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**ESD AND PARTNERS ANNOUNCE APP PHARMACEUTICALS INC.
TO EXPAND IN GRAND ISLAND**

Pharmaceuticals company to add 90 jobs, invest \$38 million

Empire State Development and its partners today announced that APP Pharmaceuticals Inc., a leading supplier of injectable pharmaceutical products in North America, will expand in Grand Island, New York, adding 90 new jobs to its existing 580 employee workforce and investing \$38 million to enlarge its manufacturing facility in Erie County.

“APP Pharmaceuticals will create good, quality jobs that will help expand the important life sciences sector of our economy and help Western New York continue its revitalization,” said Empire State Development President, CEO & Commissioner Kenneth Adams. “We’re pleased that Empire State Development could be a part of APP’s decision to remain in Grand Island.”

APP’s investment includes enlarging the manufacturing site by 13,000 square feet and adding an additional six production lines for injectable products. Expansion measures are anticipated to last two years, with work on the site beginning in June 2011. APP offers one of the most comprehensive product portfolios used in hospitals, long-term care facilities, alternate care sites and clinics. At the Grand Island facility, the company manufactures a variety of injectable pharmaceutical products for the North America market that encompasses four therapeutic areas: anti-infectives, critical care, analgesia/anesthesia and oncology. The expansion will increase APP’s manufacturing capabilities of injectable generics, enabling the company to better meet the steadily growing market demand for these products in the future.

Empire State Development, the New York Power Authority (NYPA) and the Erie County Industrial Development Authority (ECIDA) will provide the company, a wholly owned subsidiary of Fresenius Kabi Pharmaceuticals Holding Inc., with financial incentives. ESD will provide \$1,187,763 in Excelsior Jobs Program tax credits over a five year period, while NYPA will assist with an allocation of 2,000 kW to bring the company’s power costs in line with other out-of-state locations. ECIDA will provide property tax, sales tax and mortgage tax abatements. APP Pharmaceuticals’ expansion will have a far reaching impact for patients in the Western New

York area since the company supplies critically needed injectable drugs to hospitals, clinics and other care facilities in the region, including the Buffalo Niagara Medical Campus.

“APP Pharmaceuticals has demonstrated its commitment to continue to grow its operations in Western New York and create much-needed jobs in the region,” said NYPA President & Chief Executive Officer Richard M. Kessel. “Under Governor Cuomo’s leadership, NYPA will continue its efforts to partner with state and local economic development agencies to make the most strategic use of our low-cost hydropower and support future efforts to revitalize the region and state.”

“APP Pharmaceuticals investment in Erie County speaks to the company’s commitment to our community and the value our talented local workforce brings to the table,” said Erie County Executive Chris Collins. “This project underscores several of my administration’s key economic drivers including high-tech manufacturing and positioning our area as a medical powerhouse. I am pleased the ECIDA can appropriately incentivize this project, ensuring nearly 100 new jobs and APP Pharmaceuticals’ physical expansion on Grand Island.”

“ECIDA has had a long history with APP and its predecessors,” said ECIDA Executive Vice President John Cappellino. “This will be our seventh project, which over the years has resulted in over \$87 million in capital investment and the creation of 230 new jobs. This is a great example of how local incentives help companies grow, invest and create jobs in our region.”

Additional quotes in support of the project:

“We are thrilled that APP Pharmaceuticals will be creating long term sustainable jobs on Grand Island,” said Senator Mark Grisanti (R - Grand Island).

"I am glad APP Pharmaceuticals will be expanding its Grand Island location, adding skilled jobs while increasing its output," said Assemblymember Sam Hoyt (D-Buffalo, Grand Island). "APP provides critical pharmaceuticals for hospitals and long-term care facilities right here in our region. This expansion is a win-win for APP and for Western New York’s economy."

“We are extremely pleased that this project is moving rapidly toward completion,” said Grand Island Town Supervisor Peter McMahon. “APP is a great corporate citizen and a good neighbor. We recognize the important roles played in this success by everyone, including Governor Cuomo, Empire State Development, NYPA, ECIDA and the Town of Grand Island’s Chamber of Commerce & Economic Development Advisory Board.”

Empire State Development is New York’s chief economic development agency and administrator of the statewide business resource portal New York First (www.NYfirst.NY.gov). The mission of Empire State Development is to promote business investment and growth that leads to job creation and prosperous communities across New York State. ESD also oversees the marketing of “I LOVE NY,” the State’s iconic tourism brand. For more information on Empire State Development, visit www.esd.ny.gov.



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