

PhotoCure ASA

Full Year - 2005

February 28th 2006



Highlights 2005

■ Increased sales of Metvix

- Sale of Metvix tubes increased 51%
- Metvix launched in Poland, Portugal, Netherlands and Spain
- Metvix approved for Bowen's disease in 22 European countries

■ Hexvix ready for commercialisation

- Hexvix approved in EU and application filed in the US
- Licencing agreement with GE Healthcare in January 2006

■ Important milestones reached in R&D

- Proof-of-concept study in acne completed
- Agreed with FDA on Aktilite program in the US



Financial statements



Profit & loss 4th quarter (group) – IFRS

2005	2004	
30.09 - 31.12	30.09 - 31.12	
13 012	8 935	Sales revenues
3 908	3 908	Milestone revenues
16 921	12 844	Sales and milestone revenues
-3 535	-2 307	Cost of products sold
13 386	10 537	Gross profit
1 033	1 062	Other operating revenues
-5 957	-14 033	Payroll expenses
-9 609	-9 476	External R&D expenses
-12 614	-9 574	Ord.depr. & other operating expenses
-13 761	-21 484	Operating income/loss(-)
389	-6 141	Net financial income
-13 372	-27 625	Income/loss(-) before tax
-0.76	-1.57	Net income/loss(-) per share (NOK)



Geographical distribution of sales revenues

2005	1Q	2Q	3Q	4Q	2005
The Nordic region	3 891	4 106	2 891	6 232	17 120
Outside the Nordic region	4 908	4 768	4 431	6 780	20 887
Total	8 799	8 874	7 322	13 012	38 007
2004	1Q	2Q	3Q	4Q	2004
The Nordic region	4 649	3 825	3 061	4 647	16 182
Outside the Nordic region	5 530	5 782	5 073	4 288	20 673
Total	10 179	9 607	8 134	8 935	36 855



Financial statements

– profit & loss (group) - IFRS

	2005 01.01 - 31.12	2004 01.01 - 31.12
Sales revenues	38 007	36 855
Milestone revenues	15 634	40 954
Sales and milestone revenues	53 641	77 809
Cost of products sold	-13 430	-13 066
Gross profit	40 211	64 743
Other operating revenues	15 235	4 597
Payroll expenses	-29 369	-35 282
External R&D expenses	-38 238	-31 718
Ord.depr. & other operating expenses	-35 090	-43 201
Operating income/loss(-)	-47 252	-40 861
Net financial income	8 778	-4 462
Income/loss(-) before tax	-38 474	-45 323
Net income/loss(-) per share (NOK)	-2.19	-2.58



Financial statements

- balance sheet (group) – IFRS

	2005	2004
	31.12	31.12
Machinery & equipment	2 708	2 080
Inventory	12 943	17 533
Receivables	17 725	16 146
Securities	59 171	111 219
Cash & cash equivalents	13 157	26 733
Total assets	105 704	173 711
Total equity	48 465	85 566
Long-term liabilities	300	13 438
Current liabilities	56 939	74 707
Total shareholders' equity & liabilities	105 704	173 711



Financial statements

- cash flow statement (group) – IFRS

	Twelve months ended	
	31.12.2005	31.12.2004
Loss before tax	-38 474	-45 323
Interest paid	-63	-103
Other operational items	-32 004	-4 822
Net cash flow from operations	-70 540	-50 248
Cash flow from investments	5 464	2 758
Cash flow from capital transactions	-548	-403
Net change in cash during the period	-65 624	-47 893
Cash & cash equivalents at beginning of period	137 952	185 845
Cash & cash equivalents at end of period	72 328	137 952

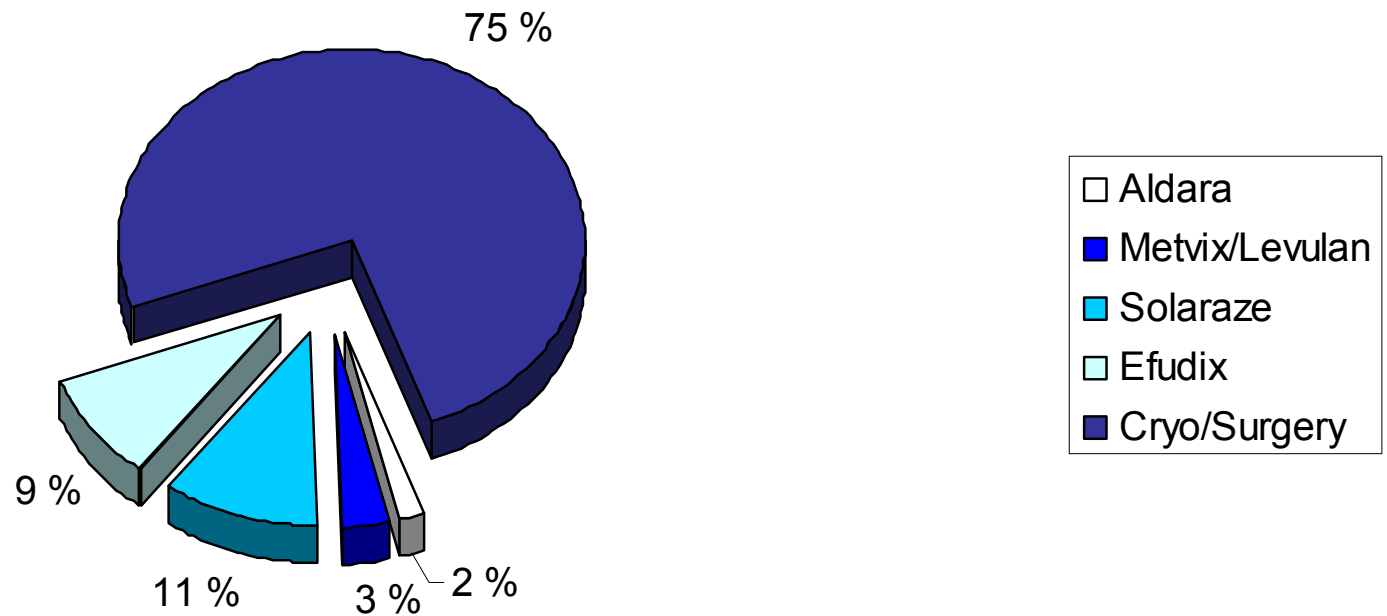




Metvix® and Aktelite™
- treatment of skin cancer without scarring



The AK/BCC market is still dominated by procedures...

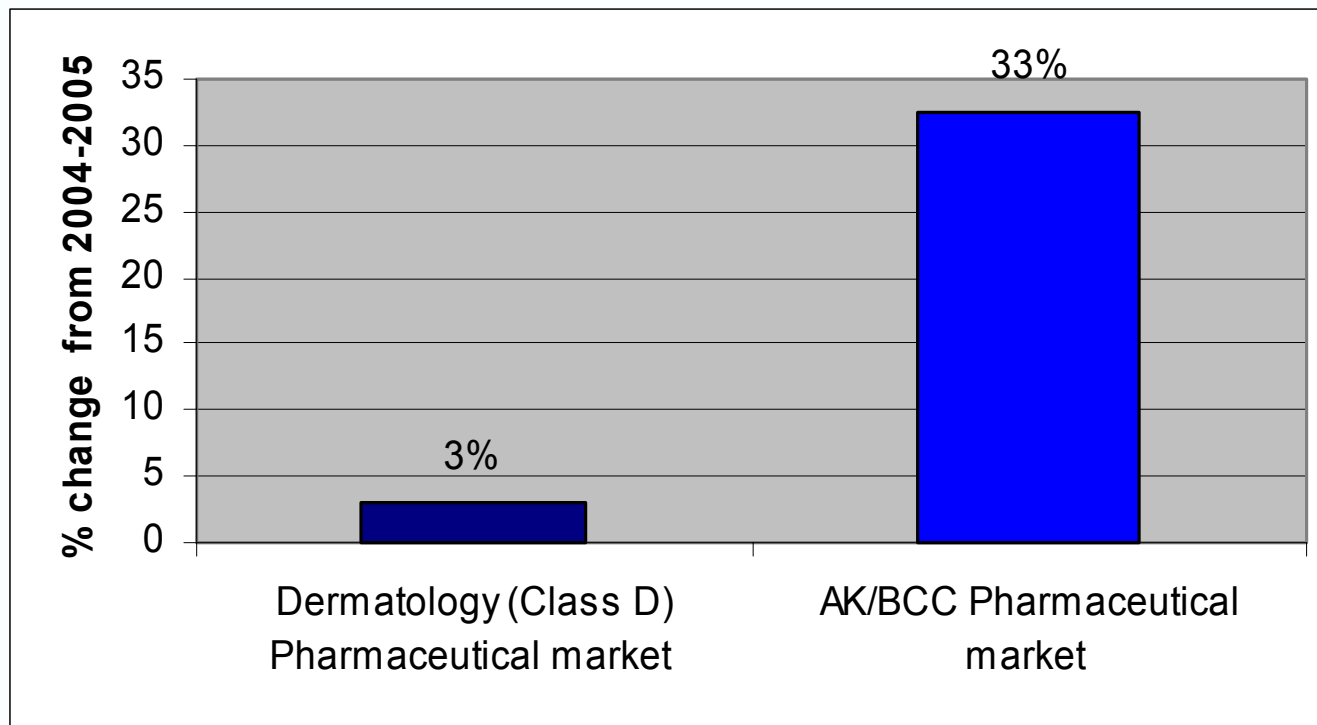


Source: PhotoCure estimate of the global market - patients treated in 2005



...but the worldwide pharmaceutical market increased with 33% in value from 2004 to 2005...

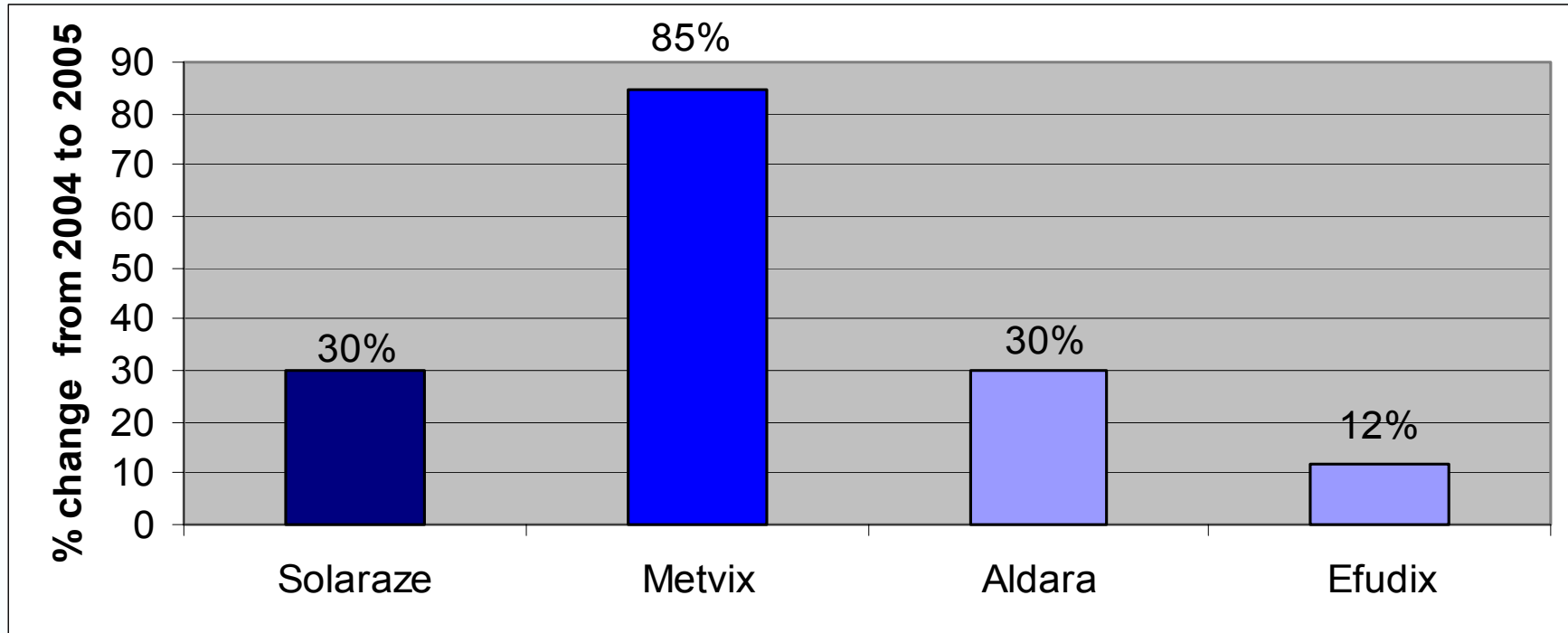
The AK/BCC pharmaceutical market was USD 160 million in 2005



Source:PhotoCure estimate of growth in value 2005



...and in Europe Metvix increased by 85% in value from 2004 to 2005

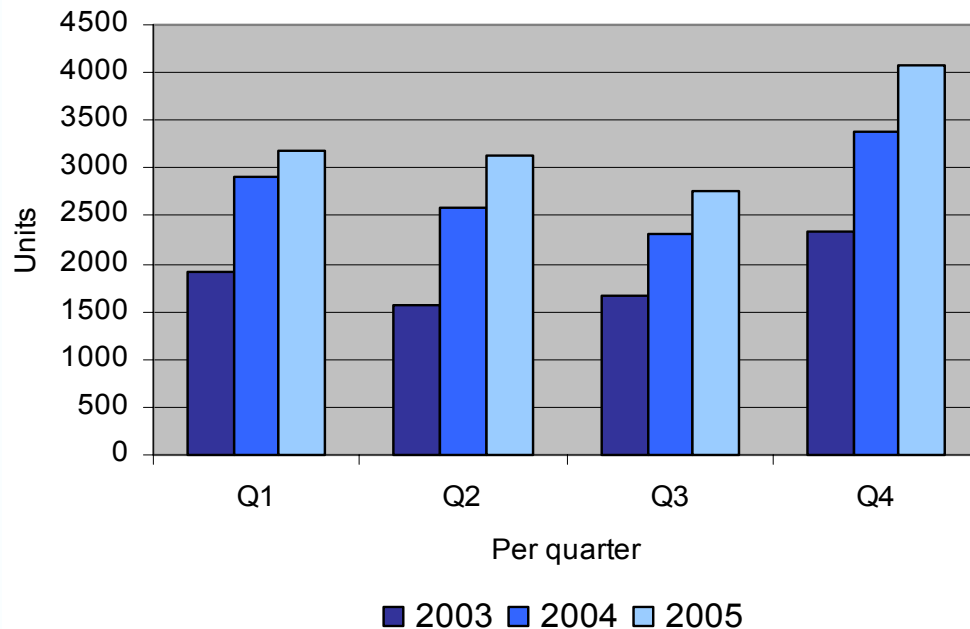


* PhotoCure estimate of growth in value in Europe in 2005



Metvix - Nordic sales increase of 18 % in units in 2005

Metvix Sales - Nordic 2003 - 2005



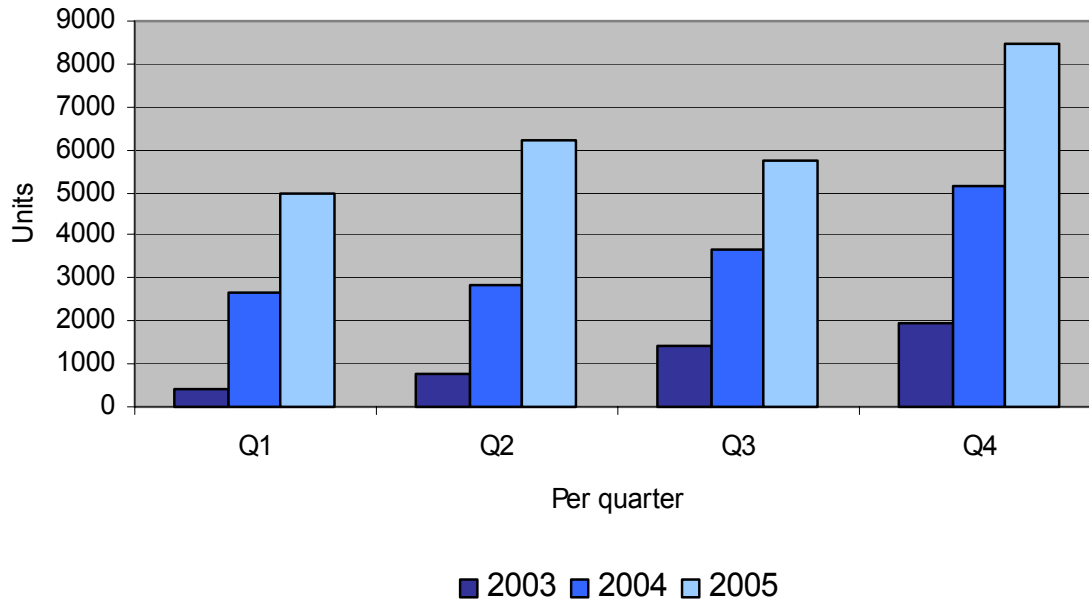
Highlights:

- Sales increase in units of 18 % in 2005 vs 2004 (13,163 vs 11,200)
- Sales increase in units of 21% in Q4 2005 vs Q4 2004 (4,084 vs 3,381)
- 4 Aktelite lamps sold in Q4 and 16 sold in 2005



Metvix - Galderma sales increase of 77 % in units in 2005

Metvix Sales - Galderma 2003 - 2005



Highlights:

- Sales increase in units of 77 % in 2005 vs 2004 (25,438 vs 14,346)
- Sales increase in units of 65 % in Q4 2005 vs Q4 2004 (8,476 vs 5,140)
- 62 Aktelite lamps sold in Q4 and 241 sold in 2005





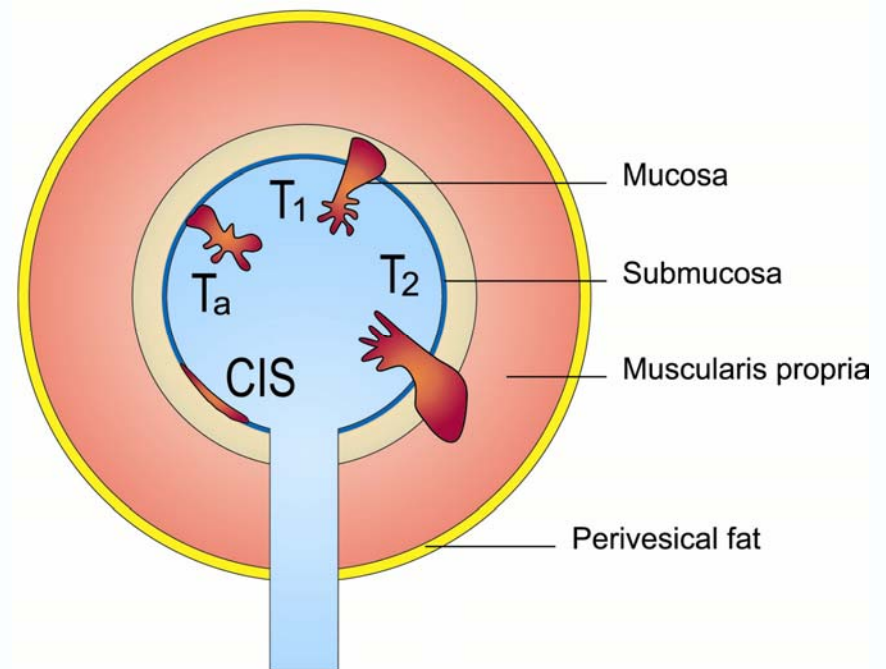
Hexvix®

– a breakthrough in bladder cancer



Bladder cancer – facts and figures

- Bladder cancer
 - the 4th most common malignancy among males
 - the 10th most common malignancy among females
- High recurrence rate - probably due to lesions being overlooked
- Good prognosis if diagnosed early and treated adequately
- 4 million cystoscopies performed in the EU/US per year.
- Hexvix price app. € 390



Licencing agreement with GE Healthcare for Hexvix

- **GE Healthcare - world leader in imaging drugs**
- **Agreement signed January 2006**
 - Exclusive rights to market and distribute Hexvix outside of the Nordic region
 - Option to licence in the US
 - Total milestones of € 28 million, of which € 7 million at signing
- **GE Healthcare has access (first right of refusal) to future indications**
- **GE Healthcare may terminate the agreement subject to payment of an exit fee**
- **Key factors for commercial success**
 - timing and launch in new markets
 - availability of blue light cystoscopes
 - pricing



Key lessons in the Nordic introduction of Hexvix

- **~ 5 calls required to sell in the Hexvix method**
 - Focus on clinical and patient benefits (medical staff)
 - Focus on health economic benefits (finance, purchasing staff)
- **~ 12-18 months from request to equipment in place**
 - Local procedures for budgets, tenders, approvals and purchasing
 - Time for start-up and training nurses/logistics, procedures/ manuals
- **Actions**
 - Develop optimal sales approach
 - Closer co-operation with the cystoscopy suppliers
 - Temporary financing of new equipment



Research & Development



Broad pipeline in clinical phase



Goals and milestones



Strategic and operational goals

- **Continue investing in Metvix and Aktelite**
 - Support Galderma in strengthening Metvix/Aktelite in dermatology
 - Seek Aktelite approval in the US – planning launch in 2008
- **Commercialise Hexvix**
 - Continue Nordic launch
 - Support GE Healthcare in launching Hexvix
 - Follow-up FDA and secure approval in the US
- **Solve patent dispute with DUSA**
- **Investigate other indications where PDT may provide medical benefits**



R&D goals in 2006 and 2007

■ Metvix

- 2006: Complete two phase III studies in EU/US for Aktelite approval in US
- 2007: File NDA supplement for Aktelite approval in the US

■ Hexvix

- 2006: Follow-up FDA and secure approval in the US
- 2006: Start one phase III study for flexible scopes in the US
- 2007: Complete one phase III study in US for broadening indication to include papillary lesions

■ Acne

- 2006: Complete phase II(a) study in Canada and start a follow-up phase II study
- 2007: Complete phase II program

■ Investigate other indications where PDT may provide medical benefits

- 2006: Start exploratory study in detection of colon cancer in EU
- 2006: Start exploratory study in treatment of premalignant lesions in cervix in EU
- 2007: Start exploratory study for PCI Biotech

