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Enzon Announces Consolidation of Its Manufacturing Operations in Indianapolis

One Year Transition Planned

BRIDGEWATER, N.J., Feb 02, 2007 (BUSINESS WIRE) -- Enzon Pharmaceuticals, Inc. (Nasdaq: ENZN) today announced plans to consolidate its manufacturing operations in Indianapolis from its South Plainfield, N.J. facility, resulting in the discontinuation of all activity at that location. The closing of this manufacturing facility is expected to impact approximately fifty employees, and the Company will assist them in their transition.

This announcement comes as part of Enzon's continued efforts to streamline operations to optimize efficiencies and position the Company for long-term, sustainable growth. Enzon continues to focus investment on key priorities for the business including developing innovative oncology therapies and advancing its clinical pipeline.

"Enzon continues to focus on building a premier oncology business, developing and commercializing important medicines for patients with life-threatening diseases," said Jeffrey H. Buchalter, chairman and chief executive officer of Enzon. "As we continue to drive towards delivering on this goal, we have to make difficult decisions such as this one. We express our gratitude to the employees affected by this change for their numerous contributions to Enzon over the years."

The Company notified personnel at the site today and is committed to working with all affected employees through the transition. Enzon expects total restructuring charges of between \$8M and \$10M associated with the transition in 2007, and a write-off of an estimated \$8M related to the leased facility in 2008.

About Enzon

Enzon Pharmaceuticals, Inc. is a biopharmaceutical company dedicated to the development and commercialization of therapeutics to treat patients with cancer and adjacent diseases. Enzon's specialized sales force markets Abelcet(R), Oncaspar (R), Adagen(R), and Depocyt (R) in the United States. In addition, Enzon also receives royalties on sales of PEG-INTRON(R), marketed by Schering-Plough Corporation, and MACUGEN(R), marketed by OSI Pharmaceuticals and Pfizer Inc. Enzon's product-driven strategy includes an extensive drug development program that leverages its proprietary technologies, including a Customized Linker Technology(TM) PEGylation platform that utilizes customized linkers designed to release compounds at a controlled rate. Enzon complements its internal research and development efforts with strategic initiatives, such as partnerships designed to broaden its revenue base or provide access to promising new technologies or product development opportunities. The Company also engages in contract manufacturing opportunities with third parties to improve its efficiency. Further information about Enzon and this press release can be found on the Company's web site at www.enzon.com.

Forward Looking Statements

There are forward-looking statements contained herein, which can be identified by the use of forward-looking terminology such as the words "believes," "expects," "may," "will," "should", "potential," "anticipates," "plans" or "intends" and similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from the future results, events or developments indicated in such forward-looking statements. Such factors include, but are not limited to the timing, success and cost of clinical studies; the ability to obtain regulatory approval of products, market acceptance of, and continuing demand for, Enzon's products and the impact of competitive products and pricing. A more detailed discussion of these and other factors that could affect results is contained in our filings with the U.S. Securities and Exchange Commission, including our transition report on Form 10-K for the six-month period ended December 31, 2005 and our quarterly reports on Form 10-Q. These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. No assurance can be given that the future results covered by the forward-looking statements will be achieved. All information in this press release is as of the date of this press release and Enzon does not intend to update this information.

SOURCE: Enzon Pharmaceuticals, Inc.

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