Table of Contents

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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2007

OR

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

For the transition period from _____ to _____.

Commission File Number: 000-04829

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)

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. ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The number of shares outstanding of the registrant's common stock, par value $0.10 per share, at July 30, 2007 was 61,103,387 shares.

Table of Contents

Nabi Biopharmaceuticals

INDEX

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Nabi Biopharmaceuticals

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands)

	June 30, 2007	December 30, 2006
Assets		
Current assets:		
Cash and cash equivalents	$ 68,517	$ 86,227
Marketable securities	35,425	32,500
Trade accounts receivable, net	16,489	20,377
Inventories, net	18,592	19,260
Prepaid expenses and other current assets	5,483	3,459
Assets of discontinued operations	338	13,341
Total current assets	144,844	175,164
Property, plant and equipment, net	84,816	88,329
Other assets:		
Intangible assets, net	1,247	1,683
Other, net	1,523	701
Total assets	$ 232,430	$ 265,877
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	$ 6,751	$ 7,998
Accrued expenses	14,106	16,095
Capital lease obligations, net	155	291
Liabilities of discontinued operations	4,146	20,554
Total current liabilities	25,158	44,938
2.875% convertible senior notes, net	109,397	109,313
Other liabilities	243	238
Total liabilities	134,798	154,489
Commitments and contingencies		
Stockholders' equity:		
Convertible preferred stock	—	—
Common stock	6,190	6,149
Capital in excess of par	329,237	327,228
Treasury stock	(5,321)	(5,321)
Accumulated deficit	(232,474)	(216,668)
Total stockholders' equity	97,632	111,388
Total liabilities and stockholders' equity	$ 232,430	$ 265,877

See accompanying notes to condensed consolidated financial statements.

Nabi Biopharmaceuticals

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share amounts)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
Revenues	$ 20,873	$ 20,374	$ 44,621	$ 39,891
Cost of products sold	11,680	14,366	26,487	28,882
Gross margin	9,193	6,008	18,134	11,009
Selling, general and administrative expense	8,574	11,143	18,587	22,999
Research and development expense	9,048	8,883	19,104	17,661
Operating loss	(8,429)	(14,018)	(19,557)	(29,651)
Interest income	1,419	945	2,999	2,008
Interest expense	(886)	(905)	(1,803)	(1,858)
Other income, net	2,561	317	2,559	382
Loss from continuing operations before income taxes	(5,335)	(13,661)	(15,802)	(29,119)
Income taxes	—	—	(190)	—
Loss from continuing operations	(5,335)	(13,661)	(15,992)	(29,119)
Income (loss) from discontinued operations	557	(1,163)	185	(3,782)
Net loss	$ (4,778)	$ (14,824)	$ (15,807)	$ (32,901)
Basic and diluted (loss) income per share:				
Continuing operations	$ (0.09)	$ (0.22)	$ (0.26)	$ (0.48)
Discontinued operations	0.01	(0.02)	0.00	(0.06)
Basic and diluted loss per share	$ (0.08)	$ (0.24)	$ (0.26)	$ (0.54)
Basic and diluted weighted average shares outstanding	61,280	60,977	61,192	60,653

See accompanying notes to condensed consolidated financial statements.

Nabi Biopharmaceuticals

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(in thousands)

	For the Six Months Ended	
	June 30, 2007	July 1, 2006
Cash flow from operating activities:		
Loss from continuing operations	$ (15,992)	$ (29,119)
Adjustments to reconcile loss from continuing operations to net cash used in operating activities from continuing operations:		
Depreciation and amortization	4,150	4,464
Provision for slow moving or obsolete inventory	111	453
Non-cash compensation	1,515	1,789
Gain on sale of assets, net	(2,557)	—
Disposal of fixed assets, net	40	236
Other	96	(407)
Changes in assets and liabilities:		
Trade accounts receivable	3,875	4,277
Inventories	(85)	(2,097)
Prepaid expenses and other current assets	(634)	(100)
Other assets	15	80
Accounts payable and accrued expenses	(3,589)	(7,257)
Total adjustments	2,937	1,438
Net cash used in operating activities from continuing operations	(13,055)	(27,681)
Net cash used in operating activities from discontinued operations	(5,803)	(5,990)
Net cash used in operating activities	(18,858)	(33,671)
Cash flow from investing activities:		
Purchases of marketable securities	(28,500)	(63,475)
Proceeds from sales of marketable securities	25,575	29,550
Proceeds from sale of assets, net of closing costs	1,300	8
Capital expenditures	(568)	(1,059)
Net cash used in investing activities from continuing operations	(2,193)	(34,976)
Net cash provided by investing activities from discontinued operations	2,582	—
Net cash provided by (used in) investing activities	389	(34,976)
Cash flow from financing activities:		
Repayments of notes payable and capital leases	(137)	(72)
Proceeds from exercise of employee stock options	604	1,137
Net cash provided by financing activities from continuing operations	467	1,065
Net cash provided by (used in) financing activities from discontinued operations	292	(3,059)
Net cash provided by (used in) financing activities	759	(1,994)
Net decrease in cash and cash equivalents	(17,710)	(70,641)
Cash and cash equivalents at beginning of period	86,227	101,762
Cash and cash equivalents at end of period	$ 68,517	$ 31,121

See accompanying notes to condensed consolidated financial statements.

Nabi Biopharmaceuticals

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 COMPANY OVERVIEW

We leverage our experience and knowledge in powering the human immune system to develop and, in certain areas, market products that target serious medical conditions in the areas of hepatitis and transplants, gram positive bacterial infections and nicotine addiction. We are a vertically integrated company with sales of antibodies and other biologics, including Nabi-HB® [Hepatitis B Immune Globulin (Human)] ("Nabi-HB") a pipeline of products in various stages of development, state-of-the-art manufacturing capability and a cash position that will allow us to advance our near-term pipeline products. We also collect specialty and non-specific antibodies for use in our products and sell our excess production to pharmaceutical and diagnostic customers for the subsequent manufacture of their products. We invest the gross margins we earn from sales of Nabi-HB and other biologics toward funding the development of our product pipeline.

We recently announced the formation of two strategic business units: Nabi Biologics and Nabi Pharmaceuticals. Nabi Biologics has responsibility for our protein and immunological products and development pipeline, including Nabi-HB, Nabi-HB Intravenous for the prevention of hepatitis B re-infection after liver transplant, Civacir® [Hepatitis C Immune Globulin (Human)] ("Civacir") and ATG-Fresenius S. The unit also manages the operations of our plasma collection centers and protein fractionation and vaccine production plant. Nabi Pharmaceuticals has responsibility for our NicVAX® (Nicotine Conjugate Vaccine) ("NicVAX") and StaphVAX® (*Staphylococcus aureus* Polysaccharide Conjugate Vaccine) ("StaphVAX") programs.

We are incorporated in Delaware. We maintain our commercial and manufacturing operations in Boca Raton, Florida, a network of nine plasma centers in seven states, and our research and development operations in Rockville, Maryland.

We have retained Banc of America Securities LLC to assist with our exploration of the full range of strategic alternatives available to us to further enhance shareholder value. These alternatives may include, but are not limited to, licensing or development arrangements, joint ventures, strategic alliances, a recapitalization and/or the sale or merger of all or part of the company. There can be no assurance that the exploration of strategic alternatives will result in any agreements or transactions.

NOTE 2 BASIS OF PRESENTATION

In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments, which are necessary to present fairly our financial position, results of operations and cash flows. The condensed consolidated balance sheet at December 30, 2006 has been derived from audited financial statements at that date. The interim results of operations are not necessarily indicative of the results that may occur for the full fiscal year. These statements should be read in conjunction with the Consolidated Financial Statements and Notes included in our Annual Report on Form 10-K for the year ended December 30, 2006 filed with the Securities and Exchange Commission on March 15, 2007.

Principles of consolidation: The accompanying unaudited condensed consolidated financial statements include the accounts of Nabi Biopharmaceuticals and our wholly-owned subsidiaries. All significant inter-company accounts and transactions are eliminated in consolidation.

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. 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 and reclassifications: Certain prior period amounts have been reclassified to conform to the current year's presentation. As discussed in Note 3, the results of operations and the assets and liabilities related to PhosLo® (calcium acetate), ("PhosLo") have been accounted for as discontinued operations in accordance with Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, or SFAS No. 144. Accordingly, results of the operations related to PhosLo from prior periods have been reclassified to discontinued operations. As discussed in Note 6, our segment results have been redefined to reflect management's recent formation of two strategic business units: Nabi Biologics and Nabi Pharmaceuticals, together with a newly created Corporate Shared Services group ("CSS").

In our unaudited condensed consolidated statement of cash flows for the six months ended June 30, 2007, we corrected the classification of the receipt of a $2.5 million PhosLo milestone payment. The payment relates to additional proceeds from the PhosLo sale agreement and is presented as net cash provided by investing activities from discontinued operations. In the condensed

consolidated statement of cash flows for the three months ended March 31, 2007 it was classified as cash provided within net cash used in operating activities from discontinued operations. Based on immateriality, the condensed consolidated statement of cash flows for the three months ended March 31, 2007 was not restated.

New accounting pronouncements: Effective December 31, 2006, we adopted the provisions of Financial Accounting Standards Board (FASB) issued Interpretation Number 48, *Accounting for Uncertainty in Income Taxes*, or FIN 48. See Note 8 for further details.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, or SFAS No. 157. SFAS No. 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurements. This Statement applies to other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. SFAS No. 157 is effective for fiscal years beginning after December 15, 2007. We plan to adopt SFAS No. 157 beginning in the first quarter of our 2008 fiscal year. We are currently evaluating the impact the adoption of SFAS No. 157 may have on our financial position and results of operations.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, or SFAS No. 159, which gives companies the option to measure eligible financial assets, financial liabilities and firm commitments at fair value (i.e., the fair value option), on an instrument-by-instrument basis, that are otherwise not permitted to be accounted for at fair value under other accounting standards. The election to use the fair value option is available when an entity first recognizes a financial asset or financial liability or upon entering into a firm commitment. Subsequent changes in fair value must be recorded in earnings. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. We are in the process of evaluating the impacts, if any, of adopting this pronouncement.

NOTE 3 DISPOSITIONS AND DISCONTINUED OPERATIONS

During the second quarter of 2007, we sold certain assets related to our Aloprim ™ (allopurinol sodium) for Injection (“Aloprim”) product to Bioniche Teoranta, a limited company incorporated in the Republic of Ireland, for aggregate sale proceeds of $3.7 million. Of that amount, $1.3 million was received at closing, $1.4 million is due on December 28, 2007 and $1.0 million is due on December 26, 2008. The buyer also assumed the remaining commitment under our agreement with DSM Pharmaceuticals, Inc. In connection with the closing of this transaction, we recorded a gain of $2.6 million during the second quarter of 2007, which is classified in “*Other income, net*” on our unaudited condensed consolidated statement of operations. We did not treat Aloprim as a discontinued operation given its relative immateriality.

During the fourth quarter of 2006, we sold under a definitive agreement, or the PhosLo Agreement, certain assets related to our PhosLo operations. Under the terms of the PhosLo Agreement, we received $65 million in cash at closing and we earned and collected $10.5 million of milestone payments as of June 30, 2007. We will earn up to an additional $10.0 million upon successful completion of additional milestones. In addition, the purchaser acquired product rights to a new product formulation and we are entitled to royalties on sales of the new product formulation currently under development over a base amount for 10 years after the closing date until total consideration paid in the transaction reaches $150 million.

All of the assets and liabilities of discontinued operations are related to PhosLo and are not allocated to our segments. The following table presents the major classes of assets that have been presented as “*Assets of discontinued operations*” and “*Liabilities of discontinued operations*” in the accompanying unaudited condensed consolidated balance sheets:

(In thousands)	June 30, 2007	December 30, 2006
Restricted cash	$ —	$ 10,841
Milestone receivable	—	2,500
Accounts receivable	338	—
Total assets of discontinued operations	$ 338	$ 13,341

(In thousands)	June 30, 2007	December 30, 2006
Trade accounts payable	$ 93	$ 2,291
Accrued expenses	4,053	7,505
Note payable, net	—	10,758
Total liabilities of discontinued operations	$4,146	$ 20,554

The following table presents summarized financial information for the discontinued operations presented in the accompanying unaudited condensed consolidated statements of operations for the three and six months ended June 30, 2007 and July 1, 2006:

(In thousands)	For the Three Months Ended		For the Six Months Ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
Revenues	$ 375	$ 9,561	$ 75	$ 17,592
Operating income (loss)	557	(1,018)	185	(3,493)
Income (loss)	557	(1,163)	185	(3,782)

The revenues in fiscal 2007 primarily represent the net impact of changes made to our sales deduction liabilities, based on our ongoing estimation process for such deductions. Additional favorable accrual adjustments comprise the remainder of the net income in the current periods.

NOTE 4 INVENTORIES

The components of inventories, stated at the lower of cost or market with cost determined on the first-in first-out, or FIFO method, are as follows:

(In thousands)	June 30, 2007	December 30, 2006
Finished goods	$13,495	$ 13,392
Work in process	4,100	4,830
Raw materials	997	1,038
Total	$18,592	$ 19,260

The net inventory balances reflected in the accompanying unaudited condensed consolidated balance sheets include provisions or write-offs against inventory that have been recorded in accordance with our stated accounting policy.

NOTE 5 LOSS PER SHARE

Basic loss per share is computed by dividing our net loss by the weighted average number of shares outstanding during the period, excluding unvested restricted stock. Diluted loss per share is calculated similarly, as additional shares would be considered anti-dilutive due to our net loss.

When the effects are not anti-dilutive, diluted earnings per share is computed by dividing our net loss by the weighted average number of shares outstanding and the impact of all dilutive potential common shares, primarily stock options and restricted stock grants. The dilutive impact of stock options and restricted stock is determined by applying the “treasury stock” method. A total of 261,304 and 387,864 common stock equivalents have been excluded from the calculation of diluted net loss per share in the three months ended June 30, 2007 and July 1, 2006, respectively, because their inclusion would be anti-dilutive. In addition, a total of 363,184 and 264,517 common stock equivalents have been excluded from the calculation of diluted net loss per share in the six months ended June 30, 2007 and July 1, 2006, respectively, because their inclusion would be anti-dilutive.

NOTE 6 OPERATING SEGMENT INFORMATION

During the second quarter, we redefined our segments to reflect the recent formation of two strategic business units: Nabi Biologics and Nabi Pharmaceuticals. See Note 1.

In connection with this realignment, we created the CSS group, which was developed to streamline and improve finance, information technology, human resources, and business development activities. CSS costs also include legal, government affairs, investor relations, corporate governance and executive administrative expenses. The cost of these activities, which previously were allocated among our reporting segments, are now reflected as CSS and are not allocated to our operating segments.

Given the implementation of this new internal structure, we have revised the applicable segment reporting disclosures in accordance with SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information* and have reclassified prior periods to conform to our new presentation.

We continue to evaluate the performance of each segment based on operating profit or loss. Selling and marketing expenses and research and development expenses are allocated based on the applicable projects for which the expenses support. There are no inter-segment sales and there are no inter-segment allocations of non-operating income and expense.

The following table presents information related to our two reportable segments, reconciled to our consolidated totals:

(In thousands)	For the Three Months Ended		For the Six Months Ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
Revenues:				
Nabi Biologics	$20,847	$ 19,876	$ 44,614	$ 38,927
Nabi Pharmaceuticals	26	498	7	964
Total	$20,873	$ 20,374	$ 44,621	$ 39,891
Gross margin (loss):				
Nabi Biologics	$ 9,192	$ 5,649	$ 18,245	$ 10,606
Nabi Pharmaceuticals	1	359	(111)	403
Total	$ 9,193	$ 6,008	$ 18,134	$ 11,009
Operating income (loss):				
Nabi Biologics	$ 1,086	$ 155	$ 3,438	$ 693
Nabi Pharmaceuticals	(2,809)	(5,798)	(7,735)	(13,466)
Segment operating loss	(1,723)	(5,643)	(4,297)	(12,773)
CSS	(6,706)	(8,375)	(15,260)	(16,878)
Total	$ (8,429)	$(14,018)	$(19,557)	$(29,651)

Total assets related to our segments and the reconciliation to our consolidated totals are presented below.

(In thousands)	June 30, 2007	December 30, 2006
Nabi Biologics	$ 113,048	$ 119,761
Nabi Pharmaceuticals	6,291	3,631
CSS [(1)]	112,753	129,144
Assets of discontinued operations	338	13,341
Total Assets	$ 232,430	$ 265,877

(1) Assets reflected in CSS, which are not allocated to our segments, consist primarily of cash and cash equivalents, marketable securities and certain property, plant and equipment which are allocated to CSS functions.

NOTE 7 COMMITMENTS AND CONTINGENCIES

During 2006, we recorded $4.5 million of other Nabi Biologics revenue related to a contract manufacturing agreement with Inhibitex, Inc. or Inhibitex. Inhibitex disputed the amounts due to us and we arbitrated this dispute during January 2007. On February 9, 2007, we received a favorable ruling from the arbitrator awarding us the full $4.5 million which we recorded in 2006. On March 20, 2007, we filed a motion to confirm the arbitration award on which there was a hearing in April 2007. We are awaiting the decision of the court, but expect to receive the full amount during 2007.

During 2006, we engaged an outside consultant to assess our pricing programs under Medicaid and other governmental pricing programs during the period from 2002 through the second quarter of 2006. In connection with this review, we identified approximately $3.8 million of additional liabilities, of which remaining amounts due at June 30, 2007 and December 30, 2006 were approximately $2.6 million and $2.9 million, respectively. Once rebilled, we expect to pay this obligation during the remainder of 2007. The calculated amount due assumes that we will be successful in rebilling ineligible entities that improperly received best prices. We believe we have properly estimated the underpaid amounts due under Medicaid and other governmental pricing programs.

We have agreements with certain members of our senior management that include certain cash payments and equity-based award modifications in the event of a termination of employment or a change in control of the Company. At June 30, 2007, we had approximately $1.6 million of accrued severance benefits included in "*Accrued expenses*" in our unaudited condensed consolidated balance sheet, in connection with the resignation of our former Chairman, President and CEO from the Company.

In the second quarter of 2007, we recorded severance expense of $0.6 million associated with the elimination of 32 positions in our Boca Raton office, of which $0.4 million was included in cost of goods sold of Nabi Biologics and $0.2 million in selling, general and administrative expenses related to CSS. The $0.6 million was included in *"Accrued expenses"* on our unaudited condensed consolidated balance sheet as of June 30, 2007 and is expected to be paid by the end of October 2007.

In September 2001, our Board of Directors approved the expenditure of up to $5.0 million to purchase our common stock in the open market or in privately negotiated transactions. To date, we have incurred $1.9 million acquiring 345,883 shares under this authorization, leaving $3.1 million available for future purchases. No shares were purchased during 2007 or 2006.

Legal Proceedings

On September 27, 2005, we filed a lawsuit in the United States District Court for the Southern District of Ohio against Roxane Laboratories, Inc., or Roxane, for infringement of our U.S. Patent Number 6,576,665 for PhosLo GelCaps. We filed this lawsuit under the Hatch-Waxman Act in response to a Paragraph IV Certification notice letter submitted by Roxane to us concerning Roxane's filing of an Abbreviated New Drug Application, or ANDA, with the FDA to market a generic version of PhosLo GelCaps. The lawsuit was filed on the basis that Roxane Laboratories' submission of its ANDA and its proposed generic product infringe the referenced patent, which expires in 2021. Under the Hatch-Waxman Act, FDA approval of Roxane Laboratories' proposed generic product would be stayed until the earlier of 30 months or resolution of the patent infringement lawsuit.

On May 25, 2006, we filed an amended complaint in the lawsuit also alleging infringement of U.S. Patent No. 6,875,445. On June 9, 2006, Roxane filed an answer and counterclaims to the amended complaint, in which it denied infringement and asserted several affirmative defenses. Among those defenses, Roxanne has asserted that it does not infringe either patent, that the patents are invalid, and that the patents are unenforceable due to inequitable conduct. In addition, Roxane has asserted a counterclaim for attempted monopolization under the Sherman Act. Roxane seeks unspecified damages incurred and requests that such damages be trebled under the antitrust statute.

On July 18, 2006, we filed a motion to dismiss Roxane's anti-trust counterclaim, as well as to stay and bifurcate discovery on that counterclaim. On October 20, 2006, the Magistrate Judge ruled that discovery on the counterclaim should proceed simultaneously with discovery on the underlying patent claim. On March 21, 2007, the District Judge denied our motion to dismiss the counterclaim. Discovery has closed although, by agreement between the parties, some further expert deposition still may take place.

On November 12, 2006, we completed the sale of the PhosLo product line and related intellectual property, including the patents which are the subject of this litigation to a U.S. subsidiary of Fresenius Medical Care. As a consequence of this sale, we are no longer the plaintiff in this litigation. However, we remain a defendant with the purchaser in relation to an anti-trust claim filed by Roxane in this litigation. The anti-trust counterclaim is based on allegations that we should not have initiated litigation and have continued to maintain the litigation after the sale. Consequently, we remain responsible for all litigation costs in connection with the anti-trust counterclaim for as long as the counterclaim remains a part of this litigation.

NOTE 8 INCOME TAXES

Adoption of FIN 48

Prior to December 31, 2006, we recognized income taxes with respect to uncertain tax positions based upon SFAS No. 5, *Accounting for Contingencies*, or SFAS No. 5. Under SFAS No. 5, we recorded a liability associated with an uncertain tax position if the liability was both probable and estimable. Prior to December 31, 2006, the liabilities recorded under SFAS No. 5 including interest and penalties related to income tax exposures, would have been recognized as incurred within "income taxes" in our condensed consolidated statements of operations. We recorded no such liabilities in 2006.

Effective December 31, 2006, we adopted FIN 48, *Accounting for Uncertainty in Income Taxes*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 requires that we determine whether the benefit

of our tax positions is more likely than not to be sustained upon audit, based on the technical merits of the tax position. For tax positions that are more likely than not to be sustained upon audit, we recognize the greatest amount of the benefit that is more likely than not to be sustained in our condensed consolidated financial statements. For tax positions that are not more likely than not to be sustained upon audit, we do not recognize any portion of the benefit in our condensed consolidated financial statements. The provisions of FIN 48 also provide guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure.

Our policy for interest and penalties under FIN 48, related to income tax exposures was not impacted as a result of the adoption of the recognition and measurement provisions of FIN 48. Therefore, we continue to recognize interest and penalties as incurred within "*Income taxes*" in our condensed consolidated statements of operations, when applicable.

There was no change to our accumulated deficit as of December 31, 2006 as a result of the adoption of the recognition and measurement provisions of FIN 48. We did identify certain potential liabilities that would have met the pre-FIN 48 accrual criteria, discussed above and therefore recorded the adjustment through our income tax provision in the current period, as it was not material to any periods impacted.

Uncertain Income Tax Positions

We file income tax returns in the U.S. federal jurisdiction, with various states and with various foreign jurisdictions. We are subject to tax audits in all jurisdictions for which we file tax returns. Tax audits by their very nature are often complex and can require several years to complete. There are currently no tax audits that have commenced with respect to income returns in any jurisdiction.

Federal: Under the tax statute of limitations applicable to the Internal Revenue Code, we are no longer subject to U.S. federal income tax examinations by the Internal Revenue Service for years before 2003. However, because we are carrying forward income tax attributes, such as net operating losses and tax credits from 2002 and earlier tax years, these attributes can still be audited when utilized on returns filed in the future.

State: Under the statutes of limitation applicable to most state income tax laws, we are no longer subject to state income tax examinations by tax authorities for years before 2003 in states in which we have filed income tax returns. Certain states may take the position that we are subject to income tax in such states even though we have not filed income tax returns in such states and, depending on the varying state income tax statutes and administrative practices, the statute of limitations in such states may extend to years before 2003.

Foreign: We began foreign operations in 2004. We are subject to foreign tax examinations by tax authorities for all such years of operation.

As a result of our December 31, 2006 implementation of FIN 48, the total amount of gross tax benefits, excluding the offsetting full valuation allowance, that became unrecognized, was approximately $8.3 million. There were no accrued interest and penalties resulting from such unrecognized tax benefits. As of June 30, 2007, the total amount of gross unrecognized tax benefits was $7.1 million, and accrued interest and penalties on such unrecognized tax benefits was $46,000.

The net unrecognized tax benefits, if recognized, would impact the effective tax rate as of December 30, 2006 and June 30, 2007, are $0 and $0.2 million, respectively, due to the effect of our full net deferred tax asset valuation allowance.

We do not currently anticipate that any significant increase or decrease to the gross unrecognized tax benefits will be recorded during the remainder of 2007.

Other Income Tax Disclosures

Consistent with 2006, we anticipate recording a valuation allowance against all of our deferred tax assets during 2007. As a result of this valuation allowance, we expect our full year effective tax rate to be at or about zero.

Under Section 382 of the Internal Revenue Code, or Section 382, certain significant changes in ownership may restrict the future utilization of our tax loss carryforwards. The annual limitation is equal to the value of our stock immediately before the ownership change, multiplied by the long-term tax-exempt rate (i.e., the highest of the adjusted federal long-term rates in effect for any month in the three-calendar-month period ending with the calendar month in which the change date occurs). Based upon preliminary calculations, we estimate that the utilization of pre-Section 382 ownership change tax losses for federal income tax purposes would be limited to approximately $14.0 million per year. As a result, federal net operating losses may expire before we are able to fully utilize them. As we have recorded a full valuation allowance against our net deferred tax assets, there is no current impact of this limitation for financial reporting purposes. A more detailed calculation will be prepared once we have taxable income reportable under federal and state laws.

NOTE 9 STOCK-BASED COMPENSATION

Stock Options

A summary of option activity under our stock plans as of June 30, 2007 and the changes during the first six months of 2007 is presented below:

Options	Number of Options
Outstanding at December 30, 2006	7,943,962
Granted	1,663,800
Exercised	(198,840)
Forfeited	(609,772)
Expired	(1,367,915)
Outstanding at June 30, 2007	7,431,235
Exercisable at June 30, 2007	5,313,358

We recognized $0.6 million and $1.0 million of expense related to stock option awards in the three and six month periods ending June 30, 2007, respectively. For the three and six month periods ending July 1, 2006, we recognized stock option expense of $0.5 million and $0.7 million, respectively.

We granted 1,663,800 options during the first half of 2007 with an average fair value of $5.20, which included 866,000 shares which become exercisable over four years in equal installments after the date of grant, 597,800 shares which become exercisable over four years in equal installments beginning January 2, 2008 and 200,000 shares granted to outside directors and the corporate secretary that vest over one year in equal quarterly installments. We estimated the fair value of each stock option on the date of grant using a Black-Scholes option-pricing formula, applying the following assumptions and amortize expense over the option's vesting period using the straight-line attribution approach:

Expected term (in years)	4.94 - 6.29
Risk-free interest rate	4.74 %
Expected volatility	75.5%-76.9%
Expected dividend yield	0%

Expected Term: The expected term represents the period over which the share-based awards are expected to be outstanding based on the historical experience of our employees.

Risk-Free Interest Rate: The Company based the risk-free interest rate used in the assumptions on the implied yield currently available on U.S. Treasury zero-coupon issues with a remaining term equivalent to the stock option award's expected term.

Expected Volatility: The volatility factor used in the assumptions is based on the historical price of our stock over the most recent period commensurate with the expected term of the stock option award.

Expected Dividend Yield: We do not intend to pay dividends on common stock for the foreseeable future. Accordingly, we used a dividend yield of zero in the assumptions.

Restricted Stock

A summary of the status of our restricted stock awards as of June 30, 2007 and changes during the first six months of 2007 is presented below:

Restricted Stock	Number of Shares
Nonvested at December 30, 2006	449,779
Granted	386,766
Vested	(74,833)
Forfeited	(232,066)
Nonvested at June 30, 2007	529,646

The amount of restricted stock expense recorded in each of the three months ended June 30, 2007 and July 1, 2006 was $0.1 million. In each of the six months ended June 30, 2007 and July 1, 2006 restricted stock expense was $0.2 million. During the first half of 2007, we granted 386,766 restricted shares with an average fair value of $5.22, of which 373,700 shares vest ratably over four years beginning January 2, 2008, 4,355 shares vest in full on August 15, 2007 and 8,711 shares vest upon achievement of certain performance goals.

NOTE 10 SUBSEQUENT EVENT

On July 20, 2007, we announced that in connection with the re-organization of our operations into two strategic business units, we eliminated 33 positions in our Rockville, Maryland research and development facility. This will result in a charge in the third quarter of 2007 of approximately $0.6 million for severance and related expense, which will be allocated between Nabi Biologics and Nabi Pharmaceuticals.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion and analysis of the major factors contributing to our financial condition and results of operations for the three and six months ended June 30, 2007 and July 1, 2006. The discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto.

OVERVIEW

We leverage our experience and knowledge in powering the human immune system to develop and, in certain areas, market products that target serious medical conditions in the areas of hepatitis and transplants, gram positive bacterial infections and nicotine addiction. We are a vertically integrated company with sales of antibodies and other biologics, including Nabi-HB® [Hepatitis B Immune Globulin (Human)] ("Nabi-HB") a pipeline of products in various stages of development, state-of-the-art manufacturing capability and a cash position that will allow us to advance our near-term pipeline products. We also collect specialty and non-specific antibodies for use in our products and sell our excess production to pharmaceutical and diagnostic customers for the subsequent manufacture of their products. We invest the gross margins we earn from sales of Nabi-HB and other biologics toward funding the development of our product pipeline.

We recently announced the formation of two strategic business units: Nabi Biologics and Nabi Pharmaceuticals. Nabi Biologics has responsibility for our protein and immunological products and development pipeline, including Nabi-HB, Nabi-HB Intravenous for the prevention of hepatitis B re-infection after liver transplant, Civacir® [Hepatitis C Immune Globulin (Human)] ("Civacir") and ATG-Fresenius S. The unit also manages the operations of our plasma collection centers and protein fractionation and vaccine production plant. Nabi Pharmaceuticals has responsibility for our NicVAX® (Nicotine Conjugate Vaccine) ("NicVAX") and StaphVAX® (*Staphylococcus aureus* Polysaccharide Conjugate Vaccine) ("StaphVAX") programs and had responsibility for our product Aloprim™ (allopurinol sodium) for Injection ("Aloprim") prior to its recent sale. See Note 3 in the accompanying unaudited condensed consolidated financial statements for further discussion of this sale. We have redefined our segments to reflect these changes.

In connection with this realignment, we also created a Corporate Shared Services group ("CSS"), which was developed to streamline and improve finance, information technology, human resources, and business development activities. CSS costs also include legal, government affairs, investor relations, corporate governance and executive administrative expenses. The cost of these activities, which previously were allocated among our reporting segments, are now reflected as CSS and are not allocated to our operating segments.

We have retained Banc of America Securities LLC to assist with our exploration of the full range of strategic alternatives available to us to further enhance shareholder value. These alternatives may include, but are not limited to, licensing or development arrangements, joint ventures, strategic alliances, a recapitalization and/or the sale or merger of all or part of the company. There can be no assurance that the exploration of strategic alternatives will result in any agreements or transactions.

RESULTS OF OPERATIONS

For all periods shown, the results from our PhosLo® (calcium acetate) ("PhosLo"), product line have been reclassified as discontinued operations. Refer to Note 3 in the accompanying unaudited condensed consolidated financial statements.

FOR THE THREE MONTHS ENDED JUNE 30, 2007 AND JULY 1, 2006

Revenues. Information concerning revenues is set forth in the following table:

(In thousands, except percentages)	For the Three Months Ended June 30, 2007		July 1, 2006	
Nabi Biologics:				
- Antibodies	$11,890	57%	$12,214	60%
- Nabi-HB	8,708	42%	7,184	36%
- Other Biologics	249	1%	478	2%
Nabi Biologics	20,847	100%	19,876	98%
Nabi Pharmaceuticals	26	—	498	2%
	$20,873	100%	$20,374	100%

Revenues for Nabi Biologics grew by $1.0 million, or 5%, in the second quarter of 2007 over the comparable period of the prior year, led by increased sales volume of Nabi-HB of $1.5 million. Sales of antibodies remained relatively flat between the two periods. Revenues for Nabi-HB are driven by the number of hepatitis B positive liver transplants, in which we have seen an increasing trend this year. The prior year period reflected lower purchases by a significant wholesale customer who reduced its Nabi-HB inventory.

Nabi-HB is a human polyclonal antibody product indicated to prevent hepatitis B infection following accidental exposure to hepatitis B virus, or HBV. However, we believe the majority of Nabi-HB sales are for use to prevent re-infection with hepatitis B disease in HBV-positive liver transplant patients and that Nabi-HB is currently the leading product by sales for this use.

In November 2002, we filed a Biologics License Application (“BLA”) with the FDA for Nabi-HB Intravenous, to prevent re-infection with hepatitis B disease in HBV-positive liver transplant patients. A Blood Product Advisory Committee, or BPAC, meeting was held at the request of the FDA in July 2006. The BPAC recommended that the FDA approve Nabi-HB Intravenous with nine votes in favor and two votes against. After the meeting, the FDA requested additional clarifying information, which we supplied in September 2006. Subsequently, the FDA has requested additional data from us which we intend to provide during the second half of 2007. After receiving this additional data, we expect that the FDA will be able to make a final decision on our BLA.

In April 2007, Cangene Corporation (“Cangene”), reported that the FDA had approved Cangene’s BLA for HepaGam B™ for use to prevent hepatitis B recurrence following liver transplantation in HBV-positive liver transplant patients. We believe that the sale of Cangene’s product in the U.S. with its new license indication will have an adverse effect on Nabi-HB sales and pricing, and that the adverse effect will become more material if we are unable to obtain approval of our BLA for Nabi-HB Intravenous. Significant quantities of Cangene’s product may be available on the market as early as our third quarter of 2007.

The decrease in Nabi Pharmaceuticals revenues from the prior year period is largely due to the sale of Aloprim in May 2007.

Gross margin. Our gross margins are as follows:

(In thousands, except percentages)	For the Three Months Ended June 30, 2007	July 1, 2006
Nabi Biologics	$ 9,192	$ 5,649
% of segment revenues	*44%*	*28%*
Nabi Pharmaceuticals	1	359
Total	$ 9,193	$ 6,008
% of total revenues	*44%*	*29%*

The improvement in margins was attributable to Nabi Biologics which benefited from higher Nabi-HB sales and the receipt of a $1.2 million insurance settlement, reflected in “*Cost of products sold*”, in the current quarter for a damaged lot of Nabi-HB that was written-off in the second half of 2006. Additionally, higher production levels resulted in a $1.9 million decrease in unabsorbed overhead in the current quarter compared to prior year. We expect a decrease in plant utilization during the remainder of 2007, which we expect will have a negative impact on our margins.

Selling, general and administrative expense. Selling, general and administrative expense was $8.6 million, or 41% of revenues, for the second quarter of 2007 compared to $11.1 million, or 55% of revenues, for the second quarter of 2006. This decrease is primarily due to lower selling and marketing-related expenses incurred by Nabi Biologics and our efforts to reduce our overall infrastructure costs.

Research and Development expense: Research and development expenses, by segment, are presented below.

(In thousands)	For the Three Months Ended June 30, 2007	July 1, 2006	Increase/ (Decrease)
Nabi Biologics	$6,242	$2,497	$ 3,745
Nabi Pharmaceuticals	2,806	6,386	(3,580)
Total	$9,048	$8,883	$ 165

The increase in our research and development expenses for the second quarter of 2007 for Nabi Biologics reflects a focus on activities related to the acceleration of our Civacir, anti-D polyclonal antibody ("Anti-D"), and Intravenous Immune Globulin ("IVIG") development programs. Nabi Pharmaceuticals research and development expenses reflected a decrease in StaphVAX spending and a $0.9 million benefit related to NicVAX from our grant by the U.S. National Institute on Drug Abuse ("NIDA"). There is $0.7 million remaining under the current NIDA grant to offset future NicVAX development expenses.

Operating income (loss). Operating income (loss) by segment is as follows:

(In thousands)	For the Three Months Ended June 30, 2007	July 1, 2006
Nabi Biologics	$ 1,086	$ 155
Nabi Pharmaceuticals	(2,809)	(5,798)
Segment operating loss	(1,723)	(5,643)
CSS	(6,706)	(8,375)
Total	$ (8,429)	$ (14,018)

We were able to reduce our operating loss by $5.6 million, or 40%, over the comparable period of the prior year due to an increase in operating income for Nabi Biologics, as well as reductions in operating expenses for Nabi Pharmaceuticals and CSS. The increased operating income for Nabi Biologics over the prior year period was primarily driven by the gross margin improvement of $3.5 million and lower spending for selling and marketing expenses of $1.1 million. This was partially offset by increased spending for research and development of $3.7 million. Nabi Pharmaceuticals and CSS reduced expenses by 52% and 20%, respectively. The reduction in Nabi Pharmaceuticals was largely due to decreased research and development expenses related to StaphVAX and the NIDA grant reimbursement, while the decrease for CSS resulted from lower general and administrative expenses.

Included in operating income (loss) in the second quarter of 2007 was $0.6 million of severance expense associated with the elimination of 32 positions in our Boca Raton office, of which $0.4 million was included in cost of goods sold of Nabi Biologics and $0.2 million in selling, general and administrative expenses related to CSS. On July 20, 2007, we announced the elimination of 33 positions in our Rockville, Maryland research and development facility, which will result in a charge in the third quarter of 2007 of approximately $0.6 million for severance and related expense and will be allocated between Nabi Biologics and Nabi Pharmaceuticals. We believe these restructurings will better align our organizational structure to meet the current needs of the business and expect to realize a future combined savings of approximately $6.3 million on an annualized basis.

Interest income. Interest income was $1.4 million for the second quarter of 2007 compared to $0.9 million for the second quarter of 2006. Interest income is earned from investing cash and cash equivalents on hand in money market funds and marketable securities, including auction rate securities with maturities or interest reset periods of three months or less. The increase in interest income was primarily due to an increase in the average cash balance for the second quarter of 2007, compared to the second quarter of 2006.

Other income. Other income in the second quarter of 2007 includes a $2.6 million gain from the sale of Aloprim. For further information on the Aloprim sale, which closed in May 2007, see Note 3 of our unaudited condensed consolidated financial statements.

Income taxes. During 2007 and consistent with 2006, we anticipate recording a full valuation allowance against all net deferred tax assets. As a result there was no benefit recorded in the second quarter of 2007 or 2006.

Income (loss) from discontinued operations. Income (loss) from discontinued operations reflects the reclassification of the operations related to our PhosLo product line, which was sold during the fourth quarter of 2006. The income of $0.6 million in the current quarter primarily represents a reduction to our sales deduction liabilities, based on our ongoing estimation process for such deductions.

FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND JULY 1, 2006

Revenues. Information concerning revenues is set forth in the following table:

	For the Six Months Ended			
(In thousands, except percentages)	**June 30, 2007**		**July 1, 2006**	
Nabi Biologics:				
- Antibodies	$24,036	54%	$23,864	60%
- Nabi-HB	18,798	42%	14,345	36%
- Other Biologics	1,780	4%	718	2%
Nabi Biologics	44,614	100%	38,927	98%
Nabi Pharmaceuticals	7	—	964	2%
	$44,621	100%	$39,891	100%

Revenues for Nabi Biologics grew by $5.7 million, or 15%, in the first half of 2007 over the comparable period of the prior year, led by increased sales volume of Nabi-HB of $4.5 million. Sales of antibodies remained relatively flat year over year. Revenues for Nabi-HB are driven by the number of hepatitis B positive liver transplants, in which we have seen an increasing trend this year. The prior year period reflected lower purchases by a significant wholesale customer who reduced its Nabi-HB inventory.

Nabi-HB is a human polyclonal antibody product indicated to prevent hepatitis B infection following accidental exposure to hepatitis B virus, or HBV. However, we believe the majority of Nabi-HB sales are for use to prevent re-infection with hepatitis B disease in HBV-positive liver transplant patients and that Nabi-HB is currently the leading product by sales for this use.

In November 2002, we filed a BLA with the FDA for Nabi-HB Intravenous, to prevent re-infection with hepatitis B disease in HBV-positive liver transplant patients. A BPAC meeting was held at the request of the FDA in July 2006. The BPAC recommended that the FDA approve Nabi-HB Intravenous with nine votes in favor and two votes against. After the meeting, the FDA requested additional clarifying information, which we supplied in September 2006. Subsequently, the FDA has requested additional data from us which we intend to provide during the second half of 2007. After receiving this additional data, we expect that the FDA will be able to make a final decision on our BLA.

In April 2007, Cangene reported that the FDA had approved Cangene's BLA for HepaGam B™ for use to prevent hepatitis B recurrence following liver transplantation in HBV-positive liver transplant patients. We believe that the sale of Cangene's product in the U.S. with its new license indication will have an adverse effect on Nabi-HB sales and pricing, and that the adverse effect will become more material if we are unable to obtain approval of our BLA for Nabi-HB Intravenous. Significant quantities of Cangene's product may be available on the market as early as our third quarter of 2007.

The decrease in Nabi Pharmaceuticals revenues from the prior year period is largely due to the sale of Aloprim in May 2007.

Gross margin (loss). Our gross margin (loss) for the first six months of 2007 and comparative prior year period is as follows:

	For the Six Months Ended	
(In thousands, except percentages)	**June 30, 2007**	**July 1, 2006**
Nabi Biologics	$ 18,245	$ 10,606
% of segment revenues	*41%*	*27%*
Nabi Pharmaceuticals	(111)	403
Total	$ 18,134	$ 11,009
% of total revenues	*41%*	*28%*

The improvement in margins was attributable to Nabi Biologics which benefited from higher Nabi-HB sales and the receipt of a $1.2 million insurance settlement, reflected in "*Cost of products sold*", in the current period for a damaged lot of Nabi-HB that was written-off in the second half of 2006. Additionally, higher production levels resulted in a $3.4 million decrease in unabsorbed overhead in the first half of 2007 compared to prior year. We expect a decrease in plant utilization during the remainder of 2007, which we expect will have a negative impact on our margins in the second half of the year.

Selling, general and administrative expense. Selling, general and administrative expense was $18.6 million, or 42% of revenues, for the first half of 2007 compared to $23.0 million, or 58% of revenues, for the first half of 2006. This decrease is primarily due to lower selling and marketing-related expenses incurred by Nabi Biologics and our efforts to reduce overall infrastructure costs. In the current year, CSS incurred severance related expenses of $1.6 million associated with the resignation of our former Chairman, President and Chief Executive Officer.

Research and Development expense: Research and development expenses, by segment, are presented below.

	For the Six Months Ended		
(In thousands)	June 30, 2007	July 1, 2006	Increase/ (Decrease)
Nabi Biologics	$11,500	$ 3,804	$ 7,696
Nabi Pharmaceuticals	7,604	13,857	(6,253)
Total	$19,104	$17,661	$ 1,443

The increase in our research and development expenses for the first half of 2007 for Nabi Biologics reflects a focus on activities related to the acceleration of our Civacir, Anti-D and IVIG development programs. The Anti-D and IVIG projects were initiated in the second half of 2006. Nabi Pharmaceuticals research and development expenses reflected a decrease in StaphVAX and a $0.9 million benefit related to NicVAX from our NIDA grant. There is $0.7 million remaining under the NIDA grant to offset future NicVAX development expenses.

Operating income (loss). Operating income (loss) by segment is as follows:

	For the Six Months Ended	
(In thousands)	June 30, 2007	July 1, 2006
Nabi Biologics	$ 3,438	$ 693
Nabi Pharmaceuticals	(7,735)	(13,466)
Segment operating loss	(4,297)	(12,773)
CSS	(15,260)	(16,878)
Total	$ (19,557)	$ (29,651)

We were able to reduce our operating loss by $10.1 million, or 34%, over the comparable period of prior year. The $2.7 million increase in operating income of Nabi Biologics was primarily driven by the gross margin improvement of $7.6 million and lower selling and marketing expenses of $2.8 million, partially offset by a $7.7 million increase in research and development expenses. Nabi Pharmaceuticals and CSS reduced expenses by 43% and 10%, respectively. The CSS expenses in the current year included the previously discussed $1.6 million severance accrual.

Interest income. Interest income was $3.0 million for the first half of 2007 compared to $2.0 million for the first half of 2006. Interest income is earned from investing cash and cash equivalents on hand in money market funds and marketable securities, including auction rate securities with maturities or interest reset periods of three months or less. The increase in interest income was primarily due to an increase in the average cash balance for the first half of 2007.

Other income. Other income in the first half of 2007 includes a $2.6 million gain from the sale of Aloprim. For further information on the Aloprim sale, which closed in May 2007, see Note 3 of our unaudited condensed consolidated financial statements.

Income taxes. During 2007 and consistent with 2006, we anticipate recording a full valuation allowance against all net deferred tax assets. As a result of this valuation allowance, we expect our full-year effective tax rate to be at or about zero. However, in connection with our adoption of FIN 48, we identified certain potential liabilities that would have met the pre-FIN 48 accrual criteria and therefore, we recorded a $0.2 million adjustment through our first quarter period income tax provision, as it was not material to any period impacted.

LIQUIDITY AND CAPITAL RESOURCES

Our cash, cash equivalents and marketable securities at June 30, 2007 totaled $103.9 million compared to $118.7 million at December 30, 2006. This decline is primarily the result of funding our net loss during the current period.

Cash used in operating activities decreased by $14.8 million from the first half of 2006 largely due to the decrease in our operating loss. During the remainder of 2007, we expect to pay approximately $2.6 million in severance-related payments, largely due to the resignation of our former Chairman, President and CEO and the elimination of certain positions resulting from the organization of our operations into two strategic business units. Also during the second half of 2007, we expect to receive the $4.5 million arbitration award related to the termination of a contract manufacturing agreement with Inhibitex, Inc. See Note 7 of our unaudited condensed consolidated financial statements for further details on this receivable.

Cash used in investing activities for the first six months of 2007 includes the net purchases of marketable securities of $2.9 million, partially offset by proceeds of $1.3 million from the sale of Aloprim to Bioniche Teoranta. We expect to receive additional payments from this sale of $1.4 million on December 28, 2007 and $1.0 million on December 26, 2008. Capital expenditures were $0.6 million for the first six months of 2007. During 2007, we anticipate capital expenditures up to $2 million, primarily for maintenance of our facilities which support research and development activities and information technology systems.

Cash provided by investing activities from discontinued operations for the first half of 2007 includes the receipt of a $2.5 million milestone payment associated with the PhosLo sale agreement.

On April 19, 2005, we issued $100.0 million of 2.875% Convertible Senior Notes due 2025. The Convertible Senior Notes were issued through a private offering to qualified institutional buyers as defined under Rule 144A of the Securities Act. On May 13, 2005, the initial purchasers exercised $12.4 million of their option to purchase additional Convertible Senior Notes to cover over allotments. A $3.4 million discount was granted to the initial purchasers and an additional $0.3 million in deferred charges were recorded for professional fees related to the issuance. Net cash proceeds from the offering totaled $108.7 million. Interest on the Convertible Senior Notes is payable on each April 15 and October 15, beginning October 15, 2005. We can redeem the Convertible Senior Notes at 100% of their principal amount, or $112.4 million, plus accrued and unpaid interest, any time on or after April 18, 2010. Holders of Convertible Senior Notes may require us to repurchase the Convertible Senior Notes for 100% of their principal amount, plus accrued and unpaid interest, on April 15, 2010, April 15, 2012, April 15, 2015 and April 15, 2020, or following the occurrence of a fundamental change as defined in the indenture agreement governing the Convertible Senior Notes.

On December 7, 2004, we filed a shelf registration statement on Form S-3 with the U.S. Securities and Exchange Commission. This registration statement will permit us, from time to time, to offer and sell up to $175 million of equity or debt securities. If we elect to sell securities under this registration statement, we anticipate using net proceeds from such sales to provide additional funds for general corporate purposes, including but not limited to clinical trials, research, development and marketing expenses and new acquisition and licensing opportunities.

On September 19, 2001, our Board of Directors approved the expenditure of up to $5.0 million to repurchase shares 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 stock purchase programs. We acquired no shares under this program during the past five and a half years. We will evaluate market conditions in the future and make decisions to repurchase additional shares of our common stock on a case-by-case basis in accordance with our Board of Directors' approval. We have acquired 345,883 shares of our common stock for a total of $1.9 million since the inception of this buy back program. We also may seek approval of our Board of Directors to repurchase from time to time our Convertible Senior Notes in the open market or in privately negotiated transactions.

We believe cash and cash equivalents and marketable securities on hand at June 30, 2007 will be sufficient to meet our anticipated cash requirements for operations and debt service for at least the next 12 months.

CRITICAL ACCOUNTING POLICIES

The accompanying unaudited condensed consolidated financial statements include the accounts of Nabi Biopharmaceuticals and all of its wholly-owned subsidiaries. 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. We believe these estimates are reasonable and appropriate. However, if actual experience differs from the assumptions and other considerations used, the resulting changes could have a material effect on the financial statements taken as a whole.

We believe that the following policies and estimates are critical because they involve significant judgments, assumptions and estimates. We have discussed the development and selection of our critical accounting estimates with the Audit Committee of our Board of Directors and the Audit Committee has reviewed the disclosures presented below relating to those policies and estimates.

Accounts Receivable and Revenue Recognition

Our primary customers for biopharmaceutical products are pharmaceutical wholesalers. In accordance with our revenue recognition policy, revenue from product sales is recognized when title and risk of loss are transferred to the customer. Reported revenues are net of estimated customer prompt pay discounts, government payer rebates, customer returns, other customer allowances and other wholesaler fees and chargebacks. At June 30, 2007, we had $2.5 million recorded in accrued expenses (continuing operations) related to these contractual obligations as accrued sales deductions. Our policy regarding sales to customers is that we do not recognize revenue from, or the cost of such sales, where we believe the customer has more than a demonstrably reasonable level of inventory. We make this assessment based on historical demand, historical customer ordering patterns for purchases, business considerations for customer purchases and estimated inventory levels. If our actual experience is different than our assumptions we will then record the effect in that period.

We estimate allowances for revenue dilution items using a combination of information received from third parties, including market data, inventory reports from our major U.S. wholesaler customers, historical information and analysis that we perform. The key assumptions used to arrive at our best estimate of revenue dilution allowances are estimated customer inventory levels, contractual prices and related terms. Our estimates of inventory at wholesaler customers and in the distribution channels are subject to the inherent limitations of estimates that rely on third-party data, as certain third-party information may itself rely on estimates and reflect other limitations. Provisions for estimated rebates and other allowances, such as discounts, promotional and other credits are estimated based on historical payment experience, historical relationship to revenues, estimated customer inventory levels, contract terms and actual discounts offered. On January 1, 2006, we entered into a number of agreements with Prescription Drug Plans, or PDPs, to provide PhosLo to patients under the Medicare Prescription Drug Improvement and Modernization Act of 2003's Part D plan. We were required to make a number of assumptions, including how many patients will be covered by these PDP agreements, in order to record our liabilities under these agreements. These assumptions were based on our understanding of the PhosLo patient population and expected utilization rates based on historical data. We believe that such provisions are estimable due to the limited number of assumptions involved and the consistency of historical experience. Provisions for chargebacks involve more subjective judgments and are more complex in nature. This provision is discussed in further detail below.

Chargebacks. The provision for chargebacks is a significant and complex estimate used in the recognition of revenue. Historically, we market products directly to wholesalers, distributors and homecare companies. We also have marketed products to group purchasing organizations, managed care organizations, physician practice management groups and hospitals, collectively referred to as indirect customers. We have entered into agreements with indirect customers to establish contract pricing for certain products. The indirect customers then select wholesalers from which to actually purchase the products at these contracted prices. Under this arrangement, we will provide credit to the wholesaler to the extent the contracted price with the indirect party is less than the wholesaler's invoice price. Such credit is called a chargeback. The provision for chargebacks is based on our historical chargeback experience and estimated wholesaler inventory levels, as well as expected sell-through levels by our wholesaler customers to indirect customers. Our estimates of inventory at wholesaler customers and in the distribution channels are subject to inherent limitations of estimates that rely on third-party data, as certain third-party information may itself rely on estimates and reflect other limitations. We continually monitor our provision for chargebacks and make adjustments when we believe that actual chargebacks may differ from established reserves.

The following table represents the amounts we have accrued for sales deductions included in continuing operations:

(In thousands)	Chargebacks	Rebates	Sales discounts	Other sales deductions	Total sales deductions
Balance at December 30, 2006	$ 696	$ 934	$ 799	$ 348	$ 2,777
Provision (reversal)	1,230	(41)	815	293	2,297
Actual credits utilized during the six months ended June 30, 2007	(1,378)	(185)	(719)	(307)	(2,589)
Balance at June 30, 2007	$ 548	$ 708	$ 895	$ 334	$ 2,485

The following table represents the amounts we have accrued for sales deductions included in discontinued operations:

(In thousands)	Chargebacks	Rebates	Sales discounts	Other sales deductions	Total sales deductions
Balance at December 30, 2006	$ 601	$ 5,381	$ 438	$ 760	$ 7,180
Provision (reversal)	105	(19)	(3)	(171)	(88)
Actual credits utilized during the six months ended June 30, 2007	(706)	(2,354)	(146)	(33)	(3,239)
Balance at June 30, 2007	$ —	$ 3,008	$ 289	$ 556	$ 3,853

Inventory and Reserves for Slow Moving or Obsolete Inventory

At June 30, 2007, we had net inventory of $18.6 million. We review inventory on hand at each reporting period to assess that inventory is stated at the lower of cost or market and that inventory on hand is saleable. Our assessment of inventory includes a review of selling price compared to inventory carrying cost, recent sales trends and our expectations for sales trends in future periods, ongoing validation that inventory is maintained within established product specifications and product remaining shelf life expiration. Based on these assessments, we provide for an inventory valuation allowance in the period in which the requirement is identified. If our actual experience is greater than our assumptions we will record additional expenses in that period.

Property, Plant and Equipment and Depreciation

We incurred costs of $90.3 million to construct our biopharmaceutical manufacturing facility in Florida and received approval to manufacture our own antibody-based biopharmaceutical product, 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 an 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, as the specialized equipment is subject to wear and tear and exhaustion primarily as a result of use as opposed to the passage of time or technical obsolescence. We expect the annual utilization of these assets to increase significantly during the useful life of the assets and, therefore, believe the units-of-production method of depreciation most appropriately reflects the pattern of consumption of the equipment. However, because we anticipated low utilization levels during the initial years of the asset life and there was uncertainty as to whether higher production levels would be attained, we determined that a minimum of straight-line depreciation over an approximate 13 year life should be recorded each period. Since placing the facility into service in 2001, we have recorded the minimum depreciation amount. Under the units of production method we recorded depreciation expense of $1.5 million and $1.0 million for the six months ended June 30, 2007 and July 1, 2006, respectively. In accordance with the above policy, which has been consistently applied for all prior periods, we recorded additional depreciation expense of $0.6 million and $1.2 million for the six months ended June 30, 2007 and July 1, 2006, respectively, because the amount of depreciation resulting from the units-of-production method was less than our minimum threshold depreciation amount. We periodically evaluate the remaining life and recoverability of this equipment based on the appropriate facts and circumstances.

NEW ACCOUNTING PRONOUNCEMENTS

In July 2006, the FASB issued Interpretation Number 48, *Accounting for Uncertainty in Income Taxes*, or FIN 48. FIN 48 applies to all tax positions within the scope of SFAS No. 109, *Accounting for Income Taxes*, applies a “more likely than not” threshold for tax benefit recognition, identifies a defined methodology for measuring benefits and increases the disclosure requirements for companies. FIN 48 is mandatory for years beginning after December 15, 2006; accordingly, we adopted FIN 48 effective December 31, 2006. In connection with our FIN 48 review, we identified certain potential liabilities that would have met the pre-FIN 48 accrual criteria, discussed above, and therefore recorded a $0.2 million adjustment through our income tax provision in the first quarter of 2007, as it was not material to any period impacted.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, or SFAS No. 157. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement applies to other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. SFAS No. 157 is effective for fiscal years beginning after December 15, 2007. We plan to adopt SFAS No. 157 beginning in the first quarter of our 2008 fiscal year. We are currently evaluating the impact the adoption of SFAS No. 157 will have on our financial position or results of operations.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, or SFAS No. 159, which gives companies the option to measure eligible financial assets, financial liabilities and firm commitments at fair value (i.e., the fair value option), on an instrument-by-instrument basis, that are otherwise not permitted to be accounted for at fair value under other accounting standards. The election to use the fair value option is available when an entity first recognizes a financial asset or financial liability or upon entering into a firm commitment. Subsequent changes in fair value must be recorded in earnings. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. We are in the process of evaluating the impacts, if any, of adopting this pronouncement.

FORWARD LOOKING STATEMENTS

Statements in this Quarterly report that are not strictly historical are forward-looking statements and include statements about our payment of an arbitration award from Inhibitex, capital expenditures, cash position, expectations of FDA actions on our BLA for Nabi-HB Intravenous, the effect of sales of Cangene's product, and our strategic alternatives process. You can identify these forward-looking statements because they involve our expectations, beliefs, projections, anticipations or other characterizations of future events or circumstances. These forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that may cause actual results to differ materially from those in the forward-looking statements as a result of any number of factors. These factors include, but are not limited to, risks relating to our ability to: successfully partner with third parties to fund, develop, manufacture and/or distribute our existing and pipeline products, including NicVAX and our Gram-positive infections products; obtain successful clinical trial results; generate sufficient cash flow from sales of products or from milestone or royalty payments to fund our development and commercialization activities; attract and maintain the human and financial resources to commercialize current products and bring to market products in development; depend upon third parties to manufacture or fill our products; obtain regulatory approval for our products in the U.S. or other markets; realize sales from Nabi-HB due to patient treatment protocols, the number of liver transplants performed in HBV-positive patients or the introduction of competitive products; achieve market acceptance of our products; expand our sales and marketing capabilities or enter into and maintain arrangements with third parties to market and sell our products; effectively and/or profitability use, or utilize the full capacity of, our vaccine manufacturing facility; manufacture NicVAX or other products in our own vaccine manufacturing facility; comply with reporting and payment obligations under government rebate and pricing programs; raise additional capital on acceptable terms, or at all; and re-pay our outstanding convertible senior notes when due. Some of these factors are more fully discussed below. Many of these factors are more fully discussed, as are other factors, in our Annual Report on Form 10-K for the fiscal year ended December 30, 2006 filed with the Securities and Exchange Commission on March 15, 2007. We do not undertake to update any of these forward-looking statements or to announce the results of any revisions to these forward-looking statements except as required by law.

Item 4. Controls and Procedures

Our management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of June 30, 2007. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of June 30, 2007. There has been no change in our internal control over financial reporting that occurred during our fiscal quarter ended June 30, 2007 that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

On September 27, 2005, we filed a lawsuit in the United States District Court for the Southern District of Ohio against Roxane Laboratories, Inc., or Roxane, for infringement of our U.S. Patent Number 6,576,665 for PhosLo GelCaps. We filed this lawsuit under the Hatch-Waxman Act in response to a Paragraph IV Certification notice letter submitted by Roxane to us concerning Roxane's filing of an Abbreviated New Drug Application, or ANDA, with the FDA to market a generic version of PhosLo GelCaps. The lawsuit was filed on the basis that Roxane Laboratories' submission of its ANDA and its proposed generic product infringe the referenced patent, which expires in 2021. Under the Hatch-Waxman Act, FDA approval of Roxane Laboratories' proposed generic product would be stayed until the earlier of 30 months or resolution of the patent infringement lawsuit.

On May 25, 2006, we filed an amended complaint in the lawsuit also alleging infringement of U.S. Patent No. 6,875,445. On June 9, 2006, Roxane filed an answer and counterclaims to the amended complaint, in which it denied infringement and asserted several affirmative defenses. Among those defenses, Roxanne has asserted that it does not infringe either patent, that the patents are invalid, and that the patents are unenforceable due to inequitable conduct. In addition, Roxane has asserted a counterclaim for attempted monopolization under the Sherman Act. Roxane seeks unspecified damages incurred and requests that such damages be trebled under the antitrust statute.

On July 18, 2006, we filed a motion to dismiss Roxane's anti-trust counterclaim, as well as to stay and bifurcate discovery on that counterclaim. On October 20, 2006, the Magistrate Judge ruled that discovery on the counterclaim should proceed simultaneously with discovery on the underlying patent claim. On March 21, 2007, the District Judge denied our motion to dismiss the counterclaim. Discovery has closed although, by agreement between the parties, some further expert deposition still may take place.

On November 12, 2006, we completed the sales of the PhosLo product line and related intellectual property, including the patents which are the subject of this litigation to a U.S. subsidiary of Fresenius Medical Care. As a consequence of this sale, we are no longer the plaintiff in this litigation. However, we remain a defendant with the purchaser in relation to an anti-trust claim filed by Roxane in this litigation. The anti-trust counterclaim is based on allegations that we should not have initiated litigation and have continued to maintain the litigation after the sale. Consequently, we remain responsible for all litigation costs in connection with the anti-trust counterclaim for as long as the counterclaim remains a part of this litigation.

We remain committed to protecting our intellectual property and will take all appropriate steps to vigorously protect our patent rights.

Item 1A. Risk Factors

The following risk factor disclosed in the Company's Annual Report on Form 10-K for the year ended December 30, 2006 has changed materially.

Our BLA license application for Nabi-HB Intravenous may not be approved and a competitive product will reduce sales of Nabi-HB.

Our BLA license application for Nabi-HB Intravenous that was filed in November 2002, may not be approved by the FDA. Nabi-HB is a human polyclonal antibody product currently indicated to prevent hepatitis B, or HBV, infection following accidental exposure to the virus. We believe the majority of our Nabi-HB sales are used to prevent re-infection with hepatitis B disease in HBV-positive liver transplant patients. Nabi-HB is not currently labeled for this use. In July 2006, the Blood Product Advisory Committee of the FDA rendered a positive opinion of our BLA for Nabi-HB Intravenous, voting to recommend approval of its use for the prevention of recurrence of hepatitis B after liver transplant. After the meeting, the FDA requested additional clarifying information, which we supplied in September 2006. Subsequently, the FDA has requested additional data from us which we intend to provide during the second half of 2007. After receiving this additional data, we expect that the FDA will be able to make a final decision on our BLA. The FDA usually follows the recommendations of its Advisory Committees, but it is not obligated to do so.

In April 2007, Cangene reported that the FDA had approved Cangene's BLA for HepaGam B™ for use to prevent hepatitis B recurrence following liver transplantation in HBV-positive liver transplant patients. We have been unable to confirm if Cangene has applied to the FDA for Orphan Drug designation for such use. If Cangene were to seek and obtain an Orphan Drug designation the FDA would be prohibited from approving our BLA for Nabi-HB Intravenous for liver transplant patients during the seven-year exclusivity period afforded an Orphan Drug. While we do not believe that Cangene would be successful in obtaining Orphan Drug designation were it to seek that designation, there can be no assurance that Cangene will not obtain Orphan Drug designation for its product for use to prevent re-infection with hepatitis B in HBV-positive liver transplant patients.

Our inability to obtain licensure from the FDA for Nabi-HB Intravenous for use to prevent re-infection with hepatitis B disease in HBV-positive liver transplant patients would have an adverse effect on our future business, financial condition and results of operations because we would not be able to market Nabi-HB competitively against Cangene's product for such use. Even if we are successful in obtaining a BLA for Nabi-HB Intravenous, competition from Cangene's product will reduce sales of Nabi-HB, thereby having an adverse effect on our future business, financial condition and results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

The following matters were approved at our annual stockholders meeting, which was held on May 18, 2007.

A. The election to the Board of Directors of the following nominees:

Name of Director	For	Authority Withheld
Jason M. Aryeh	53,781,892	1,934,222
David L. Castaldi	53,854,970	1,861,144
Geoffrey F. Cox, Ph.D.	52,210,962	3,505,151
Peter B. Davis	53,790,251	1,925,863
Richard A. Harvey, Jr.	53,829,271	1,886,843
Leslie Hudson	53,755,447	1,960,667
Linda Jenckes	53,777,302	1,886,326
Timothy P. Lynch	53,777,302	1,938,812
Stephen G. Sudovar	51,942,997	3,773,117

B. The approval of the amendment and restatement of the 2000 Equity Incentive Plan into the 2007 Omnibus Equity and Incentive Plan.

For	Against	Abstain
32,686,943	4,708,327	123,643

C. The approval of the amendment and restatement of the 2000 Employee Stock Purchase Plan.

For	Against	Abstain
34,940,303	2,452,666	125,943

D. The ratification of the appointment of Ernst & Young LLP as the Company's independent registered accounting firm for the 2007 fiscal year.

For	Against	Abstain
54,220,624	1,419,104	76,387

Item 5. Other Information

On July 27, 2007, the Company amended the Rights Agreement dated August 1, 1997 between the Company and American Stock Transfer & Trust Company (the "Rights Agreement") to extend the expiration date by one year. The Company previously amended the Rights Agreement to permit an extension of the final expiration date. The rights issued under the Rights Agreement, as amended, will now expire on the final expiration date of August 1, 2008.

Item 6. Exhibits

4.1	Second Amendment to Rights Agreement dated July 26, 2007 between Nabi Biopharmaceuticals and American Stock Transfer & Trust Company
4.2	Third Amendment to Rights Agreement dated July 27, 2007 between Nabi Biopharmaceuticals and American Stock Transfer & Trust Company
10.1	Separation Agreement between Thomas H. McLain and Nabi Biopharmaceuticals effective as of June 29, 2007
10.2	Employment Agreement between Raafat Fahim, Ph.D. and Nabi Biopharmaceuticals effective as of May 18, 2007
31.1	Rule 13a-14(a)/15d-14(a) Certification
31.2	Rule 13a-14(a)/15d-14(a) Certification
32.1	Section 1350 Certification

Nabi Biopharmaceuticals

SIGNATURES

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

Nabi Biopharmaceuticals

Date: August 2, 2007

By: /s/ Jordan I. Siegel

Jordan I. Siegel
Senior Vice President of Finance and Administration,
Chief Financial Officer and Treasurer

EXHIBIT INDEX

Exhibit No.	Description
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31.2	Rule 13a-14(a)/15d-14(a) Certification
32.1	Section 1350 Certification

EXHIBIT 4.1

SECOND AMENDMENT TO RIGHTS AGREEMENT

THIS SECOND AMENDMENT TO RIGHTS AGREEMENT (this "Amendment") is made as of this 26th day of July, 2007 by and between Nabi Biopharmaceuticals, a Delaware corporation (the "Company"), and American Stock Transfer & Trust Company, as rights agent (the "Rights Agent").

WHEREAS, on or about August 1, 1997, the Company entered into a Rights Agreement with Registrar and Transfer Company (the "Rights Agreement");

WHEREAS, the Company and Rights Agent are parties to an Agreement of Substitution and Amendment of Rights Agreement dated as of July 1, 2002, substituting Rights Agent as the rights agent under the Rights Agreement;

WHEREAS, the Company wishes to amend the Rights Agreement as set forth herein and in accordance with Section 27 thereof; and

WHEREAS, the Board of Directors of the Company authorized and approved this amendment on May 18, 2007;

NOW, THEREFORE, in consideration of the foregoing and of other consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 27 of the Rights Agreement is hereby amended by deleting the fourth sentence thereof in its entirety and inserting the following in lieu thereof:

   "Notwithstanding anything contained in this Agreement to the contrary, no supplement or amendment shall be made which changes the Redemption Price, the Purchase Price or the number of shares of Series One Preferred Stock for which a Right is exercisable."

2. The Rights Agreement, as amended by this Amendment, shall remain in full force and effect.

3. This Amendment may be executed in one or more counterparts, each of which shall together constitute one and the same document.

[Rest of page intentionally left blank.]

IN WITNESS WHEREOF, the parties herein have caused this Amendment to be duly executed and attested, all as of the date and year first above written.

NABI BIOPHARMACEUTICALS

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

AMERICAN STOCK TRANSFER & TRUST COMPANY

By: /s/ Herbert J. Lemmer
Name: Herbert J. Lemmer
Title: Vice President

EXHIBIT 4.2

THIRD AMENDMENT TO RIGHTS AGREEMENT

THIS THIRD AMENDMENT TO RIGHTS AGREEMENT (this "Amendment") is made as of this 27th day of July, 2007 by and between Nabi Biopharmaceuticals, a Delaware corporation (the "Company"), and American Stock Transfer & Trust Company, as rights agent (the "Rights Agent").

WHEREAS, on or about August 1, 1997, the Company entered into a Rights Agreement with Registrar and Transfer Company (the "Rights Agreement");

WHEREAS, on or about July 1, 2002, the Company entered into an Agreement of Substitution and Amendment of Rights Agreement with the Rights Agent substituting Rights Agent as the rights agent under the Rights Agreement;

WHEREAS, on or about July 26, 2007, the Company entered into a Second Amendment to Rights Agreement with Rights Agent;

WHEREAS, the Company wishes to amend the Rights Agreement as set forth herein and in accordance with Section 27 thereof; and

WHEREAS, the Board of Directors of the Company authorized and approved this amendment on July 27, 2007;

NOW, THEREFORE, in consideration of the foregoing and of other consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 7 of the Rights Agreement is hereby amended by deleting the date "August 1, 2007" set forth therein and inserting "August 1, 2008" in lieu thereof.
2. The Form of Rights Certificate attached to the Rights Agreement as Exhibit B is hereby amended by deleting all references to the date "August 1, 2007" set forth therein and inserting "August 1, 2008" in lieu thereof.
3. The Rights Agreement, as amended by this Amendment, shall remain in full force and effect.
4. This Amendment may be executed in one or more counterparts, each of which shall together constitute one and the same document.

[Rest of page intentionally left blank.]

IN WITNESS WHEREOF, the parties herein have caused this Amendment to be duly executed and attested, all as of the date and year first above written.

NABI BIOPHARMACEUTICALS

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

AMERICAN STOCK TRANSFER & TRUST COMPANY

By: /s/ Herbert J. Lemmer
Name: Herbert J. Lemmer
Title: Vice President

EXHIBIT 10.1

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

June 29, 2007

Thomas H. McLain
15975 Laurel Creek Drive
Delray Beach, FL 33446

Re: Separation Agreement

Dear Tom:

This separation agreement (the "Agreement") confirms our agreement concerning the terms of your separation from Nabi Biopharmaceuticals ("Nabi") in accordance with the terms of the Employment Agreement dated April 1, 2004 between Nabi and you (the "Employment Agreement").

This Agreement shall become effective as of the date set forth above on the date that you execute this Agreement and Nabi receives a copy thereof executed by you. Nabi reserves the right to revoke this Agreement at any time prior to its effectiveness. Nabi and you are referred to together herein as the "parties."

1. **Separation from Nabi**. You resigned on February 15, 2007 as an officer and director of Nabi, and as an officer and director of any of Nabi's subsidiaries in which you served in that capacity. Your employment by Nabi terminated on March 31, 2007 (the "Separation Date"). The parties agree that the Employment Agreement is terminated effective as of the Separation Date, except for the provisions of Sections 9, 10, 11 and 12 of the Employment Agreement, which remain in full force and effect.

2. **Benefits**. If you do not revoke any portion of your release in Section 3 of this Agreement and you comply with the other terms and provisions of this Agreement and with Sections 9, 10 and 11 of the Employment Agreement, consistent with Section 3 of the Employment Agreement, you shall receive the payments and benefits described in the following subparagraphs (a) through (e):

(a) On October 1, 2007, you shall receive a lump sum payment in the amount of $1,198,961, less applicable payroll tax withholding, representing severance pay and benefits under your Employment Agreement.

(b) In connection with the payment of any bonuses with respect to 2007 under the VIP Management Incentive Bonus Plan to executives of Nabi, but in any event no later than March 15, 2008, Nabi shall pay you $106,875, less applicable payroll tax withholding.

(c) In connection with the payment of Nabi's 401(k) plan matching contributions on behalf of Nabi's employees for 2007, but in any event no later than March 31, 2008, Nabi shall make a matching contribution to your 401(k) account of $9,000.

(d) Nabi shall pay or reimburse up to $50,000 of your attorneys' fees incurred from and including February 14, 2007 in connection with your separation from Nabi within sixty (60) days after you provide satisfactory documentation of such fees to Nabi.

(e) Notwithstanding your separation from Nabi, all of your unvested stock options and restricted stock as of the Separation Date, except for the awards of options to purchase 84,329 shares of Nabi common stock and 58,746 shares of restricted stock granted to you on or about February 24, 2006 (the "Retention Program Grants"), shall vest in full on the effective date of this Agreement and shall be exercisable for a period of twenty-four (24) months following the Separation Date, provided that in no event shall options be exercisable beyond the original expiration date. The Retention Program Grants are hereby forfeited and of no further force and effect. All of your stock options and shares of restricted stock will be entitled to the benefit of those modifications or adjustments, if any, that are made to stock options and restricted stock held by executives of Nabi generally. To the extent that the terms of any such options or restricted stock are inconsistent with this Agreement, the terms of this Agreement shall control.

Notwithstanding the foregoing, if you execute this Agreement but revoke a portion of your release in Section 3 of this Agreement in accordance with Section 11 within the time period described therein and you comply with the other terms and provisions of this Agreement and with Sections 9, 10 and 11 of the Employment Agreement, Nabi shall pay or provide to you as a reduced severance benefit (in lieu of the benefits set forth in subparagraphs (a), (b) and (d) above), the benefits provided in subparagraphs (c) and (e) above.

3. **Releases**. (a) For the consideration set forth herein, which you acknowledge is adequate and satisfactory to you and which exceeds the value of all compensation, benefits and other things of value to which you are or may become entitled if you do not sign this Agreement, and intending to be legally bound, you hereby release Nabi and its subsidiaries and related companies and their respective shareholders, directors, officers, employees, representatives, and agents, past or present, and its and their respective successors and assigns, heirs, executors, insurers, attorneys, and administrators (hereinafter "Nabi Releasees") from any and all agreements, promises, liabilities, claims, demands, rights and entitlements of any kind whatsoever, in law or equity, whether known or unknown, asserted or unasserted, fixed or contingent, apparent or concealed, which you, your heirs, executors, administrators, successors or assigns ever had, now have or hereafter can, shall or may have for, upon, or by reason of any matter, cause or thing whatsoever existing, arising or occurring at any time on or prior to the effective date of this Agreement, including, without limitation, any and all claims arising out of or relating to your employment with Nabi and your separation therefrom and/or any and all claims you may have against any Nabi Releasees relating to any acts and/or omissions by any Nabi Releasees or any claims under any of Nabi's equity incentive plans, and the Change of Control Severance Agreement between you and Nabi dated April 1, 2004, and any and all contract claims, tort claims, negligence, fraud claims, including fraud in the inducement, defamation, disparagement, or other personal injury claims, claims of discrimination or claims pursuant to law, statute, regulation or common law, and claims for costs, expenses and attorneys' fees with respect thereto.

THIS RELEASE AND WAIVER INCLUDES, WITHOUT LIMITATION, ANY AND ALL RIGHTS UNDER THE AMERICANS WITH DISABILITIES ACT, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED, THE AGE DISCRIMINATION IN EMPLOYMENT ACT, AS AMENDED, FLORIDA COMMON LAW, AND ALL OTHER FEDERAL, STATE OR LOCAL STATUTES, ORDINANCES, REGULATIONS OR CONSTITUTIONAL PROVISIONS, INCLUDING THE FLORIDA CIVIL RIGHTS ACT, CHAPTER 760, FLORIDA STATUTES AND FLORIDA WHISTLEBLOWER ACT.

(b) For the consideration set forth herein, which Nabi acknowledges is adequate and satisfactory to it, and intending to be legally bound, Nabi hereby releases you and your successors and assigns, heirs, executors, insurers, attorneys, and administrators (hereinafter the "McLain Releasees") from any and all agreements, promises, liabilities, claims, demands, rights and entitlements of any kind whatsoever, in law or equity, known or asserted by Nabi on or before the date of this Agreement, including, without limitation, any and all claims known or asserted by Nabi on or before the date of this Agreement arising out of or relating to your employment with Nabi. For greater clarity, Nabi is not releasing the McLain Releasees from any unknown or concealed claims, or any claims arising after the effective date of this Agreement.

(c) For greater clarity, the parties are not releasing each other from the agreements and covenants in the Surviving Agreements (as defined in Section 13) or any claims that may arise under any of the Surviving Agreements after the effective date of this Agreement.

(d) If any part of the above releases are deemed to be invalid, each of the parties agrees to immediately sign a new release in favor of the other party in a form reasonably acceptable to such party that is not invalid.

(e) For the purposes of implementing a full and complete release of claims, you expressly acknowledge that this Agreement is intended to include, without limitation, all claims described in this Section 3 herein, whether known or unknown, and that this Agreement contemplates the extinction of all such claims. You intend for your full and general release to release all claims against the Nabi Releasees to the maximum extent of the law. You expressly waive any right to assert after signing this Agreement that any such claim has, through ignorance or oversight, been omitted from the scope of the Agreement.

4. **Non-Disparagement**. The parties agree that any public disclosure of the circumstances surrounding your separation from Nabi shall be agreed upon by the parties prior to its disclosure, except for disclosure required by law, including without limitation, applicable federal securities laws. During the period commencing on the date of this Agreement and ending on June 30, 2009 (the "Non-Disparagement Period"), you will not make any communication, oral or written, that disparages, criticizes or otherwise reflects adversely upon Nabi or any of its shareholders, employees, consultants, representatives and agents, past or present, except if testifying truthfully under oath pursuant to subpoena or other legal process. Nabi will instruct its

officers and directors in writing not to make, during the Non-Disparagement Period, any communication, oral or written, that disparages, criticizes or otherwise reflects adversely upon you, including, without limitation, with respect to your performance of your responsibilities as an employee, officer and director of Nabi, except if testifying truthfully under oath pursuant to subpoena or other legal process. Nabi will promptly provide you with a copy of these written instructions.

5. **Governing Law**. This Agreement shall be subject to and governed by and in accordance with the laws of the State of Florida, without regard to conflict of laws principles.

6. **Interpretation**. Nothing in this Agreement shall be construed as an admission by Nabi or any of its shareholders, agents, employees, or representatives, past or present, that it or they violated any law or regulation or any other legal or equitable obligation it or they have or ever had to you. Nothing in this Agreement shall be construed as an admission by you that you violated any law or regulation or any other legal or equitable obligation you have or ever had to Nabi.

7. **No Obligation to Re-employ**. You agree that your employment relationship with Nabi has ended forever and that you will not apply for or otherwise seek employment, consulting, or contractual status with Nabi at any time, or return to the workplace for any reason.

8. **Return of Property**. You represent and warrant that you have returned to Nabi all property of Nabi used or obtained by you in connection with your employment that is in your possession or control, including, without limitation, the laptop and "Blackberry" devices issued to you. No later than August 1, 2007, Nabi will return to you all personal property left by you at Nabi, of which Nabi has knowledge, including all of your personal files which you stored on the computer(s) you used at Nabi and/or Nabi's network.

9. **Intention to be Legally Bound**. You affirm that the terms stated above are the only consideration for entering into this Agreement, that no other promise or agreement of any kind has been made with or to you by any person or entity to cause you to enter into this Agreement, and that you affirm that you fully understand the meaning and intent of this Agreement, including, but not limited to its final and binding effect. Nabi affirms that the terms stated above are the only consideration for entering into this Agreement, that no other promise or agreement of any kind has been made with or to it by any person or entity to cause Nabi to enter into this Agreement, and that it fully understands the meaning and intent of this Agreement, including, but not limited to its final and binding effect.

10. **Consultation with Attorney**. You affirm that you have been advised to consult with an attorney before signing this Agreement and have had the opportunity to do so. You acknowledge that you fully understand this Agreement, that you have had a reasonable time to consider this Agreement, and that you are knowingly and voluntarily entering into this Agreement.

11. **ADEA Claims**. As to any and all claims, demands, actions, causes of action, suits, damages, losses and expenses, *known or unknown*, that you may have pursuant to the Age

Discrimination in Employment Act, 29 U.S.C. § 621 *et seq.* ("ADEA"), you acknowledge that you have twenty-one (21) days from the time you receive this Agreement to consider whether to sign it. You affirm that if you choose to sign the Agreement before the end of those twenty-one (21) days, it is because you freely chose to do so after carefully considering the terms of this Agreement as to any ADEA claims and contacting anyone whom you chose to consult, including but not limited to, an attorney. You further understand and acknowledge that once you sign this Agreement, you will then have seven (7) calendar days, if you so choose, from the date you sign this Agreement to revoke the release in Section 4 of this Agreement *solely* as to any claims arising under the ADEA. To so revoke a portion of such release as to any ADEA claims, you must do so by giving written notice of such revocation by hand-delivery or fax to Michael Rochelle, Vice President, Human Resources, Nabi Biopharmaceuticals, 5800 Park of Commerce Blvd., N.W., Boca Raton, FL 33487 (Fax No. 561.989.5889). You realize that once signed, this Agreement is immediately effective and enforceable as to any and all claims, except that this Agreement will not be effective or enforceable as to any claim under the ADEA until the seven (7) calendar day revocation period expires.

12. **Amendment.** This Agreement cannot be amended orally or by any course of conduct or dealing and may only be amended or any of its provisions waived by a written agreement signed by you and Nabi.

13. **Entire Agreement**. When accepted by you, this Agreement, Sections 9, 10, 11 and 12 of the Employment Agreement, your stock option grants and agreements and your restricted stock grants and agreements (other than the grants and agreements relating to the Retention Program Grants), the Nabi Biopharmaceuticals 2007 Omnibus Equity and Incentive Plan, the Indemnification Agreement between Nabi and you dated September 11, 2000 and the Invention Non-Competition and Non-Disclosure Agreement between Nabi and you dated June 17, 1998 (other than Sections 2 and 3 thereof, (collectively, the "Surviving Agreements"), all of which shall remain in full force and effect, set forth the entire agreement between you and Nabi and fully supersede any and all prior agreements or understandings between you and Nabi pertaining to the subject matter hereof and thereof.

If this Agreement is acceptable to you, please indicate your agreement by signing and dating the enclosed copy of this Agreement and returning it to me.

Sincerely,

NABI BIOPHARMACEUTICALS

By /s/ Geoffrey F. Cox
Geoffrey F. Cox, Ph.D.
Chairman of the Board

I expressly agree to accept the Severance Agreement set forth above and verify that I am entering this Agreement knowingly and voluntarily, without any coercion or duress. I acknowledge that I was given adequate time to review this letter and that I obtained legal advice from an attorney regarding its terms. I understand the contents of this Agreement and agree to all its terms and conditions including the release of all claims contained in Sections 3 and 11.

Date: July 3, 2007

Signed: /s/ Thomas H. McLain
Thomas H. McLain

EXHIBIT 10.2

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

Effective as of May 18 , 2007

Raafat Fahim Ph.D.
1180 S. Ocean Blvd #8F
Boca Raton, FL 33432

Dear Raafat:

You have agreed to serve as Senior Vice-President (SVP) Research, Technical and Production Operations and Chief Operating Officer and General Manager of the Biologics SBU for Nabi Biopharmaceuticals ("Nabi") which term for purposes of this Agreement shall include affiliates of Nabi Biopharmaceuticals. The following are the terms of such employment:

1. **TERM:** You will serve as a SVP Research, Technical and Production Operations and Chief Operating Officer and General Manager of the Biologics SBU for a period beginning effective as of May 18, 2007 and ending on May 31, 2010, or the date on which your employment is sooner terminated as provided below (the "Employment Period"). Upon expiration of the Employment Period or any extension pursuant to this sentence, it shall be automatically extended for an additional three-year period unless either party gives to the other written notice not less than thirty (30) days prior to the end of the Employment Period that it or he does not wish to extend the term of this Agreement. In the event that your employment by Nabi continues beyond the Employment Period, the terms and conditions of this Agreement shall continue except that your continued employment by Nabi may be terminated by either party upon thirty (30) days' prior notice unless you and Nabi shall have entered into a written agreement to the contrary.

2. **SALARY:** Your salary will be $350,000 per year, payable in accordance with the usual payroll practices of Nabi during the Employment Period. Your salary will be subject to discretionary annual increases as determined by Nabi's Board of Directors or the Compensation Committee thereof.

3. **BONUS:** You will be entitled to participate in Nabi's VIP Management Incentive Program or any comparable bonus plan maintained by Nabi ("Bonus Plan"). Your participation in the Bonus Plan shall be subject to the terms and conditions of the Bonus Plan.

Unless the Employment Period is terminated for "cause" pursuant to Section 7(B)(b) or by you pursuant to Section 7(A)(a), if the Employment Period ends during a calendar year, your bonus compensation opportunity shall be pro rated based upon the number of full calendar months you were employed and the amount of bonus compensation which would have been payable with respect to such year pursuant to the Bonus Plan. If the Employment Period is terminated pursuant to Section 7(A)(a) or Section 7(B)(b) below, no bonus compensation shall be payable with respect to the calendar year during which the Employment Period is terminated.

Bonus payments, if applicable, shall be payable by the fifteenth (15th) day of the third month 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 $1200.00 per month.

5. **BENEFITS:** Annually during the Employment Period, Nabi shall pay you $12,000, grossed up for taxes, so that you can make a contribution to your Supplemental Executive Retirement Plan (the "SERP") and provide you at Nabi's cost with term life insurance of $500,000 in excess of the term life insurance coverage Nabi provides to its employees generally. Nabi shall reimburse you the cost of financial planning services up to $3,000 per year.

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) 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 (a) thirty (30) days after you provide written notice of termination to Nabi or (b) upon your death.

(B) Nabi may terminate the Employment Period (a) in the event Nabi reasonably determines that you are unable to perform the essential functions of your position, with or without reasonable accommodation, for any three (3) consecutive months as the result of mental or physical incapacity or (b) for "Cause," which is defined as (i) acts 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 or intentional misconduct in connection with the performance of your duties as provided for in this Agreement including your failure to comply with the written policies of Nabi, provided that, in the event of a proposed termination under clause (ii) or clause (iv) of this clause (B), you shall receive ten (10) days' prior written notice of such proposed termination and within such period you shall be afforded an opportunity to be heard by Nabi's Board of Directors or a duly appointed committee of the Board as to whether grounds for termination under these clauses 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 and your agreement to cooperate set forth in Section 11 below shall survive the termination of your employment regardless of the reasons therefor.

8. **SEVERANCE:**

(A) In the event that your employment terminates (a) pursuant to Section 7(C) or (b) upon or following the expiration of the Employment Period because Nabi has given notice of non-extension pursuant to Section 1, you shall receive the benefits set forth in Sections 8(B), 8(C) and 8(D). In the event your employment terminates pursuant to Section 7(B)(a), or as a result of your death, you shall receive the benefits set forth in Section 8(D). Notwithstanding the foregoing provisions of this Section 8(A), in the event your employment terminates under circumstances that entitle you to receive compensation and other benefits pursuant to the Change of Control Severance Agreement dated April 1, 2004 between you and Nabi (the "Change of Control Severance Agreement"), you shall not receive the benefits set forth in Section 8(B), 8(C) and 8(D).

(B) Based on the effective date of such termination, Nabi will pay you your base salary as of the effective date of such termination ("Severance Pay") and maintain in effect such fringe benefits (including auto allowance) as are accorded to other similarly situated employees (to the extent allowed under, and subject to the limitations of, applicable plans) for eighteen (18) months. Severance Pay shall be made in accordance with the usual payroll practices of Nabi.

(C) Nabi shall pay for executive outplacement services up to $18,000 by an organization selected by Nabi in its sole discretion.

(D) All of your non-vested stock options, restricted stock or similar incentive equity instruments (collectively, "Equity Awards") shall immediately vest, except the Equity Awards granted to you on February 24, 2006 and any Equity Awards under Nabi's 2000 Employee Stock Purchase Plan which shall vest in accordance with their terms and not the terms of this Agreement. All vested Equity Awards (including those with accelerated vesting pursuant to the preceding sentence) shall be exercisable for twelve (12) months past your termination date, except that no Equity Award shall be exercisable beyond the original Equity Award's expiration date. To the extent the terms of any Equity Award are inconsistent with this Agreement, the terms of this Agreement shall control.

(E) 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, containing terms consistent

with this Agreement as well as 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.

(F) You and Nabi intend that the provisions of this Agreement and all payments and benefits to you under this Agreement meet the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), to the extent applicable, and this Agreement shall be interpreted in accordance with such intent. Without limiting the scope of the immediately preceding sentence, the Severance Pay and benefits provided for under Section 8(B) of this Agreement shall be deferred and accumulated for six months from the effective date of your termination and shall be paid on the first regular payroll date for executive employees following such six-month period if immediately prior to such termination you are, or in Nabi's sole opinion may be, a "specified employee" (as that term is defined in Section 409A(a)(2)(B)(i) of the Code) and such deferral is necessary to avoid the imposition of taxes on you under Section 409A of the Code.

9. **CONFIDENTIALITY:**

(A) You acknowledge that your duties with Nabi will give you access to trade secrets and other confidential information of Nabi (which for purposes of this Section 9 shall be deemed to include its subsidiaries), 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 Nabi and gives Nabi significant competitive advantage.

(B) 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 Nabi's offices 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, Nabi 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, while you are employed 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 equity 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. By way of clarification, a "Competitive Business" is not any business or enterprise in the health care industry; it is only a business or enterprise in the health care industry that is competitive with any business of Nabi. Notwithstanding the foregoing, nothing contained in this Section 10(A) shall be deemed to prohibit you from being employed by or providing services to a Competitive Business following a "Change of Control" (as defined in the Change of Control Agreement) and termination of your employment if (i) the nature of such employment or services do not involve or compete with any business engaged in by Nabi immediately prior to the Change of Control or (ii) such employment or services are rendered to the company that was involved in the Change of Control by acquiring stock or assets of Nabi or merging or consolidating with Nabi or any Affiliate (as defined below) of that company. As used in this Agreement, an "Affiliate" of a company means an entity controlled by, controlling or under common control with that company.

(B) You have carefully read and considered the provisions of this Section 10 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 interests 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 10 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 10 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 10, you agree that damages, by themselves, are an inadequate remedy at law, that a material breach of the provisions of this Section 10 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. **LITIGATION AND REGULATORY COOPERATION:** During and after your employment with Nabi, you shall reasonably cooperate with Nabi in the defense or prosecution of any claims now in existence or which may be brought in the future against or on behalf of Nabi which relate to events or occurrences that transpired while you were employed by Nabi; provided, however, that such cooperation shall not materially and adversely affect you or expose you to an increased probability of civil or criminal litigation. Your cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of Nabi at mutually convenient times. During and after your employment with Nabi, you also shall cooperate fully with Nabi in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while you were employed by Nabi. Nabi shall reimburse you for all out-of-pocket costs and expenses incurred in connection with your performance under this Section 11, including, but not limited to, reasonable attorneys' fees and costs.

12. **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**,** the Change of Control Severance Agreement and the Indemnification Agreement dated May 16, 2003 are 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 BIOPHARMACEUTICALS

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

Date: July 16, 2007

Accepted and agreed to:

/s/ Raafat Fahim
Raafat Fahim
1180 S. Ocean Blvd #8F
Boca Raton, FL 33432

Date: July 16, 2007

Exhibit 31.1

Nabi Biopharmaceuticals

CERTIFICATIONS

Rule 13a-14(a)/15d-14(a) CERTIFICATION

I, Leslie Hudson, Ph.D., certify that:

1. I have reviewed this report on Form 10-Q of Nabi Biopharmaceuticals;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which could adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2007

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

Exhibit 31.2

Rule 13a-14(a)/15d-14(a) CERTIFICATION

I, Jordan I. Siegel, certify that:

1. I have reviewed this report on Form 10-Q of Nabi Biopharmaceuticals;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which could adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2007

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

EXHIBIT 32.1

Nabi Biopharmaceuticals

SECTION 1350 CERTIFICATION

The undersigned officers of Nabi Biopharmaceuticals (the "Company") hereby certify that, as of the date of this statement, the Company's report on Form 10-Q for the quarter ended June 30, 2007 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that, to the best of their knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition of the Company as of June 30, 2007 and the results of operations of the Company for the three and six months ended June 30, 2007.

The purpose of this certification is solely to comply with Title 18, Chapter 63, Section 1350 of the United States Code, as amended by Section 906 of the Sarbanes-Oxley Act of 2002. This statement is not "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Act or any other federal or state law or regulation.

Date: August 2, 2007

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

Date: August 2, 2007

By: /s/ Jordan I. Siegel
Name: Jordan I. Siegel
Title: Chief Financial Officer