

FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

1997

THE JOHNS HOPKINS UNIVERSITY,)
a Maryland corporation, BAXTER)
HEALTHCARE CORPORATION, a)
Delaware corporation, and)
BECTON DICKINSON AND COMPANY,)
a New Jersey corporation,)
Plaintiffs,)
v.)
CELLPRO, a Delaware corporation,)
Defendant.)

Civil Action
No. 94-105-RRM

DECLARATION OF KRISTIN F. HOUSER

Submitted by:

POTTER ANDERSON & CORROON
William J. Marsden, Jr. (#2247)
Joanne Ceballos (#2854)
P.O. Box 951
350 Delaware Trust Building
Wilmington, Delaware 19899
(302) 984-6000
Attorneys for Plaintiffs

DECLARATION OF KRISTIN F. HOUSER

I, Kristin F. Houser, hereby declare:

1. I am the Vice President of Global Marketing of Baxter Healthcare Corporation's Immunotherapy Division. My responsibilities include developing the sales and marketing strategy for the Isolex® System product line. This includes reviewing the status of the Isolex® System versus those of our competitors, including CellPro.

2. I have been actively involved in understanding and developing the strategy for the Isolex® System in Europe. This has included working on a strategic plan for competing directly against CellPro in that market.

3. Although Baxter was the first company to receive European CE Mark approval for a stem cell selection system, CellPro had previously placed a number of CEPRATE® SC devices in European hospitals for use in clinical trials. It thus had a significant head start in capturing the market for stem cell selection systems in Europe. For this reason I participated in devising a strategic plan for Baxter aimed at convincing clinicians currently using the CellPro device to switch to the Isolex® System.

4. I am familiar with the books and records of the Immunotherapy Division that record the number of Isolex® systems placed with customers and the number of disposables sold to customers throughout the world. To determine the 1996 placements of Isolex® systems and sales of Isolex® disposable kits, I reviewed Baxter's internal logistics tracking reports, Baxter's DSS Agent sales reporting system and Baxter's European sales force tracking reports.

5. I am also familiar with publicly available information reporting the placement of CellPro's CEPRATE® SC devices and sales of the CEPRATE® SC disposable kits. This includes reports of securities analysts that report regularly on CellPro's business, and public

statements made by Richard Murdock, CellPro's Chief Executive Officer, at a Hambrecht & Quist Biotech Conference this January 1997, in San Francisco.

6. Baxter's internal data indicates that as of the end of 1996 Baxter had placed 96 Isolex® 300 System devices with customers in Europe. In comparison, the CellPro information referred to above indicates that CellPro had 200 placements in Europe at the end of 1996. Baxter thus had 32% of the device placements in Europe at the end of 1996.

7. My review of the Baxter internal tracking reports shows the placement of 30 additional Isolex® Systems in Europe for the first three months of 1997, increasing the total of Systems in place to 126. Our reports also indicate that Baxter has converted 28 of 58 exclusive CellPro customers to the Isolex® System since Baxter launched the Isolex® 300i system in late 1996. In other words, most of Baxter's recent sales in Europe have come from customers who were already using the CellPro device, suggesting both that Baxter's market share is increasing and that CellPro's customers have a very favorable opinion of Baxter's product.

8. CellPro's assertion that Baxter's supply of Isolex® 300i devices is insufficient to adequately supply the European market should CellPro cease to sell its CEPRATE® SC device there is untrue. When Baxter launched the 300i late in 1996, it initially limited installations to a select group of beta sites, as is customary with the introduction of new products of this complexity. Since January 1997, there has been no shortage of available supply of Baxter's 300i devices.

9. In North America, Baxter's Isolex® System is currently installed and in use in the following transplant centers and other facilities:

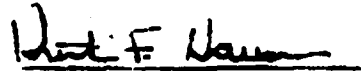
Hospital for Sick Children - Toronto

Maisonneuve - Rosemont Hospital - Montreal
Ottawa Red Cross - Canada
Baylor University Medical Center - TOPA 1
BIS Laboratories
Boston University Medical Center
Children's Memorial Hospital - Chicago
Children's Hospital of LA
City of Hope
Columbia Medical Center
Cooper Hospital
Duke University Medical Center
Fred Hutchinson Cancer Center
Hackensack University Medical Center
Harper Hospital - Detroit
Hudson Valley Blood Services
Indiana University Medical Center
Johns Hopkins University
State University Medical Center
Lutheran General Hospital - Park Ridge, IL
MD Anderson Cancer Center
Medical City Dallas Hospital - TOPA 2
Medical College of Virginia
National Institutes of Health
Response Oncologies
St. Judea Children's Hospital
St. Louis University
Systemix
Tulane Cancer Center
UCLA Medical Center
UCSD
UCSF
University of Alabama
University of Arkansas
University of Chicago
University of Kansas Medical Center
University of Michigan
University of Minnesota
University of Oregon
Western Pennsylvania
Yale University School of Medicine

10. Another part of my responsibilities involves participation in the

development of corporate strategic alliances. Currently, Baxter is engaged in discussions with potential strategic partners who offer additional financial and technical resources and can help to expand the business of the Immunotherapy Division. This strategy reflects Baxter's interest in further strengthening the Division's product lines, and CellPro's assertion that Baxter is "trying to sell the division" is inaccurate.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 28th day of April, 1997.


Kristen F. Houser

OF COUNSEL:

Steven J. Lee
KENYON & KENYON
One Broadway
New York, New York 10004
(212) 425-7200
Attorneys for Plaintiffs

Donald R. Ware
Peter B. Ellis
FOLEY, HOAG & ELIOT LLP
One Post Office Square
Boston, Massachusetts 02109
(617) 832-1000 Attorneys for Plaintiffs

Michael Sennett
BELL, BOYD & LLOYD
Three First National Plaza
70 West Madison Street
Chicago, Illinois 60602
(312) 807-4243
Attorneys for Plaintiff
Baxter Healthcare Corporation

Dated: April 28, 1997

CERTIFICATE OF SERVICE

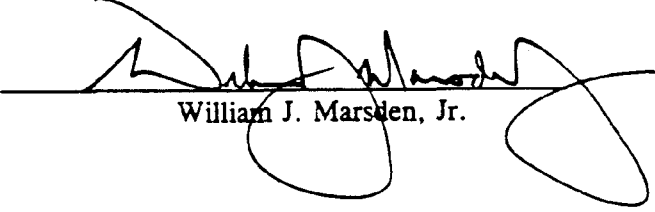
I, William J. Marsden, Jr., hereby certify that on this 28th day of April, 1997, copies of the within document were caused to be served on the attorneys of record at the following addresses as indicated:

VIA HAND DELIVERY

Gerard M. O'Rourke, Esquire
Connolly, Bove, Lodge & Hutz
1220 Market Street
P.O. Box 2207
Wilmington, Delaware 19801

VIA FEDERAL EXPRESS DELIVERY

Coe A. Bloomberg, Esquire
Lyon & Lyon
633 West Fifth Street
47th Floor
Los Angeles, CA 90071


William J. Marsden, Jr.