



4 May 2011

First quarter report 2011**Lundbeck is off to a good start in 2011 as key products maintain momentum**

H. Lundbeck A/S (Lundbeck) reports first quarter revenue of DKK 4,103 million growing 7% compared to the same period last year. The increase was driven by positive development in all key products. Profit from operations was DKK 1,305 million, increasing 4% and corresponding to an EBIT margin of 31.8%.

- Continued solid growth in the key products Ciprale[®], Ebixa[®] and Azilect[®], growing 6%, 12% and 15% respectively.
- Revenue from Xenazine[®] was DKK 208 million and increased 74%.
- Sabril[®] sales increased 123% to DKK 75 million.
- Operating profit before depreciation and amortisation (EBITDA) was DKK 1,540 million, increasing 4% and corresponding to an EBITDA margin of 37.5%.
- Net profit was DKK 930 million, corresponding to earnings per share (EPS) of DKK 4.74.
- With the solid results for the quarter Lundbeck is on the way to deliver the financial guidance for 2011.

Distribution of revenue	Q1 2011 DKK m	Q1 2010 DKK m	Growth	Growth at CER*
Ciprale [®]	1,537	1,454	6%	3%
Lexapro [®]	741	727	2%	8%
Ebixa [®]	687	611	12%	11%
Azilect [®]	278	240	15%	15%
Xenazine [®]	208	119	74%	71%
Sabril [®]	75	34	123%	120%
Europe	2,056	1,982	4%	2%
USA	1,131	1,044	8%	12%
International Markets	877	734	19%	14%
Total revenue	4,103	3,849	7%	6%

* Constant exchange rates

In connection with the first quarter report, Lundbeck's President and CEO Ulf Wiinberg said: *"It has been a good first quarter and several positive pipeline events have improved our long-term outlook. In the beginning of the quarter our filing of Onfi[™] in the US was accepted by the FDA and recently Lexapro[®] was approved in Japan, opening up the way for a launch in the second half of the year. We are looking forward to being able to offer this treatment option in Japan."*

Financial highlights and key figures

	2011 Q1	2010 Q1	2010 FY
Financial highlights (DKK million)			
Revenue	4,103	3,849	14,765
Operating profit before depreciation and amortisation (EBITDA)	1,540	1,478	4,393
Profit from operations (EBIT)	1,305	1,254	3,357
Net financials	(38)	(11)	(68)
Profit before tax	1,267	1,243	3,289
Tax	337	298	823
Profit for the period	930	945	2,466
Equity	11,040	9,977	11,122
Assets	18,572	16,874	18,005
Cash flows from operating and investing activities	117	864	2,462
Property, plant and equipment investments, gross	77	38	383
Key figures			
EBITDA margin (%) ¹	37.5	38.4	29.8
EBIT margin (%) ¹	31.8	32.6	22.7
Return on capital employed (%)	10.3	11.1	27.6
Research and development ratio (%)	15.4	16.3	20.6
Return on equity (%) ¹	8.4	10.1	24.8
Solvency ratio (%) ¹	59.4	59.1	61.8
Capital employed (DKKm)	12,957	11,945	13,039
Share data			
Number of shares for the calculation of EPS (million)	196.1	196.1	196.1
Number of shares for the calculation of DEPS (million)	196.1	196.1	196.1
Earnings per share (EPS) (DKK) ¹	4.74	4.82	12.58
Diluted earnings per share (DEPS) (DKK) ¹	4.74	4.82	12.58
Cash flow per share (DKK) ¹	4.13	4.67	16.65
Net asset value per share (DKK) ¹	56.31	50.87	56.71
Market capitalisation (DKKm)	23,926	20,377	20,788
Share price end of period (DKK)	122.00	103.90	106.00
Other			
Number of employees (FTE)	5,715	5,708	5,644

1) Definitions according to the Danish Society of Financial Analysts' *Recommendations & Financial Ratios 2010*.

Management review

Lundbeck's development portfolio

Lundbeck is developing a number of new and promising pharmaceuticals for the treatment of brain disorders. The pipeline projects are targeting areas where Lundbeck currently has a market presence, such as depression, anxiety and other psychiatric disorders, as well as new areas such as stroke and alcohol dependence. Lundbeck's pipeline includes:

One compound under regulatory review

Five compounds in clinical phase III

Four compounds in clinical phase II

Three compounds in clinical phase I

Seven compounds in Lundbeck's pipeline have demonstrated clinical proof of concept. Pipeline development is summarised as follows:

Regulatory review

In March, the US Food and Drug Administration (FDA) accepted for review a New Drug Application (NDA) for the investigational compound **Onfi™** (clobazam) as adjunctive therapy in treating seizures associated with Lennox-Gastaut syndrome (LGS) in patients two years and older. The filing was assigned a standard review and an action letter is anticipated in the fourth quarter 2011.

In April, Lundbeck's partner Mochida Pharmaceutical Co., Ltd. (Mochida) obtained approval of **escitalopram** 10 mg (Lexapro®) from the Japanese Ministry of Health, Labour and Welfare (MHLW). Mochida and Mitsubishi Tanabe Pharma Corporation (Mitsubishi Tanabe) will co-promote the product, and Yoshitomiyakuhin Corporation, a subsidiary of Mitsubishi Tanabe, will participate in the promotion. The schedule for the launch of Lexapro® will be announced after its National Health Insurance price listing.

Clinical phase III

The four additional clinical phase III studies with **Lu AA21004** in Major Depressive Disorder (MDD) continues to recruit patients according to plan. The studies are based on the clinical data obtained to date, which demonstrate positive results for the potential efficacy and the tolerability profile of Lu AA21004.

Two out of three studies have been completed in the clinical phase III programme with **nalmefene** in alcohol dependence. The third study will report in the second quarter of 2011 and a filing is expected in the second half of the year, pending successful completion of the last pivotal efficacy study.

The clinical phase III studies with **desmoteplase** in ischaemic stroke, DIAS-3 and DIAS-4, are experiencing slow patient recruitment and several initiatives are ongoing in order to speed up recruitment.

The pivotal program with **zicronapine** is ongoing. The first study in the programme is focused on schizophrenia and is expected to enrol 160 patients. The pivotal program is planned to include additional phase III studies to further investigate the compound's benefit and risk profile.

Clinical phase II

Lu AA24493 is in clinical phase II in the treatment of Friedreich's ataxia and in clinical phase I in the treatment of acute ischaemic stroke. Ongoing studies in both programmes are expected to report data in the first half of 2011.

Clinical phase I

In March, Lundbeck initiated clinical phase I studies with **Lu AF11167** in order to investigate safety, tolerability and the pharmacokinetic profile of the compound in humans. Lu AF11167 is a new compound inhibiting a phosphodiesterase enzyme primarily expressed in the brain and with relevance in a number of both neurological and psychiatric diseases in humans.

Financial forecasts and forward-looking statements

Financial forecast 2011

Financial guidance for the full year 2011 is unchanged. Lundbeck continues to expect revenue of DKK 15.3-15.8 billion, EBITDA of DKK 4.3-4.6 billion and EBIT of DKK 3.3-3.6 billion. Net profit for 2011 is expected to reach DKK 2.3-2.6 billion.

Financial forecast 2011	2010 actual DKK million	2011 forecast DKK billion
Revenue	14,765	15.3-15.8
EBITDA	4,393	4.3-4.6
EBIT	3,357	3.3-3.6
Net profit	2,466	2.3-2.6
Effective tax rate	25.0%	26-28%

Forward-looking statements

Forward-looking statements provide current expectations or forecasts for events, such as product launches, product approvals and financial performance. Forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. Actual results may differ from expected results. Factors that may affect future results include fluctuations in interest rates and exchange rates, a delay in or failure of development projects, production problems, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for Lundbeck's products, introduction of a competing product, Lundbeck's ability to successfully market both new and existing products, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws and their interpretation and unexpected growth in costs and expenses.

Revenue

Total revenue for the first quarter was DKK 4,103 million corresponding to an increase of 7% compared to the same quarter last year.

Total revenue	Q1 2011 DKK m	Q1 2010 DKK m	Growth	Growth at CER	Q4 2010 DKK m
Cipralex [®]	1,537	1,454	6%	3%	1,456
Lexapro [®]	741	727	2%	8%	520
Ebixa [®]	687	611	12%	11%	585
Azilect [®]	278	240	15%	15%	271
Xenazine [®]	208	119	74%	71%	172
Sabril [®]	75	34	123%	120%	56
Other pharmaceuticals	538	575	(6%)	(9%)	415
Other revenue	39	89	(56%)	(56%)	55
Total revenue	4,103	3,849	7%	6%	3,530

Revenue from Ciprale[®] (escitalopram) for the treatment of mood disorders rose to DKK 1,537 million, an increase of 6%, or 3% at constant exchange rates. Revenue from Lexapro[®], escitalopram marketed in the US by Forest Laboratories, Inc. (Forest), was DKK 741 million for the quarter. This was an increase of 2%, or 8% at constant exchange rates, compared to the same period last year. The increase was due to an increase in Forest inventories during the quarter.

Ebixa[®] (memantine) for the symptomatic treatment of Alzheimer's disease generated first quarter revenue of DKK 687 million, an increase of 12% compared to the same period last year. The increase corresponds to 11% growth at constant exchange rates. Lundbeck has the marketing rights to Ebixa[®] in most of the world, except Japan and the US.

Revenue from Azilect[®] (rasagiline) for the treatment of Parkinson's disease was DKK 278 million, an increase of 15% compared to the first quarter last year. Lundbeck has commercial rights to Azilect[®] in Europe (in co-promotion with Teva Pharmaceutical Industries Inc. in France, Germany and the UK) and some markets outside Europe, including six Asian countries.

Xenazine[®]¹ (tetrabenazine) for the treatment of chorea associated with Huntington's disease generated revenue of DKK 208 million in the first quarter, an increase of 74%, or 71% at constant exchange rates compared to the same period last year. Xenazine[®] was launched in the US in November 2008.

Sabril[®] (vigabatrin) for the treatment of refractory complex partial seizures (rCPS) and infantile spasms (IS) generated first quarter revenue of DKK 75 million, increasing 123%, or 120% in constant exchange rates compared to first quarter 2010. Sabril[®] was launched in the US in September 2009.

Other pharmaceuticals, which comprise the remainder of Lundbeck's products, decreased 6% to DKK 538 million. This was primarily due to an expected decrease in revenue from Lundbeck Inc.'s more mature products.

Other revenue was DKK 39 million, compared to DKK 89 million for the same period last year.

¹ Xenazine[®] is a registered trademark of Biovail Laboratories International (Barbados) S.R.L.

Europe

First quarter revenue in Europe increased 4% compared to the same quarter last year. The increase was driven by the continued growth in Ebixa[®] and Azilect[®].

Revenue Europe	Q1 2011 DKKm	Q1 2010 DKKm	Growth	Growth at CER	Q4 2010 DKKm
Cipralex [®]	991	1,007	(2%)	(3%)	984
Ebixa [®]	574	514	12%	11%	501
Azilect [®]	254	218	16%	16%	245
Other pharmaceuticals	237	243	(2%)	(4%)	211
Total revenue	2,056	1,982	4%	2%	1,941

Cipralex[®] generated first quarter revenue of DKK 991 million in Europe and continues to gain market shares and reinforce its leading position in most countries in Europe. However, revenue decreased 2% compared to the first quarter last year, due to the launch of generic escitalopram in Spain, Norway and Finland in 2010 as well as price decreases and health care reforms implemented in some countries during last year. At the end of February 2011, Cipralex[®] held a market share in value of 20.4% of the European antidepressant market, compared with a market share of 20.2% a year earlier.

Revenue from Ebixa[®] rose to DKK 574 million during the quarter. At the end of February 2011 the product held 19.2% of the European Alzheimer's market measured in value, compared to a market share of 17.2% at the same time in 2010. Italy continues to experience high growth as a consequence of the reimbursement received in 2009 and the launch of the once-daily formulation in the country. In February 2011, Ebixa[®] had a market share in Italy of 29.4% compared to 21.2% a year earlier. Ebixa[®] revenue was negatively impacted by healthcare reforms in Greece and price reforms in Spain, which were not in place in the first quarter of 2010. Memantine, the active ingredient in Ebixa[®], is the second-most prescribed pharmaceutical in Europe for the treatment of Alzheimer's disease.

First quarter revenue from Azilect[®] amounted to DKK 254 million, an increase of 16% compared to the first quarter of 2010. Azilect[®] now holds a market share in value of 11.5% of the total European Parkinson's market (February 2011). This compares to a market share of 8.7% at the same time in 2010. Azilect[®] continues to gain market share in Europe, as it is increasingly recognised as an effective and easy-to-administer medication. The reimbursement of Azilect[®] in France last year continues to support sales. At the end of February, Azilect[®] had achieved a market share in France of 14.3%. The price reform in Spain had some negative impact on sales.

Revenue from Other pharmaceuticals was DKK 237 million, a decrease of 2% compared to last year. The decrease was primarily driven by decreasing revenue from Cipramil[®].

USA

Lundbeck's first quarter revenue in the US was DKK 1,131 million, an increase of 8%, or 12% at constant exchange rates, compared to the first quarter 2010. The growth was driven by the newer products Xenazine[®] and Sabril[®].

Revenue USA	Q1 2011 DKK million	Q1 2010 DKK million	Growth	Growth at CER	Q4 2010 DKK million
Lexapro [®]	741	727	2%	8%	520
Xenazine [®]	184	107	72%	69%	171
Sabril [®]	75	34	123%	120%	56
Other pharmaceuticals	131	176	(26%)	(27%)	80
Total revenue	1,131	1,044	8%	12%	827

Revenue from Lexapro[®] was DKK 741 million for the quarter, an increase of 2%, or 8% at constant exchange rates, compared to the same quarter last year. The increase is due to an increase in Forest inventories during the period, caused by timing of deliveries around the end of the quarter. No longer term impact is expected on the reduction of inventories towards patent expiry. At the end of February, Lexapro[®] held a market share in value of 24.1% of the US aggregate market for antidepressants, compared to a market share of 24.2% in February 2010.

Prepayments from Forest, recorded in Lundbeck's balance sheet as the difference between the invoiced price and the minimum price of Forest's inventories, were DKK 564 million as of 31 March 2011. This compares to DKK 718 million as of the end of March 2010. At the end of the first quarter, the inventory levels corresponded to approximately seven months of commercial supply.

Revenue from Xenazine[®] was DKK 184 million for the quarter, an increase of 72% compared to the first quarter last year. The positive trend from the previous quarters continues as Xenazine[®] sales are progressing well and are on track to meet our expectations.

Sabril[®] revenue for the quarter was DKK 75 million, growing 123% compared to the same quarter last year. In the quarter, the performance of Sabril[®] has been driven by increased compliance rate among existing patients as well as higher doses used.

First quarter revenue from Other pharmaceuticals in the US was DKK 131 million, a decrease of 26% compared to same quarter last year. The decrease in sales is mainly due to the temporary withdrawal of NeoProfen[®] from the market, as well as impact from the launch of generic chlorothiazide (Diuril[®]) in December 2009.

International Markets

Revenue in International Markets, which comprises all of Lundbeck's markets outside Europe and the US, was DKK 877 million for the quarter. This is an increase of 19% compared to the first quarter 2010, or 14% at constant exchange rates. The growth was driven by Ciprallex[®] and Ebixa[®] as well as an increase in Other pharmaceuticals.

Revenue	Q1 2011	Q1 2010		Growth	Q4 2010
International Markets	DKK million	DKK million		at CER	DKK million
Cipralex [®]	546	447		22%	472
Ebixa [®]	113	97		17%	84
Azilect [®]	24	22		5%	26
Other pharmaceuticals	194	168		15%	125
Total revenue	877	734		19%	707

Cipralex[®] generated first quarter revenue of DKK 546 million in International Markets, an increase of 22% compared to the first quarter last year, and corresponding to an increase of 16% at constant exchange rates. The reimbursement of Cipralex[®] in the Canadian provinces of Ontario and British Colombia continues to support revenue growth in the country and now holds a market share in terms of value of 14.6% in Canada (February 2011), compared to 10.7% at the same time last year. Canada is now the second largest Cipralex[®] market worldwide. At the end of February 2011, Cipralex[®] held a market share in terms of value of 11.9% of the aggregate market for antidepressants in International Markets², compared to a market share of 10.8% in the same period last year.

Ebixa[®] generated first quarter revenue of DKK 113 million, an increase of 17%, or 13% at constant exchange rates, despite a continued negative impact from generic competition in Canada. In February, Ebixa[®] held 8.3% of the total market in terms of value of pharmaceuticals for the treatment of Alzheimer's disease in International Markets². This compares to a market share of 9.4% in February 2010. The decline in market share is a consequence of the launch of generic memantine in Canada.

Other pharmaceuticals generated revenue of DKK 194 million during the quarter, an increase of 15%, or 9% at constant exchange rates, compared to the same quarter last year. The increase was due to a possible development in some of Lundbeck's mature products as well as quarterly fluctuations in sales.

Expenses

Total costs for the quarter were DKK 2,798 million, an increase of 8% compared to the first quarter last year.

Distribution of costs	Q1 2011	Q1 2010		Q4 2010
	DKK million	DKK million	Growth	DKK million
Cost of sales	781	698	12%	802
Distribution	905	820	10%	949
Administration	479	448	7%	515
Research & Development	633	629	1%	943
Total costs	2,798	2,595	8%	3,209

² Market shares for International Markets are based on IMS data from Australia, Brazil, Canada, China, Mexico, Saudi Arabia, South Africa, South Korea and Turkey.

Total cost of sales increased 12% to DKK 781 million. This corresponds to 19% of Lundbeck's total revenue, compared with 18% in the first quarter of 2010. Cost of sales for the period was affected by the higher cost of goods sold due to increasing sales of in-licensed products (i.e. Xenazine[®], Azilect[®] and Ebixa[®]).

Distribution costs were DKK 905 million, corresponding to an increase of 10% compared to the first quarter last year. The increase in distribution costs is related to launch costs for new products and pre-launch costs for Onfi[™] and nalmefene. Administrative expenses were DKK 479 million, increasing 7% and corresponding to 12% of the total revenue for the period, which was at the same level as first quarter last year. SG&A costs were DKK 1,384 million, compared to DKK 1,268 million in the same period last year. The SG&A margin for the period was 34% compared to 33% in the same period last year.

R&D costs for the quarter were DKK 633 million compared to DKK 629 million in the same period last year.

Operating profit before depreciation and amortisation (EBITDA)

EBITDA was DKK 1,540 million, compared to DKK 1,478 million for the first quarter of 2010. EBITDA margin for the period was 37.5%, compared to 38.4% in the same quarter last year.

Depreciation, amortisation and impairment charges

Depreciation, amortisation and impairment charges, which are included in the individual expense categories, amounted to DKK 235 million compared to DKK 224 million in first quarter last year.

Depreciation, amortisation and impairment charges per expense category	Q1 2011 DKK million	Q1 2010 DKK million	Growth	Q4 2010 DKK million
Cost of sales	54	53	2%	76
Distribution	103	85	20%	96
Administration	18	20	(11%)	16
Research & Development	60	66	(9%)	77
Total depreciation, amortisation and impairment charges	235	224	5%	265

The increase in amortisation and depreciation included in distribution costs is due to increased amortisation of Lundbeck Inc. products.

The decrease compared to the fourth quarter last year was due to a number of projects and assets having had their last depreciation during Q4 2010.

Profit from operations (EBIT)

EBIT for the first quarter of 2011 amounted to DKK 1,305 million, which corresponds to an increase of 4% compared to the same period in 2010 (DKK 1,254 million). The EBIT margin for the period was 31.8% compared to 32.6% in the same period the year before.

Net financials

Lundbeck generated net financial expenses of DKK 38 million in the first quarter, compared with net expenses of DKK 11 million in the first quarter of 2010.

Net financials	Q1 2011 DKK million	Q1 2010 DKK million	Q4 2010 DKK million
Interest on financial assets and liabilities measured at amortised cost	(13)	(26)	(33)
Net interest income, incl. net gains on the bond portfolio	(13)	(26)	(33)
Net gains regarding the trading portfolio	-	-	(1)
Net exchange gains	(23)	23	37
Net currency items relating to financial items	(23)	23	36
Net gains on available-for-sale financial assets, incl. dividends	1	-	10
Other financial income, net	(3)	(8)	(3)
Net financials	(38)	(11)	10

Net interest income, including realised and unrealised gains and losses on the bond portfolio, amounted to a net expense of DKK 13 million, as compared to a net expense of DKK 26 million in the same period in 2010. The difference was primarily due to a smaller loan portfolio in 2011.

Accounting translation of currency items amounted to a loss of DKK 23 million for the quarter, primarily due to a decrease in the USD/DKK exchange rate.

Tax

The income tax expense for the period was DKK 337 million, compared to DKK 298 million in the same period last year. This corresponds to an effective tax rate of 26.6% for the quarter.

Profit for the period

Profit after tax for the first quarter of 2011 was DKK 930 million, compared to DKK 945 million in the same period last year.

Cash flows

Lundbeck had a positive cash flow during the quarter of DKK 108 million, compared to an outflow of DKK 647 million in the same period last year.

Cash flows	Q1 2011 DKK million	Q1 2010 DKK million	Q4 2010 DKK million
Cash flows from operating activities	809	915	(111)
Cash flows from investing activities	(692)	(51)	(606)
Cash flows from operating and investing activities	117	864	(717)
Cash flows from financing activities	(9)	(1,511)	5
Change in cash	108	(647)	(712)
Cash at beginning of period	2,294	1,960	2,995
Unrealised exchange adjustments for the period	(13)	17	11
Cash at end of period	2,389	1,330	2,294
Securities	653	53	54
Interest-bearing debt	(1,917)	(1,968)	(1,918)
Interest-bearing net cash and cash equivalents, end of period	1,125	(585)	430

Operating activities generated a first quarter cash inflow of DKK 809 million, compared to an inflow of DKK 915 million in the same period last year.

Cash flows from investing activities represented an outflow of DKK 692 million mostly due to investments in a money market fund in the first quarter of 2011.

Cash flows from financing activities equalled an outflow of DKK 9 million compared to an outflow of DKK 1,511 million in the same period last year, which was impacted by repayment of loans related to the acquisition of Ovation (Lundbeck Inc.).

Cash as of 31 March 2011 was DKK 2,389 million. This compares to DKK 1,330 million as of 31 March 2010 and DKK 2,294 million as of 31 December 2010. At the end of March 2011, Lundbeck had a net cash position of DKK 1,125 million, compared to a net debt of DKK 585 million at the end of March 2010.

Balance sheet

As of 31 March 2011, Lundbeck had total assets of DKK 18,572 million, compared to DKK 16,874 million at the end of the first quarter of 2010.

As of 31 March 2011, Lundbeck's equity amounted to DKK 11,040 million, corresponding to a solvency ratio of 59.4% compared to 59.1% at the end of the first quarter 2010.

Lundbeck operates with Long-Term Incentive schemes (LTI) for the Executive Management and key employees in Denmark and abroad. To fund the programme Lundbeck has during the quarter purchased treasury shares with a value of DKK 9 million corresponding to 71,025 shares.

At the Annual General Meeting in March, the proposed dividend of DKK 739 million or DKK 3.77 per share was approved. The dividend was paid out in the beginning of April.

Hedging

Lundbeck hedges income from its products through currency hedging. As a result of Lundbeck's currency hedging policy, foreign exchange losses and gains on hedging transactions are allocated directly to the hedged transaction. Hedging had a positive effect on profit of DKK 8 million in the first quarter of 2011, compared with a situation where the income is not hedged and included at the current rates of exchange during the period. The effect was a DKK 58 million gain in the first quarter of 2010. Of this amount the US dollar had the highest financial impact with a gain of DKK 67 million.

Lundbeck hedges cash flow in US dollars on a rolling basis, approximately 12 months in advance. The average rate for the US dollar hedging contracts for 2011 is approximately USD/DKK 567. The corresponding rate for 2010 was approximately USD/DKK 541. For the next 12 months, the average rate for the existing US dollar hedging contracts is approximately USD/DKK 567.

Events after the balance sheet date

In April, Lundbeck's partner Mochida obtained approval of Lexapro[®] 10 mg (escitalopram) from the Japanese Ministry of Health, Labour and Welfare (MHLW). The schedule for the launch of Lexapro[®] will be announced after its National Health Insurance price listing.

Also in April, the European launch of Sycrest[®] (asenapine) sublingual tablets (5 mg, 10 mg) for the treatment of moderate to severe manic episodes associated with bipolar I disorder in adults was initiated with Denmark as the first country.

Accounting policies

The interim report is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies.



Accounting policies are unchanged compared to the annual report 2010, which contains a more detailed description of the Group's accounting policies.

Incentive plan in the Lundbeck Group

Members of Lundbeck's Executive Management and 113 key employees appointed by Lundbeck's Executive Management Group who are employed by Lundbeck or Lundbeck's subsidiaries were granted participation in Lundbeck's Long Term Incentive program on 1 April 2011. The above-mentioned subsidiaries comprise Danish and foreign enterprises in which Lundbeck directly or indirectly holds at least 50% of the shares. The members of the company's Supervisory Board are not comprised by the scheme.

For key employees in the US subsidiaries Stock Appreciation Rights and Restricted Cash Units with conditions and award criteria similar to the grant made to key employees of the parent company and its non-US subsidiaries was issued.

The Long Term Incentive program vest over a three year period and in the financial statements, the cost will be recognised in the income statement at fair value over the vesting period. The grant to the Executive Management Group is subject to achieving specific market goals.

Protection of patents and other intellectual property rights

Intellectual property rights are a prerequisite for Lundbeck's continued investments in innovative pharmaceuticals. It is Lundbeck's policy to enforce its granted intellectual property rights wherever they may be violated. Lundbeck is involved in a number of trials around the world related to defending our intellectual property rights. With regards to escitalopram Lundbeck is presently involved in pending court trials in Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Hungary, Latvia, Lebanon, Lithuania, the Netherlands, Norway, Portugal, Saudi Arabia, Spain, Taiwan, Turkey, UK and the US.

Risk factors

Lundbeck's overall risk exposure is unchanged and reflects the risk factors described in the annual report 2010.

Conference call

Today at 2.00 pm (CET), Lundbeck will be hosting a conference call for the financial community. You can listen to the call online at www.lundbeck.com under the section "Investors – Presentations".

Management statement

The Supervisory Board and the Executive Management have discussed and adopted the interim report of H. Lundbeck A/S for the period 1 January – 31 March 2011. The interim report is presented in accordance with IAS 34 “Interim financial reporting”, as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies.

We consider the accounting policies applied to be appropriate. Accordingly, the interim report gives a true and fair view of the Group’s assets, liabilities and financial position as of 31 March 2011 and of the results of the Group’s operations and cash flows for the first quarter of 2011, which ended on 31 March 2011.

In our opinion, the Management’s report gives a true and fair view of activity developments, the Group’s general financial position and the results for the period. It also gives a fair account of the significant risks and uncertainty factors that may affect the Group.

The interim report has not been subject to audit or review.

Valby, 4 May 2011

Executive Management

Ulf Wiinberg
President and CEO

Peter Høngaard Andersen
Executive Vice President

Lars Bang
Executive Vice President

Anders Götzsche
Executive Vice President, CFO

Anders Gersel Pedersen
Executive Vice President

Stig Løkke Pedersen
Executive Vice President

Supervisory Board

Mats Petterson
Chairman

Thorleif Krarup
Deputy Chairman

Håkan Björklund

Kim Rosenville Christensen

Christian Dyvig

Mona Elisabeth Elster

Peter Kürstein

Jørn Mayntzhusen

Jes Østergaard

Income statement

	2011 Q1	2010 Q1	2010 FY
	DKK million	DKK million	DKK million
Revenue	4,103	3,849	14,765
Cost of sales	781	698	2,958
Gross profit	3,322	3,151	11,807
Distribution costs	905	820	3,496
Administrative expenses	479	448	1,909
Profit before research and development costs	1,938	1,883	6,402
Research and development costs	633	629	3,045
Profit from operations	1,305	1,254	3,357
Net financials	(38)	(11)	(68)
Profit before tax	1,267	1,243	3,289
Tax on profit for the period	337	298	823
Profit for the period	930	945	2,466
Earnings per share (EPS) (DKK)	4.74	4.82	12.58
Diluted earnings per share (DEPS) (DKK)	4.74	4.82	12.58

Statement of comprehensive income

	2011 Q1	2010 Q1	2010 FY
	DKK million	DKK million	DKK million
Profit for the period	930	945	2,466
Currency translation, foreign subsidiaries	(163)	213	295
Currency translation concerning additions to net investments in foreign subsidiaries	(232)	190	240
Adjustment, deferred exchange gains/losses, hedging	130	(132)	(213)
Exchange gains/losses, hedging (transferred to the hedged items)	(34)	(32)	163
Exchange gains/losses, trading (transferred from hedging)	-	-	1
Accumulated exchange loss on divestment of associate	-	-	2
Fair value adj. of available-for-sale financial assets	(1)	3	(4)
Tax on other comprehensive income	32	(16)	(47)
Other comprehensive income	(268)	226	437
Comprehensive income	662	1,171	2,903

Balance sheet

	31.03.2011 DKK million	31.03.2010 DKK million	31.12.2010 DKK million
Assets			
Intangible assets	7,506	7,977	8,012
Property, plant and equipment	3,018	3,003	3,046
Financial assets	237	192	191
Non-current assets	10,761	11,172	11,249
Inventories	1,441	1,357	1,491
Receivables	3,328	2,962	2,917
Securities	653	53	54
Cash	2,389	1,330	2,294
Current assets	7,811	5,702	6,756
Assets	18,572	16,874	18,005
Equity and liabilities			
Share capital	980	980	980
Share premium	224	224	224
Currency translation reserve	(620)	(411)	(281)
Retained earnings	10,456	9,184	10,199
Equity	11,040	9,977	11,122
Provisions	970	1,110	930
Debt	1,905	1,915	1,918
Non-current liabilities	2,875	3,025	2,848
Provisions	234	198	216
Debt	12	53	-
Trade payables	1,087	805	1,237
Other payables	2,760	2,098	2,065
Prepayments from Forest	564	718	517
Current liabilities	4,657	3,872	4,035
Liabilities	7,532	6,897	6,883
Equity and liabilities	18,572	16,874	18,005

Statement of changes in equity at 31 March 2011

	Share capital DKK million	Share premium DKK million	Currency translation reserve DKK million	Retained earnings DKK million	Equity DKK million
2011					
Equity at 01.01.2011	980	224	(281)	10,199	11,122
Profit for the period	-	-	-	930	930
Other comprehensive income	-	-	(339)	71	(268)
Comprehensive income	-	-	(339)	1,001	662
Distribution of dividends	-	-	-	(739)	(739)
Buyback of treasury shares	-	-	-	(9)	(9)
Incentive programmes	-	-	-	4	4
Other transactions	-	-	-	(744)	(744)
Equity at 31.03.2011	980	224	(620)	10,456	11,040
2010					
Equity at 01.01.2010	980	224	(757)	8,356	8,803
Profit for the period	-	-	-	945	945
Other comprehensive income	-	-	346	(120)	226
Comprehensive income	-	-	346	825	1,171
Incentive programmes	-	-	-	3	3
Other transactions	-	-	-	3	3
Equity at 31.03.2010	980	224	(411)	9,184	9,977

Cash flow statement

	2011 Q1 DKK million	2010 Q1 DKK million	2010 FY DKK million
Profit from operations	1,305	1,254	3,357
Adjustments	262	252	1,080
Working capital changes	(558)	(467)	88
Cash flows from operations before financial receipts and payments	1,009	1,039	4,525
Financial receipts and payments	(24)	(21)	(78)
Cash flows from ordinary activities	985	1,018	4,447
Income tax paid	(176)	(103)	(1,182)
Cash flows from operating activities	809	915	3,265
Investments in and sale of bonds and other financial assets	(601)	9	21
Investments in and sale of intangible assets and property, plant and equipment	(91)	(60)	(824)
Cash flows from investing activities	(692)	(51)	(803)
Cash flows from operating and investing activities	117	864	2,462
Cash flows from financing activities	(9)	(1,511)	(2,162)
Change in cash	108	(647)	300
Cash at beginning of period	2,294	1,960	1,960
Unrealised exchange adjustments for the period	(13)	17	34
Change for the period	108	(647)	300
Cash at end of period	2,389	1,330	2,294

Interest-bearing net cash and cash equivalents is composed as follows:

Cash	2,389	1,330	2,294
Securities	653	53	54
Interest-bearing debt	(1,917)	(1,968)	(1,918)
Interest-bearing net cash and cash equivalents, end of period	1,125	(585)	430



Corporate Releases since last financial report (24 February 2011)

- | | |
|------------------|--|
| 22 April 2011 | Lundbeck's partner Mochida receives approval of Lexapro® in Japan |
| 4 April 2011 | Sycrest® roll-out starts with the launch of the product in the important European region |
| 30 March 2011 | H. Lundbeck A/S held its Annual General Meeting on 30 March 2011 at the company's registered office |
| 29 March 2011 | A new pharmaceutical candidate enters Lundbeck's development pipeline |
| 7 March 2011 | Notice of Annual General Meeting |
| 7 March 2011 | Lundbeck's chairman, Per Wold-Olsen, will not be seeking re-election |
| 4 March 2011 | FDA accepts Lundbeck's submission of the New Drug Application for clobazam |
| 28 February 2011 | Announcement of transactions with shares and linked securities in H. Lundbeck A/S made by executives and their closely associated persons and legal entities |

For more information, please visit www.lundbeck.com



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About Lundbeck

H. Lundbeck A/S (LUN.CO, LUN DC, HLUKY) is an international pharmaceutical company highly committed to improving the quality of life for people suffering from central nervous system (CNS) disorders. For this purpose, Lundbeck is engaged in the research, development, production, marketing and sale of pharmaceuticals across the world. The company's products are targeted at disorders such as depression and anxiety, schizophrenia, insomnia, epilepsy and Huntington's, Alzheimer's and Parkinson's diseases.

Lundbeck was founded in 1915 by Hans Lundbeck in Copenhagen, Denmark. Today Lundbeck employs approximately 5,900 people worldwide. Lundbeck is one of the world's leading pharmaceutical companies working with CNS disorders. In 2010, the company's revenue was DKK 14.8 billion (approximately EUR 2.0 billion or USD 2.6 billion). For more information, please visit www.lundbeck.com.