

NASDAQ OMX Copenhagen A/S
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Ref SLB/hdg

Announcement no. 18/2010Date 3 December 2010
Page 1 of 6**Alm. Brand A/S – Alm. Brand A/S publishes prospectus in connection with fully underwritten rights issue**

- The rights issue comprises 156,150,000 new shares with a nominal value of DKK 10 each.
- The offering will be completed with pre-emptive rights to the company's existing shareholders.
- The rights issue is fully underwritten.
- The offer price is DKK 10 per share with a nominal value of DKK 10.
- The gross proceeds from the offering will amount to DKK 1,561 million.
- The subscription period commences on 9 December 2010 and closes on 22 December 2010.

The Board of Directors of Alm. Brand A/S today resolved to exercise the authorisation in article 3a of Alm. Brand's articles of association to increase the company's share capital by offering a total of 156,150,000 shares ("Offer Shares") with pre-emptive rights to the company's existing shareholders at a price of DKK 10 per share with a nominal value of DKK 10 (the "Offering"). Alm. Brand A/S publishes a prospectus in connection with the Offering.

Reasons for the Offering

In the years from 2005 to 2008, the group's business volume grew in line with the strategy then pursued, and the profit developed positively. In the second half of 2008, the group was to a significant extent adversely affected by the global financial crisis and the ensuing economic downturn in Denmark, which resulted, inter alia, in a substantial negative price correction in the Danish property market. Alm. Brand's non-life insurance and life insurance activities were impacted to a limited extent, while Alm. Brand Bank was severely affected. The bank's considerable exposure to the Danish property market accelerated the effects of the financial crisis on the bank and led to substantial impairment writedowns on loans and credit losses on mortgage deeds. The Bank has consequently recorded impairment writedowns on loans for a total of DKK 2.9 billion during the period from the second quarter of 2008 until the end of the third quarter of 2010. Management estimates that impairment writedowns on loans and credit losses on mortgage deeds from 1 October 2010 until the end of 2012 will amount to almost DKK 700 million. However, the scope of impairment writedowns on loans and credit losses on mortgage deeds in the bank over the next few years is subject to substantial uncertainty. Moreover, the capital requirements to financial institutions under the Solvency II and Basel III rules are expected to increase.

The proceeds from the Offering will be used to strengthen the company's capital base and to create a foundation for the future value creation in Alm. Brand, including to ensure:

- the company's capital base, including that the group's subsidiaries may continue to comply with the expected increased capital requirements resulting from Solvency II and Basel III with a satisfactory buffer margin;

- that the company can reduce its debt financing ratio by conversion of senior loans in the company provided by Alm. Brand af 1792 fmba equivalent to DKK 900 million in aggregate;
- that Alm. Brand Bank receives a contribution of additional capital in the amount of approximately 600 million (in addition to the DKK 600 million capital contribution received on 17 November 2010) in the period until 31 December 2012 with a view to addressing the expected impairment writedowns on loans and credit losses on mortgage deeds which have already been announced, as well as with a view to repaying subordinated loans of DKK 400 million; and
- that Alm. Brand achieves increased financial scope to develop its business.

Advance undertakings

Alm. Brand A/S has received a binding advance undertaking from the company's principal shareholder, Alm. Brand af 1792 fmba, that the latter will participate to the extent of its proportionate ownership share by subscribing for a total of 90,711,801 new shares of DKK 10 each by cash payment of DKK 7,118,010 and by conversion of senior loans of DKK 900 million granted to Alm. Brand A/S.

The company has also received binding advance undertakings from the Board of Directors, the Management Board and key employees that they will subscribe for a total of 156,641 new shares of DKK 10 each.

Underwriting commitment agreements

Alm. Brand A/S has entered into binding underwriting commitment agreements (the "Underwriting Commitment Agreements") with Realdania, Skandinaviska Enskilda Banken A/S and Alm. Brand af 1792 fmba, among others, to the effect that, subject to the satisfaction of certain conditions, they will subscribe for a total of 65,281,558 new shares of DKK 10 each if such shares are not subscribed for by the exercise of pre-emptive rights. Of this, Alm. Brand af 1792 fmba's underwriting commitment amounts to a total of up to 4,376,908 new shares by payment first of DKK 20 million and subsequently by conversion of subordinated loans of up to DKK 23,769,080.

Proceeds

The company is secured subscription of a total of 156,150,000 Offer Shares pursuant to the terms of the Advance Undertakings made and the Underwriting Commitment Agreements concluded, equivalent to 100% of the Offering and gross proceeds of DKK 1,561 million in aggregate. After deduction of estimated expenses relating to completion of the Offering, Alm. Brand A/S expects to receive net proceeds of approximately DKK 1,499 million.

The completion of the Offering with expected net proceeds of approximately DKK 1,499 million will have the direct effect of increasing the Alm. Brand group's capital resources as at 30 September 2010 to DKK 5.9 billion, equivalent to an excess relative to the statutory capital requirements of DKK 1.9 billion as at 17 November 2010. The company has adjusted its internal capital target to the expected stricter future requirements under Solvency II and Basel III. The adjustment of the internal capital target results in an overall capital target for the group of approximately DKK 5.9 billion, which management believes to comprise a satisfactory buffer margin.

Financial adviser

Alm. Brand A/S has appointed SEB Enskilda Corporate Finance ("SEB Enskilda") as its financial adviser and sole lead manager in connection with the Offering.

Terms of the Offering

The Offering

The Offering comprises 156,150,000 shares with a nominal value of DKK 10 each ("Offer Shares") with pre-emptive rights to the company's existing shareholders.

Offer price

The new shares are offered at DKK 10 per share with a nominal value of DKK 10 each, free of brokerage.

Subscription ratio

The Offering is completed at the ratio of 9:1, meaning that any existing shareholder of the company who is registered with VP Securities A/S as a shareholder on 8 December 2010 at 12.30 p.m. will be allocated nine pre-emptive rights for each share with a nominal value of DKK 10 held. One (1) pre-emptive right will entitle the holder to subscribe for one (1) new share with a nominal value of DKK 10 against payment of DKK 10.

Trading in pre-emptive rights

The pre-emptive rights can be traded on NASDAQ OMX Copenhagen A/S during the period from 6 December 2010 at 9.00 a.m. CET to 17 December 2010 at 5.00 p.m. CET. The Pre-emptive Rights have ISIN code DK0060255792 (ALMBT).

Subscription period

The subscription period for the Offer Shares commences on 9 December 2010 and closes on 22 December 2010 at 5.00 p.m. CET. Any pre-emptive rights that are not exercised during the subscription period will lapse with no value, and the holder of such pre-emptive rights will not be entitled to compensation.

Payment and delivery

Upon exercise of the pre-emptive rights, the holder must pay DKK 10 per Offer Share for which he or she subscribes. Payment for the Offer Shares shall be made in Danish kroner on the date of subscription, however, not later than 22 December 2010, against registration of the Offer Shares in the investor's account with VP under the unlisted temporary ISIN code.

Alm. Brand af 1792 fmba's participation will be paid in by conversion of senior loans of DKK 900 million and cash payment of DKK 7,118,010. Moreover, Alm. Brand af 1792 fmba has made a binding underwriting commitment to subscribe for new shares to be paid in first by cash payment of up to DKK 20 million and subsequently by conversion of up to DKK 23,769,080 of the subordinated loans granted to Alm. Brand.

Under Danish company law, shareholders who hold employee bonds issued by Alm. Brand A/S for a total nominal amount of approximately DKK 31.5 million would be entitled to subscribe for shares by converting the relevant bonds. Such conversion would have adverse tax consequences and is generally not allowed due to the conditions requiring employee bonds to be held in restricted accounts. Enquiries concerning conversion of employee bonds and the restrictions thereon should be addressed to Alm. Brand A/S.

Remaining shares

Offer shares which are not subscribed for by the company's shareholders exercising pre-emptive rights ("Remaining Shares") or by other investors exercising acquired pre-emptive rights may, without compensation to the holders of unexercised pre-emptive rights, be subscribed for by existing shareholders or Danish investors in general who have made binding undertakings to such effect before the end of the subscription period. If such binding undertakings exceed the number of Remaining Shares, allocation will take place on the basis of a plan of distribution to be determined by the Board of Directors of Alm. Brand A/S in consultation with SEB Enskilda. Allocation will take place on the basis of undertakings received without taking into account whether the subscribers are shareholders or non-shareholders of the company. Interested existing shareholders and Danish investors can read more about this in the prospectus and on the company's website, at www.almbrand.dk/kapital, where a form for submitting undertakings to subscribe for Remaining Shares is also available. The Underwriting Commitment Agreements are subordinate to any undertakings to subscribe for Remaining Shares.

Trading in and official listing of Offer Shares

The Offer Shares will be registered under the temporary unlisted ISIN code DK0060255602. Upon completion of the Offering, the Offer Shares will be registered with the Danish Commerce and Companies Agency, and as soon as possible thereafter, the temporary ISIN code will be merged with the ISIN code of the Existing Shares, DK0015250344. The Offer Shares are expected to be admitted to trading and official listing on NASDAQ OMX Copenhagen on 3 January 2011.

Expected timetable

Announcement of prospectus	3 December 2010
Last day of trading in Existing Shares including pre-emptive rights:	3 December 2010
First day of trading in Existing Shares ex pre-emptive rights:	6 December 2010
First day of rights trading period:	6 December 2010
Allocation time for pre-emptive rights:	8 December 2010 at 12.30 p.m. CET
First day of subscription period:	9 December 2010
Last day of rights trading period:	17 December 2010 at 5.00 p.m. CET
Last day of subscription period:	22 December 2010 at 5.00 p.m. CET
Announcement of the results of the Offering:	27 December 2010
Expected date of registration of the Offer Shares with the Danish Commerce and Companies Agency:	30 December 2010
Expected admission to trading and official listing on NASDAQ OMX of the Offer Shares under the ISIN code of the Existing Shares. The temporary ISIN code of the Offer Shares is expected to be merged subsequently with the ISIN code of the Existing Shares in VP:	3 January 2011

Prospectus

Copies of the prospectus are available on request from:

SEB Enskilda
Bernstorffsgade 50
DK-1577 Copenhagen V
Denmark

Tel.: +45 33 28 29 00

E-mail: prospekt@enskilda.dk

Please direct any questions regarding this announcement to Søren Boe Mortensen, Chief Executive, on tel. +45 35 47 79 07 or Susanne Biltøft, Head of Information and Investor Relations, on tel. +45 35 47 76 61.

Yours sincerely,

Alm. Brand A/S

Søren Boe Mortensen
Chief Executive

This announcement does not constitute an offer to buy or sell or a solicitation to make an offer to buy or sell securities in Alm. Brand A/S ("Securities").

The issuer of the Securities has not registered and does not intend to register the Securities or any portion thereof in the United States, Canada, Australia or Japan or in any other jurisdiction and does not intend to make a public offering of the Securities in the United States, Canada, Australia or Japan or any jurisdiction outside Denmark. The prospectus, the pre-emptive rights and the Offer Shares have not been and will not be approved by regulatory authorities in jurisdictions outside Denmark.

This announcement may not be distributed in or otherwise made available, the Offer Shares may not be offered or sold, directly or indirectly, and the pre-emptive rights may not be exercised or otherwise offered or sold, directly or indirectly, in the United States, Canada, Australia or Japan or in any jurisdiction outside Denmark, unless such distribution, offering, sale or exercise is permitted under applicable laws in the relevant jurisdiction, and Alm. Brand A/S has received satisfactory documentation to that effect.

The prospectus, the Offering, the pre-emptive rights and the Offer Shares have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission or any other U.S. regulatory authority. The pre-emptive rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933 as amended ("Securities Act") or any state securities laws in the United States. Any transfer of pre-emptive rights and any offer and/or sale of the Offer Shares is not permitted except by offer and sale in accordance with Regulation S under the Securities Act.