

First quarter results 2008

Presentation 6 May 2008

CEO Tomas Settevik and CFO Morten Jurs



Disclaimer:

THIS PRESENTATION HAS BEEN PREPARED BY PRONOVA BIOPHARMA ASA (THE "COMPANY") EXCLUSIVELY FOR INFORMATION PURPOSES. THIS PRESENTATION HAS NOT BEEN REVIEWED OR REGISTERED WITH ANY PUBLIC AUTHORITY OR STOCK EXCHANGE. THE DISTRIBUTION OF THIS PRESENTATION AND ANY OFFERING, SUBSCRIPTION, PURCHASE OR SALE OF SECURITIES ISSUED BY THE COMPANY IN CERTAIN JURISDICTIONS IS RESTRICTED BY LAW. POTENTIAL INVESTORS ARE REQUIRED BY THE COMPANY TO INFORM THEMSELVES ABOUT AND TO COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT INVESTS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED UNDER THE LAWS AND REGULATIONS IN FORCE IN SUCH JURISDICTION. THE COMPANY SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY FOR THESE OBLIGATIONS. THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH JURISDICTION.

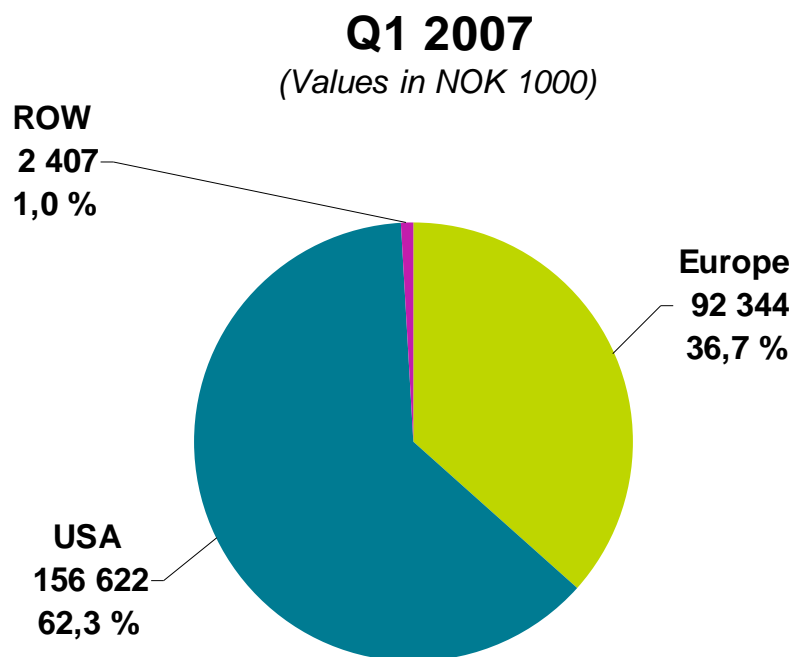
Q1 highlights

- Revenues up 2.8% to NOK 258.9m (NOK 251.9m)
- Gross margin of 79.7%, no in-sourcing in Q1 reflecting improved efficiency
- End-user sales¹ up 56% with strong growth in all markets, particularly the USA
- Continued GSK investment in marketing efforts for Lovaza
- Pipeline development on track: GISSI-HF trial due in H2 2008
- Production volume of 256 tonnes (213 tonnes), 2008 production target remains at 1 200 tonnes
- Kalundborg project on time and budget

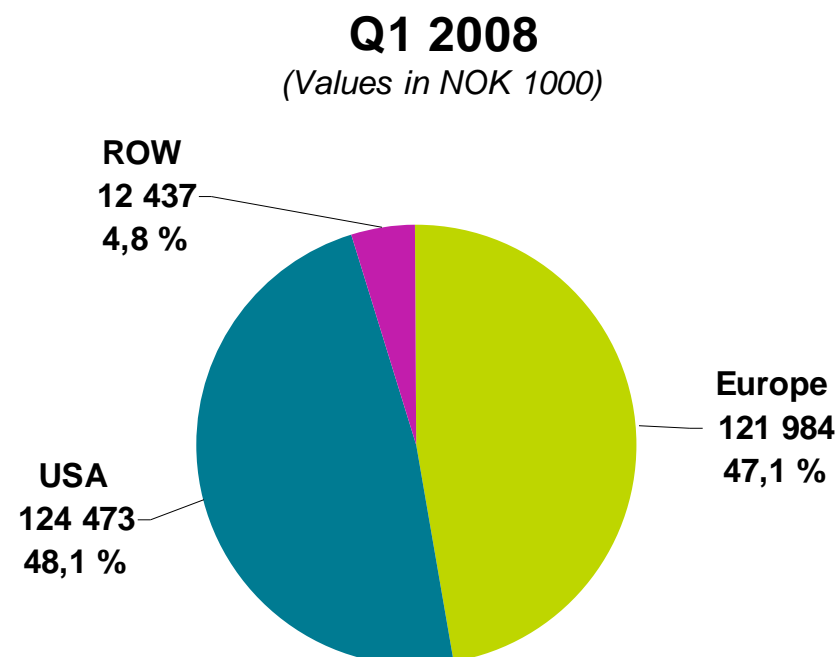
¹ Source End User Sales: IMS

Figures in brackets = Q1 2007

Revenues split by market



Total revenues: NOK 251.9 million



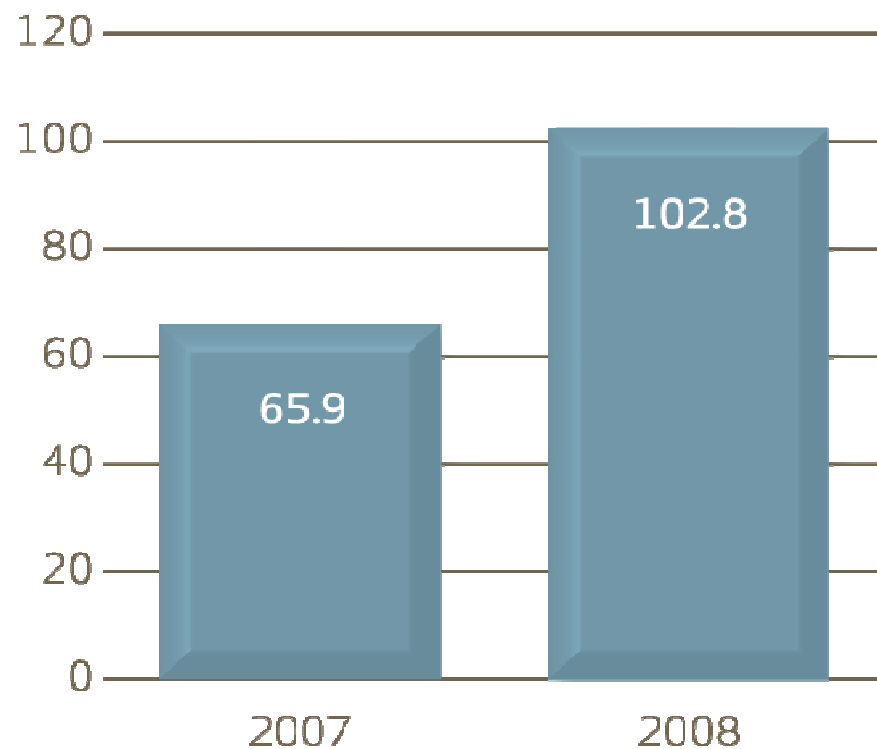
Total revenues: NOK 258.9 million

Total revenues excluding other income

Strong end-user sales growth (Jan/Feb)

End user sales (Feb YTD)

Amounts in USD million



Source: IMS

Financial review



Effects of changes in currency rates

(All amounts in NOK mill.)	Q1 2008	Q1 2008 Currency adjusted	Q1 2007
Revenues	258.9	271.7	251.4
Other income	-	-	0.5
Total revenues and income	258.9	271.7	251.9
Cost of materials and change in inventories	52.6	55.2	58.2
Gross profit	206.3	216.5	193.7
Gross margin	79.7 %	79.7 %	76.9 %
Operating expenses	(84.7)	(84.7)	(72.3)
EBITDA	121.6	131.8	121.5
<i>EBITDA%</i>	47.0 %	48.5 %	48.2 %
Average USD currency rate applied to revenue	5.72		6.29
USD revenue	22.5		24.2
NOK USD revenue based on Q1 2008 currency rate	128.5		152.2
NOK revenue in Q1 2008 based on constant USD currency (Q1 2007)	141.3		

Revenues of NOK 258.9 million

(All amounts in NOK mill.)	Q1 2008	Q1 2007	Year ended 2007
Revenues	258.9	251.4	1 013.8
Other income	-	0.5	0.5
Total revenues and income	258.9	251.9	1 014.4
Gross profit	206.3	193.7	812.0
Gross margin	79.7 %	76.9 %	80.1 %
Operating expenses	(84.7)	(72.3)	(309.0)
EBITDA	121.6	121.5	503.0
<i>EBITDA%</i>	<i>47.0 %</i>	<i>48.2 %</i>	<i>49.6 %</i>
Depreciation property, plant and equipment	(18.0)	(13.1)	(58.5)
Amortisation intangible assets	(23.8)	(39.6)	(158.1)
EBIT	79.9	68.9	286.3
Net financial items	(21.3)	(7.5)	(84.4)
Profit before tax	58.6	61.4	202.0
NET PROFIT FOR THE PERIOD	43.4	44.1	143.4
EPS (in NOK), basic and diluted	0.14	0.16	0.45
EPS (in NOK), adjusted for amortisation	0.22	0.34	1.17
Average number of shares (1 000's)	300 833	220 403	256 949

Balance sheet:

Total assets

(All amounts in NOK mill.)	31.03.2008	31.03.2007	Year ended 2007
ASSETS			
Non-current assets			
Property, plant and equipment	1 087.2	600.1	853.9
Goodwill	633.5	633.5	633.5
Other intangible assets	855.6	995.2	879.3
Other long term financial assets	37.9	-	11.1
Deferred tax assets	2.9	-	-
Total non-current assets	2 617.1	2 228.7	2 377.8
Current assets			
Inventories	362.6	131.3	157.3
Trade and other receivables	317.3	216.1	258.3
Other financial assets	42.2	3.3	47.7
Cash and cash equivalents	156.8	132.7	284.5
Total current assets	878.9	483.4	747.7
TOTAL ASSETS	3 496.0	2 712.1	3 125.5

Balance sheet:

Equity and liabilities

(All amounts in NOK mill.)	31.03 2008	31.03 2007	Year ended 2007
EQUITY AND LIABILITIES			
Total Shareholders' equity	927.8	627.7	853.5
Deferred tax liabilities	279.3	292.0	276.6
Borrowings	1 427.1	1 078.3	1 173.2
Deferred revenue	229.2	239.1	234.3
Retirement benefit obligation	20.1	8.3	23.5
Total non-current liabilities	1 955.7	1 617.6	1 707.6
Trade and other payables	284.0	39.8	238.3
Borrowings	150.0	273.3	150.0
Other financial liabilities	0.7	-	12.1
Current tax liabilities	85.1	49.1	81.1
Deferred revenue	18.8	20.0	18.2
Other liabilities	68.7	79.4	51.5
Provisions	5.1	5.1	13.3
Total current liabilities	612.5	466.8	564.4
Total liabilities	2 568.2	2 084.4	2 272.0
TOTAL EQUITY AND LIABILITIES	3 496.0	2 712.1	3 125.5

Changes in equity

(All amounts in NOK mill.)	Share capital	Reserves	Retained earnings	Reserves	Total share-holders equity
Balance at 1 January 2008	6.0	579.7	241.1	26.7	853.5
Consolidated profit 1.1 -31.03			43.4		43
Fair value adjustment of forward hedging contracts				31.0	31
Currency conversion differences				(0.1)	(0.1)
Balance at 31 March 2008	6.0	579.7	284.5	57.6	927.8
Balance at 1 January 2007	13.0	472.9	97.7	-	583.6
Consolidated profit 1.1 -31.03			44.1		44.1
Balance at 31 March 2007	13.0	472.9	141.8	-	627.7
Balance at 1 January 2007	13.0	472.9	97.7	-	583.6
Issue of shares	0.5	574.8	-	-	575.4
Share issue costs (net of tax effect)	-	(17.7)	-	-	(17.7)
Redemption of B-shares	(12.7)	(461.1)	-	-	(473.8)
Capitalisation issue	5.2	(5.2)	-	-	-
Consolidated profit 1.1 -31.12 2007	-	-	143.4	-	143.4
Fair value adjustment of forward hedging contracts	-	-	-	26.7	26.7
IPO bonus paid by previous shareholders	-	15.9	-	-	15.9
Balance at 31 December 2007	6.0	579.7	241.1	26.7	853.5

Cash flow impacted by inventory build-up

(All amounts in NOK mill.)	Q1 2008	Q1 2007	2007
Net cash from operating activities	(144.0)	0.5	254.4
Net cash from investment activities	(248.9)	(27.5)	(182.2)
Net cash from financing activities	265.3	-	93.0
Net change in bank deposits, cash and cash eq.	(127.7)	(27.0)	165.2
Bank deposits, cash and cash eq.at beg.of period	284.5	119.3	119.3
Bank deposits, cash and cash eq.at end of period	156.8	92.2	284.5

Revenues and expenses by geographical operating unit

(All amounts in NOK 1000)	Q1 2008	Q1 2007	Year ended 2007
Europe	121 984	92 345	414 936
USA	124 473	156 623	564 741
ROW	12 437	2 407	34 162
Total	258 894	251 375	1 013 839

(All amounts in NOK mill.)	Q1 2008			Q1 2007		
	NORWAY ¹	DENMARK ²	TOTAL	NORWAY ¹	DENMARK ²	TOTAL
Operating revenues	258 894	-	258 894	251 373	-	251 373
Other income	-	-	-	538	-	538
Total revenues and income	258 894	-	258 894	251 911	-	251 911
Cost of materials and change in inventories	(52 574)	-	(52 574)	(58 169)	-	(58 169)
Gross profit	206 320	-	206 320	193 742	-	193 742
Gross margin	79.7 %	-	79.7 %	76.9 %	-	76.9 %
Employee benefits expense	(41 711)	(2 321)	(44 033)	(33 646)	-	(33 646)
Depreciation property, plant and equipment	(17 960)	-	(17 960)	(13 055)	-	(13 055)
Amortisation intangible assets	(23 797)	-	(23 797)	(39 552)	-	(39 552)
Other operating expenses	(37 205)	(3 460)	(40 664)	(38 625)	-	(38 625)
Total operating expenses	(120 673)	(5 781)	(126 454)	(124 879)	-	(124 879)
Operating profit	85 646	(5 781)	79 865	68 863	-	68 863
EBITDA	127 404	(5 781)	121 623	121 470	-	121 470
EBITDA margin	49.2 %	-	47.0 %	48.2 %	-	48.2 %
Investments	13.5	239.3	252.7	24.1	-	24.1

1) Pronova BioPharma ASA and Pronova BioPharma Norge AS

2) Pronova BioPharma Danmark A/S

Operational review



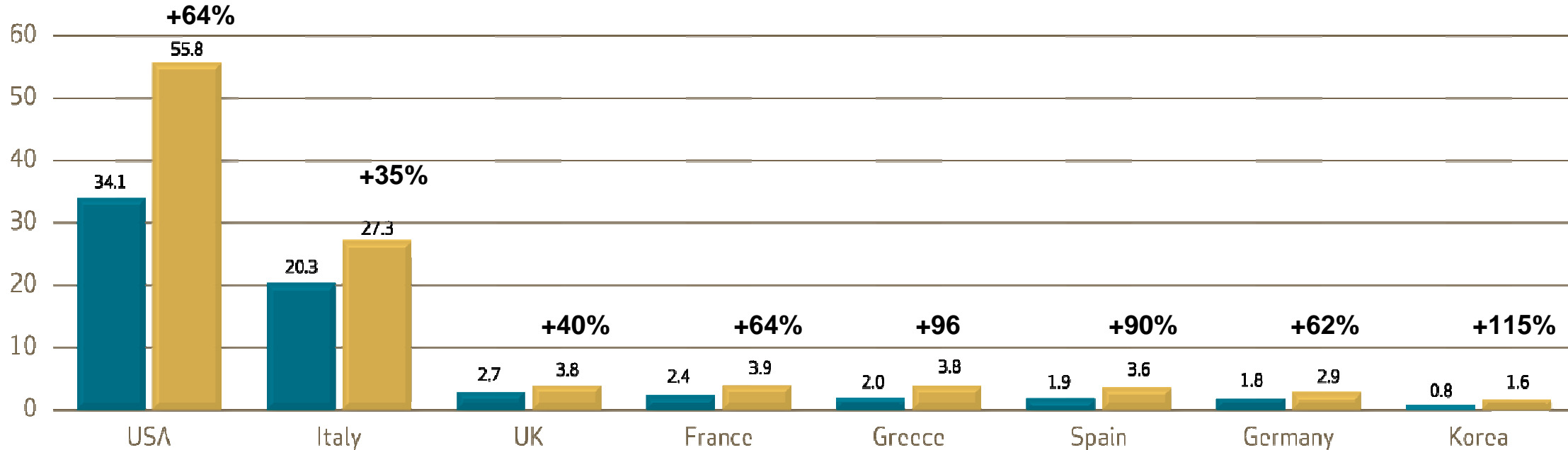
Growth in all major markets

- Omacor/Lovaza end-user sales Jan-Feb

End-user sales by major markets*

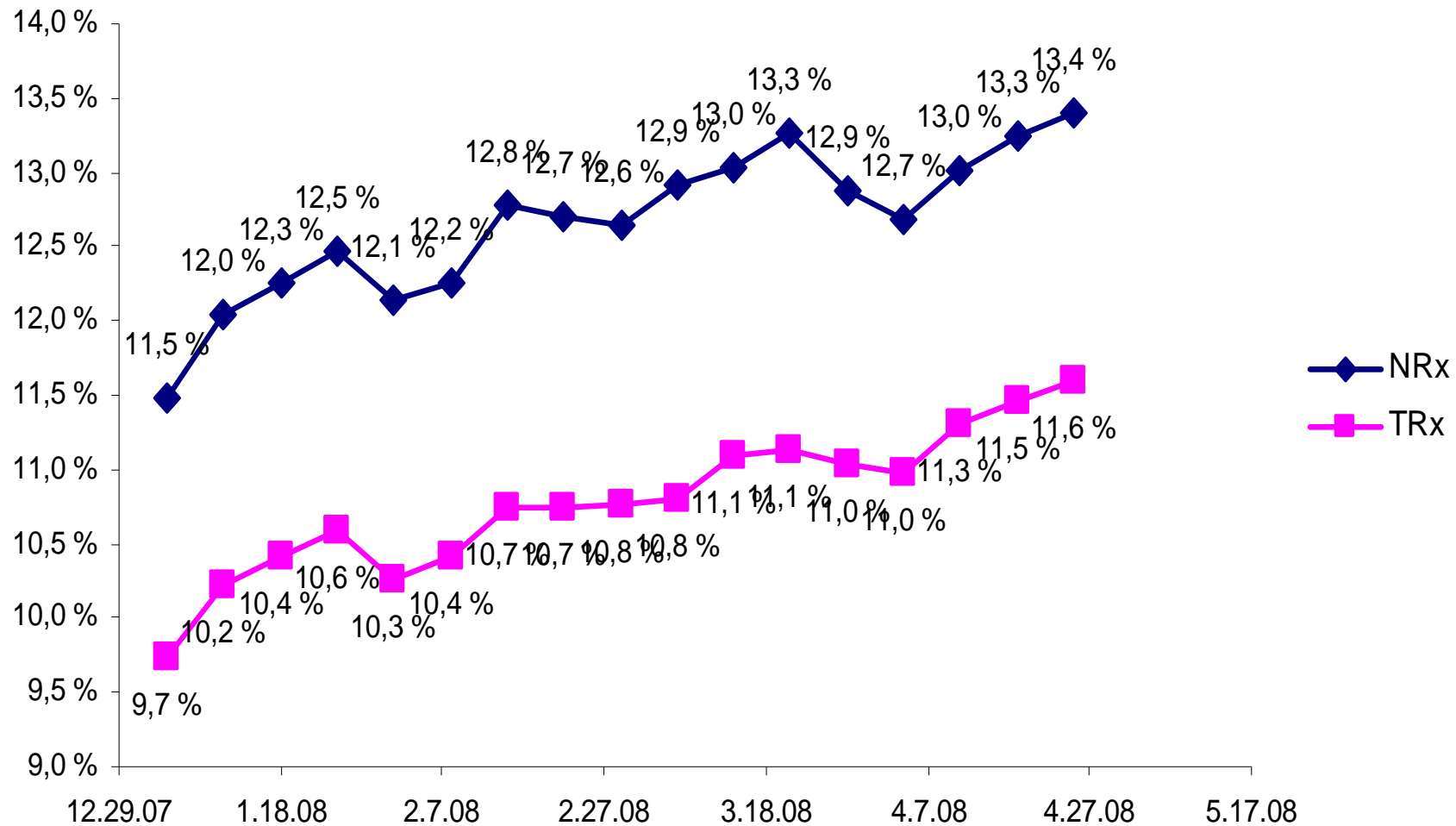
Amounts in USD million

→ Jan/Feb 2007 → Jan/Feb 2008

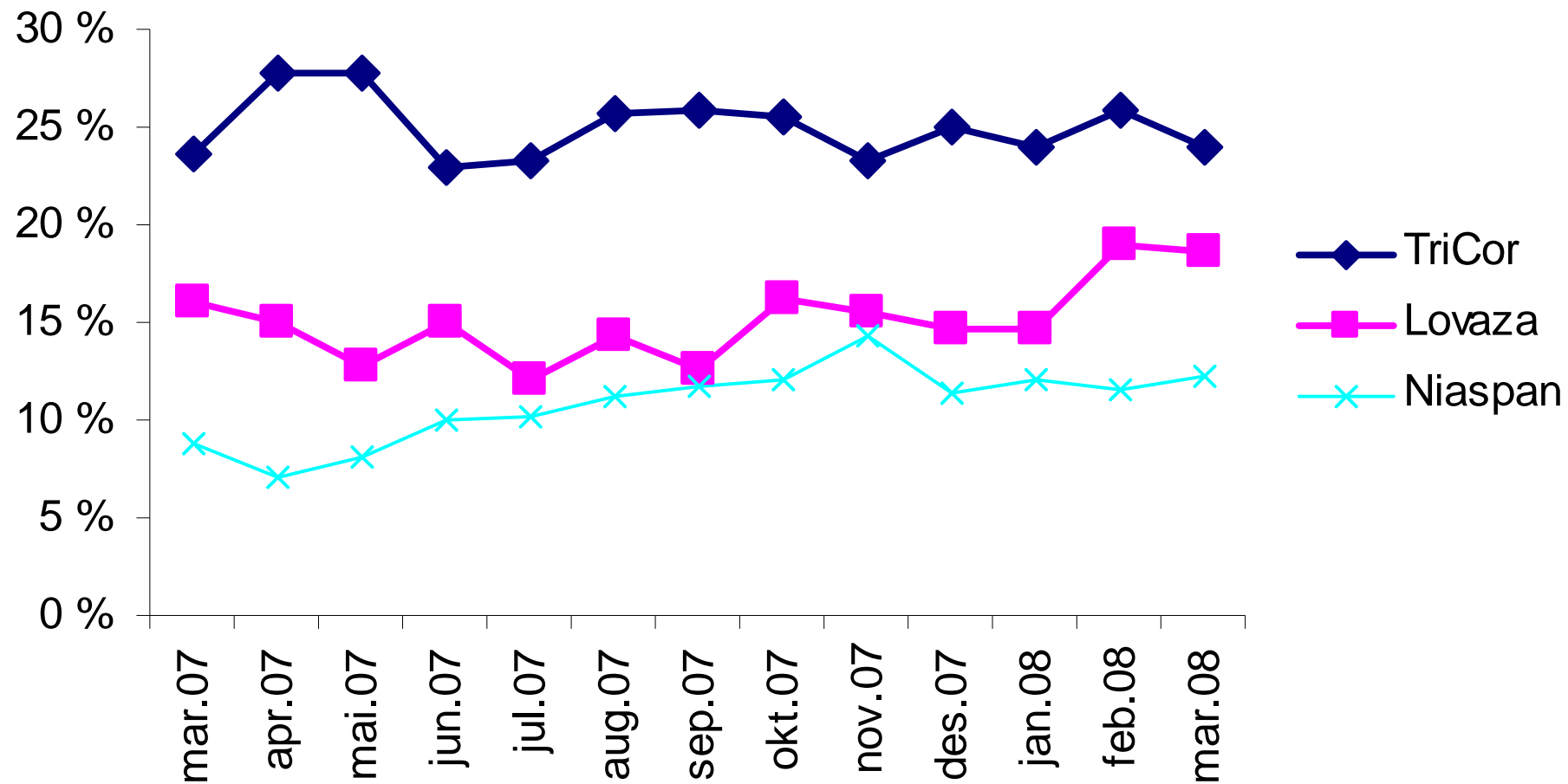


* Source: IMS

Lovaza market share – NRx and TRx in non statin market

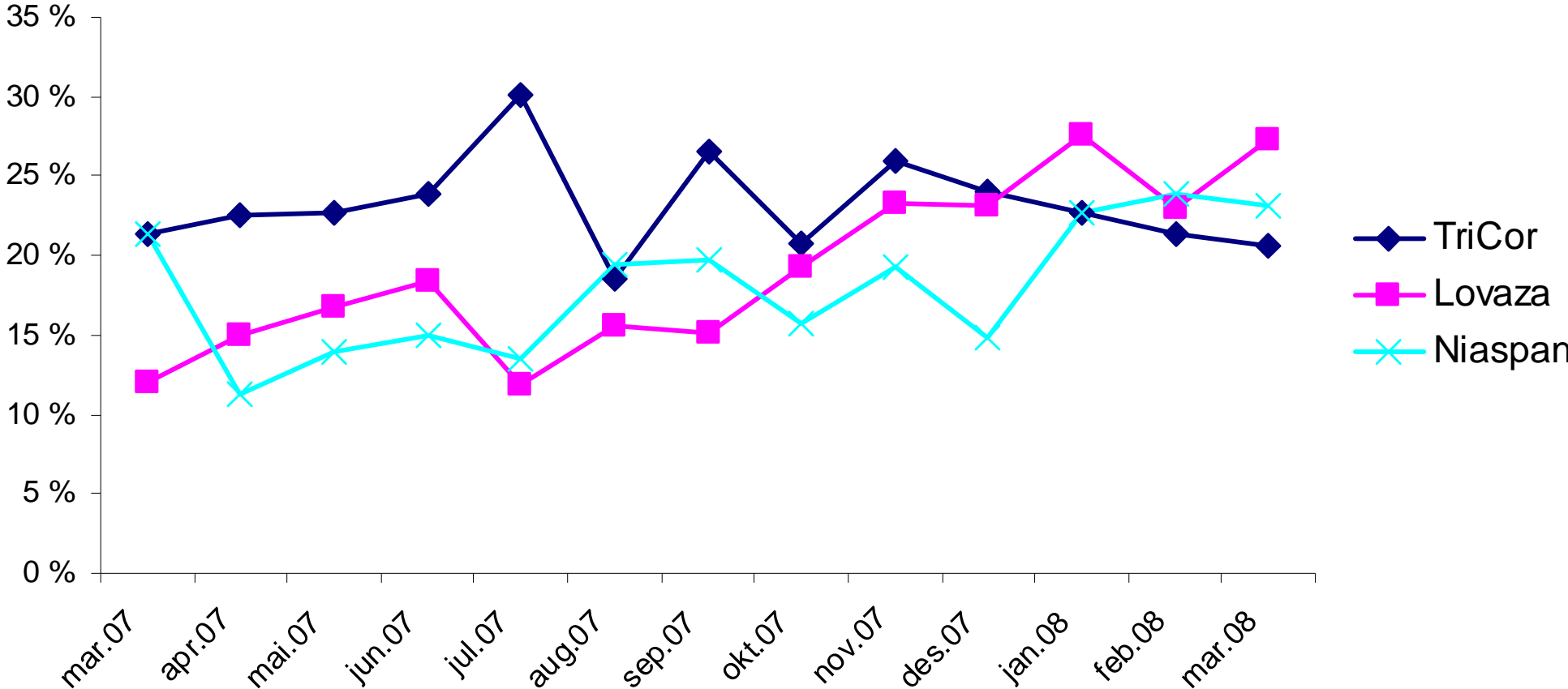


Share of new written prescription starts (NWRx) – primary care



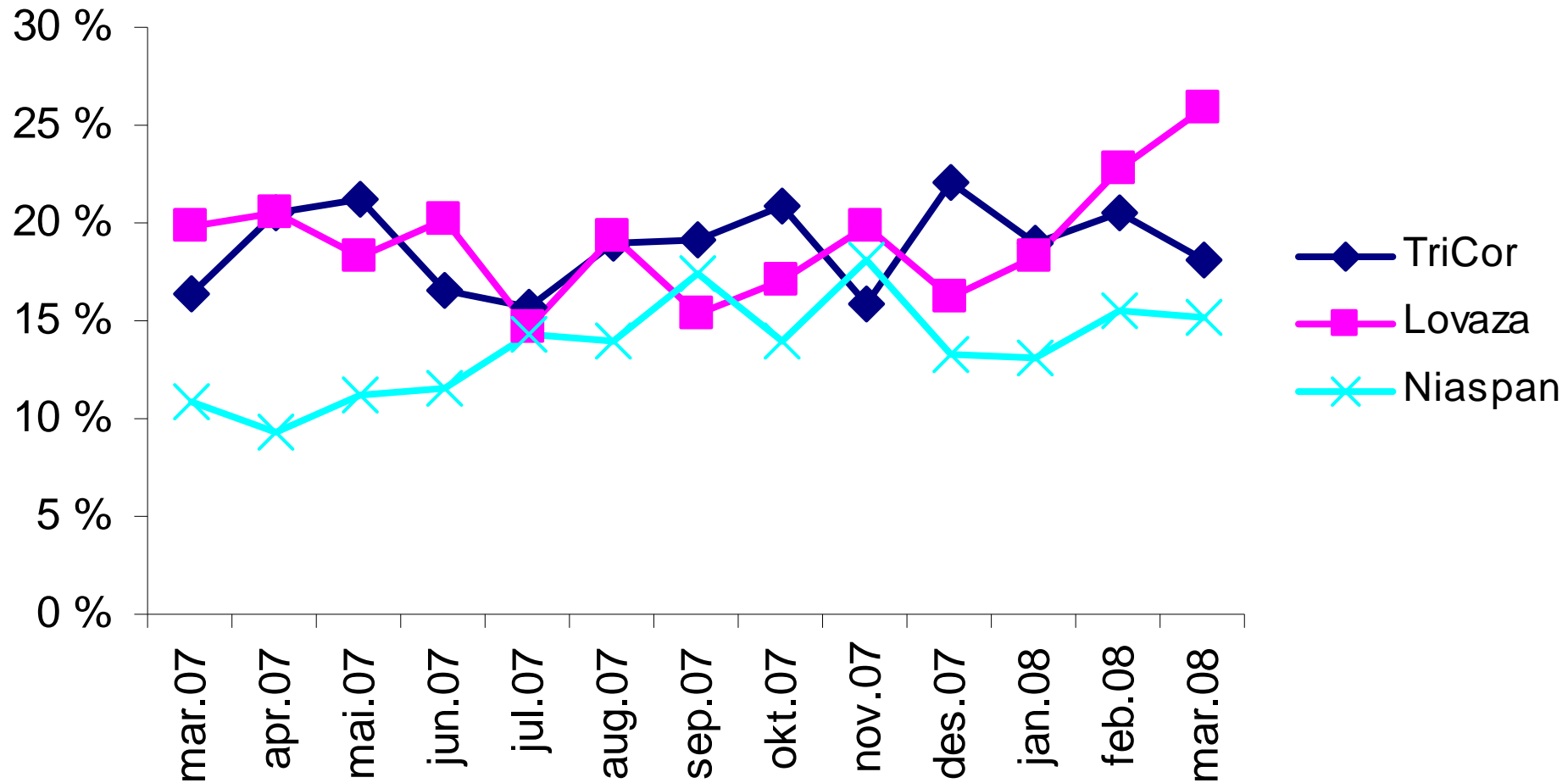
Source: Impact Rx

Share of new written prescription starts (NWRx) – cardiologists



Source: Impact Rx

Share of new written prescription starts (NWRx) Add-on therapy (primary care)



Source: Impact Rx

Research & development



Diversified pipeline of clinical programs

	Indications	Pre-clinical	Phase I	Phase II	Phase III	Market
Monotherapy						
Omacor/Lovaza	HTG	→	→	→	→	→
	Post MI	→	→	→	→	→
	Atrial fibrillation	→	→	→	→	
	Heart failure	→	→	→	→	
	Primary prevention of cardiovascular disease (Diabetes type II)	→	→	→	→	
New formulations (bioequivalence)						
Omacor + Simvastatin ¹	Dyslipidemia				→	
Capsule technology ²					→	
New products						
PRB programmes	Cardiovascular	→				
	Metabolic	→				
	Chronic inflammation	→				

¹) Fixed combination expected to be in clinical trials in 2008

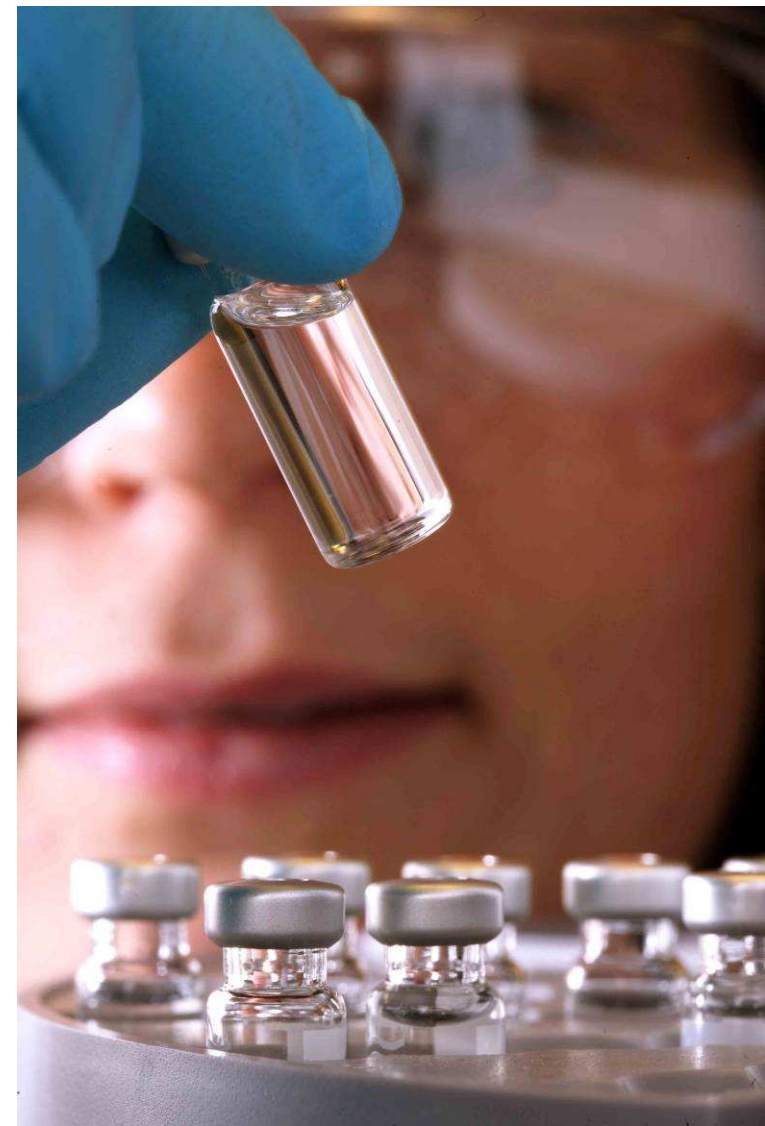
²) Alginate capsule expected to be in clinical trials in 2010

Good progress in R&D activities

(1/2)

- **GISSI Heart Failure Study**

- *the GISSI Group study begins analysis of data in June*
- *expected to present at the European Society of Cardiology meeting in Munich September 2008*
- *primary endpoints of the study are all-cause death and all-cause death or cardiovascular hospitalisation*



Good progress in R&D activities continued (2/2)

- **Atrial Fibrillation**

- *investigates the efficacy and safety of Lovaza/Omacor in the prevention of atrial fibrillation relapse in patients with identified atrial fibrillation.*
- *the study is progressing well and is expected to report in 2009*

- **OM9L**

- *investigates the efficacy and safety of Lovaza/Omacor in combination with escalating doses of atorvastatin on non-HDL cholesterol and other lipid parameters*
- *the study is expected to report in 2009*

- **Alginate capsule technology**

- *the development programme is proceeding according to plan*
 - *manufacturing process*
 - *pre-clinical studies*
- *clinical trial with alginate capsules is expected to commence in 2009*

- **Fixed-dose combination program**

- *several initiatives are ongoing regarding fixed-dose combination with statins*
- *clinical trial a fixed-dose combination formulation will be initiated in 2008*

Production



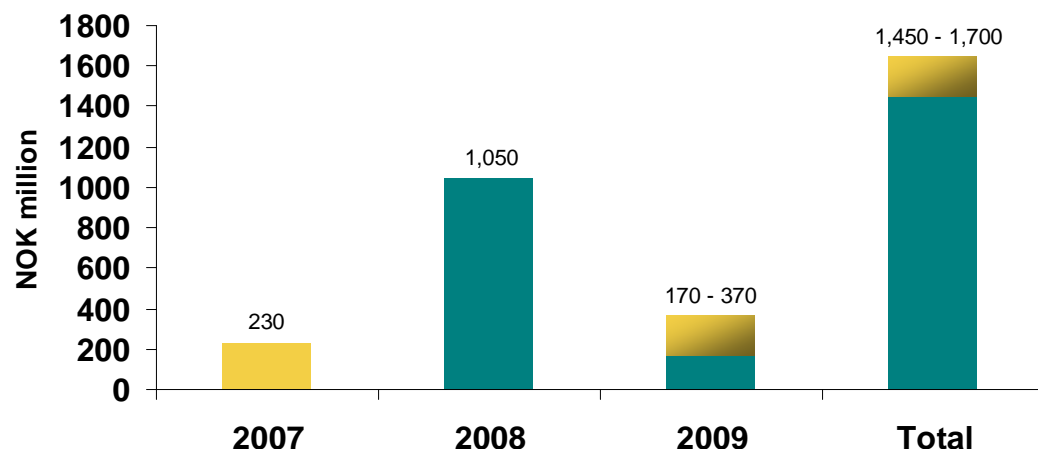
Kalundborg: Progress as planned

- **Kalundborg project on plan and budget**
 - *mechanical completion of plant Q3 2009*
 - *approximately 65% of expected procurement cost committed*
- **31 new employees**
 - *all undertaking an extensive training programme both in Sandefjord and in Denmark*
- **Groundwork and site preparation finalised**
 - *key equipment delivered on schedule*
- **First commercial shipment of API Q1 2010**
- **Recruitment program accelerated**

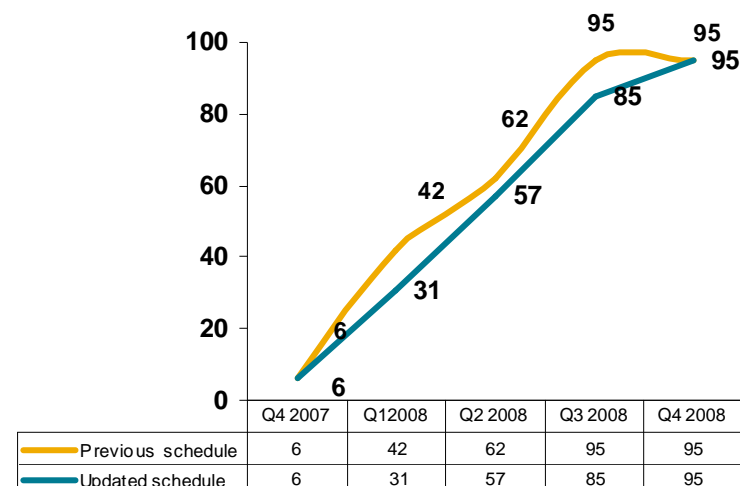
On track to double capacity in 2010

Stable investment prognosis

Expected investment profile

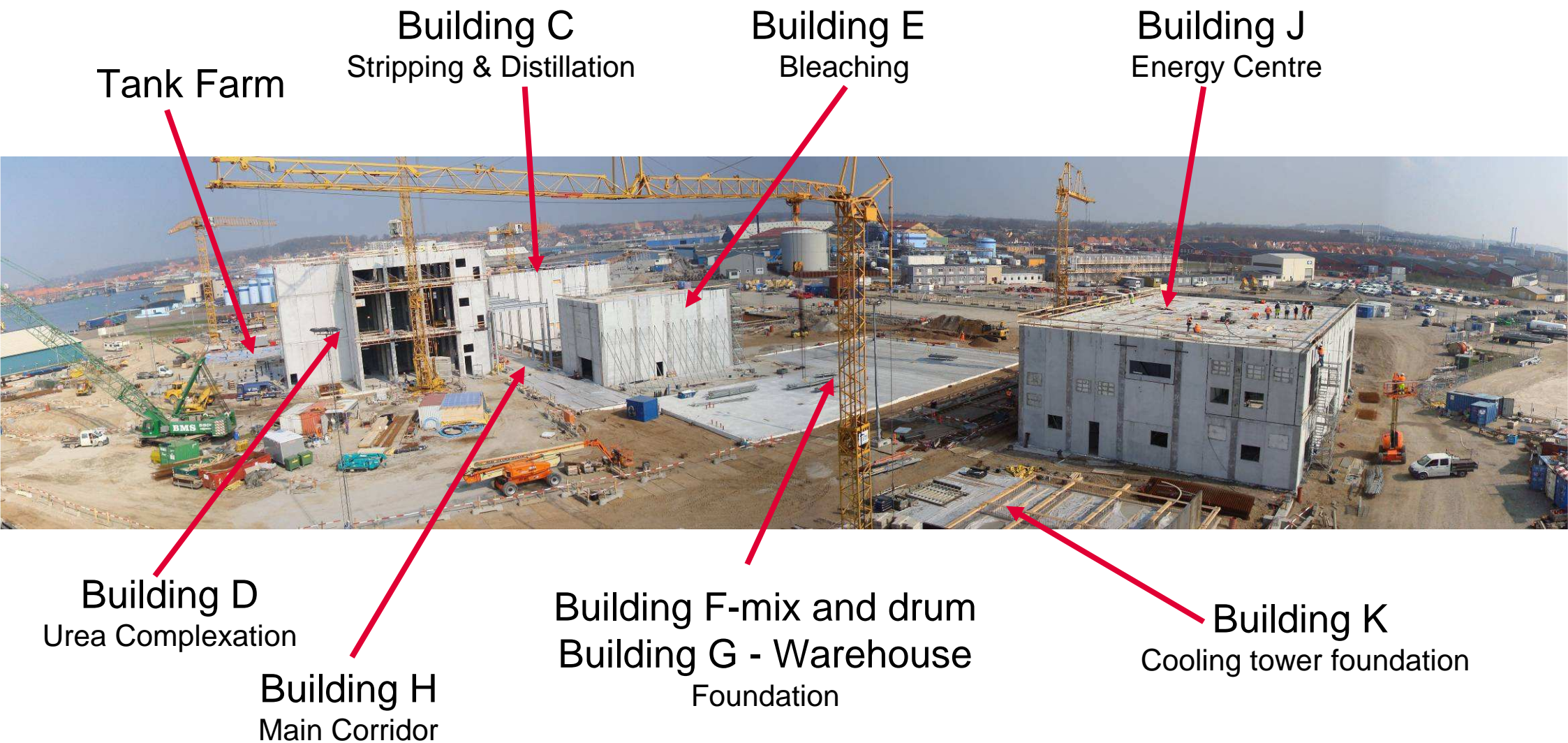


Estimated employee ramp-up



- Operational expenditure accelerated in 2008
- Capital expenditure according to plan
- Total investment prognosis remains at NOK 1.45 to 1.70 billion

Construction progress as of March 2008



Kalundborg 22 April 2008



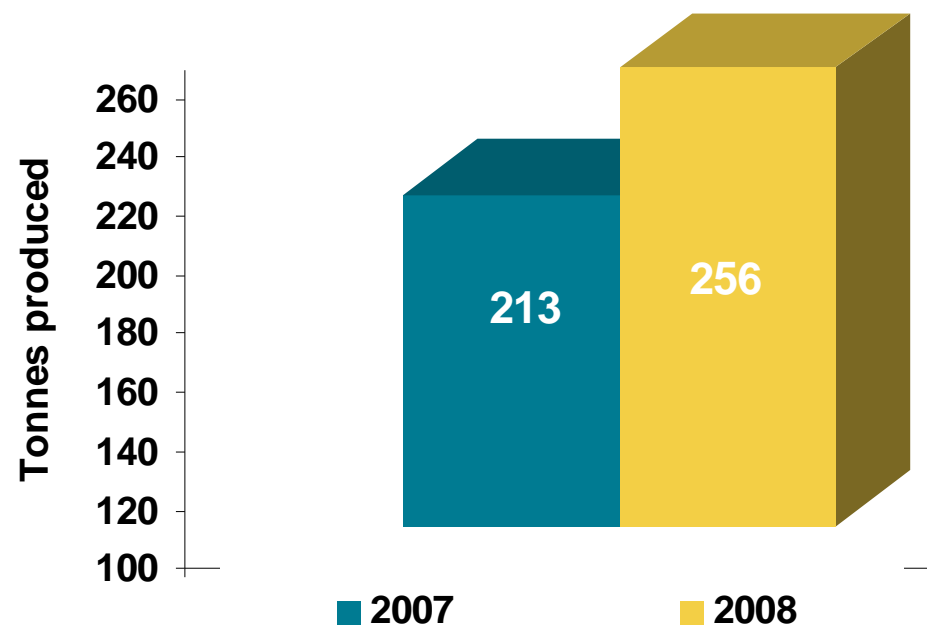
6 May, 2008

28

On track for 2008 target of 1 200 tonnes

- Q1 production: 256 tonnes
- Q1 Shipped volumes : 239 tonnes
- 2008 target: 1 200 tonnes
- Optimisation continues
- In-sourcing of intermediaries Q2 - Q4 2008
- High quality raw material secured
 - Above 18 months stock

Quarterly production volumes



Litigation



Litigation action update

- **German infringement case**

- *in the process of being appealed*
- *no decision expected by the end of patent expiry date*

- **Italian infringement case in Rome**

- *action against Chiesi Farmaceutici has not been concluded*
- *final written responses were given by both parties in January 2008*
- *court decision expected in Q2*

- **Nullity action in Milan**

- *still in process, final hearing held in February 2008*
- *parties have exchanged final pleadings*
- *expected decision rendered towards the end of 2008*

Outlook



Outlook

- On track to meet full-year production target of 1 200 tonnes in 2008
- Kalundborg on time and on budget
 - *previously announced acceleration of project will impact 2008 EBITDA margin*
 - *total estimated CAPEX unchanged*
 - *target of first shipment unchanged and expected in Q1 2010*
- Important life-cycle and extension programmes expected in 2008
 - *GISSI-HF (congestive heart failure)*
 - *OM8Afib (atrial fibrillation)*
 - *OM9L (concomitant treatment of Omacor/Lovaza with atorvastatin) clinical trials*
- Continued strong sales growth expected
 - *driven by the US and the investment from GSK*
- Strong demand for Omacor/Lovaza expected to continue to drive end-user sales

