



CAPITAL MARKETS DAY

Closing Comments

Andrew Kay
President & CEO



Algeta – Corporate Strategy

Develop Alpharadin

- **ALSYMPCA** phase III continues to recruit well
- Phase II trial Bone Metastases in endocrine refractory Breast cancer patients recruiting
- Docetaxel chemotherapy **combination** study on track for initiation in CRPC patients with bone metastases

Strong Partnerships

- First phase of commercial **manufacturing strategy** with IFE complete
- **Joint** Algeta and Bayer clinical, manufacturing & commercial **teams** established

Build US Organisation

- Bayer deal – Algeta **option** to retain **50% US market**

Develop Pipeline

- **Thorium** technology programs initiated

Goal: A First Choice Treatment for Bone Metastases

Alpharadin

Phase I and II clinical trials in over 330 patients with bone metastases

- Impressive Overall Survival in CRPC phase II (>40% increase p=0.017)
- Enhanced Quality of Life
- Highly tolerable side-effect profile

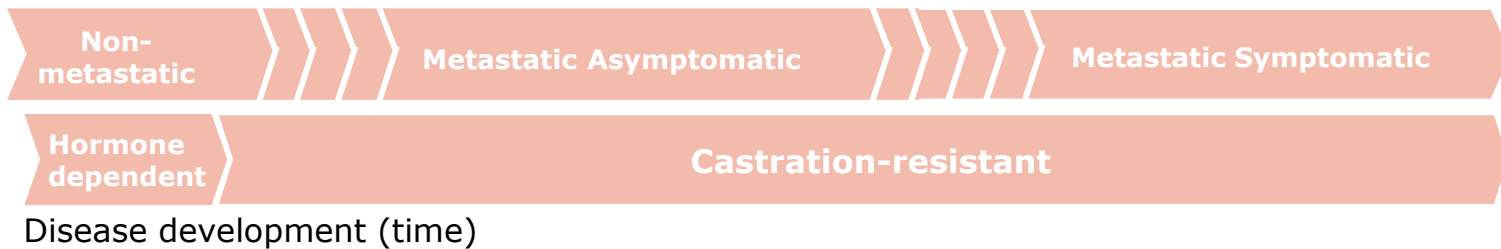
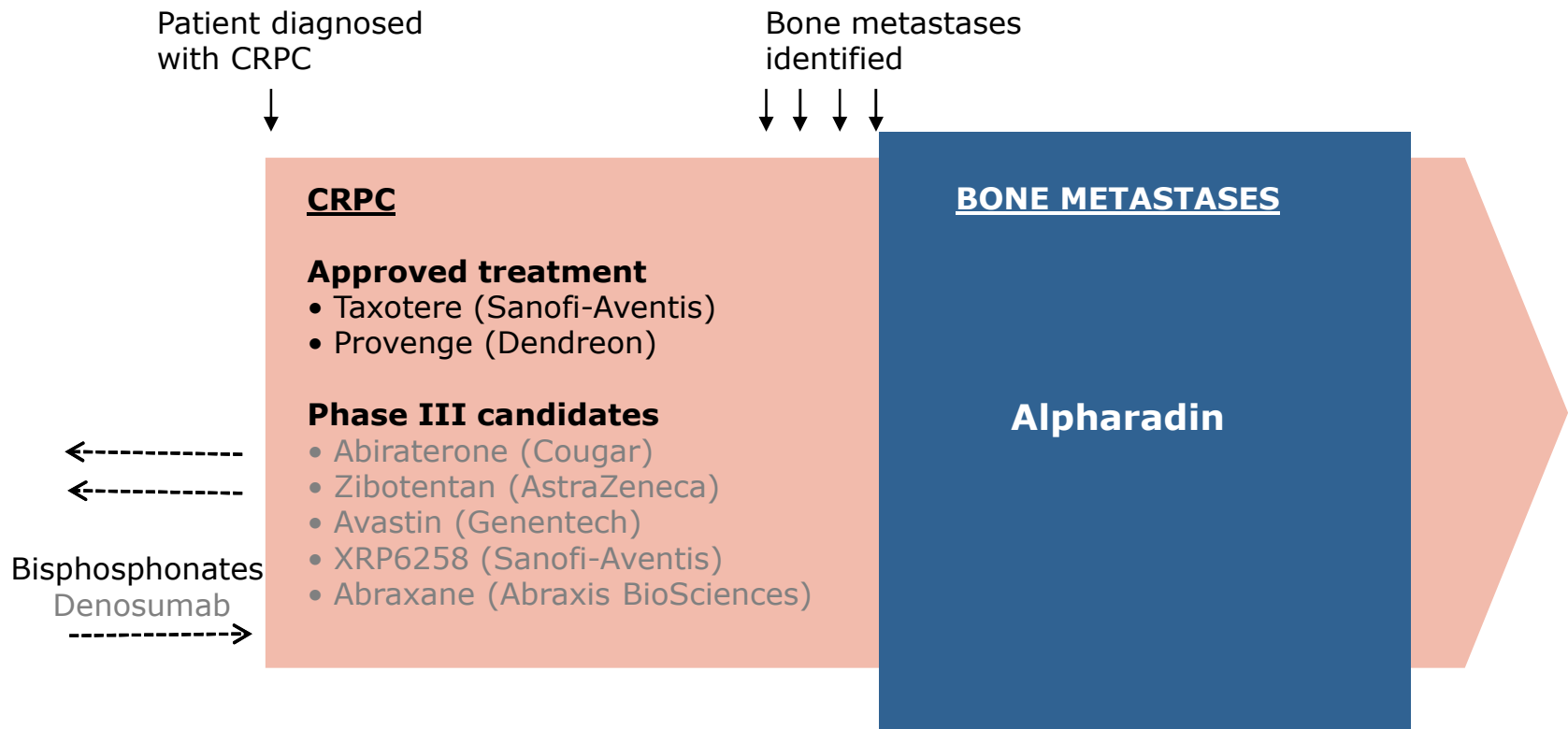
- Ideal addition to cancer treatment regimes
- Controls pain
- Easy to use - out-patient procedure

Market research with leading oncologists:

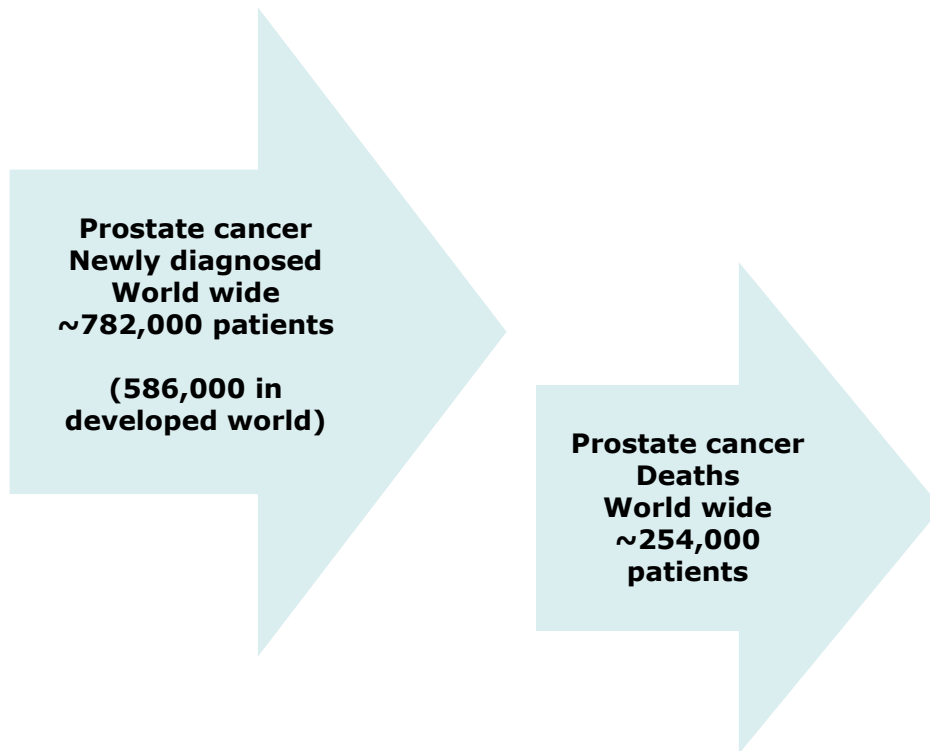
*"Clinicians saw many advantages to Alpharadin...
and struggled to find disadvantages."*

Sources: US market research commissioned from Decision Resources (May 2008)
EU market research commissioned from Bridgehead (May 2008)

Clinical Landscape and Alfaradin Positioning in CRPC

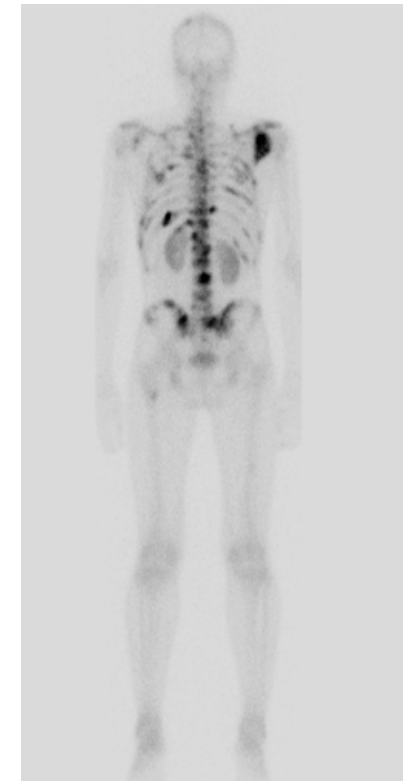




Bone Metastases: High Incidence in Prostate Cancer



Bone Metastases CRPC Europe & USA

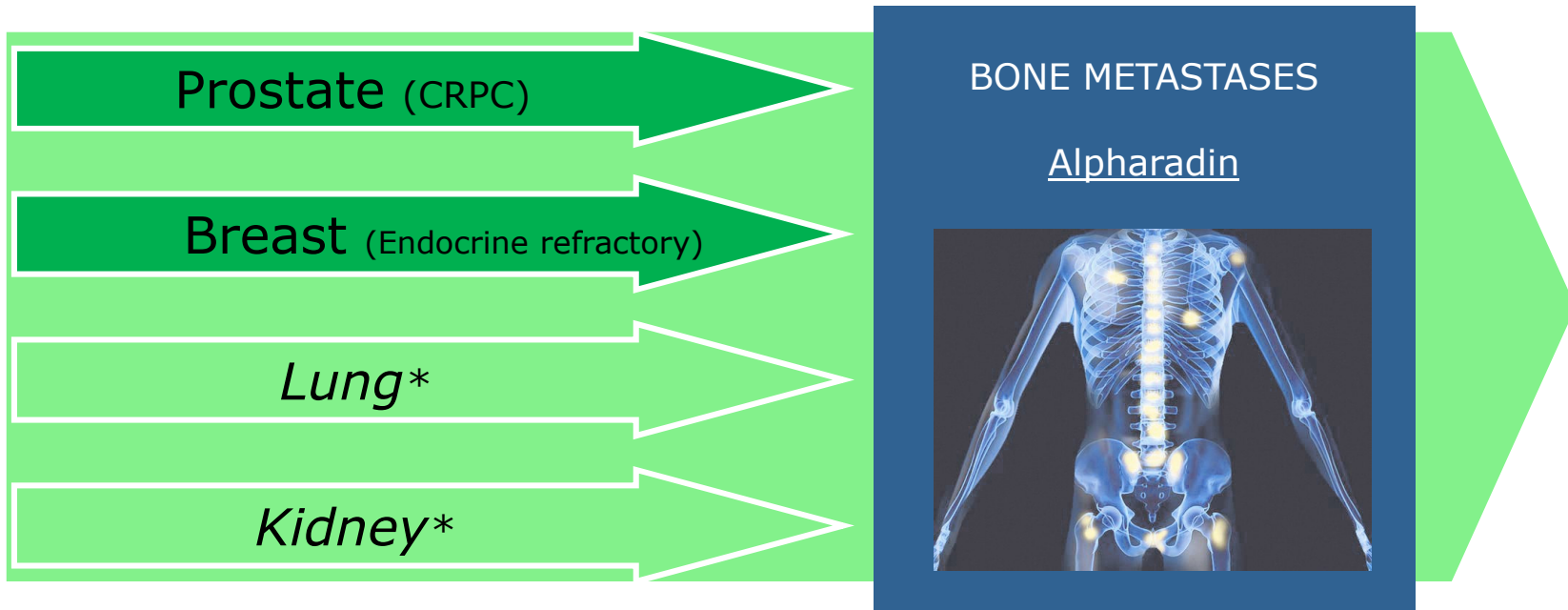
~96,000 Patients



 Incidence in EU, top 5
 Incidence in US

Sources: prostate metastasis incidence data are company estimates, based on mortality data from SEER for US and Ferlay et al (Annals of Oncology, 2007) for EU. Incidence data for breast and lung cancers in EU are derived from 'top 5' incidence data contained in Datamonitor Stakeholder Opinion report published March 2008. Global Cancer Facts & Figures 2007, American Cancer Society

Alpharadin: Targeting Multiple Bone Metastases Markets



- Alpharadin prescribed after bone metastases are diagnosed

“It is estimated that more than 1.5 million cancer patients worldwide have bone metastases.”

- Complimentary to therapy given to treat primary cancer

R.E. Coleman and J.E. Brown in "Textbook of Bone Metastases", John Wiley & Sons, 2005, page 105.

** Future potential indications not currently in clinical development*

Build a Strong and Productive Relationship with Bayer



Bayer HealthCare
Bayer Schering Pharma

Retention

Algeta can retain 50% of the US market

- Option to co-promote up to 50%
- Bayer to market in US, Europe and RoW

Upfronts

USD 61 (€42.5) million signature fee

Milestones

USD 800 (€560) million (incl. upfronts)

- USD 160 million in development & regulatory, 2010 to launch

Cost sharing

Bayer to contribute substantial majority of costs for Alpharadin clinical development program for bone metastases in advanced prostate and other cancer indications

Royalties

Tiered, double digit

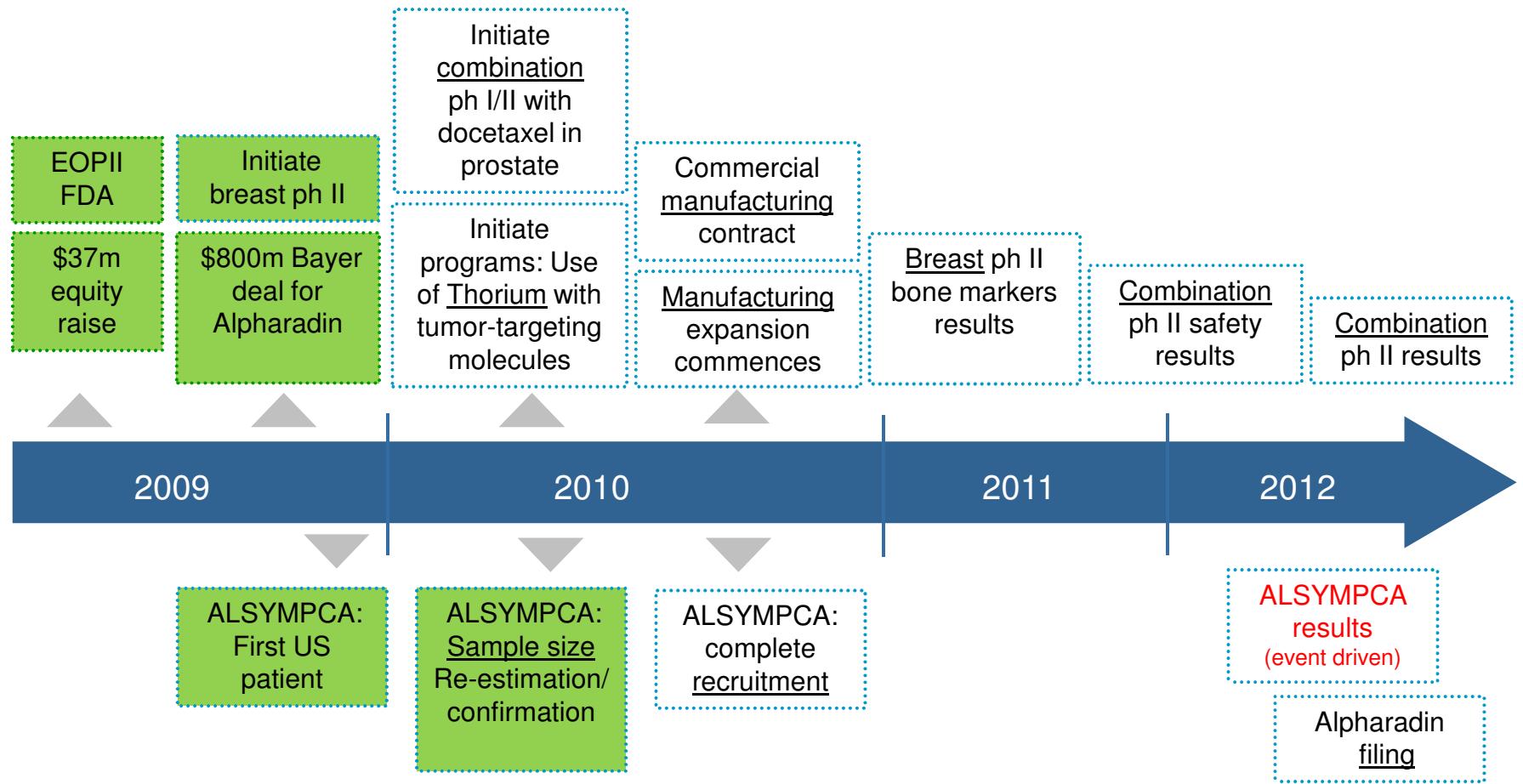
Notes: - Upfronts, milestones and royalties under the agreement are in EUR. In this presentation, EUR = 1.43 USD
- "Bayer" is used for Bayer HealthCare and Bayer Schering Pharma AG throughout this presentation

Manufacturing Alpharadin

- Bayer Schering Pharma AG (BSP) recognized the manufacturing competence and capability of Algeta and IFE
- BSP supports the upgrade of the facilities financially and through availability of expertise within the field.
- State of the art facility is planned for launch



Key Milestones – Regular Newsflow



▲ = half year

Algeta – The Momentum Continues

Alpharadin

Well positioned for commercial success

- 1st in new exciting class of alpha-pharmaceuticals for cancer
- Bayer a committed partner with global market reach
- Blockbuster potential in bone metastases

ALSYMPCA

Pivotal phase III trial on track

Designed to confirm:

- Increased overall survival (OS)
- Highly tolerable side effect profile

New indications

Breast and combination

- Studies to expand target patient population

Finance

Strong financial position to underpin Alpharadin

Algeta aims to become an oncology specialty pharmaceutical company with a US commercial presence & unique R&D capability

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