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Release No 166

17 August 2005

Interim report for the second quarter of 2005

The Supervisory Board of H. Lundbeck A/S today approved the company's interim report for the second quarter of 2005.

- The Group generated Q2 revenue of DKK 2,285 million, which was a 2% drop relative to same period of last year and an increase of 3% relative to Q1 2005. Adjusted for exchange rate fluctuations, Group revenue rose 1% relative to the year-earlier period.
- Sales of Lundbeck's new drugs (Cipralex®/Lexapro® and Ebixa®) rose 45% relative to the year before to DKK 1,572 million, corresponding to 69% of total revenue. Relative to Q1 2005, sales of new drugs were up by 9%.
- At the end of the quarter, Azilect® - Lundbeck's new drug for the treatment of Parkinson's disease – was launched in the United Kingdom, marking the first launch in Europe.
- The Group's combined second-quarter costs were on a level with last year. Relative to Q1 2005, costs rose by an anticipated 12%.
- Profit from operations was DKK 509 million, a decline of 11% relative to the year-earlier period. Relative to Q1 2005, profit from operations was down by 20%. The Q2 2005 EBIT margin was 22.3%.
- Lundbeck retains its forecast of a profit from operations of approximately DKK 2.2 billion in 2005.
- Today, the Supervisory Board resolved to issue warrants for up to a nominal value of DKK 4,000,000, corresponding to 800,000 shares.
- Lundbeck plans to launch a share buy-back programme of up to DKK 6 billion, scheduled to be completed by the end of 2007.

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Financial highlights for the period

In respect of recognition and measurement, the interim report has been prepared in accordance with IFRS and related interpretations of International Accounting Standards Board (IASB), which are expected to apply for the presentation of financial statements for the full year 2005. The comparative figures have been restated due to the implementation of IFRS 2 "Share-based payment" at 1 January 2005. The P&L for Q2 2005 has been impacted by DKK –7 million due to IFRS 2. The interim report is unaudited.

	Q2 2005 DKKm	Q2 2004 DKKm	Growth in DKK	Growth in local currencies	1H 2005 DKKm
Revenue	2,285	2,325	-2%	1%	4,503
- Cipralex®	653	398	64%	61%	1,186
- Lexapro®	654	518	26%	42%	1,317
- Ebixa®	265	171	55%	54%	507
- Other pharmaceuticals	645	1,178	-45%	-44%	1,369
- Other revenue	68	60	13%	9%	124
Costs					
- Cost of sales	399	392	2%		811
- Distribution and administration	955	923	3%		1,772
- Research and development	425	453	-6%		785
- Other operating expenses, net	-3	-15	-84%		-10
Profit from operations	509	572	-11%		1,145
Net financials	90	-8	--		140
Net profit for the period	439	380	16%		891
Earnings per, EPS	1.96	1.66	18%		3.97
Free cash flow	746	670			962
Number of employees	5,027	5,104			

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Financial forecast and targets

Lundbeck retains its forecast of a profit from operations of approximately DKK 2.2 billion and retains other forecasts and targets as follows:

	2003 DKKm	2004 DKKm	2005 forecast	2006 target	2007 target
Profit from operations	2,147	2,133*	Approx. DKK 2.2 billion	+12%	+12%
EBIT margin	21.6%	22.9%*	Higher than in 2004		25%
Investments	1,479	244	Approx. DKK 550 million		

*) Adjusted for the DKK 421 million initial payment from Merck & Co., Inc in Q1 2004 concerning the development and commercialisation of gaboxadol for the treatment of sleep disorders.

Moreover, Lundbeck expects that research and development costs will account for approximately 20% of revenue in 2005 and that the tax rate will be about 30% for 2005, subject to stable exchange rates, and about 32% in the following years.

Revenue

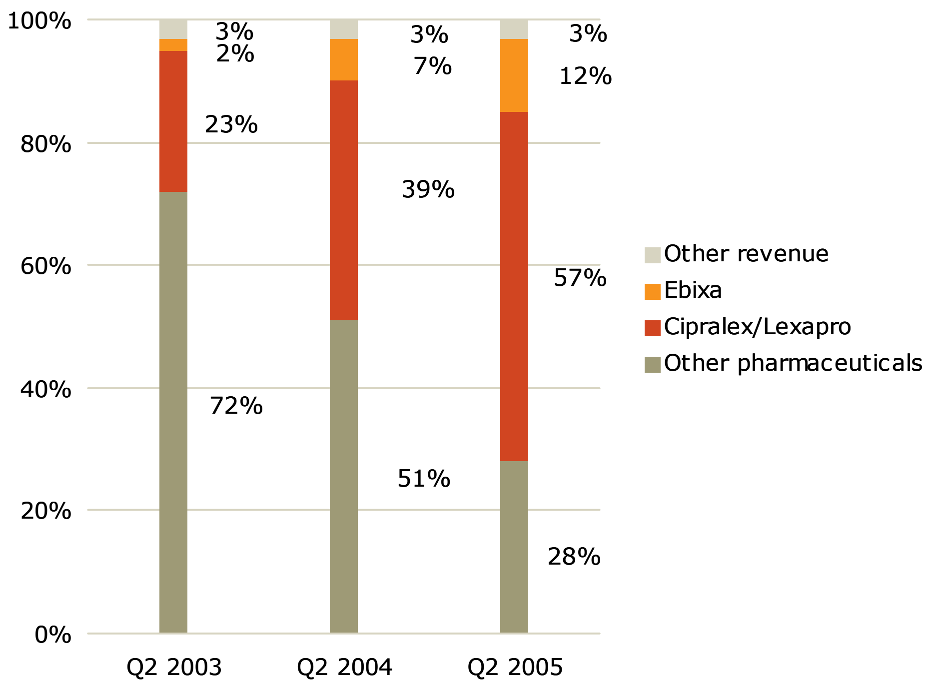
The Group generated Q2 revenue of DKK 2,285 million, which was a 2% drop relative to same period of last year and an increase of 3% relative to Q1 2005. Adjusted for exchange rate fluctuations, Group revenue rose 1% relative to the year-earlier period.

Group

	Q2 2005 DKKm	Q2 2004 DKKm	Growth in DKK	Growth in local currencies	1H 2005 DKKm
Cipralex® / Lexapro®	1,307	916	43%	51%	2,503
Ebixa®	265	171	55%	54%	507
Other pharmaceuticals	645	1,178	-45%	-44%	1,369
Other revenue	68	60	13%	9%	124
Total revenue, Group	2,285	2,325	-2%	1%	4,503

Group revenue is driven by the positive trends in the company's sales of new drugs - Cipralex®, Lexapro® and Ebixa®. This applies especially for Europe where the decline in sales of other drugs is more than compensated by sales of the new drugs.

Revenue by product



In Q2 2005, new drugs made up 69% of the Group's total revenue compared with 46% in Q2 2004. The company retains its expectation that revenue from new drugs will represent approximately 70% of the Group's full-year revenue for 2005.

Europe

	Q2 2005 DKKm	Q2 2004 DKKm	Growth in DKK	Growth in local currencies	1H 2005 DKKm
Cipralex®	534	339	58%	56%	963
Ebixa®	241	162	49%	49%	464
Other pharmaceuticals	506	670	-24%	-25%	1,041
Total revenue, Europe	1,281	1,171	9%	11%	2,468

In Europe, Cipralex® and Ebixa® continue to conquer market shares, and quarter-on-quarter sales of both these drugs continue to grow.

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Quarterly revenue of Cipralex® and Ebixa® in Europe

Cipralex® and Ebixa®	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005
Revenue	442	501	551	585	652	775
Growth, q/q		13%	10%	6%	11%	19%

At the end of Q2 2005, Cipralex® held 8.0% of the European antidepressants market in terms of value, compared with 5.2% at 30 June 2004 and 6.9% at 31 March 2005. The launch of Cipralex® in Europe was further strengthened in Q2 following the launch in France, the biggest antidepressants market in Europe. After about one month in the market, Cipralex® holds a share of 2.5% of the French market, which makes it a good starting point to fulfil management's expectations of a successful launch in France.

The launch of Azilect® for the treatment of Parkinson's disease in several European markets later this year and the expected launch of Serdolect® are set to further strengthen Lundbeck's revenue in Europe in the years ahead.

USA

	Q2 2005 DKKm	Q2 2004 DKKm	Growth in DKK	Growth in local currencies	1H 2005 DKKm
Lexapro®	654	518	26%	42%	1,317
Other pharmaceuticals	4	261	-98%	-96%	61
Total revenue, USA	658	779	-16%	-4%	1,378

Lundbeck's income from sales of Lexapro® in the USA was DKK 654 million in Q2 2005, compared with DKK 518 million in the same period of last year, an increase of 26%. In Q2 2005, Forest Laboratories, Inc. generated Lexapro® sales of USD 461 million against USD 365 million in the year-earlier period.

Lexapro® currently has a high market share of approximately 16.3%, making it the second-most prescribed antidepressant in the USA. Future growth in income from Lexapro® must be generated by increasing the market share, through rising prices in the US market and/or volume growth in the US antidepressants market. The market share held by Lexapro® is expected to edge up in 2005, while expectations for volume in the aggregate US market are for a flat trend relative to 2004.

Prepayments from Forest - the difference between the invoiced price and the minimum price of Forest's inventories - was DKK 1,276 million at 30

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June 2005 compared with DKK 1,345 million at the end of June 2004 and DKK 1,040 million at year-end 2004.

Lundbeck hedges income from Lexapro® and other products using currency hedging. 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 in reality included in the financial statements at the forward rates. The effect on the profit was DKK 24 million in Q2 2005 against DKK 65 million in the year-earlier period compared to a situation where the income is included at the current rates of exchange during the period. Of the total effect, DKK 25 million compared with DKK 65 million in Q2 2004 stems from the hedging of USD. The gain from the USD hedging has primarily been added to income from sales of Lexapro®.

At 30 June 2005, 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 approx. DKK 4.5 billion. Of this amount, DKK 4.4 billion is accounted for as hedging contracts. The average forward rates at 30 June 2005 were for euro 744.52 DKK/EUR and for US dollars 585.43 DKK/USD. Deferred recognition of net currency losses and gains amounted to DKK -156 million at 30 June 2005 against DKK 34 million at 30 June 2004 and DKK 241 million at 31 December 2004.

The average forward rate for the first six months of 2006 will be approximately 579 DKK/USD, using the existing hedging contracts. The corresponding forward rate for the first six months of 2005 was approximately 614 DKK/USD. For Q3 2005, the average forward rate for US dollars is approximately 597 DKK/USD, while it is about 577 DKK/USD for Q4 2005.

Rest of world

	Q2 2005 DKKm	Q2 2004 DKKm	Growth in DKK	Growth in local currencies	1H 2005 DKKm
Lexapro®	119	59	102%	93%	224
Ebixa®	24	9	167%	139%	42
Other pharmaceuticals	135	247	-45%	-46%	267
Total revenue, Rest of world	278	315	-12%	-20%	533

As expected, revenue outside Europe and the USA was below the level of the year-earlier period, especially due to generic citalopram in Canada, which was launched several months ahead of the launch of both Cipralex® and Ebixa® in Canada. Concurrently with the launch of Cipralex® and

Ebixa® in a number of countries in the region, the negative trend was reversed, and since the end of 2004, the region has witnessed quarter-on-quarter growth in revenue.

Expenses

Lundbeck's total expenses, exclusive of financial items and tax, were DKK 1,776 million in Q2 2005, up 1% over the year-earlier period.

Cost of sales, distribution costs and administrative expenses rose by 3% relative to Q2 2004 to DKK 1,354 million. The increase in costs was primarily due to higher selling and marketing costs in connection with the launch of Cipralex® in France and Canada and timing differences in respect of distribution costs in Q1 2005, which were lower than usual.

At DKK 425 million, second-quarter research and development costs were 6% lower in 2005 than in the year-earlier period. In the second quarter 2005, research and development costs amounted to 19% of revenue, which is on a level with Q2 of last year. Lundbeck still expects that research and development costs will account for approximately 20% of revenue for the full-year 2005.

Depreciation and amortisation charges, which are included in the individual expense categories, totalled DKK 121 million in Q2 2005, as compared with DKK 115 million in the year-earlier period and DKK 131 million in Q1 2005.

Research and development

As addressed in the company's interim report for the three months ended 31 March 2005, Lundbeck announced in **April** the results of a head-to-head comparison of citalopram and Cipralex®, which concluded that Cipralex® is significantly more effective than citalopram in the treatment of depression. The results confirm previously published clinical results, which show that Cipralex® is superior to citalopram. In the same month, Serdolect® for the treatment of schizophrenia was approved by the European health authorities, and Serdolect® is expected to be launched in the first European markets before the end of 2005.

In **May**, Lundbeck announced the discontinuation of the development of CEP-1347 for the treatment of Parkinson's disease, because an independent data monitoring committee had completed a planned review of interim results in a phase II/III trial, concluding that the data obtained were unlikely to provide evidence of any significant effect. Over the coming months, the company will continue to incur costs associated with the discontinuation of the clinical trial, so no significant cost savings for

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research and development should be expected during the remainder of 2005.

In **June**, Lundbeck and its business partner Merck & Co., Inc. announced the first limited phase II data concerning gaboxadol for the treatment of sleep disorders. Gaboxadol demonstrated significant improvement over placebo in a number of study endpoints for both sleep initiation and sleep maintenance in patients with primary insomnia. Gaboxadol 15 mg also significantly increased the amount of slow wave sleep. Gaboxadol was generally tolerated well in this trial with no observed next-day residual effects.

After the end of the reporting period, Lundbeck announced in **July** that the company and PAION Deutschland GmbH have entered into an exclusive partnership agreement for the development and marketing of PAION's phase III product Desmoteplase for stroke in Europe, Japan and the rest of the world except the USA and Canada. Desmoteplase, a novel plasminogen activator (blood clot-dissolving agent) has the potential to treat patients up to 9 hours after onset of symptoms.

Net financials

In Q2 2005, the Group's net financial income totalled DKK 90 million compared with a net expense of DKK 8 million in the same period of last year.

	Q2 2005 DKKm	Q2 2004 DKKm	1H 2005 DKKm
Net financial income	90	(8)	140
Net interest income	41	(4)	64
Unrealised losses concerning other investments excl. exchange rate adjustments	(13)	(4)	(14)
Net currency income relating to financial items, specified as follows:	62	0	90
Net income relating to trading	(3)	(1)	(11)
Accounting translation of currency items	65	1	101

Net interest income amounted to DKK 41 million in Q2 2005, driven primarily by an incremental value of the bond portfolio relative to the year-earlier period.

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Second-quarter foreign currency translation amounted to an income of DKK 65 million, driven primarily by an equity increase in subsidiaries made up in foreign currency.

Net income relating to trading derives from income and expenses from instruments that do not meet the criteria for hedging and is recognised directly under net financials at market value.

Tax

The income tax expense amounted to DKK 149 million in Q2 2005 against DKK 187 million in the year-earlier period. The effective tax rate was 25% as compared with 33% in Q2 2004 and 34% in Q1 2005. The low tax rate in Q2 2005 was a.o. attributable to foreign currency translation of investments in foreign subsidiaries.

For the 2005 financial year, Lundbeck now projects an effective tax rate of about 30%, subject to stable exchange rates. For 2006 and onwards, the tax rate is expected to be about 32%.

Net profit for the period

At DKK 509 million, profit from operations in Q2 2005 was 11% lower than in the year-earlier period.

Profit before tax rose 4% to DKK 588 million, while the net profit for the period after tax was DKK 439 million, an increase of 16% over Q2 2004.

Investments

Lundbeck's total net investments in Q2 2005 amounted to DKK 98 million, up from DKK 10 million in Q2 2004 and DKK 48 million in Q1 2005. Q2 2005 investments took place in the fields of manufacturing, research and administration. In Q2 2005, Lundbeck also participated in a capital increase in LifeCycle Pharma. As a result of the capital increase, LifeCycle Pharma is now recognised as an associated company as compared with previously, when LifeCycle Pharma was fully consolidated in Lundbeck's financial statement.

Cash flows

Lundbeck's operating activities generated a cash inflow of DKK 843 million in the second quarter 2005, compared with DKK 680 million in the year-earlier period. The increase was primarily due to higher prepayments from Forest and an increase in payables in Q2 2005 relative to Q2 2004. In Q1 2005, cash flows from operating activities amounted to DKK 265 million.

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Due to a higher cash flow from operations, the free cash flow rose to DKK 746 million in Q2 2005 from DKK 670 million in the same period of last year and DKK 217 million in Q1 2005.

Financing activities generated a cash outflow of DKK 448 million as a result of dividend payments totalling DKK 496 million. Financing activities generated a cash outflow of DKK 680 million in the year-earlier period and DKK 488 million in Q1 2005.

Lundbeck's interest-bearing net cash (the company's holding of cash and cash equivalents less interest-bearing debt) was DKK 2,457 million at 30 June 2005 against DKK 1,433 million 30 June 2004 and DKK 2,126 million at 31 March 2005. In addition to interest-bearing net cash, Lundbeck has unutilised credit facilities of DKK 2.5 billion.

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

Equity

Equity at 30 June 2005 amounted to DKK 7,496 million compared with DKK 7,199 million at 30 June 2004 and DKK 7,839 million at 31 December 2004. In Q2 2005, return on equity was 5.8% compared with 5.2% in the same period of last year and 5.9% in Q1 2005.
The changes in equity are shown in appendix 4.

Incentive plans

Lundbeck has established incentive plans for senior employees and key employees, which is comprised by the provisions of IFRS 2 "Share-based payment".

Equity-settled schemes
In January 2004, Lundbeck allocated warrants (equity-settled remuneration scheme) to the management and a number of key employees. These warrants are covered by the transitional provisions of IFRS 2, as this scheme was established after 7 November 2002 with a vesting date before 1 January 2005. Under the transitional provisions of IFRS 2, this scheme is not comprised by the requirement on cost recognition and will therefore not affect the consolidated financial statements.

The liability based on the Black & Scholes formula was DKK 110 million at 30 June 2005.

Debt plans
In 2002, a share price based plan for employees of the foreign companies was set up, and in 2004 a new share price based plan for key employees of US companies was established.

The value adjustment at 30 June 2005 of the "debt plans", including exercised plans, had an impact of DKK -7 million on the income statement in Q2 2005. The liability for the debt-based remuneration plans based on the Black & Scholes formula was DKK 20 million at 30 June 2005.

Share buy-back in H. Lundbeck A/S
The Supervisory Board of Lundbeck has decided to launch a share buyback programme (the "Programme"), under which Lundbeck will buy back own shares up to 10% of the Total Shares Outstanding as of August 16, 2005 in the period from August 17, 2005 and up to the company's next Annual General Meeting for the purpose of reducing the company's share capital.

At this point it is Lundbeck's intention to buy back own shares for an amount of up to DKK 6 billion up to end 2007, subject to the company getting new approvals at the next Annual General Meeting.

The Programme is being implemented in accordance with the provisions of the European Commission's regulation no. 2273/2003 of 22 December 2003 ("safe harbour"), which protects listed companies against violation of insider legislation in connection with share buybacks.

Detailed terms
Lundbeck has appointed Morgan Stanley & Co International Limited ("MSIL") as lead manager of the Programme. MSIL will, under a separate agreement with the company, buy back shares on behalf of Lundbeck and make trading decisions in respect of Lundbeck shares independently of and without influence from Lundbeck as to the timing of the purchases, as well as carry through the buyback within the framework set out for the Programme.

Lundbeck's buyback of treasury shares will be effected under the authorisation granted to the Supervisory Board at the Annual General Meeting held on 14 April 2005, to allow the company to acquire up to 10% of its shares within the period up to next Annual General Meeting.

Lundbeck is entitled to terminate the Programme at any time as a consequence of changes to the company's financial position or changes in the market for instance acquisitions or inlicensing opportunities. In the event such decision is taken, Lundbeck shall give notice hereof, and MSIL shall in consequence of the termination of the Programme no longer be entitled to buy shares on behalf of Lundbeck.

The Lundbeck Foundation will through its wholly owned subsidiary LFI A/S participate in the buyback on a pro rata basis, in order to maintain the free float at approximately 30%. The stock will be crossed between Lundbeck and LFI after the close of the day at the volume weighted average price as posted on the Copenhagen Stock Exchange website.

As mentioned, the purpose of the Programme is to reduce Lundbeck's share capital. Accordingly, the Supervisory Board will submit at the company's next Annual General Meeting a proposal to reduce the share capital by a nominal amount that will, as a minimum, correspond to the nominal value of the share capital bought back under the Programme.

The Programme will be implemented under the following framework:

- The maximum total consideration for Lundbeck shares bought back in the period of the Programme is DKK 6 billion.

- Before the company's Annual General Meeting in 2006, a maximum of 20,408,030 Lundbeck shares will be bought under the Programme, which together with the company's holding of treasury shares of 2,282,993 shares at the date of this announcement will equal 10% of the shares issued in Lundbeck.

Once every seven trading days, the company will issue an announcement in respect of transactions made under the Programme.

New incentive plan in the Lundbeck Group
At a board meeting held on 17 August 2005, the Supervisory Board of H. Lundbeck A/S resolved, pursuant to the authorisation in article 4.3 of the company's articles of association, to issue warrants for up to a nominal value of DKK 4,000,000, corresponding to 800,000 shares.

Members of H. Lundbeck A/S' Executive Management and Danish and foreign executives appointed by H. Lundbeck A/S' Executive Management who are employed by H. Lundbeck A/S or H. Lundbeck A/S' subsidiaries are eligible to receive warrants. The above-mentioned subsidiaries comprise Danish and foreign enterprises in which H. Lundbeck A/S directly or indirectly holds at least 50% of the shares. The plan will comprise about 70 employees. No member of the company's Supervisory Board has been granted warrants.

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The Supervisory Board has determined the number of warrants that each member of the Executive Management may subscribe:

Claus Bræstrup	40,000 warrants
Lars Bang	30,000 warrants
Ole Chrintz	30,000 warrants
Hans Henrik Munch-Jensen	30,000 warrants
Stig Løkke Pedersen	30,000 warrants

Other Danish and foreign executives (60-70 executives) will on average be granted approximately 9,000 warrants.

Each warrant under the plan entitles the holder to subscribe 1 (one) Lundbeck share of DKK 5 nominal value. The subscription of shares will take place at a price per share of DKK 5 nominal value, corresponding to the average closing price of the H. Lundbeck A/S share on the Copenhagen Stock Exchange (all trades) on the business days during the period from 18 August 2005 – 1 September 2005, inclusive, plus interest corresponding to 10% p.a. from 2 September 2005 until 2 October 2006 rounded down to the nearest whole number of kroner.

The warrants can be exercised during the period from 2 October 2006 to 31 March 2009.

The market value of the warrants granted is calculated using the Black Scholes formula and is based on a volatility of the Lundbeck share of 30.3, a dividend payout ratio of 1.45%, a risk-free interest rate of 2.5% and an average holding period of approximately 28 months. Applying these assumptions, the market value has been calculated at approximately DKK 22 per warrant, based on a price of the H. Lundbeck A/S share of DKK 152.

For accounting purposes, the warrants will be recognised over the income statement at fair value (Black-Scholes) in Q3 2005.

Teleconference

Today at 3.00 pm, Lundbeck will be hosting a teleconference for the financial community. You can listen to the conference on the company's website www.lundbeck.com under the section "Investors – Presentations – Teleconference".

Forward-looking statements

This announcement contains forward-looking statements that provide current expectations or forecasts of events such as new product launches, 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. Factors that may affect future results include interest rate and 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.

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Management statement

The Supervisory Board and Executive Management have considered and adopted the interim report of H. Lundbeck A/S.

The interim report, which is unaudited, has been prepared in accordance with the guidelines issued by the Copenhagen Stock Exchange and, in respect of recognition and measurement, has been prepared in accordance with IFRS and related interpretations of International Accounting Standards Board (IASB), which are expected to apply for the presentation of financial statements for the full year 2005.

In our opinion, the interim report gives a true and fair view of the Group's financial position at 30 June 2005 and of the results of the Group's operations and cash flows for the period 1 January – 30 June 2005.

Valby, 17 August 2005

Supervisory Board

Flemming Lindeløv
Chairman

Thorleif Krarup
Deputy Chairman

Lars Bruhn

Jan Gottliebsen
Elected by the employees

Peter Kürstein

Mats Pettersson

Birgit Bundgaard Rosenmeier
Elected by the employees

Torben Skarsfeldt
Elected by the employees

Jes Østergaard

Executive Management

Claus Bræstrup
President and CEO

Lars Bang
Executive Vice President

Ole Chrintz
Executive Vice President

Hans Henrik Munch-Jensen
Executive Vice President, CFO

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About Lundbeck

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 2004, the company's revenue was DKK 9.7 billion (approx. EUR 1.3 billion). The number of employees is approx. 5,000. For further information, visit www.lundbeck.com

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Appendix 1 – financial highlights and ratios

	2005 Q2	2004 Q2	2005 Q2	2005 1H	2004 1H	2005 1H
FINANCIAL HIGHLIGHTS	DKKm	DKKm	EURm [1]	DKKm	DKKm	EURm [1]
Revenue	2,284.7	2,325.1	306.9	4,503.2	5,218.5	604.8
Profit from operations	508.6	572.4	68.3	1,145.4	1,661.8	153.8
Net financials	90.4	(8.1)	12.1	139.7	8.2	18.8
Profit before tax	587.9	566.6	79.0	1,272.1	1,673.2	170.9
Tax	149.0	187.1	20.0	381.6	552.4	51.3
Profit for the period	438.9	379.5	58.9	890.5	1,120.8	119.6
Equity	7,496.3	7,198.5	1,006.0	7,496.3	7,198.5	1,006.0
Total assets	11,698.1	10,826.0	1,569.9	11,698.1	10,826.0	1,569.9
Cash flows from operating activities	843.3	679.8	113.3	1,107.8	1,434.7	148.8
Free cash flow	745.5	670.1	100.1	962.4	1,375.3	129.3
RATIOS [2]	%	%	%	%	%	%
EBIT margin	22.3	24.6	22.3	25.4	31.8	25.4
Return on assets	7.9	7.4	7.9	16.8	23.0	16.8
R&D costs as a percentage of revenue	18.6	19.5	18.6	17.4	16.7	17.4
Return on equity	5.8	5.2	5.8	11.7	16.0	11.7
Solvency ratio	64.1	66.5	64.1	64.1	66.5	64.1
SHARE DATA [2,3]	DKK	DKK	DKK	DKK	DKK	DKK
Earnings per share (EPS)	1.96	1.66	0.26	3.97	4.88	0.53
Diluted earnings per share (DEPS)	1.94	1.64	0.26	3.93	4.86	0.53
Cash flow per share	3.72	2.92	0.50	4.84	6.19	0.65
Net asset value per share	33.05	30.99	4.44	33.05	30.99	4.44
Market capitalisation (DKKm)	36,270	31,029	4,867	36,270	31,029	4,867
Market capitalisation, end of period	154.93	132.75	20.79	154.93	132.75	20.79
Price / Earnings	79.83	81.03	79.83	39.40	27.34	39.40
Price / Cash flow	41.66	45.46	41.66	31.99	21.44	31.99
Price / Net asset value	4.69	4.28	4.69	4.69	4.28	4.69

1) Income statement items are translated into EUR at the average exchange rates during the period (1 January - 30 June 2005 rate 744.55). Balance sheet items are translated at the exchange rates at the balance sheet date (30 June 2005 rate 745.15).

2) Financial ratios are calculated according to the Danish Society of Financial Analysts' "Recommendations & Ratios 2005"

3) Comparative figures involving number of shares have been restated using a factor of 0.9996 for the effect of exercise of warrants.

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Appendix 2 – income statement

DKKm	2005 Q2	2004 Q2	2005 1H	2004 1H	2004 Full year
Revenue	2,284.7	2,325.1	4,503.2	5,218.5	9,732.9
Cost of sales	398.8	392.2	810.6	816.0	1,725.2
Distribution costs	640.7	624.7	1,157.7	1,247.7	2,301.5
Administrative expenses	313.9	298.0	614.1	635.8	1,364.3
PROFIT BEFORE RESEARCH COSTS	**931.3**	**1,010.2**	**1,920.8**	**2,519.0**	**4,341.9**
Research and development costs	425.1	453.4	785.4	869.3	1,776.0
PROFIT BEFORE OTHER OPERATING ITEMS	**506.2**	**556.8**	**1,135.4**	**1,649.7**	**2,565.9**
Other operating income/(expenses)	2.4	15.6	10.0	12.1	(12.4)
PROFIT FROM OPERATIONS	**508.6**	**572.4**	**1,145.4**	**1,661.8**	**2,553.5**
Income from investments in associates	(11.1)	2.3	(13.0)	3.2	(48.2)
Net financials	90.4	(8.1)	139.7	8.2	15.8
PROFIT BEFORE TAX	**587.9**	**566.6**	**1,272.1**	**1,673.2**	**2,521.1**
Tax on profit for the period	149.0	187.1	381.6	552.4	832.3
PROFIT FOR THE PERIOD	**438.9**	**379.5**	**890.5**	**1,120.8**	**1,688.8**
Profit for the period allocated to:					
Shareholders in the parent company	440.0	381.4	899.6	1,124.9	1,708.7
Minority interests	(1.1)	(1.9)	(9.1)	(4.1)	(19.9)
NET PROFIT FOR THE PERIOD	**438.9**	**379.5**	**890.5**	**1,120.8**	**1,688.8**
Earnings per share (EPS)	1.96	1.66	3.97	4.88	7.43
Diluted earnings per share (DEPS)	1.94	1.64	3.93	4.86	7.39

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Appendix 3 – balance sheet

DKKm	30.06.2005	30.06.2004	31.12.2004
ASSETS			
Intangible assets	1,598.4	1,771.6	1,671.3
Property, plant and equipment	3,379.8	3,557.7	3,467.3
Investments	584.2	274.6	395.6
Total fixed assets	**5,562.4**	**5,603.9**	**5,534.2**
Inventories	1,285.4	1,329.8	1,281.6
Receivables	1,911.5	1,967.0	1,769.6
Other securities	24.0	1,420.1	2,360.5
Cash	2,914.8	505.2	541.8
Total current assets	**6,135.7**	**5,222.1**	**5,953.5**
Total assets	**11,698.1**	**10,826.0**	**11,487.7**
LIABILITIES AND EQUITY			
Share capital	1,170.5	1,168.7	1,168.7
Share premium	37.4	0.0	0.0
Retained earnings	6,288.4	6,015.4	6,671.7
Total equity excluding minority interests	**7,496.3**	**7,184.1**	**7,840.4**
Minority interests	0.0	14.4	(1.4)
Total equity	**7,496.3**	**7,198.5**	**7,839.0**
Provisions	**410.9**	**343.9**	**529.4**
Long-term debt	**383.4**	**393.2**	**402.7**
Bank and mortgage debt	98.0	99.5	108.8
Trade payables	633.0	370.3	679.2
Prepayments	1,276.3	1,344.8	1,039.8
Other payables	1,400.2	1,075.8	888.8
Short-term debt	**3,407.5**	**2,890.4**	**2,716.6**
Total debt	**3,790.9**	**3,283.6**	**3,119.3**
Total liabilities	**4,201.8**	**3,627.5**	**3,648.7**
Total liabilities and equity	**11,698.1**	**10,826.0**	**11,487.7**

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Appendix 4 – statement of changes in equity

1 January - 30 June 2005 DKKm	Share capital	Share premium	Retained earnings	Equity (H. Lundbeck's shareholders)	Minority interests	Equity Group
Equity at 31 December 2004	1,168.7	0.0	6,707.5	7,876.2	-	7,876.2
Effect of IFRS changes (Incentive plans)	-	-	(35.8)	(35.8)	-	(35.8)
Effect of IFRS changes (Minority interests)	-	-	-	0.0	(1.4)	(1.4)
Equity at 1 January 2005	**1,168.7**	**0.0**	**6,671.7**	**7,840.4**	**(1.4)**	**7,839.0**
Distribution of dividend 14.4.2005, gross	-	-	(516.9)	(516.9)	-	(516.9)
Distribution of dividend 14.4.2005, treasury shares	-	-	20.9	20.9	-	20.9
Capital increase through exercise of warrants	1.8	37.4	-	39.2	-	39.2
Additions, deferred gains/losses on hedging contracts	-	-	(342.6)	(342.6)	-	(342.6)
Disposals, realised gains/losses on hedged transactions transferred to the income statement and the balance sheet	-	-	(55.5)	(55.5)	-	(55.5)
Exchange adjustment, associates	-	-	(0.3)	(0.3)	-	(0.3)
Buy-back of treasury shares	-	-	(500.0)	(500.0)	-	(500.0)
Tax on equity entries	-	-	111.5	111.5	-	111.5
Disposals, minority interests	-	-	-	0.0	10.5	10.5
Net profit for the period	-	-	899.6	899.6	(9.1)	890.5
Equity at 30 June 2005	**1,170.5**	**37.4**	**6,288.4**	**7,496.3**	**0.0**	**7,496.3**

31 March - 30 June 2005 DKKm	Share capital	Share premium	Retained earnings	Equity (H. Lundbeck's shareholders)	Minority interests	Equity Group
Equity at 31 March 2005	**1,169.4**	**14.4**	**6,535.3**	**7,719.1**	**(9.4)**	**7,709.7**
Distribution of dividend 14.4.2005, gross	-	-	(516.9)	(516.9)	-	(516.9)
Distribution of dividend 14.4.2005, treasury shares	-	-	20.9	20.9	-	20.9
Capital increase through exercise of warrants	1.1	23.0	-	24.1	-	24.1
Additions, deferred gains/losses on hedging contracts	-	-	(228.4)	(228.4)	-	(228.4)
Disposals, realised gains/losses on hedged transactions transferred to the income statement and the balance sheet	-	-	(33.1)	(33.1)	-	(33.1)
Exchange adjustment, associates	-	-	0.1	0.1	-	0.1
Tax on equity entries	-	-	70.5	70.5	-	70.5
Disposals, minority interests	-	-	-	0.0	10.5	10.5
Net profit for the period	-	-	440.0	440.0	(1.1)	438.9
Equity at 30 June 2005	**1,170.5**	**37.4**	**6,288.4**	**7,496.3**	**0.0**	**7,496.3**

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Appendix 5 – cash flow statement

DKKm	2005 Q2	2004 Q2	2005 1H	2004 1H	2004 Full year
Cash flows from operating activities	843.3	679.8	1,107.8	1,434.7	2,677.8
Cash flows from investing activities	(97.8)	(9.7)	(145.4)	(59.4)	(243.9)
Free cash flow	**745.5**	**670.1**	**962.4**	**1,375.3**	**2,433.9**
Cash flows from financing activities	(448.1)	(679.7)	(935.8)	(785.1)	(863.4)
Increase/(decrease) in cash and cash equivalents	**297.4**	**(9.6)**	**26.6**	**590.2**	**1,570.5**
Cash and cash equivalents at 1.1	2,634.7	1,937.2	2,902.3	1,333.9	1,333.9
Unrealised exchange differences for the period	6.7	(2.3)	9.9	1.2	(2.1)
Increase/(decrease) for the period	297.4	(9.6)	26.6	590.2	1,570.5
Cash and cash equivalents at 30.6	**2,938.8**	**1,925.3**	**2,938.8**	**1,925.3**	**2,902.3**

Interest-bearing net cash is composed as follows:

Cash and securities exclusive of treasury shares	2,938.8	1,925.3	2,938.8	1,925.3	2,902.3
Interest-bearing debt	(481.4)	(492.7)	(481.4)	(492.7)	(511.5)
Interest-bearing net cash at 30.6	**2,457.4**	**1,432.6**	**2,457.4**	**1,432.6**	**2,390.8**