



Cypress Bioscience, Inc. Licenses Collegium Pharmaceutical's Milnacipran Patent Portfolio

San Diego, CA and Cumberland, RI — January 26, 2004 — Cypress Bioscience, Inc. (NASDAQ: CYPB) and Collegium Pharmaceutical, Inc., a closely held specialty pharmaceutical company, today announced that Cypress has exercised its option to license the patent portfolio on novel reformulations and new analogs of milnacipran developed by Collegium under the companies' Reformulation and New Product Agreement entered into in August 2002. The goal of the collaboration is to develop follow-on products with superior performance to the current formulation of milnacipran, thereby extending Cypress' milnacipran franchise, and potentially 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. To date, the collaboration has resulted in a number of patent applications for which Cypress held the exclusive option. In exercising its option, Cypress acquires an exclusive license to all related intellectual property rights from Collegium. Collegium will receive a license payment, with the potential for additional milestones as development progresses on each initiative. Collegium will also participate in royalties from any marketed products developed under the agreement.

Milnacipran is the first of a new class of drugs known as norepinephrine serotonin reuptake inhibitors (NSRIs). These compounds appear to have particular use in regulating pain and mood. Milnacipran is currently approved for non-pain conditions in 22 countries outside of the U.S. and has been safely used by over 2 million patients. Cypress is evaluating milnacipran in a Phase III program for the treatment of Fibromyalgia Syndrome (FMS), a frequent cause of chronic, widespread pain that is estimated to affect six to twelve million people in the United States. There are currently no products approved for the treatment of FMS. Cypress recently announced an agreement with Forest Laboratories, Inc. (NYSE: FRX) to develop and market milnacipran in the U.S. with an option for Forest to extend the territory to include Canada. Pursuant to the terms of the agreement with Forest, Forest will have an option to acquire an exclusive license from Cypress in the United States (and potentially Canada) to the compounds developed under the agreement with Collegium.

Cypress' Chairman and Chief Executive Officer, Jay D. Kranzler, M.D., Ph.D., commented: "The Collegium team is like an extension of our Cypress research and development effort. Through this collaboration and the exercise of our option, we have acquired a number of promising potential product opportunities both for life-cycle management of milnacipran, and for exploring new indications."

The goal of the continuing collaboration between Cypress and Collegium is to bring new and innovative milnacipran related products to the market, either as product line extensions or as new products. Collegium's President, Michael Heffernan, commented: "We are very pleased with the results of our productive collaboration with Cypress, and with Cypress' interest in continuing the development of the identified opportunities that have resulted from this relationship."

About Cypress Bioscience, Inc.

Cypress is committed to be the innovator and commercial leader in providing products for the treatment of patients with Functional Somatic Syndromes, such as FMS, and other related chronic pain and central nervous system disorders. In August 2001, Cypress licensed from Pierre Fabre Medicament its first product for clinical development, milnacipran. The license agreement provides Cypress with an exclusive license to develop and sell any products with the compound milnacipran as an active ingredient for any indication in the United States and Canada. In October 2003, Cypress began initiating its Phase III clinical trials for the use of

milnacipran as a potential treatment for FMS. In January 2004 Cypress announced that it entered into an agreement with Forest Laboratories, Inc. for the development and marketing for milnacipran in the United States, with an option for Forest to expand the territory to include Canada.

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 including statements about the potential of milnacipran to treat FMS and other related Functional Somatic Syndromes and the potential development of any compounds under our agreement with Collegium.. 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, the most recent Quarterly Report on Form 10-Q 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 and other related Functional Somatic Syndromes; that we may encounter regulatory or other difficulties in the development of milnacipran for FMS, including delays in completing Phase III trials or submitting a New Drug Application by the end of 2006; that we may not be able to protect our patents or proprietary technology and that even if any compounds are developed under our agreement with Collegium, we may not strengthen our intellectual property position with respect to milnacipran; and that milnacipran may not significantly improve the treatment of FMS or any other related Functional Somatic 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 Collegium Pharmaceutical, Inc.

Collegium Pharmaceutical, Inc., is a privately held pharmaceutical company focused on the development of proprietary, late stage pharmaceutical products for the rapidly growing reformulation market and related areas. The Company's products target market opportunities through product improvement and line extension strategies protected by intellectual property (IP), creating a portfolio of improved pharmaceutical products. Collegium uses its broad expertise in IP development, drug formulation, manufacturing, basic science (chemistry, biology, bioengineering), marketing and clinical trials management to identify and execute product opportunities across multiple therapeutic areas. For more information, visit the Company's website at www.collegiumpharma.com.

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