Fresenius Kabi and Pall Enter Agreement to Accelerate Adoption of Prion Reduction Technology

Bad Homburg, Germany (June 27, 2005) – Transfusion Technology, a subsidiary of Fresenius Kabi AG, and Pall Corporation entered into a collaborative commercialization agreement to accelerate adoption of prion reduction technology for blood transfusions in Europe, the epicenter of variant Creutzfeldt-Jakob Disease (vCJD). Prions are believed to be the causative agent of vCJD, the human form of Bovine Spongiform Encephalopathy (BSE), also known as Mad Cow Disease. The dual-branded marketing agreement will facilitate the ability of blood centers to integrate prion reduction filters into routine practice to safeguard the blood supply from this insidious and fatal disease.

Under the 5-year agreement, both companies will sell the Pall prion reduction filter throughout Europe as their own brand as of now. Pall began marketing the Leukotrap® Affinity Prion Reduction Filter System in Europe following its May 2005 Council of Europe (CE) marking. It is the first and only technology that removes infectious prions from red cell blood products, the most widely transfused blood components. The system is currently being evaluated by the UK National Blood Service and the Irish Blood Transfusion Service for implementation into their respective blood processing practices. Results are expected later this year or in early 2006.

The agreement between the two companies leverages Fresenius Kabi's strong presence and established relationships in blood centers throughout Europe. It also complements and builds upon Pall's expertise in developing and commercializing innovative filtration technologies.

Fresenius Kabi will integrate the Pall prion reduction filter with its own bag and tubing set to market its own system throughout Europe. Throughout the life of the agreement, Pall will also provide Fresenius Kabi with an opportunity to incorporate each new technology enhancement it develops in relation to the prion reduction filter.

"Through the joint initiative with Pall we make a unique prion reduction technology available to meet this emerging critical blood safety need," said Marc-A. Mahl, M.D., Executive Vice President of the Fresenius Kabi Transfusion Technology Division. "Prion reduction is a significant market opportunity that naturally aligns with our portfolio of products for the blood banks."

"This agreement is an important step forward in transfusion safety for blood centers, donors and transfusion recipients," said Allan Ross, President of Pall Medical. "Fresenius Kabi's endorsement of our technology further validates the urgent need for prion reduction to become a routine part of blood processing to ensure transfusion safety and help prevent further transmission of vCJD."

Variant CJD is a fatal neurodegenerative disease transmitted by eating contaminated beef and also by blood transfusion. According to the world's leading prion experts, the risk of a second wave or outbreak of vCJD is greater than initially estimated. New calculations indicate that the number of reported BSE infected cattle and the number of identified vCJD cases to date may only be a fraction of what actually exists. Variant CJD is asymptomatic for about 10 to 16 years and there is no accurate way to determine how many people could be harboring the disease without clinical symptoms and also be blood donors. This presents a

problem of uncertainty about the actual magnitude of future cases and the possibility of a vCJD epidemic.

Pall developed the prion reduction technology to help blood authorities around the world stop the transmission of prions as part of the Company's mission to help safeguard the global blood supply. The adoption of the new prion reduction filter has the potential to support the global public health need for adequate supplies of safe blood. Pall is continuing its prion research and development program to apply its technologies to meet the specific requirements of each nation starting in Europe, the epicenter of vCJD, followed by North America. The Company is also developing an ante mortem test to detect infectious prions in cattle prior to entering the food supply.

About Fresenius Kabi
Fresenius Kabi is the leader in Infusion Therapy and Clinical Nutrition in Europe and in its most important countries of Latin America and Asia Pacific. Fresenius Kabi's core product range includes infusion solutions for fluid substitution, blood volume replacement, intravenously administered drugs as well as parenteral and enteral nutrition. Furthermore, the company offers medical devices for the application of Infusion Therapy and Clinical Nutrition and Infusion Management. Fresenius Kabi is also active in the field of Transfusion Technology, supplying blood bank processing systems, apheresis systems as well as blood bags and filters. The Transfusion Technology Division of Fresenius Kabi is a leading supplier of these products in Europe and in South America. Fresenius Kabi is focused on the therapy and care of critically and chronically ill patients in and outside the hospital.

The company has more than 11,500 employees worldwide and has a global network of 50 sales organizations and 35 productions sites. Fresenius Kabi achieved sales of € 1,491 million and an operating profit of € 176 million in 2004. Fresenius Kabi AG is a 100% subsidiary of the health care group Fresenius AG.
Please visit **http://www.fresenius-kabi.com**

About Pall Corporation
Pall Corporation is the global leader in the rapidly growing field of filtration, separations and purification. Pall's business is organized around two broad markets: Life Sciences and Industrial. The Company provides leading-edge products to meet the demanding needs of customers in biotechnology, pharmaceuticals, transfusion medicine, semiconductors, water purification, aerospace and broad industrial markets. Total revenues for fiscal 2004 were $1.8 billion. The Company headquarters are in East Hills, New York with extensive operations throughout the world. Visit Pall at **http://www.pall.com**

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