CYTOGEN CORP
Form 10-Q
May 14, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2001

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission file number 000-14879

Cytogen Corporation

(Exact name of Registrant as specified in its charter)

Delaware	22-2322400
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

600 College Road East, CN 5308, Princeton, NJ 08540-5308
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code (609) 750-8200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes X No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding at May 1, 2001
Common Stock, $.01 par value	77,492,855

PART I - FINANCIAL INFORMATION

Item I - Consolidated Financial Statements

CYTOGEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(All amounts in thousands, except share data)
(Unaudited)

	March 31, 2001	December 2000
ASSETS:		
Current Assets:		
Cash and cash equivalents	$ 14,271	$ 11,9
Receivable on income tax benefit sold	--	1,6
Accounts receivable, net	2,155	1,8
Inventories	997	8
Other current assets	765	3
Total current assets	18,188	16,7
Property and Equipment, net	1,986	2,1
Other Assets	1,944	1,5
	$ 22,118	$ 20,4
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current Liabilities:		
Current portion of long-term debt	$ 134	$ 1
Accounts payable and accrued liabilities	5,167	7,2
Deferred revenue	859	8
Total current liabilities	6,160	8,2
Long-Term Debt	2,381	2,3
Deferred Revenue	2,381	2,5
Stockholders' Equity:		
Preferred stock, $.01 par value, 5,400,000 shares authorized - Series C Junior Participating Preferred Stock, $.01 par value, 200,000 shares authorized, none issued and outstanding	--	
Common stock, $.01 par value, 250,000,000 shares authorized, 76,895,000 and 75,594,000 shares issued and outstanding at March 31, 2001 and December 31, 2000, respectively	769	7
Additional paid-in capital	342,461	335,9
Deferred compensation	(799)	(8

Accumulated deficit	(331,235)	(328,5
Total stockholders' equity	11,196	7,2
	$ 22,118	$ 20,4

The accompanying notes are an integral part of these statements.

CYTOGEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(All amounts in thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2001	2000
Revenues:		
Product related:		
ProstaScint	$ 2,222	$ 1,695
Others	113	177
Total product sales	2,335	1,872
Quadramet royalties	441	498
Total product related	2,776	2,370
License and contract	215	273
Total revenues	2,991	2,643
Operating Expenses:		
Cost of product	1,152	930
Research and development	1,739	1,493
Selling and marketing	1,754	1,130
General and administrative	1,172	947
Total operating expenses	5,817	4,500
Operating loss	(2,826)	(1,857)
Interest income	220	168
Interest expense	(48)	(57)

Loss before cumulative effect of accounting change	(2,654)	(1,746)
Cumulative effect of accounting change	--	(4,314)
Net loss	$ (2,654)	$ (6,060)
Net loss per share:		
Basic and diluted net loss before cumulative effect of accounting change	$ (0.03)	$ (0.02)
Cumulative effect of accounting change	--	(0.06)
Basic and diluted net loss	$ (0.03)	$ (0.08)
Weighted average common shares outstanding	76,244	71,630

The accompanying notes are an integral part of these statements.

CYTOGEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All amounts in thousands)
(Unaudited)

	Three Months Ended Marc	
	2001	20
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (2,654)	$ (6
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	302	
Imputed interest	(22)	
Stock based compensation	96	
Stock option grants	--	
Amortization of deferred revenue	(215)	
Cumulative effect of accounting change	--	4
Gain on sale of equipment	--	
Changes in assets and liabilites:		
Accounts receivable, net	(292)	
Inventories	(114)	
Other assets	797	
Accounts payable and accrued liabilities	(2,051)	(1
Other liabilities	39	
Total adjustments	(1,460)	2
Net cash used in operating activities	(4,114)	(3

CASH FLOWS FROM INVESTING ACTIVITIES:		
Net proceeds from sale of equipment	--	
Purchases of property and equipment	(95)	
Net cash provided by (used in) investing activities	(95)	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	6,536	3
Redemption of short-term investments	--	1
Payment of long-term liabilities	(49)	
Net cash provided by financing activities	6,487	5
Net increase in cash and cash equivalents	2,278	1
Cash and cash equivalents, beginning of period	11,993	10
Cash and cash equivalents, end of period	$ 14,271	$ 12

The accompanying notes are an integral part of these statements.

CYTOGEN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Company

Cytogen Corporation ("Cytogen" or the "Company") is an established biopharmaceutical company with two principal lines of business, proteomics and oncology. We are extending our expertise in antibodies and molecular recognition to the development of new products and a proteomics-driven drug discovery platform. We have established a pipeline of product candidates based upon our proprietary antibody and our exclusively licensed prostate specific membrane antigen, or PSMA, technologies. We are also developing a proprietary protein pathway database as a drug discovery and development tool for the pharmaceutical and biotechnology industries.

Our cancer management business currently is comprised of four marketed products, each of which has been approved by the United States Food and Drug Administration (the "FDA"): ProstaScint(R), a monoclonal antibody-based imaging agent used to image the extent and spread of prostate cancer; BrachySeed(TM), a second generation radioactive implant for the treatment of localized prostate cancer; OncoScint(R) CR/OV, another monoclonal antibody-based imaging agent used for the detection of colorectal and ovarian cancer; and Quadramet(R), a cancer therapeutic agent marketed for the relief of cancer-related bone pain. We are evolving our cancer pipeline by developing PSMA, which we exclusively licensed from Memorial Sloan-Kettering Cancer Center. PSMA is a unique membrane-bound antigen highly expressed in prostate cancer cells and in the neovasculature of a variety of other solid tumors, including breast, lung and colon. We are developing our PSMA technology as part of our approach to offering a full range

of prostate cancer management products and services throughout the progression of the disease, including gene-based immunotherapy vaccines, antibody-delivered therapeutic compounds and novel assays for detection of primary and recurrent prostate cancer. We also plan to apply our PSMA technology, including therapeutics and in vitro diagnostics, toward other types of cancer based upon our experience in prostate cancer, although we cannot be certain such technology will be commercializable in such areas. Our in vivo immunotherapeutic development program is being conducted in collaboration with Progenics Pharmaceuticals, Inc.

Basis of Consolidation

The consolidated financial statements include the accounts of Cytogen and its subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statements and notes thereto of Cytogen are unaudited and include all adjustments which in the opinion of management are necessary to present fairly the financial condition and results of operations as

of and for the periods set forth in the Consolidated Balance Sheets, Consolidated Statements of Operations and Consolidated Statements of Cash Flows. All such accounting adjustments are of a normal, recurring nature. The consolidated financial statements do not include all of the information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles and should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission, which includes financial statements as of and for the year ended December 31, 2000. The results of the Company's operations for any interim period are not necessarily indicative of the results of the Company's operations for any other interim period or for a full year.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks and all highly-liquid investments with a maturity of three months or less at the time of purchase.

Net Loss Per Share

Basic net loss per share is based upon the weighted average common shares outstanding during each period. Diluted net loss per share is the same as basic net loss per share, as the inclusion of common stock equivalents would be antidilutive.

Inventory

The Company's inventory is primarily related to ProstaScint and OncoScint CR/OV. Inventory is stated at the lower of cost or market using the first-in, first-out method and consisted of the following:

	March 31, 2001	December 31, 2000
Raw materials.....	$482,000	$718,000
Work-in process.....	428,000	59,000
Finished goods.....	87,000	106,000
	$997,000	$883,000

Revenue Recognition

Effective January 1, 2000, the Company adopted U.S. Securities and Exchange Commission Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" ("SAB 101") which requires up-front, non-refundable license fees to be deferred and recognized over the performance period. The cumulative effect of adopting SAB 101 resulted in a one-time, non-cash charge of

$4.3 million or $0.06 per share, which reflects the deferral of an up-front license fee received from Berlex Laboratories, Inc., net of associated costs, related to the licensing of Quadramet recognized in October 1998 and a license fee for certain applications of PSMA to a joint venture formed by Cytogen and Progenics Pharmaceuticals Inc. recognized in June 1999. Previously, the Company had recognized up-front license fees when the Company had no obligations to return the fees under any circumstances. Under SAB 101 these payments are recorded as deferred revenue to be recognized over the remaining term of the related agreements.

2. SALES OF CYTOGEN COMMON STOCK:

Under the terms of a $70 million equity financing facility entered into between the Company and Acqua Wellington North American Equities Fund, Ltd. ("Acqua Wellington"), beginning in October 2000 and extending over a 20 month period, Cytogen may, at its discretion, sell shares of its common stock to Acqua Wellington at a small discount to the market price. Such sale price is to be determined before each sale provided the Threshold Price, as defined in the Common Stock Purchase Agreement executed by the parties, for the Company's common stock is at least $4.00 per share. The equity financing facility is not subject to any minimum takedown requirements, nor did the Company pay any financing fees or other compensation in connection with this transaction. Pursuant to this facility, in February 2001, the Company sold to Acqua Wellington 1,276,557 shares of its common stock at an aggregate price of $6.5 million or $5.092 per share.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion contains historical information as well as forward looking statements that involve a number of risks and uncertainties. Statements contained or incorporated by reference in this Quarterly Report on Form 10-Q that are not based on historical fact are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Generally, forward looking statements can be identified by the use of phrases like "believe", "expect", "anticipate", "plan", "may", "will", "could", "estimate", "potential", "opportunity" and "project" and similar terms. The Company's actual results could differ materially from the Company's historical results of operations and those discussed in the forward looking statements. Factors that could cause actual results to differ materially, include, but are not limited to those identified in the Company's Annual Report on Form 10-K for the year ended December 31, 2000 under the caption "Additional Factors That May Affect Future Results". Investors are cautioned not to put undue reliance on any forward looking statement.

Cautionary Statement

In addition to the risks discussed under the caption referred to above, among other factors that could cause actual results to differ materially from expected results are the following: (i) the Company's ability to access the capital markets in the near term and in the future for continued funding of existing projects and for the pursuit of new projects; (ii) the ability to attract and retain personnel needed for business operations and strategic plans; (iii) the timing and results of clinical studies, and regulatory approvals; (iv) market acceptance of the Company's products, including programs designed to facilitate use of the products, such as the Partners in Excellence or PIE Program; (v) demonstration over time of the efficacy and safety of the Company's products; (vi) the degree of competition from existing or new products; (vii) the decision by the majority of public and private insurance carriers on whether to reimburse patients for the Company's products; (viii) the ability of the Company to comply with applicable governmental regulations and changes thereto; (ix) the profitability of its products; (x) the ability to attract, and the ultimate success of, strategic partnering arrangements, collaborations, and acquisition candidates; (xi) the ability of the Company and its partners to identify new products as a result of those collaborations that are capable of achieving FDA approval, that are cost-effective alternatives to existing products and that are ultimately accepted by the key users of the product; (xii) the success of the Company in obtaining marketing approvals for its products in Canada and Europe; (xiii) the ability of the Company to protect its proprietary technology, trade secrets or know-how under the patent and other intellectual property laws of the United States and other countries; and (xiv) the ability of Advanced Magnetics Inc. to satisfy the conditions specified by the FDA regarding approval to market Combidex in the United States.

The following discussion and analysis should be read in conjunction with the Financial Statements and related notes thereto contained elsewhere herein, as well as the Company's Annual Report on Form 10-K for the year ended December 31, 2000 and from time to time the Company's other filings with the Securities and Exchange Commission.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results

of Operations (Cont'd)

Significant Events in 2001

In the first quarter of 2001, the Company launched BrachySeed(TM), a second generation radioactive implant for treatment of localized prostate cancer, which was in-licensed by the Company from Draximage Inc. in December 2000. The Company is utilizing its existing oncology sales force to market BrachySeed. There can be no assurance, however, as to the market acceptance of the product or whether this product will significantly increase the revenues of the Company.

AxCell Biosciences Corporation, a subsidiary of the Company, will be selling a database product called ProChart with its marketing partner InforMax, Inc. ProChart is a proprietary protein pathway database which measures protein domain-ligand interactions in a high-throughput manner. ProChart will be marketed by InforMax using its Protein-Protein Interaction module, a new addition to GenoMax(TM) enterprise software package. AxCell expects to launch its ProChart database product with is marketing partner, InforMax, in the second quarter of 2001. There can be no assurance, however, as to the timing of such launch, market acceptance of the product or whether this product will significantly increase the revenues for the Company.

Results of Operations

Three Months Ended March 31, 2001 and 2000

Revenues. Total revenues for the first quarter of 2001 were $3.0 million compared to $2.6 million for the same period in 2000. The increase from the prior year period is due to higher product related revenues, partially offset by lower license and contract revenues. Product related revenues, which included product sales and royalties, accounted for 93% of total revenues in 2001, compared to 90% from the comparable period of 2000. License and contract revenues accounted for the remainder of revenues in such periods.

Product related revenues for the first quarter of 2001 were $2.8 million compared to $2.4 million for the same period in 2000. ProstaScint accounted for 80% and 72% of product related revenues in the first quarters of 2001 and 2000, respectively, while Quadramet royalties accounted for 16% and 21% of product related revenues, respectively, for such periods. Sales of ProstaScint were approximately $2.2 million in the first quarter of 2001, $527,000 higher than the $1.7 million recorded in the first quarter of 2000. Beginning in July 2000, the Company assumed sole responsibility for selling and marketing ProstaScint from Bard Urological Division of the C.R. Bard Inc. ("Bard"), its former co-marketing partner. The Company took this step because it believed that a highly trained and dedicated internal sales force will be able to market its products most effectively and to build a marketing capability for BrachySeed and future products. The Company cannot be certain, however, as to the effect on sales of ProstaScint and the BrachySeed products as a result of this action.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd)

Quadramet royalties for the first quarter of 2001 decreased slightly to

$441,000 from $498,000 in the same period of 2000. This decrease was partially due to a temporary, weather related disruption in the supply of Quadramet from the manufacturer of the product during 2001, which has been resolved. Quadramet is currently marketed by the Company's marketing partner, Berlex Laboratories ("Berlex"). Although Cytogen believes that Berlex is an advantageous partner, there can be no assurance that Quadramet will achieve greater market acceptance on a timely basis or result in significant revenues for Cytogen.

License and contract revenues for the first quarter of 2001 were $215,000 compared to $273,000 for the same period of 2000. As a result of the adoption of SAB 101 (see Note 1 to the Consolidated Financial Statements), such license and contract revenues for 2000 and 2001 include the recognition of $215,000 of deferred revenues from certain up-front, non-refundable license fees recognized in prior years.

Operating Expenses. Total operating expenses for the first quarter of 2001 were $5.8 million compared to $4.5 million recorded in the same quarter of 2000. The increase from the prior year period is attributable primarily to the additional funding for the proteomics research program at AxCell, the expansion of Cytogen's in-house sales force to assume sole responsibility of marketing and sales of ProstaScint and costs associated with the 2001 launch of BrachySeed.

Cost of product for the first quarter of 2001 were $1.2 million compared to $930,000 recorded in the same period of the prior year. The increase from the prior year period is due to increased manufacturing costs and increased product sales.

Research and development expenses for the first quarter of 2001 were $1.7 million compared to $1.5 million recorded in the same period of 2000. The increase from the prior year period is due to increased funding for the proteomics program at AxCell. The Company anticipates that funding for AxCell will continue to increase over the remainder of this year.

Selling and marketing expenses were $1.8 million for the first quarter of 2001 compared to $1.1 million in the same period of 2000. The current year expenses reflect the Company's efforts to expand its in-house sales force and the assumption of sole responsibility for the selling and marketing of ProstaScint from Bard and the launch costs associated with BrachySeed.

General and administrative expenses for the first quarter 2001 were $1.2 million compared to $947,000 for the comparable period in 2000. The increase from the prior year period is due in part to stock based compensation for a key employee and professional fees.

Interest Income/Expense. Interest income for the first quarter of 2001 was $220,000 compared to $168,000 recorded in the same period of 2000. The increase from the prior year period is due to a higher average cash balance during 2001. Interest expense for the first quarter of 2001 was $48,000 compared to $57,000 recorded in the same period of 2000. The interest expenses included finance charges related with various equipment leases.

Net Loss. Net loss for the first quarter of 2001 was $2.7 million compared to $6.1 million recorded in the same period of 2000. The net loss per share for

the first quarter of 2001 was $0.03 based on average common shares outstanding of 76.2 million compared to a net loss per share of $0.08 based on average common shares outstanding of 71.6 million for the same period in 2000. The 2000 net loss included $4.3 million or $0.06 per share for the cumulative effect of accounting change as a result of the adoption of SAB 101 (see Note 1 to the Consolidated Financial Statements).

Liquidity and Capital Resources

The Company's cash and cash equivalents were $14.3 million as of March 31, 2001, compared to $12.0 million as of December 31, 2000. The cash used for operating activities for the three months ended March 31, 2001 was $4.1 million compared to $3.8 million in the same period of 2000. The increase from the prior year period is due primarily to the increased funding for the proteomics program at AxCell, the Company's efforts to expand its in-house sales force, and expenses related to the 2001 launch of BrachySeed.

Historically, the Company's primary sources of cash have been proceeds from the issuance and sale of its stock through public offerings and private placements, product related revenues, revenues from research services, fees received under license agreements and interest earned on cash and short-term investments.

In January 2001, the Company received cash of $1.6 million relating to the December 2000 sale of New Jersey State net operating losses and research and development credits. Under the current legislation, the Company may be able to sell a minimum $977,000 of the remaining approved $3.7 million of tax benefits in 2001. The actual amount of tax credits the Company may sell will depend upon the allocation among qualifying companies of an annual pool established by the State of New Jersey.

Under the terms of a $70 million equity financing facility entered into between the Company and Acqua Wellington, beginning in October 2000 and extending over a 20 month period, Cytogen may, at its discretion, sell shares of its common stock to Acqua Wellington at a small discount to the market price. Such sale price is to be determined before each sale provided the Threshold Price, as defined in the Common Stock Purchase Agreement executed by the parties, for the Company's common stock is at least $4.00 per share. The equity financing facility is not subject to any minimum takedown requirements, nor did the Company pay any financing fees or other compensation in connection with this transaction. Pursuant to this facility, in February 2001, the Company sold to Acqua Wellington 1,276,557 shares of its common stock at an aggregate price of $6.5 million or $5.092 per share.

The Company's capital and operating requirements may change depending upon various factors, including: (i) whether the Company and its strategic partners achieve success in manufacturing, marketing and commercialization of its products; (ii) the amount of resources which the Company devotes to clinical evaluations and the expansion of marketing and sales capabilities; (iii) results of clinical trials and research and development activities; and (iv) competitive and technological developments, in particular the Company may expend funds for development of its proteomics and PSMA technologies.

The Company's financial objectives are to meet its capital and operating

requirements through revenues from existing products and licensing arrangements. To achieve its strategic objectives, the Company may enter into research and development partnerships and acquire, in-license and develop other technologies, products or services. Certain of these strategies may require payments by the Company in either cash or stock in addition to the costs associated with developing and marketing a product or technology. However, the Company believes that, if successful, such strategies may increase long-term revenues. There can be no assurance as to the success of such strategies or that resulting funds will be sufficient to meet cash requirements until product revenues are sufficient to cover operating expenses, if ever. To fund these strategic and operating activities, the Company may sell equity or debt securities as market conditions permit or enter into credit facilities.

The Company has incurred negative cash flows from operations since its inception, and has expended, and expects to continue to expend in the future, substantial funds to implement its planned product development efforts, including acquisition of products and complementary technologies, research and development, clinical studies and regulatory activities, and to further its marketing and sales programs. The Company expects that its existing capital resources together with the Acqua Wellington equity line should be adequate to fund the Company's operations for the foreseeable future. The Company cannot be certain that it will not consume a significant amount of its currently available resources and reasonably expects that it will have additional requirements for debt or equity capital, irrespective of whether and when it reaches profitability, for further product development costs, product and technology acquisition costs, and working capital.

The Company's future capital requirements and the adequacy of available funds will depend on numerous factors, including the successful commercialization of its products, the costs associated with the acquisition of complementary products and technologies, progress in its product development efforts, the magnitude and scope of such efforts, progress with clinical trials, progress with regulatory affairs activities, the cost of filing, prosecuting, defending and enforcing patent claims and other intellectual property rights, competing technological and market developments, and the expansion of strategic alliances for the sales, marketing, manufacturing and distribution of its products. To the extent that the currently available funds and revenues are insufficient to meet current or planned operating requirements, the Company will be required to obtain additional funds through equity or debt financing, strategic alliances with corporate partners and others, or through other sources. Based on the Company's historical ability to raise capital and current market conditions, the Company believes other financing alternatives are available. There can be no assurance that the financing commitments described above or other financial alternatives will be available when needed or at terms

commercially acceptable to the Company. If adequate funds are not available, the Company may be required to delay, further scale back or eliminate certain aspects of its operations or attempt to obtain funds through arrangements with collaborative partners or others that may require the Company to relinquish rights to certain of its technologies, product candidates, products or potential markets. If adequate funds are not available, the Company's business, financial condition and results of operations will be materially and adversely affected.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

The Company does not have operations subject to risks of foreign currency fluctuations, nor does it use derivative financial instruments in its operations or investment portfolio. The Company does not have exposure to market risks associated with changes in interest rates, as it has no variable interest rate debt outstanding. The Company does not believe it has any other material exposure to market risks associated with interest rates.

PART II - OTHER INFORMATION

Item 5 - Other Information

On January 24, 2001, the Company announced the appointment of Mr. Kevin G. Lokay to its Board of Directors.

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits:

10.1 First Amendment to Lease dated as of March 16, 2001 between 826 Newtown Associates, L.P. and AxCell Biosciences Corporation

(b) Reports on Form 8-K

During the three months ended March 31, 2001, the Company filed with the Securities and Exchange Commission one report on Form 8-K. Such Form 8-K dated February 5, 2001, reported on "Item 5. Other Events" that on February 5, 2001, the Company completed a first draw down from its $70 million equity financing facility with Acqua Wellington North American Equities Fund, Ltd., through the issuance of 1,276,557 shares of its Common Stock to Acqua Wellington for aggregate proceeds of $6,500,000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CYTOGEN CORPORATION

Date May 14, 2001

By /s/ H. Joseph Reiser

H. Joseph Reiser
President and Chief Executive Officer

Date May 14, 2001

By /s/ Lawrence R. Hoffman

Lawrence R. Hoffman
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)