

FOR IMMEDIATE RELEASE

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**BAXTER ANNOUNCES MANUFACTURING, SUPPLY AND DISTRIBUTION  
AGREEMENT WITH KAMADA FOR GLASSIA™**

**Baxter Acquires Exclusive Commercial Rights to GLASSIA™ in the  
United States and Other Select Markets**

DEERFIELD, Ill. August 24, 2010 – Baxter International Inc. (NYSE: BAX) today announced a definitive agreement with Kamada Ltd. for exclusive commercial rights to GLASSIA™ [Alpha 1-Proteinase Inhibitor (Human)], the first and only liquid alpha<sub>1</sub>-proteinase inhibitor, in the United States, Australia, New Zealand and Canada.

GLASSIA™, which was approved by the FDA on July 1, 2010, is indicated for chronic augmentation and maintenance therapy in individuals with emphysema due to congenital deficiency of alpha<sub>1</sub>-proteinase inhibitor (Alpha<sub>1</sub>-PI), also known as alpha<sub>1</sub>-antitrypsin (AAT) deficiency. AAT deficiency is an under-diagnosed hereditary condition that may result in early onset emphysema. Baxter expects to introduce GLASSIA™ in the United States during the fourth quarter of 2010, and will pursue distribution licenses for GLASSIA™ in the other countries for which it has obtained rights.

“The agreement with Kamada underscores Baxter’s commitment to expanding the diagnosis of alpha<sub>1</sub>-antitrypsin deficiency by bringing new and innovative therapeutic

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options to Alpha-1 patients and their treating physicians,” said Larry Guiheen, president of Global BioPharmaceuticals, Baxter BioScience.

The distribution agreement includes an upfront cash payment by Baxter of \$20 million. The agreement also includes a provision under which Kamada has agreed, for a limited period of time, not to initiate or enter any discussions or agreements relating to the commercialization of GLASSIA™ in certain other geographies and for Kamada’s investigational next-generation inhaled therapy. Under a separate license agreement, Baxter has been granted the right to process GLASSIA™ and will seek necessary regulatory approvals to enable it to do so. Also under this agreement, Baxter may make additional payments of up to \$25 million related to the achievement of certain commercial milestones and the execution of a technology transfer related to the production of the therapy by Baxter, as well as royalties on product sales.

### **About AATD**

Alpha-1 antitrypsin deficiency is a hereditary condition that is characterized by a low level of alpha-1 protein in the blood and the lungs. This naturally occurring protein, which is made in the liver, helps protect lung tissue from damaging enzymes released by white blood cells. The most common symptoms of AATD include shortness of breath and cough.

The American Thoracic Society/European Respiratory Society Standards recommend that all patients with Chronic Obstructive Pulmonary Disease (COPD) be tested once for AATD.

Baxter sponsors the AlphaTest® kit to make it easy for physicians to test patients. To date, Baxter has assisted in screening more than 80,000 people for AATD, making it an industry leader in AATD awareness and early diagnosis.

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ARALAST NP [Alpha 1-Proteinase Inhibitor (Human)] is a lyophilized powder indicated for chronic augmentation therapy in patients having congenital deficiency of  $\alpha_1$ -PI with clinically evident emphysema and is available in the United States, Puerto Rico and Argentina. Both GLASSIA™ and ARALAST NP therapies are administered by intravenous infusion once a week to increase the levels of alpha-1 antitrypsin in the blood and lungs.

The American Lung Association estimates that there are approximately 100,000 people in the United States who have inherited AATD, and that less than 10 percent of those people living with Alpha-1 have been properly diagnosed. Worldwide epidemiology estimates suggest there may be more than 3.4 million people who have the genetic phenotypes associated with AATD.

**About GLASSIA™**

Alpha 1-Proteinase Inhibitor (Human), GLASSIA™ is indicated for chronic augmentation and maintenance therapy in individuals with emphysema due to congenital deficiency of alpha<sub>1</sub>-proteinase inhibitor (alpha<sub>1</sub>-PI), also known as alpha1-antitrypsin (AAT) deficiency.

The effect of augmentation therapy with GLASSIA™ or any alpha<sub>1</sub>-PI product on pulmonary exacerbations and on the progression of emphysema in alpha<sub>1</sub>-PI deficiency has not been demonstrated in randomized, controlled clinical trials.

Clinical data demonstrating the long-term effects of chronic augmentation and maintenance therapy of individuals with GLASSIA™ are not available.

GLASSIA™ is not indicated as therapy for lung disease in patients in whom severe alpha<sub>1</sub>-PI deficiency has not been established.

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**Important Risk Information for GLASSIA**

GLASSIA™ is contraindicated in Immunoglobulin a (IgA) deficient patients with antibodies against IgA. GLASSIA™ is contraindicated in individuals with a history of severe immediate hypersensitivity reactions, including anaphylaxis, to Alpha<sub>1</sub>-PI products.

GLASSIA™ is made from human plasma. It may carry a risk of transmitting infections agents, such as viruses, and theoretically, the Creutzfeldt-Jakob disease (CJD) agent.

Administer GLASSIA™ at room temperature at a rate not greater than 0.04 mL/kg body weight per minute. **IF ANAPHYLACTIC OR SEVERE ANAPHYLACTOID REACTIONS OCCUR, DISCONTINUE THE INFUSION IMMEDIATELY.** Administer product brought to room temperature within three hours of entering the vials to avoid microbial contamination.

Safety and effectiveness in patients over 65 years of age have not been established.

The most common product-related adverse reactions in clinical studies were headache and dizziness.

Please see GLASSIA™ Prescribing Information for more details.

For full prescribing information, please visit:  
<http://www.fda.gov/downloads/BiologicsBloodVaccines/BloodBloodProducts/ApprovedProducts/LicensedProductsBLAs/FractionatedPlasmaProducts/UCM217890.pdf>.

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**About ARALAST NP [Alpha<sub>1</sub>-Proteinase Inhibitor (Human)]**

ARALAST NP is indicated for chronic augmentation therapy in patients having congenital deficiency of  $\alpha_1$ -PI with clinically evident emphysema. ARALAST NP is not indicated as therapy for lung disease patients in whom congenital  $\alpha_1$ -PI deficiency has not been established.

The effect of augmentation therapy with ARALAST NP on pulmonary exacerbations and on the progression of emphysema in alpha<sub>1</sub>-antitrypsin deficiency has not been demonstrated in randomized, controlled clinical trials.

**Important Risk Information for ARALAST NP**

**ARALAST NP is contraindicated in IgA deficient patients with antibodies against IgA, due to the risk of severe hypersensitivity.**

ARALAST NP is derived from pooled human plasma. It may carry a risk of transmitting infectious agents, e.g., viruses and theoretically, the Creutzfeldt-Jakob disease (CJD) agent.

The recommended rate of administration ( $\leq 0.08\text{mL/kg/min}$ ) should be closely followed and vital signs monitored continuously. **If anaphylactic or severe anaphylactic reactions occur, the infusion should be discontinued immediately.**

Safety and effectiveness in patients over age 65 years of age have not been established.

ARALAST NP should be administered at room temperature within three (3) hours after reconstitution and should be administered alone, without mixing with other agents or diluting solutions.

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The safety of ARALAST NP was evaluated with ARALAST in a crossover clinical PK comparability study. The most common adverse events deemed related to ARALAST NP included headache and musculoskeletal discomfort. No serious adverse reactions or deaths were reported in the study. In the ARALAST pivotal study, the most common adverse events were headache and somnolence.

For full prescribing information, please visit:

[http://www.baxter.com/products/biopharmaceuticals/downloads/Aralast\\_NP\\_PI.pdf](http://www.baxter.com/products/biopharmaceuticals/downloads/Aralast_NP_PI.pdf).

**About Baxter**

Baxter International Inc., through its subsidiaries, develops, manufactures and markets products that save and sustain the lives of people with hemophilia, immune disorders, infectious diseases, kidney disease, trauma, and other chronic and acute medical conditions. As a global, diversified healthcare company, Baxter applies a unique combination of expertise in medical devices, pharmaceuticals and biotechnology to create products that advance patient care worldwide.

*This release includes forward-looking statements concerning agreements entered into between the company and Kamada, including expectations with respect to the introduction of GLASSIA in the United States and other select markets and plans to seek regulatory approvals to process GLASSIA. The statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: actions of regulatory bodies and other governmental authorities; changes in laws and regulations; product quality or patient safety issues; and other risks identified in the company's most recent filing on Form 10-K and other SEC filings, all of which are available on the company's website. The company does not undertake to update its forward-looking statements.*

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