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Cosmo Pharmaceuticals S.p.A. seeks a listing on the SWX Swiss Exchange

Lainate, Italy – 12 February 2007 – Cosmo Pharmaceuticals, a specialty pharmaceutical company that aims to become a global leader in optimised therapies for certain gastrointestinal diseases, announced today that it is seeking to raise new funds through an initial public offering on the SWX Swiss Exchange within the next few weeks.

Cosmo's proprietary 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 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 Pharmaceuticals. Shire 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 delivery of active pharmaceutical ingredients into the lumen of the colon through tablets 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 products focused on the treatment of IBD and colon infections. 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.

Mauro Ajani, CEO of Cosmo, said: "We are delighted by the prospects of an IPO on the SWX Swiss Exchange. It will provide us with the required capital to finance the development of our pipeline, building on our proprietary and innovative MMX™ technology. The new funding will enable us to retain control of our projects from pre-clinical development through to commercialisation and thus to capture the maximum value from our current pipeline". Chris Tanner, CFO, added: "In the near to mid-term, Cosmo will focus on IBD treatments and colon infections. At a later stage, the Company plans to leverage the unique advantages of the MMX™ technology to develop novel drugs for other conditions of the colon."

Cosmo has grown based on a strong, commercially focused management team, encompassing the full range of capabilities required for an emerging fully integrated speciality pharma company, including product development, regulatory, manufacturing, sales and marketing. Rolf Stahel, former CEO of Shire Pharmaceuticals, was recently appointed Chairman of the Board.

Lehman Brothers International (Europe) and Sal. Oppenheim jr. & Cie. are acting as Joint Global Coordinators and Joint Bookrunners for the planned IPO.

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 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 GI drugs for international clients at its GMP (Good Manufacturing Practice) facilities in Lainate, Italy. For more information on the Company, please visit www.cosmopharmaceuticals.com

About Ulcerative Colitis

Ulcerative colitis is a type of inflammatory bowel disease (IBD) that produces inflammation and ulcers along the inside of the large intestine. The inflammation can interfere with the normal function of the colon, often causing cramping, bloating, diarrhoea, bleeding, fatigue, weight loss and frequent bowel movements which strongly affect the patients' quality of life. It is believed that as many as 1.4 million people in the United States and 2.2 million people in Europe suffer from IBD, or 0.5% of the Western world's population. Ulcerative colitis is a chronic relapsing-remitting illness for which there is no known cure. Patients can manage their symptoms. One issue that arises with ulcerative colitis patients is medication compliance and pill burden: many currently available ulcerative colitis treatments require multiple pills to be taken several times daily.

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