

**Merrion Pharmaceuticals plc**  
**Interim Results for the six months ended 30 June 2008**

**Dublin, Ireland 12 September 2008**

Merrion Pharmaceuticals plc, (“Merrion” or the “Company”) (IEX: MERR) an international specialty pharmaceutical company, announced today its interim results for the six month period ended 30 June 2008.

**Operating highlights**

- Merrion recently announced the next stage of its drug delivery research collaboration programme with Novo Nordisk. This follows on from the successful completion of several oral feasibility studies combining Merrion's Gastrointestinal Permeation Enhancement Technology (GIPET) oral drug delivery technology with Novo Nordisk compounds. In continuation of this collaboration, Merrion has completed the development of solid dosage forms with GIPET for additional testing. The majority of the revenue recognised during the first six months of the year has been generated by this collaboration.
- Continued progress with recruitment for the Phase II studies on MER 101, an oral bisphosphonate for oncology indications. This product has recently been renamed ‘ORAZOL’.
- Positive results following the completion of preclinical evaluations of MER 102, our product for deep vein thrombosis.
- Positive results from recent preclinical studies of MER 104, which provides further evidence of our ability to develop an oral GnRH antagonist.
- Merrion has strengthened the management team with the addition of Dr. John Fox as Chief Development Officer has appointed Mr Patrick O’Sullivan as Deputy Chairman.

**Financial Highlights**

- Revenues of €354,000 compared to €13,000 in the same period of the previous year.
- Net loss of €2,173,000 compared to €4,872,000 in the same period of the previous year.
- Research and development expenses of €1,679,000 (2007: €1,600,000)
- Administration expenses of €936,000 (2007: €649,000).
- Net finance income of €154,000 compared to a net finance expense of €2,636,000 for the same period in the prior year.
- Loss per ordinary share of €0.13 (2007: €0.70)
- Cash and cash equivalents of €7,452,000 compared to €10,870,000 at 31 December 2007.

Commenting on the interim results, John Lynch, Chief Executive Officer said:

‘We are pleased to report the continuation of our partner program with Novo Nordisk following the success of initial studies. We are also pleased to report continued progress on recruitment for our Phase II study for Orazol and positive results from our preclinical trials on MER 102 and MER 104 during the first half of 2008. This progress keeps us on track to achieve our operational and commercial goals for the year.’

## Outlook

Commenting further on the outlook for the remainder of 2008, John Lynch added:

'In the short term we are very focused on completing our Orazol Phase II clinical trial and our Novo Nordisk development programme. We expect to complete enrolling our Orazol Phase II clinical trial in the coming months. New data was recently published which demonstrated a significant advantage to patients taking Zoledronic Acid, the base drug for Orazol, at an earlier stage of breast cancer. We believe that this increases the Orazol opportunity substantially. We also remain committed moving forward our other internal projects. We continue to progress MER 102 where we are preparing a tablet formulation for a planned clinical trial. Furthermore, we are expanding our early-stage pipeline and expect to add further new internal project in the coming months. We are also working on adding other partner projects to the pipeline over the next number of months. In essence we are on track to make 2008 another year of substantial progress for Merrion.'

## Company Background

Merrion Pharmaceuticals ([www.merrionpharma.com](http://www.merrionpharma.com)) is a publicly listed specialty pharmaceutical company engaged in the development of oral forms (tablets/capsules) of drugs that have poor absorption and are generally given by injection. Merrion was established in 2004 to commercialise various technologies acquired from Elan Corporation, plc. Merrion's patented drug delivery technologies increase bioavailability, by improving absorption in the gastrointestinal tract, of drugs that are otherwise poorly absorbed. This can provide substantial benefit in patient convenience and safety, and might also provide enhanced drug efficacy. Merrion utilises its technology to develop new oral drugs in two ways; it develops its own proprietary drugs using GIPET™ and partners with other pharmaceutical companies in developing oral GIPET™ formulations of their products.

Merrion currently has four internal product development programs based on its GIPET® technology.

- Orazol is an oral bisphosphonate for oncology indications currently in Phase II development. This product aims to allow cancer patients with bone metastases take a weekly tablet to get the gold standard treatment in this area, rather than an IV infusion.
- MER 103 which is also an oral bisphosphonate, for the treatment of osteoporosis, has completed Phase II clinical trials. Based on the market leading drug, this programme aims to provide similar absorption in just 8% of the current dose, with a simplified dosing regimen and an improved side effect profile.
- MER 104 is a second oral oncology product for the treatment of prostate cancer, which is in Phase I clinical testing. This programme aims to be the first oral product in the area of GnRH analogues. Products in this class also have several other male/female health indications.
- MER 102 an oral anticoagulant is in preclinical testing. This programme aims to be the first oral product in LMWH class of drugs, and to offer patients the alternative to daily injections.

Merrion has agreements with several pharmaceutical companies. Merrion has operations in Dublin, Ireland and Wilmington, NC, USA.

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## **Interim Review**

### **Corporate developments**

Merrion Pharmaceuticals plc ("Merrion") recently announced the next stage of its oral drug delivery research collaboration programme with Novo Nordisk. This follows on from the completion of several oral feasibility studies combining Merrion's Gastrointestinal Permeation Enhancement Technology (GIPET) oral drug delivery technology with Novo Nordisk compounds. In continuation of this collaboration, Merrion has completed the development of solid dosage forms with GIPET for additional testing. The majority of the revenue recognised during the first six months of the year has been generated by this collaboration.

### **Clinical studies**

Merrion is engaged in the development of oral forms (tablets/capsules) of drugs that have poor absorption and are generally given by injection. Merrion's patented drug delivery technologies increase bioavailability, by improving absorption in the gastrointestinal tract, of drugs that are otherwise poorly absorbed. Merrion utilises its technology to develop new oral drugs in two ways; it develops its own proprietary drugs using GIPET® and partners with other pharmaceutical companies in developing oral GIPET® formulations of their products.

Merrion currently has four internal product development programs based on its GIPET® technology. MER 101, which we recently renamed 'Orazol' is an oral bisphosphonate for oncology indications. This product aims to allow cancer patients with bone metastases to take a weekly tablet to get the gold standard treatment in this area, rather than an IV infusion. In 2007 we commenced a Phase II study in the United States for Orazol, in a hormone refractory prostate cancer population. We are continuing this trial and have recently opened five additional sites in Europe in addition to the eight US sites. The study is intended to determine the best dosing regimen for Orazol.

MER 102 an oral anticoagulant is in preclinical testing. This programme aims to be the first oral product in this class of drugs, and to offer patients the alternative to daily injections. Merrion recently obtained positive results from a pre-clinical study on this oral anticoagulant drug. The study was based on the compound Fondaparinux, currently marketed by GlaxoSmithKline, as an injectable. The programme shows considerable promise in providing a tablet/capsule solution for patients and healthcare professionals, where currently this excellent anticoagulant is only available by daily injection.

MER 103 which is also an oral bisphosphonate, for the treatment of osteoporosis, has completed Phase II clinical trials. Based on the market leading drug, this programme aims to provide similar absorption in just 8% of the current dose, with a simplified dosing regimen and an improved side effect profile. The Company continues to seek a collaborative partner for this product.

MER 104 is an oral GnRH analogue, which is in Phase I clinical testing. This programme aims to be the first oral product in this area. GnRH antagonists are used as hormone suppressive agents and have current or potential future indications in treating prostate cancer, endometriosis, uterine fibroids, prostate hypertrophy and in fertility treatment. Currently all marketed products are given by parenteral (injectable) means. Merrion obtained positive results from a recent preclinical study. The study was aimed to find further, improved formulations of the drug using Merrion's GIPET® technology. Results showed the best performing GIPET® formulation delivered a 32 fold increase in bioavailability against the drug dosed alone. This gives further evidence that we can develop an oral GnRH antagonist and builds on the clinical proof of

concept achieved with earlier formulations, which could bring benefit to patients suffering from several conditions.

### **Personnel changes**

Merrion recently announced the appointment of Dr John Fox as Chief Development Officer. Dr Fox will be responsible for Merrion's Dublin based development operations. Dr Fox has over 20 years experience in the pharmaceutical industry, and joins Merrion from Hunter Fleming where, as Chief Operating Officer, he was chiefly responsible for pharmaceutical development of new medicines, regulatory compliance, valuations, portfolio planning and IP maintenance. Prior to the formation of Hunter Fleming, Dr Fox held a variety of positions in Shire Pharmaceuticals ("Shire"). As Group Planning Director he covered planning and new project evaluation for constituent companies within Shire and was responsible for project implementation in the United States, Europe and Japan. Dr Fox's vast experience in this sector will provide a crucial link between research, design, development, regulatory and licensing.

Merrion also recently appointed Paddy O'Sullivan to the Board of Directors. Mr O'Sullivan is currently chairman of the Board of Trustees of the Beacon Hospital. Before retiring in 2006, he spent over 30 years as CEO of the LEO Pharma Group of companies in Ireland. He was also a Board Member of the parent company of the Leo Pharma Group in Denmark. He brings to the board a wealth of industry knowledge and a long track record of success. His skills and experience are a vital asset in the further development of Merrion and in achieving the significant goals we've set for this company.

Mr O'Sullivan replaces Mr Pat Wall who resigned as a director of the Company, due to other work commitments. Mr Wall served as a director of Merrion, from the Company's founding through its successful IPO, on the Irish Stock Exchange in December 2007. We would like to thank Pat Wall for his guidance and his unwavering support of this developing company over the past four years. His wisdom and expertise were invaluable in setting a firm foundation for this Company.

### **Financial review**

The financial information for the six months ended 30 June 2008 has been prepared in accordance with IFRS as adopted by the European Union.

Merrion reported a net loss of €2,173,000 or €0.13 per basic and diluted shares for the six months ended 30 June 2008, compared to a net loss of €4,872,000 or €0.70 per basic and diluted shares for the six months ended 30 June 2007. The operating loss was €2,328,000 for the six months ended 30 June 2008 compared to an operating loss of €2,236,000 for the same period last year.

*Revenues and Cost of Sales.* Revenues relate to development fees from partner agreements. Total revenues were approximately €354,000 for the six months ended 30 June 2008 compared to approximately €13,000 for the six months to 30 June 2007. The majority of revenue recognised for the period was from the partner agreement with Novo Nordisk, with whom we completed certain phases of work during the period. Billed revenue in the prior comparative period was not recognizable in the period ended 30 June 2007.

Our costs of sales consist of direct third-party expenditures and allocated salaries related to our development fees recognised in the period. We had approximately €66,000 of direct costs associated with our revenues generated for the six months ended 30 June 2008 compared to approximately nil for the same period last year.

*Research and Development Expenses.* Research and development, or R&D, expenses are comprised of salaries, overhead and consumables, patent costs, and clinical trial costs. R&D expenses increased by 5% to €1,679,000 for the six months ended 30 June 2008 compared to €1,600,000 for the same period last year. The increase was due primarily to increases in clinical trial costs offset by a small reduction in patent costs. Clinical trial costs increased as a result of increased spending on clinical trials related to Orazol (MER 101).

*Administrative Expenses.* Administrative expenses are comprised of salaries, professional fees, office overhead, stock-based compensation expense, and other support costs. Administrative expenses increased by 44% to €936,000 for the six months ended 30 June 2008 compared to €649,000 for the same period last year. The increase was primarily due to increased professional fees. Professional fees increased due to increased audit, accounting and legal consulting costs being charged to the income statement (as opposed to written off against share premium) on the basis that a portion of the initial public offering costs related to existing shares and not to the issue of new shares.

*Net Finance Income/Expense.* Net finance income was €154,000 for the six months ended 30 June 2008 compared to a net finance expense of €2,636,000 for the same period last year. The reversal was principally a result of the elimination of interest expense and finance costs associated with the April and November 2006 loan note issues. This prior year non-cash charge was eliminated when the loan notes were converted into ordinary shares on the Company's initial public offering in December 2007 and therefore no further charges were required to be recorded from the IPO date onwards.

*Net Loss.* Our net loss was €2,173,000 for the six months ended 30 June 2008 compared to €4,872,000 for the same period last year. The decreased net loss resulted primarily from the elimination of finance expenses associated with loan notes issued by the Company in 2006 along with an increases in administrative expenses.

## **Balance sheet**

Cash and cash equivalents as at 30 June 2008 were €7,452,000, a decrease of 31% as compared to €10,870,000 as of 31 December 2007. The decrease of €3,418,000 resulted from an operating loss of €2,173,000 adjusted to €1,701,000 to reflect non cash operating items and decrease in working capital of €1,701,000. The decrease in working capital arose from the decrease in current liabilities following the payment of IPO related expenses in 2008 and an increase in trade and other receivables.

Condensed Consolidated Income Statement  
for the six months ended 30 June 2008

	<i>Note</i>	<b>6 months ended 30 June 2008 (Unaudited) €</b>	6 months ended 30 June 2007 (Unaudited) €
<b>Continuing operations</b>			
<b>Revenue</b>		<b>353,516</b>	13,490
Cost of sales		<b>(65,770)</b>	-
		<hr/>	<hr/>
<b>Gross profit</b>		<b>287,746</b>	13,490
Administrative expenses		<b>(936,136)</b>	(648,960)
Research and development expenses		<b>(1,679,409)</b>	(1,600,161)
		<hr/>	<hr/>
<b>Results from operating activities</b>		<b>(2,327,799)</b>	(2,235,631)
Finance income		<b>154,588</b>	219,197
Finance expense		<b>(232)</b>	(2,855,194)
		<hr/>	<hr/>
Net finance income/ (expense)		<b>154,356</b>	(2,635,997)
<b>Loss before income tax</b>		<b>(2,173,443)</b>	(4,871,628)
Income tax expense		-	-
		<hr/>	<hr/>
<b>Net loss for the period attributable to equity holders of the company</b>		<b>(2,173,443)</b>	(4,871,628)
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Basic and diluted loss per ordinary share		<b>(0.13)</b>	(0.70)
Weighted average number of ordinary shares		<b>16,556,398</b>	7,001,794
Weighted average number of diluted shares		<b>17,433,288</b>	7,001,794

Condensed Consolidated Balance Sheet  
as at 30 June 2008

	Note	30 June 2008 (Unaudited) €	31 Dec 2007 (Audited) €	30 June 2007 (Unaudited) €
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		688,024	786,780	789,642
Intangible assets		90,000	180,000	270,000
<b>Total non-current assets</b>		<b>778,024</b>	966,780	1,059,642
<b>Current assets</b>				
Trade and other receivables		800,292	429,332	2,048,783
Cash and cash equivalents		7,452,496	10,869,699	5,223,910
<b>Total current assets</b>		<b>8,252,788</b>	11,299,031	7,272,693
<b>Total assets</b>		<b>9,030,812</b>	12,265,811	8,332,335
<b>Equity</b>				
Share capital	4	166,262	165,838	166,300
Share premium	4	58,791,651	58,781,971	3,849,522
Reverse acquisition reserve	4	(25,318,907)	(25,318,907)	(51,471)
Share option reserve	4	423,071	319,336	163,419
Retained losses	4	(25,834,398)	(23,813,217)	(16,608,995)
<b>Attributable to equity holders</b>	4	<b>8,227,679</b>	10,135,021	(12,481,225)
<b>Total equity</b>		<b>8,227,679</b>	10,135,021	(12,481,225)
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Other payables		4,318	11,485	18,654
Interest bearing loans and borrowings		-	-	19,134,835
<b>Total non-current liabilities</b>		<b>4,318</b>	11,485	19,153,489
<b>Current liabilities</b>				
Trade and other payables		798,815	2,119,305	1,660,071
<b>Total current liabilities</b>		<b>798,815</b>	2,119,305	1,660,071
<b>Total liabilities</b>		<b>803,133</b>	2,130,790	20,813,560
<b>Total equity and liabilities</b>		<b>9,030,812</b>	12,265,811	8,332,335

Condensed Consolidated Cash Flow Statement  
For the six months ended 30 June 2008

<i>Note</i>	<b>6 months ended 30 June 2008 (Unaudited) €</b>	6 months ended 30 June 2007 (Unaudited) €
<b>Loss for the period</b>	<b>(2,173,443)</b>	(4,871,628)
<b>Adjustments to reconcile net income to net cash generated from operating activities:</b>		
Depreciation and amortisation of intangible assets	<b>209,470</b>	262,998
Grant amortisation	<b>7,167</b>	7,164
Equity settled share based payment charge	<b>255,997</b>	55,364
Non cash finance costs	-	2,733,357
	<hr/>	<hr/>
<b>Operating cash outflow before changes in working capital</b>	<b>(1,700,809)</b>	(1,812,745)
Change in trade and other receivables	<b>(370,960)</b>	(861,687)
Change in trade and other payables	<b>(1,320,492)</b>	168,921
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>(3,392,261)</b>	(2,505,511)
<b>Investing activities</b>		
Acquisitions of property, plant and equipment	<b>(24,850)</b>	(83,400)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(24,850)</b>	(83,400)
<b>Cash flows from financing activities</b>		
Proceeds from exercise of options	<b>10,104</b>	-
Repayment of interest bearing loan and borrowings	-	(1,097,533)
	<hr/>	<hr/>
<b>Net cash provided by/ (used in) financing activities</b>	<b>10,104</b>	(1,097,533)
<b>Net decrease in cash and cash equivalents</b>	<b>(3,407,007)</b>	(3,686,444)
	<hr/>	<hr/>
Effect of exchange rate movements on cash	<b>(10,196)</b>	(56,436)
Cash and cash equivalents at start of the period	<b>10,869,699</b>	8,966,790
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period</b>	<b>7,452,496</b>	5,223,910
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Condensed Consolidated Statement of Recognised Income and Expense  
for the six months ended 30 June 2008

	<b>6 months ended 30 June 2008 (Unaudited) €</b>	6 months ended 30 June 2007 (Unaudited) €
<b>Items of income and expense recognised directly in equity</b>	-	-
<b>Net income / (expense) recognised directly in equity</b>	-	-
Loss for the period	<b>(2,173,443)</b>	(4,871,628)
<b>Total recognised income and expense for the period attributable to equity holders of the company</b>	<b>(2,173,443)</b>	(4,871,628)

# Notes to the condensed consolidated interim financial statements

*For the six months ended 30 June 2008*

## **1. Basis of preparation**

These interim financial statements have been prepared in accordance with International Financial Reporting Standard, IAS 34 *Interim Financial Reporting*, as adopted by the EU and in accordance with the IEX Rules for Companies as issued by the Irish Stock Exchange.

The same accounting policies and methods of computation are followed in these condensed consolidated financial statements as were applied in the consolidated financial statements for the year ended 31 December 2007 which are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRS). The International Accounting Standards Board and the International Financial Reporting Interpretations Committee (IFRIC) have issued the following interpretations which are effective for the Company's financial statements for the year ended 31 December 2008:

- IFRIC Interpretation 11 *Group and Treasury Share Transactions*
- IFRIC Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

These are not expected to have any material effect on the Group's financial statements.

The financial information presented herein does not amount to statutory financial statements that are required by section 7 of the Companies (Amendment) Act, 1986, to be annexed to the annual return of the Company. The statutory financial statements for the financial year ended 31 December 2007 were annexed to the annual return and filed with the Registrar of Companies. The audit report on those statutory financial statements was unqualified and did not contain any matters to which attention was drawn by way of emphasis.

## **2. Seasonality**

The results of the Company's operations are not materially impacted by seasonal factors.

## **3. Estimates**

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2007 and are included in the following notes to those financial statements:

- Note 10 – measurement of intangible assets
- Note 14 – accounting for convertible preference shares and convertible loan stock
- Note 17 – measurement of share-based payments

Notes to the condensed consolidated interim financial statements (continued)  
For the six months ended 30 June 2008

**4. Reconciliation of movement in Shareholders' Equity**

	Share Capital Amount €	Share Acquisition Premium €	Reverse Reserve €	Share Option Reserve €	Retained Losses €	Total €
<b>Balance at 1 July 2007</b>	<b>166,300</b>	<b>3,849,522</b>	<b>(51,471)</b>	<b>163,419</b>	<b>(16,608,995)</b>	<b>(12,481,225)</b>
Effect of group reorganisation						
Transfer of Merrion Pharmaceuticals Holdings Limited Shares to Merrion Pharmaceuticals plc	(166,300)	(3,849,522)	51,471	-	-	(3,964,351)
Shares of Merrion Pharmaceuticals plc issued to former Merrion Pharmaceuticals Holdings Limited Shareholders	72,304	29,210,954	(25,318,907)	-	-	3,964,351
Shares issued on exercise of option by shareholder	7,942	781,532	-	-	-	789,474
Share issue costs	-	(1,848,622)	-	-	-	(1,848,622)
Issue of ordinary shares in initial public offering	19,753	7,980,248	-	-	-	8,000,001
Issue of ordinary shares on conversion of Series A preference shares	3,367	1,360,268	-	-	-	1,363,635
Restricted shares issued to employees at par value	9,565	-	-	-	-	9,565
Shares issued to third party pharmaceutical company	190	-	-	-	-	190
Shares issued in lieu of convertible loan notes	52,717	21,297,591	-	-	-	21,350,308
Stock compensation expense	-	-	-	155,917	-	155,917
Recognised income and expense						
Net loss for the period		-	-		(7,204,222)	(7,204,222)
<b>Balance at 31 December 2007</b>	<b>165,838</b>	<b>58,781,971</b>	<b>(25,318,907)</b>	<b>319,336</b>	<b>(23,813,217)</b>	<b>10,135,021</b>

Notes to the condensed consolidated interim financial statements *(continued)*  
 For the six months ended 30 June 2008

**4. Reconciliation of movement in Shareholders' Equity** *(continued)*

	Share Capital Amount €	Reverse Share Acquisition Premium €	Share Reserve €	Option Reserve €	Retained Losses €	Total €
<b>Balance at 1 January 2008</b>	<b>165,838</b>	<b>58,781,971</b>	<b>(25,318,907)</b>	<b>319,336</b>	<b>(23,813,217)</b>	<b>10,135,021</b>
Recognised income and expense; Net loss for the period	-	-	-	-	(2,173,443)	(2,173,443)
Options exercised during the period	424	9,680	-	-	-	10,104
Stock compensation expense	-	-	-	103,735	152,262	255,997
<b>Balance at 30 June 2008</b>	<b>166,262</b>	<b>58,791,651</b>	<b>(25,318,907)</b>	<b>423,071</b>	<b>(25,834,398)</b>	<b>8,227,679</b>

**5. Share Based Payments**

In 2005, the Company adopted an equity settled Share Option Plan pursuant to which the Compensation Committee of the Board may grant options to non – employees, employees and senior executives and the Company, or its subsidiaries for the purchase of ordinary shares. The terms and conditions of the share option programme are disclosed in the consolidated financial report as at and for the year ended 31 December 2007. There were no grants made during the six month period ended 30 June 2008.

The basis for measuring fair value is consistent with that disclosed in the consolidated financial report for and at the year ended 31 December 2007.

**6. Related party transactions**

A former Director, Patrick Wall, is a partner in the accounting firm PriceWaterhouseCoopers, or PWC. The Group retains PWC to provide tax and accounting advice. In the six month periods ended 30 June 2008 and 30 June 2007, the Group paid PWC fees of €25,410 and €28,500 respectively. Patrick Wall does not provide services to the Company in his capacity as a partner in PWC.

The Group has entered into a consulting agreement with a shareholder, Growcorp Group Limited where that shareholder provides advice to the Group for a fee of €4,167 per month. The cost to the Group of this arrangement for the six month periods ended 30 June 2008 and 30 June 2007 was €25,000 and €25,000 respectively.

On 23 December 2003, the Group entered into an equipment lease agreement with Elan Corporation, plc (Elan) pursuant to which it leases certain laboratory equipment from Elan for a rental fee of €2,083 a month for a period of four years and nine months from the date of the agreement. This agreement was extended for an additional five years on 29 January 2007, and now expires on 31

Notes to the condensed consolidated interim financial statements *(continued)*  
For the six months ended 30 June 2008

**6. Related party transactions** *(continued)*

December 2013. At 30 June 2008 €5,041 was payable to Elan in relation to leasing costs (2007: €5,041).

Key management personnel receive compensation in the form of short term employee benefits, post employment benefits and share based payments. Total compensation for the period was €435,650 (2007: €440,333).

**7. Approvals**

The unaudited condensed consolidated interim financial statements were approved by the directors on September 10, 2008.