



Brilliance in photodynamic technology TM

Photocure ASA

Third quarter 2007

October 26th, 2007



Highlights third quarter 2007

Hexvix commercialisation on track

- Denmark and Germany gaining momentum
- Hexvix revenue from GE Healthcare increased to MNOK 3.5 (2.8)
- Hexvix revenue increased to MNOK 1.1 (0.8) in the Nordic region

Metvix on track in the Nordic region

- Metvix revenue from Galderma decreased 17% to MNOK 6.0
- Metvix revenue in the Nordic region increased 33% to MNOK 5.0

High activity level in R&D and Business Development

- Pipeline projects in clinical phase proceeding according to plan
- Started partnering presentations for acne, HPV/cervix and colon



Brilliance in photodynamic technology TM

Financial statements

Financial statements

- Profit & loss (group)



Q3 2007	Q3 2006		2007 1.1-30.09	2006 1.1-30.09	2006 1.1-31.12
15 565	14 575	Sales revenues	51 665	39 513	61 667
3 908	3 908	Signing fee and milestone revenues	19 845	72 290	148 653
19 474	18 483	Total revenues	71 511	111 803	210 320
-3 374	-4 053	Cost of products sold	-14 359	-11 462	-22 251
16 100	14 431	Gross profit	57 152	100 341	188 070
1 074	1 617	Other income	4 437	4 558	5 690
-1 274	-2 101	Indirect manufacturing expenses	-6 914	-5 189	-8 545
-28 677	-18 799	Research and development expenses	-83 225	-45 173	-64 740
-10 276	-5 011	Marketing and sales expenses	-28 337	-15 494	-25 396
-3 405	-3 803	General and administrative expenses	-10 264	-12 732	-16 738
-26 458	-13 666	Operating profit/loss(-)	-67 150	26 310	78 342
3 299	2 683	Financial income	9 572	6 504	11 867
-462	-831	Financial expenses	-1 083	-2 617	-5 478
2 838	1 852	Net financial profit/loss(-)	8 488	3 887	6 389
-23 621	-11 815	Profit/loss(-) before tax	-58 662	30 197	84 730
0	0	Tax expenses	0	0	0
-23 621	-11 815	Net profit/loss(-)	-58 662	30 197	84 730
-406	-153	Incl. minority interests in the amount of	-728	-274	-352

- Sales revenues in Q3 increased by 7 % to MNOK 15.6 (14.6)
- Sales revenues in YTD increased by 31 % to MNOK 51.7 (39.5)

Financial statements

- Segment information Q3 (group)



(Amounts in NOK 1000)					Q3 2007				Q3 2006			
	Nordic	ROW	R&D*	Total	Nordic	ROW	R&D*	Total	Nordic	ROW	R&D*	Total
Sales revenue	6 061	9 504	0	15 565	4 549	10 025	0	14 575	4 549	10 025	0	14 575
Milestone revenue	0	3 908	0	3 908	0	3 908	0	3 908	0	3 908	0	3 908
Total revenues	6 061	13 412	0	19 474	4 549	13 933	0	18 483	4 549	13 933	0	18 483
Cost of goods sold	559	2 815	0	3 374	425	3 628	0	4 053	425	3 628	0	4 053
Gross profit	5 503	10 597	0	16 100	4 125	10 305	0	14 430	4 125	10 305	0	14 430
Gross profit %	91 %	79 %		83 %	91 %	74 %		78 %	91 %	74 %		78 %
Operating expenses	8 563	2 577	31 418	42 559	5 262	3 684	19 151	28 097	5 262	3 684	19 151	28 097
Operating profit	-3 061	8 020	-31 418	-26 459	-1 138	6 621	-19 151	-13 667	-1 138	6 621	-19 151	-13 667
Net finance	0	0	2 838	2 838	0	0	1 852	1 852	0	0	1 852	1 852
Profit before tax	-3 061	8 020	-28 580	-23 621	-1 138	6 621	-17 299	-11 815	-1 138	6 621	-17 299	-11 815

* Including share of general and administrative expenses and net finance

Sales revenues - product split

(Amounts in NOK 1000)				Q3 2007			Q3 2006		
	Nordic	ROW	Total	Nordic	ROW	Total	Nordic	ROW	Total
Metvix/Aktlite	4 964	5 970	10 935	3 740	7 207	10 947	3 740	7 207	10 947
Hexvix	1 097	3 533	4 631	809	2 819	3 628	809	2 819	3 628
Total	6 061	9 504	15 565	4 549	10 026	14 575	4 549	10 026	14 575

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

Financial statements

- Segment information YTD (group)



(Amounts in NOK 1000)	01.01-30.09.07				01.01-30.09.06			
	Nordic	ROW	R&D*	Total	Nordic	ROW	R&D*	Total
Sales revenue	19 439	32 227	0	51 665	14 409	25 104	0	39 513
Milestone revenue	0	19 845	0	19 845	0	72 289	0	72 289
Total revenues	19 439	52 072	0	71 511	14 409	97 393	0	111 802
Cost of goods sold	1 925	12 434	0	14 359	1 475	9 987	0	11 462
Gross profit	17 514	39 638	0	57 152	12 934	87 406	0	100 340
Gross profit %	90 %	76 %		80 %	90 %	90 %		90 %
Operating expenses	24 761	10 713	88 827	124 302	15 242	11 929	46 859	74 031
Operating profit	-7 248	28 925	-88 827	-67 150	-2 309	75 477	-46 859	26 309
Net finance	0	0	8 488	8 488	0	0	3 888	3 888
Profit before tax	-7 248	28 925	-80 339	-58 662	-2 309	75 477	-42 972	30 197

* Including share of general and administrative expenses and net finance

Sales revenues - product split

(Amounts in NOK 1000)	01.01-30.09.07			01.01-30.09.06		
	Nordic	ROW	Total	Nordic	ROW	Total
Metvix/Aktelite	15 411	24 018	39 429	12 763	21 921	34 684
Hexvix	4 027	8 208	12 236	1 646	3 183	4 829
Total	19 438	32 227	51 665	14 409	25 104	39 513

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

Financial statements

- cash flow (group)



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

Q3 2007	Q3 2006		2007 1.1-30.09	2006 1.1-30.09	2006 1.1-31.12
-23 621	-11 815	Income/loss(-) before tax	-58 662	30 197	84 730
-7 271	-715	Other operational items	-13 353	-26 066	-18 359
-30 892	-12 530	Net cash flow from operations	-72 015	4 131	66 371
-189	942	Cash flow from investments	5 036	2 840	4 555
873	197	Cash flow from capital transactions	3 575	192 174	191 830
-30 208	-11 390	Net change in cash during the period	-63 404	199 145	262 757
301 890	282 863	Cash & cash equivalents at beginning of period	335 086	72 329	72 329
271 682	271 474	Cash & cash equivalents at end of period	271 682	271 474	335 085

- Net cash flow from operations of MNOK -30.2 in Q3
- Cash & cash equivalents of MNOK 271.7 per 30.9.2007



Brilliance in photodynamic technology TM

Hexvix[®]

- a breakthrough in bladder cancer diagnostics

Hexvix

- status third quarter 2007



Development in key value drivers:

- | | |
|--------------------------------------|---------|
| • Establish reimbursement and coding | Ongoing |
| • Increase base of scopes | Ongoing |
| • Train urologists | Ongoing |

Recent events:

- Favourable health economy
 - 4 Hexvix posters at ISPOR, Ireland
- Documentation of clinical benefit
 - Reported phase III study in July
- Symposium with 300 participants at SIU, Paris



HEXVIX[®]
HEXAMINOLEVULINATE

Hexvix

- status Nordic and EU



	Nordic	Spain	UK	Italy	Germany	France
Launched	2006	2007	2007	2007	2006	2007
Specialist sales force	YES	NO	YES	YES	YES	YES
Blue light scopes (estimate)	35	25	10	25	165	15
Activities Q3	DK, new coding 1.1.08 FI, expert group Nordic PM recruited	Increased outplacement of blue light equipment Successful SIU symposium and DGU conference Launch activities in Italy Media coverage from 2 new publications				
Coding & Reimbursement	DK from 2008 SE/NO in progress	YES	Application in progress	Application in progress	Application in progress	YES

Hexvix

- regulatory progress in the US



Task:

- Complete the phase III study and include the additional requests from FDA.
- Independent panel read of histology from previous studies for supportive documentation

Milestones:

- | | |
|---|--------------|
| • Complete inclusion in phase III study | Q3 2007 - OK |
| • Complete follow-up in phase III study | Q3 2008 |
| • Submit complete response to FDA | Q1 2009 |

Recent news from Denmark:

- 60 % less recurrence with Hexvix



Ny teknik giver bedre behandling af blærekræft

2007-10-24

Urologisk afdeling på Herlev har oplevet et fald på op til 60 pct. i antallet af operationer på grund af tilbagefald hos patienter med blærekræft.

Lægerne på urologisk afdeling på Herlev Hospital har i løbet af to år gennemført 400 behandlinger med en ny operationsmetode, som mere effektivt kan fjerne kræftknode hos patienter med kræft i blæren. Teknikken forbedrer diagnostikken og fjerner kræftknuder mere fuldstændigt, hvilket er en af årsagerne til, at afdelingen har oplevet et fald i antallet af operationer på grund af tilbagefald med op til 60 pct. i løbet af fem år.

...

Afdelingen forventer, at kunne nedbringe antallet af kontrolkikkertundersøgelser af urinblæren og antal operationer for tilbagefald. På kortere sigt regner afdelingen med, at udgiften til den forbedrede diagnostik dækkes af færre udgifter til indlæggelse og operation.



Brilliance in photodynamic technology TM

Metvix[®] and Aktilite[®]

- treatment of skin cancer without scarring

Metvix

- status third quarter 2007



Overall:

- Aktelite NDA classified as fileable by FDA
- Separate Metvix symposium at World Congress of Dermatology in with 500 participants

Galderma:

- Started preparations for launch in France and US
- Initiated in-depth business review with Galderma top management

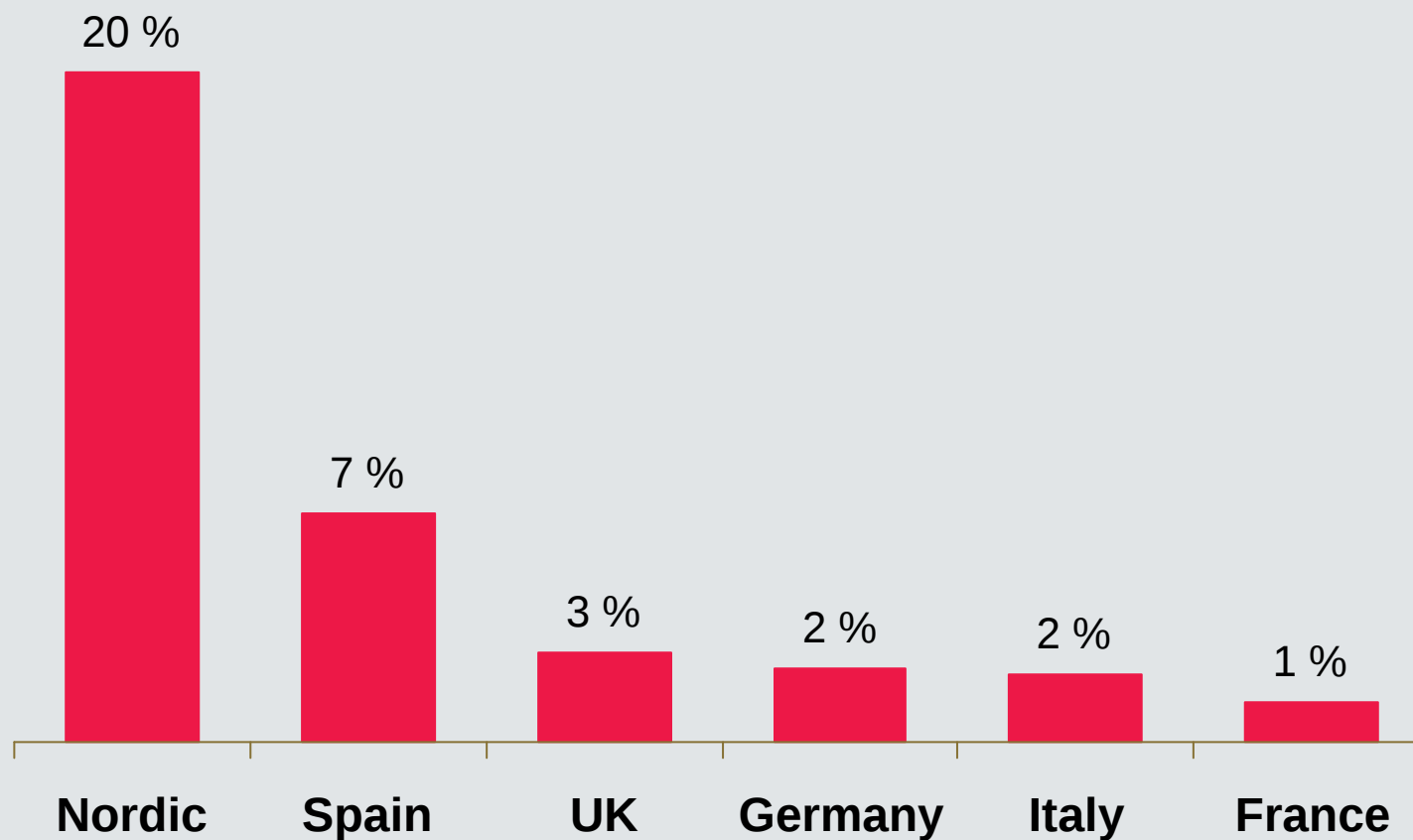
Nordic:

- Price increase in Sweden from October 2007
- Coding & reimbursement updates ongoing in NO/SW/DK.

Metvix market share in EU



Metvix market share for AK/BCC 2007 (patients)



Source: Photocure estimate



Brilliance in photodynamic technology TM

Research & Development

- acne, HPV/cervix, colon and PCI Biotech

Acne

- the acne-project is on schedule



Progress in the Phase IIb clinical study

- Multi-center study in the US
- Dose finding - placebo-controlled
- 87/190 patients included
- Report scheduled for 2008

Phase I study in Canada to remove occlusion procedure and reduce lightdose

- 24/40 patients included

Test of prototype lamps ongoing

Preclinical program on schedule

Started partnering presentations

HPV/Cervix

– the cervix-project is on schedule



Phase I/II study ongoing:

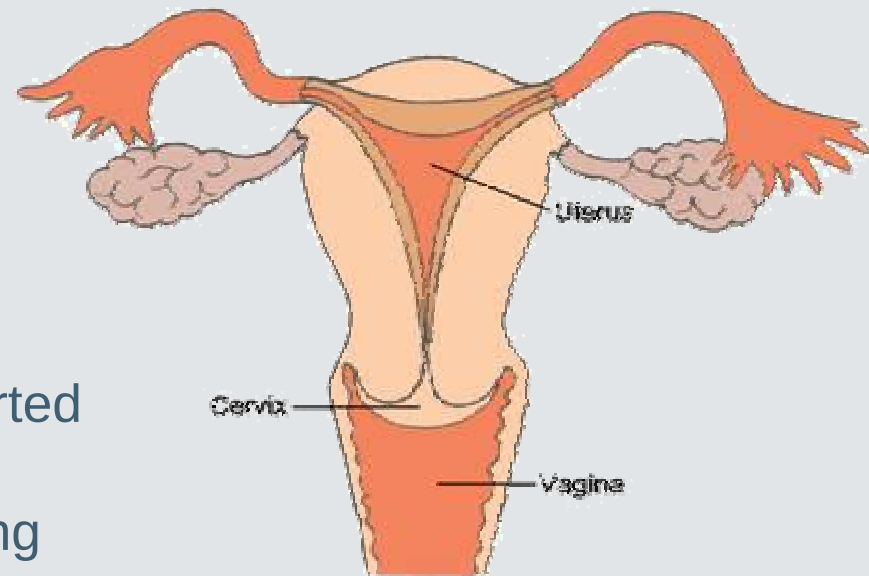
- dose finding
- Norway and Germany
- 65/68 patients included
- plan to add 24 patients
- 6 month follow-up
- report scheduled for H2 2008

Development of new light source started

Development new formulation ongoing

Conducting market analysis with focus groups and KOL interviews

Started partnering presentations



Colon

– the colon-project is on schedule



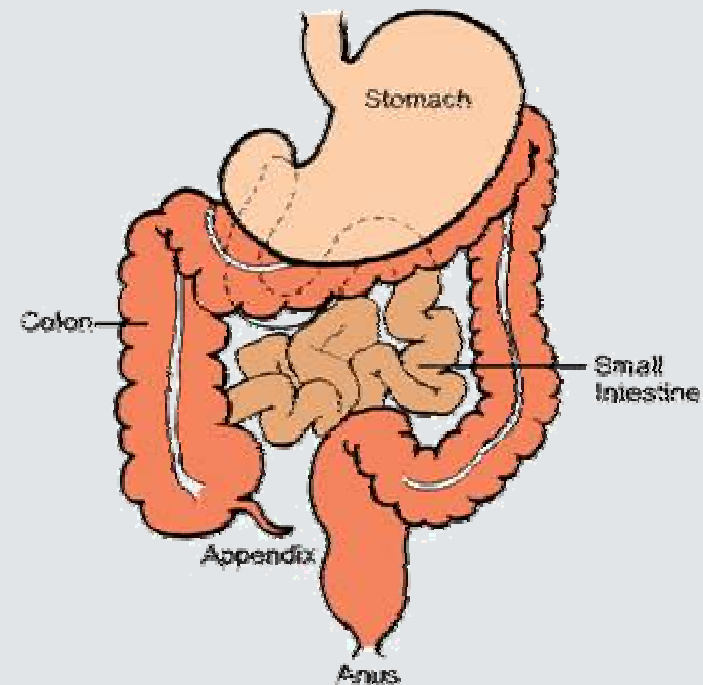
Phase I/II study ongoing:

- dose-finding
- 2 centres in Germany
- 33/37 patients included
- report scheduled for 2007

Started development of oral formulation

Conducting market analysis with focus groups and KOL interviews

Started partnering presentations



PCI Biotech

– preparing the first clinical study



Preparing the first clinical study

- Toxicology and safety pharmacology studies ongoing
- Clinical protocol accepted by the Norwegian Authorities (SLV)

Updated business plan

- Updated business model and strategy to include siRNA
- Prepared action plan to deliver the strategy and build value

Search started for CEO and Medical Director

Patent applications for siRNA significantly strengthened by new data

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