



FOR IMMEDIATE RELEASE

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**CYPRESS BIOSCIENCE ANNOUNCES EXPANSION OF
AGREEMENT WITH SANQUIN BLOOD SUPPLY FOUNDATION**

Activities to focus on process development and scale-up of Cyplex™

SAN DIEGO, CALIFORNIA – February 14, 2001 - Cypress Bioscience, Inc. (NASDAQ:CYPB) announced today that it has extended and expanded an existing agreement with the Sanquin Blood Supply Foundation, CLB Division (CLB), formerly known as the Dutch Red Cross Blood Transfusion Service, for the development of Cypress' proprietary platelet alternative, Cyplex™.

"With this agreement, both organizations are indicating optimism, based on the data generated to date, that Cyplex has the potential to become a significant product within the global multi-billion dollar blood products market," said R. Michael Gendreau, M.D., Ph.D., Executive Vice President, Cypress Bioscience. "Cyplex is being developed as an alternative to platelets that may be used in clinical situations where platelets are ineffective, inappropriate, or unavailable, and due to its extended shelf life, it will allow hospitals, surgical centers, and the military to stock an ample supply of platelet substitutes."

In February 1998, Cypress and the CLB entered into a collaboration for further process development of Cyplex with the goal of improving yields and implementing process changes that would support the manufacturing scale-up to commercial needs. As a result of the considerable progress made, Cypress and the CLB have structured a new agreement intended to support the remaining development efforts up to commercialization. The financial costs of the program will be split equally by both parties, and leverages CLB's significant infrastructure and proven manufacturing capabilities. "Because Cyplex is currently the only product of its kind in development, and may fulfill an important unmet medical need, we are pleased to have selected Cyplex as one of the priority medical products on which to focus our resources," commented Robert Tiebout, Managing Director of the Products Division of the Sanquin Blood Supply Foundation, "We look forward to continuing our collaboration with Cypress on establishing a scalable, economic production process for Cyplex." In partial consideration for their contributions, the

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agreement grants the CLB the right to manufacture and sell Cyplex in certain geographic areas, including, Belgium, the Netherlands and Luxemburg.

Cyplex, derived from human platelet membrane fragments, is a potential clinical substitute for traditional platelet transfusions that may offer important benefits over traditional platelet replacement therapy. Through a heat treatment step, Cyplex is virally inactivated similar to other blood-substitute products while retaining many normal platelet functions, including pro-coagulant activity (blood clotting) and adhesion, while surface antigens that can cause many of the problems associated with platelet transfusions are removed. The resulting product reduces or eliminates many of the disadvantages of intact platelets, including: the need to cross-match donor to recipient; the possibility of viral or bacterial contamination; and the potential for the development of antibodies directed toward donor platelets, which results in a life-threatening condition known as refractoriness in which the recipient's immune system immediately destroys the infused platelets. Cyplex can be manufactured from fresh or outdated platelets, and can be more easily stored than conventional platelets. In addition, Cyplex has at least a one-year shelf life as compared with the five-day useful life of fresh platelets.

About Cypress Bioscience, Inc.

Cypress is engaged in the development of novel therapeutic agents for the treatment of rheumatologic disorders and blood platelet disorders. In addition to the Cyplex platelet alternative program, Cypress has begun a program directed at treatment of Fibromyalgia Syndrome ("FMS"), the second most commonly diagnosed rheumatological disorder after osteoarthritis. For more information about Cypress, please visit the company's Web site at www.cypressbio.com.

This press release, as well as Cypress' SEC filings and web site at <http://www.cypressbio.com>, contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could vary materially from those described as a result of a number of factors, including those set forth in Cypress Annual Report on Form 10-K and any subsequent SEC filings. In addition, there is the risk that Cypress and the CLB will not be able to successfully develop, improve the manufacturing of, or receive regulatory clearance for Cyplex on a timely basis, or at all, even if approved that Cyplex will not become a significant product within the blood products market; that Cypress and CLB will not be able to successfully improve the yields and scale-up of Cyplex on a commercial basis or that Cypress may not be able to successfully develop or market any products for the treatment of Fibromyalgia Syndrome. Cypress undertakes no obligation to revise or update these forward-looking statements to reflect events or circumstances after the date of this press release, except as required by law.

About Sanquin Blood Supply Foundation, CLB Division (CLB).

The CLB, formerly known as the Central Laboratory of the Netherlands Red Cross Blood Transfusion Service, manufactures and supplies blood derivatives predominately for the Dutch Market. The CLB is a division of the Sanquin Blood Supply Foundation, which is the organization responsible for the non-profit blood supply system in The Netherlands.