

**Jerini Aktiengesellschaft**  
**Consolidated Interim**  
**Financial Statements**  
For the Six-Month Period  
Ended June 30, 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

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## INTERIM MANAGEMENT REPORT

### Overview

In the second 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 second quarter launches in France and Portugal, Firazyr® is now launched in nine countries, including four of the five largest European countries. Firazyr® also received final price publication in Italy during June, which will enable the launch in Italy during the third quarter 2009. In addition, Jerini has been granted a Marketing Authorization for Firazyr® in Switzerland and as previously announced Marketing Authorization Applications have been submitted in Argentina, Australia, Brazil, Mexico, and Russia. In the second quarter, the first patient was dosed in FAST-3, the placebo-controlled confirmatory Phase III trial which was 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. Jerini also submitted a pediatric investigation plan (PIP) to the European Medicines Agency, London, UK (EMA) in July 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.

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 of the squeeze-out resolution adopted at Jerini's Shareholders' Meeting on June 16, 2009 in the commercial register, Shire Deutschland Investments GmbH will hold 100 percent of Jerini's outstanding shares. As compensation, minority shareholders will receive the 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.

### Second Quarter 2009 Compared to Second Quarter 2008

Total revenues for the second quarter 2009 more than doubled to € 2.2 million (prior year period: € 1.0 million). Revenues from collaboration agreements increased to € 1.1 million (prior year period: € 1.0 million), mainly due to higher full time employee funding. Revenues from product sales of Firazyr® amounted to € 1.1 million (prior year period: € nil), generated by Jerini AG and Jerini Trading Ltd. Research and development expenses slightly decreased in the second quarter to

€ 4.8 million (prior year period: € 4.9 million). General and administrative expenses increased to € 6.0 million (prior year period: € 3.1 million) mainly due to higher legal and consulting fees as well as costs related to redundancies following the closure of Jerini Ophthalmic, Inc and the pre-clinical projects during 2009. Selling and distribution costs decreased to € 1.6 million (prior year period: € 3.5 million), mainly due to higher marketing costs for prelaunch activities for Firazyr® in the second quarter 2008 in the US and a decrease in headcount in the second quarter 2009. The loss from operations before tax and finance cost (EBIT) decreased to € 10.1 million (prior year period: € 11.6 million). Net loss from continuing operations for the second quarter 2009 reduced to € 6.9 million (prior year period: € 10.0 million). Loss per share from continuing operations for this period amounted to € 0.12 (prior year period: € 0.19).

### First Six Months 2009 Compared to First Six Months 2008

Total revenues for the six month period ended June 30, 2009 increased by 82 percent to €4.0 million (prior year period: € 2.2 million). Revenues from collaboration agreements increased to € 2.6 million (prior year period: € 2.2 million) as a result of higher FTE rates and one time payments. Revenues from product sales of Firazyr® amounted to € 1.4 million (prior year period: € nil), generated by Jerini AG and Jerini Trading Ltd. Research and development expenses decreased in the first six months 2009 to € 8.3 million (prior year period: € 9.6 million). General and administrative expenses increased to € 7.2 million (prior year period: € 5.4 million), mainly due to higher legal and consulting fees as well as costs related to redundancies following the closure of Jerini Ophthalmic Inc and the pre-clinical projects. Selling and distribution costs decreased to € 2.9 million (prior year period: € 5.3 million) due to preparations for the product launch of Firazyr® in 2008. The loss from operations before tax and finance cost (EBIT) decreased, as anticipated, to € 14.0 million (prior year period: € 17.9 million). Net loss from continuing operations for the six month period ended June 30, 2009 reduced to € 9.6 million (prior year period: € 17.2 million). Loss per share from continuing operations for this period amounted to € 0.16 (prior year period: € 0.33).

### Financial Position and Cash Flow

The decrease in intangible assets and equipment in the first six months of 2009 to € 5.3 million (December 31, 2008: € 5.7 million) is attributable to regular amortization and depreciation. The inventories increased to € 2.3 million (December 31, 2008: € 1.0 million) due to increased inventories of Firazyr® in

2009. The rise in trade accounts receivable is mainly due to an increase in receivables from trade sales of Firazyr® and ongoing collaborations with Alcon and Baxter. Cash and cash equivalents in the first six months of 2009 increased to € 16.5 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 of the German Commercial Code (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 € 8.1 million (December 31, 2008: € 1.6 million) mainly due to a loan granted from Shire Global Finance to Jerini US, Inc. and liabilities relating to redundancies.

Cash used in operating activities for the six months period ended June 30, 2009 amounted to € 14.9 million (prior year period: € 19.4 million). Cash and cash-equivalents excluding restricted cash in the amount of € 0.3 million as of June 30, 2009 amounted to € 16.2 million (prior year period: € 17.6 million). Net cash burn for the first six months of 2009 amounted to € 9.8 million (prior year period: € 20.1 million). Net cash burn is calculated by the addition of cash used in operating activities (€ 14.9 million), cash used in investing activities (€ 0.1 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 six months period ended June 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 the 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 not utilized the loan.

### Jerini Shares

As of June 30, 2009, the last day of trading in the second quarter, Jerini stock closed at € 7.83 per share compared to € 7.02 per share as of December 31, 2008.

### Employees

As of June 30, 2009, Jerini had 107 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 June 30,		Six Months Ended June 30,		
		2009	2008 (restated*)	2009	2008 (restated*)
	Note	(€)	(€)	(€)	(€)
Revenues:					
Collaboration agreements		1,137	1,027	2,572	2,216
Product sales		1,097	–	1,446	–
<b>Total revenues</b>		<b>2,234</b>	<b>1,027</b>	<b>4,018</b>	<b>2,216</b>
Other income		365	126	584	259
Cost of product sales		(227)	–	(239)	–
Research and development expenses		(4,815)	(4,945)	(8,284)	(9,596)
General and administrative expenses		(6,043)	(3,108)	(7,154)	(5,411)
Selling and distribution costs		(1,618)	(3,485)	(2,925)	(5,316)
Other expenses		–	(35)	(25)	(76)
<b>Loss from operations before tax and finance cost (EBIT)</b>		<b>(10,104)</b>	<b>(11,573)</b>	<b>(14,025)</b>	<b>(17,924)</b>
Finance income		184	176	187	487
Finance cost		(35)	–	(47)	–
<b>Loss before tax</b>		<b>(9,955)</b>	<b>(10,420)</b>	<b>(13,885)</b>	<b>(17,437)</b>
Income taxes	6	3,078	257	4,279	257
<b>Net loss from continuing operations</b>		<b>(6,877)</b>	<b>(9,987)</b>	<b>(9,606)</b>	<b>(17,180)</b>
<b>Discontinued operations:</b>					
Gain (Loss) after tax from discontinued operations	3	65	(1,958)	(1,532)	(3,312)
<b>Net loss</b>		<b>(6,812)</b>	<b>(11,945)</b>	<b>(11,138)</b>	<b>(20,492)</b>
<b>Basic and diluted net loss per share</b>	4	<b>(0.12)</b>	<b>(0.22)</b>	<b>(0.19)</b>	<b>(0.39)</b>
<b>Basic and diluted net loss per share from continuing operations</b>	4	<b>(0.12)</b>	<b>(0.19)</b>	<b>(0.16)</b>	<b>(0.33)</b>
<b>Shares used in computing basic and diluted net loss per share</b>		<b>58,942,179</b>	<b>52,481,310</b>	<b>58,942,179</b>	<b>52,481,310</b>

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

## CONSOLIDATED BALANCE SHEETS

(In thousands) (June 30, 2009 unaudited)		June 30, 2009	December 31, 2008
Note	(€)	(€)	
<b>Assets</b>			
<b>Non-current Assets:</b>			
Intangible assets	5	3,756	3,939
Equipment		1,539	2,027
Deferred tax asset	6	6,751	2,444
<b>Total Non-current Assets</b>		<b>12,046</b>	<b>8,410</b>
<b>Current Assets:</b>			
Inventories	7	2,302	958
Trade accounts receivable	8	905	246
Other assets	9	965	659
Capital interest tax receivable	10	310	974
Other financial assets		331	246
Cash and cash equivalents	11	16,487	2,601
<b>Total Current Assets</b>		<b>21,300</b>	<b>5,684</b>
Assets of disposal groups classified as held for sale	3	-	6,428
<b>Total Assets</b>		<b>33,346</b>	<b>20,522</b>

(In thousands) (June 30, 2009 unaudited)		June 30, 2009	December 31, 2008
Note	(€)	(€)	
<b>Liabilities and Shareholders' Equity</b>			
<b>Shareholders' Equity :</b>			
Common shares	12	58,942	58,942
Additional paid-in capital	12,13	105,641	89,546
Foreign currency differences		650	(270)
Retained loss		(150,416)	(139,278)
<b>Total Shareholders' Equity</b>		<b>14,817</b>	<b>8,940</b>
<b>Non-current Liabilities:</b>			
Government grants		125	177
<b>Total Non-current Liabilities</b>		<b>125</b>	<b>177</b>
<b>Current Liabilities:</b>			
Trade accounts payable	14	9,986	7,626
Upfront and prepaid research fees	15	-	494
Government grants		212	248
Other liabilities	14	8,076	1,556
Provisions		130	130
<b>Total Current Liabilities</b>		<b>18,404</b>	<b>10,054</b>
Liabilities directly associated with disposal groups classified as held for sale	3	-	1,351
<b>Total Shareholders' Equity and Liabilities</b>		<b>33,346</b>	<b>20,522</b>

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands, except share data) (unaudited)	Common Shares		Additional Paid-in Capital	Foreign Currency Differences	Accumulated Deficit	Total
	Shares	Amount				
		(€)	(€)	(€)	(€)	(€)
<b>Balances as of January 1, 2008</b>	52,534,705	52,535	72,365	(645)	(91,760)	32,495
Translation adjustment	-	-	-	(213)	-	(213)
Net Loss	-	-	-	-	(20,492)	(20,492)
<b>Total income and expense for the period</b>	-	-	-	(213)	(20,492)	(20,705)
Stock based compensation	-	-	714	-	-	714
<b>Balances as of June 30, 2008</b>	52,534,705	52,535	73,079	(858)	(112,252)	12,504
<b>Balances as of January 1, 2009</b>	58,942,179	58,942	89,546	(270)	(139,278)	8,940
Translation adjustment	-	-	-	920	-	920
Net Loss	-	-	-	-	(11,138)	(11,138)
<b>Total income and expense for the period</b>	-	-	-	920	(11,138)	(10,218)
Stock based compensation	-	-	95	-	-	95
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 June 30, 2009</b>	58,942,179	58,942	105,641	650	(150,416)	14,817

## CONSOLIDATED STATEMENTS OF CASH FLOW

(In thousands) (unaudited)	Six Months Ended June 30,	
	2009	2008
	(€)	(€)
<b>Operating activities:</b>		
Loss before tax from continuing operations	(13,885)	(17,437)
Loss before tax from discontinued operations	(1,532)	(3,312)
Loss before tax	(15,417)	(20,749)
<b>Adjustments to reconcile net loss before tax to net cash used in operating activities:</b>		
Depreciation expense	867	921
Amortization expense	183	23
Other interest received	(62)	(550)
Other interest expense	48	12
Gain on sale of non-current investments	(2,999)	
Net release of government grants	(88)	(83)
Employee stock-based compensation	-	714
	<b>(17,467)</b>	<b>(19,712)</b>
<b>Changes in operating assets and liabilities:</b>		
Inventories	(1,338)	5
Trade accounts receivable	(776)	202
Other current assets, other financial assets and prepaid expenses	(415)	(258)
Trade accounts payable and other liabilities	5,037	305
Provisions	(104)	(8)
Upfront and prepaid research fees	(494)	(467)
<b>Cash used in operations</b>	<b>(15,557)</b>	<b>(19,933)</b>
Capital interest tax received	664	-
Interest received	62	550
Interest paid	(48)	(12)
<b>Net cash used in operating activities</b>	<b>(14,879)</b>	<b>(19,395)</b>

(In thousands) (unaudited)	Six Months Ended June 30,	
	2009	2008
	(€)	(€)
<b>Investing activities:</b>		
Purchases of equipment	(132)	(650)
Proceeds from divestment of discontinued assets	5,300	-
<b>Cash used in investing activities</b>	<b>5,168</b>	<b>(650)</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	(100)
<b>Net cash provided by (used in) financing activities</b>	<b>18,500</b>	<b>(100)</b>
<b>Net change in cash and cash equivalents</b>	<b>8,789</b>	<b>(20,145)</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>874</b>	<b>(208)</b>
<b>Cash and cash equivalents at the end of the period*</b>	<b>16,227</b>	<b>17,554</b>

\* In the consolidation balance sheet, the cash and cash equivalents as of June 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 SIX MONTHS ENDED JUNE 30, 2009

### 1. Corporate Information

The consolidated financial statements of Jerini AG (“the Company” or “Jerini”) for the six-month period ended June 30, 2009, were authorized by the Management Board for issue on August 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 June 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 six month period ended June 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 June 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 € 1.5 million in the six months to June 30, 2009 (2008: € 3.3 million).

Preclinical programs were not classified as assets held for sale as they did not meet the criteria of IFRS 5 as of June 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 six months period ended June 30, 2009 and 2008 are presented below:

(in thousands) (unaudited)	Six Months Ended June 30,	
	2009	2008
	(€)	(€)
Expenses	(4,455)	(4,107)
<b>Loss from operations</b>	<b>(4,455)</b>	<b>(4,107)</b>
Finance result	7	16
<b>Loss from discontinued operations</b>	<b>(4,448)</b>	<b>(4,091)</b>

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) (June 30, 2009 unaudited)	December 31, 2008
<b>Assets</b>	<b>(€)</b>
Equipment	11
Other assets	10
Cash and cash equivalents	1,943
<b>Total assets classified as held for sale</b>	<b>1,964</b>
<b>Liabilities</b>	
Trade accounts payable	482
Other liabilities	65
<b>Total liabilities associated with assets classified as held for sale</b>	<b>547</b>

**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 six months to June 30, 2009 and as discontinued operations for the six months period ended June 30, 2009 and 2008 are presented below:

(in thousands) (unaudited)	Six Months Ended June 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)
<b>Profit from operations</b>	<b>2,856</b>	<b>745</b>
Finance result	60	34
<b>Profit from discontinued operations</b>	<b>2,916</b>	<b>779</b>

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
<b>Assets</b>	<b>(€)</b>
Equipment	1,618
Inventories	56
Trade accounts receivable	375
Other financial assets	6
Other assets	116
Cash and cash equivalents	2,293
<b>Total assets classified as held for sale</b>	<b>4,464</b>
<b>Liabilities</b>	
Trade accounts payable	285
Government grants	292
Other liabilities	227
<b>Total liabilities associated with assets classified as held for sale</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 six months 2009 to € 3.8 million (December 31, 2008: € 3.9 million) due to regular amortization.

#### 6. Deferred Taxes

(in thousands) (unaudited)	Six Months Ended June 30,	
	2009	2008
	(€)	(€)
Current income tax	–	–
Deferred income tax credit	4,279	257
<b>Income tax credit</b>	<b>4,279</b>	<b>257</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 six months period ended June 30, 2009 and 2008. No deferred income tax was expensed through the income statement in the six months period ended June 30, 2009 and 2008. A deferred tax asset was recognized through the income statement in the six months period ended June 30, 2009 and June 30, 2008.

#### 7. Inventories

As of June 30, 2009 and December 31, 2008, the Company's accounts reflected inventories in the amount of € 2.3 million and € 1.0 million respectively. The increase corresponds to the increase in sales activity.

#### 8. Trade accounts receivable

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

#### 9. Other Assets

On the reporting date June 30, 2009, other assets amounted to € 1.0 million (December 31, 2008: € 0.7 million). These assets are composed mainly of VAT amounting to € 0.2 million (December 31, 2008: € 0.3 million), public grant receivables amounting to € 0.1 million (December 31, 2008: € 0.1 million) and prepaid expenses amounting to € 0.7 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 six months period ended June 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 € 16.5 million on the reporting date June 30, 2009 and € 2.6 million on December 31, 2008. Cash and cash equivalents include cash of € 16.2 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 June 30, 2009 and 2008:

(in thousands) (unaudited)	June 30, 2009	June 30, 2008
	(€)	(€)
Cash at bank and on hand	2,794	2,240
Short term deposits	13,433	12,511
Cash in transit	–	(435)
Cash at banks and on hand attributable to disposal groups held for sale	–	3,238
<b>Cash and cash equivalents in the consolidated statements of cash flows</b>	<b>16,227</b>	<b>17,554</b>

### 12. Shareholders' Equity

#### Common Shares

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

As of June 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 June 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 six months ended June 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.

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/I. Stock option forfeitures as a result of employee exits in the second quarter 2008 amounted to 2,000 under the plan 2005/I and 27,000 under the plan 2006/I.

### 14. Trade Accounts Payable and Other Liabilities

As of June 30, 2009 and December 31, 2008, the trade accounts payable amounted to € 10.0 million and € 7.6 million, respectively, while the other liabilities amounted to € 8.1 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. and liabilities as a result of redundancies.

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. 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 June 30, 2009 and December 31, 2008, upfront and prepaid research fees amounted to € nil and € 0.5 million, respectively.

### 16. Supervisory and Management Board

By court order dated March 12/13, 2009 Andreas de Maizière, Dr. Werner Föller 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.

### 17. Subsequent Events

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

## RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Berlin, August 14, 2009

Theresa Heggie  
(Chief Executive Officer)

Christian von Volkmann  
(Chief Financial Officer)

Whaijen Soo  
(Chief Scientific Officer)