



Cosmo Pharmaceuticals S.p.A. launches IPO on the SWX Swiss Exchange

Lainate, Italy – 26 February 2007 – Cosmo Pharmaceuticals, a specialty pharma company that aims to become a global leader in optimised therapies for certain gastro intestinal (GI) diseases, today announced details of its planned initial public offering on the SWX Swiss Exchange. Up to 3,419,130 primary shares will be placed and up to an additional 512,870 primary shares may be placed if the over-allotment option is exercised within 30 days following the first trading day. The price range per share being offered will be between CHF 22 and CHF 28. The market capitalisation will amount to approximately CHF 321.6m to CHF 409.3m without the over-allotment option being exercised. The offering consists of a public offering in Switzerland and an offering to institutional investors outside Switzerland and outside the United States of America pursuant to Regulation S of the U.S. Securities Act of 1933. Cosmo and its majority shareholder, Cosmo Holding S.p.A., have agreed to a lock-up for a period of 365 days and the other existing shareholders to a lock-up for a period of 6 months from the first trading day.

Bookbuilding is expected to commence on 26 February 2007 and to be concluded on 7 March 2007 by 5p.m. (CET). The offer price and the number of offered shares is expected to be published on 8 March 2007. Trading on the main segment of the SWX Swiss Exchange is scheduled to begin on 12 March 2007 at approximately 11a.m. (CET). Lehman Brothers International (Europe) Ltd. and Bank Sal. Oppenheim Jr. & Cie. (Switzerland) Ltd. are acting as Joint Global Co-ordinators and Joint Bookrunners.

Mauro Ajani, CEO of Cosmo, stated: “Since founding Cosmo in 1997, we have built up significant expertise in the development of therapies for gastrointestinal diseases. Our goal has always been to leverage our entrepreneurial spirit and business know-how, based on our cash generative manufacturing business, to develop treatments to address unmet medical needs. The SWX Swiss Exchange, with its exceptionally strong life sciences sector, is our market of choice. I am proud to present Cosmo Pharmaceuticals as a new investment opportunity with a robust, late-stage and primarily low-risk product portfolio to institutional and private investors.”

Chris Tanner, CFO, added: “Proceeds from the IPO are planned to be used primarily to finance the development of our product pipeline which uses the company’s proprietary MMX™ technology. The injection of new capital will enable Cosmo to retain control of its projects from preclinical development to commercialisation and to leverage the manufacturing business in order to further enhance growth. Proceeds from the IPO may also be used to purchase licenses or acquire new products and molecules, and to buy or build a U.S. sales and marketing organization.”

Cosmo's most advanced product is LIALDA™/MEZAVANT™ (mesalamine) with MMX™ technology, a once-daily oral treatment for mild-to-moderate ulcerative colitis, licensed globally to Giuliani and Shire plc. Shire plc received U.S. Food and Drug Administration (FDA) approval for LIALDA™ on 16 January 2007. LIALDA™/MEZAVANT™ is based on the company's proprietary MMX™ technology, which allows the oral delivery of active pharmaceutical ingredients into the lumen of the colon, in a delayed and controlled extent. In addition, Cosmo has one un-partnered product in phase III of clinical development and two un-partnered products in phase II of clinical development, all focused on the treatment of Inflammatory Bowel Diseases (IBD) and colon infections. Cosmo also has three products currently being marketed in Italy through third parties. The broad yet focused nature of Cosmo's pipeline allows the company to evaluate the full range of commercialisation strategies for its products. In addition, Cosmo provides drug formulation and manufacturing services to international pharmaceutical clients from its facilities in Lainate, Milan.

Cosmo Pharmaceuticals – Key combined figures

In thousand €	2006	2005
Revenues	15,158	15,506
EBITDA	3,147	2,914
Total assets	23,610	28,212
Net income	(137)	838
Employees (FTE)	117	104

Cosmo Pharmaceuticals – IPO data

Listing	SWX Swiss Exchange, Main Board
Ticker symbol	COPN
Offered Shares - newly-issued (capital increase)	3,419,130 primary shares plus over-allotment option of up to 512,870 primary shares
Indicative timetable	
Press conference	26 February 2007
Bookbuilding period	26 February 2007 – 7 March 2007
Notification of pricing and allocation	8 March 2007
First trading day	12 March 2007, 11a.m. CET
Settlement and closing	12 March 2007
Last day to exercise over-allotment option	11 April 2007

About Cosmo Pharmaceuticals

Cosmo is a speciality pharma 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 inflammatory bowel diseases (IBD), such as ulcerative colitis and Crohn's disease, and colon infections. Cosmo's most advanced development product is LIALDA™/MEZAVANT™, a treatment for mild-to-moderate ulcerative colitis that is licensed globally to Giuliani and Shire plc. 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. More on www.cosmopharmaceuticals.com

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For more information please contact

Dr. Chris Tanner, CFO and Head of Investor Relations

Cosmo Pharmaceuticals S.p.A.

Tel: +39 02 9333 7614

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