



LISTING PROSPECTUS

for

PUT OPTIONS

on registered shares of

COSMO Pharmaceuticals S.P.A., Lainate (Milano), Italy

issued by

COSMO Pharmaceuticals S.P.A., Lainate (Milano), Italy

**THE COSMO PUT OPTIONS ARE SUBJECT TO ITALIAN LAW AND ANY
CLAIMS AND LEGAL DISPUTES ARISING OUT OF OR IN CONNECTION WITH
THE COSMO PUT OPTIONS SHALL BE SUBMITTED TO THE EXCLUSIVE JU-
RISDICTION OF THE COURTS OF MILAN, ITALY**

Settlement, Payment and Exercise Agent

SAL. OPPENHEIM

Date: 11 March 2010

Security-Number: 10 743 222 | ISIN: IT0004576630 | Ticker-Symbol: COPNP

A. RESTRICTIONS

This listing prospectus does not constitute an offer of the Cosmo Put Options or invitation to enter into any financial transaction regarding Cosmo Put Options, and may not be used for the purposes of offering the Cosmo Put Options or of inviting third parties to make an offer as far as such an offer or such an invitation is prohibited by the pertinent laws and regulations or illegal with respect to the respective addressee of the offer or the invitation.

The Cosmo Put Options may only be offered, sold or delivered in or from a jurisdiction, in which such actions are allowed according to the applicable laws and regulations and if no obligations of the Issuer result.

For the duration of the Cosmo Put Options, Cosmo is entitled to purchase or sell Cosmo Put Options at all times on the market or through OTC transactions. Cosmo has no obligation to inform the holders of Cosmo Put Options of such transactions.

Subject to the offer restrictions as set forth in the Public Tender Offer, Cosmo Put Options are issued to the tendering shareholders of BioXell in connection with the Public Tender Offer. As a consequence, the restrictions of the Public Tender Offer also apply to the Cosmo Put Options:

General:

The Public Tender Offer 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 the offer prospectus of 8 December 2009 as well as this listing prospectus) 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 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 the offer prospectus of 8 December 2009 or this listing prospectus 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 (including the Cosmo Put Options) referred to in the offer prospectus of 8 December 2009 and this listing prospectus 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. The Public Tender Offer referred

to herein does not 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 and the Cosmo Put Options, or otherwise conduct the Public Tender Offer, in the United States of America.

United Kingdom

Neither the offer prospectus of 8 December 2009 nor this listing prospectus have 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 Public Tender Offer or the Cosmo Put Options.

This listing prospectus and the offer prospectus of 8 December 2009 do not constitute a prospectus for the purposes of FSMA or the Prospectus Directive. Within the United Kingdom, the offer prospectus of 8 December 2009 and this listing prospectus are only being addressed and distributed to persons to whom interests may lawfully be promoted pursuant to section 21 of FSMA. In particular, the offer prospectus and this listing 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 and the Cosmo Put Options 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 Public Tender Offer, the Cosmo Shares, the Cosmo Put Options, 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 and the Cosmo Put Options 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 or the Cosmo Put Options purchased within the Public Tender 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 or the

Cosmo Put Options purchased within the Public Tender Offer referred to herein to any individual residing in Italy.

European Economic Area:

The Public Tender Offer and thus also the Cosmo Put Options are 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.

B. RISK FACTORS

The Cosmo Put Options are settled by payment of a pre-determined amount of cash against the delivery of a certain number of Cosmo Shares. Therefore, changes in the share price of the Cosmo Shares influence the value of the Cosmo Put Options disproportionately. The value of the Cosmo Put Options can decrease even if the value of the Cosmo Shares remains unchanged or decreases. This may occur because the time value of the Cosmo Put Option declines over time and because supply and demand factors are unfavourable to the Cosmo Put Option. An investment in Cosmo Put Options is more volatile than an investment in Cosmo Shares and there is a leverage effect, which means that a change in the market value of the Cosmo Shares may result in a greater change in the price of the Cosmo Put Option. Consequently, holding Cosmo Put Options entails higher risks as holding Cosmo Shares.

The business policy, the business development and Cosmo's performance may strongly influence the share price of the Cosmo Shares, and thus, the value of the Cosmo Put Options.

The Issuer reserves the right to purchase, sell and issue Cosmo Shares and derivatives on Cosmo Shares, which may influence the share price of the Cosmo Shares and the price of the Cosmo Put Options.

At their expiration, the Cosmo Put Options are valueless if the share price of the Cosmo Shares is higher than the exercise price, *i.e.* if the Cosmo Put Options are not in the money. In such case, the loss corresponds to the value of the Cosmo Put Option at the moment they are delivered within the settlement of the Public Tender Offer, or if the Cosmo Put Options were subsequently purchased, to the purchase price plus interest as appropriate.

The value of the Cosmo Put Options does not only depend on the development of the Cosmo Shares but also on the reliability and solvency of the Issuer, which may change during the term of the Cosmo Put Options. The holder of the Cosmo Put Options bears the risk of default of the Issuer. The Issuer is not a financial institution but carries on an operational business and the payment under the Cosmo Put Option is not guaranteed by a bank or any other third party. Therefore, the risk structure is different from the risk structure where a licensed bank is the issuer. The payment of the exercise price upon due exercising of the Cosmo Put Options by the Issuer is not secured by a third party but is a direct, unsubordinated, and unsecured obligation of the Issuer.

This listing prospectus does not serve as a basis of a rating of the Issuer and does not contain a recommendation by the Issuer to purchase the Cosmo Put Options. Every investor interested in Cosmo Put Options is advised to conduct an independent assessment of the financial position of the Issuer.

If an acquisition of Cosmo Put Options is made on credit, not only the loss of the value of the Cosmo Put Options as described above must be borne but also the credit must be repaid including interest.

Extraordinary events initiated by third parties such as described in section C.2 below under the heading extraordinary events, may cause the Cosmo Put Options to become valueless in which case holders of the Cosmo Put Options will not be entitled to any compensation for their loss.

The Issuer neither makes a representation regarding the appropriateness of the Cosmo Put Options for an individual holder or investor nor regarding the future performance of the Cosmo Put Options or the Cosmo Shares. A consultation with the investor's principal bank, which the information in this listing prospectus cannot compensate, is essential prior to the entering into a transaction with Cosmo Put Options in order to individually determine the legal, regulatory, credit, tax and accounting consequences. Only investors that are aware of all the risks which transactions with Cosmo Put Options entail and that are economically capable of bearing the possible loss should enter into such transactions.

C. INFORMATION ON THE COSMO PUT OPTIONS

1. General Information

Security number:	10 743 222
ISIN:	IT0004576630
Ticker-symbol:	COPNP
Underlying:	Cosmo Shares (Security number: 2 862 650; ISIN: IT0004167463; Ticker-Symbol: COPN)
Issuer:	Cosmo Pharmaceuticals S.p.A.
Listing date:	11 March 2010
Representative:	Baker & McKenzie Zurich, Zollikerstrasse 225, 8034 Zurich, Switzerland (telephone: +41 (0)44 384 14 14, fax: +41 (0)44 384 12 84)
Settlement, Payment and Exercise Agent:	Bank Sal. Oppenheim jr. & Cie. (Schweiz) AG, Uraniastrasse 28, 8022 Zurich, Switzerland (telephone: +41 (0)44 214 24 16, fax: +41 (0)44 214 23 15) Cosmo reserves the right to replace the Settlement, Payment and Exercise Agent at any time. Such replacement will be published in accordance with section E.2. as well as via SIX Swiss Exchange AG's electronic information system.
Legal basis:	According to the decision by the Board of 5 March 2010, Cosmo issues 1,120,743 Cosmo Put Options.

2. Terms and Conditions

Issue price:	Cosmo Put Options are issued to tendering BioXell shareholders as part of the consideration offered by Cosmo for BioXell Shares in the Public Tender Offer. Cosmo's valuation of the Cosmo Put Option based on the closing share price of the Cosmo Shares of 5 March 2010 resulted in a value of the Cosmo Put Options of CHF 4.49. Based on this valuation, the total value of the issue amounts to CHF 5,032,136.
Exercise price:	CHF 21
Ratio:	1 : 1
Exercise Period:	The Cosmo Put Options cannot be exercised until and including 30 June 2011. The Cosmo Put Options may then be exercised on every Trading Day from 1 July 2011 until

31 December 2011, 5 pm CET (Exercise Period).

- Expiration: The Cosmo Put Options expire on 31 December 2011, provided however, that the Cosmo 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.
- Last possible exercise time: 30 December 2011, 5 pm (CET)
- Last trading day and time: The Cosmo Put Options may be traded until 5.15 pm (CET) on every Trading Day until 29 December 2011, and on 30 December 2011, until 12 noon (CET).
- Exercising procedure: To exercise the Cosmo Put Options, a written declaration must be submitted to the Settlement, Payment and Exercise Agent during the Exercise Period of the Cosmo Put Options. The exercising is deemed to have taken place on the Trading Day on which the written declaration is received until 5 pm (CET). If the written declaration is received by the Settlement, Payment and Exercise Agent after 5 pm (CET), the following Trading Day is deemed to be the exercising day. To comply with the Exercise Period of the Cosmo Put Options, the timely receipt by the Settlement, Payment and Exercise Agent of the written declaration during the Exercising Period is sufficient. Nevertheless, also the possibly subsequent transfer of the Cosmo Put Options and of the Cosmo Shares to the Settlement, Payment and Exercise Agent's account at SIX SIS AG for the benefit of the Issuer are further conditions of an effective exercise of the Cosmo Put Options.
- Cosmo Put Options that are not validly exercised until the last possible exercising time on the expiration date will expire worthless without any claim to compensation.**
- Settlement: The delivery of the underlying Cosmo Shares and the payment of the exercise price take place three Trading Days (value date) after the exercising of the Cosmo Put Options (delivery vs. payment).
- Statute of limitations: Claims for the payment of the exercise price and for the delivery of Cosmo Shares based on Cosmo Put Options are time barred at the expiration of ten years after maturity.
- Currency: CHF
- Amount of issue: 1,120,743 Cosmo Put Options on 1,120,743 Cosmo Shares.
- Conferred rights: Each Cosmo Put Option confers the right to sell one Cosmo Share to Cosmo at a price of CHF 21 per Cosmo Share, exercisable on every Trading Day during the Exercise Period starting on 1 July 2011 and ending on 31 December 2011 (provided, however, that the Cosmo 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).

The rights of Cosmo Put Options which are not exercised within the Exercise Period expire without compensation.

Dividends and other rights:	Cosmo Shares sold under the Cosmo Put Options confer the right to dividends and/or the other rights tied to the Cosmo Shares distributable at the moment of the exercising. If the exercising day coincides with the day of the distribution of the dividends or other rights (ex date at SIX Swiss Exchange AG), the Cosmo Shares are delivered ex dividends or other rights.
Extraordinary events:	<p>If during the term of the Cosmo Put Options an extraordinary event concerning the Cosmo Shares occurs, Cosmo will implement the appropriate adaptation of the option rights or other measures to ensure that the value and economic purpose of the Cosmo Put Options remains unchanged. Extraordinary events in accordance with this provision are:</p> <ul style="list-style-type: none">- mergers where Cosmo is not the surviving entity;- consolidation of the Cosmo Shares to the result that there are no further Cosmo Shares with a nominal value of EUR 0.25;- split of all the Cosmo Shares into shares with a lower nominal value;- any other amendment of the capital structure of Cosmo so that there are no more outstanding Cosmo Shares with a nominal value of EUR 0.25. <p>Measures in accordance with this provision are for example:</p> <ul style="list-style-type: none">- adaptation of the exercise ratio;- adaption of the underlying Cosmo shares;- replacement of the underlying Cosmo Shares by shares of the surviving merger party;- allowing early exercise of the Cosmo Put Options.
Status:	The Cosmo Put Options are direct and unsecured liabilities of Cosmo which rank <i>pari passu</i> with all other unsecured and not subordinated liabilities.
Fees:	Cosmo will not levy any fees from the investors during the term. However, any fees levied by the investor's bank are to be born by the investor.
Swiss tax consequences:	The discussion of certain Swiss tax consequences below is of a general nature and cannot replace tax advice regarding the individual case. All holders of Cosmo Put Options are expressly advised to consult their own tax advisor with regard to the tax consequences transactions with Cosmo Put Options may entail in their particular case. The considerations are only valid at the issuance of the Cosmo Put Options. The tax legislation and the practice of the tax authori-

ties may change anytime.

- (a) The transfer of the Cosmo Put Options and the exercise of the Cosmo Put Options resulting in the transfer of the underlying Cosmo Shares entail the same Swiss income and capital gains tax consequences set forth below:

Holders of Cosmo Put Options subject to taxation in Switzerland and holding their Cosmo Put Options as part of their private property, according to the general principles of Swiss income tax law as a rule realize tax-free capital gains or a non-tax-deductible capital loss at the transfer of Cosmo Put Options or at the exercising of Cosmo Put Options (resulting in the transfer of the Cosmo Shares). However, the case of a transfer or exercising by a holder of Cosmo Put Options qualifying as professional securities trader remains reserved.

Holders of Cosmo Put Options subject to taxation in Switzerland and holding Cosmo Put Options as part of their business property, according to the general principles of Swiss income and capital gains tax law, basically realize taxable capital gains or a tax deductible capital loss at the transfer of Cosmo Put Options or at the exercising of Cosmo Put Options (resulting in the transfer of the Cosmo Shares).

Holders of Cosmo Put Options not subject to taxation in Switzerland generally do not realize gains subject to Swiss income or capital gains tax provided that the Cosmo Put Options are not allocated to a Swiss permanent establishment or business activity in Switzerland at the transfer of Cosmo Put Options or at the exercising of Cosmo Put Options (resulting in the transfer of the Cosmo Shares).

- (b) Neither the acquisition, the holding, nor the transfer of Cosmo Put Options is subject to Swiss Withholding Tax (*Verrechnungssteuer*) or Swiss Stamp Taxes (*Stempelabgaben*).
- (c) The transfer of the Cosmo Shares as a consequence of the exercising of Cosmo Put Options may be subject to Swiss Federal Securities Transfer Stamp Tax (*Umsatzabgabe*) of 0.3% calculated with respect to proceeds from the transfer of the Cosmo Shares, if such transfer occurs through a Swiss bank or other Swiss securities dealers as defined in the Swiss Federal Stamp Tax Act.

Applicable Law:

The Cosmo Put Options are subject to Italian law.

Jurisdiction:

Any claims and legal disputes arising out of or in connection with the Cosmo Put Options shall be submitted to the exclusive jurisdiction of the Courts of Milan, Italy.

3. Form of Cosmo Put Options

The rights conferred by the Cosmo Put Options are issued as book-entry securities according to Italian law, Section 28 of Legislative Decree of 24 June 1998 No. 213. Options certificates will neither be issued nor available for physical delivery. Cosmo Put Options are centralized in the central security depository system managed by Monte Titoli S.p.A. until expiry of Cosmo Put Options. For the purpose of the exercise of relevant rights, holders of Cosmo Put Options must rely on the procedures of Monte Titoli S.p.A., Banca Intesa S.p.A., or SIX SIS AG and on the intermediaries or participants that have accounts with Monte Titoli S.p.A., Banca Intesa S.p.A., or SIX SIS AG. The rights conferred by the Cosmo Put Options according to their terms and conditions may be asserted towards the Issuer but not towards Monte Titoli S.p.A., Banca Intesa S.p.A., or SIX SIS AG irrespective from the book-entry. Holders of Cosmo Put Options are entitled to receive confirmation of their holding of Cosmo Put Options from the intermediary or the depository bank at which they have the account. Based on such confirmation they may assert their rights towards the Issuer.

The Cosmo Put Options are transferred by book entry, *i.e.* by debits from and credits to the accounts of the seller and the purchaser of Cosmo Put Options, respectively.

4. Restrictions on Transferability and Tradability

Cf. section A. above.

5. Publications

All notices about the Cosmo Put Options and about Cosmo as issuer will be published in accordance with the regulations of SIX Swiss Exchange AG on Cosmo's website <http://www.cosmopharmaceuticals.com/csm/ir/> (Investor Relations).

D. INFORMATION ON THE UNDERLYING INSTRUMENTS

1. General Information

General description:	Cosmo Shares are registered shares of Cosmo with a par-value of EUR 0.25 each, which are listed according to the Main Standard at SIX Swiss Exchange AG.
Security number:	2 862 650
Ticker-Symbol:	COPN
ISIN:	IT0004167463
Domicile / company name:	<i>Cf.</i> below section E.1
Annual report:	Information regarding the Issuer is published according to the regulations of SIX Swiss Exchange AG. The annual reports may be obtained free of charge at Cosmo or downloaded at Cosmo's website during the entire term of the Cosmo Put Options (<i>cf.</i> also section 2 below).
Form of Cosmo Shares:	Cosmo Shares are issued in book entry form according to Italian law, Section 28 of Legislative Decree of 24 June 1998 No. 213. No share certificates are issued and share certificates will not be available for physical delivery. However, shareholders are entitled to receive written confirmation regarding the number of Cosmo Shares held through the intermediary or the depository bank at which they have their account.
Transferability:	A transfer of Cosmo Shares is effected by corresponding entry in securities accounts, in which the transfer of finan-

cial instruments is recorded and which are opened with authorized financial intermediaries, all in accordance with the applicable law. Upon registration of the transfer and upon request of the shareholder, the financial intermediaries inform Cosmo of the transfer of Cosmo Shares, and Cosmo updates the shareholders' register (*Libro Soci*) in accordance with Italian law. A shareholder may ask for his registration at any time.

2. Development of the Cosmo Share Price

For information on the past performance of the Cosmo Shares cf. www.six-swiss-exchange.com.

3. Restrictions on Tradability

Cf. section A. above.

E. INFORMATION ON THE ISSUER

1. Company Name, Registered Office, and Location

The Cosmo Put Options are issued by Cosmo. Cosmo has its registered office and headquarters at Cristoforo Colombo 1, 20020 Lainate (Milano) Italy.

2. Jurisdiction and Legal Form

Cosmo was originally incorporated by Cosmo Holding S.p.A. on 29 June 2006 in the form of a limited liability company (*società a responsabilità limitata*) under the name of Cosmo Pharmaceuticals S.r.l. and was transformed into a stock corporation (*società per azioni*) on 14 December 2006 with the company name Cosmo Pharmaceuticals S.p.A.

3. Share Capital

As of 31 December 2009, Cosmo had a share capital of EUR 3,468,750, divided into 13,875,000 fully paid in ordinary registered shares with a par-value of EUR 0.25 each. Upon completion of the Public Tender Offer, Cosmo's outstanding share capital amounts to EUR 3,748,935.75, divided into 14,995,743 fully paid in registered shares with a par-value of EUR 0.25 each.

Cosmo has an approved stock option plan to issue up to 1,513,200 registered shares with a par-value of EUR 0.25 each (EUR 378,300 in nominal capital) at CHF 22 at the service of an employee stock ownership plan. As of 31 December 2009, 1,013,568 options are issued and outstanding under Cosmo's stock option plan (since that date, no further options were issued). In conformity with Italian law, no conditional capital needs to be created at the time such stock option plan is put in place. Capital will be created solely if options are exercised.

All Cosmo Shares are indivisible, rank *pari passu* and confer one vote each and equal rights, particularly, they all participate in any dividends paid by Cosmo proportionally to the Cosmo Shares held by each shareholder and paid as resolved in respect of the financial years ending 31 December (if any dividends are issued). In the event of a winding up of Cosmo, once creditor claims have been satisfied, shareholders are entitled to a distribution of the remaining liquidated assets of Cosmo in proportion to the nominal value of their Cosmo Shares.

4. Board of Directors, Executive Management and Auditors

According to the corporate governance model Cosmo has adopted, the management of Cosmo is the responsibility of the Board, which may delegate its authority to the Executive Committee and/or to the Chief Executive Officer (CEO). The Board determines the duration

of the term and the powers of the CEO. The CEO's functions include coordination and supervision. In addition, the Italian civil code requires that Cosmo have a Board of Statutory Auditors, a supervisory body independent from both, the Board and Cosmo's external independent auditors. Mazars & Guerard S.p.A., Corso di Porta Vigentina, 35 - 20122 Milan, was appointed Cosmo's independent auditor on 14 December 2006.

Currently, the Board consists of five Non-Executive Members and two Executive Directors:

Rolf Stahel	Chairman; Non-Executive Director
Mauro S. Ajani	Member; CEO
Chris Tanner	Member; CFO
Gianluigi Bertolli	Member; Non-Executive Director
Friedrich von Bohlen und Halbach	Member; Non-Executive Director
Alessandro Della Chà	Member; Non-Executive Director
Dieter A. Enkelmann	Member; Non-Executive Director

Currently, the Management of the Cosmo Group consists of the following persons:

Mauro S. Ajani	CEO; Member of the Board
Marco Albasini	Technical Director
Roberta Bozzella	R&D Regulatory Affairs Manager
Guiseppe Celasco	Chief Medical Officer
Guiseppe Cipriano	Chief Operating Officer
Richard Jones	Clinical Operations Manager
Marco Lecchi	Deputy CFO
Andrea Lovati	Quality Assurance Manager
Luigi Moro	Chief Scientific Officer
Gian Carlo Naccari	Head of IBD Business Development
Massimo Pedrani	Head of Business Development Generics
Francesca Rasetti	Regulatory Manager
Matteo Surace	Medical Manager
Chris Tanner	CFO; Member of the Board
Roberta Villa	Chief Manufacturing Officer

The Board of Statutory Auditors is composed of three permanent auditors plus two deputy auditors, which according to seniority, automatically replace a permanent auditor who resigns or is unable to serve as auditor. Currently, Fabrizio Gardi, Andrea Righetti, and Maria Christina Chioda serve as permanent auditors on the Board of Statutory Auditors of Cosmo.

5. Auditors' Report

To the Board of Directors of
Cosmo Pharmaceuticals S.p.A.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Cosmo Pharmaceuticals S.p.A. ("the Company"), which comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Cosmo Pharmaceuticals S.p.A. as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Milan, March 20, 2009

Mazars & Guérard S.p.A.

Carlo Consonni

6. Annual Financial Statements

The annual financial statements are drawn up as per 31 December of every year and the profit and loss statement and the balance sheet are established in accordance with Italian law and the standard required by SIX Swiss Exchange AG.

7. Recent Business Performance

Operationally Cosmo performed well in 2009. Lialda continued gaining market share in the United States. All clinical trial programs progressed even though there were some slight delays in the Budesonide and Rimfamycin SV programs. Recurring revenue increased slightly; somewhat lower contract drug manufacturing revenues were offset by increased income in Lialda royalties. Net operating expenses were lower than in 2008 primarily because of lower raw material and consumables costs. After tax, profits are expected at around EUR 4.5 million, around half as much as 2008 when results were strongly impacted by one time milestone payments of EUR 10.3 million.

The balance sheet strengthened considerably. Cash and financial assets increased to more than EUR 30 million and more than 80% of assets were financed by equity.

8. Material Changes since the Last Interim Financial Statements

Cosmo confirms that since the last half year report as per 30 June 2009 the only significant changes regarding the assets and liabilities, financial position, earnings and prospects of Cosmo are a result of the Public Tender Offer: The Public Tender Offer was executed by means of a contribution of the BioXell Shares in consideration of the offer consideration, which includes Cosmo Shares. As a result of the contribution in kind, Cosmo's equity and overprice reserves increased by about EUR 15 million. Correspondingly, Cosmo Group's liq-

uid assets consisting primarily of time deposits in prime banks increase by investments in prime Italian government securities of around EUR 15 million.

9. Court, Arbitral, and Administrative Proceedings

At the time of the signing of this listing prospectus, Cosmo was not aware of any pending or threatened court, arbitral and administrative proceedings that are of material importance to Cosmo's assets, and liabilities, profits and losses.

F. DEFINITIONS

"BioXell"	BioXell S.p.A., Milan, Italy
"BioXell Shares"	Registered shares of BioXell, with a par-value of EUR 5 each and listed according to the Main Standard at SIX Swiss Exchange AG
"Board"	Board of directors of Cosmo
"Cosmo" or "Issuer"	Cosmo Pharmaceuticals S.P.A., Lainate (Milano), Italy
"Cosmo Put Options"	Put options on Cosmo Shares issued by Cosmo
"Cosmo Shares"	Registered shares of Cosmo with a par-value of EUR 0.25 each and listed according to the Main Standard at SIX Swiss Exchange AG
"Exercise Period"	Every Trading Day from 1 July 2011 until 31 December 2011, 5 pm (CET)
"Public Tender Offer"	Cosmo's public tender offer for all BioXell Shares (<i>cf.</i> offer prospectus of 8 December 2009)
"Settlement, Payment and Exercise Agent"	Bank Sal. Oppenheim jr. & Cie. (Schweiz) AG, Uraniastrasse 28, 8022 Zurich, Switzerland (telephone: +41 (0)44 214 24 16, fax: +41 (0)44 214 23 15). Cosmo reserves the right to replace the Settlement, Payment and Exercise Agent at any time. Such replacement will be published in accordance with section E.2 as well as via SIX Swiss Exchange AG's electronic information system.
"Trading Day"	Any official day on which SIX Swiss Exchange AG is open for stock exchange trading.

G. RESPONSIBILITY FOR THE LISTING PROSPECTUS

Cosmo Pharmaceuticals S.p.A., Lainate (Milano), Italy, takes responsibility for the content of the listing prospectus. Cosmo Pharmaceuticals S.p.A. hereby confirms to the best of its knowledge that the information in the listing prospectus is correct and that no material facts or circumstances have been omitted.

Milan, 11 March 2010

Cosmo Pharmaceuticals S.p.A.