



Brilliance in photodynamic technology TM

Photocure ASA

Third quarter report 2008

October 24th, 2008



Highlights third quarter 2008

Financial: Sales revenues increased by 52 % to MNOK 23.6

- Hexvix® revenue increased 69% to MNOK 7.8 (4.6)
- Metvix®/Aktelite® revenue increased 45% to MNOK 15.8 (10.9)
- Net profit improved by MNOK 11.5 to MNOK -12.1 (-23.6)

Operational: Key events in the EU and US

- First sale of Metvix/Aktelite to Galderma in the US
- The UK National Health Service (NHS) promote adoption of Hexvix as standard care for bladder cancer.

R&D: Excellent results from clinical trials

- Visonac™: two phase II studies show excellent efficacy in acne patients
- Hexvix®: phase III study demonstrate improved diagnosis of bladder cancer with Hexvix and significantly improved patient outcome



Brilliance in photodynamic technology TM

Financial statements

Financial statements

- profit & loss



Q3 2008	Q3 2007		2008 1.1-30.09	2007 1.1-30.09	2007 1.1-31.12
23 629	15 565	Sales revenues	67 727	51 665	75 252
0	3 908	Signing fee and milestone revenues	1 303	19 845	23 754
23 629	19 474	Total revenues	69 030	71 511	99 006
-4 572	-3 374	Cost of products sold	-13 160	-14 359	-17 326
19 058	16 100	Gross profit	55 870	57 152	81 679
823	1 074	Other income	5 035	4 437	7 625
-2 202	-1 274	Indirect manufacturing expenses	-6 820	-6 914	-8 512
-16 188	-28 677	Research and development expenses	-58 795	-83 225	-112 098
-9 476	-10 276	Marketing and sales expenses	-33 357	-28 337	-39 766
-4 764	-3 405	General and administrative expenses	-14 838	-10 264	-16 378
-12 748	-26 458	Operating profit/loss(-)	-52 905	-67 150	-87 450
1 333	3 299	Financial income	8 453	9 572	14 224
-674	-462	Financial expenses	-10 684	-1 083	-1 744
659	2 838	Net financial profit/loss(-)	-2 231	8 488	12 480
-12 090	-23 621	Profit/loss(-) before tax	-55 135	-58 662	-74 970
0	0	Tax expenses	0	0	0
-12 090	-23 621	Net profit/loss(-)	-55 135	-58 662	-74 970
-	-406	Incl. minority interests in the amount of	-375	-728	-773

P&L (group) unaudited, all figures in NOK 000

Financial statements

- segment information 3Q



Segment information (group) unaudited, all figures in NOK 000

Financial statements

- segment information YTD



	1-3Q 2008				% vs. PY	1-3Q 2007			
	Own	Partner	R&D*	Total		Own	Partner	R&D*	Total
Sales revenue	24 296	43 431	0	67 727	31 %	19 439	32 227	0	51 665
Milestone revenue	0	1 303	0	1 303		0	19 845	0	19 845
Total revenues	24 296	44 734	0	69 030	-3 %	19 439	52 072	0	71 511
Cost of goods sold	1 621	11 539	0	13 160	-8 %	1 925	12 434	0	14 359
Gross profit	22 675	33 196	0	55 870	-2 %	17 514	39 638	0	57 152
Gross profit (ex milestones)	93 %	73 %		81 %		90 %	61 %		72 %
Operating expenses	28 381	14 178	66 217	108 776	-12 %	24 761	10 713	88 827	124 302
Operating profit	-5 707	19 018	-66 217	-52 905	-21 %	-7 248	28 925	-88 827	-67 150
Net finance	0	0	0	-2 231		0	0	0	8 488
Profit before tax	-5 707	19 018	-66 217	-55 135	-6 %	-7 248	28 925	-88 827	-58 662

* Including share of general and administrative expenses

Sales revenues - product split

	1-3Q 2008			% vs. PY	1-3Q 2007		
	Own	Partner	Total		Own	Partner	Total
Metvix/Aktelite	17 474	26 945	44 418	13 %	15 411	24 018	39 430
Hexvix	6 822	16 487	23 309	90 %	4 027	8 208	12 236
Total	24 296	43 431	67 727	31 %	19 439	32 227	51 665

Segment information (group) unaudited, all figures in NOK 000

Financial statements

- balance sheet



	30.09.2008	30.09.2007	31.12.2007
Intangible assets, software	564	1 921	779
Machinery & equipment	3 826	2 617	3 436
Other investments	12 397		
Total non-current assets	16 788	4 538	4 215
Inventory	12 350	10 872	12 504
Receivables	24 412	27 917	32 222
Cash & cash equivalents	181 578	271 682	252 452
Total current assets	218 339	310 470	297 179
Total assets	235 127	315 009	301 394
Paid-in capital	11 047	261 785	11 047
Other paid-in capital	15 086	9 452	10 984
Retained earnings	182 428	3 554	237 472
Shareholders' equity	208 560	274 790	259 503
Minority interest		0	491
Total equity	208 560	274 790	259 994
Current liabilities	26 567	40 219	41 400
Total liabilities	26 567	40 219	41 400
Total equity and liabilities	235 127	315 009	301 394

Balance sheet (group) unaudited, all figures in NOK 000



Brilliance in photodynamic technology TM

Hexvix[®]

- a breakthrough in bladder cancer diagnostics

Hexvix

- Recommended by NHS as standard care

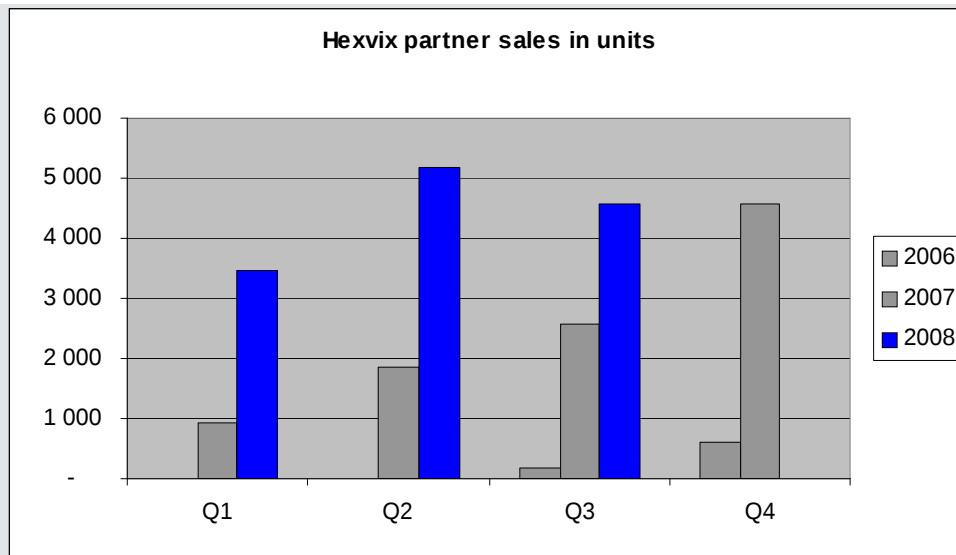


HEXVIX®
HEXAMINOLEVULINATE

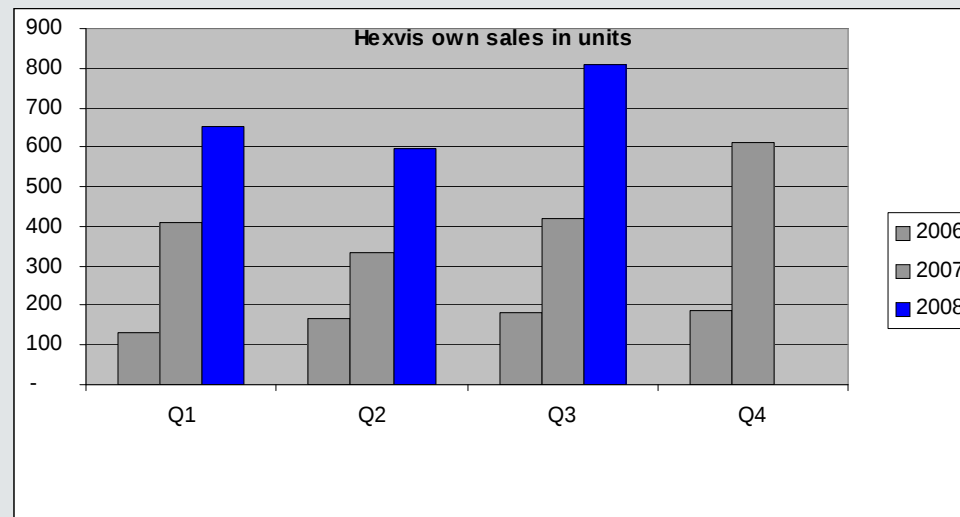
- Sales increase of 69 % to 7.8 (4.6) in Q3
- The National Health Service in UK announced in September a program designed to promote the adoption of photodynamic diagnosis of bladder cancer as standard care.
- Hexvix is the only approved PDD product in the UK.

Hexvix

- sales increase of 85 % in units



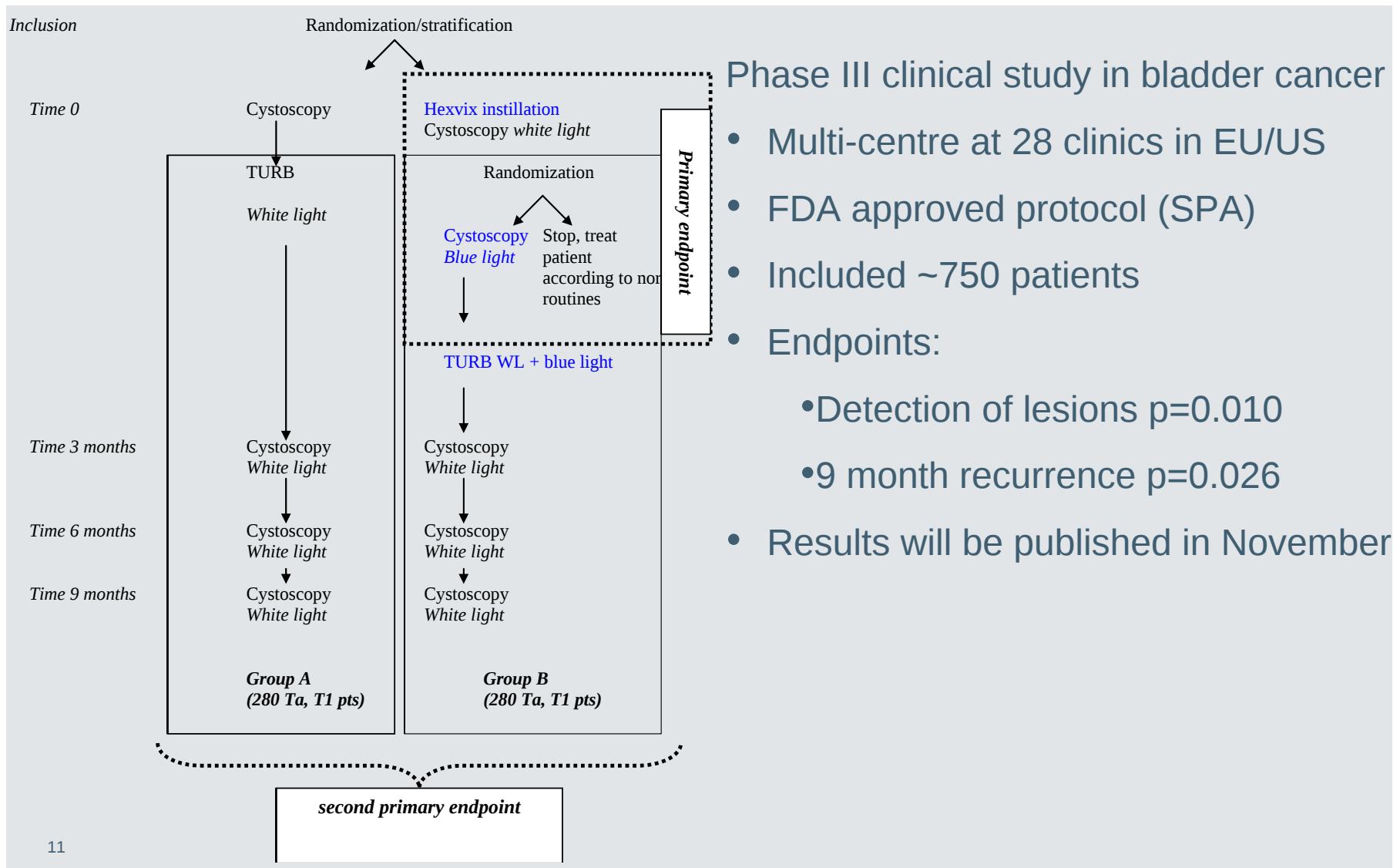
- Partner sale of 4,575 units in Q3 2008 vs. 2,573 units in Q3 2007.



- Own sale of 808 units in Q3 2008 vs. 341 units in Q3 2007.

Hexvix

- Pivotal phase III study meet objectives





Brilliance in photodynamic technology TM

Metvix[®] and Aktilite[®]

- treatment of skin cancer without scarring



Large market for Metvix/Aktlite in the US



- FDA approved Metvixia/Aktlite 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.



Launch of Metvixia/Aktilite in the US

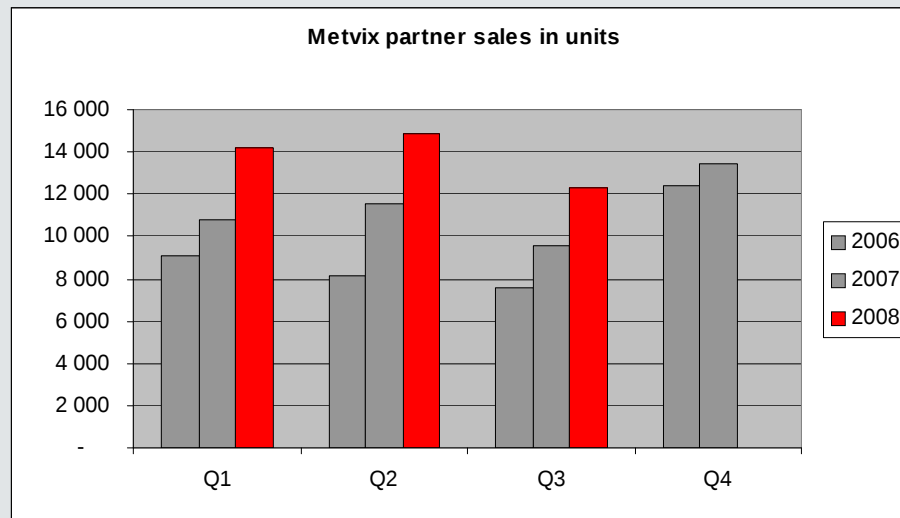
- Galderma is the leading company in dermatology and skincare in the US.
- Metvixia/Aktilite is one of a few new products ready for the market.
- Galderma plan introduction of Metvixia/Aktilite to Key Opinion Leader centers in 2008.



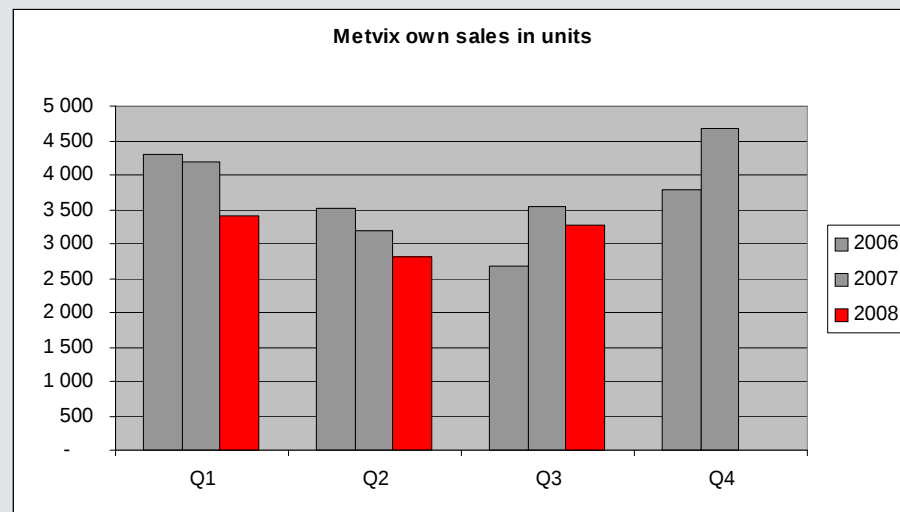
First shipment of 3,000 Metvixia™ tubes.

Metvix

– sales increase of 16 % in units



- Partner sale of 12,294 Metvix tubes in Q3 2008, an increase of 29 % vs. 9,563 Metvix tubes in Q3 2007.



- Own sale of 3,263 Metvix tubes in Q3 2008 a decrease of 17 % vs. 3,822 units in Q3 2007.



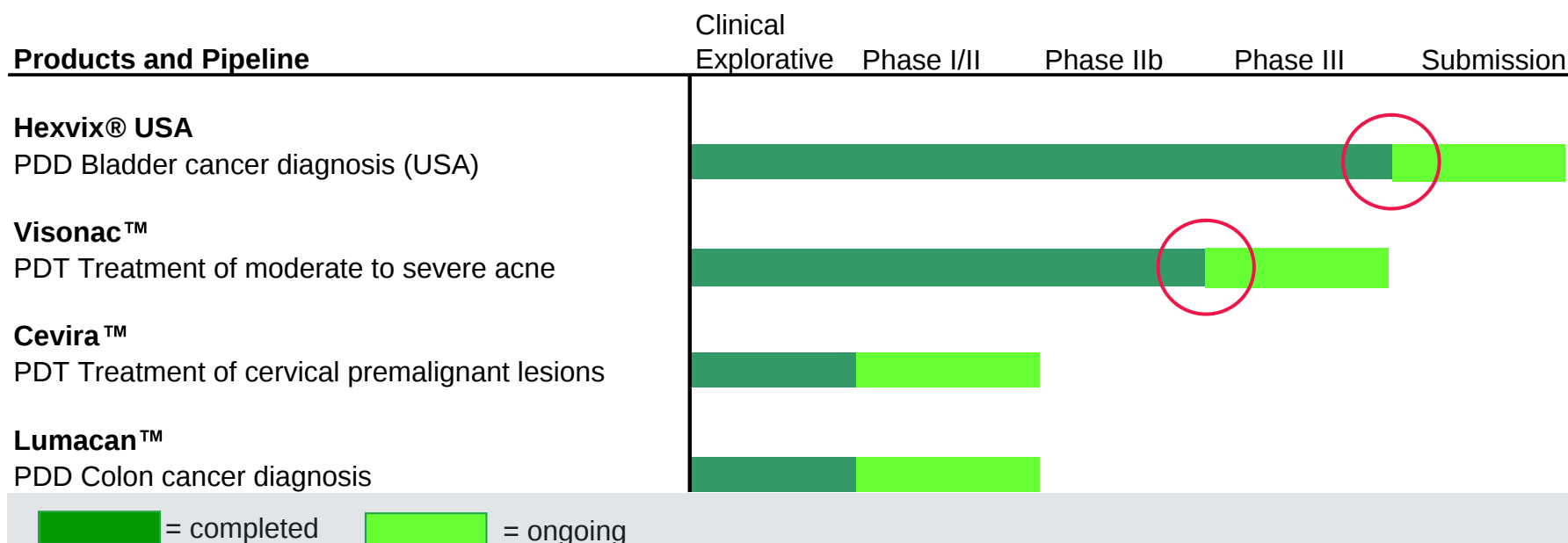
Brilliance in photodynamic technology TM

Research & Development

- progress in pipeline projects



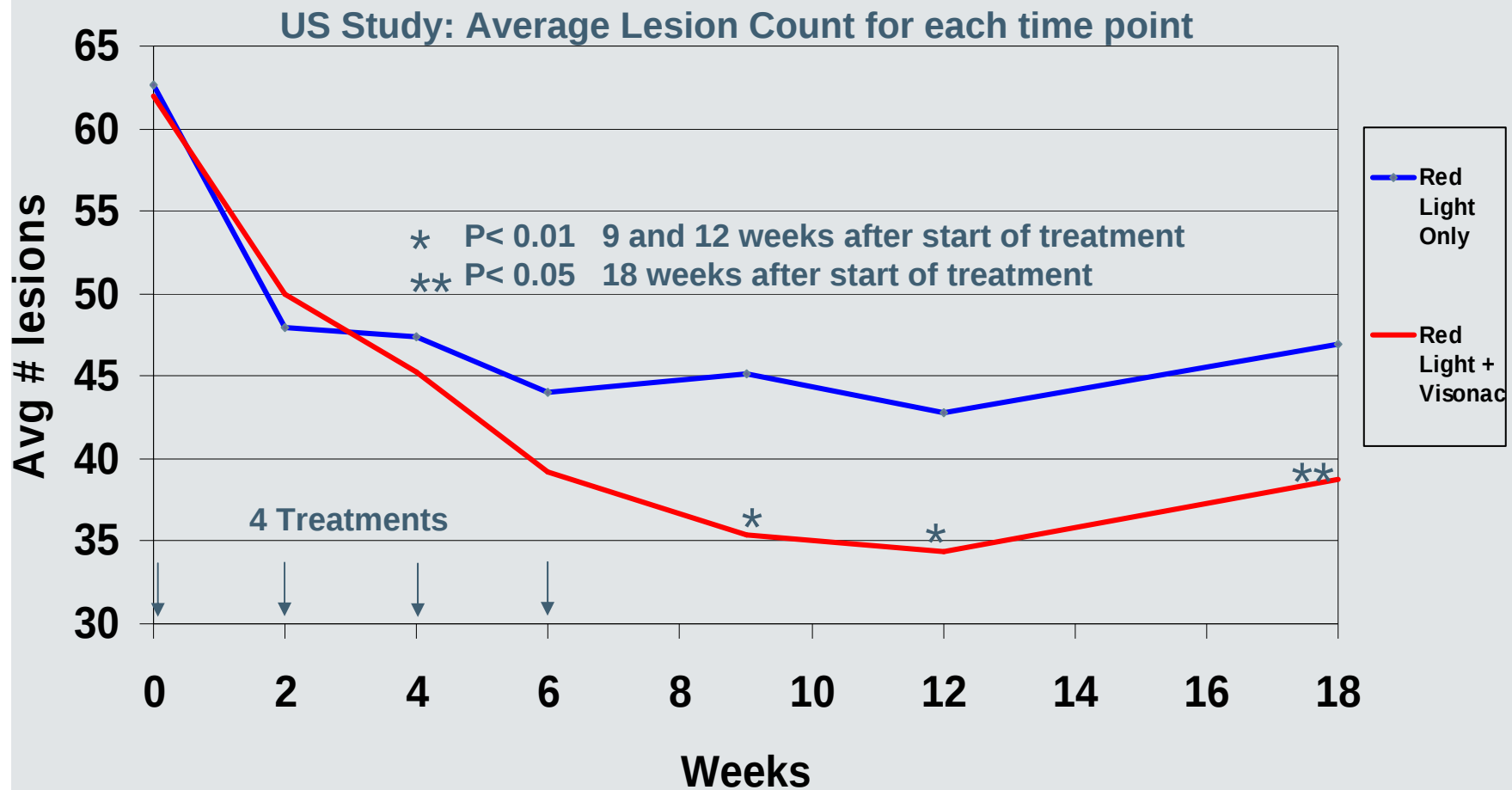
Progress in the R&D programs



- Hexvix - started analysis of phase III data and submission to FDA.
- Visonac - started analysis of phase II data and preparations for phase III

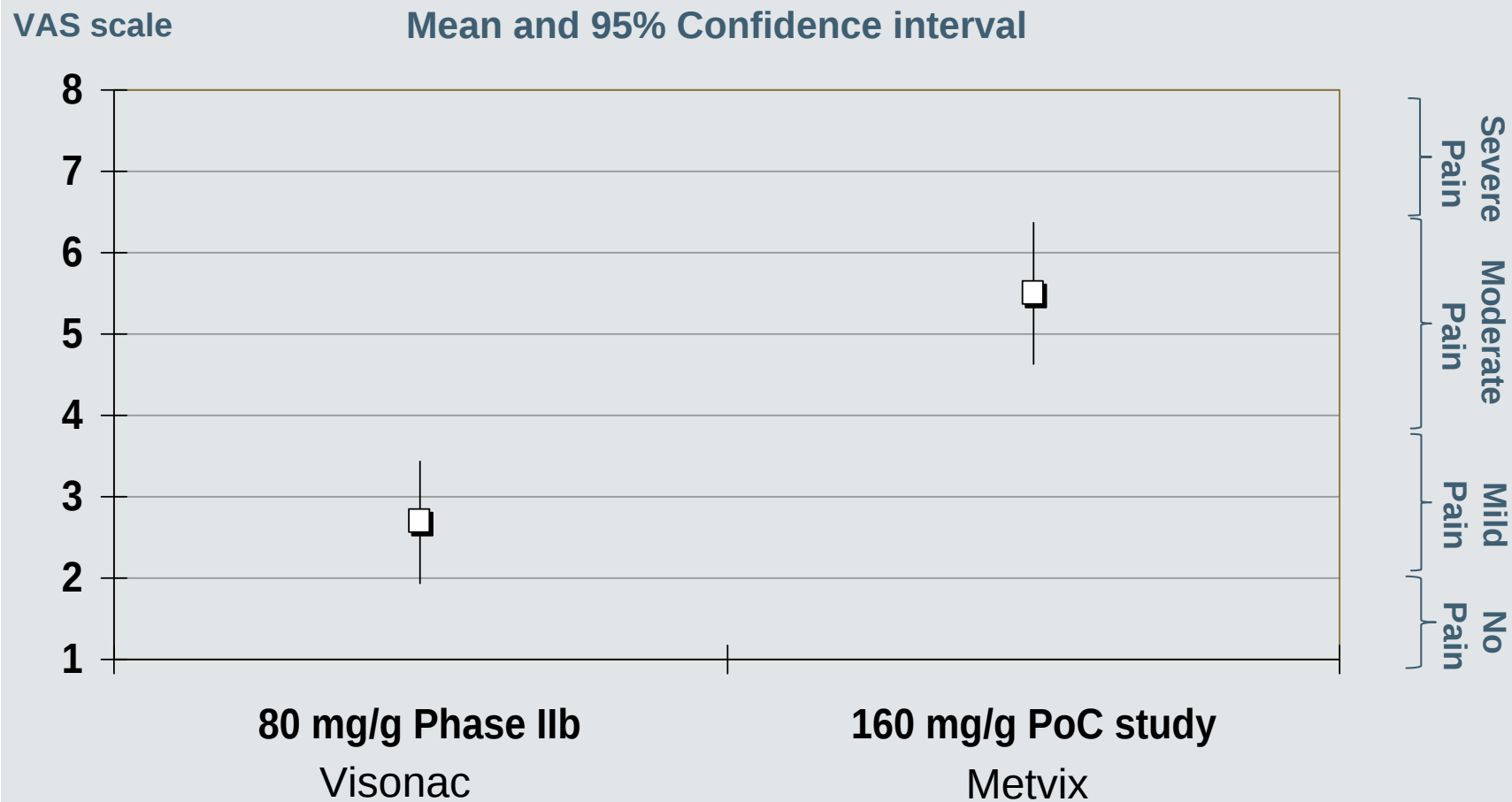
Visonac™

- significantly reduces total lesion count



Visonac™

- Visonac is well tolerated in acne patients



Visonac™

- Improves patient's quality of life



**Before
treatment**



**12 weeks after
last treatment**

Treatment outcome:
From severe acne to
almost clear

**Before
treatment**

**12 weeks after
last treatment**



Visonac™



- starting to prepare a phase III program

Meetings with authorities

- US: End-of-Phase II: Planned in Q1 2009
- EU: Scientific advice: Planned in Q1 2009

Planned Phase III studies

- 2 placebo controlled phase III studies
- App. 400 patients per study
- 1 study in US and 1 study in Europe

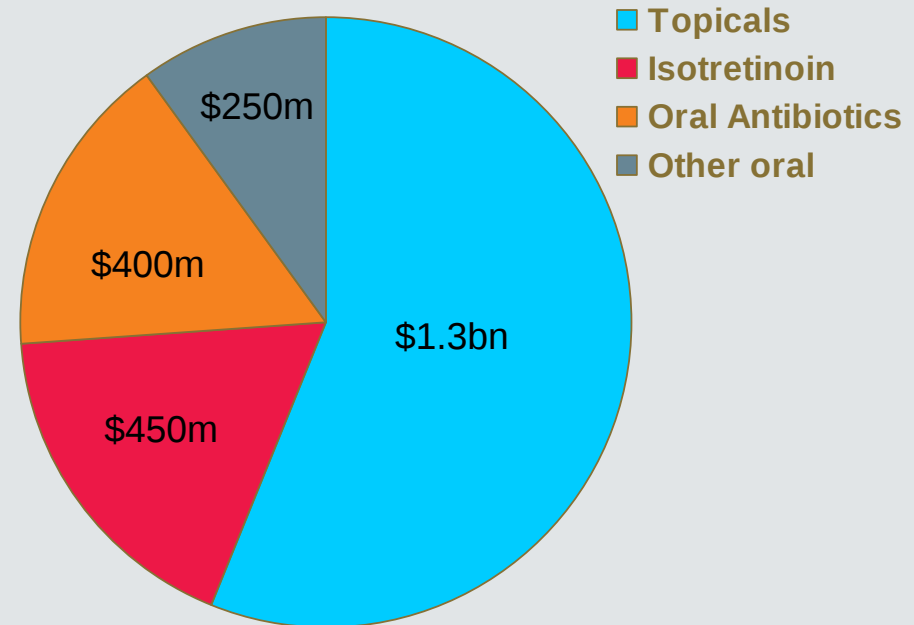
Visonac™

- need for new acne treatments



- Each year US doctors register ~3m visits concerning acne, app. 70% of these have moderate to severe acne
- Market for topical treatment of moderate to severe acne US\$ 1.3 billion per year
- Existing treatments have significant side effects (isotretinoin)
- Photocure has a patented technology in acne until 2018+, with new patents filed
- Visonac™ meets patient need for an effective treatment with limited side effects

2007 Acne Retail Rx market (US and Europe Major 5)

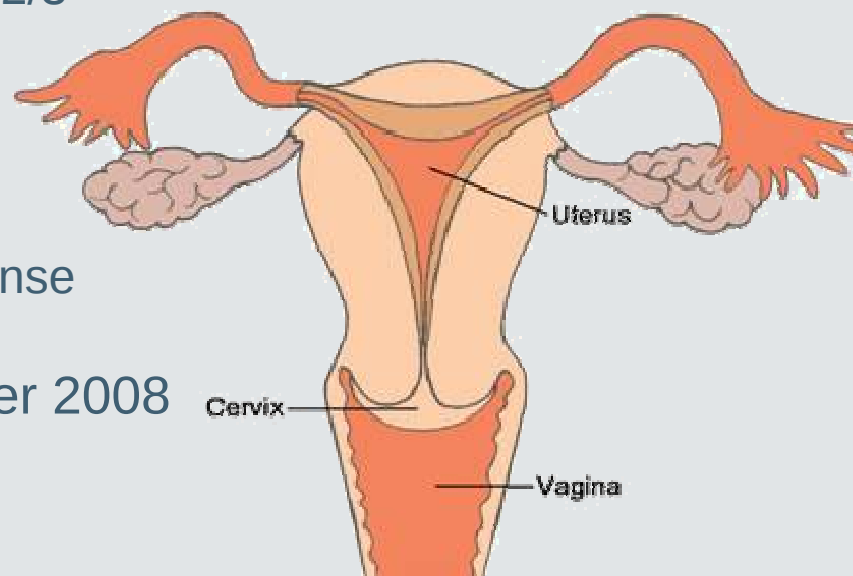


Cevira™



- 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
- Results will be reported in November 2008
- IND opened in the US

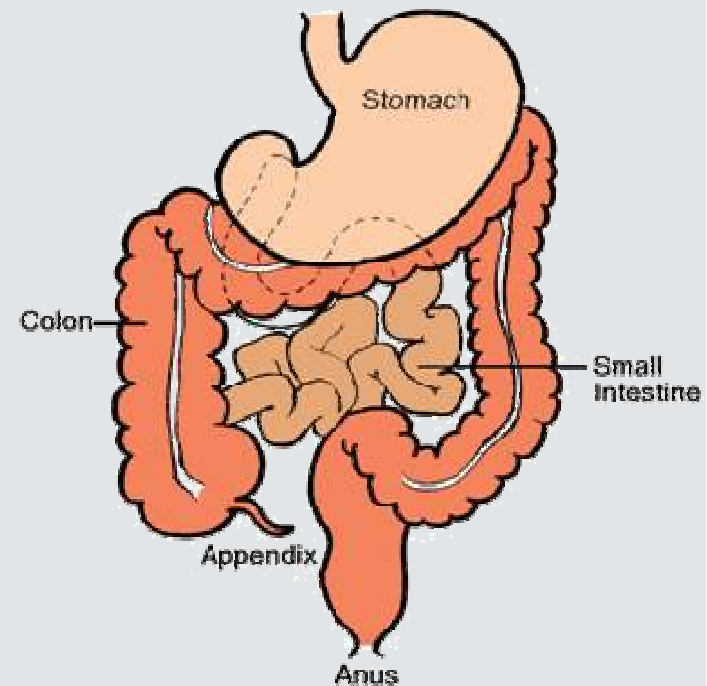


Lumacan™

- diagnosis of colon cancer



- 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
 - Results:
 - Detection rate Lumacan: 98%
 - Detection rate white light: 72%
- 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

Commercialise Hexvix

Continue clinical development of Visonac, Cevira and Lumacan

Secure licensing/co-development of pipeline projects