



COSMO

Pharmaceuticals

**2nd Sal. Oppenheim
European Healthcare
Investors Conference 2007**

September 5, 2007 Frankfurt am Main



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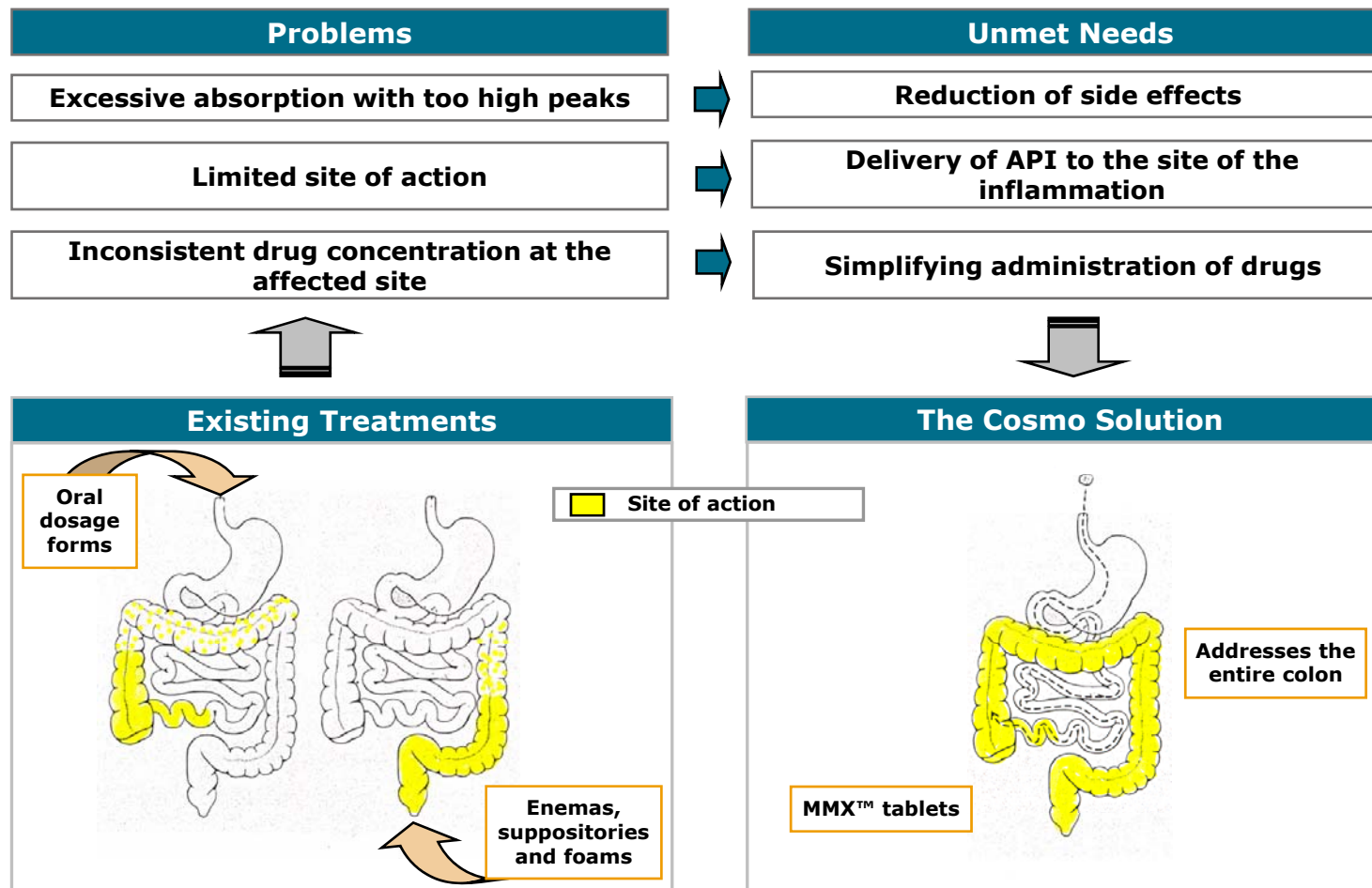
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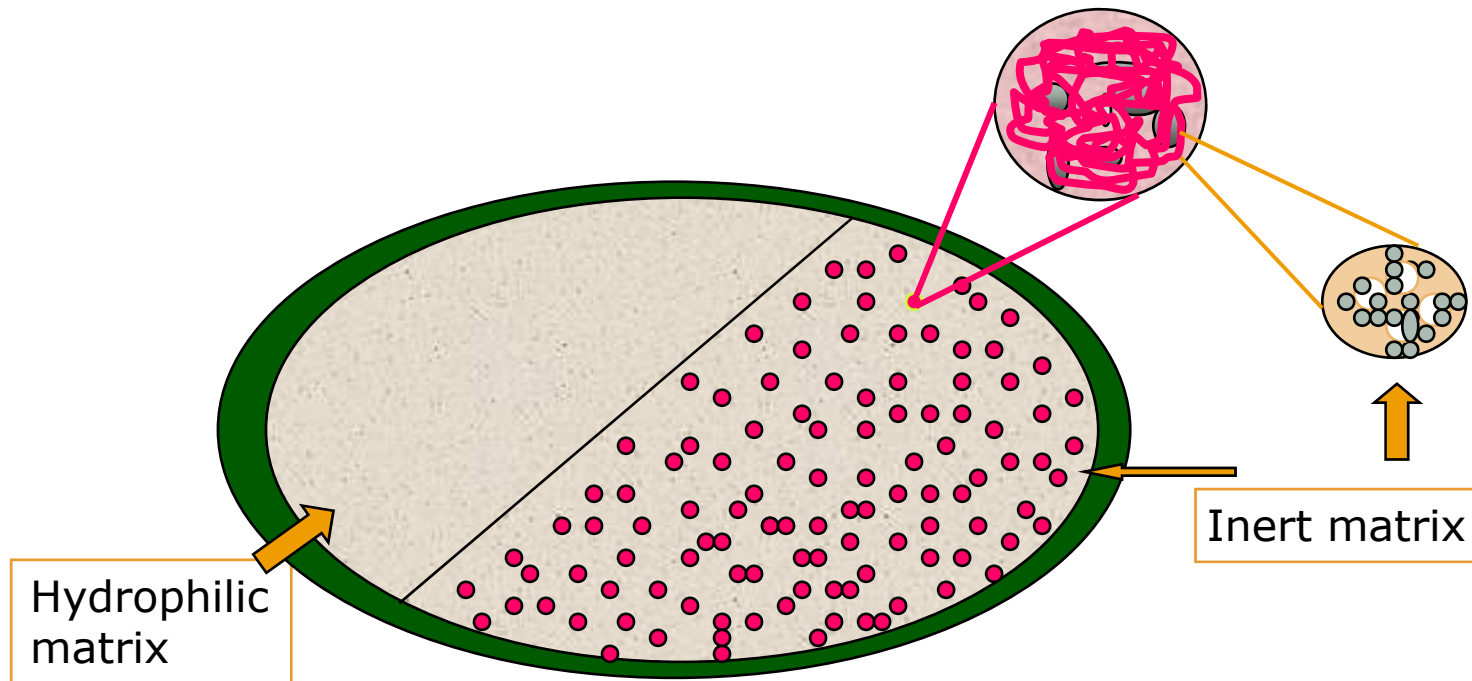
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Cosmo's focus: addressing unmet medical needs in IBD

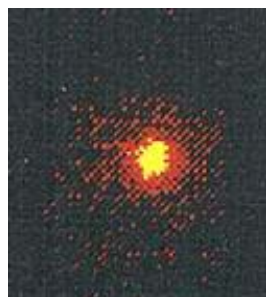


The Multi Matrix System (MMX™)

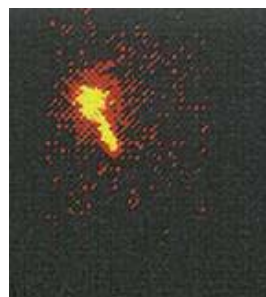


-  Gastroprotectant layer
-  LV hydrophilic - amphipatic polymer matrix
-  HV hydrophilic polym. matrix
-  Inert matrix material
-  Drug (+ excipient)

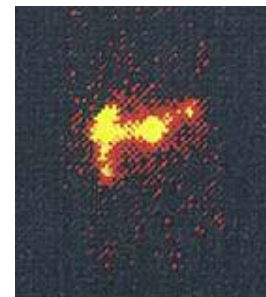
MMX addresses the entire colon



1h 30m
duodenum



4h 30m
ascending colon



7h 30m
transverse colon



10h
transverse colon



16h
descending colon



24h
rectum

MMX™ is a unique technology with clear differentiation from existing IBD therapies

Key Benefits of MMX™ Technology

Greatly Improves the Pharmacological Activity and Disposition Characteristics of Existing Drugs

Compliance

- ◆ **Once daily** administration, lower tablet load, convenient form of administration (not enema)
 - Higher **patient convenience**
 - Greatly **improved compliance**

Efficacy

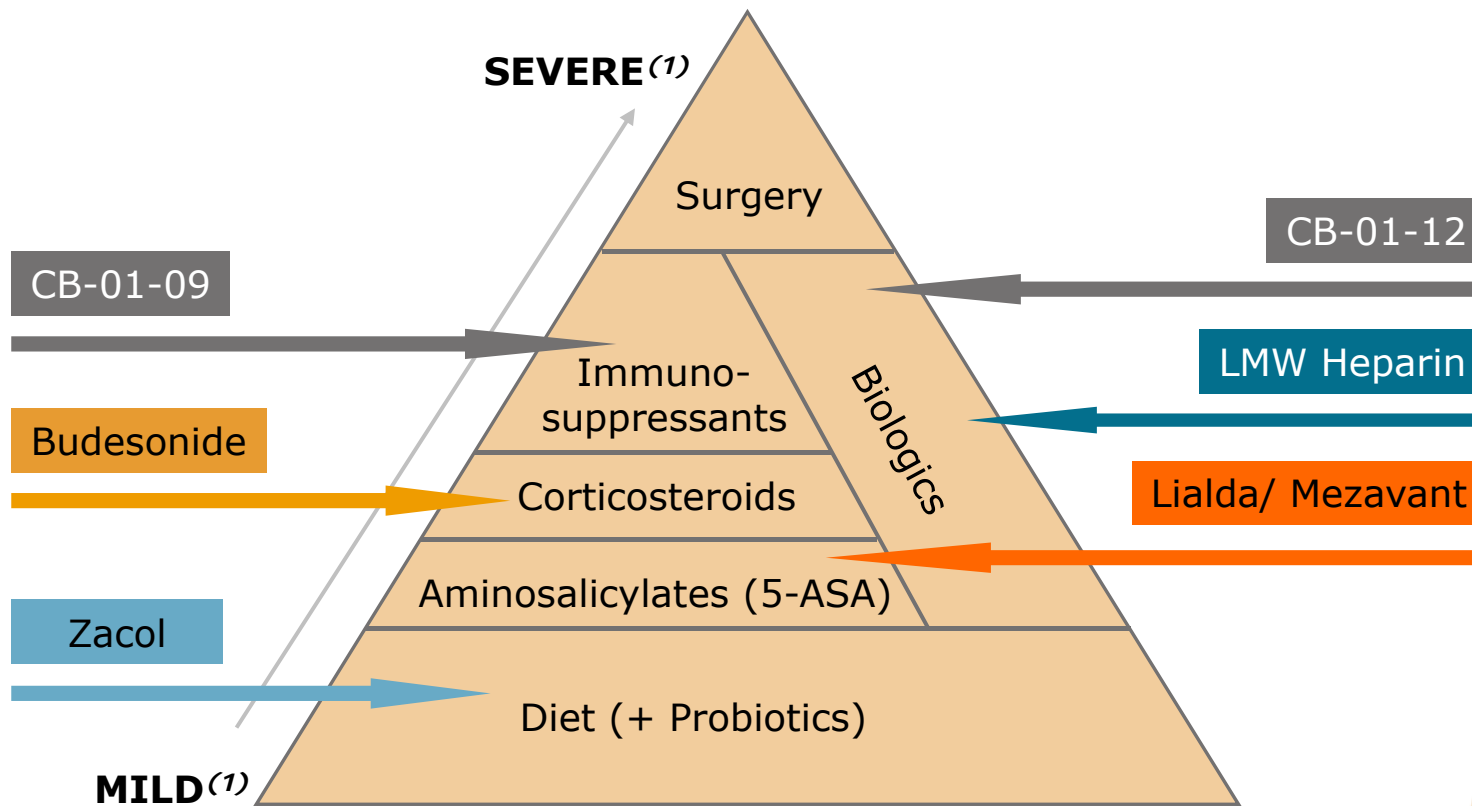
- ◆ MMX™ efficiently brings the active substance to all parts of the colon
 - Treats disease in the **entire colon**
 - Eliminates the requirement for inconvenient enema applications

Safety

- ◆ Topical application: consequent lower systemic absorption and lower peak blood levels
 - Toxicity/ **side effects reduced**

Provides the potential for attractive pricing and strong market share

Extensive Portfolio Covering IBD



Product Pipeline

Strong Potential to Improve Existing Treatments in Terms of Compliance, Efficacy and Safety

Product	Drug type	Pre-clinical	Ph I	Ph II	Ph III	MA	Launch	
Lialda MMX™ / Mezavant MMX™ <i>Mild to moderate Ulcerative Colitis</i>	5-ASA	Licensed worldwide to Giuliani/ Shire						March 2007 USA
Budesonide MMX™ <i>Mild to moderate Ulcerative Colitis</i>	Corticosteroid					Q3 08		
Rifamycin SV MMX™ <i>Infectious diarrhoea</i>	Antibiotic					Q4 08		
LMW Heparin MMX™ <i>Mild to moderate Ulcerative Colitis</i>	Biologic				Q1 08			
Zacol NMX <i>Intestinal disorders (nutraceutical)</i>	Dietary supplement							December 2005 Italy
CB-01-12 <i>IBD</i>	Anti-TNF α							
CB-01-09 <i>IBD</i>	Immuno-suppressant							
CB-03-01 (NCE) <i>Male pattern baldness, acne and seborrhoea</i>	Steroid ester, androgen antagonist							
CB-01-13 <i>CDAD</i>	Antibiotic							

Lialda MMX™ / Mezavant MMX™

Key Achievements

- ◆ **MMX™ technology now proven - in US market since March 2007**
- ◆ **Lialda/ Mezavant substantially improves compliance with a once-daily formulation**
- ◆ **Shire is putting a substantial effort into building the MMX brand**

Recent Developments

- ◆ In US approvals for maintenance to follow within 6 months
 - Very successful introduction for induction of remission of mild to moderate ulcerative colitis. 9% market share expected in December 07
- ◆ In EU approved for induction of remission and maintenance in patients with mild-to moderate ulcerative colitis. Market introduction set for Q3 2007
- ◆ Analysts are projecting Shire's peak Lialda/Mesavant sales at >\$400 m p.a.
- ◆ Cosmo renegotiated cumulative royalty cap with Giuliani up from \$ 75 m to \$ 95 m including Japan
- ◆ Cosmo's profits from production approximate 3% of revenues

Budesonide MMX™

Key Achievements and Objectives

- ◆ **Maintain steroid efficacy at greatly reduced side effects**
- ◆ **Reduction in treatment time by 50%**
- ◆ **Objective to become first oral corticosteroid for Ulcerative Colitis**

Recent Developments

- ◆ Phase III clinical trials double blind and double dummy redesigned for comparison of 9mg and 6mg of Budesonide-MMX vs. Asacol and placebo for 4 weeks treatment in >400 patients in US and for 8 weeks treatment compared to Asacol in >350 patients in EU, both for induction of remission of ulcerative colitis
- ◆ New decision to attach a trial for maintenance of remission following end of clinical trial in 2008.
- ◆ Pre-trials FDA requirements fulfilled; market introduction in USA and EU expected 2010.
- ◆ Ongoing negotiations for licensing out in EU expected H2 07
- ◆ Partners are looking at the following parameters
 - Partners believe that in the 5 major EU countries 20% of all patients with mild to moderate ulcerative colitis will switch to Budesonide MMX for their treatment in acute phase.
 - If approval can be obtained for treatment maintenance, a doubling of peak sales could be expected

Rifamycin SV MMX™

Key Achievements and Objectives

- ◆ **First focussed delivery into the colon of a non-absorbable antibiotic**
- ◆ **Does not affect flora of the stomach and upper small intestine**
- ◆ **Allowing long term treatment of colon infections⁽¹⁾, reducing risk of resistance**
- ◆ **Potential for eventual application in Diverticulitis and SIBO**

Recent Developments

- ◆ Phase II/III trial on 120 patients comparing Rifamycin SV MMX™ to Rifaximin in infectious diarrhoea (non-inferiority) has been completed successfully with the achievement of the primary clinical endpoint and the data report expected shortly
- ◆ Phase III plan in USA requires tolerability tests in dogs after 28 days of treatment completed in July 2007

LMW Heparin MMX™

Key Achievements and Objectives

- ◆ **Identification of LMW Heparin, an endogenous biologic drug, that retains and maximizes the anti-inflammatory properties found in Heparin**
- ◆ **Key advantages:**
 - **Quick reduction of bleeding associated with IBD**
 - **Potential treatment for all severity levels of IBD**
 - **Virtually no side-effects**
- ◆ **LMW Heparin MMX™ will be the first oral, topical heparin treatment for IBD**

Recent Developments

- ◆ Phase II clinical trial in Europe progressing as planned:
 - More than 80% of the targeted patients have been enrolled
 - No adverse safety effects were seen
 - Data report foreseen in Q1 2008
- ◆ Investigation into the mechanism of anti-inflammatory/immunomodulating activity of LMW Heparin MMX™ is in progress and will be postered at the EU DDW in Paris in autumn of 2007

Zacol NMX™⁽¹⁾

Key Achievement

- ◆ **First delivery of butyric acid and inulin for topical application in the colon**
- ◆ **Opens the large GI nutraceuticals market to Cosmo**

Recent Developments

- ◆ Promotion in Italy expanded from 1200 gastroenterologists (Bio Actival) to 10,000 general practitioners (Morgan) as of April
- ◆ In Germany the new formulation label has been filed
- ◆ In Spain negotiations with two interested parties are ongoing
- ◆ We estimate peak Cosmo revenue, after sales costs, to reach €6 m in the EU

CB-03-01

Key Objectives and Achievements

- ◆ **CB-03-01 will be the first topical antiandrogen on world wide market**
- ◆ **In pre-clinical tests product shows to have an antiandrogenic potency at least comparable with flutamide and finasteride**
- ◆ **Devoid of systemic activity**
- ◆ **In vivo metabolized to a physiological substance, that has virtually no side effects**

Recent Developments

- ◆ A big pharma company has validated the pre clinical results achieved in house
 - Confirmed the targets of androgenetic alopecia, acne, seborrhea, hirsutism & mastodynia.
 - According to our analysis there is currently no topical androgen in development for these indications
- ◆ Decision to move this product into the clinic:
 - Pre-clinical stage almost finished, results to come in 6 months
 - Synthesis completed at pilot scale, in progress at pre-industrial scale.
 - Analytical characterization in progress
 - Formulations under development
 - Ph I clinical trial (first in man PK and safety) to be started by year end

CB-01-12

Key Achievement

- ◆ **Successful redesign of anti TNF α injection into a MMX™ tablet**
 - **Evidence of protein structure integrity after insertion into MMX™ tablet**
 - **Evidence of activity in experimental colitis in animals after local administration**
- ◆ **Approach may have general application for topical colonic treatment of**
 - **Biologics (proteins and peptides, specially for topical use)**
 - **Monoclonal antibodies**

Recent Developments

- ◆ Discussions initiated with three pharma companies that are owners of the patents of anti TNF α injections currently in the market
 - Patent for Remicade expires in 2011 (US)
 - Patent for Humira expires in 2010 (US)

CB-01-13

Key Objective

- ◆ **Develop a tablet for topical application in the colon against clostridium difficile infections**

Recent Developments

- ◆ Cosmo's Scientific Advisory board has recommended targeting Rifamycin SV MMX™ at clostridium difficile infections
- ◆ Specific additional preclinical tests conducted at Hospedale SACCO (MI) indicate that Rifamycin SV MMX™ could be more effective than Rifaximin in controlling "clostridium difficile" infections
- ◆ Pre-clinical data confirming activities are in progress and a Phase II proof of concept trial will be opened in 2008

Focused but Broad and evenly timed Product Pipeline

Strong Potential to Improve Existing Treatments in Terms of Compliance, Efficacy and Safety

Product	Drug type	Clinical status	USP	Market entry	Market	Status
Lialda MMX™ / Mezavant MMX™ <i>Mild to moderate Ulcerative Colitis</i>	5-ASA	Market	Once a day	2007	5 ASA	Licensed out
Budesonide MMX™ <i>Mild to moderate Ulcerative Colitis</i>	Corticosteroid	Phase III	Much shorter treatment time	2010	Corticosteroid and 5 ASA	Licensing negotiations in EU
Rifamycin SV MMX™ <i>Infectious diarrhoea</i>	Antibiotic	Data report phase II	Long term treatments possible	2008/2010	30% of IBD and Diverticulitis	Licensing negotiations in EU
LMW Heparin MMX™ <i>Mild to moderate Ulcerative Colitis</i>	Biologic	Phase II b	High efficacy, no side effects	2012	All IBD	No negotiations until data report phase II
Zacol NMX <i>Intestinal disorders (nutraceutical)</i>	Dietary supplement	Market	Only combination product plus site specific delivery	2007	All IBD	Licensing negotiations in EU
CB-01-12 <i>IBD</i>	Anti-TNF α	Pre clinical	Oral anti tnf	Open	Anti tnfs	Open
CB-01-09 <i>IBD</i>	Immuno-suppressant	Pre clinical	Less side effects	Open	Immuno-suppressants	Open
CB-03-01 (NCE) <i>Male pattern baldness, acne and seborrhoea</i>	Steroid ester, androgen antagonist	Pre clinical	Only topical antiandrogen	Open	baldness, hirsutism, acne	Licensing negotiations initiated
CB-01-13 <i>CDAD</i>	Antibiotic	Pre clinical	Most effective application	Open	Nosocomial infections	Open

BALANCE SHEET

(Thousands of Euros)

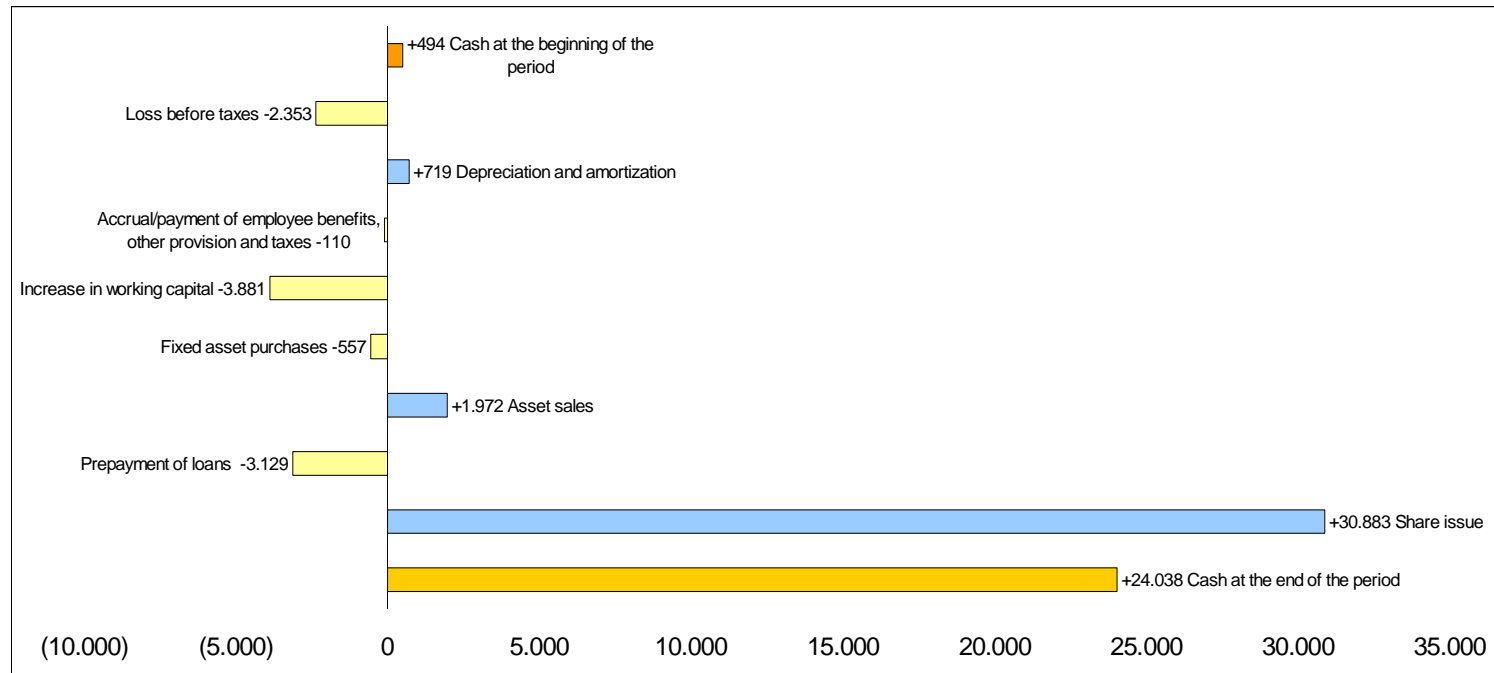
	<u>30.06.2007</u>	<u>31.12.2006</u>
ASSETS		
Non-current assets		
Property, plant and equipment	7.032	7.096
Goodwill	109	109
Other intangible assets	3.285	3.384
Deferred tax assets	2.934	1.223
Other non-current receivables	1.930	1.906
Total non-current assets	15.290	13.718
Current assets		
Inventories	1.940	966
Trade receivables	4.597	3.168
Current tax assets	73	126
Other receivables	3.277	4.975
Cash and cash equivalents	24.132	2.339
Total current assets	34.019	11.574
TOTAL ASSETS	49.309	25.292
EQUITY		
Share capital	3.469	2.185
Share premium	30.910	-
Other reserves	2.162	2.876
Profit/(Loss) for the period	(1.651)	(344)
TOTAL EQUITY	34.890	4.717
LIABILITIES		
Non-current liabilities		
Interest-bearing loans and borrowings	4.041	4.783
Employee benefits	754	755
Deferred tax liabilities	1.115	1.160
Other non-current liabilities	10	10
Total non current liabilities	5.920	6.708
Current liabilities		
Interest-bearing loans, borrowings and bank overdraft	1.774	5.912
Trade payables	4.983	4.948
Current tax liabilities	165	190
Other current liabilities	1.577	2.817
Total current liabilities	8.499	13.867
TOTAL LIABILITIES	14.419	20.575
TOTAL EQUITY AND LIABILITIES	49.309	25.292

INCOME STATEMENT

(Thousands of Euros)

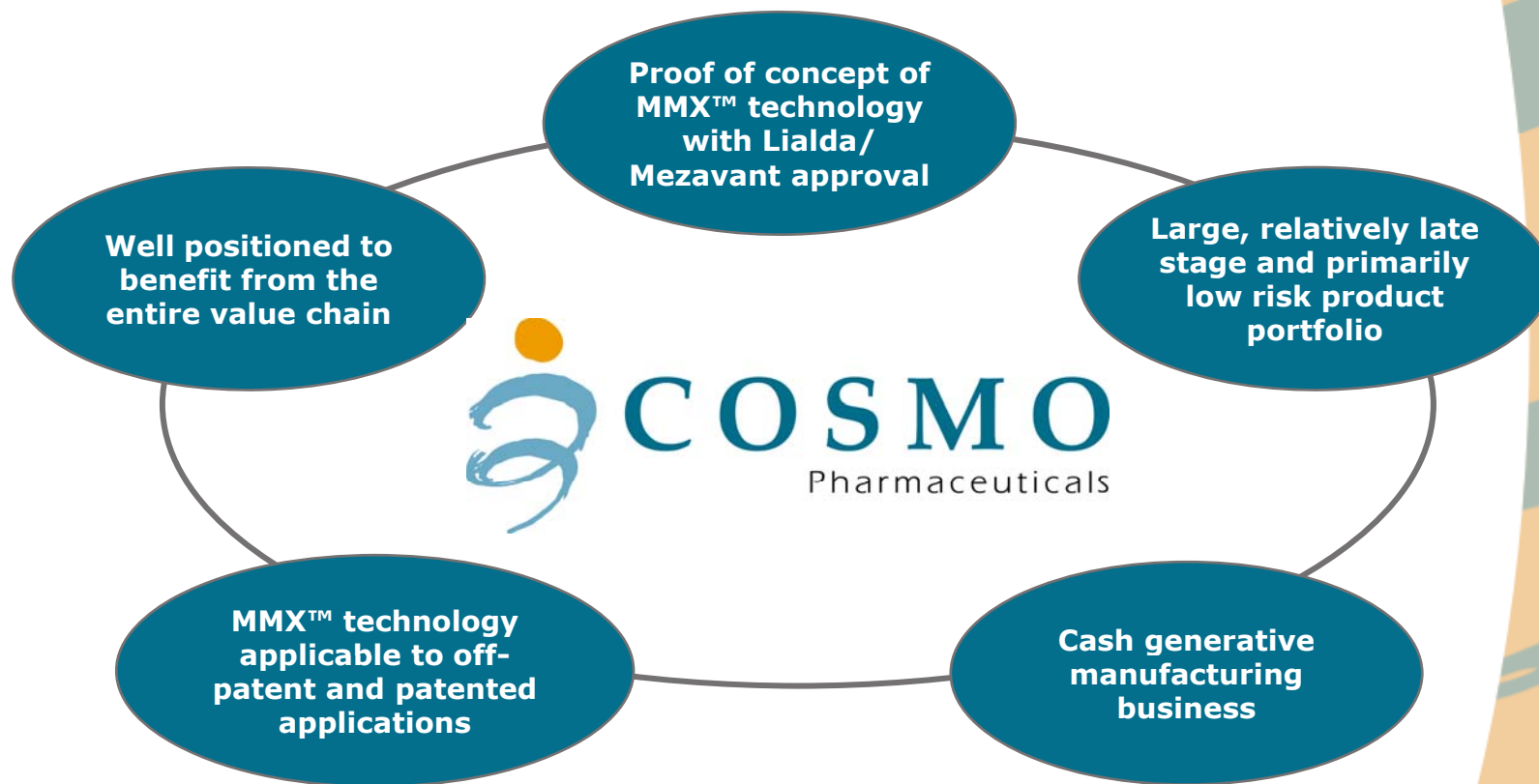
	<u>30.06.2007</u>	<u>30.06.2006</u>
Revenue	9.865	7.496
Other income	245	1.031
Changes in inventories of finished goods and work in progress	348	336
Raw material and consumables used	(3.265)	(2.924)
Personnel expenses	(3.922)	(2.407)
Depreciation and amortization	(719)	(611)
Other operating expenses	(5.018)	(2.987)
OPERATING RESULT	(2.466)	(66)
Financial income	340	2
Financial expenses	(227)	(503)
PROFIT (LOSS) BEFORE TAXES	(2.353)	(567)
Income tax expenses	702	103
PROFIT (LOSS) FOR THE PERIOD	(1.651)	(464)

1H Financial Review - Cash Flow



(Thousand of Euros)

Cosmo Today



Short term news events and focus

Science

- ◆ Q3 07: data report Rifamycin SV MMX Phase II
- ◆ Q4 07: filing of CTA for CB-03-01
- ◆ H1 08: data report LMW Heparin MMX Ph II clinical trials
- ◆ H2 08: data report Budesonide MMX Ph III

Contracts

- ◆ H2 07: Budesonide MMX EU licensing agreement
- ◆ H2 07: Zacol Rifamycin SV EU MMX licensing agreement
- ◆ H1 08: CB-03-01 licensing agreement

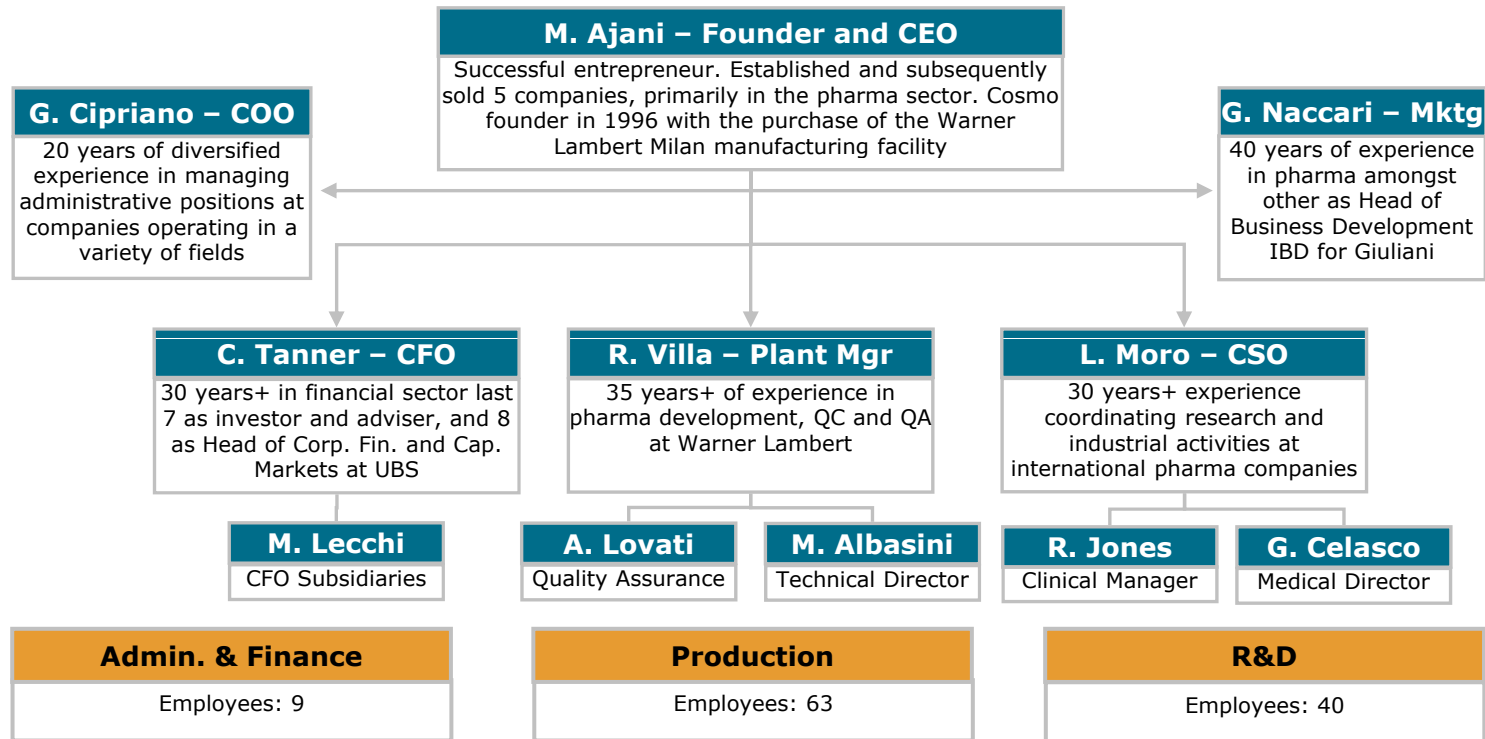
Financial

- ◆ September 12 2007: end of lock up (2,447,832 shares)

Appendix

Additional Corporate Information

Management Team



♦ **Total employees: 123**

- ♦ *Entrepreneur driven company*
- ♦ *Management has significant ownership and will not sell any shares in IPO*
- ♦ *Strong, commercially focused management team encompassing diverse skills:*
 - *Product development, regulatory, manufacturing, sales and marketing*

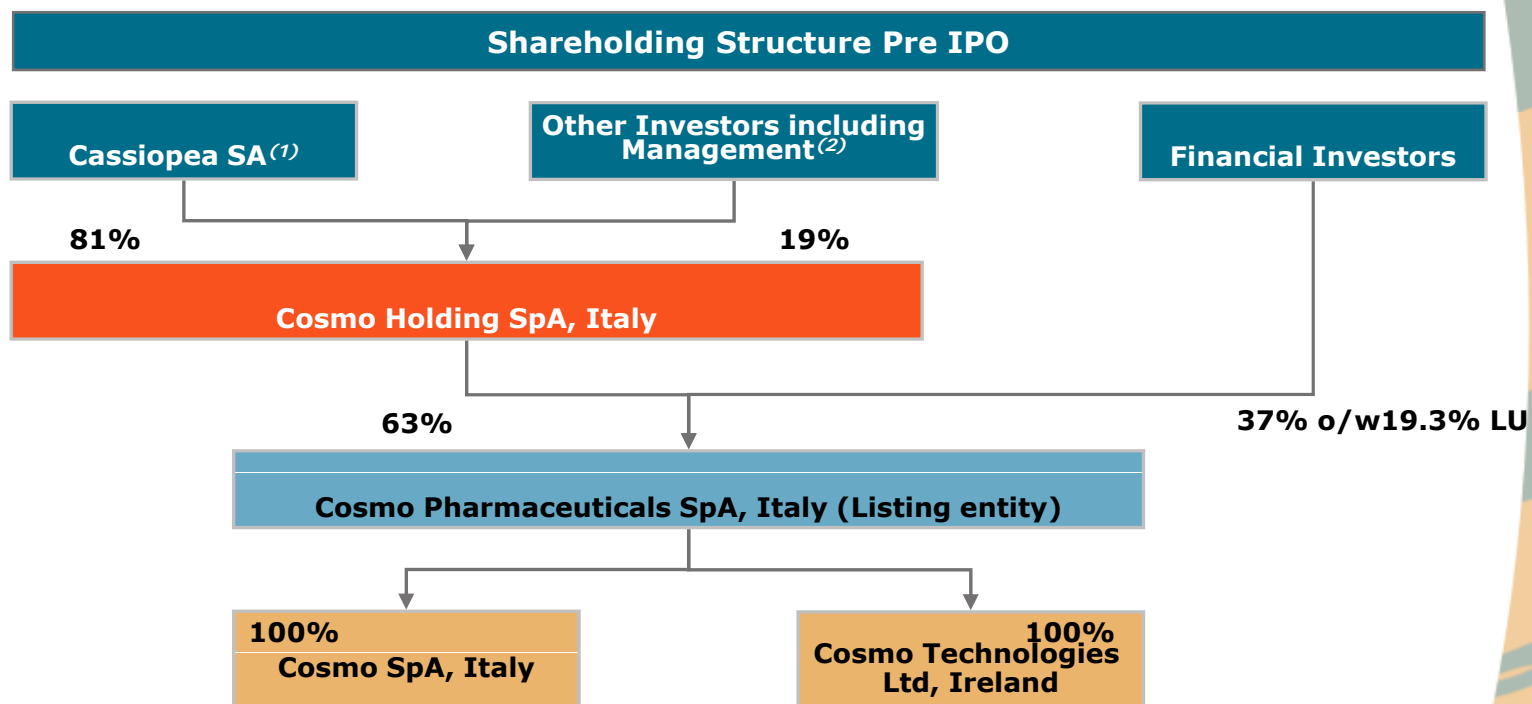
Experienced Board of Directors

Name	Committee	Tenure and Experience
Rolf Stahel (Non-executive Chairman)	– Nomination & Compensation – Audit	<i>Since 2006.</i> Executive Chairman of Chesyl Pharma Ltd and Non-executive Chairman of Newron Pharmaceuticals S.p.A. Former CEO of Shire Pharmaceuticals plc
Mauro Ajani (CEO)		<i>Since 1996.</i> Founder, and through his holdings in Cassiopea SA, main shareholder of Cosmo Holding and Cosmo Bioscience S.p.A., as well as indirectly of Cosmo Pharmaceuticals S.p.A.
Gianluigi Bertolli (Non-executive)	– Audit	<i>Since 2006.</i> Board member of Cosmo Holding since 2005. Owner-manager of Studio Bertolli, a firm specializing in financial and tax advisory
Alessandro Della Chà (Non-executive)		<i>Since 2006.</i> Senior partner of law firm Studio Legale Edoardo Ricci & Associati in Milan where he specializes in company law and mergers and acquisitions
Dieter Enkelmann (Non-executive)	– Audit – Nomination & Compensation	<i>Since 2006.</i> CFO and member of the executive management board of Julius Bär Holding. Formerly CFO of Barry-Callebaut, Head of Financial Services and of Corporate Finance and Investor Relations, Treasury at SwissRe and investment banker at CSFB. Board member of iNNutriGEL
Chris Tanner (CFO)		<i>Since 2006.</i> Board Member of Cosmo Holding since 2005. CFO of Cosmo Pharmaceuticals S.p.A. since 2006. Board member of Joimax and Private Equity Holding. Co-founder of the 20 Minutes Group of newspapers and founder of A&A Active Investor. Former Head of Corporate Finance of UBS in Zurich
Friedrich von Bohlen und Halbach (Non-executive)	– Nomination & Compensation	<i>Since 2005.</i> Managing partner at Dievini GmbH, the company managing the life science investments of Dietmar and Oliver Hopp. Board member of Apogenix, Curacyte, CureVac, Cytonet, Heidelberg Pharma, Lion Bioscience, Life Biosystems and Wylex

Scientific Advisors

Name	Institution
Prof. Jean-Frédéric Colombel	Department of Hepato-gastroenterology, Hôpital Huriez, Lille (France)
Prof. Brian Gordon Feagan	Department of Epidemiology & Biostatistics, University of Western Ontario, London, Ontario (Canada)
Prof. Claudio Fiocchi	Department of Gastroenterology & Hepatology, the Cleveland Clinic Foundation, Cleveland, Ohio (USA)
Prof. Michael Kamm	Chairman of Medicine and Director Inflammatory Bowel Disease and Physiology Units, St. Mark's Hospital, London (UK)
Prof. Robert Löfberg	Professor of Gastroenterology, Karolinska Institutet, Stockholm (Sweden)
Prof. William Sandborn	Division of Gastroenterology and Hepatology, Mayo Clinic, Rochester, Minnesota (USA)
Prof. Maurizio Vecchi	Director Gastroenterology and Gastrointestinal Endoscopy Unit, Policlinico San Donato Milanese (Italy)

Current Shareholding Structure



Contacts

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