Nine-month interim report (Q3) 2014 (unaudited)

Company release No. 34/2014

Performance for the period

(Comparative figures for 2013 are shown in brackets / revenue growth is measured in local currencies. Revenue from ALK's base business is defined as total revenue excluding revenues from its partnerships for the SLIT-tablet programmes in North America and International markets).

ALK's business showed good performance in the third quarter:

- Q3 total revenue, including partner income, grew by 3% to DKK 522 million (509).
- Q3 revenue in the base business grew by 6% to DKK 515 million (489). Growth was largely driven by a 12% increase in sales of SCIT products and a 12% increase in sales of GRAZAX®.
- Q3 EBITDA before special items was DKK 57 million (54). The gross margin was 65% (68) after changes in sales mix and build-up of capacity for partner supply. Capacity costs decreased by 2%.
- 9M total revenue grew 11% to DKK 1,821 million (1,651) and EBITDA before special items was DKK 377 million (148). Excluding sales royalties and milestone payments, EBITDA before special items grew 77% to DKK 197 million (111).
- 9M cash flow from operations was DKK 163 million (an inflow of 2). Free cash flow was DKK 26 million (an outflow of 154).

2014 financial guidance

The outlook for 2014 is unchanged: Revenue is still expected at approximately DKK 2.4 billion. EBITDA before special items is still expected at approximately DKK 450 million. As planned, ALK will increase activities and costs in support of key elements of the long-term growth strategy for the remainder of 2014.

Updated strategy

An updated strategy plan has been adopted by the Board of Directors:

- The strategy builds on ALK's vision of being the commercial leader in allergy immunotherapy and its foremost innovator, and of transforming itself from being largely a European company focused on treating allergic rhinitis, to a global company whose products treat, and potentially prevent, allergic asthma.
- ALK will pursue growth across its existing territories and will enter new, emerging markets by setting up affiliates, by entering into time-limited collaborations or via acquisitions. ALK's house dust mite (HDM) SLIT-tablet, which targets the world's most prevalent allergy, is expected to be the single most important driver of growth.
- The strategy targets continued profitable growth in ALK's base business. In addition, the partnerships in North America and Japan are expected to increasingly contribute to growth in revenue and earnings.

Hørsholm, 14 November 2014

ALK-Abelló A/S

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

Today, ALK hosts a conference call for analysts and investors at 10.30 a.m. (CET) at which Management will review the financial results and the outlook. The conference call will be audio cast on www.alk-abello.com/investor. Participants in the audio cast are kindly requested to call in before 10.25 a.m. (CET). Danish participants should call in on tel. +45 70 25 23 00 or +45 70 25 67 00 and international participants should call in on tel. +44 (0) 208 817 9311. Please use the following Audience Passcode: 6430 9393#. The audio cast is available live on our website, where the related presentation will be available shortly before the call begins.

FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE ALK GROUP (unaudited)

Amounts in DKKm	9M 2014	9M 2013	Full year 2013
Income statement			
Revenue	**1,821**	1,651	2,244
Operating profit before depreciation and amortisation (EBITDA) before special items	**377**	148	258
Operating profit before depreciation and amortisation (EBITDA)	**347**	141	236
Operating profit (EBIT) before special items	**275**	54	131
Operating profit (EBIT)	**245**	47	109
Net financial items	**34**	(10)	(5)
Profit before tax (EBT)	**279**	37	104
Net profit	**165**	21	61
Average number of employees	**1,796**	1,814	1,804
Balance sheet			
Total assets	**3,364**	3,218	3,268
Invested capital	**2,282**	2,159	2,104
Equity	**2,345**	2,219	2,249
Cash flow and investments			
Depreciation, amortisation and impairment	**102**	94	127
Cash flow from operating activities	**163**	2	146
Cash flow from investing activities	**(137)**	(156)	(231)
- of which investment in tangible assets	**(75)**	(118)	(186)
- of which acquisitions of companies and operations	**(24)**	-	-
Free cash flow	**26**	(154)	(85)
Information on shares			
Share capital	**101**	101	101
Shares in thousands of DKK 10 each	**10,128**	10,128	10,128
Share price, end of period – DKK	**713**	525	614
Net asset value per share – DKK	**232**	219	222
Key figures			
Gross margin – %	**70**	69	69
EBITDA margin before special items – %	**21**	9	11
EBITDA margin – %	**19**	9	11
Earnings per share (EPS) – DKK	**17.1**	2.2	6.3
Earnings per share (DEPS), diluted – DKK	**16.7**	2.2	6.2
Cash flow per share (CFPS) – DKK	**16.9**	0.2	15.1
Share price/Net asset value	**3.1**	2.4	2.8

Definitions: see last page

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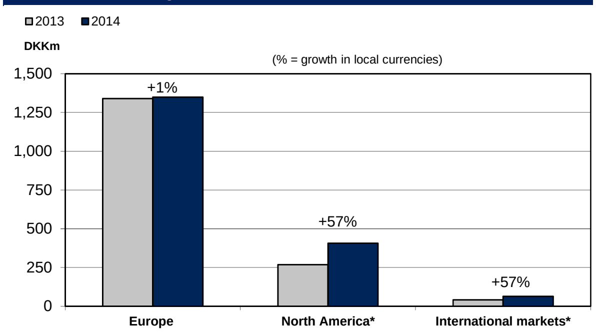
INCOME STATEMENT

Q3 2013	%	Q3 2014	%	Amounts in DKKm	9M 2014	%	9M 2013	%
509	*100*	522	*100*	Revenue	1,821	*100*	1,651	*100*
163	*32*	184	*35*	Cost of sales	549	*30*	508	*31*
346	*68*	**338**	*65*	**Gross profit**	**1,272**	*70*	1,143	*69*
95	*19*	88	*17*	Research and development expenses	278	*15*	367	*22*
229	*45*	228	*44*	Sales, marketing and administrative expenses	719	*39*	720	*44*
-	-	-	-	Other operating income and expenses	-	-	(2)	*(0)*
22	*4*	**22**	*4*	**Operating profit (EBIT) before special items**	**275**	*15*	54	*3*
(5)	*(1)*	(4)	*(1)*	Special items	(30)	*(2)*	(7)	*(0)*
17	*3*	**18**	*3*	**Operating profit (EBIT)**	**245**	*13*	47	*3*
(1)	*(0)*	25	*5*	Net financial items	34	*2*	(10)	*(1)*
16	*3*	**43**	*8*	**Profit before tax (EBT)**	**279**	*15*	37	*2*
7	*1*	17	*3*	Tax on profit	114	*6*	16	*1*
9	*2*	**26**	*5*	**Net profit**	**165**	*9*	21	*1*
54	*11*	**57**	*11*	**Operating profit before depreciation and amortisation (EBITDA) before special items**	**377**	*21*	148	*9*
49	*10*	**53**	*10*	**Operating profit before depreciation and amortisation (EBITDA)**	**347**	*19*	141	*9*

BUSINESS REVIEW

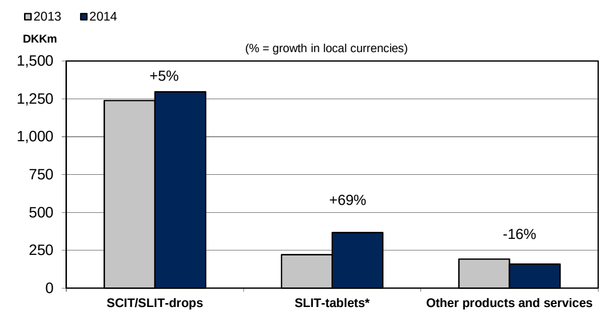
(*Comparative figures for 2013 are shown in brackets / Revenue growth rates are stated as growth in local currencies, unless otherwise indicated*)

Revenue 9M by market



* Revenue from North America and International markets also includes income from partners, such as milestone payments, product supply, sales royalties, etc.

Revenue 9M by product line



* Revenue from SLIT-tablets also includes income from partners, such as milestone payments, product supply, sales royalties, etc.

Highlights

In Q3, total revenue grew by 3% to DKK 522 million (509). Revenue in ALK's base business (i.e. total revenue excluding revenues related to partnerships for the SLIT-tablet programmes in North America and International markets) grew by 6% driven by growth in sales of SCIT products and GRAZAX® while sales of SLIT-drops declined. The re-introduction of Jext® is progressing well, however, revenue from other products and services decreased due to lower sales of Jext® compared to last year. As expected, partner income was negatively impacted by fewer support activities for the partnership in North America.

Operating profit (EBITDA) before special items was DKK 57 million (54) and yielded an EBITDA margin of 11% (11). ALK benefited from higher revenue and lower R&D expenses.

9M revenue was DKK 1,821 million (1,651) and EBITDA before special items was DKK 377 million (148). The growth of 11% in revenue was attributable to both partner revenues and the performance in ALK's base business.

Revenue by geographies

Europe
Q3 revenue in Europe increased by 2% to DKK 428 million (419). Hence, Europe accounted for 82% of total revenue (82%).

SCIT and SLIT-tablet (GRAZAX®) sales developed positively and showed growth rates of 7% and 12%, respectively, mainly driven by Germany and the northern European countries. Market conditions remained challenging in a number of countries. The easing of a mandatory sales rebate in Germany from 1 January on all prescription drugs contributed positively.

As expected, sales of SLIT-drops continued to decline in most markets, except for France. As foreseen, austerity measures in the Netherlands continued to cause a steep decline in the sales of SLIT-drops which in isolation affected ALK's European growth negatively by 3 percentage points.

The Jext® adrenaline auto-injector is gradually being re-introduced into selected markets after a temporary suspension of marketing and sales. Consequently, sales are still below last year due to the gradual expansion of the distribution. Disregarding Jext® sales, which were particularly strong in Q2-Q3 2013, revenue in Europe showed a growth of 4%.

9M revenue in Europe increased by 1% and amounted to DKK 1,349 million (1,340).

North America
Q3 revenue in North America declined by 8% to DKK 77 million (84). North America thus accounted for 15% (17) of total revenue.

ALK increased sales of allergen extracts and other products to North American specialists and clinics by 18%.

Income from the partnership with Merck was DKK 2 million (18), and included limited product supply and sales royalties. Last year, ALK recorded higher income from support activities related to the FDA registration processes for GRASTEK® and RAGWITEK™. Moreover, ALK has been supplying Merck with products since Q3 2013 ahead of the anticipated launches of the SLIT-tablets in North America.

9M revenue in North America amounted to DKK 407 million (269) corresponding to 57% growth. The revenue included three milestone payments upon Phase III trial initiation of the HDM SLIT-tablet and FDA approvals of GRASTEK® and RAGWITEK™.

International markets
Q3 revenue in International markets increased by 201% to DKK 17 million (6) accounting for 3% of total revenue (1). Growth was driven by revenue from China where ALK has a collaboration with Eddingpharm for sales and distribution of ALK's SCIT product Alutard SQ® and the skin-prick test Soluprick®, both targeting HDM allergy.

9M revenue in International markets amounted to DKK 65 million (42) following 57% growth.

Revenue by product lines

SCIT and SLIT-drops
Revenue from SCIT and SLIT-drops grew by 7% in Q3 to DKK 409 million (384). SCIT and SLIT-drops accounted for 78% (75) of total revenue.

SCIT sales showed double-digit growth in Germany. Sales trends were positive in most other European markets as well as in North America and China.

SLIT-drop sales continued to progress in France, but declined in other European markets following the recent years' changes in reimbursement and documentation requirements with the ultimate view to phase out unregistered allergy immunotherapy products. This trend favours ALK's sales of clinically validated SLIT-tablets and SCIT products.

9M revenue from SCIT and SLIT-drops was DKK 1,296 million (1,238) following 5% growth.

SLIT-tablets
In Q3, revenue from SLIT-tablets decreased to DKK 47 million (56), due to fewer partnership support activities in North America. SLIT-tablets thus accounted for 9% (11) of total revenue.

In Europe, sales of GRAZAX® increased by 12% to DKK 40 million (36), sustaining the trend from recent quarters.

North American tablet revenue was DKK 2 million (18).

GRASTEK® and RAGWITEK™ are available in pharmacies throughout the USA and Canada while Merck is introducing the tablets to allergy specialists ahead of the 2015 pollen season.

The tablets are new treatment options for patients suffering from moderate to severe allergies, and who are poorly controlled on symptom-relieving pharmacotherapies. Merck focuses in particular on an estimated 4.5 million eligible patients either having refused allergy shots or having abandoned treatment due to e.g. inconvenience or fear of injection-based treatments.

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As the launches took place during May and treatment must be initiated at least 12 weeks before the pollen seasons start, ALK and Merck only expect limited sales in 2014. As a result, 2014 will largely be devoted to market building activities and sales efforts ahead of the 2015 pollen seasons.

9M revenue from SLIT-tablets was DKK 367 million (221) following 69% growth primarily due to payments of product development milestones from partners and continued double digit growth of GRAZAX® sales in Europe.

Other products and services
Q3 revenue from other products and services (adrenaline auto-injectors, diagnostics and others) decreased by 4% to DKK 66 million (69), accounting for 13% (14) of total revenue.

The decrease was solely caused by Jext® whereas revenue from other products increased.

9M revenue from other products and services fell 16% to DKK 158 million (192) due to Jext®.

R&D PIPELINE AND PARTNERSHIPS

ALK's own pipeline activities and the pipeline activities under the partnerships with Merck and Torii for North America and Japan, respectively, continue to advance:

ALK's R&D pipeline activities in Europe
ALK continues to target a regulatory filing of the HDM SLIT-tablet in Europe this year. The filing will be based on last year's pivotal results from two successfully completed Phase III clinical trials into HDM allergic asthma and HDM allergic rhinitis.

ALK's other clinical development activities, including the *GRAZAX® Asthma Prevention* (GAP) trial and the AVANZ® trial are progressing as planned.

Partnership with Merck for North America
ALK's partnership with Merck (known as MSD outside the USA and Canada) covers the development, registration and commercialisation of SLIT-tablets against grass pollen, ragweed pollen and HDM allergy in the USA, Canada and Mexico.

Merck is currently conducting a Phase III clinical trial in the USA and Canada to investigate the safety and efficacy of a SLIT-tablet in the treatment of HDM allergic rhinitis. The trial is expected to be completed in 2015 and may form the basis for a Biologic License Application (BLA) to the FDA in the USA.

Following the approvals of GRASTEK® and RAGWITEK™, Merck has commenced a clinical trial to investigate the safety and tolerability of co-administering GRASTEK® and RAGWITEK™, and preparations for a paediatric development programme for RAGWITEK™ are under way.

Under the partnership with Merck, ALK may receive up to DKK 1.6 billion (USD 290 million) in milestone payments, of which DKK 500 million (USD 90 million) has been recognised in 2007-14. In addition, ALK is entitled to royalty payments on net sales as well as payments for product supply. Merck incurs all costs of clinical development, registration, marketing and sales of the products. ALK is responsible for tablet production and supply.

Partnership with Torii for Japan
The partnership with Torii primarily covers the development, registration and commercialisation in Japan of SLIT-tablets against HDM allergy and Japanese cedar allergy. It also covers a SCIT product and diagnostic products against HDM allergy.

Torii is preparing for submission of a registration application within the next 3-5 months for the HDM SLIT-tablet based on Japanese Phase III data that demonstrated efficacy in HDM allergic rhinitis. Simultaneously, Torii has initiated a Phase II/III trial with a SLIT-tablet against Japanese cedar pollen allergic rhinitis involving approximately 1,000 subjects.

Under the agreement with Torii, ALK may receive up to DKK 450 million (EUR 60 million) in upfront and development milestone payments, of which approximately DKK 340 million (EUR 45) has been recognised in 2011-14. In addition, ALK is entitled to royalty payments and sales milestones on the products' net sales. Torii incurs all costs of clinical development, registration, marketing and sales of the products. ALK is responsible for production and supply.

Partnership with Abbott for emerging markets
The partnership covers supply and marketing of ALK's SLIT-tablets in selected emerging markets. Abbott obtains exclusive rights to distribute and commercialise tablets covering grass, ragweed, tree and HDM allergies.

The partnership adds ALK's SLIT-tablets, which mirrors the most prevalent allergies, to Abbott's strong franchise of respiratory products. ALK anticipates that the portfolio of SLIT-tablets will be launched over a period of several years, beginning in 2017.

Under the agreement, Abbott and ALK will share the revenue generated and Abbott will, in addition, pay royalties on net sales. ALK will be the market authorisation holder and supply tablets to Abbott at agreed prices.

FINANCIAL REVIEW OF 9M 2014

(*Comparative figures for 9M 2013 are shown in brackets. / Revenue growth rates are stated as growth in local currencies, unless otherwise indicated*)

Revenue in 9M grew by 11% to DKK 1,821 million (1,651). Developments in exchange rates impacted revenue-reported growth negatively by 1 percentage point.

Cost of sales totalled DKK 549 million (508) and gross profit was DKK 1,272 million (1,143), which corresponds to a gross margin of 70% (69). The improved margin was mainly due to three milestone payments from Merck. Disregarding these payments, the margin was negatively affected by changes in sales mix in the base business and a build-up of partner supply capacities.

Capacity costs decreased by 8% to DKK 997 million (1,087). Research and development expenses decreased 24% and corresponded to 15% of revenue (22), reflecting the planned normalisation of R&D expenses following the completion of a number of clinical development activities. Sales and marketing expenses and administrative expenses were unchanged despite an increased activity level for the preparation of the HDM SLIT-tablet launch in Europe, geographical expansion outside Europe and the acquisition of Bio-Medical Services in the USA.

ALK maintains a focus on the strategic initiatives under the *Simplify* programme to drive efficiency improvements and reduce costs.

EBITDA (operating profit before depreciation and amortisation) before special items improved to DKK 377 million (148). After special items of DKK 30 million (7), reported EBITDA was DKK 347 million (141). The special items relate to on-going restructuring activities under the *Simplify* programme. Excluding sales royalties and milestones payments, EBITDA before special items grew 77% to DKK 197 million (111). The significant improvement of the EBITDA margin to 21% (9) was largely a result of lower R&D expenses and higher milestone payments. Exchange rates did not materially affect EBITDA.

Net financials were a gain of DKK 34 million (a loss of 10), primarily related to the net gain of shares sold in DBV Technologies and currency gains.

Tax on the profit totalled DKK 114 million (16), corresponding to an effective tax rate of 41% (43). The relatively high effective tax rate is a result of the current geographical distribution of income in the Group.

The **net profit** for the period was DKK 165 million (21).

Cash flow from operating activities was DKK 163 million (an inflow of 2). The increase was primarily driven by the growth in net profit. The cash flow was negatively impacted by changes in working capital, largely due to build-up of HDM SLIT-tablet inventories.

Cash flow from investment activities was an outflow of DKK 137 million (156) including the acquisition of Bio-Medical Services in Q1 and the continued build-up of capacity for tablet production.

Free cash flow was DKK 26 million (an outflow of 154). Cash flow from financing was an outflow of DKK 100 million (59) relating to the dividend payment of DKK 5 per share after the AGM and net cash settlement of share options. ALK did not acquire **own shares** during the first 9M. At the end of September, ALK held 468,349 of its **own shares** or 4.6% of the share capital.

At the end of September, **cash and cash equivalents** totalled DKK 238 million vs. DKK 312 million at the end of 2013 and DKK 258 million at the end of September 2013.

Equity totalled DKK 2,345 million (2,249) at the end of the period, and the equity ratio was 70% (69%).

OUTLOOK FOR 2014

The outlook for 2014 is unchanged:

Revenue is still expected at approximately DKK 2.4 billion.

EBITDA before special items is still expected at approximately DKK 450 million.

As planned, ALK will increase activities and costs in support of key elements of the long-term growth strategy for the remainder of 2014.

The on-going simplification of ALK's production and business structures is expected to entail minor restructuring costs for the remainder of the year, which will be reported in a special items line.

CAPEX is still expected to total approximately DKK 200 million. Free cash flow is expected to be positive.

The outlook is based on current exchange rates.

UPDATED STRATEGY

ALK's has updated its business strategy. The Focus 2018 strategy covers the years up to and including 2018. The strategy builds on ALK's vision of being the commercial leader in allergy immunotherapy and its foremost innovator, and of transforming itself from being largely a European company focused on treating allergic rhinitis, to a global company whose products treat, and potentially prevent, allergic asthma.

The strategy targets continued profitable growth in ALK's base business. In addition, the partnerships in North America and Japan are expected to increasingly add to growth in revenue and earnings.

Focus 2018 continues the initiatives established in the previous strategy plan to *Grow*, *Innovate* and *Simplify* ALKs business.

GROW

ALK intends to grow revenue in its base business through a series of initiatives, including the introduction of the HDM SLIT-tablet and re-introduction of Jext® in Europe as well as expansion of ALK's business in emerging markets. Another important growth driver is expected to be the introduction of SLIT-tablets in North America and Japan via the partnerships with Merck and Torii.

The HDM SLIT-tablet is ALK's most important product candidate. It is aimed at treating the world's most prevalent allergy, HDM allergy, which is present all-year round and involves both allergic rhinitis and allergic asthma.

ALK will commercialise the HDM SLIT-tablet in Europe and launch is expected to take place in 2016. The launch will be supported by a range of activities under the Allergy Unlocked™ initiative, which aims to ease access to treatment for patients and raise allergy to a higher level in the healthcare agenda.

Outside Europe, ALK is targeting growth in North America, China and other emerging markets. ALK's North American allergenic extract business will seek to capitalise on the raised profile of allergy immunotherapy following Merck's introduction of SLIT-tablets. In China, the collaboration with Eddingpharm is expected to yield growth following the expansion of the joint sales force.

ALK has expanded globally via strategic partnerships and regional collaborations. A major business goal is to enter further new growth markets by setting up affiliates, by entering into time-limited collaborations that allow ALK to retain long-term control of these markets or via acquisitions. Recently, ALK established its presence in Slovakia as a hub for eastern European markets. During the coming years, ALK expects to enter new markets in Asia/Pacific, the Middle East and South America.

INNOVATE

ALK's pipeline has the potential to redefine allergy and asthma treatment. Key to success will be the development of a portfolio of SLIT-tablets covering the most common global allergies. Hence, focus will be on adding SLIT-tablets against HDM, tree and Japanese cedar allergies to the portfolio, and documenting benefits in asthma treatment and prevention. Once these products have been registered, clinical development work will focus on post-registration trials and local trials for new markets.

Subject to approvals, the HDM SLIT-tablet could reach the markets in Europe and Japan in 2016, with potential approval in the USA to follow. ALK will also conduct trials to support paediatric use and the prevention of allergic asthma, as well as trials to gain access to China and other emerging markets, either alone or with partners.

ALK intends to advance the tree SLIT-tablet to Phase III clinical development in Europe in the coming years.

ALK and Torii are jointly developing the SLIT-tablet against Japanese cedar tree allergy. A Phase II/III trial will be completed in 2015 and may subsequently form the basis for a registration application in Japan.

The *GRAZAX® Asthma Prevention trial* will be completed in late 2015 and is an important first step towards potentially using SLIT-tablets to prevent asthma in children and adolescents.

ALK will also conduct development and documentation work to support existing marketed products in Europe while also exploring new technologies for the next generation of allergy immunotherapy products.

SIMPLIFY

Efficiencies generated through the *Simplify* programme continue to help finance growth initiatives while also improving earnings and cash flow in the base business.

Once completed, the Portfolio Optimisation Programme will have reduced ALK's portfolio range by 60% of its 2010 size.

Consolidation of the product supply network will reduce the number of production locations, while additional steps will be taken to improve the efficiency of product supply processes. The strategy plan assumes average investments of approximately DKK 200-250 million p.a. In 2015, upscaling of the HDM SLIT-tablet production capacity as well as construction of a tree API manufacturing plant will be initiated.

Following the globalisation of the IT, Finance, Procurement and HR support functions, ALK will continue to optimise its processes, organisational structures and governance.

As a result of the expanded *Simplify* programme, total accumulated restructuring costs reported under Special items are estimated at up to DKK 200 million in the years 2012-16. By Q3 2014, ALK has recognised DKK 116 million under Special items.

STRATEGIC GROWTH OUTLOOK

European markets, which currently constitute approximately 85% of sales in ALK's base business, remain challenged by price and reimbursement pressures as well as increased regulatory requirements. Consequently, ALK anticipates low, single-digit market growth in Europe in each year of the strategy period, while the outlook for markets outside Europe are expected to show higher growth.

In the years up to 2018, annual revenue growth in the base business is expected within the range of 0-5%. Growth is expected in the higher end of the range in the latter part of the strategy period, when new product launches and geographical expansion take effect.

Moreover, operational efficiencies are expected to gradually improve earnings in the base business.

The partnerships with Merck and Torii are expected to provide increasing contributions to growth in revenue and earnings.

The SLIT-tablets represent a new treatment class and both ALK and its partners expect that it will take time to build the market and to educate patients and doctors adequately. ALK therefore takes a conservative view on the sales uptake in the first few years, and expects that growth will further accelerate from 2017 after the anticipated launch of the HDM SLIT-tablets in Japan and North America.

ALK will provide a full-year outlook in the annual report, due for publication on 9 February 2015.

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 naturally subject to risks and uncertainties as various factors, some of which are beyond the control of ALK, 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-related conditions, including legal issues, uncertainty relating to demand, pricing, reimbursement rules, partners' plans and forecasts, fluctuations in exchange rates, competitive factors and reliance on suppliers. An additional factor is potential side effects from the use of ALK's existing and future products, as allergy immunotherapy may be associated with allergic reactions of differing extents, durations and severity.

2015 Financial calendar

Silent period	12 January 2015
Annual report 2014	9 February 2015

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 to 30 September 2014.

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 to 30 September 2014. 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, 14 November 2014

Board of Management

Jens Bager President and CEO	Henrik Jacobi Executive Vice President Research & Development	Søren Daniel Niegel Executive Vice President Commercial Operations
Flemming Pedersen CFO & Executive Vice President Finance, IT, IR & Business Development	Helle Skov Executive Vice President Product Supply	

Board of Directors

Steen Riisgaard Chairman	Christian Dyvig Vice Chairman	Jacob Kastrup
Thorleif Krarup	Anders Gersel Pedersen	Jakob Riis
Dorthe Seitzberg	Lene Skole	Katja Barnkob Thalund

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INCOME STATEMENT FOR THE ALK GROUP (unaudited)

Q3 2013	Q3 2014	Amounts in DKKm	9M 2014	9M 2013
509	522	Revenue	1,821	1,651
163	184	Cost of sales	549	508
346	**338**	**Gross profit**	**1,272**	1,143
95	88	Research and development expenses	278	367
181	182	Sales and marketing expenses	575	576
48	46	Administrative expenses	144	144
-	-	Other operating expenses	-	2
22	**22**	**Operating profit (EBIT) before special items**	**275**	54
(5)	(4)	Special items	(30)	(7)
17	**18**	**Operating profit (EBIT)**	**245**	47
(1)	25	Net financial items	34	(10)
16	**43**	**Profit before tax (EBT)**	**279**	37
7	17	Tax on profit	114	16
9	**26**	**Net profit**	**165**	21
0.93	2.69	Earnings per share (EPS) – DKK	17.08	2.17
0.92	2.63	Earnings per share (DEPS), diluted – DKK	16.68	2.15

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

Q3 2013	Q3 2014	Amounts in DKKm	9M 2014	9M 2013
9	**26**	**Net profit for the period**	**165**	21
		Other comprehensive income		
		Items that will be reclassified subsequently to the Income statement, when specific conditions are met:		
(11)	28	Foreign currency translation adjustment of foreign subsidiaries	31	(10)
(7)	-	Net fair value adjustment of financial assets available for sale	-	(7)
-	-	Gain on sale of financial assets available for sale recognised in financial income	(10)	-
3	(4)	Tax related to other comprehensive income	(1)	3
(15)	**24**	**Other comprehensive income**	**20**	(14)
(6)	**50**	**Total comprehensive income**	**185**	7

CASH FLOW STATEMENT FOR THE ALK GROUP (unaudited)

Amounts in DKKm	9M 2014	9M 2013
Net profit	**165**	21
Adjustments:		
Tax on profit	114	16
Financial income and expenses	(34)	10
Share-based payments	9	10
Depreciation, amortisation and impairment	102	94
Change in provisions	1	(31)
Change in working capital	(93)	(36)
Net financial items, paid	11	10
Income taxes, paid	(112)	(92)
Cash flow from operating activities	**163**	2
Acquisitions of companies and operations	(24)	-
Additions, intangible assets	(44)	(46)
Additions, tangible assets	(75)	(118)
Change in other financial assets	6	8
Cash flow from investing activities	**(137)**	(156)
Free cash flow	**26**	(154)
Dividend paid to shareholders of the parent	(49)	(49)
Purchase of treasury shares	-	(6)
Exercise of share options	(49)	-
Change in financial liabilities	(2)	(4)
Cash flow from financing activities	**(100)**	(59)
Net cash flow	**(74)**	(213)
Cash and cash equivalents at 1 January	312	477
Unrealised gain/(loss) on foreign currency and financial assets carried as cash and cash equivalents	-	(6)
Net cash flow	(74)	(213)
Cash and cash equivalents at 30 September	**238**	258

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.

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BALANCE SHEET - ASSETS FOR THE ALK GROUP (unaudited)

Amounts in DKKm	30 Sept. 2014	31 Dec. 2013	30 Sept. 2013
Non-current assets			
Intangible assets			
Goodwill	415	407	408
Other intangible assets	300	267	257
	715	674	665
Tangible assets			
Land and buildings	682	610	620
Plant and machinery	331	265	259
Other fixtures and equipment	59	60	62
Property, plant and equipment in progress	366	470	425
	1,438	1,405	1,366
Other non-current assets			
Securities and receivables	7	24	41
Deferred tax assets	142	136	89
	149	160	130
Total non-current assets	**2,302**	2,239	2,161
Current assets			
Inventories	379	336	307
Trade receivables	299	224	261
Receivables from affiliates	57	57	61
Income tax receivables	12	12	90
Other receivables	46	58	51
Prepayments	31	30	29
Cash and cash equivalents	238	312	258
Total current assets	**1,062**	1,029	1,057
Total assets	**3,364**	3,268	3,218

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BALANCE SHEET - EQUITY AND LIABILITIES FOR THE ALK GROUP (unaudited)

Amounts in DKKm	30 Sept. 2014	31 Dec. 2013	30 Sept. 2013
Equity			
Share capital	101	101	101
Currency translation adjustment	4	(27)	(19)
Retained earnings	2,240	2,175	2,137
Total equity	**2,345**	2,249	2,219
Liabilities			
Non-current liabilities			
Mortgage debt	20	22	22
Bank loans and financial loans	299	300	301
Pensions and similar liabilities	158	147	150
Other provisions	7	15	7
Deferred tax liabilities	29	33	29
	513	517	509
Current liabilities			
Mortgage debt	2	2	2
Bank loans and financial loans	3	3	3
Trade payables	63	100	74
Income taxes	40	28	13
Other provisions	32	34	17
Other payables	366	335	381
	506	502	490
Total liabilities	**1,019**	1,019	999
Total equity and liabilities	**3,364**	3,268	3,218

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EQUITY FOR THE ALK GROUP (unaudited)

Amounts in DKKm	Share capital	Currency translation adjustment	Retained earnings	Total equity
Equity at 1 January 2014	**101**	**(27)**	**2,175**	**2,249**
Net profit	-	-	165	165
Other comprehensive income	-	31	(11)	20
Total comprehensive income	**-**	**31**	**154**	**185**
Share-based payments	-	-	9	9
Share options settled	-	-	(49)	(49)
Dividend paid	-	-	(51)	(51)
Dividends on treasury shares	-	-	2	2
Other transactions	**-**	**-**	**(89)**	**(89)**
Equity at 30 September 2014	**101**	**4**	**2,240**	**2,345**

Equity at 1 January 2013	101	(9)	2,165	2,257
Net profit	-	-	21	21
Other comprehensive income	-	(10)	(4)	(14)
Total comprehensive income	-	(10)	17	7
Share-based payments	-	-	10	10
Purchase of treasury shares	-	-	(6)	(6)
Dividend paid	-	-	(51)	(51)
Dividends on treasury shares	-	-	2	2
Other transactions	-	-	(45)	(45)
Equity at 30 September 2013	101	(19)	2,137	2,219

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NOTES (unaudited)

1 ACCOUNTING POLICIES

The interim report for the period 1 January to 30 September 2014 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 compared to the Annual Report 2013, except for all new, amended or revised accounting standards and interpretations effective from 1 January 2014. These have no material impact on the interim report. Please see the Annual Report 2013 for a more detailed description of the Group's accounting policies.

2 REVENUE

	Europe		North America		International markets		Total	
Amounts in DKKm	9M 2014	9M 2013	9M 2014	9M 2013	9M 2014	9M 2013	9M 2014	9M 2013
SCIT/SLIT-drops	1,103	1,079	143	130	50	29	1,296	1,238
SLIT-tablets	162	147	192	70	13	4	367	221
Other products and services	84	114	72	69	2	9	158	192
Total revenue	**1,349**	1,340	**407**	269	**65**	42	**1,821**	1,651

	9M 2014	9M 2013
Sale of goods	1,598	1,573
Royalties	2	1
Milestone and upfront payments	178	36
Services	43	41
Total revenue	**1,821**	1,651

	Europe		North America		International markets		**Total**	
Growth, 9M 2014	Growth local currencies	Growth	Growth local currencies	Growth	Growth local currencies	Growth	**Growth local currencies**	**Growth**
SCIT/SLIT-drops	*2%*	*2%*	*13%*	*10%*	*82%*	*72%*	***5%***	***5%***
SLIT-tablets	*11%*	*10%*	*188%*	*174%*	*176%*	*225%*	***69%***	***66%***
Other products and services	*-26%*	*-26%*	*10%*	*4%*	*-79%*	*-78%*	***-16%***	***-18%***
Total revenue	***1%***	***1%***	***57%***	***51%***	***57%***	***55%***	***11%***	***10%***

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NOTES (unaudited)

2 REVENUE (CONTINUED)

Amounts in DKKm	Europe Q3 2014	Europe Q3 2013	North America Q3 2014	North America Q3 2013	International markets Q3 2014	International markets Q3 2013	Total Q3 2014	Total Q3 2013
SCIT/SLIT-drops	348	339	50	42	11	3	409	384
SLIT-tablets	40	36	2	18	5	2	47	56
Other products and services	40	44	25	24	1	1	66	69
Total revenue	**428**	419	**77**	84	**17**	6	**522**	509

	Total Q3 2014	Total Q3 2013
Sale of goods	513	494
Royalties	-	-
Milestone and upfront payments	-	-
Services	9	15
Total revenue	**522**	509

Growth, Q3 2014	Europe Growth local currencies	Europe Growth	North America Growth local currencies	North America Growth	International markets Growth local currencies	International markets Growth	**Total Growth local currencies**	**Total Growth**
SCIT/SLIT-drops	*3%*	*3%*	*18%*	*19%*	*383%*	*267%*	***7%***	***7%***
SLIT-tablets	*12%*	*11%*	*-90%*	*-89%*	*107%*	*150%*	***-16%***	***-16%***
Other products and services	*-11%*	*-9%*	*8%*	*4%*	*12%*	*0%*	***-4%***	***-4%***
Total revenue	***2%***	***2%***	***-8%***	***-8%***	***201%***	***183%***	***3%***	***3%***

3 SPECIAL ITEMS

Q3 2013	Q3 2014	Amounts in DKKm	9M 2014	9M 2013
5	4	Severance pay etc.	28	6
-	-	Other restructuring expenses	2	1
5	**4**	**Total**	**30**	7

Special items represent one-off costs associated with the initiatives to streamline the business structure under the *Simplify* programme initiated in 2012.

4 KEY CURRENCIES AND CURRENCY SENSITIVITY

Average exchange rates	9M 2014	9M 2013
USD	5.52	5.66
GBP	9.20	8.78

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

Amounts in DKKm	Revenue	EBITDA
USD	approx. + 50	approx. + 20
GBP	approx. + 5	approx. 0

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

5 ACQUISITIONS OF COMPANIES AND OPERATIONS

In 2014, ALK took over the activities from the company Bio-Medical Services. The acquisition is a part of the Focus 2016 growth strategy and was made with effect as of 12 February 2014. The activities have been fully integrated in ALK's US subsidiary. Bio-Medical Services is a veterinary reference laboratory specialising in allergy testing and treatment for dogs, cats and horses in the USA.

Statement of acquired net assets and cash purchase price:

Amounts in DKKm	Fair value on acquisition
Bio-Medical Services	
Property, plant and equipment	1
Other intangible assets	17
Acquired net assets	**18**
Goodwill	6
Cash purchase price	**24**
Elements of cash purchase price	
Cash	21
Other provisions	3
Total	**24**

The purchase price allocation is preliminary.

After recognition of identifiable assets and liabilities at fair value, goodwill related to the acquisition in 2014 has been calculated at DKK 6 million. The balance represents the value of assets, the fair value of which cannot be measured reliably, future growth potential and the value of acquired employees.

Out of the ALK Group's revenue of DKK 1,821 million for the first nine months of 2014, DKK 10 million is attributable to sales generated by the acquired operations after the acquisition date.

Had the activities in Bio-Medical Services been consolidated from 1 January 2014, the contribution to revenue and profit would have been DKK 12 million and less than DKK 1 million respectively.

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DEFINITIONS

Invested capital	*Intangible assets, tangible assets, inventories and current receivables reduced by liabilities except for mortgage debt, bank loans and financial loans*
Gross margin – %	*Gross profit x 100 / Revenue*
EBITDA margin – %	*Operating profit before depreciation and amortisation x 100 / Revenue*
Net asset value per share	*Equity at end of period / Number of shares at end of period*
Earnings per share (EPS)	*Net profit/(loss) for the period / Average number of outstanding shares*
Earnings per share (DEPS), diluted	*Net profit/(loss) for the period / Diluted average number of outstanding shares*
Cash flow per share (CFPS)	*Cash flow from operating activities / Average number of outstanding shares*
Markets	Geographical markets (based on customer location): - Europe comprises the EU, Norway and Switzerland - North America comprises the USA and Canada - International Markets comprise Japan, China and all other countries

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

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