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Cypress Bioscience Revises Milnacipran License with Pierre Fabre Médicament to Improve Economic Terms and Expand the Licensed Field

SAN DIEGO, CA – June 9, 2003 – Cypress Bioscience, Inc. (NASDAQ: CYPB) announced today that it has modified its Milnacipran license agreement with Pierre Fabre Médicament, SA, Paris, France. The revised agreement expands the licensed field beyond the existing field of Fibromyalgia Syndrome (FMS) and related chronic pain syndromes by providing Cypress an exclusive license to develop and sell any product containing Milnacipran as an active ingredient for any indication in the United States and Canada. Pierre Fabre Médicament will continue to have the right to manufacture the active ingredients used in any products commercialized under the agreement. The amended agreement also improves for Cypress the economic terms for purchasing the active pharmaceutical ingredient from Pierre Fabre and makes certain other changes to the terms of the existing agreement. In exchange for amending the agreement, Cypress has issued to Pierre Fabre Médicament one million shares of Cypress common stock and a warrant to purchase three hundred thousand shares of Cypress common stock.

“Cypress has demonstrated that the use of Milnacipran statistically improved a number of primary and secondary symptoms of Fibromyalgia Syndrome in a Phase II study,” said Jay D. Kranzler, M.D., Ph.D., Chairman of the Board and Chief Executive Officer of the company. “FMS is one of several related Functional Somatic Syndromes (FSS), such as Irritable Bowel Syndrome, that have many overlapping pain and psychiatric characteristics. FSS patients constitute a large and under-served market, as there are no FDA approved products for most of these syndromes. The new terms of our agreement with Pierre Fabre Médicament allow Cypress to investigate the potential effectiveness of Milnacipran for these and more traditional pain conditions such as neuropathic pain, as well as psychiatric conditions such as major depressive disorder.”

“The positive results of the Cypress Phase II trial and the considerable potential of Milnacipran for FMS and related indications in the US and Canada, as well as in the rest of the world where we retain the rights to market the product, have led us to improve significantly the terms and conditions of the agreement for Cypress,” said Roch Doliveux, Chairman and Chief Executive Officer of Pierre Fabre Médicament. “As a shareholder of Cypress, the Pierre Fabre group expects to benefit from Cypress’ efforts and commitment in developing Milnacipran for treating FSS conditions such as Fibromyalgia, a common ailment for which there are no satisfactory options to relieve the patients’ pain and other symptoms.”

Milnacipran, a first-in-class Norepinephrine Serotonin Reuptake Inhibitor, has been approved for the treatment of depression in 22 countries and has been used safely by more than 2 million patients. It appears to have dual potential benefits for the treatment of FMS: while its pharmacologic profile closely mimics that of the tricyclic antidepressants (TCAs), a class of compounds that are effective for treating FMS, Milnacipran lacks the drug characteristics that underlie the side effects of TCAs and can limit their tolerability and usage. Cypress’ Phase II study enrolled 125 FMS patients who were randomized to receive either placebo or Milnacipran. Twice-daily dosing of Milnacipran was associated with statistically significant improvements in multiple measures of clinical pain and many secondary symptoms, including fatigue, mood and patient global status reports. As expected, data from the study revealed minimal side effects associated with the drug.

A Phase III development program for FMS is being planned and is expected to commence before the end of the year. FMS affects 2-4% of the U.S. population and is the second most commonly diagnosed condition in rheumatology clinics in the United States after osteoarthritis.

Under the terms of the agreement between Cypress and Pierre Fabre Médicament, Cypress paid to Pierre Fabre Médicament an upfront payment to license the compound in 2001. Additional payments will be made when certain clinical and regulatory milestones are met. In addition to payments to Pierre Fabre Médicament for supply of the active ingredient, Cypress will pay royalties based on net sales of any commercialized products containing the active ingredient. Pierre Fabre Médicament retains the right to sell outside of North America products in indications developed by Cypress, and will pay Cypress a royalty based on net sales for such marketed products. Pierre Fabre Médicament also has certain rights to negotiate a license for rights outside North America to new formulations and new salts developed by Cypress.

Milnacipran was discovered by Pierre Fabre Médicament researchers, and is currently marketed as an antidepressant under the trade names IXEL[®] and TOLEDOMIN[®] in Europe, South America and Asia.

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 Fibromyalgia Syndrome (FMS) and other related chronic pain and central nervous system disorders. In August 2001, Cypress licensed from Pierre Fabre Médicament 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, considered the most effective drugs for treatment of FMS, while appearing to lack the side effects associated with the latter. Cypress recently completed a Phase II trial in which Milnacipran was evaluated as a potential treatment for FMS. 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 Pierre Fabre Medicament

The Pierre Fabre Group, a privately owned French company, is organized into four separate branches: ethical pharmacy (with an emphasis in oncology, central nervous system and cardiovascular), consumer pharmaceuticals, dermo-cosmetics and homeopathy. The company's worldwide sales in 2002 were 1.34 billion euros, with 45 percent of its revenue generated outside France. The company has 8,400 employees worldwide and a presence in more than 130 countries. Constituting the top priority of the Pierre Fabre Laboratories, the Research & Development activities mainly concentrate on five specific areas : oncology, cardiovascular, central nervous system, immunology and dermatology. R&D outlays amounted to 125 million euros in 2002 (more than 20% of the medical turnover).

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 including statements about the possibility of investigating Milnacipran in other pain conditions and psychiatric conditions in North America, the potential of milnacipran to treat FMS, related Functional Somatic Syndromes and other conditions that might be investigated by Cypress, the potential benefit of the amended agreement and its effect on Cypress and Cypress' common stock, the potential expansion of the market for Milnacipran in North America, and the expected timing of commencement of Phase III clinical trials for FMS. 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 milnacipran or any other products for the treatment of FMS, related Functional Somatic Syndromes and other conditions that might be investigated in North America; that our clinical development plan or timeline for development of Milnacipran may be delayed; that our current working capital will not allow us to execute our business plans into 2003; that the terms of the amended license agreement, including the economic terms, may not benefit Cypress as expected, that we may encounter regulatory or other difficulties in the development of milnacipran for FMS; and that milnacipran may not significantly improve the treatment of FMS, related Functional Somatic Syndrome or any other indication for which we develop Milnacipran. 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.

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