

PRONOVA BIOPHARMA Q2 AND H1 2011 RESULTS

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12 AUGUST 2011



Disclaimer:

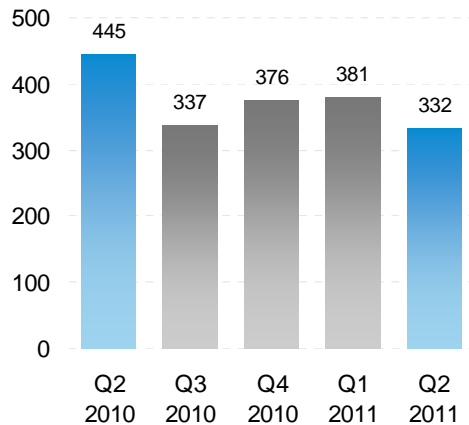
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HIGHLIGHTS Q2

- Continued strong profitability and cash flow
- Successful cost efficiency programme
- Approaching ruling in US patent litigation
- Continued focus and progress in growth initiatives

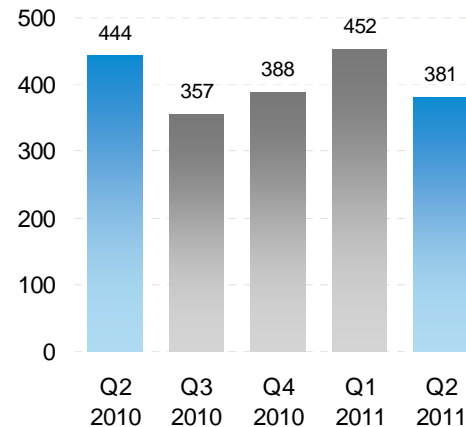
SHIPMENTS

Tonnes



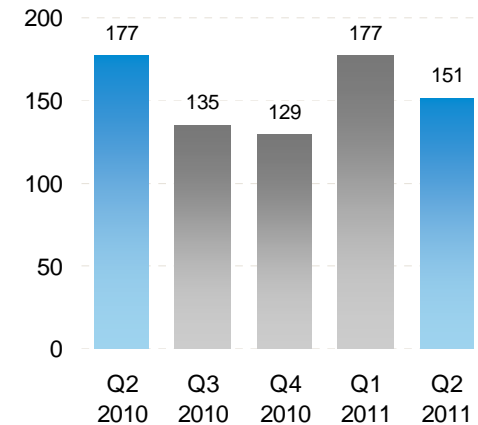
REVENUES

NOK million



EBITDA

NOK million

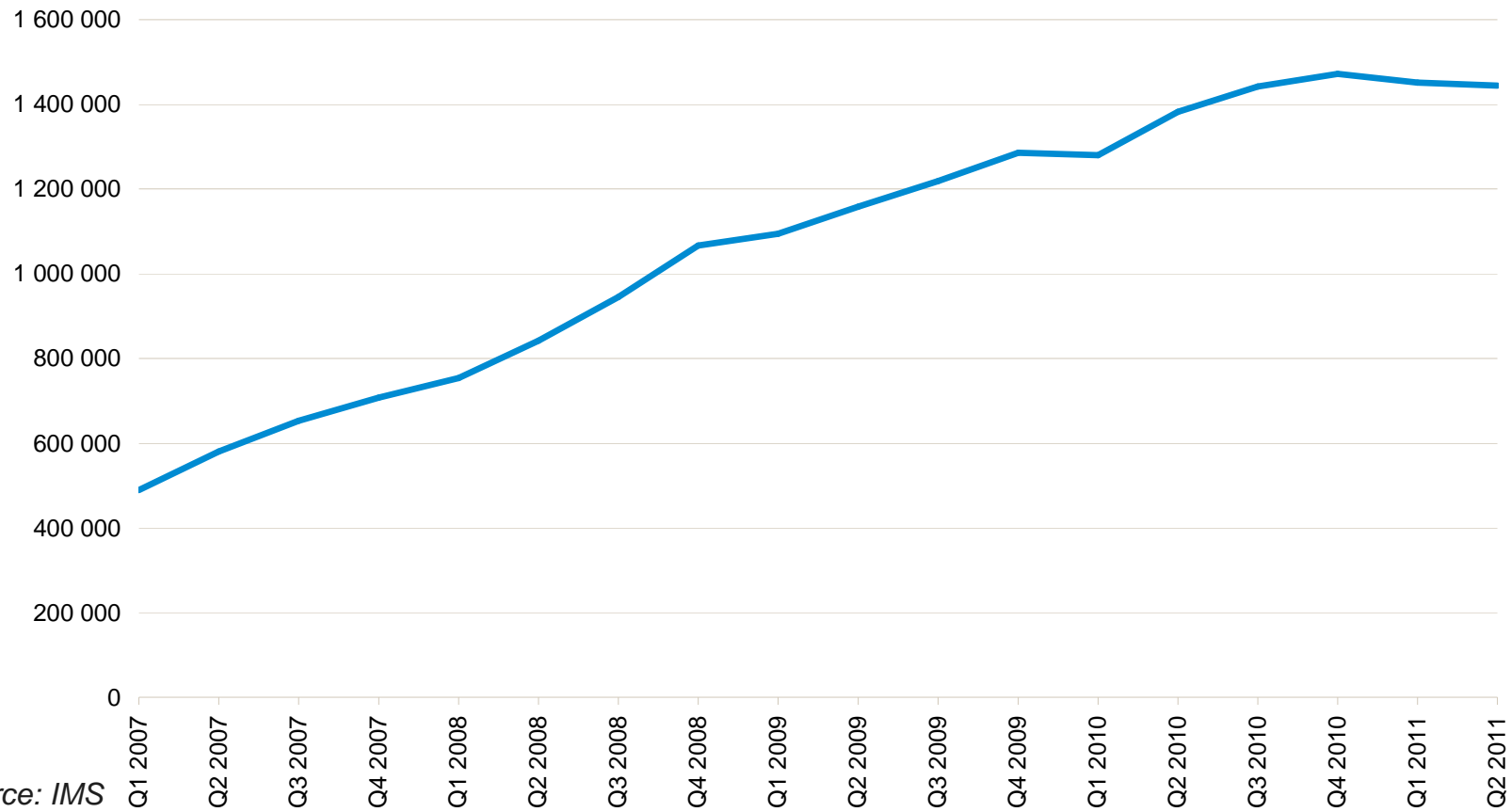


LOVAZA™:

8.8 PER CENT GROWTH IN H1

TOTAL PRESCRIPTIONS

TRx

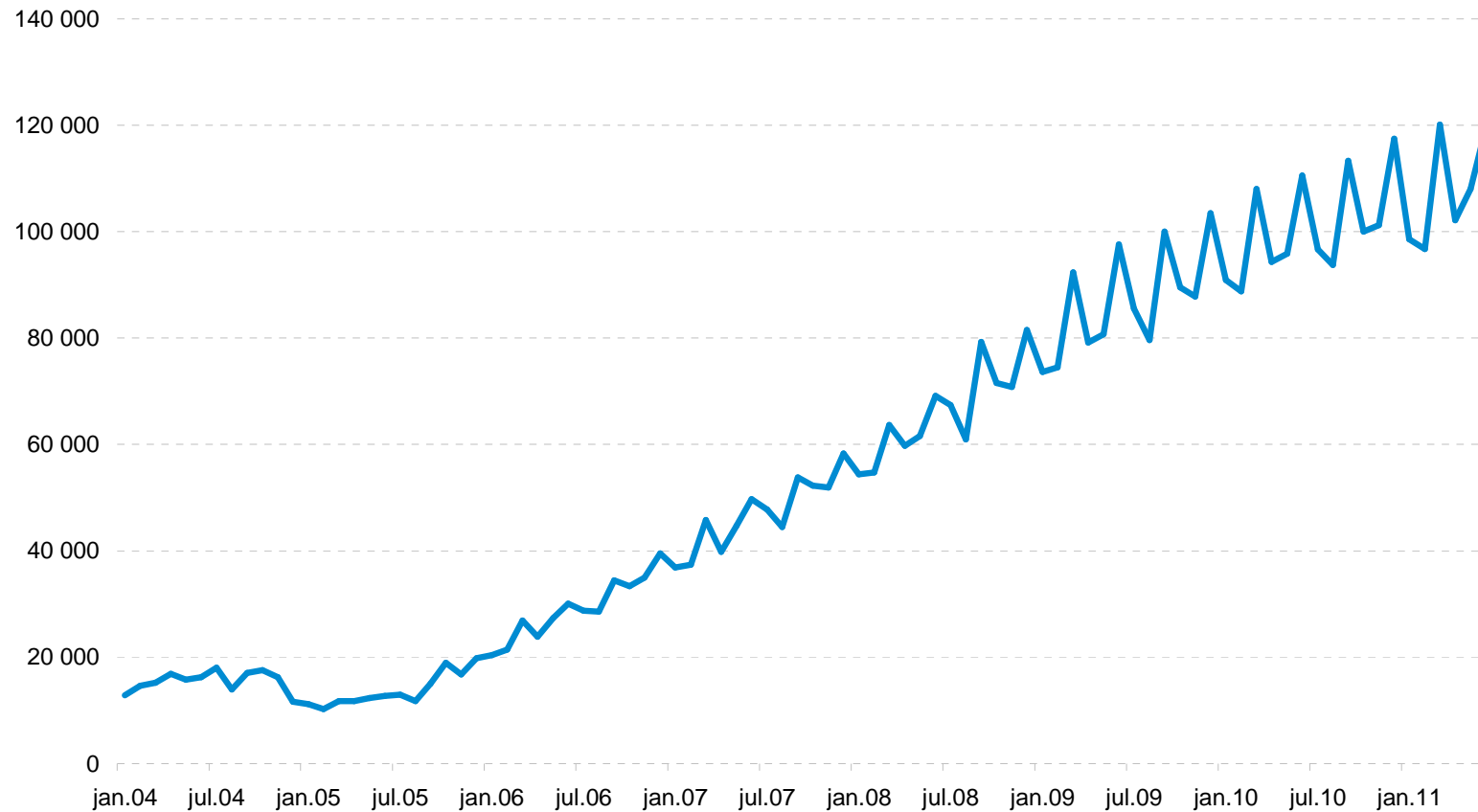


Source: IMS

END USER SALES IN 8 MAJOR MARKETS: 10 PER CENT GROWTH IN H1

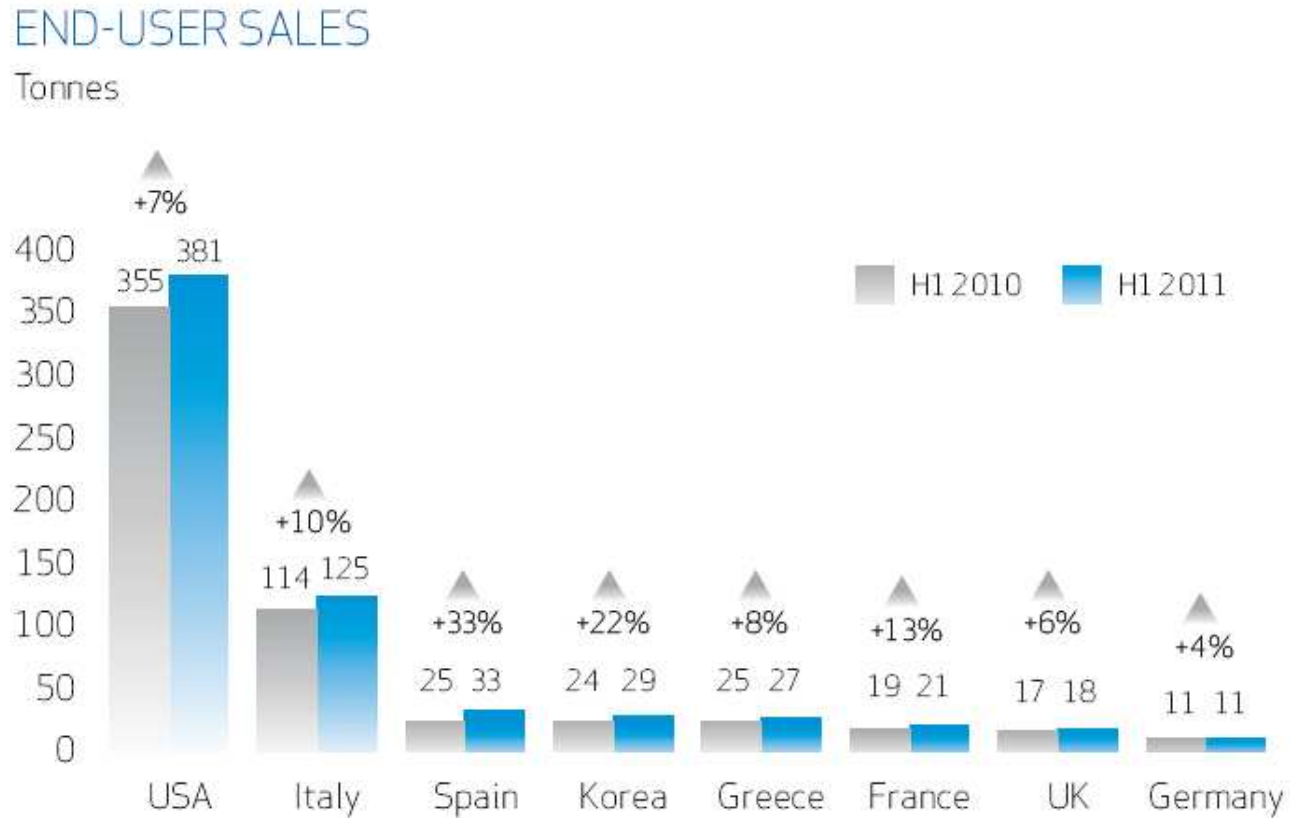
CAPSULES

1000s



Source: IMS

END USER SALES IN 8 MAJOR MARKETS: CONTINUED GROWTH IN ALL MARKETS

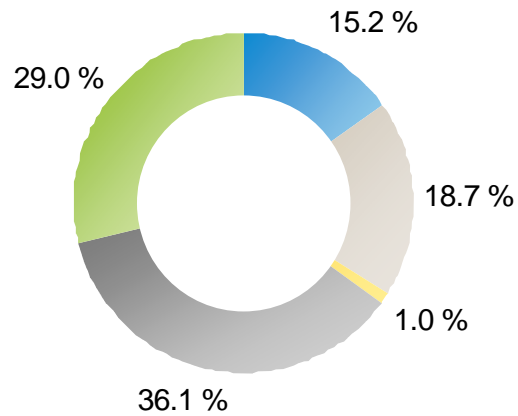


Source: IMS

LOVAZA™:

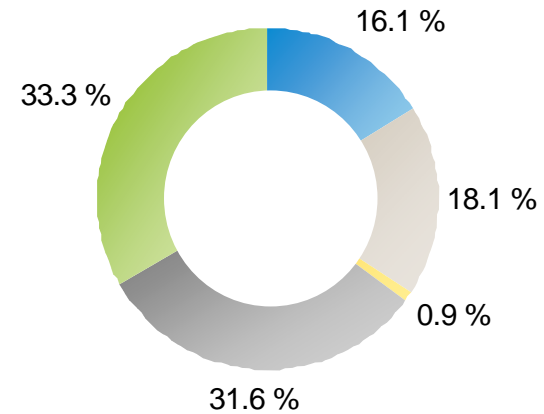
MARKET SHARE - NEW PRESCRIPTIONS

Q2 2010



■ Lovaza ■ Niaspan ■ Antara ■ Tricor +Trilipix ■ Others

Q2 2011



■ Lovaza ■ Niaspan ■ Antara ■ Tricor +Trilipix ■ Others

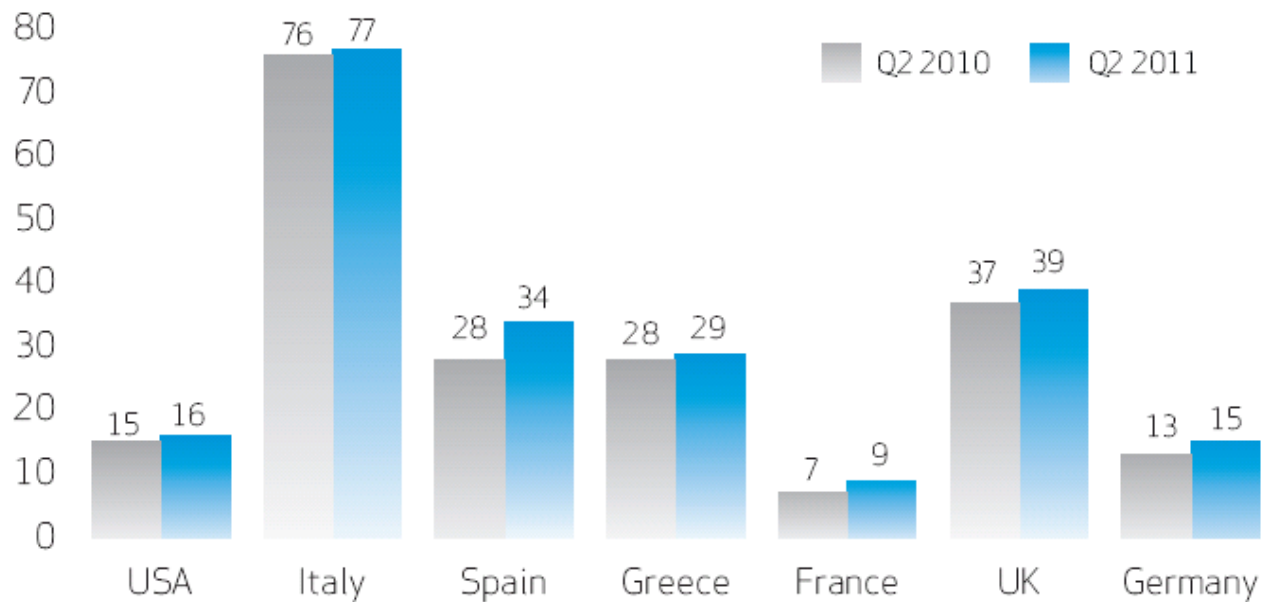
Source: IMS

OMACOR®/LOVAZA™:

MARKET-SHARE IN NON-STATIN DYSLIPIDEMIC MARKET

MARKET SHARE IN NON-STATIN DYSLIPIDEMIC MARKET

Per cent of capsules sold



Source: IMS

NEW MARKETS

- On track for launch in Japan in 2013
 - World's second largest pharmaceutical market
- Geographical expansion into emerging markets continues
 - Regulatory approval in Argentina and Macedonia in Q2 2011
 - Launch in Venezuela in Q3 2011
- Expected regulatory approvals in 2011/2012
 - Brazil
 - India
 - Hong Kong
 - South Africa
 - Malaysia

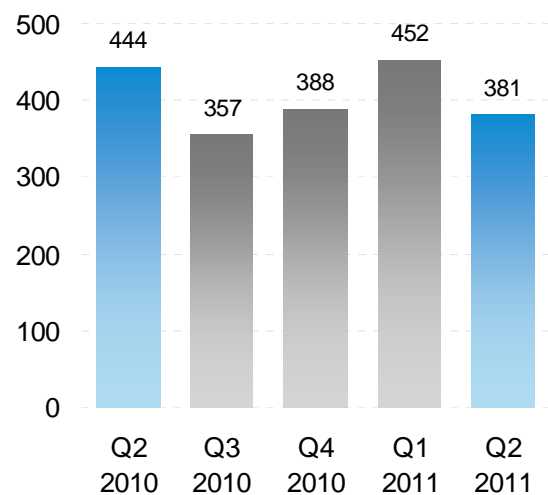
02

FINANCIAL REVIEW
Q2 AND H1 2011

REVENUES AND SHIPMENTS

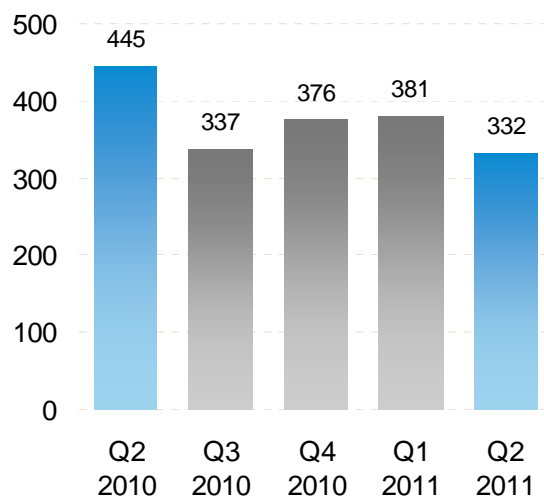
REVENUES

NOK million



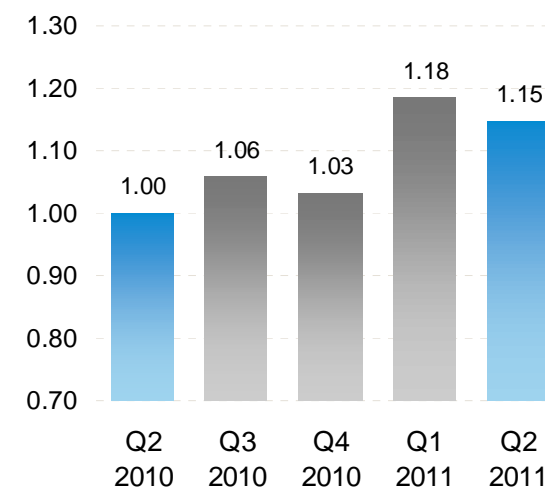
SHIPMENTS

Tonnes



REVENUE/SHIPMENT

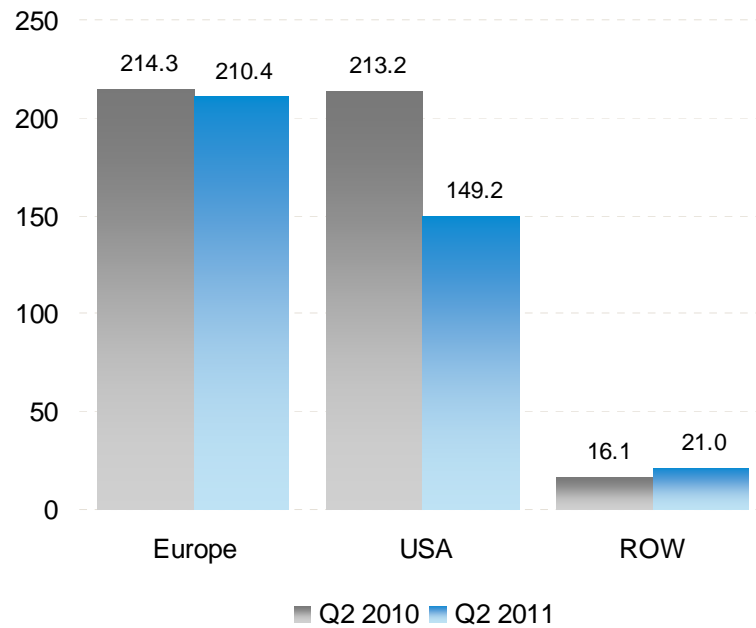
Ratio



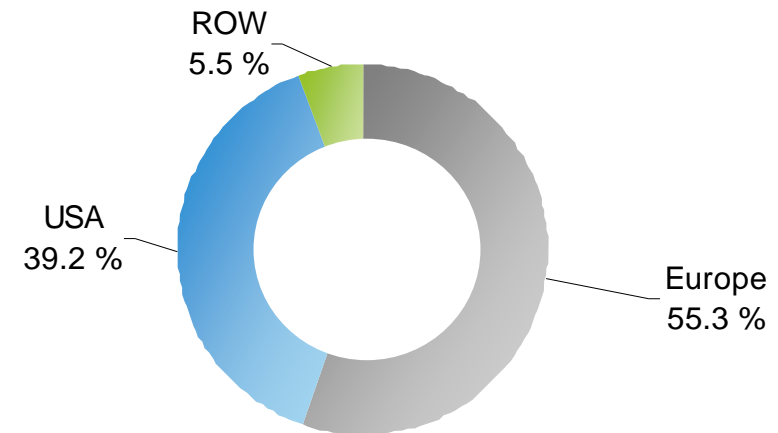
REVENUES BY GEOGRAPHY

REVENUE BY MARKET

NOK million



REVENUES SPLIT BY MARKET Q2 2011

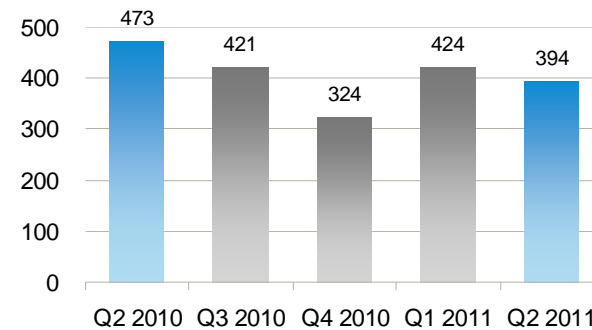


OPERATIONAL PERFORMANCE

- Production 394 tonnes
- Shipments 332 tonnes
- Gross margin 78 per cent
 - Cost efficiency program
 - Higher revenues per shipped tonne

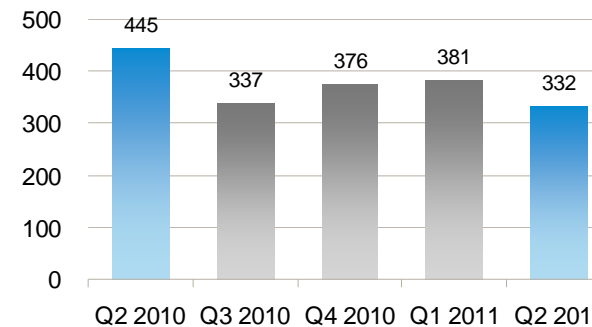
PRODUCTION BY QUARTER

Tonnes



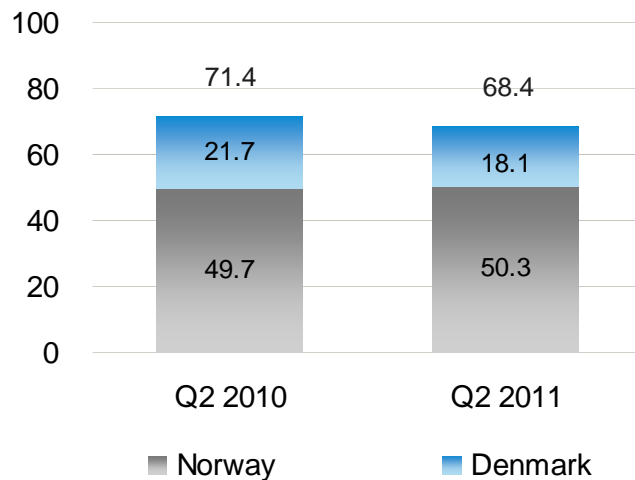
SHIPMENTS BY QUARTER

Tonnes

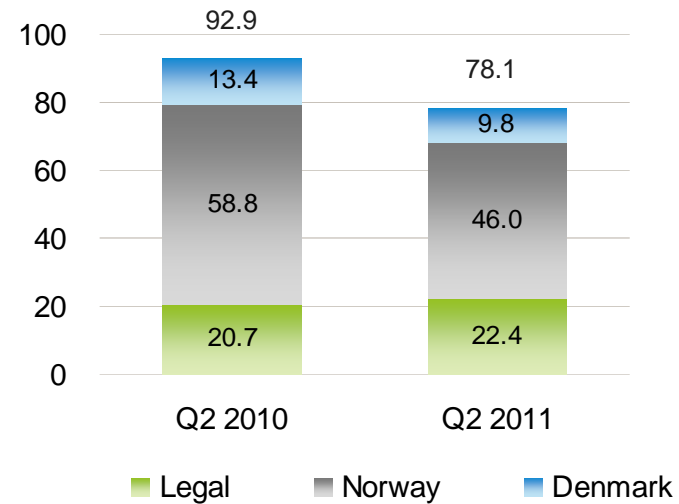


SUCCESSFUL COST EFFICIENCY PROGRAMME

EMPLOYEE BENEFIT EXPENSES
NOK million

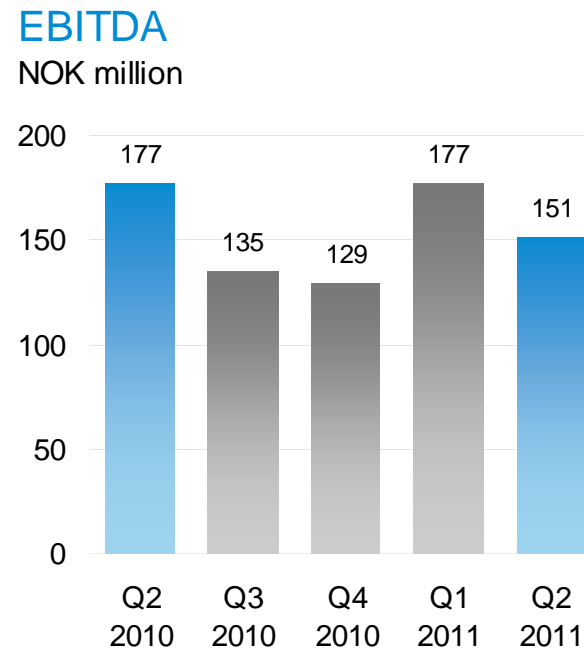


OTHER OPERATING EXPENSES
NOK million



Q2 EBITDA NOK 151 MILLION

- Reduced shipments
- Higher prices
- Cost efficiencies including yield improvements

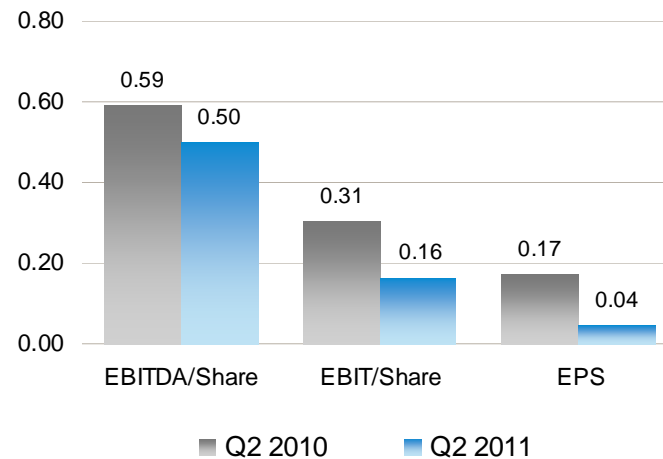


PROFIT PER SHARE

- EBITDA per share in the quarter was NOK 0.5
- Change in amortisation profile following US settlement increases amortisation negatively impacts EBIT
- Net interest payment Q2 NOK 28.7 million

PROFIT PER SHARE

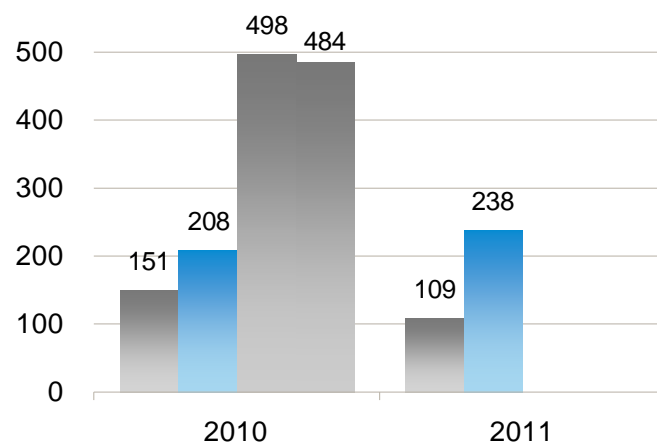
NOK



CASH FLOW

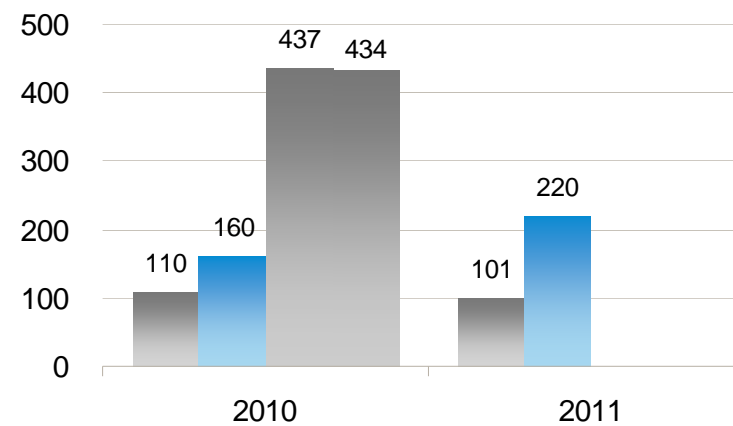
CASH FLOW FROM OPERATIONS

NOK million



FREE CASH FLOW

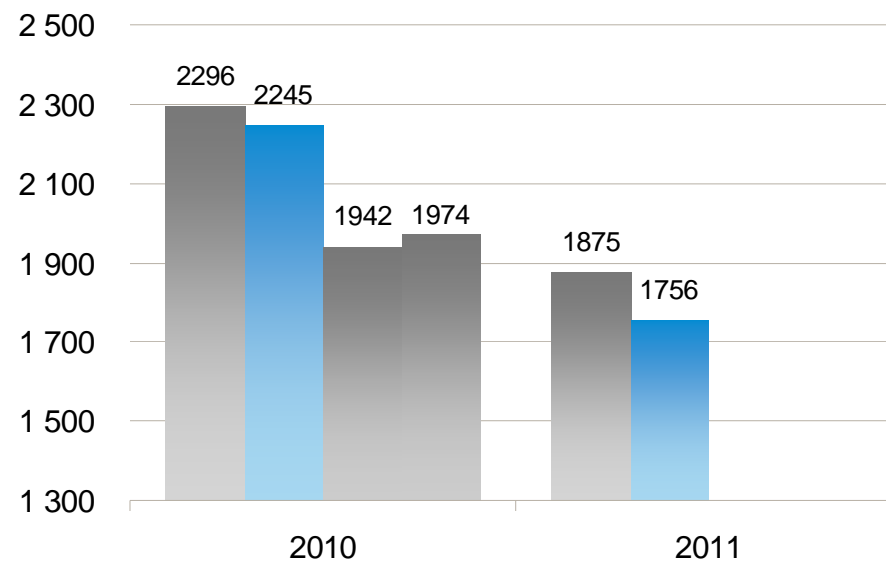
NOK million



CONTINUED STRENGTHENING OF FINANCIAL POSITION: 488 MNOK DEBT REDUCTION Y-O-Y

NET DEBT

NOK million



03

INTELLECTUAL
PROPERTY UPDATE

US LITIGATION UPDATE

- Pronova BioPharma, Teva and Par mutually agree to dismiss the second ANDA litigation
- Pronova BioPharma has chosen, at this time, not to assert patents against Endo awaiting a ruling in the first ANDA litigation



Ruling in first ANDA litigation expected in Q4 2011 – Q2 2012

Lower legal costs anticipated from Q3 2011

04

RESEARCH &
DEVELOPMENT

LEAD COMPOUND TO ENTER PHASE I

- PRC-4016 is a structurally modified omega-3 fatty acid
- Treatment of mixed dyslipidemia
- Shown to lower both TG and LDL-c and increase HDL-c in preclinical trials
- First patients expected to be dosed in Q3 2011



First results expected by Q1 2012

OUTLOOK

OUTLOOK

- Positioned to benefit from long-term growth in existing markets
 - GSK inventory reductions
 - Challenging global economic environment
 - Awaiting trial ruling in the US
- Anticipate profitable growth in 2011 and 2012
 - Successful cost efficiency programme including yield improvements
- Continued focus on growth initiatives
 - Expanding into new markets
 - New compound to enter clinical phase in Q3 2011

Our main priorities remain increasing robustness and creating new sources of growth

05

ADDITIONAL
INFORMATION
Q2 AND H1 2011

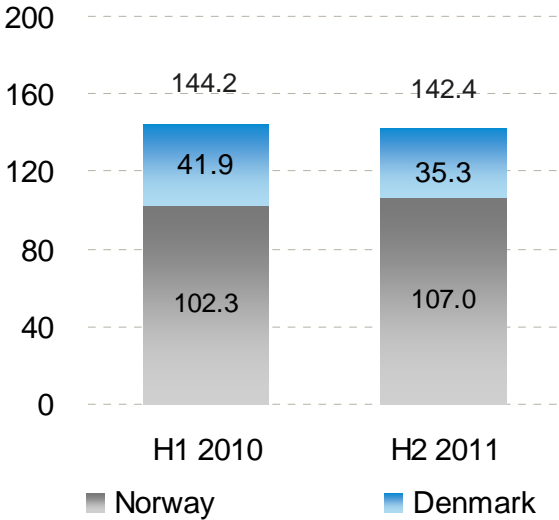
CONDENSED CONSOLIDATED INCOME STATEMENT

(All amounts in NOK 1000)	Q2 2011	Q2 2010	H1 2011	H1 2010	FY 2010
Total revenues	380 656	443 551	832 167	898 991	1 643 747
Change in inventories	6 005	20 234	15 553	43 055	61 085
Cost of materials	(89 382)	(122 221)	(211 649)	(250 299)	(457 767)
Employee benefits expense	(68 399)	(71 392)	(142 351)	(144 197)	(267 584)
Depreciation of property, plant and equipment and write downs	(63 169)	(63 840)	(126 980)	(128 254)	(257 963)
Amortisation of intangible assets	(38 828)	(21 539)	(59 350)	(43 078)	(89 057)
Other operating expenses	(78 113)	(92 878)	(165 568)	(185 053)	(352 900)
Total operating expenses	(331 885)	(351 637)	(690 346)	(707 826)	(1 364 186)
Operating profit	48 771	91 915	141 821	191 165	279 561
Net financial items	(32 078)	(21 115)	(48 468)	(67 322)	(136 242)
Profit before tax	16 693	70 800	93 353	123 843	143 320
Income tax expense	(3 555)	(19 136)	(24 397)	(39 446)	(44 826)
Net profit for the period	13 138	51 663	68 956	84 396	98 494
Earnings per share (in NOK) - basic and diluted	0.04	0.17	0.23	0.28	0.33
EBITDA	150 768	177 294	328 151	362 497	626 581
EBITDA margin	39.6 %	40.0 %	39.4 %	40.3 %	38.1 %

OPERATING EXPENSES H1 2011

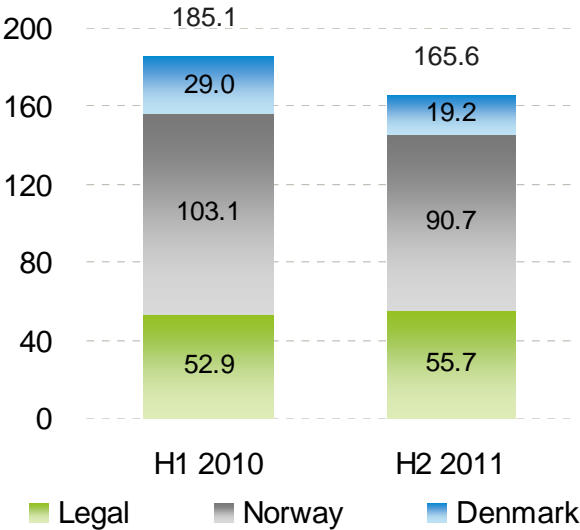
EMPLOYEE BENEFIT EXPENSES

NOK million



OTHER OPERATING EXPENSES

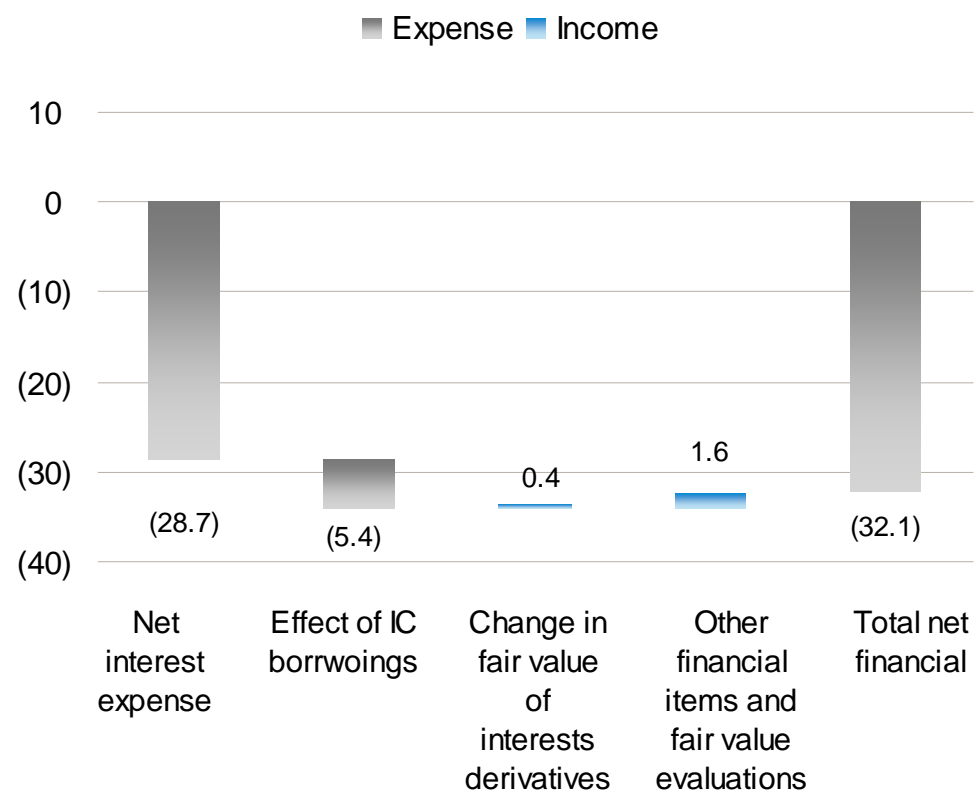
NOK million



INCOME STATEMENT: NET FINANCE Q2 2011

NET FINANCE Q2 2011

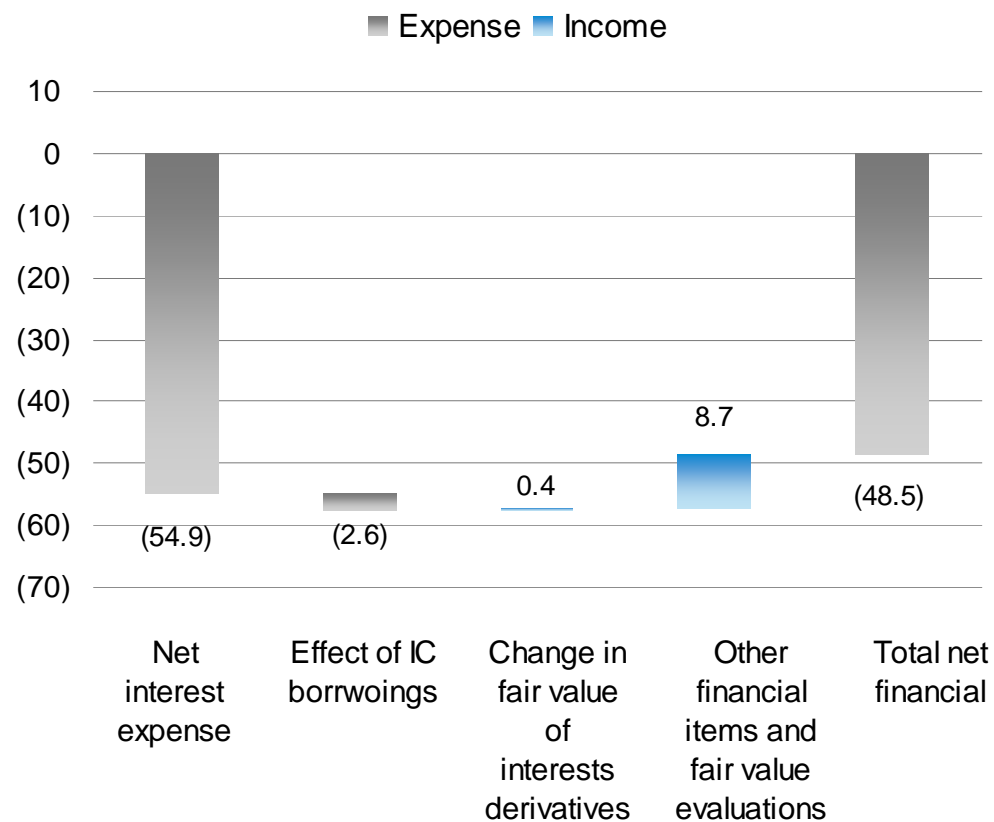
NOK million



INCOME STATEMENT: NET FINANCE H1 2011

NET FINANCE H1 2011

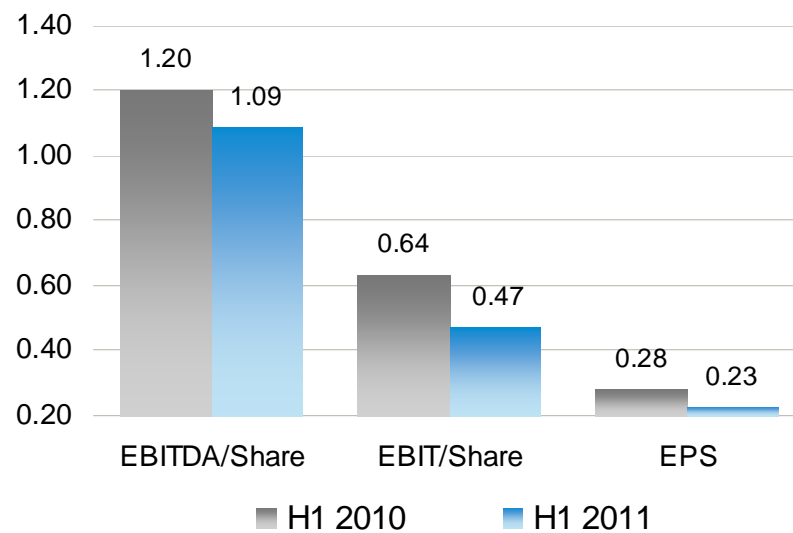
NOK million



PROFIT PER SHARE H1

PROFIT PER SHARE

NOK



CONSOLIDATED STATEMENT OF FINANCIAL POSITION: TOTAL ASSETS

(All amounts in NOK 1000)	30.06.2011	30.06.2010	31.12.2010
ASSETS			
Non-current assets			
Property, plant and equipment	2 272 048	2 563 419	2 394 140
Goodwill	633 453	633 453	633 453
Other intangible assets	579 713	674 420	632 737
Deferred tax assets	3 919	29 860	-
Other financial assets	50 415	22 487	44 731
Total non-current assets	3 539 547	3 923 639	3 705 060
Current assets			
Inventories	473 509	496 850	516 755
Trade and other receivables	212 653	258 556	239 309
Other financial assets	88 646	-	22 014
Cash and cash equivalents	62 268	177 029	119 752
Total current assets	837 076	932 435	897 830
Total assets	4 376 623	4 856 074	4 602 891

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: TOTAL EQUITY AND LIABILITIES

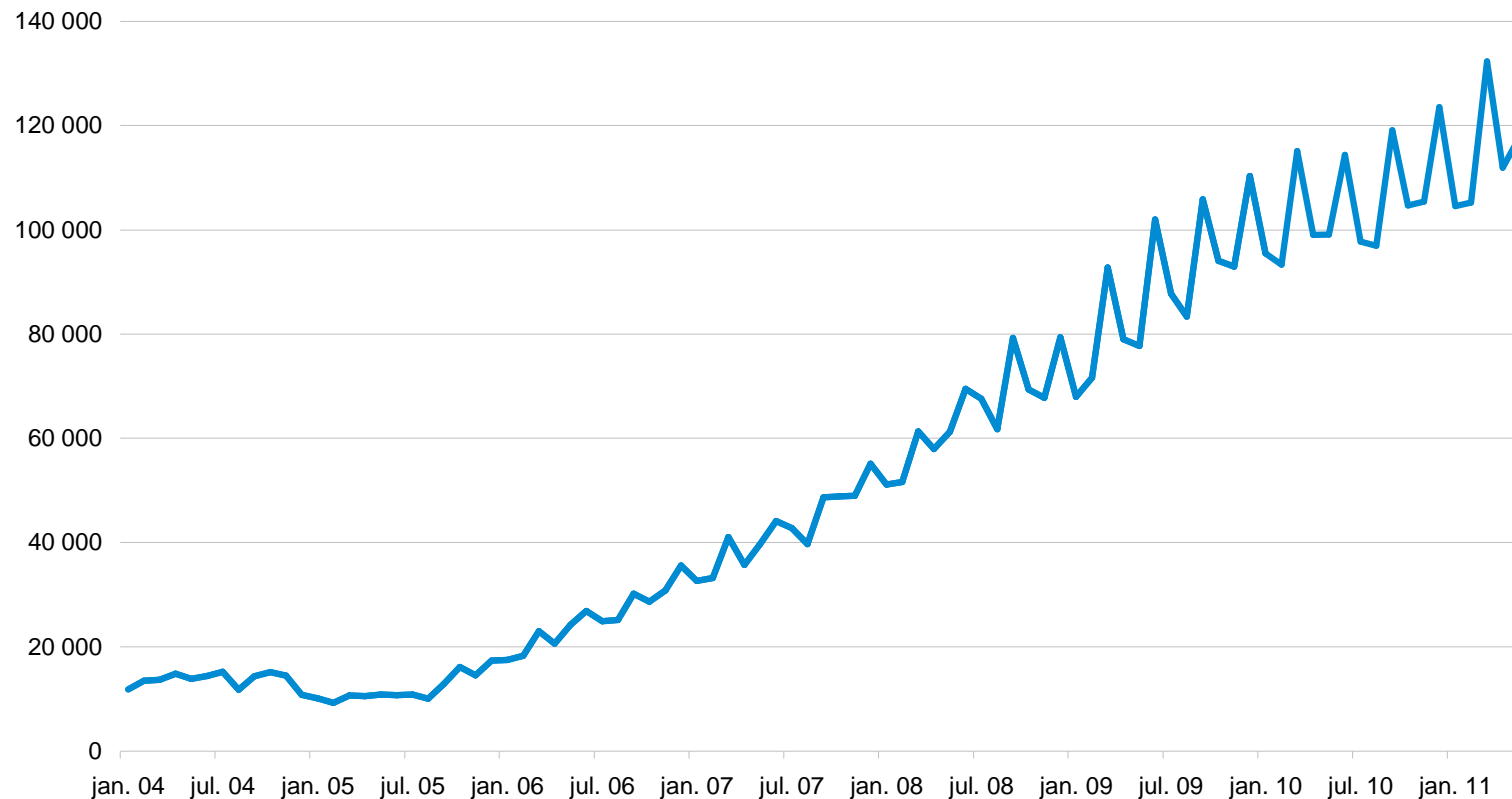
(All amounts in NOK 1000)	30.06.2011	30.06.2010	31.12.2010
EQUITY AND LIABILITIES			
Equity			
Share capital	6 017	6 017	6 017
Share premium reserve	579 665	579 665	579 665
Retained earnings	983 656	900 601	914 699
Reserves	44 875	(95 880)	(4 658)
Total equity	1 614 213	1 390 403	1 495 722
Non-current liabilities			
Deferred tax liabilities	209 179	171 349	223 696
Borrowings	1 677 626	2 204 026	1 948 457
Deferred revenues	225 286	234 879	271 800
Retirement benefit obligation	22 364	22 209	22 770
Other financial liabilities	-	3 410	465
Total non-current liabilities	2 134 455	2 635 873	2 467 189
Current liabilities			
Trade and other payables	192 823	187 400	208 505
Borrowings	141 118	217 755	145 145
Other financial liabilities	-	132 878	423
Current tax liabilities	31 315	102 056	9 365
Deferred revenues	81 056	24 765	72 017
Other liabilities	144 588	144 282	180 955
Provisions	37 055	20 663	23 570
Total current liabilities	627 955	829 798	639 980
Total liabilities	2 762 410	3 465 671	3 107 169
Total equity and liabilities	4 376 623	4 856 074	4 602 891

CONSOLIDATED CASH FLOW STATEMENT

(All amounts in NOK 1000)	Q2 2011	Q2 2010	H1 2011	H1 2010	FY 2010
Cash flow from operating activities					
Profit before tax	16 693	70 800	93 353	123 843	143 320
Unrealised group internal currency loss(+)/gains(-)	5 360	9 104	2 626	54 238	78 452
Taxes paid in the period	(19 600)	(61 395)	(41 402)	(123 844)	(183 672)
Depreciation and amortisation and write downs	101 997	85 379	186 330	171 332	347 020
Gain on disposal of property plant and equipment	-	1	-	1	(412)
Expensed borrowing costs	1 134	-	2 562	279	3 827
Pension costs, without cash effect	506	812	(406)	(296)	266
Currency effects	10 886	(1 612)	6 497	(2 621)	(5 111)
Changes in inventories	11 076	(100 576)	43 246	(177 541)	(197 446)
Changes in trade receivables	33 558	41 637	10 374	98 597	78 327
Changes in trade payables	18 909	(23 914)	(15 682)	37 161	57 601
Changes in other current assets/liabilities	(51 674)	36 790	(49 986)	26 563	162 292
Net cash from operating activities	128 844	57 027	237 511	207 713	484 465
Cash flow from investing activities					
Payments for property, plant and equipment	(9 725)	(6 344)	(17 712)	(47 516)	(63 492)
Proceeds from sale of property, plant and equipment	-	-	-	-	13 090
Net cash from investing activities	(9 725)	(6 344)	(17 712)	(47 516)	(50 403)
Cash flow from financing activities					
Repayment of long term debt	(205 993)	(101 055)	(277 281)	(102 414)	(433 308)
Net cash from financing activities	(205 993)	(101 055)	(277 281)	(102 414)	(433 308)
Effect of currency translation of bank deposits, cash and cash equivalents	(21)	(225)	(2)	(693)	(941)
Net change in bank deposits, cash and cash equivalents	(86 895)	(50 597)	(57 484)	57 090	(187)
Bank deposits, cash and cash equivalents at beginning of period	149 163	227 626	119 752	119 938	119 938
Bank deposits, cash and cash equivalents at end of period	62 268	177 029	62 268	177 029	119 752

OMACOR®/LOVAZA™ END-USER SALES: EIGHT MAJOR MARKETS (USD)

IMS SALES, 8 MAJOR MARKETS
USD, 000s

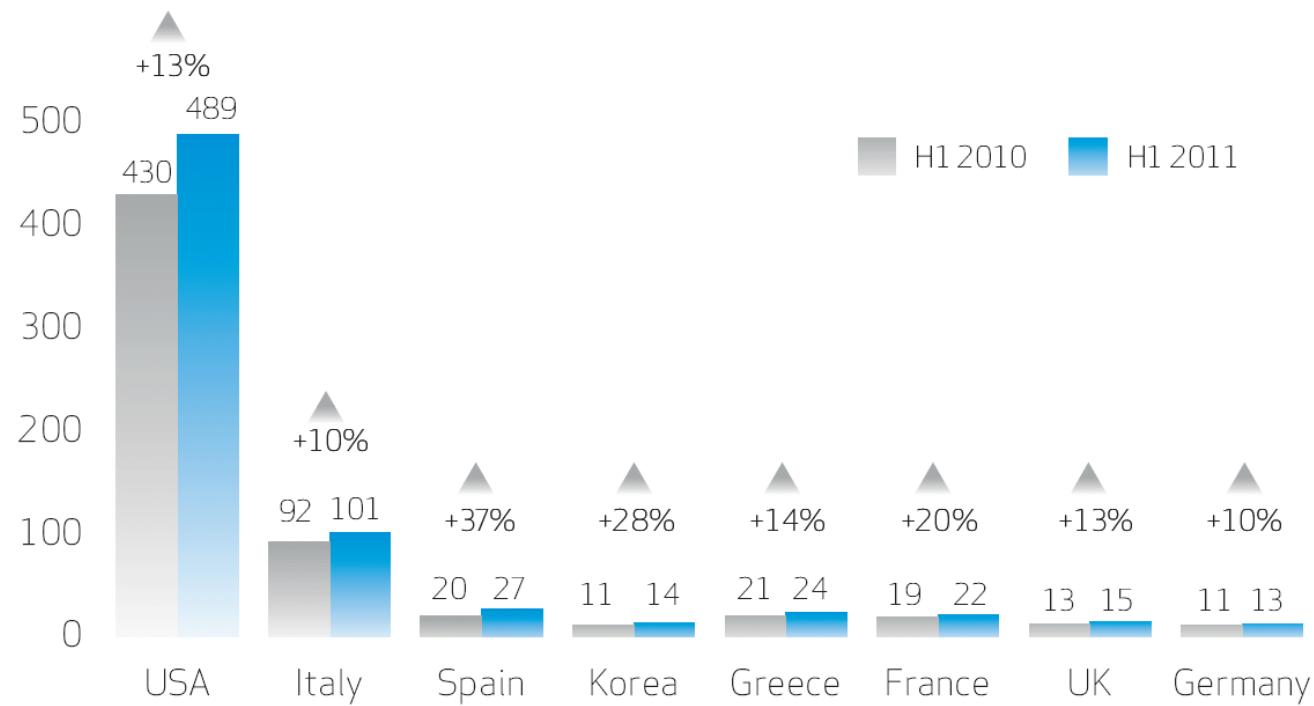


Source: IMS

OMACOR®/LOVAZA™ END-USER SALES: EIGHT MAJOR MARKETS (USD)

END-USER SALES

USD million



Source: IMS