

Jerini Aktiengesellschaft

Consolidated Interim Financial Statements

for the nine month period
ended September 30, 2009

The logo for Jerini, featuring the word "JERINI" in a bold, blue, sans-serif font. The letter "J" is stylized with a horizontal bar that extends to the left and curves upwards. The letter "E" has a unique shape with a vertical bar on the left and a horizontal bar at the top. The letters "R", "I", "N", and "I" are in a standard sans-serif font.

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INTERIM MANAGEMENT REPORT

Overview

In the third quarter, Jerini continued to focus on the European product launch of Firazyr® along with progressing the divestment or closure of its non-strategic assets. Jerini, with the support of its majority shareholder Shire, is focusing on establishing efficient sales and distribution structures for the launch of Firazyr® around the world. The launch of Firazyr® throughout the EU continues and feedback from patients and physicians continues to be very positive. With third quarter launches in Finland, Italy and Sweden, Firazyr® has now been launched in twelve countries, including the five largest European countries. In addition, Jerini has been granted a Marketing Authorization for Firazyr® in Switzerland as well as Russia in October and, as previously announced, Marketing Authorization Applications have been submitted in Argentina, Australia, Brazil and Mexico. Jerini continued to dose patients in FAST-3, the placebo-controlled confirmatory Phase III trial discussed with the Food and Drug Administration (FDA) in December 2008. After this trial has been completed, Jerini will submit a complete response to the FDA's "Not Approvable" letter received in April 2008. In July Jerini also submitted a pediatric investigation plan (PIP) to the European Medicines Agency, London, UK (EMA) to support the pediatric development of Firazyr. This study will be conducted as part of Jerini's post marketing commitments to the EMA Marketing Authorization granted in 2008. Firazyr® is the first new product for HAE (Hereditary Angioedema) in Europe in 30 years and has orphan exclusivity in the EU until 2018.

Pursuant to secs. 246 para.4 sentence 1, 249 para.1 sentence 1 German Corporation Act Jerini announced on August 27, 2009 that a plaintiff had filed a complaint with the Regional Court Berlin to declare void the resolution passed on June 16, 2009 at the Annual General Meeting regarding agenda item 7 that all registered shares held by minority shareholders shall be transferred to Shire Deutschland Investments GmbH, Cologne, in return for the payment of an appropriate cash settlement pursuant to Sections 327a et seq of the German Stock Corporation Act. A date for the court hearing will be published separately as soon as it has been set.

On June 26, 2009, Jerini announced its decision to end all negotiations regarding the transfer of assets associated with Jerini's preclinical programs and to terminate the employees associated with these programs. The decision was taken following unsuccessful efforts to sell the preclinical programs.

On May 1, 2009 Jerini announced an agreement to sell its wholly-owned subsidiary, JPT Peptide Technologies GmbH to TheraCode GmbH, Mainz, a wholly-owned subsidiary of BioNTech AG, Mainz for a purchase price of approximately € 5 million in cash.

On April 24, 2009, Jerini announced its decision to wind down the operations of Jerini Ophthalmic, Inc., New York, USA, a subsidiary of Jerini. The decision was taken following unsuccessful efforts to sell Jerini Ophthalmic, Inc.

On April 24, 2009, Jerini also announced that Shire Deutschland Investments GmbH, an indirect wholly-owned subsidiary of Shire plc, would offer a cash compensation of EUR 7.53 for each no par value share of Jerini AG in connection with the transfer of shares of the minority shareholders of Jerini AG to Shire Deutschland Investments GmbH (majority shareholder) pursuant to §§ 327a et seq. of the German Stock Corporation Act (AktG) (so called squeeze-out). At Jerini's Shareholders' Meeting on June 16, 2009 the shareholders adopted the squeeze-out resolution to transfer all shares held by Jerini's minority shareholders to Shire Deutschland Investments GmbH against payment of the cash compensation of EUR 7.53 per share.

Outlook

Shire Deutschland Investments GmbH currently holds more than 98 percent of Jerini's outstanding shares. Upon registration in the commercial register of the squeeze-out resolution adopted at Jerini's Shareholders' Meeting on June 16, 2009, Shire Deutschland Investments GmbH will hold 100 percent of Jerini's outstanding shares. As compensation, minority shareholders will receive cash compensation of EUR 7.53 per share from Shire Deutschland Investments GmbH. After the completion of the squeeze-out, Jerini plans to review the options for integration into the Shire Group of Companies.

Third Quarter 2009 Compared to Third Quarter 2008

Total revenues for the third quarter 2009 increased by 73 percent to € 2.1 million with product sales of Firazyr® increasing more than eight-fold to € 1.2 million while revenues from collaboration agreements decreased by 22 percent to € 0.8 million. The increase of sales revenue results from launches of Firazyr® in additional European countries in 2009 and the general take up of product sales. In the third quarter of 2009 Jerini terminated its collaboration agreement with Alcon as a result of the restructuring of its activities.

Research and development expenses increased significantly to € 12.5 million (prior-year period: € 4.0 million) as a result of post-marketing commitments from the EMEA and the commencement of FAST-3, the placebo-controlled confirmatory Phase III trial discussed with the FDA in December 2008. Furthermore legal and consulting fees with regard to various marketing authorization applications are included, as well as expenses in connection with the servicing of the collaboration agreements with Baxter and Alcon. General and administrative expenses decreased to € 1.2 million (prior-year period: € 8.1 million) since the acquisition of Jerini by Shire resulted in increased expenses in the third quarter of 2008.

Sales and distribution costs increased significantly to € 9.3 million (prior-year period: € 2.1 million), mainly due to high marketing and sales activities throughout Europe as well as prelaunch and launch activities for Firazyr®. Loss from operations before tax and finance cost (EBIT) increased to € 21.0 million (prior-year period: € 13.0 million). Net loss from continuing operations for the third quarter 2009 increased to € 19.9 million (prior-year period: € 12.6 million). Loss per share from continuing operations for this period amounted to € 0.34 (prior-year period: € 0.22).

First Nine Months 2009 Compared to First Nine Months 2008

Total revenues for the nine month period ended September 30, 2009 increased by 79 percent to € 6.1 million with product sales of Firazyr® increasing more than nineteen-fold to € 2.7 million while revenues from collaboration agreements increased by 4 percent to € 3.4 million. The increase of sales revenue results from launches of Firazyr® in additional European countries in 2009 and the general take up of product sales.

Research and development expenses increased significantly by 53 percent to € 20.8 million (prior-year period: € 13.6 million) as a result of post-marketing commitments from the EMEA and the commencement of FAST-3, the placebo-controlled confirmatory Phase III trial discussed with the FDA in December 2008. Furthermore legal and consulting fees with regard to various marketing authorization applications are included, as well as expenses in connection with the servicing of the collaboration agreements with Baxter and Alcon.

General and administrative expenses decreased to € 8.4 million (prior-year period: € 13.6 million) since the acquisition of Jerini by Shire in 2008 resulted in increased legal and consulting fees in the nine-month period ended September 30, 2008. The majority of general and administrative expenses in the nine-month period ended September 30,

2009 were due to legal and consulting fees as well as costs related to redundancies following the pre-clinical projects.

Selling and distribution costs increased significantly by 64 percent to € 12.2 million (prior-year period: € 7.4 million), mainly due to high marketing and sales activities throughout Europe as well as prelaunch and launch activities for Firazyr®. Loss from operations before tax and finance cost (EBIT) increased to € 35.0 million (prior-year period: € 31.0 million). Net loss from continuing operations for the nine-month period ended September 30, 2009 decreased to € 29.6 million (prior-year period: € 29.8 million) due to deferred income tax credits of € 5.8 million in the nine-month period ended September 30, 2009. Loss per share from continuing operations for this period amounted to € 0.50 (prior-year period: € 0.55).

Financial Position and Cash Flow

The decrease in fixed assets for equipment in the first nine months of 2009 to € 0.4 million (December 31, 2008: € 2.0 million) is attributable to regular depreciation and impairment charges of € 0.9 million with regard to restructuring activities. Inventories increased to € 4.0 million (December 31, 2008: € 1.0 million) due to increased inventories of Firazyr® in 2009 to provide for increasing sales activity. The rise in trade accounts receivable is mainly due to an increase in receivables from trade sales of Firazyr® and the Alcon collaboration. Cash and cash equivalents in the first nine months of 2009 increased to € 4.0 million (December 31, 2008: € 2.6 million), mainly due to payments in the amount of € 16.0 million to the additional paid-in capital according to Sec. 272 Para. 2 Nr. 4 HGB as a result of a capital contribution from Shire Deutschland Investments GmbH and the sale of JPT Peptide Technologies GmbH for € 5.3 million in May 2009. Other liabilities increased to € 20.6 million (December 31, 2008: € 1.6 million) mainly due to accrued expenses for outsourced marketing and sales activities of € 8.4 million, outsourced development activities and expenses for clinical trials (together amounting to € 9.4 million) as well as accrued expenses resulting from the restructuring of Jerini AG's operations. Provisions increased to € 1.3 million (December 31, 2008: € 0.1 million) as a result of Jerini AG's restructuring activities.

Cash used in operating activities for the nine months period ended September 30, 2009 amounted to € 28.0 million (prior-year period: € 36.4 million). Cash and cash-equivalents, excluding restricted cash in the amount of € 0.3 million as of September 30, 2009, amounted to € 3.7 million (prior-year period: € 19.1 million). Net cash burn for the first nine months of 2009 amounted to € 22.8 million (prior-year period: € 41.3 million). Net cash burn is calculated by the addition of cash used in operating activities

(€ 28.0 million), cash provided by investing activities (€ 5.2 million) as well as cash provided by the divestment of JPT (€ 5.3 million), as disclosed in the unaudited consolidated cash-flow statements for the nine months period ended September 30, 2009. Cash received from financing activities of € 18.5 million principally arose from payments in the amount of € 16.0 million to the additional paid-in capital according to Sec. 272 Para. 2 Nr. 4 HGB as a result of a capital contribution from Shire Deutschland Investments GmbH.

On March 25, 2009, Jerini signed a two year committed loan agreement with Shire Global Finance in the amount of € 34 million to fund its operations and provide necessary liquidity on an ongoing basis. The agreement is interest-bearing at 6.5 percent plus ECB base rate. Up until now Jerini has drawn € 0.6 million of the loan.

Jerini Shares

As of September 30, 2009, the last day of trading in the third quarter, Jerini stock closed at € 7.68 per share compared to € 7.02 per share as of December 31, 2008. Commencing October 1, 2009 Jerini is listed in the General Standard at Frankfurt Stock Exchange.

Employees

As of September 30, 2009, Jerini had 65 employees (compared to 154 employees as of December 31, 2008).

Report on Opportunities and Risks

The opportunities and risks associated with Jerini's expected development in the remaining months of the year are described in the December 31, 2008 management report. There have been no additional changes in the opportunities and risks in this reporting period.

CONSOLIDATED INCOME STATEMENTS

(In thousands, except share and per share data) (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
		2008 (restated*)	2009	2008 (restated*)
	Note	(€)	(€)	(€)
Revenues:				
Collaboration agreements		811	1,043	3,383
Product sales		1,243	141	2,689
Total revenues		2,054	1,184	6,072
Other income		227	124	811
Cost of product sales		(293)	(16)	(532)
Research and development expenses		(12,532)	(4,036)	(20,816)
General and administrative expenses		(1,203)	(8,098)	(8,357)
Selling and distribution costs		(9,272)	(2,119)	(12,197)
Other expenses		(2)	(21)	(27)
Loss from operations before tax and finance cost (EBIT)		(21,021)	(12,982)	(35,046)
Finance income		88	249	275
Finance cost		(506)	-	(553)
Loss before tax		(21,439)	(12,733)	(35,324)
Income taxes	6	1,492	127	5,771
Net loss from continuing operations		(19,947)	(12,606)	(29,553)
Discontinued operations:				
Gain (Loss) after tax from discontinued operations	3	(300)	(1,063)	(832)
Net loss		(20,247)	(13,669)	(31,386)
Basic and diluted net loss per share	4	(0.34)	(0.24)	(0.53)
Basic and diluted net loss per share from continuing operations	4	(0.34)	(0.22)	(0.50)
Shares used in computing basic and diluted net loss per share		58,942,179	58,328,633	58,942,179
				53,995,092

* Certain numbers shown here do not correspond to the consolidated interim financial statements for the nine-month period ended September 30, 2008 and reflect adjustments made, due to discontinued operations.

CONSOLIDATED BALANCE SHEETS

(In thousands) (September 30, 2009 unaudited)		September 30, 2009	December 31, 2008
	Note	(€)	(€)
Assets			
Non-current Assets:			
Intangible assets	5	3,618	3,939
Equipment	5	400	2,027
Deferred tax asset	6	8,206	2,444
Total Non-current Assets		12,224	8,410
Current Assets:			
Inventories	7	4,034	958
Trade accounts receivable	8	1,500	246
Other assets	9	1,008	659
Capital interest tax receivable	10	309	974
Other financial assets		281	246
Cash and cash equivalents	11	3,999	2,601
Total Current Assets		11,131	5,684
Assets of disposal groups classified as held for sale	3	-	6,428
Total Assets		23,355	20,522

(In thousands) (September 30, 2009 unaudited)		September 30, 2009	December 31, 2008
	Note	(€)	(€)
Liabilities and Shareholders' Equity			
Shareholders' Equity :			
Common shares	12	58,942	58,942
Additional paid-in capital	12,1 3	105,380	89,546
Foreign currency differences		1,275	(270)
Retained loss		(170,664)	(139,278)
Total Shareholders' Equity		(4,953)	8,940
Non-current Liabilities:			
Government grants		-	177
Total Non-current Liabilities		-	177
Current Liabilities:			
Trade accounts payable	14	6,161	7,626
Upfront and prepaid research fees	16	-	494
Government grants		254	248
Other liabilities	14	20,614	1,556
Provisions	1 5	1,280	130
Total Current Liabilities		28,309	10,054
Liabilities directly associated with disposal groups classified as held for sale	3	-	1,351
Total Shareholders' Equity and Liabilities		23,355	20,522

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands, except share data) (unaudited)	Common Shares		Additional	Foreign Currency	Accumulated	Total
	Shares	Amount	Paid-in	Differences	Deficit	
		(€)	Capital	(€)	(€)	
Balances as of January 1, 2008	52,534,705	52,535	72,365	(645)	(91,760)	32,495
Translation adjustment	-	-	-	(71)	-	(71)
Net Loss	-	-	-	-	(34,207)	(34,207)
Total income and expense for the period	-	-	-	(71)	(34,207)	(34,278)
Stock based compensation	-	-	1,014	-	-	1,014
Issuance of shares from the exercise of stock options	1,177,727	1,177	521	-	-	1,698
Issuance of common shares on July 07, 2008	5,229,747	5,230	15,689	-	-	20,919
Balances as of September 30, 2008	58,942,179	58,942	89,589	(716)	(125,967)	21,848
Balances as of January 1, 2009	58,942,179	58,942	89,546	(270)	(139,278)	8,940
Translation adjustment	-	-	-	1,545	-	1,545
Net Loss	-	-	-	-	(31,386)	(31,386)
Total income and expense for the period	-	-	-	1,545	(31,552)	(30,007)
Stock based compensation	-	-	(52)	-	-	(52)
Contributions by the majority shareholder to additional paid-in capital pursuant to Sec. 272 Para. 2 Nr. 4 HGB	-	-	16,000	-	-	16,000
Balances as of September 30, 2009	58,942,179	58,942	105,380	1,275	(170,664)	(4,953)

CONSOLIDATED STATEMENTS OF CASH FLOW

(In thousands) (unaudited)	Nine Months Ended September 30,	
	2009	2008
	(€)	(€)
Operating activities:		
Loss before tax from continuing operations	(35,324)	(30,215)
Loss before tax from discontinued operations	(1,832)	(4,376)
Loss before tax	(37,323)	(34,591)
Adjustments to reconcile net loss before tax to net cash used in operating activities:		
Depreciation expense	2,014	1,403
Amortization expense	321	119
Other interest received	(72)	(796)
Other interest expense	128	15
Gain on sale of non-current investments	(2,999)	-
Net release of government grants	(170)	(165)
Employee stock-based compensation	(52)	1,014
	(38,151)	(33,001)
Changes in operating assets and liabilities:		
Inventories	(3,070)	(31)
Trade accounts receivable	(1,371)	(132)
Trade accounts receivable from parent company	-	(6,015)
Other current assets, other financial assets and prepaid expenses	(414)	(566)
Trade accounts payable and other liabilities	13,854	3,236
Provisions	1,046	(8)
Upfront and prepaid research fees	(494)	(657)
Cash used in operations	(28,600)	(37,174)
Capital interest tax received	665	-
Interest received	72	796
Interest paid	(128)	(15)
Net cash used in operating activities	(27,992)	(36,393)

(In thousands) (unaudited)	Nine Months Ended September 30,	
	2009	2008
	(€)	(€)
Investing activities:		
Purchases of intangible assets		(4,000)
Purchases of equipment	(132)	(880)
Proceeds from divestments of discontinued assets	5,300	-
Cash used in investing activities	5,168	(4,880)
Financing activities:		
Contributions by the majority shareholder to additional paid-in capital pursuant to Sec. 272 Para. 2 Nr. 4 HGB	16,000	-
Issuance of shares from the exercise of stock options	-	1,698
Issuance of common shares on July 07, 2008	-	20,919
Receipt (payment) of loan	2,500	(100)
Net cash provided by (used in) financing activities	18,500	22,517
Net change in cash and cash equivalents	(4,324)	(18,756)
Cash and cash equivalents at the beginning of the period	6,564	37,907
Translation adjustment of cash and cash equivalents	1,499	(66)
Cash and cash equivalents at the end of the period*	3,739	19,085

* In the consolidation balance sheet, the cash and cash equivalents as of September 30, 2009 and 2008 include restricted cash of T€ 260 and T€273, respectively.

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009

1. Corporate Information

The consolidated financial statements of Jerini AG (“the Company” or “Jerini”) for the nine-month period ended September 30, 2009, were authorized by the Management Board for issue on November 13, 2009.

Jerini AG’s shares are listed on the General Standard of the Frankfurt Stock Exchange since October 1, 2009. Prior to October 1, 2009 Jerinis shares were listed on the Prime Standard of the Frankfurt Stock Exchange

2. Summary of Significant Accounting Policies

Basis of Preparation

The interim financial report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU. The interim financial report has been prepared under the assumption that the company will continue as a going concern. The same accounting policies and methods of computation are followed in the interim financial report as in the consolidated financial statements of December 31, 2008, except for standards and interpretations where a first-time application was required for fiscal years beginning on or after January 1, 2009 and which are endorsed by the EU (i.e., IFRS 8, IAS 23, IAS 1). New IFRS standards and interpretations applicable for periods starting January 1, 2009 have had no material impact on the interim financial report of September 30, 2009.

The selected explanatory notes to the consolidated interim financial statements do not include all the information and disclosures required in the consolidated annual financial statements as of December 31, 2008, and should be read in conjunction with these statements. These financial statements have not been reviewed by our auditors.

Operating results for the nine month period ended September 30, 2009, are not necessarily indicative of results to be expected for the full year ending December 31, 2009. The consolidated financial statements are presented in Euros, and all values are rounded to the nearest thousand unless otherwise indicated.

3. Discontinued Operations

On October 10, 2008 Jerini AG announced the completion of the strategic review of the assets and programs of Jerini AG, not related to Icatibant (Firazyr®), as referred to in the Offer Document published by Shire Deutschland Investments GmbH on August 13, 2008. The Jerini Supervisory Board and Management Board concluded that it is in the best interests of Jerini AG to divest Jerini Ophthalmic, Inc., JPT Peptide Technologies GmbH (JPT) and the pre-clinical projects.

At September 30, 2009 Jerini AG had no assets that were held for sale. At December 31, 2008 assets held for sale comprised the operations of JOI and JPT, both of which were deemed non-strategic to Jerini’s business. After a strategic decision taken in October 2008 following the acquisition of Jerini by Shire the company has classified JOI and JPT as disposal groups held for sale and discontinued operations. As of May 5, 2009, JPT was sold to TheraCode GmbH for a price of € 5.3 million. The transaction resulted in a preliminary gain, net of related costs of €3.0 million, which is included in discontinued operations.

During the second quarter of 2009 JOI was closed. As the company closed JOI during the second quarter of 2009, JOI continues to be classified as a discontinued operation.

The Company has presented JOI and JPT as discontinued operations, recording a loss of € 2.0 million in the nine months to September 30, 2009 (2008: € 4.4 million).

Preclinical programs were not classified as assets held for sale as they did not meet the criteria of IFRS 5 as of September 30, 2009. The decision to discontinue the negotiations regarding the sale of the preclinical programs and dismiss all employees related to those programs was announced on June 26, 2009.

Jerini Ophthalmic, Inc. and Jerini Ophthalmic Holding GmbH

The results of Jerini Ophthalmic, Inc. and Jerini Ophthalmic Holding GmbH, classified as discontinued operations for the nine months period ended September 30, 2009 and 2008 are presented below:

(in thousands) (unaudited)	Nine Months Ended September 30,	
	2009	2008
	(€)	(€)
Expenses	(5,087)	(5,533)
Loss from operations	(5,087)	(5,533)
Finance result	7	8
Loss from discontinued operations	(5,080)	(5,525)

The major classes of assets and liabilities of Jerini Ophthalmic, Inc. and Jerini Ophthalmic Holding GmbH classified as held for sale at December 31, 2008 were as follows:

(In thousands)	December 31, 2008
Assets	(€)
Equipment	11
Other assets	10
Cash and cash equivalents	1,943
Total assets classified as held for sale	1,964
Liabilities	
Trade accounts payable	482
Other liabilities	65
Total liabilities associated with assets classified as held for sale	547

JPT Peptide Technologies GmbH and JPT Peptide Technologies, Inc.

The results of Jerini JPT Peptide Technologies GmbH and its former subsidiary JPT Peptide Technologies, Inc., classified as held for sale at December 31, 2008 and divested during the nine months to September 30, 2009 and as discontinued operations for the nine months period ended September 30, 2009 and 2008 are presented below:

(in thousands) (unaudited)	Nine Months Ended September 30,	
	2009	2008
	(€)	(€)
Revenue	1,599	2,943
Other income (including gain from the divestment of JPT)	2,984	181
Expenses	(1,727)	(2,379)
Profit from operations	2,856	745
Finance result	60	34
Profit from discontinued operations	2,916	779

The major classes of assets and liabilities of JPT Peptide Technologies GmbH and JPT Peptide Technologies, Inc., classified as held for sale were as follows:

(In thousands)	December 31, 2008
Assets	(€)
Equipment	1,618
Inventories	56
Trade accounts receivable	375
Other financial assets	6
Other assets	116
Cash and cash equivalents	2,293
Total assets classified as held for sale	4,464
Liabilities	
Trade accounts payable	285
Government grants	292
Other liabilities	227
Total liabilities associated with assets classified as held for sale	804

4. Loss per Share

Basic and diluted loss per share amounts are calculated by dividing net loss for the period attributable to common shareholders by the weighted average number of common shares during the period. As of the reporting date, there were no dilutive effects.

5. Intangible Assets and Equipment

Intangible assets decreased in the first nine months 2009 to € 3.6 million (December 31, 2008: € 3.9 million) due to regular amortization. Equipment decreased by € 1.6 million to € 0.4 million on the reporting date September 30, 2009. The decrease is partly due to impairments charged in the third quarter 2009 as a result of the company's restructuring activities.

6. Deferred Taxes

(in thousands) (unaudited)	Nine Months Ended September 30,	
	2009	2008
	(€)	(€)
Current income tax	-	-
Deferred income tax credit	5,771	384
Income tax credit	5,771	384

Deferred tax assets and liabilities are offset if they pertain to future tax effects for the same taxable entity towards the same taxation authority. No income taxes were paid in the nine months period ended September 30, 2009 and 2008. No deferred income tax was expensed through the income statement in the nine months period ended September 30, 2009 and 2008. A deferred tax asset was recognized through the income statement in the nine months period ended September 30, 2009 and September 30, 2008.

7. Inventories

As of September 30, 2009 and December 31, 2008, the Company's accounts reflected inventories in the amount of € 4.0 million and € 1.0 million respectively. The increase corresponds to the increase and expected further uptake in product sales.

8. Trade accounts receivable

Trade accounts receivable result mainly from the sale of Firazyr® and receivables in connection with the Alcon collaboration.

9. Other Assets

On the reporting date September 30, 2009, other assets amounted to € 1.0 million (December 31, 2008: € 0.7 million). These assets are composed mainly of prepaid expenses amounting to € 0.5 million (December 31, 2008: € 0.3 million) and VAT amounting to € 0.2 million (December 31, 2008: € 0.3 million).

VAT reflects claims of the Company against local tax authorities for VAT on services received. The net amount of VAT receivable and VAT tax payable is non-interest bearing and is remitted to the appropriate taxation authorities on a monthly basis.

Prepaid expenses comprising prepaid annual fees for insurance and service contracts as well as development activities are deferred over the term of respective agreements. Prepaid expenses are short term in nature.

10. Capital Interest Tax Receivable

The Company earns interest on its money market funds and short-term deposits. Respective financial institutions are required to withhold capital interest tax from these earnings. As the Company produced a net loss in the nine months period ended September 30, 2009 and the year ended December 31, 2008, withheld capital interest tax was refundable in the amount of € 0.3 million and € 1.0 million, respectively.

11. Cash and Cash Equivalents

Cash and cash equivalents amounted to € 4.0 million on the reporting date September 30, 2009 and € 2.6 million on December 31, 2008. Cash and cash equivalents include cash of € 3.7 million (December 31, 2008: € 2.3 million) and restricted cash for lease deposits of € 0.3 million (December 31, 2008: € 0.3 million).

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at September 30, 2009 and 2008:

(in thousands) (unaudited)	September 30, 2009	September 30, 2008
	(€)	(€)
Cash at bank and on hand	2,140	612
Short term deposits	1,599	13,574
Cash in transit	-	(69)
Cash at banks and on hand attributable to disposal groups held for sale	-	6,192
Cash and cash equivalents in the consolidated statements of cash flows	3,739	19,085

12. Shareholders' Equity

Common Shares

As of September 30, 2009 and December 31, 2008, the Company had 58,942,179 common shares outstanding.

As of September 30, 2009, common share capital amounted to € 58.9 million consisting of 58,942,179 no par value ordinary bearer shares.

Additional paid in capital

Payments to the additional paid in capital according to Sec. 272 Para. 2 Nr. 4 HGB in the amount of € 16.0 million were received as result of a capital contribution from Shire Deutschland Investments GmbH on March 26, 2009.

Minority Interest

As losses have been allocated to minority interest as of December 31, 2007, minority interest amounts to € 0.0 million as of September 30, 2009 and December 31, 2008. Losses applicable to the minority interest that exceed the minority interest have been allocated against the majority interest pursuant to IAS 27.35.

13. Share-based Compensation

No stock options were granted during the nine months ended September 30, 2009. In the second quarter 2008, Jerini Ophthalmic, Inc. granted 1,389,000 stock options from the Jerini Ophthalmic, Inc. stock option plan 2007 to employees with an exercise price of USD 0.71.

In the first quarter 2008, Jerini Ophthalmic, Inc. granted 720,000 stock options from the Jerini Ophthalmic, Inc. stock option plan 2007 to employees, board members and consultants with an exercise price of USD 0.71.

The fair value related to stock options under the plan is based on a Black-Scholes model using the following assumptions:

	2008
Expected dividend yield	0.0%
Risk-free interest rate	4.15%
Expected life	4 years
Volatility	50.0%

Volatility has been set using historical stock quotations of peer group companies.

Of the 720,000 stock options granted in the first quarter 2008, 600,000 have an additional payment commitment from Jerini Ophthalmic, Inc. amounting to USD 0.66 per stock option. The additional payment commitments are recorded as expenditures over the vesting period of the stock options and shown as other liabilities on the balance sheet.

14. Trade Accounts Payable and Other Liabilities

As of September 30, 2009 and December 31, 2008, the trade accounts payable amounted to € 6.2 million and € 7.6 million, respectively, while the other liabilities amounted to € 20.6 million and € 1.6 million, respectively.

Other liabilities comprise accrued expenses that will be invoiced in the last quarter of 2009 for outsourced marketing and sales activities of € 8.4 million, outsourced development activities and expenses for clinical trials (together amounting to € 9.4 million) as well as accrued expenses resulting from the restructuring of Jerini AG's operations.

All liabilities are due in less than twelve months after the balance sheet date. Management considers the carrying amount of trade payables to approximate their fair value.

15. Provisions

Provisions increased to € 1.3 million (December 31, 2008: € 0.1 million) as a result of Jerini AG's restructuring activities.

16. Upfront and Prepaid Research Fees

Non-refundable upfront licensing fees and certain guaranteed, time-based payments require continuing involvement in the form of research and development, manufacturing, or other commercialization efforts by the Company. As of September 30, 2009 and December 31, 2008, upfront and prepaid research fees amounted to € nil and € 0.5 million, respectively. Due to the Company's restructuring of its operations, services under the collaboration agreements have ceased as of September 30, 2009

17. Supervisory and Management Board

By court order dated March 12/13, 2009 Andreas de Maizière, Dr. Werner Föllner and Leonhard Terp were appointed to the Supervisory Board. These appointments were limited to the time period until the end of the next Shareholders' Meeting or, at the latest, by September 30, 2009. At the annual shareholders meeting held on June 16, 2009, all members of the Supervisory Board were re-elected.

At the Supervisory Board meeting held on April 24, 2009 Dr. Sylvie Grégoire stepped down from her position as chairman of the Supervisory Board and Carl Ulrich Andreas de Maizière was elected chairman of the Supervisory Board.

At the Supervisory Board meeting held on September 22, 2009 Theresa Heggie and Whaijen Soo stepped down as members of the management board effective October 8, 2009. At the same meeting Jonathan Scott was appointed as Member of the Management Board and Chief executive Officer, effective October 9, 2009.

18. Subsequent Events

The subsequent events are shown in the overview section of the interim management report.