CELL THERAPEUTICS INC
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The following slides are excerpts from a presentation given by Cell Therapeutics, Inc. ( CTI ) at its annual meeting of shareholders, held on June 20, 2003, and relate to the proposed business combination between CTI and Novuspharma S.p.A.

## 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 Finan 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/prospects (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.

# 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-ß 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

## Commercial Synergies

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

# Hematology
## *Commercial opportunity*

| | 2002 Incidence | 2002 Prevalence |
|---|---|---|
| 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 |

# Selected Companies Focused on Hematology Market

| Company | Key Products | Market Cap |
|---|---|---|
| Genentech | Rituxan® | $38 B |
| Berlex* | Campath®, Fludara®, Leukine® | $10 B |
| Idec | Zevalin®, Rituxan® | $6.3 B |
| Millennium | Velcade | $4.7 B |
| Celgene | Thalomid®, Revimid | $2.7 B |
| CTI | TRISENOX®, Pixantrone | $ 518 M[1] |

*Schering AG
[1] ProForma market cap

# Oncology
## *Commercial opportunity*

| | 2002 Incidence | 2002 Prevalence |
|---|---|---|
| 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 |

## Companies Focused on Oncology-Chemotherapy Market

| Company | Key Products | Market Cap |
|---|---|---|
| Pfizer | Camptosar® | $285 B |
| Glaxo Smith Kline | Hycamtin®, Navelbine® | $77 B |
| Novartis | Femara , Aredia®, Gleevec , Sandostatin®, Zometa | $156 B |
| Astra-Zeneca | Arimidex®, Casodex®, Faslodex®, IRESSA®, Nolvadex®, Zoladex® | $78 B |
| Eli Lilly | Gemzar® | $78 B |
| Bristol Myers | Taxol®, Ifex®, Paraplatin® | $56 B |
| Aventis | Taxotere®, Campto®, Genasense | $42 B |
| CTI | XTOTAX , Pixantrone | $348 M |

# CTI-Novuspharma Merger

*Immediate realizable synergies*

Pixantrone: commercially attractive phase III product
- May qualify for FDA fast track
- Potential NDA 2005, market launch 2006
- US sales could reach $150M+

Financially attractive
- $120M in cash
- $18-$20M in cost savings

Significant operating synergies
- Critical mass in global oncology drug development
- Increases commercial capabilities and sales potential in EU for expanded TRISENOX® label

# Strong Financial Position

Pro-forma end Q1 cash position $306 million
- $111M cash Q1-2003
- $120M Novuspharma cash Q1-2003
- $75M convertible offering*
- Exchange offer 12/02 retired $60M convertible debt

Merger offers potential for cost synergies
- $18M to $20M savings in 2004

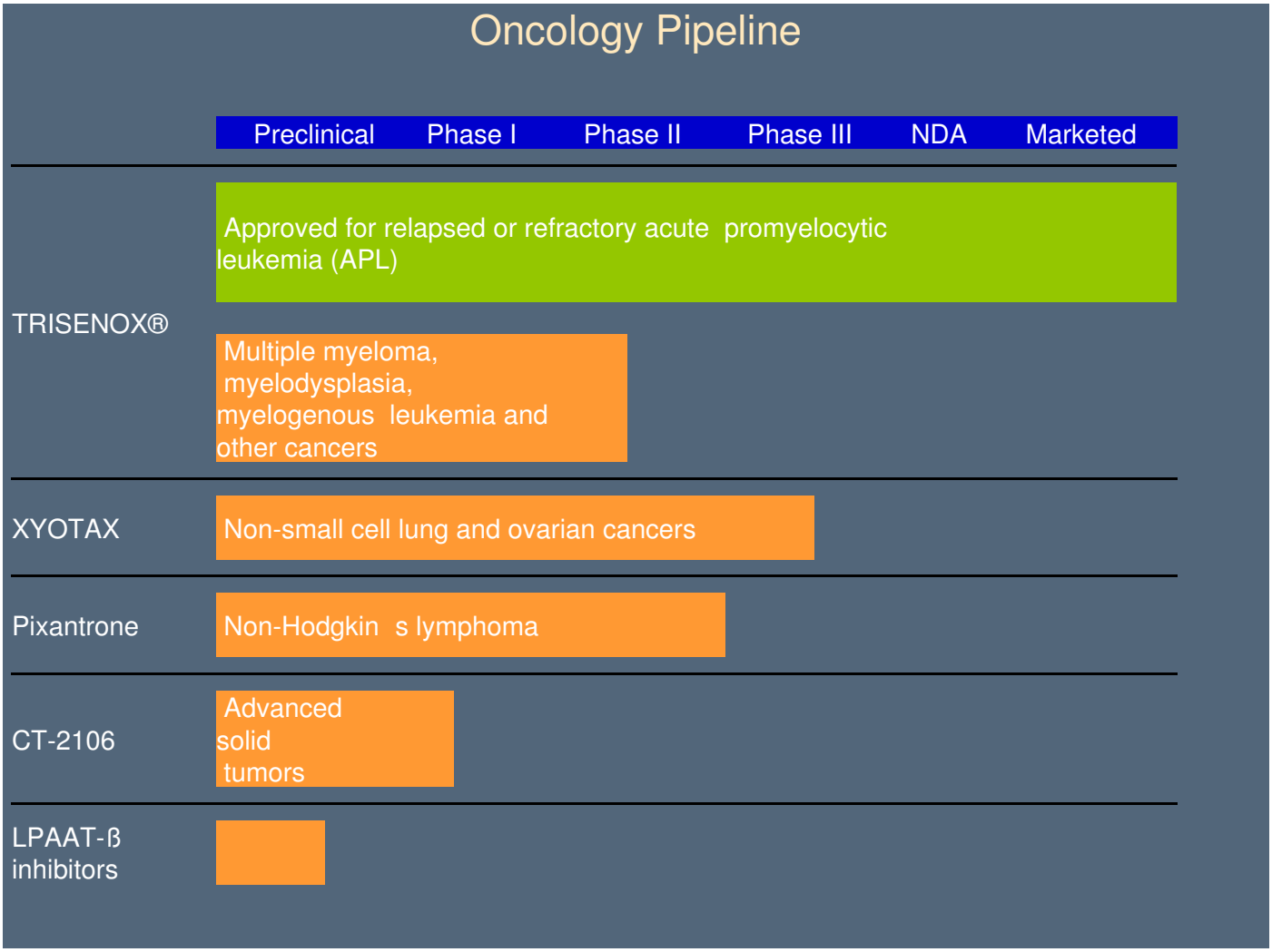
TRISENOX® U.S. business becoming profitable
- Allows ability to grow TRISENOX® sales in EU with new indication (MDS)

Creates critical mass in cancer drug development and commercialization

* Gross proceeds

# Commercial Growth

| | | | |
|---|---|---|---|
| TRISENOX®<br>APL label, > 40 trials | TRISENOX®<br>Potential MDS label | TRISENOX®<br>Potential myeloma label | |
| XYOTAX<br>Phase III trials | XYOTAX<br>Potential NDA | XYOTAX<br>Potential NSCLC label | |
| | Pixantrone<br>Phase III trials | Pixantrone<br>Potential NDA | Pixantrone<br>Potential aggressive NHL label |


Oncology Pipeline
Preclinical
Phase I
Phase II
Phase III
NDA
Marketed
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
Advanced solid tumors
LPAAT-ß inhibitors

# Pixantrone

*(from Novuspharma merger)*

New DNA intercalator with
improved efficacy and safety

Now in phase III for NHL

# DNA Intercalators

Established efficacy

- Cornerstone of chemotherapy for breast cancer, leukemias, and lymphomas
- Standard treatment in blood-born 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

Target markets

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

# Pixantrone

| | Doxorubicin | Mitoxantrone | Pixantrone |
|---|---|---|---|
| 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)

## Pixantrone

*Experimental cardiotoxicity*

# 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

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 (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 exposure

# Pixantrone

## *Combination trials*

Highly active in combination regimens for relapsed/refractory NHL replacing doxorubicin

- CHOP n=17
  - 13 patients evaluable; 6CRs/1PR
- ESHAP n=21
  - 19 patients evaluable; 7CRs/4PRs

Highly active in relapsed/refractory indolent NHL

- FND-R n=9
- 6 patients evaluable; 5CRs/1PR

# 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

# Last 12 Months in Review

| Objective | Status |
| --- | --- |
| Acquire late stage or commercial product | Novuspharma merger<br>Pixantrone in phase III<br>$18-$20m in annual operating synergies<br>$120M balance sheet |
| Reduce burn rate and secure adequate capital to grow commercial operations and see XYOTAX to NDA | $75M notes offering |
| Advance discussions toward potential XYOTAX partner | Partnership discussions for XYOTAX ongoing |
| Initiate pivotal XYOTAX phase III trials | STELLAR-2, -3, -4 trials FDA approved and enrolling |
| TRISENOX® - profitable operating business | Sales targeted to double to $24M this year |
| Highlight clinical data at key scientific meetings | ASH, AACR, ASCO, MM, MDS |

# 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