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CYPRESS BIOSCIENCE ANNOUNCES THIRD QUARTER 2009 FINANCIAL RESULTS

SAN DIEGO, CALIFORNIA – November 9, 2009 – Cypress Bioscience, Inc. (NASDAQ:CYPB) today announced financial results for the third quarter of 2009. The Company reported total revenue of \$6.1 million for the quarter ended September 30, 2009, which includes commercial revenue of \$5.2 million and revenues under collaborative agreement of \$0.8 million. For the quarter ended September 30, 2009, the Company reported a net loss of \$5.5 million or \$0.14 per share compared to a net loss of \$4.1 million or \$0.11 per share for the same period in 2008. At September 30, 2009, the Company had cash, cash equivalents and investments totaling \$144.8 million.

The Company reported revenues of \$6.1 million and \$19.7 million for the quarter and nine months ended September 30, 2009, respectively, compared to \$1.0 million and \$16.2 million for the same periods in 2008. During the quarter ended September 30, 2009, the Company recognized commercial revenues of \$5.2 million, which includes royalty revenue of \$1.3 million and sales force reimbursement of \$3.4 million, in connection with the launch of *Savella*. The sales force reimbursement of \$3.4 million recognized during the third quarter reflects a downward adjustment of \$0.5 million related to the second quarter.

Total operating expenses for the quarter and nine months ended September 30, 2009 were \$11.8 million and \$44.3 million, respectively, compared to \$6.1 million and \$31.1 million for the same periods in 2008. The increase in operating expenses in 2009 primarily reflects costs associated with building and supporting our commercial organization.

About Cypress Bioscience, Inc.

Cypress Bioscience, Inc. provides therapeutics and personalized medicine services, facilitating improved and individualized patient care. Cypress addresses the evolving needs of specialist physicians and their patients by identifying unmet medical needs in the areas of pain, rheumatology, and physical medicine and rehabilitation, including challenging disorders such as fibromyalgia and rheumatoid arthritis. This approach to improving patient care creates a unique partnership with physicians. Current products include *Savella*TM (milnacipran HCl) and the *Avise PG*SM and *Avise MCV*SM therapeutic monitoring, diagnostic and prognostic tests for rheumatoid arthritis.

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 website at <http://www.cypressbio.com>, contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements related to the marketing of Savella™ for the management of fibromyalgia, the expected benefits of the personalized medicine services, and the expected competitive and commercial advantages of offering these services to rheumatologists. Actual results could vary materially from those described as a result of a number of factors, including the risks involved with Cypress' ability to create a successful sales force and execute its marketing strategy, risks around market acceptance of Savella™ and our personalized medicine services and whether they will facilitate improved diagnostic, prognostic and therapeutic decision making for rheumatologists, risks involved with the development and commercialization of Cypress' product candidates and personalized medicine services, and other risks and uncertainties described in Cypress' most recent Annual Report on Form 10-K, most recent Quarterly Report on Form 10-Q and any subsequent SEC filings. You are urged to consider statements that include the words "may," "will," "would," "could," "should," "believes," "potential," "expects," "plans," "anticipates," "intends," or the negative of those words or other comparable words to be uncertain and forward-looking. The statements in this press release speak only as the date hereof, and Cypress undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CYPRESS BIOSCIENCE, INC.
Condensed Consolidated Financial Data
(In thousands except per share data)

Statement of Operations Data:

	Quarter ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
	(unaudited)		(unaudited)	
Revenues:				
Revenues under collaborative agreement	\$ 840	\$ 979	\$ 9,163	\$ 16,210
Commercial revenues	5,151	-	10,432	-
Revenues from personalized medicine	75	-	134	-
Total revenues	<u>6,066</u>	<u>979</u>	<u>19,729</u>	<u>16,210</u>
Operating expenses:				
Cost of personalized medicine services	563	-	1,421	-
Research and development	1,311	2,035	10,597	7,715
General and administrative	9,915	4,075	32,329	10,778
In-process research and development	-	-	-	12,590
Total operating expenses	<u>11,789</u>	<u>6,110</u>	<u>44,347</u>	<u>31,083</u>
Interest income	<u>254</u>	<u>1,019</u>	<u>1,379</u>	<u>3,889</u>
Net loss	<u>\$ (5,469)</u>	<u>\$ (4,112)</u>	<u>\$ (23,239)</u>	<u>\$ (10,984)</u>
Net loss per share – basic and diluted	<u>\$ (0.14)</u>	<u>\$ (0.11)</u>	<u>\$ (0.61)</u>	<u>\$ (0.29)</u>
Shares used in computing net loss per share – basic and diluted	<u>38,257</u>	<u>37,883</u>	<u>38,101</u>	<u>37,684</u>

Balance Sheet Data:

	September 30, 2009	December 31, 2008
	(unaudited)	
Assets		
Cash, cash equivalents and short-term investments	\$ 144,814	\$ 145,495
Other current assets	10,127	1,214
Goodwill	23,029	26,466
Other non-current assets	2,189	1,418
Total assets	<u>\$ 180,159</u>	<u>\$ 174,593</u>
Liabilities and Stockholders' Equity		
Current liabilities	\$ 11,297	\$ 7,958
Long-term liabilities	25,208	6,720
Stockholders' equity	143,654	159,915
Total liabilities and stockholders' equity	<u>\$ 180,159</u>	<u>\$ 174,593</u>

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