

Financial Presentation Q2 2005



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Such forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. This may cause actual results to differ materially from expectations and it may cause any or all of our forward-looking statements here or in other publications to be wrong. Factors that may affect future results include interest rate and currency 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.

Corporate website: www.lundbeck.com

Listed on the Copenhagen Stock Exchange

Trading code:

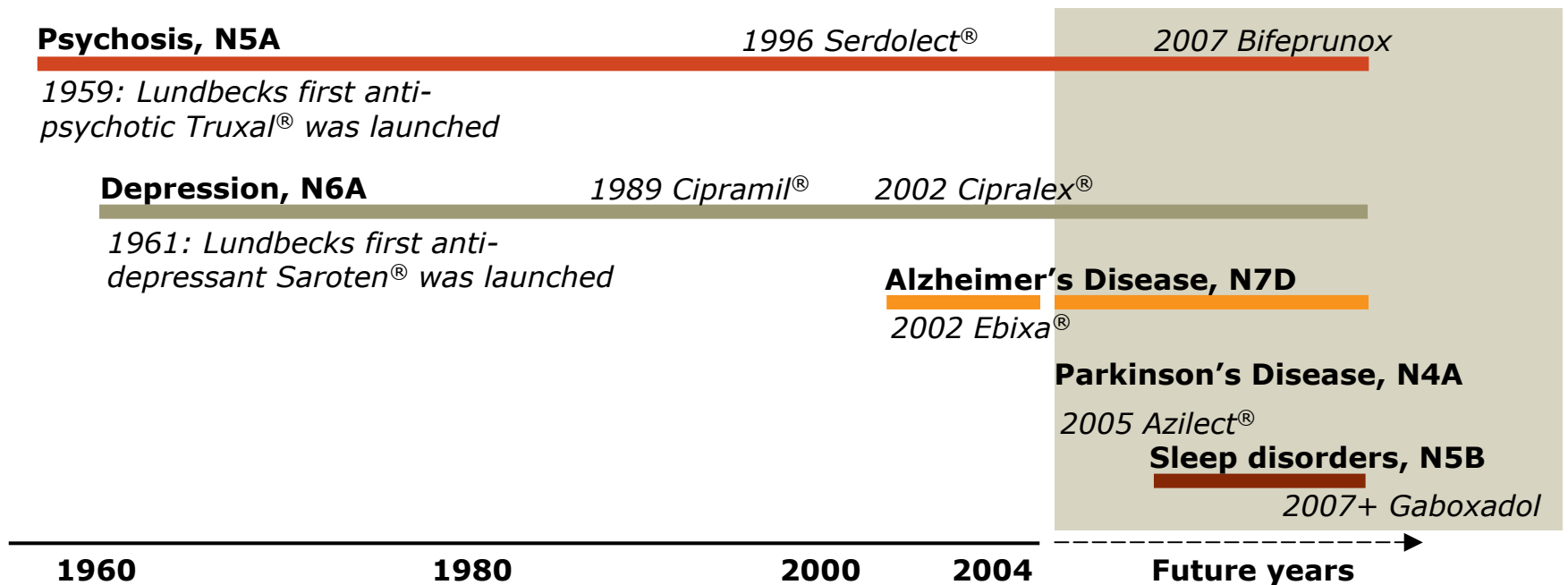
Reuters (LUN.CO)

Bloomberg (LUN DC)

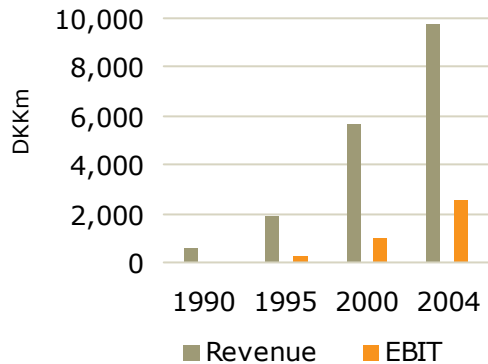
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CNS expertise for 50 years – specialist in psychiatry and pioneer in neurology

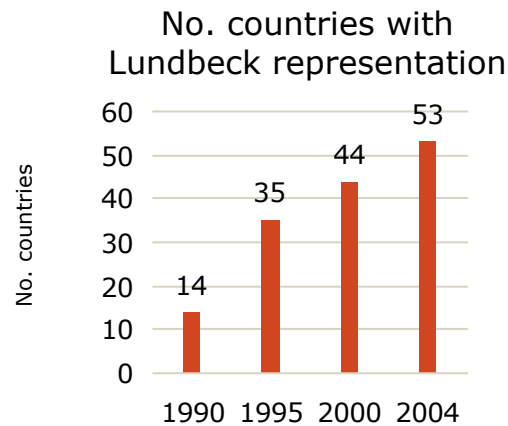


Major expansion on citalopram success – from local to international presence in less than a decade



Major revenue and profit growth

- Citalopram success driving sales and profit growth from mid 90's
- From 1995 to 2002 growth in revenue of 26% CAGR and EBIT of 40% CAGR
- Citalopram peak market share in US of 13.8% / in Europe of 16.8%



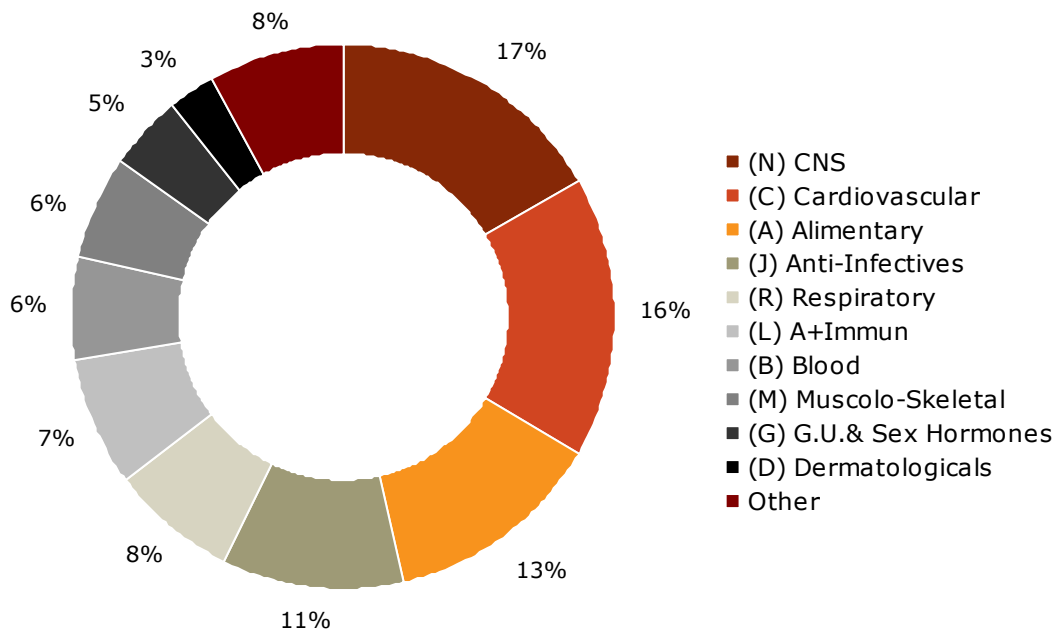
Infrastructure build-up

- Sales infrastructure build-up to push citalopram to GPs across Europe and other markets around the world
- By 2004 Lundbeck had own representation in 53 countries
- No of employees increased from 1999 by CAGR of 14% to reach 4,993 in the end of 2004



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%

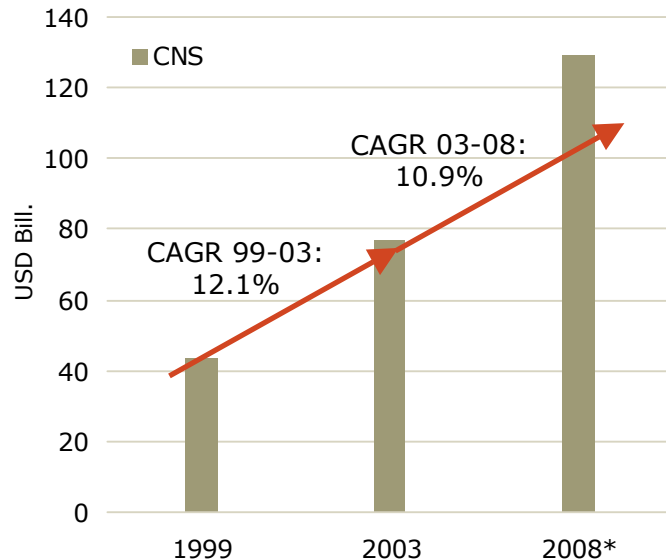
Source: IMS world review 2005

* 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

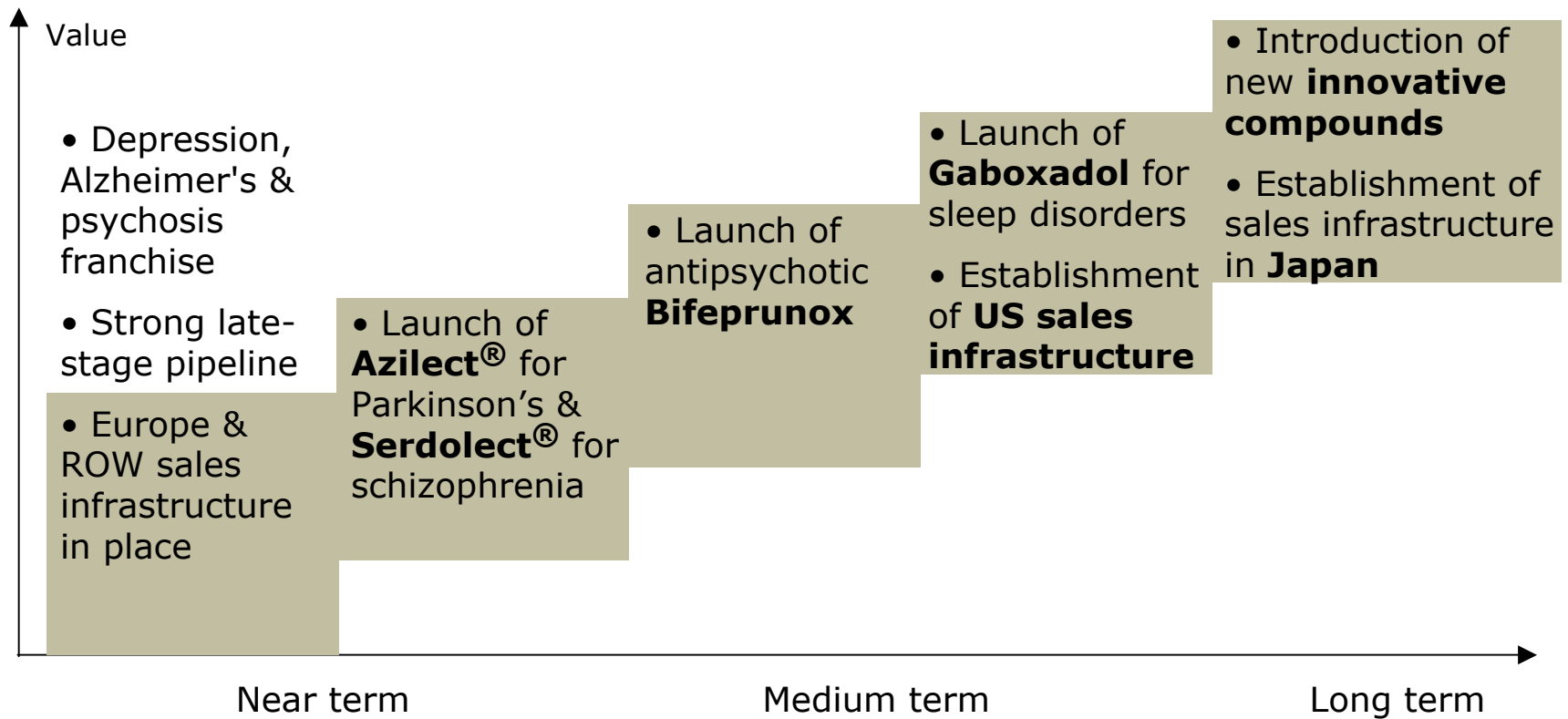


* IMS Market Prognosis 2004-2008

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

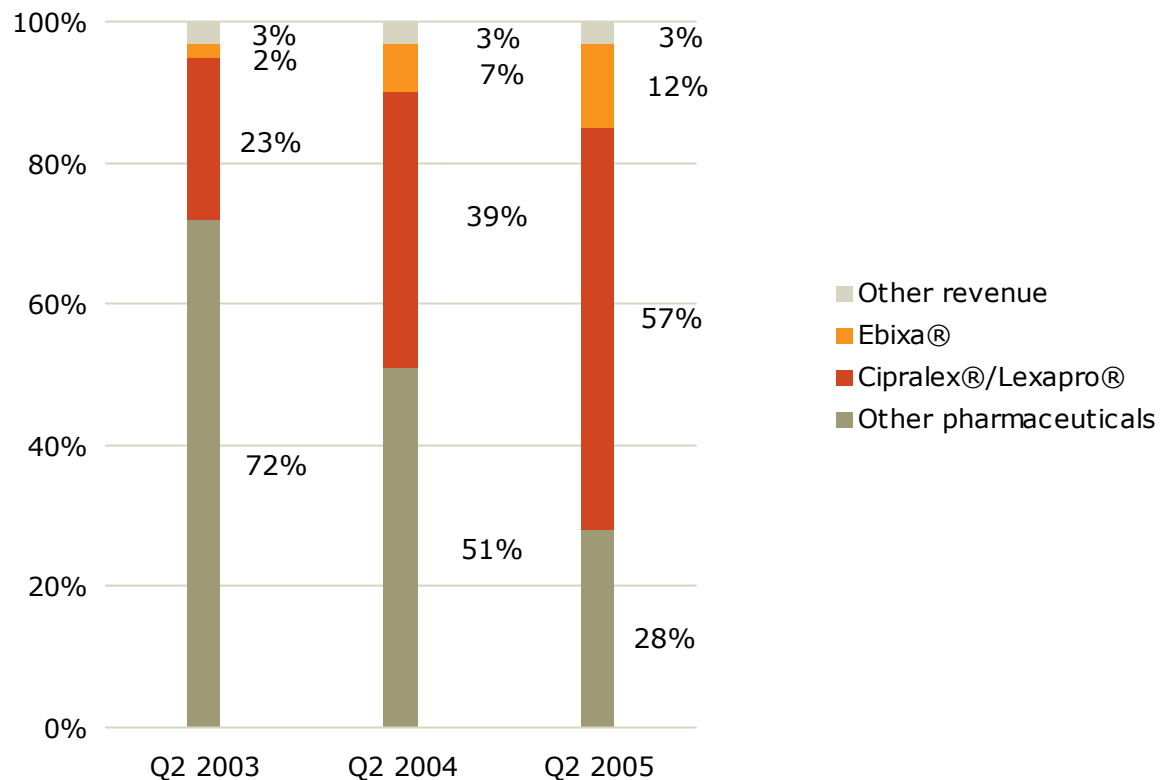


Q2 2005 Financial Highlights

Financial highlights – Q2 2005

- Revenue of DKKm 2,285 (Q-Q: 3%) and EBIT of DKKm 509
- Return to growth – continued growth in Europe (Q-Q: 8%; Y-Y: 9%) and ROW (Q-Q: 9%)
 - Continued market share growth in European and ROW depression and alzheimer's franchises
- Initiation of share buy-back of DKKm 6,000
 - Expected to be finalized before the end of 2007
- Financial guidance reiterated
 - 2005 EBIT of approximately DKK 2.2bn; EBIT margin higher than in 2004; and CAPEX of DKKm 550

New products account for 69% of revenue – aims to reach 70% for FY 2005



Revenue performance driven primarily by growth in sales of Cipralex[®] and Ebixa[®]

DKKm	Q2 2005	Q2 2004	Growth	Growth in CER	Q1 2005	Growth Q1-Q2
Revenue	2,285	2,325	-2 %	1 %	2,219	3 %
- Cipralex [®]	653	398	64 %	61 %	534	22 %
- Income from Lexapro [®]	654	518	26 %	42 %	663	-1 %
- Ebixa [®]	265	171	55 %	54 %	241	10 %
- Other pharmaceuticals	645	1,178	-45 %	-44 %	724	-11 %
- Other revenue	68	60	13 %	9 %	57	19 %

Cost lines developed in-line with expectations for 2005 – better than guided in 2003

DKKm	Q2 2005	Q2 2004	Growth	Q1 2005	Growth Q1-Q2
COGS	399	392	2 %	412	-3 %
SG&A	955	923	3 %	817	17 %
R&D	425	453	-6 %	360	18 %
EBIT	509	572	-11 %	637	-20 %
EBIT margin (%)	22.3	24.6	-9 %	28.7	-22 %
Finance income, net	90	-8	-	49	84 %
Net Profit	439	380	16 %	452	-3 %
EPS (DKK per share)	1.96	1.66	18 %	2.03	-3 %
CAPEX	98	10	880 %	48	104 %

Financial guidance and mid-term targets

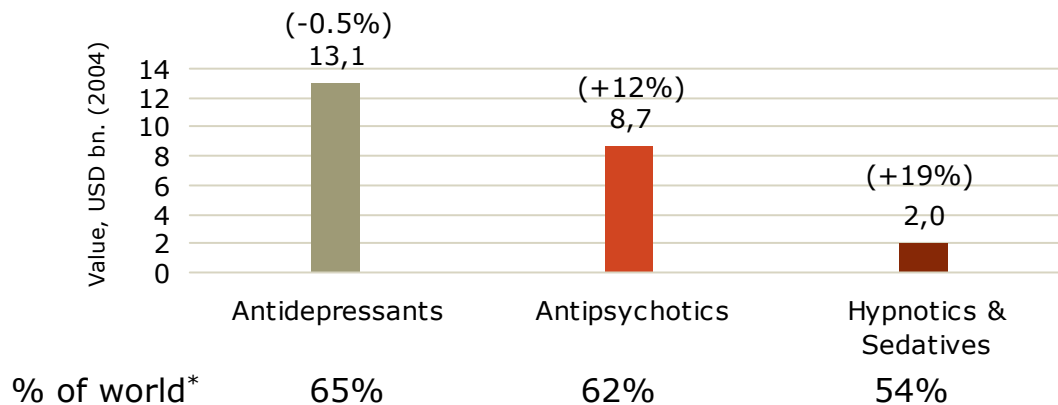
	FY 2004*	FY 2003	2005 Guidance	2006 target	2007 target
EBIT	2,133	2,147	Approx. DKKbn 2.2	+12% growth	+12% growth
EBIT margin	22.9%	21.6%	Higher than 2004		25% margin
CAPEX	244	1,479	Approx. DKKm 550		

* Excl. payment for gaboxadol

US market

Well established in the US antidepressant market. Possibilities within sleep and antipsychotics

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



Lundbeck products with US rights

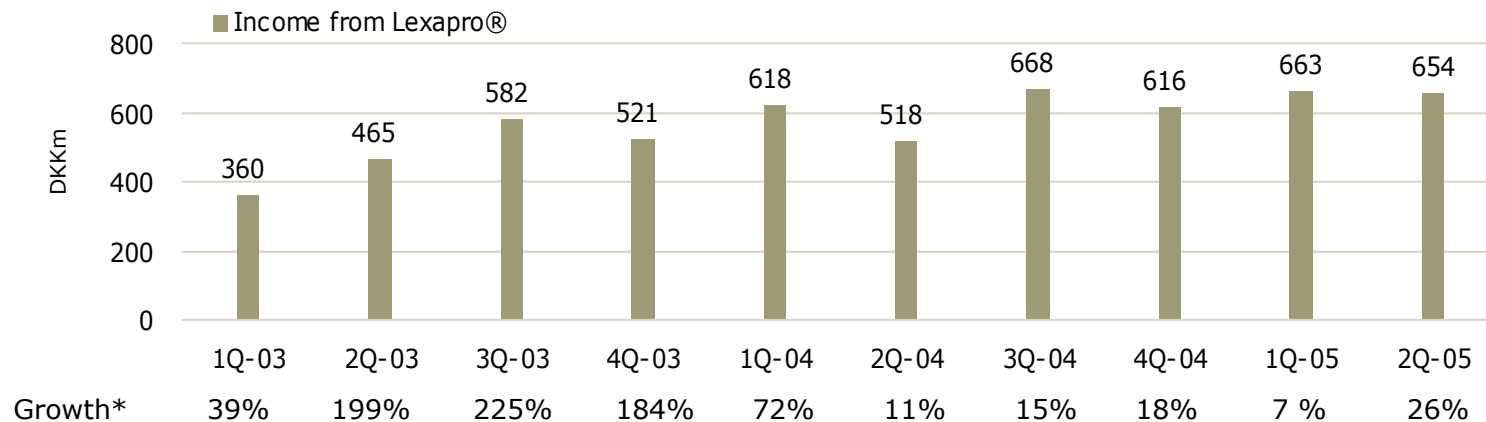
Lexapro® (launched)	Sold via Forest
Gaboxadol (Phase III)	Agreement with Merck & Co., Inc. in the US
Serdolect® (PMS)	-

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



Y-Y growth in income from Lexapro[®] driven by market share expansion...

US	Q2-05	Q2-04	Growth	Growth in CER	H1-05	H1-04	Growth
Income from Lexapro [®]	654	518	26 %	42 %	1,317	1,136	16 %
Other pharmaceuticals	4	261	-98 %	-96 %	61	607	-90 %
Total revenue, US	658	779	-16 %	-4 %	1,378	1,743	-21 %

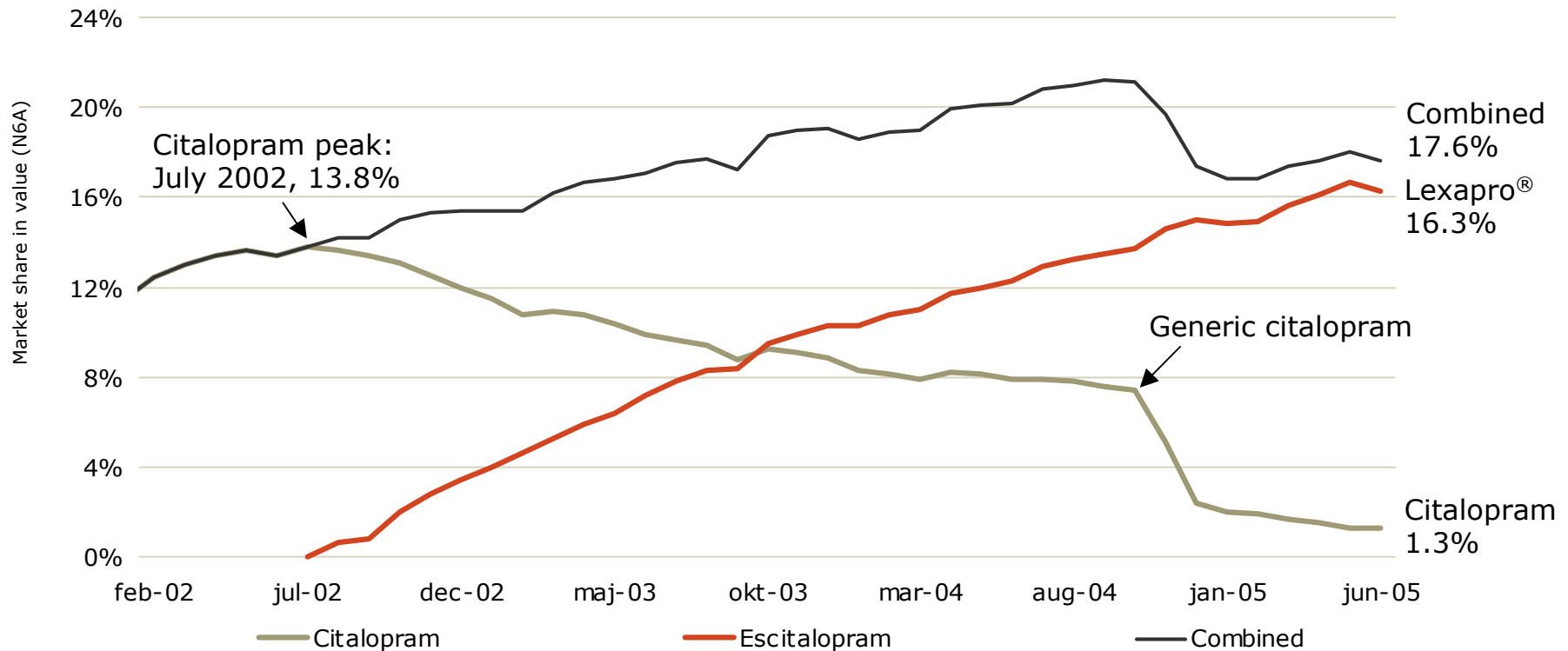


* Quarterly growth year on year



...in the US Lexapro[®] is bigger than citalopram at peak

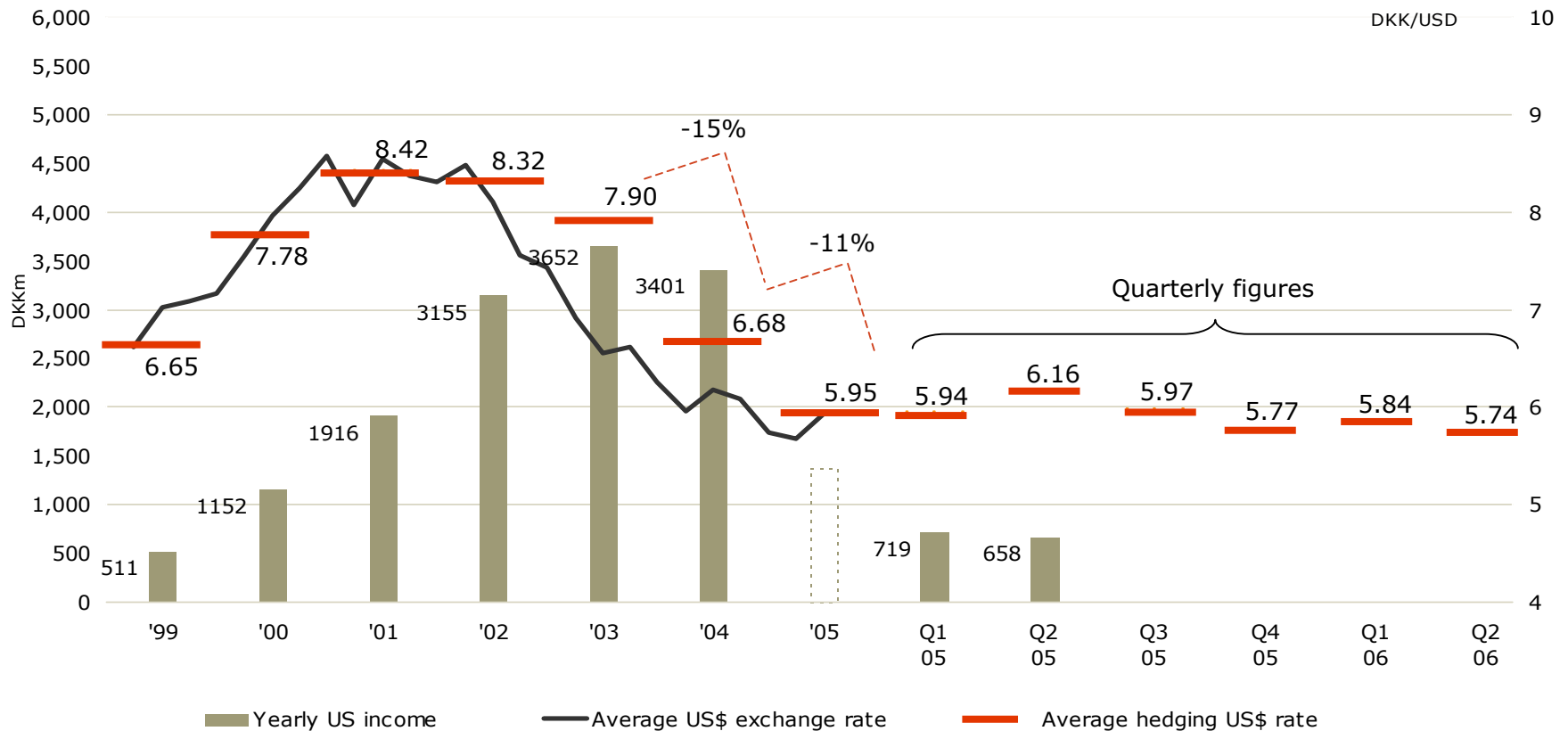
US anti-depression franchise



Source: IMS Dataview, June 2005



Severe weakening in the USD compensated by growth in Lexapro®



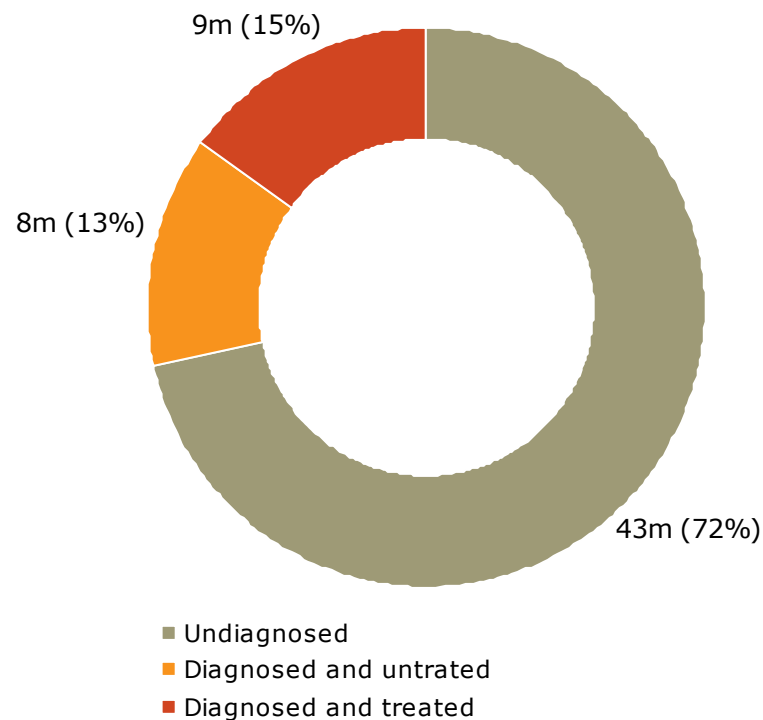
Note: 1999-2004 & Q1-Q2 2005 includes value of average hedging contracts realised in the period



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



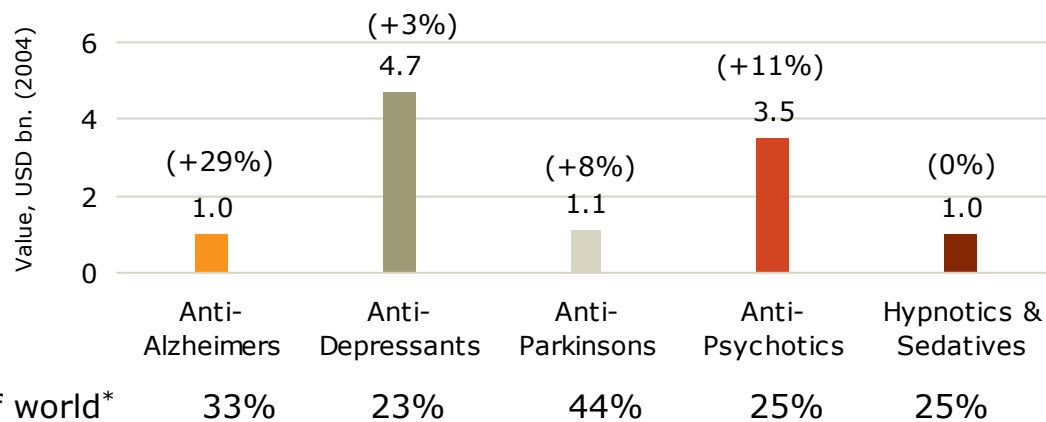
Agreement with Merck & Co., Inc. on gaboxadol ensures establishment of a Lundbeck US sales infrastructure

- **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

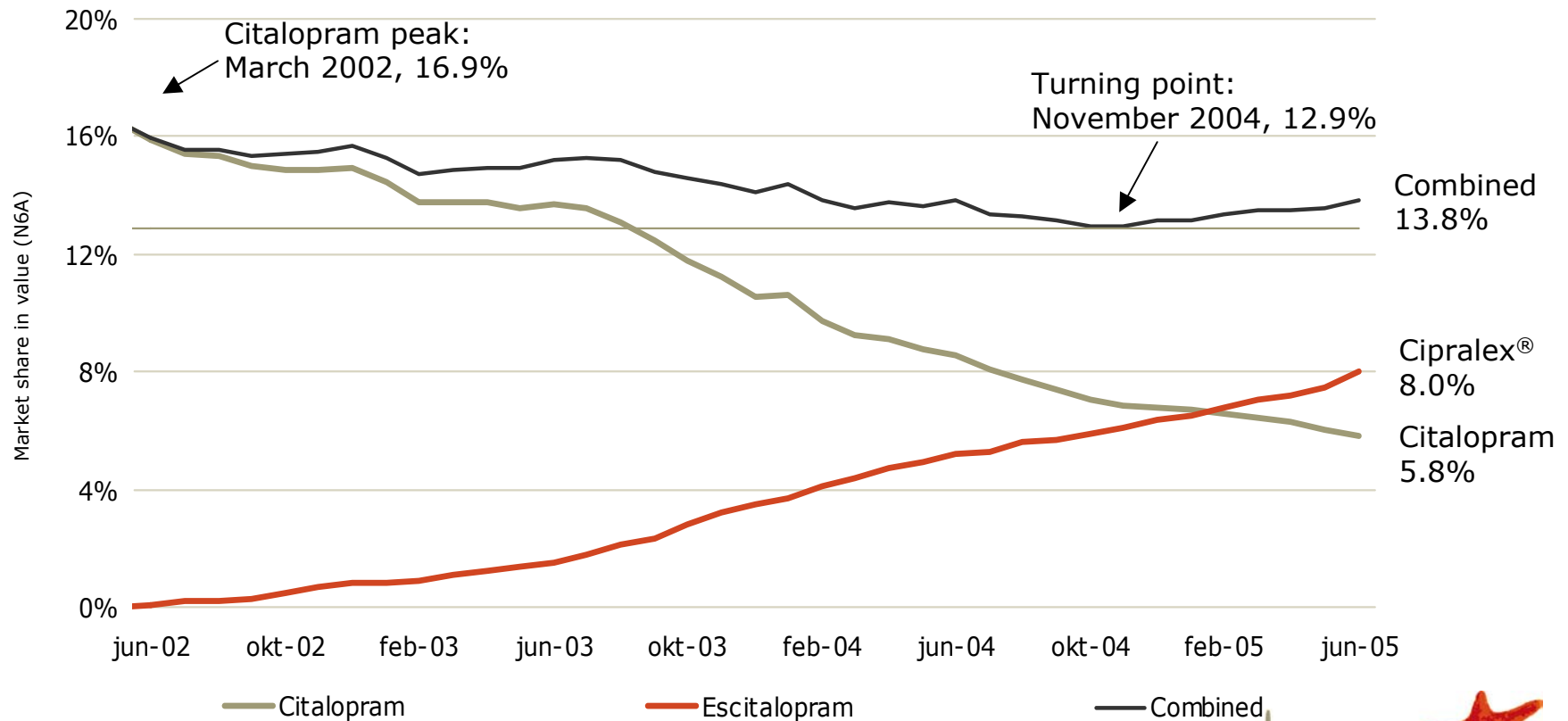


Europe in sustainable growth – new products more than compensate loss in mature products

Europe	Q2-05	Q2-04	Growth	Growth in CER	H1-05	H1-04	Growth
Cipralex®	534	339	58 %	56 %	963	645	49 %
Ebixa®	241	162	49 %	49 %	464	298	56 %
Other pharmaceuticals	506	670	-24 %	-25 %	1,041	1,363	-24 %
Total revenue, Europe	1,281	1,171	9 %	11 %	2,468	2,306	7 %

Combined depression market share in net growth driven by successful Cipralex[®] roll-out – still significant potential for growth

European anti-depression franchise

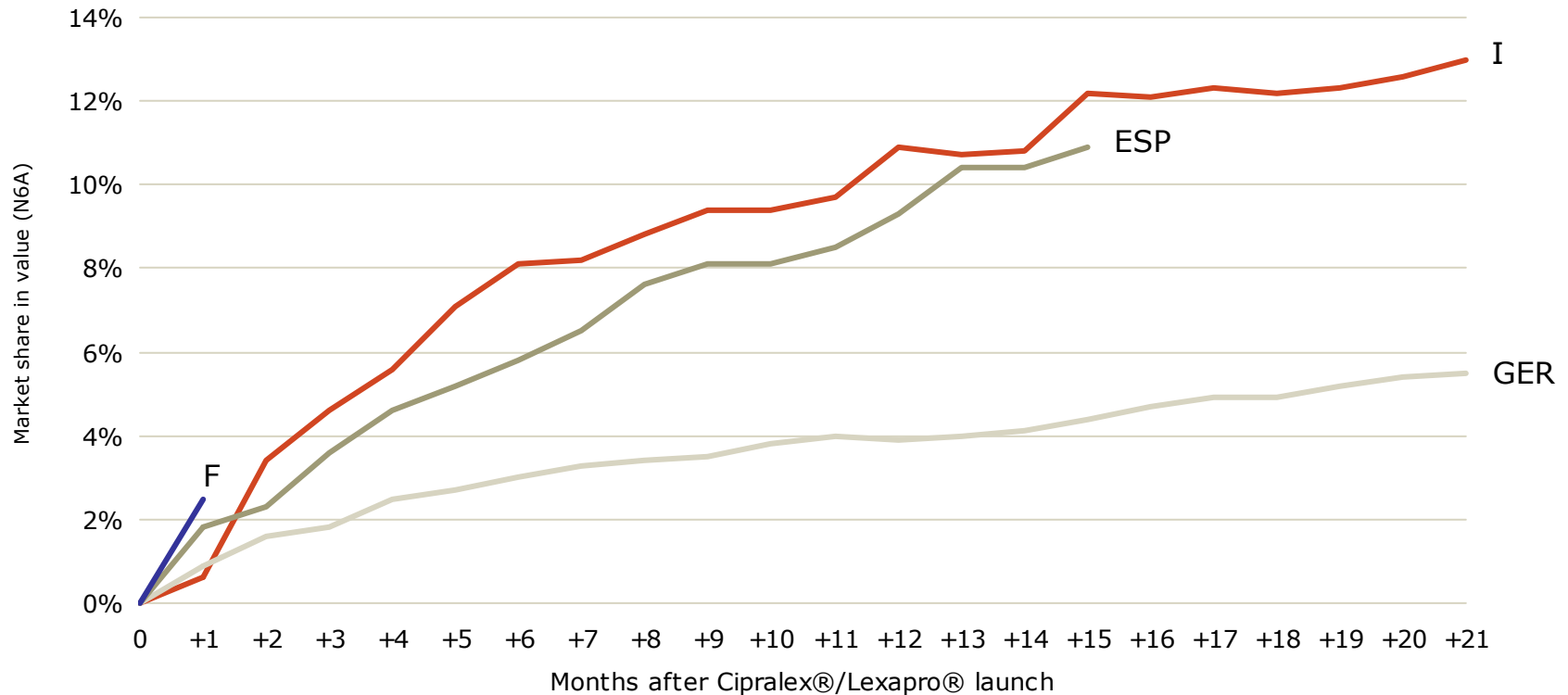


Source: IMS Dataview, June 2005



Recent launches of Cipralex® in Europe - France reaching 2.5% in first month

Top 3 branded compounds	MS% (June 05)
Effexor®	16.7%
Zoloft®	12.1%
Paxil®	8.1%



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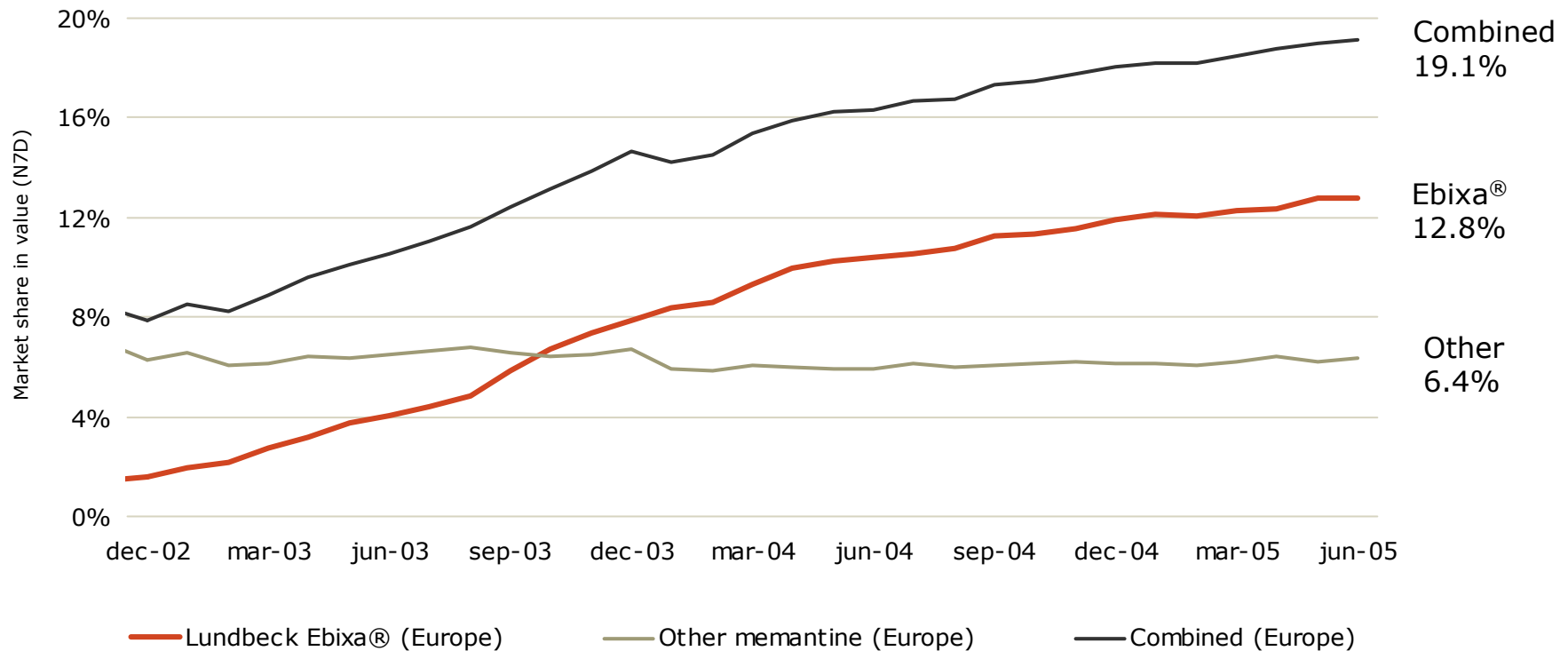


From launch with reimbursement

Source: IMS, N6A, June 2005

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

European anti-Alzheimer's franchise

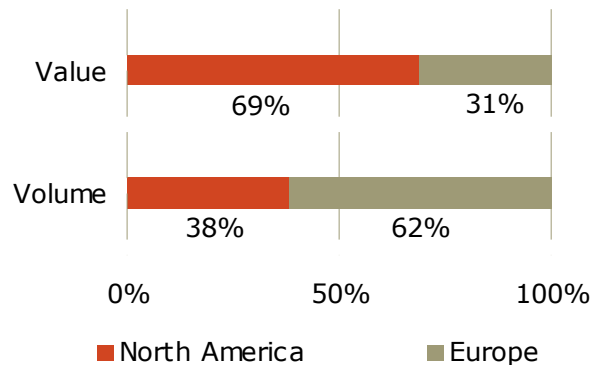


Source: IMS Dataview, June 2005

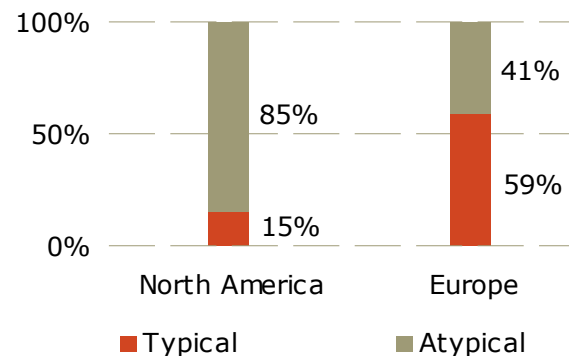


Conversion in Europe will continue to drive high growth in the USDbn 3.5 anti-psychotics market...

N5A – Value and volume, MAT 06-2005



N5A - Split in volume, MAT 06-2005



- European atypical antipsychotic volumes grow faster than typical – conversion is progressing
- Conversion from typical to atypical anti-psychotics 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

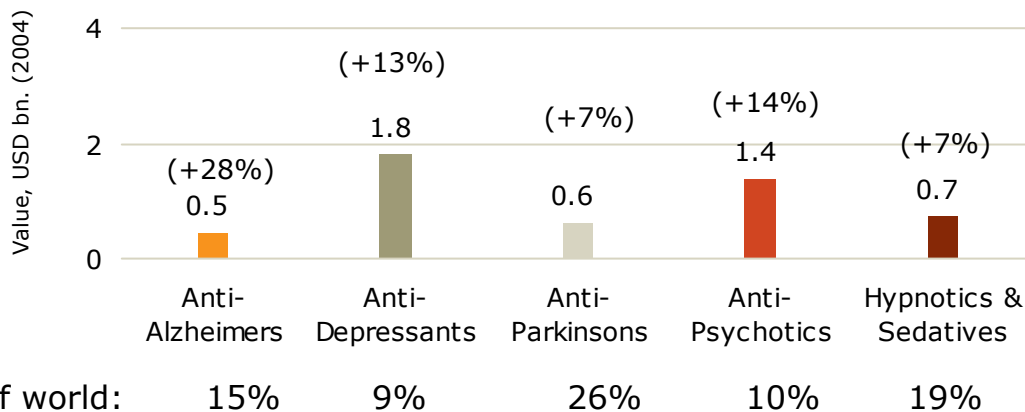
▪ **Bifeprunox (Phase III)**

- Partial dopamine D₂-receptor-agonist and serotonin 5-HT_{1A}-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)***



% of world: 15% 9% 26% 10% 19%

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

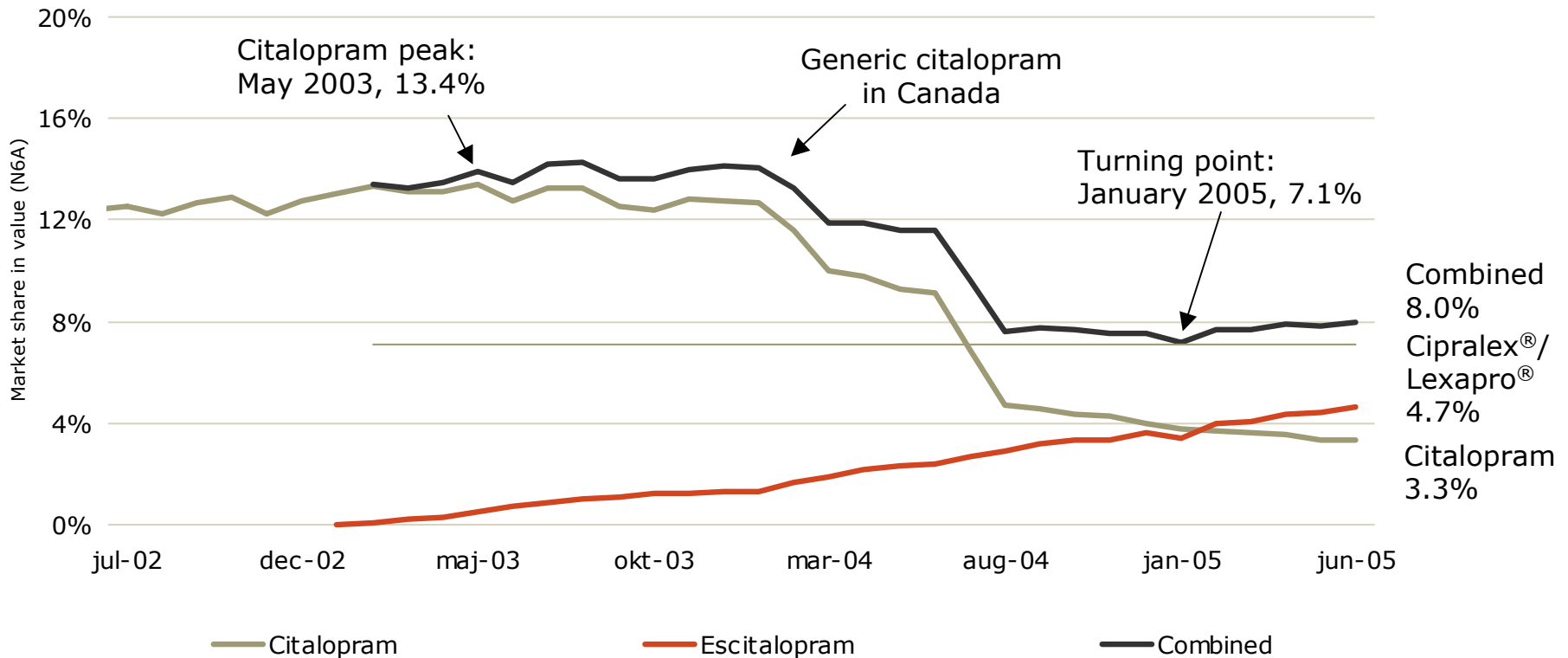


Region back to Q-Q growth after significant losses to generics in Canada in 2004

ROW	Q2-05	Q2-04	Growth	Growth in CER	H1-05	H1-04	Growth
Cipralex®	119	59	102 %	93 %	224	104	115 %
Ebixa®	24	9	167 %	139 %	42	15	180 %
Other pharmaceuticals	135	247	-45 %	-46 %	267	516	-48 %
Total revenue, ROW	278	315	-12 %	-20 %	533	635	-16 %

Significant growth expected for Cipralex[®] in RoW* – contributed by recent launches...

RoW anti-depression franchise

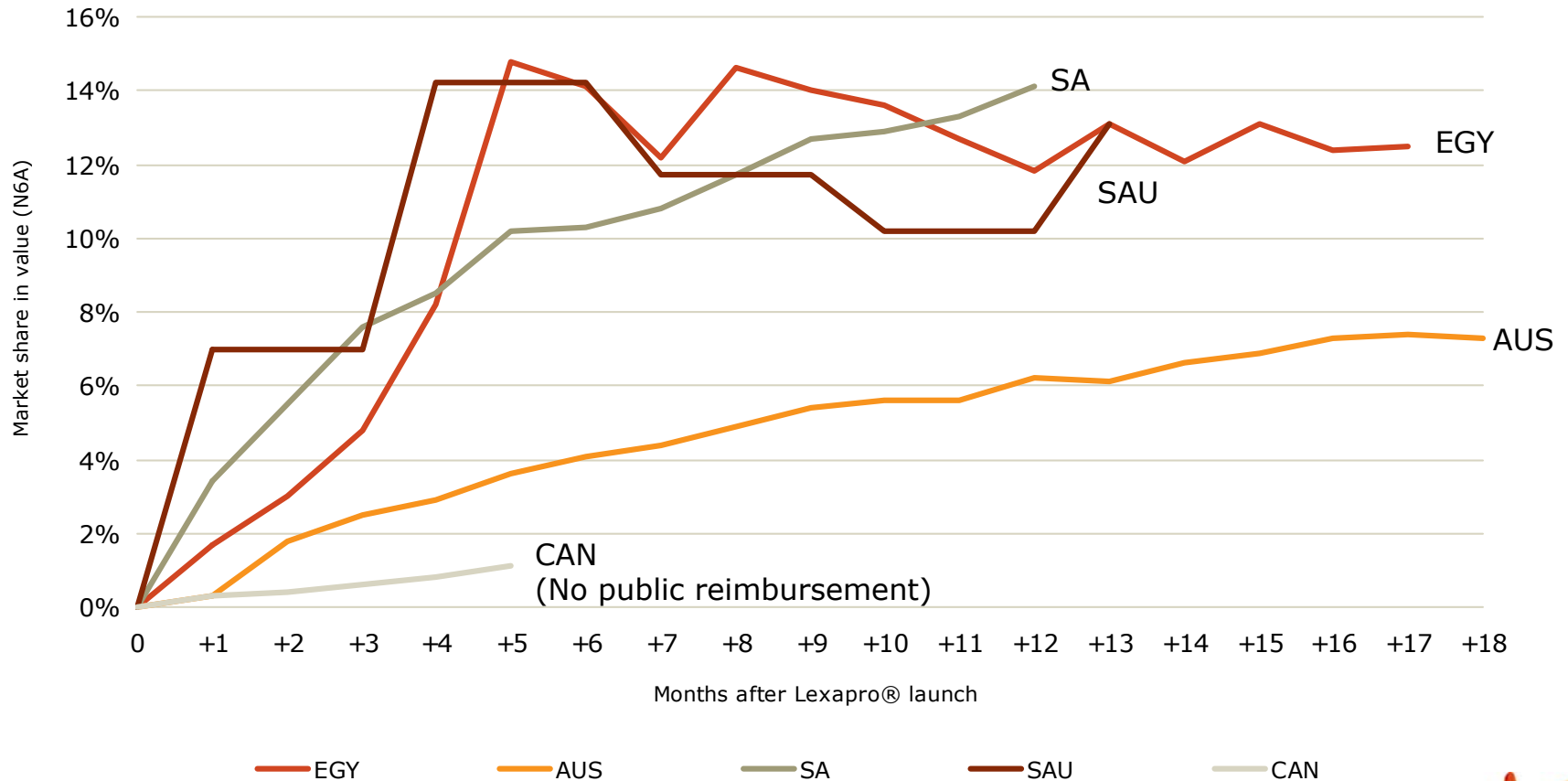


*RoW includes the following countries: Australia, Brazil, Canada, Mexico & S. Africa.

Source: IMS Dataview, June 2005



...Cipralex®/Lexapro® gained more than 10% market share in 6 months in several markets

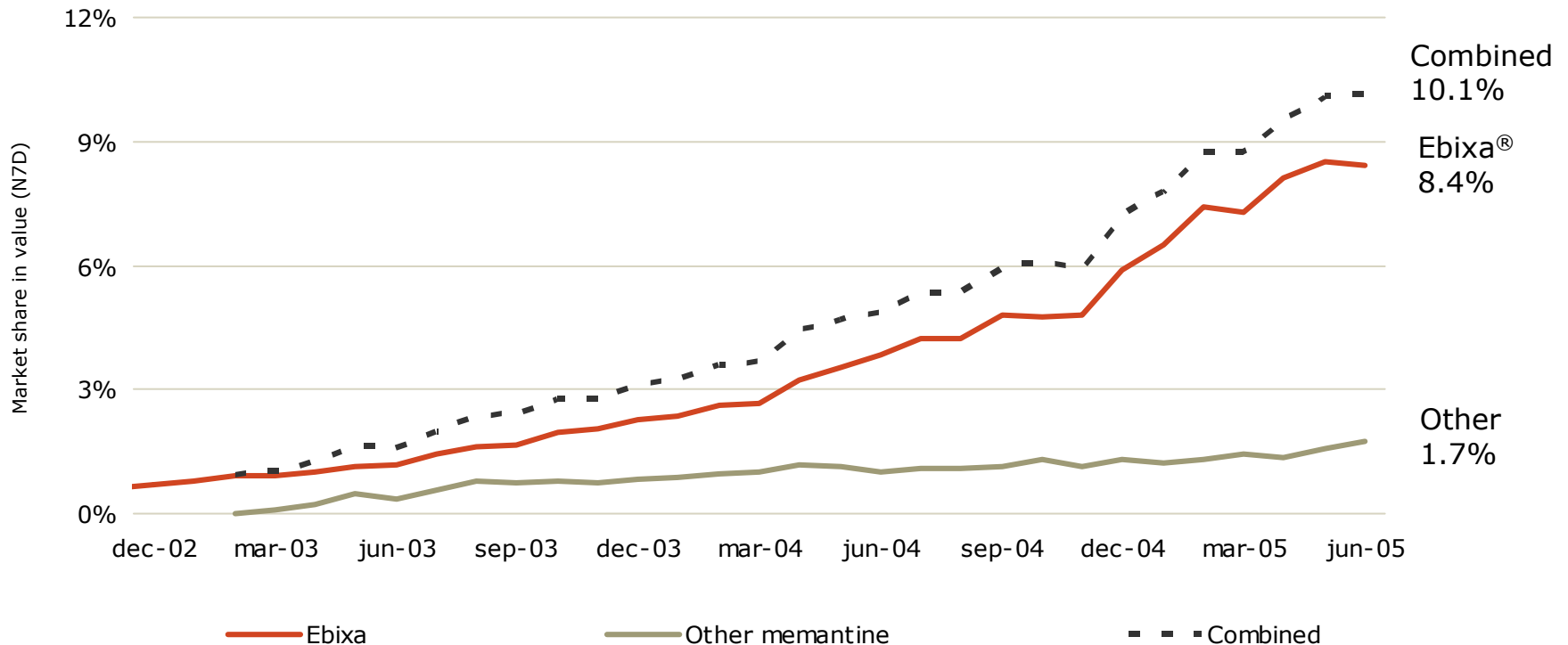


Source: IMS, N6A, June 2005



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, June 2005



News flow & Pipeline

Expected news flow in 2005

Approval of Azilect® in Europe
Approval of Serdolect® in Europe
Cipralex® launched in France
Gaboxadol, phase II clinical data
Azilect® launched in first European Country

Timing

22 February 2005
25 April 2005
18 May 2005
22 June 2005
27 June 2005

Cipralex®, escitalopram

– Approval of GAD indication in Europe 2005

Ebixa®, memantine

– Approval of mild to moderate indication in Europe 2005

Serdolect®, sertindole

– Launch in the first European country 2005

Bifeprunox

– Phase III clinical data, head line results 2005

Pipeline

Compound	Activity	Indication	Dev. stage	2005	2006	2007	2007+
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
Desmoteplase	Plasminogen activator	Stroke	III				NDA
Lu AA21004	Multiple target	Depression	I				--
Lu 31-130	Monoaminergic	Psychosis	I				--

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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	Q2 05
Ciprallex®	579	306	339	382	377	1,404	429	534
Ebixa®	276	136	162	169	208	675	223	241
Mature products*	3,841	693	670	610	538	2,511	535	506
Total revenue, Europe	4,696	1,135	1,171	1,161	1,123	4,590	1,187	1,281
US**	FY 2003	Q1 04	Q2 04	Q3 04	Q4 04	FY 2004	Q1 05	Q2 05
Lexapro®	1,927	618	518	667	617	2,420	663	654
Mature products*	1,725	346	261	268	106	981	57	4
Total revenue, US	3,652	964	779	935	723	3,401	720	658
Rest of world***	FY 2003	Q1 04	Q2 04	Q3 04	Q4 04	FY 2004	Q1 05	Q2 05
Ciprallex®	66	45	59	83	70	257	105	119
Ebixa®	10	6	9	13	19	47	18	24
Mature products*	1,253	269	247	150	141	807	132	135
Total revenue, Rest of world	1,329	320	315	246	230	1,111	255	278
Other revenue	264	474	60	68	29	631	57	68
Total group revenue	9,941	2,893	2,325	2,410	2,105	9,733	2,219	2,285

* Incl. income from citalopram

** US (incl. income from Forest)

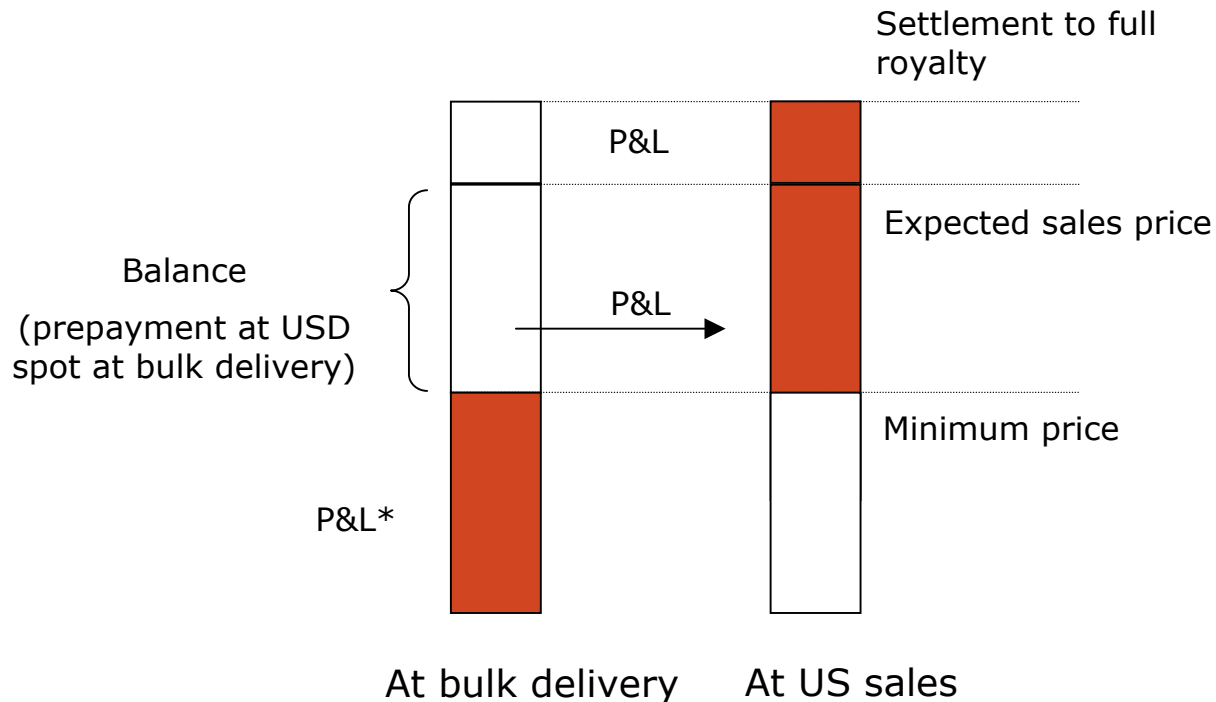
*** Asia, Africa, Americas, Canada, Middle East

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

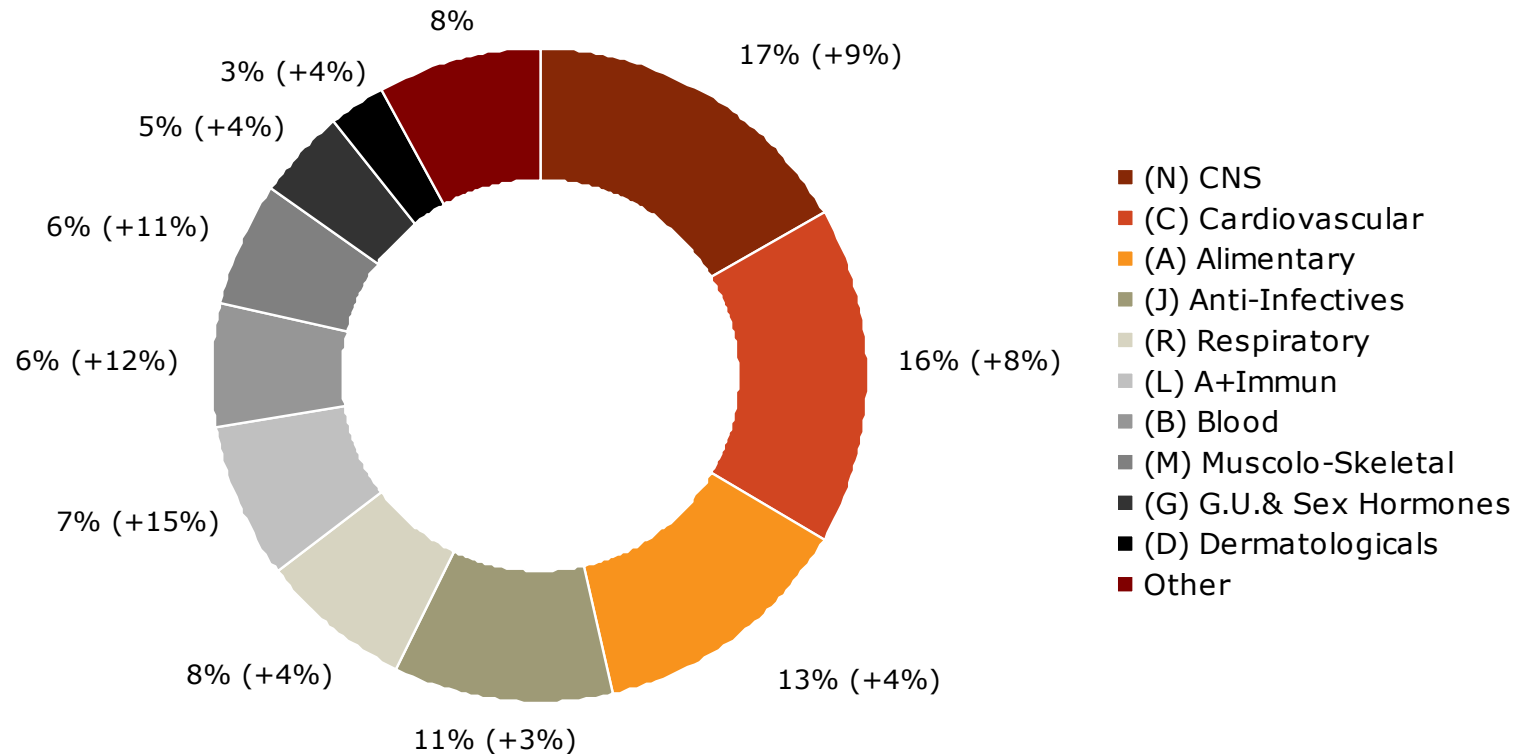
IFRS 2 effect, DKKm	2002	2003	2004
Effect on earnings	-16	15	-21
Tax effect	6	-5	6
Earnings, in IFRS 2	1,259	1,387	1,709
EPS, diluted, in IFRS 2	5.45	5.99	7.39
EPS, diluted, reported	5.49	5.95	7.46
Effect on equity, after tax	-31	-21	-36
Equity, in IFRS 2	5,790	6,893	7,840

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%)



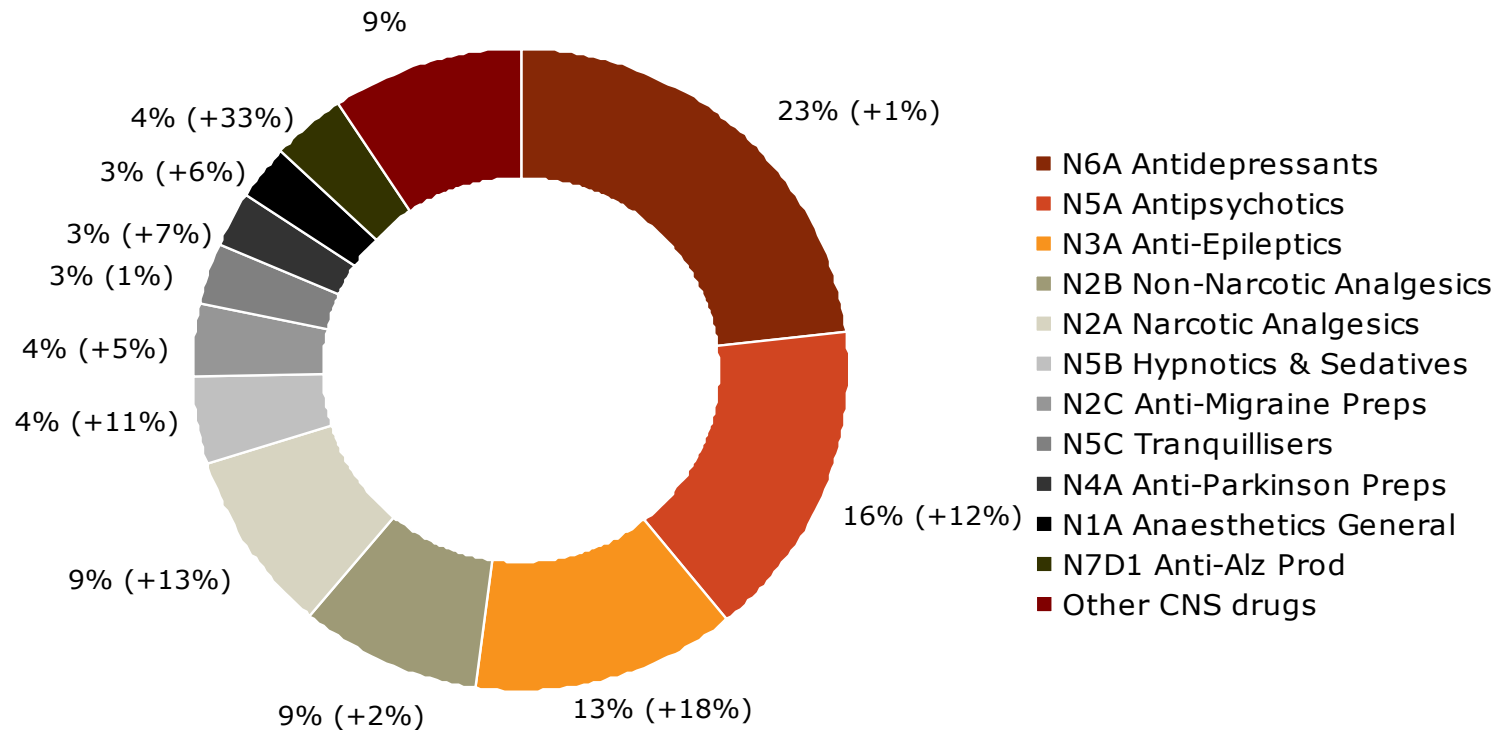
Source: IMS World Review 2005

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%)

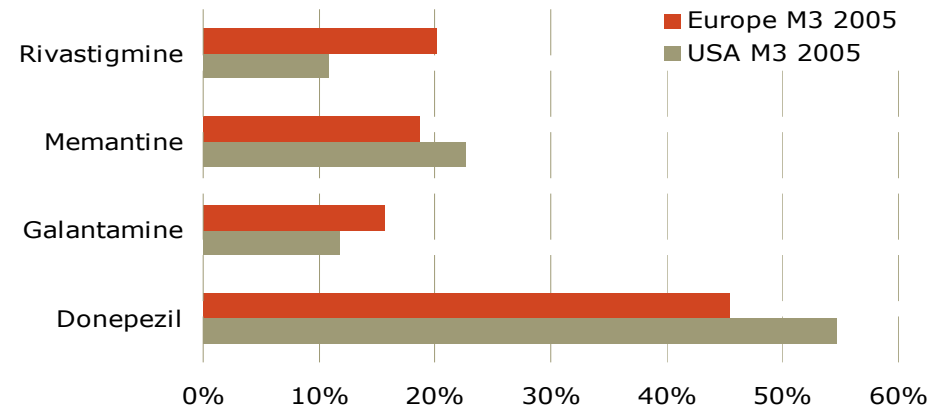


Source: IMS World Review 2005
Growth rates in local currency dollar 2003-2004 added in brackets



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

Value Market Shares of N7D

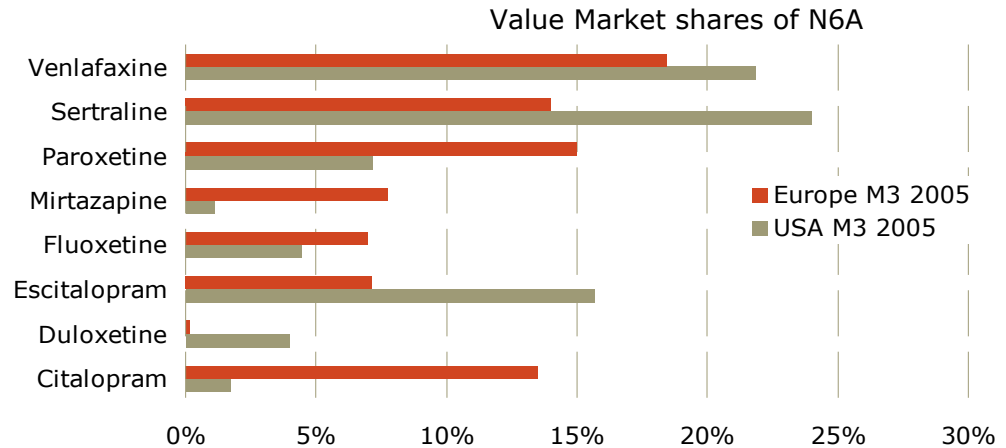
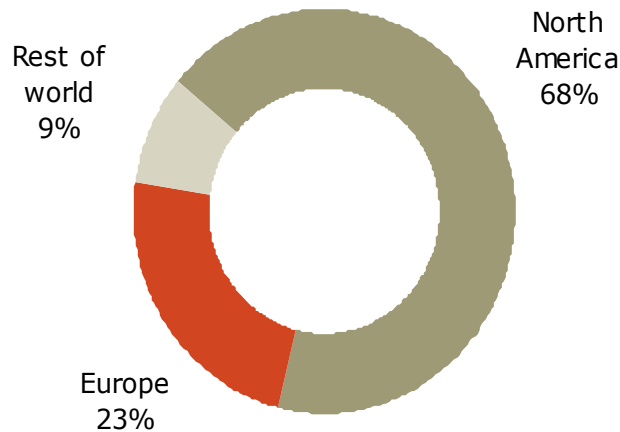


Leading product	Marketing Corporation	Sales 2004 (USDm)	Growth in %
Aricept®	Eisai	1,818	25
Exelon®	Novartis	437	11
Reminyl®	Johnson & Johnson	411	38
Namenda®	Forest	247	>999
Ebixa®	Lundbeck	119	225

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

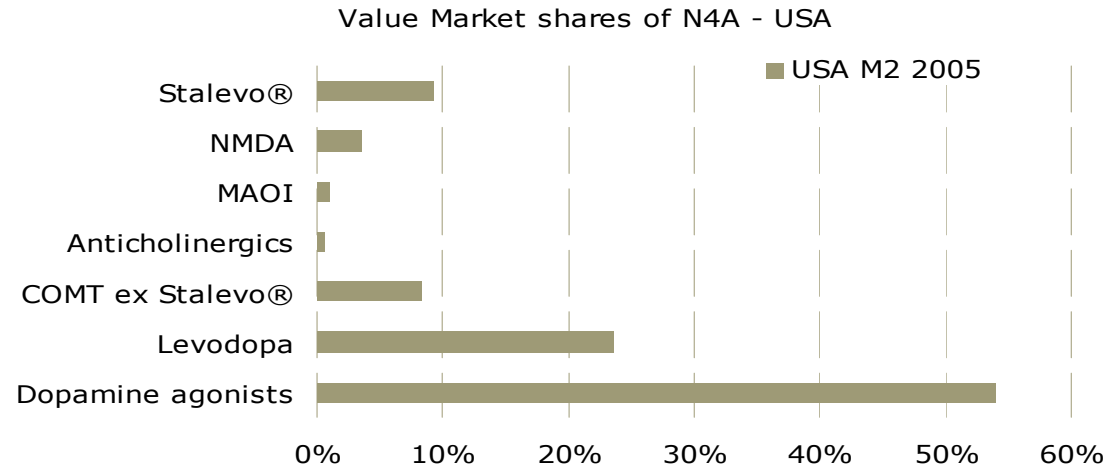
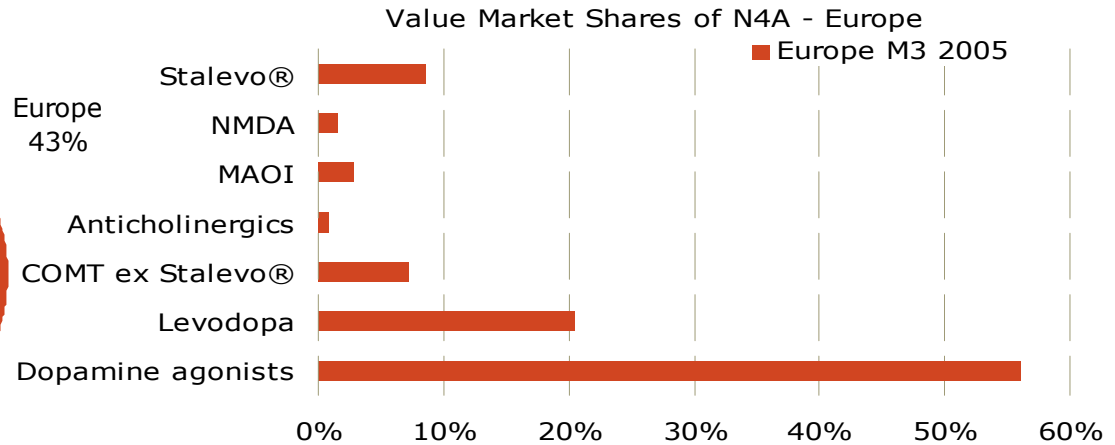
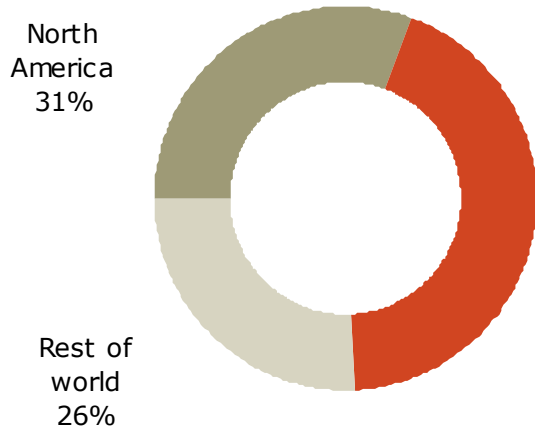
Source: IMS World Review 2005 & IMS Knowledge link

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

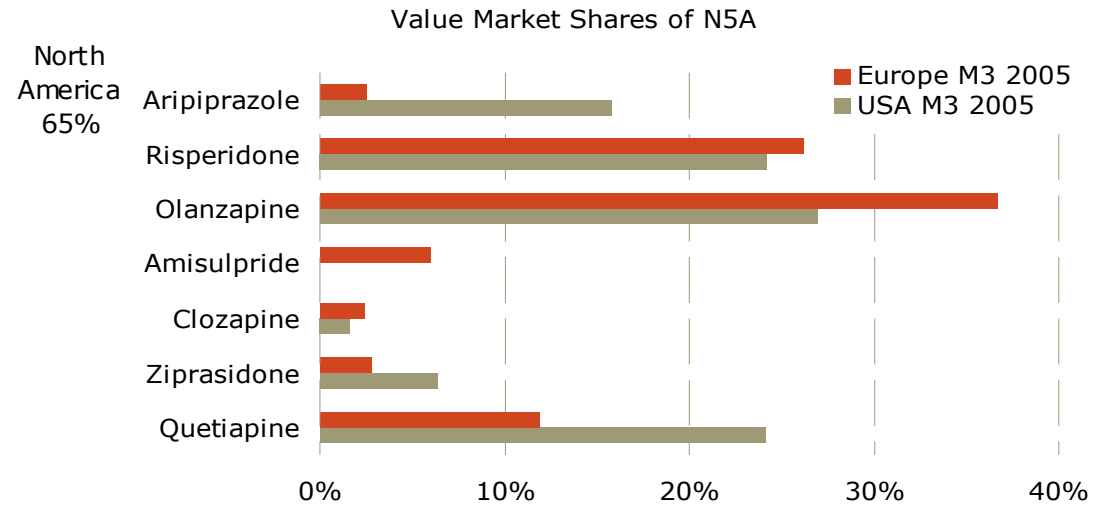
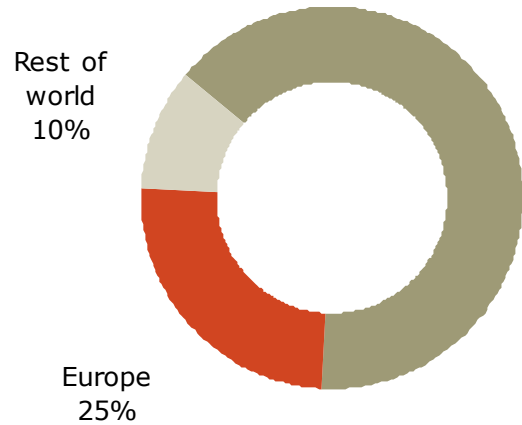


Leading product	Marketing Corporation	Sales 2004 (USDm)	Growth in %
Effexor®	Wyeth	3,734	23
Zoloft®	Pfizer	3,698	9
Seroxat®/Paxil®	GlaxoSmithKline	1,933	-40
Lexapro®/Cipralextm®	Lundbeck/Forest	1,914	84
Wellbutrin®	GlaxoSmithKline	1,664	-10
Cipramil®/Celexa®	Lundbeck/Forest	1,377	-30
Prozac®	Lilly	510	-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%)



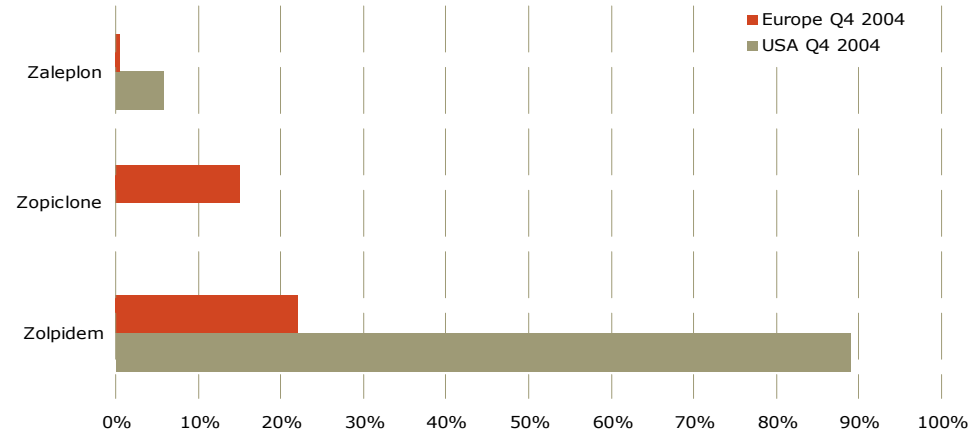
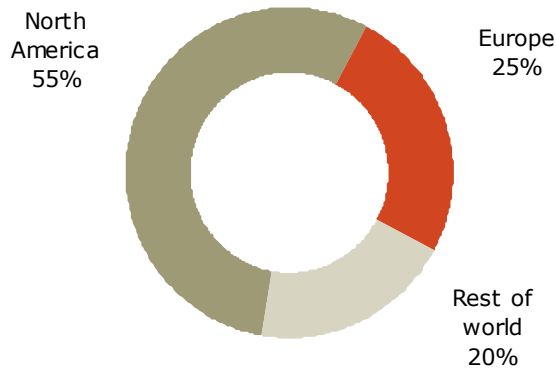
Antipsychotics (N5A-2004) – 14.1 bill. USD (+12%)



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