



Cosmo reports a strong first half-year 2009

Lainate, Italy – 30 July 2009 – Cosmo Pharmaceuticals S.p.A. (SIX: COPN) announced today its half-year results for the period ended 30 June 2009.

Highlights:

- Revenue grew by 12.7% to EUR 13.4 million. Revenue from own products increased from 42.7% to 55.7% of total revenue
- Net profit after tax reached EUR 2.0 million, a substantial improvement over the EUR 0.8 million loss in the first half of 2008
- *Total comprehensive income* (IAS 1 revised), which includes gains in the value of the Santarus investment and in hedging, reached EUR 6.1 million, up from a loss of EUR 0.8 million last year
- 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 more than 15% of all 5-ASA tablet sales in the USA at 27 June 2009
- The phase III clinical trials of Budesonide MMX® in the USA and EU progressed with more than 50% of patients randomized
- Preparations for the Rifamycin SV MMX® phase III trial are almost complete following the conclusion of additional preclinical trials for the FDA
- Last patients randomized in first week of July for the CB-03-01 phase II clinical trial in men with acne, the first new chemical entity that Cosmo is developing. Preliminary data report expected Q4 2009

Mauro Ajani, CEO of Cosmo Pharmaceuticals, commented: “During these challenging times we have carefully managed to improve our operating profit, primarily due to Lialda™’s continued success. Alongside we have maintained our focus on advancing Cosmo’s clinical pipeline and broadening our investigations into other MMX® formulations. I am very pleased with our achievements and look forward to reporting on the goals we have set ourselves for the full year.”

In the first six months revenues reached EUR 13.4 million, an increase of 12.7% compared to the same period last year, driven principally by a 207.4% increase in revenue received from license fees and royalties to EUR 4.2 million. Overall manufacturing revenues declined by 17.6%, partially because two large clients deferred the market introduction of a product Cosmo was scheduled to manufacture, and also due to Lialda™ manufacturing now reaching a normalized level after the initial marketing push.

Costs have been tightly controlled during the period. The cost of goods sold decreased by 4.5% and selling, general and administrative costs remained unchanged from last year. Research and development costs declined by 15.5%

because late stage clinical trial costs were capitalized and because our partners Santarus and Dr. Falk Pharma share an increasing part of the costs. The total revenue of MMX[®] based products grew by 47% and now accounts for 55.7% of the revenue of the Company.

The basic and diluted profit per share, dividing the net profit attributable to shareholders by the weighted average number of ordinary shares during the period, reached EUR 0.15, up from a loss of EUR 0.06 per share in the first half of 2008.

Cash and cash equivalents at the end of the period totalled EUR 20.4 million, a decrease of 8.2% from the end of last year. In addition, financial assets available for sale increased by 76.9% to EUR 12.0 million reflecting the increase in the value of the Santarus shares held by the Company and the currency hedges.

Key consolidated financial figures:

In EUR million (with the exception of the share data in EUR)		
	H1 2009	H1 2008
Revenue	13.4	11.9
Cost of sales	(6.4)	(6.6)
Research and development expenses	(2.7)	(3.2)
Selling, general and administrative expenses	(2.7)	(2.7)
Operating result	2.0	(0.7)
Profit /(Loss) before taxes	2.6	(0.4)
Profit /(Loss) after taxes for the period	2.0	(0.8)
Profit /(Loss) per share	0.15	(0.06)
	30.6.2009	31.12.2008
Cash and cash equivalents	20.4	22.2
Financial assets available for sale	12.0	6.8
Total assets	62.8	57.8
Liabilities	13.7	14.5
Equity	49.1	43.2

For additional disclosure and notes revert to the full Half-Year Report 2009 on Cosmo's website.

Outlook

Cosmo is looking forward to data from the phase II proof-of-concept trial for CB-03-01 in acne but the Company is not budgeting any extraordinary income from CB-03-01 nor from potential licenses of Rifamycin SV MMX[®] for Asia and Latin America in 2009. Nevertheless, Cosmo is confident that sales and corresponding revenues from Lialda[™], as well as from contract drug manufacturing activities, will develop strongly and allow the Company to post a solid net profit after tax for 2009.

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. The technology is designed to deliver active ingredients in a targeted manner in the intestines. For further information on Cosmo, please visit the Company's website: www.cosmopharmaceuticals.com

Next events

Full-year results 2009	19 March 2010
Annual General Meeting	15 April 2010

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