

Company release No 14/2016

Hørsholm
18 March 2016

Grant of share options and conditional shares to members of the Board of Management and key employees

Page 1/2

ALK (ALKB:DC / OMX: ALK B / AKABY / AKBLF):

Share option programme

According to the guidelines for incentive payments adopted at the Company's annual general meeting on 10 March 2016, the Board of Directors has passed a resolution to grant a total of 28,120 share options, comprising 8,720 options to the members of the Board of Management and 19,400 options to a group of key employees.

The options can be exercised during the period from 1 March 2019 to 1 March 2023 during the trading windows following the release of annual and interim reports. If the option holders have not exercised their options within the period specified, the options will lapse without any compensation to the holders.

The exercise price of the options has been set at DKK 972 each, corresponding to an average of the closing prices of the Company's shares on NASDAQ Copenhagen during the period 11 - 17 March 2016 (both days included). To this should be added annual interest at the rate of 2.5%, which will be added the first time on 1 March 2017. The exercise price of the options will be adjusted on payment of dividend of more or less than DKK 5 per share, to the effect that dividend in the amount of DKK 1 per share exceeding/below DKK 5 results in a reduction/addition of the exercise price by DKK 1.

The market value of the adopted option plan of 28,120 options is approximately DKK 5.8 million applying the Black & Scholes model for valuation of options. The determination of the value is based on an assumed exercise price of DKK 1,073, an annual dividend distribution of DKK 5 per share, a volatility rate of 30% p.a. and a risk-free interest rate of -0.06% p.a.

Under the international financial reporting standards (IFRS), the incentive plan will be recognised in the income statement in the respective functional areas over the vesting period.

Conditional share programme

The Board of Directors has passed a resolution to grant conditional shares in accordance with the guidelines for incentive pay adopted at the Company's annual general meeting on 10 March 2016. The scheme comprises a total of 6,014 conditional shares, including 1,864 shares to the members of the Board of Management and 4,150 shares to a group of key employees. The market value of the conditional shares is approximately DKK 5.8 million, calculated on the basis of an average of the closing prices of the Company's shares on NASDAQ Copenhagen during the period 11 - 17 March 2016 (both days included).

The grant of the conditional shares reflects the maximum achievable number of shares. The final transfer of ownership of the shares takes place three years after the grant (2019), and is conditional upon continued employment at the time of the transfer of ownership. Furthermore, the final number of conditional shares granted will depend on the Board of Directors' assessment of the general progress in the company.

Under the international financial reporting standards (IFRS), the incentive plan will be recognised in the income statement in the respective functional areas over the vesting period.

The grant of share options and conditional shares does not change the Company's financial forecast.

No share options or conditional shares have been granted to members of the Board of Directors.

ALK-Abelló A/S

For further information please contact:

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