



Good afternoon, my name is Flemming Lindeløv. As chairman of the board of H. Lundbeck A/S, I am pleased to welcome you to the Annual General Meeting for the 2006 financial year. It is great to see that so many shareholders, employees, guests and representatives of the news media have come here today. Thank you very much.

I would like to mention that also this year there is simultaneous interpretation of the Annual General Meeting from Danish into English, and that it is possible to follow the Annual General Meeting online. The AGM is being taped and can be seen later at our website at [www.lundbeck.com](http://www.lundbeck.com).

Before we start I would like to say that we have included two documents in this year's package of financial statements.

One is a set of financial statements with an unqualified auditor's report detailing the year's financial, tactical and strategic results and describing our work with regard to the corporate governance standards that Lundbeck follows. Furthermore, we discuss matters such as the environment, health and safety at work, and competence development. The financial statements have been prepared in accordance with the latest international accounting standards, the IFRS standards (*International Financial Reporting Standards*).



The other document is a magazine that tells you more about Lundbeck as a company and the various diseases we work with in Lundbeck. I myself have noted the touching article on page 12 where Marianne, the wife of a patient suffering from schizophrenia, describes her life. The article confirms my conviction that it is extremely important that Lundbeck continues to develop new and better therapies that will improve the quality of life of people suffering from diseases of the central nervous system. It is amazing to think that it is nearly 2500 years since Hippocrates said, "From the brain and the brain only arise our pleasures, joys, laughter and jests, as well as our sorrows, griefs and fears."

Just like last year I would like to begin by introducing the members of Lundbeck's supervisory board and executive management to the shareholders at the Annual General Meeting today.

Lundbeck's supervisory board has six members elected in general meeting and three members elected by the company's staff in Denmark. In addition to me – who was elected to the board for the first time in 1998 – the supervisory board consists of:

- Thorleif Krarup, deputy chairman, first elected in 2004;
- Lars Bruhn, who has been on Lundbeck's board since 1995;
- Peter Kürstein, who was elected in 2001;



- Mats Pettersson, elected in 2003; and
- Jes Østergaard, also elected in 2003.

These six people are the members of the board who are elected by the shareholders at the Annual General Meeting and who are up for election each year. This year they have all decided to accept re-election, with the exception of Lars Bruhn, who after eleven years as a board member has decided not to stand for re-election. For this reason, a brief CV of each member who is up for re-election was enclosed with the notice of the Annual General Meeting. I would like to take this opportunity to thank Lars for his dedication and commitment in his board work. Lars's commitment has always reflected the fact that he is a person who, before he became a board member, had had a brief but brilliant career in Lundbeck before the family firm required his assistance. On behalf of the entire board I wish Lars the best of luck in his other board positions in the future. We are very pleased that Per Wold-Olsen has agreed to carry on after Lars as a new member of the board. Per has had a long career in the pharmaceutical industry, as described in the brief CV that was sent out with the notice of the AGM. I will revert to Per later in this report.

In addition, the board has three members elected by Lundbeck's employees in Denmark for terms of four years. Until this year's Annual General Meeting, the following three employee representatives served on the board:



- Birgit Bundgaard Rosenmeier, who was first elected by employees in 1993;
- Kim Rosenville Christensen, who was first elected in 2006; and
- William P. Watson, who was also elected for the first time in 2006.

Since the Annual General Meeting in April 2006, two members of Lundbeck's executive management have left the Group's executive management.

In connection with the presentation of the Group's 2006 financial statements on 7 March 2007, our group chief financial officer, Hans Henrik Munch-Jensen, decided to step down. The process of finding Hans Henrik's successor is in full swing, and we expect to be able to find the right candidate within the next few months.

Furthermore, Lundbeck's marketing and sales activities have been combined and are now under a single member of the executive management. In this connection Ole Chrintz has left the executive management, but will continue to have the same areas of responsibility.

Today, Lundbeck's executive management thus comprises the following people:



- Claus Bræstrup, president and CEO, who has had this position for the past three and a half years. Claus came to Lundbeck in 1998 as head of research and development.
- Lars Bang, executive vice president in charge of supply operations, engineering and information technology.
- Stig Løkke Pedersen, executive vice president in charge of Lundbeck's commercial operations.

The new chief financial officer will take up his seat in executive management later.

I think it is appropriate to mention that we on the supervisory board think that Lundbeck has a good management. The people in and around the executive management work well together as a team that always try to collaborate in conducting activities in the best possible way.

Before I finish my introductory remarks and give the floor to the next speaker, I would like to say that it was a great disappointment to us when, about a month ago, we had to announce that we and our business partner Merck & Co., Inc. had to stop the development of gaboxadol for the treatment of sleep disorders. The development of innovative drugs involves a certain risk and, although the gaboxadol situation is annoying because gaboxadol has already been tested in several thousand patients and was very likely to become a promising drug, we are aware that not all our development projects will be successes. We have now put the project



of developing gaboxadol for the treatment of sleep disorders behind us and are looking to the future instead.

Along with gaboxadol, we have also brought the build-up of our commercial operations in the United States to a halt. The American market for the sale of drugs is the largest in the world, accounting for about 56% of total sales of drugs for the treatment of diseases of the central nervous system. It is important for Lundbeck and it remains our ambition that we have our own sales force in the United States and that we market our drugs on the American market.

I will now give the floor to Jørgen Boe, whom the supervisory board has asked to chair this Annual General Meeting in accordance with our articles of association.

The board is very pleased to announce that in 2006 we reached our target for profit from ordinary operating activities exclusive of non-recurring income in connection with the listing of LifeCycle Pharma. The Group achieved a total revenue of about DKK 9.2 billion, profit from ordinary operating activities in the region of DKK 1.8 billion and net profit for the year of about DKK 1.1 billion. As I said in my report last year, we have been looking forward to the listing of LifeCycle Pharma. The company was listed on 20 November 2006, in which connection we recognized DKK 155 million as non-recurring income. This income is included in the 2006 financial statements. LifeCycle Pharma – which actually held its first



annual general meeting this morning – has managed to generate great value for Lundbeck's shareholders in just a few years, and we wish the company the very best of luck in future.

The financial results for 2006 are characterized by the decision made by Lundbeck and our US partner Forest Laboratories in early 2006 to perform an extraordinary reduction of in-house stocks of the active ingredient of Lexapro, escitalopram, from stocks corresponding to sixteen months' consumption to stocks corresponding to ten months' consumption. This extraordinary reduction of Forest's stocks has had a material negative impact on its 2006 result, which was only to a limited extent offset by an upward trend in sales of Lexapro® on the American market.

By the end of 2006, Forest's stocks of escitalopram had been brought down to stocks covering about nine months' sales, and we intend to maintain that level throughout 2007 and consequently expect Lundbeck's financial results for 2007 once again to reflect actual developments in the American market. I will revert to this later when I go through the group's expectations with regard to net profit for the year 2007.

In 2006, our cash flows from operating and investment activities were lower than expected due to an investment level that was higher than anticipated because of our investment in Finnish BioTie's Phase III trials of



nalmeffene used in the treatment of alcohol dependency and because of financial expenses and taxes that were higher than expected.

Claus Bræstrup will explain the financial statements in further detail, and I will therefore continue with some words about business developments in the past year, focusing on our pipeline and our corporate governance work, and then I will of course have a few remarks on the outlook for 2007.

In 2006 we managed to strengthen the position of our newer drugs. Revenue generated by these drugs grew by 9% in 2006, thus making up 75% of Lundbeck's aggregate revenue.

In 2006, our main drug, Cipralex®, which is sold as Lexapro® in the United States, became the most frequently prescribed original drug for the treatment of depression both in Europe and in the United States, with revenues totalling DKK 5.4 billion. Revenue generated by Cipralex sales in Europe grew by no less than 30%, whilst revenue in the international markets outside Europe and the United States grew by 50%. In the United States, Lexapro also gained market share, but Lundbeck's revenue from Lexapro sales in the United States fell because Forest, as mentioned before, decided to reduce its in-house stocks.



Lundbeck improved the market position of Cipralex® further by submitting a registration application for approval of Cipralex® for the treatment of obsessive-compulsive disorder (OCD) in the EU. Approval was obtained in early 2007, which means that Cipralex® may now be used for the treatment of depression and all major anxiety disorders. Clinical results showing the therapeutic benefits of using Cipralex® rather than competing products such as Cymbalta® and Paxil® were published in 2006.

I would also like to mention that the US court case against Teva Pharmaceuticals, formerly IVAX, concerning the validity of our patent for escitalopram reached a positive conclusion in 2006. However, Teva appealed the decision. We are convinced that the outcome of the appeal case will be in Lundbeck's favour.

It is the opinion of Lundbeck that the Group's intellectual property rights are valid and have legal effect, and it is our policy to energetically defend Lundbeck's intellectual property rights no matter where they are infringed upon.

Sales of Ebixa® for the treatment of Alzheimer's disease also increased handsomely, growing by 23% in 2006. With total sales of DKK 1.4 billion, Ebixa is thus number two on Lundbeck's list of best-selling drugs. At the end of 2006, Ebixa® accounted for 15.1% of total sales of drugs for the



treatment of Alzheimer's disease in Europe. Together with Lundbeck's partner Merz in Germany, Ebixa® achieved a share of the European market in excess of 20%, which means that Ebixa® is the second-most prescribed drug for the treatment of Alzheimer's in Europe. We are very pleased with this position.

Azilect® was launched in 2006 as a treatment for Parkinson's disease in an additional twelve countries and is now available through Lundbeck in 22 markets. Revenues generated by Azilect® sales amounted to DKK 71 million in 2006, and Azilect® achieved a market share of 2.9% in the market for drugs for the treatment of Parkinson's disease in Europe, which is a satisfactory result.

In 2006 it was also satisfactory to see that Serdolect® for the treatment of schizophrenia was back on the market after eight years' absence. In 2006, Serdolect was launched in fourteen markets and has thus become available to people suffering from schizophrenia. The launching of Serdolect® is progressing according to plan, and the Group will continue introducing Serdolect® in a number of markets in and outside Europe, also in the American market.

In 2006 we were able to present a great deal of important data from our development projects, and we achieved progress of our development portfolio. We were able to start Phase I trials of both Lu AA34893 and Lu



AA44608. The latter is the first drug candidate from our American research centre, Lundbeck Research US.

We were also able to start Phase II trials of our drug candidate for the treatment of depression, Lu AA210004, which is the most advanced of the group's three development projects in the field of depression. After the end of the financial year we started Phase II trials with Lu 31-130 for the treatment of schizophrenia. Just like the two Phase I projects I mentioned before, these projects are based on our own research.

Late in the year we entered into a partnership with the Finnish company BioTie about the drug nalmefene for the treatment of alcohol dependency. The agreement is yet another milestone in our strategy of adding new and innovative drugs to our development portfolio by means of partnerships. As some patients suffering from mental or neurological diseases also need treatment for alcohol dependency, we will clearly be able to achieve synergies with our other activities within those areas.

Lundbeck is one of the companies that invest most in research and development in Denmark. The EU has set it as a target in its Lisbon strategy that by 2010 member states should each year invest 3% of their gross domestic product (GDP) in research and development. Private investment in research and development should amount to 2% of GDP.



In 2006 Lundbeck's investments in research and development made up 0.12% of Denmark's gross domestic product, which means that if only twenty companies' investments in research and development were at the same high level as Lundbeck's, Denmark would meet the Lisbon targets for private enterprises.

In this connection I would also like to mention that value addition in Lundbeck does not only have an effect on the group's direct investments in research and development, but also benefits the Lundbeck Foundation. One of the objectives of the foundation is to provide financial support for high-quality scientific research. In 2006 the Lundbeck foundation donated a total of 248 million kroner, which is quite impressive.

If we consider developments in our results this year – that is developments in 2007 – we expect a continued upward trend in sales of our most recent drugs: Cipralex, Ebixa, Azilect and Serdolect. We also expect Forest to complete its reduction of Lexapro stocks and that Lundbeck's financial result will once again reflect actual developments in the American market. We thus expect an operating profit of more than 2.5 billion Danish kroner in 2007.

We expect to achieve our target profit margin of 25% in 2007, which will be on a par with Lundbeck's profitability before citalopram came up against generic competition in 2002. We also expect to spend DKK 650



million on investments in 2007, including the build-up and roll-out of a new IT SAP system in the organization and in construction activities at the head office in Valby and at Lundbeck Research USA.

We have now concluded a transitional period during which we have managed to compensate for a drop in sales of citalopram, continued pressure on prices, in particular in Europe, and a drop in the US dollar rate of more than 30 per cent, and we can now concentrate on looking ahead, focusing our efforts on Lundbeck's long-term growth and development. In 2002, one substance, citalopram, accounted for 80% of Lundbeck's revenue. Today, 75% of our revenue is generated by three new drugs. Over the same period, sales through our own subsidiaries have gone up from 64% to 75% of total revenue.

In the coming years we will focus on ensuring that Lundbeck is a well-operated business with a good growth potential so that we will be in a good position when our current drugs become affected by generic competition. In specific terms, our next job will be to ensure that we have new drugs ready to compensate for the substantial losses we will sustain when the patent protection of Lexapro and Cipralelex ceases in 2012.

This will be no easy task. We are working hard to prepare ourselves as best we can, laying the groundwork that will allow us to shift once again, just as we did in 2002 to 2006, a major part of our revenue from one



product to one or more new products. We are also working vigorously to ensure that Lundbeck will be able to take up this challenge through continued development of our own projects and assets bought or acquired through licence agreements.

We will ensure that Lundbeck has a competitive cost structure, and we will optimize the company's flexibility and its ability to respond quickly, as it is possible for a small pharmaceutical company to do.

Our efforts are intended to ensure that we achieve our target of having a profit margin of 25% in 2007 and that, with our current product mix, Lundbeck will continue to be a profitable business.

At the same time Lundbeck aims to maintain and develop its current business activities by ensuring that our current drugs are marketed in all commercially relevant markets, and we will develop our drugs further to ensure that their potential is maximized.

We have intensified activities in our 'market access group', which supports the work relating to, for example, negotiations with public authorities concerning pricing. We aim to improve clinical documentation of our drugs on an ongoing basis, which we also did in 2006 by presenting data about Cipralex that were positive as compared with data for competing drugs.



With our current business activities, Lundbeck is in a favourable financial position, and we intend to use that position to create a platform for long-term growth and added value. The Group will continue to invest about 20% of revenue in the development of innovative drugs to obtain a strong development portfolio based on in-house research and inlicensing. We will thus continue to invest about two billion kroner a year in research and development.

Lundbeck is focusing on mergers and acquisitions - M&A – and licensing, and we have streamlined our work procedures with respect to the identification and implementation of acquisitions and licensing agreements. In 2006 we worked on about two hundred projects. We initiated due diligence procedures in about 10% of those projects, and we have entered into three agreements on projects and technologies, of which the Nalmefene project of Finnish BioTie is the most advanced, forming part of our Phase III development portfolio.

We are currently in a unique situation: in 2007 we will determine the future potential of a number of our late-phase projects, which will give us a clearer indication of how the building blocks for our platform for long-term growth will fall into place.

An important event I would like to mention here is the presentation of the first Phase III clinical trials results from the project concerning



desmoteplase for the treatment of stroke. It has so far been very difficult to develop drugs with the right balance between therapeutic and adverse effects. The treatment of stroke is a new and very exciting area for Lundbeck, and we look forward to learning more about the future development of this project in mid-2007.

I would also like to point out that we expect to be able to see the results of our Phase II trials with our depression candidate, Lu AA21004. As mentioned before, this project is our most advanced project in the field of depression and, if everything goes to plan, it will also be one of our possible successors to Cipralext and Lexapro.

There will be many challenges and many things happening in 2007. Let us create good results together.

One of Lundbeck's most important development areas is our staff. We very much compete on the basis of our ability to be innovative.

Lundbeck's staff and their knowledge are key in generating innovation, and our staff are characterized by a high level of education and a high degree of specialization.

We want Lundbeck to be an attractive place to work, and we make a targeted effort to go the extra mile in terms of health and safety, just as we focus on development, talent and diversity.



We wish to carry out our activities in a way that has a minimal impact on the environment. This philosophy is at the root of the general ISO 14001 system that Lundbeck is currently introducing. The system will ensure coherence and continued development all the way from the development of new drugs to our collaboration with external suppliers.

2006 was yet another good year for Lundbeck's environmental performance. I would in particular like to highlight our CO<sub>2</sub> strategy, intended to ensure reduction of direct and indirect CO<sub>2</sub> emissions through energy optimization, and our work to ensure that our collaboration with external suppliers lives up to a number of principles of sustainability.

Lundbeck's supervisory board and executive management maintain a focus on obtaining and retaining the policies and procedures that can best ensure both good corporate governance and a high level of business ethics.

The Copenhagen Stock Exchange revised recommendations for good corporate governance were to take effect in the 2006 financial year, but Lundbeck's board decided to implement the recommendations the year before, in the 2005 financial year. You can read more about good corporate governance and Lundbeck's position on each of the recommendations issued by the Copenhagen Stock Exchange at



Lundbeck's website. I will not go through each of them point by point, but only stress that we see openness and transparency as natural elements in the operation of an international company in Denmark today.

It is the supervisory board's opinion that the Group follows all the Stock Exchange recommendations, with the exception of the recommendation to publicize information about the remuneration and pensions of each individual member of the executive management. Lundbeck has decided not to divulge the remuneration paid to the individual members of the executive management and only publicize the remuneration of the group CEO and the total remuneration paid to the other members as a whole. The remuneration of the individual members of the executive management is by and large comparable, and it is the opinion of the board that it is without additional value to be able to follow variations in the total remuneration that are the result of individual bonus schemes, etc. I will revert to the principles governing remuneration a bit later in this report.

The board has been working on formulating new guidelines for incentive programmes for the executive management of Lundbeck. A bill proposed by the Ministry of Economic and Business Affairs on this subject is currently being debated in parliament. We have decided not to implement any new guidelines in Lundbeck until we have seen the final version of this new legislation.



An area, which in recent years has attracted growing attention in the debate on good corporate management, is risk management. Monitoring, identifying and acting on various types of risk is systematically included as part of the operation of our business units.

It is important to point out that, as a company carrying out research and development, we are exposed to great risk. We want to handle this risk in the best possible way and ensure that our activities generate and add value in a way that compensates for the risk profile associated with those activities.

The level of risk associated with drug research and development is far higher than the level of risk in other industries. Even after several years of development, a project may cease to be promising and become the very opposite if a study does not provide the expected positive results. This is a risk we work actively with, for example by combining our own development projects with partnerships and licensing projects.

Another important risk that we take into account is the risk associated with Lundbeck's intellectual property and patents. For example, we are involved in several legal proceedings concerning infringement of our patents for Cipralex and Lexapro. This is a situation that the industry as a whole cannot avoid. In this connection I would like to repeat that it is



Lundbeck's opinion that the group's intellectual property rights are valid and enforceable, and Lundbeck's policy is vigorously to defend its intellectual rights whenever they are violated.

As a player on the international market, we are also exposed to risks and market conditions and trends that are beyond our full control. Other risks such as exchange rate fluctuations or changes in international interest rate markets we can control by hedging US dollar-denominated contracts. We handle risks associated with supply security by balancing stocks with the future supply situation and tied-up funds.

In 2005, representatives of the European Commission made a control visit to Lundbeck – a so-called "dawn raid". The purpose of the visit was to establish whether Lundbeck had abused its dominant position or had been involved in agreements seeking to limit competition in the markets for antidepressants.

Lundbeck is cooperating fully with the European Commission, and in 2006 we answered the follow-up questions the Commission asked. We are convinced that the Group has complied with all applicable competition rules and regulations, and we expect the European Commission to reach the same conclusion.



In 2006, the price of the Lundbeck share rose by 19%, from about DKK 130 at the beginning of the year to about DKK 156 at the end of the year. Since Lundbeck was listed on the Copenhagen Stock Exchange in the summer of 1999, the Lundbeck share has given shareholders a total return of 236%, including reinvested dividend and compound interest, and, for the third successive year, the Lundbeck share has given shareholders a positive return on their investment.

In the days following the announcement on 28 March about the stop of the development programme for gaboxadol for the treatment of sleep disorders, the price of the Lundbeck share fell by about 20%, and roughly 15 million shares changed hands in just three days, which means that every fourth share in circulation was traded in that period. As I have said before, it is very disappointing that a project such as the gaboxadol project had to be stopped when it was so far into its development, but the development of drugs is associated with a number of risks that we actively try to avoid. As has also been said today, we have put gaboxadol behind us and are looking forward.

Since August 2005 we have been buying and continue to buy back own shares worth up to DKK 6 billion up to the 2007 Annual General Meeting. In 2006 we bought shares worth DKK 1.6 billion, which equals about 27% of the total programme. Today we have completed about 43% of the total programme.



The share buy-back programme is carried out in accordance with the provisions of the European Commission's so-called 'safe harbour' regulation, which protects listed companies against violation of legislation on insider trade in connection with share buy-back programmes.

In accordance with this regulation, Lundbeck has appointed an external bank to buy back the shares on behalf of Lundbeck on the basis of a special agreement with the company. This bank also makes trading decisions independent of Lundbeck and without being influenced by Lundbeck in the timing of such buy-back.

Lundbeck can at any time bring the programme to an end in the event of changes in the company's financial position or market changes such as capital-intensive acquisitions or inlicensing opportunities.

I would like to refer you to a detailed account of the conditions applying to the programme, which was published in connection with the presentation of the Q2 2005 financial statements on 17 August 2005.

The supervisory board advises the Annual General Meeting to distribute 30% of the profit of the year as dividend, which would be on a par with 2005 and represent a sum of DKK 333 million or DKK 1.57 per share. The supervisory board also advises the Annual General Meeting to transfer to



the company's reserves 70% of its profit for the year, equivalent to DKK 774 million.

The supervisory board of Lundbeck believes that it is vital for the board to be independent and that there are very clear guidelines for the role of the chairman in the board's work and a clear plan for Lundbeck's activities. In addition, we on the board continually evaluate and adjust our work methods. Four of the six board members elected in general meeting are independent. They are Flemming Lindeløv, Peter Kürstein, Mats Pettersson and Lars Bruhn. Per Wold-Olsen, who presents his candidacy for election today, is also independent. Thorleif Krarup and Jes Østergaard are both characterized as dependent members because of their involvement in the Lundbeck Foundation, in which they are respectively deputy chairman and ordinary member. All three members elected by the employees are characterized as dependent members.

In order to strengthen and improve its work, the supervisory board performed another evaluation of its general work in 2006 as well as an evaluation of the competencies and experience base of each of its members. The board uses these evaluations as tools to identify ways in which the work of the board can be improved, and we will continue to conduct anonymous evaluations of the board's work.



As I said when I presented the members of the board, Per Wold-Olsen presents his candidature as a new member of the board. We have previously wanted to add an international profile to the board by including a person with relevant experience from the pharmaceutical industry, in particular from the United States, so we conducted an international search for such a candidate. We are convinced that Per matches the profile and welcome his candidature.

In 2006 the annual fee paid to ordinary board members was DKK 250,000, which means that the total fee paid to the board was DKK 3.6 million in 2006, including fees for work carried out in the two sub-committees. We endeavour to pay market-related fees that reflect the increasing amount of time spent on board work. In 2006, the deputy chairman and chairman were paid respectively two and three times as much as an ordinary member of the board.

As a business concern we consider well-functioning internal control systems to be a natural part of our organizational structure. Since 2004 we have had both a Compensation Committee and an Audit Committee to support the work of the board.

The Compensation Committee has three members: Mats Pettersson, Jes Østergaard and myself. The committee assesses the total remuneration of the management on an ongoing basis, comparing it with remuneration in



other, comparable companies in the region. The total fee paid to the three members of the compensation committee in 2006 was DKK 150,000.

The remuneration of the members of Lundbeck's group executive management is approximately the average of other OMX companies. The remuneration comprises three elements: a monthly salary, a bonus that does not exceed roughly 25% of the monthly salary, and allocated short-term warrants programmes, which have not exceeded 20% of the fixed salary in the past two years. We believe this remuneration reflects an appropriate balance between long-term value generation and short-term results. The total remuneration paid to the executive management in 2006 amounted to DKK 22.7 million, which is a fall on the previous year; the reason for the drop was that no warrants programmes were issued in 2006.

The purpose of the Audit Committee is to review and audit the company's reporting and business procedures, arrange internal controls in relation to financial reporting and assess the auditors' reports. The chair of the audit committee is Peter Kürstein, and the other members are Thorleif Krarup and myself. The total fee paid to the three members of the Audit Committee in 2006 was DKK 400,000. The work in the Audit Committee is of course carried out in a close collaboration with both our internal audit unit and our external auditors. The internal audit unit, which refers to the supervisory board, was set up in 2004 and functions satisfactorily.



As regards external auditing, the board has decided to propose to the shareholders at the Annual General Meeting that Deloitte be elected to continue as the company's auditor. Furthermore, the board proposes that Grant Thornton continues as our second auditor with special focus on the auditing of Lundbeck's stocks.

In connection with the re-election of Deloitte we would like to thank state-authorized public accountant Carsten Vaarby, whom we have had the great pleasure of working with for many years and with whom we have had a particularly fruitful dialogue on incentive systems. Deloitte has appointed state-authorized public accountant Anders Dons successor to Mr Vaarby

On behalf of the board I would like to take this opportunity to thank the executive management for a good working relationship throughout the year. I would also like to thank Hans Henrik Munch-Jensen and Ole Chrintz for their contributions to the work of the executive management and once again to thank Lars Bruhn for his dedication and commitment during all his years on the supervisory board.

With these words I conclude my report and give the floor to Claus Bræstrup.