

# SEB ENSKILDA NORDIC SEMINAR 2009

Jens Bager, President & CEO  
January 7, 2009

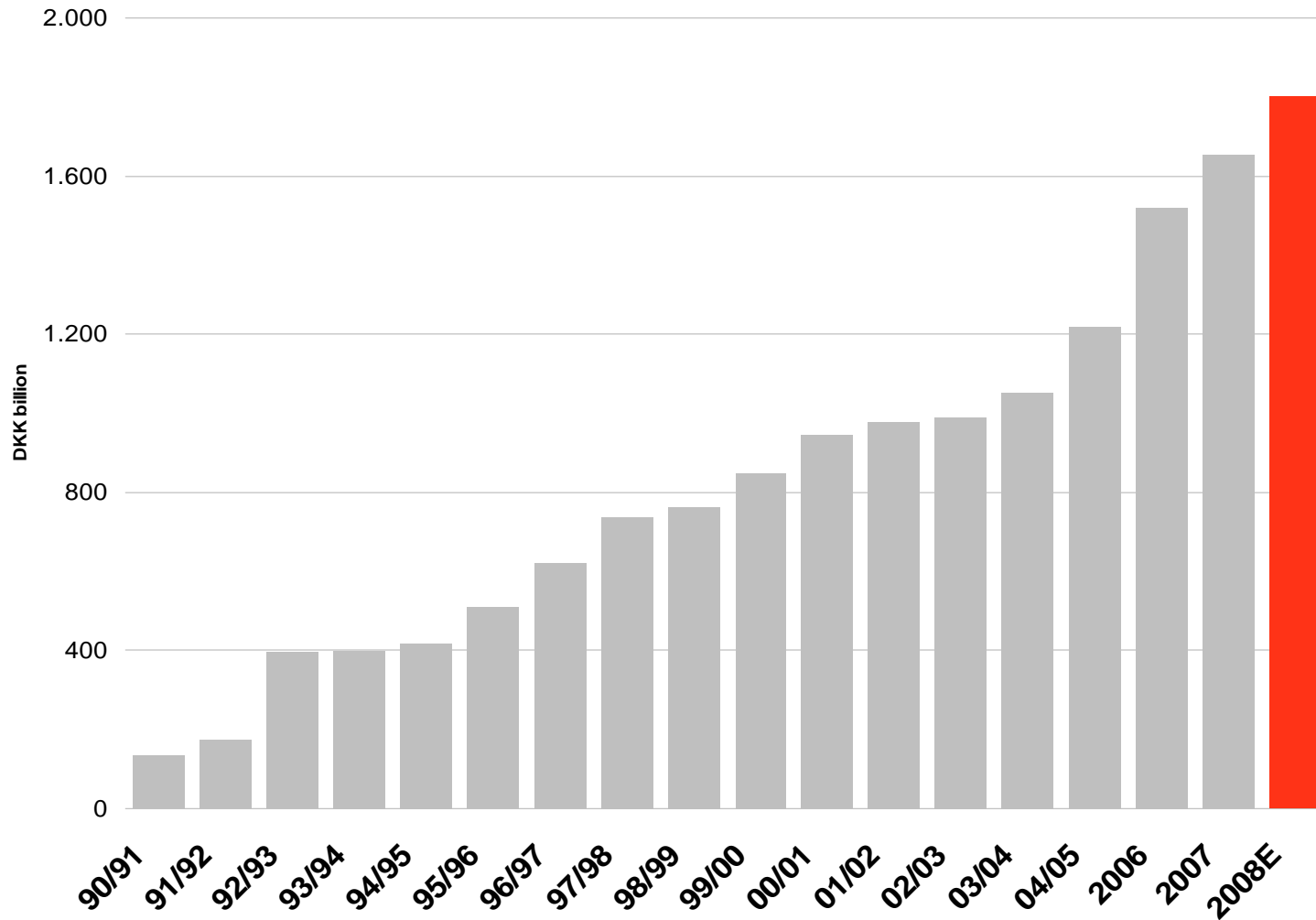
# Quick facts about ALK

- **Pharmaceutical company focusing on allergy**
- **Products for diagnosis, treatment and prevention of allergies**
- **Approximately 1,500 employees globally - 500 in Denmark**
- **The world leader in allergy vaccines**
  - Market share: Around 1/3 of global market
- **Turnover 2007: DKK 1.65 billion**  
**R&D investments in 2007: 19% of turnover**



**Headquarters** in Hørsholm, Denmark

# A high growth company



# Product range

## Focus on allergy immunotherapy

### Subcutaneous immunotherapy (SCIT)

Injections under the skin  
~ 49% of the sales (2007)



### Sublingual Immunotherapy (SLIT)

Under the tongue  
~ 29% of the sales (2007)



### Tablet-based immunotherapy

Under the tongue  
~3% of the sales  
(launch in progress)



### Allergy Diagnosis & Emergency treatment for allergic shock (adrenaline pen)

~ 19 % of the sales (2007)



# Allergy – a widespread disease

Majority of patients covered by future tablet range

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

**Note: In average a patient is allergic to more than 2.3 sources. .**

# Recent business highlights

- **GRAZAX® obtains reimbursement in Spain and Norway**
- **GRAZAX® for children approved in Europe**
- **GRAZAX® proves vaccination effect**
- **Proof-of-concept with house dust mite tablet**
- **Investments in production progress as planned**
- **Schering-Plough conducts phase III trials with GRAZAX® in the USA**



# Financial results in first 9 month 2008

- **Revenue up organic by 11% to 1.3 billion DKK**
  - Vaccine sales up organic by 12%
  - Strong SLIT sales development
- **Gross margin at 70% (69)**
- **EBIT of 78 DKKm (207)**
  - Includes payments from Schering-Plough
- **Strong balance sheet**



## Long-term strategic ambitions:

- **To grow vaccine sales with 15% avg./year**
- **To continue to improve gross margins**
- **To expand earnings capacity**

# Regulatory status on GRAZAX®

- **Approved for marketing in 28 European countries (Sept. '06)**
- **National reimbursement in**
  - Sweden, **Norway**, Finland, Germany, the Netherlands, Ireland, Austria, **Spain**, Switzerland and Greece
- **Regional reimbursement in Italy and the UK**
- **Patient individual reimbursement in Denmark**



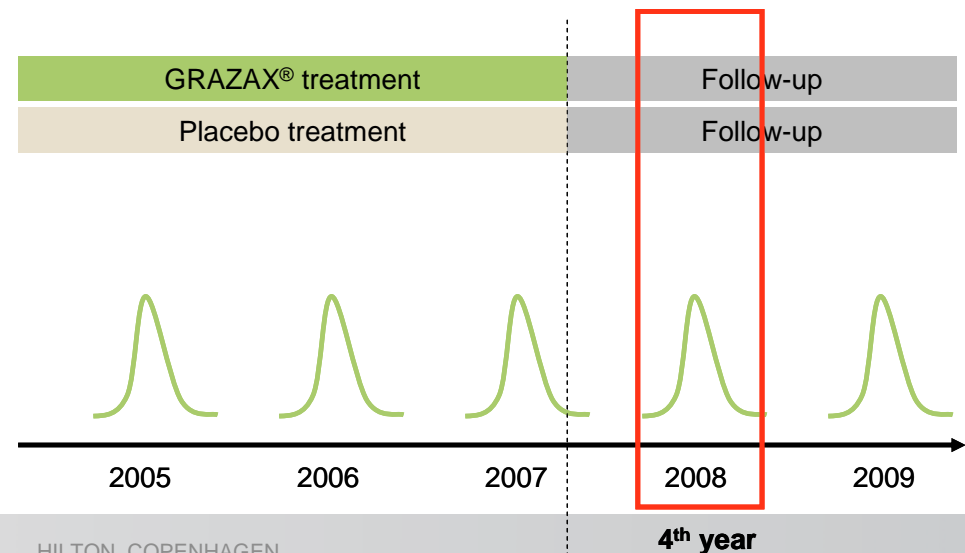
# Children indication with GRAZAX® secured

- **November 2008: GRAZAX® approved for children and adolescents in 27 European countries**
- **Approval opens an important patient segment for ALK**



# Proven vaccination effect with GRAZAX®

- **First follow-up year: Persistent clinical vaccination effect**
  - Statistically significant results
  - Hay fever symptoms reduced by 31%
  - Use of symptom-relieving medication reduced by 52%
- **Major milestone providing a solid strategic foundation for ALK**
- **GRAZAX®: Only product to show consistent clinically relevant effect year after year**

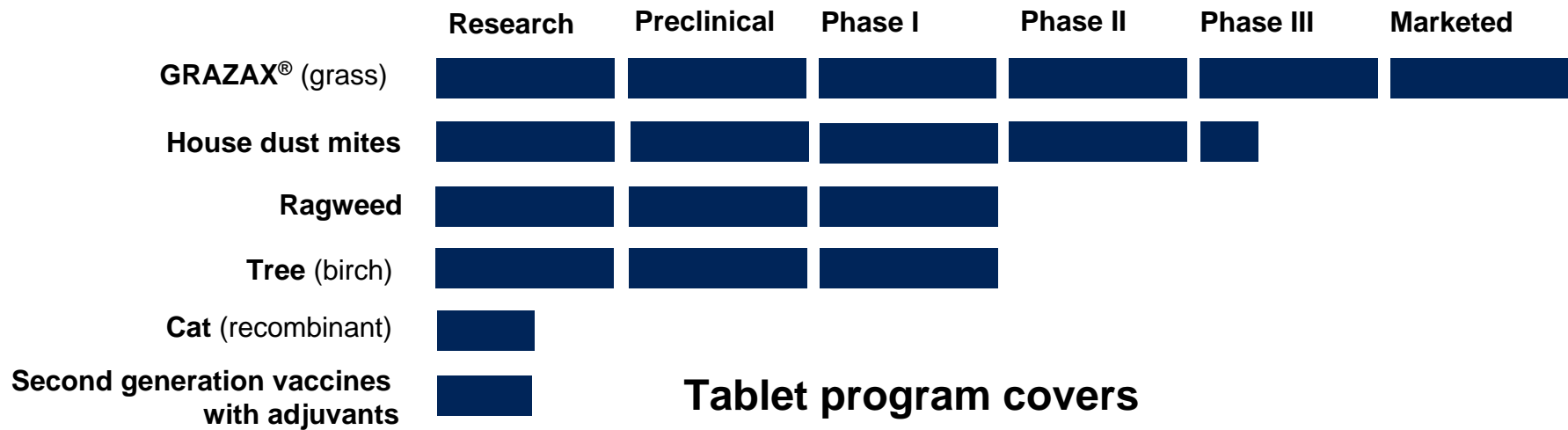


# Proof of concept with dust mite tablet

- **Solid results from clinical trial with house dust mite vaccine (MT-02) in August 2008**
  - 50% reduction in steroid usage
  - Highly statistically significant results
  - Good safety profile
- **Further clinical development in planning**



# R&D pipeline



## Tablet program covers

- **Three most prominent outdoor allergens in Europe and the USA**  
(grass, tree and ragweed pollen)
- **Two most prominent indoor allergen in the world** (house dust mites and cat)

# Investments continue as planned

- **New raw materials production unit in the USA**
  - Ready in 2009
- **Expansion of the production capacities**
  - API facility in Denmark (ready in 2009)
  - Tablet production facility in the UK (ready in 2010)
- **New HQ-facility**
  - Construction of a new facility initiated in Denmark (ready in late 2009)
- **Total investments of around 400 DKKm in 2008**
  - Outstanding investments in 2009-10 of around 200 DKKm



# Partnership with Schering-Plough



- **Partnership to develop and commercialise three tablet-based allergy vaccines in North America**
  - GRAZAX<sup>®</sup>, ragweed and house dust mite allergy
  - Partnership based on milestone and royalty payments
- **Schering-Plough responsible for all clinical development, registration, marketing and sales of the products**
- **ALK responsible for production and supply**
- **Status on partnership**
  - Schering-Plough currently conducts phase III clinical studies with GRAZAX<sup>®</sup> in the USA
  - Studies to be completed by end of 2009



# Ongoing progress and news flow

- Ongoing price and reimbursement conclusions in Europe
- Additional data from long-term study (GT-08)
- Data from grass tablet studies in the USA (Schering-Plough)
- Further development of tablet programs
  
- Financial calendar
- Annual report 2008 February 19, 2009
- Annual General Meeting March 27, 2009
- Three-month interim report (Q1) 2009 May 1, 2009
- Six-month interim report (Q2) 2009 August 18, 2009
- Nine-month interim report (Q3) 2009 November 19, 2009

## Risk factors

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

### **Risks related to:**

- **development of new drugs**
- **regulation and price control**
- **commercialisation**
- **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

