Allergy Therapeutics®
Transforming Allergy Treatment

Allergy Therapeutics plc Interim Report for the six months ended 31 December 2013

www.allergytherapeutics.com
www.pollinex.com

Highlights

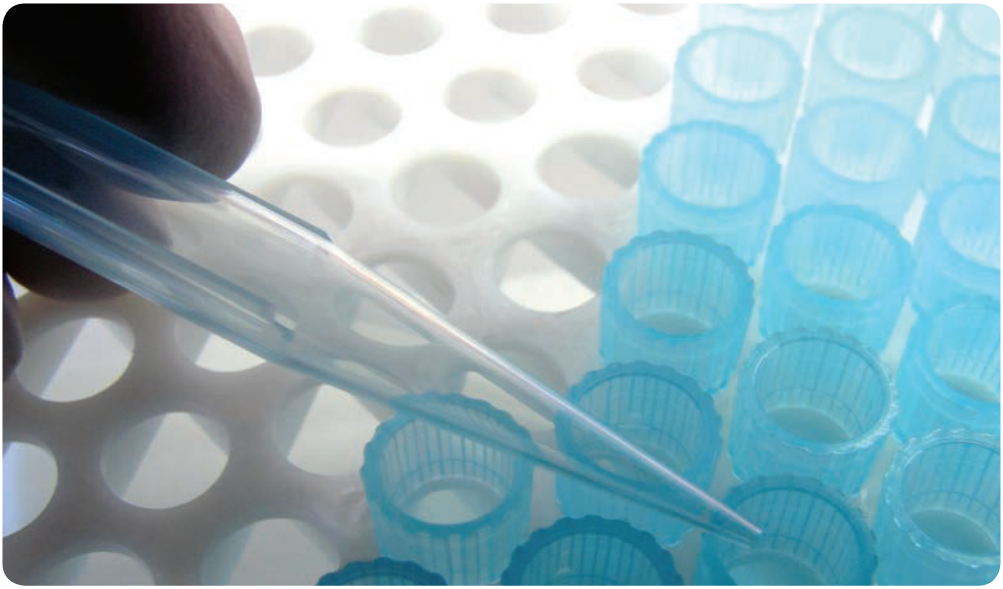
- 12% increase (6% at constant currency) in gross revenue (excluding milestones and rebates) to £29.9m (H1 2013: £26.6m)*
- Gross profit increased 11% to £20.7m (H1 2013: £18.7m)
- Operating profit increased 26% to £6.7m (H1 2013: £5.3m)
- Cash balance improved to £5.2m (H1 2013: £3.5m)
- Competitive position in European markets strengthened with market share increasing by 12% with consistent improvements across our key European markets

- European roll out of probiotic products
- Appointment of Professor Tim Higenbottam as R&D Director

Post-period events

- Canadian Health Authority approved the submission of the Clinical Trial Application (CTA) for environmental challenge chamber study for Pollinex® Quattro 0.5ml
- Dosing completed in Pollinex® Quattro Birch dose ranging study in Germany

** Constant currency uses prior year weighted average exchange rates to translate current year foreign currency denominated revenue to give a year on year comparison excluding the effects of foreign exchange movements. See table in financial review for an analysis of revenue.*



Operating Review

The performance of our core business has continued to improve over the course of the first half of the current financial year, resulting in a 12% sales increase (6% at constant currency) excluding milestones and rebates. Market share, based on sales for the 12 months to December, in individual key markets improved against the prior period as follows:

- Germany (by volume) + 9%
- Italy + 14%
- Austria + 20%
- Netherlands + 40%
- Spain + 6%

This performance helped in strengthening our position in these European markets with an overall market share increase of 12% compared to the same time last year. Allergy Therapeutics is now one of the top performers in its market segment in Europe.

The sales improvement, along with careful cost management, boosted our gross profit and operating profit over the same period last year. The gross profit improvement is supported by leveraging capacity in our manufacturing plant, generating an increase of 11% to £20.7m (H1 2013: £18.7m). Operating profit rose by 26% to £6.7m (H1 2013: £5.3m) despite an increase in investment in R&D.

On the commercial side, it has been a busy start of the year. We launched a new allergoid vaccine for mites in Spain, Acarovac, and continued the roll out of our probiotic product portfolio. We signed several commercial deals including those to appoint distributors in new markets such as Estonia, Latvia and Lithuania. We also filed a number of regulatory dossiers for approval of our products in Portugal and elsewhere.

Acarovac (as a named patient product) was successfully launched in Spain in March 2013. This novel modified-allergen tyrosine vaccine has been designed for the treatment of three different types of mite allergies and extends the Company's portfolio of aluminium free therapies. It uses our proprietary allergoid platform which results in a product with improved immunogenicity but with low allergenicity and is formed by polymerizing mite allergens to allergoids through chemical modification, with subsequent purification of the construct and combination with a tyrosine suspension to yield the final product. Acarovac, presented in a single multi dose vial to provide treatment flexibility, has been well received and we are in the process of launching it across other European and non-European markets.

The probiotics product range, Pollagen, Kallergen and ATI Prob, have been enriched with the addition of a new product, Syngut, specifically designed for food intolerance, which was

launched in September 2013 in Italy and Spain. This product portfolio was rolled out in Germany, Austria and Portugal in January 2014 and will be launched in the Netherlands in the near future.

In Germany, we have signed a strategic partnership agreement with Stallergenes, the specialist allergy vaccine company and worldwide leader in oral treatments, to commercialise Oralvac Compac HDM, an oral vaccine for the treatment of house dust mite allergies.

On the other side of the Atlantic, the positive recommendation by the Food and Drug Administration's (FDA) advisory committee for several sublingual allergy vaccines suggests that the US market will shortly be opening up for well-characterized, pharmaceutical quality allergy vaccines. These pending changes to that market's dynamics, along with our own progress made with the North American regulatory authorities, underscores our confidence that the US market will emerge as a valuable market for registered allergy vaccines. We continue to explore our strategic options for the development and commercialisation of Pollinex Quattro in these territories where we see a compelling opportunity to be first to market in the subcutaneous segment with short-course products that could revolutionise the way such immunotherapy treatments are administered.

As we recently disclosed, Health Canada, has approved the Company's proposal to submit a full Clinical Trial Application (CTA) for a new clinical efficacy study (G304) for Pollinex Quattro Grass MATA MPL (0.5ml). Health Canada reviewed the proposal and all supporting data at a meeting with the Company on 18 February 2014.

The meeting builds on the successful discussions held with the FDA, which resulted in the lifting of the clinical hold on the Company's clinical studies using vaccines containing the adjuvant monophosphoryl lipid A (MPL) in August 2012. Health Canada similarly had a hold on CTAs involving MPL. These decisions enable the Company to plan the start of the G304 study, which will involve two clinical sites in the US as well as one in Canada.

The study, involving over 600 patients, will use multiple Environmental Exposure Chambers (EECs), allowing for controlled allergen exposure, to study the response to treatment with the new Pollinex Quattro Grass MATA MPL (0.5ml) compared to Grass MATA (0.5ml) and placebo.

The G304 study will also further define the safety and efficacy advantages of the addition of MPL to the MATA products which were previously seen in Allergy Therapeutics' Pollinex Quattro Ragweed MATA MPL (0.5 ml). The full results of this trial, where a relative mean improvement of Pollinex Quattro Ragweed vs placebo of 48% ($p < 0.05$)

and a median improvement relative to placebo of 82% was reported, were recently published in the January print edition of The Journal of Allergy and Clinical Immunology (JACI) and summarised in the Company press release dated 27 January 2014.

On the regulatory side the Company reported the result of an informal meeting with the Paul-Ehrlich Institute (PEI) in Germany in November 2013. In this meeting the regulatory pathway for Grass Mata MPL 0.5ml (the smaller volume version of the current Grass Mata MPL 1.0ml marketed under the TAV regulation) was discussed. Following a strategic analysis of our product portfolio and alternatives, the Company decided to proceed with the registration of the 1.0ml Grass MATA MPL product, and as a consequence, withdrew its application for the 0.5 ml version. The most cost and time efficient registration process for the 1.0ml product is to register Grass Mata MPL in Germany as the Company has already submitted the Chemistry and Manufacturing Controls section of its dossier for the 1.0ml product in 2010 under the Therapeutic Allergen Regulations ("TAV") process. This decision has enabled the Company to concentrate its efforts on continued development and successful marketing of the Pollinex Quattro 1.0ml product, which has recorded double digit sales growth during the first six months of the current fiscal year. Plans are being drawn up for efficacy testing for Pollinex Quattro Birch and also a phase II dose ranging study for 1.0ml Pollinex Quattro Grass.

During the period, the registration process for seven dossiers in Portugal has been completed and the registration process in several Latin American markets is continuing due to the interesting opportunities these markets present.

We are also pleased to report progress from within R&D where we initiated a phase II clinical study for Pollinex Quattro in Europe under the TAV regulatory framework. The primary objective of this dose finding study is to compare the difference between four individual Pollinex Quattro Birch dose regimens (600SU, 1550SU, 5100SU and 13600SU (cumulative doses)) with respect to the change seen from baseline to post-treatment in Total Symptom Score ("TSS") recorded following a Conjunctival Provocation Test. This multi-centre phase II study uses a 1:1:1:1 randomisation and parallel-group, double-blind design to evaluate the efficacy and safety/tolerability of Pollinex Quattro Birch in subjects with seasonal allergic rhinoconjunctivitis. The study is being conducted in Germany, Austria and Poland prior to the birch pollen season. Recruitment began in September 2013 and 140 subjects were enrolled with 35 subjects per treatment arm. The last patient completed the trial on 31 January 2014.

Finally, our Executive Team welcomes Professor Tim Higenbottam as the Company's new R&D

Director. He will lead the registration process of the Pollinex Quattro range of subcutaneous immunotherapy products in both Europe and the US. Tim is a recognised expert in respiratory medicine including asthma and has extensive experience in clinical development and regulatory affairs from within the pharmaceutical industry and academia. Tim was Professor of Medicine at Sheffield University between 1995 and 2001, and from 2001 he held senior positions with AstraZeneca before moving onto Chiesi Farmaceutici as a Corporate Director. He joined Allergy Therapeutics full time in January 2014 from TranScrip Partners where he was a Senior Partner.

Financial Review

Sales improved significantly during the period with revenue at £27.2m (H1 2013: £25.7m). Despite weak allergy vaccine markets in Europe, gross revenue, excluding milestones and the German rebate, increased to £29.9m (H1 2013: £26.6m) assisted by an exchange gain of £1.7m. During the prior period (H1 2013) the Company recognised milestone revenue of £0.8m in relation to signing a new distributor for Canada, this was not repeated to the same degree in the current period. This can be seen in the table below:

	6 months to 31-Dec-13 £m	6 months to 31-Dec-12 £m	Increase £m	Increase %
Revenue	27.2	25.7	1.5	6%
Deduct milestones *	(0.1)	(0.8)		
Add rebates	2.8	1.7		
Gross revenue	29.9	26.6	3.3	12%
Adjustment to retranslate to prior year foreign exchange rate	(1.7)	-		
Gross revenue at constant currency	28.2	26.6	1.6	6%

** Milestone revenue is recognised over the period of the contract, matched to the company's obligations being completed. Revenue of £0.1m (H1 2013: £0.8m), out of a total receipt of £1.25m, was recognised in relation to signing a new distributor for Canada.*

As in previous years, owing to the seasonality of the pollen allergy market, some 60% to 70% of Allergy Therapeutics' revenues are generated in the first half of the financial year and, as a consequence, the Company typically records profits in the first half of the year and losses in the second half.

Cost of goods were reduced in the period to £6.4m (H1 2013: £7.0m) due to a change in product mix and a variety of cost reducing measures, contributing to an improvement in gross profit to £20.7m (H1 2013: £18.7m), which represents a gross margin of 76% (H1 2013: 73%).

Distribution costs at £9.3m (H1 2013: £8.9m) were broadly similar to the previous period after taking foreign exchange impacts on overseas costs into account. Administration expenses of £3.7m (H1 2013: £3.6m) were also comparable.

Research and development expenditure increased by 10% to £1.1m (H1 2013: £1.0m), due to an increased spend on projects including, the Pollinex Quattro Birch dose ranging study.

The finance expense reflects the interest on the overdraft and German pension fund finance cost. The overdraft was fully repaid at 31 December 2013.

The tax charge in the period of £0.3m relates mainly to the Italian subsidiary. No other group company is expected to report a material tax charge in this financial year.

With the capital investment programme now complete and only a maintenance level of spend now required, property, plant and equipment has fallen from £7.3m to £7.1m as the depreciation charge for the period is higher than new equipment purchases. Goodwill remains broadly even at £2.5m, whilst other intangible assets have increased by £0.1m due to the purchase of new software.

Total current assets excluding cash have decreased by £1.0m to £14.5m (H1 2013: £15.5m) primarily due to increased cash collection from debtors. Total current liabilities excluding debt financing have decreased by £1.2m to £6.3m (H1 2013: £7.5m). The cash position has improved by £1.7m with cash standing at £5.2m (H1 2013: £3.5m). There is no bank debt (H1 2013: Nil).

Net cash generated by operating activities was an inflow of £4.7m (H1 2013: £4.1m), the increase being principally due to higher profitability.

Financing

At the balance sheet date the Company's financing facilities consisted of a variable overdraft (maximum available at December 2013 £2.0m). At the balance sheet date this facility was not drawn upon. The Company expects to renew its banking facilities when they are due for renewal in May 2014.

The Directors believe that the Company will have access to adequate facilities for the foreseeable future and accordingly have applied the going concern principle in drawing up the financial statements.

Movements in the currency markets between the respective values of the Euro and Sterling have an effect on the Company's operations. The Company manages its cash exposure in this respect by foreign currency hedges. Over 90% of our gross sales are denominated in Euros whereas approximately 50% of costs are incurred in the United Kingdom and denominated in Sterling.

Outlook

During the period, we made significant progress with our product portfolio and look forward to continuing this development throughout the year. In Europe, we will continue to roll out the new allergoid vaccine for mites and our probiotics products. We have initiated our European clinical development programme with a phase II for Pollinex Quattro Birch, with plans being drawn up for efficacy testing for Pollinex Quattro Birch. In Germany we are proceeding with the registration of the Pollinex Quattro Grass MATA MPL (1.0ml).

In North America, post period end, the Canadian Health Authority approved the submission of our Clinical Trial Application (CTA) for a new clinical efficacy, environmental challenge chamber study with Pollinex Quattro Grass MATA MPL (0.5ml). This study has been designed to build on the success of our Ragweed study, published in The Journal of Allergy and Clinical Immunology in January this year.

The recent positive developments in the US allergy regulatory environment, along with the progress we have made with the North American regulatory authorities, underscore our confidence that the US market will emerge as a valuable market for registered allergy vaccines. We continue to explore our strategic options for the development and commercialisation of Pollinex Quattro in these territories as a compelling opportunity to be first to market in the subcutaneous segment with short-course products that could revolutionise the way such immunotherapy treatments are administered.

Peter Jensen

Chairman

Manuel Llobet

Chief Executive Officer

24 March 2014

Consolidated income statement

	Note	6 months to 31 Dec 2013	6 months to 31 Dec 2012	12 months to 30 June 2013
	2		As restated	As restated
		£'000	£'000	£'000
		unaudited	unaudited	audited
Revenue		**27,166**	25,749	39,279
Cost of sales		**(6,437)**	(7,021)	(11,953)
Gross profit		**20,729**	18,728	27,326
Distribution costs		**(9,267)**	(8,862)	(16,278)
Administration expenses – other		***(3,721)***	*(3,621)*	*(7,845)*
Research and development costs		***(1,090)***	*(968)*	*(2,535)*
Administration expenses		**(4,811)**	(4,589)	(10,380)
Operating profit		**6,651**	5,277	668
Finance income		**1**	15	19
Finance expense		**(129)**	(151)	(249)
Profit before tax		**6,523**	5,141	438
Income tax		**(297)**	(189)	104
Profit for the period		**6,226**	4,952	542
Earnings per share	4			
Basic (pence per share)		**1.52p**	1.22p	0.13p
Diluted (pence per share)		**1.47p**	1.17p	0.13p

Consolidated statement of comprehensive income

	6 months to 31 Dec 2013	6 months to 31 Dec 2012	12 months to 30 June 2013
		As restated	As restated
	£'000	£'000	£'000
	unaudited	unaudited	audited
Profit for the period	**6,226**	4,952	542
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on defined benefit pension scheme	**353**	83	(871)
Revaluation Gains – Freehold land & buildings	**–**	–	17
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**(49)**	19	77
Revaluation gains / (losses) on investments (retirement benefit assets)	**34**	72	(17)
Total comprehensive income /(loss)	**6,564**	5,126	(252)

Consolidated balance sheet

	31 Dec 2013 £'000 unaudited	31 Dec 2012 £'000 unaudited	30 June 2013 £'000 audited
Assets			
Non-current assets			
Property, plant and equipment	**7,147**	7,317	7,337
Intangible assets - Goodwill	**2,531**	2,489	2,560
Intangible assets - Other	**1,404**	1,332	1,350
Investment - Retirement benefit asset	**3,170**	2,811	3,059
Deferred taxation asset	**200**	–	200
Total non-current assets	**14,452**	13,949	14,506
Current assets			
Trade and other receivables	**8,270**	9,222	7,185
Inventory	**6,155**	6,298	6,014
Cash and cash equivalents	**5,214**	3,513	1,257
Derivative financial instruments	**68**	24	2
Total current assets	**19,707**	19,057	14,458
Total assets	**34,159**	33,006	28,964
Liabilities			
Current liabilities			
Trade and other payables	**(6,341)**	(7,424)	(7,006)
Current borrowings	**(95)**	(114)	(288)
Derivative financial instruments	**–**	(70)	(326)
Total current liabilities	**(6,436)**	(7,608)	(7,620)
Net current assets	**13,271**	11,449	6,838
Non-current liabilities			
Retirement benefit obligation	**(5,930)**	(4,884)	(6,214)
Non-current borrowings	**–**	(97)	–
Deferred taxation	**(149)**	(161)	(159)
Non-current provisions	**(324)**	(292)	(300)
Total non-current liabilities	**(6,403)**	(5,434)	(6,673)
Total liabilities	**(12,839)**	(13,042)	(14,293)
Net assets	**21,320**	19,964	14,671
Equity			
Capital and reserves			
Issued capital	**420**	420	420
Share premium	**67,716**	67,714	67,716
Merger reserve – shares issued by subsidiary	**40,128**	40,128	40,128
Reserve – shares held by EBT	**67**	67	67
Reserve – share based payments	**764**	1,596	679
Reserve – convertible loan notes	**3,652**	3,652	3,652
Revaluation reserve	**1,331**	1,369	1,297
Foreign exchange reserve	**121**	112	170
Retained earnings	**(92,879)**	(95,094)	(99,458)
Total equity	**21,320**	19,964	14,671

Consolidated statement of changes in equity

	Issued capital	Share premium	Merger reserve shares issued by subsidiary	Reserve shares held in EBT	Reserve share based payments	Reserve convertible Loan Note	Revaluation reserve	Foreign exchange reserve	Retained earnings As restated	Total equity As restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 31 December 2012	**420**	**67,714**	**40,128**	**67**	**1,596**	**3,652**	**1,369**	**112**	**(95,094)**	**19,964**
Exchange differences on translation of foreign operations								58		58
Actuarial losses									(954)	(954)
Valuation gains taken to equity (Land and Buildings)							17			17
Valuation loss taken to equity (Investments)							(89)			(89)
Net income recognised directly in equity	-	-	-	-	-	-	(72)	58	(954)	(968)
Loss for the period after tax									(4,410)	(4,410)
Total recognised income and expense	-	-	-	-	-	-	(72)	58	(5,364)	(5,378)
Share based payments					83					83
Shares issued	-	2								2
Transfer of depreciation on revalued property										-
Transfer of lapsed options to retained reserves					(1,000)				1,000	-
At 30 June 2013	**420**	**67,716**	**40,128**	**67**	**679**	**3,652**	**1,297**	**170**	**(99,458)**	**14,671**
Exchange differences on translation of foreign operations								(49)		(49)
Actuarial gains									353	353
Valuation gains taken to equity (investments)							34			34
Net income recognised directly in equity	-	-	-	-	-	-	34	(49)	353	338
Profit for the period after tax									6,226	6,226
Total recognised income and expense	-	-	-	-	-	-	34	(49)	6,579	6,564
Share based payments					85					85
Shares issued										-
Transfer of depreciation on revalued property										-
Transfer of lapsed options to retained reserves										-
At 31 December 2013	**420**	**67,716**	**40,128**	**67**	**764**	**3,652**	**1,331**	**121**	**(92,879)**	**21,320**

Condensed consolidated cash flow statement

	6 months to 31 Dec 2013 £'000 unaudited	6 months to 31 Dec 2012 As restated £'000 unaudited	12 months to 30 June 2013 As restated £'000 audited
Cash flows from operating activities			
Profit before tax	**6,523**	5,141	438
Adjustments for:			
Finance income	**(1)**	(15)	(19)
Finance expense	**129**	151	249
Non cash movements on defined benefit pension plan	**214**	84	79
Depreciation and amortisation	**612**	683	1,342
Charge for share based payments	**85**	100	183
Derivative financial instruments	**(393)**	460	787
Disposal of property, plant and equipment	**5**	601	607
(Increase) in trade and other receivables	**(1,160)**	(4,175)	(2,164)
(Increase)/decrease in inventories	**(211)**	401	767
(Decrease)/increase in trade and other payables	**(900)**	828	746
Net cash generated by operations	**4,903**	4,259	3,015
Interest paid	**(127)**	(151)	(211)
Income tax paid	**(39)**	(8)	(372)
Net cash generated by operating activities	**4,737**	4,100	2,432
Cash flows from investing activities			
Interest received	**1**	15	19
Investments	**(153)**	(127)	(355)
Payments for intangible assets	**-**	(12)	(157)
Payments for property plant and equipment	**(390)**	(227)	(664)
Net cash used in investing activities	**(542)**	(351)	(1,157)
Cash flows from financing activities			
Proceeds from issue of equity shares	**-**	146	148
Net cash generated by financing activities	**-**	146	148
Net increase in cash and cash equivalents	**4,195**	3,895	1,423
Effects of exchange rates on cash and cash equivalents	**(45)**	27	50
Cash and cash equivalents at the start of the period	**1,064**	(409)	(409)
Cash and cash equivalents at the end of the period	**5,214**	3,513	1,064
Cash at bank and in hand	**5,214**	3,513	1,257
Bank overdraft	**-**	-	(193)
Cash and cash equivalents at the end of the period	**5,214**	3,513	1,064

1. Interim financial information

The unaudited consolidated interim financial information is for the six month period ended 31 December 2013. The financial information does not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company for the year ended 30 June 2013, which were prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The interim financial information has not been audited nor has it been reviewed under ISRE 2410 of the Auditing Practices Board. The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Company's statutory financial statements for the year ended 30 June 2013 prepared under IFRS have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006.

2. Basis of preparation

The interim financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention except for land and buildings and derivative financial instruments which have been measured at fair value. The accounting policies adopted in this report are consistent with those of the annual financial statements for the year to 30 June 2013 as described in those financial statements, except for the application of revised version of IAS 19 'Employee Benefits' (IAS19R) as of 1 July 2013.

IAS 19R makes a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. IAS 19R:

- eliminates the 'corridor method' and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income
- changes the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest cost based on the net defined benefit asset or liability
- enhances disclosures, including more information about the characteristics of defined benefit plans and related risks.

IAS 19R has been applied retrospectively in accordance with its transitional provisions. Consequently, the Company has restated its reported results throughout the comparative periods presented. There was no adjustment to equity.

The effects on income statement and the statement of comprehensive income for the six months ended 31 December 2012 and for the year ended 30 June 2013 are:

	6 months to 31 Dec 2012 £'000	12 months to 30 June 2013 £'000
Decrease in net finance expense	3	6
Increase in Profit	**3**	**6**
Other comprehensive income: Increase in loss on remeasurement of net defined benefit liability	(3)	(6)
Decrease in other comprehensive income	**(3)**	**(6)**
Change in total comprehensive income	**-**	**-**

The application of IAS 19R did not have a material effect on the statement of cash flows for the year ended 30 June 2013 and for the six months ended 31 December 2012. There was no effect on the consolidated balance sheet or the earnings per share for the year ended 30 June 2013 or for the six months ended 31 December 2012.

There are a number of accounting standards that have become effective in the current period. However, there is no material impact upon the financial statements.

Going Concern

The Group has been profit making in the six months to 31 December 2013, as it was in the corresponding period ending 31 December 2012 and has made operating profits in the years ending 30 June 2010 onwards.

Detailed budgets have been prepared, including cash flow projections for the periods ending 30 June 2014 and 30 June 2015. These projections include assumptions on the trading performance of the operating business and the continued availability of the existing bank facilities. The Company expects to renew its banking facilities when they are due for renewal in May 2014. After making appropriate enquiries, which included a review of the annual budget and latest forecast, by considering the cash flow requirements for the foreseeable future and the effects of sales and other sensitivities on the Company's funding plans, the Directors continue to believe that the Company will have adequate resources to continue in operational existence for the foreseeable future and accordingly have applied the going concern principle in drawing up these financial statements. In reaching this view, the Directors have considered and prioritised the actions that could be taken to offset the impact of any shortfall in operating performance.

3. Contingent liabilities

The European Commission has recently opened an investigation into whether the exemption of pharmaceutical manufacturers from the increase in rebates in Germany constitutes state aid. If it is eventually concluded that the exemptions constitute state aid, then all unlawful aid may have to be repaid. On the balance of probabilities, the Group does not consider that it will have to repay any rebate exemptions. However, should a repayment be required, then the maximum amount to be repaid would be approximately £5m. Included in other receivables as at 31 December 2013 is an amount of £1.2m in respect of exempted rebates which the Group continues to collect.

4. Earnings per share

	6 months to 31 Dec 2013 £'000 unaudited	6 months to 31 Dec 2012 £'000 unaudited	12 months to 30 June 2013 £'000 audited
Profit after tax attributable to equity shareholders	**6,226**	4,952	542
	Shares '000	Shares '000	Shares '000
Issued ordinary shares at start of the period	**409,867**	406,913	406,913
Ordinary shares issued in the period	**-**	2,930	2,954
Issued ordinary shares at end of the period	**409,867**	409,843	409,867
Weighted average number of shares in issue for the period	**409,867**	407,157	408,388
Weighted average number of shares for diluted earnings per share	**423,974**	424,688	427,023
Basic earnings per share (pence)	**1.52p**	1.22p	0.13p
Diluted earnings per share (pence)	**1.47p**	1.17p	0.13p

Allergy Therapeutics®
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Allergy Therapeutics plc

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