

PhotoCure ASA

First quarter - 2006

April 20th 2006



Highlights First Quarter 2006

■ Increased sales of Metvix

- Sales revenue of Metvix increased 51% to NOK 12.9 million
 - Metvix units up 34% in the Nordic countries
 - Metvix units up 73% outside the Nordic countries

■ Hexvix ready for commercialisation

- Licencing agreement with GE Healthcare
- Introduction of Hexvix in EU during EAU in Paris in April

■ Important milestones reached in R&D

- Started two phase III studies for documentation of Metvix/Aktlite in US for AK

■ Financials

- Share issue raising total of NOK 191 million in net proceeds



Financial statements



Financial Statements

- Profit & Loss (group)

	2006	2005	2005
	01.01 - 31.03	01.01 - 31.03	01.01 - 31.12
Sales revenues	13 285	8 799	38 007
Milestone revenues	60 538	3 908	15 634
Sales and milestone revenues	73 823	12 707	53 641
Cost of products sold	-3 564	-3 903	-13 430
Gross profit	70 259	8 804	40 211
Other operating revenues	1 388	954	15 235
Payroll expenses	-8 719	-8 286	-29 369
External R&D expenses	-9 074	-7 885	-38 238
Ordinary depreciation	-262	-376	-1 125
Other operating expenses	-10 913	-6 896	-33 966
Operating income/loss(-)	42 679	-13 684	-47 252
Financial income	1 039	915	10 178
Financial expenses	-749	-325	-1 400
Net financial income	290	590	8 778
Income/loss(-) before tax	42 970	-13 094	-38 474
Tax expenses	-	-	-
Net income/loss(-)	42 970	-13 094	-38 474
Incl. minority interests in the amount of	-72	-16	-264
Net income/loss(-) per share, basic (1)	2.25	-0.74	-2.19
Net income/loss(-) per share, (anti-)diluted (2)	2.24	-0.74	-2.19

(1) Basic income/loss per share is calculation based on average weighted number of shares outstanding.

(2) Diluted income per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.



Financial Statements

- Segment Information (group)

Income statement - geographical distribution

<i>(Amounts in NOK 1000)</i>	1Q06				1Q05			
	Nordic	ROW	Un-allocated	Total	Nordic	ROW	Un-allocated	Total
Sales revenue	5 710	7 575		13 285	3 891	4 908	0	8 799
Milestone revenue	0	60 538		60 538	0	3 908	0	3 908
Total revenues	5 710	68 113	0	73 823	3 891	8 816	0	12 707
Cost of goods sold	621	2 943	0	3 564	722		3 181	3 903
Gross profit	5 088	65 171	0	70 259	3 168	8 816	-3 181	8 804
Gross profit %	89 %	96 %		95 %	81 %			69 %
Operating expenses	5 158	2 832	19 590	27 580	3 195	0	19 293	22 488
Operating profit	-70	62 339	-19 590	42 679	-26	8 816	-22 474	-13 684
Net finance	0	0	290	290	0	0	590	590
Profit before tax	-70	62 339	-19 300	42 970	-26	8 816	-21 884	-13 094

Sales revenues - product split

<i>(Amounts in NOK 1000)</i>	1Q06			1Q05		
	Nordic	ROW	Total	Nordic	ROW	Total
Metvix/Aktlite	5 414	7 443	12 857	3 853	4 745	8 599
Hexvix	296	132	429	38	162	200
Total	5 710	7 575	13 285	3 891	4 908	8 799

ROW=Rest Of the World



Financial statements - Balance Sheet (group)

	2006	2005	2005
	31.03	31.03	31.12
Machinery & equipment	2 844	1 842	2 708
Financial fixed assets	-	-	-
Total fixed assets	2 844	1 842	2 708
Current assets			
Inventory	11 044	16 613	12 943
Receivables	21 981	15 023	17 725
Cash & cash equivalents	296 771	117 698	72 329
Total current assets	329 795	149 335	102 996
Total assets	332 640	151 177	105 704
Equity and liabilities			
Equity			
Paid-in capital	259 442	67 093	67 145
Other paid-in capital	5 278	3 769	4 764
Retained earnings	19 526	1 782	-23 444
Shareholders' equity	284 246	72 644	48 465
Minority interest	-	154	-
Total equity	284 246	72 797	48 465
Liabilities			
Long-term liabilities			
Retirement benefit obligations	-	105	-
Other non-current liabilities	-	12 919	300
Total long-term liabilities	-	13 024	300
Current liabilities	48 393	65 356	56 939
Total liabilities	48 393	78 379	57 239
Total equity and liabilities	332 640	151 177	105 704



Financial statements

- Cash Flow Statement (group)

	Three months ended		2005
	31.03.2006	31.03.2005	01.01 - 31.12
Income/loss(-) before tax	42 970	-13 094	-38 474
Interest paid	-9	-20	-63
Other operational items	-10 789	-7 449	-32 004
Net cash flow from operations	32 171	-20 563	-70 540
Cash flow from investments	273	609	5 464
Cash flow from capital transactions	191 997	-300	-548
Net change in cash during the period	224 442	-20 254	-65 624
Cash & cash equivalents at beginning of period	72 329	137 952	137 953
Cash & cash equivalents at end of period	296 771	117 698	72 329



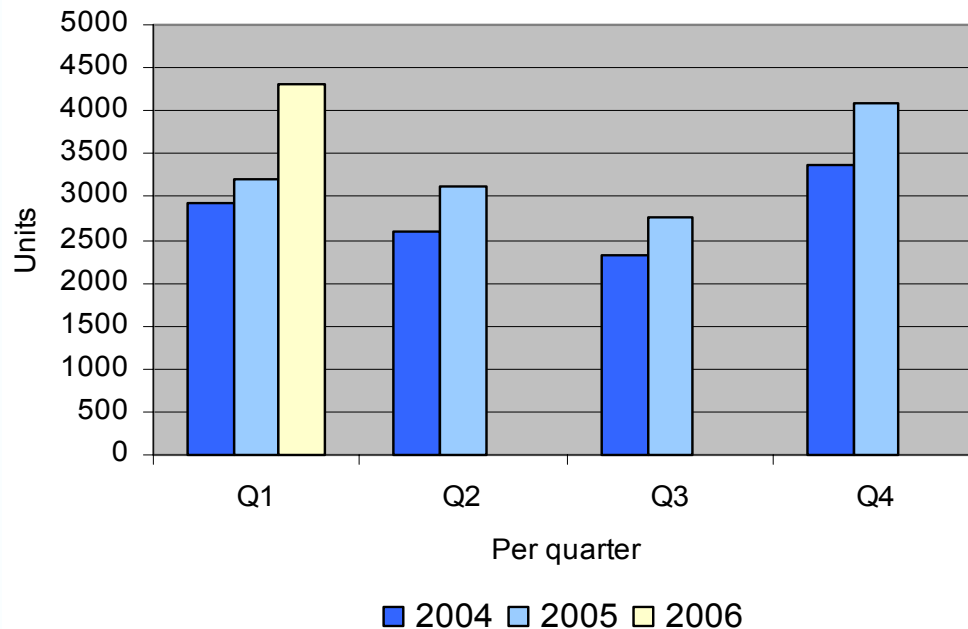


Metvix[®] and Aktelite[™]
- treatment of skin cancer without scarring



Metvix - Nordic sales increase of 41% in Q1 2006

Metvix Sales in Units - Nordic 2004 - 2006



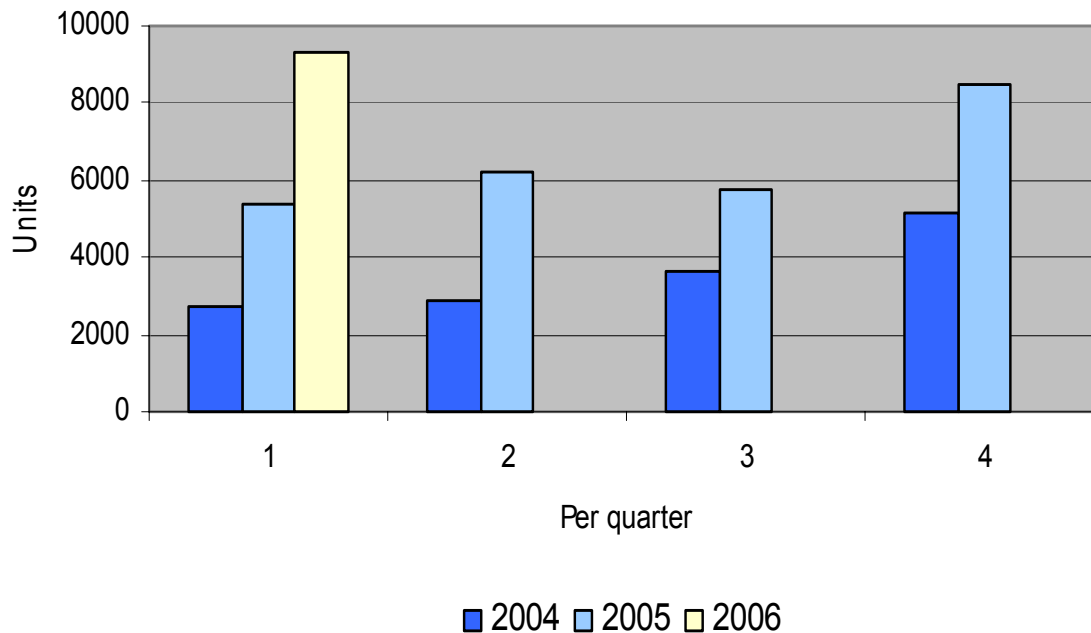
Highlights:

- Sales revenues for Metvix/Aktlite was NOK 5.4 million in the first quarter 2006, vs NOK 3.9 million in the first quarter 2005, an increase of 41%.
- Sales increase in Metvix units to end-user of 34 % in Q106 vs Q105 (4,299 vs 3,198)
- 4 Aktlite lamps sold in Q106 vs 7 sold in Q105.



Metvix - Galderma sales increase of 57 % in Q1 2006

Metvix Sales in Units - Galderma 2004 - 2006



Highlights:

- Sales revenues for Metvix/Aktlite was NOK 7.4 million in the first quarter 2006, vs NOK 4.7 million in the first quarter 2005, an increase of 57%.
- Sales increase in units of 73 % in Q106 vs Q105 (9,308 vs 5,391)
- 48 Aktlite lamps sold in Q106 vs 39 in Q105





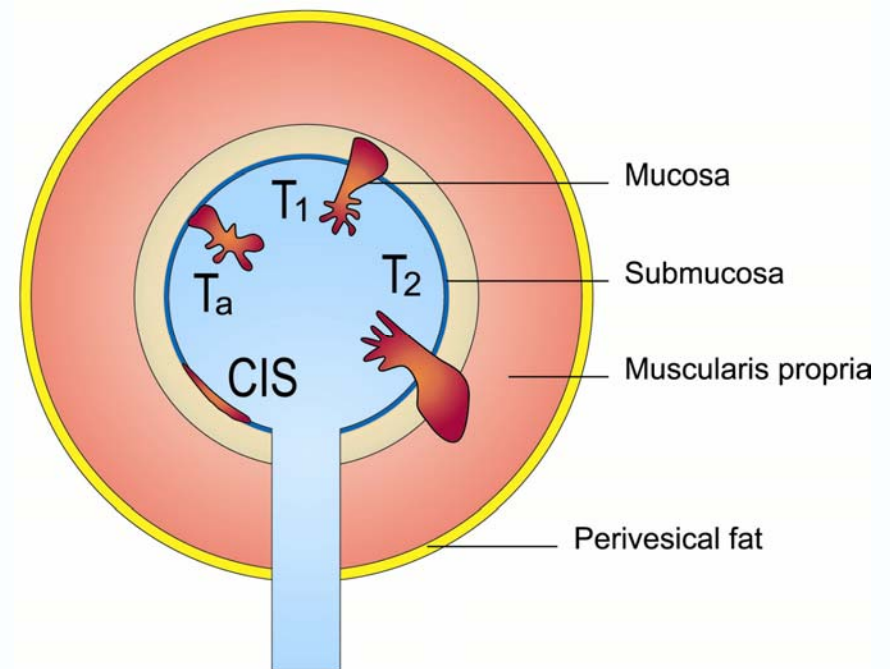
Hexvix®

– a breakthrough in bladder cancer



Regulatory status for Hexvix

- National approval in most European countries secured through the MRP procedure.
- NDA submitted June 2005
- Non-approvable letter received from the FDA in April 2006 requesting
 - additional analyses
 - more clinical documentation
- PhotoCure will, together with its US regulatory advisors, initiate a discussion with the FDA to better understand the additional requirements necessary to obtain approval for Hexvix.



Licencing agreement with GE Healthcare for Hexvix

- **GE Healthcare - world leader in imaging drugs**
- **Agreement signed January 2006**
 - Exclusive rights to market and distribute Hexvix outside of the Nordic region
 - Option to licence in the US
 - Total milestones of € 28 million, of which € 7 million at signing
- **GE Healthcare has access (first right of refusal) to future indications**
- **GE Healthcare may terminate the agreement subject to payment of an exit fee**



European introduction of Hexvix started



- PhotoCure and GE Healthcare arranged a Hexvix symposium and exhibition at EAU in Paris
 - 10 000 participants
 - GE conducted an in depth survey of 400 urologists
- GE Healthcare initiated internal Hexvix training of key marketing and sales personell in Europe



Goals and milestones



Strategic and operational goals

- **Continue investing in Metvix and Aktelite**
 - Support Galderma in strengthening Metvix/Aktelite in dermatology
 - Seek Aktelite approval in the US – planning launch in 2008
- **Commercialise Hexvix**
 - Continue Nordic launch
 - Support GE Healthcare in launching Hexvix
 - Follow-up FDA and secure approval in the US
- **Solve patent dispute with DUSA**
- **Investigate other indications where PDT may provide medical benefits**

