



**Angiotech Pharmaceuticals, Inc.**

Financial Statements for the Third Quarter  
Ended June 30, 2001

**CORPORATE OFFICE**

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**STOCK LISTINGS**

NASDAQ National Market — Symbol: ANPI  
Toronto Stock Exchange — Symbol: ANP

**INVESTOR RELATIONS & CORPORATE COMMUNICATIONS**

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## TO OUR SHAREHOLDERS

The third quarter of fiscal 2001 was marked by significant advancements in the paclitaxel-coated stent programs of Angiotech's corporate partners, Cook Incorporated and Boston Scientific Corporation. The quarter also saw Angiotech sign another license agreement, further entrenching its position as the leader in the field of drug-coating medical devices.

In May, Cook completed enrollment in both its Asian and European pivotal clinical studies designed to lead to approval in both these geographical regions. Each 180-patient, multi-armed study was designed to assess the safety and efficacy of multiple drug doses of paclitaxel. Patients are being studied at six months using angiography to determine the effectiveness of each dosage of paclitaxel in reducing the rate of restenosis in patients undergoing coronary artery angioplasty and stenting. We look forward to final results later on in the year from both studies. More recently, Cook treated the first American heart disease patient with a paclitaxel-coated stent, marking the start of their pivotal U.S. clinical trial. The trial, using Cook's new Logic™ PTX coronary stent, is expected to include up to 800 patients, with enrollment concluding in early 2002.

May also saw the initiation of another paclitaxel-coated stent clinical trial by Boston Scientific. The TAXUS III-ISR (in-stent restenosis) trial is a 30-patient European feasibility study that will evaluate the safety of the NIR™ Conformer stent coated with paclitaxel for the treatment of patients whose first stent has failed as a result of restenosis. Safety endpoints for the trial are 30-day major adverse coronary events (MACE), while efficacy will be evaluated at six months using angiography and intravascular ultrasound (IVUS) to measure the incidence of restenosis. Enrollment for TAXUS III is expected to be complete by the end of this summer. The 61-patient TAXUS I European safety study completed enrollment in February. The stent was shown to be safe as 30-day MACE evaluation is now complete with no adverse events occurring in any patients. 6-month angiographic and IVUS follow-up determination of efficacy will be presented at a major cardiology conference in the fall. More recently, Boston Scientific also began enrollment of a paclitaxel-coated pivotal stent trial, TAXUS II, to support approval of the device in Europe, Asia and Canada. This 532-patient, multi-center, international study will see patients randomized to receive either a paclitaxel-eluting stent or a bare, stainless steel control stent. In addition to monitoring safety and clinical outcomes, IVUS will be used to determine the ability to reduce the incidence of restenosis using two separate doses of paclitaxel.

In June, Angiotech announced that it acquired an exclusive, worldwide licence from Poly-Med, Inc., of Anderson, South Carolina, for various patented biomaterials. This licence provides Angiotech with key intellectual property to further expand its product pipeline, strengthening its program that focuses on the improvement of medical device performance with therapeutic solutions. Our alliance with Poly-Med will accelerate the advancement of our technology into new products. In the coming quarters, Angiotech will be aggressively pursuing acquisition of new technologies in the field.

Thank you again for your support and we look forward to significant progress in the coming quarter and year end.

Yours very truly,  
ANGIOTECH PHARMACEUTICALS, INC.



William L. Hunter, MD, MSc  
Chairman and CEO



Donald E. Longenecker, PhD  
President and COO

August 14, 2001

## MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis covers Angiotech Pharmaceuticals, Inc.'s interim consolidated financial statements for the three and nine-month periods ended June 30, 2001 prepared in accordance with Canadian generally accepted accounting principles. See note 7 of the interim consolidated financial statements for a reconciliation to United States generally accepted accounting principles. As well, it provides an update to the discussion and analysis contained in the Company's 2000 Annual Report. This discussion and analysis should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and the annual financial statements contained in the Company's 2000 Annual Report. All amounts following are expressed in Canadian dollars unless otherwise indicated.

### RESULTS OF OPERATIONS

The Company's third quarter net loss from operations was \$6.8 million, or \$0.44 per share, compared with net income of \$1.0 million, or (\$0.07) per share, during the same period in 2000. The net loss for the nine months ended June 30, 2001 was \$8.4 million, or \$0.54 per share, compared to a net loss of \$2.4 million, or \$0.17 per share during the same period in 2000. The net loss for the quarter ended June 30, 2001 includes a foreign exchange loss of \$4.6 million, or \$0.30 per share. No milestone or licensing revenue was received from the Company's corporate partners during the three and nine month periods ended June 30, 2001 as compared to \$0.4 million for the three month period and \$4.5 million for the nine month period ended June 30, 2000.

Interest income was \$2.2 million for the quarter ended June 30, 2001, which was comparable to the same period in 2000. Interest income for the nine months ended June 30, 2001 increased to \$7.1 million as compared to \$3.1 million for the same period in 2000 as a result of higher average cash and short-term investment balances outstanding over the period. The Company had a foreign exchange loss of \$4.6 million during the quarter ended June 30, 2001, resulting in a year to date foreign exchange gain of \$1.2 million. This compares to a foreign exchange gain of \$2.4 million for the quarter ended June 30, 2000 and \$0.7 million for the nine months ended June 30, 2000. The foreign exchange gain during the nine months ended June 30, 2001 was attributable to the effect of the strengthening U.S. dollar on the Company's U.S. dollar investment portfolio. The Company expects that interest and foreign exchange will continue to fluctuate in relation to cash balances, interest yields and foreign exchange rates.

Research and development expenditures during the quarter ended June 30, 2001 decreased by 11% to \$2.0 million as compared to \$2.3 million for the same quarter in 2000, primarily due to the completion of the enrollment of patients in the phase 2 clinical study for secondary progressive multiple sclerosis during the

previous quarter. Research and development expenses for the nine months ended June 30, 2001 increased by 57% to \$10.0 million compared to \$6.3 million in 2000. These expenditures reflect the costs associated with full patient enrolment in the phase 2 secondary progressive multiple sclerosis clinical study, increase in preclinical studies and new research and development initiatives undertaken during the period.

General and administrative expenses for the current quarter increased to \$1.7 million compared to \$1.1 million from the same period in 2000. The increase in the current quarter expenditures reflects costs associated with the addition of personnel to support the increased intellectual property and business development activities. Addition of senior executives in the business development and intellectual property groups, together with increased investor relations and personnel costs incurred to support the research and development initiatives, contributed to the increase to \$5.1 million for the nine month period ended June 30, 2001 as compared with \$3.2 million in the same period in 2000. The increase in amortization expense relates to the amortization of capital assets and medical technology acquired during the current and previous periods.

### LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2001 the Company had working capital of approximately \$152.7 million and cash resources, comprising cash and cash equivalents and short-term investments totaling approximately \$154.6 million as compared to approximately \$158.1 million and approximately \$160.3 million respectively as at September 30, 2000. At June 30, 2001, the Company retained approximately \$120.4 million (US\$79.3 million) denominated in U.S. currency compared to approximately \$139.0 million (US\$92.1 million) at September 30, 2000. The Company's cash and cash equivalents increased by approximately \$1.2 million during the nine months ended June 30, 2001. The increase relates to the net effect of the proceeds from exercise of stock options (\$1.8 million), proceeds from short term investments (\$4.9 million) and working capital change (\$0.7 million), offset by the Company's operating loss for the period, net of amortization and unrealized foreign exchange loss (\$5.6 million), and capital asset expenditures (\$0.4 million).

### REVENUE RECOGNITION – APPLICATION OF SAB 101

The US Securities and Exchange Commission ("SEC") has issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements". In June 2000 SAB 101 was amended to delay its implementation date and it must be adopted by the Company no later than its fourth quarter of fiscal 2001.

SAB 101 specifically addresses revenue recognition issues related to certain upfront payments or fees. Under SAB 101, certain

# CONSOLIDATED BALANCE SHEETS

UNAUDITED

upfront fees and payments recognized as income in prior periods are required to be deferred and are to be amortized into revenue over the terms of the relevant agreements or as the on-going services are performed.

Upon adoption of SAB 101 the Company will record a charge of approximately \$2.3 million to net income under US GAAP as a cumulative effect of a change in accounting principle, retroactive to October 1, 2000. This amount represents that portion of revenue recognized in fiscal 2000 and earlier periods for which the terms of the agreements extend beyond 2000. These fees will be recognized on a straight-line basis over the term of the license or related underlying product development period. The Company believes the implementation of SAB 101 will result in an increase in revenue for US GAAP of approximately \$690,000 and net loss for US GAAP will increase by approximately \$1.6 million for the year ending September 30, 2001.

The revenue recognition principles of SAB 101 are generally accepted under US and Canadian generally accepted accounting principles. The Company expects to adopt the principles of SAB 101 for Canadian and US reporting purposes in its fourth quarter ending September 30, 2001. For purposes of Canadian generally accepted accounting principles, this change in accounting policy will be applied retroactively and all prior periods will be restated.

## RISKS AND UNCERTAINTIES

Risks and uncertainties related to economic and industry factors as discussed in detail in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the Company's 2000 Annual Report, remain substantially unchanged.

The Company is exposed to market risk related to changes in interest and foreign currency exchange rates. At the end of the quarter, the Company had an investment portfolio consisting of highly liquid, high grade investment securities with maturity dates not exceeding 11 months, selected based on the expected timing of expenditures for continuing operations and prevailing interest rates. The Company has not entered into any forward currency contracts or other financial derivatives to hedge foreign exchange risk. The Company is subject to foreign exchange rate changes that could have a material effect on future operating results or cash flow.

(in thousands of CDN \$)

As at	June 30, 2001 \$	Sept. 30, 2000 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	5,334	4,109
Short term investments	149,296	156,186
Amounts receivable	79	56
Prepaid expenses and deposits	303	127
<b>Total current assets</b>	<b>155,012</b>	<b>160,478</b>
<b>Capital assets</b>		
Medical technology	1,191	1,192
	3,109	4,259
	<b>159,312</b>	<b>165,929</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	2,360	2,381
<b>Total current liabilities</b>	<b>2,360</b>	<b>2,381</b>
<b>Shareholders' equity</b>		
Share capital		
Common shares issued:		
June 30, 2001-15,461,054		
Sept.30, 2000-15,256,597	194,739	192,981
Contributed surplus	74	74
Deficit	(37,861)	(29,507)
<b>Total shareholders' equity</b>	<b>156,952</b>	<b>163,548</b>
	<b>159,312</b>	<b>165,929</b>

See accompanying notes

On behalf of the Board:



William L. Hunter, MD, MSc  
Chairman and CEO



Donald E. Longenecker, PhD  
President and COO

**CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT**
**UNAUDITED**

(in thousands of CDN\$, except per share data)

	3 Months Ended		9 Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
	\$	\$	\$	\$
<b>REVENUE</b>				
License, option & research contract fees	-	381	-	4,499
	-	381	-	4,499
<b>EXPENSES</b>				
Research & development	2,044	2,300	9,973	6,337
General & administration	1,737	1,118	5,089	3,226
Amortization	556	527	1,595	1,199
	4,337	3,945	16,657	10,762
<b>Operating loss</b>	4,337	3,564	16,657	6,263
<b>OTHER (INCOME) EXPENSE</b>				
Foreign exchange loss (gain)	4,621	(2,351)	(1,170)	(703)
Interest income	(2,156)	(2,211)	(7,133)	(3,141)
Total other (income) expense	2,465	(4,562)	(8,303)	(3,844)
<b>Loss (income) for period</b>	6,802	(998)	8,354	2,419
<b>Deficit, beginning of period</b>	31,059	31,007	29,507	27,590
<b>Deficit, end of period</b>	37,861	30,009	37,861	30,009
<b>Loss (income) per share</b>	0.44	(0.07)	0.54	0.17
<b>Weighted average number of common shares</b>	15,443	15,235	15,383	14,030

See accompanying notes

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**UNAUDITED**

(in thousands of CDN\$)

	3 Months Ended		9 Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
(Loss) income for the period	(6,802)	998	(8,354)	(2,419)
Add items not involving cash:				
Amortization	556	527	1,595	1,199
Unrealized foreign exchange loss (gain)	4,030	(2,732)	1,118	(1,083)
Gain on disposal of capital assets	-	(2)	-	(2)
Net change in non-cash working capital items relating to operations:				
Accrued interest on short term investments	(713)	(1,616)	912	(1,725)
Amounts receivable	21	58	(23)	13
Prepaid expenses & deposits	80	150	(176)	(79)
Accounts payable & accrued liabilities	(1,811)	(1,898)	(21)	192
<b>Cash used in operating activities</b>	(4,639)	(4,515)	(4,949)	(3,904)
<b>INVESTING ACTIVITIES</b>				
Purchase of capital assets	(193)	(117)	(444)	(440)
Proceeds on disposal of capital assets	-	2	-	2
(Purchase of) proceeds from short term investments, net	(3,353)	(125,808)	4,860	(122,942)
Cost of medical technology	-	-	-	(720)
<b>Cash (used in) provided by investing activities</b>	(3,546)	(125,923)	4,416	(124,101)
<b>FINANCING ACTIVITIES</b>				
Issuance of common shares pursuant to public offering, net of issue costs	-	402	-	128,446
Common shares issued pursuant to stock options exercised	989	502	1,758	631
<b>Cash provided by financing activities</b>	989	904	1,758	129,077
<b>Net (decrease) increase in cash &amp; cash equivalents during the period</b>	(7,196)	(129,534)	1,225	1,072
<b>Cash &amp; cash equivalents, beginning of period</b>	12,530	136,693	4,109	6,087
<b>Cash &amp; cash equivalents, end of period</b>	5,334	7,159	5,334	7,159

See accompanying notes

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED

## 1. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and on a basis consistent with the Company's annual financial statements for the year ended September 30, 2000 [except for segmented information presented in note 5]. These financial statements conform in all material respects, with United States generally accepted accounting principles, except as disclosed in note 7.

The accompanying unaudited interim consolidated financial statements reflect, in the opinion of management, all adjustments (which include reclassifications and normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at June 30, 2001 and for all periods presented.

These unaudited interim consolidated financial statements and notes should be read in conjunction with the audited financial statements for the year ended September 30, 2000 included in the Angiotech Pharmaceuticals, Inc. Annual Report filed with the appropriate securities commissions. The results of operations for the three-month and nine-month period ended June 30, 2001 are not necessarily indicative of the results for the full year. All amounts herein are expressed in Canadian dollars unless otherwise noted.

## 2. PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the accounts of the Company and its wholly-owned U.S. subsidiary, Angiotech Pharmaceuticals (US), Inc that was incorporated in December 2000. All intercompany transactions and balances have been eliminated in consolidation.

With respect to the Company's integrated foreign subsidiary, monetary assets and liabilities are translated into Canadian dollars using the exchange rate at the balance sheet date. Revenue and expense items are translated at the average exchange rate in the period. Exchange gain and losses are included in the determination of net income (loss).

## 3. LOSS PER COMMON SHARE DATA

Loss per common share is computed by dividing the net income or loss by the weighted average number of common shares outstanding during the period. Fully-diluted income (loss) per common share has not been presented as the outstanding options and warrants are anti-dilutive.

## 4. SHARE CAPITAL

### a) Authorized and Issued Share Capital

The authorized common share capital of the Company is 200,000,000 common shares and 50,000,000 Class I Preference shares. The common shares issued and outstanding as of

June 30, 2001 were 15,461,054 for a total of \$194,813,247. There are no Class I Preference shares currently issued and outstanding.

### b) Stock Option Plan

On March 6, 2001 the shareholders approved the adoption of an amended Stock Option Plan, the "2001 Stock Option Plan" which, among other matters, increased the number of authorized common shares available by 1,060,640 common shares for issuance under the 2001 stock option plan from 2,015,521 to 3,076,161 common shares.

### c) Stock Options and Warrants

At June 30, 2001 the Company had 2,042,222 stock options outstanding at a weighted average exercise price of \$37.26 per share and expiring at various dates from January 31, 2006 to June 4, 2011. At June 30, 2001, the Company had 30,000 common share purchase warrants exercisable at the price of \$11.54 per share and are not exercisable until after November 2, 2002. During the quarter ended June 30, 2001, the Company accelerated the vesting of 1,042 stock options to an immediate vesting from approximately 1.7 years.

During the nine months ended June 30, 2001, 204,457 stock options were exercised for total proceeds of \$1.76 million. During the nine months ended June 30, 2001, a total of 721,400 stock options were granted with a weighted average exercise price of \$62.93 per share and 17,464 options were forfeited with a weighted average exercise price of \$50.97.

## 5. SEGMENTED FINANCIAL INFORMATION

The Company operates in two segments: medical device coatings and therapeutics. Prior periods have been restated accordingly for comparative purposes.

Medical device coatings comprise the research and development of coating existing medical devices with paclitaxel through collaborations with corporate partners. Therapeutics comprise the research and development of micellar paclitaxel for chronic inflammatory diseases such as multiple sclerosis, rheumatoid arthritis and psoriasis.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

UNAUDITED

Total assets and capital assets are not allocable between segments. However, amortization of capital assets is allocated to the segments based on estimated usage.

(in thousands of CDN\$)	3 Months Ended		9 Months Ended	
	June 30, 2001	2000	June 30, 2001	2000
	\$	\$	\$	\$
Revenue <sup>(1)</sup>				
Medical device coatings	-	381	-	4,499
Therapeutics	-	-	-	-
Total revenues for reportable segments	-	381	-	4,499
Net (income) loss				
Medical device coatings	2,379	432	6,478	(1,517)
Therapeutics	1,602	2,687	9,614	6,570
Total loss for reportable segments	3,981	3,119	16,092	5,053

<sup>(1)</sup> Revenues are attributed to countries based on the location of the Company's collaborators, which is the U.S.

(in thousands of CDN\$)	3 Months Ended		9 Months Ended	
	June 30, 2001	2000	June 30, 2001	2000
	\$	\$	\$	\$
Total loss for reportable segments	3,981	3,119	16,092	5,053
Non-allocable corporate expenses	356	445	565	1,210
Total other expense (income)	2,465	(4,562)	(8,303)	(3,844)
Loss (income) for the period	6,802	(998)	8,354	2,419

### 6. CONTINGENCIES

a) The Company may, from time to time, be subject to claims and legal proceedings brought against them in the normal course of business. Such matters are subject to many uncertainties. Management believes that adequate provisions have been made in the accounts where required and the ultimate resolution of such contingencies will not have a material adverse effect on the financial position of the Company.

b) Several oppositions have been filed against European patents relating to certain products held by the Company. If the oppositions are successful, an adverse decision could result in revocation of the patents or a narrowing of the scope and protection afforded by the patent. The outcome of these oppositions is uncertain at this time.

### 7. RECONCILIATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Company prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), which, as applied in these consolidated financial statements, conform in all material respects to United States generally accepted accounting principles ("U.S. GAAP"), except as more fully described in Note 11 to the financial statements of September 30, 2000.

Material variations impacting the Consolidated Statements of Loss and Deficit under U.S. GAAP would be as follows:

(in thousands of CDN\$)	3 Months Ended		9 Months Ended	
	June 30, 2001	2000	June 30, 2001	2000
	\$	\$	\$	\$
Loss (income) for the period, CDN GAAP	6,802	(998)	8,354	2,419
Adjustment for stock based compensation to non-employees	354	24	370	57
Adjustment for medical technology expense & amortization	(383)	(395)	(1,149)	2,399
Adjustment for accelerated vesting of stock options <sup>[note 4(c)]</sup>	49	1,011	49	1,767
Loss (income) for the period, U.S. GAAP	6,822	(358)	7,624	6,642
Adjustment for short-term investments, unrealized gain	(45)	-	(313)	-
Comprehensive loss (income) for the period, U.S. GAAP	6,777	(358)	7,311	6,642
Basic loss (income) per common share, U.S. GAAP	0.44	(0.02)	0.48	0.47
Weighted average number of shares, U.S. GAAP	15,443	15,235	15,383	14,030

Material variations in Consolidated Balance Sheet items under U.S. GAAP would be as follows:

(in thousands of CDN\$)	June 30, 2001	Sept. 30, 2000
	\$	\$
Short-term investments	149,609	156,186
Medical technology	-	-
Total assets	156,516	161,670
Deficit	(43,784)	(36,160)
Share capital	197,553	195,376
Other accumulated comprehensive income	313	-

Material variations impacting the Consolidated Statements of Cash Flows under U.S. GAAP would be as follows:

(in thousands of CDN\$)	3 Months Ended		9 Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
	\$	\$	\$	\$
Cash used in operating activities, CDN GAAP	(4,639)	(4,515)	(4,949)	(3,904)
Adjustment for medical technology expense	-	-	-	(720)
Cash used in operating activities, US GAAP	(4,639)	(4,515)	(4,949)	(4,624)
Cash (used in) provided by investing activities, CDN GAAP	(3,546)	(125,923)	4,416	(124,101)
Adjustments for medical technology	-	-	-	720
Cash (used in) provided by investing activities US GAAP	(3,546)	(125,923)	4,416	(123,381)

Recent pronouncements:

The US Securities and Exchange Commission ("SEC") has issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements". In June 2000 SAB 101 was amended to delay its implementation date and it must be adopted by the Company no later than its fourth quarter of fiscal 2001.

SAB 101 specifically addresses revenue recognition issues related to certain upfront payments or fees. Under SAB 101, certain upfront fees and payments recognized as income in prior periods are required to be deferred and are to be amortized into revenue over the terms of the relevant agreements or as the on-going services are performed.

Upon adoption of SAB 101 the Company will record a charge of approximately \$2.3 million to net income under US GAAP as a cumulative effect of a change in accounting principle, retroactive to October 1, 2000. This amount represents that portion of revenue recognized in fiscal 2000 and earlier periods for which the terms of the agreements extend beyond 2000. These fees will be recognized on a straight-line basis over the term of the license or related underlying product development period. The Company believes the implementation of SAB 101 will result in an increase in revenue for US GAAP of approximately \$690,000 and net loss for US GAAP will increase by approximately \$1.6 million for the year ending September 30, 2001.

The revenue recognition principles of SAB 101 are generally accepted under US and Canadian generally accepted accounting principles. The Company expects to adopt the principles of SAB 101 for Canadian and US reporting purposes in its fourth quarter ending September 30, 2001. For purposes of Canadian generally accepted accounting principles, this change in accounting policy will be

applied retroactively and all prior periods will be restated.

## 8. COMPARATIVE FIGURES

Certain of the comparative figures have been restated to conform with the presentation adopted in the current period.

*Statements contained herein that are not based on historical fact, including without limitation statements containing the words "believes," "may," "will," "estimate," "continue," "anticipates," "intends," "expects" and words of similar import, constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Company operates; technology changes; competition; changes in business strategy or development plans; the ability to attract and retain qualified personnel; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability and other claims asserted against the Company; and other factors referenced in the Company's filings with the Securities and Exchange Commission. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.*

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Angiotech Pharmaceuticals, Inc., is a Canadian pharmaceutical company dedicated to the development of medical device coatings and treatments for chronic inflammatory diseases through reformulation of the anticancer drug, paclitaxel.



**Advancing the Potential of Proven Medicines™**