



Cosmo announces Licensing Agreement with Dr. Falk Pharma for Rifamycin SV MMX[®]

Lainate, Italy – November 24, 2008 – Cosmo Pharmaceuticals SpA, (SIX: COPN) announced today an agreement with Dr. Falk Pharma GmbH for the licensing of Rifamycin SV MMX[®] (CB-01-11). The agreement grants Falk an exclusive license for all of Europe (excluding Italy) and Australia.

Rifamycin SV MMX[®] is a broad spectrum, semi-synthetic antibiotic that is not systemically absorbed when taken orally. Through the use of Cosmo's MMX[®] technology, which delivers the active ingredient into the colon, bacteria in the upper gastro intestinal tract that are important for vitamin synthesis are not sterilized. Given that it is practically not absorbed, CB-01-11 is potentially also applicable for the treatment of long term respectively recurring infections in the colon.

Mauro Ajani, CEO of Cosmo, said: "I am very proud of this agreement because it formalizes our relationship with one of the most respected European pharmaceutical companies and further validates our innovative MMX[®] technology. Falk is one of the pioneers of the IBD sector and has a very experienced and extensive distribution network in Europe."

About Colon Infections

The most common colon infection is known as traveller's diarrhoea. It afflicts between 20% and 50% of all international travellers. Travellers diarrhoea is primarily caused by the ingestion of food or water tainted by bacteria.

Diverticulitis is the inflammation of diverticula of the colon that strikes mainly elderly people. With increasing age muscular elasticity decreases also in colon muscles. This allows the formation of extrusions of the wall of the colon called diverticula. 60 % of all persons over 60 have diverticula. When faecal matter gets trapped in the diverticula they become infected and inflamed.

Hepatic encephalopathy is a neurological disorder related to the liver impairment. In the presence of liver dysfunction, the ammonia produced in intestine by bacteria is not neutralized by the liver, so that it reaches the brain producing toxic effects. Antibiotics are necessary to reduce the bacterial production of ammonia. It affects around 20% of all people with cirrhosis of the liver.

Clostridium Difficile Associated Diarrhoea (CDAD) is primarily a hospital acquired infection of the colon that mainly affects elderly persons. This disease affects around 500'000 persons a year in the US and it can have epidemic dimensions that frequently lead to fatalities.

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 IBD, such as ulcerative colitis and Crohn's disease, and colon infections. Cosmo's first product is LIALDA™ / MEZAVANT® 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. For further information on Cosmo, please visit the Company's website: www.cosmopharmaceuticals.com

About Dr. Falk Pharma

Dr. Falk Pharma is a private German, research driven, specialty pharmaceutical company active in global markets. The company identifies, develops and markets innovative products in the areas of hepatology and gastroenterology. It has affiliates in several European countries and an extensive network of partners in the remaining European countries. The company out-licenses its products for sale outside of the EU. To learn more about Dr. Falk Pharma or its products please visit www.drfalkpharma.de.

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