



Brilliance in photodynamic technology TM

Photocure ASA

Full Year - 2006

28 February 2007

Kjetil Hestdal, President & CEO and Christian Fekete, CFO



Highlights 2006

Hexvix commercialisation gaining momentum

- Licensing agreement with GE Healthcare
- Hexvix introduced in Europe

Increased sales of Metvix

- Metvix revenue increased 42% in 2006 to MNOK 51.6
- Metvix launched in Brazil and Latin America
- Metvix approved in France
- Metvix approved for Bowen's disease in EU

Important milestones reached in R&D

- First phase II study in acne completed and IND opened
- Started phase I/II study in detection of colon cancer
- Started phase I/II study in treatment of premalignant lesions in cervix
- Patent granted on Amphinex for PCI Biotech
- Two clinical phase III Metvix/Aktelite studies completed in Feb 07



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Financial statements

Financial statements

- profit & loss 4Q and 2006 (group)



- Revenues of MNOK 98.5 in Q4 and MNOK 210.3 in 2006
- Net profit of MNOK 54.5 in Q4 and MNOK 84.7 in 2006

			2006	2005	2004
Q4 2006	Q4 2005		1.1-31.12	1.1-31.12	1.1-31.12
22 154	13 012	Sales revenues	61 667	38 007	36 855
76 363	3 908	Signing fee and milestone revenues	148 653	15 634	40 954
98 517	16 921	Total revenues	210 320	53 641	77 809
-10 789	-3 535	Cost of products sold	-22 251	-13 430	-13 066
87 729	13 386	Gross profit	188 070	40 211	64 743
1 132	1 033	Other income	5 690	15 235	4 597
-12 322	-5 957	Payroll expenses	-35 539	-29 369	-35 282
-11 290	-9 609	R&D expenses	-38 200	-38 238	-31 718
-460	-224	Ordinary depreciation & amortisation	-1 335	-1 125	-1 530
-12 757	-12 390	Other operating expenses	-40 344	-33 966	-41 671
52 032	-13 761	Operating profit/loss(-)	78 342	-47 252	-40 860
2 501	389	Net financial profit/loss(-)	6 389	8 778	-4 462
54 533	-13 372	Net profit/loss(-)	84 730	-38 474	-45 322
-78	-47	Incl. minority interests in the amount of	-352	-264	-290
2.47	-0.76	Net income/loss(-) per share, basic	3.98	-2.19	-2.58
2.47	-0.76	Net income/loss(-) per share, diluted	3.97	-2.18	-2.58

Financial statements

- segment information Q4 (group)



- Sales revenues increase 70% to MNOK 22.1 in Q4

Income statement - geographical distribution

(Amounts in NOK 1000)	4Q06				4Q05			
	Nordic	ROW	Un-allocated	Total	Nordic	ROW	Un-allocated	Total
Sales revenue	7 620	14 535		22 154	6 266	6 747	0	13 013
Milestone revenue	0	76 363		76 363	0	3 908	0	3 908
Total revenues	7 620	90 898	0	98 517	6 266	10 655	0	16 921
Cost of goods sold	1 782	6 585	2 421	10 789	867	2 668	0	3 535
Gross profit	5 837	84 312	-2 421	87 729	5 399	7 987	0	13 386
Gross profit %	77 %	93 %		89 %	86 %	75 %		79 %
Operating expenses	8 082	2 536	25 079	35 697	5 302	0	21 845	27 147
Operating profit	-2 244	81 776	-27 500	52 032	97	7 987	-21 845	-13 761
Net finance	0	0	2 501	2 501	0	0	389	389
Profit before tax	-2 244	81 776	-24 999	54 533	97	7 987	-21 456	-13 372

Sales revenues - product split

(Amounts in NOK 1000)	4Q06			4Q05		
	Nordic	ROW	Total	Nordic	ROW	Total
Metvix/Aktilete	7 185	9 685	16 870	5 317	6 655	11 972
Hexvix	434	4 850	5 284	749	92	841
Other	0	0	0	200	0	200
Total	7 620	14 535	22 154	6 266	6 747	13 013

Financial statements

- segment information 2006 (group)



- Sales revenues increase 62% to MNOK 61.7 in 2006

Income statement - geographical distribution

(Amounts in NOK 1000)	2006				2005			
	Nordic	ROW	Un-allocated	Total	Nordic	ROW	Un-allocated	Total
Sales revenue	22 028	39 639	0	61 667	17 155	20 853	0	38 007
Milestone revenue	0	148 653	0	148 653	0	15 634	0	15 634
Total revenues	22 028	188 292	0	210 320	17 155	36 487	0	53 641
Cost of goods sold	3 257	16 572	2 421	22 251	2 682	6 897	3 852	13 430
Gross profit	18 771	171 720	-2 421	188 070	14 473	29 590	-3 852	40 211
Gross profit %	85 %	91 %		89 %	84 %	81 %		75 %
Operating expenses	21 681	5 536	82 511	109 728	15 159	0	72 304	87 463
Operating profit	-2 910	166 184	-84 932	78 342	-686	29 590	-76 156	-47 252
Net finance	0	0	6 389	6 389	0	0	8 778	8 778
Profit before tax	-2 910	166 184	-78 543	84 730	-686	29 590	-67 378	-38 474

Sales revenues - product split

(Amounts in NOK 1000)	2006			2005		
	Nordic	ROW	Total	Nordic	ROW	Total
Metvix/Aktlite	19 948	31 606	51 553	16 000	20 396	36 396
Hexvix	2 080	8 033	10 113	954	457	1 412
Other	0	0	0	200	0	200
Total	22 028	39 639	61 667	17 155	20 853	38 007

Financial statements

- balance sheet 31.12.2006 (group)



- Cash and cash equivalents of MNOK 335 per 31.12.2006
- Total equity of MNOK 327 per 31.12.2006

Figures in NOK 1,000	2006 31.12	2005 31.12
Intangible assets	780	0
Machinery & equipment	2 178	2 708
Inventory	9 784	12 943
Receivables	27 595	17 725
Cash & cash equivalents	335 085	72 329
Total assets	375 423	105 704
 Total equity	 326 935	 48 465
Long-term liabilities	-	300
Current liabilities	48 488	56 939
Total equity & liabilities	375 423	105 704



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Hexvix[®]

- a breakthrough in bladder cancer diagnostics

Hexvix

- achievements 2006



- Licensed to GE Healthcare
- Recommended in new European guidelines
- Introduced in Germany, Austria, France, Spain, Portugal and the UK.
- Established price of € 400 per kit

HEXVIX[®]
HEXAMINOLEVULINATE

Hexvix

- bladder cancer market



Market Factors

- Increasing percentage of population that are elderly (bladder cancer is most prevalent in men aged >65)
- 5th most common cancer type ³
- Frequent recurrences (50-70%) ¹
- Most expensive cancer per patient (\$96-187K) ^{2,3}
- High mortality (> 50%) of advanced disease

1 Heney NM, et al. Superficial bladder cancer: Progression and recurrence. J Urol 1983;130:1083-6.

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

3 Botteman MF et al. Pharmacoeconomics. 2003;21(18):1315-30.

Hexvix

- a unique market position



Differentiation

Hexvix is the only product of its kind. Hexvix cystoscopy detects 67% more lesions and 30% more patients than white light cystoscopy - allowing for better patient management.

Market

Hexvix is competing in the TURB market, growing at 4.1% year. The TURB market will increase in line with incidence and prevalence of bladder cancer.

Goals

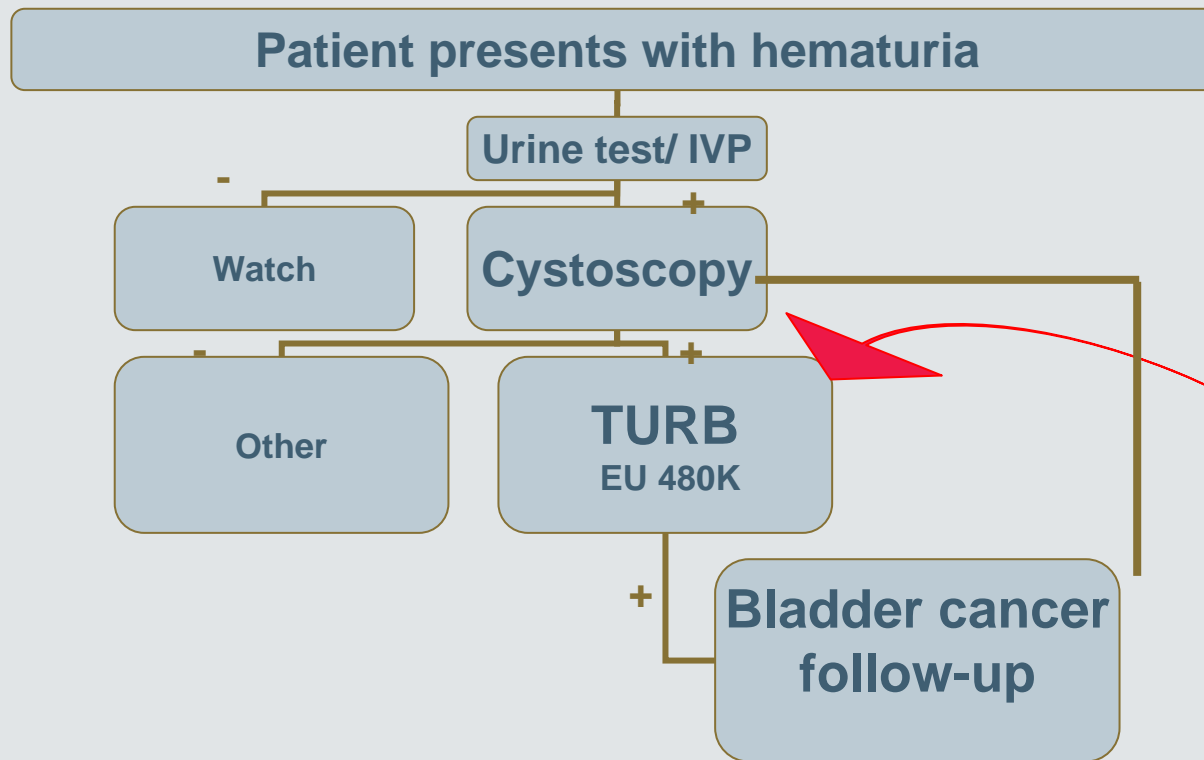
Target the TURB market in Europe, pre-position the market and brand for launch in the US, and prepare for approval in rest of the world.

Competition

White light cystoscopy TURB's.

Hexvix

- meets important medical needs



Hexvix

- key messages



Audience	Key messages
Urologists	detects 30% more patients with bladder cancer detects 67% more CIS lesions improves management in 1 in 5 patients
Payors	is cost-effective is the only licensed product of its type is proven to be effective with a well-controlled clinical programme
Patients and advocates	improves the detection of bladder tumours and the identification of tumour margins, giving the doctor the possibility to carry out a more effective tumour removal.



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Metvix[®] and Aktilite[®]

- treatment of skin cancer without scarring

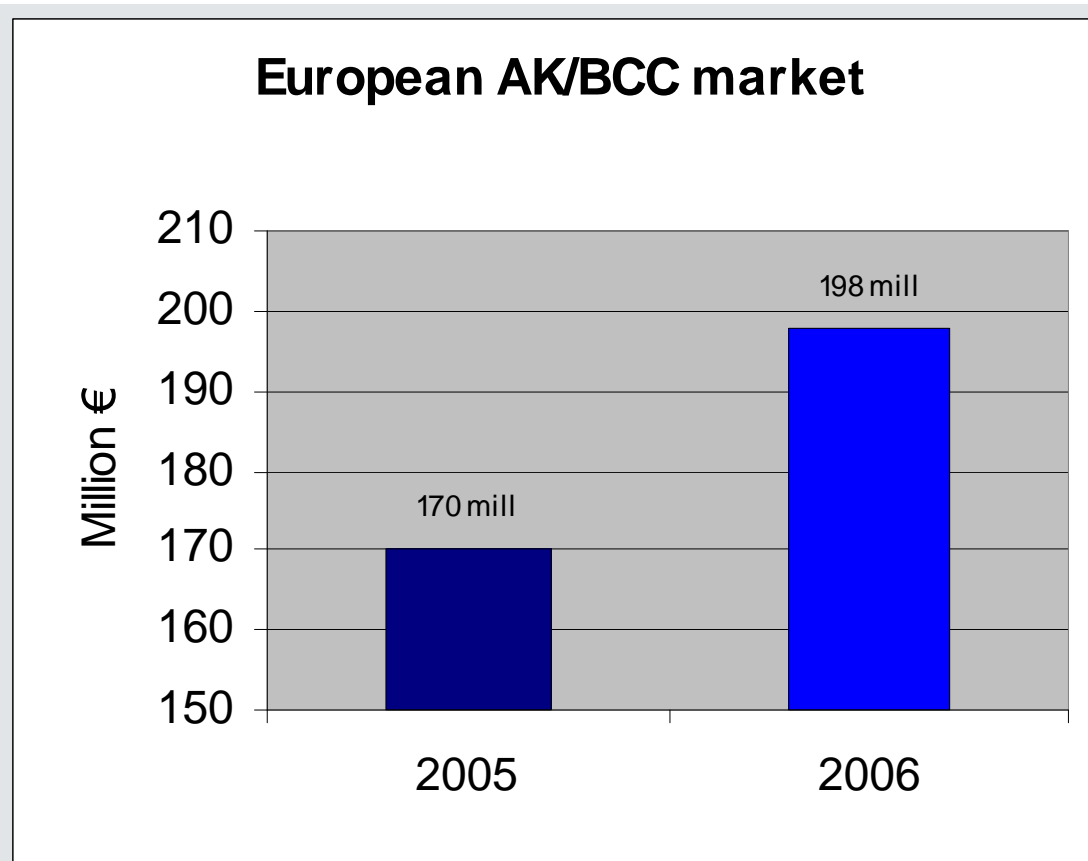
Metvix - treatment of skin cancer without scarring



- Sold by Galderma outside the Nordic countries
- Approved for AK, BCC and Bowen's disease
- Studies presented showing Metvix efficacy in organ transplant patients
- 15 million patients diagnosed with AK annually in EU/US



Metvix - growing faster than the European AK/BCC market



- European D market (value USD 2.8 billion) 2.4% growth (05-06)
- Strong European AK/BCC pharmaceutical market 19.3% growth (05-06)
- Strong Metvix revenue growth of 55% outside the Nordic region (05-06)
- Topical treatments gaining market share



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Research & Development

- acne, cervix, colon and PCI Biotech

Acne

- need for new treatments



Acne patient before treatment

- Each year US doctors register ~ 3 million visits concerning acne, app. 70% of these have moderate to severe acne
- Market for topical treatment of moderate to severe acne USD 1.3 billion per year
- Existing treatments have significant side effects
- Photocure has a patented technology in acne until 2018+, with new patents filed
- MAL PDT meets patient need for an effective treatment with limited side effects

Acne

- status and further development



- First phase I/II study completed in Canada in 2006
- 3 publications in leading academic journals showing the effect on MAL PDT in acne patients in 2006
- Meetings with regulatory bodies in EU/US - IND opened in US
- Confirmative phase II study with 200 patients in US started in Jan 07
- Started development of new lamp



Illustration of Photocure's MAL PDT treatment

Cervix - treatment of HPV infection and premalignant lesions



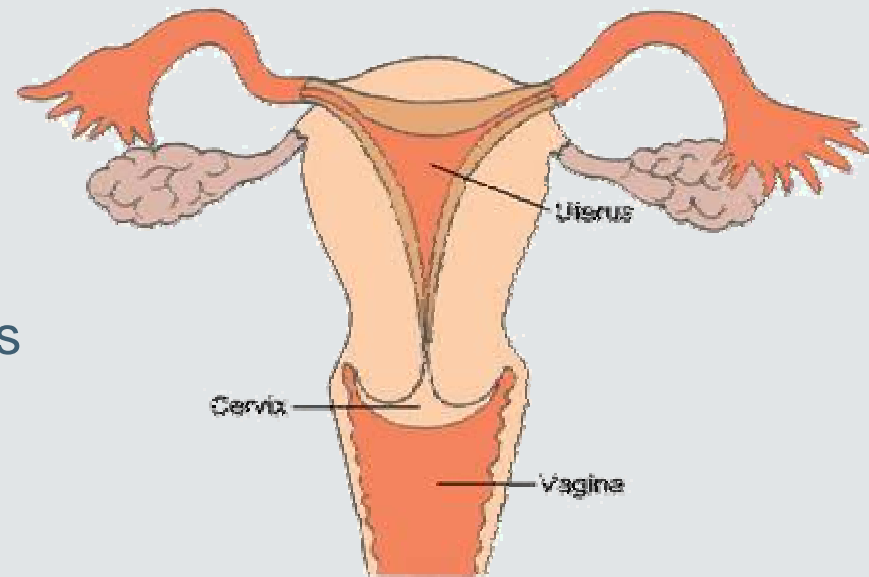
- Medical need for effective treatment of HPV infection and premalignant lesions

- Large patient population:
 - 3.5 million females have cellular abnormalities in the US

- POC study completed in 24 patients

- First phase I/II study started:
 - dose finding
 - Norway and Germany
 - approx. 80 patients
 - 9 month follow-up
 - report scheduled for H2 2008

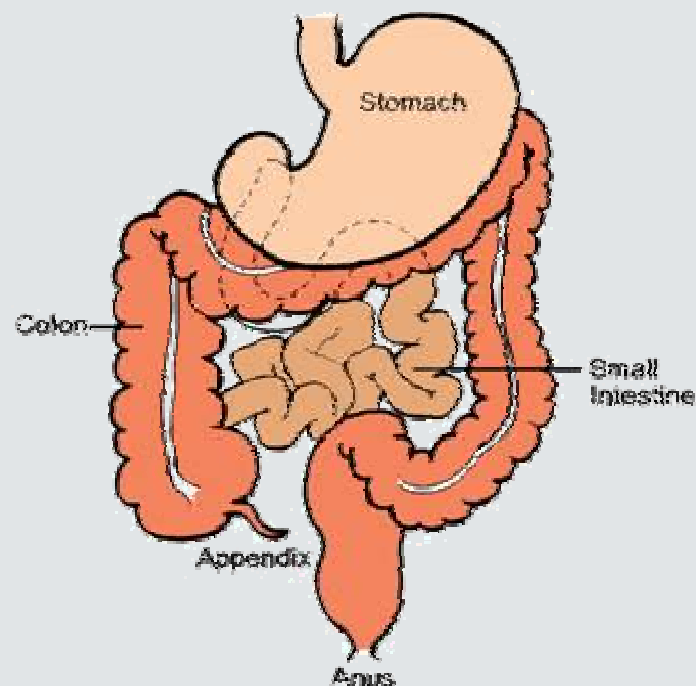
- Started development of new lamp



Colon - diagnosis of cancer using fluorescence imaging



- High medical need for early detection of colon cancer
- 13 million colonoscopies performed annually in EU/US
- Inadequate methods available today:
 - 22% miss rate on polyps
 - 62% miss rate on flat lesions
 - Huge endoscopy variation
- First phase I/II study started:
 - dose-finding
 - 2 centres in Germany
 - approx. 30 patients
 - report scheduled for 2007



PCI Biotech

- light-directed drug delivery



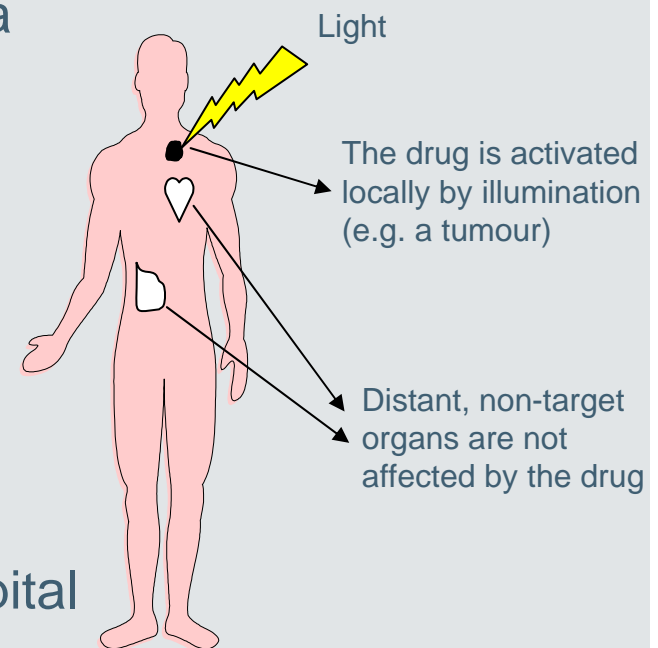
PCI is a light-directed drug delivery technology that is able to deliver therapeutic molecules in a biologically active form into diseased cells.

PCI Biotech has a proprietary photochemical internalisation technology (PCI).

Patent granted on Amphinex® in 2006

Completion of preclinical documentation of Amphinex scheduled for H1 2007

Collaboration with the Norwegian Radium Hospital and leading academic groups worldwide





Strategic and operational goals

Continue investing in Metvix and Aktilite

- Support Galderma in strengthening Metvix/Aktilite in dermatology
- Seek Aktilite approval in the US

Commercialise Hexvix

- Support GE Healthcare in introducing Hexvix in EU
- Seek Hexvix approval in the US

Continue clinical development in acne, cervix, colon and PCI

- Conduct confirmatory phase II study in acne in the US
- Start first clinical study for PCI Biotech in Norway
- Complete phase I/II studies in colon cancer and cervix cancer

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