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

FORM 10-K

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

For the twelve months ended December 29, 2001

Commission File Number: 0-4829-03

NABI BIOPHARMACEUTICALS
(Exact name of registrant as specified in its charter)

Delaware	59-1212264
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

5800 Park of Commerce Boulevard N.W., Boca Raton, FL 33487
(Address of principal executive offices, including zip code)

(561) 989-5800
(Registrant's telephone number, including area code)

NABI
(Former name)

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 twelve 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 of the 10-K. [ ]

As of February 22, 2002, 38,554,061 shares of common stock were outstanding, of which 38,079,014 shares were held of record by non-affiliates. The aggregate market value of shares held by non-affiliates was approximately $215,527,220 based on the closing price per share of such common stock on such date as reported by Nasdaq Stock Market.

Documents Incorporated by Reference

Portions of the definitive Proxy Statement for the annual meeting of shareholders, which will be filed within 120 days of the close of the Registrant's fiscal year ended December 29, 2001, are incorporated by reference into Part III.

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ITEM 1. BUSINESS

OVERVIEW

Nabi Biopharmaceuticals (formerly known as "Nabi") is a vertically integrated biopharmaceutical company committed to unlocking the power of the human immune system to help people with serious, unmet medical needs. We have a broad product portfolio and significant research capabilities focused on the development and commercialization of drugs that prevent and treat infectious, autoimmune and addictive diseases. We have four marketed biopharmaceutical products, Nabi-HB(TM) [Hepatitis B Immune Globulin (Human)] for the prevention of hepatitis B infections, WinRho SDF(R) [Rho (D) Immune Globulin Intravenous (Human)] for the treatment of acute, chronic and HIV-related immune thrombocytopenia purpura, Autoplex(R) T [Anti-Inhibitor Coagulant Complex, Heat Treated] and Aloprim(TM) [(Allopurinol sodium) for injection], and a vigorous clinical trials program. We have a state of the art fractionation plant for our own manufacturing of biopharmaceutical products and for contract manufacturing. Further, we also collect specialty and non-specific antibodies for use in our products as well as to supply pharmaceutical and diagnostic customers for the subsequent production of their products.

PRODUCTS

CURRENTLY MARKETED BIOPHARMACEUTICAL PRODUCTS

Sales of our biopharmaceutical products, Nabi-HB, WinRho SDF, Autoplex T and Aloprim, totaled $73.4 million in 2001 compared to $73.0 million in 2000. In 2001, biopharmaceutical products accounted for 32% of our sales and 77% of our gross margin. Each of our four currently marketed biopharmaceutical products are described below:

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

The hepatitis B virus ("HBV") is a major health concern globally affecting approximately 350 million people worldwide. One out of 20 people in the U.S. has been infected with HBV. The U.S. Center for Disease Control and Prevention ("CDC") estimates that in the U.S. alone there are an estimated 1.25 million chronic hepatitis B carriers, 80,000 new hepatitis B infections per year, 16,000 babies born to hepatitis B positive mothers and 5,000 to 6,000 individuals who die annually from hepatitis B or its complications. HBV is 100 times more infectious than the human immunodeficiency virus ("HIV") and approximately half of new hepatitis B infections are caused by sexual exposures. The CDC estimates that HBV costs at least $700 million annually in medical expenses and lost work time.

Nabi-HB is a human polyclonal antibody product used to prevent hepatitis B following sexual or other exposure, including needle sticks and transmission from hepatitis B antigen-positive mothers to their newborns. We launched the product immediately upon receipt of the Food and Drug Administration ("FDA") approval in March 1999. Nabi-HB replaced a predecessor product, H-BIG. In October 2001, we received approval from the FDA to manufacture Nabi-HB in our biopharmaceutical manufacturing facility in Boca Raton, Florida. We completed the in-patient phases of clinical studies in 2001 of Nabi-HB to evaluate its ability to prevent HBV reinfection in liver transplant patients. See also "Strategic Alliance" and "Supply and Manufacturing."

WINRHO SDF(R) [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 cases of ITP per 100,000 population, or approximately 40,000 cases per year. 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. The incidence of ITP is estimated at 650 per 100,000 in HIV-positive individuals.

Rh blood group antigen D expression on red blood cells is responsible for the designation of blood as either Rh-positive or Rh-negative. Rho (D) isoimmunization is a condition where antibodies of a Rho (D) negative pregnant woman may be incompatible with their Rho (D) positive newborn. This condition could be a complication in up to 9-10% of the approximately 4 million births each year in the U.S.

WinRho SDF is a human polyclonal antibody product approved for the treatment of ITP and for the prevention of Rho (D) isoimmunization. WinRho SDF has been designated by the FDA as an Orphan Drug for the treatment of ITP through March 2002. We began exclusive marketing of WinRho SDF in the U.S. in mid-1995 under a license and distribution agreement with Cangene Corporation ("Cangene"). We are currently conducting a number of clinical studies under Investigational New Drug Applications ("IND") 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," "Supply and Manufacturing," and "Government and Industry Regulation-Orphan Drug Act."

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

Hemophilia A is a blood clotting disorder characterized by a lack of functional coagulation factor, factor VIII. Physicians typically treat hemophilia A by replacing the deficient factor with either recombinant clotting factor or antibodies derived human factor VIII. 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 neutralize infused factor VIII, rendering the patient at risk for excessive bleeding episodes. There are approximately 13,000 hemophilia A patients in the U.S., and approximately 10-20% of them suffer from the production of inhibitors.

Autoplex T is a coagulation complex used to treat 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. We acquired exclusive rights to Autoplex T in the U.S., Canada and Mexico from Baxter Healthcare Corporation ("Baxter") in May 1997. See also "Supply and Manufacturing."

ALOPRIM(TM)[(ALLOPURINOL SODIUM) FOR INJECTION]

Aloprim is indicated for the treatment of chemotherapy induced hyperuricemia in patients with leukemia, lymphoma, or solid organ tumors. There are approximately 90,000 patients annually who suffer from these conditions in the U.S. We acquired certain rights to distribute Aloprim from DSM Catalytica Pharmaceuticals (formerly Catalytica Pharmaceuticals) ("Catalytica") in June 1999. See also "Strategic Alliances" and "Supply and Manufacturing."

CURRENTLY MARKETED ANTIBODIES AND INTERMEDIATE PRODUCTS

On September 6, 2001, we sold the operating assets of a majority of our antibody collection centers and our testing laboratory for $153.0 million in cash. By retaining nine antibody collection centers, we expect to generate sufficient raw materials for the manufacture of our own antibody-based therapeutic products in our Boca Raton, Florida manufacturing facility while continuing to supply pharmaceutical and diagnostic customers specialty and non-specific antibodies and intermediates for the subsequent manufacture of their products. In connection with the sale, we agreed to sell to the purchaser antibodies collected at the centers we retained for a period of four years. This agreement has now been amended to permit us, beginning in 2002, to sell non-specific antibodies to third parties at market prices.

SPECIALTY ANTIBODIES

Specialty antibodies, containing high concentrations of a specific antibody, are used primarily to manufacture antibody-based therapeutic products. These specialty antibodies are used in products to treat chronic immune disorders as well as to prevent and treat viral and bacterial diseases and to develop diagnostic products. As we are able to achieve licensure for products in our research and development pipeline, we anticipate a strategic shift of converting non-specific antibodies production into the production of specialty antibodies used in the manufacture of our own antibody-based therapeutic products as well as continuing to sell specialty antibody products to third parties. Currently, certain of the specialty antibodies produced in our antibody collection centers are used in the production of our own biopharmaceutical products.

We identify potential specialty antibody donors through screening and testing procedures. We also have developed FDA-licensed programs to vaccinate potential donors to stimulate their production of specific antibodies. Through our antibody collection capabilities, our operational expertise in donor immunization programs, our clinical and medical experience in conducting medical trials under IND, and our access to a diverse antibody donor base, we believe we have a strategic advantage over competitors in our ability to produce specialty antibodies.

Our principal specialty antibody products include:

- RHO(D) ANTIBODIES. Antibodies to RhoD antigen have long been used to prevent Rh-D isoimmunization in Rh-negative women and subsequent hemolytic disease (blue baby disease) in Rh-positive infants. These antibodies are also used to treat ITP in children and adults. Antibodies containing Rh-D antigen are used in the manufacture of WinRho SDF, our biopharmaceutical product for the treatment of ITP.

- HEPATITIS B ANTIBODIES. Antibodies to HBV are used to manufacture hepatitis B immune globulin therapeutic products that provide passive immunity against HBV. We are strategically committed to utilizing our collection of these antibodies to HBV to produce Nabi-HB, our hepatitis B biopharmaceutical product.

- CMV ANTIBODIES. Antibodies to CMV are supplied to manufacturers to enhance intravenous immune globulin ("IVIG") products and to produce CMV-specific immune globulin therapeutic products.

- RABIES ANTIBODIES. Antibodies to rabies are used by our customers to make therapeutic products that provide short-term protective antibody-based immunity to patients exposed to the rabies virus.

- TETANUS ANTIBODIES. Antibodies to tetanus toxin are used to produce therapeutic products to provide short-term protective immunity to patients exposed to tetanus.

- DIAGNOSTIC PRODUCTS AND SERVICES. We supply infectious disease quality assurance and specialty antibody-based products to our customers, which include IN-VITRO diagnostic manufacturers, regulatory agencies and testing laboratories.

During 2001, sales of specialty antibodies were $46.8 million, a 19% decrease from 2000 sales of $58.0 million. Specialty antibody sales decreased during 2001, due primarily to the sale of the majority of our antibody collection centers in September 2001. Specialty antibody sales accounted for 20% of total sales in 2001 and 25% of total sales in 2000.

NON-SPECIFIC ANTIBODIES

Our nine FDA licensed antibody collection centers supply non-specific human antibodies from normal healthy donors to our customers in the pharmaceutical and diagnostic industries.

Although non-specific antibodies lack high levels of antibodies to specific antigens, such antibodies are used by our customers to manufacture standard 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. Subfractions derived from non-specific antibodies are also provided to our customers for the manufacture of other pharmaceutical products such as albumin.

In 2001, we derived sales of $114.5 million from sales of non-specific antibodies as compared to 2000 levels of $97.8 million. Increased sales from non-specific antibodies reflect increased sales prices to our non-specific antibody customers in 2001 offset by the effect of the sale of the majority of our antibody collection centers in September 2001.

The following is a summary of our currently marketed biopharmaceutical and antibody products:

Products	Indications or Potential Applications	Status
NABI-HB	Post exposure prevention of hepatitis B infection	CURRENTLY MARKETED
WINRHO SDF	Treatment of ITP; Rho (D) isoimmunization	CURRENTLY MARKETED; in clinical studies
AUTOPLEX T	Treatment of patients with inhibitors to Factor VIII	CURRENTLY MARKETED
ALOPRIM	Treatment of patients with chemotherapy-induced hyperuricemia	CURRENTLY MARKETED
SPECIALTY ANTIBODIES	Intermediate for production of antibody based biopharmaceutical products (e.g., tetanus, rabies, HBV, CMV and anti-D antibodies)	CURRENTLY MARKETED
NON-SPECIFIC ANTIBODIES	Intermediate for production of non-specific antibody products (e.g., standard IVIG) and other products (e.g., albumin and clotting factors)	CURRENTLY MARKETED

RESEARCH AND DEVELOPMENT PRODUCT PIPELINE

We have an extensive pipeline of biopharmaceutical products under development. Our lead program consists of vaccines for long-term protection and human polyclonal antibody products for immediate short-term protection from blood infections caused by Gram-positive bacteria (e.g., S. AUREUS, S. EPIDERMIDIS, AND ENTEROCOCCI) and human polyclonal antibody products for the treatment and/or prevention of various infectious diseases in at risk populations. We believe there may be areas outside of infectious diseases, including the prevention and treatment of nicotine addiction, where our conjugate vaccine technologies may also be applied successfully.

NABI GRAM-POSITIVE PROGRAM

EPIDEMIOLOGY

According to the CDC, more than two million patients in the U.S. each year contract an infection as a result of exposure while receiving healthcare in a hospital. S. AUREUS is among the most common causes of these hospital-acquired infections and is reportedly associated with a death rate of 10% to 25% because of its capacity to cause serious complications. S. AUREUS can spread from the blood (bacteremia), to the bones (osteomyelitis), or the inner lining of the heart and its valves (endocarditis), or cause abscesses in internal organs such as the lungs and kidneys. Most at risk for these infections are surgical patients, trauma or burn victims, newborns whose immune systems are not yet developed and people with such chronic illnesses as diabetes, cancer, lung diseases or kidney diseases. People whose immune systems are suppressed due to disease, drugs or radiation therapy also are more susceptible to these bacterial infections.

Based on a 1995 study, the Lewin Group, an independent consulting group, published data on the incidence, deaths and direct medical costs of S. AUREUS infections in hospitalized patients in the New York City metropolitan area. The report found that in 1995 the total direct medical costs incurred as a result of S. AUREUS infections was estimated at $32,100 per patient. S. AUREUS-associated hospitalizations resulted in more than twice the length of hospitalization stay, twice the deaths and twice the medical costs compared to an average hospital stay. Methicillin-resistant and methicillin-sensitive infections had similar direct medical costs, but resistant infections caused more deaths (21% versus 8%).

These infections are difficult to treat because the bacteria that cause them are highly virulent and are resistant to many currently available antimicrobial drugs. Overall, 70% of the bacteria causing Gram-positive infections are resistant to at least one of the drugs most commonly used to treat these infections. Although the contribution of antibiotic resistance to the outcome of such infections is unclear, hospital-acquired infections of the bloodstream may represent the eighth leading cause of death in the U.S. The rise of antibiotic resistance has markedly curtailed options for treating these infections.

The first penicillin-resistant strains of S. AUREUS were identified in 1944, and by the late 1950's, approximately half of S. AUREUS infections were of this type. Methicillin-resistant strains were identified in 1961, just one year after the introduction of this antibiotic. The CDC currently estimates that in large, urban U.S. hospitals, up to 55% of S. AUREUS infections are resistant to methicillin. In 1997, the first S. AUREUS strains with notably reduced sensitivity to vancomycin (so called, vancomycin intermediate sensitivity S. AUREUS - VISA strains) and teicoplanin were discovered. VISA strains have been isolated in 23 states within the U.S. and have contributed to the death of patients in the U.S., Europe and Japan.

DUAL APPROACH

We are using a dual approach to developing products to combat Gram-positive infections: StaphVAX(R) (STAPHYLOCOCCUS AUREUS Polysaccharide Conjugate Vaccine) and Altastaph(TM) [STAPHYLOCOCCUS AUREUS Immune Globulin Intravenous (Human)].

StaphVAX, an investigational polysaccharide conjugate vaccine, is a novel approach to the prevention of S. AUREUS infections. StaphVAX targets the two S. AUREUS serotypes (type 5 and type 8) responsible for approximately 85-90% of S. AUREUS infections. Traditional vaccines typically target pediatric populations or healthy adults and entail mass vaccination. StaphVAX targets primarily hospitalized adult, chronically ill or long-term care facility patients that are at high risk of developing S. AUREUS infection. StaphVAX is intended to stimulate a patient's immune system to produce antibodies to S. AUREUS that provide active, long-term protection from the bacteria. After receiving the vaccine, the patient's immune system responds in about two weeks with the production of high levels of specific antibodies that may last for several years in non-immune compromised patients and almost a year in immune compromised patients.

Altastaph is an investigational human polyclonal antibody product that is being developed to prevent S. AUREUS infections in patients who are at immediate risk of infection or cannot produce their own antibodies when given a vaccine. It may also be used to treat an existing infection. Altastaph is purified from the antibodies of donors who have been immunized with StaphVAX and who have responded to the immunization with high levels of antibodies to the S. AUREUS bacteria. Altastaph can be provided to a patient by infusion. Based on the circulation half-life of the administered antibodies, the protection and/or therapy provided by a single injection of Altastaph is expected to last a number of weeks, but may be extended by giving repeated doses.

StaphVAX contains molecules found in the polysaccharide outer coating (polysaccharide capsule or CP) of two strains of S. AUREUS, which account for about 85% of all S. AUREUS types. The polysaccharide molecules were joined, or conjugated, in the vaccine with a non-toxic, carrier protein derived from the bacteria PSEUDOMONAS AERUGINOSA. Once given the vaccine, the patients' immune systems produce proteins, called antibodies, which bind to S. AUREUS on subsequent exposure to the bacteria. These antibodies help the immune system to identify the staph bacteria while it is still in the blood and eliminate it.

STAPHVAX(R) (STAPHYLOCOCCUS AUREUS POLYSACCHARIDE CONJUGATE VACCINE)

StaphVAX is being developed for the 9 to 11 million patients at high risk of infection and who are able to respond to a vaccine by producing their own antibodies. Potential at-risk patient populations for StaphVAX include: (a) patients such as the elderly and those suffering chronic diseases including end stage renal disease ("ESRD"), congestive heart failure, chronic obstructive pulmonary disease and diabetes 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, spinal cord injury and spinal fusion patients; and (e) hematology/oncology patients. Infection rates in these high-risk populations range from 1-10% and, as shown by the Lewin Group, result in longer hospital stays, higher death rates and significantly higher medical costs.

StaphVAX is based on patented vaccine technology in-licensed from the Public Health Services ("PHS")/ National Institute of Health ("NIH"). See also "Strategic Alliances." In 2000, we completed a Phase III placebo controlled clinical trial for StaphVAX in hemodialysis patients with ESRD. A total of 1,809 patients were included in the study. Approximately half were vaccinated with StaphVAX and half received a placebo. The clinical trial population was followed for a year to evaluate vaccine safety and S. AUREUS infection rates. The results of the trial showed that a single injection of StaphVAX was safe and reduced the incidence of S. AUREUS bacteremias by almost 60% through 10 months post-vaccination in adult ESRD patients on hemodialysis. The reduction in bacteremia one year after vaccination was 26%. Reaction in these patients to receiving the vaccine was mild to moderate and was generally resolved within 36-48 hours following vaccination. The most commonly occurring adverse event was minor pain at the intramuscular injection site.

We have been advised by the FDA that because the reduction in infections in the previous trial was not statistically significant at twelve months post-vaccination, the primary endpoint of the trial, the FDA will require a confirmatory Phase III clinical trial for StaphVAX with an agreed to efficacy endpoint. This endpoint is expected to be 8-10 months post-vaccination based on results from the previous trial. We are currently in discussion with the FDA to determine the trial design for the second Phase III clinical trial and anticipate finalizing this trial design during 2002. We anticipate initiating the confirmatory Phase III clinical trial for StaphVAX in 2003 using material manufactured by Dow Biopharmaceutical Contract Manufacturing Services' (formerly Collaborative BioAlliance) ("Dow") at its facility in Smithfield, Rhode Island, the expected commercial manufacturing facility for StaphVAX.

In 2001 we initiated a boosting trial with StaphVAX in hemodialysis patients who received StaphVAX in the Phase III trial completed in 2000. The trial is intended to measure antibodies generated in response to vaccination over a six month period to determine whether those antibodies return to high levels

observed following the first vaccination. The investigators will also determine if the booster dose of vaccine changes the rate at which antibody levels decrease over time in these immune-compromised patients. In addition, the trial will evaluate the safety of the booster dose of the vaccine. We anticipate obtaining results from this booster trial in the second quarter of 2002.

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

Altastaph is an investigational human polyclonal antibody product that contains high levels of specific antibodies against S. AUREUS Type 5 and Type 8 CP. These antibodies are collected from the antibodies of normal healthy donors who have been vaccinated with StaphVAX at our antibody collection centers. The collected antibodies are purified into Altastaph at our biopharmaceutical manufacturing facility in Boca Raton, Florida. In contrast to StaphVAX, which is intended to provide long-term protection against S. AUREUS infection, Altastaph is designed to provide immediate protection to those at immediate risk of infection, or who are immunocompromised and cannot respond effectively to a vaccine. High-risk populations include low birth weight newborns, trauma patients and emergency surgical patients. Altastaph is also being developed as a therapeutic agent for use in those patients with diagnosed S. AUREUS infections. This type of protection or treatment is likely to be cost-effective because antibodies in a single dose of Altastaph persist in the bloodstream for a number of weeks to provide protection for the entire risk period.

In 1999, we successfully completed a multi-dose safety and pharmacokinetic (the drug's profile in the body or "PK") Phase I-II trial of Altastaph in low birth weight newborns that demonstrated its safety and PK at a variety of dosage levels. The preliminary PK analysis indicates that titers of the specific anti-staph antibodies are dose-related. Even the lowest dose (500 mg/kg) of Altastaph resulted in antibody titers that pre-clinical models and clinical trials with StaphVAX indicate may be protective against infection. We expect to initiate a larger second Phase I-II clinical trial in low birth weight newborns in 2002.

We plan to evaluate the use of Altastaph as a therapeutic product for the treatment of diagnosed S. AUREUS infections. As a therapeutic product, Altastaph may be expected to act synergistically, or additively, with antibiotics given the different mechanisms of these therapies. A Phase I-II clinical study of Altastaph in a hospital-intensive care unit for trauma patients with diagnosed S. AUREUS is in the planning stages and we anticipate initiating this trial in 2002. This blinded study will help define the safety and PK of Altastaph in adults in combination with traditional antibiotics for the treatment of serious S. AUREUS infections in a hospitalized patient population.

NEXT GENERATION PRODUCTS AND OTHER ANTI-BACTERIAL VACCINES IN DEVELOPMENT

We have 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 or about 10-12% of all clinically significant S. AUREUS infections. We have identified, purified and characterized type 336 antigen and have prepared a conjugate vaccine that is capable of protecting animals from challenge with clinical isolates of this serotype. During 1998, we were issued a U.S. patent on a S. AUREUS 336 antigen. Included in the patent were claims including vaccines made from that antigen and antibodies reactive to the antigen. The second generation of StaphVAX is expected to contain type 336 antigen of S. AUREUS in addition to type 5 and type 8 antigens. Patents for type 336 antigen and its use are being pursued worldwide.

S. EPIDERMIDIS and ENTEROCOCCUS FAECALIS are the two other clinically significant Gram-positive bacteria causing hospital-acquired infections. We intend to extend product coverage to these two Gram-positive bacteria in subsequent generations of StaphVAX and Altastaph. We have filed patent applications on selected S. EPIDERMIDIS and enterococcal antigens and were issued two patents during 1999 containing claims covering both a S. EPIDERMIDIS vaccine and a human polyclonal antibody. Prototypic S. EPIDERMIDIS and enterococcal vaccines produced by us have been shown to induce antibodies that are protective in animal models and that facilitate elimination of bacteria by human phagocytes.

ANTI-VIRAL PROGRAM:

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

In October 2001, we received an approval letter from the FDA to manufacture Nabi-HB in our biopharmaceutical manufacturing facility in Boca Raton, Florida. The initial production lots of Nabi-HB manufactured at our Boca Raton facility have been submitted to the FDA for approval and we anticipate that this product will be released by the FDA and launched to the market in the first quarter of 2002. In 2001, we completed the in-patient phases of the clinical studies for the use of Nabi-HB to prevent the reinfection of transplanted livers in HBV positive patients.

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 severe illness and death in later stages of the disease. Chronic HCV infection is a frequent cause of end-stage liver disease in North America and Europe and is present in approximately one third of patients undergoing liver transplants. HCV infection also contributes to frequent hospitalizations and failure of the transplanted liver when it occurs in transplant patients. There are approximately 4 million individuals in the U.S. and an estimated 170 million individuals worldwide infected with HCV.

Civacir is an experimental human polyclonal antibody product that contains antibodies to HCV. Pre-clinical studies indicate that Civacir contains antibodies that are neutralizing to HCV. We are developing Civacir for the prevention of HCV reinfection of transplanted livers and for the treatment of chronic HCV infections.

In 2000, we completed a series of chimpanzee studies of Civacir in collaboration with the CDC under a Cooperative and Research Development Agreement. The results from these animal studies suggest that the elevated level of anti-HCV in serum maintained by multiple infusions of 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 HCV infection. In chronically infected chimpanzees, Civacir appears to reduce circulating levels of HCV in the bloodstream. We have manufactured clinical lots of Civacir and plan to manufacture commercial lots of Civacir at our Boca Raton, Florida biopharmaceutical manufacturing facility upon licensure by the FDA of this product.

In September 2000, we signed a Clinical Trials Agreement for the "Evaluation of the Safety and Pharmacokinetics of Hepatitis C Immune Globulin (Human), Civacir, in Liver Transplant Patients" with the National Institute of Allergy and Infectious Disease ("NIAID"). The Phase I-II trial is expected to begin in the first half of 2002.

RENS AND RENT (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 Biopharmaceuticals 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, we believe there are opportunities to evaluate use of our current antibody based anti-virals in combination with RENs compounds.

In 1998, Nabi Biopharmaceuticals and UMBC were issued a U.S. patent with claims encompassing certain RENs and RENt compounds. We have an exclusive license from UMBC for the patented technology, inclusive of a pending patent application claiming therapeutic (anti-viral/anti-tumor) uses of these analogs. We have prepared a number of active compounds through our collaboration with UMBC under a series of Maryland Industrial Partnership 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 HBV. Under the license agreement, we are obligated to pay the UMBC a royalty based on net sales.

NICOTINE ADDICTION PROGRAM:

NICVAX(TM) (NICOTINE CONJUGATE VACCINE)

Tobacco use is the single leading preventable cause of death in the U.S. It is estimated that more than 47 million adults aged 18 years and older currently smoke in the U.S. In the U.S., there are an estimated 4.1 million adolescent smokers between the ages of 12 - 17, and more than 3,000 people under the age of 18 become new regular smokers each day. Economically, smoking is reported to be responsible each year for an estimated $50 billion of direct medical costs and $47 billion in indirect non-medical costs (lost work time and disability). According to the CDC, 430,000 deaths annually are attributable to cigarette smoking in the U.S. alone - more than alcohol, cocaine, heroin, homicide, suicide, car accidents, fire, and AIDS combined. On a worldwide basis, the statistics are even more significant as at least 1.1 billion people (one-third of the global adult population) uses tobacco.

The repeated use of tobacco leads to nicotine addiction. Addiction to nicotine is the primary reason people find it difficult to stop using tobacco in its various forms. NicVAX is an experimental vaccine to prevent and treat nicotine addiction. NicVAX has been developed to induce the production of high levels of nicotine-specific antibodies in the vaccinated individual. Our researchers have shown that it is possible to link haptens, usually small, sub-antigenic molecules, to carrier proteins, thereby making the haptens able to induce antibodies (immunogenic). Vaccination with NicVAX has been shown to generate high levels of nicotine-specific antibodies in animals. Results with NicVAX in animal models indicate that nicotine bound to the antibodies is unable to cross the blood/brain barrier and thus is unable to bind and activate neuroreceptors in the brain believed to be the source of positive reinforcement from smoking. One of the potential effects of a nicotine vaccine might be to prevent positive feedback from nicotine should a user be exposed to nicotine during an attempt to break their habit. The antibodies induced by the vaccine have been shown to be able to ease nicotine dependence in rats, reduce nicotine levels in the brains of rats by 64% compared to controls, prevent nicotine-induced blood pressure increases, and reduce the hyperactivity induced in rats in response to nicotine injections.

NicVAX uses the same technology for conjugate vaccines developed for StaphVAX. The result is a vaccine with a significantly greater immunogenicity than experimental vaccines derived by more classical conjugation technologies. We believe that antibodies to NicVAX are highly specific to nicotine and are of higher affinity than has been achievable with other conjugation technologies. In May 2001, the U.S. Patent and Trademark Office issued a U.S. Patent to Nabi for NicVAX titled "Hapten-Carrier Conjugates for Treating and Preventing Nicotine Addiction" that covers the binding of nicotine to a protein carrier for use as a vaccine for treating and preventing nicotine addiction. Patent applications on this technology, on the resultant nicotine vaccine and its use to prevent and treat nicotine addiction have been granted outside the U.S.

In 2000, we and our collaborators at the University of Minnesota, Hennepin County Medical Center and the University of Houston - Clear Lake received a grant from the NIH's National Institute on Drug Abuse ("NIDA") for the further development of NicVAX for a period up to four years. Funding for the second year under this grant was approved for 2001. In November 2001, we announced the successful completion of toxicology studies for NicVAX which were also funded by NIDA. We anticipate commencing Phase I and Phase I-II clinical trials of NicVAX in 2002.

OTHER PROGRAMS:

STAPHYLOCOCCUS AUREUS VACCINE FOR MASTITIS

S. AUREUS is the most frequent cause of mastitis, one of the most common diseases affecting dairy and beef cattle. This disease results in significantly higher costs for producers of dairy and beef products

due to discarded milk, decreased productivity, treatment expense, and the inability of infected cows to suckle calves.

In October 2001, the U.S. Patent and Trademark Office issued a patent entitled "STAPHYLOCOCCUS AUREUS antigen-containing whole cell vaccine." This patent covers the composition of a S. AUREUS vaccine, the method of vaccine preparation, and its use as a therapeutic or prophylactic agent to protect animals against infection. We consider this whole cell vaccine technology to be an out-licensing candidate.

The following is a summary of our products under development:

Products	Intended Use	Status
GRAM-POSITIVE PROGRAM:		
StaphVAX	Vaccine to provide long-term protection against onset of S. AUREUS infections	Completed Phase III efficacy trial in ESRD patients. Boosting trial in ESRD patients to be completed in 2002 Expect to initiate confirmatory Phase III clinical trial in 2003.
Altastaph	Purified human polyclonal antibodies to provide treatment or immediate protection against S. AUREUS infections	Completed Phase I-II safety and PK clinical trial in low birth weight newborns; expect to begin two Phase II trials in 2002: one in adult trauma patients with diagnosed Gram-positive infections and one in low birth weight newborns.
Next Generation Products (vaccines and antibody-based therapeutic products)	Combat S. AUREUS 336, S. EPIDERMIDIS, and Enterococcal bacterial infections	Research and pre-clinical development.
ANTI-VIRAL PROGRAMS:		
Nabi-HB	Antibodies administered post exposure for prevention of HBV infection	Received approval letter in October 2001 to manufacture Nabi-HB in our Boca Raton, Florida facility.
	Prevention of HBV reinfection in liver transplant patients	Completed clinical studies in 2001.
Civacir	Antibody to prevent reinfection of transplanted livers in patients with hepatitis C liver disease and to treat chronic hepatitis C virus infections	Expected to begin Phase I-II clinical trials in liver transplant patients beginning in 2002.
RENs and RENt	Small molecule nucleoside and nucleotide analog technology to treat viral infections and cancer.	Research
NICOTINE ADDICTION PROGRAMS:		
NicVAX	Vaccine and prevention and treatment of nicotine addiction	Phase I and Phase I-II clinical trials anticipated to begin in 2002.
OTHER PROGRAMS:		
S. AUREUS Vaccine for Mastitis	Prevention and treatment of S. AUREUS mastitis in cattle	Out-licensing candidate

STRATEGIC ALLIANCES

We are actively pursuing strategic alliances to assist in the development of some of the products in our pipeline and to expand our biopharmaceutical business. Our current key strategic alliances are discussed below.

CANGENE CORPORATION

Under a license and distribution agreement with Cangene, we have exclusive rights to distribute and market 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 and shares in the profits from sales after accounting for the costs of production and selling expenses. The license and distribution agreement terminates in 2005 and requires us, among other things, to meet specified annual sales goals or make specified annual payments to Cangene in order to maintain exclusivity. During 2001, we continued to meet these goals.

Cangene also manufactured Nabi-HB for us. This agreement terminates in March 31,2002. See also "Supply and Manufacturing - Biopharmaceuticals." In addition, Cangene has exclusive marketing rights for Nabi-HB in Canada provided it meets specified sales goals. We share in the profits from sales of Nabi-HB in Canada. The term of the Canadian marketing agreement with Cangene for Nabi-HB terminates in March 2002.

CHIRON CORPORATION

In November 1995, we entered into an agreement with Chiron Corporation (the "Chiron Agreement"). The Chiron Agreement grants us an exclusive supply agreement for four vaccines, including hepatitis C. In addition, we have rights to 10 additional Chiron vaccines for use in humans to produce immunotherapeutic products. The Chiron Agreement may also grant us access to Chiron's adjuvant, MF 59. We will be responsible for all development, manufacturing and worldwide distribution of these products. We may terminate the Chiron Agreement on a product-by-product basis in which event we shall transfer to Chiron all of our rights with respect to the product as to which the Chiron Agreement has been terminated. Similarly, Chiron may terminate its obligations to supply immunizing agents to us on a product-by-product basis, in which event Chiron shall grant to us a license of the technology necessary for us to manufacture the applicable immunizing agent and the financial arrangements in the Chiron Agreement with respect to such agent shall continue.

DSM CATALYTICA PHARMACEUTICALS

In 1999, we entered into a five-year agreement with Catalytica for exclusive distribution rights in the U.S. and Canada for Aloprim. Under this agreement, we sell and Catalytica manufactures the product and both companies share in profits from the sale of the product. In addition to the U.S. and Canada, we can purchase Aloprim in territories where the license holder prior to Catalytica, GlaxoSmithKline ("GSK"), has not commercialized the product within five years from the effective date of the agreement. Globally, we have the rights to purchase the product from GSK.

BAXTER HEALTHCARE CORPORATION

In 1997, we 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 we receive approval from the FDA to manufacture Autoplex T. At the discretion of the FTC, the period Baxter manufactures Autoplex T can be extended for up to four twelve-month intervals. The FTC approved the second twelve-month extension beginning in May 2001. The FTC could require us to return our rights to Autoplex T to Baxter if we do not obtain FDA approval to manufacture the product by May 2002 or by a later date agreed to by the FTC. We anticipate that the period Baxter manufactures

Autoplex T under the terms of the consent order from the FTC will be extended for the twelve-month period through May 2003. If the rights revert to Baxter and Baxter later sells these rights, Nabi Biopharmaceuticals 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 us. Upon FDA licensure to manufacture the product, we are obligated to pay $1.0 million to Baxter, subject to recovery of fifty percent (50%) of expenditures incurred to license the product in excess of $6.0 million. Baxter is also a principal supplier of antibody collection supplies to Nabi Biopharmaceuticals.

PUBLIC HEALTH SERVICES/NATIONAL INSTITUTE OF HEALTH

Under a license agreement with the PHS/NIH, we have exclusive rights to a patent relating to a carbohydrate/protein conjugate vaccine against Staphylococcus and are obligated to pay PHS a royalty based on net sales. The licensed patent rights cover staphylococcal vaccines including StaphVAX. The license terminates with respect to each country it applies to on the date that the patent rights expire in such country.

CUSTOMER RELATIONSHIPS

We sell our biopharmaceutical products to wholesalers, distributors, hospitals and home healthcare companies and sell our antibody products to pharmaceutical and diagnostic product manufacturers.

In connection with the sale of the majority of the antibody collection business, we entered into an agreement for the purpose of assuring that each party would have the ability to meet supply commitments to third parties arising in connection with the sale. Under this agreement, we agreed to sell to the purchaser antibodies collected at the nine centers we retained at our cost plus an administrative margin for a period of four years. This agreement has now been amended to permit us, beginning in 2002, to sell non-specific antibodies to third parties at market prices.

For our other antibody product contracts, pricing for product deliveries is generally mutually agreed to prior to the beginning of the contract and fixed for the contract term, generally one year or less. The contracts generally provide for price increases/decreases to reflect changes in customer specifications and new governmental regulations. Consequently, our profit margins may be adversely or beneficially affected if the cost of collecting antibody products rises or falls during the year.

Customers to which sales exceeded 10% of our annual consolidated sales in the last three fiscal years ending December 29, 2001, December 30, 2000 and December 31, 1999 were Baxter and Bayer Corporation. Sales to Cardinal Health, Inc. exceeded 10% for the years ended December 29, 2001 and December 30, 2000. Aggregate sales to these customers were approximately $131.3 million, $119.3 million and $112.4 million, or 53%, 52% and 47% of total sales for the years ended December 29, 2001, December 30, 2000 and December 31, 1999, respectively.

SUPPLY AND MANUFACTURING

BIOPHARMACEUTICAL PRODUCTS

In October 2001, we received an approval letter from the FDA to manufacture Nabi-HB in our biopharmaceutical manufacturing facility in Boca Raton, Florida. Initial production lots of Nabi-HB manufactured at our Boca Raton facility have been submitted to the FDA for approval. We anticipate that this product will be released by the FDA and launched to the market in the first quarter of 2002. We have manufactured clinical lots of the Nabi-HB, Altastaph and Civacir in this facility.

Previously, Cangene manufactured Nabi-HB for us under an agreement which will terminate in March 31,2002. We collected and supplied the anti-HBs antibodies necessary for the manufacture of Nabi-HB.

In December 2001, we signed a 10-year agreement with Inhibitex, Inc. to manufacture its lead investigational antibody-based therapy in our Boca Raton biopharmaceutical facility.

In April 2001, we signed an agreement with Acambis to produce specialty antibodies at our antibody collection centers under an IND to be submitted by Acambis to the FDA and manufacture their antibody-based therapeutic product.

We are required to purchase our requirements of WinRho SDF from Cangene, which has granted us exclusive distribution and marketing rights to the product in the U.S., under an agreement which terminates in 2005. We collected and supplied a portion of the anti-D antibodies necessary for the manufacture of Nabi-HB.

In 1997, we 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 we receive approval from the FDA to manufacture Autoplex T. At the discretion of the FTC, the period Baxter manufactures Autoplex T can be extended for up to four twelve-month intervals. The FTC approved the second twelve-month extension beginning in May 2001. The FTC could require us to return our rights to Autoplex T to Baxter if we do not obtain FDA approval to manufacture the product by May 2002 or by a later date agreed to by the FTC. We anticipate that the period Baxter manufactures Autoplex T under the terms of the consent order from the FTC will be extended for the twelve-month period through May 2003. If the rights revert to Baxter and Baxter later sells these rights, we 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 us. We continue to make progress in the transfer of the manufacture of Autoplex T to our Boca Raton, Florida biopharmaceutical manufacturing facility.

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

We manufacture both pre-clinical and clinical lots of vaccine products at our pilot facility in Rockville, Maryland and antibody-based therapeutic products at our Boca Raton, Florida and our Miami, Florida facilities.

In May 2000, we completed an agreement with Dow for the contract production and commercial supply of StaphVAX. Significant progress in the transfer of manufacturing from our pilot plant in Rockville, Maryland to Dow's current Good Manufacturing Practice ("cGMP") manufacturing facility in Smithfield, Rhode Island, was made during 2001. We expect to complete the manufacturing transfer in 2002 and complete scale-up of manufacturing in 2003. We expect to use StaphVAX manufactured at Dow for the confirmatory Phase III trial expected to be initiated in 2003.

ANTIBODY COLLECTION PROCESS

We currently collect and process antibodies from 9 collection centers located across the U.S. Each center is licensed and regulated by the FDA. Most of our centers are located in urban areas and some 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.

In September 2001, in connection with the sale of a majority of our antibody collection business, we entered into a Laboratory Testing Services Agreement with the purchaser to provide at cost certain laboratory testing services for antibodies collected at our retained collection centers. This agreement may be terminated with one year's notice by either party.

In 2001, we entered into an Antibody Purchase Agreement with the acquirer of the majority of the antibody business. Under terms of the Agreement, we agreed to purchase non-specific antibodies at our contracted selling price to meet commitments under one supply agreement.

PATENTS AND PROPRIETARY RIGHTS

Our continued success will depend, in part, on our ability to obtain and protect our patent rights, trade secrets and other intellectual property. We have acquired title or obtained licenses to a number of patents or patent applications and have filed a number of patent applications of our own. 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 our products as well as our research, pre-clinical 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, manufacturing, safety, efficacy, labeling, storage, record keeping, transportation, approval, advertising and promotion of our products. We believe we are in substantial compliance with all relevant laws and regulations.

BIOPHARMACEUTICAL 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 pre-clinical studies and the filing of an IND application with the FDA, which must be accepted by the FDA before human clinical studies may commence. 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. Phase IV trials monitor for adverse effects and are undertaken post-licensure as additional large-scale, long-term studies of morbidity and mortality. 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. 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.

The results of all trials are submitted in the form of a BLA/New Drug Application ("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 cGMP regulations, which must be followed at all times and that the prospective manufacturer submit three conformance lots in support of the application. 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 antibodies and antibody based products derived from antibodies are strictly regulated by the FDA. In order to operate in the U.S., an antibody collection facility must hold a Biologics License issued by the FDA's Center for Biologics Evaluation and Research. Each collection facility must be regularly inspected and approved in order to maintain licensure. In addition, collection centers require FDA approval to collect each specialty antibody product.

We hold Biologics License No. 1022 covering all Nabi Biopharmaceutical-owned centers. We are also subject to and are required to be in compliance with pertinent regulatory requirements of the foreign countries where we export products.

We continually pursue our commitment to quality and compliance with applicable FDA regulations and other regulatory requirements through our own internal training and quality assurance programs. As part of our commitment to quality, we have embraced the Quality Plasma Program ("QPP") that was initiated by the American Blood Resources Association, an organization that establishes and recommends guidelines for the antibody industry. QPP imposes standards on antibody collection facilities in addition to those presently required by the FDA. QPP certification has proven to be increasingly significant and fractionators worldwide now require that the supply of antibodies come only from QPP certified centers. All collection facilities owned by us are QPP certified.

ORPHAN DRUG ACT

WinRho SDF and Aloprim have received Orphan Drug protection, WinRho SDF for the treatment of ITP through March 2002, and Aloprim for treatment of chemotherapy induced hyperuricemia through December 2003. 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. at the time of designation, or, if victims of a disease number more than 200,000, for which the sponsor establishes that costs of development will not be recovered from U.S. sales in seven years. When 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 approved for a given drug for its use in treating a given rare disease may receive marketing exclusivity. See also "Factors to Be Considered - Uncertainty of Orphan Drug Designation."

COMPETITION

BIOPHARMACEUTICAL PRODUCTS

We believe that Nabi-HB has achieved a significant share of the domestic market and that our access to the vaccines and specialty antibodies necessary for the manufacture of Nabi-HB will allow us to maintain our market share. Anti-HBs antibodies produced at our antibody collection centers are currently used in the manufacture of Nabi-HB. See also "Supply and Manufacturing - Biopharmaceutical Products."

WinRho SDF is the first and only anti-D therapy approved for the treatment of ITP. We believe that WinRho SDF has a significant and growing share of the domestic market for ITP treatment. Competing therapies include the use of steroids, IVIG, and splenectomy (a surgical procedure to remove the spleen). WinRho SDF has Orphan Drug status through March 2002 and may be subject to new competition in the future.

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 biopharmaceutical products currently on the market that compete with Autoplex T.

Aloprim is the first and only intravenous allopurinol therapy available for the treatment of chemotherapy-induced hyperuricemia or Tumor Lysis Syndrome. Aloprim provides a therapeutic option for patients that cannot tolerate oral allopurinol therapy. Currently, Aloprim has no direct competitors. Aloprim has Orphan Drug status through May 2003.

ANTIBODY PRODUCTS

We and other independent suppliers of antibodies sell these raw materials 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 and certain independent suppliers have consolidated their operations through mergers and acquisitions. We compete for sales by maintaining competitive pricing and by providing customers with high-quality products and superior customer service. Management believes we have the ability to continue to compete successfully in these areas.

We compete for donors with pharmaceutical companies that obtain antibodies for their own use through their own collection centers, other commercial collectors of antibodies, and non-profit organizations such as the American Red Cross and community blood banks that solicit donations of whole blood. We compete 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 donors for fund raising purposes and by improving the attractiveness of our collection facilities.

EMPLOYEES

We employed 615 persons at December 29, 2001. We believe that the relations between our management and our 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 our 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. We undertake no obligation to update any forward-looking statements as a result of future events or developments.

RISK WITH RESPECT TO CERTAIN EXISTING PRODUCTS

Our rights to WinRho SDF and Aloprim expire in 2005 and 2004, respectively. There can be no assurance that our rights to these products will be extended on the same terms as now exist or at all.

Pursuant to the terms under which we acquired our rights to Autoplex T from Baxter, the FTC could require us to return to Baxter our rights to Autoplex T if we do not obtain FDA approval to manufacture the product by May 2002 or a later date agreed to by the FTC. We will not obtain FDA approval to manufacture Autoplex T by May 2002 and will be seeking an extension from the FTC. Although we believe we will receive the extension, there can be no assurance that it will be granted by the FTC.

WinRho SDF and Aloprim currently enjoy Orphan Drug status expiring in March 2002 and December 2003, respectively. Expiration of Orphan Drug status likely will lead to increased competition for these products and could adversely affect their sales or profitability.

DEPENDENCE UPON THIRD PARTIES TO MANUFACTURE PRODUCTS

We do not currently manufacture three of our four currently marketed biopharmaceutical products and are dependent upon third parties to manufacture these products. The failure by these manufacturers to meet our needs for these products or delays in the receipt of deliveries could have a material adverse effect on our future business, financial condition and results of operations. Biopharmaceutical product sales were constrained in 2000 because of the inability of the contract manufacturer for WinRho SDF and Nabi-HB to supply product for a period of time. In both 2000 and 2001, our ability to market Autoplex T has been adversely affected by the inability of the manufacturer of this product to reliably supply us with necessary quantities of this product at desired potency levels.

LIMITED MANUFACTURING CAPABILITY AND EXPERIENCE; ADVERSE IMPACT OF UNDER-UTILIZATION

In October 2001, we received an approval letter from the FDA to manufacture Nabi-HB in our biopharmaceutical manufacturing facility in Boca Raton, Florida. Initial production lots of Nabi-HB manufactured at our Boca Raton facility have been submitted to the FDA for approval. There can be no assurance as to whether or when we will receive this approval. The new facility is designed to process specialty antibodies into biopharmaceutical products. However, we have not previously owned or operated such a facility and have no direct experience in commercial, large-scale manufacturing of biopharmaceutical products. Initially, we will not utilize the full manufacturing capacity of the facility and there can be no assurance that we will have sufficient product to manufacture so that the facility can be operated efficiently and profitably. Further, there can be no assurance we will have product to manufacture either on our own behalf or on behalf of third parties, to offset the cost of the facility's operation. Our failure to successfully operate our new manufacturing facility would have a material adverse effect on our future business, financial condition and results of operations.

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, we will have to resort to alternative sources of manufacturing that could increase our 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 our future business, financial conditions and results of operations.

Our research and development pipeline principally involves specialty vaccines. Because we do not have and have no current plans to construct an FDA-licensed facility to manufacture these vaccines, we will be dependent on third parties to manufacture these products. Such dependence is subject to the same risks described above with respect to the manufacture of our marketed biopharmaceutical products.

COSTS OF RESEARCH AND DEVELOPMENT

We have incurred and expect to continue incurring significant expenses associated with our biopharmaceutical 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 sales for several years or at all. We currently do not have the financial resources to concurrently fund all of our biopharmaceutical product development programs to completion. We are actively pursuing strategic alliances to assist in the development and commercialization of our biopharmaceutical products. There can be no assurance that our efforts will be successful. Our ability to continue to fund our ongoing research and development activities is currently dependent on our ability to generate sales from our biopharmaceutical and antibody products or obtain financing. There can be no assurance, therefore, that we will be able to continue to fund our research and development activities at the level required to commercialize our biopharmaceutical product development programs, and if we are required to reduce the funding for our research and development activities, this could have a material adverse effect on our future prospects.

UNCERTAINTY OF NEW PRODUCT DEVELOPMENT

Our future success will depend on our ability to achieve scientific and technological advances and to translate such advances into commercially competitive products on a timely basis. Our biopharmaceutical products under development are at various stages, and substantial further development, pre-clinical 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, changes in government regulation and funding. 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 our 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 our biopharmaceutical 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. Our failure to successfully develop and commercialize in a timely manner our biopharmaceutical products and obtain necessary regulatory approvals could have a material adverse effect on our future operations. In particular, our failure to obtain FDA approval for StaphVAX on a timely basis could adversely affect our market valuation.

COMPETITIVE MARKET FOR BIOPHARMACEUTICAL PRODUCTS

Our currently marketed biopharmaceutical products compete with those of other companies. Most of these companies have greater financial resources, research and product development capabilities and marketing organizations than we do. We may need to supplement our own sales efforts with the resources of a partner. If we so elect, there can be no assurance that we 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 we succeed in bringing one or more products to market, we will compete with many other companies that may have extensive and well-funded marketing and sales operations. Our failure to successfully market new biopharmaceutical products could have a material adverse effect on our future business, financial condition and results of operations.

UNCERTAINTY OF MARKET ACCEPTANCE

There can be no assurance that any of our 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 our 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 our product pipeline to gain market acceptance could have a material adverse effect on our future business, financial condition and results of operations.

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

Our customers for antibody products are subject to extensive regulation by the FDA and non-U.S. regulatory authorities. 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 have resulted in significantly increased cost to us in providing non-specific and specialty antibodies to our customers. New procedures, which include a more extensive investigation into a donor's background, as well as more sensitive tests, have also disqualified numerous potential donors and discouraged other donors who may be reluctant to undergo the screening procedures. These more stringent measures could adversely affect our antibody production with a corresponding adverse effect on our future business, financial condition and results of operations. In addition, our efforts to increase production to meet customer demand have resulted in higher costs to attract and retain donors.

Most of the antibodies we collect, process and sell to our customers is 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 antibodies. Although products utilizing technology developed to date have not proven as cost-effective and marketable to healthcare providers as products based on human antibodies, we are unable to predict the impact on our business of future technological advances.

The worldwide supply of antibodies has fluctuated historically. Future changes in government regulation relating to the collection, fractionation and use of antibodies or any negative public perception about the antibody collection process or the safety of products derived from blood or antibodies 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 our future business, financial condition and results of operations.

DEPENDENCE OF THE ANTIBODY BUSINESS ON A SMALL NUMBER OF CUSTOMERS, EFFECT OF EXISTING CONTRACTS

Our antibody sales are currently concentrated among a few large pharmaceutical companies. During the 2001, 2000 and 1999 fiscal years, antibody sales to our top two customers collectively accounted for approximately 66%, 60%, and 51%, respectively, of our antibody sales. Our contract to sell antibodies to one of these customers, Baxter, was assigned in September 2001 in connection with the sale of a majority of our antibody collection centers. We do not believe that this assignment will have a material adverse effect on our profitability. The loss of any remaining major customer or a material reduction in a major customer's purchases of antibodies could have a material adverse effect upon our future business, financial condition and results of operations. If these customers are unable to comply with FDA regulations, their manufacturing facilities may be temporarily closed which will reduce the need for antibodies provided by us. Plant closures and reductions in customers' production because of FDA regulatory problems have occurred in recent years, and our financial performance has been adversely affected as a result. There can be no assurance that the customer regulatory problems, which are not within our control, will not reoccur with the same adverse impact on us in the future.

Most of our antibodies are sold under contracts which extend for a period up to one year. Certain of these contracts do not permit us to increase prices during the year except to reflect changes in customer specifications and new governmental regulations. If our costs of collecting antibodies under these certain contracts rise for reasons other than changes in customer specifications and new governmental regulations, we are unable to pass on these cost increases to our antibody product customers except with the consent of the customer. Moreover, our existing contracts do not generally permit us to expeditiously take advantage of market changes which could benefit us.

GOVERNMENT REGULATION; UNCERTAINTY OF REGULATORY APPROVALS

Our research, pre-clinical development, clinical trials, manufacturing and marketing of our 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 our 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 other products under development has been granted. There can be no assurance that we will be able to obtain the necessary approvals for manufacturing or marketing of any of our 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 our future business, financial condition and results of operations. Once approved, a

product's failure to comply with applicable regulatory requirements could, among other things, result in warning letters, fines, suspension or revocation of regulatory approvals, product recalls or seizures, operating restrictions, injunctions and criminal prosecutions.

Although we do not have material sales of our biopharmaceutical products outside the U.S., our goal is to expand our non-U.S. presence for these products. Distribution of our 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 we will obtain regulatory approvals in such countries or that we will not be required to incur significant costs in obtaining or maintaining our foreign regulatory approvals. In addition, the export by us of certain of our 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 our future business, financial condition and results of operations.

Our U.S. antibody collection, labeling, storage and distribution activities also are subject to strict regulation and licensing by the FDA. Our antibody collection centers in the U.S. are subject to periodic inspection by the FDA, and from time to time we may receive notices of deficiencies from the FDA as a result of such inspections. Our failure or the failure of our antibody 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 antibody collection centers and fines or penalties. New regulations may be enacted and existing regulations or their interpretation or enforcement are subject to change. Therefore, there can be no assurance that we 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 our future business, financial condition and results of operations.

POTENTIAL ADVERSE EFFECT OF LITIGATION

Antibodies collected by us and antibody-based products manufactured by our customers run the risk of being HIV-contaminated or contaminated with another virus. As a result, suits may be filed against our customers and us claiming that the plaintiffs became infected with HIV or other viruses as a result of using the contaminated products. Such suits have been filed in the past related to HIV-contaminated antibodies, and in a number of suits we were one of several defendants. With the exception of one suit that is still pending, all of these suits have been dismissed without liability to us. No assurance can be given that additional lawsuits relating to infection with HIV or other viruses will not be brought against us by persons who have become infected with HIV or other viruses from antibody fractionates. In addition, there can be no assurance that lawsuits based on other causes of action will not be filed or that we 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 our future business, financial condition and results of operations.

LIMITED INSURANCE

Product liability insurance for the biopharmaceutical industry generally is expensive to the extent it is available at all. There can be no assurance that we will be able to maintain such insurance on acceptable terms or that we will be able to secure increased coverage if the commercialization of our products progresses, or that existing or future claims against us will be covered by our product liability insurance. Moreover, there can be no assurance that the existing coverage of our insurance policy and/or any rights of indemnification and contribution that we may have will offset existing or future claims. A successful claim against us 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 our future business, financial condition and results of operations.

LIMITED PROPERTY INSURANCE

We maintain significant real property assets in Florida. Property insurance for companies with a high concentration of property assets in Florida is generally expensive to the extent it is available at all. There can be no assurance that we will be able to maintain such insurance on acceptable terms or that we will be able to secure increased coverage if the value of our property increases.

ADDITIONAL FINANCING REQUIREMENTS AND ACCESS TO CAPITAL

We may need to raise additional capital to increase funding of our product research, development and marketing activities. We may 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, we may have to defer certain investments in the areas of research, product development, manufacturing or marketing activity, or otherwise modify our business strategy, and our future business and future prospects could be materially and adversely affected.

STRATEGIC ALLIANCES

We are pursuing strategic alliances with third parties for the development of certain of our biopharmaceutical products. No assurance can be given that we will be successful in these efforts or, if successful, that the collaborators will conduct their activities in a timely manner. If we are not successful in our efforts, our ability to continue to develop our products under development may be adversely affected. Even if we are successful, if any of our collaborative partners violate or terminate their agreements with us or otherwise fail to conduct their collaborative activities in a timely manner, the development or commercialization of products could be delayed, and we 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 us 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 our future business, financial condition and results of operations.

UNCERTAINTY OF LEGAL PROTECTION AFFORDED BY PATENTS AND PROPRIETARY RIGHTS

The patent positions of biopharmaceutical 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 we will be able to obtain additional licenses to patents of others or that we will be able to develop additional patentable technology of our 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, we cannot be certain that we were the first creator of inventions covered by our pending patent applications or that we were the first to file patent applications for such inventions. There can be no assurances that any patents issued to us will provide us 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 us, design around such patents.

A number of biopharmaceutical companies, biotechnology companies, universities and research institutions have filed patent applications or received patents relating to products or processes competitive with or similar to ours. Some of these applications or patents may be competitive with our applications or conflict in certain respects with claims made under our applications. Such a conflict could result in a significant reduction of the coverage of our 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, we 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 we will be able to obtain any

such licenses on commercially favorable terms, if at all. Our failure to obtain a license to any technology that we may require to commercialize our products could have a material adverse effect on our future business, financial condition and results of operations. Litigation, which could result in substantial cost to us, may also be necessary to enforce any patents issued to us or to determine the scope and validity of third party proprietary rights.

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

INTENSE COMPETITION; UNCERTAINTY OF TECHNOLOGICAL CHANGE

Competition in the development of biopharmaceutical products is intense, both from biopharmaceutical and biotechnology companies, and is expected to increase. Many of our competitors have greater financial resources and larger research and development staffs than us, as well as substantially greater experience in developing products, obtaining regulatory approvals, and manufacturing and marketing biopharmaceutical products. Competition with these companies involves not only product development, but also acquisition of products and technologies from universities and other institutions. We also compete with universities and other institutions in the development of biopharmaceutical products, technologies and processes and for qualified scientific personnel. There can be no assurance that our competitors will not succeed in developing technologies and products that are more effective or affordable than those being developed by us. In addition, one or more of our competitors may achieve product commercialization of or patent protection for competitive products earlier than us, which would preclude or substantially limit sales of our 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 our competitors of any such product could have a material adverse effect on our future business, financial condition and results of operations.

We compete 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 us. We compete for donors by offering financial incentives to donors to compensate them for their time and inconvenience, providing outstanding customer service to our donors, implementing programs designed to attract donors through education as to the uses for collected antibodies, encouraging groups to have their members become donors and improving the attractiveness of our antibodies collection facilities. We also compete with other independent antibody suppliers that sell antibodies principally to pharmaceutical companies that process antibodies into finished products. If we are unable to maintain and expand our donor base, our future business, financial condition and results of operations will be materially and adversely affected.

UNCERTAINTY OF PRODUCT PRICING AND REIMBURSEMENT

Our ability to commercialize our biopharmaceutical products and related treatments will depend in part upon the availability of, and our 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 us from maintaining price levels sufficient for realization of an adequate return on our investment in developing new biopharmaceutical 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 our products. The cost containment measures that healthcare providers are instituting and the impact of any healthcare reform could have an adverse effect on our ability to sell our products and may have a material adverse effect on our future 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 our 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, our products. The unavailability of third party reimbursement or the inadequacy of the reimbursement for medical treatments using our products could have a material adverse effect on our future business, financial condition and results of operations. Moreover, we are 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 our future business.

ITEM 2. PROPERTIES

We own an 87,300 square foot facility that houses our executive offices and our licensed biopharmaceutical manufacturing facility in Boca Raton, Florida. We received an approval letter from the FDA in October 2001 to manufacture Nabi-HB in our biopharmaceutical manufacturing facility.

We occupy space primarily used to collect antibodies and leased from non-affiliates under leases expiring through 2009. A majority of these leases contain renewal options that permit us to renew the leases for varying periods up to ten years at the then fair rental value. We believe that in the normal course of our business, we will be able to renew or replace our existing leases. Our antibody collection centers range in size from approximately 4,200 to 20,800 square feet.

We lease office, laboratory, warehouse and pilot manufacturing space in Miami, Florida and Rockville, Maryland with terms expiring through May of 2005 with various options for lease extensions.

ITEM 3. LEGAL PROCEEDINGS

We are a party to litigation in the ordinary course of business. We do not believe that such litigation will have a material adverse effect on our future business, financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of security holders in the fourth quarter of the year ended December 29, 2001.

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

The executive officers of Nabi Biopharmaceuticals are as follows:

Name	Age	Position
DAVID J. GURY	63	Chairman of the Board, President and Chief Executive Officer
THOMAS H. MCLAIN	44	Executive Vice President and Chief Operating Officer
ROBERT B. NASO, PH.D.	57	Senior Vice President, Quality, Regulatory and Product Development
MARK L. SMITH	40	Senior Vice President, Finance, Chief Financial Officer, Chief Accounting Officer and Treasurer
C. THOMAS JOHNS	55	Senior Vice President, Manufacturing Operations
GARY A. SISKOWSKI	56	Senior Vice President, Sales and Marketing

DAVID J. GURY has served as Chairman of the Board, President and Chief Executive Officer since April 3, 1992. Previously, from May 1984, Mr. Gury served as President and Chief Operating Officer for Nabi Biopharmaceuticals. Mr. Gury has been a director of Nabi Biopharmaceuticals since 1984. From July 1977 until his employment by Nabi Biopharmaceuticals, Mr. Gury was employed by Alpha Therapeutic Corporation (formerly Abbott Scientific Products) as Vice President, Plasma Supply (through May 1984), General Manager, Plasma Operations (through October 1981) and Director of Plasma Procurement (through October 1980). In these capacities, Mr. Gury had executive responsibilities for antibody procurement and operation of plasmapheresis centers.

THOMAS H. MCLAIN has served as Executive Vice President and Chief Operating Officer since April 2001. From 1998 to April 2001 Mr. McLain served Nabi Biopharmaceuticals as Senior Vice President, Corporate Services and Chief Financial Officer. 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. During his tenure with Bausch & Lomb, Mr. McLain held various positions of increasing responsibility, 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 LLP.

ROBERT B. NASO, PH.D. has served as Senior Vice President Quality, Regulatory and Product Development, since August 1998. From 1995 to August 1998, Dr. Naso served Nabi Biopharmaceuticals as Senior Vice President, Research and Development and General Manager, Rockville Operations. From 1992 to 1995 Dr. Naso served as Vice President of Research and Development (through 1995) and Vice President of Research (through 1994) of Univax Biologics, Inc. 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 Vice President of Finance, Chief Financial Officer and Chief Accounting Officer since April 2001. From August 1999 to April 2001, Mr. Smith served Nabi Biopharmaceuticals as Vice President of Finance and Chief Accounting Officer and as Senior Director of Finance and Chief Accounting Officer. Prior to joining Nabi Biopharmaceuticals, 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 Inc., Mr. Smith practiced with the accounting firm of PricewaterhouseCoopers LLP in both Australia and the U.S.

C. THOMAS JOHNS has served as Senior Vice President, Manufacturing Operations since October 2001. From 1997 to October 2001, Mr. Johns served Nabi Biopharmaceuticals as Vice President of Laboratory Services and Diagnostic Products and as Senior Director of Laboratory Services. Prior to joining Nabi Biopharmaceuticals, Mr. Johns served as General Manager of MRL Reference Laboratory from 1993 to 1997. From 1978 to 1993, Mr. Johns was employed at Nichols Institute Regional Laboratory where he held various positions of increasing responsibility in operations.

GARY A. SISKOWSKI has served as Senior Vice President, Sales and Marketing since October 2001. From June 1998 to October 2001, Mr. Siskowski served Nabi Biopharmaceuticals as Vice President of New Business Development. Prior to joining Nabi Biopharmaceuticals, Mr. Siskowski co-founded Advanced Biologics, a clinical research organization specializing in anti-infectives and served as Vice President of Business Development. From 1988 to 1994, Mr. Siskowski was employed at Ortho-McNeil to develop and launch products with the Anti-Infectives Franchise. From 1969 to 1988, Mr. Siskowski was employed at Roche Laboratories where he held various positions of increasing responsibility, ultimately holding the position of Product Director for the Anti-Infectives Franchise.

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

Nabi Biopharmaceuticals' 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
2001			
	First Quarter	6.375	3.875
	Second Quarter	8.500	5.125
	Third Quarter	7.740	4.850
	Fourth Quarter	11.080	5.450
2000			
	First Quarter	12.000	4.125
	Second Quarter	8.625	3.750
	Third Quarter	10.063	5.313
	Fourth Quarter	6.938	2.500

The closing price of our common stock on February 22, 2002 was $5.660 per share. The number of record holders of our common stock at December 29, 2001 was 1,138.

No cash dividends have been previously paid on our common stock and none are anticipated in 2002. Our credit agreement also prohibits dividend payments.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected consolidated financial data for the five years ended December 29, 2001 that were derived from our audited consolidated financial statements.

The data should be read in conjunction with, and are qualified by reference to, Nabi Biopharmaceuticals' 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 Twelve Months Ended	(Amounts in Thousands, Except Per Share Data)				
	December 29, 2001	December 30, 2000	December 31, 1999	December 31, 1998	December 31, 1997
Statements of Operations Data:					
Sales	$ 234,829	$ 228,783	$ 233,603	$ 243,087	$ 228,744
Costs of products sold	152,613	160,766	163,407	178,366	180,533
Royalty expense	12,093	11,175	13,739	10,946	6,617
Selling, general and administrative expense	40,501	37,168	33,282	31,151	25,012
Research and development expense	15,330	14,266	15,469	21,822	19,126
Other operating expenses, principally freight and amortization	1,500	1,827	1,905	2,169	3,087
Gain on disposition of assets	(104,219)	--	--	--	--
Other non-recurring items	--	(3,875)	(1,935)	14,605	5,680
Operating income (loss)	117,011	7,456	7,736	(15,972)	(11,311)

Interest income 1,204 33 74 48 272
Interest Expense (2,128) (3,581) (4,313) (5,681) (4,712)
Other (expenses) income, net (28) 198 (110) (105) (70)
-- Income (loss) before (provision) benefit for income taxes and extraordinary item 116,059 4,106 3,387 (21,710) (15,821)
(Provision) benefit for income taxes (11,377) (87) (43) (47) 4,668
--- Income (loss) before extraordinary item 104,682 4,019 3,344 (21,757) (11,153)
Extraordinary item -- 340 -- -- -- -- --
----- Net income (loss) $ 104,682 $ 4,359 $ 3,344 $ (21,757) $ (11,153)
Basic Earnings (Loss) Per Share: Income (loss) before extraordinary item $ 2.76 $ 0.11 $ 0.10 $ (0.62) $ (0.32)
Extraordinary item -- 0.01 -- -- -- -- --
------ Net income (loss) $ 2.76 $ 0.12 $ 0.10 $ (0.62) $ (0.32)

Diluted earnings (loss) per share: Income (loss) before extraordinary item	$ 2.36	$ 0.11	$ 0.09	$ (0.62)	$ (0.32)
Extraordinary item	--	0.01	--	--	--
Net income (loss)	$ 2.36	$ 0.12	$ 0.09	$ (0.62)	$ (0.32)
Balance Sheet Data: Working capital	$ 148,650	$ 39,594	$ 35,999	$ 41,964	$ 63,933
Total assets	310,309	224,487	214,564	218,300	225,906
Notes payable, including current maturities	78,500	109,535	112,998	118,044	121,081
Total stockholders' equity	187,206	77,394	58,177	54,189	75,663

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

The following discussion and analysis of our financial condition and results of operations for each of the three years ended December 29, 2001, December 30, 2000 and December 31, 1999, 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 Biopharmaceuticals is a vertically integrated biopharmaceutical company committed to unlocking the power of the human immune system to help people with serious, unmet medical needs. We have a broad product portfolio and significant research capabilities focused on the development and commercialization of drugs that prevent and treat infectious, autoimmune and addictive diseases. We have four marketed biopharmaceutical products, Nabi-HB(TM) [Hepatitis B Immune Globulin (Human)] for the prevention of hepatitis B infections, WinRho SDF(R) [Rho (D) Immune Globulin IntravenouS (Human)] for the treatment of acute, chronic and HIV-related immune thrombocytopenia purpura, Autoplex(R) T [Anti-Inhibitor Coagulant Complex, Heat Treated] and Aloprim(TM) [(Allopurinol sodium) for injection], and a vigorous clinical trials program. We have a state of the art fractionation plant for our own manufacturing of biopharmaceutical products and for contract manufacturing. Further, we also collect specialty and non-specific antibodies for use in our products as well as to supply pharmaceutical and diagnostic customers for the subsequent production of their products.

RESULTS OF OPERATIONS

Information concerning Nabi Biopharmaceuticals' 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					
Segment	December 29, 2001		December 30, 2000		December 31, 1999	
Biopharmaceutical Products	$ 73,439	31.3%	$ 72,985	31.9%	$ 71,112	30.4%
Antibody Products:						
-Specialty antibodies	46,846	19.9	58,037	25.4	53,175	22.8
-Non-specific antibodies	114,544	48.8	97,761	42.7	109,316	46.8
	161,390	68.7	155,798	68.1	162,491	69.6
TOTAL	$234,829	100.0%	$228,783	100.0%	$233,603	100.0%

2001 AS COMPARED TO 2000

SALES. Biopharmaceutical sales increased in 2001 by approximately $0.5 million or 1% from 2000 sales. Sales increases for WinRho SDF, which increased more than 35% from prior year levels, and Aloprim, were offset by decreased sales of Nabi-HB. Sales of Nabi-HB in 2001 decreased approximately 20% from 2000 levels. Sales of WinRho SDF were limited in 2000 due to product supply issues from the manufacturer of this product in that year. Patient use survey data reports growth in patient use of our major products, Nabi-HB and WinRho SDF, in 2001 compared to 2000. During 2001, this increased patient use of Nabi-HB resulted in lower inventory levels of this product at our pharmaceutical wholesaler customers. In addition, we have sought to reduce wholesaler inventory levels of Nabi-HB in anticipation of the launch of this product manufactured at our Boca Raton, Florida biopharmaceutical manufacturing facility in the first quarter of 2002. Our Boca Raton, Florida biopharmaceutical manufacturing facility received U.S. Food and Drug Administration ("FDA") approval to manufacture Nabi-HB in October 2001.

Sales of Autoplex T in 2001 and 2000 were limited by contractual product supply shortfalls from the manufacturer of that product.

Total antibody sales in 2001 increased by $5.6 million from 2000 levels driven by higher pricing for non-specific antibody products. These increased sales were achieved despite the sale of the majority of the antibody business in September 2001. Sales of specialty antibodies were approximately 19% lower in 2001 than in 2000 due primarily to the impact of the sale of the majority of the antibody business.

GROSS PROFIT MARGIN AFTER ROYALTY EXPENSE. Gross profit and related margin after royalty expense for 2001 was $70.1 million, or 30% of sales, compared to $56.8 million or 25% of sales in 2000. The increase was due primarily to increased gross profit margin from antibody sales reflecting increased pricing for non-specific antibody products. Gross profit margin after royalty expense for the biopharmaceutical business was essentially even in each of 2001 and 2000. Gross margin from biopharmaceutical sales in 2001 reflects the operating costs of bringing the Boca Raton biopharmaceutical manufacturing facility on line following FDA licensure in October 2001. In its initial operation, the manufacturing capacity of the Boca Raton facility was not fully utilized and costs related to excess manufacturing capacity were expensed as cost of goods sold. In 2001, we recorded approximately $1.2 million of excess capacity costs. Gross profit margin in each of 2001 and 2000 also benefited from non-performance penalty payments of $6.1 million and $5.1 million, respectively, due to us as a result of contractual delivery shortfalls by the supplier of Autoplex T.

Royalty expense in 2001 was $12.1 million, or 16% of biopharmaceutical product sales, compared to $11.2 million, or 15% of biopharmaceutical sales in 2000. Increased royalty expense in 2001 primarily reflected increased sales of WinRho SDF in 2001 compared to 2000.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE. Selling, general and administrative expense was $40.5 million or 17% of sales in 2001, compared to $37.2 million or 16% of sales in 2000. The increase primarily reflects certain one time costs related to contractual severance payments, management consulting and legal expenses related to strategic initiatives and incentive compensation. Our sales and marketing expense relates primarily to the biopharmaceutical business and was not impacted by the sale of the majority of the antibody business in September 2001.

RESEARCH AND DEVELOPMENT EXPENSE. Research and development expense was $15.3 million or 7% of sales in 2001, compared to $14.3 million or 6% of sales in 2000. The increase in research and development expense primarily reflects increased support of our Gram Positive program including a boosting trial of StaphVAX in approximately 70 end stage renal disease patients who received StaphVAX during the pivotal Phase III trial reported in 2000, increased spending for Civacir including manufacture of Civacir clinical material in our biopharmaceutical manufacturing facility in Boca Raton in preparation for human clinical trials and increased spending for Autoplex T as we continue to evaluate the steps needed to transfer the manufacture of this product from its current manufacturer to us. During 2001, other significant research and development programs included Nabi-HB, primarily related to additional studies, and NicVAX, as we filed patent applications outside the U.S. In 2001 and 2000, approximately 48% and 47%, respectively, of the total research and development expense were expended to support advancing our Gram Positive program, including StaphVAX and Altastaph.

GAIN ON DISPOSITION OF ASSETS. The gain on sale of assets reported in the third quarter of 2001 represents the excess of proceeds received from the sale of the majority of the antibody business assets compared to their carrying values as of September 6, 2001, the effective date of the transaction.

NON-RECURRING CREDIT. During 2000, we reversed restructuring accruals totaling $3.9 million into income. This was reported as a non-recurring credit.

INTEREST INCOME. Interest income for 2001 was $1.2 million compared to $33 thousand in 2000. Increased interest income reflects interest income from the net cash proceeds received from the sale of the majority of the antibody business in September 2001. After elimination of bank debt, we had approximately $131.0 million in cash and cash equivalents on hand at September 29, 2001.

INTEREST EXPENSE. Interest expense for 2001 was $2.1 million, compared to $3.6 million in 2000. The decrease in interest expense is attributable to the elimination of bank debt in September 2001 as a result of the sale of the majority of the antibody business and lower bank interest rates offset by the reduction in capitalized interest during 2001. Capitalized interest relating primarily to construction of our biopharmaceutical manufacturing facility in Boca Raton, Florida was $5.2 million for 2001 as compared to $5.8 million for 2000. We received licensure to manufacture Nabi-HB at our Boca Raton facility in October 2001 and ceased capitalization of interest and other costs at that time.

OTHER FACTORS. The provision for income taxes was $11.4 million for 2001, compared to $87 thousand in 2000. The provision for income taxes in 2001 included changes in the estimated values of deferred tax assets and liabilities and the impact of stock option exercises during the year. The 10% effective tax rate for 2001 differs from the statutory rate due primarily to the reduction in the valuation allowance associated with utilization of net operating loss carryforwards.

EXTRAORDINARY ITEM. During 2000, we exchanged an aggregate of 241,795 shares of our common stock for an aggregate of $2.0 million of our 6.5% Convertible Subordinated Notes due 2003. The subsequent extinguishment of the Notes resulted in an extraordinary gain of $0.3 million, net of taxes, that is included in the results for 2000.

2000 AS COMPARED TO 1999

SALES. Biopharmaceutical sales increased in 2000 by approximately $1.9 million or 3% from 1999. Sales of our biopharmaceutical product Nabi-HB increased 55% in 2000 over 1999 levels, while sales of WinRho SDF were down approximately 20%. Overall growth in biopharmaceutical sales was constrained by product supply issues limiting the supply of WinRho SDF. WinRho SDF and Nabi-HB were manufactured for us by Cangene Corporation ("Cangene") in 2000 and 1999. Cangene initiated the development of clinical lots of a new product at its manufacturing facility in Canada earlier in 2000. This new product involved changes in production materials that affected the release of WinRho SDF and Nabi-HB in the third quarter of 2000. As a result of this issue, the FDA required a regulatory submission for release for these products, as well as the agency's release of these products by lot. We were able to resume shipment of lots of Nabi-HB in September 2000 with FDA approval and resumed shipment of WinRho SDF in October 2000. Sales of Autoplex T were lower in 2000 compared to 1999 as a result of contractual delivery shortfalls by the supplier of that product.

Total antibody sales in 2000 decreased by 4% from 1999 levels. Sales of higher margin specialty antibody products increased 9%, reflecting higher sales for anti-CMV, tetanus and rabies antibodies, increased sales of diagnostic products and increased outside laboratory testing sales, partially offset by decreased sales of other specialty products, including anti-D and anti-HBs. Sales of non-specific antibody product decreased 11%, reflecting lower overall production volumes. Production of non-specific antibody products did increase in the third and fourth quarter of 2000 compared to the same periods in 1999. The overall decrease in sales of non-specific antibody products results from our strategic decision to exit unprofitable operations through the sale, transfer or closure of 11 antibody collection centers in the U.S. and Germany during 1999.

GROSS PROFIT MARGIN AFTER ROYALTY EXPENSE. Gross profit and related margin after royalty expense for 2000 was $56.8 million, or 25% of sales, compared to $56.5 million or 24% of sales in 1999. The increase was due primarily to increased sales of higher margin Nabi-HB offset by lower margins from antibody product sales and the adverse effect of reduced sales of WinRho SDF. The lower antibody product margins reflect higher costs of production including higher donor fees and increased cost of regulatory compliance. Gross profit margin also benefited from a non-performance penalty due to us as a result of contractual delivery shortfalls by the supplier of Autoplex T.

Royalty expense in 2000 was $11.2 million, or 15% of biopharmaceutical product sales, compared to $13.7 million, or 19% of biopharmaceutical product sales in 1999. Royalty expense in 2000 included payments to Abbott Laboratories for Nabi-HB under an obligation that ended December 31, 2000. The

decrease in royalty expense was primarily due to a reduction in the royalty rate and sales for WinRho SDF in 2000 compared to 1999 following our achieving profitability milestones contained in that agreement during 2000.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE. Selling, general and administrative expense was $37.2 million or 16% of sales in 2000, compared to $33.3 million or 14% of sales in 1999. The increase primarily reflects an increase in sales and marketing expenses for advertising and sales force expansion to support anticipated growth in the biopharmaceutical business in 2001. By the end of the second quarter of 2000, we had completed the expansion of our U.S.-based sales force, increasing the sales representatives from 30 to 40 and sales regions from three to four.

RESEARCH AND DEVELOPMENT EXPENSE. Research and development expense was $14.3 million or 6% of sales in 2000, compared to $15.5 million or 7% of sales in 1999. The decrease in research and development expense reflects the completion of the pivotal Phase III clinical trial for StaphVAX during 2000.

NON-RECURRING CREDIT. During 2000, we reversed restructuring accruals totaling $3.9 million into income. This was reported as a non-recurring credit. These accruals were originally recorded in the fourth quarter of 1998 to provide for future rent costs for facilties impacted by the planned reduction of pre-clinical activities at our research and development faciltiy in Rockville, Maryland and the closure of an antibody collection center. The reversal was based on the positive results from the StaphVAX Phase III trial announced in September 2000 and Board approval of a plan to increase the level of research and development activities in the future at our Rockville, Maryland facility. This resulted in a non-recurring credit of $3.0 million in 2000. Also during 2000, we reviewed antibody center operations and amended our plan to close an antibody collection center initially planned for closure. Based on this 2000 decision, we reversed $0.9 million for accrued antibody collection center closure costs and accrued severance into income as a non-recurring credit. This antibody collection center was included in the centers sold in conjunction with the sale of the majority of the antibody collection business in September 2001.

INTEREST EXPENSE. Interest expense for 2000 was $3.6 million, compared to $4.3 million in 1999. The decrease in interest expense is attributable to lower average outstanding bank borrowings and higher amounts of capitalized interest during 2000. Capitalized interest relating primarily to construction of our biopharmaceutical manufacturing facility in Boca Raton, Florida was $5.8 million for 2000 as compared to $4.7 million for 1999. We received licensure to manufacture Nabi-HB at our Boca Raton facility in October 2001 and ceased capitalization of interest and other costs at that time.

OTHER FACTORS. The provision for income taxes was $87 thousand for 2000, compared to $43 thousand in 1999. The 2% effective tax rate for 2000 differs from the statutory rate of 35% due primarily to the tax benefit associated with research and development tax credit adjustments and a reduction in the valuation allowance.

EXTRAORDINARY ITEM. During 2000, we exchanged an aggregate of 241,795 shares of our common stock for an aggregate of $2.0 million of our 6.5% Convertible Subordinated Notes due 2003. The subsequent extinguishment of the Notes resulted in an extraordinary gain of $0.3 million, net of taxes, that is included in the results for 2000.

LIQUIDITY AND CAPITAL RESOURCES

As of December 29, 2001, cash and cash equivalents were $131.2 million and total debt which consisted of convertible debt totaled $78.5 million. Current assets exceeded current liabilities by $148.7 million as of December 29, 2001. Cash provided from operations in 2001 was $24.1 million as compared to $9.8 million in 2000.

In September 2001, we announced the completion of the sale of the majority of the operating assets of the antibody business for $153.0 million in cash. After paying professional fees, we received net cash of

$152.2 million. This cash received from the sale is reported in cash from investing activities. These proceeds were used to eliminate bank debt and will be used to fund further development of our research and development product pipeline and grow our biopharmaceutical business.

At December 29, 2001, our credit agreement provided for a revolving credit facility of up to $45.0 million, subject to certain borrowing base restrictions, and a $5.0 million term loan. The credit agreement matures in September 2002. We had no borrowings under the revolving credit and term loan agreement at December 29, 2001 and availability under this credit facility was $25.6 million at December 29, 2001. The credit agreement is secured by substantially all of our assets, requires the maintenance of certain financial covenants and prohibits the payment of dividends.

At December 29, 2001 we had $78.5 million of 6.5% Convertible Subordinated Notes due February 1, 2003 ("Notes"). The Notes are convertible into common stock at a conversion price of $14 per share at any time and may be redeemed at our option without premium prior to February 1, 2003.

In 2002, we plan to make capital expenditures of up to $20.0 million, including a $3.0 million capital commitment to Dow Biopharmaceutical Contract Manufacturing (formerly Collaborative BioAlliance)("Dow") in connection with the transfer to Dow of the manufacturing process for StaphVAX. Except for the commitment to Dow, our planned capital expenditures may be cancelled without material costs or penalties.

We believe that cash flow from operations and cash and cash equivalents on hand will be sufficient to meet our anticipated cash requirements for 2002.

Set fourth below is a schedule of our current contractual obligations and commercial commitments for the specified fiscal years:

CONTRACTUAL OBLIGATIONS

(Dollars in Thousands)	2002	2003	2004	2005	2006	After 2006	Total
Long-term debt	$ --	$78,500	$ --	$ --	$ --	$ --	$78,500
Operating leases	2,391	2,108	1,070	689	430	497	7,185
Dow commitment	2,987	--	--	--	--	--	2,987
Total	$ 5,378	$80,608	$ 1,070	$ 689	$ 430	$ 497	$88,672

SIGNIFICANT ACCOUNTING POLICIES

Property, Plant and Equipment and Depreciation

We incurred $90.3 million to construct our biopharmaceutical manufacturing facility in Boca Raton, Florida and received approval to manufacture our own antibody-based therapy, Nabi-HB, at this facility from the FDA in October 2001. In constructing the facility for its intended use, we incurred approximately $26.8 million in direct costs of acquiring the building, building systems, manufacturing equipment and computer systems. We also incurred a total of $63.5 million of costs related to validation of the facility to operate in a FDA approved environment and capitalized interest. Costs related to validation and capitalized interest have been allocated to the building, building systems, manufacturing equipment and computer systems. Buildings and building systems are depreciated on a straight-line basis over 39 years and 20 years, respectively, the estimated useful lives of these assets. The specialized manufacturing equipment and computer systems are depreciated using the units-of-production method

of depreciation. The units-of-production method of depreciation is based on management's estimate of production levels. Management believes the units-of-production method is appropriate for these specialized assets. Use of the units-of-production method of depreciation may result in significantly different financial results of operation than straight-line depreciation in periods of lower than average or higher than average production levels.

Intangible Assets

In 2000 we entered into a contract manufacturing agreement with Dow to establish commercial manufacturing capability for StaphVAX. The manufacturing process for StaphVAX is being transferred to Dow from our pilot manufacturing plant in Rockville, Maryland. The contract manufacturing agreement requires us to make certain payments to Dow to prepare the Dow facility for the future manufacture of StaphVAX and to ensure that we have access to commercial vaccine manufacturing capacity. These payments are recorded as a Manufacturing Right and included in Intangible Assets. Amortization of the Manufacturing Right will commence when commercial manufacture of StaphVAX commences at Dow. As of December 29, 2001, the Manufacturing Right was $4.7 million.

NEW ACCOUNTING PRONOUNCEMENTS

In July 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, "Business Combinations," (SFAS No. 141) and No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142). SFAS No. 141 eliminated the pooling of interest method of accounting for business combinations initiated after June 30, 2001. Under SFAS No. 142, goodwill and indefinite lived intangible assets are no longer amortized but are reviewed annually (or more frequently if impairment indicators arise) for impairment. The amortization provisions of SFAS No. 142 apply to goodwill and intangible assets acquired after June 30, 2001. With respect to goodwill and intangibles acquired prior to July 1, 2001, companies are required to adopt SFAS No. 142 in their fiscal year beginning after December 15, 2001. In conjunction with the sale of the majority of our antibody business, disclosed in Note 10, we disposed of all goodwill reflected on our balance sheet.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not engage in trading market risk sensitive instruments or purchasing hedging instruments or "other than trading" instruments that are likely to expose us to significant market risk, whether interest rate, foreign currency exchange, commodity price or equity price risk.

INTEREST RATE RISK. Our primary market risk exposure is that of interest rate risk on borrowings under our credit facility, which are subject to interest rates based on the bank's base rate. Our outstanding revolving credit facility and term loan are sensitive to changes in U.S. interest rates, specifically the U.S. prime lending rate, and expire in September 2002. Outstanding variable rate debt under the revolving credit facility at December 29, 2001 was zero.

At December 29, 2001, we had outstanding debt in the form of convertible subordinated notes in the amount of $78.5 million, which are due February 1, 2003. The notes bear interest at a fixed rate of 6.5% and have no interest rate risk.

At December 29, 2001, we had cash and cash equivalents in the amount of $131.2 million. Cash equivalents consist of money market funds and auction rate securities with maturities of three months or less placed with major financial institutions.

Our exposure to market risk is confined to our cash and investments. We maintain an investment portfolio of money market funds, qualified purchaser funds, and auction rate securities. The securities in our investment portfolio are not leveraged, and are, due to their very short-term nature, subject to minimal interest rate risk. We currently do not hedge interest rate exposure. Because of the short-term

maturities of our investments, we do not believe that a change in market rates would have a significant negative impact on the value of our investment portfolio.

The primary objective of our investment activities is to preserve principal while at the same time maximizing yields without significantly increasing risk. To achieve this objective, we invest our excess cash in debt instruments of the U.S. Government and its agencies, bank obligations, repurchase agreements and high-quality corporate issuers, and, by policy, restrict our exposure to any single corporate issuer by imposing concentration limits. To minimize the exposure due to adverse shifts in interest rates, we maintain investments at an average maturity of generally less than one month.

The table below presents the principal amounts and weighted-average interest rates by year of maturity for our investment portfolio:

(Dollars in Millions)	Fair Value at December 29, 2001
Assets:	
Cash equivalents	$ 126.388
Average interest rate	2.62%
Liabilities:	
6.5% convertible subordinated notes due in 2003	$ 78.500
Average interest rate	6.5%

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
and Stockholders of Nabi Biopharmaceuticals

We have audited the accompanying consolidated balance sheets of Nabi Biopharmaceuticals (f/k/a "Nabi") as of December 29, 2001 and December 30, 2000, and the related consolidated statements of operations, changes in stockholder's equity, and cash flows for each of the three years in the period ended December 29, 2001. Our audits 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 audits.

We conducted our audits 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 audits provide 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 Biopharmaceuticals as of December 29, 2001 and December 30, 2000, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 29, 2001 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

Miami, Florida
February 6, 2002,
except for Note 21 as to which the date is March 15, 2002

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

NABI BIOPHARMACEUTICALS

CONSOLIDATED BALANCE SHEETS

(Amounts in Thousands, Except Per Share Data)	December 29, 2001	December 30, 2000
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 131,192	$ 1,554
Trade accounts receivable, net	36,039	38,315
Inventories, net	18,138	32,602
Prepaid expenses and other current assets	7,694	5,405
TOTAL CURRENT ASSETS	193,063	77,876
PROPERTY AND EQUIPMENT, NET	107,866	120,188
OTHER ASSETS:		
Goodwill	--	12,509
Intangible assets, net	6,859	7,091
Other, net	2,521	6,823
TOTAL ASSETS	$ 310,309	$ 224,487
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	$ 20,654	$ 15,923
Accrued expenses	23,759	21,359
Notes payable	--	1,000
TOTAL CURRENT LIABILITIES	44,413	38,282
NOTES PAYABLE	78,500	108,535
OTHER LIABILITIES	190	276
TOTAL LIABILITIES	123,103	147,093
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; 38,445 and 37,833 shares issued, respectively	3,845	3,783
Capital in excess of par value	158,687	152,642
Treasury stock, 174 shares at cost	(977)	--
Retained earnings (deficit)	25,651	(79,031)
TOTAL STOCKHOLDERS' EQUITY	187,206	77,394
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 310,309	$ 224,487

See accompanying notes to consolidated financial statements

NABI BIOPHARMACEUTICALS

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Twelve Months Ended	(Amounts in Thousands, Except Per Share Data) December 29, 2001	December 30, 2000	December 31, 1999
SALES	$ 234,829	$ 228,783	$ 233,603
COSTS AND EXPENSES:			
Costs of products sold	152,613	160,766	163,407
Royalty expense	12,093	11,175	13,739
Selling, general and administrative expense	40,501	37,168	33,282
Research and development expense	15,330	14,266	15,469
Other operating expenses, principally freight	1,500	1,827	1,905
and amortization			
Gain on disposition of assets	(104,219)	--	--
Other non-recurring items	--	(3,875)	(1,935)
OPERATING INCOME	117,011	7,456	7,736
INTEREST INCOME	1,204	33	74
INTEREST EXPENSE	(2,128)	(3,581)	(4,313)
OTHER (EXPENSES) INCOME, NET	(28)	198	(110)
INCOME BEFORE PROVISION FOR INCOME TAXES AND EXTRAORDINARY ITEM	116,059	4,106	3,387
PROVISION FOR INCOME TAXES	(11,377)	(87)	(43)
INCOME BEFORE EXTRAORDINARY ITEM	104,682	4,019	3,344
EXTRAORDINARY ITEM	--	340	--
NET INCOME	$ 104,682	$ 4,359	$ 3,344
BASIC EARNINGS PER SHARE:			
INCOME BEFORE EXTRAORDINARY ITEM	$ 2.76	$ 0.11	$ 0.10
EXTRAORDINARY ITEM	--	0.01	--
NET INCOME	$ 2.76	$ 0.12	$ 0.10
DILUTED EARNINGS PER SHARE:			
INCOME BEFORE			

EXTRAORDINARY ITEM $ 2.36 $ 0.11 $ 0.09
EXTRAORDINARY ITEM - - 0.01 -- ---------
--------- ---------
NET INCOME $ 2.36 $ 0.12 $ 0.09
========= =========
========= BASIC WEIGHTED AVERAGE SHARES OUTSTANDING 37,980 36,604 34,934
========= =========
========= DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING 44,872 37,739 35,841
========= =========
========= See accompanying notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock Shares	Common Stock Amount	Warrants	Accumu- lated other Compre- hensive Income	Capital in Excess of Par Value	Retained Earnings (Deficit)	Common Stock in Treasury (In Thousands)	Stock- holders' Equity (Loss)
BALANCE AT DECEMBER 31, 1998	34,903	$ 3,490	100 $ --	$ --	$ 137,911	$ (86,734)	$ (478)	$ 54,189
-- Stock options exercised	42	4	--	--	85	--	--	89
Tax benefit from stock options exercised	--	--	--	--	32	--	--	32
Comprehensive income: Net income for the year	--	--	--	--	--	3,344	--	3,344
Foreign currency translation adjustments	--	--	--	--	--	--	478	478
Total comprehensive income								3,822
Other	16	2	--	--	43	--	--	45
BALANCE AT DECEMBER 31, 1999	34,961	3,496	100 --	--	138,071	--	(83,390)	58,177

-- Stock options exercised 875 88 -- -- 3,519 -- -- -- 3,607 Common Stock 1,667 167 133 -- 9,085 -- -- -- 9,252 Net income for the year -- -- -- -- -- -- 4,359 -- 4,359 Stock issued upon conversion of convertible subordinated notes 242 25 -- -- 1,641 - - -- -- 1,666 Stock issued under Employee Stock Purchase Plan 77 7 - - -- 303 -- -- -- 310 Other 11 -- -- - - 23 -- -- -- 23 --- --- --------- --- -- -- --------- ------- -- --------- ------- -- --------- BALANCE AT DECEMBER 30, 2000 37,833 3,783 233 -- 152,642 -- (79,031) -- 77,394 ------ --- ------ --- ---- ---- ----- --------- ---- ----- --------- ---- ----- Stock options exercised 475 48 -- -- 1,808 -- -- -- 1,856 Compensation expense related to modified stock options -- -- -- -- 1,756 -- -- -- 1,756 Tax benefit from stock options exercised -- -- -- - - 1,871 -- -- -- 1,871 Net income for the year -- -- -- -- -- -- 104,682 -- 104,682 Stock issued under Employee Stock Purchase Plan 130 13 -- -- 573 -- -- -- 586 Purchase of treasury stock at cost -- -- -- -- -- (977) -- -- (977) Other 7 1 -- -- 37 - - -- -- 38 ------ -- ------- --- ---- --- ------ --------- --- ------ --------- --- ------ BALANCE AT DECEMBER 29, 2001 38,445 $ 3,845 233 $ -- $ 158,687 $ (977) $ 25,651 $ -- $ 187,206 ====== ========= === ==== ========= ========= ========= ========= ========= See accompanying notes to consolidated financial statements

NABI BIOPHARMACEUTICALS - ---------- ---------- ---------- ---------- CONSOLIDATED STATEMENTS OF CASH FLOWS For the Twelve Months Ended ------- ---------- ---------- ----- December 29, December 30, December 31, (Dollars in Thousands) 2001 2000 1999 - ---------- --------- ---------- -- ---------- ---- -------- CASH FLOW FROM OPERATING ACTIVITIES: Net income $ 104,682 $ 4,359 $ 3,344 Adjustments to reconcile net income to net cash provided by operating activities: Depreciation and amortization 9,491 9,838 10,128 Provision for doubtful accounts 627 380 (136) Provision for slow moving or obsolete inventory 3,514 2,625 2,235 Non-cash compensation 1,153 - - -- Deferred income taxes 4,258 -- -- Gain on sale of assets (104,219) -- -- Other 117 132 116 Non-recurring item - - (3,875) (1,935) Extraordinary item - - (340) -- Changes in assets and liabilities: Decrease (increase) in trade accounts receivable 1,648 (4,676) 6,146 (Increase) decrease in inventories (3,318) 706 35 (Increase) decrease in prepaid expenses and other assets (2,519) 2,745 (1,297) Increase in other assets 27 (177) (43) Increase (decrease) in accounts payable and accrued liabilities 6,719 (1,906) 4,671 Increase in income taxes payable 1,871 -- -- --------- ---- ----- --------- Total adjustments (80,631) 5,452 19,920 --------- --- ------ --------- NET CASH PROVIDED BY OPERATING ACTIVITIES 24,051 9,811 23,264 --------- --------- --------- CASH FLOW FROM INVESTING ACTIVITIES: Proceeds from sale of assets, net of closing costs 152,182 -- 2,518 Capital expenditures (13,052) (18,983) (21,036)

Expenditures for other assets (3,387) (1,809) -- --------- --------- --------- NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES 135,743 (20,792) (18,518) -- ------- --------- -- ------- CASH FLOW FROM FINANCING ACTIVITIES: Repayments under line of credit, net (26,702) (759) (5,002) Repayments of term debt (4,333) (667) -- Other debt repayments -- (37) (43) Purchase of treasury stock (977) -- -- Proceeds from exercise of employee stock options 1,846 3,940 89 Issuance of common stock, net -- 9,252 -- --------- - -------- --------- NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES (30,156) 11,729 (4,956) --------- -- ------- --------- NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS $ 129,638 $ 748 $ (210) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD 1,554 806 1,016 ---- ----- --------- ---- ----- CASH AND CASH EQUIVALENTS AT END OF PERIOD $ 131,192 $ 1,554 $ 806 ========= ========= ========= SUPPLEMENTAL CASH FLOW INFORMATION: INTEREST PAID, NET OF CAPITALIZED INTEREST $ 2,042 $ 2,966 $ 3,576 ========= ========= ========= INCOME TAXES PAID (REFUNDED) $ 4,386 $ (38) $ (103) ========= ========= ========= NON-CASH EXTINGUISHMENT OF CONVERTIBLE SUBORDINATED DEBENTURES IN EXCHANGE FOR COMMON STOCK $ -- $ 2,000 $ -- ========= ========= ========= See accompanying notes to consolidated financial statements

NABI BIOPHARMACEUTICALS -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 BUSINESS AND ORGANIZATION

Nabi Biopharmaceuticals (formerly known as "Nabi") is a vertically integrated biopharmaceutical company committed to unlocking the power of the human immune system to help people with serious, unmet medical needs. We have a broad product portfolio and significant research capabilities focused on the development and commercialization of drugs that prevent and treat infectious, autoimmune and addictive diseases. We have four marketed biopharmaceutical products, Nabi-HB(TM) [Hepatitis B Immune Globulin (Human)] for the prevention of hepatitis B infections, WinRho SDF(R) [Rho (D) Immune Globulin Intravenous (Human)] for the treatment of acute, chronic and HIV-related immune thrombocytopenia purpura, Autoplex(R) T [Anti-Inhibitor Coagulant Complex, Heat Treated] and Aloprim(TM) [(Allopurinol sodium) for injection], and a vigorous clinical trials program. We have a state of the art fractionation plant for our own manufacturing of biopharmaceutical products and for contract manufacturing. Further, we also collect specialty and non-specific antibodies for use in our products as well as to supply pharmaceutical and diagnostic customers for the subsequent production of their products.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of Nabi

Biopharmaceuticals and its wholly owned 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 sales and expenses during the reporting period. Actual results could differ from those estimates. BASIS OF PRESENTATION: Certain items in the 2000 and 1999 consolidated financial statements have been reclassified to conform to the current year's presentation. REVENUE RECOGNITION: Revenue from product sales is recognized when products are shipped and 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. Funding from third party grants are applied directly to related expenses. ADVERTISING EXPENSES: We account for advertising costs under guidance set forth in Statement of Position 93-7, "Reporting on

Advertising Costs" with advertising costs expensed as incurred. Advertising expenses for the years ended December 29, 2001, December 30, 2000 and December 31, 1999 amounted to $3.4 million, $5.0 million and $3.4 million, respectively.

EARNINGS PER SHARE: Basic earnings per share are computed by dividing consolidated net earnings by the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed by dividing consolidated net earnings by the weighted average number of common shares outstanding, and the impact of all potential dilutive common shares, primarily stock options and 43

convertible subordinated notes. The dilutive impact of stock options is determined by applying the treasury stock method and the dilutive impact of the convertible subordinated notes is determined by applying the "if converted" method. FINANCIAL INSTRUMENTS: The carrying amounts of financial instruments including cash equivalents, short-term investments, accounts receivable, accounts payable and short-term debt approximated fair value as of December 29, 2001 and December 30, 2000, because of the relatively short maturity of these instruments. Information regarding long-term debt is included in Note 8. Cash equivalents consist of money market funds and auction rate securities with maturities of three months or less placed with major financial institutions. We sell a significant portion of our products through third-party resellers and major pharmaceutical companies and, as a result, maintain individually significant receivable balances with major customers. If the financial condition or operations of these customers were to deteriorate, our results could be adversely affected. Credit terms to these customers generally range from 30 to 60 days. We evaluate and monitor the credit worthiness of each customer on a case-by-case basis. Allowances are maintained for potential credit losses. 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 generally recognized

on the straight-line method over the estimated useful lives of the assets. Depreciation for certain specialized production equipment in our Boca Raton, Florida biopharmaceutical manufacturing facility is calculated over their remaining useful lives using the units-of-production method. We evaluate the remaining lives and recoverability of this equipment periodically based on the appropriate facts and circumstances. Depreciable lives of property and equipment are as follows: Asset Life - ----- ---- Buildings 35 - 39 Years Building systems 20 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. INTANGIBLE ASSETS: Intangible assets represent the fair values of certain assets acquired in product acquisitions including trademarks and trademark registrations and the cost of the right to use manufacturing capacity at our contract manufacturer in future periods. These costs are amortized ratably from the date placed into service over periods ranging from 3 to 25 years and are evaluated at least annually. IMPAIRMENT OF LONG-LIVED ASSETS: Pursuant to the provisions of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," we review long-lived

assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable or at least annually. 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: We account for our stock-based compensation plans using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES," and related interpretations. Note 9 contains a summary of the pro forma effects to reported net income and earnings per share for 2001, 2000 and 1999 as if we 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." NEW ACCOUNTING PRONOUNCEMENTS: In July 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, "Business Combinations," (SFAS No. 141) and No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142). SFAS No. 141 eliminated the pooling of interest method of accounting for business combinations initiated after June 30, 2001. Under SFAS No. 142, goodwill and indefinite lived intangible assets are no longer amortized but are reviewed annually (or more frequently if impairment indicators arise) for impairment. The amortization provisions of SFAS No. 142 apply to goodwill and

intangible assets acquired after June 30, 2001. With respect to goodwill and intangibles acquired prior to July 1, 2001, companies are required to adopt SFAS No. 142 in their fiscal year beginning after December 15, 2001. In conjunction with the sale of the majority of our antibody business, disclosed in Note 10, we disposed of all of goodwill reflected on our balance sheet. NOTE 3 TRADE ACCOUNTS RECEIVABLE Trade accounts receivable are comprised of the following: December 29, December 30, Dollars in Thousands 2001 2000 ---------- ---------- --- ------------ Trade accounts receivable $ 37,001 $ 38,732 Allowance for doubtful accounts (962) (417) -------- -------- TOTAL $ 36,039 $ 38,315 ======== ======== NOTE 4 INVENTORES The components of inventories are as follows: December 29, December 30, Dollars in Thousands 2001 2000 ---------- ---------- --- ------------ Finished goods $ 13,919 $ 28,852 Work in process 3,265 1,055 Raw materials 954 2,695 -------- - ------- TOTAL $ 18,138 $ 32,602 ======== ======== 45

NOTE 5 PROPERTY, PLANT AND EQUIPMENT Property, plant and equipment and related allowances for depreciation and amortization are summarized below: December 29, December 30, Dollars in Thousands 2001 2000 ---------- ---------- Information systems $ 21,968 $ 32,392 Leasehold improvements 6,625 17,155 Machinery and equipment 47,425 9,845 Land and buildings 47,572 8,628 Building systems 5,639 -- Furniture and fixtures 3,078 4,360 Construction in progress 480 83,249 --------- --------- Total property, plant and equipment 132,787 155,629 Less accumulated depreciation and amortization (24,921) (35,441) -- ------- --------- TOTAL $ 107,866 $ 120,188 ========= ========= We received U.S. Food and Drug Administration ("FDA") licensure to manufacture Nabi-HB at our biopharmaceutical manufacturing facility in Boca Raton, Florida in October 2001. Capitalization of interest and other costs ceased at that time and the facility was placed into service. Total costs of construction the Boca Raton facility, including the building, building systems, plant equipment and information systems were approximately $90.3 million. Validation costs and capitalized interest related directly to preparing the facility for its intended use totaled $63.5 million. Interest capitalized in association with the manufacturing facility and systems development projects amounted to $5.2 million, $5.8 million and $4.7 million during 2001, 2000 and 1999, respectively. Depreciation and amortization expense during 2001, 2000 and 1999 includes depreciation and amortization of

property, plant and equipment of $7.8 million for all three years. 46

NOTE 6 OTHER ASSETS
Other assets consist of the following:

December 29, December 30, Dollars in Thousands	2001	2000
Goodwill	$ --	$ 18,452
Less accumulated amortization	--	(5,943)
TOTAL	$ --	$ 12,509
Intangible assets	$ 4,853	$ 11,526
Manufacturing right	4,721	1,484
Less accumulated amortization	(2,715)	(5,919)
TOTAL	$ 6,859	$ 7,091
Other, primarily deferred tax assets and deferred loan costs	$ 6,667	$ 10,263
Less accumulated amortization	(4,146)	(3,440)
TOTAL	$ 2,521	$ 6,823

NOTE 7 ACCRUED EXPENSES
Accrued expenses consist of the following:

December 29, December 30, Dollars in Thousands	2001	2000
Accrued royalties and product costs	$ 8,558	$ 9,892
Employee compensation and benefits	6,829	7,346
Accrued contract settlement	3,191	--
Accrued interest	2,165	2,448
Accrued taxes	1,287	805
Accrued research and development	406	--
Other	1,323	868
TOTAL	$23,759	$21,359

NOTE 8 NOTES PAYABLE

Notes payable consist of the following: December 29, December 30, Dollars in Thousands 2001 2000 ---------- ---------- --------- --- ------------ Bank indebtedness: Revolving credit facility $ -- $ 26,702 Term loan -- 4,333 --------- ---- ----- Total bank indebtedness -- 31,035 6.5% Convertible Subordinated Notes 78,500 78,500 Other -- -- --------- ---- ----- Total notes payable 78,500 109,535 Current maturities -- (1,000) --------- -- ------- Notes payable, long-term $ 78,500 $ 108,535 ========= =========

At December 29, 2001, the annual maturity of debt is $78.5 million in 2003. There is no short-term indebtedness outstanding at December 29, 2001. Short-term indebtedness at December 30, 2000 had a weighted-average interest rate of approximately 6.55%.

At December 29, 2001, our credit agreement provided for a revolving credit facility of up to $45.0 million subject to certain borrowing base restrictions, and a $5.0 million term loan. The credit agreement matures in September 2002. There were no borrowings under the revolving credit and term loan agreement at December 29, 2001 as compared to $31.0 million at December 30, 2000, and availability was approximately $25.6 million at December 29, 2001. 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 29, 2001, we had outstanding

letters of credit for approximately $0.5 million that reduce our availability under the revolving credit facility. During 1996, we issued $80.5 million 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 our 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. During June 2000, we exchanged an aggregate of 241,795 shares of our common stock for $2.0 million of the Notes, resulting in an extraordinary gain of $0.3 million, net of tax, which is included in the results for the year ended December 30, 2000. At December 29, 2001, the fair value of our Notes was approximately $76.2 million as compared to $54.5 million at December 30, 2000. The fair value was estimated using an independently quoted market price. NOTE 9 STOCKHOLDERS' EQUITY SALE OF COMMON STOCK In July 2000, we completed a private placement of 1,666,667 shares of common stock to a group of institutional investors and realized net proceeds of approximately $9.3 million. Proceeds from the private

placement were used to reduce borrowings and increase availability under our existing bank line of credit. The shares of common stock and a warrant to the placement agent were issued in transactions exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(2) thereof and Regulation D. All of the purchasers represented that they were acquiring the securities for investment purposes and were furnished with all requisite information. The offering did not involve any general advertising or solicitation. WARRANTS In July 2000, we issued a warrant to purchase 133,333 shares of common stock to the placement agent in connection with the private placement of $9.3 million, net of issuance costs. The warrant has an exercise price of $7.50 and expires in July 2005. The estimated fair value of the warrant at the date of grant was $0.9 million. This fair value was calculated using the Black-Scholes model with the following assumptions: expected term of five years, expected volatility of 104% and expected risk-free interest rate of 6%. TREASURY STOCK In September 2001, our Board of Directors approved the repurchase of up to $5.0 million of our common stock in the open market or in privately negotiated transactions. Repurchases will allow us to have treasury stock available to support our stock option and employee stock purchase programs. During 2001, we acquired 174,400 shares of Nabi Biopharmaceuticals stock for approximately $1.0 million under this program and have accounted for the acquired stock as treasury stock. STOCK OPTIONS We maintain four stock option plans for our

employees. Under these plans, we have granted options to certain employees entitling them to purchase shares of common stock within ten years. The options vest over periods ranging from zero 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. Related to the sale of the operating assets of a majority of our antibody collection business and our testing laboratory in September 2001, the Board of Directors approved the extension of the exercise period after termination of employment from 90 days to four years for vested options held by employees whose positions were terminated by us in the transaction. As a result of this modification, we recognized a compensation expense against the gain on the sale of $1.2 million reflecting the difference between the fair market value on the date of modification and the exercise price of the vested options. We also maintain a Stock Option Plan for Non-Employee Directors, under which we have granted options to certain directors entitling them to purchase shares of common stock within five years, vesting six months after the date of grant at an exercise price equal to the fair market value of the underlying common stock at the date of grant. At December 29, 2001, there were options outstanding under all of our stock plans to acquire 7.4 million shares of our common stock of which 4.1 million are exercisable. Additionally, 1.5 million shares of common stock are reserved for future grants under the plans. 49

Stock options granted and outstanding under these plans as of December 29, 2001 are presented below:

Exercise Price Weighted Average Options Per Share Exercise Price			
---	(In Thousands)		
BALANCE AT DECEMBER 31, 1998	4,991	$ .19 - $ 13.75	7.05
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	5.77
Granted	2,303	3.25 - 11.00	6.91
Exercised or canceled	(1,499)	.19 - 13.75	5.59
BALANCE AT DECEMBER 30, 2000	7,040	$ .19 - $ 13.75	6.18
Granted	1,952	4.50 - 9.99	5.06
Exercised or canceled	(1,600)	.19 - 13.75	5.68
BALANCE AT DECEMBER 29, 2001	7,392	$ .19 - 13.75	5.99

Outstanding				Exercisable	
Options Average Average Options (In Years Exercise (In Exercise Exercise Price Range	Thousands) Remaining	Price	Thousands)	Price	
$ .19 - $ 4.25	2,321	6.1	3.02	1,565	3.05
$ 4.44 - $ 7.97	4,007	7.6	6.12	1,537	6.65
$ 8.00 - $ 11.125	616	5.2	10.76	568	10.90
$ 12.97 - $ 13.75	448	4.0	13.73	449	13.73
TOTAL	7,392			4,119	

The following information reflects our pro forma income and loss information as if compensation expense associated with our 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.

Dollars in Thousands, Except Per Share Data	2001	2000	1999

- -------- --------
Net income (loss) $98,552 $ (675) $(1,744) Basic earnings (loss) per share $ 2.59 $ (0.02) $ (0.05) Diluted earnings (loss) per share $ 2.22 $ (0.02) $ (0.05) 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%; 50

and expected risk-free interest rates of 4-7%. The weighted-average estimated fair value of options granted during 2001, 2000, and 1999 was $3.58, $4.95 and $1.90, respectively. EMPLOYEE STOCK PURCHASE PLAN In May 2000, the stockholders approved the 2000 Employee Stock Purchase Plan ("ESPP"). The terms of the ESPP allow for qualified employees (as defined) to participate in the purchase of up to 500,000 shares of our common stock at a price equal to 85% of the lower of the closing price at the beginning or end of each semi-annual stock purchase period. We issued 130,001 and 76,973 shares of common stock during 2001 and 2000, respectively, pursuant to this plan at an average price per common share of $4.51 and $4.04. SHAREHOLDERS RIGHTS PLAN Effective July 1997, our 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 in August 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 our 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. We are entitled to redeem the Rights in whole for $0.01 per Right under certain circumstances. SHARES OF COMMON STOCK As of December 29, 2001, 9,322,981 shares of common stock in the aggregate were reserved for issuance related to stock options, warrants and employee benefit plans and 5,607,143 shares were reserved for issuance related to convertible debt. NOTE 10 SALE OF ASSETS On September 6, 2001, we sold the operating assets of a majority of our antibody collection business and our testing laboratory for $153.0 million in cash. The assets sold were certain real estate, leasehold interests, fixtures, furniture, tools, machinery and equipment, other fixed assets, antibody inventories and related supplies, contracts, agreements, arrangements and/or commitments, licenses and permits, business and financial records, intellectual property and goodwill related to the operation of the 47 antibody collection centers and our testing laboratory included in the transaction. The following is a summary of the components of the gain on the sale of assets: Dollars in Thousands ---------- ---------- Gross proceeds from sale $ 152,997 Net investment in transferred operations: Fixed assets (17,423) Goodwill/intangibles (15,024) Inventory (13,291) Other working capital adjustments 2,709 Transaction costs (5,749) --------- Gain on sale of

assets before tax $
104,219 ========= 51

Transaction costs include $2.4 million of cash closing costs. We were advised in the transaction by an investment bank, the president of which is a member of our Board of Directors. The investment bank's services were utilized due to its specific experience in our industry. We believe the professional fees paid of $1.5 million were commensurate with market rates for such services in this type of transaction. NOTE 11 NON-RECURRING CHARGES During 1998, we recorded a non-recurring charge that included $13.2 million related to a strategic plan to sell or close certain antibody collection centers and actions to reduce pre-clinical product development activities at our Rockville, Maryland facility. During 1999, we reduced staff levels at our Rockville facility, closed or sold seven U.S. antibody collection centers out of the eight centers specified in the original plan, and transferred our four German antibody collection centers and related operations to a third party. Based on the positive results from the StaphVAX Phase III trial announced in September 2000 and the approval of a plan in 2000 to increase the level of research and development activities in the future at our Rockville, Maryland facility, we reversed $3.0 million of the remaining non-recurring charge accrual into income. This was reported as a non-recurring credit in our income statement. The balance of the restructuring accrual, after reversal of the $3.0 million previously described, was comprised of anticipated shut-down and severance costs related to the closure of an antibody collection center scheduled for closure in the

original plan. However, the center continued in operation and was later sold in the transaction described above in Note 10. In the third quarter of 2000, we determined that operations would continue at this center for the foreseeable future. Based on this change to the original operating plan, the remaining accrual of $0.9 million was reversed into income during the third quarter of 2000 and reported as a non-recurring credit. This antibody collection center was included in the centers sold as part of the sale of the majority of the antibody collection business in September 2001. Refer to Note 10. A summary of our restructuring activity for the years ended December 30, 2000 and December 31, 1999 is presented below:

Dollars in Thousands	
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 down of fixed and intangible assets	(5,018)
Non-cash write down related to German operations transfer	(754)
BALANCE AT DECEMBER 31, 1999	4,083
Activity during 2000: Termination benefit payments	(208)
Non-recurring credit	(3,875)
BALANCE AT DECEMBER 30, 2000	$ --

NOTE 12 INCOME TAXES

Income before income taxes was taxed under the following jurisdictions: For the Years Ended ----------

December 29, December 30, December 31, Dollars in Thousands 2001 2000 1999
Domestic $116,059 $ 4,106 $ 933 Foreign -- -- 2,454
TOTAL $116,059 $ 4,106 $ 3,387

The provision for income taxes consists of the following: For the Years Ended --------

--- December 29, December 30, December 31, Dollars in Thousands 2001 2000 1999
Current: Federal $ (4,119) $ -- $ -- State (3,000) (43) (47)
---- SUBTOTAL $ (7,119) $ (43) $ (47)
Deferred: Federal $ (4,169) $ -- $ -- State (89) -- --
-------- SUBTOTAL $ (4,258) $ -- $ --
------ TOTAL $(11,377) $ (43) $ (47)

Deferred tax assets (liabilities) are comprised of the following: December 29, December 30, Dollars in Thousands 2001 2000 ---------- ---------- --------- --- ------------ DEFERRED TAX ASSETS: Net operating loss carryforwards $ 1,040 $ 22,990 Capitalized research and development 3,473 4,859 Research tax credit 4,296 4,329 Inventory reserve and capitalization 2,174 1,575 Amortization 2,178 2,511 Bad debt reserve 350 155 Depreciation 709 1,041 Alternative minimum tax credit 3,148 900 Deferred income 1,119 39 Other 1,556 2,548 -- ------ -------- 20,043 40,947 Valuation allowance -- (34,307) -------- -------- Deferred tax assets 20,043 6,640 DEFERRED TAX LIABILITIES: Depreciation (17,141) (922) Other (1,442) -- -------- -------- Deferred tax liabilities (18,583) (922) ----- --- -------- Net deferred tax assets $ 1,460 $ 5,718 ======== ========

During the year ended December 29, 2001, we recognized tax benefits related to the exercise of employee stock options in the amount of $1.9 million. This benefit was recorded to capital in excess of par value. In November 1995, Univax, a publicly traded biopharmaceutical company, was merged with and into Nabi Biopharmaceuticals. The merger qualified 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 our future taxable income, subject to certain annual and change of control limitations. The Univax pre-merger deferred tax assets primarily include net operating loss carryforwards, capitalized research and development expense and research tax credit

carryforwards. We have research tax credit carryforwards of $4.3 million that expire in varying amounts through 2020. We have alternate minimum tax credit carryforwards of $3.1 million that are available to offset future regular tax liabilities, and do not expire. We also have net operating loss carryforwards of approximately $2.9 million that expire at various dates beginning in 2010. The ultimate realization of the remaining deferred tax assets is largely dependent on our ability to generate sufficient future taxable income. The change in the valuation allowance during 2001 and 2000 was $34.3 million and $0.6 million, respectively. 54

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 29, 2001	December 30, 2000	December 31, 1999
Federal statutory rate	35.0%	35.0%
State income taxes, net of federal benefit	2.8	1.4
Goodwill and other amortization	2.6	7.1
Transfer of German operations	--	--
Merger transaction cost	--	(1.1)
Decrease in valuation allowance	(30.2)	(14.1)
Tax credits	(0.4)	(25.2)
Other	--	(1.0)
Total	9.8%	2.1%

NOTE 13 EARNINGS PER SHARE The following is a reconciliation between basic and diluted earnings per share for income before extraordinary item for the years ended December 29, 2001, December 30, 2000 and December 31, 1999: Effect of Dilutive Securities: --------

Amounts in Thousands, Except Per Share Data	Basic EPS	dilutive Securities	Convertible notes	Diluted EPS
2001				
Income before extraordinary item	$104,682	--	1,176	$105,858
Shares	37,980	1,285	5,607	44,872
Per-share amount	$ 2.76	--	0.21	$ 2.36
2000				
Income before extraordinary item	$ 4,019	--	--	$ 4,019
Shares	36,604	1,135	--	37,739
Per-share amount	$ 0.11	--	--	$ 0.11
1999				
Income before extraordinary item	$ 3,344	--	--	$ 3,344
Shares	34,934	907	--	35,841
Per-share amount	$ 0.10	--	--	$ 0.09

NOTE 14 EMPLOYEE BENEFIT PLANS We have 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. Effective December 31, 2001, our two defined contribution plans were merged into a single contribution plan and the discretionary company match was increased up to 4% of the participant's earnings commencing in 2002. Our matching contributions to the plans were approximately $0.4 million in 2001 and $0.5 million in each of the years 2000 and 1999. NOTE 15 LEASES We conduct certain of our operations under operating lease agreements. The majority of the related lease agreements contain renewal options which enable us to renew the leases for periods of two to ten years at the then fair rental value at the end of the initial lease term. Rent expense was approximately $6.6 million, $7.2 million and $6.1 million for the years ended December 29, 2001, December 30, 2000 and December 31, 1999, respectively. As of December 29, 2001, 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 Dollars in Thousands - ----------- ------ -------------- 2002 $ 2,391 2003 2,108 2004 1,070 2005 689 2006 430 Thereafter 497 -------- Total minimum lease commitments $ 7,185 ======== NOTE 16 RELATED PARTY TRANSACTIONS At December 29, 2001, notes receivable from corporate officers aggregated

$162,000, which bear interest at the applicable federal rates and mature on December 31, 2002. Notes receivable from corporate officers are expected to be paid in full by the end of February 2002. At December 30, 2000, notes receivable from corporate officers aggregated $337,000 at an interest rate equal to prime. Repayment is expected in the first quarter of 2002. In 2001, we engaged an investment bank, the president of which is a member of our Board of Directors, to provide certain services to us in connection with our review and implementation of a corporate expansion strategy. This engagement, which may be terminated by either party upon thirty days' notice, provides for a quarterly retainer of $150,000 and additional fees under certain circumstances. During 2001, we paid this investment bank the sum of $100,000 under this engagement. We believe the terms of the engagement are no less favorable to us than would have been obtained from an unrelated party.

This investment bank also advised us and received a fee in connection with the sale of the majority of the antibody business. Refer to Note 10. NOTE 17 STRATEGIC ALLIANCES, LICENSES AND ROYALTY AGREEMENTS Effective April 1999, we entered into a manufacturing agreement with Cangene for the manufacture of Nabi-HB that superseded an agreement entered into in 1997. The manufacturing agreement requires us to purchase a specified minimum amount which we met before the end of 2001. In addition, Cangene has exclusive marketing rights for Nabi-HB in Canada provided it meets specified sales goals. We will share in the profits from sales of Nabi-HB in Canada. The agreements terminate in March 2002. 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. In 1997, we 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 we receive approval from the FDA to manufacture Autoplex T. At the discretion of the FTC, the period Baxter manufactures Autoplex T can be extended for up to four twelve-month intervals. The FTC approved the second twelve-month extension beginning in May 2001. The FTC could require us to return our rights to Autoplex T to Baxter if we do not obtain FDA approval to manufacture the

product by May 2002 or by a later date agreed to by the FTC. We anticipate that the period Baxter manufactures Autoplex T under the terms of the consent order from the FTC will be extended for the twelve-month period through May 2003. If the rights revert to Baxter and Baxter later sells these rights, Nabi Biopharmaceuticals 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 us. Upon FDA licensure to manufacture the product, we are obligated to pay $1.0 million to Baxter, subject to recovery of fifty percent (50%) of expenditures incurred to license the product in excess of $6.0 million. Baxter is also a principal supplier of antibody collection supplies to Nabi Biopharmaceuticals. In 1999, we entered into a five-year agreement with DSM Catalytica Pharmaceuticals (formerly Catalytica Pharmaceuticals) ("Catalytica") for exclusive distribution rights in the U.S. and Canada for Aloprim. Under this agreement, we sell and Catalytica manufactures the product and both companies share in profits from the sale of the product. In addition to the U.S. and Canada, we can purchase Aloprim in territories where the license holder prior to Catalytica, GlaxoSmithKline ("GSK") has not commercialized the product within five years from the effective date of the agreement. NOTE 18 COMMITMENTS AND CONTINGENCIES We are a party to litigation in the ordinary course of business. We do not believe that any such litigation will have a material adverse effect on our business, financial position or results of operations. In May

2000, we completed an agreement with Dow for the contract production and commercial supply of StaphVAX(R) (STAPHYLOCOCCUS AUREUS Polysaccharide Conjugate Vaccine). Under terms of the contract production agreement, as of December 29, 2001, the aggregate future commitments are approximately $3.0 million payable in 2002. 57

NOTE 19 INDUSTRY SEGMENT INFORMATION

We manage our operations in two reportable segments, the biopharmaceutical products and antibody products segments. The biopharmaceutical products segment consists of the production and sale of proprietary biopharmaceutical products and research and development efforts for the biopharmaceutical product line. The antibody products segment consists of the collection and sale of non-specific and specialty antibody products to other biopharmaceutical manufacturers, the production and sale of antibody-based control and diagnostic products and laboratory testing services. The accounting policies for each of the segments are the same as those described in the summary of significant accounting policies. There are no inter-segment sales. We evaluate the performance of each segment based on operating profit or loss. Interest expense and income taxes are not allocated. 58

Information regarding our operations and assets for the two industry segments is as follows: For the Years Ended --------

December 29, December 30, December 31, Dollars in Thousands 2001 2000 1999 - --------

SALES:

Biopharmaceutical products $ 73,439 $ 72,985 $ 71,112

Antibody products 161,390 155,798 162,491 --------- $ 234,829 $ 228,783 $ 233,603

OPERATING INCOME:

Biopharmaceutical products $ 11,663 $ 17,614 $ 5,434

Antibody products 105,348 (10,158) 2,302 $ 117,011 $ 7,456 $ 7,736

DEPRECIATION AND AMORTIZATION EXPENSE:

Biopharmaceutical products $ 2,282 $ 1,926 $ 2,159

Antibody products 6,477 7,166 7,281 $ 8,759 $ 9,092 $ 9,440

NON-RECURRING ITEM:

Biopharmaceutical products $ -- $ (3,012) $ --

Antibody products (863) (1,935) -- $ -- $ (3,875) $ (1,935)

CAPITAL EXPENDITURES:

Biopharmaceutical products $ 11,269 $ 16,351 $ 15,866

Antibody products 1,783 2,609 5,170 $ 13,052 $ 18,960 $ 21,036

ASSETS:

Biopharmaceutical products $ 169,974 $ 118,808

Antibody products 132,539 98,357 $ 302,513 $ 217,165

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

Dollars in Thousands	For the Years Ended December 29, 2001	December 30, 2000	December 31, 1999
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEM:			
Reportable segment operating income	$ 117,011	$ 7,456	$ 7,736
Unallocated interest expense	(2,128)	(3,581)	(4,313)
Unallocated other income and expense, net	1,176	231	(36)
Consolidated income before income taxes and extraordinary item	$ 116,059	$ 4,106	$ 3,387
DEPRECIATION AND AMORTIZATION EXPENSE:			
Reportable segment depreciation and amortization expense	$ 8,759	$ 9,092	$ 9,440
Unallocated (corporate) depreciation and amortization expense	732	746	688
Consolidated depreciation and amortization expense	$ 9,491	$ 9,838	$ 10,128
CAPITAL EXPENDITURES:			
Reportable segment capital expenditures	$ 13,052	$ 18,960	$ 21,036
Unallocated (corporate) capital expenditures	--	23	--
Consolidated capital expenditures	$ 13,052	$ 18,983	$ 21,036
ASSETS:			
Reportable segment assets	$ 302,513	$ 217,165	
Unallocated (corporate) assets	7,796	7,322	
Consolidated assets	$ 310,309	$ 224,487	

Information regarding sales by geographic area for the years ended December 29, 2001, December 30, 2000 and December 31, 1999 and information regarding long-lived assets for the years ended December 29, 2001 and December 30, 2000 is as follows:

Dollars in Thousands	For the Years Ended December 29, 2001	December 30, 2000	December 31, 1999
SALES:			
Domestic	$190,830	$183,995	$177,463
Foreign	43,999	44,788	56,140
TOTAL	$234,829	$228,783	$233,603
LONG-LIVED ASSETS:			
Domestic	$117,246	$146,612	
Foreign	--	--	
TOTAL	$117,246	$146,612	

Foreign sales are determined based upon customer location. The majority of our sales are generated from the U.S. Our principal foreign markets are the United Kingdom, Korea and Germany.

Sales for the year ended December 29, 2001 included two customers of our antibody products segment and one customer of our biopharmaceutical product segment representing 24%, 19% and 10%, respectively. Sales for the year ended December 30, 2000 included two customers of our antibody products segment and one customer of our biopharmaceutical product segment representing 22%, 18%, and 11%, respectively. Sales for the year ended December 31, 1999 included two customers of our antibody products segment each representing 21%.

NOTE 20 SELECTED QUARTERLY FINANCIAL DATA

Dollar in Tousands Except Per Share Data	Sales	Gross Profit Margin After Royalty Expense	Net Income (Loss)	Basic Earnings (Loss) Per Share	Diluted Earnings (Loss) Per Share
2001					
1st Quarter	$ 60,178	$ 13,637	$ 685	$ 0.02	$ 0.02
2nd Quarter	65,288	17,411	1,515	0.04	0.04
3rd Quarter	54,603	16,678	101,036	2.66	2.25
4th Quarter	54,760	22,397	1,446	0.04	0.04
YEAR 2001	$ 234,829	$ 70,123	$ 104,682	$ 2.76	$ 2.36
2000					
1st Quarter	$ 55,840	$ 14,457	$ 677	$ 0.02	$ 0.02
2nd Quarter	57,581	14,884	1,287	0.04	0.04
3rd Quarter	49,736	9,462	(501)	(0.01)	(0.01)
4th Quarter	65,626	18,039	2,896	0.08	0.08
YEAR 2000	$ 228,783	$ 56,842	$ 4,359	$ 0.12	$ 0.12

Earnings per share were calculated for each three-month and twelve-month period on a stand-alone basis. The sum of the earnings per share for four quarters may not equal the earnings per share for the twelve months.

The results for the third quarter of 2001 include the gain on the sale of the majority of the antibody business assets.

The results for the fourth quarter of 2001 include the benefit of the settlement of an arbitration proceeding with Baxter Healthcare Corporation, and the impact of changes in the estimated carrying values of deferred tax asset and liability balances at December 29, 2001 and of stock option exercises during the fourth quarter of 2001.

NOTE 21 SUBSEQUENT EVENTS

Effective March 5, 2002, Nabi changed its name to Nabi Biopharmaceuticals. Nabi Biopharmaceuticals will continue to be listed on the Nasdaq National Market under the trading symbol NABI.

On March 15, 2002, by notification to the holders of our 6.5% Convertible Subordinated Notes, we called for full redemption of the Notes in the total amount of $78.5 million on April 8, 2002. The Notes will be redeemed at 100% of the principal balance paid in cash.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information called for by this Item and not already provided in Item 4A will be contained in our Proxy Statement, which we intend to file within 120 days following our fiscal year end, December 29, 2001, and such information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information called for by this Item will be contained in our Proxy Statement, which we intend to file within 120 days following our fiscal year end, December 29, 2001, 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 our Proxy Statement, which we intend to file within 120 days following our fiscal year end, December 29, 2001, 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 our Proxy Statement, which we intend to file within 120 days following our fiscal year end, December 29, 2001, and such information is incorporated herein by reference.

PART IV

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

(A) (1) FINANCIAL STATEMENTS

The following consolidated financial statements are filed as part of this report:

(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

We did not file any reports on Form 8-K during the fourth quarter of the fiscal year ended December 29, 2001.

(c) EXHIBITS

3.1	Restated Certificate of Incorporation of Nabi (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1995)
3.2	By-Laws (incorporated by reference to Nabi's Registration Statement on Form S-4; Commission File No. 33-63497)
4.1	Specimen Stock Certificate (incorporated by reference to Nabi's Registration Statement on Form S-2; Commission File No. 33-83096)
4.2	Indenture between Nabi and State Street Bank and Trust Company, dated as of February 1, 1996 (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1995)

4.3	Registration Rights Agreement by and between Nabi and Robertson, Stephens & Company LLC and Raymond James & Associates, Inc., dated as of February 1, 1996 (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1995)
10.1	Shareholder Agreement effective as of September 30, 1992 between Nabi and Abbott Laboratories (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1992)
10.2	Plasma Supply Agreement dated January 1, 1994 between Baxter Healthcare Corporation and Nabi (confidential treatment) (incorporated by reference to Nabi's Registration Statement on Form S-2; Commission File No. 33-83096)
10.3	Lease Agreements dated December 11, 1990, as modified on May 23, 1994 between Nabi and Angelo Napolitano, Trustee, for certain real property located at 16500 N.W. 15th Avenue, Miami, Florida (incorporated by reference to Nabi's Registration Statement on Form S-2; Commission File No. 33-83096)
10.4	Lease Agreement dated March 31, 1994 between Nabi and Angelo Napolitano, Trustee, for certain real property located at 16500 N.W. 15th Avenue, Miami, Florida (incorporated by reference to Nabi's Registration Statement on Form S-2; Commission File No. 33- 83096)
10.5	Employment Agreement dated January 1, 1993 between Nabi and David J. Gury (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31,1992)
10.6	1990 Equity Incentive Plan (incorporated by reference to Nabi's Proxy Statement dated April 22, 1997)
10.7	Amended and Restated Incentive Stock Option Plan adopted in 1993 (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1992)
10.8	Stock Plan for Non-Employee Directors (incorporated by reference to Nabi's Proxy Statement dated April 26, 1995)
10.9	Employment Agreement dated January 1, 1997 between John C. Carlisle and Nabi (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1996)
10.11	$50 Million Loan and Security Agreement dated as of September 12, 1997 between Nabi, certain Financial Institutions and NationsBank, N.A. (incorporated by reference to Nabi's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997)
10.12	Rights Agreement dated as of August 1, 1997, as Amended between Nabi and Registrar and Transfer Company (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1997)
10.13	Amendment No. 1 and Waiver dated as of November 14, 1997 to Loan and Security Agreement dated as of September 12, 1997 (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1997)
10.14	Amendment No. 2 and Waiver dated as of March 30, 1998 to Loan and Security Agreement dated as of September 12, 1997 (incorporated by reference to Nabi's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998)
10.15	Addendum to Employment Agreement dated January 15, 1998 between David D. Muth and Nabi (incorporated by reference to Nabi's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998)
10.16	Employment Agreement dated June 1, 1998 between Thomas H. McLain and Nabi (incorporated by reference to Nabi's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998)

10.17 Employment Agreement dated August 1, 1998 between Dr. Robert B. Naso and Nabi (incorporated by reference to Nabi's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998)

10.18 Employment Agreement dated August 19, 1996 between David D. Muth and Nabi (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1998)

10.19 Change in Control: Executive Compensation Package Agreement dated September 28, 1998 between David J. Gury and Nabi (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1998)

10.20 Employment Agreement dated February 9, 1999 between Bruce K. Farley and Nabi (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1998)

10.21 Amendment No. 3 and Waiver dated as of March 1, 1999 to Loan and Security Agreement dated as of September 12, 1997 (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1998)

10.22 1998 Non-Qualified Employee Stock Option Plan (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1998)

10.23 Amended and Restated By-Laws of Nabi dated May 28, 1999 (incorporated by Reference to Nabi's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999)

10.24 Employment Agreement dated August 1, 1999 between David D. Muth and Nabi (incorporated by reference to Nabi's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999)

10.25 Amendment No. 4 dated as of February 1, 2000 to Loan and Security Agreement dated as of September 12, 1997 (incorporated by reference to Nabi's Annual Report on Form 10-K for the year ended December 31, 1999)

10.26 Change in Control: Executive Compensation Package Agreement dated March 10, 2000 between Dr. Robert B. Naso and Nabi

10.27 Change in Control: Executive Compensation Package Agreement dated March 10, 2000 between David D. Muth and Nabi

10.28 Change in Control: Executive Compensation Package Agreement dated March 10, 2000 between Bruce K. Farley and Nabi

10.29 Change in Control: Executive Compensation Package Agreement dated March 10, 2000 between Thomas H. McLain and Nabi

10.30 Nabi 2000 Equity Incentive Plan (incorporated by reference to Nabi's Registration Statement on Form S-8; Commission File No. 333-38864)

10.31 Nabi 2000 Employee Stock Purchase Plan (incorporated by reference to Nabi's Registration Statement on Form S-8; Commission File No. 333-38864)

10.32 Nabi-Rockville Savings & Retirement Plan (incorporated by reference to Nabi's Registration Statement on Form S-8; Commission File No. 333-38866)

10.33 Nabi Savings & Retirement Plan (incorporated by reference to Nabi's Registration Statement on Form S-8; Commission File No. 333-38868)

10.34	Amendment No. 5 dated as of October 25, 2000 to Loan and Security Agreement dated as of September 12, 1997
10.35	Change in Control Addendum dated December 11, 2000 between David J. Gury and Nabi
10.36	Change in Control Addendum dated December 11, 2000 between Dr. Robert B. Naso and Nabi
10.37	Change in Control Addendum dated December 11, 2000 between David D. Muth and Nabi
10.38	Change in Control Addendum dated December 11, 2000 between Bruce K. Farley and Nabi
10.39	Change in Control Addendum dated December 11, 2000 between Thomas H. McLain and Nabi
10.40	Amended and Restated By-Laws of Nabi date May 18, 2001 (incorporated by reference to Nabi's Quarterly Report Form 10-Q for the quarter ended June 30, 2001)
10.41*	Stonebridge Associates Agreement dated February 15, 2001
10.42*	Employment Agreement dated April 1, 2001 between Thomas H. McLain and Nabi
10.43*	Employment Agreement dated April 1, 2001 between Mark L. Smith and Nabi
10.44*	Employment Agreement dated August 1, 2001 between Dr. Robert B. Naso and Nabi
10.45*	Employment Agreement dated October 1, 2001 between C. Thomas Johns and Nabi
10.46*	Employment Agreement dated October 1, 2001 between Gary Siskowski and Nabi
10.47*	Amendment No. 6 dated as of October 10, 2001 to Loan and Security Agreement as of September 12, 1997
10.48*	Stonebridge Associates Agreement dated October 26, 2001
21*	Subsidiaries of the Registrant
23.1*	Consent of Ernst & Young LLP, Independent Certified Public Accountants

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* Filed herewith

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 25th day of March 2002.

NABI BIOPHARMACEUTICALS

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 25, 2002
/s/ Thomas H. Mclain Thomas H. McLain	Executive Vice President, Chief Operating Officer	March 25, 2002
/s/ Mark L. Smith Mark L. Smith	Senior Vice President, Finance, Chief Financial Officer, Chief Accounting Officer and Treasurer	March 25, 2002
/s/ David L. Castaldi David L. Castaldi	Director	March 25, 2002
/s/ Geoffrey F. Cox Dr. Geoffrey F. Cox	Director	March 25, 2002
/s/ George W. Ebright George W. Ebright	Director	March 25, 2002
/s/ Richard A. Harvey, Jr. Richard A. Harvey, Jr.	Director	March 25, 2002
/s/ Linda Jenckes Linda Jenckes	Director	March 25, 2002
/s/ Stephen G. Sudovar Stephen G. Sudovar	Director	March 25, 2002

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
YEAR ENDED DECEMBER 29, 2001:					
Allowance for doubtful accounts	$ 417	$ 627	$ (58)	$ 24	$ 962
Deferred tax asset valuation allowance	34,307	--	(34,307)	--	--
Inventory valuation allowance	2,959	3,514	273	2,594	4,152
YEAR ENDED DECEMBER 30, 2000:					
Allowance for doubtful accounts	$ 62	$ 380	$ --	$ 25	$ 417
Deferred tax asset valuation allowance	34,886	--	(579)	--	34,307
Inventory valuation allowance	3,276	2,625	(1,122)	1,820	2,959
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 valuation allowance	4,508	2,235	(802)	2,665	3,276

EXHIBIT 10.41

NABI
5800 PARK OF COMMERCE BOULEVARD, N.W.
BOCA RATON, FLORIDA 33487

February 15, 2001

Attention: David J. Gury
Chairman and Chief Executive Officer

Dear Ladies/Gentlemen:

This letter agreement (the "Agreement") is to confirm the engagement of Stonebridge Associates, LLC ("Stonebridge") as financial advisor to Nabi (the "Company") in connection with the Company's review and implementation of a divestiture strategy, whereby the Company intends to divest 47 of its antibody collection centers and its central testing laboratory (collectively the "Antibody Business") to an appropriate strategic acquiror (the "Transaction"). The terms and conditions of Stonebridge providing financial advisory services are presented below.

1. FINANCIAL ADVISORY SERVICES: Stonebridge will work closely with you to:

a. Assist in all aspects of the strategic review and financial analysis of the proposed Transaction.

b. Prepare a detailed financial valuation of the proposed Transaction to include

i) Valuing the Antibody Business to provide the basis of evaluating offers to be received for the Transaction;

ii) Valuing Nabi today with the Company's continued ownership of the Antibody Business, to provide a benchmark for assessing the shareholder impact of the Transaction; and

iii) Valuing Nabi post-Transaction, assuming a range of values to be received in the Transaction.

c. Prepare all financial information required by the Company's New York and Delaware counsel for purposes of such counsel delivering all opinions requested by Nabi.

d. Assist in identifying and evaluating appropriate strategic acquirors. For each potential acquiror we will:

i) Provide a strategic assessment of such acquiror's existing antibody business; and

ii) Evaluate the acquiror's strategic rationale for completing the Transaction.

e. Prepare information on the Antibody Business to be provided to potential acquirors (the "Information"). For each acquiror, the Information will reflect the assessment of its strategic rationale for the Transaction.

f. As appropriate, contact potential acquirors or provide follow-up to the Company's contact, supply the Information and manage the process by which potential acquirors will conduct their due diligence investigation of the Antibody Business.

g. Assist the Company in reviewing and assessing potential Transaction proposals, structures and valuations.

h. Advise the Company and actively participate in all discussions and negotiations with potential acquirors.

i. As needed, assist the Company and its legal counsel in the preparation of the Transaction purchase agreement and other legal documentation.

j. If necessary, advise the Company with regard to restructuring all current financing arrangements in order to accommodate and facilitate the Transaction.

k. Provide all financial and valuation analyses required to assist the Company with debt restructuring discussions with lenders; and

l. At the request of the Company or its Board of Directors, render an opinion in writing with respect to the fairness, from a financial point of view, of the consideration received in the Transaction.

2. INFORMATION: Stonebridge will not distribute the Information other than to our employees and professional advisors directly involved in the Transaction nor shall we distribute the Information to any potential acquirors without your prior approval, and without first obtaining a signed confidentiality agreement having terms acceptable to the

Company. We will keep strict control over the disposition of the Information, and attempt to retrieve all copies of the Information given to parties who decide not to pursue a Transaction.

3. COMPENSATION ARRANGEMENTS: As compensation for providing the financial advisory services outlined herein, Stonebridge will be entitled to the following fees:

a) A monthly retainer of $15,000 per month payable in advance, with the first payment due upon the Company's signing of an engagement letter; plus

b) A Transaction success fee payable upon the closing of the Transaction equal to $450,000, plus 1.5% of all consideration received in the Transaction between $90 million and $100 million plus 2.0% of all consideration received in excess of $100 million (the "Transaction Success Fee"); plus

c) A fairness opinion fee of $50,000 payable upon Stonebridge's delivery of the fairness opinion.

Stonebridge's total Transaction Success Fee shall not exceed an amount equal to .8% of total consideration received in the Transaction.

If during the term of Stonebridge's engagement, the Company decides to proceed with a transaction in which Nabi is acquired by or merged with any potential acquiror ("Acquisition Transaction"), the Company may choose to retain Stonebridge or other investment banker to advise Nabi in the Acquisition Transaction. If the Company elects to retain Stonebridge, Stonebridge's fee shall be

1) A monthly retainer fee of $15,000 per month, payable in advance; plus

2) A transaction success fee payable upon the closing of such transaction equal to .5% of the consideration received or exchanged in the Acquisition Transaction ("Acquisition Success Fee"); plus

3) If requested to provide a fairness opinion, a fee of $100,000 payable upon Stonebridge's delivery of the fairness opinion.

Stonebridge's Transaction Success Fee and Acquisition Success Fee shall be reduced by an amount equal to the total monthly retainers previously paid, up to a maximum of $40,000.

If in pursuing an Acquisition Transaction, the Company decides to retain an investment banker other than Stonebridge, upon the successful completion of such transaction, Stonebridge will be entitled to a fee of $300,000 if such transaction is consummated with an acquiror contacted by Stonebridge as part of the engagement, or $150,000 if a transaction is consummated with any other acquiror.

For purposes of calculating Stonebridge's success fees, consideration shall mean the sum of the cash, fair market value of any other securities, assets, obligations, or any other consideration agreed to be paid or provided by or on behalf of the acquiror in connection with the Transaction, plus if not already included in the sum above, the principal amount of all obligations for indebtedness for borrowed money remaining with the Company or assumed by the acquiror in connection with the Transaction.

The amount of consideration involved in a transaction shall be determined, and such fee shall be paid, subject to the terms hereof, at the time a transaction is consummated. If, however a portion of the consideration is contingent upon future events, then the portion of the fee relating to the contingent portion of the consideration shall be payable at the consummation of a transaction to the extent that Stonebridge and the Company can agree on the amount, or, failing that agreement, shall be payable when the contingent portion of the consideration is received.

In the event that the Company consummates a transaction not specifically addressed by this proposal with a potential acquiror contacted as part of this engagement, the Company and Stonebridge shall, in good faith, negotiate a mutually agreeable fee arrangement incorporating the general parameters of these fee arrangements specifically outlined in this proposal.

4. OUT OF POCKET EXPENSES: In addition to any fees that may be payable to Stonebridge hereunder (and regardless of whether the Transaction occurs), the Company hereby agrees to reimburse Stonebridge monthly for reasonable travel and other out-of-pocket expenses incurred in performing its services hereunder.

5. INDEMNIFICATION PROVISIONS: The Company agrees to indemnify Stonebridge and related persons in accordance with the Standard Form of Indemnification Agreement attached hereto as Exhibit A, the provisions of which are incorporated herein by this reference.

6. RELIANCE ON REPORTS/ACCURACY OF INFORMATION: The Company agrees that Stonebridge shall be entitled to rely upon all reports of the Company and/or information supplied to Stonebridge by or on behalf of the Company (whether written or oral), and Stonebridge shall not in any respect be responsible for the accuracy or completeness of any such report or information or have any obligation to verify the same.

7. COMMUNICATION AND ADVERTISEMENTS: Stonebridge may not be quoted or referred to in any document, release or written or verbal communication prepared, issued or transmitted by the Company or any entity controlled by the Company, or any director, officer, employee, or agent thereof, without Stonebridge's prior written authorization. The Company agrees that, subsequent to the closing of a Transaction, Stonebridge has the right at its own expense to place customary advertisements in financial and other newspapers and journals and to make mailings to its current, former or prospective clients describing its services to the Company hereunder.

8. CONFIDENTIAL USE OF INFORMATION OR ADVICE: The Company agrees that any information or advice rendered by Stonebridge or its representatives in connection with this engagement is for the confidential use of the Company and its Board of Directors only in its evaluation of a Transaction and, except as otherwise required by law, the Company will not and will not permit any third party to disclose or otherwise refer to such advice or information in any manner without Stonebridge's prior written consent. The Company's Board of Directors and senior management will base their decisions on Stonebridge's advice as well as on the advice of their legal, tax and other business advisors and other factors which they consider appropriate. Accordingly, as an independent contractor Stonebridge will not assume the responsibilities of a fiduciary to the Company or its shareholders in connection with the performance of Stonebridge's services.

9. ADMINISTRATION PROCEEDING AND LITIGATION: In the event of administrative proceeding or litigation in connection with the services provided by Stonebridge, Stonebridge agrees that its representatives will testify at the request of the Company or its counsel. Subject to the provisions of the Standard Form of Indemnification Agreement, the Company will reimburse Stonebridge for all out-of-pocket expenses reasonably incurred by Stonebridge in connection therewith, including the reasonable fees and disbursements of its legal counsel, and the Company will pay Stonebridge reasonable and customary additional compensation as agreed upon by Stonebridge and the Company to cover preparation for and the expenses of testifying at such litigation or proceeding, unless such proceeding or litigation resulted in whole or in part from the gross negligence or willful misconduct of Stonebridge, or the illegal conduct of Stonebridge or a breach by Stonebridge of a warranty herein.

10. TERM OF ENGAGEMENT: The term of Stonebridge's engagement as financial advisor to the Company shall commence on the date hereof and continue until the earlier of the consummation of a Transaction or termination by either party upon thirty days' prior written notice; provided, however, that the Company cannot terminate the engagement prior to four months except in the event that the Company has been notified by all prospective acquirors contacted by Stonebridge that no such acquiror intends to pursue a Transaction with the Company. In no event shall any termination of this Agreement affect the indemnification, contribution and confidentiality obligations of the Company the confidentiality obligation of Stonebridge, or the right of Stonebridge to receive any unpaid amounts due hereunder as of the date of termination or pursuant to the following sentence. Stonebridge shall be entitled to its appropriate success fees, in the event that any time prior to the expiration of twelve months after termination of this Agreement a Transaction or Acquisition Transaction is consummated with any party contacted by Stonebridge or the Company pursuant to this Agreement or with any party which contacted the Company during the term of this Agreement. Upon termination of this Agreement, Stonebridge will provide to the Company a written list of all such parties which have been contacted or have contacted the Company.

11. SOLE RECOURSE: The Company's sole recourse with respect to this Agreement for any matter relating to this Agreement shall be to Stonebridge and in no

event shall the Company have any recourse or assert any claim against or seek recovery from any other Indemnified Party as defined in the Standard Form of Indemnification Agreement.

12. GOVERNING LAW/MISCELLANEOUS: This Agreement (a) shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without regard to conflicts of law principles, (b) incorporates the entire understanding of the parties with respect to the subject matter hereof and supersedes all previous agreements should they exist with respect thereto, (c) may not be amended or modified except in a writing executed by the Company and Stonebridge and (d) shall be binding upon and inure to the benefit of the Company, Stonebridge, any indemnified parties and their respective heirs, personal representatives, successors and assigns. Except as otherwise contemplated by Exhibit A hereto, nothing in this agreement is intended to confer upon any other person other than the parties hereto any rights or remedies hereunder or by reason hereof.

13. WARRANTY OF STONEBRIDGE: Stonebridge hereby represents and warrants that it is aware that U.S. securities laws prohibit any person who has material non-public information about a company from purchasing or selling securities of such company and further warrants that Stonebridge will not, and that Stonebridge has instructed its representatives that they should not, use the Information supplied pursuant to this Agreement in any way which may violate any securities or anti-trust law, and that Stonebridge will comply with all applicable provisions of all federal, state and local laws and all ordinances, rules and regulations thereunder.

14. DISCLOSURES REQUIRED BY LAW: In the event that Stonebridge is requested or required by law to disclose any of the Information, it is agreed that Stonebridge will provide Company with prompt prior notice of such request so that Company may seek an appropriate protective order and/or waive compliance with the provisions of the Agreement.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. Please confirm that the foregoing is in accordance with your understanding by signing and returning to us a copy of this letter.

Very truly yours,

STONEBRIDGE ASSOCIATES, LLC

BY: /s/ Richard A. Harvey, Jr.

Richard A. Harvey, Jr.
President

Accepted and agreed to as of
the date set forth above:

NABI

BY: /s/ David J. Gury

David J. Gury

EXHIBIT A

STONEBRIDGE ASSOCIATES, LLC

STANDARD FORM OF INDEMNIFICATION AGREEMENT

In connection with the services Stonebridge Associates, LLC has agreed to render to the Company, the Company agrees to indemnify and hold harmless Stonebridge Associates, LLC, its officers, directors, employees, agents, managers, members, affiliates and persons deemed to be in control of Stonebridge Associates, LLC within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively, the "Indemnified Parties"), from and against any losses, claims, damages and liabilities, joint or several, related to or arising in any manner out of any transaction, proposal or any other matter (collectively the "Matters") contemplated by the engagement of Stonebridge Associates, LLC hereunder. The Company also will promptly reimburse the Indemnified Parties for any expenses (including fees and expenses of legal counsel) as incurred in connection with the investigation of, preparation for or defense of any pending or threatened claim related to or arising in any manner out of any Matter contemplated by the engagement of Stonebridge Associates, LLC hereunder, or any action or proceeding arising therefrom, whether or not resulting in liability (collectively, "Proceedings"). Notwithstanding the foregoing, the Company shall not be liable in respect of any losses, claims, damages, liabilities or expenses that a court of competent jurisdiction shall have determined by final judgment resulted solely from the gross negligence or willful misconduct of any Indemnified Party. Promptly after receipt by an Indemnified Party of notice of any claim or the commencement of any action or proceeding in respect of which indemnity may be sought against the Company, such Indemnified Party will notify the Company in writing of the receipt of commencement thereof, and the Company shall assume the defense of such action or proceeding (including the employment of counsel satisfactory to the Indemnified Party and the payment of the fees and expenses of such counsel), but the failure so to notify the Company will not relieve the Company from any liability which it may have to any Indemnified Party except to the extent of the Company's actual damages arising from the failure to so notify the Company. Notwithstanding the preceding sentence, the Indemnified Party will be entitled to employ its own counsel in such action if the Indemnified Party reasonably determines that a conflict of interest exists which makes representation by counsel chosen by the Company not advisable, it being understood, however, that the Company shall not be liable for the expense of more than one separate counsel (and one local counsel in each jurisdiction in which it is appropriate) to represent all Indemnified Parties. In such event, the fees and disbursements of such separate counsel will be paid by the Company. In no event shall the Company have any liability to an Indemnified Part for any settlement or compromise effected without the Company's written consent.

If for any reason the foregoing indemnity is unavailable to Stonebridge Associates, LLC or insufficient to hold Stonebridge Associates, LLC harmless, then the Company shall contribute to the amount paid or payable by Stonebridge Associates, LLC as a result of such claims, liabilities, losses, damages or expenses in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and Stonebridge Associates, LLC on the other but also the relative fault of the Company and Stonebridge Associates, LLC, as well as any relevant equitable consideration. Notwithstanding the provisions of this agreement, the aggregate contribution of Stonebridge Associates, LLC to all claims, liabilities, losses, damages and expenses shall not exceed the amount of fees actually received by Stonebridge Associates, LLC pursuant to its engagement by the Company. It is hereby further agreed that the relative benefits to the Company on the one hand and Stonebridge Associates, LLC on the other hand with respect to the transactions contemplated in this engagement letter shall be deemed to be in the same proportion as (i) the total value of the transaction bears to (ii) the fees paid to Stonebridge Associates, LLC with respect to such transaction.

The indemnity, contribution and expense reimbursement agreements and obligations set forth herein shall apply whether or not an Indemnified Party is a formal party to any Proceeding, shall be in addition to any other rights, remedies or indemnification which any Indemnified Party may have or be entitled to at common law or otherwise, and shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Indemnified Party or any withdrawal, termination or consummation of or failure to initiate or consummate any Matter or any termination or completion or expiration of this letter or Stonebridge Associates, LLC's engagement.

NABI
5800 PARK OF COMMERCE BOULEVARD, N.W.
BOCA RATON, FLORIDA 33487

Effective as of April 1, 2001

Mr. Thomas H. McLain
1617 SW 20th Ave
Boca Raton, Florida, 33486

Dear Tom:

You have agreed to serve as an Executive Vice President/Chief Operating Officer (COO) for Nabi. The following are the terms of such employment:

1. TERM: You will serve as an Executive Vice-President/COO of Nabi for a period beginning as of the date hereof and ending on March 31, 2004, unless your employment is sooner terminated as provided below (the "Employment Period").

2. SALARY: Your salary will be $260,000.00 per year, payable bi-weekly during the Employment Period. Your salary will be subject to discretionary annual increases as determined by Nabi's Board of Directors.

3. BONUS: You will be entitled to participate in Nabi's VIP Management Incentive Program.

Unless the Employment Period is terminated for "cause" pursuant to Section 7(B)(b) below, bonus compensation shall be pro rated in respect of any calendar year during which the Employment Period terminates based on the amount of bonus compensation which would have been payable with respect to such year per your original VIP Management Incentive Program participation, divided by 12, times the number of full calendar months during the relevant year you were employed prior to the termination of the Employment Period. If the Employment Period is terminated pursuant to Section 7 (B)(b) below, no bonus compensation is payable with respect to the calendar year during which it is terminated.

Bonus payments shall be payable within 120 days after the end of the relevant calendar year.

4. AUTO ALLOWANCE: You, while an employee under the terms of this Agreement, shall receive an auto allowance of not less than $900.00 per month.

5. BENEFITS: During the Employment Period, you will be eligible to participate in such fringe benefits programs as are accorded to other similarly situated Nabi employees.

6. DUTIES AND EXTENT OF SERVICES:

(A) During the Employment Period, you agree to devote substantially all of your working time, and such energy, knowledge, and efforts as is necessary to the discharge and performance of your duties provided for in this Agreement and such other reasonable duties and responsibilities consistent with your position as are assigned to you from time to time by the person to whom you report. You shall be located primarily in Nabi's Boca Raton, Florida facilities, but shall travel to other locations from time to time as shall be reasonably required in the course of performance of your duties.

(B) During the Employment Period, you shall serve as an Executive Vice-President/COO. You shall have such duties as are delegated to you by the person to whom you report provided that such duties shall be reasonably consistent with those duties assigned to executive officers having similar titles in organizations comparable to Nabi.

7. TERMINATION:

(A) The Employment Period shall terminate upon your death. You may also terminate the Employment Period upon thirty (30) days' prior written notice to Nabi. Any termination pursuant to this Section 7(A) shall not affect any bonus compensation applicable to the year of such termination, provided that any bonus compensation payable pursuant to Section 3 of this Agreement shall be pro rated as provided for in Section 3.

(B) Nabi may terminate the Employment Period in the event of (a) your inability to perform the essential functions of your position, with or without reasonable accomodation for any three (3) consecutive months as the result of mental or physical incapacity (Nabi shall have sole discretion to determine whether you continue to be disabled) or (b) for "cause", which is defined as (i) commission of fraud or embezzlement or other felonious acts by you, (ii) your refusal to comply with reasonable directions in connection with the performance of your duties as provided for in Section 6 of this Agreement after notice of such failure is delivered to you, (iii) failure to comply with the provisions of Section 8 or 9 of this Agreement or (iv) your gross negligence in connection with the performance of your duties as provided for in this Agreement, which gross negligence causes material damage to Nabi, provided that, in the event of termination under this clause (B), you shall receive ten (10) days' notice of such failure prior to termination and a determination must be made by Nabi's Board of Directors or a duly appointed committee of the Board, after you are afforded an opportunity to be

heard, that it is, at the date of such termination, reasonable to conclude that grounds for such termination under this clause (B) still exists.

(C) Nabi may otherwise terminate the Employment Period upon thirty (30) days' prior notice to you. In the event of such termination based on the effective date of such termination, Nabi will pay you severance pay of twelve (12) months of your annual base salary as in effect at the time of such termination ("Severance Pay") and maintain in effect for a twelve (12) month period such fringe benefits as are accorded to other similarly situated employees (to the extent allowed under, and subject to the limitations of, applicable plans. Severance Pay provided for in this paragraph shall be made in the form of salary continuation and would be paid on Nabi's regular bi-weekly pay date through the period covered. If you terminate your employment with Nabi within thirty (30) days of the expiration of the Employment Period, you shall be entitled to receive Severance Pay under Section 7C unless during the thirty (30) day period prior to the expiration of the Employment Period, Nabi offered to renew this Agreement on terms no less favorable to you than the terms then in effect.

(D) If your employment terminates pursuant to Section 7B(a), Section 7C or as a result of your death, all non-vested stock options, restricted stock or similar incentive equity instruments pursuant to the Company's 1990, 2000 Equity Incentive Plans and/or successor plans, (the "Options"), shall immediately vest. All such "Options" shall be exercisable for one (1) year past the termination date, except that no "Options" shall be exercisable beyond the original "Option" expiration date. To the extent the terms of any "Options" are inconsistent with this Agreement, the terms of this Agreement shall control.

(E) All payments or benefits to you under this Section 7 (other than payments or benefits already accrued and otherwise due under Nabi's employee benefit plans or programs) will not be given unless you execute (and do not rescind) a written employment termination agreement in a form prescribed by Nabi, which includes a general release of all claims against Nabi and related parties with respect to all matters occurring to the date of the release, including (but not limited to) employment matters or matters in connection with your termination.

(F) Your confidentiality and non-competition agreements set forth in Sections 8 and 9 below shall survive the termination of your employment regardless of the reasons therefor.

8. CONFIDENTIALITY: You acknowledge that your duties as described in Section 6 of this Agreement will give you access to trade secrets and other confidential information of Nabi and/or its affiliates, including but not limited to information concerning production and marketing of their respective products, customer lists, and other information relating to their present or future operations (all of the foregoing, whether or not it qualifies as a "trade secret" under applicable law, is collectively called

"Confidential Information"). You recognize that Confidential Information is proprietary to each such entity and gives each of them significant competitive advantage.

Accordingly, you shall not use or disclose any of the Confidential Information during or after the Employment Period, except for the sole and exclusive benefit of the relevant company. Upon any termination of the Employment Period, you will return to the relevant company's office all documents, computer tapes, and other tangible embodiments of any Confidential Information. You agree that Nabi would be irreparably injured by any breach of your confidentiality agreement, that such injury would not be adequately compensable by monetary damages, and that, accordingly, the offended company may specifically enforce the provisions of this Section by injunction or similar remedy by any court of competent jurisdiction without affecting any claim for damages.

9. NON-COMPETITION:

(A) You acknowledge that your services to be rendered are of a special and unusual character and have a unique value to Nabi the loss of which cannot adequately be compensated by damages in an action at law. In view of the unique value of the services, and because of the Confidential Information to be obtained by or disclosed to you, and as a material inducement to Nabi to enter into this Agreement and to pay to you the compensation referred to above and other consideration provided, you covenant and agree that you will not, during the term of your employment by Nabi and for a period of one (1) year after termination of such employment for any reason whatsoever, you will not, directly or indirectly, (a) engage or become interested, as owner, employee, consultant, partner, through stock ownership (except ownership of less than five percent of any class of securities which are publicly traded), investment of capital, lending of money or property, rendering of services, or otherwise, either alone or in association with others, in the operations, management or supervision of any type of business or enterprise engaged in any business which is competitive with any business of Nabi (a "Competitive Business"), (b) solicit or accept orders from any current or past customer of Nabi for products or services offered or sold by, or competitive with products or services offered or sold by, Nabi, (c) induce or attempt to induce any such customer to reduce such customer's purchase of products or services from Nabi, (d) disclose or use for the benefit of any Competitive Business the name and/or requirements of any such customer or (e) solicit any of Nabi's employees to leave the employ of Nabi or hire or negotiate for the employment of any employee of Nabi.

(B) You have carefully read and considered the provisions of this Section and Section 8 and having done so, agree that the restrictions set forth (including but not limited to the time period of restriction and the world wide areas of restriction) are fair and reasonable (even if termination is at our request and without cause) and are reasonably required for the protection of the interest of Nabi, its officers, directors, and other employees. You acknowledge that upon termination of this Agreement for any reason, it may be necessary for you to relocate to another area, and you agree that this restriction is fair and reasonable and is reasonably required for the protection of the interests of Nabi, their officers, directors, and other employees.

(C) In the event that, notwithstanding the foregoing, any of the provisions of this Section or Section 8 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though invalid or unenforceable parts had not been included therein. In the event that any provision of this Section relating to time period and/or areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas such court deems reasonable and enforceable, said time period and/or areas of restriction shall be deemed to become, and thereafter be, the maximum time period and/or area which such court deems reasonable and enforceable.

(D) With respect to the provisions of this Section, you agree that damages, by themselves, are an inadequate remedy at law, that a material breach of the provisions of this Section would cause irreparable injury to the aggrieved party, and that provisions of this Section 9 may be specifically enforced by injunction or similar remedy in any court of competent jurisdiction without affecting any claim for damages.

10. MISCELLANEOUS: This Agreement and the rights and obligations of the parties pursuant to it and any other instruments or documents issued pursuant to it shall be construed, interpreted and enforced in accordance with the laws of the State of Florida, exclusive of its choice-of-law principles. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns. The provisions of this Agreement shall be severable and the illegality, unenforceability or invalidity of any provision of this Agreement shall not affect or impair the remaining provisions hereof, and each provision of this Agreement shall be construed to be valid and enforceable to the full extent permitted by law. In any suit, action or proceeding arising out of or in connection with this Agreement, the prevailing party shall be entitled to receive an award of the reasonable related amount of attorneys' fees and disbursements incurred by such party, including fees and disbursements on appeal. This Agreement is a complete expression of all agreements of the parties relating to the subject matter hereof, and all prior or contemporaneous oral or written understandings or agreements shall be null and void except to the extent set forth in this Agreement.

This Agreement cannot be amended orally, or by any course of conduct or dealing, but only by a written agreement signed by the party to be charged therewith. All notices required and allowed hereunder shall be in writing, and shall be deemed given upon deposit in the Certified Mail, Return Receipt Requested, first-class postage and registration fees prepaid, and correctly addressed to the party for whom intended at its address set forth under its name below, or to such other address as has been most recently specified by a party by one or more counterparts, each of which shall constitute

one and the same agreement. All references to genders or number in this Agreement shall be deemed interchangeably to have a masculine, feminine, neuter, singular or plural meaning, as the sense of the context required.

If the foregoing confirms your understanding of our agreements, please so indicate by signing in the space provided below and returning a signed copy to us.

Nabi

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

By: /s/ David J. Gury

David J. Gury
Chief Executive Officer

Accepted and agreed:

/s/ Thomas H. McLain
- ---
Thomas H. McLain
1617 SW 20th Ave
Boca Raton, Florida 33486

EXHIBIT 10.43

NABI
5800 PARK OF COMMERCE BOULEVARD, N.W.
BOCA RATON, FLORIDA 33487

Effective as of April 1, 2001

Mr. Mark L. Smith
21839 Marigot Drive
Boca Raton, Florida, 33428

Dear Mark:

You have agreed to serve as a Senior Vice President/Chief Financial Officer (CFO) for Nabi. The following are the terms of such employment:

1. TERM: You will serve as a Senior Vice-President/CFO of Nabi for a period beginning as of the date hereof and ending on March 31, 2004, unless your employment is sooner terminated as provided below (the "Employment Period").

2. SALARY: Your salary will be $189,000.00 per year, payable bi-weekly during the Employment Period. Your salary will be subject to discretionary annual increases as determined by Nabi's Board of Directors.

3. BONUS: You will be entitled to participate in Nabi's VIP Management Incentive Program (Level Three)

Unless the Employment Period is terminated for "cause" pursuant to Section 7(B)(b) below, bonus compensation shall be pro rated in respect of any calendar year during which the Employment Period terminates based on the amount of bonus compensation which would have been payable with respect to such year per your original VIP Management Incentive Program participation, divided by 12, times the number of full calendar months during the relevant year you were employed prior to the termination of the Employment Period. If the Employment Period is terminated pursuant to Section 7 (B)(b) below, no bonus compensation is payable with respect to the calendar year during which it is terminated.

Bonus payments shall be payable within 120 days after the end of the relevant calendar year.

4. AUTO ALLOWANCE: You, while an employee under the terms of this Agreement, shall receive an auto allowance of not less than $900.00 per month.

5. BENEFITS: During the Employment Period, you will be eligible to participate in such fringe benefits programs as are accorded to other similarly situated Nabi employees.

6. DUTIES AND EXTENT OF SERVICES:

(A) During the Employment Period, you agree to devote substantially all of your working time, and such energy, knowledge, and efforts as is necessary to the discharge and performance of your duties provided for in this Agreement and such other reasonable duties and responsibilities consistent with your position as are assigned to you from time to time by the person to whom you report. You shall be located primarily in Nabi's Boca Raton, Florida facilities, but shall travel to other locations from time to time as shall be reasonably required in the course of performance of your duties.

(B) During the Employment Period, you shall serve as a Senior Vice-President/CFO. You shall have such duties as are delegated to you by the person to whom you report provided that such duties shall be reasonably consistent with those duties assigned to executive officers having similar titles in organizations comparable to Nabi.

7. TERMINATION:

(A) The Employment Period shall terminate upon your death. You may also terminate the Employment Period upon thirty (30) days' prior written notice to Nabi. Any termination pursuant to this Section 7(A) shall not affect any bonus compensation applicable to the year of such termination, provided that any bonus compensation payable pursuant to Section 3 of this Agreement shall be pro rated as provided for in Section 3.

(B) Nabi may terminate the Employment Period in the event of (a) your inability to perform the essential functions of your position, with or without reasonable accomodation for any three (3) consecutive months as the result of mental or physical incapacity (Nabi shall have sole discretion to determine whether you continue to be disabled) or (b) for "cause", which is defined as (i) commission of fraud or embezzlement or other felonious acts by you, (ii) your refusal to comply with reasonable directions in connection with the performance of your duties as provided for in Section 6 of this Agreement after notice of such failure is delivered to you, (iii) failure to comply with the provisions of Section 8 or 9 of this Agreement or (iv) your gross negligence in connection with the performance of your duties as provided for in this Agreement, which gross negligence causes material damage to Nabi, provided that, in the event of termination under this clause (B), you shall receive ten (10) days' notice of such failure prior to termination and a determination must be made by Nabi's Board of Directors or a duly appointed committee of the Board, after you are afforded an opportunity to be heard, that it is, at the date of such termination, reasonable to conclude that grounds for such termination under this clause (B) still exists.

(C) Nabi may otherwise terminate the Employment Period upon thirty (30) days' prior notice to you. In the event of such termination based on the effective date of such termination, Nabi will pay you severance pay of twelve (12) months of your annual base salary as in effect at the time of such termination ("Severance Pay") and maintain in effect for a twelve (12) month period such fringe benefits as are accorded to other similarly situated employees (to the extent allowed under, and subject to the limitations of, applicable plans. Severance Pay provided for in this paragraph shall be made in the form of salary continuation and would be paid on Nabi's regular bi-weekly pay date through the period covered. If you terminate your employment with Nabi within thirty (30) days of the expiration of the Employment Period, you shall be entitled to receive Severance Pay under Section 7C unless during the thirty (30) day period prior to the expiration of the Employment Period, Nabi offered to renew this Agreement on terms no less favorable to you than the terms then in effect.

(D) If your employment terminates pursuant to Section 7B(a), Section 7C or as a result of your death, all non-vested stock options, restricted stock or similar incentive equity instruments pursuant to the Company's 1990, 2000 Equity Incentive Plans and/or successor plans, (the "Options"), shall immediately vest. All such "Options" shall be exercisable for one (1) year past the termination date, except that no "Options" shall be exercisable beyond the original "Option" expiration date. To the extent the terms of any "Options" are inconsistent with this Agreement, the terms of this Agreement shall control.

(E) All payments or benefits to you under this Section 7 (other than payments or benefits already accrued and otherwise due under Nabi's employee benefit plans or programs) will not be given unless you execute (and do not rescind) a written employment termination agreement in a form prescribed by Nabi, which includes a general release of all claims against Nabi and related parties with respect to all matters occurring to the date of the release, including (but not limited to) employment matters or matters in connection with your termination.

(F) Your confidentiality and non-competition agreements set forth in Sections 8 and 9 below shall survive the termination of your employment regardless of the reasons therefor.

8. CONFIDENTIALITY: You acknowledge that your duties as described in Section 6 of this Agreement will give you access to trade secrets and other confidential information of Nabi and/or its affiliates, including but not limited to information concerning production and marketing of their respective products, customer lists, and other information relating to their present or future operations (all of the foregoing, whether or not it qualifies as a "trade secret" under applicable law, is collectively called "Confidential Information"). You recognize that Confidential Information is proprietary to each such entity and gives each of them significant competitive advantage.

Accordingly, you shall not use or disclose any of the Confidential Information during or after the Employment Period, except for the sole and exclusive benefit of the relevant company. Upon any termination of the Employment Period, you will return to the relevant company's office all documents, computer tapes, and other tangible embodiments of any Confidential Information. You agree that Nabi would be irreparably injured by any breach of your confidentiality agreement, that such injury would not be adequately compensable by monetary damages, and that, accordingly, the offended company may specifically enforce the provisions of this Section by injunction or similar remedy by any court of competent jurisdiction without affecting any claim for damages.

9. NON-COMPETITION:

(A) You acknowledge that your services to be rendered are of a special and unusual character and have a unique value to Nabi the loss of which cannot adequately be compensated by damages in an action at law. In view of the unique value of the services, and because of the Confidential Information to be obtained by or disclosed to you, and as a material inducement to Nabi to enter into this Agreement and to pay to you the compensation referred to above and other consideration provided, you covenant and agree that you will not, during the term of your employment by Nabi and for a period of one (1) year after termination of such employment for any reason whatsoever, you will not, directly or indirectly, (a) engage or become interested, as owner, employee, consultant, partner, through stock ownership (except ownership of less than five percent of any class of securities which are publicly traded), investment of capital, lending of money or property, rendering of services, or otherwise, either alone or in association with others, in the operations, management or supervision of any type of business or enterprise engaged in any business which is competitive with any business of Nabi (a "Competitive Business"), (b) solicit or accept orders from any current or past customer of Nabi for products or services offered or sold by, or competitive with products or services offered or sold by, Nabi, (c) induce or attempt to induce any such customer to reduce such customer's purchase of products or services from Nabi, (d) disclose or use for the benefit of any Competitive Business the name and/or requirements of any such customer or (e) solicit any of Nabi's employees to leave the employ of Nabi or hire or negotiate for the employment of any employee of Nabi.

(B) You have carefully read and considered the provisions of this Section and Section 8 and having done so, agree that the restrictions set forth (including but not limited to the time period of restriction and the world wide areas of restriction) are fair and reasonable (even if termination is at our request and without cause) and are reasonably required for the protection of the interest of Nabi, its officers, directors, and other employees. You acknowledge that upon termination of this Agreement for any reason, it may be necessary for you to relocate to another area, and you agree that this restriction is fair

and reasonable and is reasonably required for the protection of the interests of Nabi, their officers, directors, and other employees.

(C) In the event that, notwithstanding the foregoing, any of the provisions of this Section or Section 8 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though invalid or unenforceable parts had not been included therein. In the event that any provision of this Section relating to time period and/or areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas such court deems reasonable and enforceable, said time period and/or areas of restriction shall be deemed to become, and thereafter be, the maximum time period and/or area which such court deems reasonable and enforceable.

(D) With respect to the provisions of this Section, you agree that damages, by themselves, are an inadequate remedy at law, that a material breach of the provisions of this Section would cause irreparable injury to the aggrieved party, and that provisions of this Section 9 may be specifically enforced by injunction or similar remedy in any court of competent jurisdiction without affecting any claim for damages.

10. MISCELLANEOUS: This Agreement and the rights and obligations of the parties pursuant to it and any other instruments or documents issued pursuant to it shall be construed, interpreted and enforced in accordance with the laws of the State of Florida, exclusive of its choice-of-law principles. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns. The provisions of this Agreement shall be severable and the illegality, unenforceability or invalidity of any provision of this Agreement shall not affect or impair the remaining provisions hereof, and each provision of this Agreement shall be construed to be valid and enforceable to the full extent permitted by law. In any suit, action or proceeding arising out of or in connection with this Agreement, the prevailing party shall be entitled to receive an award of the reasonable related amount of attorneys' fees and disbursements incurred by such party, including fees and disbursements on appeal. This Agreement is a complete expression of all agreements of the parties relating to the subject matter hereof, and all prior or contemporaneous oral or written understandings or agreements shall be null and void except to the extent set forth in this Agreement.

This Agreement cannot be amended orally, or by any course of conduct or dealing, but only by a written agreement signed by the party to be charged therewith. All notices required and allowed hereunder shall be in writing, and shall be deemed given upon deposit in the Certified Mail, Return Receipt Requested, first-class postage and registration fees prepaid, and correctly addressed to the party for whom intended at its address set forth under its name below, or to such other address as has been most recently specified by a party by one or more counterparts, each of which shall constitute one and the same agreement. All references to genders or number in this Agreement

shall be deemed interchangeably to have a masculine, feminine, neuter, singular or plural meaning, as the sense of the context required.

If the foregoing confirms your understanding of our agreements, please so indicate by signing in the space provided below and returning a signed copy to us.

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

By: /s/ David J. Gury

David J. Gury
Chief Executive Officer

Accepted and agreed:

/s/ Mark L. Smith
- ---
Mark L. Smith
21839 Marigot Drive
Boca Raton, Florida, 33428

EXHIBIT 10.44

NABI
5800 PARK OF COMMERCE BOULEVARD, N.W.
BOCA RATON, FLORIDA 33487

Effective as of August 1, 2001

Dr. Robert B. Naso
8630 Lochaven Drive
Gaithersburg, Maryland 20882

Dear Bob:

You have agreed to serve as Senior Vice President Quality, Regulatory & Product Development, for Nabi. The following are the terms of such employment:

1. TERM: You will serve as Senior Vice President Quality, Regulatory & Product Development, for Nabi, for a period beginning as of the date hereof and ending on July 31, 2004, unless your employment is sooner terminated as provided below (the "Employment Period"). In the event that your employment by the Company continues beyond the Employment Period, your continued employment by the Company shall be on an at will basis and may be terminated by either party upon thirty (30) days' prior notice unless you and the Company shall have entered into a written renewal of this Agreement.

2. SALARY: Your salary will be $247,000.00 per year, payable bi-weekly during the Employment Period. Your salary will be subject to discretionary annual increases as determined by Nabi's Board of Directors.

3. BONUS: You will be entitled to participate in Nabi's VIP Management Incentive Program.

Unless the Employment Period is terminated for "cause" pursuant to Section 7(B)(b) below, bonus compensation shall be pro rated in respect of any calendar year during which the Employment Period terminates based on the amount of bonus compensation which would have been payable with respect to such year based on your original VIP Management Incentive Program participation, divided by 12, times the number of full calendar months during the relevant year you were employed prior to the termination of the Employment Period. If the Employment Period is terminated pursuant to Section 7 (B)(b) below, no bonus compensation is payable with respect to the calendar year during which it is terminated.

Bonus payments shall be payable within 120 days after the end of the relevant calendar year.

4. AUTO ALLOWANCE: While an employee under the terms of this Agreement, you shall receive an auto allowance of not less than $900.00 per month.

5. BENEFITS: During the Employment Period, you will be eligible to participate in such fringe benefits as are accorded to other similarly situated Nabi employees. Nothing herein shall terminate any rights and benefits earned under any previous employment agreement, but yet to be received by you. Furthermore, any bonus for the current year shall include the bonus earned and levels reached prior to the effective date herein.

6. DUTIES AND EXTENT OF SERVICES:

(A) During the Employment Period, you agree to devote substantially all of your working time, and such energy, knowledge, and efforts as is necessary to the discharge and performance of your duties provided for in this Agreement and such other reasonable duties and responsibilities consistent with your position as are assigned to you from time to time by the person to whom you report. You shall be located primarily in Nabi's Rockville, Maryland facilities, but shall travel to other locations from time to time as shall be reasonably required in the course of performance of your duties. You may also be required to relocate to the Boca Raton, Florida facilities and should such relocation occur you would receive such relocation benefits as are accorded to other similarly situated Nabi employees.

(B) During the Employment Period, you shall serve as Nabi's Senior Vice President Quality, Regulatory and Product Development. You shall have such duties as are delegated to you by the person to whom you report provided that such duties shall be reasonably consistent with those duties assigned to executive officers having similar titles in organizations comparable to Nabi.

7. TERMINATION:

(A) The Employment Period shall terminate upon your death. You may also terminate the Employment Period upon thirty (30) days' prior written notice to Nabi. Any termination pursuant to this Section 7(A) shall not affect any bonus compensation applicable to the year of such termination, provided that any bonus compensation payable pursuant to Section 3 of this Agreement shall be pro rated as provided for in Section 3.

(B) Nabi may terminate the Employment Period in the event of (a) your inability to perform the essential functions of your position, with or without reasonable accomodation for any three (3) consecutive months as the result of mental or physical incapacity (Nabi shall have sole discretion to determine whether you are unable to perform the essential functions of your position) or (b) for "cause", which is defined as (i)

commission of fraud or embezzlement or other felonious acts by you, (ii) your refusal to comply with reasonable directions in connection with the performance of your duties as provided for in Section 6 of this Agreement after notice of such failure is delivered to you, (iii) failure to comply with the provisions of Section 9 or 10 of this Agreement or (iv) your gross negligence in connection with the performance of your duties as provided for in this Agreement, which gross negligence causes material damage to Nabi, provided that, in the event of termination under this clause (B), you shall receive ten (10) days' notice of such failure prior to termination and a determination must be made by Nabi's Board of Directors or a duly appointed committee of the Board, after you are afforded an opportunity to be heard, that it is, at the date of such termination, reasonable to conclude that grounds for such termination under this clause (B) still exists.

(C) Nabi may otherwise terminate the Employment Period upon thirty (30) days' prior notice to you.

(D) Your confidentiality and non-competition agreements set forth in Sections 9 and 10 below shall survive the termination of your employment regardless of the reasons therefor.

8. SEVERANCE:

(A) In the event that (a) your employment terminates pursuant to Section 7C or (b) within thirty (30) days after the expiration of the Employment Period, either you give notice of termination of employment to the Company or the Company gives you notice of termination of employment other than for cause (as defined above) or disability, and provided that within thirty (30) days prior to the expiration of the Employment Period Nabi had not offered to renew this Agreement on terms no less favorable to you than the terms then in effect, and you have not rejected said offer, you shall receive the benefits set forth in Section 8B and 8C. In the event your employment terminates pursuant to Section 7B (a), or as a result of your death, the benefit set forth in Section 8C shall be initiated.

(B) Based on the effective date of such termination, Nabi will pay you severance pay of twelve (12) months of your annual base salary as in effect at the time of such termination ("Severance Pay") and maintain in effect for a twelve (12) month period such fringe benefits as are accorded to other similarly situated employees (to the extent allowed under, and subject to the limitations of, applicable plans). Severance Pay provided for in this paragraph shall be made in twenty-six (26) equal bi-weekly installments.

(C) All non-vested stock options, restricted stock or similar incentive equity instruments pursuant to the Company's 1990, 2000 Equity Incentive Plan and/or successor plans (the "Options") shall immediately vest. All such "Options" shall be exercisable for one (1) year past termination date, except that no "Options" shall be exercisable beyond the original "Option" expiration date. To the extent the terms of any "Options" are inconsistent with this Agreement, the terms of this Agreement shall control.

(D) All payments or benefits to you under this Section 8 (other than payments or benefits already accrued and otherwise due under Nabi's employee benefit plans or programs, or as a result of your death) will not be given unless you execute (and do not rescind) a written employment termination agreement in a form prescribed by Nabi, which includes a general release of all claims against Nabi and related parties with respect to all matters occurring prior to or on the date of the release, including (but not limited to) employment matters or matters in connection with your termination.

9. CONFIDENTIALITY: You acknowledge that your duties as described in Section 6 of this Agreement will give you access to trade secrets and other confidential information of Nabi and/or its affiliates, including but not limited to information concerning production and marketing of their respective products, customer lists, and other information relating to their present or future operations (all of the foregoing, whether or not it qualifies as a "trade secret" under applicable law, is collectively called "Confidential Information"). You recognize that Confidential Information is proprietary to each such entity and gives each of them significant competitive advantage.

Accordingly, you shall not use or disclose any of the Confidential Information during or after the Employment Period, except for the sole and exclusive benefit of the relevant company. Upon any termination of the Employment Period, you will return to the relevant company's office all documents, computer tapes, and other tangible embodiments of any Confidential Information. You agree that Nabi would be irreparably injured by any breach of your confidentiality agreement, that such injury would not be adequately compensable by monetary damages, and that, accordingly, the offended company may specifically enforce the provisions of this Section by injunction or similar remedy by any court of competent jurisdiction without affecting any claim for damages.

10. NON-COMPETITION:

(A) You acknowledge that your services to be rendered are of a special and unusual character and have a unique value to Nabi the loss of which cannot adequately be compensated by damages in an action at law. In view of the unique value of the services, and because of the Confidential Information to be obtained by or disclosed to you, and as a material inducement to Nabi to enter into this Agreement and to pay to you the compensation referred to above and other consideration provided, you covenant and agree that you will not, during the term of your employment by Nabi and for a period of one (1) year after termination of such employment for any reason whatsoever, you will not, directly or indirectly, (a) engage or become interested, as owner, employee, consultant, partner, through stock ownership (except ownership of less than five percent of any class of securities which are publicly traded), investment of capital, lending of money or property, rendering of services, or otherwise, either alone or in association with others, in the operations, management or supervision of any type of business or enterprise engaged in any business which is competitive with any business of Nabi (a "Competitive Business"), (b) solicit or accept orders from any current or past customer of Nabi for products or services offered or sold by, or competitive with

products or services offered or sold by, Nabi, (c) induce or attempt to induce any such customer to reduce such customer's purchase of products or services from Nabi, (d) disclose or use for the benefit of any Competitive Business the name and/or requirements of any such customer or (e) solicit any of Nabi's employees to leave the employ of Nabi or hire or negotiate for the employment of any employee of Nabi.

(B) You have carefully read and considered the provisions of this Section and Section 8 and having done so, agree that the restrictions set forth (including but not limited to the time period of restriction and the world wide areas of restriction) are fair and reasonable (even if termination is at our request and without cause) and are reasonably required for the protection of the interest of Nabi, its officers, directors, and other employees. You acknowledge that upon termination of this Agreement for any reason, it may be necessary for you to relocate to another area, and you agree that this restriction is fair and reasonable and is reasonably required for the protection of the interests of Nabi, its officers, directors, and other employees.

(C) In the event that, notwithstanding the foregoing, any of the provisions of this Section or Section 8 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though invalid or unenforceable parts had not been included therein. In the event that any provision of this Section relating to time period and/or areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas such court deems reasonable and enforceable, said time period and/or areas of restriction shall be deemed to become, and thereafter be, the maximum time period and/or area which such court deems reasonable and enforceable.

(D) With respect to the provisions of this Section, you agree that damages, by themselves, are an inadequate remedy at law, that a material breach of the provisions of this Section would cause irreparable injury to the aggrieved party, and that provisions of this Section 9 may be specifically enforced by injunction or similar remedy in any court of competent jurisdiction without affecting any claim for damages.

11. MISCELLANEOUS: This Agreement and the rights and obligations of the parties pursuant to it and any other instruments or documents issued pursuant to it shall be construed, interpreted and enforced in accordance with the laws of the State of Florida, exclusive of its choice-of-law principles. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns. The provisions of this Agreement shall be severable and the illegality, unenforceability or invalidity of any provision of this Agreement shall not affect or impair the remaining provisions hereof, and each provision of this Agreement shall be construed to be valid and enforceable to the full extent permitted by law. In any suit, action or proceeding arising out of or in connection with this Agreement, the prevailing party shall be entitled to receive an award of the reasonable related amount of attorneys' fees and disbursements incurred by such party, including fees and disbursements on appeal. This Agreement is a complete expression of all agreements of the parties relating to the

subject matter hereof, and all prior or contemporaneous oral or written understandings or agreements shall be null and void except to the extent set forth in this Agreement.

This Agreement cannot be amended orally, or by any course of conduct or dealing, but only by a written agreement signed by the party to be charged therewith. All notices required and allowed hereunder shall be in writing, and shall be deemed given upon deposit in the Certified Mail, Return Receipt Requested, first-class postage and registration fees prepaid, and correctly addressed to the party for whom intended at its address set forth under its name below, or to such other address as has been most recently specified by a party by one or more counterparts, each of which shall constitute one and the same agreement. All references to genders or number in this Agreement shall be deemed interchangeably to have a masculine, feminine, neuter, singular or plural meaning, as the sense of the context required.

If the foregoing confirms your understanding of our agreements, please so indicate by signing in the space provided below and returning a signed copy to us.

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

By: /s/ David J. Gury

David J. Gury
Chief Executive Officer

Accepted and agreed:

/s/ Robert B. Naso, Ph.D.
- ---
Robert B. Naso, Ph.D.
8630 Lochaven Drive
Gaithersburg, Maryland 20882

EXHIBIT 10.45

NABI
5800 PARK OF COMMERCE BOULEVARD, N.W.
BOCA RATON, FLORIDA 33487

Effective as of October 1, 2001

Mr. C. Thomas Johns
382 SW 5th Way
Boca Raton, FL 33432

Dear Tom:

You have agreed to serve as a Senior Vice President, Manufacturing Operations for Nabi. The following are the terms of such employment:

1. TERM: You will serve as a Senior Vice President, Manufacturing Operations of Nabi for a period beginning as of the date hereof and ending on September 30, 2004, unless your employment is sooner terminated as provided below (the "Employment Period"). In the event that your employment by the Company continues beyond the Employment Period, your continued employment by the Company shall be on an at will basis and may be terminated by either party upon thirty (30) days' prior notice unless you and the Company shall have entered into a written renewal of this Agreement.

2. SALARY: Your salary will be $180,000.00 per year, payable bi-weekly during the Employment Period. Your salary will be subject to discretionary annual increases as determined by Nabi's Board of Directors.

3. BONUS: You will be entitled to participate in Nabi's VIP Management Incentive Program.

Unless the Employment Period is terminated for "cause" pursuant to Section 7(B)(b) below, bonus compensation shall be pro rated in respect of any calendar year during which the Employment Period terminates based on the amount of bonus compensation which would have been payable with respect to such year per your original VIP Management Incentive Program participation, divided by 12, times the number of full calendar months during the relevant year you were employed prior to the termination of the Employment Period. If the Employment Period is terminated pursuant to Section 7 (B)(b) below, no bonus compensation is payable with respect to the calendar year during which it is terminated.

Bonus payments shall be payable within 120 days after the end of the relevant calendar year.

4. AUTO ALLOWANCE: While an employee under the terms of this Agreement, you shall receive an auto allowance of not less than $900.00 per month.

5. BENEFITS: During the Employment Period, you will be eligible to participate in such fringe benefits programs as are accorded to other similarly situated Nabi employees.

6. DUTIES AND EXTENT OF SERVICES:

(A) During the Employment Period, you agree to devote substantially all of your working time, and such energy, knowledge, and efforts as is necessary to the discharge and performance of your duties provided for in this Agreement and such other reasonable duties and responsibilities consistent with your position as are assigned to you from time to time by the person to whom you report. You shall be located primarily in Nabi's Boca Raton, Florida facilities, but shall travel to other locations from time to time as shall be reasonably required in the course of performance of your duties.

(B) During the Employment Period, you shall serve as a Senior Vice President, Manufacturing Operations. You shall have such duties as are delegated to you by the person to whom you report provided that such duties shall be reasonably consistent with those duties assigned to executive officers having similar titles in organizations comparable to Nabi.

7. TERMINATION:

(A) The Employment Period shall terminate upon your death. You may also terminate the Employment Period upon thirty (30) days' prior written notice to Nabi. Any termination pursuant to this Section 7(A) shall not affect any bonus compensation applicable to the year of such termination, provided that any bonus compensation payable pursuant to Section 3 of this Agreement shall be pro rated as provided for in Section 3.

(B) Nabi may terminate the Employment Period in the event of (a) your inability to perform the essential functions of your position, with or without reasonable accomodation for any three (3) consecutive months as the result of mental or physical incapacity (Nabi shall have sole discretion to determine whether you are unable to perform the essential functions of your position) or (b) for "cause", which is defined as (i) commission of fraud or embezzlement or other felonious acts by you, (ii) your refusal to comply with reasonable directions in connection with the performance of your duties as provided for in Section 6 of this Agreement after notice of such failure is delivered to you, (iii) failure to comply with the provisions of Section 9 or 10 of this Agreement or (iv) your gross negligence in connection with the performance of your duties as provided for

in this Agreement, which gross negligence causes material damage to Nabi, provided that, in the event of termination under this clause (B), you shall receive ten (10) days' notice of such failure prior to termination and a determination must be made by Nabi's Board of Directors or a duly appointed committee of the Board, after you are afforded an opportunity to be heard, that it is, at the date of such termination, reasonable to conclude that grounds for such termination under this clause (B) still exists.

(C) Nabi may otherwise terminate the Employment Period upon thirty (30) days' prior notice to you.

(D) Your confidentiality and non-competition agreements set forth in Sections 9 and 10 below shall survive the termination of your employment regardless of the reasons therefor.

8. SEVERANCE:

(A) In the event that (a) your employment terminates pursuant to Section 7C or (b) within thirty (30) days after the expiration of the Employment Period, either you give notice of termination of employment to the Company or the Company gives you notice of termination of employment other than for cause (as defined above) or disability, and provided that within thirty (30) days prior to the expiration of the Employment Period Nabi had not offered to renew this Agreement on terms no less favorable to you than the terms then in effect, you shall receive the benefits set forth in Section 8B and 8C. In the event your employment terminates pursuant to Section 7B (a), or as a result of your death, the benefit set forth in Section 8C shall be initiated.

(B) Based on the effective date of such termination, Nabi will pay you severance pay of twelve (12) months of your annual base salary as in effect at the time of such termination ("Severance Pay") and maintain in effect for a twelve (12) month period such fringe benefits as are accorded to other similarly situated employees (to the extent allowed under, and subject to the limitations of, applicable plans). Severance Pay provided for in this paragraph shall be made in twenty-six (26) equal bi-weekly installments.

(C) All non-vested stock options, restricted stock or similar incentive equity instruments pursuant to the Company's 1998 Employee Non-Qualified Stock Option Plan or 2000 Equity Incentive Plans and/or successor plans (the "Options") shall immediately vest. All such "Options" shall be exercisable for one (1) year past termination date, except that no "Options" shall be exercisable beyond the original "Option" expiration date. To the extent the terms of any "Options" are inconsistent with this Agreement, the terms of this Agreement shall control.

(D) All payments or benefits to you under this Section 8 (other than payments or benefits already accrued and otherwise due under Nabi's employee benefit plans or

programs, or as a result of your death) will not be given unless you execute (and do not rescind) a written employment termination agreement in a form prescribed by Nabi, which includes a general release of all claims against Nabi and related parties with respect to all matters occurring prior to or on the date of the release, including (but not limited to) employment matters or matters in connection with your termination.

9. CONFIDENTIALITY: You acknowledge that your duties as described in Section 6 of this Agreement will give you access to trade secrets and other confidential information of Nabi and/or its affiliates, including but not limited to information concerning production and marketing of their respective products, customer lists, and other information relating to their present or future operations (all of the foregoing, whether or not it qualifies as a "trade secret" under applicable law, is collectively called "Confidential Information"). You recognize that Confidential Information is proprietary to each such entity and gives each of them significant competitive advantage.

Accordingly, you shall not use or disclose any of the Confidential Information during or after the Employment Period, except for the sole and exclusive benefit of the relevant company. Upon any termination of the Employment Period, you will return to the relevant company's office all documents, computer electronic information and files, e.g., diskettes, floppies etc. and other tangible embodiments of any Confidential Information. You agree that Nabi would be irreparably injured by any breach of your confidentiality agreement, that such injury would not be adequately compensable by monetary damages, and that, accordingly, the offended company may specifically enforce the provisions of this Section by injunction or similar remedy by any court of competent jurisdiction without affecting any claim for damages.

10. NON-COMPETITION:

(A) You acknowledge that your services to be rendered are of a special and unusual character and have a unique value to Nabi the loss of which cannot adequately be compensated by damages in an action at law. In view of the unique value of the services, and because of the Confidential Information to be obtained by or disclosed to you, and as a material inducement to Nabi to enter into this Agreement and to pay to you the compensation referred to above and other consideration provided, you covenant and agree that you will not, during the term of your employment by Nabi and for a period of one (1) year after termination of such employment for any reason whatsoever, you will not, directly or indirectly, (a) engage or become interested, as owner, employee, consultant, partner, through stock ownership (except ownership of less than five percent of any class of securities which are publicly traded), investment of capital, lending of money or property, rendering of services, or otherwise, either alone or in association with others, in the operations, management or supervision of any type of business or enterprise engaged in any business which is competitive with any business of Nabi (a "Competitive Business"), (b) solicit or accept orders from any current or past customer of Nabi for products or services offered or sold by, or

competitive with products or services offered or sold by, Nabi, (c) induce or attempt to induce any such customer to reduce such customer's purchase of products or services from Nabi, (d) disclose or use for the benefit of any Competitive Business the name and/or requirements of any such customer or (e) solicit any of Nabi's employees to leave the employ of Nabi or hire or negotiate for the employment of any employee of Nabi.

(B) You have carefully read and considered the provisions of this Section and Section 9 and having done so, agree that the restrictions set forth (including but not limited to the time period of restriction and the world wide areas of restriction) are fair and reasonable (even if termination is at our request and without cause) and are reasonably required for the protection of the interest of Nabi, its officers, directors, and other employees. You acknowledge that upon termination of this Agreement for any reason, it may be necessary for you to relocate to another area, and you agree that this restriction is fair and reasonable and is reasonably required for the protection of the interests of Nabi, their officers, directors, and other employees.

(C) In the event that, notwithstanding the foregoing, any of the provisions of this Section or Section 9 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though invalid or unenforceable parts had not been included therein. In the event that any provision of this Section relating to time period and/or areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas such court deems reasonable and enforceable, said time period and/or areas of restriction shall be deemed to become, and thereafter be, the maximum time period and/or area which such court deems reasonable and enforceable.

(D) With respect to the provisions of this Section, you agree that damages, by themselves, are an inadequate remedy at law, that a material breach of the provisions of this Section would cause irreparable injury to the aggrieved party, and that provisions of this Section 10 may be specifically enforced by injunction or similar remedy in any court of competent jurisdiction without affecting any claim for damages.

11. MISCELLANEOUS: This Agreement and the rights and obligations of the parties pursuant to it and any other instruments or documents issued pursuant to it shall be construed, interpreted and enforced in accordance with the laws of the State of Florida, exclusive of its choice-of-law principles. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns. The provisions of this Agreement shall be severable and the illegality, unenforceability or invalidity of any provision of this Agreement shall not affect or impair the remaining provisions hereof, and each provision of this Agreement shall be construed to be valid and enforceable to the full extent permitted by law. In any suit, action or proceeding arising out of or in connection with this Agreement, the prevailing party shall be entitled to receive an award of the reasonable related amount of attorneys' fees and

disbursements incurred by such party, including fees and disbursements on appeal. This Agreement is a complete expression of all agreements of the parties relating to the subject matter hereof, and all prior or contemporaneous oral or written understandings or agreements shall be null and void except to the extent set forth in this Agreement.

This Agreement cannot be amended orally, or by any course of conduct or dealing, but only by a written agreement signed by the party to be charged therewith. All notices required and allowed hereunder shall be in writing, and shall be deemed given upon deposit in the Certified Mail, Return Receipt Requested, first-class postage and registration fees prepaid, and correctly addressed to the party for whom intended at its address set forth under its name below, or to such other address as has been most recently specified by a party by one or more counterparts, each of which shall constitute one and the same agreement. All references to genders or number in this Agreement shall be deemed interchangeably to have a masculine, feminine, neuter, singular or plural meaning, as the sense of the context required.

\If the foregoing confirms your understanding of our agreements, please so indicate by signing in the space provided below and returning a signed copy to us.

Nabi

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

By: /s/ Thomas H. McLain

Thomas H. McLain
Chief Operating Officer

Accepted and agreed:

/s/ C. Thomas Johns
- ---
C. Thomas Johns
382 SW 5th Way
Boca Raton, FL 33432

NABI
5800 PARK OF COMMERCE BOULEVARD, N.W.
BOCA RATON, FLORIDA 33487

Effective as of October 1, 2001

Mr. Gary A. Siskowski
3239 Cline Moore Rd.
Boca Raton, FL 33496

Dear Gary:

You have agreed to serve as a Senior Vice President, Sales and Marketing for Nabi. The following are the terms of such employment:

1. TERM: You will serve as a Senior Vice President, Sales and Marketing of Nabi for a period beginning as of the date hereof and ending on September 30, 2004, unless your employment is sooner terminated as provided below (the "Employment Period"). In the event that your employment by the Company continues beyond the Employment Period, your continued employment by the Company shall be on an at will basis and may be terminated by either party upon thirty (30) days' prior notice unless you and the Company shall have entered into a written renewal of this Agreement.

2. SALARY: Your salary will be $180,000.00 per year, payable bi-weekly during the Employment Period. Your salary will be subject to discretionary annual increases as determined by Nabi's Board of Directors.

3. BONUS: You will be entitled to participate in Nabi's VIP Management Incentive Program.

Unless the Employment Period is terminated for "cause" pursuant to Section 7(B)(b) below, bonus compensation shall be pro rated in respect of any calendar year during which the Employment Period terminates based on the amount of bonus compensation which would have been payable with respect to such year per your original VIP Management Incentive Program participation, divided by 12, times the number of full calendar months during the relevant year you were employed prior to the termination of the Employment Period. If the Employment Period is terminated pursuant to Section 7 (B)(b) below, no bonus compensation is payable with respect to the calendar year during which it is terminated.

Bonus payments shall be payable within 120 days after the end of the relevant calendar year.

4. AUTO ALLOWANCE: While an employee under the terms of this Agreement, you shall receive an auto allowance of not less than $900.00 per month.

5. BENEFITS: During the Employment Period, you will be eligible to participate in such fringe benefits programs as are accorded to other similarly situated Nabi employees.

6. DUTIES AND EXTENT OF SERVICES:

(A) During the Employment Period, you agree to devote substantially all of your working time, and such energy, knowledge, and efforts as is necessary to the discharge and performance of your duties provided for in this Agreement and such other reasonable duties and responsibilities consistent with your position as are assigned to you from time to time by the person to whom you report. You shall be located primarily in Nabi's Boca Raton, Florida facilities, but shall travel to other locations from time to time as shall be reasonably required in the course of performance of your duties.

(B) During the Employment Period, you shall serve as a Senior Vice President, Sales and Marketing. You shall have such duties as are delegated to you by the person to whom you report provided that such duties shall be reasonably consistent with those duties assigned to executive officers having similar titles in organizations comparable to Nabi.

7. TERMINATION:

(A) The Employment Period shall terminate upon your death. You may also terminate the Employment Period upon thirty (30) days' prior written notice to Nabi. Any termination pursuant to this Section 7(A) shall not affect any bonus compensation applicable to the year of such termination, provided that any bonus compensation payable pursuant to Section 3 of this Agreement shall be pro rated as provided for in Section 3.

(B) Nabi may terminate the Employment Period in the event of (a) your inability to perform the essential functions of your position, with or without reasonable accomodation for any three (3) consecutive months as the result of mental or physical incapacity (Nabi shall have sole discretion to determine whether you are unable to perform the essential functions of your position) or (b) for "cause", which is defined as (i) commission of fraud or embezzlement or other felonious acts by you, (ii) your refusal to comply with reasonable directions in connection with the performance of your duties as provided for in Section 6 of this Agreement after notice of such failure is delivered to you, (iii) failure to comply with the provisions of Section 9 or 10 of this Agreement or (iv) your gross negligence in connection with the performance of your duties as provided for

in this Agreement, which gross negligence causes material damage to Nabi, provided that, in the event of termination under this clause (B), you shall receive ten (10) days' notice of such failure prior to termination and a determination must be made by Nabi's Board of Directors or a duly appointed committee of the Board, after you are afforded an opportunity to be heard, that it is, at the date of such termination, reasonable to conclude that grounds for such termination under this clause (B) still exists.

(C) Nabi may otherwise terminate the Employment Period upon thirty (30) days' prior notice to you.

(D) Your confidentiality and non-competition agreements set forth in Sections 9 and 10 below shall survive the termination of your employment regardless of the reasons therefor.

8. SEVERANCE

(A) In the event that (a) your employment terminates pursuant to Section 7C or (b) within thirty (30) days after the expiration of the Employment Period, either you give notice of termination of employment to the Company or the Company gives you notice of termination of employment other than for cause (as defined above) or disability, and provided that within thirty (30) days prior to the expiration of the Employment Period Nabi had not offered to renew this Agreement on terms no less favorable to you than the terms then in effect, you shall receive the benefits set forth in Section 8B and 8C. In the event your employment terminates pursuant to Section 7B (a), or as a result of your death, the benefit set forth in Section 8C shall be initiated.

(B) Based on the effective date of such termination, Nabi will pay you severance pay of twelve (12) months of your annual base salary as in effect at the time of such termination ("Severance Pay") and maintain in effect for a twelve (12) month period such fringe benefits as are accorded to other similarly situated employees (to the extent allowed under, and subject to the limitations of, applicable plans). Severance Pay provided for in this paragraph shall be made in twenty-six (26) equal bi-weekly installments.

(C) All non-vested stock options, restricted stock or similar incentive equity instruments pursuant to the Company's 1998 Employee Non-Qualified Stock Option Plan or 2000 Equity Incentive Plans and/or successor plans (the "Options") shall immediately vest. All such "Options" shall be exercisable for one (1) year past termination date, except that no "Options" shall be exercisable beyond the original "Option" expiration date. To the extent the terms of any "Options" are inconsistent with this Agreement, the terms of this Agreement shall control.

(D) All payments or benefits to you under this Section 8 (other than payments or benefits already accrued and otherwise due under Nabi's employee benefit plans or

programs, or as a result of your death) will not be given unless you execute (and do not rescind) a written employment termination agreement in a form prescribed by Nabi, which includes a general release of all claims against Nabi and related parties with respect to all matters occurring prior to or on the date of the release, including (but not limited to) employment matters or matters in connection with your termination.

9. CONFIDENTIALITY: You acknowledge that your duties as described in Section 6 of this Agreement will give you access to trade secrets and other confidential information of Nabi and/or its affiliates, including but not limited to information concerning production and marketing of their respective products, customer lists, and other information relating to their present or future operations (all of the foregoing, whether or not it qualifies as a "trade secret" under applicable law, is collectively called "Confidential Information"). You recognize that Confidential Information is proprietary to each such entity and gives each of them significant competitive advantage.

Accordingly, you shall not use or disclose any of the Confidential Information during or after the Employment Period, except for the sole and exclusive benefit of the relevant company. Upon any termination of the Employment Period, you will return to the relevant company's office all documents, computer electronic information and files, e.g., diskettes, floppies etc. and other tangible embodiments of any Confidential Information. You agree that Nabi would be irreparably injured by any breach of your confidentiality agreement, that such injury would not be adequately compensable by monetary damages, and that, accordingly, the offended company may specifically enforce the provisions of this Section by injunction or similar remedy by any court of competent jurisdiction without affecting any claim for damages.

10. NON-COMPETITION:

(A) You acknowledge that your services to be rendered are of a special and unusual character and have a unique value to Nabi the loss of which cannot adequately be compensated by damages in an action at law. In view of the unique value of the services, and because of the Confidential Information to be obtained by or disclosed to you, and as a material inducement to Nabi to enter into this Agreement and to pay to you the compensation referred to above and other consideration provided, you covenant and agree that you will not, during the term of your employment by Nabi and for a period of one (1) year after termination of such employment for any reason whatsoever, you will not, directly or indirectly, (a) engage or become interested, as owner, employee, consultant, partner, through stock ownership (except ownership of less than five percent of any class of securities which are publicly traded), investment of capital, lending of money or property, rendering of services, or otherwise, either alone or in association with others, in the operations, management or supervision of any type of business or enterprise engaged in any business which is competitive with any business of Nabi (a "Competitive Business"), (b) solicit or accept orders from any current or past customer of Nabi for products or services offered or sold by, or

competitive with products or services offered or sold by, Nabi, (c) induce or attempt to induce any such customer to reduce such customer's purchase of products or services from Nabi, (d) disclose or use for the benefit of any Competitive Business the name and/or requirements of any such customer or (e) solicit any of Nabi's employees to leave the employ of Nabi or hire or negotiate for the employment of any employee of Nabi.

(B) You have carefully read and considered the provisions of this Section and Section 9 and having done so, agree that the restrictions set forth (including but not limited to the time period of restriction and the world wide areas of restriction) are fair and reasonable (even if termination is at our request and without cause) and are reasonably required for the protection of the interest of Nabi, its officers, directors, and other employees. You acknowledge that upon termination of this Agreement for any reason, it may be necessary for you to relocate to another area, and you agree that this restriction is fair and reasonable and is reasonably required for the protection of the interests of Nabi, their officers, directors, and other employees.

(C) In the event that, notwithstanding the foregoing, any of the provisions of this Section or Section 9 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though invalid or unenforceable parts had not been included therein. In the event that any provision of this Section relating to time period and/or areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas such court deems reasonable and enforceable, said time period and/or areas of restriction shall be deemed to become, and thereafter be, the maximum time period and/or area which such court deems reasonable and enforceable.

(D) With respect to the provisions of this Section, you agree that damages, by themselves, are an inadequate remedy at law, that a material breach of the provisions of this Section would cause irreparable injury to the aggrieved party, and that provisions of this Section 10 may be specifically enforced by injunction or similar remedy in any court of competent jurisdiction without affecting any claim for damages.

11. MISCELLANEOUS: This Agreement and the rights and obligations of the parties pursuant to it and any other instruments or documents issued pursuant to it shall be construed, interpreted and enforced in accordance with the laws of the State of Florida, exclusive of its choice-of-law principles. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns. The provisions of this Agreement shall be severable and the illegality, unenforceability or invalidity of any provision of this Agreement shall not affect or impair the remaining provisions hereof, and each provision of this Agreement shall be construed to be valid and enforceable to the full extent permitted by law. In any suit, action or proceeding arising out of or in connection with this Agreement, the prevailing party shall be entitled to receive an award of the reasonable related amount of attorneys' fees and

disbursements incurred by such party, including fees and disbursements on appeal. This Agreement is a complete expression of all agreements of the parties relating to the subject matter hereof, and all prior or contemporaneous oral or written understandings or agreements shall be null and void except to the extent set forth in this Agreement.

This Agreement cannot be amended orally, or by any course of conduct or dealing, but only by a written agreement signed by the party to be charged therewith. All notices required and allowed hereunder shall be in writing, and shall be deemed given upon deposit in the Certified Mail, Return Receipt Requested, first-class postage and registration fees prepaid, and correctly addressed to the party for whom intended at its address set forth under its name below, or to such other address as has been most recently specified by a party by one or more counterparts, each of which shall constitute one and the same agreement. All references to genders or number in this Agreement shall be deemed interchangeably to have a masculine, feminine, neuter, singular or plural meaning, as the sense of the context required.

If the foregoing confirms your understanding of our agreements, please so indicate by signing in the space provided below and returning a signed copy to us.

Nabi

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

By: /s/ Thomas H. McLain

Thomas H. McLain
Chief Operating Officer

Accepted and agreed:

/s/ Gary A. Siskowski
- ---
Gary A. Siskowski
3239 Clint Moore Rd
Boca Raton, FL 33496

EXHIBIT 10.47

[FINAL] EXECUTION COPY

AMENDMENT NO. 6
dated as of October 10, 2001
to
LOAN AND SECURITY AGREEMENT

THIS AMENDMENT NO. 6 dated as of October 10, 2001 (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., 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, Amendment No. 3 and Waiver dated as of March 1, 1999, Amendment No. 4 dated as of February 1, 2000 and Amendment No. 5 dated as of October 25, 2000 (the "Loan Agreement"; unless otherwise defined herein, terms are used herein as defined in the Loan Agreement).

The Borrower has requested that the Lenders amend certain provisions of the Loan Agreement as hereinafter set forth, 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 7.1 Collection of Receivables by adding at the end thereof a new subsection (d) to read as follows:

(d) Notwithstanding the foregoing, the Borrower shall not be required to comply with the provisions of SECTIONS 7.1(B) and (C) with respect to the collection and remittance of proceeds of Collateral unless and until the Borrower has Revolving Credit Loans outstanding, on the average, in an aggregate principal amount greater than $1,000,000 for a period of five consecutive Business Days and the Agent shall have given notice to the Borrower of its intention to require compliance with such provisions.

(b) by amending subsection (c) of Section 7.12 Information and Reports in its entirety to read as follows:

(c) Borrowing Base Certificate. The Borrower shall deliver to the Agent and the Lenders (i) whenever there are Revolving Credit Loans outstanding in an aggregate principal amount in excess of $1,000,000 and Revolving Credit Availability is less than $10,000,000, on the third day of each week, a Borrowing Base Certificate prepared as of the close of business on the last Business Day of the preceding week and (ii) at any other time, not later than the 15th day of each month, a Borrowing Base Certificate prepared as of the close of business on the last day of the preceding month.

(c) by amending Section 10.5 Capital Expenditures in its entirety to read as follows:

SECTION 10.5 Capital Expenditures. Make or incur any Capital Expenditures, in excess in the aggregate, of the amount set forth below for the Fiscal Year of the Borrower set forth opposite such amount:

Fiscal Year	Amount
1998	$33,500,000
1999	$24,000,000
2000	$27,900,000
2001	$17,500,000
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

Section 2. Effectiveness of Amendment. This Amendment shall become effective as of the date hereof on the date (the "Amendment No. 6 Effective Date") on which the Agent shall have received (1) counterparts of this Amendment duly executed and delivered by the Borrower, each Lender and the Agent, which shall be in form and substance satisfactory to the Agent and in sufficient copies for each Lender, (2) a certificate of the president or chief financial officer of the Borrower stating that, to the

best of his knowledge and based on an examination sufficient to enable him to make an informed statement, (i) 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 Amendment No. 6 Effective Date, and (ii) no Default or Event of Default exists (and the Administrative Agent shall be satisfied as to the truth and accuracy thereof), (3) the Confirmation of Guarantors attached hereto as ANNEX A duly executed and delivered by each Guarantor; and (4) 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.

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 counterpart 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, without giving effect to the conflict of laws principles thereof.

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/ Phyllis E. Link
Name: Phyllis E. Link
Title: Manager, Project Management

BORROWER:

Nabi

By: /s/ Robert B. Naso, Ph.D.
Name: Robert B. Naso, Ph.D.
Title: Senior Vice President

AGENT:

BANK OF AMERICA, N.A.

By: /s/ Andrew A. Doherty
Name: Andrew A. Doherty
Title: Vice President

LENDERS:

BANK OF AMERICA, N.A.

By: /s/ Andrew A. Doherty
Name: Andrew A. Doherty
Title: Vice President

FLEET CAPITAL CORPORATION

By: /s/ Norris C. Locke, Jr.
Name: Norris C. Locke, Jr.
Title: Vice President

ANNEX A

CONSENT AND CONFIRMATION OF GUARANTORS

The undersigned, each in its 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. 6 dated as of October 10, 2001 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: October 30, 2001

BIOMUNE CORPORATION

[CORPORATE SEAL]

By: /s/ Thomas H. McLain

Name: Thomas H. McLain

Title: Treasurer

NABI FINANCE, INC.

[CORPORATE SEAL]

By: /s/ Thomas H. McLain

Name: Thomas H. McLain

Title: President

NABI
5800 PARK OF COMMERCE BOULEVARD, N.W.
BOCA RATON, FLORIDA 33487

October 26, 2001

Attention: Thomas H. McLain
Executive Vice President and Chief Operating Officer

Dear Ladies/Gentlemen:

This letter agreement (the "Agreement") is to confirm the engagement of Stonebridge Associates, LLC ("Stonebridge") as financial advisor to Nabi (the "Company") in connection with the Company's review and implementation of a corporate expansion strategy, whereby the Company intends to evaluate a range of product or business acquisitions, joint venture, in-licensing, or other opportunities relating to its biopharmaceutical operations (a "Contemplated Transaction"). It is assumed that Nabi will explore these opportunities with several target companies currently or yet to be identified ("Target Companies"). The terms and conditions of Stonebridge providing financial advisory services are presented below.

1. FINANCIAL ADVISORY SERVICES: Stonebridge will work closely with you to:

a. Consistent with the Company's current strategic planning process, assist management in preparing a comprehensive business plan ("Business Plan") for Nabi reflecting the divestiture of the majority of its antibody business.

b. Assist in all aspects of the strategic review and financial analysis of any Contemplated Transaction.

c. Assist management in the financial and business due diligence investigation for each Contemplated Transaction.

d. Assist management in preparing a consolidated business plan that incorporates each of the Contemplated Transactions into the Business Plan.

e. Prepare a detailed financial valuation of each Contemplated Transaction to include

i) Valuing such transaction to provide the basis of determining an appropriate consideration for such transaction. The basis of such valuation will include:

a. A comparable company analysis which examines market valuation metrics of publicly traded companies with similar product or business activities;

b. A comparable transaction analysis which examines acquisition valuation metrics for the purchase of similar product lines or for companies with similar business activities; and

c. A discounted cash flow analysis which incorporates detailed financial projections for each transaction.

ii) Valuing Nabi today to provide a benchmark for assessing the shareholder impact of any Contemplated Transaction; and

iii) Valuing Nabi post-Contemplated Transaction, to reflect all strategic and operating synergies derived from the completion of each transaction. Such synergies to include, among others:

a. Research and development;

b. Clinical activities;

c. Sales and marketing;

d. Manufacturing; and

e. Overhead utilization.

f. Assist the Company in reviewing and evaluating a range of transaction structures and proposals.

g. Advise the Company and actively participate in all discussions and negotiations with Target Companies.

h. As needed, assist the Company and its legal counsel in the preparation of each Contemplated Transaction's purchase agreement and other legal documentation.

i. At the request of the Company or its Board of Directors, render an opinion in writing with respect to the fairness, from a financial point of view, of the consideration paid in each Contemplated Transaction.

2. INFORMATION: Stonebridge will not distribute information regarding a Contemplated Transaction or a Target Company (the "Information") other than to our employees and professional advisors directly involved in this engagement, nor will we distribute any information regarding the Company to any other party involved in a

Contemplated Transaction without your prior approval, and without first obtaining a signed confidentiality agreement having terms acceptable to the Company. We will keep strict control over the disposition of Company information, and attempt to retrieve all copies of such information given to parties who decide not to pursue a Contemplated Transaction.

3. COMPENSATION ARRANGEMENTS: As compensation for providing the financial advisory services outlined herein, Stonebridge will be entitled to the following fees:

a) A monthly retainer of $150,000 per quarter, payable in arrears, with the first payment due three months from the signing of an engagement letter ("Financial Advisory Fee"); plus

b) Once the cumulative consideration exchanged (as herein defined) in successful Contemplated Transactions reaches $25 million, 0.5% of all consideration received in subsequent Contemplated Transactions, (the "Transaction Success Fee"); plus

c) If requested, a fairness opinion fee of $50,000 payable upon Stonebridge's delivery of the fairness opinion.

For purposes of calculating Stonebridge's success fees, consideration shall mean the sum of the cash, fair market value of any other securities, assets, obligations, or any other consideration agreed to be paid or provided by or on behalf of Nabi at the closing of the Contemplated Transaction, excluding future royalty payments and other deferred forms of payment.

In the event that the Company consummates a transaction not specifically addressed by this proposal as part of this engagement, the Company and Stonebridge shall, in good faith, negotiate a mutually agreeable fee arrangement incorporating the general parameters of these fee arrangements specifically outlined in this proposal.

4. OUT OF POCKET EXPENSES: In addition to any fees that may be payable to Stonebridge hereunder (and regardless of whether a Contemplated Transaction occurs), the Company hereby agrees to reimburse Stonebridge monthly for reasonable travel and other out-of-pocket expenses incurred in performing its services hereunder.

5. INDEMNIFICATION PROVISIONS: The Company agrees to indemnify Stonebridge and related persons in accordance with the Standard Form of Indemnification Agreement attached hereto as Exhibit A, the provisions of which are incorporated herein by this reference.

6. RELIANCE ON REPORTS/ACCURACY OF INFORMATION: The Company agrees that Stonebridge shall be entitled to rely upon all reports of the Company or Target Companies and/or information supplied to Stonebridge by or on behalf of the Company or Target Companies (whether written or oral), and Stonebridge shall not in any respect

be responsible for the accuracy or completeness of any such report or information or have any obligation to verify the same.

7. COMMUNICATION AND ADVERTISEMENTS: Stonebridge may not be quoted or referred to in any document, release or written or verbal communication prepared, issued or transmitted by the Company or any entity controlled by the Company, or any director, officer, employee, or agent thereof, without Stonebridge's prior written authorization. The Company agrees that, subsequent to the closing of a Contemplated Transaction, Stonebridge has the right at its own expense to place customary advertisements in financial and other newspapers and journals and to make mailings to its current, former or prospective clients describing its services to the Company hereunder.

8. CONFIDENTIAL USE OF INFORMATION OR ADVICE: The Company agrees that any information or advice rendered by Stonebridge or its representatives in connection with this engagement is for the confidential use of the Company and its Board of Directors only in its evaluation of a Contemplated Transaction and, except as otherwise required by law, the Company will not and will not permit any third party to disclose or otherwise refer to such advice or information in any manner without Stonebridge's prior written consent. The Company's Board of Directors and senior management will base their decisions on Stonebridge's advice as well as on the advice of their legal, tax and other business advisors and other factors that they consider appropriate. Accordingly, as an independent contractor Stonebridge will not assume the responsibilities of a fiduciary to the Company or its shareholders in connection with the performance of Stonebridge's services.

9. ADMINISTRATION PROCEEDING AND LITIGATION: In the event of administrative proceeding or litigation in connection with the services provided by Stonebridge, Stonebridge agrees that its representatives will testify at the request of the Company or its counsel. Subject to the provisions of the Standard Form of Indemnification Agreement, the Company will reimburse Stonebridge for all out-of-pocket expenses reasonably incurred by Stonebridge in connection therewith, including the reasonable fees and disbursements of its legal counsel, and the Company will pay Stonebridge reasonable and customary additional compensation as agreed upon by Stonebridge and the Company to cover preparation for and the expenses of testifying at such litigation or proceeding, unless such proceeding or litigation resulted in whole or in part from the gross negligence or willful misconduct of Stonebridge, or the illegal conduct of Stonebridge or a breach by Stonebridge of a warranty herein.

10. TERM OF ENGAGEMENT: The term of Stonebridge's engagement as financial advisor to the Company shall commence on the date hereof and continue until the termination by either party upon thirty days' prior written notice; PROVIDED, HOWEVER, that the Company cannot terminate the engagement prior to three months. Upon termination, the Company shall pay a pro-rata share of the earned but unpaid quarterly Financial Advisory Fee owed to Stonebridge. In no event shall any termination of this Agreement affect the indemnification, contribution and confidentiality obligations of the Company the confidentiality obligation of Stonebridge, or the right of Stonebridge to

receive any unpaid amounts due hereunder as of the date of termination or pursuant to the following sentence. Stonebridge shall be entitled to its appropriate success fees, in the event that any time prior to the expiration of twelve months after termination of this Agreement a Contemplated Transaction is consummated with any Target Companies contacted by Stonebridge or the Company pursuant to this Agreement or with any Target Companies which contacted the Company during the term of this Agreement. Upon termination of this Agreement, Stonebridge will provide to the Company a written list of all such Target Companies that have been contacted or have contacted the Company.

11. SOLE RECOURSE: The Company's sole recourse with respect to this Agreement for any matter relating to this Agreement shall be to Stonebridge and in no event shall the Company have any recourse or assert any claim against or seek recovery from any other Indemnified Party as defined in the Standard Form of Indemnification Agreement.

12. GOVERNING LAW/MISCELLANEOUS: This Agreement (a) shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without regard to conflicts of law principles, (b) incorporates the entire understanding of the parties with respect to the subject matter hereof and supersedes all previous agreements should they exist with respect thereto, (c) may not be amended or modified except in a writing executed by the Company and Stonebridge and (d) shall be binding upon and inure to the benefit of the Company, Stonebridge, any indemnified parties and their respective heirs, personal representatives, successors and assigns. Except as otherwise contemplated by Exhibit A hereto, nothing in this agreement is intended to confer upon any other person other than the parties hereto any rights or remedies hereunder or by reason hereof.

13. WARRANTY OF STONEBRIDGE: Stonebridge hereby represents and warrants that it is aware that U.S. securities laws prohibit any person who has material non-public information about a company from purchasing or selling securities of such company and further warrants that Stonebridge will not, and that Stonebridge has instructed its representatives that they should not, use the Information supplied pursuant to this Agreement in any way which may violate any securities or anti-trust law, and that Stonebridge will comply with all applicable provisions of all federal, state and local laws and all ordinances, rules and regulations thereunder.

14. DISCLOSURES REQUIRED BY LAW: In the event that Stonebridge is requested or required by law to disclose any of the Information, it is agreed that Stonebridge will provide Company with prompt prior notice of such request so that Company may seek an appropriate protective order and/or waive compliance with the provisions of the Agreement.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. Please confirm that the foregoing is in accordance with your understanding by signing and returning to us a copy of this letter.

Very truly yours,

STONEBRIDGE ASSOCIATES, LLC

/s/ Stefanie A. Dhanda

Stefanie A. Dhanda
Vice President

Accepted and agreed to as of
the date set forth above:

NABI

By /s/ Thomas H. McLain

Thomas H. McLain

EXHIBIT A

STONEBRIDGE ASSOCIATES, LLC

STANDARD FORM OF INDEMNIFICATION AGREEMENT

In connection with the services Stonebridge Associates, LLC has agreed to render to the Company, the Company agrees to indemnify and hold harmless Stonebridge Associates, LLC, its officers, directors, employees, agents, managers, members, affiliates and persons deemed to be in control of Stonebridge Associates, LLC within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively, the "Indemnified Parties"), from and against any losses, claims, damages and liabilities, joint or several, related to or arising in any manner out of any transaction, proposal or any other matter (collectively the "Matters") contemplated by the engagement of Stonebridge Associates, LLC hereunder. The Company also will promptly reimburse the Indemnified Parties for any expenses (including fees and expenses of legal counsel) as incurred in connection with the investigation of, preparation for or defense of any pending or threatened claim related to or arising in any manner out of any Matter contemplated by the engagement of Stonebridge Associates, LLC hereunder, or any action or proceeding arising therefrom, whether or not resulting in liability (collectively, "Proceedings"). Notwithstanding the foregoing, the Company shall not be liable in respect of any losses, claims, damages, liabilities or expenses that a court of competent jurisdiction shall have determined by final judgment resulted solely from the gross negligence or willful misconduct of any Indemnified Party. Promptly after receipt by an Indemnified Party of notice of any claim or the commencement of any action or proceeding in respect of which indemnity may be sought against the Company, such Indemnified Party will notify the Company in writing of the receipt of commencement thereof, and the Company shall assume the defense of such action or proceeding (including the employment of counsel satisfactory to the Indemnified Party and the payment of the fees and expenses of such counsel), but the failure so to notify the Company will not relieve the Company from any liability which it may have to any Indemnified Party except to the extent of the Company's actual damages arising from the failure to so notify the Company. Notwithstanding the preceding sentence, the Indemnified Party will be entitled to employ its own counsel in such action if the Indemnified Party reasonably determines that a conflict of interest exists which makes representation by counsel chosen by the Company not advisable, it being understood, however, that the Company shall not be liable for the expense of more than one separate counsel (and one local counsel in each jurisdiction in which it is appropriate) to represent all Indemnified Parties. In such event, the fees and disbursements of such separate counsel will be paid by the Company. In no event shall the Company have any liability to an Indemnified Part for any settlement or compromise effected without the Company's written consent.

If for any reason the foregoing indemnity is unavailable to Stonebridge Associates, LLC or insufficient to hold Stonebridge Associates, LLC harmless, then the Company shall contribute to the amount paid or payable by Stonebridge Associates, LLC as a result of such claims, liabilities, losses, damages or expenses in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and Stonebridge Associates, LLC on the other but also the relative fault of the Company and Stonebridge Associates, LLC, as well as any relevant equitable consideration. It is hereby further agreed that the relative benefits to the Company on the one hand and Stonebridge Associates, LLC on the other hand with respect to the transactions contemplated in this engagement letter shall be deemed to be in the same proportion as (i) the total value of the transaction bears to (ii) the fees paid to Stonebridge Associates, LLC with respect to such transaction.

The indemnity, contribution and expense reimbursement agreements and obligations set forth herein shall apply whether or not an Indemnified Party is a formal party to any Proceeding, shall be in addition to any other rights, remedies or indemnification which any Indemnified Party may have or be entitled to at common law or otherwise, and shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Indemnified Party or any withdrawal, termination or consummation of or failure to initiate or consummate any Matter or any termination or completion or expiration of this letter or Stonebridge Associates, LLC's engagement.

EXHIBIT 21

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
BioMune Corporation	Delaware
Nabi Foreign Sales, Ltd.	Barbados, West Indies

EXHIBIT 23.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-42188) and in the related Prospectus of Nabi Biopharmaceuticals and the Registration Statements (Forms S-8 No. 333-38868, No. 333-38866 and No. 333-38864) pertaining to the Nabi Savings and Retirement Plan, Nabi-Rockville Savings and Retirement Plan, 2000 Equity Incentive Plan and 2000 Employee Stock Purchase Plan of our report dated February 6, 2002, except for Note 21 for as which the date is March 15, 2002, with respect to the consolidated financial statements and schedule of Nabi Biopharmaceuticals included in this Annual Report (Form 10-K) for the year ended December 29, 2001.

/s/ Ernst & Young LLP

Miami, Florida
March 19, 2002