

Photocure ASA

Third quarter - 2006

October 27th 2006



Highlights Third Quarter 2006

- GE Healthcare exercised an option to market and distribute Hexvix® in the US. This triggered a milestone payment of EUR 9 million to be booked in 4th quarter.
- Hexvix® launched in Germany by GE Healthcare.
- Metvix® launched in Brazil and Metvixia® approved in France.
- First phase II study in Acne completed.
- First clinical study in Cervix started.
- Sales revenue in third quarter amounted to NOK 14.6 million (7.3), or + 99 %.
- Net loss third quarter was NOK -11.8 million (-4.8) due to higher R&D expenses.
- Cash amounted to NOK 271.5 million (81.0) at the end of the period.



Financial statements



Financial Statements

- Profit & Loss (group)

Three months ended			2006	2005	2005
30.09.2006	30.09.2005	All figures in NOK 1,000	01.01 - 30.09	01.01 - 30.09	01.01 - 31.12
14 575	7 322	Sales revenues	39 513	24 994	38 007
3 908	3 908	Signing fee and milestone revenues	72 290	11 725	15 634
18 483	11 230	Sales, signing fee and milestone revenues	111 803	36 720	53 641
-4 053	-2 392	Cost of products sold	-11 462	-9 896	-13 430
14 431	8 839	Gross profit	100 341	26 824	40 211
1 617	1 870	Other operating revenues	4 558	14 203	15 235
-9 049	-9 469	Payroll expenses	-23 216	-23 412	-29 369
-12 264	-6 074	External R&D expenses	-26 910	-28 630	-38 238
-8 401	-5 518	Ord.depr. & other operating expenses	-28 463	-22 476	-35 090
-13 666	-10 354	Operating income/loss(-)	26 310	-33 491	-47 252
1 852	5 511	Net financial income	3 887	8 390	8 778
-11 815	-4 842	Income/loss(-) before tax	30 197	-25 101	-38 474
-0.61	-0.28	Net income/loss(-) per share (NOK), basic	1.43	-1.43	-2.19
-0.61	-0.28	Net income/loss(-) per share (NOK), diluted	1.43	-1.43	-2.19



Financial Statements

- Segment Information (group)

Income statement - geographical distribution

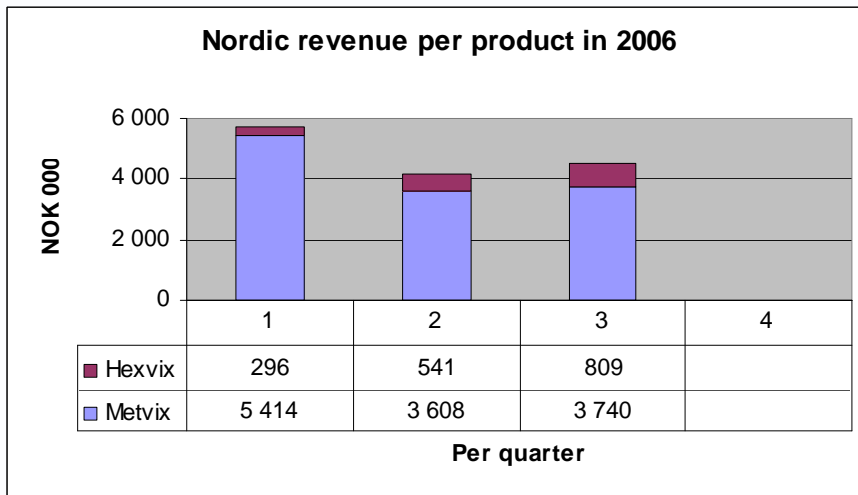
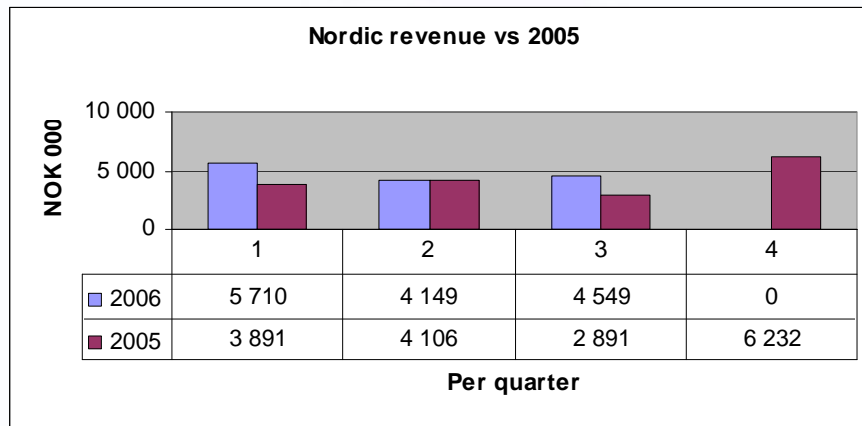
(Amounts in NOK 1000)	3Q06				3Q05			
	Nordic	ROW allocated	Un-	Total	Nordic	ROW allocated	Un-	Total
Sales revenue	4 549	10 026		14 575	2 891	4 431	0	7 322
Milestone revenue	0	3 908		3 908	0	3 908	0	3 908
Total revenues	4 549	13 934	0	18 484	2 891	8 339	0	11 230
Cost of goods sold	425	3 628	0	4 053	392	2 000	0	2 392
Gross profit	4 125	10 306	0	14 431	2 499	6 339	0	8 838
Gross profit %	91 %	74 %		78 %	86 %	76 %		79 %
Operating expenses	4 712	-28	23 413	28 097	2 716	0	16 477	19 193
Operating profit	-588	10 334	-23 413	-13 666	-218	6 339	-16 477	-10 355
Net finance	0	0	1 852	1 852	0	0	5 511	5 511
Profit before tax	-588	10 334	-21 561	-11 815	-218	6 339	-10 966	-4 844

ROW=Rest Of the World



Financial Statements

- Sales revenues +57 % in the Nordic region in Q3



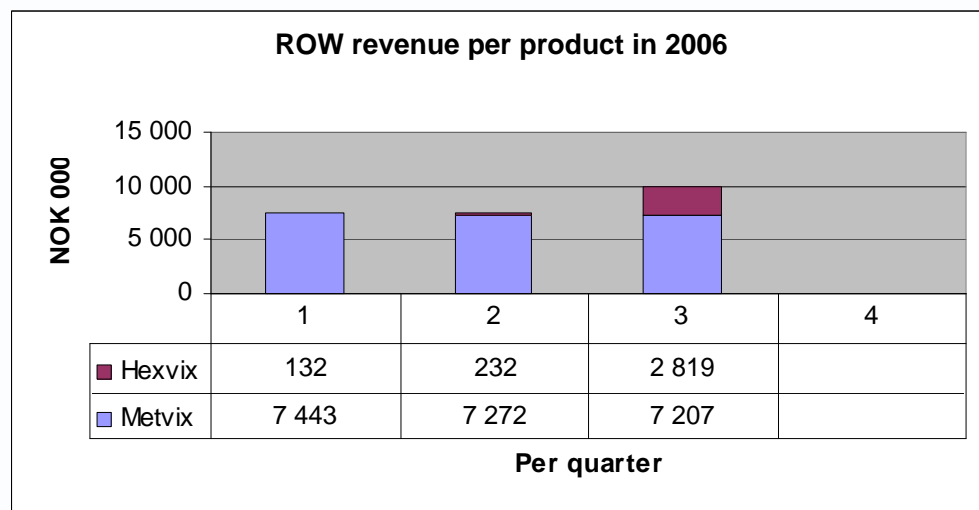
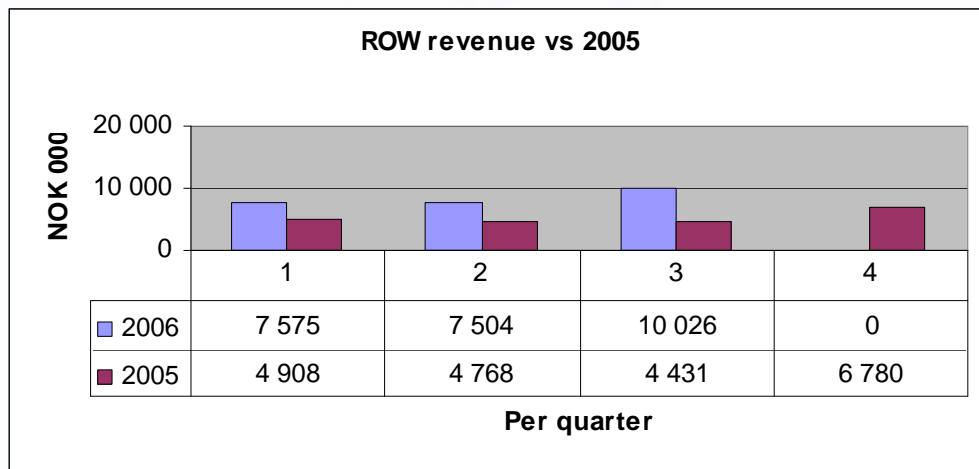
Highlights:

- Sales revenues was MNOK 4.5 in Q306 vs MNOK 2.9 in Q305 (+57%).
- Sales revenues YTD was MNOK 14.4 vs MNOK 10.9 in 05 (+32%).
- Sales revenues for Metvix/Aktilite was MNOK 3.7 in Q306 up from MNOK 2.7 in Q305.
- Sales revenues for Hexvix was MNOK 0.8 in Q306 up from MNOK 0.2 in Q305.
- 1 Aktilite lamp sold in Q306 vs 2 sold in Q305.



Financial Statements

- Sales revenues + 126 % outside the Nordic region in Q3



Highlights:

- Sales revenues was MNOK 10.0 in Q306 vs MNOK 4.4 in Q305 (+126%).
- Sales revenues YTD was MNOK 25.1 vs MNOK 14.1 in 05 (+78%).
- Sales revenues for Metvix/Aktelite was MNOK 7.2 in Q306 up from NOK 4.4 million in Q305.
- Sales revenues for Hexvix was MNOK 2.8 in Q306 up from MNOK 0.1 in Q305.
- 57 Aktelite lamps sold in Q306 vs 41 sold in Q305.



Financial statements

- Balance Sheet (group)

Figures in NOK 1,000	2006 30.09	2005 30.09	2005 31.12
Machinery & equipment	3 594	2 273	2 708
Financial fixed assets	-	-	-
Inventory	13 524	14 591	12 943
Receivables	31 533	20 999	17 725
Cash & cash equivalents	271 474	80 975	72 329
Total assets	320 124	118 837	105 704
Total equity	271 040	61 500	48 465
Long-term liabilities	-	405	300
Current liabilities	49 085	56 932	56 939
Total shareholders' capital & liabilities	320 124	118 837	105 704



Financial statements

- Cash Flow Statement (group)

Three months ended			Nine months ended		2005
30.09.2006	30.09.2005		30.09.2006	30.09.2005	01.01 - 31.12
-11 815	-4 842	Income/loss(-) before tax	30 197	-25 101	-38 474
-6	-18	Interest paid	-24	-50	-63
-709	-14 223	Other operational items	-26 042	-31 962	-32 004
-12 530	-19 083	Net cash flow from operations	4 131	-57 113	-70 540
942	-95	Cash flow from investments	2 840	684	5 464
197	52	Cash flow from capital transactions	192 174	-548	-548
-11 390	-19 127	Net change in cash during the period	199 145	-56 978	-65 624
282 864	100 102	Cash & cash equivalents at beginning of period	72 329	137 953	137 953
271 474	80 975	Cash & cash equivalents at end of period	271 474	80 975	72 329



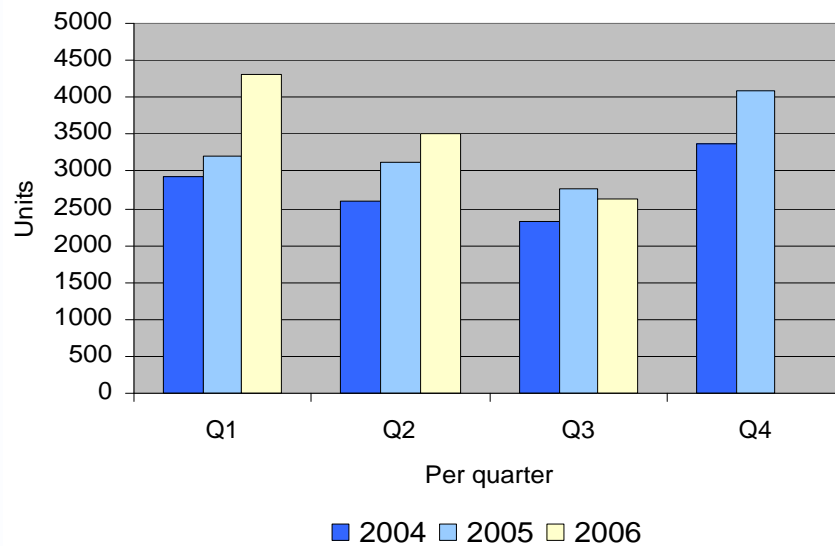


Metvix[®] and Aktilite[™]
- treatment of skin cancer without scarring

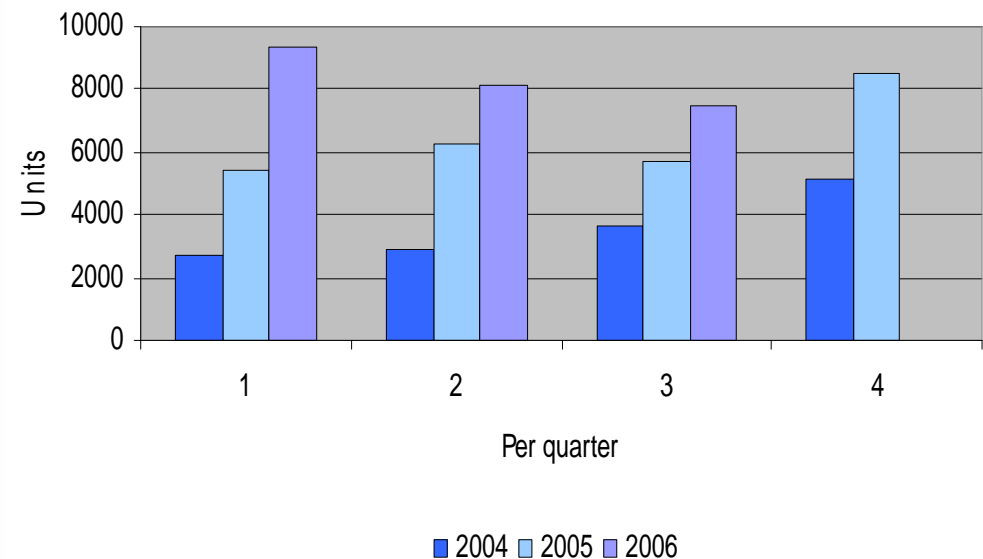


Over 35,000 Metvix tubes sold year to date to end user

Metvix Sales in Units - Nordic 2004 - 2006



Metvix Sales in Units - Galderma 2004 - 2006



Highlights:

- Price increase in Finland 1.1.06 and Denmark 1.8.06
- Over 35.000 Metvix tubes sold YTD (+36%)



Expanding the Metvix market opportunity

- Working with Galderma on marketing programs
 - Metvix/Aktlite in launched in Brazil
 - Metvixia approved in France
 - Launched www.metvix.com
- Seeking Aktlite approval in the US
 - Two phase III studies for Aktlite ongoing in EU/US



Metvix focus at the EADV dermatology congress

- Phase III study presented:
 - A study on Metvix for treatment of skin dysplasia in organ transplant patients showing prophylactic effect
- Multiple independent sessions and workshops
 - Confirms the establishment of PDT as standard method for treatment of NMSC
- Phase IV study published in British Journal of Dermatology
 - Confirms patients preference for Metvix PDT
 - Shows that MAL PDT has significantly better effect than cryo after 1 treatment

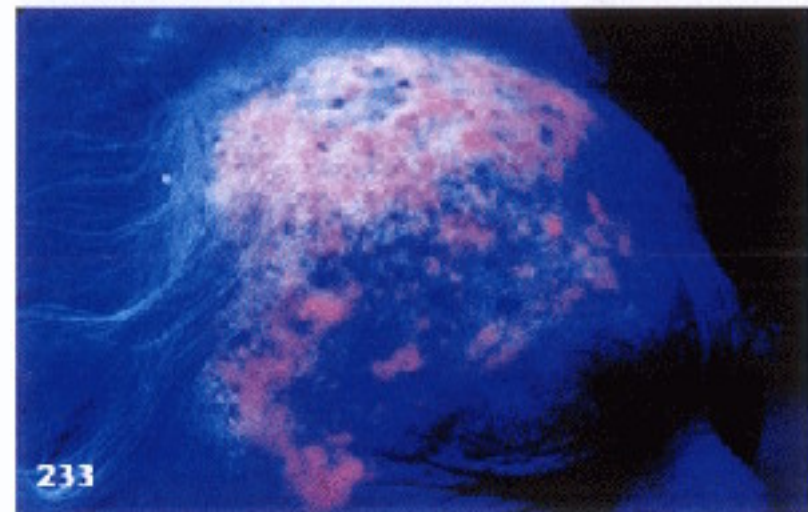


Metvix stand at EADV in Rhodes, 2006



The attention of AK and skin cancer is increasing

- Treatment of skin cancers should not only be focused on the tumor, but also on the surrounding skin with actinic damage from which it developed
- ...need for greater public understanding about the link between cumulative ultraviolet (UV) radiation, AKs and skin cancer
- FACTS on AK:
 - incidence 2%
 - Only 30% treated
 - 50% have 5 lesions or more



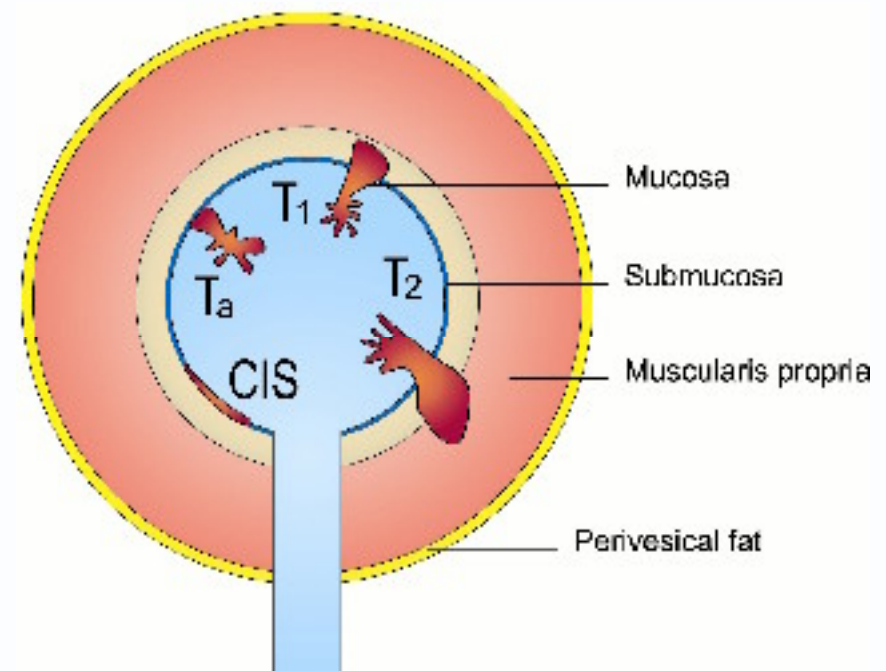


Hexvix[®]
– a breakthrough in bladder cancer diagnostics



Hexvix status and plans

- GE Healthcare exercised US option. This triggered a EUR 9 million payment that will be booked in fourth quarter.
- Hexvix launched in Germany by GE Healthcare in September.
- Status NDA in US
 - Filed NDA in June 2005 and open
 - Discussing with FDA in cooperation with partners and advisors in order to agree on plan to solve outstanding issues.



Hexvix is the first pharmaceutical product on the market that improves visual inspection of the bladder.



Research & Development

- Taking photodynamic therapy and diagnostics to a new level of efficacy and precision**



Progress in clinical development programs

■ MAL PDT in acne

Goal: A new topical treatment of moderate to severe inflammatory acne

Market: Current prescription market: 1.4 billion USD/year

Status: First phase I/II study completed

Negotiating license agreement/ positioning of acne product with Galderma

■ Detection of colorectal cancer

Goal: Develop optical imaging to improve detection in persons with suspected colon cancer referred to endoscopy

Market: New screening guidelines in EU/USA for persons above 50 years. Current colonoscopies in US: > 4 million procedures

Status: POC study with blue light colonoscopy ongoing in Germany



Progress in clinical development programs

■ Treatment of cervical dysplasia and associated HPV infections

Goal: A new topical treatment of cervical dysplasia with persistent HPV infections

Status: First POC showed that malignant lesions and HPV infections were treated in approximately 70% of the women

First phase I/II study started in Oslo, Norway and Hannover, Germany

■ PCI Biotech AS – enhancement and site-direction of cancer therapy

Goal: Use PCI Biotech's patented technology to enhance the efficacy of standard chemotherapy

Status: Preparation ongoing for first clinical study

Granted NOK 5.4 million in R&D support over the next 3 years



Goals and milestones



Significant progress made in third quarter

■ Hexvix US option

- GE Healthcare exercised an option to market and distribute Hexvix in the US. This triggered a milestone payment of EUR 9 million.

■ Marketing and sales of Hexvix

- Hexvix launched in Germany by GE Healthcare

■ R&D results

- Completed the first phase II study in inflammatory acne
- Included the first patients in a clinical study for treatment of cervix cancer
- Granted NOK 5.4 million in R&D support over the next 3 years for PCI Biotech



Strategic and operational goals

- **Continue investing in Metvix and Aktilite**
 - Support Galderma in strengthening Metvix/Aktilite in dermatology
 - Seek Aktilite approval in the US
- **Commercialize Hexvix**
 - Support GE Healthcare in launching Hexvix
 - Follow-up FDA and secure approval in the US
- **Secure progress in clinical studies**
 - **Metvix** – complete two ongoing phase III studies in EU/US for Aktilite
 - **Hexvix** – complete the ongoing phase III study in EU/US
 - **Acne** – start next phase II study in 2006
 - **Cervix** – complete the ongoing phase II study
 - **Colon** – complete the ongoing POC study
 - **PCI Biotech** – start first clinical study in 2007

