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Cypress Bioscience, Inc. Establishes Collaboration with Collegium Pharmaceutical Inc. to Develop Second Generation Milnacipran

SAN DIEGO – September 5, 2002 - Cypress Bioscience, Inc. (NASDAQ: CYPB) today announced that it has entered into an agreement with Collegium Pharmaceutical, Inc., a closely held specialty pharmaceutical company, to develop novel formulations and new analogs of milnacipran. The goal of the collaboration is to develop follow-on products with superior performance to the current formulation of milnacipran, thereby extending the Company's milnacipran franchise, and strengthening its intellectual property position with respect to milnacipran, in particular, and the category of drugs known as Norepinephrine Serotonin Reuptake Inhibitors (NSRIs), in general.

Collegium, based in Hingham, MA, is led by a management team with significant expertise in developing novel formulations of currently marketed or soon-to-be marketed products for both the brand and generic industries. Their experience extends to many functions of the pharmaceutical industry including sales and marketing, clinical development, manufacturing, drug formulation, and regulatory affairs. It is this unusual combination of multi-functional skills that makes Collegium truly unique among its peers in the specialty pharmaceutical business.

The founders of Collegium include Jane Hirsh, founder and former CEO of Copley Pharmaceutical, Michael Heffernan, former CEO of Innovative Clinical Solutions and Clinical Studies Ltd., Michael Rothman M.D., founder of Clinical Studies Ltd., and Mark Hirsh D.D.S., a co-founder of Copley. In addition, Collegium has assembled a team of scientific partners that will complement its efforts and are involved in the "hands-on" management and implementation of its product development programs. This group of scientific partners includes a team of distinguished Professors from the Department of Chemistry of the Massachusetts Institute of Technology (MIT), as well as others with significant experience in drug formulation, chemistry, and manufacturing. Members of the Collegium team working on the Cypress project include:

- Alexander Klibanov Ph.D.- Professor of Chemistry and Bioengineering, MIT
- Stephen Buchwald Ph.D. – Professor of Chemistry, MIT
- Timothy Swager Ph.D. – Professor of Chemistry, MIT
- Shubha Chungi M.S.- Former Senior Director of Formulation Development, Copley Pharmaceutical
- Roman Rariy Ph.D.- Pharmaceutical Chemist/Project Manager, Collegium Pharmaceutical

"We view the Collegium team as an extension of our own research and development effort, and are looking forward to the opportunity to work with these leaders in the area of drug development. Based on the exceptional track records of Collegium's principals and scientific partners, we believe that we will succeed in our effort to build and maintain a leadership position in the treatment of Functional Somatic Syndromes and in NSRI drug development," said Jay D. Kranzler, M.D., Ph.D., Chairman of the Board and Chief Executive Officer of Cypress.

Milnacipran, the first of a new class of agents known as NSRIs, or Norepinephrine Serotonin Reuptake Inhibitors, is already approved for the treatment of depression in 22 countries, and has been used in over 400,000 patients. It is currently the 3rd best selling antidepressant in Japan. Cypress is currently studying milnacipran in an ongoing phase II clinical trial for the treatment of Fibromyalgia Syndrome, or FMS. Like the tricyclic antidepressants (TCAs), which are first-line treatment for many chronic pain states, milnacipran has a preference for norepinephrine over serotonin. It therefore shares a pharmacological profile with the TCAs, considered the most effective drugs for treatment of many Functional Somatic Syndromes, while appearing to lack the side effects associated with TCAs.

“The psychiatric community has embraced dual action reuptake inhibitors as the preferred choice for treating their depressed patients. While milnacipran meets this need, its norepinephrine preference extends its potential utility to chronic pain conditions as well,” said Mike Rothman, M.D., of Collegium. “We are proud to be working with Cypress on a program we believe has exceptional promise, both clinically as well as commercially”.

Pursuant to the terms of the agreement with Collegium, Cypress paid Collegium an upfront fee and is obligated to pay Collegium additional monthly installments. Cypress also agreed to reimburse Collegium for its out of pocket expenses, subject to a maximum amount. In addition, there are milestone payments payable to Collegium in the event certain events occur and royalties if a product is developed under the agreement.

About Cypress Bioscience Inc.

Cypress is committed to be the innovator and commercial leader in providing products for the diagnosis and treatment of patients with Functional Somatic Syndromes, such as FMS, and other related chronic pain and central nervous system disorders. In January 2001, the Company began a strategic initiative focusing on FMS. In August 2001, Cypress licensed its first product for clinical development, milnacipran. Milnacipran, the first of a new class of agents known as NSRIs, or Norepinephrine Serotonin Reuptake Inhibitors, shares a pharmacological profile with the tricyclic antidepressants (TCAs), considered the most effective drugs for treatment of FMS, while appearing to lack the side effects associated with the latter. Milnacipran is currently being evaluated as a potential treatment for FMS in a Phase II clinical trial. For more information about Cypress, please visit the Company's web site at www.cypressbio.com. For more information about FMS, please visit www.FMSresource.com.

About Collegium Pharmaceutical, Inc.

Collegium is a closely held specialty pharmaceutical company engaged in the development, formulation and commercialization of proprietary pharmaceutical products for the prescription and over the counter markets. By leveraging its expertise in drug formulation, selection of optimal delivery systems, clinical development, knowledge of the manufacturing process, understanding of sales, marketing and distribution, and its world class group of scientific partners, the company is developing a portfolio of products across various therapeutic areas. Collegium intends to bring these products to market through direct sales and marketing efforts, as well as, out-licensing initiatives.

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 we may not be able to successfully develop or market any products for the treatment of FMS or other Functional Somatic Syndromes under the Pierre Fabre agreement or at all; that Collegium may not be able to develop any novel formulations or new product analogs of milnacipran and even if developed, these products may not be safe or effective; that we may not strengthen our portfolio of patents related to milnacipran and around the category of drugs known as NSRIs; that we may not succeed in our effort to build and maintain a leadership position in the treatment of Functional Somatic Syndromes and in NSRI drug development; that our clinical development plan or timeline for milnacipran may be delayed, including our Phase II clinical trial; that the fact that milnacipran has a preference for norepinephrine over serotonin may not extend its potential utility to chronic pain conditions; that we may encounter regulatory or other difficulties in the development of milnacipran for FMS or other Functional Somatic Syndromes; that milnacipran may not significantly improve the treatment of FMS or other Functional Somatic Syndromes. 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.