



20 May 2011

Dear holders of ChemGenex Shares and ChemGenex Listed Options

I am writing to provide you with an update as to the status of the takeover offers from Cephalon CXS Holdings Pty Ltd (**Cephalon**), a wholly owned subsidiary of Cephalon, Inc., for all of your ordinary shares (**ChemGenex Shares**) and all of your ASX-listed options (**ChemGenex Limited Options**) in ChemGenex.

Cephalon's offers for ChemGenex Shares and ChemGenex Listed Options were extended on 13 May 2011, and are now scheduled to close at 7.00pm on Monday, 6 June 2011 (unless extended).

The ChemGenex directors and their related entities, as well as major shareholder Orbis Investment Management (Australia) Pty Ltd, have now accepted the Offers in respect of their holdings of ChemGenex Shares and ChemGenex Listed Options.

As at 20 May 2011, the aggregate of the Cephalon Group's existing shareholding in ChemGenex, acceptances of the Share Offer and acceptances in the Institutional Acceptance Facility represents approximately 78.01% of all ChemGenex Shares on issue. Cephalon also has received acceptances in respect of 86.40% of all ChemGenex Listed Options on issue.

It is now almost 8 weeks since the takeover was announced. In that time, ChemGenex has not been contacted with respect to any superior proposals and the ChemGenex directors are of the view that it is now unlikely that any other party will make a superior proposal for ChemGenex Shares or ChemGenex Listed Options.

Cephalon has today announced that, if:

- the aggregate of the Cephalon Group's existing shareholding in ChemGenex, acceptances of the Share Offer and acceptances in the Institutional Acceptance Facility reaches at least 90%;
- acceptances of the Listed Option Offer reach at least 90% of ChemGenex Listed Options on issue; and
- Cephalon has not by the time that these thresholds are reached become aware that any defeating condition of the Offers has been or is likely to be breached (or all breaches are waived by Cephalon),

it will declare each of the Offers unconditional and accepting holders of ChemGenex Shares and ChemGenex Listed Options will be sent their cash consideration within 5 business days.<sup>1</sup>

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<sup>1</sup> Holders of ChemGenex Shares or ChemGenex Listed Options who validly accept the Offers before the Offers become unconditional will be sent their cash consideration within 5 business days after the date the Offers become

**For holders of ChemGenex Shares or ChemGenex Listed Options who have not already done so, I urge you to accept the Offers as soon as possible.**

If you have already accepted the Offers, you are not required to take any further action.

If you have any questions as to how to accept the Offers, please contact the ChemGenex Securityholder Information Line on 1800 628 703 (from within Australia) or +61 2 8280 7513 (from outside Australia).

Yours faithfully,

A handwritten signature in black ink, appearing to read "Brett Heading". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Brett Heading  
Chairman

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unconditional. Holders of ChemGenex Shares or ChemGenex Listed Options who validly accept the Offers after the Offers become unconditional will be sent their cash consideration within 5 business days after the date on which Cephalon receives their acceptance(s).