

Swiss Equity Biotech Day 2009

Zurich

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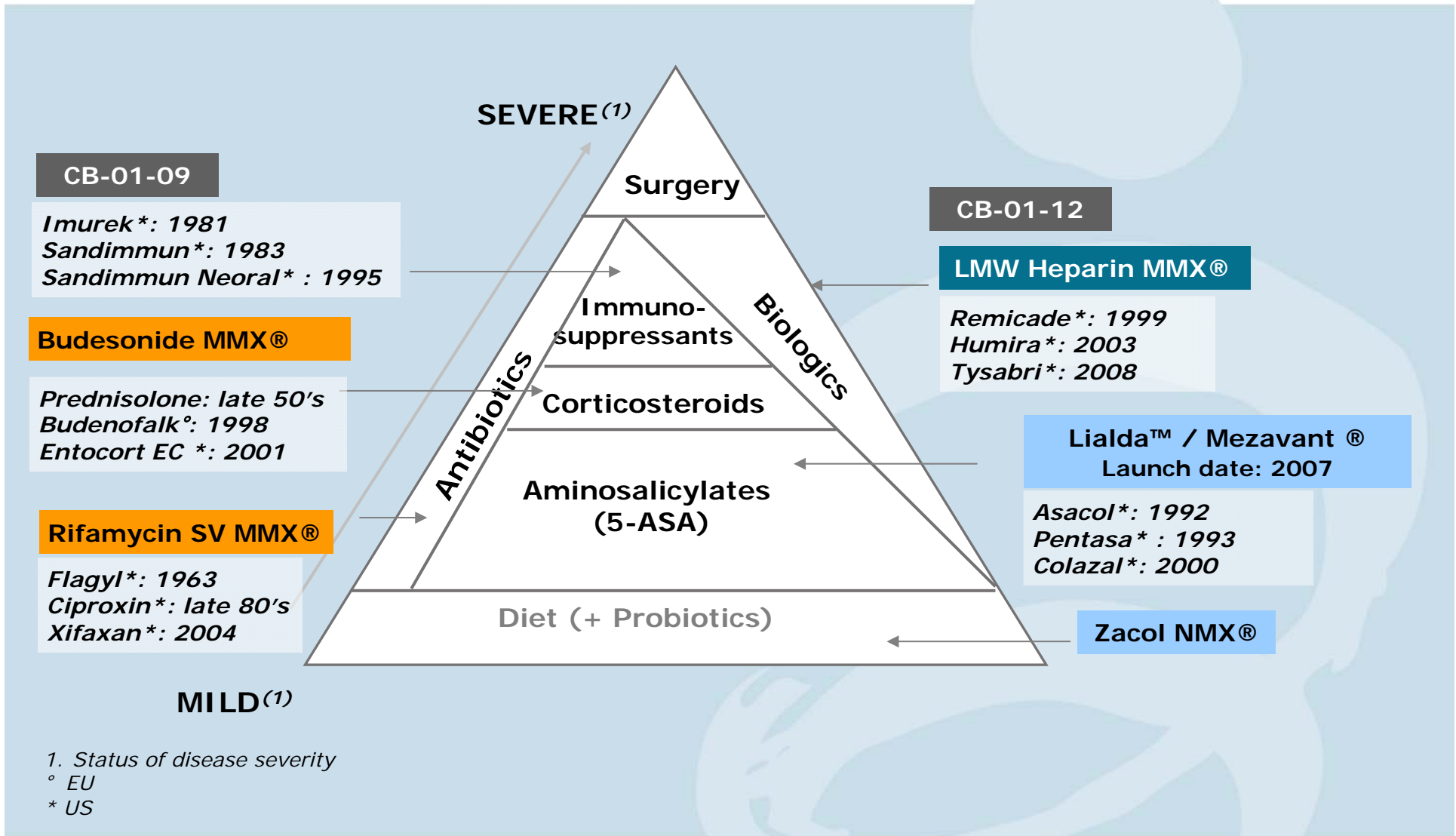
Cosmo Profile

- Entrepreneur led
- Focus on inflammatory bowel diseases
- Large, deep pipeline – low risk approach
- Proven, proprietary, patented MMX® technology that is platform for new product development
- Strongly increasing recurrent revenues, basically cash neutral, no further financings needed

Cosmo: continuous delivery on promises

- Got FDA approval for new plant in June 2006
- Got FDA approval for launch of Lialda™
- Signed European licensing agreement for next product Budesonide MMX® in 2007
- Successfully completed next stages of development for Budesonide MMX®, Rifamycin SV MMX® and LMW Heparin MMX®
- Signed Licensing Agreement for Rifamycin SV MMX® for USA and Europe in 2008
- Implemented first step of US strategy with equity stake in Santarus
- Attained profitability and cash generating status

Strong focus on IBD, a disease with very little recent innovation



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

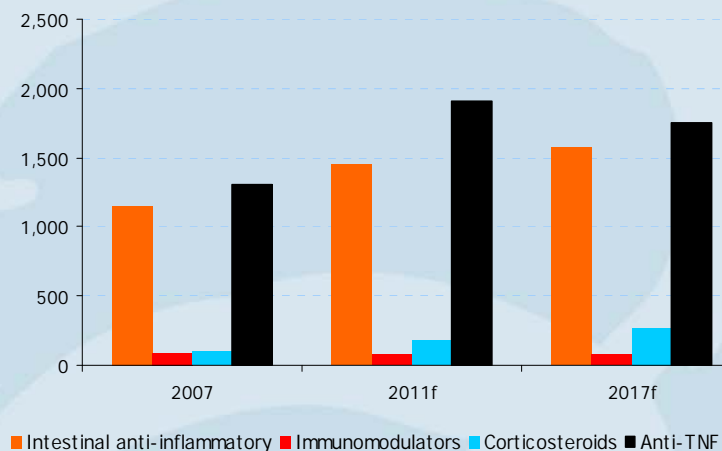
Product	Drug type	Indication	Ph I	Ph II	Ph III	MA	Launch	Partner	
Lialda™/Mezavant®	5-ASA	Mild to moderate Ulcerative Colitis	[Progress bar]				03/07 USA 10/07 UK	Shire	
Zacol NMX®	Dietary supplement	Intestinal disorders (nutraceutical)	[Progress bar]				12/05 ITA		
Budesonide MMX®	Corticosteroid	Mild to moderate Ulcerative Colitis	[Progress bar]				1Q 10	Ferring – Worldwide (excluding Japan & USA) Santarus - USA	
Rifamycin SV MMX®	Antibiotic	TD/ID	[Progress bar]				3Q 10	Dr. Falk – Europe & Australia (excluding Italy) Santarus - USA	
LMW Heparin MMX®	Biologic	(Mild to moderate) Ulcerative Colitis	[Progress bar]				4Q 10		
CB-03-01 (NCE)	Steroid ester, androgen antagonist	Acne, male pattern baldness, and hirsutism	PK Study	POC	[Progress bar]				2Q 10
			Steady State PK						
			Sensitivity Study						
Rifamycin SV MMX®	Antibiotic	CDAD	[Progress bar]				4Q 09		

IBD Markets: continuous double digit growth

Main Brand products	2007 Sales	2009f	2011f	2017f
Anti-TNF				
Remicade	1.2 b	1.3 b	1.2 m	483 m
Humira	149 m	348 m	604 m	636 m
Golimumab	0	0	33	222
Cimzia	0	21 m	87 m	97 m
Other	0	0	0	315
Total	1,306	1,628	1,906	1,754
Intestinal anti-inflammatory				
Lialda	27 m	161 m	237 m	334 m
Salofalk	47 m	89 m	152 m	235 m
Pentasa	321 m	343 m	260 m	222 m
Asacol	457 m	447 m	383 m	142 m
Claversal	29 m	28 m	26 m	27 m
Canasa	30 m	29 m	26 m	26 m
Azulfidine	26 m	26 m	26 m	25 m
Colazal	97 m	27 m	27 m	30 m
Other	118 m	198 m	313 m	540 m
Total	1,152	1,348	1,450	1,581
Corticosteroids				
Entocort	85 m	96 m	77 m	30 m
Budesonide MMX	0	0	54 m	134 m
Other	19 m	20 m	42 m	103 m
Total	104	116	173	267
Immunomodulators				
Sandimmune/Neoral	19 m	17 m	15 m	14 m
Purinethol	4 m	5 m	5 m	6 m
Other	64 m	62 m	61 m	61 m
Total	87	84	81	78
Other				
Tysabri	0	46 m	99 m	62 m
CCX-282	0	0	0	298 m
Ustekinumab	0	0	0	78 m
Generic	0	0	0	22 m
Total	0	46	99	460
TOTAL IBD MARKET	2,649	3,222	3,709	4,140
Growth rate	0	22%	15%	12%

IBD Market Sales 2006-2007 (US\$)

Region	2006	2007	Growth rate
7 Major markets	1,956	2,399	23%
Rest of Europe	160	209	31%
Canada	74	96	30%
Asia-Pacific	29	41	41%
South America	7	9	29%
Others	5	7	
Total	2,231	2,761	24%



Corporate Strategy

- **Transform from a contract drug manufacturer to a drug developer**
 - Lialda
- **Confirm MMX technology**
 - Develop further reformulations with Budesonide and Rifamycin
- **Improve return from licensing agreements**
 - Moving from 6% to 25-30%
- **Improve cost management in phase III**
 - Costs for phase III for Budesonide and Rifamycin in the USA and for Rifamycin in Europe borne by partner
- **Increase quality of clinical trial and regulatory approval process**
 - Santarus, Falk and Ferring are partners in these processes
- **Implement US distribution strategy**
 - Second largest shareholder of Santarus
- **Go for developments of high potential**
 - LMW Heparin and CB 03-01 on track
- **Enter into a joint development dialogue with major pharmas**
 - Protein and peptide delivery to the colon discussions started

- **Indication**
 - Patients with Ulcerative Colitis of mild to moderate severity
- **Great acceptance in markets**
 - Launch in March 2007, at end 2008 14% of all 5 ASA
 - 2009 projected sales: \$ 215 m
- **NPV of Lialda revenue streams for Cosmo**
 - € 100 m, at 10% discount rate, with minimally contractually guaranteed production, provided that the financial analysts projections are attained

Budesonide MMX®

- **Indication**
 - Patients with Ulcerative Colitis of mild to moderate severity, mainly that are refractory to 5-ASA's
- **Market Size**
 - Targeted first at the 21% of all patients that have mild to moderate disease but do not respond to 5-ASA treatments and also at the entire 5-ASA market because corticosteroids are more effective
- **Market need**
 - A tablet with the efficacy of a corticosteroid and the few side effects of salicylates

Budesonide MMX®: Status and Opportunities

- **Status**

- Phase III clinical trials underway in USA and EU;
 - Efficacy and safety of new oral Budesonide MMX® 9mg and 6mg, multicenter, randomized, double-blind, double-dummy comparative study versus placebo, with an additional reference arm evaluating Asacol® 2400 mg (in USA) or Entocort ® EC capsules (in EU).
 - Two times 480 patients; due to end Q4 2009. Per 31 March 2009 100 patients in US and 200 patients in EU

- **Opportunities**

- First steroid drug approved worldwide for patients with mild to moderate Ulcerative Colitis
- Use as first line treatment

Rifamycin SV MMX®

- **Indication**
 - Travellers and Infectious Diarrhoea
- **Market size**
 - Worldwide Travellers Diarrhoea market estimated at \$ 2 bn
- **Market need**
 - Most available drugs only address symptoms not the cause
 - Need for a non absorbable antibiotic that does not sterilize bacteria in stomach and upper gut and does not promote resistance

Rifamycin SV MMX®: Status and Opportunities

- **Status**

- Phase II trials completed
- Phase III trials in EU and US currently under design

- **Opportunities**

- Highly effective against Clostridium Difficile (CDAD)
- Given its anti inflammatory properties, Rifamycin SV MMX® could also be the drug of choice for the treatment of Diverticulitis, a chronic disease that affects more than 60% of people over the age of 60

LMW Heparin MMX®

- **Unfractionated heparin (UFH) and Low Molecular Weight Heparins (LMWHs)**
 - Anti-thrombotic and anticoagulant
 - Characterized by a spectrum of anti-inflammatory and/or immunomodulatory properties
- **Hypothesis that it could become the drug of choice for IBD**

LMW Heparin MMX®: Status and Opportunities

- **Status**

- Completed phase IIb clinical trials; demonstrated that LMW Heparin MMX®, when associated to 5-ASA's,
 - Has no side effects
 - Stops bleeding is substantially more effective than 5 ASAs
 - has disease modifying properties
- Phase III clinical trials in EU and USA currently being prepared

- **Opportunities**

- Maximize the activity of currently applied drugs
- Avoid the prescription shift to monoclonal antibodies
- Position the product in direct competition with immuno-suppressants and potentially anti-TNF's

CB-03-01 to treat Acne and Seborrhoea

- **Activity**
 - Acts on the skin androgen receptor
 - Blocks the binding of androgen hormones to the sebaceous gland receptor, preventing the stimulating effect of androgens on the sebaceous gland.
 - Has moderate anti inflammatory activity, similar to hydrocortisone/HC
- **Market size**
 - 16% of US population suffer from acne
 - 10% of all women have hirsutism
 - 12% of all men have alopecia
- **Market need**
 - A treatment that is effective by topical application and does not cause hormonal imbalance

CB-03-01: Status and Opportunities

- **Status**

- First phase I study successfully completed
 - Well tolerated
 - No measurable side effects
 - Drug permeates skin and is quantifiable in plasma
- Phase II proof of concept study on 80 patients started in January 2009;
 - comparison to Retin-A and placebo
 - 47 patients enrolled to date

- **Opportunities**

- First topically effective anti-androgen treatment in the market

Pre clinical Pipeline

Product	Drug type	Indication	Projected start phase I
CB-01-12	Anti-TNF α	IBD	Six months after kick off by partner
CB-01-06	Immuno-suppressant	IBD	tbd
CB-01-13	COX-2 inhibitor	Colo rectal cancer prevention	Bound to the API clearance
CB-01-14	Antibiotic	Crohn's Disease	1H 09
CB-01-16	Opioid antagonist	Opioid Induced Constipation (OIC)	1H 09

Focus our search for molecules that are active in the colon and whose efficacy or safety profile can be improved by applying MMX[®] technology

Key Financial Highlights

In EUR m	2008	2007	%
Revenues	34.2	21.9	56
COGS	13.2	13.2	-
R&D expenditures	4.3	4.8	(10)
EBITDA	11.2	(.2)	Nmf
Net profit after tax	9.4	.1	Nmf
Cash and cash equivalents	22.2	25.5	(13)
Total assets	57.8	47.2	22

USA Strategy

- **Santarus**
 - Managed PPI Zegerid through the development and approval process. 200 own sales people and 100 contract sales people. First time positive cash from operations in Q4 08. Sales of \$ 130 m in 2008
- **Budesonide & Rifamycin**
 - 6 m Santarus shares and \$ 2.5 m up front, re-imburement of \$ 2.8 m of accrued clinical trial costs, \$9 m clinical and regulatory milestones, up to \$ 57.5 m commercial milestones first sales, plus up to \$ 6 m clinical and regulatory milestones for second indication for Rifamycin
 - double digit royalties and goods exclusivity
- **Other indications**
 - LMW Heparin and other MMX applications open
- **Strategic link**
 - 10.4% stake to increase to <19.9% by payment of milestones in shares at option of Cosmo.

Anticipated Upcoming Milestones

- CB-03-01 phase II proof of concept results in Q3 09
- Start phase III clinical trials for Rifamycin SV MMX® in EU and North America
- Decision on LMW Heparin positioning in 2009

Summary

- **First product has been most successfully launched**
- **Clinical progress has been achieved in all projects**
- **Licensing agreements with first class partners were signed for both advanced reformulation projects**
- **One part of US strategy was executed; freedom for other options was retained**
- **Made a profit in 2008**
- **Have practically no debt, are cash positive and plan to continue being so**
- **Do not need outside cash to attain strategic objectives**

- **Since IPO on SIX two years ago**
 - No new shares were issued, no debt was taken on
 - No manager nor core shareholder has sold shares, „insider stakes increased“
 - The share is now trading 43% below issue price and just marginally above the NPV of the projected Lialda cash flows

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