

Photocure

Profit & Loss (Group)

(all amounts in NOK 1,000 except per share data)

			2006	2005	2004
Q4 2006	Q4 2005		1.1-31.12	1.1-31.12	1.1-31.12
22 154	13 012	Sales revenues	61 667	38 007	36 855
76 363	3 908	Signing fee and milestone revenues	148 653	15 634	40 954
98 517	16 921	Total revenues	210 320	53 641	77 809
-10 789	-3 535	Cost of products sold	-22 251	-13 430	-13 066
87 729	13 386	Gross profit	188 070	40 211	64 743
1 132	1 033	Other income	5 690	15 235	4 597
-12 322	-5 957	Payroll expenses	-35 539	-29 369	-35 282
-11 290	-9 609	R&D expenses	-38 200	-38 238	-31 718
-460	-224	Ordinary depreciation & amortisation	-1 335	-1 125	-1 530
-12 757	-12 390	Other operating expenses	-40 344	-33 966	-41 671
52 032	-13 761	Operating profit/loss(-)	78 342	-47 252	-40 860
2 501	389	Net financial profit/loss(-)	6 389	8 778	-4 462
54 533	-13 372	Net profit/loss(-)	84 730	-38 474	-45 322
-78	-47	Incl. minority interests in the amount of	-352	-264	-290
2,47	-0,76	Net income/loss(-) per share, basic	3,98	-2,19	-2,58
2,47	-0,76	Net income/loss(-) per share, diluted	3,97	-2,18	-2,58

(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 assume conversion of all dilutive potential ordinary shares.

Changes in equity (all amounts in NOK 1,000)

Three months ended			12 months ended	
31.12.2006	31.12.2005		31.12.2006	31.12.2005
271 040	61 500	Equity at beginning of period	48 465	85 566
0	0	Share issue, employees	1 867	52
0	0	Share issue	190 608	0
515	337	Share-based compensation	2 057	1 320
1 639	0	Fair value gains/losses(-)	0	0
-792	0	Investment in PCI Biotech	-792	0
54 533	-13 372	Net income/loss(-) for the period	84 730	-38 474
326 935	48 465	Equity at end of period	326 935	48 465

Cash Flow Statement (all amounts in NOK 1,000)

Three months ended			12 months ended	
31.12.2006	31.12.2005		31.12.2006	31.12.2005
54 533	-13 372	Income/loss(-) before tax	84 730	-38 474
-5	-13	Interest paid	-28	-63
7 626	-40	Other operational items	-18 416	-32 004
62 155	-13 426	Net cash flow from operations	66 286	-70 540
1 757	4 781	Cash flow from investments	4 596	5 464
-300	0	Cash flow from capital transactions	191 874	-548
63 611	-8 646	Net change in cash during the period	262 757	-65 624
271 474	80 975	Cash & cash equivalents at beginning of period	72 329	137 953
335 085	72 329	Cash & cash equivalents at end of period	335 085	72 329

Photocure ASA

INCOME STATEMENT

Parent			Consolidated		
2005	2006		2006	2005	2004
<i>(Amounts in NOK 000s)</i>					
38 007	61 667	Sales revenues	61 667	38 007	36 811
15 634	148 653	Signing fees and milestone revenues	148 653	15 634	40 998
53 641	210 320	Total revenues	210 320	53 641	77 809
-13 430	-22 251	Cost of goods sold	-22 251	-13 430	-13 066
40 211	188 070	Gross profit	188 070	40 211	64 743
12 492	2 053	Other income	5 690	15 235	4 597
-28 476	-34 523	Payroll expenses	-35 539	-29 369	-35 282
-34 924	-33 381	R&D expenses	-38 200	-38 238	-31 718
-1 125	-1 335	Ordinary depreciation & amortisation	-1 335	-1 125	-1 529
-33 031	-38 626	Other operating expenses	-40 344	-33 966	-41 671
-85 064	-105 813	Total other income and expenses	-109 728	-87 463	-105 603
-44 853	82 257	Operating profit/loss(-)	78 342	-47 252	-40 860
10 199	12 072	Financial income	11 867	10 178	4 687
-1 391	-5 463	Financial expenses	-5 478	-1 400	-9 149
8 808	6 609	Net financial profit/loss(-)	6 389	8 778	-4 462
-36 045	88 866	Profit/loss(-) before tax	84 730	-38 474	-45 322
0	0	Tax expense	0	0	0
-36 045	88 866	Net profit/loss(-) before minority interest	84 730	-38 474	-45 322
		Minority interests	-352	-264	-290
-36 045	88 866	Net profit/loss(-)	85 082	-38 210	-45 032
		Earnings per share	3,98	-2,19	-2,58
		Earnings per share, (anti)diluted	3,97	-2,18	-2,58

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BALANCE SHEET

as of 31 December

Parent			Consolidated	
2005	2006		2006	2005
		ASSETS		
		<i>(Amounts in NOK 000s)</i>		
		Non-current assets		
	780	Intangible assets	780	
2 708	2 178	Machinery and equipment	2 178	2 708
23 859	24 651	Investment in subsidiaries		
26 567	27 609	Total non-current assets	2 958	2 708
		Current assets		
12 908	9 750	Inventories	9 784	12 943
5 970	12 591	Accounts receivable	12 591	5 970
2 126	6 305	Receivables from group company		
9 842	12 637	Other receivables	15 004	11 755
17 938	31 532	Total receivables	27 595	17 725
71 377	334 187	Cash and short term deposits	335 085	72 329
102 224	375 470	Total current assets	372 464	102 996
128 791	403 079	Total assets	375 423	105 704

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BALANCE SHEET

as of 31 December

Parent			Consolidated	
2005	2006		2006	2005
		EQUITY AND LIABILITIES		
		<i>(Amounts in NOK 000s)</i>		
		Equity		
8 792	11 017	Issued capital	11 017	8 792
58 353	248 602	Share premium	248 602	58 353
4 764	6 821	Other paid-in capital	6 821	4 764
1 279	90 146	Retained earnings	60 495	-23 444
		Minority interests	0	0
73 188	356 586	Total equity	326 935	48 465
		Liabilities		
		Non-current liabilities		
300	0	Non-current liabilities	0	300
16 937	1 303	Deferred signing fee	1 303	16 937
17 237	1 303	Total non-current liabilities	1 303	17 237
		Current liabilities		
8 842	9 363	Accounts payable	10 128	9 195
1 733	1 517	Employee withholding taxes and social security	1 576	1 803
15 634	15 634	Deferred signing fee	15 634	15 634
12 157	18 676	Other current liabilities	19 847	13 370
38 366	45 190	Total current liabilities	47 185	40 002
55 603	46 493	Total liabilities	48 488	57 239
128 791	403 079	Total equity and liabilities	375 423	105 704

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(Amounts in NOK 000s)</i>	Issued capital	Share premium	Other paid-in equity	Retained earnings	Minority interests	Total equity
Equity as of 31 December 2004	8 791	58 302	3 444	14 860	170	85 567
Share issue employees	1	51				52
Employees' options			1 320			1 320
Net loss for the year				-38 210	-264	-38 474
Transfer of negative minority interest				-94	94	0
Equity as of 31 December 2005	8 792	58 353	4 764	-23 444	0	48 465
Share issue	2 198	188 410				190 608
Share issue employees	27	1 839				1 867
Employees' options			2 057			2 057
Investment in PCI Biotech				-792		-792
Net profit for the year				85 082	-352	84 730
Transfer of negative minority interest				-352	352	0
Equity as of 31 December 2006	11 017	248 602	6 821	60 495	0	326 935

Photocure ASA - parent STATEMENT OF CHANGES IN EQUITY

<i>(Amounts in NOK 000s)</i>	Issued capital	Share premium	Other paid-in equity	Retained earnings	Total equity
Equity as of 31 December 2004, NGAAP	8 791	58 302	3 135	39 611	109 839
Effect of IFRS implementation					
Pension cost			309	-2 287	-1 978
Option costs					0
Equity as of 1 January 2005, IFRS	8 791	58 302	3 444	37 324	107 861
Share issue employees	1	51			52
Employees' options			1 320		1 320
Net loss for the year				-36 045	-36 045
Equity as of 31 December 2005, IFRS	8 792	58 353	4 764	1 279	73 188
Share issue	2 198	188 410			190 608
Share issue employees	27	1 839			1 867
Employees' options			2 057		2 057
Net profit for the year				88 866	88 866
Equity as of 31 December 2006, IFRS	11 017	248 602	6 821	90 146	356 586

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CASH FLOW STATEMENT

(Amounts in NOK 000s)

Parent			Consolidated		
2005	2006		2006	2005	2004
-36 045	88 866	Profit/loss(-) before tax	84 730	-38 474	-45 323
1 125	1 335	Ordinary depreciation & amortisation	1 335	1 125	1 530
0	0	Write-down of financial non-current assets	0	0	6 250
-5 057	0	(Gain)/Loss on sale of non-current assets	0	-5 057	0
1 604	2 325	Share-based payments expense	2 325	1 604	270
-117	1 870	Pension costs/Change in pension commitments	1 970	-219	160
-2 206	-7 160	Interest income	-6 933	-2 160	-3 145
63	28	Interest expense	28	63	103
-12 586	-2 121	Other items	-2 222	-12 649	477
4 590	3 159	Change in inventory	3 159	4 590	5 634
1 444	-13 594	Change in accounts receivable	-9 870	1 444	-1 631
1 423	521	Change in accounts payable	933	1 656	-1 032
-15 634	-15 634	Change in deferred signing fee	-15 634	-15 634	-15 634
-8 994	6 603	Change in other accruals	6 550	-6 749	2 208
-70 390	66 198	Net cash flows from operating activities	66 370	-70 460	-50 133
-2 101	-1 585	Investments in machinery and equipment	-1 585	-2 101	-429
405	0	Sale of fixed assets (sales price)	0	405	42
5 000	-792	Investments in/sale of other fixed asset investments	-792	5 000	0
2 206	7 160	Interest received	6 933	2 160	3 145
5 510	4 782	Net cash flows from investing activities	4 556	5 464	2 758
	190 608	Share issue	190 608		
52	1 867	Share issue employees	1 867	52	197
-80	-44	Interest paid	-44	-80	-115
-600	-600	Repayment of loans	-600	-600	-600
-628	191 830	Net cash flows from financing activities	191 830	-628	-518
-65 508	262 810	Net change in cash during the year	262 756	-65 623	-47 893
136 885	71 377	Cash and cash equivalents as of 01.01	72 329	137 952	185 845
71 377	334 188	Cash and cash equivalents as of 31.12	335 085	72 329	137 952