Celtic Therapeutics Launches $50M Antibody Drug Conjugates Development Company with 10 ADC Development Programs

New York, USA, Lausanne, Switzerland and London, UK, 26 March 2012 – Celtic Therapeutics Management L.L.L.P. the global private equity firm focused on novel therapeutic product candidates, has announced a significant commitment to Antibody-Drug-Conjugate ("ADC") products, with the launch of a new Switzerland-based company. ADC Therapeutics Sarl ("ADC Therapeutics") has been formed with a pipeline of ten proprietary ADC oncology development programs, targeting multiple major cancers, including prostate, renal, breast, lung and blood cancers and an initial budget of $50million.

ADCs are fast becoming the most exciting new class of oncology drugs, as they combine the specificity of antibodies with the cytotoxic power of novel "warhead" chemistries. ADCs thus have the prospect of being highly potent and target selective, with fewer side effects, and to potentially minimize drug resistance. ADC Therapeutics, to be headquartered from Lausanne, Switzerland, will focus on driving its ten initial ADC programs through pre-clinical assessment over the next twelve months and will move the first of these into clinical development within two years. The Company's strategy will be to seek development and marketing partners after Phase II proof of concept (POC). The objective is to achieve clinical POC in Phase II studies in several programs within three to five years.

Celtic Therapeutics is the majority owner of ADC Therapeutics, alongside certain co-founders of UK-based Spirogen Limited ("Spirogen"), and is also the majority owner of Spirogen, a platform technology company that is a world leader in cytotoxic "warhead" and linker chemistries for ADCs. UK specialist commercialization and development company Cancer Research Technology Ltd is also a shareholder in ADC Therapeutics. The board of directors includes Michael Forer, CEO ADC Therapeutics and Partner in Celtic Therapeutics together with Dr. Peter B. Corr and Stephen Evans-Freke, Co-Founders and Managing General Partners of Celtic Therapeutics, and Dr. Christopher Martin, CEO of Spirogen. Celtic Therapeutics has also attracted eminent oncology experts Dr. Samuel Broder and Dr. Barrie Ward as non-executive directors of ADC Therapeutics. Dr. Broder is the former Director of the National Cancer Institute in the USA from 1989-95 and founding member of Celera in 1998. Dr. Ward is the former CEO of oncology company KuDOS Pharmaceuticals prior to its sale to AstraZeneca.

In selecting the ADC programs, Celtic Therapeutics brought together an international panel of scientific advisors, chaired by key opinion leader, Dr. Neil Bander of Weill-Cornell Medical College, USA. This culminated in an initial target list of ten well-validated, cancer-specific cell surface receptor targets (antigens), important in large subsets of many of the most common forms of cancer. ADC Therapeutics' development plan for the ADCs will use well-characterized monoclonal antibodies against these ten antigens for conjugation with best-in-class warhead and linker chemistry. The warheads are based on proprietary pyrrolobenzodiazepines ("PBDs") "payload" technology developed by Spirogen and scientists at University College, London, over the past 10 years, expertly designed to maintain warhead potency and water solubility when linked to antibodies, and potentially minimize drug resistance. Through in-house *in vitro* and *in vivo* data generated by Spirogen, and *in vivo* data from six independent industry partners, Spirogen has demonstrated that its PBDs are significantly more efficacious than alternative ADC warhead chemistries in a wide variety of tumor models. Among other partners, it signed a collaboration agreement with Genentech in January 2011.

Dr. Peter B. Corr, Co-Founder and Managing General Partner of Celtic commented: "ADCs have strong potential to address the global need for markedly better cancer therapies with greater specificity and reduced side effects. Now is the time to move ADCs to center-stage in cancer drug development. In forming ADC Therapeutics we have created a company targeting a broad range of antigens specific to different tumor types that are ideal targets for ADC therapies, coupled with the drug development capabilities to bring ADCs into the clinic rapidly and cost-effectively."

Stephen Evans-Freke, Co-Founder and Managing General Partner of Celtic Therapeutics added: "We believe that ADCs will represent a significant medical breakthrough in cancer therapy over the coming decade, and that Spirogen's PBDs constitute 'best-in-class' ADC warheads. We anticipate investment of up to $50m into ADC Therapeutics to achieve clinical proof of concept in 2-3 lead oncology programs. We are committed to fully fund ADC Therapeutics and will raise additional capital if warranted."

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Notes to editors

ABOUT ANTIBODY DRUG CONJUGATES

ADCs are highly targeted drug constructs which combine monoclonal antibodies specific to particular types of tumor cells with potent cytotoxic agents (warheads). The antibodies bind to specific receptors (antigens) on the surface of the target cell. Once inside the target cell the cytotoxic agent is released, killing the cell directly. This minimizes the impact on normal, healthy tissues and significantly reduces the side effects associated with chemotherapy treatments. ADCs have extensive potential therapeutic applications in several disease areas, particularly in cancer. This is evidenced by the publication of very promising efficacy data by several pharmaceutical companies including Genentech, and the recent FDA approval of a novel anti-cancer ADC, Adcetris, developed by Seattle Genetics for the treatment of lymphomas. The principle can also be applied beyond antibodies, with the possibly to link warheads to antibody fragments, peptides, vitamins and hormones.

ABOUT CELTIC THERAPEUTICS

Celtic Therapeutics Management L.L.L.P. was founded in 2007 by Stephen Evans-Freke and Dr. Peter B. Corr, as a successor firm to Celtic Pharma Management L.P. The Celtic Therapeutics private equity strategy is to acquire promising therapeutic products that have achieved proof of principle in human clinical studies. Celtic Therapeutics' in-house team of senior pharmaceutical development executives then establishes the clinical, manufacturing, regulatory and commercial strategies for the development of its products and oversees its execution. Upon achieving value enhancing milestones including completing Phase III pivotal studies, Celtic Therapeutics partners with major pharmaceutical companies for continued development and commercialization. Based in the U.S. Virgin Islands, Celtic Therapeutics has origination, acquisition and development operations in New York City and Lausanne, Switzerland. For further information, please visit www.celtictherapeutics.com

ABOUT SPIROGEN LIMITED

Spirogen Limited ("Spirogen") was founded in 2001 as a spin-out from several institutions including University College, London. Since that time, it has developed a novel class of highly potent cytotoxic warheads based on its proprietary pyrrolobenzodiazepines ("PBD's"), DNA minor groove binding agents, which bind and cross-link specific sites of DNA of the cancer cell. This blocks the cancer cells' division without distorting its DNA helix, thus avoiding the common phenomenon of emergent drug resistance.

In contrast, many cancer chemotherapeutics distort the structure of DNA resulting in the ability of the cancer cells to develop resistance to further therapy. Spirogen has been developing its PBD technology for more than ten years, including a standalone PBD agent already in an NCI-sponsored Phase II study in cisplatin resistant ovarian cancer. Its business model is to partner its technology with pharma and biotech for use in the development of novel drugs. It has a number of industry collaborations, including a collaboration with Genentech announced in 2011. For further information, please visit Spirogen's website, www.spirogen.com.

ENQUIRIES

Media Relations
College Hill Life Sciences
Sue Charles/Daniel Gooch/Gemma Howe: +44 (0)20 7866 7866
Rebecca Skye Dietrich: +1 857 241 0795
celtic@collegehill.com

At Celtic Therapeutics Management LLC
Investor Relations
Ms. Kathy Armstrong: +1 (212) 616 4042
kathy.armstrong@celtictherapeutics.com