BIOTEC PHARMACON

Immunity for Life ™

Presentation
Fourth quarter 2006

CEO Lars Viksmoen
CFO Finn Samuelsen

27 February 2006

Highlights - operations

- Redesigned phase II (b) study with SBG for treatment of diabetic ulcers approved by UK health authorities.
- Communication initiated with EMEA to optimize clinical path forward (diabetic ulcers and oral mucositis).
- 20 out of 24 patients enrolled in the phase I/II clinical trial combining SBG with a monoclonal antibody against cancer (Sloan-Kettering). Completion expected in Q2-2007.
- Enrolment started in the phase I/II trial combining SBG and Herceptin against breast cancer (Ullevål University Hospital).
- Establishment of new subsidiary to secure better focus on consumer health business.

Highlights - financials

- Sales improvement in Q4-2006
- Higher investments in marketing and sales
- High R&D costs in Q4-2006 due to completion of clinical trials
- One-time expenses in connection with change of CEO

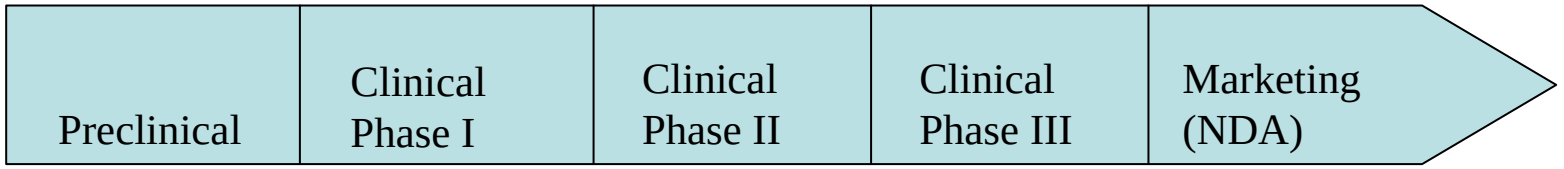
Legal Action
Biothera vs. Biotec Pharmacon

- Biothera has claimed that Biotec Pharmacon's beta-glucan products infringe on patents held by Biothera for the US market
- Biotec Pharmacon has claimed non-infringement, i.e. denied all allegations, and in addition submitted a counterclaim aimed at nullifying Biothera's relevant patents
- Biothera's patents describe products that are fundamentally different in terms of chemical structure and biological effect from Biotec Pharmacon's beta-glucan products
- The discovery phase has continued in Q4-2007; Biotec Pharmacon believes that information obtained strengthens its position on having a strong case.
- Biotec Pharmacon is fully committed to proceed with preparations for trial

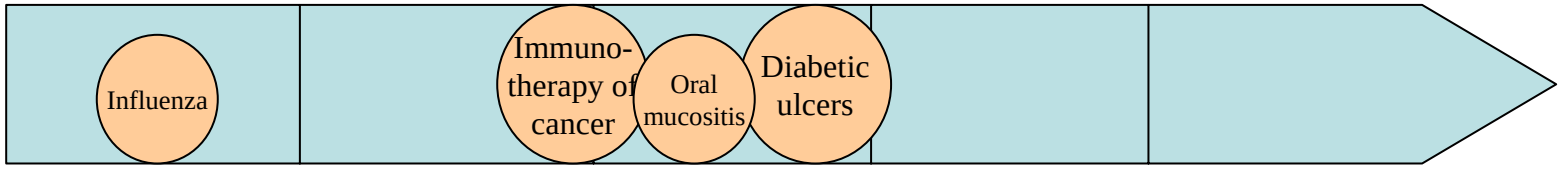
Therapeutic priorities with SBG

1. Treatment of diabetic ulcers (Clinical phase II b)
2. Prevention of oral mucositis (Clinical phase II)
3. Immunotherapy of cancer (Clinical phase I/II)

Standard drug development process:



Biotec Pharmacon's pipeline with SBG

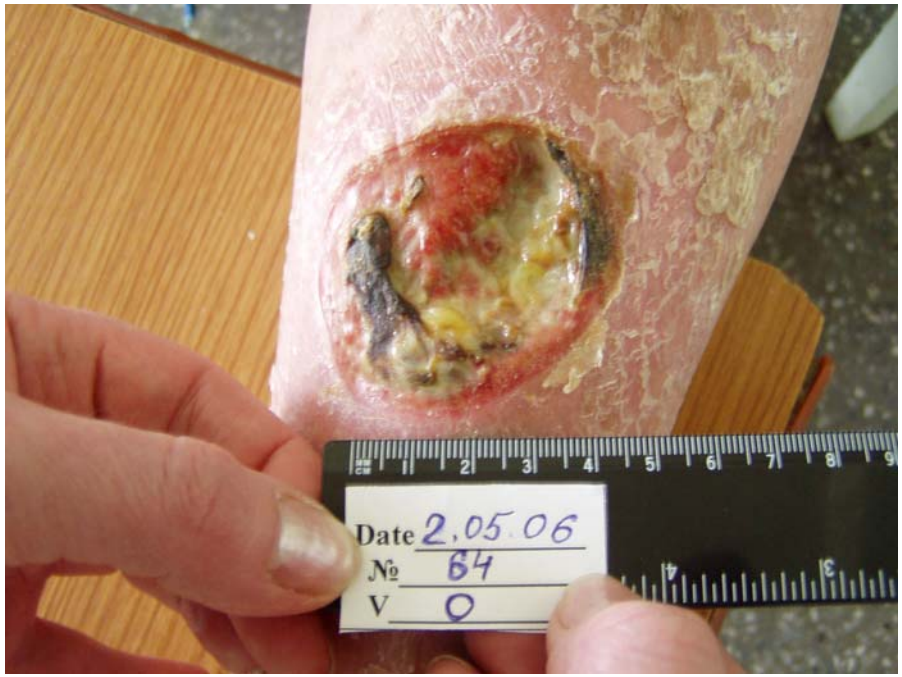


Status clinical development

Diabetic ulcers	⇨	Phase II (b) underway
Cancer	⇨	US trial ongoing, Herceptin trial started
Oral mucositis	⇨	Confirmatory trial in planning
Burn wounds	⇨	Closed, priority on diabetic ulcers

Diabetic ulcers
A serious and debilitating disease

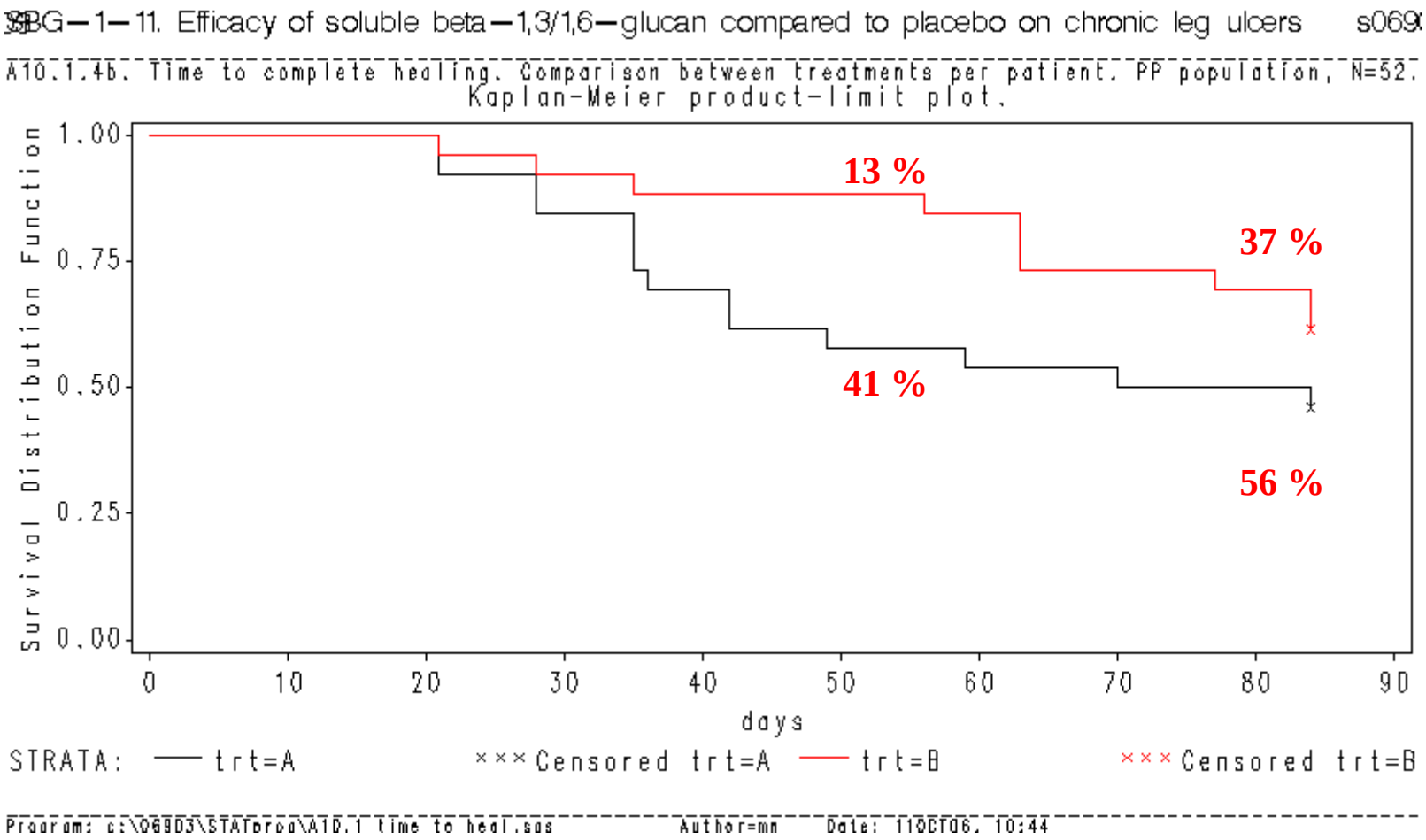
- Macrophage activity is impaired in individuals with diabetes - a reason why wounds may develop into chronic ulcers (in particular leg and foot ulcers)
- Proof of concept: SBG reactivates diabetic macrophages and enhances wound healing



An estimated 3.5 million patients require treatment annually

Promising effects from recently completed trial

Time to complete healing - Primary endpoint (PP)



Diabetic ulcers
New phase II (b) underway

- UK health authorities have approved new trial
- Number of patients to be enrolled: 120
- Treatment period: 8 weeks
- Follow-up: 12 weeks
- Reference substance: Methylcellulose
- Number of clinics: 8
- Lead center: Nottingham City Hospital
- Expected enrolment period: 12-18 months

Diabetic ulcers
Dialogue with EMEA ongoing

- Biotec Pharmacon maintains SME-status with EMEA
- Communication initiated with EMEA to optimize clinical path towards regulatory submission/marketing approval
- Expected guidance mid-year

Diabetic ulcers
Market description

- 70 million patients with diabetes in OECD
- 3.5 million patients require treatment for diabetic foot ulcers annually
- Limited treatment options;
  - Standard wound care (GWC)
  - Regranex (Johnson & Johnson) (>$1.000 per treatment)
- High cost of treatment; wound healing products account for only 10% of total treatment cost
- Potential market of USD 3.5 billion

Immunothereapy of cancer
Ongoing phase I/II trial at Sloan-Kettering

- Study design: Open, oral administration of SBG in combination with a monoclonal antibody
- Patient population: Metastatic neuroblastoma
- Study size: Originally 15 patients, expanded to 24 patients
- Patients treated at escalating dose levels
- 20 patients enrolled to date
- Safety: No dose limiting toxicities relating to SBG
- Completion expected in Q2-2007

Immunotherapy of cancer
Other trials

- Phase I/II clinical trial with orally administered SBG in combination with **Herceptin**, a monoclonal antibody against **breast cancer**
  - Trial has started
  - Sites: Ullevaal University Hospital (lead center), Tromsø University Hospital, Ålesund Hospital
  - 12 patients will be enrolled in the trial

- Phase I/II clinical trial with orally administered SBG in combination with **Rituxan**, a monoclonal antibody against **non-Hodgkin's lymphoma**
  - Study redesigned to include patients receiving Rituxan and chemotherapy
  - The trial will commence at Rikshospitalet-Radiumhospitalet pending necessary approvals
  - 12 patients will be enrolled in the trial

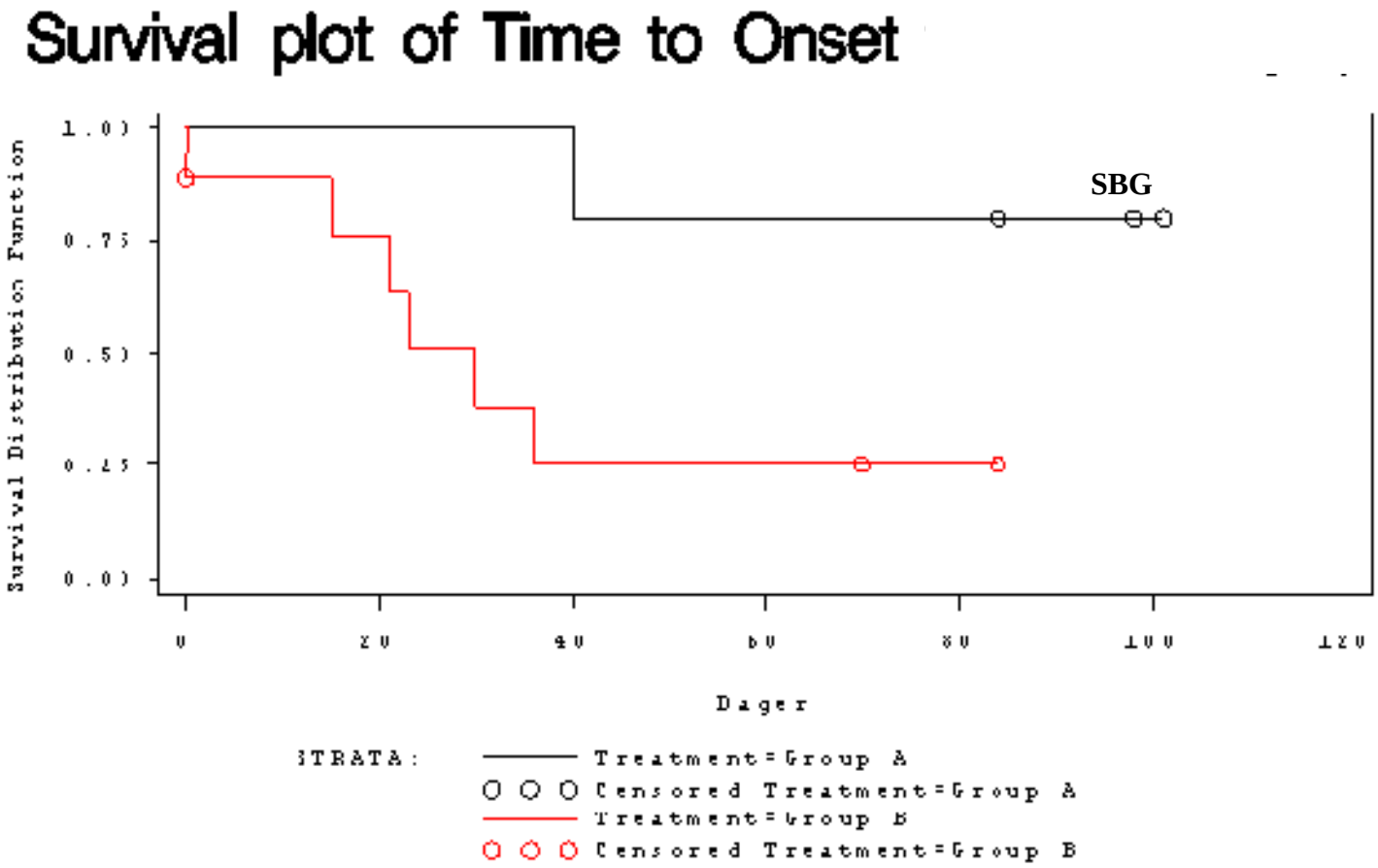
Immunotherapy of cancer
Market description

- Approximately 5 million new cancer incidents each year in OECD
- Conventional treatment is surgery, chemotherapy and radiotherapy
- Immunotherapy with cancer antibodies represent the fastest growing segment within the pharmaceutical industry.
- Current treatment cost with mAbs $20-$45,000, modest therapeutic effect
- Sales of cancer antibodies (mAbs) estimated to USD 7 billion in 2005; expected to double by 2010
- Roche and Genentech major players

Oral mucositis

A painful side effect of radiation- and chemotherapy

Promising effects from recently completed trial



Oral mucositis
Path forward

- New clinical trial in planning to confirm efficacy and safety
- Trial site has been identified
- Communication initiated with EMEA to optimize clinical path towards regulatory submission/marketing approval of SBG as an orphan drug
- Biotec Pharmacon will await further partnering discussions until the clinical development plan has been clarified with EMEA

Estimated clinical development timeline

	Start of trial	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4
Phase I/II, MSKCC, New York, cancer	Q4-05												
Advice EMEA													
Phase I/II, Ullevaal, Oslo, cancer	Q1-07												
Phase II (b), UK, diabetic ulcers	Q1-07												
Phase I/II, Radiumhospitalet, Oslo, cancer													
Phase II, oral mucositis													

= Clinical trial

= Conclusion of patient treatment and expected results

= Regulatory clarification

Non-pharmaceuticals

- Immunocorp AS will be reorganized into two separate companies; one responsible for animal health products and one responsible for consumer health products
- 2006 an investment year for consumer health products and animal health products
- Drivers for growth:
  - Consumer health: Marketing and distribution
  - Animal health: Ban on feed antibiotics in the livestock industry, prevention of disease outbreaks in the aquaculture industry
  - Biochemicals: Commercialization of new enzymes (UNG) in cooperation with leading international diagnostic companies

Financials

Summary of P&L by segment
Fourth quarter

	Q4-2006			
	Biotec Pharmacon Group	Segments		
NOK 1.000		Non-pharma	R&D	Non-allocated
Sales	19 508	19 508		
Net operating expenses	-36 159	-18 153	-9 674	-8 332
EBITDA	-16 651	1 354	-9 674	-8 332
Depreciation	-1 063	-695	-368	0
EBIT	-17 714	659	-10 042	-8 332

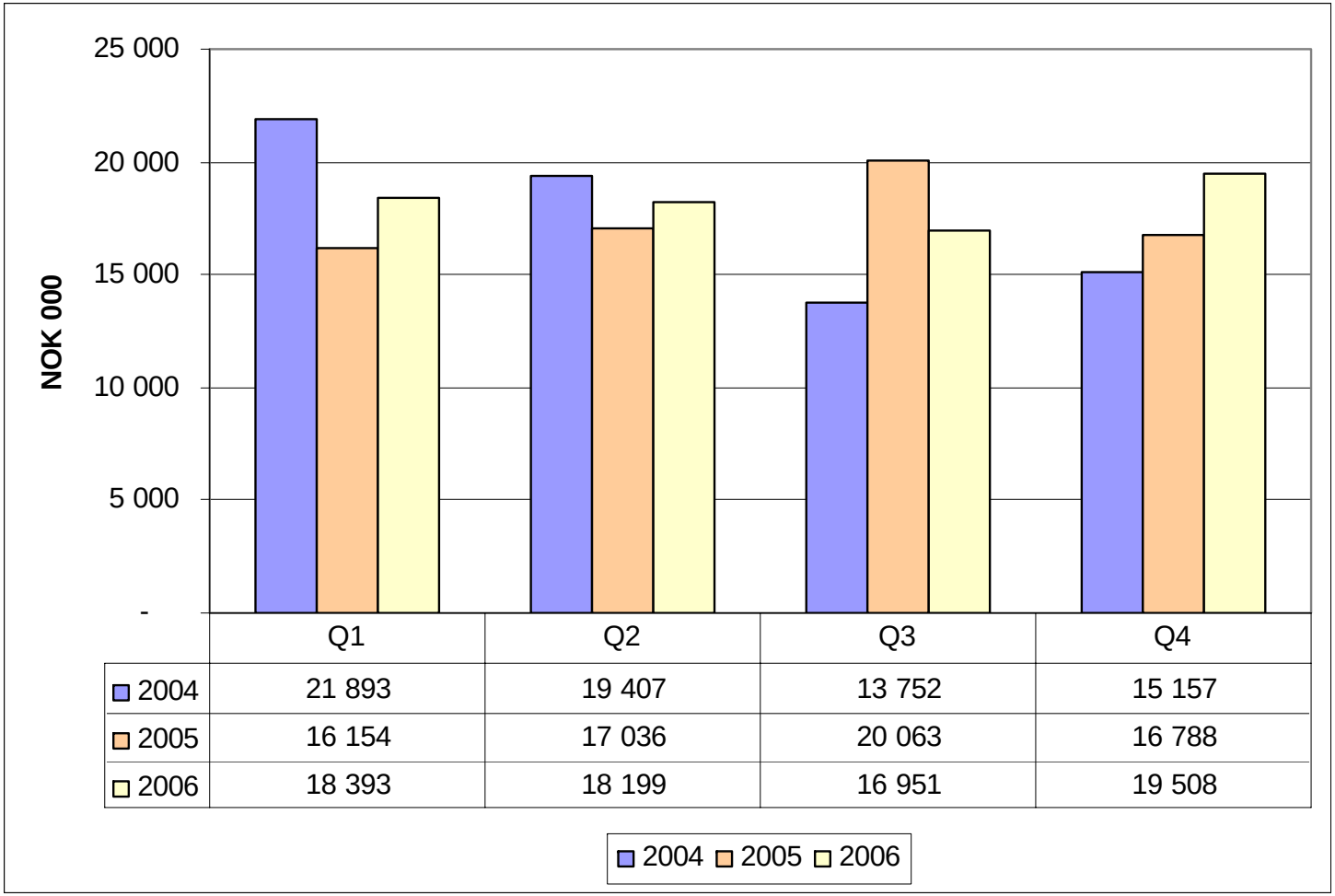
	Q4-2005			
	Biotec Pharmacon Group	Segments		
NOK 1.000		Non-pharma	R&D	Non-allocated
Sales	16 788	16 788		
Net operating expenses	-22 110	-14 770	-6 158	-1 182
EBITDA	-5 322	2 018	-6 158	-1 182
Depreciation	-819	-684	-134	0
EBIT	-6 141	1 334	-6 292	-1 182

Summary of P&L by segment
Full year

	2006			
	Biotec Pharmacon Group	Segments		
		Non-pharma	R&D	Non-allocated
NOK 1.000				
Sales	73 051	73 051		
Net operating expenses	-109 493	-65 404	-27 508	-16 582
EBITDA	-36 442	7 648	-27 508	-16 582
Depreciation	-3 741	-2 331	-1 410	0
EBIT	-40 183	5 317	-28 918	-16 582

	2005			
	Biotec Pharmacon Group	Segments		
		Non-pharma	R&D	Non-allocated
NOK 1.000				
Sales	70 041	70 041		
Net operating expenses	-81 053	-55 416	-23 140	-2 497
EBITDA	-11 012	14 625	-23 140	-2 497
Depreciation	-4 992	-3 560	-1 432	0
EBIT	-16 004	11 066	-24 572	-2 497

Non-pharmaceuticals
Sales revenues



	Q1	Q2	Q3	Q4
2004	21 893	19 407	13 752	15 157
2005	16 154	17 036	20 063	16 788
2006	18 393	18 199	16 951	19 508

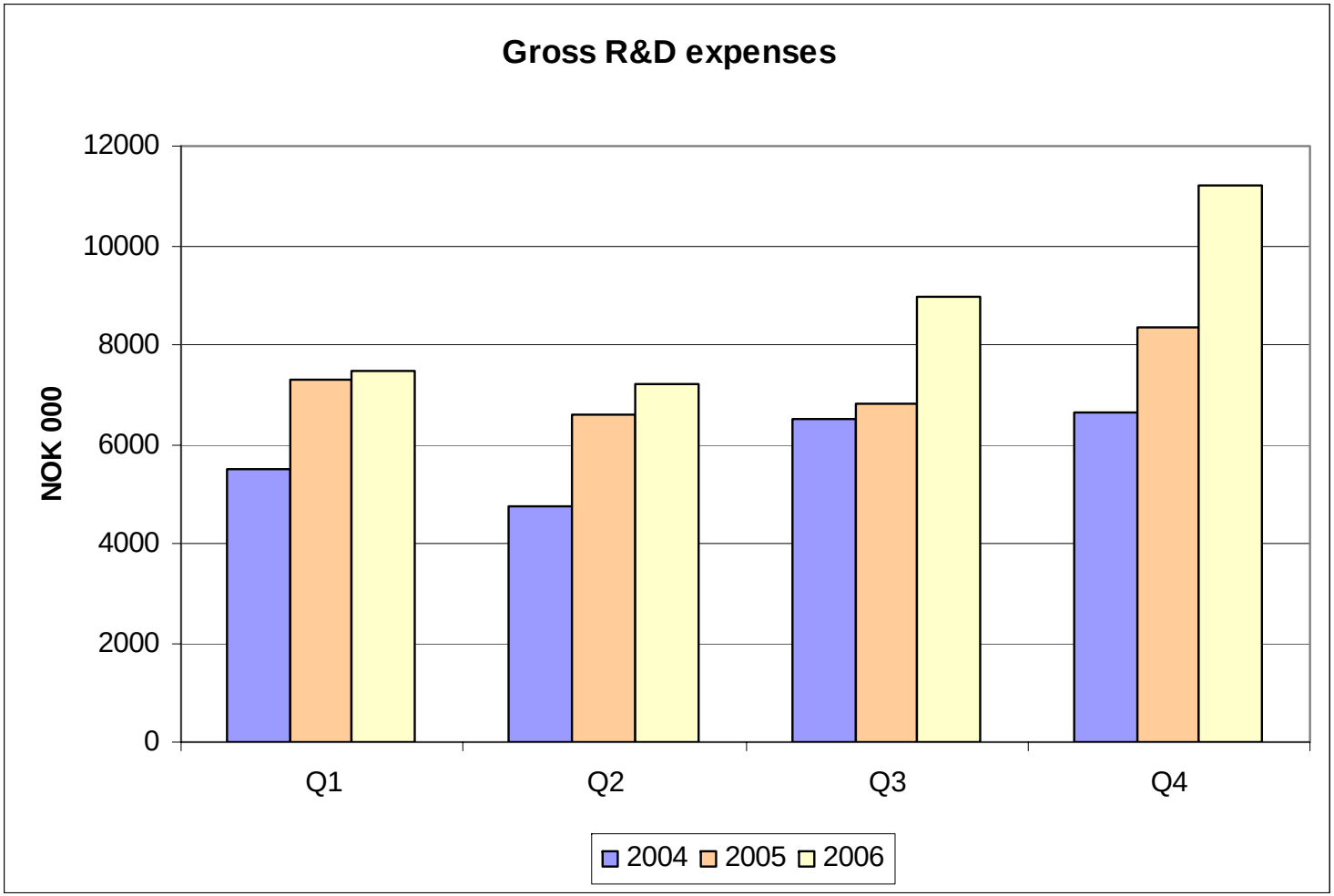
Sales revenues by product groups

Amounts in NOK 1.000	4Q 2006	4Q 2005	Jan. - Dec. 2006	Jan. - Dec. 2005
Consumer health products	9 620	7 844	37 225	33 784
Animal health products	6 169	5 568	22 476	23 729
Biochemicals	3 377	2 692	12 305	11 158
Other	342	684	1 045	1 370
	19 508	16 788	73 051	70 041

Non-pharmaceuticals

Amounts in NOK 1.000	4Q 2006	4Q 2005	Jan. - Dec. 2006	Jan. - Dec. 2005
Sales	19 508	16 788	73 051	70 041
Cost of goods sold	-4 115	-3 447	-14 694	-14 242
Gross profit	15 393	13 341	58 357	55 799
Gross margin	*78,9 %*	*79,5 %*	*79,9 %*	*79,7 %*
Other operating expenses (net)	-14 038	-11 323	-50 710	-41 174
EBITDA	1 355	2 018	7 647	14 625
Depreciation	-695	-684	-2 331	-3 560
EBIT	660	1 334	5 316	11 065
EBITDA margin	6,9%	12,0%	10,5%	20,9%
EBIT margin	3,4%	7,9%	7,3%	15,8%

Research and pharmaceutical development



Consolidated balance sheet

Summary

Amounts in NOK 1.000	**31.12.2006**	**31.12.2005**
Non-current assets	41 119	30 056
Cash and cash equivalents	63 969	94 884
Other current assets	18 659	15 653
Total current assets	82 628	110 537
Total assets	123 746	140 593
Equity	105 711	127 758
Liabilities	18 035	12 835
Total equity and liabilities	123 746	140 593

Cash flow in fourth quarter 2006: + NOK 2.5 million
Liquidity reserve per 31/12/2006: NOK 74 million
Equity ratio per 31/12/2006: 85%