SuperGen
Making Life Better

2002 Annual Report

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

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

Joseph
Rubinfeld, Ph.D.

Chairman and Chief Executive Officer

5
Approved products

14
Products in pipeline

2
Phase III products

Dear Shareholder:

I find it very difficult to describe the level of pride and accomplishment that I feel as the chief executive officer of SuperGen. In 2002, our 107-person company, assisted by outside vendors, specialists and consultants, enjoyed its strongest and most productive year yet.

For example, we completed the largest randomized clinical program ever conducted in pancreatic cancer with Orathecin™. We also completed patient enrollment in a Phase III clinical study of Dacogen™ as a treatment of myelodysplastic syndrome (MDS). In addition, we received approval from the FDA to market Mitozytrex™, which represented the company's first New Drug Application (NDA). Perhaps the biggest challenge of all, though, was that we began the process of compiling and submitting an NDA for Orathecin.

While all of these accomplishments were ongoing, we engaged in an aggressive effort to improve the bottom line, which resulted in significantly reduced operating expenses and significantly increased product revenues in 2002.

Certainly the industry backdrop for these events was not one of support or encouragement. The national and global economy has been, and remains in, a state of malaise, and the biotech, pharmaceutical and healthcare sectors have been among the hardest hit. Investor confidence continues to be low, but expectations remain high, perhaps too high. The resulting disappointment has been expressed in the stock price of almost every company in these sectors.

However, we have refused to let outside opinions deter us in our mission to establish SuperGen as a preeminent oncology-focused company. In fact, our first-rate clinical, regulatory and commercial teams are operating at the "top of their game."

From a clinical perspective, Orathecin and Dacogen, our lead investigational compounds, and Nipent®, FDA approved to treat hairy cell leukemia, all moved a sizeable step forward in 2002 – that is, each one has accrued to or completed major studies.

SuperGen has never been more ready to establish its position as a preeminent oncology-focused company.

As I previously mentioned, our Phase III clinical randomized program of Orathecin was the largest ever undertaken in pancreatic cancer. The program was comprised of three separate trials and enrolled approximately 1,850 people at over 200 clinical sites around the world. Over the entire Orathecin clinical program, more than 2,700 patients in 43 separate clinical trials participated in our protocols. This included pancreatic cancer patients, as well as patients with a number of other solid tumors and hematologic malignancies.

With much of the external focus on Orathecin, it is easy to overlook the impact that Nipent has had on the success of SuperGen. Indeed, it is not the first time this compound has been ignored.

When Nipent was acquired in 1996, it was approved for the treatment of hairy cell leukemia, a rare disease affecting roughly 500 people each year, and was not thought by many outside our company to have much usefulness beyond this initial orphan indication. However, our expert oncology team long suspected that the compound had great potential. In fact, since its acquisition, we have studied Nipent in more than 10 different indications through 40 clinical trials. Today, we are more convinced than ever before that the drug is benefiting a number of patients with a broad variety of blood cancers. In addition, promising new data has suggested that Nipent may reduce the biggest complication associated with allogeneic blood and bone marrow transplants.

The clinical development of Dacogen has been nothing short of remarkable. In just under two years, our clinical staff developed the protocol for the Phase III MDS study, trained and managed 24 clinical sites nationwide and, working with the investigators, completed patient enrollment.

Beyond MDS, published clinical studies have strongly suggested that Dacogen may become a valuable weapon against sickle cell anemia. The drug has also shown signs of activity in patients with stage IV non-small cell lung cancer and chronic myelogenous leukemia.

On the regulatory front, our expert team enjoyed a most impressive year. The FDA approval of Mitozytrex (mitomycin for injection) represented the first compound that our company has taken from formulation through to FDA approval.

While awaiting word from the FDA on Mitozytrex, work on the Orathecin NDA was in full swing. Tens of thousands of pages were studied, analyzed and formatted in thorough, readable reports that make up the New Drug Application. That work continued into the new year, as the submission of the NDA began on a "rolling" basis.

Commercially, 2002 was the best year in the history of SuperGen. Record revenues, driven by increasingly strong demand for Nipent, surpassed $15 million. With the massive Orathecin clinical program completed and the budgetary belt tightened, operating expenses fell drastically, translating into considerable bottom line improvement. We expect this improvement to continue into 2003 and beyond, as the Dacogen MDS study concludes and interest in Nipent continues to climb.

Fundamentally, our company is in a strong position. Two financial transactions at the end of 2002 and the beginning of this year brought in more than $25 million in capital, which not only fortified our balance sheet, but also considerably strengthens our position in negotiations regarding corporate alliances.

SuperGen is establishing its position as a preeminent oncology-focused company. We now have five marketable products (Nipent, Mitozytrex, mitomycin, daunorubicin and the Surface Safe® disposable cleaning system), one lead investigational compound for which we are completing the submission of an NDA (Orathecin), another that is in the latter stages of Phase III testing (Dacogen) and a third, Nipent, that in addition to demonstrating strong sales growth, is being studied for additional uses beyond its original indication.

During my more than forty years in the pharmaceutical industry, I have personally experienced both the highs and lows of bringing a drug to market. For those involved in such a tremendous undertaking – company employees, clinicians, patients and their families, just to name a few – the inevitable delays, the surprising successes and unexpected setbacks can trigger a roller coaster of emotions that can vary wildly from day to day.

However, at the end of this journey, when the compound is on the market and is touching the lives of both patients and their families, there is a remarkable sense of accomplishment, relief and amazement. I have experienced this profound joy on several occasions in my professional career, and as we seek to bring new hope to tens of thousands of cancer patients around the world, recapturing that feeling is what motivates me each and every day.

Sincerely,

Dr. Joseph Rubinfeld,
Chairman and Chief Executive Officer

Estimated new cases and deaths for ovarian cancer in the U.S. in 2003:
23,300

30,800
estimated new cases and deaths for leukemia in the U.S. in 2003

Estimated new cases and deaths for lung cancer in the U.S. in 2003:
91,800

105,500
estimated new cases and deaths for colorectal cancer in the U.S. in 2003

Estimated new cases and deaths for breast cancer in the U.S. in 2003:
212,600

10,000
20,000
30,000
40,000
50,000
60,000
70,000
80,000
90,000
100,000
110,000
120,000
130,000
140,000
150,000
160,000
170,000
180,000
190,000
200,000
210,000
220,000

Bill Sarosky, 53 years old, is the controller and treasurer of the town of Southbury, Connecticut. He has been married to wife Debbie for 19 years.

Bill is an Orathecin patient.

Disclaimer: Bill Sarosky is only one of several thousand patients that have received Orathecin in a clinical trial, and he is not representative of the majority of patients in these trials. These patients are very sick and most only live a few months. Orathecin is an investigational drug and is not approved for any commercial use.

Orathecin

Pancreatic cancer is the fourth-leading cause of cancer deaths in the United States. The average life expectancy after diagnosis is three and a half months for untreated patients. Because the pancreas is located deep in the abdomen, once the cancer is detected, it is usually too late for surgery. The five-year survival rate is less than 5 percent.

In patients with advanced pancreatic cancer, doctors measure the effectiveness of a drug in days and weeks, not months or years. Orathecin is not expected to be a cure, but if approved by the FDA, it may offer patients new hope. Early Orathecin studies suggest that the drug may help some patients live longer after they have failed other therapies.

In April 2002, an independent third-party expert radiology review panel confirmed the results from a previous Phase II clinical study of Orathecin in patients with refractory pancreatic cancer who had failed prior treatments. The U.S. study was conducted at 19 clinical centers and enrolled 58 patients who had failed prior chemotherapy. More than 90 percent of the patients had failed treatment with gemcitabine, and more than 70 percent had failed two or more chemotherapy agent regimens.

Among the 45 patients with measurable disease, 10 patients (22 percent) had independently verified favorable tumor responses; three patients with a greater than 50 percent reduction in tumor size per World Health Organization (W.H.O.) criteria; and seven patients with stabilized disease, having less than 50 percent tumor reduction and no evidence of tumor growth. Median survival time for the 10 patients who responded was more than 10 months. Four of the 10 patients lived for more than a year, two for more than two years, and one for more than three years and is still alive today.

Barring any unforeseen delays, it is anticipated that the "rolling" submission of the Orathecin New Drug Application will be completed by the first half of 2003.

3,000
patients in the entire Orathecin clinical program

The American Cancer Society estimates that the number of U.S. pancreatic cancer deaths this year will be
30,000

1,850
patients in the Phase III studies

Chemotherapy naive patients (patients with no prior therapy randomized to Orathecin or gemcitabine):
994

75,000
pancreatic cancer deaths worldwide annually

Gemcitabine refractory patients (randomized to either Orathecin or 5-FU):
448
409

Chemotherapy refractory patients (patients who have failed multiple therapies are randomized to Orathecin or "next best therapy")

Vicki Andress, a 56-year old resident of Mondovi, Wisconsin, is a customer service professional. She has 3 children and 8 grandchildren.

Vicki is a Nipent patient.

midnight
1:00
2:00
3:00
4:00
5:00
6:00 let dog out
7:00
8:00
9:00
10:00
11:00 walk a mile on a treadmill
noon
1:00
2:00
3:00
4:00
5:00 prepare dinner
6:00
7:00 paint
8:00
9:00
10:00
11:00
midnight

Disclaimer: Nipent is approved by the FDA only for the treatment of hairy cell leukemia in patients with active diease. Clinical trials are ongoing in hairy cell leukemia and a number of other life-threatening conditions.

Nipent (pentostatin for injection), approved for use as a treatment for hairy cell leukemia

Nipent's viability as a key compound was enhanced in late 2002 at the 44th Annual Meeting of the American Society of Hematology (ASH). At the meeting, 12 abstracts were posted and presentations made describing the potential of the drug in a variety of hematologic malignancies.

Nipent is showing signs of activity in clinical trial patients with chronic lymphocytic leukemia (CLL). Data from two clinical studies involving CLL patients, who received Nipent in combination with other therapies, were presented at the ASH annual meeting. In one study, 10 of 11 patients experienced a tumor response. In the second study, one-third of the patients achieved an objective response and 54 percent experienced stable disease. Serious adverse events were limited to myelosuppression, nausea, vomiting and infection.

Perhaps the most encouraging news, however, is for patients requiring blood or bone marrow transplants. Allogeneic blood or bone marrow transplants (where cells are received from a donor, rather than from oneself) have saved or prolonged the lives of thousands of leukemia patients, but many of these patients fall victim to graft-versus-host disease (GVHD), an often-fatal complication wherein immune cells from the transplant donor reject the recipient's normal tissue following the transplant. Nearly half of all allogeneic transplant patients develop GVHD, and of those, approximately one-third will die from the disease. If the threat of GVHD could be eliminated or substantially reduced, then the benefit to transplant patients each year would be important.

At the 2002 ASH meeting, results from a clinical study suggesting the effectiveness of a combination preparative regimen, including Nipent, in allogeneic bone marrow transplant patients with a variety of leukemias and lymphomas, were presented by Dr. Francine Foss of the New England Medical Center in Boston. The study enrolled 90 patients who underwent a regimen of photopheresis, radiation and Nipent two days prior to the allogeneic transplant. The results clearly speak for themselves – 90 percent of patients experienced full bone marrow engraftment, 77 percent achieved remission and acute GVHD was observed in only 10 percent of treated patients.

228
patients began Nipent clinical trials in 2002

People diagnosed each year in the U.S. with CLL:
8,100

Nipent trials that SuperGen has supported since 1998:
27

24
active Nipent clinical studies

5,000
people are diagnosed each year in the U.S. with GVHD

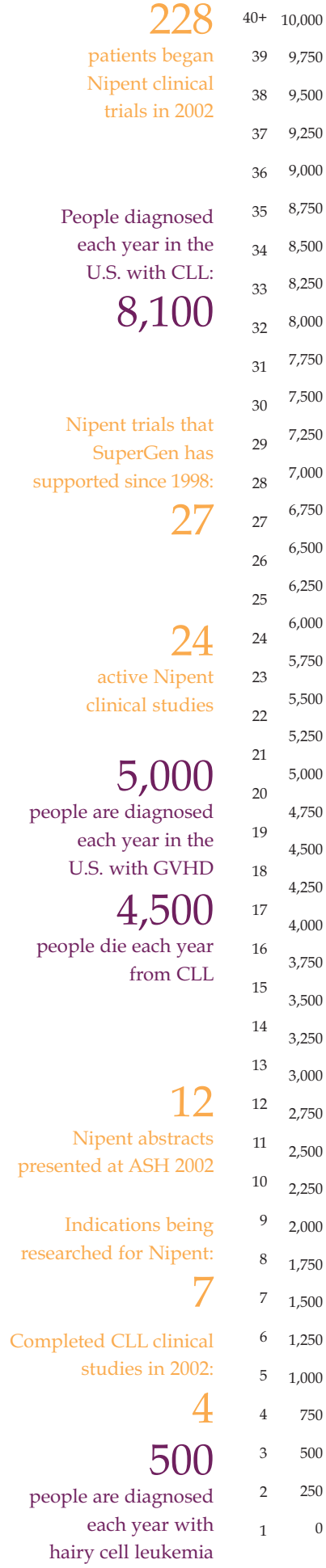
4,500
people die each year from CLL

12
Nipent abstracts presented at ASH 2002

Indications being researched for Nipent:
7

Completed CLL clinical studies in 2002:
4

500
people are diagnosed each year with hairy cell leukemia



Dr. Peter Diemer, a 68-year old resident of St. Louis, is a semiretired interventional radiologist who works part time at his son's practice.

Dr. Diemer is a Dacogen patient.

midnight
1:00
2:00
3:00
4:00
5:00
6:00
7:00 breakfast
8:00
9:00 golf
10:00
11:00
noon
1:00
2:00
3:00
4:00
5:00
6:00 dinner
7:00
8:00 watch TV or a movie
9:00
10:00
11:00
midnight

Disclaimer: Peter Diemer is only one of several hundred patients that have received Dacogen in a clinical trial, and he is not representative of the majority of patients in these trials. These patients are very sick and often only live a few months. Dacogen is an investigational drug and is not approved for any commercial use.

Dacogen

DNA hypermethylation, which may turn off genes designed to suppress cancer cells, is being recognized by the scientific community as a major factor in the formation of some cancers.

Dacogen can reverse hypermethylation and restore the function of tumor suppressor genes. The drug has been clinically tested in more than 1,000 patients and is currently nearing the end of Phase III testing as a treatment for myelodysplastic syndrome (MDS).

Dacogen's activity in patients with MDS has been seen in several early studies. At the 2002 ASH annual meeting, data from 169 patients involved in a series of Phase II clinical trials were presented. The investigator reported a response rate of 49 percent and a significant increase in platelets in 42 percent of the patients after one cycle of therapy, and in 63 percent of those receiving two cycles. The median survival was 15 months and the two-year survival rate was 34 percent.

Data published in the October 2002 issue of the journal *Blood* (100 (8): 2957-2964) further supports Dacogen's mechanism of action. Nine MDS patients with hypermethylated p15 genes responded to Dacogen.

Over the past several years, a series of encouraging developments have indicated that Dacogen may become a useful treatment for the more than 70,000 patients who suffer from sickle cell anemia, a painful disease that often reduces the life expectancy of its victims by 30 years. Data from a small study were published in the June 2002 issue of *Blood* (99 (11): 3905-3908), noting that Dacogen elevated fetal hemoglobin levels in 100 percent of sickle cell anemia patients. These results complement a previous clinical trial of short-term treatment, published in the October 2000 issue of *Blood* (96 (7): 2379-2384), which also demonstrated up to a fourfold increase in fetal hemoglobin levels in eight sickle cell patients.

Clinical studies to date have shown Dacogen is also active in other hematologic malignancies, such as AML and chronic myelogenous leukemia (CML), and in solid tumors such as lung cancer. These potential indications are being researched through additional ongoing clinical studies.

The Phase III study of Dacogen in the treatment of MDS has completed enrollment and an NDA filing is anticipated in early 2004.

Patients in Phase II study presented at the 2002 ASH Meeting:
169

4,700
people are diagnosed each year in the U.S. with CML

People diagnosed each year in the U.S. with AML:
10,000

14,000
people are diagnosed each year with MDS

11
indications being researched for Dacogen

Product and Pipeline Portfolio

Approved Products

Nipent® (pentostatin for injection)

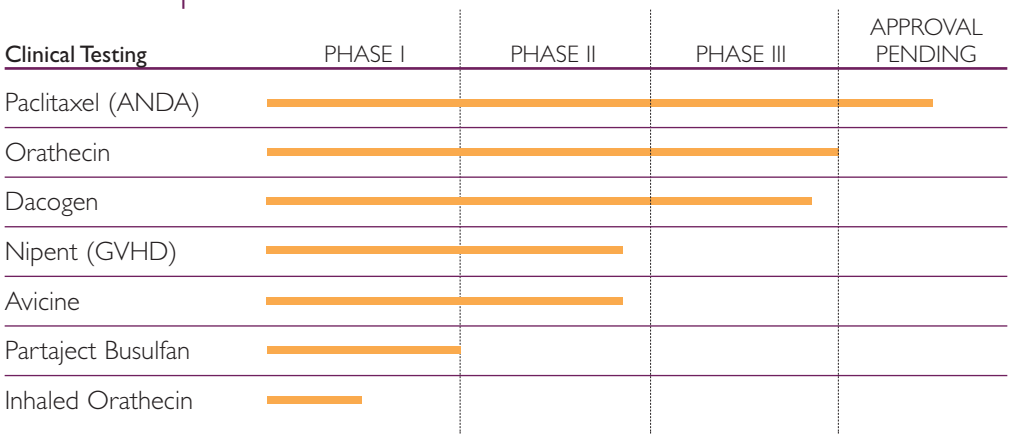
Mitozytrex™ (mitomycin for injection)

Mitomycin for injection, USP

Daunorubicin HCl injection

Surface Safe®

Product Pipeline



Formulation and Preclinical Development

VEGF

Inhaled Paclitaxel

Cremophor-free Paclitaxel

Partaject Orathecin

Extra™ Formulations

In 1991, SuperGen was born with a lofty goal – to become a preeminent oncology-focused company. As the calendar turns on a new year, we are poised to assume that responsibility.

Twelve years ago, there was an idea. Today, there are five marketable products, one drug under review by the FDA, another nearing the end of clinical development and a burgeoning pipeline of additional compounds.

Most important are the successes. Over the past several years, our products and clinical programs have given real hope to scores of people, most especially patients and their families. They personify our mission – to improve the lives of cancer patients.

The goal of becoming a preeminent oncology-focused company is no longer in the distant future. Rather, it is something we foresee in our grasp every single day.

Board of Directors

Joseph Rubinfeld, Ph.D.
Founder, Chairman and Chief Executive Officer
SuperGen, Inc.

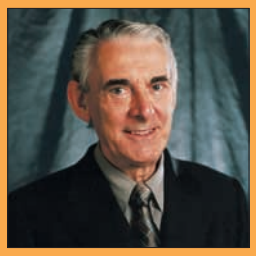
Additional Board Members

Charles J. Casamento
President & CEO
Questcor Pharmaceuticals

Thomas V. Girardi
Senior Partner
Girardi & Keese

Walter J. Lack
Managing Partner
Engstrom, Lipscomb & Lack

James S. J. Manuso, Ph.D.
President & CEO
Galencia Pharmaceuticals, Inc.



Michael D. Young, M.D., Ph.D.
Chairman & CSO
Strategic Healthcare Development, LLC

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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Vice President, Compliance & Regulatory
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Bristol-Myers Squibb, DuPont

R. David Lauper, Pharm. D., FAPhA.
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Bristol-Myers Squibb, Cetus-Chiron

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Vice President, Sales
OTN, IVEDCO, Syncor, Adria Laboratories, Neorex

Tipp Nelson
Vice President, Marketing
Berlex, Johnson & Johnson

Simeon Wrenn, Ph.D.
Vice President, Biotechnology
American Home Products, American Cyanamid, Purdue Frederick, Centocor

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www.melloninvestor.com

Annual Meeting

The annual meeting of stockholders will be held from 2:00 p.m. to 5:00 p.m. on May 22, 2003, at
The Four Points Hotel by Sheraton
5115 Hopyard Road
Pleasanton, CA 94588
925.460.8800 Tel

NASDAQ: SUPG

For information about the company, stockholders and other interested parties may contact the Investor Relations Department at the company headquarters, or visit the company website 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.

Design: BlueRae, Boston

SuperGen®
THE KEY TO LIFE