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## Minutes of the Annual General Meeting of ALK-Abelló A/S held on 1 April 2011

### TRANSLATION

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At 4.00 p.m. on 1 April 2011 the Annual General Meeting of

#### **ALK-Abelló A/S**

(company registration (CVR) no. 63 71 79 16)

was held at the company's registered office, 1 Bøge Allé, 2970 Hørsholm, Denmark.

The chairman of the Board of Directors, Jørgen Worning, welcomed everyone to the Annual General Meeting.

In accordance with the Company's Articles of Association, the Company's Board of Directors had appointed Søren Meisling, Attorney-at-Law, to chair the meeting.

The chairman of the meeting subsequently declared, with the consent of the shareholders, that the Annual General Meeting was duly convened and quorate with respect to the items on the agenda, and that the chairman of the Board of Directors would present the first three items as one, which was fully approved by the shareholders.

### **Agenda**

1. Report on the activities of the Company
2. Adoption of the annual report and resolution to discharge the Board of Directors and the Board of Management from their obligations
3. Resolution as to the allocation of the profit
4. Authority to the Board of Directors to buy treasury shares
5. Authority to the Board of Directors to increase the share capital and to issue warrants
6. Election of members to the Board of Directors
7. Appointment of auditor
8. Authorisation to the chairman of the general meeting

#### **Re 1-3. Report by the Board of Directors, annual report and allocation of profit**

The chairman of the Board of Directors, Jørgen Worning, presented the following report on the activities of the company during the latest financial year:

## **Continued growth and ambitious objectives for the future**

2010 was a good year for ALK. Sales and earnings continued to grow, and we have set ambitious objectives for the future.

Net revenue was DKK 2,140 million. Vaccine sales and earnings both grew by 10%. A good result, which met the expectations that we set out at the beginning of the year.

In 2010, we reached some important milestones, which strengthened sales of allergy vaccines in the subsidiaries and ensured progress in ALK's partnerships outside Europe.

ALK's new adrenaline pen, JEXT®, was approved by the European competent authorities for medicinal products and will be launched in 2011. We took over one Dutch and one US allergy vaccine company.

In France, an agreement was reached with the French authorities on the price of GRAZAX®, and GRAZAX® has now been launched in France, which was the last of the big European markets where it had not been launched.

In relation to the partnership with Merck, a big effort was made throughout ALK in 2010 to prepare documentation and production for the planned introduction of GRAZAX® in North America.

Following the end of the financial year, ALK entered into a partnership on the development and commercialisation of selected ALK products in Japan.

In 2010, the strategy plan was revised up to 2014. The various initiatives form the basis for the development in the coming years.

But now to the actual financial statements for the financial year 1 January to 31 December 2010. Here I will only clarify and comment on certain specific areas and otherwise refer you to the printed financial statements and Management's review.

## **Revenue 2010**

In 2010, ALK achieved revenue of DKK 2,140 million. This is the first time that ALK's revenue has topped DKK 2 billion. The result is in line with expectations and should be regarded as satisfactory – not least in light of the political austerity measures in Germany and the Netherlands involving mandatory sales rebates and lower prices, which reduced ALK's sales by around DKK 60 million in 2010.

Sales of allergy vaccines in 2010 accounted for 85% of ALK's total sales. ALK offers all three forms of allergy vaccine: injections – called SCIT; drops – called SLIT; and tablets – called AIT. The remaining sales come from other allergy-related products such as adrenaline pens and products for allergy diagnostics.

The growth in sales of the injection based SCIT products was 3%. The positive sales development was driven in particular by the USA and China, while the political austerity measures in Germany in the second half of 2010 affected sales growth negatively.

The increase of 18% in sales of drop based SLIT products conceals several conflicting trends. In France, Germany and the Netherlands, sales rose; in the Netherlands due to the acquisition of a Dutch company. In the other markets, ALK experienced stagnating or declining sales of SLIT products as a consequence of the ongoing difficult market situation.

In 2010, sales of tablet based vaccines grew by 20%. Sales totalled DKK 162 million and now make up 8% of revenue. In particular, Northern and Central Europe achieved growth in sales of GRAZAX®, which is now clearly ALK's biggest product for treating grass pollen allergy.

### **Growth in earnings 2010**

Earnings grew as expected, even though the political austerity measures in Germany and the Netherlands which affected us during the year cost us DKK 50 million. Operating profit before depreciation and amortisation (EBITDA) was DKK 287 million compared to DKK 260 million in 2009, an increase of 10%.

The result includes DKK 16 million in net operating income from our US partner Merck.

The gross margin was basically unchanged: it was negatively affected by the political austerity measures on medicine prices and by the investments in the preparation of documentation and production of tablets for North America, but positively affected by the changed product mix.

Capacity costs totalled DKK 1,317 million compared to DKK 1,209 million in 2009. Research and development expenses in 2010 were DKK 366 million, equivalent to 17% of revenue, compared to DKK 349 million in the previous year. In 2010, sales, marketing and administrative expenses were unchanged at 44% of revenue, equivalent to DKK 951 million.

### **Stronger base business in 2010**

Aside from the financial results, ALK made further important business progress in 2010. With effect from 1 July 2010, we acquired the Dutch company Artu for DKK 162 million. The activities have now been integrated into ALK's Dutch subsidiary. The acquisition gave ALK a stronger distribution platform and a greater critical mass to counteract changing conditions in the Dutch market.

With effect from 1 August 2010, we acquired the allergy vaccination activities of the US company Nelco Laboratories for DKK 16 million. The activities are now fully integrated into ALK's US subsidiary.

A good result in 2010 was the approval of a new product: JEXT®. ALK has developed JEXT® itself. Up to now, ALK has inlicensed an adrenaline product. JEXT® is an improved adrenaline product which will strengthen ALK's sales both geographically and in terms of earnings. JEXT® is used to treat serious allergic reactions caused, for example, by foods or bee stings –

so-called anaphylaxis. ALK expects to launch the new adrenaline pen in the first European markets in 2011.

The previous agreement on the sale and distribution of adrenaline pens expired on 31 December 2010, but it has been temporarily extended to ensure supplies to patients. The agreement is expected to phase out gradually during the first half of 2011 depending on the supply situation in the individual countries. In 2010, ALK's sales of adrenaline totalled DKK 209 million, corresponding to 10% of total revenue. However, earnings from this only make a minor contribution to ALK's total operating income. With JEXT® we expect to improve the gross margin, and within a few years to increase earnings from the business area significantly.

In 2010, we also succeeded, after almost four years of negotiations, in concluding a price agreement with the authorities in France on GRAZAX®. In January 2011, GRAZAX® was launched as an eligible-for-reimbursement treatment for French patients suffering from grass pollen allergy.

France is the world's second-largest market for allergy vaccination and a country with a long tradition of treatment with oral allergy vaccination. We are therefore delighted that ALK is the first company to launch a tablet based allergy vaccine in France.

The agreement in France means that Denmark is now even more isolated with regard to general reimbursement for GRAZAX®. In Denmark, only single reimbursement is offered for the treatment. In spite of an increasing number of reimbursement applications from Danish physicians, only around 200 Danish patients received GRAZAX® with reimbursement in 2010. By contrast, in our neighbouring countries of Sweden and Norway the authorities, physicians and patients have taken up the new treatment extensively. In Sweden, almost 4,000 patients are being treated with GRAZAX®. In Norway, the figure is over 2,000.

In June 2010, we reapplied to the Danish Medicines Agency for general reimbursement for GRAZAX®. The latest clinical studies prove the long-term effect. Previously, the Agency had stated lack of documentation of long-term efficacy as grounds for refusal of general reimbursement. The Agency has not yet made a decision. The situation in Denmark is naturally very unsatisfactory for both physicians and patients. We must seriously consider the extent to which in future we can invest in the clinical development of new medicine in Denmark in light of the lack of support for new medicine from Danish politicians and authorities.

As regards clinical studies, in 2009 ALK launched GRAZAX® Asthma Prevention, the GAP study; a study which could be of major significance for ALK. The study will investigate the product's ability to prevent the development of asthma in children and adolescents. Previous studies of allergic children have shown that they are up to seven times more at risk of developing asthma. The GAP study, which will run for five years, is being conducted in 11 European countries, including Denmark, and involves around 800 children aged 5-12. In 2010, ALK successfully completed the recruitment of patients for the study.

## **Progress in partnerships in 2010**

In terms of our partnerships, ALK also achieved good results in 2010. The clinical studies which are being conducted in collaboration with Merck in North America have produced good results.

Merck has successfully completed two clinical Phase III studies with GRAZAX® in grass pollen allergic children and adults respectively. Both studies met their primary endpoints and will form part of the planned registration application to the US health authorities, the FDA.

ALK and Merck are also developing a vaccine against ragweed allergy, which in the USA is just as widespread as grass pollen allergy but gives more – and more severe – symptoms. The development project comprises two clinical studies involving 600 and 800 patients respectively. ALK is currently awaiting Merck's analysis and report on the clinical results. The studies will potentially form the basis for a registration application to the US health authorities.

In 2010, ALK devoted considerable resources to further developing the company's quality systems, internal processes and pharmaceutical documentation with an eye to achieving compliance with the requirements which the US authorities, among others, are expected to impose for tablet based allergy vaccines. ALK is ready to supply tablet based allergy vaccines to North America.

In 2010, Merck entered into discussions with the US health authorities, the FDA, on the registration of GRAZAX® in the USA. The discussions are taking longer than expected and are still not complete. Therefore, Merck has not yet submitted the registration application. We expect Merck to have gained an overview of the anticipated registration process in the course of 2011.

One very positive and important event took place following the end of the financial year. In January 2011, ALK entered into a new partnership with the Japanese company Torii Pharmaceutical to jointly develop, register and market ALK products for the diagnosis and treatment of house dust mite allergy for the Japanese market. The products in question are SCIT and tablet based allergy vaccines. It has also been agreed to jointly investigate the possibilities for developing a tablet based vaccine against allergy to Japanese cedar. The agreement with Torii is an endorsement of ALK's strategy to develop patient friendly and well-documented tablet based allergy vaccines and to ensure global commercialisation through partnerships.

## **New strategy: strategic platform**

ALK's strategy plan was revised in 2010. The revised strategy builds on the strategic initiatives of recent years, which have made the company better prepared for the future:

- ALK is on the way to establishing a strong product portfolio of, among other things, well-documented tablet vaccines, a new and improved injection based vaccine, and a new and improved adrenaline pen.
- ALK's distribution platform and global presence have been strengthened through the acquisition and integration of six companies in the last five years.

- ALK has established a close collaboration with partners in the world's two largest pharmaceutical markets, namely the USA and Japan.

Alongside the positive initiatives, ALK's strategic conditions have changed in recent years.

- In a number of countries we are experiencing significantly increased regulatory requirements for our products and political austerity measures on medicine prices.
- This is putting pressure on revenue and earnings throughout the allergy vaccine industry.

### **Strategy: The base business and partnerships**

In the new strategy plan ALK's business is split into two focus areas: firstly, the base business, which consists of sales of allergy vaccines and adrenaline through our own companies; and, secondly, the global commercialisation of our products through partnerships, presently in collaboration with Merck and Torii.

In the base business we are experiencing moderate growth and pressure on earnings. The strategy here is to ensure continued growth in sales and earnings in spite of the challenging conditions. This will be achieved by optimising the product portfolio and focusing on fewer SCIT and SLIT products, e.g. AVANZ®, and increasing sales of GRAZAX® and launching the remainder of the portfolio of tablet based allergy vaccines. In future, ALK's new adrenaline product, JEXT®, will also generate growth in sales and earnings.

Furthermore, ALK will continue to take part in the consolidation of the allergy vaccine industry by acquiring companies and thereby increasing our distribution platform and geographical presence. The final element in the strategy for the base business is to investigate the possibilities for acquiring products which can exploit our sales and distribution channels and thereby expand our business area.

The second focus area in the strategy, global development and commercialisation of ALK's products, will be achieved by actively supporting the existing partnerships with Merck and Torii, and by entering into partnerships in new geographical areas.

Within the frameworks of the existing partnerships, up to 2015 ALK could receive up to DKK 500 million in development and sales milestone payments. Within the partnerships ALK can expect in the longer term, i.e. after 2015, the biggest growth in earnings to be in the form of increasing royalties from sales of tablets throughout the world.

### **Long-term objectives**

The strategy plan includes ambitious financial objectives. The aim by 2015 is for ALK to achieve revenue in excess of DKK 3 billion and for operating profit (EBITDA) to be at least 25% of revenue.

Added to this, sales and earnings from partner sales of tablets will accelerate in the years after 2015 once the partners have launched the full tablet portfolio.

## **Outlook for 2011**

In the short term, i.e. in 2011, ALK expects 5% growth in vaccine sales measured in local currencies, and overall zero growth in revenue due to the negative effect of the political austerity measures in Germany and the phasing-out of the inlicensed adrenaline pen.

The gross margin is expected to improve slightly, mainly as a consequence of changes in the product mix. Research and development expenses will be affected partly by a high level of activity linked to the further development of tablet based vaccines and partly by preparations for the production and supply of tablets to our partners with a view to sales in North America and Japan.

In 2011, sales and marketing expenses will be affected by corporate acquisitions undertaken and product launches, including the launches of GRAZAX® in France and JEXT® in Europe.

Operating profit (EBITDA) is expected to total DKK 360 million, equivalent to an increase of 25%. In 2011, ALK expects to recognise approximately DKK 150 million of the DKK 225 million which ALK received on entering into the agreement with Torii.

Growth in earnings is expected despite the fact that ALK's sales and earnings in 2011 are being reduced by around DKK 130 million as a result of the temporary reduction and freezing of medicine prices in Germany. A negative impact on earnings of approximately DKK 50 million has also been recognised as a consequence of the phasing-out of the inlicensed adrenaline pen and the launch of the new product JEXT®. Earnings in other areas and adaptive business measures will ensure the expected solid earnings growth in 2011.

## **Capital**

At the end of 2010, ALK had total cash of DKK 250 million and no appreciable debt. Overall, with its liquid assets, credit facilities and increase in share capital ALK has around DKK 1 billion for possible corporate acquisitions.

The Board of Directors assesses that the capital structure is adequate and equips the company well for continued growth and the carrying out of appropriate acquisitions.

On this basis, the Board of Directors proposes a dividend for 2010 of DKK 5 per share, to be paid on Thursday 7 April 2011.

## **Share performance**

In the 2010 financial year, ALK's share fell in value from DKK 409 at the start of the financial year to DKK 321.50 at the end of the year, equivalent to a fall of 21%. Since the turn of the year, the price has fluctuated greatly but is now at roughly the same level as at the start of the year.

In 2010, the average daily share turnover was DKK 6 million, compared to DKK 7 million in 2009. The number of shareholders remains high, with a total number of registered shareholders of just under 15,000. Ten equity analysts are continuously monitoring ALK.

The share price development is obviously not satisfactory. But it is important to stress that in recent years ALK has continually improved both sales and earnings. ALK expects to increase earnings again in 2011 and has a clear expectation that the strategy put in place will create considerable long-term value for our shareholders.

### **Calculation and allocation of profit**

Consolidated profit before tax of the ALK Group increased by 9% to DKK 207 million. As you will know, the calculation and allocation of profit is based on the financial statements of the parent company, ALK-Abelló A/S. Here, the profit before tax was DKK 99 million and the profit after tax was DKK 125 million as a result of tax losses carried forward in Denmark.

As previously stated, the Board of Directors proposes that for 2010 an ordinary dividend of DKK 5 per share should be declared, which is equivalent to a total of DKK 51 million, corresponding to 40% of the profits. It is proposed that the remaining DKK 74 million be taken to reserves.

With these remarks the Board of Directors asks that the shareholders approve the submitted annual report and the proposed allocation of net profit for the financial period 1 January to 31 December 2010, and that the submitted report by the Board of Directors and Board of Management be adopted.

Finally, I would like to thank the Board of Directors and Board of Management for their excellent collaboration and not least our 1,700 or so employees in ALK for their efforts in 2010. Thank you.

The chairman of the meeting subsequently opened up the meeting for debate.

The following comments were then received from the floor:

Claus Berner Møller, Portfolio Manager of ATP, thanked the chairman of the Board for his report for 2010.

Claus Berner Møller stated that ATP considered ALK's objectives of achieving DKK 3 billion in revenue and an EBITDA margin of 25% in 2015 to be ambitious, but hopefully achievable.

Claus Berner Møller asked for the Board of Directors' assessment of the greatest risks that could prevent ALK from achieving the new objectives.

Claus Berner Møller expressed satisfaction at ALK's newly concluded partnership with Torii Pharmaceutical in Japan, and in this regard he referred to the financial statements, in which it was stated that ALK wished to enter into new partnerships, and he therefore asked when and within which business areas ALK expected to enter into new partnerships.

Finally, Claus Berner Møller said farewell to Jørgen Worning and Nils Axelsen, thanking them for the excellent dialogue in the past and wishing them every success in their future work.

The next speaker was John Aagaard from the Danish Shareholders Association.

John Aagaard praised the positive progress at ALK with growth in both revenue and earnings, and noted that the introduction of GRAZAX® had taken time but that it looked as if sales in Europe were developing positively with an increasing number of users.

John Aagaard commented on a hopefully quick approval of GRAZAX® by the health authorities in the US market and asked when we could expect the product to be commercialised in the USA and what the prospects were going forward. He also asked what the earnings-related effect was for the company and the shareholders.

On behalf of the Danish Shareholders Association, John Aagaard praised the content of ALK's annual report, and especially the section on social responsibility. He then asked how the company planned to achieve its objective of reducing energy consumption to the 2008 level by 2014.

He then commented on the political austerity measures that Germany and the Netherlands had made in relation to reimbursements for pharmaceutical products and asked what the effect of the austerity measures in the Netherlands would be.

Finally, John Aagaard noted that the revenue per employee had only grown to DKK 1.3 million per employee in 2010 from DKK 1.2 million per employee in 2007, and asked why ALK had not achieved a greater increase in revenue per employee.

Jørgen Worning first addressed ATP's comments and said that one of the greatest risks in a company such as ALK where large sums were devoted to clinical studies was the results not turning out as expected. For a company that develops pharmaceutical products this would always be the biggest risk.

However, Jørgen Worning expressed satisfaction at the confidence that Torii Pharmaceutical in Japan had shown in ALK's products by paying DKK 225 million to collaborate with ALK.

As regards plans for future partnerships, Jørgen Worning explained that the company saw opportunities in the BRIC countries as these countries all have large populations and burgeoning allergy treatment. According to Jørgen Worning, it was difficult to give a specific time horizon, but work was being done on this.

Jørgen Worning then responded to the comments from the Danish Shareholders Association and explained that at the present time negotiations were under way and that it was therefore difficult to say anything specific, but that it was expected that Merck would submit a registration application in the USA in 2011. Out of respect for the cooperation with Merck, Jørgen Worning was not able to go into the prospects in more detail, but he expressed the hope that it would mean a very positive development for ALK.

Regarding energy consumption, Jørgen Worning referred to the annual report and explained that the energy consumption should be seen in light of acquisitions and new buildings as well as preparations for launches in big markets. Jørgen Worning noted that the annual report refers to the expectations for the coming year because going forward we will examine and assess energy consumption in each of the production units one year at a time.

Concerning revenue per employee, Jørgen Worning explained that ALK spends 17% of revenue on product development, which is a very high figure for pharmaceutical companies and particularly for a company of ALK's size. He explained that the strategy had been and still was to get ALK out into the big markets, which were investments in the future, and that the company was confident of increased revenue with the present capacity.

The chairman of the meeting pointed out that the general meeting was the first since the full implementation of the new Danish Companies Act, and hence section 101 (5) requiring a full statement of votes cast, with details of how many shares voted for, against, etc., even if the outcome of the vote may be reasonably clear. This will mean that for each item on the agenda in a given case there would need to be a written vote. As with the agreement of the shareholders it is possible to waive this requirement, the chairman recommended that the general meeting should proceed as before and thus only go to a written vote if there was doubt as to whether a proposal had been adopted, to which the shareholders agreed.

The chairman of the meeting also explained that this procedure would be followed for all items on the agenda unless a shareholder requested otherwise.

The general meeting then took note of the report, adopted the annual report, discharged the Board of Directors and Board of Management from its duties, and approved the allocation of profit and the proposed dividend.

#### **Re 4. Authority to the Board of Directors to buy treasury shares**

The Board of Directors proposed that it be authorised for the period until the next annual general meeting to let the Company acquire own B shares regularly. Such shares may only be acquired for an amount that, together with the treasury shares already held by the Company, at no time exceed a nominal value of 10% of the share capital. The consideration for such shares may not deviate by more than 10% from the official quoted price of the B shares on NASDAQ OMX Copenhagen A/S on the date of acquisition.

No shareholders wished to take the floor.

The shareholders adopted the proposal of the Board of Directors.

#### **Re 5. Authority to the Board of Directors to increase the company's share capital and to issue warrants**

The authorisations to the Board of Directors in the Company's Articles of Association article 4a.1 – 4a.5 and article 4b to increase the Company's share capital and issue warrants expired on 12 December 2010 while the authorisation in the Articles of Association article 4a.6 – 4a.10 to increase the share capital expires on 1 April 2011. The present articles 4a and 4b are consequently deleted from the Articles of Association.

In the light of these facts, the Board of Directors proposed the following amendments to the Articles of Association. A draft of the Articles of Association with all the amendments proposed

by the Board of Directors is available on the Company's website:  
[www.alk-abello.com/investor/agm](http://www.alk-abello.com/investor/agm).

- a) Introduction of a new article 4a to read as follows:

*"Authorization to increase the A and B share capital*

*4a.1 The share capital may by resolution of the Board of Directors in the period including the day of the annual general meeting to be held in 2012 in one or more issues be increased by the issue of new shares having a nominal value of up to DKK 10,128,360, equivalent to A shares having a nominal value of up to DKK 920,760 and B shares having a nominal value of up to DKK 9,207,600. On any increase of the share capital, the ratio between the two share classes shall remain unchanged, and A shares and B shares shall be offered at the same price. The share capital may be increased for cash or other consideration.*

*For shares issued at market price, the Board of Directors may decide that they shall be offered without pre-emption rights to the B shareholders, including that the new shares may only be subscribed by one or more specific investors, by way of a specific creditor's swap of debt, or as full or partial consideration for the acquisition of an operation or specific assets. However, the Board of Directors shall not have the power to direct that the capital increase can only be subscribed by one or more specific investors for cash consideration. If the shares are offered at market price, the price of both the A shares and the B shares shall be the market price of the Company's B shares.*

*4a.2 A shares subscribed and issued pursuant to article 4a.1 above shall be designated AA shares and shall, like the A shares, be non-negotiable instruments, which shall be issued to bearer and be registered in the name of the holder in the Company's register of shareholders. The B shares subscribed and issued under article 4a.1 above shall be negotiable instruments and shall be issued to bearer, but may be registered in the name of the holder. No restrictions apply to the transferability of the new shares, see article 4.4 above.*

*With the exception of the provision set out in article 4a.5, the AA shares shall have the same rights and obligations as the existing A shares. If the authorization under article 4a.1 is utilized for several issues of shares, the A shareholders and the AA shareholders shall have joint pre-emption rights to the AA shares offered, and the pre-emption rights shall be exercised in proportion to each shareholder's nominal holding of A shares and AA shares.*

*4a.3 The Board of Directors is authorized to amend the Articles of Association as a result of any capital increases made in pursuance of article 4a.1 above.*

*4a.4 For future capital increases which are not subject to the authorization given to the Board of Directors under article 4a.1, the share capital of the Company may be increased by offering A shares, AA shares and B shares at the ratio then existing between the three share classes. A shareholders shall have pre-emption rights to new A shares, AA shareholders shall have pre-emption rights to new AA shares, and B shareholders shall have pre-emption rights to new B shares. The pre-emption rights*

*shall be exercised pro rata in proportion to the nominal shareholding of each shareholder.*

*4a.5 In the event that one or more AA shares are transferred by agreement to be held by individuals or legal entities other than the Lundbeck Foundation or companies which are group affiliated with the Lundbeck Foundation, cf. the definition of groups in section 6 of the Danish Companies Act, or in the event that a company which holds AA shares is no longer group affiliated with the Lundbeck Foundation, such AA shares shall be transferred to the B share capital in the same nominal amount as the AA shares until then. The Board of Directors shall convene an extraordinary general meeting as soon as possible after such a situation has arisen, at which the Board of Directors shall propose that the AA share capital be reduced by the AA shares transferred against an equivalent increase of the B share capital by new B shares. The capital reduction and capital increase shall be made at the same price per share. Notwithstanding articles 4.6 and 4a.4 above, the new B shares shall only be subscribed by the transferee of the AA shares transferred, or by the company which was previously group affiliated with the Lundbeck Foundation.”*

- b) Introduction of a new article 4b to read as follows:

*“Authorization to issue warrants and concurrently increase the share capital*

*4b.1 The Board of Directors is authorized to make one or more issues of warrants to executives and senior managers of the Company, and other companies which are either controlled by the Company or associated companies to subscribe up to DKK 2,800,000 nominal value of B share capital in the Company, equivalent to 280,000 B shares of DKK 10 nominal value each.*

*The authorization shall be in force until 31 March 2016. The shareholders of the Company shall have no pre-emption rights to any warrants so issued. The specific terms and conditions for the grant of warrants shall be laid down by the Board of Directors.*

*4b.2 The Board of Directors shall be authorized to increase the B share capital by one or more issues of shares up to DKK 2,800,000 nominal value or 280,000 B shares of DKK 10 nominal value each for cash payment in connection with the exercise of warrants issued under article 4b.1 above.*

*The authorization shall be in force until 31 March 2016. The shareholders of the Company shall have no pre-emption rights to the B shares issued under this provision. The Board of Directors shall lay down the specific terms and conditions governing the capital increase.*

*On each capital increase under this authorization, the ratio between A shares and AA shares, on the one hand, and B shares, on the other hand, shall be retained. The Board of Directors is therefore authorized to pass resolutions to increase the share capital by one or more issues of new shares up to DKK 280,000 nominal value of AA share capital, equivalent to 28,000 AA shares of DKK 10 each for cash payment in connection with the Board of Directors' resolution to issue new B shares under this provision. The price of the new AA shares shall be the market price of the B shares on*

*the date of subscription. The existing A shareholders and AA shareholders shall have joint rights of pre-emption to the new AA shares that are issued, exercisable pro rata in proportion to each shareholder's nominal holding of A shares or AA shares.*

*4b.3 The new B shares subscribed by holders of warrants under article 4b.2 shall be negotiable instruments and shall be issued to bearer but may be registered in the name of the holder, cf. article 4.3 above. The new AA shares to be issued to existing A shareholders and AA shareholders under article 4b.2 shall be non-negotiable instruments and shall be issued to named holders and be registered in the register of shareholders of the Company. Reference is made to articles 4a.2, 4a.4 and 4a.5 above with regard to the rights and obligations applicable to the new AA shares.*

*4b.4 The Board of Directors is authorized to amend the Articles of Association as a result of the issue of warrants under article 4b.1 and capital increases under article 4b.2, above."*

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposed authorisation to the Board of Directors was adopted.

#### **Re 6. Election of members to the Board of Directors**

Pursuant to the Articles of Association, article 8.2, all members of the Board of Directors were up for election.

Jørgen Worning and Nils Axelsen were not standing for re-election.

The Board of Directors proposed the re-election of:

Lars Holmqvist because of his experience in management, finance and sales and marketing in the international pharmaceutical industry. Lars Holmqvist was recommended as an independent member of the Board in accordance with point 5.4.1 of the Danish Recommendations on Corporate Governance.

Thorleif Krarup because of his extensive experience in managing large international companies, his financial and economic expertise and extensive Board experience from listed companies. Thorleif Krarup serves a.o. on the Board of H. Lundbeck A/S, the Lundbeck Foundation and Lundbeckfond Invest A/S.

Anders Gersel Pedersen because of his specific experience in management, innovation and research and development in the international pharmaceutical industry. Anders Gersel Pedersen was recommended as an independent member of the Board in accordance with point 5.4.1 of the Danish Recommendations on Corporate Governance.

Brian Petersen because of his experience in managing large international companies and his board experience. Brian Petersen was recommended as an independent member of the Board in accordance with point 5.4.1 of the Danish Recommendations on Corporate Governance.

With respect to existing members' directorships in other commercial enterprises, reference is made to the annual report.

Jørgen Worning announced that the four-year election period for employee-elected board members expired at this general meeting and therefore thanked Jesper Fromberg Nielsen, Lars Simonsen and Peter Adler Würtzen for their contributions as company representatives on the Board of Directors.

Jørgen Worning also announced that in March 2011 the employees of ALK had elected three new company representatives to the company's Board of Directors, namely Katja Barnkob Thalund, Dorthe Seitzberg and Jacob Kastrup, and welcomed them to the board.

The Board of Directors also proposed the new election of:

Steen Riisgaard because of his specific competences within management and board work as well as experience in research and development and sales and marketing in international companies. Steen Riisgaard holds an MSc from the University of Copenhagen and is President and CEO of Novozymes A/S. Steen Riisgaard is chairman of WWF (World Wide Fund for Nature) Denmark, vice chairman of Rockwool International A/S and Egmont International Holding A/S, and serves on the board of Egmont and Forskerparken CAT A/S. Steen Riisgaard was recommended as an independent member of the Board in accordance with point 5.4.1 of the Danish Recommendations on Corporate Governance.

Jes Østergaard because of his extensive experience within management of international companies within biotech, pharmaceuticals and diagnostics as well as board experience from listed companies. Jes Østergaard holds a Masters degree in Chemical Engineering and has a.o. previously been President and CEO of Dako A/S, managing director of Medicon Valley Academy and Corporate Vice President in Novo Nordisk A/S. Jes Østergaard serves on the Board of H. Lundbeck A/S, the Lundbeck Foundation, Lundbeckfond Invest A/S and Scion DTU A/S.

Jørgen Worning thanked Nils Axelsen for his efforts over the years and explained that he himself had to retire having reached the age of 70.

The general meeting then re-elected Lars Holmqvist, Thorleif Krarup, Anders Gersel Pedersen and Brian Petersen, and elected Steen Riisgaard and Jes Østergaard as new members of the Board of Directors.

#### **Re 7. Appointment of auditor**

The Board of Directors proposed that DELOITTE Statsautoriseret Revisionsaktieselskab be re-appointed.

The general meeting re-appointed DELOITTE Statsautoriseret Revisionsaktieselskab as auditors of the Company.

**Re 8. Authorisation to the chairman of the meeting**

The chairman of the meeting explained the content of the authorisation, which was to ensure registration of the amendments to the Articles of Association just adopted, which will entail, among other things, changes in numbering, terms and definitions, and references as a result of the entry into force of the new Danish Companies Act.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposed authorisation to the chairman of the meeting was adopted.

Outside the agenda, the vice chairman of the Board of Directors took the floor and thanked Jørgen Worning for his considerable and active efforts on the board over the past 20 years.

Finally, the chairman of the Board of Directors thanked the shareholders for attending the general meeting and the chairman for chairing the meeting, and then announced that light refreshments were available in the foyer, where the shareholders would have the opportunity to meet the Board of Directors and the Board of Management.

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General meeting adjourned.

Chairman of the meeting

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Søren Meisling

Chairman of the Board of Directors

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Thorleif Krarup