



Presentation
First quarter 2006

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Highlights - operations

- Inclusion of patients almost completed in the the phase II clinical trial for treatment of diabetic ulcers in Russia
- Clinical phase I/II trial at Memorial Sloan-Kettering Cancer Center in New York is commencing through the third dose level
- Agreement with pharmacy chain in Norway (Alliance apotek); Immutol® and Immuderm® to be launched in May
- Important reference supply contract for MacroGard® as replacement for feed antibiotics to EU livestock producer
- Exercised option to buy an additional 400,000 shares in Biotec Pharmacon at favourable terms
- Preparations to defend against patent infringement lawsuit related to the sale of Immutol® in USA

Highlights - financials

- Sales income of non-pharmaceutical products of NOK 18.4 million (NOK 16.2 million in Q1-2005)
- Operating profit (EBITDA) non-pharmaceuticals of NOK 3.1 million (NOK 2.7 million in Q1-2005)
- Gross R&D-expenses of NOK 7.5 million (NOK 7.3 million in Q1-2005)
- After tax loss of NOK 4.1 million (NOK 3.4 million loss in Q1-2005)

Current activities - overview

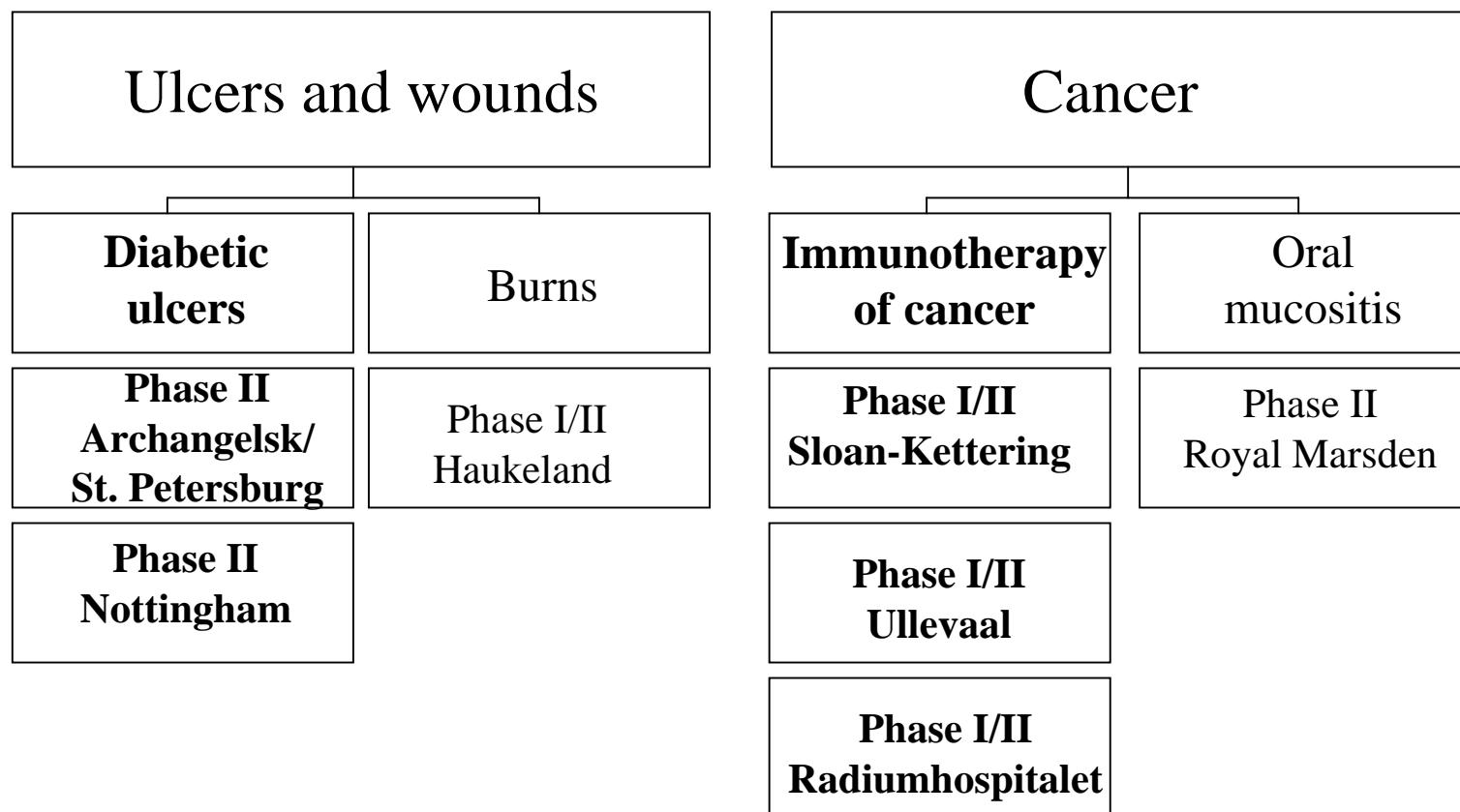
Pharmaceutical development

- **Main priority projects:**
 - **Treatment of diabetic ulcers**
 - **Immunotherapy of cancer**
- **Other projects:**
 - Prevention of oral mucositis
 - Treatment of burn wounds

Sales of non-pharmaceuticals

- Consumer health products
 - NBG®
 - Immutol®
 - Immuderm®
- Animal health products
 - MacroGard®
- Biochemicals
 - DNA modifying marine enzymes

Overview of clinical trials with SBG



Diabetic ulcers: First quarter update

- Inclusion of patients in the double-blinded phase II (therapeutic exploratory) study with diabetic ulcer patients in Russia has been almost completed (58 of 60 patients).
- Patient treatment scheduled to be completed in three to four months and reporting of results likely to take place during Q4.
- Second phase II study with 104 patients is being prepared in the UK (pending regulatory approval).

Immunotherapy of cancer: First quarter update

- In the trial at Sloan-Kettering (New York) with cancer patients receiving SBG in combination with mAbs, 7 patients (of 15) have been treated and no dose limiting toxicities related to study drug have been observed (treatment at the third dose level has begun).
- New animal studies performed by Sloan-Kettering shows positive effect of SBG in combination with cancer vaccines.
- Protocols prepared for the clinical trials with SBG in combination with Herceptin (Ullevaal University Hospital) and Rituxan (Rikshospitalet-Radiumhospitalet). Patient inclusion (12-18 patients in each trial) expected towards the end of the year.
- Agreement with Charité in Berlin to conduct preclinical and clinical trials within the immunotherapy of cancer area.

Market

Diabetic ulcers

- Approximately 1 of 10 diabetes patients will develop chronic ulcers
- More than 3 million diabetic ulcers patients in North America, Europe and Japan
- Several treatments per patient may be required
- No efficient treatment exists for complicated ulcers
- High cost of treatment (hospitalization, complications, amputations)

Cancer





- Approximately 5 million new cancer incidents each year in North America, Europe and Japan
- Number of treatments with mAbs still low, but will increase sharply with approval of new mAbs now in development
- Sales of cancer antibodies reached USD 5 billion in 2004; expected to triple by 2010
- High cost of treatment with mAbs and modest therapeutic effect

Oral mucositis: First quarter update

- First study closed (“An exploratory, randomized, parallel group study, comparing the protective effect of SBG and placebo in oral mucositis in head and neck cancer patients receiving radiation therapy”).
- Blinded results are now being analyzed (compilation/statistics) by the CRO.
- A preliminary report is due within a month.
- The Company intends to find a partner for this project, and to focus its attention on the more important wound healing and immunotherapy of cancer projects.
- Early discussions with possible partners will commence pending the conclusions of the first study.

Tentative time line, 2006 - 2008

	Start of trial	2006				2007				2008				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Wounds and ulcers:														
Phase II, Russia	Q2-05													
Phase I/II, burn wounds, Bergen	Q4-05													
Phase II, UK	Q3-06													
Partnering, wounds														
Immunotherapy of cancer:														
Phase I/II, MSKCC, New York	Q4-05													
Phase I/II, Ullevaal, Oslo	Q4-06													
Phase I/II, Radiumhospitalet, Oslo	Q4-06													
Partnering, cancer														
Oral mucositis:														
Phase II, oral mucositis, London	Q1-04													

 = Clinical trial
  = Partnering
  = Trial data
 = Conclusion of patient treatment and expected results

Business model – pharmaceuticals

- Complete phase II clinical studies (human proof-of-principle), and retain ownership and strategic flexibility until such studies are completed.
- Partner with suitable international pharmaceutical or biotechnology companies with capabilities in late stage clinical development, regulatory compliance, marketing and sales.
- Income stream through up-front licence fees, milestone fees, royalty and product sales.



Non-pharmaceutical products

High-margin products with good growth potentials, based on immune modulating compounds and DNA-modifying enzymes

Consumer Health



Biochemicals



Animal Health & Nutrition



Non-pharmaceutical products

First quarter update

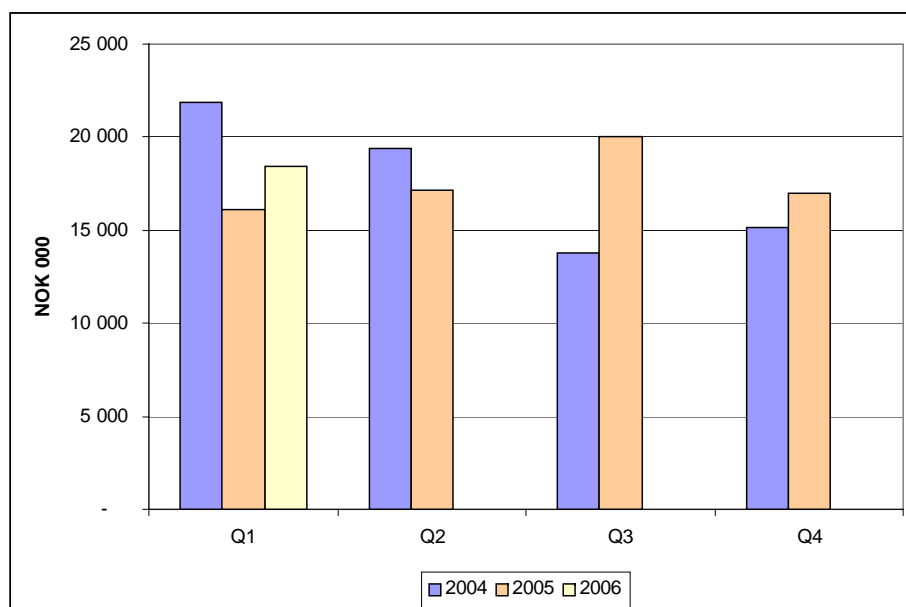
- First agreement with Norwegian pharmacy chain (Alliance apotek); launch of Immutol® and Immuderm® in May.
- Preparations for distribution through other pharmacies in Norway later in 2006 as well direct consumer sales through the web.
- Supply contract for MacroGard® as replacement for feed antibiotics to major EU livestock producer; increased marketing to benefit from EU prohibition against feed antibiotics.
- Progress in commercial development of new marine enzymes; potential for use within new diagnostic applications.

Financials

Summary sales revenues and EBITDA by segment

<i>Amounts in NOK 1.000</i>	1Q 2006	1Q 2005	Year 2005
<i>Sales revenues:</i>			
Non-pharmaceuticals	18 393	16 154	70 041
Research & pharmaceutical development	0	0	0
SALES REVENUES	18 393	16 154	70 041
<i>EBITDA:</i>			
Non-pharmaceuticals	3 065	2 690	14 625
Research & pharmaceutical development	-5 912	-5 841	-23 140
Non-allocated items	-2 393	0	-2 497
EBITDA	-5 240	-3 151	-11 012

Non-pharmaceuticals Sales revenues

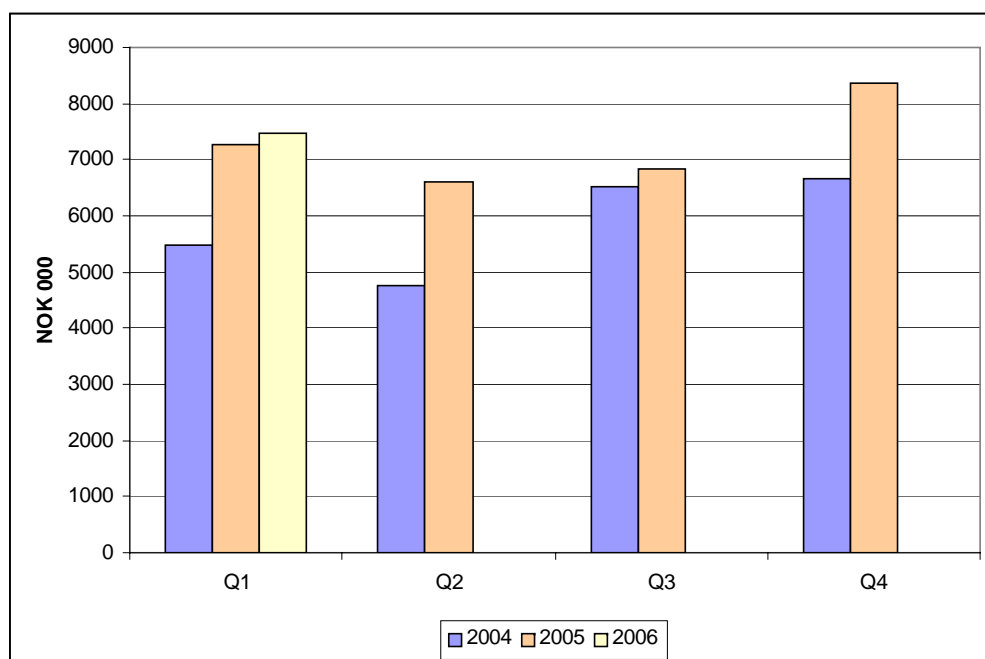


<i>Amounts in NOK 1.000</i>	1Q 2006	1Q 2005
Consumer health products	10 349	7 772
Animal health products	5 663	6 111
Biochemicals	2 180	2 034
Other	202	237
	18 394	16 154

Non-pharmaceuticals

<i>Amounts in NOK 1.000</i>	1Q 2006	1Q 2005	Year 2005
Sales	18 393	16 154	70 334
Cost of goods sold	-3 126	-3 792	-14 242
Gross profit	15 267	12 362	56 092
Gross margin	83,0 %	76,5 %	79,8 %
Other operating expenses (net)	-12 202	-9 672	-44 225
EBITDA	3 065	2 690	11 867
Depreciation	-544	-1 172	-3 560
EBIT	2 521	1 518	8 307
EBITDA margin	16,7%	16,7%	16,9%
EBIT margin	13,7%	9,4%	11,8%

Research and pharmaceutical development



<i>Amounts in NOK 1.000</i>	1Q 2006	1Q 2005
R&D income	1 210	1 041
R&D expenses	-7 468	-7 314
Net R&D	-6 258	-6 273
R&D exp. in % of sales	34,0%	38,8%

Consolidated balance sheet

Summary

<i>Amounts in NOK 1.000</i>	31/03/2006	31/03/2005	31/12/2005
Non-current assets	30 704	26 713	30 056
Cash and cash equivalents	84 462	16 126	94 884
Other current assets	17 922	15 148	15 653
Total current assets	102 384	31 274	110 537
Total assets	133 088	57 987	140 593
Equity	123 478	48 593	127 758
Liabilities	9 610	9 394	12 835
Total equity and liabilities	133 088	57 987	140 593

Liquidity reserve per 31/03/2006: NOK 94.5 million

Equity ratio per 31/12/2005: 92.8%

Share information



Number of shares outstanding: 21.489.010
 Own shares: 832.000
 Number of shareholders: 440
 Market cap (09.05.06): MNOK 830

20 largest shareholders:

Paro AS	17.84%
Four Seasons Private Equity AS	10.25%
Ludwig Mack AS	8.92%
Odin Norge	8.77%
Nordea Bank Denmark AS	3.78%
Gunnar Rørstad	3.75%
Hartvig Wennberg AS	3.41%
Jan Raa	2.83%
Knut Eirik Andersen	2.12%
NorgesInvestor Proto AS	2.06%
B Skaugen AS	1.86%
MP Pensjon	1.63%
Anchor Secondary 2 Holding AS	1.26%
VPF Avanse Norden	1.09%
Arne Handeland	0.94%
Hilde Raa	0.85%
Telespar A/L	0.73%
DnB NOR Norden (III)	0.73%
Holberg Norden Verdi	0.72%
Selvaag Invest AS	0,70%