

**Photocure**  
**Profit & Loss (Group)**

(all amounts in NOK 1,000 except per share data)

			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
<b>98 517</b>	<b>16 921</b>	<b>Total revenues</b>	<b>210 320</b>	<b>53 641</b>	<b>77 809</b>
-10 789	-3 535	Cost of products sold	-22 251	-13 430	-13 066
<b>87 729</b>	<b>13 386</b>	<b>Gross profit</b>	<b>188 070</b>	<b>40 211</b>	<b>64 743</b>
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
<b>52 032</b>	<b>-13 761</b>	<b>Operating profit/loss(-)</b>	<b>78 342</b>	<b>-47 252</b>	<b>-40 860</b>
<b>2 501</b>	<b>389</b>	<b>Net financial profit/loss(-)</b>	<b>6 389</b>	<b>8 778</b>	<b>-4 462</b>
<b>54 533</b>	<b>-13 372</b>	<b>Net profit/loss(-)</b>	<b>84 730</b>	<b>-38 474</b>	<b>-45 322</b>
-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

(1) Basic income/loss per share is calculation based on average weighted number of shares outstanding.

(2) Diluted income per share is calculated adjusting the weighted average number of ordinary shares outstanding assume conversion of all dilutive potential ordinary shares.

**Changes in equity (all amounts in NOK 1,000)**

Three months ended			12 months ended	
31.12.2006	31.12.2005		31.12.2006	31.12.2005
<b>271 040</b>	<b>61 500</b>	<b>Equity at beginning of period</b>	<b>48 465</b>	<b>85 566</b>
0	0	Share issue, employees	1 867	52
0	0	Share issue	190 608	0
515	337	Share-based compensation	2 057	1 320
1 639	0	Fair value gains/losses(-)	0	0
-792	0	Investment in PCI Biotech	-792	0
54 533	-13 372	Net income/loss(-) for the period	84 730	-38 474
<b>326 935</b>	<b>48 465</b>	<b>Equity at end of period</b>	<b>326 935</b>	<b>48 465</b>

**Cash Flow Statement (all amounts in NOK 1,000)**

Three months ended			12 months ended	
31.12.2006	31.12.2005		31.12.2006	31.12.2005
54 533	-13 372	Income/loss(-) before tax	84 730	-38 474
-5	-13	Interest paid	-28	-63
7 626	-40	Other operational items	-18 416	-32 004
<b>62 155</b>	<b>-13 426</b>	<b>Net cash flow from operations</b>	<b>66 286</b>	<b>-70 540</b>
1 757	4 781	Cash flow from investments	4 596	5 464
-300	0	Cash flow from capital transactions	191 874	-548
<b>63 611</b>	<b>-8 646</b>	<b>Net change in cash during the period</b>	<b>262 757</b>	<b>-65 624</b>
271 474	80 975	Cash & cash equivalents at beginning of period	72 329	137 953
<b>335 085</b>	<b>72 329</b>	<b>Cash &amp; cash equivalents at end of period</b>	<b>335 085</b>	<b>72 329</b>

# Photocure ASA

## INCOME STATEMENT

Parent			Consolidated		
2005	2006		2006	2005	2004
<i>(Amounts in NOK 000s)</i>					
38 007	61 667	Sales revenues	61 667	38 007	36 811
15 634	148 653	Signing fees and milestone revenues	148 653	15 634	40 998
<b>53 641</b>	<b>210 320</b>	<b>Total revenues</b>	<b>210 320</b>	<b>53 641</b>	<b>77 809</b>
-13 430	-22 251	Cost of goods sold	-22 251	-13 430	-13 066
<b>40 211</b>	<b>188 070</b>	<b>Gross profit</b>	<b>188 070</b>	<b>40 211</b>	<b>64 743</b>
12 492	2 053	Other income	5 690	15 235	4 597
-28 476	-34 523	Payroll expenses	-35 539	-29 369	-35 282
-34 924	-33 381	R&D expenses	-38 200	-38 238	-31 718
-1 125	-1 335	Ordinary depreciation & amortisation	-1 335	-1 125	-1 529
-33 031	-38 626	Other operating expenses	-40 344	-33 966	-41 671
<b>-85 064</b>	<b>-105 813</b>	<b>Total other income and expenses</b>	<b>-109 728</b>	<b>-87 463</b>	<b>-105 603</b>
<b>-44 853</b>	<b>82 257</b>	<b>Operating profit/loss(-)</b>	<b>78 342</b>	<b>-47 252</b>	<b>-40 860</b>
10 199	12 072	Financial income	11 867	10 178	4 687
-1 391	-5 463	Financial expenses	-5 478	-1 400	-9 149
<b>8 808</b>	<b>6 609</b>	<b>Net financial profit/loss(-)</b>	<b>6 389</b>	<b>8 778</b>	<b>-4 462</b>
<b>-36 045</b>	<b>88 866</b>	<b>Profit/loss(-) before tax</b>	<b>84 730</b>	<b>-38 474</b>	<b>-45 322</b>
0	0	Tax expense	0	0	0
<b>-36 045</b>	<b>88 866</b>	<b>Net profit/loss(-) before minority interest</b>	<b>84 730</b>	<b>-38 474</b>	<b>-45 322</b>
		Minority interests	-352	-264	-290
<b>-36 045</b>	<b>88 866</b>	<b>Net profit/loss(-)</b>	<b>85 082</b>	<b>-38 210</b>	<b>-45 032</b>
		Earnings per share	3,98	-2,19	-2,58
		Earnings per share, (anti)diluted	3,97	-2,18	-2,58

# Photocure ASA

## BALANCE SHEET

### as of 31 December

Parent			Consolidated	
2005	2006		2006	2005
		<b>ASSETS</b>		
		<i>(Amounts in NOK 000s)</i>		
		<b>Non-current assets</b>		
	780	Intangible assets	780	
2 708	2 178	Machinery and equipment	2 178	2 708
23 859	24 651	Investment in subsidiaries		
<b>26 567</b>	<b>27 609</b>	<b>Total non-current assets</b>	<b>2 958</b>	<b>2 708</b>
		<b>Current assets</b>		
12 908	9 750	Inventories	9 784	12 943
5 970	12 591	Accounts receivable	12 591	5 970
2 126	6 305	Receivables from group company		
9 842	12 637	Other receivables	15 004	11 755
<b>17 938</b>	<b>31 532</b>	<b>Total receivables</b>	<b>27 595</b>	<b>17 725</b>
71 377	334 187	Cash and short term deposits	335 085	72 329
<b>102 224</b>	<b>375 470</b>	<b>Total current assets</b>	<b>372 464</b>	<b>102 996</b>
<b>128 791</b>	<b>403 079</b>	<b>Total assets</b>	<b>375 423</b>	<b>105 704</b>

# Photocure ASA

## BALANCE SHEET

### as of 31 December

Parent			Consolidated	
2005	2006		2006	2005
		<b>EQUITY AND LIABILITIES</b>		
		<i>(Amounts in NOK 000s)</i>		
		<b>Equity</b>		
8 792	11 017	Issued capital	11 017	8 792
58 353	248 602	Share premium	248 602	58 353
4 764	6 821	Other paid-in capital	6 821	4 764
1 279	90 146	Retained earnings	60 495	-23 444
		Minority interests	0	0
<b>73 188</b>	<b>356 586</b>	<b>Total equity</b>	<b>326 935</b>	<b>48 465</b>
		<b>Liabilities</b>		
		<b>Non-current liabilities</b>		
300	0	Non-current liabilities	0	300
16 937	1 303	Deferred signing fee	1 303	16 937
<b>17 237</b>	<b>1 303</b>	<b>Total non-current liabilities</b>	<b>1 303</b>	<b>17 237</b>
		<b>Current liabilities</b>		
8 842	9 363	Accounts payable	10 128	9 195
1 733	1 517	Employee withholding taxes and social security	1 576	1 803
15 634	15 634	Deferred signing fee	15 634	15 634
12 157	18 676	Other current liabilities	19 847	13 370
<b>38 366</b>	<b>45 190</b>	<b>Total current liabilities</b>	<b>47 185</b>	<b>40 002</b>
<b>55 603</b>	<b>46 493</b>	<b>Total liabilities</b>	<b>48 488</b>	<b>57 239</b>
<b>128 791</b>	<b>403 079</b>	<b>Total equity and liabilities</b>	<b>375 423</b>	<b>105 704</b>

# Photocure ASA

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(Amounts in NOK 000s)</i>	Issued capital	Share premium	Other paid-in equity	Retained earnings	Minority interests	Total equity
<b>Equity as of 31 December 2004</b>	<b>8 791</b>	<b>58 302</b>	<b>3 444</b>	<b>14 860</b>	<b>170</b>	<b>85 567</b>
Share issue employees	1	51				52
Employees' options			1 320			1 320
Net loss for the year				-38 210	-264	-38 474
Transfer of negative minority interest				-94	94	0
<b>Equity as of 31 December 2005</b>	<b>8 792</b>	<b>58 353</b>	<b>4 764</b>	<b>-23 444</b>	<b>0</b>	<b>48 465</b>
Share issue	2 198	188 410				190 608
Share issue employees	27	1 839				1 867
Employees' options			2 057			2 057
Investment in PCI Biotech				-792		-792
Net profit for the year				85 082	-352	84 730
Transfer of negative minority interest				-352	352	0
<b>Equity as of 31 December 2006</b>	<b>11 017</b>	<b>248 602</b>	<b>6 821</b>	<b>60 495</b>	<b>0</b>	<b>326 935</b>

## Photocure ASA - parent STATEMENT OF CHANGES IN EQUITY

<i>(Amounts in NOK 000s)</i>	Issued capital	Share premium	Other paid-in equity	Retained earnings	Total equity
<b>Equity as of 31 December 2004, NGAAP</b>	<b>8 791</b>	<b>58 302</b>	<b>3 135</b>	<b>39 611</b>	<b>109 839</b>
<b>Effect of IFRS implementation</b>					
Pension cost			309	-2 287	-1 978
Option costs					0
<b>Equity as of 1 January 2005, IFRS</b>	<b>8 791</b>	<b>58 302</b>	<b>3 444</b>	<b>37 324</b>	<b>107 861</b>
Share issue employees	1	51			52
Employees' options			1 320		1 320
Net loss for the year				-36 045	-36 045
<b>Equity as of 31 December 2005, IFRS</b>	<b>8 792</b>	<b>58 353</b>	<b>4 764</b>	<b>1 279</b>	<b>73 188</b>
Share issue	2 198	188 410			190 608
Share issue employees	27	1 839			1 867
Employees' options			2 057		2 057
Net profit for the year				88 866	88 866
<b>Equity as of 31 December 2006, IFRS</b>	<b>11 017</b>	<b>248 602</b>	<b>6 821</b>	<b>90 146</b>	<b>356 586</b>

# Photocure ASA

## CASH FLOW STATEMENT

(Amounts in NOK 000s)

Parent			Consolidated		
2005	2006		2006	2005	2004
-36 045	88 866	Profit/loss(-) before tax	84 730	-38 474	-45 323
1 125	1 335	Ordinary depreciation & amortisation	1 335	1 125	1 530
0	0	Write-down of financial non-current assets	0	0	6 250
-5 057	0	(Gain)/Loss on sale of non-current assets	0	-5 057	0
1 604	2 325	Share-based payments expense	2 325	1 604	270
-117	1 870	Pension costs/Change in pension commitments	1 970	-219	160
-2 206	-7 160	Interest income	-6 933	-2 160	-3 145
63	28	Interest expense	28	63	103
-12 586	-2 121	Other items	-2 222	-12 649	477
4 590	3 159	Change in inventory	3 159	4 590	5 634
1 444	-13 594	Change in accounts receivable	-9 870	1 444	-1 631
1 423	521	Change in accounts payable	933	1 656	-1 032
-15 634	-15 634	Change in deferred signing fee	-15 634	-15 634	-15 634
-8 994	6 603	Change in other accruals	6 550	-6 749	2 208
<b>-70 390</b>	<b>66 198</b>	<b>Net cash flows from operating activities</b>	<b>66 370</b>	<b>-70 460</b>	<b>-50 133</b>
-2 101	-1 585	Investments in machinery and equipment	-1 585	-2 101	-429
405	0	Sale of fixed assets (sales price)	0	405	42
5 000	-792	Investments in/sale of other fixed asset investments	-792	5 000	0
2 206	7 160	Interest received	6 933	2 160	3 145
<b>5 510</b>	<b>4 782</b>	<b>Net cash flows from investing activities</b>	<b>4 556</b>	<b>5 464</b>	<b>2 758</b>
	190 608	Share issue	190 608		
52	1 867	Share issue employees	1 867	52	197
-80	-44	Interest paid	-44	-80	-115
-600	-600	Repayment of loans	-600	-600	-600
<b>-628</b>	<b>191 830</b>	<b>Net cash flows from financing activities</b>	<b>191 830</b>	<b>-628</b>	<b>-518</b>
<b>-65 508</b>	<b>262 810</b>	<b>Net change in cash during the year</b>	<b>262 756</b>	<b>-65 623</b>	<b>-47 893</b>
<b>136 885</b>	<b>71 377</b>	<b>Cash and cash equivalents as of 01.01</b>	<b>72 329</b>	<b>137 952</b>	<b>185 845</b>
<b>71 377</b>	<b>334 188</b>	<b>Cash and cash equivalents as of 31.12</b>	<b>335 085</b>	<b>72 329</b>	<b>137 952</b>