

3rd QUARTER REPORT 2008

Pharmaceuticals

- Included 94 out of 120 patients in the first clinical phase III study with SBG for treatment of diabetic ulcers; results from interim analysis to assess possible sample size adjustments expected in November.
- Patient inclusion commenced in the first clinical phase III study with SBG for prevention and treatment of oral mucositis.
- Preparing for start of patient inclusion in the second phase III studies for both diabetic ulcers and oral mucositis later in the fourth quarter.
- Increase in R&D costs, driven by phase III studies.

Non-pharmaceuticals

- Completed divestment of Animal Health business with net cash proceeds of NOK 34.6 million and recognized divestment gain of NOK 32.6 million in the Income Statement.
- Positive development in revenue and operating profits in the continuing operations.
- Divestment gain generated a net profit of NOK 13.6 million and a positive net cash flow of NOK 22.6 million for the quarter for the Group.

(NOKm)	Q308	Q3 07	9M08	9M07
Revenues	13.1	11.2	38.6	34.7
EBITDA	-18.3	-8.3	-47.8	-23.2
Profit before tax	-17.4	-7.1	-44.7	-22.7
Net profit	13.6	-4.3	-13.3	-14.1

EBITDA per segment

(NOKm)	Q308	Q3 07	9M08	9M07
Non-pharmaceuticals	1.2	-0.2	-2.3	2.1
R&D	-15.2	-5.1	-36.1	-16.3
Unallocated expenses	-4.3	-2.9	-9.4	-9.0
Total EBITDA	-18.3	-8.3	-47.8	-23.2

Note: Historical figures have been restated to reflect divestment of Animal Health

Outlook

- The clinical phase III programs progress according to schedule, with the objective remaining to file for marketing authorisations for SBG for treatment of diabetic ulcers and prevention and treatment of oral mucositis by mid 2010.
- R&D costs are expected to amount to approximately NOK 75 million in 2008, which is in the low end of the previously communicated cost range. The exact amount will depend on the initiation of individual study centres and patient inclusion rates.
- Continued revenue growth and positive EBITDA expected in the remaining non-pharmaceutical business also in the fourth quarter 2008.

OPERATIONAL REVIEW

Biotec Pharmacon ASA is a bio-pharmaceutical company that develops new pharmaceutical products for treatment of immune related diseases. The company's bioactive compound SBG (soluble beta-1,3/1,6-glucan) binds to certain types of immune cells and initiates mechanisms that strengthens the ability of the immune system to repair skin and mucosal ulcers and attack and destroy cancer cells.

Biotec Pharmacon's clinical development program focuses on SBG in the treatment of chronic ulcers and on immunotherapy of cancer in combination with monoclonal antibodies. The company is in clinical phase III with SBG in two indications; (1) treatment of diabetic ulcers and (2) prevention and treatment of oral mucositis. The immunotherapy of cancer studies are in clinical phase I/II.

Biotec Pharmacon's commercial non-pharmaceutical activities involve manufacturing and sales of products that can strengthen the human immune system in (Consumer Health Products), as well as DNA-modifying enzymes of marine origin for use in gene technology research and diagnostics.

Please see the final page of this report for a description of the different disease indications and market opportunities.

Pharmaceutical development program

Technology platform	Disease area	Therapeutic area
SBG (soluble beta-glucan) which stimulates the immune system in general	Ulcers and wounds	Diabetic Ulcers Oral Mucositis
	Immunotherapy of cancer	Neuroblastoma: 3f8 mAb+SBG Breast Cancer: Herceptin+SBG Non-Hodgkin's lymphoma: Rituxan+SBG

Indication	Preclinical	Phase I	Phase II	Phase III	NDA
Diabetic ulcers					
Oral mucositis					
Immuno-therapy of Cancer					

NDA: New Drug Application

Biotec Pharmacon has initiated clinical phase III programs with SBG both for the treatment of diabetic ulcers and for prevention and treatment of oral mucositis. The company will carry out two phase III studies for each indication, with targeted populations of 120 patients per study. SBG will be studied with a non-active comparator as control agent.

Based on discussions with EMEA (the European Medicines Agency), the company's objective is to apply for marketing authorisations in Europe by mid-2010 given positive and confirmatory results from the studies.

Patient inclusion is well underway in the first of the two clinical phase III studies with SBG for diabetic ulcers, and commenced in October 2008 in the first of the two phase III studies with SBG for oral mucositis. Patient inclusion is expected to start later in the fourth quarter for two additional phase III studies, one for each indication.

ULCERS AND WOUNDS

Indicative timetable of clinical trials – diabetic ulcers

Clinical phase	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase III, Nottingham, UK	Grey bar				Black bar							
Phase III, Europe/Eastern Europe					Grey bar				Black bar			

Grey area represents period of preparation and patient inclusion, black area represents study completion and reporting.

The figure above indicates the timetable for the clinical trials with SBG for treatment of diabetic ulcers. As mentioned above, EMEA supports a position where Biotec Pharmacon may apply for marketing authorisation based on two positive, confirmatory phase III studies.

The first phase III study with SBG for treatment of diabetic ulcers involves 120 patients at Nottingham University Hospital and 10 other centres in UK and Ireland. 94 patients have been included – or 78 percent of the planned population. The results from an interim analysis to assess the potential need for adjustments of the sample size will be ready in November. This analysis will not yield any efficacy data, and will only be used to assess whether the planned study population is sufficient to generate statistically significant response data.

In co-operation with a contracted Clinical Research Organization (CRO), the company has finalised protocols for the second phase III study and signed up 17 study centres and investigators in three countries. The company has obtained all necessary study approvals in two countries and ethical review committee approval in the third, and expects to start patient inclusion in November.

Indicative timetable of clinical trials – oral mucositis

Clinical phase	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase III, Europe					Grey bar				Black bar			
Phase III, Eastern Europe					Grey bar				Black bar			

Grey area represents period of preparation and patient inclusion, black area represents study completion and reporting.

The figure above indicates the timetable for the clinical trials with SBG for prevention and treatment of oral mucositis. As for diabetic ulcers, the EMEA supports a position where Biotec Pharmacon may apply for marketing authorisation based on two positive, confirmatory phase III studies. Biotec Pharmacon has also obtained ‘orphan drug’ designation in Europe for SBG for oral mucositis in patients undergoing radiation for head and neck cancer.

In the first of the two phase III studies for oral mucositis, the first patient was enrolled at a Spanish hospital in October. This is one of 20 study centres in three European countries included in the study, and Biotec Pharmacon has received approvals for start-up in the majority of the centres. Biotec Pharmacon and its CRO completed the protocol for the second phase III study for oral mucositis in the third quarter. The study is planned to involve 20 centres in four countries in Eastern Europe.

IMMUNOTHERAPY OF CANCER

Indicative timetable of clinical trials – immunotherapy of cancer

Clinical phase	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase I/II, Sloan Kettering	Grey				Black							
Phase I/II, Rikshospitalet					Grey				Black			
Phase I/II, Ullevål	Grey				Grey				Black			

Grey area represents period of preparation and patient inclusion, black area represents study completion and reporting.

Biotec Pharmacon's clinical phase I/II study program is composed of three studies where oral administration of SBG is combined with injected monoclonal antibodies for treatment of cancers. Timetables for the studies are indicated in the figure above.

44 of the planned 45 patients have now been included in the Memorial Sloan-Kettering Cancer Center (MSKCC), where SBG is being tested in combination with the monoclonal antibody 3F8 in patients with neuroblastoma. The study has so far demonstrated that orally administered SBG is very well tolerated, and that objective response has been seen in some 40-45 percent of patients having received SBG in doses up to 200 mg/kg/day. Given the progressed stage of disease development and the limitations of alternative treatment regimes, the results are considered promising, and a decision on further development of the clinical program is due in the first quarter 2009. Recruitment to the program is expected to be finalized in November, and Biotec Pharmacon expects safety results from the study by the end of 2008.

In a separate phase I/II clinical trial at Rikshospitalet, SBG is being tested in combination with the monoclonal antibody Rituxan for the treatment of non-Hodgkin's lymphoma. Patient enrolment was completed in the third quarter 2008 (12/12 patients), and Biotec Pharmacon expects safety results from the study early 2009.

Patient inclusion has remained slow in the third phase I/II cancer study with SBG and Herceptin against breast cancer. 7 out of 12 patients are included at Ullevål.

NON-PHARMACEUTICALS

Discontinued operations

During the third quarter Biotec Pharmacon divested one of the three non-pharmaceutical business segments. The divestment of the subsidiary Immunocorp Animal Health AS was concluded with effect from 1 September 2008, and included patents, trade marks, domains and licence agreements related to the animal health business. The financial implications of the divestment are described under "Financial Review".

Continuing operations

Consumer Health revenue increased by 14 percent compared to the third quarter 2007, and by 16 percent in the first nine months 2008. Revenue in Norway increased significantly as a result of an extensive broadening of the distribution network and increased marketing, but declined in USA due to generally soft consumer demand and reduced direct mail marketing.

The nbg[®]24:7 product family of dietary supplements and skin care products are now being distributed in more than 1,000 retail outlets in Norway, including pharmacies, health supplement stores and perfumeries. Excellent listing ensures on-shelf positioning. Immunocorp Consumer Health in the first quarter of the year launched a broad marketing campaign focusing on the immune-stimulating dietary supplement, and revitalizes the campaign going into the flu season in the fourth quarter.

Over the summer months the focus was mainly on the skin care portfolio. The launching of a new skin lotion was well received by trade as well as consumers, and generated solid growth. Based on this success and market demands the company will extend its skin care product range going forward. New

product launches are due already in the fourth quarter 2008, and the skin care portfolio will be further broadened during 2009.

Provided that the increased efforts in Norway continue to be rewarded, Immunocorp Consumer Health plans to broaden the distribution beyond Norway, and is in talks with potential partners both in Scandinavia and in selected other markets.

Marine Biochemicals sales were relatively strong in the third quarter, growing by 26 percent from the third quarter 2007. Deliveries of shrimp alkaline phosphatase (SAP) enzymes have shown growth in both the second and third quarter, and deliveries of Cod-UNG enzymes to Invitrogen continued at the same pace as in the first half of the year. Overall, revenue in Marine Biochemicals in the first nine months declined by 10 percent from the same period last year, due to de-stocking at resellers of SAP-enzymes in the first quarter of the year.

The company works to broaden the sales platform for Cod-UNG enzymes with an additional international diagnostics provider.

FINANCIAL REVIEW

Income Statement for the third quarter and first nine months 2008

Discontinued operations

The divestment of Immunocorp Animal Health AS and related patents and trademarks generated net proceeds of NOK 34.6 million, and a divestment gain of NOK 32.6 million which is recognized in the Income Statement for the third quarter. NOK 16.6 million of the gain relates to divestment of intellectual property rights and NOK 16.0 million to gain on divestment of shares.

The results and divestment gain has been included on one-line in the Income Statement, as result after (calculated) tax from discontinued operations of NOK 26.8 million for the third quarter 2008 and NOK 27.2 million for the first nine months of 2008. Comparable figures for previous accounting periods have been restated accordingly, with a result after tax from discontinued operations of NOK 1.2 million for the third quarter 2007 and NOK 2.2 million for the first nine months of 2007.

Continuing operations – non-pharmaceuticals

Biotec Pharmacon's pharmaceutical product portfolio is still in research and/or development stages, and sales revenue is currently being derived solely from the non-pharmaceutical activities.

Non-pharma (NOKm)	Q308	Q3 07	%-change	9M08	9M07	%-change
Consumer Health products	10.0	8.7	14%	30.8	26.1	18%
Marine Biochemicals	3.0	2.4	25%	7.6	8.4	-10%
Other	0.1	0.1	-21%	0.2	0.2	12%
Revenue non-pharma	13.1	11.2	16%	38.6	34.7	11%
Cost of goods sold	0.7	0.4		3.7	1.4	
Other operating expenses	11.2	11.1		37.1	31.3	
EBITDA	1.2	-0.2		-2.3	2.1	
Depreciation	0.5	0.5		1.5	1.6	
EBIT	0.7	-0.7		-3.8	0.5	

The increase in operating expenses in the first nine months of 2008 mainly reflects increased distribution and marketing costs related to the marketing campaign for the nbg[®]24:7 product family in Norway.

Continuing operations – pharmaceuticals

In the pharmaceutical business, the increased R&D activities generated an EBITDA of NOK -15.2 million (-5.1), which compares to NOK -10.0 million in the previous quarter. The EBITDA for the first nine months 2008 was NOK -36.1 million, compared to NOK -16.3 million in the first nine months last year.

The higher cost level reflects the strengthening of the organisation and significantly higher clinical development activity, which will increase further with the commencing of patient inclusion in three clinical phase III studies in the fourth quarter 2008.

Unallocated costs

Unallocated operational costs amounted to NOK 4.5 million for the third quarter (2.9), and NOK 9.4 million for the first nine months 2008 (9.0). The cost increase in the third quarter this year reflects an accrual made related to preparations for trial in the unresolved patent dispute with Biothera. Ruling on summary judgement motions was expected during the third quarter, but has been postponed by the court due to high workload. Waiting for the trial to commence, Biotec Pharmacon only expects marginal additional costs.

Biotec Pharmacon – group figures

Overall EBITDA was NOK -18.2 million in the third quarter (-8.3), and NOK -47.7 million in the first nine months 2008 (-23.2). The EBIT was NOK -19.1 million in the third quarter (-8.5), and NOK -50.2 million for the first nine months (-25.8).

Net financial items amounted to NOK 1.6 million in the third quarter (1.9) and to NOK 5.5 million for the first nine months (3.1), generating a loss before tax for the continuing operations of NOK 17.4 million for third quarter and NOK 44.7 million for the first nine months. This compares with losses before tax for the continuing operations of NOK 6.5 million in the third quarter 2007 and NOK 22.7 for the first nine months last year.

Results from the discontinued operations have been included on one line after tax in the Income Statement. The result before tax was NOK -1.6 million for the discontinued business in the third quarter, and the divestment gain NOK 32.6 million before tax. The divestment generates a tax on the gain related to IPR, which amounted to NOK 4.2 million. The result after tax which is included in the Income Statement was thus NOK 26.8 million for the discontinued operations.

The tax calculated on the divestment is netted against current losses in the Income Statement for continuing operations. The net result after tax for the continuing operations was thus NOK -13.2 million in the third quarter, and the net result for the Group NOK +13.6 million.

In the third quarter last year the net profit after tax was NOK -4.9 million for the continuing operations, NOK 1.2 million for the discontinued operations, and NOK -3.7 million for the Group.

For the first nine months, the net profit after tax was NOK -40.5 million for the continuing operations (-16.3), and NOK +27.2 million for the discontinued operations (2.2), generating a net profit for the Group NOK -13.3 million (-14.1).

Balance Sheet, Cash Flow and Shareholder Matters

Total equity was NOK 194.8 million at 30 September, up from NOK 177.9 million at 30 June. The increase is explained by the divestment of the Animal Health activities, which generated a gain compared with book values in the Balance Sheet at the end of the second quarter.

Equity was NOK 204.0 million at 31 December, 2007, with extensive R&D explaining the year-to-date decline. Research costs are not being activated in the Balance Sheet.

The equity ratio of 90 percent was unchanged from the previous quarter and slightly below the 93 percent reported at the end of 2007.

The total number of outstanding shares was 23,637,910 at 30 September, 2008, unchanged from the end of 2007. The total number of options granted was 1,131,000 with no new options granted in the third quarter of 2008 and 423,000 options granted in the first nine months of 2008. Biotec Pharmacon holds no own shares.

Net cash flow from operating activities was NOK -10.0 million in the third quarter and NOK 22.6 million including the net cash flow from investing activities. Cash and cash equivalents increased correspondingly, from NOK 129.2 million at 30 June to NOK 152.1 million at 30 September, 2008.

In the first nine months 2008, net cash flow from operating activities was NOK -30.9 million, and total net cash flow NOK 0.3 million. The net cash position thus improved during the first nine months of 2008 to NOK 152.1 million.

Biotec Pharmacon expects an increased negative cash flow from operations in the fourth quarter 2008, due to the initiation of study centres and enrolment of patient in three more clinical phase III studies.

Overall, Biotec Pharmacon expects R&D costs to amount to approximately NOK 75 million in 2008, which is in the low end of the previously communicated cost range. The exact amount will depend on accruals relating to the mobilizing of individual study centres and patient inclusion rates.

Biotec Pharmacon has previously indicated that external costs related to the current phase III program are expected to amount to approximately NOK 90 million. The above estimate of total R&D costs of NOK 75 million for 2008 include approximately NOK 35 million in external costs, with the remaining NOK 55 million incurring in 2009 and 2010.

It should be noted that a large part of external cost will be incurred in EUR, and that the above estimates are based on EUR/NOK at 8 for 2009. The company has not entered into any currency hedging contracts to limit the currency risk related to the external R&D costs.

Oslo, 29 October, 2008

The Board of Directors of Biotec Pharmacon ASA

Biotec Pharmacon ASA Group - Third quarter accounts 2008

INCOME STATEMENT

Amounts in NOK 1.000

	3Q 2008	3Q 2007	Jan. - Sept. 2008	Jan. - Sept. 2007
Sales revenues	13,064	11,229	38,604	34,736
Cost of goods sold	-689	-364	-3,756	-1,397
Personell expenses	-10,232	-11,349	-27,210	-27,695
Depreciation and amortisation expenses	-807	-800	-2,466	-2,573
Other income	2,861	1,173	6,060	5,037
Other expenses	-23,255	-8,954	-61,449	-33,872
Operating profit	-19,059	-9,065	-50,216	-25,765
Financial income, net	1,628	1,924	5,515	3,080
Profit before tax	-17,431	-7,141	-44,700	-22,685
Tax	4,191	1,674	4,187	6,412
Profit after tax, continued operations	-13,240	-5,467	-40,514	-16,273
Profit after tax, discontinued operation	26,841	1,185	27,198	2,178
Profit after tax for the period	13,601	-4,282	-13,316	-14,095
Basic EPS (profit for the period)	0.58	-0.25	-0.56	-0.50
Diluted EPS (profit for the period)	0.55	-0.25	-0.54	-0.49

BALANCE SHEET

Amounts in NOK 1.000

	30/09/2008	30/09/2007	31/12/2007
Non-current assets			
Machinery and equipment	10,711	12,596	11,768
Intangible assets	36,265	32,604	36,163
Financial assets available for sale	657	0	1,150
Other financial assets	588	591	625
Total non-current assets	48,221	45,791	49,707
Current assets			
Inventories	5,454	5,441	6,286
Trade receivables and other receivables	10,944	12,129	11,846
Cash and cash equivalents	152,135	160,576	151,700
Total current assets	168,533	178,146	169,831
Total assets	216,755	223,937	219,538
Equity			
Share capital	23,638	23,638	23,638
Other equity	171,145	186,441	180,403
Total equity	194,783	210,079	204,041
Current liabilities			
Trade-, short term-, and other payables	21,972	13,858	15,497
Total current liabilities	21,972	13,858	15,497
Total equity and liabilities	216,755	223,937	219,538

CHANGES IN EQUITY

<i>Amounts in NOK 1,000</i>	3Q 2008	3Q 2007	Jan. - Sept. 2008	Jan. - Sept. 2007	Total 2007
As of beginning of period	177,919	213,884	204,041	105,711	105,711
Net profit for the period	13,601	-4,282	-13,316	-14,095	-18,665
Adjustment financial assets available for sale	0	0	-493	0	0
Purchase own shares	0	0	0	0	-184
Sale own shares	0	0	0	28,526	28,670
Public Share Issue, net	0	0	0	87,675	87,675
Tax benefit related to share issue	0	0	0	1,744	1,324
Employee share options	888	666	2,013	1,417	1,433
Translation differences	2,374	-187	2,538	-898	-1,922
As of end of period	194,783	210,079	194,783	210,079	204,041

SUMMARY CASH FLOW ANALYSIS

<i>Amounts in NOK 1,000</i>	3Q 2008	3Q 2007	Jan. - Sept. 2008	Jan. - Sept. 2007	Total 2007
Cash flow from operating activities	-10,043	-2,625	-30,867	-18,439	-25,986
Cash flow from investing activities	32,684	151	31,206	-98	-1,339
Cash flow from financing activities	0	0	0	116,201	116,161
Cash flow in the reporting period	22,641	-2,474	339	97,664	88,836
Currency conversion difference	290	-347	96	-1,058	-1,105
Cash and cash equivalents at the beginning of period	129,204	163,397	151,700	63,969	63,969
Cash and cash equivalents at end of period	152,135	160,576	152,135	160,576	151,700

* Discontinued operation included in 2007-figures

Notes to the interim accounts for Q2 2008
Note 1 - Basis of preparation of financial statements

These financial statements are the unaudited interim consolidated financial statements (hereafter “the Interim Financial Statements”) of Biotec Pharmacon ASA and its subsidiaries (hereafter “the Group”) for the period ended 30 September 2008. The Interim Financial Statements are prepared in accordance with the International Accounting Standard 34 (IAS 34). These Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2007 (hereafter “the Annual Financial Statements”), as they provide an update of previously reported information.

The accounting policies used in the Interim Financial Statements are consistent with those used in the Annual Financial Statements. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, the comparatives have been reclassified or extended from the previously reported Interim Financial Statements to take into account any presentational changes made in the Annual Financial Statements or in these Interim Financial Statements.

The Group does not experience significant seasonal or cyclical variations in total sales during the financial year. Income tax expense or benefit is recognized based upon the best estimate of the weighted average income tax rate expected for the full financial year.

Note 2 – Discontinued operation

The subsidiary company Immunocorp Animal Health AS was sold as of 01.09.2008 together with patents and trade marks associated to the animal health business. The accounts for previous periods are regrouped according to IFRS 5, now presenting operating profit and loss including profit related to the sale of animal health business as "Profit after tax, discontinued operation".

The sale of the animal health business gave a net profit after transaction cost of NOK 32.6 mill, of which NOK 16.6 mill is related to IP, and NOK 16.0 mill is profit from sale of the shares.

Profit after tax, discontinued operation:

	3. Q 2008	3. Q 2007	Jan. - Sept. 2008	Jan. - Sept. 2007
Profit from operations before tax	-1 606	1 646	-1 250	3 025
Profit from sale of business as of 01.09.08	32 638		32 638	
Tax	-4 191	-461	-4 191	-847
Profit after tax for discontinued operation	<u>26 841</u>	<u>1 185</u>	<u>27 198</u>	<u>2 178</u>

Cashflow discontinued operation:

Cashflow operations	2 570	1 670	-1 169	3 133
Cashflow investing activities	16 575	0	16 575	-2 000
Cashflow financing activities	16 063	0	16 063	0
Cashflow	<u>35 208</u>	<u>1 670</u>	<u>31 469</u>	<u>1 133</u>

Note 2 - Analysis of operating revenue and -expenses, segment information

Amounts in NOK 1.000

	3Q 2008	3Q 2007	Jan. - Sept. 2008	Jan. - Sept. 2007
<i>Sales revenue:</i>				
Non-pharmaceuticals	13,064	11,229	38,604	34,736
Research & pharmaceutical development	0	0	0	0
Group operating revenue	13,064	11,229	38,604	34,736
<i>Operating expenses:</i>				
Non-pharmaceuticals	-11,209	-10,924	-41,138	-33,083
Research & pharmaceutical development	-17,286	-6,849	-40,491	-20,931
Non-allocated expenses	-4,252	-2,893	-9,366	-8,951
Group operating expenses before depreciation	-32,747	-20,667	-90,995	-62,965
<i>Other income:</i>				
Non-pharmaceuticals	-679	-547	271	422
Research & pharmaceutical development	2,120	1,719	4,370	4,614
Non-allocated items	0	0	0	0
Group other income	1,441	1,173	4,641	5,037
<i>Operating profit (EBITDA):</i>				
Non-pharmaceuticals	1,177	-242	-2,263	2,075
Research & pharmaceutical development	-15,166	-5,130	-36,121	-16,316
Non-allocated	-4,252	-2,893	-9,366	-8,951
Group operating profit before depreciation	-18,242	-8,265	-47,749	-23,193
<i>Depreciation:</i>				
Non-pharmaceuticals	-493	-471	-1,491	-1,585
Research & pharmaceutical development	-325	-329	-976	-987
Group depreciation	-818	-800	-2,466	-2,573
<i>Operating profit (EBIT):</i>				
Non-pharmaceuticals	684	-713	-3,754	489
Research & pharmaceutical development	-15,491	-5,459	-37,096	-17,303
Non-allocated	-4,252	-2,893	-9,366	-8,951
Group operating profit	-19,059	-9,065	-50,216	-25,765

FACT SHEETS – Disease indications and SBG applications

Diabetic ulcers:	Diabetic patients are prone to develop foot and leg ulcers, most likely due to impaired immune functions. The ulcers frequently develop into a chronic condition with high risk of infection. Foot and leg ulcers are a frequent cause of amputation in patients with diabetes.
Prevalence:	On an annual basis, an estimated 3.5 million of a total 70 million diabetes patients in the OECD-area develop foot and leg ulcers.
Treatment options:	No established standard treatments today beyond general wound care. Some products available in certain markets at drug cost of up to USD 1,200 per treatment.
Biotec Pharmacon's concept:	SBG reactivates immune cells in the skin, and SBG thereby enhances the body's own wound healing capabilities.
Oral mucositis:	Oral mucositis is a common and potentially serious side effect of radiotherapy (often given in combination with chemotherapy), in particular for head and neck cancers and leukaemia, but also in other malignancies. Oral mucositis develops as a result of damage to both epithelial cells and immune cells inflicted by the therapies.
Prevalence:	App. 400,000-600,000 incidents per year in the OECD area.
Treatment options:	No established standard treatment. Some products available for a limited indication in certain markets at drug cost of up to USD 8,000 per treatment.
Biotec Pharmacon's concept:	SBG stimulates the immune system to prevent development of oral mucositis and support healing by enhancing the body's own wound healing capabilities.
Cancers:	Cancer develops when cells of the body grow in an uncontrolled way, infiltrating surrounding tissues and spreading to other organs. If not eliminated by the immune system, they may subsequently develop into a malignant cancer.
Prevalence:	There are an estimated 5 million new patients diagnosed with cancer annually in the OECD countries.
Treatment options:	Most patients undergo conventional cancer treatment, which includes surgery, chemotherapy and radiotherapy. Development of monoclonal cancer antibodies (prefabricated antibodies against cancer cells) for several different cancer types has made immunotherapy of cancer one of the fastest growing segments of the pharmaceutical industry. Typical treatment costs could be in the range of USD 20-45,000 per patient.
Biotec Pharmacon's concept:	Injected monoclonal antibodies tag cancer cells by binding to surface markers on the malignant cells. Tagged cancer cells are perceived as alien by the immune system. SBG renders the immune system more effective in establishing an adequate immune response and in killing of tagged cancer cells.
Non-pharmaceuticals:	Following the divestment of the Animal Health business in Q3 2008, the non-pharmaceutical business segment consists of the product areas Consumer Health and Marine Biochemicals.
Consumer Health:	Product portfolio consisting of nbg® 24:7 dietary supplement and skin lotions. The products are based on NBG (Norwegian Beta Glucan), which has a positive effect on the immune system. The products are sold in North America and Norway.
Marine Biochemicals:	Product portfolio based on DNA/RNA-modifying enzymes. Current products include SAP (Shrimp Alkaline Phosphatase, Cod UNG (cod uracil-DNA-glycosylase) and DNase. The enzymes have advantages compared to enzymes from other sources since they can be inactivated by moderate heat treatment rather than eliminated by a separate process.

