



CYPRESS BIOSCIENCE INC. (NASDAQ: CYPB) ANNOUNCES NEW MILNACIPRAN MANUFACTURING FACILITY IN FRANCE

San Diego, California, July 20, 2004 – Cypress Bioscience Inc. announced today that Pierre Fabre (milnacipran's originator) plans to set up a second milnacipran production site in the town of Castres, France. The new facility will increase the production capacity for this molecule, which is currently produced at the Plantes et Industries site in Gaillac (France). Pierre Fabre has publicly announced that the additional production unit is expected to be operational in 2008. While Pierre Fabre has indicated that the current facility in Gaillac has the excess capacity necessary to support a U.S. launch for milnacipran, the new facility ensures the anticipated additional capacity necessary to support the longer term commercial needs for the U.S. and other markets.

Earlier this year Cypress Bioscience, Inc. (NASDAQ: CYPB) and Forest Laboratories, Inc. (NYSE: [FRX](#)) announced that they entered into a collaboration agreement for the development and marketing for Cypress' product, milnacipran, licensed from the product's originator, Pierre Fabre Médicament, for indications in the United States market. Milnacipran is currently being evaluated in a Phase III program that was commenced in October 2003 for the treatment of Fibromyalgia Syndrome (FMS). FMS is a frequent cause of chronic, widespread pain, and there are currently no products approved for the treatment of FMS.

About Milnacipran

Milnacipran is a novel compound which exerts its effect by inhibiting the reuptake of both norepinephrine and serotonin, two neurotransmitters known to play an essential role in regulating pain and mood. It has been approved for the treatment of non-pain indications in 32 countries and has been used safely by more than 3 million patients during more than six years of commercial availability outside the U.S.

About Fibromyalgia

Fibromyalgia is considered one of a group of related chronic pain syndromes characterized by both physical and psychiatric symptoms that include conditions such as irritable bowel syndrome (IBS), chronic tension headache, non-cardiac chest pain, and certain types of lower back pain. The use of milnacipran in these other chronic pain syndromes may also be explored under the agreement with Forest. FMS is estimated to affect six to twelve million people in the United States. FMS is most often diagnosed in the primary care setting and in addition is the second most commonly diagnosed condition in rheumatology clinics in the United States after osteoarthritis.

For more information about FMS, please visit www.FMSresource.com.

About Cypress Bioscience, Inc.

Cypress is committed to be the innovator and leader in providing products that improve the treatment of Functional Somatic Syndromes, including Fibromyalgia Syndrome (FMS), and other related pain and Central Nervous System conditions. Cypress' strategy involves acquiring/in-licensing central nervous system active compounds and developing them for new indications.

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. On January 9, 2004, Cypress entered into a collaboration agreement with Forest Laboratories for the development and marketing of milnacipran. In October 2003, Cypress began initiating its Phase III clinical trials for the use of milnacipran as a potential treatment for FMS. We are

continuing to evaluate various potential strategic transactions, including the potential acquisition of products, technologies and companies, and other alternatives that we believe may enhance stockholder value.

For more information about Cypress, please visit the Company's web site at www.cypressbio.com.

About Pierre Fabre Medicament

The Pierre Fabre Group, the second largest independent pharmaceutical company in France, employs some 9,000 people and achieved 1.43 billion euros in sales in 2003. Operating in the area of ethical medicine, health products and dermo-cosmetic with the brands Avene, Ducray, A-Derma, Galenic, Klorane and Rene Furterer it achieves 44% of its business abroad. With more than 1,000 reserachers, Pierre Fabre Medicament dedicates 23% of its annual sales to R&D, in five major therapeutic areas in terms of public health: oncology (the top priority with 50% of all R&D budget), central nervous system, cardiology, internal medicine, urology, and dermatology.

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, entering into a strategic transaction, and statements made by Pierre Fabre regarding its new production facility for milnacipran.. 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 and Forest Laboratories 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, and, as a result, would not receive any milestone or royalty payments from Forest Laboratories; that we and Forest Laboratories may encounter regulatory or other difficulties in the development of milnacipran for FMS, including delays in completing Phase III trials; that we may not be able to protect our patents or proprietary technology; that milnacipran may not significantly improve the treatment of FMS or any other related Functional Somatic Syndrome; that we may not be successful in identifying, licensing and developing any additional products, technologies or companies and even if we complete any such transaction, it may not enhance stockholder value; that Pierre Fabre may not complete the new production site for milnacipran and even if completed, it may not be operational by 2008; and that the current Pierre Fabre manufacturing facility in Gaillac may not have the excess capacity necessary to support a US launch for 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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