



Cosmo Pharmaceuticals reports HY results

--Strongly Increased sustainable revenues, continued progress in R&D pipeline --

Lainate, Italy – July 30, 2008 – Cosmo Pharmaceuticals S.p.A. (SWX: COPN) announced today its half-year results for the period ended 30 June 2008.

Highlights:

- LMW Heparin MMX™ successfully completed phase IIb trials meeting the primary and secondary clinical end points for induction of remission in patients with mild to moderate Ulcerative Colitis.
- Lialda™, the once a day oral formulation of mesalamine (5-ASA) for the induction of remission of mild to moderate Ulcerative Colitis, gained a market share of 11.3% of all 5-ASA tablet sales in the USA at 27 June 2008, just 15 months after its launch.
- CB-03-01, Cosmo's novel new chemical entity for the topical treatment of Acne, Hirsutism and Androgenic Alopecia, completed phase I clinical trials in Vienna. Results are expected shortly.
- In spite of higher R&D expenses and investments in working capital, cash and equivalents decreased by only EUR 1.6 million to EUR 23.9 million.

Mauro Ajani, CEO of Cosmo Pharmaceuticals, commented: "During this period, we have continued to benefit from Lialda's success, with higher than expected sales. Our clinical development activities are proceeding well and we are making progress in our European licensing efforts, as well as towards the execution of our US strategy."

In the first 6 months revenues reached EUR 11.9 million, up 20.3% over the same period last year. Manufacturing revenues grew by 27.9% while cost of goods sold only increased by 2.4%. Even though total personnel grew by 6.5% to 133 people, personnel expenses declined by 11.7% because of a one time payment made in 2007. The improved margins were primarily due to the steady shift of manufacturing capacity to the manufacturing of MMX™ based products which are more profitable. The total revenue of MMX™ based products grew by 81.4% and now accounts for 41.6% of the revenue of the company. Late-stage clinical trials for Budesonide MMX™ in the USA and EU were initiated driving clinical development costs up by 44% to EUR 3.2 million, in line with our expectations.

The basic and diluted loss per share, dividing the net loss attributable to shareholders by the weighted average number of ordinary shares during the period, decreased from EUR 0.13 to EUR 0.06 per share.

Cash and cash equivalents at the end of the period totalled EUR 23.9 million, a decrease of only 6.4% from the end of last year.

Financial Summary

In EUR million (except per share information)	1HY2008	1HY2007
Revenue	11.9	9.9
Cost of sales	(6.7)	(6.5)
Research & development expenses	(3.2)	(2.2)
Selling, general and administrative expenses	(2.7)	(3.8)
Operating result	(0.7)	(2.5)
Profit /(loss) before taxes	(0.4)	(2.4)
Profit /(loss) after taxes for the period	(0.8)	(1.7)
Loss per share	0.06	0.13
	30.6.2008	31.12.2007
Cash and cash equivalents	23.9	25.5
Total assets	47.9	47.2

For additional disclosure and notes revert to the full half-year report on Cosmo's website.

Outlook: Lialda™ sales, Rifamycin SV MMX™ agreement

Cosmo is confident of continuing strong development of the sales and corresponding revenues from Lialda™ in the USA. Management expects financial results for 2008 at around break even despite the increasing development costs of new clinical trials.

Cosmo expects to sign a licensing agreement for Rifamycin SV MMX™, a treatment for infectious diarrhoea, for Europe in the second half of 2008. For the remainder of 2008, Cosmo also expects to initiate phase III clinical trials for Rifamycin SV MMX™ and phase II clinical trials for CB-03-01.

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 Limited. 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

FY results 2008	March 23, 2009
Annual General Meeting	April 20, 2009

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