
Investor Presentation

FY 2005 Financial Results



Safe Harbour Statement

This presentation contains forward-looking statements that provide our expectations or forecasts of future events such as new product introductions, product approvals and financial performance.

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.



Lundbeck in CNS

About H. Lundbeck A/S - Quick facts

History

- 1915 - Founded by Hans Lundbeck
- 1920s - Into pharmaceuticals
- 1940s - Own research established
- 1950-1960s - First generation of antidepressants and antipsychotics
- 1970s - Development of SSRI
- 1980s - Development of atypical antipsychotic
- 1988 - Strategic decision to focus on CNS diseases
- 1999 - Listed on Copenhagen Stock Exchange (CSE)

Share information

Trading code:

- Reuters (LUN.CO) / Bloomberg (LUN DC)
- ISIN Number DK0010287234
- Un-sponsored ADR programme with Bank of New York CUSIP 40422M107

Index examples:

- End of 2005 weight of 3.3% in OMXC20
- Member of FTSE4Good

Ownership:

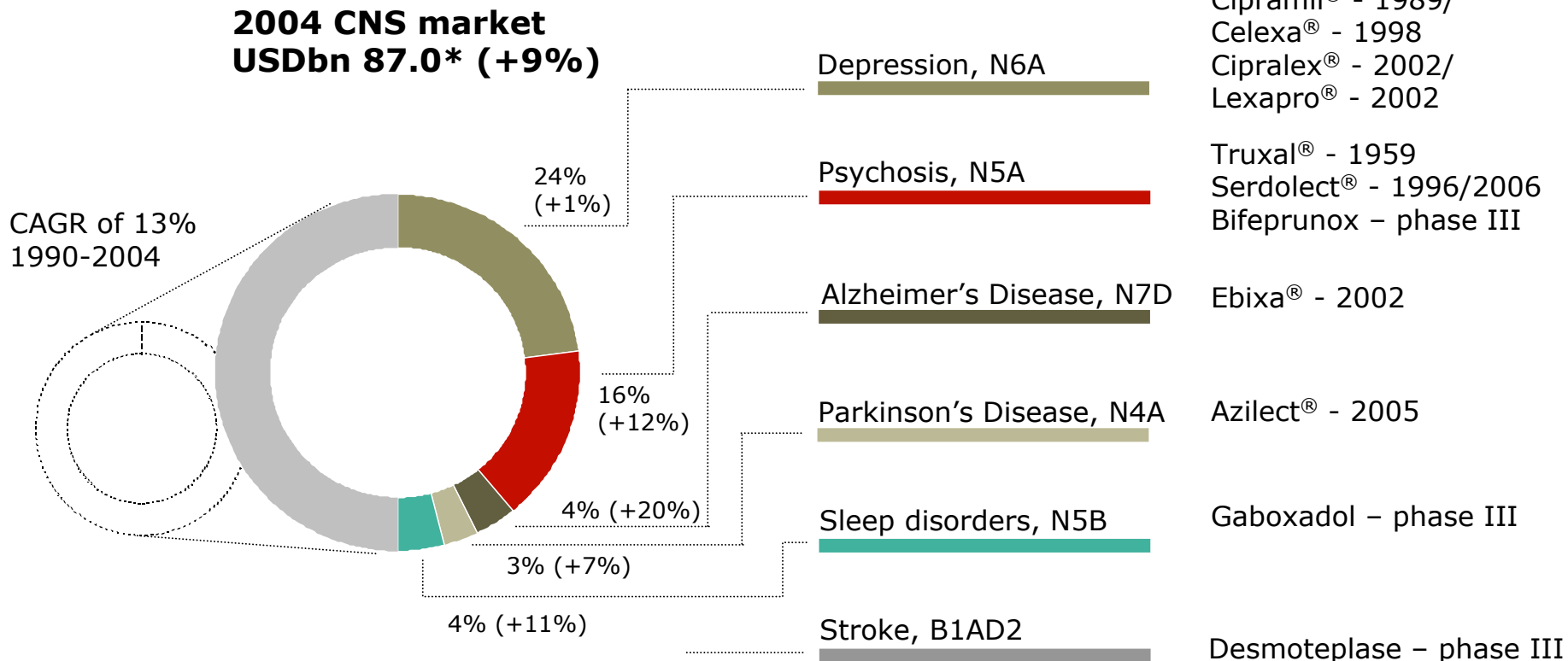
- Lundbeck Foundation (LFI A/S) holds approximately 70%

Trading:

- Free float (approximately 64m shares) is traded 2 times over annually (daily trade of approximately 0.5m)



CNS: world's biggest niche (17% of world pharmaceutical sales) - Lundbeck involved in high potential segments



Source: IMS world review 2005



Niche strategy – CNS is our focus and our strength

Why 100% CNS?

- CNS is the largest and fastest growing pharmaceutical market in the world
- Underlying conditions trends towards continued growth

R&D strength

- 50 years of experience – with own innovations and licensing agreements
- Core competencies within mental disorders – Lundbeck has been on every wave of innovation within treatment of depression and psychosis

Strength through specialisation

- Lundbeck R&D 100% dedicated to CNS and comparable to big-pharma
CNS focus
- Sales force 100% dedicated to CNS
- Lundbeck is the only pure-play investment in CNS



Lundbeck strategic challenges

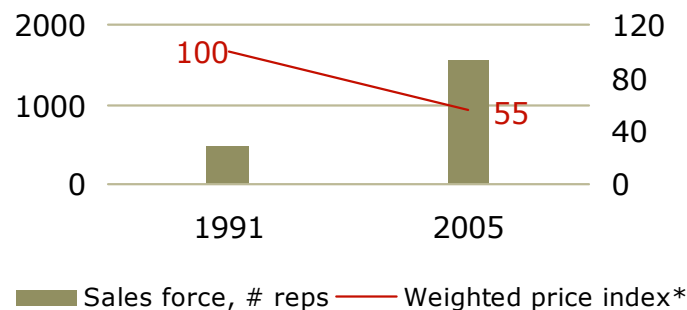
Infrastructure

World-wide sales infrastructure

Except in US and Japan – two important markets



Profitability in European antidepressant market



* Major antidepressants in Major 5 in Europe
Source: Lundbeck market research

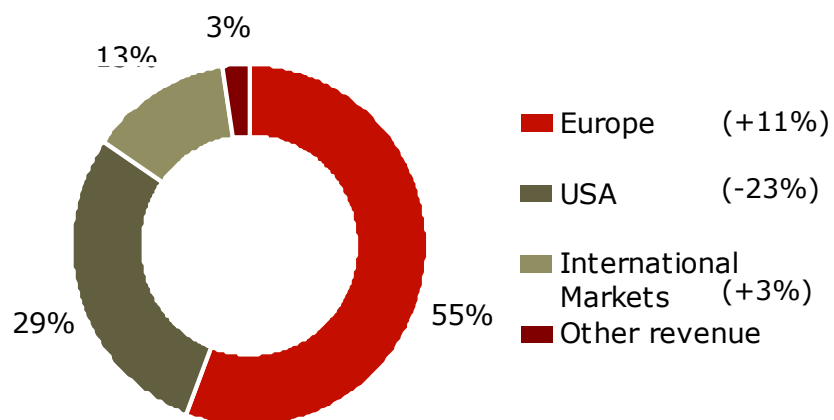
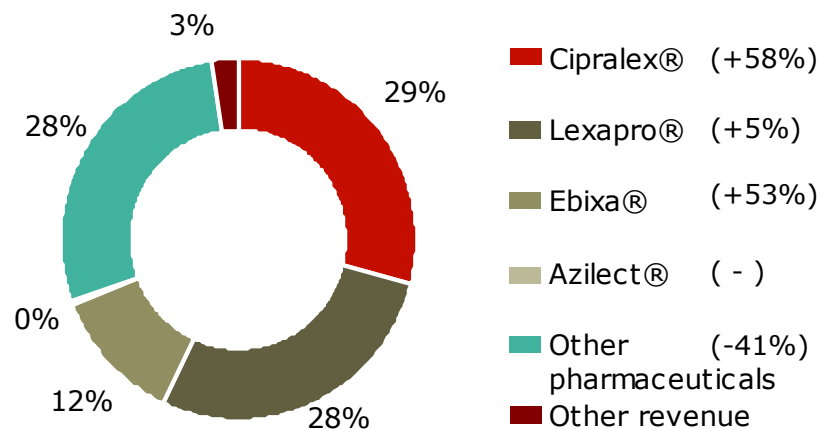
Key challenges:

- Optimise existing product assets
- Expand to increase top line growth (new geographic markets and new areas within CNS)
- Launch new compounds to support growth in mid-term (2010-15)
- Develop innovative compounds that support long-term growth (2015+)



Current position and mid-term issues

Financial figures FY 2005



DKKm	2005	2005 guidance	
Revenue	9,070		
R&D (19.6% of revenue)	1,782		
EBIT	2,170	✓	Appr. DKKm 2,200
EBIT margin	23.9%	✓	Above 22.9%
Capex*	621	✓	Appr. DKKm 550

* Excluding investment of EURm 15 (DKKm 112) in connection with licensing agreement on desmoteplase from PAION capex amounted to DKKm 509 in 2005



Financial guidance and targets

2005		2006 guidance	2007 target
2,170	EBIT	Approximately DKKbn 1.6*	
23.9%	EBIT margin		25%**
1,434	Free Cash Flow	Approximately DKKm 900*	
621	Capex	Approximately DKKm 650	
2,618	Income from Forest	Approximately DKKbn 1.7*	
1,393	Prepayment from Forest	Approximately DKKm 900*	
-	Milestone payments from Merck & Co.	-	USDm 75

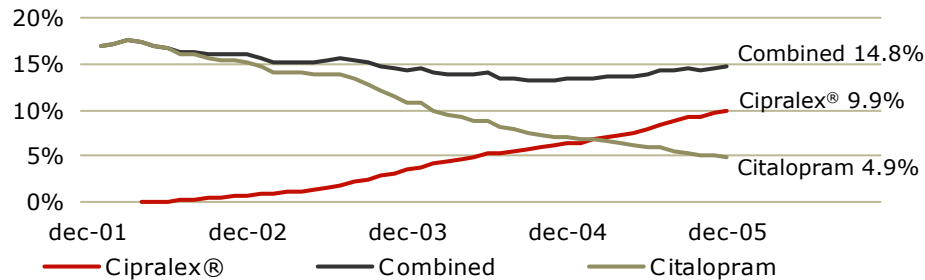
* In 2006 Forest will reduce its internal escitalopram inventory level. This will have an one-time material adverse impact on Lundbeck's revenue, profit from operations and cash flow in 2006.

** Exclusive potential milestone payment of USDm 75 from Merck & Co.



Strengthening key product position – Cipralex®/Lexapro®

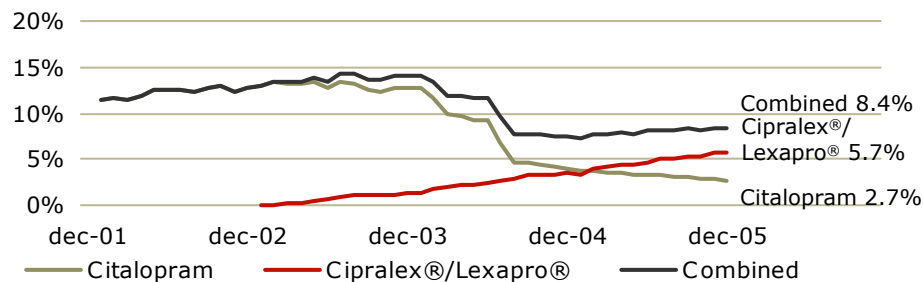
Europe – antidepressant market



2005 development

- Expansion of label to cover GAD – Cipralex® now covers all major anxiety conditions
- Positive data on OCD – filing expected in 1H 2006
- Head-to-head data against Cipramil® showed significant superiority

International Markets - antidepressant market



International Markets market share consists of Australia, Brazil, Canada & Mexico

Cipralex®/Lexapro® = escitalopram total

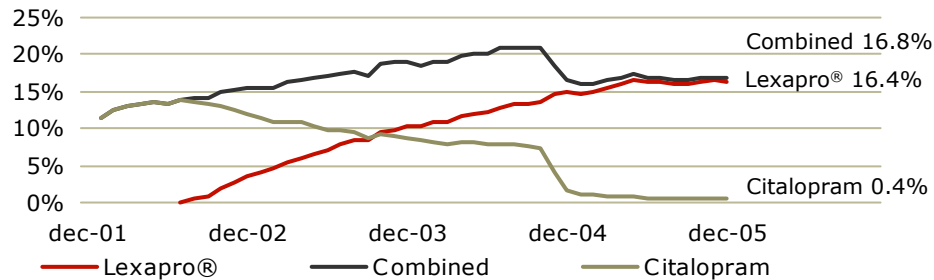
Citalopram = Lundbeck and partners citalopram

Source: IMS Health, December 2005

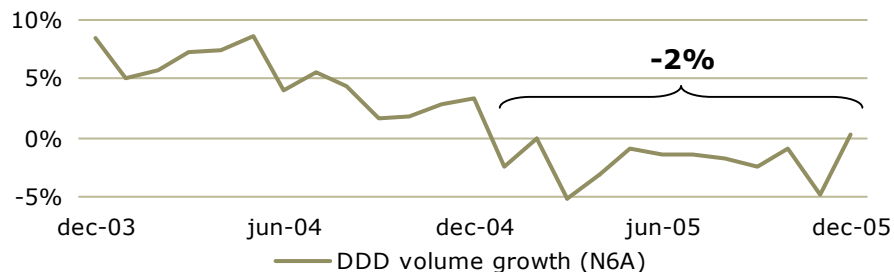


US market development – Lexapro®

US – antidepressant market, value



US – antidepressant market, volume



2005 development

- Second most prescribed anti-depressant in the US
- Value market share of 16.4%
- Significant reduction in market growth – sign of upturn in Q2 2005 did not materialise
- Patent litigation trial regarding '713 patent on Lexapro® due to commence 20 March 2006

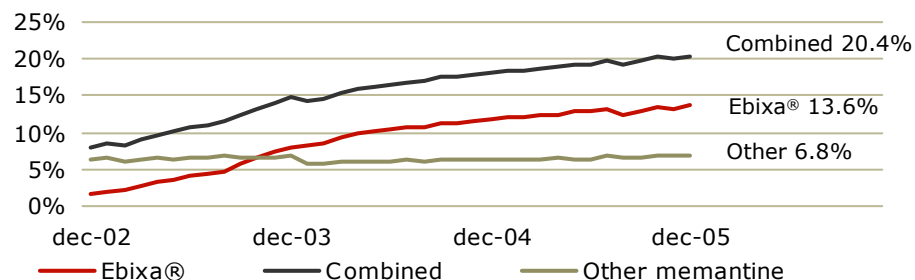
Lexapro® = escitalopram total
Citalopram = original citalopram + Forest branded generic

Source: IMS Health, December 2005

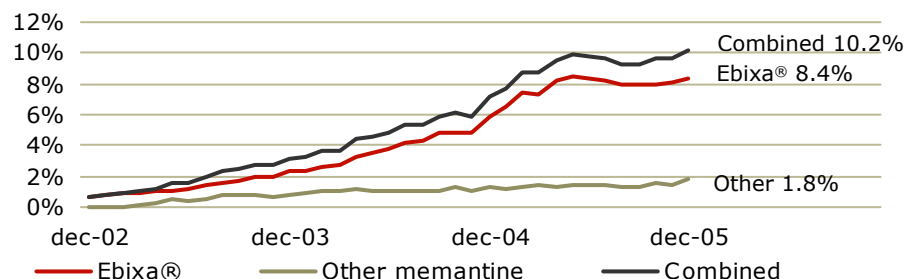


Strengthening key product position – Ebixa®

Europe – anti-alzheimers market



International Market – anti-alzheimers market



International Markets market share consists of Australia, Brazil, Canada & Mexico

Ebixa® = Lundbeck memantine

Other memantine = Merz memantine

Source: IMS Health, December 2005

2005 development

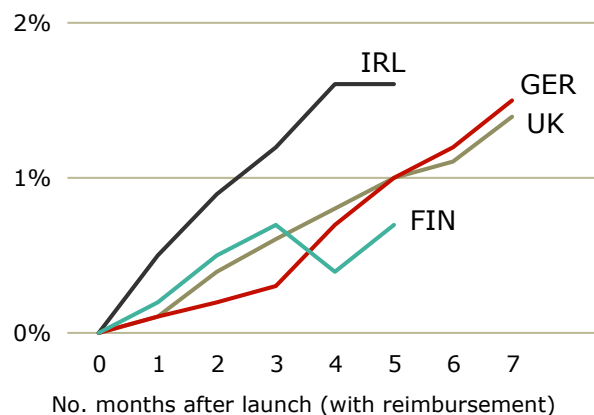
- Second most prescribed alzheimers compound in Europe
- Expansion of EU label to cover moderate Alzheimers Disease
- Ebixa® now available for 80% of patients diagnosed with Alzheimers Disease



Launch of new compound – Azilect®

- Azilect® (rasagiline) “simply effective”:
 - Once daily treatment for Parkinsons Disease
 - as monotherapy
 - and as adjunct therapy with levodopa treatment
- Azilect® is developed in partnership with Teva Pharmaceuticals

Market share, value



Source: IMS Health, December 2005

In addition

- Rasagiline is a potent, selective, irreversible monoamine oxidase (MAO) type-B inhibitor
- Metabolise in liver to aminoindane (not amphetamine metabolites as other MAO-B inhibitors)
- No ‘tyramine effect’ (no inhibition of MAO-A) at recommended dose

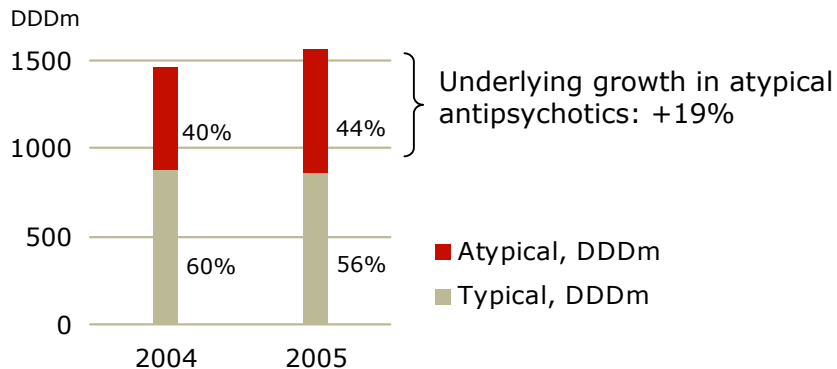


Launch of new compound – Serdolect®

- Serdolect® (sertindole) for the treatment of schizophrenia – Lundbeck's first atypical antipsychotic
- Serdolect® is developed by Lundbeck and the company holds world-wide rights
- First launch in January 2006 – re-entrance after eight years

Value conversion

Europe – antipsychotic market in volume



Source: IMS Health, December 2005 & Lundbeck market research

In addition

- Inhibitory effect on central dopamine D₂ and serotonin 5HT₂ receptors as well as on alpha-adrenergic receptors
- Placebo level extra pyramidal symptoms (EPS)
- No sedation



Expansion to the US market – first steps to establish own sales force in important US market

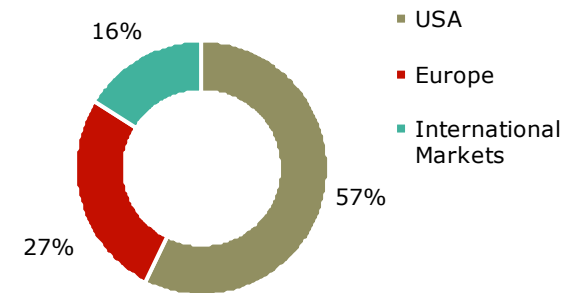
Importance of US market

- Largest pharmaceutical market in the world
- Important contribution to Lundbeck long term growth
- Possibilities within insomnia
- Increases in license opportunities

Agreement with Merck & Co., Inc. on gaboxadol

- Merck supports Lundbeck's build-up of sales force (Maxalt[®] co-promotion, training & financial)
- Merck funds the majority of the remaining development activities
- Remaining milestone payments of USDm 200 (75/125 at filing in Q1 2007 and approval)

CNS market, 2004 (value)



Disease area	US value share of world (%)
Depression	65%
Hypnotics & Sedatives	54%

Source: IMS World Review 2005



Expansion to the Japanese market – three development projects in the second largest market in the world

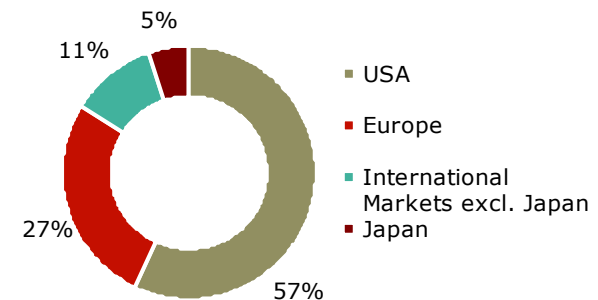
Importance of Japanese market

- Second largest pharmaceutical market in the world – in total as well as in CNS
- CNS only covers 8% of the total market compared to 21% and 18% in the US and UK
- Unmature market for CNS disorders

Three clinical programmes in progress

- Escitalopram in clinical phase II in co-operation with Mochida
- Gaboxadol in clinical development in co-operation with Banyu (Merck in Japan)
- Desmoteplase – in development with PAION

CNS market, 2004 (value)



Disease area	Japan value share of world (%)
Depression	3%
Hypnotics & Sedatives	13%

Source: IMS World Review 2005



Innovation & development of new pharmaceuticals

Pharmaceuticals in clinical development

Indication Compound	Activity	Development step			Registration application	Expected launch
		Phase I	Phase II	Phase III		
Obsessive Compulsive Disorder (OCD) Escitalopram	ASRI			≡≡≡	2006	2007
Insomnia Gaboxadol	Selective Extra- synaptic GABA agonist			≡≡≡	2007	2008
Schizophrenia Bifeprunox	Dopamin/ serotonin			≡≡≡	2008	2008+
Stroke Desmoteplase	Plasminogen activator			≡≡≡	2008+	
Depression Lu AA21004	Multiple target	≡≡≡			2008+	
Psychosis Lu 31-130	Monoaminergic	≡≡≡			2008+	
Depression Lu AA24530	Multiple target	≡≡≡			2008+	

Late stage pipeline

– Gaboxadol (phase III) for the treatment of insomnia

- Gaboxadol is the first in a new class of treatments for sleep disorders
- Outlicensed to Merck on co-development and co-promoting terms in the US and in Japan

Strategic fit:

- Expansion within CNS
- Access to US and Japan with own sales force

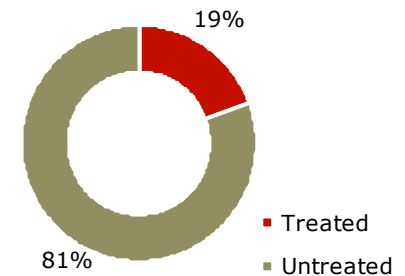
Clinical programme

- Programme is comprised of more than 5,500 people
- Currently more than 3,500 patients have completed
- US filing Q1 2007

In addition

- Selective Extrasynaptic GABAA Agonist (SEGA) –does not interact with the benzodiazepine binding site
- Improved sleep quality
- Increased slow-wave sleep without suppressing REM sleep

Prevalence in US:
+60 mio people



Source: Decision Resources, COGNOS, August 2004



Late stage pipeline

– Bifeprunox (phase III) for the treatment of schizophrenia

- Bifeprunox is a latest generation atypical antipsychotic
- Inlicensed from Solvay in Belgium and is jointly developed with Solvay and Wyeth (North American rights)

Strategic fit:

- Fits well into Lundbeck's position within antipsychotics
- Leverage on existing European specialist sales force

Clinical programme

- Phase III has so far included more than 2,600 patients
- Additional comparative clinical work will be conducted for European filing
- European filing expected in 2008

In addition

- D2 and 5-HT1A partial agonist

Results of the current clinical programme:

- Significant antipsychotic activity compared to placebo
- Generally well tolerated



Late stage pipeline

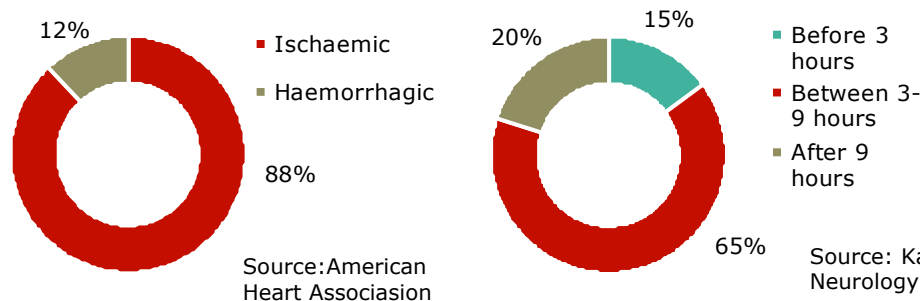
- Desmoteplase (phase III) for the treatment of ischaemic stroke

- Potentially first compound to treat patients within an up to 9 hours treatment window
- Inlicensed from PAION, Germany
- Lundbeck holds world wide rights excluding USA and Canada

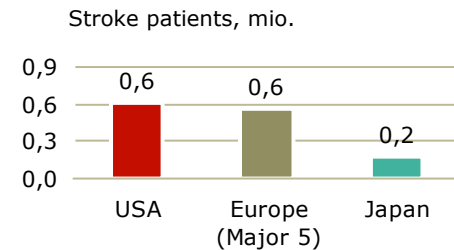
Strategic fit:

- Highly innovative compound
- Administered by neurologists

Disease management



Prevalence



Source: Decision Resources, COGNOS, February 2004

In addition

- Desmoteplase is a novel plasminogen activator, or blood-clot dissolving agent
- Limit the often fatal consequences of ischaemic stroke



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Financial figures and market data

Revenue – Key figures

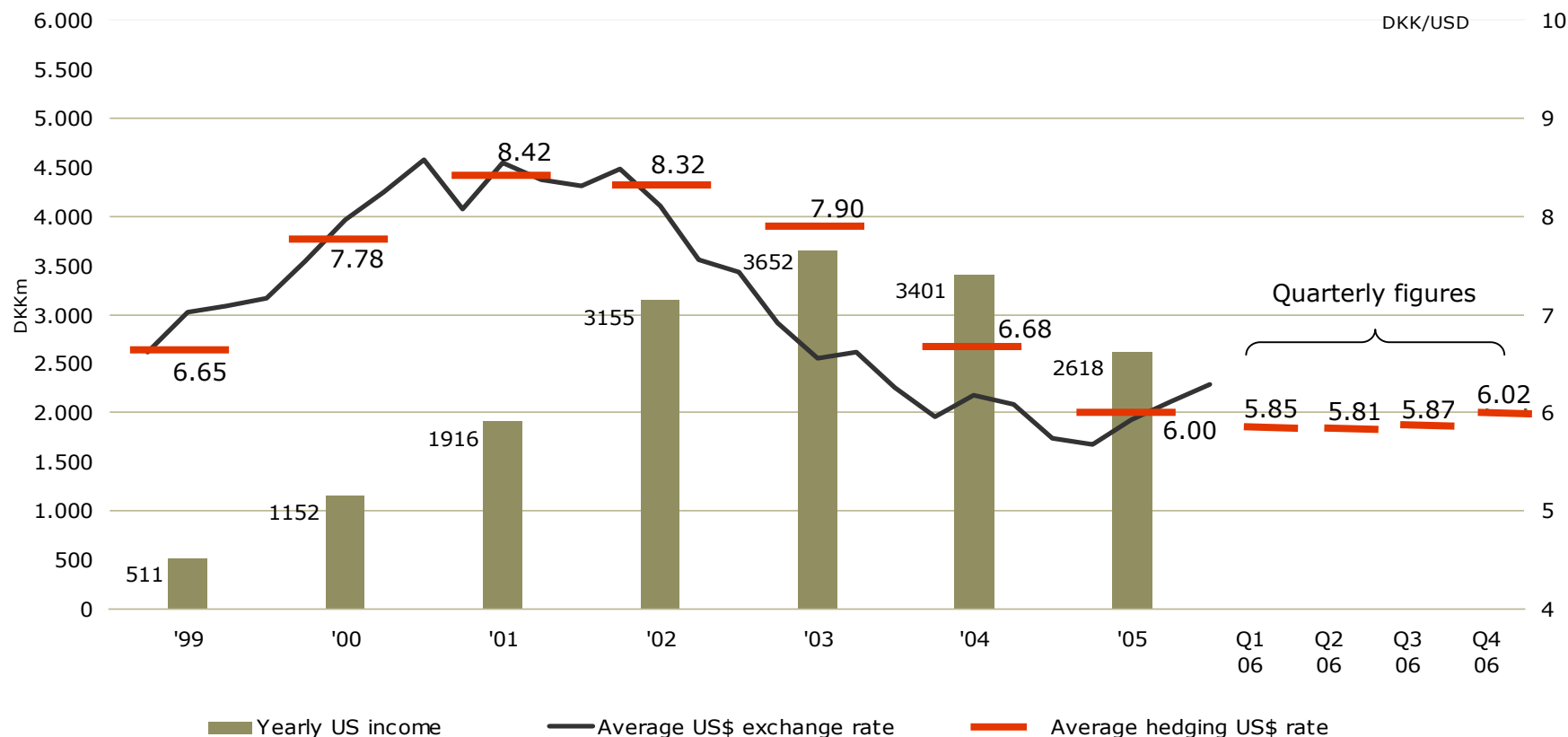
DKKm	Q4-05	Q4-04	Growth	2005	2004	Growth
Revenue	2,301	2,105	9%	9,070	9,733	-7%
- Cipralex®	746	448	67%	2,625	1,661	58%
- Income from Lexapro®	624	617	1%	2,552	2,420	5%
- Ebixa®	306	226	35%	1,105	722	53%
- Azilect®	4	0	-	6	0	-
- Other pharmaceuticals	568	785	-28%	2,550	4,299	-41%
- Other revenue	53	29	82%	232	631	-63%

DKKm	Q4-05	Q4-04	Growth	2005	2004	Growth
Revenue	2,301	2,105	9%	9,070	9,733	-7%
- Europe	1,323	1,123	18%	5,076	4,590	11%
- USA	626	723	-13%	2,618	3,401	-23%
- International Markets	299	230	30%	1,143	1,111	3%
- Other revenue	53	29	82%	232	631	-63%

Key figures

DKKm	Q4-05	Q4-04	Growth	2005	2004	Growth
Costs	1,821	1,876	-3%	6,900	7,179	-4%
- Cost of sales	293	438	-33%	1,488	1,725	-14%
- Distribution and administration	989	908	9%	3,639	3,666	-1%
- Research and development	538	504	7%	1,782	1,776	0%
- Other operating expenses, net	1	26	-96%	-8	12	168%
Profit from operations	481	228	111%	2,170	2,554	-15%
Net financials	-37	-6	-555%	122	16	672%
Net profit for the year	308	143	116%	1,589	1,689	-6%
Cash flows from operating and investing activities	30	640	-95%	1,437	2,434	-41%
Earnings per share (EPS)	1.38	0.67	106%	7.11	7.43	-4%
Proposed dividend per share				2.10	2.21	-5%

Lundbeck hedge the USD on a rolling basis up to 18 months ahead – 2006 USD hedge rate of 5.87

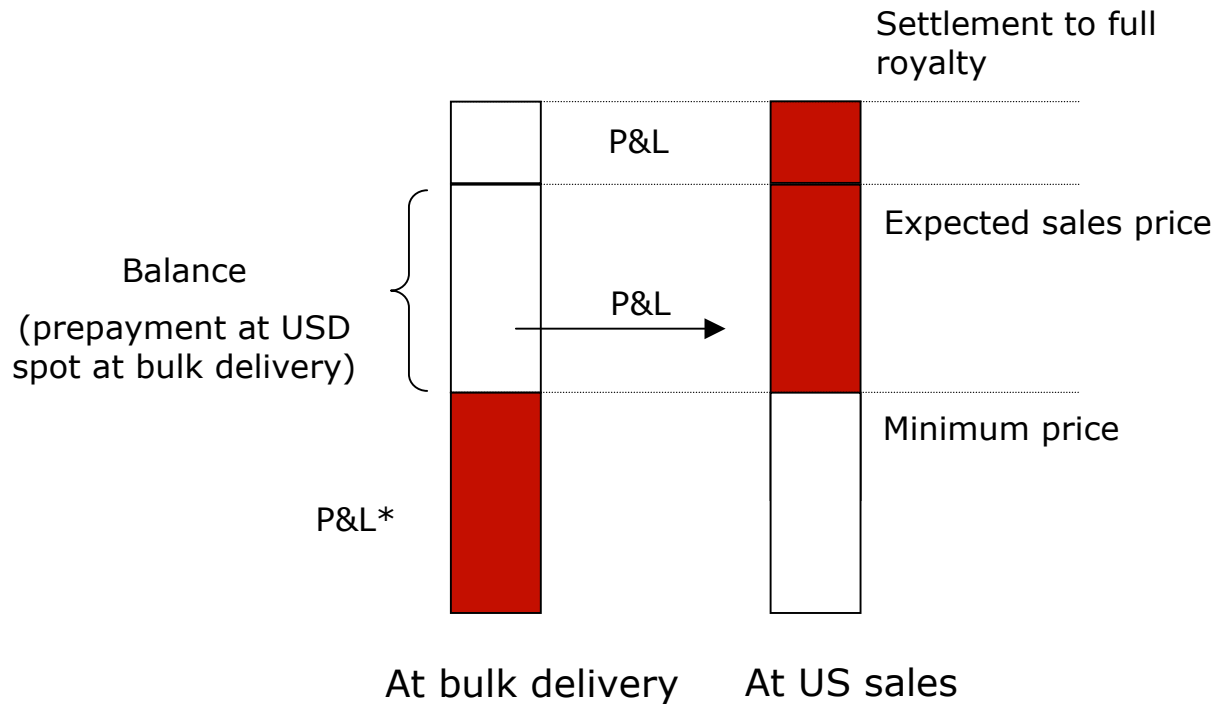


Note: 1999-2005 includes value of average hedging contracts realised in the period (NOTE fra AR2005 guidance mht. USD)

As a result of the revised profit forecast caused by Forest's changed inventory levels, which was announced in February 2006, hedging contracts are transferred to trading contracts. The profit impact, which will be expensed in the first quarter of 2006, is approximately DKK 50 million, assuming an unchanged DKK/USD exchange rate of 626.00. Against this background, the average forward rate for USD in 2006 will change to 5.87 DKK/USD.



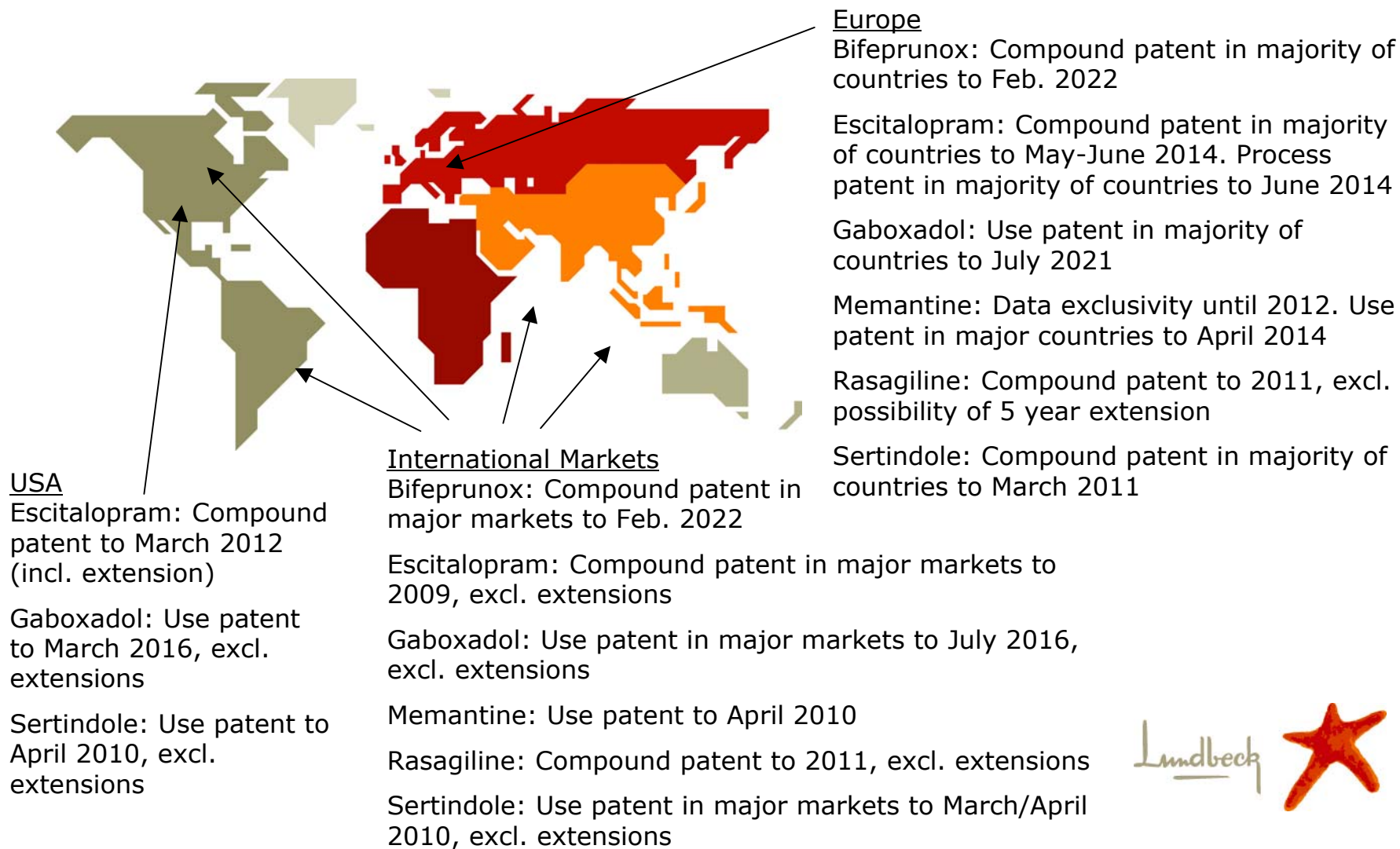
Lundbeck recognition of income from Forest



* 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

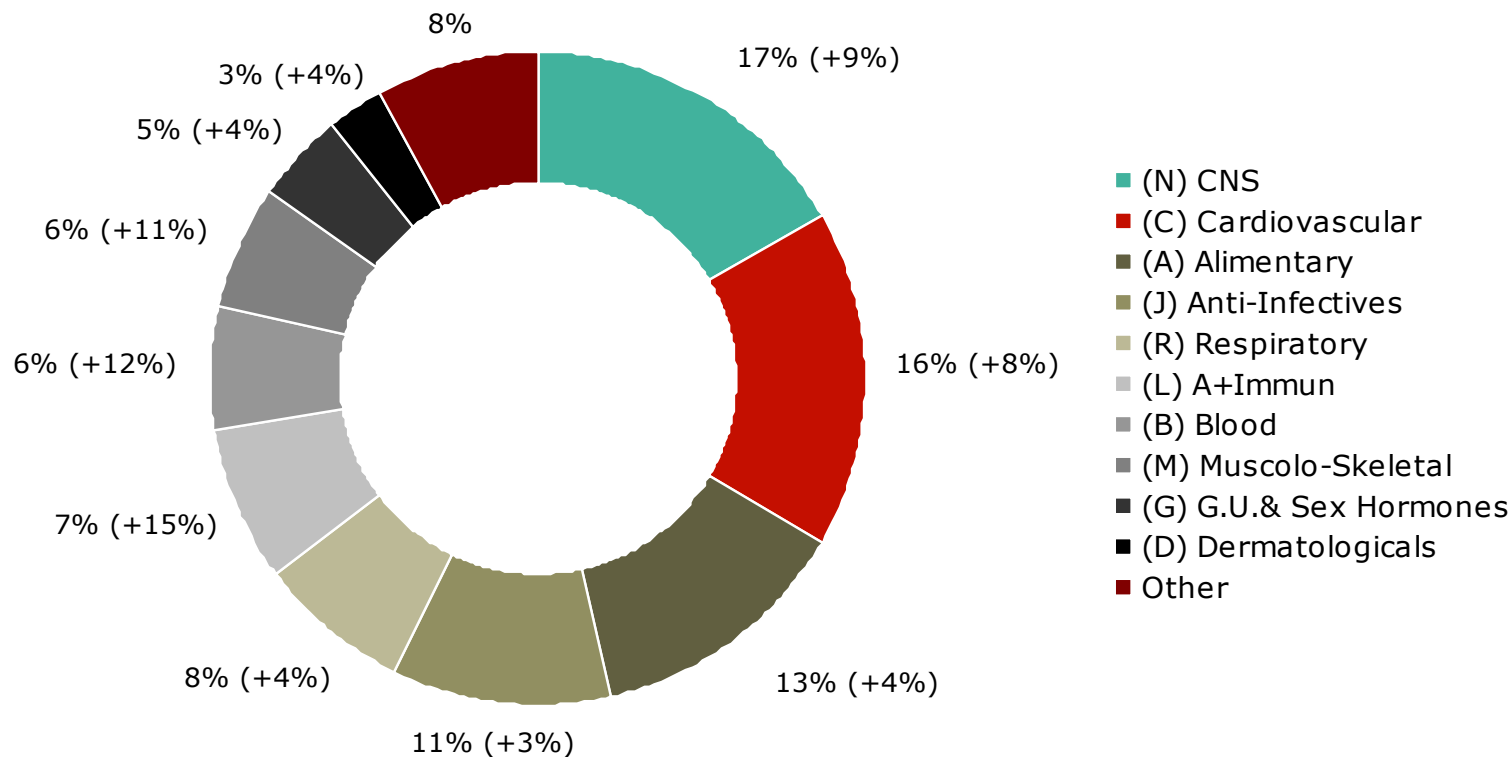


Global IP position



Worldwide pharmaceutical market 2004

USD 521.2 billion*, (+11%)



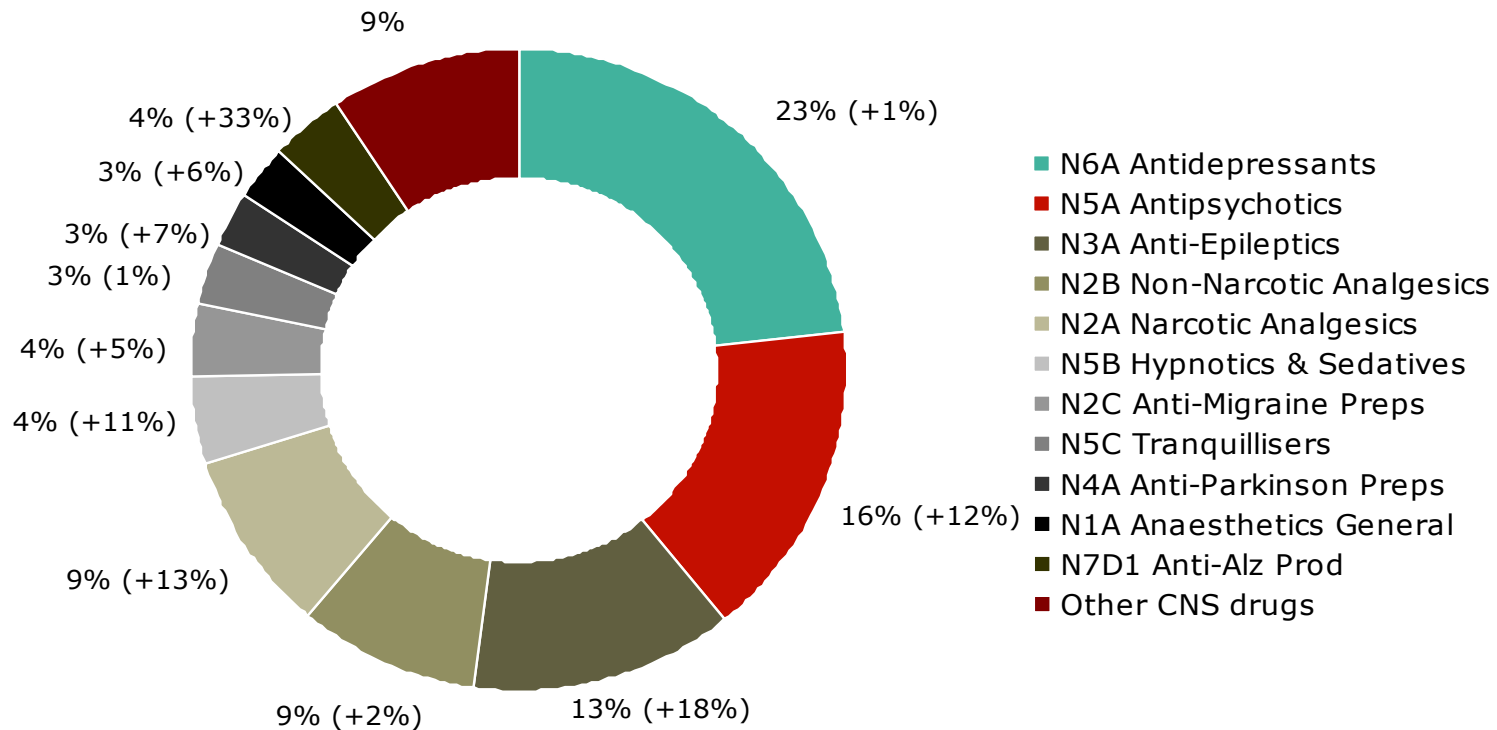
Source: IMS World Review 2005

Growth rates in local currency dollar 2003-2004 added in brackets

* Sales including estimates of non IMS audited panels = 545 billion



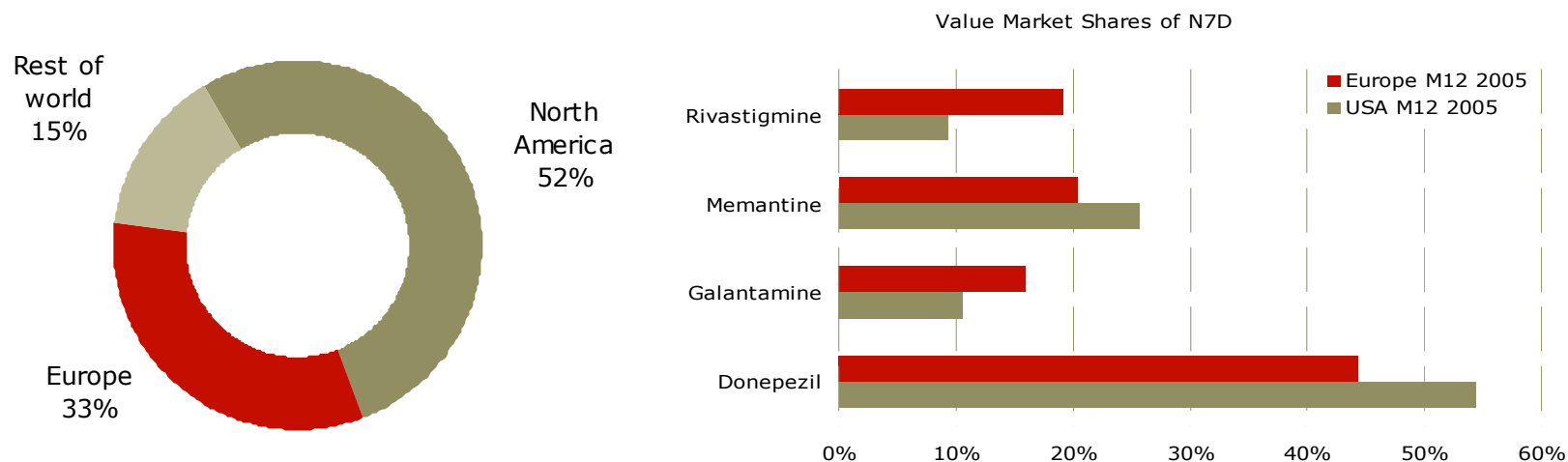
Worldwide CNS market 2004 USD 87.0 billion, (+9%)



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

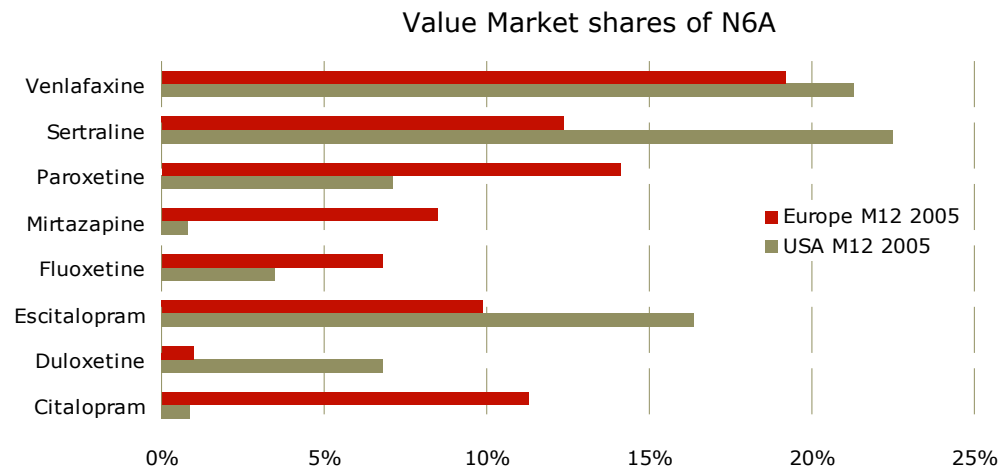
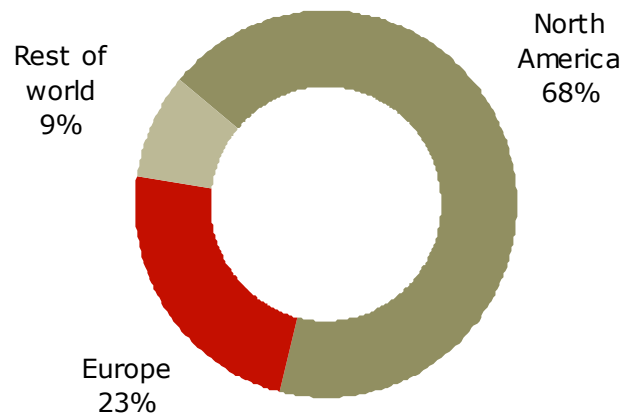


Alzheimer's (N7D-2004) – 3.2 bill. USD (+20%)



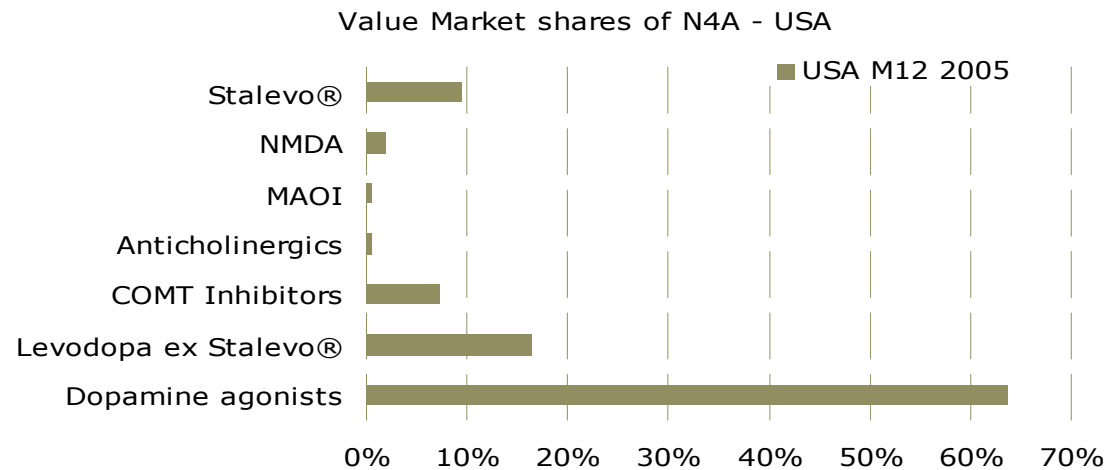
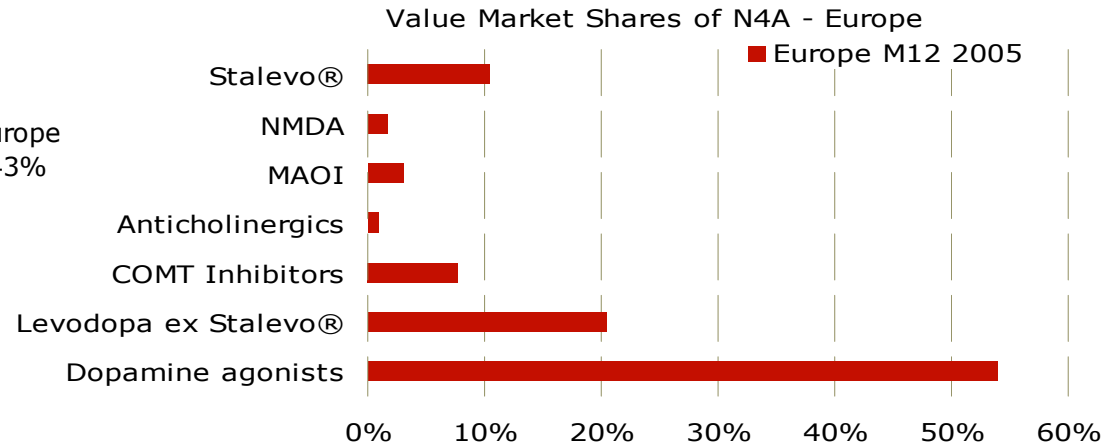
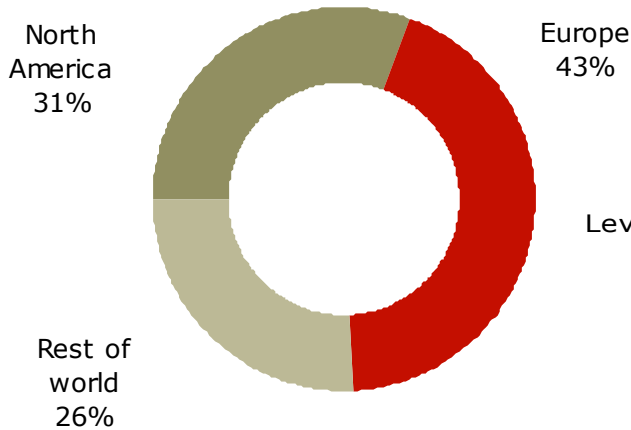
Leading product	Marketing Corporation	Sales 2004 (USDm)	Growth in %
Aricept®	Eisai	1,818	25
Exelon®	Novartis	437	11
Reminyl®	Johnson & Johnson	411	38
Namenda®	Forest	247	>999
Ebixa®	Lundbeck	119	225

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



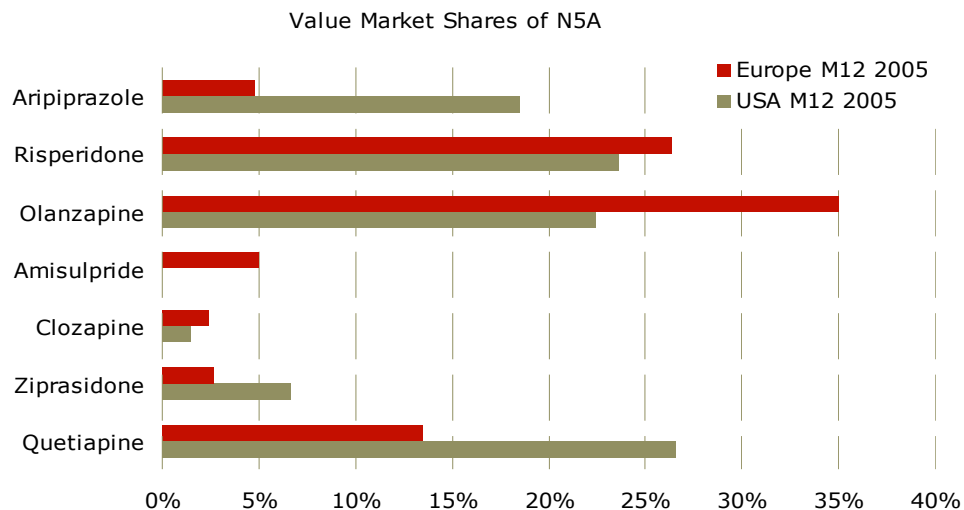
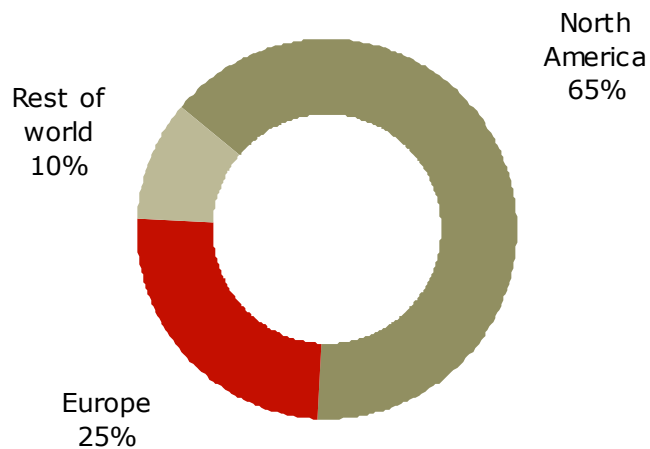
Leading product	Marketing Corporation	Sales 2004 (USDm)	Growth in %
Effexor®	Wyeth	3,734	23
Zoloft®	Pfizer	3,698	9
Seroxat®/Paxil®	GlaxoSmithKline	1,933	-40
Lexapro®/Cipralex®	Lundbeck/Forest	1,914	84
Wellbutrin®	GlaxoSmithKline	1,664	-10
Cipramil®/Celexa®	Lundbeck/Forest	1,377	-30
Prozac®	Lilly	510	-19

Anti-Parkinson's (N4A - 2004) – 2.5 bill. USD (+7%)



Source: IMS World Review 2005

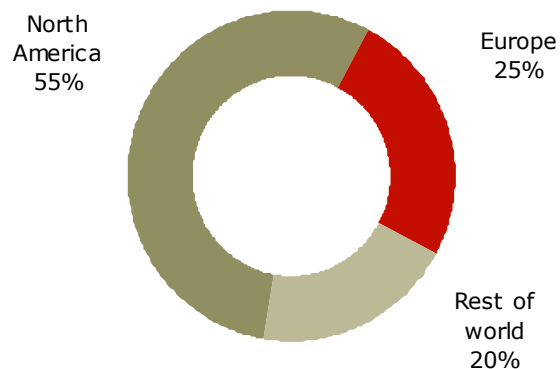
Antipsychotics (N5A-2004) – 14.1 bill. USD (+12%)



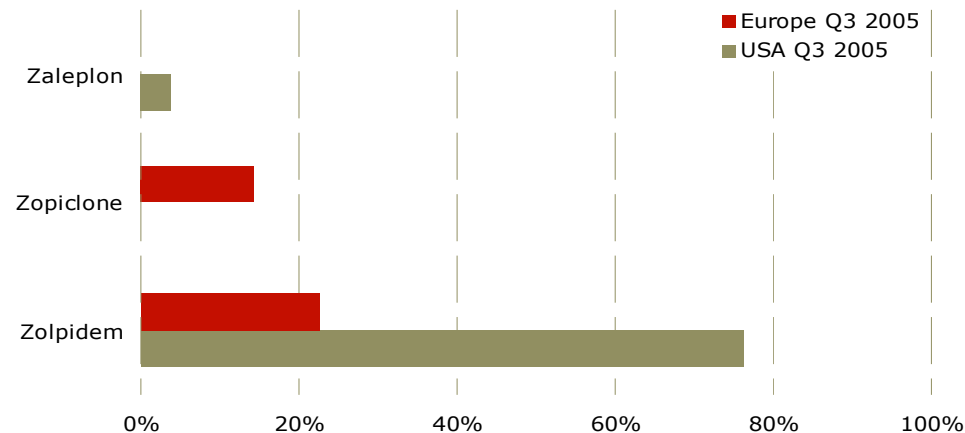
Leading product	Marketing Corporation	Sales 2004 (USDm)	Growth in %
Zyprexa®	Eli Lilly	4804	-1
Risperdal®	Johnson & Johnson	3460	15
Seroquel®	AstraZeneca	2484	35
Abilify®	Otsuka/BMS	1004	113
Zeldox®	Pfizer	566	44
Leponex®	Novartis	319	-3
Solian®	Sanofi-Synthelabo	216	23

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

Source: IMS World Review 2005 & IMS Health December, 2005