



Brilliance in photodynamic technology™

Results for the fourth quarter and full year 2010

# Photocure ASA

The world leader in photodynamic technology

17 February 2011



## Highlights for the fourth quarter and full year 2010

(2009 figures in brackets)

- Hexvix<sup>®</sup> sales to end users in units up by 32% for the full year 2010
- Fourth quarter: Sales revenues of NOK 20.9 million (NOK 15.0 million) and total revenues of NOK 44.3 million (NOK 15.0 million)
- Full year: Sales revenues of NOK 70.5 million (NOK 51.5 million) and total revenues of NOK 177.4 million (NOK 51.5 million)
- Fourth quarter operating loss of NOK 19.7 million (NOK 26.9 million) and full year operating profit of NOK 7.5 million (NOK -75.9 million)
- Cash & cash equivalents of NOK 389.2 million at 31 December 2010
- Global license agreement for Lumacan<sup>®</sup> with Salix Pharmaceuticals, including a signing fee of USD 4 million
- Positive final results from six months follow up study from Cevira<sup>®</sup> in January 2011
- Positive final results from consumer trial for Allumera<sup>™</sup> in February 2011

### Key figures

<i>NOK million</i>	Q410	Q409	Full year 2010	Full year 2009
Sales revenues	20.9	15.0	70.5	51.5
Signing fee/ milestone rev	23.4	0	106.8	0
<b>Total revenues</b>	<b>44.3</b>	<b>15.0</b>	<b>177.4</b>	<b>51.5</b>
<b>Gross profit</b>	<b>40.8</b>	<b>14.2</b>	<b>168.2</b>	<b>45.9</b>
R&D expenses	(37.9)	(25.9)	(90.2)	(73.8)
<b>Operating profit</b>	<b>(19.7)</b>	<b>(26.9)</b>	<b>7.5</b>	<b>(75.9)</b>
<b>Net profit</b>	<b>(16.7)</b>	<b>(22.2)</b>	<b>18.1</b>	<b>312.4</b>
EPS, diluted (NOK)	(0.77)	(1.01)	0.83	14.14

## Strategy

Photocure's strategy is to build a specialty pharma company by maximising the potential of its strong platform of intellectual property in photodynamic therapy within the two disease areas dermatology and cancer.

Photocure develops innovative dermatology products, cancer diagnostics and therapies, and markets and sells these products through its own sales force and in partnerships with other companies.

Within dermatology, Photocure is developing Allumera, a breakthrough cosmetic treatment formulated to improve the skin's appearance, and Visonac<sup>®</sup> for treating moderate to severe acne. Photocure has



established its own commercial platform in the US and plans to launch Allumera during second quarter 2011.

In cancer, Photocure's strategy is to out-license its products before phase III development starts, and retaining commercial rights in some regions. It has one marketed product, Hexvix for the detection of bladder cancer. Photocure is focused on expanding sales of Hexvix in key markets. Lumacan, which is in phase I/II development for the detection of colon cancer, was licensed to Salix Pharmaceuticals ("Salix") in October 2010. Cevira is in phase II development as the first non-surgical therapeutic procedure for treating cervical HPV infection and precancerous lesions of the cervix.

## Operational review

Photocure operates within two disease areas; Dermatology and Cancer. The company has one product on the market - Hexvix, for the detection of bladder cancer and a pipeline of products in development.

Hexvix was launched in Europe in 2006. Photocure has a worldwide licensing agreement with GE Healthcare for Hexvix. Photocure has retained the rights to the Nordic region where it markets and sells Hexvix through its own sales organisation.

### Hexvix - Europe

#### Revenues from sales of Hexvix in Europe

<i>figures in NOK '000</i>	Q4 2010	<i>Change</i>	Q4 2009	2010	<i>Change</i>	2009
Own sales	5 249	37%	3 843	19 533	16%	16 909
Partner sales	12 801	58%	8 117	38 085	31%	29 089
<b>Total revenue</b>	<b>18 050</b>	<b>51%</b>	<b>11 960</b>	<b>57 618</b>	<b>25%</b>	<b>45 998</b>

Total sales revenues for Hexvix amounted to NOK 18.1 million (NOK 12.0 million) in the fourth quarter 2010. Sales through GE Healthcare accounted for NOK 12.8 million (NOK 8.1 million) and Photocure's own sales in the Nordic region were NOK 5.2 million (NOK 3.8 million).

Total sales revenues for Hexvix for the full year were NOK 57.6 million (NOK 46.0 million) with NOK 38.1 million from GE Healthcare and NOK 19.5 million from Photocure's own sales.

Sales in units from GE Healthcare to end-users increased by 34% from 6,503 units in fourth quarter 2009 to 8,702 units in the fourth quarter 2010. In the Nordic region, the unit sales increased by 19% from 1,362 in the fourth quarter 2009 to 1,614 units in the fourth quarter 2010.

There are a number of factors driving Hexvix sales, which provides confidence for continued growth in Europe. The key factor is GE Healthcare's allocation of resources to marketing and sales of Hexvix. Photocure has reached a 27% marketshare of Hexvix in the Nordic region while GE Healthcare has reached approximately 10% in the rest of Europe. The Nordic marketshare demonstrates the potential of Hexvix in markets with limited market penetration today.

For the first time, the impact of Hexvix' ability to reduce bladder cancer recurrence was published in the prestigious Journal of Urology in October 2010. The article documented that Hexvix guided fluorescence cystoscopy, as an adjunct to conventional white-light cystoscopy, improves the detection



of bladder cancer and reduces the rate of early tumour recurrence, compared with white-light cystoscopy alone.

### **Cysview - USA**

Hexvix was approved under the tradename Cysview in the US in May 2010. Following the approval of Cysview, Photocure received a EUR 10 million milestone payment from GE Healthcare in the fourth quarter.

GE Healthcare, responsible for marketing and sales of Cysview in the US, and Karl Storz, responsible for marketing and sales of blue light cystoscopy equipment in the US, are establishing training centres for urologists.

Karl Storz' has applied to the FDA for an amendment to the PMA application in order to approve the updated version of the scopes to a version already on the market in Europe.

### **Progress in the clinical development programs**

Photocure has a strong technology platform based on photodynamic therapy (PDT), the Photocure Technology Platform™, which provides a basis for the company's development projects.

<b>Dermatology</b>	<b>Indication/Claim</b>	<b>Status</b>
Allumera	Improved facial skin appearance	Preparing to launch in US
Visonac	Treatment of moderate to severe acne	Phase II
<b>Cancer</b>		
Hexvix /Cysview	Detection of bladder cancer	Approved in EU/US
Cevira	Treatment of early stages of cervical cancer	Phase II
Lumacan	Detection of colon cancer	Lisenced to Salix

### **Dermatology**

Photocure's photodynamic technology is very well suited for the development of products that meet the needs to treat dermatological diseases. PDT is an established procedure in the dermatology field, and Photocure has been a leader in developing effective PDT products to serve that market. In addition, the technology offers opportunities to develop products for the large cosmetic and skin revitalisation market.

In August 2010, Photocure established a US subsidiary, Photocure Inc., and hired Terry Conrad to lead the company's US dermatology activities. Photocure has started to build its own marketing and sales force in the US.

#### Allumera – A cosmetic product for improved facial skin appearance

Photocure started the development of Allumera, a breakthrough cosmetic treatment formulated to improve the skin's appearance, in 2009. In February 2011, Photocure announced positive results from its consumer trial, the RevitAll study. The study was performed with a standard cosmetic protocol and designed to confirm if treatment with Allumera improves skin appearance, when compared to exposure by light alone. The study also looked into longevity of results.



The results from the RevitAll study provide a solid foundation for Photocure to commercialize Allumera in the US. Photocure plan to launch Allumera in the second quarter 2011.

#### Visonac – treatment of moderate to severe acne

Photocure reported a fourth phase II study for Visonac in May 2010. The results of the study yielded an efficacy not as robust as the three previously reported phase 2 studies. Based on this, Photocure preformed a clinical study in Austin, Texas, to optimize the application procedure and to compare previous procedures and new alternatives. This study documented the need for occlusion to establish efficacy with Visonac.

Photocure also performed a new round of market research for Visonac in order to investigate the proposed product positioning based on the current product profile. Following the results from these activities, Photocure see a significant potential for Visonac in acne, and will perform a multicenter phase IIb study in the US, starting in the second quarter 2011. This study will include app. 150 acne patients on app. 12-15 sites in the US. Primary endpoints are reduction acne lesions. Photocure plan to report the results from this study in the second half of 2012.

#### **Cancer**

One of the major advantages of the Photocure Technology™ is its ability to treat and diagnose early stage cancer with a minimum of side effects. The products that are being developed meet the needs for early diagnosis and treatment of the diseases before they develop into more serious stages.

#### Cevira - Treatment of precursors for cervical cancer

Photocure is developing Cevira as the first non-surgical therapeutic procedure for treating cervical HPV infection and precancerous lesions of the cervix. Cevira is a photodynamic therapy that combines a drug formulation with a medical device and offers the potential for an easy, quick and safe treatment procedure for patients with mild cervical abnormalities.

Cervical HPV-induced lesions affect seven million women in Europe and the US each year. Current treatment of precancerous lesions involves invasive surgical procedures to remove the precancerous lesions, which can result in the unnecessary removal of normal cervical tissue. Besides discomfort and recovery time, this can affect the patient's ability to carry a child full-term, impact fertility and increase the risk of post-surgical infections. For a large number of patients with persistent HPV infections and low-grade cellular abnormalities, there are currently no non-surgical treatment alternatives available and frequent follow up visits to avoid further disease progression causes patient anxiety and adds to the burden for the health care system.

On 26 January 2011, Photocure announced final six month follow up results from its phase IIa study with Cevira in patients with low-grade precancerous lesions of the cervix. The results showed a complete removal of intracervical lesions in over 50% of patients enrolled in the trial.

To date, more than 200 patients have successfully received Cevira. A recent health economics survey among US gynaecologists and payers conducted by Photocure confirms the market need and opportunity for Cevira in patients with low and moderate grade cervical lesions. The US FDA has granted permission for Photocure to start a phase II clinical study in the US with Cevira in women with low-grade precancerous lesions of the cervix using the new intravaginal combination product. It plans to start the phase II study in first half 2011 and report the study in the second half of 2012.

#### Lumacan - Diagnosis of colon cancer

Photocure signed a global agreement for development and commercialisation of Lumacan with Salix (NASDAQ:SLXP), a US specialty pharmaceutical company focused on gastrointestinal disease, in



October 2010. Lumacan is a photodynamic colorectal diagnostic intended to significantly improve the detection of precancerous and cancerous lesions in the colon through fluorescence diagnosis.

Under the agreement, Salix obtained an exclusive worldwide license to Lumacan excluding the Nordic region. Photocure received a signing fee of USD 4 million and is entitled to receive additional milestone payments totalling up to USD 126.5 million. In addition to the milestones, Salix will pay Photocure royalties on net sales in the US and a percentage of all Salix sublicense revenue outside the US. Salix will control and cover further development, registration and commercialisation costs for Lumacan worldwide, with Photocure covering certain costs of formulation development up to USD 3 million.

Lumacan is being developed to increase the detection rate for polyps and colon cancer through fluorescence diagnosis. Colon cancer is traditionally diagnosed through colonoscopies (visual examination) with white light. However, it is increasingly being recognised that standard white-light colonoscopy has considerable limitations.

Lumacan is being developed for use in conjunction with standard white light colonoscopy diagnosis.

Photocure and Salix believe earlier diagnosis of precancerous and cancerous lesions in the colon could ultimately lead to better targeted therapeutic care and increased colorectal cancer survival rates in patients.

Lumacan will target high risk screening patients and diagnostic patients in follow-up of colon cancer. Collectively, these subgroups are estimated to be approximately 3 million colonoscopies undertaken in US. The market for colonoscopies is growing as a result of extensive patient screening programs in Europe and USA.

## Financial review

(Numbers in brackets are for the corresponding period in 2009)

The financial report at 31<sup>st</sup> of December 2010 has been prepared according to the IFRS (International Financial Reporting Standard). Photocure's divestment of Metvix/Aktelite in September 2009 changed the company's earnings profile. The 2009 accounts are adjusted for discontinued operations.

Sales revenues were NOK 20.9 million (15.0 million) in the fourth quarter 2010, representing an increase of 39%. Sales revenues include royalties and sale of Hexvix kits to GE Healthcare, sale of Hexvix to the Nordic wholesalers, MAL royalty and deferred revenues from Galderma.

For the full year 2010, sales revenues amounted to NOK 70.5 million (51.5 million), representing an increase of 37%.

Total revenue for the fourth quarter 2010 was NOK 44.3 million (15.0 million), which included a signing fee of NOK 23.4 million, from Salix Pharmaceutical for the Lumacan agreement.

For the full year, total revenues amounted to NOK 177.4 million (51.5 million), which includes the signing fee from Salix, as well as two milestone payments from GE Healthcare of NOK 79.3 million for the approval of Cysview by US FDA in the second quarter and NOK 4.1 million in the first quarter related to approval of reimbursement for Hexvix in Germany. Photocure did not receive any signing fees or milestone revenues for the corresponding periods in 2009.

Research and development (R&D) expenses amounted to NOK 37.9 million (25.9 million) for the quarter. The increase is mainly related to NOK 18 million in commitments to develop an improved formulation for Lumacan.

For the full year the R&D expenses increased by 22% to NOK 90.2 million (73.8 million). Dermatology R&D for Visonac and Allumera was NOK 30 million and cancer R&D on Hexvix, Lumacan and Cevira was NOK 57 million. NOK 3 million was spent on explorative research and agreements with academic institutions.

Marketing and sales (M&S) expenses increased to NOK 10.5 million (8.0 million) in the quarter and to NOK 35.4 million (25.0 million) for the full year, mainly due to increased activities in dermatology to establish the subsidiary in the US.

Operating loss was NOK 19.7 million (26.9 million) for the quarter, while the company recorded an operating profit of NOK 7.5 million (-75.9 million) for the full year 2010.

Net financial items were NOK 2.9 million (1.3 million) in the fourth quarter and NOK 10.6 million (2.5 million) for the full year. The change is mainly related to a write down of shares in 2009.

Net loss of continued operations for the fourth quarter of 2010 was NOK 16.7 million (25.5 million). For the full year of 2010, Photocure recorded a net profit of NOK 18.1 million (-73.4 million). The main reason for the improved result for the full year is the signing fees and milestone revenues of a total of NOK 106.8 million.

Photocure is the largest shareholder in PCI Biotech Holding ASA (PCI Biotech) with 19.35% of the shares. The book value of the shareholding increased from NOK 57.7 million at 30 September 2010 to NOK 69.9 million at 31 December 2010, as the price of the PCI Biotech share increased from NOK 38.9 to NOK 47.1 per share. As of 31 December 2009, the book value of the shareholding was NOK 11.5 million, based on a share price of NOK 11.00.



Total equity and liabilities for Photocure was NOK 513.8 million at the end of 2010, compared to NOK 500.0 million at the end of the third quarter 2010 and NOK 456.9 million at the end of 2009.

Liquid funds amounted to NOK 389.2 million at the end of the year, up from NOK 310.9 million at the end of September 2010, due to the payment of EUR 10.0 million in milestone revenue from GE Healthcare during the fourth quarter. At the end of 2009, the liquid funds amounted to NOK 403.5 million.

Shareholders' equity was NOK 458.9 million, or 89%, down from NOK 469.1 million, or 94%, at the end of the third quarter, and up from NOK 415.8 million, or 91%, at the end of 2009.

Photocure bought 573,416 shares under its share repurchase program in 2010, for an average of NOK 45.4 per share, and sold 179,319 shares to employees in the same period, resulting in an ownership of 695,655 or 3.1% of the outstanding shares per 31 December 2010. The total number of registered shares was 22,093,301 at the end of 2010.

## Subsequent events after the end of the quarter

On 26 January 2011, Photocure announced that the final six month follow-up results from the phase IIa study in Cevira was very successful and showed a complete removal of intracervical lesions in over 50% of patients enrolled in the trial. In addition, Photocure announced that the US FDA had granted permission to start phase II clinical studies in the US with Cevira.

On 4 February 2011, Photocure announced positive results from its consumer trial with Allumera.

## Outlook

Photocure has a strong focus on increasing the sales of Hexvix in Europe and to support the launch of Cysview in the US market.

The Company believes Hexvix is still in an early phase of its lifecycle and see a continued healthy growth potential for the product, through more use at existing centres in Europe, more new centres, and in new geographical markets such as the US.

During the second quarter 2011 Photocure plans to launch the new dermatology product Allumera in the US market.

The Board of Directors  
Photocure ASA

Oslo, 16 February, 2011



The following unaudited information is presented according to IAS 34 - Interim Financial Reporting. The accounting policies adopted in this report are consistent with those followed in the preparation of the Group's annual financial statements for 2009 except that the presentation has adapted the new requirements in IAS 1 - Presentation of Financial Statements.

## Photocure ASA – Statement of comprehensive income

**Photocure**  
**Statement of comprehensive income**  
*(all amounts in NOK 1,000 except per share data)*

Q4 2010	Q4 2009		2010 1.1-31.12	2009 1.1-31.12
20,933	15,016	Sales revenues *)	70,517	51,484
23,400	0	Signing fee and milestone revenues	106,840	0
<b>44,333</b>	<b>15,016</b>	<b>Total revenues</b>	<b>177,357</b>	<b>51,484</b>
-3,529	-771	Cost of products sold	-9,124	-5,541
<b>40,804</b>	<b>14,245</b>	<b>Gross profit</b>	<b>168,233</b>	<b>45,943</b>
1,390	6,864	Other income *)	7,392	11,652
-3,236	-3,293	Indirect manufacturing expenses	-8,675	-9,451
-37,907	-25,927	Research and development expenses	-90,167	-73,800
-10,542	-8,012	Marketing and sales expenses	-35,401	-24,984
-10,174	-10,739	Business development and administrative expenses	-33,861	-25,256
<b>-19,665</b>	<b>-26,862</b>	<b>Operating profit/loss(-)</b>	<b>7,521</b>	<b>-75,896</b>
5,538	3,810	Financial income	15,149	13,551
-2,591	-2,479	Financial expenses	-4,578	-11,100
<b>2,947</b>	<b>1,331</b>	<b>Net financial profit/loss(-)</b>	<b>10,571</b>	<b>2,451</b>
<b>-16,718</b>	<b>-25,531</b>	<b>Profit/loss(-) before tax</b>	<b>18,092</b>	<b>-73,445</b>
0	0	Tax expenses	0	0
<b>-16,718</b>	<b>-25,531</b>	<b>Net profit/loss(-) continued operations</b>	<b>18,092</b>	<b>-73,445</b>
0	3,282	Discontinued operations (1)	0	385,827
<b>-16,718</b>	<b>-22,249</b>	<b>Net profit/loss(-)</b>	<b>18,092</b>	<b>312,382</b>
12,163	3,144	Other comprehensive income	40,923	4,192
<b>-4,555</b>	<b>-19,105</b>	<b>Comprehensive income</b>	<b>59,015</b>	<b>316,574</b>
-0.78	-1.01	Net profit/loss(-) per share, undiluted (2)	0.84	14.16
-0.77	-1.01	Net profit/loss(-) per share, diluted (3)	0.83	14.14

\*) Reclassification from Other income to Sales revenues according to information in Note

(1) The Metvix/Aktivate business was sold in 3Q/09 and related revenues & expenses are reclassified to Discontinued operations

(2) Undiluted net profit/loss per share is calculation based on average weighted number of shares outstanding.

(3) Diluted net profit per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.



## Photocure ASA – Balance sheet

(all amounts in NOK 1,000)

### Balance Sheet (all amounts in NOK 1,000)

	31.12.2010	31.12.2009
<b>Non-current assets</b>		
Intangible assets, software	466	365
Machinery & equipment	1 462	1 772
Other investments (1)	84 263	14 585
<b>Total non-current assets</b>	<b>86 192</b>	<b>16 722</b>
<b>Current assets</b>		
Inventory	18 191	13 826
Receivables	20 218	22 811
Cash & cash equivalents	389 241	403 502
<b>Total current assets</b>	<b>427 651</b>	<b>440 140</b>
<b>Total assets</b>	<b>513 842</b>	<b>456 862</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	11 047	11 047
Other paid-in capital	72 145	88 162
Retained earnings	375 662	316 574
<b>Shareholders' equity</b>	<b>458 854</b>	<b>415 783</b>
<b>Long-term liabilities</b>		
Other non-current liabilities	690	340
<b>Total long-term liabilities</b>	<b>690</b>	<b>340</b>
Current liabilities	54 298	40 739
<b>Total liabilities</b>	<b>54 988</b>	<b>41 079</b>
<b>Total equity and liabilities</b>	<b>513 842</b>	<b>456 862</b>

(1) Including shares in PCI Biotech Holding ASA at market value kNOK 69 865 as of 31.12.10 (kNOK 11 528 as of 31.12.09)



## Photocure ASA – Changes in equity

(all amounts in NOK 1,000)

Q4 2010	Q4 2009		2010 1.1-31.12	2009 1.1.-31.12
<b>469 101</b>	<b>525 497</b>	<b>Equity at beginning of period</b>	<b>415 783</b>	<b>199 694</b>
0	12 617	Net assets, discontinued	0	0
-7 542	-15 989	Share buy back, net	-21 497	-15 989
0	-87 950	Dividend	0	-87 950
1 777	712	Share-based compensation	5 480	3 454
73		Currency translation	73	
-4 555	-19 105	Comprehensive income	59 015	316 574
<b>458 854</b>	<b>415 783</b>	<b>Equity at end of period</b>	<b>458 854</b>	<b>415 783</b>

## Photocure ASA – Cash flow Statement

(all amounts in NOK 1,000)

Q4 2010	Q4 2009		2010 1.1-31.12	2009 1.1.-31.12
-16 718	-22 249	Profit/loss(-) before tax	18 092	312 382
494	265	Depreciation and amortisation	1 316	1 451
1 777	712	Share-based compensation	5 480	3 454
-2 634	-2 925	Net interests	-10 123	-9 258
0	0	Write down financial assets	0	4 192
102 098	389 859	Changes in working capital	11 787	7 899
-2 413	-2 888	Other operational items	-10 956	-2 674
<b>82 605</b>	<b>362 774</b>	<b>Net cash flow from operations</b>	<b>15 596</b>	<b>317 445</b>
3 308	4 357	Cash flow from investments	-8 346	10 104
-7 557	-103 941	Cash flow from capital transactions	-21 512	-103 944
<b>78 355</b>	<b>263 191</b>	<b>Net change in cash during the period</b>	<b>-14 262</b>	<b>223 605</b>
310 885	140 311	Cash & cash equivalents at beginning of period	403 502	179 897
<b>389 241</b>	<b>403 502</b>	<b>Cash &amp; cash equivalents at end of period</b>	<b>389 241</b>	<b>403 502</b>



## Photocure ASA – Segment information

### Segment information

4Q 2010 (Amounts in NOK 1000)	Cancer				Derm.(2)	Total	% vs. PY
	Own	Partner	R&D(1)	Sum			
Sales Hexvix	5,249	12,801	0	18,050	2,883	20,933	39%
Cost of goods sold	-354	-3,175		-3,529	0	-3,529	358%
<b>Gross profit</b>	<b>4,895</b>	<b>9,627</b>	<b>0</b>	<b>14,521</b>	<b>2,883</b>	<b>17,404</b>	<b>22%</b>
Gross profit %	93%	75%	0	80%	0	83%	
Milestone revenues	0	23,400	0	23,400	0	23,400	
Operating expenses	-5,171	-4,172	-32,602	-41,945	-18,524	-60,469	47%
<b>Operating profit</b>	<b>-276</b>	<b>28,854</b>	<b>-32,602</b>	<b>-4,024</b>	<b>-15,641</b>	<b>-19,665</b>	
Net finance						2,947	
<b>Profit before tax</b>						<b>-16,718</b>	
<b>4Q 2009 (Amounts in NOK 1000)</b>							
	Cancer				Derm.(2)	Total	
	Own	Partner	R&D(1)	Sum			
Sales Hexvix	3,843	8,117	0	11,960	3,056	15,016	
Cost of goods sold	-146	-625	0	-771	0	-771	
<b>Gross profit</b>	<b>3,697</b>	<b>7,492</b>	<b>0</b>	<b>11,189</b>	<b>3,056</b>	<b>14,245</b>	
Gross profit %	96%	92%		94%		95%	
Discontinued operations						3,282	
Operating expenses	-4,741	-5,566	-27,759	-38,065	-3,042	-41,107	
<b>Operating profit</b>	<b>-1,043</b>	<b>1,926</b>	<b>-27,759</b>	<b>-26,875</b>	<b>14</b>	<b>-23,580</b>	
Net finance						1,331	
<b>Profit before tax</b>						<b>-22,249</b>	

(1) Including share of general and administrative expenses

(2) Deferred revenue from Metvix divestment and sale of MAL. R&D Visonac/Allumera, Business development and Admin expenses.  
2009 amounts includes R&D and personnel costs only.



**Segment information**

2010 (Amounts in NOK 1000)	Cancer			Sum	Derm.(2)	Total	% vs. PY
	Own	Partner	R&D(1)				
Sales Hexvix	19,533	38,085	0	57,618	12,898	70,517	37%
Cost of goods sold	-1,329	-7,795		-9,124		-9,124	65%
<b>Gross profit</b>	<b>18,203</b>	<b>30,291</b>	<b>0</b>	<b>48,494</b>	<b>12,898</b>	<b>61,392</b>	<b>34%</b>
Gross profit %	93%	80%	0	84%	0	87%	
Milestone revenues	0	106,840	0	106,840	0	106,840	
Other revenues						771	
Operating expenses	-18,272	-15,231	-65,470	-98,973	-62,510	-161,483	33%
<b>Operating profit</b>	<b>-68</b>	<b>121,899</b>	<b>-65,470</b>	<b>56,361</b>	<b>-49,612</b>	<b>7,521</b>	
Net finance						10,571	
<b>Profit before tax</b>						<b>18,092</b>	
<b>2009 (Amounts in NOK 1000)</b>							
	Cancer			Sum	Derm.(2)	Total	
	Own	Partner	R&D(1)				
Sales Hexvix	16,909	29,089	0	45,998	5,486	51,484	
Cost of goods sold	-718	-3,700	0	-4,418	-1,123	-5,541	
<b>Gross profit</b>	<b>16,191</b>	<b>25,389</b>	<b>0</b>	<b>41,580</b>	<b>4,363</b>	<b>45,943</b>	
Gross profit %	96%	87%		90%		89%	
Discontinued operations						385,827	
Operating expenses	-20,726	-13,268	-76,921	-110,915	-10,924	-121,839	
<b>Operating profit</b>	<b>-4,535</b>	<b>12,121</b>	<b>-76,921</b>	<b>-69,335</b>	<b>-6,561</b>	<b>309,930</b>	
Net finance						2,451	
<b>Profit before tax</b>						<b>312,382</b>	

(1) Including share of general and administrative expenses

(2) Deferred revenue from Metvix divestment and sale of MAL. R&D Visonac/Allumera, Business development and Admin expenses.

2009 amounts includes R&D and personnel costs only.

**For more information, please contact:**

Kjetil Hestdal, President and CEO

Mobile: +47 913 19 535

E-mail: [kh@photocure.no](mailto:kh@photocure.no)

Christian Fekete, CFO

Mobile: +47 916 42 938

E-mail: [cf@photocure.no](mailto:cf@photocure.no)

Photocure ASA  
Hoffsveien 48  
NO – 0377 Oslo  
Norway

Telephone: +47 22 06 22 10

Fax: +47 22 06 22 18