



NeoTherapeutics Announces Major Strategic Restructuring

Company to focus resources on development of phase 3 anti-cancer drug and licensing out anti-psychotic and attention deficit drugs

IRVINE, Calif., Aug. 20 /PRNewswire-FirstCall/ -- NeoTherapeutics, Inc. (Nasdaq: NEOT) announced today that, going forward, the Company's financial and human resources will be devoted principally to the development of its phase 3 anti-cancer drug, satraplatin, and the seeking of out-licensing arrangement(s) for its anti-psychotic and attention deficit drugs.

"This is our first step in the process of quickly transforming NeoTherapeutics into a lean and productive organization focused on the programs which are most likely to create value for stockholders," stated Rajesh C. Shrotriya, M.D., Chairman and Chief Executive Officer. "We will shortly be announcing additional initiatives which we believe will further enhance the viability, productivity and value of the Company."

The Company will hold a conference call on Thursday, August 22, 2002 at 10 a.m. Eastern time (7 a.m. Pacific time) to discuss the restructuring in more detail. The call will be hosted by Dr. Shrotriya and can be accessed by dialing 888-348-7538. A replay of the conference call will be available on the Company's web-site shortly after the end of the call.

NeoTherapeutics seeks to create value for stockholders through the in-licensing and commercialization of anti-cancer drugs and the discovery and out-licensing of drugs for central nervous system disorders. Satraplatin, the Company's lead oncology drug, is being prepared for a phase 3 study in prostate cancer. Additional anti-cancer drugs are in phase 1 and 2 stages of development for bladder cancer and non-Hodgkin's lymphoma. The Company has pre-clinical neurological drug candidates for disorders such as attention deficit hyperactivity disorder, schizophrenia, dementia, mild cognitive impairment, anxiety and pain. For additional information visit the Company's web site at www.neot.com.

This press release may contain forward-looking statements regarding future events and the future performance of NeoTherapeutics that involve risks and uncertainties that could cause actual results to differ materially. These risks are described in further detail in the Company's reports filed with the Securities and Exchange Commission.

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