



Cipher Pharmaceuticals

2008 Annual General Meeting

April 16, 2009



Bill Garriock
Chairman

Agenda

- Financial statements
- Election of directors
- Appointment of auditors
- Other business
- Corporate update
- Question and answer



Norm Evans
Chief Financial Officer

Forward-looking Statements

This presentation may contain forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the Securities Act (Ontario) and other provincial securities law in Canada. These forward-looking statements include, among others, statements with respect to our objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words “may”, “will”, “could”, “should”, “would”, “suspect”, “outlook”, “believe”, “plan”, “anticipate”, “estimate”, “expect”, “intend”, “forecast”, “objective” and “continue” (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. We caution readers not to place undue reliance on these statements as a number of important factors, many of which are beyond our control, could cause our actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the applicability of patents and proprietary technology; possible patent litigation; regulatory approval of products in the Company’s pipeline; changes in government regulation or regulatory approval processes; government and third-party payer reimbursement; dependence on strategic partnerships for product candidates and technologies, marketing and R&D services; meeting projected drug development timelines and goals; intensifying competition; rapid technological change in the pharmaceutical industry; anticipated future losses; the ability to access capital to fund R&D; and the ability to attract and retain key personnel.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When reviewing our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about factors that may cause actual results to differ materially from expectations, and about material factors or assumptions applied in making forward-looking statements, may be found in the body of this presentation, in the “Risk Factors” section of our Annual Information Form, under “Business Risks” and elsewhere in the Management’s Discussion and Analysis of Operating Results and Financial Position in our most recent annual and quarterly financial statements and elsewhere in our filings with Canadian securities regulators. We do not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf; such statements speak only as of the date made. The forward-looking statements included herein are expressly qualified in their entirety by this cautionary language.

Financial Review

<i>(In thousands of Canadian dollars)</i>	2008	2007
Revenues	1,543	538
R&D Expenses	1,743	2,926
OG&A Expenses	3,565	4,183
Loss	3,230	6,445
Loss per share	0.13	0.27

- Solid financial position
 - Cash at December 31, 2008: \$9.9 million (\$11.0 million as at Dec 31, 2007)
- Shares outstanding: Approx 24.1 million



Larry Andrews
President & CEO

Year in Review

- Important milestones reached with all three products
- Strengthened team
 - John MacInnis appointed Vice President, Portfolio Development & Licensing
- Relatively strong financial position
 - Enabling the pursuit of additional early stage pipeline opportunities

Lipofen® Status Report

- ProEthic acquired by Kowa Pharmaceuticals
 - Renamed Kowa Pharmaceuticals America
- Strong commitment to Lipofen
 - Product detailed in first position
 - Increased selling resources
 - 65 to 140 reps
 - Managed care coverage and penetration
- Should drive accelerated growth in RXs and Cipher's royalty stream

Lipofen: Growing Prescriptions



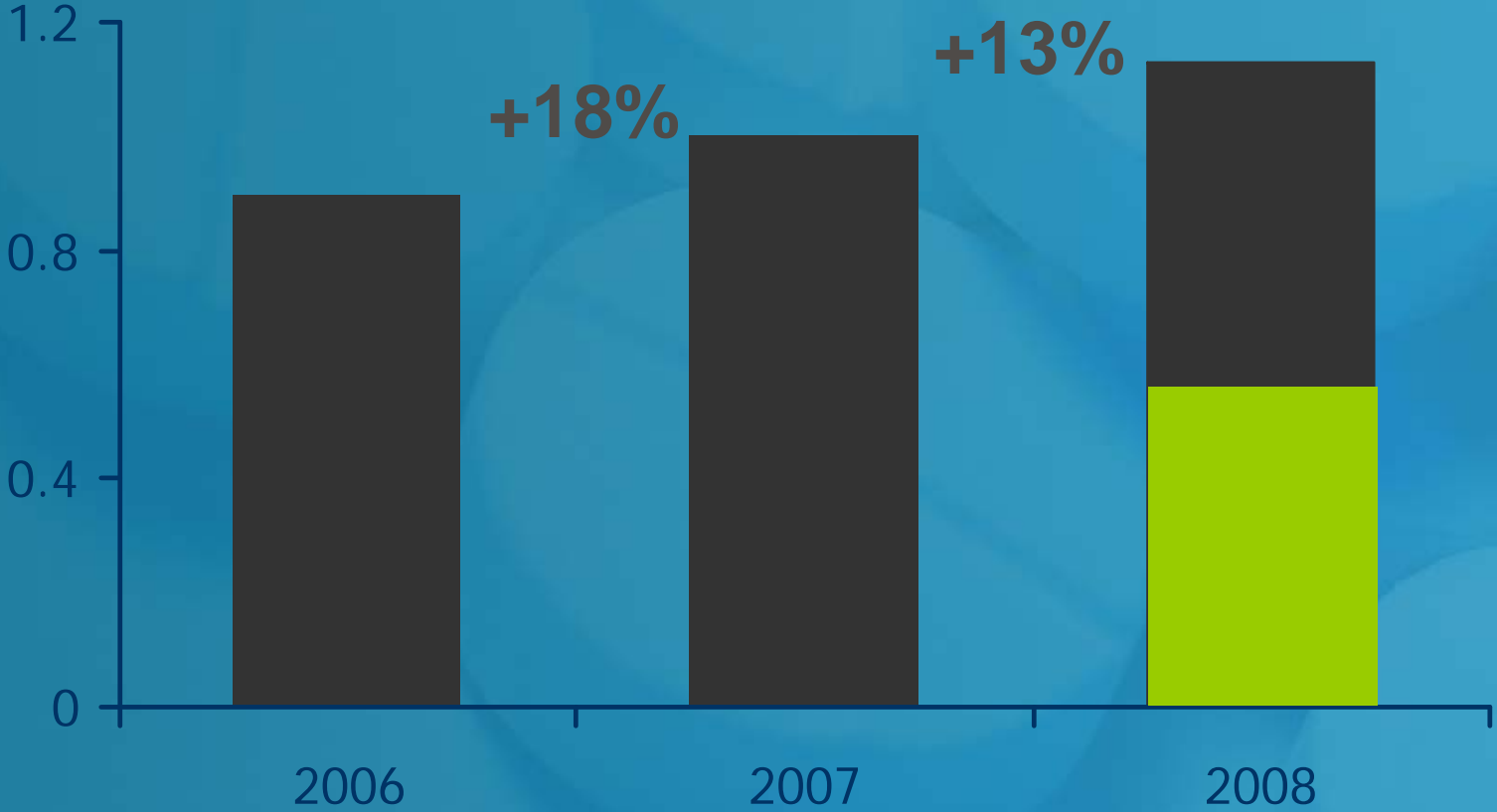
CIP-ISOTRETINOIN Status Report

- In Q1 2008, appealed FDA's position from second approvable letter
- FDA determined Phase III safety study required
- Currently finalizing protocol and study design with FDA
- Trial to begin in Q2 2009 with enrollment expected in Q3 2009

CIP-ISOTRETINOIN Status Report

- Ranbaxy Pharmaceuticals partnership
 - Global pharmaceutical company
 - Leading presence in U.S. isotretinoin market through Sotret® brand (50% market share)
 - Up to \$24 million in pre- and post-commercial milestones
 - Royalty in mid-teens on net sales
 - Funding for a significant portion of the Phase 3 safety study
- U.S. patent issued

Isotretinoin U.S. Prescriptions *(in millions)*



Source: IMS Health

CIP-TRAMADOL ER Status Report

- Submitted revised NDA in Q2 2008
 - Included data from additional pk studies comparing product to Ultram® ER
- Tentative FDA approval in February 2009
- Patent issues related to reference product must be resolved
- U.S. patent allowance pending

CIP-TRAMADOL ER Status Report

Bank of America Primary Market Research

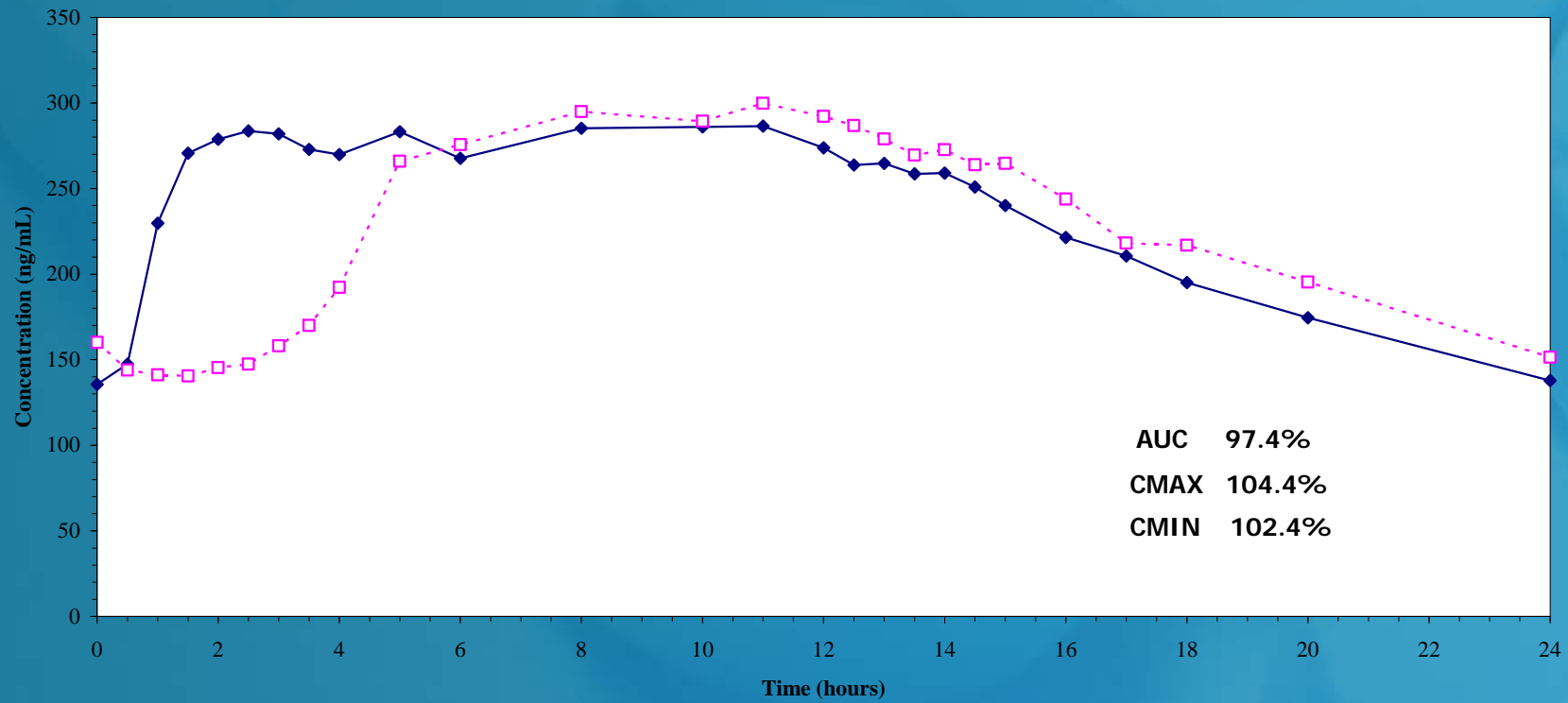
*“In a proprietary survey of 20 physicians, 95% answered that they would prefer a once-a-day Tramadol that had an onset of action **under 2 hours** versus Ultram ER’s 4-6 hour onset.”*

Source: MDRx Financial, Banc of America Securities LLC estimates

CIP-TRAMADOL ER vs. Ultram ER

Bioequivalence 200 mg multi-dose (fasted)

Mean Plasma Concentration (0-24 hours)
Tramadol
N=38



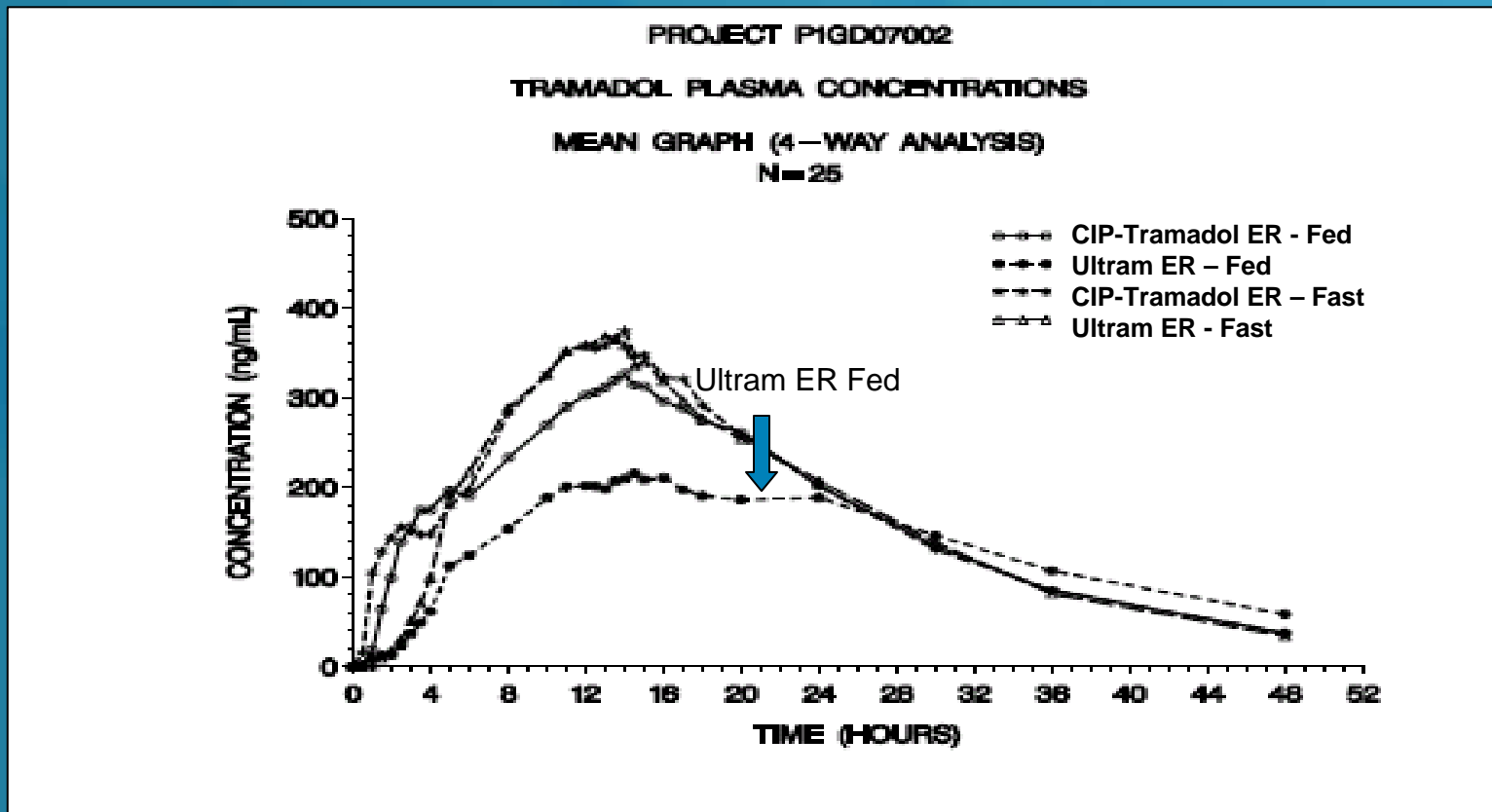
AUC 97.4%
C_{MAX} 104.4%
C_{MIN} 102.4%

■ CIP-TRAMADOL ER

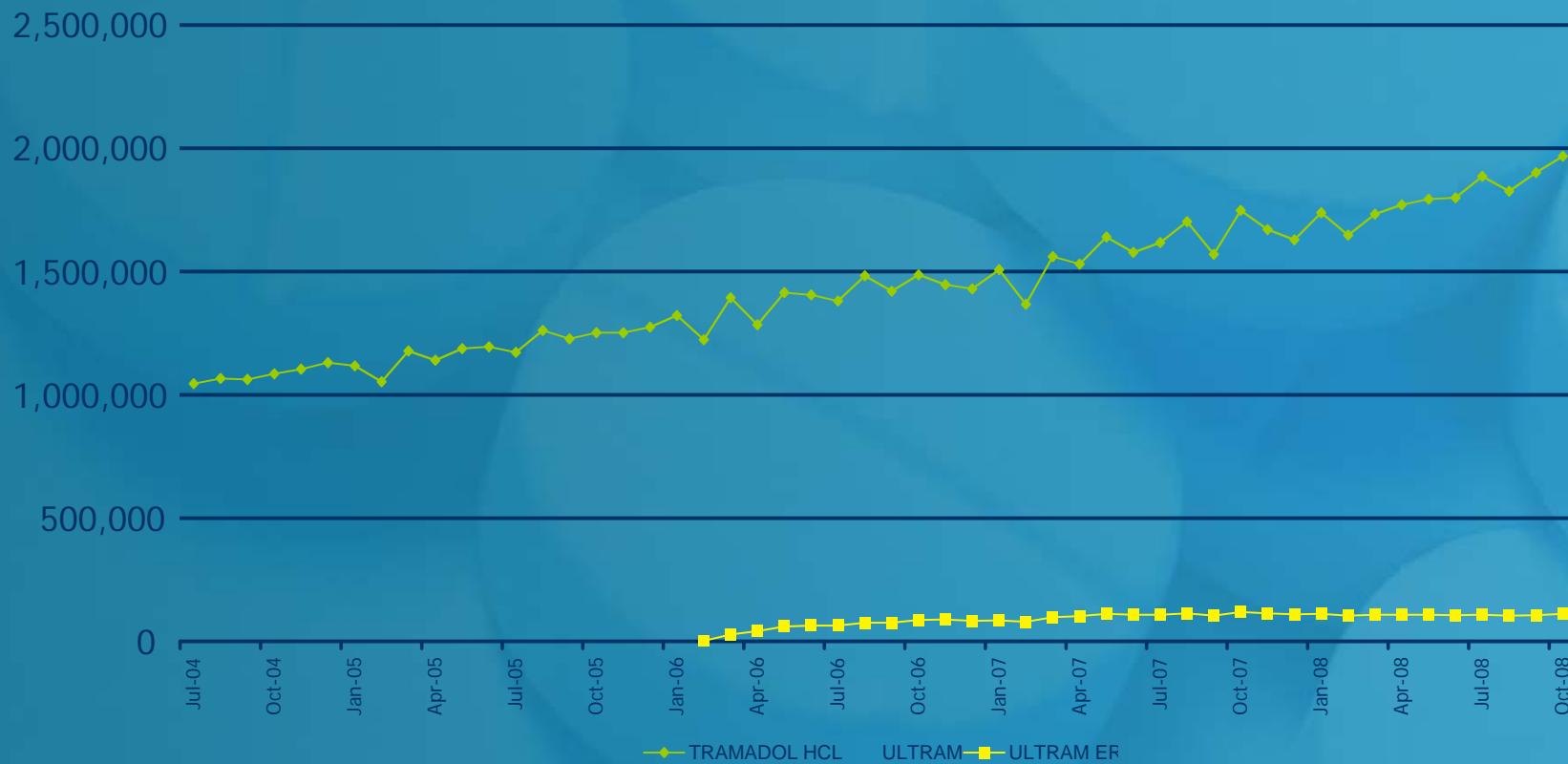
■ ULTRAM ER

CIP-TRAMADOL ER vs. Ultram ER

Fasted and Fed Comparison to Ultram ER



Tramadol U.S. Prescriptions (in millions)



Source: IMS Health

What's Next?

Lipofen™

- Prescription growth driven by expanded sales force
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CIP-TRAMADOL ER

- Successful resolution of IP issues
 - Patent issuance
 - Secure marketing partner
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CIP-ISOTRETINOIN

- FDA approval (SPA) of phase III study
 - Commence phase III study in Q2 2009, trial enrollment in Q3 2009
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New candidates

- Expand product pipeline
- Out-licensing opportunities in new markets

Summary

- Growing market for reformulated products and drug delivery
- Solid financial position
- Steadily growing revenue from first commercial product
- Two other promising late-stage products
- Strong core management team



Questions