

To NASDAQ OMX Copenhagen A/S

TRANSLATION

Company release No. 9/2011

## Three-month interim report (Q1) 2011 (unaudited)

### Performance for the period

*(Comparative figures for the same period of last year are shown in brackets / sales growth is measured in local currencies)*

The growth in sales and earnings in the first quarter was satisfactory and in line with expectations:

- ▶ Revenue increased by 8% to DKK 609 million (558).
- ▶ Vaccine sales grew by 8%. Adjusted for political price interventions in Germany, the growth was 14%.
- ▶ Sales growth was broadly based, driven in particular by the performance in France, Spain, the Netherlands and the USA.
- ▶ Operating profit (EBITDA) increased by 78% to DKK 242 million (136).
- ▶ Political austerity measures on medicine prices have reduced earnings by approximately DKK 30 million.
- ▶ ALK has recognised DKK 134 million of the upfront payment of DKK 224 million from Torii.
- ▶ Profit for the quarter was DKK 127 million DKK (75).
- ▶ Free cash flow was DKK 270 million (52), and cash and cash equivalents increased to DKK 520 million.

ALK made business progress in a number of areas in the quarter:

- ▶ ALK entered into an agreement with Torii on the development and commercialisation of, among other things, MITIZAX<sup>®</sup> in Japan.
- ▶ Merck continues the dialogue with the FDA on the registration process for GRAZAX<sup>®</sup>. The anticipated filing date for GRAZAX<sup>®</sup> in the USA is still under assessment.
- ▶ The results of two Phase III studies in the USA on the ragweed tablet are anticipated to be available in 2011.
- ▶ GRAZAX<sup>®</sup> was launched in France, and the reception of the product by allergy specialists is promising.
- ▶ In April, the Danish Medicines Agency granted GRAZAX<sup>®</sup> general reimbursement in Denmark.

### Unchanged outlook for 2011

For the 2011 financial year, ALK still expects growth in sales of allergy vaccines of 5% measured in local currencies. Revenue is still expected to be roughly unchanged compared to last year due to the phasing-out of the inlicensed adrenaline product and the subsequent launch of ALK's own adrenaline pen, Jext<sup>®</sup>. Operating profit (EBITDA) is still expected to increase by 25% to DKK 360 million (287). In 2011, ALK will recognise approximately DKK 150 million of the payment of DKK 224 million which ALK received on entering into the partnership with Torii in Japan.

Hørsholm, 10 May 2011

**ALK-Abelló A/S**

### Contact:

Jens Bager, President and CEO, tel +45 4574 7576.

*ALK is holding a conference call for analysts and investors today at 3.30 p.m. (CET) at which Jens Bager, President and CEO, and Flemming Pedersen, CFO, will review the results. Participants in the conference call are kindly requested to call in before 3.25 p.m. (CET). Danish participants should call in on tel. +45 7014 0453 and international participants should call in on tel. +44 207 108 63 03. The conference call will also be webcast on our website, [www.alk-abello.com](http://www.alk-abello.com), where the related presentation will be available shortly before the conference call begins.*

## FINANCIAL HIGHLIGHTS AND KEY RATIOS (unaudited)

Amounts in DKKm	3M 2011	3M 2010	Full year 2010
<b>Income statement</b>			
Revenue	609	558	2,140
Operating profit before other operating income and expenses	81	98	170
Operating profit (EBIT)	217	114	192
Net financial items	(9)	7	15
Profit before tax (EBT)	208	121	207
Net profit	127	75	128
Operating profit before depreciation and amortisation (EBITDA)	242	136	287
Average number of employees	1,693	1,560	1,612
<b>Balance sheet</b>			
Total assets	3,057	2,726	2,830
Invested capital	1,568	1,504	1,723
Equity	2,129	1,953	2,018
<b>Cash flow and investments</b>			
Depreciation, amortisation and impairment	25	22	95
Cash flow from operating activities	284	82	274
Cash flow from investing activities	(14)	(30)	(345)
- of which investment in tangible assets	(13)	(30)	(138)
Free cash flow	270	52	(71)
<b>Information on shares</b>			
Share capital	101	101	101
Shares in thousands of DKK 10 each	10,128	10,128	10,128
Share price – DKK	317	434	322
Net asset value per share – DKK	210	193	200
<b>Key figures</b>			
Gross margin – %	71	72	69
EBITDA margin – %	40	24	13
Earnings per share (EPS) – DKK	12.82	7.55	12.91
Diluted earnings per share (DEPS) – DKK	12.82	7.55	12.91
Cash flow per share (CFPS) – DKK	28.68	8.25	27.65
Share price/Net asset value	1.5	2.3	1.6

Definitions: see last page

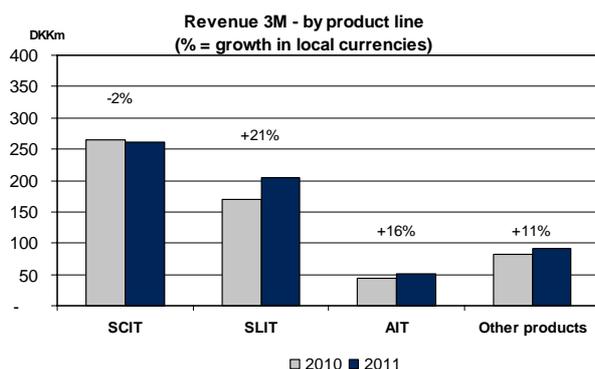
## INCOME STATEMENT

Amounts in DKKm	3M 2011		3M 2010	
		%		%
<b>Revenue</b>	<b>609</b>	100	558	100
Cost of sales	176	29	155	28
<b>Gross profit</b>	<b>433</b>	71	403	72
Research and development expenses	106	17	87	16
Sales, marketing and administrative expenses	246	40	218	39
Other operating income and expenses	136	22	16	3
<b>Operating profit (EBIT)</b>	<b>217</b>	36	114	20
Financial income	1	0	8	1
Financial expenses	10	2	1	0
<b>Profit before tax (EBT)</b>	<b>208</b>	34	121	22
Tax on profit	81	13	46	8
<b>Net profit</b>	<b>127</b>	21	75	13
<b>Operating profit before depreciation and amortisation (EBITDA)</b>	<b>242</b>	40	136	24

## FINANCIAL REVIEW

(Growth rates for revenue are stated as growth in local currencies, unless otherwise indicated)

**Revenue** in the first quarter increased by 8% to DKK 609 million (558), with growth in vaccine sales also at 8%. The sales growth was broadly based, with France, Spain, the Netherlands and the USA contributing in particular. In 2010, the German authorities implemented a number of political austerity measures on medicine prices, which in the first quarter reduced ALK's sales by approximately DKK 30 million. Company acquisitions have affected the sales growth positively by approximately 6 percentage points. Exchange rates impacted the reported growth positively by around 1 percentage point.



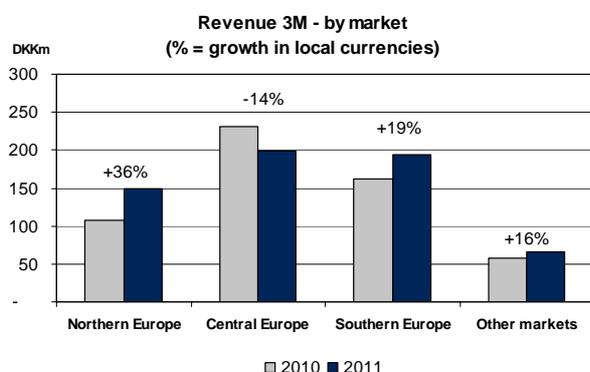
## Revenue – product lines

In the first quarter, sales of SCIT fell by 2% to DKK 261 million DKK (264). Performance has been positive in the USA and in Northern and Southern Europe, where the launch of the improved SCIT product AVANZ<sup>®</sup> in Italy and Spain contributed to the growth. The positive performance was offset, however, by declining sales in Germany. The German sales were particularly affected by the political price interventions and a mild pollen season in 2010 meant that fewer patients subsequently started vaccination treatments. Sales of injection based vaccines accounted for 43% (47) of the company's total revenue.

Sales of SLIT grew by 21% to DKK 205 million (169). The increase was particularly positive in France, and the acquisition of a Dutch company in 2010 ensured overall sales growth in the Netherlands. SLIT products accounted for 34% (30) of the company's total revenue.

Sales of AIT, tablet based products (GRAZAX<sup>®</sup>), increased by 16% to DKK 51 million (43). In January, GRAZAX<sup>®</sup> was launched in France, and the reception of the product by the French allergy specialists is promising. Just a few months after the launch, ALK has significantly increased its market share of new patients within grass pollen vaccination, which now exceeds 50%. Tablet sales accounted for 8% (8) of the company's total revenue.

Sales of other products (adrenaline pens, diagnostics, etc.) grew by 11% to DKK 92 million (82). The increase was mainly due to sales of an inlicensed adrenaline product in the UK. The distribution of the inlicensed product in a number of European countries will now gradually be phased out depending on the supply situation in the individual countries. The product will be replaced by ALK's own, improved adrenaline pen, Jext<sup>®</sup>, which is expected to be launched in the first markets in the second half of 2011. Sales of other products accounted for 15% (15) of the company's total revenue.



### Revenue – markets

In the Northern European region, sales grew by 36% to DKK 150 million (108). The growth was positively affected in particular by the acquisition of a Dutch company in 2010 and by increasing sales of adrenaline pens in the UK and SCIT products in Scandinavia.

In Central Europe, sales fell by 14% to DKK 199 million (231), mainly due to political austerity measures on medicine prices in Germany. Previously implemented changes in the German allergy specialists' remuneration systems have also generally reduced their use of allergy vaccines.

In the Southern European region, sales grew by 19% to DKK 194 million DKK (162). The growth was due in particular to continued highly positive sales performance in France and the launch of the AVANZ<sup>®</sup> product in Italy and Spain.

Revenue in other markets grew by 16% to DKK 66 million (57). North American sales of injection based products were the main contributor to the increase.

### Costs and earnings

In the first quarter, **cost of goods and production costs** totalled DKK 176 million (155) and gross profit rose by 7% to DKK 433 million (403). The reported gross margin fell to 71% (72), negatively affected by the price interventions in Germany and developments in exchange rates.

Total **capacity costs** increased by 15% to DKK 352 million (305). Disregarding company acquisitions, the underlying increase in capacity costs was 9%. Research and development expenses for the period increased 22% to DKK 106 million (87), relating among other things to a number of clinical and pharmaceutical activities, including the GAP study (GRAZAX<sup>®</sup> Asthma Prevention) and preparations for upcoming studies on MITIZAX<sup>®</sup>. Added to this were support to the partnership with Merck in North America and new regulatory requirements in Europe imposing stricter requirements for documentation of the company's non-registered product portfolio. Sales, marketing and administrative expenses increased by 13% to DKK 246 million (218). Disregarding company acquisitions, the increase was 6%, mainly due to the launch of GRAZAX<sup>®</sup> in France, AVANZ<sup>®</sup> in Spain and Italy, and preparations for the launch of Jext<sup>®</sup>.

**Operating profit before depreciation and amortisation (EBITDA)** increased by 78% to DKK 242 million (136). In the first quarter, ALK recognised DKK 134 million of the total payment of DKK 224 million which ALK received from Torii on entering into the license agreement in Japan. Exchange rates have not significantly affected operating profit.

**Net financials** was a loss of DKK 9 million (a profit of 7), which was due to unrealised exchange losses on intra-Group accounts, primarily in USD.

**Tax on the profit for the period** totalled DKK 81 million (46), corresponding to an effective tax rate of 39% (38). The profit for the period was thus DKK 127 million (75).

**Cash flow** from operating activities was an inflow of DKK 284 million (82) and was positively affected by the upfront payment from Torii of DKK 224 million. Cash flow from investing activities was an outflow of DKK 14 million (30) relating to ongoing maintenance. Free cash flow for the period was an inflow of DKK 270 million (52). Cash flow from financing activities was an inflow of DKK 1 million (an outflow of 25). At the end of the quarter, cash and cash equivalents totalled DKK 520 million, compared to DKK 250 million at the end of 2010.

**Equity** totalled DKK 2,129 million (1,953) at the end of the period, and the equity ratio was thus 71% (72).

#### **Outlook for the 2011 financial year**

In the 2011 financial year, ALK expects continued growth in sales of allergy vaccines and earnings.

In 2011, ALK expects unchanged growth of 5% in sales of allergy vaccines measured in local currencies. Revenue is still expected to be roughly unchanged compared to last year due to the phasing-out of the inlicensed adrenaline product and the subsequent launch of ALK's own adrenaline pen, Jext<sup>®</sup>.

Operating profit (EBITDA) is still expected to increase by 25% to DKK 360 million (287). In 2011, ALK expects to recognise approximately DKK 150 million of the payment of DKK 224 million which ALK received on entering into the partnership with Torii in Japan. The remainder of the payment is expected to be recognised in 2012.

The outlook is based on the current exchange rates. The company's revenue and earnings are only to a minor extent exposed to foreign exchange fluctuations.

## **OPERATING REVIEW**

### **Japan: Partnership with Torii**

As part of the strategy to ensure global access to allergy immunotherapy through partnerships, in the first quarter ALK entered into a license agreement with Torii on the development, registration and commercialisation of, among other things, MITIZAX<sup>®</sup> in Japan. The agreement also covers ALK's existing injection based vaccine and diagnostic products against house dust mite allergy as well as an agreement on joint research and development of a tablet based vaccine (AIT) against Japanese cedar allergy.

Following the signing of the agreement, the parties have begun planning the development programme to secure a Japanese product registration and subsequent launch. The development plans will be discussed with the Japanese health authorities later in 2011, after which a number of clinical studies are expected to start up.

On entering into the agreement, ALK received a payment of EUR 30 million (approximately DKK 224 million) from Torii. ALK will also receive up to EUR 30 million (DKK 224 million) in a series of milestone payments relating to clinical development and market registration. Furthermore, ALK will receive milestone and royalty payments from sales in Japan. Torii will be incurring the costs of clinical development, registration, marketing and sale of the products, while ALK is responsible for production and supply of the tablets to the Japanese market.

### **North America: Partnership with Merck**

The partnership with Merck covers the development, registration and commercialisation of a portfolio of allergy immunotherapy tablets (AIT) against grass pollen, ragweed and house dust mite allergy respectively in North America.

Merck has engaged in a dialogue with the US health authorities, the FDA, on the registration process to file GRAZAX<sup>®</sup>. The anticipated filing date is still under assessment. In 2009-10, Merck, successfully completed two clinical Phase III studies of GRAZAX<sup>®</sup> in grass pollen allergic children and adults. Both studies met their primary endpoints and will form part of the planned

registration application to the FDA. Merck continues to work collaboratively with ALK to complete the goal of obtaining a registration of GRAZAX<sup>®</sup> in the USA.

Merck is also about to complete two large clinical Phase III studies on the tablet against ragweed allergy. ALK anticipates the main results of the studies to be available in 2011. The studies will potentially form the basis for a subsequent registration application to the US health authorities.

ALK and Merck have a close and committed partnership to ensure the success of the development programmes.

#### **GRAZAX<sup>®</sup> granted reimbursement in Denmark**

In April, the Danish Medicines Agency decided that allergy patients can receive general reimbursement for treatment with GRAZAX<sup>®</sup>. The decision to grant general reimbursement to GRAZAX<sup>®</sup> gives Danish patients access to the same effective and convenient treatment that is already widespread in most European countries. GRAZAX<sup>®</sup> has been approved in the EU since 2006 and is now eligible for reimbursement in all major European countries. The clinical development programme for GRAZAX<sup>®</sup> is the largest development programme ever carried out with an allergy vaccine. 15 randomised, double-blind, placebo-controlled clinical studies of GRAZAX<sup>®</sup> have been conducted including a total of 3,744 patients, and 27 scientific articles have been published. GRAZAX<sup>®</sup> has now been taken for approximately 54,000 treatment-years.

#### **Changes in ALK's Board of Directors**

At ALK's Annual General Meeting on 1 April 2011, Lars Holmqvist, Thorleif Krarup, Anders Gersel Pedersen and Brian Petersen were re-elected to the Board of Directors. Steen Riisgaard, CEO of Novozymes A/S, and Jes Østergaard were newly elected to the Board of Directors.

Thorleif Krarup will fill the post of chairman until the Annual General Meeting in 2012, when Steen Riisgaard will stand for the post, assuming that he is re-elected to the Board of Directors in 2012.

ALK's previous chairman, Jørgen Worning, did not stand for re-election having reached the age limit for ALK board members. Furthermore, Nils Axelsen did not seek re-election to the Board of Directors.

#### **Risk factors**

This interim report 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 interim report. Without being exhaustive, such factors include, e.g. general economic and business conditions, including legal issues, uncertainty relating to pricing, reimbursement rules, 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.

*This interim report has been translated from Danish into English. However, the Danish text is the governing text for all purposes, and if there is any discrepancy, the Danish wording is applicable.*

#### **2010 Financial calendar**

Silent period	19 July 2011
Six-month interim report (Q2) 2011	16 August 2011
Silent period	14 October 2011
Nine-month interim report (Q3) 2011	11 November 2011

## STATEMENT BY THE MANAGEMENT

The Board of Directors and Board of Management today considered and approved the interim report of ALK-Abelló A/S for the period 1 January – 31 March 2011.

The interim report has been prepared in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies. As in previous years, the interim report has not been subject to audit or review.

In our opinion, the interim report gives a true and fair view of the Group's assets, equity and liabilities, financial position, results of operations and cash flows for the period 1 January – 31 March 2010. Moreover, in our opinion, the interim report gives a true and fair view of developments in the Group's activities and financial position and describes significant risk and uncertainty factors that may affect the Group.

**Hørsholm, 10 May 2011**

### Board of Management

Jens Bager  
(President and CEO)

Jørgen Damsbo Andersen

Henrik Jacobi

Flemming Steen Jensen

Flemming Pedersen

### Board of Directors

Thorleif Krarup  
(Chairman)

Lars Holmqvist  
(Vice Chairman)

Jacob Kastrup

Anders Gersel Pedersen

Brian Petersen

Steen Riisgaard

Dorthe Seitzberg

Katja Barnkob Thalund

Jes Østergaard

## INCOME STATEMENT (unaudited)

	ALK Group	
	3M 2011	3M 2010
Amounts in DKKm		
<b>Revenue</b>	<b>609</b>	558
Cost of sales	176	155
<b>Gross profit</b>	<b>433</b>	403
Research and development expenses	106	87
Sales and marketing expenses	197	173
Administrative expenses	49	45
Other operating income	136	17
Other operating expenses	-	1
<b>Operating profit (EBIT)</b>	<b>217</b>	114
Financial income	1	8
Financial expenses	10	1
<b>Profit before tax (EBT)</b>	<b>208</b>	121
Tax on profit	81	46
<b>Net profit</b>	<b>127</b>	75
Earnings per share (EPS) – DKK	12.82	7.55
Diluted earnings per share (DEPS) – DKK	12.82	7.55

## STATEMENT OF COMPREHENSIVE INCOME (unaudited)

	ALK Group	
	3M 2011	3M 2010
Amounts in DKKm		
Net profit for the period	127	75
<b>Other comprehensive income</b>		
Foreign currency translation adjustment of foreign subsidiaries	(21)	22
Adjustment of derivative financial instruments for hedging	-	1
Tax related to other comprehensive income	3	-
<i>Other comprehensive income</i>	<b>(18)</b>	23
<b>Total comprehensive income</b>	<b>109</b>	98

## CASH FLOW STATEMENT (unaudited)

	ALK Group	
	3M 2011	3M 2010
Amounts in DKKm		
<b>Net profit</b>	<b>127</b>	<b>75</b>
Adjustments:		
Tax on profit	81	46
Financial income and expenses	9	(7)
Share-based payments	2	2
Depreciation, amortisation and impairment	25	22
Change in provisions	1	-
Net financial items, paid	1	-
Income taxes, paid	(6)	(6)
<b>Cash flow before change in working capital</b>	<b>240</b>	<b>132</b>
Change in inventories	19	10
Change in receivables	(43)	(19)
Change in short-term payables	68	(41)
<b>Cash flow from operating activities</b>	<b>284</b>	<b>82</b>
Additions, intangible assets	(1)	(2)
Additions, tangible assets	(13)	(30)
Change in other financial assets	-	2
<b>Cash flow from investing activities</b>	<b>(14)</b>	<b>(30)</b>
<b>Free cash flow</b>	<b>270</b>	<b>52</b>
Purchase of treasury shares	-	(24)
Change in financial liabilities	1	(1)
<b>Cash flow from financing activities</b>	<b>1</b>	<b>(25)</b>
<b>Net cash flow</b>	<b>271</b>	<b>27</b>
Cash and cash equivalents at 1 January	250	389
Unrealised gain on foreign currency carried as cash and cash equivalents	(1)	2
Net cash flow	271	27
<b>Cash and cash equivalents at 31 March</b>	<b>520</b>	<b>418</b>

The cash flow statement has been adjusted to the effect that exchange rate adjustments in foreign subsidiaries are not included in the statement. As a result, the individual figures in the cash flow statement cannot be reconciled directly to the income statement and balance sheet.

## BALANCE SHEET (unaudited)

Assets	ALK Group		
	31 March 2011	31 Dec. 2010	31 March 2010
Amounts in DKKm			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	407	408	371
Other intangible assets	191	199	81
	<b>598</b>	<b>607</b>	<b>452</b>
<b>Tangible assets</b>			
Land and buildings	556	572	539
Plant and machinery	165	169	154
Other fixtures and equipment	69	72	65
Property, plant and equipment in progress	379	382	363
	<b>1,169</b>	<b>1,195</b>	<b>1,121</b>
<b>Other non-current assets</b>			
Securities and receivables	28	28	20
Deferred tax assets	62	65	56
	<b>90</b>	<b>93</b>	<b>76</b>
<b>Total non-current assets</b>	<b>1,857</b>	<b>1,895</b>	<b>1,649</b>
<b>Current assets</b>			
Inventories	285	310	295
Trade receivables	301	261	256
Receivables from affiliates	27	27	51
Income tax receivables	13	34	13
Other receivables	19	19	15
Prepayments	35	34	29
Cash and cash equivalents	520	250	418
<b>Total current assets</b>	<b>1,200</b>	<b>935</b>	<b>1,077</b>
<b>Total assets</b>	<b>3,057</b>	<b>2,830</b>	<b>2,726</b>

## BALANCE SHEET (unaudited)

Equity and liabilities	ALK Group		
	31 March 2011	31 Dec. 2010	31 March 2010
Amounts in DKKm			
<b>Equity</b>			
Share capital	101	101	101
Other reserves	2,028	1,917	1,852
<b>Total equity</b>	<b>2,129</b>	<b>2,018</b>	<b>1,953</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Mortgage debt	26	27	28
Bank loans and financial loans	10	10	12
Pensions and similar liabilities	86	84	77
Other provisions	149	150	148
Deferred tax liabilities	26	25	1
	<b>297</b>	<b>296</b>	<b>266</b>
<b>Current liabilities</b>			
Mortgage debt	1	1	1
Bank loans and financial loans	12	10	4
Trade payables	89	140	90
Income taxes	110	62	72
Other payables	329	303	340
Deferred income	90	-	-
	<b>631</b>	<b>516</b>	<b>507</b>
<b>Total liabilities</b>	<b>928</b>	<b>812</b>	<b>773</b>
<b>Total equity and liabilities</b>	<b>3,057</b>	<b>2,830</b>	<b>2,726</b>

## EQUITY (unaudited)

Amounts in DKKm	Other reserves					Total equity
	Share capital	Hedges of future transactions	Currency translation adjustment	Retained earnings	Total other reserves	
<b>Equity at 1 January 2011</b>	<b>101</b>	-	<b>(10)</b>	<b>1,927</b>	<b>1,917</b>	<b>2,018</b>
Net profit	-	-	-	127	127	127
Other comprehensive income	-	-	(18)	-	(18)	(18)
<b>Total comprehensive income</b>	-	-	<b>(18)</b>	<b>127</b>	<b>109</b>	<b>109</b>
Share-based payments	-	-	-	2	2	2
<b>Other transactions</b>	-	-	-	<b>2</b>	<b>2</b>	<b>2</b>
<b>Equity at 31 March 2011</b>	<b>101</b>	-	<b>(28)</b>	<b>2,056</b>	<b>2,028</b>	<b>2,129</b>
<b>Equity at 1 January 2010</b>	<b>101</b>	<b>1</b>	<b>(39)</b>	<b>1,865</b>	<b>1,827</b>	<b>1,928</b>
Net profit	-	-	-	75	75	75
Other comprehensive income	-	1	22	-	23	23
<b>Total comprehensive income</b>	-	<b>1</b>	<b>22</b>	<b>75</b>	<b>98</b>	<b>98</b>
Share-based payments	-	-	-	2	2	2
Purchase of treasury shares	-	-	-	(24)	(24)	(24)
Declared dividend	-	-	-	(51)	(51)	(51)
<b>Other transactions</b>	-	-	-	<b>(73)</b>	<b>(73)</b>	<b>(73)</b>
<b>Equity at 31 March 2010</b>	<b>101</b>	<b>2</b>	<b>(17)</b>	<b>1,867</b>	<b>1,852</b>	<b>1,953</b>

## NOTES (unaudited)

## 1 ACCOUNTING POLICIES

The interim report for the period 1 January to 31 March 2011 is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The additional Danish disclosure requirements are defined in the Danish Executive Order on Interim Reports issued under the Danish Financial Statements Act.

The accounting policies are unchanged in the first three months of 2011 and reference is made to the Annual Report 2010 for a more detailed description of the accounting policies.

## 2 REVENUE

	ALK Group	
Amounts in DKKm	3M 2011	3M 2010
<b>Revenue by product line</b>		
SCIT	261	264
SLIT	205	169
AIT	51	43
<b>Total vaccines</b>	<b>517</b>	<b>476</b>
Other products	92	82
<b>Total</b>	<b>609</b>	<b>558</b>
<b>Revenue by market</b>		
Northern Europe	150	108
Central Europe	199	231
Southern Europe	194	162
Other markets	66	57
<b>Total</b>	<b>609</b>	<b>558</b>

	3M 2011	
	Growth local currencies	Growth
SCIT	-2%	-1%
SLIT	21%	21%
AIT	16%	19%
<b>Total vaccines</b>	<b>8%</b>	<b>9%</b>
Other products	11%	12%
<b>Total</b>	<b>8%</b>	<b>9%</b>
Northern Europe	36%	39%
Central Europe	-14%	-14%
Southern Europe	19%	20%
Other markets	16%	16%
<b>Total</b>	<b>8%</b>	<b>9%</b>

NOTES (unaudited)

3 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income and other operating expenses relate to income and expenses of secondary nature in relation to ALK's main activities. The items include income and expenses of net DKKm 0 (2010: DKKm 16) in relation to an agreement with Merck on a strategic alliance to develop and commercialise ALK's tablet based allergy vaccines for the North American markets and income of DKKm 134 (2010 DKKm 0) in relation to an agreement with Torii on a strategic alliance to develop and commercialise products for the Japanese market.

4 KEY CURRENCIES AND CURRENCY SENSITIVITY

Average exchange rates

	3M 2011	3M 2010
USD	5.42	5.45
GBP	8.63	8.43

Sensitivity in the event of a 10% increase in exchange rates (full year effect)

Amounts in DKKm	Revenue	EBITDA
USD	approx. + 20	approx. 0
GBP	approx. + 5	approx. 0

The sensitivities are estimated on the basis of current exchange rates.

## DEFINITIONS

<b>Invested capital</b>	<i>Intangible assets, tangible assets, inventories and current receivables reduced by liabilities except for mortgage debt, bank loans and financial loans</i>
<b>Gross margin – %</b>	<i>Gross profit x 100 / Revenue</i>
<b>EBITDA margin – %</b>	<i>Operating profit before depreciation and amortisation x 100 / Revenue</i>
<b>Net asset value per share</b>	<i>Equity at end of period / Number of shares at end of period</i>
<b>Earnings per share (EPS)</b>	<i>Net profit/(loss) for the period / Average number of outstanding shares</i>
<b>Diluted earnings per share (DEPS)</b>	<i>Net profit/(loss) for the period / Diluted average number of outstanding shares</i>
<b>Cash flow per share (CFPS)</b>	<i>Cash flow from operating activities / Average number of outstanding shares</i>
<b>Markets</b>	<i>Geographical markets (based on customer location):</i> <ul style="list-style-type: none"> <li><i>o Northern Europe comprises the Nordic region, the UK and the Netherlands</i></li> <li><i>o Central Europe comprises Germany, Austria, Switzerland, Poland and minor selected markets in Eastern Europe</i></li> <li><i>o Southern Europe comprises Spain, Italy, France, Greece, Portugal and minor markets in Southern Europe</i></li> <li><i>o Other markets comprise the USA, Canada, China and rest of world</i></li> </ul>

Key figures are calculated in accordance with "Recommendations and Ratios 2010" issued by the Danish Society of Financial Analysts.