Nycomed A/S

Interim Report April – June 2006

OVERVIEW

CEO'S COMMENTS

Håkan Björklund, Nycomed's Chief Executive Officer says:

"Despite tightening market conditions and continued focus on reducing public expenses on medicine, most of our established European home markets showed growth rates above market in the first six months of 2006.

In general, there was strong growth in our more recently established markets, and Russia-CIS continued to perform extremely well with no signs that the situation will change over the coming months.

We have continued to demonstrate our value as a serious European development partner for the biotechnology industry. This was underlined by the positive results of the ACUITY clinical trial on our cardiology product Angiox and the achievement of a European marketing authorisation for our new osteoporosis treatment Preotact.

Based on the development during the first six months of 2006, with a positive development in most of our markets and a continued strong growth in Russia-CIS, we expect to experience a low double digit growth in both net turnover and EBITDA for 2006.

Introduction

In the following discussion, references to "we", "us", "our", "Nycomed" and the "Nycomed Group" are to Nycomed A/S and its consolidated subsidiaries and affiliates, and with respect to periods prior to the acquisition of Nyco Holdings ApS by Nycomed A/S, these terms refer to Nyco Holdings ApS and its consolidated subsidiaries and affiliates.

This discussion should be read in conjunction with the unaudited consolidated financial statements of Nycomed A/S as of and for the six months ended June 30, 2005.

This interim report has been drawn up in accordance with IAS 34 Interim Financial Reporting.

Information on conference call details can be found later in report.

Forward-looking statement

The forward-looking statements in this report reflects management's expectations of future events based on the information presently available to us and must be viewed in the context of the business environments, currency markets and regulatory developments, which may cause actual results to deviate materially from those projected by Nycomed. Further information on factors which may cause deviations, please see website: www.nycomed.com

SUMMARY

Q2 2006 highlights

In the first six months of 2006, Nycomed´s net turnover reached €423.1 million representing a growth of 16.7% compared to the first six months of 2005. The net turnover during the second quarter of 2006 increased by €30.2 million from €183.7 million in 2005 to €213.9 million during the same period in 2006, representing a growth of 16.4%.

Growth in net turnover, excluding the impact from foreign currency fluctuations, reached 15.3% in the first six months of 2006 compared to the same period of 2005. During the second quarter of 2006 net turnover, excluding impact from foreign currency fluctuations, increased by 16.7% compared to the second quarter of 2005.

During the first six month of 2006 growth in Russia-CIS continued to accelerate, increasing net turnover by 65.7% to €109.5 million. For Russia-CIS, growth in net turnover, excluding the impact from foreign currency fluctuations, was 57.5% compared to the same period last year.

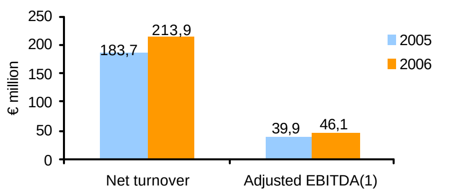
Operations has performed very well reducing production costs, mainly due to improved yield and increased volume for some of our key products.

In the first six months of 2006, adjusted EBITDA increased by 17.1% to €86.8 million, from €74.1 million in the same period last year. Excluding the impact from foreign currency fluctuations, adjusted EBITDA increased by 13.1% compared to the same period last year.

Adjusted EBITDA for the second quarter of 2006 increased by 15.5% compared to the same period last year. Excluding the impact from foreign currency fluctuations, adjusted EBITDA increased by 15.0%.

Net turnover statistics

Q2 2006



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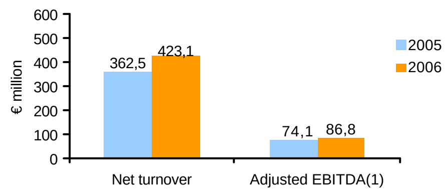


€ million	**Q2 2006**	**Q2 2005**	**Percentage Change**	**YTD Q2 2006**	**YTD Q2 2005**	**Percentage Change**
Net turnover	213.9	183.7	16.4%	423.1	362.5	16.7%
Adjusted EBITDA (1)	46.1	39.9	15.5%	86.8	74.1	17.1%

EBITDA means net income plus net financial terms, income taxes, depreciation of tangible assets and amortization of intangible assets. Adjusted EBITDA includes certain unusual or non-recurring items.

Update on Therapeutic Focus Areas

Tissue management
Nycomed continues to strengthen its position within Tissue Management. TachoSil maintains its strong growth in the European markets, and the recent launch of the product in Spain has been particularly successful. Based on the surgeons' positive feedback and the targeted activities in the markets we expect continued strong growth in the future. Beriplast has been launched in Italy in June, while the strategic processes in France and Germany has developed positively indicating good results in Q3 and Q4.

Cardiovascular
In May, Nycomed held a satellite symposium in Paris at the largest invasive cardiology congress in Europe. At the symposium, results from ACUITY were presented for the first time in Europe. The symposium was, according to the organiser, the best attended industry-led symposia of the congress. ACUITY results have not yet been published, but are expected late Q3, early Q4 in world renowned New England Journal of Medicine. Initial and early market research in the top 4 countries (UK, France, Germany and Italy) indicate that doctors are largely positive towards the results, but they are waiting for the peer review and final conclusions in the publication.

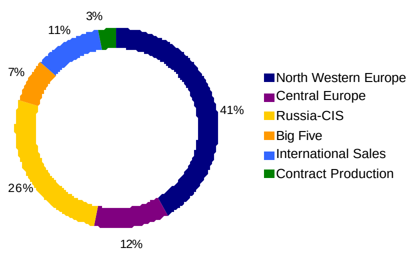
Pain
Following the mutual recognition of Matrifen, Nycomed launched the product in Germany in May. in partnership with Betapharm, who is responsible for the GP market, with Nycomed being responsible for the specialists and hospital market. Germany accounts for approximately half of the Fentanyl-patch market in Europe, and Nycomed will now continue launching the product throughout the rest of Europe in 2006-07.

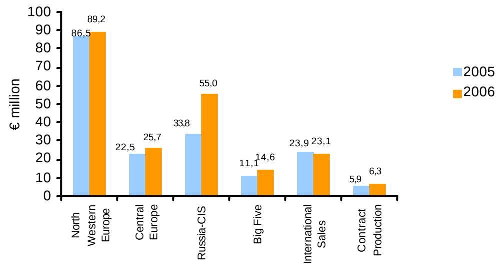
Osteoporosis
Following the European marketing authorisation in April, Nycomed launched the osteoporosis drug Preotact in Denmark in early June. Sales in Denmark have so far been highly satisfactory, and the pan-European launch continues in 2006 and the beginning of 2007 according to plan. Nycomed has also further cemented its position as the leading European manufacturer of Calcium Vitamin D supplements with the product showing double digit growth.

Other
Actovegin continues to perform very well in Russia-CIS, where sales of the product went up by 45% in Q2/2006 compared to the same period last year. Nycomed has recently established a new marketing business unit to support all offices and export markets in the marketing of Actovegin.
Nycomed's proton pump inhibitor Pantoprazole also showed stable growth with particularly strong performance on the Danish and Swedish markets.

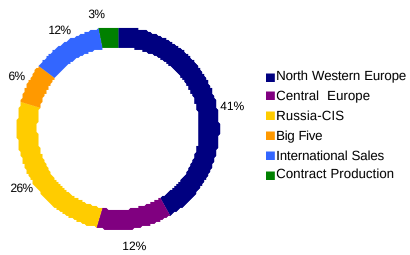
Net turnover by segments

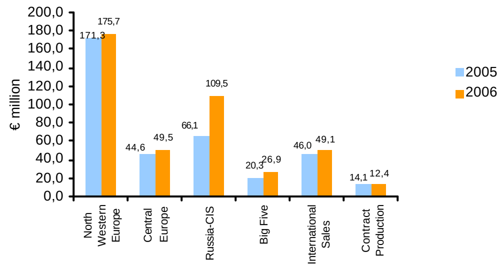
Q2 2006





YTD Q2 2006





Operations

The main challenge during the first six month of 2006 has been to match production capacity to the increasing demand from our markets, especially the demand from CIS-Russia. The second expansion of of our production capacity for Actovegin has started, and it is expected, that the production will start in the beginning of 2007. We have succeeded to reach a very high yield in both the TachoSil production in Austria and in the production of Calcium in Norway.

SEGMENTS

Northern/Western Europe

Belgium/Luxembourg, Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Sweden, the Netherlands

€ million	Q2 2006	Q2 2005	Percentage Change	YTD Q2 2006	YTD Q2 2005	Percentage Change
Net turnover	89.2	86.5	3.1%	175.7	171.3	2.6%

Net turnover in Northern/Western Europe increased by 2.6% in the first six months of 2006, which is in line with our expectations. During the second quarter of 2006 the net turnover in this region increased by 3.1% compared to the same period in 2005.

Market development and business performance

Denmark: The net turnover increased by 4.3% during the first six months compared to the same period in 2005. The sales of Pantoloc continued to perform very well. The sales of this product increased by 19.1% during the first six month of 2006 compared to 2005. Also Marevan has shown a significant growth.

Norway: During the first six months of 2006 the net turnover decreased by 4.9%. The negative development is mainly related to the OTC market, as a consequence of the wholesalers´ reduction of their stocks. Part of this development has been offset by increased sales of Rx products.

Sweden: During the second quarter of 2006 the pharmaceutical market in Sweden increased by 3.3%, in the same period we have had a growth of 7.7%. The positive development is among others driven by the OTC portfolio, especially the antihistamine Kestine has shown a very strong development with a growth of 22% during the second quarter. Also our generic portfolio has developed positively with a growth of 28.0% during the last three months.

Finland: We have had a decline in our sales of 2.1% during the first half year of 2006. The decline within the OTC segment is mainly due to changes in legislation effective per January 1, 2006. It is expected that this decline will be phased out during 2006. Also all reimbursed Rx products experienced a 5% price reduction from the same date. The sale of Angiox is developing well.

The Baltic countries: We have had a positive development in our net turnover during the first six months of 2006, where sales increased by 25.7% compared to the first six months of 2005, mainly in Latvia and Estonia. This development has mainly been driven by own produced products, Ibumetin, Xymelin, Xefo and Glucadol.

Belgium: The net turnover increased by 3.8% compared to the first six months of 2006. Despite the introduction of different reimbursement modalities for cheaper PPI´s (generics) in Belgium, Zurcale (Pantoprazole) continued to perform very well. In general the result of the changes to the PPI reimbursement system introduced during 2005, has had a positive effect on our sales. TachoSil was launched in September 2005, and are performing very well despite the limited indications, for which the product is reimbursed.

The Netherlands: The net turnover has increased by 6.4% during the first six months of 2006 compared to the same period in 2005. TachoSil are continuing to increase each month. Also Glucadol and Pantoprazole have developed well.

Central Europe

Austria, Greece, Poland and Switzerland.

€ million	Q2 2006	Q2 2005	Percentage Change	YTD Q2 2006	YTD Q2 2005	Percentage Change
Net turnover	25.7	22.5	14.2%	49.5	44.6	11.0%

The net turnover in Central Europe increased by 11.0% during the first six months of 2006 compared to the first six months of 2005. During the second quarter of 2006 the net turnover has increased by 14.2% from €22.5 million in 2005 to €25.7 million in the second quarter of 2006.

Market development and business performance

Austria: The net turnover in Austria decreased during the first six months of 2006 by 7.0% compared to the same period in 2005. This is due to a change in law, which strictly regulates discounts for self dispensing doctors. TachoSil and Beriplast have achieved a dominating market share of 71.0%. Angiox has had a positive development to the extent that, we now have a solid customer base who order the product on a regularly weekly basis.

Switzerland: The net turnover increased by 19.4% during the first six months of 2006 compared to the first six months of 2005. The Swiss Rx market showed for the first time ever a negative trend, this is mainly due to pressure from the government to use generics. The reimbursement of all diagnostics is expected to decrease by 10%. The sale of TachoSil is developing well.

Greece: Our net turnover in Greece developed well during the first six months of 2006, with a growth of

8.6%. This development is mainly driven by positive development of TachoSil and Xefo Rapid.

Poland: Our net turnover increased by 88.5% during the first six months of 2006. In Poland we have no direct in-market sales, as all our sales are through distributors. The sale of Doltard and Gutron is quite stable. During 2006 the sale of TachoComb has increased mainly as a result of intensive promotion towards the doctors.

Big Five

France, Germany, Italy, Spain/Portugal, UK/Ireland

€ million	Q2 2006	Q2 2005	Percentage Change	YTD Q2 2006	YTD Q2 2005	Percentage Change
Net turnover	14.6	11.1	31.5%	26.9	20.3	32.5%

Net turnover increased during the first six months in 2006 by 32.5%, from €20.3 million in 2005 to €26.9 million in 2006. During the second quarter of 2006 the net turnover increased by 31.5% from €11.1 million in 2005 to €14.6 million 2006.

Market development and business performance

France: The net turnover increased by 54.0% during the first six months of 2006 versus the same period the year before. The growth is driven by Gutron and in addition the two products TachoSil and Angiox, which were launched in 2006.

Germany: The net turnover showed strong growth of 16.0% during the first six months of 2006 compared to the same period last year. The launch of Matrifen in cooperation with our partner Betapharm has been very successful. Despite a doctor´s strike, mainly in the university sector, TachoSil has showed increased sales of 5% during second quarter of 2006. Angiox increased by 61.0% versus second quarter of 2005, and we expect further positive sales during the coming months, driven by the positive outcome of the ACUITY study.

Italy: TachoSil has developed very well. We have now developed a very good customer base, with 130 hospitals ordering the product during the first six months of 2006. Taigalor (Lornoxicam) has been launched.

Spain: In the Spanish market we have focused on the launch of TachoSil. The product has been very well accepted in the market, and the sales are already above our expectations. For the time being we are preparing the launch of Matrifen in Spain and the launch of TachoSil in Portugal.

UK: In the UK market we are working with the formulary approval for both Angiox and TachoSil, In addition we are trying to increase the sales in the centres, which already have been approved, but the development has not been according to plan.

Russia and the Republics of the Commonwealth of Independent States

Russia and the Republics of the Commonwealth of Independent States

€ million	Q2 2006	Q2 2005	Percentage Change	YTD Q2 2006	YTD Q2 2005	Percentage Change
Net turnover	55.0	33.8	62.7%	109.5	66.1	65.7%

Net turnover in Russia-CIS increased by 65.7% in the first six months of 2006, from €66.1 million in 2005 to €109.5 million in the first six months of 2005. During the second quarter of 2006 the net turnover increased by 62.7% from €33.8 million to €55.0 million.

Market development and business performance

The significant increase in the first six months of 2006 was a result of a very strong performance in Russia with increased sales of 61.0% (in local currency) compared to the same period last year. In the Asia/Caucasus countries the net turnover increased by 32.0% and in Ukraine the net turnover increased by 60% compared to prior year. All key products show double digits growth compared to last year. The main contributors to the growth in sales are Actovegin, CaD3 (Calcium) and Concor.

We have increased promotion campaigns related to key OTC products, Gerimax and Cardiomagnyl, which has contributed to growth in sales of these products.

During the first half year of 2006, we have experienced, that the payment terms related to the reimbursement under the Federal Programme, have been expanded from the 180 days moving towards 360 days.

International Sales

Export sales

€ million	Q2 2006	Q2 2005	Percentage Change	YTD Q2 2006	YTD Q2 2005	Percentage Change
Net turnover	23.1	23.9	(3.3%)	49.1	46.0	6.7%

Net turnover in International Sales increased by 6.7% during the first six months of 2006, from €46.0 million in the first six months of 2005 to €49.1 million in the same period this year. During the second quarter of 2006 the net turnover decreased by 3.3% compared to the same period in 2005.

Market development and business performance

International Sales have had a very positive development in net turnover during the first six months of 2006, despite a decrease of €1.9 million in the royalty income.

The sales of Calcium have developed very well with a total growth in sales of 13.4%, mainly related to the UK, Germany and Canada. Xefo has developed quite well in Turkey, Hungary and Spain. These positive developments have been partly offset by a decrease in sales of TachoComb in Japan, but we expect to catch up with sales before the year end.

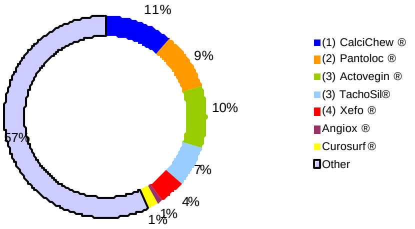
Contract Production

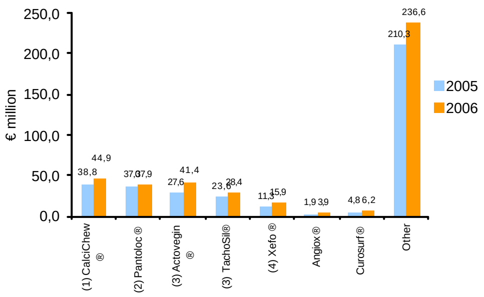
€ million	Q2 2006	Q2 2005	Percentage Change	YTD Q2 2006	YTD Q2 2005	Percentage Change
Net turnover	6.3	5.9	6.8%	12.4	14.1	(12.1)%

Net turnover decreased by 12.1% in the first six months of 2006 to €12.4 million from €14.1 million during the same period last year. During the second quarter of 2006 the net turnover increased by 6.8% from €5.9 million in 2005 to €6.3 million this year.

The decrease was mainly due to lower sales of ABA, which is partly due to phasing and partly due to permanently lower sales. Part of this decrease was offset by strong demand from Novartis on secondary production. For the time being we have lower excess capacity for contract production, as we need to be able to meet the needs in our own markets.

Product overview





Including: Orocal®, Cal-D-or®, Calcimagon®, calcigran®, Calcilac®, Calcitugg®, Cavid®, Mastical®, Nycoplus Calcigran®, Orotre®, Steocar®, Steovit D3®, Vicalvit®
Including: Zurcal®, Zurcazol®, Pantozol®
Including: TachoSil®
Including: Xefo®Rapid, Xafon®, Xefocam®, Telos®, Acabel®, Taigalor®

Key Figures

€ million	Q2 2006	Q2 2005	% change	YTD Q2 2006	YTD Q2 2005	% change
Net turnover	213.9	183.7	16.4	423.1	362.5	16.7
Cost of sales (1)	(87.5)	(98.3)	(11.0)	(172.2)	(176.0)	(2.2)
Gross profit	**126.4**	**85.4**	**48.0**	**250.9**	**186.5**	**34.5**
Sales & marketing expenses (2)	(82.7)	(69.4)	19.2	(168.7)	(131.7)	28.1
Research and development expenses	(8.3)	(7.8)	6.4	(16.6)	(14.9)	11.4
Administration expenses	(19.6)	(18.3)	7.1	(39.7)	(35.0)	13.4
Operating income	**15.8**	**(10.1)**	**256.4**	**25.9**	**4.9**	**428.6**
Gross profit margin	59.1%	46.5%		59.3%	51.5%	
EBITDA (2)	46.1	16.4	181.1	86.8	50.6	71.5
EBITDA margin	21.6%	8.9%		20.5%	13.9%	
Adjusted EBITDA (2)	46.1	39.9	15.5	86.8	74.1	17.1
Adjusted EBITDA margin	21.6%	21.7%		20.5%	20.4%	

The three and six months ended June 30, 2006 includes amortization of intangible assets, excluding goodwill, of respectively €49.6 million and €25.0 million compared €34.5 million and €20.9 million in the same period last year.

EBITDA means net income plus net financial items, income taxes, depreciation of tangible assets and amortization of intangible assets. Adjusted EBITDA includes certain unusual or non-recurring items (as described below). EBITDA and Adjusted EBITDA are not measurements of performance under IFRS. See “EBITDA and Adjusted EBITDA” below.

Net turnover

Nycomed’s net turnover increased by 16.7% to €423.1 million for the first six months of 2006.

The experienced growth was based on growth in almost all our home markets, with strong performance in CIS.

Cost of sales

€ million	Q2 2006	Q2 2005	Percentage Change	YTD Q2 2006	YTD Q2 2005	Percentage change
Total direct costs	60.8	56.2	8.2	119.6	108.9	9.8
Amortization inventory step-up	-	23.5	-	-	23.5	-
Indirect production costs	26.6	18.6	43.0	52.5	43.5	20.7
Total cost of sales	87.4	98.3	11.1	172.2	175.9	(2.1)

Total cost-of-sales as a percentage of net turnover decreased in the first six months of 2006 from 48.5% in 2005 to 40.7% in 2006. Excluding, the €23.5 million related to the application of purchase accounting and the following amortization of inventory step-up as part of the acquisition in 2005, the total cost-of-sales as a percentage of net turnover decreased from 42.0% in 2005 to 40.7% in 2006. Total cost-of-sales as a percentage of net turnover in the second quarter of 2006 decreased to 40.9% from 53.5% during the same period in 2005. Excluding, the €23.5 million related to inventory step-up, the total cost-of-sales as a percentage of net turnover increased from 40.7% during the second quarter of 2005 to 40.9% in 2006. Total direct costs as a percentage of net turnover decreased to 28.3% from 30.0% for the first six months of 2006. For the second quarter of 2006 total direct costs as a percentage of net turnover decreased to 28.4% from 30.6% in the same period in 2005. Indirect production costs as a percentage of net turnover increased from 12.0% to 12.4% for the first six months.

The first six months of 2006 showed, that we have been able to keep the overall cost of goods level, despite the increased volumes. The improved yield is mainly driven by high yield in the TachoSil production in Austria and in the production of Calcium in Norway.

Gross profit

Gross profit increased in the first six months by 34.5% to €250.9 million from €186.5 million in 2005. Excluding, the amortization of the inventory step-up related to the acquisition in 2005, the gross profit increased by 19.5% or €40.9 million during the first six months of 2006. During second quarter of 2006 gross profit increased by 48.0% from €85.4 million in 2005 to €126.4 million this year. Excluding, the amortization of inventory step-up, the gross profit increased by 16.1% or €17.5 million during the second quarter of 2006 compared to the same period in 2005.

The increase was mainly due to increased sales of key products and by strong cost controls in Operations.

Expenses

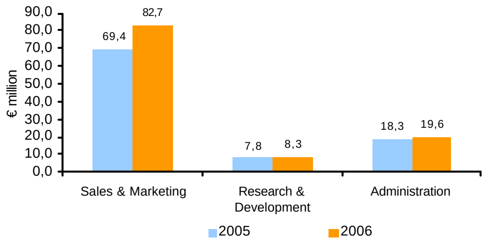
Sales and marketing expenses increased by 28.1% during the first six months of 2006. Excluding, the increased amortization of intangibles assets related to the application of purchase accounting as part of the acquisition in 2005, sales and marketing expenses increased by €22.1 million from €131.7 million to €153.2 million, or 16.8%. During the second quarter of 2006 sales and marketing expenses increased by 19.2%. Excluding, the increased amortization of intangibles assets related to the application of purchase accounting as part of the acquisition in 2005, sales and marketing expenses increased by €9.5 million from €69.4 million to €78.9 million, or 13.7%. The increase mainly reflects the increased costs in connection with the expansion of our activities in the CIS and the implementation of our new subsidiaries in UK, Italy, Spain and Poland. Furthermore we have started the launch of Matrifen and the pre-marketing activities related to Preotact.

Research and development expenses increased by 11.4% during the first six months of 2006. During the second quarter of 2006 research and development expenses increased by 6.4% compared to the same period in 2005, which was mainly due to increasing activities related to clinical trials on certain products.

Administration expenses increased by €4.7 million from €35.0 million during the first six months of 2005 to €39.7 million for the same period this year. In addition, administration expenses increased by €1.3 million during the second quarter of 2006 compared to the second quarter of 2005. This increase was due to an increased level of activities in our new subsidiaries and several corporate projects going on, among others IT projects.

€ million	Q2 2006	Q2 2005	Percentage Change	YTD Q2 2006	YTD Q2 2005	Percentage Change
Sales and marketing	82.7	69.4	19.2	168.7	131.7	28.1
Research & development	8.3	7.8	6.4	16.6	14.9	11.4
Administration	19.6	18.3	7.1	39.7	35.0	13.4
Total	110.6	95.5	15.8	225.0	181.6	23.9

Q2 2006



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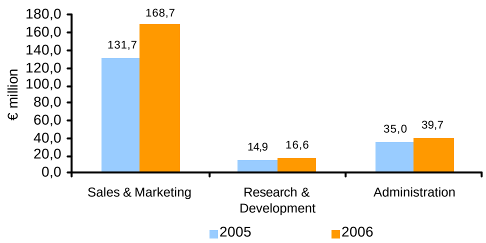

Operating income

In the first six months of 2006 our operating income increased to €25.9 million from €4.9 million in 2005. Excluding the inventory step-up and the increased amortisation of intangible assets related to the application of purchase accounting, operating income increased by €12.3 million from €28.4 million during the first six months of 2005 to €40.7 million during the first six months of 2006. During the second quarter of 2006 operating income increased from a loss of €10.1 million to an income of €15.8 million. Excluding the inventory step-up and the increased amortisation of intangible assets related to the application of purchase accounting, operating income increased by €6.2 million from €13.4 million in 2005 to € 19.6 million in the second quarter of 2006.

Net financial items

Interest and financial charges increased by €9.5 million during the first six months of 2006 to €46.7 million (€37.2 million). For the second quarter of 2006 our interest and financial charges decreased by €6.5 million from €27.4 million to €20.9 million. The interest amd financial charges for both the first six months of 2005 and the second quarter of 2005 were efffected by the acquisition in 2005.

Exchange rate gains decreased by €0.4 million in the first six months of 2006 to a gain of €2.8 million (a gain of €3.2 million). For the second quarter of 2006 exchange rate gains increased by €3.6 million.

The increase of interest and financial charges was mainly due to the capitalised interest on our PIK note. In addition, we have had increased interest costs during the first six months of 2006, as we have had a higher level of utilisation under our in-licensing facility compared to the same period last year.

Tax

Income tax benefit decreased by €4.2 million from tax benefit of €8.8 million for the six months ended June 30, 2005, to a tax benefit of €4.6 million for the six months ended June 30, 2006**.** In addition, income tax benefit decreased by €8.9 million from tax benefit of €9.5 million for the three months ended June 30, 2005, to a tax benefit of €0.6 million for the three months ended June 30, 2006. The decrease of tax benefit for the six months ended June 30, 2006 was due to higher income before taxes between the two periods of €11.6 million, an increased tax expense related to non deductible financial expenses of €1.1 million a decrease of tax benefit of €0,4 related to prior year adjustments, partly offset by an increased tax benefit of €0.5 million related to the effect of different tax rates and non deductible expenses.

Net income

Our net income increased by €7.4 million from a loss of €23.5 million for the first six months of 2005 to a loss of €16.1 million for the first six months of 2006. The net income for the second quarter of 2006 increased by €23.5 million from a loss of €28.0 million in second quarter of 2005 to a loss of €4.5 million in 2006 due to the reasons described above.

Liquidity

The tables below summarise our cash flows for the first six months of 2006:

Cash flow from operating activities showed an inflow of €24.8 million for the first six months of 2006 compared to an inflow of €12.9 million in 2005, while working capital showed an outflow of €28.8 million (an outflow of €31.8 million in 2005). Excluding the booked value of €12.6 million related to a co-promotion agreement concerning marketing of Pantoprazole in the Greek market, working capital showed an outflow of €41.4 million

The negative development in working capital is effected by the prolongation of the credit terms under the Federal Programme in CIS. In addition we have increased the level of inventories primarily related to the launch of Matrifen and Preotact. We are continuing to put a lot of resources into our on-going working capital project (POLAR BEAR project), with the focus to increase the forecasting efficiency and the inventory management.

Cash flow related to other investment activities increased from €17.3 million (excluding items related to the acqusition in 2005) during the first six months of 2005 to €20.4 million during the first six months of 2006. The outflow consists of development costs, milestone payments for products and normal maintenance investments.

Cash flow related to financing activities. During the second quarter we have utilised €5.0 million under our In-Licensing facility and paid ordinary instalment under our Senior Facility of €6.8 million.

€ million	**Q2 2006**	**Q2 2005**	**YTD Q2 2006**	**YTD Q2 2005**
Net cash as of beginning of period	46.3	19.0	46.6	23.1
Foreign exchange differences	0.1	(0.1)	-	(0.1)
Total	46.4	18.9	46.6	23.0
Net cash flow from (used in) operating activities	16.8	27.1	24.8	12.9
Net cash flow used in other investment activities	(12.2)	(789.8)	(20.4)	(794.7)
Net cash flow from (used in) financing activities	(1.8)	786.3	(1.8)	801.3
Net change in cash and cash equivalents	2.8	23.6	2.6	19.5
Net cash as of end of period	49.2	42.5	49.2	42.5

Capital resources

In line with our business plan and strategy, we will continue to devote significant cash resources to the continued growth of our business.

As of June 30, 2006, we had cash of €49.2 million compared to a cash position at June 30, 2005 of €42.5 million.

As of June 30, 2006 we had €15.0 million drawn under our revolving facility compared to €15.0 million at the end of June 2005.

As of June 30, 2006 we had €45.2 million drawn under our In-licensing facility compared to €10.2 million at the end of June 2005.

We have a substanstial amount of debt and significant debt service obligations. As of June 30, 2006 we had €1,011.0 million of consolidated debt, €386.1 million of which is indebtedness under the senior credit facilities. Our book value of debt of €1,082.0 on our balance sheet includes an offsetting accounting adjustment of unamortized financing fees, of €18.2 million, unrealised loss of €1.0 million and adjustments to the market value of Senior Notes and PIK notes of €22.2 million. Furthermore, the booked value includes €62.9 million in capitalised interest on the Senior PIK Notes.

We believe that our operating cash flows, together with available borrowings under the senior credit facilities and existing cash resources, will be sufficient to fund our currently anticipated working capital needs and debt service requirements

Further information about credit facilities and debt, please see website: www.nycomed.com/investors

Outlook 2006

Based on the development during the first six months of 2006, with a positive development in most of our markets and a continued strong growth in CIS, we expect to experience a low double digit growth in both net turnover and EBITDA for 2006.

ACCOUNTS

Accounting principles

This Interim Report has been drawn up in accordance with IAS 34 Interim Financial Reporting. For further information, please see website:

Comparability of results

The acquisition of Nyco Holdings ApS on May 9, 2005, the application of purchase accounting adjustments related thereto, and the related financing transactions have affected and will continue to affect our results of operations following the acquisition. For further details, please see website: www.nycomed.com/investors

Statement of profit and loss

€ thousand	Q2 2006	Q2 2005	YTD Q2 2006	YTD Q2 2005
Net turnover	213,870	183,684	423,120	362,475
Cost of sales	(87,477)	(74,819)	(172,178)	(152,459)
Inventory step-up	-	(23,492)	-	(23.492)
Gross Profit	**126,393**	**85,373**	**250,942**	**186,524**
Sales & marketing expenses	(82,671)	(69,424)	(168,732)	(131,737)
Research & development expenses	(8,355)	(7,840)	(16,601)	(14,863)
Administration expenses	(19,551)	(18,205)	(39,652)	(35,046)
Restructuring/project cost	-	-	-	-
Warrants programme	-	-	-	-
Total operating expenses	(110,577)	(95,469)	(224,985)	(181,646)
Operating income (loss)	**15,816**	**(10,096)**	**25,957**	**4,878**
Financial expenses	(25,352)	(28,986)	(49,947)	(43,033)
Financial income	0,243	2,386	0,447	2,623
Gain/losses foreign exchange	4,164	0,814	2,778	3,207
Net financial items	(20,945)	(27,414)	(46,722)	(37,203)
Income (loss) before taxes	**(5,129)**	**(37,510)**	**(20,765)**	**(32,325)**
Income tax (expense) benefit	0,584	9,474	4,622	8,795
Net income (loss)	**(4,545)**	**(28,036)**	**(16,143)**	**(23,530)**

EBITDA/Adjusted EBITDA

€ million	Q2 2006	Q2 2005	YTD Q2 2006	YTD Q2 2005
Net income (loss)	**(4,545)**	**(28,036)**	**(16,143)**	**(23,530)**
Adjustments:				
Net financial items	20,945	27,414	46,722	37,203
Income tax expense (benefit)	(0,584)	(9,474)	(4,622)	(8,795)
Depreciation	5,369	5,580	11,283	11,193
Amortization	24,951	20,936	49,571	34,507
EBITDA	**46,136**	**16,420**	**86,811**	**50,578**
Adjustments:				
Inventory step-up		23,492		23,492
Adjusted EBITDA	**46,136**	**39,912**	**86,811**	**74,070**

Balance sheet

€ thousand	30 June 2006	31 December 2005
Assets		
Non-current assets		
Completed development projects	-	-
Patent and distribution rights	863,813	914,599
Goodwill	642,237	642,237
Development projects in progress and prepaid intangibles	230,747	223,304
Total intangibles	**1,736,797**	**1,780,140**
Land and buildings	105,970	105,919
Plant and machinery	53,573	53,102
Fixture, fittings, equipment	12,343	12,210
Assets under construction	9,883	11,099
Total property, plant and equipment	**181,769**	**182,330**
Investments	5,444	13,245
Other receivables	722	378
Total investments	**6,166**	**13,623**
Deferred tax assets	**-**	8,356
Total non-current assets	**1,924,732**	**1,984,449**
Current assets		
Total inventories	167,433	156,688
Total trade debtors 3rd party	156,491	140,363
Income tax receivable	-	117
Prepaid expenses and other current assets	12,280	8,959
Other	18,611	13,480
Total receivables	**187,382**	**162,919**
Cash	49,214	46,617
Total current assets	**404,129**	**366,224**
Total assets	**2,328,861**	**2,350,673**

Balance sheet

€ thousand	**30 June 2006**	**31 December 2005**
Liabilities		
Capital Stock	99	99
Other reserves	797,974	819,285
Total shareholders equity	**798,073**	**819,384**
Pension commitments	31,902	31,444
Deferred tax provision	264,165	298,595
Financial institutions	1,046,448	1,025,624
Total non-current liabilities	**1,342,515**	**1,355,663**
Current liabilities		
Financial institutions	35,599	33,690
Trade payables	51,591	57,167
Income taxes payable	24,302	15,914
Other payables	64,147	68,855
Deferred income	12,634	-
Total current liabilities	**188,273**	**175,626**
Total liabilities	**1,530,788**	**1,531,289**
Total shareholders equity and liabilities	**2,328,861**	**2,350,673**

Cash flow statement

€ thousand	Q2 2006	Q2 2005	YTD Q2 2006	YTD Q2 2005
Income before net financials and tax	**15,816**	**(10,096)**	**25,957**	**4,878**
Depreciation of property, plant & equipment	5,369	5,580	11,283	11,193
Amortization of intangibles	24,951	20,936	49,571	34,507
Amortization of inventory-up		23,492		23,492
Change in provisions	451	(698)	458	(1,316)
Foreign exchange differences	1,588	(2,011)	2,163	(3,632)
Total	**48,175**	**37,203**	**89,432**	**69,122**
Change in inventories and receivables	(21,031)	(7,128)	(31,680)	(33,882)
Change in payables and other liabilities	5,073	5,036	2,877	2,044
Change in intercompany balance	-	-	-	-
Financial income (expense)	(5,736)	(3,219)	(22,632)	(19,717)
Income taxes paid	(9,666)	(4,782)	(13,219)	(4,618)
Cash flow from operating activities	**16,815**	**27,110**	**24,778**	**12,949**
Acquisition of Nyco Holdings	-	(777,299)	-	(777,299)
Acquisition fees paid	-	(4,198)	-	(4,198)
Addition of intangibles	(5,881)	(4,726)	(9,952)	(11,361)
Addition of property, plant & equipment	(6,309)	(3,618)	(10,448)	(5,967)
Other investments	-	(4)	-	4,074
Cash flow from investing activities	**(12,190)**	**(789,845)**	**(20,400)**	**(794,751)**
Capital contribution from shareholders	-	412,000	-	412,000
PIK Notes proceeds	-	396,000	-	396,000
Acquisition of shares in Nyco Holdings	-	856	-	856
Financing fees paid	-	(18,548)	-	(18,548)
Warrants exercise proceeds	-	47,800	-	47,800
Change in long term debt	(1,818)	(51,781)	(1,818)	(36,781)
Cash flow from financing activities	**(1,818)**	**786,327**	**(1,818)**	**801,327**
Net cash flow	**2,807**	**23,592**	**2,560**	**19,525**
Net cash at the beginning of the period	46,348	19,029	46,617	23,073
Foreign exchange differences	59	(164)	37	(141)
Net cash at the end of the period	**49,214**	**42,457**	**49,214**	**42,457**

Operating income/loss per segment

€ million	Q2 2006	Q2 2005	YTD Q2 2006	YTD Q2 2005
North Western Europe	43,493	40,329	82,671	75,285
Central Europe	7,112	6,565	14,611	13,368
Russia-CIS	24,851	15,196	46,534	27,215
Big Five (France, Germany, Italy, Spain and UK)	(641)	819	(2,273)	460
International Sales	15,088	16,674	32,290	31,363
Contract Production	2,570	2,330	4,870	6,128
Other	(76,657)	(92,009)	(152,746)	(148,941)
Total	**15,816**	**(10,096)**	**25,957**	**4,878**

Changes in stockholder's equity

		30 June 2006	
€ thousand	**Capital stock**	**Other reserves**	**Total**
Stockholders equity Opening balance sheet 1 May 2005	99	819,285	819,384
Net income to the period		(16,143)	(16,143)
Unrealised gain/loss on hedging transactions		708	708
Unrealised gain/loss on investments held for sale		(8,085)	(8,085)
Tax on equity postings		(759)	(759)
Exchange rate adjustments, subsidiaries		2,968	2,968
Stockholders equity June 30 2006	99	797,974	798,073

Definition of key figures and financial ratios

EBITDA	Earnings before interest, tax, depreciation and amortisation
Adjusted EBITDA	EBITDA adjusted for inventory step-up values as a result of purchase accounting, restructuring expenses and project cost regarding abandoned acquisition (the latter relevant for 2002)
Gross profit margin	Gross Profit x 100/Total net turnover
Cost of sales margin	Cost of sales x 100/Total net turnover
Direct costs margin	Direct costs x 100/Total net turnover
EBITDA margin	EBITDA x 100/Total net turnover
Adjusted EBITDA margin	Adjusted EBITDA x 100/Total net turnover

FACTS

About Nycomed

Our mission is to improve healthcare.

The company provides hospital products throughout the region and general practitioner and pharmacy medicines in selected markets.

Here Nycomed provides late-stage clinical development, registration and marketing.

Nycomed is privately owned and had a 2006 revenue of € 747.5 million.

We focus on Europe to get closer to the needs of the people and the medical professions that serve them.

Headquartered in Roskilde, Denmark, the company employs about 3,500 people throughout Europe and Russia-CIS.

New products are sourced through licensing agreements with research companies.

For company information, including a copy of this report, visit Nycomed at www.nycomed.com.

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Conference call details

Nycomed will host a conference call today at 4.00 PM (CET). To access, participants should dial one of the following phone numbers:

+353 1 439 0435
+44 207 769 6435
+45 70 25 21 00

The conference call will be digitally recorded and transcribed. All participants who dial in will be requested to give their full name and company name. You request operator assistance by pressing [*0] on a touch-tone phone.

A digital replay will be available approximately one hour after the conference call has ended. It will then be available for one week.

The replay dial in number is +353 1 436 4267 or +44 207 769 6425 and the digital replay security code is 719615 # . During replay, touch [#] to play the instructions.

Financial calendar

Nycomed expect to announce financial results for the third quarter 8 November 2006. Full year results for 2006 are expected to be announced 7 February 2007.

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