



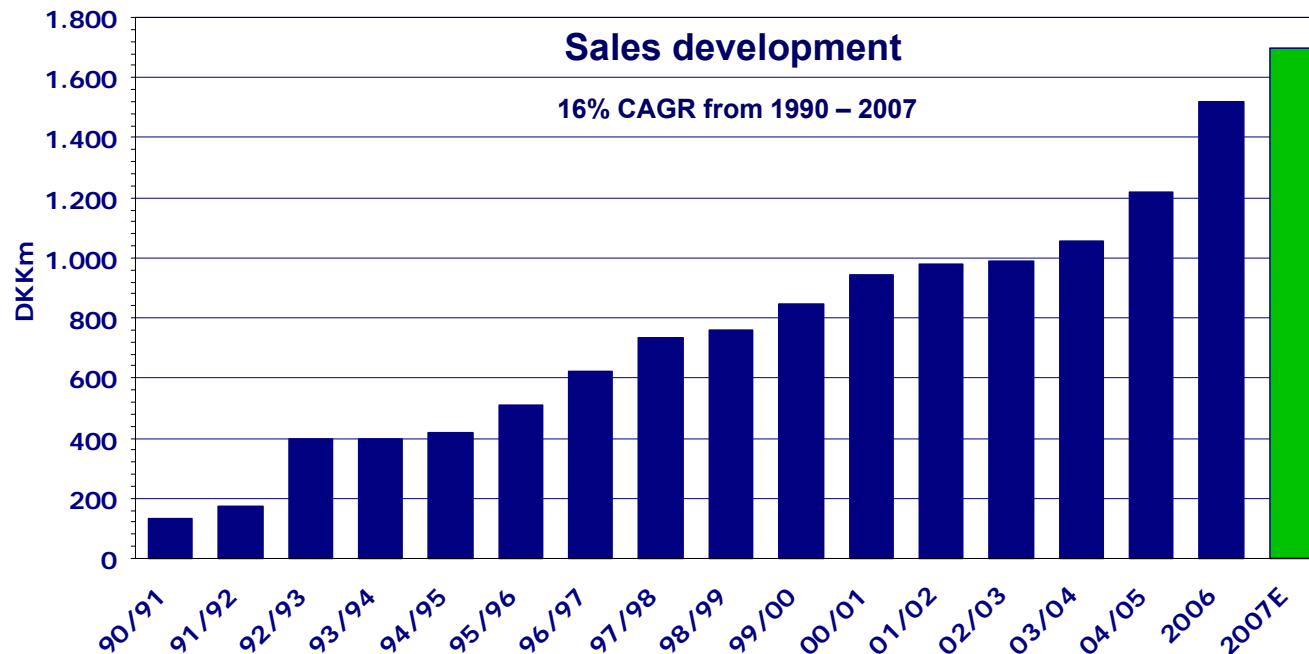
**We improve quality of life by preventing  
and curing allergy**

General investor presentation

# About ALK-Abelló – quick facts



- Global company with presence in Europe, the USA and China
- Founded in 1923, today over 1,400 employees



- Trading codes: Reuters: ALKB\_CO / Bloomberg (ALKB DC)
- ISIN number DK0060027142

# Table of content



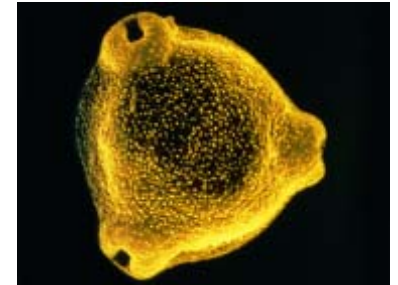
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# GENERAL INTRODUCTION

# What is allergy?

- An immunological overreaction against the molecules (allergens) that the patient is allergic to
- Allergic diseases in the airways
  - ▶ Rhinitis (hay fever)
  - ▶ Allergic asthma
- Other allergic diseases
  - ▶ Contact eczema (dermatitis)
  - ▶ Insect sting allergy
  - ▶ Food allergy



Birch pollen



Birch allergen

# Prevalence of allergic diseases

	USA % of allergic population	Europe % of allergic population
<b>Allergics of total population</b>	<b>65 million</b>	<b>87 million</b>
<b>Grasses</b>	<b>56%</b>	<b>52%</b>
<b>House Dust Mites</b>	<b>45%</b>	<b>49%</b>
<b>Ragweed</b>	<b>49%</b>	<b>n.a.</b>
<b>Birch</b>	<b>23%</b>	<b>14%</b>
<b>Weed</b>	<b>n.a.</b>	<b>27%</b>
<b>Cedar, Japanese</b>	<b>10%</b>	<b>n.a.</b>
<b>Cat</b>	<b>39%</b>	<b>30%</b>
<b>Dog</b>	<b>19%</b>	<b>n.a.</b>
<b>Food</b>	<b>10%</b>	<b>11%</b>
<b>Venom</b>	<b>13%</b>	<b>13%</b>

- Incidence appears to be continuing to increase

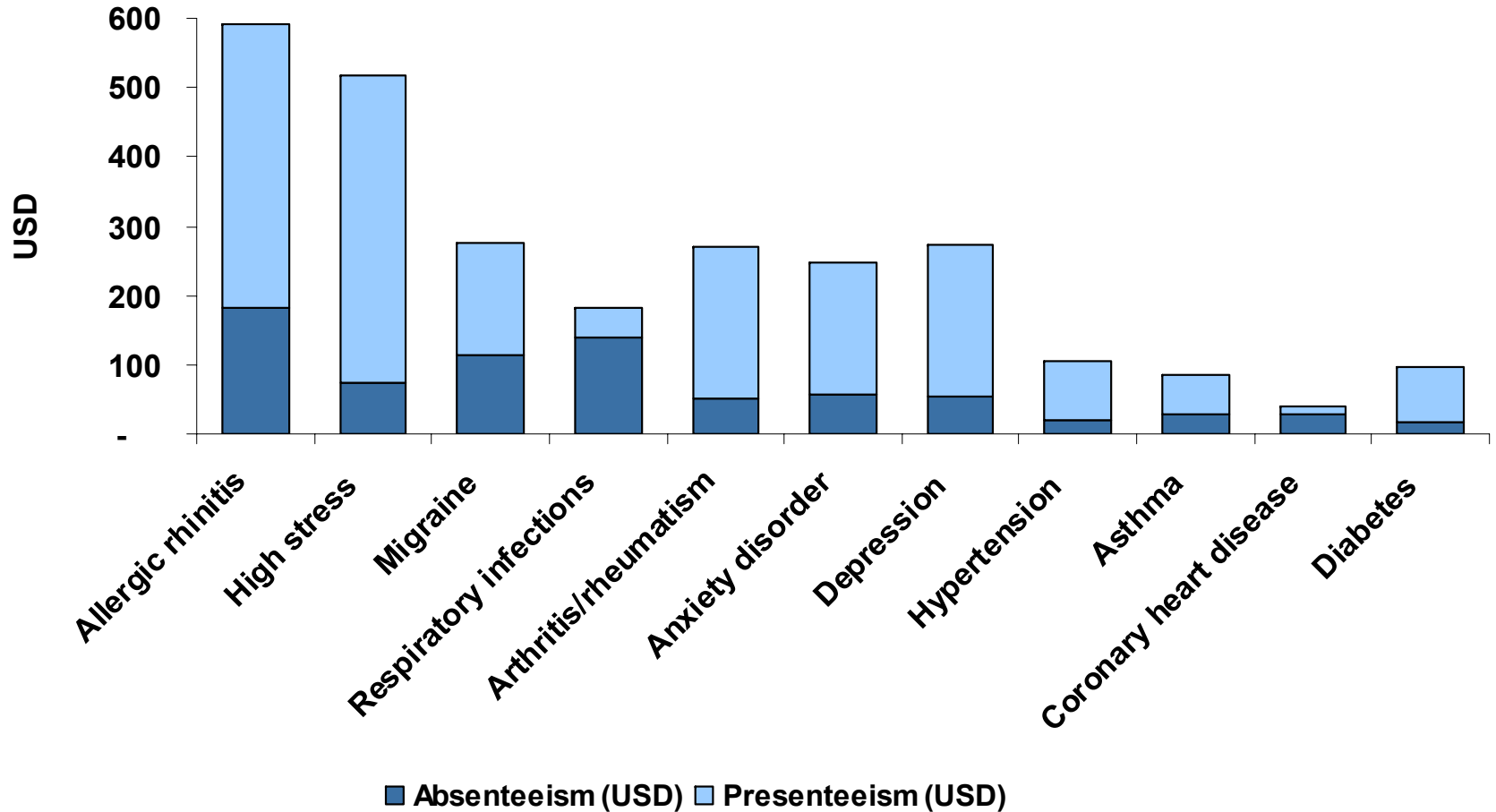
**Note: In average a patient is allergic to more than 2.3 sources. (Source: Arch Pediatr Adolesc med/vol 156, Oct. 2002)**

Sources: USA: Annals of Allergy, Asthma, & Immunology, Vol 81, September, 1998, Page 203 FF. Canada: Clinical and Experimental Allergy, 1997, Vol 27, Pages 52-59  
Europe: Europ J All Clin Immun, P 239 and Prel res, J All Clin Immun, V 106, Number 2, P 247 ff, Linneberg et al. Allergy to Cats (ALK-publication) page 2 based on 5 worldwide studies. Venom: Insect Sting Allergy, Ulrich R. Muller, 1990. Food Allergy: USA: Curr Opin Allergy Clin Immunol 2002 Jun; 2(3): 257-61. Europe: Allerg Immunol (Paris 2002 Apr; 34(4): 135-40.

# Allergies have a significant impact



### Mean productivity loss per employee per year



**Source:** Charles E. Lamb et al. Economic impact of workplace productivity losses due to allergic rhinitis compared with select medical conditions in the United States from an employer perspective. Current Medical Research and Opinion 2006, vol.22, no. 6 1203-120:

# Traditional allergy medication

- Antihistamines, sprays or eye/nose drops
- Treats the symptoms, but not the underlying disease
- After discontinued treatment the symptoms return (no long-lasting effect)
- Treatment must be repeated every year

62% of patients experience poor or only partial symptom control with symptomatic medications

70% of allergic patients feel that allergy limits their quality of life

# What is allergy vaccination?

- Treatment with controlled doses of purified and standardized allergens (proteins), extracted from natural allergen sources:
  - ▶ Pollens (grass, trees etc.)
  - ▶ House dust mites
  - ▶ Animals
  - ▶ Insect venom
  
- Immune system becomes tolerant to the allergens
  - ▶ Immune system is desensitized, so that it does not overreact to the allergens



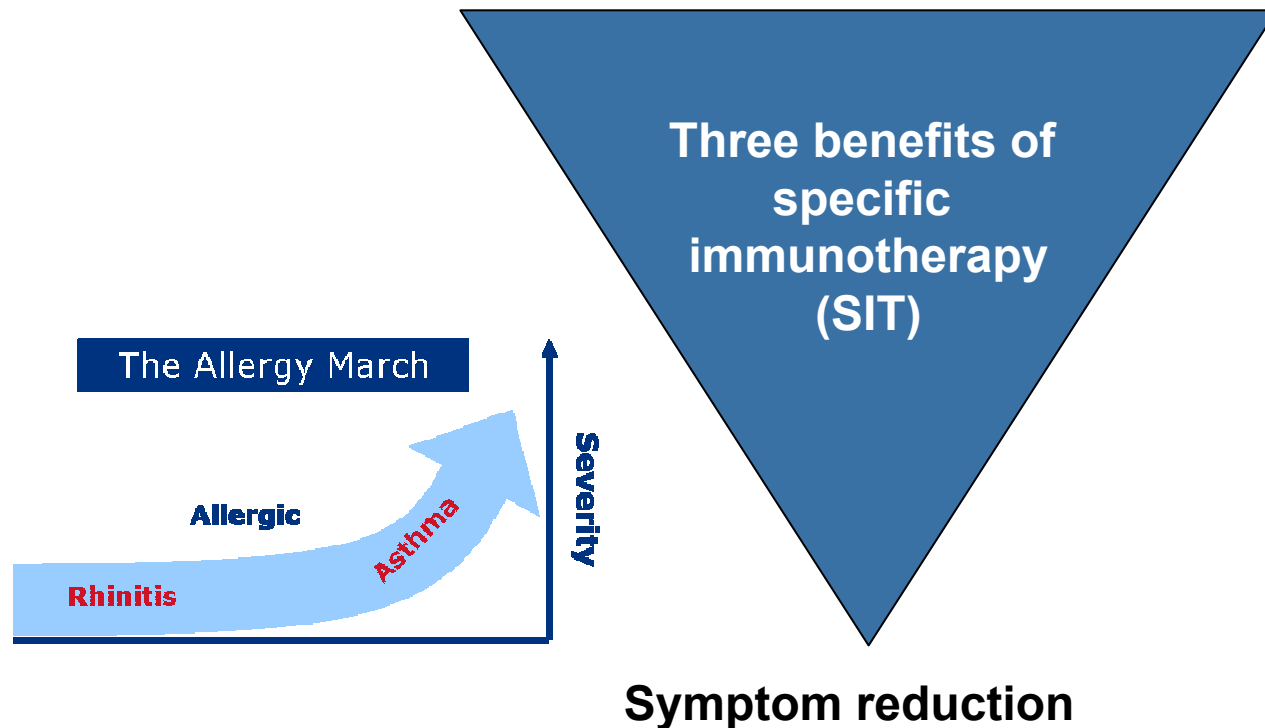
# Clinical platform of immunotherapy

Clear need for effective and convenient medical treatments



**Prevention of developing new allergies and allergic asthma**

**The only curative treatment**



References:

- WHO Position Paper, Allergy 1998, New England Journal of Medicine 1999
- WHO position paper, Allergy 1998, Journal of Allergy and Clinical Immunology 2002
- Journal of Allergy and Clinical Immunology 2001

# Immunotherapy – three ways of administration

## Subcutaneous immunotherapy (SCIT)

- Different species
- 30-40 injections through three years (updosing and maintenance)
- Persuasive clinical documentation
- Dominate the markets in Northern Europe and the USA



## Sublingual immunotherapy (SLIT)

- Different species and mixes
- Daily administration with a single-dose container
- Non-registered, sold on a 'named patient' basis
- Marketed in Central and Southern Europe



## Tablets

- GRAZAX® is the first once-daily tablet-based vaccine
- Persuasive clinical documentation
- Coming products: Tablets against house dust mite, ragweed and birch pollen allergy



# ALK-Abelló products



SCIT



**Subcutaneous immunotherapy (SCIT)**  
Injections under the skin  
~ 47% of the sales (H1 2007)

SLIT



**Sublingual immunotherapy (SLIT)**  
Under the tongue  
~ 32% of the sales (H1 2007)

TABLETS



**Tablet-based allergy immunotherapy**  
Under the tongue  
~ 2% of the sales (launch in progress)

OTHER

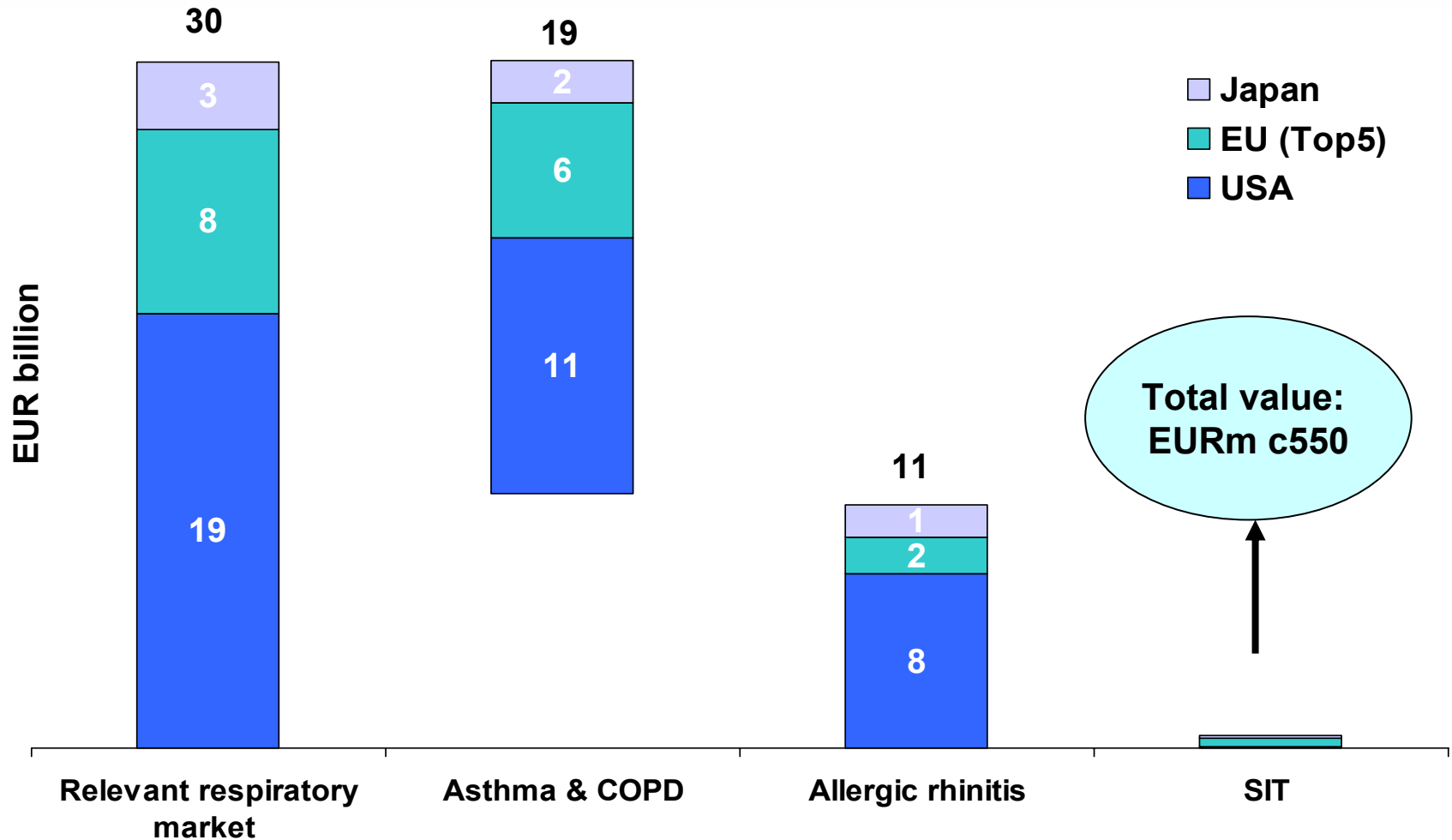


**Allergy Diagnosis: Skin prick tests**  
**Emergency treatment for allergic shock (adrenaline pen)**  
~ 21% of the sales (H1 2007)



# THE IMMUNOTHERAPY MARKET

# World market for treatment of respiratory diseases



**Sources:**

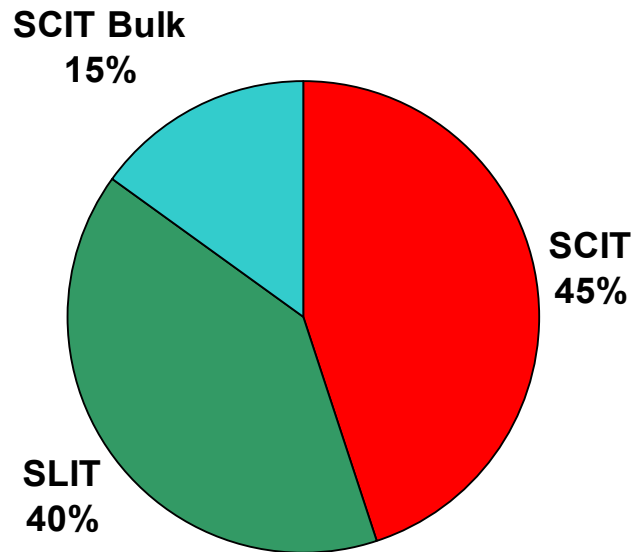
Rep. Market: IMS Key Country Drug Purchases MAT value; COPD & Asthma: Datamonitor analyse based on IMS data for 2006; Allergic Rhinitis: Datamonitor analyse based on IMS MAT data for 2006; SIT Market: ALK-Abelló Internal estimations based on latest competitors'; Annual figures for 2005, market data on allergy vaccines for 2005 in countries where available; Local estimations for local companies and small markets.

# The market for specific immunotherapy\*

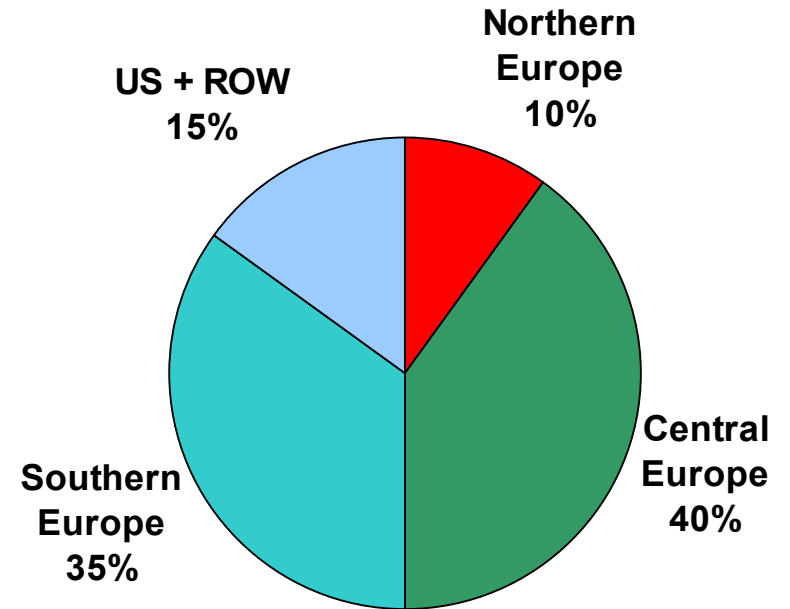


## CAGR of 10% during 2000-2006

### Products



### Geographical split



**(Total value: Approximately EURm 550)**

Northern Europe:  
Nordic, NL, UK

Central Europe:  
D, AUS, CH

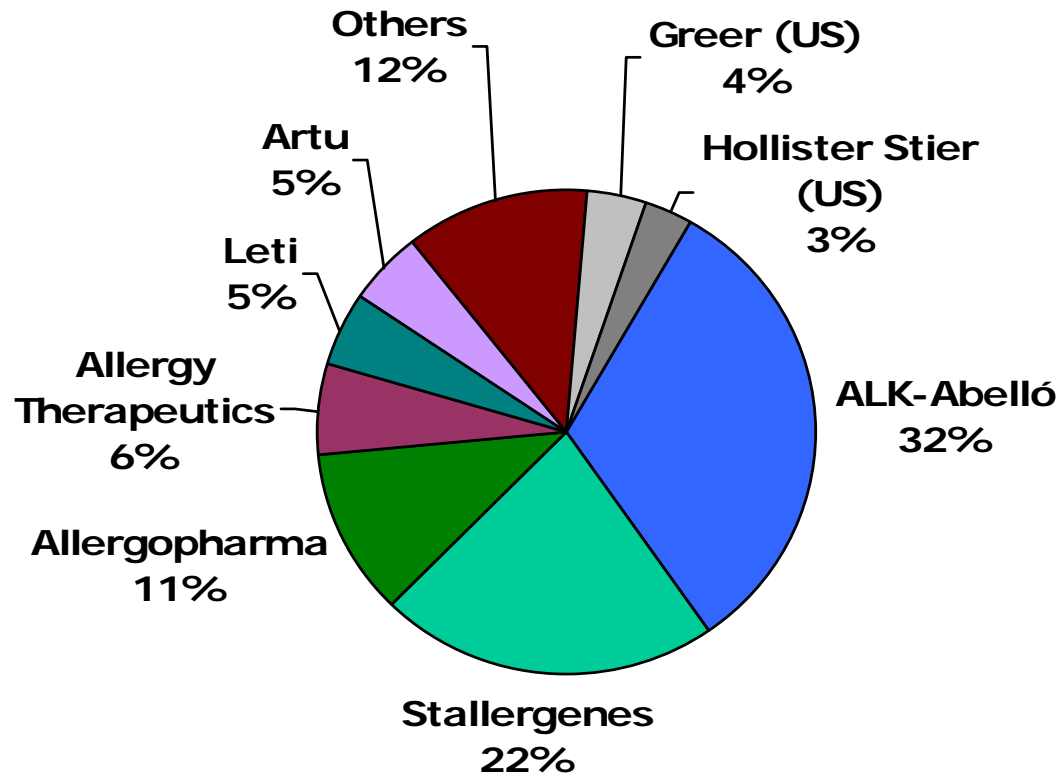
Southern Europe:  
IT, ES, FR

\* Internal estimate of market shares based on local reporting, surveys and public material

# ALK-Abelló well-established market leader



– fragmented market with several small local companies



- ALK-Abelló is the only company serving both Europe and the USA
- Total value of market approximately EURm 550

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



**GRAZAX®**

See more on [www.grazax.com](http://www.grazax.com)

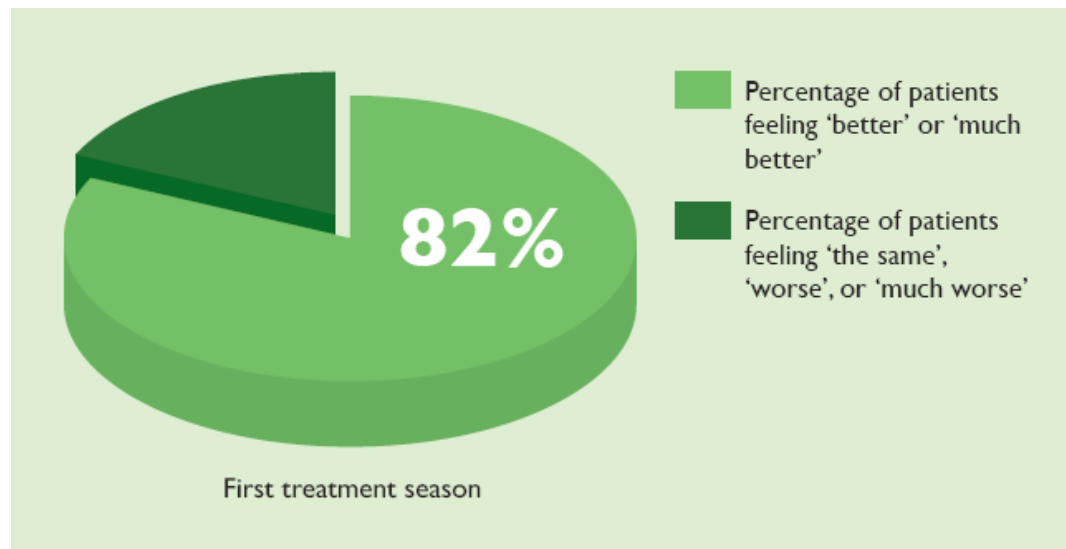
# GRAZAX® - An innovation in allergy treatment

- GRAZAX® – a fast-dissolving, once-daily immunotherapy tablet for home administration
- GRAZAX® – well-tolerated and easy-to-use

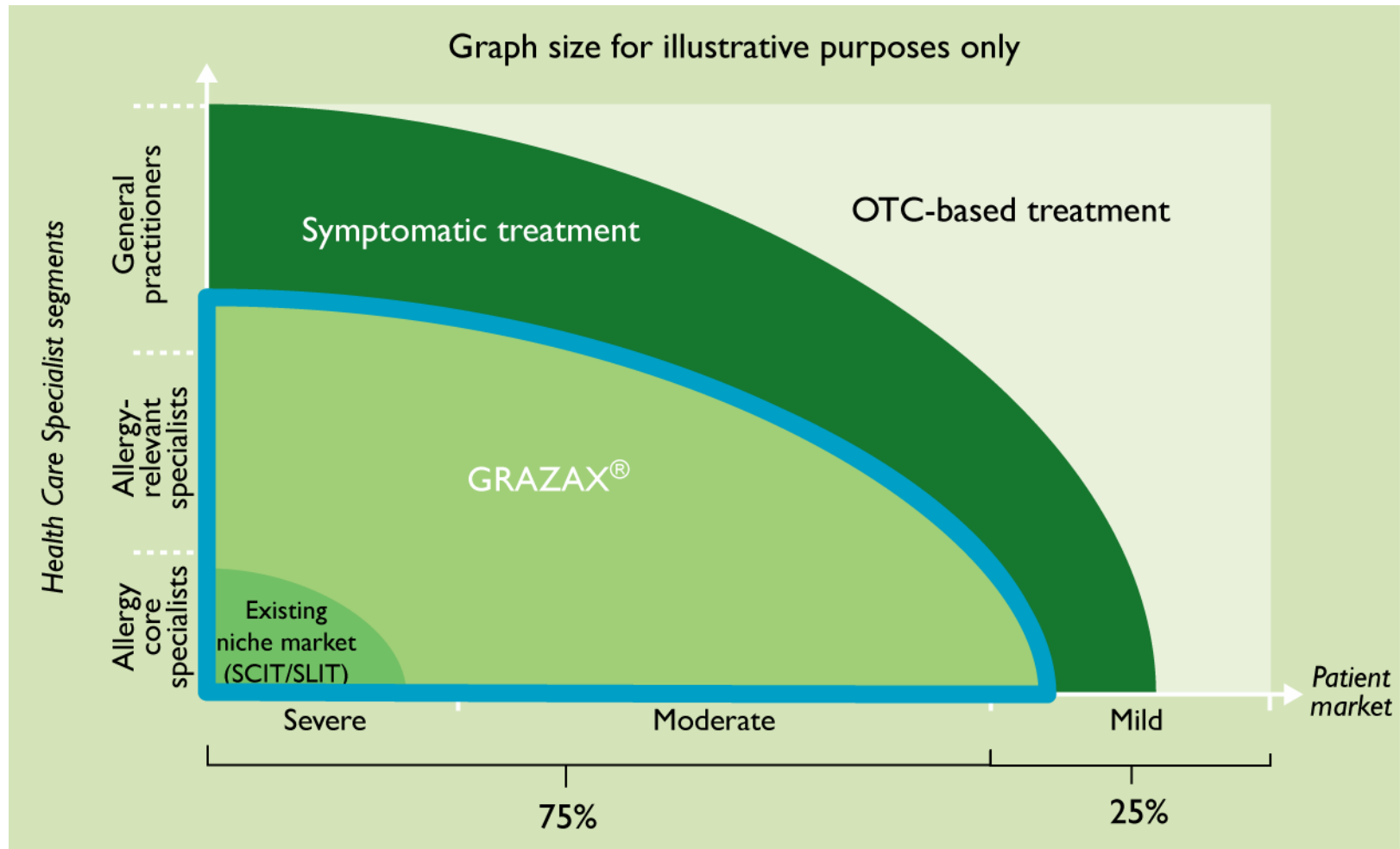


# GRAZAX<sup>®</sup> - improving quality of life

- The first immunotherapy tablet to improve quality of life in patients with grass pollen allergy (hay fever) by addressing the underlying cause of the condition
- 82% of the patients treated with GRAZAX<sup>®</sup> felt 'better' or 'much better' in the first treatment season compared with previous seasons



# Expanding the market with GRAZAX<sup>®</sup>



# Status on GRAZAX<sup>®</sup> - ALK-Abelló markets

	Popu- lation (m)	Regis- tration	Launch	Price/ tablet (ex. fact.)	Reimbur- sement	Comments
Northern Europe	Denmark	5	√	Jan. '07	On par*	Individual reimbursement
	Norway	5	√	Jan. '07	On par*	Individual reimbursement
	Sweden	9	√	Mar. '07	On par*	Full reimbursement
	Finland	5	√	<2008		
	Netherlands	16	√	Aug' 07		Full reimbursement
Central Europe	Germany	82	√	Nov. '06	EUR 2.96	General reimbursement, budget control
	Austria	8	√	Feb. '07	On par*	Full reimbursement
	Switzerland	8	n.a.	< 2008		
Southern Europe	Italy	58	√	< 2008		
	Spain	40	√	< 2008		
	France	61	√	< 2008		

\*) on par with the German price level of EUR 2.96 per tablet

No reimbursement

Individual reimbursement  
/ discussions still ongoing

Full reimbursement

# Status on GRAZAX® - Partner markets



Menarini

	Popu- lation (m)	Regis- tration	Launch	Price/ tablet (ex. fact.)	Reimbur- sement	Comments
<b>Co-Promotion</b>						
UK	61	√	Jan. '07	EUR 2.96		National reimb., PCT budget control
Ireland	4	√	Feb.'07	On par*		Negotiations still ongoing
Belgium	10	√	< 2009			
Luxemburg	0.5	√	< 2009			
<b>Exclusive territories</b>						
Greece, Portugal, Poland, the Czech Republic, Hungary, Slovenia, Slovakia, Latvia, Lithuania, Estonia, Cyprus and Malta					Total pop. 96m	Registration achieved through Mutual Recognition Procedure
Russia, Turkey, Romania, Croatia, Serbia, Bulgaria, the Ukraine, Kazakhstan and Belarus					Total pop. 328m	No regulatory approval yet
<b>Exclusive territories</b>						
USA	299	n.a.	~ 2010			
Canada	33	n.a.	~ 2010			
Mexico	109	n.a.	~ 2010			

Schering-Plough

\*) on par with the German and UK price level of EUR 2.96 per tablet

**No reimbursement**

**Individual reimbursement / discussions still ongoing**

**Full reimbursement**

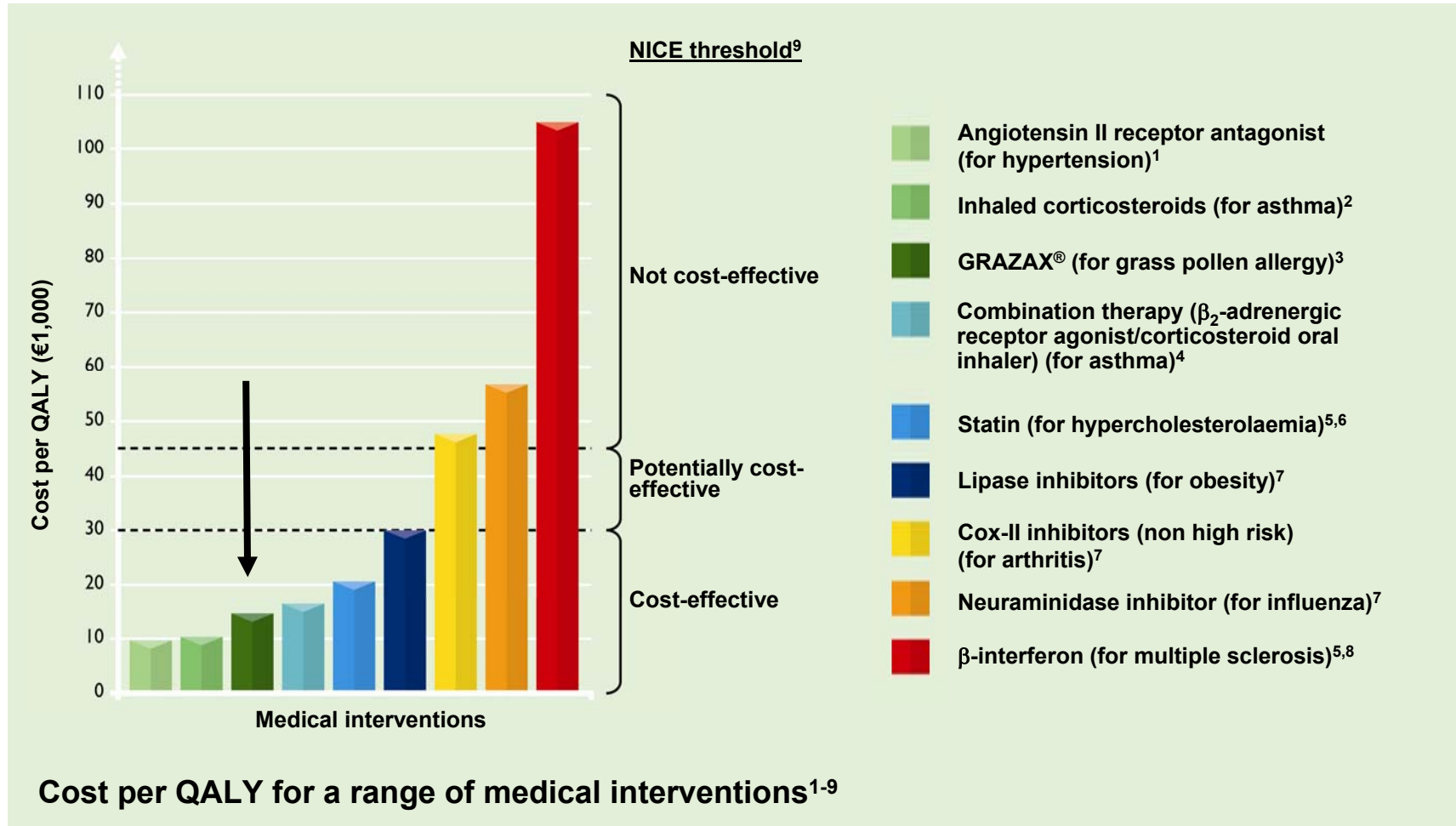
## Strong health economics data backing negotiations

- Negotiations supported by strong health economics analyses
- GRAZAX<sup>®</sup> is cost-effective to society if the annual cost < EUR 2,200 (EUR 6 per tablet)\*
  - ▶ Analysis published in Clinical and Experimental Allergy\*\*
- GRAZAX<sup>®</sup> also compares favourably with injection-based allergy vaccines

\*) Analysis covers the UK, Germany, the Netherlands, Sweden, Norway, Finland and Denmark

\*\*\*) Clinical & Experimental Allergy 37:5 (May 2007)

# GRAZAX<sup>®</sup> is highly cost-effective to society



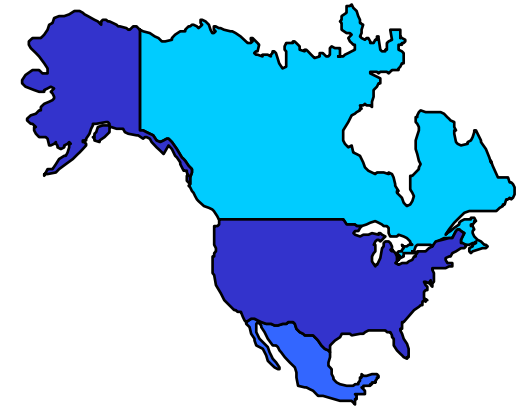
The cost-effectiveness of GRAZAX<sup>®</sup> compares favourably with many other medical interventions<sup>1-9</sup>



# PARTNERSHIP AGREEMENTS

# Schering-Plough – Partner in North America

- Strategic alliance to develop and commercialize ALK-Abelló's tablet-based allergy vaccines in the USA, Canada and Mexico
  - ▶ GRAZAX®
  - ▶ House dust mite allergy
  - ▶ Ragweed allergy
- Up to a total of USD 290 million of up-front and milestone payments
- Royalty payments on sales of the products
- Schering-Plough will be responsible for all costs of clinical development, registration, marketing and sales of the products
- ALK-Abelló will be responsible for tablet production and supply



# Menarini – Partner in Europe



- Agreement for co-promotion, distribution and licensing of GRAZAX® in 25 European countries
- The agreement provides broad European availability of the tablet-based vaccines in areas where ALK-Abelló has a limited presence
- The agreement also covers two coming tablet products in development for the European market
- Deal structure
  - ▶ Menarini purchases the product from ALK-Abelló for sales in all mentioned markets
  - ▶ Profit sharing proportional to marketing efforts in markets where GRAZAX® is co-promoted

# ALK-Abelló and Menarini – In 25 markets

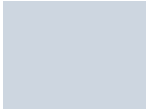
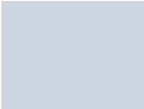
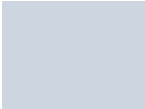
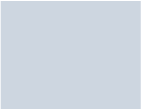
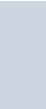
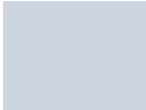
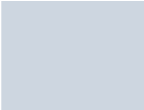
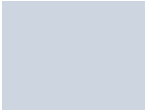
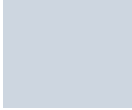
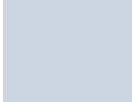




## R&D PIPELINE

# R&D Pipeline

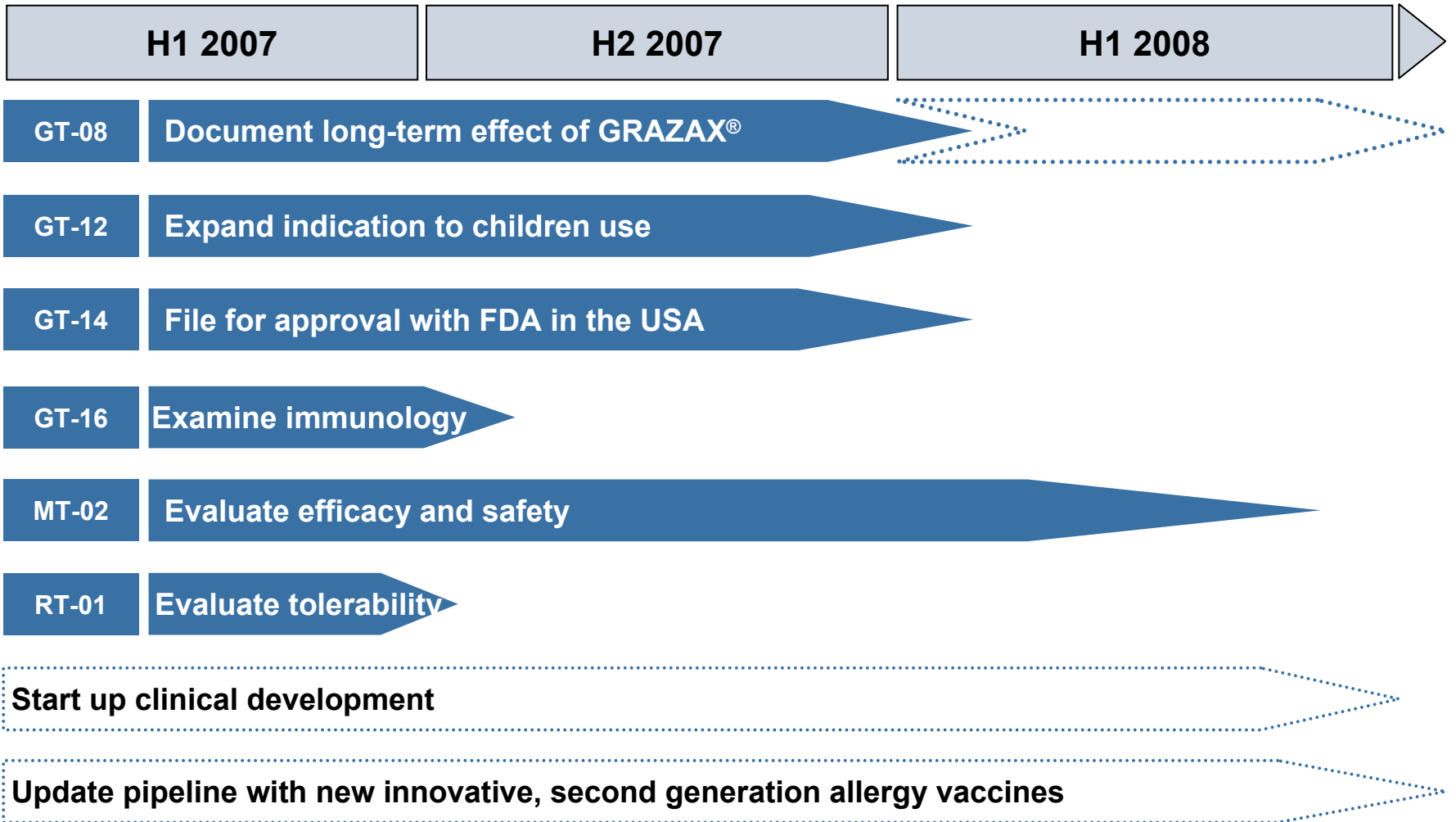


<u>Product type</u>	<u>Active ingredient</u>	<u>Indication</u>	<u>Research</u>	<u>Pre-clinic</u>	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>	<u>Launch</u>
Tablet	Biological house dust mite allergen	Rhinitis/ asthma						2010+
Tablet	Biological ragweed allergen	Rhinitis						2011+
Tablet	Biological birch pollen allergen	Rhinitis						2011+
Tablet	Second generation allergy vaccines	Rhinitis/ asthma						2014+

# Ongoing progress and news flow



## Next clinical milestones





# FINANCIAL HIGHLIGHTS

## H1 2007

# Expansion of production capacity

- Expansion of production facility at Catalent Pharma Solutions (formerly the Pharmaceutical Technologies and Services segment of Cardinal Health)
  - ▶ Ready by 2010. Investment of approximately 300 million DKK
  
- Ground-breaking for new raw materials production facility in Idaho, USA
  - ▶ Ready by 2009. Investment of approximately 150 million DKK
  
- Expansion of API production facility in Hørsholm continues as planned
  - ▶ Ready by 2009. Investment of approximately 80 million DKK

# Solid development in revenue

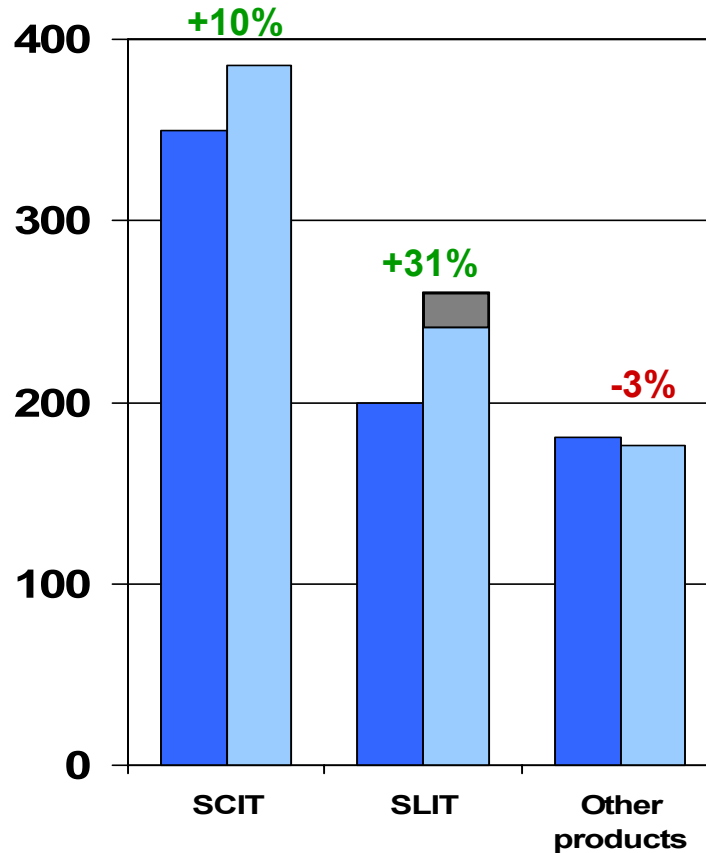
- Satisfactory growth in core product lines
  - ▶ Increased focus on immunotherapy in key markets
  - ▶ Strong pollen season in 2006
- Revenue increased to DKKm 823 (731)
  - ▶ Organic growth in sales of allergy vaccines 19%
  - ▶ As expected, GRAZAX<sup>®</sup> sales were DKKm 19

# Strong underlying sales development

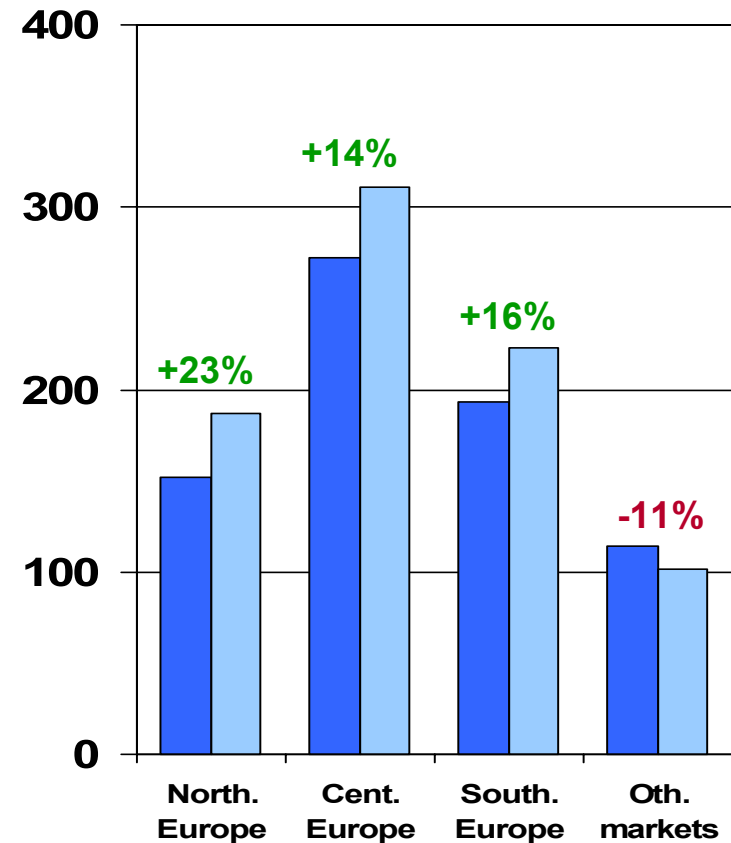


## Allergy vaccines account for 79% of revenue

Revenue by product line  
(DKKm)



Revenue by market  
(DKKm)



■ Q1 2006

■ Q1 2007

■ GRAZAX® revenue

# Costs in line with expectations

- Cost of sales at DKKm 260 (250)
  - ▶ Increased gross margin of 68% (66)
- R&D costs at DKKm 154 (136)
  - ▶ HDM phase II/III study and GRAZAX<sup>®</sup> trials
- Capacity costs at DKKm 406 (319)
  - ▶ Significant increase in GRAZAX<sup>®</sup> sales and marketing activities

## Earnings in line with expectations

- EBIT was a profit of DKKm 205 (26)
  - ▶ Includes up-front payment by Schering-Plough
- EBT was a profit of DKKm 213 (37)
- Positive effect on result of DKKm 37 from results of discontinued operations (Chr. Hansen Ingredients)

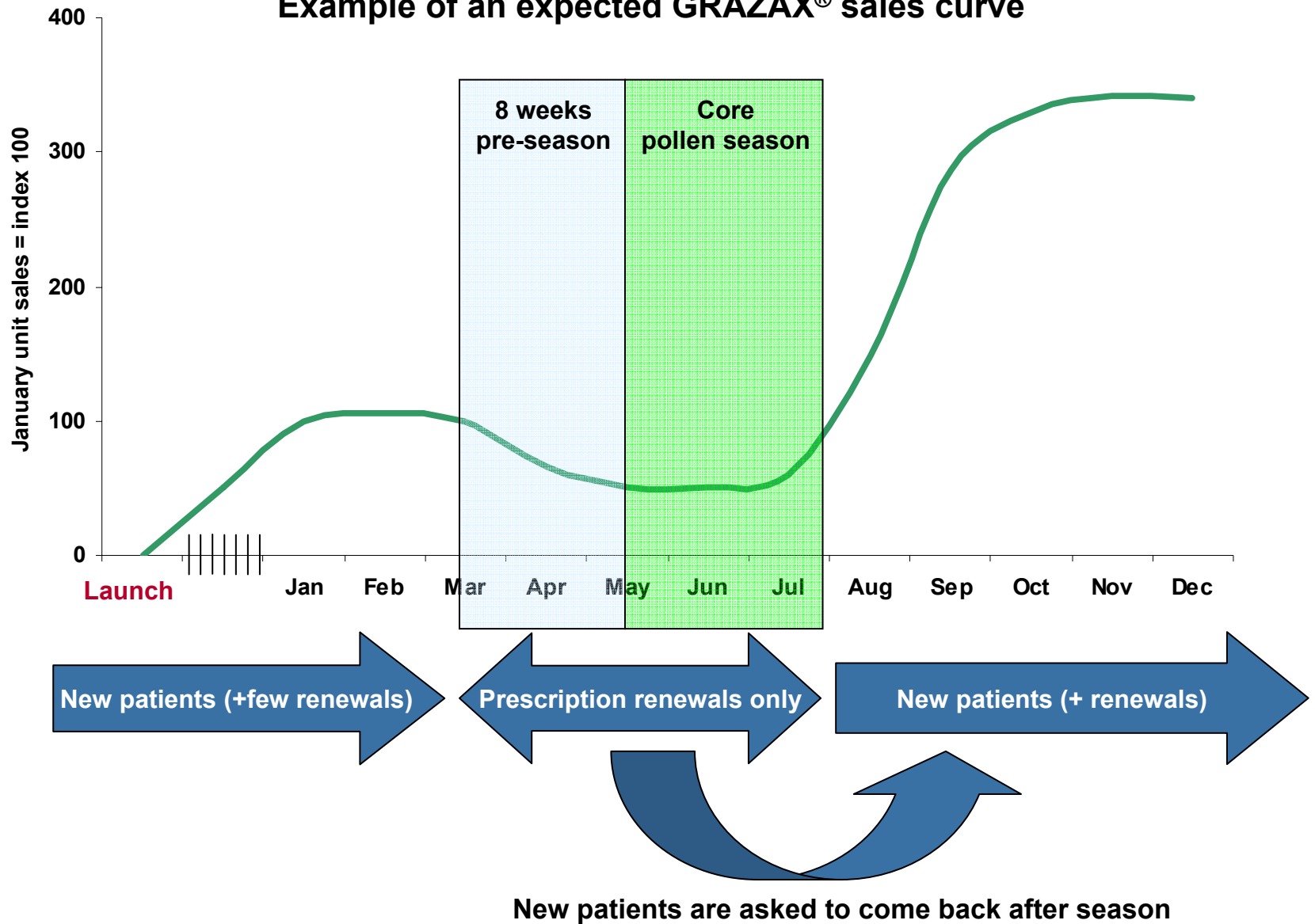
# Revenue outlook for 2007

- Revenue is still forecast at DKKm 1,650-1,700
  - ▶ Organic growth in sales of allergy vaccines in the range of 15-19%
  - ▶ GRAZAX<sup>®</sup> sales forecast unchanged
- Significant uncertainty attached to GRAZAX<sup>®</sup> forecast
  - ▶ Price and reimbursement talks ongoing in a number of countries
  - ▶ Anticipated seasonal variation in sales
- GRAZAX<sup>®</sup> is still expected to be launched in Northern, Central and Southern Europe before year-end

# Seasonal variation in GRAZAX<sup>®</sup> sales



Example of an expected GRAZAX<sup>®</sup> sales curve



## Earnings outlook for 2007

- R&D costs still expected to be on level with 2006
- S&M costs affected by considerable GRAZAX<sup>®</sup> sales and marketing costs
- Operational start-up of collaborations also affects costs
- EBIT is still forecast at DKKm 200-220
  - ▶ Includes income from Schering-Plough of DKKm 199
- EBT is still forecast at DKKm 230-250  
but EAT is now forecast at DKKm 120-140
- Positive effect of DKKm 37 from final regulations of the selling price of Chr. Hansen
- Net profit for the year is forecast at DKKm 157-177

# Risk factors

Out of the special risks and uncertainties that apply for the current and next financial year, the following should be emphasized:

- Uncertainties relating to the pricing, reimbursement and market penetration of GRAZAX<sup>®</sup> in Europe
- Risks relating to the production of GRAZAX<sup>®</sup>

# 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-Abelló 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, 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 as allergy vaccination may be associated with allergic reactions of differing extent, duration and severity.*

# APPENDIX

# Ongoing progress and news flow

## Business milestones:

- Ongoing price and reimbursement conclusions in European markets
- Further development of ragweed tablet

## Financial calendar:

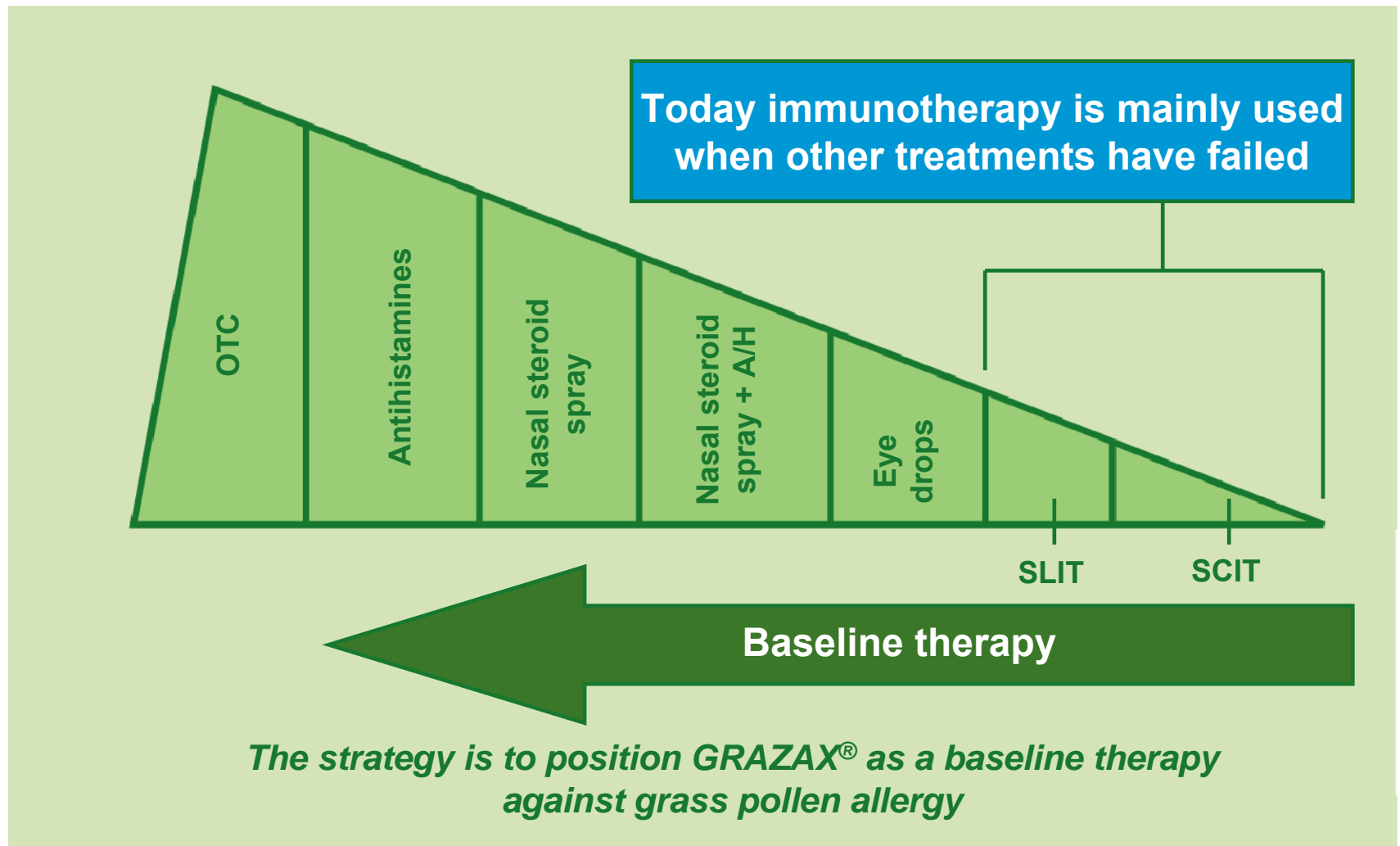
Q3 2007 (nine months)	November 22, 2007
Annual report 2007	March 5, 2008

# Shareholder structure

	Country	Ownership
LFI a/s (Lundbeck Foundation)	Denmark	35%
ATP	Denmark	5%
Total		40%

- As at August 17, 2007 12,200 registered shareholders owned 86% of the share capital
  - ▶ Shareholdings by Boards of Directors and Management: 6,634 shares (0.07%)
- Share capital: 0.9 million A shares and 9.2 million B shares
- Listed on the Copenhagen Stock Exchange (Symbol: ALK B)

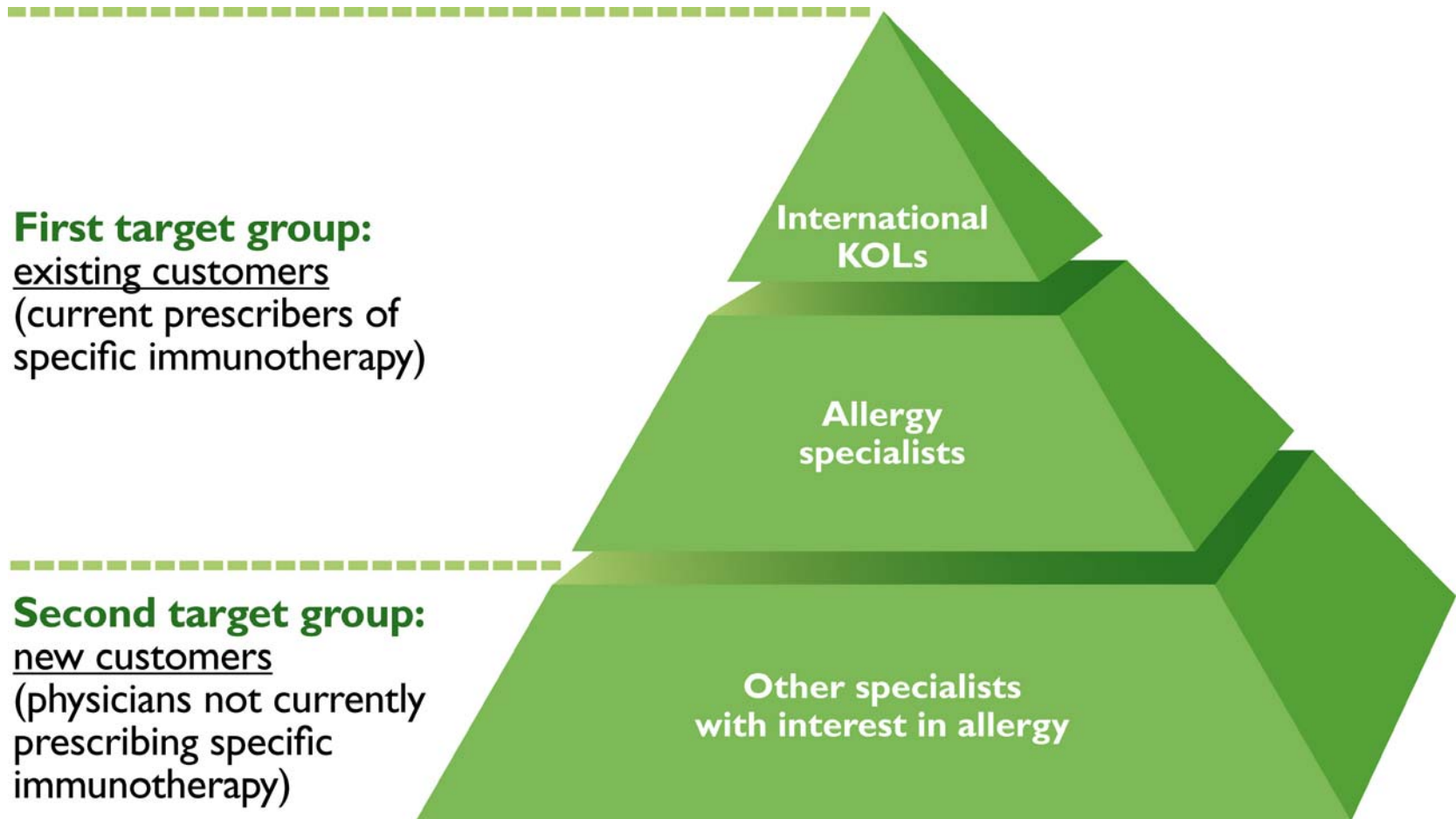
# Positioning of GRAZAX<sup>®</sup>



# GRAZAX<sup>®</sup> launch strategy (I)

ALK ABELLÓ

Curing Allergy



# GRAZAX<sup>®</sup> launch strategy (II)

**Own sales force in Europe will eventually double in size up to 200 sales reps**

**Focusing on existing key markets in Europe**

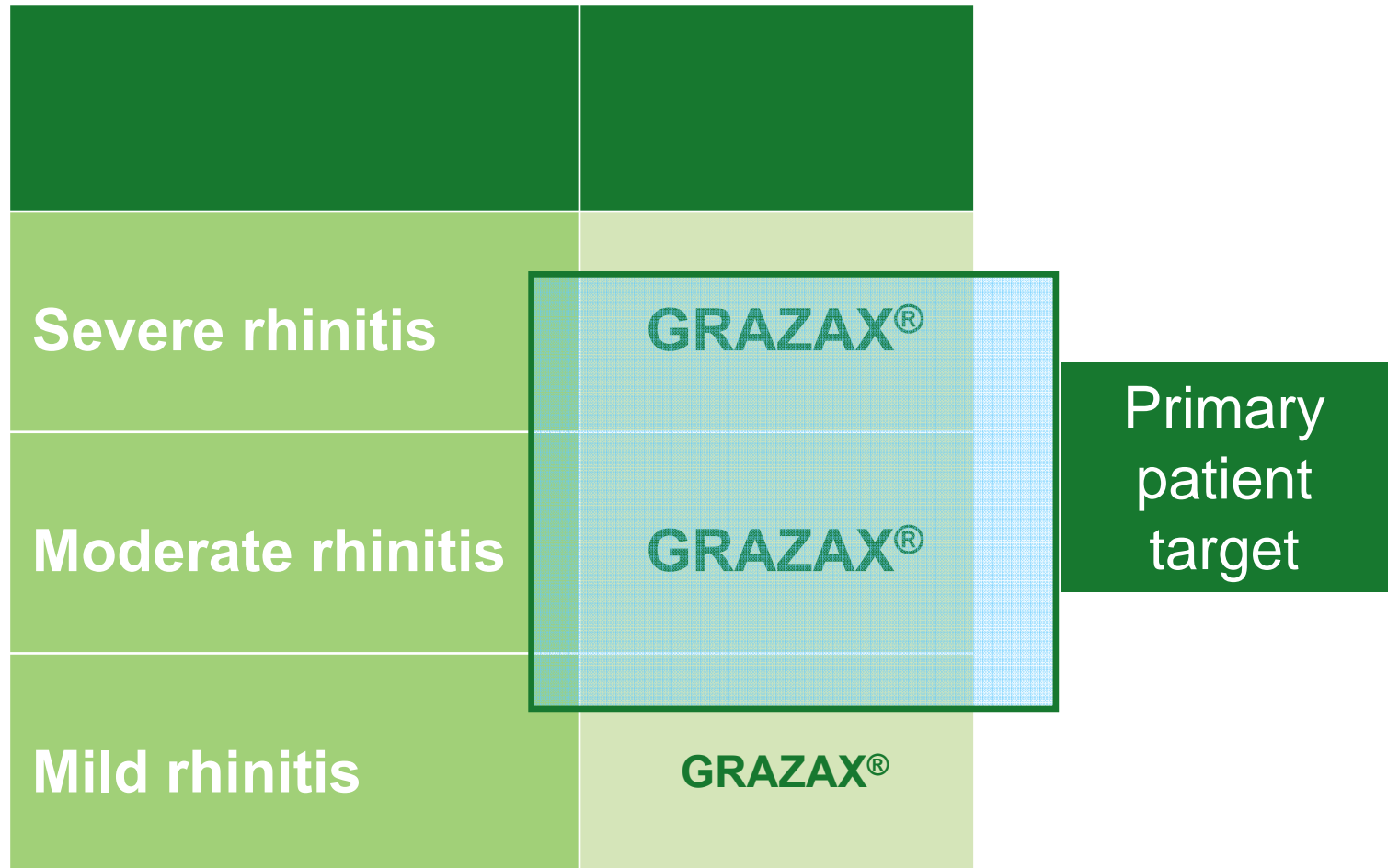
**European customer base for GRAZAX<sup>®</sup> will eventually double to 30-40,000 doctors**

**Main increase will be through specialty physicians (paediatricians, dermatologists, pulmonologists and ENT's)**

**Outside European key markets, GRAZAX<sup>®</sup> will be sold via distributors and/or partners**

**Will not rule out regional partners within certain key markets**

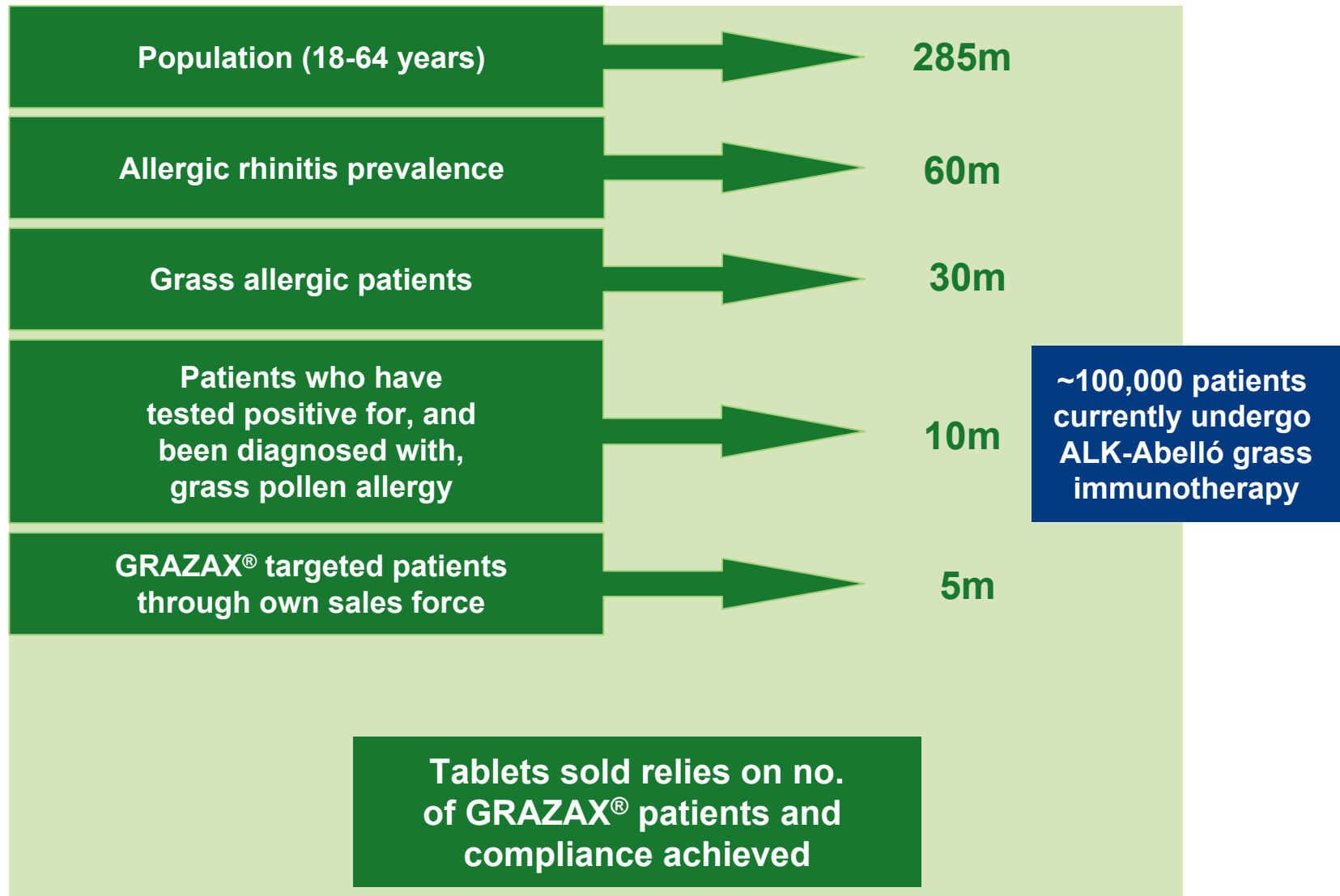
# Market potential (I)



# Market potential (II)



## ■ ALK-Abelló's own key markets in Europe



# GRAZAX<sup>®</sup> - Clinical trials overview (I/III)

	Objective	No of centers	No of subjects	Key results	Conclusions
<b>GT-01</b>	Investigate safety profile of GRAZAX <sup>®</sup> and identify dose	Single center	52	<ul style="list-style-type: none"> <li>■ Majority of adverse events mild, requiring no treatment</li> </ul>	Safety profile allows investigation in further clinical trials
<b>GT-02</b>	Evaluate efficacy and safety of three doses of GRAZAX <sup>®</sup>	Multi-center	855	<ul style="list-style-type: none"> <li>■ Consistent reductions in symptom and medication scores</li> <li>■ Significant positive impact on quality of life</li> <li>■ Well tolerated treatment</li> </ul>	The trial has established a clear clinical proof of concept of the grass tablet
<b>GT-03</b>	Generate additional safety information	Single center	84	<ul style="list-style-type: none"> <li>■ Doses of up to 1,000,000 SQ-T was safe and well tolerated</li> </ul>	Safety profile allows investigation in further clinical trials

# GRAZAX<sup>®</sup> - Clinical trials overview (II/III)

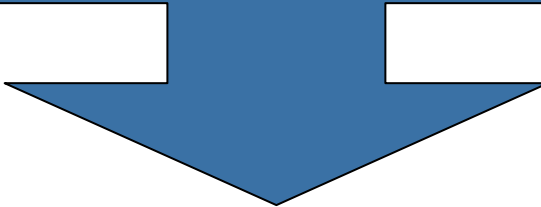
	Objective	No of centers	No of subjects	Key results	Conclusions
<b>GT-04</b>	Identify dose range of GRAZAX <sup>®</sup> that has safety profile that will allow self-medication by the asthmatic subject	Single center	43	<ul style="list-style-type: none"> <li>■ Doses of up to 500,000 SQ-T was safe and well tolerated, also in patients with mild to moderate asthma</li> </ul>	Well tolerated by subjects suffering from grass pollen induced rhino-conjunctivitis and mild to moderate asthma
<b>GT-05/06</b>	Trials not initiated				
<b>GT-07</b>	Investigate safety profile and clinical efficacy of GRAZAX <sup>®</sup> in subjects diagnosed with mild to moderate asthma as well as grass pollen induced rhino-conjunctivitis	Multi-center	114	<ul style="list-style-type: none"> <li>■ Symptoms reduced by 37% (mean) (median: 38%)</li> <li>■ Need of symptom relieving medication reduced by 41% (mean) (median: 67%)</li> <li>■ Well tolerated treatment</li> </ul>	Longer pre-seasonal treatment substantiates reduction of symptoms and symptom relieving medication. Favourable safety profile
<b>GT-08</b>	Evaluate efficacy and document long-term benefits	Multi-center	634	<ul style="list-style-type: none"> <li>■ Symptoms reduced by 30% (median value: 34%, 2 year: 44%)</li> <li>■ Need of symptom-relieving medication reduced by 38% (median: 53%, 2 year: 73%)</li> </ul>	Highly significant results Confirmed optimum dose of 75.000 SQ-T with no up-dosing Study continues in order to document long-term benefits

# GRAZAX<sup>®</sup> - Clinical trials overview (III/III)

	Objective	No of centers	No of subjects	Key results	Conclusions
<b>GT-09/ GT-11</b>	Tolerability studies with a view to studying the safety of treating children aged 5-12 years with GRAZAX <sup>®</sup> .	Multicenter	64	■ Treatment was well tolerated	Safety profile allows investigation in further clinical trials with children
<b>GT-10</b>	Open-label Phase IV study with a view to establishing patients' compliance with the recommended treatment regimen.	Multicenter	Approx. 300	Not available	Not available
<b>GT-12</b>	Evaluate efficacy in treatment with children	Multicenter	Approx. 300	Not available	Not available
<b>GT-14</b>	Evaluate efficacy. Confirmatory and bridging study in the USA	Multicenter	Approx. 300	Not available	Not available
<b>GT-16</b>	Examine immunology behind clinical effect	Multicenter	NA.	Not available	Not available

# GRAZAX<sup>®</sup> – interpreting the results

Placebo-treated patients had full access to standard symptomatic medications, such as antihistamines and nasal steroids<sup>7, 8</sup>



The benefits offered by GRAZAX<sup>®</sup> are over and above what doctors can offer with currently available standard treatments

# Long-term efficacy of GRAZAX®

- Injection-based immunotherapy has proven long-term efficacy
  - ▶ Long-term efficacy of GRAZAX® is anticipated
- Recent studies on drop-based sublingual immunotherapy indicate long-term efficacy
- Injection- and sublingual-based immunotherapy induce a number of similar immunological effects
- The long-term efficacy of GRAZAX® is being tested in the ongoing GT-08 study. The immunological findings support the long-term potential of GRAZAX®
  - ▶ Top-line results from long-term study of GRAZAX® showed improved effect in the second treatment season
- Short-term efficacy is superior to many conventional drugs

# Direct comparison of SLIT and SCIT

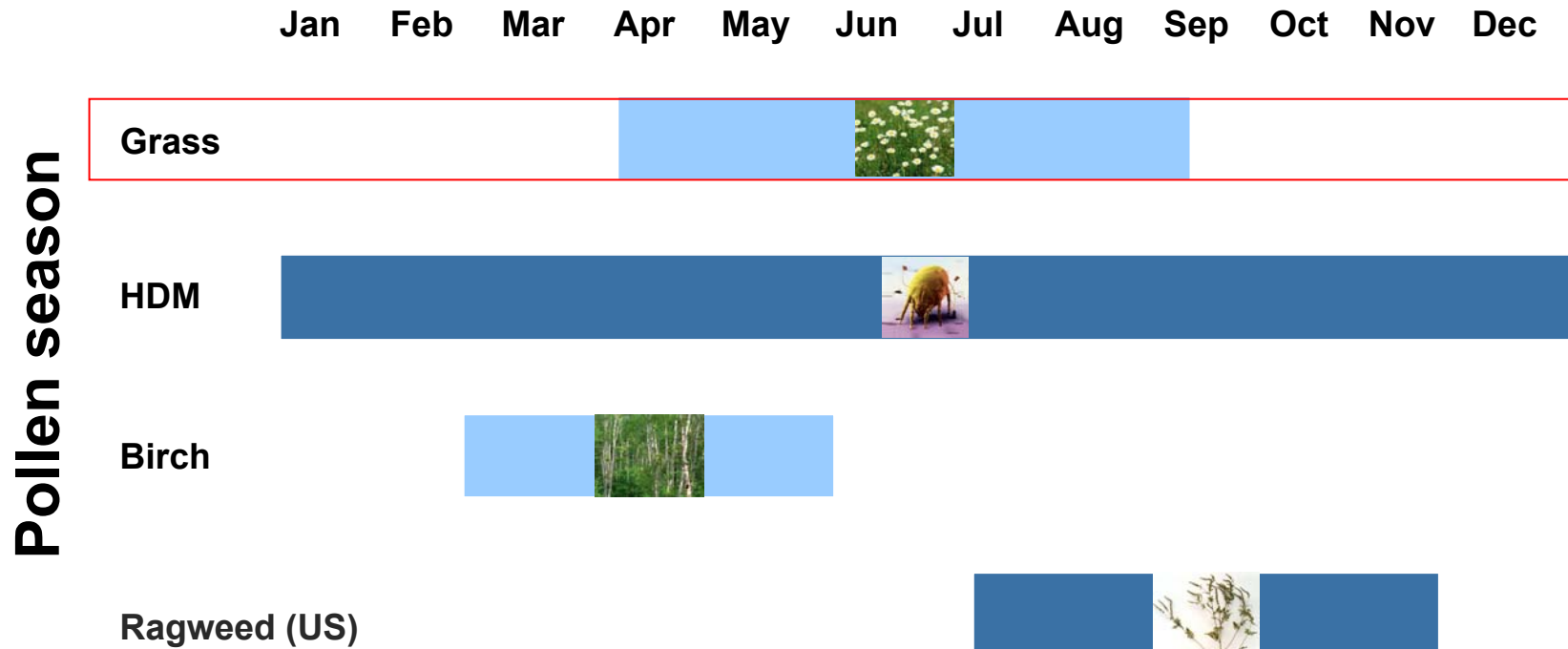


- Small size studies with other products from other manufacturers give no useful information on GRAZAX<sup>®</sup>
- No direct comparison of GRAZAX<sup>®</sup> with injection-based vaccines has been performed
- Comparison of clinical data from multicenter studies with GRAZAX<sup>®</sup> and ALK-Abelló injection-based vaccines suggests similar efficacy in first treatment season

	Reduction of symptoms compared to placebo	Reduction of medication compared to placebo
GRAZAX <sup>®</sup> (GT-07)	37%	41%
GRAZAX <sup>®</sup> (GT-08)	30%	38%
Alutard Injection (UK22)	29%	32%

# Allergy calendar

- Grass and house dust mite (HDM) are the most important allergens



# ALK-Abelló's global presence



- **Distributors**
- **Production**
- Subsidiaries in France, the Netherlands, Italy, Spain, Sweden (Nordic), Switzerland, Germany, UK, USA, Austria.  
Sales offices in China, Finland, Norway and Denmark.

# Contact Investor Relations



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