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Chronimed Announces Acquisition of The Transplant Pharmacy(R)

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MINNEAPOLIS, April 5 /PRNewswire/ -- Chronimed Inc. (Nasdaq: CHMD) announced today that it has signed a binding purchase agreement with SangStat (Nasdaq: SANG) to acquire The Transplant Pharmacy(R), which provides mail order distribution of drugs and transplant patient management services. Chronimed paid cash for substantially all assets, excluding inventory and accounts receivable. The transaction is expected to close by April 30, 2001.

Commenting on the acquisition, Henry F. Blissenbach, Chronimed's chairman and chief executive officer said, "This purchase provides two primary synergistic benefits. First, the increased patient volumes can be easily absorbed into our current mail order and StatScript retail pharmacies, thereby increasing our leverage. Second, the patient management programs that have been developed by SangStat will merge nicely with Chronimed's current Life Management Program(SM). The combination of these two programs will create a new industry standard for transplant patient management services."

Mr. Blissenbach further commented, "Chronimed is unique in our ability to dispense these expensive and hard to find medications via mail order delivery or through our nationwide chain of StatScript retail pharmacies. This mail/retail combination provides patients with the luxury of choosing how to receive their medications, creates a partnership with transplant centers to provide same-day deliveries, and gives us the ability to service patients with a wide range of insurance plans including, Medicare, most Medicaids, and hundreds of third party payors. As a result, this acquisition will strengthen our position as one of the dominant companies in the post-transplant medication delivery sector."

Gregory H. Keane, Chronimed's Chief Financial Officer, commented on the positive financial impact to the business, "If this acquisition closes by April 30, Chronimed should see a slight increase to fourth quarter revenue with a neutral earnings impact. For the full year of fiscal 2002, which begins June 30, 2001, we expect revenue and earnings to increase approximately 2 - 4% over current analyst estimates."

Chronimed Inc. is a disease-focused specialty pharmacy drug distribution company serving the prescription drug needs of people with selected chronic health conditions. The Company distributes pharmaceuticals and provides specialized patient management services nationwide for people with long-term chronic conditions such as HIV/AIDS, organ transplant, and other diseases treated with oral and injectable biotech medications. Chronimed works directly with patients, physicians, payors, manufacturers, and wholesalers to improve clinical and cost-of-care outcomes. Chronimed's web site address is www.chronimed.com .

SangStat is a global biotechnology company building on its foundation in transplantation to discover, develop and market high value therapeutic products in the transplantation, immunology and hematology/oncology areas. Since 1988, SangStat has been dedicated to improving the outcome of organ and bone marrow transplantation through the development and marketing of products to address all phases of transplantation in the worldwide market. SangStat's US headquarters are in Fremont, California. SangStat also maintains a strong European presence, including direct sales and marketing forces in France, Germany, Italy, Spain, and the U.K., and distributors throughout the rest of the world. SangStat's stock is traded on the Nasdaq under the symbol "SANG". The company's web site is located at www.sangstat.com .

As a cautionary note to investors, certain matters discussed in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such matters involve risks and uncertainties that may cause actual results to differ materially, including the following: changes in economic conditions; general competitive factors; pressures on gross profit margins; the Company's ability to execute its sales and marketing plans; changes in the status of managed care contracts; changes in ownership; material litigation; and the risks described from time to time in the Company's public reports filed with the SEC.

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