



Results for first quarter 2014

Photocure Group

*Photocure Technology™
is effective and precise.
The unique selectivity
makes targeted, minimally
invasive approaches to
early diagnosis and
treatment possible.*



6 May 2014



Highlights for first quarter 2014

Photocure (OSE:PHO), a Norwegian specialty pharmaceutical company focused on photodynamic technologies in cancer and dermatology, announces its results for the first quarter 2014.

Highlights include:

(Numbers in brackets are for the corresponding period in 2013)

- Total sales revenues of Hexvix/Cysview increased 33% to NOK 19.3 million (NOK 14.5 million) in the quarter driven by strong underlying customer demand and volume growth in the major markets,
- Hexvix/Cysview global in-market sales value growth of 36% in the quarter to NOK 46 million.
- Global in-market unit sales increased 20% in the quarter with double-digit sales growth of Hexvix/Cysview across all regions.
- The regulatory preparation for the phase 3 program of Cevira in women with HSIL (CIN2) is progressing as planned and positive support for the proposed phase 3 program has been obtained by major European regulatory authorities.
- First quarter operating loss from continued operations was NOK 13.7 million, an improvement of 42% from first quarter last year.
- Cash and cash equivalents of NOK 150 million as on 31 March 2014.

Key figures:

Figures in NOK million	1Q 2014	1Q 2013	Change	FY 2013
Sales revenues Hexvix / Cysview	19.3	14.5	33 %	77.9
Sales revenues API	0.2	0.1	19 %	1.4
Signing fee & milestone revenues	1.2	1.0	12 %	4.3
Total revenues	20.7	15.7	32 %	83.6
Gross profit	19.1	14.3	33 %	76.8
Research and development expenses	8.7	9.1	-5 %	34.0
Sales and marketing expenses	14.1	19.0	-25 %	68.4
Operating result excl. restructuring & one-off	-13.7	-23.6	-42 %	-63.0
Operating result incl. non-recurring	-13.7	-23.6		-75.5
Net profit/loss	-13.0	-21.4		-57.2
Earnings per share, diluted (NOK)	-0.61	-1.01		-2.68

President & CEO Kjetil Hestdal, M.D. Ph.D. comments:

"We generated good revenue growth in the first quarter from our flagship bladder cancer product, Hexvix/Cysview. Alongside this positive growth in revenue, our focus on cost containment has resulted in reduced losses.

I am particularly pleased to report the continued unit sales growth of Hexvix/Cysview across all geographies which demonstrates the high untapped potential for the Hexvix/Cysview brand. In the US market our efforts, coupled with the efforts of other key stakeholders within the Urology and Bladder Cancer community, continue in earnest to secure a long term sustainable reimbursement solution for this valuable product."

Operational review

Photocure's strategy is to:

- Build a specialty pharma company, focused on cancer and dermatology
- Maximize the potential of the Company's Photodynamic Technology Platform – Photocure Technology™
- Leverage its experience to develop, register and commercialize new products based on Photocure Technology™
- Build a strong commercial platform in select territories

Photocure develops innovative products and markets and sells these products through its own commercial teams and in partnerships with other companies.

Commercial products

Hexvix®/Cysview® – strong growth

Hexvix/Cysview is the first approved drug-device procedure for improved detection and management of bladder cancer. Photocure is commercializing Hexvix/Cysview directly in the US and the Nordic region. Photocure has a strategic partnership with Ipsen for the commercialization of Hexvix in Europe, excluding the Nordic region.

Total sales revenues for Hexvix/Cysview increased 33% to NOK 19.3 million (NOK 14.5 million) in the first quarter. Hexvix/Cysview continues to experience underlying customer demand as shown by strong volume growth in the major markets. Furthermore, first quarter growth has also been driven by price increases and a stronger Euro.

In the first quarter, global in-market sales value increased by 36% to NOK 46 million. Global in-market unit sales increased 20% compared to last year.

Photocure's own sales in the US and Nordic region increased 39% to NOK 8.9 million in the first quarter.

Nordic revenues were up 40% in the quarter driven by strong customer demand and price increases. A price increase of 8% has been approved for the second quarter 2014 in Norway.

Photocure's in-market unit sales in the Nordic region increased 16% in the first quarter, with double-digit growth in Sweden, Norway and Denmark. In Denmark, where Photocure has achieved a market share above 75%, Photocure continues its market penetration with 27% unit growth in the quarter.

In the US, the revenue for the first quarter increased 36% compared to last year, driven by unit growth as well as price increases and a stronger US dollar. Unit sales increased 13% in the quarter.

The number of Blue Light Cystoscope (BLC) installations has been impacted by CMS's decision to create a new package category for Cysview, as anticipated. At the end of the first quarter the total number of permanent BLCs was 43, up from 36 at the end of 2013.

Photocure continues to work closely with the leading urology associations AUA and BCAN, as well as other key stakeholders, patient groups, and interested members of the Congress to secure a long-term sustainable solution for Cysview reimbursement.

End user unit sales by Ipsen, Photocure's partner in Europe, increased 21% in the first quarter, reflecting continued strong customer demand in key markets as well as some inventory build up prior to a planned price increase in Germany in the second quarter. Solid double-digit end user growth was achieved in France, Germany, Netherland and Belgium.

Revenue increased 29% in the quarter, driven by the strong customer demand and replenishment of supply to partner.

Revenues from Hexvix/Cysview

<i>Figures in NOK million</i>	1Q 2014	1Q 2013	<i>Change</i>
Total own sales	8.9	6.4	39 %
Revenues from partners	10.4	8.1	29 %
Total revenue	19.3	14.5	33 %



Hexvix/Cysview (hexaminolevulinate hydrochloride) is the first approved drug-device combination procedure for improved detection and management of bladder cancer. It is designed to induce fluorescence selectively in the malignant cells in the bladder during a cystoscopic procedure, enabling the urologist to detect non muscle invasive bladder cancer, as an adjunct to white light cystoscopy. It is the first product in a new diagnostic class known as Photodynamic Diagnostic (PDD) agents.

Bladder cancer is a high incidence tumor type, and the fourth most common type of cancer in males in the US. An estimated 75,000 new cases will be diagnosed with cancer of the bladder in 2014, with an estimated 15,580 people dying from the disease, according to the American Cancer Society. In Europe, bladder cancer is the seventh most common type of cancer in men and the fourteenth in women. Each year in Europe, approximately 36,500 men and 13,000 women die due to bladder cancer (Ferlay et al., 2001). It is notoriously difficult to detect. The most common initial sign is blood in the urine, which calls for urine cytology and cystoscopy.

Product pipeline

Progress in the clinical development programs

	Indication	Status
Visonac®	Treatment of moderate to severe acne	Phase 3 ready
Cevira®	Treatment of HPV associated diseases of the cervix including precancerous lesions	Phase 3 preparation
Lumacan®	Detection of colorectal cancer	Phase 1/2 (Licensed to Salix)

Visonac® – treatment of moderate to severe acne

Visonac is a novel patented photodynamic therapy under development in combination with Photocure’s innovative full face red light lamp, Nedax®, for treating the large unmet medical need in moderate to severe, inflammatory acne.

Photocure’s strategy is to establish a partnership for the product for further development. During the first quarter we have been in discussions with

companies that are leaders in dermatology to secure a strategic partnership to assist with the late stage development and commercialization of Visonac.

Visonac has successfully completed a phase 2b study in 2012 that showed a statistically significant reduction in inflammatory lesions and overall improvement in acne severity. In addition, through the FDA Special Protocol Assessment (SPA) process, the design and analysis for the pivotal phase 3 clinical trials has been secured.

Visonac (methyl aminolevulinate 80mg/g) is in development for the treatment of moderate to severe acne. Acne is the single most common skin disease worldwide and affects up to 85% of all 12-24 year olds. There is a high unmet medical need for patients with moderate to severe acne, where the current mainstay of treatment is oral antibiotics and/or retinoids. The value of this segment globally is estimated at USD 900 million annually. Visonac is being developed as the first photodynamic therapeutic option for this large patient population, which can easily and conveniently be administered in dermatology offices. By avoiding the risks of increased antibiotic resistance from long term exposure and providing a better tolerated alternative than systemic retinoids, Visonac has the potential to satisfy a high unmet medical need.

Cevira® – treatment of HPV associated diseases of the cervix

Cevira is a unique, non-invasive photodynamic therapy under development for the treatment of oncogenic human papilloma virus (HPV) infection and pre-cancerous cervical abnormalities.

Photocure has consulted key regulatory agencies in both the US and EU to agree the design and target patient population for the pivotal phase 3 registration program. Discussions with Health Authorities in key European markets have been completed and support has been achieved to continue with the proposed phase 3 program, targeting women with HSIL(CIN2) as the first indication. Following the discussions with the US FDA, Photocure is performing a re-analysis of the clinical data in accordance with the recently published diagnostic consensus classification system where severity of disease is divided as either low grade or high grade, in place of previous categorization by grade of lesion severity (CIN1, CIN2 and CIN3).



Once this is completed, Photocure will continue discussions with the FDA to agree the optimal patient population for the phase 3 registration program.

Photocure is in discussions with companies that are leaders in women's healthcare to secure a strategic partnership to assist with the late stage development and commercialization of Cevira. The partner discussions will continue as we progress our discussions with the FDA.

HPV is the most common sexually transmitted disease causing approx. 500,000 new cases of cervical cancer annually world-wide. CIN1 (cervical intraepithelial neoplasia) are mild, low-grade lesions caused by HPV infection. High-grade lesions - CIN2 or CIN3 - are more severe abnormalities that have a higher and more rapid likelihood of progressing to cancer if left untreated.

Photocure has successfully completed a phase 2b study with positive results for Cevira in the treatment of HPV associated diseases of the cervix. Cevira showed a statistically significant and sustained lesion response and high HPV clearance in CIN2 patients. This was further supported by high clearance of HPV subtypes 16 and 18, which carry high oncogenic risk in the overall population.

Based on the positive results of the phase 2b trial, health economic models have been designed to evaluate the impact of Cevira on treating this large and underserved patient population. Cevira has the potential to deliver important cost savings to the healthcare system as compared to the current standard of care.

Cervical HPV and precancerous lesions of the cervix are highly prevalent diseases affecting an estimated 260 million women worldwide. There is currently no medical therapeutic treatment option available. Cevira is being developed as the first novel therapeutic option for this large and growing patient population. Cevira can be easily administered by gynecologists, avoiding the potential morbidities associated with surgery.

Lumacan® – diagnosis of colorectal cancer

Photocure's partner Salix Pharmaceuticals, a US based company that develops and markets prescription pharmaceutical products for the prevention and treatment of gastrointestinal diseases, is developing Lumacan.

An exploratory study to evaluate an enema formulation is underway, and, if successful, an

additional study may be conducted to explore oral test formulations.

Lumacan is being developed to increase the detection rate of polyps and colorectal cancer through fluorescence diagnosis. Colorectal cancer is traditionally diagnosed through colonoscopies (visual examination) with white light. The market for colonoscopies is growing as a result of extensive patient screening programs in Europe and USA. In the US, it is estimated that approximately 14 million colonoscopies are being carried out annually for screening of colorectal cancer. At the same time, it is increasingly being recognized that standard white-light colonoscopy has considerable limitations when it comes to optimal detection of colorectal cancer.

Financial review

(Numbers in brackets are for the corresponding period in 2013).

The financial report as of 31 March 2014 has been prepared in accordance with IAS 34 Interim Financial Reporting and follows the same principles as the Annual Report for 2013.

Overall, the development in the first quarter has been positive with growth in revenues combined with reduced spending.

Total revenues in the first quarter were NOK 20.7 million, an increase of 32% from first quarter 2013.

In the first quarter the in-market unit sales of Hexvix/Cysview increased 20% compared to the corresponding period in 2013. Total Hexvix/Cysview sales revenues for the quarter were NOK 19.3 million, an increase of 33% from NOK 14.5 million recorded in first quarter 2013.

First quarter operating costs are in line with the previous three quarters and are 13% below operating costs compared to the corresponding period in 2013. Total operating costs net of other income amounted to NOK 32.9 million (NOK 38.0 million) in the first quarter.

MNOK	Q1 '14	Q1 '13	Change
Research & Development	8,7	9,1	-4 %
Sales & Marketing	14,1	19,0	-26 %
Other Opex	10,0	9,8	2 %
Operating expenses	32,9	38,0	-13 %

Research and development (R&D) costs declined to NOK 8.7 million (NOK 9.1 million) in the first

quarter. R&D costs relates to patent protection and regulatory work as well as development of current pipeline. The primary development activity in the quarter has been work related to the re-analysis of the phase 2b Cevira data.

Marketing and sales costs decreased by 25% to NOK 14.1 million (NOK 19.0 million) in the first quarter compared to last year. The decrease is mainly due to the completion of the contractual co-funding arrangement of the marketing activities with Ipsen. The commercial activities in the US for the first quarter are level with the same quarter last year.

Photocure had an operating loss of NOK 13.7 million in the first quarter. This is an improvement of NOK 9.9 million (42%) compared to the corresponding period in 2013 driven by a combination of increased Hexvix/Cysview revenues and a decrease in operating costs.

Net financial items were NOK 0.7 million for the first quarter 2014 (NOK 2.2 million).

Photocure recorded a net loss from continued operations of NOK 13.0 million for the quarter, an improvement of NOK 8.4 million from last year (loss of NOK 21.4 million).

Photocure is the largest shareholder in PCI Biotech Holding ASA with 19.35% of the shares. The market value of the shareholding was NOK 47.9 million at 31 March 2014, resulting in a positive market value adjustment of NOK 15.3 million for the first quarter.

Cash and cash equivalents were NOK 150 million at 31 March 2014 compared to 167 million at 31 December 2013. The net outflow is driven by negative operating result as well as working capital development.

Shareholders' equity was NOK 273 million at 31 March 2014, an equity ratio of 91%. At the end of 2013, shareholders' equity was NOK 269 million (89%).

As of 31 March 2014, Photocure held 72,976 own shares.

Risks and uncertainty factors for 2014

Photocure is exposed to uncertainties and risk factors, which may affect some or all of the company's activities. Photocure has financial risk,

market risk and operational risk factors and risk related to research and development of new products.

The most important risks the company is exposed to for 2014 are associated with market development for Hexvix/Cysview, progress and performance of R&D programs including out-licensing, as well as financial risks related to interest rates, liquidity and currency fluctuations.

There are no significant changes in the risks and uncertainty factors compared to the descriptions in the Annual Report for 2013.

Outlook

The main focus for Photocure during 2014 continues to be driving sales of its marketed product and to establish strategic partnerships to continue the momentum in its development pipeline.

Key to driving the 2014 sales is continued strong growth in the Nordic region, building upon the commercial partnership with Ipsen, as well as increasing sales for Cysview in the US. Photocure has seen good developments throughout 2013 and the first quarter from Ipsen and expects this to continue throughout 2014. The success for Cysview is affected by the reimbursement situation in US, however, any negative impact can be offset by selective account targeting and development of larger current accounts. Photocure's expectation for global Hexvix/Cysview in-market unit sales for 2014 is an increase of minimum 10%.

With respect to the development of the new product pipeline, Photocure's priorities continue to be

- Secure regulatory alignment on late stage clinical development plan to establish future partnership for Cevira prior to initiation of phase 3 clinical development
- Establish future partnership for Visonac prior to initiation of phase 3 clinical development. The expectation is to secure a partnership before the end of 2014.
- Support Salix in the development of Lumacan.

Given the focus on profitable growth, cost containment is important. Photocure expects to end 2014 with a cash reserve in excess of NOK 105 million, excluding any milestone payments.



The Board of Directors and CEO
Photocure ASA

Oslo, 6 May 2014

Åse Aulie Michelet
Chairman

Jon Hindar

Mats Pettersson

Eva Steiness

Xavier Yon

Kjetil Hestdal
President and CEO

Photocure Group – Accounts for first quarter and full year 2014

Photocure Group – Statement of comprehensive income

	Note	2014 1Q	2013 1Q	2013 1.1-31.12
<i>(all amounts in NOK 1 000 except per share data)</i>				
Sales revenues		19 511	14 648	79 307
Signing fee and milestone revenues		1 152	1 025	4 309
Total revenues		20 663	15 673	83 616
Cost of goods sold		-1 538	-1 345	-6 829
Gross profit		19 125	14 328	76 787
Other income		0	276	1 591
Indirect manufacturing expenses	2	-1 898	-2 132	-7 751
Research and development expenses	2	-8 730	-9 139	-33 976
Marketing and sales expenses	2	-14 097	-18 987	-68 418
Business development and administrative expenses	2	-8 149	-7 994	-40 079
Operating profit/loss(-) recurring		-13 749	-23 648	-71 846
Restructuring costs	1	0	0	-3 694
Operating profit/loss(-) incl. non-recurring		-13 749	-23 648	-75 540
Financial income		1 393	2 552	10 119
Financial expenses		-687	-335	-1 431
Net financial profit/loss(-)		706	2 217	8 688
Profit/loss(-) before tax		-13 043	-21 431	-66 852
Tax expenses		0	0	8 204
Net profit/loss(-) continued operations		-13 043	-21 431	-58 648
Discontinued operations	1	0	17	-302
Net profit/loss(-)		-13 043	-21 414	-58 950
Other comprehensive income	3	15 830	-13 946	-14 015
Total comprehensive income		2 787	-35 360	-72 966
Net profit/loss(-) per share, undiluted	4	-0,61	-1,01	-2,78
Net profit/loss(-) per share, diluted	4	-0,61	-1,01	-2,77

Photocure Group – Balance sheet

	Note	31.03.2014	31.12.2013
<i>(Amounts in NOK 1 000)</i>			
Non-current assets			
Machinery & equipment		3 393	3 681
Other investments	6, 7	68 141	51 969
Deferred tax asset		49 109	49 109
Total non-current assets		120 643	104 759
Current assets			
Inventory		12 561	12 624
Receivables		17 151	17 085
Cash & cash equivalents	7	149 723	167 258
Total current assets		179 435	196 967
Total assets		300 078	301 726
Equity and liabilities			
Equity			
Share capital	8	10 697	10 697
Other paid-in capital		35 726	34 777
Retained earnings		226 499	223 649
Shareholders' equity		272 922	269 123
Long-term liabilities			
Other non-current liabilities		2 476	2 296
Total long-term liabilities		2 476	2 296
Current liabilities		24 680	30 307
Total liabilities		27 156	32 603
Total equity and liabilities		300 078	301 726

Photocure Group – Changes in equity

	2014	2013	2013
(Amounts in NOK 1 000)	1Q	1Q	1.1-31.12
Equity at beginning of period	269 123	380 268	380 268
Treasury shares, net change	0	-573	2 125
Share-based compensation (share options employees)	1 012	563	2 177
Dividend		0	-42 481
Other items			
Comprehensive income	2 787	-35 360	-72 966
Equity at end of period	272 922	344 898	269 123

Photocure Group – Cash flow Statement

	2014	2013	2013
(Amounts in NOK 1 000)	1Q	1Q	1.1-31.12
Profit/loss(-) before tax	-13 043	-21 414	-67 154
Depreciation and amortisation	373	359	1 460
Share-based compensation	1 012	562	2 176
Net interests	-888	-2 000	-7 362
Changes in working capital	-5 631	-3 358	-7 000
Other operational items	-485	-861	-21 842
Net cash flow from operations	-18 662	-26 712	-99 722
Cash flow from investments	1 126	1 814	4 518
Cash flow from financing activities	0	-573	-40 356
Net change in cash during the period	-17 536	-25 471	-135 560
Cash & cash equivalents at beginning of period	167 258	302 819	302 819
Cash & cash equivalents at end of period	149 723	277 347	167 258

Photocure Group – Segment information

1 Jan - 31 March 2014	Cancer				Dermatology			Total
	Own sales	Partner	R&D	Sum	Partner	R&D	Sum	
(Amounts in NOK 1 000)								
Sales Revenues	8 907	10 427		19 334	177		177	19 511
Milestone revenues	0	-		0	1 152		1 152	1 152
Cost of goods sold	-515	-1 023		-1 538			0	-1 538
Gross profit	8 392	9 404	-	17 796	1 329	0	1 329	19 125
Gross profit of sales %	94 %	90 %		92 %				92 %
Operating expenses	-14 719	-4 180	-11 452	-30 351	-216	-2 307	-2 523	-32 874
Operating profit/loss (-) recurring	-6 327	5 224	-11 452	-12 554	1 113	-2 307	-1 195	-13 749

1 Jan - 31 March 2013	Cancer				Dermatology			Total
	Own sales	Partner	R&D	Sum	Partner	R&D	Sum	
(Amounts in NOK 1 000)								
Sales Revenues	6 395	8 253	-	14 648		-	0	14 648
Milestone revenues	0	-	-	0	1 025	-	1 025	1 025
Cost of goods sold	-381	-964	-	-1 345		-	0	-1 345
Gross profit	6 014	7 289	-	13 303	1 025	0	1 025	14 328
Gross profit of sales %	94 %	88 %		91 %				91 %
Allocated costs	-1 288	-1 560	-1 412	-4 260	-378	-758	-1 136	-5 396
Operating expenses	-15 600	-8 351	-10 779	-34 729	-427	-2 819	-3 246	-37 976
Operating profit/loss (-) ctnd oper.	-9 586	-1 062	-10 779	-21 426	597	-2 819	-2 222	-23 648

Note 1 – General accounting principles

General information

Photocure ASA is a public limited company domiciled in Norway. The business of the Group is associated with research, development, production, distribution, marketing and sales of pharmaceutical products and related technical medical equipment. The Company's shares are listed on the Oslo Stock Exchange. The Company's registered office is Hoffsvæien 4, NO-0275 Oslo, Norway.

Photocure Group (Photocure) comprises Photocure ASA and the wholly owned subsidiary Photocure Inc. that is a US registered company.

Basis of preparation

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. These interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2013 (the Annual Financial Statements) as they provide an update of previously reported information. The accounting policies used are consistent with those used in the Annual Financial Statements. The presentation of the interim financial statements is consistent with the Annual Financial Statements. The interim report has not been subject to an audit. The Board of Directors approved the interim financial statements on 26 February 2014.

Photocure has NOK (Norwegian kroner) as its functional currency and presentation currency. In the absence of any statement to the contrary, all financial information is reported in whole thousands. As a result of rounding adjustments, the figures in the financial statements may not add up to the totals.

Summary of significant accounting policies

The new and amended standards and interpretations from IFRS that were adopted by the EU with effect from 2014 are expected to have no significant impact to Photocure's interim financial statements. Photocure has not chosen an early implementation of any new or amended IFRS's or IFRIC interpretations.

Important accounting valuations, estimates and assumptions

Preparation of the annual accounts in accordance with IFRS requires the use of judgment, estimates and assumptions that have consequences for recognition in the balance sheet of assets and liabilities, the estimation of contingent liabilities and recorded revenues and expenses. The use of estimates and assumptions is based on the best discretionary judgment of the Group management.

In the process of applying the principles of accounting, the Group management has made the following judgments and estimates that are of significance for recognized values in the interim financial statements for 2014.

- Received, non-refundable payments for licensing of the Hexvix product to Ipsen have been treated as payments associated with the transfer of rights for the product and manufacturing transition milestones achieved by Photocure. Amounts received are not subject to netting, and in the view of the Group no conditions or future obligations are associated with these payments. Received payments are therefore recognized as income when the conditions are achieved.

Note 2 – Income statement classified by nature

	2014	2013	2013
<i>(Amounts in NOK 1 000)</i>	1Q	1Q	1.1-31.12
Sales revenues	19 511	14 648	79 307
Signing fees and milestone revenues	1 152	1 025	4 309
Cost of goods sold	-1 538	-1 345	-6 829
Gross profit	19 125	14 328	76 787
Other income	0	276	1 591
Payroll expenses	-20 056	-20 287	-73 388
R&D costs excl. payroll expenses/other operating expenses	-3 538	-3 143	-15 729
Ordinary depreciation and amortisation	-373	-359	-1 460
Other operating expenses	-8 907	-14 463	-59 647
Total operating revenue and operating expenses	-32 874	-37 976	-148 633
Operating result recurring	-13 749	-23 648	-71 846

Note 3 – Restructuring and discontinued operations

Restructuring costs have been incurred with NOK 4.0 million in the 2nd and 3rd quarter 2013 and relates to implemented headcount reductions and organizational changes. The costs incurred in this process are reported as non-recurring restructuring costs from Q2 in 2013.

The result of the Allumera segment is restated as discontinued operations in the 2013 quarterly financial statements according to IFRS 5.

Note 4 – Other comprehensive income

	2014	2013	2013
<i>(Amounts in NOK 1 000)</i>	1Q	1Q	1.1-31.12
Market value adjustment PCI Biotech Holding ASA	15 278	-14 240	-14 092
Currency translation	551	294	76
Total other comprehensive income	15 830	-13 946	-14 015

Items may be subsequently reclassified to profit or loss.

Note 5 – Earnings per share

Earnings per share (EPS) are calculated on the basis of the profit/loss for the year after tax but excluding other comprehensive items. The result is divided by a weighted average number of outstanding shares over the year, reduced by acquisition of treasury shares. The diluted earnings per share is calculated by adjusting the average number of outstanding shares by the number of employee options that can be exercised. Anti-dilution effects are not taken into consideration.

Continued operations			
<i>(Figures indicate the number of shares)</i>	03.31.2014	03.31.2013	12.31.2013
Ordinary shares 1 January	21 393 301	21 393 301	0
Effect of treasury shares	-72 976	-207 618	-152 619
Effect of share options exercised	0	0	0
Weighted average number of shares	21 320 325	21 185 683	-152 619
Effect of outstanding share options	22 119	84 075	61 074
Weighted average number of diluted shares	21 342 444	21 269 758	-91 545
Earnings per share in NOK	-0,61	-1,01	-2,76
Earnings per share in NOK diluted	-0,61	-1,01	-2,75

Note 6 – Other investments

<i>(Amounts in NOK 1 000)</i>	03.31.2014	03.31.2013	12.31.2013
Market value PCI Biotech Holding ASA	47 912	32 485	32 633
Booked part of remainig settlement from sale of Metvix/Aktelite	20 229	14 348	19 335
Total other investments	68 141	46 833	51 968

Note 7 – Fair value

The table below analyses financial assets recognized in the balance sheet at fair value according to the valuation method.

The different levels have been defined as follows:

- Level 1: Noted prices in active markets for corresponding assets or liabilities
 Level 2: Available value measurements other than the noted prices classified as Level 1, either directly observable in the form of agreed prices or indirectly as derived from the price of equivalent.
 Level 3: Value measurements of assets or liabilities that are not based on observed market values

<i>(Amounts in NOK 1 000)</i>	Level 1	Level 2	Level 3	Total
Market value hierarchy				
Financial assets available for sale:				
- Shares in PCI Biotech Holding ASA	47 912			47 912
- Money market funds	132 758			132 758
Total	180 670	0	0	180 670

Note 8 – Share capital

Registered share capital in Photocure ASA amounts to:

	No. of shares	Nominal value per share	Share capital in NOK
Share capital at 31 March 2014	21 393 301	NOK 0.50	10 696 651
Share capital at 31 December 2013	21 393 301	NOK 0.50	10 696 651
Treasury shares:			
Holdings of treasury shares at 31 December 2013	72 976		36 488
Buy-back of treasury shares	0	NOK 0.50	0
Share option exercise	0	NOK 0.50	0
Holdings of treasury shares at 31 March 2014	72 976		36 488

The table below indicates the status of authorisations at 31 March 2014:

<i>(Figures indicate the number of shares)</i>	Purchase, treasury shares	Ordinary share issue	Employee share issues
Authorisation issued at the General Meeting on 22 May 2013	2 139 330	2 139 330	800 000
Share issues after the General Meeting on 22 May 2013		0	0
Purchase of treasury shares	0		
Remaining under authorisations at 31 March 2014	2 139 330	2 139 330	800 000

Shares owned, directly or indirectly, by members of the board, the President and CEO and senior management and their closely related associates as of 31 March 2014:

Name	Position	No. of shares	No. of subscription rights
Åse Aulie Michelet	Chairman	9 500	
Jon Hindar	Board member	8 000	
Mats Pettersson	Board member	5 000	
Eva Steiness	Board member	5 300	
Kjetil Hestdal	President and CEO	66 373	138 500
Ambaw Bellete	Head, US Cancer Commercial Operations	-	15 300
Erik Dahl	Chief Financial Officer	-	30 000
Kathleen Deardorff	Chief Operating Officer	-	95 295
Inger Ferner Heglund	Vice President Research and Development	8 200	88 680
Grete Hogstad	Vice President Strategic Marketing	10 500	69 200
Espen Njåstein	Head, Nordic Cancer Commercial Operations	-	16 350
Gry Stensrud	Vice President Technical Development & Operation	6	68 350

Note 9 – Share options

At 31 March 2014, employees in Photocure had the following share option schemes:

Year of allocation	2012/2013	2012	2011	2010
Option programme	2012	2011	2010-I	2009
Number	338 893	322 569	273 425	78 750
Exercise price (NOK)	38,50	48,75	42,00	18,30
Date of expiry (31 December)	2017	2016	2015	2014

The number of employee options and average exercise prices for Photocure, and developments during the year:

	31.03.2014		31.12.2013	
	No. of shares	Average exercise price (NOK)	No. of shares	Average exercise price (NOK)
Outstanding at start of year	1 013 637	41,14	1 050 792	41,27
Allocated during the year	-	-	346 649	38,50
Become invalid during the year	-	-	178 525	42,09
Exercised during the year	-	-	205 279	29,01
Expired during the year	-	-	-	-
Outstanding at end of period	1 013 637	41,14	1 013 637	41,14
Exercisable options at end of period	900 673	41,47	680 175	40,81

Average exercise price for allocated, invalid, outstanding and exercisable options are all adjusted for paid dividend of NOK 2.00 in 2013.

Note 11 – Shareholders

Overview of the major shareholders at 31 March 2014:

Shareholder	Account		No of shares	%
	type	Citizen		
RADIUMHOSPITALET FORSKNINGSSSTIFTELSEN		NOR	3 029 000	14,16 %
J.P. Morgan Chase Bank	NOM	GBR	1 957 334	9,15 %
FONDSFINANS SPAR		NOR	1 600 000	7,48 %
GEZINA AS		NOR	968 571	4,53 %
KLP AKSJE NORGE VPF		NOR	930 000	4,35 %
SKAGEN VEKST		NOR	920 401	4,30 %
KOMMUNAL LANDSPENSJONSKASSE		NOR	890 000	4,16 %
MP PENSJON PK		NOR	700 000	3,27 %
ODIN NORGE		NOR	583 395	2,73 %
DANSKE INVEST NORSKE C/O DANSKE CREDIT GROUP		NOR	422 703	1,98 %
VERDIPAPIRFONDET EIK		NOR	406 517	1,90 %
BERGEN KOMMUNALE PENSJONSKASSE		NOR	400 000	1,87 %
DANSKE INVEST NORSKE		NOR	365 824	1,71 %
VICAMA AS		NOR	345 384	1,61 %
VERDIPAPIRFONDET DNB		NOR	302 656	1,41 %
VERDIPAPIRFONDET DNB IV		NOR	288 084	1,35 %
RUL AS		NOR	281 475	1,32 %
HSBC BANK PLC	NOM	GBR	254 537	1,19 %
ARENDALS FOSSEKOMPANI		NOR	201 496	0,94 %
FONDSFINANS FARMASI		NOR	200 000	0,93 %
Total 20 largest shareholders			15 047 377	70,34 %
Total other shareholders			6 345 924	29,66 %
Total number of shares			21 393 301	100,00 %

For more information, please contact:

Photocure

Kjetil Hestdal, President and CEO

Mobile: +47 913 19 535

E-mail: kh@photocure.no

Erik Dahl, CFO

Mobile: +47 450 55 000

E-mail: ed@photocure.com

Photocure ASA

Hoffsveien 4

NO – 0275 Oslo

Norway

Telephone: +47 22 06 22 10

Fax: +47 22 06 22 18