PhotoCure ASA

Presentation
of
Third Quarter 2005

28 October 2005

Highlights third quarter 2005

- Hexvix®
  - First commercial sales in Nordic region
  - Negotiations with potential licensees outside the Nordic region
- Metvix®
  - European sales volumes continue to grow
  - Approval for BCC and AK in Brazil
  - Agreement with FDA on Aktilite studies for US approval
- Development of new products
  - Development of product for treatment of acne initiated

HEXVIX®
- a breakthrough in bladder cancer diagnostics

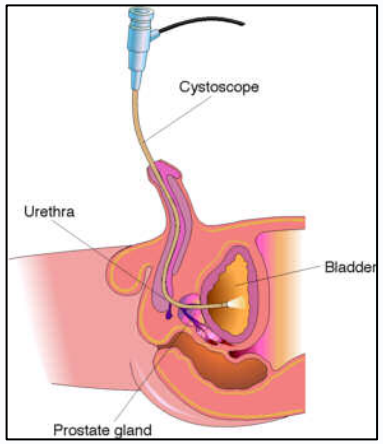
Hexvix
- business update

- Building long-term market position
  - Negotiating licence agreement
  - Introduction in Nordic countries
- Reinforcing a solid scientific platform
  - New European guidelines recommend Hexvix for diagnosis of bladder cancer (CIS)
  - Article in Journal of Urology: 1 of 5 bladder cancer patients received more adequate medical treatment with Hexvix
  - Phase III study ongoing in leading university hospitals in the US and Europe
- Regulatory approvals
  - Marketing authorisation in 15 European countries
  - NDA accepted as filable by FDA in August

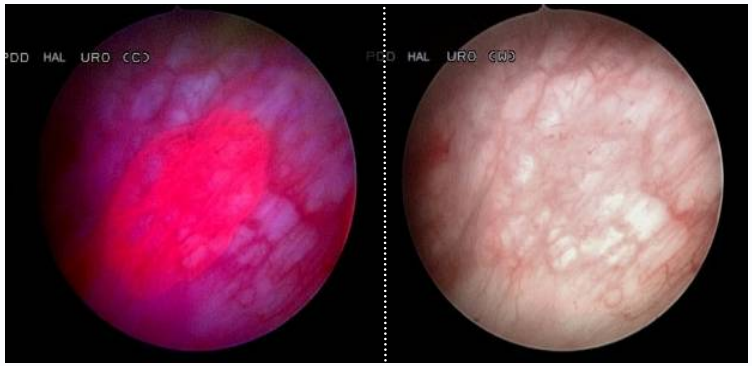
Hexvix
- procedure in the operating room

One kit
per patient

Preparation
of solution



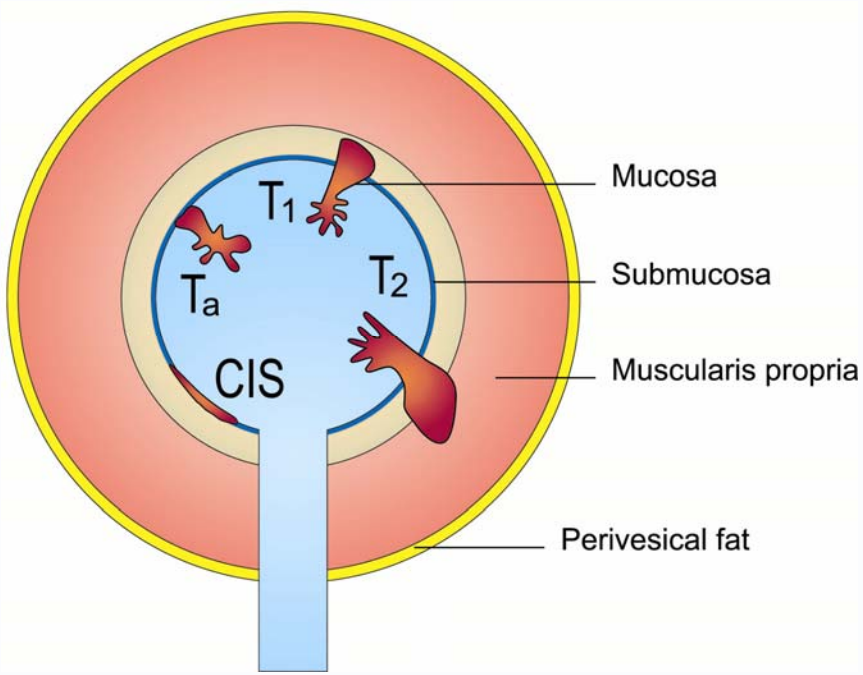
Instillation in bladder
followed by cysto-
scopy after one
hour



Visualisation of bladder cancer

Hexvix
- key medical benefits

- Diagnosis of more patients with CIS
- Diagnosis at earlier stages
- Diagnosis of more papillary lesions
  - 1 of 4 tumors overlooked when not using Hexvix
- Improves patient management
  - Improved diagnosis leads to more adequate treatment
  - Improved quality of life for patients
  - Health economical benefits



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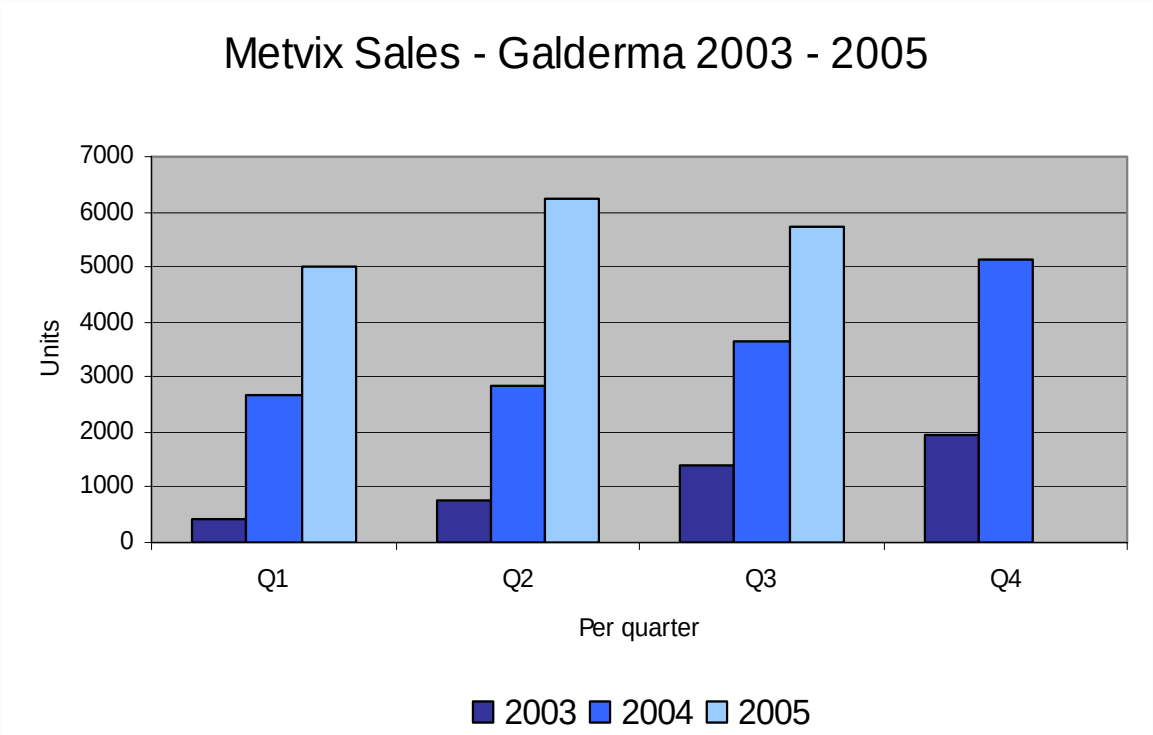
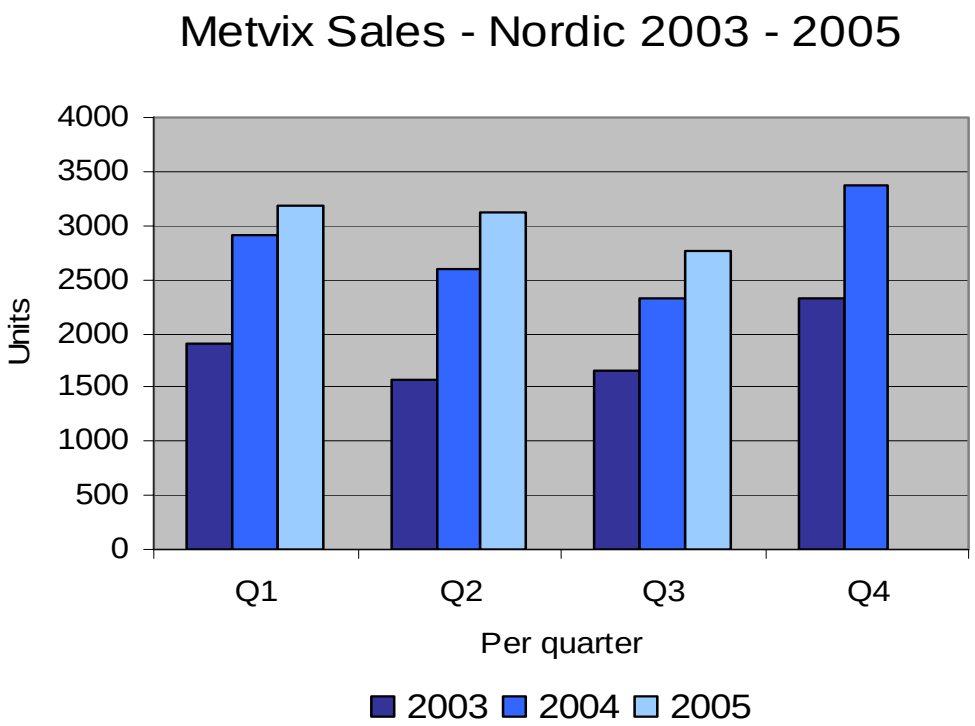
METVIX®
- roll out continues

Metvix
- Galderma sales increase



- Sales increase in Metvix tubes of 57 % vs Q3 2004
- Sales revenues of NOK 4.1 mill in Q3 (NOK 4.7 mill) mainly due to lower Aktilite sales
- Approval in Brazil
- 42 Aktilite lamps sold to Galderma in Q3 (85), and over 950 in market

Metvix
- Nordic sales increase



- Sales increase in units of 20 % vs Q3 2004
- Sales revenues of NOK 3.2 mill in Q3 (NOK 3.5 mill) mainly due to lower Aktilite sales

Metvix
- gaining momentum with over 100 000 patients in 2005

Illustration of Galderma's stand at EADV in London 12-16 October 2005

- Treatment of over 100 000 patients with an estimated retail value above € 10 million in 2005
- Avg. 2-3 patients per 2g tube
- The pharmaceutical non-melanoma skin cancer market increasing by 25 % annually
- Launched in 13 European countries in addition to New Zealand and Australia

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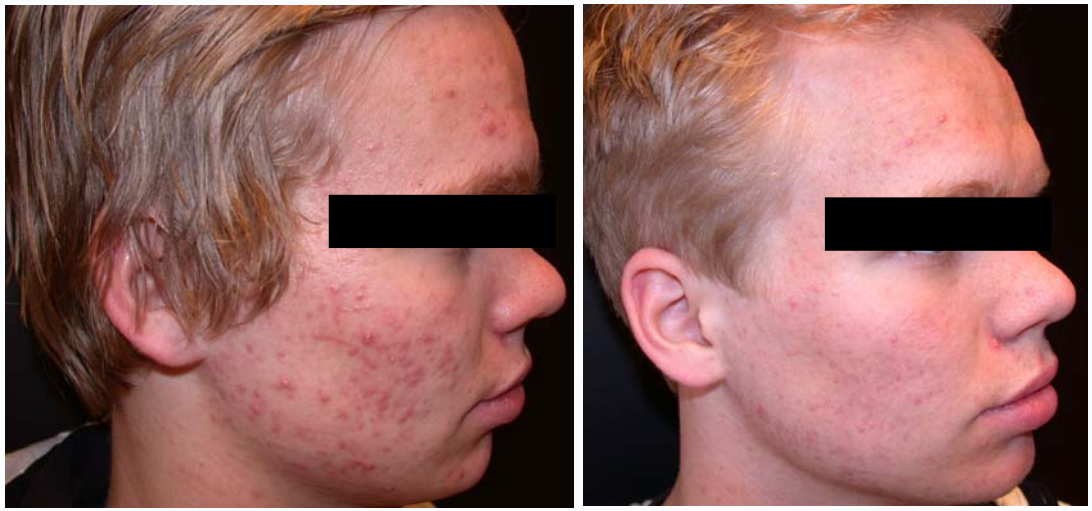
Metvix
- agreement with FDA regarding Aktilite in USA

- Regulatory requirements:
  - Two vehicle-controlled trials
  - No bridging to Curelight
  - 160 patients
  - Submit file with 3-month follow-up data
- Estimated cost 25 MNOK in total
- Planned timeline:
  - 2006: Conduct studies in US and EU
  - 2007-H1: File NDA supplement
  - 2007-H2: FDA response

Metvix
- acne: development of a new indication

- Proof-of-concept study completed - presentation at the annual meeting of European Society for Photodynamic Therapy (Euro-PDT) in first half 2006
- Development plan:
  - Target indication: Moderate to severe acne
  - Target market: USD 1 bill in annual sales
- Planned timeline:
  - Start Phase II study in Q4 2005



Patient from proof-of-concept study, before and 12 weeks after treatment with MAL PDT

Financial Statements (Group)

Profit & Loss (group)

In accordance with IFRS

2005 30.06 - 30.09	2004 30.06 - 30.09	All figures in NOK 1,000	2005 01.01 - 30.09	2004 01.01 - 30.09	2004 01.01 - 31.12
7 322	8 134	Sales revenues	24 994	27 920	36 855
3 908	29 228	Signing fee and milestone revenues	11 725	37 045	40 954
11 230	**37 362**	**Sales, signing fee and milestone revenue**	**36 720**	**64 965**	**77 809**
-2 392	**-2 676**	**Cost of products sold**	**-9 896**	**-10 760**	**-13 066**
8 839	**34 686**	**Gross profit**	**26 824**	**54 206**	**64 743**
1 870	1 089	Other operating revenues	14 203	3 535	4 597
-9 469	-7 248	Payroll expenses	-23 412	-21 249	-35 282
-6 074	-8 110	External R&D expenses	-28 630	-22 242	-31 718
-5 518	-6 693	Ord.depr. & other operating expenses	-22 476	-33 627	-43 201
-10 354	**13 725**	**Operating income/loss(-)**	**-33 491**	**-19 377**	**-40 861**
5 511	**185**	**Net financial income**	**8 390**	**1 679**	**-4 462**
-4 842	**13 911**	**Income/loss(-) before tax**	**-25 101**	**-17 698**	**-45 323**
-0.28	0.79	Net income/loss(-) per share (NOK)	-1.43	-1.01	-2.58

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Balance Sheet (group)

In accordance with IFRS

Figures in NOK 1,000	2005 30.09	2004 30.09	2004 31.12
Machinery & equipment	2 273	2 155	2 080
Financial fixed assets	-	6 250	-
Inventory	14 591	19 172	17 533
Receivables	20 999	18 175	16 146
Securities	65 765	117 644	111 219
Cash & cash equivalents	15 210	35 815	26 733
Total assets	**118 837**	**199 211**	**173 711**
Total equity	61 500	113 082	85 566
Long-term liabilities	405	13 343	13 438
Current liabilities	56 932	72 786	74 707
Total shareholders' capital & liabilities	**118 837**	**199 211**	**173 711**

Cash Flow Statement (group)

In accordance with IFRS

	Nine months ended		2004
	30.09.2005	**30.09.2004**	**01.01 - 31.12**
Loss before tax	-25 101	-17 698	-45 323
Interest paid	-50	-56	-103
Other operational items	-31 962	-11 130	-4 822
Net cash flow from operations	**-57 113**	**-28 884**	**-50 248**
Cash flow from investments	684	1 721	2 758
Cash flow from capital transactions	-548	197	-403
Net change in cash during the period	**-56 978**	**-26 966**	**-47 893**
Cash & cash equivalents at beginning of period	137 952	185 845	185 845
Cash & cash equivalents at end of period	**80 975**	**158 879**	**137 952**

Goals and Milestones

Strategic and operational goals
(Presented in February 2005)

	STATUS:
Launch Hexvix program	
– Complete MRP procedure in EU/EEA countries	YES – March 2005
– Launch in Nordic countries	YES – June 2005
– File NDA in US	YES – June 2005
– Secure licensing partner	Negotiations ongoing
Continue investing in Metvix	
– Galderma will launch in new countries	YES - NL, Spain, Portugal
– Seek Aktilite approval in US	YES – Plan agreed with FDA
– Start BCC studies to support US NDA	Discussions with FDA
– Expand in NMSC indications	YES - filed for Bowen's in EU
– Initiate acne program	YES - POC study completed
Solve patent dispute with DUSA	Negotiations ongoing
Investigate other indications where PDT is favourable	YES – POC studies initiated