

MESSAGE FROM THE CEO

To our shareholders, employees and partners:

Following the close of our second quarter, I'd like to offer an update on the Company as well as provide insight into our near- and long-term plans.

In terms of financial metrics, the second quarter of 2011 was an outstanding one for Cumberland both at the top and bottom line. Net revenue increased 34% over the prior year quarter driven by strong sales for Acetadote[®], and net income was up over 600%. The growth in Acetadote revenue was due to our team's successful introduction of our next generation formulation of the product coupled with recent shortages of competitor products. Such shortages of generic hospital products is becoming an increasing problem in the United States and we are fortunate to enjoy a plentiful supply of our potentially life saving product.

At the end of the second quarter we had approximately \$95 million in total assets. This included \$70 million in cash, up from \$66 million at the end of March due to our strong cash flow during the quarter. We also established new debt arrangements with Bank of America, paying off the remainder of our term loan and expanding our credit facility. The new facility provides us with a larger \$10 million revolving line of credit, which is expandable up to \$20 million. We have enjoyed a long-term relationship with Bank of America and appreciate their confidence in our company as reflected by this expanded credit line.

We added a Phase II product candidate to our portfolio in the second quarter with the acquisition of rights to ifetroban. We are developing ifetroban under the brand name Hepatoren[™] for the treatment of hepatorenal syndrome, a life threatening condition for which there is no effective treatment in the U.S. Approximately 450,000 patients in the U.S. suffer from medical conditions that make them susceptible to cirrhosis and a subset of these patients develop hepatorenal syndrome every year. We believe that this late stage acute care product is an excellent strategic fit for Cumberland as it matches existing call points for our hospital sales force.

Following the end of the second quarter, we filed a response to the U.S. Patent and Trademark Office for our patent application to protect proprietary discoveries related to the new formulation of Acetadote. That patent has been issued in China and we have also filed a second patent application related to the *use* of the new formulation.

During the second quarter we addressed a supply issue with Kristalose[®] resulting from a change in ownership of the product's manufacturing facility. We expect Kristalose to continue to contribute to our steady revenue stream and are working to increase prescriptions for the product through communication of patient benefits not found with other laxative products.

We are now in full stride with our pull-through efforts for Caldolor[®]. Our initial goal was to stock the product in 500 medical facilities across the U.S. and we are now focused on building volume and helping many more patients in those approved facilities. We have rolled out a number of new programs associated with our pull-through efforts for Caldolor including our new marketing and educational campaigns, promotional materials and sales force incentive plans, which are all consistent with this pull-through focus. We also continue to engage our

sales representatives with highly focused training to ensure they understand and convey the competitive advantages to Caldolor prescribers.

We remain confident in the potential for the market opportunity we have identified for this product. We hear reports from physicians and other providers who are using Caldolor who are impressed by the results, and we are working to amplify their voices to help spread that message. We have found that peer-to-peer influence is key with this product, and to that end we are expanding our Medical Science Liaison capacity to further augment our efforts.

Our product development team is also busy with several ongoing Caldolor studies, and we recently initiated a phase II clinical trial evaluating Hepatoren for use in treating hepatorenal syndrome, the initial indication for which we intend to develop ifetroban.

Our network of international commercial partners has grown over the past several months as we out-licensed Caldolor and Acetadote to partners for the Asian markets of Malaysia and Taiwan. The application for approval of Caldolor in Canada was recently submitted and applications for approval of the product in Australia and South Korea are under review.

I feel very good about the financial strength and overall performance of our Company and, as always, I thank our employees for your strong efforts and dedication to our mission. I would also like to thank our partners and shareholders for the role you play in our success. We work hard every day to ensure that your confidence in us is rewarded.

With best wishes,



A.J. Kazimi
Chief Executive Officer

August 2011