



FOR IMMEDIATE RELEASE

CONTACT: Jay D. Kranzler, M.D., Ph.D., Chief Executive Officer
Mike Gendreau, M.D., Ph.D., Executive Vice President, Chief Medical Officer, Chief Scientific Officer
Manda Hall, Investor Relations Administrator
Cypress Bioscience, Inc.
(858) 452-2323

Media Contact: Mark Corbae, Corbae and Company Inc. (858) 546-2898

**CYPRESS BIOSCIENCE ANNOUNCES EXPANSION OF PROSORBA[®]
COLUMN PILOT PROGRAM**

SAN DIEGO, CA, August 4, 2000 Cypress Bioscience, Inc. (NASDAQ: CYPB) today announced that Fresenius Medical Care North America (FMCNA), in conjunction with its sister company Fresenius HemoCare (FHC), has agreed to expand a critical pilot program with Cypress. Earlier this year, Cypress announced a pilot program with FMCNA to facilitate the delivery of apheresis treatments using the PROSORBA column in the rheumatologist's office. This approach offers many benefits to the patient, including convenience and continued care by their rheumatologist throughout the 12-week treatment course.

Under this program, FMCNA purchased 1000 PROSORBA columns in June 2000, and has committed to purchase at least 1000 additional PROSORBA columns in each of the third quarter and fourth quarters of 2000. These columns will be used to support the pilot program as well as existing contracts that FMCNA already has in place with approximately 200 hospitals to provide therapeutic apheresis treatment in the traditional hospital outpatient setting.

“Cypress is pleased by the significant commitment made by FMCNA. The size and timing of these purchases are driven by Fresenius’ internal assessment of their needs, and Cypress is pleased to support their initiative. The focus on expanding the availability of PROSORBA column treatments in both the physician office and hospital outpatient setting, in combination with the recently announced decision by Medicare to cover the procedure, helps ensure that those patients in need of this important RA therapy have access to the treatment,” said Jay D. Kranzler, MD, Ph.D., Chief Executive Officer and Chairman of the Board of Cypress Bioscience, Inc.

The PROSORBA column was approved by the Food and Drug Administration (FDA) in March of 1999 for the treatment of rheumatoid arthritis (RA). PROSORBA column treatments typically take place in the outpatient hospital setting and are administered in conjunction with a process called apheresis.

The PROSORBA column is indicated for use in the therapeutic reduction of the signs and symptoms of moderate to severe RA in adult patients with long standing disease who have failed or are intolerant to disease-modifying anti-rheumatic drugs (DMARDs). In the double-blinded, sham-apheresis controlled Phase III clinical trial of the PROSORBA column for RA, nearly half of the patients who completed all 12 PROSORBA treatments showed significant clinical improvement by stringent American College of Rheumatology (ACR) criteria. The response was often durable, lasting up to 84 weeks in some patients. The patients had a statistically significant reduction in swollen and tender joint counts, as well as other improvements, and their response was maintained in the absence of any other DMARD therapy during and after treatment. The study enrolled 109 patients who were considered the most severely affected of the RA population and in need of therapeutic options, having suffered from the disease for an average of 15.5 years (1.7 years minimum to 50.6 years maximum disease duration for the PROSORBA column patients) and having failed an average of 5 different DMARD regimens.

About Cypress Bioscience, Inc.

Cypress Bioscience, Inc. markets the PROSORBA column for treatment of RA and idiopathic thrombocytopenia purpura (ITP), and is engaged in the development of other novel therapeutic agents for the treatment of immune disorders. In March 1999, the Company entered into an agreement that granted Fresenius AG and Fresenius HemoCare, Inc., an exclusive license to manufacture and distribute the PROSORBA column in the U.S., Europe and certain other territories. In April 1999, Cypress and Fresenius launched the sale of the PROSORBA column for the treatment of moderate to severe RA in the United States. European approval for the column was obtained in March 2000. The PROSORBA column was previously cleared by the FDA in 1987 for use in ITP, an immune bleeding disorder. In addition, Cypress is developing Cyplex™ (Infusible Platelet Membranes), which is positioned to become an alternative for traditional platelet infusions. For more information about the PROSORBA column and Cypress, please visit the company's Web site at www.cypressbio.com.

Except for historical information contained herein, this news release contains forward-looking statements regarding Cypress Bioscience, Inc. and Fresenius Medical Care that involve risks and uncertainties, including, but not limited to the Company's and Fresenius' ability to market successfully the PROSORBA column for use as a treatment for RA; whether the cooperative program with Fresenius Medical Care North America will be successful and even if successful, whether any new sites will be opened in this year, whether the Company will be successful in collaborating with Fresenius; whether the final survey data related to the clinical use of the PROSORBA column as a treatment for RA will confirm the preliminary data; whether the sales of the PROSORBA column for the RA indication will continue to increase, whether FMCNA will purchase any additional PRSORBA columns; and the Company's ability to develop and receive regulatory clearance for Cyplex™ on a timely basis, if at all, as well as other risks detailed from time to time in the Company's and Fresenius Medical Care's SEC reports, including the company's annual report on form 10-K/A for the year ended December 31, 1999 and its most recent quarterly report on form 10-Q.

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