



Nycomed A/S

Interim Report July – September 2006

OVERVIEW

CEO'S COMMENTS

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Håkan Björklund, Nycomed's Chief Executive Officer says:

"With a year to date growth in sales of 14.0% and growth in EBITDA of 7.5%, we are on track to deliver a full year result according to plan. We maintain our expectations for 2006 to reach low double-digit growth in both net turnover and EBITDA.

Most of our established European home markets and Russia/CIS continued to show satisfactory growth rates.

The launches of novel osteoporosis treatment Preotact® and pain product Matrifen® are on track with introductions in the European key markets continuing into 2007. We remain optimistic about these strategically important products' contribution to the continued growth of the company."

On September 21, 2006 we reached an agreement to acquire ALTANA Pharma AG. The transaction has a total value of €4.215 billion. The acquisition will be financed by a consortium consisting of international banks. Closing is expected to take place on December 29, 2006 subject to the approval of the shareholders of ALTANA AG (extraordinary meeting to be held in December 2006) and necessary antitrust clearances. The planning of the integration is ongoing. Charles Depasse, The planning of the integration is ongoing. Charles Depasse, formerly Nycomed head of Operations, has been announced Executive Vice President, Integration"

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 nine months ended September 30, 2006.

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

Q3 2006 highlights

In the first nine months of 2006, Nycomed's net turnover reached €623.6 million representing a growth of 14.0% compared to the first nine months of 2005. The net turnover during the third quarter of 2006 increased by €15.9 million from €184.6 million in 2005 to €200.5 million during the same period in 2006, representing a growth of 8.6%.

Growth in net turnover, excluding the impact from foreign currency fluctuations, reached 13.6% in the first nine months of 2006 compared to the same period of 2005. During the third quarter of 2006 net turnover, excluding impact from foreign currency fluctuations, increased by 10.2% compared to the third quarter of 2005.

During the first nine month of 2006 growth in Russia-CIS continued to accelerate, increasing net turnover by 47.4% to €155.8 million. For Russia-CIS, growth in net turnover, excluding the impact from foreign currency fluctuations, was 44.8% compared to the same period last year.

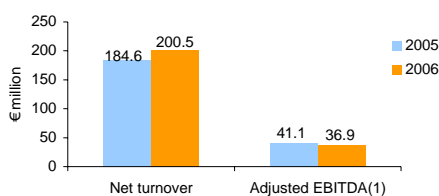
Operations has during the last three months kept the focus on strong cost control and high yield in our production facilities.

In the first nine months of 2006, adjusted EBITDA increased by 7.5% to €123.7 million, from €115.1 million in the same period last year. Excluding the impact from foreign currency fluctuations, adjusted EBITDA increased by 6.8% compared to the same period last year.

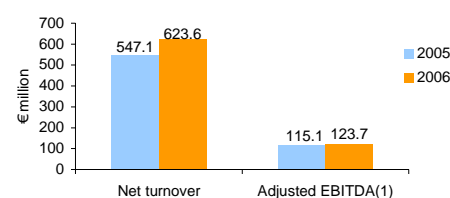
Adjusted EBITDA for the third quarter of 2006 decreased by 10.2% compared to the same period last year. Excluding the impact from foreign currency fluctuations, adjusted EBITDA decreased by 4.8%. The decrease was primary due to lower sales of Actovegin in the Russia/CIS, which was expected and according to plan.

Net turnover statistics

Q3 2006



YTD Q3 2006



€ million	Q3 2006	Q3 2005	Percentage Change	YTD Q3 2006	YTD Q3 2005	Percentage Change
Net turnover	200.5	184.6	8.6%	623.6	547.1	14.0%
Adjusted EBITDA ⁽¹⁾	36.9	41.1	-10.2%	123.7	115.1	7.5%

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.

MANAGEMENT REPORT

Update on Therapeutic Focus Areas

Tissue management

Nycomed continues to strengthen its position within tissue management. TachoSil once again shows strong growth in the European markets – not least in Spain where the full year budget was realised already by September. Italy and France also showed positive trends, and in Germany sales of TachoSil and TachoComb increased 9% compared to last year even though the products have been on the market for 13 years. This growth is predicted to continue.

Cardiovascular

In September, Nycomed participated in the World Congress of Cardiology in Barcelona with an exhibition stand and a satellite symposium. At the symposium, top KOLs from Europe and the US presented ACUITY data, data about the consequences of bleeding, and the forthcoming revised European ACS guidelines. The Angiox European registry (IMPROVE-R) was also presented for the first time in Barcelona. The trial steering committee is currently working on a publication for an invasive cardiovascular journal which is anticipated latest Q1 2007.

The ACUITY publication is eminent. Several important subgroups analysis were presented at the TCT congress in Washington in October and are also scheduled for presentation at the American Heart Association congress in Chicago in November.

Pain

Following the mutual recognition of Matrifen, Nycomed launched the product in Germany in May in partnership with Betapharm. The development of Matrifen and the cooperation with Betapharm is developing positively, which is the biggest fentanyl patch market in Europe. In October, Matrifen was also launched in Denmark, and Nycomed will now continue launching the product throughout the rest of Europe in 2006-07.

Osteoporosis

Preotact was launched in Germany in August and in the UK in October -- the first two countries of the "EU Big 5". An early estimate shows that Preotact has achieved approximately 25% share of the new German PTH patients in the first month. Sales in Denmark continue to be above expectations. The pan European launch of Preotact will continue through Q4 2006 and into Q1 and Q2 2007. Furthermore, the first patients have been screened and entered into the PEAK study, looking at the next step in the sequential treatment with Preotact and bisphosphonates.

Nycomed has also further cemented its position as the leading European manufacturer of calcium vitamin D supplements with the product showing persistent double digit growth.

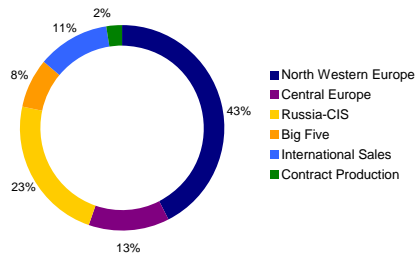
Other

Actovegin has shown significant growth on all major markets compared to last year. Russia/CIS is the biggest Actovegin market and is currently 25% above last year. China and Romania pull the growth on our exports markets.

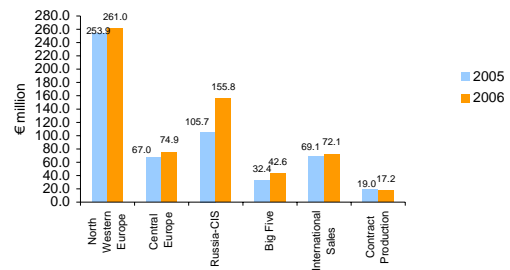
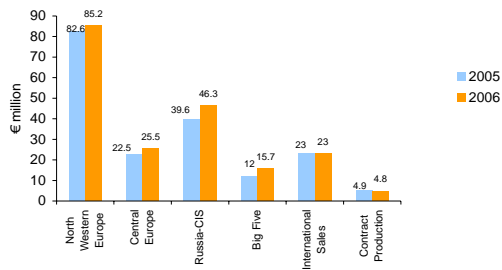
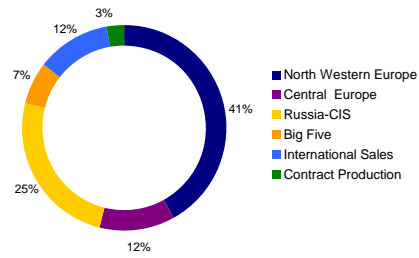
Pantoprazole also continues to perform well with an 8% average growth despite the mature stage in its life cycle. Year to date sales are over budget and projected year end figures are €3m above last year's results. This positive output was attained through a constant level of investment and extensive field coverage.

Net turnover by segments

Q3 2006



YTD Q3 2006



Operations

The main challenge during the first nine month of 2006 has been to match production capacity to the increasing demand from our markets, especially the demand from CIS-Russia. The start up of the new

TachoSil production facility has now been implemented, and we have during the last three months increased the yield in the production of TachoSil.

SEGMENTS

Northern/Western Europe

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

€ million	Q3 2006	Q3 2005	Percentage Change	YTD Q3 2006	YTD Q3 2005	Percentage Change
Net turnover	85.2	82.6	3.3%	261.0	253.9	2.8%

Net turnover in Northern/Western Europe increased by 2.8% in the first nine months of 2006, which is in line with our expectations. During the third quarter of 2006 the net turnover in this region increased by 3.3% compared to the same period in 2005.

Market development and business performance

Denmark: The net turnover increased by 3.8% during the first nine months compared to the same period in 2005. The sales of Pantoloc continued to perform very well and sales increased by 17.5% during the first nine month of 2006 compared to 2005. Also Pamol has shown a significant growth.

Norway: During the first nine months of 2006 the net turnover decreased by 3.6%. The negative development is mainly related to wholesalers reducing stocks and some lost distribution in the pharmacy chains. This negative development in OTC and generics has been offset by increased sales of Rx products.

Sweden: For the first nine month period of 2006 the pharmaceutical market in Sweden increased by 4.1%. Nycomed AB had a growth of 7.0% in the same period. The haemostatic surgical patch Tachosil and the anticoagulant Angiox have performed strongly during the year. Our generic-portfolio has performed better than expected and has had a growth of 19% compared to the same period last year.

Finland: We have had a decline in our sales of 2.6% during the first nine month 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 nine months of 2006, where sales increased by 22.1% compared to the first nine months of 2005, mainly in Latvia and Estonia. Key growth products have been lbumetin OTC, Xymelin, Xefo, Tachosil and Glucadol.

Belgium: The net turnover increased by 3.8% compared to the first nine months of 2005. 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. Asaflow has increased due to increased sales force focus and a price increase.

The Netherlands: The net turnover has increased by 8.1% during the first nine 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	Q3 2006	Q3 2005	Percentage Change	YTD Q3 2006	YTD Q3 2005	Percentage Change
Net turnover	25.5	22.5	13.3%	74.9	67.0	11.8%

The net turnover in Central Europe increased by 11.8% during the first nine months of 2006 compared to the first nine months of 2005. During the third quarter of 2006 the net turnover has increased by 13.3% from €22.5 million in 2005 to €25.5 million in the third quarter of 2006.

Market development and business performance

Austria: The net turnover in Austria decreased during the first nine months of 2006 by 4.1% compared to the same period in 2005. This is due to a change in law, which strictly regulates discounts for self dispensing doctors. Sales in the third quarter are back to prior year levels despite a 15% price decrease on Zurcal. TachoSil and Beriplast have

achieved a dominating market share of 69.0%. Matrifen and Alendronate will be launched in the market very soon.

Switzerland: The net turnover increased by 17.4% during the first nine months of 2006 compared to the first nine months of 2005. The Swiss Rx market showed a negative trend, this is mainly due to pressure from the government to use generics and a 20% price decrease on products older than 15 years. However, Nycomed has not been materially affected by these reductions so far. Sales of TachoSil and Litozin are developing well.

Greece: Our net turnover in Greece developed well during the first nine months of 2006, with a growth of 21.3%. This development is mainly driven by TachoSil, Xefo Rapid and Calcium. The Preotact

launch has been delayed due to a delay in the price approval process.

Poland: Our net turnover increased by 41.3% during the first nine months of 2006. In Poland we have no direct in-market sales, as all our sales are through

distributors. Sales of Doltard are quite stable. During 2006 the sale of TachoComb has increased mainly as a result of intensive promotion towards doctors and includes usage in neurosurgery and thorax-surgery.

Big Five

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

€ million	Q3 2006	Q3 2005	Percentage Change	YTD Q3 2006	YTD Q3 2005	Percentage Change
Net turnover	15.7	12.0	30.8%	42.6	32.4	31.5%

Net turnover increased during the first nine months in 2006 by 31.5%, from €32.4 million in 2005 to €42.6 million in 2006. During the third quarter of 2006 the net turnover increased by 30.8% from €12.0 million in 2005 to €15.7 million 2006.

Market development and business performance

France: The net turnover increased by 33.5% during the first nine 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 18.8% during the first nine months of 2006 compared to the same period last year. The launch of Matrifen in cooperation with our partner Betapharm has been very successful and involves over 300 reps in the hospital and GP sectors. TachoSil has showed increased sales of 9.0% compared to the same period in 2005. Angiox increased by 37.6% versus third quarter of 2005, and we expect further positive sales during the coming months, driven by the

positive outcome of the ACUITY study. Growth was also driven by Curosurf.

Italy: TachoSil has developed very well. We have now developed a very good customer base, with 150 hospitals ordering the product during the first nine months of 2006. It is now one year ago we launched Angiox, and we have around 50 customers both hospitals and specialists.

Spain: In the Spanish market we have focused on the launch of TachoSil. The product has been very well accepted, 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	Q3 2006	Q3 2005	Percentage Change	YTD Q3 2006	YTD Q3 2005	Percentage Change
Net turnover	46.3	39.6	16.9%	155.8	105.7	47.4%

Net turnover in Russia-CIS increased by 47.4% in the first nine months of 2006, from €105.7 million in 2005 to €155.8 million in the first nine months of 2006. During the third quarter of 2006 the net turnover increased by 16.9% from €39.6 million to €46.3 million.

Market development and business performance

The sales during the third quarter were weaker than the sales during the two previous quarters in 2006. During the last three months been we have had a lower sales of Actovegin. For the first nine months of 2006 we have had a significant increase in sales as a result of a very strong performance in Russia with increased sales of 45.0% (in local currency) compared to the same period last year. In the Asia/Caucasus countries the net turnover increased by 39.0% and in Ukraine the net turnover increased by 44.0% compared to prior year. The sales of

Actovegin was under the Federal Programme in 2005, and the sales in the third quarter 2005 were particularly high. For the time being Actovegin is not under the Federal Programme and anticipated sales of the product in the third quarter of 2006 showed no growth compared to the third quarter of 2005. As projected sales of Actovegin seems to be picking up in the beginning of the fourth quarter of 2006, we expect to meet budgetted sales for 2006. Part of the lower sales of Actovegin have been compensated by increased sales CaD3 (Calcium), the Merck products and Curosurf.

During the first nine month 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 270 days. Due to changes proposed for the next year by the government, the credit period might expand to 360 days.

International Sales

Export sales

€ million	Q3 2006	Q3 2005	Percentage Change	YTD Q3 2006	YTD Q3 2005	Percentage Change
Net turnover	23.0	23.0	(0.0 %)	72.1	69.1	4.3%

Net turnover in International Sales increased by 4.3% during the first nine months of 2006, from €69.1 million in the first nine months of 2005 to €72.1 million in the same period this year. During the third quarter of 2006 the net turnover was unchanged 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 nine months of 2006, despite a decrease of €3.4 million in

the royalty income (Shire Gutron royalty stopped at end of 2005, also lower % Xefo royalty in Japan).

The sales of Calcium have developed very well with a total growth in sales of 23.6%, mainly related to the UK, Germany, France, Hungary 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

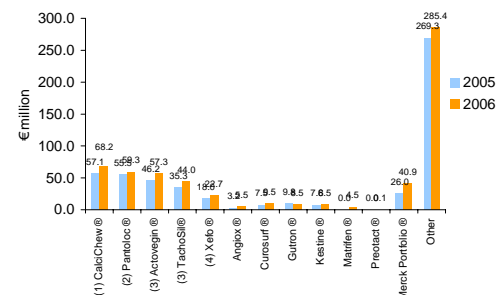
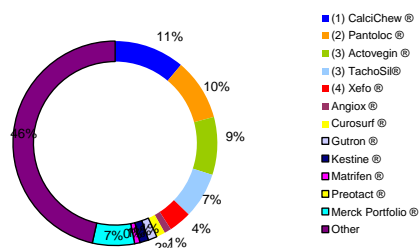
€ million	Q3 2006	Q3 2005	Percentage Change	YTD Q3 2006	YTD Q3 2005	Percentage Change
Net turnover	4.8	4.9	(2.0)%	17.2	19.0	(9.5)%

Net turnover decreased by 9.5% in the first nine months of 2006 to €17.2 million from €19.0 million during the same period last year. During the third quarter of 2006 the net turnover decreased by 2.0% from €4.9 million in 2005 to €4.8 million this year.

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.

The decrease was mainly due to lower sales of ABA, which is partly due to phasing and partly due to

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[®]

FINANCIAL REPORT

Key Figures

€ million	Q3 2006	Q3 2005	% change	YTD Q3 2006	YTD Q3 2005	% change
Net turnover	200.5	184.6	8.6	623.6	547.1	14.0
Cost of sales ⁽¹⁾	(83.1)	(111.9)	(25.7)	(255.3)	(287.9)	(11.3)
Gross profit	117.4	72.7	61.5	368.3	259.2	42.1
Sales & marketing expenses ⁽²⁾	(80.7)	(71.4)	13.0	(249.4)	(203.1)	22.8
Research and development expenses	(8.5)	(6.7)	26.9	(25.1)	(21.5)	16.7
Administration expenses	(21.7)	(19.2)	13.0	(61.3)	(54.3)	12.9
Warrants programme		(8.6)		-	(8.6)	-
Restructuring costs	(0.7)			(0.7)	-	-
Operating income	5.8	(33.2)	117.5	31.8	(28.3)	212.4
Gross profit margin	58.6%	39.4%		59.1%	47.4%	
EBITDA ⁽²⁾	36.2	(2.8)	-	123.0	47.8	-
EBITDA margin	18.1%	(1.5)%		19.7%	8.7%	
Adjusted EBITDA ⁽²⁾	36.9	41.1	10.2	123.7	115.1	7.5
Adjusted EBITDA margin	18.4%	22.2%		19.8%	21.0%	

1) The nine and three months ended September 30, 2006 includes amortization of intangible assets, excluding goodwill, of respectively €74.0 million and €24.5 million compared to 59.1 million and €24.6 million in the same period last year.

2) 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 14.0% to €623.6 million for the first nine months of 2006.

The experienced growth was based on growth in almost all our home markets.

Cost of sales

€ million	Q3 2006	Q3 2005	Percentage Change	YTD 2006	YTD 2005	Percentage change
Total direct costs	56.8	53.1	7.0	176.4	158.5	11.3
Amortization inventory step-up	-	35.2	-	-	58.7	-
Indirect production costs	26.3	23.6	11.4	78.9	70.7	11.6
Total cost of sales	83.1	111.9	25.7	255.3	287.9	(11.3)

Total cost-of-sales as a percentage of net turnover decreased in the first nine months of 2006 from 52.6% in 2005 to 40.9% in 2006. Excluding, the €58.7 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 41.9% in 2005 to 40.9% in 2006. Total cost-of-sales as a percentage of net turnover in the third quarter of 2006 decreased to 41.4% from 60.6% during the same period in 2005. Excluding, the €35.2 million related to inventory step-up, the total cost-of-sales as a percentage of net turnover decreased from 41.5% during the third quarter of

2005 to 41.4% in 2006. Total direct costs as a percentage of net turnover increased from 28.3% to 29.0% for the first nine months of 2006. For the third quarter of 2006 total direct costs as a percentage of net turnover increased to 28.3% from 28.8% in the same period in 2005. Indirect production costs as a percentage of net turnover decreased from 12.9% to 12.6% for the first nine months. The first nine 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 nine months by 42.1% to €368.3 million from €259.2 million in 2005. Excluding, the amortization of the inventory step-up related to the acquisition in 2005, the gross profit increased by 15.9% or €50.4 million during the first nine months of 2006. During third quarter of 2006 gross profit increased by 61.5% from €72.7 million in 2005 to €117.4 million this year. Excluding, the

amortization of inventory step-up, the gross profit increased by 8.8% or €9.5 million during the third quarter of 2006 compared to the same period in 2005.

The low increase in the gross profit was mainly due to low growth in most of our home markets.

Expenses

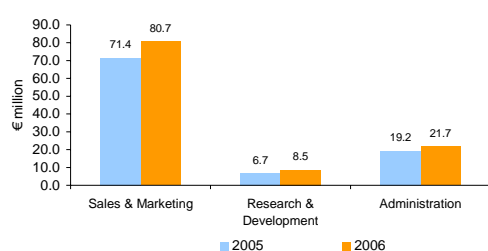
Sales and marketing expenses increased by 22.8% during the first nine months of 2006. Excluding, the increased amortization of intangibles assets related to the application of purchase accounting as part of the acquisition in 2005, sales and marketing expenses increased by €31.6 million from €203.1 million to €234.7 million, or 15.6%. During the third quarter of 2006 sales and marketing expenses increased by 13.0%. The increase mainly reflects the increased costs in connection with the expansion of our activities in the Russia/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 16.7% during the first nine months of 2006. During the third quarter of 2006 research and development expenses increased by 26.9% compared to the same period in 2005, which was mainly due to increasing activities related to clinical trials on certain products.

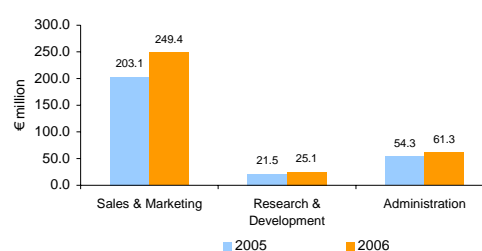
Administration expenses increased by €7.0 million from €54.3 million during the first nine months of 2005 to €61.3 million for the same period this year. In addition, administration expenses increased by €2.5 million during the third quarter of 2006 compared to the third quarter of 2005. This increase was due to an increased level of activities in our new subsidiaries and several corporate projects going on, among others IT projects.

€ million	Q3 2006	Q3 2005	Percentage Change	YTD Q3 2006	YTD Q3 2005	Percentage Change
Sales and marketing	(80.7)	(71.4)	13.0	(249.4)	(203.1)	22.8
Research & development	(8.5)	(6.7)	26.9	(25.1)	(21.5)	16.7
Administration	(21.7)	(19.2)	13.0	(61.3)	(54.3)	12.9
Warrants programme		(8.6)	-	-	(8.6)	-
Restructuring costs	(0.7)		-	(0.7)	-	-
Total	(111.6)	(105.9)	5.4	(336.5)	(287.5)	17.0

Q3 2006



YTD Q3 2006



Operating income

In the first nine months of 2006 our operating income increased to €31.8 million from €-28.3 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 16.1 million from €30.4 million during the first nine months of 2005 to €40.7 million during

the first nine months of 2006. During the third quarter of 2006 operating income increased from a loss of €33.2 million to an income of €5.8 million. Excluding the inventory step-up and the increased amortisation of intangible assets related to the application of purchase accounting, operating income increased by €3.8 million from €2.0 million in 2005 to €5.8 million in the third quarter of 2006.

Net financial items

Interest and financial charges increased by €9.5 million during the first nine months of 2006 to €71.4 million (€61.9 million). For the third quarter of 2006 our interest and financial charges decreased by €0.1 million from €24.7 million to €24.6 million. The interest and financial charges for both the first nine months of 2005 and the third quarter of 2005 were effected by the acquisition in 2005.

Exchange rate gains increased by €0.9 million in the first nine months of 2006 to a gain of €3.5 million (a

gain of €2.6 million). For the third quarter of 2006 exchange rate gains increased by €1.3 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 nine 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 €17.0 million from tax benefit of €25.5 million for the nine months ended September 30, 2005, to a tax benefit of €8.5 million for the nine months ended September 30, 2006. In addition, income tax benefit decreased by €12.8 million from tax benefit of €16.7 million for the three months ended September 30, 2005, to a tax benefit of €3.9 million for the three months ended September 30, 2006. The decrease of tax benefit for the nine months ended September 30, 2006 was due to higher income before taxes between the two periods of €50.6 million, an increased tax expense

related to non deductible financial expenses of €1.6 million, a decrease of tax benefit of €1.2 million related to prior year adjustments, a decrease of tax benefit of €1.6 million related to the effect of different tax rates, a decrease of tax benefit of €0.7 million following a change of the danish tax rate applied to deferred tax from 30% to 28% in 2005, partly offset by a decreased tax expense of €2.6 million related to non deductible expenses related to warrant programme in 2005.

Net income

Our net income increased by €33.6 million from a loss of €64.7 million for the first nine months of 2005 to a loss of €31.1 million for the first nine months of 2006. The net income for the third quarter of 2006

increased by €26.3 million from a loss of €41.2 million in third quarter of 2005 to a loss of €14.9 million in 2006 due to the reasons described above.

Liquidity

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

Cash flow from operating activities showed an inflow of €23.1 million for the first nine months of 2006 compared to an inflow of €15.9 million in 2005, while working capital showed an outflow of €43.6 million (an outflow of €45.9 million in 2005). 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 and the growth in the CIS. We are continuing to put a lot of resources into our on-going working capital project (POLAR BEAR project).

Cash flow related to other investment activities increased from €27.4 million (excluding items related to the acquisition in 2005) during the first nine months of 2005 to €31.6 million during the first nine 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 third quarter we have utilised €10.0 million under our In-Licensing facility.

€ million	Q3 2006	Q3 2005	YTD Q3 2006	YTD Q3 2005
Net cash as of beginning of period	49.2	42.5	46.6	23.1
Foreign exchange differences	(0,1)	0,1	-	-
Total	49.1	42.6	46.6	23.1
Net cash flow from (used in) operating activities	(1,7)	2,9	23.1	15,9
Net cash flow used in other investment activities	(11,2)	(13,1)	(31,6)	(807,8)
Net cash flow from (used in) financing activities	10,0	5,1	8,2	806,4
Net change in cash and cash equivalents	(2,9)	(5,1)	(0,4)	14,4
Net cash as of end of period	46.2	37,5	46.2	37,5

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 September 30, 2006, we had cash of €46.2 million compared to a cash position at September 30, 2005 of €37.5 million.

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

As of September 30, 2006 we had €55.2 million drawn under our In-licensing facility compared to €20.2 million at the end of September 2005.

We have a substantial amount of debt and significant debt service obligations. As of September 30, 2006 we had €1,097.2 million of consolidated debt, €396.1

million of which is indebtedness under the senior credit facilities. Our book value of debt of €1,102.8 on our balance sheet includes an offsetting accounting adjustment of unamortized financing fees, of €18.1 million, unrealised loss of €2.7 million and adjustments to the market value of Senior Notes and PIK notes of €29.3 million. Furthermore, the booked value includes €76.0 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 nine 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

<i>€ thousand</i>	Q3 2006	Q3 2005	YTD Q3 2006	YTD Q3 2005
Net turnover	200,487	184,602	623,607	547,077
Cost of sales	(83,082)	(111,949)	(255,260)	(287,900)
Inventory step-up	-	-	-	-
Gross Profit	117,405	72,653	368,347	259,177
Sales & marketing expenses	(80,711)	(71,390)	(249,443)	(203,127)
Research & development expenses	(8,487)	(6,660)	(25,088)	(21,523)
Administration expenses	(21,683)	(19,243)	(61,335)	(54,289)
Restructuring/project cost	(700)	-	(700)	-
Warrants programme	-	(8,579)	-	(8,579)
Total operating expenses	(111,581)	(105,872)	(336,566)	(287,518)
Operating income (loss)	5,824	(33,219)	31,781	(28,341)
Financial expenses	(25,725)	(24,210)	(75,672)	(67,243)
Financial income	0,339	0,170	0,786	2,793
Gain/losses foreign exchange	0,743	(0,637)	3,521	2,570
Net financial items	(24,643)	(24,677)	(71,365)	(61,880)
Income (loss) before taxes	(18,819)	(57,896)	(39,584)	(90,221)
Income tax (expense) benefit	3,910	16,683	8,532	25,478
Net income (loss)	(14,909)	(41,213)	(31,052)	(64,743)

EBITDA/Adjusted EBITDA

<i>€ million</i>				
	Q3 2006	Q3 2005	YTD Q3 2006	YTD Q3 2005
Net income (loss)	(14,909)	(41,213)	(31,052)	(64,743)
Adjustments:				
Net financial items	24,643	24,677	71,365	61,880
Income tax expense (benefit)	(3,910)	(16,683)	(8,532)	(25,478)
Depreciation	5,936	5,852	17,219	17,045
Amortization	24,455	24,600	74,026	59,107
EBITDA	36,215	(2,767)	123,026	47,811
Adjustments:				
Restructuring expense	0,700	-	0,700	-
Warrants programme	-	8,579	-	8,579
Inventory Fair value adjustment	-	35,240	-	58,732
Adjusted EBITDA	36,916	41,052	123,726	115,122

Balance sheet

<i>€ thousand</i>	30 September 2006	31 December 2005
Assets		
Non-current assets		
Completed development projects	-	-
Patent and distribution rights	832,491	914,599
Goodwill	642,239	642,237
Development projects in progress and prepaid intangibles	241,142	223,304
Total intangibles	1,715,872	1,780,140
Land and buildings	106,235	105,919
Plant and machinery	49,886	53,102
Fixture, fittings, equipment	14,549	12,210
Assets under construction	11,241	11,099
Total property, plant and equipment	181,911	182,330
Investments	4,312	13,245
Other receivables	738	378
Total investments	5,050	13,623
Deferred tax assets	-	8,356
Total non-current assets	1,902,833	1,984,449
Current assets		
Total inventories	174,040	156,688
Total trade debtors 3 rd party	158,669	140,363
Income tax receivable	-	117
Prepaid expenses and other current assets	12,191	8,959
Other	17,260	13,480
Total receivables	188,120	162,919
Cash	46,179	46,617
Total current assets	408,339	366,224
Total assets	2,311,172	2,350,673

Balance sheet

<i>€ thousand</i>	30 September 2006	31 December 2005
Liabilities		
Capital Stock	99	99
Other reserves	776,747	819,285
Total shareholders equity	776,846	819,384
Pension commitments	31,531	31,444
Deferred tax provision	252,835	298,595
Financial institutions	1,067,286	1,025,624
Total non-current liabilities	1,351,652	1,355,663
Current liabilities		
Financial institutions	35,473	33,690
Trade payables	51,263	57,167
Income taxes payable	26,331	15,914
Other payables	57,795	68,855
Deferred income	11,812	-
Total current liabilities	182,674	175,626
Total liabilities	1,534,326	1,531,289
Total shareholders equity and liabilities	2,311,172	2,350,673

Cash flow statement

<i>€ thousand</i>	Q3 2006	Q3 2005	YTD Q3 2006	YTD Q3 2005
Income before net financials and tax	5,824	(33,219)	31,781	(28,341)
Depreciation of property, plant & equipment	5,936	5,852	17,219	17,045
Amortization of intangibles	24,455	24,600	74,026	59,107
Amortization of inventory-up	-	35,240	-	58,732
Warrants programme	-	8,579	-	8,579
Change in provisions	(371)	(396)	87	(1,712)
Foreign exchange differences	(2,058)	256	105	(3,376)
Total	33,786	40,912	123,218	110,034
Change in inventories and receivables	(7,245)	(16,166)	(38,925)	(50,048)
Change in payables and other liabilities	(7,592)	2,100	(4,715)	4,144
Change in inter-company balance	-	-	-	-
Financial income (expense)	(15,960)	(15,641)	(38,592)	(35,358)
Income taxes paid	(4,690)	(8,293)	(17,909)	(12,911)
Cash flow from operating activities	(1,701)	2,912	23,077	15,861
Acquisition of Nyco Holdings	-	-	-	(777,299)
Acquisition fees paid	-	(3,000)	-	(7,198)
Addition of intangibles	(3,536)	(4,873)	(13,488)	(16,234)
Addition of property, plant & equipment	(7,675)	(5,185)	(18,123)	(11,152)
Other investments	-	-	-	4,074
Cash flow from investing activities	(11,211)	(13,058)	(31,611)	(807,809)
Capital contribution from shareholders	-	-	-	412,000
PIK Notes proceeds	-	-	-	396,000
Interest on financing funds	-	-	-	856
Financing fees paid	-	57	-	18,491
Warrants exercise proceeds	-	-	-	47,800
Change in long term debt	10,000	5,000	8,182	(31,781)
Cash flow from financing activities	10,000	5,057	8,182	806,384
Net cash flow	(2,912)	(5,089)	(352)	14,436
Net cash at the beginning of the period	49,214	42,457	46,617	23,073
Foreign exchange differences	(123)	117	(86)	(24)
Net cash at the end of the period	46,179	37,485	46,179	37,485

Operating income/loss per segment

€ million	Q3 2006	Q3 2005	YTD Q3 2006	YTD Q3 2005
North Western Europe	42,487	39,812	125,158	115,097
Central Europe	8,778	7,414	23,389	20,782
Russia-CIS	15,789	15,014	62,323	42,229
Big Five (France, Germany, Italy, Spain and UK)	543	1,757	(1,730)	2,217
International Sales	15,347	15,959	47,637	47,322
Contract Production	1,977	2,208	6,847	8,336
Other	(79,097)	(115,383)	(231,843)	(264,324)
Total	5,824	(33,219)	31,781	(28,341)

Changes in stockholder's equity

30 September 2006			
<i>€ thousand</i>	Capital stock	Other reserves	Total
Stockholders equity January 1 2006	99	819,285	819,384
Net income to the period		(31,052)	(31,052)
Unrealised gain/loss on hedging transactions		(1,420)	(1,420)
Unrealised gain/loss on investments held for sale		(9,194)	(9,194)
Tax on equity postings		(133)	(133)
Exchange rate adjustments, subsidiaries		(739)	(739)
Stockholders equity September 30 2006	99	776,747	776,846

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 2005 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 0434
+44 207 769 6434
+45 70 26 50 40

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

As a result of the acquisition of ALTANA Pharma AG, expected to be effective by the end of the year, Nycomed has postponed the announcement of the company's full year results for 2006 until further notice.

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