

Financial Presentation Q1 2005



Safe Harbour Statement

This presentation contains forward-looking statements that reflect the Management's current views with respect to certain future events and financial performance.

Statements containing the outlook for 2005 and the following years naturally involve uncertainties, and consequently actual results may differ materially from those projected or implied in the forward-looking statements.

Further, certain forward-looking statements are based on assumptions of future events, which may prove not to be accurate.

Corporate website: www.lundbeck.com

Listed on the Copenhagen Stock Exchange

Trading code:

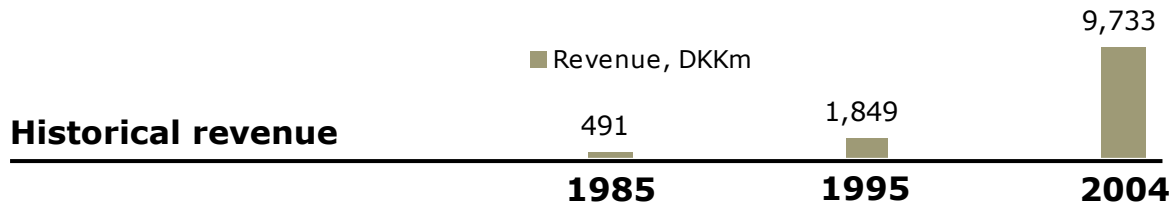
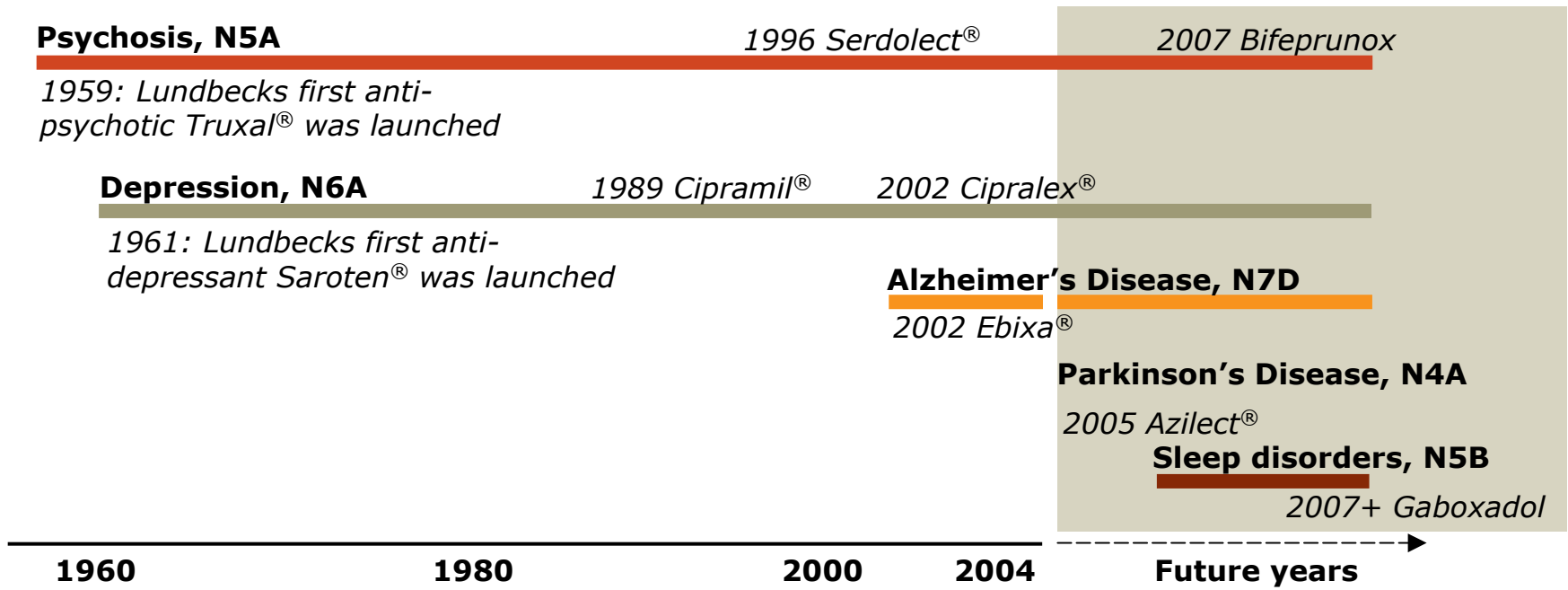
Reuters (LUN.CO)

Bloomberg (LUN DC)

ISIN number DK0010287234

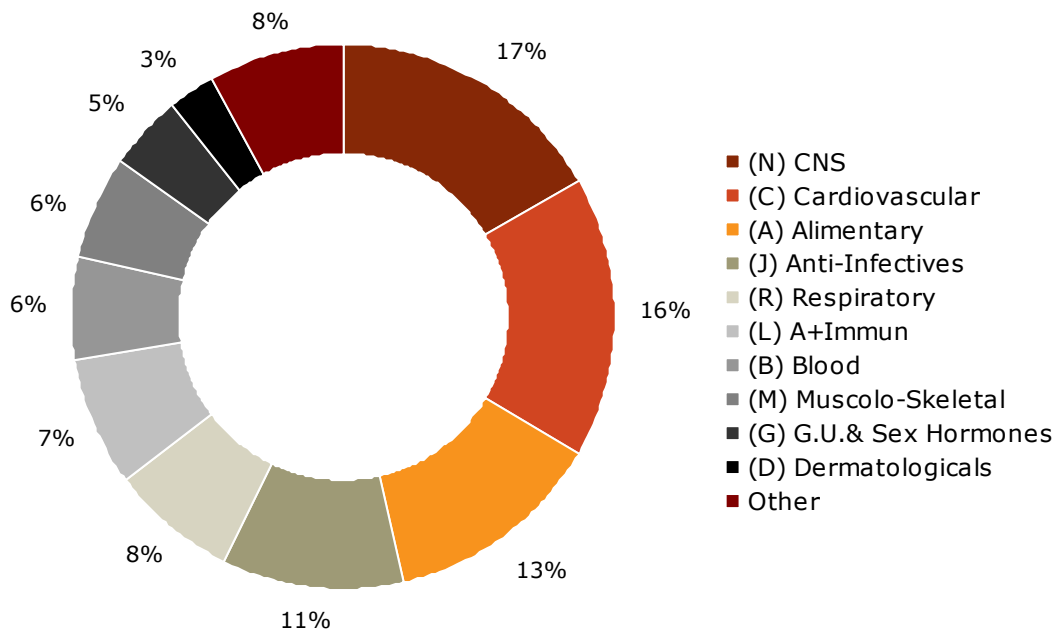


The Lundbeck story – CNS expertise for 50 years and 10 years of expansion from local to global



Pipeline projects within disease areas covering more than 50% of CNS market

**World pharmaceutical market
2004 USDbn 521.2* (+11%)**



**Total CNS market USDbn 87.0
(+9%)**

Therapeutic area	Share of CNS	Growth 2004
Alzheimer's Disease, N7D	3%	+20%
Depression, N6A	24%	+1%
Parkinson's Disease, N4B	3%	+7%
Psychosis, N5A	16%	+12%
Sleep disorders, N5B	4%	+11%

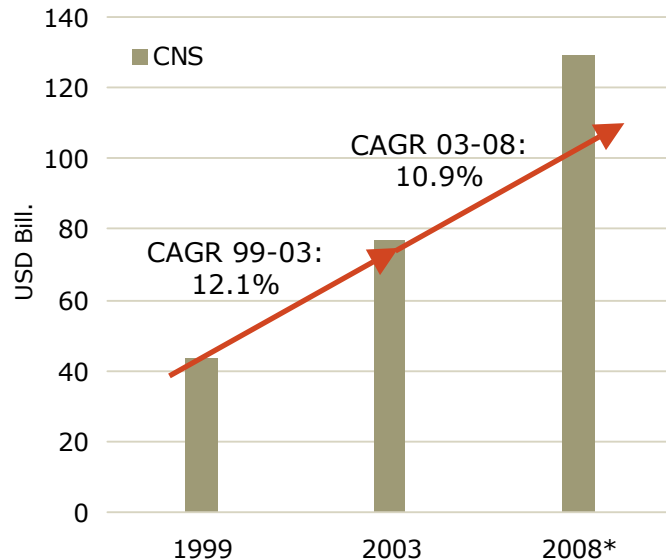
Source: IMS world review 2005

* All market data are in USD - Sales including estimates of non IMS audited panels = 545,2 billion



CNS category fastest growing in the past – high growth expected to continue

CNS world market in USD, 1999-2008

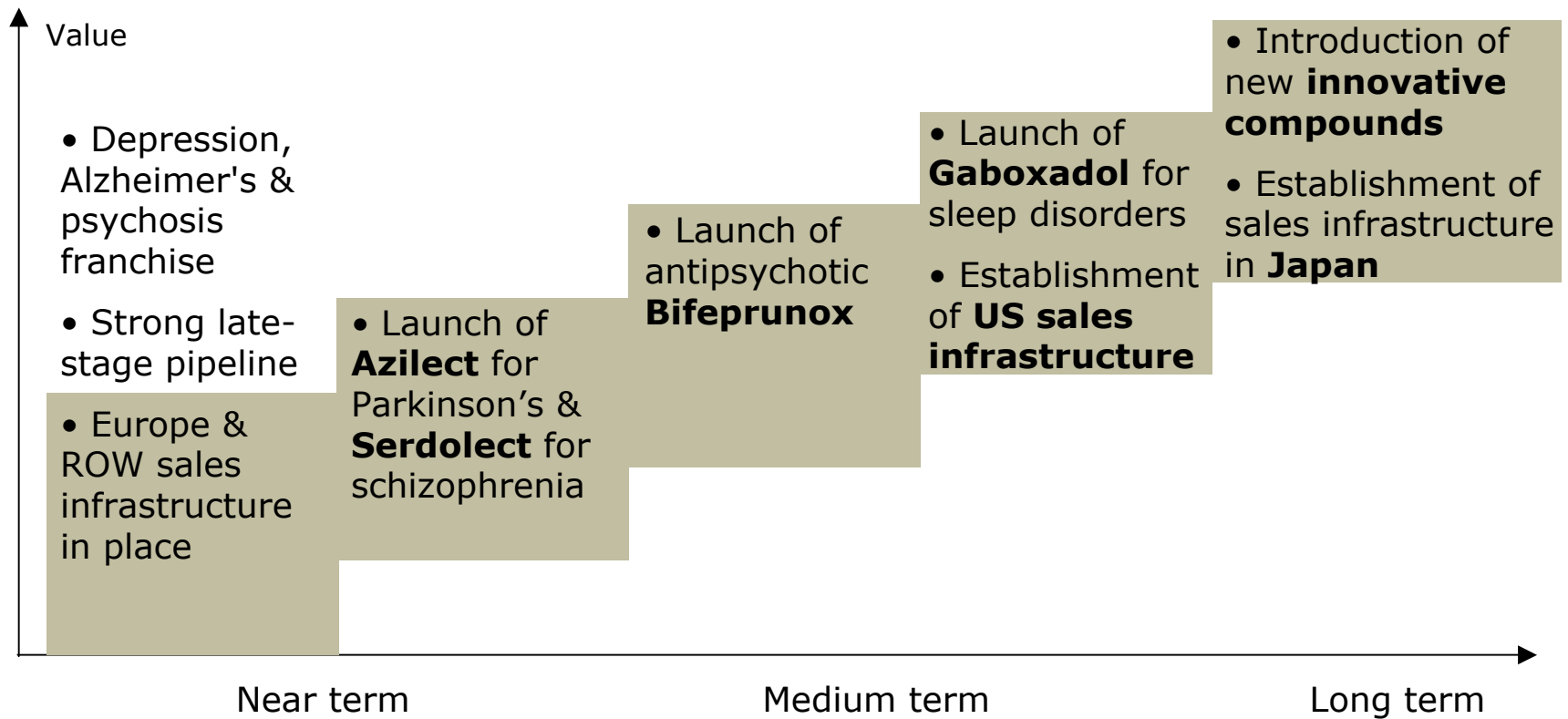


* IMS Market Prognosis 2004-2008

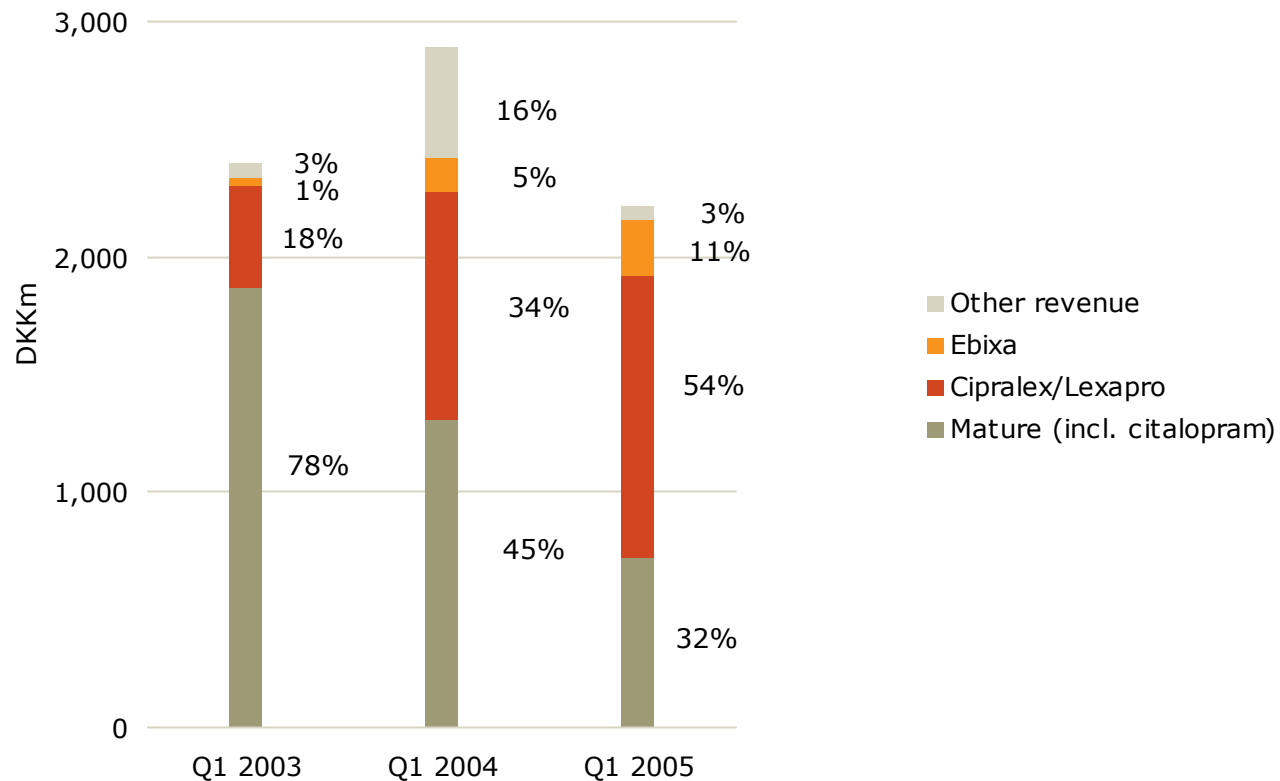
Market characteristics:

- Increased population
- Increased life expectancy
- Increased health awareness
- Better access to healthcare
- Increased research activities

Value creation through introduction of new compounds and own presence in the US and Japan



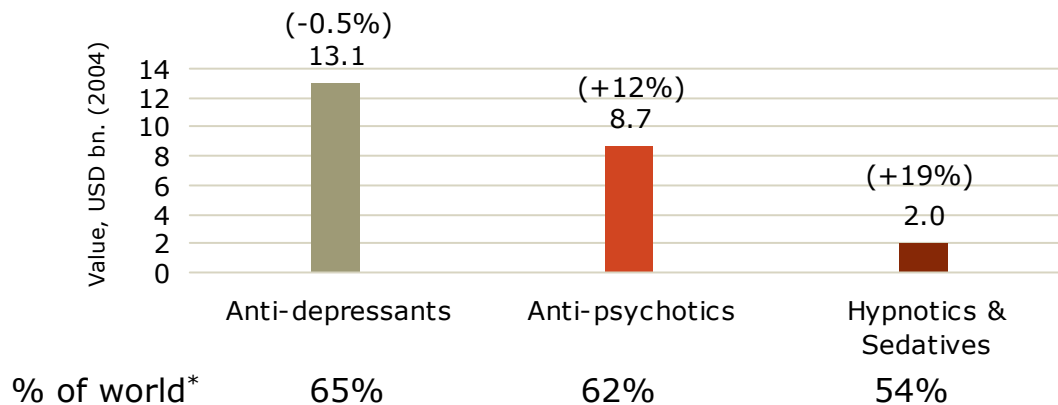
New products account for 65% of revenue – aims to reach 70% for FY 2005



US market

Well established in the US antidepressant market. Possibilities within sleep and anti-psychotics

**US market – 57% of world CNS market -
Lundbeck products cover 23.8 USD bn. (2004)***



Lundbeck products with US rights

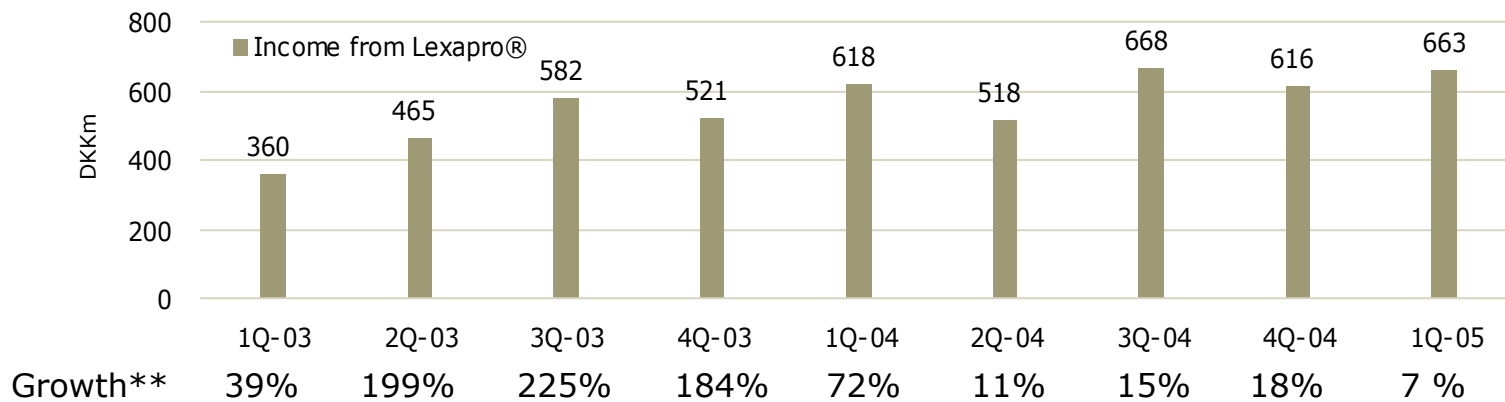
Lexapro (launched)	Sold via Forest
Gaboxadol (Phase III)	Agreement with Merck & Co., Inc. in the US
Serdolect (PMS)	-

*Source: IMS World Review 2005
Growth rates in local currency dollar 2003-2004 added in brackets



Continued growth in Lexapro® income despite weakened USD

US franchise	Q1 2005	Q1 2004	Growth	Growth in CER
Income from Lexapro®	663	618	7 %	26 %
Mature products*	57	346	-84 %	-87 %
Total revenue, US franchise	720	964	-25 %	-15 %



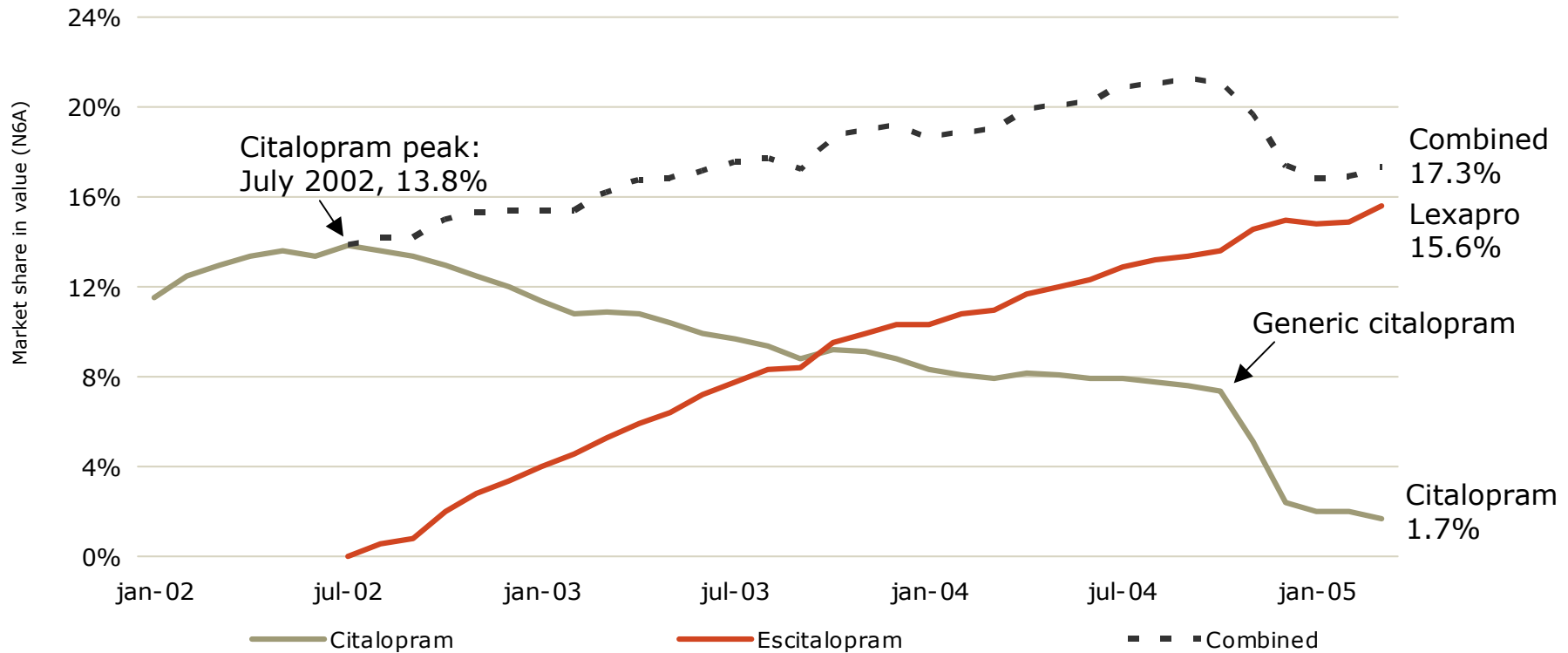
* Income from Celexa® sales

** Quarterly growth year on year



Lexapro[®] continues to gain market share

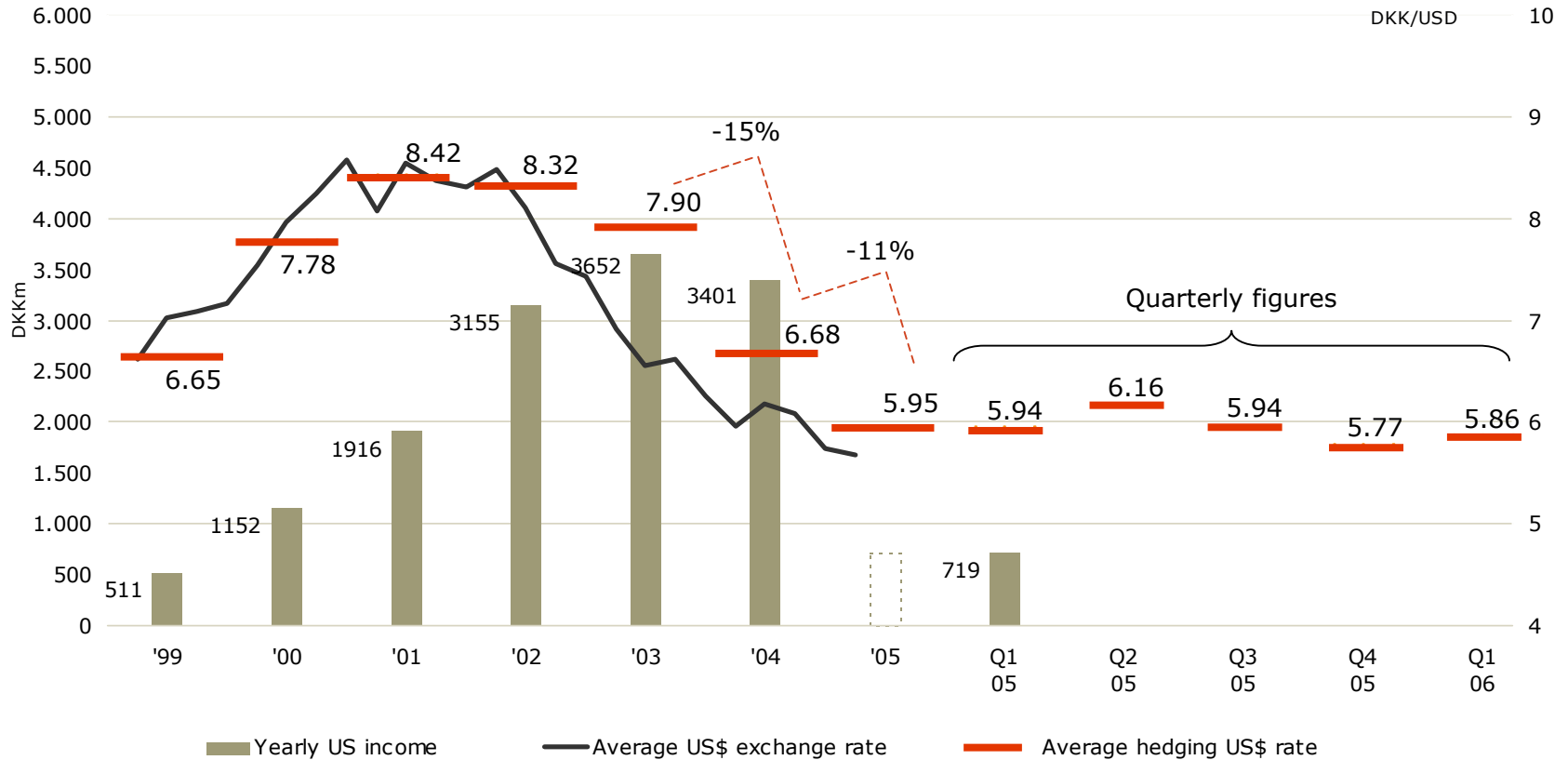
US anti-depression franchise



Source: IMS Dataview, March 2005



Severe weakening in the USD compensated by growth in Lexapro®



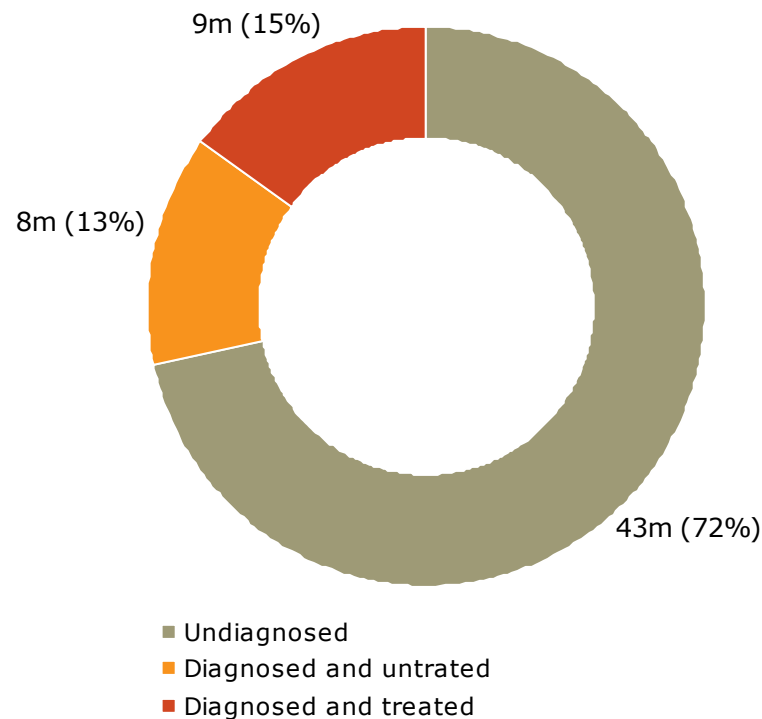
Note: 1999-2004 & Q1 2005 includes value of average hedging contracts realised in the period



Gaboxadol – a new treatment for sleep disorder

Over 60 million Americans suffer from insomnia

- with 85% undiagnosed or untreated



Source: Merck & Co., Inc. 2004

Market size of 3.8 USDbn in 2004 (+11%)

- **Gaboxadol (Phase III)**
 - Selective Extrasynaptic GABA agonist
 - Not a Benzodiazepine – not a Z-compound
- Desired clinical profile:
 - Induce sleep that is qualitatively close to normal sleep cycles
 - Minimal risk of abuse – devoid of rebound and withdrawal effects



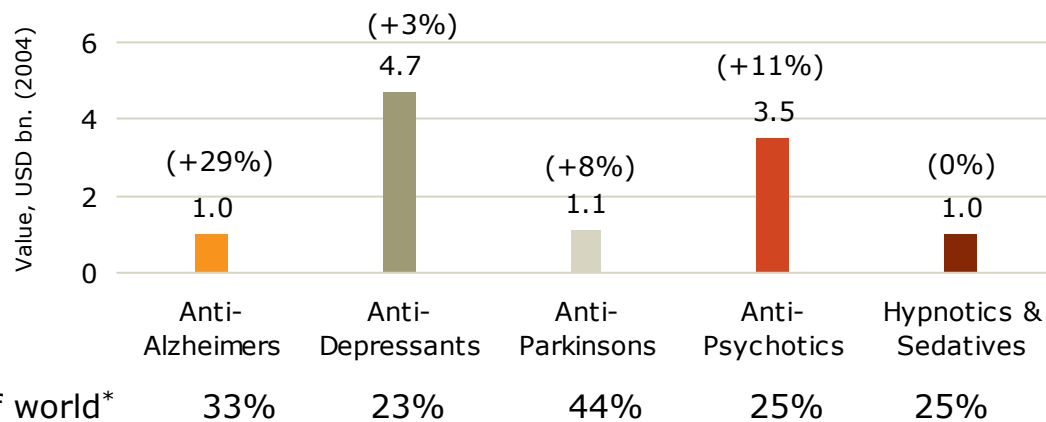
Agreement with Merck & Co., Inc. on gaboxadol ensures establishment of a Lundbeck US sales infrastructure

- **Support business model with specialist focus**
 - Merck & Co., Inc. provides large scale sales force
 - Merck & Co., Inc. support Lundbeck's build-up of sales force (quid, training & financial) ready for gaboxadol launch
- **Reduce overall financial risk**
 - Merck & Co., Inc. funding the majority of the remaining development activities
 - Lundbeck receives milestones of USDm 270. Whereof USDm 70 was received in 1Q 2004. Remaining milestones will be received in two instalments
 - Limited investment in support functions e.g. managed care, administrative

European market

European infrastructure in place. Significant leverage from new product launches

**Europe – 27% of world CNS market -
Lundbeck products cover USDbn 11.3 (2004)***



**Lundbeck products with
European rights**

Cipralex (launched)	-
Ebixa (launched)	-
Azilect (Approved)	-
Serdolect (PMS)	-
Bifeprunox (phase III)	-
Gaboxadol (phase III)	-

*Source: IMS World Review 2005
Growth rates in local currency dollar 2003-2004 added in brackets



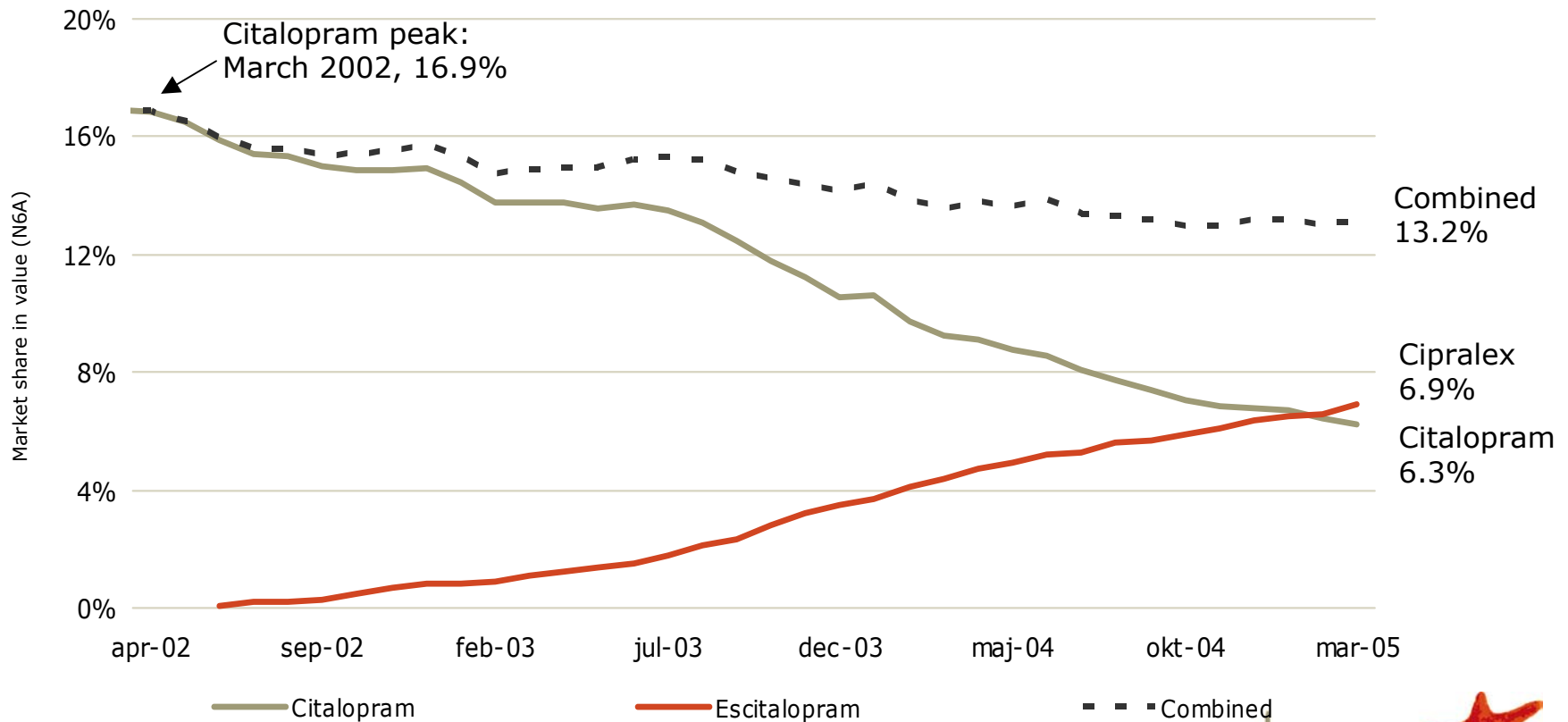
High growth in Cipralex[®] and Ebixa[®] more than compensates for loss in Mature products

European franchise	Q1 2005	Q1 2004	Growth	Growth in CER
Cipralex [®]	429	306	40 %	41 %
Ebixa [®]	223	136	64 %	64 %
Mature products*	535	693	-23 %	-23 %
Total revenue, Europe	1,187	1,135	5 %	5 %

* Incl. income revenue from citalopram sales

Country by country roll-out in Europe entails significant growth potential for Cipralex® going forward

European anti-depression franchise



Combined
13.2%

Cipralex
6.9%

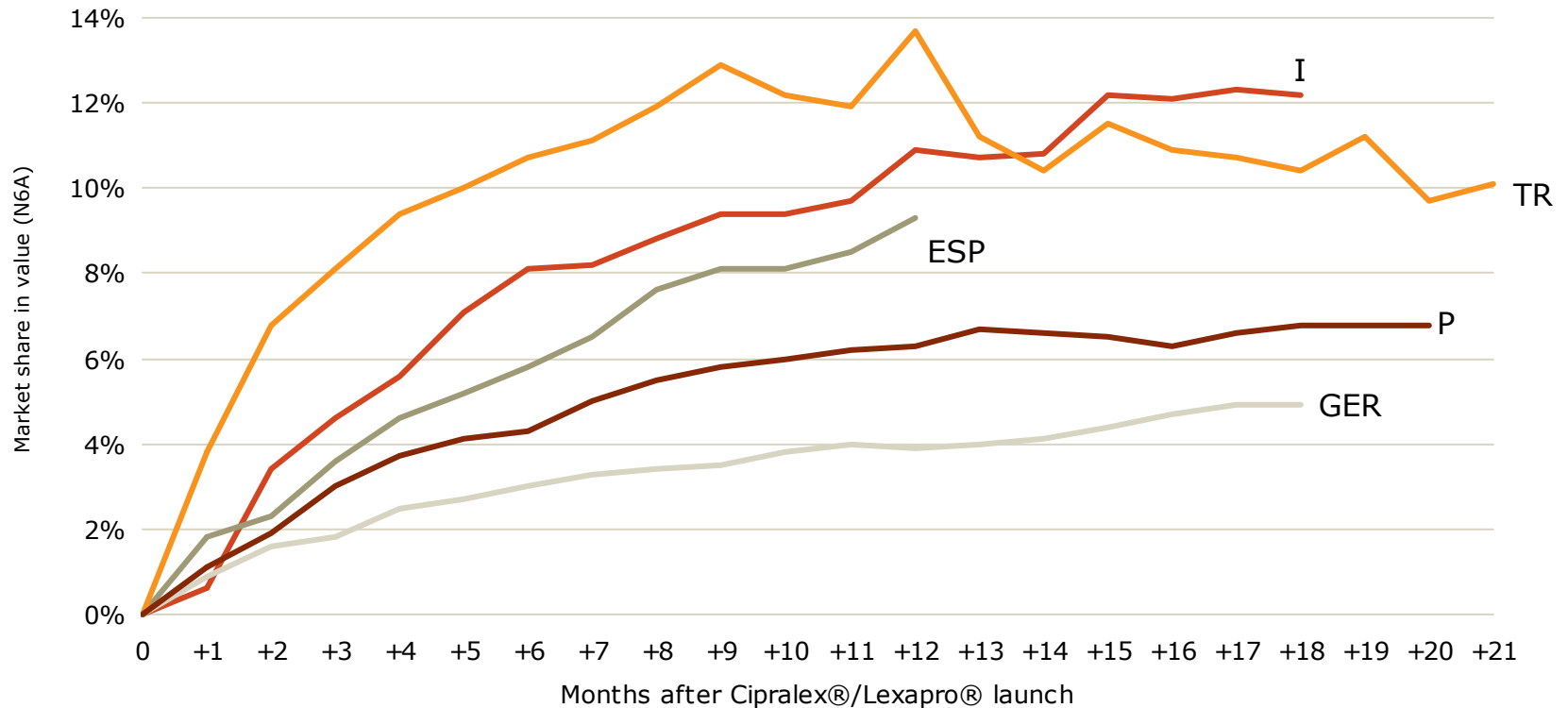
Citalopram
6.3%

Source: IMS Dataview, March 2005



Recent launches of Cipralex® in Europe

Top 3 branded compounds	MS% (Dec 04)
Effexor	18.4%
Zoloft	13.2%
Paxil	8.4%



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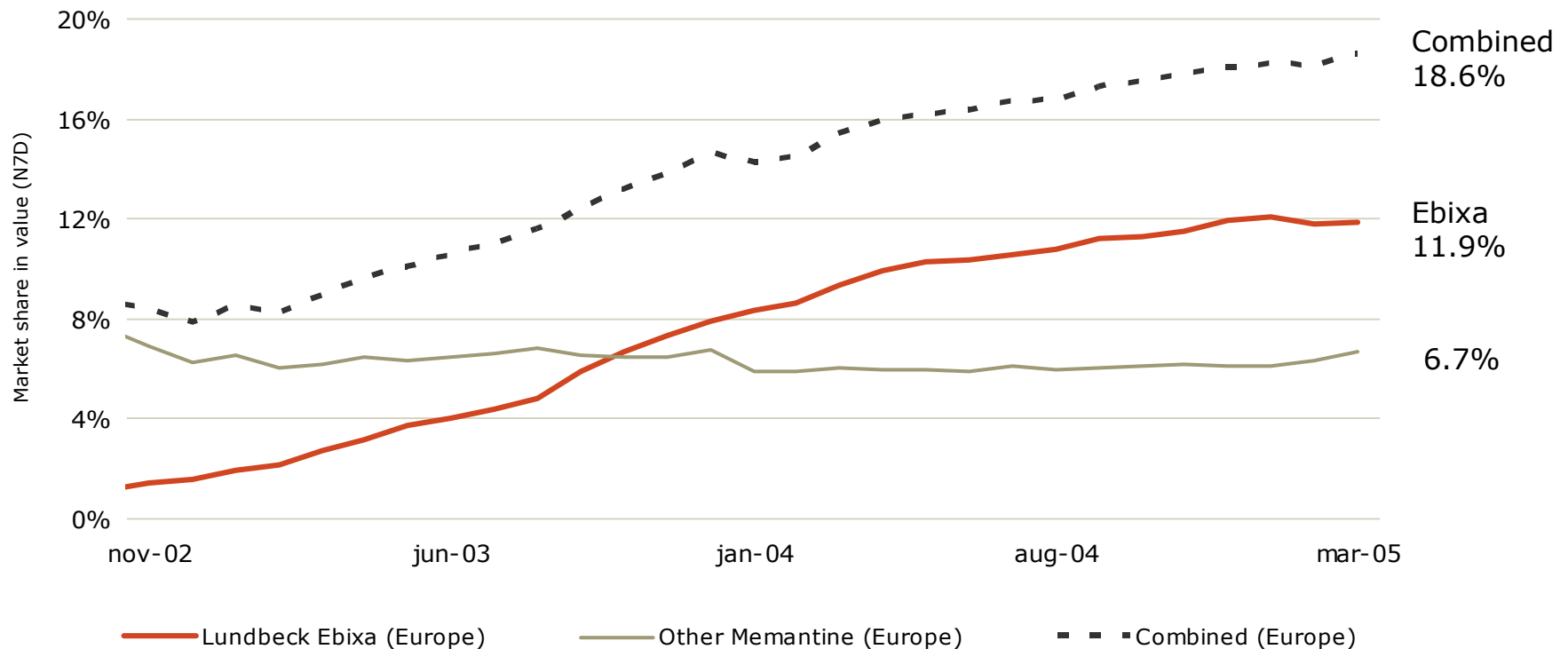


From launch with reimbursement

Source: IMS, N6A, March 2005

Memantine 2nd most used Alzheimer's drug in Europe – primarily driven by growth in Ebixa®

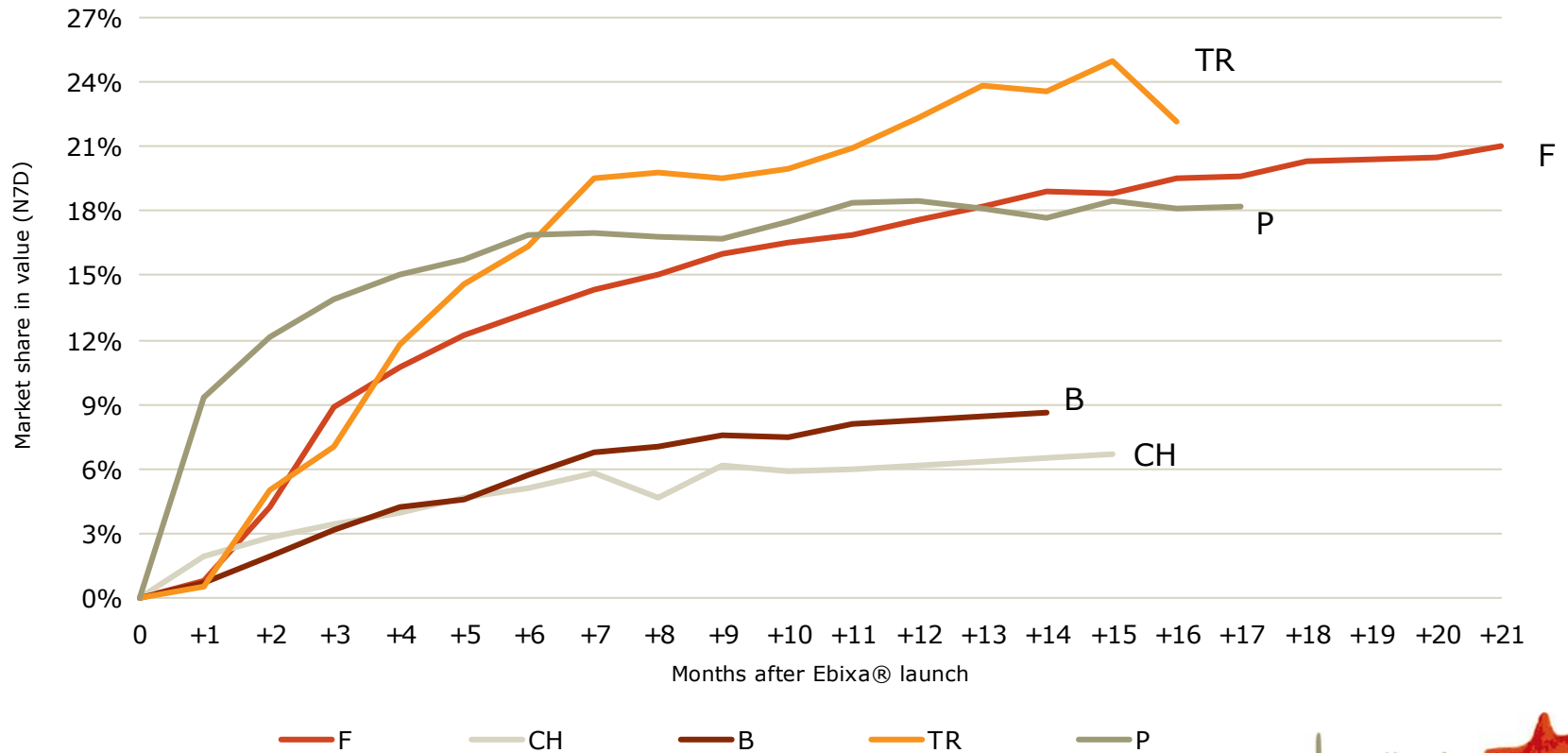
European anti-Alzheimer's franchise



Source: IMS Dataview, March 2005



Recent launches of Ebixa® in Europe

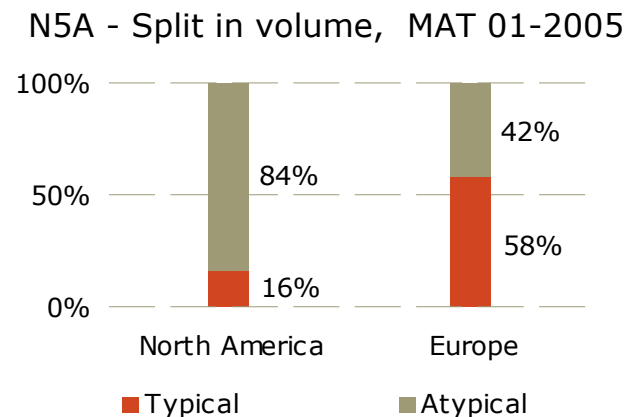
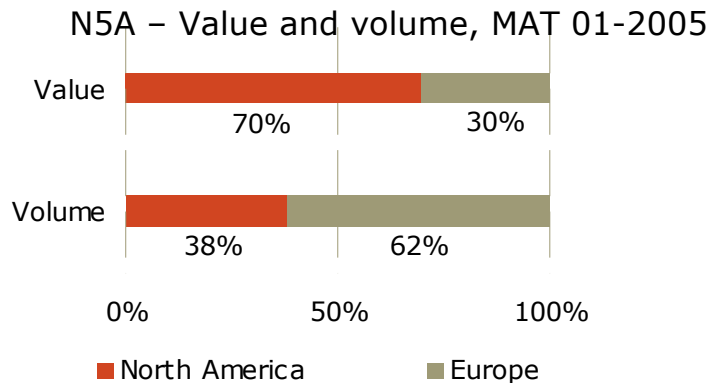


From launch with reimbursement

Source: IMS, N7D, March 2005



Conversion in Europe will continue to drive high growth in the USDbn 3.5 anti-psychotics market...



- European atypical antipsychotic volumes grow faster than typical – conversion is progressing
- Conversion from typical to atypical antipsychotics will drive growth in market in the coming years

...and two new compounds will position Lundbeck in the atypical antipsychotic market

Serdolect (PMS)

- Balanced inhibitory effect on central dopamine D2 and serotonin 5HT2 receptors as well as on alpha-adrenergic receptors
- Efficacious on both positive and negative symptoms – significant more effective than haloperidol and risperidone on negative symptoms

Advantages:

- Placebo-level EPS
- Limited weight gain
- No sedation
- Improved cognitive function
- Administered once daily

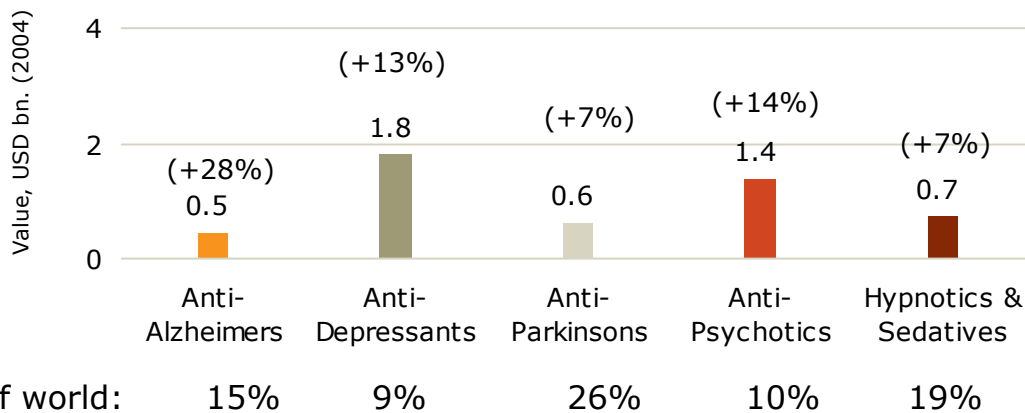
▪ **Bifeprunox (Phase III)**

- Partial dopamine D2-receptor-agonist and serotonin 5-HT1A-agonist
- Expected advantages:
 - No weight gain
 - No increase in prolactin
 - Favourable lipid profile
 - No QTc prolongation
 - No glucose dysregulation
 - EPS comparable to placebo

RoW market

Establishment in RoW markets ensures access to future expected growth

**RoW market – 13,5% of world CNS market -
Lundbeck products cover USDbn 5.5 (2004)***



Lundbeck products with RoW rights

Cipralex (launched)	-
Ebixa (launched)	Outside Japan
Azilect (NDA)	Australia & South Africa
Serdolect (PMS)	-
Bifeprunox (phase III)	Outside Canada, Japan & Mexico
Gaboxadol (phase III)	Agreement with Merck & Co. in Japan

*Source: IMS World Review 2005
Growth rates in local currency dollar 2003-2004 added in brackets

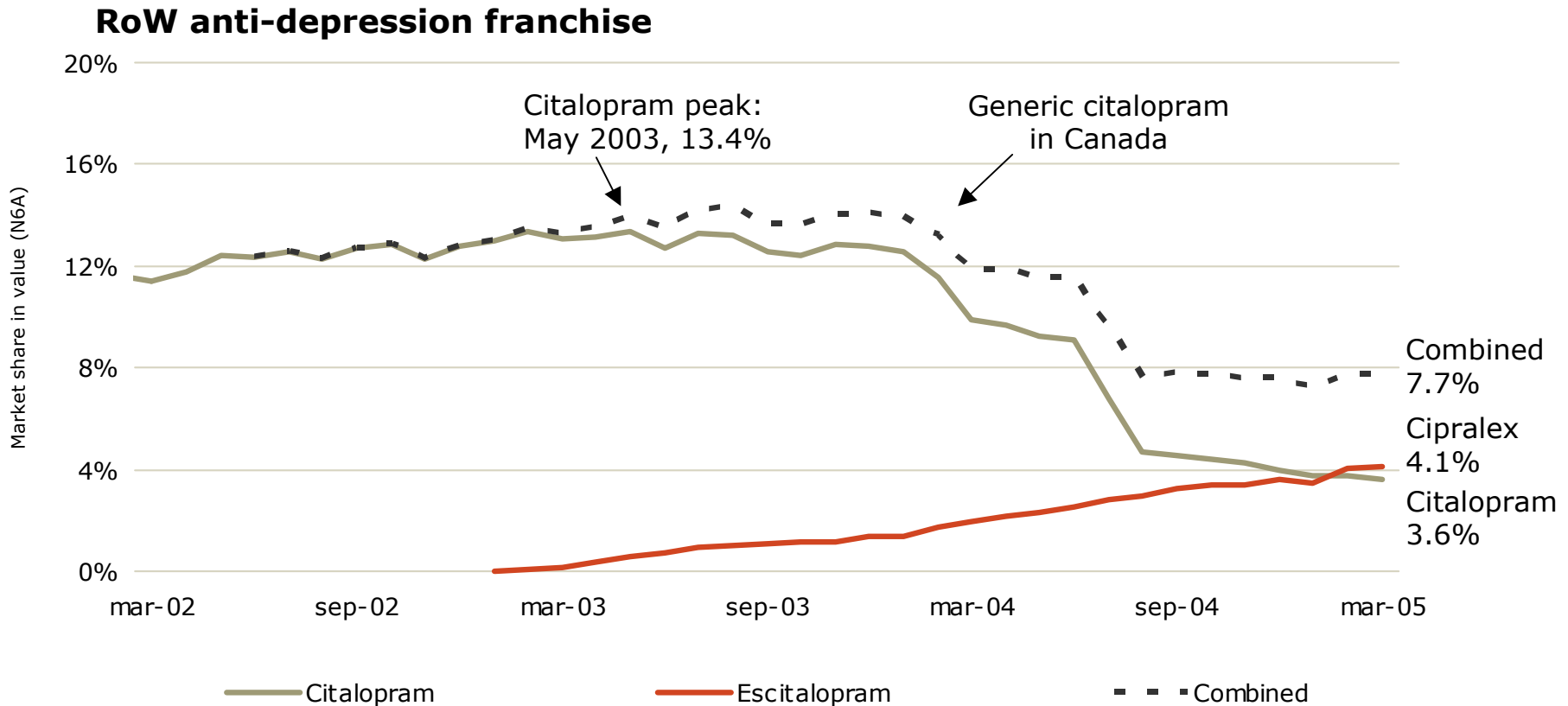


Decline in Mature products driven by launch of generic citalopram in Canada (97% of loss)

ROW franchise	Q1 2005	Q1 2004	Growth	Growth in CER
Cipralex®	105	45	132 %	134 %
Ebixa®	18	6	222 %	229 %
Mature products*	132	269	-51 %	-50 %
Total revenue, ROW	255	320	-20 %	-19 %

* Incl. income revenue from citalopram sales

Significant growth expected for Cipralex® in RoW* – contributed by recent launch in Canada

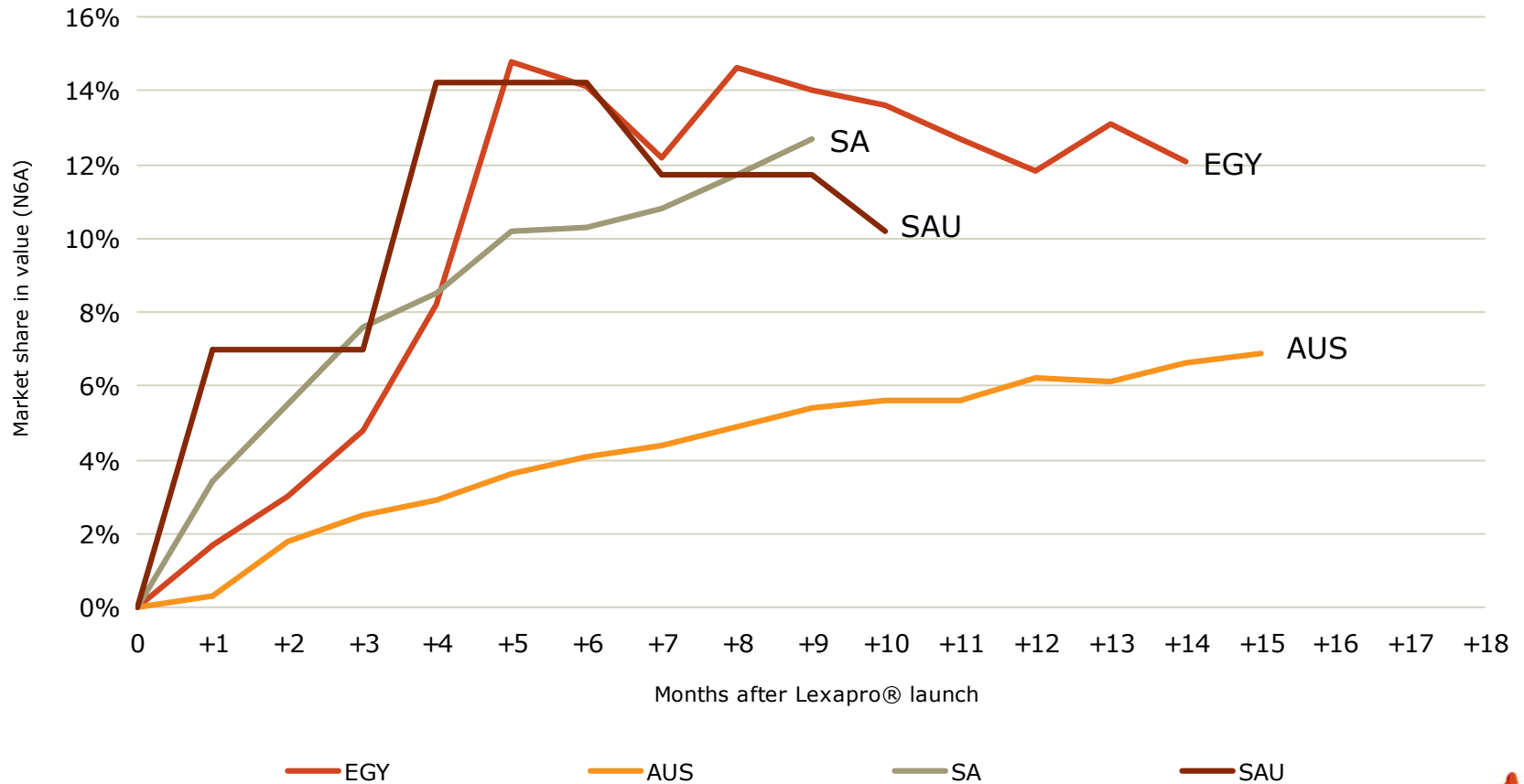


*RoW includes the following countries: Australia, Brazil, Canada, Mexico & S. Africa.

Source: IMS Dataview, March 2005



Recent launches of Lexapro® outside Europe

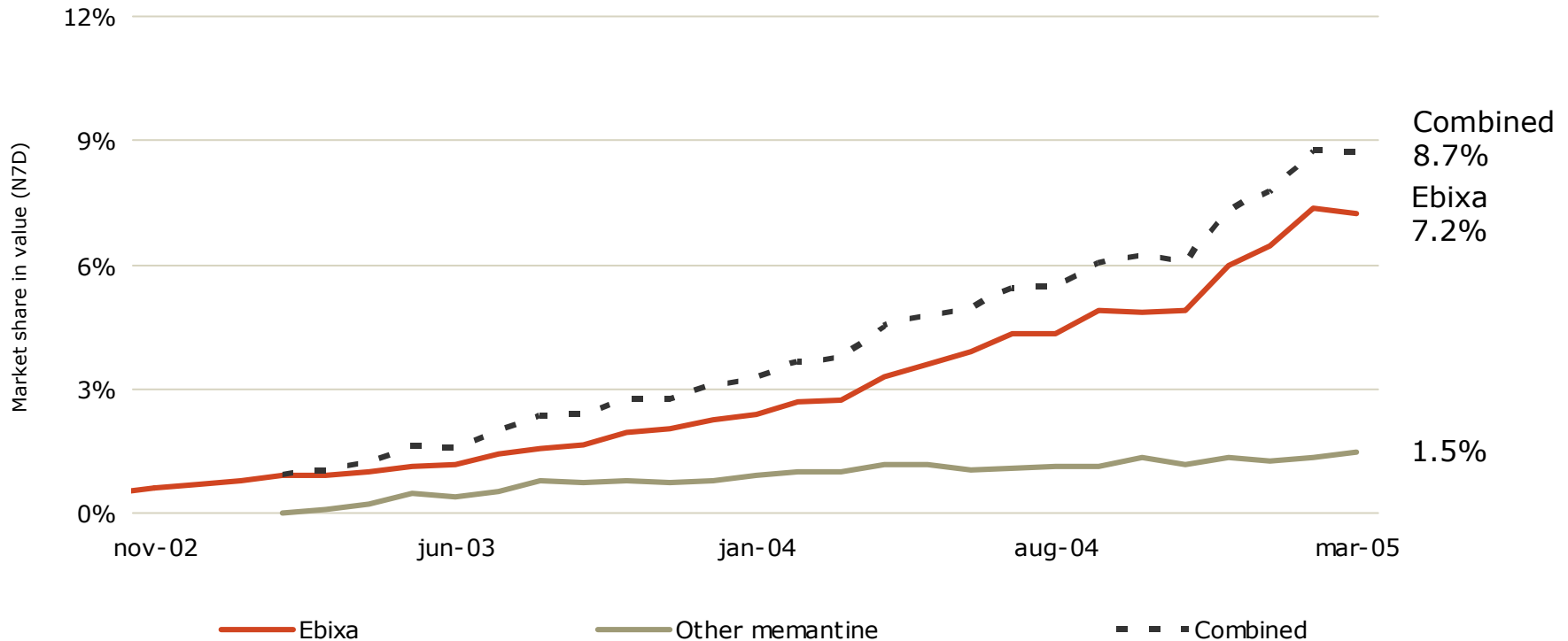


Source: IMS, N6A, March 2005



Memantine continue to gain market share – driven by successful Ebixa® launches

RoW anti-Alzheimer's franchise



*RoW includes the following countries: Australia, Brazil, Canada & Mexico.

Source: IMS Dataview, March 2005



News flow & Pipeline

News flow in 2005

Cipralex, escitalopram

- Approval of GAD indication in Europe
- Launch in France

Timing

2H
2005

Ebixa, memantine

- Approval of mild to moderate indication in Europe

2H

Azilect, rasagiline

- Launch in the first European country

2005

Bifeprunox

- Phase III clinical data, head line results

2H

Gaboxadol

- Phase II clinical data, proof of concept

2H

Pipeline

Compound	Activity	Indication	Dev. stage	2005	2006	2007	2007+
Rasagiline	MAO-B	Parkinson's	Approved	Launch			
Escitalopram	ASRI	Generalised anxiety disorder	Filed	Launch			
Memantine	NMDA antagonist	Mild to moderate Alzheimer's	Filed	Launch			
Sertindole	D ₂ -5HT ₂	Schizophrenia	PMS	Launch			
Bifeprunox	Dopamine/serotonin	Schizophrenia	III		NDA	Launch	
Gaboxadol	Selective Extra-synaptic GABA agonist	Sleep disorder	III			NDA	Launch
Lu AA21004	Multiple target	Depression	I				--
Lu 31-130	Monoaminergic	Psychosis	I				--

Financial overview

DKKm	Q1 2005	Q1 2004	Growth	Growth in CER	Q4 2004	Growth Q1-Q4
Revenue	2,219	2,893	-23 %	-20 %	2,105	5 %
- Cipralex®	534	352	52 %	53 %	447	19 %
- Income from Lexapro®	663	618	7 %	26 %	617	7 %
- Ebixa®	241	141	71 %	71 %	227	6 %
- Mature products*	724	1,308	-45 %	-44 %	785	-8 %
- Other revenue	57	474	-88 %	-88 %	29	97 %
COGS	412	424	-3 %		438	-6 %
SG&A	817	961	-15 %		908	-10 %
R&D	360	416	-13 %		504	-29 %
EBIT	637	1,089	-42 %		228	179 %
EBIT margin (%)	28.7	37.6	-24 %		10.8	166 %
Finance income, net	49	16	203 %		-6	-
Net Profit	452	741	-39 %		143	216 %
EPS (DKK per share)	2.03	3.21	-37 %		0.67	203 %
CAPEX	48	50	-4 %		122	-61 %

* Incl. income revenue from citalopram sales

Financial guidance and mid-term targets

	FY 2004*	FY 2003	2005 Guidance	2006 target	2007 target
EBIT	2,133	2,147	Approx. DKKbn 2.2	+12% growth	+12% growth
EBIT margin	22.9%	21.6%	Higher than 2004		25% margin
CAPEX	244	1,479	Approx. DKKm 550		

Risk factors in 2005

- The time of the launch of Cipralex® in France
- Progress in sales and market growth in the US market.

* Excl. payment for gaboxadol

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Appendix

Revenue by region by quarter, DKKm

Europe	FY 2003	Q1 04	Q2 04	Q3 04	Q4 04	FY 2004	Q1 05
Ciprallex®	579	306	339	382	377	1,404	429
Ebixa®	276	136	162	169	208	675	223
Mature products*	3,841	693	670	610	538	2,511	535
Total revenue, Europe	4,696	1,135	1,171	1,161	1,123	4,590	1,187
US**	FY 2003	Q1 04	Q2 04	Q3 04	Q4 04	FY 2004	Q1 05
Lexapro®	1,927	618	518	667	617	2,420	663
Mature products*	1,725	346	261	268	106	981	57
Total revenue, US	3,652	964	779	935	723	3,401	720
Rest of world***	FY 2003	Q1 04	Q2 04	Q3 04	Q4 04	FY 2004	Q1 05
Ciprallex®	66	45	59	83	70	257	105
Ebixa®	10	6	9	13	19	47	18
Mature products*	1,253	269	247	150	141	807	132
Total revenue, Rest of world	1,329	320	315	246	230	1,111	255
Other revenue	264	474	60	68	29	631	57
Total group revenue	9,941	2,893	2,325	2,410	2,105	9,733	2,219

* Incl. income from citalopram

** US (incl. income from Forest)

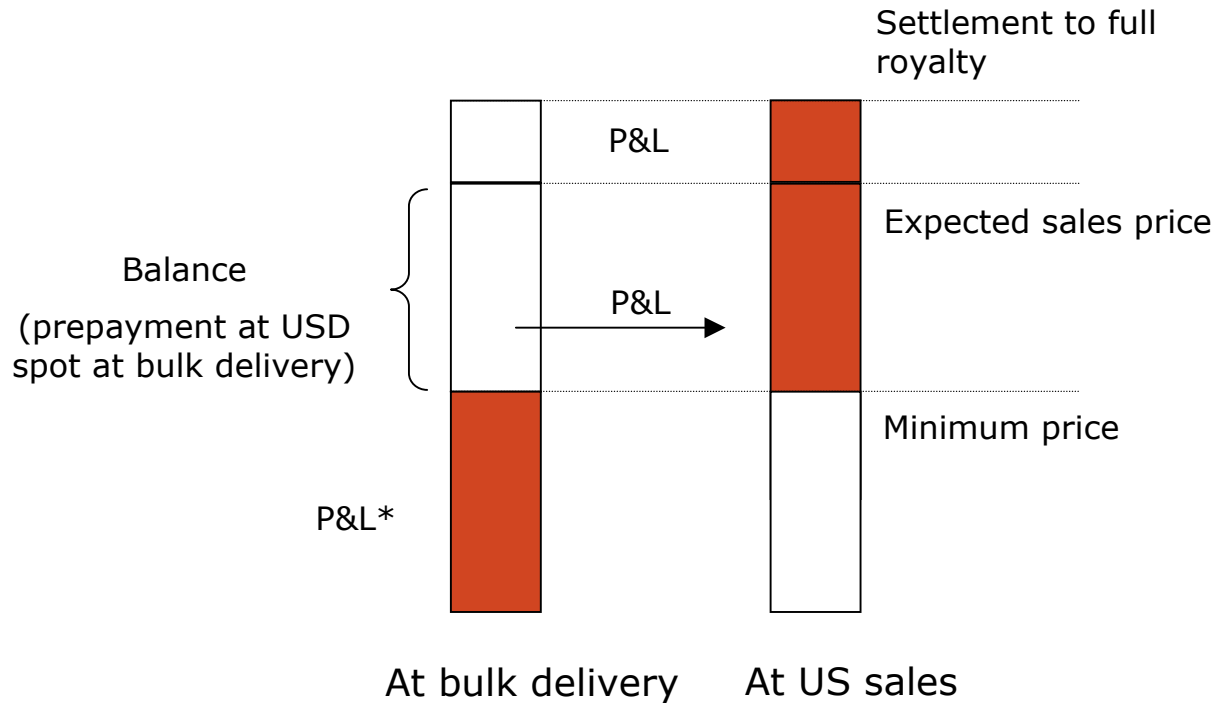
*** Asia, Africa, Americas, Canada, Middle East

Impact from IFRS 2 & 3 on financial accounts

- IFRS 3: Goodwill will be subject to impairment test once a year
 - Depreciation of DKKm 56 in 2004
 - Goodwill amounts to DKKm 883 as of 31 Dec. 2004
- IFRS 2: Options and other share based incentive schemes
 - Share price based programs of 1999 and 2002 for employees of foreign subsidiaries and SAR program of 2004

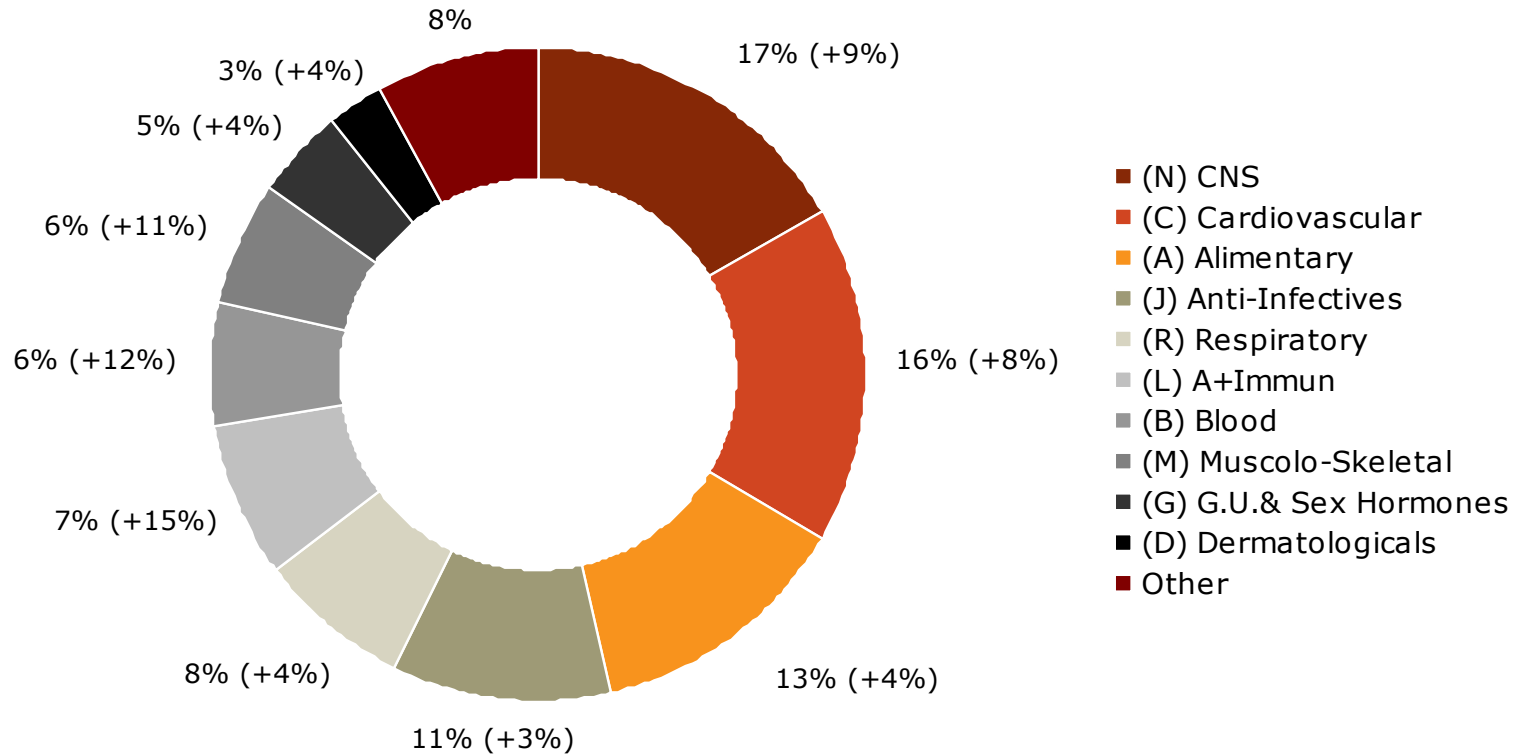
IFRS 2 effect, DKKm	2002	2003	2004
Effect on earnings	-16	15	-21
Tax effect	6	-5	6
Earnings, in IFRS 2	1,259	1,387	1,709
EPS, diluted, in IFRS 2	5.45	5.99	7.39
EPS, diluted, reported	5.49	5.95	7.46
Effect on equity, after tax	-31	-21	-36
Equity, in IFRS 2	5,790	6,893	7,840

Lundbeck recognition of income from Forest



* Hedging effect at bulk delivery recognised on P&L:
Gain/loss from difference in delivery at expected sales price at forward rate difference to spot rate at delivery

Worldwide pharmaceutical market 2004 USD 521,2 billion*, (+11%)



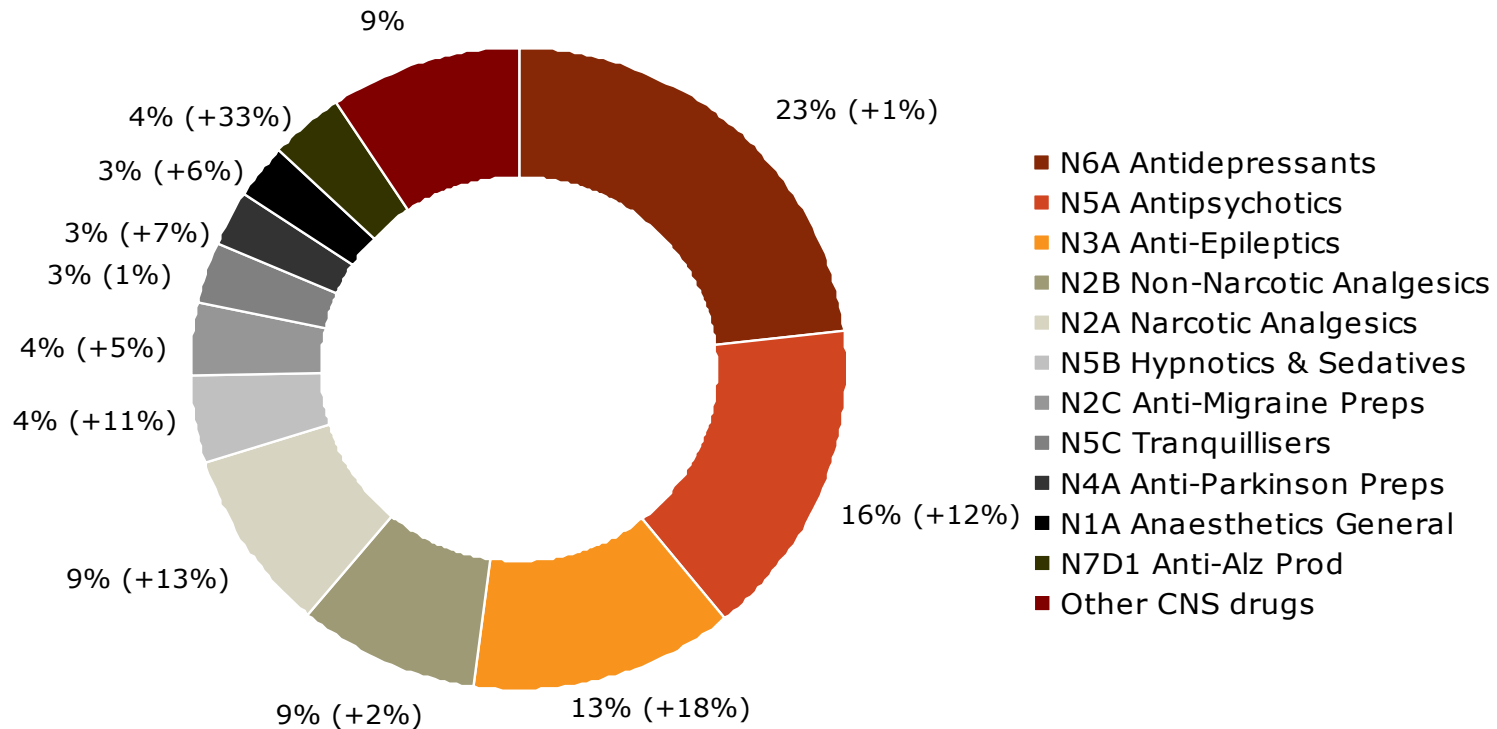
Source: IMS World Review 2005

Growth rates in local currency dollar 2003-2004 added in brackets

* Sales including estimates of non IMS audited panels = 545 billion



Worldwide CNS market 2004 USD 87,0 billion, (+9%)

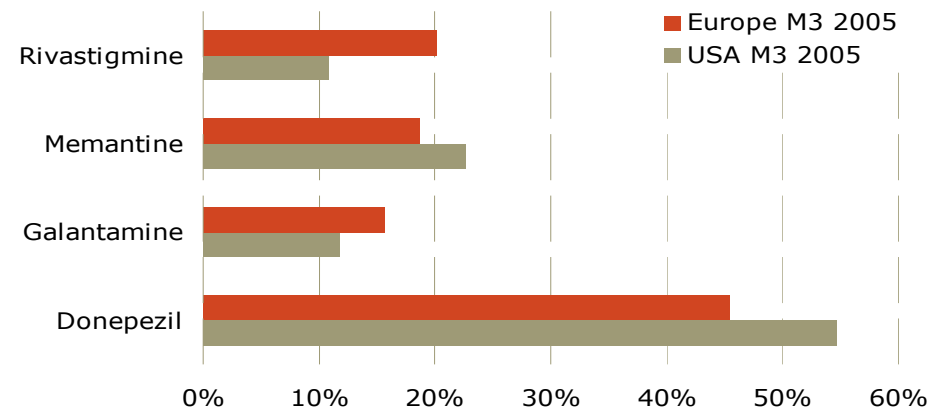
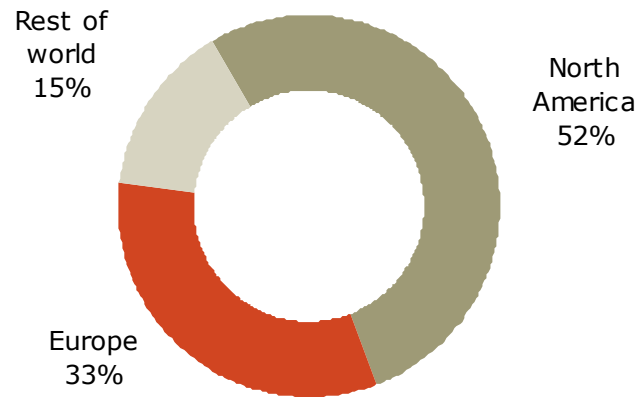


Source: IMS World Review 2005
Growth rates in local currency dollar 2003-2004 added in brackets



Alzheimer's (N7D-2004) – 3.2 bill. USD (+33%)

Value Market Shares of N7D

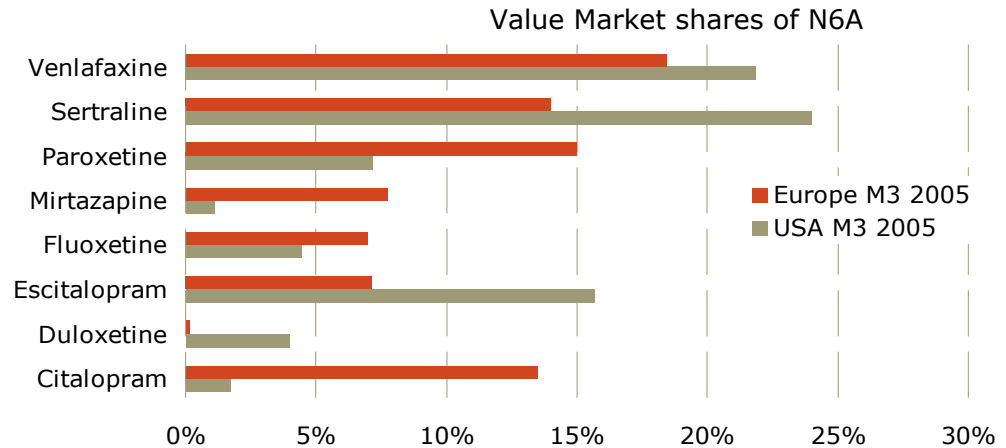
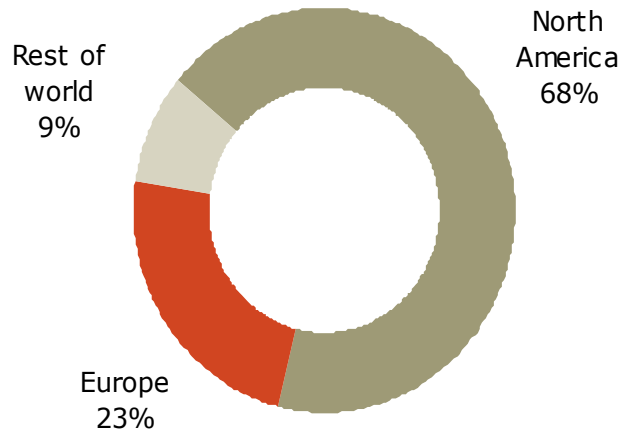


Leading product	Marketing Corporation	Sales 2004 (USDm)	Growth in %
Aricept®	Eisai	1,818	25
Exelon®	Novartis	437	11
Reminyl®	Johnson & Johnson	411	38
Namenda®	Forest	247	>999
Ebixa®	Lundbeck	119	225

*) Not including hospital sales, which account for approximately 10% of sales of anti-Alzheimer's drugs

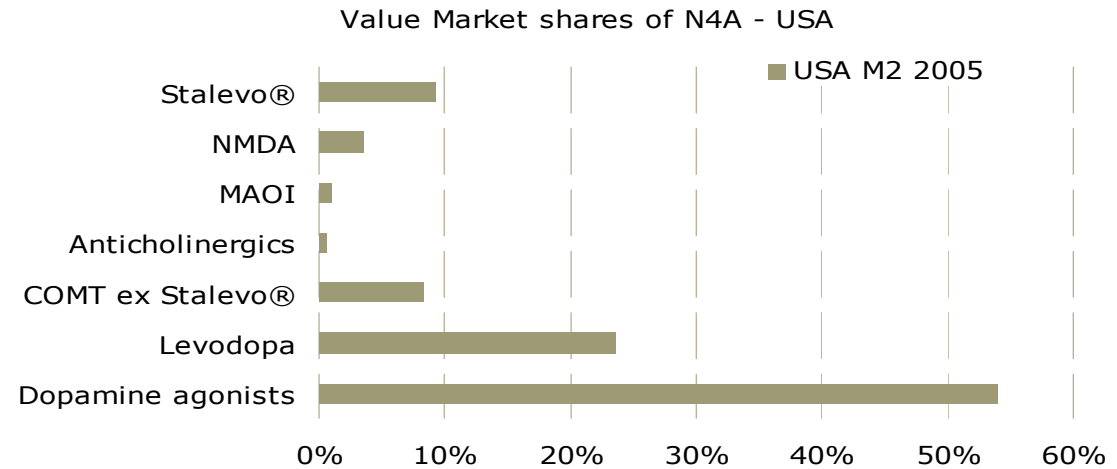
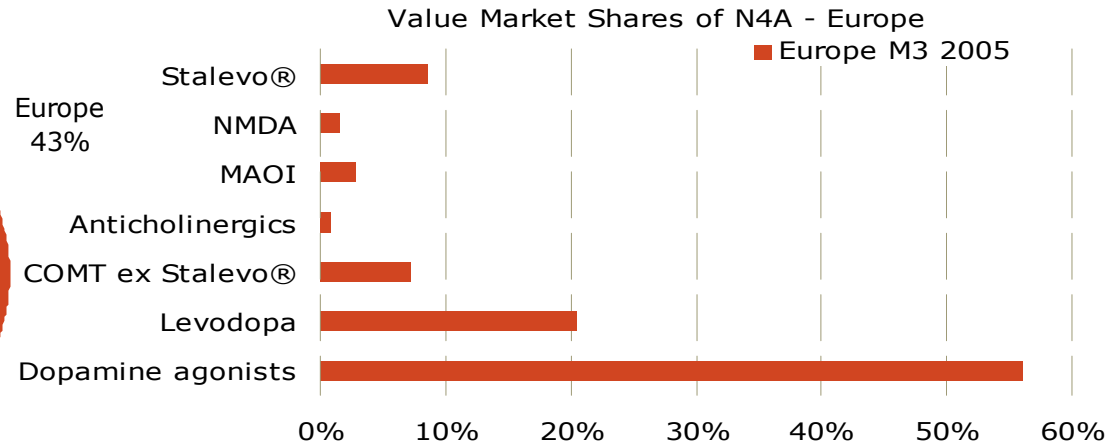
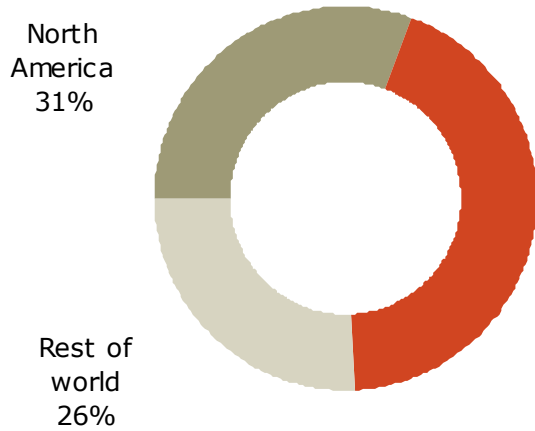
Source: IMS World Review 2005 & IMS Knowledge link

Depression (N6A-2004) – 20.3 bill. USD (+1%)

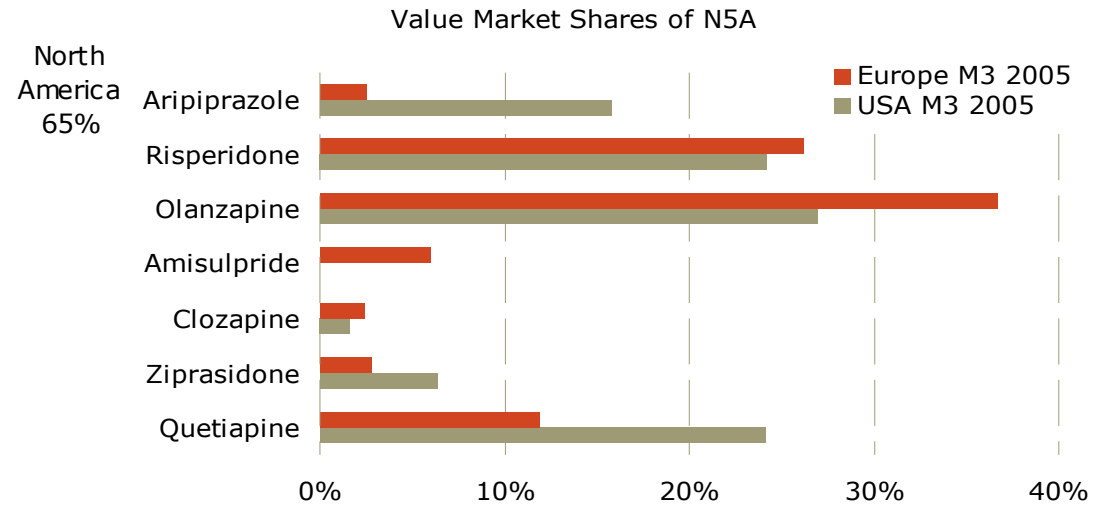
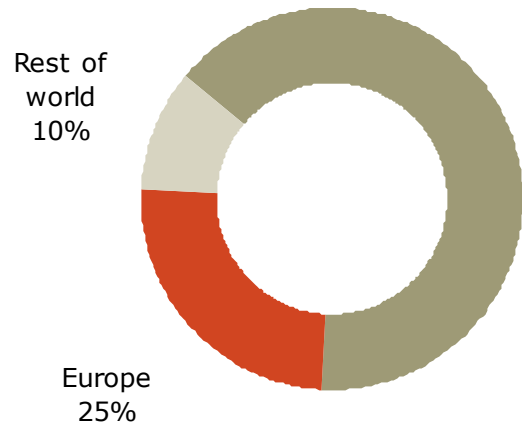


Leading product	Marketing Corporation	Sales 2004 (USDm)	Growth in %
Effexor®	Wyeth	3,734	23
Zoloft®	Pfizer	3,698	9
Seroxat®/Paxil®	GlaxoSmithKline	1,933	-40
Lexapro®/Cipralextm®	Lundbeck/Forest	1,914	84
Wellbutrin®	GlaxoSmithKline	1,664	-10
Cipramil®/Celexa®	Lundbeck/Forest	1,377	-30
Prozac®	Lilly	510	-19
Remeron®	Akzo Nobel	468	-28
Paroxetine Par®	Par Pharm	376	97
Paroxetine APTX®	Apotex	253	161

Anti-Parkinson's (N4A - 2004) – 2.5 bill. USD (+7%)



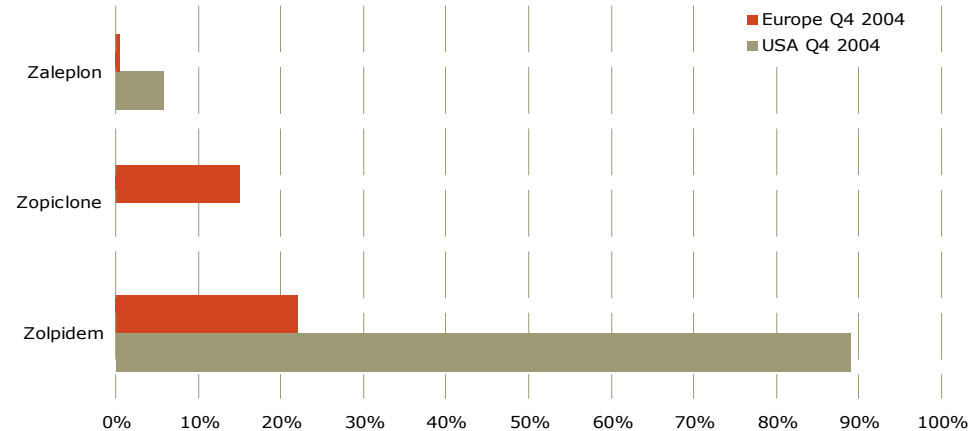
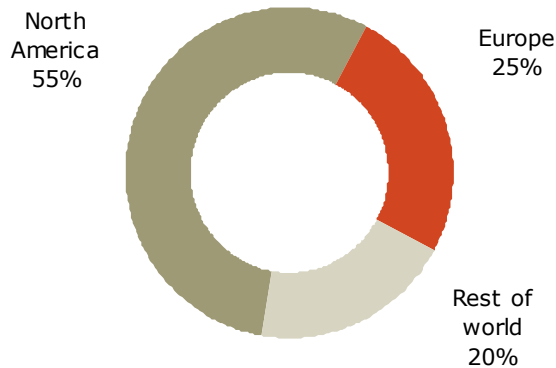
Antipsychotics (N5A-2004) – 14.1 bill. USD (+12%)



Leading product	Marketing Corporation	Sales 2004 (USDm)	Growth in %
Zyprexa®	Eli Lilly	4804	-1
Risperdal®	Johnson & Johnson	3460	15
Seroquel®	AstraZeneca	2484	35
Abilify®	Otsuka/BMS	1004	113
Zeldox®	Pfizer	566	44
Leponex®	Novartis	319	-3
Solian®	Sanofi-Synthelabo	216	23

Worldwide sales of hypnotics (N5B - 2004) – 3.8 bill. USD (+11%)

Value Market Shares of N5B



Leading product	Marketing Corporation	Sales 2004 (USDm)	Growth in %
Stilnox®	Sanofi-Synthelabo	2,136	15
Lendormin®	Boehringer Ingelheim	124	9
Sonata®	Wyeth	121	7
Halcion®	Pfizer	98	6
Imovane®	Aventis	85	0
Noctamid®	Roche	62	14