

SUPERGEN⁰¹

in which clinicians tell how
SuperGen is changing the lives *of patients*

A SERIES OF FIVE INTERVIEWS

SuperGen is a pharmaceutical company whose mission is to improve the quality of life and ultimately save the lives of those people afflicted with life-threatening diseases, especially cancer

a message from
Dr. Joseph Rubinfeld *Chairman and Chief Executive Officer*
SUPERGEN, INC.



DEAR SHAREHOLDER,

Since SuperGen's inception in 1991, our goal has been to fashion the world's preeminent oncology-focused company. Over the years, we have made steady progress, carefully building a product pipeline that now consists of ten products and three franchise compounds – that is, drugs that can be used for a variety of different indications. Perhaps in no other year has more progress been made than in 2001. Specifically, over the past twelve months, the Company completed patient enrollment in each of the three Phase III clinical studies of rubitecan as a treatment for pancreatic cancer, a tremendous undertaking; began a Phase III clinical study of decitabine as a treatment for myelodysplastic syndromes (MDS); accelerated *continues >*

from page 1 > the clinical development of Nipent® for a number of additional indications; received FDA approval for one drug; and reinforced the depth of our highly experienced oncology team.

A BROADENING VISION: These accomplishments during 2001 are particularly noteworthy in light of the fact that, in the not-too-distant past, our Company was singularly focused on generating hope for patients with pancreatic cancer – a virtual death sentence to the 30,000 Americans who are diagnosed with this disease each year. Today, we are proud to note that our vision has broadened to helping those afflicted with a variety of solid tumors and blood cancers, including MDS, graft-versus-host disease, chronic lymphocytic leukemia and chordoma. While these conditions may not be as well known as pancreatic cancer, they are, unfortunately, just as lethal. However, in only one year's time, positive data from clinical studies of Nipent and decitabine have renewed our optimism that real help for patients with these terrible afflictions may be on the way.

OUR BRIGHT FUTURE: Remembering for a moment that only one in 10,000 compounds ultimately becomes an approved drug, our three franchise compounds – rubitecan, Nipent and decitabine – represent the cornerstone of our bright future. In addition, there are several other important products in our pipeline, including the cancer vaccine, Avicine™; Partaject™-delivered busulfan; and inhaled versions of rubitecan and paclitaxel. Moreover, our company has recently received FDA approval to market the anticancer compound daunorubicin, which is used as a treatment for a variety of acute leukemias.

To ensure the most statistically significant results possible for our studies of rubitecan, we have completed enrollment

in the largest clinical study ever conducted for pancreatic cancer – over 1,800 patients. Our scientific team is now in the process of analyzing literally thousands of pages of data, and, if favorable, will file a New Drug Application (NDA).

RUBITECAN'S* UNIQUE POTENTIAL: Beyond pancreatic cancer, promising clinical data presented during 2001 have shed light on rubitecan's unique potential to fight a number of other cancers, including melanoma, prostate, lung, stomach, MDS and chronic myelomonocytic leukemia (CML) and chordoma. In addition, results from a preclinical study announced last year have revealed that rubitecan may be useful as an adjunct therapy for HIV infection and AIDS. Clearly, these data add to the increasing evidence in support of rubitecan as a franchise compound, with the potential to benefit countless numbers of patients around the world.

Earlier this year, 2002, SuperGen and Abbott Laboratories decided to mutually conclude our alliance for rubitecan. As a result, SuperGen has regained 100 percent of the worldwide marketing rights to rubitecan. It is important to note that this settlement creates a unique opportunity for us to control our own destiny in that we now solely govern our growing product pipeline, both domestically and internationally. We now can proceed, unencumbered, to pursue other business relationships worldwide for rubitecan and many other drugs in our pipeline that we believe will maximize shareholder value.

Under the now mutually-terminated agreement, Abbott had exclusive rights of first-look at all of our products. Abbott could have taken up to 180 days to look at everything we have or will have in our pipeline. This stipulation has impeded our

business activities with other potential partners. Now we have the freedom to exploit business opportunities as we see fit.

THE FUTURE OF DECITABINE: As one Phase III clinical study concludes (rubitecan), another is marching ahead. In 2001, clinicians nationwide began enrolling patients in an open-label, randomized Phase III clinical study of decitabine as a treatment for advanced MDS, a disorder in which the bone marrow fails to produce sufficient numbers of healthy blood cells. The study has targeted 35 medical centers around the country and will enroll a total of 160 patients. 80 of these patients will receive decitabine and 80 will receive the current "standard-of-care" therapy. Positive results from this study, combined with data from two previous studies (showing response rates of 49 and 50 percent, respectively), could serve as the basis for an NDA filing in 2003.

Like rubitecan, the future of decitabine lies in its potential to develop into a multiplatform franchise compound. Data from preclinical studies, conducted by Professor Robert Brown at Beatson Laboratories at Glasgow University, were presented at the Genomic Regulation and Cancer Conference in Glasgow in July 2001. The data demonstrated that chemotherapy-resistant ovarian and colon cancer cells that were treated with decitabine became more sensitive to chemotherapy treatment. Certainly, the scientific community has been clamoring for announcements such as this.

In addition, data from previously published clinical studies (detailed in last year's annual report) suggest that decitabine may become an effective treatment for two especially troubling diseases – sickle cell anemia and stage IV non-small cell lung

cancer, the most common type of lung cancer. With the potential to help so many people across a broad spectrum of terrible afflictions, we will continue to devote the resources necessary to accelerate the clinical development of this important compound.

NIPENT, A FRANCHISE COMPOUND: A great deal of internal optimism is being focused on Nipent, which is currently being marketed for hairy cell leukemia. A number of favorable reports in 2001, as well as continued increases in year-to-year sales, have further contributed to our belief that Nipent is worthy of franchise compound status. At last June's Pan-Pacific Lymphoma Conference, where more than 200 prominent researchers and practitioners in the areas of lymphoma and hematological malignancies gathered to evaluate current treatment regimens, discuss future treatment options and evaluate results from clinical studies, a number of opinion leaders favorably commented on Nipent's effectiveness for chronic lymphocytic leukemia (CLL), graft-versus-host disease (GvHD), non-Hodgkin's lymphoma, bone marrow transplantation and hairy cell leukemia.

Studies by Dr. Jeffrey Margolis, Director of Hematology/Oncology at William Beaumont Hospital in Royal Oak, Michigan, have indicated that Nipent is the only agent that interrupts the pathogenesis of GvHD at multiple steps.

In November and December 2001, results from numerous studies involving Nipent were presented at two important medical meetings – the 43rd Annual Meeting of the American Society of Hematology and the "Innovative Cancer Therapy for Tomorrow" symposium, sponsored by New York's Mount Sinai School of Medicine and The Chemotherapy Foundation. At

these gatherings, several distinguished researchers presented papers demonstrating Nipent's ability to become a bona-fide treatment option for CLL, bone marrow transplants, GvHD and a preparative regimen for kidney transplantation.

Of particular interest is Nipent's apparent effectiveness in GvHD, a syndrome in which immune cells from the transplant donor reject the recipient's normal tissue following an allogeneic (from a donor rather than from one's self) bone marrow transplant. Currently, 50 percent of bone marrow transplants are allogeneic, with 85 percent of these patients developing GvHD, one-third of whom ultimately will develop a high-grade form of the disease. GvHD is fatal and is currently treated unsuccessfully with various immunosuppressive therapies. We intend to initiate a Phase III clinical trial of Nipent for GvHD in the latter half of 2002.

A YEAR OF FORWARD PROGRESS: From a corporate standpoint, 2001 was another year of forward progress for SuperGen. Increasing demand for Nipent pushed sales over the \$10 million mark for the first time. Coupled with the approval of daunorubicin, we anticipate this upward curve in revenue will continue for the foreseeable future. In addition, we bolstered the depth of our management team when Edward Jacobs rejoined the Company as Chief Business Officer and Chief Financial Officer. With over \$103 million in cash and marketable securities and equities, SuperGen is fundamentally strong, enabling us to aggressively continue the development of our product pipeline.

While 2001 was a successful year for SuperGen, much work remains to be done before we are established as the premier

oncology-focused company. Toward that end, our objectives for 2002 are:

- > File a New Drug Application for rubitecan as a treatment for patients with pancreatic cancer.
- > Complete patient enrollment in the Phase III clinical trial of decitabine as a treatment for advanced MDS.
- > Initiate a pivotal Phase III clinical study of Nipent as a treatment for GvHD.
- > Continue to expand our generic and supergeneric line of cancer drugs.

These objectives are challenging, but we are closer than ever to realizing the potential that our compounds offer for cancer patients around the world. We must not and will not be deterred from accomplishing our collective mission.

Sincerely,



Joseph Rubinfeld, Ph.D.

Chairman and Chief Executive Officer

*As you move forward through these pages you will see the name Orathecin™
This is the commercially branded name for rubitecan and will be used from this point on.

Five World-Class Clinicians *on what SuperGen's treatments mean to them*
now and in the future.

05 INTERVIEWS

The following five clinicians represent only a small sampling of the many researchers who recognize the potential of SuperGen's compounds to prolong and improve the quality of their patients' lives. They are just a few of the hundreds of clinicians, many from distinguished medical centers around the country, whose expertise, dedication and compassion are helping their patients with new weapons in the ongoing war on cancer.

01

Interview No.

in a series of five.

Dr. Laurence Baker *Director of Clinical Research, Comprehensive Cancer Center*

UNIVERSITY OF MICHIGAN



“The two partial responses were the most spectacular remissions we have ever seen...”

➤ Chordomas are tumors that begin in bone, usually in the spine at the very base of the skull or at the bottom of the spine in a bone called the sacrum. They strike only a few hundred people per year. It is uncommon for them to metastasize, but when they do they most often go to the lungs and brain. Treatment involves surgery and radiation, but chordomas are resistant to most forms of traditional chemotherapy.

“This can be a particularly devastating and painful affliction, because of where and the slow rate at which these tumors grow. In some instances, severe disability and paralysis are possible,” said Laurence Baker, D.O., Director of Clinical Research at the University of Michigan Comprehensive Cancer Center, recently ranked among the top 12 of the nation’s best cancer centers by U.S. News & World Report. “While some people are cured, many others do not respond to treatment or suffer a recurrence.”

In January 2000, Dr. Baker initiated a clinical trial of Orathecin as a treatment for chordoma, and the results so far have been impressive. To date, nine patients have enrolled in the clinical trial; partial responses were observed in two patients and disease stabilization was noted in four others.

“The two partial responses were the most spectacular remissions that we have ever seen in chordoma patients,” stated Dr. Baker. “In one man, within two months of starting treatment, 95 percent of the tumor had vanished and many of his symptoms had disappeared. Sadly, he decided to stop taking the medication after a year, quickly relapsed and ultimately died.

“Typically, people will progress with this disease in three or four months, but we have patients who are stable at nine or ten months and still counting,” he added. “The drug has been well tolerated and side effects have been minimal.”

Given the many positive responses to date, Dr. Baker is looking to broaden the clinical trial at other medical centers around the country.

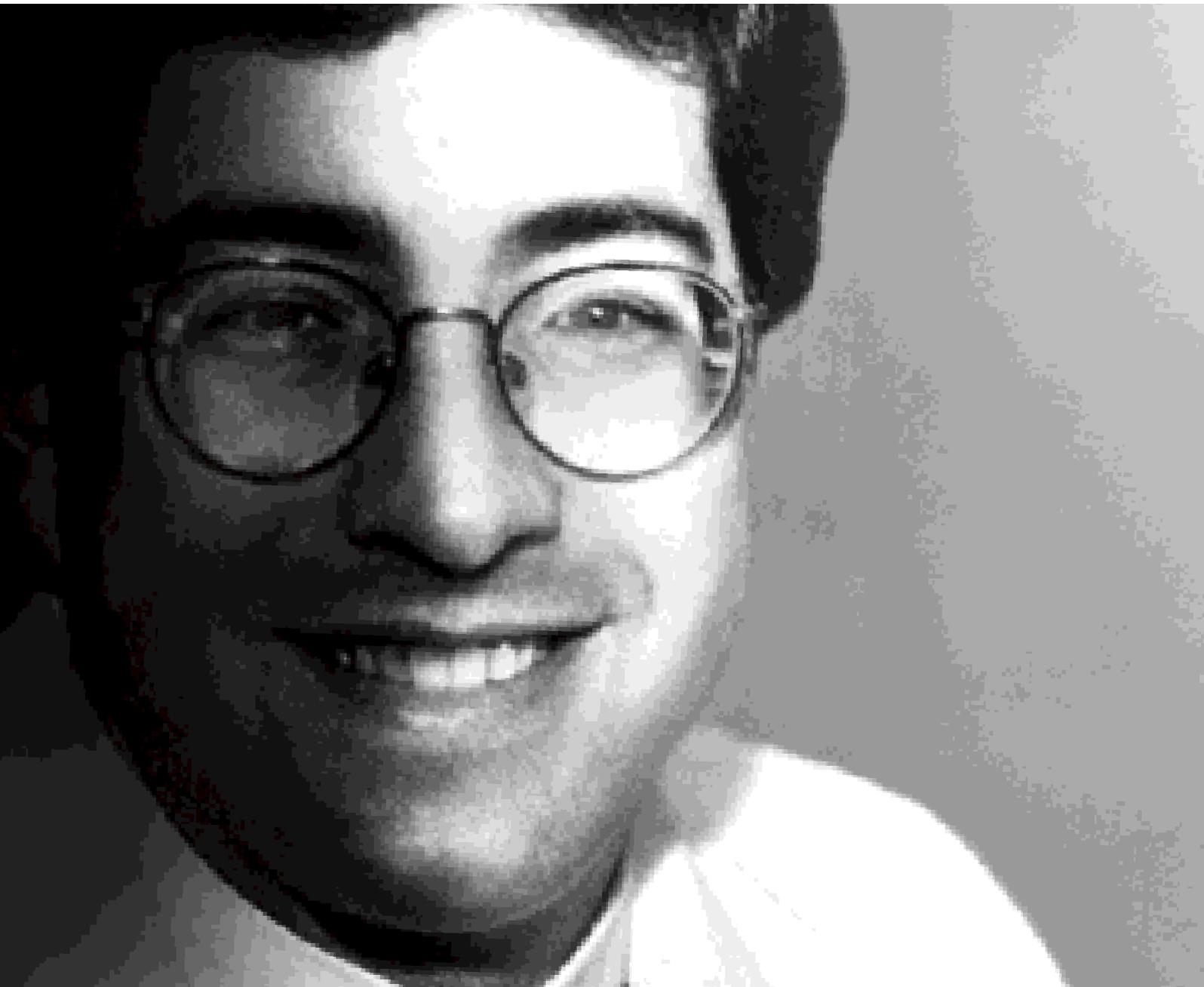
“There is no question that further study is needed before we are able to make any conclusions, but the results thus far are dramatic,” said Dr. Baker. “This may represent a significant advance in the treatment of chordoma.”

02

Interview No. in a series of five.

Dr. Daniel DeAngelo *Dana Farber Cancer Institute*

AN AFFILIATE OF HARVARD MEDICAL SCHOOL



“There is no doubt that decitabine is an effective and safe drug.”

➤ Boston’s Dana Farber Cancer Institute is among the most respected oncology centers in the world. An affiliate of Harvard Medical School and designated a Comprehensive Cancer Center by the National Cancer Institute, the Institute is also home to the “Jimmy Fund.” The famous charity has raised more than \$200 million since 1948 and has funded decades of research resulting in increased survival rates for cancer patients around the world.

Dr. Daniel DeAngelo, an Instructor of Medicine in the Leukemia Program at the Dana Farber Cancer Institute’s Department of Hematologic Malignancies, is researching new treatments for patients afflicted with advanced myelodysplastic syndromes (MDS), a disorder in which the bone marrow does not function normally and fails to produce sufficient numbers of healthy blood cells. Dr. DeAngelo is one of several clinicians around the country involved in a Phase III study of decitabine as a treatment for advanced MDS.

“Myelodysplasia is a preleukemia condition, and patients with an advanced form of MDS typically progress to acute leukemia within a short period of time, usually one or two years,” said Dr. DeAngelo. “Sadly, the typical life expectancy is anywhere from six months to three or four years. Unfortunately, there are no proven effective treatments for decreasing this progression or improving overall survival other than bone marrow transplants, but most patients are of advanced age and cannot adequately tolerate this procedure.

“Previous Phase II studies have demonstrated that decitabine is efficacious in terms of reducing the number of precancerous cells,” added Dr. DeAngelo. “Unknown is whether that reduction will delay the progression to acute leukemia or prolong life. The answers to those questions can be found only in these types of clinical trials.

“If decitabine can demonstrate the ability to decrease the risk of leukemia transformation, improve survival and improve the patient’s quality of life, it could become the standard-of-care for MDS,” stated Dr. DeAngelo. “While that remains to be seen, there is no doubt that decitabine is an effective and safe drug. Given the limited number of treatment options, the fact that we have a compound that is demonstrating any activity in MDS is very encouraging.”

03

Interview No.

in a series of five.

Dr. Michael Grever *Chairman, Department of Internal Medicine*

OHIO STATE UNIVERSITY



“We have known for years that Nipent is an excellent treatment for patients with hairy cell leukemia. The drug has generated some extraordinarily long-term good results.”

➤ In 1979, Dr. Michael Grever, then an Assistant Professor of Medicine in the Division of Hematology and Oncology at The Ohio State University, participated in the first United States-based clinical studies of Nipent in patients with lymphoid malignancies. In the ensuing few years, Dr. Grever and colleagues at Ohio State demonstrated that the drug was highly effective in treating hairy cell leukemia (HCL).

More than two decades later, his career accomplishments include serving as the Associate Director of the Developmental Therapeutics Program, Division of Cancer Treatment at the National Cancer Institute and the Director of the Division of Hematologic Malignancies at Johns Hopkins University. Today, Dr. Grever is back at Ohio State, as Chairman of the Department of Internal Medicine. Though many years have passed since his early work with Nipent, his opinion of the drug hasn't changed.

“We have known for years that Nipent is an excellent treatment for patients with hairy cell leukemia,” said Dr. Grever. “The drug has generated some extraordinarily long-term good results.”

Although Nipent is marketed as a treatment for HCL, Dr. Grever suspects that the capabilities of the drug may reach beyond a single indication.

“Years ago, we tested Nipent in patients who were suffering from lymphatic malignancies, such as chronic lymphocytic leukemia and cutaneous T-cell lymphoma, and the results were very encouraging,” he added. “Approximately fifteen percent of the patients experienced some type of response, but because

these patients had been heavily pretreated prior to Nipent, that number was considered very good.”

“Promising data is being reported pertaining to graft-versus-host disease and bone marrow transplantation, and people are starting to reexamine Nipent,” said Dr. Grever. “Clearly, a great deal of exploration will take place in the next several years.”

In addition to his enthusiasm for Nipent, Dr. Grever is taking a closer look at another of SuperGen's franchise compounds.

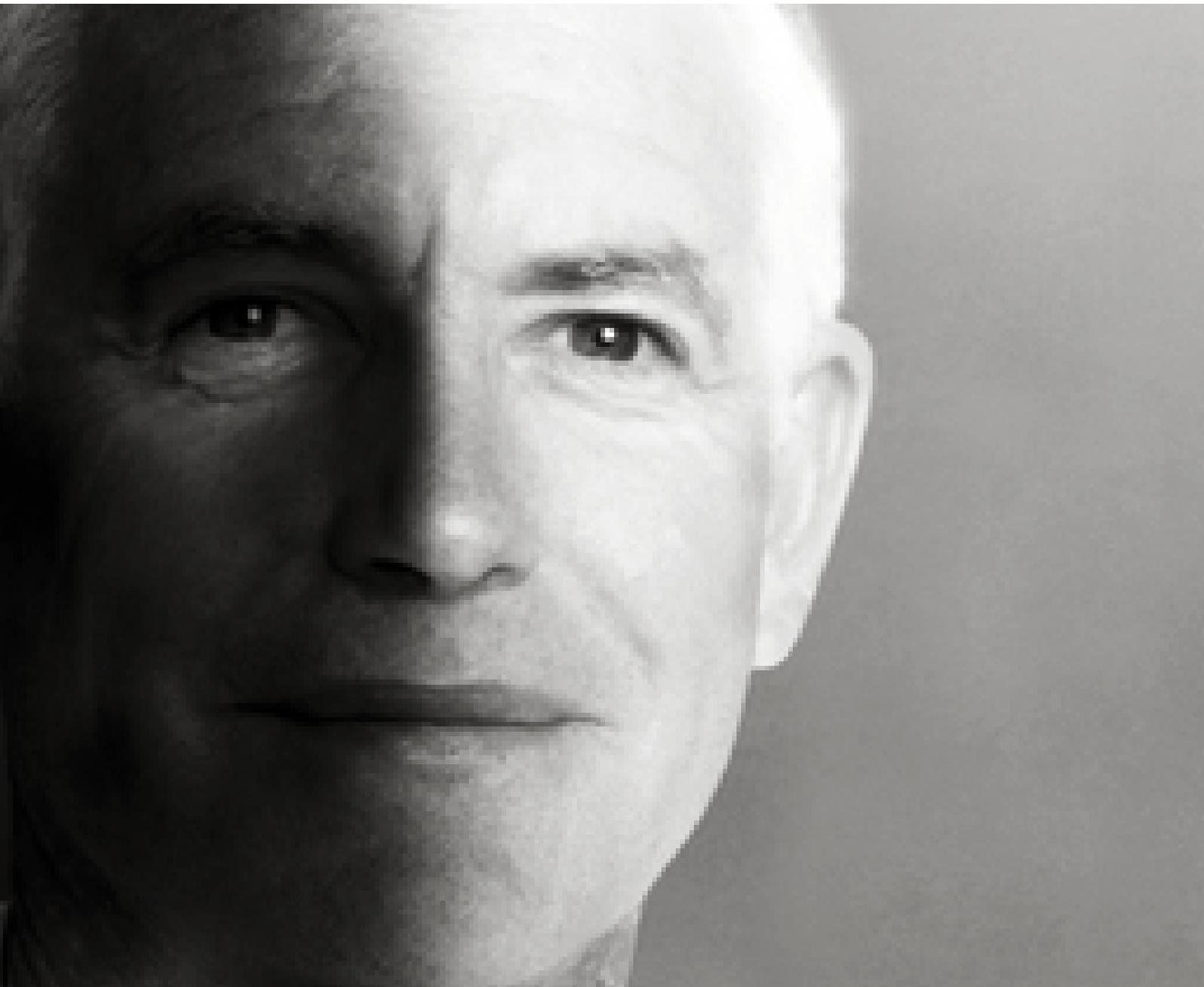
“Physicians treating patients with acute leukemia have become interested in decitabine,” Dr. Grever stated. “Although I have never participated in studies to date, the drug appears to have promise. Decitabine may have activity as a stand-alone agent, but we are also eager to study this compound as part of a combination therapy.”

04

Interview No. **04** *in a series of five.*

Dr. Peter Jones *Director, Norris Comprehensive Cancer Center*

UNIVERSITY OF SOUTHERN CALIFORNIA



“In the next several years, I believe that decitabine could become a front-line therapy for the treatment of several hematologic malignancies.”

➤ There may not be another person in the world with more knowledge of decitabine than Dr. Peter Jones. Dr. Jones, the Director of the Norris Comprehensive Cancer Center at the University of Southern California, has been studying the drug’s unique mechanism of action – the inhibition of hypermethylation of DNA – for 25 years.

In cancer cells, a normal cellular process called DNA methylation goes awry and causes a normal cell to turn abnormal, such that the genes needed to repair the cell and suppress tumors are summarily turned off. Decitabine crosses through the cell membrane and gets absorbed into the DNA. Once that happens, it interferes with and oftentimes inhibits methylation. The drug literally manipulates the DNA and, in a sense, can make a malignant cell behave in a more normal fashion.

“For decades, we have understood how decitabine works, but the correlation between methylation and cancer has only recently been embraced by the scientific community,” said Dr. Jones. “As a result, there are significantly more clinicians and scientists who are interested in how these methylation changes occur. Decitabine is recognized as the drug of choice to reverse these changes.

“One very exciting development is taking place in the laboratory, where studies have demonstrated that a low-dose of decitabine renders the malignant cells in certain cancers more susceptible to traditional chemotherapy,” added Dr. Jones. “The methylation of DNA can cause the gene that makes a cancer cell respond to chemotherapy to literally turn off. In certain cancers, decitabine

can reactivate that gene, thus substantially increasing the effectiveness of the chemotherapeutic agent. I believe that such combination therapy could become commonplace if further studies validate our early findings.

“In the next several years, I believe that decitabine could become a front-line therapy for the treatment of several hematologic malignancies,” said Dr. Jones. “Further down the line, the drug could be proven to help increase the efficacy of other treatments, or maybe even as a preventive agent for certain types of cancer.”

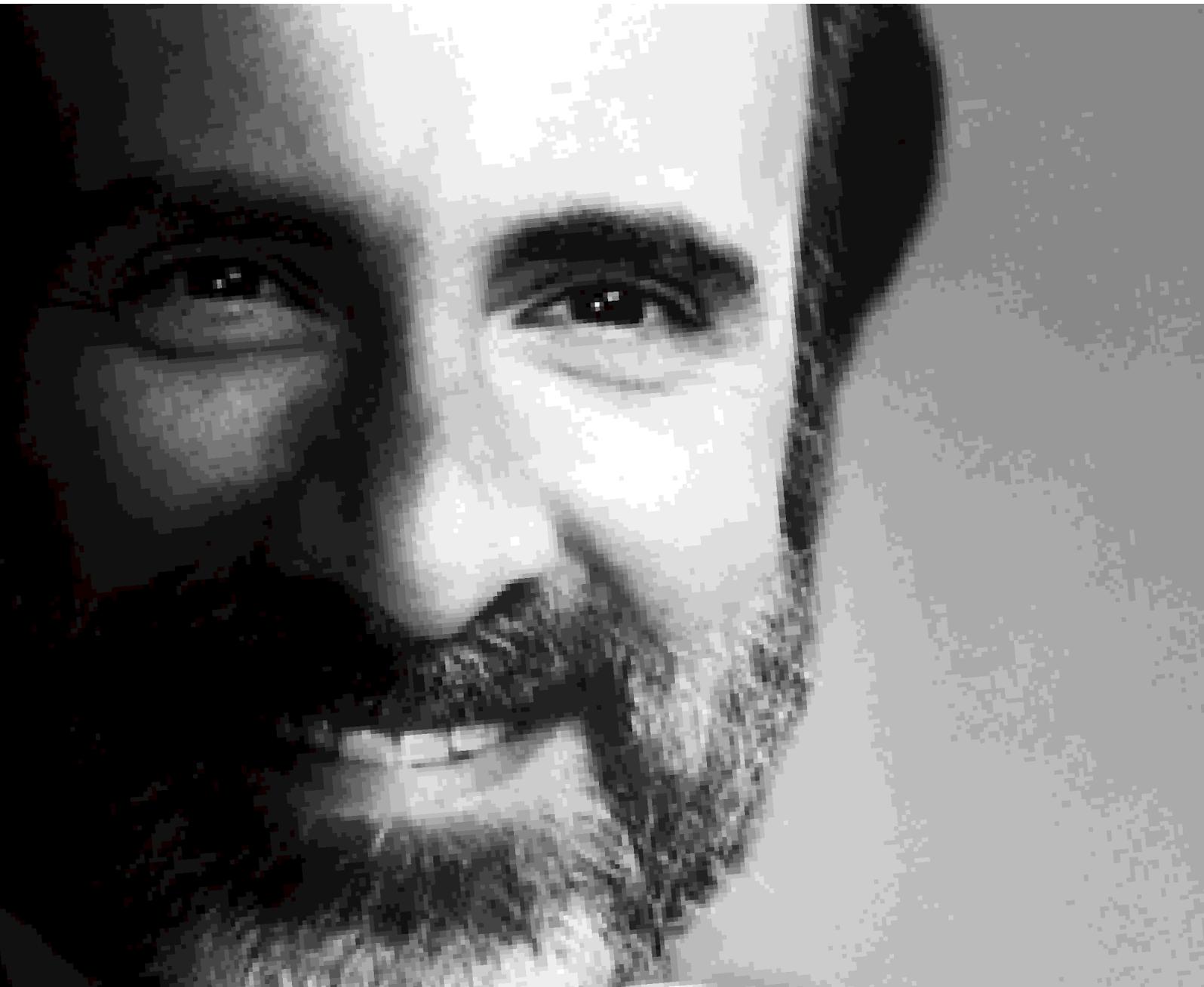
05

Interview No.

in a series of five.

Dr. Kenneth Miller *Director of the Bone Marrow Transplantation Unit*

TUFTS UNIVERSITY SCHOOL OF MEDICINE



“Nipent could soon become the standard-of-care in the medical community.”

➤ According to the Leukemia and Lymphoma Society, approximately 9,000 people in North America undergo allogeneic bone marrow transplantations each year for the treatment of lymphoma, leukemia or myeloma. As Director of the Bone Marrow Transplantation Unit at Boston’s New England Medical Center, an affiliate of the Tufts University School of Medicine and one of the world’s leading medical institutions, Dr. Kenneth Miller is well aware of both the risks and rewards of this life-saving procedure.

“Allogeneic [from a donor, rather than from one’s self] bone marrow transplants are often the only effective weapon in the fight against a broad number of leukemias, lymphomas and other blood disorders,” said Dr. Miller. “Traditionally, very high levels of chemotherapy are administered prior to the transplant. While this treatment regimen suppresses the immune system, allowing the graft to grow, the excessive levels of chemotherapy often make the patient very sick. Physicians are now looking for ways to perform ‘reduced-intensity’ transplants, which would involve administering smaller doses of drug.”

Nipent (already marketed by SuperGen for the treatment of hairy cell leukemia) has demonstrated that it may become an effective part of the treatment regimen prior to reduced-intensity allogeneic bone marrow transplants. In a two-year clinical trial conducted by Dr. Miller, 50 patients received a treatment regimen of photophoresis, reduced-dose total body irradiation and a continuous infusion of Nipent before undergoing the transplant. The overall response rate was 68 percent; the overall

engraftment rate was over 90 percent; and the overall mortality rate was less than 10 percent. Side effects were minimal, with no major adverse reactions reported.

“The ability to conduct reduced-intensity allogeneic bone marrow transplants could literally revolutionize this field. Our study has proven that such a procedure can be performed on high-risk patients with low posttransplant mortality,” stated Dr. Miller. “Nipent is a very effective, well-tolerated drug to use in this capacity, and if similar results are generated in additional studies, reduced-intensity transplants, along with Nipent, could soon become the standard-of-care in the medical community.”

SuperGen: *The key to life*

SENIOR MANAGEMENT TEAM

Joseph Rubinfeld, Ph.D.

Chairman and Chief Executive Officer
Amgen, Bristol-Myers Squibb, Cetus, Schering-Plough

In addition to cofounding Amgen, Dr. Rubinfeld invented the Polaroid ten-second instant film developing system in 1961 and biodegradable detergent in 1963, for which he was awarded the prestigious Common Wealth Award in 1984.

Edward Jacobs

Chief Business Officer and Chief Financial Officer
Etex, Sequus Pharmaceuticals, Trilex Pharmaceuticals, Adria Laboratories, Johnson & Johnson

Karl Mettinger, M.D., Ph.D.

Senior Vice President, Chief Medical Officer
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Timothy Enns

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Frederick Grab, Ph.D.

Vice President, Compliance & Regulatory
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Audrey Jakubowski, Ph.D.

Vice President, Regulatory Affairs
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R. David Lauper, Pharm. D., FAPhA.

Vice President, Professional Services
Bristol-Myers Squibb, Cetus-Chiron

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Vice President, Sales
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Lawrence Romei

Vice President, Clinical Operations
ONYX, Sequus, Neurex, Kendall

Howard Sands, Ph.D.

Vice President, Pre-Clinical Research
Sparta Pharmaceuticals, DuPont

Simeon Wrenn, Ph.D.

Vice President, Biotechnology
American Home Products, American Cyanamid, Purdue Frederick, Centocor

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ANNUAL MEETING

The annual meeting of stockholders will be held from 2:00 to 5:00 PM on May 29, 2002, at SuperGen's corporate headquarters, 4140 Dublin Blvd., Dublin, CA 94568.

NASDAQ: SUPG

For information about the company, stockholders and other interested parties may contact the Investor Relations Department at company headquarters, or visit the company web site at: www.supergen.com.

Inquiries regarding stock certificates, transfer requirements, address changes and related matters should be directed to the Transfer Agent at the address given above.

