

Mandatory Publication in accordance with Section 27 (3) sentence 1 and Section 14 (3) sentence 1 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*)



JOINT STATEMENT

of the Management Board and the Supervisory Board

of

Jerini Aktiengesellschaft

Invalidenstraße 130, 10115 Berlin

**in accordance with Section 27 of the German Securities Acquisition and Takeover Act
concerning the Voluntary Public Tender Offer (Cash Offer) in accordance with Section 29
of the German Securities Acquisition and Takeover Act**

of

Shire Deutschland Investments-GmbH

Mainzer Landstraße 46, 60325 Frankfurt am Main

to the shareholders of Jerini Aktiengesellschaft

International Securities Identification Number (ISIN) for Jerini Shares:

ISIN DE0006787476 (WKN 678747)

Jerini Shares tendered for sale:

ISIN DE000A0WMPL2 (WKN A0WMPL)

NON-BINDING CONVENIENCE TRANSLATION OF THE GERMAN REASONED OPINION OF THE MANAGING BOARD AND THE SUPERVISORY BOARD

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I. GENERAL INFORMATION ABOUT THIS JOINT STATEMENT

On 3 July 2008, Jerini Aktiengesellschaft, Berlin ("**Jerini AG**" or the "**Company**" and, together with its affiliated companies, the "**Jerini Group**") and Shire Deutschland Investments GmbH (previously: Maia Elfte Vermögensverwaltungs GmbH) with its corporate seat in Frankfurt am Main, Germany, registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 83326 (the "**Bidder**") entered into a business combination agreement regarding a strategic partnership (the "**Business Combination Agreement**").

In accordance with the Business Combination Agreement, on 13 August 2008 the Bidder published an offer document within the meaning of Section 11 WpÜG (die "**Offer Document**") in accordance with Sections 29, 34, and 14 (2) and (3) of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetzes, WpÜG*) (the "**WpÜG**") relating to the Bidder's voluntary public takeover offer (*freiwillige öffentliche Übernahmeangebot*) to the holders of shares in Jerini AG to acquire all of the common bearer shares of Jerini AG (together the "**Jerini Shares**" and each a "**Jerini Share**") at a purchase price of EUR 6.25 per Jerini Share in cash (the "**Offer**"). The Bidder is a wholly-owned direct subsidiary of Shire Limited, registered in Jersey under Nr. 99854 with its corporate seat at 22 Grenville Street, St Helier, Jersey JE4 8PX, and its business address at Riverwalk, Citywest Business Campus, Dublin 24, Republic of Ireland ("**Shire**" and, together with its direct and indirect subsidiaries, the "**Shire Group**").

The Offer Document was submitted to the management board of Jerini AG (the "**Management Board**") on 13 August 2008. On the same date, the Management Board forwarded the Offer Document to the supervisory board of Jerini AG (the "**Supervisory Board**") and to the employees of Jerini AG.

The Offer is addressed to all holders of Jerini Shares (together the "**Jerini Shareholders**" and each a "**Jerini Shareholder**").

The Management Board and the Supervisory Board point out that they are not in a position to review whether the Jerini Shareholders, in accepting the Offer, would be acting in compliance with all legal obligations which may apply to them individually. The Management Board and the Supervisory Board recommend that, in particular, all persons who obtain the Offer Document outside of the Federal Republic of Germany, or who wish to accept the Offer but are subject to the securities laws of any jurisdiction other than the Federal Republic of Germany, inform themselves of, and comply with, such laws.

The Management Board and the Supervisory Board give the following joint statement (*Stellungnahme*) on the Offer pursuant to Section 27 WpÜG (the "**Joint Statement**") and draw attention to the following:

1. Legal basis of this Joint Statement

Pursuant to Sections 29, 34 and 27 (1) Sentence 1 WpÜG, the management board and the supervisory board of a target company are obliged to provide a reasoned joint statement regarding a takeover offer and any amendments made to such takeover offer. Furthermore, the employees of the target company may submit to the management board a reasoned statement on the takeover offer, under Section 27 (2) WpÜG. As of the date of submission of this Joint Statement, the Management Board has not received a reasoned statement on the Offer from the employees of Jerini AG. Jerini AG has no works council (*Betriebsrat*).

2. Factual Basis of this Joint Statement

All information, forecasts, assessments, valuations, forward-looking statements and statements of intent contained in this Joint Statement are based on the information available to the Management Board and the Supervisory Board on the date of publication of this Joint Statement or, as the case may be, reflect their assessments or intentions at this time. This information may change after the date of publication of this Joint Statement. Neither the Management Board nor the Supervisory Board nor the Company assume an obligation to update this Joint Statement, except to the extent they are obligated to do so under German law.

The information contained in this Joint Statement about the Bidder and the Offer is based on information provided in the Offer Document and other publicly available information, unless expressly stated otherwise. The Management Board and the Supervisory Board advise that they are unable to verify the intentions described in the Offer Document or to guarantee their implementation.

3. Publication of this Joint Statement and of any additional reasoned joint opinions on any amendments to the Offer

In accordance with Section 27 (3) and Section 14 (3) Sentence 1 WpÜG, this Joint Statement and any additional reasoned joint opinions on any amendments to the Offer will be published on the internet on Jerini AG's website at <http://www.jerini.de/cms/de/home.php>. Hard copies will be available free of charge at Jerini AG, Invalidenstraße 130, 10115 Berlin, and can be requested from there by telephone on +49 (0) 30 97893 100 for distribution free of charge. The internet address to be

used for publication and the address at which hard copies will be made available free of charge will be published in the electronic version of the Federal Gazette (*elektronischer Bundesanzeiger*).

This Joint Statement and any additional reasoned opinions on possible amendments to the Offer will be published in the German language and will be the only authoritative documents. English language convenience translations, for the correctness of which no responsibility is assumed, will be published on Jerini AG's website at <http://www.jerini.de/cms/en/home.php> together with the German language Joint Statement and any additional reasoned opinions.

4. Jerini Shareholders' responsibility for their own review of the Offer

The Management Board and the Supervisory Board advise that the description of the Offer contained in this Joint Statement does not claim to be comprehensive, and that only the provisions of the Offer Document are authoritative regarding the contents, conditions and execution of the Offer. Each Jerini Shareholder is responsible for familiarising himself with and reviewing the Offer Document, taking all the circumstances into consideration, and taking all measures that are necessary for him. The Jerini Shareholders are responsible for the decisions they make in relation to the Offer.

Jerini Shareholders are urged to read the Offer Document as a matter of priority, since it contains important information for them.

The Offer Document is available on the internet at <http://www.shire.com> in German and in a non legally-binding English translation. Copies of the German language version of the Offer Document and its non legally-binding English translation can also be requested, free of charge, at Deutsche Bank AG (Junghofstrasse 5 – 9, 60311 Frankfurt am Main, Telefax: +49 (0) 69 910-38794, E-mail: dct.tender-offers@db.com).

II. INFORMATION ON THE TARGET COMPANY, THE BIDDER AND THE OFFER

1. Information on the target company

a) General Information

The target company, Jerini AG, is a German stock corporation with its corporate seat in Berlin, registered with the commercial register of the local court of Charlottenburg, Berlin, Germany. It is the parent company of the Jerini Group. The headquarters of Jerini AG is located at Invalidenstraße 130, 10115 Berlin, Germany.

Jerini AG focuses on the discovery, development and commercialisation of innovative peptide-based drugs. The Jerini Group develops drugs for disease indications that have limited or no treatment options. Alongside the development of its own active pharmaceutical ingredients, Jerini is party to cooperation agreements with established partner companies. The main product of Jerini AG is the drug Firazyr® (icatibant). On 11 July 2008, the European Commission gave marketing approval for Firazyr®. As a result, Firazyr® is the first product for the treatment of hereditary angioedema ("HAE") to be approved by the European Commission for marketing in all European countries and can be commercialised by Jerini AG in all member States of the European Union. The commercialisation of Firazyr® in certain important European countries is planned for the third quarter of 2008. Alongside the commercialisation of Firazyr®, the Jerini Group is engaged in research on various candidate compounds in the fields of ophthalmology, oncology and inflammation.

At the end of 2007, the Jerini Group consisted of Jerini AG as parent company and the subsidiaries Jerini US, Inc., JPT Peptide Technologies GmbH, JPT Peptide Technologies Inc., Jerini Ophthalmic Holding GmbH, Jerini Ophthalmic Inc., Jerini Beteiligungen GmbH, Jerini Holding Ltd. and Jerini Trading Ltd. As of 31 March 2008, the Jerini Group had a total of 170 employees.

At the time of publication of this Joint Statement, Jerini AG's registered share capital amounted to EUR 57,764,452, divided into 57,764,452 Jerini Shares. The actual current share capital is higher than the registered share capital shown in the commercial register, since holders of options to acquire shares in the Company under the stock option plans (see following sub-section c)) have continued to exercise their options. As of 31 July 2008, Jerini AG's share capital was EUR 58,936,297 divided into 58,936,297 Jerini Shares. The new Jerini Shares that arise as a result of the exercise of stock options will not be registered in the commercial register before January 2009.

The Jerini Shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) (*Regulierter Markt der Frankfurter Wertpapierbörse*) under ISIN DE0006787476 (WKN 678747). The Jerini Shares are traded there on the floor and on XETRA.

By a resolution of the shareholders' meeting dated 26 June 2008, the Management Board was authorised, until and including 25 December 2009, to acquire shares in the Company in the amount of up to 10% of the share capital existing on the date of the resolution, either through the stock exchange or through a public offer made to all Jerini Shareholders and, in certain circumstances and with the consent of the Supervisory Board, to exclude the Jerini Shareholders' pre-emption rights (*Andienungsrecht*) and subscription rights (*Bezugsrecht*) in relation to the purchase of the Company's own shares. Jerini AG currently does not hold own shares.

b) Authorised Capital

Subject to the consent of the Supervisory Board, the Management Board is authorised, until and including 26 June 2013, to increase the share capital of the Company by issuing up to 26,267,352 new bearer shares with no nominal value (*auf den Inhaber lautenden Stammaktien ohne Nennbetrag*) for cash or contribution in kind and, in certain circumstances to exclude the Jerini Shareholders' subscription rights ("**Authorised Capital 2005/II**").

c) Conditional capital and stock option plans

Jerini AG has five types of conditional capital.

Four types of conditional capital in total amounting to EUR 4,893,110 (Conditional Capital 2002/I in the amount of EUR 807,580, Conditional Capital 2005/I in the amount of EUR 1,109,864, Conditional Capital 2005/II in the amount of EUR 144,536 and Conditional Capital 2006/I in the amount of EUR 2,831,130) enable the issue of new Jerini Shares to members of the Management Board and employees of Jerini AG or to directors and employees of affiliated companies, upon the exercise of stock options.

As of 31 July 2008, subscription rights existed in relation to a total of 2,202,303 new Jerini Shares under the Company's four stock option plans. The following table summarises the subscription rights outstanding as of 31 July 2008:

	Number of stock options held by the Management Board	Number of stock options held by employees
Stock Option Plan 2002/2003	245,456	139,736
Strike price EUR 2.10	158,225	67,200
Strike price EUR 3.16	-	27,438
Strike price EUR 3.32	87,231	45,098
Stock Option Plan 2005-I	267,636	135,798
Strike Price EUR 1.00	267,636	135,798
Stock Option Plan 2005-II	-	101,488
Strike Price EUR 1.00	-	45,605
Strike Price EUR 3.20	-	55,883
Stock Option Plan 2006-I	1,000,000	312,189
Strike Price EUR 4.72	1,000,000	106,461
Strike Price EUR 3.68	-	9,084
Strike Price EUR 4.03	-	7,500
Strike Price EUR 3.86	-	189,144
Total	1,513,092	689,211
Total number of outstanding stock options		2,202,303

Out of the 2,203,303 stock options referred to above, up to 838,484 are exercisable in the period from 20 August until 9 September 2008. It is still possible for stock options to be exercised in accordance with the various applicable option conditions, in particular subject to target achievement (*Zielerreichung*). In the Business Combination Agreement, the Company has undertaken to the Bidder that it will not issue any further stock options.

The Bidder has irrevocably offered all holders of stock options, conditional upon the expiry of the Acceptance Period pursuant to Section 16 (1) WpÜG, to purchase the stock options for cash consideration of (before tax and social contributions) EUR 6.25 per stock option, less the current exercise price and subject to the current holders of the stock options waiving their rights to receive such exercise price ("**Cash Compensation Offer**"). Any voluntary or mandatory increases in the Offer Price of EUR 6.25 and any other claims under the WpÜG (in particular Section 31 (5) WpÜG) shall lead to a correspond-

ing increase in the level of the cash compensation. The Cash Compensation Offer can be accepted until 31 October 2008, inclusive. This obligation of the Bidder exists independent of the non-forfeiture or the possible expiry of the exercise period of each non-vested or non-cancelled stock option. The holders of stock options are not obligated to accept the Bidder's offer.

Alongside the four types of conditional capital referred to above, Jerini AG has a further grade of conditional capital in the amount of EUR 21,013,000 (Conditional Capital 2008/I), which serves the grant of conversion rights and option rights.

d) Selected financial information

The following selected financial information of Jerini AG prepared using IFRS (International Financial Reporting Standards) has been taken from the Consolidated Financial Statements as of 31 December 2007 and the Consolidated Interim Financial Statements for the six-month period ended 30 June 2008:

	Six months to 30 June 2008*	Financial year to 31 December 2007*	Business year to 31 December 2006*
Total revenues	5,322	18,614	13,124
Research and development expenses	13,184	29,337	23,185
Loss from operations before tax and finance costs (EBIT)	- 21,287	- 31,164	- 25,117
Net loss for the period or year, as applicable	- 20,492	- 29,058	- 22,909
Net cashflow from operating activities	- 19,395	- 26,462	- 27,962
Net cashflow from financing activities	- 100	- 568	516
Net change in cash and cash equivalents	- 20,145	- 28,059	- 29,879
Cash and cash equivalents at the end of the period or year, as applicable (Liquidity)	17,827	37,907	66,611
Total assets	25,432	45,771	76,040
Total shareholders' equity	12,504	32,495	60,836
Result per share, diluted and undiluted (EUR)	- 0.39	- 0.55	- 0.44
Share price (EUR)	3.5	2.99	3.70

* In EUR thousands (unless otherwise stated).

The group financial statements and Jerini AG's quarterly and bi-annual reports contain comprehensive financial information relating to the Company. These documents are available on Jerini AG's website, <http://www.jerini.de>, under the links "Investor Relations"/"Financial Reports".

2. Information about the Bidder

The Bidder is a German limited liability company (*Gesellschaft mit beschränkter Haftung*), with its corporate seat in Frankfurt am Main. It is registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 83326 and has a registered share capital (*Stammkapital*) of EUR 25.000. The Bidder's business address is Mainzer Landstraße 46, 60325 Frankfurt am Main, Germany. The Bidder was incorporated as a shelf company with articles of association dated 18 June 2008 and was registered in the commercial register on 25 June 2008. According to commercial register entries current as of 19 August 2008, the Bidder is represented by its directors James Bowling, Dr. Werner Foeller, Leonhard Terp and Sylvie Gregoire, each of whom is authorised to represent the Company individually. According to Section 5.5 of the Offer Document, the Bidder currently has no employees.

The objects of the Bidder (*Unternehmensgegenstand*) include the acquisition, holding and sale of shares in companies, especially in those companies whose object is the development, manufacture and distribution of chemical and biochemical products and active ingredients, and of pharmaceutical and diagnostic products, including all related business activities. According to statements in the Offer Document, the Bidder had, apart from Jerini AG and Jerini AG's subsidiaries, no subsidiaries at the time of publication of the Offer Document and had no operating business of its own.

Further information about the Bidder and Shire are found in Section 4.1 of the Offer Document.

3. Information about the Bidder's corporate structure and about the business activities of the Shire Group

According to statements in the Offer Document, the sole shareholder of the Bidder is Shire Pharmaceuticals Ireland Limited, a limited liability company incorporated under the laws of the Republic of Ireland, with its corporate seat in Dublin, Ireland and its business address at 5 Riverwalk, Citywest Business Campus, Dublin 24, Republic of Ireland. Shire Pharmaceuticals Ireland Limited has a registered share capital of EUR 89,813. The sole shareholder of Shire Pharmaceuticals Ireland Limited is Shire Pharmaceutical Holdings Ireland Limited, a limited liability company incorporated under the laws of the Republic of Ireland with its seat in Dublin, Ireland and its business address at 5 Riverwalk, City-

west Business Campus, Dublin 24, Republic of Ireland. According to the Offer Document, Shire Pharmaceutical Holdings Ireland Limited has a registered share capital of USD 59,932 and is a wholly-owned subsidiary of Shire.

Shire is a public company listed on the London Stock Exchange and NASDAQ. Shire is the holding company for the Shire Group, which is engaged in the research, development, manufacture, distribution and sale of specialist biopharmaceutical products, in particular niche products for diseases for which there are, as yet, no treatments. The Shire Group has a sales and marketing infrastructure with a broad portfolio of products and the possibility of direct marketing in, amongst others, the United States, Canada, the United Kingdom, the Republic of Ireland, France, Germany, Italy and Spain. The Shire Group also serves other important markets for pharmaceutical products indirectly through distributors. Shire Group has its principal operations in Basingstoke, United Kingdom, in Wayne, Pennsylvania, United States and Cambridge, Massachusetts, United States. The Shire Group has a total of approximately 3,500 employees. According to the Offer Document, Shire's total revenues for the year to 31 December 2007 according to US-GAAP amounted to approximately USD 2,436 million. According to statements in Shire's 2007 Annual Report, besides financing its operations during the last year using cash generated from its own business activities, Shire was mainly financed using loan facilities and private and public placements of equity and debt instruments.

Further details about the Bidder's shareholder structure, companies acting jointly with it and the Shire Group are found in Section 4.1 of the Offer Document.

4. Current shareholding and voting rights of the Bidder, persons acting jointly with the Bidder and subsidiaries of persons acting jointly with the Bidder

According to the Offer Document, the Bidder held a total of 47,724,761 Jerini Shares (corresponding to approximately 80.98% of the share capital of Jerini AG and of the voting rights of Jerini AG) at the time of approval of the publication of the Offer Document on 12 August 2008. According to the Offer Document, on 11 August 2008 the Bidder acquired further 67,500 Jerini Shares on the stock exchange, which were to be transferred to the Bidder on 13 August 2008.

After approval of the publication of the Offer Document, the Bidder acquired further Jerini Shares on the stock market and has announced such acquisitions in accordance with Sections 23 (2) and 14 (3) Sentence 1 WpÜG. As set out in a notification of the Bidder pursuant to Section 23 (2) WpÜG published on 19 August 2008, on 18 August 2008 the Bidder acquired 151,243 further Jerini Shares (representing approximately 0.26% of the share capital of Jerini AG and of the voting rights) on the stock market at a purchase price of EUR 6.25 per Jerini Share.

According to a notification of the Bidder pursuant to Section 23 (1) sentence 1 no. 1 WpÜG dated 20 August 2008, as of 20 August 2008, 16:00 hours, the Offer has been accepted for 529,608 Jerini Shares. This corresponds to approximately 0.90% of the registered share capital of Jerini AG and of the voting rights. According to this notification, as of 20 August 2008, 16:00 hours, the Bidder held 47,943,504 Jerini Shares, corresponding to approximately 81.35% of the registered share capital of Jerini AG and of the voting rights. The voting rights attaching to the abovementioned Jerini Shares are fully attributed to Shire Pharmaceuticals Ireland Limited, Shire Pharmaceutical Holdings Ireland Limited and Shire pursuant to Section 30 (1) sentence 1 no. 1 WpÜG. In addition, the Bidder has entered into an agreement on 7 August 2008 according to which it can demand transfer of 511,186 Jerini Shares at a purchase price of EUR 6.25 per Jerini Share (see below, Section III. 2. a)).

As set out in a notification of the Bidder pursuant to Section 23 (2) WpÜG published on 20 August 2008, on 19 August 2008 the Bidder acquired 18,135 further Jerini Shares (representing approximately 0.03% of the share capital of Jerini AG and of the voting rights) on the stock market at a purchase price of EUR 6.25 per Jerini Share. According to the notification, the transfer of these Jerini Shares has presumably completed on 21 August 2008.

5. Information about the Offer

a) Implementation of and significant rules applying to the Offer, acceptance period, conditions of the Offer and right of rescission

The Offer is a voluntary public takeover offer (cash offer (*Barangebot*)) to acquire all of the Jerini Shares. All Jerini Shareholders in Germany and abroad can accept the Offer on the terms and conditions set forth in the Offer Document and applicable laws. The Offer is governed by German law, in particular the provisions of the WpÜG.

The Bidder has offered to acquire all of the Jerini Shares for a cash purchase price of EUR 6.25 per Jerini Share (the "**Offer Price**"). No offer conditions apply to the Offer. The Bidder will therefore acquire all of the Jerini Shares in relation to which the Offer is accepted.

Jerini Shareholders may accept the Offer and tender their shares for sale from 13 August 2008 until 24:00 Central European Summer Time ("**CEST**") on 10 September 2008 (the "**Acceptance Period**").

The Acceptance Period will be extended automatically in the following circumstances:

- The Bidder may amend the Offer until one working day before the end of the Acceptance Period (i.e. until 24:00 CEST on 9 September 2008). In case of an amendment to the Offer pursuant to Section 21 WpÜG announced within two weeks before the end of the Acceptance Period, the Acceptance Period shall be extended by two weeks (Section 21 (5) WpÜG), i.e. until 24:00 CEST on 24 September 2008. This shall also apply if the amended Offer violates applicable laws.
- Should a third party submit a competing offer during the Acceptance Period ("**Competing Offer**"), and should the Acceptance Period for the Offer expire before the expiry of the acceptance period for the Competing Offer, then the duration of the Acceptance Period for the Offer shall be the same as the duration of the acceptance period for the Competing Offer (Section 22 (2) WpÜG). This shall also apply if the Competing Offer is amended or prohibited or violates applicable laws.
- Under Section 16 (3) WpÜG and without prejudice to the provisions of Sections 21 (5) and 22 (2) WpÜG, the Acceptance Period shall automatically last for ten weeks from the publication of the Offer Document should a shareholders' meeting of Jerini AG be called in connection with the Offer Document, after its publication but before expiry of the Acceptance Period. In these circumstances, the Acceptance Period would run until 24:00 CEST on 22 October 2008.

Those Jerini-Shareholders who have not accepted the Offer within the Acceptance Period may, under Section 16 (2) WpÜG, also accept the Offer within two weeks after the Bidder publishes the results of the Offer pursuant to Section 23 (1) Sentence 1 Number 2 WpÜG ("**Additional Acceptance Period**"). The Bidder has stated in the Offer Document that, unless the Acceptance Period is extended as described in the paragraphs above, the Additional Acceptance Period is expected to begin on 16 September 2008 and to end at 24:00 CEST on 29 September 2008.

A Jerini Shareholder who has accepted the Offer during the Acceptance Period, may rescind the acceptance of the Offer before the end of the Acceptance Period if the Offer is amended as defined in Section 21 WpÜG or if a Competing Offer is submitted provided, in both cases, that the Jerini Shareholder has accepted the Offer before the amendment of the offer or, as the case may be, before the offer document for the Competing Offer is published. Further details on the right of rescission can be found in Section 10 of the Offer Document.

Section 11 of the Offer Document describes what steps a Jerini Shareholder must take to accept the Offer. The legal consequences of accepting the Offer are also explained in Section 11 of the Offer Document.

The Bidder states in the Offer Document that it intends that Jerini Shares, in relation to which the Offer is accepted during the Offer Period, shall be admitted to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (Prime Standard) under ISIN DE000A0WMPL2 (WKN A0WMPL), which is expected to occur at the beginning of the Acceptance Period and to cease at the end of the Acceptance Period. According to the Offer Document, trading during the Additional Acceptance Period of Jerini Shares in relation to which the Offer has been accepted during the Offer Period is not intended.

According to statements in the Offer Document, the acceptance of the Offer through a custodian bank or financial services company, each with its corporate seat in Germany, should be, in principle, free of costs and expenses for Jerini Shareholders. The exceptions to this principle are the costs of the transmission of the acceptance declaration to the custodian bank or financial services company. Any costs imposed by custodian banks outside Germany and any foreign stock exchange turnover tax or stamp duty or other foreign taxes/expenses which may be incurred shall be borne by the respective Jerini Shareholder accepting the Offer.

Jerini Shareholders are directed to the Offer Document for further information and details (in particular details regarding the Acceptance Period and how to accept the Offer). The information set out above merely summarises information contained in the Offer Document and does not reproduce that information in full.

b) Background to the Offer

Until approval to market Firazyr® was granted in July 2008, Jerini AG had no products on the market. The Company achieved revenues mainly from services provided by its subsidiary, JPT Peptide Technologies GmbH. In the absence of sufficient revenues from the marketing of its own products and due to general administrative costs Jerini has produced recurring losses in the past.

Pharmaceutical companies have, in the past, expressed an interest to acquire licenses in the main product, Firazyr®, or to enter strategic partnerships with the Company. Amongst others, the first discussions between Jerini AG and Shire took place in April 2007.

Alongside research and development costs, costs related to the creation of a distribution network for the commercialisation of Firazyr® rose in the business year 2008. According to the Company's strategy, it was planned not only to secure consistent financing of its business operations, but also to become profitable during the course of 2010. Without additional capital in-flows, the Company's liquid funds would, however, have only been

sufficient until the end of 2008. The Company therefore examined various options for raising capital.

Four main possibilities came into consideration as options for raising additional capital:

- Full out-licensing of the main product, Firazyr®,
- debt financing,
- share capital increase, and
- sale of the company, as a whole, to a strategic partner.

At the beginning of 2008, the Management Board of Jerini AG, with the assistance of the investment bank Credit Suisse, carried out a competitive auction process as part of the search for a strategic partner. In the course of the auction process, the Company provided interested parties with information about Jerini AG and its products to enable them decide whether to submit a takeover offer. The information was provided by way of a data room, which was accessible after signing a confidentiality agreement, and by way of questions and answers. Interested parties were asked to submit, within a fixed period, concrete offers for the acquisition of all of the Jerini Shares. In June 2008, certain strategically interested parties gave written notice of their intention to submit a public takeover offer to the shareholders of the Company.

Jerini AG then entered negotiations with the interested parties regarding the terms of a strategic partnership. Three interested parties submitted concrete offers. The Bidder offered the most attractive offer, both in terms of purchase price and transaction security. On this basis, the Company and the Bidder entered into the Business Combination Agreement on 3 July 2008.

The Business Combination Agreement regulates, in particular, the parameters of the Offer and also contains information regarding the business strategy and intentions of the Bidder and Jerini AG regarding the Company's future business activities. Under the Business Combination Agreement, the Management Board of Jerini AG is obligated, subject to its duties and responsibilities under German law, in particular its duties of care and loyalty and its fiduciary duties, and provided that certain other requirements are fulfilled, to support the Bidder's Offer. The Business Combination Agreement also obligated the Bidder to acquire 5,229,747 new Jerini Shares, issued through an increase in share capital from the then current authorised share capital, for a cash issue price of EUR 4.00 per Jerini Share, i.e. for a total issue price of approximately EUR 21 million (for the current amount of the authorised share see above, Section II 1 b). The Bidder has already fulfilled this obligation. This increase in share capital serves as bridging financing for the Company pending completion of the Offer.

On 3 July 2008, the Bidder and Jerini AG also entered into a commercialization services agreement ("**Commercialization Services Agreement**"), under which Jerini AG shall obtain additional resources for its commercialization efforts. Under the terms of the agreement, Jerini AG and the Bidder shall, to the extent permitted by law, coordinate commercialization decisions until completion of the Offer. Under the Commercialization Services Agreement, the Bidder shall make available to Jerini AG employees with experience in pricing and reimbursement in the context of commercialization in Europe.

In an ad hoc announcement on 3 July 2008, the Management Board and Supervisory Board of Jerini AG stated that they would support the Bidder's Offer, subject to their duties and responsibilities under German Stock Corporation law (*Aktiengesetz*), other requirements of German takeover law and a review to be undertaken after the publication of the Offer Document. On 3 July 2008, the Bidder also published its decision to make a public takeover offer pursuant to Section 10 (1) Sentence 1 WpÜG.

c) **Alternative Transactions**

The Management Board of Jerini AG has not only made efforts in recent months to enter into a strategic partnership but has also, as it is required to do, considered possible alternative transactions to meet the Company's capital requirements, as mentioned above.

In parallel with negotiations with strategically interested parties, the Management Board prepared a share capital increase by way of a rights offering (*Bezugsrechtskapitalerhöhung*). In the opinion of the Management Board, a share capital increase raising at least EUR 25 million would have been necessary to achieve the profitability target.

Up until the conclusion of parallel negotiations with the Bidder regarding the strategic partnership, the achievable total volume of share capital increase was not clear. In the event of a placing in July 2008, the offer price would most likely have been in the region of the three months volume weighted average share price before the announcement of the Offer. This was, according to the Bidder on the basis of information provided by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*) on 17 July 2008 approximately EUR 2.13 per Jerini Share and was therefore significantly lower than the Offer Price of EUR 6.25 per Jerini Share. Had the share capital increase not raised at least EUR 25 million, the Company would have still required additional financing. In any case, a stand-alone share capital increase in accordance with the 10 % threshold of Section 186 (3) Section 4 AktG under exclusion of shareholders' subscription rights would not have covered the financing needs of Jerini AG.

The possible marketing of a rights offering in July 2008 presupposed that marketing approval for Firazyr® in the European Union would have been granted, at the latest, at the

beginning of July 2008. Marketing approval was, however, granted on 11 July 2008. The marketing of the rights offering would therefore have again become possible in the third quarter.

The Management Board examined further options for external financing. These included external financing secured against the transfer of the future turnover from Firazyr® product sales. Due to the high risks faced by the external finance providers, these external financing options would have carried a considerable interest payment burden for the Company, which would have reduced profitability. In addition, restructuring measures to reduce operating costs, for example the immediate suspension of cost-intensive research and development projects, or the sale of parts of the Company's business, could have been necessary. Pre-financing in the context of license agreements with a large pharmaceutical company, which was one of the options considered, would have involved out-licensing the main product Firazyr® and would probably have had negative effects on the share price.

On the basis of the strategic agreement with the Bidder and the consequent upstream share capital increase for a total issue price of approximately EUR 21 million, the short term financing requirements of Jerini AG are met. The Management Board and the Supervisory Board expect that the financial position of Jerini AG will be strengthened in the medium- and long-term as part of the Shire Group.

III. FORM AND AMOUNT OF THE CONSIDERATION OFFERED

1. Form and amount of consideration

The Bidder offers consideration in the amount of EUR 6.25 in cash per Jerini Share.

2. Statutory Minimum Price

To the extent that information available enables the Management Board and the Supervisory Board to carry out a review, the Offer Price for the Jerini Shares is in accordance with the provisions of Sections 3 *et seq.* of the Offer Regulation under the German Take-over Act (the "**Offer Regulation**") concerning the statutory minimum price which is determined according to the higher of the following thresholds:

a) Previous acquisitions

Pursuant to Section 31 (1) WpÜG and Section 4 Offer Regulation, the consideration for the shares of a target company must at least correspond to the value of the highest consideration for the acquisition of shares of that target company granted or agreed by the

Bidder or persons acting jointly with it within the meaning of Section 2 (5) of the Take-over Act or their subsidiaries, within the six months before the publication of the offer document.

On 3 July 2008, the Bidder subscribed for 5,229,747 new Jerini Shares issued through an increase in share capital from authorized capital, for an issue price of EUR 4.00 per Jerini Share (see above, Section II 5. b)).

The Bidder states in the Offer Document that, on 3 July 2008 it entered into share purchase and transfer agreements relating to a total of 27,918,042 Jerini Shares (representing approximately 47.37% of the share capital and voting rights of Jerini AG) with several shareholders of Jerini AG including the HealthCap Group, the TVM Group, the chairman of the Management Board Prof. Dr. Jens Schneider-Mergener and the Supervisory Board members Dr. Stephan Goetz and Dr. Karl-Gerhard Seifert ("**Package Acquisition Agreements**", (*Paketerwerbsverträge*)) (see Section 4.5 of the Offer Document). The purchase price was EUR 6.25 per Jerini Share in each case and therefore corresponds to the Offer Price. According to the Bidder, the Package Acquisition Agreements have recently completed. Prof. Dr. Jens Schneider-Mergener, Dr. Stephan Goetz and Dr. Karl-Gerhard Seifert are also required under side letters dated 3 July 2008, to, amongst other things, offer to sell and transfer to the Bidder, under the same conditions as in the above-mentioned share purchase and transfer agreement, all Jerini Shares held by them or to be held by them as of the date of their respective side letter, including any Jerini Shares that they acquire on the stock market or through the exercise of stock options (see below, Section IV 1. and 2.).

According to the Offer Document, on 8/9 July 2008 the Bidder also entered into share purchase and transfer agreements with relatives of Supervisory Board member Dr. Stephan Goetz, relating to the acquisition of a total of 825,073 Jerini Shares for a purchase price of EUR 6.25 per Jerini Share. According to the Bidder's statements, it also entered into share purchase and transfer agreements with Christoph Boehringer and CD-Venture GmbH on 17 July 2008 to acquire a total of 375,000 Jerini Shares, with IBB Beteiligungsgesellschaft on 24 July to acquire 372,401 Jerini Shares, and with UBS AG on 7 August 2008 to acquire a total of 511,186 Jerini Shares, in each case for a purchase price of EUR 6.25 per Jerini Share. According to the Bidder's statements in the Offer Document, these share purchase and transfer agreements have completed at the time of the publication of the Offer Document, except for the share purchase and transfer agreement with UBS AG.

The Bidder states in Section 4.5 of the Offer Document that, after the publication of the announcement pursuant to Section 10 WpÜG, it has acquired a total of 6,547,526 Jerini Shares on the stock exchange with a price-range of EUR 6.11 to EUR 6.25 (including

67,500 Jerini Shares transferred to the Bidder on 13 August 2008) and a total of 6,524,472 Jerini Shares outside the stock exchange, also with a price-range of EUR 6.11 to EUR 6.25. Section 4.5 of the Offer Document contains further details about these previous acquisitions.

After approval of publication of the Offer Document on 12 August 2008, the Bidder has, outside the Offer, acquired further Jerini Shares on the stock market at a price of EUR 6.25 per Jerini Share (see above, Section 4). According to the Offer Document, it is possible that the Bidder will, during the Acceptance Period and the Additional Acceptance Period, acquire or reach agreements to acquire further Jerini shares independently from the Offer.

The Bidder has also made a Cash Compensation Offer of EUR 6.25 per stock option to the holders of stock options, less the current exercise price (see above, Section II 1. c)).

The Management Board and the Supervisory Board are not aware of any other previous acquisitions made by the Bidder, or by persons acting jointly with it within the meaning of Section 2 (5) or their subsidiaries, that are relevant to the assessment of the consideration offered. The consideration offered by the Bidder for this reason fulfils the legal requirements of Section 31 (1) WpÜG and Section 4 Offer Regulation.

b) Market Prices

Pursuant to Section 5 Offer Regulation, in case of a takeover offer for shares admitted for trading on a German stock exchange, the consideration must correspond to at least the volume weighted average domestic stock exchange price of the shares during the three months before the publication of the decision to submit the offer.

On 3 July 2008, the Bidder published its decision to submit the Offer. The volume weighted average price of Jerini Shares during the three months before 3 July 2008 consisted, according to correspondence from the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*) dated 17 July 2008 as reported by the Bidder, EUR 2.13 per Jerini Share. The Offer Price exceeds this amount by EUR 4.12, in other words by approximately 193%.

3. Assessment of the Offer Price by the Management Board and the Supervisory Board

The Management Board and the Supervisory Board have considered the Offer Price in detail and regard it as reasonable. In particular, the Management Board and the Supervisory Board considered the following issues:

- The Offer Price complies with legal requirements and is therefore reasonable within the meaning of Section 31 (1) WpÜG. The Offer Price is 193% higher than the volume weighted average share price, within the meaning of Section 5 Offer Regulation, of EUR 2.13 per Jerini Share in the three months before publication, on 3 July 2008, of the decision to submit the Offer. The previous acquisitions described under Section III. 2. a) above of the Bidder do not give rise to an increase in the Offer Price pursuant to Section 31 (1) WpÜG and Section 4 Offer Regulation.
- The Offer Price is 188% higher than the volume weighted average share price of EUR 2.17 (XETRA electronic trading system) during the six month period ended 2 July 2008 (Source: Bloomberg).
- The Offer Price is 71% higher than the closing price (XETRA electronic trading system) for Jerini Shares of EUR 3.65 on 2 July 2008, the last stock exchange trading day before the publication of the Bidder's intention to submit the Offer (Source: Bloomberg).
- The Offer Price is 443% higher than the lowest closing price (XETRA electronic trading system) for Jerini Shares of EUR 1.15 during the twelve month period ended 2 July 2008 (Source: Bloomberg).
- The Offer Price is 71% higher than the highest closing price (XETRA electronic trading system) for Jerini Shares of EUR 3.65 during the twelve month period ended 12 July 2008 (Source: Bloomberg).
- The Management Board was in contact with various strategic investors during the auction process carried out as part of the search for a strategic partner. The Bidder offered the highest price, at EUR 6.25 per Jerini Share. In the opinion of the Management Board and the Supervisory Board, the Offer Price reflects the value that could be realised upon a successful commercialization of Firazyr®.

IV. OBJECTIVES OF THE BIDDER AND CONSEQUENCES FOR JERINI AG

1. Future Business Activities, Use of Assets, Future Liabilities and Domicile of Jerini AG

Following the recent completion of the acquisition agreements which were concluded as part of the previous acquisition process (*Vorerwerb*) (see above at Section III. 2. a.), Jerini AG is a subsidiary of the Bidder and therefore of the Shire Group. As agreed in the Business Combination Agreement, the Bidder and Jerini AG will take all steps necessary to implement the following strategy, to the extent permitted by law and consistent with the right and duties of their respective corporate bodies:

- (i) Firazyr® (icatibant) shall be commercialised for the treatment of HAE in Europe. In addition, the Bidder and its parent shall support reasonable efforts undertaken by Jerini AG in obtaining marketing approval of Firazyr® for the treatment of HAE in the United States and in commercialising Firazyr® in the United States.
- (ii) The Bidder and Jerini AG shall conduct a review of whether and, if necessary, how, the assets (i.e. mainly participations and development programs of Jerini AG) that are neither directly nor indirectly related to Firazyr® should be retained or disposed of. An appropriate continuation and integration concept shall be determined for such participations and development projects that, after the review, are regarded as strategic. Other participations and development projects, or parts thereof, shall as far as possible be disposed of or partnered. The current management of Jerini AG is entitled to submit offers in such circumstances. Neither Jerini AG nor the Bidder are, however, obligated by the Business Combination Agreement to accept such offers submitted by the current management or by third parties.

According to Section 5.4 of the Offer Document, the Bidder intends, as agreed in the Business Combination Agreement, that Jerini AG shall remain as a legally independent entity with its corporate seat in Berlin and as an operating company until possible structural measures. According to statements in the Offer Document, the future of the Company's smaller locations in the USA shall be decided upon following the above-mentioned strategic review.

According to Section 5.7 of the Offer Document, the company name of Jerini AG shall remain unchanged for the time being. The Bidder has, however, announced that the company name of Jerini AG could possibly be changed in the long-term subject to the out-

come of the strategic review. According to the Offer Document, the Bidder has no current intentions regarding the future obligations of Jerini AG.

2. Possible Structural Measures

The Bidder stated in the Offer Document, that it reserves the possibility of concluding a domination or profit and loss transfer agreement (*Beherrschungs- und/oder Gewinnabführungsvertrag*), or to carry out a merger, transformation/conversion or squeeze-out, insofar as it may consider such structural measures advantageous. The Bidder will consider, at its discretion, whether and when to enter into a domination and/or profit and loss transfer agreement pursuant Section 291 *et seq.* AktG with Jerini AG as a controlled entity. The Bidder may also consider other measures that would lead to the shareholders of Jerini AG receiving proportionate cash compensation (e.g. a merger, a transformation or a delisting).

As a result of share purchase agreements executed as part of the previous acquisition process, the Bidder already holds, before the completion of the Offer, more than 80% of the voting share capital of Jerini AG. The following sections provide an overview of structural measures that, according to the Offer Document, the Bidder will or could consider:

a) Domination or Profit and Loss Transfer Agreement

According to statements in the Offer Document, the Bidder will consider at its own discretion whether to conclude a domination and/or profit and loss transfer agreement. To be valid, a domination and/or profit and loss transfer agreement would require the consent of the shareholders' meeting of Jerini AG with a majority of at least three quarters of the share capital participating in voting on the resolution. A domination agreement is a contract under which a dependent undertaking submits to the control of a dominating undertaking. On the basis of a domination agreement, the Bidder would be entitled to issue binding instructions to the management board of Jerini AG and thereby control the management of the Company. A profit and loss transfer agreement is a contract under which an undertaking is obligated to transfer all of its profits to another undertaking. In the case of both a domination agreement and a profit and loss transfer agreement, the dominating undertaking is required to bear any losses of the dependent undertaking. A domination or profit and loss transfer agreement must provide for appropriate compensation for minority shareholders through recurring cash benefits. Upon a domination or profit and/or loss transfer agreement coming into force, the dominating undertaking, in this case the Bidder, is required to offer to purchase, within a certain period and for appropriate cash compensation, all shares belonging to the other shareholders. See sub-Section e), "Appropriate

Cash Compensation" regarding determination of the appropriate level of cash compensation.

b) Exclusion of Minority Shareholders ("Squeeze-out")

The Bidder could consider a "squeeze-out", as described below, i.e. the transfer of the shares of the remaining shareholders of Jerini AG to the main shareholder. A squeeze-out is possible under the following conditions:

- If, after completion of the Offer or at a later date, the Bidder holds 95% or more of the share capital of Jerini AG, it may, under Section 327 *et seq.* AktG, bring about a resolution of the shareholders' meeting of Jerini AG requiring any shares in Jerini AG still held by minority shareholders to be transferred to the Bidder in return for appropriate cash compensation. The stock exchange listing of Jerini AG would terminate upon the completion of a squeeze-out. See sub-Section e), "Appropriate Cash Compensation" below, regarding determination of the appropriate level of cash compensation.
- If, after the Offer, the Bidder holds 95% or more of the share capital of Jerini AG it may, within three months of the expiry of the Acceptance Period, apply to the District Court of Frankfurt am Main (*Landgericht Frankfurt am Main*) under Section 39a *et seq.* WpÜG for a court order requiring the outstanding shares to be transferred to the Bidder for appropriate compensation (so-called "squeeze-out under takeover law" (*übernahmerechtlicher Squeeze-out*)). This procedure enables a squeeze-out to take place without a resolution of the shareholders' meeting. The Offer Price in the amount of EUR 6.25 per Jerini share would be irrefutably presumed by law to be appropriate if, as a result of the Offer, the Bidder acquires at least 90% of the share capital to which the Offer applies. Should the Bidder become entitled to make an application under Section 39a *et seq.* WpÜG, Jerini shareholders who have not accepted the Offer would have put-options (*Andienungsrecht*) vis-a-vis the Bidder under Section 39c WpÜG.

c) Measures under Transformation Law (Umwandlungsrechtliche Maßnahmen)

As a result of the share purchase agreements already executed and completed as part of the previous acquisition process, the Bidder is in a position to initiate measures under the Transformation Act (*Umwandlungsgesetz*) which, to be resolved upon and implemented, require the consent of 75% of the share capital represented in a resolution of the shareholders' meeting. As such, the Bidder may resolve to change Jerini AG's corporate form to a private limited company (*GmbH*) pursuant to Section 190 *et seq.*, Section 226 *et seq.* and Section 238 *et seq.* of the Transformation Act, or to merge (*verschmelzen*) Jerini AG

into a non-listed capital corporation (*Kapitalgesellschaft*) under Section 2 *et seq.* and Section 60 *et seq.* of the Transformation Act. As part of such measures, the minority shareholders could demand to exit from Jerini AG for appropriate cash compensation, in which case Jerini AG's stock exchange listing would terminate. See sub-Section e), "Appropriate Cash Compensation" below, regarding determination of the appropriate level of cash compensation.

d) Delisting

The Bidder could consider whether to work towards a delisting, i.e. the withdrawal of Jerini AG from the stock market. Should permission for Jerini's shares to be listed on the German stock exchanges be withdrawn at the request of the Company (so-called "standard delisting" (*reguläres Delisting*)), an offer must be submitted to all outstanding Jerini shareholders to acquire their shares for appropriate cash compensation within a certain period. See sub-Section e), "Appropriate Cash Compensation" below, regarding determination of the appropriate level of cash compensation.

Besides a standard delisting, circumstances arising from the measures described under b) and c) above could lead to the termination of Jerini AG's listing by operation of law because either – as in the case of a squeeze-out – liquidity in Jerini shares no longer exists or – as in the case of transformation or change of corporate form – Jerini AG no longer exists as an issuer of shares.

e) Appropriate Cash Compensation ("Angemessene Barabfindung")

Should appropriate cash compensation become payable because of any of the measures described above, its amount, except in case of a squeeze-out under takeover law where the Offer Price may be deemed to be appropriate, shall be determined on the basis of Jerini AG's value as a going concern at the legally relevant time for the structural measure in question. Except in case of a delisting or a squeeze-out under takeover law, the appropriate level of cash compensation shall be assessed by an expert selected and appointed by the court.

Should the Bidder propose any of the structural measures described above, the corporate organs of Jerini AG would consider such measures on the basis of the circumstances existing at the time and with regard to laws applicable to securities and the capital markets. The Management Board and the Supervisory Board advise that, in the scenarios described above, the appropriate level of cash compensation is usually determined based on the value of the company's future capitalized earnings (*Ertragswert*), using principles (IDW S 1) published by the German Institute of Public Auditors (*Institut der Wirtschaftsprüfer in Deutschland e.V.*), under which the stock price at the legally relevant time is regarded

as the minimum level of cash compensation. There is some disagreement in case law and in the legal literature about the particulars of determining the relevant stock price.

The Management Board and the Supervisory Board have not carried out a company valuation under IDW S 1 in connection with the Offer. Possible synergies that, in the opinion of the Management Board and the Supervisory Board are reflected in the Offer Price, would not be considered as part of such a valuation. Such a valuation carried out at this point in time would also be of limited relevance regarding any possible future cash compensation because the stock price and the parameters used for the company valuation change over time.

3. Members of the Management Board and Supervisory Board of Jerini AG

Following the Bidder's acquisition of more than 50% of the share capital of Jerini AG, all members of the Management Board have given notice to terminate their employment with effect from 30 November 2008, consistent with the terms of the Business Combination Agreement and their contracts of employment, by exercising their special right to terminate on a change of control. The Offer Document contains no statements regarding Management Board members to be appointed.

According to the articles of association, the supervisory board of Jerini AG consists of six members, Dr. Karl-Gerhard Seifert (chairman), Dr. Hubert Birner (vice chairman), Dr. Stephan Goetz, Zsolt Lavotha, Dr. Björn Odlander and Prof. Dr. Dr. h.c. Günter Stock. The supervisory board does not include any employee representatives. The Bidder is not currently represented on the supervisory board.

Consistent with the terms of the Business Combination Agreement, the supervisory board members Dr. Hubert Birner, Dr. Stephan Goetz and Dr. Björn Odlander have resigned from their positions with effect from the end of 5 September 2008, following the Bidder's acquisition of more than 50% of the share capital of Jerini AG. In the context of these resignations, Jerini AG applied to the Local Court of Berlin-Charlottenburg (*Amtsgericht Berlin-Charlottenburg*) on 20 August 2008, for the court to appoint the following new Supervisory Board members to replace Dr. Hubert Birner, Dr. Stephan Goetz and Dr. Björn Odlander:

- Dr. Sylvie Gregoire, President of Shire Human Genetics Therapies and a director of various companies of the Shire Group, including the Bidder;
- Graham Hetherington, Chief Financial Officer of Shire and a director of a further company of the Shire Group;

- Tatjana May, General Counsel and Company Secretary of Shire and a director or the company secretary of various companies of the Shire Group.

The supervisory board members Dr. Karl-Gerhard Seifert, Zsolt Lavotha and Prof. Dr. Dr. h.c. Günter Stock also intend to resign on the earliest date legally possible following completion of the Offer.

According to statements in the Offer Document, the Bidder intends to propose to reduce the number of supervisory board members after completion of the Offer. The Bidder considers to increase the number of Management Board members during a transition phase and to reduce it in the following.

4. Financing of the Offer

The Bidder stated in the Offer Document that it has taken all necessary measures to ensure that it will have the necessary funds available to it when the consideration for the Offer is due.

According to the Offer Document, Shire Group has sufficient cash exceeding the amount of EUR 84.3 million necessary to finance the Offer. Furthermore, on 7 August 2008, Shire arranged a committed term facility with The Royal Bank of Scotland plc. According to the Bidder, the agreed facility exceeds the amount required for the Offer. Shire and the Bidder have agreed that the Bidder may draw down funds in Shire's name under this committed term facility. According to statements in the Offer Document, the Bidder does not, however, intend to use this credit facility, but intends to take a shareholder loan in the sum of the amount necessary to finance the Offer.

The Bidder has provided the financial confirmation required by Section 13 (1) Sentence 2 WpÜG. The Royal Bank of Scotland, Frankfurt am Main Branch Office, Germany, with its corporate seat in Edinburgh, Scotland and which, according to the Bidder is a securities services company independent from the Bidder, confirmed in a letter dated 7 August 2008 pursuant to Section 13 (1) Sentence 2 WpÜG, that the Bidder has taken the necessary measures to ensure that it will have the necessary funds available to it when the consideration for the Offer becomes due. This financing document is attached as Annex 3 to the Offer Document.

Section 9 of the Offer Document contains information on the expected effects of a successful Offer on the assets, financial position and earnings of the Bidder and the entities that control it.

5. Effects on dividends

Jerini AG has paid no dividends until now. The effects of the Offer on Jerini AG's future dividend policy cannot be predicted at present. It cannot be predicted whether the Company will distribute dividends in the future. The Bidder discloses in the Offer Document that its income from business operations will consist mainly of dividend payments from Jerini AG, but that it, however, does not expect dividend payments in the near future.

6. Opinion of the Management Board and the Supervisory Board on the objectives of the Bidder and of the prospective effects on Jerini

The Management Board and the Supervisory Board support the Bidder's participation in Jerini AG. They are of the opinion that, through the participation of the Bidder, the business strategy of Jerini can be supported in the best interests of the Company, the shareholders and the employees. The participation of the Bidder and the consequent indirect participation of the Shire Group ensures that Jerini AG will have access to the funds necessary for the commercialisation of Firazyr®.

In the opinion of the Management Board and the Supervisory Board, the Shire Group is the ideal partner to ensure and promote the successful commercialisation of Firazyr® in Europe and to obtain marketing approval in the United States. The commercialisation of Firazyr® and its marketing approval in the United States can benefit from the global infrastructure of the Shire Group, from its specialist teams in sales and marketing and pharmaceutical regulation and from its significant know-how in particular in relation to niche products for diseases for which there are currently limited or no treatment options – as is the case for Firazyr®. Furthermore, the commercialisation process can benefit from the financial support of the Shire Group, which will be made possible through the access that the Shire Group has to financing options, in particular cash generated by its business operations, loan facilities and the capital markets. Through its participation, Jerini AG will obtain access to the Shire Group's expertise regarding pharmaceutical approval in the United States and its specialised knowledge of the treatment of rare diseases. The Shire Group could, furthermore, support the Company in the possible future commercialisation of Firazyr® in further markets.

The Management Board and the Supervisory Board welcome the Bidder's willingness, as agreed in the Business Combination Agreement, to conduct a joint strategic review with Jerini AG of those of Jerini AG's participations and development projects which neither directly nor indirectly relate to Firazyr®. Should the Shire Group wish to continue any of these development projects following the strategic review, Jerini AG could gain further future benefits from the participation of the Shire Group, in particular through the financial support necessary for such development projects. Such participations and develop-

ment projects could, however, for instance be divested or partnered as a result of the strategic review. In such circumstances, the redundancy or relocation of employees may be unavoidable. The Management Board and the Supervisory Board welcome the Bidder's willingness to assist in determining a plan for each employee in conjunction with the strategic review, and to endeavour to ensure that affected employees find future employment with an acquirer or partner (see Section V, immediately below).

V. EFFECTS ON THE EMPLOYEES OF JERINI AG

1. Effects on employees and employee representation, terms of employment and on company sites of Jerini AG

The completion of the Offer will not affect the contracts of employment of employees of the Jerini Group and the terms of employment. The contracts of employment will continue to exist with the same employer; a transfer of undertakings (*Betriebsübergang*) will not occur upon completion of the Offer. The contents of the contracts of employment of employees in Germany and abroad will remain unchanged.

It is, however, possible that, as a result of the strategic review (see above, Section IV, 1. (ii)), participations and development projects of Jerini AG will, for instance, be divested or partnered. In such circumstances, the redundancy or relocation of employees, in particular in as yet unprofitable sectors, may be unavoidable. With this in mind, the Management Board and the Supervisory Board assume that such downstream measures could have a not insignificant effect on the employment status and terms of employment of the employees of the Jerini Group.

As agreed in the Business Combination Agreement, the Bidder and Jerini AG will, after full implementation of the Offer, determine a plan for each employee of Jerini AG using the procedure set out in Section IV 1. (ii). Employees will be treated fairly and will be informed of such plans in a timely manner. Insofar as assets and development projects that neither directly nor indirectly relate to Firazyr® are divested, partnered or otherwise dealt with, the Bidder and Jerini AG will use reasonable efforts, in compliance with applicable laws, to transfer any affected employees to the acquiring or, as the case may be, partnering entity. To the extent that development projects are discontinued or it is not possible for employees to be transferred as part of any divestment or partnering agreement, the Company will provide each affected employee with a reasonable notice period and a severance agreement providing for a severance payment of one month's salary for each year of employment. Notwithstanding the above, any severance payment shall be at least equal to six months' salary.

There is no existing employee representation in the Jerini Group nor are there employee representatives on the Supervisory Board of Jerini AG.

According to Section 5.4 of the Offer Document, the Bidder intends, as agreed in the Business Combination Agreement, that Jerini AG shall remain as a legally independent entity with its corporate seat in Berlin and as an operating company until possible structural measures. According to statements in the Offer Document, the future of the Company's smaller locations in the USA shall be decided upon following the above-mentioned strategic review.

2. Effects on existing stock option plans

The Bidder agreed to offer to all holders of share options, without regard to the expiry of waiting and vesting periods, a cash compensation offer in the amount of the difference between the Offer Price of EUR 6.25 and the current exercise price of the respective stock options (see above, Section II. 1. c)).

Insofar as holders of stock options do not wish to accept the cash compensation offer, it should be considered that possible measures that the Bidder may choose to introduce after completion of the Offer could have positive or negative effects on the market price of Jerini Shares. In turn, this could simultaneously effect the value of stock options held under the existing stock option plans (see above, Section II. 1. c)). The effects of the completion of the Offer on Jerini's share price and therefore on the value of stock options cannot be predicted.

3. Opinion of the employees of Jerini AG

The Management Board has forwarded the Offer Document to the employees of Jerini AG. At the time of the release of this Joint Statement, the Management Board has received no reasoned opinion from the employees regarding the Offer.

VI. INTERESTS OF THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

1. Specific interests of members of the Management Board

At the time of publication of this Joint Statement, members of the Management Board hold no Jerini Shares.

On 3 July 2008, the Bidder entered into a share purchase and transfer agreement with the chairman of the Management Board, Prof. Dr. Jens Schneider-Mergener, to acquire, for a

purchase price of EUR 6.25 per Jerini Share, the Jerini Shares owned by him (see above, Section III. 2. a)). The agreement has recently completed. A side letter dated 3 July 2008 also prohibits Prof. Dr. Jens Schneider-Mergener, from 3 July 2008 until the expiry of one year from the publication under Section 23 (2) Sentence 1 Number 2 WpÜG, from acquiring, directly or indirectly, Jerini Shares or other rights, including voting rights, over Jerini Shares for consideration higher than the Offer Price. Prof. Dr. Jens Schneider Mergener is also obligated to offer to sell and transfer to the Bidder, under the same conditions as under the abovementioned share purchase and transfer agreement, all of the Jerini Shares that he held on the date of the side letter or will hold in the future, including Jerini Shares acquired on the market or through the exercise of stock options.

As of 31 July 2008, members of the Management Board hold a total of 1,513,092 stock options entitling them to acquire Jerini Shares. Insofar as any Management Board member holds stock options that have not yet been forfeited or terminated, the relevant Management Board member intends to waive his rights under the stock options in exchange for the cash compensation offered by the Bidder. In addition, in August 2008 the members of the Management Board Berndt Modig and Dr. Adolf Hoess entered into side letters with the Bidder according to which they undertook not to exercise any of their stock options during the next exercise period.

Members of the Management Board – among them the chairman of the Management Board Prof. Dr. Jens Schneider-Mergener – may consider to make an offer for the acquisition of such development programs of Jerini AG that will be discontinued after the strategic review and to continue such development projects through a new company (see above, Section IV. 1 (ii)).

2. Specific interests of members of the Supervisory Board

At the time of publication of this Joint Statement, the members of the Supervisory Board hold no Jerini Shares.

On 3 July 2008, the Bidder entered into share purchase and transfer agreements with the Supervisory Board members Dr. Stephan Goetz and Dr. Karl-Gerhard Seifert to acquire the Jerini Shares owned by them for a purchase price of EUR 6.25 per Jerini Share (see above, Section III. 2. a). These agreements have recently completed. The same Supervisory Board members entered into side letters with the Bidder on 3 July 2008, that are substantively the same as the side letter between the Bidder and the chairman of the Management Board Prof. Dr. Jens Schneider-Mergener (see above, Section VI. 1.).

3. Agreements with individual members of the Management Board or the Supervisory Board

Except for the share purchase and transfer agreements and side letters referred to in Sections VI. 1. and 2., neither the Bidder nor persons acting jointly with the Bidder have entered into agreements with individual members of either the Management Board or the Supervisory Board.

The contracts of employment of the Management Board members contain provisions granting special termination rights and the right to receive financial compensation in case of a change of control of Jerini AG. Consistent with the terms of the Business Combination Agreement, all members of the Management Board have exercised their special termination rights and have given notice to terminate their contracts of employment with effect from 30 November 2008. Under the contracts of employment, the members of the Management Board are entitled to payment of the remuneration due to them for the remaining term of their contracts of employment, i.e. until 31 October 2011. For these purposes, the fixed salary paid at the date of termination and the average management bonus (*Tantieme*) paid over the last two business years shall be used. All payments will be subject to a global reduction (*pauschale Berücksichtigung*) of 10% for deductions related to other earnings (*Anrechnung anderweitiger Einkünfte*) and discounting (*Abzinsung*). The payments shall become due on the date of termination. Insofar as is permissible under the relevant stock option plan, stock options shall be exercisable until the date of termination. The Bidder has undertaken, to the extent permitted by law, to ensure that Jerini AG accepts the notices of termination and honours its obligations under the contracts of employment that apply in case of a change of control, in particular the payment obligations.

4. No monetary benefits or other benefits of monetary value in connection with the Offer

No member of the Management Board or the Supervisory Board has been granted monetary benefits or other benefits of monetary value in connection with the Offer by the Bidder or by persons acting jointly with the Bidder, nor is the accrual of such benefits to members of Management Board or the Supervisory Board contemplated.

VII. EFFECTS ON THE JERINI SHAREHOLDERS

The following information is intended to assist the Jerini Shareholders in their assessment of the consequences of accepting or rejecting the Offer. The information set out below includes certain factors that the Management Board and Supervisory Board consider to be relevant to such an assessment, but does not purport to be a comprehensive list of factors that a Jerini Shareholder could possibly regard as relevant. Jerini Shareholders must reach their own decisions after considering their personal circumstances. In this respect, the Management Board and Supervisory Board recommend that Jerini Shareholders obtain advice from their own financial, legal and taxation advisers.

Furthermore, the Management Board and the Supervisory Board observe that they are not able to assess the likely taxation-related consequences of the Offer for individual Jerini Shareholders, including the question of whether acceptance or rejection of the Offer will lead to taxation-related disadvantages for Jerini Shareholders (in particular regarding capital gains taxation consequences (*die Steuerpflicht eines Veräußerungsgewinns*)). The Management Board and the Supervisory Board recommend that Jerini Shareholders obtain taxation advice specific to their personal taxation position before deciding whether to accept the Offer.

1. Possible negative effects for Jerini Shareholders who accept the Offer

Jerini Shareholders who accept the Offer will no longer be Jerini Shareholders. They should consider the following:

- Jerini Shareholders who accept the offer will no longer benefit from any favourable development of the Company's business or from the favourable development of the Company's share price.
- The Jerini Shares tendered for sale can be further traded. The trading volume of Jerini Shares tendered for sale could be low and could lead to significant fluctuations in the trading price of Jerini Shares tendered for sale.
- Jerini Shareholders are only able to rescind their acceptance of the Offer under the conditions set out in Section 10 of the Offer Document.
- If the Bidder, or persons acting jointly with it and their subsidiaries, acquire Jerini Shares through an off-stock exchange purchase for granted or agreed consideration of higher than the value of the Offer Price, within one year of the publication of the total number of voting rights held by them after the expiry of the Acceptance Period (Section 23 (1) Sentence 1 Number 2 WpÜG), the Bidder shall be obligated to pay

compensation in the amount of the difference in consideration (*Nachbesserung*) ("**Rectification**"). Claims for Rectification do not arise in case of purchases over the stock exchange. After the expiry of one year from the publication pursuant to Section 23 (1) Sentence 1 Number 2 WpÜG, Rectification claims of former Jerini Shareholders who have accepted the Offer will no longer arise in circumstances under which the Bidder were to acquire Jerini Shares for a price higher than the Offer Price.

- In case of certain structural measures, certain compensation payments may become due to the minority shareholders under statutory law or as a result of established case law. This applies in particular to the conclusion of a domination or profit and loss transfer agreement, a delisting, a squeeze-out or a corporate transformation. Such a compensation payment will, in principle, be determined according to the value of the business at the legally authoritative point in time for the relevant structural measure and will be subject to examination by the courts. The compensation payment could be higher or lower than the Offer Price of EUR 6.25. Insofar as such structural measures are implemented after completion of the Offer, Jerini Shareholders who have tendered their Jerini Shares for sale are not entitled to claim such compensation payments or any other additional payments. This would also apply should the compensation payments be higher than the Offer Price.

2. Possible negative effects for Jerini Shareholders who do not accept the Offer

Jerini Shareholders who intend not to accept the offer will remain as Jerini Shareholders. They should consider the following:

- As set out in Section 5.6 of the Offer Document, the Bidder will consider at its own discretion entering into a domination and/or profit and loss transfer agreement with Jerini AG after the successful implementation of the Offer. Should a domination agreement between the Bidder as the dominant undertaking and Jerini as the controlled undertaking be concluded, the Bidder would be entitled to issue binding instructions to the Management Board regarding the management of Jerini AG. Jerini would be required to transfer all of its profits to the Bidder on the basis of a profit and loss transfer agreement.
- As set out in Section 5.6 of the Offer Document, the Bidder could consider carrying out a "squeeze-out" after completion of the Offer, provided it holds at least 95% of the share capital of Jerini AG. Should the Bidder, as set out in Section 5.6 of the Offer Document, own shares representing at least 95% of the share capital of Jerini AG after completion of the Offer, it would be entitled under Section 39a WpÜG to carry out a so-called "squeeze-out under takeover law" (*übernahmerechtlicher*

Squeeze-out) within three months after the expiry of the Acceptance Period, by applying to the District Court (*Landgericht*) of Frankfurt am Main for a court order requiring the transfer of all outstanding shares to the Bidder against payment of appropriate compensation. A resolution of the shareholders' meeting is not necessary in case of a squeeze-out under takeover law. Should the Bidder be in a position to apply for a squeeze-out under takeover law under Section 39a WpÜG, Jerini Shareholders who have not accepted the Offer are entitled to preemption rights (*Andienungsrechte*) vis-à-vis the Bidder under Section 39c WpÜG.

- As set out in Section 5.6 of the Offer Document, the Bidder could consider delisting Jerini AG after completion of the Offer. Should Jerini be delisted after completion of the Offer, there would no longer be a public market for the trade of Jerini Shares.
- The Bidder controls more than 75% of the Jerini Shares and therefore, subject to certain restrictions, has the necessary qualified majority to pass important company law-related structural measures at the shareholders' meeting of Jerini AG. These include the corporate transformation and merger measures suggested by the Bidder in Section 5.6 of the Offer Document. The same applies for amendments to the articles of association or the dissolution of Jerini AG (including dissolution by transfer (*übertragende Auflösung*)). In case of certain of the abovementioned measures, the Bidder would be required by German law to offer to purchase the shares owned by the minority shareholders for appropriate compensation, based on a valuation of the business of Jerini AG. Since the valuation of the business would have to be carried out on the basis of the circumstances existing at the time of the resolution of the shareholders' meeting of Jerini AG on the measure in question, and would have to take into account the lower limit of the share price applicable at that time, the compensation offer could correspond in value to the Offer Price, or could turn out to be higher or lower than it.
- Should the Jerini Shares continue to be traded on a German stock exchange, the acquisition of Jerini Shares under the Offer could reduce significantly the number of Jerini Shareholders. It cannot be excluded that, after completion of the Offer, the number of widely held Jerini Shares could be so low that the Jerini Shares are traded in low volumes, or even not at all. The consequences of this could be that sale or purchase orders (*Verkaufs- oder Kaufaufträge*) could no longer be fulfilled in a timely manner or at all. Furthermore, the reduced liquidity of the Jerini Shares could lead to lower market prices and greater price valuations than in the past.
- It cannot be excluded that the Bidder may intend for Jerini AG to apply for the revocation of its admission to the sub-segment of the regulated market with obligations contingent on admission (*Untersegment des Regulierten Marktes mit Zulas-*

sungsfolgepflichten (Prime Standard)). The revocation of its admission would have the consequence that the Company would no longer be required to comply with the obligations contingent on admission to the Prime Standard, such as the production of quarterly reports in German and English, the publication of a financial calendar (*Finanzkalender*), holding at least one analyst conference per year and the requirement to make ad hoc announcements in English.

- The current share price of the Jerini Shares reflects the fact that the Bidder, on 3 July 2008, published its decision to submit the Offer. It is uncertain whether the price of Jerini Shares will remain at this level after the expiry of the Acceptance Period or whether the price will rise above or fall below it.

VIII. INTENTION OF THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD TO ACCEPT THE OFFER

At the time of publication of this Joint Statement, the members of the Management Board and the members of the Supervisory Board hold no Jerini Shares. The chairman of the Management Board Prof. Dr. Jens Schneider-Mergener and the Supervisory Board Members Dr. Stephan Goetz und Dr. Karl-Gerhard Seifert have sold their Jerini Shares to the Bidder at a purchase price of EUR 6.25 per Jerini Shares (see above Section III. 2. a) and Sections VI. 1. and 2).. See above at Section VI. 1 regarding the intentions of the members of the Management Board and in relation to the stock options still held by them.

IX. RECOMMENDATION

1. Recommendation of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board regard the purchase price offered by the Bidder of EUR 6.25 per Jerini Share as reasonable. The Offer Price includes a significant premium of approximately 193% above the volume weighted average price of EUR 2.13 per Jerini Share during the last three months before the submission of the Offer that, according to the Offer Document, was communicated by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*) to the Bidder on 17 July 2008.

The Management Board and the Supervisory Board consider that the implementation of the targets, strategies and intentions of the Bidder as set out in the Offer Document will be beneficial overall.

The Management Board and the Supervisory Board therefore recommend that Jerini Shareholders accept the Offer.

Each Jerini Shareholder should, nonetheless, reach an independent decision after considering all of the circumstances, his individual circumstances and investment strategy and his personal assessment of possible future developments in the value and market price of Jerini Shares. In this context, the Management Board and the Supervisory Board point out that a divestment of Jerini Shares independent of the Offer, for example over the stock exchange, is possible instead of accepting the Offer. Each shareholder should also reach an independent decision on this matter, having considered the advantages and disadvantages that could arise from him, as an individual shareholder, accepting the Offer at this particular time.

Subject to applicable laws, the Management Board and the Supervisory Board bear no responsibility should acceptance or non-acceptance of the Offer lead, with hindsight, to negative economic consequences for a Jerini Shareholder. Furthermore, the Management Board and the Supervisory Board make no assessment of whether, in relation to the determination of the amount of any possible future consideration payable, for example in connection with the conclusion of a domination or profit and loss transfer agreement, a delisting, a squeeze-out or a transformation, potentially higher or lower amounts than that offered by the Bidder for Jerini Shares will be set, in respect to which Jerini Shareholders who accept the Offer will have no claim.

2. Basis for the Joint Statement

The Management Board and the Supervisory Board have paid particular attention to the following factors in connection with the Joint Statement given above:

- The type and amount of the consideration offered by the Bidder (see Section III.).
- The fact that the Offer Price includes a premium of 193% over the volume weighted average price of Jerini Shares during the last three months before the publication of the decision to submit the Offer (see Section III. 2. b.)), and was determined within a competitive auction process (see Section II. 5. b) and c)).
- The aims pursued by the Bidder and their probable effects on Jerini AG (see Section IV.).

The Management Board and the Supervisory Board do not regard it as practicable to assess, weigh or attach any other relative importance to any of the particular individual factors that they have considered. The Management Board and the Supervisory Board have therefore not done so. The Management Board and the Supervisory Board prefer to base

their Joint Statement on the entirety of the information put before and considered by them. In doing so, it is possible that the individual members of the Management Board or the Supervisory Board attach different weight to the various factors.

Berlin, 22 August 2008

Jerini Aktiengesellschaft

The Management Board

The Supervisory Board