

Financial Presentation 2004



Safe Harbour Statement

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

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

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

Corporate website: www.lundbeck.com

Listed on the Copenhagen Stock Exchange

Trading code:

Reuters (LUN.CO)

Bloomberg (LUN DC)

ISIN number DK0010287234



Highlights

- **Market development:**

- By the end of 2004 Cipralex® was approved on all major markets except France and Japan and covers more than 90% of worldwide antidepressant market
- Lexapro reaches all time high 15.0% market share in the US
- Ebixa has been successfully introduced in over 30 countries – memantine reaching 18.1% market share in Europe

- **Research & Development:**

- Azilect® approved in Europe for the treatment of Parkinson's disease
- Cipralex® filed for GAD indication
- Ebixa® filed for mild to moderate indication

- **Financial performance:**

- Revenue from new products account for 61% in Q4-04 – progressing well through transition
- Total revenue in FY2004 of DKKm 9,733
- EBIT in FY2004 reached DKKm 2,575
- Free cash flow of DKKm 2,434



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

Psychosis, N5A

1959: Lundbecks first anti-psychotic *Truxal*[®] was launched

1996 *Serdolect*[®]

2007 *Bifeprunox*

Depression, N6A

1961: Lundbecks first anti-depressant *Saroten*[®] was launched

1989 *Cipramil*[®]

2002 *Cipralex*[®]

Alzheimer's Disease, N7D

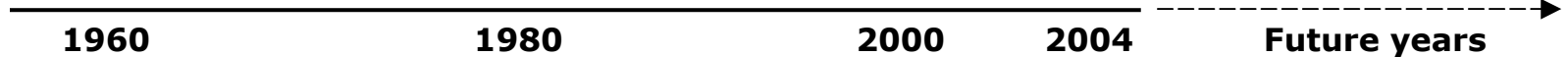
2002 *Ebixa*[®]

Parkinson's Disease, N4A

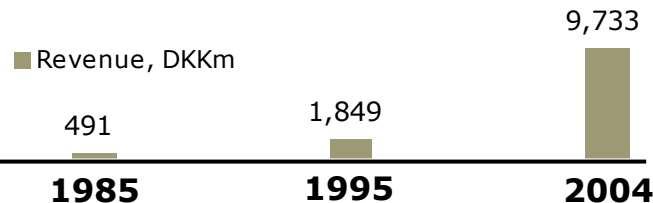
2005 *Azilect*[®] 2007+ *CEP 1347*

Sleep disorders, N5B

2007+ *Gaboxadol*

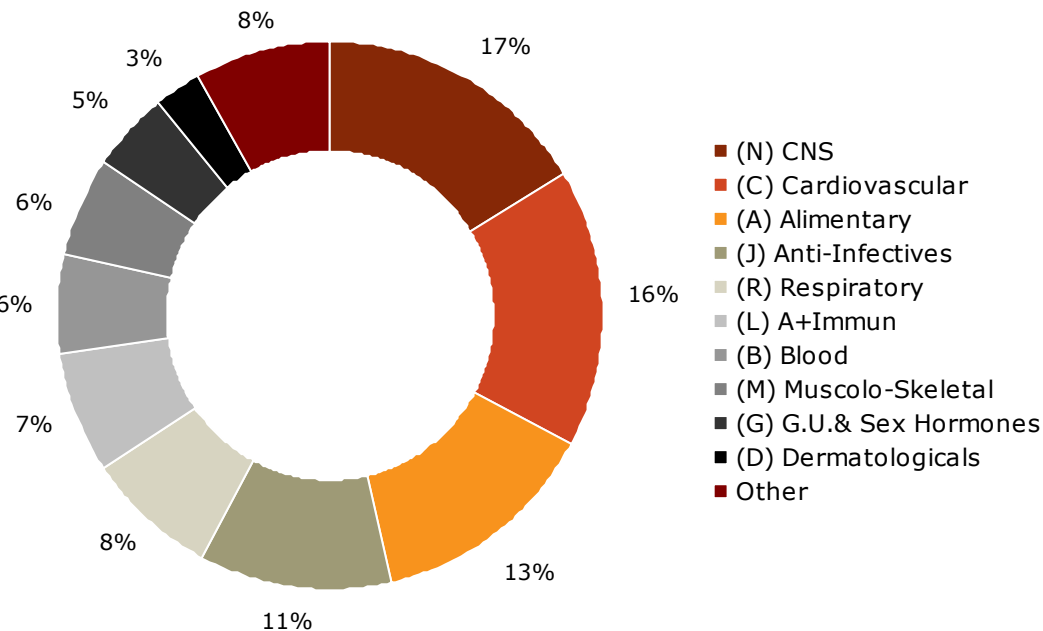


Historical revenue



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

**World pharmaceutical market
2003 USDbn 466.3 (+9%)**



**Total CNS market USDbn 77.2
(+13%)**

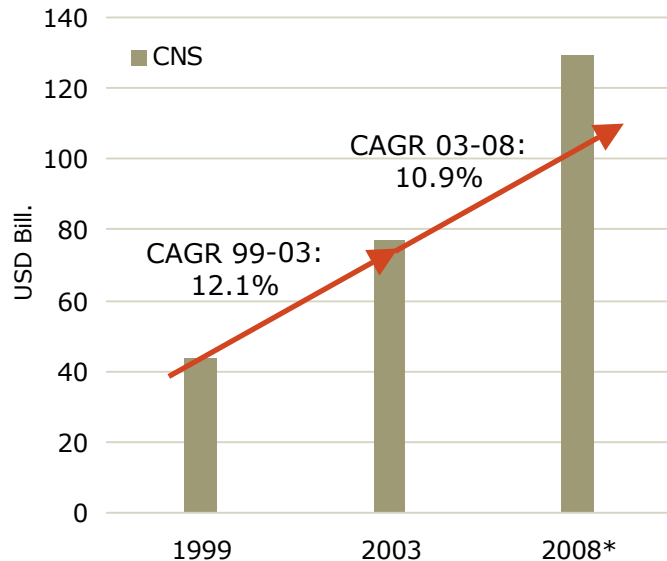
Therapeutic area	Share of CNS	Growth 2003
Alzheimer's Disease, N7D	3%	+27%
Depression, N6A	25%	+10%
Parkinson's Disease, N4B	3%	+9%
Psychosis, N5A	16%	+20%
Sleep disorders, N5B	4%	+11%

* All market data are in USD
Source: IMS world review 2004



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

CNS world market in USD, 1999-2008

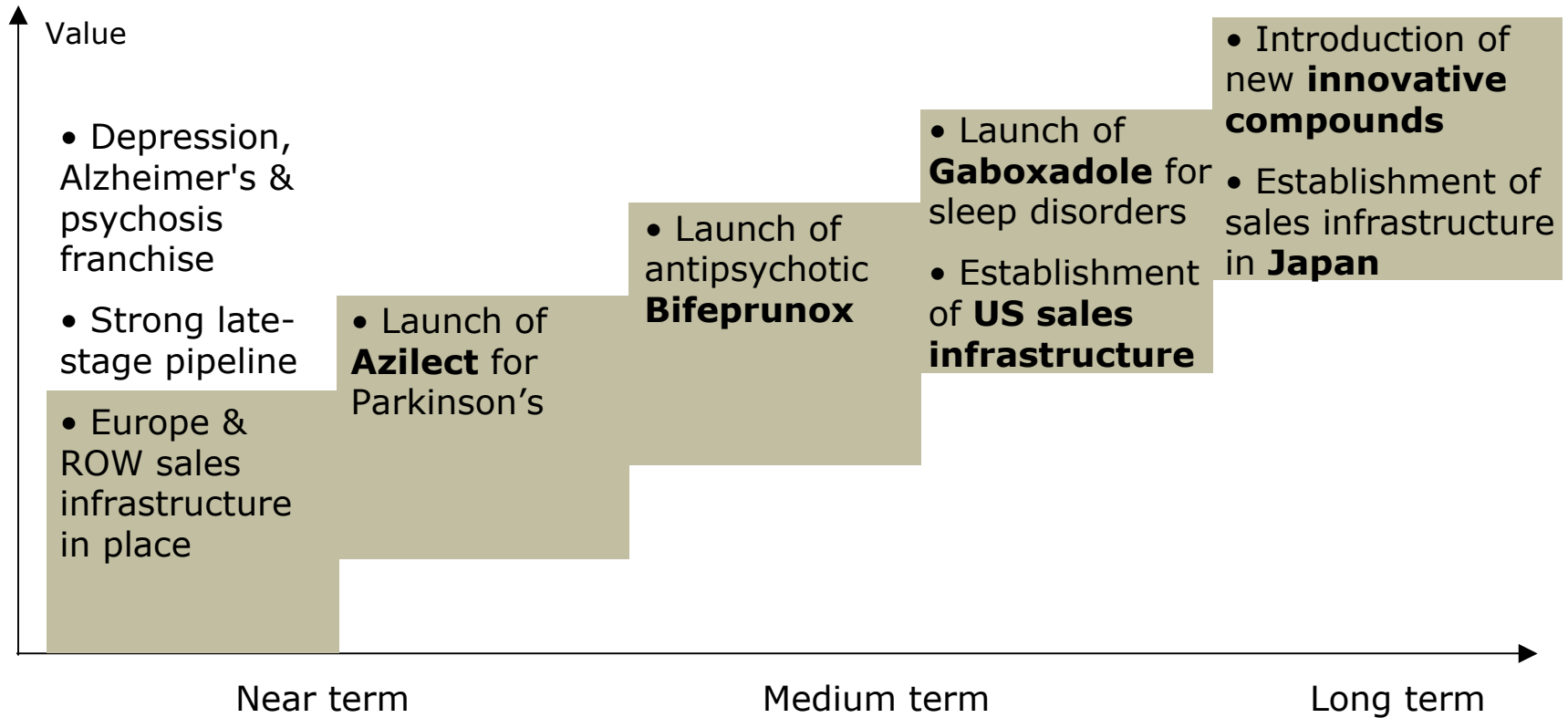


* IMS Market Prognosis 2004-2008

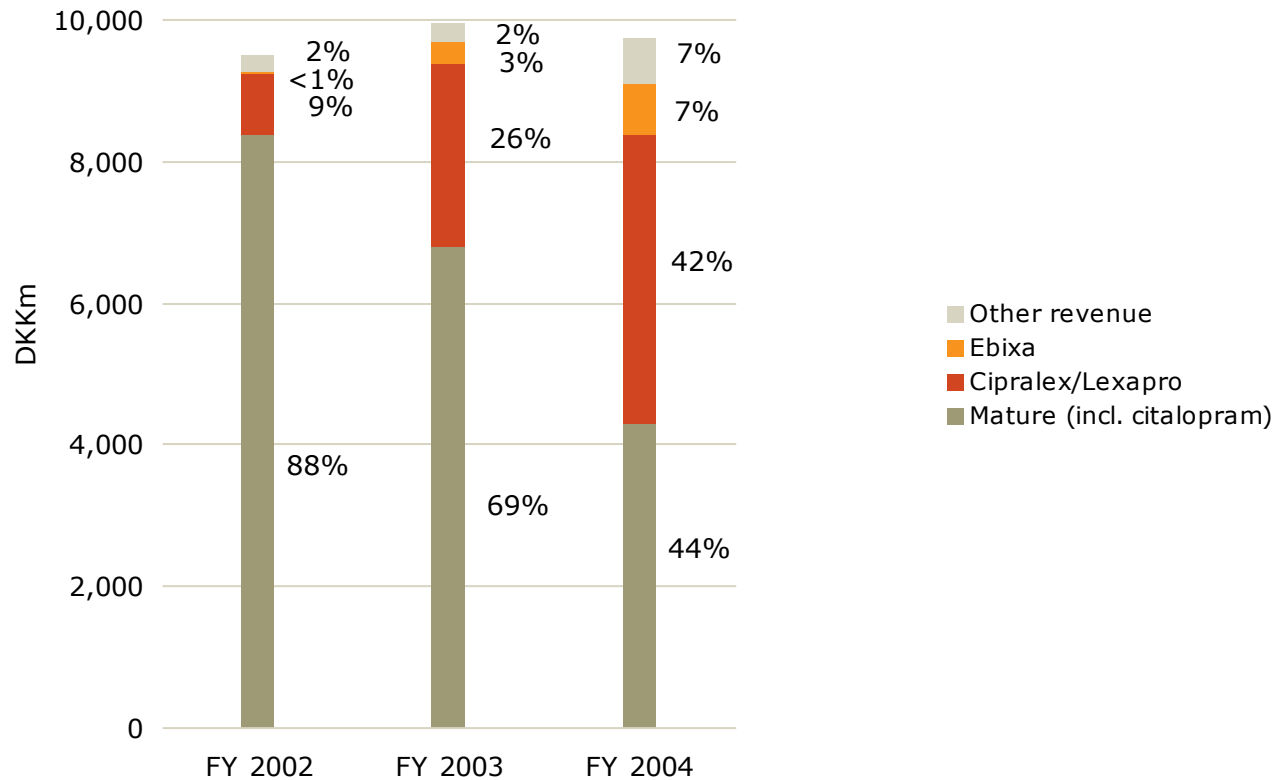
Market characteristics:

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

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



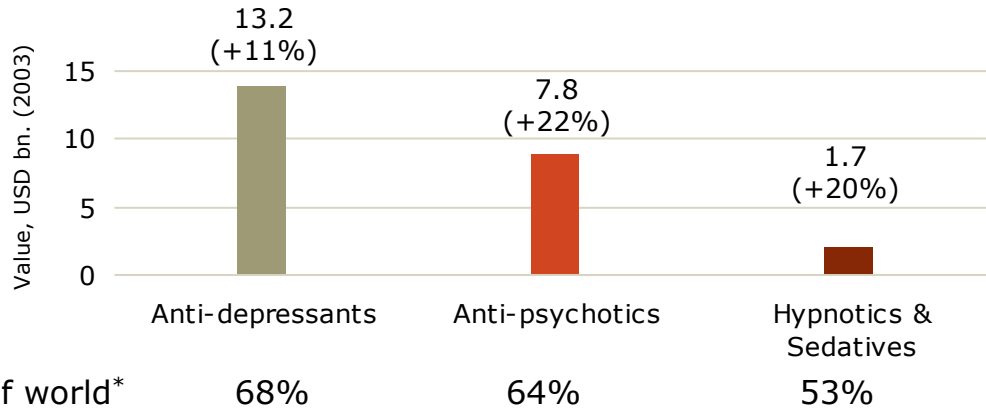
New products account for 52% of revenue (excl. gaboxadol) – progressing well through transition



US market

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

**US market – 59% of world CNS market -
Lundbeck products cover 23.7 USD bn. (2003)***



Lundbeck products with US rights

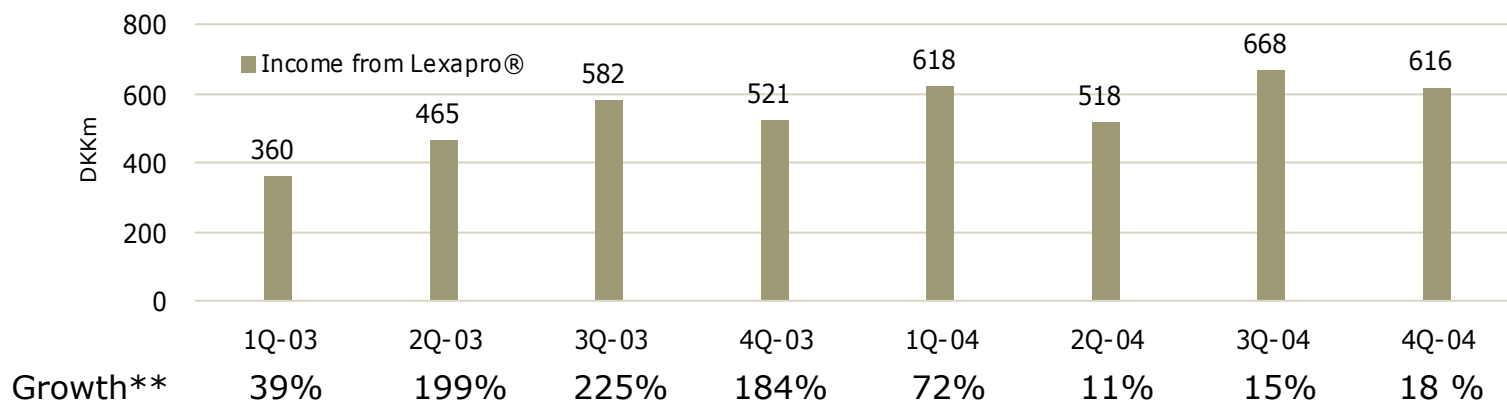
Lexapro (launched)	Sold via Forest
Gaboxadol (Phase III)	Agreement with Merck & Co., Inc. in the US
Serdolect (PMS)	-

* IMS world review 2004



Income growth in CER from US franchise. Continued growth in Lexapro[®] income despite weakened USD

US franchise	FY 2004	FY 2003	Growth	Growth in CER
Income from Lexapro [®]	2,420	1,927	26 %	63 %
Mature products*	981	1,725	-43 %	-23 %
Total revenue, US franchise	3,401	3,652	-7 %	22 %



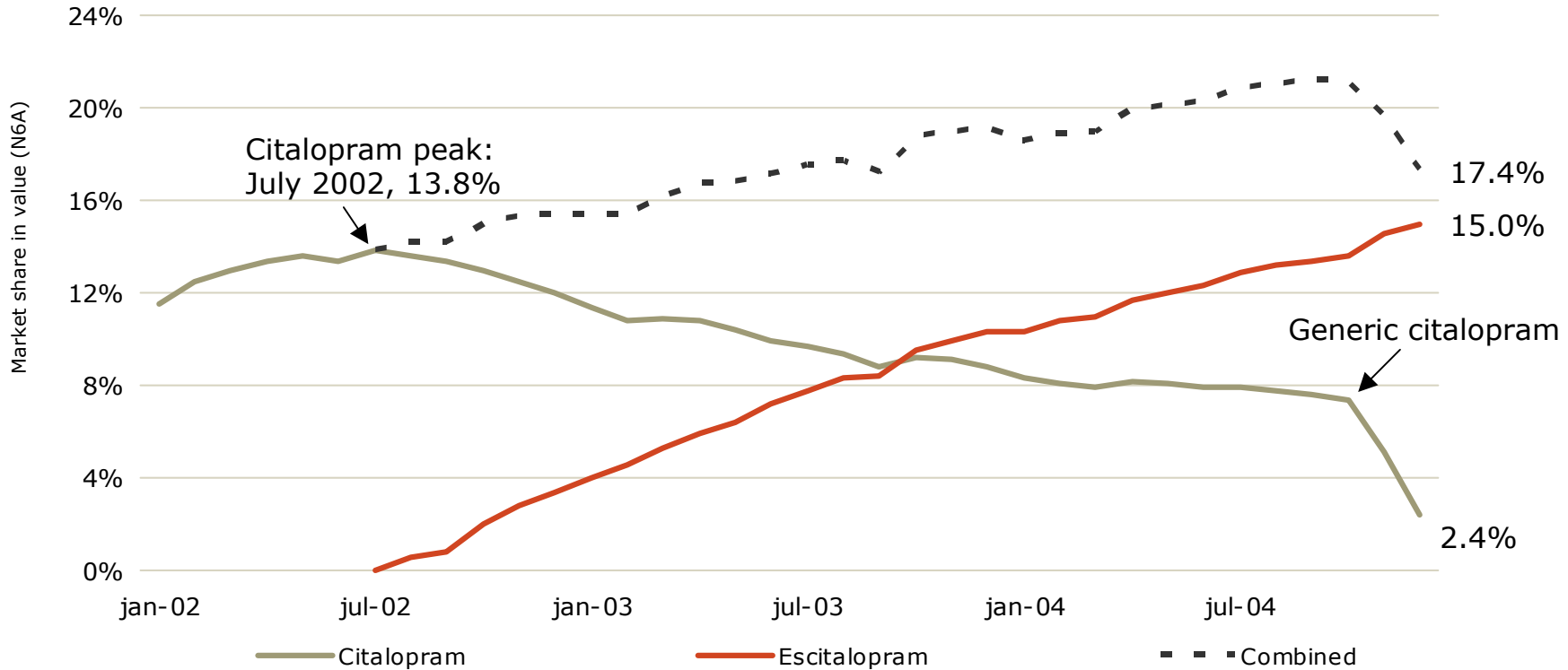
* Income from Celexa[®] sales

** Quarterly growth year on year



Lexapro[®] higher than peak Celexa[®].
Lexapro[®] reaches highest ever market share of 15.0%

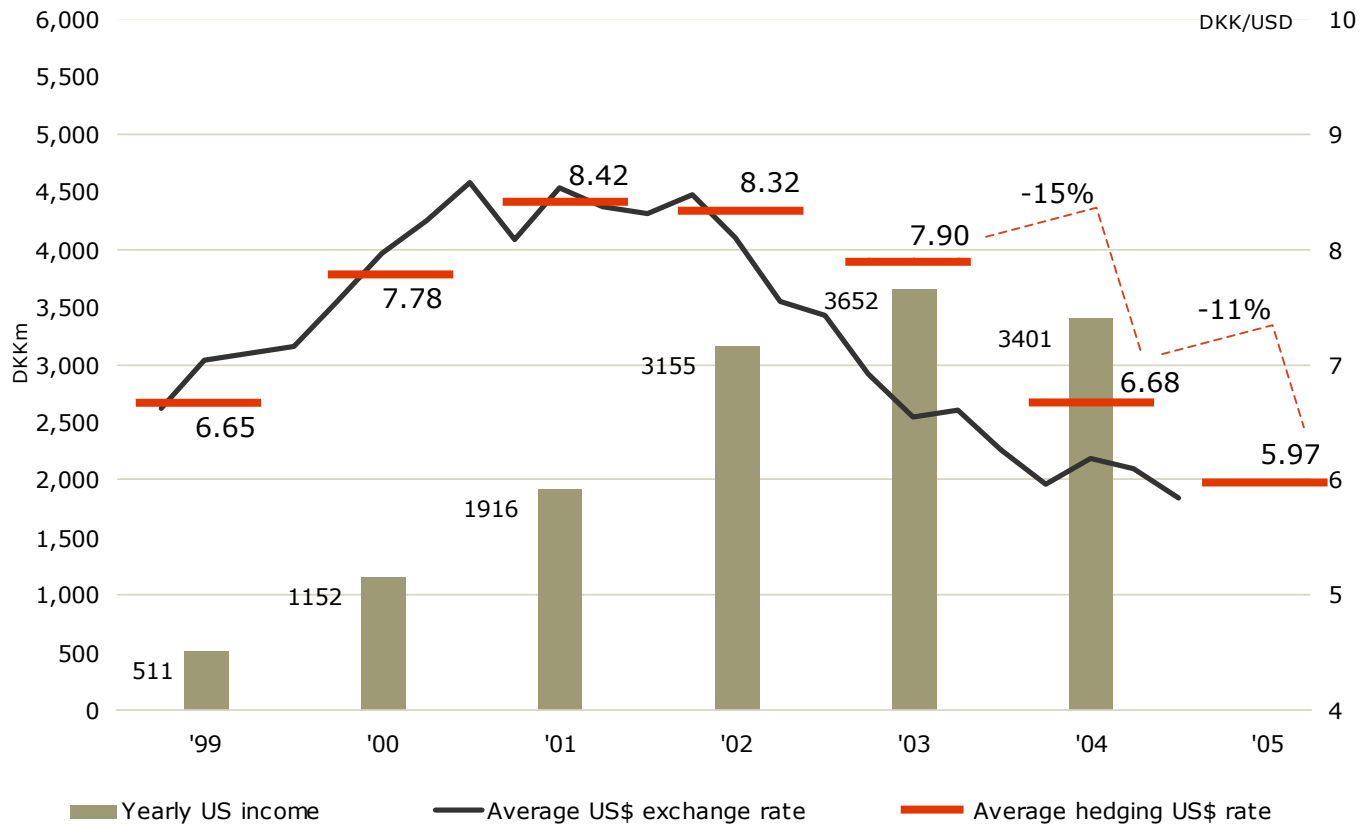
US anti-depression franchise



Source: IMS Dataview, December 2004



Severe weakening in the USD compensated by growth in Lexapro®



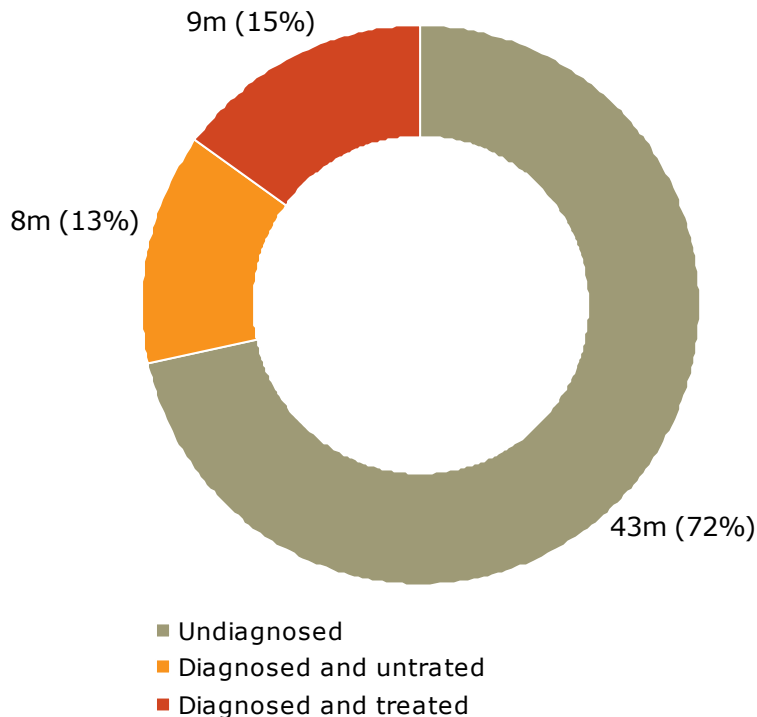
Note: 1999-2004 includes value of average hedging contracts realised in the period



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 2.2 USDbn in 2003 (+23%)

- **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



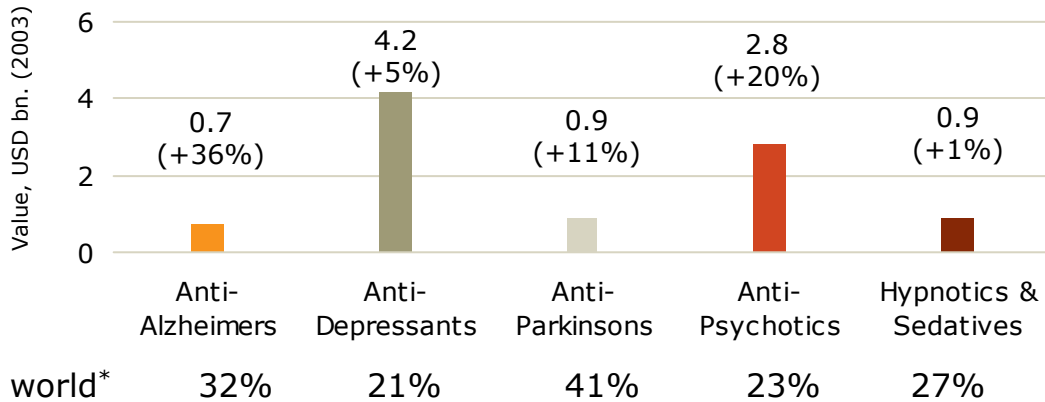
Agreement with Merck & Co., Inc. on gaboxadol ensures establishment of a Lundbeck US sales infrastructure

- **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 – 26% of world CNS market -
Lundbeck products cover USDbn 9.5 (2003)***



Lundbeck products with European rights

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

* IMS world review 2004



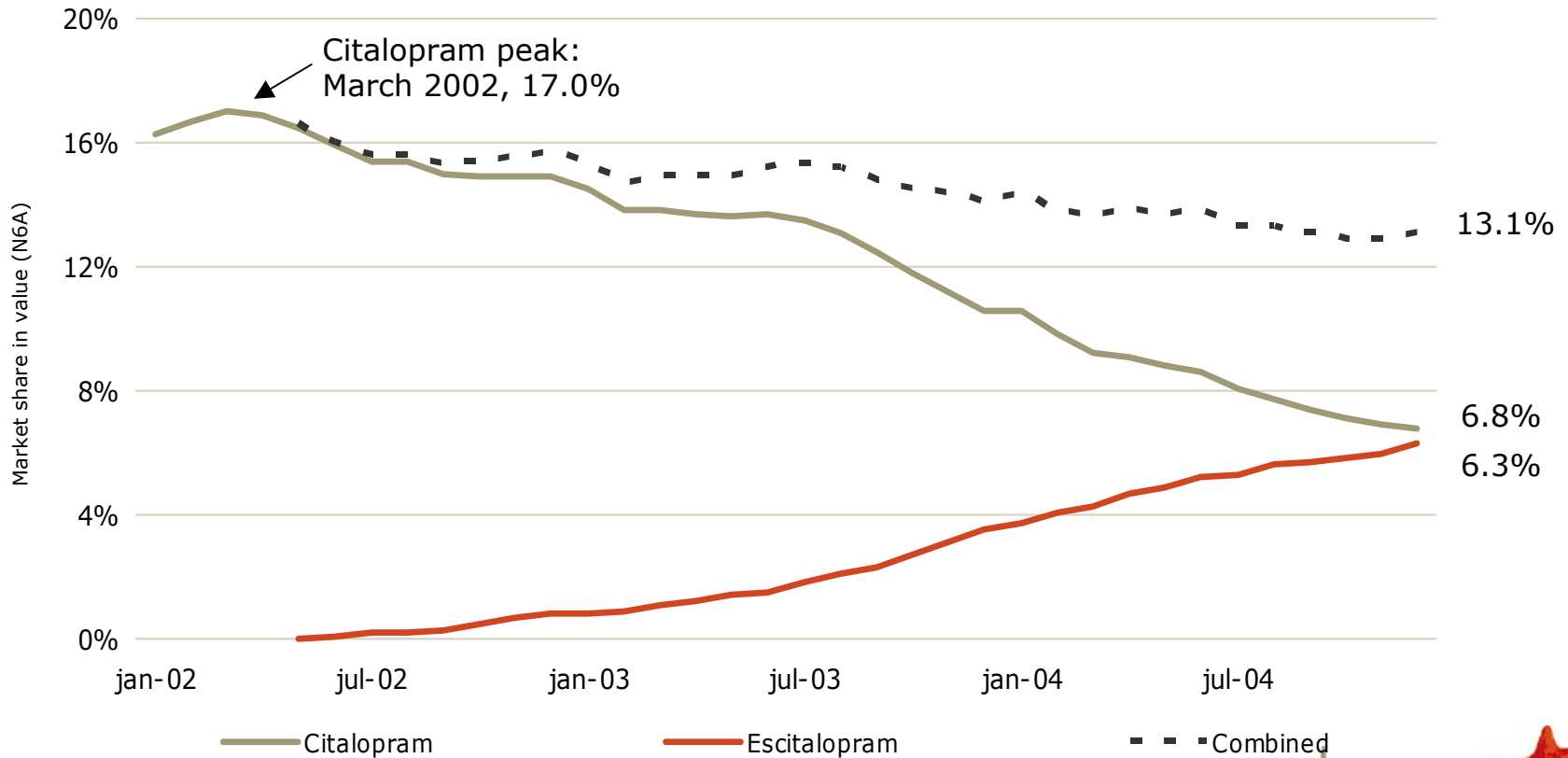
High growth in Cipralex[®] and Ebixa[®] expected to continue. Mature products expected to decline – but at a slower rate

European franchise	FY 2004	FY 2003	Growth	Growth in CER
Cipralex [®]	1,404	579	143 %	144 %
Ebixa [®]	675	276	145 %	145 %
Mature products*	2,511	3,841	-35 %	-34 %
Total revenue, Europe	4,590	4,696	-2 %	-2 %

* Incl. income revenue from citalopram sales

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

European anti-depression franchise

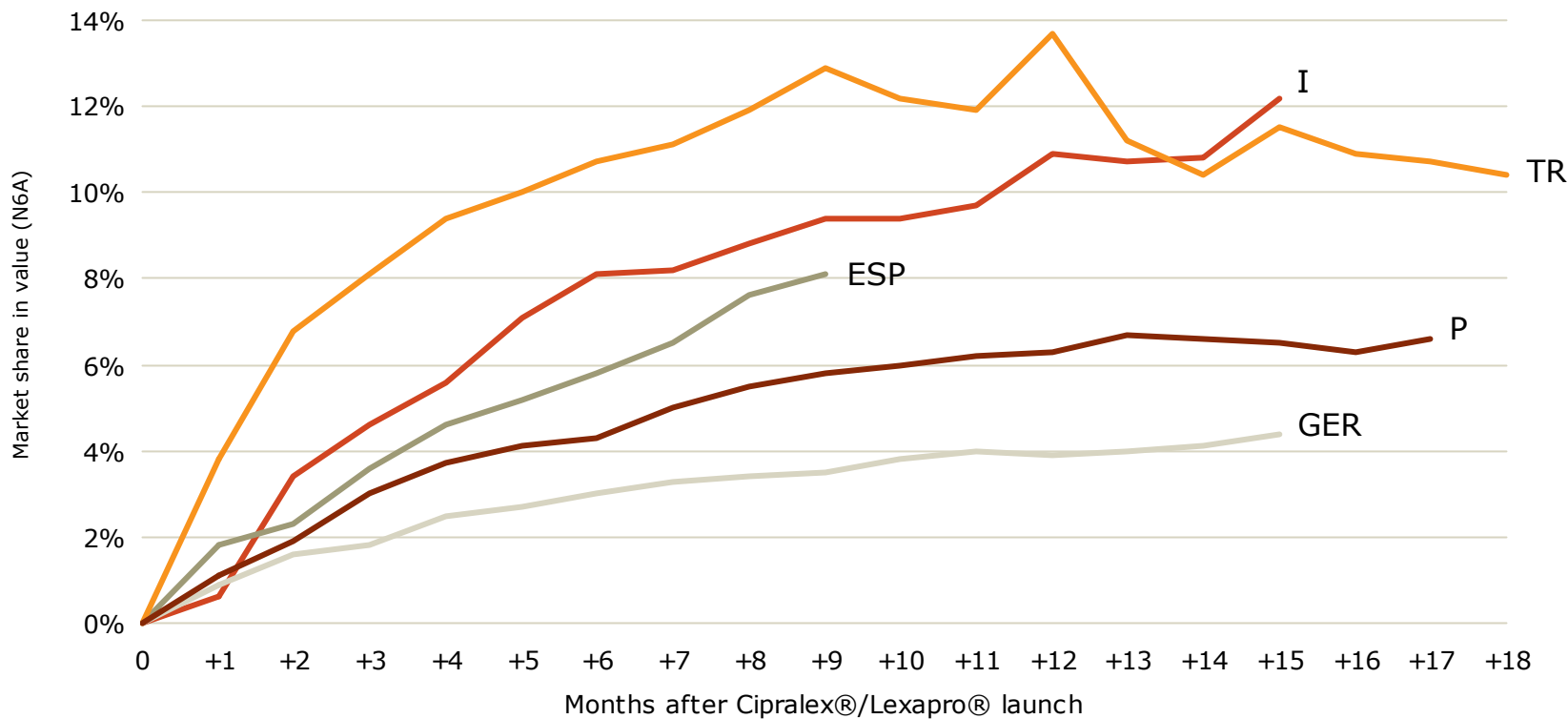


Source: IMS Dataview, December 2004



Recent launches of Cipralex® in Europe

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



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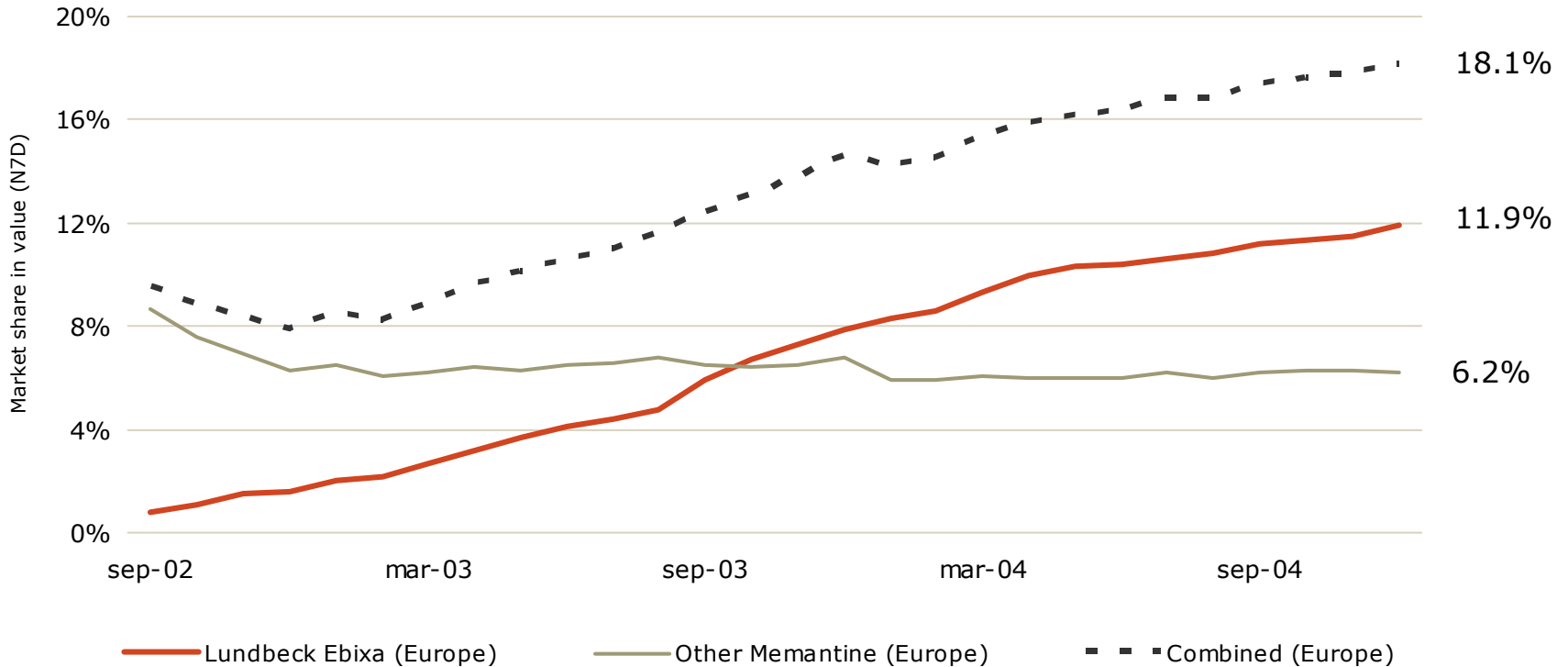


From launch with reimbursement

Source: IMS. N6A. December

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

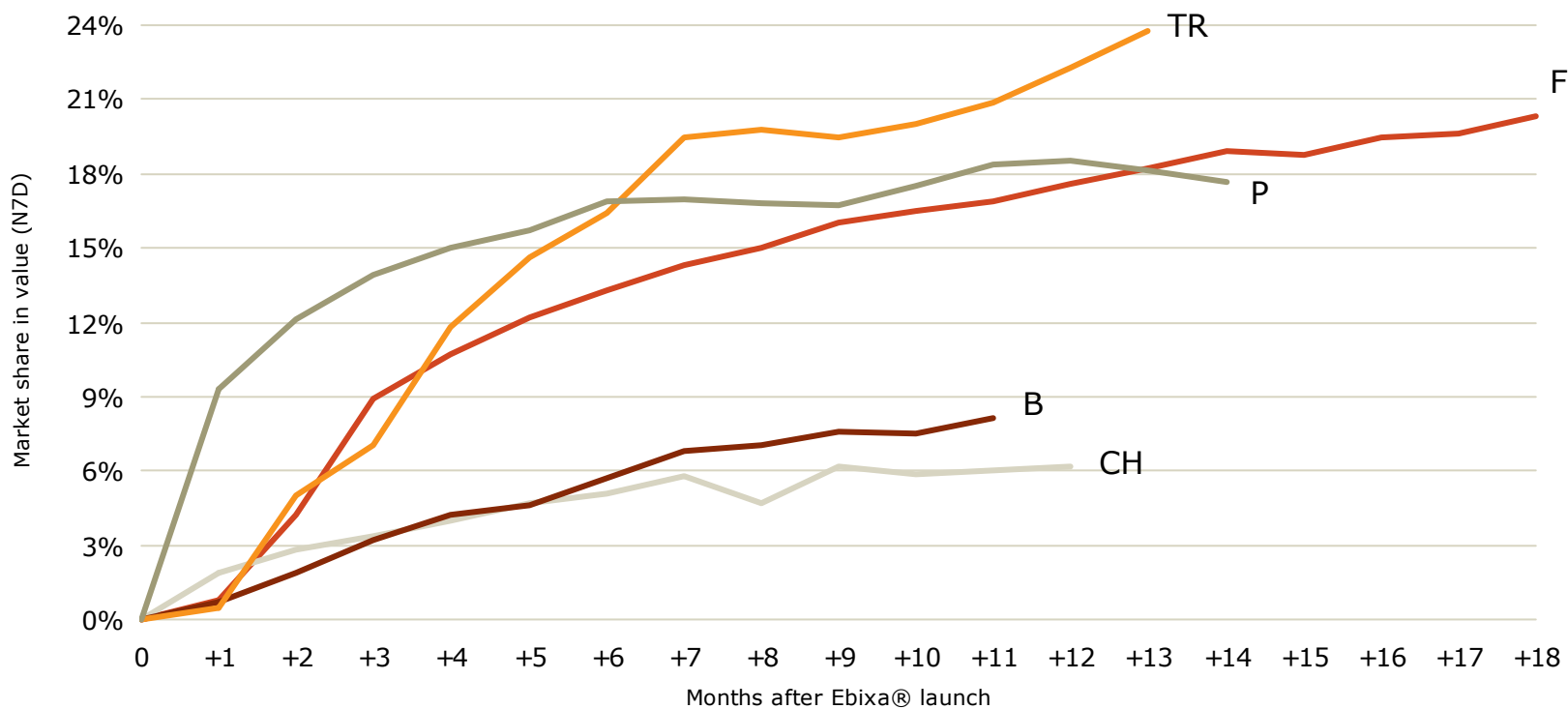
European anti-Alzheimer's franchise



Source: IMS Dataview, December 2004



Recent launches of Ebixa® in Europe



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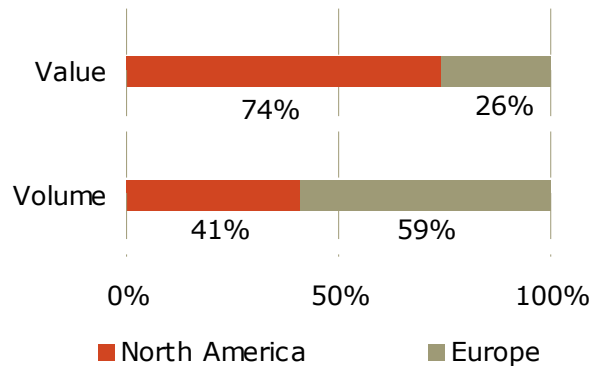
From launch with reimbursement

Source: IMS, N7D, December

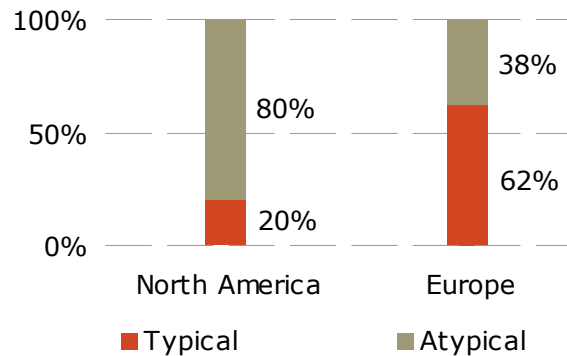


Conversion in Europe will continue to drive high growth in the USDbn 2.8 anti-psychotics market...

N5A – Value and volume, MAT 09-2004



N5A - Split in volume, MAT 09-2004



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

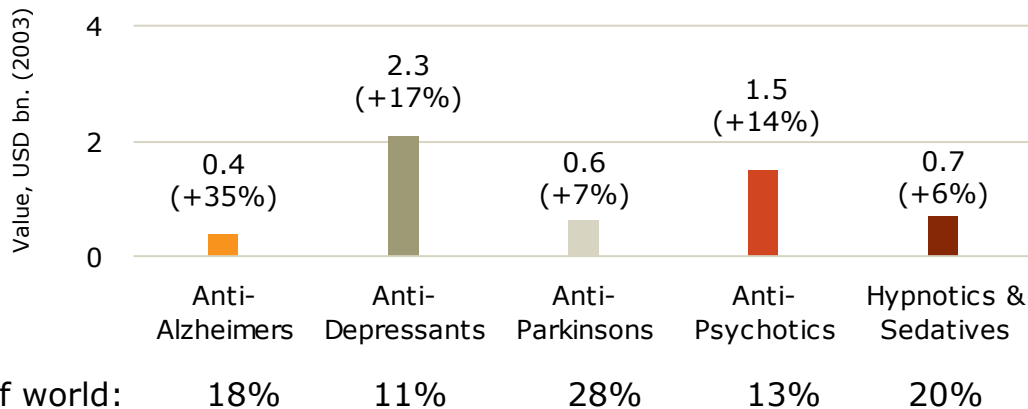
...and a potential new compound will position Lundbeck in the atypical antipsychotic market

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

RoW market

Establishment in RoW markets ensures access to future expected growth

**RoW market – 15% of world CNS market -
Lundbeck products cover USDbn 5.5 (2003)***



Lundbeck products with RoW rights

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

* IMS world review 2003



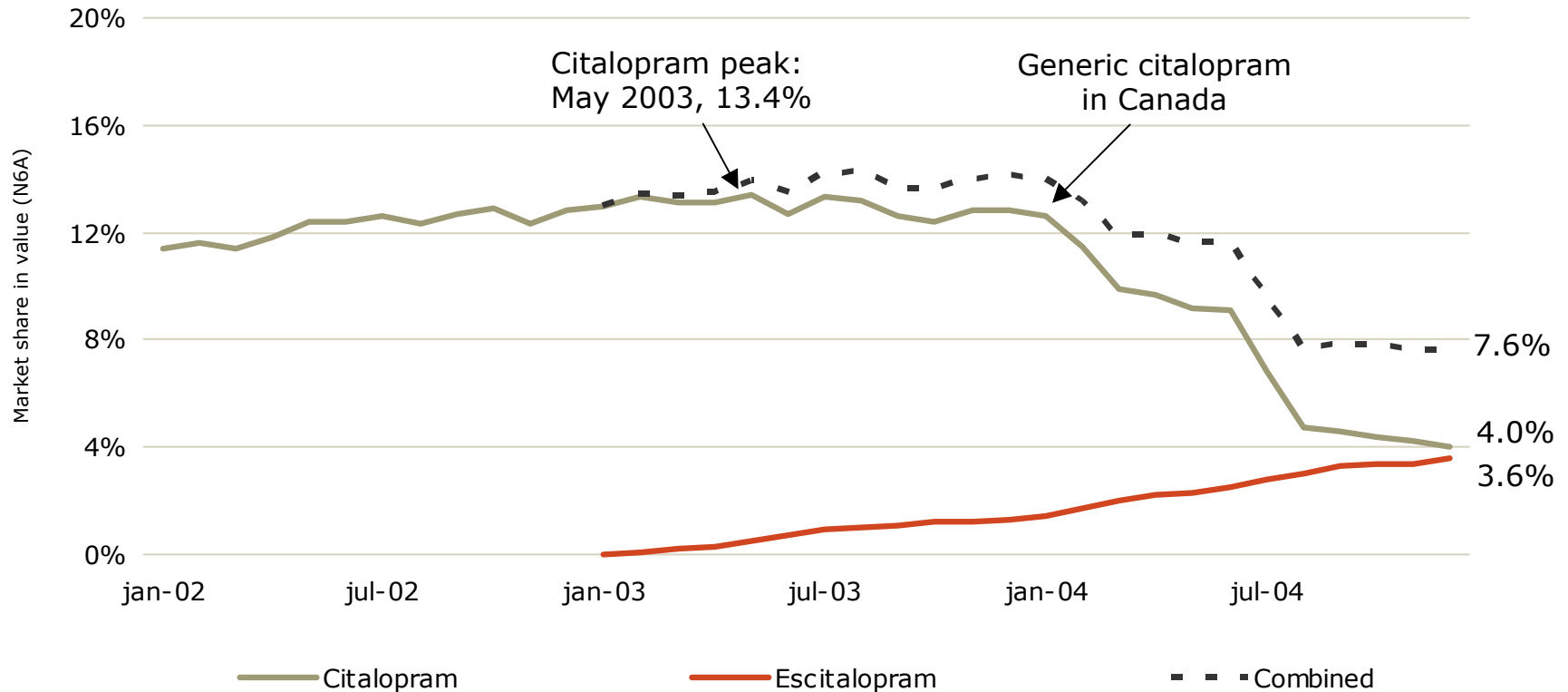
Decline in Mature products driven by launch of generic citalopram in Canada (81% of loss)

ROW franchise	FY 2004	FY 2003	Growth	Growth in CER
Cipralex®	257	66	287 %	310 %
Ebixa®	47	10	380 %	419 %
Mature products*	807	1,253	-36 %	-33 %
Total revenue, ROW	1,111	1,329	-16 %	-13 %

* Incl. income revenue from citalopram sales

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

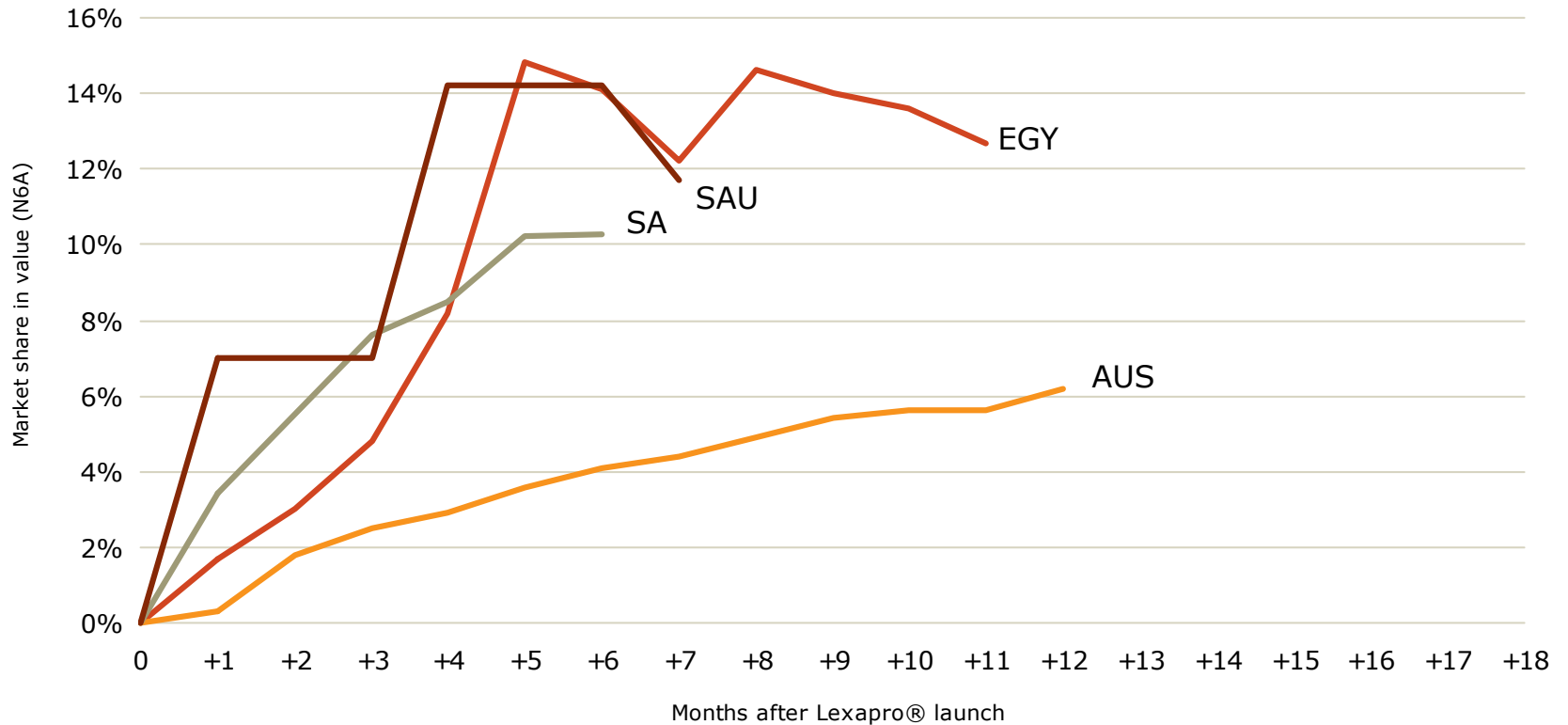
RoW anti-depression franchise



Source: IMS Dataview, December 2004



Recent launches of Lexapro® outside Europe



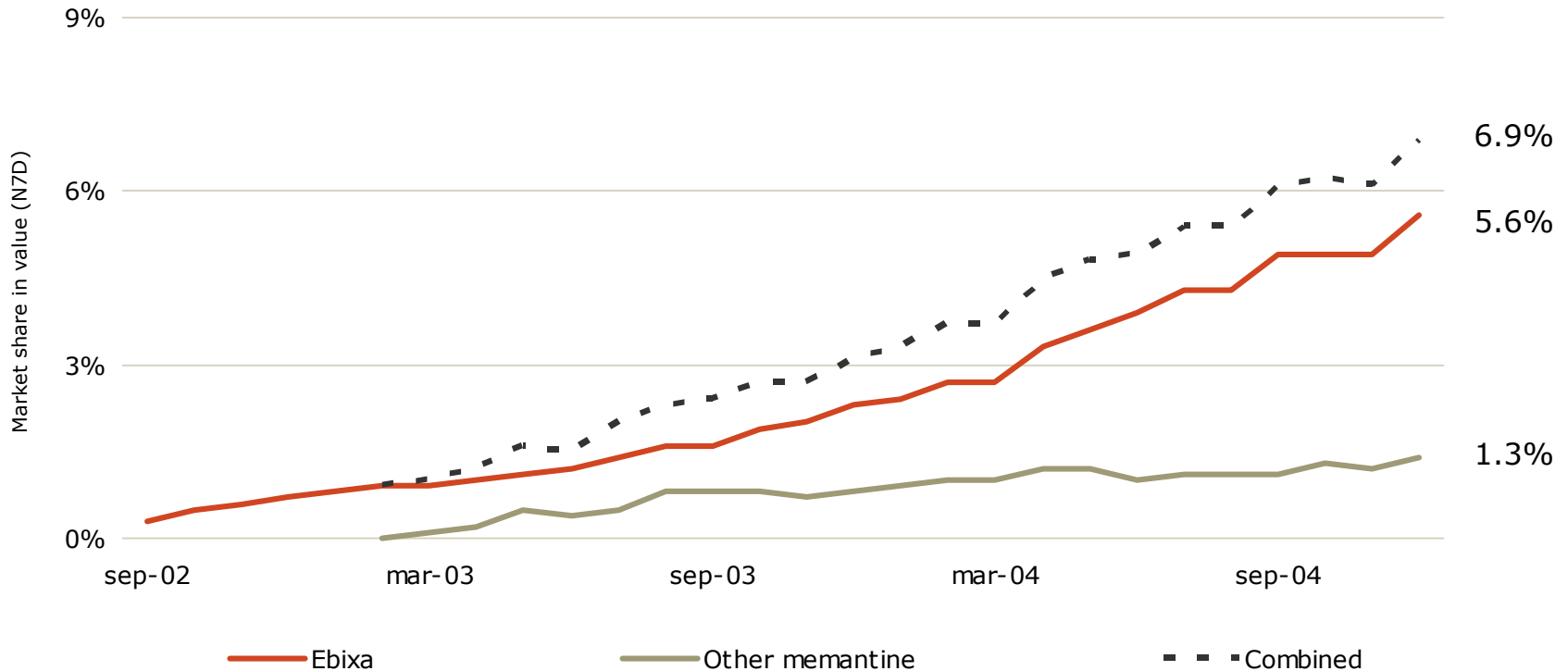
EGY AUS SA SAU

Source: IMS, N6A, December



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

RoW anti-Alzheimer's franchise



Source: IMS Dataview, December 2004



News flow & Pipeline

News flow in 2005

	Timing
Cipralex, escitalopram	
– Approval of GAD indication in Europe	2H
– Launch in France	2005
Ebixa, memantine	
– Approval of mild to moderate indication in Europe	2H
Azilect, rasagiline	
– Launch in the first European country	2005
Bifeprunox	
– Phase III clinical data, head line results	2H
Gaboxadol	
– Phase II clinical data, proof of concept	2H

Pipeline

Compound	Activity	Indication	Dev. stage	2005	2006	2007	2007+
Rasagiline	MAO-B	Parkinson's	Approved	Launch			
Escitalopram	ASRI	Generalised anxiety disorder	Filed	Launch			
Memantine	NMDA antagonist	Mild to moderate Alzheimer's	Filed	Launch			
Sertindole	D ₂ -5HT ₂	Schizophrenia	PMS	Launch			
Bifeprunox	Dopamine/serotonin	Schizophrenia	III		NDA	Launch	
Gaboxadol	Selective Extra-synaptic GABA agonist	Sleep disorder	III			NDA	Launch
CEP 1347	Kinase inhibitor	Parkinson's+	II&III				NDA
Lu AA21004	Multiple target	Depression	I				--
Lu 31-130	Monoaminergic	Psychosis	I				--

Financial overview

DKKm	FY 2004	FY 2003	Growth	Growth in CER
Revenue	9,733	9,941	-2 %	9 %
- Cipralex [®]	1,661	645	157 %	161 %
- Income from Lexapro [®]	2,420	1,927	26 %	63 %
- Ebixa [®]	722	286	153 %	154 %
- Mature products*	4,299	6,819	-37 %	-32 %
- Other revenue	631	264	140 %	156 %
COGS	1,724	1,759	-2 %	
SG&A	3,648	4,102	-11 %	
R&D	1,774	1,933	-8 %	
EBIT	2,575	2,132	21 %	
EBIT margin (%)	26.5	21.4		
Finance income, net	16	-76	121 %	
Net Profit	1,724	1,377	25 %	
EPS (DKK per share)	7.50	5.95	26 %	
CAPEX	244	1,479	-84 %	

* Incl. income revenue from citalopram sales

Financial guidance and mid-term targets

	FY 2004*	FY 2003	2005 Guidance	2006 target	2007 target
EBIT	2,154	2,132	Approx. DKKbn 2.2	+12% growth	+12% growth
EBIT margin	23.1%	21.4%	On level with 2004		25% margin
CAPEX	244	1,479	Approx. DKKm 550		
COGS	1,724	1,759	On level with 2003		
SG&A	3,648	3,815**	On level with 2003		
R&D	1,774	1,933	Approx. 20% of revenue		

Risk factors in 2005

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

* Excl. payment for gaboxadol

** Excl. provision of DKKm 287

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Appendix

Revenue by region by quarter, DKKm

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

* Incl. income from citalopram

** US (incl. income from Forest)

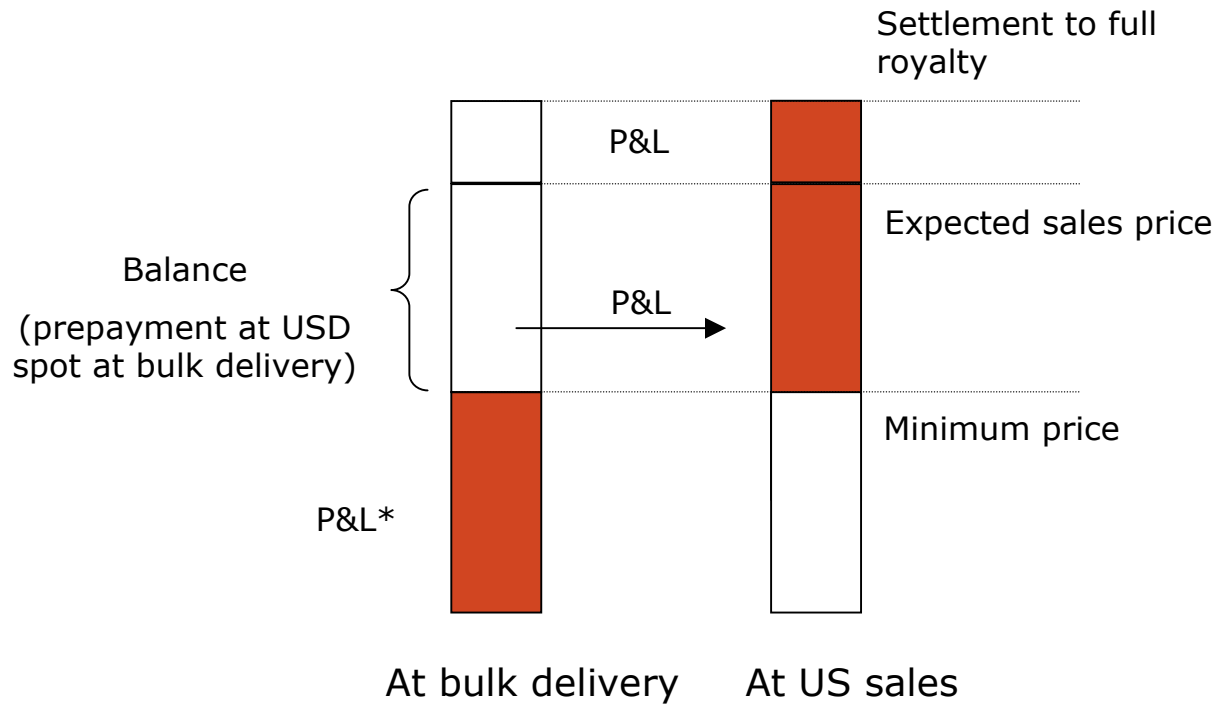
*** Asia, Africa, Americas, Canada, Middle East

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

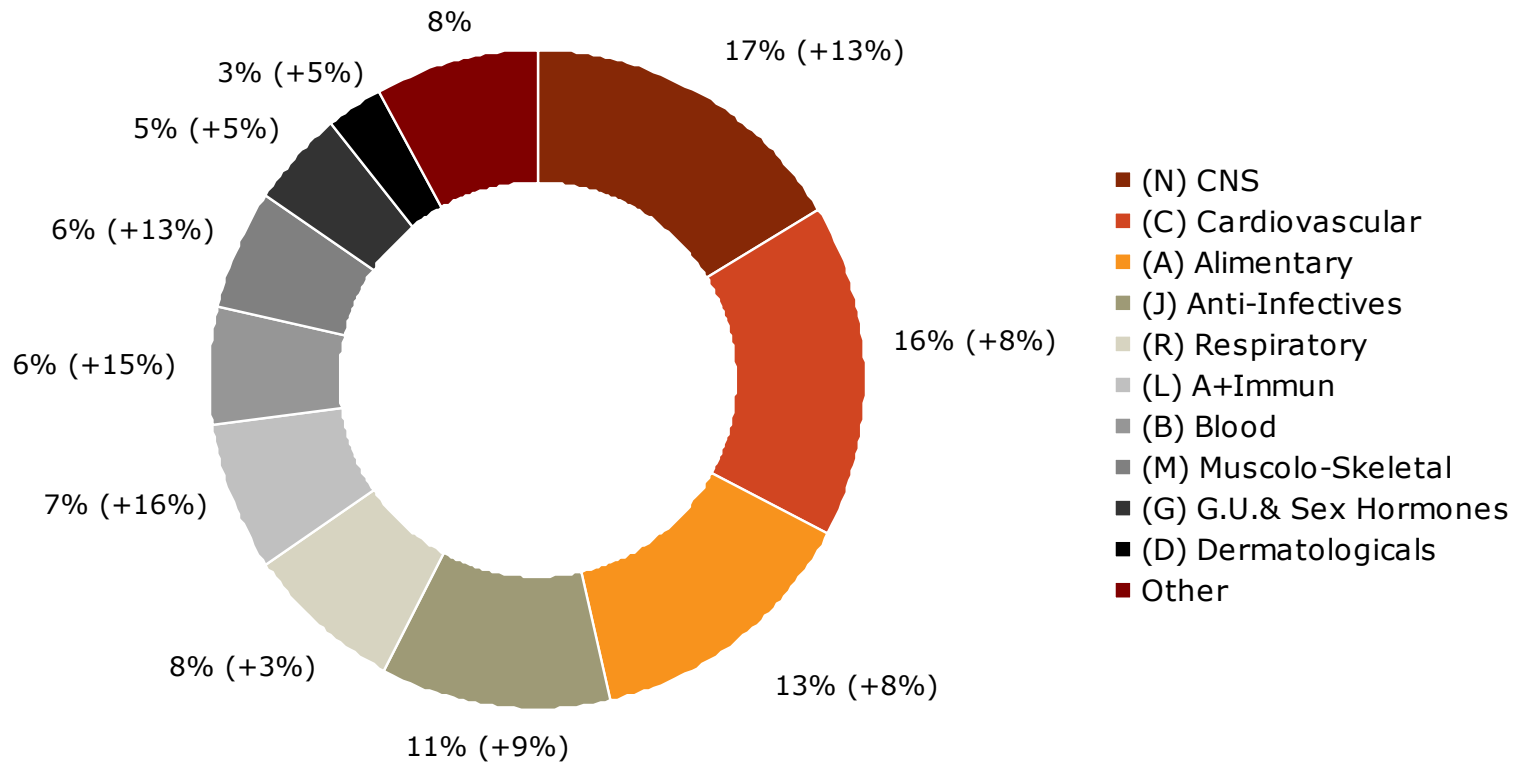
IFRS 2 effect, DKKm	2002	2003	2004
Effect on earnings	-16	15	-21
Tax effect	6	-5	6
Earnings, in IFRS 2	1,259	1,387	1,709
EPS, diluted, in IFRS 2	5.45	5.99	7.39
EPS, diluted, reported	5.49	5.95	7.46
Effect on equity, after tax	-31	-21	-36
Equity, in IFRS 2	5,790	6,893	7,840

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

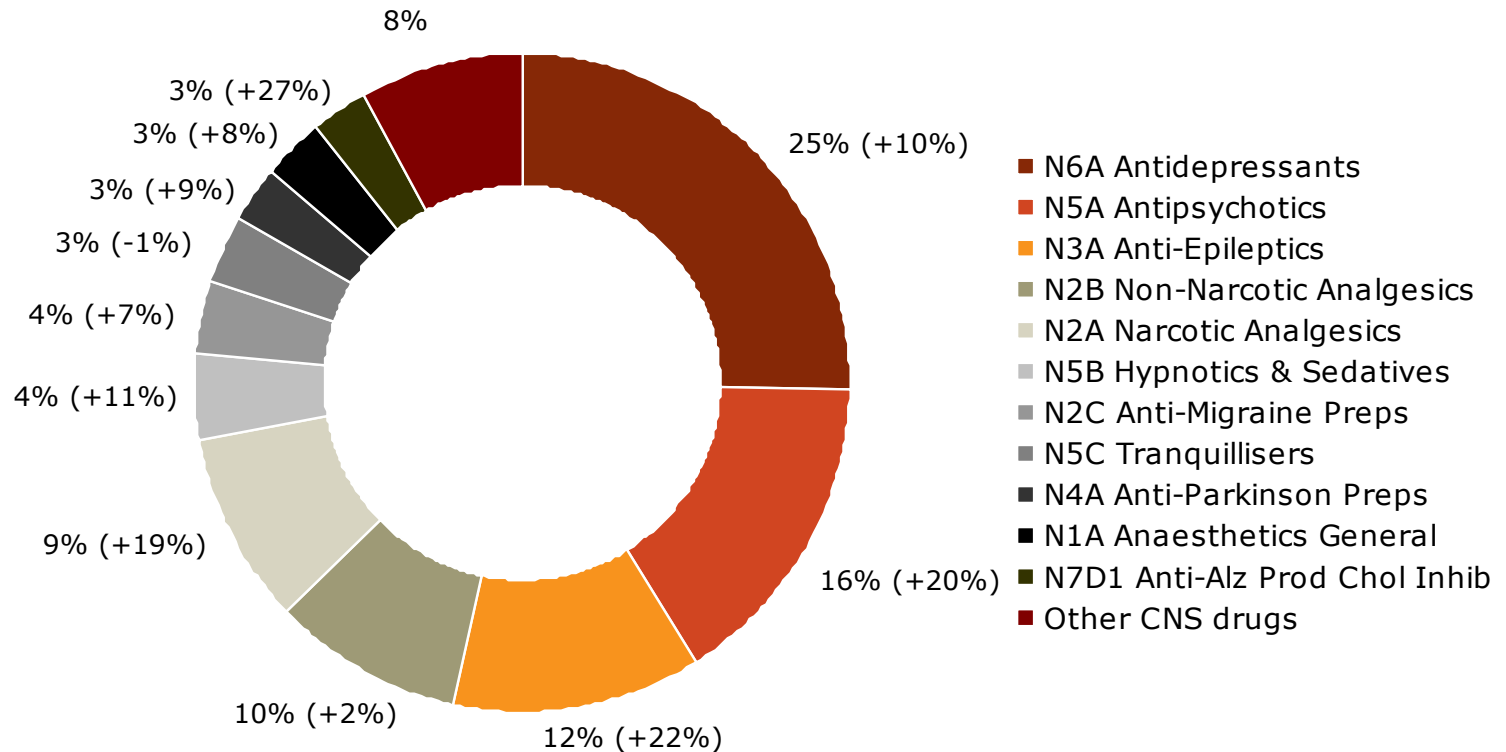
Worldwide pharmaceutical market 2003 USD 466,3 billion, (+9%)



Source: IMS World Review 2004
Growth rates in local currency dollar 2002-2003 added in brackets



Worldwide CNS market 2003 USD 77,2 billion, (+13%)

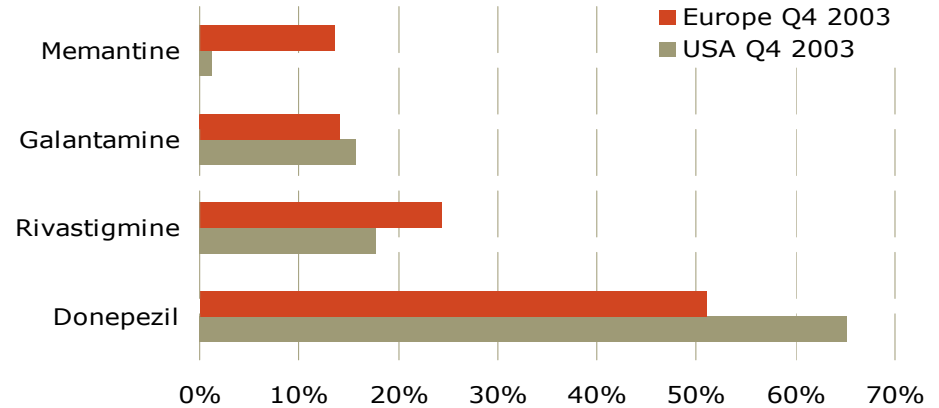
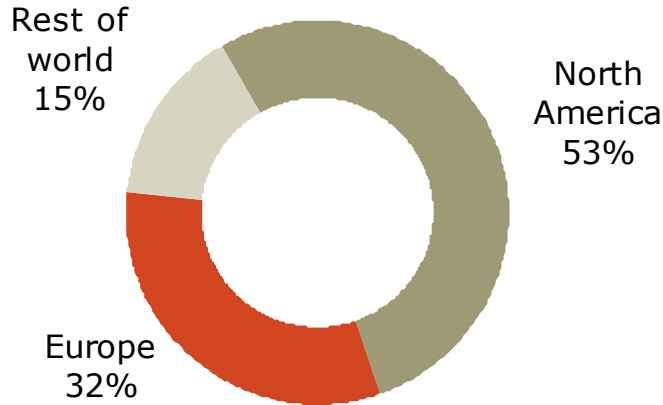


Source: IMS World Review 2004
Growth rates in local currency dollar 2002-2003 added in brackets



Alzheimer's (N7D-2003) – 2.3 bill. USD (+30%)

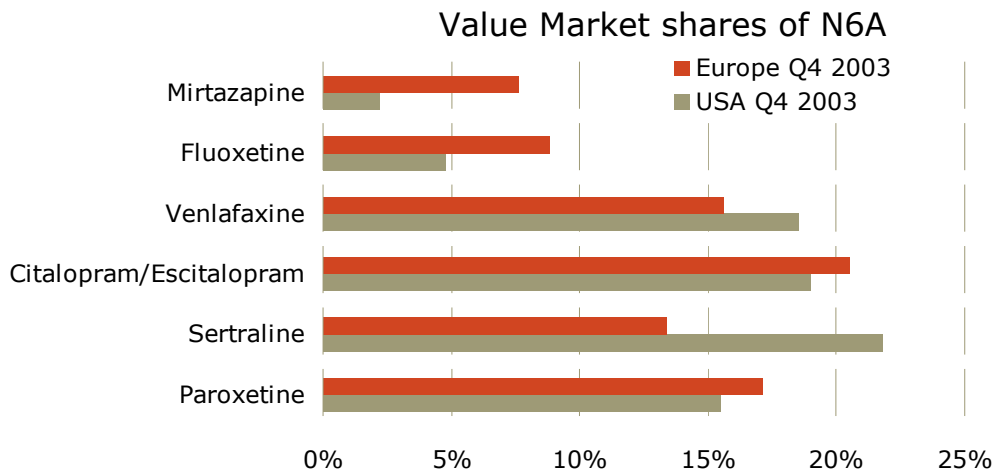
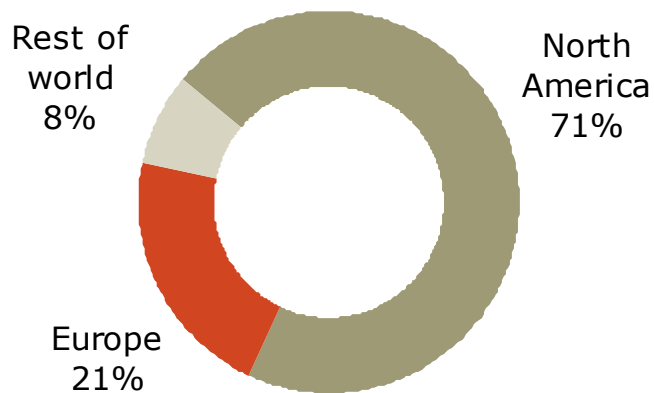
Value Market Shares of N7D



Leading product	Marketing Corporation	Sales 2003 (USDm)	Growth in %
Aricept®	Eisai	1,453	21
Exelon®	Novartis	394	26
Reminyl®	Johnson & Johnson	298	69
Axura®	Merz	43	85
Ebixa®	Lundbeck	38	>999

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

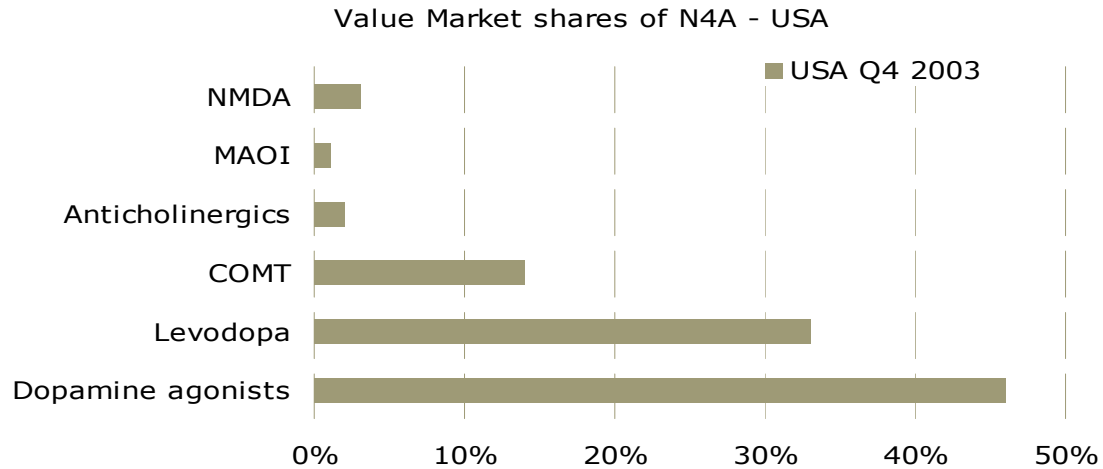
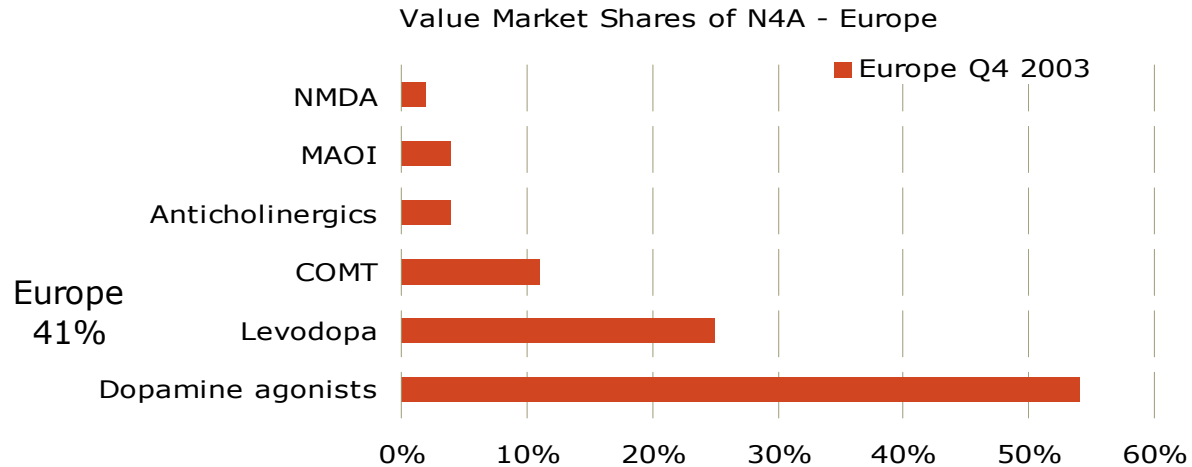
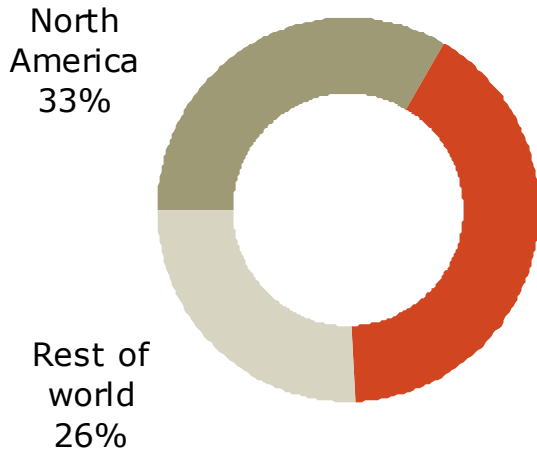
Depression (N6A-2003) – 19.5 bill. USD (+10%)



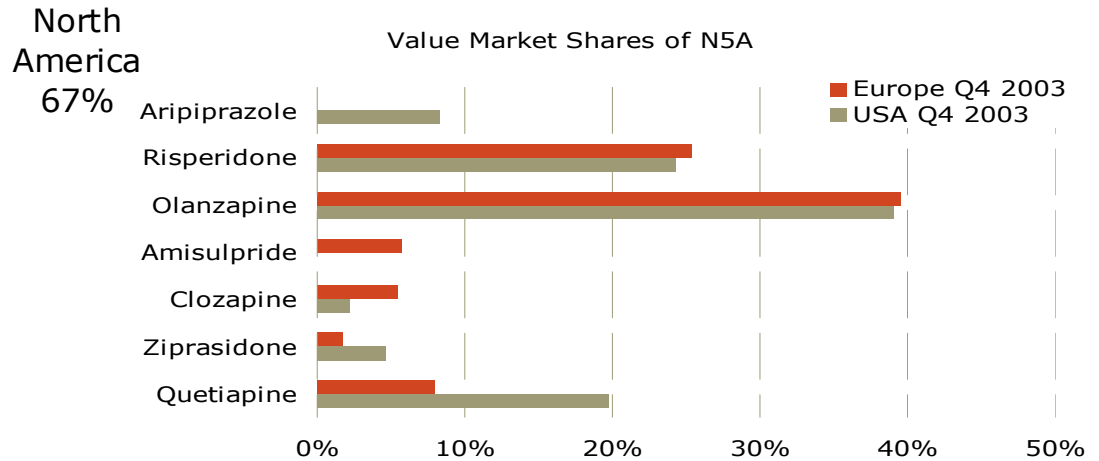
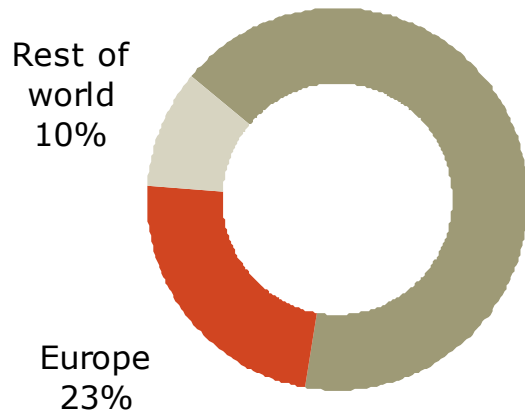
Leading product	Marketing Corporation	Sales 2003 (USDm)	Growth in %
Zoloft®	Pfizer	3,389	11
Seroxat®/Paxil®	GlaxoSmithKline	3,195	-9
Effexor®	Wyeth	3,023	32
Cipramil®/Celexa®	Lundbeck/Forest	1,973	-13
Wellbutrin®	GlaxoSmithKline	1,850	24
Lexapro®/Cipralext®	Lundbeck/Forest	1,042	890
Remeron®	Akzo Nobel	648	-17
Prozac®	Lilly	631	-21
Paroxetine Par®	Par Pharm	190	n/a
Serzone®	Bristol-Myers Squibb	163	-42

Source: IMS World Review 2004

Anti-Parkinson's (N4A - 2003) – 2.2 bill. USD (+9%)

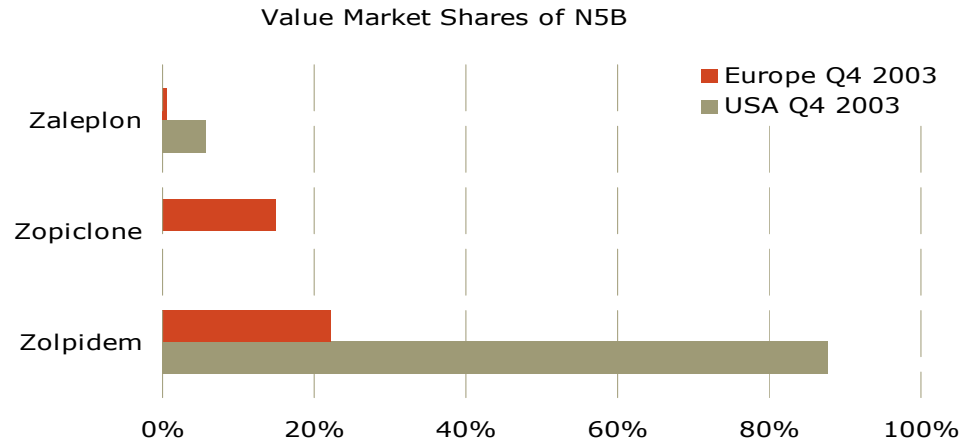
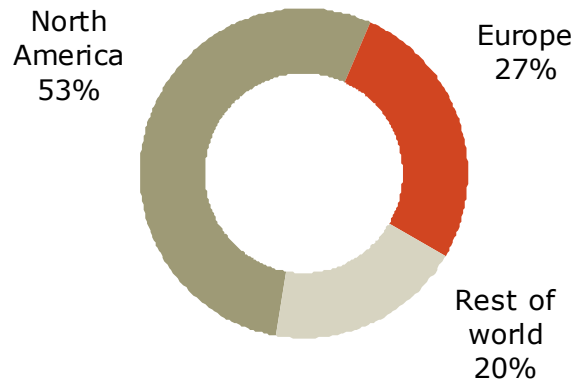


Antipsychotics (N5A-2003) – 12.2 bill. USD (+20%)



Leading product	Marketing Corporation	Sales 2003 (USDm)	Growth in %
Zyprexa®	Eli Lilly	4850	13
Risperdal®	Johnson & Johnson	3015	15
Seroquel®	AstraZeneca	1844	39
Zeldox®	Pfizer	394	53
Leponex®	Novartis	327	-6
Solian®	Sanofi-Synthelabo	175	26

Worldwide sales of hypnotics (N5B - 2003) – 3.3 bill. USD (+11%)



Leading product	Marketing Corporation	Sales 2003 (USDm)	Growth in %
Ambien®	Sanofi-Synthelabo	1,792	21
Lendormin®	Boehringer Ingelheim	113	-1
Sonata®	Wyeth	113	5
Halcion®	Pfizer	92	-2
Imovane®	Aventis	85	-13
Rohypnol®	Roche	55	-6