

STATISTICS

AMEX: KAL
Frankfurt CA4: WKN: 479303
Fiscal Year: Dec. 31
Common shares o/s (mm): *74.3
Float (mm): 8.2
Market Capitalization (mm): \$22.7
*Includes conversion of Series A & B preferred shares as of September 30, 2007

COMPANY OVERVIEW

Headquarters: New York, NY
Transfer Agent: StockTrans, Inc.
Auditors: BDO Seidman, LLP

BUSINESS FOCUS

Callisto develops drug candidates for the treatment of gastro-intestinal disorders and cancers.

MANAGEMENT

Gary S. Jacob, Ph.D. CEO and CSO. 20+ years experience in drug discovery and development at Monsanto, G.D. Searle, and Oxford University. Ph.D., U. Wisconsin - Madison.

Robert C. Sheppard, M.D., F.A.C.P., CMO. Former Medical Director, AstraZeneca. Former Medical Officer, oncology branch, FDA. Principal Investigator 29 oncology clinical trials and ECOG at U. Virginia, Harvard U and Tufts U.

Kunwar Shailubhai, MBA, Ph.D., SVP, Drug Discovery. Over 15 years experience in oncology at NIH and G.D. Searle. Ph.D., University of Baroda, India; MBA from U. Missouri.

Craig C. Talluto, Ph.D., ABD. Senior Director, Clinical Operations. Over 10 years of experience at Amgen, Ph.D., U. Miami.

Bernard F. Denoyer, MBA, CPA, SVP, Finance. Over 25 years experience in META Group, Envionetics, Gartner Group and Ernst & Young. MBA in finance, Columbia Business School.

ABOUT CALLISTO PHARMACEUTICALS

Callisto Pharmaceuticals, based in New York City, is focused on developing drugs for gastro-intestinal disorders and cancer. The Company's proprietary drug candidate for chronic constipation and constipation-predominant irritable bowel syndrome (IBS-C), SP-304 (also called Guanilib), is expected to begin clinical trials in early 2008. Callisto also has two anti-cancer drugs, Atiprimod and L-Annamycin, in clinical trials in the US. Atiprimod is presently being evaluated in advanced cancer patients. L-Annamycin is being explored in acute leukemia. The company is listed on Amex (KAL) and Frankfurt (CA4).

THERAPEUTIC FOCUS

Gastro-intestinal disorders: SP-304 is finishing pre-clinical development, and scheduled to begin clinical trials in 2Q 2008. Both chronic constipation and IBS-C are planned to be clinically evaluated.

Cancer: Atiprimod, Callisto's lead anticancer drug is currently in a Phase II trial to treat advanced carcinoid cancer patients (neuroendocrine cancer).

PIPELINE

Drug & Indication	Preclinical	Phase I	Phase II	Phase III
Atiprimod				
Carcinoid Cancer	→			
Carcinoid Extension Trial	→			
L-Annamycin				
Adult Relapsed ALL	→			
Pediatric Relapsed ALL/AML	→			
Guanilib (SP304)				
Chronic Constipation	→			
Irritable Bowel Syndrome	→			

INTELLECTUAL PROPERTY

Patent estate includes a patent on SP-304 issued on May 9, 2006 covering "composition-of-matter" and "use" on this first-in-class drug to treat gastrointestinal inflammation and cancer, "composition-of-matter" and "use" patents on the azaspirane class of compounds, including patents for Atiprimod for broad use as an anticancer drug and a unique formulation patent covering L-Annamycin.

DEVELOPMENT PROGRAMS

SP-304 (GI disorders):

- **Chemistry and biology:** SP-304 is an analog of the natural gastrointestinal peptide uroguanylin, which is a key regulator of intestine function. SP-304 works by activating a receptor on the inside lining of the intestine which promotes fluid and ion transport in the gastrointestinal (GI) tract. The drug is stable, can be given orally and is not systemically absorbed, giving rise to a beneficial toxicology profile. SP-304 has shown GI anti-inflammatory activity in animal models constipation. There is only one other compound in this class, Linaclotide from Microbia Inc, that is currently in development (Phase IIb).
- **Development:** SP-304 is in late pre-clinical development for chronic constipation and irritable bowel syndrome, and is expected to enter a Phase I trial in 2Q 2008. Linaclotide has demonstrated the efficacy of this class of drugs in a set of Phase 2 trials. Callisto believes SP-304 has the potential to be best-in-class.
- **Market opportunity:** The market opportunity for these GI disorders is very large. An estimate 35 M Americans suffer from these conditions. The prevalence is similar in other developed countries. There is only one product approved for these indications at present in the US.

Atiprimod (cancer):

- **Chemistry and biology:** Atiprimod is an orally available small molecule drug belonging to a novel class of compounds, azaspiranes. The drug exhibits a number of anticancer activities, including anti-angiogenic activity, promotion of apoptosis and inhibition of STAT-3 and Akt phosphorylation.
- **Development:** Atiprimod is in a Phase II trial for advanced carcinoid cancer (a neuroendocrine tumor). Enrollment in this trial was completed in Sept. 2007 and Callisto announced that interim data will be released in early 2008. The drug is also in a Phase I trial in multiple myeloma patients. Atiprimod has been given orphan drug designation to treat both carcinoid cancer and multiple myeloma.
- **Market opportunity:** Approximately 7,000 new cases of carcinoid cancer are diagnosed in the US every year. Late stage carcinoid tumors often have poor prognosis. There is at present no product available that has been shown effective against these tumors. Atiprimod also has potential to be effective in liver and colon cancers as well as mantle cell lymphoma.

L-Annamycin (cancer):

- **Chemistry and biology:** L-Annamycin is a second generation anthracycline with a unique patented nanoparticle liposomal formulation. L-Annamycin reduces cardiotoxicity and displays activity against multi-drug resistant tumors in animal models, and in an earlier Phase I trial in acute leukemia. The drug displays potent myelosuppressive activity.
- **Development:** Currently in a Phase I/IIa trial in adult ALL patients, and in a Phase I trial in pediatric acute leukemia patients. An earlier Phase I/IIa trial in refractory acute leukemia patients gave encouraging responses in patients with multi-drug resistant tumors, a condition that typically predicts for lack of anthracycline sensitivity. L-Annamycin has orphan drug designation for ALL and AML
- **Market opportunity:** There are about 10,000 new cases of AML and 4,000 new cases of ALL in the US each year. Approximately 3,500 cases of pediatric leukemia are diagnosed in the US annually. There is a need for better treatments for these tumors.

RECENT NEWS

- **January 7, 2008.** Callisto announces restructuring of the Atiprimod license agreement, eliminating milestone payments and reducing royalties, in return for an upfront payment in 2008.
- **Oct 25, 2007.** Callisto Pharmaceuticals Opens Atiprimod Phase II Extension Trial in Neuroendocrine (Carcinoid) Cancer
- **Oct 3, 2007.** Callisto announces major strategic initiative to develop SP-304 for chronic constipation and irritable bowel syndrome
- **Sept 20, 2007.** Callisto Pharmaceuticals Completes Enrollment of Phase II Trial of Atiprimod in Neuroendocrine (Carcinoid) Cancer
- **Aug 7, 2007.** Callisto Pharmaceuticals Raises \$11.2 Million in Series B Preferred Stock Financing
- **Apr 24, 2007** Rodman and Renshaw Releases Research Report on Callisto Pharmaceuticals, Inc.
- **Feb 22, 2007** Callisto Pharmaceuticals Opens L-Annamycin Phase I Clinical Trial in Pediatric Relapsed or Refractory Acute Leukemia
- **Dec 27, 2006** Callisto Pharmaceuticals Raises \$5.75 Million in Series A Preferred Stock Financing
- **Nov 7, 2006** Callisto Pharmaceuticals Announces Initiation of Phase II Clinical Trial of Atiprimod to treat Advanced Carcinoid Cancer Patients.
- **Oct 18, 2006** Callisto Pharmaceuticals Opens First Site for Phase II Clinical Trial of Atiprimod in Advanced Carcinoid Cancer Patients
- **Sep 26, 2006** Callisto Pharmaceuticals Granted Orphan Drug Designation for Atiprimod to Treat Carcinoid Tumors
- **Aug 8, 2006** Callisto Pharmaceuticals Announces Appointment of Robert C. Shepard, M.D., F.A.C.P., as Chief Medical Officer.

CONTACT INFORMATION

Corporate office:

Callisto Pharmaceuticals Inc.
420 Lexington Avenue, Suite # 1609
New York, NY 10170, USA.
Tel: +1-212-297-0010
Fax: +1-212-297-0020
Web: www.callistopharma.com

For more information, please contact
Gary S Jacob, Ph.D., CEO:
Jacob@callistopharma.com
Tel: +1-212-297-0010