2nd QUARTER AND 1st HALF YEAR REPORT 2009

Pharmaceuticals:

- Treatment follow-up nearing completion in both phase III studies for diabetic ulcer
- Interim analysis of first phase III oral mucositis study did not prompt any changes to study sample size; 124 of 130 patients already enrolled
- Net R&D cost of NOK 36 million in 1H'09 – full-year guiding confirmed at NOK 85 - 90 million

Non-Pharmaceuticals:

- Strong development in Biotec Marine Biochemicals; established as separate subsidiary with new CEO
- Immunocorp Consumer Health; reduced sales, but improved results following cost reductions

(NOKm)	Q209	Q208	1H09	1H08	2008	Q109
Revenues	**11.4**	14.3	**23.7**	26.2	51.7	12.3
EBITDA	**-20.8**	-14.6	**-37.7**	-29.9	-87.9	-16.9
Profit before tax	**-20.6**	-13.4	**-36.8**	-27.7	-83.0	-16.1
Net profit discontinued	**-**	1.0	**-**	0.8	26.6	-
Net profit	**-20.6**	-12.3	**-36.8**	-26.9	-52.2	-16.1

Segment EBITDA (NOKm)	Q209	Q208	1H09	1H08	2008	Q109
Non-pharmaceuticals	**0.2**	-1.1	**-0.6**	-3.8	-5.6	-0.8
R&D	**-20.1**	-10.0	**-36.0**	-21.0	-72.0	-15.9
Unallocated expenses	**-0.9**	-3.5	**-1.1**	-5.1	-10.3	-0.2
Total EBITDA	**-20.8**	-14.6	**-37.7**	-29.9	-87.9	-16.9

Note: Historical figures have been restated to reflect divestment of Animal Health in Q3 2008

Outlook

Diabetic foot ulcers:

- Treatment follow-up to be completed in both phase III programs in Q3 2009
- Study results expected by year-end 2009, according to plan
- Closing partnership deal(s) prior to study results not considered to maximize shareholders value
- Secured slot in UK by the MHRA in July 2010 for submission of market authorisation application

Oral mucositis:

- Treatment follow-up to be completed in first phase III program during Q4; study results expected in Q1 2010
- Further study schedule dependent on results from first phase III study

Non-pharmaceuticals:

- Positive outlook for Biotec Marine Biochemicals
- New product launches and international expansion to lift Immunocorp Consumer Health

OPERATIONAL REVIEW

Pharmaceuticals

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

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

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 program is in clinical phase I/II.

The company is actively seeking partnering opportunities for commercialisation of its SBG pharmaceutical portfolio, for all disease indications and in all major geographical markets. The timing of such partnering agreements will be subject to commercial decisions aimed at maximising shareholder value.

Biotec Pharmacon expects results from both its phase III studies with SBG for diabetic foot ulcer by year-end 2009, and believes that maximum shareholder value will be created if the company awaits these results before entering into partnership(s) for this indication.

Non-pharmaceuticals

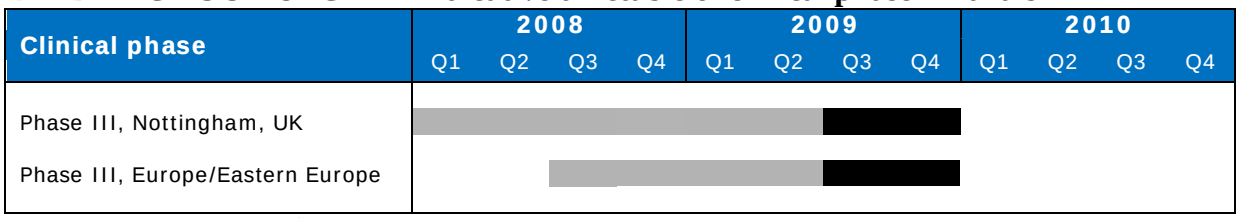
Biotec Pharmacon also has a commercial non-pharmaceutical operation, involving manufacturing and sales of products aimed at strengthening the human immune system (Immunocorp Consumer Health Products), as well as DNA-modifying enzymes of marine origin for use in gene technology research and diagnostics (Biotec Marine Biochemicals).

The consumer health activities in Immunocorp are built around the nbg®24:7 product family, which comprises a range of skin creams and lotions and a dietary supplement based on particulate beta glucan (Norsk Beta Glukan, nbg).

The marine biochemicals activities comprise a broad range of marine enzymes for DNA/RNA-analysis and diagnostics, including SAP, Cod-UNG and DNase.

In June 2009, the marine enzymes activities were organized in a separate company – Biotec Marine Biochemicals AS. Mr. Jan Buch Andersen was hired as CEO of the new subsidiary.

DIABETIC FOOT ULCER - Indicative timetable of clinical phase III trials



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

Biotec Pharmacon has two ongoing clinical phase III studies with SBG for the treatment of diabetic foot ulcer. Based on discussions with the European Medicines Agency, the company's objective is to apply for market authorisation for SBG for treatment of diabetic foot ulcer in Europe in mid-2010, given positive and confirmatory results from the two studies.

The company in May 2009 contracted a CRO (Clinical Research Organization) to provide regulatory affairs services to assist in the development and organization of the information required to file for market authorisation for SBG for treatment of diabetic foot ulcer. The work to compile the material has already commenced.

Biotec Pharmacon in July 2009 received notice from Medicines and Healthcare product Regulatory Agency (MHRA) in the UK that it had been allocated a slot in July 2010 for submission of the planned market authorisation application. UK will act as Reference Member State in the decentralised procedure and coordinate the review of the application submitted simultaneously in EU/EEA member states.

The two phase III studies forming the basis for a filing for market authorisation are double-blinded studies, where SBG is studied with a non-active comparator ("placebo") as control agent in addition to general wound care. 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 that 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.

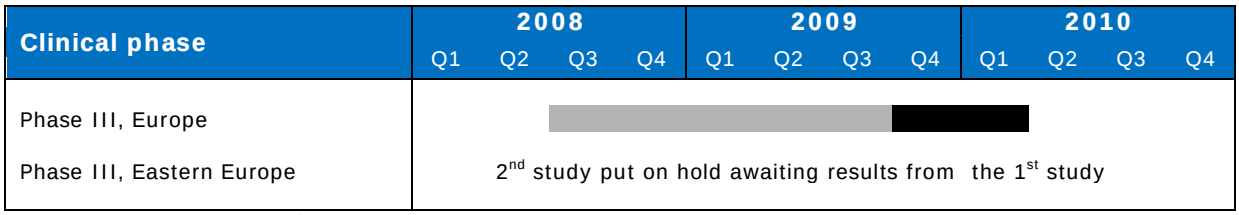
An independent statistician has carried out interim analyses to reassess the size of the patient populations of the two studies. The resulting recommendation was to leave the sample sizes (120 and 130, respectively) unchanged, meaning that the planned population is either sufficiently large to provide a significant difference between SBG and the non-active comparator (in either direction), or that the differences between the two groups are too small to be detected even with a substantial increase in sample size.

Treatment and follow-up of the last patients are currently ongoing in both studies. Allowing time for data collection and analysis, the study results are expected at the end of the fourth quarter 2009.

This schedule should leave sufficient time for Biotec Pharmacon and the hired regulatory CRO to prepare a well-documented market authorisation application in time for the scheduled filing slot in the UK in July 2010.

Biotec Pharmacon will in 2009 also seek to set up meetings with the FDA to prepare the ground for filing in USA.

ORAL MUCOSITIS - Indicative timetable of clinical phase III trials



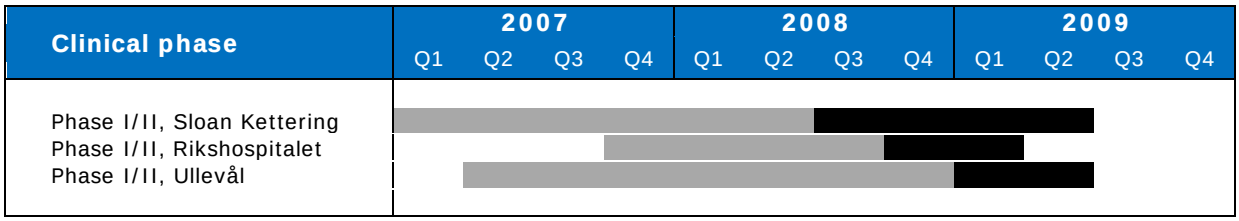
Grey area represents period of patient inclusion, black area represents study completion and reporting.

Biotec Pharmacon has one phase III study ongoing with SBG for prevention and treatment of oral mucositis. Patient inclusion commenced in October 2008. The number of patients was in July increased from 120 to 130 patients, due to a somewhat higher withdrawal rate than expected. The last of the patients are expected to be included during the third quarter 2009. As is the case in the studies with SBG for diabetic foot ulcers, the effect of SBG is being measured in a double blinded study with a non-active comparator ("placebo") as control agent.

The company in May commissioned an independent statistician to perform an interim analysis to assess the size of patient population, and in August was recommended not to make any adjustments to the patient population. This means that the planned population is either sufficiently large to provide a significant difference between SBG and the non-active comparator (in either direction), or that the difference is too small to be detected even with a substantial increase in sample size.

Signals from EMEA originally indicated that one study might be sufficient to apply for market authorisation, provided compelling results. For strategic reasons Biotec Pharmacon initially opted to run two studies in parallel. However, this decision was later reversed for administrative and logistic reasons, and the second study has been put on hold until the results from the first study are available. The timing of filing for market authorisation is thus contingent on the robustness of the results. The patient inclusion in the first study is almost completed, and Biotec Pharmacon expects results from this study in Q1 2010.

IMMUNOTHERAPY OF CANCER - Indicative timetable of clinical trials



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. Patient inclusion has been completed in all the studies, and preliminary analysis of the results show that SBG has been very well tolerated and safe in combination with the respective monoclonal antibodies.

In a study at Memorial Sloan-Kettering Cancer Center (MSKCC) SBG was tested in combination with the monoclonal antibody 3F8 in children with recurrent or metastatic neuroblastoma, whereas a study at Rikshospitalet Radiumhospitalet tested SBG in combination with rituximab (Roche) for treatment of non-Hodgkin's lymphoma. At Ullevaal, SBG has been tested in combination with trastuzumab (Roche) against breast cancer.

The company's strategy within immunotherapy has been to complete phase I/II clinical studies in order to build safety documentation. Information has also been gathered on possible signs of improved efficacy of selected monoclonal antibodies when combined with SBG. Biotec Pharmacon is currently generating hypotheses for possible future studies, which in turn is being used as a base for industrial partnerships for the future development of SBG within immunotherapy of cancer.

FINANCIAL REVIEW, NON-PHARMACEUTICALS

NOKm	Q209	Q2 08	H109	H108	2008	Q109
Revenue:						
Immunocorp Consumer Health	**6.8**	10.4	**15.4**	20.8	38.9	8.5
Marine Biochemicals	**4.4**	3.4	**7.8**	4.6	11.6	3.4
Other	**0.1**	0.6	**0.5**	0.6	1.1	0.4
Revenue non-pharma	**11.4**	14.3	**23.7**	26.2	51.7	12.3
Other operating expenses (net)	**-11.2**	-15.4	**-24.3**	-30.0	-57.3	-13.1
EBITDA	**0.2**	-1.1	**-0.6**	-3.8	-5.6	-0.8
Depreciation	**-0.5**	-0.5	**-0.9**	-1.0	-2.0	-0.5
EBIT	**-0.3**	-1.6	**-1.5**	-4.8	-7.7	-1.3

Note: The figures have been restated to account for sale of Animal Health in the third quarter 2008.

Revenue declined both in the second quarter and in the first half year 2009, primarily reflecting lower sales of skin care products in the US market. Revenue increased sharply in the higher margin marine biochemicals business. Combined with significant cost reductions in the consumer healthcare business this improved operating earnings in both the second quarter and the first half year.

Immunocorp Consumer Health

Immunocorp Consumer Health revenue in the second quarter 2009 declined by 34 percent year-on-year and by 26 percent in the first half year 2009.

The Norwegian operations showed a slight sales decline for both the second quarter and for the first half year, primarily due to reduced marketing. Lower sales and marketing costs generated improved results for the first half year, although results in the second quarter isolated were slightly below the second quarter 2008.The Norwegian distribution network for the nbg®24:7 product family of dietary supplements and skin care products was significantly broadened during 2008, and the products are now being distributed in more than 1,000 retail outlets in Norway, including pharmacies, health supplement stores and perfumeries.

Sales in the US market declined significantly in both the second quarter and first half year, mainly reflecting reduced skin care sales of skin care products. Dietary supplements sales kept up well. Despite the lower sales volumes, the US operations continued to show a positive operating result due to reduced costs related to advertisements and direct mail. At a group level, the consolidated results were affected by lower contribution from internal sales and royalties.

Biotec Pharmacon plans for a reduction in overall sales and marketing costs for the consumer health activities in 2009, but nevertheless expects the Norwegian operation to generate growth through product launches and possibly also distribution agreements in new markets in the second half of the year. Sales in the US are expected to remain slow due to the weak consumer sentiment.

Biotec Marine Biochemicals

Biotec Marine Biochemicals revenue continues to grow, and increased by 31 percent compared to both the second quarter last year and the previous quarter. The strong growth is explained by higher deliveries of both SAP and Cod-UNG enzymes. For the first half 2009, revenue increased by 70 percent from the first half 2008, when sales were low due to de-stocking in the first part of the year. The growth is profitable, and the marine biochemicals activities contribute positively to operating profit on a stand-alone basis. To further strengthen the focus, the marine enzyme activities were in June 2009 organized in a separate company – Biotec Marine Biochemicals AS. Mr. Jan Buch Andersen was hired as CEO of the new subsidiary, bringing with him the leadership experience and the biotech network required to further grow the marine enzyme business internationally in the years to come.

For the full year 2009, the company expects revenue of NOK 15 million and an EBITDA margin of 40 percent on a stand-alone basis, before allocation of Group overhead costs. The target of Biotec Pharmacon and the new management in Biotec Marine Biochemicals is to double revenue over the following three years.

FINANCIAL REVIEW, RESEARCH & PHARMACEUTICAL DEVELOPMENT

NOKm	Q209	Q2 08	H109	H108	2008	Q109
Revenue pharmaceuticals	**0**	0	**0**	0	0	0
Other operating expenses (net)	**-20.1**	-10.0	**-36.0**	-21.0	-71.9	-15.9
EBITDA	**-20.1**	-10.0	**-36.0**	-21.0	-71.9	-15.9
Depreciation	**-0.3**	-0.3	**-0.6**	-0.7	-1.4	-0.3
EBIT	**-20.4**	-10.3	**-36.6**	-21.6	-73.3	-16.2

Biotec Pharmacon's pharmaceutical product portfolio is still in research and/or development stages, and does not yet generate any sales revenue. Increased R&D activities generated an EBITDA of NOK -20.1 million in the second quarter and NOK -36.0 million in the first half year 2009.

The increase in R&D costs from the first to the second quarter 2009 is mainly due to currency effects, which reduced net R&D costs in the first quarter by close to NOK 3 million.

The current high level of R&D expenditures reflects that the company has three ongoing phase III studies and also that the company is beginning to incur costs to prepare for filing for market authorisation of its first pharmaceutical product. As described above, Biotec Pharmacon has already signed an agreement with a regulatory CRO to assist in the preparation for the filing process.

Overall, Biotec Pharmacon reiterates its estimate that net R&D costs for the full year 2009 will increase to approximately NOK 85 - 90 million from NOK 72 million in 2008.

Unallocated costs

Unallocated operational costs amounted to NOK - 0.9 million in the second quarter 2009 and to NOK -1.1 million for the first half 2009. This compares to NOK -3.5 million in the second quarter 2008 and NOK -5.1 million in the first half 2008.

The costs primarily reflect preparations for trial in a patent dispute with Biothera in USA. The complexity of the case was reduced in the first quarter this year, when the U.S. Disctrict Court eliminated from further litigation all of Biothera's claims under 12 of 14 U.S. patents at issue. Two patent claims asserted against SBG proceeded to trial, which has been scheduled to commence on 14 September 2009.

BIOTEC PHARMACON – GROUP FIGURES

Overall EBITDA was NOK -20.8 million in the second quarter 2009 and NOK -37.7 million in the first half 2009. This compared to NOK -14.6 million and NOK -29.9 million in the second quarter 2008 and first half 2008, respectively.

EBIT was NOK -21.6 million in the second quarter and NOK -39.2 million in the first half 2009. Net financial items were a positive NOK 1.0 million in the second quarter and NOK 2.5 million in first half year, which was a decline from NOK 2.0 million and NOK 3.9 million in the corresponding periods last year. As a result, profit before tax for continuing operations declined to NOK -20.6 million in the second quarter 2009 and NOK -36.8 million in the first half 2009, from NOK -13.4 million and NOK -27.7 million in the second quarter 2008 and first half 2008, respectively.

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 first half year 2009. 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 profit after tax from discontinued operations of NOK 1.0 million for the second quarter 2008 and NOK 0.8 million for the first half year 2008.

Balance Sheet, Cash Flow and Shareholder Matters

Total equity was NOK 123.2 million at 30 June, 2009, which was a decline of NOK 20.4 million during the quarter and a decline of NOK 36 million during the first half year 2009.

The decline reflects the net losses in the period as a result of R&D expenses in the pharmaceutical activities. The equity ratio of 85 percent was unchanged from the end of 2008.

The total number of outstanding shares was [23,637,910 at 30 June 2009, which was unchanged from 31 December 2008. The total number of options granted was 1,535,500 following an increase of options granted in the second quarter of 410,500. Biotec Pharmacon holds no own shares.

Net cash flow from operating activities was NOK -26.7 million in the second quarter 2009 and NOK -43.1 million in the first half year. Total net cash flow amounted to NOK -28.3 million in the second quarter and NOK -44.6 million in the first half 2009.

Including currency conversion differences, cash and cash equivalents declined to NOK 79.8 million at 30 June, 2009, from NOK 108.1 million at the end of the first quarter and NOK 121.1 million at the end of 2008. The company also retains an unused credit facility of NOK 10 million.

Biotec Pharmacon will in the second half of the year continue its work to increase its financial flexibility and secure funding through 2010. The company intends to seek additional funding both from the available government-backed loan and guarantee institutions and will also consider options to untie funds currently tied up in its non-pharmaceutical activities.

Risk factors in the second half of 2009

The main operational and financial risks in the second half of 2009 relate to the clinical study program in general and in particular to the results from the two phase III studies with SBG for treatment of diabetic foot ulcer.

Both studies are in the final stages. Patient treatment and follow-up is nearing completion, and allowing time for data collection and analysis Biotec Pharmacon expects results the end of the year. Although the company's interpretations of data from previous studies were positive no guarantee can be given with regards to the data from the phase III studies, which are supposed to form the basis for filing for market authorisation in 2010.

Biotec Pharmacon also expects to receive data from a phase III study with SBG for treatment and prevention of oral mucositis in first quarter 2010, which will be of major importance for the further development of SBG for this indication.

Biotec Pharmacon has sought to limit the regulatory risk through careful planning of its study programs, and is also being assisted by an international CRO (Clinical Research Organisations) in connection with the regulatory processes. No guarantees can be given with regard to the outcome of regulatory authorization approval processes

Biotec Pharmacon expects R&D costs related to the pharmaceutical activities of NOK 85 - 90 million in 2009, of which NOK 36 million incurred in the first half of the year.

In the non-pharmaceutical businesses, the main risk in the second half of the year relates to product demand and the progress in the development of international distribution agreements in the Consumer Health business. The continued growth of the Marine Biochemicals business is to a large extend dependent on the performance of direct distributors and diagnostic companies benefiting from the company's enzymes in their commercial kits, with risk related to successful testing and contracting with these partners.

The remaining issues in the company's patent dispute with the US-company Biothera are up for trial in September 2009. The risks related to this were significantly reduced earlier in 2009, when Biothera's claims regarding to 12 of a total 14 patents in the case were eliminated from the case.

Biotec Pharmacon does in general not see any major changes to the overall risk situation compared to the risk descriptions given in the Annual Report for 2008.

Transactions with closely related parties

Biotec Pharmacon has not carried out any transactions with closely related parties that have impacted the company's financial position or results for the first half of 2009.

Outlook

The development in the clinical program with SBG was positive in the first half of 2009. The company has completed the patient enrolment in both phase III studies for diabetic ulcers and will complete the enrolment in the first phase III study with SBG for oral mucositis during the third quarter 2009. Treatment and follow-up will be completed during the third quarter and fourth quarter respectively, and results are expected by the end of the year for the diabetic ulcer studies and in the first quarter 2010 for the oral mucositis study.

Provided confirmatory results, the company should be on track to file for a market authorisation for SBG for treatment of diabetic foot ulcers in the UK in July 2010. UK will act as Reference Member State in the Decentralised procedure and coordinate the review of the application submitted simultaneously in EU/EEA member states.

Filing for market authorisation for SBG for prevention and treatment of oral mucositis will depend on results from the first phase III clinical study.

Biotec Pharmacon has significantly increased its activity towards the pharmaceutical industry and potential partners for its SBG pharmaceutical portfolio. The company will consider partnering opportunities for all disease indications in all geographical markets. As previously described, timing of partnering agreements would be subject to commercial decisions aimed at maximising shareholder value. Biotec Pharmacon expects results from both its phase III studies with SBG for diabetic foot ulcer by year-end 2009, and believes that maximum shareholder value will be created if the company awaits these results before entering into partnership(s) for this indication.

In line with previous communication, Biotec Pharmacon expects overall R&D costs of approximately NOK 85 - 90 million in 2009, of which external costs are expected to account for approximately NOK 50 million.

Biotec Pharmacon expects growth in Consumer Health revenue in Norway, supported by new product launches and potential international distribution agreements. However, demand is weak in the US market due to the weak consumer sentiment.

The enzyme business has been established as a separate subsidiary – Biotec Marine Biochemicals AS - with a new CEO and strengthened organisation and increased focus to secure continued growth in the years to come. In 2009, revenue is expected to reach NOK 15 million with an EBITDA margin of 40 percent on a stand-alone basis.

Biotec Pharmacon ASA Group - Second quarter accounts 2009

INCOME STATEMENT

Amounts in NOK 1.000

	2Q 2009	2Q 2008	Jan. - June 2009	Jan. - June 2008
Sales revenues	11,378	14,313	23,687	26,158
Cost of goods sold	-957	-2,306	-2,141	-3,066
Personell expenses	-8,953	-8,556	-20,351	-16,978
Depreciation and amortisation expenses	-766	-828	-1,535	-1,659
Other income	1,318	861	4,752	2,203
Other expenses	-23,597	-18,863	-43,634	-38,206
	0	0		
Operating profit	-21,577	-15,380	-39,221	-31,549
Finanical income, net	953	2,030	2,465	3,887
Profit before tax	-20,624	-13,350	-36,755	-27,662
Tax	0	0	0	0
Profit after tax, continued operations	-20,624	-13,350	-36,755	-27,662
Profit after tax, discontinued operation	0	1,040	0	749
Profit after tax for the period	-20,624	-12,310	-36,755	-26,913
Basic EPS (profit for the period)	-0.87	-0.52	-1.55	-1.14
Diluted EPS (profit for the period)	-0.83	-0.50	-1.48	-1.10
EBITDA	-20,811	-14,552	-37,686	-29,889

BALANCE SHEET

Amounts in NOK 1.000

	30/06/2009	30/06/2008	31/12/2008
Non-current assets			
Machinery and equipment	8,782	11,533	9,966
Intangible assets	36,872	36,090	36,956
Financial assets available for sale	329	657	329
Other financial assets	1,737	619	567
Total non-current assets	47,719	48,899	47,818
Current assets			
Inventories	6,480	5,354	6,504
Trade receivables and other receivables	11,564	14,840	8,855
Cash and cash equivalents	79,782	129,204	124,589
Total current assets	97,826	149,397	139,948
Total assets	145,545	198,297	187,766
Equity			
Share capital	23,638	23,638	23,638
Other equity	99,514	154,281	135,635
Total equity	123,152	177,919	159,273
Current liabilities			
Trade-, short term-, and other payables	22,393	20,378	28,493
Total current liabilities	22,393	20,378	28,493
Total equity and liabilities	145,545	198,297	187,766

CHANGES IN EQUITY

Amounts in NOK 1.000	2Q 2009	2Q 2008	Jan. - June 2009	Jan. - June 2008	Year 2008
As of beginning of period	143,587	188,980	159,273	204,041	204,040
Net profit for the period	-20,624	-12,310	-36,755	-26,913	-52,179
Adjustment financial assets available for sale	0	0	0	-493	-822
Purchase own shares	0	0	0	0	-207
Sale own shares	0	0	0	0	162
Public Share Issue, net	0	0	0	0	0
Tax benefit related to share issue	0	0	0	0	0
Employee share options	626	535	1,190	1,125	2,750
Translation differences	-437	714	-556	159	5,529
As of end of period	123,152	177,919	123,152	177,919	159,273

SUMMARY CASH FLOW ANALYSIS

Amounts in NOK 1.000	2Q 2009	2Q 2008	Jan. - June 2009	Jan. - June 2008 c	Year 2008
Cash flow from operating activities	-26,715	-13,111	-43,086	-21,572	-65,657
Cash flow from investing activities	-1,553	-1,077	-1,520	-1,478	36,491
Cash flow from financing activities	0	0	0	0	-45
Cash flow in the reporting period	**-28,268**	**-14,188**	**-44,606**	**-23,050**	**-29,211**
Currency conversion difference	-98	-4	-202	-194	683
Cash and cash equivalents at the beginning of period	108,148	142,648	124,589	151,700	149,641
Cash and cash equivalents at end of period	**79,782**	**128,456**	**79,782**	**128,456**	**121,113**

Notes to the interim accounts for Q2 2009

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 June 2009. 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 2008 (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 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:

	1 half year 2009	1 half year 2008	Year 2008
Profit from operations before tax		749	-1,823
Profit from sale of business as of 01.09.08	0	0	32,638
Tax	0	0	-4,191
Profit after tax for discontinued operation	0	749	26,625
Cashflow discontinued operation:			
Cashflow operations	0	750	-1,169
Cashflow investing activities	0	0	16,575
Cashflow financing activities	0	0	16,063
Cashflow	0	750	31,469

Note 3 - Analysis of operating revenue and -expenses, segment information

Amounts in NOK 1.000

	2Q 2009	2Q 2008	Jan. - June 2009	Jan. - June 2008
Sales revenue:				
Non-pharmaceuticals	11,378	14,313	23,687	26,158
Research & pharmaceutical development	0	0	0	0
Group operating revenue	11,378	14,313	23,687	26,158
Operating expenses:	0			
Non-pharmaceuticals	-11,013	-15,250	-24,372	-29,932
Research & pharmaceutical development	-21,599	-11,002	-40,647	-23,205
Non-allocated expenses	-894	-3,473	-1,107	-5,113
Group operating expenses before depreciation	-33,506	-29,725	-66,125	-58,250
Other income:	0			
Non-pharmaceuticals	-166	-189	78	-47
Research & pharmaceutical development	1,484	1,050	4,674	2,250
Non-allocated items	0	0	0	0
Group other income	1,318	861	4,752	2,203
Operating profit (EBITDA):	0			
Non-pharmaceuticals	198	-1,127	-606	-3,822
Research & pharmaceutical development	-20,115	-9,952	-35,973	-20,955
Non-allocated	-894	-3,473	-1,107	-5,113
Group operating profit before depreciation	-20,811	-14,552	-37,686	-29,889
Depreciation:	0			
Non-pharmaceuticals	-463	-503	-929	-1,009
Research & pharmaceutical development	-303	-326	-606	-651
Group depreciation	-766	-828	-1,535	-1,659
Operating profit (EBIT):	0			
Non-pharmaceuticals	-264	-1,630	-1,535	-4,830
Research & pharmaceutical development	-20,418	-10,277	-36,579	-21,605
Non-allocated	-894	-3,473	-1,107	-5,113
Group operating profit	-21,577	-15,380	-39,221	-31,549

Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2009 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes as fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Oslo 10 August 2009

The Board of Directors and the CEO of Biotec Pharmacon ASA

Svein Mathisen Styreleder	Jan Gunnar Hartvig	Kari Stenersen	Ingrid Alfheim
Arne Handeland	Ingrid Wiik	Morten Elde	Lars Viksmoen Managing Director

FACT SHEET – Disease indications and SBG applications

Diabetic foot 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 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:	Approximately 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 treatments such as 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:	**The non-pharmaceutical business segment consists of the product areas Consumer Health and Marine Biochemicals. The Animal Health business was divested in Q3 2008.**
Immunocorp 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.
Biotec 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' main advantage compared to other enzymes is that they can be inactivated by moderate heat treatment rather than eliminated by a separate process.