Brilliance in photodynamic technology ™

Photocure ASA
- Establishing a Specialty Pharma company

Presentation of first quarter 2010 results

28 April 2010

Kjetil Hestdal, President & CEO
Christian Fekete, CFO

Bringing innovative photodynamic therapies to patients worldwide

Highlights first quarter 2010

- Hexvix revenues increased 44% to NOK 14.0 million in Q110
- Reimbursement approval for Hexvix in Germany, triggering EUR 0.5 (NOK 4.1) million in milestone revenue
- Net result of NOK -13.9 million
- Cash of NOK 369.9 million per 31 March 2010
- Progress development projects:
  - Visonac: Completed inclusion phase II in January, results May 2010
  - Allumera: Second consumer trial started in April, results Q410
  - Cevira: Positive phase I/II results in April

Major steps towards becoming a Specialty Pharma Company

Strong platform for future growth

Creating value from strong IP position in Dermatology and Cancer

		Indication	Status	Peak sales potential EU/ US
Dermatology	**Allumera™**	Improvement of facial skin appearance	Pilot trial	EUR 30 – 50 million
	Visonac™	Treatment of acne	Phase II	EUR 240 – 420 million
Cancer	**Hexvix®**	Detection of bladder cancer	Approved in EU Approval pending US	EUR 130 – 240 million
	Cevira™	Treatment of cervical cancer	Phase I/II	EUR 250 – 550 million
	Lumacan™	Detection of colon cancer	Phase I/II	EUR 300 – 510 million

Promising pipeline with large market potential

Financial statements

Profit & Loss
First quarter 2010

- Divestment of Metvix/ Aktilite changed earnings profile
  - 2009 accounts adjusted for discontinued operations.
- Hexvix' sales revenues up 44%
- Reimbursement approval Germany – milestone payment
- R&D:
  - Dermatology: NOK 8.1 million
  - Cancer: NOK 10.7 million
  - Explorative: NOK 0.5 million
- Other comprehensive income NOK 29.3 million from PCI Biotech

Numbers in NOK thousand	Q1 2010	Q1 2009	FY 2009
Sales revenues	13 960	9 669	48 428
Signing fee and milestone revenue	4 140	0	0
Total revenues	**18 101**	**9 669**	**48 428**
R&D	-19 265	-10 543	-78 980
Marketing & sales	-8 137	-6 205	-24 984
Operating profit/ loss (EBIT)	**-15 728**	**-13 493**	**-78 952**
Net financial items	1 862	-2 877	2 451
Discontinued operations	0	7 759	388 883
Net profit/loss	**-13 865**	**-8 611**	**321 382**
Other comprehensive income	29 344	0	4 192
Comprehensive income	**15 479**	**-8 611**	**316 574**

Metvix/Aktilite is under IFRS reported as discontinued operations

Segment information – Q1 2010

	Q1 2010						Q1 2009				
	Cancer			Derm.[2]	Total		Cancer			Derm. R&D	Total
Numbers in NOK thousand	Own	Partner	R&D[1]			*% vs. 09*	Own	Partner	R&D*		
Sales Hexvix	5 817	8 143			13 960	*44%*	3 818	5 851	0	0	9 669
Cost of goods sold	-363	-1 272			-1 634	*106%*	-160	-632	0	0	-792
Gross profit	**5 454**	**6 872**			**12 326**	***39%***	**3 658**	**5 220**	**0**	**0**	**8 877**
Gross profit %	94%	84%			88%		96%	89%			92%
Milestone revenue	0	4 140			4 140		0	0			0
MAL/ Metvix/ Aktilite rev [3]					4 088						
Discontinued operations											7 759
Operating expenses	-5 140	-3 291	-12 034	-15 817	-36 282	*62%*	-5 479	-2 326	-13 016	-1 550	-22 371
Operating profit	**314**	**7 721**	**-12 034**	**-15 817**	**-15 727**		**-1 821**	**2893**	**-13 016**	**-1 550**	**-5 735**
Net finance					1 862						-2 877
Profit before tax	**314**	**7 721**	**-12 034**	**-15 817**	**-13 865**		**-1 821**	**2 893**	**-13 016**	**-1 550**	**-8 612**

(1) Including share of general & admin. Expenses
(2) R&D Visonac/ Allumera, Business development and admin. Expenses
(3) Deferred revenue from Metvix divestment, sale of MAL, returns and reimbursement of Metvix.

Balance sheet – assets

- NOK 369.9 million in cash end of period
- Other investments includes:
  - NOK 40.9 million from shares in PCI Biotech
  - Deferred revenue from sale of Metvix/Aktilite
- PCI Biotech has proposed a share capital increase of NOK 90 million
  - PHO participates in the guarantee consortium with a 20% share

Numbers in NOK thousand	31.03.2010	31.03.2009	31.12.2009
Non-current assets			
Intangible assets, software	335	511	365
Machinery & Equipment	1 886	2 483	1 772
Other investments	46 952	7 336	14 585
Total non-current assets	**49 172**	**10 330**	**16 722**
Current assets			
Inventory	13 922	12 300	13 826
Receivables	19 025	15 242	22 811
Cash & cash equivalents	369 912	161 872	403 502
Total current assets	**402 858**	**189 415**	**440 140**
Total assets	**452 031**	**199 745**	**456 862**

Balance sheet - equity & liabilities

- Other paid-in capital includes own shares of NOK 24 million
- Shareholder's equity amounting to NOK 424 million
- Equity ratio of 94%
- No interest bearing debt

Numbers in NOK thousand	31.03.2010	31.03.2009	31.12.2009
Share capital	11 047	11 047	11 047
Other paid-in capital	169 198	189 562	176 112
Retained earnings	244 102	-29 658	228 624
Shareholders' equity	**424 347**	**170 950**	**415 783**
Total long-term liabilities	**420**	**0**	**340**
Current liabilities	**27 263**	**28 795**	**40 739**
Total liabilities	**27 684**	**28 795**	**41 079**
Total equity and liabilities	**452 031**	**199 745**	**456 862**

Cash Flow
First quarter 2010

- Net change in cash of NOK -33.6 million
- Net purchase of own share of NOK 8.1 million

Numbers in NOK thousand	Q1 2010	Q1 2009	FY 2009
Profit/ loss before tax	-13 865	-8 611	312 382
Depreciation and amortisation	275	398	1 451
Share-based compensation	1 195	914	3 454
Net interests	-2 398	-2 510	-9 258
Write down financial assets	0	4 192	4 192
Changes in working capital	-9 785	-14 760	7 899
Other operational items	-3 063	-1	-2 674
Net cash flow from operations	**-27 642**	**-20 378**	**317 445**
Cash flow from investments	2 160	2 353	10 104
Cash flow from capital transactions	-8 109	0	-103 944
Net change in cash during the period	**-33 591**	**-18 025**	**223 605**
Cash &cash equiv. beginning of period	403 502	179 897	179 897
Cash &cash equivalents end of period	**369 912**	**161 872**	**403 502**

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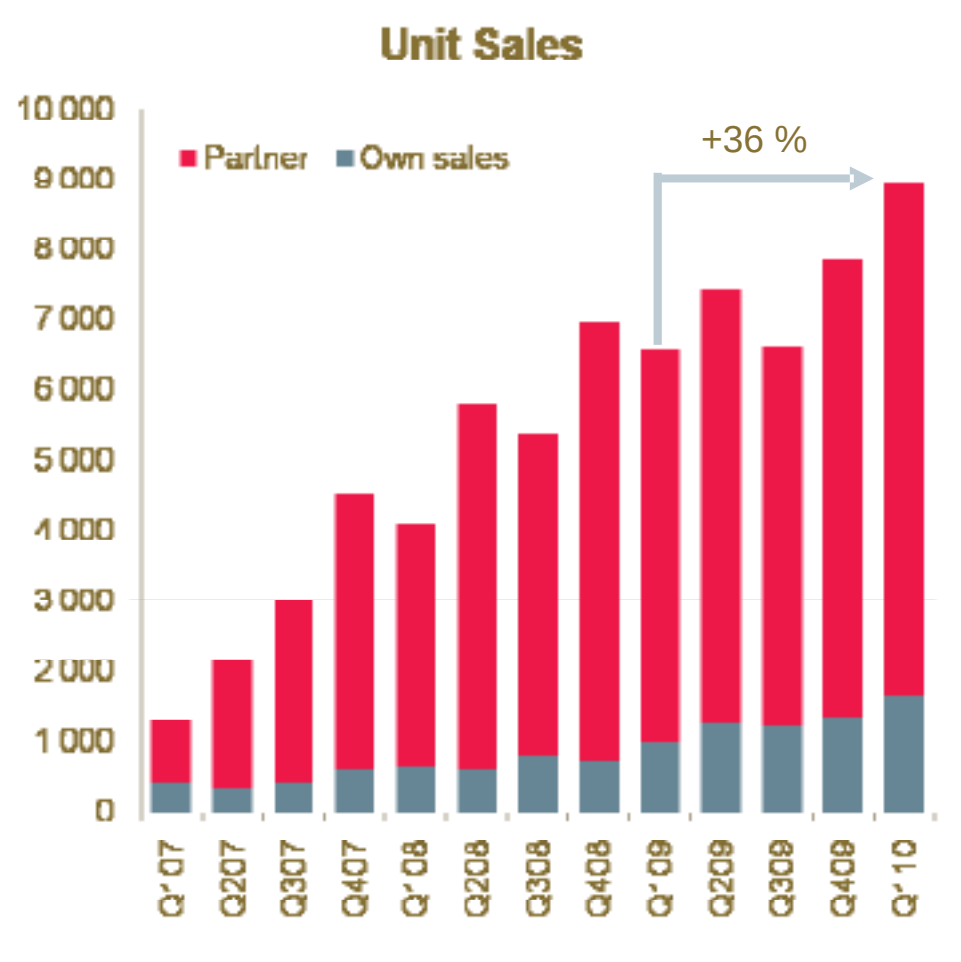
Operational Update

Hexvix® key sales figures

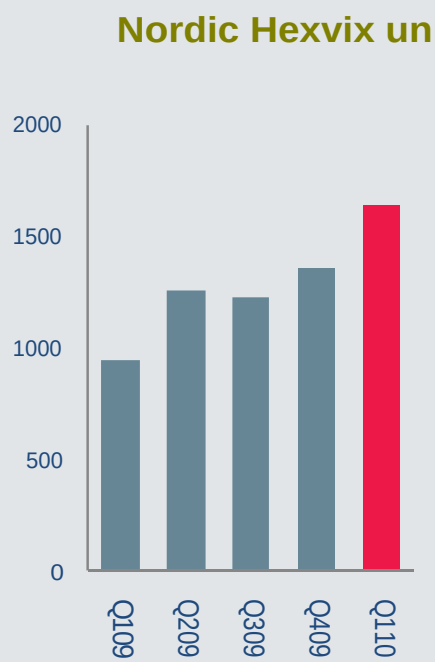


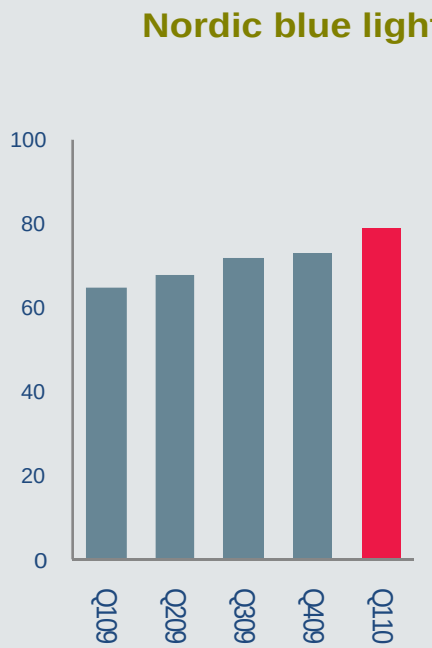
Hexvix unit sales Q1 2009:

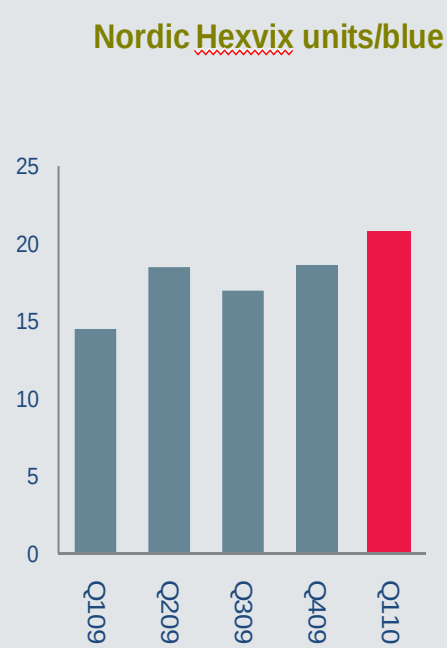
- Volumes in the Nordic region increased 75% to 1,646 units
- Volumes sold by GE Healthcare increased 31% to 7,303 units

Hexvix®

- Nordic key performance indicators first quarter 2010







30% Hexvix Nordic market share in TURB Q1 2010

22% equipment growth Q1 2010

43% growth in use Q1 2010

Hexvix® partner status 2010

- Germany largest market – over 50% of sales
  - New reimbursement from 1 January 2010
- European expert panel recommends use of Hexvix
  - Expected to lead to a more unison use in Europe
- App. 600 blue-light scopes in market

Focus on sales execution

Hexvix® roadmap

Picture of a bladder in white and blue light illustrating the fluorescence effect

- Secure US approval
  - Pending issues expected to be solved during 1H 2010
- Launch in US in 2010
- Continue growth in Europe
  - Several programs for training/ reimbursement/ sales execution/equipment placement depending on country

Peak sales potential of EUR 130 - 240 million in the EU & US

Visonac™

Effective treatment of moderate to severe acne

- Consistently high efficacy shown in 3 separate Phase II studies
- Treatments two weeks apart - sustained effect in reduction of lesions
- Limited side effects
- Significant improvement in tolerability measures of pain and erythema
- Next milestones:
  - Publish phase II data in May 2010
  - Plan to start phase III program in EU/US in 2010

3 modes of action:

- Kills the acne bacteria
- Reduces sebaceous production
- Reduces inflammation

Peak sales potential of EUR 240 – 420 million in EU & the US

Allumera™

Improving facial skin appearance

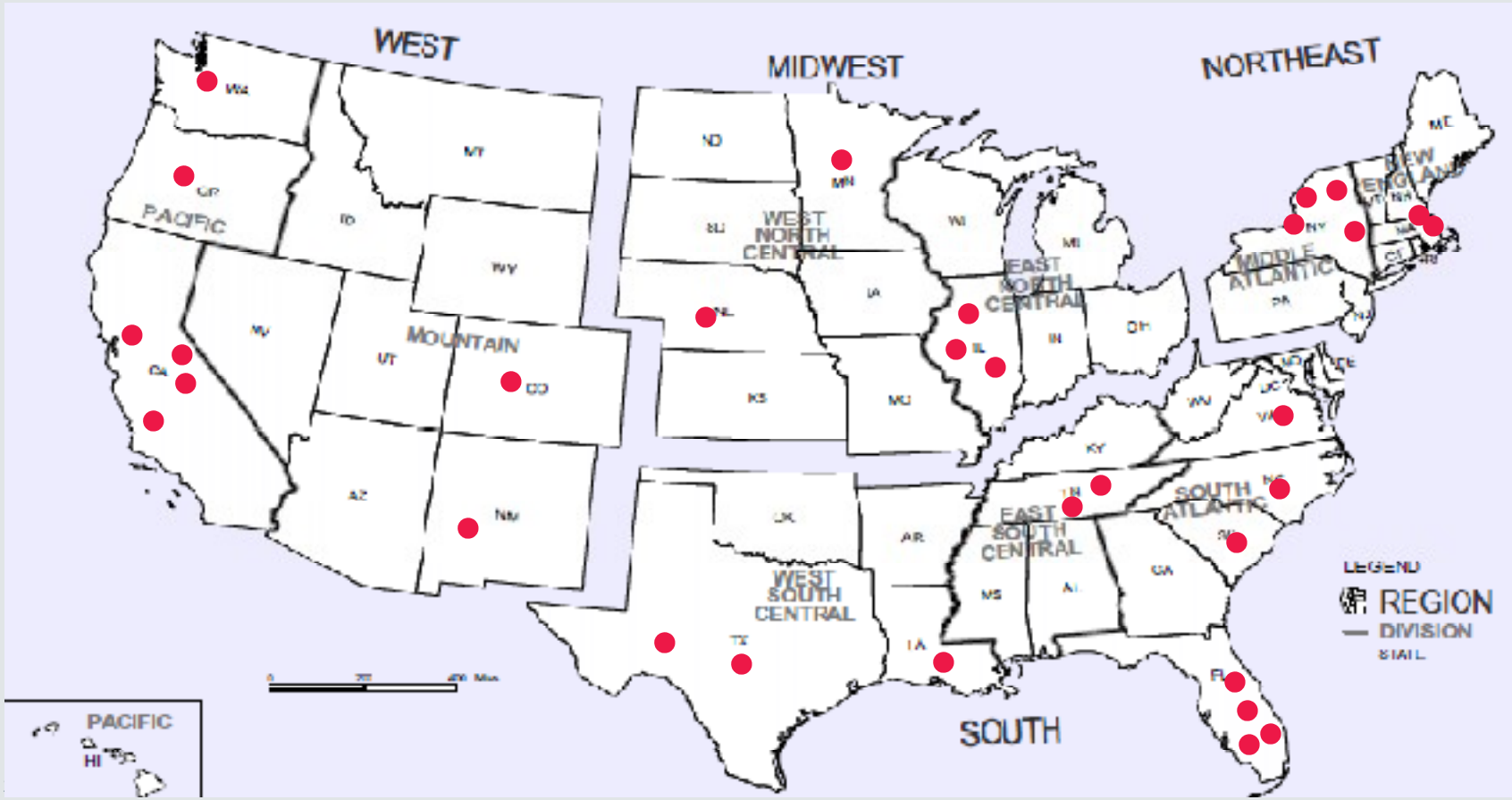
- Cosmetic product sold through dermatologists
- Finished pilot study in Q4 2009 with excellent results;
  - Skin looks softer and smoother
  - Skin tone looks more even
  - Fine lines and wrinkles appear diminished
- Second consumer trial started 22 April 2010
  - Placebo controlled
  - Planned results for Q4 2010

Peak sales potential estimated to be EUR 30-50 million per year in US

Allumera™

Started preparations for launch in 2011

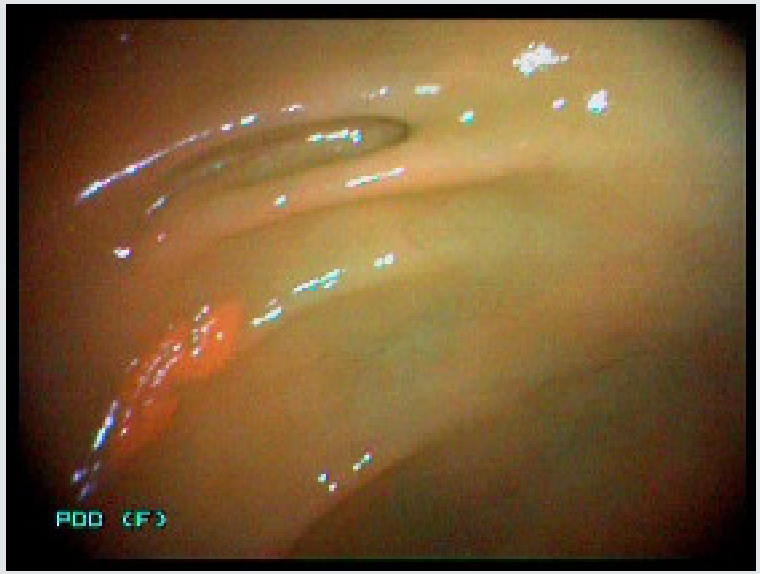
- Established 30 Key Opinion Leader centers throughout the US
- Started recruitment of key personnel



Lumacan™

Diagnosis of colorectal cancer

- Proof-of-Concept study using enema:
  - 39% increase in detection rate using Lumacan- colonoscopy.
  - Improved oral formulation in development to optimize release in colon
  - Scintigraphy testing of new oral formulations in Q2 2010
- Ongoing phase I/II study:
  - On hold after 12 patients in Q4 2009
  - Restarting with improved oral formulation in Q3 2010



First PoC-study in Munich, Germany.
One flat lesion showing fluorescence in colon.
Courtesy: Prof. Dr. B. Mayinger

Peak sales potential of EUR 300 – 510 million in the EU & US

Cevira™

Treatment of HPV/precancerous lesions in cervix

- Proof-of-Concept dose-finding study 2009:
  - 58% efficacy in precancer (CIN1/2) with 90% HPV clearance in lesion responders at 6 months
    - 83% CIN2 patients avoided conization (CR+PR)
  - Sustained 12 month efficacy with overall 63% response rate
  - Treatment well tolerated, but 25-50J/cm2 light dose most favourable to patients

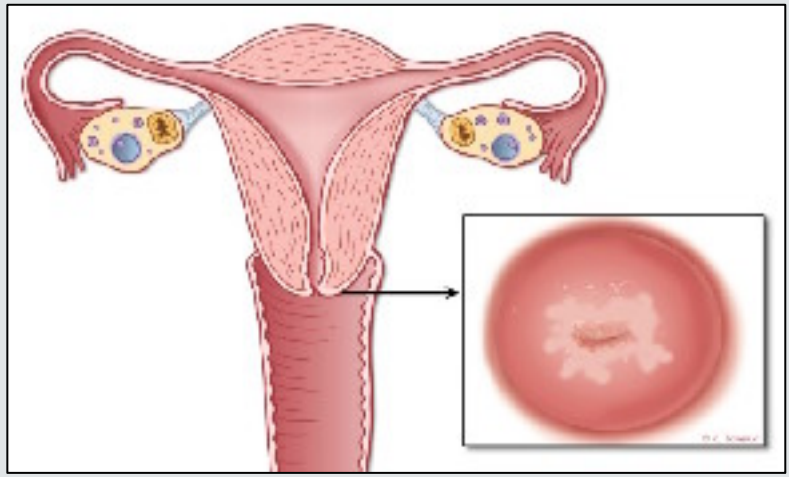


Illustration of the anatomy of Cervix

Peak sales potential of EUR 250 – 550 million in the EU & US

Cevira™
Roadmap

- Placebo-controlled multicenter phase II study ongoing in 5 countries in Europe:
  - All 70 patients enrolled
  - Patient follow-up 6 months
  - Initial results expected Q3 2010
- Developed new drug/medical device :
  - One visit to gynecologist
  - Easy to administer by gynecologist
  - User friendly for patients
  - “Home” treatment
  - Removed by patient - disposable
- New phase II study in same population testing the device planned for Q2 2010

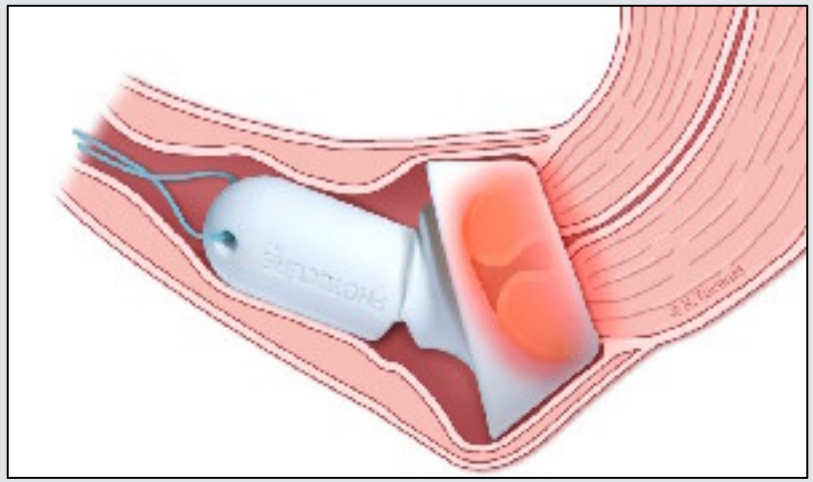


Illustration of Cevira device

Summary and Outlook

Summary and Outlook

- Hexvix:
  - Revenues +44%, end-user sales in units +36%
  - Reimbursement approval in Germany
  - US regulatory process on track – response from FDA expected in June 2010
  - Sales in Europe expected to increase by 30%+ in 2010
- Good progress in development programs:
  - Visonac: Inclusion completed – results May 2010
  - Allumera: Second consumer trial started – results Q4 2010
  - Cevira: Positive phase I/II results
- PCI Biotech:
  - Value of ownership increased to NOK 40.6 million during first quarter
  - PHO participate in guarantee consortium related to proposed issue

Goals 2010

- Strategic:
  - Create a Specialty Pharma Company in dermatology – starting with the US
- Commercial:
  - Improve commercial activities for Hexvix in Europe
  - Secure Hexvix Approval in the US
  - Hexvix launch in the US
- R&D:
  - Start Visonac phase III program
  - Finish Allumera consumer trial
  - Cevira – start phase I/II study with new device
  - Lumacan – restart phase I/II study with improved oral formulation

PHOTOCURE

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Welcome back

Second quarter, 19 August 2010