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CELL THERAPEUTICS INC
Form 424B3
March 14, 2002

Filed pursuant to
Rule 424(b)(3)
Commission File No. 333-67906

PROSPECTUS SUPPLEMENT DATED MARCH 14, 2002
(TO PROSPECTUS DATED NOVEMBER 9, 2001)

\$175,000,000

CELL THERAPEUTICS, INC.

5.75% Convertible Subordinated Notes due June 15, 2008
and the common stock issuable upon conversion of the notes

This Prospectus Supplement supplements the Prospectus dated November 9, 2001 (the "Prospectus") of Cell Therapeutics, Inc. ("CTI") relating to the public offering, which is not being underwritten, and sale by certain noteholders of CTI or by pledgees, donees, transferees or other successors in interest that receive such notes as a gift, partnership distribution or other non-sale related transfer (the "Selling Securityholders") of up to \$175,000,000 of 5.75% convertible subordinated notes of CTI (the "Notes"). This Prospectus Supplement should be read in conjunction with the Prospectus, and this Prospectus Supplement is qualified by reference to the Prospectus except to the extent that information herein contained supersedes the information contained in the Prospectus. Capitalized terms used in this Prospectus Supplement and not otherwise defined herein have the meanings specified in the Prospectus.

SELLING SECURITYHOLDER

Recently, Lipper Offshore Convertibles, L.P. acquired an additional \$121,000 of Notes, which they intend to sell under the Prospectus. The following table provides certain information with respect to the amount of Notes beneficially owned by Lipper Offshore Convertibles, L.P., the percentage of outstanding Notes and CTI common stock this represents, and the amount of Notes to be registered for sale hereby. The table of Selling Securityholders in the Prospectus is hereby amended as follows:

Name of Selling Securityholder	Principal Amount at Maturity of Notes Beneficially Owned that may be sold	Percentage of Notes Outstanding	Number of Sha of Common St that may be so
Lipper Offshore Convertibles, L.P.	\$1,121,000	*	32,970

* Less than 1%.

(1) Assumes conversion of all of the holder's notes at a conversion price of approximately \$34.00 per share of common stock. However, this conversion price will be subject to adjustment as described in the Prospectus under "Description of Notes--Conversion Rights." As a result, the amount of common stock issuable upon conversion of the notes may increase or decrease in the future.

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- (2) Calculated based on Rule 13d-3(d)(1)(i) of the Exchange Act using 33,755,549 shares of common stock outstanding as of September 30, 2001.
- (3) Assumes that any other holders of notes, or any future transferees, pledgees, donees or successors of or from any such other holders of notes, do not beneficially own any common stock other than the common stock issuable upon conversion of the notes at the initial conversion rate.