letter in the space provided below and returning it to the undersigned.

Very truly yours,

NABI BIOPHARMACEUTICALS

By: /s/ Leslie Hudson, Ph.D.
Name: Leslie Hudson, Ph.D.
Title: President and Chief Executive Officer

Acknowledged and agreed as of the date first written above:

BIOTEST PHARMACEUTICALS CORPORATION

By: /s/ Dr. Michael Ramroth
Name: Dr. Michael Ramroth
Title: President

BIOTEST AG

By: /s/ Martin Reineke, POA
Name: Dr. Gregor Schulz
Title: Chief Executive Officer

By: /s/ Dr. Michael Ramroth
Name: Dr. Michael Ramroth
Title: Chief Financial Officer

cc: Kaye Scholer LLC
Attention: Russell Pallesen

Exhibit 10.2

TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT (this "**Agreement**"), is entered into as of December 4, 2007 (the "**Effective Date**"), by and among Nabi Biopharmaceuticals, a Delaware corporation ("**Seller**"), and Biotest Pharmaceuticals Corporation, a Delaware corporation ("**Buyer**", and with Seller, each a "**Party**", and collectively, the "**Parties**").

WHEREAS, Seller and Buyer are parties to that certain Asset Purchase Agreement dated as of September 11, 2007 ("**Asset Purchase Agreement**"), pursuant to which, Seller agreed to sell to Buyer, and Buyer agreed to acquire from Seller, the Purchased Assets (as defined in the Asset Purchase Agreement);

WHEREAS, in connection with the Asset Purchase Agreement, Seller and Buyer desire to enter into, and are entering into, this Agreement for the purpose of setting forth the terms and conditions pursuant to which Seller will use commercially reasonable efforts to provide, or to cause to be provided, certain services and transition assistance to Buyer in connection with its acquisition of the Purchased Assets and Buyer will use commercially reasonable efforts to provide, or to cause to be provided, certain services and transition assistance to Seller; and

NOW, THEREFORE, in consideration of the premises, the covenants and agreements contained in this Agreement and the Asset Purchase Agreement, and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Seller and Buyer agree as follows:

ARTICLE 1
DEFINITIONS AND REFERENCES

1.1. Defined Terms.

Capitalized terms used in this Agreement and not defined herein shall have the meanings given to such terms in the Asset Purchase Agreement.

1.2. Construction of Certain Terms and Phrases.

Unless the context of this Agreement otherwise requires: (a) words of any gender include each other gender; (b) words using the singular or plural number also include the plural or singular number, respectively; (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement; (d) all references herein to "Articles" or "Sections" are to Articles or Sections of this Agreement; (e) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; and (f) references to a Person are also to its successors and permitted assigns.

ARTICLE 2
BUYER TRANSITION ASSISTANCE

2.1. Buyer Transition Services.

Subject to the terms and conditions of this Agreement, Seller shall use commercially reasonable efforts to provide, or to cause to be provided, to Buyer the services set forth in Exhibit A ("**Buyer Transition Services**") from and after the Effective Date until the earlier of (a) six (6) months following the Effective Date, or (b) Buyer's written notice to Seller advising Seller that the Buyer Transition Services, or any certain component thereof, are no longer required by Buyer (the "**Buyer Transition Period**"). To the extent that a Seller Shared Use Asset was not split or segregated by Closing pursuant to Section 6.7(d) of the Asset Purchase Agreement, Seller agrees to use commercially reasonable efforts to allow Buyer to continue to use such Seller Shared Use Asset during the Term (as defined in Section 8.1 below), passing through to Buyer any costs and any benefits directly related to Buyer's use of such Seller Shared Use Asset, and to continue to work in good faith during the Term to split or segregate such Seller Shared Use Asset. For the avoidance of doubt, Buyer shall have the right to terminate one or more specific Buyer Transition Services prior to the date that is six (6) months following the Effective Date, while continuing other Buyer Transition Services.

2.2. Provision of the Transition Services.

Seller warrants that it will perform the Buyer Transition Services in a professional and workmanlike manner and, where applicable, Seller shall use reasonable efforts to perform the Buyer Transition Service in accordance with Seller's past practices and standard operating procedures prior to the Closing, *provided*, *however*, that Seller shall not be obligated to hire additional employees or engage any outside contractors or external resources to perform any requested Buyer Transition Service. If Buyer requests Buyer Transition Services that would require Seller to hire additional employees or engage any outside contractors or external resources for performance of such services, Seller will promptly notify Buyer and the Parties will discuss in good faith terms under which Seller shall provide such Buyer Transition Services, provided, that absent agreement otherwise by the Parties, the requested services will not be provided. Seller's provision of the Buyer Transition Services during the Buyer Transition Period shall not confer upon Seller, or imply or be construed as vesting in Seller, any ownership or management rights with respect to the Purchased Assets, and, subject to the Asset Purchase Agreement as amended by that certain Letter Agreement between the Parties with respect to certain Florida regulatory matters, Buyer shall at all times after the Effective Time be the owner of the Purchased Assets with all the rights of, and responsibility for, the management and ownership of the Purchased Assets and all activities ancillary or incident thereto.

2.3. Compliance with Applicable Laws.

Seller shall, and shall cause its respective employees to, comply with all Applicable Laws in connection with the provision of the Buyer Transition Services.

2.4. Audit and Inspection Rights.

Seller shall keep complete, accurate and detailed records in connection with this Agreement and all matters associated with Seller's rendering of Buyer Transition Services. Such records shall be kept in sufficient detail to permit independent audit of such records. Seller shall, at Buyer's request and expense, make such records available upon reasonable notice during business hours for examination by Buyer, its legal representatives, or its independent certified public accountants or auditors as designated by Buyer and approved by Seller, which approval shall not be unreasonably withheld or delayed.

2.5. Pre-Closing Transition Services.

Buyer acknowledges that Seller has provided considerable transition services during the period between execution of the Asset Purchase Agreement and the Closing (the "Pre-Closing Transition Services"). The Pre-Closing Transition Services have been provided at the request of and subject to the direction and oversight of Buyer.

2.6. Use of Seller Office Space.

Seller will provide office space and administrative support, as reasonably requested by Buyer, for Buyer personnel and outside consultants in connection with Buyer's clinical and regulatory transition activities (including meetings between Seller personnel and Buyer personnel).

ARTICLE 3
SELLER TRANSITION ASSISTANCE

3.1. Seller Transition Services.

Subject to the terms and conditions of this Agreement, Buyer shall use commercially reasonable efforts to provide, or to cause to be provided, to Seller the services set forth in Exhibit B ("**Seller Transition Services**") from and after the Effective Date until the earlier of (a) six (6) months following the Effective Date, or (b) Seller's written notice to Buyer advising Buyer that the Seller Transition Services, or any certain component thereof, are no longer required by Seller (the "**Seller Transition Period**"). To the extent that a Buyer Shared Use Asset was not split or segregated by Closing pursuant to Section 6.7(d) of the Asset Purchase Agreement, Buyer agrees to use commercially reasonable efforts to allow Seller to continue to use such Buyer Shared Use Asset during the Term, passing through to Seller any costs and any benefits directly related to Seller's use of such Buyer Shared Use Asset, and to continue to work in good faith during the Term to split or segregate such Buyer Shared Use Asset. For the avoidance of doubt, Seller shall have the right to terminate one or more specific Seller Transition Services prior to the date that is six (6) months following the Effective Date, while continuing other Seller Transition Services.

3.2. Provision of the Transition Services.

Buyer warrants that it will perform the Seller Transition Services in a professional and workmanlike manner and, where applicable, Buyer shall use reasonable efforts to perform the Seller Transition Services in accordance with Seller's past practices and standard operating procedures prior to the Closing, *provided*, *however*, that Buyer shall not be obligated to hire additional personnel or engage any outside contractors or external resources to perform any requested Seller Transition Service. If Seller requests Seller Transition Services that would require Buyer to hire additional personnel or engage any outside contractors or external resources for performance of such services, Buyer will promptly notify Seller and, absent agreement otherwise by the Parties, the requested services will not be provided. Buyer's provision of the Seller Transition Services during the Seller Transition Period shall not confer upon Buyer, or imply or be construed as vesting in Buyer, any ownership or management rights with respect to the Excluded Assets, and Seller shall at all times be the owner of the Excluded Assets with all the rights of, and responsibility for, the management and ownership of the Excluded Assets and all activities ancillary or incident thereto.

3.3. Compliance with Applicable Laws.

Buyer shall, and shall cause its respective employees to, comply with all Applicable Laws in connection with the provision of the Seller Transition Services.

3.4. Accounts Receivable.

Buyer shall direct Seller's former employees or other accounting employees to (i) invoice payors with respect to unbilled Accounts Receivable in a manner and on a timetable consistent with Seller's operations prior to Closing, (ii) use commercially reasonably efforts to collect Accounts Receivable for the benefit of Seller in a manner consistent with Seller's practices as of the Effective Date, and (iii) prepare and deliver to Seller periodic billing and collection reports consistent with Seller's practices as of the Effective Date. All amounts collected by Buyer with respect to Accounts Receivable of the Seller will be remitted to Seller no later than five (5) Business Days after such amount was received by Buyer.

3.5. Audit and Inspection Rights.

Buyer shall keep complete, accurate and detailed records in connection with this Agreement and all matters associated with Buyer's rendering of Seller Transition Services. Such records shall be kept in sufficient detail to permit independent audit of such records. Buyer shall, at Seller's request and expense, make such records available upon reasonable notice during business hours for examination by Seller, its legal representatives, or its independent certified public accountants or auditors as designated by Seller and approved by Buyer, which approval shall not be unreasonably withheld or delayed.

3.6. Use of Buyer Office Space; Audit and Compliance Matters.

Buyer will provide, consistent with past Seller practices, reasonable office space and reasonable administrative support on reasonable notice during regular business hours at Buyer's Boca Raton facility for Seller's outside audit team (currently Ernst &

Young), Seller's outside Sarbanes-Oxley consultant (currently AFS) and certain Seller personnel in connection with the completion of the audit of Seller's financial statements for the fiscal year ending December 31, 2007, Seller's compliance activities under the Sarbanes-Oxley Act of 2002 ("**Sarbanes-Oxley**"), and the preparation of financial statements and reports to be filed with the Securities and Exchange Commission ("**SEC**") under the Securities Exchange Act of 1934, as amended ("**34 Act**") and other applicable securities laws during the Seller Transition Period. Buyer agrees that during the Seller Transition Period, without the consent of the Seller, which consent will not be unreasonably withheld, delayed or conditioned, it will not make any changes to its internal control structure that would reasonably be expected to adversely affect Seller's 34 Act filings with the SEC or compliance with Sarbanes-Oxley requirements.

ARTICLE 4
MUTUAL COOPERATION

4.1. Records Maintained in Offsite Secure Storage.

The parties shall use commercially reasonable efforts to review all records maintained by Seller or its affiliates in offsite secure storage operated by Iron Mountain Incorporated ("**Iron Mountain**") and determine as soon as reasonably practicable which such records constitute BSBU Records and which such records constitute Retained Information. Upon a mutual determination as to the status of such records, the Buyer and Seller shall enter into separate contracts with Iron Mountain (or another service provider) with respect to the BSBU Records and the Retained Information, respectively. Until the earlier of two (2) years following the Effective Date or the segregation of all BSBU Records and Retained Information under separate agreements with Iron Mountain (or another service provider), Buyer shall reimburse Seller for eighty percent (80%) of the monthly Iron Mountain charges or such other portion of such charges as the Parties agree. If Buyer does not remove its BSBU Records from Seller's Iron Mountain storage space prior to the second anniversary of the Effective Date, Seller may dispose of such BSBU Records without any liability to Buyer or any third party claiming through Buyer or under any Assumed Contract.

4.2. New Employees and Consultants.

In the course of providing transition services hereunder, each Party will use reasonable efforts to assist the other Party's new employees and consultants in connection with the performance of their transition-related activities.

ARTICLE 5
CONSIDERATION

The consideration to be paid by Buyer to Seller for Buyer Transition Services and by Seller to Buyer for Seller Transition Services provided hereunder shall be calculated as one hundred fifty percent (150%) of direct salary costs incurred by the Party providing services, *provided*, that, in consideration for certain Pre-Closing Transition Services provided by Seller to Buyer

without charge, Buyer shall provide Seller Transition Services during the first sixty (60) days of the Term following the Effective Date without charge. The Parties shall invoice each other for the amounts due hereunder and each Party agrees to pay such amounts within thirty (30) calendar days of the date of such invoice. Each Party may charge the other a late fee of one percent (1%) per month for any amounts not paid when due. The hourly billing rates set forth on Exhibit C reflect one hundred fifty percent (150%) of direct salary costs for various categories of employees.

ARTICLE 6
CONFIDENTIAL INFORMATION; TRADING IN SELLER SECURITIES

The confidentiality provisions set forth in the Asset Purchase Agreement shall apply to this Agreement and are incorporated herein by reference, and shall apply to any information provided by Buyer to Seller, or by Seller to Buyer, in connection with this Agreement. Buyer acknowledges that in connection with this Agreement, Seller shall provide from time to time to Buyer and certain of its directors, officers and employees certain material non-public information regarding Seller (including, but not limited to, information regarding Seller's financial performance and results of operations) to assist Buyer with performing its obligations under this Agreement and related agreements. As a result thereof, Buyer hereby agrees that Buyer shall not, and shall direct its directors, officers and employees to refrain from, trading in the securities of Seller without the prior written permission of Seller during the Term and for 180 days after the termination of this Agreement (such period, including such 180-day post-termination period, the "**No Trading Period**"); *provided*, *however*, that if Seller informs Buyer at any time, including either during or after the No Trading Period, that any of the information previously supplied to Buyer remains material non-public information of Seller, then Buyer shall not, and shall direct its directors, officers and employees to refrain from, trading in the securities of Seller until Seller has informed Buyer in writing that such information no longer constitutes material non-public information under the U.S. federal securities laws.

Notwithstanding the foregoing, those employees of Buyer who (1) are former employees of Seller, and (2) (a) have been granted employee stock options by Seller, or (b) otherwise hold shares of Seller common stock, may exercise such options in accordance with their terms and sell the shares of Seller common stock that are received as a result thereof, or sell any other shares of Seller common stock held by such former employee, so long as such exercises and sales comply with Seller's insider trading policy and similar policies and procedures of Seller, including, but not limited to, the trading window requirements of such policies and procedures. Any such compliance determination shall be made by Seller in its sole discretion.

ARTICLE 7
WARRANTY DISCLAIMER

EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, NONE OF SELLER, BUYER, THEIR AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES OR REPRESENTATIVES MAKES OR HAS MADE ANY

OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AT LAW OR IN EQUITY, REGARDING THE TRANSITION SERVICES, INCLUDING ANY IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO (I) MERCHANTABILITY, NON-INFRINGEMENT, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR (II) AS TO THE SUITABILITY OF THE TRANSITION SERVICES.

ARTICLE 8
TERM AND TERMINATION

8.1. Term.

This Agreement will commence on the Effective Date and, unless earlier terminated in accordance with the terms hereof, shall extend for the later of the duration of the Buyer Transition Period or the Seller Transition Period (the "**Term**").

8.2. Termination.

The cancellation or termination of either the Buyer Transition Services or the Seller Transition Services provided for under this Agreement shall be without prejudice to any obligations or rights of either Party that have accrued up to the date of such cancellation or termination, including any obligations to pay for Buyer Transition Services or Seller Transition Services rendered, as applicable. In addition, the following articles of this Agreement shall survive termination or expiration for any reason: Articles 2.4, 3.5, 4.1, 6, 7, 8, 9 and 10.

ARTICLE 9
LIMITATION OF LIABILITY

Neither Party shall have any liability for Losses caused by any act or omission by such Party in connection with the performance of such Party's obligations under this Agreement, other than repeating a Buyer Transition Service or Seller Transition Service, as the case may be, for the purpose of correcting an act or omission where reasonable and appropriate under the circumstances, unless such Losses arose from the gross negligence or willful misconduct of such Party or its Representatives in the performance of their obligations hereunder. Neither Party shall be liable to the other Party or its Representatives, in respect of any act or omission in the course of performing Buyer Transition Services or Seller Transition Services, as the case may be, for any indirect, special, incidental or consequential losses or damages of any kind, including lost profits or opportunity costs.

ARTICLE 10
MISCELLANEOUS

10.1. Insurance.

Seller shall maintain and Buyer shall procure, at their respective expense during the Term, insurance of the types and in the amounts which are reasonably comparable to the policies existing as of the date hereof, to the extent reasonably necessary in relation to the services to be provided under this Agreement.

10.2. Ownership of Intellectual Property.

To the extent Seller or any of its Affiliates shall, in the performance of any Buyer Transition Service hereunder, develop, conceive or generate any invention, discovery, improvement, patent, work of authorship or other Intellectual Property or proprietary or confidential data and/or trade secret ("**Buyer Intellectual Property**"), Buyer shall own all right, title and interest in and to such Buyer Intellectual Property, notwithstanding its development in connection with its performance of the services under this Agreement, and Seller agrees to take any and all necessary steps, at Buyer's expense, to vest or assign such ownership rights in Buyer.

To the extent Buyer or any of its Affiliates shall, in the performance of any Seller Transition Service hereunder, develop, conceive or generate any invention, discovery, improvement, patent, work of authorship or other Intellectual Property or proprietary or confidential data and/or trade secret ("**Seller Intellectual Property**"), Seller shall own all right, title and interest in and to such Seller Intellectual Property, notwithstanding its development in connection with its performance of the services under this Agreement, and Buyer agrees to take any and all necessary steps, at Buyer's expense, to vest or assign such ownership rights in Buyer.

10.3. No Conflicting Commitments.

Each Party represents to the other that, to its knowledge, (a) the services to be performed by such Party under this Agreement are not prohibited or limited by any other agreement, Law or any applicable order, writ, injunction or decree of any court or Governmental Authority to which such Party is bound or subject and (b) there are no other agreements, options, commitments or rights of any person (other than Buyer and Seller) to the services set forth herein.

10.4. Notices.

All notices or other communications required or permitted to be given under this Agreement, including invoices delivered pursuant to Article 5 hereof, shall be delivered in accordance with the provisions for notice set forth in the Asset Purchase Agreement.

10.5. Entire Agreement.

This Agreement, the Asset Purchase Agreement, the Other Agreements and the Confidentiality Agreement, along with the Schedules and Exhibits hereto and thereto, contain the entire agreement and understanding between the Parties hereto with respect

to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter. Neither Party shall be liable or bound to any other Party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein, in the Asset Purchase Agreement, in the Other Agreements or in the Confidentiality Agreement.

10.6. Waiver; Remedies.

Buyer, on the one hand, or Seller, on the other hand, may waive compliance by the other Party with any term or provision of this Agreement that such other Party was or is obligated to comply with or perform, provided that such waiver is delivered in writing in accordance with the notice provisions hereof. No failure or delay on the part of Seller or Buyer in exercising any right, power or privilege under this Agreement, unless so waived in writing, shall operate as a waiver, nor shall any waiver on the part of either Seller or Buyer of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege under this Agreement. The Parties acknowledge and agree that, in view of the unique nature of the Seller Transition Services and the Buyer Transition Services, upon a breach by a Party of any of its obligations in this Agreement, irreparable harm will occur, no adequate remedy at law will exist and damages would be difficult to determine. Accordingly, notwithstanding anything to the contrary in this Agreement, each Party agrees that in the event of breach or threatened breach by the other Party of any provisions of this Agreement, the non-breaching Party shall be entitled to equitable relief in the form of an order to specifically perform or an injunction to prevent irreparable injury, without being required to provide security or post bond. Nothing herein shall be construed as prohibiting any Party hereto from, pursuing solely or in addition any other remedies, including damages, for breach or threatened breach of this Agreement.

10.7. Amendment.

This Agreement may not be amended except by an instrument in writing signed by an authorized representative of each of the Parties hereto.

10.8. No Third-Party Rights.

No provision of this Agreement shall be deemed or construed in any way to result in the creation of any rights in or obligations of any Person not a Party to this Agreement.

10.9. Successors and Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned, transferred, licensed, sublicensed, delegated, pledged or otherwise disposed of by any Party hereto without the prior written consent of the other Party, which consent may not be unreasonably

withheld or delayed, *provided*, that no consent shall be required unless and until the proposed assignee shall have assumed in writing all obligations of its assignor under this Agreement and such assumption is delivered to the Party whose consent is being requested. Any purported assignment without a required consent shall be void.

10.10. Fees and Expenses.

Except as is otherwise specified herein, each Party shall bear its own fees and expenses incurred in connection with the performance of this Agreement and the transactions contemplated hereby.

10.11. Further Assurances.

Each Party shall execute and deliver such additional instruments and other documents and use all commercially reasonable efforts to take or cause to be taken, all actions and to do, or cause to be done, all things necessary under applicable law to consummate the transactions contemplated hereby.

10.12. Interpretation.

In the event of an ambiguity, or a question of intent or interpretation arises, under this Agreement, the Agreement shall be construed as if drafted jointly by both Parties, and there shall be no presumption or burden of proof favoring or disfavoring any individual Party by virtue of the authorship of any provisions of this Agreement.

10.13. No Joint Venture.

Nothing contained herein shall be deemed to create any joint venture or partnership between the Parties hereto, and, except as is expressly set forth herein, neither Party shall have any right by virtue of this Agreement to bind the other Party in any manner whatsoever. In this regard, each Party shall act and shall be deemed and construed to act under this Agreement as an independent contractor and not as an agent of the other Party. No employee of either Party shall be considered an employee of the other Party in any form.

10.14. Severability.

In the event that any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy such determination shall not affect the enforceability of any others or of the remainder of the Agreement.

10.15. Counterparts.

This Agreement may be executed manually or by facsimile by the Parties, in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

10.16. Force Majeure.

Neither Party will be liable for failures or delays in its performance hereunder actually caused by fire, flood, storm, acts of God, strike, lockout or other labor trouble, any law or ordinance, regulatory order or proclamation, or other requirement of any governmental authority, riot, war, acts of terrorism, or other causes beyond such Party's reasonable control. In such event, the Party whose performance is affected thereby shall give written notice of its suspension of performance and the specific cause as soon as reasonably practicable after occurrence of the cause and shall resume performance as soon as reasonably practicable following removal of the cause.

10.17. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State. In the event that any dispute arises under this Agreement, the Parties agree to negotiate in good faith to resolve such dispute prior to seeking relief in accordance with the provision for binding arbitration set forth in the Asset Purchase Agreement. Unless otherwise agreed in writing or set forth herein, and without waiving their respective rights to indemnification pursuant to the Asset Purchase Agreement, the Parties will continue to provide the services set forth herein and will continue to honor all payment and other commitments under this Agreement during the course of any dispute resolution or in connection with any alleged breach of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed, or caused to be executed, this Transition Services Agreement as of the date first above written.

SELLER:

NABI BIOPHARMACEUTICALS

By: /s/ Leslie Hudson, Ph.D.
Name: Leslie Hudson, Ph.D.
Title: President and Chief Executive Officer

BUYER:

BIOTEST PHARMACEUTICALS CORPORATION

By: /s/ Dr. Michael Ramroth
Name: Dr. Michael Ramroth
Title: President

Exhibit 10.3

RIGHT OF FIRST NEGOTIATION/REFUSAL AGREEMENT

THIS RIGHT OF FIRST NEGOTIATION/REFUSAL AGREEMENT (this "**Agreement**"), is entered into as of December 4, 2007 (the "**Effective Date**"), between Nabi Biopharmaceuticals, a Delaware corporation ("**Nabi**"), having its principal place of business at 12276 Wilkins Avenue, Rockville, Maryland 20852 and Biotest Pharmaceuticals Corporation, a Delaware corporation ("**Biotest**"), having a principal place of business at 5800 Park of Commerce Boulevard, Boca Raton, Florida 33487 (each a "**Party**", and collectively the "**Parties**").

WHEREAS, on September 11, 2007, Nabi, Biotest and Biotest AG entered into that certain Asset Purchase Agreement (the "**Asset Purchase Agreement**"), pursuant to which Biotest agreed to purchase and Nabi agreed to sell certain assets used in, necessary for or related to Nabi's biologics strategic business unit and certain other assets; and

WHEREAS, in connection with the Asset Purchase Agreement, and pursuant to the terms previously agreed upon and attached as Exhibit 8.11 to the Asset Purchase Agreement, Nabi and Biotest wish to enter into this Agreement for the purpose of setting forth the terms and conditions pursuant to which Nabi will grant to Biotest a right of first negotiation and right of first refusal related to certain StaphVAX Rights (as defined below).

NOW, THEREFORE, in consideration of the premises, the covenants and agreements contained in this Agreement and the Asset Purchase Agreement, and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Nabi and Biotest agree as follows:

ARTICLE 1
DEFINITIONS

"AltaStaph" means Altastaph® [Staphylococcus aureus Immune Globulin Intravenous (Human)].

"**Field of Use**" means manufacture, production or use of AltaStaph. The Field of Use excludes any use for the development, production, use or sale of StaphVAX or any substance or compound other than AltaStaph.

"StaphVAX" means Nabi's vaccine against *S. aureus* infection including polysaccharide components based on patented technology that Nabi has licensed on an exclusive basis from the Public Health Service / National Institute of Health, the development of which has been advanced by Nabi for use in patients who are at high risk of S. aureus infection and who are able to respond to a vaccine by producing their own antibodies.

"StaphVAX IP" means only Nabi's intellectual property rights under the patents identified on Exhibit A attached hereto. The StaphVAX IP excludes any other intellectual property rights and, without limiting the foregoing, excludes any future inventions, whether or not patentable, made by or on behalf of Nabi with respect to StaphVAX.

ARTICLE 2
RIGHT OF FIRST NEGOTIATION

Between the Effective Date and 5:00 p.m. Washington, D.C. time on March 4, 2008 (the "**Exclusive Period**"), Nabi will enter into exclusive, good faith negotiations with Biotest regarding the terms of an agreement pursuant to which Biotest would obtain non-exclusive rights (a) to use StaphVAX or components thereof acquired from Nabi, its affiliates or its licensees and (b) to license the StaphVAX IP, in each case solely in the Field of Use (such rights collectively, the "**StaphVAX Rights**"). The Parties acknowledge that, subject to the Parties' obligation to negotiate in good faith, neither Party is under any obligation to enter into any agreement under this Article 2 and any and all obligations to engage in negotiations cease upon expiration of the Exclusive Period.

ARTICLE 3
RIGHT OF FIRST REFUSAL

3.1 Right of First Refusal. If during the Exclusive Period the Parties do not execute an agreement regarding the StaphVAX Rights pursuant to Article 2, and if, prior to the third (3rd) anniversary of the Effective Date (the **"ROFR Term"**), Nabi receives a bona fide written offer from a third party (the "**Offeror**") to acquire, license or obtain any other rights to or under the StaphVAX Rights and Nabi wishes to accept such offer, Nabi shall notify Biotest in writing (a "**ROFR Notice**") of such offer. The ROFR Notice shall include (i) a description of the StaphVAX Rights to be acquired, licensed or otherwise granted, (ii) the consideration, and (iii) the other material terms and conditions of the proposed transaction, provided that the ROFR Notice is not required to include any description of rights, consideration or other terms and conditions to the extent they do not relate to the StaphVAX Rights or otherwise affect Biotest's ability to evaluate the offer or exercise its rights pursuant to this Article 3. The right of first refusal in this Article 3 shall not apply to a transaction between Nabi and a third party involving StaphVAX or StaphVAX IP generally if (a) such third party agrees to offer the StaphVAX Rights to Biotest on commercially reasonable terms and conditions with respect to quantity, quality and pricing of StaphVAX to be supplied, (b) the transaction involves an assignment of this Agreement that is permitted without Biotest's consent pursuant to Section 5.4, or (c) StaphVAX has already been commercialized and StaphVAX is available for purchase by Biotest on commercially reasonable terms and conditions with respect to quantity, quality and pricing of StaphVAX to be supplied and that allow Biotest's use of purchased StaphVAX in the Field of Use.

3.2 Exercise Period and Negotiation Period. Biotest will have an option for a period of thirty (30) days after the date of receipt of such ROFR Notice (the "**Exercise Period**") to acquire, license or otherwise obtain rights to the StaphVAX Rights as described in the ROFR Notice, on the terms and conditions described in the ROFR Notice. Biotest may exercise such option by notifying Nabi in writing before the expiration of such Exercise Period that it wishes to exercise such option on the terms described in the ROFR Notice. Upon Nabi's receipt of such written notice, the Parties shall negotiate in good faith for a period not to exceed forty-five (45) days after Nabi's receipt of notice of exercise of such option from Biotest (the "**Negotiation Period**"), to finalize the

documentation related to Biotest's acquisition of such StaphVAX Rights on the terms set forth in the applicable ROFR Notice. Notwithstanding the foregoing or the other provisions of this Article 3, if the terms and conditions in the ROFR Notice include any term or condition which is specific to the Offeror or is of such a nature that it would be impossible for Biotest to match, then, as between Nabi and Biotest, such term or condition will be modified in good faith by the parties in order to match as closely as possible the original term or condition as set forth in the ROFR Notice.

3.3 Failure to Exercise. If, following the delivery of any ROFR Notice, Nabi does not receive written notice from Biotest of Biotest's exercise of such option prior to the expiration of the Exercise Period, or if Nabi and Biotest have not, despite their good faith efforts, entered into a definitive agreement incorporating the terms set forth in the ROFR Notice prior to the expiration of the Negotiation Period, then Nabi shall be free to enter into any agreement or agreements with respect to the StaphVAX Rights without restriction.

ARTICLE 4
NO OTHER RESTRICTIONS; NO DILIGENCE OBLIGATION

Except as set forth herein with respect to the right of first negotiation described in Article 2 and the right of first refusal described in Article 3, this Agreement shall not restrict Nabi's ability to develop, commercialize or pursue StaphVAX or matters related to the StaphVAX IP. Further, Nabi shall have no obligation to develop, commercialize, seek regulatory approvals or pursue StaphVAX or matters related to the StaphVAX IP.

ARTICLE 5
MISCELLANEOUS

5.1. Notice. All notices or other communications required or permitted to be given under this Agreement shall be delivered in accordance with the provisions for notice set forth in the Asset Purchase Agreement.

5.2. Entire Agreement. This Agreement and, to the extent specifically referenced in Sections 5.1 and 5.8, the Asset Purchase Agreement, contain the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. This Agreement may not be amended except by an instrument in writing signed by an authorized representative of each of the Parties hereto.

5.3. Third Party Beneficiaries. No provision of this Agreement shall be deemed or construed in any way to result in the creation of any rights in or obligations of any Person not a Party to this Agreement.

5.4. Assignment. This Agreement may not be assigned, transferred, licensed, sublicensed, delegated, pledged or otherwise disposed of (each, an "**Assignment**") by any Party hereto without the prior written consent of the other Party, which consent may not be unreasonably withheld, *provided*, that (i) either Party may, without the consent of the other Party, assign its rights and obligations

under this Agreement to its affiliates or in connection with any merger, business combination, or sale of all or substantially all of the assets of such Party or those assets to which this Agreement relates and (ii) no Assignment shall be effective unless and until the proposed assignee shall have assumed in writing all obligations of its assignor under this Agreement and such assumption is delivered to the other Party. Any purported Assignment without a required consent shall be void. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

5.5. Fees and Expenses. Except as is otherwise specified herein, each Party shall bear its own fees and expenses incurred in connection with the performance of this Agreement and the transactions contemplated hereby.

5.6. Interpretation; Construction. In the event of an ambiguity, or a question of intent or interpretation arises, under this Agreement, the Agreement shall be construed as if drafted jointly by both Parties, and there shall be no presumption or burden of proof favoring or disfavoring any individual Party by virtue of the authorship of any provisions of this Agreement.

5.7. Counterparts; Facsimile Signatures. This Agreement may be executed manually or by facsimile by the Parties, in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

5.8. Governing Law; Arbitration. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State. In the event that any dispute arises under this Agreement, the Parties agree to negotiate in good faith to resolve such dispute prior to seeking relief in accordance with the provision for binding arbitration set forth in the Asset Purchase Agreement.

5.9. Certain Representations and Warranties. Nabi hereby represents and warrants to Biotest that to Nabi's Knowledge (as such term is defined in the Asset Purchase Agreement) as of the Effective Date the patents identified on Exhibit A are owned by Nabi free and clear of all liens, claims or encumbrances that would impair the rights granted to Biotest under this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed, or caused to be executed, this Right of First Negotiation/Refusal Agreement as of the date first above written.

SELLER:

NABI BIOPHARMACEUTICALS

By: /s/ Leslie Hudson, Ph.D.
Name: Leslie Hudson, Ph.D.
Title: President and Chief Executive Officer

BUYER:

BIOTEST PHARMACEUTICALS CORPORATION

By: /s/ Dr. Michael Ramroth
Name: Dr. Michael Ramroth
Title: President

Exhibit 99.1

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On December 4, 2007, Nabi Biopharmaceuticals sold all of our rights in and to certain assets of Nabi relating to, used in or necessary for the development, manufacture, distribution, marketing or sale of biologics products, and that together comprise our biologics strategic business unit, or the BSBU, and certain of our corporate shared services assets located primarily in Boca Raton, Florida, or CSS assets, to Biotest Pharmaceuticals for $185 million.

Included in the assets sold were Nabi-HB, other plasma business assets, including Nabi's state-of-the-art plasma protein production plant, nine FDA- and European- certified plasma collection centers across the U.S., and investigational products, Civacir®, IVIG, anti-D and Altastaph. The acquisition also included most of Nabi's corporate shared services group assets (other than cash and cash equivalents) and the Company's Boca Raton, Florida headquarters and real properties. Nabi retained all cash, cash equivalents and accounts receivable, its Rockville, Maryland facility, which will become its new corporate headquarters, and its Pharmaceuticals strategic business unit assets, including NicVAX® [Nicotine Conjugate Vaccine], its innovative and proprietary investigational vaccine for nicotine addiction and the prevention of smoking relapse, and its investigational vaccine StaphVAX® designed to protect against *Staphylococcus aureus* infections. Nabi also retained the right to receive up to an additional $75 million in milestone and royalty payments related to the divestiture of PhosLo in November 2006.

Biotest has submitted applications for manufacturing and sales and wholesale distribution with the U.S. Food and Drug Administration and the Florida Department of Health that, when issued, will enable Biotest to assume full manufacturing and sales operations in the United States. Until the licenses have been transferred to Biotest Pharmaceuticals, Nabi will continue to have regulatory oversight and operational authority for the manufacture, marketing, sale and distribution of Nabi-HB. Although title of Nabi-HB inventory, work in progress and raw materials will belong to Nabi for some time after the transaction, it is reflected in the pro forma financial statements as disposed of, as all future benefit and risks associated with the inventory were assumed by Biotest under the asset sale agreement.

During the second quarter of 2007, Nabi sold certain assets related to its Aloprim™ (allopurinol sodium) for Injection, ("Aloprim") product to Bioniche Teoranta, a limited company incorporated in the Republic of Ireland, for aggregate sale proceeds of $3.7 million. In connection with the closing of this transaction, a gain of $2.6 million was recorded during the second quarter of 2007, which was classified in "*Other income, net*" on the Company's unaudited condensed consolidated statement of operations.

The Company expects to account for the dispositions of the BSBU, CSS assets and Aloprim product line as discontinued operations in its consolidated financial statements in the fourth quarter of 2007. Aloprim was not treated as a discontinued operation in the second or third quarters of 2007 due to its relative immateriality.

The following unaudited pro forma condensed consolidated financial statements illustrate the effects of the Biotest asset sale as well as the sale of Aloprim, to the extent that these transactions have not yet been fully reflected in the Company's consolidated historical financial statements.

The unaudited pro forma condensed consolidated balance sheet as of September 29, 2007 gives effect to the asset sale as if it occurred as of that date. The unaudited pro forma condensed consolidated statements of operations give effect to the asset sale and the disposition of the Aloprim product line as if they occurred at the beginning of the period presented. The unaudited pro forma condensed consolidated financial statements have been derived from, and should be read in conjunction with the Company's historical consolidated financial statements, including the notes thereto, in the Company's Annual Report filed on Form 10-K for the year ended December 30, 2006 and Quarterly Report filed on Form 10-Q for the quarter ended September 29, 2007. The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of the financial position or results of operations that would have been achieved had the transactions described above occurred on the dates indicated or that may be expected to occur in the future as a result of such transactions.

The unaudited pro forma condensed consolidated statements of operations exclude revenues and expenses directly attributable to the Aloprim product line and the assets being sold in the asset sale. As such, the unaudited pro forma condensed consolidated statements of operations do not reflect a reduction of general corporate allocations or other non-direct costs which may occur as a result of the transactions. The unaudited pro forma financial statements also do not include non-recurring expenses associated with the transactions. In particular the unaudited pro forma financial statements do not include an estimate of $3 million of non-cash expense associated with modifications to certain stock option and restricted stock awards as more fully detailed below.

On September 20, 2007, our board of directors approved certain compensation-related actions in connection with the pending asset sale to Biotest. The compensation-related actions apply to all employees of the BSBU and the Boca Raton-based corporate shared services group employees who remain employees of Nabi through the closing of the transaction and (i) who are offered employment with Biotest, accept the employment offer and resign as an employee of Nabi, or (ii) who do not become employed by Biotest and are terminated by Nabi without cause in connection with the transaction (the "Affected Employees"). For all Affected Employees the board approved:

- The acceleration of vesting of all unvested stock options held by Affected Employees on the closing of the transaction and the amendment to all outstanding options held by Affected Employees to extend on the closing of the transaction the post-termination of employment exercise period from 90 days to six months.
- The acceleration of vesting on the closing of the transaction of all unvested restricted stock held by Affected Employees that would have vested in 2008 or 2009.
- The payment of a portion of the 2007 VIP Incentive Bonus Plan bonus that is otherwise determined to be due under the terms of the plan pro rated based on the portion of 2007 that each Affected Employee who participates in the plan was employed by Nabi.
- The payment to Affected Employees that were awarded incentive bonuses that would otherwise be payable to them on January 2, 2008 had such Affected Employees continued to be employed by Nabi through such date.

The Affected Employees may include executive officer Jordan I. Siegel, Senior Vice President, Finance and Administration, Chief Financial Officer and Treasurer, but not Leslie Hudson, Ph.D., Interim President and Chief Executive Officer and Raafat E.F. Fahim, Ph.D., Chief Operating Officer and General Manager of the Biologics SBU, and Senior Vice President, Research, Technical and Production Operations.

In addition, the Board determined that for purposes of all outstanding options held by directors under Nabi's 2007 Omnibus Equity and Incentive Plan, 2004 Stock Plan for Non-Employee Directors and Stock Plan for Non-Employee Directors, the transaction will not constitute a sale of all or substantially all of the Company's assets. Therefore, the vesting of options held by directors will not accelerate as a result of the transaction, and the options held by directors will not terminate as a result of the transaction but rather will continue to be exercisable in accordance with their terms.

NABI BIOPHARMACEUTICALS

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 29, 2007

(In thousands)

	As Reported	Biologics/CSS Adjustments		Pro Forma As Adjusted
Assets				
Current assets:				
Cash and cash equivalents	$ 78,040	$ 172,960	A	$ 251,000
Marketable securities	21,725	—		21,725
Trade accounts receivable, net	14,313	(14,313)	B	—
Inventories, net	18,693	(18,693)	A	—
Prepaid expenses and other current assets	5,036	(2,914)	B	2,122
Assets of discontinued operations	227	18,206	B	18,433
Total current assets	138,034	155,246		293,280
Property, plant and equipment, net	83,083	(81,033)	A	2,050
Other assets:				
Intangible assets, net	1,216	(1,216)	A	—
Restricted cash	—	10,000	A	10,000
Other, net	1,521	(979)	B	542
Total assets	$ 223,854	$ 82,018		$ 305,872
Liabilities and stockholders' equity				
Current liabilities:				
Trade accounts payable	$ 7,323	$ (2,724)	C	$ 4,599
Accrued expenses	20,005	(11,619)	C	8,386
Capital lease obligations, net	67	(67)	A	—
Liabilities of discontinued operations	3,623	18,644	C	22,267
Total current liabilities	31,018	4,234		35,252
2.875% convertible senior notes, net	109,441	—		109,441
Other liabilities	245	(245)	C	—
Total liabilities	140,704	3,989		144,693
Commitments and contingencies				
Stockholders' equity:				
Convertible preferred stock	—	—		—
Common stock	6,190	—		6,190
Capital in excess of par	330,628	—		330,628
Treasury stock	(5,321)	—		(5,321)
Accumulated deficit	(248,347)	78,029	A	(170,318)
Total stockholders' equity	83,150	78,029		161,179
Total liabilities and stockholders' equity	$ 223,854	$ 82,018		$ 305,872

See accompanying notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements

NABI BIOPHARMACEUTICALS

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 29, 2007

(In thousands, except per share data)

	As Reported	Aloprim Adjustments		Pro Forma Before Biologics/CSS Adjustments	Biologics/CSS Adjustments		Pro Forma As Adjusted
Revenues	$ 64,731	$ (198)	D	$ 64,533	$ (64,533)	F	$ —
Costs of products sold	41,181	(200)	D	40,981	(40,981)	F	—
Gross margin	23,550	2		23,552	(23,552)		—
Selling, general and administrative expense	27,503	(18)	D	27,485	(6,444)	F	21,041
Research and development expense	32,035	(8)	D	32,027	(16,778)	F	15,249
Operating loss	(35,988)	28		(35,960)	(330)		(36,290)
Interest income	4,443	(25)	D	4,418	(67)	F	4,351
Interest expense	(2,727)	—		(2,727)	91	F	(2,636)
Other income, net	2,569	(2,557)	E	12	—		12
Loss from continuing operations before income taxes	(31,703)	(2,554)		(34,257)	(306)		(34,563)
Income taxes	(190)	—	G	(190)	—	G	(190)
Loss from continuing operations	$ (31,893)	$ (2,554)		$ (34,447)	$ (306)		$ (34,753)
Basic and diluted loss per share							
Continuing operations	$ (0.52)			$ (0.56)			$ (0.57)
Basic and diluted weighted average shares	61,256			61,256			61,256

See accompanying notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements

NABI BIOPHARMACEUTICALS

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 30, 2006

(In thousands, except per share data)

	As Reported	Aloprim Adjustments		Pro Forma Before Biologics/CSS Adjustments	Biologics/CSS Adjustments		Pro Forma As Adjusted
Revenues	$ 89,868	$ (1,524)	D	$ 88,344	$ (88,344)	F	$ —
Costs of products sold	62,985	(1,124)	D	61,861	(61,861)	F	—
Gross margin	26,883	(400)		26,483	(26,483)		—
Selling, general and administrative expense	43,571	(7)	D	43,564	(10,988)	F	32,576
Research and development expense	37,572	(7)	D	37,565	(8,820)	F	28,745
Operating loss	(54,260)	(386)		(54,646)	(6,675)		(61,321)
Interest income	4,148	—		4,148	—		4,148
Interest expense	(3,724)	—		(3,724)	257	F	(3,467)
Other expense, net	(38)	—		(38)	(28)	F	(66)
Loss from continuing operations before income taxes	(53,874)	(386)		(54,260)	(6,446)		(60,706)
Income taxes	162	—	G	162	(93)	G	69
Loss from continuing operations	$ (53,712)	$ (386)		$ (54,098)	$ (6,539)		$ (60,637)
Basic and diluted loss per share							
Continuing operations	$ (0.88)			$ (0.89)			$ (1.00)
Basic and diluted weighted average shares	60,936			60,936			60,936

See accompanying notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements

NABI BIOPHARMACEUTICALS

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2005

(In thousands, except per share data)

	As Reported	Aloprim Adjustments		Pro Forma Before Biologics/CSS Adjustments	Biologics/CSS Adjustments		Pro Forma As Adjusted
Revenues	$ 94,149	$ (870)	D	$ 93,279	$ (93,279)	F	$ —
Costs of products sold	67,941	(694)	D	67,247	(61,963)	F	5,284
Gross margin	26,208	(176)		26,032	(31,316)		(5,284)
Selling, general and administrative expense	52,041	(343)	D	51,698	(14,656)	F	37,042
Research and development expense	60,906	(14)	D	60,892	(3,104)	F	57,788
Impairment of vaccine manufacturing facility	19,842	—		19,842	—		19,842
Write-off of manufacturing right	2,684	—		2,684	—		2,684
Operating loss	(109,265)	181		(109,084)	(13,556)		(122,640)
Interest income	4,094	—		4,094	—		4,094
Interest expense	(2,523)	—		(2,523)	63	F	(2,460)
Other expense, net	(483)	—		(483)	5	F	(478)
Loss from continuing operations before income taxes	(108,177)	181		(107,996)	(13,488)		(121,484)
Income taxes	2,610	53	G	2,663	253	G	2,916
Loss from continuing operations	$(105,567)	$ 234		$ (105,333)	$ (13,235)		$(118,568)
Basic and diluted loss per share							
Continuing operations	$ (1.76)			$ (1.76)			$ (1.98)
Basic and diluted weighted average shares	59,862			59,862			59,862

See accompanying notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements

NABI BIOPHARMACEUTICALS

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 25, 2004

(In thousands, except per share data)

	As Reported	Aloprim Adjustments		Pro Forma Before Biologics/CSS Adjustments	Biologics/CSS Adjustments		Pro Forma As Adjusted
Revenues	$ 142,183	$ (3,417)	D	$ 138,766	$ (138,766)	F	$ —
Costs of products sold	88,489	(595)	D	87,894	(87,783)	F	111
Gross margin	53,694	(2,822)		50,872	(50,983)		(111)
Selling, general and administrative expense	46,188	(1,058)	D	45,130	(17,618)	F	27,512
Research and development expense	59,551	(1)	D	59,550	(5,626)	F	53,924
Operating loss	(52,045)	(1,763)		(53,808)	(27,739)		(81,547)
Interest income	1,628	—		1,628	—		1,628
Interest expense	(971)	—		(971)	14	F	(957)
Other income, net	213	—		213	103	F	316
Loss from continuing operations before income taxes	(51,175)	(1,763)		(52,938)	(27,622)		(80,560)
Income taxes	(4,727)	658	G	(4,069)	11,687	G	7,618
Loss from continuing operations	$ (55,902)	$ (1,105)		$ (57,007)	$ (15,935)		$ (72,942)
Basic and diluted loss per share							
Continuing operations	$ (0.95)			$ (0.97)			$ (1.24)
Basic and diluted weighted average shares	58,800			58,800			58,800

See accompanying notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. Reflects the net cash received on the sale of the BSBU and CSS assets to Biotest, removal of the assets from Nabi's historical balance sheet and estimated gain on sale as follows:

	(000's)
Proceeds:	
Purchase price	$ 185,000
Less cash held in escrow	(10,000)
Less estimated unpaid transaction costs	(2,040)
Net cash received	172,960
Cash held in escrow	10,000
Net assets assumed by the buyer:	
Inventory	(18,693)
Property, plant and equipment	(81,033)
Intangible assets	(1,216)
Capital lease obligations	67
Total net assets assumed	(100,875)
Estimated tax on gain	(4,056)
Estimated gain on sale	$ 78,029

Cash held in escrow is to support any indemnification claims that may be made by Biotest following the closing and will not be released until April 2009. See Note C for further information on the estimated income taxes associated with the gain.

B. Reflects the reclassification of accounts receivable, prepaid and other assets into assets of discontinued operations.

C. Reflects the reclassification of accounts payable, accrued expenses and other liabilities related to the BSBU and CSS assets which were not assumed by Biotest or Biotest Pharmaceuticals to liabilities of discontinued operations. Also reflects the estimated income tax liability associated with the sale assuming it occurred on September 29, 2007. We believe we will be able to utilize available net operating loss carryforwards ("NOLs") to offset a significant amount of the taxable gain on the transaction. The estimated liability of $4.1 million relates to alternative minimum tax and income taxes in certain state jurisdictions.

D. Reflects the adjustments to remove the results of operations directly attributable to the Aloprim product line.

E. Reflects the removal of the gain associated with the sale of the Aloprim product line.

F. Reflects the adjustments to remove the results of operations directly attributable to the BSBU and CSS assets. These adjustments do not reflect the removal of indirect corporate expenses incurred by Nabi on behalf of the BSBU and CSS assets.

G. Reflects adjustments related to taxes associated with the Aloprim product line and the BSBU and CSS assets that will be reclassified to discontinued operations in the historical consolidated financial statements. These are not representative of the income taxes that would be associated with the individual businesses on a stand-alone basis.