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Full year report 2011
Lundbeck meets expectations and improves long term growth prospects

H. Lundbeck A/S (Lundbeck) announces its 2011 results, which fulfil all financial expectations and exceed expectations for revenue. Revenue for 2011 was DKK 16,007 million, an increase of 8% compared to 2010, driven by a positive development in all regions. EBITDA was DKK 4,628 million corresponding to an increase of 5% and an EBITDA margin of 28.9%. EBIT was DKK 3,393 million, an increase of 1% and corresponding to an EBIT margin of 21.2% for the year.

- Continued growth for the key products Cipralex®, Ebixa® and Azilect®, which grew 3%, 14% and 15% respectively, compared to last year
- Revenue from Xenazine® and Sabril® in the US increased 42% and 73% respectively compared to 2010
- Revenue in International Markets increased 17% and now corresponds to 22% of total revenue
- Net profit amounted to DKK 2,282 million and the Board of Directors proposes to pay a dividend of DKK 3.49 per share, corresponding to a payout ratio of 30%
- Long-term growth prospects improved during 2011 as a result of new important partnership deals with Otsuka and Cephalon, the approval and launch of Onfi™ and Lexapro® in Japan and the launch of Sycrest®
- Lundbeck expects revenue of DKK 14.5-15.2 billion, EBITDA of DKK 3.0-3.5 billion and EBIT of 2.0-2.5 billion for 2012

Distribution of revenue

DKK million	FY 2011	FY 2010	Growth	Growth in local currency
Cipralex®	5,957	5,808	3%	2%
Lexapro®	2,535	2,443	4%	2%
Ebixa®	2,751	2,403	14%	14%
Azilect®	1,187	1,028	15%	17%
Xenazine®	852	610	40%	47%
Sabril®	309	179	73%	82%
Europe	7,988	7,815	2%	2%
USA	4,162	3,722	12%	13%
International Markets	3,468	2,970	17%	17%
Total revenue	16,007	14,765	8%	9%

In connection with the full year report, Lundbeck's President and CEO Ulf Wiinberg said:
"2011 was an excellent year for Lundbeck, with our revenue and earnings higher than ever. We improved our long term outlook with solid progress in our late-stage pipeline and several important partnerships, including the deal with Otsuka, which has transformational potential."

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FINANCIAL HIGHLIGHTS AND KEY FIGURES

	2011 O4	2010 O4	2011 FY	2010 FY
Financial highlights (DKK million)				
Revenue	3,829	3,530	16,007	14,765
Operating profit before depreciation and amortisation (EBITDA)	578	586	4,628	4,393
Profit from operations (EBIT)	326	321	3,393	3,357
Net financials	(42)	10	(96)	(68)
Profit before tax	284	331	3,297	3,289
Tax on profit for the period	81	93	1,015	823
Profit for the period	203	238	2,282	2,466
Equity	12,776	11,122	12,776	11,122
Assets	20,534	18,005	20,534	18,005
Cash flows from operating and investing activities	(755)	(717)	929	2,462
Property, plant and equipment investments, gross	143	226	419	383
Key figures				
EBITDA margin (%)[1]	15.1	16.6	28.9	29.8
EBIT margin (%)[1]	8.5	9.1	21.2	22.7
Return on capital employed (%)	2.4	3.0	25.3	27.6
Research and development ratio (%)	23.3	26.7	20.7	20.6
Return on equity (%)[1]	1.6	2.2	19.1	24.8
Solvency ratio (%)[1]	62.2	61.8	62.2	61.8
Capital employed (DKK million)	14,696	13,040	14,696	13,040
Share data				
Number of shares for the calculation of EPS (million)	196.1	196.1	196.1	196.1
Number of shares for the calculation of DEPS (million)	196.1	196.1	196.1	196.1
Earnings per share (EPS) (DKK)[1]	1.03	1.21	11.63	12.57
Diluted earnings per share (DEPS) (DKK)[1]	1.03	1.21	11.63	12.57
Cash flow per share (DKK)[1]	1.30	(0.57)	18.48	16.65
Net asset value per share (DKK)[1]	65.14	56.71	65.14	56.71
Market capitalisation (DKK million)	21,183	20,788	21,183	20,788
Share price end of period (DKK)	108.00	106.00	108.00	106.00
Proposed dividend per share (DKK)	-	-	3.49	3.77
Other				
Number of employees (FTE)	5,736	5,644	5,736	5,644

1) Definitions according to the Danish Society of Financial Analysts' *Recommendations & Financial Ratios 2010.*

Comparative figures involving number of shares have been restated using a factor of 0.9999 for the effect of employees' exercise of warrants.

MANAGEMENT REVIEW

Financial outlook

The underlying strong trend for 2011 is expected to continue in 2012. However, the company is facing patent expiry for escitalopram in the US in March 2012, which will result in a revenue decline for Lexapro®. Consequently, a drop in earnings is also expected.

For the full year 2012, Lundbeck expects revenue to be DKK 14.5-15.2 billion, profit from operations before depreciation and amortisation (EBITDA) to be DKK 3.0-3.5 billion and profit from operations (EBIT) to be DKK 2.0-2.5 billion.

Financial forecast 2012

DKK billion	2011 forecast	2011 actual	2012 forecast
Revenue	15.3-15.8	16.0	14.5-15.2
EBITDA	4.3-4.6	4.6	3.0-3.5
EBIT	3.3-3.6	3.4	2.0-2.5

Forward-looking statements

Forward-looking statements provide current expectations or forecasts for events, such as product launches, product approvals and financial performance. Forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. Actual results may differ from expected results. Factors that may affect future results include fluctuations in interest rates and exchange rates, a delay in 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 a competing product, 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 their interpretation and unexpected growth in costs and expenses.

Dividend

The Board of Directors proposes to pay a dividend of 30% of net profit for the year to shareholders of the parent company. This corresponds to DKK 3.49 per share. Dividend payout is to be approved at the Annual General Meeting on 29 March 2012.

Lundbeck's development portfolio

Lundbeck is developing a number of new and promising pharmaceuticals for the treatment of brain disorders. The pipeline projects are targeting areas where Lundbeck currently has a market presence, such as depression, anxiety and other psychiatric disorders, as well as new areas such as stroke and alcohol dependence. Pipeline development is summarised as follows:

Regulatory review

In October 2011, the US Food and Drug Administration (FDA) approved **Onfi™** (clobazam) as adjunctive therapy for seizures associated with Lennox-Gastaut syndrome (LGS) in patients of two years and older. The FDA approval of Onfi™ was based on two multi-centre controlled studies, which were similar in terms of disease characteristics and prior treatment of patients, including a pivotal phase III clinical study in 238 patients with a current or prior diagnosis of LGS. In conjunction with the approval, and as a result of the FDA's orphan designation for Onfi™ in the treatment of LGS, the FDA also granted Onfi™ a seven-year exclusivity period. Onfi™ was launched in the US in January 2012.

In December 2011, following the completion of the phase III clinical programme earlier in 2011 for **Selincro™** (nalmefene), a novel opioid receptor ligand in development for the treatment of alcohol dependence, Lundbeck submitted a marketing authorisation application (MAA) to the European Medicines Agency (EMA) for Selincro™. In the clinical phase III programme and across the studies, consistent and robust results support the overall positive clinical profile of nalmefene. A reduction in heavy drinking days and total alcohol consumption was observed within the first month of treatment in all three studies and was maintained throughout the 12-month safety study.

On 11 November 2011, Otsuka Pharmaceutical Co., Ltd. (Otsuka) and Lundbeck entered into a long-term CNS agreement. On 22 November 2011, the alliance announced that the FDA had accepted for review a new drug application (NDA) for Otsuka's investigational once-monthly **aripiprazole depot** formulation for the indication of maintenance treatment of schizophrenia in adults. The NDA is based on data from a phase III clinical study designed to evaluate the efficacy, safety and tolerability of the intramuscular formulation as a maintenance treatment in patients with schizophrenia.

In April 2011, Lundbeck's partner Mochida Pharmaceutical Co., Ltd. (Mochida) obtained approval of **escitalopram** 10 mg (Lexapro®) from the Japanese Ministry of Health, Labour and Welfare (MHLW). In August 2011, Lexapro® was launched in Japan.

In the third quarter, a registration dossier was filed with the Canadian authorities for **Treanda®**, one of the products that has been in-licensed from Cephalon. Treanda® is a powerfully unique chemotherapy that has demonstrated significantly improved clinical outcomes in chronic lymphoid leukemia (CLL) and indolent non-Hodgkin lymphoma (iNHL) with a combination of proven efficacy, exceptional tolerability and simplified therapy, which helps keep patients engaged in their daily activities.

Clinical phase III

The clinical phase III studies with **Lu AA21004** in Major Depressive Disorder (MDD) continue to recruit patients according to plan. The study results obtained earlier demonstrate positive results for the potential efficacy and the tolerability profile of Lu AA21004. The studies should be completed during the first half of 2012 and headline conclusions should be announced during the second quarter of 2012. A regulatory filing is expected in the US, Europe and other markets in the second half of 2012.

The clinical phase III studies with **desmoteplase** in ischaemic stroke, DIAS-3 and DIAS-4, show improved patient recruitment following several initiatives to speed up the recruitment process. A regulatory filing of desmoteplase is expected in the first half of 2014.

As part of the collaboration with Otsuka, Lundbeck has gained co-development and co-promotional rights to the investigational compound **OPC-34712**. The clinical phase III programme for OPC-34712 has been initiated in schizophrenia and adjunctive treatment of MDD and is progressing according to plan. OPC-34712 is a novel investigational psychotherapeutic compound developed to provide improved efficacy and tolerability e.g., less akathisia, restlessness and/or insomnia.

The clinical phase III programme with **zicronapine** is ongoing. The first study in the programme is focused on schizophrenia and is expected to enroll 160 patients. This pivotal programme is planned to include additional phase III studies to further investigate the compound's benefit and risk profile.

Clinical phase II

In November 2009, Lundbeck initiated a multi-centre, placebo-controlled, fixed-dose study of **Lu AE58054** as an add-on to donepezil in patients with moderate Alzheimer's disease. The clinical phase II study plans to enroll approximately 270 patients. The purpose of this study is to investigate if Lu AE58054 treatment improves cognition and functional outcomes after 24 weeks in patients with moderate Alzheimer's disease, who are already undergoing treatment with donepezil. The study recruitment has gone according to plan and we expect to have the results in the first half of 2012.

In the second quarter, the development with **Lu AA24493** for the treatment of Friedreich’s Ataxia was ceased, as the results from a phase IIa study did not support further development.

The development programme for **Lu AA39959** in bipolar disorder has been suspended since May 2009, as additional pre-clinical work needed to be conducted. In the first half of the year, it was decided to omit the project from the company’s pipeline.

Early stage programmes

In September 2011, **Proximagen Group plc** (Proximagen) and Lundbeck announced that they have entered into a strategic partnership agreement. As part of the agreement, a steering committee involving experts from both companies will focus on developing three of Proximagen’s programmes, with the aim of identifying novel innovative therapies for serious diseases, such as epilepsy, pain and inflammatory disorders. Lundbeck will receive certain negotiation rights in relation to these programmes.

Revenue

Total revenue for 2011 was DKK 16,007 million, corresponding to an increase of 8% compared to 2010.

Total revenue for the fourth quarter was DKK 3,829 million, corresponding to an increase of 8% compared to the same quarter last year.

Total revenue

DKK million	Q4 2011	Q4 2010	Growth	Growth in local currency	FY 2011
Cipralex®	1,433	1,456	(1%)	(2%)	5,957
Lexapro®	581	520	11%	9%	2,535
Ebixa®	650	585	11%	10%	2,751
Azilect®	309	271	14%	16%	1,187
Xenazine®	242	172	41%	41%	852
Sabril®	77	56	41%	40%	309
Other pharmaceuticals	480	415	15%	15%	2,027
Other revenue	57	55	4%	6%	389
Total revenue	**3,829**	**3,530**	**8%**	**8%**	**16,007**

Revenue from **Cipralex®** (escitalopram) for the treatment of mood disorders was DKK 1,433 million for the fourth quarter, a decrease of 1%, or a decrease of 2% in local currency, compared to the same quarter last year. In 2011, Lexapro® (escitalopram) was approved and launched in Japan by Lundbeck's partners, Mochida and Mitsubishi Tanabe Pharma Corporation (Mitsubishi). Revenue from Lexapro® in Japan is included in Cipralex® revenue, International Markets. Income from **Lexapro®**, marketed in the US by Forest Laboratories, Inc. (Forest), was DKK 581 million for the quarter. This was an increase of 11%, or 9% in local currency, compared to the same period last year.

Ebixa® (memantine) for the symptomatic treatment of Alzheimer's disease, generated fourth quarter revenue of DKK 650 million, an increase of 11% compared to the same period last year. The increase corresponds to 10% growth in local currency. Lundbeck has the marketing rights to Ebixa® in most of the world, except Japan and the US.

Revenue from **Azilect®** (rasagiline) for the treatment of Parkinson's disease was DKK 309 million for the quarter, an increase of 14%, or 16% in local currency, compared to the same quarter last year. Lundbeck has commercial rights to Azilect® in Europe (in co-promotion with Teva Pharmaceutical Industries Inc. (Teva) in France and the UK) and some markets outside Europe, including six Asian countries. From 1 January 2012, Teva will be marketing Azilect® alone in Germany.

Xenazine®[1] (tetrabenazine) for the treatment of chorea associated with Huntington's disease, generated revenue of DKK 242 million in the fourth quarter, an increase of 41% compared to the same period last year. Lundbeck has the marketing rights to Xenazine® in the US.

[1] Xenazine® is a registered trademark of Biovail Laboratories International (Barbados) S.R.L.

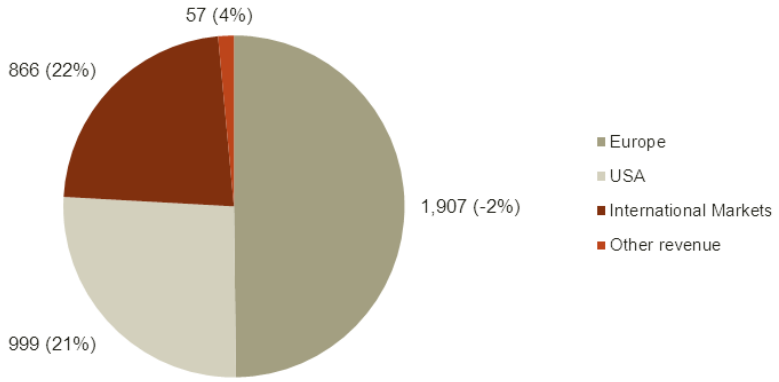
Sabril® (vigabatrin) for the treatment of refractory complex partial seizures (rCPS) and infantile spasms (IS), generated fourth quarter revenue of DKK 77 million, increasing 41%, or 40% in local currency, compared to the fourth quarter 2010. Lundbeck has the marketing rights to Sabril® in the US.

Revenue from **Other pharmaceuticals**, which comprise the remainder of Lundbeck's products, was DKK 480 million, an increase of 15% compared to the same quarter last year. Revenue from Sycrest®/Saphris® is included in Other pharmaceuticals.

Sycrest®/Saphris® (asenapine) is indicated for the treatment of moderate to severe manic episodes associated with bipolar I disorder in the EU (Sycrest®), and for the treatment of schizophrenia and/or moderate to severe manic episodes associated with bipolar I disorder outside the EU (Saphris®). Sycrest®/Saphris® was launched in April 2011, and has now been commercially launched in several countries, including Australia, Germany, Italy, Spain and the UK. Among the major markets, Lundbeck expects to launch Sycrest®/Saphris® in France and Canada within the next six months. Lundbeck retains commercial rights to Sycrest®/Saphris® in all markets outside the US, Japan and China.

Other revenue was DKK 57 million in the fourth quarter, compared to DKK 55 million for the same period last year. Other revenue for the full year includes a milestone from Mochida of close to DKK 200 million, in connection with the launch of escitalopram in Japan.

Revenue per region Q4 2011 (growth in brackets) - DKKm



Europe

Revenue in Europe for 2011 was DKK 7,988 million, corresponding to an increase of 2% compared to 2010.

Fourth quarter revenue in Europe decreased 2% compared to the same quarter last year. The decrease was due to decreasing revenue from Cipralex®. This was partly offset by the continued growth of Ebixa® and Azilect®.

Revenue – Europe

DKK million	Q4 2011	Q4 2010	Growth	Growth in local currency	FY 2011
Cipralex®	853	984	(13%)	(14%)	3,717
Ebixa®	558	501	11%	11%	2,323
Azilect®	284	245	16%	16%	1,087
Other pharmaceuticals	212	211	0%	0%	861
Total revenue	**1,907**	**1,941**	**(2%)**	**(2%)**	**7,988**

Cipralex® generated fourth quarter revenue of DKK 853 million in Europe, a decrease of 13% compared to the fourth quarter last year. Cipralex® continues to gain market shares and reinforce its leading position in most countries in Europe, but revenue for the quarter was negatively impacted by the launch of generic escitalopram in Spain and Denmark in 2010, as well as the withdrawal of Cipralex® from the public market in Germany in July 2011. Furthermore, revenue in some European countries continues to be impacted by price decreases and health care reforms. Compared to the fourth quarter last year, Lundbeck has now lost around 80% of Cipralex® revenue in Spain and Germany. As a consequence, in November 2011, Cipralex® held a market share in value of 16.7% of the European antidepressant market, compared with a market share of 19.4% at the same time in 2010.

In December 2011, the fixed price in Germany for Cipralex® was lifted by a court order with immediate effect. Subsequently, Cipralex® has been reimbursed again in the public market in Germany. It is too early to estimate the impact of the ruling, which can be appealed.

Revenue from Ebixa® rose 11% to DKK 558 million compared to the fourth quarter last year. At the end of November 2011, the product held 20.3% of the European Alzheimer's market measured in value, compared to a market share of 17.8% at the same time in 2010. Ebixa® continues to gain market shares in several markets in the EU, and revenue continues to be positively impacted by the re-launch of Ebixa® in the UK, following support of the use of memantine from NICE (National Institute of Health and Clinical Excellence) in the UK. Ebixa® now holds a market share in terms of value of 11.2% in the UK (November 2011), compared to 6.6% at the same time last year.

Fourth quarter revenue from Azilect® was DKK 284 million, an increase of 16% compared to the fourth quarter of 2010. In November 2011, Azilect® held a market share in value of 17.8% of the total European Parkinson market. This compares to a market share of 13.5% at the same time in 2010. Azilect® continues to gain market share in Europe, as it is increasingly recognised as an effective and easy-to-administer medication. The reimbursement of Azilect® in France in 2010 continues to support sales. In November 2011, Azilect® had achieved a market share in France of 21.2%, compared to 16.8% at the same time in 2010.

Revenue from Other pharmaceuticals was DKK 212 million, and unchanged compared to last year. Revenue from Other pharmaceuticals was positively impacted by the inclusion of revenue from Sycrest®, which was launched in April 2011.

USA

Revenue in the US for 2011 was DKK 4,162 million, corresponding to an increase of 12% compared to 2010.

Lundbeck's fourth quarter revenue in the US was DKK 999 million, an increase of 21%, or 19% in local currency, compared to the fourth quarter of 2010. The growth was driven by increased revenue from Xenazine® and Sabril®, as well as Other pharmaceuticals.

Revenue – USA

DKK million	Q4 2011	Q4 2010	Growth	Growth in local currency	FY 2011
Lexapro®	581	520	11%	9%	2,535
Xenazine®	233	171	36%	36%	817
Sabril®	77	56	41%	40%	309
Other pharmaceuticals	108	80	36%	33%	501
Total revenue	**999**	**827**	**21%**	**19%**	**4,162**

Revenue from Lexapro® was DKK 581 million for the quarter, an increase of 11% or 9% in local currency, compared to the same quarter last year. The growth was due to higher sales, as well as favourable exchange rates. In November 2011, Lexapro® held a market share in value of 29.6% of the US aggregate market for antidepressants, compared to a market share of 24.3% in November 2010. Due to the entrance of generic venlafaxine, the value of the total market has decreased, and as a consequence Lexapro's market share has increased.

Prepayments from Forest, recorded in Lundbeck's balance sheet as the difference between the invoiced price and the minimum price of Forest's inventories, were DKK 234 million as of 31 December 2011. This compares to DKK 517 million as of the end of December 2010.

Revenue from Xenazine® was DKK 233 million for the quarter, an increase of 36% compared to the fourth quarter last year. Revenue from Xenazine® continues to progress well, driven by an increased number of patients and is on track to meet our expectations.

Sabril® revenue for the quarter was DKK 77 million, an increase of 41% or 40% in local currency, compared to the same quarter last year. The performance of Sabril® continues to be driven by increased compliance rates among existing patients and an increase in number of patients.

In January 2012, Onfi™ was launched in the US. Onfi™ was approved by the FDA in October 2011 for the adjunctive treatment of seizures associated with Lennox-Gastaut syndrome.

Fourth quarter revenue from Other pharmaceuticals in the US was DKK 108 million, an increase of 36% compared to same quarter last year. The increase in revenue was due to a favourable development in Lundbeck US' mature products.

In the fourth quarter, Lundbeck entered into an agreement with Akorn Inc. (Akorn), according to which Akorn acquired the rights to the products, Nembutal®, Cogentin® and Diuril®. The transaction was part of Lundbeck's long-term strategy to focus on newer, strategic products in its portfolio. According to the agreement, Lundbeck will receive upfront and milestone payments of up to USD 60 million.

International Markets

Revenue in International Markets, which comprise all of Lundbeck's markets outside Europe and the US, was DKK 3,468 million for 2011, corresponding to an increase of 17% compared to 2010.

Revenue in International Markets for the fourth quarter was DKK 866 million, corresponding to an increase of 22% compared to the fourth quarter 2010, or 21% in local currency. The growth was driven by Cipralex®, Ebixa® and Other pharmaceuticals.

Revenue – International Markets

DKK million	Q4 2011	Q4 2010	Growth	Growth in local currency	FY 2011
Cipralex®	580	472	23%	21%	2,240
Ebixa®	92	84	9%	3%	428
Azilect®	25	26	(3%)	13%	100
Other pharmaceuticals	169	125	35%	37%	700
Total revenue	**866**	**707**	**22%**	**21%**	**3,468**

Cipralex® generated fourth quarter revenue of DKK 580 million in International Markets, an increase of 23% compared to the fourth quarter last year, corresponding to an increase of 21% in local currency. Cipralex® sales in Canada continue to show strong growth, and grew 21% for the quarter. Cipralex® now holds a market share in terms of value of 18.7% in Canada (November 2011), compared to 13.9% at the

same time last year. Revenue from Cipralex in China is also starting to show significant progress following the new agreement with Xian-Janssen Pharmaceuticals Ltd., although from a moderate level. In November 2011, Cipralex® held a market share in terms of value of 12.3% of the aggregate market for antidepressants in International Markets[2], compared to a market share of 11.3% in the same period last year.

In August 2011, Lexapro® was launched in Japan by Lundbeck's partners Mochida and Mitsubishi. The sales force is already fully in place and Lexapro® is being marketed with a very competitive share of voice. At the end of November 2011, Lexapro® held a market share in terms of value of 1.9% of the aggregate market for antidepressants in Japan.

Ebixa® generated fourth quarter revenue of DKK 92 million, an increase of 9%, or 3% in local currency. The increase was due to continued growth in most important markets, however, weakened by a decrease in Turkey due to price reductions, as well as generic competition in most markets. In November 2011, Ebixa® held 8.6% of the total market in terms of value of pharmaceuticals for the treatment of Alzheimer's disease in International Markets. This compares to a market share of 8.8% in November 2010.

Other pharmaceuticals generated revenue of DKK 169 million during the quarter, an increase of 35%, or 37% in local currency, compared to the same quarter last year. The increase was due to a positive development in some of Lundbeck's mature products, as well as quarterly fluctuations in sales.

Expenses and income

Total costs for 2011 increased 11% to DKK 12,614 million. Total costs for the fourth quarter were DKK 3,503 million, an increase of 9% compared to the fourth quarter last year.

Distribution of costs

DKK million	Q4 2011	Q4 2010	Growth	FY 2011
Cost of sales	869	802	8%	3,166
Sales and distribution	1,124	949	18%	4,017
Administration	617	515	20%	2,111
Research & Development	893	943	(5%)	3,320
Total costs	**3,503**	**3,209**	**9%**	**12,614**

Total cost of sales for the quarter increased 8% to DKK 869 million. This corresponds to 23% of Lundbeck's total revenue, which is at the same level as the fourth quarter of 2010. Cost of sales for the period was affected by the higher cost of goods sold due to increasing revenue from in-licensed products (i.e. Xenazine®, Azilect® and Ebixa®).

[2] Market shares for International Markets are based on IMS data from Australia, Brazil, Canada, China, Mexico, Saudi Arabia, South Africa, South Korea and Turkey.

Sales and distribution costs were DKK 1,124 million, corresponding to 29% of revenue and an increase of 18% compared to the fourth quarter last year. The increase in sales and distribution costs related mainly to launch costs for Sycrest® and Onfi™. Administrative expenses were DKK 617 million, corresponding to 16% of the total revenue for the period. The increase in administration expenses compared to the fourth quarter 2010 is among other things related to administrative support functions in new markets to support the launch of products and increased legal and regulatory costs including costs related to the Otsuka deal. SG&A costs were DKK 1,741 million, compared to DKK 1,464 million in the same period last year. The SG&A ratio for the period was 45% compared to 41% in the same period last year.

R&D costs for the quarter were DKK 893 million compared to DKK 943 million in the same period last year.

Operating profit before depreciation and amortisation (EBITDA)

EBITDA was DKK 578 million, compared to DKK 586 million for the fourth quarter of 2010. EBITDA margin for the period was 15.1%, compared to 16.6% in the same quarter last year. EBITDA margin for 2011 was 28.9%, compared to 29.8% for 2010.

Depreciation, amortisation and impairment charges

Depreciation, amortisation and impairment charges, which are included in the individual expense categories, amounted to DKK 252 million, compared to DKK 265 million in the fourth quarter last year. This corresponds to a decrease of 5%.

Depreciation, amortisation and impairment charges

DKK million	Q4 2011	Q4 2010	Growth	FY 2011
Cost of sales	53	76	(30%)	156
Sales and distribution	101	96	5%	401
Administration	17	16	(1%)	76
Research & Development	81	77	5%	602
Total depreciation, amortisation and impairment charges	**252**	**265**	**(5%)**	**1,235**

Depreciation related to cost of sales for the second quarter 2011 included a profit of DKK 95 million from the sale of the production facilities in the UK (Seal Sands).

Depreciation related to research and development for 2011 includes write-offs of DKK 364 million in the R&D organisation.

Profit from operations (EBIT)

EBIT for the fourth quarter of 2011 amounted to DKK 326 million, which corresponds to an increase of 2%, compared to the same period in 2010 (DKK 321 million). The EBIT margin for the period was 8.5%, compared to 9.1% in the same period the year before. EBIT margin for 2011 was 21.2%, compared to 22.7% for 2010.

Net financials

Lundbeck generated a net financial expense of DKK 42 million in the fourth quarter, compared with a net income of DKK 10 million in the fourth quarter of 2010.

Net financials

DKK million	Q4 2011	Q4 2010	FY 2011
Interest on financial assets and liabilities measured at amortised cost	(17)	(35)	(58)
Net gains on financial instruments measured at fair value	5	0	17
Net interest income, incl. net gains on the bond portfolio	**(12)**	**(35)**	**(41)**
Net gains regarding the trading portfolio	1	(1)	2
Net exchange gains	(18)	37	(36)
Net currency items relating to financial items	**(17)**	**36**	**(34)**
Net gains on available-for-sale financial assets, incl. dividends	3	10	11
Other financial income, net	(16)	(1)	(32)
Net financials	**(42)**	**10**	**(96)**

Net interest income, including realised and unrealised gains and losses on the bond portfolio, amounted to a net expense of DKK 12 million, as compared to a net expense of DKK 35 million in the same period in 2010. The difference was primarily due to a higher cash position and bond portfolio in 2011 as well as lower payment of interest.

Net exchange amounted to a loss of DKK 17 million in the fourth quarter of 2011. The loss was due to unfavourable fluctuations in exchange rates.

Other financial income amounted to a loss of DKK 16 million in the fourth quarter of 2011, primarily due to currency translation recycled from Other Comprehensive Income from the sale of the UK production unit.

Profit for the period

Profit for the fourth quarter of 2011 was DKK 203 million, compared to DKK 238 million in the same period last year. Profit for the year was DKK 2,282 million, corresponding to an EPS of DKK 11.63.

Hedging

Lundbeck hedges income from its products through 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. Hedging had a positive effect on profit of DKK 3 million in the fourth quarter of 2011, compared with a situation where the income is not hedged and included at the current exchange rates during the period. The effect was a DKK 41 million loss in the fourth quarter 2010. The currency with the most financial impact in the fourth quarter of 2011 was the US dollar and in total DKK 8 million was gained from the hedging of the US dollar. This compares to a loss of DKK 21 million in the fourth quarter of 2010.

Lundbeck hedges cash flow in US dollars on a rolling basis, up to 24 months in advance. The average rate for the US dollar hedging contracts for 2011 is approximately USD/DKK 564. The corresponding

rate for 2010 was approximately USD/DKK 541. For the next 12 months, the average rate for the existing US dollar hedging contracts is approximately USD/DKK 550.

Cash flow

Lundbeck had a negative cash flow during the quarter of DKK 755 million, compared to DKK 712 million in the same period last year.

Cash flow

DKK million	Q4 2011	Q4 2010	FY 2011
Cash flows from operating activities	255	(111)	3,624
Cash flows from investing activities	(1,010)	(606)	(2,695)
Cash flows from operating and investing activities	**(755)**	**(717)**	**929**
Cash flows from financing activities	-	5	(746)
Change in cash	**(755)**	**(712)**	**183**
Cash at beginning of period	3,212	2,995	2,294
Unrealised exchange adjustments for the period	10	11	(10)
Cash at end of period	**2,467**	**2,294**	**2,467**
Securities	1,476	54	1,476
Interest-bearing debt	(1,920)	(1,918)	(1,920)
Interest-bearing net cash and cash equivalents, end of period	**2,023**	**430**	**2,023**

Operating activities generated a fourth quarter cash inflow of DKK 255 million, compared to an outflow of DKK 111 million in the same period last year.

Cash flows from investing activities represented an outflow of DKK 1,010 million mostly related to the upfront payment for the recently announced collaboration with Otsuka.

Cash as of 31 December 2011 was DKK 2,467 million. This compares to DKK 2,294 million as of 31 December 2010. At the end of December 2011, Lundbeck had a net cash position of DKK 2,023 million, compared to a net cash position of DKK 430 million at the end of December 2010.

Balance sheet

As of 31 December 2011, Lundbeck had total assets of DKK 20,534 million, compared to DKK 18,005 million at the end of the fourth quarter of 2010.

As of 31 December 2011, Lundbeck's equity amounted to DKK 12,776 million, corresponding to a solvency ratio of 62.2% compared to 61.8% at the end of the fourth quarter 2010.

As a consequence of the exercise of warrants, the share capital increased during the second quarter of 2011 by DKK 96,420 (or 19,284 shares of nominally DKK 5). The increase was affected without any preemption rights for the existing shareholders of the company or others. The shares were subscribed in

cash at DKK 115 per share. Proceeds to the company were approximately DKK 2.2 million. The increase corresponds to approx. 0.01% of the company's share capital. After the increase, Lundbeck's share capital amounts to DKK 980,679,590.

Lundbeck paid out dividends of DKK 739 million during the second quarter, corresponding to DKK 3.77 per share.

Other

Events after the balance sheet date
In January 2012, Onfi™ tablets became available for prescribing in the US. The FDA approved Onfi™ for adjunctive treatment of seizures associated with Lennox-Gastaut syndrome in October 2011.

Accounting policies
Lundbeck's accounting policies are explained in detail in the annual report for 2011 also published today.

Purchase of shares for the existing Long-Term Incentive scheme
As part of the delivery relating to Lundbeck's Long-Term Incentive scheme (LTI) for the executive management and key employees in Denmark and abroad, Lundbeck will purchase the necessary 72,653 shares in full compliance with the existing NASDAQ OMX Copenhagen rules regarding trading with treasury shares and Lundbeck's internal rules.

The number of treasury shares included in the schemes currently amounts to less than 0.3% of the share capital per scheme. The purchases to fund the programme will be made immediately after the announcement of the Annual Report 2011 in order to mirror the final number needed. For the 2013 and 2014 transfer of shares, the corresponding figures are 96,785 and 511,284 shares, which is equal to approximately DKK 11 million and DKK 57 million at the present share price.

The schemes are charged continuously to the P&L and the purchase of treasury shares will have no effect on the P&L.

Protection of patents and other intellectual property rights
Intellectual property rights are a prerequisite for Lundbeck's continued investments in innovative pharmaceuticals. It is Lundbeck's policy to enforce its granted intellectual property rights if they are violated. Lundbeck is involved in a number of trials around the world related to defending intellectual property rights. With regards to escitalopram, Lundbeck is presently involved in pending court trials in Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Hungary, Lebanon, the Netherlands, Portugal, Saudi Arabia, Spain, Turkey, and the UK.

Risk factors
Lundbeck's overall risk exposure is unchanged and reflects the risk factors described in the annual report 2011.

Conference call

Today at 2.00 pm (CET), Lundbeck will be hosting a conference call for the financial community. You can listen to the call online at www.lundbeck.com under the investor section.

Further information

An electronic version of the annual report for 2011 and further information about Lundbeck is available from the company's website www.lundbeck.com. The printed version of the annual report for 2011 will be available on 20 March 2012.

FINANCIAL STATEMENTS

Income statement

DKK million	2011 Q4	2010 Q4	2011 FY	2010 FY
Revenue	3,829	3,530	16,007	14,765
Cost of sales	869	802	3,166	2,958
Gross profit	**2,960**	**2,728**	**12,841**	**11,807**
Sales and distribution costs	1,124	949	4,017	3,496
Administrative expenses	617	515	2,111	1,909
Research and development costs	893	943	3,320	3,045
Profit from operations	**326**	**321**	**3,393**	**3,357**
Net financials	(42)	10	(96)	(68)
Profit before tax	**284**	**331**	**3,297**	**3,289**
Tax on profit for the period	81	93	1,015	823
Profit for the period	**203**	**238**	**2,282**	**2,466**
Earnings per share (EPS) (DKK)	1.03	1.21	11.63	12.57
Diluted earnings per share (DEPS) (DKK)	1.03	1.21	11.63	12.57

Statement of comprehensive income

DKK million	2011 Q4	2010 Q4	2011 FY	2010 FY
Profit for the period	**203**	**238**	**2,282**	**2,466**
Currency translation, foreign subsidiaries	119	91	31	295
Currency translation concerning additions to net investments in foreign subsidiaries	182	81	115	240
Realised exchange gains/losses concerning additions to net investments in foreign subs. (transferred to the income statement)	17	-	20	-
Adjustment, deferred exchange gains/losses, hedging	(63)	(83)	84	(213)
Exchange gains/losses, hedging (transferred to the hedged items)	8	27	(127)	163
Exchange gains/losses, trading (transferred from hedging)	-	1	-	1
Accumulated exchange loss on divestment of associate	-	2	-	2
Fair value adjustment of available-for-sale financial assets	3	(2)	(6)	(4)
Tax on other comprehensive income	(36)	(6)	(23)	(47)
Other comprehensive income	**230**	**111**	**94**	**437**
Comprehensive income	**433**	**349**	**2,376**	**2,903**

Balance sheet

DKK million

Assets	31.12.2011	31.12.2010
Intangible assets	8,445	8,012
Property, plant and equipment	2,814	3,046
Financial assets	472	191
Non-current assets	**11,731**	**11,249**
Inventories	1,634	1,491
Receivables	3,226	2,917
Securities	1,476	54
Cash	2,467	2,294
Current assets	**8,803**	**6,756**
Assets	**20,534**	**18,005**
Equity and liabilities		
Share capital	980	980
Share premium	226	224
Currency translation reserve	(149)	(281)
Currency hedging reserve	(36)	(4)
Retained earnings	11,755	10,203
Equity	**12,776**	**11,122**
Provisions	1,155	918
Debt	1,907	1,918
Non-current liabilities	**3,062**	**2,836**
Provisions	222	228
Debt	13	-
Trade payables	1,526	1,237
Other payables	2,701	2,065
Prepayments from Forest	234	517
Current liabilities	**4,696**	**4,047**
Liabilities	**7,758**	**6,883**
Equity and liabilities	**20,534**	**18,005**

Statement of changes in equity at 31 December 2011

DKK million **2011**	Share capital	Share premium	Currency translation reserve	Currency Hedging reserve	Retained earnings	Equity
Equity at 01.01.2011	**980**	**224**	**(281)**	**(4)**	**10,203**	**11,122**
Profit for the period	-	-	-	-	2,282	2,282
Other comprehensive income	-	-	132	(32)	(6)	94
Comprehensive income	**-**	**-**	**132**	**(32)**	**2,276**	**2,376**
Distributed dividends	-	-	-	-	(739)	(739)
Capital increase through exercise of warrants	-	2	-	-	-	2
Buyback of treasury shares	-	-	-	-	(9)	(9)
Incentive programmes	-	-	-	-	24	24
Other transactions	**-**	**2**	**-**	**-**	**(724)**	**(722)**
Equity at 31.12.2011	**980**	**226**	**(149)**	**(36)**	**11,755**	**12,776**
2010						
Equity at 01.01.2010	**980**	**224**	**(757)**	**33**	**8,323**	**8,803**
Profit for the period	-	-	-	-	2,466	2,466
Other comprehensive income	-	-	476	(37)	(2)	437
Comprehensive income	**-**	**-**	**476**	**(37)**	**2,464**	**2,903**
Distributed dividends	-	-	-	-	(602)	(602)
Incentive programmes	-	-	-	-	18	18
Other transactions	**-**	**-**	**-**	**-**	**(584)**	**(584)**
Equity at 31.12.2010	**980**	**224**	**(281)**	**(4)**	**10,203**	**11,122**

Cash flow statement

DKK million	2011 Q4	2010 Q4	2011 FY	2010 FY
Profit from operations	**326**	**321**	**3,393**	**3,357**
Adjustments	265	327	1,192	1,080
Working capital changes	104	284	(182)	88
Cash flows from operations before financial receipts and payments	**695**	**932**	**4,403**	**4,525**
Financial receipts and payments	14	(40)	(35)	(78)
Cash flows from ordinary activities	**709**	**892**	**4,368**	**4,447**
Income tax paid	(454)	(1,003)	(744)	(1,182)
Cash flows from operating activities	**255**	**(111)**	**3,624**	**3,265**
Investments in and sale of bonds and other financial assets	(14)	8	(1,475)	21
Investments in and sale of intangible assets and property, plant and equipment	(996)	(614)	(1,220)	(824)
Cash flows from investing activities	**(1,010)**	**(606)**	**(2,695)**	**(803)**
Cash flows from operating and investing activities	**(755)**	**(717)**	**929**	**2,462**
Dividends paid in the financial year	-	-	(739)	(602)
Capital contribution	-	-	2	-
Other financing activities	-	5	(9)	(1,560)
Cash flows from financing activities	**-**	**5**	**(746)**	**(2,162)**
Change in cash	**(755)**	**(712)**	**183**	**300**
Cash at beginning of period	3,212	2,995	2,294	1,960
Unrealised exchange adjustments for the period	10	11	(10)	34
Change for the period	(755)	(712)	183	300
Cash at end of period	**2,467**	**2,294**	**2,467**	**2,294**

Interest-bearing net cash and cash equivalents is composed as follows:				
Cash	2,467	2,294	2,467	2,294
Securities	1,476	54	1,476	54
Interest-bearing debt	(1,920)	(1,918)	(1,920)	(1,918)
Interest-bearing net cash and cash equivalents, end of period	**2,023**	**430**	**2,023**	**430**

FINANCIAL CALENDAR

15 February 2012	Deadline for Lundbeck's receipt of shareholder proposals for the Annual General Meeting 2012
29 March 2012	Annual General Meeting 2012
4 April 2012	Distribution of annual dividend
2 May 2012	First quarter report 2012
8 August 2012	Second quarter report 2012
7 November 2012	Third quarter report 2012

CORPORATE RELEASES SINCE THE PREVIOUS QUARTERLY REPORT

3 January 2012	Onfi™ (clobazam) tablets now available in the US at retail pharmacies
21 December 2011	Lundbeck submits a European Marketing Authorisation Application (MAA) for Selincro™ (nalmefene) for the treatment of alcohol dependence
28 November 2011	Announcement of transactions with shares and linked securities in H. Lundbeck A/S made by executives and their closely associated persons and legal entities
22 November 2011	NDA for aripiprazole depot formulation for maintenance treatment of adult patients with schizophrenia accepted by the FDA
11 November 2011	Lundbeck and Otsuka Pharmaceutical sign historic agreement to deliver innovative medicines targeting psychiatric disorders worldwide

For more information, please visit www.lundbeck.com under the investor section.

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ABOUT LUNDBECK

H. Lundbeck A/S (LUN.CO, LUN DC, HLUKY) is an international pharmaceutical company highly committed to improving the quality of life for people suffering from brain disorders. For this purpose, Lundbeck is engaged in the research, development, production, marketing and sale of pharmaceuticals across the world. The company's products are targeted at disorders such as depression and anxiety, psychotic disorders, epilepsy and Huntington's, Alzheimer's and Parkinson's diseases.

Lundbeck was founded in 1915 by Hans Lundbeck in Copenhagen, Denmark. Today Lundbeck employs approximately 6,000 people worldwide. Lundbeck is one of the world's leading pharmaceutical companies working with brain disorders. In 2011, the company's revenue was DKK 16.0 billion (approximately EUR 2.2 billion or USD 3.0 billion). For more information, please visit www.lundbeck.com.