ALK ABELLÓ

Curing Allergy

Presentation of 2009 results

February 24, 2010

Agenda

Welcome
Jens Bager, President & CEO

Sales highlights
Jørgen Damsbo-Andersen, EVP, Business Operations

Financial highlights
Jutta of Rosenborg, EVP & CFO

Regulatory changes and R&D update
Henrik Jacobi, EVP, Research & Development

Finalising investments in tablet production
Flemming Steen Jensen, EVP, Product supply

Outlook 2010
Jens Bager, President & CEO

Q&As

Forward-looking statements

This presentation contains forward-looking statements, including forecasts of future revenue and operating profit as well as expected business-related events. Such statements are subject to risks and uncertainties as various factors, some of which are beyond the control of the ALK Group, may cause actual results and performance to differ materially from the forecasts made in this presentation. Without being exhaustive, such factors include, among others, general economic and business conditions, including legal issues, uncertainty relating to pricing, reimbursement rules and market penetration, fluctuations in currencies and demand, changes in competitive factors and reliance on suppliers, but also factors such as side effects from the use of the company's existing and future products since allergy vaccination may be associated with allergic reactions of differing extent, duration and severity. Furthermore, ALK cannot rule out that a general economic downturn could have an adverse impact on the company's revenue and earnings.

Continued strong development in 2009

Solid financial results – better than expected

Strong prospects in North America

Successful clinical studies with GRAZAX® in the USA

GRAZAX® approved as disease-modifying allergy treatment

But, also more difficult market conditions

- Economic recession particularly affects Italy and Spain
- Regulatory changes in Europe put pressure on non-registered products

For 2010, ALK expects sustained growth in sales and earnings

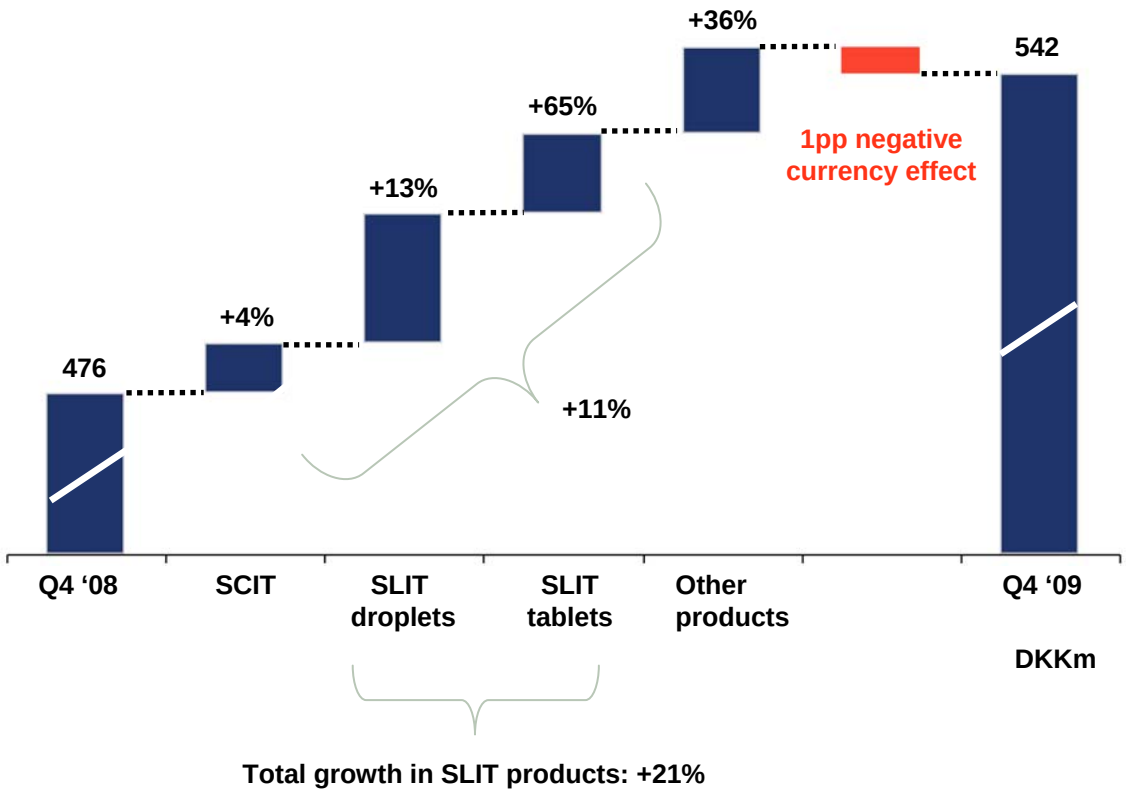
Sales development in 2009

Jørgen Damsbo-Andersen,
EVP, Business Operations

Q4: Strong quarter with 13% sales growth

Primary growth drivers

- SCIT in North America
- SLIT droplets in France
- Tablets in Northern Europe
- Adrenaline in the UK



Indicated growth rates are organic rates

FY 2009: 10% growth in vaccine sales

SCIT: Growth driven by Central / Northern Europe and North America

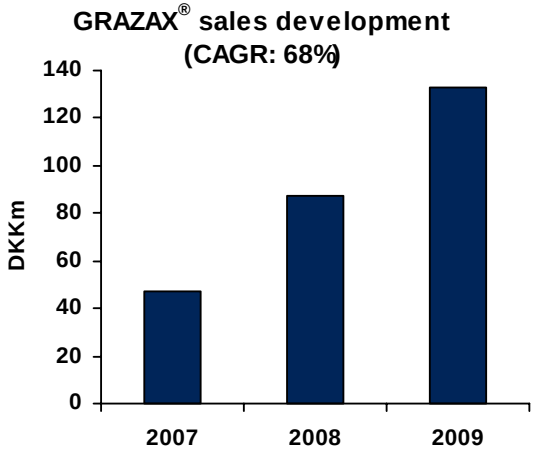
SLIT droplets: Growth driven by France and to a lesser extent Spain

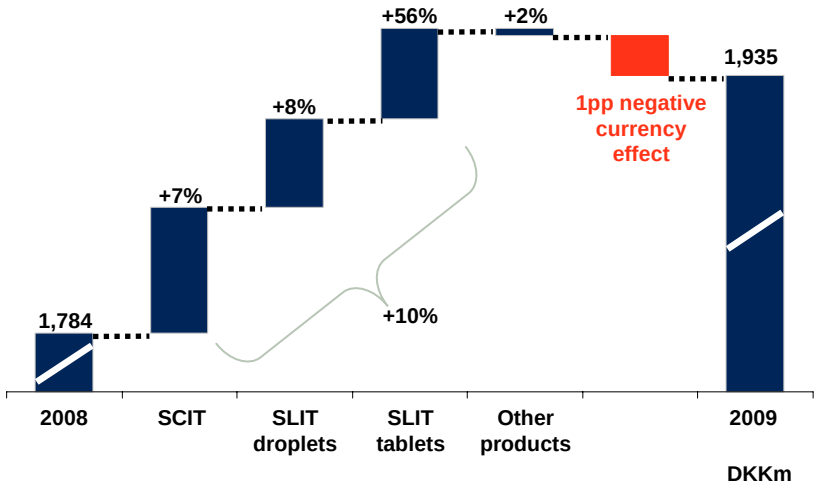
Tablets: Solid growth in Northern / Central Europe

Other products: Affected by variations in expiry dates

Broadly based growth

- Northern Europe: +7%
- Central Europe: +8%
- Southern Europe: +11%
- Other markets: +12%





Indicated growth rates are organic rates

Cost and earnings development

Jutta of Rosenborg, CFO

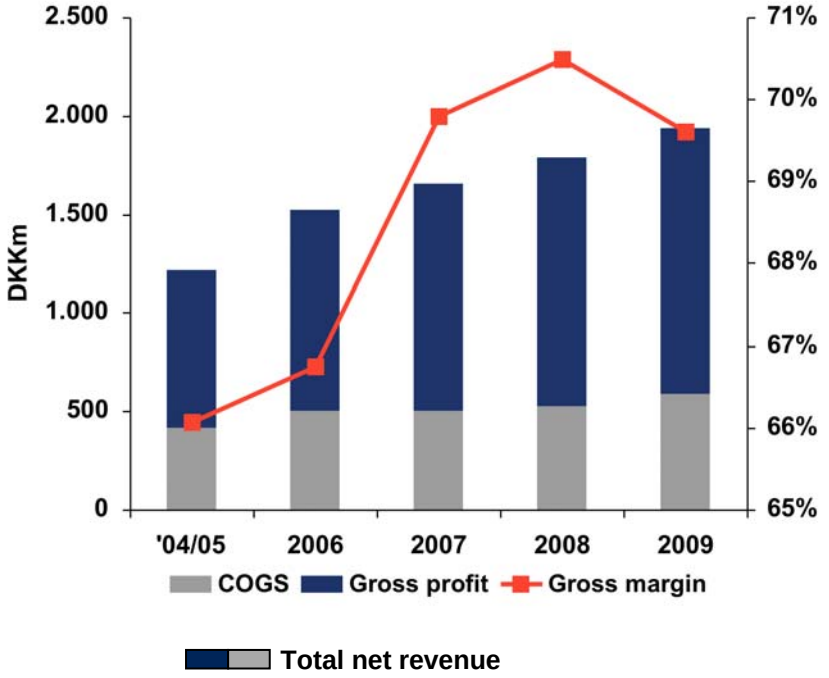
Cost of sales as expected

Q4 2009 reported gross margin of 70.7% (70.4)

- Limited impact from currencies (+0.1 pp)
- Lower net cost of sales (+0.2 pp). Negative impact from change in product mix offset by sales price increases

2009 reported gross margin of 69.7% (70.5)

- Negative currency impact (-1.1 pp)
- Lower net cost of sales (+0.3 pp). Increased fixed production costs and rising purchasing prices offset by sales price increases

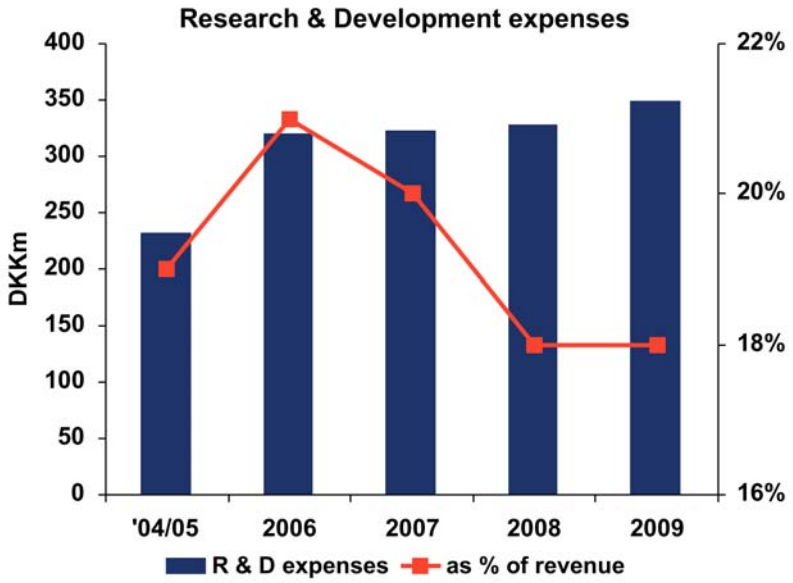


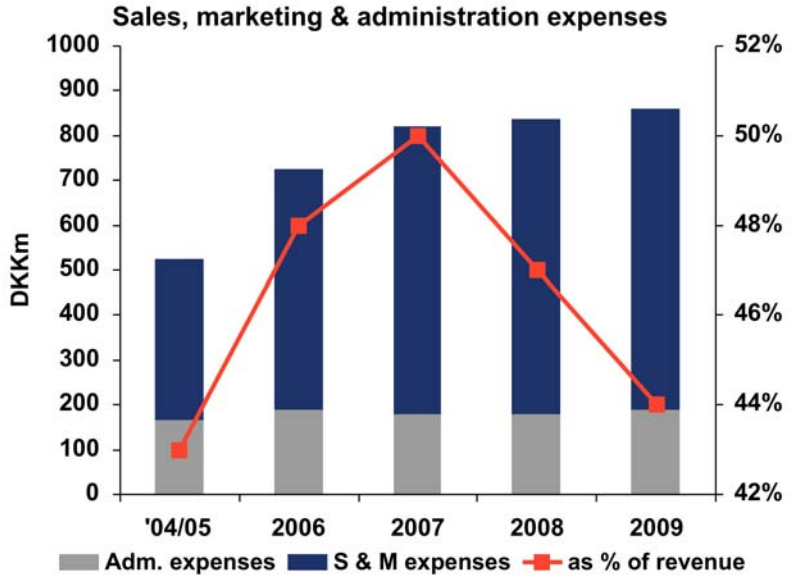
3% organic increase in capacity costs

Q4: As expected, capacity costs increased 14%

FY: R&D expenses increased 6% to 349 DKKm (327)

FY: Sales/marketing and administration expenses increased 2% to 860 DKKm (836)





Indicated growth rates are organic rates

Reported EBIT up 47%

Q4: EBIT up 41% to 58 DKKm (41)

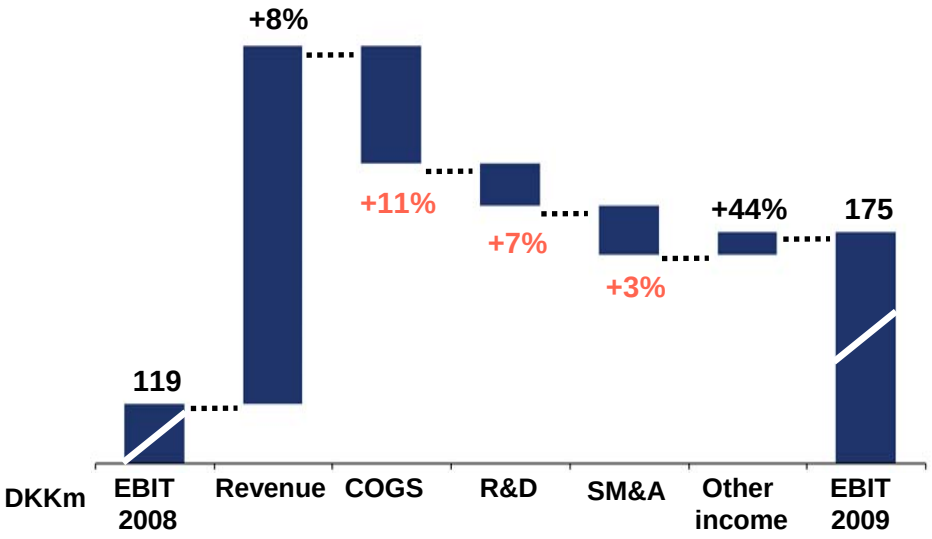
FY: EBIT up 47% to 175 DKKm (119)

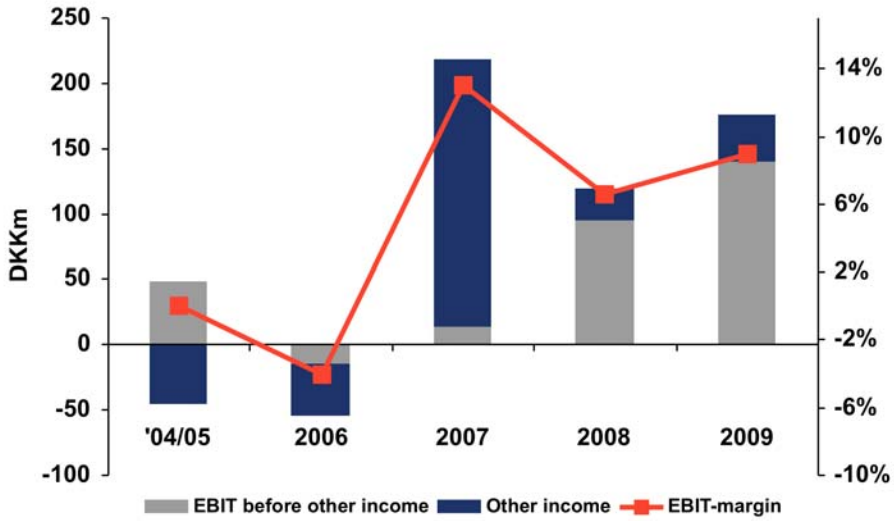
- Negative currency impact
- Better than anticipated due to strong Q4
- Payments from Merck of 33 DKKm
- EBITDA of 260 DKKm (205)

Net profit for the year of 118 DKKm (95)

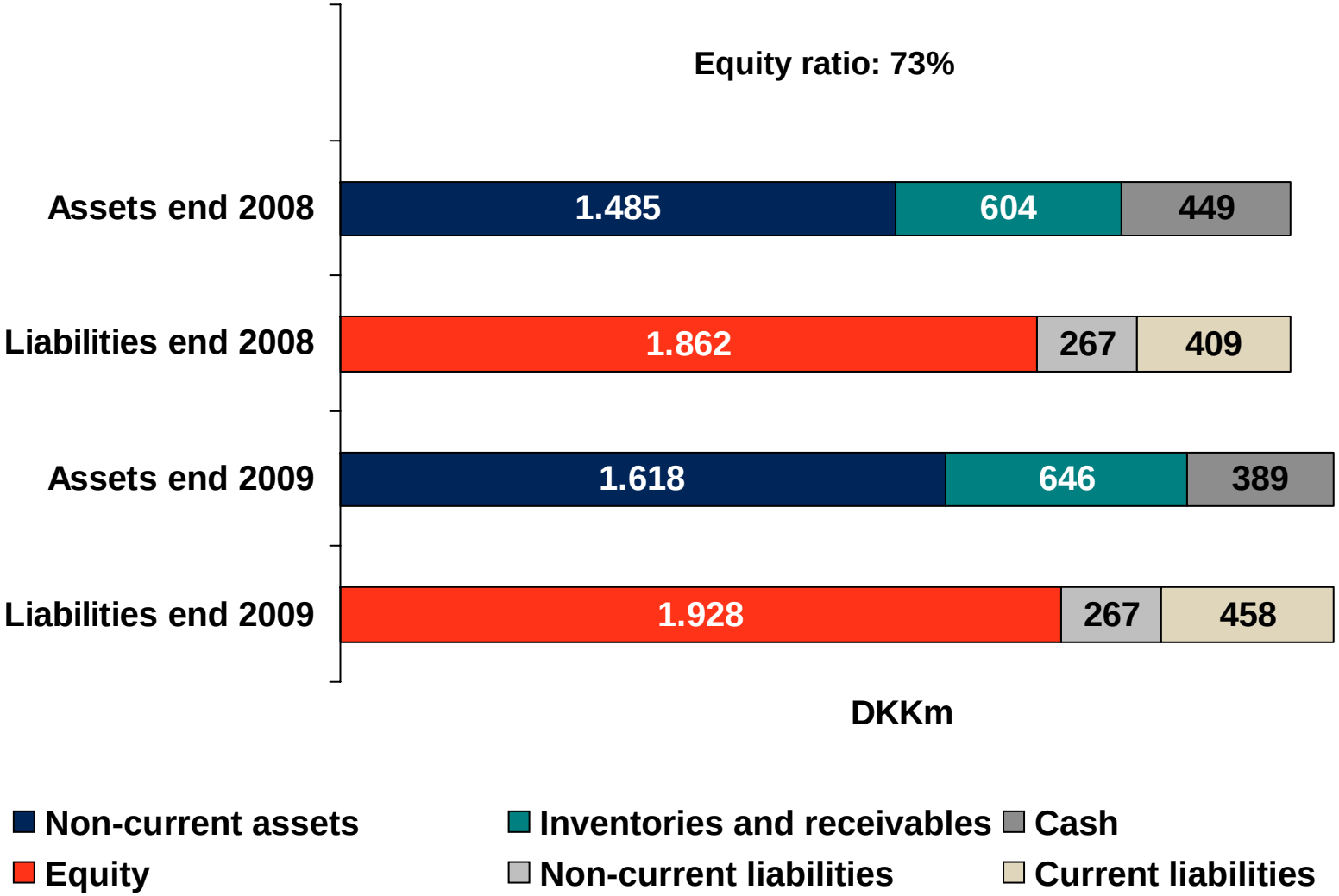
- Effective tax rate of 38%

EPS increased 25% to 11.85 DKK (9.51)

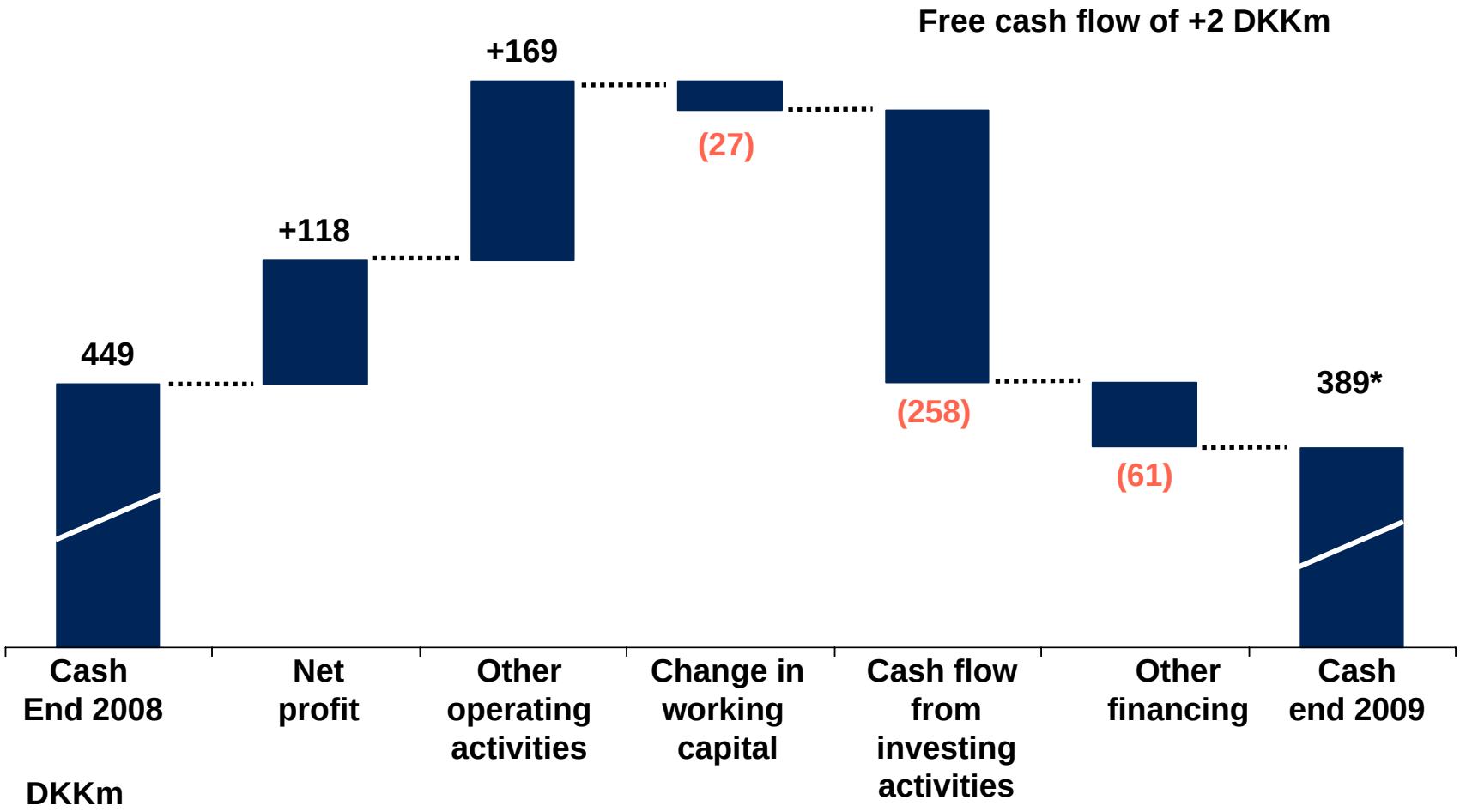




Balance sheet remains strong



Satisfactory development in cash flow



*) includes -1 DKKm in unrealised currency loss

Getting ready for North America

– The strategic collaboration with Merck

Jens Bager, President & CEO

Partnership with Merck – the facts

Partnership with Schering-Plough as of January 2007

Development and commercialisation of three tablet-based allergy vaccines in North America

- GRAZAX®, ragweed and house dust mite allergy

Schering-Plough was merged with Merck in Q4 2009

- Merck took over rights to ALK's tablet programmes

Merck responsible for all clinical development, registration, marketing and sales of the products

In total, ALK has received 47 USDm in upfront and milestones

53 USDm in outstanding clinical and regulatory milestone payments

Royalties on sales important future value driver for ALK

Partnership with Merck – status

MERCK

ALK to provide extensive support to Merck

- Pharmaceutical development activities in relation to the tablet programme
- Regulatory support to registration application
- Preparations for FDA pre-approval inspection

Breakthrough for the tablet programme in North America

- Two Phase III studies with GRAZAX® in the USA show robust results
- Studies included 439 adults / 345 children, respectively
- FDA application under preparation for possible submission in H2 2010

Merck has initiated two pivotal clinical studies with ragweed tablet

- Up to 1,400 patients
- To be completed in H1 2011 and form basis for registration application with FDA

Further joint development of house dust mite tablet under planning

Intensified collaboration provides strong prospects

Regulatory changes and R&D update

Henrik Jacobi, EVP, Research & Development

New regulatory requirements in Europe

Several countries are modernising their rules for NP products to ensure high level of documentation and quality of treatment

Named patients product

- not registered pharmaceuticals
- vaccines manufactured to individual patient
- under responsibility of the prescribing physician

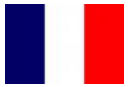
Regulatory changes in Europe

Germany

- All significant allergen-based products must be registered and receive market approval
- Transition period until 2017 for products already on the market

The Netherlands

- Only registered products to be eligible for reimbursement, e.g. GRAZAX®
- Certain patients may be allowed to receive treatment with non-registered products on a reimbursed basis



France

- Established a system for approval of NP products in 2004/05

Spain

- Intentions to implement new requirements have been announced but no requirements or processes have yet been communicated

Italy

- Intentions to implement new requirements have been announced but no requirements or processes have yet been communicated

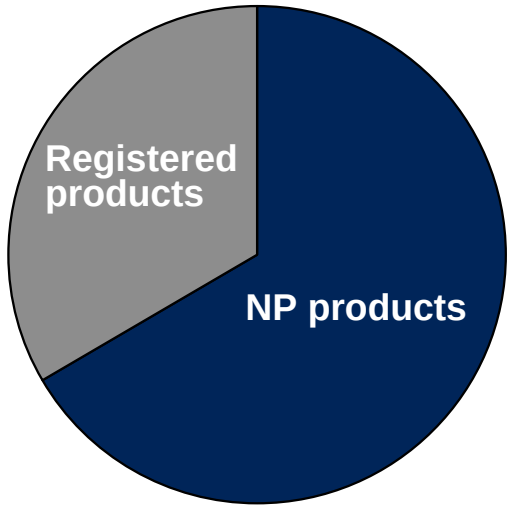
New regulations to benefit ALK in the long term

2/3 of the industry's total European vaccines sales in Europe are NP products

- > 15 companies actively promote NP products
- Total turnover from NP products approximately 3.5 billion DKK

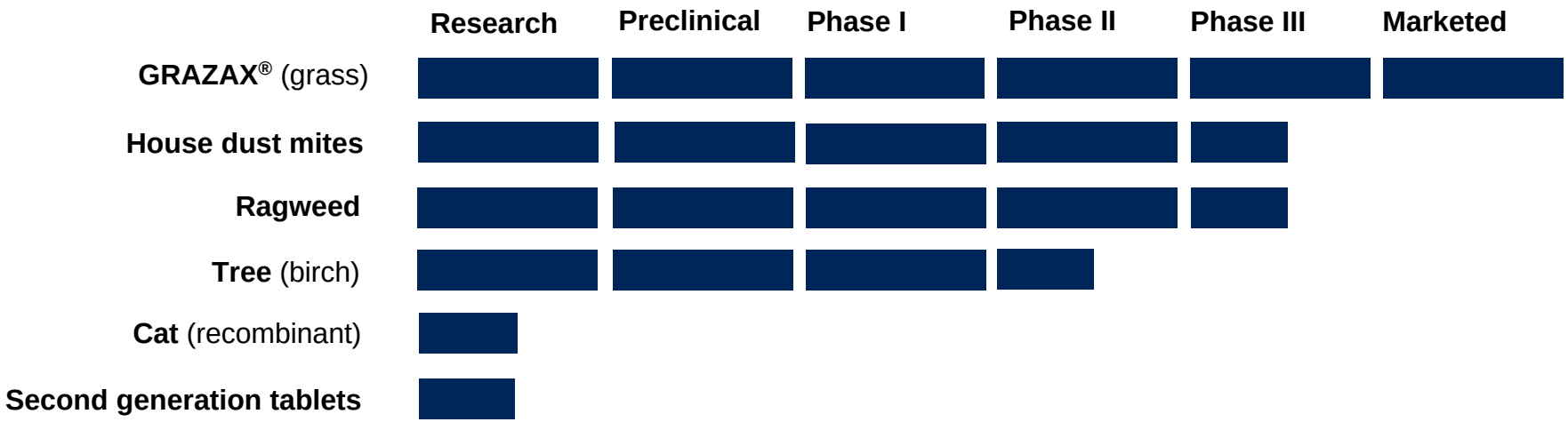
ALK currently has the broadest registered product portfolio in the industry, including GRAZAX®

Regulation initiatives provide consolidation opportunities



R&D status

ALK's R&D pipeline



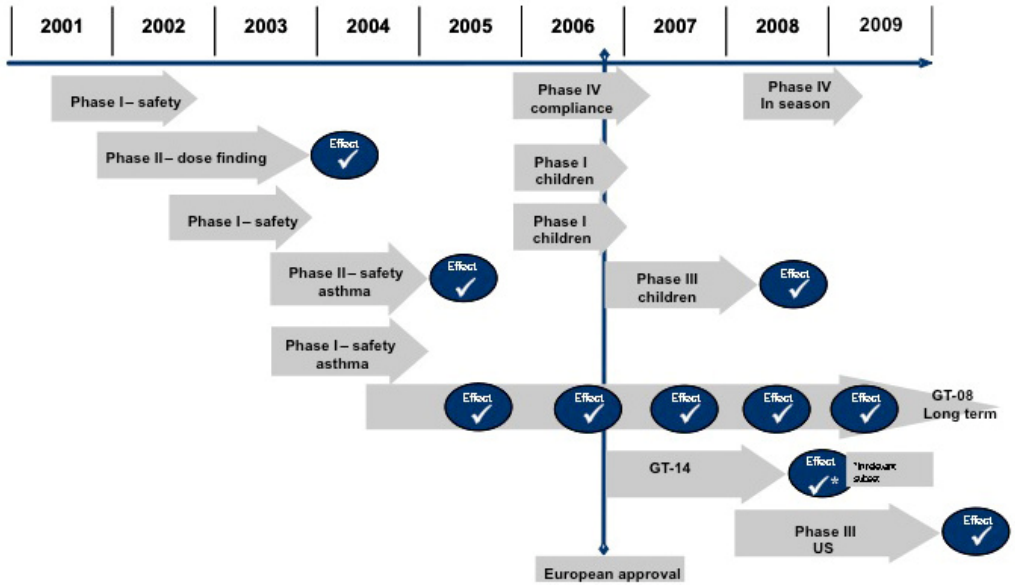
The tablet programme covers:

- **The three most prominent outdoor allergens in Europe and the USA** (grass, tree and ragweed pollen)
- **The two most prominent indoor allergens in the world** (house dust mite and cat)

GRAZAX® – the worlds' best documented allergy vaccine

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

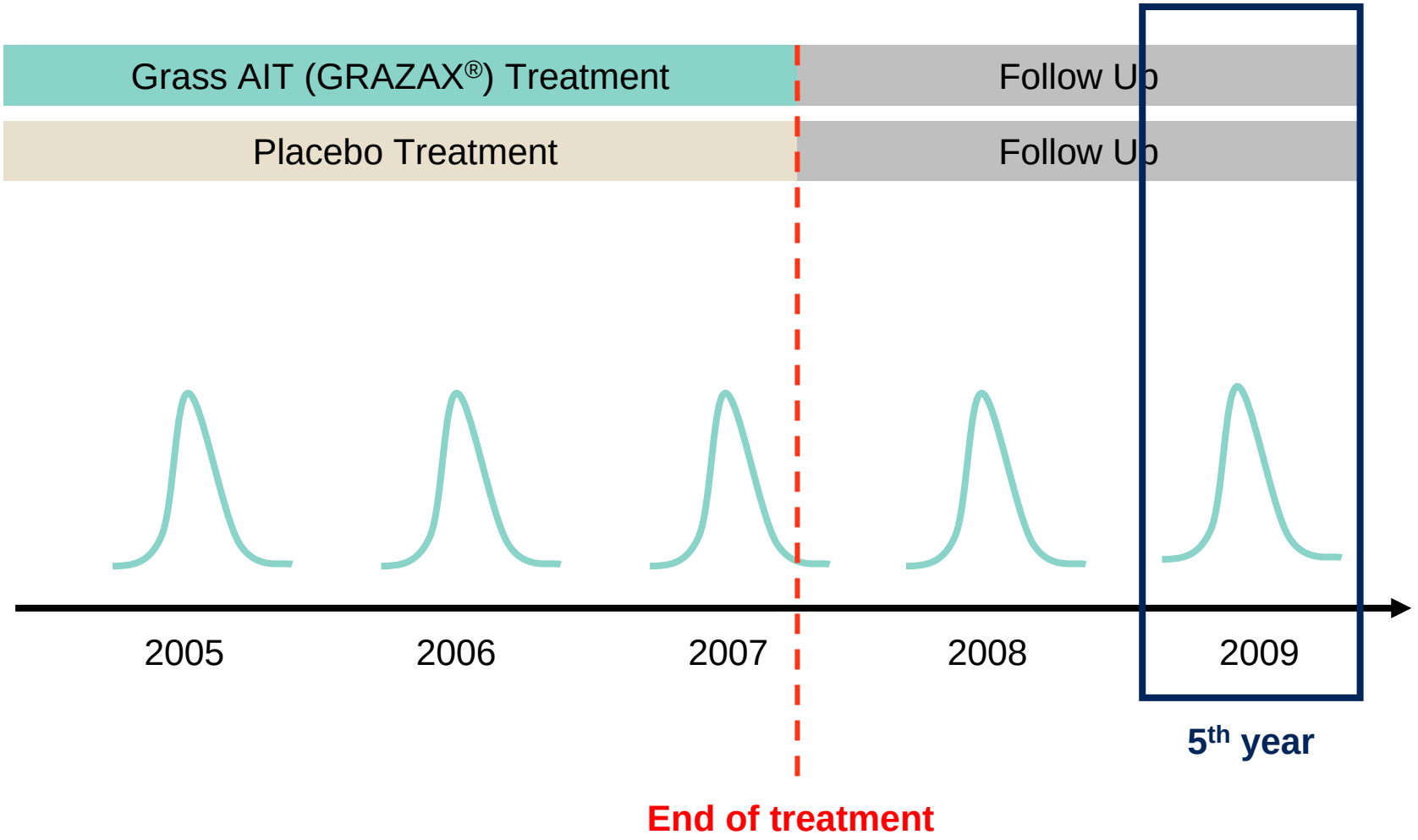
More than 6,000 patients and 38,000 treatment years completed



Latest news

- GRAZAX® approved by European authorities as a disease-modifying treatment
- GAP (GRAZAX® Asthma Prevention) 5-year study initiated in 2010
- Positive results from US Phase III trials with adults and children
- Positive results from long term study (GT-08) confirms disease modification

Design of long-term study (GT-08)



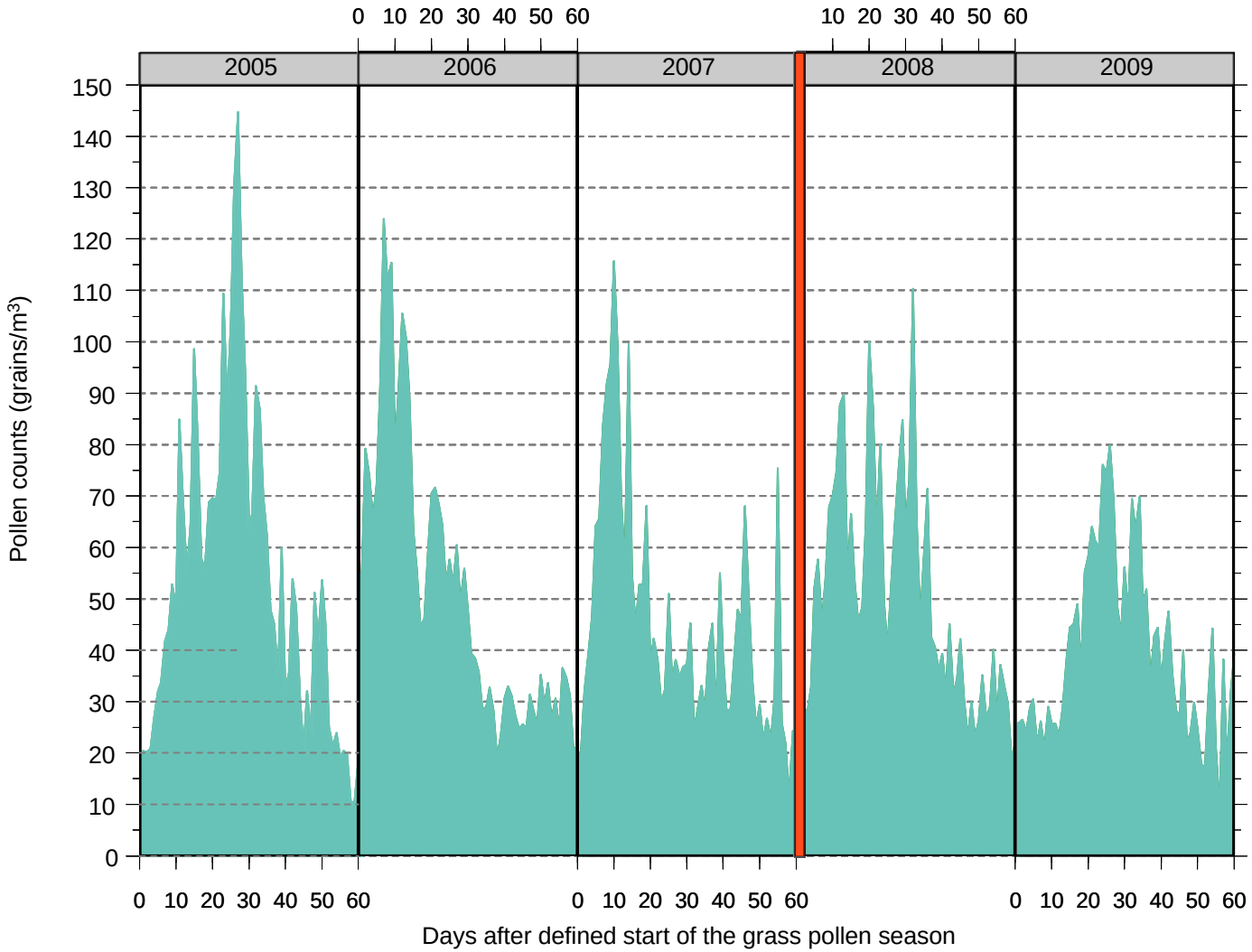
Disease-modifying effect of GRAZAX® verified

GRAZAX® GT-08 Study	First season 2005	Second season 2006	Third season 2007	First follow-up season 2008	Second follow-up season 2009
	Median	Median	Median	Median	Median
Symptom score reduced compared to placebo **Entire season**	38%	45%	42%	31%	31%

Clinical effect supported by immunological findings

FAS 2009
p < 0.01 for all seasons

30% less grass pollen in 2009 than in 2008

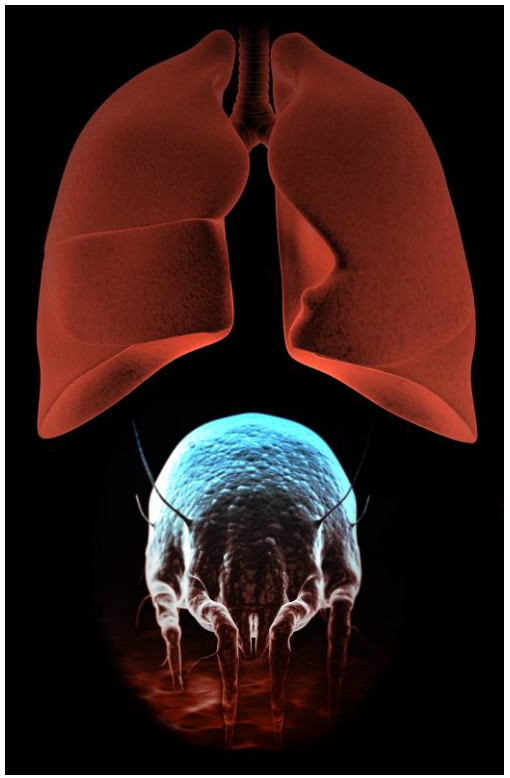


Tablet for house dust mite allergy

Initial 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)**



Comparison of MT-02 ICS reduction and Xolair anti-IgE treatment (% subjects)

	MT-02 Placebo	MT-02 6 DU	Xolair Placebo	Xolair Low dose	Xolair High dose
>50% reduction	39%	55%	38%	49%	51%
100% reduction	21%	33%	12%	23%	18%

FDA - Department of Health and Human Services. Advisory Committee, Clinical Efficacy Briefing Document, Genentech, Inc., Biologics Marketing Application, STN 103976/0, Omalizumab for asthma. 2003.

Additional Phase III study to be initiated by ALK in 2010

Tablets for ragweed and tree pollen allergies

Phase I study on ragweed completed

Merck has initiated two large clinical studies to be completed in H1 2011

Phase I study on tree pollen completed

Additional clinical activities are being planned

Finalising investments in tablet production

Flemming Steen Jensen, EVP, Product Supply

Finalising tablet investments

Strategic investments in tablet production almost completed in 2009

- Raw material production unit in the USA
- Facility for production of tablet ingredients (API) in Denmark
- Expansion of tablet casting facility in the UK
- Packaging facility in Denmark

Sufficient capacity for foreseeable future covering both Europe and North America

Production flow – allergy vaccines

Raw materials in
Pollen
House dust mite
Animal dander

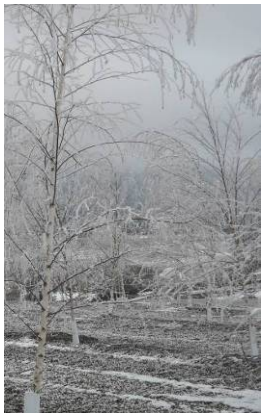
Quality assurance and quality control on all levels

Bulk (API) production
Extraction
Purification
Freeze drying
Analysis

Packaging and distribution
Labelling
Packaging
Storage
Shipping

Finished production
Formulation
Filling
Analysis

State of the art raw material facility secures independent sourcing capacity



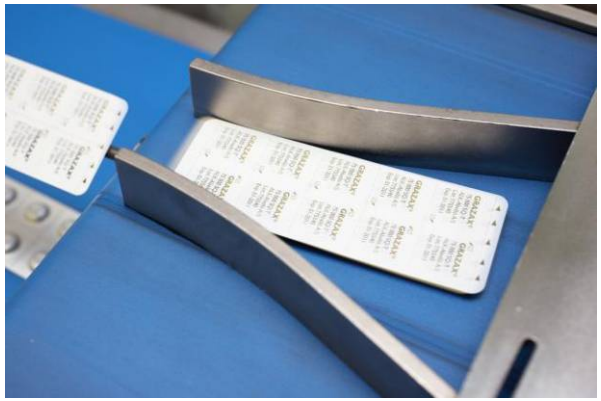
New tablet API unit provides proprietary high-quality pharmaceutical products





Extension of tablet casting unit ensures full control and capacity





Packaging and distribution of tablets

Outlook 2010

Jens Bager, President & CEO

Outlook 2010

Growth in vaccine sales of 5-8% (in local currencies)
Lower sales growth than in previous years

- General economic downturn (in particular in Italy and Spain)
- Increasing regulatory requirements in Europe (e.g. the Netherlands)

Gross margin marginally lower than in 2009

- Change in product and country mix
- Growing depreciations due to inauguration of new facilities
- Increasing cost of preparing for tablet launch in North America

EBITDA / EBIT to improve, however, earnings will be affected by

- Extensive support to Merck collaboration
- Clinical trials (e.g. the GAP study)
- Activities to comply with new regulatory requirements in Europe
- Forecast for EBIT includes agreed milestone payments from Merck

Total investments of approximately 140 DKKm

Improved, positive free cash flow

Update on long-term ambitions

In the shorter term, sales growth is anticipated to be lower than expected in the company's previous long-term financial targets

- General economic downturn (in particular in Italy and Spain)
- New regulatory requirements in Europe (e.g. the Netherlands)

In the longer term, EBITDA / EBIT is expected to reach pharmaceutical industry level

Continuously improving positive free cash flow

ALK will issue new long-term financial objectives following completion of the planned strategy update

- Expected in H2 2010
- Will incorporate Merck's plans for North America

Strategic platform remains unchanged

Aim: Improve allergy treatment enabling earlier introduction of immunotherapy for patients with moderate/severe allergies

Key industry trends

- Increasing incidence of allergies and disease awareness
- Political focus in Europe and the USA on disease-modifying and preventive treatments
- New regulatory environment
  - Need for scientific documentation
  - Pressure on non-registered NP products
  - Higher barriers of entry
  - Industry consolidation inevitable
- Rising involvement from big pharma companies

ALK well-positioned to benefit from industry trends

Portfolio of tablets to further strengthen ALK's market leadership

Questions?