

Full-year results 2003



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 2004 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.





Outlook & Issues



Significant events in 2003

Financials

- Financial results in line with guidance at 9M 2003

Products

- Cipralex[®] now available in almost 50 countries
- Cipralex[®] data presented shows advantages over Paxil[®], Effexor[®] XR, Zoloft[®] and Cipramil[®]
- Cipralex[®] approved for SAD
- Ebixa[®] available in more than 25 countries

Business development

- Successful acquisition and integration of Synaptic
- Significant agreement with Merck on gaboxadol (early 2004)
- Bifeprunox in clinical phase III
- Lu 31-130 and Lu AA21004 in clinical phase I



Financial Outlook 2004

Revenue

- Lower than 2003 in reported currency

Cash flow

- Free cash flow of more than DKK 1 billion

EBIT

- Approximately DKK 2.5 bill. including the gaboxadol initial payment
- At 2003 level excluding gaboxadol initial payment

Market consensus for 2005 among 16 sell-side analysts collected before the release of FY 2003 results

Revenue: DKKm 10,094

EBIT: DKKm 2,263



Managing transition

Challenges

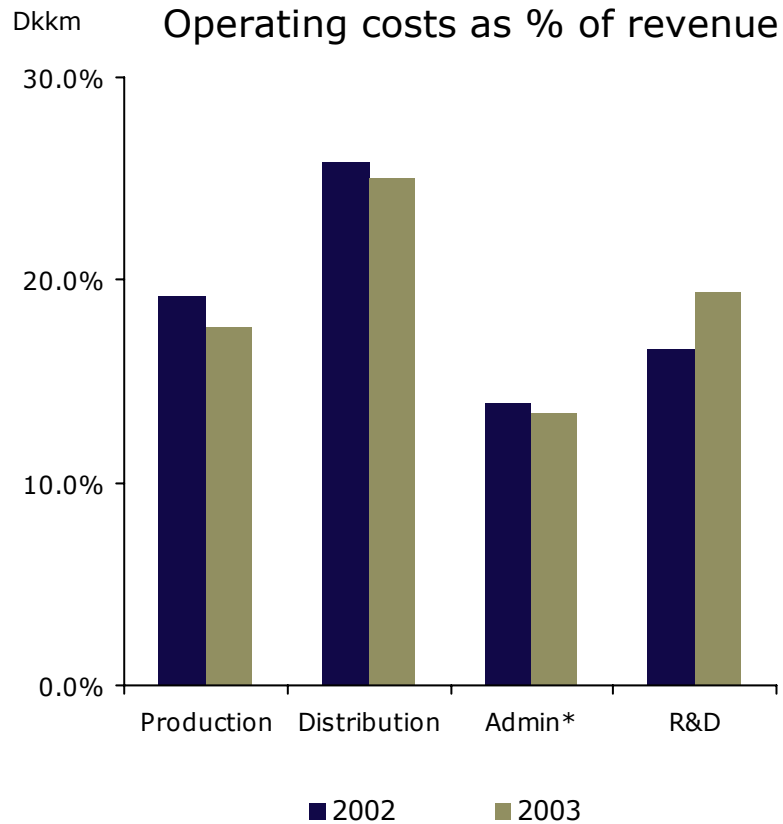
- Generic erosion of citalopram franchise
 - US-dollar decline
 - Pricing and reimbursement of Cipralex®
-

Risk management

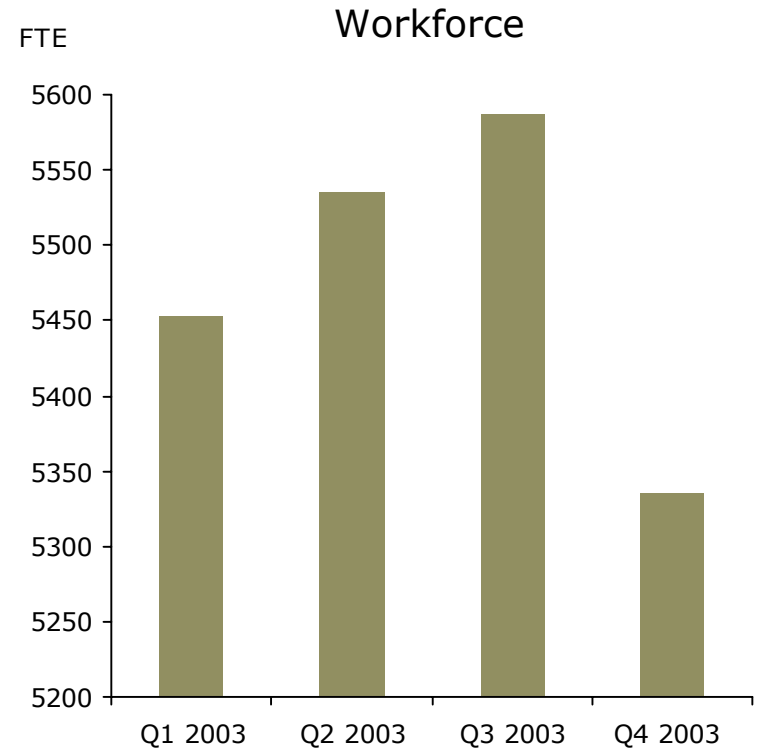
- Converting revenue risk
 - Continued roll-out of Cipralex® and Ebixa®
 - Launch of additional products
- Sales efficiency
- Cost control measures
 - Production efficiency
 - Workforce optimisation
- Secure strategic goal of US entry
 - with limited risk
 - Merck agreement on gaboxadol



Increased efficiency



*) Excluding DKK 287 mill. provision in 2003



Strong cash generation – to benefit shareholders

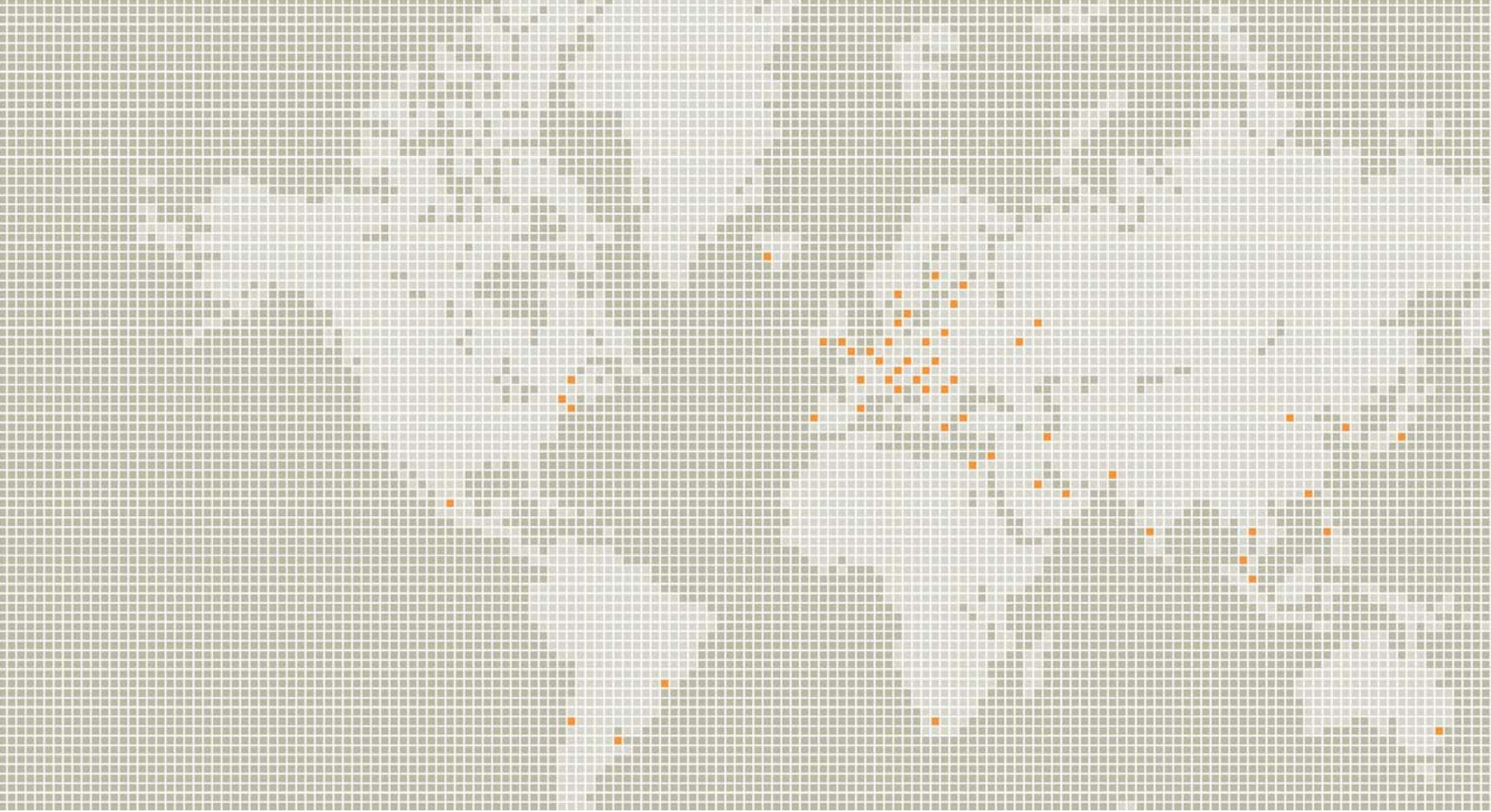
Share buy back programme

- Buy back of own shares up to DKK 400 million
- The shares to be bought in the market on an ongoing basis through 2004 and cancelled at appropriate time
- Pro rata scheme with the Lundbeck Foundation – in order to limit the impact on free float

New dividend policy – in line with industry average

- 30% pay-out-ratio corresponding to a 55% increase, giving 1.77 DKK per share.
- New pay-out-ratio range between 25-35% up from 15 - 25% pay-out ratio





Financial Highlights



2003 - Highlights

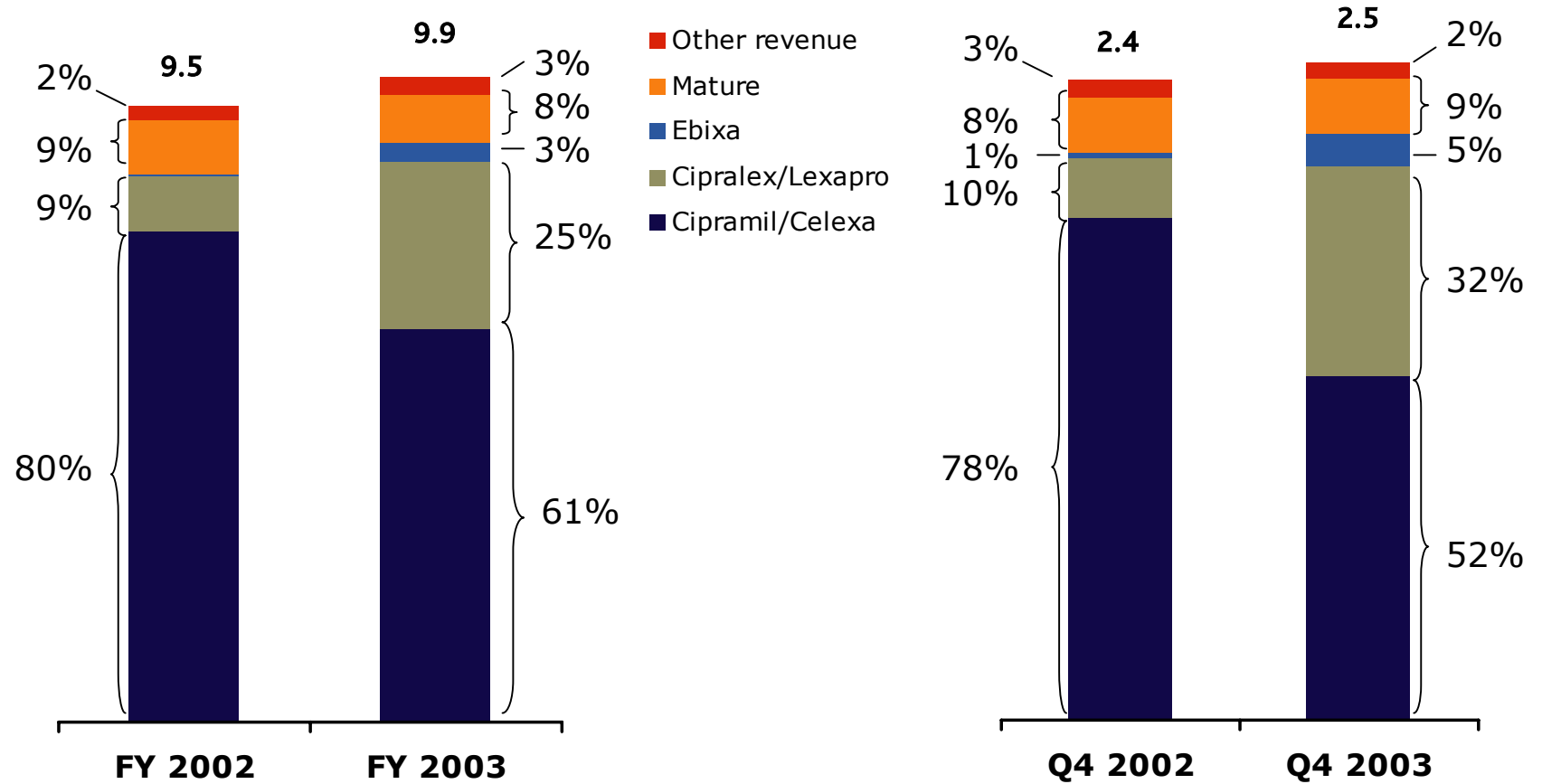
	DKKm	DKK growth	CER growth
Revenue	9,941	5%	9%
- Cipralex®	645	729%	
- Lexapro™	1,928	148%	
- Cipramil®	4,340	-16%	
- Celexa™	1,725	-27%	
- Ebixa®	286	893%	
- Other revenue	1,017	-2%	
EBIT	2,132	-10%	
Finance income, net*	(76)	74%	
Net profit	1,377	8%	
Free cash flow	421	295%	
EPS	5.89	8%	
Dividend per share	1.77	55%	

10/03/2004

*) Impact from Cephalon shares DKKm -67



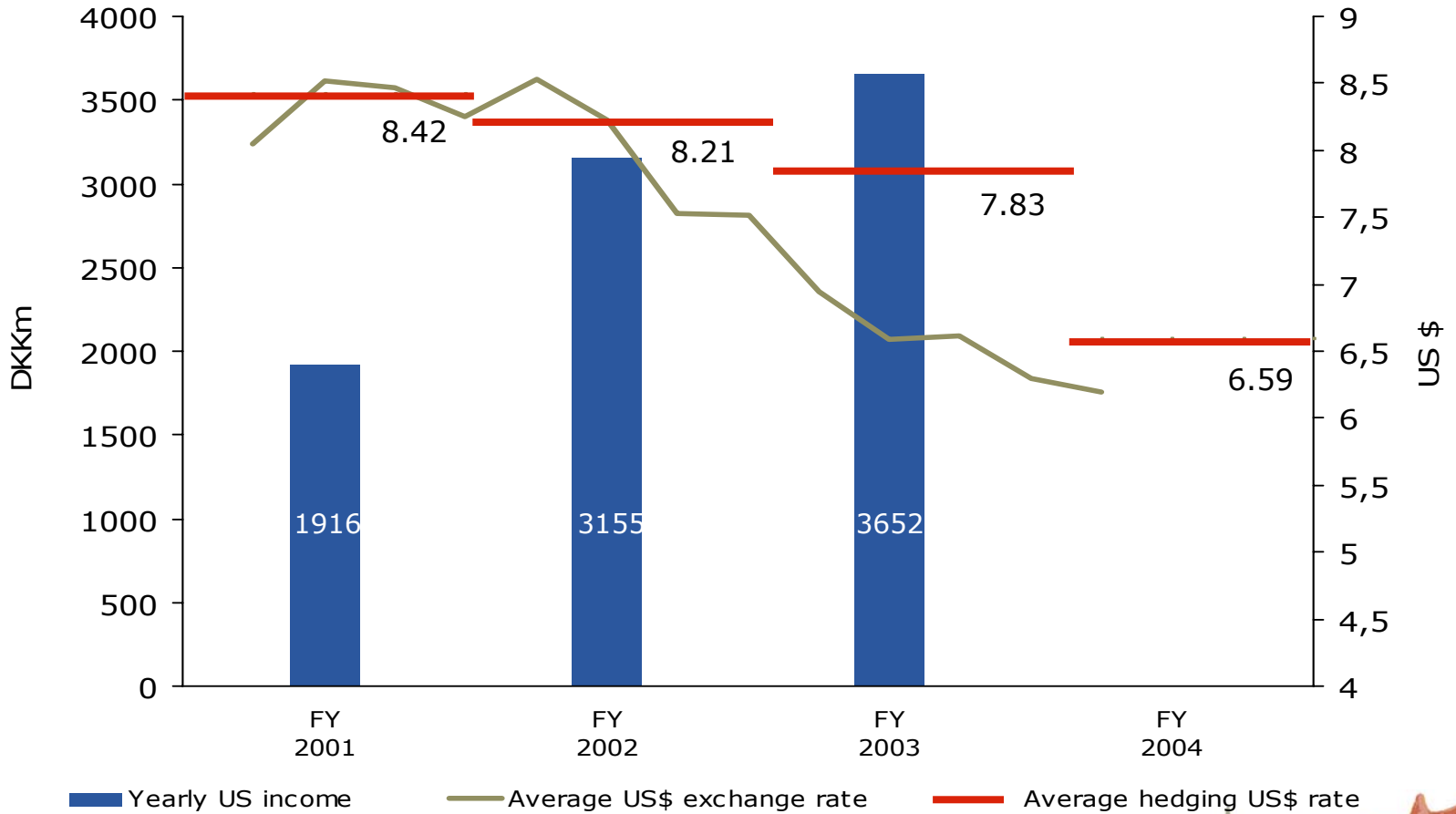
Revenue development



Citalopram/escitalopram revenue on the 7 largest markets for antidepressants

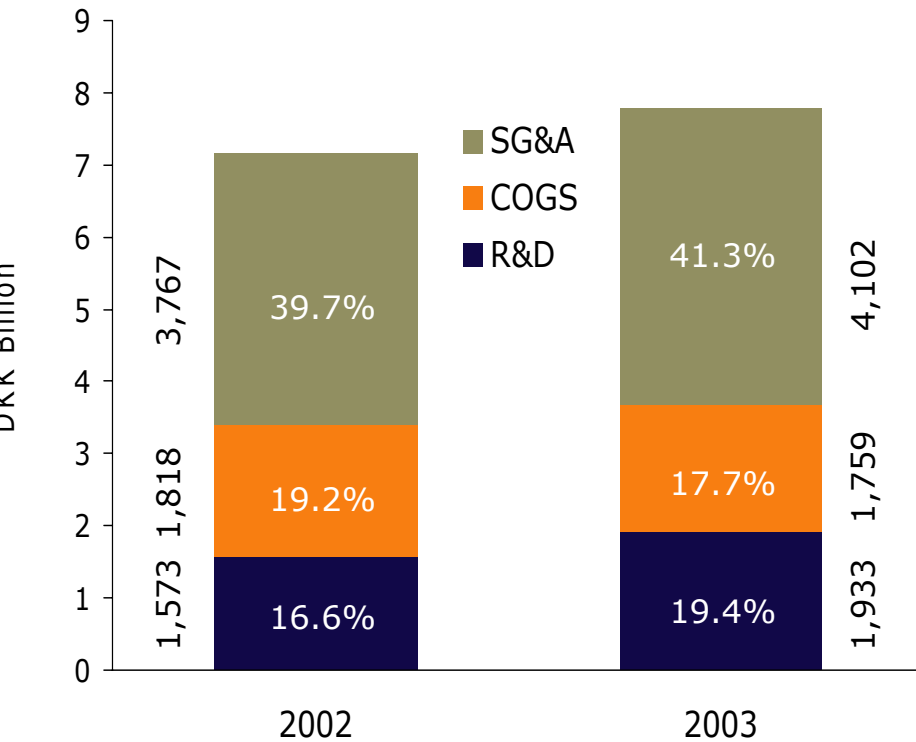
DKKm	<u>2003</u>	<u>2002</u>	<u>Change</u>
UK	506.5	791.4	-36%
- <i>Cipramil</i> ®	343.9	764.1	-55%
- <i>Ciprallex</i> ®	162.6	27.3	495%
France	678.2	668.9	1%
Germany	151.1	207,9	-27%
- <i>Cipramil</i> ®	133.3	207.9	-36%
- <i>Ciprallex</i> ®	17.8		
Spain	264.6	265.9	0%
Italy	395.9	317.1	25%
- <i>Cipramil</i> ®	371.5	317.1	17%
- <i>Ciprallex</i> ®	24.4		
Canada	740.4	587.2	26%
US income (Forest)	3,652.2	3,154.6	16%
- <i>Celexa</i> ™	1,724.7	2,377.5	-27%
- <i>Lexapro</i> ™	1,927.5	777.1	148%
7 major countries	6,388.9	5,993.0	7%
Other markets	2,248.2	2,426.6	-7%
Total	8,637.1	8,419.6	3%

Increasing importance in US income at a decreasing US\$ exchange rate

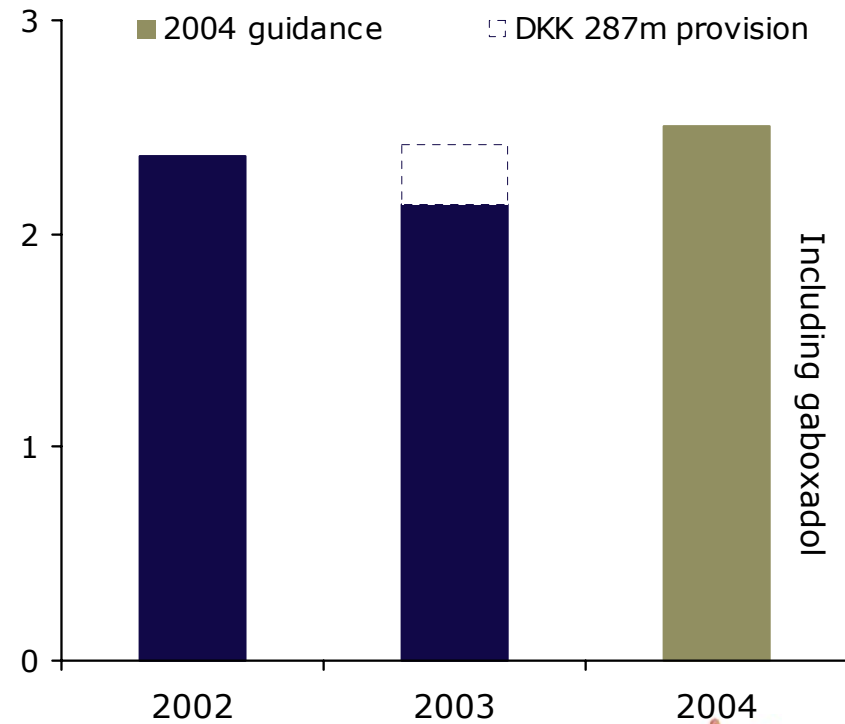


Lower production costs – flat SG&A (ex. provision) – significant increased investment level in R&D

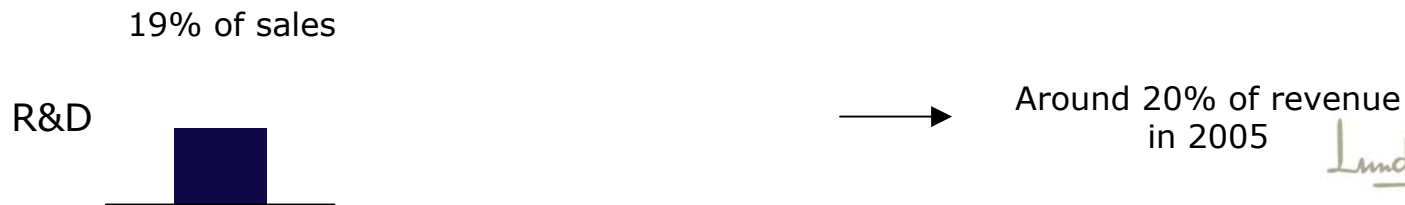
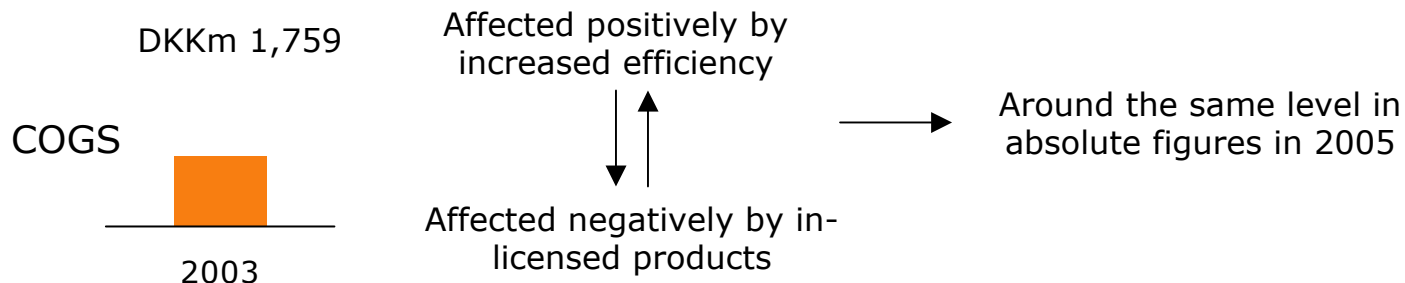
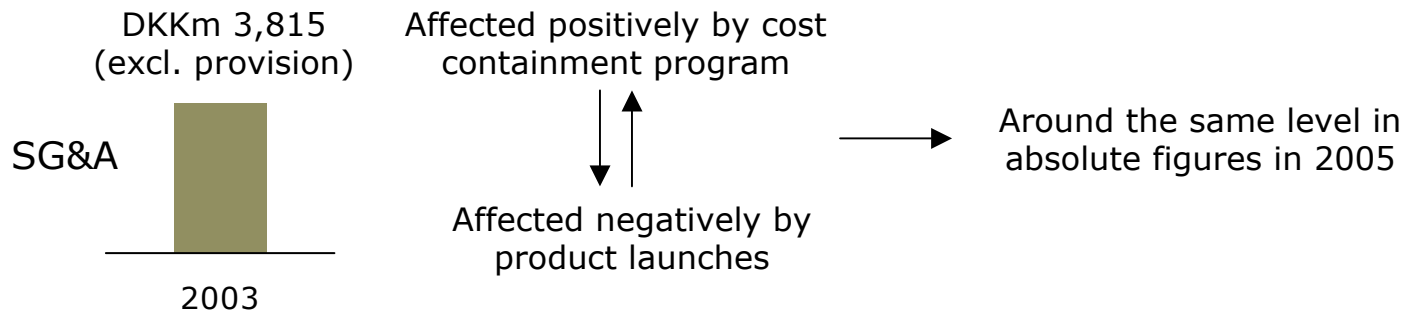
Cost structure



EBIT



2005 cost structure targets



Short-term cost structure guidance

Short-term cost structure ->3 years

SG&A	32-35%
Production costs	17-20%
R&D	20%
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EBIT margin	>25%

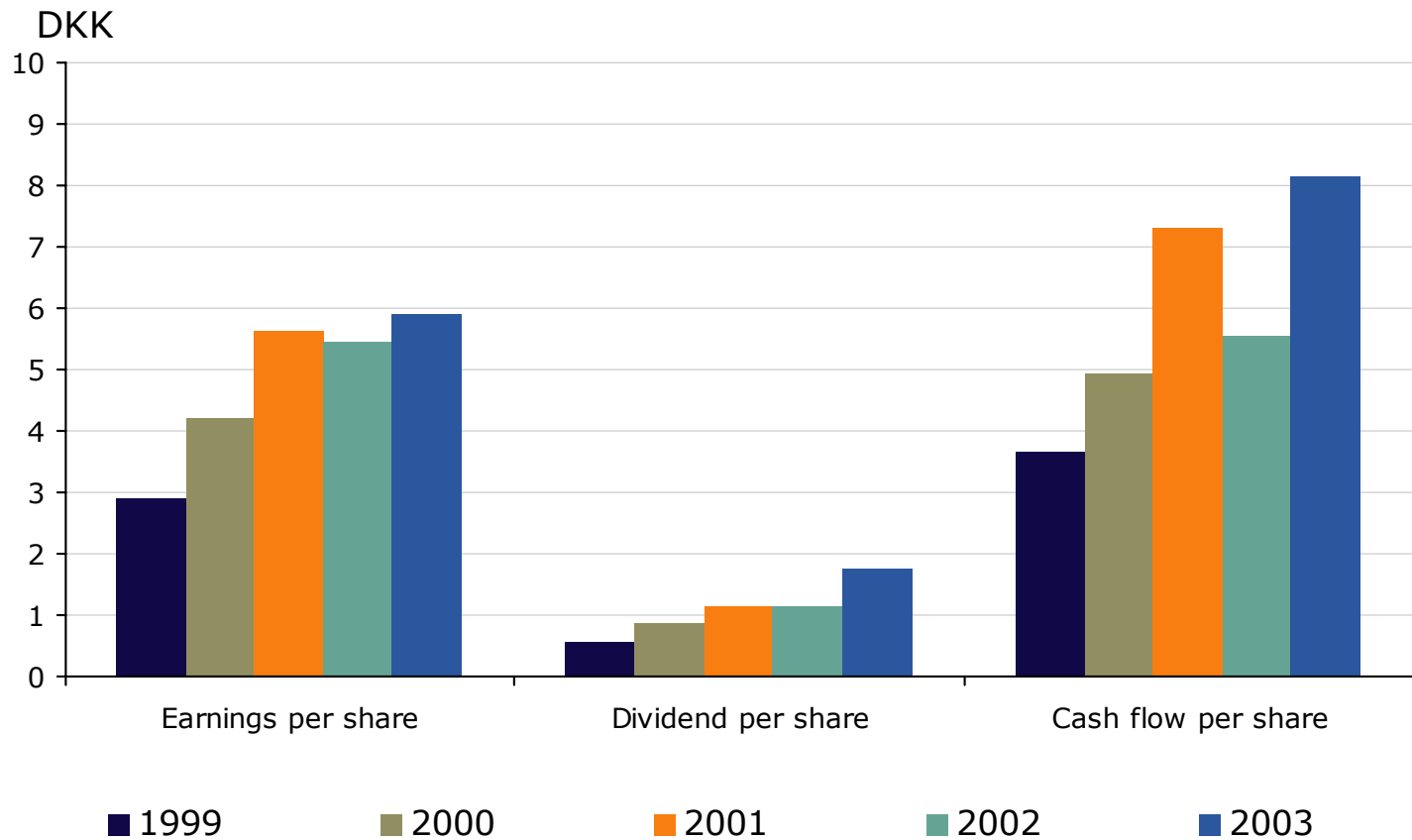
Cash flow

(DKK million)	<u>2003</u>	<u>2002</u>
Cash flow from operating activities	1,900	1,293
Capital expenditure*	-1,479	-1,186
Free cash flow	421	107
Cash and cash equivalents	1,334	861

*) 2003 includes DKK 875 million for the acquisition of Synaptic Pharmaceutical Corporation



Key figures per share



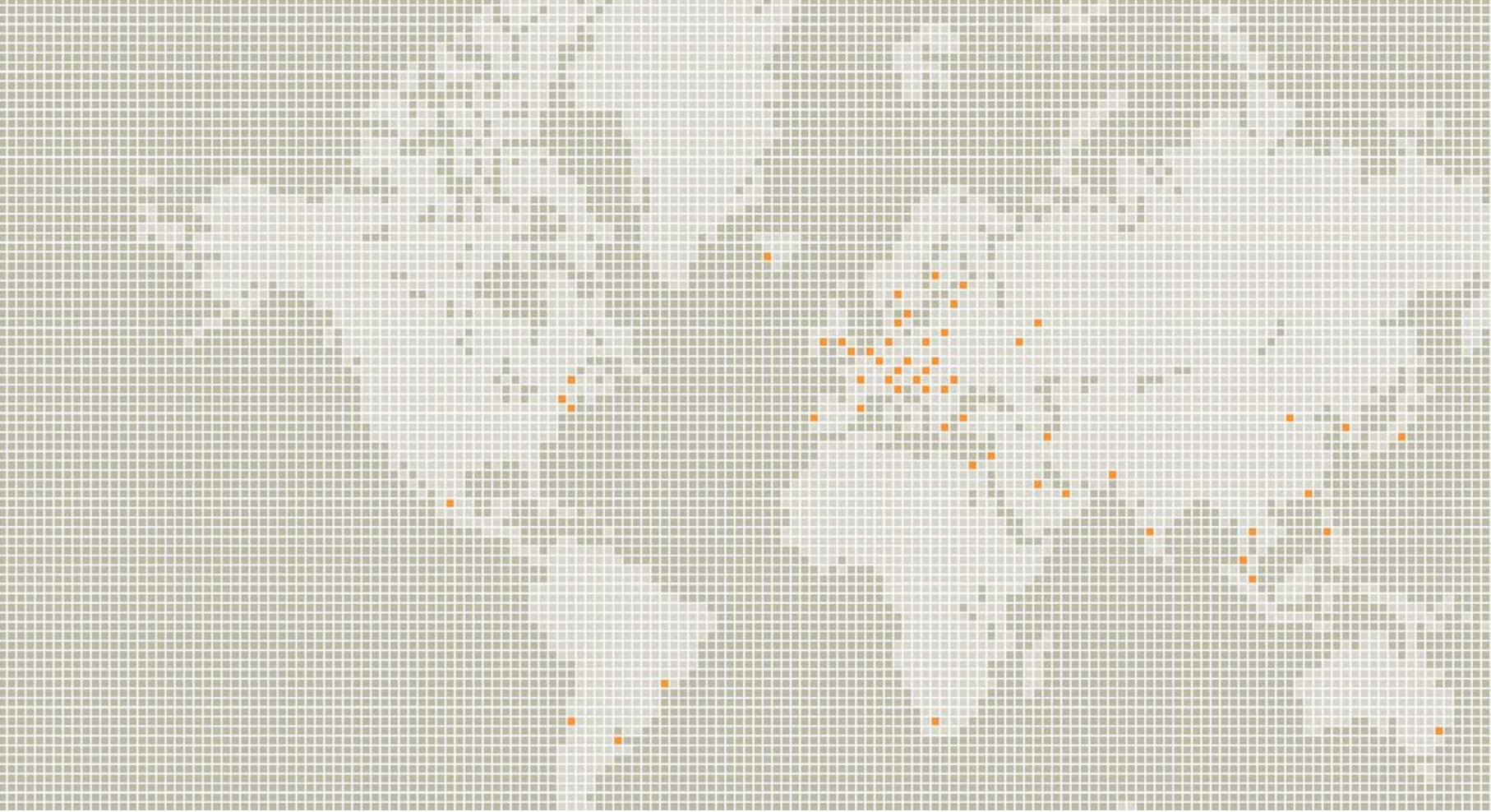
Share buy back programme

- Up to a maximum of DKK 400 million and within the 10% authorization granted at the Annual General Meetings



- The price for the shares to be bought at LFI A/S is the average price for all tradings on the stock exchange the same day
- All shares to be sold to H. Lundbeck A/S at the average price
- Lundbeck Foundation to maintain its shareholding at the same level



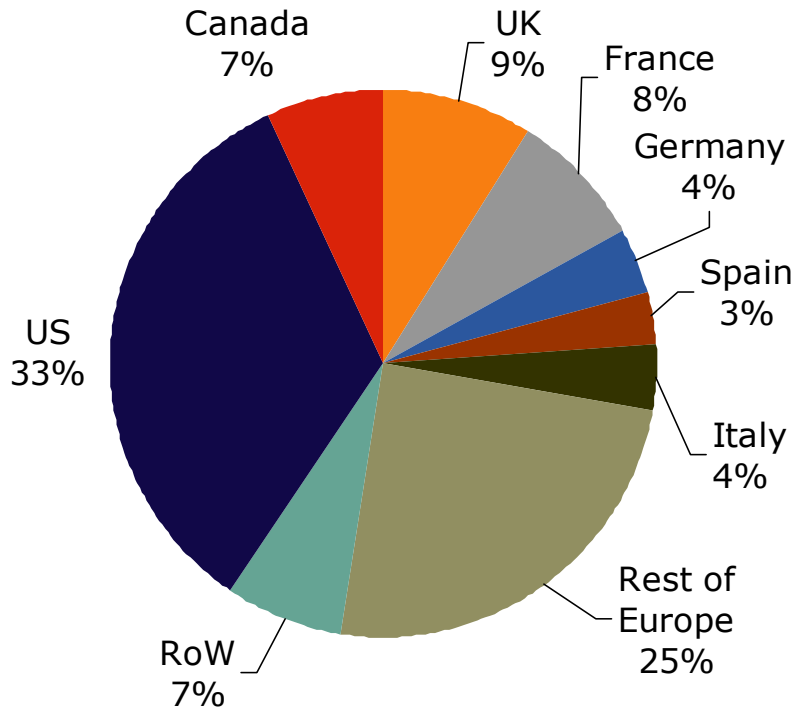


Business Update Europe

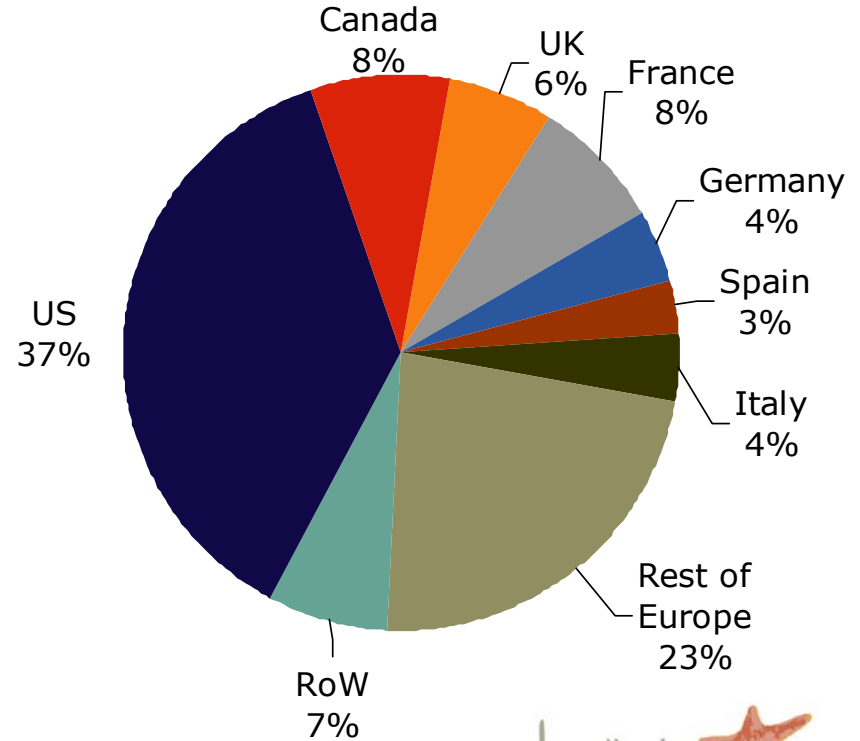


70% of total revenue generated on the 7 largest markets for antidepressants in the world

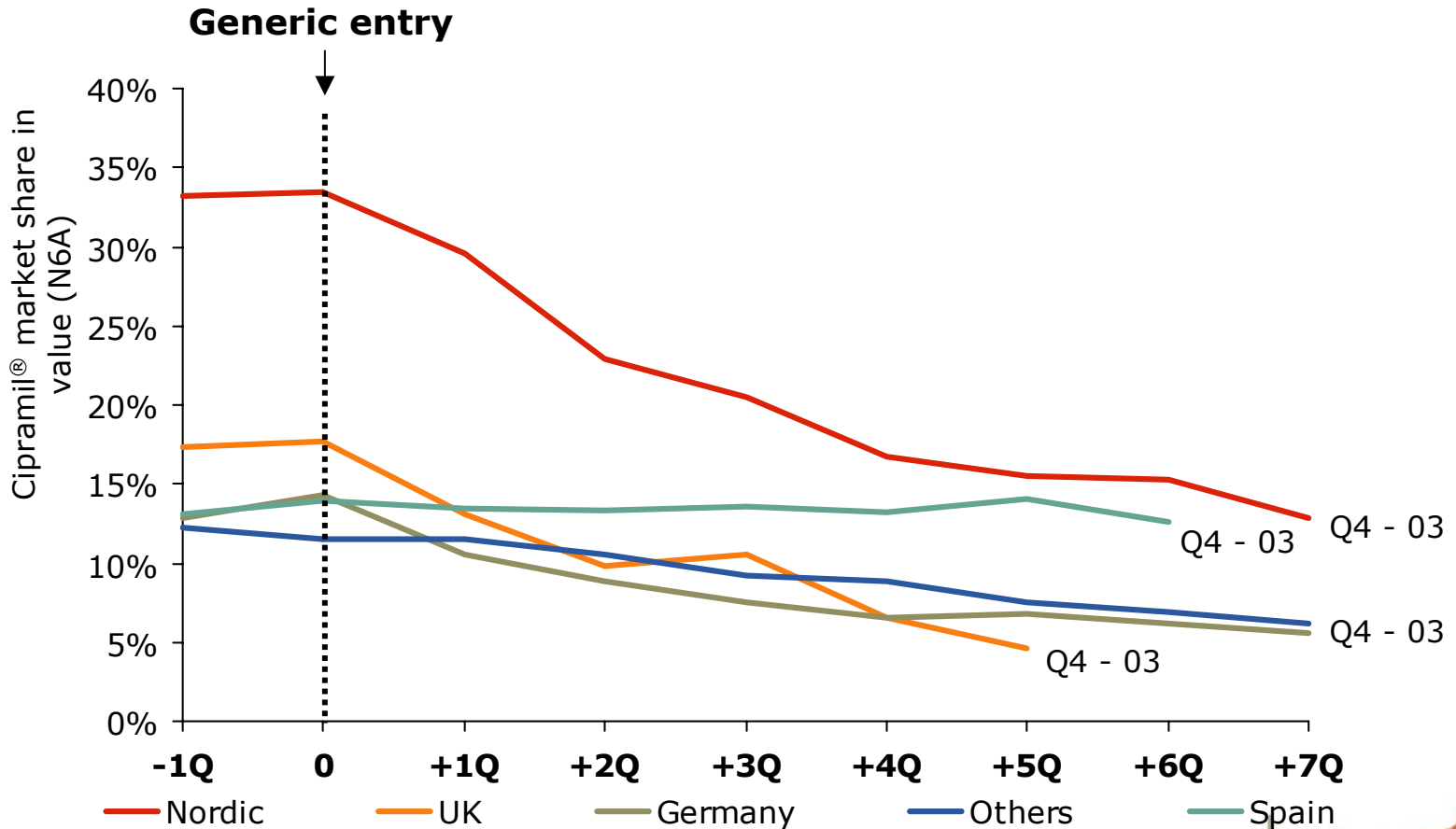
2002



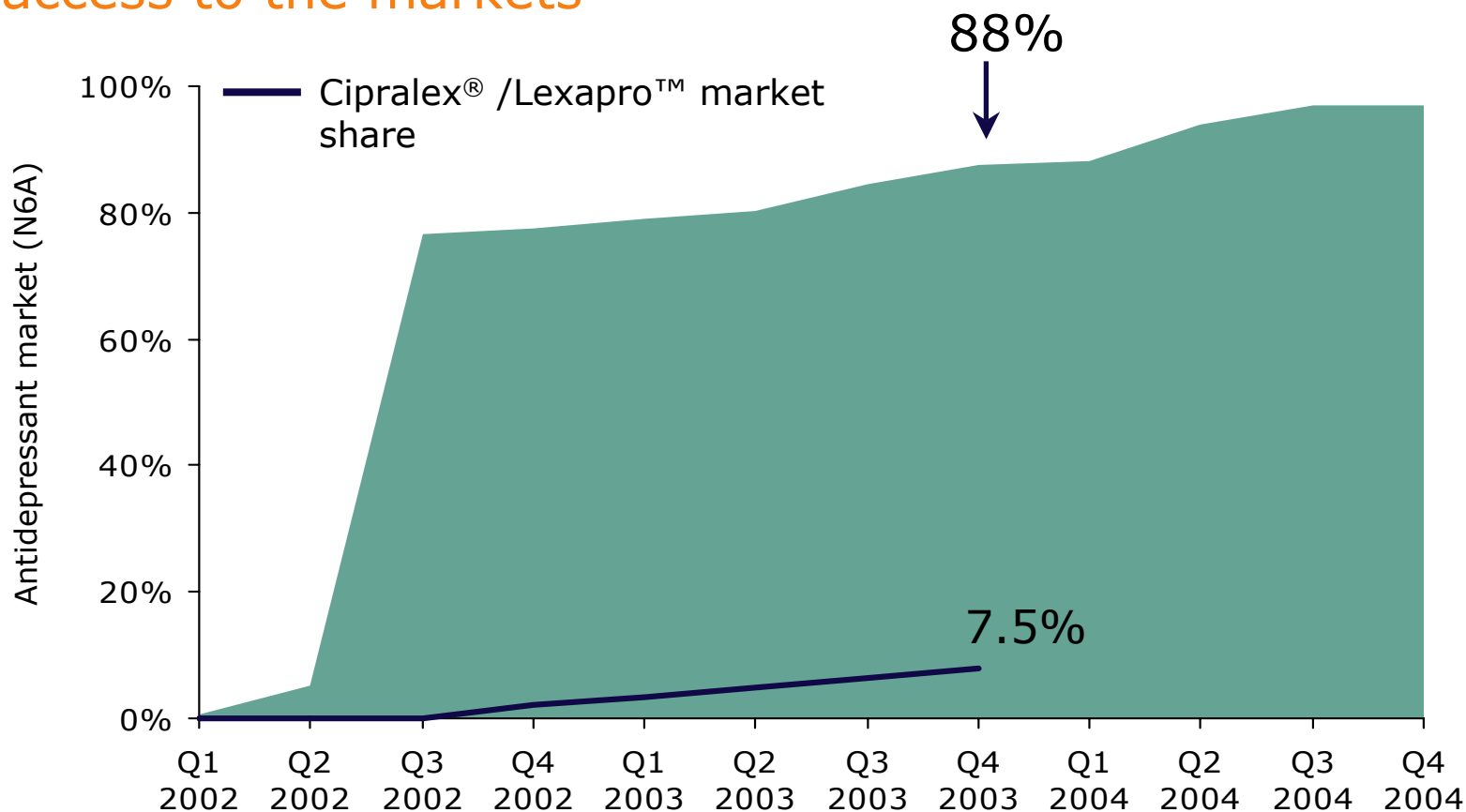
2003



Generic loss taken on markets with generics for more than 12 months



A true global Cipralex®/Lexapro™ launch – getting access to the markets



Source: IMS, 2003

Lundbeck markets: 27% of total N6A market
 US: 71% of total N6A market
 Japan: 2% of total N6A market

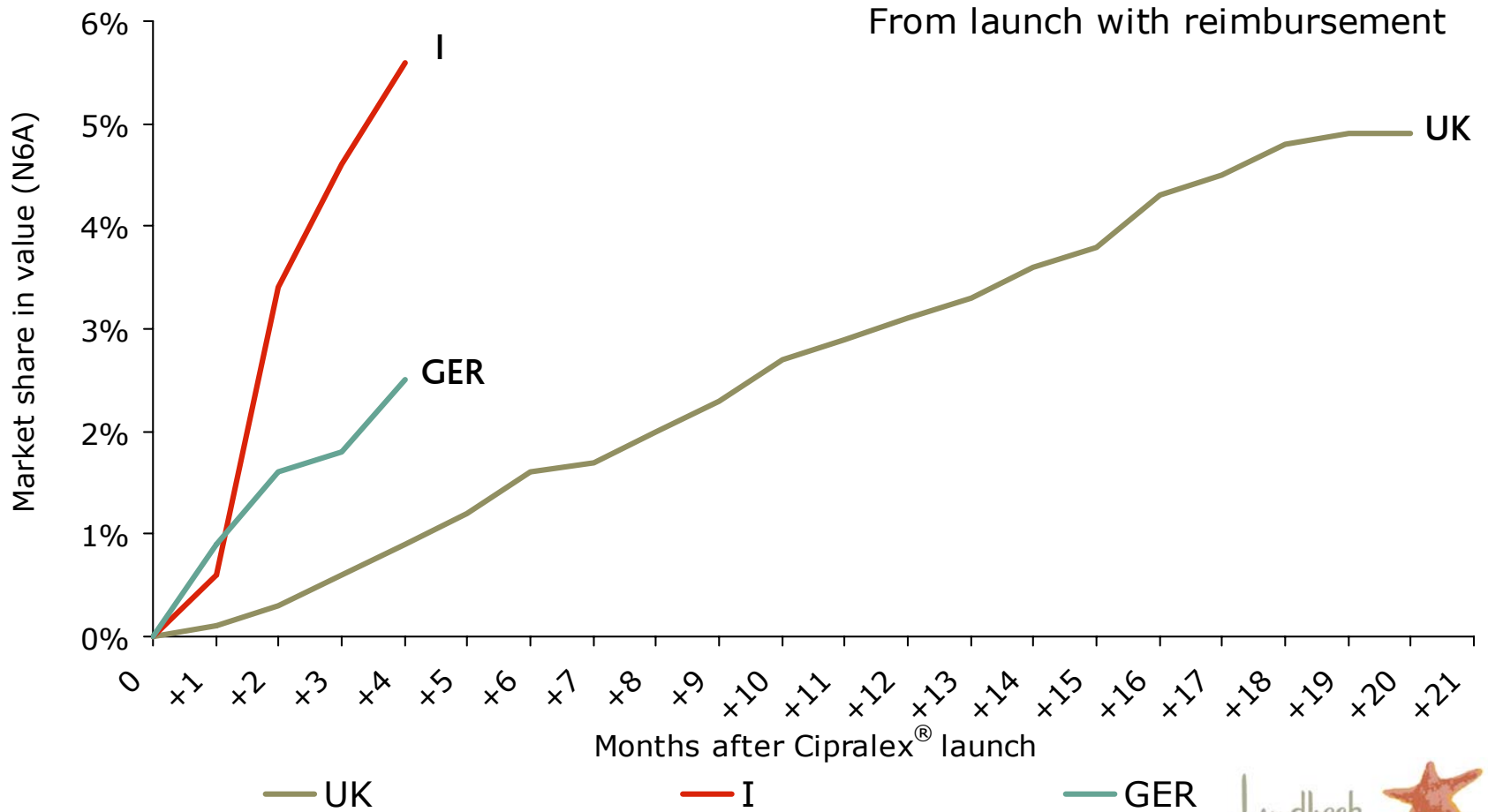


Cipralex[®] now launched in almost 50 countries

Cipralex [®] Launched		Launch 2004
Asian countries	New Zealand	Asian countries
Australia	Middle East countries	Canada
Austria	Norway	Egypt
Belgium	Portugal	France
Denmark	South America	Hungary
Eastern Europe	Sweden	Middle East countries
Finland	Switzerland	Russia
Germany	Turkey	South Africa
Ireland	UK	Spain
Italy		
Mexico		



Launches of Cipralex® in major markets, Europe

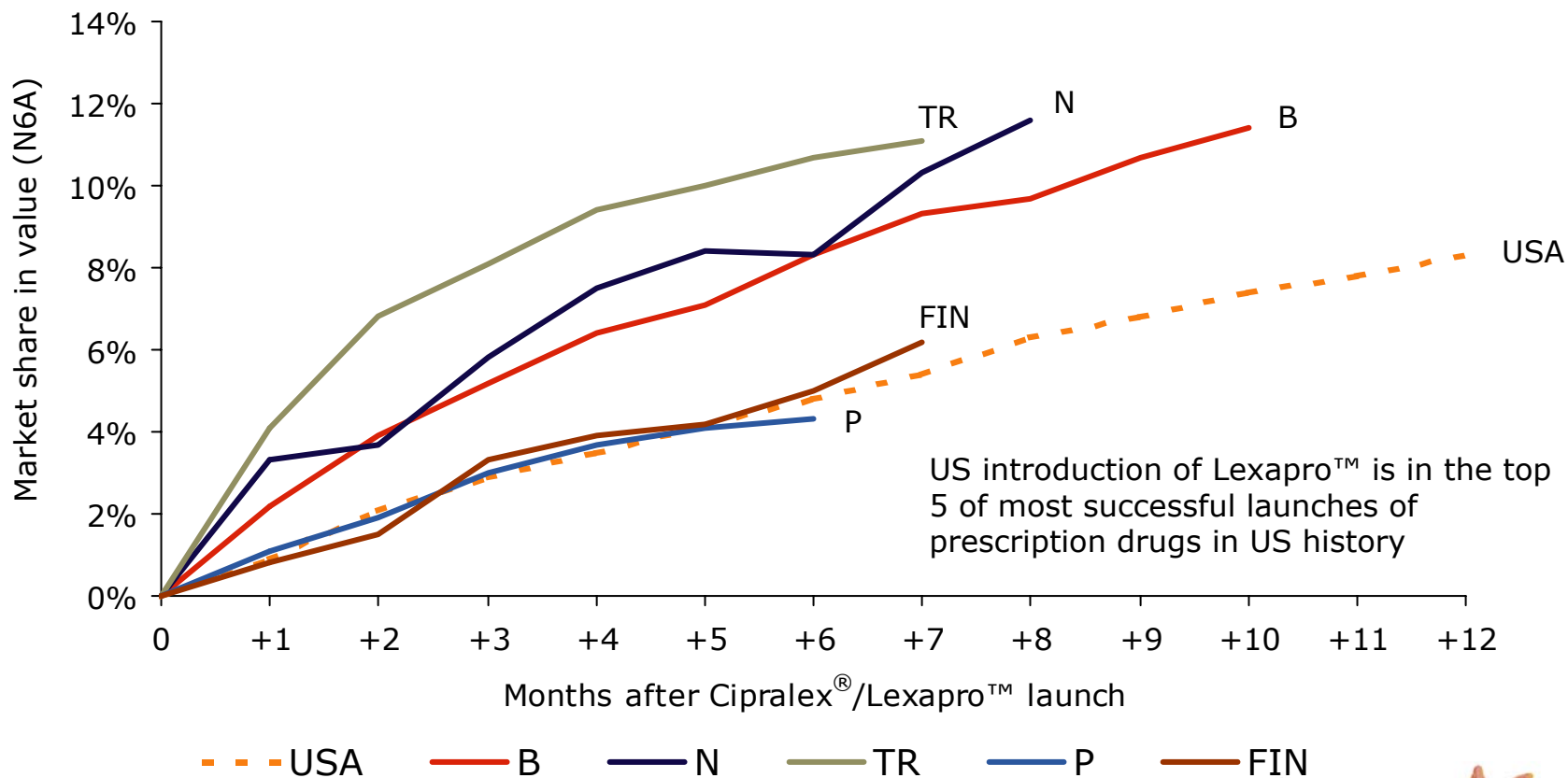


Source: IMS, N6A



Launches of Cipralex[®] in the last 12 months, Europe

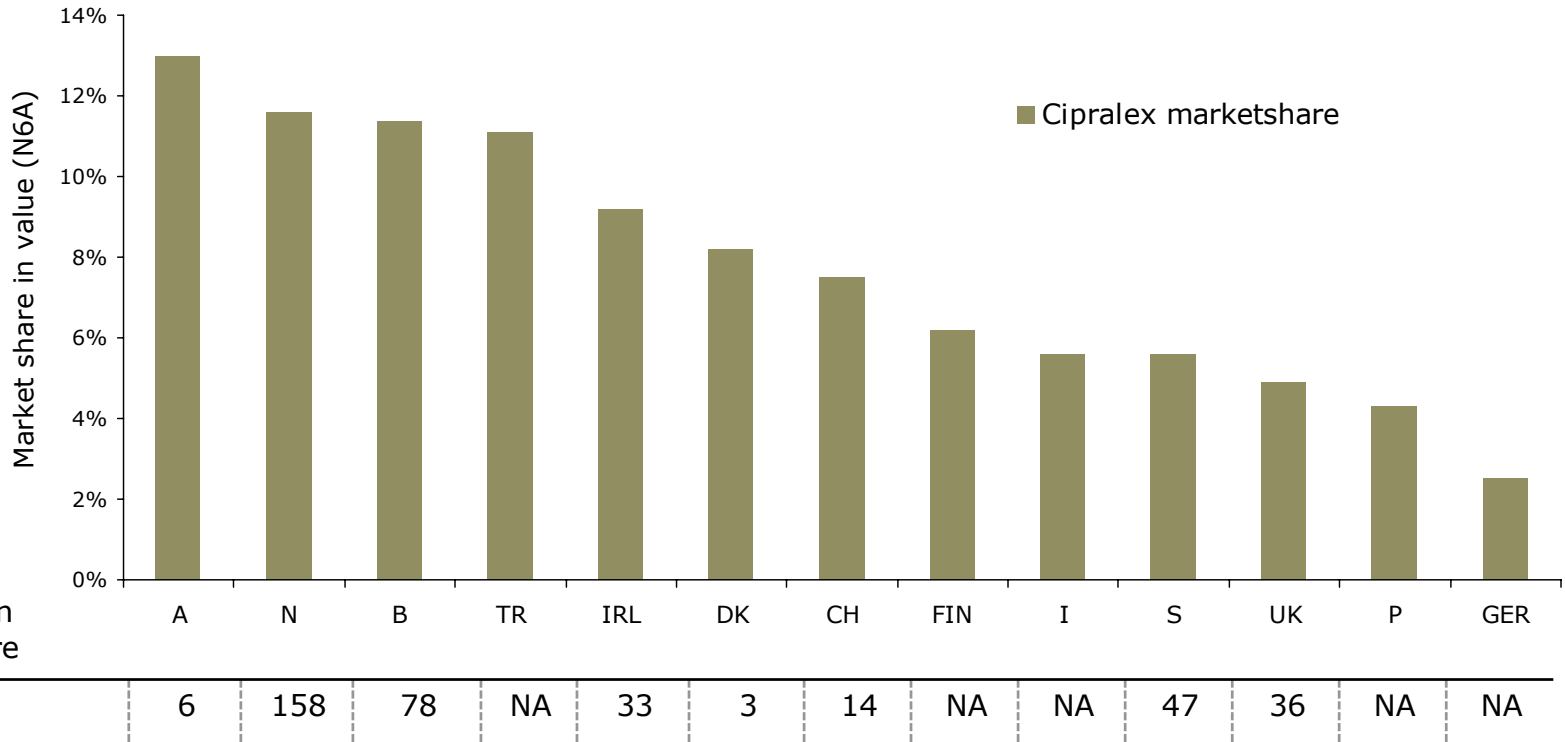
From launch with reimbursement



Source: IMS, N6A



Cipralex® market position

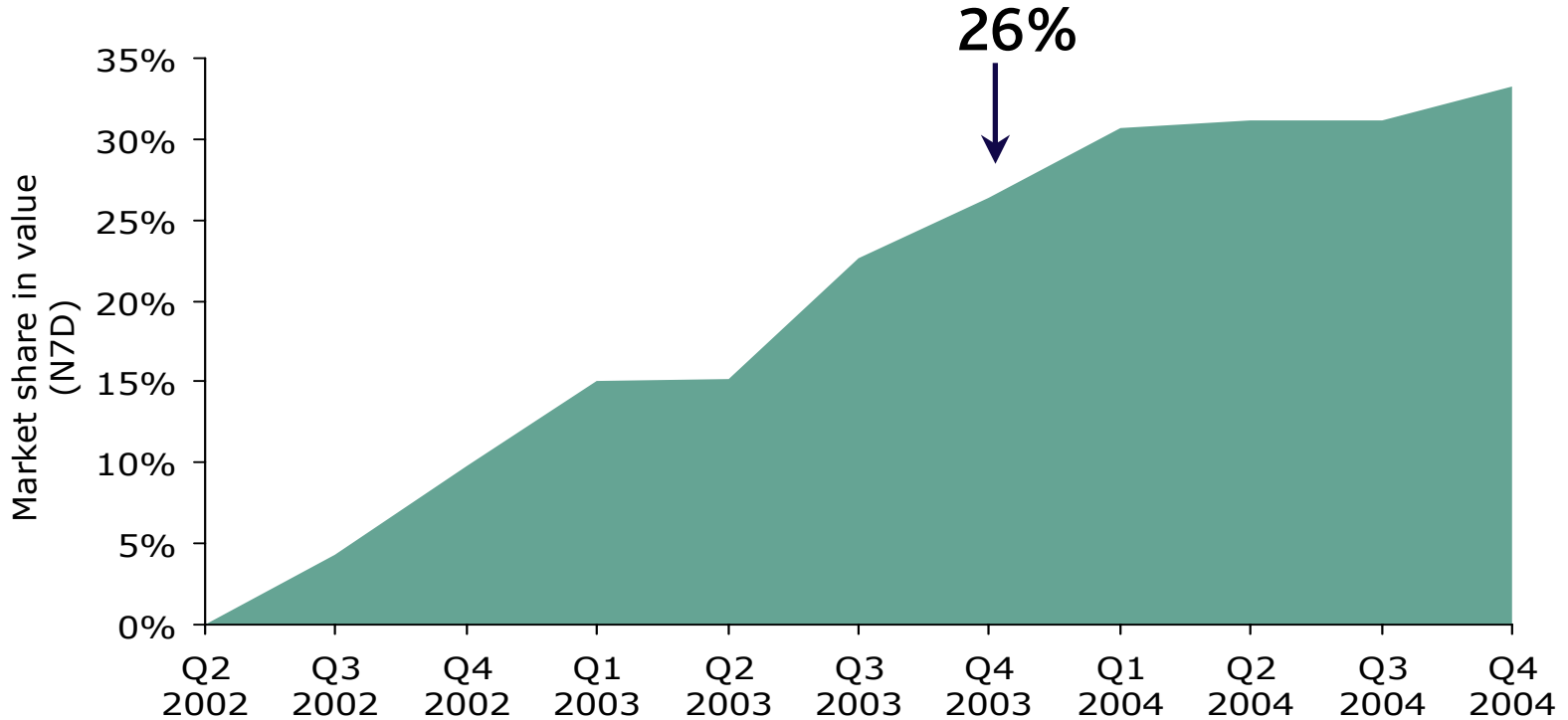


Source: IMS, N6A

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Ebixa® launch – getting access to the markets



Source: IMS, 2003

Lundbeck markets:

34% of total N7D market

{	US:	55% of total N7D market
	Japan & RoW:	11% of total N7D market



Ebixa® launch update

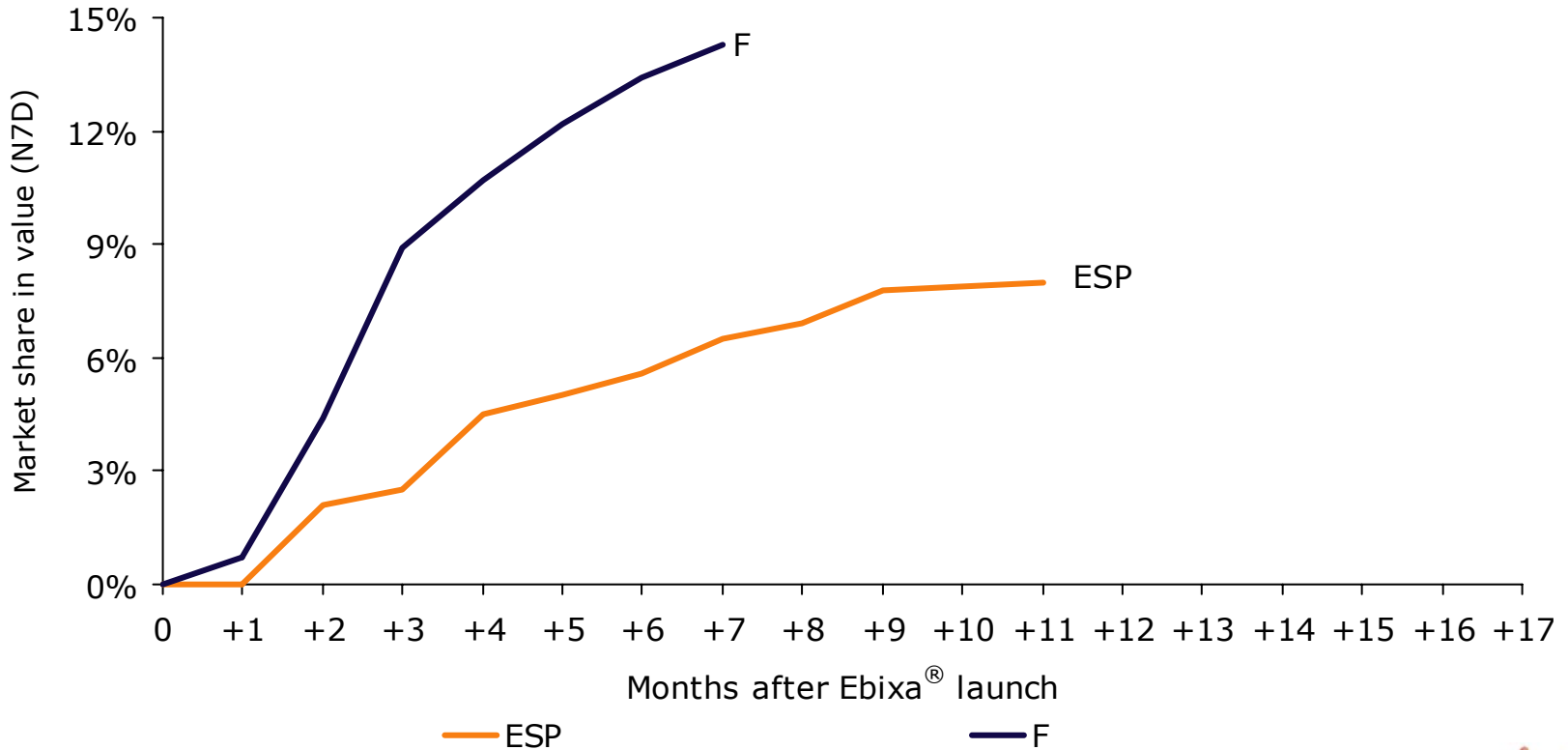
Ebixa® Launched		Launch 2004
Australia*	Mexico	Argentina
Austria	Scandinavia	Asian countries
Brazil	Eastern Europe	Canada
France	Singapore	Chile
Germany	Ukraine	Czech Republic
Greece	Spain	India
Holland	Switzerland	Italy
UK	Turkey	Middle East countries
Ireland	Belgium	

*Awaits reimbursement



Launches of Ebixa® during last 12 months in major markets, Europe

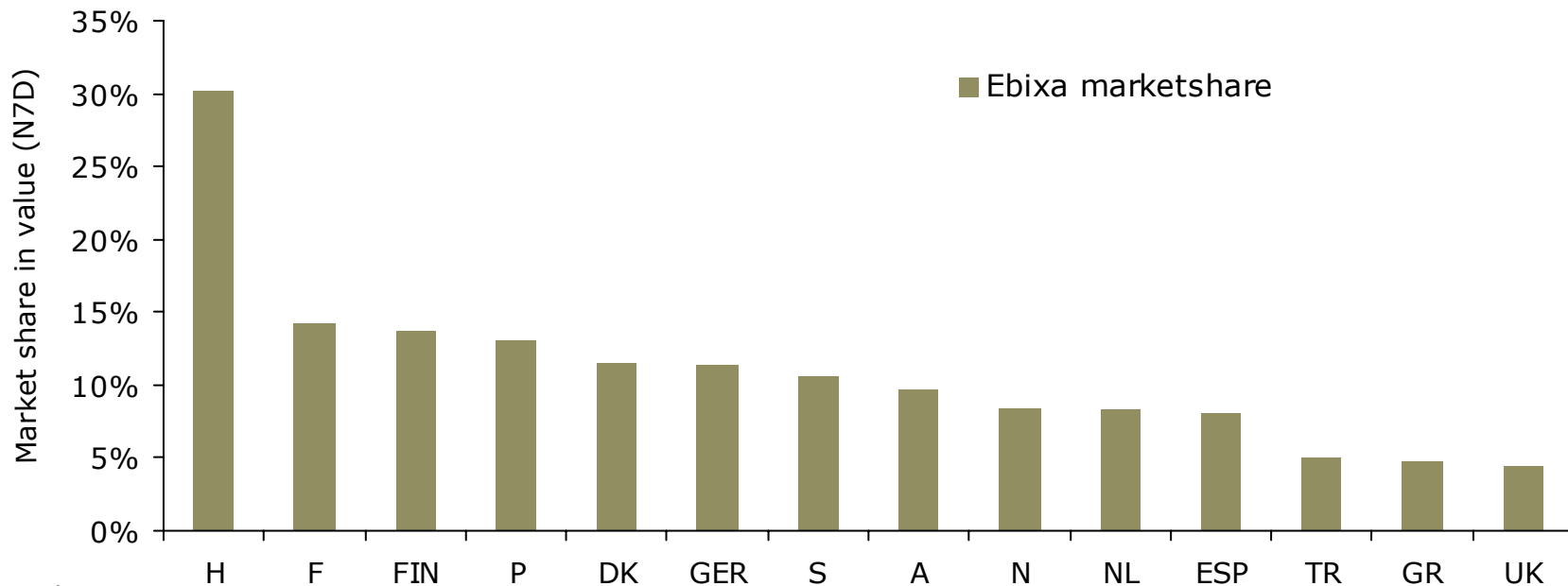
From launch with reimbursement



Source: IMS, N7D



Ebixa® market position



%-growth in market share

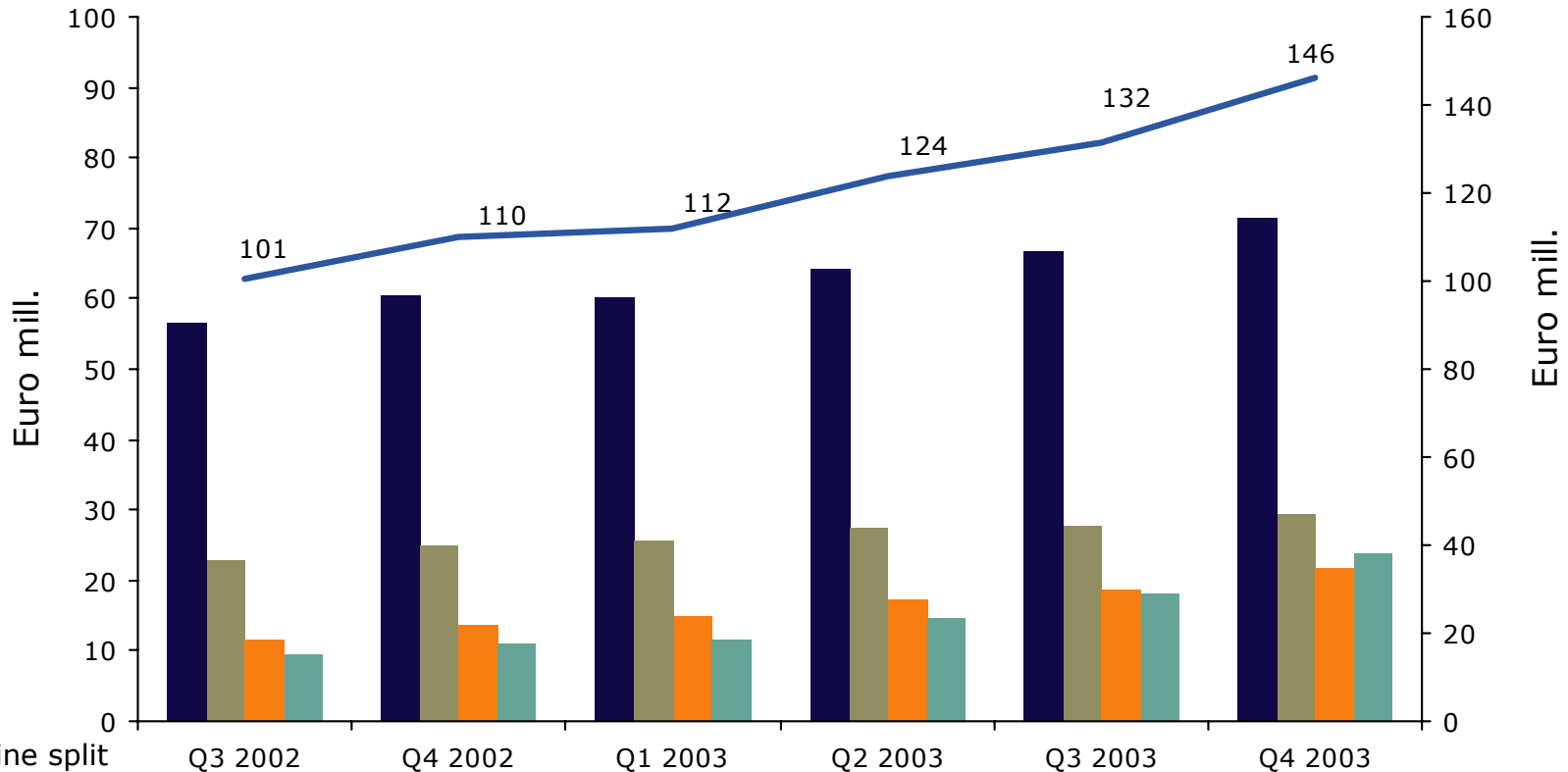
6 months	6	>999	89	NA	22	20	41	24	87	40	57	NA	20	43
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Source: IMS, N7D



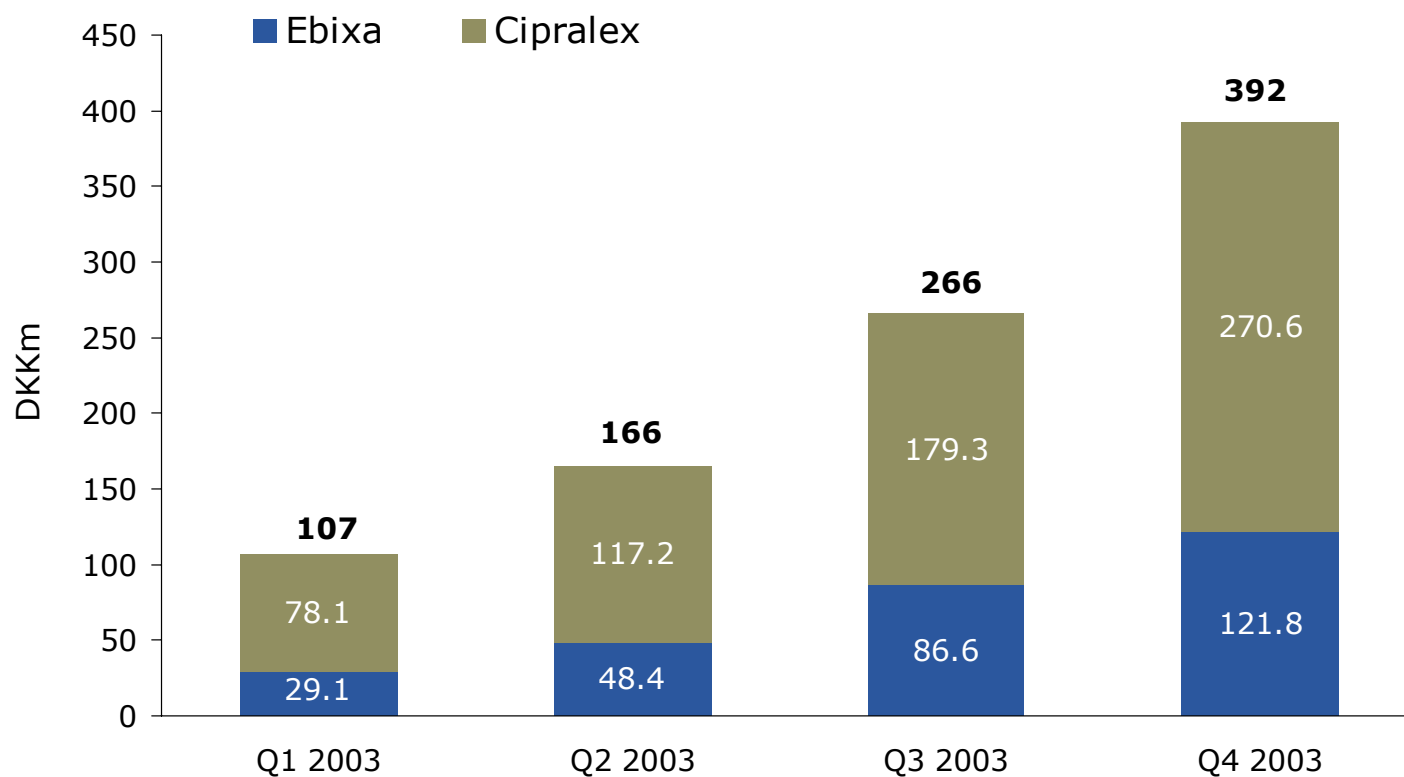
Memantine has surpassed galantamine in Europe

■ Donepezil ■ Rivastigmine ■ Galantamine
■ Memantine — Anti-Alzheimer's market



Memantine split	Q3 2002	Q4 2002	Q1 2003	Q2 2003	Q3 2003	Q4 2003
Ebixa®	7%	16%	25%	34%	42%	51%
Axura®	93%	84%	75%	66%	58%	49%

Quarterly Ebixa® and Cipralex® group revenue figures



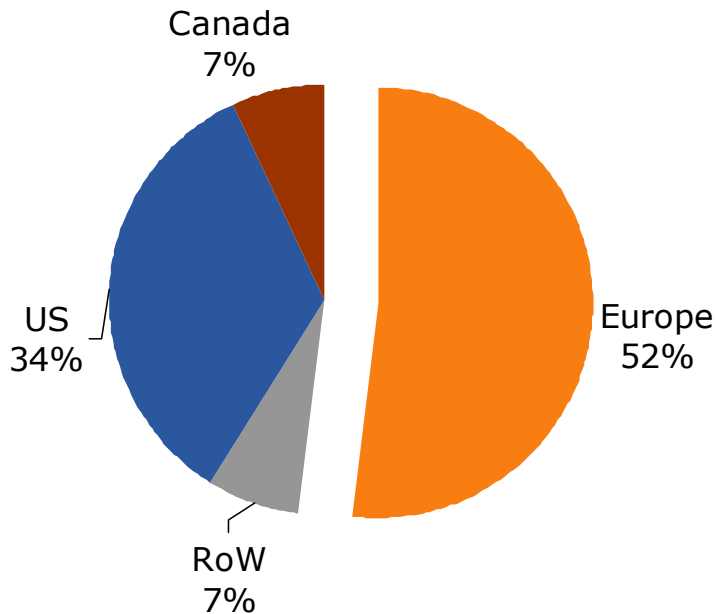


Business Update US & RoW

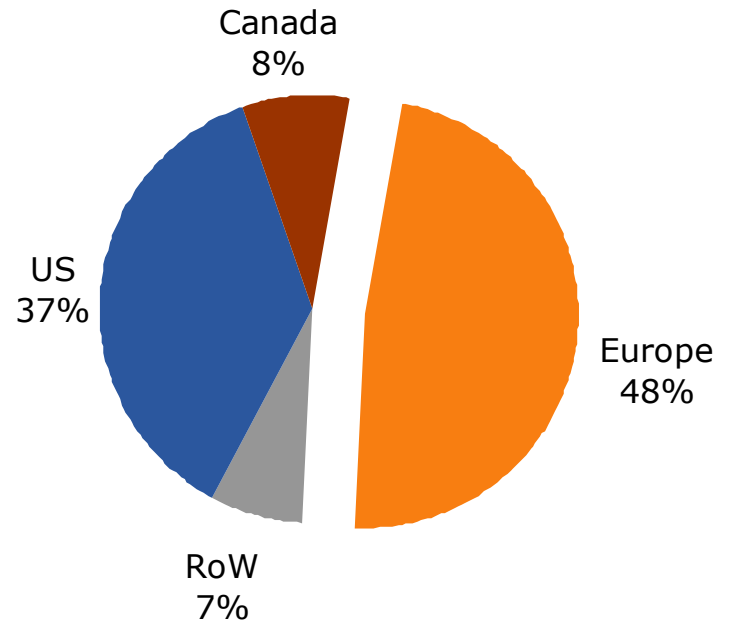


A major part of revenue is now generated outside Europe

2002



2003



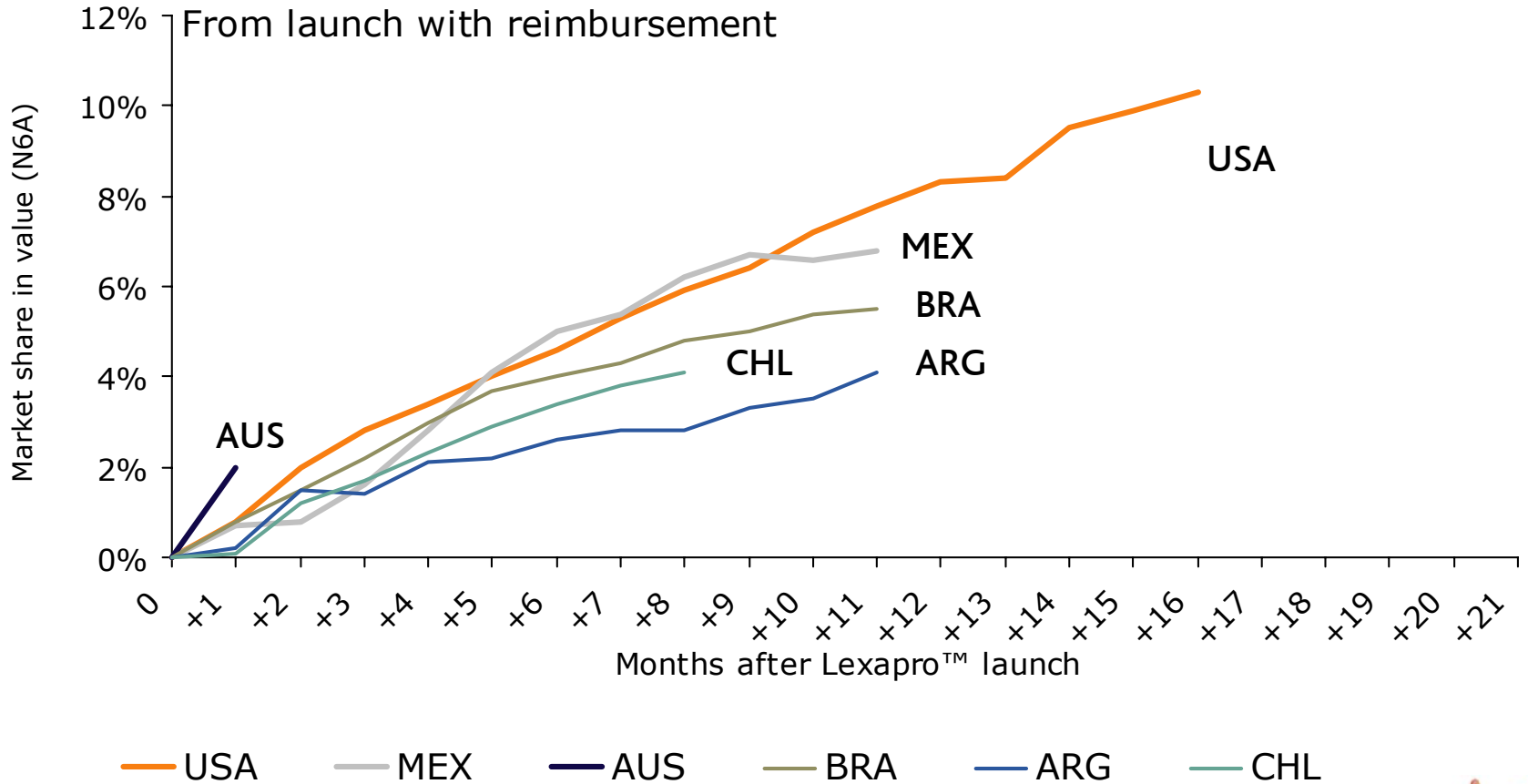
Growth in markets outside Europe

DKKm	2002	2003	DKK growth	CER growth
US	3,172	3,695	16%	19%
Canada	618	767	24%	34%
Latin America	128	159	24%	61%
Australia	152	112	-26%	-26%
Asia	77	109	41%	67%
Others	297	286	-4%	4%
Total	4,444	5,127	14%	21%

- Figures includes total revenue generated in each market/region
- Gains/losses on hedging deducted from 2002 and 2003 figures in CER calculation

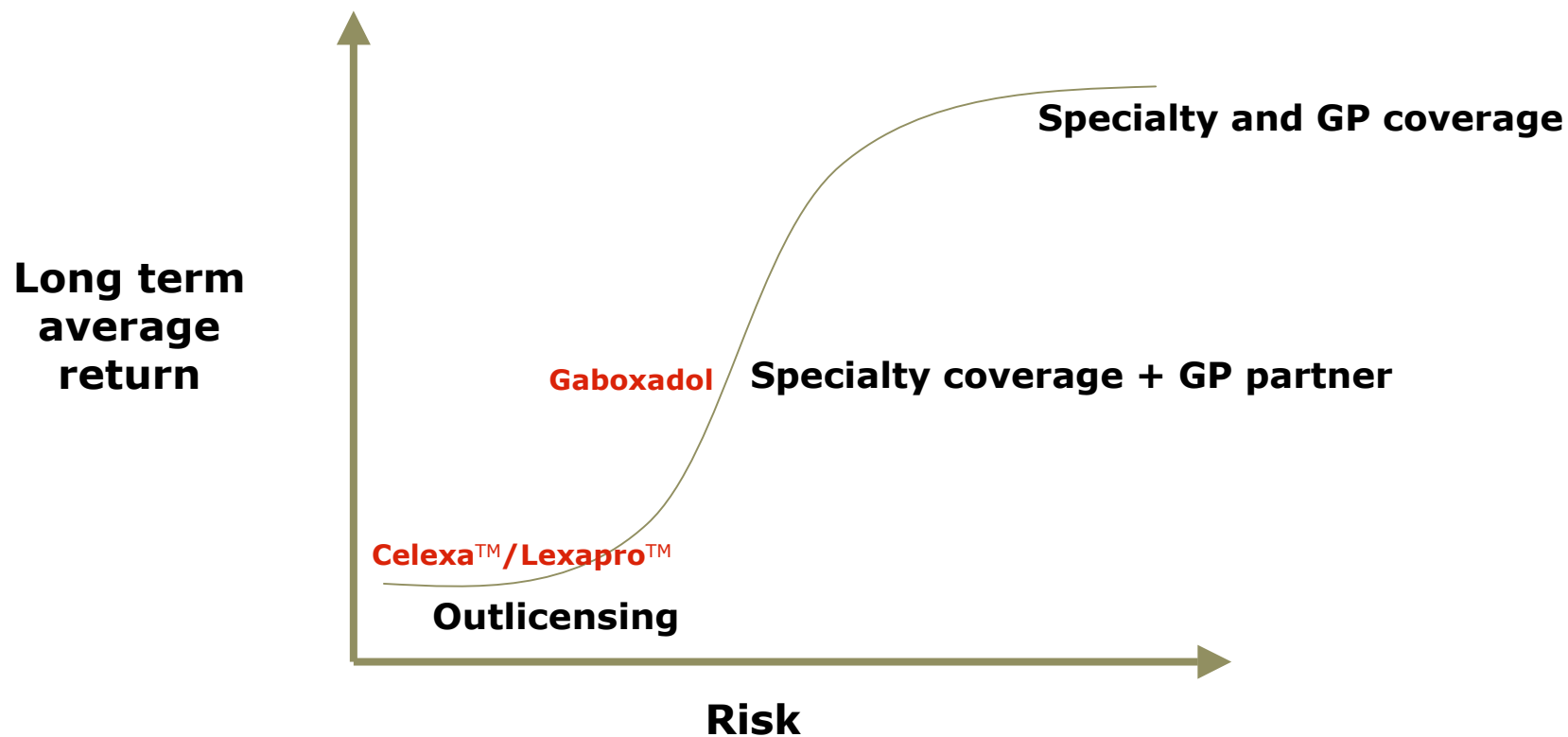


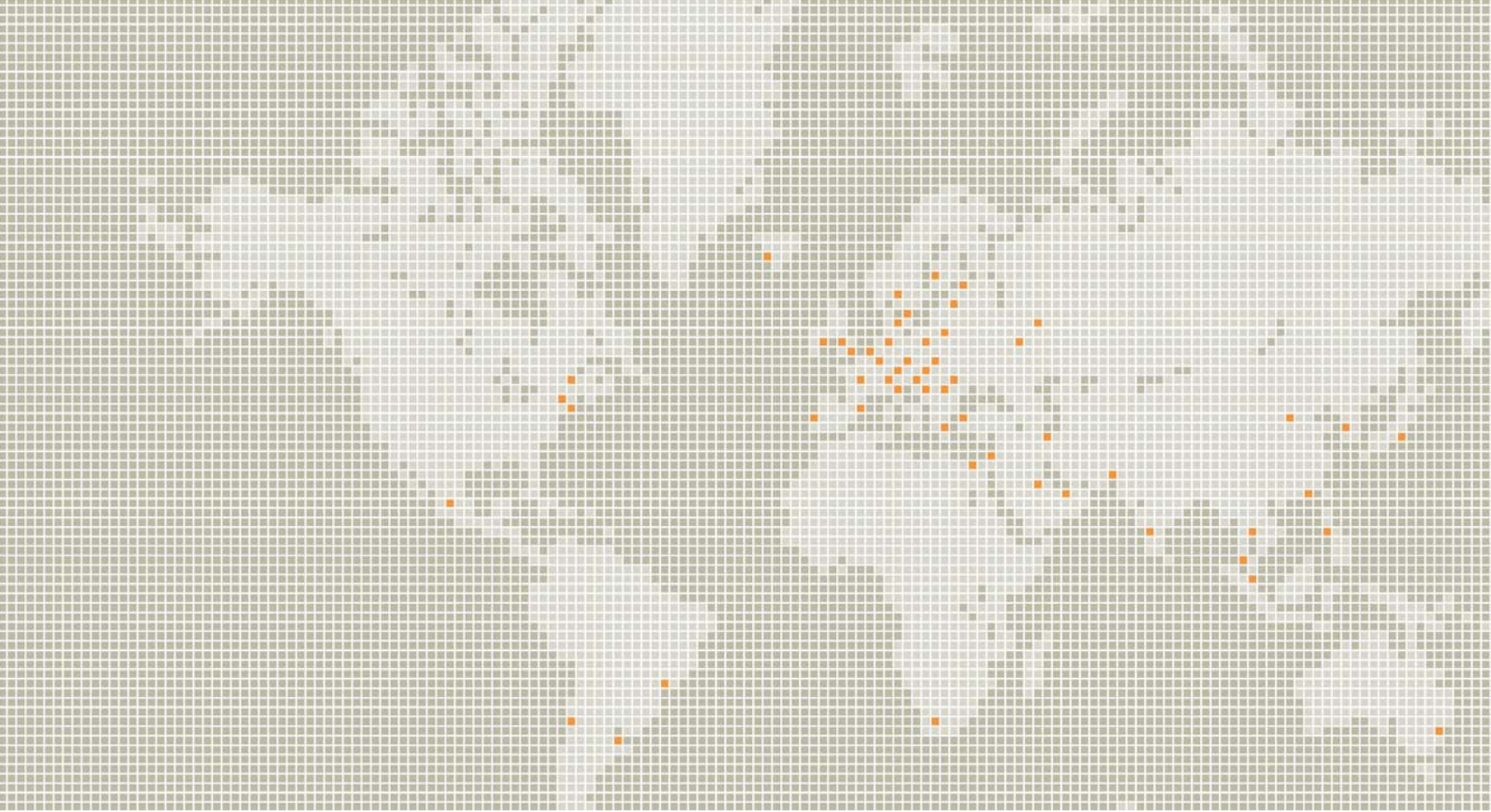
Significant launches of Lexapro™ outside Europe



Source: IMS, N6A

Lundbeck's US business model





Pipeline & Concluding Remarks



Pipeline

Compound	Activity	Indication	Dev. stage	2004	2005	2006	2006+
Rasagiline	MAO-B	Parkinson's	NDA	Launch			
Escitalopram	SSRI	Generalised anxiety disorder	III	NDA	Launch		
Memantine	NMDA antagonist	Mild to moderate Alzheimer's	III	NDA	Launch		
Sertindole	D ₂ -5HT ₂	Schizophrenia	PMS		Launch		
Bifeprunox	Dopamine/serotonin	Schizophrenia	III		NDA	Launch	
Gaboxadol	GABA _A agonist	Sleep disorder	III				NDA
CEP 1347	Kinase inhibitor	Parkinson's +	II&III				NDA
Lu AA21004	SRI+	Depression	I				--
Lu 31-130	Monoaminergic	Psychosis	I				--



Capital Market Day

Lundbeck will host a Capital Market Day 16 September 2004

Venue

At Lundbeck premises
Ottiliavej 7-9, Valby
DK-2500 Copenhagen

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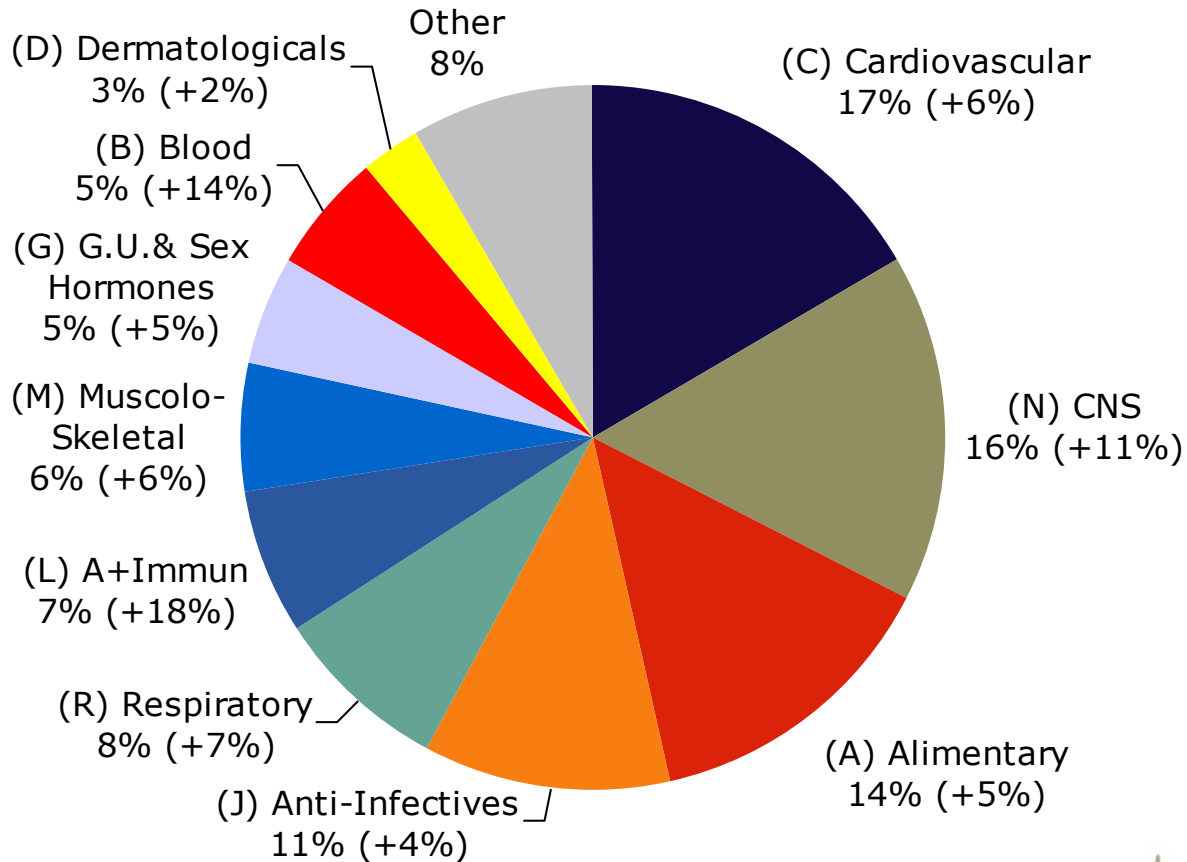


Appendix



Worldwide pharmaceutical market 2002

USD 400,6 billion, (+7%)

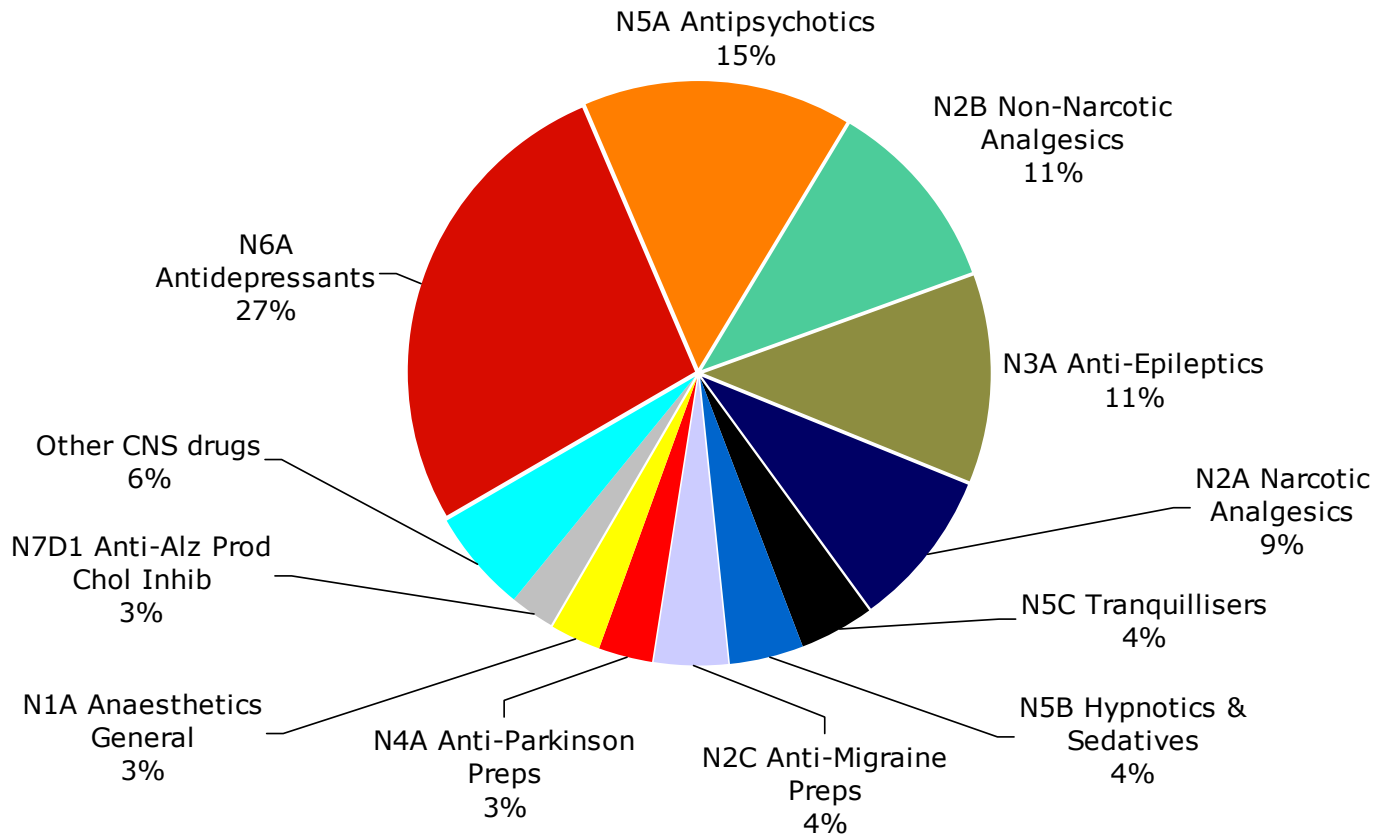


Source: IMS World Review 2003
Growth rates 2001-2002 added in brackets)



Worldwide CNS market 2002

USD 64,4 billion, (+11%)

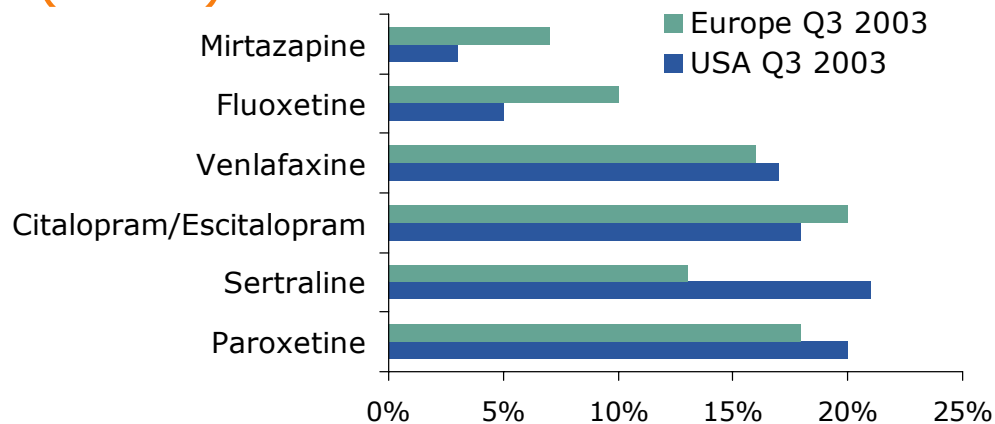
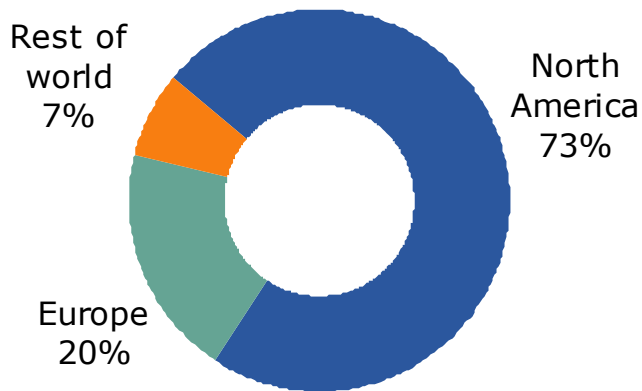


Source: IMS World Review 2003
Growth rates 2001-2002 added in brackets)



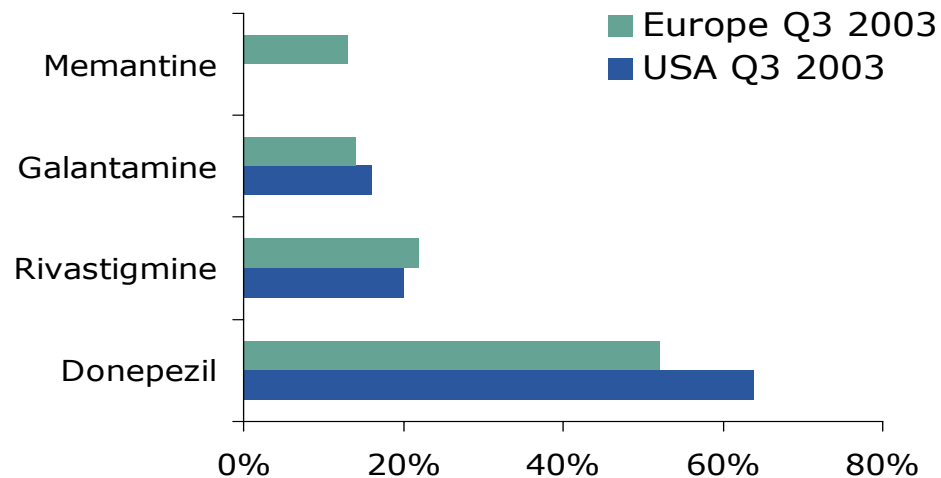
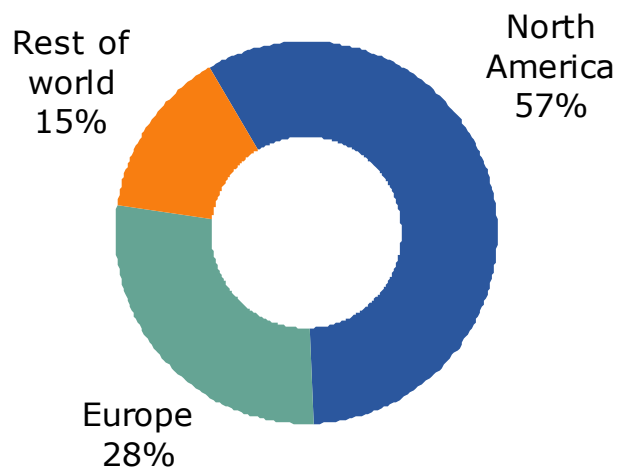
Depression – 17.1 bill. USD (+6%)

Market shares of SSRI/SNRI



Leading product	Marketing Corporation	Sales 2002 (USDm)	Growth in %
Seroxat®/Paxil®	GlaxoSmithKline	3,342	15
Zoloft®	Pfizer	2,939	13
Effexor®	American Home	2,190	34
Cipramil®/Celexa™	Lundbeck/Forest	2,155	30
Wellbutrin®	GlaxoSmithKline	1,482	29
Prozac®	Eli Lilly	792	-67
Remeron®	Akzo Nobel	733	23
Fluoxetine Par®	Par Pharm	307	69
Serzone®	Bristol-Myers Squib	278	-29
Fluoxetine Barr®	Barr Labs	253	-31

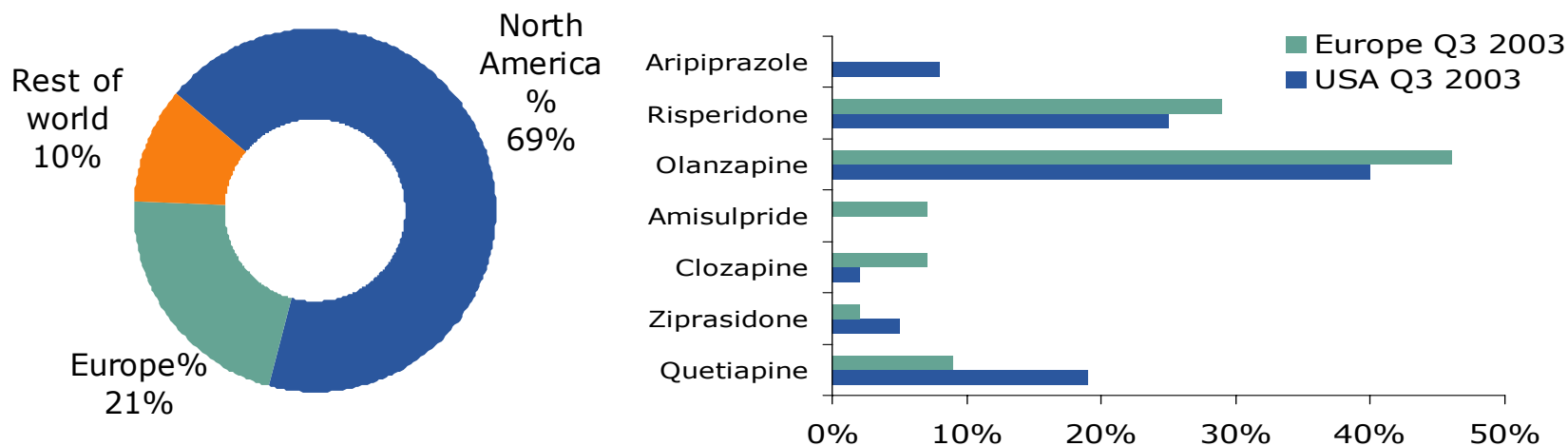
Alzheimer's – 1.6 bill. USD (+33%)



Leading product	Marketing Corporation	Sales 2002 (USDm)	Growth in %
Aricept®	Pfizer	1,128	22
Exelon®	Novartis	290	25
Reminyl®	Johnson & Johnson	165	268
Akatinol®*	Merz	19	-
Axura®*	Merz	18	-
Ebixa®*	Lundbeck	2	-

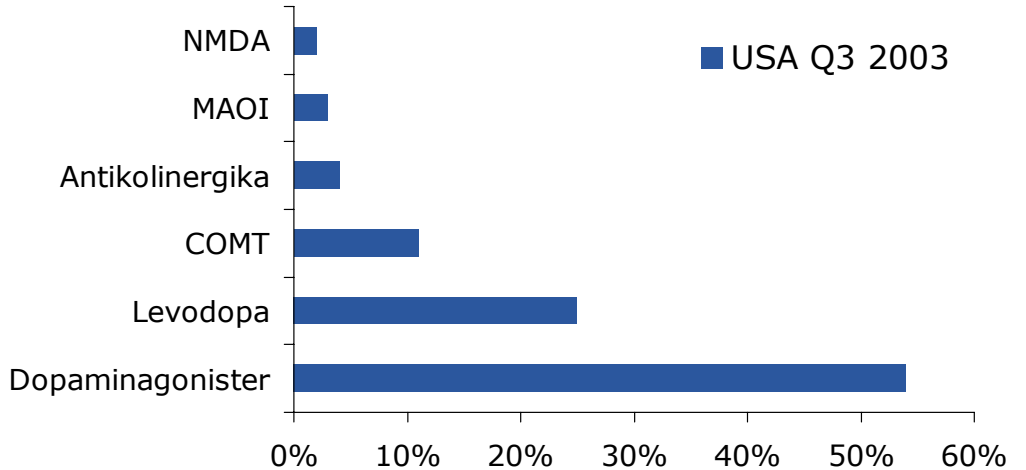
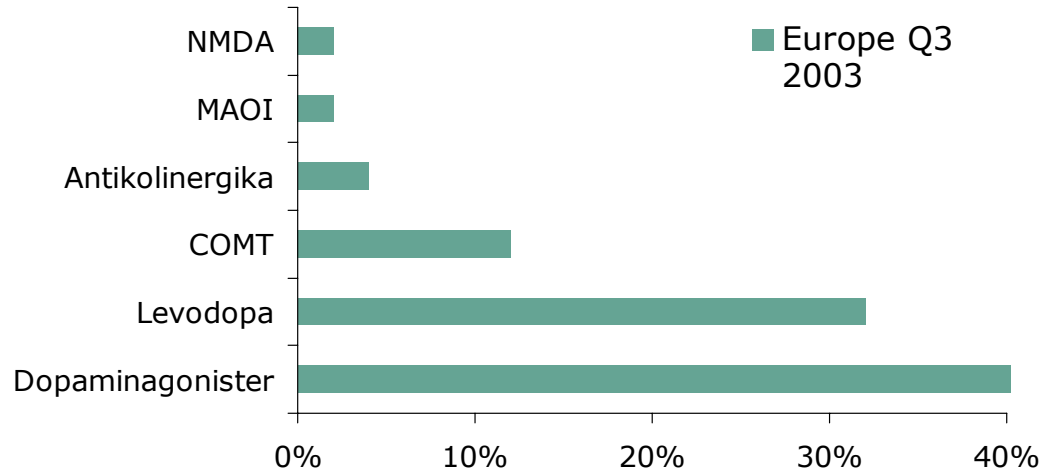
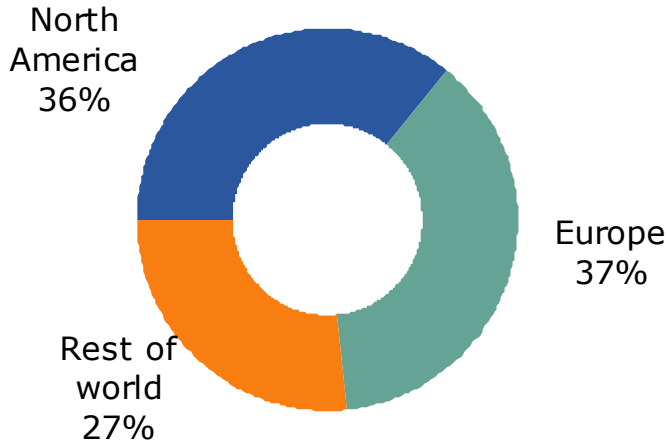
*) Not including hospital sales, which account for approximately 10% of sales of anti-Alzheimer's drugs

Antipsychotics – 9.5 bill. USD (+20%)

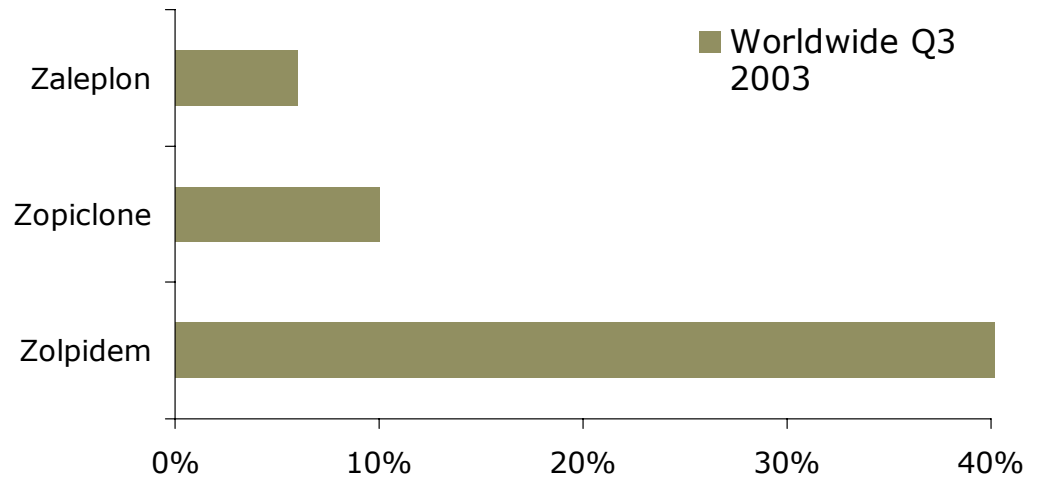
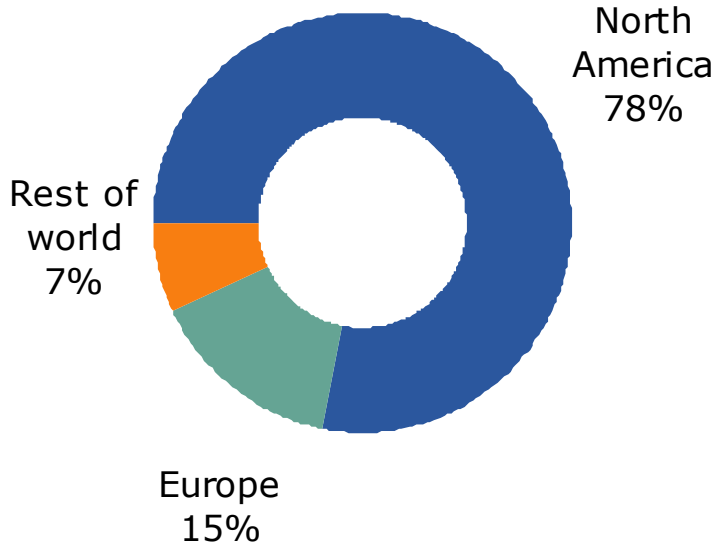


Leading product	Marketing Corporation	Sales 2002 (USDm)	Growth in %
Zyprexa®	Eli Lilly	4,032	22
Risperdal®	Johnson & Johnson	2,474	15
Seroquel®	AstraZeneca	1,262	57
Leponex®	Novartis	330	-3
Zeldox®	Pfizer	249	79
Solian®	Sanofi-Synthelabo	73	22

Anti-Parkinson's – 1.8 bill. USD (+8%)



Worldwide sales of insomnia drugs – 1.7 bill. USD (+22%)



Source: IMS
10/03/2004

