

Convertible Notes – Vion Pharmaceuticals, Inc.



February 2007

\$40,000,000

Convertible Senior Notes

*The undersigned acted as
sole financial advisor and placement agent*



M.M. Dillon & Co.

Highlights

- M.M. Dillon & Co. (“Dillon”) acted as exclusive financial advisor and placement agent for Vion Pharmaceuticals, Inc. (“Vion” or the “Company”) in Vion’s issue of \$40,00,000 in convertible senior notes.
- George Bickerstaff joined the Board of Vion to help direct the strategic direction of the Company.
- The proceeds are to be used for:
 - Funding preclinical and clinical development activities, including clinical trials of Cloretazine, Triapine and VNP40541
 - Payments to contract manufacturers for product production
 - Interest payments on the notes
 - Funding regulatory and pre-launch commercialization activities
 - Working capital

The Company

Headquartered in New Haven, Connecticut, Vion Pharmaceuticals, Inc. is a publicly-traded biotechnology company focused on developing and commercializing novel agents for the treatment of cancer. The Company’s lead product, Cloretazine®, is being evaluated in two pivotal clinical trials for the treatment of acute myeloid leukemia (“AML”), as well as in small-cell lung cancer. Full accrual for the pivotal phase II clinical trial in elderly de novo poor-risk AML and the phase III clinical trial in first relapse AML is expected in Q2 2007 and Q4 2007 / Q1 2008, respectively.

Lead product, Cloretazine, in late-stage clinical development:

- Two pivotal clinical trials underway in AML
- Under evaluation Phase II clinical trials in small-cell lung cancer

About M.M. Dillon & Co. (Formerly CRT Investment Banking LLC)

M.M. Dillon & Co. (formerly CRT Investment Banking LLC) is an employee-owned partnership where industry and product specialists collaborate closely to provide creative, idea-driven advice and solutions to its institutional and corporate clients. M.M. Dillon offers public and private financing, M&A advisory and restructuring advisory services. M.M. Dillon’s team of experienced professionals provides execution capabilities for companies across a range of industry sectors. The firm’s senior banking professionals have a minimum of 20 years experience with major Wall Street firms.

Contact Us

George Bickerstaff

Head of International Markets

gbickerstaff@mmdillon.com

Tel: (203) 569-6826