CUMBERLAND®
PHARMACEUTICALS

March 2013

Safe Harbor

This presentation contains forward-looking statements concerning our approved products and product development, our technology, our competitors, our intellectual property, our financial condition and our plans for research and development programs that involve risks, uncertainties and assumptions. These statements are based on the current estimates and assumptions of the management of Cumberland Pharmaceuticals as of the date of this presentation and are subject to uncertainty and changes in circumstances. Given these uncertainties, you should not place undue reliance upon these forward-looking statements. Such forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause the actual results of Cumberland Pharmaceuticals to be materially different from those reflected in such forward-looking statements.

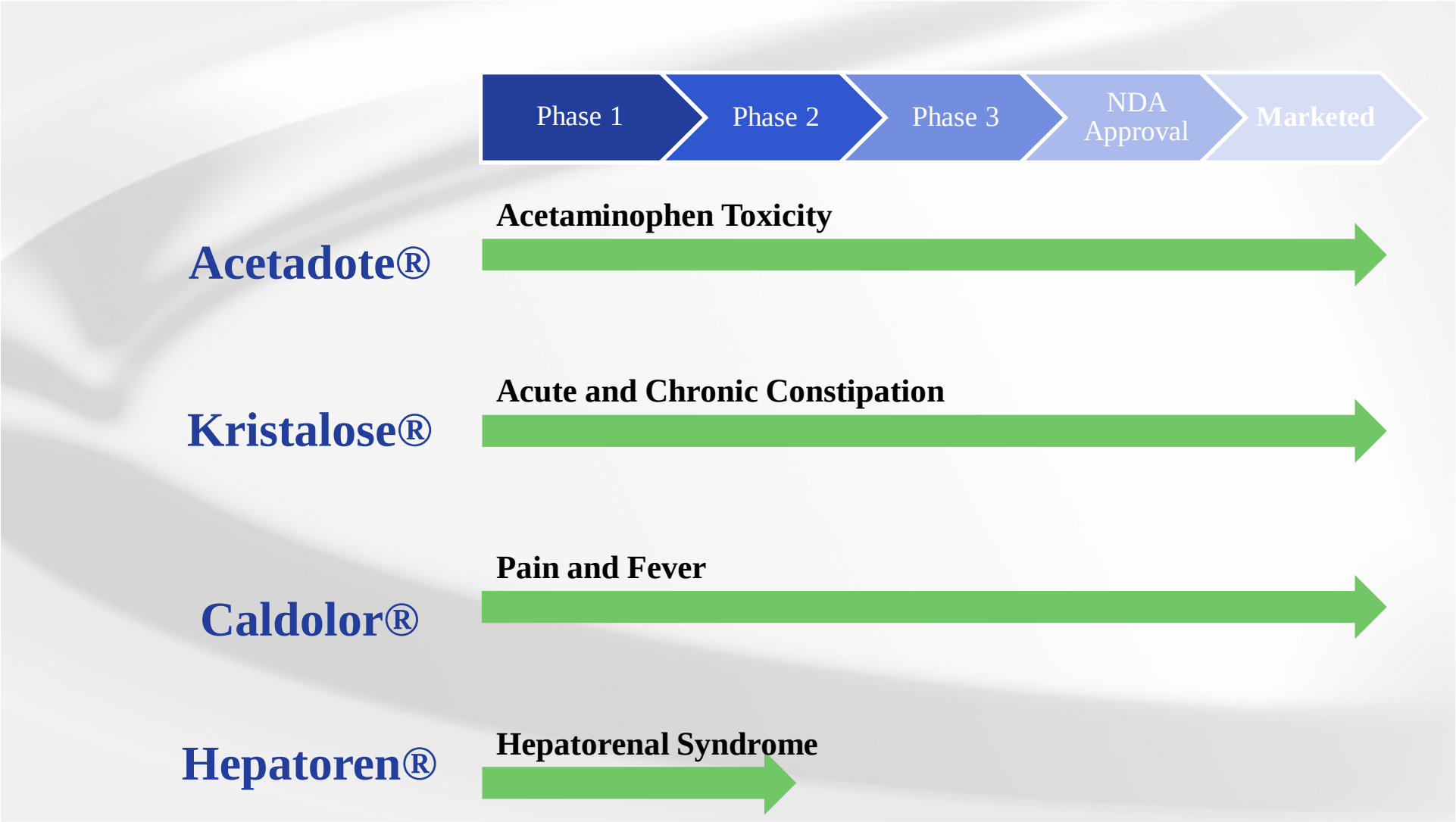
Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, among others, those set forth under the headings "Risk factors" and "Management's discussion and analysis of financial condition and results of operations" in our Form 10-K and Form 10-Q Reports on file with the SEC. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. All statements contained in this presentation are made only as of the date of this presentation.

CUMBERLAND® PHARMACEUTICALS

INVESTMENT RATIONALE

- **Specialty pharmaceutical company focused on branded prescription products**
- **Proven development and commercial capabilities**
  - Track record of developing, registering, launching & growing products
  - Three approved products - fourth product in development
  - Proprietary sales force
- **Profitable & growing specialty pharmaceutical company**
  - 2012 net sales of $48.9 million
  - Expanding international network of partners
- **Strong financial position**
- **Experienced management team w/significant ownership**

PRODUCT PORTFOLIO



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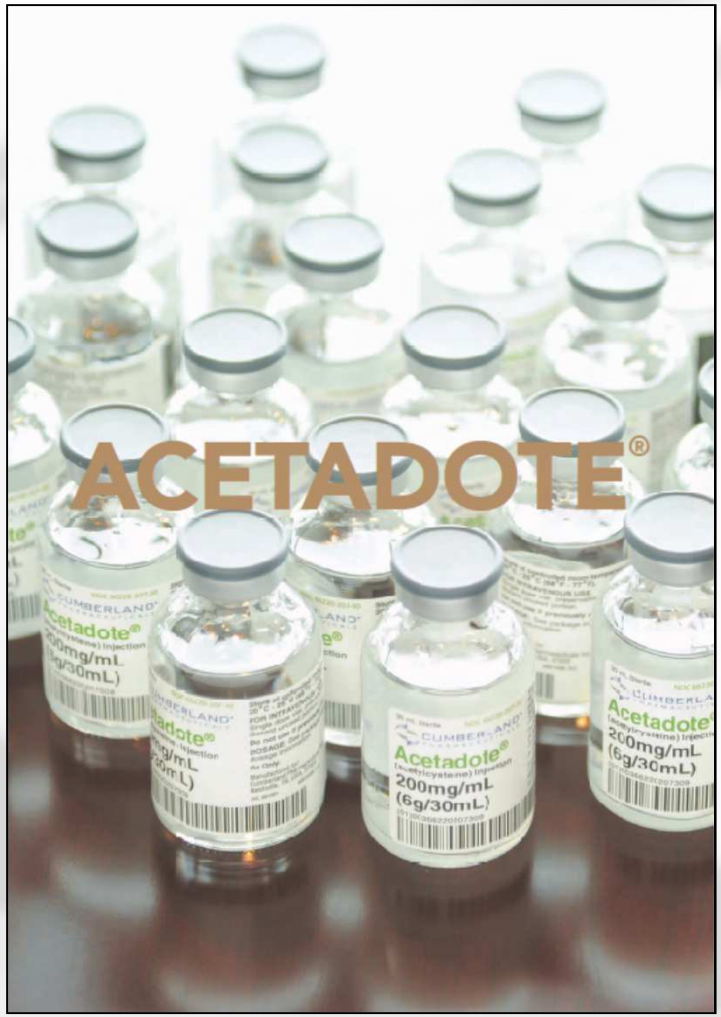
ACETADOTE® (IV ACETYLCYSTEINE)



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MARKET FOR ACETADOTE

- IV treatment for acetaminophen overdose
- Acetaminophen poisoning is leading cause of drug ingestions reported to poison control centers[1]
- More than 600 products contain acetaminophen (Rx and OTC)
- Excessive use of acetaminophen can cause liver failure and/or death
- Problem continues despite FDA efforts

[1] National Poison Data System, American Association of Poison Control Centers

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ACETADOTE COMPETITIVE ADVANTAGES

- NAC is worldwide standard of care for acetaminophen overdose
- Injectable NAC used broadly outside the United States for more than 25 years
- Acetadote offers patients and providers more favorable method of therapy
  - *Shorter protocol: 21 vs. 72 hours for oral*
  - *Easier dosage administration than oral NAC*
- Significantly reduces hospital costs; reduced length of stay
- Patent-protected brand with authorized generic
  - *EDTA-free with extended shelf life*

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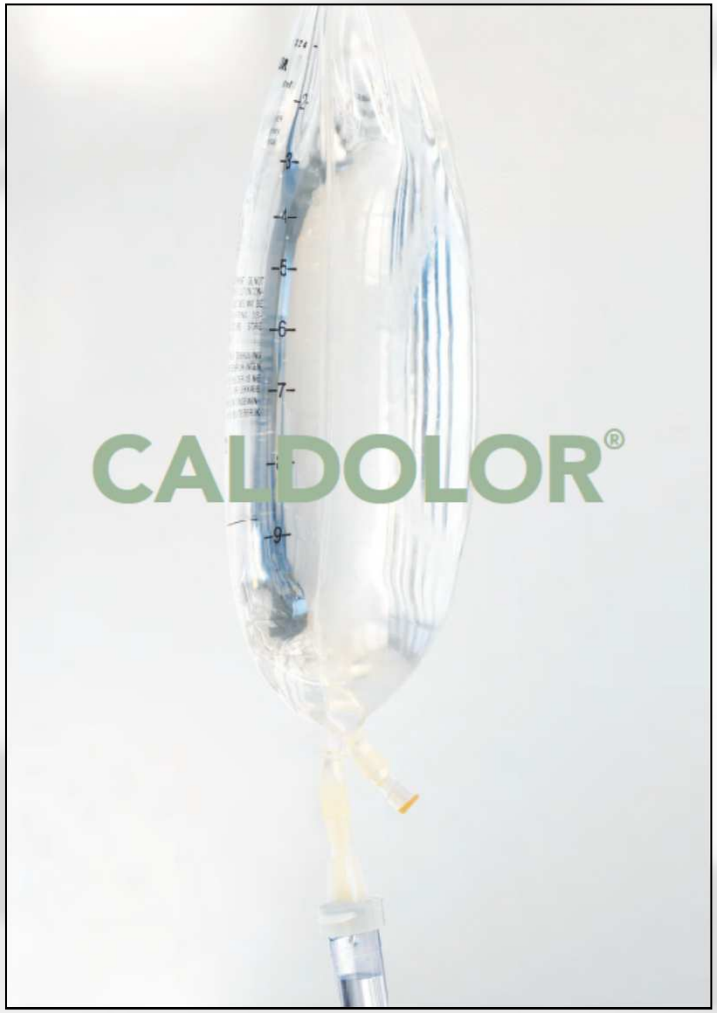
CALDOLOR® (IV IBUPROFEN)



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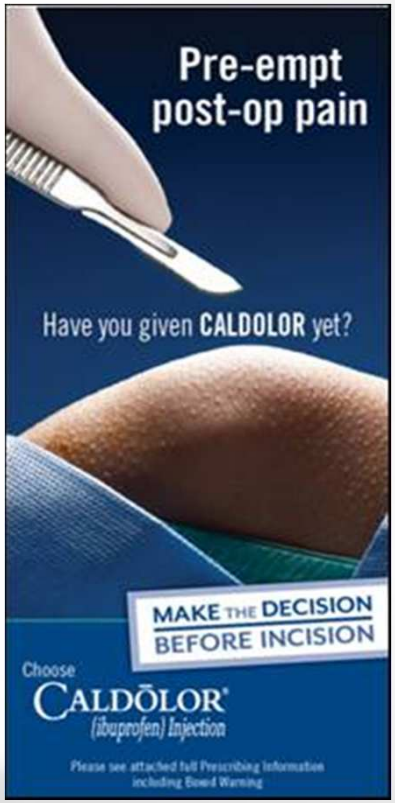
CALDOLOR U.S. MARKET OPPORTUNITY

- Proprietary, injectable formulation of ibuprofen patented through 2021
- First injectable product approved for pain and fever in the U.S. approved for:
  - Mild to moderate pain alone
  - Moderate to severe pain w/opioids
  - Fever
- Significant injectable analgesic market comprised of more than 670 million units of use and growing[1]
- Unresolved pain remains leading cause for hospital readmissions



[1] IMS

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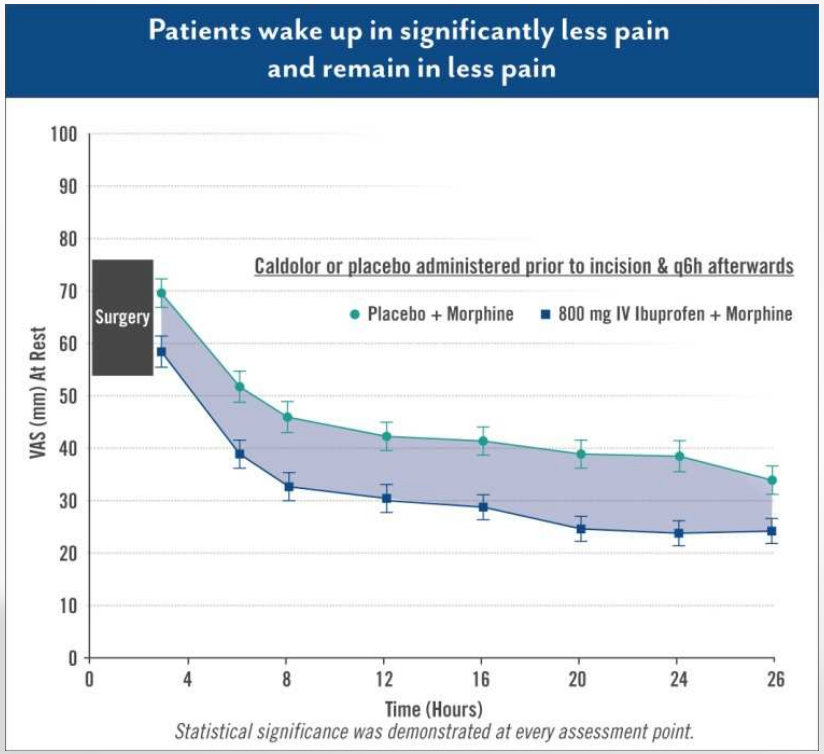
CALDOLOR COMPETITIVE ADVANTAGES

- Caldolor has analgesic, antipyretic and anti-inflammatory properties with demonstrated efficacy in pain & fever reduction
- Strong safety profile, no signals associated with GI bleeding or renal adverse events
- No limits on duration of use (5-day limit with ketorolac)
- Pre-, intra- and post-operative administration



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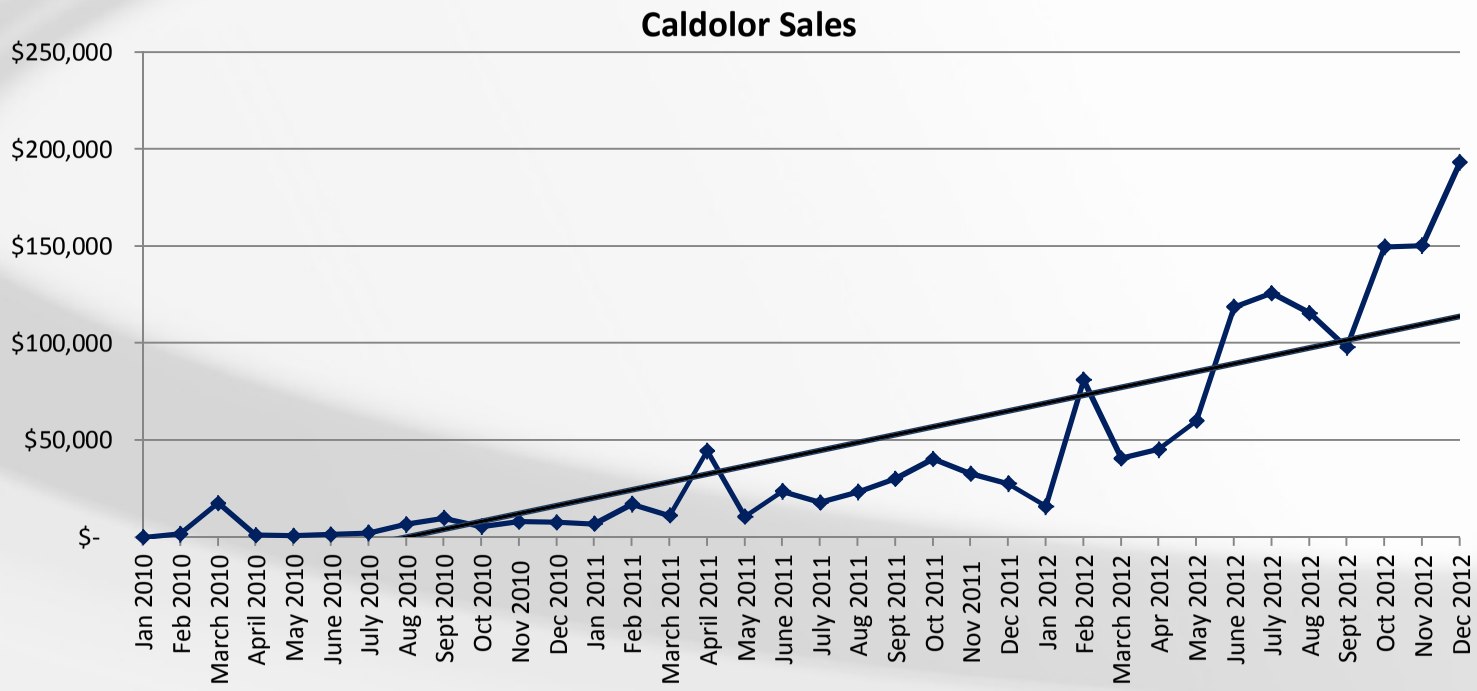
CALDOLOR LAUNCH UPDATE

- Achieved initial stocking goal of 500 institutions, now over 850
- Sales ramping following shift to targeted pull through



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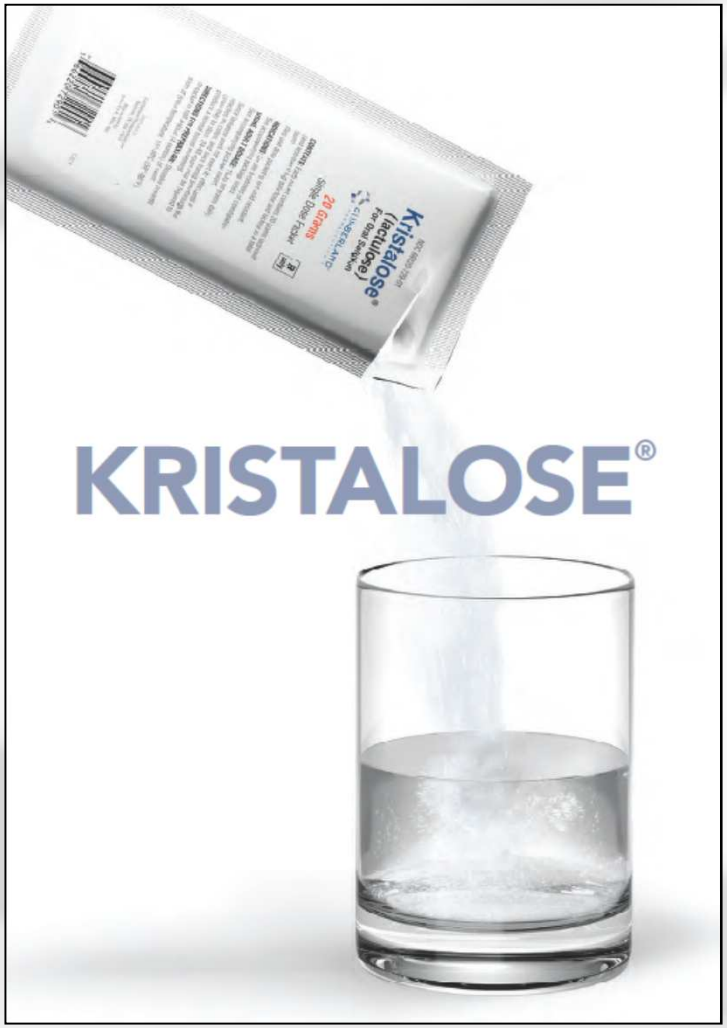
CALDOLOR CLINICAL STUDIES

- Positive topline results from several completed clinical studies
  - Pediatric Pain Study
  - Adult Hospital Registry Study
  - Adult Surgical Registry Study
  - Adult Knee Arthroscopy Pilot Study
- Pediatric fever study still enrolling

KRISTALOSE® (CRYSTALLINE LACTULOSE)



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KRISTALOSE MARKET OPPORTUNITY

- Oral lactulose used to treat chronic and acute constipation
- Large and growing market

- <u>Competitive Advantages</u>
  - Innovative crystalline formulation designed to enhance patient acceptance and compliance
  - No age limitations or duration of use restrictions
  - Favorable side effect profile versus competitive products
  - Convenient pre-measured, highly portable packets
  - Reconstitutes in 4 oz. of water, not sweet or sticky

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KRISTALOSE GROWTH DRIVERS

- Favorable product profile with broad indication
- Lack of promoted competitive products
  - Lower cost alternative to Amitiza and OTC Miralax
- Preference study results show 87% of patients preferred portability of Kristalose over syrups
- Acquired FDA registration and worldwide trademark
  - Streamlined supply chain
  - Evaluating new growth opportunities

INTERNATIONAL PARTNERS

Al-Nabil
Acetadote and Caldolor in Dubai (U.A.E.)

Alveda Pharmaceuticals Inc.
Caldolor in Canada

DB Pharm Korea Co. Ltd.
Caldolor in South Korea

Gloria Pharmaceuticals
Acetadote and Caldolor in China

Harvest & Health
Acetadote and Caldolor in Taiwan

Insanbakti
Acetadote and Caldolor in Malaysia

Phebra Pty Ltd.
Acetadote and Caldolor in Australia and New Zealand

Sandor Medicaids
Caldolor in India

The SOHO Group
Caldolor in Indonesia

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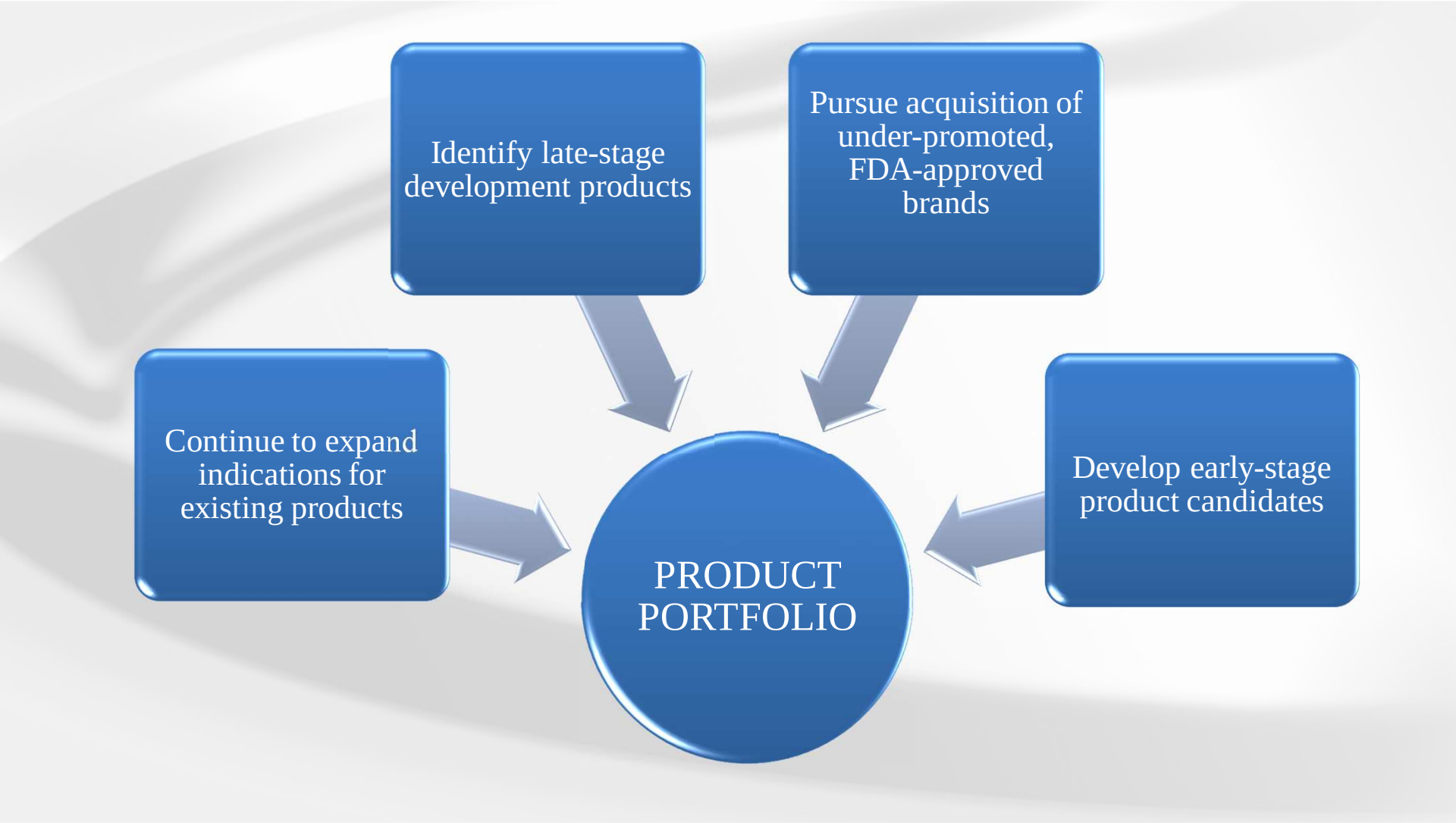
PORTFOLIO EXPANSION STRATEGY



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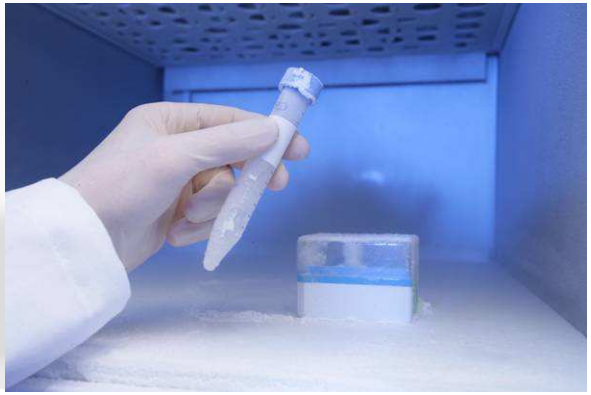
CUMBERLAND EMERGING TECHNOLOGIES

- Focus on promising early-stage product candidates
- Collaborating with universities including:
  - *Vanderbilt University*
  - *University of Mississippi*
  - *University of Tennessee*
  - *Washington University*
- Licensed several early-stage pipeline products, secured NIH grant funding



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HEPATOREN® (IV IFETROBAN)

- Acquired ifetroban through CET
- Cumberland to develop *ifetroban* for a series of indications
- Initially developed for the treatment of *hepatorenal syndrome*, a potentially life-threatening condition with no U.S. approved pharmaceutical treatment
- Currently enrolling 64 patients in Phase II trial

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HISTORICAL INCOME STATEMENT

- Cumberland has a history of profitable operations

($ in millions)	Years ended 2010	2011	**2012**
Net Revenues	$45.9	$51.1	**$48.9**
Cost of Products Sold	3.6	5.4	**5.0**
Gross Profit	42.3	45.8	**42.6**
% Gross Margin	*92.2%*	*89.5%*	***87.1%***
Selling and Marketing	22.7	20.9	**20.3**
Research and Development	4.3	5.0	**5.1**
General & Administrative, Other	8.8	10.0	**9.0**
Operating Income	6.5	9.8	**8.8**
% Operating Margin	*14.2%*	*19.3%*	***18.0%***
Net Income	$2.5	$5.7	**$5.8**

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SUMMARY BALANCE SHEET DATA

($ in millions)	**As of Dec 30, 2012**
Cash and cash equivalents	$54.3
Marketable securities	16.7
Total assets	98.6
Total debt	4.4
Retained earnings	18.5
Total equity	$98.6

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FOUNDATION FOR GROWTH

- Profitable and growing with proven track record of developing, launching and growing products
- Three Marketed Products
  - *Patent Protected*
  - *Unique Characteristics*
  - *Large and growing markets*
- Strong financial position
- Opportunities for product label expansion
- Pursuing new portfolio expansion opportunities
- Building a network of international partnerships

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