



PhotoCure ASA

Full Year Results

2004

24th of February 2005



Increased revenues

- Metvix® revenues up by 58 %
- Metvix tubes increased 114 %
- Metvix launched in Italy, Belgium, Australia and Switzerland
- Milestone 3 million euro for AK in USA



Continued investment in R&D

- Hexvix® approval in Sweden
- Hexvix MRP application in 26 EU/EEA countries
- Hexvix program for USA initiated
- Metvix studies in Bowens and transplant patients continues
- Metvix studies in acne initiated
- Exploratory projects in bladder cancer, colon cancer and cervix cancer
- PCI Biotech – new preclinical studies



Financial Statements



Revenues increased 37 % from 2003

	2004	2003	2002
Sales revenues	36 855	23 380	10 892
Signing- and milestone revenues	40 954	31 774	14 331
Other revenues	4 597	5 150	3 486
Total revenues	82 406	60 304	28 709
Cost of Goods Sold	13 066	9 514	5 832
Salaries	34 684	27 756	18 795
Depreciation	1 530	1 677	1 269
External R&D	31 718	38 377	77 300
Other expenses	41 671	36 635	35 039
Total expenses	122 669	113 959	138 235
Operating profit	-40 263	-53 655	-109 526
Net finance	-4 462	10 888	13 521
Profit after tax	-44 725	-42 767	-96 005
Cash flow from operations	-47 103	-70 506	-50 906
Liquid funds, end of period	137 952	185 845	249 503



Financial statements

– profit & loss 4th quarter (group)

Three months ended			2004	2003
31.12.04	31.12.03		01.01 - 31.12	01.01 - 31.12
8 935	7 379	Sales revenues	36 855	23 380
3 908	3 908	Signing fee and milestone revenues	40 954	31 774
1 062	2 015	Other operating revenues	4 597	5 150
13 906	13 302	Operating revenues	82 406	60 304
2 307	1 976	Cost of products sold	13 066	9 514
11 599	11 326	Gross profit	69 340	50 790
13 883	8 017	Payroll expenses	34 684	27 757
9 476	12 521	External R&D	31 718	38 377
398	401	Ordinary depreciation	1 530	1 677
9 176	8 847	Other operating expenses	41 671	36 635
32 934	29 786	Total operating expenses	109 603	104 446
-21 334	-18 460	Operating income/-loss	-40 263	-53 655
1 155	2 078	Financial income	4 687	14 014
7 296	692	Financial expense	9 149	3 126
-6 141	1 386	Net financial income	-4 462	10 888
-27 475	-17 074	Income/-loss before tax	-44 725	-42 767
-	-	Tax expenses	-	-
-27 475	-17 074	Net income/-loss	-44 725	-42 767
-65	-109	Incl. minority interests in the amount of	-284	-441
-1,56	-0,97	Net loss per share (1)	-2,54	-2,44

(1) Calculation based on average weighted number of shares outstanding.



Financial statements

- balance sheet (group)

	31.12.2004	31.12.2003
Plant & equipment	2 080	3 222
Financial fixed assets	1 750	7 832
Inventory	17 533	23 167
Receivables	16 146	13 336
Securities	111 219	170 309
Cash & cash equivalents	26 733	15 536
Total assets	175 460	233 402
Shareholders' equity	87 534	131 897
Long term liabilities	13 219	13 519
Current liabilities	74 707	87 986
Total shareholders' equity and liabilities	175 460	233 402



Financial statements

- cash flow statement (group)

	2004	2003	2002
Cash used in operating activities	-47 103	-70 506	-50 906
Cash used in investing activities	-387	-1 427	-8 906
Cash used/provided in financing activities	-403	8 275	4 137
Net increase (decrease) in cash	-47 893	-63 658	-55 675
Cash & cash equivalents at the beginning of period	185 845	249 503	305 178
Cash & cash equivalents at the end of period	137 952	185 845	249 503



Financial statements

– comments 4th quarter 2004

- Metvix sales revenue increased 21 % vs Q4 2003
- One time costs
 - Compensation to former CEO – NOK 6.4 million
 - Writedown of shares in Algeta AS – NOK 6.25 million
- Equity ratio 50 % at 31.12.2004
- Cash & cash equivalents at 31.12.2004 – NOK 138 million

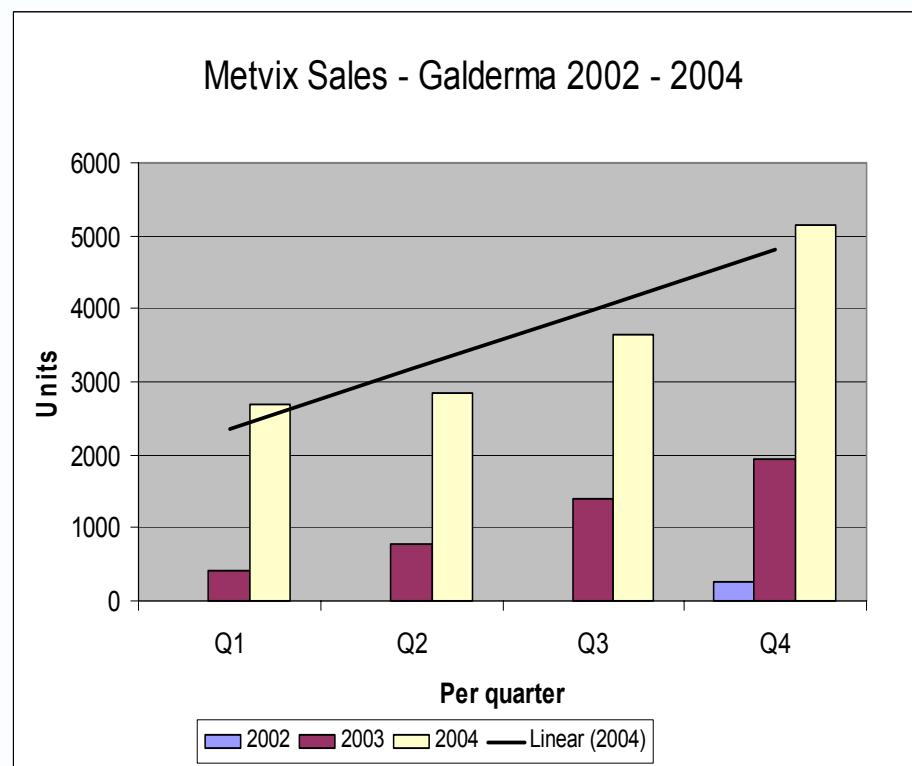
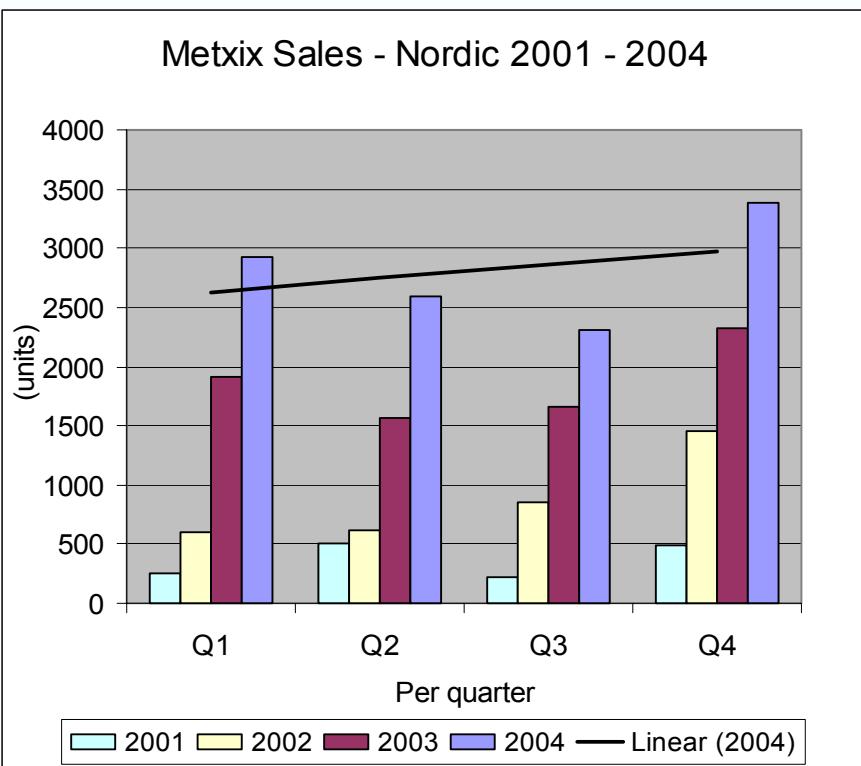


Metvix®



Metvix

– sales in units increased 114 % in 2004



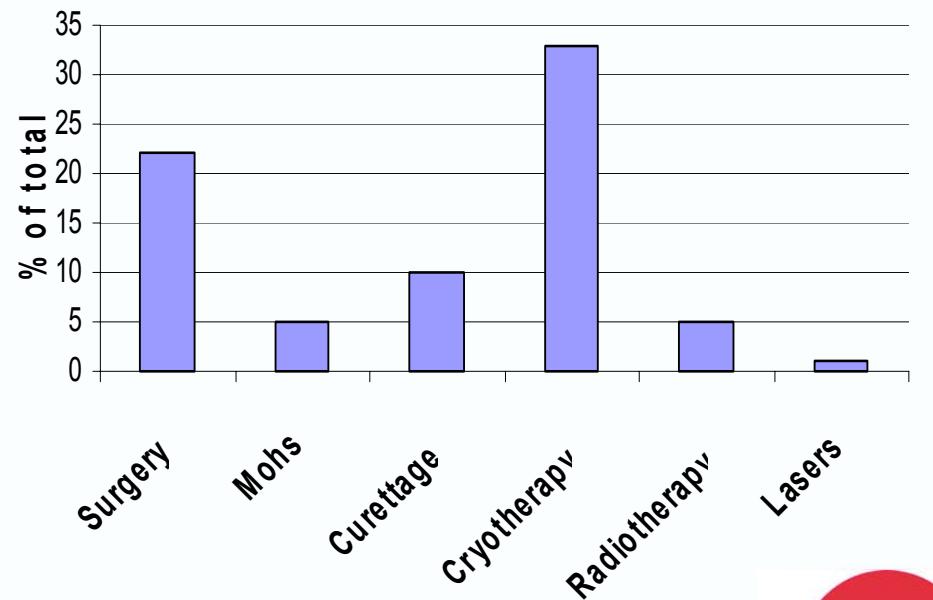
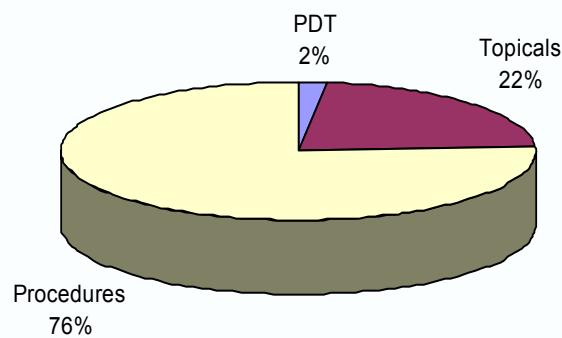
Metvix – expanding the commercial potential

- Approval for AK in US
 - Review of light device issues ongoing – will apply for Aktilite® in US
- Non approval NDA for BCC indication in December 2004
 - Initiated discussions with FDA regarding new clinical studies
- New indications in non-melanoma skin cancer (NMSC)
 - Treatment and prevention of skin cancer and AK in immune suppressed organ transplant patients
 - Treatment of Bowen's disease
- Acne proof-of-concept study initiated
- Galderma launched in Italy, Belgium, Australia and Switzerland in 2004

Metvix

– treatments in skin cancer (NMSC)

- Surgical procedures are standard treatment in NMSC
- Cryotherapy & surgery are coded & reimbursed

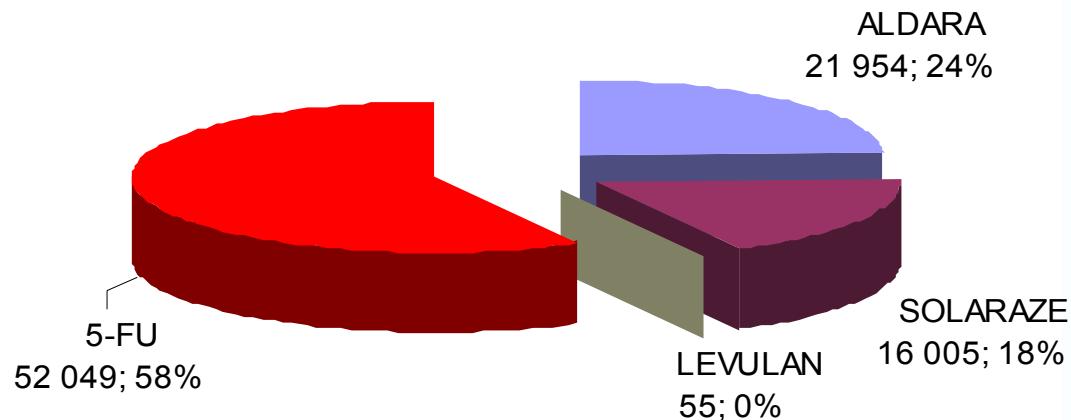


Metvix

– topical treatment increasing 25 %

WORLDWIDE NMSC MARKET in \$

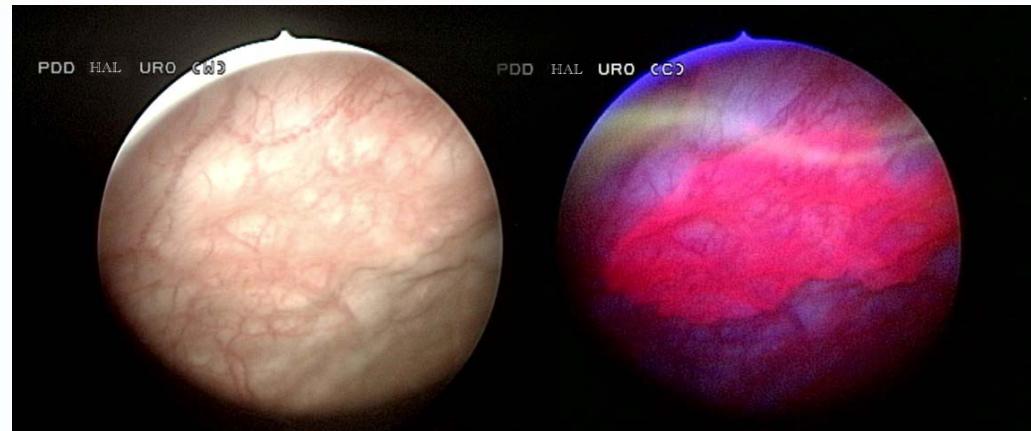
\$91 M, +25%



- Metvix not included in IMS market figures
- Metvix sold for over \$ 6 million ~ 6 % market share



Hexvix® – a breakthrough in bladder cancer diagnosis



Hexvix

– key milestones reached in 2004

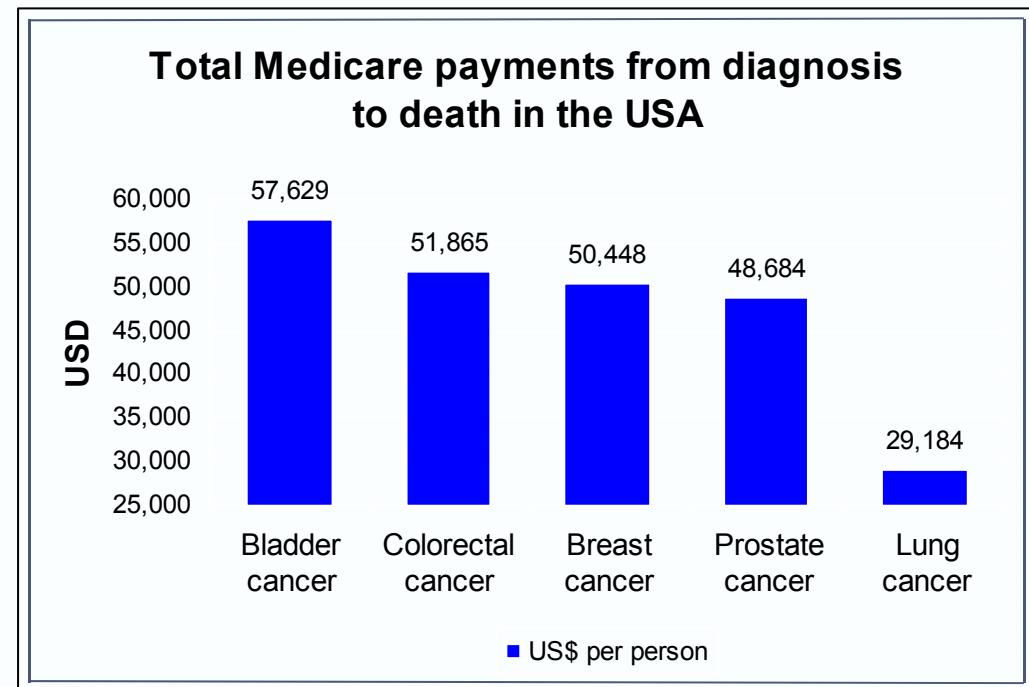
- Europe
 - Approved in Sweden
 - Initiated MRP procedure in 26 EU/EEA countries
- USA
 - New Drug Application (NDA) on EU/CIS data
 - Pre NDA meeting Dec 2004 – FDA accepted to review clinical data
 - Agreed final clinical development plan with FDA on papillary tumors
 - Phase III studies initiated



Hexvix

– bladder cancer market

- Newly diagnosed patients, annually
 - Europe 127 000
 - US 67 000
 - ROW ~150 000
 - TOTAL ~344 000
- Related to smoking, exposure to carcinogens
- Third most prevalent cancer
- Most expensive cancer to treat



Source: Riley GF et al., Med Care 1995; 33(8):828-841

Hexvix

– cystoscopies used in bladder cancer

- First cystoscopy: 1/3 patients diagnosed with bladder cancer
- After confirmed diagnosis, patients will be followed up for years
- Within five years 50-70% of BC patients have one or more recurrences
- Estimated 3.8 million cystoscopies per year in Europe and North America

Cystoscopies per bladder cancer patient:

Year 1: 4x/year

Year 2: 3x/year

Year 3,4: 2x/year

Year 5-10: annually

i.e. 17 times first 10 years (some more some less)

+ 3 cystoscopies for every initial cystoscopy

= 20 cystoscopies for every new patient with bladder cancer

Hexvix

– ready for launch!

- Improved detection of
 - More lesions in patients with flat (CIS) and papillary lesions
 - More patients with cancer
- Improved patient management
- Health economic cost savings at current price (SEK 3884)
- Quality of life is improved due to fewer surgical procedures (TURB)

"Hexvix – the platinum standard in detection of bladder cancer"

Professor Witjes, University of Nijmegen, The Netherlands



PCI Biotech AS



PCI Biotech –preclinical proof-of-concept

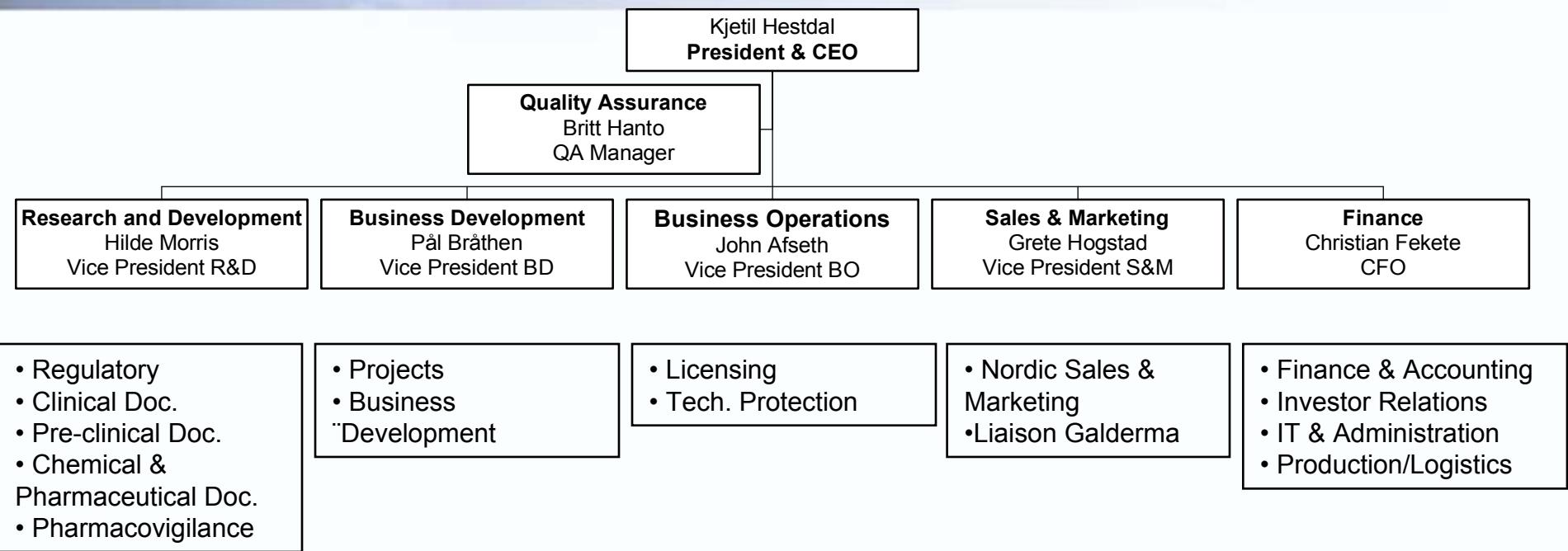
- PCI proven preclinical efficacy *in vitro* and *in vivo*
 - Enhanced efficacy of well known anti-cancer drug
 - Enhanced efficacy in gene therapy
- Strong patent protection in 4 patent families
 - PCI method of use
 - PCI alternative use
 - PCI in gene therapy
 - PCI new photosensitiser
- Pilot production of new active substance



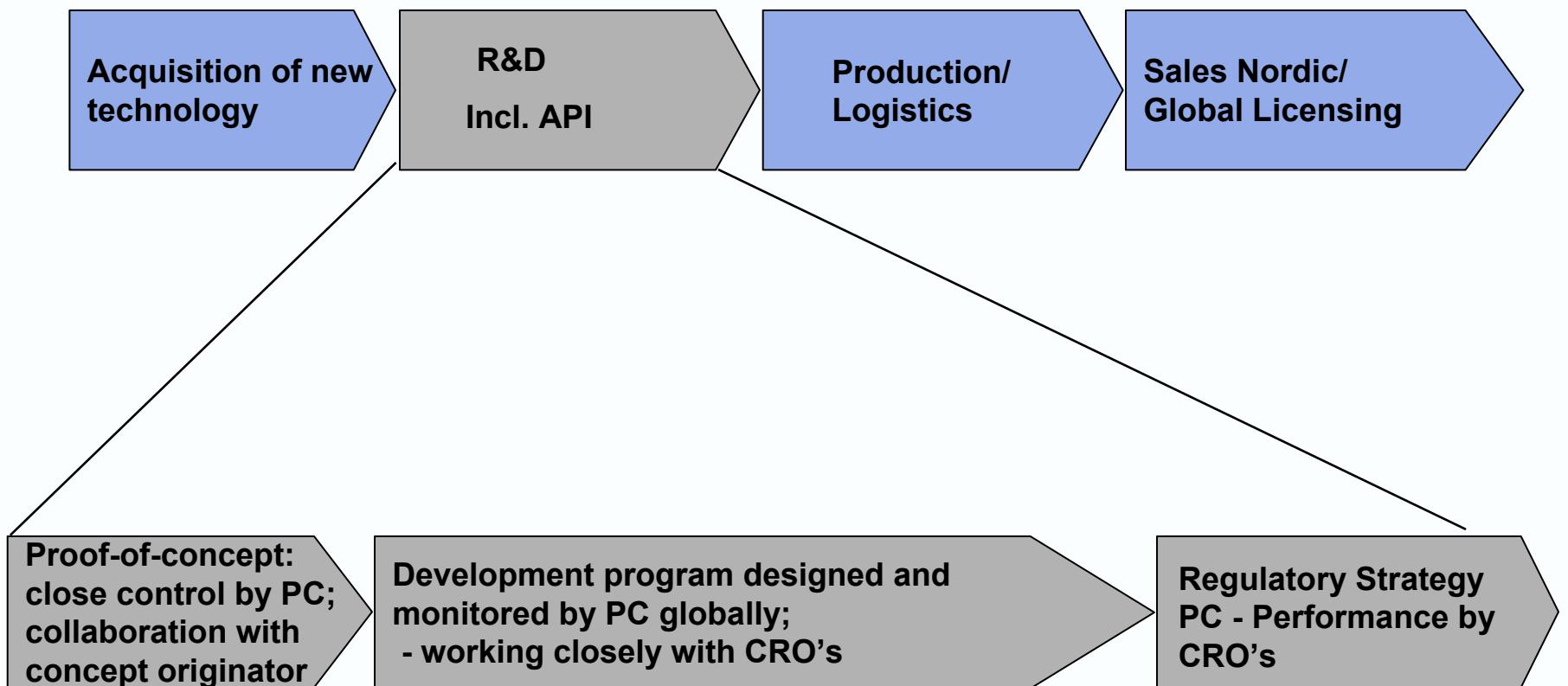
Strategy and business update



New and strengthened management



PhotoCure focuses on R&D in the value chain



Strong IP position with 12 patent families

Patent Family	Priority Date
1) ALA –esters	March/December 1995
2) Mucoformulations	July 2000
3) ALA Esters II	July 2000
4) ALA hexyl Esters	April 1998
5) Design patent – lamp	December 2001
6) Medical PDT lamp	June 2001
7) Skin Preparation	May 2001
8) Design Patent Trolley	December 2002
9) Azelaic acid esters	November 2001
10) New Salts of ALA/ALA Esters	March 2004
11) PDT and Acne	November 2004
12) Protein-binding drugs	September 2003

Not including PCI Biotech patent families



Industry trends in photodynamic therapy

- Most companies are developing systemic photosensitizers combined with laser light sources
- In US, "combination product" regulation forces development of specific drug-device combinations
- Mostly oncologic indications, but also other indications where PDT is being tested



PhotoCure is well positioned for the industry trends



Strategic and operational goals

- **Continue investing in Metvix**
 - Galderma will launch in new countries
 - Seek Aktilite approval in US
 - Start BCC studies to support US NDA
 - Expand in NMSC indications
 - Initiate Acne program
- **Launch Hexvix**
 - Complete MRP procedure in EU/EEA countries
 - Launch in Nordic countries
 - File NDA in US
 - Secure licencing partner
- **Solve patent dispute with DUSA**
- **Investigate other indications where PDT is favourable**

