

AMARIN CORP PLC\UK

Form 20-F/A

July 31, 2003

**Table of Contents**

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 20-F/A**

**AMENDMENT NO. 1**

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM \_\_\_ TO \_\_\_**

Commission file number 0-21392

**AMARIN CORPORATION PLC**

(Exact Name of Registrant as Specified in Its Charter)

**England**

(Jurisdiction of Incorporation or Organization)

**7 Curzon Street  
London W1J 5HG**

**England**

(Address of Principal Executive Offices)

**SECURITIES REGISTERED OR TO BE REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:**

<b>Title of Each Class</b>	<b>Name of Each Exchange On Which Registered</b>
<b>None</b>	<b>None</b>

**SECURITIES REGISTERED OR TO BE REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:**

**American Depositary Shares, each representing one Ordinary Share  
Ordinary Shares, £1.00 par value per share  
(Title of Class)**

**SECURITIES FOR WHICH THERE IS A REPORTING OBLIGATION PURSUANT TO SECTION 15(d) OF THE ACT:**

**None.**

Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

**9,838,158 Ordinary Shares, £1.00 par value per share**  
**2,000,000 Preference Shares, £1.00 par value per share**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES  NO

Indicate by check mark which financial statement item the registrant has elected to follow.

ITEM 17  ITEM 18

---

---

---

**TABLE OF CONTENTS**

EXPLANATORY NOTE

PART III

Item 18. Financial Statements

Item 19. Exhibits

SIGNATURES

CERTIFICATIONS

EXHIBIT INDEX

Certification of Richard A. B. Stewart

Certification of Ian R. Garland

Consent of PricewaterhouseCoopers LLP

---

**Table of Contents**

**EXPLANATORY NOTE**

Amarin Corporation plc (the Company) hereby amends its Annual Report on Form 20-F for the fiscal year ended December 31, 2002 pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, to include in Item 18 of the Form 20-F note 39 R) relating to the Company's acquisition of certain rights to Permax. Note 39 R) appears at page F-47 of this Form 20-F/A.

This amendment also amends Item 18 of the Form 20-F to include an additional note 40, appearing at page F-48 of this Form 20-F/A, relating to events subsequent to the date of the original Form 20-F relating to trading, cash flow and going concern.

This amendment also amends Item 18 of the Form 20-F by making additional disclosure in note 17 regarding the accounting for the acquisition of Permax.

This amendment also amends Item 18 of the Form 20-F by deleting the reference to £000 in the first section of note 7.

This amendment also amends Item 18 of the Form 20-F to include an updated report of the independent accountants, which appears at page F-1 of this Form 20-F/A.

This amendment also includes in Item 19, and as Exhibit 10.1 and 10.2 to the Form 20-F, a new Certification of Richard A.B. Stewart and a new Certification of Ian R. Garland pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

This amendment also includes in Item 19, and as Exhibit 10.3 to the Form 20-F, the Consent of the Independent Accountants of Amarin Corporation plc to the incorporation by reference of the Report of the Independent Accountants on page F-1 of this Form 20-F/A in the registration statements of the Company on Form F-3 (nos. 333-12642 and 333-13200).

This amendment also amends footnote to the list of Exhibits in Item 19 and in the Exhibit Index to reflect that the Company's request for confidential treatment was granted.

Other than as expressly set forth above, this Form 20-F/A does not, and does not purport to, amend, update or restate the information in any other Item of the Form 20-F or reflect any events that have occurred after the date on which the Form 20-F was filed.

**Table of Contents**

**PART III**

**Item 18. Financial Statements**

The Report of Independent Accountants and the accompanying consolidated financial statements of Amarin Corporation plc and its subsidiaries are found at pages F-1 to F-48 of this Form 20-F/A.

**Item 19. Exhibits**

Exhibits filed as part of this annual report:

- 1.1 Memorandum of Association of the Company\*
- 1.2 Articles of Association of the Company\*
- 2.1 Form of Deposit Agreement, dated as of March 29, 1993, among the Company, Citibank, N.A., as Depositary, and all holders from time to time of American Depositary Receipts issued thereunder (1)
- 2.2 Amendment No. 1 to Deposit Agreement, dated as of October 8, 1998, among the Company, Citibank, N.A., as Depositary, and all holders from time to time of the American Depositary Receipts issued thereunder (2)
- 2.3 Amendment No. 2 to Deposit Agreement, dated as of September 25, 2002 among the Company, Citibank N.A., as Depositary, and all holders from time to time of the American Depositary Receipts issued thereunder (3)
- 2.4 Form of Ordinary Share certificate\*
- 2.5 Form of American Depositary Receipt evidencing ADSs (included in Exhibit 2.3) (3)
- 2.6 Registration Rights Agreement, dated as of October 21, 1998, by and among Ethical Holdings plc and Monksland Holdings B.V.\*
- 2.7 Amendment No. 1 to Registration Rights Agreement and Waiver, dated January 27, 2003, by and among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.\*
- 2.8 Second Subscription Agreement, dated as of November 1999, among Ethical Holdings PLC, Monksland Holdings B.V. and Elan Corporation PLC (4)
- 2.9 Purchase Agreement, dated as of June 16, 2000, by and among the Company and the Purchasers named therein (4)
- 2.10 Registration Rights Agreement, dated as of November 24, 2000, by and between the Company and Laxdale Limited (5)
- 2.11 Form of Subscription Agreement, dated as of January 27, 2003 by and among the Company and the Purchasers named therein\* (The Company entered into twenty separate Subscription Agreements on January 27, 2003 all substantially similar in form and content to this form of Subscription Agreement.)
- 2.12 Form of Registration Rights Agreement, dated as of January 27, 2003 between the Company and the Purchasers named therein\* (The Company entered into twenty separate Registration Rights Agreements on January 27, 2003 all substantially similar in form and content to this form of

## Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

Registration Rights Agreement.)

- 4.1 Amended and Restated Asset Purchase Agreement dated September 29, 1999 between Elan Pharmaceuticals Inc. and the Company\*
- 4.2 Variation Agreement, undated, between Elan Pharmaceuticals Inc. and the Company\*
- 4.3 License Agreement, dated November 24, 2000, between the Company and Laxdale Limited (6)

**Table of Contents**

- 4.4 Option Agreement, dated as of June 18, 2001, between Elan Pharma International Limited and the Company (7)
- 4.5 Deed of Variation, dated January 27, 2003, between Elan Pharma International Limited and the Company\*
- 4.6 Lease, dated August 6, 2001, between the Company and LB Strawberry LLC (7)
- 4.7 Amended and Restated Distribution, Marketing and Option Agreement, dated September 28, 2001, between Elan Pharmaceuticals, Inc. and the Company (8)
- 4.8 Amended and Restated License and Supply Agreement, dated March 29, 2002, between Eli Lilly and Company and the Company\*
- 4.9 Deed of Variation, dated January 27, 2003, between Elan Pharmaceuticals Inc. and the Company\*
- 4.10 Stock and Intellectual Property Right Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Sergio Lucero, Francisco Stefano, Amarin Technologies S.A., Amarin Pharmaceuticals Company Limited and the Company (7)
- 4.11 Stock Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Beta Pharmaceuticals Corporation and the Company (7)
- 4.12 Novation Agreement, dated November 30, 2001, by and among Beta Pharmaceuticals Corporation, Amarin Technologies S.A. and the Company (7)
- 4.13 Loan Agreement, dated September 28, 2001, between Elan Pharma International Limited and the Company (8)
- 4.14 Deed of Variation, dated July 19, 2002, amending certain provisions of the Loan Agreement between the Company and Elan Pharma International Limited\*
- 4.15 Deed of Variation No. 2, dated December 23, 2002, between the Company and Elan Pharma International Limited\*
- 4.16 Deed of Variation No. 3, dated January 27, 2003, between the Company and Elan Pharma International Limited\*
- 4.17 The Company 2002 Stock Option Plan (9)
- 4.18 Agreement Letter, dated October 21, 2002, between the Company and Security Research Associates, Inc.\*
- 4.19 Agreement, dated January 27, 2003, among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.\*
- 4.20 Master Agreement, dated January 27, 2003, between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings B.V. and the Company\*
- 4.21 Form of Warrant Agreement, dated March 19, 2003, between the Company and individuals designated by Security Research Associates, Inc.\* (The Company entered into seven separate Warrant Agreements on March 19, 2003 all substantially similar in form and content to this form of Warrant Agreement.)
- 4.22 Sale and Purchase Agreement, dated March 14, 2003, between F. Hoffmann La Roche Ltd., Hoffmann La Roche Inc. and the Company\*



Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

- 8.1 Subsidiaries of the Company\*
- 10.1 Certification of Richard A. B. Stewart pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002\*\*
- 10.2 Certification of Ian R. Garland pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002\*\*

**Table of Contents**

10.3 Consent of PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors\*\*

\* Previously filed as an exhibit to the Company's Annual Report on Form 20-F for the year ended December 31, 2002, filed with the Securities and Exchange Commission on April 24, 2003.

\*\* Filed herewith.

Confidential treatment was granted by the Securities and Exchange Commission (the confidential portions of such exhibits have been omitted and filed separately with the Securities and Exchange Commission).

- (1) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-1, File No. 33-58160, filed with the Securities and Exchange Commission on February 11, 1993.
- (2) Incorporated herein by reference to Exhibit(a)(i) to the Company's Registration Statement on Post-Effective Amendment No. 1 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on October 8, 1998.
- (3) Incorporated herein by reference to Exhibit(a)(ii) to the Company's Registration Statement on Post-Effective Amendment No. 2 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on September 26, 2002.
- (4) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 1999, filed with the Securities and Exchange Commission on June 30, 2000.
- (5) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on February 22, 2001.
- (6) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2000, filed with the Securities and Exchange Commission on July 2, 2001.
- (7) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2001, filed with the Securities and Exchange Commission on May 9, 2002.
- (8) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Pre-Effective Amendment No. 2 to Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on November 19, 2001.
- (9) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form S-8, File No. 333-101775, filed with the Securities and Exchange Commission on December 11, 2002.

**Table of Contents**

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this amendment no. 1 to the annual report on its behalf.

**AMARIN CORPORATION PLC**

By: /s/ RICHARD A. B. STEWART

Richard A. B. Stewart  
Chief Executive Officer

July 31, 2003

**Table of Contents**

**CERTIFICATIONS**

I, Richard A. B. Stewart, certify that:

1. I have reviewed this annual report on Form 20-F/A of Amarin Corporation plc;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - (a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
  - (c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: July 31, 2003

/s/ RICHARD A. B. STEWART

---

Richard A. B. Stewart  
Chief Executive Officer

**Table of Contents**

I, Ian R. Garland, certify that:

1. I have reviewed this annual report on Form 20-F/A of Amarin Corporation plc;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - (a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the Evaluation Date); and
  - (c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: July 31, 2003

/s/ IAN R. GARLAND

---

Ian R. Garland  
Chief Financial Officer

**Table of Contents**

**Report of independent accountants**

To the Board of Directors and Shareholders of  
Amarin Corporation plc

In our opinion, the accompanying balance sheets and the related consolidated profit and loss accounts, statements of total recognised gains and losses, reconciliations of movements in shareholders' funds and cashflow statements present fairly, in all material respects, the financial position of Amarin Corporation plc and its subsidiaries at December 31, 2002, December 31, 2001 and December 31, 2000, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles which, as described in Note 2, are generally accepted in the United Kingdom. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and in the United Kingdom, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 40 to the financial statements, the Company has suffered adverse trading conditions since the year end which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 40. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Accounting principles generally accepted in the United Kingdom vary in certain important respects from accounting principles generally accepted in the United States of America. The application of the latter would have affected the determination of consolidated net income for each of the three years in the period ended December 31, 2002 and the determination of consolidated shareholders' equity at December 31, 2002, 2001 and 2000 to the extent summarized in Note 39 to the consolidated financial statements.

/s/ PRICEWATERHOUSE COOPERS LLP

---

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors

Cambridge, England  
24 April 2003, except as to the information presented in note 40, for which the date is 31 July 2003

F-1

---

**Table of Contents****Consolidated profit and loss account for the year ended 31 December**

	Note	2002	2001	2000
		£ 000	£ 000	£ 000
<b>Turnover</b>				
Continuing operations		40,649	36,927	10,526
Discontinued operations			2,225	7,013
	3	40,649	39,152	17,539
<b>Cost of sales</b>				
Continuing operations	4	(18,696)	(14,734)	(3,089)
Discontinued operations			(1,004)	(1,403)
		(18,696)	(15,738)	(4,492)
<b>Gross profit</b>				
Continuing operations		21,953	22,193	7,437
Discontinued operations			1,221	5,610
		21,953	23,414	13,047
<b>Operating expenses</b>				
Continuing operations		(42,221)	(25,680)	(9,206)
Discontinued operations			(763)	(914)
	5	(42,221)	(26,443)	(10,120)
<b>Operating (loss)/profit</b>				
Continuing operations		(20,268)	(3,487)	(1,769)
Discontinued operations			458	4,696
		(20,268)	(3,029)	2,927
<b>Exceptional income/(costs) of restructuring</b>				
Discontinued operations	11	669	735	(2,108)
<b>(Loss)/profit on disposal of operations</b>				
Discontinued operations	8		(893)	759
<b>(Loss)/profit on ordinary activities before interest</b>				
Continuing operations		(20,268)	(3,487)	(1,769)
Discontinued operations		669	300	3,347
		(19,599)	(3,187)	1,578
Interest receivable and similar income	9	242	547	608
Interest payable and similar charges	10	(1,459)	(296)	(257)
<b>(Loss)/profit on ordinary activities before taxation</b>				
Tax on (loss)/profit on ordinary activities	13	(2,196)	(333)	(229)
<b>(Loss)/profit for the financial year</b>				
		(23,012)	(3,269)	1,700
Dividends non-equity	16	(76)	(124)	(124)
<b>Retained (loss)/profit for the financial year</b>				
	29	(23,088)	(3,393)	1,576
		Pence	Pence	Pence
<b>Basic (loss)/earnings per ordinary share</b>	15	(247.5)	(45.9) *Restated	43.0 *Restated

Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

<b>Fully diluted (loss)/earnings per ordinary share</b>	15	(247.5)	(45.9)	20.2
---	----	---------	--------	------

There is no difference between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit for the year stated above, and their historical cost equivalents.

\* During 2002 the nominal value of ordinary shares was converted from 10p to £1 resulting in the number of shares reducing by a factor of 10, accordingly the comparatives for 2001 and 2000 have been restated.

F-2



**Table of Contents****Statement of group total recognised gains and losses**

	<u>2002</u>	<u>2001</u>	<u>2000</u>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
(Loss)/profit for the year	(23,012)	(3,269)	1,700
Transfer of warrant proceeds reserve			705
Exchange adjustments offset in reserves	(1,011)	(23)	14
	<u>(24,023)</u>	<u>(3,292)</u>	<u>2,419</u>

**Reconciliation of movements in group shareholders (deficit)/funds**

	<u>2002</u>	<u>2001</u>	<u>2000</u>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
(Loss)/profit for the financial year	(23,012)	(3,269)	1,700
Dividends non equity	(76)	(124)	(124)
New share capital issued	123	2,942	10,659
Exchange adjustments offset in reserves	(1,011)	(23)	14
Share issuance costs	(252)		
Share option compensation charge			1,058
	<u>(24,228)</u>	<u>(474)</u>	<u>13,307</u>
Opening shareholders funds	20,372	20,846	7,539
	<u>(3,856)</u>	<u>20,372</u>	<u>20,846</u>

**Table of Contents****Balance sheets at 31 December**

	Note	Group			Company		
		2002	2001	2000	2002	2001	2000
		£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Intangible assets	17	29,477	32,378	15,119	29,387	32,363	14,027
Tangible assets	18	1,482	1,530	960	255	312	114
Investments	19				1,031	1,031	1,031
		<u>30,959</u>	<u>33,908</u>	<u>16,079</u>	<u>30,673</u>	<u>33,706</u>	<u>15,172</u>
Current assets							
Stock	20	4,799	2,438	1,878	4,759	2,423	1,868
Debtors	21	9,694	5,408	3,133	21,011	22,177	4,907
Investments	22		44	10,064		44	10,064
Cash at bank and in hand		15,072	20,688	1,348	12,044	19,405	1,055
		<u>29,565</u>	<u>28,578</u>	<u>16,423</u>	<u>37,814</u>	<u>44,049</u>	<u>17,894</u>
Creditors: amounts falling due within one year	23	41,557	36,902	3,037	43,414	52,885	4,468
Net current (liabilities)/assets		<u>(11,992)</u>	<u>(8,324)</u>	<u>13,386</u>	<u>(5,600)</u>	<u>(8,836)</u>	<u>13,426</u>
Total assets less current liabilities		18,967	25,584	29,465	25,073	24,870	28,598
Creditors: amounts falling due after more than one year	24	22,792	4,466	6,458	28,884	4,466	6,266
Provisions for liabilities and charges	25	31	746	2,161	31	746	2,161
Net (liabilities)/assets		<u>(3,856)</u>	<u>20,372</u>	<u>20,846</u>	<u>(3,842)</u>	<u>19,658</u>	<u>20,171</u>
Capital and reserves							
Called up share capital	27	11,838	11,804	10,944	11,838	11,804	10,944
Share premium account	29	37,981	38,144	36,062	36,288	36,451	34,369
Merger reserve	29	(1,027)	(1,027)	(1,027)			
Profit and loss account	29	(52,648)	(28,549)	(25,133)	(51,968)	(28,597)	(25,142)
Total shareholders (deficit)/funds		<u>(3,856)</u>	<u>20,372</u>	<u>20,846</u>	<u>(3,842)</u>	<u>19,658</u>	<u>20,171</u>
Analysis of shareholders (deficit)/funds							
Equity		(10,062)	7,560	8,034	(10,048)	6,846	7,359
Non-equity		6,206	12,812	12,812	6,206	12,812	12,812
		<u>(3,856)</u>	<u>20,372</u>	<u>20,846</u>	<u>(3,842)</u>	<u>19,658</u>	<u>20,171</u>



**Table of Contents****Consolidated cash flow statement  
for the year ended 31 December**

	Note	2002	2001	2000
		£ 000	£ 000	£ 000
<b>Net cash inflow from operating activities</b>		3,811	11,670	3,531
<b>Returns on investment and servicing of finance</b>				
Dividends paid on non-equity shares				(124)
Interest received		242	526	454
Interest paid on loans and overdrafts		(52)	(287)	(47)
Interest paid on finance leases		(3)	(9)	(15)
Other interest paid				(8)
Net cash inflow from returns on investments and servicing of finance		187	230	260
<b>Taxation</b>				
Corporation tax paid		(529)	(284)	(30)
<b>Capital expenditure and financial investment</b>				
Purchase of intangible fixed assets		(6,776)	(32,385)	(3,887)
Purchase of tangible fixed assets		(444)	(1,027)	(457)
Proceeds on sale of tangible fixed assets		102	7	68
<b>Net cash outflow from capital expenditure and financial investment</b>		(7,118)	(33,405)	(4,276)
<b>Acquisitions and disposals</b>				
Cash received on disposal of South American transdermal business			7	
Cash balance eliminated on disposal of South American transdermal business			(98)	
Net cash acquired with return of transdermal contracts				4,635
<b>Cash (outflow)/inflow before management of liquid resources and financing</b>		(3,649)	(21,880)	4,120
<b>Management of liquid resources</b>				
Decrease/(increase) in short term deposits with banks			10,020	(10,020)
Proceeds on sale of current asset investments				242
<b>Financing</b>				
Issue of ordinary share capital	27	123	2,746	6,382
Expenses of issue of ordinary share capital		(252)	(223)	
New bank and other loans			30,919	
Restructuring costs paid			(704)	
Repayment of principal on bank and other loans	34	(1,600)	(1,493)	(5)
Repayment of principal under finance leases	34	(120)	(163)	(92)
<b>Net cash (outflow)/inflow from financing</b>		(1,849)	31,082	6,285
<b>(Decrease)/increase in cash</b>	33	(5,498)	19,222	627



**Table of Contents****Reconciliation of operating loss to net cash inflow from operating activities**

	2002	2001	2000
	£ 000	£ 000	£ 000
Continuing operations			
Operating loss from continuing operations	(20,268)	(3,487)	(1,769)
Amounts written off investments			(25)
Depreciation on tangible fixed assets	538	394	439
Amortisation of intangible fixed assets	4,609	14,177	1,181
Impairment of intangible fixed assets	24,090		
(Gain)/loss on translation of foreign currency balances	(6,300)	112	
Loss/(gain) on sale of tangible fixed assets	7	9	(3)
(Increase)/decrease in stocks	(2,361)	(612)	338
(Increase)/decrease in trade debtors	(4,300)	(2,386)	2,450
Decrease/(increase) in other debtors	410	(2,236)	69
(Increase) in prepayments and accrued income	(236)	(221)	(31)
(Decrease)/increase in trade creditors	(168)	1,282	(891)
Increase/(decrease) in other creditors	3,236	1,974	(331)
Increase/(decrease) in other taxation and social security	10	(248)	4
Increase/(decrease) in accruals and deferred income	4,590	468	(1,554)
(Decrease)/increase in provisions	(46)	24	53
Share option compensation charge			1,058
Net cash inflow from continuing operating activities	3,811	9,250	988
Discontinued operations			
Operating profit from discontinued operations		458	4,696
Decrease/(increase) in stocks		52	(52)
(Increase) in trade debtors		(192)	(287)
Decrease/(increase) in other debtors		2,480	(229)
Increase/(decrease) in trade creditors		39	(370)
(Decrease) in other creditors		(417)	(1,215)
Net cash inflow from discontinued operating activities		2,420	2,543
Total net cash inflow from operating activities	3,811	11,670	3,531

**Table of Contents**

**Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002**

**1. Basis of preparation**

The Group has focused its efforts on the establishment of a leading marketing and distribution company focused on neurology and pain management. In implementing this strategy, the Group has acquired US rights to products currently marketed and products presently in development. These acquisitions have been financed by the issue of securities, the sale of assets and loans and deferred payment terms from a related party, Elan Pharma International Limited ( EPIL ).

The Directors have prepared cash flow projections, which reflect the fund raising in January 2003 (see note 37), for the Group through to 30 April 2004 that are based on management's current best estimates of future sales and take into consideration recent trends in performance since the end of the year. Based on these sales assumptions, the cash flow projections show adequate cash resources to fund the Group's existing commercial activities and to meet its Permax short-term deferred payment obligations. These projections show a need to increase the level of cash resources to fund the acquisition and launch of new products such as Zelapar.

The Directors aim to increase the level of cash resources through a combination of the sale of non-core assets, external financing, reductions in costs and re-negotiation of terms of existing loan and deferred payment obligations. Under an agreement with EPIL, cash generated from the sale of non-core assets and external financing must be utilized in repayment of certain amounts due to EPIL. This includes amounts currently not falling due in the period to 30 April 2004.

The extent to which the Directors are able to sell non-core assets, raise external finance and/or re-negotiate terms with EPIL is largely unknown in terms of both timing and amount raised. Management is actively monitoring trends in sales and trading performance and will take cost reduction and or strategic actions to ensure that the business infrastructure remains in line with the level of sales generated.

Based on current sales expectations, the Directors believe that there are adequate funds to finance the Group's current operations and there is a reasonable prospect of being able to secure sufficient additional funds from a combination of actions to fund the acquisition and launch of products currently in development. Consequently, the Directors have prepared these financial statements on the going concern basis.

**2. Principal accounting policies**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important group accounting policies, which have been reviewed by the Board in accordance with Financial Reporting Standard ( FRS ) 18 Accounting Policies and which have been applied consistently, is set out below.

***Basis of accounting***

The financial statements are prepared in accordance with the historical cost convention.

***Adoption of FRS 19 Deferred tax***

FRS 19, Deferred tax has been adopted in the year, but its implementation has had no impact on the amounts included in the profit and loss account and balance sheets. The presentational requirements of FRS 19 for the current and prior year are disclosed in notes 13 and 25.

***Basis of consolidation***

The consolidated financial statements include the Company and all its subsidiary undertakings. The turnover and results of subsidiary companies are included in the financial statements from the date of acquisition,

**Table of Contents**

except where merger accounting principles are applied, in which case the turnover and results of the Company being merged are included for a full year.

In the case of disposals, turnover and results are included up to the date of disposal.

***Goodwill***

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill thus arising is capitalised and amortised over its useful economic life.

***Tangible fixed assets and intangible fixed assets***

Tangible and intangible fixed assets are stated at cost, being their purchase cost, together with any incidental expenses of acquisition.

Depreciation/amortisation is calculated so as to write off the cost of tangible/intangible fixed assets less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Plant and equipment	10-20%
Motor vehicles	25%
Fixtures and fittings	20%
Computer equipment	33.33%

Leasehold land and buildings are amortised over the period of the lease.

Intangible fixed assets are amortised on a straight line basis over the period in which the Group is expected to benefit from these assets, not exceeding 20 years.

***Evaluation of assets for impairment***

The Company reviews its long-lived assets for possible impairment by comparing their discounted expected future cash flows to their carrying amount. An impairment loss is recognised if the discounted expected future cash flows are less than the carrying amount of the asset and the impaired asset is written down to its recoverable amount.

Provision is made against the carrying value of tangible or intangible fixed assets where an impairment in value is deemed to have occurred.

***Research and development expenditure***

On a continuous basis the Group undertakes various clinical trials to establish and provide evidence of product efficacy.

All research and development costs are written off as incurred, except as provided in the following paragraph.

For a number of products under development, income is triggered under licence agreements by the submission of registration dossiers once trials have been completed, or simply by evidence of trials results alone. In these circumstances it is the Company's policy that the direct external costs of specific trials required to fulfil these criteria will be carried forward as work-in-progress up to the value of the income to be generated, where that income is expected to be received within twelve months of the balance sheet date. At present, the Company has no costs meeting these criteria and no work-in-progress is being carried forward.



## **Table of Contents**

### ***Pre-launch costs***

Prior to launch of a new pharmaceutical product, the Company may incur significant pre-launch marketing costs. Such costs are expensed as incurred.

### ***Advertising costs***

The Company has adopted an accounting policy for advertising costs whereby they are expensed as incurred. For the year ended 31 December 2002 costs incurred were £234,000 (31 December 2001: £589,000, 31 December 2000: £126,000).

### ***Stocks and work in progress***

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow moving and defective stocks.

### ***Finance and operating leases***

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Where fixed assets are financed by leasing arrangements, which transfer to the Group substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased outright and are included in tangible fixed assets. The capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

### ***Foreign currencies***

Assets and liabilities of foreign subsidiaries are translated into sterling at rates of exchange ruling at the end of the financial year and the results of foreign subsidiaries are translated at the average rate of exchange for the year. Differences on exchange arising from the retranslation of the opening net investment in subsidiary companies, and from the translation of the results of those companies at average rate, are taken to reserves and are reported in the statement of total recognised gains and losses. All other foreign exchange differences are taken to the profit and loss account in the year in which they arise.

### ***Financial instruments***

Current asset investments are stated at the lower of cost and market value. If there is no longer any market available for them, then the carrying value will be written down accordingly. Gains or losses on sale of such items will be recognised in the period in which the transaction takes place.

All borrowings are initially stated at the amount of consideration received. Finance costs are charged to the profit and loss account over the term of the borrowing and represent a constant proportion of capital repayment outstanding.

### ***Turnover***

Revenues exclude value added tax, sales between group companies and trade discounts. Revenues from pharmaceutical product sales and royalties now comprise the main element of the Company's income. This revenue represents the invoice value of products delivered to the customer, less trade discounts. The Company makes provisions for product returns based on specific product by product sales history and the value of product returns is taken as a deduction from revenue.

## **Table of Contents**

Royalty income is recognised when earned, based on related sales of products under agreements providing for royalties and is included under the heading 'royalties and product sales'. Product sales income is recognised on the delivery of the related goods.

Income under license agreements is recognised when amounts have been earned through the achievement of specific milestones set forth in those agreements and the costs to attain those milestones have been incurred by the Company. A minority of the license agreements provide that if the Company materially breaches the agreement or fails to achieve required milestones, the Company would be required to refund all or a specified portion of the income received under the agreement. No provision is included for repayments of such income if the directors consider that this eventuality is remote.

### ***Deferred taxation***

Provision is made for deferred taxation in accordance with FRS 19, 'Deferred taxation', on all material timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

### ***Pension costs***

The Group contributes a set proportion of certain employees' gross salary to defined contribution money purchase pension schemes. The pension costs charged to the profit and loss account represent the amount of contributions payable in respect of the accounting period.

The Company provides no other post retirement benefits to its employees.

### ***Short term investments***

Bank deposits which are not repayable on demand are treated as short term investments in accordance with FRS 1 (Revised 1996) 'Cashflow statements'. Movements in such investments are included under 'Management of liquid resources' in the Group's cash flow statement.

### ***Share schemes***

In accordance with the provisions of Urgent Issues Task Force Abstract 17 'Employee share schemes', the Group makes charges to the profit and loss account when options are granted, the charge being the estimated market value of the shares at the date of grant less the exercise price of the options. The charge is reflected in the consolidated profit and loss account with an offsetting credit to reserves.

Employer's National Insurance and similar taxes arise on the exercise of certain share options. In accordance with Urgent Issues Task Force Abstract 25 'National Insurance contributions on share options gains', a provision is made, calculated using the market price at the balance sheet date, pro-rated over the vesting period of the options.

### ***Discontinued operations***

During 2002, a provision for costs associated with discontinued operations was released. During 2001, the Group disposed of all of its 99.16% equity interest in its South American transdermal business. This business has been included within discontinued operations in the profit and loss account. Discontinued operations also include some transactions related to the disposal of the main UK-based transdermal business in 1999.

### ***Risks and uncertainties***

The value of the Company's patent and proprietary rights will be affected by its ability to obtain and preserve patent protection for its products and trade secrets, and by the emergence of competing technologies over

## **Table of Contents**

time. In particular, the value of the intangible assets described in note 17 could be severely affected by changes in the status of the Company's patent and proprietary rights.

In addition, as the Company's products are highly regulated, any withdrawal of approval could impact the carrying value of the related inventory.

We currently rely on a single source of supply for most of our products. In the case of Permax, we received notice in March 2003 that the supplier has elected to terminate its manufacturing and supply obligations to us, with effect from 4 March 2006. There is therefore a risk that the Company will be unable to transfer manufacturing arrangements to an alternative provider in a timely or cost effective manner.

### *Use of estimates*

The preparation of financial statements in conformity with UK GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *Nature of operations*

The principal activities of the Company comprise the marketing and distribution of pharmaceutical products and the provision of drug delivery and development services to third party pharmaceutical companies. Currently the Company's principal products consist of a portfolio of products which were acquired on September 29, 1999 from Elan Pharmaceuticals Inc, a related party, (see note 38). During 2001, the Company entered the neurology market with the acquisition of the exclusive US marketing and distribution rights to Permax, a product approved by the US Food and Drug Administration ( FDA ) as a treatment for Parkinson's disease. In 2002, the Company exercised an option to acquire continuing marketing and distribution rights to Permax (see note 38).

An analysis of performance by geographical segment is given in note 3.

### *Restatement of comparatives*

During the period ended 31 December 2001 the Company sold all of its 99.16% equity interest in its South American transdermal patch business. Consequently, this business has been shown in the profit and loss account as a discontinued operation and the comparatives have been restated to be consistent with this.

During 2002 the nominal value of ordinary shares was converted from 10p to £1 resulting in the number of shares reducing by a factor of 10, accordingly the comparatives for 2001 and 2000 have been restated.

### **3. Analysis by geographical segment**

The Company operates in, and is managed as, a single segment. The majority of European sales are made to companies based in France and the majority of sales elsewhere are made to companies based in the United States. The following analysis is of revenue by geographical segment, origin, of net (loss)/profit and net (liabilities)/assets by companies in each territory. Analysis is also provided of revenue by class and also of long lived assets by geographical location.

**Table of Contents***Sales by destination*

	<b>2002</b>	<b>2001</b>	<b>2000</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Geographical segment			
United Kingdom	532	678	
Europe	2,964	3,273	3,032
North America	36,348	32,682	7,494
Rest of the world	805	294	
	<b>40,649</b>	<b>36,927</b>	<b>10,526</b>
Discontinued operation		2,225	7,013
	<b>40,649</b>	<b>39,152</b>	<b>17,539</b>

*Sales by origin*

	<b>2002</b>	<b>2001</b>	<b>2000</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Geographical segment			
United Kingdom	70	60	
North America	36,348	32,523	7,201
Europe	4,231	4,344	3,325
	<b>40,649</b>	<b>36,927</b>	<b>10,526</b>
Discontinued operation		2,225	7,013
	<b>40,649</b>	<b>39,152</b>	<b>17,539</b>

*(Loss)/profit before taxation*

	<b>2002</b>	<b>2001</b>	<b>2000</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Geographical segment			
United Kingdom	(21,686)	(4,401)	(1,117)
Europe	(207)	286	(3)
North America	1,077	879	(189)
	<b>(20,816)</b>	<b>(3,236)</b>	<b>(1,309)</b>
Discontinued operation		300	3,238
	<b>(20,816)</b>	<b>(2,936)</b>	<b>1,929</b>

*Net (liabilities)/assets*

Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

	2002	2001	2000
	£ 000	£ 000	£ 000
Geographical segment			
United Kingdom	(3,241)	19,900	20,161
Europe	(694)	(261)	(670)
North America	79	733	183
Rest of the world			1,172
	(3,856)	20,372	20,846

*Analysis by class of business*

	2002	2001	2000
	£ 000	£ 000	£ 000
Turnover			
Licensing and development fees	2,069	1,472	817
Services	394	104	76
Royalties and product sales	38,186	35,351	9,633
	40,649	36,927	10,526
Discontinued operations		2,225	7,013
	40,649	39,152	17,539

**Table of Contents***Long lived assets by geographical location*

	2002	2001	2000
	£ 000	£ 000	£ 000
United Kingdom	29,642	32,675	14,141
Europe	711	580	665
North America	606	653	157
Rest of world			1,116
	<u>30,959</u>	<u>33,908</u>	<u>16,079</u>

*Significant customers*

During the year ended 31 December 2002, approximately 23% of the Group's revenues were from one major customer and the next four largest customers accounted for a further 56% of revenues.

Approximately 10% of the Company's revenues in the year ended 31 December 2001 were from one major customer and the next four largest customers accounted for a further 26% of revenues. Approximately 13% of the Company's revenues in the year ended 31 December 2000 were from one major customer and the next four largest customers accounted for a further 37% of revenues. For each of these three periods, the significant customers are located in the United States of America.

The majority of operating costs and assets and liabilities serve the three classes of business, therefore it is not possible to analyse profit or loss before taxation or net assets between classes of business. The directors do not regard the level of sales between segments of the business to be significant and as a result these are not separately classified. These sales between group companies have been eliminated on consolidation.

**4. Cost of sales**

	2002	2001	2000
	£ 000	£ 000	£ 000
Cost of sales	15,805	15,738	4,492
Inventory write-off	2,891		
	<u>18,696</u>	<u>15,738</u>	<u>4,492</u>
<b>Analysed:</b>			
Continuing operations	18,696	14,734	3,089
Discontinued operations		1,004	1,403
	<u>18,696</u>	<u>15,738</u>	<u>4,492</u>
<b>Total operating expenses</b>	<u>18,696</u>	<u>15,738</u>	<u>4,492</u>

During 2002, the Company recorded a non-recurring charge for inventory write-offs due to the generic competition against Phrenilin with Caffeine and Codeine.

**5. Operating expenses**

	Note	2002	2001	2000
		£ 000	£ 000	£ 000
<b>Administrative expenses</b>				

Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

Administrative and general expenses		7,485	5,107	4,731
Selling and marketing expenses		7,197	4,012	362
Foreign exchange gain		(5,019)		
Amortisation of intangible fixed assets	17	1,779	1,725	1,181
Amortisation of Permax sales and marketing rights	17	2,830	12,452	
Impairment of Moraxen carrying value	17	294		
Impairment of Permax carrying value	17	23,796		
		<u>38,362</u>	<u>23,296</u>	<u>6,274</u>
<b>Analysed:</b>				
Continuing operations		38,362	22,839	5,839
Discontinued operations			457	435
		<u>38,362</u>	<u>23,296</u>	<u>6,274</u>

F-13

**Table of Contents**

	Note	2002	2001	2000
		£ 000	£ 000	£ 000
<b>Research and development costs</b>				
Continuing operations		3,859	2,841	3,367
Discontinued operations			306	479
		<u>3,859</u>	<u>3,147</u>	<u>3,846</u>
<b>Total operating expenses</b>		<u>42,221</u>	<u>26,443</u>	<u>10,120</u>

**6. Directors emoluments**

	2002	2001	2000
	£ 000	£ 000	£ 000
Aggregate emoluments	873	758	401
Company pension contributions to money purchase schemes	22	18	15
	<u>895</u>	<u>776</u>	<u>416</u>

The Company paid pension contributions to money purchase pension schemes on behalf of one director (year to 31 December 2001: one director, year to 31 December 2000: one director).

T G Lynch waived emoluments in respect of the year ended 31 December 2002 amounting to £25,000 (year to 31 December 2001: £25,000, year to 31 December 2000: £25,000). Also, J Groom waived emoluments in respect of the year ended 31 December 2002 amounting to £25,000 (year to 31 December 2001: £14,000).

Total remuneration of directors (including benefits in kind) includes amounts paid to:

**Highest paid director**

	2002	2001	2000
	£ 000	£ 000	£ 000
Aggregate emoluments	873	758	401
Company pension contributions to money purchase schemes	22	18	15
	<u>895</u>	<u>776</u>	<u>416</u>

**7. Employee information**

The average monthly number of persons (including executive directors) employed by the Group during the year was:

2002	2001	2000
------	------	------



Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

Marketing and administration	58	30	16
Clinical and registration	6	7	6
Research and development	24	29	27
Computing	2	2	2
Laboratory	16	16	14
	<u>106</u>	<u>84</u>	<u>65</u>

	<u>2002</u>	<u>2001</u>	<u>2000</u>
	<u>£ 000</u>	<u>£ 000</u>	<u>£ 000</u>
Staff costs (for the above persons):			
Wages and salaries	5,386	3,489	2,192
Social security costs	1,053	489	431
Other pension costs	233	155	153
	<u>6,672</u>	<u>4,133</u>	<u>2,776</u>

F-14

**Table of Contents****8. (Loss)/profit on disposal of discontinued operations**

	<u>2002</u>	<u>2001</u>	<u>2000</u>
	<u>£ 000</u>	<u>£ 000</u>	<u>£ 000</u>
(Loss) on disposal of South American transdermal business		(893)	
Profit on sale of transdermal business	-		759
		(893)	759
	-	-	-

There were no disposals during 2002.

Profit of £759,000 for the year ended 31 December 2000 related to the reversal of a payable balance, arising on the 1999 sale of the UK transdermal patch business, which was paid on behalf of the Company by Elan. The Company is not obliged to repay Elan any of this amount.

On 30 November 2001 the Company and its subsidiary, Amarin Pharmaceuticals Company Limited, concluded the sale of its 99.16% share of its South American transdermal patch product development business comprising the Company's entire interest in the business. The South American transdermal patch business was discontinued from that date.

The consolidated profit and loss account contains a combined profit/(loss) on discontinued operations calculated as follows:

	<u>Year ended 31 December 2002</u>	<u>Year ended 31 December 2001</u>	<u>Year ended 31 December 2000</u>
	<u>£ 000</u>	<u>£ 000</u>	<u>£ 000</u>
Revenue			
Royalties and product sales		2,036	3,072
Licensing and development fees		146	3,870
Services		43	71
	-	-	-
Total revenues from discontinued operations		2,225	7,013
Cost of sales		1,004	1,403
	-	-	-
Gross profit		1,221	5,610
Operating expenses			
Research and development		306	479
Selling, general and administrative expenses		457	435
	-	-	-
Total operating expenses from discontinued operations		763	914
	-	-	-
Operating profit		458	4,696
Exceptional cost of restructuring (see note 11)	669	735	(2,108)
	-	-	-
Profit from discontinued operations	669	1,193	2,588
	-	-	-

**9. Interest receivable and similar income**

2002      2001      2000

Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

	£ 000	£ 000	£ 000
Bank interest receivable and similar income	240	526	365
Other interest receivable	2		1
Gain on disposal of current asset investments		21	242
	<u>242</u>	<u>547</u>	<u>608</u>

**10. Interest payable and similar charges**

	2002	2001	2000
	£ 000	£ 000	£ 000
On bank overdrafts	3	14	9
On other loans	1,153	273	162
On finance leases	3	9	17
Other interest payable	300		69
	<u>1,459</u>	<u>296</u>	<u>257</u>

F-15

**Table of Contents**

Other interest payable comprises of interest payable on the under-provision of UK corporation tax relating to prior years (see note 13).

**11. Exceptional items**

	<u>2002</u>	<u>2001</u>	<u>2000</u>
	£ 000	£ 000	£ 000
Exceptional costs restructuring:			
Discontinuing operations	(669)	(735)	2,108
	<u>          </u>	<u>          </u>	<u>          </u>

The costs shown above in 2000 represented the estimated costs incurred in terminating the contracts that were not assumed by Elan Pharma International Limited as part of the sale to them of the transdermal assets and liabilities. This expense formed part of the overall programme of restructuring the business towards a pharmaceuticals products marketing and distribution focus and reducing research and development activities. In December 2000 the Company was informed that Elan Pharma International Limited would not be assuming certain of these contracts. As this area of the business had been discontinued, certain costs were estimated to be incurred in terminating a number of contracts, and the provision represented the directors' estimate of the costs that were expected to be incurred. £735,000 of this provision was released during 2001. The remaining £669,000 of this provision was released during 2002 (see note 25).

**12. (Loss)/profit on ordinary activities before taxation**

	<u>2002</u>	<u>2001</u>	<u>2000</u>
	£ 000	£ 000	£ 000
(Loss)/profit on ordinary activities before taxation is stated after charging:			
Depreciation/amortisation charge for the period:			
Intangible fixed assets	4,609	14,177	1,181
Tangible owned fixed assets	448	299	348
Tangible fixed assets held under finance leases	90	95	91
Auditors' remuneration for audit (company £154,000, year to 31 December 2001: £113,000, year to 31 December 2000; £50,000)	166	133	81
Auditors' remuneration for non-audit work	83	178	123
Operating lease charges			
Plant and machinery	10	3	
Other	1,022	390	307
Loss/(gain) on disposal of fixed assets	7	9	(3)
	<u>          </u>	<u>          </u>	<u>          </u>

**13. Taxation**

	<u>2002</u>	<u>2001</u>	<u>2000</u>
	£ 000	£ 000	£ 000
Tax on (loss)/profit on ordinary activities:			
United Kingdom corporation tax at 30% Current year		165	55
(Over)/under provision in respect of prior years	1,622	(12)	42
Overseas taxation: current	574	180	132
	<u>          </u>	<u>          </u>	<u>          </u>
Total current tax	2,196	333	229
	<u>          </u>	<u>          </u>	<u>          </u>

## Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

During 2002, the Company provided for £1,622,000 in respect of prior years corporation tax payable. Of this, £1,605,000 relates to the gain arising on the disposal of the transdermal business in 1999. The charge attributable to continuing operations is:

F-16

---

**Table of Contents**

	<u>2002</u>	<u>2001</u>	<u>2000</u>
	<u>£ 000</u>	<u>£ 000</u>	<u>£ 000</u>
United Kingdom corporation tax Current year		115	60
Prior year	107	(12)	42
Overseas tax	574	180	127
	<u>        </u>	<u>        </u>	<u>        </u>
Attributable to continuing operations	681	283	229
	<u>        </u>	<u>        </u>	<u>        </u>

The following items represent the principal reasons for the differences between corporate income taxes computed at the United Kingdom statutory tax rate and the total current tax charge for the year.

	<u>2002</u>	<u>2001</u>	<u>2000</u>
	<u>£ 000</u>	<u>£ 000</u>	<u>£ 000</u>
(Loss)/profit on ordinary activities before tax	(20,816)	(2,936)	1,929
	<u>        </u>	<u>        </u>	<u>        </u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporate tax in the UK of 30% (2001: 30%, 2000: 30%)	(6,245)	(881)	579
Overseas tax and adjustments in respect of foreign tax rates	583	180	8
Accelerated capital allowances and other short term timing differences	2,087	895	(441)
Expenses not deductible for tax purposes	4,149	151	41
Adjustments to tax charge in respect of previous period	1,622	(12)	42
	<u>        </u>	<u>        </u>	<u>        </u>
Current tax charge	2,196	333	229
	<u>        </u>	<u>        </u>	<u>        </u>

In the UK, the applicable statutory rate for Corporate income tax was 30% for the year ended 31 December 2000, 2001 and 2002.

The corporate tax rate in Sweden is 28%. A loss sustained in any income year may be carried forward and deducted from taxable income during the next and subsequent years. No carryback is permitted. The corporate tax rate in the United States is 34%. For tax years beginning after August 5, 1997, companies may generally carry back net operating losses two years and forwards twenty years.

Losses carried forward in the continuing UK Company at 31 December 2002 were £33,533,000 (31 December 2001: £28,845,000, 31 December 2000: £20,718,000) subject to confirmation by UK tax authorities. Under UK tax law, these losses can be carried forward indefinitely for set off against future profits of the same trade.

The Company has recognised a full valuation allowance against deferred tax assets as the likelihood of realising these assets is uncertain.

During the year ended 31 December 2001, the main reconciling item in arriving at the current tax charge related to accelerated capital allowances and other short term timing differences. The main timing difference related to losses that were carried forward for set off against future profits of the same trade. During the year ended 31 December 2002 the main reconciling items in arriving at the current tax charge related to accelerated capital allowances, other short term timing differences and expenses not deductible for tax purposes. The main timing difference related to losses that were carried forward for set off against future profits of the same trade. The expenses not deductible for tax purposes principally related to the diminution in value of intangible fixed assets.

**14. Loss for the financial period**

As permitted by section 230 of the Companies Act 1985, the Company's profit and loss account has not been included in these financial statements. Of the consolidated loss attributable to the shareholders of Amarin Corporation plc a loss of £23,371,000 (31 December 2001: loss of £3,455,000, 31 December 2000: loss of £11,729,000) has been dealt with in the financial statements of the Company.

15. (Loss)/earnings per ordinary share

F-17

---

**Table of Contents**

The (loss)/earnings per ordinary share are as follows:

	<u>2002</u>	<u>2001</u>	<u>2000</u>
		<b>*Restated</b>	<b>*Restated</b>
Net (loss)/earnings attributable to ordinary shareholders (£ 000)	(23,012)	(3,269)	1,700
Basic (loss)/earnings per ordinary share (pence)	(247.5)	(45.9)	43.0
Fully diluted (loss)/earnings per ordinary share (pence)	(247.5)	(45.9)	20.2
Weighted average number of ordinary shares in issue	9,297,200	7,124,700	3,953,100
Dilutive impact of cumulative preference shares	2,000,000	4,129,800	4,129,800
Dilutive impact of share options outstanding	565,500	765,800	345,700
Fully diluted average number of ordinary shares in issue	11,862,700	12,020,300	8,428,600

\* During 2002 the nominal value of ordinary shares was converted from 10p to £1 resulting in the number of shares reducing by a factor of 10, accordingly the comparatives for 2001 and 2000 have been restated.

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue in the year.

Fully diluted earnings per share is calculated using the weighted average number of ordinary shares in issue adjusted to reflect the effect were the cumulative preference shares to be converted to additional ordinary shares, together with the effect of exercising those share options granted where the exercise price is less than the average market price of the ordinary shares during the year. Because the Company reported a net loss in 2002 and 2001, the loss per share is not reduced by dilution.

**16. Dividends non-equity**

In 2002 the Company has proposed and accrued £76,000 relating to non-equity dividends on the 3% convertible preference shares of £1 nominal value. In 2001 and 2000 the Company has accrued £124,000 relating to non-equity dividends on 4,129,819 3% convertible preference shares of £1 nominal value. During 2002, 2,129,819 of the shares were converted into ordinary shares (see note 27).

**17. Intangible fixed assets**

<u>Group</u>	<u>£ 000</u>
<b>Cost</b>	
At 1 January 2000	17,720
Additions	3,887
At 31 December 2000 and at 1 January 2001	21,607
Additions	32,385
Disposals	(6,066)
At 31 December 2001 and at 1 January 2002	47,926
Additions	25,798
<b>At 31 December 2002</b>	<b>73,724</b>



<b>Amortisation</b>	
At 1 January 2000	5,307
Charge for year	1,181
<hr/>	
At 31 December 2000 and at 1 January 2001	6,488
Charge for year	14,177
Eliminated on disposal	(5,117)
<hr/>	
At 31 December 2001 and at 1 January 2002	15,548
Charge for the year	4,609
Impairment charge	24,090
<hr/>	
<b>At 31 December 2002</b>	<b>44,247</b>

**Table of Contents**

Group	£ 000
<b>Net Book Value</b>	
<b>Net book value at 31 December 2002</b>	29,477
Net book value at 31 December 2001	32,378
Net book value at 31 December 2000	15,119

On May 17, 2001, the Group entered into an agreement with Elan to license US rights to Permax, a dopamine agonist marketed for the treatment of Parkinson's disease. Under this agreement, the Group acquired limited exclusive US distribution, sales and marketing rights for an initial period of time, together with a fixed price option to acquire unrestricted US rights. The initial period of exclusive distribution rights expired the earlier of 12 months from the date of the agreement or upon closing of the exercise of the purchase option to acquire all of Elan's US rights to Permax. The exercise of the option expanded the Group's rights to Permax in a number of ways, including (1) removing the limited duration of distribution, sales and marketing rights, (2) providing the Group with the rights to develop Permax further (eg new formulations) and (3) enabling the Group to sell some or all of its rights to a third party at some future date.

In 2001, the Group paid Elan £32,348,000 (\$47,500,000) in consideration for the combination of these rights. A further £25,733,000 (\$37,500,000) would become payable on the exercise of the option. The Group capitalized the consideration paid to Elan in 2001 as two separate intangible assets: (1) an exclusive US distribution right (£19,943,000) and (2) an option to acquire US rights to Permax (£12,405,000). The initial payment of £32,348,000 (\$47,500,000) was allocated between the two assets. The value ascribed to the distribution right was determined using the present value of projected cash flows anticipated over the 12 month period of the distribution agreement. The balance of the initial payment was allocated to the option. Prior to the exercise of the option, the value attributed to the distribution right was being amortized over its 12 month term. The value attributed to the option was not amortized as this amount represents a component of purchase consideration, subject to any impairment.

In 2002, the Group exercised its option to acquire Elan's entire US Permax rights, triggering the further consideration of £25,733,000 (\$37,500,000). The Permax asset has been recorded at an amount equal to the total consideration paid, which included both the £25,733,000 (\$37,500,000) in payments arising from the exercise of the option in 2002, as well as the £12,405,000 in value attributed to the option originally in 2001. In addition, with the exercise of the option, management reassessed the useful life of the distribution right and concluded that the remaining carrying amount of £7,491,000 (being the original £19,943,000 cost amortized up to the date the option was deemed to have been exercised January 1, 2002) should be amortised over a remaining period of 14 years to match the life assigned to the Permax intangible acquired in March 2002.

During 2002, the Group recorded an impairment charge in relation to the value of Permax (£23,826,000), following the introduction of generic competition. The impairment charge was calculated in accordance with FRS11 (UK GAAP) Impairment of fixed assets and goodwill. As prescribed in FRS11 the launch of a generic is a trigger event which necessitates, where appropriate, a revision of the carrying value of the intangible. Subsequent to this impairment charge, the Permax estimated economic useful life has been reduced to 10 years.

In 2001, the Company paid £327,000 to acquire exclusive US rights for Moraxen, a product in development by CeNeS plc for treatment of pain. During 2002, CeNeS experienced financial difficulty and has ceased further development work on Moraxen. Consequently, included in the Group impairment charge is the write-off of £294,000, the entire carrying value of this intangible.

In 2002, the Company paid £65,000 to Elan for an option to acquire exclusive US rights to Zelapar, a product in development for Parkinson's disease.

**Company**

	£ 000
<b>Cost</b>	
At 1 January 2000	11,758
Additions	3,860



**Table of Contents**

	<b>£ 000</b>
Additions	32,349
At 31 December 2001 and at 1 January 2002	47,967
Additions	25,798
<b>At 31 December 2002</b>	<b>73,765</b>
<b>Amortisation</b>	
At 1 January 2000	415
Charge for year	1,176
At 31 December 2000 and at 1 January 2001	1,591
Charge for year	14,013
At 31 December 2001 and at 1 January 2002	15,604
Charge for the year	4,684
Impairment charge	24,090
<b>At 31 December 2002</b>	<b>44,378</b>
<b>Net Book Value</b>	
<b>Net book value at 31 December 2002</b>	<b>29,387</b>
Net book value at 31 December 2001	32,363
Net book value at 31 December 2000	14,027

**18. Tangible fixed assets**

Group	Short leasehold	Plant and equipment	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
<b>Cost</b>						
At 1 January 2000	33	2,133	57	28	344	2,595
Additions		264	39	70	84	457
Disposals		(97)	(16)	(7)		(120)
At 31 December 2000 and at 1 January 2001	33	2,300	80	91	428	2,932
Additions	407	164		379	77	1,027
Disposals	(33)	(100)	(27)	(4)	(44)	(208)
At 31 December 2001 and at 1 January 2002	407	2,364	53	466	461	3,751
Additions		318		125	156	599
Disposals		(98)		(108)	(15)	(221)
<b>At 31 December 2002</b>	<b>407</b>	<b>2,584</b>	<b>53</b>	<b>483</b>	<b>602</b>	<b>4,129</b>
<b>Accumulated depreciation</b>						

Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

At 1 January 2000	16	1,249	57	3	263	1,588
Charge for the year	3	366	7	17	46	439
Eliminated on disposals		(39)	(16)			(55)
	<u>19</u>	<u>1,576</u>	<u>48</u>	<u>20</u>	<u>309</u>	<u>1,972</u>
At 31 December 2000 and at 1 January 2001	19	1,576	48	20	309	1,972
Charge for the year	22	255	9	55	53	394
Eliminated on disposals	(21)	(60)	(27)	(2)	(35)	(145)
	<u>20</u>	<u>1,771</u>	<u>30</u>	<u>73</u>	<u>327</u>	<u>2,221</u>
At 31 December 2001 and at 1 January 2002	20	1,771	30	73	327	2,221
Charge for the year	18	282	10	87	141	538
Eliminated on disposals		(31)		(70)	(11)	(112)
	<u>38</u>	<u>2,022</u>	<u>40</u>	<u>90</u>	<u>457</u>	<u>2,647</u>
<b>At 31 December 2002</b>	<b>38</b>	<b>2,022</b>	<b>40</b>	<b>90</b>	<b>457</b>	<b>2,647</b>
<b>Net book value</b>						
<b>At 31 December 2002</b>	<b>369</b>	<b>562</b>	<b>13</b>	<b>393</b>	<b>145</b>	<b>1,482</b>
	<u>387</u>	<u>593</u>	<u>23</u>	<u>393</u>	<u>134</u>	<u>1,530</u>
At 31 December 2001	387	593	23	393	134	1,530
	<u>14</u>	<u>724</u>	<u>32</u>	<u>71</u>	<u>119</u>	<u>960</u>
At 31 December 2000	14	724	32	71	119	960

Plant and equipment includes assets held under finance leases and purchase contracts as follows:

Group	£ 000
<b>Cost</b>	
At 1 January 2000	577
	<u>577</u>
At 31 December 2000 and at 1 January 2001	577
Disposals	(62)
	<u>515</u>
At 31 December 2001 and at 1 January 2002	515
Additions	137
Disposals	(92)
	<u>560</u>
<b>At 31 December 2002</b>	<b>560</b>
	<u>560</u>
<b>Accumulated depreciation</b>	

**Table of Contents**

Group	£ 000
At 1 January 2000	258
Charge for year	91
<hr/>	
At 31 December 2000 and at 1 January 2001	349
Charge for year	95
<hr/>	
At 31 December 2001 and at 1 January 2002	444
Charge for year	90
Disposals	(35)
<hr/>	
<b>At 31 December 2002</b>	<b>499</b>
<hr/>	
<b>Net book value</b>	
<b>At 31 December 2002</b>	<b>61</b>
<hr/>	
At 31 December 2001	71
<hr/>	
At 31 December 2000	228
<hr/>	

Company	Short leasehold	Plant and equipment	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
<b>Cost</b>						
At 1 January 2000	33	97	42	4	103	279
Additions			38		27	65
Disposals		(97)	(16)			(113)
<hr/>						
At 31 December 2000 and at 1 January 2001	33		64	4	130	231
Additions	182			52	42	276
Disposals	(33)		(27)	(2)	(35)	(97)
<hr/>						
At 31 December 2001 and at 1 January 2002	182		37	54	137	410
Additions				5	25	30
<hr/>						
<b>At 31 December 2002</b>	<b>182</b>		<b>37</b>	<b>59</b>	<b>162</b>	<b>440</b>
<hr/>						
<b>Accumulated depreciation</b>						
At 1 January 2000	16	33	42	4	37	132
Charge for the year	3	6	6		25	40
Eliminated on disposals		(39)	(16)			(55)
<hr/>						
At 31 December 2000 and at 1 January 2001	19		32	4	62	117
Charge for the year	16		9	7	34	66

Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

Eliminated on disposals	(21)		(27)	(2)	(35)	(85)
At 31 December 2001 and at 1 January 2002	14		14	9	61	98
Charge for the year	18		10	10	49	87
<b>At 31 December 2002</b>	<b>32</b>		<b>24</b>	<b>19</b>	<b>110</b>	<b>185</b>
<b>Net book value</b>						
<b>At 31 December 2002</b>	<b>150</b>		<b>13</b>	<b>40</b>	<b>52</b>	<b>255</b>
At 31 December 2001	168		23	45	76	312
At 31 December 2000	14		32		68	114

The Company had no tangible fixed assets under finance leases at 31 December 2002, 31 December 2001 or 31 December 2000.

**19. Fixed asset investments**

*Group*

The Group had no fixed asset investments as 31 December 2002, 2001 or 2000.

*Company*

	<b>Group undertakings</b>
	<b>£ 000</b>
<b>Cost or valuation</b>	
At 31 December 2002, 2001 and 2000	1,031

**Table of Contents***Interest in group undertakings*

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued share capital held by the	
			Group	Company
			%	%
Amarin Pharmaceuticals Company Limited	England and Wales	1,599,925 £1 ordinary shares	100	100
Ethical Pharmaceuticals (UK) Limited	England and Wales	16,262 £1 ordinary shares	100	100
		11,735 £1 A ordinary shares	100	100
		375,050 £1 redeemable cumulative preference shares	100	100
		5,421 £1 redeemable convertible cumulative preference shares	100	100
Gacell Holdings AB	Sweden	1,000 SEK 100 ordinary shares	100	
Amarin Development (Sweden) AB	Sweden	1,000 SEK 100 ordinary shares	100	
Amarin Pharmaceuticals Inc.	United States	10 US \$0.01 common stock	100	

All the above subsidiary undertakings have been consolidated in the financial statements using the acquisition method except for Gacell Holdings AB which has been accounted for as a merger.

*Sales and marketing companies*

Amarin Pharmaceuticals Inc.

*Research and development of pharmaceutical products and new drug delivery systems*

Amarin Development (Sweden) AB.

*Intermediate holding companies*

Gacell Holdings AB and Amarin Pharmaceuticals Company Limited.

*Non trading companies*

Ethical Pharmaceuticals (UK) Limited.

**20. Stock**

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Raw materials and consumables	497	704	794	496	704	784
Finished goods and goods for resale	4,302	1,734	1,084	4,263	1,719	1,084



	<u>4,799</u>	<u>2,438</u>	<u>1,878</u>	<u>4,759</u>	<u>2,423</u>	<u>1,868</u>
--	--------------	--------------	--------------	--------------	--------------	--------------

**Table of Contents****21. Debtors**

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
<b>Amounts falling due within one year</b>						
Trade debtors	8,360	4,060	1,961	8,180	3,661	1,469
Amounts owed by group undertakings				12,017	17,821	2,801
Other debtors	650	900	945	207	327	488
Prepayments and accrued income	684	448	227	607	368	149
	<b>9,694</b>	<b>5,408</b>	<b>3,133</b>	<b>21,011</b>	<b>22,177</b>	<b>4,907</b>

No provision or charge against bad or doubtful debts has been made during 2002, 2001, 2000.

**22. Current asset investments**

The Group holds an investment in Antares Pharma Inc. ( Antares ) (formerly Medi-Ject Corporation), which is listed on the NASDAQ Exchange in the United States. In 2002, the directors have written off the carrying value of the investment in Antares.

In 2001 the carrying value was £44,000 against a market value of £39,000, the directors did not consider it necessary to reduce the year end carrying value to the market value as they considered the reduction to be a temporary diminution. The investment was held at its market value, being £44,000 at 31 December 2000.

At 31 December 2000, £10,020,000 of current asset investments was represented by cash held on short term deposit.

**23. Creditors: amounts falling due within one year**

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Bank overdraft		118				
Current portion of other loans	17,082	30,919		10,870	30,919	
Obligations under finance leases	12	97	166			
Trade creditors	1,907	2,075	1,226	1,770	1,886	844
Amounts owed to group undertakings				8,614	16,910	2,621
Corporation tax payable	1,980	153	104	1,970	153	55
Other taxation and social security payable	239	229	477	165	167	234
Other creditors	14,457	2,021	366	14,405	1,782	179
Accruals and deferred income	5,880	1,290	698	5,620	1,068	535
	<b>41,557</b>	<b>36,902</b>	<b>3,037</b>	<b>43,414</b>	<b>52,885</b>	<b>4,468</b>

- (a) At 31 December 2002, the Current portion of other loans comprises an unsecured loan from related parties, with a total principal amount of £26,399,000 (US\$42,500,000) of which \$27,500,000 (£17,082,000) is shown as due within one year. Of this amount, \$17,500,000 (£10,870,240) was repayable at 31 December 2002, with the remaining \$10,000,000 (£6,212,000)

## Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

due in 2003. The loan carries interest at 2% above dollar LIBOR. On January 16, 2003 US\$17,500,000 was paid. The remaining US\$10,000,000 has been restructured and deferred by one year and is now due in 2004.

- (b) As further discussed in Note 24, £7,764,000 of the current portion of Other creditors relates to the deferred fixed payments due as a result of the exercise of the option with Permax. These payments do not bear interest.

There is a right of set off between all of the Company's United Kingdom bank accounts and each company cross guarantees every other company within the UK group. In Sweden, the average outstanding line of credit in the year to 31 December 2002, 2001, 2000 was £nil, £54,000 and £118,000 respectively. The available line of credit in

F-23

---

**Table of Contents**

each of these years was £285,000. The average bank interest rate in Sweden for the year ended 31 December 2002 was 5% (31 December 2001 5.3%, 31 December 2000 5%).

**24. Creditors: amounts falling due after more than one year**

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Other loans	13,354	4,466	6,266	19,566	4,466	6,266
Other creditors	9,318		98	9,318		
Obligations under finance leases	120		94			
	<u>22,792</u>	<u>4,466</u>	<u>6,458</u>	<u>28,884</u>	<u>4,466</u>	<u>6,266</u>

Long-term debt is made up of loans which are repayable as shown below;

In 2002, other loans comprises of:

- a) a non-interest bearing loan, with a related party, of £4,037,000 (US\$6,500,000) which is repayable in one lump sum on September 29, 2004 and is unsecured;
- b) the longer term portion of the loan further described in Note 23(a) is £9,317,000 (US\$15,000,000) with a related party and repayable on September 30, 2004. The loan bears interest at LIBOR dollar rate plus 2% per annum and is unsecured. As discussed in Note 23(a) \$17,500,000 due at 31 December 2002 was paid in January 2003. In addition, in 2003 the loan was restructured and the longer term portion due previously on September 30, 2004 has been deferred by one year to September 30, 2005 (see note 23(a));

In 2002, Other creditors include amounts due to a related party, in respect of deferred consideration arising on the purchase of the remaining US rights to Permax. £7,764,000 (US\$12,500,000) was due within one year, while £9,318,000 (US\$15,000,000) was due after one year. This liability is interest free and repayable by quarterly instalments. Since the year end, a repayment of US\$2,500,000 has been made and an amount of US\$7,500,000 in future option payments has been waived by a related party as part of a debt restructuring.

In 2001, other loans comprises of:

- c) non-interest bearing loan, with a related party, of £4,466,000 (US\$6,500,000) which was repayable at 30 September 2000 has been renegotiated and is now repayable by 29 September 2004 and is unsecured; and
- d) a loan with an outstanding amount of £419,000 at 31 December 2000 (31 December 1999: £336,000 (US\$542,000)) which was repayable on 30 June 2005, was converted into 1,000,000 ordinary shares during the year ended 31 December 2001.

In 2000, other loans include:

- a) a loan with an outstanding amount of £4,354,000, which was repayable by 29 September 2004, was non-interest bearing and is unsecured;
- b) a loan with an outstanding amount of £1,493,000, which was repayable on 6 April 2003, bears interest at LIBOR dollar rate plus 2% per annum and was unsecured; and
- c) a loan with an outstanding amount of £419,000, which was repayable on 30 June 2005, was unsecured and bears interest at 11% per annum.

*Analysis of repayments*

Bank overdrafts, bank loans and other loans are repayable as follows:

F-24

---

**Table of Contents**

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Within one year or on demand	24,847	31,037		24,847	30,919	
Between one and two years	19,567			19,567		
Between two and five years	3,105	4,466	6,266	3,105	4,466	6,266
	47,519	35,503	6,266	47,519	35,385	6,266

The future minimum lease payments to which the Group and the Company are committed under finance leases are as follows:

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Less than one year	13	98	176			
Between one and two years	144		99			
Between two and five years						
Less: interest	(25)	(1)	(15)	-	-	-
	132	97	260	-	-	-
Less: current maturities	(12)	(97)	(166)	-	-	-
Long-term maturity	120		94			

**25. Provisions for liabilities and charges****Group and Company**

	Deferred Taxation	National Insurance	Transdermal Provision	Total
	£ 000	£ 000	£ 000	£ 000
At 1 January 2000				
Charged to the profit and loss account		53	2,108	2,161
At 31 December 2000 and at 1 January 2001		53	2,108	2,161
Payments made in the year			(704)	(704)
Charged/(released) to the profit and loss account		24	(735)	(711)
At 31 December 2001 and at 1 January 2002		77	669	746
(Released) to the profit and loss account		(46)	(669)	(715)
<b>At 31 December 2002</b>		<b>31</b>		<b>31</b>

## Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

The provision for employer's National Insurance contributions shown above relates to amounts due on the exercise of certain share options held by employees provided in accordance with UITF 25 and will accumulate over the vesting period of relevant options.

The Transdermal provision shown above represents the estimated costs to be incurred in terminating the contracts which were not assumed by Elan Pharma International Limited as part of the sale to them of the transdermal assets and liabilities. In December 2000 the Company was informed that Elan Pharma International Limited would not be assuming certain of these contracts. As this area of the business had been discontinued, certain costs were likely to be incurred in terminating a number of contracts, and the provision represents the directors' estimate of the costs which would be incurred.

During the year ended 31 December 2001, the Company incurred costs of £704,000 in respect of terminating the contracts and released £735,000 of the provision. During the year ended 31 December 2002 the directors have reviewed the remaining provision and £669,000 has been credited to the discontinued operations section of the consolidated profit and loss account, as the likelihood of these liabilities crystallising is considered to be remote.

### *Deferred taxation*

No deferred tax asset has been recognised by the Company or the Group in 2002, 2001 or 2000 as the Company has a high level of corporate tax losses carried forward and insufficient certainty of future profitability. The unrecognised potential deferred tax asset amounted to £18,265,000 (2001: £8,400,000, 2000: £6,500,000).

F-25

---

**Table of Contents****26. Financial instruments**

The Group's financial instruments comprise preference shares, borrowings, finance leases, provisions, cash and other liquid resources, and various items, such as trade debtors, trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

It is, and has been throughout the year under review, the Group's policy not to enter into derivative transactions. This was also the case in the 2001 and 2000 financial years. The Group holds ordinary shares in other companies as current asset investments and these are shown on the balance sheet. However, the holding of investments in other companies is no longer a principal activity of the Group and during the last three years the majority of these holdings have been provided against where no market exists for them or sold where possible. At 31 December 2002 the value of traded shares in other companies was £Nil (2001: £44,000, 2000: £44,000) and the gain made in the year on the sale of current asset investments credited to the profit and loss account was £Nil (2001: £21,000, 2000: £Nil).

The main risks arising from the Group's financial instruments are the interest rate risk, liquidity risk and foreign currency risk. It has been, and continues to be the policy of the Board throughout this process to minimise the exposure of the Group to these risks. The Group finances its operations through a number of loan facilities. The Group has, where possible, entered into long term borrowing facilities in order to protect short term liquidity.

The Group has two principal overseas operations in different territories: the USA and Sweden. The revenues and expenses of the operations in the USA are denominated in US dollars and those of the Swedish operation in Swedish Kroner. In 2002 sales to the US accounted for approximately 89% (2001:88%, 2000:68%) of the Group's revenues from continuing operations. In order to protect the Group's liquidity from fluctuations in the US dollar/sterling exchange rate, the bulk of the Group's borrowings are denominated in US dollars.

The Swedish subsidiary is supported by a bank overdraft when necessary denominated in Swedish Kroner. Further financing for it is provided out of group funds. The US business is supported by US dollar loans held by group companies with sterling as their functional currency.

The balance sheet positions at 31 December 2002, 2001 and 2000 are not representative of the position throughout the period as cash and short-term investments, loans and shares fluctuate considerably depending on when fund-raising activities have occurred. Short-term debtors and creditors have been excluded from all the following disclosures, other than currency risk disclosures, as permitted by Financial Reporting Standard 13 ( Derivatives and other financial instruments ).

***Interest rate risk profile of financial liabilities***

The Group's financial liabilities, other than short-term creditors which have been excluded comprise provisions, finance leases, loans and preference shares.

	2002				2001				2000			
	Floating rate	Fixed rate	No interest	Total	Floating rate	Fixed rate	No interest	Total	Floating rate	Fixed rate	No interest	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Sterling			31	31			746	746			2,161	2,161
Swedish Kroner	132			132	215			215	260			260
US Dollar	9,317		13,357	22,674			4,466	4,466	1,493	419	4,354	6,266
Financial liabilities	9,449		13,388	22,837	215		5,212	5,427	1,753	419	6,515	8,687
Preference shares		2,000		2,000		4,130		4,130		4,130		4,130
Total	9,449	2,000	13,388	24,837	215	4,130	5,212	9,557	1,753	4,549	6,515	12,817



## Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

The floating rate financial liabilities comprise loans, finance lease obligations and bank overdrafts. These bear interest at rates based on national LIBID equivalents.

The interest free liabilities are composed of provisions (see note 25), other loans and deferred consideration (see note 24). The maturity of the provisions depends on when certain employee share options are exercised, and when certain agreements are terminated. The interest free loan is repayable by 29 September 2004. The deferred

**Table of Contents**

consideration at the year end as payable in quarterly instalments between January 2004 and June 2005 (see note 24 and 37 for details of the renegotiation of this deferred consideration since the year end).

The preference shares bear interest at 3% per annum and are not redeemable but are convertible on, or after, 30 December 2001. During 2002, 2,129,819 of these shares were converted into ordinary shares (see note 27).

**Interest rate risk profile of financial assets**

The Group's financial assets, other than short-term debtors and stock, which have been excluded, comprise cash, short-term deposits and current asset investments.

	2002				2001				2000			
	Floating rate	Fixed rate	No interest	Total £000	Floating rate	Fixed rate	No interest	Total	Floating rate	Fixed rate	No interest	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Sterling	1,998			1,998	962			962				
Euro					1,000			1,000	710			710
Swedish Kroner	57			57	26			26	50			50
US Dollar	13,017			13,017	18,700		44	18,744	588	10,020	44	10,652
		-	-			-						
<b>Total</b>	<b>15,072</b>			<b>15,072</b>	<b>20,688</b>		<b>44</b>	<b>20,732</b>	<b>1,348</b>	<b>10,020</b>	<b>44</b>	<b>11,412</b>

The floating rate financial assets comprise cash balances. The majority of cash is generally held in floating rate accounts earning interest based on relevant national LIBID equivalents. The 2001 and 2000 interest free financial asset was a current asset investment in the shares of another company (see note 22), which was fully provided for in 2002.

**Foreign currency risk profile**

Group companies with sterling as their functional currency are the only ones to have significant monetary assets and liabilities in currency other than their local currency. At 31 December 2002 they held US dollar monetary assets of £29,256,000 (2001: £21,530,000, 2000: £934,000), US dollar monetary liabilities of £37,304,000 (2001: £38,795,000, 2000: £5,893,000), various EU monetary assets of £637,000 (2001: £1,000,000, 2000: £Nil) and various EU monetary liabilities of £544,000 (2001: £Nil, 2000: £Nil).

**Fair values**

The preference shares described in note 27 are not traded on an organised market. It is therefore not practicable to estimate their fair value with sufficient reliability, as the future cash flows associated with them depend on when they are converted into ordinary shares.

The fair value of the US\$6,500,000 non-interest bearing loan currently carried at £4,037,000 and repayable by 29 September 2004 is £3,608,000 based on discounting at LIBOR plus 4%.

The fair value of the US\$15,000,000 non-interest bearing deferred consideration currently carried at £9,317,000 and repayable by quarterly instalments through to 4 June 2005 is £8,271,000 based on discounting at LIBOR plus 4%.

The fair value of the US\$15,000,000 interest bearing loan currently carried at £9,317,000 and repayable 30 September 2004 is £8,327,000 based on discounting at LIBOR plus 4%.

In the opinion of the directors, the carrying amount of all other significant financial instruments approximates to their fair value, due to their short maturity periods or floating rate interest rates.

**Maturity risk profile**



**Table of Contents**

	2002			2001			2000		
	Debt	Finance leases	Total	Debt	Finance leases	Total	Debt	Finance leases	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
In one year or less	24,847	12	24,859	30,919	97	31,016	166		166
In more than one year but less than two years	19,567		19,567				94		94
In more than two years but not more than five years	3,106	120	3,226	4,466		4,466	6,266		6,266
<b>Total</b>	<b>47,520</b>	<b>132</b>	<b>47,652</b>	<b>35,385</b>	<b>97</b>	<b>35,482</b>	<b>6,266</b>	<b>260</b>	<b>6,526</b>

The Group's preference shares and provisions have not been included in the above table, as the preference shares are not redeemable but are convertible on or after 30 December 2001 (see note 27), and the maturity of the provisions depends on when certain employee share options are exercised, and when certain agreements are terminated.

The Group has overdraft facilities of £285,000, of which £285,000 was undrawn at 31 December 2002. This facility expires within one year.

See note 24 and 37 for details of the renegotiation of the other loan and deferred consideration subsequent to the year end.

**27. Called-up share capital**

	2002	2001	2000
	£ 000	£ 000	£ 000
<b>Authorised</b>			
50,000,000 (31 December 2001 and 2000: 500,000,000 ordinary shares of 10p each) ordinary shares of £1 each	50,000	50,000	50,000
5,000,000 (31 December 2001 and 2000: 5,000,000) 3% cumulative convertible preference shares of £1 each	5,000	5,000	5,000
	<b>55,000</b>	<b>55,000</b>	<b>55,000</b>
<b>Allotted, called up and fully paid</b>			
9,838,158 (31 December 2001: 76,743,893, 31 December 2000: 68,145,760 ordinary shares of 10p each) ordinary shares of £1 each	9,838	7,674	6,814
2,000,000 (31 December 2001 and 2000: 4,129,819) 3% cumulative convertible preference shares of £1 each	2,000	4,130	4,130
	<b>11,838</b>	<b>11,804</b>	<b>10,944</b>

During the year ended 31 December 2002, the nominal value of the ordinary shares was converted from 10p to £1 and 2,129,819 of the 3% cumulative convertible preference shares of £1 each were converted into ordinary shares.

**Issue of share capital**

During the year ended 31 December 2002, 34,000 £1 ordinary shares (£34,000) were issued in respect of share options (2001: 7,598,133 10p shares, 2000: 290,000 10p shares) being £34,000 nominal value in aggregate (2001: £760,000, 2000: £29,000) for a total consideration of

## Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

£123,000 (2001: £2,746,000, 2000: £62,000).

In 2001, 1,000,000 10p ordinary shares (£100,000) were issued to Lehman Brothers International (Europe) upon conversion of an unsecured loan note of US\$500,000, valued at £419,000.

During the year ended 31 December 2000, 38,333,327 10p shares (£3,833,000) were issued via a private placement, 6,507,971 10p shares (£651,000) were issued to Laxdale Limited as part consideration for acquisition of product rights. Further stock issuances and royalty payments on future sales of the product are contingent on the achievement of specified milestones in accordance with the license agreement. 4,000,000 10p shares (£400,000) were issued to Schein Pharmaceuticals Inc. in part consideration of the termination of the multiproduct agreement. The remaining obligation to Schein was settled by a cash payment of US\$1,250,000.

F-28

---

**Table of Contents**

The preference shares confer to the holders the right to receive fixed cumulative preferential dividends at a rate of 3% per annum (net of withholding taxes) on the amount paid up on such shares. Such a dividend is paid if in the reasonable opinion of the Directors the profits justify such payments. The preference shares shall rank for dividend in priority to any other shares issued from time to time by the Company.

On a return of capital on a winding up or otherwise, the preference share holders will be repaid the amounts paid up on their preference shares, together with any arrears and accruals of the fixed cumulative preferential dividend. The preference shares do not entitle the holders to vote at general meetings except on any specific resolution directly and adversely affecting their rights, when they are entitled to such number of votes as they would have had had their preference shares been converted into ordinary shares. Each £1 preference share is convertible into one ordinary share of £1 each, on or after the second anniversary of the date of issue, or earlier on the occurrence of certain trigger events. These shares were issued in 1999. As indicated above certain of the preference shares were converted during 2002 and the balance were converted in February 2003.

**Table of Contents****28. Options and warrants over shares of Amarin Corporation Plc**

Number of share options outstanding*	Note	Date Option Granted	Exercise price per Ordinary Share		Number of share options which were repriced at
			£	US\$	US\$5.00 per Ordinary Share
4,150	1,18	22 June 1994	38.08	61.30	(Note 19) 4,150
300	1	22 December 1994	43.48	70.00	
1,125	1,18	30 November 1995	53.60	86.30	1,025
3,275	1,18	30 November 1996	35.72	57.50	3,050
12,500	2,18	9 May 1997	38.82	62.50	12,500
5,500	3,18	10 July 1997	31.06	50.00	5,500
1,500	3,18	10 July 1997	3.73	6.00	1,500
100,000	3,18	23 November 1998	15.53	25.00	100,000
450,000	4	23 November 1998	3.11	5.00	
19,800	5	23 November 1998	0.93	1.50	
9,250	6	31 December 1998	3.11	5.00	
5,000	7	2 March 1999	4.47	7.20	
5,500	8	7 September 1999	1.86	3.00	
10,000	7	9 February 2000	1.86	3.00	
38,000	7	9 February 2000	1.86	3.00	
10,000	7	9 February 2000	4.10	6.60	
90,000	7	1 March 2000	1.86	3.00	
37,500	8	1 April 2000	1.86	3.00	
10,000	7	7 April 2000	1.86	3.00	
6,250	7	18 May 2000	1.86	3.00	
5,000	8	23 May 2000	1.86	3.00	
10,000	9	29 May 2000	1.86	3.00	
3,293	8	26 September 2000	1.86	3.00	
34,682	10	24 October 2000	2.42	3.90	
30,000	11	11 December 2000	3.35	5.40	
30,000	7	19 February 2001	3.79	6.10	
10,000	9	12 March 2001	3.73	6.00	
2,000	9	4 April 2001	4.04	6.50	
2,334	9	1 May 2001	5.40	8.70	
45,000	12	4 June 2001	5.40	8.70	
395,000	12	2 July 2001	6.21	10.00	
6,000	12	27 July 2001	8.01	12.90	
10,000	12	10 August 2001	13.85	22.30	
10,000	12	14 August 2001	11.80	19.00	
47,000	13	20 August 2001	10.37	16.70	
15,000	12	31 August 2001	10.55	17.00	
4,000	12	27 September 2001	10.81	17.40	
15,000	12	12 December 2001	9.94	16.00	
228,000	14	12 December 2001	9.94	16.00	
4,000	15	2 January 2002	10.62	17.10	
420,650	12,16	23 January 2002	11.00	17.70	
80,000	12	18 February 2002	8.26	13.30	
20,000	17	1 May 2002	9.78	15.75	
20,000	17	1 May 2002	8.24	13.26	
20,000	17	1 May 2002	10.96	17.65	
20,000	17	1 May 2002	12.24	19.70	
15,000	17	1 May 2002	13.23	21.30	
20,000	17	1 May 2002	10.44	16.80	

Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

60,000	17	1 May 2002	10.79	17.37
23,000	17	1 May 2002	7.93	12.77
98,070	17,20	19 July 2002	2.17	3.50
2,000	17	19 July 2002	8.32	13.40
3,500	17	19 July 2002	7.45	12.00
5,000	17	19 July 2002	5.47	8.80
262,200	17	5 September 2002	2.05	3.30
100,000	7	6 November 2002	1.74	2.80
60,000	17	6 November 2002	2.17	3.50
387,167	17	6 November 2002	1.93	3.10
<hr/>				<hr/>
3,342,546				127,725
<hr/>				<hr/>

Share options granted to date are denominated in US dollars. For disclosure purposes the exercise price of these options has been retranslated into Sterling at the year end exchange rate of US\$1.6099/£1.

During 2002, the Company introduced a new option plan. The terms of this plan are substantially the same as existing plans.



**Table of Contents**

Notes:

\* During 2002, the nominal value of ordinary shares was converted from 10p to £1 each, resulting in the number of shares reducing by a factor of 10.

- (1) These options may be exercised after four years and before ten years from the date of grant. Certain options held by ex-directors and ex-employees are exercisable immediately and expire at dates up to 54 months from the date of grant.
- (2) These options are now exercisable and remain so until they expire on 9 May 2007.
- (3) When granted these options were to become exercisable in tranches upon the Company's share price achieving certain pre-determined levels. On 9 February 2000, the Company's remuneration committee approved the re-pricing of the remaining 100,000 options to an exercise price of US\$0.50 per share (now US\$5.00 per share following the conversion of the nominal value of ordinary shares from 10p to £1), exercisable immediately and lapsing ten years from the date of grant.
- (4) Of these options 80% became exercisable immediately and 20% after six months from date of grant. 200,000 of the total options granted remain exercisable until 54 months from date of grant and 250,000 until ten years from date of grant.
- (5) These options can be exercised after three years but before ten years from the date the option is granted, with the exception of 8,000 options granted to employees of Amarin Technologies SA, disposed of on 29 November 2001. These options will expire on 30 June 2003.
- (6) These options are exercisable immediately and remain exercisable until 30 June 2003.
- (7) These options are exercisable now and remain exercisable until ten years from date of grant.
- (8) These options were granted to a former employee of Amarin Corporation plc, are now exercisable and expire on 30 November 2008.
- (9) These options were granted to former API New Jersey employees and became exercisable in tranches of 33% each on the date of grant, the first anniversary and the second anniversary of the date of grant. All the options were exercisable at 31 December 2002. Following the closure of the New Jersey office, the expiry date of these options has been brought forward to 20 July 2003.
- (10) 4,682 of the total options granted on this date were to former API New Jersey employees, the expiry date for these options has been brought forward to 20 July 2003. 15,000 of the total options granted were to a former Amarin Development AB employees and the expiry date for these options has been brought forward to 31 October 2003. The remaining options granted on this date are exercisable in tranches of 33% from the date of grant then on the first and second anniversary of the date of grant.
- (11) These options were exercisable in tranches of 33% over three years, all are exercisable at 31 December 2002. The expiry date of the options has been brought forward to 3 December 2004.
- (12) These options become exercisable in tranches of 33% over three years on the date of the grant then on the first and second anniversaries of the date of grant and remain exercisable for a period of ten years from the date of grant.
- (13) These options were granted to a former Amarin Development AB employee, all are exercisable at 31 December 2002 and the expiry date has been brought forward to 31 October 2003.
- (14) These options become exercisable in tranches of 33% over three years on the first, second and third anniversary of the date of grant and expire 10 years from the date of the grant.

**Table of Contents**

- (15) These options were granted to a former API New Jersey employee and became exercisable in tranches of 33% each on the date of grant, the first anniversary and the second anniversary of the date of grant. 1,333 options were exercisable at 31 December 2002. Following the closure of the New Jersey office, the expiry date of these options has been brought forward to 20 July 2003.
- (16) 15,050 of the total options were granted to former API New Jersey employees. None were exercisable at 31 December 2002 and the expiry date has been brought forward to 20 July 2003. 9,900 of the total options were granted to a former API New Jersey employee, the expiry date for this grant has been brought forward to 3 December 2004.
- (17) These options become exercisable in tranches of 33% over three years on the first, second and third anniversary of the date employment commences. The options expire 10 years from the date of the grant.
- (18) 648,770 options were granted on 8 December 1999, in order to effect the re-pricing mentioned in Note 19 below. The options vest and expire at the same dates as those attaching to the original grants except in the case of certain ex-employees where the options expired on 29 December 2000. It is a condition of the award of these options that, upon exercise, the awardee will surrender a like number of options from the original grant. Therefore the original grant has been shown as being repriced in the table above, and the replacement grant has been excluded.
- (19) As disclosed in a Shareholders' Circular dated 30 October 1998, the Board decided that all existing share options held by current employees and current directors as at 21 October 1998, who were not serving notice would be repriced at US\$0.50 per share (now US\$5.00 per share following the conversion of the nominal value of ordinary shares from 10p to £1). Other terms of the grants affected by this re-pricing were left unchanged. For certain options this change was effected at the directors' discretion, with the remainder being effected by grant described at Note 18 above (Note 3 applies to those options which were granted on 23 November 1998).
- (20) 3,130 of the options granted on the 19 July 2002 were to ex-API employees and in accordance with the termination agreement with the employees, the expiry date has been brought forward to 20 July 2003. At that date 1,042 of these options will have vested. 1,980 of the options granted on 19 July 2002 were to a former API New Jersey employee and the expiry date has been brought forward to 3 December 2004.

**Warrants in shares of Amarin Corporation plc**

At 31 December 2002, warrants have been granted over ordinary shares as follows:

Number of warrants		Date warrant granted	Exercise price per ordinary share
outstanding	Note		
Restated*			
30,000	1	20 July 1999	US\$8.00 (£5.00)

\* During 2002, the nominal value of ordinary shares was converted from 10p to £1 each, resulting in the number of shares reducing by a factor of 10.

Warrants granted to date are denominated in US dollars. For disclosure purposes these warrants have been re-translated into sterling at the year end rate of US\$1.6099/£1.

Notes:

- 1) The Company issued 30,000 warrants on 20 July 1999 as a retainer for financial advisory services from Petkevich & Partners for the period 20 July 1999 to 20 July 2000. On the date of grant the

F-32

**Table of Contents**

warrants were fully vested, nonforfeitable and exercisable from 20 July 1999 until 20 July 2004. No warrants were exercised at 31 December 2002.

- 2) 5,000 warrants issued by the company on 13 September 1999, expired on 13 September 2002. None of the warrants had been exercised by the date they lapsed.

**29. Share premium account and reserves****Group**

	Share premium account	Warrant proceeds	Merger Reserve	Profit and loss account	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
At 1 January 2000	30,316	705	(1,027)	(28,486)	1,508
Reserve transfer		(705)		705	
Profit for the year				1,576	1,576
Premium on share issue	5,746				5,746
Exchange difference on consolidation				14	14
Share option compensation charge				1,058	1,058
<b>At 31 December 2000 and at 1 January 2001</b>	<b>36,062</b>		<b>(1,027)</b>	<b>(25,133)</b>	<b>9,902</b>
(Loss) for the year				(3,393)	(3,393)
Premium on share issue	2,082				2,082
Exchange difference on consolidation				(23)	(23)
<b>At 31 December 2001 and at 1 January 2002</b>	<b>38,144</b>		<b>(1,027)</b>	<b>(28,549)</b>	<b>8,568</b>
Premium on share issue	89				89
Share issuance costs	(252)				(252)
(Loss) for the year				(23,088)	(23,088)
Exchange difference on consolidation				(1,011)	(1,011)
<b>At 31 December 2002</b>	<b>37,981</b>		<b>(1,027)</b>	<b>(52,648)</b>	<b>(15,694)</b>

The cumulative value of goodwill written off to reserves up until 31 December 2002 was £1,868,000 (31 December 2001: £1,868,000, 31 December 2000: £1,868,000).

**Company**

	Share premium account	Warrant proceeds	Profit and loss account	Total
	£ 000	£ 000	£ 000	£ 000
At 1 January 2000	28,623	705	(15,176)	14,152
Reserve transfer		(705)	705	
Loss for the year			(11,729)	(11,729)
Premium on share issue	5,746			5,746
Share option compensation charge			1,058	1,058
<b>At 31 December 2000 and at 1 January 2001</b>	<b>34,369</b>		<b>(25,142)</b>	<b>9,227</b>
Loss for the year			(3,455)	(3,455)

Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

Premium on share issue	2,082	—	—	2,082
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2001 and at 1 January 2002	36,451	—	(28,597)	7,854
Premium on share issue	89	—	—	89
Share issuance costs	(252)	—	—	(252)
Loss for the year	—	—	(23,371)	(23,371)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 December 2002</b>	<b>36,288</b>	<b>—</b>	<b>(51,968)</b>	<b>(15,680)</b>
	<b><u>          </u></b>	<b><u>          </u></b>	<b><u>          </u></b>	<b><u>          </u></b>

*Merger reserve*

The business combination of the Company and Gacell Holdings AB has been treated as a merger. The merger reserve arising on consolidation consists of the cost of the investment by the Company in Gacell Holdings AB less the share capital of Gacell Holdings AB.

**Table of Contents****30. Capital commitments**

Capital expenditure that has been contracted for but has not been provided for in the financial statements amounted to £Nil at 31 December 2002 (31 December 2001: £Nil, 31 December 2000: £Nil).

**31. Financial commitments**

(a) The Group had annual commitments under non-cancellable operating leases as follows:

	2002		2001		2000	
	£ 000		£ 000		£ 000	
	Land and Buildings		Land and Buildings		Land and Buildings	
	Group	Company	Group	Company	Group	Company
Expiring between two and five years inclusive	19		112		44	
Expiring in over five years	604	274	668	274	686	168
	<b>623</b>	<b>274</b>	<b>780</b>	<b>274</b>	<b>730</b>	<b>168</b>

(b) The Company operates a group arrangement with its bankers for all UK group companies such that all balances are drawn down each night into one bank account. There is a right of set off between all the UK Group's bank accounts and each company cross guarantees every other company within the UK Group. At 31 December 2002 there was no potential liability under this arrangement (2001: £Nil, 2000: £Nil).

Minimum payments under non-cancellable operating leases for the next five years are as set forth below:

	Land and Buildings	Land and Buildings
	£ 000 Group	£ 000 Company
2003	623	274
2004	623	274
2005	623	274
2006	613	274
2007	613	274
	<b>3,095</b>	<b>1,370</b>

Minimum payments under non-cancellable operating leases for the years 2008 and beyond are £1,978,000 (Company: £1,318,000) which are for land and buildings.

- (1) No new leases were signed during 2002.
- (2) On October 15, 2001 the Group acquired a six year lease, with an option for a further six years, on office premises in San Francisco, California. The rental is £225,000 per annum and increases after three years in line with the Consumer Price Index. Rent expense for the year 2001 was £47,000.
- (3) On April 27, 2001 the Company acquired a nine year lease for premises in London, UK. The rental is £105,500 per annum and is subject to review in 2005. Rent expense for 2001 was £70,000.

- (4) Further consideration may become payable upon completion of certain milestones in relation to product rights acquired in 2000 (see notes 17 and 38).

**32. Contingent liabilities**

As shown in note 25, during 2000 the Company established a provision relating to the termination of certain contracts not assigned on disposal of the transdermal business. During 2001 and 2002 this provision has been fully utilised or released and at 31 December 2002 the directors consider the possibility of future liabilities arising in connection with these contracts remote.

**Table of Contents**

The Company is not presently subject to any litigation alleging product liability. The Company has, however, recently received two notices of claims of personal injury and/or death from valvular heart disease allegedly associated with Permax. The Company can not predict whether litigation will follow, or the outcome of any such litigation. The Company intends to take all appropriate action to protect its interests with respect to these claims.

**33. Reconciliation of net cash flow to movement in net debt**

	2002		2001		2000	
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
(Decrease)/increase in cash in the period	(5,498)		19,222		627	
Cash outflow/(inflow) from decrease/(increase) in borrowings	1,720		(29,263)		97	
Cash outflow/(inflow) from decrease in current asset investments			(10,020)		9,778	
Change in net debt resulting from cash flows		(3,778)		(20,061)		10,502
Other non-cash items		(7,590)				
Foreign exchange differences on borrowings		(6,300)		(112)		(657)
Conversion of debt to equity				419		
Mark to market of current asset investments		(44)				267
Movement in net debt in the period		(17,712)		(19,754)		10,112
Net debt at 1 January		(14,868)		4,886		(5,226)
Net debt at 31 December		(32,580)		(14,868)		4,886

**34. Analysis of net debt**

	At 31 December 1999	Cash flow	Other non cash changes	At 31 December 2000	Cash flow	Other non cash changes	At 31 December 2001	Cash flow	Other non cash changes	At 31 December 2002
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Cash at bank and in hand	994	354		1,348	19,340		20,688	(5,616)		15,072
Overdrafts	(273)	273			(118)		(118)	118		
	721	627		1,348	19,222		20,570	(5,498)		15,072
Debt due after one year	(336)		(5,930)	(6,266)	1,493	307	(4,466)		(18,208)	(22,674)
Debt due within one year	(5,278)	5	5,273		(30,919)		(30,919)	1,600	4,473	(24,846)
Finance leases due after one year	(247)		153	(94)		94			(120)	(120)
Finance leases due within one year	(105)	92	(153)	(166)	163	(94)	(97)	120	(35)	(12)

Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

	(5,966)	97	(657)	(6,526)	(29,263)	307	(35,482)	1,720	(13,890)	(47,652)
Current asset investments	19	9,778	267	10,064	(10,020)		44		(44)	
Total	(5,226)	10,502	(390)	4,886	(20,061)	307	(14,868)	(3,778)	(13,934)	(32,580)

**35. Major non-cash transactions**

During 2002, 2,129,819 3% cumulative preference shares of £1 each were converted into 2,129,819 ordinary shares of £1 each.

During 2001, an unsecured loan with an outstanding amount of £419,000 repayable on 30 June 2005, bearing 11% interest was converted into 100,000 ordinary £1 shares.

**36. Pensions**

The Company operates a number of defined contribution money purchase pension schemes for certain eligible employees. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions paid and payable by the Company to the fund



## **Table of Contents**

and amounted to £233,000 (year to 31 December 2001: £155,000, year to 31 December 2000: £153,000). At the year end there was a prepaid amount of £Nil (31 December 2001: £1,000, 31 December 2000: £Nil).

### **37. Post balance sheet events**

Subsequent to the end of the year, the Company has raised £12,882,000 of additional funds through the issue of 6,093,728 of new ordinary shares at \$3.4785 per share. The proceeds together with cash on hand at the year end were partially utilised to repay the following amounts to Elan Pharma International Limited ( EPIL ), a related party:

\$2,459,880 in respect of interest accrued to 16 January 2003;

\$17.5 million in part repayment of the loans from EPIL; and

\$8,641,387 in respect of other amounts related to Permax.

EPIL also agreed to further defer the instalments under the loan by one year with \$10 million now due September 2004 (originally 2003) and \$15 million September 2005 (originally 2004). EPIL also agreed to waive three quarterly instalments for the purchase of Permax totalling \$7.5 million (see note 38).

In February 2003, the remaining preference shares (2,000,000) were converted into 2,000,000 £1 ordinary shares.

### **38. Related party transactions**

#### **A. Elan**

During the years ended 31 December 2000, 2001 and 2002, the Company entered into certain contracts with Elan Corporation plc, ( Elan ), which is also a significant shareholder. The directors consider that transactions with Elan have been entered into on an arms length basis. Details of transactions involving Elan are given below.

#### *1. Unsecured loans*

On 6 April 2000 amounts of £1,241,000 (US\$2,000,000) in respect of unsecured loans were converted into 4,000,000 ordinary shares of 10 pence each, and £1,240,000 (US\$2,000,000) was renegotiated to bear interest at 2% above base rate from that date. The interest up to that date was deemed to be £62,000 (US\$101,000). The outstanding loan originally repayable on 6 April 2003, was repaid during the year ended 31 December 2001.

#### *2. Sale of transdermal business*

During 1999, the Group sold its transdermal patch business to Elan Pharma International Limited ( EPIL ) a wholly owned subsidiary of Elan.

As of 31 December 2000, EPIL elected not to assume any licensing and development agreement rights relating to this business. Therefore, the Company remained obligated to perform these contracts. Since the Company no longer intended to operate a transdermal patch business, EPIL had agreed to assist the Company in seeking to terminate such agreements or transfer them to licensees. Given the uncertainty over the Company's ability to terminate or transfer all contracts successfully (as it requires the consent of each counterparty to do so), the Company took an exceptional charge in 2000 of £2,108,000 to cover the estimated cost to terminate its obligations under these contracts.

To the extent the Company provides future services on the one remaining contract the Company is dependent upon Elan or, in their place, the Company would be required to find another party willing to undertake this commitment to provide such services. During 2001 the provision was partially utilised and partially released to the profit and loss account. With the exception of one contract, by the end of 2002 the Company had negotiated the

## **Table of Contents**

termination of its obligations under these arrangements and the remaining provision of £669,000 was released to the profit and loss under discontinued activities.

Following the decision taken by Elan not to assume the licensing and development contracts, the Company became entitled to certain licensing and development revenues in connection with the discontinued transdermal business. £3,743,000 of license and development revenues were recognised during 2000. All direct and operating costs incurred in connection with this revenue totalling £1,160,000 were charged by Elan to the Company during 2000 and this was reflected in the results of the discontinued operation. In light of the sale of the transdermal business the Company no longer had the facilities and staff to service its obligations under transdermal contracts.

### *3. Acquisition of product portfolio and matters related to those products*

#### *a) Unsecured loan*

On 6 April 2000, the Company entered into an agreement to convert a loan, representing part of the consideration to purchase certain product rights from Elan, into equity. On conversion the Company would have made a cash payment of US\$150,000, issue 870,000 preference shares and 4,000,000 ordinary shares to a subsidiary of Elan. Although agreed, this conversion never occurred. At 31 December 2002 and 2001 the loan of US\$6,500,000 was still outstanding (see Note 24).

#### *b) Sales and Purchases with Elan*

During the year ended 31 December 2001, the Group made sales to Elan companies amounting to £687,000 (US\$1,000,000) for goods, services and research. During the year ended 31 December 2002, the Group made sales to Elan companies amounting to £621,000 (US\$1,000,000) for goods, services and research. The Group also purchased services amounting to £155,000 (US\$250,000) in 2002.

#### *c) Withdrawal from the market of certain products*

On 6 November 2000, the US Food and Drug Administration ( FDA ) issued a warning regarding all decongestant products containing the active ingredient phenylpropanolamine ( PPA ), and initiated steps to remove these products from the marketplace. The Company accepted returns through 31 December 2001, of £893,000 (US\$1,299,000). During 2002, PPA returns were £327,000 (US\$526,000). A decision was taken in early 2001 to accept returns in certain circumstances even where customers did not have legal right of return. The Company accounts for these returns as part of operating expense. Elan made a contribution to the Company of US\$500,000 to cover PPA returns during the year ended 31 December 2000. This contribution was offset against the cost of PPA product returns.

### *4. Permax*

During 2002 the Company exercised a purchase option to acquire the remaining U.S. rights to Permax (pergolide mesylate) from Elan. Following the close of the transaction, the Company replaced Elan as the exclusive licensee for Permax in the United States. The Company obtained the purchase option as a part of its marketing, sales and distribution agreement with Elan, signed in 2001.

In 2001 the Company made an initial payment of US\$47.5 million to Elan (of which \$45 million was represented by a loan note and remains outstanding at 31 December 2002). Following the exercise of its \$37.5 million option referred to above, the Company has made further payments totalling US\$10 million during 2002 and \$27.5 million remained outstanding at 31 December 2002 as disclosed in Note 24. In addition, the Company paid royalties to Elan of between 3.0% and 3.5% on US net sales of Permax in 2002 and will pay royalties to Elan of 10% on US net sales of Permax thereafter. In addition, the Company has received contributions from Elan towards the cost of product returns relating to sales made prior to the Company's acquisition of the Permax sales rights. If net sales of Permax in 2003 and 2004 exceed specified dollar amounts, the Company will be required to pay Elan a percentage of the amount by which net sales exceed such levels. Conversely, if net sales in 2003 and 2004 fall below

**Table of Contents**

the specified levels, the Company will be entitled to credit against future royalties payable to Elan a percentage of the amount by which net sales fall short of such levels.

During 2002, the Group recorded a one-time impairment charge of £23,796,000 in relation to the value of the Permax intangible fixed asset following the introduction of generic competition. The charge was calculated in accordance with FRS11 (UK GAAP) Impairment of Fixed Assets and Goodwill and also meets the requirements of FAS144 (US GAAP) Accounting for Impairment and disposal of Long-Lived assets. As prescribed in FRS11 the launch of a generic is a trigger event that necessitates, where appropriate, a revision of the carrying value of the intangible.

*5. Restructuring of Elan Loan*

In July 2002 the Company restructured its US\$45 million loan from Elan originally scheduled for repayment in full on 30 September 2002. Under the revised payment schedule, the loan was to be repaid in four installments of US\$2.5 million, US\$17.5 million, US\$10 million and US\$15 million, beginning in the third quarter of 2002. The loan was incurred in 2001 as part of the Company's acquisition of marketing and purchase option rights to Permax. These loan obligations were further restructured in January 2003 (see below). As part of the debt restructuring agreement with Elan, the Company received a waiver of its obligation to make debt repayments due 31 December 2002.

*6. Restructuring of Elan Obligations*

In conjunction with the closing of the private placement on 27 January 2003, the Company restructured certain of its debt and milestone payments due or potentially due to Elan as indicated below.

*a) Loan Agreement*

The Company paid \$2,459,880 in cash out of its cash reserves to EPIL as interest accrued on its \$42.5 million interest bearing loan from Elan to 16 January 2003. The Company's loan agreement with Elan was varied so that the installments of the loan were rescheduled as follows:

- (1) the \$10 million due and payable on 30 September 2003, together with accrued interest, became due and payable on 30 September 2004; and
- (2) the \$15 million due and payable on 30 September 2004, together with accrued interest, became due and payable on 30 September 2005.

In accordance with the terms of the loan agreement, on 16 January 2003 the Company paid \$17.5 million to Elan that was previously due on 31 December 2002.

*b) Permax*

The Company paid \$8,641,387 to Elan Pharmaceuticals, Inc. in discharge of the current outstanding balance relating to Permax inventory.

The Amended and Restated Distribution and Option Agreement, dated 28 September 2001, between Elan Pharmaceuticals, Inc. and the Company was amended so that the deferred consideration for Permax payable by way of quarterly installments of \$2.5 million was reduced by \$7.5 million.

*c) Zelapar*

The option agreement dated 18 June 2001 and made between the Company and EPIL was amended so that the first sales milestone payable by the Company to EPIL became \$17.5 million rather than \$12.5 million. The Company also agreed to pay approved reasonable and verifiable out-of-pocket costs incurred by Elan after 31 December 2002 in respect of any further development costs incurred for Zelapar. One-half of the Company's or

**Table of Contents**

EPIL's out-of-pocket costs paid by the Company under this arrangement will be credited (up to \$5 million) against the \$17.5 million first milestone payable under the option agreement.

The option agreement was varied so that EPIL shall be at liberty to reclaim the rights to Zelapar where such rights have been previously transferred to the Company if the Company either:

materially breaches the terms of any agreement between the Company and any member of the Elan group of companies and the Company fails to remedy such breach within 90 days of receiving written notice of such breach; or

becomes insolvent.

The option agreement was also varied so that the Company is at liberty to defer \$8 million of the \$10 million payable by it on exercise of the option to a period not later than the later of the exercise of the option and 30 September 2003. In consideration of such deferral, the Company is obligated to pay \$2.25 million to EPIL upon closing of the option to make a total option payment of \$10.25 million rather than \$10 million as had previously been the case. Alternatively, the Company can pay \$10 million on closing of the option as had previously been the case. This variation had been sought by the Company to provide the Company with more flexibility going forward.

*d) Elan Equity Stake in Amarin*

In March 2002, Elan converted 2,129,819 preference shares into an equivalent number of ordinary shares. Effective February 2003, Elan converted 2,000,000 preference shares into 2,000,000 ordinary shares. Elan has the right to include these shares, together with its remaining 2,653,819 ordinary shares and ADS in a registration statement filed by the Company.

Elan agreed with the Company that until October 1, 2003, Elan would not sell, transfer or otherwise dispose of any of the ordinary shares, ADSs or preference shares currently held by it; provided that Elan is not prevented from:

converting preference shares into ordinary shares;

accepting any offer made to all holders of the Company's ordinary shares to acquire all or part of the issued ordinary share capital of the Company;

transferring any securities to a subsidiary or holding company of such shareholder; or

selling ordinary shares or ADSs where the purchaser enters into a written agreement confirming its intention to hold such ordinary shares for a period ending not earlier than 30 September 2003 and the per share sale price of such ordinary shares is not less than 90% of the closing sale price of the Company's ADSs on NASDAQ for the five trading days immediately prior to the date of such sale.

Elan has additional registration rights that are based on rights it acquired in 1998. These include the right to demand further registrations of its ordinary shares and ADSs. Such a registration may, at Elan's request, involve an underwritten offering, which Elan could commence at any time after 1 January 2004 if it includes in such offering at least 1,000,000 ordinary shares and ADSs and determines in good faith that such an underwritten offering is in its best economic interest.

*e) Additional Amarin Obligations to Elan*

As part of its ongoing asset disposal program, subject to the fiduciary obligations of its directors, the Company agreed with Elan to use the Company's commercial best efforts to sell all or substantially all of its primary care portfolio and Amarin AB, in each case as expeditiously as is reasonably practicable and for a reasonable sum. The Company agreed with Elan to apply the net proceeds from such sale or sales as follows:

**Table of Contents**

\$5 million will be payable to Elan, which amount would, if paid, be credited against the Zelapar milestone of \$17.5 million referred to above;

prepayment of remaining Permax deferred payments due under the Permax agreement; and

prepayment of the \$6.5 million loan due to Elan Pharmaceuticals, Inc. relating to the Carnrick group of products acquired from Elan Pharmaceuticals, Inc. in September 1999;

prepayment of all sums then due under the loan agreement;

payment of any additional amounts due Elan and its affiliates; and

if there is any remainder, applied in the Company's sole discretion.

Elan has the right, in its sole discretion, to redirect the order in which the net proceeds of any such sales are applied as between the uses set out above. Additionally, after having paid the first \$35 million of the net proceeds of any sale in the manner set out above, the Company may at its option defer payment of 50% of any balance due to Elan for a period of six months from the closing of such sale or sales.

#### 7. *Approval of Transactions with Elan*

All of the above transactions were approved in accordance with the Company's policy for related party transactions. The Company's policy in 2002 was to require audit committee review of all transactions involving a potential conflict of interest, followed by the approval of a majority of the directors who do not have a material interest in the transaction.

#### 8. *Mr Ziegler*

On 10 December 1999, S A Ziegler became a director of the Company and was a partner of Ziegler, Ziegler and Altman LLC, Counsellors at Law in the United States who provided professional services to the Group in the sum of £252,000 during the year ended 31 December 2001 (year ended 31 December 2000: £202,000).

Mr Ziegler resigned as a director of the Company on 29 May 2001 and is no longer considered to be a related party. At 31 December 2001 a balance of £90,000 (US\$113,000) (31 December 2000: £Nil) was outstanding.

### 39. Differences between UK GAAP and US GAAP

The financial statements of the Company have been prepared in conformity with UK GAAP which differs in certain significant respects from generally accepted accounting principles in the US ( US GAAP ). These differences have a significant effect on net income and the composition of shareholders' equity and are described below.

#### *Summary of material adjustments to net (loss)/income and shareholders' equity*

##### 1. *Net (loss)/income*

	Year Ended 31 December 2002	Year ended 31 December 2001	Year ended 31 December 2000
Note	£ 000	£ 000	£ 000
Net (loss)/profit in accordance with UK GAAP	(23,012)	(3,269)	1,700
Adjustment for treatment of goodwill	A		(19)
Adjustment for gain/(loss) on securities available-for-sale	C	9	(5)
Adjustment for stock-based compensation and National Insurance	F	1,041	(987)
		(987)	108

**Table of Contents**

	Note	Year Ended 31 December 2002	Year ended 31 December 2001	Year ended 31 December 2000
		£ 000	£ 000	£ 000
Adjustment for treatment of intangible fixed asset	I	517	408	(3,860)
Adjustment for revenue recognition	J	70	60	106
Gain on extinguishment of a trade creditor	K			(759)
Imputed interest on non-interest bearing debt	L	(290)	(268)	(414)
Accrual for PPA returns	M		336	(336)
Reversal of transdermal accrual	N	(233)		233
Adjustment for revenue recognition	P	(216)		
Adjustment to Permax purchase consideration	Q	1,333		
		<u>          </u>	<u>          </u>	<u>          </u>
Net loss as adjusted to US GAAP		(20,781)	(3,725)	(3,241)
		<u>          </u>	<u>          </u>	<u>          </u>
		£	£	£
US GAAP net loss per ordinary share (assuming dilution)		(2.24)	*(0.52)	*(0.82)
		<u>          </u>	<u>          </u>	<u>          </u>
US GAAP net loss per ordinary share (basic)		(2.24)	*(0.52)	*(0.82)
		<u>          </u>	<u>          </u>	<u>          </u>

\* During 2002 the nominal value of ordinary shares was converted from 10p to £1 each resulting in the number of shares reducing by a factor of 10, accordingly comparatives have been restated.

	Note	31 December 2002	31 December 2001	31 December 2000
		000	000	000
Shares used in computing per ordinary share amounts assuming dilution	H	11,896	*12,035	*8,609
Shares used in computing per basic ordinary share amounts	H	9,297	*7,125	*3,953

2. *Shareholders equity*

	Note	31 December 2002	31 December 2001	31 December 2000
		£ 000	£ 000	£ 000
Shareholders equity in accordance with UK GAAP		(3,856)	20,372	20,846
Adjustment for gain/(loss) on securities available-for-sale	C	4	(5)	
Adjustment for National Insurance on stock options	F	31	77	53
Adjustment for treatment of intangible fixed asset	I	(2,935)	(3,452)	(3,860)
Adjustment for revenue recognition	J	(383)	(453)	(513)
Imputed interest on non-interest bearing debt	L	279	569	837
Accrual for PPA returns	M			(336)
Reversal of transdermal accrual	N		233	233

Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

Adjustment for preferred dividend	O	324	248	124
Adjustment for revenue recognition	P	(216)		
Adjustment to Permax purchase consideration	Q	1,333		
		<u>          </u>	<u>          </u>	<u>          </u>
Shareholders' equity in accordance with US GAAP		(5,419)	17,589	17,384
		<u>          </u>	<u>          </u>	<u>          </u>

Notes:

F-41

---

**Table of Contents**

*A) Treatment of goodwill*

Historically, UK GAAP permitted goodwill arising on acquisition to be charged directly to retained earnings in the year of acquisition. For the year ended 31 December 2000, US GAAP required goodwill to be capitalised and amortised to income over the period of expected benefit.

*B) Disclosures related to deferred taxes*

Management of the Company evaluated the positive and negative evidence impacting the realisability of the Company's net operating loss carryforwards. Due to the Company's history of generating operating losses, significant changes in its underlying products offering and limited periods of profitability, management concluded that a full valuation allowance is required with respect to its net operating loss carryforwards. Following the introduction of FRS19 Deferred Tax, UK GAAP is now similar to existing US GAAP in this area.

*C) Treatment of marketable equity securities*

Under UK GAAP investments (including listed investments) held on current and long-term basis are stated at the lower of cost or estimated fair value, less any permanent diminution in value. Under US GAAP the carrying value of our marketable equity securities is adjusted to reflect unrealized gains and losses resulting from movements in the prevailing market value. During 2002, the value of our current asset investments was written off to zero under UK GAAP and to the current market value under US GAAP.

Under US GAAP the fair value of current asset investments was £4,000, £39,000 and £44,000 for the periods ended December 31, 2002, 2001 and 2000, respectively.

*D) Consolidated statement of cash flows*

The consolidated statement of cash flows prepared in accordance with UK GAAP, Financial Reporting Standard No. 1 and presents substantially the same information as that required under US GAAP. Under US GAAP, however, there are certain differences from UK GAAP with regard to classification of items within the cash flow statement.

Under UK GAAP, cash flows are presented separately for operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment, and financing activities. Under US GAAP, however, only three categories of cash flow activity are reported, being operating activities, investing activities and financing activities. Cash flows from taxation and payments for interest would be included as operating activities under US GAAP. The financing proceeds and debt repayments would be included under financing activities under US GAAP. Additionally the cashflow represents only the change in cash and cash equivalents which would exclude overdrafts under US GAAP.



**Table of Contents**

Set out below, for illustrative purposes, is a summary consolidated statement of cash flows under US GAAP:

	Year Ended 31 December 2002	Year Ended 31 December 2001	Year Ended 31 December 2000
	£ 000	£ 000	£ 000
Net provided by operating activities	3,469	10,912	3,761
Net cash (used in)/provided by investing activities	(7,118)	(33,496)	601
Net cash (used in)/provided by financing activities	(1,967)	31,904	6,285
	<hr/>	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(5,616)	9,320	10,647
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year	20,688	11,368	721
Cash and cash equivalents at the end of the year	15,072	20,688	11,368
	<hr/>	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(5,616)	9,320	10,647
	<hr/>	<hr/>	<hr/>

There is no significant effect of foreign exchange movements on cash balances.

*E) Discontinued operations*

In the years ended 31 December 2000 and 2001, the transdermal patch business has been classified as discontinued operations under UK GAAP and the comparatives restated to reflect this. Under US GAAP this would have been shown as continuing operations. During 2002, a restructuring provision relating to the transdermal patch business disposal was released giving rise to a gain to the results for the year.

*F) Stock-based compensation and National Insurance*

Under UK GAAP the Company has recorded a provision for £31,000 (31 December 2001: £77,000, 31 December 2000: £53,000) relating to National Insurance ( NI ) amounts payable on stock option gains at the time of grant. Under UK GAAP NI contributions are accrued over the vesting period of the underlying option. Under US GAAP payroll taxes on stock options are accrued when the liability is incurred.

The Company has re-priced certain stock options issued to directors and employees. Under US GAAP these have been accounted for using variable plan accounting as directed by FIN 44, leading to an increased in net income of £1,087,000 in 2002 (2001: decrease of £1,011,000 in net income).

In 2002, the Company accelerated the vesting of 6,100 options held by terminated employees. This modification has been considered a re-pricing and will be accounted for using variable accounting. The impact of this in 2002 was minimal.

The Company applies APB Opinion No. 25 and related interpretations in accounting for its US share option plans. Had compensation for the Company's share option plans been determined based on the fair value at the grant dates for awards under those plans consistent with the method of SFAS No. 123, the Company's net (loss) and net (loss) per share under US GAAP would have been reduced to the pro forma amounts indicated below:

**Table of Contents**

	Year Ended 31 December 2002	Year Ended 31 December 2001	Year Ended 31 December 2000
	£ 000	£ 000	£ 000
<b>Net (loss) as reported</b>	(20,781)	(3,725)	(3,241)
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effect	(2,300)	(3,154)	1,687
Add back total stock based compensation expense determined under the intrinsic value based method	(1,087)	1,011	1,058
Proforma net (loss)	(24,168)	(5,868)	(496)
	£	£	£
Basic and diluted (loss) per ordinary share as reported	(2.24)	(0.52)	(0.82)
Proforma	(2.60)	(0.80)	(0.20)
	£	£	£
Weighted average grant date fair value Options granted at the market price	4.04	5.00	2.70
Options granted at a premium to the market price			
Options granted at a discount to the market price		9.70	4.20

The fair value for options granted was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions and no dividends.

	Year Ended 31 December 2002	Year Ended 31 December 2001	Year Ended 31 December 2000
<b>Options granted at the market price</b>			
Risk free interest rate (percentage)	5.00	5.13	6.34
Expected life (in years)	4.00	3.52	1.20
Volatility (percentage)	100	60	60
<b>Options granted at a premium to the market price</b>			
Risk free interest rate (percentage)	5.00	5.13	6.34
Expected life (in years)	4.00	3.52	1.20
Volatility (percentage)	100	60	60
<b>Options granted at a discount to the market price</b>			
Risk free interest rate (percentage)	5.00	5.13	6.34
Expected life (in years)	4.00	3.52	1.20
Volatility (percentage)	100	60	60

G) Recently issued accounting standards

Exit and disposals

## Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

In June 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities (FAS 146). This Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring) . This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred and can be measured at fair value. The provisions of this Statement are effective prospectively for exit or disposal activities initiated after 31 December 2002. The Company does not expect this statement to have a material impact on the financial statements.

F-44

---

**Table of Contents***Guarantees*

In November 2002, the FASB issued Interpretation No. 45 (FIN 45), *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*. The Interpretation expands on the accounting guidance of FAS 5, *Accounting for Contingencies*, FAS 57, *Related Party Disclosures*, and FAS 107, *Disclosures about Fair Value of Financial Instruments*, and incorporates without change the provisions of FIN 34, *Disclosure of Indirect Guarantees of Indebtedness of Others*, an interpretation of FASB Statement No. 5, which is being superseded. FIN 45 elaborates on the existing disclosure requirements for most guarantees, including loan guarantees, such as standby letters of credit. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, or market value, of the obligations it assumes under that guarantee and must disclose that information in its interim and annual financial statements. FIN 45 will be effective to the Company on a prospective basis to guarantees issued or modified after 31 December 2002. The disclosure requirements in this Interpretation are effective for financial statements of periods ending after 15 December 2002. The standard has no material impact on the financial statements.

*Variable interest entities*

In January 2003, the Financial Accounting Standards Board issued FASB Interpretation No. 46, *Consolidation of Variable Interest Entities* (FIN 46). Under that interpretation, certain entities known as *Variable Interest Entities* (VIE) must be consolidated by the primary beneficiary of the entity. The primary beneficiary is generally defined as having the majority of the risks and rewards arising from the VIE. For VIEs in which a significant (but not majority) variable interest is held, certain disclosures are required. The measurement principles of this interpretation will be effective for the Company's 31 December 2003 financial statements. Amarin currently is evaluating its potential VIEs under FIN 46 but does not believe that it will be considered the primary beneficiary for any such entities or that it will be required to disclose a significant interest in a VIE.

*H) Earnings per share*

	31 December		
	2002	2001	2000
	£	£	£
US GAAP net (loss) available to common stockholders	(20,781,000)	(3,725,000)*	(3,241,000)*
Basic weighted-average shares	9,297,216	7,124,275	3,953,084
Plus: Incremental share from assumed conversions			
Options	565,492	765,816	525,843
Warrants	33,750	14,925	182
Convertible preferred stock	2,000,000	4,129,819	4,129,819
Adjusted weighted-average shares	11,896,458	12,035,285	8,608,928

\* During 2002 the nominal value of ordinary shares was converted from 10p to £1 each resulting in the number of shares reducing by a factor of 10, accordingly comparatives have been restated.

	Year Ended 31 December 2002	Year Ended 31 December 2001	Year Ended 31 December 2000
	£	£	£
Basic (loss) per share	(2.24)	(0.52)	(0.82)
Diluted earnings per share	a	a	a

The dilutive effect of the Company's option, warrants and convertible preferred stock have been excluded as the impact would have been antidilutive for the periods indicated above. Please refer to Notes (28) and (27) for more information with regard to these securities. 290,000 shares were issued during 2000 upon the exercise of certain options. 7,598,133 shares were issued in 2001 upon the exercise of certain options. 34,000 were issued in 2002 upon the exercise of certain options.

**Table of Contents**

*I) Treatment of intangible fixed assets*

Under UK GAAP pharmaceutical products which are in the clinical trials phase of development can be capitalized and amortized where there is a sufficient likelihood of future economic benefit. Under US GAAP specific guidance relating to pharmaceutical products in the development phase requires such amounts to be expensed unless they have attained certain regulatory milestones.

Under UK GAAP the Company has capitalised £2,935,000 at December 31, 2002 (December 31, 2001: £3,452,000, 31 December, 2000: £3,860,000) relating to LAX-10 and Zelapar both of which would have been expensed under US GAAP. In addition, the adjustment in 2002 includes a reversal of the impairment recognized under UK GAAP with respect to Moraxen which had been expensed when incurred under US GAAP.

*J) Adjustment for revenue recognition*

Under UK GAAP milestone payments have been recognized when achieved. Under US GAAP, the Company's adoption of SAB 101 resulted in a £619,000 cumulative adjustment in respect of its accounting for certain up-front payments and refundable milestone payments. This change increased sales £70,000, £60,000, £106,000 for the years ended 31 December, 2002, 2001 and 2000, respectively.

*K) Gain on extinguishment of a trade payable*

Under UK GAAP the Company has recognised a gain on the reversal of a third party payable by a related party as discussed in note 8. Under US GAAP the payment of a third party liability by a related party is considered a contribution to capital.

*L) Imputed interest on non-interest bearing debt*

In connection with the Company's acquisition of the product portfolio from Elan, the Company obtained a no interest bearing loan for a period of one year in the amount of £4,466,000 to fund the acquisition of such portfolio. Under UK GAAP the face value of the note is included in the fair value of the portfolio acquired. Under US GAAP the note payable and the product portfolio are recorded at the present value of amounts to be paid determined using an appropriate interest rate. The note payable is then accreted up to its face value over the term of the loan with a corresponding charge to interest expense.

In June 2000, the entire loan amount referred to above of £4,466,000 was extended for a period of approximately 4 years (see Note 24). Under UK GAAP there is no accounting impact as a result of the extension of the loan term. Under US GAAP the modification resulted in an extraordinary gain for fiscal 2000 of £1,251,000, computed as the difference between the face value of the loan and the present value of the amounts to be paid using the appropriate interest rate, which has been accounted for as a capital contribution from a related party. For US GAAP the loan will be carried at its present value and accreted up to its face value over the term of the loan with a corresponding charge to interest expense, accordingly a charge of £290,000 under US GAAP has been charged to interest expense for the year ended 31 December 2002 (31 December 2001: £268,000).

*M) Accrual for PPA returns*

Under UK GAAP the Company did not accrue for the estimated costs expected to be incurred during the year ended 31 December 2000. Under US GAAP the Company was required to accrue for the estimated costs of returns. During the year ended 31 December 2001 the accrual made under US GAAP has been utilised so no GAAP difference remains.

*N) Reversal of transdermal accrual*

Under UK GAAP the Company accrued for the estimated costs of terminating its transdermal contracts. Under US GAAP a portion of this amount relates to revenues reflected as deferred revenue under SAB 101. This accrual has now been utilised or released under UK GAAP during 2002, eliminating the reconciling difference.

**Table of Contents***O) Preference dividends*

Under UK GAAP cumulative preferred dividends are accrued whether paid or not. Under US GAAP, preferred dividends are not accounted for until declared.

*P) Revenue recognition*

Under UK GAAP revenue is recognised on dispatch of goods. Under US GAAP revenue is recognised on delivery to the customer, when title is deemed to pass. Normally, there is an insignificant timing difference between dispatch and delivery to the customer and hence no adjustment is recorded. However, during the last week of December 2002, such a delay occurred and accordingly an adjustment of £216,000 was made in 2002 to reflect the profit element of sales (£457,000) recognised under UK GAAP but deferred under US GAAP. The associated adjustment to cost of sales would be £241,000.

*Q) Adjustment to Permax purchase consideration*

Under UK GAAP purchase consideration paid by means of a note payable is measured at its principal amount. Under US GAAP purchase consideration is measured by reference to the fair value of the liability assumed. At the date of the option exercise the fair value of our obligation to Elan was £1,909,000 lower than the face amount of the liability as determined by discounting future cash flows at US dollar LIBOR plus 4% being 5.66%.

As of December 31, 2002, the basis difference is eliminated as a result of the impairment recognized with respect to Permax and discussed elsewhere in these financial statements. However, as a result of the initial basis difference, impairment under US GAAP is £1,909,000 lower than that recognized under UK GAAP, partly offset by an additional £576,000 in interest recognised using the effective interest method.

*R) 2001 Proforma Combined Historical Results for Permax Product Line*

The unaudited proforma combined historical results, as if the Company had acquired its rights to Permax with effect from January 1, 2001 for the year ended December 31, 2001, are estimated to be:

	<b>PROFORMA For the year ended December 31, 2001</b>
	<hr/>
	<b>£ 000</b>
<b>Turnover</b>	<b>45,708</b>
	<hr/>
<b>Net Loss</b>	<b>(4,504)</b>
	<hr/>

The proforma results include amortization of purchase consideration from January 1, 2001 to December 31, 2001 as well as interest expense on the interest bearing portion of the related party loan from Elan and royalty payments on Permax sales from January 1, 2001. Proforma results have not been presented for the year ended December 31, 2002 as Permax has been included for the entire period. The proforma results are for illustrative purposes only and are not necessarily indicative of what actually would have occurred if the agreement had been effective from January 1, 2001, nor are they necessarily indicative of future consolidated results.

**Table of Contents**

**40. Events subsequent to April 24, 2003**

Subsequent to April 24, 2003, the date of the independent auditors' report and the filing of the original Form 20-F, additional information has become available relating to Permax inventories at wholesalers and the impact of generic competition. The inventories are higher than initially understood and generic competition is greater.

As indicated in Note 1, concurrent with the signing of the original Form 20-F, cash flow projections had been prepared indicating the Group had adequate cash resources to fund operations for the period to April 2004. Note 1 also indicated that these projections were based on then current sales expectations. On the basis of these projections, the Directors prepared the financial statements on a going concern basis.

As a result of the reduced expectations for sales of Permax, which was explained in the Group's first quarter financial results filed with the Securities and Exchange Commission on June 3, 2003 on Form 6-K, the Directors have prepared updated cash flow projections that indicate it no longer has adequate cash resources to fund operations through April 2004. In fact, these projections indicate that it is necessary for the Group to restructure its debt obligations and raise additional funding in order to fund ongoing operations from September 2003 onwards.

Management has already commenced implementing an action plan to achieve these needs. This includes negotiating a moratorium with Elan on debt and interest payments, negotiating a reduced debt settlement with Elan, negotiating reduced and re-phased consideration for the acquisition of Zelapar and seeking third party finance. In addition, management is actively considering third party collaborations and potential strategic alternatives.

Although the Group has historically been able to satisfy its cash requirements, there can be no assurance that efforts to obtain sufficient financing for operations will be successful in the future.

The timing and ability to restructure existing debt and raise additional finance will impact the Group's ability to execute its strategy and sustain its infrastructure at its current level. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amount and classification of liabilities or any other adjustments that might be necessary should the Group be unable to continue as a going concern.

**Table of Contents****EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>
1.1	Memorandum of Association of the Company*
1.2	Articles of Association of the Company*
2.1	Form of Deposit Agreement, dated as of March 29, 1993, among the Company, Citibank, N.A., as Depository, and all holders from time to time of American Depositary Receipts issued thereunder (1)
2.2	Amendment No. 1 to Deposit Agreement, dated as of October 8, 1998, among the Company, Citibank, N.A., as Depository, and all holders from time to time of the American Depositary Receipts issued thereunder (2)
2.3	Amendment No. 2 to Deposit Agreement, dated as of September 25, 2002 among the Company, Citibank N.A., as Depository, and all holders from time to time of the American Depositary Receipts issued thereunder (3)
2.4	Form of Ordinary Share certificate*
2.5	Form of American Depositary Receipt evidencing ADSs (included in Exhibit 2.3) (3)
2.6	Registration Rights Agreement, dated as of October 21, 1998, by and among Ethical Holdings plc and Monksland Holdings B.V.*
2.7	Amendment No. 1 to Registration Rights Agreement and Waiver, dated January 27, 2003, by and among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.*
2.8	Second Subscription Agreement, dated as of November 1999, among Ethical Holdings PLC, Monksland Holdings B.V. and Elan Corporation PLC (4)
2.9	Purchase Agreement, dated as of June 16, 2000, by and among the Company and the Purchasers named therein (4)
2.10	Registration Rights Agreement, dated as of November 24, 2000, by and between the Company and Laxdale Limited (5)
2.11	Form of Subscription Agreement, dated as of January 27, 2003 by and among the Company and the Purchasers named therein* (The Company entered into twenty separate Subscription Agreements on January 27, 2003 all substantially similar in form and content to this form of Subscription Agreement.)
2.12	Form of Registration Rights Agreement, dated as of January 27, 2003 between the Company and the Purchasers named therein* (The Company entered into twenty separate Registration Rights Agreements on January 27, 2003 all substantially similar in form and content to this form of Registration Rights Agreement.)
4.1	Amended and Restated Asset Purchase Agreement dated September 29, 1999 between Elan Pharmaceuticals Inc. and the Company*
4.2	Variation Agreement, undated, between Elan Pharmaceuticals Inc. and the Company*



## Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

- 4.3 License Agreement, dated November 24, 2000, between the Company and Laxdale Limited (6)
  - 4.4 Option Agreement, dated as of June 18, 2001, between Elan Pharma International Limited and the Company (7)
  - 4.5 Deed of Variation, dated January 27, 2003, between Elan Pharma International Limited and the Company\*
  - 4.6 Lease, dated August 6, 2001, between the Company and LB Strawberry LLC (7)
  - 4.7 Amended and Restated Distribution, Marketing and Option Agreement, dated September 28, 2001, between Elan
-

**Table of Contents**

<b>Exhibit Number</b>	<b>Description</b>
	Pharmaceuticals, Inc. and the Company (8)
4.8	Amended and Restated License and Supply Agreement, dated March 29, 2002, between Eli Lilly and Company and the Company*
4.9	Deed of Variation, dated January 27, 2003, between Elan Pharmaceuticals Inc. and the Company*
4.10	Stock and Intellectual Property Right Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Sergio Lucero, Francisco Stefano, Amarin Technologies S.A., Amarin Pharmaceuticals Company Limited and the Company (7)
4.11	Stock Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Beta Pharmaceuticals Corporation and the Company (7)
4.12	Novation Agreement, dated November 30, 2001, by and among Beta Pharmaceuticals Corporation, Amarin Technologies S.A. and the Company (7)
4.13	Loan Agreement, dated September 28, 2001, between Elan Pharma International Limited and the Company (8)
4.14	Deed of Variation, dated July 19, 2002, amending certain provisions of the Loan Agreement between the Company and Elan Pharma International Limited*
4.15	Deed of Variation No. 2, dated December 23, 2002, between the Company and Elan Pharma International Limited*
4.16	Deed of Variation No. 3, dated January 27, 2003, between the Company and Elan Pharma International Limited*
4.17	The Company 2002 Stock Option Plan (9)
4.18	Agreement Letter, dated October 21, 2002, between the Company and Security Research Associates, Inc.*
4.19	Agreement, dated January 27, 2003, among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.*
4.20	Master Agreement, dated January 27, 2003, between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings B.V. and the Company*
4.21	Form of Warrant Agreement, dated March 19, 2003, between the Company and individuals designated by Security Research Associates, Inc.* (The Company entered into seven separate Warrant Agreements on March 19, 2003 all substantially similar in form and content to this form of Warrant Agreement.)
4.22	Sale and Purchase Agreement, dated March 14, 2003, between F. Hoffmann La Roche Ltd., Hoffmann La Roche Inc. and the Company*
8.1	Subsidiaries of the Company*
10.1	Certification of Richard A. B. Stewart pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

## Edgar Filing: AMARIN CORP PLC\UK - Form 20-F/A

- 10.2 Certification of Ian R. Garland pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002\*\*
- 10.3 Consent of PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors\*\*

---

\* Previously filed as an exhibit to the Company's Annual Report on Form 20-F for the year ended December 31, 2002, filed with the Securities and Exchange Commission on April 24, 2003.

---

**Table of Contents**

\*\* Filed herewith.

Confidential treatment was granted by the Securities and Exchange Commission (the confidential portions of such exhibits have been omitted and filed separately with the Securities and Exchange Commission).

- (1) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-1, File No. 33-58160, filed with the Securities and Exchange Commission on February 11, 1993.
- (2) Incorporated herein by reference to Exhibit(a)(i) to the Company's Registration Statement on Post-Effective Amendment No. 1 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on October 8, 1998.
- (3) Incorporated herein by reference to Exhibit(a)(ii) to the Company's Registration Statement on Post-Effective Amendment No. 2 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on September 26, 2002.
- (4) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 1999, filed with the Securities and Exchange Commission on June 30, 2000.
- (5) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on February 22, 2001.
- (6) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2000, filed with the Securities and Exchange Commission on July 2, 2001.
- (7) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2001, filed with the Securities and Exchange Commission on May 9, 2002.
- (8) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Pre-Effective Amendment No. 2 to Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on November 19, 2001.
- (9) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form S-8, File No. 333-101775, filed with the Securities and Exchange Commission on December 11, 2002.