Corporate Profile

COLLAGENEX PHARMACEUTICALS

Contact Information

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Stock Information

Symbol	CGPI
Year End	December
Headquarters	Newtown, PA
Website	www.collagenex.com
Stock Price (as of 06/01/07)	$10.87
52-Week Range	$7.66 - $15.75
Market Cap.	$233 million
Shares Outstanding	21.4 million

Investment Highlights

- Targeting $3.1 billion segment of dermatology market
- Solid commercial execution record with proprietary sales force
- Robust product pipeline
- Experienced management team with proven record of building pharmaceutical brands
- Strong balance sheet

Analyst Coverage

BMO Capital Markets	
Robert Hazlett	212-885-4091
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Ken Cacciatore	646-562-1305
Friedman, Billings, Ramsey	
Robert H. Uhl	703-312-1710
FTN Midwest Securities	
Timothy Chiang	212-418-7957
Jefferies & Co.	
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Lazard Capital Markets	
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RBC Capital Markets	
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Rodman & Renshaw	
Ren Benjamin	212-356-0526
Roth Capital Partners	
Mark Taylor	949-720-5728
Wachovia Securities	
Michael K. Tong	212-214-8020

Charting a New Course in Therapeutic Dermatology

CollaGenex Pharmaceuticals, Inc. is a specialty pharmaceutical company currently focused on developing and marketing proprietary, innovative medical therapies to the dermatology market. In July 2006, CollaGenex launched Oracea®, the first FDA-approved systemic product for the treatment of rosacea. CollaGenex's professional dermatology sales force also markets Pandel, a prescription topical corticosteroid licensed from Altana, Inc., Alcortin® (1% iodoquinol and 2% hydrocortisone), a prescription topical antifungal steroid combination, and Novacort® (2% hydrocortisone acetate and 1% pramoxine HCl), a prescription topical steroid and anesthetic. Alcortin and Novacort are marketed by the Company under a Promotion and Cooperation agreement with Primus Pharmaceuticals, Inc.

CollaGenex is conducting two Phase II dose-finding studies to evaluate its second dermatology candidate, incyclinide, for the treatment of acne and rosacea, respectively. CollaGenex is also conducting Phase II clinical trials to evaluate COL-118, a topical compound based on the SansRosa technology, for the treatment of redness associated with rosacea and other skin disorders. CollaGenex recently acquired the rights to develop and commercialize becocalcidiol, a patented Vitamin D analogue developed by QuatRx Pharmaceuticals Company that is currently in Phase II clinical trials for the topical treatment of mild to moderate psoriasis.

Oracea: The Lead Product

- **Market:** Disease characterized by inflammatory lesions, erythema (an episodic skin redness), and telangiectasia (spider veins)
- **Existing Products:** Currently only topical anti-infectives have rosacea label so there may be a significant opportunity to expand current $500 million market with first FDA-approved systemic treatment
- **Clinical Results:** Completed largest clinical trial ever to evaluate systemic therapy for rosacea with two double-blinded, placebo-controlled clinical trials with 537 patients in 28 centers across U.S. for a 16-week administration, 4-week follow-up
  - Highly significant clinical and statistical results: In the two studies, patients receiving Oracea experienced a 61% and 46% mean reduction in inflammatory lesions compared to 29% and 20%, respectively, in patients receiving placebo.
  - Positive results of Phase IV clinical study evaluating effects of Oracea™ Capsules, 40 mg, in combination with MetroGel®
- **Labeling:** FDA approved Oracea for treatment of inflammatory lesions (papules and pustules) of rosacea in adult patients

Incyclinide: A Novel Compound

Acne

- **Clinical Trials:** Results of Phase II double-blinded, placebo-controlled, dose-finding clinical trial in 300 moderate to severe acne patients;
  - Determined a safe and effective dose (20 mg) for the treatment of acne
- **Future steps:** Evaluate all data from trial; Meet with FDA to define Phase III parameters

Rosacea

- **Clinical Trials:** Initiated Phase II double-blinded, placebo-controlled, dose-finding clinical trial in 200 moderate to severe rosacea patients
- **Future steps:** Phase III trials in 2008; anticipated launch in 2010

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Key Products in Pipeline

Product	Indication	Status	Market Size
Incyclinide	Acne	Phase II	>$1.2B
Incyclinide	Rosacea	Phase II	>$500M
Col-118	Erythema	Phase II	>$300M
Becocalcidiol	Psoriasis	Phase II	~$600M

Key Milestones

	FY07
Complete Col-118 Phase I Clinical Trial	Q1
Initiate Incyclinide 40 mg Cohort in Acne Phase II	Q2
Final Issuance of Oracea Patent	Q2
Initiate Col-118 Phase II Clinical Trial	Q2
Receive EU Approval of Oracea	Q3
Complete Incyclinide Phase II Rosacea Trial	Q3
FDA Meeting: Incyclinide Acne Development	Q4
Receive Notice of Allowance of Incyclinide Patent	Q4
Acquire/In-license Compounds/Technologies	Q4

Well-Positioned for Growth

- Proven capability to develop pharmaceutical products
  - Oracea® is the only FDA-approved drug for systemic treatment of Rosacea
  - Received FDA approval within 10 months of NDA submission for Oracea®
- Pipeline targeting $8.6 billion dermatology market
  - 36% of market, or $3.1 billion, served by the Company's product pipeline
- Strong technology platforms
  - IMPACS® - Broad range of anti-inflammatory activities
  - SansRosa® - IP for compounds to treat erythema (skin redness)
- Strong intellectual property position
  - 31 issued, 5 pending U.S. patents covering IMPACS® to provide multiple protections for selected compounds and indications
  - Notice of allowance covering Oracea™ published November 2006
- Established infrastructure in dermatology
  - Highly-experienced 80-person sales force is targeting 5,600 dermatologists, who generate 85% of rosacea prescriptions
  - Experienced dermatology managed care and marketing professionals

Forward-Looking Statements

This document contains forward-looking statements within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended. Investors are cautioned that forward-looking statements involve risks and uncertainties, which may affect the Company's business and prospects. The Company's business of selling, marketing and developing pharmaceutical products is subject to a number of significant risks, including risks relating to the implementation of the Company's sales and marketing plans for products that the Company markets, risks inherent in research and development activities, risks associated with conducting business in a highly regulated environment and uncertainty relating to clinical trials of products under development, all as discussed in the Company's periodic filings with the U.S. Securities and Exchange Commission.