



Cosmo announces full year results 2007

-- Strong revenue growth, profitability, growing pipeline --

Lainate, Italy – March 4, 2008 – Cosmo Pharmaceuticals SpA (SWX: COPN) today published its preliminary results for the year ended 31 December 2007.

Financial highlights

- Revenue increased by 44.5% to € 21.9 million
 - Revenues from MMX™ based products increased 210% to € 7.3 million of which only € 3.5 million is non recurring
 - Contract drug manufacturing increased by 13.9% to € 14.6 million
- Operating costs increased by 21.1% to € 22.7 million (including costs of goods sold) reflecting increased R&D activities:
 - All clinical trial and research costs were expensed
 - Personnel increased by 6% to 125 persons
 - One-off personnel expenses allocated to all personnel, amounted to € 1.0 million
- EBITDA generated amounted to € 1.2 million
- Net profit of € 0.1 million, up from a post tax loss of € 0.3 million in 2006

Operational highlights

- Lialda™, the first product with Cosmo's proprietary MMX™ technology, launched in the US in March 2007 by Shire Plc; attained US 5 ASA market share of 8%
- Progress achieved in all research projects and clinical trials:
 - Budesonide MMX™ began phase III trials in the USA and EU
 - Rifamycin SV MMX™ completed phase IIb trials and reached the targeted primary end point of non inferiority vs Normix®
 - Last patient was treated in the phase IIb LMW Heparin MMX™ trial in November
 - Indication for Rifamycin SV MMX™ was extended to CDaD
 - Anti Androgen project began preparation for phase I trial
 - Anti TNFα project, anti opioid induced constipation project and the colorectal cancer prevention project all progressed.
- In October a licensing agreement was signed with Ferring SA for Budesonide MMX™ for the EU, Latin America and Asia excluding Japan

Mauro Ajani, CEO of Cosmo Pharmaceuticals, commented: "I am pleased to announce strong progress in our first full year as a publicly listed company. The successful market introduction of Lialda™ in the US was based on the unique characteristics of our MMX™ technology and I consequently believe that it is an excellent proxy for the success of our future MMX™ products. The agreement with Ferring validates this and we have continued to quickly develop our innovative drug pipeline. As an entrepreneur I am further most happy that we were able to achieve strong growth and at the same time reach profitability. We are well positioned to build further on this in 2008."



Key Financial Parameters:

In € million (with the exception of the Share data in €)	2007 (consolidated)	2006 (consolidated)
Revenues	21.9	15.2
Cost of Goods sold	(6.6)	(5.4)
Personnel expenses	(6.6)	(4.9)
Other operative costs	(8.3)	(6.8)
Profit (Loss) before taxes	0.2	0.5
Net Profit (Net loss)	0.1	(0.3)
<i>Profit (loss) per share</i>	<i>0.01</i>	
	31.12.2007 (consolidated)	31.12.2006 (consolidated)
Cash position	25.5	0.5
Total Assets	47.2	25.3
Inflows due to IPO (net)	30.0	

For more detailed information and explanations please visit www.cosmopharmaceuticals.com.

Outlook: In 2008, we expect continued strong growth in revenues from Lialda™ sales, the signing of a licensing agreement for Rifamycin SV MMX™ in Europe and a positive financial result. Finalising our distribution strategy with focus on the US market is also a priority for 2008.

Management is confident that sales of Lialda™ in the USA and of Mezavant™ in EU will continue growing quickly and that revenues from royalties and manufacturing will strongly expand. The Company further expects that its contract drug manufacturing business will also continue to grow steadily.

Cosmo expects to sign the licensing agreement for Rifamycin SV MMX™ for the EU in the first half of 2008.

Cosmo expects phase IIb results of its clinical program for LMW Heparin MMX™ in the first quarter of 2008. Cosmo is also planning to bring four projects into phase I and to identify two new preclinical projects.

Although the external cost of new clinical trials will continue to rise to around € 13 million, management anticipates a small profit for 2008.

Media and Analyst Conference

Cosmo Pharmaceuticals will host a media and analyst conference in English on March 4, 2008, at 9hrs CET at Haus zum Rüden in Zurich.



About Cosmo Pharmaceuticals

Cosmo is a speciality pharmaceutical company that aims to become a global leader in optimised therapies for certain gastrointestinal diseases. The company's proprietary clinical development pipeline specifically addresses innovative treatments for IBD, such as ulcerative colitis and Crohn's disease, and colon infections. Cosmo's first MMX™ product that has reached the market is LIALDA™ / MEZAVANT™, a treatment for IBD that is licensed globally to Giuliani and Shire Pharmaceuticals. Cosmo's proprietary MMX™ technology is at the core of the company's product pipeline and was developed from its expertise in formulating and manufacturing gastrointestinal drugs for international clients at its GMP (Good Manufacturing Practice) facilities in Lainate, Italy. For further information on Cosmo, please visit the Company's website: www.cosmopharmaceuticals.com

Next events

Annual General Meeting	April 23, 2008, Zurich
Investor and Analyst Day	April 23, 2008, Zurich
Investor and Analyst Day	April 24, 2008, London
Half-year results 2008	July 30, 2008, Milan

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