



Cosmo reports strong revenue growth, €9.4 million net profit for 2008 and a confident outlook for 2009

Lainate, Italy – March 23, 2009 – Cosmo Pharmaceuticals S.p.A. (SIX: COPN) today published its results for the year ended 31 December 2008.

Financial highlights

- Total revenue increased by 56.0% to €34.2 million
 - Revenues from MMX[®] based products increased by 186.9% to €21.0 million
 - Manufacturing of MMX[®] based products increased by 165% to €7.1 million
 - Royalties from MMX[®] based products increased by 206% to €3.5 million
 - One time license fees and milestones increased by 197% to €10.4 million
 - Other contract drug manufacturing revenue decreased by 8.3% to €12.4 million
- Operating costs increased by 3.8% to €23.0 million reflecting excellent cost control at a time of increased late-stage development activity
 - Cost of goods remained flat at €13.2 million
 - Total research and development costs of €11.0 million
 - €3.0 million reimbursed by partners
 - €4.3 million expensed
 - €3.8 million capitalized
 - Personnel increased by 4.8% to 131 FTE's
- EBITDA of €12.8 million versus € 1.2 million in 2007
- Net profit increased substantially to €9.4 million (2007: €0.1 million)

Operational highlights

- Lialda[™], for the induction of remission in patients with Ulcerative Colitis (UC) attained a share in the relevant 5-ASA market of 14% in the US
- Progress achieved in all research projects and clinical trials:
 - A Special Protocol Assessment (SPA) agreed with the FDA for Budesonide MMX[®], a corticosteroid developed by Cosmo for the treatment of UC, phase III clinical trials underway in the US and EU
 - Rifamycin SV MMX[®] phase III clinical trials designed for the initial indication of treatment of patients with travellers' diarrhoea
 - LMW Heparin MMX[®] successfully completed phase IIb trial
 - Phase II proof of concept trial of CB-03-01 started
 - New preclinical projects for MMX[®] tablet applications of proteins and peptides initiated
- Strategic collaboration signed with Santarus Inc (NASDAQ: SNTS) for Budesonide MMX[®] and Rifamycin SV MMX[®] in the US

- Licensing agreement signed with Dr. Falk Pharma for Rifamycin SV MMX[®] in EU

Mauro Ajani, CEO of Cosmo Pharmaceuticals, commented: “We are pleased to have achieved another set of strong results with high growth in revenue, substantial profit and progress across our entire development portfolio in 2008. Following the success of Lialda in building its strong market position and our significant progress with our clinical projects. we are now well placed to explore the possibility of applying our MMX technology to a number of peptides and proteins to bolster our pipeline with novel drug candidates.

“Strategically, we made the important decision of selecting Santarus as our US partner for Budesonide MMX[®] and Rifamycin SV MMX[®]. The equity ownership position we have taken in Santarus will further align our interests and this reflects our confidence in the long-term value of Santarus’ business. In Europe we concluded a licensing agreement for Rifamycin SV MMX[®] with Dr Falk Pharma, a leading gastro intestinal specialty pharma company. In 2008 we have achieved excellent revenue growth, substantial profits and a strong cash position as we look to fund our future development.”

Key consolidated financial figures:

In € million (with the exception of the share data in €)	2008	2007
Revenues	34.2	21.9
Cost of goods sold	(13.2)	(13.2)
Research and development costs	(4.3)	(4.8)
Selling general and administrative costs	(5.5)	(4.7)
Profit before taxes	11.6	0.2
Net profit (/loss)	9.4	0.1
<i>Profit per share</i>	0.68	0.01
	31.12.2008	31.12.2007
Cash position	22.2	25.5
Total assets	57.8	47.2

For further information please visit www.cosmopharmaceuticals.com.

Confident outlook

Management is confident that sales of Lialda[™] in the US and of Mezavant[®] in EU should continue to grow healthily and that the Company’s revenues from royalties and manufacturing will increase in 2009. Following a slight drop in 2008, the Company again expects its contract drug manufacturing business to grow. However, management does not anticipate any substantial further licensing agreements to be finalised before 2010.

A strong emphasis will remain on cost control. Cost of goods is not expected to increase materially. As a result of Cosmo’s partners incurring the majority of the cost of the phase III clinical trials for Budesonide MMX[®] and Rifamycin SV MMX[®], the external cost of new clinical trials is likely to be lower than in 2008. The Company expects to hire additional personnel and selling, general and administrative expenses

will grow proportionally. Overall, Cosmo expects to be cash generative and profitable in 2009.

In clinical development, the Company anticipates results from its phase II trials for CB-03-01 in H2 2009 and will finalise the next clinical trial design for LMW Heparin MMX[®] during H2 2009. Cosmo is also planning to move at least one preclinical project into phase I and to identify two new preclinical projects in 2009.

FY08 results presentation and conference call at 11am CET on 23 March 2009

Mauro Ajani, CEO, Luigi Moro, CSO and Chris Tanner, CFO and Head of Investor Relations, will present the full year results and discuss the outlook for 2009 at a media and analyst conference to be held in SIX Swiss Exchange Convention Point (Selnaustrasse 30 8021 Zurich) at 11am CET on 23 March 2009.

Participation is also possible via conference call. The dial-in numbers are as below:

+41 (0)91 610 56 00	Continental Europe
+44 (0)207 107 06 11	UK
+1 (1) 866 291 41 66	USA

The presentation is available for download at cosmopharmaceuticals.com.

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	20 April 2009, Lainate
Half-year results 2009	29 July 2009, Lainate

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