

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Offer or the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Cobra Shares, please forward this document and the accompanying documentation, but not any accompanying personalised Form of Acceptance (in respect of shares held in certificated form), as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded, transmitted or distributed in or into the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction if to do so would constitute, or cause the Offer to constitute, a violation of the relevant securities laws of such other jurisdiction. If you have sold or otherwise transferred only part of your Cobra Shares, you should retain these documents.

Acorn Corporate Finance Limited, which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting exclusively for Recipharm and no one else in relation to the Offer and will not be responsible to anyone other than Recipharm for providing the protections afforded to clients of Acorn Corporate Finance Limited nor for providing advice in relation to the Offer or any other matters referred to in this document.

Seymour Pierce Limited which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting exclusively for Cobra and no one else in relation to the Offer and will not be responsible to anyone other than Cobra for providing the protections afforded to clients of Seymour Pierce Limited nor for providing advice in relation to the Offer or any other matters referred to in this document.

This document should be read in conjunction with the accompanying Form of Acceptance (in respect of shares held in certificated form), the terms of which are deemed to form part of the Offer if your Cobra Shares are held in certificated form. If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action as only your CREST sponsor will be able to send the necessary TTE Instructions to Euroclear to enable you to accept the Offer.

Recommended Mandatory Cash Offer

By

ACORN CORPORATE FINANCE LIMITED

on behalf of

Recipharm AB

under Rule 9 of the City Code

for

Cobra Bio-manufacturing Plc

at 2.25 pence per Cobra Share

Your attention is drawn to the letter from the Chairman of Cobra, which is set out in Part III of this document, which contains the Cobra Directors' unanimous recommendation that you accept the Offer.

To accept the Offer in respect of Cobra Shares held in certificated form, the accompanying Form of Acceptance must be completed, signed, witnessed (in the case of an individual) and returned along with your valid share certificate(s) and/or other document(s) of title as soon as possible and, in any event, so as to be received by post or by hand (during normal business hours only) at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham Kent, BR3 4TU no later than 1.00 p.m. on **3 February 2010**. A reply-paid envelope for use within the United Kingdom only is enclosed for your convenience. The procedure for acceptance of the Offer is set out in paragraph 14 of the letter from Acorn Corporate Finance set out in Part IV of this document. This document should be read in conjunction with the accompanying Form of Acceptance.

To accept the Offer in respect of Cobra Shares held in uncertificated form (that is, in CREST) you must make your acceptance electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. on **3 February 2010**. The procedure for acceptance of the Offer is set out in paragraph 14 of the letter from Acorn Corporate Finance set out in Part IV of this document. If you are a CREST sponsored member, you must refer to your CREST sponsor before taking any action as only your CREST sponsor will be able to send the necessary TTE Instructions to Euroclear to enable you to accept the Offer.

The Offer is not being, and will not be, made, directly or indirectly, in, into or from, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet, email or other forms of electronic communication) of interstate or foreign commerce of, or by any facility of, a national, state or other securities exchange of the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction where to do so would constitute a violation of the

relevant laws of such jurisdiction and the Offer cannot be accepted and will not be capable of acceptance by any such use, means, instrumentality or facilities. Accordingly, copies of this document, the Form of Acceptance and any other documents related to the Offer are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent, in whole or in part, in, into or from, the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction and the Offer cannot be accepted and will not be capable of acceptance by any such use, means, instrumentality or facilities and persons receiving such documents (including custodians, nominees and trustees) must not directly or indirectly mail, transmit or otherwise forward, distribute or send them in, into or from any such jurisdiction as to do so may invalidate any purported acceptance of the Offer.

The availability of the Offer to Overseas Shareholders may be affected by the laws of the jurisdiction in which they are resident. Persons who are not resident in the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements of those jurisdictions. If you are an Overseas Shareholder and you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.

Any person (including, without limitation, any nominee, trustee or custodian) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this document and/or the accompanying Form of Acceptance and/or any other documents related to the Offer to any jurisdiction outside the United Kingdom should read paragraph 13 of the letter from Acorn Corporate Finance set out in Part IV and paragraph 7 of part B of Appendix I to this document and should take appropriate advice before taking any action.

DEALING DISCLOSURE REQUIREMENTS

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, “interested” (directly or indirectly) in 1 per cent. or more of any class of “relevant securities” of Cobra, all “dealings” in any “relevant securities” of Cobra (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 p.m. (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Cobra, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of Cobra by Recipharm or Cobra, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

FORWARD-LOOKING STATEMENTS

This document, including information included or incorporated by reference in this document, contains statements about Cobra, the Offer and Recipharm that are or may be forward looking statements. All statements other than statements of historical facts included in this document may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words ‘targets’, ‘plans’, ‘believes’, ‘expects’, ‘aims’, ‘intends’, ‘will’, ‘may’, ‘anticipates’, ‘estimates’, ‘projects’, or words or terms of similar substance or the negative thereof identify forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of Cobra’s or Recipharm’s operations.

These forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Cobra or Recipharm. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to Cobra or Recipharm or any of their members or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included in this document are based on information available to the relevant parties on the date hereof. Investors should not place undue reliance on such forward-looking statements, and neither Cobra, Recipharm nor their directors undertakes any obligation in respect of, and do not intend to update or revise any forward-looking statements except as required by the City Code or pursuant to applicable law.

ACTION TO BE TAKEN TO ACCEPT THE OFFER

1. If you hold your Cobra Shares in certificated form:

- (a) complete the Form of Acceptance in accordance with the instructions printed thereon and paragraph 14(b) of the letter from Acorn Corporate Finance set out in Part IV of this document; and
- (b) return the completed, signed and witnessed (in the case of an individual) Form of Acceptance (together with your valid share certificate(s) and any other document(s) of title) by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to be received by Capita Registrars not later than **1.00 p.m. on 3 February 2010**.

2. If you hold your Cobra Shares in uncertificated form (that is, in CREST), you should follow the procedures set out in paragraph 14(c) of the letter from Acorn Corporate Finance in Part IV of this document and send (or procure that there is sent) a TTE Instruction(s) to settle not later than **1.00 p.m. on 3 February 2010**. If you are a CREST sponsored member, you must refer to your CREST sponsor before taking any action as only your CREST sponsor will be able to send the necessary TTE Instructions to Euroclear to enable you to accept the Offer.

The first closing date of the Offer is 1.00 p.m. on 3 February 2010.

This page should be read in conjunction with the rest of this document. Cobra Shareholders are recommended to seek financial advice from their independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

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PART I

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS

TIMETABLE OF PRINCIPAL EVENTS¹

Announcement of the Offer	16 December 2009
Offer Document posted to Shareholders	13 January 2010
First closing date of Offer	3 February 2010
Earliest date that Offer can be closed	17 February 2010
Latest date for payment of consideration in relation to acceptances received on or prior to First Closing – payment will not be made until offer is declared wholly unconditional	17 February 2010

⁽¹⁾ References to times in this Document are to London time (unless otherwise stated).

OFFER STATISTICS

Offer Price	2.25 pence
Number of existing Cobra Shares in issue	44,339,170
Value of Cobra at the Offer Price	£997,631
Market price per Cobra Share immediately preceding the commencement of the Offer Period	3.125 pence
Discount to pre-Offer Period price per Cobra Share	28.0 per cent

PART II

DIRECTORS AND ADVISERS

Directors of Cobra

Danny Chapchal
Simon Saxby
Peter Coleman
Michael Gatenby
David Oxlade
Professor Nigel Slater

Non-Executive Chairman
Chief Executive Officer
Finance Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Registered Office of Cobra

Stephenson Building
The Science Park
Keele
Staffordshire
ST5 5SP

Financial Adviser to Cobra

Seymour Pierce Limited
20 Old Bailey
London
EC4M 7EN

Registrars to Cobra

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Solicitors to Cobra

Speechly Bircham LLP
6 New Street Square
London
EC4A 3LX

Directors of Recipharm

Lars Backsell
Thomas Eldered
Anders G Carlberg
Göran Pettersson
Tony Sandell
Olle Christenson
Lars-Göran Carlsson

Chairman
Chief Executive Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Employee Representative
Employee Representative

Registered Office of Recipharm

Lagervägen 7
SE-136 50 Haninge
Sweden

Financial Adviser to Recipharm

Acorn Corporate Finance Limited
Bollin House,
Riverside Park
Wilmslow
SK9 1DP

Solicitors to Recipharm

Cobbetts LLP
58 Mosley Street
Manchester
M2 3HZ

Receiving Agent to Recipharm

Capita Registrars
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

PART III

LETTER FROM THE CHAIRMAN OF COBRA Bio-manufacturing Plc

Cobra Bio-manufacturing Plc

(Incorporated and registered in England and Wales with registered number 4442927)

Directors:
Danny Chapchal (Non-Executive Chairman)
Simon Saxby (Chief Executive Officer)
Peter Coleman (Finance Director)
Michael Gatenby (Non-Executive Director)
David Oxlade (Non-Executive Director)
Professor Nigel Slater (Non-Executive Director)

Registered office:
Stephenson Building
The Science Park
Keele
Staffordshire
ST5 5SP

13 January 2010

To all Cobra Shareholders and, for information purposes only, to Cobra Optionholders.

Dear Cobra Shareholder,

RECOMMENDED MANDATORY CASH OFFER FOR COBRA BY RECIPHARM

1. Introduction

On 16 December 2009, Recipharm and Cobra announced the terms of a mandatory cash offer to be made by Acorn Corporate Finance on behalf of Recipharm, in accordance with the requirements of Rule 9 of the City Code, for the whole of the issued and to be issued share capital of Cobra not already owned by Recipharm.

This letter explains the background to the Offer and sets out the advice of the Cobra Directors to Cobra Shareholders in relation to the Offer.

On 16 December 2009, Recipharm notified Cobra that it had purchased Cobra Shares such that it held 19,450,000 Cobra Shares representing approximately 43.87 per cent. of the issued share capital of Cobra, having acquired them for £437,625 (2.25 pence per share). As a result of this acquisition, Recipharm is obliged to make an offer to all Cobra Shareholders to acquire their Ordinary Shares in accordance with Rule 9 of the City Code.

On 16 December 2009, Recipharm also notified Cobra that it had acquired £180,000 Convertible Loan Notes for £405,000. The Convertible Loan Notes carry the right to convert in aggregate into 18,000,000 Ordinary Shares. Therefore the equivalent price per Ordinary Share paid for the Convertible Loan Notes was 2.25 pence. If the Convertible Loan Notes were to be converted they would take Recipharm's shareholding in Cobra to 37,450,000 Ordinary Shares, which would represent approximately 60.07 per cent. of the enlarged issued share capital of Cobra.

In accordance with the City Code, Recipharm has also loaned monies on normal commercial terms to Cobra, in order for Cobra to meet its working capital requirements during the integration of the Recipharm and Cobra businesses.

The Offer is, therefore, at a price of 2.25 pence in cash for every Cobra Share, and values the whole of the existing issued ordinary share capital of Cobra at approximately £997,631.

The Offer is made in respect of all issued Cobra Shares which are not held by Recipharm (excluding, for the avoidance of doubt, treasury shares) and any further Cobra Shares which are unconditionally allotted or issued and fully paid before the Offer closes (including pursuant to the exercise of any outstanding options over the Cobra Shares). The Offer will remain open for acceptance, subject to the provisions of Appendix I of this document, until **1.00 p.m. on 3 February 2010**.

This letter sets out the background to the Offer and the reasons why the Cobra Directors consider the terms of the Offer as a whole to be fair and reasonable and unanimously recommend that you accept the Offer.

2. Summary of Terms of the Offer

The Offer, together with the procedure for acceptance, is contained in the letter from Acorn Corporate Finance set out in Part IV of this document. The Offer is made on the terms set out in this document and, in respect of Cobra Shares held in certificated form, in the accompanying Form of Acceptance.

The Offer is being made on the basis of:

2.25 pence in cash for each Cobra Share

The amount of any consideration paid to a Shareholder will be rounded down to the nearest whole penny.

The Offer Price represents:

- a discount of approximately 28.0 per cent. to the Closing Price of 3.125 pence per Cobra Share immediately preceding the Offer Period to the date of this document; and
- is the same price as the Closing Price of 2.25 pence per Cobra Share on 12 January 2010, being the last dealing day prior to the date of this document.

The Offer is made in respect of all issued Cobra Shares which are not held by Recipharm (excluding, for the avoidance of doubt, treasury shares) and any further Cobra Shares which are unconditionally allotted or issued and fully paid before the Offer closes (including pursuant to the exercise of any outstanding options over the Cobra Shares) and will remain open for acceptance, subject to the provisions of Appendix I of this document, until **1.00 p.m. on 3 February 2010**. In accordance with Rule 31.4 of the City Code, Recipharm does not currently intend to keep the Offer open for acceptances following the first closing date of the Offer, being 3 February 2010.

If you are a Cobra Shareholder and you do not accept the Offer you may become a minority shareholder in a subsidiary of Recipharm.

While Option holders may exercise their options under the terms of the Cobra Option Schemes, and accept the Offer for any Cobra Shares thus obtained, they should note that the exercise prices of all outstanding options are higher than the Offer Price. Therefore by exercising the option and accepting the Offer they will incur a loss.

The Cobra Shares will be acquired by Recipharm fully paid and free from all liens, equities, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights and/or interests of any nature whatsoever and together with all rights attaching to them on 13 January 2010, including the right to receive and retain all dividends, interest and other distributions declared, made, paid or payable on or after that date.

3. Background to and reasons for recommending the Offer

The Cobra Directors consider the terms of the Offer to be in the best interests of Cobra Shareholders as a whole. In reaching their recommendation the Cobra Directors have taken into account the following factors:

- trading conditions have remained very challenging with the continued delay in the achievement of contract signatures and as a result Cobra did not have sufficient working capital for its current purposes;
- current banking facilities were due to expire on 4 January 2010;
- the inability of the Company to secure any funding from alternative sources other than Recipharm; and
- in the absence of the Offer, the Company was not in a position to continue as a going concern and would be required to be placed into administration.

Accordingly, the Cobra Directors recommend that Cobra Shareholders accept the Offer once made as they intend to do so in respect of their own beneficial holdings. For the avoidance of doubt all of the Cobra Directors are considered independent for the purposes of the Code.

4. The City Code on Takeovers and Mergers

The City Code is a statutory set of rules for the purposes of all takeover offers and other merger transactions which it regulates and the Panel has certain statutory powers of enforcement under Part 28 of the Companies Act.

The terms of the Offer give rise to certain considerations under the City Code. The City Code is issued and administered by the Panel and applies to all takeover and merger transactions, however effected, where the offeree company is a public company, whether quoted or unquoted, incorporated and resident in the United Kingdom, the Channel Islands or the Isle of Man. As Cobra is a public company admitted to trading on AIM and incorporated and resident in the UK, Cobra Shareholders are entitled to the protections afforded by the City Code.

The Offer is being conducted pursuant to Rule 9 of the City Code, whereby any person who acquires shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is required to make a general offer to all the remaining shareholders to acquire their shares. An offer under Rule 9 must be in cash and at the highest price paid within the preceding 12 months for any shares in the Company by the person required to make the offer or any person acting in concert with him, which in this circumstance is 2.25 pence being the price at which each of the 19,450,000 Cobra Shares were purchased by Recipharm on 16 December 2009.

A concert party arises where persons acting in concert pursuant to an agreement or understanding (whether formal or informal) actively cooperate, through the acquisition by them of shares in a company, to obtain or consolidate control of that company. Control means a single holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

On completion of the Offer, it is anticipated that, Recipharm will hold more than 50 per cent. of the Company's voting share capital and for so long as Recipharm continues to hold in excess of 50 per cent. of the Company's voting share capital, Recipharm may accordingly increase its aggregate shareholding without incurring any further obligations under Rule 9 to make a general offer.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

5. Current trading and prospects

Further to the trading and financial difficulties experienced by the Company as described in the factors leading to the Cobra Directors recommendation set out in paragraph 9 below.

Cobra currently has 22 ongoing contracts for 19 clients based in Europe, North America and Asia. Despite a very difficult 2009 due to the economic climate, including the loss of a major contract, the mix of contract types and geographical locations of Cobra's current clients provides a strong base for the ongoing business. We have seen a significant improvement in the level of business and business prospects in Europe that indicate an easing of the financial restrictions under which our clients, and the industry in general, have been operating.

The growth of the European pipeline, leading to reduced reliance on a single market for a major part of the order book, adds to the strength of future business.

6. Post Offer strategy

It is intended that, upon the Offer becoming or being declared unconditional in all respects and sufficient acceptances being received, that Recipharm will procure the making of an application by Cobra to the London Stock Exchange for the cancellation of admission to trading of Cobra Shares on AIM in accordance with the AIM Rules for Companies. Recipharm does not initially intend to make any changes to the management and workforce of Cobra. However, it is its intention, following cancellation of admission to trading of the Cobra Shares on AIM, to request that the Non-Executive Directors of Cobra resign in line with the terms of their contracts.

7. Taxation

Your attention is drawn to paragraph 12 headed "United Kingdom taxation" in the letter from Acorn Corporate Finance set out in Part IV of this document. **If you are in any doubt about your tax position, you should consult an appropriately qualified independent professional advisor immediately.**

8. Action to be taken

Your attention is drawn to the letter from Acorn Corporate Finance set out in Part IV of this document, Parts C and D of Appendix I of this document and to the Form of Acceptance, which set out the procedure to be followed by Cobra Shareholders holding their shares in certificated form wishing to accept the Offer.

If you are in any doubt as to the procedure for acceptance, please contact Capita Registrars by post at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by telephone on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399 between 9.00 a.m. and 5.00 p.m. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

9. Recommendation

The Cobra Directors, who have been so advised by Seymour Pierce, consider the terms of the Offer to be fair and reasonable. In providing its advice to the Cobra Directors, Seymour Pierce has taken into account the commercial assessments of the Cobra Directors. In addition, the Cobra Directors consider the terms of the Offer to be in the best interests of Cobra Shareholders as a whole. In reaching their recommendation the Cobra Directors have taken into account the following factors:

- trading conditions have remained very challenging with the continued delay in the achievement of contract signatures and as a result the Company did not have sufficient working capital for its current purposes;
- current banking facilities were due to expire on 4 January 2010;
- the inability of the Company to secure any funding from alternative sources other than the Offeror; and
- in the absence of the Recipharm Offer, the Company was not in a position to continue as a going concern and would be required to be placed into administration.

Accordingly, the Cobra Directors recommend that Cobra Shareholders accept the Offer once made as they intend to do so in respect of their own beneficial holdings.



D R Chapchal
Chairman

PART IV

LETTER FROM ACORN CORPORATE FINANCE

Acorn Corporate Finance Limited

(Incorporated and registered in England and Wales with registered number 4195543)

Directors:

Ian Templeton
Graham Norfolk
Harry Dutton

Registered office:

*Bollin House
Riverside Park
Wilmslow
Cheshire
SK9 1DP*

13 January 2010

To all Cobra Shareholders and, for information purposes only, to Cobra Optionholders.

Dear Sir or Madam,

RECOMMENDED MANDATORY CASH OFFER FOR COBRA BY RECIPHARM

1. Introduction

On 16 December 2009, Recipharm and Cobra announced the terms of a mandatory cash offer to be made by Acorn Corporate Finance on behalf of Recipharm, in accordance with the requirements of Rule 9 of the City Code, for the whole of the issued and to be issued share capital of Cobra not already owned by Recipharm.

This letter explains the background to the Offer and sets out the advice of the Cobra Directors to Cobra Shareholders in relation to the Offer.

On 16 December 2009, Recipharm notified Cobra that it had purchased Cobra Shares such that it held 19,450,000 Cobra Shares representing approximately 43.87 per cent. of the issued share capital of Cobra, having acquired them for £437,625 (2.25 pence per share). As a result of this acquisition, Recipharm is obliged to make an offer to all Cobra Shareholders to acquire their Ordinary Shares in accordance with Rule 9 of the City Code.

On 16 December 2009, Recipharm also notified Cobra that it had acquired £180,000 Convertible Loan Notes for £405,000. The Convertible Loan Notes carry the right to convert in aggregate into 18,000,000 Ordinary Shares. Therefore the equivalent price per Ordinary Share paid for the Convertible Loan Notes was 2.25 pence. If the Convertible Loan Notes were to be converted they would take Recipharm's shareholding in Cobra to 37,450,000 Ordinary Shares; which would represent approximately 60.07 per cent. of the enlarged issued share capital of Cobra.

The Offer is, therefore, at a price of 2.25 pence in cash for every Cobra Share, and values the whole of the existing issued ordinary share capital of Cobra at approximately £997,631. The Offer is made in respect of all issued Cobra Shares which are not held by Recipharm (excluding, for the avoidance of doubt, treasury shares) and any further Cobra Shares which are unconditionally allotted or issued and fully paid before the Offer closes (including pursuant to the exercise of any outstanding options over the Cobra Shares). The Offer will remain open for acceptance, subject to the provisions of Appendix I of this document, until **1.00 p.m. on 3 February 2010**.

Your attention is drawn to the letter from the Chairman of Cobra, set out in Part III of this document, which sets out the reasons why the Cobra Directors, who have been so advised by Seymour Pierce consider the terms of the Offer to be fair and reasonable and why they unanimously recommend Cobra Shareholders to accept the Offer.

This letter, Appendix I to this document (which contains the condition to and terms of the Offer) and, in the case of Cobra Shares held in certificated form, the Form of Acceptance contain the formal terms and conditions of the Offer.

The procedure for acceptance of the Offer is set out in paragraph 14 of this letter and (if you hold certificated Cobra Shares) the accompanying Form of Acceptance.

Acceptance of the Offer should be despatched as soon as possible and in any event so as to be received not later than **1.00 p.m. on 3 February 2010**. Instructions as to how to accept the Offer are set out in paragraph 14 of this Part IV and, in respect of Cobra Shares in certificated form, in the Form of Acceptance.

2. Background to and reasons for the Offer

Acorn Corporate Finance is making the Offer on behalf of Recipharm, as a result of the acquisition by Recipharm of 19,450,000 Cobra Shares made on 16 December 2009, as required by Rule 9 of the City Code.

Recipharm offers a wide range of integrated solutions incorporating advanced technological expertise and capacity for pharmaceutical development and manufacturing to a wide customer base. In recent years it has added to this technology and manufacturing capability by various acquisitions.

In making acquisitions it seeks companies which:

- give it access to an attractive geographical market;
- provide valuable long term client relationships; and
- bring access to new technology with good market potential.

In addition for the next few years a main focus for Recipharm will be in expanding its services in bio process development and the manufacture of therapeutic proteins.

The Recipharm Board believes that the acquisition of Cobra, is in line with Recipharm's acquisition criteria and will assist it in meeting its expansion objective.

3. Summary of Terms of the Offer

The Offer, together with the procedure for acceptance, is set out in this Part IV. The Offer is made on the terms set out in this document and, in respect of Cobra Shares held in certificated form, in the accompanying Form of Acceptance.

The Offer is being made on the basis of:

2.25 pence in cash for each Cobra Share

The amount of any consideration paid to a shareholder will be rounded down to the nearest whole penny.

The Offer Price represents:

- a discount of approximately 28.0 per cent. to the Closing Price of 3.125 pence per Cobra Share immediately preceding the Offer Period; and
- is the same price as the Closing Price of 2.25 pence per Cobra Share on 12 January 2010, being the last dealing day prior to the date of this document.

The Offer is made in respect of all issued Cobra Shares which are not held by Recipharm (excluding, for the avoidance of doubt, treasury shares) and any further Cobra Shares which are unconditionally allotted or issued and fully paid before the Offer closes (including pursuant to the exercise of any outstanding options over the Cobra Shares) and will remain open for acceptance, subject to the provisions of Appendix I of this document, until **1.00 p.m. on 3 February 2010**. In accordance with Rule 31.4 of the City Code, Recipharm does not currently intend to keep the Offer open for acceptances following the first closing date of the Offer, being 3 February 2010.

If you are a Cobra Shareholder and you do not accept the Offer you may become a minority shareholder in a subsidiary of Recipharm.

While Cobra Optionholders may exercise their options under the terms of the Cobra Option Schemes, and accept the Offer for any Cobra Shares thus obtained, they should note that the exercise prices of all outstanding options are higher than the Offer Price. Therefore by exercising the option and accepting the Offer they will incur a loss.

The Cobra Shares will be acquired by Recipharm fully paid and free from all liens, equities, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights and/or interests of any nature whatsoever and together with all rights attaching to them on or after 13 January 2010, including the right to receive and retain all dividends, interest and other distributions declared, made, paid or payable on or after that date.

4. Future plans for Cobra

The Recipharm Board's strategic plan for Recipharm is to combine the business of Cobra with Recipharm's present biologics business in Sweden. The Recipharm Board consider that a combined business can offer a broader range of contract manufacturing services within biologics. Cobra's existing geographical presence in North America and its long-term customer relationships will be of great benefit for the future combined business. Recipharm will invest in the combined business, both in Sweden and England, in order to achieve increased capacity. Recipharm's long term intention is to have a profitable business and grow sales substantially.

Cobra's manufacturing facility, located in Keele, Staffordshire, is intended to be a cornerstone of Recipharm's future biologics business and the Recipharm Board consider that there is an immediate need for recruitment to key positions at that facility. No decisions have been taken by Recipharm with regard to Cobra's other manufacturing facility located in Cowley, Oxfordshire, which is presently not operational.

5. Information on Recipharm

Recipharm was incorporated on 25 November 1994 under Swedish law and is one of Europe's leading contract development and manufacturing organisations. Headquartered near Stockholm it operates manufacturing facilities in Sweden, France, the UK and Switzerland. These supply over six hundred different products in a variety of dosage forms to demanding pharmaceutical companies worldwide, including the USA. In addition to traditional pharmaceutical compounds its also develops, manufactures and supplies recombinant proteins and monoclonal antibodies for use in clinical trials and regulatory approvals.

Recipharm which employs around 1,400 people, is an unquoted public company beneficially owned by its chairman Lars Backsell and chief executive officer Thomas Elderred.

In the financial year to 31 December 2008 it had a turnover of SEK 1,422 million, profit before tax of SEK 66 million and net assets of SEK 455 million.

While the recent difficult financial environment has affected many smaller pharmaceutical development companies, an improvement in the funding climate leads the directors to anticipate an increase in development sales to both biopharmaceutical and small molecule pharmaceutical companies. Contract manufacturing sales, many of which are on long term contracts, are stable and it is expected that further customers will be added during 2010, both from organic growth and as a result of acquisitions.

Further information on Recipharm, including its financial reports and a copy of this document, can be found on the company's website www.recipharm.com.

6. Information on Cobra

Cobra founded in 1992, is an international provider of bio-manufacturing services to the global bio-manufacturing market. Cobra operates from two UK based manufacturing facilities; one located in Keele, Staffordshire and the other in Cowley, Oxfordshire with its head office also located in Keele Staffordshire. The company was listed on AIM in 2002 and employs around 80 people. It offers contract biological development and manufacturing services to a number of companies including large pharmaceutical companies.

In the financial year to 30 September 2008 Cobra's revenue was £7,009,000 and Cobra made a loss before tax of £3,382,000. As at 30 September 2008 Cobra had net assets of £4,038,000. The interim report to 31 March 2009, showed revenue of £4,383,000, a loss before tax of £861,000 and net assets of £3,212,000.

Further information on Cobra, including a copy of this document, can be found on the company's website www.cobrabio.com.

7. Financial effects of acceptance

The following tables show, for illustrative purposes only, and on the bases and assumptions set out in the notes below, the financial effects of acceptance of the Offer on capital value and gross income for an accepting holder of one Cobra Share on the Offer closing:

(a) Capital value

	Note	Cash Offer (p)
Cash consideration for one Cobra Share		2.250
Market value of one Cobra Share	(1)	3.125
Increase/(decrease) in capital value		(0.875)
This represents an increase/(decrease) of		(28) per cent.

(1) The market value of one Cobra Share is based on the Closing Price of a Cobra Share as at 10 November 2009 (being the last Business Day prior to the announcement of the Offer Period).

8. Directors, management and employees of Cobra

Recipharm attaches great importance to the skills and experience of the existing management and employees of Cobra. As such, Recipharm expects that Cobra employees will play an important role in the future of the business, and Recipharm confirms that following the Offer becoming or being declared wholly unconditional in all respects, the existing employment rights, including pension rights, of the management and employees of Cobra will be safeguarded. However, Recipharm will make changes to the board of Cobra as appropriate upon the Offer being declared or becoming wholly unconditional in all respects.

Upon the Offer becoming or being declared unconditional in all respects, Recipharm does not have any current plans to change the principal location of Cobra's business.

9. Irrevocable undertakings

Those directors of Cobra, together with certain persons connected with them, who are interested in Cobra Shares have given irrevocable undertakings to Recipharm to accept the Offer in respect of, in aggregate, 969,000 Cobra Shares representing approximately 2.19 per cent. of the existing issued ordinary share capital of Cobra. These irrevocable undertakings remain binding in the event of a competing offer being made for Cobra unless the Offer lapses or is withdrawn.

Accordingly, irrevocable undertakings to accept the Offer have been received by Recipharm in respect of, in aggregate, 969,000 Cobra Shares representing approximately 2.19 per cent. of Cobra's existing issued ordinary share capital.

Further details of these irrevocable undertakings are set out in paragraph 15 of Appendix III to this document.

10. Financing the Offer

The consideration payable under the Offer will be financed through the cash resources of the Recipharm Group.

Acorn Corporate Finance is satisfied that sufficient cash resources are available to Recipharm to satisfy the consideration payable as a result of full acceptance of the Offer. Full acceptance of the Offer would result in a cash consideration of £560,006 being payable by Recipharm to Cobra Shareholders.

11. Compulsory acquisition, de-listing, cancellation of trading on AIM and re-registration

Recipharm intends, assuming that it receives sufficient acceptances under the Offer to entitle it to do so to use the procedures set out in sections 979 to 982 (inclusive) of the Companies Act 2006 to acquire compulsorily, on the same terms as the Offer, any outstanding Cobra Shares in respect of which the Offer has not been accepted.

It is also intended that, upon the Offer becoming or being declared unconditional in all respects and sufficient acceptances being received, that Recipharm will procure the making of an application by Cobra to the London Stock Exchange for the cancellation of listing and admission to trading of Cobra Shares on AIM in accordance with the AIM Rules for Companies. If this de-listing and cancellation occurs, it would significantly reduce the liquidity and marketability of any Cobra Shares in respect of which the Offer has not been accepted.

It is anticipated that cancellation of admission to trading on AIM will take effect no earlier than 20 Business Days after the date on which Recipharm has, by virtue of its shareholdings and acceptances of the Offer, acquired or agreed to acquire issued ordinary share capital carrying 75 per cent. of the voting rights of Cobra.

It is also intended that, following the Offer becoming or being declared unconditional in all respects and after the de-listing and cancellation referred to above becoming effective, Cobra will be re-registered as a private company under the relevant provisions of the Companies Acts.

12. United Kingdom taxation

The following paragraphs are based on United Kingdom law at present in force and currently published United Kingdom HM Revenue & Customs practice. The following paragraphs summarise certain limited aspects of the UK taxation consequences of acceptance of the Offer; they are not exhaustive and are intended as a general guide for Cobra Shareholders beneficially holding Cobra Shares as investments. It assumes, save where specifically mentioned, that the relevant Cobra Shareholder is resident and, if an individual, ordinarily resident in the United Kingdom for United Kingdom taxation purposes and is not a share dealer or charity or other person with special tax status or claiming special tax reliefs or treatment or a person regarded as having obtained their Cobra Shares by reason of their employment. If you are in any doubt as to your tax position, you should consult your independent professional advisor immediately.

12.1 UK taxation on chargeable gains

The receipt of cash by a Cobra Shareholder under the Offer will constitute a disposal, or part disposal, of his or her Cobra Shares for the purposes of UK taxation of chargeable gains. Such a disposal, or part disposal, may, depending on the Cobra Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to liability to UK taxation on chargeable gains.

Overseas persons who are not resident in the UK should consult their own tax advisers concerning their tax liabilities (in the UK and any other country of jurisdiction).

12.2 Stamp duty and stamp duty reserve tax ("SDRT")

No stamp duty or SDRT will be payable by Cobra Shareholders as a result of accepting the Offer.

12.3 Other tax matters

Special tax provisions may apply to Cobra Shareholders who have acquired or acquire their Cobra Shares under the Cobra Option Schemes, including provisions imposing a charge to income tax and national insurance contributions. Such individuals are encouraged to seek their own independent tax advice.

13. Overseas Shareholders

The attention of Cobra Shareholders who are citizens or residents of jurisdictions outside the United Kingdom or who are holding shares for such citizens or residents and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in connection with the Offer outside the United Kingdom, is drawn to paragraph 7 of Part B of Appendix I to this document and, in the case of Cobra Shares held in certificated form, to the relevant provisions of the Form of Acceptance.

The Offer is not being, and will not be, made, directly or indirectly, in, into or from, or by the use of the mails of, or by any means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or by any facility of, a national, state or other securities exchange of the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction where to do so would violate the laws of that jurisdiction and the Offer cannot be accepted and will not be capable of acceptance by any such use, means, instrumentality or facilities.

14. Procedure for acceptance of the Offer

The following paragraphs should be read together with, in respect of Cobra Shares held in certificated form, the instructions and notes on the accompanying Form of Acceptance and with Parts B and C of Appendix I to this document and/or, in respect of Cobra Shares held in uncertificated form, with Parts B and D of Appendix I to this document, all of which form part of the terms of the Offer.

(a) Different procedures for Cobra Shares in certificated and uncertificated form

Holders of Cobra Shares in certificated form may only accept the Offer in respect of such shares by completing, signing, witnessing (in the case of an individual) and returning the enclosed Form of Acceptance along with their share certificate(s) and/or other document(s) of title in accordance with the procedure set out in paragraph 14(b) below. Holders of Cobra Shares in certificated form, but under different designations, should complete a separate Form of Acceptance for each designation. Additional Forms of Acceptance are available from Capita Registrars whose contact details are on the front page of this document.

IF YOU ARE IN ANY DOUBT AS TO THE PROCEDURE FOR ACCEPTANCE, PLEASE CONTACT CAPITA REGISTRARS BY TELEPHONE ON 0871 664 0321 OR, IF TELEPHONING FROM OUTSIDE THE UK, ON +44 20 8639 3399 BETWEEN 9.00 A.M. AND 5.00 P.M. CALLS TO THE CAPITA REGISTRARS 0871 664 0321 NUMBER ARE CHARGED AT 10 PENCE PER MINUTE (INCLUDING VAT) PLUS ANY OF YOUR SERVICE PROVIDER'S NETWORK EXTRAS. CALLS TO THE CAPITA REGISTRARS +44 20 8639 3399 NUMBER FROM OUTSIDE THE UK ARE CHARGED AT APPLICABLE INTERNATIONAL RATES. DIFFERENT CHARGES MAY APPLY TO CALLS MADE FROM MOBILE TELEPHONES AND CALLS MAY BE RECORDED AND MONITORED RANDOMLY FOR SECURITY AND TRAINING PURPOSES. CAPITA REGISTRARS CANNOT PROVIDE ADVICE ON THE MERITS OF THE OFFER NOR GIVE ANY FINANCIAL, LEGAL OR TAX ADVICE.

Holders of Cobra Shares in uncertificated form (that is, in CREST) may only accept the Offer in respect of such shares by TTE Instruction in accordance with the procedure set out in paragraph 14(c) below. Holders of Cobra Shares in uncertificated form, but under different member account IDs, should send a separate TTE Instruction for each member account ID. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instructions to Euroclear to enable you to accept the Offer.

IF YOU ARE IN ANY DOUBT AS TO THE PROCEDURE FOR ACCEPTANCE, PLEASE CONTACT CAPITA REGISTRARS BY TELEPHONE ON 0871 664 0321 OR, IF TELEPHONING FROM OUTSIDE THE UK, ON +44 20 8639 3399 BETWEEN 9.00AM AND 5.00PM. CALLS TO THE CAPITA REGISTRARS 0871 664 0321 NUMBER ARE CHARGED AT 10 PENCE PER MINUTE (INCLUDING VAT) PLUS ANY OF YOUR SERVICE PROVIDER'S NETWORK EXTRAS. CALLS TO THE CAPITA REGISTRARS +44 20 8639 3399 NUMBER FROM OUTSIDE THE UK ARE CHARGED AT APPLICABLE INTERNATIONAL RATES. DIFFERENT CHARGES MAY APPLY TO CALLS MADE FROM MOBILE TELEPHONES AND CALLS MAY BE RECORDED AND MONITORED RANDOMLY FOR SECURITY AND TRAINING PURPOSES. CAPITA REGISTRARS CANNOT PROVIDE ADVICE ON THE MERITS OF THE OFFER NOR GIVE ANY FINANCIAL, LEGAL OR TAX ADVICE.

(b) *Cobra Shares held in certificated form*

This paragraph 14(b) should be read in conjunction with the Form of Acceptance and Parts B and C of Appendix I to this document. The instructions set out in the Form of Acceptance are deemed to form part of the terms of the Offer.

(i) *To accept the Offer in respect of all your Cobra Shares held in certificated form*

To accept the Offer in respect of all your Cobra Shares held in certificated form (at the time of acceptance of the Offer), you must complete Box 1. If appropriate, you should also complete Boxes 3,4 and/or 5. In all cases, you must sign Box 2 of the enclosed Form of Acceptance, in the presence of a witness if you are an individual, who must also sign in accordance with the instructions printed on the Form of Acceptance.

(ii) *To accept the Offer in respect of less than all your Cobra Shares held in certificated form*

To accept the Offer in respect of less than all your Cobra Shares held in certificated form, you must insert in Box 1 of the enclosed Form of Acceptance such lesser number of Cobra Shares in respect of which you wish to accept the Offer in accordance with the instructions printed thereon. You should then follow the procedure set out in paragraph (i) above in respect of such lesser number of Cobra Shares. If you do not insert a number in Box 1 of the Form of Acceptance, or if you insert in Box 1 a number which is greater than the number of certificated Cobra Shares that you hold and you have signed Box 2, your acceptance will be deemed to be in respect of all of the Cobra Shares held by you in certificated form.

(iii) *Return of Forms of Acceptance*

To accept the Offer in respect of your Cobra Shares held in certificated form, the Form of Acceptance must be completed, signed, witnessed (in the case of an individual) and returned by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU with the relevant share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received not later than **1.00 p.m. on 3 February 2010**. A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of the Form of Acceptance or any accompanying documents will be given by or on behalf of Recipharm. The instructions printed on the Form of Acceptance shall be deemed to form part of the Offer.

Any Form of Acceptance received in an envelope postmarked in a Restricted Jurisdiction or otherwise appearing to Recipharm or its agents to be sent from any of these jurisdictions may be rejected as an invalid acceptance of the Offer. For further information on Overseas Shareholders, see paragraph 13 of this Part IV above and paragraph 7 of Part B of Appendix I to this document.

The Form of Acceptance is issued only to the addressee and is specific to the unique designated account on it. The Form of Acceptance is a personalised form and is not transferable between different accounts. Recipharm and Capita Registrars accept no liability for any instructions that do not comply with the conditions and terms set out in this document, the Form of Acceptance or accompanying materials.

(iv) *Documents of title*

If your Cobra Shares are in certificated form, the completed, signed and witnessed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If for any reason your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete, sign and lodge the Form of Acceptance as stated above so as to be received by Capita Registrars at the relevant address referred to in paragraph 14(b)(iii) above not later than **1.00 p.m. on 3 February 2010**.

You should send with the Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available, accompanied by a letter stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share

certificate(s) and/or other document(s) of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible thereafter. If you have lost your share certificate(s) and/or other document(s) of title, you should write as soon as possible to Capita Registrars (in its capacity as Cobra's registrars) at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, requesting a letter of indemnity for the lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned by post or by hand (during normal business hours only) to Capita Registrars at the address referred to in paragraph 14(b)(iii) above. No acknowledgement of receipt of documents will be given.

(v) *Validity of acceptances*

Without prejudice to Parts B and C of Appendix I to this document, Recipharm reserves the right to treat as valid any acceptance of the Offer in relation to Cobra Shares in certificated form which is not entirely in order or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other document(s) of title. In that event, the consideration due under the Offer will not be despatched until after the relevant share certificate(s) and/or other document(s) of title or indemnities in lieu thereof satisfactory to Recipharm have been received.

IF YOU ARE IN ANY DOUBT AS TO THE PROCEDURE FOR ACCEPTANCE, PLEASE CONTACT CAPITA REGISTRARS BY TELEPHONE ON 0871 664 0321 OR, IF TELEPHONING FROM OUTSIDE THE UK, ON +44 20 8639 3399 BETWEEN 9.00 A.M. AND 5.00 P.M. CALLS TO THE CAPITA REGISTRARS 0871 664 0321 NUMBER ARE CHARGED AT 10 PENCE PER MINUTE (INCLUDING VAT) PLUS ANY OF YOUR SERVICE PROVIDER'S NETWORK EXTRAS. CALLS TO THE CAPITA REGISTRARS +44 20 8639 3399 NUMBER FROM OUTSIDE THE UK ARE CHARGED AT APPLICABLE INTERNATIONAL RATES. DIFFERENT CHARGES MAY APPLY TO CALLS MADE FROM MOBILE TELEPHONES AND CALLS MAY BE RECORDED AND MONITORED RANDOMLY FOR SECURITY AND TRAINING PURPOSES. CAPITA REGISTRARS CANNOT PROVIDE ADVICE ON THE MERITS OF THE OFFER NOR GIVE ANY FINANCIAL, LEGAL OR TAX ADVICE.

(c) *Cobra Shares held in uncertificated form (that is, in CREST)*

This paragraph 14(c) should be read in conjunction with Parts B and D of Appendix I to this document.

If, at the time of your acceptance of the Offer, your Cobra Shares are held in uncertificated form, to accept the Offer you should take (or procure to be taken) the action set out below to transfer the Cobra Shares in respect of which you wish to accept the Offer to an escrow balance (that is, send a TTE Instruction) specifying Capita Registrars (in its capacity as a CREST participant under its participant ID referred to below) as the Escrow Agent as soon as possible and, in any event, so that the TTE Instruction settles not later than **1.00 p.m. on 3 February 2010**.

The input and settlement of a TTE Instruction in accordance with this paragraph 14(c) will (subject to satisfying the requirements set out in Part D of Appendix I to this document) constitute an acceptance of the Offer in respect of the number of Cobra Shares so transferred to escrow.

You should note that settlement of a TTE Instruction cannot take place on weekends or bank holidays (or at other times at which the CREST system is non-operational) and you should, therefore, ensure you time the input of any TTE Instructions accordingly.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Cobra Shares in uncertificated form are held. In addition, only your CREST sponsor will be able to send the TTE Instruction(s) to Euroclear in relation to your Cobra Shares.

(i) *To accept the cash consideration available under the Offer in respect of some or all of your Cobra Shares held in uncertificated form (i.e. in CREST)*

To accept the cash offer available under the Offer in respect of Cobra Shares in uncertificated form (at the time of acceptance of the Offer), you should send (or, if you are a CREST

sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear in relation to such shares (a "Cash Offer TTE Instruction") which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to other information that is required for a TTE Instruction to settle in CREST, the following details:

- the number of Cobra Shares to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the Escrow Agent (namely CapitaRegistrars, in its capacity as a CREST escrow agent). This is RA10;
- the member account ID for the Escrow Agent. This is RECCOB01;
- the intended settlement date. This should be as soon as possible and, in any event, not later than **1.00 p.m. on 3 February 2010**;
- the corporate action number for the Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the corporate action ISIN number. This is GB0031704835;
- the standard TTE delivery instructions with a priority of 80; and
- the contact name and telephone number in the shared note field.

After settlement of the TTE Instruction, you will not be able to access the Cobra Shares concerned in CREST for any transaction or charging purposes unless the Offer lapses or is withdrawn. If the Offer becomes or is declared unconditional, the Escrow Agent will transfer the Cobra Shares concerned to itself in accordance with Part D of Appendix I of this document for onward transfer to the Offeror.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined above. **You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Cobra Shares to settle prior to 1.00 p.m. on 3 February 2010. In this regard, you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.**

You are reminded that, if you are a CREST sponsored member you should contact your CREST sponsor before taking any action as only your CREST sponsor will be able to send the necessary TTE Instructions to Euroclear to enable you to accept the Offer.

(ii) Deposits of Cobra Shares into, and withdrawals of Cobra Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any Cobra Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Cobra Shares or otherwise). Holders of Cobra Shares who are proposing to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Cobra Shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) or other documents of title or transfers to an escrow balance as described above) prior to **1.00 p.m. on 3 February 2010**.

(iii) Validity of acceptances

Holders of Cobra Shares in uncertificated form who wish to accept the Offer should note that a TTE Instruction will only be a valid acceptance of the Offer as at the relevant closing date if it has settled on or before that date. A Form of Acceptance which is received in respect of Cobra Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded.

Without prejudice to Parts B, C and D (as applicable) of Appendix I to this document, Recipharm reserves the right, subject to the terms of the Offer and the rules of the City Code, to treat a TTE Instruction which settles after **1.00 p.m. on 3 February 2010** (or such later date to which the Offer may be extended) but before the relevant closing date of the Offer as a valid acceptance of the Offer.

Recipharm will make an appropriate announcement if any of the details contained in this paragraph 15 alter for any reason in any respect that is material to Cobra Shareholders.

IF YOU ARE IN ANY DOUBT AS TO THE PROCEDURE FOR ACCEPTANCE OF THE OFFER, PLEASE CONTACT CAPITA REGISTRARS BY TELEPHONE ON 0871 664 0321 OR, IF TELEPHONING FROM OUTSIDE THE UK, ON +44 20 8639 3399. CALLS TO THE CAPITA REGISTRARS 0871 664 0321 NUMBER ARE CHARGED AT 10 PENCE PER MINUTE (INCLUDING VAT) PLUS ANY OF YOUR SERVICE PROVIDER'S NETWORK EXTRAS. CALLS TO THE CAPITA REGISTRARS +44 20 8639 3399 NUMBER FROM OUTSIDE THE UK ARE CHARGED AT APPLICABLE INTERNATIONAL RATES. DIFFERENT CHARGES MAY APPLY TO CALLS MADE FROM MOBILE TELEPHONES AND CALLS MAY BE RECORDED AND MONITORED RANDOMLY FOR SECURITY AND TRAINING PURPOSES, OR AT THE RELEVANT ADDRESS REFERRED TO IN PARAGRAPH 14 (B)(III) ABOVE. CAPITA REGISTRARS CANNOT PROVIDE ADVICE ON THE MERITS OF THE OFFER NOR GIVE ANY FINANCIAL, LEGAL OR TAX ADVICE

15. Settlement

The settlement procedure with respect to the Offer will comply with the rules of the City Code. Subject to the Offer becoming or being declared unconditional in all respects and save to the extent that the Panel permits any extension of such periods (except as provided in sub-paragraph (c) below and in paragraph 7 of Part B of Appendix I to this document in the case of certain Overseas Shareholders), settlement of the consideration to which any Cobra Shareholder (or the first named shareholder in the case of joint holders) is entitled under the Offer will be effected by the despatch of cheques or CREST accounts credited (as applicable) (i) in the case of acceptances received, complete in all respects, by the date on which the Offer becomes or is declared unconditional in all respects, within 14 days of such date; or (ii) in the case of acceptances received, complete in all respects, after the date on which the Offer becomes or is declared unconditional in all respects but while the Offer remains open for acceptance, within 14 days of such receipt, and in either case in the manner described in paragraphs 15(a) or 15(b) below.

(a) Cobra Shares in certificated form

Where an acceptance relates to Cobra Shares held in certificated form, settlement of any cash consideration to which the accepting Cobra Shareholder is entitled under the Offer will be despatched by first class post (or by such other method as may be approved by the Panel) to the accepting Cobra Shareholder or its appointed agents at the recipient's risk (but not into any Restricted Jurisdiction). All such cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

In the case of joint holders of Cobra Shares, cheques will be despatched to the joint holder whose name and address is pre-printed and appears first in Box 1 or Box 3 of the relevant Form of Acceptance or the first name and address completed in, if appropriate, Box 5 of the relevant Form of Acceptance, or, if no such name and address is set out, to the first-named holder at his registered address.

(b) Cobra Shares in uncertificated form (that is, in CREST)

Where an acceptance relates to Cobra Shares held in uncertificated form, settlement of any cash consideration to which the accepting Cobra Shareholder is entitled will be made in pounds sterling by means of a CREST payment by Recipharm procuring the creation of an assured payment obligation in favour of the accepting Cobra Shareholder's payment bank in respect of the cash consideration to which the Cobra Shareholder is entitled under the Offer, in accordance with the CREST payment arrangements.

Recipharm reserves the right to settle all or any part of the cash consideration referred to in this paragraph 16(b), for all or any accepting Cobra Shareholder, in the manner referred to in paragraph 16(a) above if, for any reason, it wishes to do so.

(c) *General*

If the Offer lapses or is withdrawn, (i) in the case of Cobra Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel), within 14 days of the Offer lapsing or being withdrawn at the risk of the Cobra Shareholder in question, to the person or agent whose name and address is pre-printed at the top of the relevant Form of Acceptance, or, if appropriate, inserted in Box 5 of the Form of Acceptance or, if none is set out, to the first-named holder at his or her registered address (provided that no such document will be sent to an address in any Restricted Jurisdiction), and (ii) in the case of Cobra Shares held in uncertificated form, Recipharm will procure that the Escrow Agent will, immediately after the lapsing or withdrawal of the Offer (or within such longer period not exceeding 14 days after the lapsing or withdrawal of the Offer, as the Panel may approve), give TFE Instructions to Euroclear to transfer all relevant Cobra Shares held in escrow balances in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Cobra Shareholders concerned.

All communications, notices, certificates, documents of title and remittances sent by, to or from Cobra Shareholders or their appointed agents will be delivered by, or sent by to or from, them, or their appointed agents, at their own risk.

16. Further information

Your attention is drawn to the further information relating to the Offer set out in the Appendices to this document and, in the case of Cobra Shares held in certificated form, in the Form of Acceptance. The Appendices and the Form of Acceptance contain material information which may not be summarised elsewhere in this document.

17. Action to be taken

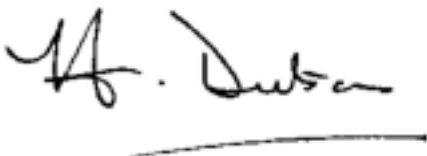
To accept the Offer in respect of Cobra Shares in certificated form you must complete the Form of Acceptance in accordance with the instructions printed on it and return it together with your share certificate(s) or other document(s) of title to Capita Registrars by post or by hand (during normal business hours only), as soon as possible, but in any event so as to arrive by no later than **1.00 p.m. on 3 February 2010**.

To accept the Offer in respect of Cobra Shares in uncertificated form you should send (or procure that there is sent) to Euroclear the required TTE Instruction in accordance with the instructions set out in paragraph 14(c) of this Part IV in relation to such Cobra Shares as soon as possible and, in any event, so that the TTE Instruction settles not later than.

Full details of action to be taken to accept the Offer are set out in paragraph 14 of this Part IV, Appendix I and, if your Cobra Shares are in certificated form, in the Form of Acceptance.

If you have any queries relating to acceptance of the Offer, please contact Capita Registrars on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399 between 9.00 a.m. and 5.00 p.m. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

Yours faithfully,



H Dutson
For and on behalf of Acorn Corporate Finance

APPENDIX I

CONDITION TO THE OFFER

PART A: CONDITION TO THE OFFER

The Offer is subject to the following condition:

Valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. on the first closing date of the Offer (or such later time(s) and/or date(s) as Recipharm may, subject to the rules of the City Code or with the consent of the Panel, decide) in respect of not less than 50 per cent. (or such lesser percentage as Recipharm may decide) of the Cobra Shares to which the Offer relates, provided that this condition will not be satisfied unless Recipharm and/or any member of the Recipharm Group shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise), directly or indirectly, Cobra Shares carrying, in aggregate, over 50 per cent. of the voting rights then exercisable at general meetings of Cobra (including for this purpose, to the extent (if any) required by the Panel, any voting rights attaching to any Cobra Shares which are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of conversion or subscription rights or otherwise).

PART B: FURTHER TERMS TO THE OFFER

The following further terms apply, unless the context requires otherwise, to the Offer. Unless the context requires otherwise, any reference in this document, in the Form of Acceptance and the Electronic Acceptance to:

- (i) “acceptances of the Offer” includes deemed acceptances of the Offer;
- (ii) the Offer “becoming unconditional” includes the Offer being or becoming or being declared unconditional as to acceptances whether or not any other condition of the Offer remains to be fulfilled;
- (iii) the “acceptance condition” is to the condition as to acceptances in paragraph (a) of Part A of this Appendix and references to the Offer being unconditional as to acceptances shall be construed accordingly;
- (iv) an “extension of the Offer” shall include a reference to an extension of the date by which the acceptance condition has to be fulfilled;
- (v) “Day 21 of the Offer” shall mean 3 February 2010;
- (vi) “Day 42 of the Offer” shall mean 24 February 2010;
- (vii) “Day 46 of the Offer” shall mean 28 February 2010; and
- (viii) “Day 60 of the Offer” shall mean 14 March 2010.

1. Acceptance Period

- (a) The Offer is initially open for acceptance until 1.00 p.m. on Day 21 of the Offer. Recipharm reserves the right (but will not be obliged, other than as may be required by the City Code) at any time or from time to time to extend the Offer after such time and, in such event, will make a public announcement of such extension in the manner described in paragraph 3(a) below and give oral or written notice of such extension to Capita Registrars. If the Offer has not become unconditional by Day 21 of the Offer, Recipharm currently intends to extend the Offer until such time as the Offer becomes unconditional. There can be no assurance, however, that Recipharm will, in such circumstances, extend the Offer and, if no such extension is made, the Offer will lapse on Day 21 of the Offer and no Cobra Shares will be purchased pursuant to the Offer.
- (b) Although no revision is envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 14 calendar days (or such other period as may be permitted by the Panel) after the date on which the revised Offer Document is posted to Cobra Shareholders. Except with the consent of the Panel, no revision of the Offer may be made and no revised Offer Document may be made or posted to Cobra Shareholders after Day 46 of the Offer or, if later, the date which is 14 days before the last date on which the Offer can become unconditional.
- (c) The Offer, whether revised or not, shall not (except with the consent of the Panel) be capable of becoming unconditional after midnight on Day 60 of the Offer (or any other time or date beyond which Recipharm has stated that the Offer will not be extended and has not, where permitted, withdrawn that statement) nor of being kept open for acceptance after that time and/or date unless the Offer has previously become unconditional. If the Offer has not become unconditional at such time (taking account of any prescribed extension of the Offer), the Offer will lapse in the absence of a competing bid and/or unless the Panel agrees otherwise. If the Offer lapses for any reason, the Offer shall cease to be capable of further acceptance and Recipharm and the Cobra Shareholders shall cease to be bound by prior acceptances. Recipharm reserves the right, with the permission of the Panel, to extend the time for the Offer to become unconditional to any later time(s) and/or date(s).
- (d) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 calendar days from the date on which it would otherwise have expired. If the Offer becomes unconditional and it is stated by or on behalf of Recipharm that the Offer will remain open until further notice, then not less than 14 calendar days' written notice will be given by or on behalf of Recipharm to Cobra Shareholders who have not accepted the Offer prior to closing the Offer.

- (e) If a competitive situation arises (as determined by the Panel) after a “no increase” and/or “no extension” statement (as referred to in the City Code) has been made by or on behalf of Recipharm in relation to the Offer, Recipharm may, if it specifically reserves the right to do so at the time the statement is made (or otherwise with the consent of the Panel), choose not to be bound by or withdraw the statement and extend or revise the Offer provided it complies with the requirements of the City Code and, in particular, that:
- (i) it announces the withdrawal as soon as possible and in any event within four business days after the date of the announcement of the competing offer or other competitive situation;
 - (ii) it notifies Cobra Shareholders at the earliest practicable opportunity in writing to that effect or, in the case of Cobra Shareholders with registered addresses outside the United Kingdom or whom Recipharm reasonably believes to be nominees, custodians or trustees holding Cobra Shares for such persons, by announcement in the United Kingdom; and
 - (iii) any Cobra Shareholders who accept the Offer after the “no increase” and/or “no extension” statement are given a right of withdrawal as described in paragraph 4(d) of Part B of this Appendix.

Recipharm may, if it specifically reserves the right to do so at the time the statement is made, choose not to be bound by the terms of a “no increase” and/or “no extension” statement and may post an increased or improved offer if it is recommended for acceptance by the board of Cobra Directors, or in any other circumstances permitted by the Panel.

2. Acceptance condition

- (a) Except with the consent of the Panel, for the purpose of determining at any particular time whether the acceptance condition is satisfied, Recipharm may only take into account acceptances received or purchases of Cobra Shares made in respect of which all relevant documents are received by Capita Registrars:
- (i) by 1.00 p.m. on Day 60 of the Offer (or any other date beyond which Recipharm has stated that the Offer will not be extended and has not withdrawn that statement); or
 - (ii) if the Offer is extended with the consent of the Panel, such later time(s) or date(s) as the Panel may agree.

If the latest time at which the Offer may become unconditional is extended beyond midnight on Day 60 of the Offer, acceptances received and purchases made in respect of which the relevant documents are received by Capita Registrars after 1.00 p.m. on that date may only be taken into account with the agreement of the Panel except where the City Code permits otherwise.

- (b) Except as otherwise agreed by the Panel:
- (i) an acceptance of the Offer will only be counted towards fulfilling the acceptance condition if the requirements of Note 4 and, if applicable, Note 6 to Rule 10 of the City Code are satisfied in respect of it;
 - (ii) a purchase of Cobra Shares by Recipharm or its nominee(s) or by a person acting in concert with Recipharm or its nominee(s), will only be counted towards fulfilling the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 to Rule 10 of the City Code are satisfied in respect of it; and
 - (iii) before the Offer may become or be declared unconditional Capita Registrars shall issue a certificate to Recipharm or Acorn Corporate Finance (or their respective agents) which states the number of Cobra Shares in respect of which acceptances have been received and not validly withdrawn, and the number of Cobra Shares otherwise acquired, whether before or during the Offer Period, which comply with the provisions of this paragraph 2.
- (c) For the purpose of determining at any particular time whether the acceptance condition is satisfied Recipharm is not bound (unless required by the Panel) to take into account any Cobra Shares which have been unconditionally allotted or issued or which arise as a result of the exercise of conversion

rights before the determination takes place unless Cobra or its agent has given written notice to Recipharm or by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU on behalf of Recipharm containing relevant details of the allotment, issue or conversion. Notification by e mail, telex, facsimile or other electronic transmission does not constitute written notice for this purpose.

3. Announcements

- (a) By 8.00 a.m. on the next business day (the “relevant day”) following the day on which the Offer is due to expire or becomes or is declared unconditional, or is revised or extended (or such later time(s) or date(s) as the Panel may agree), Recipharm will make an appropriate announcement through a Regulatory Information Service. The announcement will state (unless otherwise permitted by the Panel) the total number of Cobra Shares and rights over Cobra Shares (as nearly as practicable):
- (i) for which acceptances of the Offer have been received (showing the extent, if any, to which such acceptances have been received from any person(s) acting or deemed to be acting in concert with Recipharm for the purposes of the Offer);
 - (ii) held by or on behalf of Recipharm or any person(s) acting or deemed to be acting in concert with Recipharm before the Offer Period; and
 - (iii) acquired or agreed to be acquired by or on behalf of Recipharm or any person acting or deemed to be acting in concert with Recipharm during the Offer Period,

and will specify the percentage of Cobra Shares represented by each of these figures.

- (b) In computing the number of Cobra Shares represented by acceptances and/or purchases for the announcement, an acceptance or purchase will only be counted towards fulfilling the acceptance condition if the requirements of Notes 4, 5 and 6 (as applicable) to Rule 10 of the City Code are satisfied (unless the Panel agrees otherwise). Subject to this, Recipharm may include or exclude, for announcement purposes, acceptances and purchases not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title or not accompanied by the relevant TTE Instruction or which are subject to verification.
- (c) Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made at any time up to, and will be announced by 8.00 a.m. on the relevant day or such later time(s) and/or date(s) as the Panel may agree. The announcement will state the next expiry time and date unless the Offer is then unconditional, in which case a statement may instead be made that the Offer will remain open until further notice.
- (d) In this Appendix, references to the making of an announcement or the giving of notice by or on behalf of Recipharm includes the release of an announcement by Acorn Corporate Finance in each case on behalf of Recipharm to the press and the delivery by hand or telephone, telex or facsimile or other electronic transmission of an announcement through a Regulatory Information Service. An announcement made otherwise than through a Regulatory Information Service will be notified simultaneously through a Regulatory Information Service (unless otherwise agreed by the Panel).

4. Rights of withdrawal

- (a) Except as provided by this paragraph 4, acceptances of and elections under the Offer are irrevocable.
- (b) If Recipharm announces the Offer to be unconditional and then fails to comply by 3.30 p.m. on the relevant day (as defined in paragraph 3(a) of Part B of this Appendix) (or such later time(s) and/or date(s) as the Panel may agree) with any of the other requirements specified in paragraph 3(a) of Part B of this Appendix, an accepting certificated Cobra Shareholder may (unless the Panel agrees otherwise) withdraw his acceptance of the Offer by written notice given by post or (during normal business hours only) by hand to Capita Registrars at the address set out in paragraph 2(c) of Part B of this Appendix. Subject to paragraph 1(c) of Part B of this Appendix this right of withdrawal may be terminated not less than eight days after the relevant day by Recipharm confirming, if such is the case, that the Offer is still unconditional as to acceptances, and complying with the other requirements specified in paragraph 3(a) of Part B of this Appendix. If that confirmation is given, the first period of 14 days referred to in paragraph 1(d) of Part B of this Appendix will start on the date of that confirmation.

- (c) If by 3.00 p.m. on Day 42 of the Offer (or such later time(s) and/or date(s) as the Panel may agree) the Offer has not become unconditional, an accepting Cobra Shareholder may withdraw his acceptance of the Offer by written notice in the manner referred to in paragraph 4(b) of Part B of this Appendix at any time before the earlier of (i) the time that the Offer becomes unconditional; and (ii) the final time for the lodging of acceptances of the Offer which can be taken into account in accordance with paragraph 2(a) of Part B of this Appendix.
- (d) If a “no increase” and/or “no extension” statement is withdrawn in accordance with paragraph 1(e) of Part B of this Appendix, a Cobra Shareholder who accepts the Offer after the date of the statement may withdraw such acceptance by written notice in the manner referred to in paragraph 4(b) above for a period of eight days after the date on which Recipharm posts the notice of the withdrawal of that statement to Cobra Shareholders.
- (e) All questions as to the validity (including time of receipt) of any notice of withdrawal will be determined by Recipharm whose determination (except as required by the Panel) will be final and binding. None of Recipharm, Cobra, Acorn Corporate Finance, Capita Registrars or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification.
- (f) In this paragraph 4, “written notice” (including any letter of appointment, direction or authority) means notice in writing signed by the relevant accepting Cobra Shareholder (or his/their agent(s) duly appointed in writing and evidence of whose appointment satisfactory to Recipharm is produced with the notice). Telex, facsimile or other electronic transmission or copies will not be sufficient. A notice which is postmarked in, or otherwise appears to Recipharm or its agents to have been sent from the United States, Canada, Australia, Japan, South Africa or Restricted Jurisdiction may not be treated as valid.
- (g) In the case of Cobra Shares held in uncertificated form, if withdrawals are permitted pursuant to this paragraph 4, an accepting Cobra Shareholder who wishes to withdraw his acceptance must, in addition to giving notice in writing as provided in paragraph 4(b) send (or, if a CREST sponsored member, procure that his CREST sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA Instruction must, in order for it to be valid and settle, include the following details:
 - (i) the number of Cobra Shares to be withdrawn;
 - (ii) the ISIN number, which is GB0031704835;
 - (iii) the member account ID of the accepting shareholder;
 - (iv) the participant ID of the accepting shareholder;
 - (v) the participant ID of the Escrow Agent, which is RA10;
 - (vi) the member account ID of the Escrow Agent, which is RECCOB01;
 - (vii) the CREST transaction ID of the Electronic Acceptance to be withdrawn to be inserted at the beginning of the shared note field;
 - (viii) the intended settlement date for the withdrawal;
 - (ix) input with standard delivery instruction priority of 80; and
 - (x) the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST.

Any such withdrawal will be conditional upon Capita Registrars verifying that the withdrawal request is validly made. Accordingly, Capita Registrars will, on behalf of Recipharm, reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- (h) As soon as practicable (an in any event within 14 days, or such longer period as the Panel may agree) following a Cobra Shareholder validly withdrawing his acceptance in writing and as provided in paragraph 4(g) in respect of Cobra Shares held in uncertificated form, Capita Registrars will give TFE Instructions to Euroclear to transfer all Cobra Shares held in escrow balances, and in relation to which

it is the Escrow Agent for the purposes of the Offer, to the original balances of the Cobra Shareholders concerned and, in respect of Cobra Shares held in certificated form, Capita Registrars will return all share certificates and/or other documents of title to the Cobra Shareholder involved.

5. Revised Offer

- (a) Although no revision is envisaged, if the Offer is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise the benefit of the revised Offer will, subject to paragraphs 5(b), (c) and 7 below, be made available to a Cobra Shareholder who has accepted the Offer (in its original or any revised form(s)) and who has not validly withdrawn such acceptance (a "previous acceptor") if any such revised Offer(s) represents, on the date on which it is announced (on such basis as Acorn Corporate Finance may consider appropriate), an improvement (or no diminution) in the value of the consideration offered compared with the consideration or terms previously offered or in the overall value received and/or retained by a Cobra Shareholder. The acceptance by or on behalf of a previous acceptor will, subject as provided in paragraphs 5(b), (c) and 7 of Part B of this Appendix be deemed an acceptance of the revised Offer and will constitute the separate appointment of each of Recipharm and any director of Recipharm, or of Acorn Corporate Finance as his attorney and/or agent with authority:
- (i) to accept the revised Offer on behalf of such previous acceptor;
 - (ii) if the revised Offer includes alternative form(s) of consideration, to make elections for and/or accept the alternative form(s) of consideration on his behalf in the proportions the attorney and/or agent in his absolute discretion thinks fit; and
 - (iii) to execute on his behalf in his name all further documents (if any) and to do all things (if any) as may be required to give effect to such acceptances and/or elections.

In making any election and/or acceptance, the attorney and/or agent will take into account the nature of any previous acceptance(s) or election(s) made by or on behalf of the previous acceptor and other facts or matters he may reasonably consider relevant.

- (b) The deemed acceptance and/or election referred to in paragraph 5(a) of Part B of this Appendix shall not apply, and the power of attorney and authorities conferred by that paragraph shall not be exercised if, as a result, the previous acceptor would (on such basis as Acorn Corporate Finance may reasonably consider appropriate) receive and/or retain (as appropriate) less in aggregate in consideration under the revised Offer or otherwise than he would have received and/or retained (as appropriate) in aggregate in consideration as a result of his acceptance of the Offer in the form originally accepted by such previous acceptor or on his behalf.
- (c) The deemed acceptance and/or election referred to in paragraph 5(a) of Part B of this Appendix shall not apply, and the power of attorney and the authorities conferred by that paragraph shall not be exercised in the case of a previous acceptor who (i) if he holds Cobra Shares in certificated form lodges with Capita Registrars, within 14 calendar days of the posting of the document containing the revised Offer to Cobra Shareholders, a Form of Acceptance (or any other form issued on behalf of Recipharm) in which he validly elects to receive consideration under the revised Offer in some other manner; or (ii) if he holds Cobra Shares in uncertificated form, sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA Instruction must, in order for it to be valid and settle, include the following details:
- (i) the number of Cobra Shares in respect of which the changed election is made;
 - (ii) the ISIN number, which is GB0031704835;
 - (iii) the member account ID of the previous acceptor;
 - (iv) the participant ID of the previous acceptor;
 - (v) the member account ID of the Escrow Agent included in the relevant Electronic Acceptance, which is RECCOB01;
 - (vi) the participant ID of the Escrow Agent, which is RA10;

- (vii) the CREST transaction ID of the Electronic Acceptance in respect of which the election is to be changed to be inserted at the beginning of the shared note field;
- (viii) the intended settlement date for the changed election;
- (ix) the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (x) input with standard delivery instruction priority of 80; and
- (xi) in order that the desired change of election can be effected, must include the member account ID of the Escrow Agent relevant to the new election.

Any such change of election will be conditional upon Capita Registrars verifying that the request is validly made. Accordingly, Capita Registrars will on behalf of Recipharm reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or Corporate Finance receiving agent accept (AEAN) message.

- (d) The authorities conferred by this paragraph 5 and any acceptance of a revised Offer and/or any election in relation to it shall be irrevocable unless and until the previous acceptor withdraws his acceptance having become entitled to do so under paragraph 4 of Part B of this Appendix.
- (e) Subject to paragraphs 5(b) and (c) of Part B of this Appendix, Recipharm and Acorn Corporate Finance reserve the right to treat an executed Form of Acceptance or Electronic Acceptance relating to the Offer (in its original or any previously revised form(s)) which is received (or dated) after the announcement or issue of any revised Offer as a valid acceptance of the revised Offer (and where applicable a valid election for the alternative forms of consideration). That acceptance will constitute an authority in the terms of paragraph 5(a) of Part B of this Appendix, *mutatis mutandis*, on behalf of the relevant Cobra Shareholder.

6. General

- (a) Except with the consent of the Panel:
 - (i) settlement of the consideration to which any Cobra Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set off, counterclaim or other analogous right to which Recipharm or Acorn Corporate Finance may otherwise be, or claim to be, entitled against that Cobra Shareholder; and
 - (ii) settlement of the consideration will be effected in the manner prescribed in paragraph 15 of the letter from Acorn Corporate Finance contained in Part IV of this document not later than 14 calendar days after the date on which the Offer becomes or is declared unconditional in all respects or within 14 calendar days of the date of receipt of a valid and complete acceptance whilst the Offer remains open for acceptance, whichever is the later.

Subject to paragraph 7 below, no consideration will be sent to an address in the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction.

- (b) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance and the Electronic Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meaning when used (or, as the case may be, deemed to be used) in the Form of Acceptance and the Electronic Acceptance unless the context requires otherwise. The provisions of this Appendix shall be deemed to be incorporated and form part of the Form of Acceptance and the Electronic Acceptance.
- (c) If the expiry date of the Offer is extended, a reference (or, as the case may be, a deemed reference) in this document, in the Form of Acceptance and the Electronic Acceptance to Day 21 of the Offer will (except in the definition of Offer Period and in paragraph 1(a) of Part B of this Appendix and where the context requires otherwise) be deemed to refer to the expiry date of the Offer as so extended.
- (d) Any omission or failure to despatch this document, the Form of Acceptance or any other document relating to the Offer and/or notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is, or should be, made shall not invalidate

the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to the provisions of paragraph 7 of Part B of this Appendix, the Offer is made to any Cobra Shareholder to whom this document, the Form of Acceptance or any related document may not be despatched or by whom such documents may not be received, and these persons may collect these documents from Capita Registrars at the address set out in paragraph 4(b) of Part B of this Appendix.

- (e) Subject to the City Code, and notwithstanding any other provision of Part B of this Appendix, Recipharm and Acorn Corporate Finance reserve the right to treat as valid in whole or in part any acceptance of the Offer if received by Capita Registrars or otherwise on behalf of Recipharm which is not entirely in order or in correct form or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other relevant document(s) or the relevant TTE Instruction or is received by it at any place or places or in any form or manner determined by either Capita Registrars or Recipharm otherwise than as set out in this document or the Form of Acceptance.
- (f) If all conditions are satisfied, fulfilled or, to the extent permitted, waived and sufficient acceptances are received and/or sufficient Cobra Shares are otherwise acquired, Recipharm intends to apply the provisions of sections 979 to 982 of the Companies Act to acquire compulsorily any outstanding Cobra Shares. Recipharm intends, after the Offer is declared wholly unconditional, to procure the making of an application by Cobra to the London Stock Exchange for the cancellation of the admission to trading of Cobra Shares on AIM, not less than 20 business days after the Offer becomes unconditional in all respects.
- (g) All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to (or, as the case may be, deemed referred to) in this Appendix, in the Form of Acceptance or in the Electronic Acceptance are given by way of security for the performance of the obligations of the Cobra Shareholder and are irrevocable (in respect of powers of attorney in accordance with section 4 of the Powers of Attorney Act 1971) except in the circumstances where the donor of the power of attorney, appointment or authority validly withdraws his acceptance in accordance with paragraph 4 of Part B of this Appendix.
- (h) No acknowledgement of receipt of any Form of Acceptance or Electronic Acceptance, transfer by means of CREST, communication, notice, share certificate(s) or document(s) of title will be given by or on behalf of Recipharm. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Cobra Shareholders (or their designated agents) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- (i) Subject to paragraph 7 below the Offer is made on 13 January 2010 and is capable of acceptance from and after that time. Forms of Acceptance, copies of this document and any related documents may be collected from Capita Registrars at the relevant address specified in paragraph 2(c) of Part B of this Appendix.
- (j) The Offer, all acceptances of the Offer and all elections in respect of it are governed by and will be construed in accordance with English law. Any dispute in relation to the offer will be subject to the non-exclusive jurisdiction of the English courts.
- (k) The Cobra Shares are to be acquired by Recipharm under the Offer fully paid up and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching now or hereafter to them on or after 13 January 2010, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid by Cobra on or after that date.
- (l) All references in this Appendix to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).
- (m) In relation to any acceptance of the Offer in respect of a holding of Cobra Shares, which are in uncertificated form, Recipharm reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST, or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the City Code or are otherwise made with the consent of the Panel.

- (n) Any references in this Appendix to the return or despatch of documents by post shall extend to the return or despatch by such other method as the Panel may approve.

7. Overseas shareholders

- (a) The making of the Offer in, or to Overseas Shareholders or to persons who are custodians, nominees of or trustees for Overseas Shareholders may be prohibited or affected by the laws or regulatory requirements of the relevant jurisdiction. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any Overseas Shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction. Any such Overseas Shareholder shall be responsible for payment of any such issue, transfer or other taxes or duties or other payments by whomsoever payable and Recipharm and Acorn Corporate Finance (and any person acting on behalf of any of them) shall be fully indemnified and held harmless by such overseas shareholders for any such issue, transfer or other taxes or duties or other payments which Recipharm or Acorn Corporate Finance (and any person acting on behalf of them) may be required to pay.
- (b) In particular, the Offer is not being made, directly or indirectly, in or into or by use of the mails of, or by any means or instrumentality (including, but not limited to, facsimile, e mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction and the Offer cannot be accepted and will not be capable of acceptance by any such use, means or instrumentality or otherwise from within the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction.

Accordingly, copies of this document, the Form of Acceptance and any related offer documents are not being (unless determined otherwise by Recipharm in its sole discretion), and must not be, mailed or otherwise distributed or sent in, into or from the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction including to Cobra Shareholders or Cobra Optionholders with registered addresses in the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction or to persons whom Recipharm or Acorn Corporate Finance knows to be custodians, trustees or nominees holding Cobra Shares for persons with addresses in the United States, Canada, Australia, South Africa or Japan. Persons receiving those documents (including, without limitation, custodians, nominees and trustees) should not distribute, mail or send them in, into or from the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction or use such mails or any such means, instrumentality or facility for any purpose directly or indirectly in connection with the Offer, and so doing will invalidate any related purported acceptance of the Offer.

- (c) Persons wishing to accept the Offer must not use the United States, Canadian, Australian, South Africa or Japanese mails or the mails of any Restricted Jurisdiction or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Offer. All Cobra Shareholders (including nominees, trustees of custodians) who may have a contractual or legal obligation, or may otherwise intend, to forward this document and/or Form of Acceptance and/or complete an Electronic Acceptance, should read the further details in this regard which are contained in this paragraph 7 of Part B and in Part C and Part D of this Appendix I before taking any action. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer should not be postmarked in the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction or otherwise despatched from those jurisdictions and all acceptors must provide addresses outside the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction for the receipt of for the return of the Forms of Acceptance.
- (d) Subject as provided below, a Cobra Shareholder may be deemed NOT to have accepted the Offer if:
 - (i) he puts "No" in Box 4 of the Form of Acceptance and therefore he cannot give the representations and warranties set out in paragraph (b) of Part C of this Appendix;

- (ii) he completes Box 3 of the Form of Acceptance with an address in the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction or has a registered address in the United States, Canada, Australia, South Africa Japan or any Restricted Jurisdiction and in any such case does not insert in Box 5 of the Form of Acceptance the name and address of a person or agent outside the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent;
- (iii) he inserts in Box 5 of the Form of Acceptance the name and address of a person or agent in the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent;
- (iv) in any case, the Form of Acceptance received from him is in an envelope postmarked in, or which otherwise appears to Recipharm or its agents to have been sent from, the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction; or
- (v) he makes a Restricted Escrow Transfer pursuant to paragraph 7(i) below unless he also makes a related Restricted ESA Instruction which is accepted by Capita Registrars. Recipharm reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (c) of Part D of this Appendix I could have been truthfully given by the relevant Cobra Shareholder and, if such investigation is made and, as a result, Recipharm cannot satisfy itself that such representation and warranty was true and correct, such acceptance shall not be valid.

Recipharm reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in Part C of and/or Part D this Appendix 1 could have been truthfully given by the relevant Cobra Shareholder and, if such investigation is made and as a result Recipharm determines (for any reason) that such representations and warranties could not have been so given, such acceptance may be rejected as invalid.

- (e) If any person, despite the restrictions described above and whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related document in, into or from the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction or uses the mails or any means or instrumentality (including, without limitation, facsimile, e mail or other electronic transmission, telex or telephones) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of, the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction in connection with that forwarding, that person should:
 - (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph 7.
- (f) Recipharm and Acorn Corporate Finance each reserve the right to notify any matter, including the making of the Offer, to all or any Cobra Shareholders:
 - (i) with a registered address outside the United Kingdom; or
 - (ii) whom Recipharm or Acorn Corporate Finance knows to be a custodian, trustee or nominee holding Cobra Shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom,

by announcement in the United Kingdom through a Regulatory Information Service or in any other appropriate manner or by paid advertisement in one or more newspapers published and circulated in the United Kingdom. Such notice shall be deemed to have been sufficiently given, despite any failure by any such Cobra Shareholder to receive or see that notice. A reference in this document to a notice or the provision of information in writing by or on behalf of Recipharm is to be construed accordingly. No such document will be sent to an address in the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction.

- (g) If any written notice from a Cobra Shareholder withdrawing his acceptance in accordance with paragraph 4 of Part B of this Appendix is received in an envelope postmarked in, or which otherwise appears to Recipharm or its agents to have been sent from, the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction, Recipharm reserves the right, in its absolute discretion, to treat that notice as invalid.
- (h) Neither Recipharm nor any agent or director of Recipharm nor its advisers or any person acting on behalf of any of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer on any of the bases set out in this paragraph 7 or otherwise in connection therewith.
- (i) If a Cobra Shareholder holding Cobra Shares in uncertificated form is unable to give the representations and warranties set out in paragraph c of Part D of this Appendix I, but nevertheless can produce evidence satisfactory to Recipharm that he is able to accept the Offer in compliance with all legal and regulatory requirements, he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:
 - (i) a TTE Instruction to a designated escrow balance detailed below (a “Restricted Escrow Transfer”); and
 - (ii) one or more valid ESA Instructions (a “Restricted ESA Instruction”).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction settle in CREST and Recipharm decides in its absolute discretion to exercise its right, described in paragraph 7(j) below to waive, vary or modify the terms of the Offer to Overseas Shareholders to the extent required to permit such acceptance to be made in each case during the acceptance period set out in paragraph 1 of Part B of this Appendix I. If Recipharm accordingly decides to permit such acceptance to be made, [Registrars] will on behalf of Recipharm accept the purported acceptance as an Electronic Acceptance on the terms of this document as so waived, varied or modified by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, Capita Registrars will on behalf of Recipharm reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- (i) the ISIN number for the Cobra Shares, which is GB0031704835;
- (ii) the number of Cobra Shares in respect of which you wish to accept the Offer (i.e. the number of Cobra Shares to be transferred to an escrow balance);
- (iii) your participant ID;
- (iv) your member account ID;
- (v) the participant ID of the Escrow Agent, which is RA10;
- (vi) the member account ID of the Escrow Agent specific to a Restricted Escrow Transfer, which is RESTRICT;
- (vii) the intended settlement date;
- (viii) the corporate action number for the Offer which will be allocated by Euroclear and can be found by reviewing the relevant corporate action details in CREST;
- (ix) input with the standard delivery instruction priority of 80; and
- (x) the contact name and telephone number inserted in the shared note field.

Each Restricted ESA Instruction must, in order for it to be valid and settle include the following details:

- (i) the ISIN number for the Cobra Shares, which is GB0031704835;
- (ii) the number of Cobra Shares relevant to the Restricted ESA Instruction;
- (iii) your participant ID;

- (iv) your member ID;
 - (v) the participant ID of the Escrow Agent, which is RA10;
 - (vi) the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer, which is RESTRICT;
 - (vii) the member account ID of the Escrow Agent relevant to the consideration required, this is RECCOB01;
 - (viii) the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates to be inserted at the beginning of the shared note field;
 - (ix) the intended settlement date;
 - (x) the corporate action number for the Offer; and
 - (xi) input with the standard delivery instruction priority 80.
- (j) The provisions of this paragraph 7 and/or any other terms of the Offer relating to overseas shareholders may be waived, varied or modified as regards specific Cobra Shareholders or on a general basis by Recipharm in its sole discretion. Subject to this discretion, the provisions of this paragraph 7 supersede any terms of the Offer inconsistent with them. References in this paragraph 7 to a Cobra Shareholder shall include the person or persons executing a Form of Acceptance and, in the event of more than one person executing the Form of Acceptance, the provisions of this paragraph 7 apply to them jointly and severally.

Overseas shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your appropriate adviser in the relevant jurisdiction.

PART C: FORMS OF ACCEPTANCE

Each Cobra Shareholder by whom, or on whose behalf, a Form of Acceptance is executed, irrevocably undertakes, represents, warrants and agrees to and with Recipharm and Capita Registrars (so as to bind him, his executors, personal representatives, heirs, successors and assigns to the following effect) that:

- (a) the execution of a Form of Acceptance, whether or not any other boxes on such Form of Acceptance are completed, shall constitute, subject to the provisions of paragraph 4 of Part B of this Appendix I:
- (i) an acceptance or deemed acceptance of the Offer in respect of the number of Cobra Shares in certificated form inserted or deemed inserted in Box 1 of the Form of Acceptance;
 - (ii) if Box 1 of the Form of Acceptance is left blank or a number greater than such Cobra Shareholder's registered holding of certificated Cobra Shares appears in Box 1, an acceptance by such shareholder of the Offer in respect of the total number of certificated Cobra Shares registered in his name; and
 - (iii) an authority to Recipharm and their respective agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute all or any documents and/or give any such further assurances as may be required to enable Recipharm to obtain the full benefit of the acceptance and/or to perfect any of the authorities expressed to be given hereunder,

in each case on and subject to the terms and conditions set out or referred to in this document and the Form of Acceptance and that, subject to the rights of withdrawal set out in paragraph 4 of Part B of this Appendix I, each such acceptance and/or election shall be irrevocable;

- (b) he is entitled to dispose of the Cobra Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted and that the Cobra Shares in respect of which the Offer is accepted or deemed to be accepted are sold with full title guarantee and fully paid free from all liens, charges, equities, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching thereto on or after 13 January 2010, including, without limitation, voting rights and the right to receive and retain all dividends and other distributions (if any) declared, made or payable on or after 13 January 2010;
- (c) unless "No" is put in Box 4 of the relevant Form of Acceptance:
- (i) he has not received, sent or otherwise distributed, directly or indirectly, any copies or originals of this document, the Form of Acceptance or any related documents in, into or from the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction;
 - (ii) he has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, email, telephone and the internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction;
 - (iii) he is accepting the Offer from outside the United States, Canada, Australia, South Africa and Japan or any Restricted Jurisdiction;
 - (iv) he was outside the United States, Canada, Australia, South Africa and Japan or any Restricted Jurisdiction when the relevant Form of Acceptance was sent and at the time of accepting the Offer;
 - (v) in respect of the Cobra Shares to which his acceptance of the Offer relates, he is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside the United States, Canada, Australia and South Africa, Japan or any Restricted Jurisdiction;
 - (vi) he is not an Overseas Person in any Restricted Jurisdiction;
 - (vii) if he is not a citizen, resident or national of the United Kingdom, he has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required

consents, complied with all necessary formalities and paid any issue, transfer or other taxes or duties due from him, in each case in connection with such acceptance in any jurisdiction and that he has not taken or omitted to take any action which will or may result in Recipharm or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof;

- (d) the execution and delivery of a Form of Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms, the irrevocable separate appointment of Recipharm, any of its directors, representatives or agents as such person's attorney and/or agent (the "Attorney"), and an irrevocable instruction to the Attorney (in accordance with Section 4 of the Powers of Attorney Act 1971):
 - (i) to complete and execute all or any form(s) of transfer and/or other document(s) whatsoever at the Attorney's discretion in relation to the Cobra Shares referred to in paragraph (a) of this Part C in respect of which an accepting Cobra Shareholder has validly accepted and not validly withdrawn his acceptance (the "Acceptance Securities") in favour of Recipharm or such other person or persons as Recipharm may direct and to deliver such form(s) of transfer and/or other document(s) at the Attorney's discretion, together with any share certificate(s) and or other document(s) of title relating to the Acceptance Securities, for registration within six months of the Offer becoming unconditional in all respects; and
 - (ii) to execute all such other documents and to do all such other acts and things as may in the opinion of the Attorney be necessary or expedient for the purposes of, or in connection with, the acceptance of the Offer and to vest in Recipharm or its nominee(s) the full legal and beneficial ownership of the Acceptance Securities as aforesaid;
- (e) the execution and delivery of a Form of Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and the accepting Cobra Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests:
 - (i) to Cobra or its agents to procure the registration of the transfer of the Acceptance Securities pursuant to the Offer and the delivery of the share certificate(s) and/or other documents(s) of title in respect thereof to Recipharm or as it may direct; and
 - (ii) (subject to the provisions of paragraph 7 of Part B of this Appendix I) to Recipharm or their respective agents to procure the despatch by post (or by such other method as may be approved by the Panel) of a cheque for any cash consideration to which an accepting Cobra Shareholder is entitled pursuant to his acceptance of the Offer, at the risk of such Cobra Shareholder, to the person or agent whose name and address (outside the United States, Canada, Australia, South Africa or Japan) is set out in Box 5, if appropriate, on the Form of Acceptance or, if none is set out there, at his registered address outside the United States, Canada, Australia, South Africa or Japan;
- (f) the execution and delivery of a Form of Acceptance constitutes a separate authority to Recipharm or any of its directors, agents or representatives within the terms of paragraph 5 of Part B of this Appendix I;
- (g) after the Offer becomes unconditional in all respects (or if the Offer will become unconditional in all respects or lapse upon the outcome of the resolution in question) and in such other circumstances as Recipharm may request and the Panel may permit:
 - (i) Recipharm or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition a general meeting of Cobra or of any class of its shareholders) attaching to any Acceptance Securities;
 - (ii) Cobra or its agents shall be authorised by the holder of Acceptance Securities to send any notice, warrant, circular, document or other communication which may be required to be sent to him as a Cobra Shareholder (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such securities into certificated form) to Recipharm at its registered office;
 - (iii) Recipharm or any director of Recipharm or their respective agents shall be authorised by the holder of Acceptance Securities to sign any document and do such things as may, in their

reasonable opinion seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Acceptance Securities (including, without limitation, signing any consent to short notice of a general meeting or separate class meeting as his agent and/or attorney on his behalf and/or executing a form of proxy in respect of such Acceptance Securities appointing any person nominated by Recipharm to attend general meetings and/or separate class meetings of Cobra or the holders of any class of securities of Cobra (and any adjournment thereof) and to exercise the votes attaching to such Acceptance Securities on his behalf, such votes to be cast, where relevant, so far as possible to satisfy any outstanding condition of the Offer); and

- (iv) the execution of a Form of Acceptance constitutes the agreement of such Cobra Shareholder not to exercise any of such rights attaching to the Acceptance Securities without the consent of Recipharm and the irrevocable undertaking of such Cobra Shareholder not to appoint a proxy or corporate representative for or to attend any such general meetings or separate class meetings (or any adjournment thereof);
- (h) he will deliver or procure delivery to Capita Registrars of his share certificate(s) and/or other document(s) of title in respect of Acceptance Securities or an indemnity acceptable to Recipharm in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects and will execute any further documents, do such acts and give any further assurances that may be required in connection with his acceptance of the Offer;
- (i) he will take (or procure to be taken) the action set out in paragraph 15 (c) of the letter from Acorn Corporate Finance contained in Part IV of this document to transfer all Acceptance Securities to an escrow balance as soon as possible and in any event so that the transfer to escrow settles within six months of the Offer becoming unconditional in all respects;
- (j) if, for any reason, any Cobra Shares in respect of which a transfer to an escrow balance has been effected in accordance with paragraph 15(c) of the letter from Acorn Corporate Finance contained in Part IV of this document are converted to certificated form, he will (without prejudice to paragraph (g)(ii) of this Part C), immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Cobra Shares as so converted to Capita Registrars at the relevant address referred to in paragraph 15(b)(iii) of the letter from Acorn Corporate Finance contained in Part IV of this document or to Recipharm at its registered office or as Recipharm or its agents may direct;
- (k) he will do all such acts and things as may, in the opinion of Recipharm and/or Capita Registrars, be necessary or expedient to vest in Recipharm or its nominee(s), or such other person(s) as Recipharm may decide, title to the Acceptance Securities and to enable Capita Registrars to perform its function as escrow agent for the purposes of the Offer and accordingly grants power(s) of attorney and authorities on the terms conferred by or referred to in this Part C, which are given by way of security for the performance of the obligations of such person and which are irrevocable;
- (l) the terms and conditions of the Offer contained in this document shall be deemed to be incorporated in, and form part of, the Form of Acceptance, which shall be construed accordingly;
- (m) he agrees to ratify each and every act or thing which may be done or effected by Recipharm or any director of Recipharm or their respective agents, as the case may be, in the exercise of any of its, his or their respective powers and/or authorities hereunder (and to indemnify each such person against losses arising therefrom);
- (n) if any provisions of Part B or Part C of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Recipharm or any director of Recipharm or their respective agents (as the case may be) the benefit of the authorities and powers of attorney expressed to be given therein or herein, he will with all practicable speed do all such acts and things and execute all such documents as may be required to enable those persons to secure the full benefits of Part B and/or Part C of this Appendix I;
- (o) that, upon execution and delivery, any Form of Acceptance shall take effect as a deed; and
- (p) the execution of a Form of Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Form of Acceptance, to the jurisdiction of the English courts and his agreement that nothing shall limit the right of Recipharm to bring any action, suit or proceeding arising out of or in connection with the Offer or in any other manner permitted by law or in any Court of competent jurisdiction.

PART D: ELECTRONIC ACCEPTANCES

Each Cobra Shareholder by whom, or on whose behalf an Electronic Acceptance is made, irrevocably undertakes, represents, warrants and agrees to and with Recipharm and Capita Registrars (so as to bind him, his executors, personal representatives, heirs, successors and assignees to the following effect) that:

- (a) the Electronic Acceptance shall constitute, subject to the provisions of paragraph 4 of Part B of this Appendix I:
- (i) an acceptance or deemed acceptance of the Offer in respect of the number of Cobra Shares in uncertificated form to which a TTE Instruction relates; and
 - (ii) an authority to Recipharm and their respective agents to execute any documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute all or any documents and/or give any such further assurances as may be required to enable Recipharm to obtain the full benefit of the acceptance and/or to perfect any of the authorities expressed to be given hereunder,

in each case on and subject to the terms and conditions set out or referred to in this document and subject to the rights of withdrawal set out in paragraph 4 of Part B of this Appendix I, each such acceptance and/or election shall be irrevocable;

- (b) he is entitled to dispose of the Cobra Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted and that the Cobra Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted are sold with full guarantee and fully paid free from all liens, charges, equities, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching thereto on or after 13 January 2010, including, without limitation, voting rights and the right to receive and retain all dividends and other distributions (if any) declared, made or payable on or after 13 January 2010;
- (c)
- (i) he has not received, sent or otherwise distributed, directly or indirectly, any copies or originals of this document, the Form of Acceptance or any related documents in, into or from the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction;
 - (ii) he has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, email, telephone and the internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States, Canada, Australia or Japan; and no TTE Instruction has been sent from the United States, Canada, Australia, South Africa, Japan or any Restricted Jurisdiction;
 - (iii) he is accepting the Offer from outside the United States, Canada, Australia, South Africa and Japan or any Restricted Jurisdiction;
 - (iv) he was outside the United States, Canada, Australia, South Africa and Japan or any Restricted Jurisdiction at the time of the input and settlement of the relevant TTE Instruction(s) when the relevant was made and at the time of accepting the Offer;
 - (v) in respect of the Cobra Shares in uncertificated form to which an Electronic Acceptance relates, he is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside the United States, Canada, Australia, South Africa and Japan or any Restricted Jurisdiction;
 - (vi) he is not an Overseas Person in any Restricted Jurisdiction;
 - (vii) if he is not a citizen, resident or national of the United Kingdom, he has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or duties due from him, in each case in connection with such acceptance in any jurisdiction and that he has not taken or omitted to take any action which will or may result in Recipharm or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof,

provided that the warranties and representations above shall be deemed not to be given if such Cobra Shareholder purports to accept the Offer by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) a Restricted Escrow Transfer and a Restricted ESA Instruction pursuant to paragraph 7 (i) of Part B of this Appendix I;

- (d) the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms, the irrevocable separate appointment of Recipharm, any of its directors, representatives or agents as such person's attorney and/or agent (the "Attorney"), and an irrevocable instruction to the Attorney to execute all such documents and to do all such other acts and things as may in the opinion of the Attorney be necessary or expedient for the purposes of, or in connection with, the acceptance of the Offer and to vest in Recipharm or its nominee(s) the full legal and beneficial ownership of the Cobra Shares in uncertificated form referred to in paragraph (a) of this Part D in respect of which such accepting Cobra Shareholder has validly accepted and not validly withdrawn his acceptance (the "Electronic Acceptance Securities");
- (e) the Electronic Acceptance constitutes the irrevocable appointment of Capita Registrars as escrow agent to the offer and an irrevocable instruction and authority to the escrow agent:
 - (i) subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Cobra Shareholder not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as Recipharm or its agents may direct) by means of CREST all or any of the Electronic Acceptance Securities (but not exceeding the number of Cobra Shares in respect of which the Offer is accepted or deemed to be accepted and in respect of which acceptance has not been validly withdrawn); and
 - (ii) if the Offer does not become unconditional in all respects, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days from the lapsing of the Offer), to transfer all Electronic Acceptance Securities to the original available balance of the accepting Cobra Shareholder;
- (f) the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and the accepting Cobra Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests:
 - (i) (subject to the provisions of paragraph 7 of Part B of this Appendix I) to Recipharm or its agents to procure the creation of an assured payment obligation in favour of the Cobra Shareholder's payment bank in accordance with the CREST assured payment arrangements in respect of any cash consideration to which an accepting Cobra Shareholder is entitled pursuant to his Electronic Acceptance, provided that Recipharm may (if, for any reason, it wishes to do so) determine that all or part of such cash consideration shall be paid by cheque despatched by post to which an accepting Cobra Shareholder is entitled pursuant to his acceptance of the Offer;
- (g) the Electronic Acceptance constitutes a separate authority to Recipharm or any of its directors, agents or representatives within the terms of paragraph 5 of Part B of this Appendix I;
- (h) after the Offer becomes unconditional in all respects (or if the Offer will become unconditional in all respects or lapse upon the outcome of the resolution in question) and in such other circumstances as Recipharm may request and the Panel may permit:
 - (i) Recipharm or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition a general meeting of Cobra or of any class of its shareholders) attaching to any Electronic Acceptance Securities;
 - (ii) Cobra or its agents shall be authorised by the holder of Electronic Acceptance Securities to send any notice, warrant, circular, document or other communication which may be required to be sent to him as a Cobra Shareholder (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such securities into certificated form) to Recipharm at its registered office;
 - (iii) Recipharm or any director of Recipharm or their respective agents shall be authorised by the holder of Electronic Acceptance Securities to sign any document and do such things as may,

in their reasonable opinion seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Electronic Acceptance Securities (including, without limitation, signing any consent to short notice of a general meeting or separate class meeting as his agent and/or attorney on his behalf and/or executing a form of proxy in respect of such Electronic Acceptance Securities appointing any person nominated by Recipharm to attend general meetings and/or separate class meetings of Cobra or the holders of any class of securities of Cobra (and any adjournment thereof) and to exercise the votes attaching to such Electronic Acceptance Securities on his behalf, such votes to be cast, where relevant, so far as possible to satisfy any outstanding condition of the Offer); and

- (iv) an Electronic Acceptance constitutes the agreement of such Cobra Shareholder not to exercise any of such rights attaching to the Electronic Acceptance Securities without the consent of Recipharm and the irrevocable undertaking of such Cobra Shareholder not to appoint a proxy or corporate representative for or to attend any such general meetings or separate class meetings (or any adjournment thereof);
- (i) if, for any reason, any Cobra Shares in respect of which a TTE instruction has been effected in accordance with paragraph 15(c) of the letter from Acorn Corporate Finance contained in Part IV of this document are converted to certificated form, he will (without prejudice to paragraph (h)(ii) of this Part D), immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Cobra Shares as so converted to Capita Registrars at the relevant address referred to in paragraph 15 (b)(iii) of the letter from Recipharm contained in Part IV of this document or to Recipharm at its registered office or as Recipharm or its agents may direct;
- (j) the creation of an assured payment obligation in favour of his payment bank in accordance with the CREST assured payments arrangements referred to in paragraph (f)(i) of this Part D shall, to the extent of the obligation so created, discharge in full any obligation of Recipharm to pay to him the cash consideration (if any) to which he is entitled in terms of the Offer;
- (k) he will do all such acts and things as may, in the opinion of Recipharm and/or Capita Registrars, be necessary or expedient to vest in Recipharm or its nominee(s), or such other person(s) as Recipharm may decide, title to the Electronic Acceptance Securities and to enable Capita Registrars to perform its function as escrow agent for the purposes of the Offer and accordingly grants power(s) of attorney and authorities on the terms conferred by or referred to in this Part D, which are given by way of security for the performance of the obligations of such person and which are irrevocable;
- (l) the terms and conditions of the Offer contained in this document shall be deemed to be incorporated in, and form part of an Electronic Acceptance, which shall be construed accordingly;
- (m) he agrees to ratify each and every act or thing which may be done or effected by Recipharm or any director of Recipharm or their respective agents, as the case may be, in the exercise of any of its, his or their respective powers and/or authorities hereunder (and to indemnify each such person against losses arising therefrom);
- (n) if any provisions of Part B or Part D of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Recipharm or any director of Recipharm or their respective agents (as the case may be) the benefit of the authorities and powers of attorney expressed to be given therein or herein, he will with all practicable speed do all such acts and things and execute all such documents as may be required to enable those persons to secure the full benefits of Part B and/or Part D of this Appendix I;
- (o) the making of an Electronic Acceptance constitutes his submission, in relation to all matters arising out of the Offer and its acceptance, to the jurisdiction of the English courts and his agreement that nothing shall limit the right of Recipharm to bring any action, suit or proceeding arising out of or in connection with the Offer or in any other manner permitted by law or in any Court of competent jurisdiction; and
- (p) by virtue of the Regulations the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant holder of Cobra Shares in the terms of the powers and authorities expressed to be given by this Part D to Recipharm and any of Recipharm's directors or agents.

APPENDIX II

PART A: FINANCIAL INFORMATION ON COBRA PLC

PART 1: BASIS OF FINANCIAL INFORMATION

The financial information contained in this Appendix II, does not constitute statutory accounts within the meaning of Section 434 of the Companies Act.

The consolidated statutory accounts of the Cobra have been delivered to the Registrar of Companies for each of the three financial years ended September 2008. In respect of each of those accounts, the Company's auditors, Deloitte LLP, gave reports which were unqualified and did not contain a statement under section 237(2) or 237(3) of the 1985 Act.

The information listed below relating to Cobra is hereby incorporated by reference into this document.

No Information

Source of Information

- 1 Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Cobra for the three years ended 30 September 2008.

Cobra Annual Report & Accounts 2008, Group Income Statement on page 22.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.cobrabio.com/getattachment/f7bc1981-9ae9-444a-be10-11fdeb498b18/Annual-Reports.aspx>

Cobra Annual Report & Accounts 2007, Group Income Statement on page 19.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.cobrabio.com/getattachment/17d06926-9861-43fd-8cdc-a5bfa464ed82/Annual-Reports.aspx>

Cobra Annual Report & Accounts 2006, Group Profit and Loss Account on page 24

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.cobrabio.com/getattachment/64b0e5b5-8788-4cef-aff3-ad76eed5af71/Annual-Reports.aspx>

No Information**Source of Information**

- 2 Details relating to the items referred to in 1 above in respect of the interim statement for Cobra for the six months ending 31 March 2009
- Cobra Interim Report 2009, Group Income Statement on page 8.
- If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.
- <http://www.cobrabio.com/getattachment/1ac5026b-c9bf-481c-b703-4d8995dfae2f/Interim-Reports.aspx>
- 3 A statement of the assets and liabilities shown in the audited accounts for Cobra for the year ended 30 September 2008, being the last published audited accounts
- Cobra Annual Report & Accounts 2008, Consolidated Balance Sheet on page 23.
- If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.
- <http://www.cobrabio.com/getattachment/f7bc1981-9ae9-444a-be10-11fdeb498b18/Annual-Reports.aspx>
- 4 A cash flow statement as provided in the audited accounts for Cobra for the year ended 30 September 2008, being the last published audited accounts
- Cobra Annual Report & Accounts 2008, Consolidated Cash Flow Statement on page 24.
- If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.
- <http://www.cobrabio.com/getattachment/f7bc1981-9ae9-444a-be10-11fdeb498b18/Annual-Reports.aspx>
- 5 Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures
- Cobra Annual Report & Accounts 2008, the Notes to the Accounts on pages 26-49.
- If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.
- <http://www.cobrabio.com/getattachment/f7bc1981-9ae9-444a-be10-11fdeb498b18/Annual-Reports.aspx>
- Cobra Annual Report & Accounts 2007, the Notes to the Accounts on pages 23-43.
- If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.
- <http://www.cobrabio.com/getattachment/17d06926-9861-43fd-8cdc-a5bfa464ed82/Annual-Reports.aspx>

No Information

5 (continued)

Source of Information

Cobra Annual Report & Accounts 2006, the Notes to the Accounts on pages 27-42.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.cobrabio.com/getattachment/64b0e5b5-8788-4cef-aff3-ad76eed5af71/Annual-Reports.aspx>

The results for Cobra for the three years ended 30 September 2008, 30 September 2007 and 30 September 2006 are available free of charge on the Cobra website at <http://www.cobrabio.com/Investors/Financial-Information/Annual-Reports.aspx>.

Information in relation to 1, 2 and 3 above has not been published in an inflation adjusted form.

The annual reports and interim results are available in “read-only” format and can be printed from the Cobra website. Recipharm will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, a copy of any documents incorporated by reference in this document. Copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for copies of any such document should be directed to: Capita Registrars on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider’s network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

PART B: FINANCIAL INFORMATION ON RECIPHARM

No	Information	Source of Information
1	Turnover, and profit or loss before taxation, for the two years ended 31 December 2008	<p>Recipharm Annual Report & Accounts 2008, Consolidated Income Statement on page 36.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>http://www.recipharm.com/fileadmin/user_upload/recipharm/Recipharm_2008_eng_01.pdf</p>
2	A statement of the assets and liabilities shown in the audited accounts for Recipharm for the year ended 31 December 2008, being the last published audited accounts	<p>Recipharm Annual Report & Accounts 2008, Consolidated Balance Sheet on page 37.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>http://www.recipharm.com/fileadmin/user_upload/recipharm/Recipharm_2008_eng_01.pdf</p>

The annual report is available in “read-only” format and can be printed from the Recipharm website. Recipharm will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, a copy of any documents incorporated by reference in this document. Copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for copies of any such document should be directed to: Capita Registrars on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider’s network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

APPENDIX III

ADDITIONAL INFORMATION

1 Responsibility

- (a) The Recipharm Directors, whose names are set out in paragraph 2(a) below, accept responsibility for the information contained in this document, save for the information for which responsibility is taken by the Cobra Directors in paragraph 1(b) below. To the best of the knowledge and belief of the Recipharm Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Cobra Directors, whose names are set out in paragraph 2(b) below, accept responsibility for the information contained in this document relating to Cobra, the Cobra Directors and the members of their immediate families and persons connected with them (save in each case for information on Recipharm's future plans for Cobra and its management and employees). To the best of the knowledge and belief of the Cobra Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Directors

- (a) The Recipharm Directors and their respective principal functions are as follows:

<i>Name</i>	<i>Position</i>
Lars Backsell	Chairman
Thomas Elderred	Chief Executive Officer
Anders G Carlberg	Non-Executive Director
Göran Pettersson	Non Executive Director
Tony Sandell	Non-Executive Director
Olle Christenson	Employee Representative
Lars-Göran Carlsson	Employee Representative

Recipharm is an unquoted public company limited by shares and incorporated on 25 November 1994 in Sweden under Swedish law with registered number 556498-8425. The registered office of Recipharm and business address of the Recipharm Directors is Lagervägen 7, SE-136 50 Haninge, Sweden.

- (b) The Cobra Directors and their respective principal functions are as follows:

<i>Name</i>	<i>Position</i>
Danny Chapchal	Non-Executive Chairman
Simon Saxby	Chief Executive Officer
Peter Coleman	Finance Director
Michael Gatenby	Non-Executive Director
David Oxlade	Non-Executive Director
Nigel Slater	Non-Executive Director

Cobra Bio-manufacturing Plc is a public company limited by shares and incorporated in England and Wales under the Companies Act 1985 with registered number 4442927. The registered office of Cobra and the business address of the Cobra Directors is Stephenson Building, The Science Park, Keele, Staffordshire, ST5 5SP.

All of the Cobra Directors are, as at the date of this document, considered to be independent for the purposes of the Code.

3 London Stock Exchange quotations

Set out below is the Closing Price of a Cobra Share for the first business day of each of the six months immediately prior to the date of this document, for 10 November 2009 (being the last business day

immediately prior to the commencement of the Offer Period) and for 12 January 2010 (being the latest practicable date before the posting of this document):

<i>Date</i>	<i>Price per Cobra Share (pence)</i>
1 June 2009	3.125
1 July 2009	2.625
3 August 2009	3.125
1 September 2009	2.750
1 October 2009	3.000
2 November 2009	3.250
10 November 2009	3.125
1 December 2009	3.625
4 January 2010	2.250
12 January 2010	2.250

4 Shareholdings and dealings

(a) General

For the purposes of this paragraph 4:

- (i) **acting in concert** has the meaning attributed to it in the Code;
- (ii) **arrangement** includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (iii) **associate** includes:
 - (A) the subsidiaries, fellow subsidiaries and associated companies of Recipharm or, as the case may be, Cobra and companies of which any such subsidiaries or associated companies are associated companies (for this purpose, ownership or control of 20 per cent. or more of the equity share capital of a company is the test of associated company status) (a **paragraph 1 associate**);
 - (B) connected advisers, and persons controlling, controlled by or under the same control as such connected advisers;
 - (C) in relation to Recipharm, the Recipharm Directors or the directors of any company covered in (A) above (together, in each case, with their close relatives and related trusts);
 - (D) in relation to Cobra, the Cobra Directors or the directors of any company covered in (A) above (together, in each case, with their close relatives and related trusts);
 - (E) the pension funds of Recipharm or Cobra or of any company covered in (A) above;
 - (F) any investment company, unit trust or other person whose investments an associate manages on a discretionary basis, in respect of the relevant investment accounts;
 - (G) an employee benefit trust of Recipharm or Cobra or any company covered in (A) above; and
 - (H) a company having a material trading arrangement with Recipharm or Cobra;
- (iv) **Recipharm relevant securities** means:
 - (A) Recipharm shares and any other securities of Recipharm carrying voting rights;
 - (B) equity share capital of Recipharm; and
 - (C) any securities of Recipharm carrying conversion or subscription rights into any securities listed in (A) or (B) above;
- (v) **connected adviser** has the meaning attributed to it in the Code;

- (vi) **connected person** means any person whose interests in shares the relevant director is taken to be interested in pursuant to Part 22 of the Companies Act 2006 and related regulations;
- (vii) **control** means a holding or aggregate holdings of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective to whether the holding or aggregate holdings gives *de facto* control;
- (viii) **dealing** or **dealt** includes:
 - (A) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;
 - (B) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising or varying an option in respect of any relevant securities;
 - (C) subscribing or agreeing to subscribe for relevant securities;
 - (D) exercising or converting any relevant securities carrying conversion or subscription rights;
 - (E) acquiring, disposing of, entering into, closing out, exercise of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
 - (F) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (G) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (ix) **derivative** includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
- (x) **disclosure date** means 12 January 2010 being the latest practicable date prior to the posting of this document;
- (xi) **disclosure period** means the period commencing on 11 November 2008 (being the date 12 months prior to the commencement of the Offer Period) and ending on the close of business on the disclosure date;
- (xii) **exempt principal trader** or **exempt fund manager** have the meanings attributed to them in the Code;
- (xiii) being **interested** in relevant securities includes where a person:
 - (A) owns relevant securities;
 - (B) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - (C) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
 - (D) is a party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in it; or
 - (E) has long economic exposure, whether absolute or conditional, to changes in the price of those relevant securities (but a person who only has a short position in relevant securities is not treated as interested in those relevant securities);
- (xiv) **relevant securities** means Cobra relevant securities and/or Recipharm relevant securities, as appropriate;

- (xv) **short position** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- (xvi) **Cobra relevant securities** means:
- (A) Cobra Shares and any other securities of Cobra carrying voting rights;
- (B) equity share capital of Cobra; and
- (C) any securities of Cobra carrying conversion or subscription rights into any securities listed in (A) or (B) above;
- (xvii) a disclosure made in respect of a director of Cobra or Recipharm (as the case may be) includes details of all interests, short positions and borrowings of any other person whose interest in shares such director is taken to be interested in pursuant to Part 22 of the Companies Act 2006 and related regulations; and
- (xviii) references to a pension fund of Recipharm or Cobra or of a company which is a paragraph 1 associate do not include any such pension funds which are managed under an agreement or arrangement with an independent third party in the terms set out in Note 7 on the definition in the Code of "acting in concert".

(b) *Interests in relevant Cobra securities*

As at the close of business on 12 January 2010 (being the latest practicable date prior to the publication of this document):

- (i) Recipharm had an interest in, or right to subscribe for, 37,450,000 Cobra relevant securities;
- (ii) the Recipharm Directors did not have any interest in, or right to, subscribe for Cobra relevant securities;
- (iii) no person acting, or presumed to be acting, in concert with Recipharm had an interest in, or right to, subscribe for any Cobra relevant securities;
- (iv) Recipharm had not, nor had any person acting or presumed to be acting in concert with Recipharm, borrowed or lent any Cobra relevant securities, (save for any borrowed shares which have either been on-lent or sold);
- (v) the interests of the Cobra Directors (including certain persons connected with them) in Cobra relevant securities, apart from options which are disclosed under paragraph 4(b)(vi) below, were as follows:

<i>Name of Directors/connected persons</i>	<i>Number of Cobra Shares</i>
Danny Chapchal	Nil
Simon Saxby	260,000
Peter Coleman	280,000
Michael Gatenby	160,000
David Oxlade	130,000
Nigel Slater	139,000

- (vi) the interests of the Cobra Directors in options over Cobra Shares under Cobra Option Schemes were as follows:

<i>Director</i>	<i>of Cobra Shares under option</i>	<i>Date of of grant</i>	<i>Exercise price (pence)</i>	<i>Exercise period</i>
Peter Coleman				
Unapproved scheme	60,000	13.06.02	100.0	12.06.12
Unapproved scheme*	74,352	07.07.03	96.5	06.07.13
Unapproved scheme*	32,727	12.07.04	27.5	11.07.14
LTIP matching award	22,881	24.08.06	Nil	23.08.16

* These options granted to Peter Coleman under the unapproved Cobra Scheme were also granted as EMI Options.

- (vii) the Cobra Directors held no interests in warrants over Cobra Shares.
- (viii) no paragraph 1 associate had any interest in or right to subscribe for Cobra relevant securities;
- (ix) no pension fund of Cobra or of any company which is a paragraph 1 associate had any interest in or right to subscribe for Cobra relevant securities;
- (x) Cobra Bio-manufacturing EBT Limited, the employee benefit trust of Cobra holds 83,897 Cobra Shares but, otherwise, no employee benefit trust of Cobra or of any company which is a paragraph 1 associate of Cobra had any interest in or right to subscribe for Cobra relevant securities;
- (xi) no connected adviser of Cobra or any company which is a paragraph 1 associate or any person acting in concert with Cobra nor any person controlling, controlled by or under the same control as any such connected adviser (except for an exempt principal trader or an exempt fund manager) had an interest in or right to subscribe for Cobra relevant securities; and
- (xii) neither Cobra nor any person acting or presumed to be acting in concert with it had borrowed or lent any Cobra relevant securities (save for any borrowed shares which have been either on-lent or sold).

(c) *Dealings in Cobra relevant securities*

During the disclosure period:

- (i) On 16 December 2009 Recipharm acquired 19,450,000 Cobra Shares and £180,000 Convertible Loan Notes carrying rights to convert in aggregate into 18,000,000 Cobra Shares;
- (ii) Save as disclosed above there were no dealings in Cobra relevant securities by Recipharm;
- (iii) there were no dealings in Cobra relevant securities by the Recipharm Directors; and
- (iv) there were no dealings in Cobra relevant securities by persons acting, or presumed to be acting, in concert with Recipharm.

During the Offer Period:

- (i) with the exception of giving irrevocable undertakings to accept, or procure acceptance of, the Offer (as disclosed in paragraph 5 of this Appendix III), none of the Cobra Directors, their immediate families or related trusts has dealt in Cobra relevant securities;
- (ii) no paragraph 1 associate dealt in Cobra relevant securities;
- (iii) no pension fund of Cobra or of any company which is a paragraph 1 associate dealt in Cobra relevant securities;
- (iv) no employee benefit trust of Cobra or of any company which is a paragraph 1 associate dealt in Cobra relevant securities;
- (v) no connected adviser of Cobra or any other company which is a paragraph 1 associate or any person acting in concert with Cobra nor any person controlling, controlled by or under the same control as any such connected adviser (except for an exempt principal trader or an exempt fund manager as referred to by virtue of paragraphs 4(b)(x)), dealt in Cobra relevant securities; and
- (vi) no person who has an arrangement with Cobra or with any person who is an associate of Cobra by virtue of paragraphs (A) to (D) of the definition of associate dealt in Cobra relevant securities.

(d) *Interests in Recipharm relevant securities*

As at the close of business on 12 January 2010 (being the latest practicable date prior to the publication of this document), neither Cobra nor any of the Cobra Directors had any interest in, or right to subscribe for, Recipharm relevant securities;

(e) *Dealings in Recipharm relevant securities*

During the Offer Period, there were no dealings in Recipharm relevant securities by Cobra nor any of the Cobra Directors.

(f) *General*

Save as disclosed in this document:

- (i) neither Recipharm nor any of the Recipharm Directors nor (so far as the Recipharm Directors are aware having made due and careful enquiry) any person acting, or presumed to be acting, in concert with Recipharm:
 - (A) had an interest in, or a right to subscribe for, Cobra relevant securities as at the close of business on 12 January 2010 (being the latest practicable date prior to the publication of this document);
 - (B) engaged in any dealing in Cobra relevant securities during the disclosure period; or
 - (C) had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, Cobra relevant securities as at the close of business on 12 January 2010 (being the latest practicable date prior to the publication of this document);
- (ii) neither Cobra nor any of the Cobra Directors:
 - (A) had an interest in, or a right to subscribe for, relevant securities as at the close of business on 12 January 2010 (being the latest practicable date prior to the publication of this document);
 - (B) engaged in any dealing in relevant securities during the Offer Period; or
 - (C) had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, relevant securities as at the close of business on 12 January 2010 (being the latest practicable date prior to the publication of this document);
- (iii) so far as the Cobra Directors are aware (having made due and careful enquiry), no paragraph 1 associate, nor any pension fund of Cobra or of any company which is a paragraph 1 associate, nor any employee benefit trust of Cobra or of any company which is a paragraph 1 associate, nor any connected adviser to Cobra or to any other paragraph 1 associate or any person acting in concert with Cobra or any person controlling, controlled by or under the same control as any such adviser (except for an exempt principal trader or an exempt fund manager as referred to in paragraph 4(b)(x)):
 - (A) had an interest in or a right to subscribe for Cobra relevant securities as at the close of business on 12 January 2010 (being the latest practicable date prior to the publication of this document);
 - (B) engaged in any dealing in Cobra relevant securities during the Offer Period; or
 - (C) had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, Cobra relevant securities as at the close of business on 12 January 2010 (being the latest practicable date prior to the publication of this document); and
- (iv) there is no indemnity or option arrangement, nor any agreement or understanding, formal or informal, of whatever nature, relating to Cobra relevant securities which may be an inducement to deal or refrain from dealing which exist between Recipharm or any person acting, or presumed to be acting, in concert with Recipharm and any other person nor between Cobra or any associate of Cobra by virtue of paragraphs (A) to (D) of the definition of associate and any other person.

5 Irrevocable Undertakings

Irrevocable undertakings to accept, or procure acceptance of, the Offer have been given by the Cobra Directors in respect of the following holdings of Cobra Shares:

<i>Name of Directors/certain connected persons</i>	<i>Number of Cobra Shares</i>
Simon Saxby	260,000
Peter Coleman	280,000
Michael Gatenby	160,000
David Oxlade	130,000
Nigel Slater	139,000
Total	<u>969,000</u>

These undertakings remain binding in the event of a competing offer being made for Cobra unless the Offer lapses or is withdrawn.

The total irrevocable undertakings granted to Recipharm to accept, or procure the acceptance of, the Offer are as follows:

	<i>Number of Cobra Shares</i>
Total	<u>969,000</u>

6 Material contracts of Cobra

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by Cobra since 11 November 2007, being the period of two years immediately preceding the commencement of the Offer Period and are, or may be material:

- (a) An investment agreement dated 18 September 2009 between the Company (1), Sultan Scientific Limited ("Sultan") (2) and Simon Saxby (3) pursuant to which Sultan advanced a loan to the Company of £180,000. The loan was advanced by way of the issue of convertible loan notes to Sultan by the Company which if converted at the 1 pence per share conversion price would require the issue of a maximum of 18 million new ordinary shares which would represent 29 per cent. of the Company's enlarged share capital. The agreement contains certain warranties given by the Company. Pursuant to an assignment agreement dated 16 December 2009 between Sultan (1), Recipharm (2), the Company (3), Simon Saxby (4) and Peter Coleman (5) the investment agreement and the convertible loan notes were assigned to Recipharm.
- (b) An engagement letter dated 10 December 2009 between the Company (1) and Seymour Pierce (2) pursuant to which Seymour Pierce is retained by the Company as its Rule 3 Adviser. The engagement is in relation to the proposed recommended cash offer by Recipharm. The engagement is terminable by either the Company or Seymour Pierce giving to the other not less than three months prior written notice (the first opportunity for giving notice being 12 months after the date of the engagement). The engagement contains certain undertakings and warranties given by the Company.
- (c) A loan agreement dated 15 September 2009 between Mark Dixon (1) and the Company (2) pursuant to which Mark Dixon advanced a loan to the Company of £50,000. The loan is to be repaid on the third anniversary of the agreement. The loan shall bear interest at 1 per cent. per annum above the base rate of Barclays bank Plc from time to time. The loan is unsecured. Pursuant to an assignment of debt agreement dated 16 December 2009 between Mark Dixon (1) Recipharm (2) and the Company (3) the Loan Agreement was assigned to Recipharm.

7 Cobra Directors' service contracts and letters of appointment

Save as disclosed in this document:

there are no service agreements in force between any director or proposed director of Cobra and any of its subsidiaries;

none of the service agreements described below were entered into during the six months preceding the date of this document, nor have any amendments been made to any such service agreements during that period; and

the effect of the offer on the interests of Cobra Directors does not differ from its effect on the like interests of any other holder of Cobra Shares.

Set out below are details of the existing arrangements with the Cobra Directors.

The following Cobra Directors have entered into service agreements with Cobra, under which their roles and basic salaries are as follows:

<i>Name</i>	<i>Date of contract</i>	<i>Role</i>	<i>Annual salary</i>	<i>Notice period</i>
Danny Chapchal	17 December 2009*	Non-Executive Chairman	£60,000	1 Month
Simon Saxby	18 January 2008	Chief Executive	£145,520	6 Months
Peter Coleman	6 June 2002	Finance Director	£106,520	12 months
Michael Gatenby	12 December 2003	Non-Executive Director	£22,500	3 months
David Oxlade	27 June 2006	Non-Executive Director	£22,500	3 months
Nigel Slater	7 June 2002	Non-Executive Director	£22,500	3 months

* Danny Chapchal was appointed as a Director on 21 August 2009.

8 Financing of the Offer

Acorn Corporate Finance is satisfied that, if the Offer is accepted in full, sufficient cash resources are available to Recipharm to satisfy the full cash consideration payable to Cobra Shareholders under the terms of the Offer.

Full acceptance of the Offer for the entire issued ordinary share capital of Cobra would result in a cash consideration of £560,000 being payable by Recipharm to Cobra Shareholders. This cash consideration will be financed through the available cash resources of Recipharm.

9 Bases of calculation and sources of information

- (a) Unless otherwise stated:
- (i) financial information relating to Recipharm has been extracted or derived (without any adjustment) from the consolidated audited annual report and accounts for Recipharm for the relevant periods; and
 - (ii) financial information relating to Cobra has been extracted or derived (without any adjustment) from the consolidated audited annual report and accounts for Cobra for the relevant periods.
- (b) The market value of a Cobra Share of 2.25 pence is based on the closing middle market quotation of a Cobra Share, as derived from the AIM Appendix of the Daily Official List of the London Stock Exchange on 12 January 2010, being the latest practicable date prior to publication of this document
- (c) The total equity value of the Offer is calculated based on the number of issued Cobra Shares as at 12 January 2010, being 44,339,170 Cobra Shares there being no "in the money" options outstanding under the Cobra Share Option Schemes.

10 General

- (a) Except as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Recipharm or any party acting in concert with it for the purposes of the Offer and any of the directors, recent directors, shareholders or recent shareholders of Cobra having any connection with or dependence on, or which is conditional on the outcome of, the Offer and, except as disclosed in this document, there is no proposal existing in connection with the Offer whereby any payment or other benefit will be made or given to any Cobra Director as compensation for loss of office or as consideration for or in connection with his retirement from office or otherwise in connection with the Offer.
- (b) Except as disclosed in this document, there is no agreement, arrangement or understanding by which the legal or beneficial ownership of any of the Cobra Shares which are the subject of the Offer and to be acquired by Recipharm will be transferred to any other person, but Recipharm reserves the right to transfer any such Cobra Shares to any other member of the Recipharm or

any joint venture, partnership, firm or company in which it or Recipharm has a substantial interest and the right to assign any such shares by way of security or grant any other security interest over such Cobra Shares in favour of any other person.

- (c) Acorn Corporate Finance Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which it appears.
- (d) Seymour Pierce Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which it appears.
- (e) Except as disclosed in this document including, in particular, in paragraphs 3 and 5 of Part III of this document and the unaudited interim results for the six months ended 31 March 2009 referred to in Part A of Appendix II to this document the Cobra Directors are not aware of any material change in the financial or trading position of the Cobra since 30 September 2008 (being the date to which the latest audited accounts of Cobra were prepared).
- (f) Settlement of the consideration to which any Cobra Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, set-off, counterclaim or other analogous right to which Recipharm or Acorn Corporate Finance may otherwise be, or claim to be, entitled against such Cobra Shareholder.

11 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any weekday (public holidays excepted) at the offices of Cobbetts LLP, 70 Grays Inn Road, London WC1X 8BT, until the end of the Offer Period:

- (a) the constitution of Recipharm;
- (b) the articles of association of Cobra;
- (c) the published audited consolidated accounts of Cobra for each of the three financial years ended 30 September 2006, 2007 and 2008;
- (d) the material contracts referred to in paragraph 6 above;
- (e) the service agreements referred to in paragraph 7 above;
- (f) the rules of the Cobra Option Schemes and the EMI Option Agreement;
- (g) the letters of consent referred to in paragraphs 10(c) and 10(d) above;
- (h) the irrevocable undertakings to accept the Offer referred to in paragraph 5 above;
- (i) the letter from Acorn Corporate Finance confirming that Recipharm has sufficient cash resources to satisfy the full cash consideration payable to Cobra Shareholders; and
- (j) this Offer document and the Form of Acceptance.

13 January 2010

APPENDIX IV

DEFINITIONS

“1985 Act”	the Companies Act 1985, as amended from time to time;
“Acorn Corporate Finance”	Acorn Corporate Finance Limited, financial adviser to Recipharm;
“acting in concert”	has the meaning given by the City Code;
“AIM”	the AIM market operated by London Stock Exchange;
“Announcement”	the announcement made by Recipharm under Rule 2.5 of the City Code on 16 December 2009 regarding the proposed acquisition by Recipharm of Cobra by means of the Offer;
“Australia”	the Commonwealth of Australia, its states, possessions and territories and all areas subject to its jurisdiction and any political sub-division thereof;
“Board” or “Boards”	as the context requires, the board of directors of Cobra and/or the board of directors of Recipharm and the terms “Cobra Board” and “Recipharm Board” shall be construed accordingly;
“Business Day”	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in the City of London are open for normal business;
“Canada”	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-division thereof;
“Capita Registrars”	a trading name of Capita Registrars Limited;
“certificated” or “in certificated form”	a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form and which is not uncertificated form (that is not in CREST);
“Closing Price”	the closing middle market quotation of a Cobra Share on a particular day, as derived from the Daily Official List;
“Cobra” or “Company”	Cobra Bio-manufacturing Plc;
“Cobra Directors”	the directors of Cobra;
“Cobra Group “ or “the Group”	Cobra and its subsidiary undertakings;
“Cobra Optionholders”	holders of options or awards under the Cobra Option Schemes;
“Cobra Option Schemes”	the Cobra Bio-manufacturing Plc Long Term Incentive Plan 2006 and the Cobra Bio-manufacturing 2002 Unapproved Company Share Option Scheme;
“Cobra Shareholder(s)” or “Shareholder(s)”	the holders of Cobra Shares;

“Cobra Shares” or “Ordinary Shares”	the existing issued or unconditionally allotted and fully paid (or credited as fully paid) ordinary shares of 1 pence each in the capital of Cobra and any further ordinary shares which are unconditionally allotted or issued fully paid (or credited as fully paid) (including pursuant to the exercise of options granted under the Cobra Option Agreements before the date on which the Offer ceases to be open for acceptance (or, subject to the City Code or with the consent of the Panel, by such other date as Recipharm may decide);
“Code” or “City Code”	the City Code on Takeovers and Mergers;
“Companies Act” or “Companies Act 2006”	the Companies Act 2006, as amended;
“Convertible Loan Notes”	the £180,000 convertible loan notes issued by Cobra on 18 September 2009 carrying, <i>inter alia</i> , the right to convert into 18,000,000 Ordinary Shares;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Manual”	the CREST manual issued by Euroclear;
“CREST member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
“CREST payment”	has the meaning given in the CREST Manual;
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Daily Official List”	the Daily Official List published by the London Stock Exchange;
“Electronic Acceptance”	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document;
“EMI Option Agreements”	the enterprise management incentive agreements dated 7 July 2003 and 12 July 2004 between the Company and Peter Coleman;
“EMI Options”	the enterprise management incentive options granted pursuant to the EMI Option Agreements and under the Cobra Bio-manufacturing 2002 Unapproved Company Share Option Scheme;
“ESA Instruction”	an escrow account adjustment input (AESN), transaction type “ESA” (as described in the CREST Manual);
“Escrow Agent”	Capita Registrars in its capacity as an escrow agent (as described in the CREST Manual);
“Euroclear”	Euroclear UK and Ireland Limited;
“Form of Acceptance”	the form of acceptance, election and authority relating to the Offer which, in relation to Cobra Shares, held in certificated form, accompanies this document;

“Japan”	Japan, its cities and prefectures, its possessions and territories and all areas subject to its jurisdiction and any political sub-division thereof;
“London Stock Exchange”	London Stock Exchange plc, or its successor;
“member account ID”	the identification code or number attached to any member account in CREST;
“Offer”	the recommended cash offer made by Recipharm to acquire all of the Cobra Shares, not held by Recipharm, on the terms and subject to the conditions set out in this document and, in relation to Cobra Shares held in certificated form, the Form of Acceptance (including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer);
“Offer Document”	this document containing and setting out the terms and conditions of the Offer;
“Offer Period”	the period commencing on 11 November 2009 until whichever of the following dates shall be the latest (i) the first closing date of the Offer; and (ii) the earlier of (a) the date and time at which the Offer becomes or is declared unconditional as to acceptances; or (b) the date and time at which the Offer lapses or is withdrawn;
“Offer Price”	2.25 pence per Cobra Share;
“overseas person”	any person who is not resident in the United Kingdom, or who is a citizen, resident or national of a jurisdiction outside the United Kingdom, or who is a nominee of, or custodian or trustee for, any citizen(s), resident(s) or national(s) of any country other than the United Kingdom;
“Overseas Shareholder”	a Cobra Shareholder who is an overseas person;
“Panel”	the Panel on Takeovers and Mergers;
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
“Regulations” or “CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
“relevant securities”	as defined by the City Code;
“Recipharm”	Recipharm AB;
“Recipharm Directors” or “Recipharm Board”	the directors of Recipharm;
“Recipharm Group”	Recipharm and its subsidiary undertakings;
“Restricted Jurisdiction”	any jurisdiction where local law or regulations may result in a significant risk of civil, regulatory or criminal exposure or prosecution if information concerning the Offer is sent or made available to Cobra Shareholders in that jurisdiction;
“SEK”	Swedish Kronor, the lawful currency of Sweden;
“Seymour Pierce”	Seymour Pierce Limited, financial adviser to Cobra;
“South Africa”	the Republic of South Africa;

<p>“subsidiary”, “subsidiary undertaking”, “associated undertaking” or “undertaking”</p>	<p>shall be construed in accordance with the Companies Act;</p>
<p>“TFE Instruction”</p>	<p>a transfer from escrow instruction (as defined by the CREST Manual);</p>
<p>“TTE Instruction”</p>	<p>a transfer to escrow instruction (as described in the CREST Manual) in relation to Cobra Shares in uncertificated form meeting the requirements set out in paragraph 15(c) of the letter from Acorn Corporate Finance contained in Part IV of this document;</p>
<p>“United Kingdom” or the “UK”</p>	<p>the United Kingdom of Great Britain and Northern Ireland and its dependent territories;</p>
<p>“uncertificated” or “in uncertificated form”</p>	<p>a share or other security title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and</p>
<p>“United States of America” or “United States” or “US”</p>	<p>the United States of America, its possessions and territories, all areas subject to its jurisdiction or any political sub-division thereof, any state of the United States of America and the District of Columbia; and</p>

In this document:

- (a) references to £ or pounds and p or pence are to pounds sterling and pence being the lawful currency of the United Kingdom;
- (b) references to time are to London time; and
- (c) and the accompanying Form of Acceptance all references to statutes or other forms of legislation shall, unless otherwise stated, be to statutes or forms of legislation of the United Kingdom and any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

