4th QUARTER REPORT 2008

- Overall very positive development in the clinical development program of SBG in 2008.
- **Diabetic foot ulcer:**
  - First clinical phase III study approaching complete enrolment - no changes made to sample size after interim analysis in November.
  - Accelerated patient inclusion in second phase III study - included more than three quarters of the 120 patients and initiating interim analysis to re-assess sample size.
- **Oral mucositis:**
  - Included more than one third of the 120 patients in first clinical phase III study - interim analysis scheduled after 80 evaluable patients.
  - Second phase III study put on hold awaiting results from the first study.
- Favourable decisions in patent case against Biothera in US District Court early 2009. Twelve patent claims dismissed and only two claims proceed to court.
- Non-pharmaceutical revenue growth of 32% in Q4 but increased cost and negative EBITDA.

(NOKm)	Q408	Q4 07	2008	2007
Revenues	14.1	10.7	51.7	45.4
EBITDA	-39.2	-12.7	-87.9	-35.9
Profit before tax	-37.3	-11.4	-83.0	-34.1
Net profit discontinued operation	-0.6	2.3	26.6	4.5
Net profit	-37.9	-4.6	-52.2	-18.7

EBITDA per segment (NOKm)	Q408	Q4 07	2008	2007
Non-pharmaceuticals	-2.4	-2.2	-5.6	-0.1
R&D	-35.8	-8.2	-72.0	-24.5
Unallocated expenses	-1.0	-2.3	-10.3	-11.3
Total EBITDA	-39.2	-12.7	-87.9	-35.9

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

Outlook

- Continued fast progress in phase III program with SBG for diabetic foot ulcer - expecting results from both studies during 2009, assuming no change in sample size - on track to file for marketing authorisation in Europe in mid-2010.
- Filing for marketing authorisation with SBG for oral mucositis contingent on results from first clinical study - decision to postpone second study reduces 2009 costs by NOK 20-25 million.
- Expects R&D costs to increase by approx. NOK 15 million to NOK 85-90 million in 2009.
- Actively seeking partnering opportunities for the SBG pharmaceutical portfolio.
- Expects renewed revenue growth in the non-pharmaceutical business.
- Net cash of NOK 124 million at the end of 2008, which is sufficient funding through the first half of 2010 assuming no changes to the ongoing phase III program.

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 when given together with monoclonal antibodies.

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 foot ulcer 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 (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	Clinical phase
SBG (soluble beta-glucan) which stimulates the immune system	**Ulcers and wounds**	Diabetic Ulcers	Phase III
		Oral Mucositis	Phase III
	Immunotherapy of cancer	Neuroblastoma	Phase I/II
		Breast Cancer	Phase I/II
		Non-Hodgkin's Lymphoma	Phase I/II

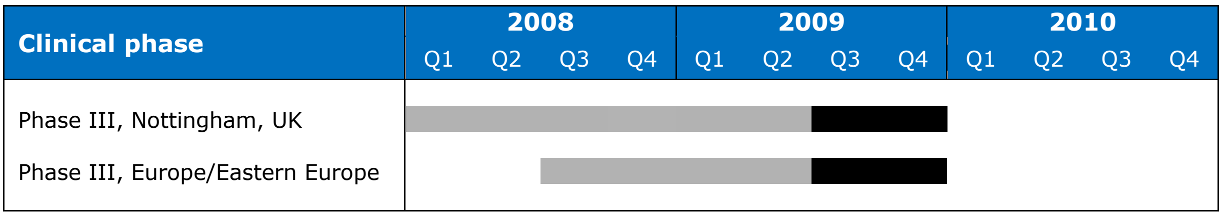
ULCERS AND WOUNDS

Biotec Pharmacon has initiated clinical phase III programs with SBG both for the treatment of diabetic foot ulcer and for prevention and treatment of oral mucositis. The company expects to carry out two phase III studies for each indication, with targeted populations of approximately 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 authorisation for SBG for treatment of diabetic foot ulcer in Europe in mid-2010, given positive and confirmatory study results. Biotec Pharmacon will in 2009 seek to set up meetings with the FDA to prepare the ground for filing also in USA.

Patient inclusion commenced in October in the first of two studies with SBG for prevention and treatment of oral mucositis, whereas the second study has been put on hold, awaiting results from the first study. The timing of filing for marketing authorisation is thus contingent on these results.

DIABETIC FOOT ULCER - Indicative timetable of clinical phase III trials



Grey area represents period of 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 foot ulcer. As mentioned above, EMEA supports a position where Biotec Pharmacon may apply for marketing authorisation based on two positive, confirmatory phase III studies.

Biotec Pharmacon has accordingly set up two double blinded studies for treatment of diabetic foot ulcer, where SBG is studied with a non-active comparator (placebo) as control agent. The primary endpoint in the studies is defined as the proportion of patients with target ulcers that heal within 8 weeks, with secondary endpoints being (i) proportion of patients with target ulcers heal within 12 weeks, (ii) time to healing of target ulcers, (iii) percent change in target ulcer area, and (iv) recurrence of healed target ulcers within 12 weeks post healing.

The first phase III study involves 120 patients at Nottingham University Hospital and 10 other centres in UK and Ireland. 114 patients have been included – 95 percent of the planned population, i.e. the study is close to completely enrolled with results expected late 2009.

In November an independent statistician performed a blinded interim analysis to re-assess the sample size based on the 80 first evaluable patients. The recommendation was not to adjust the patient population, meaning that the planned population is either sufficiently large to provide a significant differences between SBG and the non-active comparator (in either direction), or that the difference between the two groups is too small to demonstrate a difference even with a substantial increase in sample size. Pre-clinical data and phase I/II data indicates that SBG offers advantages compared to placebo, and the company decided to make no adjustments to the study program.

In the second phase III study, Biotec Pharmacon and its contracted Clinical Research Organization (CRO) have signed up 17 centres in Spain, Poland and Russia. Patient inclusion commenced in November 2008, and has progressed faster than expected. 96 of the total 120 patients, or 80 percent, have already been included in the study, and Biotec Pharmacon has decided to commission an independent interim analysis to re-assess the sample size already now, with a recommendation expected before summer 2009.

Given the positive development in the patient inclusion, and provided that there will be no changes to the size of the patient population, Biotec Pharmacon now expects that the second phase III study might be completed earlier than previously indicated. The company should thus be well on track to file for marketing authorisation with SBG for treatment of diabetic foot ulcer in Europe in mid-2010.

ORAL MUCOSITIS - Indicative timetable of clinical phase III trials

Clinical phase	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase III, Europe												
Phase III, Eastern Europe	2nd study put on hold awaiting results from the 1st study											

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

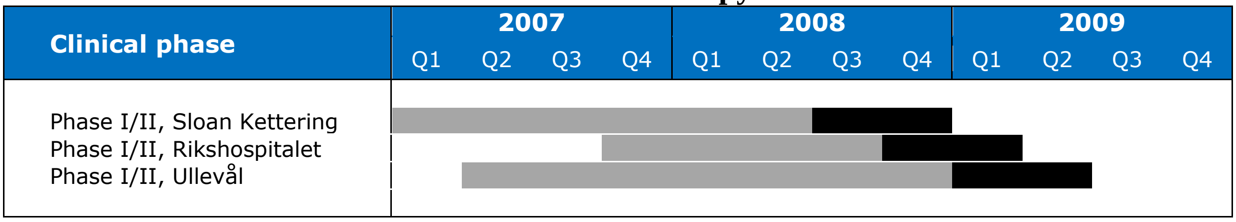
The figure above indicates the timetable for the first clinical phase III trials with SBG for prevention and treatment of oral mucositis. Patient inclusion commenced in October 2008, and was initially relatively slow. However, enrolment has picked up in the first months of 2009. To date 50 patients have been included, corresponding to 40 percent of the planned population of 120 patients. Biotec Pharmacon plans to initiate an interim analysis to re-assess the size of patient population after 80 patients, which should be available during third quarter 2009. Assuming no adjustment to sample size, final results are expected by the end of 2009.

Signals from EMEA originally indicated that one study might be sufficient to apply for marketing authorisation, provided compelling results. For strategic reasons Biotec Pharmacon opted to run two studies in parallel. However, for administrative and logistic reasons, the company decided to put the second study on hold until the results from the first study are ready. This will mitigate project risk and reduce overall risk for the company. The decision is expected to reduce the R&D spending level by NOK 20-25 million in 2009.

Depending on the results from the first study, the decision to put the second study on hold may thus have an impact on the timing of a filing for marketing authorisation for SBG for prevention and treatment of oral mucositis.

IMMUNOTHERAPY OF CANCER

Indicative timetable of clinical trials – immunotherapy of cancer



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

Biotec Pharmacon's clinical phase I/II study program within immunotherapy of cancer comprises 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.

Patient inclusion has been completed in a study at Memorial Sloan-Kettering Cancer Center (MSKCC), where SBG has been tested in combination with the monoclonal antibody 3F8 in children with recurrent or metastatic neuroblastoma.

Whereas some test results are still pending, the primary objective of the study has been met, i.e. demonstrating that orally administered SBG is very well tolerated and safe in this patient population in doses up to 200 mg/kg/day. In addition, objective response has been seen in some 40-45 percent of patients having received SBG and 3F8, and given the progressed stage of disease development and the limitations of alternative treatment regimes, the results are considered very promising. A decision on further development of the clinical program is expected to be taken during the first part of 2009.

In a separate phase I/II clinical trial at Rikshospitalet, SBG has been tested in combination with the monoclonal antibody rituximab (Roche) for the treatment of non-Hodgkin's lymphoma. Patient enrolment was completed in the third quarter 2008 (12/12 patients), and the primary objective of the study was met. Safety data from the study confirms that SBG and rituximab (Roche) in this patient population is very well tolerated and safe. Maximum dose was achieved, and no dose limiting toxicity was demonstrated. Final report, including potential impact on efficacy parameters, is expected later during 2009.Patient inclusion remained slow throughout 2008 in the third phase I/II cancer study, with SBG and trastuzumab (Roche) against breast cancer at Ullevål. 9 out of 12 patients have so far been included, and completion of patient enrolment remains uncertain.

Biotec Pharmacon will compile data from the phase I/II program, building on experiences combining SBG with different monoclonal antibodies, to generate hypothesis for potential future studies in immunotherapy of cancer. From this platform the company will seek collaborative agreements with industrial partners.

NON-PHARMACEUTICALS

Discontinued operations

Biotec Pharmacon divested its Animal Health activities in the third quarter 2008. 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. Animal Health did thus not contribute to the results in the fourth quarter 2008. The financial implications of the divestment are described under "Financial Review".

Continuing operations

The non-pharmaceutical continuing operations comprise Immunocorp Consumer Health and Marine Biochemicals.

Consumer Health

Consumer Health revenue increased by 43 percent in the fourth quarter from the fourth quarter 2007 but declined by 9 percent compared to the previous quarter. The main reason for the sequential decline is soft consumer demand in the US market, where the company also continued to reduce direct mail marketing in the quarter. Revenue in Norway more than tripled compared to the fourth quarter 2007 but was somewhat reduced compared to the third quarter 2008 due to seasonal buying patterns in the consumer health business.

During the year, the company has significantly broadened its Norwegian distribution network for the nbg®24:7 product family of dietary supplements and skin care products. The products are now being distributed in more than 1,000 retail outlets in Norway, including pharmacies, health supplement stores and perfumeries. Sales and marketing efforts focused on the immune-stimulating dietary supplement in the fourth quarter. However, the company also launched a new skin care product, and will continue to broaden this portfolio in 2009.

Immunocorp Consumer Health plans to broaden the distribution beyond Norway and has continued talks with potential partners both in Scandinavia and in selected markets in Europe as well as in other parts of the world.

For the full year 2008, Consumer Health revenue increased by 17 percent from 2007, as revenue increased in Norway, but stayed flat in Norwegian kroner in the larger US market.

Marine Biochemicals

Marine Biochemicals revenue increased 14 percent from the fourth quarter 2007. The growth is explained by deliveries of Cod-UNG enzymes, which was launched early in 2008, as well as expected higher deliveries of shrimp alkaline phosphatase (SAP) enzymes. For the full year 2008, revenue declined by 3 percent from 2007, due to de-stocking at resellers of SAP-enzymes early in the year.

Sales of Cod-UNG started early in the year to Invitrogen under a non-exclusive agreement, and the company in the fourth quarter broadened the sales platform by adding Siemens Healthcare Diagnostics. Siemens will use the enzyme in a new diagnostic platform, initially to be used for quantification of HIV-1 viral load. Cod-UNG is being used to eliminate sample contamination which may cause false results, and thus contributes to secure a high quality of the test result.

FINANCIAL REVIEW

Income Statement for the third quarter and first nine months 2008

Discontinued operations

Immunocorp Animal Health AS and related patents and trademarks were divested in the third quarter 2008, and thus did not influence the Income Statement for the fourth quarter 2008. The divestment gain of NOK 32.6 million was accounted for in the Balance Sheet as at 30 September, 2008. The results and divestment gain are included on one line in the Income Statement for the full year 2008, as result after tax from discontinued operations of NOK 26.6 million.

Comparable figures for previous accounting periods have been restated accordingly, with a result after tax from discontinued operations of NOK 2.3 million for the fourth quarter 2007 and NOK 4.5 million for the full year 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)	Q408	Q4 07	Change	2008	2007	Change
Consumer Health products	9.1	6.3	43%	38.9	32.4	20%
Marine Biochemicals	4.1	3.6	14%	11.6	12.0	-3%
Other	0.9	0.8	16%	1.1	1.0	15%
Revenue non-pharma	**14.1**	**10.7**	**31%**	**51.7**	**45.4**	**14%**
Other operating expenses (net)	-16.5	-12.9		-57.3	-45.5	
EBITDA	**-2.4**	**-2.2**		**-5.6**	**-0.1**	
Depreciation	-0.5	-0.5		-2.0	-2.1	
EBIT	**-2.9**	**-2.7**		**-7.7**	**-2.2**	

The increase in operating expenses in 2008 mainly reflects increased distribution and marketing costs related to the marketing campaign for the nbg®24:7 product family in Norway and increased allocated corporate overhead costs. The Non-pharma business shows a positive contribution before allocated corporate costs.

Continuing operations – Research & Pharmaceutical development

In the pharmaceutical business, the increased R&D activities generated an EBITDA of NOK -35.8 million (-8.2), which compares to NOK -15.2 million in the previous quarter. The EBITDA for the full year 2008 was NOK -71.9 million, compared to NOK -24.5 million in 2007.

The higher cost level reflects the strengthening of the organisation and significantly higher clinical activity, in particular in the second half of the year. Net R&D costs (including depreciation and amortisation) amounted to NOK 73.3 million for 2008, which was slightly less than guided in connection with the interim report for the third quarter 2008. R&D costs included external R&D of NOK 33.6 million.

Unallocated costs

Unallocated operational costs were NOK 1.0 million in the fourth quarter (2.3) and NOK 10.3 million for the full year 2008 (11.3). The costs primarily reflect preparations for trial in a patent dispute with Biothera in USA, under which Biothera had claimed that Biotec Pharmacon and its US affiliate Immunocorp had infringed 14 of its patents.

In January 2009, the U.S. Disctrict Court in Minnesota reached a decision on summary judgement motions, which eliminates from further litigation all of Biothera's claims under 12 of the 14 U.S.

patents at issue in the case. Only claims asserted against the skin care product and SBG under two patents will proceed to trial stage.

In a trial, Biotec Pharmacon will provide evidence that its products do not infringe the two remaining patents. The company is confident that it will convince a jury that neither its skin care product nor SBG, the lead pharmaceutical product candidate, infringes either of these two patents in the United States. No schedule has yet been set by the court for the trial.

Biotec Pharmacon – group figures

Overall EBITDA was NOK -39.2 million in the fourth quarter (-12.7), and NOK -87.9 million for the full year 2008 (-35.9). EBIT was NOK -40.1 million in the fourth quarter (-13.5), and NOK -91.3 million for the full year 2008 (-39.3).

Net financial items amounted to NOK 2.8 million in the fourth quarter (2.2), and NOK 8.3 million for 2008 (5.2). The increased financial income in 2008 was primarily caused by an in average higher amount of cash and cash equivalents placed in the market in 2008 than in 2007, in combination with a better return on the financial placements.

Profit before tax for the continuing operations was NOK -37.3 million in the fourth quarter (-11.3), and NOK -83.0 million for the full year (-34.1).

The company did recognize a net result from discontinued operations of -0.6 in the fourth quarter, and the net results was thus NOK -37.9 million. In the fourth quarter 2007, the company recognized a positive tax effect of NOK 4.5 million, a profit after tax for discontinued operation of NOK 2.3 million, and a net result of NOK-4.6 million.

Results from the discontinued operations are included in the Income Statement for 2008 on one line after tax with NOK 26.6 million (4.5). This reflects an adjusted result before tax of NOK -1.8 million, divestment gain of NOK 32.6 million before tax, and NOK 4.2 million in tax on the part of the gain related to IPR. The tax calculated on the divestment is netted against tax on current losses in the Income Statement for continuing operations.

For the full year 2008, net result after tax was thus NOK -78.8 million for the continuing operations (-23.2) and NOK -52.2 million for the Group including discontinued operations (-18.7).

Balance Sheet, Cash Flow and Shareholder Matters

Total equity was NOK 159.3 million at 31 December 2008, which was a decline from NOK 204.0 million at the end of 2007 and NOK 194.8 million at 30 September. The decline from 31 December 2007 is explained by high R&D expenses, which were partly counterbalanced by the gain related to the divestment of the Animal Health activities.

The equity ratio of 85 percent compares to 93 percent at the end of 2007 and 90 percent at the end of the third quarter.

The total number of outstanding shares was 23,637,910 at 31 December, 2008, which was unchanged from 31 December, 2007. The total number of options granted was 1,131,000 with no new options granted in the fourth quarter and a total of 423,500 options granted during 2008. Biotec Pharmacon holds no own shares.

Net cash flow from operating activities was NOK -28.3 million and total net cash flow NOK -28.0 million in the fourth quarter. For the full year 2008, cash flow from operating activities amounted to NOK -59.1 million, whereas total net cash flow was NOK -27.7 million including a positive cash flow of NOK 31.4 million from investing activities mainly due to the divestment of the Animal Health Business.

As a result, cash and cash equivalents declined to NOK 124.6 million at 31 December, 2008, from NOK 151.7 million at the end of 2007 and NOK 152.1 million at 30 September, 2008. The company also retains an unused credit facility of NOK 10 million.

Outlook

Biotec Pharmacon expects continued fast progress in its phase III program with SBG for treatment of diabetic foot ulcer in 2009, and remains on track to file for marketing authorisation in Europe for this indication in mid-2010. Study results from the two studies are now expected to be ready by year-end 2009, provided that no changes are required to the sample size following the interim analyses.

Filing for marketing authorisation for SBG for prevention and treatment of oral mucositis will depend on results from the first phase III clinical study, which are due by the end of 2009, assuming no adjustment to sample size.

During 2009 the company also expects to pursue its dialogue with the Federal Drug Administration (FDA) in USA, in order to obtain guidance for a clinical development and filing process for SBG also in the US market.

With regards to the portfolio in immunotherapy of cancer, Biotec Pharmacon will await final data from currently ongoing phase I/II studies in 2009 before deciding on further progress in the clinical development.

Biotec Pharmacon is actively seeking partnering opportunities for its entire SBG pharmaceutical portfolio already in 2009, for all disease indications in all geographical markets.

The decision to postpone the second of the two oral mucositis studies is estimated to reduce R&D costs in 2009 by NOK 20-25 million compared to previous estimates. Overall, Biotec Pharmacon expects R&D costs of approx NOK 90 million in 2009, of which external costs are expected to account for approximately NOK 50 million. It should be noted that a large part of the external costs will be incurred in EUR, and that the above estimate is based on a NOK/EUR exchange rate of 8,40 for 2009. The company has not entered into any currency hedging contracts to limit the currency risk related to the external R&D costs. The net cash position of NOK 124 at the end of 2008 is considered sufficient funding through the first half of 2010, assuming no changes to the ongoing phase III program.

Oslo, 25 February, 2009

The Board of Directors of Biotec Pharmacon ASA

Biotec Pharmacon ASA Group - Fourth quarter accounts 2008

INCOME STATEMENT

Amounts in NOK 1.000

	4Q 2008	4Q 2007	Year 2008	Year 2007
Sales revenues	14,059	10,691	51,702	45,427
Cost of goods sold	-1,100	-2,038	-4,856	-3,435
Personell expenses	-13,000	-7,544	-40,210	-35,238
Depreciation and amortisation expenses	-923	-843	-3,389	-3,416
Other income	-2,452	922	3,570	5,958
Other expenses	-36,718	-14,721	-98,128	-48,594
Operating profit	-40,135	-13,533	-91,312	-39,298
Finanical income, net	2,806	2,155	8,321	5,235
Profit before tax	-37,329	-11,378	-82,991	-34,063
Tax	0	4,481	4,187	10,893
Profit after tax, continued operations	-37,329	-6,897	-78,804	-23,170
Profit after tax, discontinued operation	-573	2,327	26,625	4,505
Profit after tax for the period	-37,902	-4,570	-52,179	-18,665
Basic EPS (profit for the period)	-1.60	-0.19	-2.21	-0.84
Diluted EPS (profit for the period)	-1.53	-0.19	-2.12	-0.82

BALANCE SHEET

Amounts in NOK 1.000

	31/12/2008	31/12/2007
Non-current assets		
Machinery and equipment	9,966	11,768
Intangible assets	36,956	36,163
Financial assets available for sale	329	1,150
Other financial assets	567	625
Total non-current assets	47,818	49,707
Current assets		
Inventories	6,504	6,286
Trade receivables and other receivables	8,845	11,846
Cash and cash equivalents	124,589	151,700
Total current assets	139,938	169,831
Total assets	187,757	219,538
Equity		
Share capital	23,638	23,638
Other equity	135,626	180,403
Total equity	159,264	204,041
Current liabilities		
Trade-, short term-, and other payables	28,493	15,497
Total current liabilities	28,493	15,497
Total equity and liabilities	187,757	219,538

CHANGES IN EQUITY

Amounts in NOK 1.000	**4Q 2008**	**4Q 2007**	**Year 2008**	**Year 2007**
As of beginning of period	193,821	210,079	204,041	105,711
Net profit for the period	-37,902	-4,570	-52,179	-18,665
Adjustment financial assets available for sale	-329	0	-822	0
Purchase own shares	-207	-184	-207	-184
Sale own shares	162	144	162	28,670
Public Share Issue, net	0	0	0	87,675
Tax benefit related to share issue	0	-419	0	1,324
Employee share options	735	17	2,748	1,433
Translation differences	2,984	-1,024	5,521	-1,922
As of end of period	159,264	204,041	159,264	204,041

SUMMARY CASH FLOW ANALYSIS

Amounts in NOK 1.000	**4Q 2008**	**4Q 2007**	**Year 2008**	**Year 2007**
Cash flow from operating activities	-28,256	-7,547	-59,123	-25,986
Cash flow from investing activities	210	-1,240	31,416	-1,339
Cash flow from financing activities	0	-41	0	116,161
Cash flow in the reporting period	**-28,046**	**-8,828**	**-27,707**	**88,836**
Currency conversion difference	501	-47	597	-1,105
Cash and cash equivalents at the beginning of period	152,135	160,576	151,700	63,969
Cash and cash equivalents at end of period	**124,589**	**151,700**	**124,589**	**151,700**
		*		*

* Discontinued operation included in 2007-figures

Notes to the interim accounts for Q4 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 31 December 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. Annual Report for 2008 will be distributed together with the summit for the General Assembly 7. May 2009.
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 periodes 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 operaton".

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:	4Q 2008	4Q 2007	Year 2008	Year 2007
Profit from operations before tax	-573	3,231	-1,823	6,256
Profit from sale of business as of 01.09.08	0		32,638	
Tax	0	-904	-4,191	-1,752
Profit after tax for discontinued operation	-573	2,327	26,625	4,504
Cashflow discontinued operation:				
Cashflow operations	0	-1,289	-1,169	1,844
Cashflow investing activities	0	0	16,575	-2,000
Cashflow financing activities	0	0	16,063	0
Cashflow	0	-1,289	31,469	-156

Note 3 – Change in Q3

Revenues for Q3 have been reduced by 961 TNOK due to accounting error while eliminating income from divested activity.

Note 4 - Analysis of operating revenue and -expenses, segment information

Amounts in NOK 1.000

	4Q 2008	4Q 2007	Year 2008	Year 2007
Sales revenue:				
Non-pharmaceuticals	14,059	10,691	51,702	45,427
Research & pharmaceutical development	0	0	0	0
Group operating revenue	14,059	10,691	51,702	45,427
Operating expenses:				
Non-pharmaceuticals	-15,138	-12,541	-57,695	-45,624
Research & pharmaceutical development	-34,704	-9,413	-75,159	-30,344
Non-allocated expenses	-976	-2,349	-10,342	-11,300
Group operating expenses before depreciation	-50,818	-24,303	-143,196	-87,267
Other income:				
Non-pharmaceuticals	-1,334	-314	356	108
Research & pharmaceutical development	-1,119	1,235	3,215	5,850
Non-allocated items	0	0	0	0
Group other income	-2,453	922	3,571	5,958
Operating profit (EBITDA):				
Non-pharmaceuticals	-2,414	-2,163	-5,638	-89
Research & pharmaceutical development	-35,823	-8,178	-71,943	-24,494
Non-allocated	-976	-2,349	-10,342	-11,300
Group operating profit before depreciation	-39,212	-12,690	-87,923	-35,882
Depreciation:				
Non-pharmaceuticals	-540	-487	-2,031	-2,072
Research & pharmaceutical development	-383	-356	-1,358	-1,343
Group depreciation	-923	-843	-3,389	-3,416
Operating profit (EBIT):				
Non-pharmaceuticals	-2,954	-2,650	-7,669	-2,161
Research & pharmaceutical development	-36,205	-8,533	-73,302	-25,837
Non-allocated	-976	-2,349	-10,342	-11,300
Group operating profit	-40,135	-13,533	-91,312	-39,298

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.