Brilliance in photodynamic technology TM

Photocure ASA

Second quarter 2007

August 16th, 2007

Highlights second quarter 2007

Total revenues increased 49% to MNOK 29.1 (19.5)

Hexvix commercialisation gaining momentum

- Milestones payments of Euro 1.0 million for price/reimbursement in France and Italy
- Hexvix revenue from GE Healthcare increased to MNOK 3.9 (0.8)
- Hexvix revenue increased to MNOK 1.3 (0.5) in the Nordic region

Metvix revenue increased 21 %

- Metvix revenue from Galderma increased 12% to MNOK 8.1
- Metvix revenue in the Nordic region increased 40% to MNOK 5.1

Increased investment in R&D

- Filed sNDA for Aktilite in the US
- Pipeline projects in clinical phase proceeding according to plan

Financial statements

Financial statements
- Profit & loss (group)

Q2 2007	Q2 2006		2007 1.1-30.06	2006 1.1-30.06	2006 1.1-31.12
17 094	11 653	Sales revenues	36 100	24 938	61 667
12 028	7 843	Signing fee and milestone revenues	15 937	68 382	148 653
29 123	**19 496**	**Total revenues**	**52 037**	**93 320**	**210 320**
-4 397	-3 845	Cost of products sold	-10 985	-7 409	-22 251
24 726	**15 651**	**Gross profit**	**41 052**	**85 910**	**188 070**
1 669	1 553	Other income	3 364	2 940	5 690
-1 944	-1 507	Indirect manufacturing expenses	-5 640	-3 088	-8 545
-31 903	-10 720	Research and development expenses	-54 547	-26 374	-64 740
-9 295	-5 251	Marketing and sales expenses	-18 061	-10 483	-25 396
-3 535	-2 429	General and administrative expenses	-6 859	-8 930	-16 738
-20 281	**-2 703**	**Operating profit/loss(-)**	**-40 692**	**39 976**	**78 342**
3 019	2 782	Financial income	6 272	3 821	11 867
6	-1 037	Financial expenses	-622	-1 785	-5 478
3 024	**1 746**	**Net financial profit/loss(-)**	**5 651**	**2 036**	**6 389**
-17 257	**-958**	**Profit/loss(-) before tax**	**-35 041**	**42 012**	**84 730**
0	0	Tax expenses	0	0	0
-17 257	**-958**	**Net profit/loss(-)**	**-35 041**	**42 012**	**84 730**
-171	-49	Incl. minority interests in the amount of	-322	-121	-352
-0.78	-0.21	Net income/loss(-) per share, basic	-1.59	2.04	3.98
-0.78	-0.20	Net income/loss(-) per share, diluted	-1.58	2.04	3.97

- Sales revenues in Q2 increased by 47 % to MNOK 17.1 (11.7)
- Total revenues in Q2 increased by 49 % to MNOK 29.1 (19.5)

Financial statements
- Segment information (group)

Income statement - geographical distribution

(Amounts in NOK 1000)	Q2 2007				Q2 2006			
	Nordic	**ROW**	**R&D***	**Total**	**Nordic**	**ROW**	**R&D***	**Total**
Sales revenue	6 353	10 741	0	17 094	4 149	7 504	0	11 653
Milestone revenue	0	12 028	0	12 028	0	7 843	0	7 843
Total revenues	**6 353**	**22 770**	**0**	**29 123**	**4 149**	**15 347**	**0**	**19 496**
Cost of goods sold	636	3 761	0	4 397	429	3 416	0	3 845
Gross profit	**5 718**	**19 009**	**0**	**24 726**	**3 720**	**11 931**	**0**	**15 651**
Gross profit %	90 %	83 %		85 %	90 %	78 %		80 %
Operating expenses	7 518	3 275	34 214	45 007	4 081	2 675	11 599	18 354
Operating profit	**-1 801**	**15 734**	**-34 214**	**-20 281**	**-360**	**9 256**	**-11 599**	**-2 703**
Net finance	0	0	3 024	3 024	0	0	1 746	1 746
Profit before tax	**-1 801**	**15 734**	**-31 190**	**-17 257**	**-360**	**9 256**	**-9 853**	**-958**

** Including share of general and administrative expenses and net finance*

Sales revenues - product split

(Amounts in NOK 1000)	Q2 2007			Q2 2006		
	Nordic	**ROW**	**Total**	**Nordic**	**ROW**	**Total**
Metvix/Aktilite	5 055	8 124	13 180	3 608	7 272	10 880
Hexvix	1 298	2 617	3 915	541	232	773
Total	**6 353**	**10 741**	**17 094**	**4 149**	**7 504**	**11 653**

ROW=Rest Of the World

Allocation of operating expenses to the geographical segments have been changed for 2006 in order to present a more accurate allocation.

Financial statements
- balance sheet (group)

Balance Sheet (all amounts in NOK 1,000)

	30.06.2007	30.06.2006	31.12.2006
Intangible assets, software	1 581	0	780
Machinery & equipment	2 584	2 879	2 178
Total non-current assets	**4 164**	**2 879**	**2 958**
Inventory	11 478	11 037	9 784
Receivables	27 025	29 110	27 595
Cash & cash equivalents	301 890	282 864	335 085
Total current assets	**340 392**	**323 011**	**372 464**
Total assets	**344 557**	**325 890**	**375 423**
Equity and liabilities			
Paid-in capital	260 901	259 422	259 619
Other paid-in capital	8 575	5 793	6 821
Retained earnings	27 174	18 568	60 495
Total equity	**296 650**	**283 782**	**326 935**
Long-term liabilities			
Other non-current liabilities	0	9 120	1 303
Total long-term liabilities	**0**	**9 120**	**1 303**
Current liabilities	47 907	32 988	47 185
Total liabilities	**47 907**	**42 108**	**48 488**
Total equity and liabilities	**344 557**	**325 890**	**375 423**

- Cash & cash equivalents of MNOK 301.9 per 30.6.2007

Financial statements - cash flow (group)

Cash Flow Statement (all amounts in NOK 1,000)					
Q2 2007	**Q2 2006**		**2007 1.1-30.06**	**2006 1.1-30.06**	**2006 1.1-31.12**
-17 257	-958	Income/loss(-) before tax	-35 041	42 012	84 730
-244	-14 553	Other operational items	-4 362	-25 351	-18 359
-17 501	**-15 510**	**Net cash flow from operations**	**-39 403**	**16 661**	**66 371**
2 567	1 625	Cash flow from investments	5 225	1 897	4 555
0	0	Cash flow from capital transactions	982	191 977	191 830
-14 933	**-13 886**	**Net change in cash during the period**	**-33 196**	**210 535**	**262 757**
316 823	296 750	Cash & cash equivalents at beginning of peri	335 086	72 329	72 329
301 890	**282 864**	**Cash & cash equivalents at end of period**	**301 890**	**282 864**	**335 085**

- Net cash flow from operations of MNOK -17.5

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Brilliance in photodynamic technology ™

Hexvix®
- a breakthrough in bladder cancer diagnostics

Hexvix
- status second quarter 2007

PHOTOCURE

HEXVIX®
HEXAMINOLEVULINATE

Development in key value drivers:

- Establish reimbursement — France/Italy
- Increase base of scopes — Ongoing
- Train urologists — Ongoing
- Increase use at established centers — Ongoing

Introduced in Germany, Austria, France, Spain, UK, Portugal, Baltics, Netherlands, Poland and Greece.

European Hexvix awareness increasing

Recent publications:

- Favourable health economy
- Documentation of clinical benefit

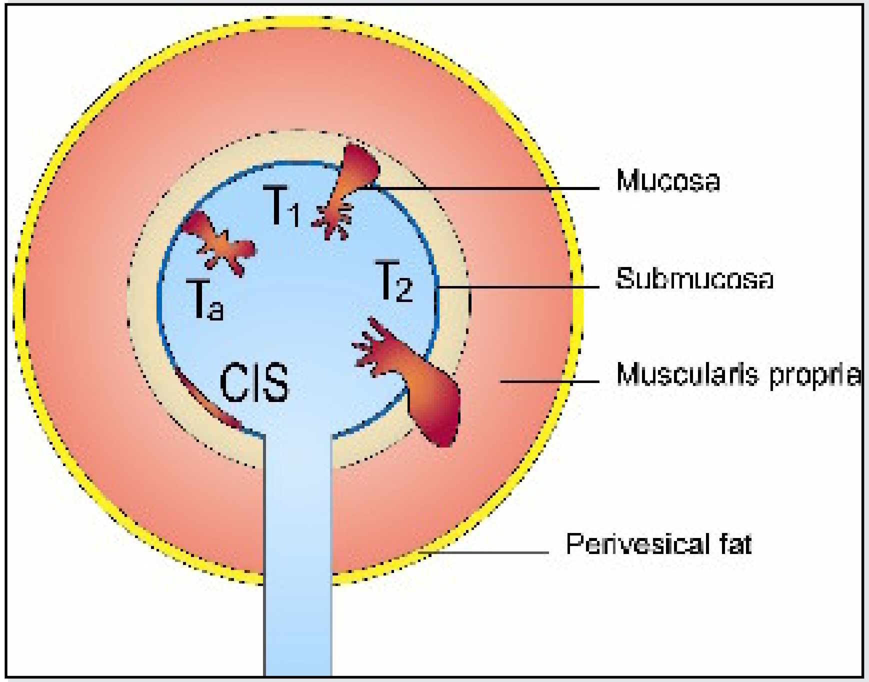
Hexvix
- reimbursement improving

Accomplishments

France:	Full reimbursement for hospitals and out-patient clinics effective from medio 2007 ~ 33.000 TURB's per year
Italy:	Price approved June 2007 ~ 50.000 TURB's per year
Nordic	DRG procedure code from 2008 Denmark granted reimbursement from 2008 ~ 20.000 TURB's per year in the Nordic region

Germany, Spain and Greece have partial/full reimbursement

Hexvix
- regulatory progress in the US



Discussion with FDA under the IND;

- Preclinical
  - no outstanding issues
- Clinical
  - depending on clinical results
- Blue light equipment
  - agreed process/working with partner

Regulatory plan;

Ongoing phase III study meets FDA requirements for clinical documentation

Hexvix
- adding a phase III study to the NDA

Phase III clinical study for detection and recurrence of bladder cancer

- Multi-center phase III study at 28 leading clinics in EU/US
- Discussed with FDA – agreed SPA
- ~750 patients
- Primary endpoints – detection of lesions and recurrence
- Inclusion completed in Q3 – 9 months follow-up completed in 2008

Implemented FDA requests from April 2006:

- Independent panel read of histology
- Improved documentation of procedure

PHOTOCURE™

Brilliance in photodynamic technology ™

Metvix® and Aktilite®

- treatment of skin cancer without scarring

Metvix
- a key step towards the US

Filed the Aktilite sNDA in June 2007

- Supplement to the approved New Drug Application for Metvixia in Aktinic keratosis submitted in June
- Expect first response from FDA in May 2008.

Started preparation for launch in the US of Metvixia/Aktilite

Facts about Aktinic keratosis (AK) in US:

- AK affects more than 10 million Americans
- US dermatologists get over 4 million visits related to AK per year
- The value of the market for topical AK treatments is over 100 million USD/year.

Metvix
- increased European focus

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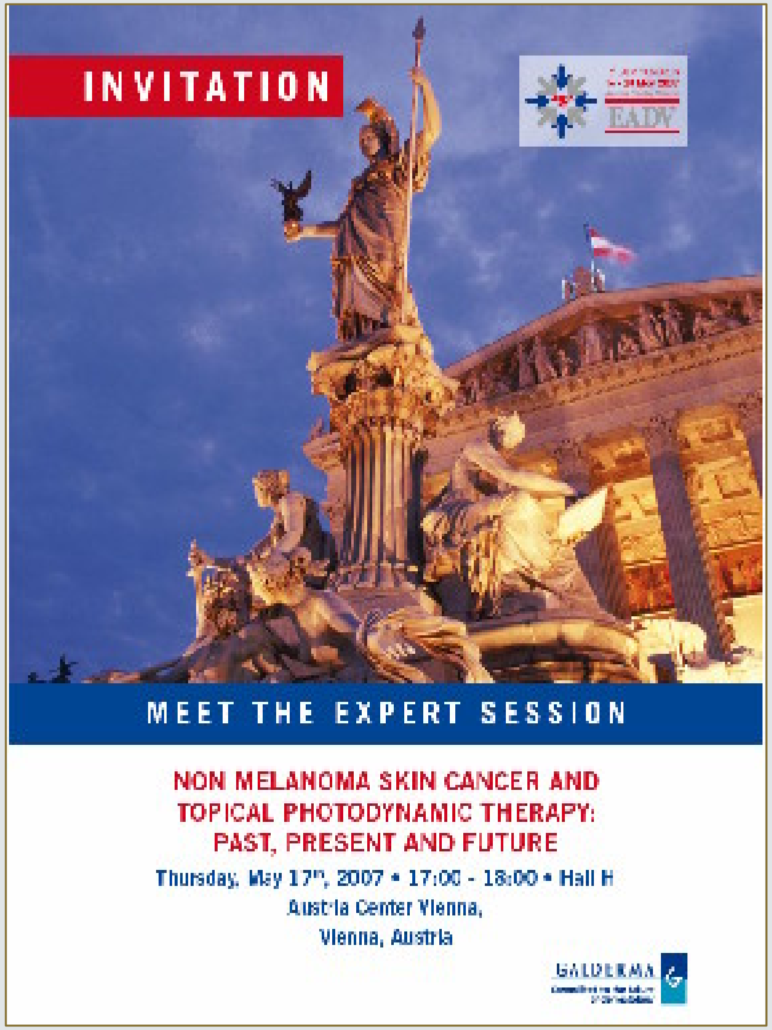
The 11th World Congress on Cancers of the Skin in Amsterdam

- Separate Metvix symposium

The 16th European Dermatology and Venereology congress in Vienna

- New Metvix study presented showing Metvix efficacy in organ transplant patients
- Separate Metvix symposium



Brilliance in photodynamic technology TM

Research & Development
- acne, cervix, colon and PCI Biotech

Acne
- the acne-project is on schedule

Progress in the Phase IIb clinical study

- Moderate to severe acne
- Multi-center study in the US
- Dose finding - placebo-controlled
- 40/210 patients included
- First phase investigating safety profile completed
- Report scheduled for 2008

Lamp development on schedule

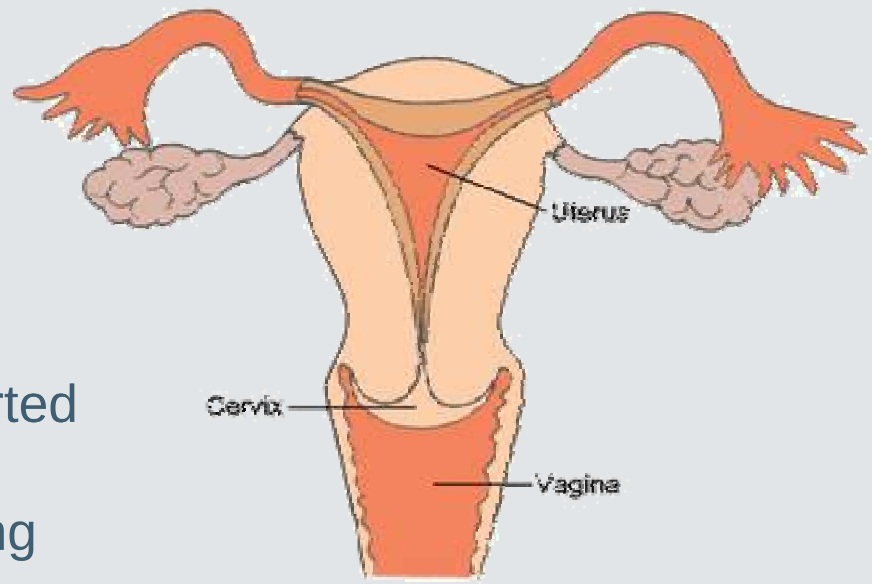
- First prototype produced in Q2

Preclinical program on schedule

Cervix
– the cervix-project is on schedule

Phase I/II study ongoing:

- dose finding
- Norway and Germany
- 60/72 patients included
- plan to add 24 patients
- 6 month follow-up
- report scheduled for H2 2008



Development of new light source started

Development new formulation ongoing

Obtained regulatory guidance from the European authorities

Conducting market analysis with focus groups and KOL interviews

Colon
– the colon-project is on schedule

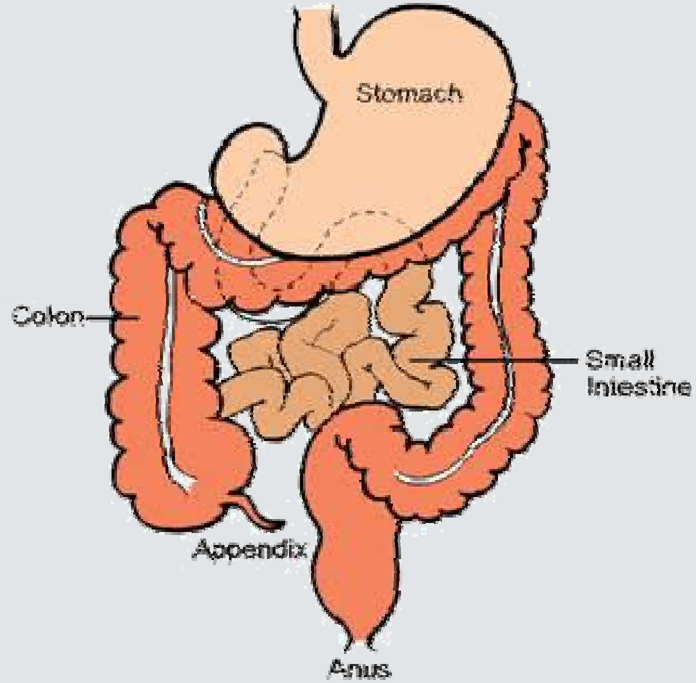
Phase I/II study ongoing:

- dose-finding
- 2 centres in Germany
- 25/33 patients included
- report scheduled for 2007

Hired new project director

Started development of oral formulation

Conducting market analysis with focus groups and KOL interviews



PCI Biotech
– preparing the first clinical study

Preparing the first clinical study

- Toxicology and safety pharmacology studies ongoing
- Clinical protocol finalized

Updating business plan for to include siRNA

- Developing business models and strategy
- Developing actions to deliver the strategy and build value

Patent applications for siRNA significantly strengthened by new data

- PCT application filed in July with more comprehensive data
- Strong scientific support from RRHF (DnR)

Strategic and operational goals

Continue investing in Metvix and Aktilite

- Support Galderma in strengthening Metvix/Aktilite in dermatology
- Launch Metvixia/Aktilite 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

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