

**Jerini Aktiengesellschaft**  
**Consolidated Interim**  
**Financial Statements**  
For the Three-Month Period  
Ended March 31, 2009

**JERINI**

**Jerini AG**  
Invalidenstrasse 130  
10115 Berlin  
Germany  
T: +49.30.978.93.285  
F: +49.30.978.93.599  
wiedenmann@jerini.com  
www.jerini.com

## Contents

|  |           |  |           |
|--|-----------|--|-----------|
| <b>INTERIM MANAGEMENT REPORT</b>                       | <b>4</b>  | <b>SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2009</b> | <b>16</b> |
| Overview   | 4         | 1. Corporate Information   | 16        |
| Outlook  | 5         | 2. Summary of Significant Accounting Policies  | 16        |
| First Quarter 2009 Compared to First Quarter 2008      | 5         | 3. Discontinued operations   | 17        |
| Financial Position and Cash Flow                       | 6         | 4. Loss per Share  | 19        |
| Jerini Shares  | 6         | 5. Intangible Assets   | 19        |
| Employees  | 6         | 6. Deferred Taxes  | 20        |
| Report on Opportunities and Risks                      | 7         | 7. Inventories   | 20        |
| <b>CONSOLIDATED INCOME STATEMENTS</b>                  | <b>8</b>  | 8. Other Assets  | 20        |
| <b>CONSOLIDATED BALANCE SHEETS</b>                     | <b>10</b> | 9. Capital Interest Tax Receivable   | 21        |
| <b>CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY</b> | <b>12</b> | 10. Cash and Cash Equivalents  | 21        |
| <b>CONSOLIDATED STATEMENTS OF CASH FLOW</b>            | <b>14</b> | 11. Shareholders' Equity   | 22        |
|  |           | 12. Share-based Compensation   | 22        |
|  |           | 13. Trade Accounts Payable and Other Liabilities   | 23        |
|  |           | 14. Upfront and Prepaid Research Fees  | 23        |
|  |           | 15. Supervisory and Management Board   | 23        |
|  |           | 16. Subsequent Events  | 24        |

## INTERIM MANAGEMENT REPORT

### Overview

In the first quarter, Jerini continued to focus on the European product launch of Firazyr® along with the divestment of its non-strategic assets. Jerini, with the support of its majority shareholder Shire, is focusing on establishing efficient sales and distribution structures for Firazyr®'s product launches around the world. Firazyr® has now been launched in Germany, Austria, Spain, Greece, Denmark, Luxemburg, and the UK, and is available through named patient sale programs in France, Italy, Norway, and Belgium. Feedback from patients and physicians continues to be very positive. Further product launches in France, Italy, and Argentina are planned for the second quarter of 2009. In addition, Marketing Authorization Applications have been submitted in Argentina, Australia, Brazil, Mexico, Switzerland, and Russia.

On April 24, 2009, Jerini announced that Shire Deutschland Investments GmbH (Jerini's majority shareholder), pursuant to §§ 327a et seq. of the German Stock Corporation Act (AktG) (so called squeeze-out), will offer Jerini's minority shareholders EUR 7.53 cash compensation for each no par value share in connection with the transfer of their shares to Shire Deutschland Investments GmbH.

Further, on April 24, 2009, Jerini also announced its decision to wind down the operations of its subsidiary, Jerini Ophthalmic, Inc., New York, USA. The decision was made following unsuccessful efforts to find an investor for the sale of Jerini Ophthalmic, Inc. Given the substantial investments required and Jerini's decision to divest assets not related to Firazyr®, a continuation of Jerini Ophthalmic, Inc.'s operations would be unjustified.

On May 1, 2009, Jerini announced that it had sold its wholly-owned subsidiary, JPT Peptide Technologies GmbH to TheraCode GmbH, Mainz, a wholly-owned subsidiary of BioNTech AG, Mainz. Under the terms of the agreement, TheraCode GmbH will pay Jerini AG a purchase price of approximately € 5 million in cash. The sale of JPT Peptide Technologies GmbH to TheraCode GmbH reflects the implementation of Jerini AG's strategic decision published on October 10, 2008 to divest all non-strategic businesses and to focus on the core business Firazyr®.

### Outlook

Jerini's Shareholders' Meeting will take place on June 16, 2009. Shire Deutschland Investments GmbH currently holds more than 98 percent of Jerini's outstanding shares. Jerini AG has received a formal request, according to section 327a of the German Stock Corporation Act (AktG), from Shire Deutschland Investments GmbH to pass a resolution at Jerini's General Shareholders' Meeting calling for the transfer of shares held by Jerini's minority shareholders to Shire Deutschland Investments GmbH (so-called "Squeeze Out"). As compensation, minority shareholders will receive payment of adequate cash compensation from Shire Deutschland Investments GmbH. As a result of Jerini's meeting and discussions with the US Food and Drug Administration (FDA) in December 2008, plans are underway to initiate a placebo-controlled confirmatory Phase III trial in the third quarter of 2009. After this trial has been completed, Jerini will submit a complete response to the FDA's "Not Approvable" letter received in April 2008.

Progress continues on the divestment of Jerini's preclinical programs.

### First Quarter 2009 Compared to First Quarter 2008

Total revenues for the first quarter 2009 increased by 49.9 percent to € 1.8 million (prior year period: € 1.2 million). Revenues from collaboration agreements increased to € 1.4 million (prior year period: € 1.2 million), mainly due to higher full time employee funding. Revenues from product sales amounted to € 0.4 million (prior year period: € 0.0 million), generated by Jerini AG and Jerini Trading Ltd., from product sales in Germany, France, United Kingdom, Spain, Greece, Italy, Austria, Norway and Denmark. Research and development expenses decreased in the first quarter to € 3.5 million (prior year period: € 4.7 million), mainly due to lower subcontracting costs. General and administrative expenses decreased to € 1.1 million (prior year period: € 2.3 million) due to lower legal and consulting fees and a decrease in headcount. Marketing and sales expenses decreased to € 1.3 million (prior year period: € 1.8 million), mainly due to higher marketing costs for prelaunch activities for Firazyr® in the first quarter 2008 in the US and a decrease in headcount in the first quarter 2009. The loss from operations before tax and finance cost (EBIT) decreased to € 3.9 million (prior year period: € 7.5 million). Net loss from continuing operations for the first quarter 2009 amounted to € 2.7 million (prior year period: € 7.2 million). Loss per share from continuing operations for this period amounted to € 0.05 (prior year period: € 0.14).

## Financial Position and Cash Flow

The decrease in fixed assets for property, plant, and equipment in the first quarter months to € 1.8 million (December 31, 2008: € 2.0 million) is attributable to regular depreciation. The inventories increased to € 1.8 million (December 31, 2008: € 1.0 million) due to an increase of stock of Icatibant in 2009. The rise in trade accounts receivable is mainly due to an increase in receivables from Alcon and Baxter. Cash and cash equivalents in the first three months of 2009 increased to € 18.0 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. Other liabilities increased to € 4.0 million (December 31, 2008: € 1.6 million) mainly due to a loan granted from Shire Global Finance to Jerini US, Inc.

Cash used in operating activities for the three-month period ended March 31, 2009 amounted to € 6.3 million (prior year period: € 9.5 million). Cash and cash-equivalents excluding restricted cash in the amount of € 0.3 million as of March 31, 2009 amounted to € 18.8 million (prior year period: € 27.7 million). Net cash burn for the first three months of 2009 amounted to € 6.4 million (prior year period: € 9.9 million). Net cash burn is calculated by the addition of cash used in operating activities (€ 6.3 million) and cash used in investing activities (€ 0.1 million), as disclosed in the unaudited consolidated cash-flow statements for the three-month period ended March 31, 2009.

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.

## Jerini Shares

As of March 31, 2009, the last day of trading in the first quarter, Jerini stock closed at € 7.03 per share compared to € 7.02 per share as of December 31, 2008.

## Employees

As of March 31, 2009, Jerini had 144 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)<br>(unaudited)         | Three Months Ended<br>March 31, |                   |                   |
|--|---------------------------------|-------------------|-------------------|
|  | 2009                            | 2008<br>Restated* |                   |
|  | Note                            | (€)               | (€)               |
| <b>Continuing operations</b>   |                                 |                   |                   |
| Revenues:  |                                 |                   |                   |
| Collaboration agreements   |                                 | 1,435             | 1,190             |
| Product sales  |                                 | 349               | -                 |
| <b>Total revenues</b>  |                                 | <b>1,784</b>      | <b>1,190</b>      |
| Other income   |                                 | 219               | 122               |
| Cost of product sales  |                                 | (12)              | -                 |
| Research and development expenses                                      |                                 | (3,469)           | (4,652)           |
| General and administrative expenses                                    |                                 | (1,111)           | (2,304)           |
| Selling and distribution costs   |                                 | (1,307)           | (1,831)           |
| Other expenses   |                                 | (25)              | (30)              |
| <b>Loss from operations before tax and finance cost</b>                |                                 | <b>(3,921)</b>    | <b>(7,505)</b>    |
| Finance income   |                                 | 3                 | 312               |
| Finance cost   |                                 | (12)              | -                 |
| <b>Loss before tax</b>   |                                 | <b>(3,930)</b>    | <b>(7,193)</b>    |
| Income tax   |                                 | 1,201             | -                 |
| <b>Net loss from continuing operations</b>                             |                                 | <b>(2,729)</b>    | <b>(7,193)</b>    |
| <b>Discontinued operations:</b>  |                                 |                   |                   |
| Loss after tax from discontinued operations                            | 3                               | (1,597)           | (1,578)           |
| <b>Net loss</b>  |                                 | <b>(4,326)</b>    | <b>(8,771)</b>    |
| <b>Basic and diluted net loss per share</b>                            | 4                               | <b>(0.07)</b>     | <b>(0.17)</b>     |
| <b>Basic and diluted net loss per share from continuing operations</b> | 4                               | <b>(0.05)</b>     | <b>(0.14)</b>     |
| <b>Shares used in computing basic and diluted net loss per share</b>   |                                 | <b>58,942,179</b> | <b>52,534,705</b> |

\* Certain numbers shown here do not correspond to the consolidated interim financial statements for the three-month period ended March 31, 2008 and reflect adjustments made, due to discontinued operations.

## CONSOLIDATED BALANCE SHEETS

| (In thousands)<br>(March 31, 2009 unaudited)          |      | March 31,<br>2009 | December 31,<br>2008 |
|---|------|-------------------|----------------------|
|   | Note | (€)               | (€)                  |
| <b>Assets</b>   |      |                   |                      |
| <b>Non-current Assets:</b>                            |      |                   |                      |
| Intangible assets                                     | 5    | 3,829             | 3,939                |
| Equipment   |      | 1,818             | 2,027                |
| Deferred tax asset                                    | 6    | 3,645             | 2,444                |
| <b>Total Non-current Assets</b>                       |      | <b>9,292</b>      | <b>8,410</b>         |
| <b>Current Assets:</b>                                |      |                   |                      |
| Inventories   | 7    | 1,818             | 958                  |
| Trade accounts receivable                             |      | 740               | 246                  |
| Other assets  | 8    | 614               | 659                  |
| Capital interest tax receivable                       | 9    | 975               | 974                  |
| Other financial assets                                |      | 307               | 246                  |
| Cash and cash equivalents                             | 10   | 17,994            | 2,601                |
| <b>Total Current Assets</b>                           |      | <b>22,448</b>     | <b>5,684</b>         |
| Assets of disposal groups classified as held for sale | 3    | 3,361             | 6,428                |
| <b>Total Assets</b>                                   |      | <b>35,101</b>     | <b>20,522</b>        |

| (In thousands)<br>(March 31, 2009 unaudited)                                     |       | March 31,<br>2009 | December 31,<br>2008 |
|--|-------|-------------------|----------------------|
|  | Note  | (€)               | (€)                  |
| <b>Liabilities and Shareholders' Equity</b>                                      |       |                   |                      |
| <b>Shareholders' Equity :</b>  |       |                   |                      |
| Common shares  | 11    | 58,942            | 58,942               |
| Additional paid-in capital   | 11,12 | 105,600           | 89,546               |
| Foreign currency differences   |       | (132)             | (270)                |
| Retained loss  |       | (143,604)         | (139,278)            |
| <b>Total Shareholders' Equity</b>  |       | <b>20,806</b>     | <b>8,940</b>         |
| <b>Non-current Liabilities:</b>  |       |                   |                      |
| Government grants  |       | 131               | 177                  |
| <b>Total Non-current Liabilities</b>   |       | <b>131</b>        | <b>177</b>           |
| <b>Current Liabilities:</b>  |       |                   |                      |
| Trade accounts payable   | 13    | 7,883             | 7,626                |
| Upfront and prepaid research fees  | 14    | 751               | 494                  |
| Government grants  |       | 233               | 248                  |
| Other liabilities  | 13    | 3,968             | 1,556                |
| Provisions   |       | 130               | 130                  |
| <b>Total Current Liabilities</b>   |       | <b>12,965</b>     | <b>10,054</b>        |
| Liabilities directly associated with disposal groups classified as held for sale | 3     | 1,199             | 1,351                |
| <b>Total Shareholders' Equity and Liabilities</b>                                |       | <b>35,101</b>     | <b>20,522</b>        |

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

| (In thousands, except share data)<br>(unaudited)   | Common Shares |        | Additional | Foreign Currency | Accumulated | Total   |
|--|---------------|--------|------------|------------------|-------------|---------|
|  | Shares        | Amount | Paid-in    | Differences      | Deficit     |         |
|  |               | (€)    | Capital    | (€)              | (€)         |         |
| <b>Balances as of January 1, 2008</b>  | 52,534,705    | 52,535 | 72,365     | (645)            | (91,760)    | 32,495  |
| Translation adjustment   | -             | -      | -          | (218)            | -           | (218)   |
| Net Loss   | -             | -      | -          | -                | (8,771)     | (8,771) |
| <b>Total income and expense for the period</b>   | -             | -      | -          | (218)            | (8,771)     | (8,989) |
| Stock based compensation   | -             | -      | 345        | -                | -           | 345     |
| <b>Balances as of March 31, 2008</b>   | 52,534,705    | 52,535 | 72,710     | (863)            | (100,531)   | 23,851  |
| <b>Balances as of January 1, 2009</b>  | 58,942,179    | 58,942 | 89,546     | (270)            | (139,278)   | 8,940   |
| Translation adjustment   | -             | -      | -          | 138              | -           | 138     |
| Net Loss   | -             | -      | -          | -                | (4,326)     | (4,326) |
| <b>Total income and expense for the period</b>   | -             | -      | -          | 138              | (4,326)     | (4,188) |
| Stock based compensation   | -             | -      | 54         | -                | -           | 54      |
| Contributions by the majority shareholder to additional paid-in capital pursuant to Sec. 272 Para. 2 Nr. 4 HGB | -             | -      | 16,000     | -                | -           | 16,000  |
| <b>Balances as of March 31, 2009</b>   | 58,942,179    | 58,942 | 105,600    | (132)            | (143,604)   | 20,806  |

## CONSOLIDATED STATEMENTS OF CASH FLOW

| (In thousands)<br>(unaudited)   | Three Months Ended<br>March 31, |                |
|---|---------------------------------|----------------|
|   | 2009                            | 2008           |
|   | (€)                             | (€)            |
| <b>Operating activities:</b>  |                                 |                |
| Loss before tax from continuing operations  | (3,930)                         | (7,193)        |
| Loss before tax from discontinued operations  | (1,597)                         | (1,578)        |
| Loss before tax   | (5,527)                         | (8,771)        |
| <b>Adjustments to reconcile net loss before tax to net cash used in operating activities:</b> |                                 |                |
| Depreciation expense  | 491                             | 457            |
| Amortization expense  | 110                             | 11             |
| Other interest received   | (13)                            | (338)          |
| Other interest expense  | 12                              | 5              |
| Net release of government grants  | (102)                           | (40)           |
| Employee stock-based compensation   | 54                              | 345            |
|   | <b>(4,975)</b>                  | <b>(8,331)</b> |
| <b>Changes in operating assets and liabilities:</b>   |                                 |                |
| Inventories   | (854)                           | 14             |
| Trade accounts receivable   | (747)                           | 142            |
| Other current assets, other financial assets and prepaid expenses                             | (38)                            | (627)          |
| Trade accounts payable and other liabilities  | 61                              | (803)          |
| Provisions  | -                               | 2              |
| Upfront and prepaid research fees   | 257                             | (148)          |
| <b>Cash used in operations</b>  | <b>(6,296)</b>                  | <b>(9,751)</b> |
| Capital interest tax paid   | (1)                             | (43)           |
| Interest received   | 13                              | 338            |
| Interest paid   | (12)                            | (5)            |
| <b>Net cash used in operating activities</b>  | <b>(6,296)</b>                  | <b>(9,461)</b> |

| (In thousands)<br>(unaudited)  | Three Months Ended<br>March 31, |                |
|--|---------------------------------|----------------|
|  | 2009                            | 2008           |
|  | (€)                             | (€)            |
| <b>Investing activities:</b>   |                                 |                |
| Purchases of equipment   | (135)                           | (484)          |
| <b>Cash used in investing activities</b>   | <b>(135)</b>                    | <b>(484)</b>   |
| <b>Financing activities:</b>   |                                 |                |
| Contributions by the majority shareholder to additional paid-in capital pursuant to Sec. 272 Para. 2 Nr. 4 HGB | 16,000                          | -              |
| Receipt (payment) of loan  | 2,500                           | (50)           |
| <b>Net cash provided by (used in) financing activities</b>   | <b>18,500</b>                   | <b>(50)</b>    |
| <b>Net change in cash and cash equivalents</b>   | <b>12,069</b>                   | <b>(9,995)</b> |
| <b>Cash and cash equivalents at the beginning of the period</b>  | <b>6,564</b>                    | <b>37,907</b>  |
| <b>Translation adjustment of cash and cash equivalents</b>   | <b>135</b>                      | <b>(208)</b>   |
| <b>Cash and cash equivalents at the end of the period*</b>   | <b>18,768</b>                   | <b>27,704</b>  |

\* In the consolidation balance sheet, the cash and cash equivalents as of March 31, 2009 and 2008 include restricted cash of T€ 273.

## SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2009

### 1. Corporate Information

The consolidated financial statements of Jerini AG (“the Company” or “Jerini”) for the three-month period ended March 31, 2009, were authorized by the Management Board for issue on May 14, 2009.

Jerini AG’s shares are 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 March 31, 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 three-month period ended March 31, 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 and Shire Deutschland Investments GmbH 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 on October 10, 2008 that it is in the best interests of Jerini AG to divest the preclinical programs not related to Firazyr®, Jerini Ophthalmic, Inc., Jerini Ophthalmic Holding GmbH and JPT Peptide Technologies GmbH (JPT) and its subsidiary. As of March 31, 2009, JPT, Jerini Ophthalmic Holding GmbH and Jerini Ophthalmic, Inc. were classified as disposal groups held for sale and as discontinued operations. Preclinical programs were not classified as assets held for sale as they did not meet the criteria of IFRS 5 as of March 31, 2009.

#### Jerini Ophthalmic, Inc. and Jerini Ophthalmic Holding GmbH

The results of Jerini Ophthalmic, Inc. and Jerini Ophthalmic Holding GmbH, classified as held for sale and as discontinued operations for the three months ended March 31, 2009 and 2008 are presented below:

| (in thousands)<br>(unaudited)            | Three Months Ended<br>March 31, |                |
|--|---------------------------------|----------------|
|  | 2009                            | 2008           |
|  | (€)                             | (€)            |
| Expenses                                 | (1,817)                         | (1,823)        |
| <b>Loss from operations</b>              | <b>(1,817)</b>                  | <b>(1,823)</b> |
| Finance result                           | 7                               | 8              |
| <b>Loss from discontinued operations</b> | <b>(1,810)</b>                  | <b>(1,815)</b> |

The major classes of assets and liabilities of Jerini Ophthalmic, Inc. and Jerini Ophthalmic Holding GmbH, classified as held for sale are as follows:

| (In thousands)<br>(March 31, 2009 unaudited)                                | March 31,<br>2009 | December 31,<br>2008 |
|---|-------------------|----------------------|
|   | (€)               | (€)                  |
| <b>Assets</b>   |                   |                      |
| Equipment   | 11                | 11                   |
| Other assets  | 3                 | 10                   |
| Cash and cash equivalents   | 473               | 1,943                |
| <b>Total assets classified as held for sale</b>                             | <b>487</b>        | <b>1,964</b>         |
| <b>Liabilities</b>  |                   |                      |
| Trade accounts payable  | 637               | 482                  |
| Other liabilities   | 73                | 65                   |
| <b>Total liabilities associated with assets classified as held for sale</b> | <b>710</b>        | <b>547</b>           |

#### JPT Peptide Technologies GmbH and JPT Peptide Technologies, Inc.

The results of Jerini JPT Peptide Technologies GmbH and JPT Peptide Technologies, Inc., classified as held for sale and as discontinued operations for the three months ended March 31, 2009 and 2008 are presented below:

| (in thousands)<br>(unaudited)              | Three Months Ended<br>March 31, |            |
|--|---------------------------------|------------|
|  | 2009                            | 2008       |
|  | (€)                             | (€)        |
| Revenue                                    | 1,095                           | 1,366      |
| Other income                               | 321                             | -          |
| Expenses                                   | (1,206)                         | (1,144)    |
| <b>Profit from operations</b>              | <b>210</b>                      | <b>222</b> |
| Finance result                             | 3                               | 15         |
| <b>Profit from discontinued operations</b> | <b>213</b>                      | <b>237</b> |

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

| (In thousands)<br>(March 31, 2009 unaudited)                                | March 31,<br>2009 | December 31,<br>2008 |
|---|-------------------|----------------------|
|   | (€)               | (€)                  |
| <b>Assets</b>   |                   |                      |
| Equipment   | 1,471             | 1,618                |
| Inventories   | 50                | 56                   |
| Trade accounts receivable   | 628               | 375                  |
| Other financial assets  | 14                | 6                    |
| Other assets  | 137               | 116                  |
| Cash and cash equivalents   | 574               | 2,293                |
| <b>Total assets classified as held for sale</b>                             | <b>2,874</b>      | <b>4,464</b>         |
| <b>Liabilities</b>  |                   |                      |
| Trade accounts payable  | 151               | 285                  |
| Government grants   | 251               | 292                  |
| Other liabilities   | 87                | 227                  |
| <b>Total liabilities associated with assets classified as held for sale</b> | <b>489</b>        | <b>804</b>           |

#### 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

Intangible assets decreased in the first three months 2009 to € 3.8 million (December 31, 2008: € 3.9 million) due to regular amortization.

## 6. Deferred Taxes

| (in thousands)<br>(unaudited) | Three Months Ended<br>March 31, |          |
|-------------------------------|---------------------------------|----------|
|                               | 2009                            | 2008     |
|                               | (€)                             | (€)      |
| Current income tax            | -                               | -        |
| Deferred income tax credit    | 1,201                           | -        |
| <b>Income tax credit</b>      | <b>1,201</b>                    | <b>-</b> |

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 first quarter ended March 31, 2009 and 2008. No deferred income tax was expensed through the income statement in the first quarter ended March 31, 2009 and 2008. A deferred tax asset was recognized through the income statement in the first quarter ended March 31, 2009 and none for the first quarter ended March 31, 2008.

## 7. Inventories

As of March 31, 2009 and December 31, 2008, the Company's accounts reflected inventories in the amount of € 1.8 million and € 1.0 million respectively.

## 8. Other Assets

On the reporting date March 31, 2009, other assets amounted to € 0.6 million (December 31, 2008: € 0.7 million). These assets are composed mainly of VAT amounting to € 0.1 million (December 31, 2008: € 0.3 million), investment grant receivables amounting to € 0.1 million (December 31, 2008: € 0.1 million) and prepaid expenses amounting to € 0.4 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 are deferred over the term of respective agreements. Prepaid expenses are short term in nature.

## 9. 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 three months ended March 31, 2009 and December 31, 2008, withheld capital interest tax was refundable in the amount of € 1.0 million and € 1.0 million, respectively.

## 10. Cash and Cash Equivalents

Cash and cash equivalents amounted to € 18.0 million on the reporting date March 31, 2009 and € 2.6 million on December 31, 2008. Cash and cash equivalents include cash of € 17.7 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 March 31, 2009 and 2008:

| (in thousands)<br>(unaudited)   | Three Months Ended<br>March 31, |               |
|---|---------------------------------|---------------|
|   | 2009                            | 2008          |
|   | (€)                             | (€)           |
| Cash at bank and on hand  | 1,744                           | 24,765        |
| Short term deposits   | 16,000                          | -             |
| Cash in transit   | (23)                            | (224)         |
| Cash at banks and on hand attributable to disposal groups held for sale       | 1,047                           | 3,163         |
| <b>Cash and cash equivalents in the consolidated statements of cash flows</b> | <b>18,768</b>                   | <b>27,704</b> |

## 11. Shareholders' Equity

### Common Shares

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

As of March 31, 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 March 31, 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.

## 12. Share-based Compensation

No stock options were granted during the first quarter 2009.

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.

As a result of the resignation of Dr. Jochen Knolle as company secretary and board member of Jerini Ophthalmic, Inc., 112,502 stock options granted under the Jerini Ophthalmic, Inc. stock option plan forfeited as of February 14, 2009.

Jerini AG had stock option forfeitures as a result of employee exits in first quarter 2008 amounting to 8,131 under the plan 2006/l.

## 13. Trade Accounts Payable and Other Liabilities

As of March 31, 2009 and December 31, 2008, the trade accounts payable amounted to € 7.9 million and € 7.6 million, respectively, while the other liabilities amounted to € 4.0 million and € 1.6 million, respectively. The increase of the other liabilities is mainly due to a loan granted from Shire Global Finance to Jerini US, Inc.

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.

## 14. 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 March 31, 2009 and December 31, 2008, upfront and prepaid research fees amounted to € 0.8 million and € 0.5 million, respectively.

## 15. 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 will conclude at the end of the next Shareholders' Meeting or, at the latest, by September 30, 2009.

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.

### **16. Subsequent Events**

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