



Record profits for Cosmo in 2015
Proposal for a dividend of EUR 1.40 per share
Confident outlook for 2016

Luxembourg – 23 March 2016 – Cosmo Pharmaceuticals S.A. (SIX: COPN) today announced its results for the year ended 31 December 2015.

Financial highlights

- A consolidated gain of €257.8 million resulted from the disposal of the controlling interest in Cassiopea S.p.A. in the IPO on the SIX Swiss Exchange (€123.2 million profit from the placement of 5'163'640 shares) and the evaluation at the fair value of the remaining 45.1% stake according to IFRS (€134.6 million).
- Equity increased by 165.1% to €403.7 million and the equity ratio increased from 67.5% to 92.2%.
- Cash, cash equivalents and liquid financial assets increased by 36.5% to €240.6 million.
- Due to Valeant's decision to de-stock Uceris[®] at wholesaler level, royalty revenues moved from €21.1 million in 2014 to €12.7 million in 2015, respectively cost of goods sold declined by 6.7% to €20.1 million because less Uceris[®] tablets were manufactured.
- Research and development costs increased by 20.1% to €23.1 million, primarily due to the costs of the phase III of CB-17-01 Methylene Blue MMX[®], CB-17-04 SIC 8000 and CB-03-01 before the IPO of Cassiopea S.p.A.
- Selling, general and administrative costs increased by 37.2% to €22.9 million primarily due to the new ESOP and management incentive scheme.

2015 Key strategic events

- SIC 8000 for excision of polyps and lesions approved in the USA and filed for approval in the EU.
- Methylene Blue MMX[®] Phase III trial just about completed.
- Rifamycin SV MMX[®] completion of second pivotal phase III clinical trial.
- IPO of Cassiopea S.p.A. on SIX Swiss Exchange with placing of secondary shares.
- Cortiment[®] now marketed in 11 countries, approved in 35 countries, registrations pending in 15 countries and filings to be made in 33 more countries.
- Licensing of Cortiment[®] to Ferring for Japan.

Key consolidated financial figures

In € million (with the exception of the share data in €)	2015	2014
Revenues	60.6	79.6
Cost of sales	(20.1)	(21.5)
Research and development costs	(23.1)	(19.2)
Selling, general and administrative costs	(22.9)	(16.7)
Net result from disposal of controlling interest in Cassiopea	257.8	-
Share of result of associates	(2.1)	-
Profit before taxes	254.3	108.9
Net profit	248.2	73.3
<i>Earnings per share</i>	<i>17.60</i>	<i>5.11</i>
	31.12.2015	31.12.2014
Cash and cash equivalents	71.3	34.1
Current and Noncurrent financial assets available for sale	172.2	146.1
Equity attributable to owners of the company	403.6	152.3
Total assets	437.9	225.6

The Annual Report 2015 is available on the Company's web site at:

<http://www.cosmopharma.com/ir/reports.aspx>

Alessandro Della Chà, CEO, said: "With the approval of SIC and the imminent completion of the phase III trials for Methylene Blue MMX[®] and Rifamycin SV MMX[®] we are now poised for the next corporate development step. The Cassiopea spin-off generated record profits for us and substantially increased our cash cushion which enhances our strategic alternatives. We are closely monitoring the Valeant situation and performance and will take steps to protect our interests. I continue being very optimistic for the future."

Confident outlook

From an operating perspective Cosmo is looking to a normalization of the royalty and manufacturing income streams driven by continued strong growth in prescriptions written for Uceris[®]/Cortiment[®] and Lialda[®]. SIC should be entering the market in the USA and in Europe in H2 thus generating new revenue streams. On the product development side Cosmo expects the approval of the SIC in Europe and positive phase III results for CB-17-01 Methylene Blue MMX[®] and Rifamycin SV MMX[®].

A strong emphasis will remain on cost control. Neither cost of goods nor SG&A are expected to increase materially. Overall, while there are some timing uncertainties, Cosmo expects to post another excellent year in 2016.

FY15 results presentation and conference call at 10am CET on 23 March 2016

Mauro Ajani, Chairman, Alessandro Della Chà, CEO, Luigi Moro, CSO, and Chris Tanner, CFO and Head of Investor Relations, will present the full year results and discuss the outlook for 2016 at a media and analyst conference to be held March 23 at 10.00 am CET in the Zunfthaus zum Rüden, Constaffelsaal, Limmatquai 42, 8001 Zurich.

Participation is also possible via conference call. The dial-in numbers:

+41 (0) 58 310 50 00	Continental Europe
+44 (0) 203 0595 862	UK
+1 613 570 56 13	USA

The presentation will then be available for download at:

<http://www.cosmopharma.com/ir/presentations.aspx>

About Cosmo Pharmaceuticals

Cosmo is a specialty pharmaceutical company that aims to become a global leader in the field of optimized therapies for selected gastrointestinal disorders. The company's proprietary clinical development pipeline specifically addresses innovative treatments for IBD, such as Ulcerative Colitis and Crohn's Disease, and Colon Infections. In addition, the Company has developed a medical device for polyp excision and is developing a product for the detection of colon cancer. Cosmo's MMX[®] products that have reached the market are Lialda[®]/Mezavant[®]/Mesavanco[®], a treatment for IBD that is licensed globally to Nogra and Shire Limited and Uceris[®], the first glucocorticosteroid indicated for the induction of remission in active, mild to moderate Ulcerative Colitis, licensed in the USA to Santarus/Salix/Valeant and in the Rest of the World except to Ferring. Cosmo's proprietary MMX[®] technology is at the core of the Company's product pipeline and was developed from its expertise in formulating and manufacturing gastrointestinal drugs for international clients at its GMP (Good Manufacturing Practice) facilities in Lainate, Italy. The technology is designed to deliver active ingredients in a targeted manner in the colon. For further information on Cosmo, please visit the Company's website: www.cosmopharma.com

Next events

Half-year results 2016 29 July 2016

Contact

Dr. Chris Tanner, CFO and Head of Investor Relations
Cosmo Pharmaceuticals S.A.
Tel: +352 27 44 41

Some of the information contained in this press release contains forward-looking statements. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. Cosmo undertakes no obligation to publicly update or revise any forward-looking statements.

This communication is not an offer of securities of any issuer. Securities may not be offered or sold in the United States absent registration or an exemption from the registration requirement of the US Securities Act of 1933.

This press release constitutes neither an offer to sell nor a solicitation to buy securities and it does not constitute a prospectus within the meaning of article 652a and/or 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any similar document. The offer will be made solely by means of, and on the basis of,

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OF AMERICA

a securities prospectus to be published. An investment decision regarding the securities to be publicly offered should only be made on the basis of the securities prospectus.

This press release is made to and directed only at (i) persons outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), and (iii) high net worth individuals, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order. Any person who is not a relevant person should not act or rely on this press release or any of its contents.

This press release does not constitute an "offer of securities to the public" within the meaning of Directive 2003/71/EC of the European Union (the "Prospectus Directive") of the securities referred to in it (the "Securities") in any member state of the European Economic Area (the "EEA"). Any offers of the Securities to persons in the EEA will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of the Securities.