ISTA Pharmaceuticals®

CORPORATE FACT SHEET

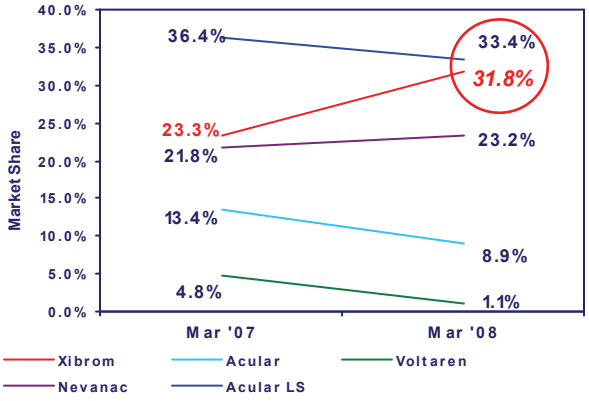
Second Quarter 2008

Overview

ISTA Pharmaceuticals is an ophthalmic pharmaceutical company. The Company's products address the $4.7 billion U.S. prescription ophthalmic industry and include therapies for inflammation, ocular pain, glaucoma, allergy, and dry eye. ISTA currently markets three products: Xibrom™ (bromfenac sodium ophthalmic solution) for the treatment of inflammation and pain following cataract surgery, Istalol® (timolol maleate ophthalmic solution) for the treatment of glaucoma, and Vitrase® (hyaluronidase for injection) for use as a spreading agent. The Company also is developing a strong product pipeline to fuel future growth and market share. ISTA's product development and commercialization strategy is to launch a new product every 12 to 18 months, thereby continuing its growth to become the leading niche ophthalmic pharmaceutical company in the U.S.

NSAID TRx $$ Market Share *(Ophthalmologists Only)*

Xibrom continues to be the #2 NSAID with Ophthalmologists



Product	MS Change Mar '08 vs Mar '07
Xibrom	**+8.5**
Acular LS	(3.0)
Acular	(4.5)
Nevanac	+1.4
Voltaren	(3.8)

2008 Catalysts

- ☐ Continue commercial success for Xibrom, Istalol and Vitrase
  - Q108 sales up 51% over Q107
- ☐ Complete additional T-Pred studies, 2H08
- ☐ Complete Bepreve safety studies, 2Q08
- ☐ File Bepreve NDA, 2H08
- ☐ Advance Xibrom label change and new Xibrom line extension

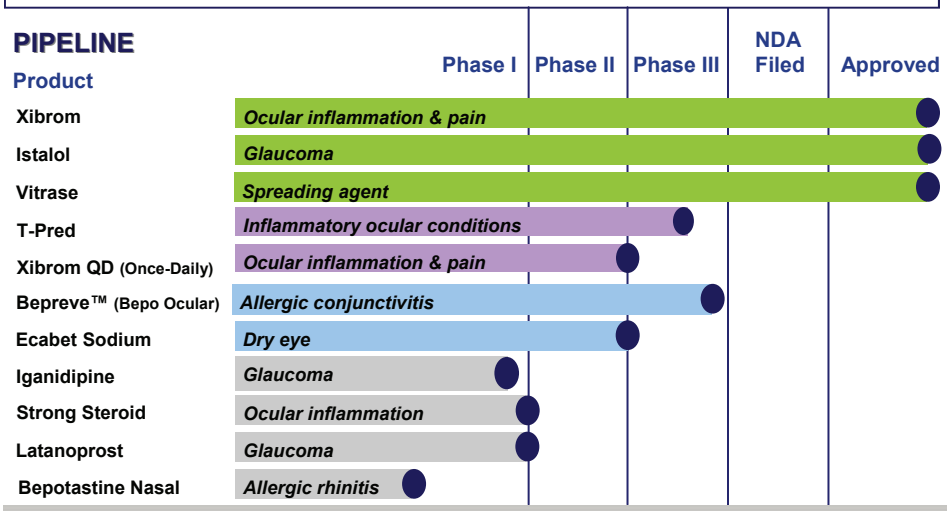
2008 Milestones Achieved

- ☑ Completed enrollment of Bepreve Phase III and safety studies.
- ☑ Announced successful results of second Bepreve Phase III study.

Financial Highlights

$ in millions	Qtr Ended 3/31/08	Qtr Ended 3/31/07	% Change
Xibrom	$11.8	$ 7.0	*69%*
Istalol	2.7	2.2	*23%*
Vitrase	0.9	1.0	*-10%*
Other	0.1	0.1	*0%*
Net Revenue	**$15.5**	**$ 10.3**	***51%***
Gross Margin	**$11.3**	**$ 7.7**	
%	*73%*	*75%*	
R&D	9.8	6.3	
SG&A	13.7	12.3	
Net Loss	**($13.0)**	**($11.5)**	

PIPELINE



KEY COMMERCIAL PRODUCTS

Xibrom (bromfenac ophthalmic solution) 0.09%

Xibrom is the only twice-a-day topical, non-steroidal, anti-inflammatory approved for the treatment of ocular inflammation and pain following cataract surgery. There is significant market potential for Xibrom as three million cataract surgeries are performed annually in the U.S. The clinical data supporting the original NDA approval showed a statistically significant proportion of patients achieved the complete absence of ocular inflammation, compared to patients who received placebo.

Istalol® (timolol maleate ophthalmic solution) 0.5%

Istalol is a once-daily patent-protected eye drop solution of timolol, a beta blocking agent for the treatment of glaucoma. In clinical trials, Istalol demonstrated safety and efficacy comparable to a twice-a-day timolol solution. Other than Istalol, the only once-a-day formulations of timolol maleate are gels, which have been known to cause blurred vision. Additionally, Istalol's safety profile makes it an ideal product for combination treatment.

MANAGEMENT

Vicente Anido, Jr., Ph.D.
President and Chief Executive Officer

Marvin J. Garrett
Vice President, Regulatory Affairs, Quality & Compliance

Kathleen McGinley
Vice President, Human Resources & Corporate Services

Kirk McMullin
Vice President, Operations

Timothy R. McNamara, Pharm.D.
Vice President, Clinical Research and Medical Affairs

Tom Mitro
Vice President, Sales & Marketing

Lauren Silvernail
Chief Financial Officer and Vice President, Corporate Development

BOARD OF DIRECTORS

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President and Chief Executive Officer

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***Committee:** Nominating and Corporate Governance (Chairman)*

Kathleen D. LaPorte
***Committee:** Compensation*

Benjamin F. McGraw, III, Pharm.D.
***Committees:** Audit and Compensation (Chairman)*

Dean J. Mitchell
***Committee:** Compensation*

Andrew J. Perlman, M.D., Ph.D.
***Committee:** Nominating and Corporate Governance*

Wayne I. Roe
***Committee:** Audit*

SELECTED PIPELINE PRODUCTS OVERVIEW

Inflammation - 2007 U.S. Market Size ~ $650 million

Xibrom QD (Once-Daily) for Ocular Inflammation
ISTA recently completed a study that demonstrated once-daily dosing for its Xibrom product and is discussing a potential label change with the FDA.

T-Pred (Tobramycin and Prednisolone Acetate) for Ocular Inflammation
T-Pred is ISTA's proprietary formulation of a fixed-combination product that gives the physicians what they have been asking for: prednisolone, the gold standard steroid, with the reliability of tobramycin in a single formulation. The Company filed an NDA for T-Pred in June 2006 seeking approval for T-Pred as a treatment for steroid-responsive inflammatory ocular conditions where risk of bacterial infection exists. In May 2007, the FDA notified ISTA that T-Pred was not approvable. Recently, ISTA reached agreement with the FDA on actions it must undertake to receive market approval for T-Pred.

Strong Steroid for Ocular Inflammation
ISTA has completed a pilot study for its strong steroid eye drop and is continuing animal studies. Assuming timely completion and positive results, ISTA anticipates initiating Phase I/II studies in 2008.

Allergy - 2007 U.S. Market Size ~ $2.7 billion

Bepreve™ (bepotastine ophthalmic solution) for Ocular Allergy
ISTA initiated Bepreve™ Phase II/III clinical study in ocular allergy in the U.S. in 1Q07 and announced preliminary and highly statistically significant results in May 2007. The study evaluated two concentrations of Bepreve and two dosing regimens. The preliminary results of the study demonstrate both concentrations were highly statistically significant in the reduction of ocular itching when dosed twice a day, and, in one concentration, when dosed once a day. In addition, both concentrations and dosing regiments produced highly statistically significant differences in the rapidity of response and the improvement in total nasal symptoms vs. placebo. ISTA initiated final Bepreve clinical studies in 4Q07 and announced positive results in April 2008. ISTA anticipates filing an NDA for Bepreve in 2H08.

Bepotastine Nasal for Allergic Rhinitis
ISTA is developing a nasal formulation of bepotastine for the treatment of allergic rhinitis.

Prescription Dry Eye - 2007 U.S. Market Size ~ $300 million

Ecabet Sodium
In May 2007, ISTA announced positive results from the preliminary analysis of the Company's Phase IIb clinical study of ecabet sodium for dry eye. Patients in the ecabet sodium group achieved a strong trend in the objective sign of blink rate. While ISTA's Phase IIb study was not powered to show statistical significance, patients in the ecabet sodium group did achieve statistical significance in the Ocular Symptom Disease Index (OSDI) assessment and showed a positive trend in the subjective assessment of patients' most bothersome symptom. Strong and positive trends are used to confirm observations from previous clinical ecabet sodium studies and to serve as indicators of potential efficacy endpoints in Phase III studies. There were no reports of serious ocular adverse events compared with placebo. ISTA has initiated a Phase II study to confirm the results of its prior studies.

Glaucoma - 2007 U.S. Market Size ~ $1.9 billion

Latanoprost
Latanoprost is a member of the prostaglandin class of drugs, which are the standard treatment for glaucoma. ISTA plans to complete formulation development and optimization studies with latanoprost and finalize its clinical trial design in 2008.

Iganidipine
Early studies on iganidipine have shown this calcium channel blocker (CCB) may have the ability to enhance ocular blood flow, lower intraocular pressure, and inhibit the progression of visual field defects.

Key Financials

NASDAQ: ISTA

Shares Outstanding:
33.0 Million

52-week closing price range:
$1.29 - $10.74

Cash:
$29.6 MM (3/31/08)

FORWARD-LOOKING STATEMENTS

This Fact Sheet contains historical information, as well as certain "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based on ISTA's expectations, as of the date of this fact sheet, and are subject to risks and uncertainties that could cause actual results to differ materially. Important factors that could cause actual results to differ from current expectations include, among others, such risks and uncertainties as detailed from time to time in ISTA's public filings with the U.S. Securities and Exchange Commission, including but not limited to ISTA's Annual Report on Form 10-K for the year ended December 31, 2007 and its 10Q for the quarter ended March 31, 2008.

Final: 5/1/08

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