Photocure ASA

The world leader in photodynamic technology

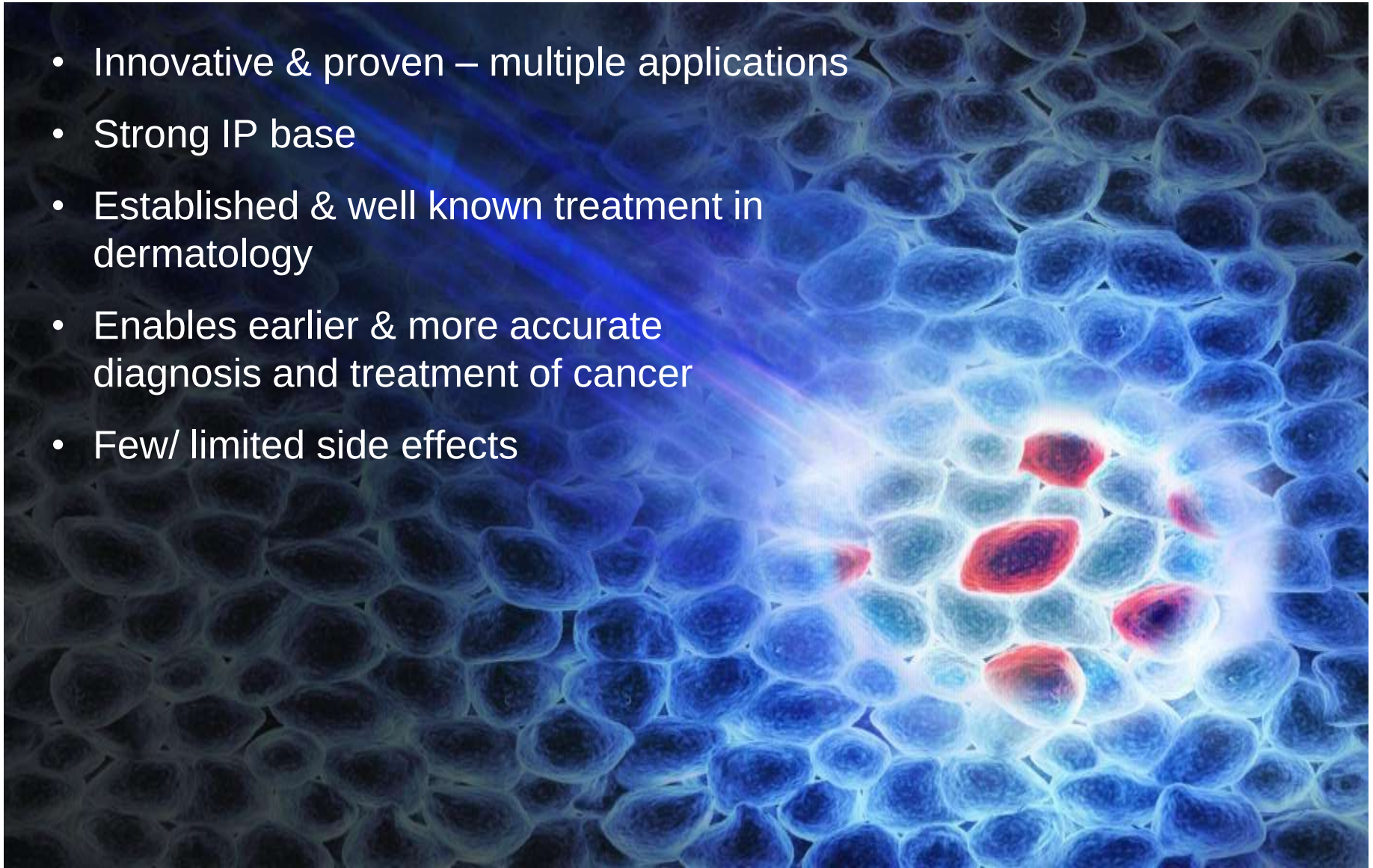
March 28, 2011

Kjetil Hestdal, CEO

Disclaimer

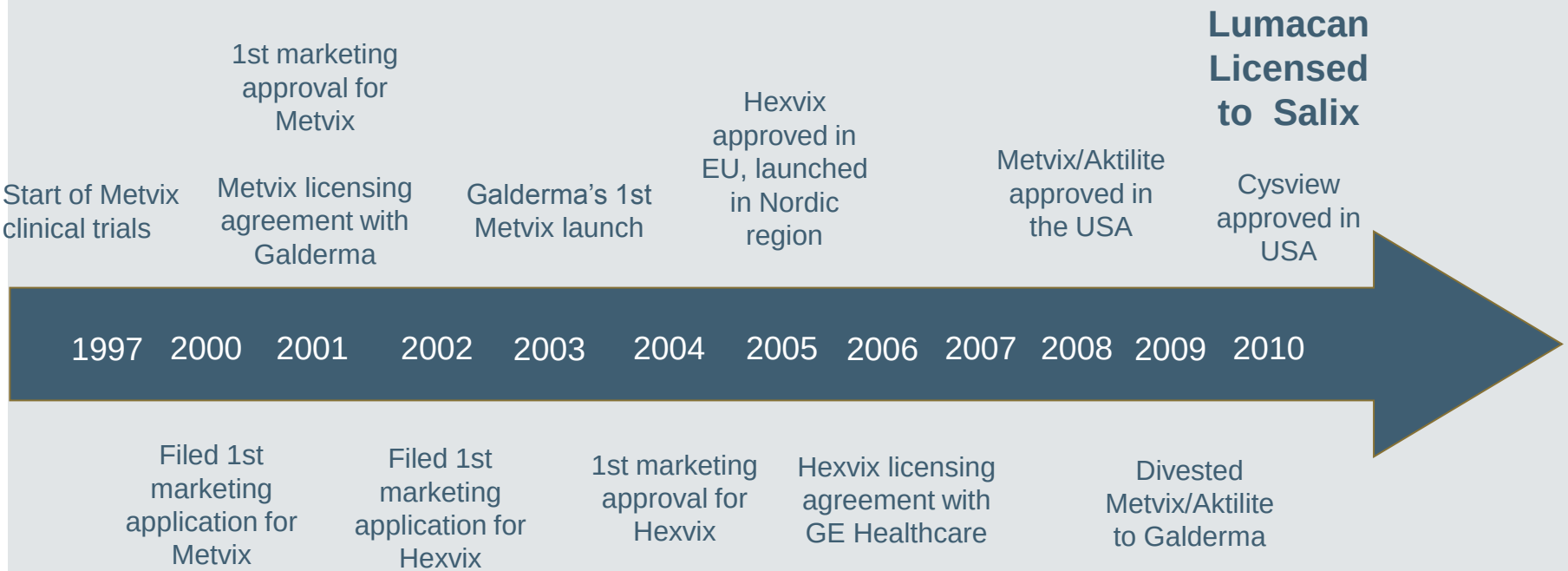
The information included in this Presentation contains certain forward-looking statements that address activities, events or developments that Photocure ASA ("the Company") expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to economic and market conditions in the geographic areas and markets where Photocure is or will be operating, IP risks, clinical development risks, regulatory risks, fluctuations in currency exchange rates, and changes in governmental regulations. For a further description of other relevant risk factors we refer to Photocure's Annual Report for 2010. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in this information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and Photocure disclaims any and all liability in this respect.

Photocure Technology™ Platform



- Innovative & proven – multiple applications
- Strong IP base
- Established & well known treatment in dermatology
- Enables earlier & more accurate diagnosis and treatment of cancer
- Few/ limited side effects

Significant Milestones Achieved



Focused Strategy

Photocure's strategy is to build a specialty pharma company:

- Maximise the potential of the **Photodynamic Technology Platform**
- Develop, register & commercialise new products in **Dermatology** & **Cancer**

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

  ⇨ Focus on Allumera™ and Visonac®

  ⇨ Established US subsidiary

- **Cancer**
  - Out-license before phase III
  - Retain rights to market in selected areas
  - Retain position in PCI Biotech

  ⇨ **Out-licensed Lumacan® to Salix**

  ⇨ **Retained Nordic Lumacan® rights**

  ⇨ Largest shareholder - holding 19.35%

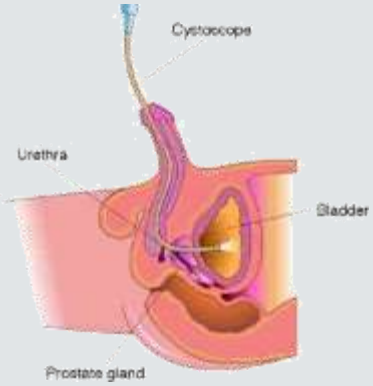
Hexvix®/Cysview™

Improved detection of bladder cancer

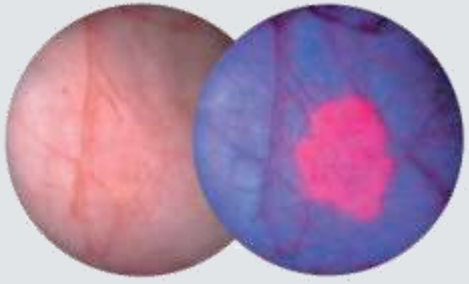
- First approved drug-device procedure for bladder cancer
- Improvement in patient detection rates by 30% - enabling doctors to remove tumours more effectively (TURB, TransUrethral Resection of the Bladder)
- Volume growth of 31% in 2010 – led by Germany and France
- Approved in US as Cysview™ in 2010

1 Hexvix kit per patient

Preparation of Hexvix solution



Instillation of Hexvix in the bladder, followed by cystoscopy after 1 hour

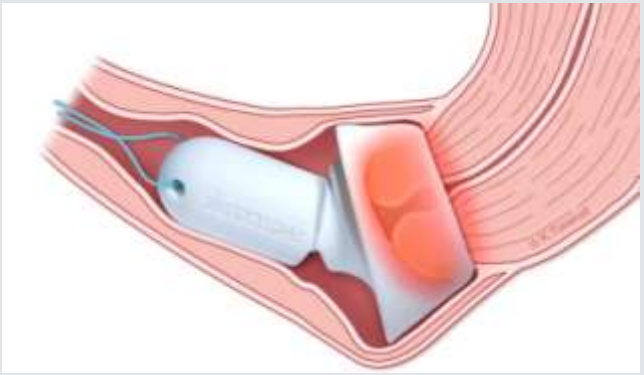


Mapping of the bladder in white and blue light, biopsies and tumour resection

Cevira®

Treatment of HPV & pre-cancerous lesions in cervix

- Offering effctive non-surgical treatment.
  - Simple to use, quick and non-invasive procedure
  - Preserves normal tissue
  - Improved device, worn internally, disposed of by the patient
  - Increased pasient comfort, less traumatic therapeutic experience
- Market research confirms high demand from gynaecologists, and positive feedback to reimbursement from private payors in the US
- Strong data in double-blind multicenter study
  - 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
  - Study with integrated drug-delivery device planned to start in the US in Q2 2011

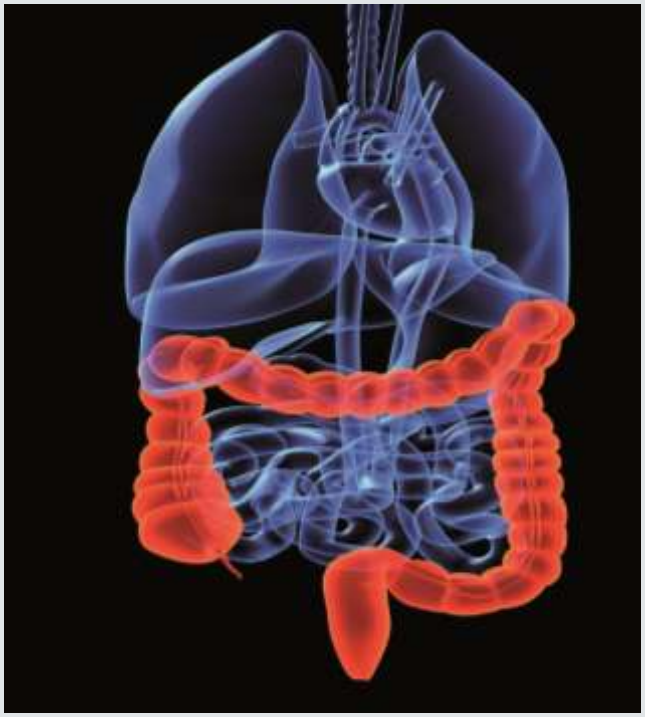


The Cevira drug-delivery system applied to the cervix

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



Photodynamic colorectal diagnosis

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

Creating Value - Strong IP Position

Clinical pipeline:

		Indication	Pre-Clinical	Phase I	Phase II	Phase III	Market	Status
CANCER	**Hexvix®**	Detection of bladder cancer						Marketed in Europe and US
	Cevira®	Treatment of precursors of cervical cancer						Phase II
	Lumacan®	Detection of colon cancer						Licensed to Salix
DERMATOLOGY	**Visonac®**	Treatment of moderate to severe acne						Phase II

Other products in pipeline:

Allumera™	Cosmetic product for improving the appearance of the skin		Expected US launch Q2 2011

Next Major Milestones

Commercial:

- GE Healthcare launch of Cysview in the US
- Progress on commercial activities for Hexvix in Europe
- Prepare for first dermatology product launch in the US in Q2 2011

Pipeline progress:

- Visonac: Starting phase IIb study in Q2 2011
- Cevira: Starting phase II in Q2 2011
- Allumera: Ongoing IIT program in 2011

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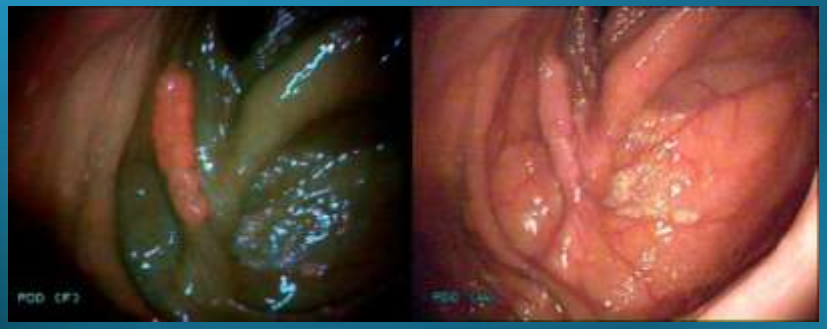
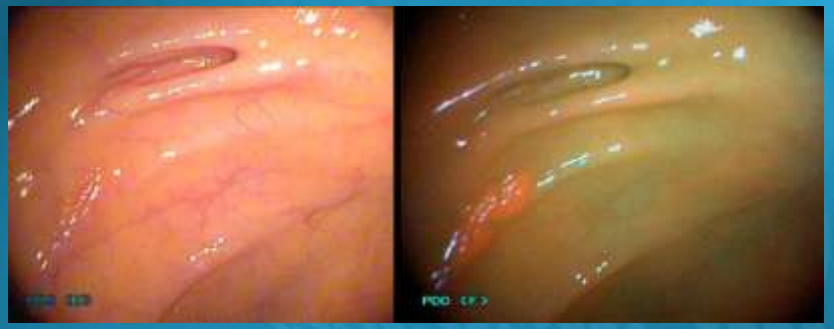
Lumacan

Lumacan





- Lumacan [hexaminolevulinate (HAL)] is used for fluorescence imaging of the colon in combination with blue light colonoscopy
- Currently in early stage clinical development for use as an enhanced diagnostic tool in patients referred for diagnostic and surveillance colonoscopy
- Lumacan generates selective fluorescence of adenomas and tumors upon blue light colon inspection
- Key advantage of Lumacan: visualization of flat lesions not easily seen with the current gold standard white light colonoscopy
- Colon adenomas detected with blue and standard white light[1]

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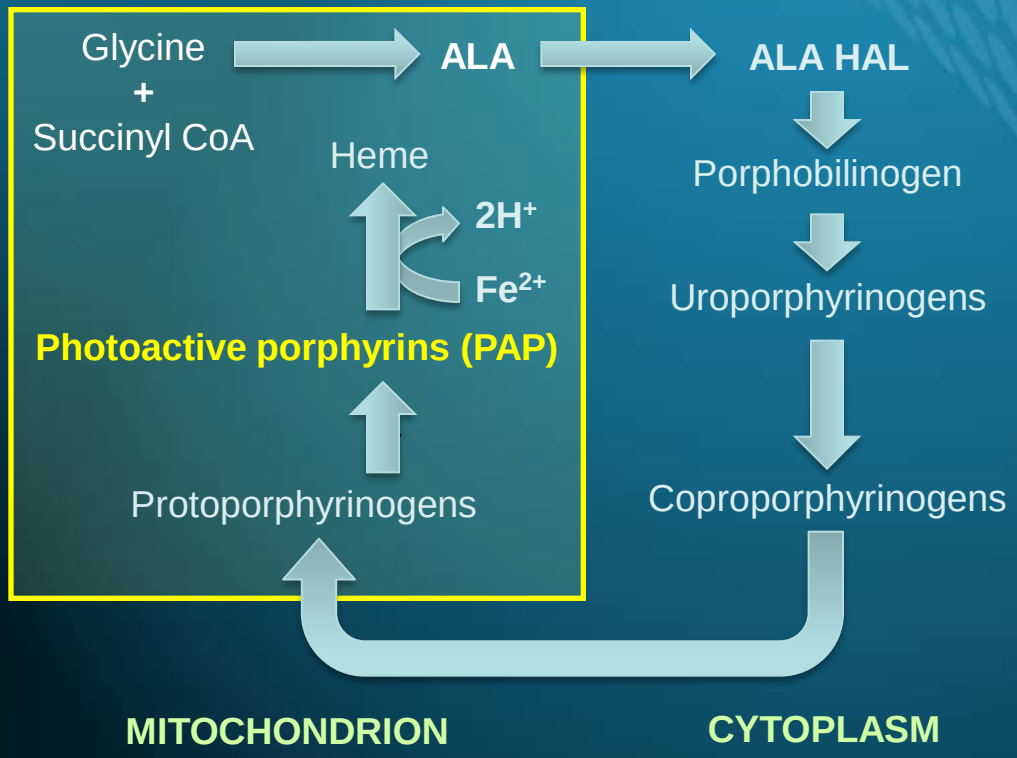
1. B Mayinger, et al.; *Endoscopy* 2008; 40: 106–109.

Lumacan: Morphology and Metabolism

- HAL enters the cell by passive diffusion and is metabolized to Photoactive Porphyrins (PAP)
- The higher metabolic rate of tumor cells compared with normal tissue results in higher levels of PAP, allowing detection



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Lumacan: Product Attributes

- Efficacy
  - In an proof-of-concept study in patients with rectal cancer, administration of Lumacan by enema followed by blue light inspection induced selective fluorescence of adenomas, even in small lesions
  - Lumacan revealed ~ 65% more adenomas than white light inspection.
- Safety Profile
  - In Phase 1 and Phase 2 studies, oral and rectal Lumacan were well-tolerated with no withdrawals due to AEs
- Administration/Dosing
  - Lumacan is being studied in both enema and oral formulations

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Lumacan Oral Formulation Clinical Development Timeline

- NDA submission anticipated: 2016
- US approval anticipated: 2017

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U.S. Colon Cancer Market

- Incidence
  - An estimated 142,570 people were diagnosed with CRC in 2010[1]
  - In 2009, the impact of new CRC cases alone was estimated at $15.7B[2]
  - CRC remains predominantly an illness for which the risk increases with age[1]
    - Over 70% of patients are diagnosed between the ages of 55 and 84
- Mortality
  - 51,370 men and women will die from CRC in 2010
  - CRC is the third-leading cause of cancer deaths (irrespective of gender)
    - >90% of all cases are preventable with regular colonoscopy
  - Less than 50% of eligible persons over age 50 have been screened
- Lifetime Risk
  - 204,800 (1 in 20) people born each year will be diagnosed with CRC at some point in their lives[1]

1. Altekruse SF, Kosary CL, Krapcho M, et al. SEER* Cancer Statistics Review, 1975-2007, National Cancer Institute. Bethesda, MD, http://cancer.gov/csr/1975-2007/, based on November 2009 SEER data submission, posted to the SEER web site, 2010 * SEER- Surveillance Epidemiology and End Results.
2. Rex DK. Maximizing detection of adenomas and cancers during colonoscopy. *Am J Gastroenterol*. 2006;101:2866-2877.

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U.S. Market Opportunity

- Excluding skin cancers, CRC is the third most common diagnosed cancer among men and women[1]
- An estimated 15M colonoscopy procedures are performed annually[2]
- Target patient segments (account for over 50% of all the CRC related colonoscopies in the US)
  - Screening of "high risk" patients- family history of CRC or IBD
    - Relatively higher incidence of flat adenomas
  - Diagnostic follow-up patients- i.e. patients with a positive FOBT
  - Surveillance patients- after removal of polyps and are at risk of recurrence
    - Strong health economic arguments for use in this group- potential to reduce the number of repeat exams by providing great diagnostic confidence
    - On January 1, 2007, there were approximately 1,112,493 men and women alive in the US who had a history of CRC

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1. Altekruse SF, Kosary CL, Krapcho M, et al. SEER* Cancer Statistics Review, 1975-2007, National Cancer Institute. Bethesda, MD, http://cancer.gov/csr/1975-2007/, based on November 2009 SEER data submission, posted to the SEER web site, 2010 * SEER- Surveillance Epidemiology and End Results.
2. Rex DK. Maximizing detection of adenomas and cancers during colonoscopy. *Am J Gastroenterol*. 2006;101:2866-2877.

U.S. Market Opportunity (cont.)

- Experts agree there is a high level of need for an enhanced diagnostic technique for detecting smaller adenomas and flat lesions that may be missed using conventional white light colonoscopy
  - 50% of interval cancers likely result from the missed lesions during colonoscopy[1]
  - Flat lesions are 10x more likely to be cancerous than polyps, regardless of size[2]
  - Clinical trials demonstrated that poor bowel preparations significantly lower detection rates, particularly in the ascending colon[3]
    - Approximately 37% of flat lesions are found in the ascending colon[2]

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1. Bechtler M, Eickhoff A, Riemann JF. Interval colon cancer and possible causes. Dtsch Med Wochenschr. 2008;133:2458-2462
2. Soetikno RM, Kaltenbach T, Rouse RV, et al. Prevalence of nonpolypoid (flat and depressed) colorectal neoplasms in asymptomatic and symptomatic adults. JAMA. 2008;299:1027-1035
3. Rex DK. Maximizing detection of adenomas and cancers during colonoscopy. *Am J Gastroenterol*. 2006;101:2866-2877

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We have a
One Tract
mind.

Advancing
Treatment
In
Gastrointestinal
Disorders

Forward-Looking Statement

Statements presented in this overview that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from projected results.

Factors that could cause actual results to differ materially include the risks and uncertainties of clinical trials and regulatory review, market acceptance of approved products, intellectual property risks specifically patent protection, competition from generic products and otherwise, and the need to acquire new products. These and other relevant risks are detailed in the Company's Securities and Exchange Commission filings.

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Mission Statement

Salix Pharmaceuticals is **committed** to being the leading U.S. specialty pharmaceutical company licensing, developing and marketing **innovative** products to healthcare professionals to prevent or treat **gastrointestinal** disorders.

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Experience

- Proven track record of acquiring products
  - -16 products since inception
- Success in progressing product candidates through late-stage development and FDA approval process
  - - 7 NDAs approvals and new product launches since 2000
  - - 2 NDAs pending approval
- Specialty sales force
  - - Average 10 years prior pharma experience
  - - 42% GI prior sales experience

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History of Success

	2000–2003	2004–2006	2007–2009	2010–2011
Acquisitions & In-licenses	apriso (mesalamine) 0.375g Extended-Release Capsules AZASAN	Anusol-HC® OsmoPrep PROCTOCORT® MoviPrep VISICOL	Pepcid Oral Suspension Budesonide Foam Crofelemer Diuril Oral Suspension Metozolv ODT	Lumacan RELISTOR® (methylnaltrexone bromide) subcutaneous injection
NDA Approvals	COLAZAL	Xifaxan (rifaximin) tablets 200 mg OsmoPrep MoviPrep	apriso (mesalamine) 0.375g Extended-Release Capsules Metozolv ODT	Xifaxan 550 nonsystemic rifaximin 550 mg tablets
Product Launches	COLAZAL	Xifaxan (rifaximin) tablets 200 mg OsmoPrep MoviPrep	apriso (mesalamine) 0.375g Extended-Release Capsules Metozolv ODT	Xifaxan 550 nonsystemic rifaximin 550 mg tablets

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Commercial Overview

Current Run Rates (annualizing January 2011 TRx)

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Xifaxan 550 NONSYSTEMIC®
rifaximin 550 mg tablets

- Unique, Gastrointestinal-Specific Antibiotic
  - "Works in the gut and only in the gut"
  - No stable resistance
  - Reduced risks
  - Broad spectrum
- 2004 FDA approval for Travelers' Diarrhea
- 2010 FDA approval for Hepatic Encephalopathy
- 49% mg unit growth (2010 vs. 2009)
- 7.42 billion mg prescribed in 2010
- Patent coverage: May 24, 2024*
  - Orange Book listed

*Patent expiration dates listed herein are for US patents and assume there are no patent term adjustments, extensions or other events that could affect the term or scope of a patent.

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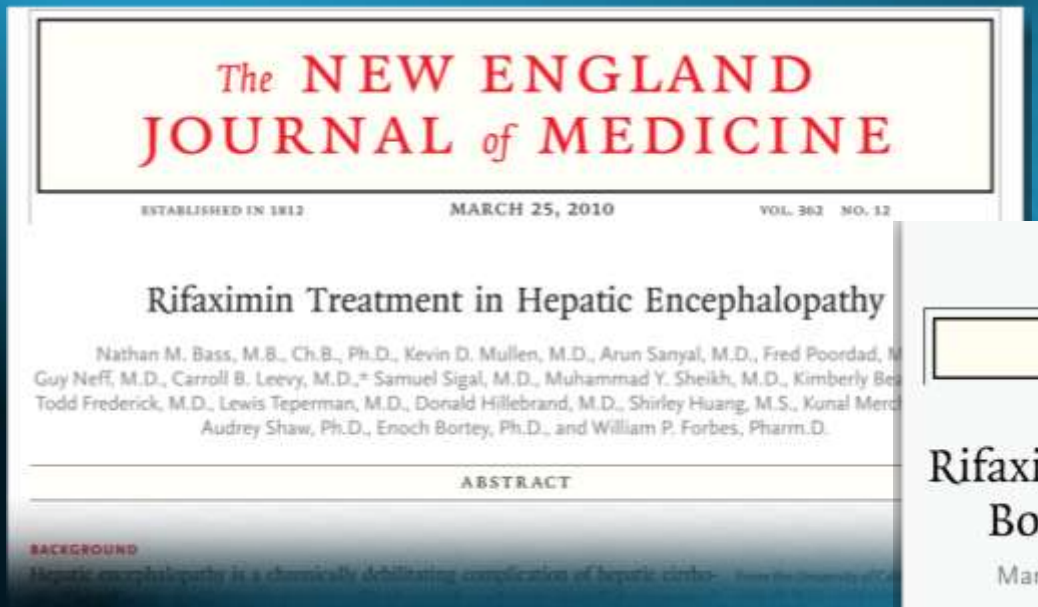
Rifaximin in NEJM



The NEW ENGLAND JOURNAL of MEDICINE

ESTABLISHED IN 1812 MARCH 25, 2010 VOL. 362 NO. 12

Rifaximin Treatment in Hepatic Encephalopathy

Nathan M. Bass, M.B., Ch.B., Ph.D., Kevin D. Mullen, M.D., Arun Sanyal, M.D., Fred Poordad, M.
Guy Neff, M.D., Carroll B. Leevy, M.D.,* Samuel Sigal, M.D., Muhammad Y. Sheikh, M.D., Kimberly Bea
Todd Frederick, M.D., Lewis Teperman, M.D., Donald Hillebrand, M.D., Shirley Huang, M.S., Kunal Merc
Audrey Shaw, Ph.D., Enoch Bortey, Ph.D., and William P. Forbes, Pharm.D.

ABSTRACT

BACKGROUND

The NEW ENGLAND JOURNAL of MEDICINE

ORIGINAL ARTICLE

Rifaximin Therapy for Patients with Irritable Bowel Syndrome without Constipation

Mark Pimentel, M.D., Anthony Lembo, M.D., William D. Chey, M.D., Salam Zakko, M.D., Yehuda Ringel, M.D., Jing Yu, Ph.D., Shadreck M. Mareya, Ph.D., Audrey L. Shaw, Ph.D., Enoch Bortey, Ph.D., and William P. Forbes, Pharm.D., for the TARGET Study Group*

ABSTRACT

BACKGROUND

Evidence suggests that gut flora may play an important role in the pathophysiology of the irritable bowel syndrome (IBS). We evaluated rifaximin, a minimally ab-

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Bowel Cleansing

- MoviPrep®
  - Only 2-L liquid PEG with ascorbic acid
  - #1 prescribed branded purgative worldwide
  - #1 prescribed branded purgative by U.S. gastroenterologists and colorectal surgeons
- OsmoPrep®
  - Only tablet formulation
- Growing Market
  - $700 million potential market
  - Approx.14 million bowel cleansing procedures (2010)
  - Demographics
  - Colon cancer screening awareness

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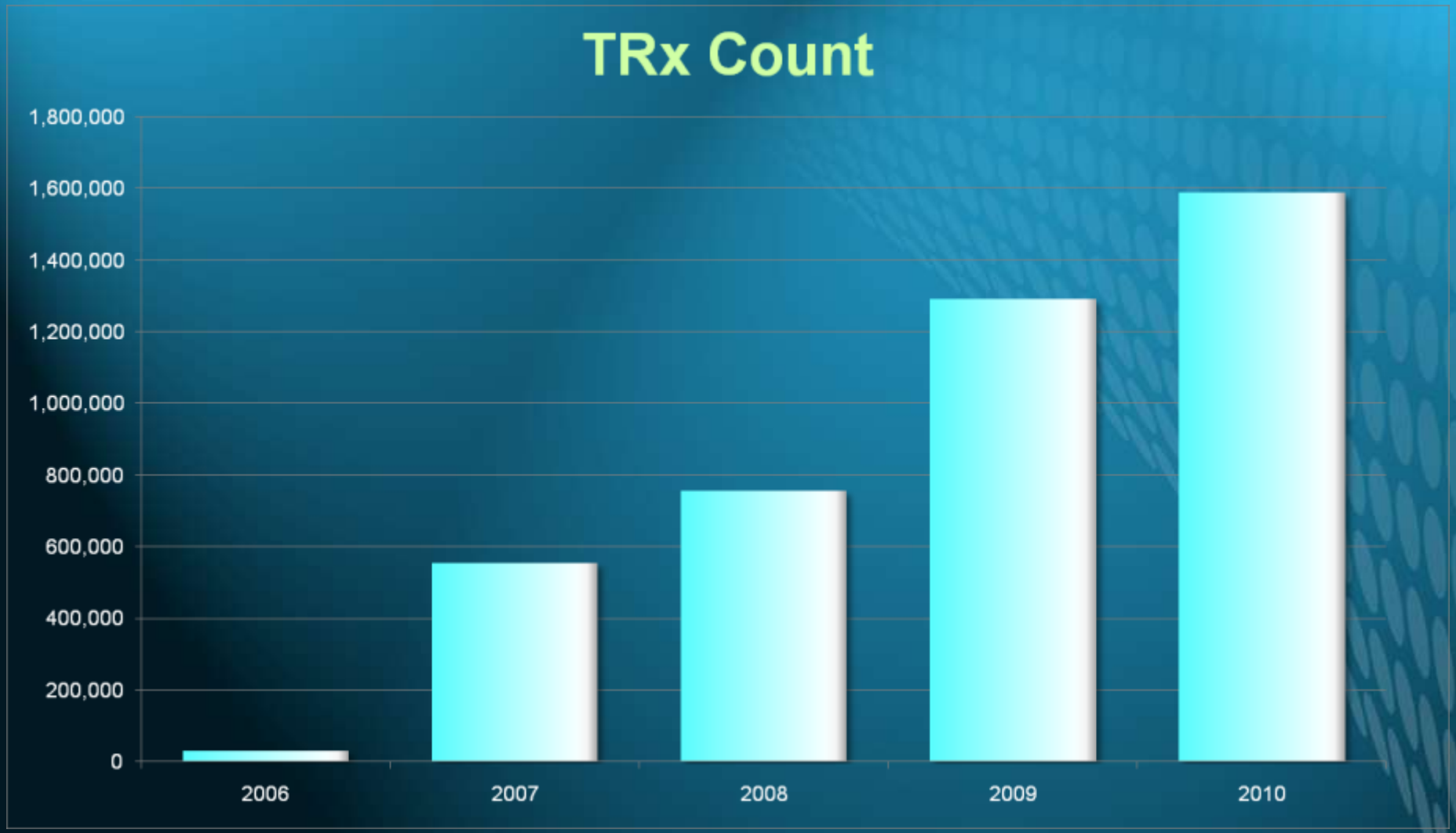
MoviPrep TRx Count Since Launch



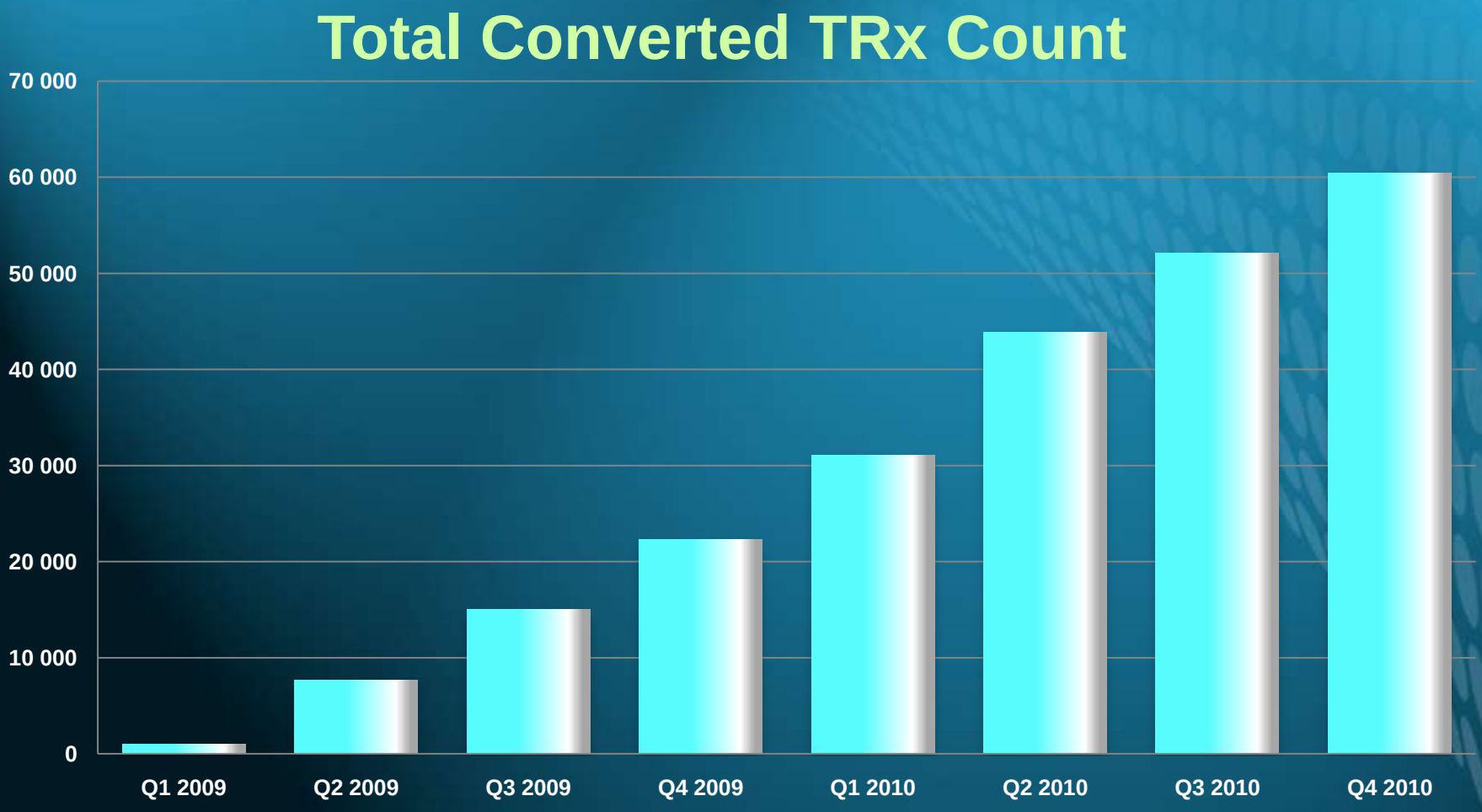
Source Data: WK PHAST Monthly Retail & Mail Order and PHAST Monthly Non Retail

Inflammatory Bowel Disease

- apriso
  - For maintenance of remission of ulcerative colitis
  - First and only 5-ASA with delayed- and extended-release delivery
  - Once daily dosing for 24-hour protection

- Revenue Target: exceed $100 million (Peak Year)

Apriso Quarterly TRx Count



Source: Wolters Klewer

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Product Development Overview

Pipeline

Program	Indication	Clinical Phases (Phase 2 / Phase 3)	NDA Review
Crofelemer	HIV-associated diarrhea		
Relistor SI	OIC in chronic pain		
Relistor Oral	OIC in chronic pain		
Budesonide Foam	Ulcerative proctitis or proctosigmoiditis		
Lumacan	Assist in detection of precancerous and cancerous lesions in the colon	In development	
Xifaxan	Next generation formulation for additional indications	In development	

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Crofelemer Outlook

- Indication
  - Treatment of chronic diarrhea in people living with HIV, or HIV-associated diarrhea
- Phase 3 Top-Line Results
  - Crofelemer provided relief of diarrhea for a highly statistically significant proportion of patients compared to placebo
- Market Opportunity
  - 1.2 million diagnosed AIDS/HIV patients
  - 15% of patients suffer from secretory diarrhea caused by disease or drug
  - ~2,000 Infectious Disease specialists in the US
  - Diarrhea still prevalent in AIDS/HIV patients despite improved antiviral therapy
  - Diarrhea causes significant poor quality of life
- Revenue Target: ~$150 - $200 million (Peak Year)

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Relistor

- Indication
  - RELISTOR (methylnaltrexone bromide) Subcutaneous Injection is indicated for the treatment of opioid-induced constipation (OIC) in patients with advanced illness who are receiving palliative care, when response to laxative therapy has not been sufficient. Use of RELISTOR beyond 4 months has not been studied.
- Status
  - Advanced Illness
    - Subcutaneous Injection
      - Marketed
  - Chronic, non-malignant pain
    - Subcutaneous Injection
      - NDA submission for mid-2011
    - Oral
      - Phase 3 underway

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Relistor

- Market Opportunity
  - First-in-class treatment for OIC
  - Approved in 50 countries, launched in 30 countries worldwide
  - U.S. Market Size (# patients)
    - 1 million: Advanced illness
    - 10 million: Chronic pain
- Revenue Target: $1 billion (Peak Year)

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Budesonide Foam Outlook

- Indication
  - Treatment of mild to moderate ulcerative proctitis or proctosigmoiditis
- Status
  - Phase 3 underway
- Market Opportunity
  - ~2.5 million rectal prescriptions annually (2010)
    - ~550k written by GEs (2010)
  - First and only budesonide foam on the market, if approved
  - Foam better accepted by patients than conventional rectal deliveries
  - Ability to premium price
- Revenue Target: ~$150 - $200 million (Peak Year)

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Capitalization (in millions)

	December 31, 2010
Cash, cash equivalents, investments	$518.0
Long-term debt	$405.0
Common shares outstanding	58.0
Fully diluted common shares, if profitable (Treasury Method)	65.6

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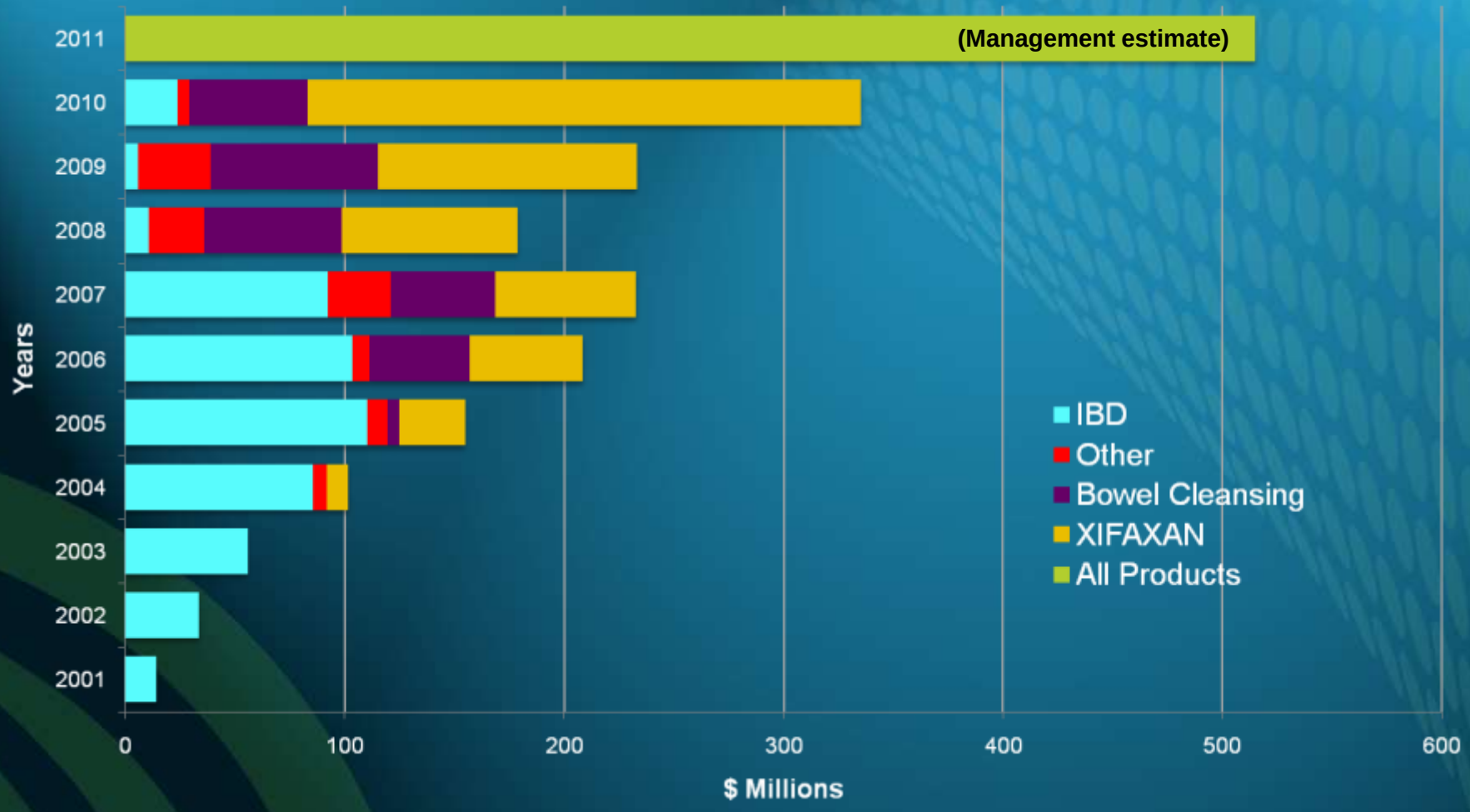
Sustained Revenue Growth



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Value Proposition

- Growing base business
- Numerous pipeline opportunities in areas with significant unmet medical needs addressing large dollar markets
- Strong patent portfolio
- Leading to $1 billion in revenue in the next 3 years

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Lumacan

Lumacan

- Target Product Profile
  - Fluorescing Rx agent (and associated colonoscope/filter) to improve the detection of precancerous and cancerous lesions in the colon
- Status
  - Oral formulation in development
- Market Opportunity
  - 15 million U.S. colonoscopies annually
  - Fluorescence (“blue-light”) colonoscopy identified approx. 65% more lesions compared to standard or “white-light” colonoscopy
  - Lumacan should improve detection of colonic lesions and potentially save lives
- Revenue Target: $500 million (Peak Year)

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Salix Sales Force

- Salix Sales Resources
  - 160 Territory Managers and 6 Telesales representatives
    - Targeting over 20,000 Health Care Providers: Gastroenterologists, Internal Medicine, Colorectal Surgeons, Nurse Practitioners, & Physician Assistants
  - 25 Key Account Managers (KAMs)
    - Targeting over 1,000 institutions: Liver Transplant Centers, Teaching Institutions and high volume Community Hospitals
  - 9 National Account Managers (NAMs)
    - Responsible for managed care contracts
  - 5 Federal Account Managers (FAMs)
    - Targeting VA Medical Institutions, US Department of Defense, Military Hospitals, and Indian Health Services

1. Source: Wolters Kluwer Health: PHAST, monthly retail and mail order (does not include non-retail).

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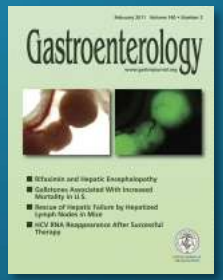
Marketing and Sales Opportunities



- Medical Publications/Communications Submissions and Advertising
  - American Journal of Gastroenterology (AJG), Gastroenterology, Gastrointestinal Endoscopy (GIE), Gastroenterology & Endoscopy News, Clinical Gastroenterology and Hepatology, Journal of American Medical Association (JAMA), The New England Journal of Medicine

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Marketing and Sales Opportunities

- Medical Conference Attendance
  - Society of Gastroenterology Nurses and Associates (SGNA), Digestive Disease Week (DDW), American Society of Colon and Rectal Surgeons (ASCRS), American Academy of Physician Assistants (AAPA), American Academy of Nurse Practitioners (AANP), American College of Gastroenterology (ACG)

- Promotional Meetings/Programs
  - Marketing and Representative Driven Promotional Speaker Programs
  - Marketing Driven Promotional Teleconferences and Webcasts
  - Journal Clubs

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Marketing and Sales Opportunities

- Advisory Meetings
  - Steering Committee Meetings
    - An R&D Steering Committee Meeting is scheduled to coincide with DDW in May 2011
  - Advisory Board Dinner Series
  - Consultant Meetings
- Market Research
  - Primary and Secondary Market Research (Quantitative and Qualitative)
  - Health Care Provider Focus Groups

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