

NEWS RELEASE

PARI and Kamada Collaborate to Develop Inhaled Alpha-1 Antitrypsin

MONTEREY, CALIFORNIA, NOVEMBER 20, 2006 – PARI and Kamada Ltd. (TASE:KMDA) have signed a strategic Collaboration Agreement to develop Kamada's Alpha-1 Antitrypsin (AAT) liquid drug candidate for inhalation through PARI's eFlow for the treatment of patients suffering from Alpha-1 Antitrypsin deficiency.

AAT, also known as Alpha-1 Proteinase Inhibitor (API), is used for chronic replacement therapy in individuals who lack AAT and have an inherited form of panacinar emphysema. Lack of AAT leads to various health problems, including significant reduction in lung function, lung inflammation, shortness of breath, and recurrent exacerbations. This leads to emphysema, which is marked by damage to the walls of the air sacs in the lungs resulting in inefficient breathing and shortness of breath.

AAT is currently used for replacement therapy in the form of weekly intravenous infusion that distributes the medication throughout the bloodstream in order to reach the lungs. An inhaled treatment would offer a more targeted therapy by delivering medication directly to the lungs.

"We are excited to extend our collaboration for the long term with Kamada, the leading producer of a highly purified, ready-to-use, injectable Alpha-1 Antitrypsin, to develop Kamada's AAT as an inhaled treatment for congenital emphysema," said Dr. Martin Knoch, Managing Director of PARI. "We believe this could be a substantial improvement for patients and a perfect example where eFlow can contribute to a more efficient and convenient therapy."

"Because PARI's eFlow is such an advanced nebulizer in terms of speed, efficiency, and portability, we believe this collaboration will also have positive economical advantages for patients and healthcare organizations, as much less overall drug is needed for treatments delivered via eFlow," stated David Tsur, CEO of Kamada. "Our partnership with PARI is good for patients and positive for both companies."

The inhaled AAT was designated, both in Europe and in the USA, as an orphan drug for the treatment of congenital emphysema and cystic fibrosis. Therefore, should PARI and Kamada be the first to successfully complete the clinical trials and obtain the regulatory authorities' approval, they will be entitled to the rights and enjoy the benefits ancillary to the orphan drug status, including exclusive marketing rights (7 years in the USA and 10 years in Europe), research funds support, tax benefits for research purposes and reduced fees to the FDA and the EMEA.

Phase I clinical development of the Inhaled API delivered via eFlow is planned to start immediately.

About eFlow

eFlow, an electronic, portable nebulizer, enables extremely efficient aerosolization of liquid medications via a vibrating, perforated membrane. Compared to other nebulizer systems, eFlow can produce aerosols with a very high density of active drug, a precisely defined droplet size, and a high proportion of respirable droplets delivered in the shortest possible period of time. Combined with its silent mode of operation, small size (it fits in the palm of your hand), light weight, and battery use, eFlow helps reduce the burden of taking daily inhaled treatments. For additional information please see www.pari-pharma.com.

About Kamada

Kamada is a biopharmaceutical company engaged in development, production, and marketing of high quality, ready to use, plasma therapeutics. Kamada's product line includes, in addition to AAT, specific and general immune globulins, and other plasma-derived products which are

manufactured using sophisticated chromatographic purification technology. Kamada, Ltd. is based at Kiryat Weizmann Science Park, Ness Ziona, Israel. For additional information, please visit, www.kamada.com or contact David Tsur +972-8-940-6472.

About PARI

PARI is a leading worldwide developer and manufacturer of fast and efficient aerosol delivery systems for patients with asthma, chronic lung disease, and cystic fibrosis. PARI's primary focus is to provide patients with innovative products and services that help control disease. PARI is headquartered in Starnberg, Germany, with a major presence in the United States and offices in Japan, United Kingdom, and China.

Additional information on eFlow is available by contacting Kirsten Ayars at 805-452-7909 or Geoff Hunziker at 831-372-3580.

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