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First half report 2012
Lundbeck on track to meet financial expectations and renew its product portfolio to secure long-term growth

H. Lundbeck A/S (Lundbeck) reports first half revenue of DKK 6,829 million, excluding Lexapro® in the US, an increase of 1% compared to the first half of 2011. EBITDA and EBIT, excluding restructuring costs were DKK 1,742 million and DKK 1,264 million respectively, corresponding to an EBITDA margin of 24% and an EBIT margin of 17%. Profits were affected by the increase in launch costs associated with Lundbeck's newer products, as well as the loss of revenue from Lexapro due to generic competition.

- New products* increased 65% and now constitutes 13% of revenue
- Revenue in the US, excluding Lexapro, increased 19% and revenue from International Markets increased 12% compared to the first half of 2011
- The launch of Lexapro in Japan is on track and Lexapro now holds a market share of 4%
- Filing of vortioxetine in Europe, Canada and the US in 2012 on track
- Complete Response Letter from the FDA regarding aripiprazole depot in the US received. No issues or concerns regarding the efficacy, safety, tolerability, or labeling were raised by FDA
- As part of the restructuring plan announced in June, Lundbeck will reduce the number of employees by up to 600 primarily in Europe in 2012. Consequently a provision of DKK 500 million is included in the results for the first half of 2012
- The range for the financial guidance for 2012 is maintained, excluding restructuring costs

Distribution of revenue

DKK million	H1 2012	H1 2011	Growth	Growth in local currency
New products*	947	574	65%	55%
Cipralex	2,927	3,068	(5%)	(5%)
Ebixa	1,459	1,394	5%	5%
Azilect	570	577	(1%)	0%
Xenazine	558	417	34%	26%
Europe	3,883	4,147	(6%)	(6%)
USA (excl. Lexapro)	950	798	19%	12%
International Markets	1,900	1,701	12%	10%
Total revenue	7,340	8,203	(11%)	(11%)

*New products include Xenazine, Sabril, Sycrest, Lexapro (Japan) and Onfi

In connection with the first half report, Lundbeck's President and CEO Ulf Wiinberg said:

"We are pleased with the overall results for the first half of the year and the process of renewing our product portfolio. Already in 2012, revenue from New products is expected to exceed the lost revenue from Lexapro US. Now we are looking forward to the filing of our multimodal antidepressant vortioxetine in North America and Europe and aripiprazole depot in the EU."

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FINANCIAL HIGHLIGHTS AND KEY FIGURES

	2012 Q2	2011 Q2	2012 H1	2011 H1	2011 FY
Financial highlights (DKK million)					
Revenue	3,562	4,100	7,340	8,203	16,007
Operating profit before depreciation and amortisation (EBITDA)	119	1,250	1,242	2,790	4,628
Profit from operations (EBIT)	(118)	1,102	764	2,407	3,393
Net financials	-	(19)	(20)	(57)	(96)
Profit before tax	(118)	1,083	744	2,350	3,297
Tax	(33)	286	209	623	1,015
Profit for the period	(85)	797	535	1,727	2,282
Equity	12,907	11,723	12,907	11,723	12,776
Assets	20,693	18,820	20,693	18,820	20,534
Cash flows from operating and investing activities	(178)	1,245	(111)	1,362	929
Property, plant and equipment investments, gross	55	107	122	184	419
Key figures					
EBITDA margin (%)[1]	3.4	30.5	16.9	34.0	28.9
EBIT margin (%)[1]	(3.3)	26.9	10.4	29.3	21.2
Return on capital employed (%)	(0.3)	8.6	5.9	18.6	25.3
Research and development ratio (%)	19.2	16.9	18.6	16.2	20.7
Return on equity (%)[1]	(0.7)	7.0	4.2	15.1	19.1
Solvency ratio (%)[1]	62.4	62.3	62.4	62.3	62.2
Capital employed (DKK million)	14,815	13,641	14,815	13,641	14,696
Share data					
Number of shares for the calculation of EPS (million)	196.1	196.1	196.1	196.1	196.1
Number of shares for the calculation of DEPS (million)	196.2	196.1	196.1	196.1	196.1
Earnings per share (EPS) (DKK)[1]	(0.43)	4.06	2.73	8.81	11.63
Diluted earnings per share (DEPS) (DKK)[1]	(0.43)	4.06	2.73	8.81	11.63
Cash flow per share (DKK)[1]	3.02	6.41	4.44	10.54	18.48
Net asset value per share (DKK)[1]	65.79	59.77	65.79	59.77	65.14
Market capitalisation (DKK million)	23,733	26,537	23,733	26,537	21,183
Share price end of period (DKK)	121.00	135.30	121.00	135.30	108.00
Other					
Number of employees (FTE)	5,815	5,795	5,815	5,795	5,736

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

MANAGEMENT REVIEW

Financial forecast 2012

The range for the financial guidance for the full year 2012, excluding costs connected to the restructuring plan announced in June, is maintained. For the full year 2012, Lundbeck expects revenue to be DKK 14.5-15.2 billion. Revenue is now likely to be in the lower end of the guided range, due to the increasing pressure from health care reforms primarily in Europe. Profit from operations before depreciation and amortisation (EBITDA) is expected to be DKK 3.0-3.5 billion and profit from operations (EBIT) to be DKK 2.0-2.5 billion, both excluding costs connected to the restructuring. The restructuring costs is estimated to be around DKK 500 million for 2012, but the exact amount will depend on the implementation and execution of the plan as well as negotiations with various local stakeholders. In the accounts for the first half of 2012, Lundbeck has made a provision of DKK 500 million.

Financial forecast 2012

DKK billion	2011 actual	2012 forecast
Revenue	16.0	14.5-15.2
EBITDA	4.6	3.0-3.5
EBIT	3.4	2.0-2.5

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, 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.

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. Pipeline development is summarised as follows:

Regulatory review

Selincro™ (nalmefene) is a novel opioid receptor ligand in development for the treatment of alcohol dependence. In December 2011, following the completion of the phase III clinical programme earlier in 2011, Lundbeck submitted a marketing authorisation application (MAA) to the European Medicines Agency (EMA) for Selincro. Lundbeck expects to launch Selincro in selected European countries from early 2013.

Aripiprazole depot is a once-monthly intramuscular depot formulation of aripiprazole in development for the treatment of schizophrenia. In July, our partner Otsuka Pharmaceutical Co. Ltd. (Otsuka) received a Complete Response Letter from the U.S. Food and Drug Administration (FDA) to the New Drug Application (NDA) for aripiprazole depot. No issues or concerns regarding the efficacy, safety, tolerability, or labeling were raised by FDA. In the letter, the issue cited by the FDA was regarding deficiencies from a recent inspection of a third-party supplier. Otsuka is working closely with the third-party supplier to resolve the issue as quickly as possible and is planning further discussions with the FDA to determine next steps. The European MAA is on track for submission to the EMA around year-end 2012.

Treanda®, one of the products that was in-licensed from Cephalon, is a powerfully unique chemotherapy that has demonstrated significantly improved clinical outcomes in chronic lymphocytic leukemia (CLL) and indolent non-Hodgkin lymphoma (iNHL). The registration process for Treanda® in Canada is ongoing.

Clinical phase III

Vortioxetine (Lu AA21004) is a multimodal antidepressant that is thought to work through a combination of two complementary mechanisms of actions: receptor activity modulation and reuptake inhibition. In May, it was announced that positive top-line results from three completed phase III clinical studies were achieved using dosages from 10 mg to 20 mg.

Two studies were conducted exclusively in the US and one study was primarily conducted in Europe. The positive results from these three studies showed that vortioxetine statistically significantly reduced depression symptoms in patients with major depressive disorder (MDD), compared to placebo as measured by the Montgomery-Asberg Depression Rating Scale (MADRS).

Based on current data Lundbeck and its partner Takeda plan to submit an NDA to the FDA during the second half of 2012. Lundbeck plans to submit a separate MAA to the EMA and to Health Canada for vortioxetine during the second half of this year as well.

Desmoteplase is being developed for the treatment of ischaemic stroke. The clinical phase III studies with desmoteplase, DIAS-3 and DIAS-4, show improved patient recruitment following several initiatives to speed up the recruitment process. In order to increase the power of the study programme, DIAS-3 will be expanded from 400 to 480 patients. This is not expected to have a significant impact on the previous communicated timelines.

OPC-34712 is a novel investigational psychotherapeutic compound. As part of the collaboration with Otsuka, Lundbeck has gained co-development and co-promotional rights to OPC-34712. The clinical phase III programme for OPC-34712 has been initiated in schizophrenia and in the adjunctive treatment of MDD and is progressing according to plan. OPC-34712 is a psychotherapeutic compound developed to provide improved efficacy and tolerability, such as less akathisia, restlessness and/or insomnia.

Zicronapine is in clinical development for the treatment of psychosis. The clinical phase III programme is ongoing and the first study is focused on schizophrenia and is expected to enrol 160 patients. This

pivotal programme is planned to include additional phase III studies to further investigate the compound's benefit and risk profile.

Clinical phase II

Lu AE58054 is a potent and selective 5-HT_6 receptor antagonist. In May, it was announced that Lu AE58054 has met its primary endpoint in a fixed dose, randomised, placebo-controlled clinical study in 278 patients suffering from Alzheimer's disease. The study was conducted in patients suffering from moderate Alzheimer's disease, and Lu AE58054 was administered as an add-on to donepezil, a commonly used acetylcholinesterase inhibitor for a period of 24 weeks. In the study, Lu AE58054 as adjunctive treatment to donepezil was compared with placebo plus donepezil. Lu AE58054 (plus donepezil) demonstrated significant improvements in cognitive function in Alzheimer's disease compared to placebo (plus donepezil), as assessed by ADAS-cog. Lu AE58054 was considered overall to be well tolerated at the selected dose.

Revenue

Total revenue for the second quarter was DKK 3,562 million, a decrease of 13% compared to the second quarter last year.

Total revenue

DKK million	Q2 2012	Q2 2011	Growth	Growth in local currency	Q1 2012
Cipralex	1,456	1,531	(5%)	(6%)	1,471
Ebixa	696	707	(2%)	(2%)	763
Azilect	294	299	(2%)	(1%)	276
Xenazine	277	209	32%	20%	281
Sabril	90	80	13%	3%	85
Other pharmaceuticals	516	497	4%	0%	528
Other revenue	58	62	(8%)	(9%)	38
Revenue excl. Lexapro (US)	**3,387**	**3,385**	**0%**	**(2%)**	**3,442**
Lexapro (US)	175	715	(75%)	(72%)	336
Total revenue	**3,562**	**4,100**	**(13%)**	**(14%)**	**3,778**

Cipralex® (escitalopram) for the treatment of mood disorders, generated revenue of DKK 1,456 million, a decrease of 5%, or 6% in local currency compared to the second quarter last year. Cipralex revenue for the quarter was heavily impacted by generic competition in Spain. Revenue from **Lexapro®**, escitalopram marketed in the US, was DKK 175 million for the quarter. This was a decrease of 75% or 72% in local currency compared to the same period last year. The decrease in revenue from Lexapro was expected due to the patent expiration of escitalopram in the US in March.

Ebixa® (memantine) for the symptomatic treatment of Alzheimer's disease, generated second quarter revenue of DKK 696 million, a decrease of 2% compared to the same period last year. The decrease was primarily due to a price reduction of 17% on Ebixa in France in March this year. Lundbeck has the marketing rights to Ebixa in most of the world, except Japan and the US.

Azilect® (rasagiline) for the treatment of Parkinson's disease, generated revenue of DKK 294 million, a decrease of 2%, or 1% in local currency compared to the second quarter last year. The decrease was due to the fact that Teva Pharmaceutical Industries Inc. (Teva), as of January 2012, is marketing Azilect in Germany alone. Lundbeck has commercial rights to Azilect in most of Europe (in co-promotion with Teva in France and the UK) and some markets outside Europe, including six Asian countries. The underlying market growth, excluding Germany was 13%.

Xenazine®[1] (tetrabenazine) for the treatment of chorea associated with Huntington's disease, generated revenue of DKK 277 million in the second quarter, an increase of 32%, or 20% in local currency compared to the same period last year. Lundbeck has the marketing rights for Xenazine in the US.

Sabril® (vigabatrin) for the treatment of refractory complex partial seizures (rCPS) and infantile spasms (IS), generated second quarter revenue of DKK 90 million, an increase of 13%, or 3% in local currency compared to the second quarter 2011. Lundbeck has the marketing rights for Sabril in the US.

Sycrest®**/Saphris**® (asenapine) is indicated for the treatment of moderate to severe manic episodes associated with bipolar I disorder in the EU (Sycrest), and for the treatment of schizophrenia and/or moderate to severe manic episodes associated with bipolar I disorder outside the EU (Saphris). Lundbeck has now launched Sycrest/Saphris in 18 countries, with around 10-15 additional commercial launches expected in the second half of 2012. Lundbeck retains commercial rights to Sycrest/Saphris in all markets outside the US, Japan and China. Revenue from Sycrest/Saphris is recognised as part of Other pharmaceuticals.

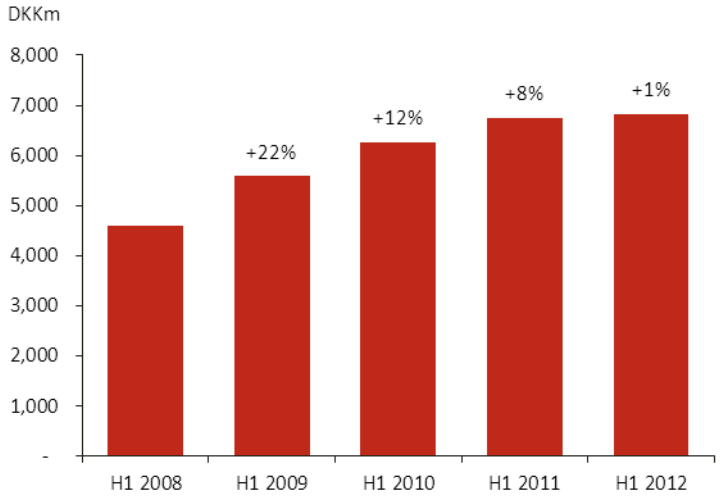
Onfi™ (clobazam) for the treatment of Lennox Gastaut-syndrome was launched in the US in January 2012. Feedback from the launch has been positive, and Onfi is being well received by the physicians. Revenue from Onfi is recognised as part of Other pharmaceuticals. Lundbeck has the marketing rights for Onfi in the US.

Revenue from Other pharmaceuticals, which comprise the remainder of Lundbeck's products, was DKK 516 million, an increase of 4% compared to the same quarter last year.

Other revenue was DKK 58 million, compared to DKK 62 million for the same period last year.

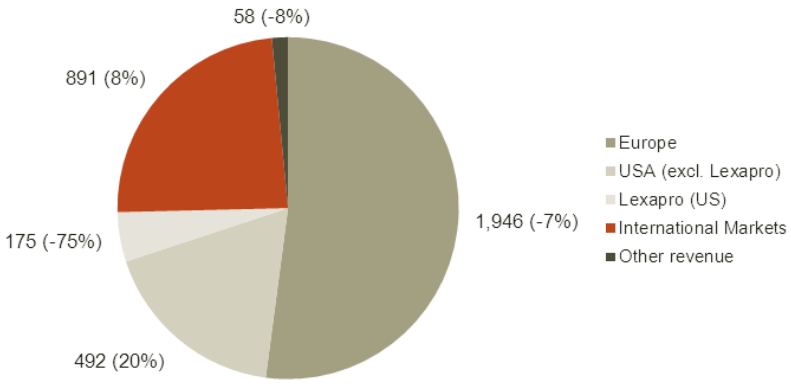
[1] Xenazine® is a registered trademark of Biovail Laboratories International (Barbados) S.R.L.

Figure 1 – Total revenue excl. Lexapro revenue in the US



Excluding Lexapro in the US, Lundbeck experienced 10% revenue growth on average (compound annual growth rate) in the last five years (first half revenue), driven by the successful commercialisation of Azilect, Cipralex, Ebixa, Sabril and Xenazine. Going forward, growth will continue to be driven by most of these products, but also to a large extent by recently launched products like Sycrest/Saphris, Lexapro (Japan) and Onfi, as well as other future launches.

Revenue per region Q2 2012 (growth in brackets) – DKKm



Europe

Second quarter revenue in Europe decreased 7% compared to the same quarter last year. The decrease was primarily due to the impact of generic escitalopram in Spain, a price decrease on Ebixa in France, as well as the continued impact from the various health care reforms introduced during the past couple of years.

Revenue – Europe

DKK million	Q2 2012	Q2 2011	Growth	Growth in local currency	Q1 2012
Cipralex	864	1,001	(14%)	(14%)	845
Ebixa	606	602	1%	1%	608
Azilect	269	275	(2%)	(2%)	257
Other pharmaceuticals	207	213	(3%)	(3%)	227
Total revenue	**1,946**	**2,091**	**(7%)**	**(7%)**	**1,937**

Cipralex generated second quarter revenue of DKK 864 million in Europe. Revenue continues to be impacted by the launch of generic escitalopram in Spain, as well as the temporary withdrawal of Cipralex from the public market in Germany in 2011. However, Cipralex sales in Germany are recovering following the annulment of the fixed price for Cipralex in December 2011, and sales are back to around 50% of the level before the introduction of the fixed price. Compared to the second quarter last year, Lundbeck has now lost around 95% of Cipralex revenue in Spain. At the end of May 2012, Cipralex held a market share in value of 17.2% of the European antidepressant market, compared with a market share of 20.0% at the same time in 2011.

Revenue from Ebixa was DKK 606 million, an increase of 1% compared to the second quarter last year. Ebixa continues to gain market shares in several markets in the EU and to be positively impacted by the re-launch of Ebixa in the UK following support of the use of memantine from NICE (National Institute of Health and Clinical Excellence) in the UK. However in March, The Economic Committee in France imposed a 17% price decrease on Ebixa, which has had a significant impact on Ebixa revenue for the quarter. At the end of May 2012 the product held 22.6% of the European Alzheimer's market measured in value, compared to a market share of 19.7% at the same time in 2011.

Second quarter revenue from Azilect amounted to DKK 269 million, a decrease of 2% compared to the second quarter of 2011. Revenue from Azilect was impacted during the quarter by the fact that from January 2012, Teva has marketed Azilect in Germany alone. Revenue from Azilect in Europe, excluding Germany increased 14% for the quarter. At the end of May 2012, Azilect held a market share in value of 18.5% of the total European Parkinson's market. This compares to a market share of 16.1% at the same time in 2011.

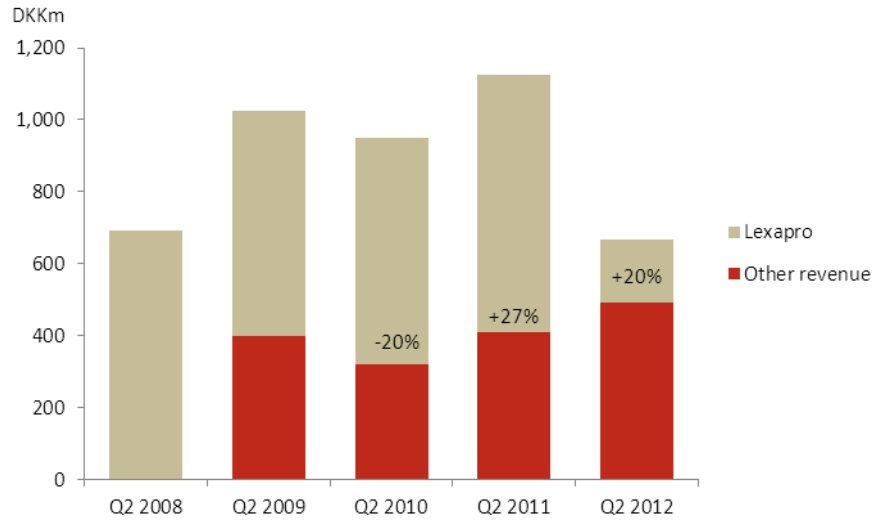
Revenue from Other pharmaceuticals was DKK 207 million, a decrease of 3% compared to last year. The decrease was primarily driven by a decrease in revenue from Cipramil.

USA

Revenue in the US excluding revenue from Lexapro was DKK 492 million for the second quarter, an increase of 20% compared to the same quarter last year, despite the disposal of three smaller products in the fourth quarter last year. Excluding these products revenue in the US increased by around 40%.

Lundbeck's total second quarter revenue in the US was DKK 667 million, a decrease of 41% compared to the second quarter 2011. Growth in the newer products, Xenazine, Sabril and Onfi was offset by the patent expiration of Lexapro, as well as the disposal of the three mature products to Akorn Inc.

Figure 3 – Lundbeck revenue in the US



Revenue – USA

DKK million	Q2 2012	Q2 2011	Growth	Growth in local currency	Q1 2012
Xenazine	270	209	29%	17%	262
Sabril	90	80	13%	3%	85
Other pharmaceuticals	132	119	10%	1%	111
Revenue excl. Lexapro	**492**	**408**	**20%**	**10%**	**458**
Lexapro	175	715	(75%)	(72%)	336
Total revenue	**667**	**1,123**	**(41%)**	**(41%)**	**794**

Revenue from Lexapro was DKK 175 million for the quarter, a decrease of 75% compared to the same quarter last year. The decrease was an expected consequence of the expiry of the escitalopram patent in March.

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 113 million as of 30 June 2012. This compares to DKK 519 million as of the end of June 2011.

Revenue from Xenazine was DKK 270 million for the quarter, an increase of 29% or 17% in local currency compared to the second quarter last year. The positive trend from the previous quarters continues as Xenazine revenue is progressing well and is on track to meet our expectations.

Sabril revenue for the quarter was DKK 90 million, growing 13% or 3% in local currency compared to the same quarter last year.

In January 2012, Onfi was made available for prescribing in the US as adjunctive therapy for seizures associated with Lennox-Gastaut syndrome (LGS). Feedback from the launch has been positive, and Onfi is being well received by the physicians. Onfi revenue is reported as part of Other pharmaceuticals.

Second quarter revenue from Other pharmaceuticals in the US was DKK 132 million, an increase of 10% compared to the same quarter last year. The increase was due to the launch of Onfi in the first quarter of the year. Revenue from Other pharmaceuticals was impacted by the disposal of Nembutal®, Cogentin® and Diuril® to Akorn Inc. in the US in the fourth quarter last year. The transaction was part of Lundbeck's long-term strategy to focus on newer, strategic products in its portfolio.

International Markets

Revenue in International Markets, which comprise all of Lundbeck's markets outside Europe and the US, was DKK 891 million for the quarter, corresponding to an increase of 8% compared to the second quarter 2011. Growth was driven by an increase in Cipralex and other pharmaceuticals.

Revenue – International Markets

DKK million	Q2 2012	Q2 2011	Growth	Growth in local currency	Q1 2012
Cipralex	592	530	12%	8%	626
Ebixa	90	105	(14%)	(15%)	155
Azilect	25	24	3%	10%	19
Other pharmaceuticals	184	165	12%	8%	209
Total revenue	**891**	**824**	**8%**	**5%**	**1,009**

Cipralex generated second quarter revenue of DKK 592 million in International Markets, an increase of 12% or 8% in local currency compared to the second quarter last year. The increase in revenue was primarily driven by the continued strong growth in Canada. Revenue from Cipralex in Canada increased 27% compared to the second quarter last year, and now holds a market share in terms of value of 21.3% in Canada (May 2012), compared to 16.7% at the same time last year. Revenue in Turkey was negatively impacted during the quarter by continued price pressure. At the end of May 2012, Cipralex held a market share in terms of value of 12.2% of the aggregate market for antidepressants in International Markets[2], compared to a market share of 11.4% in the same period last year.

[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.

In August 2011, Lexapro was launched in Japan by Lundbeck's partners Mochida and Mitsubishi. Lexapro is being marketed with a very competitive share of voice and at the end of June 2012, Lexapro held a market share in terms of value of 4.0% of the aggregate market for antidepressants in Japan. Revenue from Lexapro in Japan is reported as part of Cipralex.

Ebixa generated second quarter revenue of DKK 90 million, a decrease of 14% or 15% in local currency. The decrease was primarily due to the extraordinary shipment to the Chinese market in the first quarter of the year, as well as a price decrease in Turkey. In May 2012, Ebixa held 8.5% of the total market in terms of value of pharmaceuticals for the treatment of Alzheimer's disease in International Markets. This compares to a market share of 8.7% in May 2011.

Other pharmaceuticals generated revenue of DKK 184 million during the quarter, an increase of 12%, or 8% in local currency, compared to the same quarter last year. The increase was due to positive developments in some of Lundbeck's mature products as well as quarterly fluctuations in revenue.

Expenses and income

Total costs for the quarter were DKK 3,680 million, an increase of 23% compared to the second quarter last year. The primary reason for the increase was the inclusion of a provision of DKK 500 million related to the restructuring announced earlier this year. Excluding restructuring costs, total costs increased 6%.

Distribution of costs

DKK million	Q2 2012	Q2 2011	Growth	Q1 2012
Cost of sales	806	726	11%	792
Sales and distribution	1,752	1,168	50%	1,133
Administration	438	412	6%	291
Research & Development	684	692	(1%)	680
Total costs	**3,680**	**2,998**	**23%**	**2,896**

Cost of sales increased 11% to DKK 806 million. This corresponds to 23% of Lundbeck's total revenue compared to 18% in the same quarter last year. The sale of production facilities in the UK (Seal Sands) affected cost of sales positively in the second quarter 2011 by DKK 95 million, and explains the increase in cost of sales for the second quarter of 2012 compared to same quarter last year. An increase in royalty payments as a consequence of an increase in revenue from in-licensed products were offset by a decrease in cost of sales related to Lundbeck's own products.

Sales and distribution costs were DKK 1,752 million, corresponding to an increase of 50% compared to the second quarter of last year and corresponding to 49% of revenue. Sales and distribution costs were impacted by the provision of DKK 500 million related to the restructuring plan. SG&A costs were DKK 2,190 million compared to DKK 1,580 million in the same period last year. The SG&A margin for the period was 61% compared to 38% in the same period last year. Excluding the restructuring costs, the SG&A margin is 47% for the period. This increase in the SG&A margin is explained by lower revenue, mainly due to Lexapro patent expiry in the US, and launch activities for new products.

R&D costs for the quarter were DKK 684 million compared to DKK 692 million in the same period last year.

Administrative expenses for the first half of 2012 were positively impacted in the first quarter by the settlement of a court case regarding Lundbeck's purchase of NeoProfen® in 2010, also referred to as the FTC case.

Operating profit before depreciation and amortisation (EBITDA)

EBITDA was DKK 119 million, compared to DKK 1,250 million for the second quarter of 2011. EBITDA margin for the period was 3.4%, down from 30.5% in the same quarter last year. The primary reasons for the decrease in EBITDA are the provision of DKK 500 million for the announced restructuring as well as the decrease in Lexapro revenue in the US.

Depreciation, amortisation and impairment charges

Depreciation, amortisation and impairment charges, which are included in the individual expense categories, amounted to DKK 237 million compared to DKK 148 million in the second quarter last year. The increase in depreciation related to the cost of sales is due to the fact that last year's depreciation was positively impacted by DKK 95 million as a consequence of the sale of production facilities in the UK (Seal Sands). The increase in depreciation and amortisation associated with Sales and distribution is mainly caused by an increase in amortisation of new products rights.

Depreciation, amortisation and impairment charges

DKK million	Q2 2012	Q2 2011	Growth	Q1 2012
Cost of sales	46	(33)	237%	45
Sales and distribution	128	99	29%	134
Administration	15	24	(40%)	15
Research & Development	48	58	(17%)	47
Total depreciation, amortisation and impairment charges	**237**	**148**	**59%**	**241**

Profit from operations (EBIT)

EBIT for the second quarter of 2012 was a loss of DKK 118 million. Excluding restructuring costs EBIT was DKK 382 million. EBIT margin for the second quarter was -3.3% and 10.7%, excluding restructuring costs.

Net financials

Lundbeck generated net financials of DKK 0 million in the second quarter of 2012, compared with net financial expenses of DKK 19 million in the second quarter of 2011.

The change is mainly derived from fluctuations in exchange rate conversions of intercompany balances in USD and GBP.

Profit for the period

As a consequence of the loss of revenue from Lexapro and the provision of DKK 500 million related to restructuring included in the second quarter, profit after tax for the second quarter of 2012 was a net loss of DKK 85 million, compared to a net profit of DKK 797 million in the same period last year.

Hedging

Lundbeck hedges expected income from its products through currency hedging on a rolling basis, up to 24 months in advance. As a result of Lundbeck's currency hedging policy, foreign exchange gain and losses on hedging transactions are allocated directly to the hedged transaction. Hedging had a negative impact on profit of DKK 40 million in the second quarter of 2012, compared with a situation where the income is not hedged and included at the current exchange rates during the period. The effect was a DKK 60 million gain in the second quarter of 2011.

Cash flow

Lundbeck had a negative cash flow during the quarter of DKK 875 million.

Cash flow

DKK million	Q2 2012	Q2 2011	Q1 2012
Cash flows from operating activities	593	1,257	278
Cash flows from investing activities	(771)	(12)	(211)
Cash flows from operating and investing activities	**(178)**	**1,245**	**67**
Cash flows from financing activities	(697)	(737)	(21)
Change in cash	**(875)**	**508**	**46**
Cash at beginning of period	2,511	2,389	2,467
Unrealised exchange adjustments for the period	4	(2)	(2)
Cash at end of period	**1,640**	**2,895**	**2,511**
Securities	1,054	655	1,473
Interest-bearing debt	(1,908)	(1,918)	(1,907)
Interest-bearing net cash and cash equivalents, end of period	**786**	**1,632**	**2,077**

Operating activities generated a second quarter cash inflow of DKK 593 million, compared to an inflow of DKK 1,257 million in the same period last year.

Cash flows from investing activities represented an outflow of DKK 771 million, mostly related to a milestone payment to Otsuka.

Cash flows from financing activities equalled an outflow of DKK 697 million mainly due to dividend payments.

At the end of June 2012, Lundbeck had a net cash position of DKK 786 million, compared to a net cash position of DKK 1,632 million at the end of June 2011.

Balance sheet

As of 30 June 2012, Lundbeck had total assets of DKK 20,693 million, compared to DKK 18,820 million at the end of the second quarter of 2011.

As of 30 June 2012, Lundbeck's equity amounted to DKK 12,907 million, corresponding to a solvency ratio of 62.4%, compared to 62.3% at the end of the second quarter 2011.

As a consequence of the exercise of employee warrants, the share capital was increased during the quarter by DKK 2,965 (or 593 shares of nominally DKK 5). The increase was affected without any preemption rights for the existing shareholders of the company or others. The shares were subscribed in cash at DKK 102 per share. Proceeds to the company were DKK 60,486. The increase corresponds to approximately 0.0003% of the company's share capital. After the increase Lundbeck's share capital amounts to DKK 980,682,555.

At the Annual General Meeting in March, the proposed dividend of DKK 685 million or DKK 3.49 per share was approved. The dividend was paid out at the beginning of the quarter.

General corporate matters

ADR programme

In May, Lundbeck established a sponsored Level I American Depositary Receipt (ADR) programme in the United States with Deutsche Bank acting as the depositary bank for the ADR programme. The ADRs are now available for trading in the US over-the-counter (OTC) market.

Incentive plans in the Lundbeck Group

On 1 April 2012, the Executive Management was offered to participate in a one-off Matching Warrant Programme. Under the Matching Warrant Programme, the CEO is invited to invest up to DKK 10 million in Lundbeck shares at the current market value, while the non-CEO members are invited to invest up to DKK 4 million on the same terms. For each share acquired at market value, the Executive Management member receives four warrants free of charge. The warrants vest after a period of three, four and five years respectively, provided that employment with the Lundbeck Group is not under notice during this period.

On 1 April 2012, the Executive Management was invited to participate in a revolving incentive plan in the form of an equity-based scheme, equal to a maximum value at the time of grant of eight months' base salary.

As part of the forward-going changes to the structure of the long-term incentive programmes the Board of Directors has resolved, following approval by the annual general meeting, to terminate the 2010 and 2011 long-term incentive programme for the Executive Management. Cash or shares have been transferred, corresponding to a value of six months' salary for each participant for each programme. As a result of the changes to the programmes an expense of DKK 17 million has been recognised in the profit & loss.

Furthermore, on 1 April 2012, 104 key employees appointed by Lundbeck's Executive Management who are employed by Lundbeck or one of Lundbeck's subsidiaries were granted participation in Lundbeck's long-term incentive programme. The above-mentioned subsidiaries comprise Danish and foreign companies in which Lundbeck directly, or indirectly, holds at least 50% of the shares. The members of

the company's Board of Directors are not included in the scheme. The long-term incentive programme for key employees consists of an equal distribution of shares and warrants.

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

The long-term incentive programmes 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 is subject to the achievement of specific market goals that include both financial and strategic targets.

To fund the long-term incentive programme granted in 2009 and the compensation payment to Executive Management as a result of the termination of the 2010 and 2011 long-term incentive programmes, Lundbeck has purchased treasury shares with a total value of DKK 21 million corresponding to 186,495 shares.

Events after the balance sheet date

In July, the European Commission issued a Statement of Objections to Lundbeck regarding agreements concluded with four generic competitors concerning citalopram. The Statement of Objections does not represent the European Commission's final decision in the matter. Any final decision by the Commission is appealable to the European Courts (General Court and then the European Court of Justice) and the whole process could take several years to reach a conclusion. It is Lundbeck's view that the Group's business practices are consistent with all relevant national and EU competition legislation and that the allegations made by the Commission should be rejected as groundless.

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 Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, Germany, Hungary, the Netherlands, Portugal, Saudi Arabia, Spain and Turkey.

Risk factors

Lundbeck's overall risk exposure is unchanged and reflects the risk factors described in the annual report 2011.

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.

As of January 2012, Lundbeck has reallocated certain marketing costs, which were previously recognised as administrative expenses, to sales and distribution costs. The reallocation is to align with comparative peers. Comparative figures have been restated. Please find the restated figures in the financial statements, page 23.

Aside from this reallocation, accounting policies are unchanged compared to the annual report 2011, which contains a more detailed description of the Group's accounting policies.

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 investor section.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Management have discussed and adopted the interim report of H. Lundbeck A/S for the period 1 January – 30 June 2012. 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 30 June 2012, and of the results of the Group’s operations and cash flows for the first half of 2012, which ended on 30 June 2012.

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, 8 August 2012

Executive Management

Ulf Wiinberg President and CEO	Anders Götzsche Executive Vice President, CFO	Anders Gersel Pedersen Executive Vice President

Board of Directors

Mats Pettersson Chairman	Christian Dyvig Deputy Chairman	Håkan Björklund
Kim Rosenville Christensen	Mona Elisabeth Elster	Thorleif Krarup
Melanie G. Lee	Jørn Mayntzhusen	Jes Østergaard

FINANCIAL STATEMENTS

Income statement

DKK million	2012 Q2	2011 Q2	2012 H1	2011 H1	2011 FY
Revenue	3,562	4,100	7,340	8,203	16,007
Cost of sales	806	726	1,598	1,507	3,166
Gross profit	**2,756**	**3,374**	**5,742**	**6,696**	**12,841**
Sales and distribution costs	1,752	1,168	2,885	2,199	4,526
Administrative expenses	438	412	729	765	1,602
Research and development costs	684	692	1,364	1,325	3,320
Profit from operations	**(118)**	**1,102**	**764**	**2,407**	**3,393**
Net financials	-	(19)	(20)	(57)	(96)
Profit before tax	**(118)**	**1,083**	**744**	**2,350**	**3,297**
Tax on profit for the period	(33)	286	209	623	1,015
Profit for the period	**(85)**	**797**	**535**	**1,727**	**2,282**
Earnings per share (EPS) (DKK)	(0.43)	4.06	2.73	8.81	11.63
Diluted earnings per share (DEPS) (DKK)	(0.43)	4.06	2.73	8.81	11.63

Statement of comprehensive income

DKK million	2012 Q2	2011 Q2	2012 H1	2011 H1	2011 FY
Profit for the period	**(85)**	**797**	**535**	**1,727**	**2,282**
Currency translation, foreign subsidiaries	128	(46)	70	(209)	31
Currency translation concerning additions to net investments in foreign subsidiaries	248	(68)	141	(300)	115
Realised currency translation concerning additions to net investments in foreign subsidiaries (transferred to the income statement)	(24)	7	(24)	7	20
Adjustment, deferred exchange gains/losses, hedging	(84)	38	(88)	168	84
Exchange gains/losses, hedging (transferred to the hedged items)	41	(74)	60	(108)	(127)
Fair value adjustment of available-for-sale financial assets	104	(4)	133	(5)	(6)
Tax on other comprehensive income	(44)	24	(22)	56	(23)
Other comprehensive income	**369**	**(123)**	**270**	**(391)**	**94**
Comprehensive income	**284**	**674**	**805**	**1,336**	**2,376**

Balance sheet

DKK million	30.06.2012	30.06.2011	31.12.2011
Assets			
Intangible assets	9,556	7,287	8,445
Property, plant and equipment	2,788	2,992	2,814
Financial assets	624	261	472
Non-current assets	**12,968**	**10,540**	**11,731**
Inventories	1,539	1,261	1,634
Receivables	3,492	3,469	3,226
Securities	1,054	655	1,476
Cash	1,640	2,895	2,467
Current assets	**7,725**	**8,280**	**8,803**
Assets	**20,693**	**18,820**	**20,534**
Equity and liabilities			
Share capital	980	980	980
Share premium	226	226	226
Currency translation reserve	9	(712)	(149)
Currency hedging reserve	(57)	41	(36)
Retained earnings	11,749	11,188	11,755
Equity	**12,907**	**11,723**	**12,776**
Provisions	1,322	1,015	1,155
Debt	1,889	1,905	1,907
Non-current liabilities	**3,211**	**2,920**	**3,062**
Provisions	632	200	222
Debt	19	13	13
Trade payables	1,252	1,276	1,526
Other payables	2,559	2,169	2,701
Prepayments from Forest	113	519	234
Current liabilities	**4,575**	**4,177**	**4,696**
Liabilities	**7,786**	**7,097**	**7,758**
Equity and liabilities	**20,693**	**18,820**	**20,534**

Statement of changes in equity at 30 June 2012

DKK million **2012**	Share capital	Share premium	Currency translation reserve	Currency hedging reserve	Retained earnings	Equity
Equity at 01.01.2012	**980**	**226**	**(149)**	**(36)**	**11,755**	**12,776**
Profit for the period	-	-	-	-	535	535
Other comprehensive income	-	-	158	(21)	133	270
Comprehensive income	**-**	**-**	**158**	**(21)**	**668**	**805**
Distributed dividends	-	-	-	-	(685)	(685)
Buyback of treasury shares	-	-	-	-	(21)	(21)
Incentive programmes	-	-	-	-	32	32
Other transactions	**-**	**-**	**-**	**-**	**(674)**	**(674)**
Equity at 30.06.2012	**980**	**226**	**9**	**(57)**	**11,749**	**12,907**
2011						
Equity at 01.01.2011	**980**	**224**	**(281)**	**(4)**	**10,203**	**11,122**
Profit for the period	-	-	-	-	1,727	1,727
Other comprehensive income	-	-	(431)	45	(5)	(391)
Comprehensive income	**-**	**-**	**(431)**	**45**	**1,722**	**1,336**
Distributed dividends	-	-	-	-	(739)	(739)
Capital increase through the exercise of warrants	-	2	-	-	-	2
Buyback of treasury shares	-	-	-	-	(9)	(9)
Incentive programmes	-	-	-	-	11	11
Other transactions	**-**	**2**	**-**	**-**	**(737)**	**(735)**
Equity at 30.06.2011	**980**	**226**	**(712)**	**41**	**11,188**	**11,723**

Cash flow statement

DKK million	2012 Q2	2011 Q2	2012 H1	2011 H1	2011 FY
Profit from operations	**(118)**	**1,102**	**764**	**2,407**	**3,393**
Adjustments	761	132	913	394	1,192
Working capital changes	17	101	(448)	(457)	(182)
Cash flows from operations before financial receipts and payments	**660**	**1,335**	**1,229**	**2,344**	**4,403**
Financial receipts and payments	8	(22)	(27)	(46)	(35)
Cash flows from ordinary activities	**668**	**1,313**	**1,202**	**2,298**	**4,368**
Income tax paid	(75)	(56)	(331)	(232)	(744)
Cash flows from operating activities	**593**	**1,257**	**871**	**2,066**	**3,624**
Investments in and sale of bonds and other financial assets	424	(4)	424	(605)	(1,475)
Investments in and sale of intangible assets and property, plant and equipment	(1,195)	(8)	(1,406)	(99)	(1,220)
Cash flows from investing activities	**(771)**	**(12)**	**(982)**	**(704)**	**(2,695)**
Cash flows from operating and investing activities	**(178)**	**1,245**	**(111)**	**1,362**	**929**
Dividends paid in the financial year	(685)	(739)	(685)	(739)	(739)
Capital contributions	-	2	-	2	2
Other financing activities	(12)	-	(33)	(9)	(9)
Cash flows from financing activities	**(697)**	**(737)**	**(718)**	**(746)**	**(746)**
Change in cash	**(875)**	**508**	**(829)**	**616**	**183**
Cash at beginning of period	2,511	2,389	2,467	2,294	2,294
Unrealised exchange adjustments for the period	4	(2)	2	(15)	(10)
Change for the period	(875)	508	(829)	616	183
Cash at end of period	**1,640**	**2,895**	**1,640**	**2,895**	**2,467**

Interest-bearing net cash and cash equivalents is composed as follows:					
Cash	1,640	2,895	1,640	2,895	2,467
Securities	1,054	655	1,054	655	1,476
Interest-bearing debt	(1,908)	(1,918)	(1,908)	(1,918)	(1,920)
Interest-bearing net cash and cash equivalents, end of period	**786**	**1,632**	**786**	**1,632**	**2,023**

Restatement of income statement following change in accounting policy

DKK million	Q2 2012 New policy	Q2 2012 Adjustment	Q2 2012 Previous policy	Q2 2011 New policy	Q2 2011 Adjustment	Q2 2011 Previous policy
Revenue	3,562		3,562	4,100		4,100
Cost of sales	806		806	726		726
Gross profit	**2,756**	**-**	**2,756**	**3,374**	**-**	**3,374**
Sales and distribution costs	1,752	(164)	1,588	1,168	(128)	1,040
Administrative expenses	438	164	602	412	128	540
Research and development costs	684		684	692		692
Profit from operations	**(118)**	**-**	**(118)**	**1,102**	**-**	**1,102**
Net financials	-		-	(19)		(19)
Profit before tax	**(118)**	**-**	**(118)**	**1,083**	**-**	**1,083**
Tax on profit for the period	(33)		(33)	286		286
Profit for the period	**(85)**	**-**	**(85)**	**797**	**-**	**797**

DKK million	H1 2012 New policy	H1 2012 Adjustment	H1 2012 Previous policy	H1 2011 New policy	H1 2011 Adjustment	H1 2011 Previous policy
Revenue	7,340		7,340	8,203		8,203
Cost of sales	1,598		1,598	1,507		1,507
Gross profit	**5,742**	**-**	**5,742**	**6,696**	**-**	**6,696**
Sales and distribution costs	2,885	(301)	2,584	2,199	(254)	1,945
Administrative expenses	729	301	1,030	765	254	1,019
Research and development costs	1,364		1,364	1,325		1,325
Profit from operations	**764**	**-**	**764**	**2,407**	**-**	**2,407**
Net financials	(20)		(20)	(57)		(57)
Profit before tax	**744**	**-**	**744**	**2,350**	**-**	**2,350**
Tax on profit for the period	209		209	623		623
Profit for the period	**535**	**-**	**535**	**1,727**	**-**	**1,727**

DKK million	FY 2011 New policy	Adjustment	Previous policy
Revenue	16,007		16,007
Cost of sales	3,166		3,166
Gross profit	**12,841**	**-**	**12,841**
Sales and distribution costs	4,526	(509)	4,017
Administrative expenses	1,602	509	2,111
Research and development costs	3,320		3,320
Profit from operations	**3,393**	**-**	**3,393**
Net financials	(96)		(96)
Profit before tax	**3,297**	**-**	**3,297**
Tax on profit for the period	1,015		1,015
Profit for the period	**2,282**	**-**	**2,282**

The change in accounting policies does not have any effect on earnings per share (EPS), diluted earnings per share (DEPS), statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement.

FINANCIAL CALENDAR 2012

7 November 2012	Third quarter report 2012

CORPORATE RELEASES SINCE THE PREVIOUS QUARTERLY REPORT

27 July, 2012	Otsuka receives complete response letter for extended-release injectable suspension of aripiprazole
25 July, 2012	Lundbeck disagrees with the Statement of Objections issued by the European Commission
14 June, 2012	Lundbeck plans to establish a more flexible commercial organisation in Europe
29 May 2012	Lundbeck's Lu AE58054 meets primary endpoint in large placebo-controlled clinical proof of concept study in people with Alzheimer's disease
24 May 2012	Announcement of transactions with shares and linked securities in H. Lundbeck A/S made by executives and their closely associated persons and legal entities
24 May 2012	Announcement of transactions with shares and linked securities in H. Lundbeck A/S made by executives and their closely associated persons and legal entities
24 May 2012	Lundbeck establishes a sponsored Level I ADR programme in the US
21 May 2012	Capital increase in Lundbeck as a result of employee warrant programme and buy-back of shares to fund Long-Term Incentive scheme
14 May 2012	Statistically significant clinical phase III results of Lu AA21004 provide basis for submission of an NDA and MAA for major depression (MDD)
9 May 2012	Lundbeck announces the resignation of Marie-Laure Pochon, Executive Vice President, Commercial Operations
8 May 2012	New data presented at the 2012 Annual Meeting of the American Psychiatric Association (APA) suggest that Lu AA21004 may have positive effect on cognitive dysfunction in patients with major depressive disorders
7 May 2012	Results from a clinical phase III study of once-monthly aripiprazole IM depot formulation for the maintenance treatment of schizophrenia presented at APA

For more information, please visit www.lundbeck.com.

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ABOUT LUNDBECK

H. Lundbeck A/S (LUN.CO, LUN DC, HLUYY) is an international pharmaceutical company highly committed to improving the quality of life for people suffering from brain 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, psychotic disorders, 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 6,000 people worldwide. Lundbeck is one of the world's leading pharmaceutical companies working with brain disorders. In 2011, the company's revenue was DKK 16.0 billion (approximately EUR 2.1 billion or USD 3.0 billion). For more information, please visit www.lundbeck.com.