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# Teleconference 15 March 2006

## FY 2005 Financial Results

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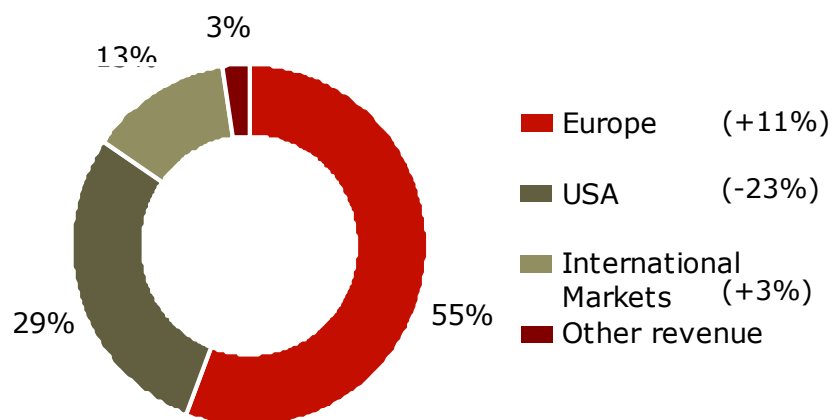
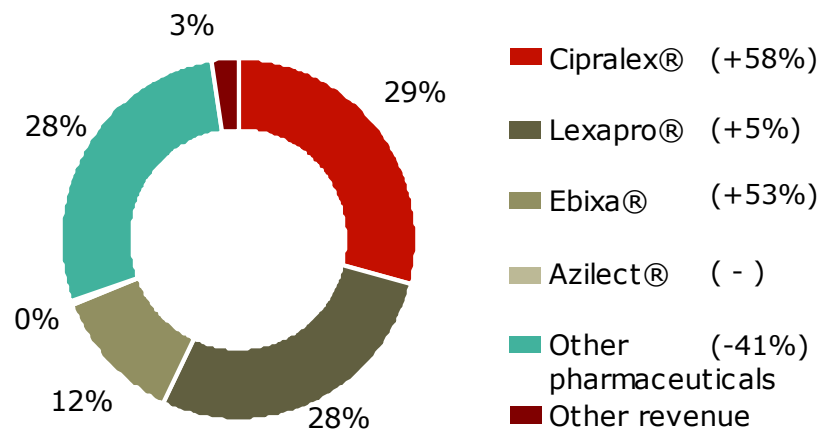
## Safe Harbour Statement

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

Such forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. This may cause actual results to differ materially from expectations and it may cause any or all of our forward-looking statements here or in other publications to be wrong. Factors that may affect future results include interest rate and currency exchange rate fluctuations, delay or failure of development projects, production problems, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for Lundbeck's products, introduction of competing products, Lundbeck's ability to successfully market both new and existing products, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws and related interpretation thereof, and unexpected growth in costs and expenses.



# Financial figures FY 2005



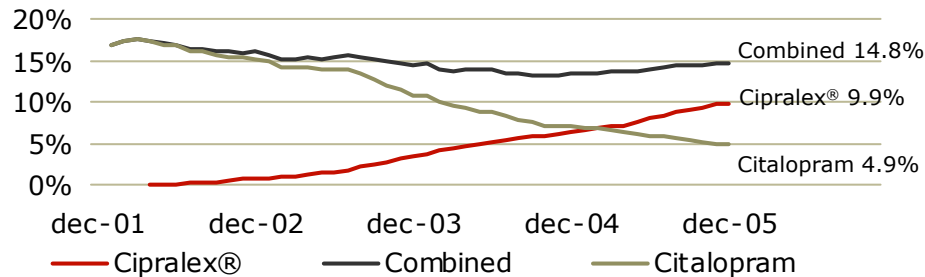
DKKm	2005		2005 guidance
Revenue	9,070		
R&D (19.6% of revenue)	1,782		
EBIT	2,170	✓	Appr. DKKm 2,200
EBIT margin	23.9%	✓	Above 22.9%
Capex*	621	✓	Appr. DKKm 550

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



# Strengthening key product position – Cipralex®/Lexapro®

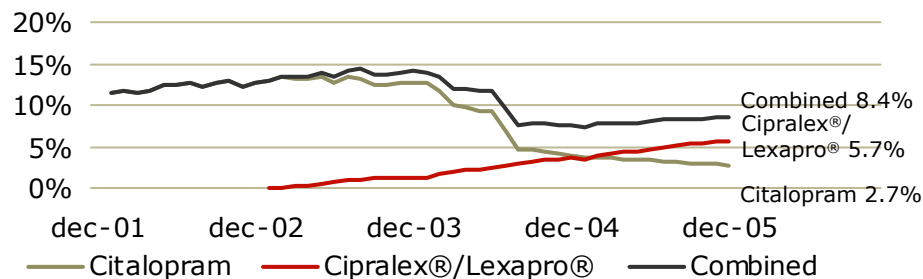
## Europe – antidepressant market



## 2005 development

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

## International Markets - antidepressant market



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

Cipralex®/Lexapro® = escitalopram total

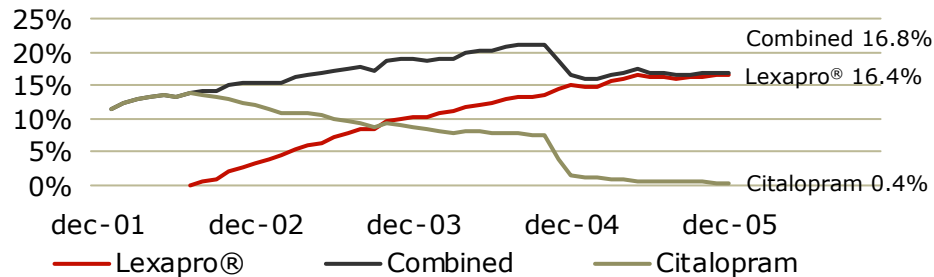
Citalopram = Lundbeck and partners citalopram

Source: IMS Health, December 2005

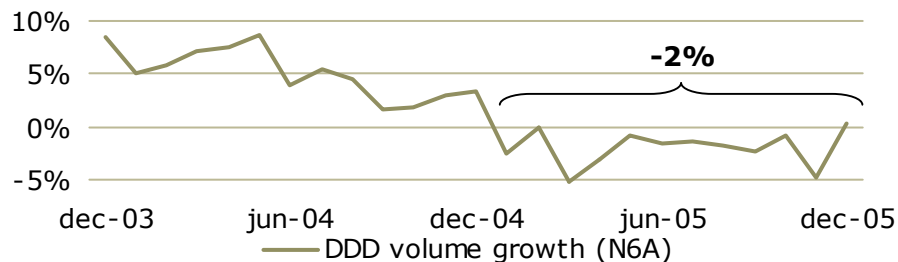


## US market development – Lexapro®

### US – antidepressant market, value



### US – antidepressant market, volume



### 2005 development

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

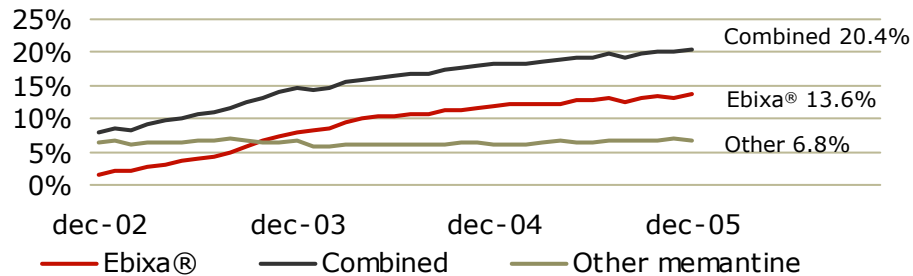
Lexapro® = escitalopram total  
Citalopram = original citalopram + Forest branded generic

Source: IMS Health, December 2005

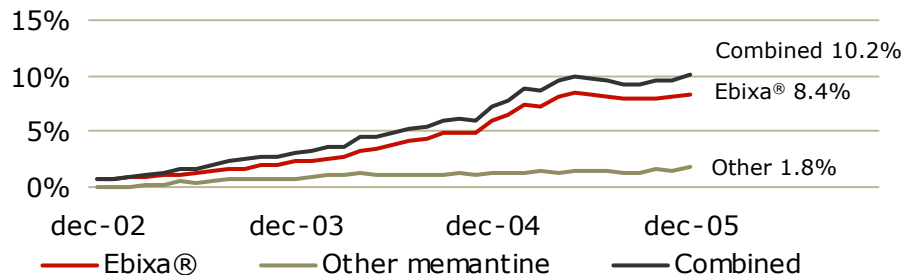


# Strengthening key product position – Ebixa®

## Europe – anti-alzheimers market



## International Market – anti-alzheimers market



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

Ebixa® = Lundbeck memantine

Other memantine = Merz memantine

Source: IMS Health, December 2005

## 2005 development

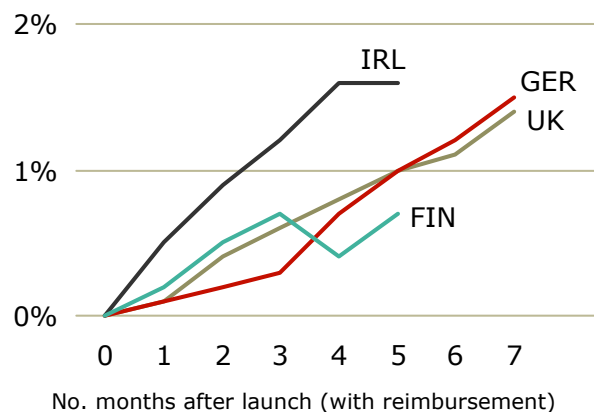
- Second most prescribed alzheimers compound in Europe
- Expansion of EU label to cover moderate Alzheimers Disease
- Ebixa® now available for 80% of patients diagnosed with Alzheimers Disease



## Launch of new compound – Azilect®

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

### Market share, value



Source: IMS Health, December 2005

### In addition

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



## Revenue – Key figures

<b>DKKm</b>	<b>Q4-05</b>	<b>Growth</b>	<b>2005</b>	<b>Growth</b>
Revenue	2,301	9%	9,070	-7%
- Cipralex <sup>®</sup>	746	67%	2,625	58%
- Income from Lexapro <sup>®</sup>	624	1%	2,552	5%
- Ebixa <sup>®</sup>	306	35%	1,105	53%
- Azilect <sup>®</sup>	4	-	6	-
- Other pharmaceuticals	568	-28%	2,550	-41%
- Other revenue	53	82%	232	-63%

## Key figures

<b>DKKm</b>	<b>Q4-05</b>	<b>Growth</b>	<b>2005</b>	<b>Growth</b>
Costs	1,821	-3%	6,900	-4%
- Cost of sales	293	-33%	1,488	-14%
- Distribution and administration	989	9%	3,639	-1%
- Research and development	538	7%	1,782	0%
- Other operating expenses, net	1	-96%	-8	168%
Profit from operations	481	111%	2,170	-15%
Net financials	-37	-555%	122	672%
Net profit for the year	308	116%	1,589	-6%
Cash flows from operating and investing activities	30	-95%	1,437	-41%
Earnings per share (EPS)	1.38	106%	7.11	-4%
Proposed dividend per share			2.10	-5%

## Financial guidance and targets

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

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

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



# Pharmaceuticals in clinical development

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

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# Q&A

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