

DECLARATION OF LARRY CULVER

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I, Larry Culver, hereby declare as follows:

1. I am the Chief Financial Officer of CellPro, Inc., Bothell, Washington. I have personal knowledge of the matters set forth in this Declaration and can competently testify thereto.
2. Attached to this Declaration as Exhibits A-1 through A-4, B-1 and B-2, C-1 and C-2, and D-1 and D-2 are the summary results of analyses I have done under several alternative scenarios using the computer model CellPro uses to project financial performance. Also attached as Exhibits E-1, E-2, and F are graphs drawn from data generated by me in the course of preparing these analyses.
3. Exhibits A-1 through A-4 project the performance of CellPro under an NIH ordered Bayh-Dole license providing for a royalty based on 4% of the total sales price of 12.8 antibody products. Exhibits A-1 and A-2 are based on "conservative" sales projections; whereas, Exhibits A-3 and A-4 are based on "optimistic" projections. The basic difference between the conservative and optimistic projections relates to the rate at which the model projects sales of 12.8 antibody products, which in turn depends largely on the rate at which ongoing research and clinical trials progress and FDA product approvals are granted. Exhibits A-1 and A-3 assume that CellPro will prevail on the appeal in the patent litigation; whereas, Exhibits A-2 and A-4 assume that the plaintiffs will win the appeal. I believe that Exhibits A-1 through A-4 all reflect scenarios in which CellPro would survive as a viable company. Although each of the Exhibits projects that CellPro would run out of cash before the end of the company's

current product development phase, the existence of a Bayh-Dole license would enable the company to raise sufficient funds to cover the cash shortfall.

4. Attached as Exhibits B-1 and B-2 are the results of two additional analyses done using the same computer model and the same conservative and optimistic sales projections. The purpose of these analyses was to project CellPro's performance if -- as I understand Baxter and/or its expert, Dr. Hausman, to have proposed -- CellPro (1) were to be subject to the injunction and stay conditions that have been proposed in the ongoing patent litigation, (2) were to sell in the United States the same number of products it would sell with a Bayh-Dole license but only until Baxter obtained FDA approval for its stem cell separation system, and (3) were to maintain or expand its projected R&D effort in an attempt to develop replacement products. I do not believe that CellPro in fact could sell the same number of 12.8 antibody disposable kits if it were subject to the proposed injunction as it would with a Bayh-Dole license.^{1/} It is simply unrealistic to believe that the company would be able to maintain an effective sales force (or its R&D personnel) if its employees knew they were likely to be out of work within three months of a Baxter approval. It is also unrealistic to think that CellPro's customers would purchase the same number of 12.8 antibody products if there were no certainty that CellPro would be able to continue to provide disposable antibody kits as they would if CellPro had a Bayh-Dole license. Indeed, I understand that concerns as to future supply are already affecting our sales efforts. The fact that the injunction scenario sales projections are unrealistic, however, is of little

^{1/} For purposes of these Exhibits and for Exhibits C-1 and C-2 discussed below, I have assumed (though I doubt) that Baxter's Isolex 300i product will receive PMA approval from the FDA in April 1999 -- i.e., in the average time it takes to gain approval from the FDA for new products requiring approval.

consequence given the impact of attempting to operate the company as proposed by Baxter and Dr. Hausman. Even if it could make the projected sales, CellPro would completely run out of cash by June 1998 in both the conservative and optimistic sales scenarios.^{2/} Attempting to expand R&D to develop other products would only cause the company to run out of cash earlier. Under no circumstance would the company be viable since it would be unable to finance deficit operations in light of the injunction conditions imposed.

5. Attached as Exhibits C-1 and C-2 are the results of additional analyses that attempt to modify the analyses summarized in Exhibits B-1 and B-2 to reflect more realistic sales projections for a company under the proposed injunction conditions, with a corresponding reduction in personnel and expenditures. Notwithstanding these changes, however, the company still runs out of cash under both the conservative and optimistic sales scenarios in October 1998. There is simply no viable operating strategy that the company could follow if the proposed injunction conditions were imposed.

6. Unless CellPro obtains a Bayh-Dole license or other relief from the proposed injunction, the only strategy that would be available would be one that in effect shuts down the company to await the outcome of the patent litigation appeal. Exhibits D-1 and D-2 show the results of analyses that follow such a strategy in both the case where CellPro prevails on appeal

^{2/} In fact, the proposed condition that would require payment of CellPro's "variable contribution" to plaintiffs might well result in a required payment by CellPro of more than \$2,000 per disposable antibody kit, particularly under the optimistic sales scenario, thus increasing the cash deficiencies. However, one would need to know exactly what expenses would be considered "variable" and what "fixed" in order to apply the proposed "revenues less variable cost" condition, and because of this uncertainty and the resulting complexities in the analyses, I have not attempted to refine the model to take account of this possibility.

and where it loses on appeal. Although CellPro is committed to trying to stay in business, unless there exists a viable strategy for doing so, the officers and directors of the company would have no choice but to adopt such a shutdown strategy.

7. Attached as Exhibits E-1 and E-2 are graphs showing the total number of patient treatments (commercial and clinical uses of the CEPRATE System) over the next four years depending on which of the conditions discussed above apply. Exhibit E-1 is based on conservative sales projections; Exhibit E-2 is based on optimistic sales projections. Because the company could not survive under the various injunction models, only treatments projected to occur before the company would run out of cash and have to cease operations are shown on the graphs. Because the injunction models are not viable, I believe the proper comparisons on the graph are of the treatments projected with a Bayh-Dole license and those projected under the shutdown model. That comparison shows that there would be between 49,000 and 70,000 fewer patient treatments (22,000 to 31,000 fewer in the United States) over the next four years if CellPro is subject to the injunction sought by Baxter and Johns Hopkins than if it obtains a Bayh-Dole license.

8. Attached as Exhibit F is a graph comparing the R&D expenditures of the company under the various projection conditions. Again, it does not make sense to project R&D expenditures under the injunction scenarios after the company began to suffer a cash deficit because the company could not sustain its R&D after that point. And again, the proper comparisons are between the expenditures projected with a Bayh-Dole license and those projected under the shutdown model. That comparison indicates that CellPro would spend more than \$60 million less on R&D directed towards the development of the CEPRATE System and

Bayh-Dole Model
Conservative Sales Projections
Win Appeal

27-May-97

EXHIBIT A-1

**CellPro, Incorporated
Summary**

\$000

	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>	<u>1999/00</u>	<u>2000/01</u>
Net Product Sales	1,365	4,216	6,802	9,517	19,674	40,942	63,330	102,842
Total Revenue	4,298	4,216	12,824	9,650	19,980	40,942	63,330	102,842
Total Margin	3,723	1,787	9,101	4,489	11,301	25,635	43,499	77,019
Gross Product Margin	790	1,787	3,079	4,356	10,995	25,635	43,499	77,019
%	57.9%	42.4%	45.3%	45.8%	55.9%	62.6%	68.7%	74.9%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-22,205	-13,635	8,571	18,318
Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	8,965	14,195	20,637	26,386
R&D	7,637	14,164	15,970	15,776	18,200	20,842	23,003	26,100
SG&A	6,209	9,108	10,676	11,415	16,349	19,456	24,599	31,319
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,430	-116	-13,880	120
Cash Flow	-19,342	-30,855	9,495	-20,103	-41,475	-19,451	-2,464	5,542
Cash Balance	95,506	64,652	74,147	54,044	12,569	-6,883	-9,346	-3,804
Capital Expenditure	8,579	11,109	742	648	1,973	2,500	10,500	5,000
Personnel	142.5	180	156.8	168	211	252	307	367
Royalties & Fess Paid to Johns Hopkins					761	1,586	1,687	0
Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)								
US	649	906	970	1,199	2,385	4,550	6,710	9,785
ROW	345	1,041	1,455	1,972	2,817	5,365	7,815	11,860
Total	994	1,947	2,425	3,171	5,202	9,915	14,525	21,645

27-May-97

Bayh-Dole Model
Conservative Sales Projections
Win Appeal

EXHIBIT A-1

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on future sales of 12.8 antibody products.

No restrictions on ability to sell or develop products world-wide due to HHS license.

Moderate expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients.

CellPro prevails on appeal at January 2000.

HHS license no longer necessary; royalty payments to JH stop; royalties paid to date are not refunded.

In the meantime, CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

No federal income tax liability during this time period due to extensive NOL carry-forwards. This will affect after-tax profits and cash flows after achieving break-even until NOL balances (\$95 million) are consumed.

Cash deficiency of \$22.5 million at 12/99 covered by external financing. Timing of successful appeal is important. If appeal could be concluded six months earlier cash deficiency would be reduced to \$10.5 million.

Bayh-Dole Model
Conservative Sales Projections
Lose Appeal

27-May-97

EXHIBIT A-2

**CellPro, Incorporated
Summary**

\$000

	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Net Product Sales	1,365	4,216	6,802	9,517	19,674	40,942	63,330	102,842
Total Revenue	4,298	4,216	12,824	9,650	19,980	40,942	63,330	102,842
Total Margin	3,723	1,787	9,101	4,489	11,301	25,635	42,727	72,999
Gross Product Margin	790	1,787	3,079	4,356	10,995	25,635	42,727	72,999
%	57.9%	42.4%	45.3%	45.8%	55.9%	62.6%	67.5%	71.0%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-22,205	-13,635	-6,202	14,297
Memo: Expenses								
Manufacturing & Distr.	3,575	3,882	4,208	5,617	8,965	14,195	21,409	30,407
R&D	7,637	14,164	15,970	15,776	18,200	20,842	23,003	26,100
SG&A	6,209	9,108	10,676	11,415	16,349	19,456	24,599	31,319
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,430	-116	120	120
Cash Flow	-19,342	-30,856	9,495	-20,103	-41,475	-19,451	-17,236	1,521
Cash Balance	95,506	64,652	74,147	54,044	12,569	-6,883	-24,119	-22,597
Capital Expenditure	8,579	11,109	742	648	1,973	2,500	10,500	5,000
Personnel	142.5	180	156.8	166	211	252	307	367
Royalties & Fess Paid to Johns Hopkins					761	1,586	2,460	4,021
Therapeutic 12.8 Disposables (Patent Treatments-Commercial & Clinical)								
US	649	906	970	1,199	2,385	4,550	6,710	9,785
ROW	345	1,041	1,455	1,872	2,817	5,365	7,815	11,860
Total	994	1,947	2,425	3,171	5,202	9,915	14,525	21,645

Bayh-Dole Model
Conservative Sales Projections
Lose Appeal

27-May-97

EXHIBIT A-2

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on future sales of 12.8 antibody products.

No restrictions on ability to sell or develop products world-wide due to HHS license.

Moderate expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients.

CellPro loses appeal at January 2000.

HHS license continues.

CellPro pays out \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) previously reclassified pending decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs and affect ending cash.

No federal income tax liability during this time period due to extensive NOL carry-forwards. This will affect after-tax profits and cash flows after achieving break-even until NOL balances (\$95 million) are consumed.

Cash deficiency of \$28 million at 12/00 covered by external financing.

Bayh-Dole Model
Optimistic Sales Projections
Win Appeal

27-May-97

EXHIBIT A-3

**CellPro, Incorporated
Summary**

\$000

	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Net Product Sales	1,365	4,216	8,802	9,517	21,776	50,306	88,772	167,984
Total Revenue	4,298	4,216	12,824	9,650	22,382	50,306	88,772	167,984
Total Margin	3,723	1,787	9,101	4,489	12,784	32,785	63,427	131,064
Gross Product Margin	790	1,787	3,079	4,356	12,178	32,785	63,427	131,064
%	57.9%	42.4%	45.3%	45.8%	55.9%	65.2%	71.4%	78.0%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-20,026	-7,862	24,385	65,420

Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	9,185	16,120	25,375	35,031
R&D	7,637	14,164	15,970	15,776	18,200	21,157	24,041	31,094
SG&A	6,209	9,108	10,676	11,415	16,349	20,755	28,252	35,994
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,427	-163	-13,880	-554

Cash Flow	-19,342	-30,855	9,495	-20,103	-41,353	-15,849	9,796	39,164
Cash Balance	95,506	64,652	74,147	54,044	12,691	-3,158	6,638	45,803
Capital Expenditure	8,579	11,109	742	648	1,973	2,500	10,500	5,000
Personnel	142.5	180	156.8	166	211	266	342	430
Royalties & Fees Paid to Johns Hopkins			0	0	845	1,953	2,281	0

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)								
US	849	906	970	1,199	2,595	5,550	9,160	15,640
ROW	345	1,041	1,455	1,972	3,069	6,555	10,765	19,140
Total	994	1,947	2,425	3,171	5,664	12,105	19,925	34,780

Bayh-Dole Model
Optimistic Sales Projections
Win Appeal

27-May-97

EXHIBIT A-3

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on future sales of 12.8 antibody products.

No restrictions on ability to sell or develop products world-wide due to HHS license.

Rapid expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients.

CellPro prevails on appeal at January 2000.

HHS license no longer necessary; royalty payments to JH stop; royalties paid to date are not refunded.

In the meantime, CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

No federal income tax liability during this time period due to extensive NOL carry-forwards.

This will affect after-tax profits and cash flows after achieving break-even until NOL balances (\$95 million) are consumed.

Cash deficiency of \$11.7 million at 12/99 covered by external financing. Timing of successful appeal is important. If appeal could be concluded six months earlier cash deficiency would be reduced to \$2.6 million.

Bayh-Dole Model
Optimistic Sales Projections
Lose Appeal

27-May-97

EXHIBIT A-4

**CellPro, Incorporated
Summary**

\$000

	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Net Product Sales	1,365	4,216	6,802	9,517	21,776	50,306	88,772	167,984
Total Revenue	4,298	4,216	12,824	9,650	22,382	50,306	88,772	167,984
Total Margin	3,723	1,787	9,101	4,489	12,784	32,785	62,246	124,469
Gross Product Margin	790	1,787	3,079	4,356	12,178	32,785	62,246	124,469
%	57.9%	42.4%	45.3%	45.8%	55.9%	65.2%	70.1%	74.1%
Net Income (Loss)	-15,121	-18,986	-16,652	-40,914	-20,026	-7,862	9,203	58,218

Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	9,185	16,120	26,556	41,626
R&D	7,637	14,164	15,970	15,776	18,200	21,157	24,041	31,094
SG&A	6,209	9,108	10,676	11,415	16,349	20,755	28,252	35,994
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,427	-163	120	53

Cash Flow	-19,342	-30,855	9,495	-20,103	-41,353	-15,849	-5,385	31,962
Cash Balance	95,506	64,652	74,147	54,044	12,691	-3,158	-8,543	23,420
Capital Expenditure	8,579	11,109	742	648	1,973	2,500	10,500	5,000
Personnel	142.5	180	156.8	166	211	266	342	430
Royalties & Fees Paid to Johns Hopkins			0	0	845	1,953	3,462	6,595

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)

US	649	906	970	1,199	2,595	5,550	9,160	15,640
ROW	345	1,041	1,455	1,972	3,069	6,555	10,765	19,140
Total	994	1,947	2,425	3,171	5,664	12,105	19,925	34,780

Bayh-Dole Model
Optimistic Sales Projections
Lose Appeal

27-May-97

EXHIBIT A-4

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on future sales of 12.8 antibody products.

No restrictions on ability to sell or develop products world-wide due to HHS license.

Rapid expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients.

CellPro loses appeal at January 2000.

HHS license continues.

CellPro pays out \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) previously reclassified pending decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs and affect ending cash.

No federal income tax liability during this time period due to extensive NOL carry-forwards. This will affect after-tax profits and cash flows after achieving break-even until NOL balances (\$95 million) are consumed.

Cash deficiency of \$11.7 million at 12/99 covered by external financing.

World-wide Injunction Model
Baxter/Hausman Version
Conservative Sales Projections

27-May-97

EXHIBIT B-1

MAJOR ASSUMPTIONS OF BAXTER/HAUSMAN INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US.

US sales follow model for moderate expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases until Baxter product approved for sale in US in April 1999 (except sales of LC research product is ended July 1997). All 12.8 antibody products phased down beginning April 1999 and cease in July 1999.

International sales phased down over year one and eliminated during year two; begin to ramp up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; capital expenditure in Europe of \$2.0 million in 1998/99)

CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

New product development and clinical trials of existing and development products continue at similar rates as anticipated under the Bayh-Dole scenario in attempt to acquire or develop other non-12.8 antibody products.

This is not a viable model. Results in major cash shortfall, beginning June 1998 with no ability to finance cash requirements.

World-wide Injunction Model
Baxter/Hausman Version
Optimistic Sales Assumption

27-May-97

EXHIBIT B-2

CellPro, Incorporated
Summary

\$000

	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Net Product Sales	1,365	4,216	6,802	9,517	16,145	21,856	9,622	15,361
Total Revenue	4,298	4,216	12,824	9,650	16,394	21,856	9,622	15,361
Total Margin	3,723	1,787	9,101	4,489	9,213	13,197	4,356	6,603
Gross Product Margin	790	1,787	3,079	4,356	8,964	13,197	4,356	6,603
%	57.9%	42.4%	45.3%	45.8%	55.5%	60.4%	45.3%	43.0%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-31,067	-32,392	-33,859	-37,042

Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	7,069	9,019	7,429	8,603
R&D	7,637	14,164	15,970	15,776	18,188	21,139	23,967	30,922
SG&A	6,209	9,108	10,676	11,415	16,320	14,771	10,564	12,658
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,362	63	120	120

Cash Flow	-19,342	-30,855	9,495	-20,103	-48,665	-33,016	-28,461	-37,371
Cash Balance	95,506	64,652	74,147	54,044	5,379	-27,638	-56,099	-93,469
Capital Expenditure	8,579	11,109	742	648	1,274	2,500	700	1,100
Personnel	142.5	180	156.8	166	211	231	179	236
Incremental Profit Paid to Baxter		0	0	0	7,148	9,196	1,342	0

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical))

US	649	906	970	1,199	2,595	5,550	671	0
ROW	345	1,041	1,455	1,972	1,739	123	1,176	3,042
Total	994	1,947	2,425	3,171	4,334	5,673	1,847	3,042

Reduction in Disposables (Patient Treatments-Commercial & Clinical)

US					0	0	-8,489	-15,640
ROW					-1,330	-6,432	-9,589	-16,098
Total					-1,330	-6,432	-18,078	-31,738

World-wide Injunction Model
Baxter/Hausman Version
Optimistic Sales Assumption

27-May-97

EXHIBIT B-2

MAJOR ASSUMPTIONS OF BAXTER/HAUSMAN INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US.

US sales follow model for rapid expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases until Baxter product approved for sale in US in April 1999 (except sales of LC research product is ended July 1997). All 12.8 antibody products phased down beginning April 1999 and cease in July 1999.

International sales phased down over year one and eliminated during year two; begin to ramp up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; capital expenditure in Europe of \$2.0 million in 1998/99)

CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

New product development and clinical trials of existing and development products continue at similar rates as anticipated under the Bayh-Dole scenario in attempt to acquire or develop other non-12.8 antibody products.

This is not a viable model. Results in major cash shortfall, beginning June 1998 with no ability to finance cash requirements.

World-wide Injunction Model
Modified Version
Conservative Sales Assumption

27-May-97

EXHIBIT C-1

CellPro, Incorporated
Summary

\$000	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Net Product Sales	1,365	4,216	6,802	9,517	10,276	6,685	7,015	14,574
Total Revenue	4,298	4,216	12,824	9,650	10,525	6,685	7,015	14,574
Total Margin	3,723	1,787	9,101	4,489	5,049	3,218	3,120	6,453
Gross Product Margin	790	1,787	3,079	4,356	4,800	3,218	3,120	6,453
%	57.9%	42.4%	45.3%	45.8%	46.7%	48.1%	44.5%	44.3%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-30,263	-18,803	-15,914	-16,068

Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	6,494	5,382	5,595	8,426
R&D	7,637	14,164	15,970	15,776	15,880	7,697	7,542	9,483
SG&A	6,209	9,108	10,676	11,415	15,221	9,634	9,233	12,513
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,425	-72	120	120

Cash Flow	-19,342	-30,855	9,495	-20,103	-43,804	-19,868	-14,642	-16,745
Cash Balance	95,506	64,652	74,147	54,044	10,240	-9,629	-24,271	-41,016
Capital Expenditure	8,579	11,109	742	648	803	2,200	700	1,100
Personnel	142.5	180	158.8	166	164	83	106	149

Incremental Profit Paid to Baxter		0	0	0	4,518	2,786	380	0
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Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)

US	649	906	970	1,199	950	1,270	190	0
ROW	345	1,041	1,455	1,972	1,739	123	1,176	3,042
Total	994	1,947	2,425	3,171	2,689	1,393	1,366	3,042

Reduction in Disposables (Patient Treatments-Commercial & Clinical)

US					-1,435	-3,280	-6,520	-9,785
ROW					-1,078	-5,242	-6,639	-8,818
Total					-2,513	-8,522	-13,159	-18,603

World-wide Injunction Model
Modified Version
Conservative Sales Assumption

28-May-97

EXHIBIT C-1

MAJOR ASSUMPTIONS OF MODIFIED INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US.

US sales at 40% of level for moderate expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases until Baxter product approved for sale in US in April 1999 (except sales of LC research product is ended July 1997. All 12.8 antibody products phased down beginning April 1999 and cease in July 1999.

International sales phased down over year one and eliminated during year two; begin to ramp up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; capital expenditure in Europe of \$2.0 million in 1998/99)

CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

No sales of new products; discontinuation of clinical trials; discontinuation of all new product development. (Sales of CD4/CD8 included because product development complete; clinical development still needs to be completed).

Major down-sizing of company implemented December 1997 effective March 1998. (Timing coincides with time for resolution by appellate court of request for expedited stay pending appeal.) Includes 2/3 R&D, 1/3 manufacturing, 1/2 administration, and phase-down in sales/marketing of 2/3. These functions begin to expand again in July 1999 when ex-US sales begin again.

This is not a viable model. Results in major cash shortfall, beginning October 1998 with no ability to finance cash requirements.

World-wide Injunction Model
Modified Version
Optimistic Sales Projections

27-May-97

EXHIBIT C-2

CellPro, Incorporated
Summary

\$000	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Net Product Sales	1,365	4,216	6,802	9,517	10,645	8,036	7,588	15,361
Total Revenue	4,298	4,216	12,824	9,650	10,894	8,036	7,588	15,361
Total Margin	3,723	1,787	9,101	4,489	5,229	3,864	3,295	6,603
Gross Product Margin	790	1,787	3,079	4,356	4,980	3,864	3,295	6,603
%	57.9%	42.4%	45.3%	45.8%	46.8%	48.1%	43.4%	43.0%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-30,110	-18,146	-15,503	-15,453

Memo: Expenses								
Manufacturing & Distr.	3,675	3,682	4,208	5,617	6,548	6,487	6,669	8,599
R&D	7,637	14,164	15,970	15,776	15,880	7,697	7,542	9,483
SG&A	6,209	9,108	10,676	11,415	15,221	9,634	9,233	12,513
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,423	-62	120	120

Cash Flow	-19,342	-30,855	9,495	-20,103	-44,323	-20,289	-12,860	-16,256
Cash Balance	95,506	64,652	74,147	54,044	9,721	-10,568	-23,428	-39,684
Capital Expenditure	8,579	11,109	742	648	803	2,200	700	1,100
Personnel	142.5	180	158.8	166	164	83	106	149
Incremental Profit Paid to Baxter		0	0	0	4,678	3,366	468	0

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical))								
US	649	906	970	1,199	1,030	1,560	234	0
ROW	345	1,041	1,455	1,972	1,739	123	1,176	3,042
Total	994	1,947	2,425	3,171	2,769	1,683	1,410	3,042

Reduction in Disposables (Patient Treatments-Commercial & Clinical)								
US					-1,565	-3,990	-8,926	-15,640
ROW					-1,330	-6,432	-9,589	-16,098
Total					-2,895	-10,422	-18,515	-31,738

MAJOR ASSUMPTIONS OF MODIFIED INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US.

US sales at 40% of level for rapid expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases until Baxter product approved for sale in US in April 1999 (except sales of LC research product is ended July 1997. All 12.8 antibody products phased down beginning April 1999 and cease in July 1999.

International sales phased down over year one and eliminated during year two; begin to ramp up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; capital expenditure in Europe of \$2.0 million in 1998/99)

CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

No sales of new products; discontinuation of clinical trials; discontinuation of all new product development. (Sales of CD4/CD8 included because product development complete; clinical development still needs to be completed).

Major down-sizing of company implemented December 1997 effective March 1998. (Timing coincides with time for resolution by appellate court of request for expedited stay pending appeal.) Includes 2/3 R&D, 1/3 manufacturing, 1/2 administration, and phase-down in sales/marketing of 2/3. These functions begin to expand again in July 1999 when ex-US sales begin again.

This is not a viable model. Results in major cash shortfall, beginning October 1998 with no ability to finance cash requirements.

Shutdown Model
Win Appeal

27-May-97

EXHIBIT D-1

CellPro, Incorporated
Summary

\$000	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Net Product Sales	1,365	4,216	6,802	9,517	8,361	0	0	0
Total Revenue	4,298	4,216	12,824	9,650	8,610	0	0	0
Total Margin	3,723	1,787	9,101	4,489	4,158	0	0	0
Gross Product Margin	790	1,787	3,079	4,358	3,909	0	0	0
%	57.9%	42.4%	45.3%	45.8%	46.8%	0.0%	0.0%	0.0%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-28,836	-2,973	14,672	-2,053

Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	6,617	5,956	704	579	512
R&D	7,637	14,164	15,970	15,776	14,883	1,750	1,357	1,179
SG&A	6,209	9,108	10,676	11,415	14,252	954	1,406	1,384
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,413	-436	-14,345	-1,022

Cash Flow	-19,342	-30,855	9,495	-20,103	-42,469	-2,581	15,504	-1,228
Cash Balance	95,506	64,652	74,147	54,044	11,575	8,994	24,498	23,270
Capital Expenditure	8,579	11,109	742	648	803	0	0	0
Personnel	142.5	180	156.8	166	164	3	3	3
Incremental Profit Paid to Baxter		0	0	0	3,668	0	-3,668	0

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical))

US	649	908	970	1,199	770	0	0	0
ROW	345	1,041	1,455	1,972	1,479	0	0	0
Total	994	1,947	2,425	3,171	2,249	0	0	0

Reduction in Disposables (Patient Treatments-Commercial & Clinical)

US				-1,615	-4,550	-6,710	-9,785	
ROW				-1,338	-5,365	-7,815	-11,860	
Total				-2,953	-9,915	-14,525	-21,645	

Shutdown Model
Win Appeal

27-May-97

EXHIBIT D-1

MAJOR ASSUMPTIONS OF SHUTDOWN MODEL

No action by HHS.

Court injunction as currently proposed becomes effective 7/1/97.

CellPro required to pay \$2,000 per disposable for each unit sold in US.

No stay granted prior to review of appeals case.

CellPro goes into complete shutdown beginning January 1998 upon decision by appellate court not to grant stay. Shutdown designed to conserve cash while funding appeal. Limited staff of 3 people retained to coordinate litigation efforts and attempt to preserve value of technology. Some immaterial sales of product lines and other assets likely but not modelled.

CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would affect cash balances prior to January 2000.

CellPro prevails on appeal at January 2000.

Reclassified cash returned to cash balance. Baxter required to return amounts paid on account of 1997 sales at \$2,000 per unit. Cash balance as of January 2000 is \$24.5 million. Decision whether to (a) dividend out cash to shareholders (b) attempt to raise new capital (\$30-\$50 million) combined with current cash to restart company, or (c) attempt to find buyer for company to complete future commercialization programs.

Shutdown Model
Lose Appeal

27-May-97

EXHIBIT D-2

**CellPro, Incorporated
Summary**

\$000

	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Net Product Sales	1,365	4,216	6,802	9,517	8,361	0	0	0
Total Revenue	4,298	4,216	12,824	9,650	8,610	0	0	0
Total Margin	3,723	1,787	9,101	4,489	4,158	0	0	0
Gross Product Margin	790	1,787	3,079	4,356	3,909	0	0	0
%	57.9%	42.4%	45.3%	45.8%	46.8%	0.0%	0.0%	0.0%
Net Income (Loss)	-15,121	-18,988	-15,652	-40,914	-28,836	-2,973	-2,996	-2,816

Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	5,956	704	579	512
R&D	7,637	14,164	15,970	15,776	14,883	1,750	1,357	1,179
SG&A	6,209	9,108	10,676	11,415	14,252	954	1,406	1,384
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,413	-436	-345	-259

Cash Flow	-19,342	-30,855	9,495	-20,103	-42,469	-2,581	-2,164	-1,991
Cash Balance	95,506	64,652	74,147	54,044	11,575	8,994	6,830	4,839
Capital Expenditure	8,579	11,109	742	648	803	0	0	0
Personnel	142.5	180	156.8	166	164	3	3	3
Incremental Profit Paid to Baxter		0	0	0	3,668	0	0	0

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical))

US	649	906	970	1,199	770	0	0	0
ROW	345	1,041	1,455	1,972	1,479	0	0	0
Total	994	1,947	2,425	3,171	2,249	0	0	0

Reduction in Disposables (Patient Treatments-Commercial & Clinical)

US					-1,615	-4,550	-6,710	-9,785
ROW					-1,338	-5,365	-7,815	-11,860
Total					-2,953	-9,915	-14,525	-21,645

Shutdown Model
Lose Appeal

27-May-97

EXHIBIT D-2

MAJOR ASSUMPTIONS OF SHUTDOWN MODEL

No action by HHS.

Court injunction as currently proposed becomes effective 7/1/97.

CellPro required to pay \$2,000 per disposable for each unit sold in US.

No stay granted prior to review of appeals case.

CellPro goes into complete shutdown beginning January 1998 upon decision by appellate court not to grant stay. Shutdown designed to conserve cash while funding appeal. Limited staff of 3 people retained to coordinate litigation efforts and attempt to preserve value of technology. Some immaterial sales of product lines and other assets likely but not modelled.

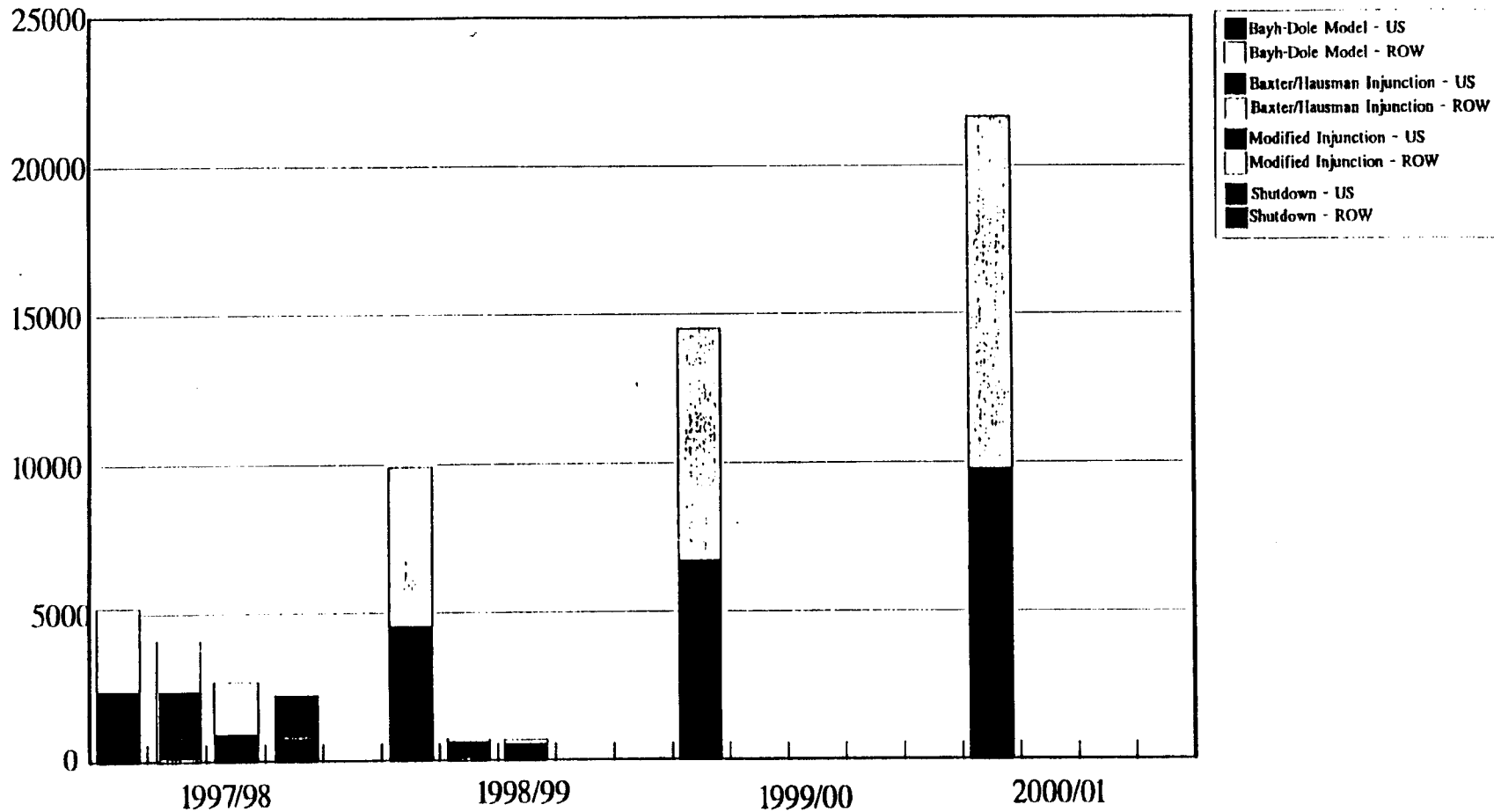
CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would affect cash balances prior to January 2000.

CellPro loses appeal at January 2000.

Cash balance available to dividend out to shareholders as of January 2000 is \$7.2 million (greater if court makes lower award for past damages and/or denies fees sought by plaintiffs in infringement litigation).

CellPro, Inc. Patient Treatments Conservative Sales Projections

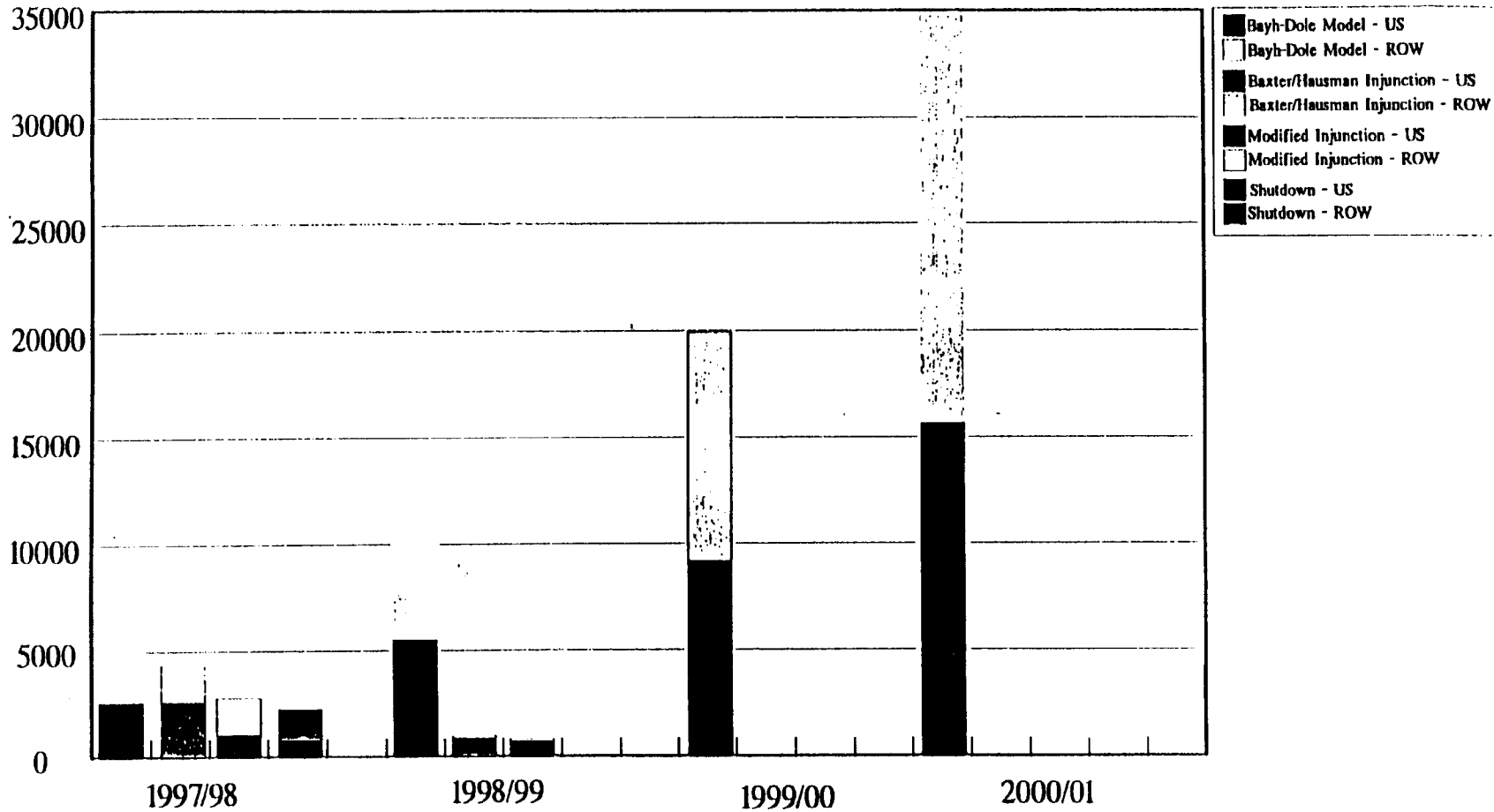
Exhibit E-1



Patient Treatments	1997/98	1998/99	1999/00	2000/01
Bayh-Dole	5,202	9,915	14,525	21,645
Baxter/Hausman Injunction	4,124	764	0	0
Modified Injunction	2,689	726	0	0
Shutdown	2,249	0	0	0

Exhibit E-2

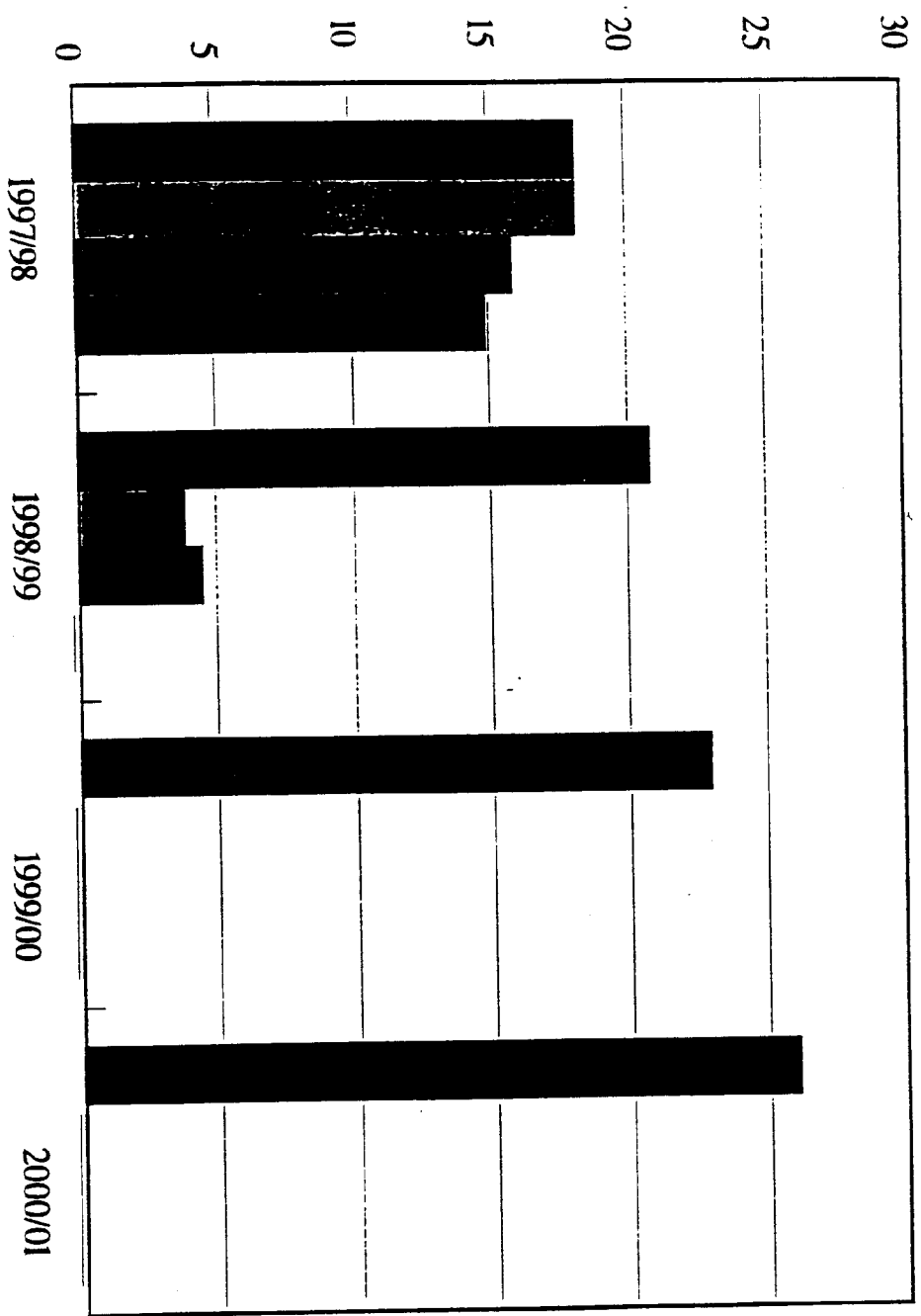
CellPro, Inc. Patient Treatments Optimistic Sales Projections



Patient Treatments	1997/98	1998/99	1999/00	2000/01
Bayh-Dole	5,664	12,105	19,925	34,780
Baxter/Hausman Injunction	4,334	963	0	0
Modified Injunction	2,769	805	0	0
Shutdown	2,249	0	0	0

Exhibit F

CellPro, Inc. Research & Development Investment



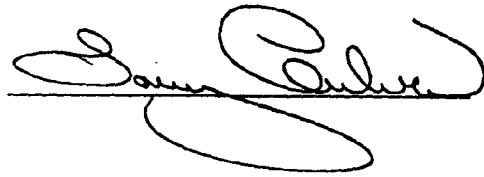
■ Bayh-Dole Model
 ■ Baxter/Hausman Injunction
 ■ Modified Injunction
 ■ Shutdown

R&D Expenditure \$/Mill	1997/98	1998/99	1999/00	2000/01
Bayh-Dole	18.2	20.8	23.0	26.1
Baxter/Hausman Injunction	0	3.9	0	0
Modified Injunction	0	4.5	0	0
Shutdown	0	0	0	0

second generation stem cell products if the proposed injunction were to issue than would be the case with a Bayh-Dole license.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Washington, D.C., this 28th Day of May, 1997.

A handwritten signature in black ink, appearing to read "Sam Rader", is written over a horizontal line. The signature is cursive and includes a large, sweeping flourish underneath the line.

<p style="text-align: center;">Bayh-Dole Model Conservative Sales Projections Win Appeal</p>
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27-May-97

EXHIBIT A-1

**CellPro, Incorporated
Summary**

\$000

	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>	<u>1999/00</u>	<u>2000/01</u>
Net Product Sales	1,365	4,216	6,802	9,517	19,674	40,942	63,330	102,842
Total Revenue	4,298	4,216	12,824	9,650	19,980	40,942	63,330	102,842
Total Margin	3,723	1,787	9,101	4,489	11,301	25,635	43,499	77,019
Gross Product Margin	790	1,787	3,079	4,356	10,995	25,635	43,499	77,019
%	57.9%	42.4%	45.3%	45.8%	55.9%	62.6%	68.7%	74.9%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-22,205	-13,635	8,571	18,318
Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	8,965	14,195	20,637	26,386
R&D	7,637	14,164	15,970	15,776	18,200	20,842	23,003	26,100
SG&A	6,209	9,108	10,676	11,415	16,349	19,456	24,599	31,319
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,430	-116	-13,880	120
Cash Flow	-19,342	-30,855	9,495	-20,103	-41,475	-19,451	-2,464	5,542
Cash Balance	95,506	64,652	74,147	54,044	12,569	-6,883	-9,346	-3,804
Capital Expenditure	8,579	11,109	742	648	1,973	2,500	10,500	5,000
Personnel	142.5	180	156.8	166	211	252	307	367
Royalties & Fess Paid to Johns Hopkins					761	1,586	1,687	0
Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)								
US	649	906	970	1,199	2,385	4,550	6,710	9,785
ROW	<u>345</u>	<u>1,041</u>	<u>1,455</u>	<u>1,972</u>	<u>2,817</u>	<u>5,365</u>	<u>7,815</u>	<u>11,860</u>
Total	994	1,947	2,425	3,171	5,202	9,915	14,525	21,645

Bayh-Dole Model
Conservative Sales Projections
Win Appeal

27-May-97

EXHIBIT A-1

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on future sales of 12.8 antibody products.

No restrictions on ability to sell or develop products world-wide due to HHS license.

Moderate expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients.

CellPro prevails on appeal at January 2000.

HHS license no longer necessary; royalty payments to JH stop; royalties paid to date are not refunded.

In the meantime, CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

No federal income tax liability during this time period due to extensive NOL carry-forwards.

This will affect after-tax profits and cash flows after achieving break-even until NOL balances (\$95 million) are consumed.

Cash deficiency of \$22.5 million at 12/99 covered by external financing. Timing of successful appeal is important. If appeal could be concluded six months earlier cash deficiency would be reduced to \$10.5 million.

A2

Bayh-Dole Model Conservative Sales Projections Lose Appeal
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27-May-97

EXHIBIT A-2

**CellPro, Incorporated
Summary**

\$000

	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>	<u>1999/00</u>	<u>2000/01</u>
Net Product Sales	1,365	4,216	6,802	9,517	19,674	40,942	63,330	102,842
Total Revenue	4,298	4,216	12,824	9,650	19,980	40,942	63,330	102,842
Total Margin	3,723	1,787	9,101	4,489	11,301	25,635	42,727	72,999
Gross Product Margin	790	1,787	3,079	4,356	10,995	25,635	42,727	72,999
%	57.9%	42.4%	45.3%	45.8%	55.9%	62.6%	67.5%	71.0%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-22,205	-13,635	-6,202	14,297
Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	8,965	14,195	21,409	30,407
R&D	7,637	14,164	15,970	15,776	18,200	20,842	23,003	26,100
SG&A	6,209	9,108	10,676	11,415	16,349	19,456	24,599	31,319
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,430	-116	120	120
Cash Flow	-19,342	-30,855	9,495	-20,103	-41,475	-19,451	-17,236	1,521
Cash Balance	95,506	64,652	74,147	54,044	12,569	-6,883	-24,119	-22,597
Capital Expenditure	8,579	11,109	742	648	1,973	2,500	10,500	5,000
Personnel	142.5	180	156.8	166	211	252	307	367
Royalties & Fess Paid to Johns Hopkins					761	1,586	2,460	4,021
Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)								
US	649	906	970	1,199	2,385	4,550	6,710	9,785
ROW	345	1,041	1,455	1,972	2,817	5,365	7,815	11,860
Total	994	1,947	2,425	3,171	5,202	9,915	14,525	21,645

Bayh-Dole Model
Conservative Sales Projections
Lose Appeal

27-May-97

EXHIBIT A-2

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on future sales of 12.8 antibody products.

No restrictions on ability to sell or develop products world-wide due to HHS license.

Moderate expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients.

CellPro loses appeal at January 2000.

HHS license continues.

CellPro pays out \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) previously reclassified pending decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs and affect ending cash.

No federal income tax liability during this time period due to extensive NOL carry-forwards. This will affect after-tax profits and cash flows after achieving break-even until NOL balances (\$95 million) are consumed.

Cash deficiency of \$28 million at 12/00 covered by external financing.

Bayh-Dole Model
Optimistic Sales Projections
Win Appeal

27-May-97

EXHIBIT A-3

**CellPro, Incorporated
Summary**

\$000

	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>	<u>1999/00</u>	<u>2000/01</u>
Net Product Sales	1,365	4,216	6,802	9,517	21,776	50,306	88,772	167,984
Total Revenue	4,298	4,216	12,824	9,650	22,382	50,306	88,772	167,984
Total Margin	3,723	1,787	9,101	4,489	12,784	32,785	63,427	131,064
Gross Product Margin	790	1,787	3,079	4,356	12,178	32,785	63,427	131,064
%	57.9%	42.4%	45.3%	45.8%	55.9%	65.2%	71.4%	78.0%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-20,026	-7,862	24,385	65,420

Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	9,185	16,120	25,375	35,031
R&D	7,637	14,164	15,970	15,776	18,200	21,157	24,041	31,094
SG&A	6,209	9,108	10,676	11,415	16,349	20,755	28,252	35,994
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,427	-163	-13,880	-554

Cash Flow	-19,342	-30,855	9,495	-20,103	-41,353	-15,849	9,796	39,164
Cash Balance	95,506	64,652	74,147	54,044	12,691	-3,158	6,638	45,803
Capital Expenditure	8,579	11,109	742	648	1,973	2,500	10,500	5,000
Personnel	142.5	180	156.8	166	211	266	342	430
Royalties & Fees Paid to Johns Hopkins			0	0	845	1,953	2,281	0

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)

US	649	906	970	1,199	2,595	5,550	9,160	15,640
ROW	<u>345</u>	<u>1,041</u>	<u>1,455</u>	<u>1,972</u>	<u>3,069</u>	<u>6,555</u>	<u>10,765</u>	<u>19,140</u>
Total	994	1,947	2,425	3,171	5,664	12,105	19,925	34,780

Bayh-Dole Model
Optimistic Sales Projections
Win Appeal

27-May-97

EXHIBIT A-3

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on future sales of 12.8 antibody products.

No restrictions on ability to sell or develop products world-wide due to HHS license.

Rapid expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients.

CellPro prevails on appeal at January 2000.

HHS license no longer necessary; royalty payments to JH stop; royalties paid to date are not refunded.

In the meantime, CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

No federal income tax liability during this time period due to extensive NOL carry-forwards. This will affect after-tax profits and cash flows after achieving break-even until NOL balances (\$95 million) are consumed.

Cash deficiency of \$11.7 million at 12/99 covered by external financing. Timing of successful appeal is important. If appeal could be concluded six months earlier cash deficiency would be reduced to \$2.6 million.

Bayh-Dole Model
Optimistic Sales Projections
Lose Appeal

27-May-97

EXHIBIT A-4

**CellPro, Incorporated
Summary**

\$000

	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>	<u>1999/00</u>	<u>2000/01</u>
Net Product Sales	1,365	4,216	6,802	9,517	21,776	50,306	88,772	167,984
Total Revenue	4,298	4,216	12,824	9,650	22,382	50,306	88,772	167,984
Total Margin	3,723	1,787	9,101	4,489	12,784	32,785	62,246	124,469
Gross Product Margin	790	1,787	3,079	4,356	12,178	32,785	62,246	124,469
%	57.9%	42.4%	45.3%	45.8%	55.9%	65.2%	70.1%	74.1%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-20,026	-7,862	9,203	58,218
Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	9,185	16,120	26,556	41,626
R&D	7,637	14,164	15,970	15,776	18,200	21,157	24,041	31,094
SG&A	6,209	9,108	10,676	11,415	16,349	20,755	28,252	35,994
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,427	-163	120	53
Cash Flow	-19,342	-30,855	9,495	-20,103	-41,353	-15,849	-5,385	31,962
Cash Balance	95,506	64,652	74,147	54,044	12,691	-3,158	-8,543	23,420
Capital Expenditure	8,579	11,109	742	648	1,973	2,500	10,500	5,000
Personnel	142.5	180	156.8	166	211	266	342	430
Royalties & Fees Paid to Johns Hopkins			0	0	845	1,953	3,462	6,595
Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)								
US	649	906	970	1,199	2,595	5,550	9,160	15,640
ROW	<u>345</u>	<u>1,041</u>	<u>1,455</u>	<u>1,972</u>	<u>3,069</u>	<u>6,555</u>	<u>10,765</u>	<u>19,140</u>
Total	994	1,947	2,425	3,171	5,664	12,105	19,925	34,780

Bayh-Dole Model
Optimistic Sales Projections
Lose Appeal

27-May-97

EXHIBIT A-4

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on future sales of 12.8 antibody products.

No restrictions on ability to sell or develop products world-wide due to HHS license.

Rapid expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients.

CellPro loses appeal at January 2000.

HHS license continues.

CellPro pays out \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) previously reclassified pending decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs and affect ending cash.

No federal income tax liability during this time period due to extensive NOL carry-forwards. This will affect after-tax profits and cash flows after achieving break-even until NOL balances (\$95 million) are consumed.

Cash deficiency of \$11.7 million at 12/99 covered by external financing.

World-wide Injunction Model
Baxter/Hausman Version
Conservative Sales Projections

27-May-97

EXHIBIT B-1

**CellPro, Incorporated
Summary**

\$000	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>	<u>1999/00</u>	<u>2000/01</u>
Net Product Sales	1,365	4,216	6,802	9,517	15,198	17,934	8,666	14,574
Total Revenue	4,298	4,216	12,824	9,650	15,447	17,934	8,666	14,574
Total Margin	3,723	1,787	9,101	4,489	8,671	10,825	3,983	6,458
Gross Product Margin	790	1,787	3,079	4,356	8,422	10,825	3,983	6,458
%	57.9%	42.4%	45.3%	45.8%	55.4%	60.4%	46.0%	44.3%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-31,733	-32,442	-32,191	-32,659

Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	7,193	7,136	6,094	8,426
R&D	7,637	14,164	15,970	15,776	18,188	20,824	22,929	25,928
SG&A	6,209	9,108	10,676	11,415	16,320	14,771	10,564	12,658
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,348	67	120	120

Cash Flow	-19,342	-30,855	9,495	-20,103	-49,081	-33,455	-26,997	-33,853
Cash Balance	95,506	64,652	74,147	54,044	4,962	-28,492	-55,489	-89,342
Capital Expenditure	8,579	11,109	742	648	1,274	2,500	700	1,100
Personnel	142.5	180	156.8	166	211	203	169	211
Incremental Profit Paid to Baxter		0	0	0	6,728	7,516	1,090	0

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical))								
US	649	906	970	1,199	2,385	4,550	545	0
ROW	<u>345</u>	<u>1,041</u>	<u>1,455</u>	<u>1,972</u>	<u>1,739</u>	<u>123</u>	<u>1,176</u>	<u>3,042</u>
Total	994	1,947	2,425	3,171	4,124	4,673	1,721	3,042

Reduction in Disposables (Patient Treatments-Commercial & Clinical)								
US					0	0	-6,165	-9,785
ROW					<u>-1,078</u>	<u>-5,242</u>	<u>-6,639</u>	<u>-8,818</u>
Total					-1,078	-5,242	-12,804	-18,603

World-wide Injunction Model
Baxter/Hausman Version
Conservative Sales Projections

27-May-97

EXHIBIT B-1

MAJOR ASSUMPTIONS OF BAXTER/HAUSMAN INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US.

US sales follow model for moderate expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases until Baxter product approved for sale in US in April 1999 (except sales of LC research product is ended July 1997). All 12.8 antibody products phased down beginning April 1999 and cease in July 1999.

International sales phased down over year one and eliminated during year two; begin to ramp up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; capital expenditure in Europe of \$2.0 million in 1998/99)

CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

New product development and clinical trials of existing and development products continue at similar rates as anticipated under the Bayh-Dole scenario in attempt to acquire or develop other non-12.8 antibody products.

This is not a viable model. Results in major cash shortfall, beginning June 1998 with no ability to finance cash requirements.

World-wide Injunction Model
Baxter/Hausman Version
Optimistic Sales Assumption

27-May-97

EXHIBIT B-2

**CellPro, Incorporated
Summary**

\$000	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>	<u>1999/00</u>	<u>2000/01</u>
Net Product Sales	1,365	4,216	6,802	9,517	16,145	21,856	9,622	15,361
Total Revenue	4,298	4,216	12,824	9,650	16,394	21,856	9,622	15,361
Total Margin	3,723	1,787	9,101	4,489	9,213	13,197	4,356	6,603
Gross Product Margin	790	1,787	3,079	4,356	8,964	13,197	4,356	6,603
%	57.9%	42.4%	45.3%	45.8%	55.5%	60.4%	45.3%	43.0%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-31,067	-32,392	-33,859	-37,042

Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	7,069	9,019	7,429	8,603
R&D	7,637	14,164	15,970	15,776	18,188	21,139	23,967	30,922
SG&A	6,209	9,108	10,676	11,415	16,320	14,771	10,564	12,658
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,362	63	120	120

Cash Flow	-19,342	-30,855	9,495	-20,103	-48,665	-33,016	-28,461	-37,371
Cash Balance	95,506	64,652	74,147	54,044	5,379	-27,638	-56,099	-93,469
Capital Expenditure	8,579	11,109	742	648	1,274	2,500	700	1,100
Personnel	142.5	180	156.8	166	211	231	179	236
Incremental Profit Paid to Baxter		0	0	0	7,148	9,196	1,342	0

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical))								
US	649	906	970	1,199	2,595	5,550	671	0
ROW	<u>345</u>	<u>1,041</u>	<u>1,455</u>	<u>1,972</u>	<u>1,739</u>	<u>123</u>	<u>1,176</u>	<u>3,042</u>
Total	994	1,947	2,425	3,171	4,334	5,673	1,847	3,042

Reduction in Disposables (Patient Treatments-Commercial & Clinical)								
US					0	0	-8,489	-15,640
ROW					<u>-1,330</u>	<u>-6,432</u>	<u>-9,589</u>	<u>-16,098</u>
Total					-1,330	-6,432	-18,078	-31,738

World-wide Injunction Model
Baxter/Hausman Version
Optimistic Sales Assumption

27-May-97

EXHIBIT B-2

MAJOR ASSUMPTIONS OF BAXTER/HAUSMAN INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US.

US sales follow model for rapid expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases until Baxter product approved for sale in US in April 1999 (except sales of LC research product is ended July 1997). All 12.8 antibody products phased down beginning April 1999 and cease in July 1999.

International sales phased down over year one and eliminated during year two; begin to ramp up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; capital expenditure in Europe of \$2.0 million in 1998/99)

CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

New product development and clinical trials of existing and development products continue at similar rates as anticipated under the Bayh-Dole scenario in attempt to acquire or develop other non-12.8 antibody products.

This is not a viable model. Results in major cash shortfall, beginning June 1998 with no ability to finance cash requirements.

World-wide Injunction Model
Modified Version
Conservative Sales Assumption

27-May-97

EXHIBIT C-1

**CellPro, Incorporated
Summary**

\$000	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>	<u>1999/00</u>	<u>2000/01</u>
Net Product Sales	1,365	4,216	6,802	9,517	10,276	6,685	7,015	14,574
Total Revenue	4,298	4,216	12,824	9,650	10,525	6,685	7,015	14,574
Total Margin	3,723	1,787	9,101	4,489	5,049	3,218	3,120	6,453
Gross Product Margin	790	1,787	3,079	4,356	4,800	3,218	3,120	6,453
%	57.9%	42.4%	45.3%	45.8%	46.7%	48.1%	44.5%	44.3%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-30,263	-18,803	-15,914	-16,068
Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	6,494	5,382	5,595	8,426
R&D	7,637	14,164	15,970	15,776	15,880	7,697	7,542	9,483
SG&A	6,209	9,108	10,676	11,415	15,221	9,634	9,233	12,513
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,425	-72	120	120
Cash Flow	-19,342	-30,855	9,495	-20,103	-43,804	-19,868	-14,642	-16,745
Cash Balance	95,506	64,652	74,147	54,044	10,240	-9,629	-24,271	-41,016
Capital Expenditure	8,579	11,109	742	648	803	2,200	700	1,100
Personnel	142.5	180	156.8	166	164	83	106	149
Incremental Profit Paid to Baxter		0	0	0	4,518	2,786	380	0
Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical))								
US	649	906	970	1,199	950	1,270	190	0
ROW	<u>345</u>	<u>1,041</u>	<u>1,455</u>	<u>1,972</u>	<u>1,739</u>	<u>123</u>	<u>1,176</u>	<u>3,042</u>
Total	994	1,947	2,425	3,171	2,689	1,393	1,366	3,042
Reduction in Disposables (Patient Treatments-Commercial & Clinical)								
US					-1,435	-3,280	-6,520	-9,785
ROW					<u>-1,078</u>	<u>-5,242</u>	<u>-6,639</u>	<u>-8,818</u>
Total					-2,513	-8,522	-13,159	-18,603

World Wide Injunction Model
Modified Version
Optimistic Sales Projections

27-May-97

EXHIBIT C-2

**CellPro, Incorporated
Summary**

\$000	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>	<u>1999/00</u>	<u>2000/01</u>
Net Product Sales	1,365	4,216	6,802	9,517	10,645	8,036	7,588	15,361
Total Revenue	4,298	4,216	12,824	9,650	10,894	8,036	7,588	15,361
Total Margin	3,723	1,787	9,101	4,489	5,229	3,864	3,295	6,603
Gross Product Margin	790	1,787	3,079	4,356	4,980	3,864	3,295	6,603
%	57.9%	42.4%	45.3%	45.8%	46.8%	48.1%	43.4%	43.0%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-30,110	-18,146	-15,503	-15,453

Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	6,548	5,487	5,669	8,599
R&D	7,637	14,164	15,970	15,776	15,880	7,697	7,542	9,483
SG&A	6,209	9,108	10,676	11,415	15,221	9,634	9,233	12,513
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,423	-62	120	120

Cash Flow	-19,342	-30,855	9,495	-20,103	-44,323	-20,289	-12,860	-16,256
Cash Balance	95,506	64,652	74,147	54,044	9,721	-10,568	-23,428	-39,684
Capital Expenditure	8,579	11,109	742	648	803	2,200	700	1,100
Personnel	142.5	180	156.8	166	164	83	106	149
Incremental Profit Paid to Baxter		0	0	0	4,678	3,366	468	0

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)								
US	649	906	970	1,199	1,030	1,560	234	0
ROW	345	1,041	1,455	1,972	1,739	123	1,176	3,042
Total	994	1,947	2,425	3,171	2,769	1,683	1,410	3,042

Reduction in Disposables (Patient Treatments-Commercial & Clinical)								
US					-1,565	-3,990	-8,926	-15,640
ROW					-1,330	-6,432	-9,589	-16,098
Total					-2,895	-10,422	-18,515	-31,738

MAJOR ASSUMPTIONS OF MODIFIED INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US.

US sales at 40% of level for rapid expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases until Baxter product approved for sale in US in April 1999 (except sales of LC research product is ended July 1997. All 12.8 antibody products phased down beginning April 1999 and cease in July 1999.

International sales phased down over year one and eliminated during year two; begin to ramp up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; capital expenditure in Europe of \$2.0 million in 1998/99)

CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

No sales of new products; discontinuation of clinical trials; discontinuation of all new product development. (Sales of CD4/CD8 included because product development complete; clinical development still needs to be completed).

Major down-sizing of company implemented December 1997 effective March 1998. (Timing coincides with time for resolution by appellate court of request for expedited stay pending appeal.) Includes 2/3 R&D, 1/3 manufacturing, 1/2 administration, and phase-down in sales/marketing of 2/3. These functions begin to expand again in July 1999 when ex-US sales begin again.

This is not a viable model. Results in major cash shortfall, beginning October 1998 with no ability to finance cash requirements.

Shutdown Model
Win Appeal

27-May-97

EXHIBIT D-1

CellPro, Incorporated
Summary

\$000	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Net Product Sales	1,365	4,216	6,802	9,517	8,361	0	0	0
Total Revenue	4,298	4,216	12,824	9,650	8,610	0	0	0
Total Margin	3,723	1,787	9,101	4,489	4,158	0	0	0
Gross Product Margin	790	1,787	3,079	4,356	3,909	0	0	0
%	57.9%	42.4%	45.3%	45.8%	46.8%	0.0%	0.0%	0.0%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-28,836	-2,973	14,672	-2,053

Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	5,956	704	579	512
R&D	7,637	14,164	15,970	15,776	14,883	1,750	1,357	1,179
SG&A	6,209	9,108	10,676	11,415	14,252	954	1,406	1,384
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,413	-436	-14,345	-1,022

Cash Flow	-19,342	-30,855	9,495	-20,103	-42,469	-2,581	15,504	-1,228
Cash Balance	95,506	64,652	74,147	54,044	11,575	8,994	24,498	23,270
Capital Expenditure	8,579	11,109	742	648	803	0	0	0
Personnel	142.5	180	156.8	166	164	3	3	3
Incremental Profit Paid to Baxter		0	0	0	3,668	0	-3,668	0

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical))								
US	649	906	970	1,199	770	0	0	0
ROW	345	1,041	1,455	1,972	1,479	0	0	0
Total	994	1,947	2,425	3,171	2,249	0	0	0

Reduction in Disposables (Patient Treatments-Commercial & Clinical)								
US					-1,615	-4,550	-6,710	-9,785
ROW					-1,338	-5,365	-7,815	-11,860
Total					-2,953	-9,915	-14,525	-21,645

Shutdown Model
Win Appeal

27-May-97

EXHIBIT D-1

MAJOR ASSUMPTIONS OF SHUTDOWN MODEL

No action by HHS.

Court injunction as currently proposed becomes effective 7/1/97.

CellPro required to pay \$2,000 per disposable for each unit sold in US.

No stay granted prior to review of appeals case.

CellPro goes into complete shutdown beginning January 1998 upon decision by appellate court not to grant stay. Shutdown designed to conserve cash while funding appeal. Limited staff of 3 people retained to coordinate litigation efforts and attempt to preserve value of technology. Some immaterial sales of product lines and other assets likely but not modelled.

CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would affect cash balances prior to January 2000.

CellPro prevails on appeal at January 2000.

Reclassified cash returned to cash balance. Baxter required to return amounts paid on account of 1997 sales at \$2,000 per unit. Cash balance as of January 2000 is \$24.5 million. Decision whether to (a) dividend out cash to shareholders (b) attempt to raise new capital (\$30-\$50 million) combined with current cash to restart company, or (c) attempt to find buyer for company to complete future commercialization programs.

Shutdown Model
Lose Appeal

27-May-97

EXHIBIT D-2

**CellPro, Incorporated
Summary**

\$000	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>	<u>1999/00</u>	<u>2000/01</u>
Net Product Sales	1,365	4,216	6,802	9,517	8,361	0	0	0
Total Revenue	4,298	4,216	12,824	9,650	8,610	0	0	0
Total Margin	3,723	1,787	9,101	4,489	4,158	0	0	0
Gross Product Margin	790	1,787	3,079	4,356	3,909	0	0	0
%	57.9%	42.4%	45.3%	45.8%	46.8%	0.0%	0.0%	0.0%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-28,836	-2,973	-2,996	-2,816
Memo: Expenses								
Manufacturing & Distr.	3,575	3,682	4,208	5,617	5,956	704	579	512
R&D	7,637	14,164	15,970	15,776	14,883	1,750	1,357	1,179
SG&A	6,209	9,108	10,676	11,415	14,252	954	1,406	1,384
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,413	-436	-345	-259
Cash Flow	-19,342	-30,855	9,495	-20,103	-42,469	-2,581	-2,164	-1,991
Cash Balance	95,506	64,652	74,147	54,044	11,575	8,994	6,830	4,839
Capital Expenditure	8,579	11,109	742	648	803	0	0	0
Personnel	142.5	180	156.8	166	164	3	3	3
Incremental Profit Paid to Baxter		0	0	0	3,668	0	0	0
Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical))								
US	649	906	970	1,199	770	0	0	0
ROW	<u>345</u>	<u>1,041</u>	<u>1,455</u>	<u>1,972</u>	<u>1,479</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	994	1,947	2,425	3,171	2,249	0	0	0
Reduction in Disposables (Patient Treatments-Commercial & Clinical)								
US					-1,615	-4,550	-6,710	-9,785
ROW					<u>-1,338</u>	<u>-5,365</u>	<u>-7,815</u>	<u>-11,860</u>
Total					-2,953	-9,915	-14,525	-21,645

Shutdown Model
Lose Appeal

27-May-97

EXHIBIT D-2

MAJOR ASSUMPTIONS OF SHUTDOWN MODEL

No action by HHS.

Court injunction as currently proposed becomes effective 7/1/97.

CellPro required to pay \$2,000 per disposable for each unit sold in US.

No stay granted prior to review of appeals case.

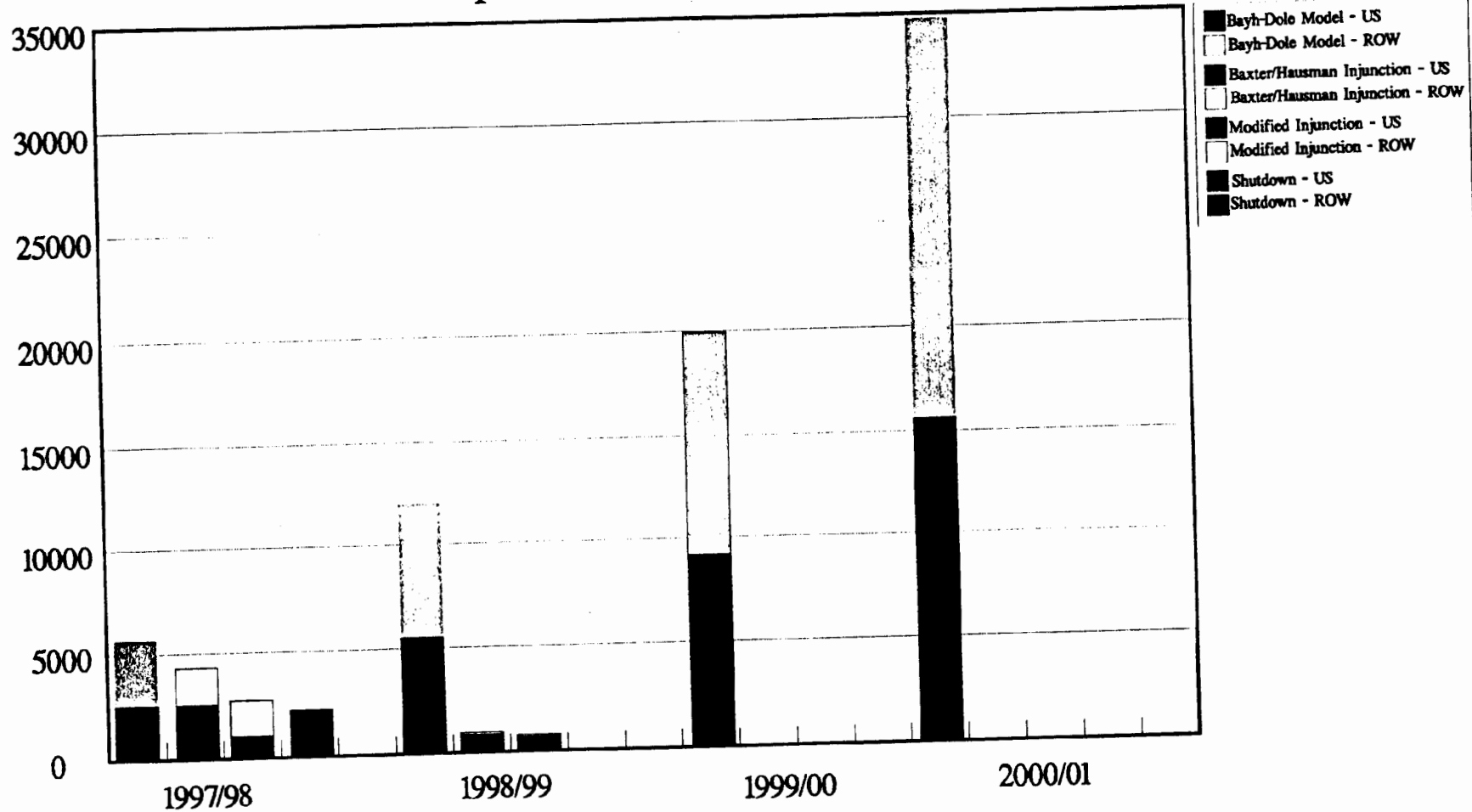
CellPro goes into complete shutdown beginning January 1998 upon decision by appellate court not to grant stay. Shutdown designed to conserve cash while funding appeal. Limited staff of 3 people retained to coordinate litigation efforts and attempt to preserve value of technology. Some immaterial sales of product lines and other assets likely but not modelled.

CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would affect cash balances prior to January 2000.

CellPro loses appeal at January 2000.

Cash balance available to dividend out to shareholders as of January 2000 is \$7.2 million (greater if court makes lower award for past damages and/or denies fees sought by plaintiffs in infringement litigation).

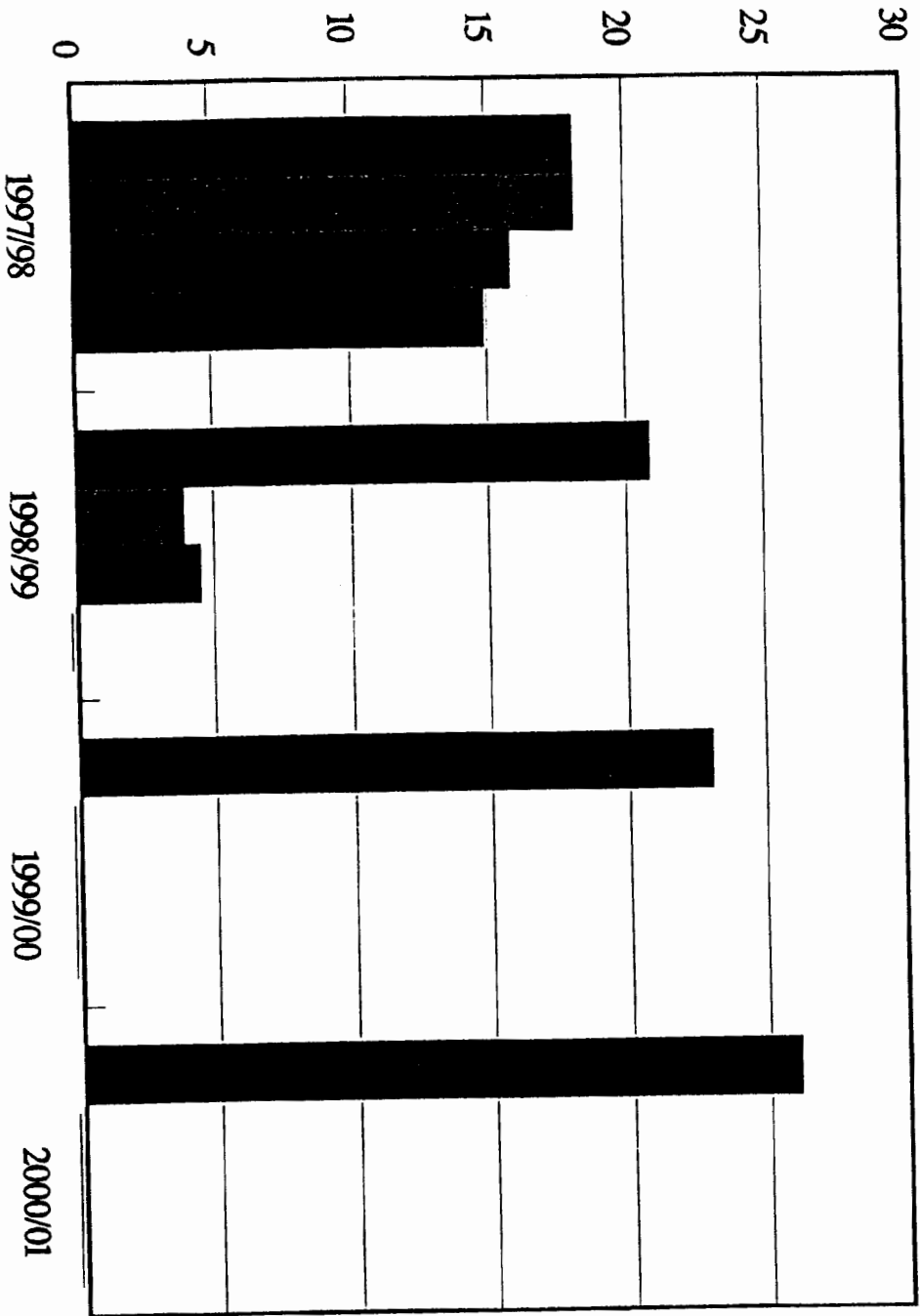
CellPro, Inc. Patient Treatments Optimistic Sales Projections



Patient Treatments	1997/98	1998/99	1999/00	2000/01
Bayh-Dole	5,664	12,105	19,925	34,780
Baxter/Hausman Injunction	4,334	963	0	0
Modified Injunction	2,769	805	0	0
Shutdown	2,249	0	0	0

CellPro, Inc. Research & Development Investment

Exhibit F



R&D Expenditure \$Mil	1997/98	1998/99	1999/00	2000/01
Bayh-Dole	182	208	230	261
Baxter/Hausman Injunction	182	39	0	0
Modified Injunction	159	45	0	0
Shutdown	149	0	0	0

■ Bayh-Dole Model
 ■ Baxter/Hausman Injunction
 ■ Modified Injunction
 ■ Shutdown

MAJOR ASSUMPTIONS OF MODIFIED INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US.

US sales at 40% of level for moderate expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases until Baxter product approved for sale in US in April 1999 (except sales of LC research product is ended July 1997. All 12.8 antibody products phased down beginning April 1999 and cease in July 1999.

International sales phased down over year one and eliminated during year two; begin to ramp up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; capital expenditure in Europe of \$2.0 million in 1998/99)

CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages and attorneys fees sought by plaintiffs in the district court infringement litigation) until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs.

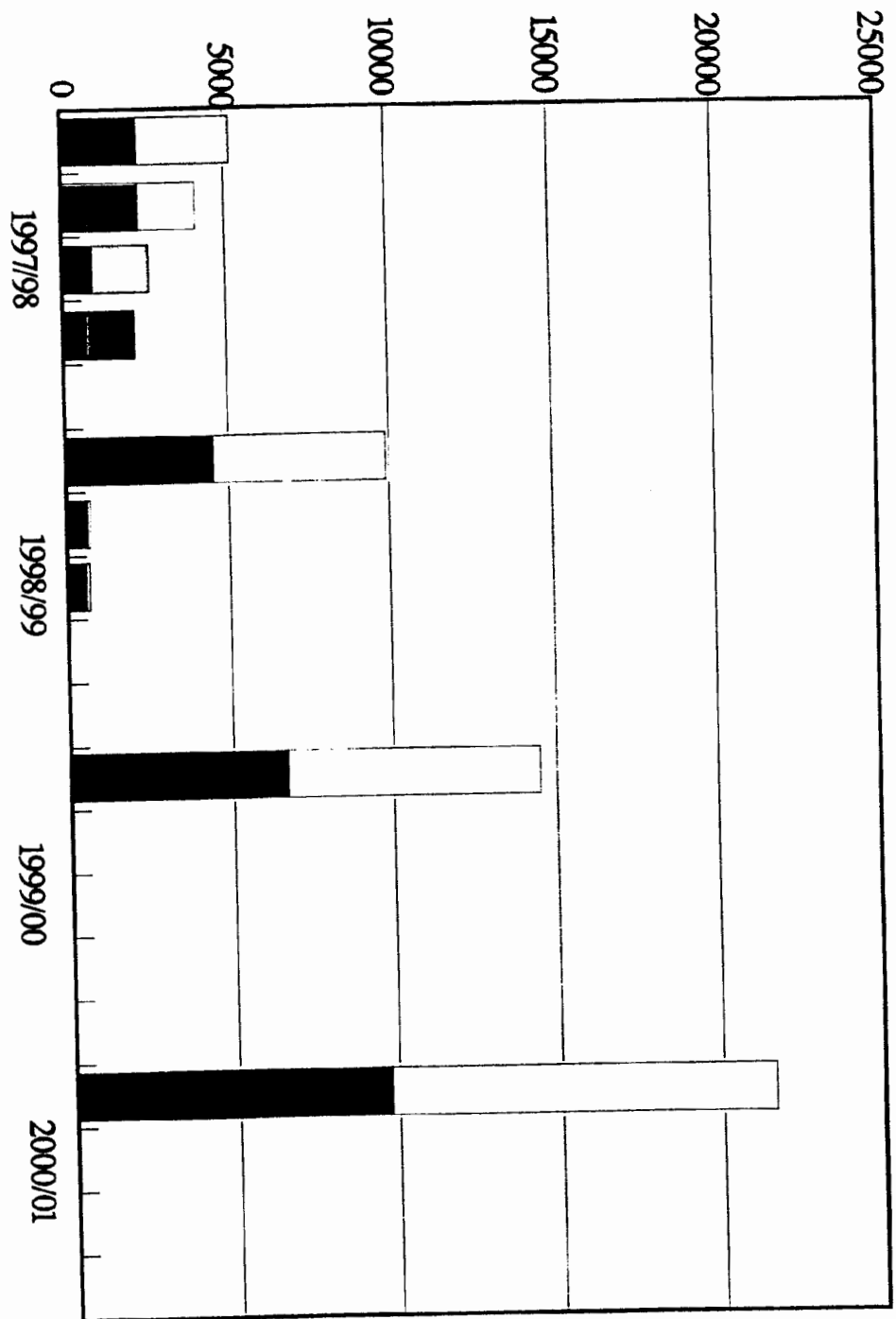
No sales of new products; discontinuation of clinical trials; discontinuation of all new product development. (Sales of CD4/CD8 included because product development complete; clinical development still needs to be completed).

Major down-sizing of company implemented December 1997 effective March 1998. (Timing coincides with time for resolution by appellate court of request for expedited stay pending appeal.) Includes 2/3 R&D, 1/3 manufacturing, 1/2 administration, and phase-down in sales/marketing of 2/3. These functions begin to expand again in July 1999 when ex-US sales begin again.

This is not a viable model. Results in major cash shortfall, beginning October 1998 with no ability to finance cash requirements.

CellPro, Inc. Patient Treatments Conservative Sales Projections

Exhibit E-1



Patient Treatments	1997/98	1998/99	1999/00	2000/01
Bayr-Dole	5,202	9,915	14,525	21,645
Baxter/Hausman Injunction	4,124	764	0	0
Modified Injunction	2,689	726	0	0
Shutdown	2,249	0	0	0

Bayr-Dole Model - US	■
Bayr-Dole Model - ROW	□
Baxter/Hausman Injunction - US	■
Baxter/Hausman Injunction - ROW	□
Modified Injunction - US	■
Modified Injunction - ROW	□
Shutdown - US	■
Shutdown - ROW	□

CONSEQUENCES OF CELLPRO SHUTDOWN

- TECHNOLOGY AVAILABLE TO SMALL FRACTION OF VICTIMS OF BREAST CANCER, LYMPHOMA, MULTIPLE MYELOMA AND OTHER ILLNESSES.
 - PATIENT TREATMENTS WITH CEPRATE SYSTEM IN 1998/99 WILL DROP FROM AN ESTIMATED 4,500-5,500 TO 0 IN THE U.S.
 - BAXTER TECHNOLOGY AVAILABLE IN U.S. ONLY AT ABOUT 40 TRANSPLANT CENTERS OUT OF MORE THAN 300.
 - BAXTER TECHNOLOGY AVAILABLE ONLY TO PATIENTS FALLING WITHIN PROTOCOLS DESIGNED FOR NARROWLY FOCUSED CLINICAL TRIALS.
- MORE THAN 60 CLINICAL TRIALS UTILIZING CELLPRO TECHNOLOGY WILL HALT.
 - CLINICAL TRIALS INCLUDE STUDIES IN REGARD TO:
 - LEUKEMIA
 - MULTIPLE SCLEROSIS AND AUTOIMMUNE DISEASES
 - SOLID ORGAN TRANSPLANTATION
 - HIV
 - GENE THERAPY (INCLUDING SICKLE CELL ANEMIA)
 - FRUITS OF PAST RESEARCH WILL BE LOST AS RESEARCHERS WILL BE REQUIRED TO START OVER WITH BAXTER TECHNOLOGY (IF APPROPRIATE AND IF POSSIBLE).
 - PREPARING APPLICATIONS FOR IDE'S TO USE BAXTER SYSTEM AND OBTAINING IRB AND FDA APPROVALS WILL TAKE A TREMENDOUS AMOUNT OF EFFORT AND TIME. MANY PROMISING STUDIES MAY NOT RECEIVE BAXTER SUPPORT AND NEVER BE RESUMED.

CELLPRO SCENARIOS

- BAYH-DOLE LICENSE
 - COMPANY CONTINUES PRODUCT DEVELOPMENT PLANS
 - COVERS CASH DEFICIT
 - PROVIDES TREATMENT TO BETWEEN 23,000 TO 32,000 U.S. PATIENTS OVER FOUR YEARS.
- BAXTER/HAUSMAN INJUNCTION
 - COMPANY RUNS OUT OF CASH IN JUNE 1998
 - CANNOT FINANCE DEFICIT
 - NOT A VIABLE SCENARIO
- ~~MODIFIED~~^{Same} INJUNCTION - *Modified Behavior*
 - COMPANY RUNS OUT OF CASH IN OCTOBER 1998
 - CANNOT FINANCE DEFICIT
 - NOT A VIABLE SCENARIO
- SHUTDOWN
 - COMPANY CEASES OPERATIONS
 - CASH AFTER APPEAL AT LEAST \$5 MILLION TO \$23 MILLION
 - TREATMENT PROVIDED TO FEWER THAN 1,000 U.S. PATIENTS