



Release No 303

14 November 2007

Interim report for the third quarter of 2007

The Supervisory Board of H. Lundbeck A/S today approved the Group's interim report for the third quarter of 2007.

Q3 2007

- Third-quarter consolidated revenue amounted to DKK 2,743 million exclusive of an initial one-off payment from Takeda Pharmaceutical Company Limited of DKK 217 million, corresponding to an increase of 22% relative to the year-earlier period (23% increase at CER). Including the initial payment from Takeda, which is included in Q3, revenue amounted to DKK 2,960 million.
- Revenue derived from **Europe** amounted to DKK 1,408 million, an 11% increase over the year-earlier period (11% growth at CER). Revenue from **International Markets** amounted to DKK 569 million, a 28% increase (37% growth at CER). Revenue from the **USA** rose by 45% (44% increase at CER) to DKK 701 million.
- Exclusive of the initial one-off payment from Takeda in Q3 2007, profit from operations was DKK 862 million, a 37% rise on the same quarter of last year. The EBIT margin was 31.4%. Including the payment from Takeda, profit from operations was DKK 1,079 million, while profit after tax amounted to DKK 713 million, a 67% increase relative to the year-earlier period.
- Lundbeck's total net investments in Q3 2007 amounted to DKK 173 million, as compared with DKK 150 million in Q3 2006.

9 months 2007

- Exclusive of the initial one-off payment from Takeda in Q3 2007, consolidated revenue for the first nine months of 2007 amounted to DKK 7,937 million, an increase of 19% on the same period of 2006 (21% increase at CER), while the Group reported a profit from operations of DKK 2,211 million, or an increase of 64%. During the same period, Lundbeck's total net investments amounted to DKK 454 million.



Lundbeck's research and development

- events after 30 September 2007:

- Proof of concept was achieved in a phase II clinical trial with Lu AA21004
- Lu AA24530 for the treatment of mood and anxiety disorders entered clinical phase II
- Phase I clinical trials were initiated with Lu AA24493 for the treatment of stroke and other diseases
- Lu AA47070 entered clinical phase I for the treatment of Parkinson's disease.

Financial forecast 2007

- Exclusive of one-off items, Lundbeck upgrades its forecast for the Group's profit from operations to more than DKK 2.6 billion. Lundbeck reiterates its guidance of an EBIT margin of 25% and a level of investment of about DKK 650 million.

Share buyback

- Lundbeck continues with the ongoing share buyback programme and expects to complete the share buyback by the end of 2008.

In connection with the quarterly results Lundbeck's President & CEO Claus Bræstrup says:

"In the third quarter, sales of our new pharmaceuticals progressed successfully in all of our markets, and this leads us to upgrade our full-year earnings forecast for 2007. On the R&D side, our development portfolio has progressed steadily during the past few months, especially Lu AA21004 for the treatment of mood disorders, and we have in-licensed Circadin[®] for insomnia, which we expect to market in Europe already in the first half of 2008."



Financial highlights for the period

In respect of recognition and measurement, the interim report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU which are expected to apply for the presentation of financial statements for the full year 2007. The interim report is unaudited.

	Q3 2007 DKKm	Q3 2006 DKKm	Growth in DKK	Growth at CER	Q2 2007 DKKm
Revenue	2,960	2,248	32%	34%	2,612
- Ciprallex [®]	1,046	878	19%	21%	1,027
- Lexapro [®]	699	479	46%	44%	641
- Ebixa [®]	432	339	27%	29%	409
- Azilect [®]	46	19	143%	143%	40
- Serdolect [®]	10	3	259%	276%	6
- Other pharmaceuticals	444	475	(7%)	(3%)	432
- Other revenue	282	54	427%	469%	57
Costs	1,881	1,618	16%		1,920
- Cost of sales	457	372	23%		398
- Distribution	584	500	17%		590
- Administration	358	322	11%		384
- Research and development	485	420	16%		549
- Other operating expenses, net	(1)	4	-		(2)
Profit from operations, EBIT	1,079	630	71%		692
Net financials	(35)	43	-		5
Net profit for the period	713	426	67%		498
Earnings per share, EPS (DKK)	3.49	2.03	72%		2.41
Free cash flow	1,010	405	150%		779



Financial forecast for 2007

Lundbeck forecasts strong growth in consolidated profit for 2007 relative to 2006. Exclusive of one-off items, Lundbeck upgrades its forecast for profit from operations to more than DKK 2.6 billion. Lundbeck still expects an EBIT margin of 25% and to spend approximately DKK 650 million on investments in 2007.

Lundbeck's financial forecast for 2007 is exclusive of one-off items such as the initial one-time payment of DKK 217 million from Takeda, which was recognised in Q3 2007, or a potential DKK 99 million write-down of the balance-sheet value of desmoteplase for the treatment of stroke.

Financial forecast

	2007 forecast
Profit from operations (EBIT)	More than DKK 2.6 billion
EBIT margin	25%
Investments	Approx. DKK 650m

Revenue in Q3 2007

The Group generated Q3 revenue of DKK 2,960 million, which was a 32% increase on the same period of last year and a 13% increase relative to Q2 2007. Adjusted for exchange rate fluctuations, Group revenue rose by 34% relative to the year-earlier period.

During the quarter, Lundbeck received an initial one-off payment of DKK 217 million from the company's partner Takeda in connection with the forming of an alliance for co-development and co-commercialisation in the USA and Japan of several compounds in Lundbeck's pipeline for the treatment of mood and anxiety disorders. This payment is included under other revenue in Lundbeck's financial statements. Exclusive of this payment, Lundbeck generated Q3 revenue of DKK 2,743 million, which was a 22% increase on the same period of last year and a 5% increase relative to Q2 2007.

**Lundbeck Group revenue**

	Q3 2007 DKKm	Q3 2006 DKKm	Growth in DKK	Growth at CER	Q2 2007 DKKm
Cipralex [®]	1,046	878	19%	21%	1,027
Lexapro [®]	699	479	46%	44%	641
Ebixa [®]	432	339	27%	29%	409
Azilect [®]	46	19	143%	143%	40
Serdolect [®]	10	3	259%	276%	6
Other pharmaceuticals	444	475	(7%)	(3%)	432
Other revenue	282	54	427%	469%	57
Total revenue, Group	2,960	2,248	32%	34%	2,612

The Group's pharmaceuticals Cipralex[®]/Lexapro[®] and Ebixa[®] (for the treatment of depression and Alzheimer's disease, respectively) continued to grow combined with the recently launched pharmaceuticals Azilect[®] and Serdolect[®] (for the treatment of Parkinson's disease and schizophrenia, respectively).

Third-quarter sales of newer pharmaceuticals (Cipralex[®]/Lexapro[®], Ebixa[®], Azilect[®] and Serdolect[®]) made up 75% of the Group's total revenue. Exclusive of the initial payment from Takeda Pharmaceutical Company Limited, the newer pharmaceuticals made up 81% of revenue, compared with 76% in the same quarter of last year.

For reporting purposes, Lundbeck divides the world into three regions; Europe, USA and International Markets. Effective from Q3 2007, Lundbeck has relocated five markets that were previously reported under Europe to the International Markets category in order to pursue a more stringent geographic breakdown of markets in the regions. These five markets are Turkey, Israel, Russia, Ukraine and Belarus. Comparative figures in this interim report and on the company's website have been restated accordingly.



Europe

	Q3 2007 DKKm	Q3 2006 DKKm	Growth in DKK	Growth at CER	Q2 2007 DKKm
Cipralex [®]	728	643	13%	13%	706
Ebixa [®]	357	282	27%	27%	334
Azilect [®]	43	19	123%	123%	37
Serdolect [®]	6	1	290%	289%	4
Other pharmaceuticals	274	324	(15%)	(16%)	281
Total revenue, Europe	1,408	1,269	11%	11%	1.364

Cipralex[®] and Ebixa[®] are Lundbeck's best-selling pharmaceuticals in Europe in terms of revenue and continue to make positive contributions to revenue in Europe, posting growth rates of 13% and 27%, respectively, relative to Q3 2006.

At the end of August 2007, **Cipralex[®]** held 13.8% of total antidepressants sales in Europe, an increase of 19% compared with at the end of August 2006. In terms of volume, Cipralex[®] is the most widely used branded antidepressant in Europe.

At the end of August 2007, **Ebixa[®]** commanded 15.3% of the European market for pharmaceuticals to treat Alzheimer's disease, as compared with a share of 14.2% at the same time in 2006. Memantine, the active ingredient in Ebixa[®], is currently the second-most prescribed pharmaceutical in Europe for treating Alzheimer's disease.

Azilect[®] has now been launched in more than 20 countries across Europe, and the launch is proceeding as planned. At the end of August 2007, Azilect[®] held 4.2% of the composite European market for pharmaceuticals to treat Parkinson's disease.

Serdolect[®] has now been launched in 20 countries across Europe, including Spain and Germany.

Circadin[®] - On 24 September, Lundbeck and Neurim Pharmaceuticals Ltd. announced that Lundbeck has in-licensed the exclusive rights for Circadin[®] for the treatment of primary insomnia for the majority of markets in Europe, corresponding to about 80% of the European markets in terms of value. Circadin[®] was approved by the European health authorities on 29 June 2007. Furthermore, Lundbeck holds the exclusive option to evaluate commercialisation of the drug in markets outside of Europe.



Lundbeck expects to launch Circadin[®] in the first markets in 2008, which will cause an increase in selling and distribution expenses in 2008.

USA

	Q3 2007 DKKm	Q3 2006 DKKm	Growth in DKK	Growth at CER	Q2 2007 DKKm
Lexapro [®]	699	479	46%	44%	641
Other pharmaceuticals	2	3	(22%)	(22%)	-
Total revenue, USA	701	482	45%	44%	641

Lundbeck's income from sales of Lexapro[®] in the USA was DKK 699 million in Q3 2007, compared with DKK 479 million in the same period of last year, an increase of 46%. The increase was partly attributable to a low income level for Lexapro[®] in 2006 due to the inventory reductions made in 2006, partly to rising Lexapro[®] sales in the US market.

At the end of August 2007, Lexapro[®] held 22.3% of total antidepressants sales in the USA, as compared with a share of 16.9% at the same time last year. Measured by the total number of prescriptions (TRx), the number of prescriptions written for Lexapro[®] grew by 2.7% in Q3 2007.

Prepayments from Forest recorded in Lundbeck's balance sheet - the difference between the invoiced price and the minimum price of Forest's inventories - was DKK 942 million at 30 September 2007 compared with DKK 969 million at 30 September 2006 and DKK 935 million at 30 June 2007. At 30 September 2007, inventories were on a level corresponding to just less than 9 months of commercial supply.

Lundbeck hedges income from Lexapro[®] and other products using 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. The hedging of the company's foreign exchange income means that this income is in reality included in the financial statements at the forward rates. The effect on the profit was DKK 4 million in Q3 2007 against DKK 4 million in the year-earlier period compared to a situation where the income is included at the current rates of exchange during the period. Of the total effect, DKK 7 million compared with DKK 3 million in Q3 2006 stems from the hedging of USD. The gain from the USD hedging is included in the income from sales of Lexapro[®].

At 30 September 2007, forward exchange and option contracts had been entered into to hedge foreign currency cash flows, primarily in USD, equivalent to a value of approx. DKK 2.8 billion, most of which is accounted for as hedging contracts. The average forward rates at 30



September 2007 for US dollars were USD/DKK 551.37. Deferred recognition of net currency losses and gains amounted to DKK 80 million at 30 September 2007 against DKK 21 million at 30 September 2006 and DKK 33 million at 30 June 2007.

The average forward rate for the first nine months of 2008 for US dollars will be approximately USD/DKK 545, using the existing hedging contracts. The corresponding forward rate for the first nine months of 2007 was approximately USD/DKK 578. For the 2007 financial year, the average forward rate for US dollars is approximately USD/DKK 575.

International markets

	Q3 2007 DKKm	Q3 2006 DKKm	Growth in DKK	Growth at CER	Q2 2007 DKKm
Cipralex [®] /Lexapro [®]	318	235	35%	43%	321
Ebixa [®]	75	58	30%	38%	74
Azilect [®]	4	-	nm	nm	3
Serdolect [®]	5	1	228%	245%	2
Other pharmaceuticals	168	149	13%	23%	150
Total revenue, International Markets	569	443	28%	37%	550

Revenue from International Markets rose by 28% relative to the year-earlier period to DKK 569 billion in Q3 2007. Third-quarter revenue in International Markets made up 19% of Lundbeck's combined revenue in Q3, and net of the one-time payment of DKK 217 million received by Lundbeck from Takeda in Q3, revenue in International Markets represented 21% of Lundbeck's combined revenue. In comparison, three years ago in Q3 2004 International Markets revenue made up 14% of Lundbeck's revenue.

Revenue in International Markets is driven primarily by sales of Lundbeck's two best-selling pharmaceuticals Cipralex[®]/Lexapro[®] and Ebixa[®]. Combined, these two pharmaceuticals made up 69% of third-quarter revenue in the region. At the same time, revenue from the company's other pharmaceuticals in International Markets is maintained at an unchanged level.

In Q2 2007, **Cipralex[®]/Lexapro[®]** held a market share of 10.8% of the aggregate market for antidepressants in terms of value in International Markets, an increase of 40% compared with at the end of August 2006.



Ebixa[®], Lundbeck's second-largest pharmaceutical, held 11.2% of the total market for pharmaceuticals to treat Alzheimer's disease in International Markets. In the same period of last year, the market share was 10.9%.

Azilect[®] and **Serdolect**[®] have only been launched in a few of the markets in International Markets, and revenue is therefore at a relatively low level.

Expenses

Lundbeck's total expenses, exclusive of net financials and tax, were DKK 1,881 million in Q3 2007, which is 16% higher than in the year-earlier period and 2% lower than in Q2 2007.

At DKK 457 million, cost of sales amounted to approximately 16% of total revenue (17% of revenue exclusive of the one-time payment of DKK 217 million from Takeda). In nominal terms, third-quarter cost of sales was up 23% relative to the same period of last year and rose 15% compared with Q2 2007. Cost of sales in Q3 2007 was primarily affected by an increase in revenue and a changed product mix compared with the same quarter of last year.

Distribution costs amounted to DKK 584 million, an increase of 17% relative to the year-earlier period and a 1% decrease from Q2 2007. Compared with Q3 2006, third-quarter distribution costs in 2007 were marked by a higher level of activity in connection with the marketing of Lundbeck's new pharmaceuticals and higher costs associated with the restructuring of sales organisations in Europe.

Administrative expenses amounted to DKK 358 million, an increase of 11% compared with the year-earlier period and a 7% decrease relative to Q2 2007. The increase in administrative expenses was partly due to expenses related to the continued operation and expansion of the Group's information technology infrastructure and expense recognition of a warrant programme.

Third-quarter research and developments costs amounted to DKK 485 million, which was a 16% increase on the same period of last year and 12% lower than in Q2 2007.

Research and development costs accounted for 16% of revenue in Q3 2007. Exclusive of the one-off payment from Takeda, research and development costs accounted for 18% of revenue in Q3 2007, as compared with 19% in Q3 2006. As previously announced, Lundbeck expects that research and development costs will account for approximately 20% of total consolidated revenue for 2007.



Depreciation and amortisation charges, which are included in the individual expense categories, totalled DKK 135 million in Q3 2007, up from DKK 127 million in the same period of last year.

Depreciation/amortisation per expense group	Q3 2007 DKKm	Q3 2006 DKKm	Growth in DKK	Q2 2007 DKKm
Cost of sales	59	55	8%	56
Distribution	3	4	(16%)	4
Administration	20	19	5%	22
Research and development	53	49	8%	53
Total depreciation/amortisation, Group	135	127	7%	135

The number of employees measured as full-time employees was 5,114 at the end of Q3 2007 compared with 5,110 at the end of Q3 2006 and 5,159 at the end of Q2 2007.

Net financials

In Q3 2007, the Group's net financial expense totalled DKK 35 million compared with a net income of DKK 43 million in the same period of last year.

	Q3 2007 DKKm	Q3 2006 DKKm	Q2 2007 DKKm
Net items relating to trading	1	(5)	1
Accounting translation of currency items	(51)	9	4
Net currency items relating to financial items	(50)	4	5
Unrealised gain concerning other investments excl. exchange rate adjustments	2	23	1
Net interest income/expenses	13	16	(1)
Net financials	(35)	43	5

Net interest income, including realised and unrealised gains and losses on the bond portfolio, amounted to DKK 13 million in Q3 2007. The change in Q3 2007 relative to Q2 2007 was due to a small loss on the company's bond portfolio.



Third-quarter foreign currency translation represented an expense of DKK 51 million, and net income relating to trading amounted to DKK 1 million for a total of DKK 50 million in net currency items included in net financials. Movements in the accounting translation of currency items in Q3 2007 were primarily triggered by exchange rate translation of equity in the company's subsidiaries in the USA and the United Kingdom.

Net items relating to trading derives from income and expenses from instruments that do not meet the criteria for hedging and is recognised directly under net financials at market value.

Tax

In July 2007, a proposal for a new tax reform from the Ministry of Taxation was adopted by the Danish parliament. As a result of the new tax reform, the Danish corporate tax rate has been lowered from 28% to 25%. Consequently, the Lundbeck Group's tax rate has been reduced to 30%.

The income tax expense amounted to DKK 306 million in Q3 2007 against DKK 227 million in the year-earlier period. The effective tax rate was 30.0% as compared with 34.7% in Q3 2006.

The lower tax percentage in Q3 2007 was partly attributable to the reduced corporate tax rate in Denmark, which had an effective impact of about 2 percentage points.

Net profit for the period

Profit from operations was DKK 1,079 million in Q3 2007 compared with DKK 630 million in the same period of last year.

At DKK 1,019 million, profit before tax rose 56% from DKK 653 million in the year-earlier period, while the net profit for the period after tax was DKK 713 million, which was 67% higher than in Q3 2006.

Investments

Lundbeck's total net investments in Q3 2007 amounted to DKK 173 million, as compared with DKK 150 million in Q3 2006 and DKK 154 million in Q2 2007. In Q3 2007, the Group invested primarily in research facilities in Lundbeck Research, USA, the roll-out of SAP in the Group's subsidiaries and the extension of headquarter facilities in Denmark.

For the first nine months of 2007, Lundbeck's total net investments amounted to DKK 454 million.

Share buyback

In August 2005, Lundbeck launched a treasury share buyback programme of up to DKK 6 billion. The share buyback programme is being



implemented in accordance with the provisions of the European Commission's safe harbour regulation, which protects listed companies against violation of insider legislation in connection with share buybacks. Lundbeck continues with the programme and expects to complete the share buybacks by the end of 2008.

Once every seven trading days, Lundbeck will issue an announcement concerning transactions made under the share buyback programme. At 30 September 2007, a total of 23,028,527 shares had been bought back, corresponding to a transaction value of DKK 3,102,449,141 and an average purchase price of DKK 134.7220, equal to about 52% of the total programme.

Cash flows

Lundbeck's operating activities generated a cash inflow of DKK 1,183 million in Q3 2007, compared with an inflow of DKK 555 million in the year-earlier period and DKK 933 million in Q2 2007. The free cash flow amounted to DKK 1,010 million in Q3 2007 as compared with DKK 405 million in the same period of last year. Relative to Q3 2006, the free cash flow is positively influenced by the higher operating profit and an increase in shipments to the company's US partner Forest Laboratories, Inc. compared with the year-earlier period.

Financing activities generated a cash outflow of DKK 317 million, as compared to an outflow of DKK 370 million in the same period of last year. The lower outflow was due to favourable movements in interest-bearing debt. In Q3 2007, cash flows from financing activities were affected by share buybacks of DKK 264 million. In Q2 2007, financing activities resulted in a cash outflow of DKK 589 million.

Lundbeck's interest-bearing net cash (the Group's holding of cash and cash equivalents less interest-bearing debt) was DKK 1,916 million at 30 September 2007 against DKK 815 million at 30 September 2006 and DKK 1,131 million at 30 June 2007. In addition to interest-bearing net cash, Lundbeck has unutilised credit facilities of DKK 2.1 billion.

Unutilised credit facilities consist of drawing rights on the Group's banks (overdraft facilities) and guaranteed committed loans.

Equity

Equity at 30 September 2007 amounted to DKK 7,496 million compared with DKK 6,475 million at 30 September 2006 and DKK 6,961 million at 30 June 2007. In Q3 2007, return on equity was 9.9% compared with 6.7% in the same period of last year and 7.1% in Q2 2007. The changes in equity are shown in appendix 4.



Litigation in respect of escitalopram

Lundbeck is involved in pending patent trials in the USA, the UK, Australia, Canada, France and Germany.

USA

The appeal in the case concerning the US patent, which covers escitalopram, the active ingredient in Lexapro[®], was heard on 9 May 2007 before the U.S. Court of Appeals for the Federal Circuit. On 5 September 2007, Lundbeck and Forest Laboratories, Inc. announced that the U.S. Court of Appeals for the Federal Circuit had affirmed a 13 July 2006 decision by the U.S. District Court for the District of Delaware, which determined that the U.S. patent covering escitalopram, the active ingredient in Lexapro[®], is valid and upheld the injunction preventing IVAX/Teva's proposed generic product launch. This confirms Lundbeck's and Forest's patent rights concerning Lexapro[®], which expire in March 2012.

Lundbeck does not believe that IVAX/Teva have any further appeal options and finds that the ruling in this case is final, thereby closing the case against IVAX/Teva.

Germany

On 24 August, a German court returned a first-instance decision, which ruled against Lundbeck in respect of escitalopram. The case has been appealed, and Lundbeck does not expect a decision by the appeals court within the next couple of years.

Lundbeck firmly believes that the Group's intellectual property rights concerning escitalopram are valid and enforceable, and it is still our policy to energetically defend our intellectual property rights.

Lundbeck's development portfolio

Desmoteplase

Earlier this year, Lundbeck's partners PAION AG and Forest Laboratories Inc. announced the results of the DIAS-2 (Desmoteplase In Acute Ischemic Stroke) study with the compound desmoteplase for the treatment of stroke, which showed that the primary efficacy endpoint was not met. Since then, Lundbeck has analysed and evaluated the results of the analysis subsequently initiated by PAION to create an overview of the reasons why the results of the DIAS-2 study were so different from the positive results obtained in previous clinical trials with desmoteplase.

Lundbeck is still investigating whether there is an explanation for the lack of efficacy and whether any such explanation could possibly form the basis of a continuation of the project. This assessment will be completed at the beginning of 2008 at the latest.



Development activities in Q3 2007

On 5 September, Lundbeck and Takeda Pharmaceutical Company Limited announced a strategic alliance for the exclusive co-development and co-commercialisation in the USA and Japan of several compounds in Lundbeck's pipeline for the treatment of mood and anxiety disorders.

The partnership will initially focus on co-development and co-commercialisation of the two most advanced compounds in Lundbeck's pipeline for mood and anxiety disorders, Lu AA21004 and Lu AA24530, with an option under certain conditions to replace one of the two compounds with a third compound and to include a fourth compound of the same class in the agreement. Assuming approvals, the companies plan to co-promote the compounds in the USA and Japan.

Development activities after 30 September 2007

In October, Lundbeck announced positive headline results from a proof of concept clinical study (clinical phase II) with the compound Lu AA21004 for the treatment of Major Depressive Disorder. Later that month, Lundbeck initiated phase I clinical trials with the pharmaceutical candidate Lu AA24493 in patients suffering from acute ischemic stroke and also launched phase II clinical trials with the pharmaceutical candidate Lu AA24530 in patients with depression. Furthermore, in November Lundbeck initiated clinical phase I trials with the pharmaceutical candidate Lu AA47070 for the treatment of Parkinson's disease.

Incentive plans

Lundbeck has established incentive plans for Executive Management, senior employees and key employees, which are comprised by the provisions of IFRS 2 "Share-based payment".

Equity-settled schemes

In August 2007, Lundbeck granted 804,500 warrants (equity-settled remuneration scheme), which are comprised by the provisions of IFRS 2, to members of H. Lundbeck A/S' Executive Management and Danish and foreign executives appointed by H. Lundbeck A/S' Executive Management who are employed by H. Lundbeck A/S or H. Lundbeck A/S' subsidiaries.

Moreover, in September 2007, Lundbeck granted 40,000 warrants (equity-settled remuneration scheme), which are comprised by the provisions of IFRS 2, to the new member of Executive Management, CFO Anders Götzsche.

Under the provisions of IFRS 2, this scheme is comprised by the requirement on cost recognition and will therefore affect the consolidated financial statements at the time of grant in the amount of DKK 16.4 million. The market value is calculated using the Black Scholes formula for



valuation of options and is based on an exercise price of DKK 156, a volatility of 28.6%, a dividend payout ratio of 1.2% and a risk-free interest rate of 4.3%.

In September 2005, Lundbeck granted warrants (equity-settled remuneration scheme), which are comprised by the provisions of IFRS 2, to members of H. Lundbeck A/S' Executive Management and Danish and foreign executives appointed by H. Lundbeck A/S' Executive Management who are employed by H. Lundbeck A/S or H. Lundbeck A/S' subsidiaries.

Under the provisions of IFRS 2, these schemes are comprised by the requirement on cost recognition at the date of grant. Accordingly, no regular value adjustments will be made, and the schemes will not affect the consolidated financial statements.

In January 2004, Lundbeck allocated warrants (equity-settled remuneration scheme) to the management and a number of key employees. These warrants are covered by the transitional provisions of IFRS 2, as this scheme was established after 7 November 2002 with a vesting date before 1 January 2005.

The programme expired at the end of August 2007, and 350,574 warrants not exercised by this time were cancelled.

The liability based on the Black Scholes formula was DKK 25.8 million at 30 September 2007.

Debt plans

In 2002, a share price based plan for employees of the foreign enterprises was set up, and in 2004 a new share price based plan for key employees of US enterprises was established.

The share price based plan for employees of the foreign subsidiaries set up in 2004 expired at the end of August 2007.

The value adjustment at 30 September 2007 of the "debt plans", including exercised plans, is recognised at an insignificant amount in the income statement for Q3 2007. The liability for the debt-based remuneration plans based on the Black Scholes formula was DKK 8 million at 30 September 2007.

Conference call

Today at 3.00 pm (CET), Lundbeck will be hosting a conference call for the financial community. You can listen to the conference on the Group's website www.lundbeck.com under the section "Investors – Presentations – Teleconference".



Forward-looking statements

This announcement contains forward-looking statements that provide current expectations or forecasts of events such as new product launches, product approvals and financial performance.

Forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. This may cause actual results to differ materially from expectations. Factors that may affect future results include interest rate and exchange rate fluctuations, delay 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 competing products, 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 related interpretation thereof and unexpected growth in costs and expenses.



Management statement

The Supervisory Board and Executive Management have considered and adopted the interim report of H. Lundbeck A/S.

The interim report, which is unaudited, has been prepared in accordance with the guidelines issued by the Copenhagen Stock Exchange and, in respect of recognition and measurement, has been prepared in accordance with IFRS and related interpretations of International Accounting Standards Board (IASB), which are expected to apply for the presentation of financial statements for the full year 2007.

In our opinion, the interim report gives a true and fair view of the Group's financial position at 30 September 2007 and of the results of the Group's operations and cash flows for the period 1 January – 30 September 2007.

Valby, 14 November 2007

Supervisory Board

Per Wold-Olsen
Chairman

Thorleif Krarup
Deputy Chairman

Kim Rosenville Christensen

Peter Kürstein

Mats Pettersson

Birgit Bundgaard Rosenmeier

William Watson

Jes Østergaard

Executive Management

Claus Bræstrup
President and CEO

Lars Bang
Executive Vice President

Anders Götzsche
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Stock Exchange Release No 303 – 14 November 2007

About Lundbeck

H. Lundbeck A/S is an international pharmaceutical company engaged in the research and development, production, marketing and sale of drugs for the treatment of psychiatric and neurological disorders. In 2006, the company's revenue was DKK 9.2 billion (approximately EUR 1.2 billion or USD 1.6 billion). The number of employees is approximately 5,300 globally. For further information, please visit www.lundbeck.com



Appendix 1 – Financial highlights

	2007 Q3 DKKm	2006 Q3 DKKm	2007 Q3 EURm *	2007 9M DKKm	2006 9M DKKm	2007 9M EURm *
FINANCIAL HIGHLIGHTS						
Revenue	2,960.2	2,247.5	397.4	8,154.6	6,678.2	1,094.7
Profit from operations	1,078.9	630.0	144.9	2,428.1	1,349.4	325.9
Net financials	(34.5)	43.2	(4.6)	17.8	(55.7)	2.4
Profit before tax	1,019.2	652.8	136.8	2,395.9	1,239.5	321.6
Tax	305.8	226.7	41.1	718.8	432.5	96.5
Profit for the period	713.4	426.1	95.8	1,677.1	807.0	225.1
Equity	7,495.6	6,474.7	1,005.5	7,495.6	6,474.7	1,005.5
Total assets	12,886.9	10,987.8	1,728.8	12,886.9	10,987.8	1,728.8
Cash flows from operating activities	1,182.5	554.6	158.8	2,497.8	982.7	335.3
Free cash flow	1,009.8	404.6	135.6	2,044.3	530.2	274.4
RATIOS **						
	%	%	%	%	%	%
EBIT margin	36.4	28.0	36.4	29.8	20.2	29.8
Return on assets	12.9	8.5	12.9	30.1	18.3	30.1
R&D costs as a percentage of revenue	16.4	18.7	16.4	18.5	20.4	18.5
Return on equity	9.9	6.7	9.9	23.5	11.6	23.5
Solvency ratio	58.2	58.9	58.2	58.2	58.9	58.2
SHARE DATA ***						
	DKK	DKK	EUR	DKK	DKK	EUR
Earnings per share (EPS)	3.49	2.03	0.47	8.14	3.80	1.09
Diluted earnings per share (DEPS)	3.49	2.03	0.47	8.13	3.79	1.09
Cash flow per share	5.79	2.64	0.78	12.11	4.62	1.63
Net asset value per share	36.85	30.98	4.94	36.85	30.98	4.94
Market capitalisation (DKKm)	29,432	29,027	3,948	29,432	29,027	3,948
Market price, end of period	141.99	136.99	19.05	141.99	136.99	19.05
Price / Earnings	40.65	67.50	40.65	17.46	36.10	17.46
Price / Cash flow	24.53	51.87	24.53	11.72	29.65	11.72
Price / Net asset value	3.85	4.42	3.85	3.85	4.42	3.85

* Income statement items are translated into EUR at the average exchange rates during the period

(1 January - 30 September 2007 rate 744.94 and 1 July - 30 September 2007 rate 744.81).

Balance sheet items are translated at the exchange rates at the balance sheet date (30 September 2007 rate 745.44).

** Financial ratios are calculated according to the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2005"

*** Comparative figures involving number of shares have been restated using a factor of 0.9985 for the effect of employees' exercise of warrants.



Appendix 2 – Income statement

DKKm	2007 Q3	2006 Q3	2007 9M	2006 9M	2006 Full year
Revenue	2,960.2	2,247.5	8,154.6	6,678.2	9,221.0
Cost of sales	456.8	371.6	1,351.8	1,228.8	1,645.8
Distribution costs	583.6	500.0	1,751.3	1,733.5	2,418.7
Administrative expenses	357.7	322.1	1,118.5	999.9	1,418.9
PROFIT BEFORE RESEARCH COSTS	1,562.1	1,053.8	3,933.0	2,716.0	3,737.6
Research and development costs	484.6	419.5	1,506.7	1,361.8	1,957.7
PROFIT BEFORE OTHER OPERATING ITEMS	1,077.5	634.3	2,426.3	1,354.2	1,779.9
Other operating income/(expenses)	1.4	(4.3)	1.8	(4.8)	4.1
PROFIT FROM OPERATIONS	1,078.9	630.0	2,428.1	1,349.4	1,784.0
Income from investments in associates	(25.2)	(20.4)	(50.0)	(54.2)	(87.4)
Net financials	(34.5)	43.2	17.8	(55.7)	(63.8)
PROFIT BEFORE TAX	1,019.2	652.8	2,395.9	1,239.5	1,632.8
Tax on profit for the period	305.8	226.7	718.8	432.5	525.9
PROFIT FOR THE PERIOD	713.4	426.1	1,677.1	807.0	1,106.9
Earnings per share (EPS) (DKK)	3.49	2.03	8.14	3.80	5.24
Diluted earnings per share (DEPS) (DKK)	3.49	2.03	8.13	3.79	5.23

Number of shares for the calculation of EPS and DEPS

EPS, Q3 2007	204,154,831
DEPS, Q3 2007	204,253,930



Appendix 3 – Balance sheet

DKK m 30.09.2007 30.09.2006 31.12.2006

ASSETS			
Intangible assets	1,759.4	1,643.2	1,780.7
Property, plant and equipment	3,714.2	3,597.7	3,666.7
Financial assets	582.5	364.4	656.4
Non-current assets	6,056.1	5,605.3	6,103.8
Inventories	1,017.4	1,171.9	1,155.0
Receivables	2,401.3	1,880.3	1,994.0
Other securities	1,553.3	1,412.5	1,201.6
Cash	1,858.8	917.8	1,176.6
Current assets	6,830.8	5,382.5	5,527.2
Assets	12,886.9	10,987.8	11,631.0
EQUITY AND LIABILITIES			
Share capital	1,036.5	1,059.4	1,060.8
Share premium	223.9	94.2	121.6
Retained earnings	6,235.2	5,321.1	5,582.4
Equity	7,495.6	6,474.7	6,764.8
Provisions	666.2	491.8	728.7
Debt	1,449.4	1,432.4	1,442.2
Non-current liabilities	2,115.6	1,924.2	2,170.9
Provisions	21.1	6.7	2.4
Bank and mortgage debt	46.6	82.6	60.1
Trade payables	498.3	488.0	743.2
Prepayments from Forest	942.3	969.2	854.7
Other payables	1,767.4	1,042.4	1,034.9
Current liabilities	3,275.7	2,588.9	2,695.3
Total liabilities	5,391.3	4,513.1	4,866.2
Total equity and liabilities	12,886.9	10,987.8	11,631.0



Appendix 4 - Equity

	Share capital DKKm	Share premium DKKm	Retained earnings DKKm	Equity Group DKKm
2007				
Equity at 01.01.2007	1,060.8	121.6	5,582.4	6,764.8
Adjustment, deferred gains/losses, hedging	-	-	96.7	96.7
Realised gains/losses, hedging	-	-	(73.7)	(73.7)
Realised gains/losses, trading (transferred from hedging)	-	-	(0.4)	(0.4)
Exchange adjustment, associates	-	-	0.1	0.1
Fair value adjustment of available-for-sale financial assets	-	-	22.0	22.0
Tax on equity entries	-	-	(5.7)	(5.7)
Recognised directly in equity	-	-	39.0	39.0
Retained earnings	-	-	1,677.1	1,677.1
Total net income	-	-	1,716.1	1,716.1
Distribution of dividend, gross	-	-	(333.8)	(333.8)
Distribution of dividend, treasury shares	-	-	9.2	9.2
Capital increase through exercise of warrants	5.0	102.3	-	107.3
Capital reduction	(29.3)	-	-	(29.3)
Nominal value of delisted shares	-	-	29.3	29.3
Buyback of treasury shares	-	-	(784.4)	(784.4)
Incentive plans	-	-	16.4	16.4
Other transactions	(24.3)	102.3	(1,063.3)	(985.3)
Equity at 30.09.2007	1,036.5	223.9	6,235.2	7,495.6
2006				
Equity at 01.01.2006	1,136.1	69.5	6,286.1	7,491.7
Adjustment, deferred gains/losses, hedging	-	-	123.8	123.8
Realised gains/losses, hedging	-	-	54.8	54.8
Realised gains/losses, trading (transferred from hedging)	-	-	33.2	33.2
Exchange adjustment, associates	-	-	(3.9)	(3.9)
Fair value adjustment of available-for-sale financial assets	-	-	(23.7)	(23.7)
Tax on equity entries	-	-	(59.3)	(59.3)
Recognised directly in equity	-	-	124.9	124.9
Retained earnings	-	-	807.0	807.0
Proposed dividend for the financial year	-	-	-	-
Total net income	-	-	931.9	931.9
Distribution of dividend, gross	-	-	(477.2)	(477.2)
Distribution of dividend, treasury shares	-	-	32.7	32.7
Capital increase through exercise of warrants	1.2	24.7	-	25.9
Capital reduction	(77.9)	-	-	(77.9)
Nominal value of delisted shares	-	-	77.9	77.9
Buyback of treasury shares	-	-	(1,530.3)	(1,530.3)
Other transactions	(76.7)	24.7	(1,896.9)	(1,948.9)
Equity at 30.09.2006	1,059.4	94.2	5,321.1	6,474.7



Appendix 5 – Cash flow statement

DKKm	2007 Q3	2006 Q3	2007 9M	2006 9M	2006 Full year
Cash flows from operating activities	1,182.5	554.6	2,497.8	982.7	1,394.0
Cash flows from investing activities	(172.7)	(150.0)	(453.5)	(452.5)	(770.5)
Free cash flow	1,009.8	404.6	2,044.3	530.2	623.5
Cash flows from financing activities	(317.2)	(369.5)	(1,012.7)	(855.0)	(900.8)
Increase/(decrease) in cash and cash equivalents	692.6	35.1	1,031.6	(324.8)	(277.3)
Cash and cash equivalents at 1.1	2,722.1	2,295.8	2,378.2	2,668.7	2,668.7
Unrealised exchange differences for the period	(2.6)	(0.6)	2.3	(13.6)	(13.2)
Increase/(decrease) for the period	692.6	35.1	1,031.6	(324.8)	(277.3)
Cash and cash equivalents at 30.9	3,412.1	2,330.3	3,412.1	2,330.3	2,378.2

Interest-bearing net cash is composed as follows:

Cash and securities exclusive of treasury shares	3,412.1	2,330.3	3,412.1	2,330.3	2,378.2
Interest-bearing debt	(1,496.0)	(1,515.0)	(1,496.0)	(1,515.0)	(1,502.3)
Interest-bearing net cash at 30.9	1,916.1	815.3	1,916.1	815.3	875.9



Appendix 6 – Revenue per region

Revenue by quarter (DKKm)

Europe	FY 2005	Qtr1 06	Qtr2 06	H1 06	Qtr3 06	Qtr4 06	FY 2006	Qtr1 07	Qtr2 07	H1 07	Qtr3 07
Cipralex®	1,963	600	643	1,243	643	675	2,561	673	706	1,379	728
Ebixa®	933	256	283	539	282	311	1,132	317	334	652	357
Azilect®	6	8	16	24	19	27	70	32	37	69	43
Serdolect®	-	1	2	3	1	3	7	7	4	12	6
Other pharmaceuticals *	1,777	364	353	716	324	313	1,353	304	281	586	274
Total revenue, Europe	4,680	1,228	1,296	2,525	1,269	1,329	5,123	1,334	1,364	2,697	1,408
US **	FY 2005	Qtr1 06	Qtr2 06	H1 06	Qtr3 06	Qtr4 06	FY 2006	Qtr1 07	Qtr2 07	H1 07	Qtr3 07
Income from Lexapro®	2,552	484	435	918	479	525	1,923	628	641	1,268	699
Other pharmaceuticals *	66	4	(5)	(1)	3	5	7	4	-	4	2
Total revenue, US	2,618	488	430	917	482	530	1,930	631	641	1,272	701
International Markets ***	FY 2005	Qtr1 06	Qtr2 06	H1 06	Qtr3 06	Qtr4 06	FY 2006	Qtr1 07	Qtr2 07	H1 07	Qtr3 07
Cipralex®	662	237	213	450	235	262	948	317	321	638	318
Ebixa®	172	55	54	109	58	63	230	74	74	149	75
Azilect®	-	-	-	-	-	1	1	2	3	4	4
Serdolect®	-	-	-	-	1	1	3	2	2	4	5
Other pharmaceuticals *	706	168	147	315	149	149	613	157	150	307	168
Total revenue, International Markets	1,539	461	414	875	443	476	1,794	552	550	1,103	569
Other revenue	232	56	58	113	54	208	375	65	57	122	282
Total group revenue	9,070	2,232	2,198	4,431	2,248	2,543	9,221	2,583	2,612	5,194	2,960

* Incl. income from citalopram sales

** US (incl. income from Forest)

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