

## Enzon to sell specialty pharma business

New Jersey-based biopharmaceutical products maker for life-threatening ailments, Enzon Pharmaceuticals Inc., today disclosed having entered into a definitive agreement to sell its specialty pharmaceutical business to Italian pharma group Sigma-Tau for \$300 million plus an additional amount of up to \$27 million based on success milestones. Enzon will also receive royalties of 5 to 10 per cent on incremental net sales above a 2009 baseline amount from Enzon's four marketed specialty pharmaceutical products through 2014. Its drug development programs utilise several PEGylation technology platform and the 'locked nucleic acid' (LNA) technology, which was used to develop two of its products, Oncaspar and Adagen, and has created a royalty revenue stream from licensing partnerships for other products developed using the technology. Enzon also engages in contract manufacturing for several pharmaceutical companies to broaden its revenue base. Apart from Oncaspar, Adagen, Enzon's specialty pharmaceutical business includes two other marketed products - DepoCyt, and Abelcet, as well as its manufacturing facility in Indianapolis, Indiana, which will be purchased by a US subsidiary of Sigma-Tau Pharmaceuticals, Inc. Sigma-Tau Pharmaceuticals will distribute the products in the US market. After the sale of these assets, Enzon's businesses will consist of its royalties, Peg SN38 and our LNA and PEG technology platforms.

"Enzon's board of directors is evaluating options to return most of the value of this sale to shareholders" stated Alex Denner, Chairman. "We will refocus the company on our royalty business, pipeline, and technology platforms." "Sigma-Tau is a great strategic fit for this business, as they have the presence and expertise to effectively market these products in all geographic areas," said Jeffrey H. Buchalter, Enzon's president and CEO. Sigma-Tau is a global R&D driven, Italian-owned pharmaceutical company dedicated, among other areas, to developing and commercialising medicines for rare diseases. This acquisition will expand sigma-tau's current presence in the US and in new therapeutic areas. "Sigma-Tau is dedicated to providing novel therapeutics to patients suffering from rare diseases and other unmet medical needs," said Claudio Cavazza, sigma-tau's President. "Through the acquisition of Enzon's specialty pharmaceutical business, we will increase our presence in the field of rare diseases with products of great value which are the result of an outstanding research activity. sigma-tau is determined to continue Enzon's excellent work, especially in the field of rare diseases which is a particularly stimulating one as it aims at tackling life-threatening conditions which all too often affect the very young". The transaction may be deemed to constitute a sale of "substantially all" of Enzon's assets under Delaware law and, therefore, is conditioned upon the approval by the holders of a majority of Enzon's outstanding shares of common stock. The transaction also is conditioned upon Sigma Tau's receipt of funds under a bank commitment letter received by Sigma Tau and the expiration or termination of any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and corresponding laws of other jurisdictions. The transaction is expected to be completed during the first quarter of 2010.

Goldman, Sachs & Co. and Greenhill & Co. acted as financial advisors to Enzon, and Skadden, Arps, Slate, Meagher & Flom LLP acted as legal advisor to the Company.