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CELL THERAPEUTICS INC

Form 425

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The following presentation is being used by Dr. James Bianco of Cell Therapeutics, Inc. (CTI) at presentations involving the proposed business combination between CTI and Novuspharma S.p.A. (Novuspharma).

[GRAPHIC]

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Making cancer more treatable

CELL THERAPEUTICS, INC. NASDAQ: CTIC

Forward Looking Statement

This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The forward-looking statements contained in this presentation include statements about future financial and operating results, the proposed CTI/Novuspharma merger, and risk and uncertainties that could affect CTI's product and products under development. These statements are not guarantees of future performance, involve certain risks, uncertainties and assumptions that are difficult to predict, and are based upon assumptions as to future events that may not prove accurate. Therefore, actual outcomes and results may differ materially from what is expressed herein. For example, if either of the companies do not receive required stockholder approvals or fail to satisfy other conditions to closing, the transaction will not be consummated. In any forward-looking statement in which CTI expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement or expectation or belief will result or be achieved or accomplished. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: risks associated with preclinical, clinical and sales and marketing developments in the biopharmaceutical industry in general and in particular including, without limitation, the potential failure to meet TRISENOX[®] revenue goals, the potential failure of XYOTAX to prove safe and effective for treatment of non-small cell lung and ovarian cancers, the potential failure of TRISENOX[®] to continue to be safe and effective for cancer patients, determinations by regulatory, patent and administrative governmental authorities, competitive factors, technological developments, costs of developing, producing and selling TRISENOX[®] and CTI's products under development in addition to the risk that the CTI and Novuspharma businesses will not be integrated successfully; costs related to the proposed merger, failure of the CTI or Novuspharma stockholders to approve the proposed merger; and other economic, business, competitive, and/or regulatory factors affecting CTI's and Novuspharma's businesses generally, including those set forth in CTI's filings with the SEC, including its Annual Report on Form 10-K for its most recent fiscal year and its most recent Quarterly Report on Form 10-Q, especially in the Factors Affecting Our Operating Results and Management's Discussion and Analysis of Financial Condition and Results of Operations sections, and its Current Reports on Form 8-K. CTI is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

Where You Can Find Additional Information

Cell Therapeutics, Inc. (CTI) will file a proxy statement/prospectus and other documents concerning the proposed merger transaction with the Securities and Exchange Commission (SEC). Investors and security holders are urged to read the proxy statement/prospectus when it becomes available and other relevant documents filed with the SEC because they will contain important information. Security holders may obtain a free copy of the proxy statement/prospectus (when it is available) and other documents filed by CTI with the SEC at the SEC's website at <http://www.sec.gov>. The proxy statement/prospectus and these other documents may also be obtained for free from CTI, Investor Relations: 501 Elliott Avenue West, Suite 400 Seattle, WA 98119, www.cticseattle.com.

CTI and Novuspharma S.p.A. and their respective directors and executive officers and other members of their management and their employees may be deemed to be participants in the solicitation of proxies from the shareholders of CTI and Novuspharma with respect to the transactions contemplated by the merger agreement. Information about the directors and officers of CTI is included in CTI's Proxy Statement for its 2003 Annual Meeting of Stockholders filed with the SEC on May 14, 2003.

This document is available free of charge at the SEC's website at <http://www.sec.gov> and from CTI.

Highlights

XYOTAX in phase III trials

- Fast track status in NSCLC
- GOG ovarian cancer trial

TRISENOX 100% compounded annual growth rate

- Profitable business unit in 2003

Pixantrone best in class

- Potential accelerated registration aggressive NHL

Strong financial position

Oncology Pipeline

| | <u>Preclinical</u> | <u>Phase I</u> | <u>Phase II</u> | <u>Phase III</u> | <u>NDA</u> | <u>Marketed</u> |
|---------------------------|--------------------|----------------|-----------------|------------------|------------|--|
| TRISENOX® | | | | | | Approved for relapsed or refractory acute promyelocytic leukemia (APL) |
| | | | | | | Multiple myeloma, myelodysplasia, myelogenous leukemia and other cancers |
| XYOTAX | | | | | | Non-small cell lung and ovarian cancers |
| Pixantrone | | | | | | Non-Hodgkin's lymphoma |
| CT-2106 | | | | | | Colorectal cancer |
| | | | | | | Small cell Lung |
| LPAAT-B inhibitors | | | | | | |

XYOTAX

(polyglutamate paclitaxel)

*A safer, potentially
more effective taxane*

XYOTAX Accumulates in the Tumor

[GRAPHIC]

**XYOTAX Enters Cancer Cells Through
Different Mechanism than Taxol[®]**

[GRAPHIC]

XYOTAX Tumor Selective Release of Chemotherapy

[GRAPHIC]

XYOTAX

Target product profile

| | <u>XYOTAX</u> | <u>Paclitaxel</u> | <u>Docetaxel</u> |
|-----------------------|---------------|-------------------|------------------|
| Premedications | No | Yes | Yes |
| Infusion time | 10 mins | 3 hrs | 1 hr |
| Special infusion kits | No | Yes | Yes |
| Hair loss | No | Yes | Yes |
| Neuropathy | Infrequent | Frequent | Infrequent |
| Tolerability | Excellent | Fair | Fair |
| Efficacy | Superior | | |

[GRAPHIC]

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XYOTAX

Designated fast track by FDA

- PS2 NSC lung cancer is incurable and current treatments offer modest benefit
- XYOTAX has the potential to demonstrate improvement over available therapy in these patients based on anti-tumor activity reported in phase I and phase II clinical trials

Robust pivotal trial program in over 1,500 patients

FDA approved Phase III program in NSC lung cancer to demonstrate superior survival

- Front line therapy in PS2
- Second line treatment

NDA in NSC lung cancer targeted for Q4-2004

Gynecologic Oncology Group to run phase III in ovarian cancer

- Front line therapy

NSC Lung Cancer

Phase II XYOTAX

Front Line PS2 NSC Lung Cancer

PS2 accounts for 20-30% of 136,000 patients with NSC lung cancer

Current treatments are poorly tolerated (median 2 doses)

Disease progresses rapidly

- Median 6 weeks

- Median survival poor (2.4 - 3.9 months)*

High unmet need accelerated regulatory review

Phase II XYOTAX clinical data supports phase III investigation

Principle investigators on phase III program are key opinion leaders of major cooperative groups (CALGB, ECOG, SWOG)

*Single agent v. combination therapy respectively

XYOTAX Phase II High Risk

NSC Lung Cancer

Patient Characteristics

XYOTAX 175 mg/m² every 3 weeks
n = 28 patients treated
Median age 76 (range 49-88)

Performance status

PS0 6 (21%)
PS1 14 (50%)
PS2 8 (29%)

Disease stage

IIIB 8 (29%)
IV 20 (71%)

*Data presented at ASCO 2003

XYOTAX Phase II High Risk NSC Lung Cancer

Number of Treatment Cycles Received

| | |
|--------------------------|--------------------------------|
| 14 patients (64%) | ≥ 4 cycles of treatment |
| 6 patients (27%) | 6 cycles of treatment |
| 2 patients (9%) | 8 cycles of treatment |

*Data presented at ASCO 2003

XYOTAX Phase II High Risk**NSC Lung Cancer***Adverse Events (n = 28)*

| | <u>Grade III</u> | <u>Grade IV</u> |
|----------------------------|------------------|-----------------|
| Neuropathy | 5 | 0 |
| Neutropenia | 2 | 1 |
| Febrile neutropenia | 1 | 0 |
| Anemia | 1 | 0 |
| Hair loss | 0 | 0 |
| Hypersensitivity | 0 | 0 |

*Generalized weakness, fatigue and neuropathy were seen mostly in patients with concomitant progressive disease and significant disease related comorbid conditions

Phase II XYOTAX NSC Lung Cancer

| <u>Efficacy (PS2)</u> | <u>Objective Response Rate</u> | <u>Median # of Doses</u> | <u>Time to Progression (months)</u> | <u>Survival (months)</u> |
|---------------------------------------|--|----------------------------------|---|------------------------------|
| XYOTAX (175 mg/m2)* Efficacy (PS2) | ~10% | 4 | 2.6 | ≥5.4 |
| Paclitaxel (225 mg/m2)** | ~10% | 2 | 1.5 | 2.4 |

* ASCO 2003 poster

** ASCO 2002 presentation, R.C. Lilenbaum

XYOTAX*Phase III NSC Lung Cancer Studies*

| Trial | Design | XYOTAX | | Primary Endpoint | # of pts | Data Release |
|---|---|---|--------------------------------|------------------|----------|--------------|
| | | Comparator dose (mg/m2) | dose (mg/m2) | | | |
| STELLAR 2 2nd Line NSC Lung | Superiority Open-label Randomized | Docetaxel 75 Q3 weeks | 210 Q3 wks | Survival | 840 | 2H04 |
| STELLAR 3 1st Line NSC Lung PS2 | Superiority Open-label Randomized | Paclitaxel 225 + carbo AUC 6 Q3 weeks | 210 + carbo AUC 6 Q3 wks | Survival | 370 | 2H04 |
| STELLAR 4 1st Line NSC Lung PS 2 | Superiority Open-label Randomized | Gemcitabine 1000 d1, 8, 15 or Navelbine 20 d1, 8, 15 | 235 Q3 wks | Survival | 370 | 2H04 |

Ovarian Cancer

XYOTAX Phase II Ovarian

Patient Characteristics (n=99)

Age

| | |
|-----------------------|-------------------|
| Median (range) | 57 (29-89) |
|-----------------------|-------------------|

Number Prior Regimens

| | |
|---------------|----------------|
| 2 | 39 pts* |
| 3 or 4 | 29 pts |
| 5 or 6 | 18 pts |
| 7-12 | 13 pts |

*1 patient had 1 prior regimen

XYOTAX Phase II Ovarian*Adverse Events (n=99)*

| | <u>Grade III</u> | <u>Grade IV</u> |
|-----------------------------------|------------------|-----------------|
| Hematologic | | |
| Hematologic | 18(18%) | 4(4%) |
| Neutropenia | 15(15%) | 8(8%) |
| Anemia | 6(6%) | 0 |
| Thrombocytopenia | 1(1%) | 0 |
| Non-hematologic | | |
| Hepatic | 0 | 0 |
| Renal | 0 | 0 |
| Gastrointestinal | 2(2%) | 0 |
| Infection | 0 | 0 |
| Musculoskeletal | 1(1%) | 0 |
| Constitutional (fatigue) | 5(5%) | 0 |
| Neuropathy | 14(14%) | 0 |
| Allergy (hypersensitivity) | 1(1%) | 0 |

XYOTAX Phase II Ovarian

Tumor Response

Platinum Sensitive

Prior Regimens

2

(n=18*)

≥3

(n=24)

| | | |
|-----------|---------------|----------------|
| PR | 8(33%) | 1(4%) |
| SD | 2(11%) | 11(46%) |

Platinum Resistant

Prior Regimens

1 or 2

(n=21)

≥3

(n=36)

| | |
|---------------|----------------|
| 3(14%) | 3(8%) |
| 3(14%) | 11(31%) |

Presented at the ONS Meeting 2003

*1 patient had 1 prior regimen

/

XYOTAX Phase III Ovarian Cancer

Gynecologic Oncology Group Trial

| Trial | Design | Comparator dose (mg/m ²) | XYOTAX dose (mg/m ²) | Primary Endpoint | # of pts | Data Release |
|---------------------|---|---|---|---------------------|-------------|-----------------|
| 1st Line Ovarian | Non-Inferiority Open-label Randomized | Paclitaxel 175 + carbo AUC 6 Q3 weeks Paclitaxel 175 Q4 weeks x 12 for CRs | 210 + Carbo AUC 6 Q3 wks 210 Q4 Wks x 12 for CRs | PFS Toxicities | ~1200 | 2006 |

XYOTAX

Estimated US Regulatory Timelines

| | <u>1H</u> <u>04</u> | <u>2H</u> <u>04</u> | <u>1H 05</u> | <u>2H 05</u> | <u>1H 06</u> | <u>2H 06</u> |
|---------------------------|------------------------|------------------------|--------------|--------------|--------------|--------------|
| First line | NDA Submission | | Approval | | | |
| NSC Lung | | | | | | |
| (STELLAR 3) | | | | | | |
| First line | NDA Submission | | Approval | | | |
| NSC Lung | | | | | | |
| (STELLAR 4) | | | | | | |
| Second line | NDA Submission | | Approval | | | |
| NSC Lung | | | | | | |
| (STELLAR 2) | | | | | | |
| First line Ovarian | NDA Submission | | Approval | | | |

TRISENOX

(arsenic trioxide) injection

Indicated for the induction of remission and consolidation for patients with relapsed or refractory acute promyelocytic leukemia (APL)

TRISENOX

Commercial Opportunity

Product marketed in US, and EU

100% CAGR forecasted in 2003

\$150+ million peak U.S. sales potential

>40 market expansion clinical trials ongoing
Gaining share in U.S. blood related cancer market

- EU penetration limited to initial label (APL)

Potential label extension in 2004 for MDS indication could contribute significantly to both US and EU sales

TRISENOX

US Patient Mix

| | 1Q02 | 1Q03 |
|----------------|------|------|
| APL | 15% | 10% |
| Myeloma | 43% | 43% |
| MDS | 29% | 41% |
| Other | 13% | 6% |

TRISENOX

Profitable Commercial Effort in 2003

| Sales | \$ Millions |
|-----------------|--------------------|
| 2001 | \$6.0M |
| 2002 | \$ 11.7M |
| 2003 (E) | \$ 24.0M |
| 2004 (E) | \$ 43.0M |

Source for 2004 estimate: CIBC World Markets

TRISENOX[®]

Impressive efficacy data in MDS

MDS (145 patients, 81 evaluable)

32% objective responses in both low and high risk

Decreases or eliminates RBC and platelet transfusion dependence

- 80% of responding pts became transfusion independent lasting up to 2 yrs

Well tolerated, no dose reductions required

Potential label expansion in MDS in US and EU in 2004

Reported at conferences in May, 2003

TRISENOX

Impressive efficacy data in multiple myeloma

Multiple myeloma (86 patients, 78 evaluable)

High response rates in combination with dexamethasone, vitamin C, and melphalan

- ~ 40% objective responses (\geq PR)
- Marked improvement in kidney function

Well tolerated; manageable side effects

Active in patients who failed Velcade[®], Thalomid[®]

2 large combination studies in progress

Potential for label expansion in 2005

Reported at conferences in May, 2003

Commercial Synergies

| <u>Key Products</u> | <u>Hematology</u> | <u>Solid Tumors</u> |
|---------------------|--|---|
| TRISENOX® | APL, CML, MDS, Multiple myeloma | |
| Pixantrone | Aggressive NHL Indolent NHL | Breast cancer Prostate cancer NSC lung cancer Ovarian cancer |
| XYOTAX | | Colorectal cancer Small cell lung cancer |
| CT-2106 | | |

Commercial Operations

Drivers for Expansion

[GRAPH]

| 2003 | 2004 | 2005 | 2006 |
|----------------------|-------------------|-------------------|----------------------|
| TRISENOX | TRISENOX | TRISENOX | |
| | MDS label | Myeloma label | |
| APL label, | | | |
| > 40 clinical trials | | | |
| XYOTAX | XYOTAX | XYOTAX | |
| | NDA | NSCLC label | |
| Phase III trials | | | |
| Pixantrone | Pixantrone | Pixantrone | Pixantrone |
| | Phase III trials | NDA | Aggressive NHL label |
| Phase III trials | | | |

Pixantrone

[GRAPHIC]

Pixantrone

(from Novuspharma merger)

New potential best-in-class DNA intercalator with improved efficacy and safety

Phase III in aggressive NHL targeted Q1 04

Should qualify for accelerated regulatory review

Potential NDA in 2005

Initial indication could generate \$150+ million annual sales

DNA Intercalators

Established efficacy

- Cornerstone of chemotherapy for breast cancer, leukemias, and lymphomas
- Standard treatment in blood-borne tumors curative
- Breast cancer highly effective as adjuvant and frontline therapy
- Only therapy for advanced forms of multiple sclerosis

However problems with cardiotoxicity

- Irreversible damage to heart muscle
- Maximum cumulative dose in patient's lifetime
- Prevents use as repeat therapy

DNA Intercalators

With improved efficacy and safety

Novuspharma's approach

- Alter chemical groups responsible for free-radical production and cardiac toxicity

[GRAPHIC]

Target markets

- Unmet clinical need in second-line therapy (NHL)
- Replace current DNA intercalators as safer treatment in first-line

Pixantrone

| | <u>Doxorubicin</u> | <u>Mitoxantrone</u> | <u>Pixantrone</u> |
|--------------------------|--------------------|---------------------|-------------------|
| Efficacy in hematology | +++ | ++ | ++++ |
| Efficacy in solid tumors | ++/+++ | ++ | ++ |
| Safety (esp. cardiac) | + | ++ | ++++ |

Superior anti-tumor activity in P388 and L1210 murine leukemias vs. Dx and Mitox
Curative in YC-8 murine lymphoma
Wide therapeutic window effective from 1/3 of MTD
Synergism with Cisplatin and Rituxan

Effect of pixantrone and mitoxantrone (MITOX) on survival in the YC-8 lymphoma model (iv/iv + 1,5,9)

[GRAPH]

Pixantrone

Experimental cardiotoxicity

[GRAPHIC APPEARS HERE]

Pixantrone

Target product profile

Superior safety

- Cardiac toxicity profile superior to existing agents
- Not toxic to tissues, eliminates need for central line
- Less severe nausea and vomiting

Impressive efficacy

- Long lasting complete remissions in heavily treated NHL patients
- As single agent or in combination with chemotherapy

Potential to be used where other anthracyclines cannot

- Breast cancer in combination with Herceptin®
- Breast cancer salvage after prior anthracycline therapy
- Late-stage lymphomas

Pixantrone

Clinical Summary

Extensive clinical trial experience

- >170 patients
- 7 phase I, II trials

Initial market entry into area of high unmet need

- 3rd-line aggressive NHL
- Currently no approved therapies
- Market size ~15,000 patients

Potential label expansion

- Relapsed indolent NHL + Rituxan[®] (phase III)
- 2nd-line combination in high grade NHL (phase II)
- Salvage breast cancer ± Herceptin[®] (planned)

Pixantrone

Impressive Single Agent Activity in
Relapsed/Resistant Aggressive NHL

| <u>Patient</u> | <u>NHL</u> | <u>Status</u> | <u>Prior Rx mg/m²</u> | <u>Resistant Prior Rx</u> | <u>Response (Pix dose)</u> | <u>Duration (mos)</u> |
|----------------|------------|---------------------|--------------------------------------|-------------------------------|--------------------------------|---------------------------|
| M-80 | DLC | 1 st Rel | Dx380 | Yes | uPR(650) | NA |
| F-79 | DLC | 2 nd Rel | Dx400 | Yes | CR(1530) | 17 |
| F-65 | DLC | 2 nd Rel | Dx400 | Yes | CR(1530) | 4 |
| M-65 | DLC | 3 rd Rel | Dx250 | No | uPR(1190) | NA |
| M-72 | DLC | 3 rd Rel | Dx400 | No | PR(1530) | 6.5 |
| M-66 | tFoll | 5 th Rel | Dx240/Mt x50 | No | PR(1360) | 17+ |
| F-65 | Mant | 2 nd Rel | Dx300 | Yes | CR(1060) | 12.5 |
| M-65 | DLC | 2 nd Rel | Dx300 | No | uPR(1020) | NA |

Pixantrone

Impressive Single Agent Activity in
Relapsed/Resistant Aggressive NHL

| Patient | NHL | Status | Prior Rx mg/m² | Resistant Prior Rx | Response (Pix dose) | Duration (mos) |
|----------------|------------|---------------------|--------------------------------------|-------------------------------|--------------------------------|---------------------------|
| F-72 | DLC | 4 th Rel | Dx300 | Yes | PR(1020) | 5 |
| F-41 | Mcy | 3 rd Rel | Dx300 | No | CR(1241) | 7 |
| F-60 | DLC | 3 rd Rel | Dx400 | Yes | PR(1020) | NA |
| M-78 | Mant | 2 nd Rel | None | Yes | uPR(1020) | NA |
| F-55 | DLC | 1 st Rel | Dx300 | No | CR(1326) | 12 |
| M-66 | DLC | 2 nd Rel | Dx | Yes | uPR(425) | 1 |

Pixantrone

Impressive Single Agent Activity in

Relapsed/Resistant Aggressive NHL

High response rates in relapsed/resistant aggressive NHL

- ORR= >30% (7CRs/5PRs + 5uPRs)
- Durable responses: TTP >8 months for responders

Well tolerated

- Grade 4 neutropenia 13/33 (40%)
- Grade 4 anemia/thrombocytopenia 0-1/33 (<3%)

28/33 (85%) had maximum prior anthracycline exposure

14/33 (42%) received >1,000-1500mg/m² Pixantrone

Encouraging low incidence of cardiac events despite prior anthracycline or anthracenedione exposure

Pixantrone

U.S. Registration Strategy

Pivotal trial in 3rd line aggressive NHL

- Compelling phase II clinical data
- High unmet need - qualifies for accelerated review
- No approved agents - non-randomized single open label trial ~120 pts
- Enrollment completion late 2004
- NDA target Q4 2005
- Potential launch 2006

Phase III in relapsed indolent NHL ± rituximab to provide market penetration support

Preliminary Market Study

*% of physicians who would prescribe Pixantrone
by line of therapy*

| | First Line | Second Line | Third Line |
|-------------------|------------|-------------|-------------|
| Aggressive | 47% | 100% | 100% |
| Indolent | 27% | 67% | 67% |

- Almost half of the physicians would try Pixantrone in place of doxorubicin in first line therapy for aggressive patients mostly for patients with cardiovascular risk factors

Pixantrone U.S. Market Potential

NHL indication only

| | |
|--------------------------------------|----------------|
| Aggressive NHL incidence(55%) | 151,877 |
| - Stage III/IV (80%) | 121,502 |
| - Chemotherapy (front line-CHOP) | 72,901 |
| - Salvage chemotherapy | 54,169 |
| Indolent NHL incidence (45%) | 124,263 |
| - Stage III/IV | 68,345 |
| - Chemotherapy (+/-Rituxan) | 44,735 |
| - Salvage chemotherapy | 18,905 |

Key Objectives

Next 12-18 Months

Gynecologic Oncology Group to initiate phase III study of XYOTAX in ovarian cancer

Complete enrollment of pivotal trials in non-small cell lung cancer

Successful merger with Novuspharma to maximize cost synergies and efficiencies

Initiate pivotal trial of Pixantrone in aggressive relapsed NHL

Explore TRISENOX label expansion in MDS in 2004

Grow TRISENOX sales >\$40M

Submit NDA for XYOTAX

Advance LPAAT inhibitors in development

Secure global commercial partner for XYOTAX

Novuspharma

[GRAPHIC]

cti

Strategic Rationale

Immediate Realizable Synergies

Greater revenue growth potential

- TRISENOX gaining hematology market share **MARKETED**
- XYOTAX in pivotal trials for lung cancer **LAUNCH 2005**
- Pixantrone in pivotal trials for NHL **LAUNCH 2006**
- Targeting profitability in 2005

Strong combined balance sheet

- \$230 million proforma end Q1, 2003

Significant cost savings

- \$18-\$20 million annual operating synergies

Strengthened oncology drug development expertise

Global access to patients, physicians and capital markets

Overview of Novuspharma S.p.A.

Pixantrone potential best in class safer, more effective anthracycline in pivotal trials for NHL

Strong balance sheet: ~\$120 million cash as of 3/31/03

Former oncology drug development arm of Boehringer Mannheim, part of Hoffman La Roche

- Expertise in pre-development, pharmacology, CMC, Phase I-II

Research coverage: Lehman Bros., SG Cowen, Banca IMI, Caboto

Timing

Unanimous approval of both Boards

Subject to Novuspharma and CTI shareholder approval

Subject to approval of CTI's application to list its shares on the Nuovo Mercato

Merger expected to close Q4

Integration plan & team established

- \$18-20 million full year of cost savings expected in 2004

Year end combined cash position forecasted at \$160M

Specifics of Agreement

CTI to issue 16 million shares of CTIC to Novuspharma shareholders

- Fixed exchange ratio 2.45
- Transaction value ~\$235 million
- Dual listing on NASDAQ and Nuovo Mercato

Novuspharma to have two seats on board with a third independent director to be nominated prior to closing

Silvano Spinelli, CEO of Novuspharma to join CTI's management team in following roles

- EVP, Development at CTI
- Managing Director, CTI's European subsidiary in Bresso

Company Profiles

| | CTI | Novuspharma |
|------------------------------|---|---|
| Therapeutic focus | Cancer | Cancer |
| Key Products | | |
| Marketed | TRISENOX | |
| Phase III | XYOTAX | Pixantrone |
| Phase I/II | CT-2106 (polyglutamate camptothecin) | MT-201, BBR3576 |
| Core competencies | Sales & Marketing, Phase II/III, Target discovery & validation | Preclinical (in vivo, PK/PD), CMC (analytical), Phase I-II |
| Head count | 288 | 85 |
| Facilities | 170,000 sq ft (Seattle) | 75,000 sq ft (Milan) |
| Balance sheet 3/31/03 | \$111 million | \$120 million* |

*Converted to US dollars; exchange rate 1.18

Operating Synergies

Center of excellence Milan

**Medicinal chemistry, lead optimization
Preclinical models, toxicology-ADME, analytical
development, pharmacology**

**Clinical trials material production
PK/PD testing in Phase I
EU pharmacovigilance, QA/QC
European clinical development**

Operating Synergies

Corporate Headquarters Seattle

Target discovery/validation

Clinical Development

- Phase I-III
- Drug Regulatory Affairs
- Drug Safety & Surveillance

Sales & Marketing

[GRAPHIC]

cti

Making cancer more treatable

CELL THERAPEUTICS, INC. NASDAQ: CTIC

Oncology Strategy

Improve the safety and efficacy of existing agents which provide the cornerstone for standard of care

- Taxanes (>\$2B) **XYOTAX**
- Camptothecins (>\$1B) **CT-2106**
- Anthracyclines (>\$500M) **Pixantrone**

Develop new agents with unique mechanisms of tumor cell killing without more side effects

- TRISENOX®
- LPAAT- inhibitors

Develop significant sales and marketing presence in cancer market segments where leverage is possible

- Blood-related cancer market

Consider co-marketing relationship where size matters

- Solid tumor indications

Hematology

Commercial opportunity

| | <u>2002 Incidence</u> | <u>2002 Prevalence</u> |
|--------------------------|-----------------------|------------------------|
| Total Hematologic | 94,850 | 423,564 |
| TRISENOX® | | |
| APL | 1,050 | 2,535 |
| Myelodysplastic | | |
| Syndromes | 15,200 | 35,562 |
| Multiple Myeloma | 14,600 | 49,542 |
| Pixantrone | | |
| AML | 10,600 | 18,980 |
| Indolent NHL | 24,030 | 142,625 |
| Aggressive NHL | 29,370 | 174,320 |

Oncology

Commercial opportunity

| | 2002 Incidence | 2002 Prevalence |
|-------------------|----------------|-----------------|
| | <hr/> | <hr/> |
| Total Oncologic | 516,144 | 3,132,334 |
| XYOTAX | | |
| Advanced NSC lung | 137,600 | 162,352 |
| Ovarian | 25,400 | 145,831 |
| CT-2106 | | |
| Small cell lung | 34,380 | 57,983 |
| Colorectal | 147,500 | 930,083 |
| Pixantrone | | |
| Breast | 212,600 | 1,836,085 |

Market Dynamics

Hematology

Few Big pharma competitors
- Berlex, Genentech, Idec, Millenium, Celgene
Low S&M barriers to entry

High incidence diseases with few treatment options

Concentrated market ~4,500 allows maximum S&M leverage with modest size field force

Oncology

Big pharma dominates solid tumor space
- Pfizer, Novartis, Glaxo, BMS, AstraZeneca, Lilly
Considerable sales and marketing barriers to entry
Novel break through products can generate >\$1B in annual sales
Co-promotional relationship may be necessary to maximize commercial potential