

EUSA Pharma to Acquire US Specialty Oncology Company Cytogen

- *Acquisition of US infrastructure completes build of EUSA's transatlantic commercialization platform*
- *\$22.6 million acquisition expands EUSA's product portfolio*
- *EUSA raises over \$50 million to fund acquisition and other investments*

Doylestown PA, USA and Oxford, UK – 11 March 2008 – EUSA Pharma Inc ('EUSA'), a transatlantic specialty pharmaceutical company focused on oncology, pain control and critical care, today announced that it has entered into a definitive agreement to acquire all the outstanding shares of Cytogen Corporation (NASDAQ: CYTO) for \$22.6 million. Cytogen is a specialty pharmaceutical company with three oncology and pain control products on the American market, a specialist US sales force and an established commercial infrastructure. To meet the acquisition consideration, and fund further investments, EUSA Pharma has concurrently raised over \$50 million in an investment round, led by TVM Capital, an international venture capital firm.

"The acquisition of Cytogen is of great strategic importance for EUSA as it completes the building of our transatlantic commercialization infrastructure, as well as fitting perfectly with our focus on oncology and pain control," said **Bryan Morton**, Chief Executive of EUSA Pharma. "Over the last 18 months EUSA has built a strong European organization covering over 20 countries and marketing a portfolio of six specialty pharmaceuticals. Cytogen's products and US infrastructure are the ideal complement to our business, offering us the opportunity to commercialize a rapidly growing portfolio of medicines on both sides of the Atlantic."

Commenting on the acquisition, **Rolf Stahel**, Chairman of EUSA Pharma, said, "The acquisition of Cytogen marks a step change in the growth of EUSA and completes the foundations of a world-class specialty pharmaceutical company. This transaction will transform our business, putting in place a truly transatlantic growth platform, and positioning the company as the partner of choice for future acquisitions and specialty product in-licensing."

Strategic rationale

The acquisition of Cytogen brings to the enlarged EUSA group an established US commercial organization with a 40-strong specialist oncology sales force and three marketed products.

- Caphosol[®] is a supersaturated calcium phosphate rinse indicated for the treatment of oral mucositis, a common and debilitating side-effect of radiation therapy and high-dose chemotherapy, and for the treatment of xerostomia.
- ProstaScint[®] is a monoclonal antibody-based agent used to image the extent and spread of prostate cancer.
- Quadramet[®] is a radiopharmaceutical for the treatment of pain in patients whose cancer has spread to the bones.

The enlarged group will have broad sales and marketing capabilities, via direct sales forces in the US and across Europe, and through distribution partners in a number of territories including Canada, South America and Asia. EUSA will have a portfolio of nine marketed medicines and five late-stage development products. The acquisition of Cytogen provides EUSA with the capabilities to commercialize a number of these medicines on both sides of the Atlantic.

In addition, the enlarged group's transatlantic infrastructure provides the company with a strategic growth platform to exploit additional products through acquisition and in-licensing. With its highly focused business model, EUSA will have the opportunity to compete effectively with major players, making it an attractive partner for companies seeking specialist transatlantic commercial and late-stage development expertise.

Transaction details

Under the terms of the all-cash merger agreement Cytogen shareholders will receive \$0.62 per share, representing a 35% premium on the company's share price at the close of trading on 10 March 2008, and valuing the company at \$22.6 million.

The Cytogen Board has approved the cash merger agreement and resolved to recommend that the company's shareholders adopt the agreement. Completion of the acquisition is conditional on the approval of a majority of Cytogen's shareholders and fulfillment of certain pre-closing conditions. Upon completion, EUSA intends to apply to delist all Cytogen's issued shares from the NASDAQ stock exchange.

To meet the consideration for the acquisition, provide working capital to integrate and refocus the Cytogen organization and undertake further investments, EUSA Pharma has raised over \$50 million in an investment fundraising. This investment round, which is conditional on the completion of the Cytogen acquisition, is led by TVM Capital and supported by EUSA's existing investors, Essex Woodlands, 3i, Goldman Sachs, Advent Venture Partners, SV Life Sciences, NeoMed and NovaQuest.

Financial position

During 2007, Cytogen's revenues totaled \$20.2 million, with the company making a net loss of \$25.7 million for the year. At the end of December 2007 the company held cash and cash equivalents totaling \$8.9 million. During 2007, Cytogen began a program to refocus its strategy, reduce costs and promote its products more effectively by building on its expertise in the oncology field. EUSA intends to accelerate this initiative and rapidly drive the business to profitability, while retaining the strengths of the Cytogen organization.

About EUSA Pharma Inc

EUSA Pharma is a rapidly growing transatlantic specialty pharmaceutical company focused on in-licensing, developing and marketing late-stage oncology, pain control and critical care products. The company currently has six products on the market, including the antibiotic surgical implant Collatamp[®] G, Erwinase[®] and Kidrolase[®] for the treatment of acute lymphoblastic leukemia, and Rapydan[®], a rapid-onset anesthetic patch which recently received Europe-wide approval. EUSA also has several products in late-stage development, notably Collatamp[®] G topical, a gentamicin impregnated collagen sponge for the prevention and treatment of infected skin ulcers, and CollaRx[®] bupivacaine implant* for local post-surgical pain control.

Founded in 2006, EUSA Pharma is supported by a consortium of leading life science capital investors, comprising TVM Capital, Essex Woodlands, 3i, Goldman Sachs, Advent Venture Partners, SV Life Sciences, NeoMed and NovaQuest. Since its foundation, the company has raised over \$225 million in addition to the fund raising announced today, and completed several significant transactions, including the acquisitions of Talisker Pharma Ltd, the French biopharmaceutical company OPi SA and the European antibiotic and pain control business of Innocoll Pharmaceuticals Inc. As part of its rapid growth strategy the company has established commercial infrastructure in the US, a pan-European presence covering over 20 countries and a wider distribution network in a further 25 territories. EUSA Pharma plans to continue its aggressive program of acquisitions and in-licensing within its specialist areas of medical and geographic focus, in line with its ambitious target to create a rapidly growing \$1 billion company by the beginning of the next decade.

For more information please visit www.eusapharma.com.

*CollaRx[®] is a registered trademark of Innocoll Technologies Ltd.

TVM Capital

TVM Capital, founded in 1983, is one of the first venture capital firms formed in Germany and was an early entrant into the US market in 1986. Since inception, TVM Capital has raised more than €1.3 billion in six fund generations and has established itself as a leading international technology and life science investment group. TVM Capital funds have made investments in more than 235 technology and life science companies including emerging technology sectors such as energy efficiency, renewable energy generation, energy storage and water treatment. Over the life of the firm, TVM Capital has developed specialized, focused teams and dedicated funds to serve high-growth target markets. The TVM Capital investment strategy is to create global businesses that enjoy worldwide access to science, technology, management talent and capital, and to develop them into significant players in their markets. More than 50 TVM Capital backed companies have gone public on European or US stock exchanges. Today, TVM Capital is actively invested in 70 companies.

For more information please visit: www.tvm-capital.com.

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