Brilliance in photodynamic technology TM

Photocure ASA

Second quarter report 2008

August 15th, 2008

Highlights second quarter 2008

Financial: Sales revenues increased by 33 % to MNOK 22.7

- Hexvix® revenue increased 108% to MNOK 8.2 (3.9)
- Metvix®/Aktilite® revenue increased 10% to MNOK 14.5 (13.2)
- Net loss of MNOK 23.0 (17.3)

Operational: Metvix/Aktilite approved in the US

- Metvix/Aktilite approved by the FDA on June 26 for Actinic Keratosis
- R&D projects in clinical phase proceeding according to plan

Strategic: Focus on core business

- Demerger and IPO of PCI Biotech Holding ASA

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Brilliance in photodynamic technology ™

Financial statements

PCI Biotech Holding ASA – Demerger and IPO

- Demerger from Photocure
- IPO on Oslo Axess June 18th, 2008
- Share issue of MNOK 60
- Photocure ownership: 19.9%
- Accounting effect;
  - P&L: Expenses of MNOK 4.8 in H1 2008
  - Balance Sheet pr 30.6.2008: Other investments MNOK 12.4

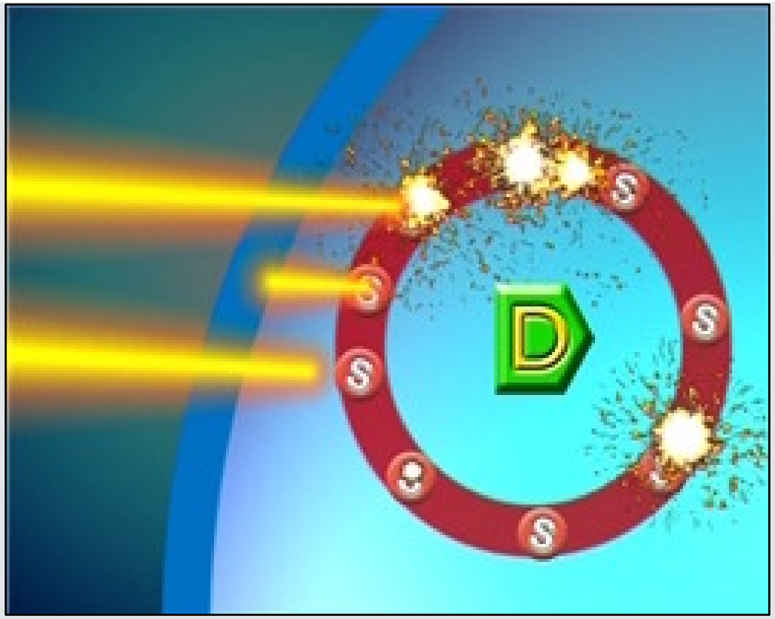

Illustration of PCI Biotech's drug delivery technology for endosomal release of drugs and nanoparticles

Financial statements
- profit & loss (group)

Q2 2008	Q2 2007		2008 1.1-30.06	2007 1.1-30.06	2007 1.1-31.12
22 687	17 094	Sales revenues	44 098	36 100	75 252
0	12 028	Signing fee and milestone revenues	1 303	15 937	23 754
22 687	**29 123**	**Total revenues**	**45 401**	**52 037**	**99 006**
-4 087	-4 397	Cost of products sold	-8 588	-10 985	-17 326
18 600	**24 726**	**Gross profit**	**36 813**	**41 052**	**81 679**
2 257	1 669	Other income	4 211	3 364	7 625
-2 108	-1 944	Indirect manufacturing expenses	-4 619	-5 640	-8 512
-21 627	-31 903	Research and development expenses	-42 607	-54 547	-112 098
-11 871	-9 295	Marketing and sales expenses	-23 881	-18 061	-39 766
-2 933	-3 535	General and administrative expenses	-10 074	-6 859	-16 378
-17 683	**-20 281**	**Operating profit/loss(-)**	**-40 156**	**-40 692**	**-87 450**
4 151	3 019	Financial income	7 120	6 272	14 224
-9 490	6	Financial expenses	-10 010	-622	-1 744
-5 339	**3 024**	**Net financial profit/loss(-)**	**-2 890**	**5 651**	**12 480**
-23 022	**-17 257**	**Net profit/loss(-)**	**-43 046**	**-35 041**	**-74 970**

Unaudited

Financial statements
- segment information 2Q (group)

Income statement - own sales/partner sales (unaudited)

	2Q 2008				% vs. PY	2Q 2007			
	Own	**Partner**	**R&D***	**Total**		**Own**	**Partner**	**R&D***	**Total**
Sales revenue	7 807	14 881	0	22 687	*33 %*	6 353	10 741	0	17 094
Milestone revenue	0	0	0	0		0	12 028	0	12 028
Total revenues	**7 807**	**14 881**	**0**	**22 687**	*-22 %*	**6 353**	**22 770**	**0**	**29 123**
Cost of goods sold	547	3 540	0	4 087	*-7 %*	636	3 761	0	4 397
Gross profit	**7 259**	**11 341**	**0**	**18 600**	*-25 %*	**5 718**	**19 008**	**0**	**24 726**
Gross profit (ex milestones)	*93 %*	*76 %*		*82 %*		*90 %*	*65 %*		*74 %*
Operating expenses	9 410	3 427	23 446	36 283	*-19 %*	7 518	3 275	34 214	45 007
Operating profit	**-2 151**	**7 914**	**-23 446**	**-17 683**	*-13 %*	**-1 801**	**15 734**	**-34 214**	**-20 281**
Net finance	0	0	0	-5 339	*-277 %*	0	0	0	3 024
Profit before tax	**-2 151**	**7 914**	**-23 446**	**-23 022**	*33 %*	**-1 801**	**15 734**	**-34 214**	**-17 257**

** Including share of general and administrative expenses*

Sales revenues - product split

	2Q 2008			% vs. PY	2Q 2007		
	Own	**Partner**	**Total**		**Own**	**Partner**	**Total**
Metvix/Aktilite	5 838	8 688	14 526	*10 %*	5 055	8 124	13 180
Hexvix	1 969	6 193	8 162	*108 %*	1 298	2 617	3 915
Total	**7 807**	**14 881**	**22 687**	*33 %*	**6 353**	**10 741**	**17 094**

Financial statements
- segment information H1 (group)

Income statement First Half 2008 - own sales/partner sales (unaudited)

	1H 2008				% vs. PY	1H 2007			
	Own	**Partner**	**R&D***	**Total**		**Own**	**Partner**	**R&D***	**Total**
Sales revenue	15 679	28 419	0	44 098	*22 %*	13 377	22 723	0	36 100
Milestone revenue	0	1 303	0	1 303		0	15 937	0	15 937
Total revenues	**15 679**	**29 722**	**0**	**45 401**	*-13 %*	**13 377**	**38 660**	**0**	**52 037**
Cost of goods sold	1 128	7 460	0	8 588	*-22 %*	1 366	9 619	0	10 985
Gross profit	**14 551**	**22 262**	**0**	**36 813**	*-10 %*	**12 011**	**29 041**	**0**	**41 052**
Gross profit (ex milestones)	*93 %*	*74 %*		*81 %*		*90 %*	*58 %*		*70 %*
Operating expenses	20 031	9 534	47 404	76 968	*-6 %*	16 198	8 136	57 410	81 744
Operating profit	**-5 480**	**12 728**	**-47 404**	**-40 156**	*-1 %*	**-4 187**	**20 905**	**-57 410**	**-40 692**
Net finance	0	0	0	-2 890		0	0	0	5 650
Profit before tax	**-5 480**	**12 728**	**-47 404**	**-43 046**	*23 %*	**-4 187**	**20 905**	**-57 410**	**-35 041**

** Including share of general and administrative expenses*

Sales revenues - product split

	1H 2008			% vs. PY	1H 2007		
	Own	**Partner**	**Total**		**Own**	**Partner**	**Total**
Metvix/Aktilite	11 477	17 138	28 615	*0 %*	10 447	18 048	28 495
Hexvix	4 202	11 281	15 483	*104 %*	2 930	4 675	7 605
Total	**15 679**	**28 419**	**44 098**	*22 %*	**13 377**	**22 723**	**36 100**

Financial statements
- balance sheet (group)

Balance Sheet (unaudited - all amounts in NOK 1,000)

	30.06.2008	30.06.2007	31.12.2007
Non-currrent assets			
Intangible assets, software	615	1 581	779
Machinery & equipment	4 021	2 584	3 436
Other investments	12 397		
Total non-current assets	**17 033**	**4 164**	**4 215**
Currrent assets			
Inventory	11 941	11 478	12 504
Receivables	25 000	27 025	32 222
Cash & cash equivalents	196 460	301 890	252 452
Total current assets	**233 401**	**340 392**	**297 179**
Total assets	**250 434**	**344 557**	**301 394**
Equity and liabilities			
Equity			
Paid-in capital	11 047	260 901	11 047
Other paid-in capital	13 719	8 575	10 984
Retained earnings	194 517	27 174	237 472
Shareholders' equity	**219 282**	**296 650**	**259 503**
Minority interest	0	0	491
Total equity	**219 282**	**296 650**	**259 994**
Liabilities			
Current liabilities	31 152	47 907	41 400
Total liabilities	**31 152**	**47 907**	**41 400**
Total equity and liabilities	**250 434**	**344 557**	**301 394**

Brilliance in photodynamic technology TM

Hexvix®

- a breakthrough in bladder cancer diagnostics

Hexvix
- strong second quarter 2008

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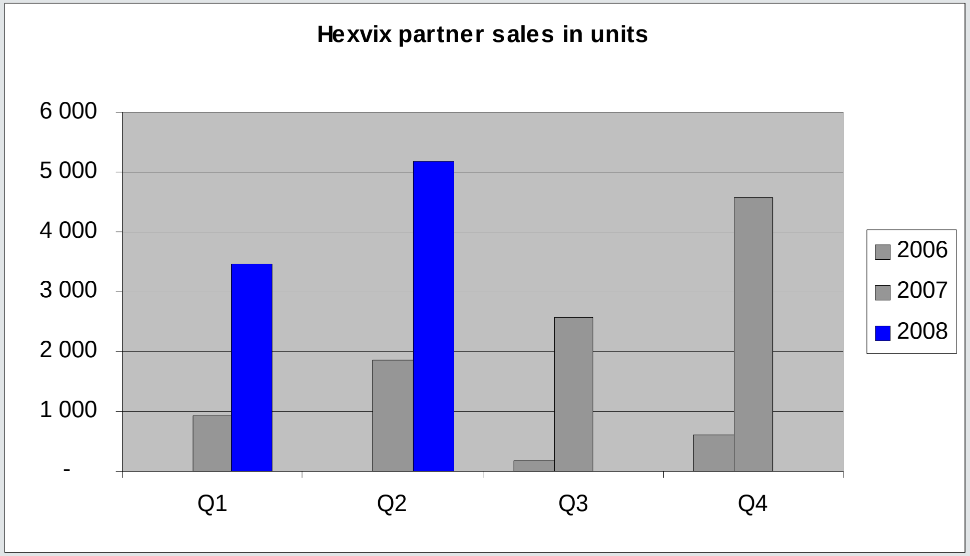
HEXVIX®
HEXAMINOLEVULINATE

Sales increase of 108 % to 8.2 (3.9) in Q2

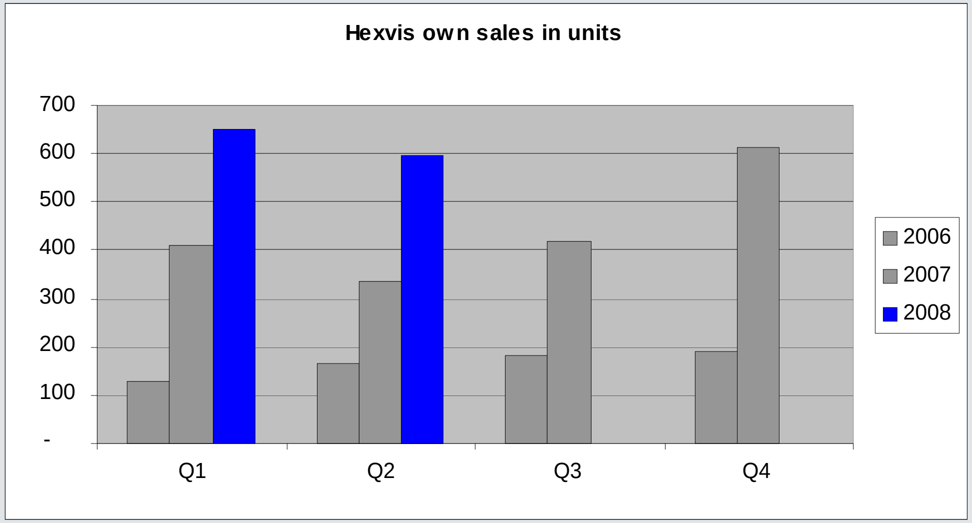
Development in key value drivers:

• Establish reimbursement	Ongoing
• Increase base of scopes	Ongoing
• Train urologists	Ongoing
• Increase use at established centres	Ongoing

Hexvix
- sales increase of 168 % in units



- Partner sale of 5,235 units in Q2 2008 vs. 1,842 units in Q2 2007.



- Own sale of 595 units in Q2 2008 vs. 336 units in Q2 2007.

Hexvix
- regulatory progress in the US

PHOTOCURE

HEXVIX®
HEXAMINOLEVULINATE

<u>Status:</u>

Discussion with FDA under the IND;

- Preclinical – no outstanding issues
- Clinical – depending on clinical results
- Equipment – agreed process /working with partner

<u>Plan:</u>

Complete clinical phase III study in 2008

Submit complete response to FDA in 1H 2009

Hexvix
- Pivotal phase III study in the US

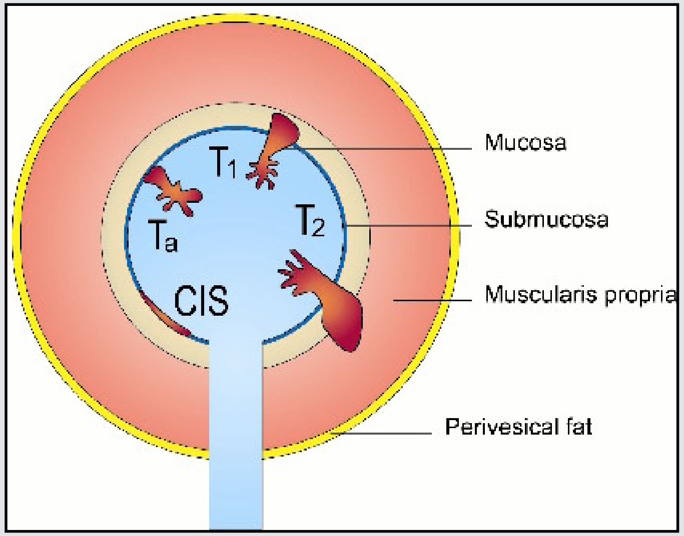


Illustration of different types of bladder cancer

Phase III clinical study in bladder cancer

- Multi-centre at 28 clinics in EU/US
- FDA has approved protocol (SPA)
- Included ~750 patients
- Endpoints: detection of lesions/recurrence
- Implemented FDA requests:
  - Independent panel read of histology
  - Improved documentation of procedure
- 9 months follow-up completed in 2008

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Brilliance in photodynamic technology ™

Metvix® and Aktilite®

- treatment of skin cancer without scarring

Metvix/Aktilite approved in the US!

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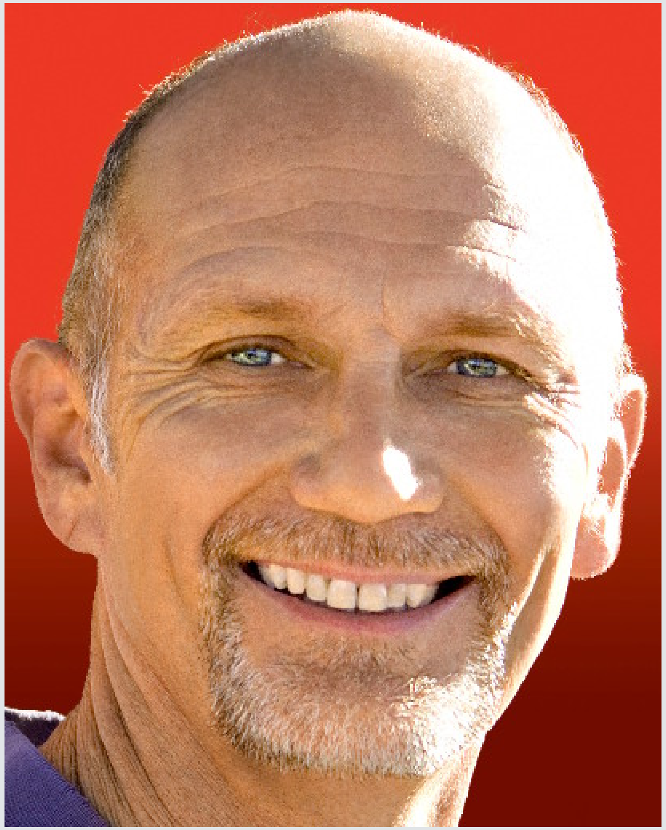
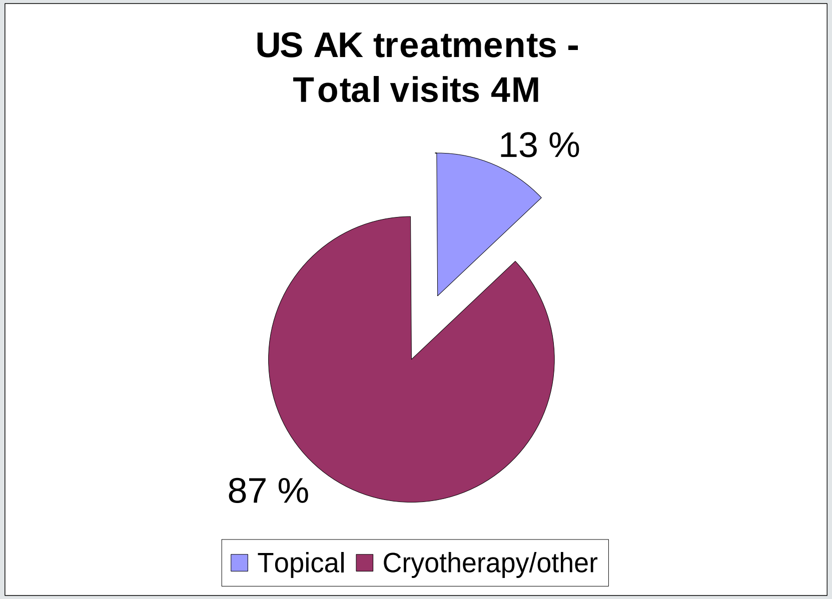
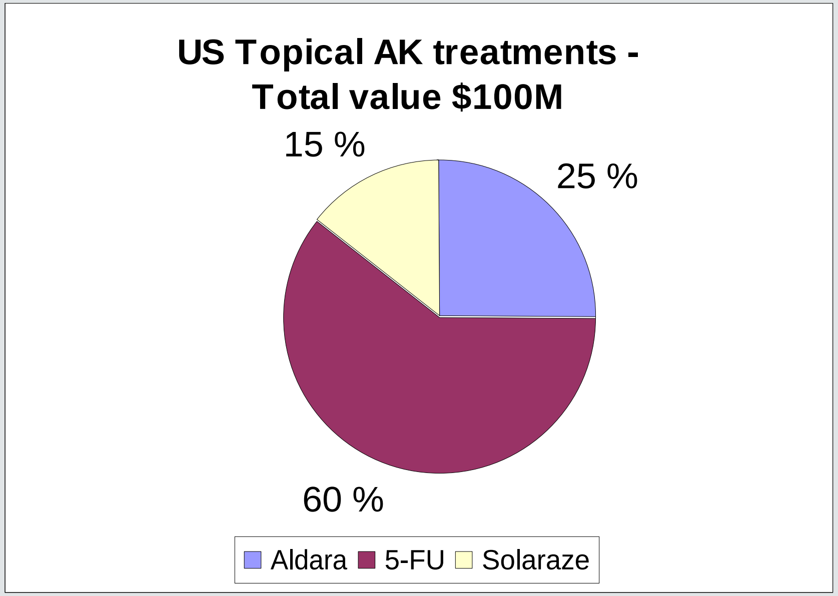


- FDA approved Metvixia/Aktilite on June 26 2008 for use on Actinic Keratosis (AK), a precancerous skin disease caused by sun exposure
- AK affects more than 10 million Americans
- US dermatologists get over 4 million AK visits/year

Metvixia™ is the tradename for Metvix in the US.

The market for topical AK treatments is $ 100+ million/year





Launch of Metvixia/Aktilite in the US

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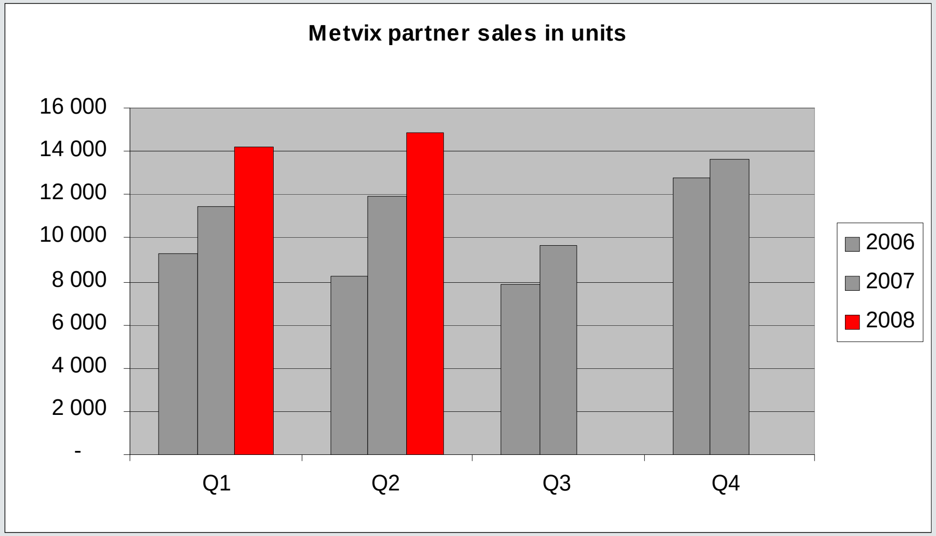
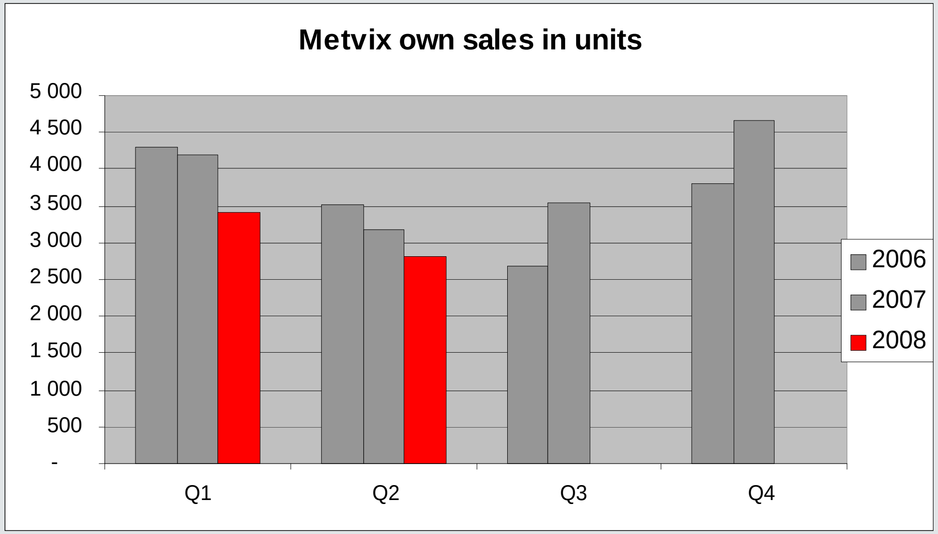
-Galderma is the leading company in dermatology and skincare in the US.

-Metvixia/Aktilite is one of a few new products ready for the market.

-Galderma plan introduction of Metvixia/Aktilite to Key Opinion Leader centers in 2008.

Metvix
– sales increase of 20 % in units





- Partner sale of 14,897 Metvix tubes in Q2 2008, an increase of 29 % vs. 11,543 Metvix tubes in Q2 2007.

- Own sale of 2,731 Metvix tubes in Q2 2008 a decrease of 14 % vs. 3,182 units in Q2 2007.

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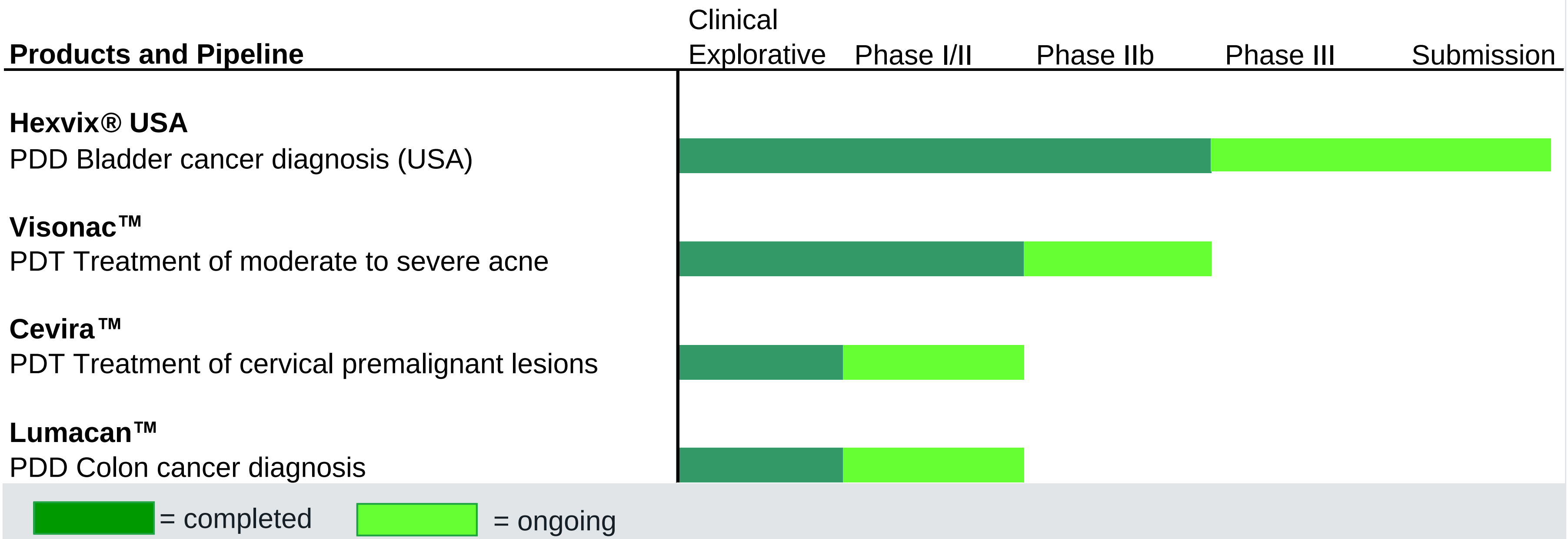
Research & Development
- progress in pipeline projects

R&D programs



Products and Pipeline
Clinical Explorative
Phase I/II
Phase IIb
Phase III
Submission
Hexvix® USA
PDD Bladder cancer diagnosis (USA)
Visonac™
PDT Treatment of moderate to severe acne
Cevira™
PDT Treatment of cervical premalignant lesions
Lumacan™
PDD Colon cancer diagnosis
= completed
= ongoing

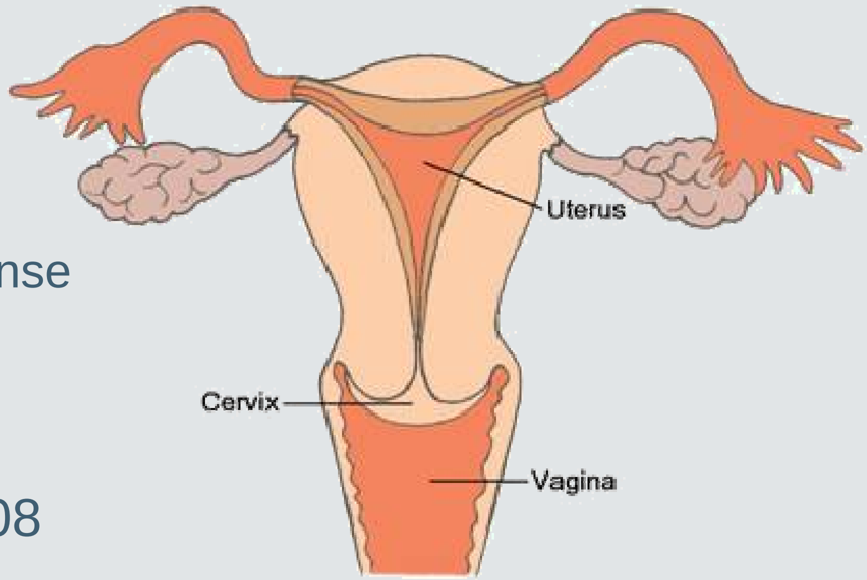
Visonac™
- treatment of moderate to severe acne

- Phase IIb study:
  - Moderate to severe acne
  - ~190 patients in the US
  - Dose finding
  - Placebo controlled
  - Endpoint: reduction of lesions
- New lamp developed

Illustration of Photocure's novel acne treatment

Cevira™
- treatment of abnormalities in the cervix

- Phase I/II study:
  - dose finding – randomized in CIN 2/3
  - Norway and Germany
  - Inclusion completed
  - 92 patients
  - 12 months follow-up
  - Primary endpoint: 6 months response



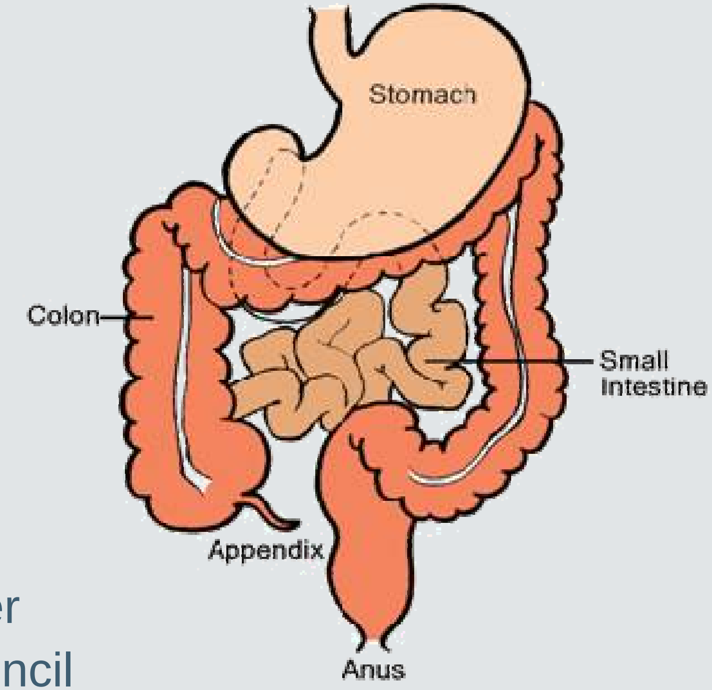
- Submitted IND in the US in July

- New phase I/II study planned in 2008
  - Focus on CIN 2
  - Centres in EU/US
  - 12 months follow-up
  - Primary endpoint: 4 months response

Lumacan™
- diagnosis of colon cancer

- Finalized phase I/II study – early detection of premalignant conditions in colon
  - dose-finding
  - 2 centres in Germany - 38 patients
  - presented at DDW, California May 2008

- Plan to start phase I/II study with the oral capsule formulation in 2008,
  - open, dose finding
  - 4 centres in Germany/Norway
  - 50-70 patients w/suspected colon cancer
  - sponsored by Norwegian Research Council



Strategic and operational goals

Continue investing in Metvix and Aktilite

- Strengthen Metvix/Aktilite in dermatology

Commercialise Hexvix

- Support GE Healthcare in introducing Hexvix
- Secure Hexvix approval in the US

Continue clinical development in acne, cervix and colon

Secure licensing/co-development of pipeline projects