AMARIN CORP PLC\UK
Form 20-F/A
December 14, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F/A

AMENDMENT NO. 2

o	**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**
	OR
ý	**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
	FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003
	OR
o	**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
	FOR THE TRANSITION PERIOD FROM [ ] TO [ ]

Commission file number 0-21392

AMARIN CORPORATION PLC

(Exact Name of Registrant as Specified in Its Charter)

England
(Jurisdiction of Incorporation or Organization)

7 Curzon Street
London W1J 5HG
England
(Address of Principal Executive Offices)

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

Title of Each Class	Name of Each Exchange On Which Registered
None	*None*

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

American Depositary Shares, each representing one Ordinary Share
Ordinary Shares, £0.05 par value per share

(Title of Class)

SECURITIES FOR WHICH THERE IS A REPORTING OBLIGATION PURSUANT TO SECTION 15(d) OF THE ACT: None.

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

17,939,786 Ordinary Shares, £1.00 par value per share

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

YES ý NO o

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

ITEM 17 o ITEM 18 ý

TABLE OF CONTENTS

EXPLANATORY NOTE

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, Amarin Corporation plc (the Company) hereby amends its Annual Report on Form 20-F for the fiscal year ended December 31, 2003, as filed with the U.S. Securities and Exchange Commission on March 31, 2004 and as amended by Amendment No. 1 thereto filed with the Securities and Exchange Commission on October 28, 2004 (the Original Filing), by setting forth the following amendments to Item 18 of the Original Filing:

the inclusion of additional disclosure in note 1 (which appears on page F-7 of this Form 20-F/A) regarding the Company s plans, as of the date of this Form 20-F/A,for obtaining funding;

the inclusion of additional disclosure in note 40 (which appears on page F-46 of this Form 20-F/A) at note 40(1), 40(B) and 40(E) regarding the Company's former subsidiary, Amarin Pharmaceuticals Inc. This amendment reclassifies the results of Amarin Pharmaceuticals Inc., which was disposed of in February 2004, as discontinued under US GAAP. This is required in connection with the forthcoming registration statement on Form F-3, which will be filed as of a date subsequent to the Company classifying the US operations as discontinued under US GAAP in its interim financial statements for the 6 month period ended 30 June 2004;

the addition of a new note 41 (which appears on page F-56 of this Form 20-F/A) regarding subsequent events occurring after the initial filing date of the Original Filing; and

the inclusion of an updated report of independent registered public accounting firm (which appears on page F-1 of this Form 20-F/A) that refers to the additional disclosures set forth in note 1 to the financial statements furnished with this Form 20-F/A.

This Form 20-F/A also amends the Selected Financial Data in Item 3 by updating the US GAAP amounts to reflect the reclassification of Amarin Pharmaceuticals Inc. as discontinued operations, consistent with the amendments to the financial statements described above.

This Form 20-F/A also amends the list of Exhibits in Item 19 and in the Exhibit Index to reflect the filing of a new consent of PricewaterhouseCoopers and the filing of new certifications of Richard A.B. Stewart and Alan Cooke pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

The foregoing amendments have been made for the sole purpose of updating the Selected Financial Data in Item 3 of this Form 20-F/A and the notes to the financial statements furnished with this Form 20-F/A, to the extent necessary for such financial statements to be incorporated by reference into a Registration Statement on Form F-3 to be filed by the Company. Other than for such specific purpose, this Form 20-F/A does not, and does not purport to, amend, update or restate the information in any other item of the Original Filing or reflect any events that have occurred after the date on which such annual report was filed.

1

None

Item 3 Key Information

A. Selected Financial Data

General

The following table presents selected historical consolidated financial data. The selected historical consolidated financial data as of December 31, 2001, 2002 and 2003 and for each of the three years ended December 31, 2001, 2002 and 2003 have been derived from our audited historical consolidated financial statements included within the consolidated financial statements beginning on page F-1 of this annual report, which have been audited by PricewaterhouseCoopers LLP, chartered accountants and registered auditors for the years ended December 31, 2002 and 2003 and by their predecessor firm, PricewaterhouseCoopers, for the year ended December 31, 2001. The selected historical consolidated financial data as of December 31, 2000 and for the year then ended has been derived from our audited historical financial statements which are not included in these financial statements. The selected historical consolidated financial data for the year ended December 31, 1999 has not been audited but has been presented in order to facilitate comparisons of data during the transition in 1999 from an August 31 fiscal year-end to a December 31 fiscal year-end.

Unless otherwise specified, all references in this annual report to fiscal year or year of Amarin refer to a twelve- month financial period ended December 31. We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the UK, which we refer to as UK GAAP and which differs in certain significant aspects from generally accepted accounting principles in the US, which we refer to as US GAAP . These differences have a material effect on net income/(loss) and the composition of shareholders equity. A detailed analysis of these differences can be found in Note 40 to the consolidated financial statements beginning on page F-1 of this annual report. Note 40 to our consolidated financial statements also provides a reconciliation of our consolidated financial statements to US GAAP.

During 2002 our Ordinary Shares were consolidated on a ten-for-one basis. Concurrently, we amended the terms of our American Depositary Shares, or ADSs, to provide that each ADS would represent one Ordinary Share. Previously each ADS had represented ten ordinary shares of 10p each. The new conversion ratio has been reflected in all years in the weighted average share numbers shown in the consolidated statement of operations data below.

Selected Consolidated Financial Data

(In thousands, except for per share and other data)

Years ended December 31

	1999	2000	2001	2002	2003
		(in thousands except per share data)			
Statement of Operations Data UK GAAP					
Royalties	110	122	96	113	107
Revenues from continuing operations	110	122	96	113	107
Operating expenses from continuing operations	(3,344)	(3,709)	(4,358)	(6,130)	(6,200)
Operating income/(loss) from continuing operations	(3,234)	(3,587)	(4,262)	(6,017)	(6,093)
Income/(loss) from continuing operations	(3,234)	(3,587)	(4,262)	(6,017)	(6,093)
Income/(loss) from discontinued operations	7,589	6,324	1,002	(31,030)	(13,131)
Net income/(loss)	4,355	2,737	(5,264)	(37,047)	(19,224)
Income/(loss) from continuing operations per Ordinary Share (basic)	(2.15)	(0.91)	(0.60)	(0.65)	(0.36)
Net income/(loss) per Ordinary Share (basic)	2.90	0.69	(0.74)	(3.98)	(1.12)
Net income/(loss) per Ordinary Share (diluted)	2.48	0.32	(0.74)	(3.98)	(1.12)
Amounts in accordance with US GAAP					
Total revenues	13,853	26,258	57,068	60,892	7,713
Loss from continuing operations	(3,234)	(9,279)	(4,756)	(3,098)	(5,558)
Net income/(loss)	4,070	(4,840)	(5,444)	(31,014)	(28,436)
Loss from continuing operations per Ordinary Share (basic)	(2.15)	(2.35)	(0.67)	(0.33)	(0.33)
Loss from continuing operations per Ordinary Share (diluted)	(2.15)	(2.35)	(0.67)	(0.33)	(0.33)
Net income/(loss) per Ordinary Share (basic)	2.71	(1.22)	(0.76)	(3.34)	(1.66)
Net income/(loss) per Ordinary Share (diluted)	2.32	(1.22)	(0.76)	(3.34)	(1.66)
Weighted average shares (basic)	1,501	3,953	7,125	9,297	17,093
Weighted average shares (diluted)	1,754	8,609	12,035	11,896	17,440
Consolidated balance sheet data					
Amounts in accordance with UK GAAP					
Working capital	(7,956)	21,550	(13,400)	(19,306)	(39,125)
Total assets	33,629	57,155	100,597	97,438	47,377
Long term obligations	1,512	13,876	8,391	36,743	
Capital stock (ordinary shares)	3,060	10,970	12,354	15,838	29,088
Total shareholders equity/(deficit)	12,137	33,560	32,797	(6,208)	(6,348)
Amounts in accordance with US GAAP					
Working capital	(7,994)	19,992	(12,082)	(19,742)	(39,183)
Total assets	33,788	42,777	85,688	91,755	43,173
Long term obligations	1,519	9,645	6,559	39,388	
Capital stock (ordinary shares)	3,075	10,177	11,139	15,838	29,088
Total shareholders equity/(deficit)	12,194	25,963	25,090	(8,724)	(10,552)

We have updated the table above as of 13 December 2004 to reflect the disposal of our US operations in February 2004. The results of these operations are now classified as discontinued.

Exchange Rates

We changed our functional currency on January 1, 2003 to US dollars to reflect the fact that the majority of our transactions, assets and liabilities are denominated in that currency. Consequently, all data provided in this annual report is in US dollars for 2003 and comparative information for prior years has been restated into US dollars. Under UK GAAP this restatement of all historical pound sterling amounts has been at an exchange rate of £1 to $1.6099, being the mid point rate on December 31, 2002. Under US GAAP the historical pound sterling amounts have been restated using the weighted average rate for the income statement and applicable closing rate for the balance sheet, including in the table above.

As some assets, liabilities and transactions are still denominated in pounds sterling the rate of exchange between pounds sterling and the US dollar, which is is determined by supply and demand in the foreign exchange markets and affected by numerous factors, continues to impact our financial results. Fluctuations in the exchange rate between the US dollar and the pound sterling may affect any earnings or losses reported by us and the book value of our shareholders equity as expressed in US dollars and pounds sterling, and consequently may affect the market price for our ADSs.

The following table sets forth, for the periods indicated, the average of the noon buying rate on the last day of each month during the relevant period as announced by the Federal Reserve Bank of New York for pounds sterling expressed in US dollars per pound sterling:

Fiscal Period	Average Noon Buying Rate (US dollars/ pound sterling)
12 months ended December 31, 1999	1.6010
12 months ended December 31, 2000	1.5170
12 months ended December 31, 2001	1.4543
12 months ended December 31, 2002	1.5093
12 months ended December 31, 2003	1.6450

The following table sets forth, for each of the last six months, the high and low noon buying rate during each month as announced by the Federal Reserve Bank of New York for pounds sterling expressed in US dollars per pound sterling:

Month	High Noon Buying Rate (US dollars/ pound sterling)	Low Noon Buying Rate (US dollars/ pound sterling)
September 2003	1.5732	1.6642
October 2003	1.6598	1.7025
November 2003	1.6693	1.7219
December 2003	1.7200	1.7842
January 2004	1.7902	1.8511
February 2004	1.8182	1.9045

The noon buying rate as of March 24, 2004 was 1.8351 US dollars per pound sterling.

B. Capitalization And Indebtedness

Not applicable.

C. Reasons For The Offer And Use Of Proceeds

Not applicable.

D. Risk Factors

You should carefully consider the risks and the information about our business described below, together with all of the other information included in this annual report. You should not interpret the order in which these considerations are presented as an indication of their relative importance to you. The risks and uncertainties described below are not the only ones that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. If any of the following risks and uncertainties develop into actual events, our business, financial condition and results of operations could be materially and adversely affected, and the trading price of our ADSs could decline.

We have a history of losses, and we may continue to generate losses in the foreseeable future.

We have not been profitable in any of the last three fiscal years. For the fiscal years ended December 31, 2001, 2002 and 2003, we reported losses of approximately $5.3, $ 37.0 and $ 20.9 million respectively under UK GAAP. Unless and until FDA marketing approval is obtained for our in-licensed product, LAX-101, or we are otherwise able to acquire rights to products that have received regulatory approval or are at an advanced stage of development and can be readily commercialized, we may not be able to generate revenues in future periods and we may not be able to return to profitability.

In February 2004 we divested a majority of our assets, and we currently have limited operations, assets and financial resources. As a result, we currently have no marketable products or other source of revenues for the near-term future. We have marketing and distribution rights for the U.S. to a single development stage product, LAX-101 and intend to acquire rights to additional products, which we anticipate may either be in the development stage or approved products. However, there is no assurance that we will be successful in acquiring any marketable products, or that LAX-101 or any other development stage products we may acquire will be approved by the FDA or regulatory authorities in other countries on a timely basis or at all. To the extent we undertake development efforts in-house, our business will be capital intensive. Therefore, we may incur expenses without corresponding revenues at least until we are able to obtain regulatory approval and sell our future products in large quantities. This may result in net operating losses, which will increase continuously until we can generate an acceptable level of revenues, which we may not ever attain. Further, even if we do achieve operating revenues, there can be no assurance that such revenues will be sufficient to repay our obligations or to fund continuing operations. Therefore we cannot predict whether we will ever be able to achieve profitability.

The likelihood of success of our business plan must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with developing and expanding early stage businesses and the competitive environment in which we operate.

Our historical financial results do not form an accurate basis for assessing our current business.

As a consequence of the divestiture of a majority of our business and assets during 2003 and early 2004, our financial results for 2003 and prior periods do not form an accurate basis upon which investors should base an assessment of our business and prospects. Prior to such divestiture, our revenues were generated primarily from the sale of in-licensed marketable products, the out-licensing of our proprietary technologies, and research and development work performed on a contract basis. All of these lines of business have been sold, and our current focus is on development efforts for LAX-101 and targeting new products for potential acquisition. Accordingly, our historical financial results reflect a substantially different business from that currently being conducted.

We may have to issue equity in Amarin leading to shareholder dilution.

We are committed to issue equity to Laxdale Limited, which we may refer to in this annual report as Laxdale , upon the successful achievement of specified milestones for the LAX-101 development program. See Item 4 Information on the Company Business Overview Our Huntington s Disease Strategy LAX-101. We have also issued warrants to purchase 500,000 ordinary shares to Elan as part of our debt re-negotiation with Elan in February 2004. In pursuing our growth strategy it is probable that we will need to raise new finance and new equity or convertible equity or debt instruments may be issued to new or existing shareholders. The creation of new shares would lead to dilution of the current shareholder base.

If we cannot find additional capital resources, we will have difficulty in sustaining and growing our business.

We will need to raise additional capital to fund our long-term growth strategy of acquiring additional development stage and/or marketable products, recruiting clinical and regulatory personnel and growing our business. Depending on market conditions and our ability to ensure financial stability, we may not have access to additional capital on reasonable terms or at all. Any inability to obtain additional financing when needed would adversely affect our ability to sustain and to grow our business.

We will be dependent upon the success of a limited range of products.

We are currently reliant upon the success of a single product, LAX-101. If development efforts for this product are not successful, or if adequate demand for this product is not generated should FDA approval be obtained, our business will be materially and adversely affected. Although we intend to acquire additional products, even if we are successful in doing so the range of products we will be able to commercialize will in all likelihood be limited, given our financial resources. This may limit our ability to respond to adverse business conditions. If we are not successful in developing LAX-101 or any future product, or if there is not adequate demand for any such product or the market for such product develops less rapidly than we anticipate, we may not have the capability to shift our resources to the development of alternative products. As a result, the limited range of products we intend to develop could limit our revenues and profitability.

Our ability to generate revenues under our in-licensing agreements depends in part upon the financial condition of our licensors and the ability of our licensors to obtain regulatory approvals.

We have entered into a license agreement with Laxdale that gives us the US marketing and distribution rights to LAX-101, a new molecular entity that is under investigation to treat Huntington s disease. Laxdale is responsible for conducting, at its expense, all tests and clinical trials needed in order to meet regulatory requirements, for obtaining applicable regulatory approvals, and for prosecuting any patent applications with respect to this product. The costs of developing and obtaining regulatory approvals for pharmaceutical products can be substantial. On February 3, 2003, we announced our intention to work with Laxdale toward conducting an additional Phase III program to support a possible new drug application or NDA for LAX-101. This was determined after a meeting with the US Food and Drug Administration or FDA on January 29, 2003. The decision to conduct a further Phase III program is consistent with the approval process of new drug products for neurological diseases, and reflects the fact that statistical significance was not achieved in the entire study patient population in the first Phase III study. Our ability to commercialize this product is dependent upon the success of Laxdale s further development efforts. If Laxdale is unable to maintain the financial and operational capability to complete its development efforts, we may not ever be able to generate revenues from the licensed product. In the event that Laxdale is unable to fund the Phase III program for LAX-101, we could not fund such Phase III program from our existing financial resources. We are dependent upon Laxdale having the financial and personnel resources necessary to fulfill its obligations to complete the clinical development and pursuit of approval of an NDA, if clinical study results warrant, and on the success of such development efforts. There can be no assurances that Laxdale, a small, closely held private company, will have the resources necessary to fulfill these obligations or that development success will otherwise be achieved. In addition, the Chairman of Laxdale, Dr. David Horrobin, one of its founders, died in April 2003.

While we do not believe that Laxdale was wholly dependent on Dr. Horrobin for continued development progress of LAX-101, the impact of his death upon Laxdale remains uncertain at this time.

Our ability to derive any revenues under our licensing agreement with Laxdale for LAX-101 is subject to all of the risks associated with obtaining regulatory approvals, and as a licensee we have limited ability to control the outcome of the development process. Our licensors may not obtain regulatory approvals that are needed in order to market a new product, and the timing or scope of any approvals may prohibit or reduce our ability to commercialize a product successfully. For example, even if Laxdale obtains the necessary approvals for LAX-101, the approvals may take too long or the terms of the approvals may not have the scope or breadth needed for us to commercialize successfully products based on LAX-101.

Our future products may not be able to compete effectively against those of our competitors.

Competition in the pharmaceutical industry is intense and is expected to increase. To the extent we are able to acquire or develop marketable products in the future, such products will compete with a variety of other products within the US, possibly including established drugs and major brand names. Competitive factors, including generic competition, could force us to lower prices or could result in reduced sales. In addition, new products developed by others could emerge as competitors to our future products. Products based on new technologies or new drugs could render our products obsolete or uneconomical.

Our potential competitors both in the US and Europe may include large, well-established pharmaceutical companies, specialty pharmaceutical sales and marketing companies, and specialized drug delivery companies. In addition, we may compete with universities and other institutions involved in the development of technologies and products that may be competitive with ours. Many of our competitors will likely have greater resources than us, including financial, product development, marketing, personnel and other resources. Should a competitive product obtain marketing approval prior to LAX-101, this would significantly erode the projected revenue streams and anticipated first-to-market advantage for such product.

The success of our future products will also depend in large part on the willingness of physicians to prescribe these products to their patients. Our future products may compete against products that have achieved broad recognition and acceptance among medical professionals. In order to achieve an acceptable level of subscriptions for our future products, we must be able to meet the needs of both the medical community and end users with respect to cost, efficacy and other factors.

Our supply of future products could be dependent upon relationships with manufacturers and key suppliers.

We have no in-house manufacturing capacity and, to the extent we are successful in acquiring or developing marketable products in the future, we will be obliged to rely upon contract manufacturers to produce our products. We may not be able to enter into manufacturing arrangement on terms that are favourable to us. Moreover, if any future manufacturers should cease doing business with us or experience delays, shortages of supply or excessive demands on their capacity, we may not be able to obtain adequate quantities of product in a timely manner, or at all. Manufacturers are required to comply with current Good Manufacturing Practices regulations promulgated by the FDA. The failure by a future manufacturer to comply with these regulations could affect its ability to provide us with product. Any manufacturing problem or the loss of a contract manufacturer could be disruptive to our operations and result in lost sales.

Additionally, we may be reliant on third parties to supply the raw materials needed to manufacture our future products. Any reliance on suppliers may involve several risks, including a potential inability to obtain critical materials and reduced control over production costs, delivery schedules, reliability and quality. Any unanticipated disruption to future contract manufacture caused by problems at suppliers could delay shipment of products, increase our cost of goods sold and result in lost sales.

We may not be able to grow our business unless we can acquire and market new products.

We are pursuing a strategy of product acquisitions in order to generate growth. Although we intend to engage in proprietary research and development of new products, our capability to conduct these activities is limited. We must therefore rely on our ability to identify other companies that are willing to sell or license product lines to us. We will be competing for these products with other parties, many of whom have substantially greater financial, marketing and sales resources. Even if suitable products are available, depending on competitive conditions we may not be able to acquire rights to additional products on acceptable terms, or at all. Our inability to acquire additional products or successfully introduce new products could have a material adverse effect on our business. In addition, we may need to establish a sales and marketing force and incur additional expenses in anticipation of a new product introduction.

The planned expansion of our business may strain our resources.

Our strategy for growth includes potential acquisitions of new products for development and the introduction of these products to the market. Since we currently operate with limited resources, the addition of such new products could require a significant expansion of our operations, including the recruitment, hiring and training of additional personnel. In particular, we do not currently have personnel with a clinical or regulatory background and we will need to recruit such personnel to ensure projects run smoothly. This could create a strain on our financial and management resources. Our failure to recruit such personnel could have a material adverse effect on our business.

We may not be successful in developing or marketing future products if we cannot meet extensive regulatory requirements for quality, safety and efficacy promulgated by the FDA and other regulatory agencies.

Our strategy generally involves the development of products we may acquire from third parties. The success of these efforts is dependent in part upon the ability of the products to meet and to continue to meet regulatory requirements in the jurisdictions where we ultimately intend to sell such products. The development, manufacture and marketing of pharmaceutical products are subject to extensive regulation by governmental authorities in the US, the European Union, Japan and elsewhere. In the US, the FDA generally requires pre-clinical testing and clinical trials of each drug to establish its safety and efficacy and extensive pharmaceutical development to ensure its quality before its introduction into the market. Regulatory authorities in other jurisdictions impose similar requirements. The process of obtaining regulatory approvals is lengthy and expensive and the issuance of such approvals is uncertain. The commencement and rate of completion of clinical trials may be delayed by many factors, including:

the inability to manufacture sufficient quantities of qualified materials under current good manufacturing practices for use in clinical trials;

slower than expected rates of patient recruitment;

the inability to observe patients adequately after treatment;

changes in regulatory requirements for clinical trials;

the lack of effectiveness during clinical trials;

unforeseen safety issues;

delays, suspension, or termination of a trial due to the institutional review board responsible for overseeing the study at a particular study site; and

government or regulatory delays or clinical holds requiring suspension or termination of a trial.

Even if we obtain positive results from pre-clinical or clinical trials, we may not achieve the same success in future trials. Clinical trials may not demonstrate statistically sufficient safety and effectiveness to obtain the requisite regulatory approvals for product candidates. The failure of clinical trials to demonstrate safety and effectiveness for our desired indications could harm the development of that product candidate as well as other product candidates, and our business and results of operations would suffer.

Any approvals that are obtained may be limited in scope, or may be accompanied by burdensome post-approval study or other requirements. Even in circumstances where products are approved by a regulatory body for sale, the regulatory or legal requirements may change over time, or new safety or efficacy information may be identified concerning a product, which may lead to the withdrawal of a product from the market.

After approval, our products will be subject to extensive government regulation.

Once a product is approved, numerous post-approval requirements apply. Among other things, the holder of an approved NDA or other license is subject to periodic and other monitoring and reporting obligations of the FDA and other regulatory bodies, including obligations to monitor and report adverse events and instances of the failure of a product to meet the specifications in the approved application. Application holders must also submit advertising and other promotional material to regulatory authorities and report on ongoing clinical trials.

Advertising and promotional materials must comply with FDA rules in addition to other potentially applicable federal and local laws in the US and in other countries. In the US, the distribution of product samples to physicians must comply with the requirements of the US Prescription Drug Marketing Act. Manufacturing facilities remain subject to FDA inspection and must continue to adhere to the FDA s current good manufacturing practice requirements. Application holders must obtain FDA approval for product and manufacturing changes, depending on the nature of the change. Sales, marketing, and scientific/educational grant programs must comply with the US Medicare-Medicaid Anti-Fraud and Abuse Act, as amended, the US False Claims Act, as amended, and similar state laws. Pricing and rebate programs must comply with the US Medicaid rebate requirements of the Omnibus Budget Reconciliation Act of 1990, as amended. If products are made available to authorized users of the US Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. All of these activities are also potentially subject to US federal and state consumer protection and unfair competition laws. Similar requirements exist in all of these areas in other countries.

Depending on the circumstances, failure to meet these post-approval requirements can result in criminal prosecution, fines or other penalties, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre-marketing product approvals, or refusal to allow us to enter into supply contracts, including government contracts. In addition, even if we comply with FDA and other requirements, new information regarding the safety or effectiveness of a product could lead the FDA to modify or withdraw a product approval.

Adverse regulatory action, whether pre- or post-approval, can potentially lead to product liability claims and increase our product liability exposure.

We may incur potential liabilities relating to discontinued operations or products.

Subsequent to the end of the 2003 fiscal year, we sold our US subsidiary, API, and certain assets to Valeant Pharmaceuticals International (Valeant). The asset purchase agreement for the transaction provides for a purchase price adjustment based on variations between a pro forma balance sheet agreed between the parties and a closing date balance sheet to be prepared after the closing. Subsequent to the closing of the sale, one of API s wholesalers advised that it was holding approximately $6 million of product inventory that it had not previously discovered. Valeant appear to be taking the position that the purchase price with respect to the sale should be reduced as a result of the discovery of such additional inventory. It is our view that the additional inventory should not impact the consideration payable to Amarin, whether as a result of a purchase price adjustment or otherwise. We cannot predict how this matter will be resolved. The Company intends to take all appropriate action to protect its interests in the event any claims should be asserted against it.

In connection with the sale of assets to Valeant and the sale of our Swedish subsidiary to Watson Pharmaceuticals, Inc., we provided a number of representations and warranties to Valeant and Watson regarding the respective businesses sold to them, and other matters, and we undertook to indemnify Valeant and Watson under certain circumstances for breaches of such representations and warranties. We are not aware of any circumstances which could reasonably be expected to give rise to an indemnification obligation under our agreements with either Valeant or Watson. However, we cannot predict whether matters may arise in the future which were not known to us and which, under the terms of the relevant agreements, could give rise to a claim against us.

We will be dependent on patents, proprietary rights and confidentiality.

Because of the significant time and expense involved in developing new products and obtaining regulatory approvals, it is very important to obtain patent and trade secret protection for new technologies, products and processes. Our ability to successfully implement our business plan will depend in large part on our ability to:

acquire patented or patentable products and technologies;

obtain and maintain patent protection for our acquired products;

preserve any trade secrets relating to our future products; and

operate without infringing the proprietary rights of third parties.

Although we intend to make reasonable efforts to protect any future intellectual property rights and to ensure that any proprietary technology we acquire does not infringe the rights of other parties, we will not be able to ascertain the existence of all potentially conflicting claims. Therefore, there is a risk that third parties may make claims of infringement against our future products or technologies. In addition, third parties may be able to obtain patents that prevent the sale of our future products or require us to obtain a license and pay significant fees or royalties in order to continue selling such products.

We may in the future discover the existence of products that infringe upon patents that we own or that have been licensed to us. Although we intend to protect our trade secrets and proprietary know-how through confidentiality agreements with our manufacturers, employees and consultants, we will not be able to prevent our competitors from breaching these agreements or independently developing or learning of our trade secrets.

We anticipate that competitors may from time to time oppose our efforts to obtain patent protection for new technologies or to submit patented technologies for regulatory approvals. Competitors may seek to challenge patent applications or existing patents to delay the approval process, even if the challenge has little or no merit. Patent challenges are generally highly technical, time consuming and expensive to pursue. Were we to be subject to one or more patent challenges, that effort could consume substantial time and resources, with no assurances of success, even when holding an issued patent.

The loss of any key management or qualified personnel could disrupt our business.

We are highly dependent upon the efforts of our senior management. The loss of the services of one or more members of senior management could have a material adverse effect on us. As a small company with a streamlined management structure, the departure of any key person could have a significant impact and would be potentially disruptive to our business. Furthermore, because of the specialized nature of our business, we are highly dependent upon our ability to attract and retain qualified scientific, technical and key management personnel. There is intense competition for qualified personnel in the areas of our activities. In this environment we may not be able to continue to attract and retain the personnel necessary for the development of our business, particularly if we do not achieve profitability. The failure to recruit key scientific and technical personnel would be detrimental to our ability to implement our business plan.

We have entered into an employment agreement with our chief executive officer. The term of this agreement automatically renews on an annual basis, subject to each party s right to terminate upon six months notice. Our officers and key employees, other than our chief executive officer, are not employed for any specified period and are not restricted from seeking employment elsewhere, subject only to giving appropriate notice to us.

We are subject to continuing potential product liability.

Although we have disposed of the majority of our products, we remain subject to the potential risk of product liability claims relating to the manufacturing and marketing of our former products during the period prior to their divestiture. Any person who is injured as a result of using one of our former products during our period of ownership may have a product liability claim against us without having to prove that we were at fault. The potential for liability exists despite the fact that our former subsidiary, Amarin Pharmaceuticals Inc. (API), conducted all sales and marketing activities with respect to such product. Although we have not retained any liabilities of API in this regard, as the one-time holder of ownership rights to such former products the Company could be subject to potential claims on a theory of strict liability. Since we distributed and sold our products to a wide number of end users, the risk of such claims could be material. Product liability claims could also be brought by persons who took part in clinical trials involving our former development stage products, including clinical trials of transdermal products and Zelapar carried out prior to the disposal of these products. A successful claim brought against us could have a material adverse effect on our business. We do not at present carry product liability insurance to cover any such risks and we are currently carrying out a risk analysis of the potential risks involved.

If we were to seek insurance coverage, we may not be able to maintain product liability coverage on acceptable terms if our claims experience results in high rates, or if product liability insurance otherwise becomes costlier or unavailable because of general economic, market or industry conditions. If we add significant products to our portfolio, we will require product liability coverage and may not be able to secure such coverage at reasonable rates or at all.

If we do not maintain compliance with Nasdaq continued listing requirements, our ADSs may be delisted from the Nasdaq National Market.

We have received a letter from the Nasdaq Stock Market Inc. indicating that Nasdaq are conducting a review of our eligibility for continued listing following the sale of assets to Valeant. In order for our common stock to continue to be quoted on the Nasdaq National Market, we have been asked to provide a plan for future operation and compliance with all continued listing requirements. At present we do not meet the requirement of maintaining stockholders equity of at least $10 million. We believe that our business plan provides a viable basis for achieving compliance. However, there is no assurance that Nasdaq will conclude that our plan adequately addresses their concerns. Moreover, even if we are successful in meeting the objective criteria for continued listing, Nasdaq has discretion to de-list securities based on public interest concerns. If our ordinary shares are de-listed from the Nasdaq National Market, we would seek to be listed either on the Nasdaq SmallCap Market or the Over-the Counter Bulletin Board. A delisting may negatively impact the value of our stock, since securities trading on the Nasdaq SmallCap Market or the over-the-counter markets are typically less liquid and trade with larger variations between the bid and ask price.

The price of our ADSs may be volatile.

The stock market has from time to time experienced significant price and volume fluctuations that may be unrelated to the

operating performance of particular companies. In addition, the market prices of the securities of many pharmaceutical and medical technology companies have been especially volatile in the past, and this trend is expected to continue in the future. Our ADSs are also subject to volatility as a result of the relatively limited size of their trading market. With approximately 17.4 million ADSs outstanding, there is a risk that there may not be sufficient liquidity in the market to accommodate significant increases in selling activity or the sale of a large block of securities, either of which could result in price volatility. These factors increase the risk that the market price of our ADSs may be affected by factors such as:

- the announcement of new products or technologies;
- innovation by us or our future competitors;
- developments or disputes concerning any future patent or proprietary rights;
- actual or potential medical results relating to our products or our competitors products;
- interim failures or setbacks in product development;
- regulatory developments in the US, the European Union or other countries;
- currency exchange rate fluctuations; and
- period-to-period variations in our results of operations.

The rights of our shareholders may differ from the rights typically afforded to shareholders of a US corporation.

We are incorporated under English law. The rights of holders of Ordinary Shares and, therefore, certain of the rights of holders of ADSs, are governed by English law, including the UK Companies Act 1985, as amended by the UK Companies Act 1989, and by our memorandum and articles of association. These rights differ in certain respects from the rights of shareholders in typical US corporations. See Item 10 Additional Information Memorandum and Articles of Association. The principal differences include the following:

Under English law, each shareholder present at a meeting has only one vote unless a valid demand is made for a vote on a poll, in which each holder gets one vote per share owned. Under US law, each shareholder typically is entitled to one vote per share at all meetings. Under English law, it is only on a poll that the number of shares determines the number of votes a holder may cast. You should be aware, however, that

the voting rights of ADSs are also governed by the provisions of a deposit agreement with the depositary bank. See Item 10 Additional Information Memorandum and Articles of Association Description of Ordinary Shares Voting Rights.

Under English law, each shareholder generally has pre-emptive rights to subscribe on a proportionate basis to any issuance of shares. Under US law shareholders generally do not have pre-emptive rights unless specifically granted in the certificate of incorporation or otherwise. See Item 10 Additional Information Memorandum and Articles of Association Pre-emptive Rights.

Under English law, certain matters require the approval of 75% of the shareholders, including amendments to the memorandum and articles of association. This may make it more difficult for us to complete corporate transactions deemed advisable by the board of directors. Under US law, generally only majority shareholder approval is required to amend the certificate of incorporation or to approve other significant transactions. See Item 10 Additional Information Memorandum and Articles of Association Description of Ordinary Shares Voting Rights.

Under English law, shareholders may be required to disclose information regarding their equity interests upon our request, and the failure to provide the required information could result in the loss or restriction of rights attaching to the shares including prohibitions on the transfer of the shares as well as restrictions on dividends and other payments. Comparable provisions generally do not exist under US law. See Item 10 Additional Information Memorandum and Articles of Association Disclosure of Interests.

US shareholders may not be able to enforce civil liabilities against us.

A number of our directors and executive officers are non-residents of the US, and all or a substantial portion of the assets of such persons are located outside the US. As a result, it may not be possible for investors to effect service of process within the US upon such persons or to enforce against them judgments obtained in US courts predicated upon the civil liability provisions of the

federal securities laws of the US. We have been advised by our English solicitors that there is doubt as to the enforceability in England in original actions, or in actions for enforcement of judgments of US courts, of civil liabilities to the extent predicated upon the federal securities laws of the US.

Foreign currency fluctuations may affect our future financial results or cause us to incur losses.

We record our transactions and prepare our financial statements in US dollars. See Item 3A- Selected Financial Data-General-Exchange Rates . Since our future strategy involves the development of products for the US market, we anticipate that the majority of our revenues and expenditures will be denominated in US dollars. However, certain of our costs are denominated in pounds sterling as a result of our having operations based in the United Kingdom. For purposes of preparing our financial statements, we translate pound sterling transactions and balances into US dollars. As a consequence, the results reported in our financial statements are potentially subject to the impact of currency fluctuations between the US dollar and pound sterling. We believe this risk is not currently material since we are focused on development activities and do not anticipate generating revenues in the short-term future. Accordingly, we do not engage in currency hedging activities in order to restrict the risk of exchange rate fluctuations. However, if we should commence commercializing any products in the US, changes in the relation of the US dollar to the pound sterling may affect our revenues and operating margins. In general, we could incur losses if the US dollar should become devalued relative to the pound sterling.

Holders of our Ordinary Shares or ADSs who are US residents may face adverse tax consequences.

There is a risk that we will be classified as a passive foreign investment company, or PFIC. Our treatment as a PFIC could result in a reduction in the after-tax return to the holders of our Ordinary Shares or ADSs and would likely cause a reduction in the value of such shares. For US federal income tax purposes, we will be classified as a PFIC for any taxable year in which (i) 75% or more of our gross income is passive income or (ii) at least 50% of the average value of all of our assets for the taxable year produce or are held for the production of passive income. For this purpose, passive income includes dividends, interest, royalties, rents, annuities and the excess of gains over losses from the disposition of assets which produce passive income. Because we will receive interest income and may receive royalties, there is a risk that we will be declared a PFIC under the income test described above. In addition, as a result of our cash position, there is a risk under the asset test described above that we will be declared a PFIC in the event the price of our Ordinary Shares declines substantially. If we were determined to be a PFIC for US federal income tax purposes, highly complex rules would apply to US Holders owning Ordinary Shares. Accordingly, you are urged to consult your tax advisors regarding the application of such rules. However, because the determination of whether we are a PFIC is based upon the composition of our income and assets from time to time, this determination cannot be made with certainty until the end of the calendar year.

US residents should carefully read Item 10 Additional Information Taxation Certain US Federal Income Tax Considerations for a more complete discussion of the US federal income tax risks related to owning and disposing of our Ordinary Shares or ADSs.

PART III

Item 18. Financial Statements

The Report of Independent Registered Public Accounting Firm and the accompanying balance sheets and the related consolidated profit and loss accounts, statements of total recognised gains and losses, reconciliations of movements in shareholders funds and cashflow statements present fairly, in all material respects, the financial position of Amarin Corporation plc and its subsidiaries at December 31, 2003, December 31, 2002 and December 31, 2001, and the results of their operations and their cash flows for the years then ended, and are found at pages F-1 to F-59 of this Form 20-F/A.

Item 19 Exhibits

Exhibits filed as part of this annual report:

1.1	Memorandum of Association of the Company (10)
1.2	Articles of Association of the Company (10)
2.1	Form of Deposit Agreement, dated as of March 29, 1993, among the Company, Citibank, N.A., as Depositary, and all holders from time to time of American Depositary Receipts issued thereunder (1)
2.2	Amendment No. 1 to Deposit Agreement, dated as of October 8, 1998, among the Company, Citibank, N.A., as Depositary, and all holders from time to time of the American Depositary Receipts issued thereunder (2)
2.3	Amendment No. 2 to Deposit Agreement, dated as of September 25, 2002 among the Company, Citibank N.A., as Depositary, and all holders from time to time of the American Depositary Receipts issued thereunder (3)
2.4	Form of Ordinary Share certificate (10)
2.5	Form of American Depositary Receipt evidencing ADSs (included in Exhibit 2.3) (3)
2.6	Registration Rights Agreement, dated as of October 21, 1998, by and among Ethical Holdings plc and Monksland Holdings B.V. (10)
2.7	Amendment No. 1 to Registration Rights Agreement and Waiver, dated January 27, 2003, by and among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.(10)
2.8	Second Subscription Agreement, dated as of November 1999, among Ethical Holdings PLC, Monksland Holdings B.V. and Elan Corporation PLC (4)
2.9	Purchase Agreement, dated as of June 16, 2000, by and among the Company and the Purchasers named therein (4)
2.10	Registration Rights Agreement, dated as of November 24, 2000, by and between the Company and Laxdale Limited (5)
2.11	Form of Subscription Agreement, dated as of January 27, 2003 by and among the Company and the Purchasers named therein (10) (The Company entered into twenty separate Subscription Agreements on January 27, 2003 all substantially similar in form and content to this form of Subscription Agreement.)

2.12	Form of Registration Rights Agreement, dated as of January 27, 2003 between the Company and the Purchasers named therein (10) (The Company entered into twenty separate Registration Rights Agreements on January 27, 2003 all substantially similar in form and content to this form of Registration Rights Agreement.)
4.1	Amended and Restated Asset Purchase Agreement dated September 29, 1999 between Elan Pharmaceuticals Inc. and the Company (10)
4.2	Variation Agreement, undated, between Elan Pharmaceuticals Inc. and the Company (10)
4.3	License Agreement, dated November 24, 2000, between the Company and Laxdale Limited (6)
4.4	Option Agreement, dated as of June 18, 2001, between Elan Pharma International Limited and the Company (7)
4.5	Deed of Variation, dated January 27, 2003, between Elan Pharma International Limited and the Company (10)
4.6	Lease, dated August 6, 2001, between the Company and LB Strawberry LLC (7)
4.7	Amended and Restated Distribution, Marketing and Option Agreement, dated September 28, 2001, between Elan Pharmaceuticals, Inc. and the Company (8)
4.8	Amended and Restated License and Supply Agreement, dated March 29, 2002, between Eli Lilly and Company and the Company (10)
4.9	Deed of Variation, dated January 27, 2003, between Elan Pharmaceuticals Inc. and the Company (10)
4.10	Stock and Intellectual Property Right Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Sergio Lucero, Francisco Stefano, Amarin Technologies S.A., Amarin Pharmaceuticals Company Limited and the Company (7)
4.11	Stock Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Beta Pharmaceuticals Corporation and the Company (7)
4.12	Novation Agreement, dated November 30, 2001, by and among Beta Pharmaceuticals Corporation, Amarin Technologies S.A. And the Company (7)
4.13	Loan Agreement, dated September 28, 2001, between Elan Pharma International Limited and the Company (8)
4.14	Deed of Variation, dated July 19, 2002, amending certain provisions of the Loan Agreement between the Company and Elan Pharma International Limited (10)
4.15	Deed of Variation No. 2, dated December 23, 2002, between The Company and Elan Pharma International Limited (10)
4.16	Deed of Variation No. 3, dated January 27, 2003, between the Company and Elan Pharma International Limited (10)
4.17	The Company 2002 Stock Option Plan (9)
4.18	Agreement Letter, dated October 21, 2002, between the Company and Security Research Associates, Inc.(10)
4.19	Agreement, dated January 27, 2003, among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.(10)
4.20	Master Agreement, dated January 27, 2003, between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings B.V. and the Company(10)

4.21	Form of Warrant Agreement, dated March 19, 2003, between the Company and individuals designated by Security Research Associates, Inc.(10) (The Company entered into seven separate Warrant Agreements on March 19, 2003 all substantially similar in form and content to this form of Warrant Agreement.)
4.22	Sale and Purchase Agreement, dated March 14, 2003, between F. Hoffmann La Roche Ltd., Hoffmann La Roche Inc And the Company(10)
4.23	Share Subscription and Purchase Agreement dated October 28, 2003 among the Company, Amarin Pharmaceuticals Company Limited, Watson Pharmaceuticals, Inc. and Lagrummet December NR 911 AB (under name change to WP Holdings AB)*
4.24	Asset Purchase Agreement dated February 11, 2004 between the Company, Amarin Pharmaceuticals Company Limited and Valeant Pharmaceuticals International*
4.25	Amendment No. 1 to Asset Purchase Agreement dated February 25, 2004 between the Company, Amarin Pharmaceuticals Company Limited and Valeant Pharmaceuticals International*
4.26	Development Agreement dated February 25, 2004 between the Company and Valeant Pharmaceuticals International*
4.27	Settlement Agreement dated February 25, 2004 among Elan Corporation plc, Elan Pharma International Limited, Elan International Services, Ltd, Elan Pharmaceuticals, Inc., Monksland Holdings BV a d the Company*
4.28	Debenture dated August 4. 2003 made by the Company in favour of Elan Corporation plc as Trustee*
4.29	Debenture Amendment Agreement dated December 23, 2003 between the Company and Elan Corporation plc as Trustee*
4.30	Debenture Amendment Agreement No. 2 dated February 24, 2004 between the Company and Elan Corporation plc as Trustee*
4.31	Loan Instrument dated February 25, 2004 executed by Amarin in favor of Elan Pharma International Limited*
4.32	Amended and Restated Master Agreement dated August 4, 2003 among Elan Corporation plc, Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Company*(11)
4.33	Amended and Restated Option Agreement dated August 4, 2003 between the Company and Elan Pharma International Limited*(11)
4.34	Deed of Variation No. 2, dated August 4, 2003, to the Amended and Restated Distribution, Marketing and Option Agreement between Elan Pharmaceuticals, Inc. and the Company*(11)
4.35	Deed of Variation No. 4, dated August 4, 2003, to Loan Agreement between the Company and Elan Pharma International Limited*(11)
4.36	Amendment Agreement No. 1, dated August 4, 2003, to Amended and Restated Asset Purchase Agreement among Elan International Services, Ltd., Elan Pharmaceuticals, Inc. and the Company*(11)
4.37	Warrant dated February 25, 2004 issued by the Company in favor of the Warrant Holders named therein*
4.38	Amendment Agreement dated December 23, 2003, between Elan Corporation plc, Elan Pharma International Limited, Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Company*(11)
4.39	Bridging Loan Agreement dated December 23, 2003 between the Company and Elan Pharmaceuticals, Inc. *(11)
4.40	Agreement dated December 23, 2003 between the Company and Elan Pharma International Limited, amending the Amended and Restated Option Agreement dated August 4, 2003*(11)
4.41	Inventory Buy Back Agreement dated March 18, 2004 between the Company and Swiftwater Group LLC*

8.1	Subsidiaries of the Company*
11.1	Code of Ethics*
12.1	Certification of Richard A. B. Stewart required by Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**
12.2	Certification of Alan Cooke required by Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**
13.1	Certification of Richard A. B. Stewart required by Section 1350 of Chapter 63 of Title 18 of the United States Code , as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
13.2	Certification of Alan Cooke required by Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
14.1	Consent of PricewaterhouseCoopers LLP**

* Previously filed as an exhibit to the Company s Annual Report on Form 20-F for the year ended December 31, 2003, filed with the Securities and Exchange Commission on March 31, 2004.

** Filed herewith

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

(1) Incorporated herein by reference to certain exhibits to the Company s Registration Statement on Form F-1, File No. 33-58160, filed with the Securities and Exchange Commission on February 11, 1993.

(2) Incorporated herein by reference to Exhibit(a)(i) to the Company s Registration Statement on Post-Effective Amendment No. 1 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on October 8, 1998.

(3) Incorporated herein by reference to Exhibit(a)(ii) to the Company s Registration Statement on Post-Effective Amendment No. 2 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on September 26, 2002.

(4) Incorporated herein by reference to certain exhibits to the Company s Annual Report on Form 20-F for the year ended December 31, 1999, filed with the Securities and Exchange Commission on June 30, 2000.

(5) Incorporated herein by reference to certain exhibits to the Company s Registration Statement on Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on February 22, 2001.

(6) Incorporated herein by reference to certain exhibits to the Company s Annual Report on Form 20-F for the year ended December 31, 2000, filed with the Securities and Exchange Commission on July 2, 2001.

(7) Incorporated herein by reference to certain exhibits to the Company s Annual Report on Form 20-F for the year ended December 31, 2001, filed with the Securities and Exchange Commission on May 9, 2002.

(8) Incorporated herein by reference to certain exhibits to the Company s Registration Statement on Pre-Effective Amendment No. 2 to Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on November 19, 2001.

(9) Incorporated herein by reference to certain exhibits to the Company s Registration Statement on Form S-8, File No. 333-101775, filed with the Securities and Exchange Commission on December 11, 2002.

(10) Incorporated herein by reference to certain exhibits to the Company s Annual Report on Form 20-F for the year ended December 31, 2002, filed with the Securities and Exchange Commission on April 24, 2003.

(11) These agreements are no longer in effect as a result of superseding agreements entered into by the Company.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F/A and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

AMARIN CORPORATION PLC

By: /s/ Richard A. B. Stewart
Richard A. B. Stewart
Chief Executive Officer

Date: December 13, 2004

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of

Amarin Corporation plc

In our opinion, the accompanying balance sheets and the related consolidated profit and loss accounts, statements of total recognised gains and losses, reconciliations of movements in shareholders funds and cashflow statements present fairly, in all material respects, the financial position of Amarin Corporation plc and its subsidiaries at December 31, 2003, December 31, 2002 and December 31, 2001, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United Kingdom. These financial statements are the responsibility of the Company s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States), which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

We draw the attention of the reader to the disclosures set out in note 1(a) to the financial statements regarding the Company s plans for funding its operations through December 2005.

Accounting principles generally accepted in the United Kingdom vary in certain important respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 40 to the consolidated financial statements.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Cambridge, England

31 March 2004, except as to the information presented in notes 1(a), 40(1), 40(B), 40(E) and 41, for which the date is 13 December 2004

Consolidated profit and loss account for the year ended 31 December 2003

	Note	Pre - exceptional items 2003 $ 000	Exceptional items (note 3) 2003 $ 000	Total 2003 $ 000	Total 2002 $ 000	Total 2001 $ 000
Turnover						
Continuing operations		107		107	113	96
Discontinued operations		17,882	(10,624)	7,258	65,328	62,935
	4	17,989	(10,624)	7,365	65,441	63,031
Cost of sales						
Continuing operations						
Discontinued operations		(7,232)	(4,680)	(11,912)	(30,099)	(25,337)
	5	(7,232)	(4,680)	(11,912)	(30,099)	(25,337)
Gross profit/(loss)						
Continuing operations		107		107	113	96
Discontinued operations		10,650	(15,304)	(4,654)	35,229	37,598
		10,757	(15,304)	(4,547)	35,342	37,694
Operating expenses						
Continuing operations		(6,200)		(6,200)	(6,130)	(4,358)
Discontinued operations		(25,479)	(2,595)	(28,074)	(61,842)	(38,212)
	6	(31,679)	(2,595)	(34,274)	(67,972)	(42,570)
Operating (loss)						
Continuing operations				(6,093)	(6,017)	(4,262)
Discontinued operations				(32,728)	(26,613)	(614)
				(38,821)	(32,630)	(4,876)
Exceptional income/restructuring						
Discontinued operations	12				1,077	1,183
Profit/(loss) on disposal of operations						
Discontinued operations	9			13,076		(1,439)
(Loss) on ordinary activities before interest						
Continuing operations				(6,093)	(6,017)	(4,262)
Discontinued operations				(19,652)	(25,536)	(870)
				(25,745)	(31,553)	(5,132)
Interest receivable and similar income	10			65	390	881
Interest payable and similar charges	11			(900)	(2,349)	(477)
(Loss) on ordinary activities before taxation	13			(26,580)	(33,512)	(4,728)
Tax on (loss) on ordinary activities	14			7,356	(3,535)	(536)
(Loss) for the financial year				(19,224)	(37,047)	(5,264)
Dividends - non-equity	17			(24)	(122)	(200)
Retained (loss) for the financial year	30			(19,248)	(37,169)	(5,464)
				US Cents	US Cents	US Cents
						*Restated
Basic (loss) per ordinary share	16			(112.5)	(398.5)	(73.9)
Fully diluted (loss) per ordinary share	16			(112.5)	(398.5)	(73.9)

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

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

Statement of group total recognised gains and losses

	2003 $ 000	2002 $ 000	2001 $ 000
Loss for the year	**(19,224)**	(37,047)	(5,264)
Exchange adjustments offset in reserves		(1,627)	(35)
	(19,224)	(38,674)	(5,299)

Reconciliation of movements in group shareholders (deficit)/funds

	2003 $ 000	2002 $ 000	2001 $ 000
Loss for the financial year	**(19,224)**	(37,047)	(5,264)
Dividends - non equity	**(24)**	(122)	(200)
New share capital issued	**21,212**	198	4,736
Share issuance costs	**(2,104)**	(407)	
Exchange adjustments offset in reserves		(1,627)	(35)
Net change in shareholders (deficit)/funds	**(140)**	(39,005)	(763)
Opening shareholders (deficit)/funds	**(6,208)**	32,797	33,560
Closing shareholders (deficit)/funds	**(6,348)**	(6,208)	32,797

Balance sheets at 31 December

	Note	Group 2003 $ 000	Group 2002 $ 000	Group 2001 $ 000	Company 2003 $ 000	Company 2002 $ 000	Company 2001 $ 000
Fixed assets							
Intangible assets	18	**31,749**	47,455	52,125	**31,749**	47,310	52,101
Tangible assets	19	**1,031**	2,386	2,463	**300**	410	502
Investments	20				**1,660**	1,660	1,660
		32,780	49,841	54,588	**33,709**	49,380	54,263
Current assets							
Stock	21	**2,651**	7,726	3,925	**2,651**	7,662	3,901
Deferred tax asset	26	**7,500**			**7,500**		
Debtors	22	**2,349**	15,606	8,706	**3,766**	33,826	35,703
Investments	23			71			71
Cash at bank and in hand		**2,097**	24,265	33,307	**1,134**	19,388	31,240
		14,597	47,597	46,009	**15,051**	60,876	70,915
Creditors: amounts falling due within one year	24	**53,725**	66,903	59,409	**67,092**	69,892	85,140
Net current liabilities		**(39,128)**	(19,306)	(13,400)	**(52,041)**	(9,016)	(14,225)
Total assets less current liabilities		**(6,348)**	30,535	41,188	**(18,332)**	40,364	40,038
Creditors: amounts falling due after more than one year	25		36,693	7,190		46,500	7,190
Provisions for liabilities and charges	26		50	1,201		50	1,201
Net (liabilities)/assets		**(6,348)**	(6,208)	32,797	**(18,332)**	(6,186)	31,647
Capital and reserves							
Called up share capital	28	**29,088**	19,057	19,002	**29,088**	19,057	19,002
Share premium account	30	**70,223**	61,146	61,409	**67,497**	58,420	58,683
Merger reserve	30		(1,653)	(1,653)			
Profit and loss account	30	**(105,659)**	(84,758)	(45,961)	**(114,917)**	(83,663)	(46,038)
Total shareholders (deficit)/funds		**(6,348)**	(6,208)	32,797	**(18,332)**	(6,186)	31,647
Analysis of shareholders (deficit)/funds							
Equity		**(6,348)**	(16,199)	12,171	**(18,332)**	(16,177)	11,021
Non-equity			9,991	20,626		9,991	20,626
		(6,348)	(6,208)	32,797	**(18,332)**	(6,186)	31,647

Consolidated cash flow statement for the year ended 31 December 2003

	Note	2003 $ 000	2002 $ 000	2001 $ 000
Net cash (outflow)/inflow from operating activities		**(15,051)**	6,135	18,787
Returns on investment and servicing of finance				
Interest received		**65**	390	847
Interest paid on loans and overdrafts		**(2,726)**	(84)	(462)
Interest paid on finance leases		**(31)**	(5)	(14)
Net cash (outflow)/inflow from returns on investments and servicing finance		**(2,692)**	301	371
Taxation				
Corporation tax paid		**(2,761)**	(852)	(457)
Capital expenditure and financial investment				
Purchase of intangible fixed assets		**(16,102)**	(10,909)	(52,136)
Purchase of tangible fixed assets		**(662)**	(715)	(1,653)
Proceeds on sale of tangible fixed assets			164	11
Net cash outflow from capital expenditure and financial investment		**(16,764)**	(11,460)	(53,778)
Acquisitions and disposals				
Cash received on disposal of Swedish operations (2001: South American transdermal business)	9	**13,375**		11
Cash balance gained/(eliminated) on disposal of Swedish operations (2001: South American transdermal business)	9	**329**		(158)
Cash outflow before management of liquid resources and financing		**(23,564)**	(5,876)	(35,225)
Management of liquid resources				
Decrease in short term deposits with banks				16,131
Financing				
Issue of ordinary share capital		**21,212**	199	4,421
Expenses of issue of ordinary share capital	30	**(2,104)**	(407)	(359)
New bank and other loans				49,776
Restructuring costs paid				(1,133)
Repayment of principal on bank and other loans	35	**(17,500)**	(2,576)	(2,404)
Repayment of principal under finance leases	35	**(212)**	(193)	(262)
Net cash inflow/(outflow) from financing		**1,396**	(2,979)	50,039
(Decrease)/increase in cash	34	**(22,168)**	(8,851)	30,945

Reconciliation of operating loss to net cash (outflow)/inflow from operating activities

	2003 $ 000	2002 $ 000	2001 $ 000
Continuing operations			
Operating loss from continuing operations	**(6,093)**	(6,017)	(4,262)
Depreciation on tangible fixed assets	**95**	140	106
Amortisation of intangible fixed assets	**576**	500	553
Impairment of intangible fixed assets		473	
Decrease in stocks			29
(Increase)/decrease in trade debtors	**(21)**	23	29
(Increase)/decrease in other debtors	**(55)**	263	(336)
(Increase)/decrease in prepayments and accrued income	**(217)**	197	(69)
Increase/(decrease) in trade creditors	**648**	(192)	(59)
(Decrease)/increase in other taxation and social security	**(34)**	(95)	156
Increase in accruals and deferred income	**299**	563	667
(Decrease)/increase in provisions	**(50)**	(74)	39
Net cash outflow from continuing operating activities	**(4,852)**	(4,219)	(3,147)
Discontinued operations			
Operating (loss) from discontinued operations	**(32,728)**	(26,613)	(614)
Depreciation on tangible fixed assets	**456**	726	528
Amortisation of intangible fixed assets	**4,890**	6,920	22,270
Impairment of intangible fixed assets	**10,095**	38,309	
(Gain)/loss on translation of foreign currency balances		(10,142)	180
Loss on sale of tangible fixed assets		11	14
Decrease/(increase) in stocks	**5,016**	(3,801)	(930)
Decrease/(increase) in trade debtors	**12,521**	(6,945)	(4,180)
Decrease in other debtors	**420**	397	729
(Increase) in prepayments and accrued income	**(293)**	(577)	(287)
Increase/(decrease) in trade creditors	**193**	(78)	2,186
(Decrease)/increase in other creditors	**(14,786)**	5,210	2,507
(Decrease)/increase in other taxation and social security	**(236)**	111	(555)
Increase in accruals and deferred income	**4,253**	6,826	86
Net cash (outflow)/inflow from discontinued operating activities	**(10,199)**	10,354	21,934
Total net cash (outflow)/inflow from operating activities	**(15,051)**	6,135	18,787

Notes to the financial statements for the year ended 31 December 2003

1. Basis of preparation

(a) Going concern and liquidity

In the 2002 financial statements the Group disclosed that it had grown through acquisitions financed by the issue of shares, the sale of assets and by loans and deferred payment terms from a related party, Elan Pharma International Limited (EPIL). At the time the 2002 financial statements were prepared, the Group s trading was deteriorating and to continue as a going concern the Group needed to raise additional cash resources through a combination of the sale of non-core assets, external financing, reductions in costs and re-negotiation of terms of existing loan and deferred payment obligations. In 2003 and subsequent to the year-end, the Group divested assets both core and non-core and settled/refinanced its obligations with EPIL. In October 2004, Amarin completed a private placement of ordinary shares raising gross proceeds of $12.775 million and converted $3 million of the $5 million in total loan notes currently outstanding into ordinary shares. As a result, as at December 9, 2004, Amarin s total debt, excluding current working capital liabilities, was $2 million of loan notes that are due for cash repayment in 2009. These $2 million of loan notes can, at the option of the holder, be converted into ordinary shares at the price of any future financing conducted by Amarin before 2009.

The financial statements have been prepared on the going concern basis. As of December 9, 2004, on the basis of forecast cash flows, including forecast cash flows for Laxdale Limited (the neuroscience development company acquired by Amarin in October 2004), Amarin has sufficient cash to fund the group s operating activities, including the planned phase III trials for Miraxion in Huntington s disease, through the summer of 2005. Amarin intends to obtain additional funding through earning license fees from partnering its drug development pipeline and/or completing further equity-based financings in the forthcoming year. There is no assurance that Amarin s efforts to raise additional funding will be successful. If efforts are unsuccessful, there is uncertainty as to whether Amarin will be able to fund its operations on an ongoing basis. The financial statements do not include any adjustments that might be necessary should Amarin be unable to continue as a going concern. Whilst the directors are presently uncertain as to the outcome of the matters mentioned above, they believe that sufficient funding will be made available to the company to meet its ongoing working capital requirements. Accordingly the directors of the Company believe it is appropriate to prepare the financial statements on a going concern basis.

(b) Reporting currency

On 1 January 2003, the functional and reporting currency was changed to US dollars from pounds sterling. The comparative financial data included in these financial statements, which have historically been reported in pounds sterling, have been recalculated as if converted to US dollars at the 31 December 2002 closing exchange rate of $1.6099 to £1.

2.Principal accounting policies

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the Company and all its subsidiary undertakings. The turnover and results of subsidiary companies are included in the financial statements from the date of acquisition, except where merger accounting principles are applied, in which case the turnover and results of the company being merged are included as if the merger had taken place before the earliest year presented. In the case of disposals, turnover and results are included up to the date control passes to the new owner.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill thus arising is capitalised and amortised over its useful economic life. Prior to the implementation of FRS 10 Goodwill and intangible assets , goodwill arising on acquisitions was written off to reserves in accordance with the accounting standards then in force. As permitted by the current accounting standard the goodwill previously written off to reserves has not been reinstated in the balance sheet. On disposal or closure of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit or loss on disposal.

Tangible fixed assets and intangible fixed assets

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

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

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

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

Intangible fixed assets are amortised on a straight line basis over the period in which the Group is expected to benefit from these assets.

Evaluation of assets for impairment

The Group reviews its long-lived assets for possible impairment when a triggering event is identified by comparing their discounted expected future cash flows or evidence of net realisable value to their carrying amount. An impairment loss is recognised if the recoverable amount is less than the carrying amount of the asset.

Fixed asset investments

Fixed asset investments are shown at cost less any provision for impairment.

Research and development expenditure

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

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

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

Pre-launch costs

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

Advertising costs

The Group has adopted an accounting policy for advertising costs whereby they are expensed as incurred. For the year ended 31 December 2003 costs incurred were $250,000 (31 December 2002: $377,000, 31 December 2001: $948,000).

Stocks and work in progress

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

Finance and operating leases

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

Foreign currencies

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

Financial instruments

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

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

Turnover

Revenues exclude value added tax, sales between group companies and trade discounts. Revenues from pharmaceutical product sales and royalties represent the invoice value of products delivered to the customer, less trade discounts. The Group makes provisions for product returns based on specific product by product sales history and the value of product returns is taken as a deduction from revenue.

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

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

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

Pension costs

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

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

Short term investments

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

Share schemes

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

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

Risks and uncertainties

The value of the Group s patent and proprietary rights will be affected by its ability to obtain and preserve patent protection for its products and trade secrets, and by the emergence of competing technologies over time. In particular, the value of the intangible assets described in note 18 could be severely affected by changes in the status of the Group s patent and proprietary rights.

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

Use of estimates

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

Inventory and returns provisions are calculated by projecting forward historical trends and take account of third party data including wholesaler inventory and prescriptions.

Nature of operations

During 2003 the principal activities of the Group comprised the marketing and distribution of pharmaceutical products and the provision of drug delivery and development services to third party pharmaceutical companies. Subsequent to the sale of the Group s US operation on 25 February 2004 and its drug delivery business on 28 October 2003, the Group s principal activity is the licensing and development of pharmaceutical products in the neurological field.

Restatement of comparatives

During the period ended 31 December 2001 the Group sold all of its 99.16% equity interest in its South American transdermal patch business. Transactions related to this business are included within discontinued activities.

On 28 October 2003, the Group disposed of its entire interests in its Swedish drug delivery and development business comprising Gacell Holdings AB and Amarin Development (Sweden) AB. On 25 February 2004, the Group disposed of its entire interests in Amarin Pharmaceuticals Inc. In accordance with, UK GAAP (FRS 3 Reporting Financial Performance) the Group has classified both these transactions as discontinued and has restated the comparatives on this basis.

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

3. Exceptional items

	Note	2003 $ 000	2002 $ 000	2001 $ 000
Turnover				
Discontinued operations		**(10,624)**		
Cost of sales				
Discontinued operations	5	**(4,680)**	(4,654)	
Gross profit				
Discontinued operations		**(15,304)**	(4,654)	
Operating expenses discontinued operations				
Administrative expenses				
Gain on renegotiation of related party liability	6,24,39	**7,500**		
Foreign exchange gain	6		8,080	
Impairment of Moraxen carrying value	6,18		(473)	
Impairment of Primary Care Portfolio carrying value	6,18	**(695)**		
Impairment of Permax carrying value	6,18	**(9,400)**	(38,309)	
		(2,595)	(30,702)	

The items for 2002 were not disclosed as exceptional in the 2002 annual report but have been disclosed in 2003 for comparability.

The exceptional charges relating to turnover comprise $9,036,000 of Permax charges relating to returns and sales deductions, and $1,588,000 relating to returns of primary care products. The exceptional charges arise on Permax because of the level of in-market inventories coupled with a sharp decline in 2003 demand because of generic competition. The primary care product charges are also due to the level of in-market inventory and reduced 2003 demand due to severe competition in the Phrenilin line of products.

Explanations of the other exceptional items are contained in the notes referenced in the table above.

Within operating expenses on the face of the UK GAAP profit and loss account are certain items which are disclosed as exceptional. Under US GAAP these items would not represent extraordinary items and would, therefore, not be disclosed separately on the face of the profit and loss account.

4. Analysis by segment

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

Sales by destination	2003 $ 000	2002 $ 000	2001 $ 000
Europe continuing operations	**107**	113	96
Discontinued operations	**7,258**	65,328	62,935
	7,365	65,441	63,031

Sales by origin	2003 $ 000	2002 $ 000	2001 $ 000
United Kingdom continuing operations	**107**	113	96
Discontinued operations	**7,258**	65,328	62,935
	7,365	65,441	63,031

(Loss) on ordinary activities before interest	2003 $ 000	2002 $ 000	2001 $ 000
United Kingdom continuing operations	**(6,093)**	(6,017)	(4,262)
Discontinued operations	**(19,652)**	(25,536)	(870)
	(25,745)	(31,553)	(5,132)

Net (liabilities) / assets	2003 $ 000	2002 $ 000	2001 $ 000
Geographical segment			
United Kingdom	**(10,202)**	(5,218)	32,037
Europe		(1,117)	(420)
North America	**3,854**	127	1,180
	(6,348)	(6,208)	32,797

Analysis by class of business	2003 $ 000	2002 $ 000	2001 $ 000
Turnover			
Royalties and product sales continuing operations	**107**	113	96
Discontinued operations	**7,258**	65,328	62,935
	7,365	65,441	63,031

Long lived assets by geographical location	2003 $ 000	2002 $ 000	2001 $ 000
United Kingdom	**32,049**	47,720	52,603
Europe		1,145	934
North America	**731**	976	1,051
	32,780	49,841	54,588

Significant customers

During the years ended 31 December the following percentages of the Group s revenues were from:

	2003 %	2002 %	2001 %
Top customer	**54**	23	10
Next 4 largest	**36**	56	26

For each of these three periods, the significant customers are located in the United States of America.

Operating costs and assets and liabilities

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

5. Cost of sales

	Note	2003 $ 000	2002 $ 000	2001 $ 000
Cost of sales		**7,232**	25,445	25,337
Exceptional item	3	**4,680**	4,654	
		11,912	30,099	25,337
Analysed:				
Continuing operations				
Discontinued operations		**11,912**	30,099	25,337
Total cost of sales		**11,912**	30,099	25,337

During 2003, the Company recorded charges of $4,518,000 in respect of Permax inventory write-offs because of the deterioration in sales following the launch of a generic competitor in December 2002. Inventory losses of $762,000 arose on the primary care line of products because of deteriorating sales and high in-market inventories. Offsetting these charges are $600,000 reduction in Permax royalty relating to the exceptional reductions in revenues (see note 3). During 2002, the Company recorded a charge for inventory write-offs due to the generic competition against Phrenilin with Caffeine and Codeine.

6. Operating expenses

	Note	2003 $ 000	2002 $ 000	2001 $ 000
Aministrative and general expenses		**11,363**	12,050	8,222
Gain on renegotiation of related party liability	3,24,39	**(7,500)**		
Foreign exchange gain			(8,080)	
Amortisation of intangible fixed assets	18	**5,466**	2,864	2,778
Amortisation of Permax sales and marketing rights	18		4,556	20,046
Impairment of Moraxen carrying value	18		473	
Impairment of Primary Care Portfolio carrying value	18	**695**		
Impairment of Permax carrying value	18	**9,400**	38,309	
Total administrative expenses		**19,424**	50,172	31,046
Distribution costs - selling and marketing				
Discontinued operations		**9,408**	11,587	6,458
Analysed:				
Continuing operations		**6,200**	6,130	4,358
Discontinued operations		**22,632**	55,629	33,146
		28,832	61,759	37,504
Research and development costs				
Discontinued operations		**5,442**	6,213	5,066
Total operating expenses		**34,274**	67,972	42,570

Research and development costs include staff costs, professional and contractor fees, materials and external services.

7. Directors emoluments

	2003 $ 000	2002 $ 000	2001 $ 000
Aggregate emoluments	**1,137**	1,405	1,220
Company pension contributions to money purchase schemes	**30**	35	29
	1,167	1,440	1,249

The Company paid pension contributions to money purchase pension schemes on behalf of one director (year to 31 December 2002 and 2001: one director).

T G Lynch waived emoluments in respect of the year ended 31 December 2003 amounting to $41,000 (year to 31 December 2002 and 2001: $40,000). Also, J Groom waived emoluments in respect of the year ended 31 December 2003 amounting to $41,000 (year to 31 December 2002 and 2001; $40,000).

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

Highest paid director

	2003 $ 000	2002 $ 000	2001 $ 000
Aggregate emoluments	**581**	827	897
Company pension contributions to money purchase schemes	**30**	35	29
	611	862	926

8. Employee information

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

	2003 Number	2002 Number	2001 Number
Marketing and administration	**50**	58	30
Clinical and registration	**5**	6	7
Research and development	**20**	24	29
Computing	**2**	2	2
Laboratory	**13**	16	16
	90	106	84

	2003 $ 000	2002 $ 000	2001 $ 000
Staff costs (for the above persons):			
Wages and salaries	**9,366**	8,671	5,617
Social security costs	**1,023**	1,695	787
Other pension costs	**160**	375	250
	10,549	10,741	6,654

9. Profit/(loss) on disposal of discontinued operations

	2003 $ 000	2002 $ 000	2001 $ 000
(Loss) on disposal of South American transdermal business			(1,439)
Profit on sale Gacell Holdings AB and Amarin Development (Sweden) AB	**13,076**		
	13,076		(1,439)

On 28 October 2003, the Group disposed of its entire interests in its Swedish drug delivery and development business comprising Gacell Holdings AB and Amarin Development (Sweden) AB, as follows:

	$ 000
Intangible fixed assets	145
Tangible fixed assets	1,029
Stock	59
Debtors	1,501
Cash	(329)
Creditors	(1,506)
	899
Profit on disposal	13,076
Consideration net of expenses and escrow	13,975
Gross proceeds	15,000
Less post closing working capital adjustment	(150)
Less retention for potential claims	(750)
Less legal fees	(125)
	13,975

As at 31 December 2003, $600,000 of the consideration was outstanding and is included within other debtors.

The consolidated profit and loss account of Gacell and Amarin Development through the date of disposal, consolidated in the Group profit and loss account as discontinued operations is as follows:

	Year ended 31 December 2003 $ 000	Year ended 31 December 2002 $ 000	Year ended 31 December 2001 $ 000
Turnover			
Royalties and product sales	**2,860**	3,716	4,456
Licensing and development fees	**1,697**	2,452	2,114
Services	**19**	874	586
Total turnover from discontinued operations	**4,576**	7,042	7,156
Cost of sales	**(1,254)**	(2,127)	(2,225)
Gross profit	**3,322**	4,915	4,931
Operating expenses			
Research and development	**(3,731)**	(4,173)	(3,281)
Selling, general and administrative expenses	**(987)**	(1,070)	(1,156)
Total operating expenses from discontinued operations	**(4,718)**	(5,243)	(4,437)
Operating (loss)/profit and (loss)/profit from discontinued operations	**(1,396)**	(328)	494

The profit and loss account of the US business sold to Valeant Pharamaceuticals International on 25 February 2004 that is also considered in the Group profit and loss account as discontinued operations is as follows:

US Business sold February 2004

	Year ended 31 December 2003 $ 000	Year ended 31 December 2002 $ 000	Year ended 31 December 2001 $ 000
Turnover			
Royalties and product sales	**2,683**	57,647	51,472
Total turnover from discontinued operations	**2,683**	57,647	51,472
Cost of sales	**(10,659)**	(27,972)	(21,495)
Gross (loss)/ profit	**(7,976)**	29,675	29,977
Operating expenses			
Research and development	**(1,711)**	(1,861)	(1,341)
Selling, general and administrative expenses	**(13,950)**	(16,772)	(8,565)
Total operating expenses from discontinued operations	**(15,661)**	(18,633)	(9,906)
Operating (loss)/profit and (loss)/profit from discontinued operations	**(23,637)**	11,042	20,071

There were no disposals during 2002. On 30 November 2001 the Group concluded the sale of its 99.16% share of its South American transdermal patch product development business comprising the Group s entire interest in the business. The South American transdermal patch business was discontinued from that date. The consolidated profit and loss account contains a combined profit/(loss) on discontinued operations calculated as follows:

South American transdermal patch business

	Year ended 31 December 2003 $ 000	Year ended 31 December 2002 $ 000	Year ended 31 December 2001 $ 000
Turnover			
Royalties and product sales			3,278
Licensing and development fees			235
Services			69
Total turnover from discontinued operations			3,582
Cost of sales			(1,616)
Gross profit			1,966
Operating expenses - research and development			(493)
Selling, general and administrative expenses			(736)
Total operating expenses from discontinued operations			(1,229)
Operating profit			737
Exceptional cost of income/restructuring (see note 12)		1,077	1,183
Profit from discontinued operations		1,077	1,920

10. Interest receivable and similar income

	2003 $ 000	2002 $ 000	2001 $ 000
Bank interest receivable and similar income	**65**	386	847
Other interest receivable		4	
Gain on disposal of current asset investments			34
	65	390	881

11. Interest payable and similar charges

	2003 $ 000	2002 $ 000	2001 $ 000
On bank overdrafts	**3**	5	23
On other loans	**866**	1,856	440
On finance leases	**31**	5	14
Other interest payable		483	
	900	2,349	477

In 2002, other interest payable comprises of interest payable on the under-provision of UK corporation tax relating to prior years (see note 14).

12. Exceptional income/restructuring

	2003 $ 000	2002 $ 000	2001 $ 000
Discontinued operations restructuring			
Transdermal exceptional profit		1,077	1,183
		1,077	1,183

The exceptional income in both 2002 and 2001 represents the release of provisions established on the 1999 disposal of the transdermal business.

13. (Loss) on ordinary activities before taxation

	2003 $ 000	2002 $ 000	2001 $ 000
(Loss) on ordinary activities before taxation is stated after charging:			
Depreciation/amortisation charge for the period:			
Intangible fixed assets	**5,466**	7,420	22,824
Tangible owned fixed assets	**417**	721	481
Tangible fixed assets held under finance leases	**134**	145	153

Auditors remuneration for audit (company $267,000, year to 31 December 2002: $248,000, year to 31 December 2001; $182,000)			
Statutory audit services	**157**	190	214
Further assurance services	**255**	75	
Auditors remuneration for non-audit work			
Tax services			
Compliance services	**25**	24	23
Advisory services	**90**	110	264
Operating lease charges			
Plant and machinery	**85**	16	5
Other	**1,174**	1,645	628
(Gain) on disposal of fixed assets		(11)	(14)

14. Taxation

	2003 $ 000	2002 $ 000	2001 $ 000
Tax on loss on ordinary activities:			
United Kingdom corporation tax at 30%: current year			266
Under/(over) provision in respect of prior years		2,611	(20)
Overseas taxation: current year	**144**	924	290
Total current tax	**144**	3,535	536
Deferred tax credit	**(7,500)**		
Total tax	**(7,356)**	3,535	536

During 2002, the Company provided for $2,611,000 in respect of prior years corporation tax payable. Of this, $2,584,000 relates to the gain arising on the disposal of the transdermal business in 1999.

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

	2003 $ 000	2002 $ 000	2001 $ 000
(Loss) on ordinary activities before tax	**(26,580)**	(33,512)	(4,728)
(Loss) on ordinary activities multiplied by standard rate of corporate tax in the UK of 30%	**(7,974)**	(10,054)	(1,418)
Overseas tax and adjustments in respect of foreign tax rates	**35**	939	290
Accelerated capital allowances and other short term timing differences	**14,847**	3,360	1,441
Expenses not deductible for tax purposes	**(6,764)**	6,679	243
Adjustments to tax charge in respect of previous period		2,611	(20)
Total current tax	**144**	3,535	536

In the UK, the applicable statutory rate for Corporate income tax was 30% for the years ended 31 December 2001, 2002 and 2003.

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

Losses carried forward in the continuing UK Company at 31 December 2003 were $41,690,000 (31 December 2002: $53,985,000, 31 December 2001: $46,438,000) subject to confirmation by UK tax authorities. Under UK tax law, these losses can be carried forward indefinitely for set off against future profits of the same trade.

A deferred tax asset of $7,500,000 representing the deferred tax credit has been recognised by the Company and the Group in 2003, (2002 and 2001 $Nil) as the Company will utilise timing differences that reverse in 2004 against a gain on the settlement of Elan debt that will arise in that

year. In 2003, 2002 and 2001 high levels of corporate tax losses carried forward and insufficient certainty of future profitability resulted in unrecognised potential deferred tax assets of $25,301,000, $29,405,000 and $13,523,000 respectively.

During the years ended 31 December 2003 and 2002 the main reconciling items in arriving at the current tax charge related to accelerated capital allowances, other short term timing differences and expenses not deductible for tax purposes. The main timing difference related to losses that were carried forward for set off against future profits of the same trade. The expenses not deductible for tax purposes principally related to the diminution in value of intangible fixed assets. During the year ended 31 December 2001, the main reconciling item in arriving at the current tax charge related to accelerated capital allowances and other short term timing differences. The main timing difference related to losses that were carried forward for set off against future profits of the same trade.

No tax liability arose on the disposal of Amarin Development (Sweden) AB.

15. Loss for the financial period

As permitted by section 230 of the Companies Act 1985, the Company s profit and loss account has not been included in these financial statements. Of the consolidated loss attributable to the shareholders of Amarin Corporation plc a loss of $31,254,000 (31 December 2002: loss of $37,625,000, 31 December 2001: loss of $5,562,000) has been dealt with in the financial statements of the Company.

16. (Loss) per ordinary share

The (loss) per ordinary share are as follows:

	2003	**2002**	**2001**
Net (loss) attributable to ordinary shareholders ($ 000)	**(19,224)**	(37,047)	(5,264)
Basic (loss) per ordinary share (US cents)	**(112.5)**	(398.5)	(73.9)
Fully diluted (loss) per ordinary share (US cents)	**(112.5)**	(398.5)	(73.9)
Weighted average number of ordinary shares in issue	**17,093,400**	9,297,200	7,124,700
Dilutive impact of cumulative preference shares		2,000,000	4,129,800
Dilutive impact of share options outstanding	**3,900**	565,500	765,800
Fully diluted average number of ordinary shares in issue	**17,097,300**	11,862,700	12,020,300

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

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

17. Dividends - non-equity

During 2003, the remaining 2,000,000 3% convertible preference shares were converted into ordinary shares and non-equity dividends of $24,000 were accrued. In 2002 the Company proposed and accrued $122,000 relating to non-equity dividends on the 3% convertible preference shares of £1 nominal value. In 2001, the Company accrued $200,000 relating to non-equity dividends on 4,129,819 3% convertible preference shares of £1 nominal value. During 2002, 2,129,819 of the shares were converted into ordinary shares (see note 28).

18. Intangible fixed assets

Group **Cost**	**Product rights** **$ 000**
At 1 January 2001	34,785
Additions	52,437
Disposals	(9,766)
At 31 December 2001 and at 1 January 2002	77,456
Additions	41,532
At 31 December 2002 and 1 January 2003	118,988
Disposal	(234)
At 31 December 2003	**118,754**
Amortisation	
At 31 1 January 2001	10,445
Charge for year	22,824
Eliminated on disposal	(7,938)
At 31 December 2001 and at 1 January 2002	25,331
Charge for the year	7,420
Impairment charge	38,782
At 31 December 2002 and at 1 January 2003	71,533
Charge for the year	5,466
Eliminated on disposal	(89)
Impairment charge	10,095
At 31 December 2003	**87,005**
Net Book Value	
Net book value at 31 December 2003	**31,749**
Net book value at 31 December 2002	47,455
Net book value at 31 December 2001	52,125

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

In 2001, the Group paid Elan $47,500,000 in consideration for the combination of these rights. A further $37,500,000 would become payable on the exercise of the option. The Group capitalized the consideration paid to Elan in 2001 as two separate intangible assets: (1) an exclusive US distribution right ($29,284,000) and (2) an option to acquire US rights to Permax ($18,216,000). The initial payment of $47,500,000 was allocated between the two assets. The value ascribed to the distribution right was determined using the present value of projected cash flows anticipated over the 12 month period of the distribution agreement. The balance of the initial payment was allocated to the option. Prior to the exercise of the option, the value attributed to the distribution right was being amortized over its 12 month term. The value attributed to the option was not amortized as this amount represents a component of purchase consideration, subject to any impairment.

In 2002, the Group exercised its option to acquire Elan s entire US Permax rights, triggering the further consideration of $37,500,000.

The Permax asset has been recorded at an amount equal to the total consideration paid, which included both the $37,500,000 in payments arising from the exercise of the option in 2002, as well as the $18,216,000 in value attributed to the option originally in 2001. In addition, with the exercise of the option, management reassessed the useful life of the distribution right and concluded that the remaining carrying amount of $12,060,000 (being the original $29,284,000 cost amortized up to the date the option was deemed to have been exercised January 1, 2002) should be amortised over a remaining period of 14 years to match the life assigned to the Permax intangible acquired in March 2002.

During 2002, the Group recorded an impairment charge in relation to the value of Permax ($38,357,000) based on value in use, following the introduction of generic competition. The impairment charge was calculated in accordance with FRS11 (UK GAAP) Impairment of fixed assets and goodwill using discounted expected future cashflows at an appropriate risk adjusted rate. As prescribed in FRS11 the launch of a generic is a trigger event which necessitates, where appropriate, a revision of the carrying value of the intangible. Subsequent to this impairment charge, the Permax estimated economic useful life has been reduced to 10 years, which is the estimated economic useful life of the other product rights.

Subsequent to the 2003 year end, on 25 February 2004, the Group sold Permax and the Primary Care Portfolio. The Group reviewed the year end carrying value of these assets for possible impairment by comparing the net realisable amounts to their carrying amounts. Accordingly, the Primary Care Portfolio has been written down by $695,000 to a carrying value of $10,000,000 and Permax has been written down by $9,400,000 to a carrying value of $17,600,000. Following the disposal of the assets the amortisation charge for the next five years would be $576,000 per year.

Also during 2003, the Group disposed of its Swedish drug delivery and development business (see note 9) and accordingly intangible assets with a carrying value of $145,000 were eliminated on disposal.

In 2001, the Company paid $473,000 to acquire exclusive US rights for Moraxen, a product in development by CeNeS plc for treatment of pain. During 2002, CeNeS experienced financial difficulty and has ceased further development work on Moraxen. Consequently, included in the 2002 Group impairment charge is the write-off of $473,000, the entire carrying value of this intangible.

In 2002, the Company paid $100,000 to Elan for an option to acquire exclusive US rights to Zelapar, a product in development for Parkinson s disease. This product was also sold on 25 February 2004 but no impairment arose as the net realisable amount equalled its carrying value at the time of disposal.

Company **Cost**	**Product rights** **$ 000**
At 1 January 2001	25,143
Additions	52,079
At 31 December 2001 and at 1 January 2002	77,222
Additions	41,532
At 31 December 2002, 1 January 2003 and **at 31 December 2003**	118,754
Amortisation	
At 1 January 2001	2,561
Charge for year	22,560
At 31 December 2001 and at 1 January 2002	25,121
Charge for the year	7,541
Impairment charge	38,782
At 31 December 2002 and at 1 January 2003	71,444
Charge for the year	5,466
Impairment charge	10,095
At 31 December 2003	87,005
Net Book Value	
Net book value at 31 December 2003	31,749
Net book value at 31 December 2002	47,310
Net book value at 31 December 2001	52,101

19. Tangible fixed assets

Group Cost	Short leasehold $ 000	Plant and equipment $ 000	Motor vehicles $ 000	Fixtures and fittings $ 000	Computer equipment $ 000	Total $ 000
At 1 January 2001	53	3,703	128	147	689	4,720
Additions	655	264		610	124	1,653
Disposals	(53)	(161)	(43)	(7)	(71)	(335)
At 31 December 2001 and at 1 January 2002	655	3,806	85	750	742	6,038
Additions		512		202	251	965
Disposals		(158)		(174)	(24)	(356)
At 31 December 2002 and at 1 January 2003	655	4,160	85	778	969	6,647
Additions		365		55	242	662
Disposals	(362)	(4,350)	(85)		(504)	(5,301)
At 31 December 2003	**293**	**175**		**833**	**707**	**2,008**
Accumulated depreciation						
At 1 January 2001	31	2,537	77	32	497	3,174
Charge for the year	35	411	14	89	85	634
Eliminated on disposals	(34)	(97)	(43)	(3)	(56)	(233)
At 31 December 2001 and at 1 January 2002	32	2,851	48	118	526	3,575
Charge for the year	29	454	16	140	227	866
Eliminated on disposals		(50)		(113)	(17)	(180)
At 31 December 2002 and at 1 January 2003	61	3,255	64	145	736	4,261
Charge for the year	29	203	3	138	178	551
Eliminated on disposals	(10)	(3,334)	(67)		(424)	(3,835)
At 31 December 2003	**80**	**124**		**283**	**490**	**977**
Net book value						
At 31 December 2003	**213**	**51**		**550**	**217**	**1,031**
At 31 December 2002	594	905	21	633	233	2,386
At 31 December 2001	623	955	37	632	216	2,463

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

Cost	**$ 000**
At 1 January 2001	929
Disposals	(100)
At 31 December 2001 and at 1 January 2002	829
Additions	221
Disposals	(148)
At 31 December 2002 and at 1 January 2003	902
Additions	319
Disposals	(1,221)
At 31 December 2003	
Accumulated depreciation	
At 1 January 2001	562
Charge for year	153
At 31 December 2001 and at 1 January 2002	715
Charge for year	145
Disposals	(56)
At 31 December 2002 and at 1 January 2003	804
Charge for year	134
Disposals	(938)
At 31 December 2003	
Net book value	
At 31 December 2003	
At 31 December 2002	98
At 31 December 2001	114

Company Cost	Short leasehold $ 000	Plant and equipment $ 000	Motor vehicles $ 000	Fixtures and fittings $ 000	Computer equipment $ 000	Total $ 000
At 1 January 2001	53		103	6	209	371
Additions	293			84	68	445
Disposals	(53)		(43)	(3)	(56)	(155)
At 31 December 2001 and at 1 January 2002	293		60	87	221	661
Additions				8	40	48
At 31 December 2002 and at 1 January 2003	293		60	95	261	709
Additions					6	6
Disposals			(60)			(60)
At 31 December 2003	**293**			**95**	**267**	**655**
Accumulated depreciation						
At 1 January 2001	31		52	6	100	189
Charge for the year	26		14	11	55	106
Eliminated on disposals	(34)		(43)	(3)	(56)	(136)
At 31 December 2001 and at 1 January 2002	23		23	14	99	159
Charge for the year	29		16	16	79	140
Disposals						
At 31 December 2002 and at 1 January 2003	52		39	30	178	299
Charge for the year	28			16	51	95
Disposals			(39)			(39)
At 31 December 2003	**80**			**46**	**229**	**355**
Net book value						
At 31 December 2003	**213**			**49**	**38**	**300**
At 31 December 2002	241		21	64	84	410
At 31 December 2001	270		37	73	122	502

The Company had no tangible fixed assets under finance leases at 31 December 2003, 2002 or 2001.

20. Fixed asset investments

Group

The Group had no fixed asset investments as 31 December 2003, 2002 or 2001.

Company

	Group undertakings $ 000
Cost	

At 31 December 2003, 2002 and 2001	**1,660**

Short term investments	67

Interest in group undertakings

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

All the above subsidiary undertakings have been consolidated in the financial statements using the acquisition method except for Gacell Holdings AB which, prior to its sale on October 28, 2003, was accounted for as a merger.

Sales and marketing companies

Amarin Pharmaceuticals Inc.

Intermediate holding companies

Amarin Pharmaceuticals Company Limited

Non trading companies

Ethical Pharmaceuticals (UK) Limited.

In October 2003, the Group disposed of its interests in Gacell Holdings AB and Amarin Development (Sweden) AB. In February 2004, the Group disposed of its interests in Amarin Pharmaceuticals Inc.

21. Stock

	Group			Company		
	2003 $ 000	**2002 $ 000**	**2001 $ 000**	**2003 $ 000**	**2002 $ 000**	**2001 $ 000**
Raw materials and consumables	**274**	800	1,133	**274**	800	1,133
Finished goods and goods for resale	**2,377**	6,926	2,792	**2,377**	6,862	2,768
	2,651	7,726	3,925	**2,651**	7,662	3,901

22. Debtors

	Group			Company		
	2003 $ 000	**2002 $ 000**	**2001 $ 000**	**2003 $ 000**	**2002 $ 000**	**2001 $ 000**
Amounts falling due within one year						
Trade debtors	**418**	13,459	6,536	**418**	13,169	5,894
Amounts owed by group undertakings				**1,417**	19,346	28,690
Other debtors	**916**	1,046	1,449	**916**	334	527
Prepayments and accrued income	**1,015**	1,101	721	**1,015**	977	592
	2,349	15,606	8,706	**3,766**	33,826	35,703

No provision or charge against bad or doubtful debts has been made during 2003, 2002, 2001.

23. Current asset investments

The Group holds an investment in Antares Pharma Inc. (Antares) (formerly Medi-Ject Corporation), which is listed on the NASDAQ Exchange in the United States. In 2002, the directors have written off the carrying value of the investment in Antares. At 31 December 2003, the market value of this investment was $16,000.

In 2001 the carrying value was $71,000 against a market value of $63,000. The directors did not consider it necessary to reduce the year end carrying value to the market value as they considered the reduction to be a temporary diminution.

24. Creditors: amounts falling due within one year

	Group			Company		
	2003 $ 000	**2002 $ 000**	**2001 $ 000**	**2003 $ 000**	**2002 $ 000**	**2001 $ 000**
Bank overdraft			190			
Current portion of other loans	**31,500**	27,500	49,776	**31,500**	17,500	49,776
Obligations under finance leases		19	156			
Trade creditors	**3,564**	3,070	3,341	**3,564**	2,850	3,036
Amounts owed to group undertakings				**13,367**	13,868	27,223
Corporation tax payable	**571**	3,188	246	**571**	3,172	246
Other taxation and social security payable	**116**	386	369	**116**	263	271
Other creditors	**4,321**	23,274	3,254	**4,321**	23,191	2,869
Accruals and deferred income	**13,653**	9,466	2,077	**13,653**	9,048	1,719
	53,725	66,903	59,409	**67,092**	69,892	85,140

During 2003, following renegotiation of liabilities due to Elan, a related party, all amounts due became payable by 31 March 2004 (see note 39). Accordingly, all amounts payable to Elan have been classified as due within one year.

At 31 December 2001, the Current portion of other loans comprised an unsecured loan from related parties, which matured in September 2002 and accordingly was classified as due within one year. At 31 December 2002, the unsecured loan had a total principal amount of $42,500,000 of which $27,500,000 was due within one year. Of this amount, $17,500,000 was repayable at 31 December 2002, with the remaining $10,000,000 due in 2003. This loan carried interest at 2% above dollar LIBOR. On January 16, 2003 $17,500,000 was paid.

The remaining $10,000,000 was restructured and deferred by one year. Following renegotiation in August 2003, all amounts due under this loan ($25,000,000) became payable within one year and it was settled in February 2004 (see notes 38 and 39).

As further discussed in note 25, $12,500,000 of the 2002 current portion of Other creditors related to the deferred fixed payments due as a result of the exercise of the option to acquire Permax (a further $15,000,000 of deferred fixed payments were due after one year). These amounts did not bear interest. During 2003, $5,000,000 was paid against these liabilities and an amount of $7,500,000 was waived by Elan. Following the renegotiation with Elan (see note 39), all deferred fixed payments were reclassified as due within one year. Following the sale of the Group s Swedish drug delivery and development business (see note 9) part of the proceeds ($11,102,000) was applied to the total deferred fixed payments to leave a balance at the year end of $3,898,000. The remaining balance was then settled in February 2004.

During 2003, the Group disposed of its Swedish operations. In Sweden, the average outstanding line of credit in the year to 31 December 2002 and 2001 was $nil, and $87,000 respectively. The available line of credit in each of these years was $459,000. The average bank interest rate in Sweden for the year ended 31 December 2002 was 5% (31 December 2001 5.3%).

At 31 December 2003, Elan held a fixed and floating charge over all of the Group s assets to secure the Group s obligations, both debt and deferred consideration. In addition the debenture secures a guarantee that Elan has given to Eli Lilly and Company relating to the Group s 2002 acquisition of Permax.

Watson Pharmaceuticals, Inc. holds a floating charge over the Group s net assets relating to the sale of Amarin Development. The charge relates solely to lost share certificates and has been matched by an insurance policy held by the Group.

25. Creditors: amounts falling due after more than one year

	Group			Company		
	2003 $ 000	2002 $ 000	2001 $ 000	2003 $ 000	2002 $ 000	2001 $ 000
Other loans		21,500	7,190		31,500	7,190
Other creditors		15,000			15,000	
Obligations under finance leases		193				
		36,693	7,190		46,500	7,190

As discussed in note 24 above, during 2003 all amounts due to Elan were renegotiated and became payable within one year. The Group s finance lease obligations were part of the Swedish drug delivery and development business, sold on 28 October 2003.

In 2002, other loans comprises of:

a) a non-interest bearing loan, with a related party, of US$6,500,000 which was repayable on September 29, 2004 and was unsecured. This loan was settled in February 2004.

b) the longer term portion of the loan further described in Note 24 was US$15,000,000 and was repayable on September 30, 2004. The loan had interest at LIBOR dollar rate plus 2% per annum and was unsecured. This loan was fully settled by February 2004.

In 2002, Other creditors included amounts due in respect of deferred consideration arising on the purchase of the remaining US rights to Permax (see note 24).

a) a non-interest bearing loan, with a related party, of US$6,500,000 which was repayable on September 29,

Analysis of repayments

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

	Group			Company		
	2003 $ 000	**2002 $ 000**	**2001 $ 000**	**2003 $ 000**	**2002 $ 000**	**2001 $ 000**
Within one year or on demand	**35,398**	40,000	49,966	**35,398**	40,000	49,776
Between one and two years		31,500			31,500	
Between two and five years		5,000	7,190		5,000	7,190
	35,398	76,500	57,156	**35,398**	76,500	56,966

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

	Group			Company		
	2003 $ 000	**2002 $ 000**	**2001 $ 000**	**2003 $ 000**	**2002 $ 000**	**2001 $ 000**
Less than one year		21	158			
Between one and two years		231				
Between two and five years						
Less: interest		(40)	(2)			
		212	156			
Less: current maturities		(19)	(156)			
Long-term maturity		193				

26. Provisions for liabilities and charges

Group and Company

	National Insurance $ 000	**Transdermal Provision $ 000**	**Total $ 000**
At 1 January 2001	85	3,393	3,478
Payments made in the year		(1,133)	(1,133)
Charged/(released) to the profit and loss account	39	(1,183)	(1,144)
At 31 December 2001 and at 1 January 2002	124	1,077	1,201
(Released) to the profit and loss account	(74)	(1,077)	(1,151)
At 31 December 2002 and at 1 January 2003	50		50
(Released) to the profit and loss account	(50)		(50)
At 31 December 2003			

The provision for employer s National Insurance contributions shown above relates to amounts due on the exercise of certain share options held by employees provided in accordance with UITF 25 and will accumulate over the vesting period of relevant options. No such provision is required at the year end as the exercise price of the options is above market price.

b) the longer term portion of the loan further described in Note 24 was US$15,000,000 and was repayable on S

The Transdermal provision shown above represented the estimated costs to be incurred in terminating the contracts that were not assumed by Elan Pharma International Limited as part of the sale to them of the transdermal assets and liabilities.

b) the longer term portion of the loan further described in Note 24 was US$15,000,000 and was repayable on 3

27. Financial instruments

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

It is, and has been throughout the year under review, the Group s policy not to enter into derivative transactions. This was also the case in the 2002 and 2001 financial years. The Group has held ordinary shares in other companies as current asset investments and these are shown on the balance sheet. However, the holding of investments in other companies is no longer a principal activity of the Group and during the last three years the majority of these holdings have been provided against where no market exists for them, or sold where possible. At 31 December 2003 the value of traded shares in other companies was $Nil (2002: $Nil, 2001: $71,000) and the gain made in the year on the sale of current asset investments credited to the profit and loss account was $Nil (2002: $Nil, 2001: $34,000).

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

During the majority of 2003, the Group had two principal overseas operations in different territories: the USA and Sweden. The revenues and expenses of the operations in the USA were denominated in US dollars and those of the Swedish operation in Swedish Kroner. In 2003 sales to the US accounted for approximately 36% (2002:89%, 2001:88%) of the Group s total revenues. In order to protect the Group s liquidity from fluctuations in the US dollar/sterling exchange rate, the bulk of the Group s borrowings were denominated in US dollars. During October 2003 the Swedish subsidiary was sold and during February 2004 the American subsidiary was sold. The Swedish subsidiary was supported by a bank overdraft denominated in Swedish Kroner. Further financing for it was provided out of Group funds. The US business was supported by US dollar loans held by Group companies with the US dollar as their functional currency.

The balance sheet positions at 31 December 2003, 2002 and 2001 are not representative of the position throughout the period as cash and short-term investments, loans and shares fluctuate considerably depending on when fund-raising activities have occurred. Short-term debtors and creditors have been excluded from all the following disclosures, other than currency risk disclosures, as permitted by Financial Reporting Standard 13 (Derivatives and other financial instruments).

Interest rate risk profile of financial liabilities

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

	2003				2002				2001			
	Floating rate $000	Fixed rate $000	No interest $000	Total $000	Floating rate $000	Fixed rate $000	No interest $000	Total $000	Floating rate $000	Fixed rate $000	No interest $000	Total $000
Sterling							50	50			1,201	1,201
					212			212	346			346

b) the longer term portion of the loan further described in Note 24 was US$15,000,000 and was repayable on S

Swedish Kroner								
US Dollar	15,000		21,500	36,500			7,190	7,190
Financial liabilities	15,212		21,550	36,762	346		8,391	8,737
Preference shares		3,220		3,220		6,649		6,649
Total	15,212	3,220	21,550	39,982	346	6,649	8,391	15,386

b) the longer term portion of the loan further described in Note 24 was US$15,000,000 and was repayable on 3

During 2003, all long term obligations to Elan became due within one year of the balance sheet date. Previously the floating rate financial liabilities comprised loans, finance lease obligations and bank overdrafts. These bore interest at rates based on national LIBID equivalents.

At 31 December 2002 and 2001 the interest free liabilities comprised provisions (see note 26), other loans and deferred consideration (see note 25). The maturity of the provisions depended on when certain employee share options were exercised, and when certain agreements were terminated. The interest free loan was repayable by 29 September 2004. The deferred consideration at the 2002 year end was payable in quarterly instalments between January 2004 and June 2005 (see note 25 and 38 for details of the renegotiation of this deferred consideration since the 2002 year end).

The preference shares attracted dividends at 3% per annum and were not redeemable but were convertible on, or after, 30 December 2001. During 2002, 2,129,819 of these shares were converted into ordinary shares. The remaining 2,000,000 were converted in 2003 (see note 28).

Interest rate risk profile of financial assets

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

	2003				2002				2001			
	Floating rate $000	Fixed rate $000	No interest $000	Total $000	Floating rate $000	Fixed rate $000	No interest $000	Total $000	Floating rate $000	Fixed rate $000	No interest $000	Total $000
Sterling	318			318	3,217			3,217	1,549			1,549
Euro									1,610			1,610
Swedish Kroner					92			92	42			42
US Dollar	1,779			1,779	20,956			20,956	30,105		71	30,176
Total	2,097			2,097	24,265			24,265	33,306		71	33,377

The floating rate financial assets comprise cash balances. The majority of cash is generally held in floating rate accounts earning interest based on relevant national LIBID equivalents. The 2001 interest free financial asset was a current asset investment in the shares of another company (see note 23), which was fully provided for in 2002.

Foreign currency risk profile

During 2003, the Group disposed of its Swedish subsidiary and also changed its functional and reporting currency from sterling to US dollars.

Only Group companies with US Dollars as their functional currency have significant monetary assets and liabilities in currency other than their local currency. At 31 December 2003, Group companies held sterling monetary assets of $807,000 and monetary liabilities of $3,200,000.

b) the longer term portion of the loan further described in Note 24 was US$15,000,000 and was repayable on

At 31 December 2002 when the functional currency of the Group was sterling, Group Companies held US dollar monetary assets of £29,256,000 (2001: £21,530,000), US dollar monetary liabilities of £37,304,000 (2001: £38,795,000), various EU monetary assets of £637,000 (2001: £1,000,000,) and various EU monetary liabilities of £544,000 (2001: £Nil).

Fair values

The preference shares described in note 28 were not traded on an organised market. All preference shares have been converted into ordinary shares as at the 2003 balance sheet date.

b) the longer term portion of the loan further described in Note 24 was US$15,000,000 and was repayable on S

At 31 December 2003, the Group owed Elan the following amounts, all of which were renegotiated during 2003 as to be due 31 March 2004. All amounts fell due within one year and the directors consider that the carrying amounts approximate to their fair value due to the short time to maturity.

US$6,500,000 non-interest bearing loan

US$3,898,000 non-interest bearing deferred consideration

US$25,000,000 interest bearing loan

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

Maturity risk profile

	2003			2002			2001		
	Debt $ 000	**Finance leases $ 000**	**Total $ 000**	**Debt $ 000**	**Finance leases $ 000**	**Total $ 000**	**Debt $ 000**	**Finance leases $ 000**	**Total $ 000**
In one year or less	35,398		35,398	40,000	19	40,019	49,776	156	49,932
In more than one year but less than two years				31,500		31,500			
In more than two years but not more than five years				5,000	193	5,193	7,190		7,190
Total	35,398		35,398	76,500	212	76,712	56,966	156	57,122

The Group s preference shares and provisions have not been included in the above table, as the preference shares are not redeemable but were convertible on or after 30 December 2001 (see note 28) and were converted into ordinary shares during 2002 and 2003. The maturity of the provisions depended on when certain employee share options were exercised, and when certain agreements were terminated.

At 31 December 2003, the Group had no overdraft facilities. In 2002 and 2001, the Group had overdraft facilities of SEK 4,000,000, of which SEK 4,000,000 was undrawn at 31 December 2002 (SEK 2,100,000 undrawn in 2001). The average bank interest rate in Sweden for the year ended 31 December 2002 was 5% (31 December 2001: 5.3%).

See note 25 and 39 for details of the renegotiation of the other loan and deferred consideration subsequent to the year end.

28. Called-up share capital

	2003 $ 000	2002 $ 000	2001 $ 000
Authorised			
95,000,000 ordinary shares of £1 each (50,000,000 for 31 December 2002 and 2001: 500,000,000 ordinary shares of 10p each)	**152,828**	80,495	80,495
5,000,000 3% cumulative convertible preference shares of £1 each (31 December 2002 and 2001: 5,000,000)	**8,050**	8,050	8,050
	160,878	88,545	88,545
Allotted, called up and fully paid			
17,939,786 ordinary shares of £1 each (31 December 2002:9,838,158, ordinary share of £1 each, 31 December 2001: 76,743,893 ordinary shares of 10p each)	**29,088**	15,838	12,354
Nil 3% cumulative convertible preference shares of £1 each (31 December 2002: 2,000,000 and 2001: 4,129,819)		3,219	6,648
	29,088	19,057	19,002

During the year ended 31 December 2002, the nominal value of the ordinary shares was converted from 10p to £1 and 2,129,819 of the 3% cumulative convertible preference shares of £1 each were converted into ordinary shares. During 2003 the remaining 2,000,000 3% cumulative convertible preference shares were converted into ordinary shares. During July 2003, the authorised share capital was increased by 45,000,000 ordinary shares of £1 each.

Issue of share capital

During January 2003, the Company raised $21,197,000 of additional funds through the issue of 6,093,728 new ordinary shares at $3.4785 per share. The proceeds together with cash on hand at the year end were partially utilised to repay the following amounts to Elan Pharma International Limited (EPIL), a related party:

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

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

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

EPIL also agreed to further defer the instalments under the loan by one year. At that time therefore $10 million was due in September 2004 (originally 2003) and $15 million in September 2005 (originally 2004). EPIL also agreed to waive three quarterly instalments for the purchase of Permax totalling $7.5 million (see note 39). During 2003, the debt was restructured again - see note 39 for details of further restructuring of amounts due to EPIL.

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

During the year ended 31 December 2003, 7,900 £1 ordinary shares were issued in respect of share options being £7,900 nominal value in aggregate for a total consideration of $12,000. During the year ended 31 December 2002, 34,000 £1 ordinary shares ($55,000) were issued in respect of share options (2001: 7,598,133 10p shares) being £34,000 nominal value in aggregate (2001: $1,224,000) for a total consideration of $198,000 (2001: $4,421,000).

In 2001, 1,000,000 10p ordinary shares ($161,000) were issued to Lehman Brothers International (Europe) upon conversion of an unsecured loan note of US$500,000, valued at $675,000.

The preference shares continue to form part of the Company s authorised share capital (although none are now in issue) and confer to the holders the right to receive fixed cumulative preferential dividends at a rate of 3% per annum (net of withholding taxes) on the amount paid up on such shares. Such a dividend is paid if in the reasonable opinion of the Directors the profits justify such payments. The preference shares shall rank for dividend in priority to any other shares issued from time to time by the Company.

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

29. Options and warrants over shares of Amarin Corporation Plc

Number of share options outstanding*	Note	Date Option Granted	Exercise price per Ordinary Share* £	Exercise price per Ordinary Share* US$	Number of share options repriced at US$5.00 per Ordinary Share (Note 15)
4,150	1, 14,17	22 June 1994	34.24	61.30	4,150
1,025	1, 14,17	30 November 1995	48.21	86.30	1,025
1,700	1, 14,17	30 November 1996	32.12	57.50	1,700
12,500	2, 14,17	9 May 1997	34.91	62.50	12,500
2,200	3, 14,17	10 July 1997	27.93	50.00	2,200
100,000	3, 14	23 November 1998	13.97	25.00	100,000
250,000	4	23 November 1998	2.79	5.00	
11,400	5,17	23 November 1998	0.84	1.50	
5,000	6	2 March 1999	4.02	7.20	
5,500	7	7 September 1999	1.68	3.00	
10,000	6	9 February 2000	1.68	3.00	
10,000	6	9 February 2000	3.69	6.63	
90,000	6	1 March 2000	1.68	3.00	
37,500	7	1 April 2000	1.68	3.00	
10,000	6	7 April 2000	1.68	3.00	
5,000	7	23 May 2000	1.68	3.00	
3,293	7	26 September 2000	1.68	3.00	
15,842	8	24 October 2000	2.18	3.90	
30,000	9	11 December 2000	3.02	5.40	
30,000	6	19 February 2001	3.41	6.13	
45,000	10	4 June 2001	4.86	8.70	
395,000	10	2 July 2001	5.59	10.00	
6,000	10	27 July 2001	7.21	12.90	
10,000	10	14 August 2001	10.61	19.00	
15,000	10	31 August 2001	9.50	17.00	
4,000	10	27 September 2001	9.72	17.40	
10,000	10	12 December 2001	8.94	16.00	
171,003	11	12 December 2001	8.94	16.00	
385,267	10, 12	23 January 2002	9.89	17.70	
80,000	10	18 February 2002	7.43	13.30	
20,000	13	1 May 2002	8.80	15.75	
20,000	13	1 May 2002	7.41	13.26	
20,000	13	1 May 2002	9.86	17.65	
20,000	13	1 May 2002	11.00	19.70	
15,000	13	1 May 2002	11.90	21.30	
20,000	13	1 May 2002	9.38	16.80	
60,000	13	1 May 2002	9.70	17.37	
19,998	13	1 May 2002	7.13	12.77	
88,674	13, 16	19 July 2002	1.96	3.50	
667	13	19 July 2002	7.49	13.40	
3,500	13	19 July 2002	6.70	12.00	
5,000	13	19 July 2002	4.92	8.80	
197,200	13	5 September 2002	1.84	3.33	
100,000	13,17	6 November 2002	1.56	2.78	
60,000	13	6 November 2002	1.95	3.50	
372,167	13	6 November 2002	1.73	3.10	
120,933	13	24 February 2003	1.77	3.17	
200,000	13	3 March 2003	1.58	2.82	
20,000	13	31 March 2003	1.42	2.55	

40,000	13	29 April 2003	1.58	2.82	
33,000	13	2 July 2003	1.88	3.37	
70,000	13	1 August 2003	1.82	3.25	
10,000	13	25 August 2003	1.27	2.28	
10,000	13	2 September 2003	1.37	2.45	
3,282,519					121,575

Share options granted to date are denominated in US dollars. For disclosure purposes the exercise price of these options has been retranslated into Sterling at the year end exchange rate of US$1.7901/£1.

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

Notes:

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

1. These options may be exercised after four years and before ten years from the date of grant. Certain options held by ex-directors and ex-employees are exercisable immediately and expire at dates up to 54 months from the date of grant.

2. These options are now exercisable and remain so until they expire on 9 May 2007.

3. When granted these options were to become exercisable in tranches upon the Company s share price achieving certain pre-determined levels. On 9 February 2000, the Company s remuneration committee approved the re-pricing of the remaining 100,000 options to an exercise price of US$0.50 per share (now US$5.00 per share following the conversion of the nominal value of ordinary shares from 10p to £1), exercisable immediately and lapsing ten years from the date of grant.

4. Of these options 80% became exercisable immediately and 20% after six months from date of grant. 200,000 of the total options granted remain exercisable until 54 months from date of grant and 250,000 until ten years from date of grant.

5. These options can be exercised after three years but before ten years from the date the option is granted.

6. These options are exercisable now and remain exercisable until ten years from date of grant.

7. These options were granted to a former employee of Amarin Corporation plc, are now exercisable and expire on 30 November 2008.

8. The remaining options granted on this date are exercisable in tranches of 33% from the date of grant then on the first and second anniversary of the date of grant.

9. These options were exercisable in tranches of 33% over three years, all are exercisable at 31 December 2002. The expiry date of the options has been brought forward to 3 December 2004.

10. These options become exercisable in tranches of 33% over three years on the date of the grant then on the first and second anniversaries of the date of grant and remain exercisable for a period of ten years from the date of grant.

11. These options become exercisable in tranches of 33% over three years on the first, second and third anniversary of the date of grant and expire 10 years from the date of the grant.

12. 9,900 of the total options were granted to a former API New Jersey employee. The expiry date for this grant has been brought forward to 3 December 2004.

13. These options become exercisable in tranches of 33% over three years on the first, second and third anniversary of the date employment commences. The options expire 10 years from the date of the grant.

14. 648,770 options were granted on 8 December 1999, in order to effect the re-pricing mentioned in Note 15 below. The options vest and expire at the same dates as those attaching to the original grants except in the case of certain ex-employees where the options expired on 29 December 2000. It is a condition of the award of these options that, upon exercise, the awardee will surrender a like number of options from the original grant. Therefore the original grant has been shown as being repriced in the table above, and the replacement grant has been excluded.

15. As disclosed in a Shareholders Circular dated 30 October 1998, the Board decided that all existing share options held by current employees and current directors as at 21 October 1998, who were not serving notice would be repriced at US$0.50 per share (now US$5.00 per share following the conversion of the nominal value of ordinary shares from 10p to £1). Other terms of the grants affected by this re-pricing were left unchanged. For certain options this change was effected at the directors discretion, with the remainder being effected by grant described at Note 14 above (Note 3 applies to those options which were granted on 23 November 1998).

16. 1,980 of the options granted on 19 July 2002 were to a former API New Jersey employee and the expiry date has been brought forward to 3 December 2004.

17. The sale of the Swedish subsidiary, Amarin Development (Sweden) AB was completed on the 29th October, 2003. All outstanding 32,975 options issued to Swedish employees are now deemed to lapse one year from the date of the sale, being 28 October, 2004.

Warrants in shares of Amarin Corporation plc

At 31 December 2003, warrants have been granted over ordinary shares as follows:

Number of warrants outstanding Restated*	Note	Date warrant granted		Exercise price per ordinary share
30,000	1	20 July 1999	US$	8.00
313,234	2	27 January 2003	US$	3.48
343,234				

Subsequent to the end of the year 500,000 warrants were granted to Elan at a price of $1.90.

---

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

Notes:

1) The Company issued 30,000 warrants on 20 July 1999 as a retainer for financial advisory services from Petkevich & Partners for the period 20 July 1999 to 20 July 2000. On the date of grant the warrants were fully vested, non-forfeitable and exercisable from 20 July 1999 until 20 July 2004. No warrants had been exercised at 31 December 2003.

2) During January 2003, via the private placement referred to in note 28, 313,234 warrants were issued to Security Research Associates Inc. and may be exercised between 27 January 2004 and 26 January 2008.

30. Share premium account and reserves

Group

	Share premium account $ 000	Merger reserve $ 000	Profit and loss account $ 000	Total $ 000
At 1 January 2001	58,057	(1,653)	(40,462)	15,942
(Loss) for the year			(5,464)	(5,464)
Premium on share issue	3,352			3,352
Exchange difference on consolidation			(35)	(35)
At 31 December 2001 and at 1 January 2002	61,409	(1,653)	(45,961)	13,795
Premium on share issue	144			144
Share issuance costs	(407)			(407)
(Loss) for the year			(37,169)	(37,169)
Exchange difference on consolidation			(1,628)	(1,628)
At 31 December 2002 and at 1 January 2003	61,146	(1,653)	(84,758)	(25,265)
Premium on share issues	11,181			11,181
Share issuance costs	(2,104)			(2,104)
(Loss) for the year			(19,248)	(19,248)
Release on disposal		1,653	(1,653)	
At 31 December 2003	70,223		(105,659)	(35,436)

Merger reserve

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

The cumulative value of goodwill written off to reserves up until 31 December 2003, 2002 and 2001 was $3,007,000.

Company

	Share premium account $ 000	Profit and loss account $ 000	Total $ 000
At 1 January 2001	55,331	(40,476)	14,855
(Loss) for the year		(5,562)	(5,562)
Premium on share issue	3,352		3,352
At 31 December 2001 and at 1 January 2002	58,683	(46,038)	12,645
Premium on share issue	144		144

Share issuance costs	(407)		(407)
(Loss) for the year		(37,625)	(37,625)
At 31 December 2002 and at 1 January 2003	58,420	(83,663)	(25,243)
Premium on share issue	11,181		11,181
Share issuance costs	(2,104)		(2,104)
(Loss) for the year		(31,254)	(31,254)
At 31 December 2003	67,497	(114,917)	47,420

31. Capital commitments

Capital expenditure that has been contracted for but has not been provided for in the financial statements amounted to $Nil at 31 December 2003 (31 December 2002: $Nil, 31 December 2001: $Nil).

32. Financial commitments

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

	2003 $ 000 Land and Buildings		2002 $ 000 Land and Buildings		2001 $ 000 Land and Buildings	
	Group	Company	Group	Company	Group	Company
Expiring within one year	171					
Expiring between two and five years inclusive			31		180	
Expiring in over five years	1,003	503	972	441	1,075	441
	1,174	503	1,003	441	1,255	441

The other non-cancellable operating leases which existed at the year end were sold on 25 February 2004.

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

	Land and Buildings $ 000 Group	Land and Buildings $ 000 Company
2004	1,174	503
2005	1,003	503
2006	1,003	503
2007	920	503
2008	503	503
	4,603	2,515

Minimum payments under non-cancellable operating leases for the years 2009 and beyond are $1,694,000 (Company: $1,694,000) which are for land and buildings. No new leases were signed during 2003.

On October 15, 2001 the Group acquired a six year lease, with an option for a further six years, on office premises in San Francisco, California. The rental is $362,000 per annum and increases after three years in line with the Consumer Price Index. Rent expense for the year 2001 was $76,000.

On April 27, 2001 the Company acquired a nine year lease for premises in London, UK. The rental is $189,000 per annum and is subject to review in 2005. Rent expense for 2001 was $113,000.

Further consideration may become payable upon completion of certain milestones in relation to product rights acquired in 2000 (see notes 18 and 39).

33. Contingent liabilities

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

Subsequent to the end of the year, as disclosed in note 9, the Group sold its US business to Valeant Pharmaceuticals International (Valeant). Subsequent to the closing of the sale, it became apparent from wholesalers that they held approximately $6 million of additional Permax inventory above that known at the time of closing the sale. Valeant is seeking to reduce the consideration it paid in respect of this new information but the Group does not believe that it is liable for any returns in respect of this inventory. The Group intends to take all appropriate action to protect its interests with respect to this matter.

34. Reconciliation of net cash flow to movement in net debt

	2003 $ 000	2002 $ 000	2001 $ 000
(Decrease)/increase in cash in the period	**(22,168)**	(8,851)	30,945
Cash outflow/(inflow) from decrease/(increase) in borrowings	**33,605**	2,769	(47,110)
Cash outflow/(inflow) from decrease in current asset investments			(16,131)
Change in net debt resulting from cash flows	**11,437**	(6,082)	(32,296)
Other non-cash items	**7,500**	(12,219)	
Foreign exchange differences on borrowings		(10,142)	(181)
Disposal of finance leases	**212**		
Conversion of debt to equity			675
Mark to market of current asset investments		(71)	
Movement in net debt in the period	**19,149**	(28,514)	(31,802)
Net debt at 1 January	**(52,450)**	(23,936)	7,866
Net debt at 31 December	**(33,301)**	(52,450)	(23,936)

35. Analysis of net debt

	At 31 December 2000 $ 000	Cash flow $ 000	Other non cash changes $ 000	At 31 December 2001 $ 000	Cash flow $ 000	Other non cash changes $ 000	At 31 December 2002 $ 000	Cash flow $ 000	Other non cash changes $ 000	At 31 December 2003 $ 000
Cash at bank and in hand	2,172	31,135		33,307	(9,041)		24,265	(22,168)		2,097
Overdrafts		(190)		(190)	190					
	2,172	30,945		33,117	(8,851)		24,265	(22,168)		2,097
Debt due after one year	(10,088)	2,404	494	(7,190)		(29,313)	(36,503)	17,500	19,003	
Debt due within one year		(49,776)		(49,776)	2,576	7,201	(40,000)	16,105	(11,503)	(35,398)
Finance leases due after one year	(151)		151			(193)	(193)		193	
Finance leases due within one year	(267)	262	(151)	(156)	193	(56)	(19)		19	
	(10,506)	(47,110)	494	(57,122)	2,769	(22,361)	(76,715)	33,605	7,712	(35,398)
Current asset investments	16,202	(16,131)		71		(71)				
Total	7,868	(32,296)	494	(23,934)	(6,082)	(22,432)	(52,450)	11,437	7,712	(33,301)

36. Major non-cash transactions

During 2003, the Group obtained a waiver of $7,500,000 against non-interest bearing debt owed to Elan, a related party.

During 2002, 2,129,819 3% cumulative preference shares of £1 each were converted into 2,129,819 ordinary shares of £1 each. During 2003, the remaining 2,000,000 preference shares were converted into 2,000,000 ordinary shares of £1 each.

During 2001, an unsecured loan with an outstanding amount of $675,000 repayable on 30 June 2005, bearing 11% interest was converted into 100,000 ordinary £1 shares.

37. Pensions

The Group operates a number of defined contribution money purchase pension schemes for certain eligible employees. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions paid and payable by the Group to the fund and amounted to $160,000 (year to 31 December 2002: $375,000, year to 31 December 2001: $250,000). At the year end there was a liability of $5,000 (31 December 2002: prepaid amount of $2,000, 31 December 2001: $Nil).

38. Post balance sheet events

On 25 February 2004, the Group sold its interests in Amarin Pharmaceutical Inc, Permax, Zelapar and the primary care portfolio to Valeant Pharmaceuticals International. Consideration comprised $38,000,000 in cash and $8,000,000 in two milestones. The Group retained obligations totalling $13,000,000 to complete clinical studies on Zelapar and repurchase inventory from wholesales. The carrying values of the Permax and primary care portfolio have been written down to their recovered amounts (see note 18). Additionally, on 25 February 2004, the Group settled all its existing debt and deferred payment obligations to Elan through the payment of $17,195,000 in cash and a $5,000,000 loan note (see note 39). Other than the crystallisation of the $7.5 million deferred tax asset, no tax arises on these post balance sheet events.

39. Related party transactions

A. Elan

During the three years ended December 31, 2003, and subsequent to the year-end, we entered into certain contracts, and varied the terms of other contracts, with Elan, which is a related party. The directors consider that transactions with Elan have been entered into on an arm s length basis. Details of such transactions involving Elan are given below.

During the year ended December 31, 2001, we repaid to Elan an outstanding loan in the principal amount of £1,240,000 ($1,996,000) together with all interest accrued thereon. This loan was paid prior to the scheduled maturity date of April 6, 2003. No penalty or premium was paid in connection with such prepayment.

During the year ended December 31, 2001 the Company made sales to Elan companies amounting to £687,000 ($1,000,000) for goods, services, and research.

Permax

On May 29, 2001 the Board of Directors approved a Distribution, Marketing and Purchase Option Agreement with Elan relating to the Parkinson s disease product, Permax. This was amended and restated on September 28, 2001, (the Permax Agreement) and gave the Company the exclusive US marketing, distribution and purchase option rights to this product.

Under the Permax Agreement, the Company was appointed exclusive US distributor for Permax until May 16, 2002, with an option to acquire Elan s continuing rights in the product. As a part of the Permax Agreement the Company made payments of $47,500,000 to Elan in consideration for the rights and purchase option with a further $37,500,000 payable by way of deferred consideration over the course of the following three years (the Deferred Consideration).

The Company also agreed to pay Elan royalties on Permax sales. As part of the transaction, the Company received a loan from Elan for the amount of $45,000,000 , which matured in September 2002 (the Elan Loan).

Zelapar

In May 2001 we paid a non-refundable option fee of $100,000 to acquire the US rights to Zelapar from Elan (the Zelapar Agreement). The option to acquire the US rights to Zelapar was exercisable at any time up to 30 days after FDA approval of the NDA for Zelapar. The Zelapar Agreement required us to make four milestone payments of up to $42,500,000 plus running royalties based on a percentage of net sales of Zelapar in the US for the first eight years following exercise. Elan were obliged at this time to pay all research and development costs including filing costs for an NDA up to and including approval of the NDA by the FDA.

Acquisition of Rights to Permax

In March 2002 we exercised our purchase option under the Permax Agreement to acquire, and completed the acquisition of, the remaining US rights to Permax from Elan. Following the close of the transaction, we replaced Elan as Eli Lilly s exclusive licensee for Permax in the US.

Elan Equity Stake in Amarin

In March 2002, Elan converted 2,129,819 Preference Shares into an equivalent number of Ordinary Shares. Effective February 2003, Elan converted its remaining 2,000,000 Preference Shares into 2,000,000 Ordinary Shares. Elan has the right to include these Ordinary Shares, together with its remaining 2,653,819 Ordinary Shares and ADSs, in a registration statement filed by us.

Elan agreed with us that, until October 1, 2003, it would not sell, transfer or otherwise dispose of any of the Ordinary Shares, ADSs or Preference Shares held by it, provided that Elan would not have been prevented from:

converting Preference Shares into Ordinary Shares;

accepting any offer made to all holders of our Ordinary Shares to acquire all or part of our issued Ordinary Share capital;

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

selling Ordinary Shares or ADSs where the purchaser entered into a written agreement confirming its intention to hold such Ordinary Shares for a period ending not earlier than September 30, 2003 and the per share sale price of such Ordinary Shares was not less than 90% of the closing sale price of our ADS s on the Nasdaq National Market for the five trading days immediately prior to the date of such sale.

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

Restructuring of Elan Loan

In July 2002 we restructured for the first time the Elan Loan originally scheduled for repayment in full on September 30, 2002. Under the revised payment schedule, the Elan Loan was to be repaid in four instalments of $2,500,000 , $17,500,000 , $10,000,000 and $15,000,000 , beginning in the third quarter of 2002.

Purchase of Manufacturing and Development Services and Other Services

During 2001 and 2002, Elan paid us $250,000 per quarter to secure manufacturing and development services from Amarin AB. During 2002, we purchased services from Elan amounting to $250,000.

January 2003 Restructuring of Elan Obligations

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

(i) Elan Loan

We paid $2,459,880 in cash out of our cash reserves to Elan as interest accrued on the Elan Loan to January 16, 2003. The Elan Loan was varied so that the instalments were rescheduled as follows:

the $10,000,000 due and payable on September 30, 2003, together with accrued interest, became due and payable on September 30, 2004; and

the $15,000,000 due and payable on September 30, 2004, together with accrued interest, became due and payable on September 30, 2005.

In accordance with the terms of the Elan Loan on January 16, 2003 we paid $17,500,000 to Elan that was previously due on December 31, 2002.

(ii) Permax

We paid $8,641,387 to Elan in discharge of the current outstanding balance relating to Permax inventory, royalties and a $2,500,000 quarterly instalment of Deferred Consideration.

The Permax Agreement was amended so that the Deferred Consideration was reduced by $7,500,000 .

(iii) Zelapar

The Zelapar Agreement was amended so that the first sales milestone payable by us to Elan became $17,500,000 rather than $12,500,000. We also agreed to pay approved reasonable and verifiable out-of-pocket costs incurred by Elan after December 31, 2002 in respect of any further development costs incurred for Zelapar.

(iv) General

We undertook to use our commercial best efforts (subject to the fiduciary obligations of our board of directors) to sell all or substantially all of our primary care portfolio and Amarin AB for upfront cash consideration of a reasonable sum and as expeditiously as is reasonably practicable. We agreed with Elan to apply the net proceeds from such sale or sales as follows:

$5,000,000 would have been payable to Elan, which amount would, if paid, have been credited against the first sales milestone for Zelapar which was $17,500,000 as referred to above;

prepayment of the remaining Deferred Consideration due under the Permax Agreement;

prepayment of the $6,500,000 loan due to Elan relating to the Carnrick group of products acquired from Elan in September 1999 and due in September 2004 (the Carnrick Loan);

prepayment of all sums then due under the Elan Loan ;

payment of any additional amounts due Elan and; and

if there is any remainder, applied in our sole discretion.

Elan had the right, at its sole discretion, to redirect the order in which the net proceeds of any such sales are applied as between the uses set out above. Additionally, after having paid the first $35,000,000 of the net proceeds of any sale in the manner set out above, we could at our option have deferred payment of 50% of any balance due to Elan for a period of six months from the closing of such sale or sales.

We also agreed with Elan that if at any time and from time to time prior to our payment in full of the balance of the non-refundable sum of $30,000,000 due Elan for the acquisition of Permax, the Carnrick Loan and the Elan Loan, we received financing relating to the issuance of equity securities, warrants to acquire equity securities or debt convertible into equity securities, we would apply one-half of the net proceeds of such financing toward the payment of such obligations.

August 2003 Restructuring of Elan Obligations

In August 2003 we agreed with Elan as part of a comprehensive settlement of our debt obligations to Elan:

to pay $30,000,000 in cash no later than December 31, 2003;

to pay $10,000,000 in equity when Zelapar annual sales reach $20,000,000;

to continue to pay a 12.5% royalty on future sales of Zelapar; and

in the event that we raised funds in excess of $40,000,000 from the disposal of non-core assets and/or financing, we agreed to use half the excess to reduce the existing Zelapar royalty of 12.5% at the rate of one-half of one percent for each $1 million per half of 1%, up to a maximum of 5%.

In consideration for the foregoing, Elan agreed to:

a moratorium on debt and interest payments until December 31, 2003;

full and final settlement of all the Elan Loan, the Carnrick Loan and the Deferred Consideration;

elimination of existing option and milestone payments relating to Zelapar;

in connection with this agreement we granted to Elan a fixed and floating charge over all of our assets, to be reduced to $5,000,000 upon payment of the $30,000,000 no later than the year-end.

December 2003 Restructuring of Elan Obligations

In December 2003 the Company agreed with Elan that, if the $30,000,000 minimum payment was not made by December 31, 2003, the present year-end deadline for debt repayment would be extended to March 31, 2004 in consideration of the payment to Elan of interest (calculated at 1% per month on the outstanding balance) and a one-off payment to Elan of $1,500,000. Elan also agreed that the Company could retain a further $2,000,000 per month for the first three months of 2004 from the net proceeds from the sale of ADAB in order to fund the Company s operating deficit through the first quarter of 2004. Draw down of these funds was subject to the Company demonstrating to Elan s satisfaction that the Company has a reasonable prospect of consummating a transaction to settle the Elan debt by March 31, 2004

Sale of API/February 2004 Restructuring of Elan Obligations

Simultaneously with the closing of our asset purchase agreement with Valeant Pharmaceuticals International (Valeant), we reached a full and final agreement with Elan regarding the settlement of our renegotiated outstanding financial obligations. Under the terms of this agreement with Elan the amount of $24,400,000 then required to discharge our obligations to Elan was amended so that we would pay Elan approximately $17,200,000 in cash on closing of the Valeant transaction, plus a further payment of $1,000,000 on the successful completion of the Zelapar safety trials to discharge these obligations.

We also agreed to issue a $5,000,000 5-year loan note to Elan with capital repayment as follows:

$1,500,000 in January 2006

$1,500,000 in July 2007

$2,000,000 in January 2009

At Elan s option, the loan note can be repaid from proceeds Amarin is due to receive from a $5,000,000 milestone payable by Valeant on the NDA approval of Zelapar. The loan note is also prepayable by us at any time, subject to a prepayment fee of $250,000, and carries an interest rate of 8% per annum.

Additionally we agreed to issue 500,000 warrants to Elan priced at the average market closing price for our Ordinary Shares for the 30-day period prior to closing. As a result, Elan s fully diluted ownership in Amarin increased from 25.9% to 28.0%.

B. Sale of Transdermal Business

In December 2001, the Company sold its 99.16% share of its South American transdermal business for a consideration of £214,000 ($311,000) of which £177,000 ($258,000) was outstanding at December 31, 2001. The 99.16% share was sold to a company formed and owned by the executive management team of Amarin Technologies S.A.

C. Mr Ziegler

On 10 December 1999, S A Ziegler became a director of the Company and was a partner of Ziegler, Ziegler and Altman LLC, Counsellors at Law in the United States who provided professional services to the Group in the sum of $406,000 during the year ended 31 December 2001.

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

D. Approval of related party transactions

All of the above transactions were approved in accordance with our policy for related party transactions. Our policy in 2003 was to require audit committee review of all transactions involving a potential conflict of interest, followed by the approval of a majority of the board of directors who do not have a material interest in the transaction.

E. Transactions with Group companies

The Company has taken advantage of the exemption in FRS 8 Related Party Disclosures , not to disclose information relating to transactions with Group companies at 31 December 2003.

40. Differences between UK GAAP and US GAAP

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

Summary of material adjustments to net (loss) and shareholders (deficit)/equity

1. **Net (loss)**

	Note	Year Ended 31 December 2003 $ 000	Year Ended 31 December 2002 $ 000	Year ended 31 December 2001 $ 000
Net (loss) in accordance with UK GAAP		(19,224)	(37,047)	(5,264)
Adjustment for functional currency	B		2,442	553
Adjustment for (loss) on securities available-for-sale	C	9	14	(8)

Adjustment for stock-based compensation and National Insurance	F	(50)	1,676	(1,589)
Adjustment for treatment of intangible fixed asset	K	576	832	657
Adjustment for revenue recognition	L		113	97
Gain on renegotiation of related party liability	M	(7,500)		
Imputed interest on non-interest bearing debt	N	(449)	(467)	(431)
Accrual for PPA returns	O			541
Reversal of transdermal accrual	P		(375)	
Adjustment for revenue recognition	R	348	(348)	
Adjustment to Permax purchase consideration	S	(2,146)	2,146	
Net loss as adjusted to US GAAP		(28,436)	(31,014)	(5,444)

	$	$	$
US GAAP net (loss) per ordinary share (assuming dilution)	(1.66)	(3.34)	(0.76)*
US GAAP net (loss) per ordinary share (basic)	(1.66)	(3.34)	(0.76)*

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

	Note	31 December 2003 Number 000	31 December 2001 Number 000	31 December 2001 Number 000
Shares used in computing per ordinary share amounts assuming dilution	J	17,440	11,896	12,035*
Shares used in computing per basic ordinary share amounts	J	17,093	9,297	7,125*

2. Shareholders (deficit)/equity

	Note	31 December 2003 $ 000	31 December 2002 $ 000	31 December 2001 $ 000
Shareholders (deficit)/equity in accordance with UK GAAP		(6,348)	(6,208)	32,797
Adjustment for functional currency	B			(3,227)
Adjustment for gain/(loss) on securities available-for-sale	C	16	6	(8)
Adjustment for National Insurance on stock options	F		50	124
Adjustment for treatment of intangible fixed asset	K	(4,149)	(4,724)	(5,557)
Adjustment for revenue recognition	L	(617)	(617)	(729)
Imputed interest on non-interest bearing debt	N		449	916
Accrual for PPA returns	O			
Reversal of transdermal accrual	P			375
Adjustment for preferred dividend	Q	546	522	399
Adjustment for revenue recognition	R		(348)	
Adjustment to Permax purchase consideration	S		2,146	
Shareholders (deficit)/equity in accordance with US GAAP		(10,552)	(8,724)	25,090

A. Disclosures related to deferred taxes

Management of the Group evaluated the positive and negative evidence impacting the realisability of the Group s net operating loss carryforwards. Due to the Group s history of generating operating losses, significant changes in its underlying products offering and limited periods of profitability, management concluded that a full valuation allowance is required with respect to its net operating loss carryforwards other than as explained in note 14. Following the introduction of FRS19 Deferred Tax , UK GAAP is now similar to existing US GAAP in this area.

B. Adjustment for change in functional and reporting currency and discontinued operations

On 1 January 2003, the functional and reporting currency for the Group was changed to US dollars from sterling. Under UK GAAP, the comparative amounts as of 31 December 2002 and 2001, which have historically been reported in sterling, have been recalculated as if converted at the 31 December 2002 closing rate of $1.6099.

Under US GAAP, the comparative income statement amounts as of 31 December 2002 and 2001 would be converted at the weighted average rate applicable for the period under review. For the year ended 31 December 2002, the rate was $1.5038. For the year ended 31 December 2001, the rate was $1.4413. Under US GAAP, the comparative balance sheet amounts would be converted at the applicable closing rate. For the year ended 31 December 2001, the rate was $1.4515.

Previously the discontinued operations within the Consolidated Profit and Loss Account only included residual items from the sale of the South American Transdermal Patch business and the activity of the Swedish operations which were disposed of during October 2003. As of 13 December 2004 we have amended our disclosures to reflect Amarin Pharmaceuticals Inc. as discontinued operations.

Set out below are the profit and loss accounts for the years ended 31 December 2003, 2002 and 2001, adjusted for the impact of the change in functional and reporting currency and showing continuing and discontinued operations on the US GAAP basis. The remaining items shown in Table 1 Net (loss) above needs to be added to these profit and loss accounts to arrive at the net loss in accordance with US GAAP. We have updated the table below as of 13 December 2004 to reflect the disposal of our U.S. operations in February 2004. The results of these operations are now classified as discontinued.

	2003 $'000	2002 $'000	2001 $'000
Turnover	107	106	86
Cost of sales	0	0	0
Gross profit	107	106	86
Operating expenses	(6,200)	(5,726)	(3,902)
Operating loss	(6,093)	(5,620)	(3,816)
Interest receivable and similar income	65	364	789
Interest payable and similar charges	(900)	(2,194)	(427)
Loss from continuing operations before income taxes	(6,928)	(7,450)	(3,454)
Income taxes - credit/(charge)	7,320	(3,297)	(623)
Net income/(loss) from continuing operations	392	(10,747)	(4,077)
Loss from discontinued operations	(32,712)	(24,864)	(406)
Gain/(loss) on disposal of discontinued operations	13,076	1,006	(228)
Net loss from discontinued operations	(19,636)	(23,858)	(634)
Net loss	(19,244)	(34,605)	(4,711)
US GAAP net income/(loss) on continuing activities per ordinary share (assuming dilution)	$ 0.02	$ (1.16)	$ (0.57)
US GAAP net income/(loss) on continuing activities per ordinary share (basic)	$ 0.02	$ (1.16)	$ (0.57)
US GAAP net (loss) on discontinued activities per ordinary share (assuming dilution)	$ (1.15)	$ (2.57)	$ (0.09)
US GAAP net (loss) on discontinued activities per ordinary share (basic)	$ (1.15)	$ (2.57)	$ (0.09)

On the face of the UK GAAP profit and loss account are certain items which are disclosed as exceptional. Under US GAAP these items would not represent extraordinary items and would, therefore, not be disclosed separately .

C. Treatment of marketable equity securities

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

Under US GAAP the fair value of current asset investments was $16,000, $6,000 and $63,000 for the periods ended December 31, 2003, 2002 and 2001, respectively.

D. Consolidated statement of cash flows

The consolidated statement of cash flows has been prepared in accordance with UK GAAP, FRS 1 Cashflow Statements and presents substantially the same information as that required under US GAAP. Under US GAAP, however, there are certain differences from UK GAAP with regard to classification of items within the cash flow statement.

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

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

	Year Ended 31 December 2003 $ 000	**Year Ended 31 December 2002 $ 000**	**Year Ended 31 December 2001 $ 000**
Net cash (used in)/provided by operating activities	(20,504)	5,585	17,567
Net cash (used in) investing activities	(3,060)	(11,459)	(53,925)
Net cash provided by/(used in) financing activities	1,396	(3,167)	51,362
Net (decrease)/increase in cash and cash equivalents	(22,168)	(9,041)	15,004
Cash and cash equivalents at the beginning of the year	24,265	33,306	18,302
Cash and cash equivalents at the end of the year	2,097	24,265	33,306
Net (decrease)/increase in cash and cash equivalents	(22,168)	(9,041)	15,004

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

E. Discontinued operations (see also note B)

On 28 October 2003, the Group disposed of its entire interests in its Swedish drug delivery and development business, comprising Gacell Holdings AB and Amarin Development (Sweden) AB. On 25 February 2004, the Group disposed of its entire interests in Amarin Pharmaceuticals Inc. In accordance with, UK GAAP (FRS 3 Reporting Financial Performance) the Group has classified both these transactions as discontinued and has restated the comparatives on this basis.

As of 13 December 2004 we have amended our disclosures to reflect Amarin Pharmaceuticals Inc. as discontinued operations.

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

F. Stock-based compensation and National Insurance

Under UK GAAP the Company has recorded a provision for $nil (31 December 2002: $50,000, 31 December 2001: $124,000) relating to National Insurance (NI) amounts payable on stock option gains at the time of grant. Under UK GAAP NI contributions are accrued over the vesting period of the underlying option. Under US GAAP payroll taxes on stock options are accrued when the liability is incurred.

The Company has re-priced certain stock options issued to directors and employees. Under US GAAP these have been accounted for using variable plan accounting as directed by FIN 44, leading to an increase in net income of $1,750,000 in 2002 (2001: decrease of $1,628,000 in net income). In 2003, the impact is $nil.

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

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

	Year Ended 31 December 2003 $ 000	Year Ended 31 December 2002 $ 000	Year Ended 31 December 2001 $ 000
Net (loss) as reported	(28,436)	(31,014)	(5,444)
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effect	(6,580)*	(3,703)	(5,078)
Add back total stock based compensation expense determined under the intrinsic value based method		(1,750)	1,628
Proforma net (loss)	(35,016)	(36,467)	(8,894)

* Including in 2003, $748,000 in respect of a charge now recognised in relation to 2002 and 2001.

	$	$	$
Basic and diluted (loss) per ordinary share as reported	(1.66)	(3.34)	(0.76)
Proforma	(2.05)	(3.92)	(1.25)

	$	$	$
Weighted average grant date fair value	2.06	6.50	8.05
Options granted at the market price			
Options granted at a premium to the market price	1.55		

Options granted at a discount to the market price	15.62

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

	Year Ended 31 December 2003	Year Ended 31 December 2002	Year Ended 31 December 2001
Options granted at the market price			
Risk free interest rate (percentage)	2.51	5.00	5.13
Expected life (in years)	4.00	4.00	3.52
Volatility (percentage)	107	100	60
Options granted at a premium to the market price			
Risk free interest rate (percentage)	3.10	5.00	5.13
Expected life (in years)	4.00	4.00	3.52
Volatility (percentage)	108	100	60
Options granted at a discount to the market price			
Risk free interest rate (percentage)		5.00	5.13
Expected life (in years)		4.00	3.52
Volatility (percentage)		100	60

Recently issued accounting standards

G. **Exit and disposals**

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

H. ***IFRS***

From 2005 Amarin will be required to report according to IFRS. An internal project is underway to identify differences to current GAAP and what changes will be necessary. The Company is in process of evaluating the impact.

I. ***Variable interest entities***

In January 2003, the FASB issued FASB Interpretation No. 46 (FIN 46), Consolidation of Variable Interest Entities, an interpretation of ARB No. 51, which was further revised in December 2003. FIN 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 also requires disclosure of significant variable interests in variable interest entities for which a company is not the primary beneficiary. In December 2003, the FASB issued Interpretation 46R, (FIN 46R), a revision to FIN 46, Consolidation of Variable Interest Entities. FIN 46R clarifies some of the provisions of FIN 46 and exempts certain entities from its requirements. FIN 46R is effective at the end of the first reporting period

ending after 1 Jan 2004 for variable interests in variable entities created after 31 January 2003, and effective 1 January 2004 for variable interest in variable entities created before 1 February 2003. Management is currently evaluating the effect that the adoption of FIN 46R for entities created prior to 1 February 2003 will have on its results of operations and financial condition.

J. Earnings per share

	Year Ended 31 December 2003 $ 000	Year Ended 31 December 2002 $ 000	Year Ended 31 December 2001 $ 000
US GAAP net (loss) available to common stockholders	(28,436)	(31,014)	(5,444)

	Number 000	Number 000	Number 000
Basic weighted-average shares	17,093	9,297	7,125
Plus: Incremental share from assumed conversions			
Options	4	565	765
Warrants	343	34	15
Convertible preferred stock		2,000	4,130
Adjusted weighted-average shares	17,440	11,896	12,035

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

	Year Ended 31 December 2003 $	Year Ended 31 December 2002 $	Year Ended 31 December 2001 $
Basic (loss) per share	(1.66)	(3.34)	(0.76)
Diluted earnings per share	*	*	*

* The dilutive effect of the Company s options, warrants and convertible preferred stock have been excluded as the impact would have been antidilutive for the periods indicated above. Please refer to Notes (28) and (29) for more information with regard to these securities. 7,598,133 shares were issued in 2001 upon the exercise of certain options. 34,000 were issued in 2002 upon the exercise of certain options. 7,900 shares were issued in 2003 upon the exercise of certain options.

K. Treatment of intangible fixed assets

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

Under UK GAAP the Company has capitalised $4,149,000 at December 31, 2003 (December 31, 2002: $4,725,000, 31 December, 2001: $5,557,000) relating to LAX-101 and Zelapar both of which would have been expensed under US GAAP. In addition, the adjustment in 2002 includes a reversal of the impairment recognized under UK GAAP with respect to Moraxen which had been expensed when incurred under US GAAP.

L. Adjustment for revenue recognition

Under UK GAAP milestone payments have been recognized when achieved. Under US GAAP, the Company s adoption of SAB 101 (which has now been updated by SAB 104) resulted in a $617,000 cumulative adjustment in respect of its accounting for certain up-front payments and refundable milestone payments. This deferral and release increased sales by $nil, $113,000, $97,000, for the years ended 31 December, 2003, 2002 and 2001, respectively.

M. Gain on renegotiation of related party liability

Under UK GAAP the Group has recognised a gain on the renegotiation of a liability due to a related party. Under US GAAP the extinguishment a related party liability is considered a contribution to capital.

N. Imputed interest on non-interest bearing debt

In connection with the Group s acquisition of the product portfolio from Elan, the Group obtained a non-interest bearing loan for a period of one year in the amount of $6,500,000 to fund the acquisition of such portfolio. Under UK GAAP the face value of the note is included in the fair value of the portfolio acquired. Under US GAAP the note payable and the product portfolio are recorded at the present value of amounts to be paid determined using an appropriate interest rate. The note payable is then accreted up to its face value over the term of the loan with a corresponding charge to interest expense.

Under US GAAP, the following amounts have been charged to interest expense for the year ended 31 December 2002; $467,000, (31 December 2001: $431,000). During 2003, following renegotiation, all liabilities due to Elan became payable by 31 March 2004. As the maturity of these liabilities was three months from the balance sheet date, the Group considered there to be no difference between the carrying value and the fair value. These liabilities were settled in February 2004.

O. Accrual for PPA returns

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

P. Reversal of transdermal accrual

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

Q. Preference dividends

Under UK GAAP cumulative preferred dividends are accrued whether paid or not. Under US GAAP, preferred dividends are not accounted for until declared. The Company s issued preference shares have now been converted into ordinary shares.

R. Revenue recognition

Under UK GAAP revenue is recognised on dispatch of goods. Under US GAAP revenue is recognised on delivery to the customer, when title is deemed to pass. Normally, there is an insignificant timing difference between dispatch and delivery to the customer and hence no adjustment is recorded. However, during the last week of December 2002, such a delay occurred and accordingly an adjustment of $348,000 was made in 2002 to reflect the profit element of sales ($736,000) recognised under UK GAAP but deferred under US GAAP. The associated adjustment to cost of sales would be $388,000. During 2003, there were no such cut-off differences.

S. *Adjustment to Permax purchase consideration*

Under UK GAAP purchase consideration paid by means of a note payable is measured at its principal amount. Under US GAAP purchase consideration is measured by reference to the fair value of the liability assumed. At the date the Group exercised its Permax option the fair value of our obligation to Elan was $3,073,000 lower than the face amount of the liability as determined by discounting future cash flows at US dollar LIBOR plus 4% being 5.66%.

As of December 31, 2002, the basis difference was eliminated as a result of the impairment recognized with respect to Permax and discussed elsewhere in these financial statements. However, as a result of the initial basis difference, the impairment under US GAAP was $3,073,000 lower that that recognized under UK GAAP, partly offset by an additional $927,000 in interest recognised using the effective interest method.

During 2003, following renegotiation, all liabilities due to Elan became payable by 31 March 2004. As the maturity of these liabilities was three months from the balance sheet date, the Group considered there to be no remaining difference between the carrying value and the fair value. These liabilities were settled in February 2004.

T. **2001 Proforma Combined Historical Results for Permax Product Line**

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

	PROFORMA For the year ended December 31, 2001 $ 000
Turnover	75,385
Net Loss	(7,251)

The proforma results include amortization of purchase consideration from January 1, 2001 to December 31, 2001 as well as interest expense on the interest bearing portion of the related party loan from Elan and royalty payments on Permax sales from January 1, 2001. Proforma results have not been presented for the years ended December 31, 2003 and 2002 as Permax has been included for the entire period. The proforma results are for illustrative purposes only and are not necessarily indicative of what actually would have occurred if the agreement had been effective from January 1, 2001, nor are they necessarily indicative of future consolidated results.

U. ***Fair value of warrants***

The Group issued 313,234 warrants (see note 29) on 27 January 2003. Under US GAAP, in 2003, the value of these warrants using the Black-Scholes pricing model is $158,000. This would be charged against the share premium account and offset by a matching entry to the profit and loss reserve. The net impact on the US GAAP shareholders equity is therefore $nil. Under UK GAAP no such charge is currently required.

41. Subsequent Events

The following summarizes recent material events relating to the Group s business, including material changes in the Group s affairs that have occurred since March 31, 2004.

Laxdale Acquisition

On October 8, 2004 the Company closed an acquisition of the entire issued share capital of Laxdale Limited (Laxdale), a privately owned neuroscience development company based in Stirling, Scotland. The purchase price for the acquisition of Laxdale comprises an initial consideration of 3.5 million ADSs representing 3.5 million ordinary shares of 5p each in the capital of the Company and certain success based milestone payments described below, payable on a pro rata basis to the shareholders of Laxdale. As a result of this transaction Laxdale has become a wholly owned subsidiary of the Company. Accordingly, the Company has assumed Laxdale s outstanding net liabilities in the amount of approximately GBP£1.3 million ($2.4 million), which includes debt obligations in the amount of GBP£1 million ($1.8 million) to the Company. Additionally the Company, as Laxdale s parent company, has responsibility and potentially liability on a consolidated basis for Laxdale s obligations under its existing contracts. Laxdale s material contracts include certain licenses of marketing rights to Miraxion, and/or related intellectual property, for Huntington s disease in Europe and Japan. These licenses include obligations upon Laxdale to fund and manage clinical trails. A range of royalties and further success based milestones are payable to Laxdale by its licensees upon approval and sale of a product pursuant to such licenses.

Pursuant to the Laxdale share purchase agreement further success-related milestones will be payable as follows:

On receipt of a marketing approval in each of the U.S. and/or Europe for the first indication of any product containing Laxdale intellectual property, the Company must make a stock or cash payment (at the sellers sole option) of GBP£7.5 million for each of such two potential market approvals (i.e. GBP£15.0 million maximum); and

On receipt of a marketing approval in each of the U.S. and/or Europe for any other product using Laxdale intellectual property or for a different indication of a previously approved product, the Company must make a stock or cash payment (at the sellers sole option) of GBP£5 million for each of such two potential market approvals (i.e. GBP£10 million maximum).

Under the share purchase agreement, the Company has received certain warranties from Belsay Limited (Belsay), the principal shareholder of Laxdale, which are enforceable for a period of 15 months following the closing of the transaction. The liability of Belsay Limited under the warranties is secured by an arrangement whereby the 2,625,000 initial shares issued by us to Belsay (comprising 75% of the aggregate of 3.5 million initial shares issued to the shareholders of Laxdale) are placed in escrow. Belsay has the right to sell the escrowed shares, but it will be entitled to receive only 10 percent of the cash proceeds from such sales, and the balance will be held in escrow and will not be released to Belsay during the 15-month warranty period except to the extent the escrow account has in excess of $3.5 million of cash. If Belsay becomes obligated to indemnify the Company for any claims arising under the share purchase agreement, the Company is entitled to withdraw from the escrow account either cash or shares having a value equal to the amount of the claim. However, the Company may be legally restricted from selling the shares in escrow and therefore, to the extent there is

insufficient cash in the escrow account the Company may not have any means of generating cash to offset liabilities resulting from any breach.

The escrow arrangements permit a graduated sale of the initial shares issued to Belsay in accordance with the following:

Time period from closing of transaction	No of shares Belsay can sell*
0-90 days	Up to a net proceeds level of $100,000**
90-180 days	643,125
180-270 days	1,285,250
270-360 days	1,929,375

* on a cumulative basis assuming no sales in previous periods, and subject to restrictions on transfer imposed under U.S. securities laws.

** sales are permitted during this period only to the extent the proceeds are used to defray Belsay s legal expenses relating to the transaction.

Prior to the closing of the Laxdale acquisition, Laxdale drew down approximately GBP£1.0 million under a loan facility that the Company provided. This loan bears interest calculated at the Bank of Scotland s base rate plus 3 percent. As of September 30, 2004 the entire principal amount of the loan and all accrued interest thereon became repayable at any time within thirty days of written demand by us, in pounds sterling in immediately available funds, without any set-off, counterclaim, withholding or deduction for any reason whatsoever by Laxdale except as required by law. This Loan is secured by a floating charge against Laxdale s assets. This funding was provided in four installments in June, July and August 2004 to enable Laxdale to continue operating its business, as Laxdale would otherwise have been unable to pay its obligations as they came due.

Pursuant to the Laxdale share purchase agreement, the Company has agreed to use reasonable commercial efforts to (i) continue the Phase III trial for Miraxion in Huntington s disease and, upon successful completion thereof, pursue FDA approval for such indication, (ii) pursue approval of Miraxion in Europe for the treatment of Huntington s disease and (iii) conduct development activities and pursue U.S. and European approvals for indications other than Huntington s disease. Reasonable commercial efforts are defined in the share purchase agreement as efforts consistent with industry practice for the development of products of similar performance and potential. However, the Company is not required to pursue development efforts for Huntington s disease or other indications if the Company s board of directors reasonably determines in good faith that it is not commercially or scientifically viable to do so or that it is not appropriate to continue development due to patient safety concerns.

In connection with the acquisition of Laxdale the Company has agreed to use its reasonable commercial efforts to file a registration statement in respect of the initial 3.5 million ordinary shares issued to the shareholders of Laxdale and a portion of the contingent shares issuable post closing. The registration statement will be filed to satisfy its obligations to the former Laxdale shareholders (as well as to the other selling shareholders). The Company has agreed to use commercially reasonable efforts to maintain such registration statement in effect through March 30, 2006. The Company has also agreed to use reasonable commercial efforts to file registration statements in respect of the contingent shares to be issued upon any of the success milestones, each of which is subject to the acceptance of a New Drug Application (NDA) by a relevant regulatory authority. Such registration statements must be filed within 90 days after NDA acceptance if fast track status has been granted and otherwise within 270 days after NDA acceptance. The Company has agreed to use commercially reasonable efforts to maintain any such subsequent registration statement in effect for one year after the effective date thereof. In addition, the sellers have the right (exercisable only once) to include their unsold securities in any registration statement filed by the Company for its own account or on behalf of other selling shareholders.

In conjunction with the Company s acquisition of Laxdale, Laxdale has entered into re-negotiated cross-licensing agreements with Scarista Limited (Scarista) which provide Laxdale with rights to specified intellectual property covering the United States, Canada, the European Union

and Japan. Scarista has granted a license to Laxdale pursuant to which Laxdale has the exclusive right to use certain of Scarista s intellectual property (including intellectual property for the use of Miraxion in drug-resistant depression) within a field of use encompassing all psychiatric and central nervous system disorders, and within the territories of the United States, Canada, the European Union and Japan.

As part of such re-negotiation Scarista is entitled to receive reduced royalty payments of 5% on all net sales by Laxdale of products utilising such Scarista intellectual property. In consideration of Scarista entering into these agreements and the reduction of Scarista s royalty from 15% to 5%, Laxdale has paid a signing fee of £500,000 to Scarista. The Scarista intellectual property licensed to Laxdale is material to the Company s development efforts with respect to Miraxion. In addition, Laxdale has granted a license to Scarista pursuant to which Scarista has the exclusive right to use certain of Laxdale s intellectual property (including intellectual property for the use of Miraxion in Huntington s disease) within a field of use encompassing all psychiatric and central nervous system disorders, and on a worldwide basis in all territories other than the United States, Canada, the European Union and Japan. Laxdale is entitled to receive royalty payments of 5% on all net sales by Scarista or its licensees of products utilising such Laxdale intellectual property. Under each of these license agreements royalties are payable until the latest to occur of (i) the expiration of the last patent relating to any product using the licensed technology, (ii) the expiration of regulatory exclusivity with respect to any product using the licensed technology or (iii) the date on which the licensed technology ceases to be secret and substantial in a given territory. Upon the termination of royalty payment obligations with respect to any product, the licensee will thereafter have a fully paid up, royalty free, non-exclusive license to continue using the licensed technology in respect of such product.

Miraxion has been partnered for Huntington s disease in the majority of the major European Union markets. Additionally, Laxdale has licensed out the right to develop, use and sell products incorporating certain of its intellectual property in Japan for the treatment of certain central nervous system disorders (including Huntington s disease, schizophrenia and depression).

Private Placement

In October 2004 the Company completed a private placement of 13,474,945 ordinary shares to accredited investors consisting of new and existing shareholders and management. Gross proceeds to the Company were $12.775 million. The purchase price was $0.947 per share based on the average closing price of the Company s ADSs on the Nasdaq SmallCap Market for the ten trading days ended October 6, 2004; however, management investors paid a purchase price of $1.04 per share based on the average closing price of the Company ADSs on the Nasdaq SmallCap Market for the five trading days ended October 6, 2004.

Purchase of Elan Debt and Equity by the Company s Chairman

On September 30, 2004 Amarin Investment Holding Limited, an entity controlled by the Company s Chairman, Mr. Thomas Lynch, declared an interest to the Company in the following securities in the Company following their purchase from Elan Corporation plc and its affiliated companies:

4,653,819 ADSs;

Warrants to subscribe for 500,000 Ordinary Shares at an exercise price of US$1.90 per share; and

US$5 million in aggregate principal amount of Secured Loan Notes (the Loan Notes) due 2009, issued pursuant to a loan note instrument dated February 25, 2004.

The Board of Directors of the Company reviewed and approved this transaction after consultation with certain of its advisors.

Conversion of Debt

Following its acquisition of equity and debt securities of the Company from Elan Corporation plc, Amarin Investment Holding Limited converted $3 million of the $5 million in principal amount of loan notes acquired by it into ordinary shares of the Company. The debt was converted at a price of $1.104 per share. This transaction was reviewed by the Company s audit committee and approved by the Company s disinterested directors. The shares issued pursuant to such debt conversion are subject to a lockup agreement restricting their sale for a period of six months from October 8, 2004.

The remaining $2 million in principal amount of the loan notes is payable in January 2009, and interest thereon accrues at the rate of 8% per annum and is payable on a semi-annual basis. Amarin Investment Holding Limited can, at its option, convert such remaining principal amount into ordinary shares at the offering price established by the Company pursuant to any equity financing in excess of $5 million that the Company may conduct in the future, subject to the review of the Company s audit committee and approval of the Company s disinterested directors.

Compliance with Nasdaq Listing Requirements

In August 2004 Nasdaq informed the Company that, based on financial results for the six-months ended June 30, 2004, it did not comply with the minimum shareholders equity threshold of $2.5 million as set forth in Marketplace Rule 4310(c)(2)(B). On October 13, 2004 Nasdaq advised the Company of its determination that, based on the completion of the Company s private placement and debt conversion (as described above), it had re-established compliance with the shareholders equity requirement. However, Nasdaq will continue to monitor its ongoing compliance with the shareholders equity requirement and other listing requirements.

Valeant Settlement

In February 2004 the Company sold its U.S. subsidiary, Amarin Pharmaceuticals, Inc (API), and certain assets to Valeant Pharmaceuticals International (Valeant). The asset purchase agreement for the transaction provided for a purchase price adjustment based on variations between a pro forma balance sheet agreed between the parties and a closing date balance sheet to be prepared after the closing. Subsequent to the closing of the sale, one of API s wholesalers advised that it was holding approximately US$6 million of product inventory that it had not previously discovered. The Company and Valeant disputed the impact of such inventory on the closing date balance sheet and the respective parties responsibility for incremental wholesaler inventory.

On September 27, 2004, the Company signed a settlement agreement with Valeant in respect of this dispute in full and final settlement of all such matters between Valeant and the Company. Pursuant to this settlement agreement the Company has agreed to forego part of the contingent milestones payable by Valeant to the Company due under the asset purchase agreement, namely the entire $5 million contingent milestone payable on FDA approval of Zelapar and $1 million of the $3 million contingent milestone previously due when the remaining safety studies are successfully completed. Also, Valeant has agreed that the Company is no longer required to purchase $414,000 of further inventory from wholesalers and the remaining $2 million of the contingent milestone previously due upon successful completion of the remaining Zelapar safety studies has been paid on November 30, 2004 without any such contingency. Elan Corporation plc (Elan) was entitled to receive $1 million of such $2 million payment as part of the settlement entered into between Elan and the Company on February 25, 2004.

Change of Chief Financial Officer

In May 2004, the Company appointed Alan Cooke as the Company s new Chief Financial Officer, following the resignation of the Company s prior CFO Ian Garland. Prior to joining the Company, Mr. Cooke spent approximately eight years at Elan Corporation, plc, most recently as Vice President, Global Strategic Planning. Mr. Cooke is a member of the Institute of Chartered Accountants (Ireland) and trained at KPMG, Dublin. Mr. Cooke is also a member of the Company s board of directors.

EXHIBIT INDEX

Exhibit Number	Description
1.1	Memorandum of Association of the Company(10)
1.2	Articles of Association of the Company(10)
2.1	Form of Deposit Agreement, dated as of March 29, 1993, among the Company, Citibank, N.A., as Depositary, and all holders from time to time of American Depositary Receipts issued thereunder (1)
2.2	Amendment No. 1 to Deposit Agreement, dated as of October 8, 1998, among the Company, Citibank, N.A., as Depositary, and all holders from time to time of the American Depositary Receipts issued thereunder (2)
2.3	Amendment No. 2 to Deposit Agreement, dated as of September 25, 2002 among the Company, Citibank N.A., as Depositary, and all holders from time to time of the American Depositary Receipts issued thereunder (3)
2.4	Form of Ordinary Share certificate(10)
2.5	Form of American Depositary Receipt evidencing ADSs (included in Exhibit 2.3) (3)
2.6	Registration Rights Agreement, dated as of October 21, 1998, by and among Ethical Holdings plc and Monksland Holdings B.V.(10)
2.7	Amendment No. 1 to Registration Rights Agreement and Waiver, dated January 27, 2003, by and among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.(10)
2.8	Second Subscription Agreement, dated as of November 1999, among Ethical Holdings PLC, Monksland Holdings B.V. and Elan Corporation PLC (4)
2.9	Purchase Agreement, dated as of June 16, 2000, by and among the Company and the Purchasers named therein (4)
2.10	Registration Rights Agreement, dated as of November 24, 2000, by and between the Company and Laxdale Limited (5)
2.11	Form of Subscription Agreement, dated as of January 27, 2003 by and among the Company and the Purchasers named therein(10) (The Company entered into twenty separate Subscription Agreements on January 27, 2003 all substantially similar in form and content to this form of Subscription Agreement.)

2.12	Form of Registration Rights Agreement, dated as of January 27, 2003 between the Company and the Purchasers named therein(10) (The Company entered into twenty separate Registration Rights Agreements on January 27, 2003 all substantially similar in form and content to this form of Registration Rights Agreement.)
4.1	Amended and Restated Asset Purchase Agreement dated September 29, 1999 between Elan Pharmaceuticals Inc. and the Company(10)
4.2	Variation Agreement, undated, between Elan Pharmaceuticals Inc. and the Company(10)
4.3	License Agreement, dated November 24, 2000, between the Company and Laxdale Limited (6)
4.4	Option Agreement, dated as of June 18, 2001, between Elan Pharma International Limited and the Company (7)
4.5	Deed of Variation, dated January 27, 2003, between Elan Pharma International Limited and the Company(10)
4.6	Lease, dated August 6, 2001, between the Company and LB Strawberry LLC (7)
4.7	Amended and Restated Distribution, Marketing and Option Agreement, dated September 28, 2001, between Elan Pharmaceuticals, Inc. and the Company (8)
4.8	Amended and Restated License and Supply Agreement, dated March 29, 2002, between Eli Lilly and Company and the Company(10)
4.9	Deed of Variation, dated January 27, 2003, between Elan Pharmaceuticals Inc. and the Company(10)
4.10	Stock and Intellectual Property Right Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Sergio Lucero, Francisco Stefano, Amarin Technologies S.A., Amarin Pharmaceuticals Company Limited and the Company (7)
4.11	Stock Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Beta Pharmaceuticals Corporation and the Company (7)
4.12	Novation Agreement, dated November 30, 2001, by and among Beta Pharmaceuticals Corporation, Amarin Technologies S.A. And the Company (7)
4.13	Loan Agreement, dated September 28, 2001, between Elan Pharma International Limited and the Company (8)
4.14	Deed of Variation, dated July 19, 2002, amending certain provisions of the Loan Agreement between the Company and Elan Pharma International Limited(10)
4.15	Deed of Variation No. 2, dated December 23, 2002, between The Company and Elan Pharma International Limited(10)
4.16	Deed of Variation No. 3, dated January 27, 2003, between the Company and Elan Pharma International Limited(10)
4.17	The Company 2002 Stock Option Plan (9)
4.18	Agreement Letter, dated October 21, 2002, between the Company and Security Research Associates, Inc.(10)
4.19	Agreement, dated January 27, 2003, among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.(10)
4.20	Master Agreement, dated January 27, 2003, between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings B.V. and the Company(10)

4.21	Form of Warrant Agreement, dated March 19, 2003, between the Company and individuals designated by Security Research Associates, Inc.(10) (The Company entered into seven separate Warrant Agreements on March 19, 2003 all substantially similar in form and content to this form of Warrant Agreement.)
4.22	Sale and Purchase Agreement, dated March 14, 2003, between F. Hoffmann La Roche Ltd., Hoffmann La Roche Inc And the Company(10)
4.23	Share Subscription and Purchase Agreement dated October 28, 2003 among the Company, Amarin Pharmaceuticals Company Limited, Watson Pharmaceuticals, Inc. and Lagrummet December NR 911 AB (under name change to WP Holdings AB)*
4.24	Asset Purchase Agreement dated February 11, 2004 between the Company, Amarin Pharmaceuticals Company Limited and Valeant Pharmaceuticals International*
4.25	Amendment No. 1 to Asset Purchase Agreement dated February 25, 2004 between the Company, Amarin Pharmaceuticals Company Limited and Valeant Pharmaceuticals International*
4.26	Development Agreement dated February 25, 2004 between the Company and Valeant Pharmaceuticals International*
4.27	Settlement Agreement dated February 25, 2004 among Elan Corporation plc, Elan Pharma International Limited, Elan International Services, Ltd, Elan Pharmaceuticals, Inc., Monksland Holdings BV a d the Company*
4.28	Debenture dated August 4. 2003 made by the Company in favour of Elan Corporation plc as Trustee*
4.29	Debenture Amendment Agreement dated December 23, 2003 between the Company and Elan Corporation plc as Trustee*
4.30	Debenture Amendment Agreement No. 2 dated February 24, 2004 between the Company and Elan Corporation plc as Trustee*
4.31	Loan Instrument dated February 25, 2004 executed by Amarin in favor of Elan Pharma International Limited*
4.32	Amended and Restated Master Agreement dated August 4, 2003 among Elan Corporation plc, Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Company*(11)
4.33	Amended and Restated Option Agreement dated August 4, 2003 between the Company and Elan Pharma International Limited*(11)
4.34	Deed of Variation No. 2, dated August 4, 2003, to the Amended and Restated Distribution, Marketing and Option Agreement between Elan Pharmaceuticals, Inc. and the Company*(11)
4.35	Deed of Variation No. 4, dated August 4, 2003, to Loan Agreement between the Company and Elan Pharma International Limited*(11)
4.36	Amendment Agreement No. 1, dated August 4, 2003, to Amended and Restated Asset Purchase Agreement among Elan International Services, Ltd., Elan Pharmaceuticals, Inc. and the Company*(11)
4.37	Warrant dated February 25, 2004 issued by the Company in favor of the Warrant Holders named therein*
4.38	Amendment Agreement dated December 23, 2003, between Elan Corporation plc, Elan Pharma International Limited, Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Company*(11)
4.39	Bridging Loan Agreement dated December 23, 2003 between the Company and Elan Pharmaceuticals, Inc. *(11)
4.40	Agreement dated December 23, 2003 between the Company and Elan Pharma International Limited, amending the Amended and Restated Option Agreement dated August 4, 2003*(11)
4.41	Inventory Buy Back Agreement dated March 18, 2004 between the Company and Swiftwater Group LLC*

8.1	Subsidiaries of the Company*
11.1	Code of Ethics*
12.1	Certification of Richard A. B. Stewart required by Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**
12.2	Certification of Alan Cooke required by Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**
13.1	Certification of Richard A. B. Stewart required by Section 1350 of Chapter 63 of Title 18 of the United States Code , as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
13.2	Certification of Alan Cooke required by Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
14.1	Consent of PricewaterhouseCoopers LLP**

---

* Previously filed as an exhibit to the Company s Annual Report on Form 20-F for the year ended December 31, 2003, filed with the Securities and Exchange Commission on March 31, 2004.

** Filed herewith

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

(1) Incorporated herein by reference to certain exhibits to the Company s Registration Statement on Form F-1, File No. 33-58160, filed with the Securities and Exchange Commission on February 11, 1993.

(2) Incorporated herein by reference to Exhibit(a)(i) to the Company s Registration Statement on Post-Effective Amendment No. 1 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on October 8, 1998.

(3) Incorporated herein by reference to Exhibit(a)(ii) to the Company s Registration Statement on Post-Effective Amendment No. 2 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on September 26, 2002.

(4) Incorporated herein by reference to certain exhibits to the Company s Annual Report on Form 20-F for the year ended December 31, 1999, filed with the Securities and Exchange Commission on June 30, 2000.

(5) Incorporated herein by reference to certain exhibits to the Company s Registration Statement on Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on February 22, 2001.

(6) Incorporated herein by reference to certain exhibits to the Company s Annual Report on Form 20-F for the year ended December 31, 2000, filed with the Securities and Exchange Commission on July 2, 2001.

(7) Incorporated herein by reference to certain exhibits to the Company s Annual Report on Form 20-F for the year ended December 31, 2001, filed with the Securities and Exchange Commission on May 9, 2002.

(8) Incorporated herein by reference to certain exhibits to the Company s Registration Statement on Pre-Effective Amendment No. 2 to Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on November 19, 2001.

(9) Incorporated herein by reference to certain exhibits to the Company s Registration Statement on Form S-8, File No. 333-101775, filed with the Securities and Exchange Commission on December 11, 2002.

(10) Incorporated herein by reference to certain exhibits to the Company s Annual Report on Form 20-F for the year ended December 31, 2002, filed with the Securities and Exchange Commission on April 24, 2003.

(11) These agreements are no longer in effect as a result of superseding agreements entered into by the Company.
