Brilliance in photodynamic technology ™

Photocure ASA

The world leader in photodynamic technology

Presentation of fourth quarter 2010 results

17 February 2011

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Highlights

- Signed partnership agreement with Salix for Lumacan®
- Hexvix® end user sales up by 31% in the quarter & 32% for the full year 2010
- Fourth quarter:
  - Sales revenues NOK 20.9 million (15.0) & total revenues 44.3 million (15.0)
  - Operating loss NOK 19.7 million (NOK 26.9 million)
- Full year 2010:
  - Sales revenues NOK 70.5 million (51.5) & total revenues 177.4 million (51.5)
  - Operating profit NOK 7.5 million (NOK -75.9 million)
- Cash & cash equivalents of NOK 389.2 million per 31 December 2010
- Positive results from clinical study for Cevira® in January
- Positive results from consumer trial for Allumera™ in February

Financials

Profit & Loss

Fourth quarter and full year 2010

- Sales revenue:
  - Up 34% in Q4
  - Up 25% in 2010
  - Reclassified deferred payments and API sales from other income to sales revenue from Q4 2010. 2009 figures adjusted accordingly.
- Signing fee in Q4 includes NOK 23.4 million from Salix
- Other comprehensive income relates to changes in value of shareholding in PCI Biotech

Numbers in NOK million	Q4 2010	Q4 2009	FY 2010	FY 2009
Sales revenue	20.9	15.0	70.5	51.5
Signing fee & milestone revenues	23.4	0.0	106.8	0.0
Total revenues	**44.3**	**15.0**	**177.4**	**51.5**
R&D expenses	37.9	25.9	90.2	73.8
Marketing & sales expenses	10.5	8.0	35.4	25.0
Business development & admin	10.2	10.7	33.9	25.3
Operating profit/ loss (EBIT)	**(19.7)**	**(26.9)**	**7.5**	**(75.9)**
Net financial items	2.9	1.3	10.6	2.5
Discontinued operations	0.0	3.3	0.0	385.8
Net profit/ (loss)	**(16.7)**	**(22.2)**	**18.1**	**312.4**
Other comprehensive income	12.2	3.1	40.9	4.2
Comprehensive income	**(4.6)**	**(19.1)**	**59.0**	**316.6**

- Divestment of Metvix/ Aktilite changed the earnings profile significantly
- 2009 accounts have been adjusted for discontinued operations.

Balance sheet – assets

- NOK 389.2 million in cash & cash equivalents at 31.12.2010
- Milestone payment of EUR 10 million from GE Healthcare was received in Q4
- Other investments per 31.12.2010 includes:
  - NOK 69.9 million in shares in PCI Biotech
  - Deferred revenue from sale of Metvix/Aktilite

Numbers in NOK million	31.12.2010	30.09.2010	31.12.2009
Intangible assets, software	0.5	0.5	0.4
Machinery & Equipment	1.5	1.7	1.8
Other investments	84.3	69.4	14.6
Total non-current assets	**86.2**	**71.7**	**16.7**
Inventory	18.2	19.2	13.8
Receivables	20.2	98.3	22.8
Cash & cash equivalents	389.2	310.9	403.5
Total current assets	**427.7**	**428.3**	**440.1**
Total assets	**513.8**	**500.0**	**456.9**

Balance sheet - equity & liabilities

- Shareholder's equity of NOK 458.9 million
- Other paid-in capital includes own shares of NOK 37.5 million per 31.12.2010
- Equity ratio of 89%
- No interest bearing debt

Numbers in NOK million	31.12.2010	30.09.2010	31.12.2009
Share capital	11.0	11.0	11.0
Other paid-in capital	72.1	77.9	88.2
Retained earnings	375.7	380.1	316.6
Shareholders' equity	**458.9**	**469.1**	**415.8**
Long-term liabilities	0.7	0.6	0.3
Current liabilities	54.3	30.3	40.7
Total liabilities	**55.0**	**30.9**	**41.1**
Total equity and liabilities	**513.8**	**500.0**	**456.9**

Cash Flow

Fourth quarter and full year 2010

- Net change in cash NOK 78.4 million in Q4 2010
- Positive net cash flow from operations in 2009 and 2010

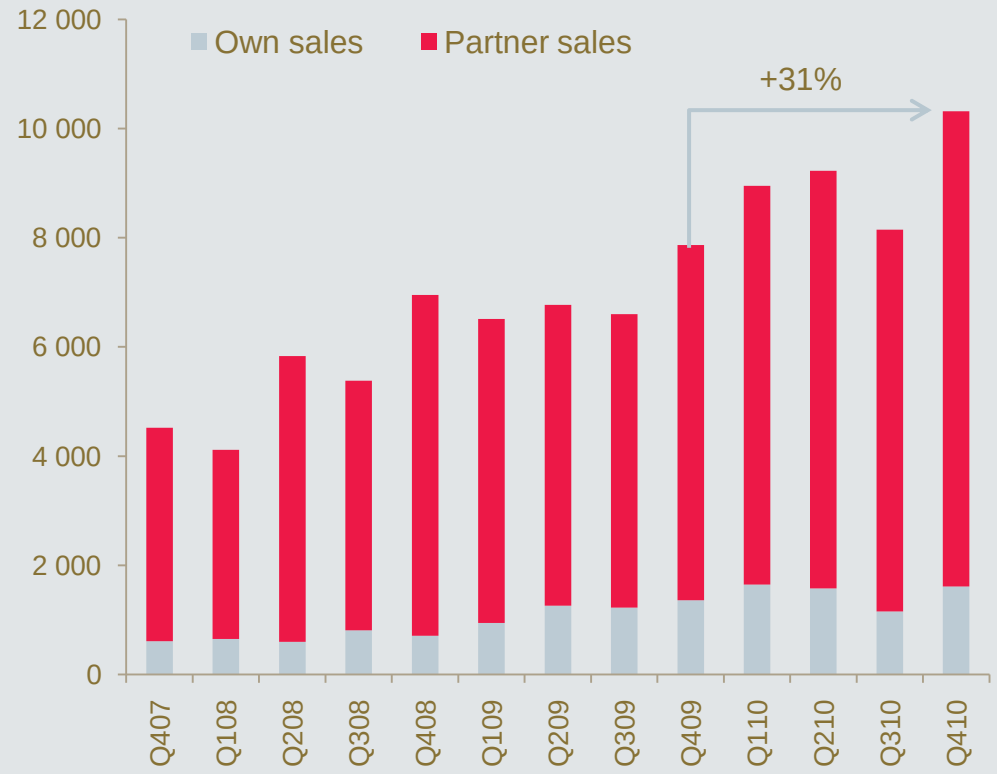
Numbers in NOK thousand	Q4 2010	Q4 2009	FY 2010	FY 2009
Profit/ loss before tax	(16.7)	(22.2)	18.1	312.4
Depreciation and amortisation	0.5	0.3	1.3	1.5
Share-based compensation	1.8	0.7	5.5	3.5
Net interests	(2.6)	(2.9)	(10.1)	(9.3)
Write down financial assets	0.0	0.0	0.0	4.2
Changes in working capital	102.1	389.9	11.8	7.9
Other operational items	(2.4)	(2.9)	(11.0)	(2.7)
Net cash flow from operations	**82.6**	**362.8**	**15.6**	**317.4**
Cash flow from investments	3.3	4.4	(8.3)	10.1
Cash flow from capital transactions	(7.6)	(103.9)	(21.5)	(103.9)
Net change in cash	**78.4**	**263.2**	**(14.3)**	**223.6**
Cash & cash equiv. start of period	310.9	140.3	403.5	179.9
Cash & cash equiv. end of period	**389.2**	**403.5**	**389.2**	**403.5**

Operational Update

Hexvix - Europe

Key sales figures

Hexvix units sold per quarter



Unit sales Nordic (Own sales):

- Q4: +19% to 1.614 units
- 2010: +25% to 5.991 units
- 27% market share
- 14% growth in equipment placement

Unit sales outside Nordic (Partner sales):

- Q4: +34% to 8.702 units
- 2010: +33% to 30.646 units

Continue growth in Europe

- Germany and France largest markets, accounting for ~80% of volume
- Double digit growth in Germany, France, Italy, Austria and Netherlands
- Expert endorsement recommends broader use

Cysview - USA

- FDA approved Hexvix in May 2010 under the tradename Cysview
- GE Healthcare and Karl Storz introduces Cysview/ blue light scopes
  - Identified high potential hospital accounts for targeting
  - Training of sales force completed
  - 13 experience centres in process of being set up
  - Formulary Committee reviews in process
  - Capital reviews for scope purchases in process
- Karl Storz is working to secure approval from FDA for improved blue light system

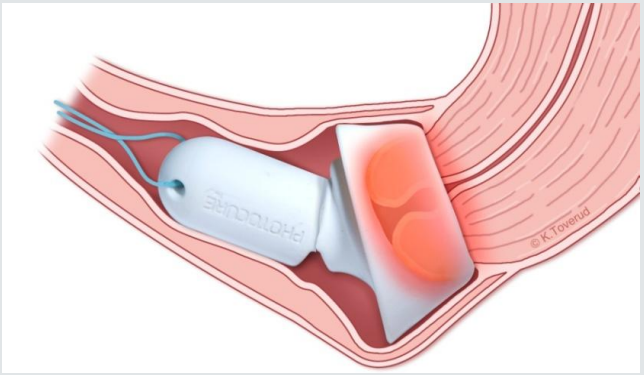
Hexvix/Cysview – way forward

- Support GE Healthcare in their efforts to increase sales of Hexvix/Cysview
  - Germany; Continue momentum in hospital and work on office segment
  - France; Train more clinics and communicate clinical benefit
  - Italy; Work to secure reimbursement on a national level
  - UK; Work to secure approval of Hexvix use in each Health Trust
  - US; Start selling to new accounts as they get cystoscopes from Karl Storz installed
- Continue momentum in Nordic region by eliminating logistics issues between hospital departments
- Increase collabration with scope manufactures to ensure timely equipment placement and service
- Disseminate positive recurrence data

Cevira

Treatment of HPV & pre-cancerous lesions in cervix

- Final results from phase IIa study reported:
  - Double blind placebo-controlled multicenter in 5 countries in Europe
  - Complete response of intracervical lesions in 57% of patients in trial vs. 25% placebo (histology and cytology)
  - Cevira well tolerated with no serious or severe side effects reported
- Market research confirms:
  - High demand from gynaecologists for treatment of low grade dysplasia and HPV infections
  - Positive feedback to reimbursement from private payors in the US
- US FDA granted permission to start phase II clinical studies in the US
  - Study with integrated drug-delivery device planned to start in Q2 2011



The Cevira drug-delivery system applied to the cervix

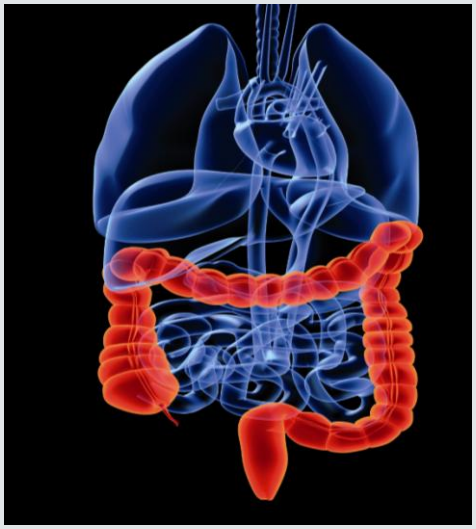
Cevira non-surgical treatment:

- Simple to use, quick, non-invasive procedure
- Preserves normal tissue
- Improved device worn internally, disposed by patient
- Increased patient comfort, less traumatic therapeutic experience

Lumacan

Improved detection of Colorectal Cancer

- Lumacan licenced to Salix in October 2010
  - Exclusive worldwide license - excluding the Nordic region
  - Development, registration and commercialisation
  - Signing fee of USD 4 million and milestone payments of up to USD 126.5 million
  - Royalties on net sales in US and a percentage of all sublicense revenue worldwide outside the US
  - Photocure to cover formulation development costs up to USD 3 million
- Excellent partner with successful expertise and experience in developing and marketing products for gastrointestinal diseases



Lumacan: Photodynamic colorectal diagnosis

- Increases detection rate for colon cancer
- Fluorescence diagnosis - used as adjunct to standard white light colonoscopy

Colorectal Cancer 3rd most commonly diagnosed - and 2nd most deadly cancer worldwide* with 500,000 new cases each year in the US and EU combined

*Source: NCI Survey of Colon Cancer Practices

US Dermatology Formation

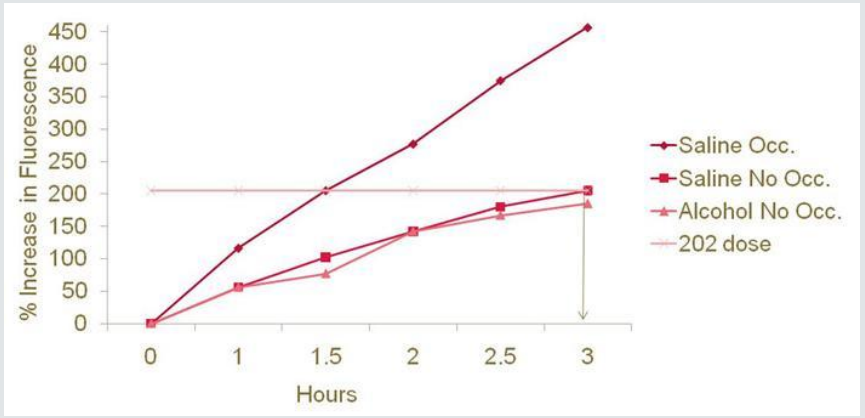
Preparing Allumera launch

- Positive results from 5 months consumer trial, RevitAll™
  - Significant improvement in objective and subjective measures
- Cosmetic trial program to support launch (GLOW)
- Significant interactions with Key Opinion Leaders in dermatology
- Recent market research confirm market need for Allumera as a cosmetic product with limited downtime
- Launch in the US planned for Q2

Expanding Dermatology Franchise

Develop Visonac® for treatment of acne

- Recent market research confirm the need for a novel topical treatment in more severe acne where systemic treatments is standard treatment.
- Positive feedback for use of occlusion combined with acceptable incubation time.
- Recent clinical trial documented the need for occlusion to establish efficacy with acceptable incubation time.
- Plan to start phase IIb study in the US in Q2 2011



Summary & Outlook

Following our strategic path

- Photocure's main strategic objective is to build a specialty pharma company, by
  - Maximising the potential of the **Photodynamic Technology Platform**, and
  - Develop, register and commercialise new products in **Dermatology** and **Cancer**

- Dermatology
  - Develop own PDT-based products
  - Establish own distribution platforms

  ⇨ Successful consumer trial Allumera
  Established US subsidiary
  Continue development of Visonac

- Cancer
  - Out-license before phase III
  - Retain rights to market in selected areas

  ⇨ Out-licensed Lumacan to Salix outside Nordic
  Positive results from phase IIa study in Cevira
  Drive growth of Hexvix/Cysview

Summary and milestones

- **Sales:**
  - Sales revenues +34% in the quarter and +25% for 2010
  - Hexvix end-user sales in units +31% in the quarter and +32% for 2010
- **Corporate development in line with strategy:**
  - Signed license agreement with Salix for **Lumacan** in October
  - Established US subsidiary – hired key personnel
- **Development programs:**
  - **Cevira:** Positive final results from phase I/II study, plan to start phase IIb study in Q2 2011
  - **Visonac:** Plan to start phase IIb study in Q2 2011
  - **Allumera:** Successful results from consumer trial, launch planned for Q2 2011