

Interim report for the first half of 2003



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Interim report for the six months ended 30 June 2003

Today the Supervisory Board of H. Lundbeck A/S approved the company's interim report for the first half of 2003. Based on the financial results achieved in the first half of 2003, Lundbeck's Supervisory Board retains the growth targets announced for the 2003 financial year.

Highlights:

- Revenue rose 3% relative to the year-earlier period to DKK 4,951 million.
- At DKK 1,185 million, profit from operations was 24% lower than in the year-earlier period. This decrease was due to higher R&D costs and the expansion of Lundbeck's sales force implemented during the period.
- The company's financial items represented a net expense of DKK 34 million compared with a net expense of DKK 380 million in the same period of last year. The amount for 2003 includes a capital loss of DKK 67 million realised in connection with the company's divestment of its stake in Cephalon.
- Relative to the year-earlier period, profit before tax declined by 3% to DKK 1,148 million, while profit after tax and minority interests rose 4% to DKK 776 million.

- Sales of Cipramil® were DKK 2,344 million, which was 15% lower than in the same period of last year.
- Sales of Cipralel® amounted to DKK 195 million in the first half of 2003.
- Sales of Ebixa® amounted to DKK 78 million in the first half of 2003.
- Income from sales of Celexa™ in the USA was DKK 1,008 million compared with DKK 1,106 million in the same period of last year.
- Income from sales of Lexapro™ in the USA rose to DKK 825 million, a 99% increase over the same period of last year.
- The free cash flow fell from DKK 119 million in the first half of 2002 to DKK -175 million in the first half of 2003 as a result of an increase in net investments, primarily the acquisition of the US-based drug discovery company, Synaptic Pharmaceutical Corporation.

The company retains its forecasts for the 2003 financial year, expecting to launch Cipralel® in approximately 30 other countries by the year-end as announced most recently in connection with the interim report for the three months ended 31 March 2003. Accordingly, revenue is still expected to rise by approximately 10% compared with 2002, while profit from operations is still expected to rise by approximately 12% compared with 2002.

However, the Supervisory Board wishes to emphasise that the following events could affect Lundbeck's financial performance for the year:

- Increased competition from generic citalopram, including the timing of the launch as well as the extent of generic competition.
- Legal rulings concerning generic citalopram in two of Lundbeck's largest markets; Canada and the UK.
- Delays in the launch of Cipralel® and Ebixa® in large markets.
- Alliances, in-licensing agreements, purchase of technology, etc.

Furthermore, the Supervisory Board wishes to draw attention to the fact that growth in revenue – and not least in earnings – is not expected to materialise until in the final three months of the year.

Financial highlights and ratios from the consolidated financial statements (unaudited)

	1H 2003 DKKm	1H 2002 DKKm	Change in %	1H 2003 EURm *
Financial highlights				
Revenue	4,950.5	4,792.2	3	666.4
Profit from operations	1,184.8	1,562.1	-24	159.5
Financial items, net	(34.1)	(380.3)	91	(4.6)
Profit before tax	1,148.4	1,181.8	-3	154.6
Tax	373.2	433.7	-14	50.2
Profit for the period after minority interests	775.5	748.0	4	104.4
Equity	6,305.3	5,235.8	20	848.6
Total assets	9,812.0	8,187.0	20	1,320.6
Cash flows from operating and investing activities	(175.2)	119.3	-247	(23.6)
Ratios **				
Net profit ratio (%)	23.9	32.6	-27	23.9
Return on assets (%)	19.4	31.8	-39	19.4
R & D costs as a percentage of revenue	18.8	14.4	31	18.8
Return on equity (%)	12.8	15.0	-15	12.8
Solvency ratio (%)	64.3	64.0	0	64.3
Share data ***				
Earnings per share (EPS)	3.32	3.20	4	0.45
Cash flow per share	3.33	1.93	73	0.45
Net asset value per share	26.98	22.43	20	3.63
Market capitalisation (DKKm)	30,655	47,415	-35	4,126
Price / Earnings	39.53	63.48	-38	39.53
Price / Cash flow	39.39	105.40	-63	39.39
Price / Net asset value	4.86	9.07	-46	4.86

* Income statement items are translated into EUR at the average exchange rates during the period (1 January - 30 June 2003 rate 742.83). Balance sheet items are translated at the exchange rates at the balance sheet date (30 June 2003 rate 742.99).

** Financial ratios are calculated according to the Danish Society of Investment Professionals' "Recommendations & Ratios 1997" (4th rev. edition).

*** Comparative figures involving number of shares have been adjusted using an adjustment factor of 0.9986 to reflect the employee share issue in 2002.

Report

Lundbeck's revenue in the first six months of 2003 was in line with expectations, 3% up on the same period of last year.

At DKK 1,185 million, profit from operations in the first half of 2003 was 24% lower than in the year-earlier period. Lundbeck's total expenses, exclusive of financial items and tax, were DKK 3,766 million in the first half of, up 17% over the year-earlier period. The cost increase is primarily a reflection of higher research & development costs and higher distribution costs associated with the launch of Ciprale[®] and Ebixa[®].

Generic competition intensified further in the first six months, and as a result of the various launches of generic citalopram, the Group has again in 2003 been and is currently involved in a number of injunction cases. Most of the injunction rulings were to Lundbeck's advantage, while others went against the company.

It is still Lundbeck's policy to defend its patents and other intellectual property rights energetically, although generic competition is expected to intensify further in 2003 and generic citalopram may be available in most European markets by the end of 2003.

The company retains its forecasts for the 2003 financial year as announced most recently in connection with the interim report for the three months ended 31 March 2003 dated 6 May 2003. Accordingly, revenue is still expected to rise by approximately 10% compared with 2002, while profit from operations is still expected to rise by approximately 12% compared with 2002.

However, the following events could affect Lundbeck's financial performance for the year:

- Increased competition from generic citalopram, including the timing of the launch as well as the extent of generic competition.
- Legal decisions concerning generic citalopram in two of Lundbeck's largest markets; Canada and the UK.
- Delays in the launch of Ciprale[®] and Ebixa[®] in large markets.
- Alliances, in-licensing agreements, purchase of technology, etc.

Furthermore, the Supervisory Board wishes to draw attention to the fact that growth in revenue – and not least in earnings – is not expected to materialise until in the final three months of the year.

Cipramil® / Cipralex®

Sales of Cipramil® were DKK 2,344 million in the first half of 2003, which was 15% lower than in the same period of last year. In the first half of 2002, Cipramil® sales were boosted by a very strong first quarter, particularly in the UK, due to stock building among distributors.

Generic competition continues, intensifying further since the first half of 2002, most notably in Australia, Denmark, Norway, Germany and Sweden.

During the first half of 2003, Cipralex® was launched in another 12 markets and is now available in Argentina, Austria, Belgium, Brazil, Bulgaria, Chile, Columbia, the Czech Republic, Denmark, Estonia, Finland, Ireland, Israel, Latvia, the Lebanon, Mexico, New Zealand, Norway, Sweden, Switzerland, Turkey and the UK. Cipralex® is expected to be launched in 30 other countries by the end of 2003.

In the markets where Cipralex® has already been launched, sales and marketing efforts have generally been very successful, with Cipralex® generating revenue of DKK 195 million in the first half of 2003.

In order to commence sales and marketing activities, the company regularly negotiates prices and subsidies with the authorities. The duration of these negotiations changes constantly and varies a great deal from one country to the next. As mentioned in the company's annual report for 2002 dated 10 March 2003, the management still expects that Cipralex® will contribute significantly to revenue and earnings in 2003, and as a result, postponing Cipralex® launches could make it difficult to meet the forecast of growth in revenue and earnings.

Celexa™ / Lexapro™

Lundbeck's income from sales of Celexa™ and Lexapro™ in the USA amounted to DKK 1,008 million (-9%) and DKK 825 million (+99%) in the first half of 2003 compared with the same period of last year. During the six months to 30 June 2003, Forest Laboratories, Inc. generated Celexa™ sales of USD 628 million, down from USD 665 million in the year-earlier period, and Lexapro™ sales of USD 333 million.

At 25 July 2003, Celexa™ and Lexapro™ held a combined market share of 24.4% of new prescriptions, with Lexapro™ alone commanding a market share of 13.9%. This makes Lexapro™ one of the most successful drug launches ever in the US market.

In spite of continued growth in market share in the USA, Forest experienced a drop in sales of Celexa™ and Lexapro™ from the first to the second quarter of 2003. This was due to smaller inventories at US distributors and weaker market growth in the second quarter. Lundbeck's expectations of the US market are in line with those expressed by Forest Laboratories, Inc. As a result, weaker than forecast growth in the SSRI market segment in the US could affect Lundbeck's forecasts of growth in revenue and earnings for 2003.

Ebixa®

Ebixa® was launched in Spain in March, and marketing of the drug will commence in France at the end of August. The marketing of Ebixa® is very important in France and Spain as these two countries represent a large share of the European market for drugs used to treat Alzheimer's disease. The launch is progressing very satisfactorily in Spain, with Ebixa® conquering 4.5% of the Alzheimer market over a period of only a few months.

Ebixa® is now available in Austria, Denmark, Finland, France, Germany, Greece, the Netherlands, Iceland, Ireland, Mexico, Norway, Slovenia, Spain, Sweden and the UK, and will be launched in 15 other countries by the end of 2003.

Sales of Ebixa® amounted to DKK 78 million in the first half of 2003.

Research & Development

On 19 June 2003, Lundbeck announced that it had initiated the first phase III clinical trial of our drug candidate gaboxadol for the treatment of insomnia. The study will evaluate the efficacy and safety of three doses of gaboxadol for the treatment of chronic insomnia in an out-patient setting in 650 adults with primary insomnia. The trial will be conducted at approximately 100 investigational sites in Europe and Canada.

The North American market currently accounts for approximately 75% of the global market value for drugs for treating sleep disorders. Lundbeck is therefore searching for a potential business partner with whom to develop, prepare an application for registration and market gaboxadol in the USA.

Events occurring after 30 June 2003

On 4 August 2003, the US health authorities (FDA) announced that the American company Ivax had filed a paragraph IV application concerning generic Lexapro™.

Lundbeck believes that it holds a strong compound patent for Lexapro™ and do not expect generic competition to Lexapro™ in the US until the patent expires, including a two-year patent extension, in 2011, at the earliest.

Accounting policies

General:

Lundbeck presents its annual reports in accordance with the provisions of the Danish Financial Statements Act on reporting class D enterprises, International Financial Reporting Standards (IFRS), Danish accounting standards as well as the requirements otherwise imposed by the Copenhagen Stock Exchange on the presentation of financial statements for listed companies.

The financial statements are presented in accordance with the IFRS standards and interpretations applicable to the financial year 2003.

The interim report for the six months to 30 June 2003 is presented in accordance with IAS 34 on interim financial reporting. The interim report contains less information than the annual report. It contains no notes to the financial statements but key information that is important to understand the business progress since 31 December 2002.

The information required according to IAS 34 has been included in the financial review, which is considered an integral part of the interim report.

The interim report includes only Group figures.

Segment information:

The company is only engaged in the business segment drugs for the treatment of illnesses of the central nervous system. Therefore, no segment information is provided in the interim report.

Revenue

Lundbeck's revenue amounted to DKK 4,951 million in the first half of 2003, which was an increase of 3% over the year-earlier period.

Lundbeck's sales of Cipramil® outside the USA were DKK 2,344 million in the first half of 2003, which was 15% lower than in same period of last year.

Sales of Cipralex® amounted to DKK 195 million in the first half of 2003.

In the first six months of 2003, Lundbeck's income from sales of Celexa™ in the USA amounted to DKK 1,008 million, corresponding to a decrease of 9% relative to the year-earlier period.

Lundbeck's income from sales of escitalopram – Lexapro™ – to Forest climbed 99% to DKK 825 million in the first half of 2003, up from DKK 414 million in the first six months of 2002.

According to Lundbeck's accounting policies, sales of both citalopram and escitalopram to Forest are recognised at the guaranteed minimum price at the time of delivery. At the end of each quarter, the invoiced amount is adjusted according to the actual size of the elements included in the contractually agreed royalty calculation. The difference between the invoiced price and the minimum price of Forest's inventories is recorded in the balance sheet as prepayments and does not affect Lundbeck's cash flows. The difference between the minimum price already recognised as income and the final calculated settling price is recognised as income. At the same time, the prepayment is reduced correspondingly.

The difference between the invoiced price and the minimum price of Forest's inventories was DKK 1,407 million at 30 June 2003 compared with DKK 1,133 at the end of June 2002 and DKK 1,050 at year-end 2002.

Sales of other antidepressants and antipsychotics totalled DKK 353 million in the first half-year, which was DKK 67 million lower than the year-earlier period.

Sales of Ebixa® amounted to DKK 78 million in the first half of 2003.

Lundbeck's other revenue in the first half of 2003 increased by DKK 52 million to DKK 148 million.

As a result of Lundbeck's currency hedging policy, foreign exchange losses and gains on hedging transactions are allocated directly to the hedged transaction. The hedging of the company's foreign exchange income means that this income is included in the financial statements at the forward rates. The effect on the profit is DKK 192 million (DKK 43 million at 30 June 2002) compared to a situation where the income is included at the current rates of exchange during the period. Of the total effect, DKK 191 million compared with DKK 36 million in the first half of 2002 stems from the hedging of USD. The latter amount has been added to income from sales of Celexa™ and Lexapro™.

Financial review

At 30 June 2003, forward exchange and option contracts had been entered into to hedge foreign currency cash flows, primarily in EUR and USD, equivalent to a value of approximately DKK 4.5 billion. Of this amount, DKK 3.4 billion is accounted for as hedging contracts and DKK 1.1 billion as trading contracts. The average forward rates at 30 June 2003 were EUR 745.57 and USD 730.97. Deferred recognition of net currency gains amounted to DKK 196 million at 30 June 2003 against DKK 182 million at 30 June 2002 and DKK 211 million at 31 December 2002.

Expenses

Lundbeck's total expenses, exclusive of financial items and tax, were DKK 3,766 million in the first half of 2003, up 17% over the year-earlier period.

Cost of sales decreased by 5% to DKK 885 million. The lower level of costs was attributable to improved efficiency of in-house manufacturing processes, including substantial capacity utilisation at the company's synthesis factory at Seal Sands in the UK, leading to higher production volumes and lower cost of sales. Relative to the same period of last year, the higher production volumes have led to fewer purchases from external production partners.

Distribution costs were DKK 1,241 million, a 22% increase over the year-earlier period. The increase was triggered by substantial costs related to the launch of Cipralextm and Ebixatm, and investments in the international sales and marketing organisation in Europe and in new markets throughout 2002 also pushed up costs relative to the same period of last year.

Administrative expenses climbed 20% to DKK 703 million. The increase was primarily triggered by an ongoing expansion of the Group's IT and communications infrastructure. Amortisation charges following the implementation of the company's SAP system had a considerable impact on administrative expenses.

Research and development costs amounted to DKK 932 million in the first half of 2003, up 35% from DKK 691 million in the year-earlier period. The cost increase was triggered by a general increase in activity and the enlargement of Lundbeck's own R&D organisation for the completion of latestage projects as well as the acquisition of Synaptic. Most of the resources in the first half of 2003 were applied to completing phase II studies concerning bifeprunox for the treatment of schizophrenia, CEP 1347 for the treatment of Parkinson's disease and gaboxadol for the treatment of sleep disorders (including initiated phase III studies), and to commencing Cipralextm studies concerning new indications. In the first half of 2003, research and development costs amounted to 19% of revenue, as compared with 14% in the first half of last year.

Depreciation and amortisation charges, which are included in the individual expense categories, totalled DKK 254 million, up from DKK 180 million in the same period of last year. A major part of the increase in depreciation and amortisation charges is ascribable to amortisation commenced on the company's SAP-system, amortisation of goodwill and other intangible assets in connection with the Synaptic acquisition, and recent years' rising investment level.

Financial items

The net currency income relating to financial items amounted to DKK 42 million against a DKK 84 million expense in the same period of last year.

Under the chosen hedging principle, income and expenses related to financial instruments classified as hedging instruments and meeting the criteria for hedging future transactions are taken directly to equity and – on realisation of the hedged item – transferred from equity for inclusion in the same item as the hedged item. Profit from operations for the first half of 2003 was affected by a net currency income of DKK 192 million compared with a currency income of DKK 43 million in the year-earlier period.

Income and expenses relating to trading, i.e. instruments that do not meet the criteria for hedging, are recognised directly under financial items at market value. In the first half of 2003, the amount was an income of DKK 88 million compared with an income of DKK 17 million in the same period of last year.

Unrealised losses concerning other investments exclusive of exchange differences amounted to DKK 78 million in the first half of 2003 against an unrealised loss of DKK 302 million in the same period last year. Lundbeck's other investments were significantly reduced in the second quarter, following the divestment of the company's stake in Cephalon, Inc. The realised value adjustment at the sale of the Cephalon shares totalled an expense of DKK 67 million at 30 June 2003, including exchange differences, compared with a loss of DKK 299 million in the year-earlier period. Proceeds from the sale amounted to USD 41 million, corresponding to DKK 277 million. Lundbeck acquired 1 million shares in Cephalon at USD 12 per share in 1999 as part of a comprehensive research partnership. The total gain on the sale of the stake was DKK 192 million.

In the first half of 2003, the Group's net financial expense was DKK 34 million compared with a net expense of DKK 380 million in the same period of last year. Of this DKK 34 million net expense, DKK 2 million was attributable to net interest income.

Tax

The income tax expense at 30 June 2003 has been calculated at DKK 373 million, down from DKK 434 million in the same period of last year.

The effective tax rate was 32% at 30 June 2003 compared with 37% at the end of the first half of 2002.

Net profit for the period

At DKK 1,185 million, profit from operations in the first half of 2003 was 24% lower than in the year-earlier period.

Relative to the year-earlier period, profit before tax declined by 3% to DKK 1,148 million, while profit after tax and minority interests rose 4% to DKK 776 million.

Investments

Lundbeck's total net investments in the first half of 2003 amounted to DKK 954 million against DKK 331 million in the year-earlier period. The high investment level in the first half of 2003 primarily reflects the acquisition of the US-based drug discovery company, Synaptic Pharmaceutical Corporation. On 6 March 2003, Synaptic became a wholly owned subsidiary of H. Lundbeck A/S. The investment totalled DKK 851 million.

Net property, plant and equipment and intangible asset investments rose from DKK 315 million in the first half of 2002 to DKK 1,238 million in the first half of 2003. In addition to the Synaptic acquisition, Lundbeck primarily made investments to strengthen its research facilities, including new facilities for biological and toxicological research.

Other investments, net, totalled DKK -284 million in the first six months, compared with DKK 16 million in the same period of last year. On 2 June 2003, Lundbeck sold its stake in Cephalon, Inc. Proceeds from the sale amounted to USD 41 million, corresponding to DKK 277 million.

Cash flows

Lundbeck's operating activities generated a cash inflow of DKK 778 million in the first half of 2003 compared with an inflow of DKK 451 million in the year-earlier period.

Lundbeck's investing activities generated a cash outflow of DKK 954 million in the first half of 2003 compared with an outflow of DKK 331 million in the year-earlier period, owing to the Synaptic acquisition. Adjusted for the Synaptic acquisition, the effect of investing activities on the cash flows for the period was an outflow of DKK 211 million.

As a result of the increase in net investments, the free cash flow dropped from DKK 119 million at 30 June 2002 to DKK -175 million at 30 June 2003.

Lundbeck's financing activities generated a cash outflow of DKK 15 million in the first half of 2003 compared with an outflow of DKK 297 million in the year-earlier period.

Lundbeck's interest-bearing net cash (the company's holding of cash and cash equivalents less interest-bearing debt) was DKK 182 million at 30 June 2003 compared with DKK 728 million at the same time last year. In addition to interest-bearing net cash, Lundbeck has unutilised guaranteed credit facilities of DKK 2.7 billion.

Financial review

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

Equity

Equity at 30 June 2003 increased to DKK 6,305 million from DKK 5,236 million at 30 June 2002 and DKK 5,821 million at 31 December 2002.

In the first half of 2003, return on equity was 12.8% compared with 15.0% in the same period of last year.

Incentive plans

In 1999, Lundbeck introduced a share option plan for the company's management and senior employees, an employee share plan for the employees of the Danish companies and a share price based plan for the employees of the foreign companies. In addition, in 2002 a new option plan for senior and key employees was established as well as a share price based for employees of the foreign companies.

The Supervisory Board is not comprised by the share option plans.

Management share option plan (1999):

The company has authorisation to grant 2,000,000 options at DKK 5 each. At 30 June 2003, 1,920,364 options had been granted compared with 1,997,700 at 30 June 2002. The plan comprises 48 employees in Denmark and abroad.

Share price based plan for the employees of foreign companies (1999):

As a result of the conditions relating to the plan, the value of the plan, including the associated social security costs, corresponded to 454,375 shares at 30 June 2003.

Share option plan for key employees (2002):

The company has authorisation to grant 2,500,000 options at DKK 5 each. At 30 June 2003, 2,352,439 options had been granted compared with 2,431,000 at 30 June 2002. The plan comprises approximately 1,000 employees in Denmark and abroad.

Share price based plan for the employees of foreign companies (2002):

As a result of the conditions relating to the plan, the value of the plan, including the associated social security costs, corresponded to 362,100 shares at 30 June 2003.

Securing obligations relating to incentive plans:

The company purchased 2,740,000 treasury shares at a total cost of DKK 137.9 million to secure and implement the incentive plan.

The holding of treasury shares at 30 June 2003 totalled 2,348,251.

The option plan from March 2002 is secured by means of an option contract signed with Lundbeckfondens Investeringselskab A/S (LFI A/S), which gives the company the right to buy to 2,500,000 shares from LFI A/S.

Changes in equity	DKKm
Equity 1 January 2003	5,821
Dividend paid for 2002	(263)
Additions 2003 – deferred gain on hedging contracts	208
Disposals 2003 – realised gain on hedged transactions transferred to the income statement and the balance sheet	(223)
Payments under share based plans	(7)
Value adjustments, associates	(13)
Tax on equity items relating to the period	6
Net profit for the period	776
Equity 30 June 2003	6,305

Accounting for incentive plans:

The liability relating to the incentive plans amounted to DKK 139 million at 30 June 2003 against DKK 256 million at 30 June 2002. The liability is not accounted for in the balance sheet. Disbursement relating to these plans are taken to equity.

The exercise period for the most recent option plan runs from 1 September 2003 until 1 September 2004. The liability has been calculated as if the options were exercisable at 30 June 2003.

The holding of treasury shares acquired partly to secure and fulfil the incentive plans has been deducted from equity. The market value at 30 June 2003 was DKK 308 million against DKK 488 million at 30 June 2002.

Lastly, there is the market of DKK 2 million value at 30 June 2003 for the share option purchased from LFI A/S. The market value of the purchased option has been calculated on the basis of the Black Scholes formula.

Number of employees

In the period 1 January - 30 June 2003, the average number of full-time employees was 5,332 compared with 4,271 employees in the same period last year. The rising number of employees reflects the expansion of Lundbeck's sales force and a general increase in production and R&D activities, including another 116 new employees in connection with the acquisition of Synaptic.

At the end of the first half of 2003, Lundbeck had 5,535 full-time employees, which is an increase of 931 over the end of the first half of 2002, an increase of 406 over year-end 2002 and 82 more than at the end of the first quarter of 2003.

Shareholders

LFI A/S, Vesteragervej 17, DK-2900 Hellerup, which is wholly owned by the Lundbeck Foundation, owned 73.39% of the company's share capital at 30 June 2003. On 21 May 2003, The Capital Group Companies, Inc. announced that it held 5.05% of the company's share capital.

Tentative dates for release of financial statements in 2003:

4 November 2003	Interim report for the nine months ended 30 September 2003
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Financial review

Announcements 2003

No	Date	Subject
103	19 June 2003	Gaboxadol in phase III clinical trial
102	2 June 2003	Lundbeck sells its stake in Cephalon but continues the successful R&D partnership
101	23 May 2003	Statement of shares in H. Lundbeck A/S held by insiders
100	6 May 2003	Interim report for the three months ended 31 March 2003
99	10 April 2003	Cipralex® superior to Paxil® in treating social anxiety disorder
98	9 April 2003	Synaptic to focus on CNS research
97	8 April 2003	The Annual General Meeting of H. Lundbeck A/S was held 8 April 2003 at Bella Center
96	3 April 2003	Statement of shares in H. Lundbeck A/S held by insiders
95	31 March 2003	Election of members to the Supervisory Board of H. Lundbeck A/S
94	26 March 2003	Successful completion of Rasagiline phase III clinical program
93	21 March 2003	Notice convening the Annual General Meeting 2003 in H. Lundbeck A/S
92	10 March 2003	Lundbeck to expand its Executive Board
91	10 March 2003	Announcement of results for the year ended 31 December 2002
90	6 March 2003	Synaptic Pharmaceuticals part of H. Lundbeck A/S
89	11 February 2003	Synaptic Pharmaceuticals' stockholders approve merger agreement with H. Lundbeck A/S
88	29 January 2003	Financial calendar 2003
87	6 January 2003	Lundbeck and Teva announce phase III trials did not demonstrate etilevodopa superiority over standard levodopa

Yours sincerely
H. Lundbeck A/S

Flemming Lindeløv
Chairman of the Supervisory Board

Erik Sprunk-Jansen
President & CEO

The forward-looking statements in this announcement reflect management's current expectations for certain future events and financial results. These statements are, of course, subject to uncertainty, and actual results may therefore differ materially from those expressed by the statements. Furthermore, some of these expectations are based on assumptions regarding future events which may prove incorrect.

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H. Lundbeck A/S is an international pharmaceutical company engaged in the research and development, production, marketing and sale of drugs for the treatment of psychiatric and neurological disorders. In 2002, the company's revenue was DKK 9.5 billion, and the number of employees approximately 5,500.

Income statement for the six months ended 30 June 2003

Group	1H 2003 DKKm	1H 2002 DKKm	Change in %	2002 Full year DKKm
Revenue	4,950.5	4,792.2	3	9,488.0
Cost of sales	885.3	929.6	-5	1,818.3
Distribution costs	1,241.3	1,017.5	22	2,448.7
Administrative expenses	703.4	585.0	20	1,317.9
Profit before research costs	2,120.5	2,260.1	-6	3,903.1
Research and development costs	932.2	691.4	35	1,573.3
Profit before other operating items	1,188.3	1,568.7	-24	2,329.8
Other operating income/(expenses)	(3.5)	(6.6)	47	31.4
Profit from operations	1,184.8	1,562.1	-24	2,361.2
Income from investments in associates	(2.3)	0.0		(0.8)
Financial items, net	(34.1)	(380.3)	91	(285.9)
Profit before tax	1,148.4	1,181.8	-3	2,074.5
Tax on profit for the period	373.2	433.7	-14	805.1
Profit for the period before minority interests	775.2	748.1	4	1,269.4
Minority interests	0.3	(0.1)	-410	(0.1)
Net profit for the period	775.5	748.0	4	1,269.3
Earnings per share (EPS)	3.32	3.20		5.44

Balance sheet at 30 June 2003

Group	30.6.2003 DKKm	30.6.2002 DKKm	31.12.2002 DKKm
Assets			
Intangible assets	1,622.8	1,027.4	1,169.0
Property, plant and equipment	3,509.7	2,765.3	3,124.2
Investments	325.9	579.0	757.5
Total fixed assets	5,458.4	4,371.7	5,050.7
Inventories	1,142.9	857.3	1,052.3
Receivables	2,539.7	2,107.4	2,304.9
Other securities	1.0	0.2	473.2
Cash	670.0	850.4	388.2
Total current assets	4,353.6	3,815.3	4,218.6
Total assets	9,812.0	8,187.0	9,269.3
Liabilities and equity			
Share capital	1,168.7	1,165.5	1,168.7
Share premium	48.7	0.0	48.7
Reserve for treasury shares	0.0	0.0	0.0
Retained earnings	5,087.9	4,070.3	4,603.6
Equity	6,305.3	5,235.8	5,821.0
Minority interests	0.1	0.0	0.4
Provisions	196.2	158.4	269.4
Long-term debt	389.1	49.7	42.7
Bank and mortgage debt	99.7	72.3	196.7
Trade payables	641.6	730.6	934.3
Prepayments	1,406.5	1,132.5	1,050.2
Other payables	773.5	807.7	954.6
Short-term debt	2,921.3	2,743.1	3,135.8
Total debt	3,310.4	2,792.8	3,178.5
Total liabilities and equity	9,812.0	8,187.0	9,269.3

Cash flow statement for the six months ended 30 June 2003

Group	1H 2003 DKKm	1H 2002 DKKm	2002 Full year DKKm
Cash flows from operating activities	778.3	450.6	1,275.3
Cash flows from investing activities	(953.5)	(331.3)	(1,186.5)
Cash flows from operating and investing activities	(175.2)	119.3	88.8
Cash flows from financing activities	(14.5)	(297.1)	(252.3)
Increase/(decrease) in cash and cash equivalents	(189.7)	(177.8)	(163.5)
Cash and cash equivalents at 1.1	861.4	1,031.4	1,031.4
Unrealised exchange differences for the period	(0.7)	(3.0)	(6.5)
Increase/(decrease) for the year	(189.7)	(177.8)	(163.5)
Cash and cash equivalents at 30.6	671.0	850.6	861.4
Interest-bearing net cash is composed as follows:			
Cash and securities exclusive of treasury shares	671.0	850.6	861.4
Interest-bearing debt	(488.7)	(122.0)	(239.4)
Interest-bearing net cash at 30.6	182.3	728.6	622.0

Lundbeck's products

Antidepressants

Cipralex®/Lexapro™
(escitalopram)

**Cipramil®/Seropram®/
Cipram®/Celexa®**
(citalopram)

Deanxit®
(flupenthixol + melitracene)

Dixeran®
(melitracene)

Fluanxol®/Fluanxol® Mite
(0.25 mg, 0.50 mg, 1 mg)
(flupenthixol)

Noritren®/Nortrilen®/Sensaval®
(nortriptyline)

Saroten®/Sarotex®/Redomex®
(amitriptyline)

Tymelyt®
(lofepramine)

Antipsychotics

Buronil®/Bunil®
(melperone)

Cisordinol®/Clopixol®/Ciatyl-Z®
(zuclopenthixol)

**Cisordinol® Depot/Clopixol® Depot/
Ciatyl-Z® Depot**
(zuclopenthixol decanoate)

**Cisordinol-Acutard®/
Clopixol-Acutard®/
Clopixol-Acuphase®/
Ciatyl-Z-Acuphase®**
(zuclopenthixol acetate)

Fluanxol®/Depixel®
(flupenthixol)

Fluanxol® Depot/Depixel® Inj.
(cis(Z)-flupenthixol decanoate)

Truxal®/Truxaletten®
(chlorprothixene)

Anti-Alzheimer's products

Ebixa®
(memantine)

Anti-migraine products

Almogran®
(almotriptan)



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