



Brilliance in photodynamic technology

Photocure ASA

The world leader in photodynamic technology

Presentation of third quarter 2011 results

26 October 2011

Kjetil Hestdal, President & CEO

Christian Fekete, CFO



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Highlights

Third quarter 2011



- New commercial strategy for Hexvix[®]/Cysview[™]
 - *Signed partnership agreement with Ipsen – received EUR 1.5 million signing fee*
- First full quarter of launch of Allumera[®] in the US
- Robust enrollment of patients in Cevira[®] trial with convenient single use device
- Started phase IIb study trial for Visonac[®] for moderate to severe acne
- Sales revenues up 41% to NOK 20.6 million (NOK 14.6 million) in Q3
- Net loss of NOK 6.8 million in Q3, improved over prior year (NOK 11.6 million)
- Strong Balance Sheet with Cash & cash equivalents of NOK 336.1 million per 30 September 2011



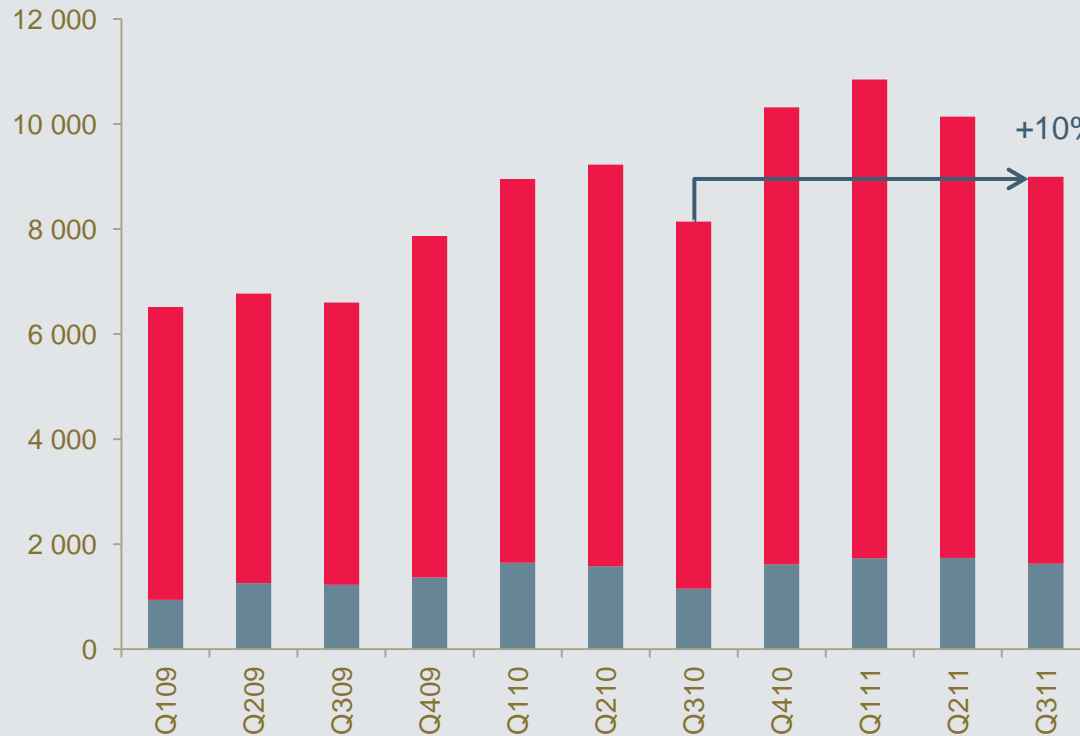
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Operational Update
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Hexvix

Nordic sales growing 41% in units, and
Total sales growing 10% in units in Q3



Hexvix units sold per quarter



Partner sales (unit sales outside Nordic):

- +5% in Q3 2011 to 7,369 units
- +13% for YTD 2011 to 24,894 units
- Germany and France largest markets, accounting for ~80% of volume

Own sales (Nordic):

- +41% in Q3 2011, to 1,629 units
- +16% for YTD 2011 to 5,095 units

Hexvix

New Commercial Strategy for Hexvix Announced



September 27

Continued execution of our strategy to build Photocure into a profitable specialty pharmaceutical company by:

Entering into strategic collaboration with Ipsen

- Ipsen territory is worldwide, ex US and Nordics

Commercializing directly in the US market

- Photocure will directly market and sell to capitalize on untapped potential

Continued Commercialization in Nordics

- Maintain the profitable operation with Hexvix in the Nordics



Hexvix

Ipsen – a Strong, Strategic Partner



Global, specialty-driven pharmaceutical company focused on four franchises, most importantly Uro-Oncology

- Sales > €1.1B in 2010

Strong and well established Uro-Oncology Franchise, led by Decapeptyl®

- Decapeptyl sales > €270M in 2010
- Marketed in over 60 countries

Dedicated Uro-Oncology Sales Force

- Over 200 sales reps across the EU

Committed partner to drive growth

- Initial Focus on Markets generating >90% sales
- Creating a Key Account Management Structure



Hexvix

Deal Terms with Ipsen



Worldwide, ex USA and Nordics

- Exclusive license with Ipsen
 - Global, specialty-driven pharmaceutical company focused on four franchises, including Uro-Oncology
- Photocure to receive:
 - €1.5M at signing
 - €5M at completion of manufacturing transition milestones
 - Sales achievement milestones
 - Double digit royalties on net sales
 - Manufacturing revenues
- Photocure will invest up to €3 million with Ipsen in marketing and sales programs to drive sales momentum in 2012 and 2013

Cysview

USA is a great untapped opportunity



- Manageable size of target audience
- Internal knowledge/expertise as innovator and Nordic experience
- High awareness of Cysview by urologists in US
- Strong collaboration with equipment supplier Karl Storz
- Consistent with strategy of building profitable specialty pharma

"We are dedicated to finding new ways to improve the lives of patients living with serious diseases such as cancer, and Cysview is the latest example. By facilitating early diagnosis of bladder cancer, this innovative imaging agent can enable appropriate, timely treatment that may improve patients' chances of survival."

Dr. Leonard Gomella, M.D., F.A.C.S. Chair of the Department of Urology at Thomas Jefferson University Hospital

Cysview

Critical Success Factors in USA



- Drive installed base of blue light scopes
 - *Further enhance strong collaboration with Karl Storz Americas*
 - *Karl Storz awaiting approval from FDA on upgraded scope in Q4 2011*
- Target high volume procedure centers in urban centers
 - *Start with 10 Key Account Managers... expand with installed base expansion*
 - *Influence practice patterns within sphere of influence*
- Train hospital staff, beyond the Operating Room, to ensure streamlined logistics for procedure
 - *Start with 2 Regional Medical Science Liaisons*
- Build awareness in bladder cancer advocacy
 - *Patient demand and pull through*
- Become a partner in patient care with the Urology Community
 - *Secure permanent reimbursement and expand usage*
- Capitalize on synergies with US Dermatology Operation
 - *US HQ established in Princeton, NJ, systems in place*

Investing in a major transformational opportunity for Photocure

Allumera

First quarter with operational sales force



- Sales force of fully trained National Sales Director and 10 Area Business Managers operational in the Field from July
- >1,200 potential customers; 50+ buying customers at the end of Q3
- Allumera sales revenue was NOK 0.7 million in Q3 and NOK 0.8 million YTD



Allumera

Key Initiatives



- Drive sales volumes and process from trial to purchase
- Expand pilot program for engagement of practice managers
- Facilitate Key Opinion Leader interviews in order to build awareness
- Complete additional GLOW studies to broaden the potential
- Broaden web marketing
- Expand Practice Promotion offering to drive sales at customer level

Allumera

Improvement in the appearance of pores...
A Unique Selling Point creating media attention



During month of September, Allumera has been featured in 15 articles garnering more than 28.7 million impressions:

- 2 women's book articles
- 4 trade magazine articles (attached)
- 8 health/beauty/broadcast blogs & web sites
- 1 television segment

Exploring the Role for a New Photodynamic Cosmetic Treatment

A new procedure may bridge the gap between superficial chemical peels and laser therapy.

A Q&A with Jeanine B. Downie, MD

Cosmeceutical corner

Experts discuss evidence-based benefits of various anti-aging products

What cosmeceuticals and/or key active ingredients best help patients to maintain a youthful appearance and reduce the signs of aging?

Hema Sundaram, M.D., F.A.A.D.
Rockville, Md., and Fairfax, Va.

performed on a SkinMedica formulation.

Retinoids, which are covered by the s



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THE WORLD'S MOST UNIQUE BEAUTY MAGAZINE

NEW BEA

THE INNOVATIONS ISSUE!

CONQUER AGING!

20 NEW BREAKTHROUGHS

the next generation of products and treatments that will change how you age forever...



05 Photodynamic Skin Care

Photocure offers Allumera, an in-office photodynamic cosmetic procedure developed to improve the overall appearance of the skin, reduce outward signs of aging and minimize the appearance of pores. "Allumera is an exciting, new option for patients who want their skin to look refreshed and timeless without the down time of more aggressive procedures," says Jeanine Downie, MD, director of Image Dermatology PC in

Cevira

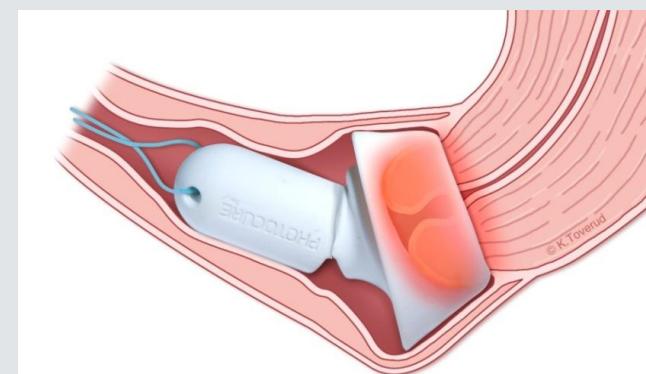
Robust enrollment in phase IIb study



- 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
- Phase IIb study with integrated drug-delivery device started in June 2011
 - The trial will enroll app. 240 patients at 21+ centers across Europe and the US
 - Placebo controlled with 4 arms
 - Primary endpoint: Complete or partial response 3 months after treatment (histology, cytology and HPV)
 - Sets platform for initiation of pivotal phase III program
 - **119 of 240 patients enrolled to date**



The cream applied to the device by the gynaecologist



The Cevira drug-delivery system applied to the cervix

Visonac

Phase IIb study on track



- Started placebo controlled multicenter Phase IIb
 - **55 of 150 patients enrolled to date**
 - The trial will enroll approximately 150 patients at 12 centers in the US with facial acne
 - Regimen = 4 treatments, 2 weeks apart
 - Primary endpoint: Reduction in number of inflammatory acne lesions at 12 weeks
 - Secondary endpoint:
 - (1) Reduction in number of non-inflammatory acne lesions at 12 weeks, and
 - (2) Success rate according to the IGA scale
 - Results expected in H2 2012
 - Sets platform for initiation of pivotal phase III program



Patient before Visonac treatment



Patient 18 weeks after last treatment with Visonac. Patient above is from a previous phase II study

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Financials
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Profit & Loss

Third quarter 2011



- Sales revenue up 41% in Q3
- Sales of Hexvix growing 28% to NOK 14.6 million in Q3 and 15% to NOK 45.5 million YTD
- Signing fee of NOK 11.7 million in Q3 from Ipsen
- R&D expenses NOK 13.8 million in Q3. Main R&D activities are two phase IIb studies in Europe/USA
- M&S expenses increased to NOK 12.1 million in Q3 as US business is established
- Other comprehensive income is adjustment of market value for PCI Biotech

<i>Numbers in NOK millions</i>	Q232011	Q32010	YTD 2011	YTD 2010	2010
Sales revenue	20.6	14.6	60.8	49.9	70.5
Signing fee & milestone revenues	11.7	0	11.7	83.4	106.8
Total revenues	30.4	14.6	72.5	133.4	177.4
R&D expenses	13.8	13.0	45.0	52.3	90.2
Marketing & sales expenses	12.1	9.4	33.7	24.9	35.4
Operating profit/ loss (EBIT)	-10.6	-15.9	-48.9	27.2	7.5
Net financial items	3.8	4.3	7.7	7.6	10.6
Net profit/ loss	-6.8	-11.6	-41.2	34.8	18.1
Other comprehensive income	-11.3	-23.9	-9.5	28.8	40.9
Comprehensive income	-18.1	-35.4	-50.7	63.6	59.0

Balance sheet

Per 30.9.2011



- NOK 336.1 million in cash & cash equivalents at 30 September 2011
- Other investments includes NOK 60.0 million in shares in PCI Biotech
- Shareholder's equity of NOK 407.8 million
- Redeemed 700.000 own shares in Q3, total shares outstanding is 21,393,301
- Equity ratio of 89.8%
- No interest bearing debt

<i>Numbers in NOK million</i>	30.09.2011	31.12.2010
Machinery & Equipment	3.6	1.9
Other investments	83.3	84.3
Total non-current assets	87.0	86.2
Inventory	13.0	18.2
Receivables	17.8	20.2
Cash & cash equivalents	336.1	389.2
Total current assets	367.0	427.7
Total assets	454.0	513.8
Share capital	10.7	11.0
Other paid-in capital	71.3	72.1
Retained earnings	325.8	375.7
Shareholders' equity	407.8	458.9
Long-term liabilities	1.0	0.7
Current liabilities	45.2	54.3
Total liabilities	46.2	55.0
Total equity and liabilities	454.0	513.8

Cash Flow

Third quarter 2011



- Net change in cash of NOK -12.8 million in Q3

<i>Numbers in NOK millions</i>	Q3 2011	Q3 2010	YTD 2011	YTD 2010	2010
Profit/ loss before tax	-6.8	-11.6	-41.2	-34.8	18.1
Depreciation and amortization	0.3	0.3	0.9	0.8	1.3
Share-based compensation	2.0	1.3	6.0	3.7	5.5
Net interests	-3.7	-3.3	-7.7	-7.5	-10.1
Changes in working capital	-3.0	-5.8	0	-90.3	11.8
Other operational items	-4.3	-2.9	-9.8	-8.5	-11.0
Net cash flow from operations	-15.3	-21.9	-51.8	-67.0	15.6
Cash flow from investments	1.9	1.9	5.1	-11.7	-8.3
Cash flow from capital transactions	0.6	0	-6.3	-14.0	-21.5
Net change in cash	-12.8	-20.0	-53.1	-92.6	-14.3
Cash & cash equiv. start of period	349.0	330.8	389.2	403.5	403.5
Cash & cash equiv. end of period	336.1	310.9	336.1	310.9	389.2

Segment information

Third quarter 2011



- Sales revenue growing 41% in Q3 to NOK 20.6 million
- Milestone revenue of NOK 11.7 million from Ipsen
- Gross profit of 83% from sale of Allumera in USA
- Operating expenses growing 42% after having established own commercial operations in USA
- Profitable own sales of Hexvix in the Nordic with Operating profit of NOK 0.2 million in Q3 and NOK 1.9 million YTD

Segment information							
Q3 2011 (Amounts in NOK 1000)							
	Cancer			Dermatology		Total	vs. PY
	Own	Partner	R&D (1)	Own	R&D (1)		
Sales Revenues	5 744	8 838	0	759	5 242	20 583	41 %
Milestone revenues		11 739				11 739	
Cost of goods sold	-315	-1 507	0	-129	0	-1 951	27 %
Gross profit	5 429	19 070	0	630	5 242	30 371	133 %
Gross profit of sales %	95 %	83 %		83 %	100 %	91 %	
Operating expenses	-5 227	-8 918	-8 820	-8 704	-9 306	-40 975	42 %
Operating profit/loss (-)	202	10 152	-8 820	-8 074	-4 064	-10 605	33 %
Net finance						3 835	
Profit/loss (-) before tax						-6 770	41 %
Q3 2010 (Amounts in NOK 1000)							
	Cancer			Dermatology		Total	
	Own	Partner	R&D (1)	Own	R&D (1)		
Sales Revenues	4 002	7 361	0		3 232	14 595	
Milestone revenues		0				0	
Cost of goods sold	-327	-1 206	0			-1 533	
Gross profit	3 675	6 155	0	0	3 232	13 062	
Gross profit of sales %	92 %	84 %			100 %	89 %	
Operating expenses	-4 190	-3 250	-9 095		-12 377	-28 912	
Operating profit/loss (-)	-515	2 905	-9 095	0	-9 145	-15 850	
Net finance						4 282	
Profit/loss (-) before tax						-11 568	



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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

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

Key Achievements Q3 2011

- New commercial strategy for Hexvix
- Continued launch of Allumera in the US
- Enrolled patients in Cevira trial with convenient single use device
- Started phase IIb study trial for Visonac



Key Milestones

2011

2012

Drive Hexvix growth
Transition to Ipsen and train sales force
Grow Nordic operation
Transfer Cysview rights in USA to Photocure
Launch Cysview

Drive Allumera growth

Cevira Phase IIb

Visonac Phase IIb

Lumacan
Phase I

Lumacan
Phase II