

# Presentation of results: nine months 2008

Earnings call, November 20, 2008

# **Breaking news: Children indication with GRAZAX<sup>®</sup> secured**

- **Today, ALK received notice of approval for treatment with GRAZAX<sup>®</sup> in children and adolescents**
- **Approval valid in 27 European countries**
  - Based on a variation application in the mutual recognition procedural system
- **Approval opens an important patient segment for ALK**



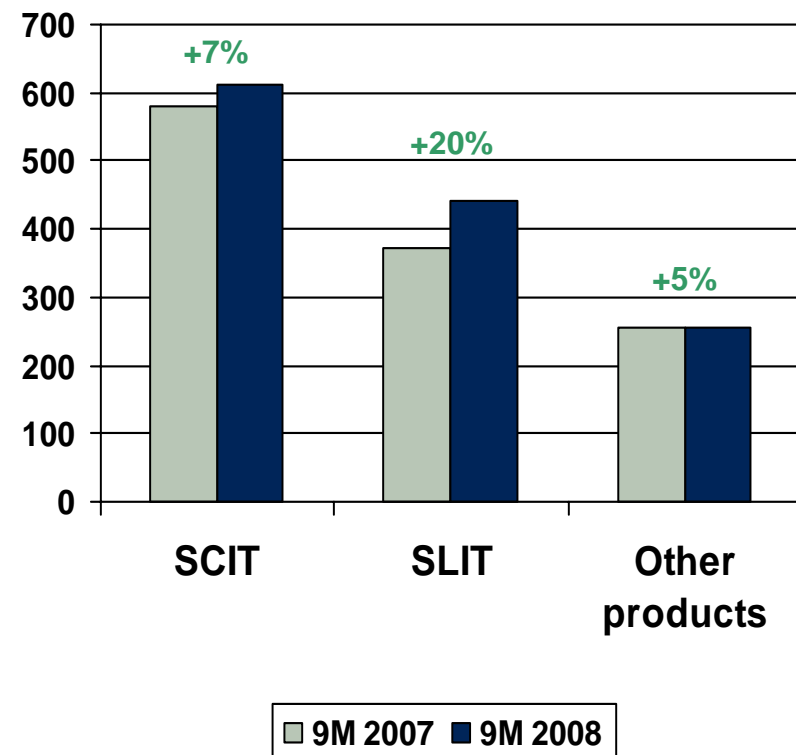
# Continued strong revenue growth

- Revenue growth of 16%\* in Q3
- Vaccine sales up 14%\* in Q3
- Revenue in 9M up 11%\* to 1,308 DKKm
  - Vaccine sales up 12%\*
  - Strong SLIT sales development
  - Negative currency effect of 3 pp

- Full-year revenue expected slightly below previous guidance
- 12-15% organic growth in vaccine sales

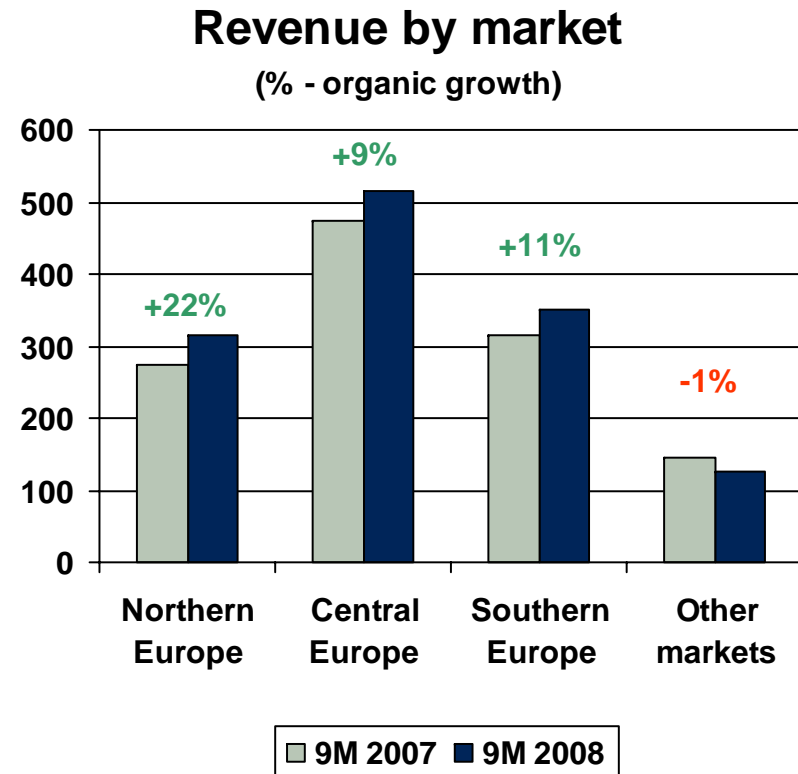
\*) organic growth rate

Revenue by product line  
(% - organic growth)



# Revenue by markets

- **Northern Europe**
  - Strong sales in the UK and Scandinavia
- **Central Europe**
  - Growth driven by GRAZAX<sup>®</sup> and SCIT
- **Southern Europe**
  - Strong 19% SLIT growth
- **Other markets**
  - Discontinuation of non-strategic products in 2007



# Adjusted cost development

- **Gross margin at 70% (69)**
  - Product mix
  - Improved productivity
  - However, negative effect of recent USD/GBP development
  
- **Capacity costs at 869 DKKm (828)**
  - Growth in cost base adjusted



# Earnings as expected

- **EBIT of 78 DKKm (207)**
    - Includes payment from Schering-Plough
  - **Net result of 63 DKKm (164)**
    - Net financials of 28 DKKm
    - Net financials positively affected by currency development in Q3
    - Tax of 43 DKKm
- **Full-year outlook unchanged (but narrowed)**
  - **Full-year EBIT now expected at 110-140 DKKm**
    - Previously 100-150 DKKm
  - **Full-year EBT now expected at 130-160 DKKm**
    - Previously 110-160 DKKm
    - Significant effect of net financials



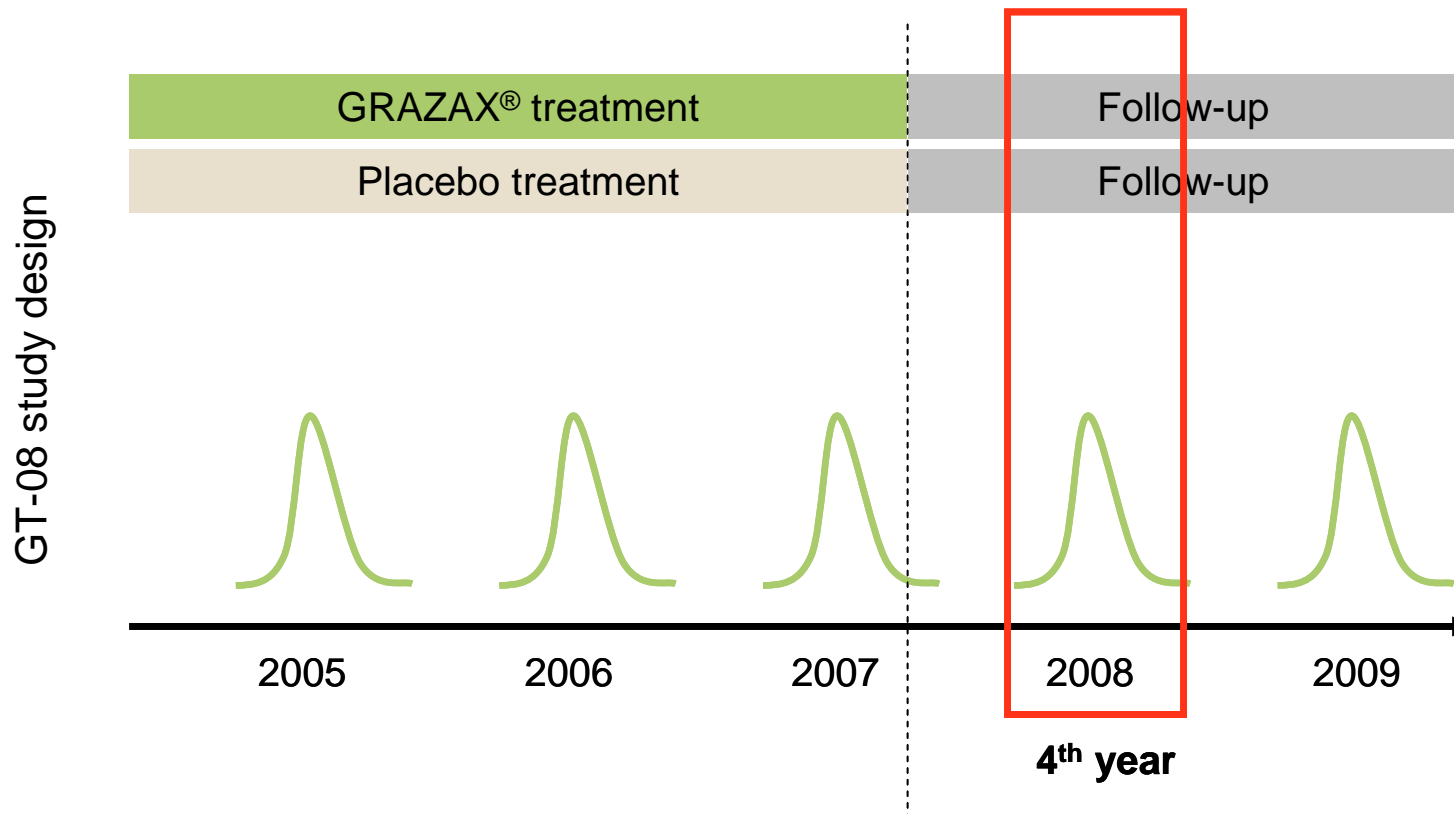
# Status on GRAZAX<sup>®</sup> reimbursement

- **National reimbursement in**
  - Sweden, Norway, Finland, Germany, the Netherlands, Ireland, Austria, Switzerland and Greece
- **Regional reimbursement in Italy and the UK**
- **Patient individual reimbursement in Denmark**
- **Norway releases GRAZAX<sup>®</sup> for general reimbursement from November 1, 2008**
- **Still in dialogue with authorities in Spain and France**



# World-class GRAZAX® results

- ALK documents persistent vaccination effect of GRAZAX®
- Major milestone providing a solid strategic foundation for ALK



# Persistent clinical effect of GRAZAX®

- **First follow-up year: Persistent clinical effect**
  - Statistically significant results
  - Hay fever symptoms reduced by 31%
  - Use of symptom-relieving medication reduced by 52%
  
- **GRAZAX®: Only product to show consistent clinically relevant effect year after year**



# Investments continue as planned

- **New raw materials production unit in the US (Idaho) ready for production in 2009**
- **Expansion of the production capacity**
  - Extension of API facility in Denmark ready in 2009
  - Extension of tablet production facility in the UK (Swindon) ready for production in 2010
- **New HQ-facility**
  - Construction of a new facility initiated in Denmark (Hoersholm), ready in late 2009
- **Total investments of around 400 DKKm in 2008**
  - Outstanding investments in 2009-10 of around 200 DKKm



## Risk factors

*Without being exhaustive, the following risks are of significance to ALK:*

### **Risks related to:**

- **development of new drugs**
- **regulation and price control**
- **commercialization**
- **dependence on third parties**
- **competition**
- **patents and IPR**
- **production and quality**
- **unexpected adverse treatment effects**
- **unexpected negative business impact of global economic development**

# 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, 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.***



# Q&A session