

---

Minutes of the Annual General Meeting of ALK-Abelló A/S held on 27 March 2012

TRANSLATION

---

At 4.00 p.m. on 27 March 2012 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, Thorleif Krarup, 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 and the President and CEO 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. Approval 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. Approval of the remuneration to the Board of Directors for the present year
5. Authority to the Board of Directors to buy treasury shares
6. Authority to the Board of Directors to increase the share capital
7. Approval of the revised general guidelines for incentive pay to the Board of Management of ALK-Abelló A/S
8. Election of members to the Board of Directors
9. Appointment of auditor
10. 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, Thorleif Krarup, presented the following report on the activities of the company during the latest financial year:

### **Events, strategy and corporate governance**

#### **2011 became a record year**

2011 became a record year for ALK. Revenue and earnings reached a historically high level of DKK 2,348 million and DKK 406 million, respectively. We can be pleased with and proud of these results, not least in a year of economic crisis like 2011.

#### **Good growth potential**

These years, the pharmaceutical industry is facing very difficult circumstances in Europe, where almost 90% of ALK's product sales take place. In the last few years, the authorities in many European countries have implemented restrictions on medicine prices and reimbursement as well as increasing demands for documentation and registration of existing and new medicine. This increases costs and limits market growth now and in the years ahead. It is our opinion that in the long term, this development will lead to continued consolidation to the benefit of ALK, which is the market leader.

Outside Europe, the market conditions and growth potential are considerably better. Today, standardised and clinically documented allergy immunotherapy is used only on a very limited scale in North America and Japan. We believe that there are good opportunities to develop these markets. Brazil, Russia, India and China – the so-called BRIC countries – and other high-growth countries are experiencing an explosive increase in the number of allergy cases these years, while allergy immunotherapy is used very little.

ALK is well positioned to benefit from the many opportunities. We have the financial strength to participate in the above-mentioned expected consolidation of the industry in Europe and to invest in research and development of new products that will enhance our competitive position. We have established partnerships in North America and Japan and we are represented in China so that we may benefit from the development in these markets. In the years ahead we will focus on expanding our position in the growth economies.

The implementation of ALKs' strategy plan, Focus 2014, is well under way. In 2011, we achieved important results as regards the strategic development of the company – in terms of both the launch of new products to enhance sales in our existing business and the other part of the strategy; development and global commercialisation of tablet based allergy immunotherapy.

#### **Enhanced base business**

First our base business – that is the sale of products in our existing business.

In 2011, we continued the launch of our new SCIT product, AVANZ<sup>®</sup>, which allows faster up dosing to the benefit of both physicians and patients. We also launched GRAZAX<sup>®</sup> in France after having agreed with the authorities on price and after having obtained reimbursement. In Denmark GRAZAX<sup>®</sup> was finally granted general conditional reimbursement. We also launched our own adrenaline pen, Jext<sup>®</sup>, which has so far been launched and well received in 14 countries.

### **Significant progress in the development of new products**

In 2011, we also made significant progress in the clinical development of new products.

As is well known, GRAZAX<sup>®</sup> is approved and marketed in Europe, but we continue with the clinical development. We are conducting the *GRAZAX<sup>®</sup> Asthma Prevention* trial, in which we investigate whether the treatment of allergic children and adolescents may prevent them from developing asthma. Allergic children are up to seven times more at risk of developing asthma than children without allergy. The trial, which includes 800 children, is progressing as planned and is expected to be completed in 2015. If the trial shows that GRAZAX<sup>®</sup> has the potential to prevent the development of asthma, it will be ground-breaking news for the large group of children who are at risk of developing asthma as well as for their parents.

In 2011, our partner in North America, Merck, initiated the largest clinical trial ever conducted with GRAZAX<sup>®</sup>. It includes no less than 1,500 patients. The trial is expected to be completed in 2012, and Merck expects to submit a registration application for GRAZAX<sup>®</sup> to the US health authorities, the FDA, in 2013. Merck also submitted a registration application to the Canadian health authorities in 2011 with a view to a possible launch in Canada during the current year.

The pipeline also includes a new AIT product against house dust mite allergy, MITIZAX<sup>®</sup>. House dust mite allergy is the most common indoor allergy in the world, affecting some 90 million people in Europe, North America and Japan. House dust mite allergy is also a major cause of allergic asthma. Clinical development programmes are being conducted in Europe, North America and Japan.

In Europe we decided to accelerate the development of MITIZAX<sup>®</sup> and initiate an additional Phase III clinical trial with a view to broadening the therapeutic use of the product and increasing the commercial potential. Therefore we are currently conducting two major trials with MITIZAX<sup>®</sup> in Europe: a trial to investigate the efficacy in the treatment of allergic rhinitis and a trial to investigate the efficacy in the treatment of allergic asthma for the purpose of applying for marketing authorisation of the product in Europe.

In Japan, our new partner, Torii, has initiated the clinical development of MITIZAX<sup>®</sup> with a Phase I trial. The trial is expected to be completed in the near future and to form the basis for the initiation of the clinical development activities of Phase II and Phase III with a view to generating data for an application for marketing authorisation in Japan.

In North America Merck is planning the clinical development programme for MITIZAX<sup>®</sup>.

Together with Merck we are also developing the AIT against ragweed allergy. Ragweed is a very widespread weed in North America. In the USA, around 30 million people suffer from ragweed allergy, which is the second most frequent allergy after grass pollen allergy, typically causing more – and more severe – symptoms for patients. At scientific congresses Merck has presented data from the two clinical Phase III trials. The trials showed that patients experienced a significant reduction of allergy symptoms and a reduction in the use of concomitant symptom relieving medication.

Progress is also being made in the development of a new AIT product against tree pollen allergy. ALK has previously conducted a Phase I trial with a tablet based allergy immunotherapy product for the treatment of tree pollen allergy. We expect to initiate a major clinical efficacy trial in 2012. Furthermore, together with Torii we are looking into the possibility of developing an allergy

immunotherapy tablet for the treatment of Japanese cedar pollen allergy. This is one of the most frequently occurring allergies in Japan.

On the whole, ALK has a very strong pipeline with products that have come far in the development process. This year more than 8,000 patients will participate in the clinical trials with ALK's products. In comparison, approximately 4,300 patients took part in the 17 trials with GRAZAX<sup>®</sup> that were conducted in the period 2001-2011. It will be exciting to follow the results of the many clinical trials in the next few years. With this pipeline, the Board of Directors believes that ALK is in a very good position to ensure growth and value creation in the years to come.

### **Significant progress in partnerships**

In 2011, we entered into a partnership agreement with Torii to develop, register and commercialise MITIZAX<sup>®</sup>, among other products, in Japan. On entering into the agreement, ALK received a payment of DKK 224 million in 2011. The collaboration is progressing very satisfactorily and, as I mentioned before, Torii has already initiated the clinical development of MITIZAX<sup>®</sup>.

In 2011, we also made significant progress with Merck – our partner in North America. As mentioned, Merck submitted a registration application for GRAZAX<sup>®</sup> in Canada, which released a milestone payment of DKK 26 million to ALK. As I already mentioned, Merck has published results with ragweed AIT and has initiated a clinical trial with GRAZAX<sup>®</sup>.

Last, but not least, Merck has announced that they expect to file a registration application for both GRAZAX<sup>®</sup> and ragweed AIT to the US health authorities, the FDA, in 2013. There is thus a possibility that both products may be launched in the USA in 2014.

### **Outlook for 2012 and long-term goals**

For the 2012 financial year, ALK anticipates continued growth in revenue and robust earnings. Vaccine sales are expected to increase by 3-5% and we expect to receive significant revenues from partnerships, although the contribution will probably be lower than in 2011. Total revenue of up to DKK 2.4 billion is expected for 2012.

As already mentioned, in 2011 we decided to further accelerate research and development activities. As a consequence, an extraordinarily high activity level is expected, which will entail increasing expenses, especially in 2012 and 2013. Research and development expenses are expected to account for more than 20% of revenue. Despite the high level of activity, operating profit before depreciation and amortisation (EBITDA) is expected to exceed DKK 300 million in 2012.

Our long-term financial ambition is still to achieve revenue of at least DKK 3 billion in 2015 and an EBITDA profit of at least 25%. In addition, sales and earnings from partner sales of tablets may accelerate in the years after 2015 once we and our partners have launched the full tablet portfolio.

### **Enhanced corporate governance**

During 2011 the Board of Directors has not been occupied exclusively with strategic development. We have also focused on continuous improvement of the way, the Board of Directors work, i.e. corporate governance.

In the Board of Directors we have regularly added new competences in line with the development of the company. Last year, the general meeting elected two new members to the Board of Directors. In addition, the employees elected three new representatives to the Board of Directors. Indeed, as

many as five of the nine members were new members, just as I was newly elected as chairman of the Board of Directors. However, I will not continue as chairman as it is the policy of the Lundbeck Foundation that the chairman of the board of directors of a company in which the foundation is a controlling shareholder should normally be appointed among the members who are not also members of the Lundbeck Foundation's Board of Trustees.

In 2011, the Board of Directors carried out a number of changes in corporate governance. As a result of these changes, which appear from the annual report, the company now complies with the recommendations on corporate governance to an even greater extent.

Thus, we have appointed two board committees: an audit committee and a remuneration committee.

We have made a formal evaluation, with external advice, of the work of the Board of Directors and our cooperation with the Board of Management. The result was very positive. The cooperation has been very fruitful and satisfactory.

Furthermore, we have decided to establish a whistleblower scheme, which will give the employees the opportunity for anonymous reporting of serious offences.

### **Share price performance**

Of course, the Board of Directors has also been tracking the performance of the ALK share. The equity markets experienced significant declines in 2011. This was not the case for the ALK share. It remained relatively stable during a year of difficult equity market conditions. At the end of the year, the price was unchanged compared with the price at the beginning of the year, i.e. DKK 321. Following the publication of the annual report and the announcement of good news in March, the price has gone up to DKK 425 or so.

In 2011, the average daily share turnover was DKK 4 million, against DKK 6 million in 2010. The number of shareholders remains high and we are pleased that the total number of registered shareholders is still approximately 14,000.

Today, ALK is followed by 11 equity analysts.

The company makes a considerable effort to communicate its strategy and results to investors. In 2011, almost 200 meetings were held with investors and analysts, and we participated in investor congresses, share fairs etc.

In 2011, we further strengthened our work with investor communication. Our website for investors has been upgraded and a newsletter on allergy and the development of ALK has been established. The newsletter is published roughly once every quarter and is a supplement to the company releases.

In 2011, we decided on a transition to electronic communication with our shareholders. All shareholders are therefore recommended to register their email addresses on ALK's InvestorPortal.

### **Financial results for 2011**

Jens Bager, President and CEO of ALK reviewed the financial results for 2011.

### **Revenue increased by 10%**

Revenue increased by 10% and amounted to DKK 2,348 million, which was in line with expectations. This is a satisfactory result – not least in the light of the economic crisis in Europe, where almost 90% of ALK's product sales take place.

Sales of allergy immunotherapy products in 2011 accounted for 81% of ALK's revenue. ALK offers all three forms of allergy immunotherapy: injections – called SCIT; drops – called SLIT; and tablets – called AIT. The remaining sales come from the other allergy-related products such as adrenaline pens and products for allergy diagnostics and – an important element in ALK's business model – revenues from partnerships.

The growth in sales of the injection based SCIT products was 1%. The sales performance was positive in Northern and Southern Europe and in the USA, but was offset by the anticipated downturn in Central Europe, mainly owing to political austerity measures, for instance in Germany, which reduced medicine prices by 10%.

The 9% increase in sales of drop based SLIT products is a result of conflicting trends. Sales went up in France and the Netherlands, but were under pressure in Germany, Spain and Italy as a consequence of new regulatory requirements and the general economic situation.

Sales of tablet based allergy immunotherapy – that is GRAZAX<sup>®</sup> – saw a satisfactory increase in volume of more than 20%. However, because of the previously mentioned political austerity measures in for instance Germany and Spain, sales in Danish kroner increased by 12% to DKK 183 million. A strong increase in sales was realised mainly in France and the Nordic countries. Sales of GRAZAX<sup>®</sup> now account for 8% of revenue, and GRAZAX<sup>®</sup> is ALK's biggest product for treating grass allergy.

Sales of other products (adrenaline pens, diagnostics, etc.) fell by 37% to DKK 201 million. This was solely due to the phasing-out of the sale of an inlicensed adrenaline product, which has now been replaced by ALK's own, improved adrenaline pen, Jext<sup>®</sup>. So far, the introduction of Jext<sup>®</sup> bodes well for future sales, and we are still of the opinion that sales of adrenaline products can be re-established within the next few years, but with higher earnings.

### **Increased market share in important markets**

As I have said, Europe is still our primary market. Sales in Northern and Central Europe declined in 2011. This was due partly to the mentioned phasing in of our own adrenaline pen, Jext<sup>®</sup>, and partly to the strict austerity measures in Germany. Despite the difficult conditions in Central Europe, we increased our market share in the important German market, among others.

In Southern Europe sales grew by 13%. This was due to, among other things, a continued positive development in France, where the market is growing and ALK is gaining market shares, and to our success in achieving sales growth in the difficult Spanish market.

Revenue in other markets – primarily China and the USA – increased by a satisfactory 10%.

Other revenue, which primarily consists of payments from partners, grew from DKK 19 million to DKK 248 million. The very high 2011 level is mainly due to our partnership with Torii in Japan.

### **Development in earnings**

Operating profit before depreciation and amortisation, EBITDA, increased by as much as 41% to DKK 406 million. The profit was extraordinarily high and was positively affected by revenues from partnerships in particular.

The gross margin was 74% compared with 70% the previous year: it was negatively affected by the political interventions in medicine prices and by the investments in the preparation of production for our partner in North America, but positively affected by company acquisitions and the changed product mix.

Capacity costs totalled DKK 1,440 million. Research and development costs increased by DKK 89 million – or 24% – to a total amount of DKK 455 million. The substantial increase in research and development activities reflects our increased commitment to development of the allergy products of the future, which in the long term have the potential to further accelerate ALK's growth and earnings.

Sales, marketing and administrative expenses were DKK 985 million in 2011. Disregarding acquisitions, the expenses are largely at the same level as the previous year, reflecting improved efficiency.

### **Free cash flow DKK 271 million**

The free cash flow for the year was an inflow of DKK 271 million.

The cash flow from operating activities was an inflow of DKK 431 million and was positively affected by revenues from partners, as well as changes in working capital as a consequence of minor reductions in inventories and receivables.

Cash flow from investing activities was an outflow of DKK 160 million and included investments in plant, equipment and software totalling DKK 139 million, as well as equity investments and other intangible assets totalling DKK 21 million.

The cash flow from financing activities was an inflow of DKK 225 million. ALK has raised a five-year bullet loan on very favourable terms from the European Investment Bank (EIB) for DKK 298 million. The free cash flow from financing activities also includes the distribution of ordinary dividends and the previously announced share buy-back programme.

At the end of the year, cash and cash equivalents totalled DKK 754 million, against DKK 250 million at the end of 2010. Combined with other credit facilities, this means that we now have up to DKK 1 billion for prospective acquisitions in connection with the consolidation of the allergy immunotherapy industry that we anticipate in the next few years.

### **Proposal for the allocation of profit**

The chairman of the Board of Directors, Thorleif Krarup thanked the Board of Directors and the Board of Management for their excellent cooperation and ALK's 1,800 or so employees for their efforts in 2011.

Thorleif Krarup then presented the Board of Director's proposal for the allocation of profit:

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

Consolidated profit before tax of the ALK Group increased by 55% to DKK 321 million. As you know, the calculation and allocation of profit is based on the financial statements of the parent company, ALK-Abelló A/S, where the profit before tax was DKK 144 million and the profit after tax was DKK 167 million as a result of tax losses carried forward.

The Board of Directors considers that the capital structure makes the company well prepared for continued growth and for making appropriate acquisitions.

The Board of Directors therefore proposes that the general meeting declare an ordinary dividend of DKK 5 per share, which is equivalent to a total of DKK 51 million. The dividend will be paid on 2 April. It is proposed that the remaining DKK 116 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 2011, and that the submitted report by the Board of Directors and Board of Management be adopted.

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

The following comments were then received from the floor:

John Aagaard from the Danish Shareholders Association congratulated ALK on the good results in the form of increasing revenue, growth in vaccine sales, a growing net profit and a rising share price.

John Aagaard commented on the statement in the annual report that ALK's partner, Merck, expects to submit a registration application for GRAZAX<sup>®</sup> to the FDA in 2013. John Aagaard asked for an explanation of why it takes so long to obtain approval of GRAZAX<sup>®</sup>. He also asked what factors might delay the process and how big the risk is that the result might ultimately turn out to be negative. He further asked what would be the long-term effect on ALK's earnings of a hopefully quick approval of the immunotherapy product.

On behalf of the Danish Shareholders Association, John Aagaard praised the content of ALK's annual report and, in the light of the annual report, he asked what the consolidation of the European allergy immunotherapy industry will mean to ALK's future earnings potential and what ALK's role will be. In this context, he specifically asked about ALK's position in respect of potential acquisitions.

John Aagaard then asked about the competitive situation, particularly ALK's competitors and ALK's position in relation to its competitors.

Finally, John Aagaard commented on ALK's allergy immunotherapy products not being patented and asked about the implications, including ALK's views on the risk of new competitors and other problems as a result of the fact that the products cannot be patented.

Thorleif Krarup was then given the floor and explained that the stricter requirements for regulatory approval apply globally to the entire pharmaceutical industry. He said that clinical trials are becoming larger and more expensive and that ALK is particularly affected by the fact that the company is operating in a relatively new field, allergy medicine, and that some authorities are facing challenges on how to handle this field. Thorleif Krarup explained that these challenges have

manifested themselves especially in the USA, where the authorities have been exceptionally cautious and have tightened the requirements as to statistical data for the approval of trials. He explained that new clinical trials are therefore being conducted to be absolutely sure of obtaining approval in the USA.

As to the consolidation of the market, Thorleif Krarup stated that with increased regulatory requirements the market tends to become dominated by the big players. Thorleif Krarup emphasised that as a market leader ALK has the financial strength to hold its own and that ALK has DKK 1 billion to spend in the event of relevant acquisition opportunities. He stated that it is still the Board of Director's objective that ALK should be the market leader.

Jens Bager also thanked John Aagaard and the Danish Shareholders Association for the praise. Jens Bager stated that there is no secrecy about ALK's competitors and that several of them appear from ALK's investor site. Jens Bager also said that ALK has one major competitor in the form of the French company Stallergenes, which holds 25% of the world market for allergy immunotherapy. In comparison, ALK holds around 33-34% of the world market for allergy immunotherapy. Jens Bager explained that the other players in the market are small and medium-sized companies and that it is expected that some of these companies will face difficulties as a result of the strict regulatory requirements.

Jens Bager explained that ALK has a unique product portfolio consisting of a base business of existing allergy immunotherapy products and that ALK is furthermore very committed to developing the allergy immunotherapy products of the future, such as tablets developed in cooperation with ALK's partners. He explained that compared with its competitors ALK is very committed to the development of new products and concepts with the aim of accelerating ALK's sales and earnings in the long term.

As regards the lack of patent protection, which is not possible to obtain, Jens Bager explained that ALK's manufacturing processes and quality assurance are quite unique and that new competitors intending to compete with ALK's products will have to start from scratch by finding the raw materials and designing the manufacturing processes, and that they will have to carry out the long clinical development process, which normally takes 8-10 years.

Finally, Thorleif Krarup talked about what the overall picture will mean to the company's earnings. He explained that the increased regulatory requirements put the industry under pressure. He also explained that ALK has chosen to invest considerably in ALK's pipeline and that earnings may therefore in the short term be a little lower than in 2011. However, Thorleif Krarup stated that the Board of Directors expects this to have a positive effect on the results in the long term.

The next speaker was Kjeld Turman, who disagreed that the situation of the shareholders had been improved by electronic communication. He asked if it was possible to continue to receive information in writing. The chairman of the Board of Directors answered Kjeld Turman and emphasised that the introduction of electronic communication was authorised by the Articles of Association, but that the company would of course continue to communicate in writing in the conventional way with Kjeld Turman and other shareholders who expressed a wish to receive written communication.

As no one else wished to take the floor, the chairman of the meeting declared that the discussion had ended. As approval of the annual report was on the agenda, the chairman of the meeting drew attention to the opinion in the annual report given by the auditors appointed by the general meeting,

stating that the financial statements give a true and fair view of the Group's and the Parent's financial position.

The chairman of the meeting gave an account of the Danish Companies Act's 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 would 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. Approval of the remuneration to the Board of Directors for the present year**

The Board of Directors proposed to the general meeting that the fees to the Board of Directors remain unchanged, thus that the fee to each board member amount to DKK 275,000, however, that the Vice Chairman receive the double, DKK 550,000, and the Chairman receive the triple, DKK 825,000.

Further, the Board of Directors proposed that the fees to the board members who are members of the remuneration and the audit committees remain unchanged, i.e. DKK 100,000. The fee for the Chairman of each committee remain unchanged DKK 150,000.

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 buy treasury shares**

The Board of Directors proposed to the general meeting 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 exceeds 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 6. Authority to the Board of Directors to increase the company's share capital**

The authorisation to the Board of Directors in the Company's Articles of Association article 4a.1 to increase the Company's share capital expires on the date of this Annual General Meeting in 2012. The present article 4a is 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.

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

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

**4a.1** *During the period up to and including the day of the annual general meeting to be held in 2013, the share capital may by resolution of the Board of Directors in one or more issues be increased by the issue of new shares with a nominal value of up to DKK 10,128,360, equivalent to A shares with a nominal value of up to DKK 920,760 and B shares with 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. Increases of the capital pursuant to this authorisation may take place at a price below the market price and shall be with pre-emption rights to all shareholders.*

**4.a.2** *During the period up to and including the day of the annual general meeting to be held in 2013, the share capital may by resolution of the Board of Directors in one or more issues be increased by the issue of new shares with a nominal value of up to DKK 10,128,360, equivalent to A shares with a nominal value of up to DKK 920,760 and B shares with 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. Increases of the capital pursuant to this authorisation must be at market price and subscription must take place without pre-emption rights to the B shareholders.*

*The Board of Directors may decide 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.3** *Increases of the share capital pursuant to articles 4a.1 and 4a.2 may not in total exceed a nominal value of DKK 10,128,360, equivalent to A shares with a nominal value of up to DKK 920,760 and B shares with a nominal value of up to DKK 9,207,600.*

**4a.4** *A shares subscribed and issued pursuant to articles 4a.1 and 4a.2 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 articles 4a.1 and 4a.2 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 articles 4.4 above.*

*With the exception of the provision set out in article 4a.7, the AA shares shall have the same rights and obligations as the existing A shares. If the authorisations under articles 4a.1 and/or 4a.2 are utilised 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.5** *The Board of Directors is authorised to amend the Articles of Association as a result of any capital increases made in pursuance of articles 4a.1 and 4a.2 above.*

**4a.6** *For future capital increases which are not subject to the authorisations given to the Board of Directors under articles 4a.1 and 4a.2, 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.7** *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 at 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.6 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."*

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. 7 Approval of revised general guidelines for incentive pay to the Board of Management of ALK-Abelló A/S**

The Board proposed that the revised "General guidelines for incentive pay to the Board of Management of ALK-Abelló A/S" prepared by the Board of Directors be approved by the general meeting.

The chairman of the Board of Directors went through the proposal. The changes related to (i) section 4 of the guidelines regarding cash bonus, which the Board of Directors proposed be maximised to six months for the CEO and four months for the EVPs and (ii) section 5, where the Board of Directors proposed that a conditional share programme be introduced.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the revised general guidelines for incentive pay to the Board of Management in ALK-Abelló A/S were adopted.

## **Re 8. 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.

Brian Petersen was 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 is 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 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 boards of H. Lundbeck A/S and the Lundbeck Foundation.

### **Anders Gersel Pedersen**

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

### **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 is 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 in management of international companies within biotech, pharmaceuticals and diagnostics as well as board experience from listed companies. Jes Østergaard serves a.o. on the boards of H. Lundbeck A/S and the Lundbeck Foundation.

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

Thorleif Krarup stated that, if re-elected by the general meeting, Steen Riisgaard would be willing to act as chairman of the Board of Directors.

Thorleif Krarup also stated that in March 2011 the employees of ALK elected three new company representatives to the company's Board of Directors: Katja Barnkob Thalund, Dorthe Seitzberg and Jacob Kastrup. As the three employee-elected board members are elected for a four-year term, they continue as members of the Board of Directors.

The Board of Directors also proposed the new election of Christian Dyvig. Christian Dyvig has extensive international experience from the financial sector with special focus on acquisitions and expertise in active strategic ownerships. Christian Dyvig has a background as Master of Laws and

holds an MBA. He is the CEO of the Lundbeck Foundation and has been a partner in Nordic Capital and the investment bank Morgan Stanley. Moreover, he has held a number of management and board positions in companies, including the position as chairman of the board in companies where he has been a co-owner (Falck A/S, Kompan A/S).

Christian Dyvig is member of the boards of directors of H. Lundbeck A/S, FIH Erhvervsbank A/S and C P Dyvig & Co.

Thorleif Krarup thanked Brian Petersen for his contribution to and work on the Board of Directors and explained that, being a member of the Lundbeck Foundation's Board of Trustees, he was not able to continue as chairman himself.

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

#### **Re 9. Appointment of auditor**

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

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

#### **Re 10. 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.

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.

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.

\*\*\*\*\*

General meeting adjourned.

Chairman of the meeting

Chairman of the Board of Directors

---

Søren Meisling

---

Steen Riisgaard