



ALK

Company presentation

ALK – pharma specialist

- **treatment, prevention and diagnosis of allergies**

World leader in allergy immunotherapy

- ~ 33% global market share

Sales₂₀₁₀: 2.1 billion DKK (CAGR_{5-yr}: 11%)

- EBITDA margin: 13% (CAGR_{5-yr}: 35%)
- Strong balance sheet (equity ratio: 71%)

Leading R&D pipeline to redefine allergy treatment

Strategic partnerships to secure global expansion

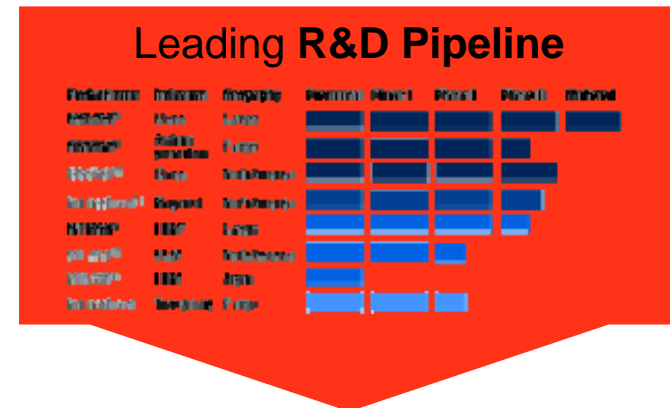
- Merck in North America
- Torii in Japan

1,700 employees (600 in DK)

- 500+ new employees in last five years

Publicly listed on NASDAQ OMX Copenhagen

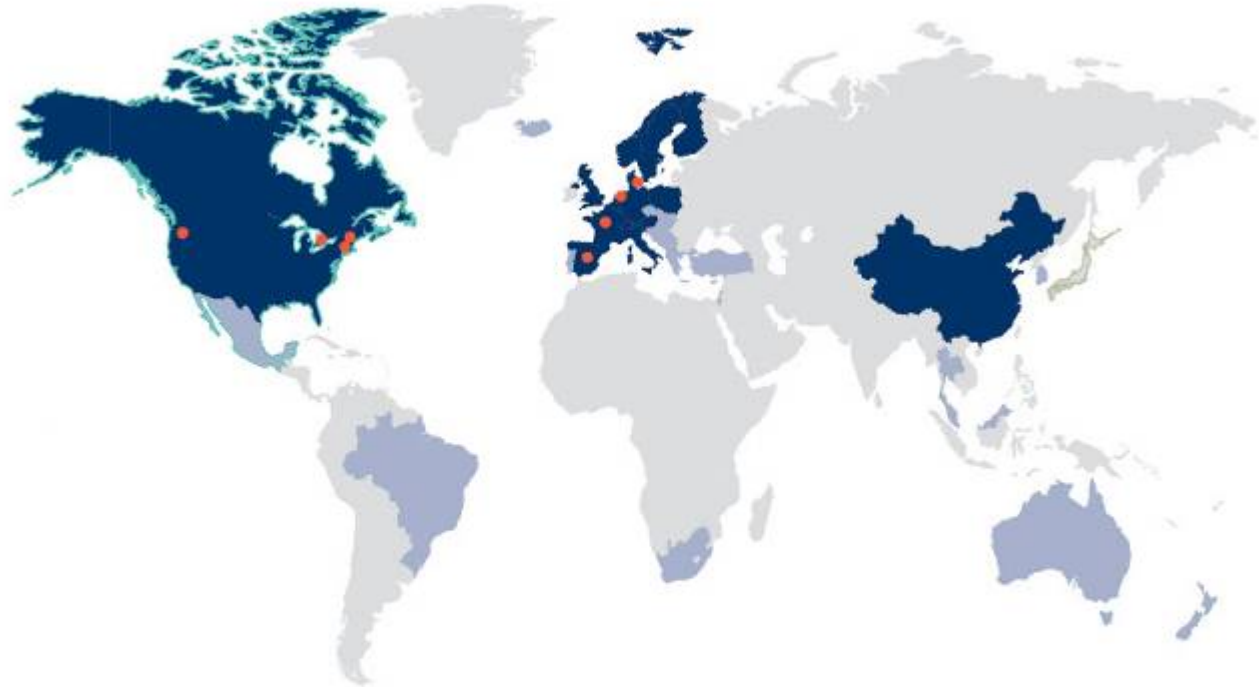
(Bloomberg: ALKB.DC)



**Balanced business model
to sustain growth**

Own expansion and acquisitions provide ALK with a **global presence**

- USA (1984)
- Germany (1984)
- the Netherlands (1987)
- Spain/Italy (1992, Abelló)
- Sweden (1993)
- Austria (1995)
- UK (1995)
- Norway (1997)
- Finland (1999)
- China (2000)
- France (2005)
- Switzerland (2006)
- Poland (2007)
- Canada (2008)
- Germany (2009)
- the Netherlands (2010)
- USA (2010)



- Production
- Distributors
- Subsidiaries in Austria, Canada, Denmark (Nordic), France, Germany, Italy, the Netherlands, Poland, Spain, Sweden, Switzerland, the UK and the USA.
Sales offices in China, Finland and Norway
- Partnership with Merck in Canada, Mexico and the USA
- Partnership with Torii in Japan

Disease-modifying allergy treatments

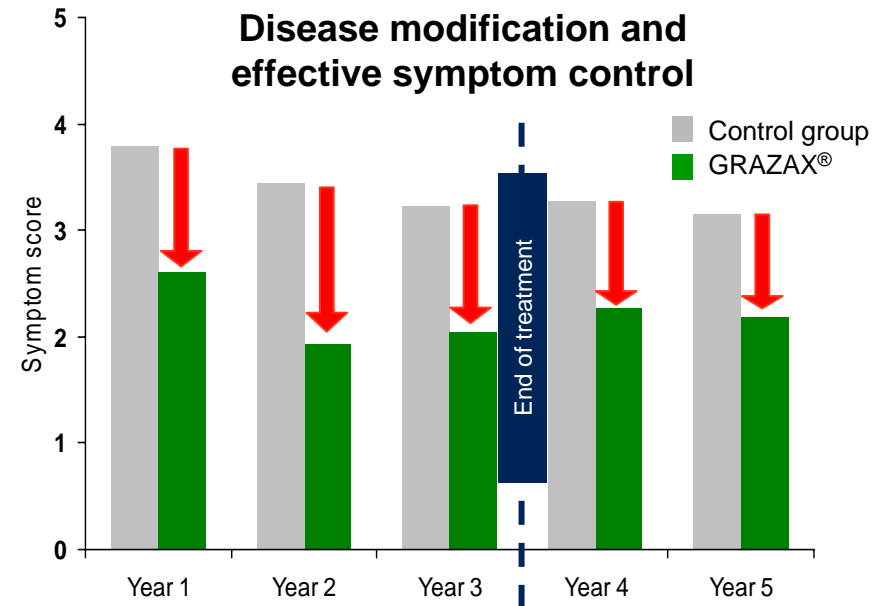
- treat the cause, cut the symptoms

Allergy immunotherapy / vaccination

Treatment with controlled doses of purified and standardised allergens (proteins), extracted from natural allergen sources:

- Pollens (grass, trees, weeds etc.)
- House dust mites
- Animals
- Insect venom

Immune system is desensitised



ALK's base business

Subcutaneous immunotherapy (SCIT)

~ 46% of sales (2010)



Allergy diagnosis & emergency treatment for allergic shock (adrenaline pen)

~ 15% of sales



Sublingual immunotherapy (SLIT)

~ 31% of sales

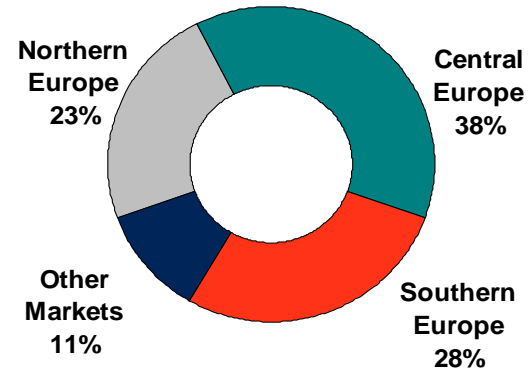


Tablet immunotherapy (AIT)

~ 8% of sales



Revenue distribution



Unmet medical need: uncontrolled allergy is a **significant burden** for the patient and society

North America

Japan

Europe



Population/prevalence

	North America	Japan	Europe
Allergic rhinoconjunctivitis (prevalence)	60m (19%)	35m (27%)	85m (23%)
Patients in poor control	12m*	10m	17m
Treated with immunotherapy	3m	Only few	1.5m
Most common allergies	Grass Ragweed House dust mite	House dust mite Japanese cedar	Grass House dust mite Tree



Est. direct cost of disease 11b USD NA UK only: 1b GBP

Recent survey (Sweden): 2.7b EUR in indirect costs related to allergic rhinitis (population of 9m)



R&D pipeline

- redefining allergy treatment

R&D pipeline (AIT only)

Product name	Indication	Geography	Preclinical	Phase I	Phase II	Phase III	Marketed
GRAZAX®	Grass	Europe	█	█	█	█	█
GRAZAX®	Asthma prevention	Europe	█	█	█	█	
GRAZAX® ¹	Grass	North America	█	█	█	█	
Not disclosed ^{1,3}	Ragweed	North America	█	█	█	█	
MITIZAX®	HDM ⁴	Europe	█	█	█	█	
MITIZAX® ¹	HDM	North America	█	█	█		
MITIZAX® ²	HDM	Japan	█				
Not disclosed	Tree (birch)	Europe	█	█	█		

Notes:

- 1) Merck holds the product rights for the North American markets
- 2) Torii holds the product rights for the Japanese market

- 3) Ragweed is only developed in North America
- 4) HDM: House Dust Mite

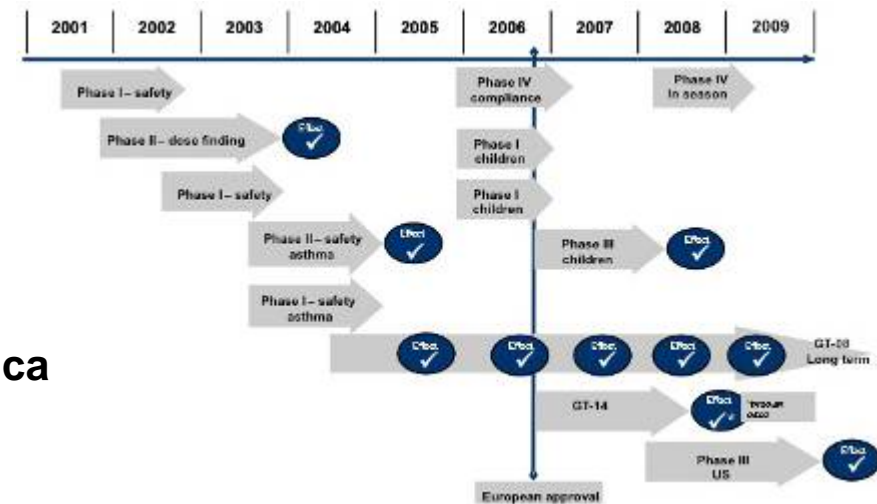
GRAZAX® – the world's **best documented** allergy immunotherapy

15 randomised double-blind, placebo-controlled studies and 10 observation studies conducted

- >25 key peer-reviewed publications

Launched in Europe in 13 countries

License agreement with Merck in North America



Latest news

- Denmark: GRAZAX® granted general reimbursement from 2 May 2011
- France: GRAZAX® launched in January 2011 and positively received by allergy specialists
- Recruitment for *GRAZAX® Asthma Prevention* five-year study successfully completed
- Long-term study with GRAZAX® successfully complete
- US Phase III trials with adults and children meet primary endpoints

Tablet vaccine against **ragweed** allergy

Phase I study completed

Two clinical trials currently being finalised by Merck

- Phase III, multicenter, double-blind, randomised, placebo-controlled
- Primary endpoint: combined symptom and medication score averaged over the entire ragweed pollen season
- >1,400 adult patients with ragweed-induced rhinoconjunctivitis
- May form basis for a registration application with the FDA

ALK awaits Merck's analyses and report on clinical findings

- Main results expected in 2011



MITIZAX[®]: House Dust Mite allergy

Phase II/III clinical trial (MT-02) successfully completed

Primary endpoint: reduction in use of inhaled corticosteroids (ICS) compared to placebo

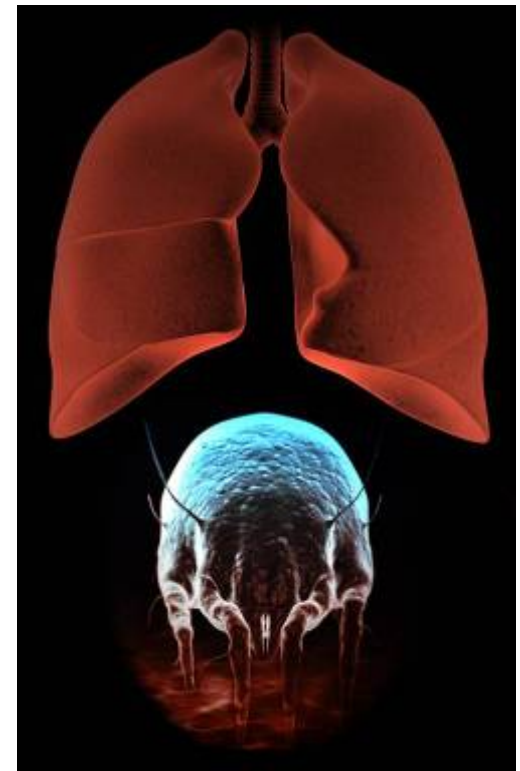
- ICS reduction of 50% (p=0.004)
- New analysis enhances future clinical development

ALK to initiate European, pivotal Phase III study in 2011

- Study will investigate effect on asthma in 800 patients

Merck has licensed the products rights for North America

Torii has licensed the product rights for Japan



Partnership with **Merck** in North America

Development, registration and commercialisation of three AIT products

GRAZAX[®] (grass allergy)

- Registration application to the FDA under preparation
- US filing date under assessment

Ragweed allergy

- Two large pivotal clinical studies to be completed in H1 2011

MITIZAX[®] (house dust mite allergy)

- Further clinical activities currently in the planning stage

Merck responsible for clinical development, registration, marketing and sales

ALK responsible for product supply

Partnership based on milestones and royalties on net sales

- 240 USDm in additional development and sales milestones
(50 USDm already received)



Partnership with **Torii** in Japan



Development, registration and commercialisation of ALK's products

- House dust mite (MITIZAX® and SCIT), Japanese cedar and diagnostics

Torii responsible for clinical development, registration, marketing and sales

ALK responsible for product supply

Partnership based on milestones and royalties on net sales

- ALK has received 30 EURm in upfront payment
- Up to 30 EURm in development milestones
- Royalties and milestones on net sales in Japan

Late-stage clinical development programme in the planning stage

- To be presented to the Japanese authorities later in 2011



Recent highlights

Q1: Satisfactory sales growth

Revenue up 8% to 609 DKKm

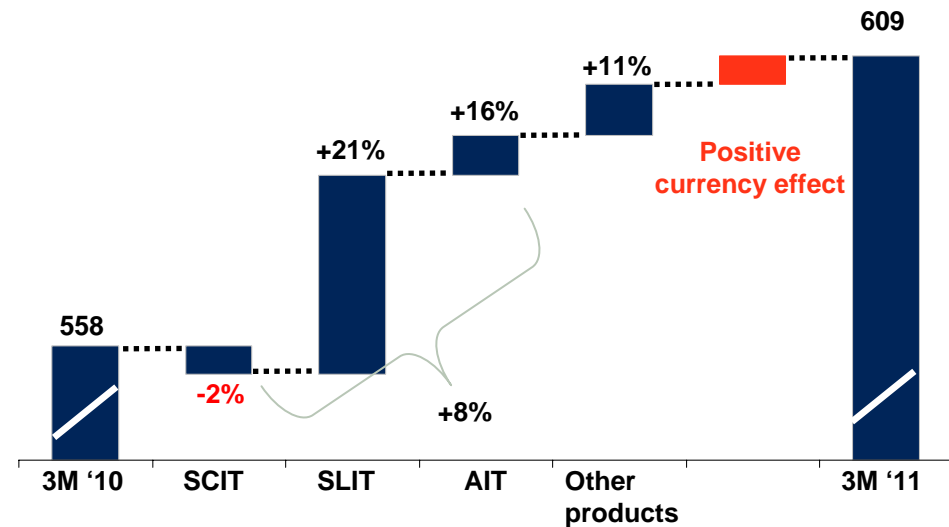
- Vaccine sales up 8%
- 6 pp impact from acquisitions
- Political austerity measures in Germany reduce growth by 6 pp (~30 DKKm)

Growth drivers

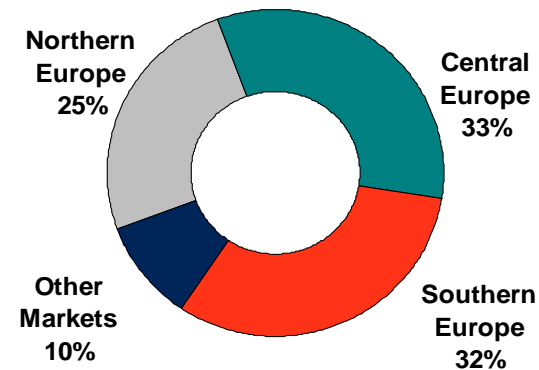
- SCIT in the USA and Spain
- SLIT in France and the Netherlands
- AIT (GRAZAX®) in Southern Europe

Significant growth in three of four regions

- Northern Europe: +36%
- Central Europe: -14%
- Southern Europe: +19%
- Other markets: +16%



Revenue in 3M '11



Q1: 78% jump in **operating profit**

Reported gross margin of 71% (72)

- Negative effect of currencies and austerity measures

Capacity costs up 15% to 352 DKKm

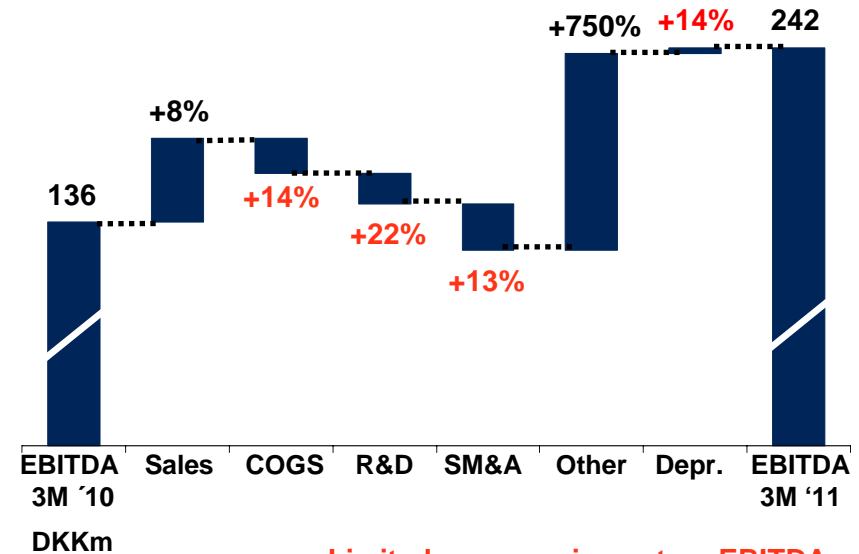
- Acquisitions (approximately +6 pp)
- GRAZAX® in France
- AVANZ® in Italy and Spain
- Jext® launch preparations
- Support to Merck
- GAP and MITIZAX® studies

EBITDA up 78% to 242 DKKm (136)

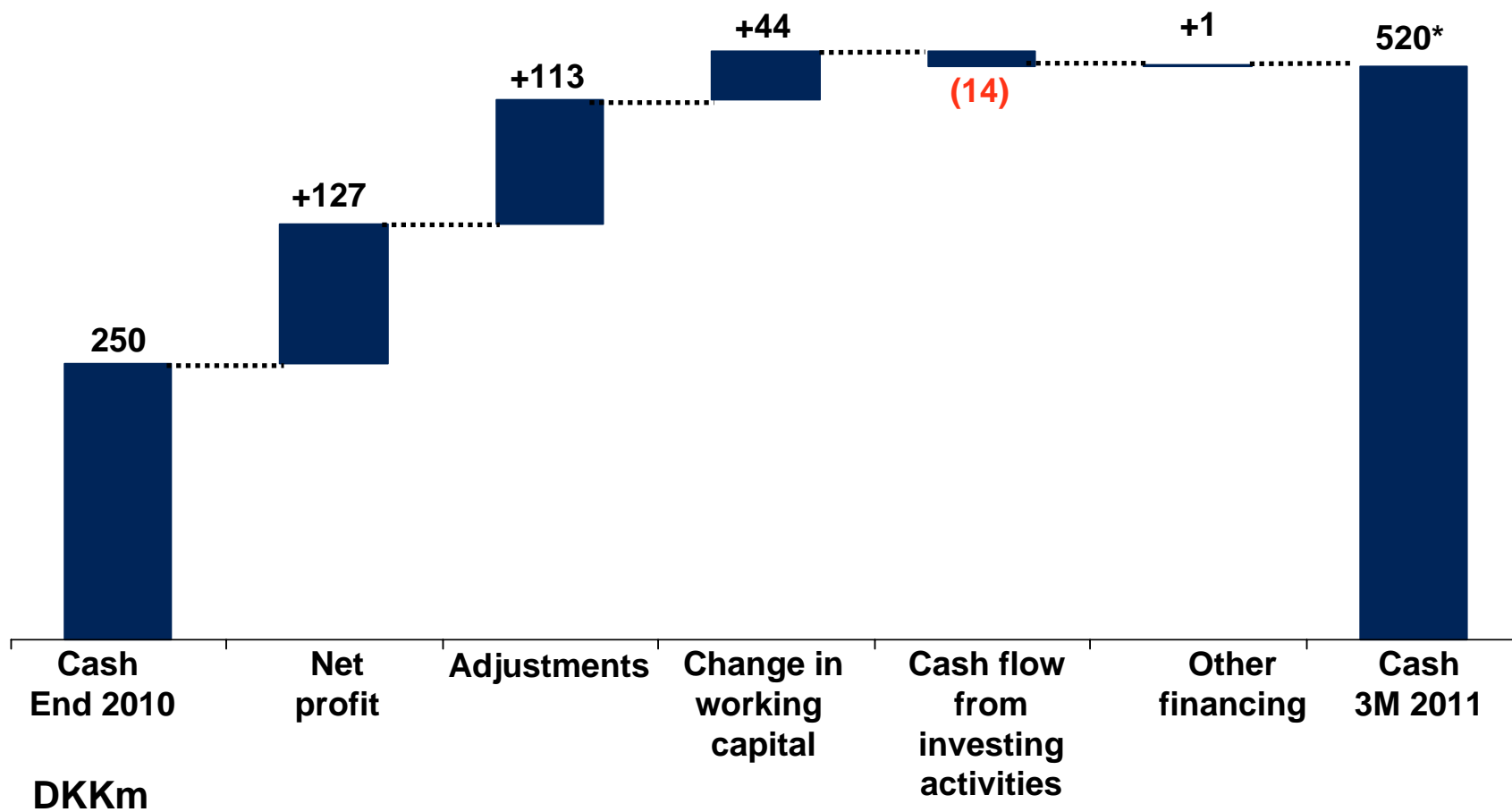
- Effect of austerity measures: -30 DKKm
- Payment from Torii recognised with 134 DKKm

Net profit up 69% to 127 DKKm (75)

- Net financials affected by unrealised exchange losses
- Effective tax rate of 39%



Q1: Free cash flow of 270 DKKm



*) includes 1 DKKm in unrealised currency loss

Financial outlook for 2011 unchanged

Growth in vaccine sales of 5% (in local currencies)

Total net revenue expected around the level of last year

- Full year sales impact of political austerity measures in Germany of ~ -130 DKKm
- Lower sales of adrenaline products due to transition to Jext®

Slightly improved gross margin

- Improved product mix
- Increasing R&D expenses (AIT in EU/USA/JP and regulatory requirements in EU)
- Increasing sales, marketing and administration expenses (acquisitions, launch of Jext® and GRAZAX® in France)

EBITDA expected to increase by 25% to 360 DKKm



Strategy

- towards 2015

Background for ALK's strategy

Recent achievements

- Robust financial performance
- Distribution platform and global presence strengthened
- New product portfolio well under way
- Global commercialisation of AIT made possible with partnerships

New premises

- New regulatory requirements and political austerity measures in Europe
- Profit pressure and changing market dynamics in Europe
- Partnership requirements increasing



Balanced strategy

Base business

Aim: Continued progress in sales and earnings

Initiatives

- Optimise product portfolio
- Complete development of AIT portfolio
- Launch Jext[®] in Europe
- Lead industry consolidation
- Expand activities in the USA and China
- Explore supplementary business opportunities

Growth outlook in base business:

Moderate in medium term

Partnerships

Aim: Global development and commercialisation of ALK's products

Initiatives

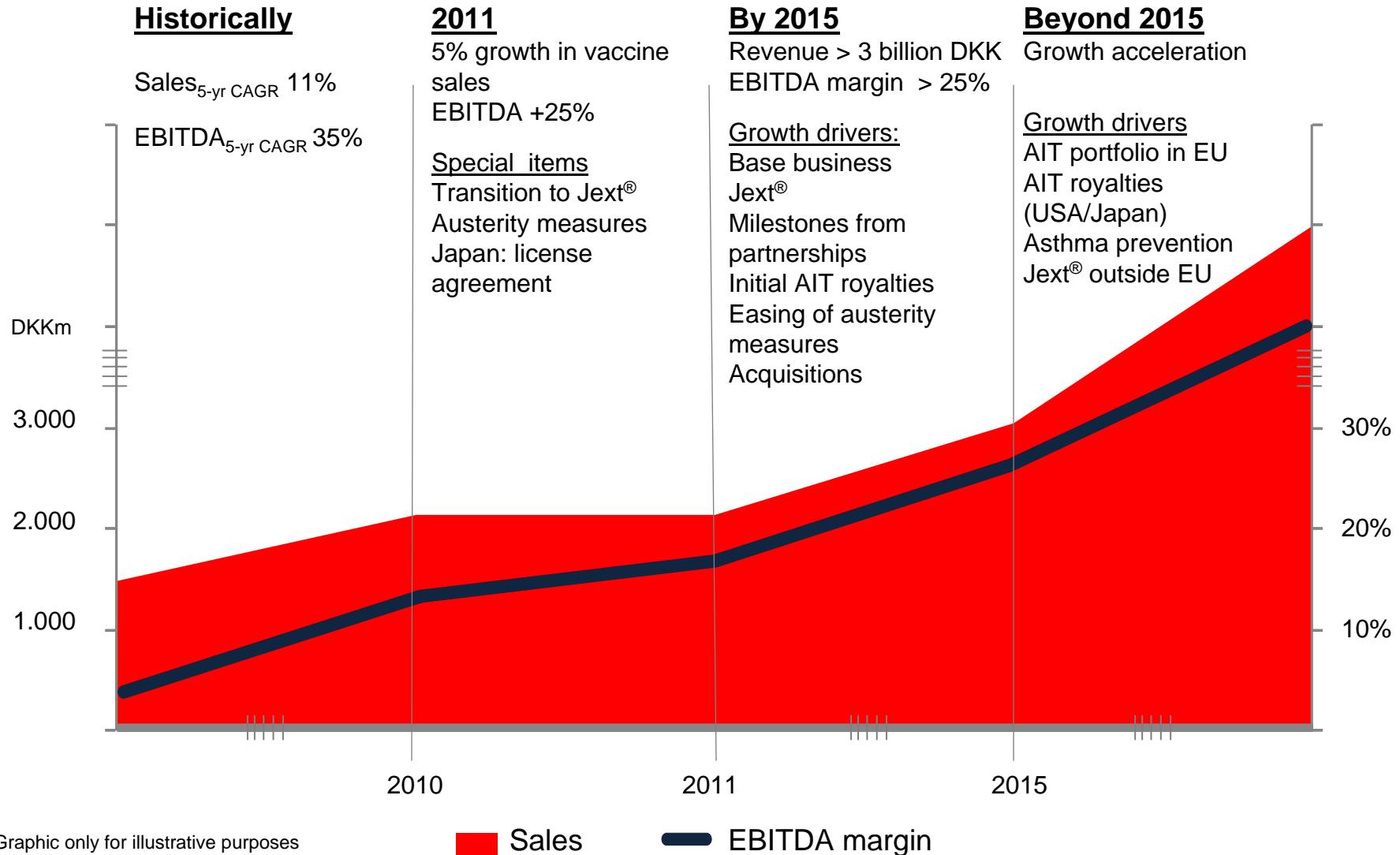
- Support to partnerships with Merck and Torii
 - Local clinical development
 - Regulatory requirements
 - Secure adequate AIT supply
- AIT products and Jext[®] on additional markets

Milestone payments

In 2011-2015, ALK may receive up to 500 DKKm in product development milestones from existing partnerships

Royalties on sales in North America and Japan to contribute significantly to long-term growth

Target: **sustained growth** in sales and earnings



Graphic only for illustrative purposes

Anticipated news flow

Ragweed: data from two pivotal clinical Phase III studies in the USA (Merck)

GRAZAX[®]: further clarification on registration process in the USA (Merck)

MITIZAX[®]: initiation of pivotal clinical Phase III trial in EU

MITIZAX[®]: initiation of clinical studies in Japan (Torii)

Jext[®]: launch in Europe

New partnerships e.g. regarding Jext[®] outside Europe and AIT





Thank you for your attention

Read more: www.alk-abello.com

or contact

**Per Plotnikof
Director**

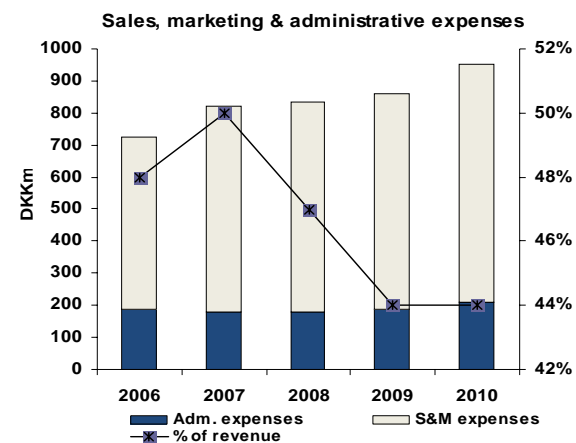
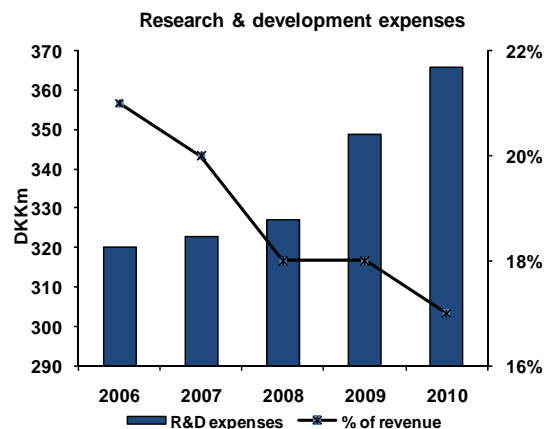
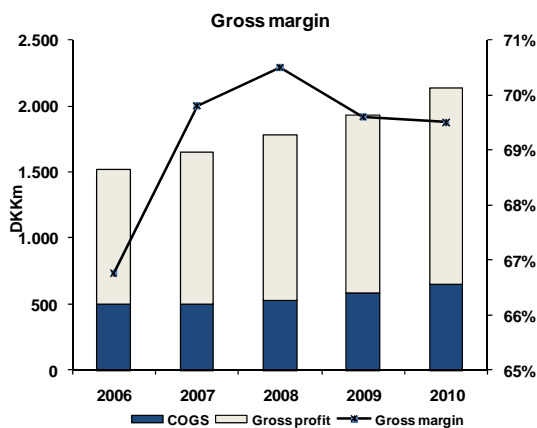
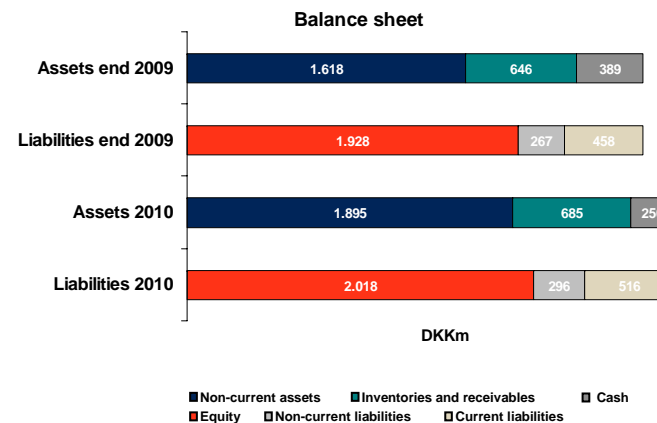
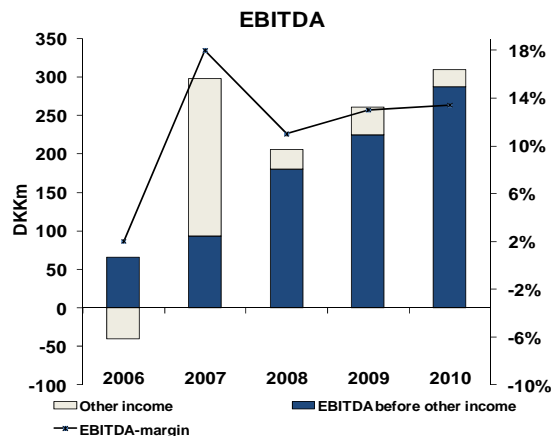
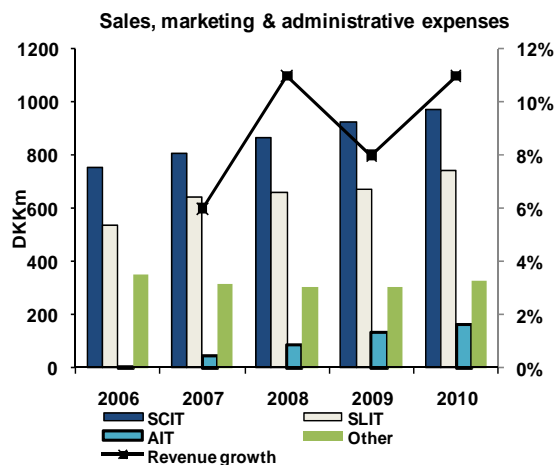
Investor Relations

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Historical financial development



ALK well-established market leader

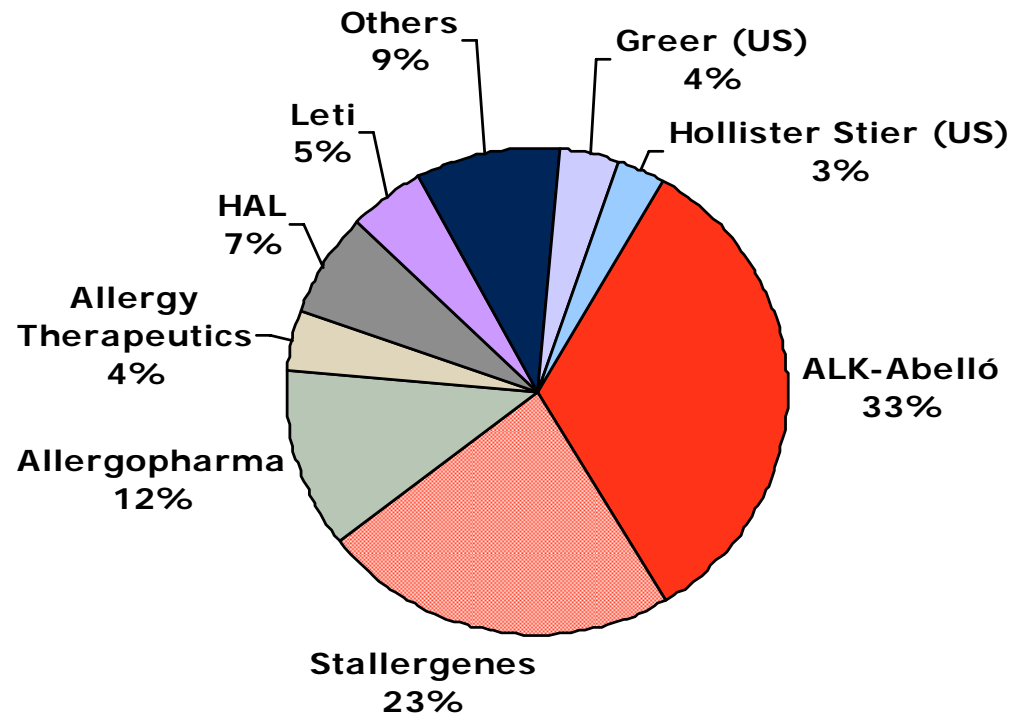


Figure is an internal estimate of market shares based on local reporting, surveys and other publicly available material

Market exclusivity secured through know-how, patents and regulation



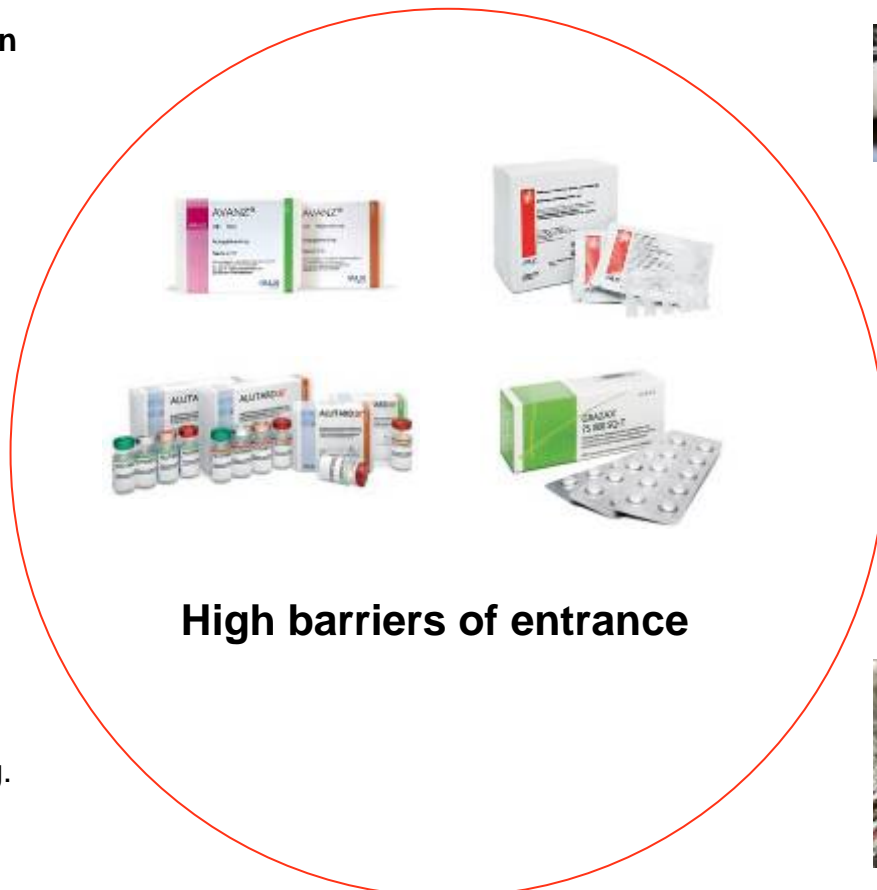
Raw materials in

- Pollen
- House dust mite
- Animal dander
- Analysis



Bulk (API) production

- Extraction
- Purification
- Freeze drying
- Analysis



Proprietary rights

- Patents
- Licensed rights (e.g. Zydis)
- Clinical data
- Trademarks



Finished production

- Unique formulation
- Filling
- Analysis

State of the art raw material facility secures **independent sourcing capacity**



New tablet API unit provides proprietary **high-quality** pharmaceutical products



Extension of tablet casting unit ensures full control and capacity



Packaging and distribution **capacity**



ALK – equity and **shareholder** structure

ALK (ALK B) listed on NASDAQ OMX Copenhagen
(Reuters: ALKB.CO / Bloomberg: ALKB.DC)

Number of shares outstanding: 10.1 million

- Two share classes (A / B)

Market Cap: ~ 3.5 billion DKK

Largest shareholder groups

- Lundbeck Foundation (38%), since 1987
- ATP, Danish Labour Market Pension Fund (> 5%)
- Other institutional investors (~ 30%)
- ~14,000 retail investors (~ 25%)

- Foreign ownership: ~ 25%
- Domestic ownership: ~ 75%



NASDAQ OMX