XANTHUS

Xanthus Holdings p.l.c.
168 St. Christopher Street
Valetta VLT1467 / Malta

interim consolidated financial statements

for the period from 21st March to 30th June 2011

Xanthus Holdings p.l.c, Malta

Interim Consolidated Statement of Financial Position 30th June 2011

Assets

	Notes	30th June 2011 kEUR	21st March 2011 kEUR
Assets			
Cash and Cash Equivalents	8	334	50
Securities	9	1.688	0
Investments in Associates (at equity)	10	5.120	0
Loans	11	2.879	0
Intangible assets	13	1.260	0
Other assets	14	9.634	0
Total assets		**20.915**	**50**

Xanthus Holdings p.l.c, Malta

Interim Consolidated Statement of Financial Position 30th June 2011

Liabilities and Shareholders' equity

	Notes	30th June 2011 kEUR	21st March 2011 kEUR
Liabilities and Shareholders' equity			
Liabilities			
Financial liabilities due to banks (short-term)	15	1.006	0
Trade payables	16	208	0
Other liabilities	17	38	0
Provisions	18	220	0
Total liabilities		**1.472**	**0**
Shareholders' equity			
Common stock	19	19.758	50
Amounts recognised directly in equity relating to currency translation adjustment		1	0
Loss for the period		-316	0
Total shareholders' equity		**19.443**	**50**
Total liabilities and shareholders' equity		**20.915**	**50**

Xanthus Holdings p.l.c, Malta

Interim Consolidated Income Statement
for the period from 21st March to 30th June 2011

	Notes	21st March 2011 to 30th June 2011 kEUR
Continuing Operations		
Investment revenues		
Interest Income		45
Gain from bargain purchase	5	154
Total investment revenues		**199**
Investment costs		
Administration fees		-5
Management fees		-120
Interest expenses		-4
Loss from valuation of assets and liabilities at fair value		-5
Other business related fees		-391
Total investment costs		**-525**
Net investment income		**-326**
Costs of services		**-13**
Loss from continuing operations		**-339**
Discontinued operations		
Profit from discontinued operations	6	**23**
Loss for the period		**-316**
Basic / Diluted earnings per share	22	
Continuing operations		-0,02
Discontinued operations		0,00

Xanthus Holdings p.l.c, Malta

Interim Consolidated Statement of Comprehensive Income for the period from 21st March to 30th June 2011

	Notes	21st March 2011 to 30th June 2011 kEUR
Loss for the period		-316
Other comprehensive Income		
Unrealized gains (losses) from currency translation adjustments, net of tax	19	1
Other comprehensive income (loss)		**1**
Total comprehensive income (loss)	21	**-315**
thereof loss attributable to shareholders' of the parent		-315

Xanthus Holdings p.l.c, Malta

Interim Consolidated Statement of Changes in Shareholders' Equity

for the period from 21st March to 30th Juni 2011

	Common stock		Retained earnings	Foreign currency translation adjustmen ts	Total shareholders' equity
	Shares thousands	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR
Balance 21st March 2011	**50**	**50**			**50**
Loss for the period			-316		-316
Other comprehensive income, net of tax				1	1
Total comprehensive income			**-316**	**1**	**-315**
Issuance of shares	19.708	19.708			19.708
Balance 30th June 2011	**19.758**	**19.758**	**-316**	**1**	**19.443**

Xanthus Holdings p.l.c, Malta

Interim Consolidated Cash Flow Statement for the period from 21st March to 30th June 2011

	Notes	21st March 2011 to 30th June 2011 kEUR
Operating activities:		
Loss for the period		-316
Adjustments:		
Increase in receivables and other assets		-115
Increase in provisions and other payables		442
Gain on bargain purchase		-154
Other non cash income and expenses		-12
Cash flow used for operating activities		**-155**
(thereof for discontinued operations		*-31)*
Investing activities:		
Payments for the acquisition of securities	10	-1.476
Proceeds from sale of securities		869
Proceeds from redemption of loans granted		352
Cash acquired in business combinations	5	1.252
Cash sold in business combinations	4	-1.218
Cash flow used for investing activities		**-221**
(thereof from discontinued operations		*24)*
Financing activities:		
Proceeds from financing activities	9	1.006
Contractual payments to minor shareholders		-374
Proceeds from shareholder loans		28
Cash flow provided by financing activities		**660**
(thereof for discontinued operations		*0)*
Increase in cash and cash equivalents		**284**
Opening balance of cash and cash equivalents 21st March 2011		50
Closing balance of cash and cash equivalents 30th June 2011		**334**

1 General Information

Xanthus Holdings p.l.c., (the Company) is a limited liability company incorporated on 21st March 2011 in Malta with a financial year-end as of 31st December 2011. It is the parent of Xanthus Spec 1 Limited, also incorporated in Malta, and the ultimate holding company of the Xanthus Group.

The Company is registered with the Registry of Companies in Malta, registration number C 52332 and is located at 168, St. Christopher Street, Valletta, VLT1467, Malta.

The principle purpose of Xanthus Holdings p.l.c., is one of Investments. The objectives of the Company are to acquire and hold, buy and/or sell shares, stocks, bonds or securities of or in any other company and any movable or immovable property, and to invest the funds and assets of the Company in such a manner as the Board of Directors may deem fit. This also includes granting/advance money, give credit to companies or partnerships on such terms that the Company deems appropriate.

2 Application of new and revised International Financial Reporting Standards (IFRSs)

The Company is preparing financial statements for the first time in its business life cycle. For the period 21st March to 30th June 2011 the Company has prepared Interim Consolidated Financial Statements referred to as the "Xanthus Group". For Interim Consolidated Financial Statements purposes no comparative figures are available. The Company prepared an opening statement of financial position (balance sheet) as at the date of incorporation (21st March 2011) and uses IFRS as its local and reporting GAAP. (See note 3 below).

For the Interim Consolidated Financial Statements the Company has applied all relevant new and revised IFRSs which were issued and published by the IASB and IFRIC as far as they were effective for business years commencing on 1st January 2011 and adopted by the EU. As no prior year figures exist and the Interim Consolidated Financial Statements have been prepared in accordance with IFRS, and any amendments effective as of 1st January 2011 were already taken into consideration there are no material effects from the changed standards. Due to the nature of the Company, the structure of the Statement of Financial Position (balance sheet) will not follow the traditional Current/Non-Current distinction; instead as described in IAS 1.60, the balance sheet is presented in the order of liquidity as this provides more reliable and relevant information for the users. In the Income Statement a classification is used based on the nature of expenses method.

New and revised IFRSs in issue but not yet effective

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the Interim Consolidated Financial Statements and have not been adopted early.

IFRS 7 *Financial Instrument Disclosures*

This amendment will come into effect in July 2011. The IASB introduced enhanced disclosure requirements to IFRS 7 Financial Instruments as part of its comprehensive review of off-balance sheet activities. The amendments are designed to ensure that users of financial statements are able to more readily understand transactions involving the transfer of financial assets, including the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The adoption of this standard will not result in changes on the presentation of the Group's operations, financial position and cash flows but may to a certain extent impact the disclosures to the consolidated financial statements of Xanthus Group.

IFRS 9 *Financial Instruments*

Published in November 2009 as part of a phase I of the IASB's comprehensive project to replace IAS 39, deals with the classification and measurement of financial Instruments and due to the nature of the company is likely to have a significant impact on Xanthus Groups accounting of financial assets. This standard is not applicable until January 2013, but is available for early adoption. At present, Xanthus Group has not opted for early adoption of this standard, thus the potential impacts on the consolidated financial statements have not yet been fully assessed.

IFRS 10 *Consolidated Financial Statements*

Issued in May 2011, and is effective as of January 2013. This standard was designed to implement a new definition of control that determines which entities will be consolidated. An entity controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Furthermore the standard introduces guidance on assessing whether an entity with decision making rights is a principle or an agent. The standard describes an agent as a party who has been engaged on behalf, and for the benefit, of another party (principle). Xanthus Group is currently evaluating the impact of this adoption on the presentation of the consolidated financial statements.

IFRS 12 *Disclosure of Interest in Other Entities*

This standard was issued in May 2011, and will take effect from January 2013. It requires extensive disclosures regarding an entities interest in Subsidiaries, Joint Ventures, Associates and unconsolidated structured entities in order to assist users of their financial statements evaluate the nature and risk associated with its interest in other entities and the effect of those interests on its financial statements. The adoption of this standard will not have a material impact on the presentation of Xanthus Groups financial position and cash flows, but the standard will impact the extent of disclosures required by Xanthus Group.

IFRS 13 *Fair Value Measurement*

This standard was issued in May 2011, and will take effect from January 2013. This standard gives proposed guidance on how fair values should be measured when required by other standards. The standard aims to replace fair value measurement guidance contained within the individual IFRS's with a single unified definition of fair value. An early adoption of this standard has not yet been applied by the company. The future impact on the Company's consolidated financial statement disclosures should be substantive and is currently being fully assessed.

IAS 12 *Income Taxes Revised*

This standard was issued in December 2010 and will take effect as of January 2012. The amendments provide an exception to the general principles of IAS 12 for investment properties measured using the fair value model. Xanthus Group has decided against early adoption of this standard, any material impacts are yet to be assessed.

Improvements to the International Financial Reporting Standards 2011 were issued in May 2011. The effective dates vary per standard, with the majority taking effective for annual accounting periods beginning on or after January 2013.

3 Summary of Significant Accounting Policies and Valuation Methods

3.1 Statement of compliance

The Interim Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards, (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the EU.

3.2 Basis of preparation

The Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* based on historical cost, except for investment property (land) and financial instruments which have been measured at fair value in accordance with the appropriate IAS. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following financial components, in accordance with the fore mentioned reporting standard (IAS 34.8), have been prepared:

- An Interim Consolidated Statement of Financial Position as of 30th June 2011 (and the Opening Statement of Financial Position as of 21st March 2011 as comparable figures);
- an Interim Consolidated Income Statement for the interim period 21st March to 30th June 2011;
- an Interim Consolidated Statement of Comprehensive Income for the interim period 21st March to 30th June 2011;
- an Interim Consolidated Statement of Cash Flows for the interim period 21st March to 30th June 2011;
- an Interim Consolidated Statement of Changes in Equity for the interim period 21st March to 30th June 2011; and
- a set of accompanying explanatory notes to these Interim Consolidated Financial Statements.

The Interim Consolidated Financial Statements have been prepared in Euro (EUR) as this is deemed the functional and reporting currency of the Company in accordance with IAS 21.9. In accordance with proper accounting practices rounding has been applied throughout to the nearest thousand (kEUR), therefore rounding differences may occur.

3.3 Basis of consolidation

Entities were included in the Interim Consolidated Financial Statements of Xanthus Holdings p.l.c. on the basis that the Company owns directly or indirectly the majority of shares or where by the Company may directly or indirectly exert control over the business activities of the entity. The subsidiaries are fully consolidated for the time in which the Company has control to govern the financial and operating policies of an entity. An entity is de-consolidated at the date when the Company no longer exerts control.

3.4 Going Concern

The Board of Directors has, at the time of approving the Interim Consolidated Financial Statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Interim Consolidated Financial Statements.

3.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred. Acquisition-related costs are generally expensed as incurred and recognised in the income statement.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition amounts of the identifiable assets acquired and any liabilities assumed. If after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceed the consideration given, then the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the income statement as a bargain purchase gain.

Non-controlling interests (Minority interests) in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Xanthus Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of combination.

3.6 Goodwill

Goodwill, presented in the Consolidated Statement of Financial Position, constitutes of capitalized differences arising on the consolidation of equity in the Consolidated Financial Statements. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary controlled recognised at the date of acquisition. These amounts have been capitalized in accordance with IFRS 3 *business combinations.* Goodwill arising on a business combination is not allowed to be amortised. Instead in accordance with IAS 36, Xanthus Group tests the goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The value in use of the individual business is determined based on the discounted cash flow method. The impairment loss (if any) is allocated first to reduce the carrying amount of the allocated goodwill, if the impairment loss exceeds the carrying amount of the goodwill then the remaining impairment is allocated on a pro rata basis to the remaining assets. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of the subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.7 Non-Current assets/liabilities held for sale

Non-current assets/liabilities and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current assets/liabilities are available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from date of classification.

When the Company is committed to a sale plan involving the loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the above criteria is met, regardless of whether the Company will retain a non-controlling interest in that company.

3.8 Foreign currencies

The individual Interim Financial Statements of each group company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The presentation currency of the Interim Consolidated Financial Statements is the functional currency of the Group – Euro (EUR). In preparing the Interim Financial Statements of the individual companies, transactions in currencies other than the company's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are retranslated at the rates prevailing at the date when the items were recognised the first time.

Exchange differences are recognised in the Incomes Statement in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings,
- exchange differences on transactions entered into in order to hedge certain foreign currency risks, and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

For the purpose of presenting Interim Consolidated Financial Statements, the assets and liabilities of those group companies, which have a functional currency other than the parent company, are translated to the currency expressed in the Interim Consolidated Financial Statements of the Company (EUR). Assets and liabilities of the companies included into consolidation are translated at the average exchange rates on the balance sheet date. The respective income statements are translated at annual average exchange rates. If the average exchange rate does not reasonably approximate the actual transaction rate, translation is subject to the respective transaction rates. According to IAS 21 exchange differences arising are separately presented under equity as „Differences from currency exchange". Such exchange differences are recognised in profit and loss in the period in which the foreign operation is disposed of.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise of cash at hand, and other short-term highly liquid investments that are readily convertible and have a maturity of up to three months when initially recognised as cash and cash equivalents.

3.10 Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, (other than those recognised at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

3.11 Financial assets

Financial assets are classified into the following specified categories in accordance with IAS 39:

- Financial assets 'at fair value through profit or loss' (FVTPL)
- 'Held-to-maturity' investments
- 'Available-for-sale' (AFS) financial assets and
- 'Loans and receivables'.

The classification in one of the four above mentioned categories depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3.11.1 Effective Interest method

The effective Interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the debt instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

3.11.2 Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise,
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis, or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resulting gain or loss recognised in profit and loss. The net gain, or loss recognised in the income statement incorporates any dividend or interest earned on the financial asset.

3.11.3 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that Xanthus Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are recorded at amortised acquisition cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

3.11.4 Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivative financial assets that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit and loss.

AFS are restated to fair value at the end of each reporting period. An AFS investment that does not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of the period.

The company does not current have any financial assets classified as AFS financial assets.

3.11.5 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables, (including trade receivables, bank balances and cash, and other financial loans extended by the loan to third parties) are measured at amortised cost, plus interest, (Interest income is recognised by applying the effective interest rate, except for to short-term receivables when the recognition of interest would be immaterial) using the effective interest method, less any impairment.

3.11.6 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty,
- default or delinquency in interest or principal payments, or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the consolidated profit or loss. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the consolidated profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

3.11.7 De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

3.12 Investments in associates

An associate is an entity in which the 'Xanthus Group' has a significant influence, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control, or joint control over those policies.

The results, assets and liabilities of associates are incorporated in these Interim Consolidated Financial Statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets held for sale*. Under the equity method, an investment in an associate is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise Xanthus Groups' share of profit or loss and other comprehensive income of the associate. When Xanthus Groups' share of losses of an associate exceeds Xanthus Group's interest in that associate, Xanthus Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that Xanthus Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over Xanthus Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition (gain from bargain purchases), after reassessment, is recognised immediately in the income statement.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate. When necessary the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use or fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3.13 Other Financial Assets

The other financial assets, for which a quoted market price or a reliable fair value is present, are accounted to this value. In all other cases, where a fair value cannot be reliably are accounted for at acquisition cost. If indicators of impairment arise, due to a triggering event or any other cause then an impairment test will be implemented, and if necessary, an impairment loss will be recognised in the statement of comprehensive income for the period.

3.14 Investment property

Investment properties are properties held to earn rentals and/or capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of the investment properties are included in the income statement in the period in which they arise.

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected to flow into the entity. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the income statement for the period in which it is de-recognised.

3.15 Intangible assets

3.15.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation of film rights is conducted on the basis of a unit-of-production method, which shows the consumption of used film rights as a factor of the revenues than can be achieved. This method is known as the "individual film forecast method". According to this method, a film title is amortised in the period on the basis of a quotient "revenues generated from the film in the period divided by estimated remaining total revenues generated by the film" multiplied by the residual carrying value of the film. The estimation of the total revenue is reviewed at the end of each reporting period. The quotient of the amortisation charge for the period is determined on the basis of any adjusted total revenue. An impairment test is conducted when triggering events arise.

Amortisation of other intangible assets except film rights is recognised on a straight line basis over the estimated useful life of the asset. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.15.2 Internally generated intangible assets – research and development

During the business year the Company did not have any internally generated intangible assets.

3.15.3 De-recognition of intangible assets

An intangible asset is de-recognised on disposal, or when no future economic benefits will flow into the entity. Gains or losses arising on disposal of the asset, measured as the difference between net proceeds and the carrying amount of the intangible asset, are recognised in the income statement when the asset is de-recognised.

3.16 Impairment of tangible and intangible assets

At the end of each reporting period, the Xanthus Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indicator and/or triggering event to determine if those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the assets may be impaired.

Recoverable amount is the higher of fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows of the company are discounted to their present value using a pre-tax discount rate that reflects current market assessments of both, the time value of money, and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, and in which case, the impairment loss is treated as a revaluation decrease through equity.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.17 Financial liabilities and equity instruments

Debt and equity instruments issued by Xanthus Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.17.1 Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’.

3.17.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future,
- it is a part of an identified portfolio of financial instruments that Xanthus Group manages together and has a recent actual pattern of short-term profit-taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise,
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis, or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in the consolidated profit or loss incorporates any interest paid on the financial liability.

3.17.3 Other financial liabilities

Other financial liabilities, including borrowings and bonds, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised acquisition cost using the effective interest method, with interest expense recognised on an effective yield basis.

3.17.4 De-recognition of financial liabilities

Xanthus Group de-recognises financial liabilities when, and only when, Xanthus Group's obligations are discharged, cancelled or they expire.

3.17.5 Derivative financial instruments

The Company does not use any derivative financial instruments.

3.18 Provisions

Provisions are recognised for all identifiable risks and for unsecure obligations when Xanthus Group has a present obligation (legal or constructive) as a result of a past event, it is probable that Xanthus Group will be required to settle the obligation in the future, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Present obligations arising under onerous contracts are recognised and measured as provision. An onerous contract is considered to exist where Xanthus Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

3.19 Dividend and interest income

Dividend income from investments is recognised when the shareholders right to receive payment has been established (provided that it is probable that economic benefits will flow into the Xanthus Group and that the level of income can be reliably measured).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow into the Group and the amount of income can be reliably measured. Interest income is accrued on a timely basis, by reference to the principle outstanding and at the appropriate effective interest rate, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to the asset's net carrying amount at initial recognition.

3.20 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Xanthus Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method in compliance with IAS 12. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets on existing tax loss-carry forwards are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences and tax loss-carry forwards can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset in compliance with IAS 12 when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.21 Earnings per share

In compliance with IAS 33 a calculation of the Earnings per share (EPS) must be presented in the Consolidated Financial Statements of a group if the shares are (a) traded on a public market, or (b) are in the process of filing its consolidated financial statements with a securities commission. The EPS illustrates a basis return of total earnings divided by the total amount of shares, shown separately for every share class and for continuing and discontinued operations. Detailed information about earnings per share can be found in note 22.

3.22 Critical accounting judgments and key sources of estimation uncertainty

Preparation of Consolidated Financial Statements requires that estimates and assumptions are made affecting the presentation of assets, liabilities, accruals, prepaid expenses, deferred taxes, income and expenses as well as commitments and contingent liabilities. Although accounting estimates and assumptions are made thoroughly and conscientiously it cannot be excluded that the actual amounts to be presented will deviate from the estimates.

Factors which may lead to changes in accounting estimates may result from the development of the world economy, development of exchange and interest rates as well as significant legal proceedings, changes in environmental law or other legal regulations. Loss of major customers and changes in financing may also affect future results of the Xanthus Group.

The following estimates and underlying assumptions as well as the chosen accounting and evaluation methods connected with uncertainness are essential for the understanding of underlying risks of financial report as well as the impact, estimates, assumptions and uncertainness could have on the Consolidated Financial Statements of Xanthus Holdings p.l.c.

a) Provisions and accruals

In the Consolidated Balance Sheet Xanthus Group recognised provisions and accruals at an amount of kEUR 220 as of 30th June 2011. Xanthus Group exercises considerable judgment in measuring and recognising provisions and accruals. Because of inherent uncertainties in the evaluation process these provisions may be subject to change as new and relevant information becomes available through the support of both internal and external consultants.

b) Taxes

Income tax expense must be estimated for each jurisdiction in which the Xanthus Group operates, involving a specific calculation of the expected actual income tax exposure for each tax object and an assessment of temporary differences resulting from the different tax treatment of certain items between the financial statements for IFRS purposes and for tax reporting purposes. Any temporary differences that may arise will generally result in a deferred tax asset/liability in the Group consolidated financial statements. Management judgment is required for both the calculation of the actual taxes, and deferred taxes.

Deferred Taxes

Management's judgment is required in determining whether a deferred tax asset can be recognised in accordance with IAS 12, Deferred Taxes. This depends on the ability of the company to utilize the deferred tax asset by generating sufficient future taxable income, taking into account any restrictions on the length of the carry forward period legislation in each jurisdiction in which the Group operates. Various factors are taken into consideration when determining the probability of future utilization including forecasts, loss carry-forward periods, and in-depth tax planning strategies. However, due to the lack of financial history management have applied significant estimation and judgment when preparing such information.

c) Impairment of financial assets

Financial assets excluding the FVTPL assets are reviewed at each balance sheet date for any indication of impairment based on management judgment. This involves the use of estimations that include, but are not limited to, the cause, timing and amount of impairment. Impairment is based on a large number of factors. The recoverable amount and the fair values are typically determined using a discount cash flow method which incorporates reasonable market assumptions. The identification of impairment indicators, as well as the estimation of future cash flows and the determination of fair values for assets (or groups of assets) require management to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows, applicable discount rates, useful lives, and residual values.

d) Valuation of financial assets

As described in note 24 Xanthus Group uses valuation techniques that include inputs that are not always based on observable market data to estimate the fair value of certain types of financial instruments. note 24 provides detailed information about valuation methods and the key assumptions used when performing such valuations. The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of the financial instruments in accordance with IFRS.

4 Scope of Consolidation

As of 30th June 2011, Xanthus Holdings p.l.c., Malta, held shares in the following entities:

Entity	Location	Share %
Directly consolidated companies		
Xanthus Special Investment 1 Limited	Cayman Islands	100.0 %
Xanthus Spec 1 Limited	Malta	100.0 %
North Wall Entertainment Holdings Limited	Cayman Islands	100.0 %
Indirectly consolidated companies		
North Wall Productions Limited	Cayman Islands	100.0 %

Non-Consolidated Investments

UDG United Digital Group (formely known as Riese Media GmbH)
InCity Immobilien AG
Wordlink Group PLC

Changes in the Scope of consolidation

As of 15th June 2011 Xanthus Special 1 Limited, Malta sold a 94% holding in MERLINCOUNTRY GmbH, Deutschland, as well as the subsidiary (subsequently referred to as Merlin-Group) for kEUR 10,000. The remaining shares, totalling 6% in MERLINCOUNTRY will continue to remain with Xanthus Special 1 Limited.

The total Net Assets in the MERLIN-Group as of date of sale are illustrated in the table below. These figures are based on the Net Assets of the Entity as of 31st May 2011.

Net Asset Value	31st May 2011 kEUR
Cash and Cash equivalents	1,218
Other Financial Assets	17,853
Intangible Assets	3
Other Assets	10
Income Tax Receivable	3
	19,087
Liabilities	
Trade Receivables and Trade Payables	12
Other Liabilities	9,485
Provisions	10
	9,507
Net Asset Value of Merlin-Group	9,580

Results of Sale:

Net Asset Value of the Merlin-Group	9,580
Selling Price	9,634
Realization of Profit on Sale	54

The profit is included in the Consolidated Income Statements under 'Profit from discontinued operations' (see note 6).

The sales value totalling kEUR 9,634 is based on a non-interest bearing receivable, totalling kEUR 10,000. This amount is payable on 30th June 2012 and in accordance with IAS 39.43 is held at a Fair Value of kEUR 9,634. The effective interest method has been applied and is based on an effective rate of 3.8%.

5 Business Combinations

On 21st March 2011 Xanthus Holdings p.l.c., Malta, founded Xanthus Spec 1 Limited, Malta with a subscribed share capital of kEUR 1. Xanthus Spec 1 Limited, Malta acquired in three legal steps several businesses accounted for as business combinations in accordance with IFRS 3 as well as several assets.

On 6th April 2011 Xanthus Holdings p.l.c., for a consideration other than cash, issued a total of 11,074,710 ordinary shares with a nominal value of EUR/share 1 to DYVA Holding AG, Zug, a company incorporated under the laws of Switzerland. The consideration of Xanthus Holdings p.l.c, Malta, consists solely of debt, (obtained from 100% owned subsidiary, Xanthus Spec 1 Limited, Malta), and resulted in a capital increase of the entity.

The above said debt arose as a result of the assignment of a debt which was originally due by Xanthus Spec 1 Limited, Malta, the 100 % subsidiary of Xanthus Holdings p.l.c. to DVYA Holding AG in which several assets and a business combination (MERLINCOUNTRY GmbH, Berlin, Germany) were acquired. Through the acquisition of MERLINCOUNTRY GmbH, Xanthus Holdings p.l.c. indirectly acquired its 100 % subsidiary, Dusseldorf Rheinblick GmbH, Berlin, Germany. This company holds land for the purposes of development and capital appreciation.

The acquisition of MERLINCOUNTRY GmbH and its subsidiaries is a business combination in accordance with IFRS 3 *Business Combinations*. The assets acquired and liabilities recognised at the date of acquisition of MERLINCOUNTRY GmbH, Germany and its subsidiaries are as follows:

MERLINCOUNTRY GmbH, Germany (including its subsidiaries)	**Fair Value**
	kEUR
Cash and cash equivalents	1,242
Receivables and current assets	13
Investment property	17,853
Total Assets	**19,108**
Current liabilities	9,532
Provisions	4
Total Liabilities	9,536
Net Assets	**9,572**

Consideration transferred **9,572**

The consideration transferred consists of 9,571,820 ordinary shares of Xanthus Holdings p.l.c., no cash was given to the seller. No goodwill resulted from this business combination.

Included in the loss for the interim period 6th April to 30th June 2011 is kEUR 31 attributable to MERLINCOUNTRY GmbH and its subsidiaries. Revenue for the interim period 6th April to 30th June 2011 includes kEUR 1 in respect of MERLINCOUNTRY GmbH and its subsidiaries. Had the acquisition of MERLINCOUNTRY GmbH and its subsidiaries been effective at the beginning of the reporting period (e.g. 21st March 2011, the date of foundation of the parent company, Xanthus Holdings p.l.c. Malta); then the revenue, and the profit of the Xanthus Group for the period 21st March to 30th June 2011 would remain unchanged from the current reported numbers.

In June 2011 Xanthus Special Limited, Malta sold its 94% holding in MERLINCOUNTRY GmbH and subsidiaries (note 4). As of 30th June 2011 MERLINCOUNTRY GmbH, Germany and Subsidiaries were included in discontinued operations. The income resulting from the sale of MERLINCOUNTRY GmbH, Germany is also included in the Consolidated Income Statement under ‘discontinued operations’ (note 6).

The initial accounting for the acquisition of MERLINCOUNTRY GmbH and its subsidiaries had only been provisionally determined at the end of the interim reporting period. At the date of finalisation of this interim financial report, the necessary tax impact had not been finalised and the adjustments to deferred tax assets and liabilities have therefore only been provisionally determined based on the directors’ best estimate of likely tax values of kEUR 0 due to the preliminary tax situation of the Xanthus Group status. The market valuations for tax purposes may also impact the recognised fair values of the other assets acquired as part of the business combination.

The receivables acquired (which principally comprised other receivables) with a fair value of kEUR 13 had gross contractual amounts of kEUR 13. The best estimate at acquisition date of the contractual cash flows not expected to be collected is kEUR 0.

Additionally on 3rd May 2011 Xanthus Holdings p.l.c., again for a consideration other than cash, issued a total of 8,633,052 ordinary shares with a nominal value of EUR 1 to Xanthus European Fund Limited, (an exempt company incorporated under the laws of the Cayman Islands) and Xanthus Germany Fund Limited, also an exempt company incorporated under the laws of the Cayman Islands, 4,762,584 and 3,870,468 ordinary shares respectively. The consideration for the allotment to the shareholders is the capitalization of the debt due by Xanthus Holdings p.l.c. to Xanthus European Fund Limited and Xanthus Germany Fund Limited. The above said debt arose as a result of the assignment of a debt which was originally due by Xanthus Spec 1 Limited, Malta to Xanthus European Fund Limited and Xanthus Germany Fund Limited. The assigned debt arose as a result of the transfer of certain assets and businesses. In addition to the transfer of assets from Xanthus European Fund Limited and Xanthus Germany Fund Limited, Xanthus Spec 1 Limited, Malta also acquired the 100 % of the shares in Xanthus Special Investments 1 Limited, Cayman Islands; and 100 % of the shares in North Wall Entertainment Holdings Limited, Cayman Islands.

In addition, via the afore mentioned contracts, dated 6th April 2011 and 3rd May 2011, Xanthus Spec 1 Limited, Malta., through the acquisition of North Wall Entertainment Holdings Limited acquired indirect control of North Wall Production Limited, Cayman Islands; a 100 % subsidiary of North Wall Entertainment Holdings Limited. The purpose of this company is to investment in film and movie rights.

The acquisition of Xanthus Special Investment 1 Limited, Cayman Islands, is also a business combination in accordance with IFRS 3 *Business Combinations*. The fair values of the assets acquired and liabilities assumed at the date of the acquisitions are presented in the following table:

Xanthus Special Investment 1 Limited, Cayman Islands	**Fair Value**
	kEUR
Cash and cash equivalents	162
Receivables and remaining current assets	23
Investments in financial assets	6,178
Total Assets	**6,363**
Current liabilities	412
Total Liabilities	**412**
Net Assets	**5,951**
Consideration transferred	**5,797**
Gain from bargain purchase	**154**

The consideration transferred consists of 5,797.253 ordinary shares of Xanthus Holdings p.l.c., no cash was given to the seller.

As result of that business combination a gain on bargain purchase of kEUR 154 was recognised and disclosed in the interim consolidated income statement as a separate line item within the section “Investment revenues”. This gain on bargain purchase resulted from the increase in the transferred asset values from the originally agreed valuation date 31st March 2011 and the actual closing of the business combination on 3rd May 2011.

Included in the loss for the interim period 3rd May to 30th June 2011 is a profit of kEUR 8 attributable to Xanthus Special Investment 1 Limited, Cayman Islands. Revenue for the interim period 3rd May to 30th June 2011 includes kEUR 38 in respect of Xanthus Special Investment 1 Limited, Cayman Islands. Had the acquisition of Xanthus Special Investment 1 Limited, Cayman Islands been effected at the beginning of the reporting period (e.g. 21st March 2011, the foundation date of the parent company, Xanthus Holdings p.l.c. Malta), the revenues and the loss of the Xanthus Group for the period 21st March to 30th June 2011 would have been kEUR 221 and kEUR -472, respectively.

The initial accounting for the acquisition of Xanthus Special Investment 1 Limited, Cayman Islands had only been provisionally determined at the end of the interim reporting period. At the date of finalisation of this interim financial report, the necessary tax impact had not been finalised and the adjustments to deferred tax assets and liabilities have therefore only been provisionally determined based on the directors' best estimate of likely tax values of kEUR 0 due to the preliminary tax situation of the Xanthus Group status. The market valuations for tax purposes may also impact the recognised fair values of the other assets acquired as part of the business combination.

The receivables acquired (which principally comprised other receivables) with a fair value of kEUR 23 had gross contractual amounts of kEUR 23. The best estimate at acquisition date of the contractual cash flows not expected to be collected is kEUR 0.

Prior to the acquisition of Xanthus Special Investment 1 Limited, Cayman Islands, a dividend of kEUR 383 was declared by the old shareholders of Xanthus Special Investment 1 Limited, Cayman Islands. Due to the fact that the dividend was not paid at the time of the acquisition, Xanthus Group acquired a liability of kEUR 383 and a restricted asset (cash and investments) of the same amount (kEUR 383). As of 30th June 2011 the afore mentioned liability has been settled, and consequently the corresponding restriction on assets removed.

The acquisition of North Wall Entertainment Holdings Limited, Cayman Islands and its 100 % subsidiary North Wall Productions Limited is again a business combination in accordance with IFRS 3 *Business Combinations*. Regarding this acquisition, a 25.0 % stake had previously been acquired from DYVA Holding AG on 6th April 2011, the remaining holdings were acquired on 3rd May 2011; a 40.275 % and 34.725 % stake from Xanthus European Fund Limited and Xanthus Germany Fund Limited, respectively.

The fair values of the assets acquired and liabilities assumed at the date of the acquisitions are presented in the following table:

North Wall Entertainment Holdings Limited, Cayman Islands including its subsidiary)	**Fair Value**
	kEUR
Cash and cash equivalents	9
Receivables and remaining current assets	1
Intangible assets	1,260
Total Assets	**1,270**
Liabilities	0
Total Liabilities	0
Net Assets	**1,270**
Consideration transferred	**1,270**

The consideration transferred consists of 1,269,865 ordinary shares of Xanthus Holdings p.l.c., no cash was given to the seller. No goodwill resulted from this business combination.

Included in the loss for the interim period 3rd May to 30th June 2011 is a loss of kEUR 2 attributable to North Wall Entertainment Holdings Limited, Cayman Islands including its subsidiary. No Revenues were made in the interim period 3rd May to 30th June 2011 by North Wall Entertainment Holdings Limited, Cayman Islands including its subsidiary. Had the acquisition of North Wall Entertainment Holdings Limited, Cayman Islands including its subsidiary been effected at the beginning of the reporting period (e.g. 21st March 2011, the foundation date of the parent company Xanthus Holdings p.l.c. Malta), the revenue and the loss of Xanthus Group for the period 21st March to 30th June 2011 would have been unchanged to reported numbers.

The initial accounting for the acquisition of North Wall Entertainment Holdings Limited, Cayman Islands including its subsidiary had only been provisionally determined at the end of the interim reporting period. At the date of finalisation of this interim financial report, the necessary tax impact had not been finalised and the adjustments to deferred tax assets and liabilities have therefore only been provisionally determined based on the directors' best estimate of likely tax values of kEUR 0 due to the preliminary tax situation of the Xanthus Group status. The market valuations for tax purposes may also impact the recognised fair values of the other assets acquired as part of the business combination.

The receivables acquired (which principally comprised other receivables) with a fair value of kEUR 1 had gross contractual amounts of kEUR 1. The best estimate at acquisition date of the contractual cash flows not expected to be collected is kEUR 0.

Please note that the stand-alone interim financial statements of North Wall Entertainment Holdings Limited, Cayman Islands and its subsidiary are denominated in US Dollars. For purposes of acquisition these stand-alone interim financial statements have been translated to Euro at the equivalent exchange rate USD/EUR.

The purpose of all business combinations described above was to form a new integrated Private Equity Group with a public listing within the European Union.

For all of these three business combinations described above estimated acquisition-related costs amounting to kEUR 150 have been excluded from the consideration transferred and have been recognised as an expense in the interim period, within the 'other business related fees' line item in the interim consolidated income statement.

6 Results for Discontinued Operations

The profit from discontinued operations at an amount of kEUR 23 is composed of as follows:

	Merlin-Group
	21st March - 31st May 2011 kEUR
Revenue from Investments	
Interest Income	1
Expenses from Investments	
Interest Expense	-18
Net Investment Income	**-17**
Administration and Other expenses	-9
Wages and Salaries	-5
Profit before Tax	**-31**
Tax on operations	0
Profit After Tax	**-31**
Income from discontinued operations (note 4)	54
Tax on profit of disposal	0
Profit from discontinued operations	**23**

7 Segment Information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive in order to allocate resources to the segments, and to assess their performance.

The investment operations of the Xanthus Group are conducted on a global basis, i.e. without differentiating between segments, such as geographical regions, or investment activities. Thus there is only one reportable segment to the Company's business. Management has determined this on the following basis:

The purpose of the Company is one of investment. The Company has two major sources of revenue, the first deriving from its ability to acquire and hold, buy and/or sell shares, stocks, bonds or securities of or in any other company and any movable or immovable property, and to invest the funds and assets of the Company in such a manner as the Board may deem fit. The second stream consists of interest obtained from the granting/advancing money and/or credit given to companies or partnerships, on such terms that the company deems appropriate.

Both of these are streams of income, however, for the purposes of internal and external segmental reporting it would be impractical to distinguish between the two, since the granting/advancing of money and/or credit is only given to companies in which the Xanthus Group invest. This, therefore, does not constitute a separable segment. Thus, additional detailed segment information cannot be provided for.

8 Cash and Cash Equivalents

As of 30th June 2011 and 21st March 2011 Cash and Cash Equivalents totalled kEUR 334 and kEUR 50, respectively.

9 Securities

The following table summarizes the several types of securities valued at their fair values:

Securities	**30th June 2011** kEUR	**21st March 2011** kEUR
Listed Equity securities	339	0
Unlisted Equity securities	1,359	0
Total	1,688	0

10 Investments in Associates (at equity)

On 6th April 2011 Xanthus Group acquired 100,000 shares in InCity Immobilien AG, Cologne, Germany; these were initially classified in accordance with IAS 39 and held as Fair value through profit and loss (FVTPL). On 3rd May 2011 further 1,314,407 shares were acquired bringing the total shares held to 1,414,407, (representative of a 25 % holding in InCity Immobilien AG). In accordance with IAS 28, *Investments in associates* this holding denominates a significant influence and should be accounted for in line with this standard. Finally, on 18th May 2011 due to a capital increase in InCity Immobilien AG further 333,333 shares were acquired. Through other transactions in June 2011, the total numbers of shares have been increased to 1,791,740 shares, representing a shareholding of 30 % on 30th June 2011. The Xanthus Group is now the single most shareholder in the company, since the remaining shares are mainly free floating. In accordance with IAS 28 all of these shares were reclassified in the Interim Consolidated Financial Statements of Xanthus Group from IAS 39 FVTPL to an Investment in Associates accounted for at equity at their deemed cost.

InCity Immobilien AG is a listed German real estate company with a year-end of 31st December. Therefore, in accordance with IAS 28.24 the most recent available financial statements of the associate must be used in applying the equity method. The Interim Consolidated Financial Statements of InCity Immobilien AG, were, at the time of the preparation of the Interim Consolidated Financial Statements of Xanthus not yet available. Therefore, the latest Consolidated Financial Statements of InCity Immobilien AG, as of 31st December 2010; taking into account any adjustments based on the effects of significant transactions or events that have occured between that date, and the date of the investors, (Xanthus) Interim Consolidated Financial Statements have been taken into account.

The following table provides financial information regarding the associated entity InCity Immobilien AG,

Aggregated amounts relating to the associated company	**Total**	**30th June 2011**	**31st December 2010**
Total assets			48,332
Total liabilities			41,532
Net assets	7,800	1,000	6,800
Group's share of net assets in associates	2,280		
Group's deemed cost in investment	5,120		
Total sales revenue (2010)			56,404
Loss for the year (2010)			-14,221

The carrying amount of the investments in associates (deemed cost) amounts to kEUR 5,120 as of 30th June 2011 (kEUR 0 as of 21st March 2011) and the fair value of the investment in associates which is listed on the German stock exchange amounts to kEUR 4,931 as of 30th June 2011. There is no gain or loss from the investments in associates for the interim period 21st March to 30th June 2011.

Please note that sufficient financial information of InCity Immobilien AG for the period 1st January to 30th June 2011 were not available. Therefore, the development of the carrying amount of the investment in associates of InCity Immobilien AG for the financial year 2011 will be subject to changes.

11 Loans

Xanthus Group granted several interest-bearing loans to selected entities on a short- and mid-term basis. In most cases, the loans are given to entities in which Xanthus Group is or was invested. The loans are carried at amortised costs using the effective interest method. As of 30th June 2011 (21st March 2011) they amounted to kEUR 2,879 (kEUR 0).

12 Investment Property

As of 30th June 2011 Xanthus Group holds no Investment property in accordance with IAS 40.

13 Intangible assets

The Interim Consolidated Balance Sheet as of 30th June 2011 discloses a total intangible asset balance of kEUR 1,260 regarding film rights/royalties (kEUR 0 as of 21st March 2011).

Xanthus Group bridged the finance gap of a third party U.S. film/movie production and has the right to receive certain revenue streams from the outcome of that film production.

According to the International Financial Reporting Standards; rights for such items are included within the scope of IAS 38 *Intangible Assets*. Due to that standard an active market cannot exist for film rights due to the uniqueness of such assets/individual contracts. Therefore the original costs were used to evaluate the film rights.

As of 30th June 2011 no revenue has been generated from the Film rights. The corresponding revenue and expenses are planned for the second half of 2011. For this reason no depreciation has been allocated.
Currently management are of the opinion that the agreed upon revenue is on schedule. Therefore as of the 30th June 2011 there are no signs of impairment.

14 Other Assets

The Other Assets are in relation to the proceeds from the sale of shares in MERLINCOUNTRY GmbH, Germany and her Subsidiaries, (see note 4). This non-interest bearing purchase is due for payment by 30th June 2012. As of 30th June 2011 it is held and valued at an amortised cost of kEUR 9,634. An effective interest rate of 3.8% has been applied.

15 Short-term Financial liabilities due to banks

As of 30th June 2011 Xanthus Group discloses short-term borrowings to banks at an amount of kEUR 1,006 (21st March 2011: kEUR 0).

16 Trade Payables

Trade payables amount to a total of kEUR 208 for the period ending 30th June 2011, (21st March 2011 kEUR 0). They consist primarily of open, as of the balance sheet date, unpaid expenses for services used.

17 Other liabilities

The following table shows a break-down of other liabilities of the Xanthus Group:

	30th June 2011	**21st March 2011**
Other liabilities	kEUR	kEUR
Short-term loan	28	0
Others	10	0
Total	38	0

The short-term loan liabilities comprises of a loan granted by DYVA Holding AG, Switzerland, (see note 29).

18 Provisions

As of 30th June 2011 and 21st March 2011, Xanthus Group discloses accruals of kEUR 220 and kEUR 0, respectively. They primarily consist of outstanding invoices from lawyers, consultants and other third parties. As of 30th June the reported provisions are short term by nature.

19 Shareholders' equity

As of 30th June 2011, Xanthus Holdings p.l.c., Malta, has an authorized capital of 80,000,000 ordinary shares of par value of EUR 1.00, which do not entitle the subscriber to a fixed profit. As of 30th June 2011 and 21st March 2011, respectively 19,757,762 and 50,000 ordinary shares were issued and fully paid in.

	Number of shares		Subscribed capital		Additional paid-in capital	
	30th June 2011	21st Mar 2011	30th June 2011	21st Mar 2011	30th June 2011	21st Mar 2011
	'000	'000	kEUR	kEUR	kEUR	kEUR
Issued and fully paid capital: ordinary shares of par value EUR 1.00	19,758	50	19,758	50	0	0

The outstanding common shares of Xanthus Holdings p.l.c., Malta changed during the interim period as follows:

	21st March – 30th June 2011
	thousand shares
Balance as of 21st March 2011	50
Issue of shares as of 6th April 2011	11,075
Issue of shares as of 3rd May 2011	8,633
Balance as of 30th June 2011	**19,758**

In the interim period 21st March to 30th June 2011, Xanthus Group did not grant any share-based-payments.

The currency translation adjustment (kEUR 1 as of 30th June 2011 and kEUR 0 as of 21st March 2011) arose from USD/EUR exchange differences relating to the translation of the results and net assets of the Xanthus Group's foreign operations (North Wall Entertainment Holdings Limited, Cayman Islands and its subsidiary) from their functional currencies (USD) to the Xanthus Group's presentation currency (i.e. EUR) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Due to the opposite effect of the impact of the exchange differences of the acquisition of North Wall Entertainment Holdings Limited, Cayman Islands and its subsidiary on 3rd May 2011 and the translation of net assets of North Wall Entertainment Holdings Limited, Cayman Islands and its subsidiary as of 30th June 2011 the resulting currency translation adjustments amount to kEUR 1 only.

20 Income Taxes

There is no separate system of corporation tax in Malta, and a Maltese company is subject to tax in much the same way as an individual. All companies resident in Malta are subject to income tax at a rate of 35% and this is equal to the maximum rate of personal tax in Malta. Malta has always had, since the introduction of income tax in 1948, a full imputation system of taxation and therefore tax paid by a company is credited in full to the shareholder upon the payment of a dividend. This system applies to both resident and non-resident shareholders.

The directors of Xanthus Holdings p.l.c. plan to earn money via the dividends from its Maltese subsidiary Xanthus Spec 1 Limited. From a taxation point of view Xanthus Spec 1 Limited will basically make profit from two different income streams:

- Dividend income/capital gains which would be exempted from income taxes in Malta through the application of the participation exemption under the Maltese tax law. Therefore no deferred tax assets would be recognised;

- Other income (such as interest and dividends/capital gains which do not benefit from the participation exemption referred to above) which would be liable to income taxes in Malta. As a result of the operation of the imputation system of taxation, the tax suffered at the level of Xanthus Spec 1 Limited would be in part or fully refunded to Xanthus Holdings p.l.c. upon the distribution of a dividend by Xanthus Spec 1 Limited out of those profits on which the income taxes were suffered.

Regarding the taxable income for the period 21st March to 30th June 2011 the Company allocates all income the first income stream described above; therefore no deferred taxes were recognised for this period.

Foreign income tax is calculated at the tax rate prevailing in the relevant countries, which varies from 0% to 35%.

The Group's total tax expense for the period may be reconciled as follows:

	21st March – 30th June 2011 kEUR
Current tax expense	
Malta	0
Foreign countries	0
Deferred tax expenses	0
Income taxes	0

Under the tax laws prevailing in Malta tax losses carried forwards may be carried forward and offset against future profit without any time restrictions. Companies forming part of a group may benefit from group relief provisions in respect of allowable losses which are surrendered. However, group relief only applies to companies' resident in Malta, and such companies that are deemed to form part of a group if one or more companies are owned, directly or indirectly, as to at least fifty-one per cent.

In Germany the tax losses can also be carried forward without any timing restrictions. However, the German tax authorities have limited the tax loss carried forward which can be allocated to the taxable income to an amount of EUR 1,0 million, in addition, 60% of the amount of taxable income which exceeds the limit of EUR 1,0 million can be settled with tax loss carried forwards.

Tax losses in the UK, for corporation tax purposes, may be carried forward against future profits from the same trade without a time restriction.

The company assumes to realize deferred tax assets in accordance with IAS 12 to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. The above deferred assets have been recognised on this basis. The Xanthus Group is a new company, and management is confident in their forecasts that profits will be made in the 2012 financial year.

21 Comprehensive Income

The Statement of Comprehensive Income contains reconciliation from net profit after taxes of kEUR 316 to kEUR 315 for the Interim Financial Statements for the period ending 30th June 2011. This difference can be attributed to an exchange difference which occurred upon conversion of Subsidiaries with a different functional currency to that of the Parent, (Xanthus Holdings p.l.c, Malta).

22 Earnings per share

Information made for earnings per share are in accordance with IAS 33.

	21st March – 30th June 2011 EUR/Share
Total Earnings per Share	
Basic Earnings per Share	-0,02
Diluted Earnings per Share	-0,02
Earnings per Share - Continued Operations	
Basic Earnings per Share	-0,02
Diluted Earnings per Share	-0,02
Earnings per Share - Discontinued Operations	
Basic Earnings per Share	0,00
Diluted Earnings per Share	0,00

The calculation of the Basic Earnings per Share is based on the following data:

	21st March – 30th June 2011 kEUR
Net Profit attributable to Shareholders, pro rata on continuing operations.	-339
Net Profit attributable to Shareholders, pro rata on Discontinuing Operations	23
Weighted Average Number of Shares, for Basic Earnings per Share.	14,381,129

No diluted effects were comprised in the calculation of the diluted earnings per share, neither regarding the profit/loss for the interim period 21st March to 30th June 2011, nor concerning the number of shares because non-such instruments were used by the entity. Therefore, for the Interim period to 30th June 2011 there were no dilutive effects on the EPS.

23 Litigations

The Xanthus Group is currently not involved in any legal claims.

24 Information about financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another. All financial instruments for the Xanthus Group can be classified as non-derivative instruments.

IAS 39 requires the classification of financial instruments into separate categories for which the accounting requirement is different. The Xanthus Group has classified its financial instruments as follows.

- Loans extended to third parties, funds held with banks or other financial institutions and trade receivables (if any) are classified in accordance with IAS 39 as Loans and Receivables.
- Quoted and unquoted investments (other than interests in associates- at equity), are classified as Fair Value through Profit and Loss
- Borrowings, trade payables, short-term and long-term loans are classified as liabilities or other liabilities.
- The Xanthus Group does not use the Held-to-maturity category.

The following table shows fair values and book values in accordance with IFRS 7 *Financial Instruments: Disclosure.*

	30th June 2011			
Measurement Category	**Fair Value through Profit and Loss**		**Loans and Receivables**	
	Fair Value		Amortised Cost	
Assets	Book Value	Fair Value	Book Value	Fair Value
	kEUR	kEUR	kEUR	kEUR
Cash and Cash equivalents	334	334		
Securities	1,688	1,688[1]		
Investments in Associates	5,120	4,931		
Loans			2,879	2,879
Other assets			9,634	9,634

[1] Fair value through profit and loss (FVTPL) financial assets include unlisted securities (equity instruments), whose fair value cannot be reliably determined in accordance with IAS 39, and therefore were valued as of acquisition cost (amounting to kEUR 748 as of 30th June 2011).

Measurement Category	Other Financial Liabilities	
	Amortised Cost	
Liabilities	Book Value kEUR	Fair Value kEUR
Financial Liabilities to Banks (Short-term).	1,006	1,006
Trade Payables	208	208
Other Financial Liabilities	38	38

The above financial instrument tables contain financial assets and liabilities only to the extent that a contractual right to receive/ or to release cash and cash equivalents at a future date is included.

Cash, Other Assets, Trade Payables and Receivables and Other Liabilities generally have a short maturity. Therefore there carrying amounts as of 30th June 2011 are approximately equal to their fair value.

As of 30th June 2011 there are no past redemptions or impairments on loans.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair value of the financial assets and liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

- Fair values for unquoted equity instruments, where accessed in accordance with three valuation theories, The Market approach, Income approach and Asset-based approach. When no reliable valuation could be determined and the probability of the various estimates could not be reasonably assessed the assets were valued at acquisition cost in accordance with IAS 39.

- Loans extended to third parties are measured at amortised cost. The financial asset is measured at initial recognition, minus principle repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectability.

Specifically, significant assumptions used in determining the fair values/ amortised costs of the following financial assets are set out below:

Unlisted Shares

Unlisted shares have been valued at acquisition cost on the assumption that no reliable fair value for the unquoted company can be determined. This is due to special circumstances that relate to the company. For example, the company is a newly active company with no real historical figures, in addition management have not been able to reliably determine the future cash flows of the entity in which can be used to calculate a fair value using the discounted cash flow method.

Loans extended to third parties

The amortised cost of the loans extended to third parties were calculated on the assumption that interest due over the period of the loan will be repaid upon maturity of the loan contract in addition to the nominal amount and, for most of the loans, late interest payment of up to 5% .

25 Financial risks and the Company's management of those risks

The Xanthus Group's management ensures financial risk management both in domestic and international financial markets. The Xanthus Group monitors and manages the financial risks relating to the operations of the Xanthus Group through internal risk reports, which produce analysis regarding both the quantitative and qualitative exposure of the company to certain risks. These risks include, but are not limited to, market risk, currency risk, credit risk and liquidity risk.

The Xanthus Group seeks to minimize the effects of these risks through ongoing operating and financial-orientated activities. Since the development and compliance of the risk management system is part of the total responsibility of the Board of Directors, the Xanthus Groups policy is to ensure ongoing risk management through approval of the Board regarding certain transactions.

Credit Risk- Loans

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. If the counterparty were to fail to repay a loan to the Xanthus Group this may result in partial or complete losses for the Xanthus Group. Therefore, management ensures that credit/loan investments are only extended to companies in which the Xanthus Group invests, furthermore exposures are measured in relation to the nature, market value and maturity of each contract; this is in accordance with the accounting policies of the Company. The maximum risk in loss would be determined by the book value of the loan in the consolidated balance sheet.

Liquidity Risk

Ultimate responsibility for the liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Xanthus Group's short,-medium,- and long-term funding. The Xanthus Group manages liquidity risk by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. In addition, cash flow forecasts are stress tested for various scenarios and reviewed regularly by the Board of Directors to ensure sufficient headroom exists for a 12 month period.

The following table shows an analysis of the remaining time of maturity for all contractual agreed liabilities as of 30th June 2011:

	Book values 30th June 2011	**Up to 30 days**	**31 up to 90 days**	**91 days up to 1 year**	**1 to 5 years**	**More than 5 years**
Trade payables	208	0	208			
Other liabilities	38	0	38			
Provisions	220	0	220			
Total financing liabilities	**466**	**0**	**466**			

Market Risk

Currently the Xanthus Group has some exposure to foreign currency exchange risks, however at the present time these risks are not substantial enough to warrant hedging through the use of derivative financial instruments. The costs involved in this process would at this stage in the Xanthus Group's business cycle far outweigh the benefits. Instead, where possible, management uses techniques such as offsetting (recipes due in one currency, offset against payments due in the same currency) as a way of managing risk.

26 Capital Management

The objectives of the Xanthus Group's capital management arise from the strategic guidelines of the Management Board. Thereby, it is focused on long-term increase in company value on behalf of its investors.

27 Rental and lease obligations

The Xanthus Group entered into commitments arising from rental agreements concluded for office space and services in Malta. Thereby, it concerns standard contracts without specific articles.

As of 30th June 2011 future obligations arising from operating rental and lease agreements of the continuing operations amounted:

	Short-term kEUR	1-5 years kEUR	more than 5 years kEUR
Rental payments	2	0	0

In the interim period 21st March to 30th June 2011, kEUR 1 from rental payments are comprised in administration fees. No lease agreements were concluded.

28 Governing board and compensations

In the interim period 21st March to 30th June 2011, the Board of Directors of the Company comprised the following persons:

- Jorg Lemberg
- René Muller
- Emanuel Kunz.

Thomas Jacobsen is Secretary of the Company.

The Board of Directors did not receive any remuneration for the period.

29 Related party transactions

According to IAS 24 "Related Party Disclosures" an entity is required to identify all relationships and transactions with related parties and individual persons, since the relationships can have an impact on net worth, financial and profit situation of the Xanthus Group.

Intergroup transactions, which are related parties in the sense of IAS 24, are eliminated in the preparation of Interim Consolidated Financial Statements of the Xanthus Group and will not be mentioned in this note. We refer to note 4 for the presentation of all subsidiaries.

As of 30th June 2011, the controlling shareholder DYVA Holding AG, Switzerland held 55.00% of voting shares (21st March 2011: 99.99%).

All members of the governing bodies of the Xanthus Group (Board of Directors) and their close family members are deemed to be related parties from the point of view of Xanthus Holdings p.l.c., Malta, in the sense used in IAS 24.

Xanthus Advisory AG, Zug, Switzerland, is currently a subsidiary of DYVA Holding AG, Zug, Switzerland, and is intended to become a subsidiary of Xanthus Holdings p.l.c., Malta. Xanthus Advisory AG, Zug, Switzerland, performs comprehensive financial, legal, tax and business services to Xanthus Holdings p.l.c., Malta, and Xanthus Spec 1 Limited, Malta. Therefore, a service level agreement was closed on 3rd May 2011 between those three entities. In accordance with that agreement, Xanthus Holdings p.l.c., Malta, and Xanthus Spec 1 Limited, Malta compensate Xanthus Advisory AG, Zug, Switzerland, for its services by a monthly amount of kEUR 50. As of 30th June 2011 a balance of kEUR 100 is due to Xanthus Advisory AG, Zug, Switzerland.

Jorg Lemberg, a member of the Board of Directors of Xanthus Holdings p.l.c., Malta, holds 75 % of the shares in Merlin Holding GmbH, Berlin, Germany, which bought 94 % of shares in MERLINCOUNTRY GmbH on 15th June 2011 from Xanthus Spec 1 Limited, Malta. The total purchase of kEUR 10,000 is due for payment on 30th June 2012; this amount is non-interest bearing. The Receivable due from Merlin Holding GmbH is held in the Interim Financial Statements as of 30th June 2011 at an amortised cost (discounted) of kEUR 9,634.

As of 30th June 2011 Xanthus Special Investment 1 Limited, Cayman Islands, discloses an outstanding loan issued to Düsseldorf Rheinblick GmbH, a subsidiary of MERLINCOUNTRY GmbH. This loan is due for repayment by 31st December 2012. The amortised cost as per 30th June 2011 amounts to kEUR 2,324.

Jorg Lember, a member of the Board of Directors of Xanthus Holding p.l.c, has acquired in the period to 30th June 2011, from Xanthus Spec 1 Limited, Malta, 176,000 InCity Immobilien AG shares valued at 2.696 € per share. In addition Jorg Lember sold 220,000 listed shares in InCity Immobilien to Xanthus Spec 1 Limited, Malta for 2.163 € per share. However at this time they are not considered tradable yet.

The parent company of Xanthus Holdings p.l.c, DYVA Holding AG, Zug has granted the entity a non-interest bearing loan in the amount of kEUR 28. In addition DYVA Holding AG granted a further amount of kEUR 108 to the Xanthus Group to alleviate the strain of liabilities. As of 30th June 2011 liabilities amount to a total of kEUR 24 (note 16).

30 Additional information to the interim consolidated statements of cash flows

The preparation of the Consolidated Cash Flow Statement has been prepared in accordance with IFRS 7.

The cash flows included in Investing and Financing activities are calculated on a as paid basis. The cash flows included in Operational activities are calculated based on earnings.

Contractual payments to minority shareholders of Xanthus Holdings p.l.c. are included in the Cash Flow Statement under financing activities amounting to kEUR 374 in the reporting period.

Both interests received and taxes paid are included in operating activities. A breakdown can be seen in the following table.

	kEUR
Interest Received	1
Interest Paid	4
Taxes Received	0
Taxes Paid	0

Non-cash transactions

During the current year, Xanthus Group entered into the following non-cash investing and financing activities which are not reflected in the interim consolidated statement of cash flows

As described in note 5, Xanthus Spec 1 Limited, Malta acquired in three legal steps several businesses and assets in consideration for the issuance of 19,707,762 shares of the Company. No cash was paid for these businesses and assets, but kEUR 1,252 cash and kEUR 162 restricted cash were taken over on the acquisition dates as part of the net assets of the business received.

31 Additional information about employees

During the period 21st March to 30th June 2011 one person was employed in a German company of Xanthus Group. The personnel expenses amounted to kEUR 5 for this period, and are included in discontinued operations (see note 6). No pensions or other remuneration were agreed.

32 Events after the balance sheet date

As of 30th June 2011 there are no reportable after balance sheet events.

33 Authorization for issue

The Board of Directors of Xanthus Holdings p.l.c., Malta, has discussed and approved the Interim Consolidated Financial Statements for issue in accordance with IFRS on 20th September 2011.

Guarantee of the Management

In all conscience we assure, as representative for the Board of Directors of Xanthus Holdings p.l.c., Malta, that the Interim Consolidated Financial Statements for the period ending 30th June 2011 in compliance with IFRS and give a true and fair view of the Xanthus Group's Net Assets, Financial Position, and Results of Operations.

Malta, 20th September 2011

Board of Directors