



Brilliance in photodynamic technology

Photocure ASA

The world leader in photodynamic technology

Presentation of first quarter 2011 results

27 April 2011

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Highlights first quarter 2011

- Hexvix® end user sales up by 21% in the quarter
- Sales revenues NOK 20.9 million (NOK 17.3 million)
- Operating loss NOK 17.5 million (NOK 15.7 million)
- Cash & cash equivalents of NOK 362.0 million per 31 March 2011

- Positive results from clinical study for Cevira® in January
- Positive results from consumer trial for Allumera™ in February; US launch planned for June
- Publication in *British Journal of Urology* of Hexvix data on reducing the risk of bladder cancer recurrence

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Financials
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Profit & Loss

First quarter 2011



- Sales revenue up 21% in Q1
- R&D expenses of NOK 13 million as Salix has assumed the clinical development for Lumacan
- M&S expenses increased to NOK 10.7 million as US business established
- Other comprehensive income relates to changes in value of shareholding in PCI Biotech

<i>Numbers in NOK million</i>	Q1 2011	Q1 2010	FY 2010
Sales revenue	20.9	17.3	70.5
Signing fee & milestone revenues	0.0	4.1	106.8
Total revenues	20.9	21.5	177.4
Cost of products sold	4.2	1.6	9.1
Gross profit	16.7	19.8	168.2
Other income	0.5	2.5	7.4
Indirect manufacturing expenses	2.2	2.0	8.7
R&D expenses	13.0	19.3	90.2
Marketing & sales expenses	10.7	8.1	35.4
Business development & admin	8.8	8.7	33.9
Operating profit/ (loss) (EBIT)	(17.5)	(15.7)	7.5
Net financial items	1.6	1.9	10.6
Net profit/ (loss)	(15.9)	(13.9)	18.1
Other comprehensive income	2.1	29.3	40.9
Comprehensive income	(13.9)	15.5	59.0



Balance sheet

- NOK 362 million in cash & cash equivalents at 31 March 2011
- Other investments includes NOK 72 million in shares in PCI Biotech
- Shareholder's equity of NOK 442 million
- Other paid-in capital includes own shares of NOK 43 million
- Equity ratio of 91%
- No interest bearing debt

<i>Numbers in NOK million</i>	31.03.2011	31.12.2010
Machinery & Equipment	3.2	1.9
Other investments	89.4	84.3
Total non-current assets	92.6	86.2
Inventory	14.9	18.2
Receivables	16.6	20.2
Cash & cash equivalents	362.0	389.2
Total current assets	393.5	427.7
Total assets	486.0	513.8
Share capital	11.0	11.0
Other paid-in capital	69.1	72.1
Retained earnings	361.7	375.7
Shareholders' equity	441.9	458.9
Long-term liabilities	0.8	0.7
Current liabilities	43.4	54.3
Total liabilities	44.2	55.0
Total equity and liabilities	486.0	513.8

Cash Flow

First quarter 2011



<i>Numbers in NOK thousand</i>	Q1 2011	Q1 2010	FY 2010
Profit/ loss before tax	(15.9)	(13.9)	18.1
Depreciation and amortisation	0.3	0.3	1.3
Share-based compensation	2.1	1.2	5.5
Net interests	(2.1)	(2.4)	(10.1)
Changes in working capital	(4.3)	(9.8)	11.8
Other operational items	(2.8)	(3.1)	(11.0)
Net cash flow from operations	(22.7)	(27.6)	15.6
Cash flow from investments	1.0	2.2	(8.3)
Cash flow from capital transactions	(5.5)	(8.1)	(21.5)
Net change in cash	(27.3)	(33.6)	(14.3)
Cash & cash equiv. start of period	389.2	403.5	403.5
Cash & cash equiv. end of period	362.0	369.9	389.2



Segment information – Q1 2011

Numbers in NOK thousand	Q1 2011					% vs. 2010	Q1 2010				
	Cancer			Derm ⁽³⁾	Total		Cancer			Derm ⁽²⁾	Total
	Own	Partner	R&D ⁽²⁾				Own	Partner	R&D		
Sales Hexvix (1)	5.7	9.1	0.2	6.0	20.9	21%	5.8	8.1	0.0	3.4	17.3
Milestone revenues					0.0			4.1			4.1
Cost of goods sold	0.4	1.1	0.2	2.6	4.2	158%	0.4	1.3	0.0		1.6
Gross profit	5.3	8.0	0.0	3.4	16.7	-16%	5.5	11.0	0.0	3.4	19.8
Gross profit %	93%	88%		56%	80%		94%	135%		100%	114%
Operating expenses	4.6	5.6	7.6	16.5	34.2	-4%	5.1	3.3	12.0	15.1	35.6
Operating profit/loss (-)	0.7	2.4	(7.6)	(13.1)	(17.5)	11%	0.3	7.7	(12.0)	(11.7)	(15.7)
Net finance					1.6						1.9
Profit/loss (-) before tax					(15.9)	15%					(13.9)

(1) Deferred revenue from Metvix divestment is included

(2) Including share of administrative expenses

(3) R&D Visonac/ Allumera and share of administrative expenses



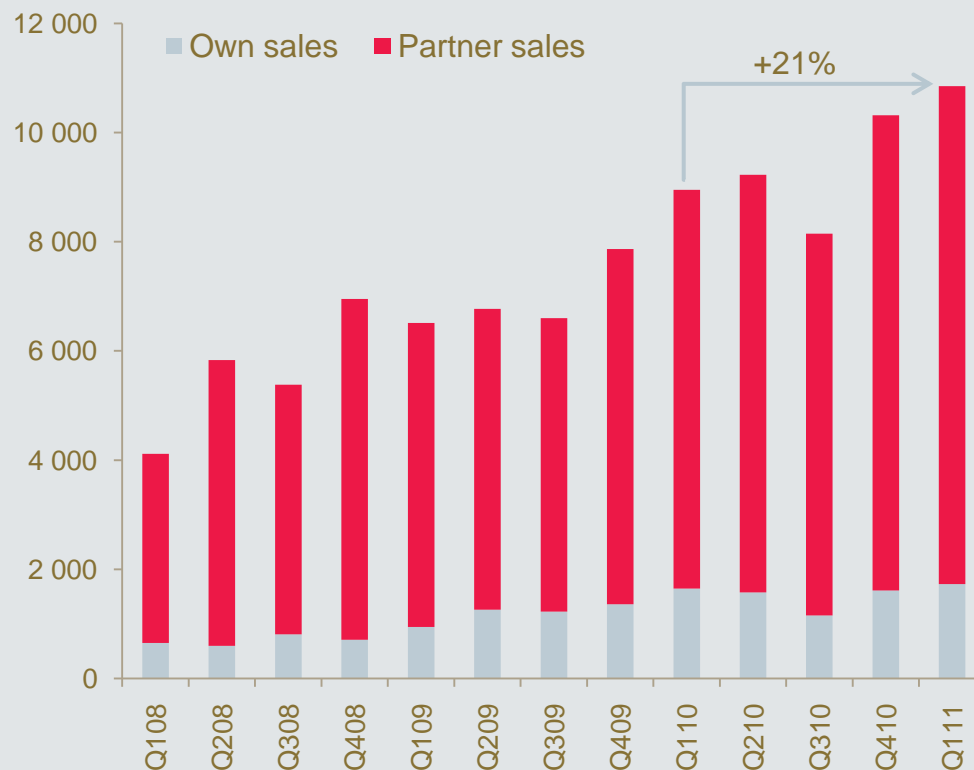
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Operational Update
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Hexvix - Europe

Key sales figures



Hexvix units sold per quarter



Partner sales (unit sales outside Nordic):

- +25% in Q1 2011, to 9.122 units
- Germany and France largest markets, accounting for ~80% of volume

Own sales (Nordic):

- +5% in Q1 2011, to 1.729 units
- 31% market share

Second article on Hexvix reducing risk of bladder cancer recurrence published in British Journal of Urology



Cysview - USA

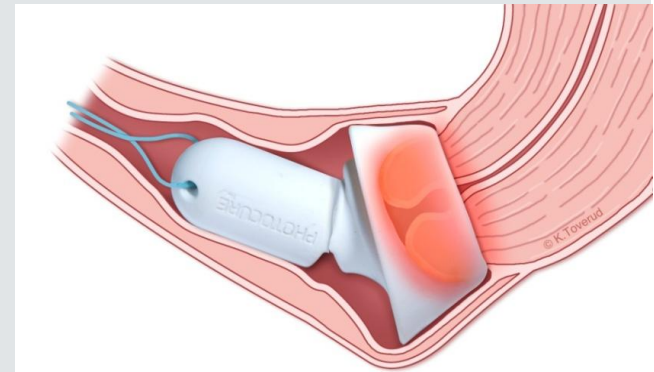
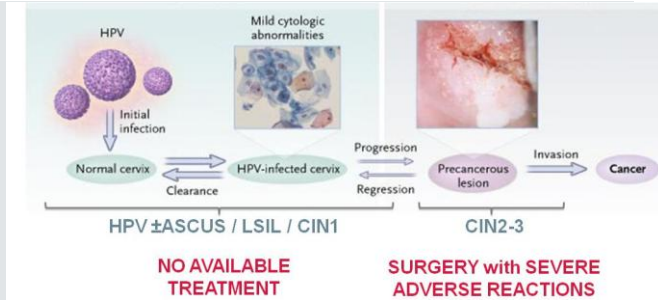
- FDA approved Hexvix in May 2010 under the tradename Cysview
- GE Healthcare and Karl Storz introduces Cysview/ blue light scopes
 - Limited sales in Q1 awaiting approval of new generation blue light system
 - Identified high potential hospital accounts for targeting
 - Training of GE Healthcare's and Karl Storz' sales forces completed
 - Establishing 10 leading urology centres, including Mayo Clinic, MD Anderson, Memorial Sloan Kettering and Johns Hopkins
- The PMA supplement on the improved blue light system pending

Cevira



Treatment of HPV & pre-cancerous lesions in cervix

- Cervical HPV infection highly prevalent and growing
 - 80% of all women have HPV infections
 - No therapeutic treatment available, surgical options fraught with high morbidity
 - Represents 4-5 million women in US alone
- Physician and Payer demand confirmed through market research
 - Provides first treatment option for anxious woman
 - Obviates need for frequent follow ups, patients lost to follow up
 - Simple, easy to use procedure fits within practice dynamics
 - Positive feedback from payers in US re: reimbursement
 - Preliminary economic models favourable for Cevira versus standard of care
- Clinical proof of concept demonstrated
 - Clinical experience in >250 subjects
 - Final results from phase IIa study reported January 2011:
 - Complete response of intracervical lesions in 57% vs. 25% placebo (histology and cytology)
 - Cevira well tolerated with no serious or severe side effects
- Clinical development program on track
 - Phase II study with integrated drug-delivery device starting in Q2 2011



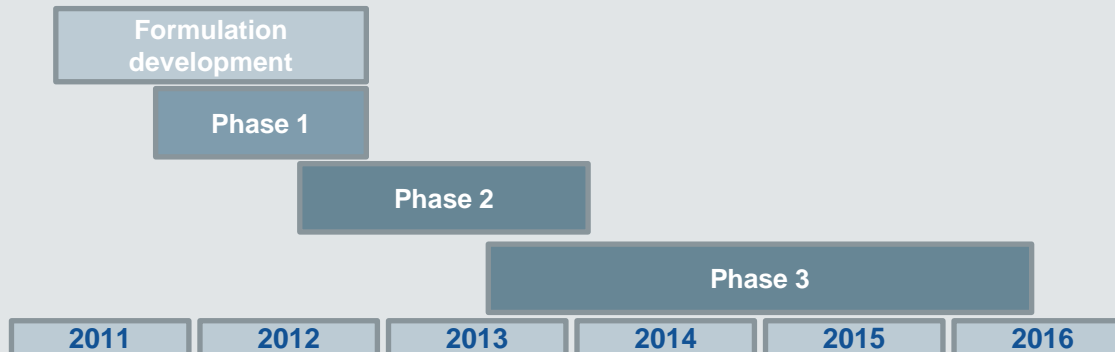
The Cevira drug-delivery system applied to the cervix

Lumacan

Improved detection of Colorectal Cancer

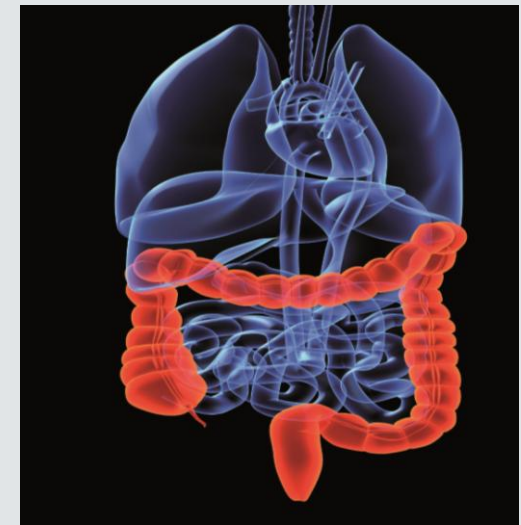


- Lumacan licensed to Salix in October 2010
 - Partnership established on several levels
- Presentation by Salix to Photocure investors on 28 March
- Salix reiterates US revenue target of USD 500 million for Lumacan
- Salix expects the following clinical development timeline:



NDA submission anticipated: 2016

US approval anticipated: 2017



Lumacan: Photodynamic colorectal diagnosis

- Increases detection rate for colon cancer
- Fluorescence diagnosis - used as adjunct to standard white light colonoscopy

Colorectal Cancer 3rd most commonly diagnosed - and 2nd most deadly cancer worldwide* with 500,000 new cases each year in the US and EU combined

*Source: NCI Survey of Colon Cancer Practices

US Dermatology Formation

Establishing the US Dermatology unit



- Good progress in establishing the US Dermatology unit
 - Office operational with key management team in Princeton
 - Hiring of 10 sales representatives in process
 - Supply chain logistics secured and testing in progress
- Excellent interactions with Key Opinion Leaders (KOL) in dermatology
- Territories selected based on volume of cosmetic dermatology procedures



US Dermatology Formation

Allumera on-track to launch in Q2 2011



Key success factors for Allumera in 2011

- Leverage investment in clinical data - to drive market adoption and sales
- Establish a credible network of Academics and KOLs
- From targeting to profiling – ensuring understanding of customer potential for use

Achievements in Q1 2011

- ✓ RevitAll study completed and presented
- ✓ 16 trials underway, assessing multiple sources of light, skin types, body sites
- ✓ Premarketing awareness through Press
- ✓ Held Ad Boards and Customer meetings at 4 major Dermatology Congresses
- ✓ Generated ~1000 leads
- ✓ ~100 physicians in data base considered as top KOLs
- ✓ 1,500 ready for pre-profiling in the 10 selected areas where sales reps will be placed

Expanding Dermatology Franchise



Develop Visonac® for treatment of acne

- Acne is a high potential target market
 - Impacts 85% of all 12-24 year olds
 - High unmet need for moderate to severe acne – avoid antibiotic resistance, need for an effective alternative to isotretinoin
- Market research in US confirms acceptance of Photodynamic therapeutic for acne
 - Respondents see clear benefit for up to 20% of their patients with moderate to severe acne
 - Occlusion time of 1.5 hours manageable in practice setting
- Clinical Proof of Concept demonstrated
 - Clinical experience in ~400 patients
 - Sustained improvement in reduction in lesions
 - Well tolerated safety profile
- Clinical development program on track
 - Phase IIb to start Q2 2011

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Summary & Outlook
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Executing our strategy

Photocure's main strategic objective is to build a specialty pharma company, by

- Maximising the potential of the Photodynamic Technology Platform, and
- Develop, register and commercialise new products in Dermatology and Cancer

- Dermatology

- Develop own PDT-based products
- Establish own distribution platforms



Starting phase IIb study on Visonac in Q2 2011
Launching Allumera in Q2 2011

- Cancer

- Out-license before phase III



Starting phase IIb study on Cevira in Q2 2011
Drive growth of Hexvix/Cysview
Foster partnership with Salix



Key Milestones next 18 months

Drive Hexvix / Cysview Growth

Allumera
Launch

Drive Allumera Growth

Lumacan
Phase I

Lumacan
Phase II

Visonac
Phase IIb

Cevira
Phase IIb

2011

2012

