CANARGO ENERGY CORP
Form 8-K
April 07, 2009

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934
Date of Report (Date of earliest event reported) April 2, 2009
CANARGO ENERGY CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**001-32145**	**91-0881481**
(State or other jurisdiction Of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

CanArgo Energy Corporation **P.O. Box 291, St. Peter Port** **Guernsey, British Isles**	**GY1 3RR**
(Address of principal executive offices)	(Zip Code)

Registrant s telephone number, including area code +(44) 1481 729 980
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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The matters discussed in this Current Report on Form 8-K include forward looking statements, which are subject to various risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in such forward looking statements. Such risks, uncertainties and other factors include the uncertainties inherent in oil and gas development and production activities, the effect of actions by third parties including government officials, fluctuations in world oil prices and other risks detailed in the Company s Reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission. The forward-looking statements are intended to help shareholders and others assess the Company s business prospects and should be considered together with all information available. They are made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company cannot give assurance that the results will be attained.

Section 1 Registrant s Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

On June 28, 2006 CanArgo Energy Corporation, (CanArgo), entered into a Note and Warrant Purchase Agreement (the Purchase Agreement) with Persistency, a Cayman Islands company with limited liability (Persistency), relating to the purchase of CanArgo s 12% Subordinated Convertible Guaranteed Notes, due June 28, 2010 (the Subordinated Notes).

On April 2 , 2009, CanArgo entered into a further agreement (the Agreement) with Persistency whereby Persistency agrees and covenants that prior to July 15, 2009, absent the Company s consent, or the Subordinated Notes becoming immediately due and payable, or a Change of Control as defined in the Purchase Agreement (other than as a result of a transaction with Persistency or its affiliate), it will not convert or exchange, or seek to convert or exchange, any or all of the Subordinated Notes into shares of common stock of CanArgo, or into any other security convertible or exchangeable into shares of common stock of CanArgo, pursuant to Section 11.7 of the Purchase Agreement.

A copy of the Agreement is attached hereto as Exhibit 10.1.

Section 9 Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Exhibit Description
10.1	Form of Agreement dated as of April 2, 2009 between CanArgo Energy Corporation and Persistency

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CANARGO ENERGY CORPORATION

Date: April 7, 2009

By: /s/ Jeffrey Wilkins
Jeffrey Wilkins, Corporate Secretary

3 Legal Settlements/Litigation Dispute Regarding the Acquisition from Xtrana Inc. In December 2002, the Company filed an action against Xtrana Inc relating to the purchase of the Biopool business from Xtrana in 2001. The Company was seeking US$1,200,000 in damages and US$3,000,000 in punitive damages alleging breach of contract and other damages regarding the sale of an individual product line. On January 17, 2003 Xtrana countersued seeking US$57,000,000 in damages. On June 16, 2003 Trinity and Xtrana settled this litigation. Pursuant to the terms of the Settlement Agreement entered into between the parties, Trinity agreed to pay Xtrana the amounts due on two promissory notes of US$1,166,200 and US$570,100, together with interest thereon as provided in the notes, less US$225,000, and less US$24,148, which represented the amount due and owing by Xtrana to Trinity as of May 31, 2003 pursuant to a Letter Agreement, dated December 20, 2001, between Trinity and Xtrana, relating to a third party. The total amount of the settlement payment made by Trinity to Xtrana was US$1,505,942. The parties also agreed that, following Xtrana's receipt of the settlement payment, they would cause the litigation to be dismissed with prejudice and without costs to any party. The parties also released each other from any claims arising from or in connection with the notes due from Trinity to Xtrana, the litigation, the security agreements entered into between the parties, the Asset Purchase Agreement made as of November 9, 2001 and any other matter whatsoever, except for the parties' executory obligations as set forth in the settlement agreement. Events Subsequent to Balance Sheet Date In July 2003, the Company completed a private placement of US$20 million of convertible notes to a group of private investors. The notes have a final maturity date of January 1, 2007, bear interest at a rate of 3% per annum, and are convertible at the investor's option at any time into the Company's common stock at a fixed conversion price of US$3.55. In November 2003, the Company announced that the recent fundraising process undertaken by HiberGen had not been successful and that HiberGen had ceased trading. The Company has a 42.9% interest in HiberGen and treats the investment in its financial statements as an investment in an associated company. The Company intends to write off the carrying value of the investment in quarter four of the 2003 financial year. In December 2003 the Company filed an action against Inverness Medical for breach of contract. Inverness acts as exclusive distributor for certain of Trinity's infectious disease products in the US. This exclusivity is due to end on September 30, 2004, at which time it had been agreed that both Trinity and Inverness would sell the products under their respective labels. The suit alleges that Inverness are attempting to convert customers from the Trinity product to a product manufactured by Zeus Scientific by claiming that the Trinity product is unavailable and being discontinued. The lawsuit alleges that under the terms of the contract Trinity is entitled to sell direct in the US any product which Inverness sells in competition with Trinity. With immediate effect Trinity is exercising this right. 4 Trinity Biotech plc Unaudited Condensed Consolidated Balance Sheet as at: June 30, 2003 December 31, 2002 US$ US$ (Unaudited) (as restated) ASSETS Cash and cash equivalents 1,608,290 5,807,514 Accounts receivable and prepayments 15,285,988 12,676,756 Inventories 24,042,286 20,851,459 --------------- --------------- Total Current Assets 40,936,564 39,335,729 Property, plant & equipment, net 10,857,524 9,883,681 Intangible assets, net 39,139,303 39,511,786 Financial assets 921,979 1,067,262 --------------- --------------- TOTAL ASSETS 91,855,370 89,798,458 =============== =============== LIABILITIES & SHAREHOLDERS' EQUITY Accounts payable & accrued expenses 16,805,862 19,205,786 Long term liabilities 4,861,930 7,745,442 SHAREHOLDERS' EQUITY Called up share capital Class 'A' ordinary shares 627,109 597,840 Class 'B' ordinary shares 12,255 12,255 Share premium account 79,986,710 75,987,779 Other reserves 230,009 172,000 Currency adjustment (4,028,603) (4,266,173) Profit and loss

reserve (6,639,902) (9,966,417) --------------- --------------- Total Shareholders' Equity 70,187,578 62,537,284 Minority interest -- 309,946 --------------- --------------- Total Liabilities and Shareholders' Equity 91,855,370 89,798,458 =============== =============== Note: The balance sheet at December 31, 2002 has been derived from the audited financial statements, as restated, at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. See notes to unaudited interim condensed consolidated financial statements. 5 Trinity Biotech plc Unaudited Condensed Consolidated Profit and Loss Account Six months ended June 30 2003 2002 US$ US$ (Unaudited) (Unaudited) (as restated) Revenues 33,293,870 23,189,560 --------------- --------------- Costs and Expenses Cost of goods sold (17,006,215) (11,655,891) Selling, general and administrative - normal (8,213,453) (5,212,907) Research and development (2,829,133) (1,918,861) Amortisation (905,235) (1,181,181) --------------- --------------- Operating profit 4,339,834 3,220,720 Share of operating loss in associate (107,000) (158,557) Interest and other income 52,783 47,715 Interest expense (348,937) (244,243) --------------- --------------- Profit on ordinary activities before taxation 3,936,680 2,865,635 Tax on profit on ordinary activities (610,165) (527,275) --------------- --------------- Net profit 3,326,515 2,338,360 =============== =============== Net profit per ordinary share (US$) 0.08 0.06 Weighted average number of ordinary shares outstanding 42,051,362 40,496,198 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF TOTAL RECOGNISED GAINS AND LOSSES Six months ended June 30 2003 2002 US$ US$ (Unaudited) (Unaudited) (as restated) Profit for the financial period attributable to group shareholders excluding share of loss in associate 3,433,515 2,496,917 Share of operating loss in associate (107,000) (158,557) Currency adjustment 237,570 282,648 --------------- --------------- Total recognised gains and losses for the period 3,564,085 2,621,008 --------------- --------------- 6 Trinity Biotech plc Unaudited Condensed Consolidated Statement of Cash Flows Six months ended June 30 2003 2002 US$ US$ (Unaudited) (Unaudited) (as restated) Net cash flow from operating activities 865,440 1,699,950 Investing activities Interest received 52,783 24,715 Purchase of fixed assets (1,530,768) (632,041) Investment in intangible assets (694,483) (35,650) Deferred acquisition consideration paid (3,601,500) -- --------------- --------------- (5,773,968) (642,976) --------------- --------------- Financing activities Interest paid (274,395) (309,781) Issue of ordinary shares 528,200 43,243 Capital element of loan repayments (7,231,674) (1,865,742) Repayment of minority interest (369,192) -- Loans received 8,000,000 -- --------------- --------------- 652,939 (2,132,280) --------------- --------------- Decrease in cash and cash equivalents (4,255,589) (1,075,306) Non cash exchange movement 56,365 75,378 Balance at beginning of period 5,807,514 5,373,976 --------------- --------------- Balance at end of period 1,608,290 4,374,048 --------------- --------------- 7 TRINITY BIOTECH PLC NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES The unaudited results for the six months to June 30, 2003 and June 30, 2002 have been prepared in accordance with Irish generally accepted accounting principles with the exception of the classification of cashflows in the unaudited consolidated statement of cashflows, which are presented in accordance with the classifications required under US GAAP per SFAS 95. The accounting policies and the basis of preparation of these unaudited results are consistent with those used in the Company's annual financial statements. The information included in the interim consolidated financial statements is unaudited but reflects all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. The results for the six months to June 30, 2003 are not necessarily indicative of the results for the full fiscal year. Restatement In December 2003, Trinity filed a restated Form 20-F/A restating its financial statements for 2002, 2001 and 2000. Consequently Trinity has restated the prior period comparatives contained in this document where applicable. This resulted in a reduction of US$21,923 in Net Profit for the six months ended June 30, 2002. Details of the nature of the adjustments to the original reported numbers can be found in the restated Form 20-F/A. Companies Acts, 1963 to 2001 The financial information relating to the Company and its subsidiary undertakings included in this document does not comprise statutory financial statements as referred to in Section 19 of the Companies (Amendment) Act, 1986, copies of which are required by that Act to be annexed to the Company's annual return lodged with the Registrar of Companies. Copies of statutory financial statements of Trinity Biotech plc are annexed to the Company's annual returns. 2. ANALYSIS OF REVENUE AND OPERATING INCOME Trinity operates in one business segment, the market for rapid diagnostic tests for a range of diseases and other medical conditions, and in two reportable segments, which are based on a geographical split. The information presented below relates to these operating segments and is presented in a manner consistent with information presented to the Group's chief operating decision maker. The basis of accounting for each segment is the same basis as used in the preparation of the consolidated financial statements. a) The distribution of revenue by customers' geographical area was as follows: Six months ended June 30 June 30 2003 2002 US$ US$ (as restated) U.S.A 17,818,272 15,702,368 Europe 10,268,551 3,738,863 Middle East/Africa 3,185,873 2,146,047 Other 2,021,174 1,602,282 --------------- --------------- 33,293,870 23,189,560 =============== =============== 8 TRINITY BIOTECH PLC NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 2. ANALYSIS OF REVENUE AND OPERATING INCOME (Continued) b) The distribution of revenue by geographical area was as follows: Six months ended June 30 June 30 2003 2002 US$ US$ (as restated) Rest of the World 14,206,178 9,159,473 United States 19,087,692 14,030,087 --------------- --------------- 33,293,870 23,189,560 --------------- --------------- c) The distribution of operating income by geographical area was as follows: Six months ended June 30 June 30 2003 2002 US$ US$ (as restated) Rest of the World 2,317,445 1,859,781 United States 2,022,389 1,360,939 --------------- --------------- Total operating income 4,339,834 3,220,720 =============== =============== d) The distribution of intersegmental sales is as follows: Six months ended June 30 June 30 2003 2002 US$ US$ (as restated) Rest of the World 12,568,299 9,120,401 Rest of the World - Intersegmental Sales 9,372,061 5,379,528 United States 19,087,692 14,030,087 Less Intercompany Sales (7,734,182) (5,340,456) --------------- --------------- 33,293,870 23,189,560 =============== =============== 3. INVENTORIES As at June 30 December 31 2003 2002 US$ US$ (as restated) Raw materials 7,473,098 5,995,894 Work in progress 6,825,925 6,499,224 Finished goods 9,743,263 8,356,341 --------------- --------------- 24,042,286 20,851,459 =============== =============== The replacement cost of inventory is not materially different from the cost stated above. 9 TRINITY BIOTECH PLC NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 4 SIGNIFICANT NON-CASH TRANSACTIONS During the six month period to June 30, 2003, US$1,000,000 of 6% convertible debentures were fully converted into 666,667 Class "A" Ordinary shares of the Company at a conversion price of $1.50 and US$2,500,000 of 5.25% convertible debentures were fully converted into 1,666,667 Class "A" Ordinary shares of the Company also at a conversion price of $1.50 5. DIFFERENCES BETWEEN IRISH AND US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES The Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the Republic of Ireland ("Irish GAAP"), which differ in certain significant respects from accounting principles generally accepted in the United States ("US GAAP"). These differences relate principally to the following items and the necessary adjustments are shown in the table set out below: (1) Goodwill: In prior years under Irish GAAP, goodwill was either written off immediately on completion of the acquisition against shareholders' equity, or capitalised in the balance sheet and amortised through the income statement on a systematic basis over its useful economic life. From 1998, goodwill must be capitalised and amortised over the period of its expected useful life, however, historic goodwill continues to remain an offset against shareholders' equity. Under US GAAP, accounting for goodwill as an offset against shareholders' equity is not permitted. Prior to January 1, 2002 goodwill was amortised, except for goodwill arising on acquisitions after June 30, 2001, over the period of its expected useful life, subject to a maximum write off period of 40 years, through the income statement. A useful life of 10 years was adopted for the purposes of the reconciliation. In June 2001, the US Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") 141 "Business Combinations" and SFAS 142 "Goodwill and Other Intangible Assets", both of which are effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill is no longer amortised under US GAAP, but is subject to annual impairment tests in accordance with the statements. On January 1, 2002 the Group performed the required impairment review of goodwill and indefinite-lived intangible assets and determined that there was no impairment. On December 31, 2002 the Group performed a further impairment test of goodwill and indefinite-lived intangible assets and concluded that there was no impairment in the carrying value of these assets at this date. There are no impairment losses recognised in the periods presented. There has not been a disposal of all or a portion of a reporting unit in the eighteen months to June 30, 2003. The aggregate amount of goodwill relating to acquisitions during the period for the Group and for each reportable segment for each of the periods presented including goodwill arising on acquisition of interest in associate, net of fair value adjustments, is as follows: June 30 December 31 2003 2002 US$ US$ Rest of World (44,267) 1,181,211 United States -- -- --------------- --------------- Total (44,267) 1,181,211 --------------- Negative goodwill arises when the net amounts assigned to assets acquired and liabilities assumed exceed the cost of an acquired entity. Under Irish GAAP, negative goodwill arising on acquisitions is recognised as a negative asset, within intangible fixed assets, and recognised in the profit and loss account in the periods in 10 TRINITY BIOTECH PLC NOTES TO THE

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 5. DIFFERENCES BETWEEN IRISH AND US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued) which the non-monetary assets acquired are amortized or sold. Any negative goodwill in excess of the fair values of the non-monetary assets acquired is recognized in the profit and loss account in the periods expected to benefit. Under US GAAP, negative goodwill would be allocated to reduce proportionately the values assigned to the acquired non-current assets. Any excess remaining goodwill is recognized in US GAAP income, as an extraordinary gain, for the periods beginning after December 15, 2001. At June 30, 2003, gross negative goodwill of US$1,378,617 (December 31, 2002: US$1,278,461) within intangible fixed assets under Irish GAAP would be disclosed as a reduction from property, plant and equipment under US GAAP. Amortisation of negative goodwill would be disclosed as a reduction from depreciation under US GAAP. Net income and earnings per share for the periods ended June 30, 2003 and 2002, adjusted to exclude amortization of goodwill are as follows: June 30 June 30 2003 2002 (as restated) US$ US$ Reported net income under US GAAP 3,489,403 2,843,088 Excluded goodwill amortization (850,011) (1,111,738) -------------- -------------- Adjusted net income 2,639,392 1,731,350 Reported basic earnings per share (US$) 0.08 0.07 Excluded goodwill amortization (0.02) (0.03) -------------- -------------- Adjusted basic earnings per share (US$) 0.06 0.04 Reported diluted earnings per share (US$) 0.08 0.07 Excluded goodwill amortization (US$) (0.02) (0.03) -------------- -------------- Adjusted diluted earnings per share (US$) 0.06 0.04 Identifiable intangible assets comprise goodwill, which is not amortizable and certain intangible other non-current assets, which are amortizable. Other non-current asset amortization under US GAAP for the six month period ended June 30 2003 was US$69,010 and US$69,443 for the six month period ended June 30, 2002. (2) Share Capital Not Paid: Under Irish GAAP, unpaid share capital is classified as a receivable under current assets. Under US GAAP, share capital receivable should be reported as a reduction to Shareholders' Equity. Unpaid share capital at June 30, 2003 is US$375,820 (December 31, 2002: US$260,203). (3) Statement of Comprehensive Income: The Company prepares a "Statement of Total Recognised Gains and Losses" which is essentially the same as the "Statement of Comprehensive Income" required under US GAAP, except for the recognition of unrealised gains and losses on derivative hedging transactions which are recognised in US GAAP Comprehensive Income. SFAS 130 "Reporting Comprehensive Income" requires disclosure of the cumulative amounts of other comprehensive income. 11 TRINITY BIOTECH PLC NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 5. DIFFERENCES BETWEEN IRISH AND US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued) (4) Sale and Leaseback: Under Irish GAAP, the Company's sale and leaseback transaction which took place in December 1999 was treated as a disposal of assets with the gain on the disposal of US$1,014,080 being credited to the profit and loss account in the period of the transaction. Under US GAAP, this amount is deferred and released to the profit and loss account over the period of the lease (20 years). (5) Deferred Income Taxes: Deferred tax differences arise between Irish GAAP and US GAAP due to the impact of the nature and timing of the reconciling items arising. (6) Restructuring Costs: Under Irish GAAP, certain provisions made for restructuring costs incurred upon and related to acquisitions of acquired companies (principally payments to employees and certain facilities costs) and expensed immediately would not be recognisable under US GAAP, because EITF 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination", requires such costs that meet certain criteria to be treated as part of the purchase price allocation. Certain termination costs not determined on the basis of length of service or other exit costs which are not incremental to the acquired company, even if they provide a reduced economic benefit, are considered period costs which are expensed when incurred. (7) Research and Development: US GAAP, as set forth in SFAS 2, "Accounting for Research and Development Costs", requires development costs to be written-off in the year of expenditure. Under Irish GAAP, development expenditure on projects whose outcome can be assessed with reasonable certainty as to technical feasibility, commercial viability and recovery of costs through future revenues, are capitalised at cost within intangible assets. (8) Sales on Extended Credit Terms: During the period the Company made certain sales on extended credit terms. Under US GAAP, SAB 101 "Revenue Recognition in Financial Statements", a portion of such sales on extended credit terms would not be recognisable as revenue until after June 30, 2003. No similar provisions exist under Irish GAAP to preclude revenue recognition. (9) Stock- based Compensation Expense US GAAP, as set forth in SFAS 123 "Accounting for Stock-Based Compensation", and EITF 96-18 "Accounting for Equity Instruments that are Issued for Sales of Goods and Services to Other than Employees" requires stock options issued to non-employees to be valued at fair value and compensation cost to be recognised based on that fair value. Irish GAAP only requires stock options issued to employees at exercise prices which are less than the market values at the date of grant to be treated as compensation cost based on their intrinsic value. (10) Derivatives and Financial Instruments: In June 1998, the FASB issued SFAS No 133 "Accounting for Derivative Instruments and Hedging Activities". SFAS 133 requires that all derivatives be recognised on the balance sheet at fair value. Derivatives which are not hedges or where hedge correlation cannot be demonstrated must be adjusted to fair value through income. 12 TRINITY BIOTECH PLC NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 5. DIFFERENCES BETWEEN IRISH AND US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued) Under Irish GAAP, derivatives are not recognised until settled. Realised gains and losses on transactions where derivatives are used to hedge cross-currency cashflows are ultimately recorded in the income statement on settlement. As part of a managed hedging policy Trinity has entered into a series of forward contracts to sell US$ and Japanese Yen forward for Euro. These contracts were entered into by the Company to mitigate its foreign exchange risk. The principal exchange risk identified by Trinity was with respect to fluctuations in the Euro as a substantial portion of its expenses is denominated in Euro but its revenues are primarily denominated in US dollars. These forward contracts are cashflow hedging instruments whose objective is to cover this Euro mismatch. In the medium term, the Company's objective is to increase the level of non-US$ denominated revenue, thus creating a natural hedge of its non-US$ expenditure. During 2001 Trinity began documenting its hedging transactions in accordance with the requirements of SFAS 133. In the six month period to June 30, 2003 an unrealised loss of US$112,567 (June 30, 2002: gain of US$947,273) was taken to comprehensive income in respect of such contracts in accordance with the standard. During the period ended June 30, 2003 realised foreign exchange losses of US$176,560 were charged to normal administrative expenses in the Income Statement on the exercise of forward contracts under US GAAP. During the six month period ended June 30, 2002 realised foreign exchange gains of US$320,429 were credited to normal administrative expenses in the Income Statement on the exercise of forward contracts. At June 30, 2003 contracts with a fair value of US$779,611 exist which the Company anticipates will be reclassified into earnings from comprehensive income on the exercise of forward contracts. The last of the Company's forward contracts in existence at June 30,2003 will expire in March 2004. CUMULATIVE EFFECT ON June 30 December 31 SHAREHOLDERS' EQUITY 2003 2002 US$ US$ (as restated) Total shareholders' equity before minority interests under Irish GAAP 70,187,578 62,537,284 US GAAP adjustments: Goodwill - Gross 21,776,683 21,776,683 - Aggregate amortization (10,562,255) (11,412,266) Share capital not paid (375,820) (260,203) Adjustment for sale and leaseback (836,616) (861,968) Adjustment for research and development costs (2,805,260) (2,327,444) Adjustment for fair value of derivative instruments 779,611 1,068,738 Adjustment for sales on extended credit (164,842) -- Deferred tax 530,187 423,444 --------------- --------------- Shareholders' equity under US GAAP 78,529,266 70,944,268 --------------- --------------- 13 TRINITY BIOTECH PLC NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 5. DIFFERENCES BETWEEN IRISH AND US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued) Restatement In December 2003, Trinity filed a restated Form 20-F/A restating its financial statements for 2002, 2001 and 2000. Consequently Trinity has restated the prior year comparatives contained in this document where applicable. Details of the nature of the adjustments to the original reported numbers can be found in the restated Form 20-F/A. EFFECT ON NET PROFIT June 30 June 30 2003 2002 (as restated) US$ US$ Profit on ordinary activities after taxation under Irish GAAP 3,326,515 2,338,360 US GAAP adjustments: Goodwill amortisation 850,011 1,111,738 Adjustment for sale and leaseback 25,352 25,352 Adjustment for restructuring costs -- (1,205,637) Adjustment for research and development costs (477,816) (224,767) Adjustment for sales on extended credit (164,842) -- Adjustment for fair value on derivative instruments (176,560) 320,429 Deferred tax 106,743 392,670 --------------- --------------- Profit under US GAAP 3,489,403 2,758,145 --------------- --------------- Profit under US GAAP, as previously stated 3,132,962 Impact of restatements from Irish GAAP (Note 1) (21,923) Deferred tax (ii) (68,785) Fair value of financial instruments (iii) (199,166) Licence and patent amortisation (iv) (69,443) Goodwill (v) (15,500) --------------- Profit under US GAAP, as restated 2,758,145 Profit per ordinary share (US$) 0.08 0.07 Diluted profit per ordinary share (US$) 0.08 0.07 Weighted average number of ordinary shares used in computing basic earnings per ordinary share 42,051,362 40,496,198 Diluted weighted average number of ordinary shares used in computing diluted profit per ordinary share 46,903,502 41,051,754 (ii) - (v) See footnotes on pages 15 and 16 14 TRINITY BIOTECH PLC NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 5. DIFFERENCES BETWEEN IRISH AND US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued) CONSOLIDATED

STATEMENTS OF COMPREHENSIVE INCOME June 30 June 30 2003 2002 (as restated) US$ US$ Profit under US GAAP 3,489,403 2,758,145 Translation adjustment 237,570 282,648 Fair value of derivative instruments (112,567) 947,273 --------------- --------------- Total Comprehensive Income 3,614,406 3,988,066 --------------- --------------- Total Comprehensive Income, as previously stated 3,482,610 Impact of restatements from Irish GAAP (Note 1) (21,923) Translation adjustment (i) (67,000) Deferred tax (ii) (68,785) Fair value of financial instruments (iii) 748,107 Licence and patent amortisation (iv) (69,443) Goodwill (v) (15,500) --------------- Total Comprehensive Income, as restated 3,988,066 CHANGES IN US GAAP EQUITY FOR THE PERIOD FROM JANUARY 1, 2003 TO JUNE 30, 2003 US$ US GAAP Shareholders' Equity at January 1, 2003 70,944,268 Net profit for the period 3,489,403 'A' shares issued for conversion of debenture 3,500,000 Options exercised 530,674 Share issue expenses (2,474) Share capital not paid (115,617) Stock compensation - additional paid in capital 58,009 Other comprehensive income Translation adjustment 237,570 Fair value of derivative instruments (112,567) --------------- US GAAP Shareholders' Equity at June 30, 2003 78,529,266 --------------- (i) The cumulative and annual effects of the restatement for translation adjustment arising on consolidation of non-US$ functional subsidiaries are excluded from the effect on Total Comprehensive Income, as the effect on net income is matched by a corresponding effect on the translation adjustment reserve. (ii) The restatement corrects the deferred taxation effect on net income and Shareholders' Equity and Total Other Comprehensive Income to incorporate the appropriate tax rates for the deferred tax impact on reconciling items and the allocation of the restatement items to the appropriate period under US GAAP. 15 TRINITY BIOTECH PLC NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 5. DIFFERENCES BETWEEN IRISH AND US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued) (iii) The Company has corrected its calculation of the fair values of forward contracts at June 30, 2002 to take account of an exchange rate error in the exchange rates used by the Company at June 30, 2002 to the official rate; and to reclassify the fair value of certain forward contracts that were entered into after the formalisation of the Company's hedge documentation, to Shareholders' Equity from Income. (iv) The Company has amended the US GAAP adjustment for goodwill amortisation to correctly include amortisation on licence and patent assets in determining net income under US GAAP. (v) The Company has corrected an error in the calculation of the goodwill to be excluded in determining net income under US GAAP. 16 Signatures Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised. TRINITY BIOTECH PLC /s/ Rory Nealon -------------------- Rory Nealon Chief Financial Officer December, 2003 17