

Alpharadin: New Generation Alpha-pharmaceutical

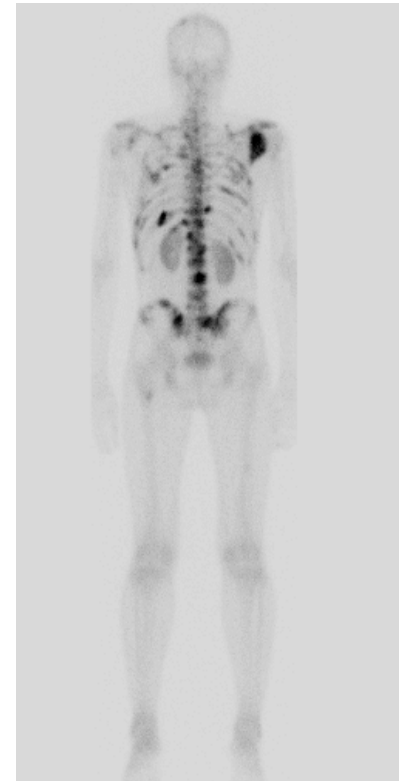
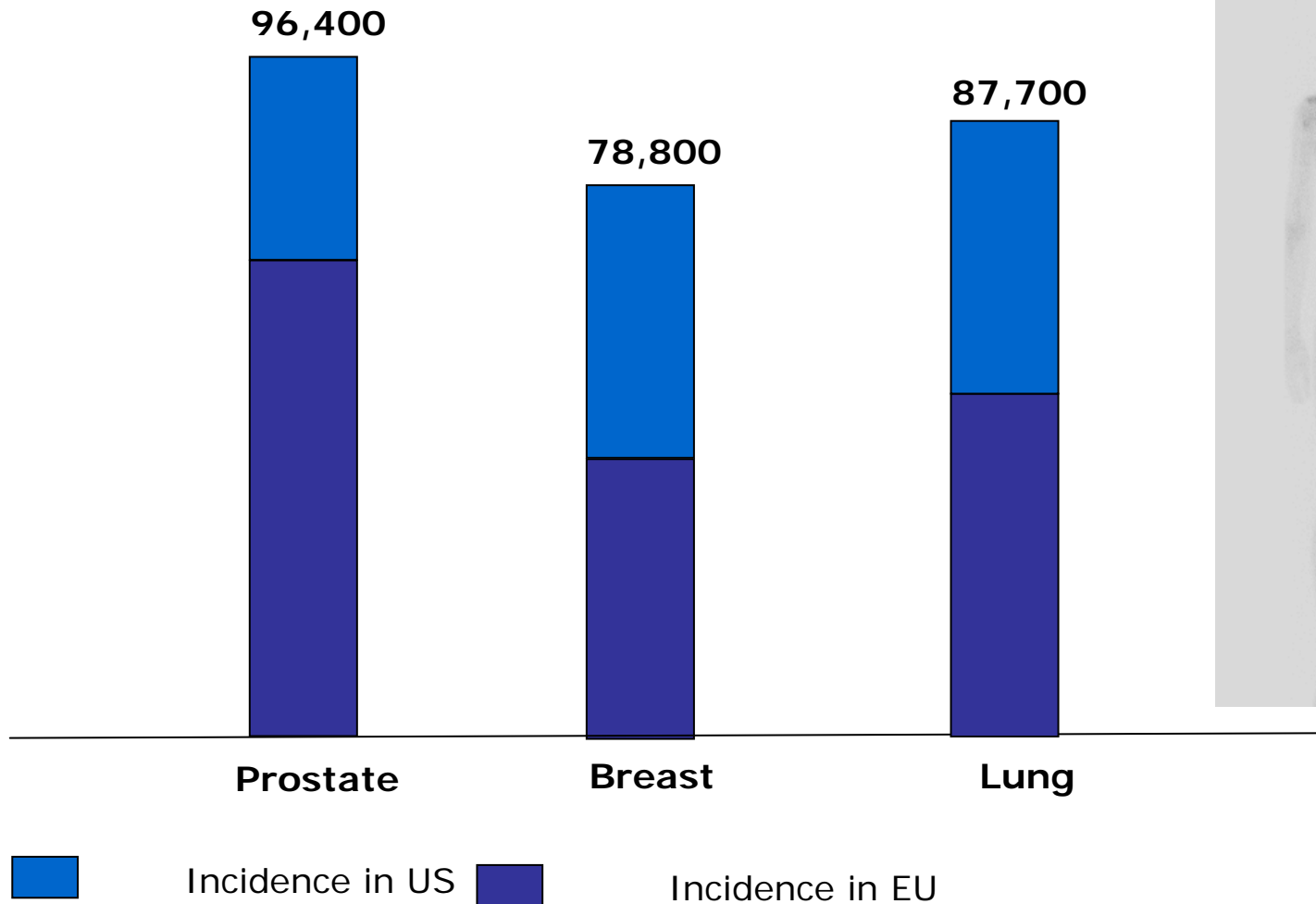
Market research demonstrated an ideal profile for Oncologists:

- Impressive Overall Survival (>40% increase, $p=0.017$)
- Enhanced Quality of Life
- Side effect profile similar to placebo
- Ideal combination product
- Controls pain
- Easy to use
- Effective therapy for patients without current treatment options

“ you have a product for the frontline therapy of hormone refractory prostate cancer.”

Bone Metastases: High Incidence in Major Cancers

Incidence of Patients with Bone Metastases



Source s: 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.

Alpharadin: An Ideal Profile for Oncologists

“Clinicians saw many advantages to Alpharadin.....
and struggled to find disadvantages”

Desired characteristic	Ideal	Alpharadin
Increases overall survival	Yes	Yes
Sustains quality of life	Yes	Yes
Controls pain	Yes	Yes
Provides new option for Taxotere failures	Yes	Yes
Provides new option for Taxotere ineligible	Yes	Yes
Keeps other therapeutic options open	Yes	Yes

Highly Positive Response to Alpharadin Profile

Results of US and European market research, May 2008:

“If it really prolongs survival with this safety profile, it’s a homerun.”

US physician

“These are impressive claims... I have very rarely heard such a good profile in prostate cancer.”

European physician

“I think it is a great product. And if you can take care of the logistics, I think you have a product for the frontline therapy of hormone refractory prostate cancer.”

US Physician

“This revises my view of radiopharmaceuticals.”

European physician

A New and Different Mode of Action – Alpha Pharmaceutical

- Alpha emitting pharmaceuticals - side effects similar to placebo
- Major advance over first generation bone-seeking beta radiopharmaceuticals
- First generation radiopharmaceuticals have serious side effects and no survival benefits

New Generation
(Alpha pharmaceuticals)

First Generation
(Beta Radiopharmaceuticals)

	Alpharadin	Metastron	Quadramet
Improves overall survival	Yes	No	No
Minimal toxicity/Adverse Events	Yes	No	No
Quality of Life	Yes	Yes	Yes
Side effects similar to placebo	Yes	No	No
Easy to use	Yes	Yes	Yes
Simple formulation	Yes	Yes	Yes

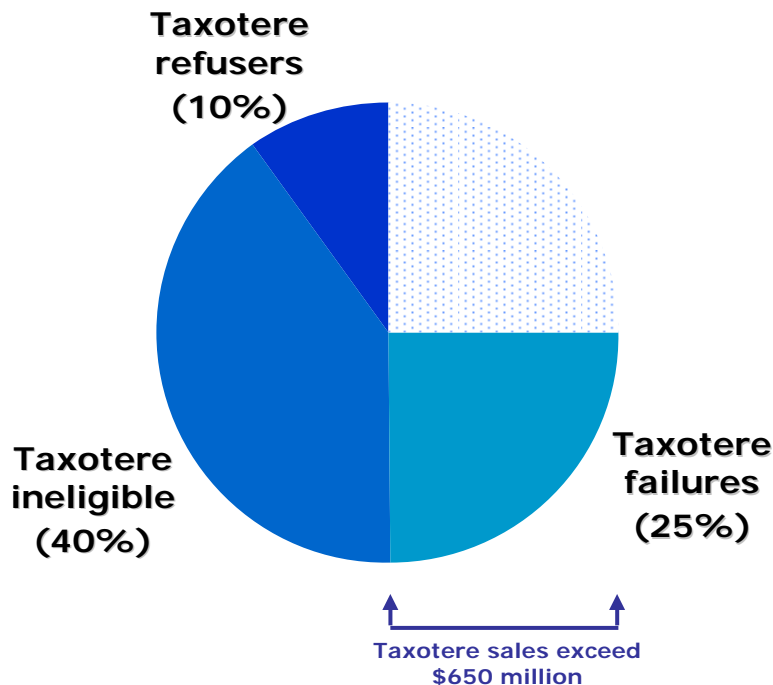
Prostate Cancer: Huge Launch Market for Alpharadin

Immediate target: All patients with bone metastases that can't be treated with Taxotere- i.e. 75% of the total HRPC market

- Taxotere failures
- Taxotere unsuitable patients

High Medical Need:

- No effective treatment for the majority of patients with bone metastases
- Patients who fail on Taxotere need an effective therapy with low side effects
- Patients refuse Taxotere because of the trade off in Quality of Life
- Patients are ineligible because of age, side effect and safety concerns



Alpharadin is Also a Logical Combination Product

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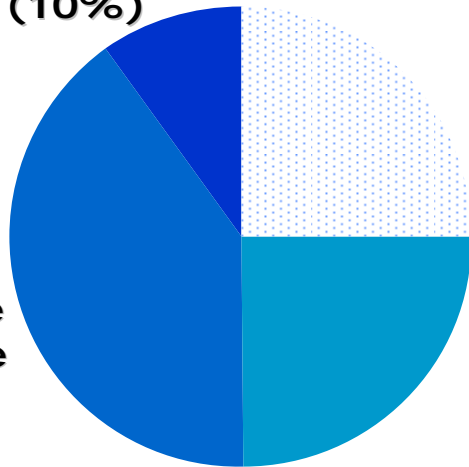
- Taxotere failures
- Taxotere unsuitable patients

Planned studies extend reach to 100% of total bone metastases HRPC market.

- In combination with Taxotere

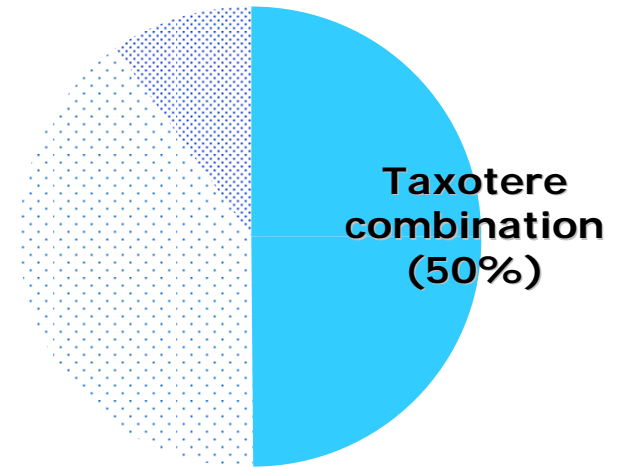
Taxotere refusers (10%)

Taxotere ineligible (40%)



Taxotere failures (25%)

Taxotere sales exceed \$650 million but address only 50% of market



Alpharadin: Ideal Combination Product

- Complements and improves on *gold standard* Taxotere
- Placebo side effect profile & minimal toxicity make Alpharadin the ideal combination product

	Alpharadin	Taxotere
Improves survival	Yes	Yes
Minimal toxicity	Yes	No
Quality of Life	Yes	No
Side effects similar to placebo	Yes	No
Controls pain	Yes	Yes
Easy to use	Yes	Yes
Suitable for drug combination	Yes	Yes
Maintains treatment options	Yes	?
Suitable for most patients	Yes	No

Peak Sales Potential of \$1.3 billion (EU and USA)

Alpharadin

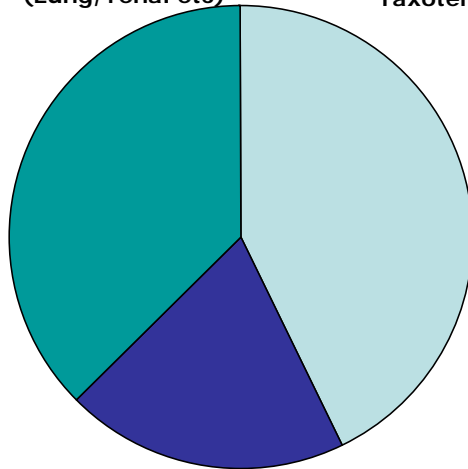
1st Choice treatment for patients with bone metastases

Life cycle

- \$518 million
- Breast Cancer
- (Lung, renal etc)

Launch market

- \$590 million
- HRPC bone metastases
 - Taxotere failures
- Taxotere ineligible / refusal



Market growth

- \$274 million
- HRPC bone metastases
- Combination with Taxotere/others

High Medical Need

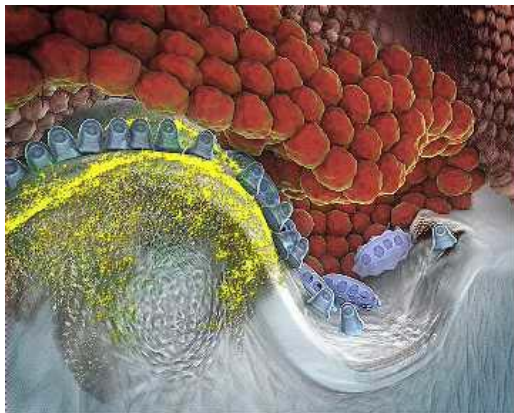
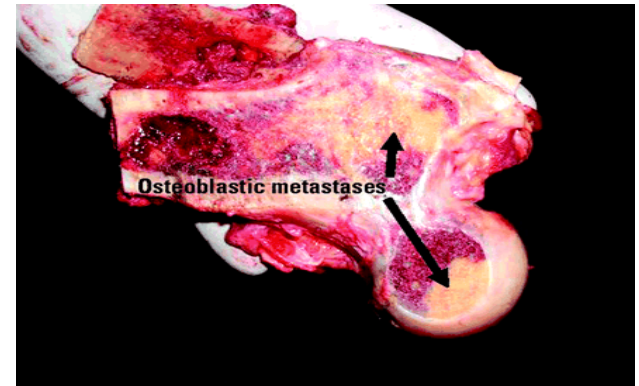
- No effective therapy for Taxotere ineligible, refuses and Taxotere failures
- Combination therapy with Taxotere
 - Alpharadin placebo side effect profile & Survival data positions it as the ideal combination product
- Effective therapy needed for bone metastases in breast, lung, kidney

Additional Upside in sales

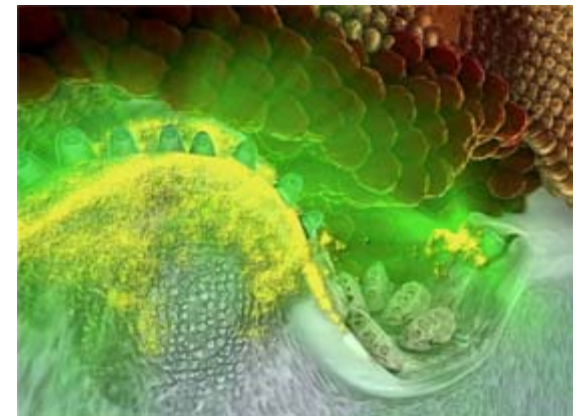
- Alpharadin MOA allows repeat therapy - doubling sales
- Rx earlier in prostate cancer for micro metastases
- ROW sales

Alpharadin: Targeted Mechanism of Action

- Alpharadin is Ra-223 salt in solution
- Acts as a calcium mimic:
 - a natural bone-seeker
 - targets new bone growth in and around metastases
 - incorporated into bony matrix
- Emits alpha-particles that induce primarily non-reparable, double strand DNA breaks in adjacent tumour cells

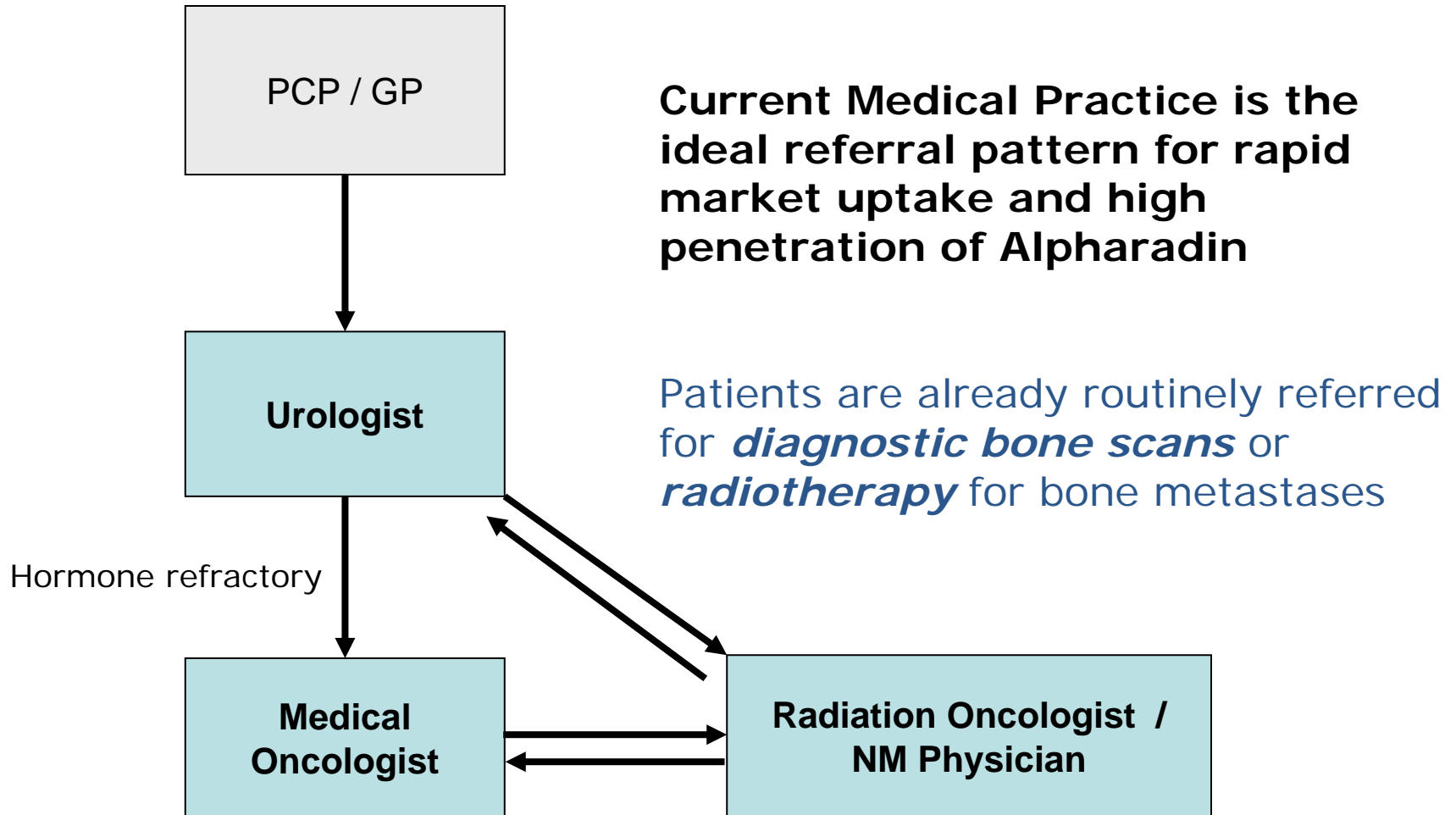


Targets new bone in metastases



Irradiates adjacent tumour cells

Patients with bone metastases routinely identified



Alpharadin is easy to use

Simple Pharmacy

- Easy logistics
- Ready to use – no complex handling
- Alphas stopped by syringe or vial wall
- Dose administered is very low
- Dose rates are very low



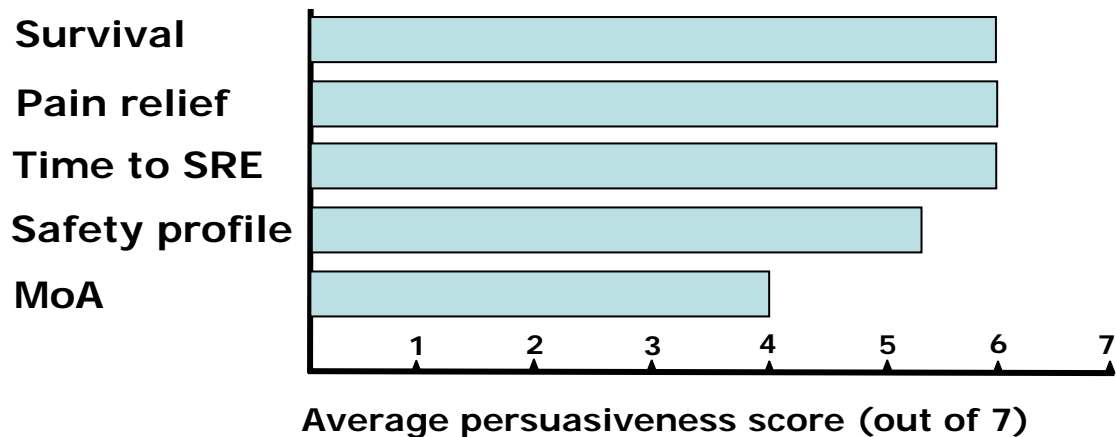
Simple Administration

- Out-patient procedure
- IV injection – no time-consuming infusion
- No imaging dose or complex pre-medication
- No limits on mixing with family and friends



US private payer survey - Alpharadin

Payors value increased survival, pain reduction and delayed time to SREs



Payors rated reimbursement potential highly in target patient populations

Patient population	Likely to reimburse ¹	Unlikely to reimburse
Docetaxel failure	4	1
Docetaxel ineligible	5	-
Docetaxel combination	4	1

Data source: Algeta commissioned research, May 2008. **Methodology:** Survey respondents asked to identify if their MCO would be likely to reimburse for each patient group; total number of respondents is shown in each cell. In some cases reimbursement will be subject to cost control measures such as prior authorization, reauthorization and usage audits.

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