



Brilliance in photodynamic technology™

Photocure ASA

Second quarter 2009

August 14th, 2009

Kjetil Hestdal, President & CEO and Christian Fekete, CFO



Highlights second quarter 2009

Increased sales revenue by 27 % to NOK 28.9 million (22.7)

Improved operating profit to NOK -14.5 million (-17.7)

Submitted NDA for Hexvix® in the USA

Progress in R&D

- Visonac™ - Completed meetings with FDA and EU regulatory agencies
- Cevira™ - Ongoing phase I/II proof-of-concept study in CIN I patients
- Lumacan™ - Ongoing phase I/II proof-of-concept study with oral formulation for detection of colon cancer



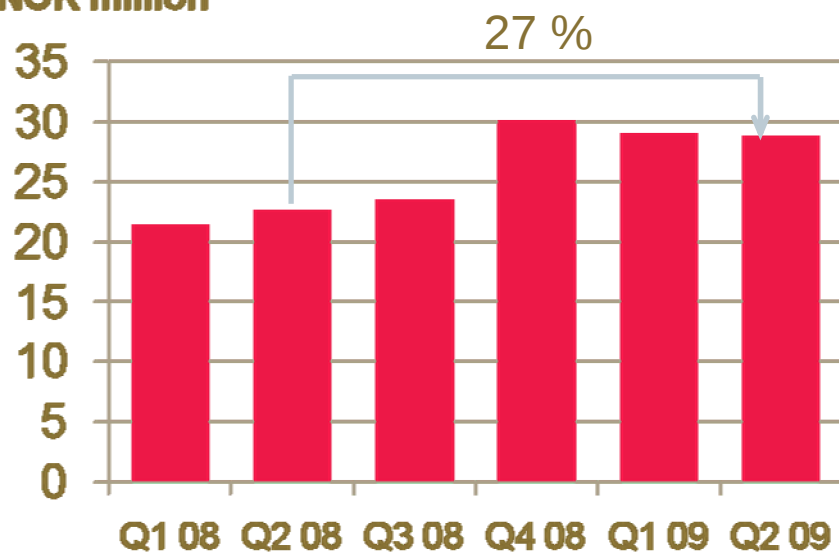
Brilliance in photodynamic technology™

Financial statements



27 % increase in sales revenue

NOK million



■ Sales Revenue

- Sales revenue growing over 20% in the last 5 quarters



Profit & Loss

- Sales revenue growing 27% in Q2 and 31% in H1
- Increased margin to 83% in Q2 and 84% in H1
- Reduced losses
 - Lower R&D expenses due to limited clinical activity in H1
 - Marketing & Sales expenses at 2008 level

<i>Numbers in NOK thousand (unaudited)</i>	Q2 09	Q2 08	H1 2009	H1 2008
Sales revenue	28 889	22 687	57 962	44 098
Signing fee & milestone revenues	0	0	0	1 303
Total revenues	28 889	22 687	57 962	45 401
Cost of products sold	-5 009	-4 087	-9 538	-8 588
Gross profit	23 880	18 600	48 424	36 813
Other income	1 461	2 257	2 023	4 211
Indirect manufacturing expenses	-2 261	-2 108	-4 929	-4 619
R&D expenses	-21 209	-21 627	-32 897	-42 607
Marketing & sales expenses	-10 689	-11 871	-23 301	-23 881
G&A expenses	-5 687	-2 933	-9 561	-10 074
Operating profit/ loss (EBIT)	-14 505	-17 683	-20 240	-40 156
Net financial items	2 410	-5 339	-467	-2 890
Profit/ loss before tax (EBT)	-12 095	-23 022	-20 706	-43 046
Tax expenses	0	0	0	0
Result before other items	-12 095	-23 022	-20 706	-43 046
Other items	1 048	0	1 048	0
Net profit/ loss	-11 047	-23 022	-19 658	-43 046



Segment information – Q2 2009

<i>(unaudited)</i>	Q2 2009					Q2 2008			
<i>Numbers in NOK thousand</i>	Own	Partner	R&D*	Total	% vs. 08	Own	Partner	R&D*	Total
Sales revenue Metvix/ Aktelite	5 816	11 166		16 982	17 %	5 838	8 688		14 526
Sales revenue Hexvix	4 531	7 376		11 907	46 %	1 969	6 193		8 162
Total sales revenues	10 347	18 581		28 889	27 %	7 807	14 881		22 687
Milestone revenue	0	0		0		0	0		0
Total revenues	10 347	18 581		28 889	27 %	7 807	14 881		22 687
Cost of goods sold	-511	-4 498		-5 008	23 %	-547	-3 540		-4 087
Gross profit	9 836	14 044		23 880	28 %	7 259	11 341		18 600
Gross profit (ex milestones)	95%	76%		83%		93%	76%		82%
Operating expenses	-10 115	-5 392	-22 878	-38 385	6 %	-9 410	-3 427	-23 446	-36 283
Operating profit	-278	8 652	-22 878	-14 505	-18 %	-2 151	7 914	-23 446	-17 683
Net finance	0	0	0	2 410	NA	0	0	0	-5 339
Profit before tax	-278	8 652	-22 878	-12 095	-47 %	-2 151	7 914	-23 446	-23 022
<i>* Including share of general & administrative expenses</i>									



Segment information – H1 2009

<i>(unaudited)</i>	H1 2009					H1 2008			
<i>Numbers in NOK thousand</i>	Own	Partner	R&D*	Total	% vs. 08	Own	Partner	R&D*	Total
Sales revenue Metvix/ Aktelite	13 897	22 489		36 385	27 %	11 477	17 138		28 615
Sales revenue Hexvix	8 349	13 227		21 576	39 %	4 202	11 281		15 483
Total sales revenues	22 246	35 716		57 962	31 %	15 679	28 419		44 098
Milestone revenue	0	0		0		0	1 303		1 303
Total revenues	22 246	35 716		57 962	28 %	15 679	29 722		45 401
Cost of goods sold	-1 082	-8 455		-9 537	11 %	-1 128	-7 640		-8 588
Gross profit	21 164	27 261		48 425	32 %	14 551	22 262		36 813
Gross profit (ex milestones)	95%	76%		84%		93%	75%		81%
Operating expenses	-20 855	-9 952	-37 857	-68 664	-11 %	-20 031	-9 534	-47 404	-76 968
Operating profit	309	17 309	-37 857	-20 239	-50 %	-5 480	12 728	-47 404	-40 156
Net finance	0	0	0	-467	NA	0	0	0	-2 890
Profit before tax	309	17 309	-37 857	-20 706	-52 %	-5 480	12 728	-47 404	-43 046
<i>* Including share of general & administrative expenses</i>									



Balance sheet - assets

- Cash and cash equivalents of NOK 150.6 million

<i>Numbers in NOK thousand (unaudited)</i>	31.6.2009	31.12. 2008
Non-current assets		
Intangible assets, software	472	534
Machinery & Equipment	3 449	3 939
Other investments	8 384	11 528
Total non-current assets	12 305	16 001
Current assets		
Inventory	19 013	12 792
Receivables	30 617	29 158
Cash & cash equivalents	150 556	179 897
Total current assets	200 185	221 846
Total assets	212 490	237 847



Balance sheet - equity & liabilities

- NOK 181.9 million in shareholder's equity
- No interest bearing debt

<i>Numbers in NOK thousand (unaudited)</i>	31.6.2009	31.12.2008
Paid-in capital	11 047	11 047
Other paid-in capital	190 416	15 467
Retained earnings	-19 658	173 181
Shareholders' equity	181 864	199 694
Total equity	181 864	199 694
Current liabilities	30 627	38 153
Total liabilities	30 627	38 153
Total equity and liabilities	212 490	237 847



Cash Flow

- NOK –11.3 million in Net change in cash during Q2.

<i>Numbers in NOK thousand (unaudited)</i>	Q2 2009	FY 2008
Income/ loss before tax	-12 095	-64 382
Other operational items	-1 229	4 704
Net cash flow from operations	-13 324	-59 677
Cash flow from investments	2 010	-12 865
Cash flow from capital transactions	-2	-13
Net change in cash during the period	-11 316	-72 555
Cash & cash equivalents beginning of period	161 872	252 452
Cash & cash equivalents beginning end period	150 556	179 897



Financial Summary – Q2 2009

- Sales revenues growing 27 % to NOK 28.9 million
- Margin improved to 83%
- R&D; Hexvix NDA-filing and limited clinical activity
- Marketing & Sales expenses at 2008 level
- Operating income improved by NOK 3.2 million
- NOK 150.6 million in cash



Brilliance in photodynamic technology™

Hexvix®

- a breakthrough in bladder cancer
diagnostics

Hexvix[®] value proposition

- the only licensed product of its type



- Enables doctors to carry out a more effective tumour removal
- Strong improvement compared to standard diagnostic procedures

	Hexvix results
Detection of patients w/ bladder cancer	30% more ^{1.}
Detection of patients w/ CIS lesions	28% more ^{2.}
Detection of CIS lesions	67% more
Recurrence - relative reduction	22% ^{5.}
Patient management improvement	1 in 5 ^{3.}
Cost effective	Yes ^{4.}

1. Jichlinski P et. al. J Urol, 2003;170:226-229

2. Schmidbauer J et. al. J Urol, 2004;171:135-138

3. Jocham D et. al. J Urol, 2005;174:862-866

4. Burger et. al. Eur J Urol, 2007;52:142-147

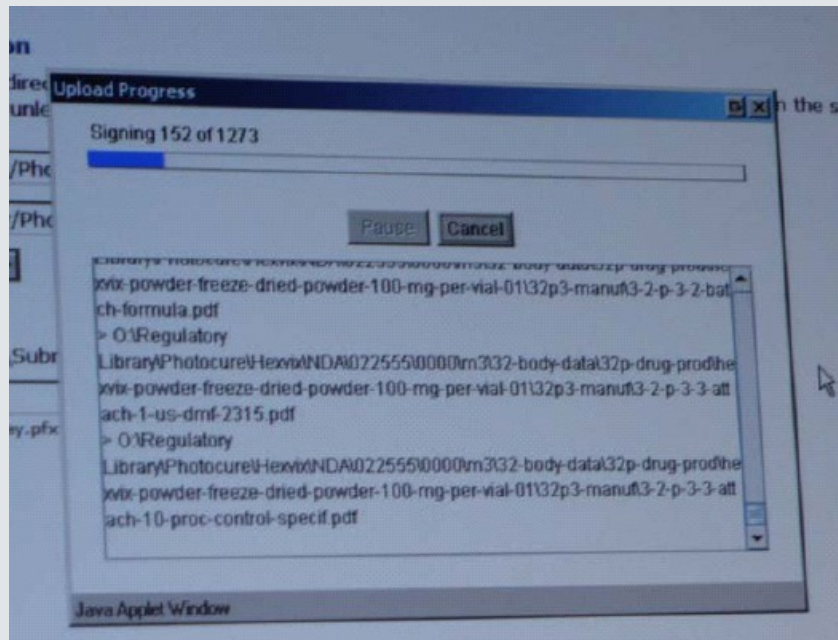
5. Publication in progress

Hexvix

- status second quarter 2009

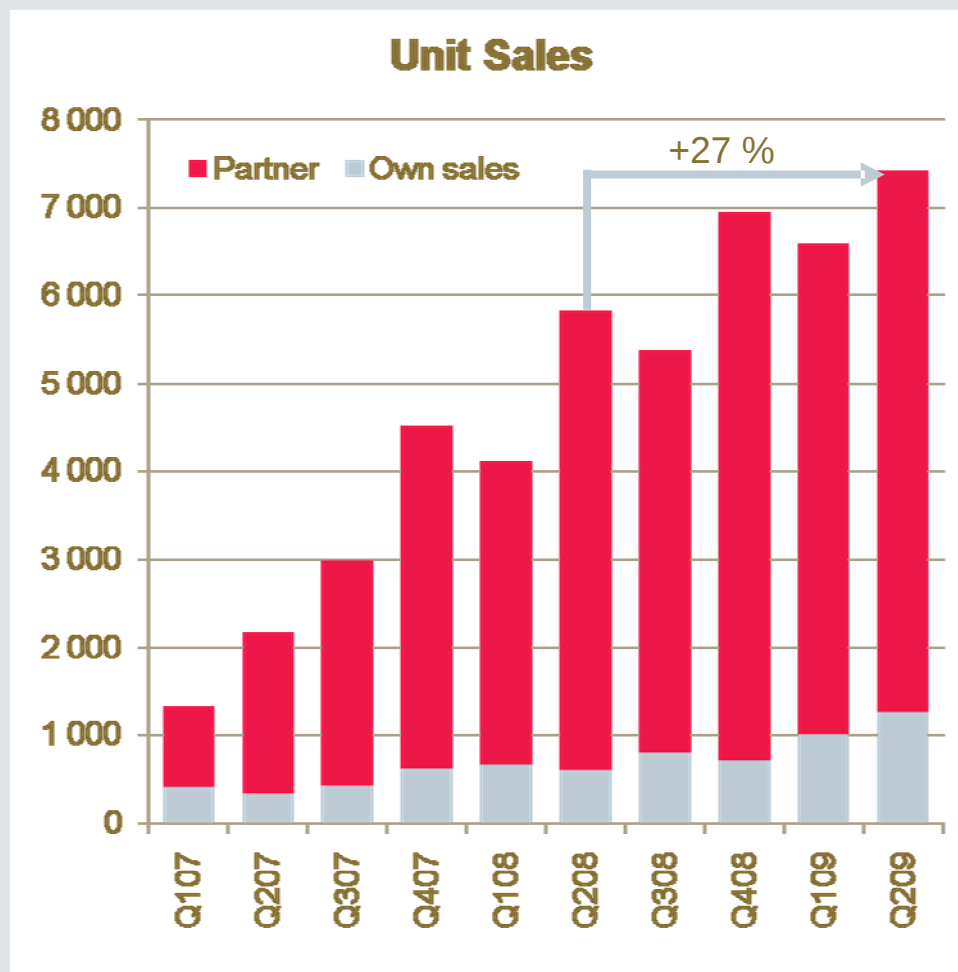


- Presented phase III clinical study in 766 patients with non-muscle invasive papillary tumors (Ta/T1)
 - Relative reduction in recurrence rate of 22 % ($P=0.029$)
 - More lesions detected in 17 % of patients ($P=0.0005$)
- Submitted NDA for Hexvix in the USA.





Hexvix[®] key sales figures



Key sales figures:

- 1,257 Hexvix units sold in the Nordic region, an increase of 111% vs PY
- 6,174 Hexvix units sold by GE Healthcare, an increase of 18% vs PY

Hexvix – roadmap



HEXVIX®
HEXAMINOLEVULINATE

- Secure US approval
- Increase public awareness
- Improve reimbursement procedures
- Perform clinical studies to increase therapeutic indication and scope, and to develop new treatment options for follow up-patients



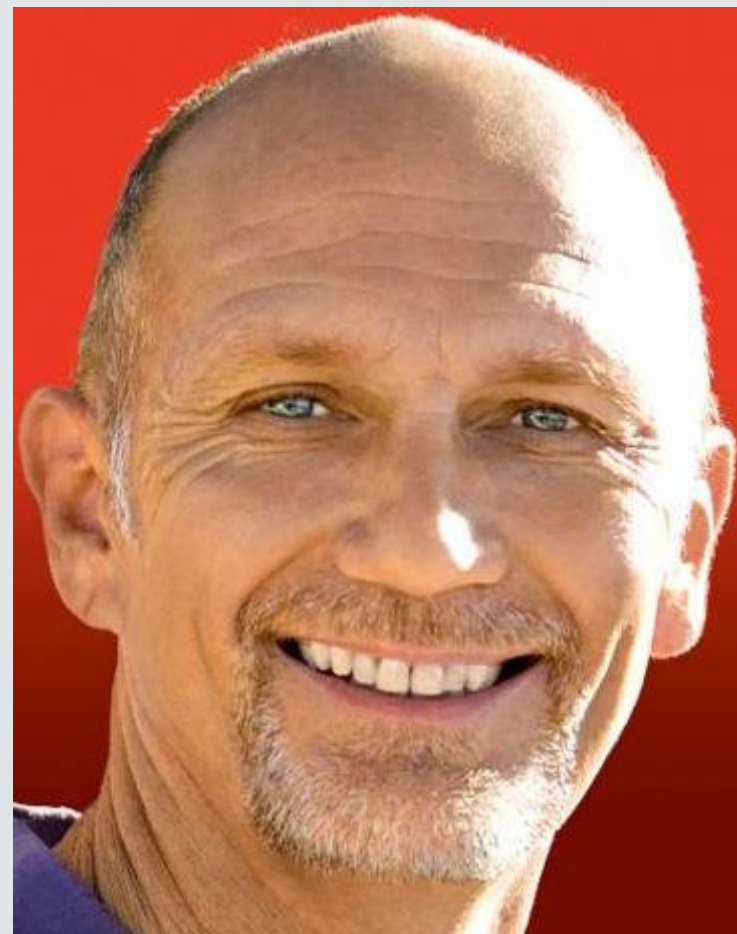
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Metvix® and Aktilite®

- treatment of skin cancer without scarring

Actinic keratosis and NMSC

- Actinic Keratosis (AK):
 - Overall prevalence 11-25%
 - 15 million diagnosed in EU/ US per year
- NMSC (Non Melanoma Skin Cancer):
 - Most common malignancies in the Caucasian population
 - > 1/3 of all adult cancers in the US
 - Incidence increased 3-8% per year worldwide since 1964



Metvix[®] value proposition

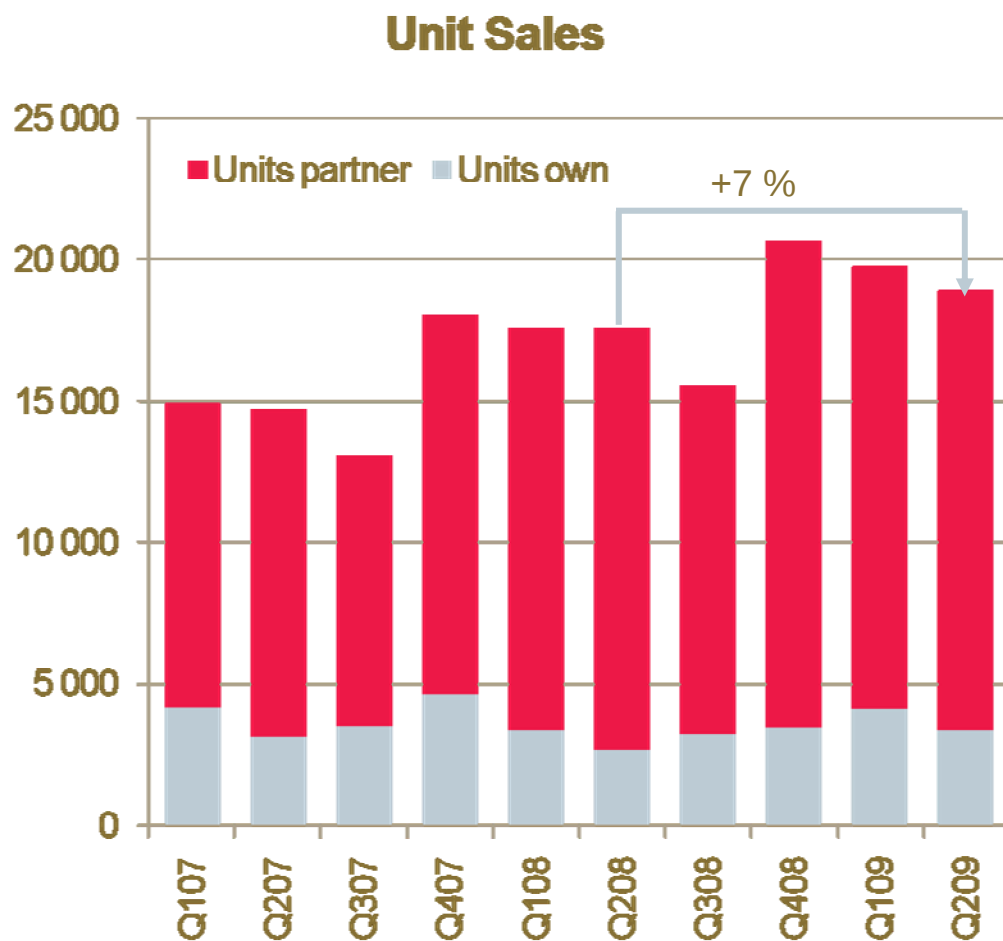
Precisely directed treatment without scarring



- Approved for AK, BCC and Bowen's (BD)
- PDT recommended as first-line treatment for AK/BCC/BD in international guidelines
- Physician-controlled - 100% compliance
- Clinically effective
 - Limited & predictable side-effect profile
- Superior cosmetic outcome
 - Non-invasive - no scarring
 - Targeted and selective - reduced recovery
 - Can safely be repeated



Metvix[®] key sales figures



Key sales figures:

- 84 Aktelite lamps sold in Q209, an increase of 45% vs PY
- 3,418 Metvix tubes sold in the Nordic region, an increase of 25% vs PY
- 15,498 Metvix tubes sold by Galderma, an increase of 4% vs PY



Brilliance in photodynamic technology™

Research & Development



Progress in the R&D programs



Acne

- need for new treatments



Acne patient before treatment



Acne patient after treatment

- US doctors annually register ~ 3 million visits concerning acne
- ~70% of these have moderate to severe acne
- Market for topical treatment of moderate to severe acne USD 1.3 billion per year



Visonac™ roadmap

USA

Start phase IIb study in August 2009

- ~100 patients, including patients down to 9 years
- Using new acne lamp
- Planned completion second quarter 2010

Meet with FDA in second quarter 2010 (EoP2 meeting)

Start phase III in 2010

EUROPE

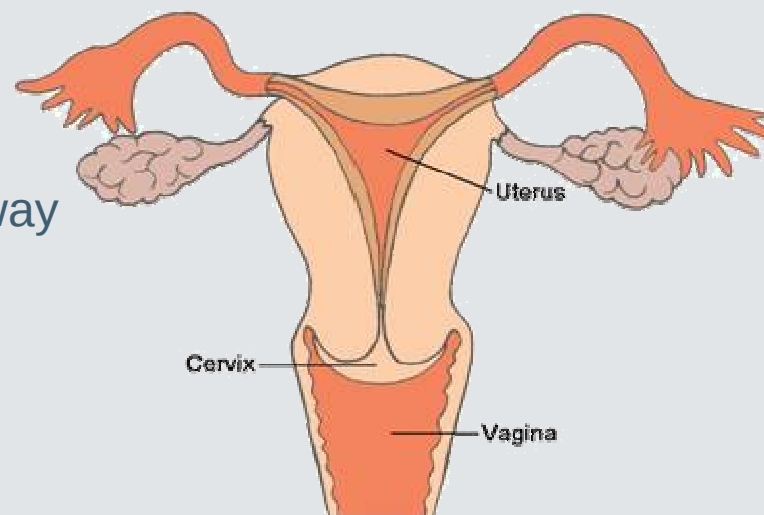
Start phase III in first quarter 2010

Cevira™ roadmap

IND opened in 2008 in the US

Phase I/II study started in Q1 2009

- Focus on CIN1
- 5 centres in France, Germany and Norway
- 6 months follow-up
- Primary endpoint: 6 months response
- 30 of 70 patients included
- Initial results in Q1 2010

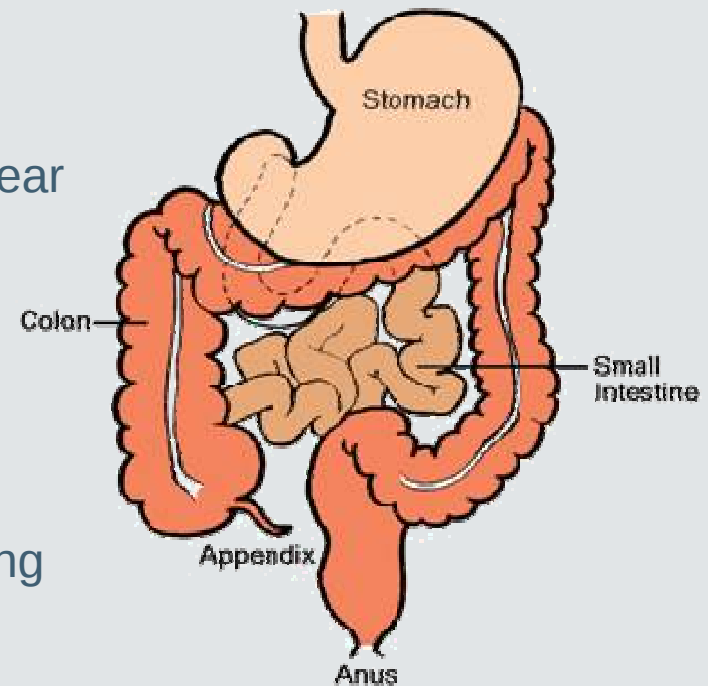


Colorectal cancer



- growing health problem, among most lethal cancers

- Colorectal cancer - large and growing area
- Among the most lethal cancers
- > 500,000 cases diagnosed in US & EU per year
- Five years survival rate is 50 – 60%
- Colonoscopy screening may prevent up to 80% of deaths from Colorectal Cancer
- Use of colonoscopy is growing rapidly, and colorectal cancer screening programs are being rolled-out in many countries

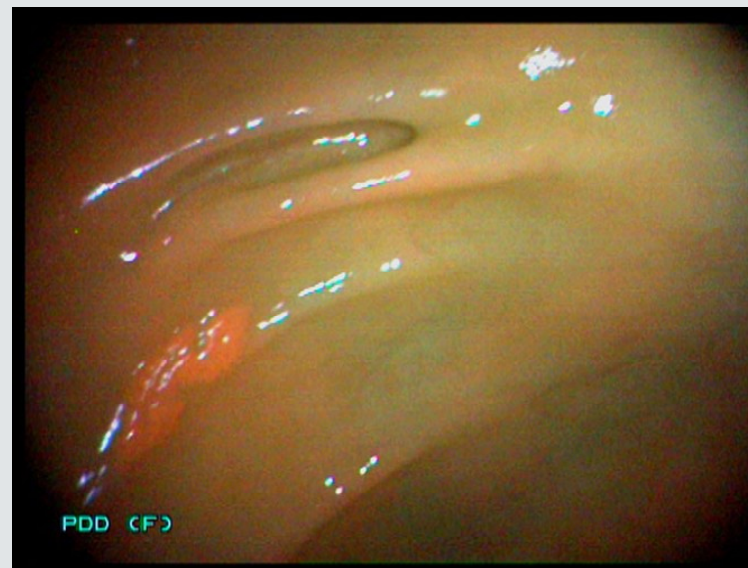


LumacanTM roadmap

Started Phase I/II study in 2009

Proof-of-Concept with oral formulation:

- Open, dose-finding
- 4 centres in Germany and 50-70 patients
- Sponsored by Norwegian Research Council
- 9 of up to 70 patient included
- Planned completion in 2009
- The results will be available in Q1 2010



First PoC-study in Munich, Germany.
One flat lesion showing fluorescence in colon.
Courtesy: Prof. Dr. B. Mayinger



Strategic goals

Continue to grow Metvix/Aktilite

- Support Galderma in strengthening Metvix/Aktilite in dermatology

Continue to grow Hexvix

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

Develop Visonac™, Cevira™ and Lumacan™ and capture value through licensing deals