

NOT FOR DISTRIBUTION IN THE UNITED STATES OF AMERICA

PREANNOUNCEMENT

regarding the

PUBLIC TENDER OFFER

by

Cosmo Pharmaceuticals S.p.A, Lainate (Milano), Italy

for all publicly held registered shares with a par-value of EUR 5 each of

BioXell S.p.A, Milano, Italy

A. INFORMATION REGARDING THE OFFER

1. Scope of the Offer

The offer of Cosmo Pharmaceuticals S.p.A. ("**Cosmo**") extends to all publicly held registered shares with a par-value of EUR 5 each of BioXell S.p.A. ("**BioXell Shares**") ("**Offer**"). As of 17 November 2009, BioXell S.p.A. ("**BioXell**") had a share capital of EUR 26,907,885, divided into 5,381,577 BioXell Shares. Additionally, the Offer extends to new BioXell Shares issued until the end of the Additional Acceptance Period (as defined below) due to the exercise of financial instruments.

2. Offer Consideration

a) In General

The net offer consideration per BioXell Share corresponds to

- (i) CHF 2.8059 in cash; plus
- (ii) 0.21044 shares in Cosmo Pharmaceuticals S.p.A. with a par-value of EUR 0.25 each ("**Cosmo Shares**"); plus
- (iii) 0.21044 options to sell Cosmo Shares (one option entitles to sell one Cosmo Share) to Cosmo at a price of CHF 21 per Cosmo Share, exercisable during the exercise period starting on 1 July 2011 and ending on 31 December 2011 (provided, however, that the put option shall lapse upon the settlement of a public cash offer for all outstanding Cosmo Shares at an offer price of CHF 21 or higher) ("**Cosmo Put Options**"); plus
- (iv) the Supplement Consideration as defined under letter d) below [(i), (ii), (iii) and (iv) together "**Offer Consideration**"].

The Cosmo Shares and the Cosmo Put Options will be listed on SIX Swiss Exchange.

b) Dilution effects

The Offer Consideration is reduced by the gross effect on the net asset value attributable to each outstanding BioXell Share of any amount of any diluting effects. Diluting effects shall be dividend payments, repayments of capital, any other distribution, capital increases with an issue price of shares below the value of the Offer Consideration, sales of treasury shares below the value of the Offer Consideration, issuances of options below fair market value of the options, issue of other equity securities below fair market value becoming effective prior to the settlement of the Offer. For the avoidance of doubt, distributions of technology of BioXell and other Technology Transactions (as defined below) shall not be deemed a diluting effect. Diluting effects are first taken into account by reducing the cash part of the Offer Consideration, thereafter by reducing in parallel the number of Cosmo Shares and of Cosmo Put Options offered per BioXell Share, whereby for such calculation the closing price of the Cosmo Shares on the trading day prior to the diluting effect occurring and the value of the Cosmo Put Options derived therefrom are relevant, whereby for determining the value of the Cosmo Put Options the Black Scholes Model shall apply and the following parameters are taken into account: volatility of 40% p.a., risk free rate of 0.87% p.a., and dividend rate of 0% p.a.

The Offer Price shall be increased by the cash CHF-equivalent of the gross amount ([i] divided by the sum of the number of all issued and outstanding shares of Cosmo and the number of Cosmo Shares offered in exchange for BioXell Shares to be issued to the tendering shareholders, and [ii] multiplied by the exchange ratio set out in letter (a)(ii), possibly adapted pursuant to the preceding paragraph) of any dividend payments, demergers, of the dilutive effect of any capital increases with an issuance price per Cosmo Share below the stock market price (except for the issue under this Offer and the current stock option plan of Cosmo in accordance with the relevant option terms), the issuance of options and warrants (except for the Cosmo Put Options and the current stock option plan of Cosmo), convertible securities or other rights to acquire securities of Cosmo, of any capital reductions involving repayments of share capital, sales of treasury shares below the market value or other reductions of share capital or other distributions by Cosmo prior to the settlement of the Offer.

c) Fractions

The exchange ratio of 0.21044 Cosmo Shares and 0.21044 Cosmo Put Options for one BioXell Share may result in fractions of Cosmo Shares and of Cosmo Put Options. In such case, the number of Cosmo Shares and Cosmo Put Options to be transferred to a shareholder of BioXell that accepted the Offer will be rounded down to the next integer and the fractions will be settled in cash upon the settlement of the Offer, calculated based on the average closing price of the Cosmo Share for a period of five trading days, ending two trading days prior to the settlement of the Offer and for the Cosmo Put Options based on the Black Scholes Model also with the following parameters: volatility of 40% p.a., risk free rate of 0.87% p.a., and dividend rate of 0% p.a.

d) Supplement Consideration

The Supplement Consideration shall consist of

- (A) the sum (translated into CHF) of the following amounts
 - (i) any consideration in cash or cash equivalents resulting from any Technology Transaction (term as defined below) ("**Technology Consideration**"), that is paid at or before the settlement of the Offer; provided, however, that if the Technology Transaction provides for all or part of the Technology Consideration to be paid later than the settlement of the Offer, to the extent such payment is not subject to any condition (other than the passage of time) and is guaranteed by a reputable bank, then also a Supplement Consideration corresponding to such deferred payment (discounted, however, for the time delay between the settlement of the Offer and the payment date of such deferred Technology Consideration at the CHF LIBOR as applicable for the corresponding period at the time of the settlement of the Offer) shall be paid at settlement of the Offer; and
 - (ii) certain grant receivables of BioXell that may possibly reach a maximum potential value of EUR 745,321 if BioXell receives the payments prior to settlement of the Offer, but subject to specific conditions and adjustments agreed with BioXell in a transaction agreement dated 18 November 2009;
- (B) minus the CHF equivalent of the result of EUR 25,000,000 minus the Net Asset Value calculated based on the balance sheet of BioXell as at the earlier of the last day of the (possibly extended) Offer Period and 28 February 2010, but, if such result is a positive number, not more than the result from the computation under (A);
- (C) all (the result of the subtraction described in A and B above) divided by the number of BioXell Shares the Offer relates to on the last day of the Additional Acceptance Period ("**Supplement Consideration**").

If Cosmo and BioXell cannot agree on the amount of the Supplement Consideration, KPMG Italy, and if KPMG Italy is not available, another independent audit firm of international repute to be agreed upon jointly by Cosmo and BioXell and to be appointed by Cosmo, shall determine such Supplement Consideration with binding effect. Cosmo shall announce any Supplement Consideration as soon as possible.

With regard to the Supplement Consideration the following further provisions and definitions apply:

- Cosmo and BioXell agreed that BioXell may, at any time, and at its sole election, license, sell, carve-out, distribute or otherwise convey to a third party, for or without consideration, whether or not such party is owned or controlled, directly or indirectly, by BioXell and/or one or more BioXell shareholders, any or all intellectual property, contracts, know-how, information, data, authorization, and any other

rights and benefits (excluding the public grants) associated with BioXell's past or current research and development activities, including without limitation the product candidate known as BXL-1H5 (the "**Technology**", the agreement on, or performance of, such a transaction, the "**Technology Transaction**").

- "**Net Asset Value**" or "**NAV**" shall mean the assets minus the liabilities of BioXell as derived from a balance sheet of BioXell, provided, however, that the value attributed to value added tax refund receivables shall be EUR 1,100,000 and the value attributed to grant receivables shall be EUR 226,000. The balance sheet shall be established based on the accounting principles constantly applied by BioXell.
- Where exchange rates are required to determine the Supplement Consideration, they shall be derived from a professional information system at noon (CET) on the fifth trading day prior to the settlement of the Offer.

3. Offer Period

Upon expiration of the cooling-off period, which is expected to be running from 9 December 2009 to 22 December 2009, the offer period is expected to begin on 23 December 2009 and end on 8 February 2010, 4 p.m. (CET) ("**Offer Period**"). Cosmo reserves the right to extend the Offer Period one or several times, but not beyond 40 trading days. If the Offer is successful, the Offer will be open during an additional acceptance period of 10 trading days for the subsequent acceptance of the Offer ("**Additional Acceptance Period**"). The Additional Acceptance Period is expected to start on 15 February 2010 and to end on 26 February 2010, 4 p.m. (CET).

4. Conditions

The Offer is subject to the following conditions precedent:

- a. Cosmo shall have received, by the end of the (possibly extended) Offer Period, acceptances for BioXell Shares representing, when combined with the BioXell Shares that Cosmo and any of the parties acting in concert with Cosmo may hold at the end of the (possibly extended) Offer Period and any BioXell Shares held by BioXell, at least 60% of the total number of BioXell Shares;
- b. the NAV (term as defined under Section 2.d) above) of BioXell is, in the opinion of KPMG Italy, or if KPMG Italy is not available, another independent audit firm of international repute to be agreed upon jointly by Cosmo and BioXell and to be appointed by Cosmo, as at the earlier of the last day of the (possibly extended) Offer Period and 28 February 2010, not lower than EUR 22,500,000;
- c. the expert appointed by the Court of Milan as jointly requested by Cosmo and BioXell in accordance with article 2343 of the Italian Civil Code will have deemed the value of the BioXell Shares to be sufficient contribution for the Cosmo Shares offered in exchange for the BioXell Shares;

- d. Cosmo's auditing company has issued the opinion required by article 2441 alinea 4 of the Italian Civil Code;
- e. no court, no governmental body (including the Swiss Takeover Board) and no body of the SIX Swiss Exchange has issued a decision or an order preventing, prohibiting or declaring illegal the consummation of the Offer.

Should either or both of the conditions c. and d. above not have been met by the end of the (possibly extended) Offer Period and should Cosmo not have waived such unmet condition(s), conditions c. and d. continue to apply until the settlement of the Offer. Condition e. continues to apply until the settlement of the Offer.

If either or both of the conditions c. and d. are not met three trading days prior to the date scheduled for settlement, Cosmo is entitled to postpone the settlement of the Offer one or several times by a certain period ("**Extension Period**"), but in the aggregate by not more than two months. At the end of an Extension Period, unless the settlement of the Offer has been postponed again, the Offer becomes void in case any of the unfulfilled condition(s) c. through e. has not been met and Cosmo has not waived such unfulfilled condition(s).

Cosmo reserves the right to waive all or part of the conditions.

5. Applicable Law and Jurisdiction

This pre-announcement and all rights and obligations arising out of this pre-announcement and the Offer are **subject to Swiss law** and it is an explicit requirement that any recipient of the Offer wishing to accept the Offer or to exercise any rights it may or believes to have under the Offer abides by this choice-of-law clause and the choice-of-jurisdiction clause set forth below.

All disputes arising out of or in connection with the Offer shall be submitted to the exclusive **jurisdiction of the Courts in Zurich** (venue being Zurich 1), Switzerland.

It is to be noted that the provisions of the Federal Act on Stock Exchanges and Securities Trading of 24 March 1995 ("**SESTA**"), and the pertinent provisions of the Ordinance of the Financial Market Supervisory Authority on the Stock Exchange of 25 October 2008 ("**SESTO-FINMA**"), and of the Ordinance of the Swiss Takeover Board on Public Takeover Offers ("**TOO**") governing public tender offers ("**Swiss Tender Offer Regulations**") are not applicable to the Offer pre-announced herein by law. However, Cosmo submits to the provisions of the Swiss Tender Offer Regulations, so that particularly terms defined in such Swiss Tender Offer Regulations and used herein have the meaning as described in the Swiss Tender Offer Regulations. Nevertheless, procedural provisions of the Swiss Tender Offer Regulations may only be applied if the Swiss Takeover Board has jurisdiction. Since the Swiss Tender Offer Regulations do not apply by law and since there is no possibility to elect the jurisdiction of the Swiss Takeover Board, Cosmo is barred from complying with the procedural rules of the Swiss Tender Offer Regulations. The Swiss Takeover Board is thus not expected

to issue a decision regarding the compliance of the Offer with the Swiss Tender Offer Regulations. Consequently, the provisions regarding special shareholders' rights of Art. 33a et seqq. SESTA and Art. 57 et seqq. TOO do not apply. Should the Swiss authorities (against any expectation) come to the final conclusion that the Swiss Take-over Board nevertheless has jurisdiction, Cosmo will also comply with the procedural rules of the Swiss Tender Offer Regulations.

B. FURTHER INFORMATION

More detailed information regarding the Offer will presumably be published on 7 December 2009.

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| Financial Advisor and Executing Bank: | Bank Sal. Oppenheim |
| Registered Shares BioXell S.p.A. | Security number: 2 568 452 ISIN: IT0004069933 Ticker-Symbol: BXLN |
| Registered Shares Cosmo Pharmaceuticals S.p.A. | Security number: 2 862 650 ISIN: IT0004167463 Ticker-Symbol: COPN |
| Put Options for Shares of Cosmo Pharmaceuticals S.p.A.: | Security number: 10 743 222 ISIN: CH0107432228 |

OFFER RESTRICTIONS

General

The public tender offer described in this pre-announcement (*Voranmeldung*) is not being and will not be made directly or indirectly in any country or jurisdiction in which such offer would be considered unlawful or in which it would otherwise violate any applicable law or regulation, or which would require Cosmo Pharmaceuticals S.p.A. to amend the terms and conditions of the public tender offer in any way, to submit an additional application to or to perform additional actions in relation to any governmental, regulatory or legal authority. It is not intended to extend the public tender offer to any such country or jurisdiction. Documents relating to the public tender offer (including this pre-announcement) must neither be distributed in such countries or jurisdictions nor be sent to such countries or jurisdictions. Such documents must not be used for purposes of soliciting the purchase of any securities of BioXell S.p.A. from anyone in such countries or jurisdictions.

United States of America

The public tender offer described in this pre-announcement (*Voranmeldung*) is not being and will not be made directly or indirectly in or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of national securities exchange of, the United States of America ("U.S.") and may only be accepted outside the U.S.

This includes, but is not limited to, facsimile transmission, telex or telephones. Any offering materials with respect to the public tender offer described in this pre-announcement (including this pre-announcement) must neither be distributed in nor sent to the U.S. and must not be used for the purpose of soliciting the sale or purchase of any securities of BioXell S.p.A., from anyone in the U.S. Cosmo Pharmaceuticals S.p.A. is not soliciting the tender of securities of BioXell S.p.A. by any holder of such securities in the U.S. Securities of BioXell S.p.A. will not be accepted from holders of such securities in the U.S. Any purported acceptance of the offer that Cosmo Pharmaceuticals S.p.A. or its agents believe has been made in or from the U.S. will be invalidated. Cosmo Pharmaceuticals S.p.A. reserves the absolute right to reject any and all acceptances by them not to be in the proper form or the acceptance of which may be unlawful.

The securities to be issued pursuant to the public tender offer referred to in this document have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), nor under any law of any state of the United States of America, and may not be offered, sold, resold, or delivered, directly or indirectly, in or into the United States of America, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and the applicable state securities laws. Neither this pre-announcement nor the public tender offer referred to herein does constitute an offer to sell or the solicitation of an offer to buy any securities in the United States of America or in any other jurisdiction in which such an offer or solicitation would be unlawful. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration. Cosmo Pharmaceuticals S.p.A. will not register or make a public offer of its securities, or otherwise conduct the public tender offer, in the United States of America.

United Kingdom

This document has not been delivered for approval to the Financial Services Authority ("FSA") in the United Kingdom or to an authorized person within the meaning of Financial Services and Markets Act 2000, as amended ("FSMA"). No approved prospectus within the meaning of section 85 of FSMA or of the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading ("Prospectus Directive") has been published or is intended to be published in relation to the Offer. This document and the offer prospectus to be published does not constitute a prospectus for the purposes of FSMA or the Prospectus Directive.

Within the United Kingdom, this document and the offer prospectus is only being addressed and distributed to persons to whom interests may lawfully be promoted pursuant to section 21 of FSMA. In particular, this document and the offer prospectus may be addressed and distributed only to (i) investment professionals within the meaning of article 19 of the FSMA 2000 (Financial Promotion) Order 2005 ("FPO") and (ii) high net worth companies, trustees of high-value trusts or other relevant persons falling within the scope of article 49 of the FPO (being referred to as "Relevant Persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which

this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

Italy

The Cosmo Shares have not been registered with the Consob pursuant to Italian securities legislation and they will not be distributed, offered, delivered, sold, marketed or promoted directly or indirectly, in Italy or to a resident of Italy in a solicitation to the public at large (sollecitazione all'investimento) within the meaning of Section 1, paragraph 1, letter (t) of the Legislative Decree No. 58 of 24 February 1998, as amended ("Legislative Decree N. 58"), and copies of this document or any other documentation relating to the Cosmo Shares or this document will not be distributed in Italy other than to professional investors (operatori qualificati), as defined in Section 31 of Consob Regulation No. 11522 of 1 July 1998, as amended ("Regulation No. 11522") or in other circumstances where an exemption from the rules governing solicitation to the public at large applies in accordance with Section 100 of Legislative Decree No. 58 and Section 33 of Consob Regulation No. 11971 of 14 May 1999, as amended.

In any event, the offering of the Cosmo Shares must be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and in particular, will be made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Legislative Decree No. 385 of 1 September 1993, as amended, Legislative Decree No. 58, Regulation No. 11522, and any other applicable laws and regulations; and in compliance with any other applicable notification requirement or limitation which may be imposed by Consob or the Bank of Italy. Each person in Italy receiving this document acknowledges that (i) it is a professional investor as defined under Section 31 of regulation No. 11522; (ii) it is acting in its capacity as a professional investor and not as a depositary or nominee for another person, and (iii) it has agreed that it will not resell or deliver the Cosmo Shares purchased within the Offer referred to herein in Italy to persons who are not professional investors, and, in any event, it will not resell or deliver the Cosmo Shares purchased within the Offer referred to herein to any individual residing in Italy.

European Economic Area

This offer is not directed at investors in the European Economic Area except qualified investors within the meaning of Art. 2 (1)(e) of Directive 2003/71/EC (the "Prospectus Directive") and the national provisions of the member states of the European Economic Area that have implemented the Prospectus Directive.

SAL. OPPENHEIM