

Financial report for the period 1 January to 31 March 2015

Solid performance in the first quarter of the year. Full year guidance maintained

HIGHLIGHTS

- Kåre Schultz appointed as new president and CEO. He will join Lundbeck on 20 May 2015 (see separate release)
- Core revenue remained stable compared to last year as the expected genericization of both CipraleX and Ebixa sales are off-set by appreciation of key currencies and growth in other products. Core EBIT margin reached 6% in spite of significant launch costs
- The launch program of the strategic core products Abilify Maintena[®], Brintellix[®], Northera[®] and Selincro[®] continued in the first quarter of 2015 with more than 20 individual country launches
- Revenue from strategic core products grew by 229% to DKK 691 million in the first quarter representing close to 20% of total revenue
- US revenue growth continued and reached DKK 1,335 million, an increase of 50% in local currency, representing 38% of Lundbeck's revenue
- Revenue in International Markets was stable at DKK 1,151 million as generic erosion of CipraleX was mitigated by strong growth of other products and product launches, representing 32% of revenue
- Brintellix sales reached DKK 98 million, with non-US markets contributing DKK 24 million. Outside the US, Brintellix has now been launched in more than 20 countries and sales uptake is in line with expectations
- Abilify Maintena launches continue as planned and the product reached DKK 120 million in the quarter – up more than 300%
- Onfi continues its solid performance growing 130% in the quarter to DKK 390 million
- Selincro continues to perform in markets with full market access such as France
- Financial guidance for 2015 is maintained at DKK 13.2-13.7 billion in core revenue and around DKK 0 in core EBIT

In connection with the financial report, Lundbeck's Chairman, Håkan Björklund said:

"I am pleased to see our portfolio of core products showing good performance and now represent some 20% of revenue. In the quarter we have made more than 20 launches on top of the 39 made last year and we will see further acceleration with launches in several new markets throughout 2015".

DKK million	Q1 2015	Q1 2014	Growth
Core Revenue*	3,563	3,587	(1%)
Core EBIT*	216	729	(70%)
Core EPS*	0.66	2.25	(71%)
Core EBIT margin	6%	20%	-
Reported Revenue	3,563	3,587	(1%)
Reported EBIT	(32)	569	-
Reported EPS	(0.41)	1.69	-
Reported EBIT margin	(0.9%)	15.9%	-

*For definition of the measures "Core Revenue", "Core EBIT" and "Core EPS", see page 14, and reconciliation to reported figures, see page 21-22

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FINANCIAL HIGHLIGHTS AND KEY FIGURES

	2015 Q1	2014 Q1	2014 FY
Financial highlights (DKK million)			
Core revenue	3,563	3,587	13,468
Core profit from operations (core EBIT)	216	729	1,228
Reported revenue	3,563	3,587	13,468
Operating profit before depreciation and amortization (EBITDA)	308	824	1,552
Reported profit/(loss) from operations (EBIT)	(32)	569	99
Net financials	-	(17)	(155)
Profit/(loss) before tax	(32)	552	(56)
Tax	49	221	97
Profit/(loss) for the period	(81)	331	(153)
Equity	14,310	13,261	13,526
Assets	26,528	23,453	25,637
Cash flows from operating and investing activities (free cash flow)	(418)	(237)	(1,786)
Investments in property, plant and equipment, gross	44	47	240
Key figures			
EBITDA margin (%) ¹	8.6	23.0	11.5
EBIT margin (%) ¹	(0.9)	15.9	0.7
Return on capital employed (%)	(0.2)	3.7	0.6
Research and development ratio (%)	20.6	17.6	21.6
Return on equity (%) ¹	(0.6)	2.5	(1.1)
Solvency ratio (%) ¹	53.9	56.5	52.8
Capital employed (DKK million)	17,574	15,405	16,869
Share data			
Number of shares for the calculation of EPS (million)	196.3	196.2	196.3
Number of shares for the calculation of DEPS (million)	196.4	196.3	196.4
Earnings per share (EPS) (DKK) ¹	(0.41)	1.69	(0.78)
Diluted earnings per share (DEPS) (DKK) ¹	(0.41)	1.69	(0.78)
Cash flow per share (DKK) ¹	(1.94)	(0.77)	8.20
Net asset value per share (DKK) ¹	72.86	67.53	68.85
Market capitalization (DKK million)	28,777	32,776	24,117
Share price end of period (DKK)	146.50	167.00	122.80
Proposed dividend per share (DKK)	-	-	0.00
Other			
Number of employees (FTE)	5,859	5,557	5,811

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

MANAGEMENT REVIEW

Financial guidance 2015

Lundbeck is investing significantly in product launches and in the late-stage development pipeline. Furthermore, Lundbeck is in a period with an unusual number of uncertain variables including market access processes in various countries for Lundbeck's strategic core products, launch uptake of these new products, timing and degree of generic erosion and exchange rate fluctuations.

The financial guidance for the fiscal year 2015 provided in connection with the full year 2014 announcement on 5 February 2015 is maintained. Lundbeck expects **revenue** to be in the range DKK 13.2-13.7 billion. The outlook reflects constant exchange rates and expectations for continued robust performance of the portfolio of strategic core products which partly off-sets the continued generic erosion of mature products.

Lundbeck expects **core profit from operations** (core EBIT) in constant exchange rates to be around DKK 0 for 2015. The guidance is summarized below:

Financial forecast 2015

DKK billion	2014 actual	2015 forecast
Core Revenue	13.5	13.2-13.7
Core EBIT	1.2	~0

Forward-looking statements

Forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. This may cause actual results to differ materially from expectations. Various factors may affect future results, including interest rates and exchange rate fluctuations, delay or failure of development projects, production problems, unexpected contract breaches or terminations, governance-mandated or market-driven price decreases for 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 unexpected growth in expenses.

Revenue

In the first quarter of 2015, **core revenue** reached DKK 3,563 million compared to DKK 3,587 million the year before. The decline of 10% in local currency and 1% reported is primarily due to the generic competition on Ebixa and Ciprallex in Europe and on Ciprallex in Canada. Reported revenue also reached DKK 3,563 million.

Revenue from key products and regions

DKK million	Q1 2015	Q1 2014	Growth	Growth in local currency	Q4 2014
Strategic core products*	691	210	229%	180%	528
Core revenue	3,563	3,587	(1%)	(10%)	3,247
Abilify Maintena	120	29	311%	269%	82
Azilect®	375	376	0%	1%	378
Brintellix	98	8	1,145%	927%	83
Cipralextm®	812	1,545	(47%)	(52%)	803
Onfi®	390	170	130%	91%	317
Sabril	230	157	46%	24%	197
Xenazine	506	364	39%	17%	489
Other pharmaceuticals	916	842	9%	3%	724
Other revenue	116	96	21%	19%	174
Total revenue	3,563	3,587	(1%)	(10%)	3,247
Europe	961	1,607	(40%)	(40%)	1,003
US	1,335	744	80%	50%	1,155
International Markets	1,151	1,140	1%	(9%)	915

*Strategic core products include Abilify Maintena, Brintellix, Northera, Onfi, Selincro®

Abilify Maintena (aripiprazole once-monthly injection), for the treatment of schizophrenia and one of the products launched within the global alliance with Japanese Otsuka Pharmaceutical Co., Ltd, shows steady sales growth. Sales grew more than 300%, or close to 270% in local currency, and reached DKK 120 million in the quarter.

Azilect (rasagiline) for the treatment of Parkinson's disease realized revenue of DKK 375 million which is broadly in line with expectations.

Revenue from **Brintellix** (vortioxetine) for the treatment of depression reached DKK 98 million in the first quarter of the year primarily driven by the continued sales growth in the US, however also from new launch countries such as Canada, Mexico and South Africa. The global launches of Brintellix continue as planned, and feedback from patients and prescribers are encouraging. Brintellix has been launched in more than 20 countries outside the US, including Canada which is a key market for Lundbeck.

Cipralextm (escitalopram) declined in revenue by 47% in the quarter due to generic competition in the European markets and in Canada. The decline is in line with expectations.

Onfi (clobazam) for the treatment of Lennox-Gastaut syndrome continues to show very strong growth and generated first quarter revenue of DKK 390 million, an increase of 91% in local currency or 130% reported, compared to the same period last year. Lundbeck has marketing rights for Onfi in the US.

Sabril (vigabatrin) for the treatment of refractory complex partial seizures (rCPS) and infantile spasms (IS) generated first quarter revenue of DKK 230 million, thereby increasing 24% in local currency, or 46% reported, compared to the first quarter of 2014. Lundbeck has marketing rights for Sabril in the US.

Selincro (nalmefene), for the treatment of alcohol dependence, shows a satisfactory development in markets where the product has received full market access. Sales are primarily driven by France and reached DKK 41 million in the quarter.

Xenazine (tetrabenazine) for the treatment of chorea associated with Huntington's disease continues its solid growth in the quarter with revenue of DKK 506 million compared to DKK 364 million in the same period last year, an increase of 17% in local currency, or 39% reported. Lundbeck has marketing rights for Xenazine in the US.

Revenue from **Other pharmaceuticals**, which comprise the remainder of Lundbeck's products, was DKK 916 million. Other pharmaceuticals are negatively impacted by the generic competition on Ebixa in Europe which is countered by growth in other mature products. This performance actually exceeds expectations.

Other revenue reached DKK 116 million in the quarter, compared to DKK 96 million for the same period in the previous year.

Figure 1 – Revenue per region Q1 2015 vs Q1 2014 (excluding Other revenue)



Europe

First quarter revenue in Europe was DKK 961 million, a decrease of 40% compared to the same quarter previous year as our strategic core products are early in their launch phase and only have limited contribution to revenue.

Revenue – Europe

DKK million	Q1 2015	Q1 2014	Growth	Growth in local currency	Q4 2014
Abilify Maintena	45	2	1,863%	1,828%	23
Azilect	327	344	(5%)	(3%)	349
Brintellix	7	-	-	-	3
Cipralext	245	887	(72%)	(72%)	290
Selincro	41	3	1,242%	1,211%	36
Other pharmaceuticals	296	371	(20%)	(20%)	302
Total revenue	961	1,607	(40%)	(40%)	1,003

Abilify Maintena continues the roll out in the European markets with six launches in the quarter including France. Abilify Maintena has now been launched in all major markets in Europe with full reimbursement in the majority of markets and no restrictions. Initial sales uptake of Abilify Maintena is encouraging with sales in the first quarter reaching DKK 45 million.

Brintellix has been launched in three markets in Europe in the quarter and in total in 12 European markets so far. As expected, market access is still limited outside the Nordic countries and the Netherlands. However, in countries where Brintellix has been launched (e.g. Poland, Sweden and Denmark); we see a solid positive uptake. In March 2015 Lundbeck announced that the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) adopted a positive opinion for a Type-II Variation related to the update of the European summary of the product characteristics (SmPC) for Brintellix. The update of the SmPC provides physicians with new Brintellix data related to its effect on certain aspects of cognitive function and patient functioning in patients with major depression.

First quarter revenue from **Azilect** amounted to DKK 327 million, a decline of 5% compared to the first quarter of 2014. This performance is partly explained by currency and partly by a slight negative growth in some of the smaller markets across Europe such as Finland, Greece and Romania.

Cipralext and **Ebixa** (memantine) declined due to the generic competition. Ebixa is included in Other pharmaceuticals.

The roll out of **Selincro** continues to progress in the European markets and Selincro has been very well received by physicians and patients in key markets like France and Spain. Sales in the first quarter of 2015 were DKK 41 million primarily driven by France, and to a lesser extent Spain and Switzerland.

Revenue from **Other pharmaceuticals** was DKK 296 million, a decline of 20% compared to same period the previous year.

US

In the first quarter, revenue reached DKK 1,335 million representing 38% of total revenue compared to 21% last year. The revenue increased by 50% in local currency, or 80% reported, compared to the same quarter previous

year thereby confirming this market's strategic importance for the company. Lundbeck's neurology franchise* in the US grew by 69% in the quarter and exceeded DKK 1.1 billion in sales.

Revenue – US

DKK million	Q1 2015	Q1 2014	Growth	Growth in local currency	Q4 2014
Abilify Maintena	68	27	153%	112%	56
Brintellix	74	8	848%	649%	75
Northera	42	-	-	-	10
Onfi	390	170	130%	91%	317
Sabril	230	157	46%	24%	197
Xenazine	501	362	38%	16%	482
Other pharmaceuticals	30	20	48%	24%	18
Total revenue	1,335	744	80%	50%	1,155

* Lundbeck's Neurology portfolio in the US consists of Northera, Onfi, Sabril and Xenazine

Abilify Maintena continues to grow and sales reached DKK 68 million for the quarter. Further improvements have been made including the recently approved dual-chamber pre-filled syringe. In December 2014, FDA approved the labelling update of Abilify Maintena to include new clinical data for the acute treatment of adults with schizophrenia.

Brintellix was launched in the US in January 2014, and revenue for the first quarter of 2015 reached DKK 74 million. Brintellix showed continued good volume uptake and market share gains. Brintellix' share of branded TRx (total prescriptions) volume was 15% and the share of branded NRx (new prescriptions) volume was 18% by early-April. In value, Brintellix has a similar strong position in the branded market with a share of more than 15%. In the quarter there has been a slight slowing of volume growth which likely is driven by an overall market seasonality. Patients have insurance plan changes, deductible resets, and higher co-pay amounts in the beginning of the year that cause the dispensed TRx's to decline.

Northera (droxidopa) for the treatment of symptomatic neurogenic orthostatic hypotension (NOH) was made available in the US market in September 2014 and the commercial launch commenced in October 2014. Northera is still very early into the launch, however feedback and early experience has been encouraging. Sales from Northera reached DKK 42 million in the first quarter of the year.

Onfi reached revenue of DKK 390 million in the first quarter, corresponding to a growth of 91% in local currency, or 130% reported. The solid performance is primarily driven by demand. In March 2015 Lundbeck US announced the initiation of the *CLOVER I* study to investigate the use of Onfi for the treatment of children and adolescents with Dravet syndrome - a rare and severe form of intractable epilepsy that begins in infancy. The *CLOVER I* study is designed to evaluate the efficacy, safety and tolerability of Onfi as adjunctive therapy in paediatric patients aged one to 16 years of age with Dravet syndrome.

Sabril revenue for the quarter was DKK 230 million, growing 24% in local currency or 46% reported, compared to the same quarter the year before. The performance is primarily driven by demand.

Revenue from **Xenazine** was DKK 501 million for the quarter, an increase of 16% in local currency, or 38% reported, compared to the first quarter previous year. The positive trend from previous quarters continues due to higher patient base and higher level of patient uptake.

International Markets

Revenue in the first quarter was DKK 1,151 million, corresponding to a decrease of 9% in local currency, however a reported increase of 1% compared to the previous year. The performance was caused by the generic competition of Cipralex in Canada where sales declined by 76% to DKK 56 million which was compensated for by growth in other products and geographies including emerging markets. In the quarter International Markets constituted 32% of total revenue representing a slight increase compared to the same period in 2014.

Revenue – International Markets

DKK million	Q1 2015	Q1 2014	Growth	Growth in local currency	Q4 2014
Abilify Maintena	7	-	-	-	3
Azilect	48	32	47%	44%	29
Brintellix	17	-	-	-	5
Cipralex/Lexapro	567	658	(14%)	(25%)	513
Ebixa	181	162	11%	2%	90
Other pharmaceuticals	331	288	15%	6%	275
Total revenue	1,151	1,140	1%	(9%)	915

In the quarter **Abilify Maintena** was launched in Australia.

Azilect continues to show growth in Hong Kong, Australia, South Korea and Thailand, and revenue increased in the first quarter by 47%, which was partly offset by further generic competition in Turkey.

Brintellix was launched in Canada as Trintellix towards the end of 2014. Even though it is early in the launch, the uptake has been very encouraging. Countries like South Africa, Mexico and Chile also showed solid uptake. In the first quarter 2015 Brintellix was introduced in Australia (private market) and in selected smaller markets in Latin America.

Cipralex generated first quarter revenue of DKK 567 million. Sales decreased by 14% reported, or 25% in local currency, compared to the previous year, due to generic competition primarily in Canada. Cipralex continued to grow in Asian and Latin American markets, though this growth has been partly offset by revenue loss in other markets with generic competition.

Ebixa generated first quarter revenue of DKK 181 million representing an increase of 11%, but only 2% in local currency. The growth is negatively impacted by quarterly fluctuations in China.

Treanda (bendamustine hydrochloride for injection) for the treatment of indolent Non-Hodgkin's lymphoma (iNHL) and chronic lymphocytic leukaemia (CLL) is sold by Lundbeck in Canada. Treanda reached DKK 42 million in the first quarter of 2015 compared to DKK 48 million in the same period previous year, a decline of 13% reported. Treanda sees increased competitive pressure from new product introductions in Canada and sales are also impacted by inventory adjustments. Treanda is included in Other pharmaceuticals.

Other pharmaceuticals generated revenue of DKK 331 million during the quarter, an increase of 15% compared to the same quarter the year before. The increase is explained by quarterly fluctuations in sales of mature products in the region.

Expenses and income

As of January 2015, Lundbeck has reclassified certain costs, which were previously recognized in administrative expenses, to sales and distribution costs and to research and development cost. The reclassification is to align with comparable peers within the industry. Comparative figures below have been restated.

Total costs for the first quarter were DKK 3,595 million, an increase of 19% compared to the same quarter last year, which is explained by increased amortization on product rights and sales and distribution costs due to product launches.

Distribution of costs

DKK million	Q1 2015	Q1 2014	Growth	Q4 2014
Cost of sales	1,180	987	19%	1,167
Sales and distribution	1,453	1,147	27%	1,547
Administration	228	251	(9%)	345
Research and development	734	633	16%	1,026
Total costs	3,595	3,018	19%	4,085

Cost of sales increased 19% to DKK 1,180 million. This corresponds to 33% of Lundbeck's total revenue, an increase from 27% in the same quarter previous year. A large part of this increase is driven by amortization related to Northera and Abilify Maintena.

Sales and distribution costs were DKK 1,453 million, corresponding to 41% of revenue and an increase of 27% compared to first quarter the year before. The launches of Brintellix, Abilify Maintena, Selincro and recently Northera in the US as well as pre-launch cost for brexpiprazole were the main drivers for the increase.

Administrative expenses were DKK 228 million compared to DKK 251 million in the same quarter of 2014, corresponding to 6% of revenue.

SG&A costs were DKK 1,681 million compared to DKK 1,398 million in the same period previous year. The SG&A ratio for the period was 47%, compared to 39% in the same period the year before.

In the first quarter R&D costs increased to DKK 734 million corresponding to a R&D ratio of 20.6% up from 17.6% in the same period last year.

Operating profit before depreciation and amortization (EBITDA)

EBITDA was DKK 308 million compared to DKK 824 million for the first quarter the year before. The EBITDA margin for the period was 8.6%, down from 23.0% in the same quarter of 2014. The decrease in EBITDA margin is related to generic impact on the revenue from Ebixa and Cipralex as well as launch and pre-launch activities.

Depreciation, amortization and impairment charges

Depreciation, amortization and impairment charges, which are included in the individual expense categories, amounted to DKK 340 million. The increase included in cost of sales compared to the year before is mainly due to amortization related to Northera and Abilify Maintena. Fourth quarter of 2014 includes the write-down of desmoteplase product rights of DKK 222 million.

Depreciation, amortization and impairment charges

DKK million	Q1 2015	Q1 2014	Growth	Q4 2014
Cost of sales	287	200	43%	331
Sales and distribution	12	7	79%	10
Administration	12	14	(21%)	18
Research and development	29	34	(15%)	265
Total depreciation, amortization and impairment charges	340	255	33%	624

Core EBIT and profit from operations (EBIT)

Core EBIT for the first quarter was DKK 216 million compared with DKK 729 million in the same quarter in 2014. The decrease is driven by the loss in revenue due to the patent expiries for Ebixa and Cipralex and increased launch and pre-launch costs for new products.

Reported EBIT for the first quarter of 2015 amounted to a loss of DKK 32 million, compared to a profit of DKK 569 million in the same quarter in 2014. The decrease in profit from operations is primarily explained by loss in revenue due to the patent expiries for Ebixa and Cipralex in Europe and increased launch costs for our strategic core products and increased amortization on new products.

Net financials

Lundbeck generated net financials of DKK 0 million in the first quarter of 2015, compared to a net financial expense of DKK 17 million in the first quarter of 2014.

Net interest income, including realized and unrealized gains and losses on the bond portfolio, amounted to a net expense of DKK 21 million in the first quarter of 2015, compared to a net expense of DKK 18 million in the same period in 2014. The difference is primarily due to lower interest levels of the cash surplus while the majority of the debt is at fixed interest.

Net exchange gains amounted to DKK 23 million in the first quarter of 2015, compared to DKK 3 million in the first quarter last year. The increase is primarily due to fluctuations in exchange rate translations of intercompany balances.

Tax

For Q1 2015 the tax expense was DKK 49 million. This is mainly due to the following:

- The amortization of Northera product rights is not deductible for tax purposes thus creating a permanent difference impacting the tax rate upwards.
- Lundbeck's increased activity in the US results in an increased profit. The corporate tax rate in the US is higher than the Danish tax rate and not fully offset by the tax loss realized in Denmark.

Net profit/(loss) and EPS for the period

Reported loss for the period was DKK 81 million, compared to a profit of DKK 331 million in the same period last year. This decrease is primarily driven by a decrease in revenue due to the patent expiries for Ebixa and Cipralex in Europe, increased amortization and launch costs for new products.

Core EPS was DKK 0.66 per share for the first quarter in 2015, compared to a core EPS of DKK 2.25 per share in the same quarter in 2014. The decrease in core EPS is due to lower profit from operations (EBIT) in 2015. The

reported loss in the first quarter 2015 corresponds to a negative EPS of DKK 0.41 per share versus a positive EPS of DKK 1.69 per share for the same period the year before.

Hedging

Lundbeck hedges expected income from its products through currency hedging on a rolling basis, up to 12 months in advance. As a result of Lundbeck's currency hedging policy, foreign exchange gains and losses on hedging transactions are allocated directly to the hedged transaction. Hedging had a negative impact on profit of DKK 26 million in the first quarter of 2015, 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 36 million gain in the first quarter of 2014.

Cash flow

Cash flows from operating and investing activities was an outflow of DKK 418 million compared to an outflow of DKK 237 million in the same period last year. The decline is primarily driven by a decline in EBITDA from DKK 824 million to DKK 308 million and a negative development in working capital of DKK 625 million, mainly arising from timing of payments reducing the overall current liabilities. The increase in inventory is offset by a corresponding royalty accrual with limited working capital impact.

Cash flow

DKK million	Q1 2015	Q1 2014	FY 2014
Cash flows from operating activities	(382)	(151)	1,610
Cash flows from investing activities	(36)	(86)	(3,396)
Cash flows from operating and investing activities (free cash flow)	(418)	(237)	(1,786)
Cash flows from financing activities	(97)	(25)	589
Net cash flow for the period	(515)	(262)	(1,197)
Cash at beginning of period	3,651	4,817	4,817
Unrealized currency translation adjustments for the period	24	(4)	31
Change in cash for the period	(515)	(262)	(1,197)
Cash at end of period	3,160	4,551	3,651
Securities	18	1,042	18
Interest-bearing debt	(3,264)	(2,144)	(3,343)
Interest-bearing net cash and cash equivalents, end of period	(86)	3,449	326

Operating activities during the first quarter generated cash outflow of DKK 382 million, compared to an outflow of DKK 151 million in the same period in 2014 primarily related to the negative development in EBITDA and the unfavorable development in working capital items.

Investing activities during the first quarter generated cash outflow of DKK 36 million, compared to an outflow of DKK 86 million in the same period in 2014.

Financing activities generated cash outflow of DKK 97 million compared to DKK 25 million same quarter the year before.

Cash at 31 March 2015 was DKK 3,160 million compared to DKK 3,651 million at 31 December 2014. Lundbeck's net debt position at 31 March 2015 was DKK 86 million, compared to a net cash position of DKK 326 million at 31 December 2014.

Balance sheet

As of 31 March 2015, Lundbeck had total assets of DKK 26,528 million, compared to DKK 25,637 million at the end of 2014.

As of 31 March 2015, Lundbeck's equity amounted to DKK 14,310 million, corresponding to a solvency ratio of 53.9% compared to 52.8% at the end of 2014. The increase in equity compared with year-end 2014 relates to the translation of foreign subsidiaries and currency translation concerning additions to net investments in foreign subsidiaries mainly due to the development in the USD/DKK exchange rate.

At the Annual General Meeting in March 2015, the proposed dividend for 2014 of DKK 0 was approved.

Lundbeck's development portfolio

Lundbeck is developing a number of new and promising pharmaceuticals for the treatment of brain diseases. The pipeline projects are targeting areas in which Lundbeck currently has a market presence, such as depression, anxiety and other psychiatric and neurological disorders. Pipeline development is summarized as follows:

Approved or under regulatory review

Brintellix (vortioxetine) received a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) for a Type-II Variation related to the update of the European summary of the product characteristics (SmPC). The update of the SmPC provides physicians with new Brintellix data related to its effect on certain aspects of cognitive function and patient functioning, as measured by cognitive performance assessment (neuropsychological test such as Digit Symbol Substitution Test (DSST)) and by functional capacity assessment (University of San Diego Performance-Based Skills Assessment (UPSA)) in patients with major depression. It is estimated that patients with depression have cognitive symptoms 94% of the time. Cognitive symptoms encompass attention and concentration difficulties, problems with thinking speed and difficulty making decisions.

The CHMP positive opinion was reached after a review of comprehensive data from the international clinical program comprised of five studies assessing the safety and efficacy of Brintellix including its effect on cognitive performance and function. The application was based primarily on data from one recently completed clinical study (*CONNECT*) in addition to four clinical studies that were previously submitted as part of the original approval process, as well as a newly completed clinical pharmacology functional magnetic resonance imaging (fMRI) study in remitted patients with depression.

Clinical phase III

For **Brintellix** our partner Takeda Pharmaceuticals recently started a new clinical phase III study in Japanese individuals. The study is planned to recruit 480 patients who will receive Brintellix (10 or 20 mg) or placebo. The study is expected to be finalised in 2018.

For **Selincro** (nalmefene), which has been launched in Europe for alcohol dependence, a clinical phase III was initiated in Japan. The study is run by Otsuka Pharmaceuticals and is expected to recruit some 660 patients. Additionally, a long-term open label study has been initiated in Japan.

Early projects

Lundbeck has just started phase I studies with a new innovative and biological pharmaceutical candidate **Lu AF20513** for the treatment of Alzheimer's disease. Lu AF20513 is an active vaccine and a potentially new way of treating Alzheimer's disease as it may activate the body's immune system to fight the formation of the plaques which are believed to be involved in the disease.

General corporate matters

Accounting policies

The interim report is presented in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies.

Accounting policies remain unchanged compared to the annual report for 2014, which contains a more detailed description of the Group's accounting policies.

As of January 2015, Lundbeck has reclassified certain costs, which were previously recognized in administrative expenses, to sales and distribution costs and to research and development cost. The effect on the profit for the year is DKK 0. The reclassification is to align with comparative peers. Comparative figures have been restated.

Please find the restated figures for 2014 on page 23.

Lundbeck core results reporting

Lundbeck has implemented core result reporting as we believe this approach provides a clearer view of the underlying performance of the business and should make Lundbeck's results more comparable with the majority of its peers. In general, Lundbeck adjusts for each non-recurring item, including milestones that are, or are expected to accumulate to an amount exceeding a DKK 100 million threshold within the year that Lundbeck's management deems it exceptional.

Lundbeck's core results – including core operating income (core EBIT) and core EPS – exclude:

Amortization and impairments:

- Amortization and impairment of intangible assets

Acquisitions and integration activities:

- Acquisition accounting adjustments relating to the consolidation of material acquisitions, disposals of associates, products and businesses
- Major costs associated with the integration of companies

Divestments and reorganizations:

- Income/expenses from discontinued operations
- Gains/losses on divestments of assets, and received or expensed upfront-, sales-, and development milestones
- Termination costs
- Major restructuring charges and expenses

Legal and litigation costs:

- Legal costs (external) related to settlement of litigations, government investigations and other disputes
- Legal charges (net of insurance recoveries) and expenses on the settlement of litigation and government investigations

The adjusted core result is taxed at the underlying corporate tax rate.

These core financial measures are used by Lundbeck's management to make operating decisions as they facilitate internal comparisons of Lundbeck's performance in relation to previous results and peer company results.

For this same reason, Lundbeck believes that investors' understanding of the company's performance is enhanced by disclosing core measures. Excluding these exceptional items which may vary significantly from period to period also increases comparability across years.

These core measures should not be considered in isolation from, as substitutes for, or superior to the reported results prepared in accordance with IFRS.

Incentive plans in the Lundbeck Group

Lundbeck operates with Long-Term Incentive schemes (LTI) for the Executive Management and key employees in Denmark and abroad. To fund the shares granted under the 2012-program, Lundbeck has during the first quarter of 2015 purchased treasury shares with a value of DKK 22 million, corresponding to 177,364 shares.

The Board of Directors of Lundbeck has resolved that Lundbeck will offer participation in a Restricted Share Unit-program to a number of key employees as part of Lundbeck's long-term incentive program 2015. A Restricted Share Unit is a conditioned right to receive one share in Lundbeck.

A number of key employees employed in Lundbeck or a Lundbeck subsidiary (Danish and foreign companies, excluding the US, in which Lundbeck directly, or indirectly, holds at least 50% of the shares) will be offered to participate in the program. Members of the company's Board of Directors and members of the Executive Management are not included in the program. Appointment of the participants will be made by Lundbeck's Executive Management. The appointment will be based on i.e. the key employees' performance and ability to create long-term value.

All of the Restricted Share Units will vest in 2018 subject to continued employment with the Lundbeck Group for the period from the grant in 2015 until the Restricted Share Units have vested in 2018.

Key employees in the US subsidiaries will be offered participation in a Restricted Cash Unit-program on terms and conditions similar to those that apply to the Restricted Share Unit program. A Restricted Cash Unit is a conditioned right to receive a cash payment.

The market value of the Restricted Share Units and the Restricted Cash Units will be calculated at the time of grant using the Black-Scholes method. The total value of the programs cannot exceed DKK 35 million at the time of grant.

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 wherever they may be violated. Lundbeck is still involved in a number of trials around the world related to defending its intellectual property rights covering escitalopram.

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.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Management have discussed and adopted the interim report of H. Lundbeck A/S for the period 1 January – 31 March 2015. The interim report is presented in accordance with IAS 34 *Interim financial reporting*, as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies.

We consider the accounting policies applied to be appropriate. Accordingly, the interim report gives a true and fair view of the Group's assets, liabilities and financial position as of 31 March 2015, and of the results of the Group's operations and cash flows for the first quarter of 2015, which ended on 31 March 2015.

In our opinion, the Management's report gives a true and fair view of activity developments, the Group's general financial position and the results for the period. It also gives a fair view of the significant risks and uncertainty factors that may affect the Group.

The interim report has not been subject to audit or review.

Valby, 6 May 2015

Executive Management

Anders Götzsche
Executive Vice President, CFO

Anders Gersel Pedersen
Executive Vice President, R&D

Board of Directors

Håkan Björklund
Chairman

Lene Skole
Deputy Chairman

Terrie Curran

Mona Elisabeth Elster

Lars Holmqvist

Henrik Sindal Jensen

Jørn Mayntzhusen

Jesper Ovesen

Lars Rasmussen

FINANCIAL STATEMENTS

Income statement

DKK million	2015 Q1	2014 Q1	2014 FY
Revenue	3,563	3,587	13,468
Cost of sales	1,180	987	4,160
Gross profit	2,383	2,600	9,308
Sales and distribution costs	1,453	1,147	5,164
Administrative expenses	228	251	1,134
Research and development costs	734	633	2,911
Profit/(loss) from operations	(32)	569	99
Net financials	-	(17)	(155)
Profit/(loss) before tax	(32)	552	(56)
Tax on profit/(loss) for the period	49	221	97
Profit/(loss) for the period	(81)	331	(153)
Earnings per share (EPS) (DKK)	(0.41)	1.69	(0.78)
Diluted earnings per share (DEPS) (DKK)	(0.41)	1.69	(0.78)

Statement of comprehensive income

DKK million	2015 Q1	2014 Q1	2014 FY
Profit/(loss) for the period	(81)	331	(153)
Actuarial gains/losses	-	-	(50)
Tax	-	-	14
Items that will not subsequently be reclassified to profit or loss	-	-	(36)
Currency translation, foreign subsidiaries	429	14	332
Currency translation concerning additions to net investments in foreign subsidiaries	635	(3)	664
Adjustments, deferred exchange gains/losses, hedging	(86)	12	(102)
Exchange gains/losses, hedging (transferred to the hedged items)	26	(36)	85
Fair value adjustment of available-for-sale financial assets	5	(8)	(38)
Tax	(136)	9	(156)
Items that may subsequently be reclassified to profit or loss	873	(12)	785
Other comprehensive income	873	(12)	749
Comprehensive income	792	319	596

Balance sheet

DKK million

Assets	31.03.2015	31.03.2014	31.12.2014
Intangible assets	13,349	8,924	12,670
Property, plant and equipment	2,715	2,748	2,724
Financial assets	993	453	857
Non-current assets	17,057	12,125	16,251
Inventories	2,341	1,839	1,991
Receivables	3,952	3,896	3,726
Securities	18	1,042	18
Cash	3,160	4,551	3,651
Current assets	9,471	11,328	9,386
Assets	26,528	23,453	25,637
Equity and liabilities			
Share capital	982	981	982
Share premium	256	238	252
Currency translation reserve	1,306	(429)	392
Currency hedging reserve	(44)	(3)	2
Retained earnings	11,810	12,474	11,898
Equity	14,310	13,261	13,526
Provisions	1,651	1,584	1,650
Debt	3,264	2,135	3,259
Non-current liabilities	4,915	3,719	4,909
Provisions	338	356	352
Debt	-	9	84
Trade payables	4,592	3,696	4,930
Other payables	2,373	2,412	1,836
Current liabilities	7,303	6,473	7,202
Liabilities	12,218	10,192	12,111
Equity and liabilities	26,528	23,453	25,637

Statement of changes in equity

DKK million

2015	Share capital	Share premium	Currency translation reserve	Currency hedging reserve	Retained earnings	Equity
Equity at 01.01.2015	982	252	392	2	11,898	13,526
Profit/(loss) for the period	-	-	-	-	(81)	(81)
Other comprehensive income	-	-	914	(46)	5	873
Comprehensive income	-	-	914	(46)	(76)	792
Capital increase through exercise of warrants	-	4	-	-	-	4
Buyback of treasury shares	-	-	-	-	(22)	(22)
Incentive programmes	-	-	-	-	10	10
Other transactions	-	4	-	-	(12)	(8)
Equity at 31.03.2015	982	256	1,306	(44)	11,810	14,310
2014						
Equity at 01.01.2014	981	232	(441)	15	12,694	13,481
Profit/(loss) for the period	-	-	-	-	331	331
Other comprehensive income	-	-	12	(18)	(6)	(12)
Comprehensive income	-	-	12	(18)	325	319
Distributed dividends	-	-	-	-	(544)	(544)
Capital increase through exercise of warrants	-	6	-	-	-	6
Buyback of treasury shares	-	-	-	-	(15)	(15)
Incentive programmes	-	-	-	-	14	14
Other transactions	-	6	-	-	(545)	(539)
Equity at 31.03.2014	981	238	(429)	(3)	12,474	13,261

Cash flow statement

DKK million	2015 Q1	2014 Q1	2014 FY
Profit/(loss) from operations	(32)	569	99
Adjustments for non-cash operating items etc.	348	293	1,499
Change in working capital	(625)	(861)	440
Cash flows from operations before financial receipts and payments	(309)	1	2,038
Financial receipts and payments	(10)	(22)	(61)
Cash flows from ordinary activities	(319)	(21)	1,977
Income taxes paid	(63)	(130)	(367)
Cash flows from operating activities	(382)	(151)	1,610
Acquisition of subsidiary ¹	-	-	(2,831)
Investments in and sale of bonds and other financial assets	(1)	(18)	976
Investments in and sale of intangible assets and property, plant and equipment	(35)	(68)	(1,541)
Cash flows from investing activities	(36)	(86)	(3,396)
Cash flows from operating and investing activities (free cash flow)	(418)	(237)	(1,786)
Capital contributions	4	6	21
Dividends paid in the financial year	-	-	(544)
Other financing activities	(101)	(31)	1,112
Cash flows from financing activities	(97)	(25)	589
Net cash flow for the period	(515)	(262)	(1,197)
Cash at beginning of period	3,651	4,817	4,817
Unrealized currency translation adjustments for the period	24	(4)	31
Change in cash for the period	(515)	(262)	(1,197)
Cash at end of period	3,160	4,551	3,651

¹ The acquisition of Chelsea Therapeutics International, Ltd. in 2014, which is considered a purchase of assets, consists of the Northera product rights valued at DKK 2,600 million, tax assets of DKK 272 million, as well as net liabilities totalling DKK 41 million. A cash balance of DKK 145 million was also acquired and this amount is included in net cash flow for the period.

Interest-bearing net cash and cash equivalents is composed as follows:

Cash	3,160	4,551	3,651
Securities	18	1,042	18
Interest-bearing debt	(3,264)	(2,144)	(3,343)
Interest-bearing net cash and cash equivalents, end of period	(86)	3,449	326

Income statement – Core results reconciliation**Q1 2015**

DKK million	Reported result	Intangible amortization	Intangible impairment	Major restructuring	Legal fees and settlements	Divestments/sales milestones	Core result
Revenue	3,563	-	-	-	-	-	3,563
Cost of sales	1,180	(248)	-	-	-	-	932
Gross profit	2,383	248	-	-	-	-	2,631
Sales and distribution costs	1,453	-	-	-	-	-	1,453
Administrative expenses	228	-	-	-	-	-	228
Research and development costs	734	-	-	-	-	-	734
Profit/(loss) from operations	(32)	248	-	-	-	-	216
Net financials	-	-	-	-	-	-	-
Profit/(loss) before tax	(32)	248	-	-	-	-	216
Tax on profit/(loss) for the period	49	38	-	-	-	-	87
Profit/(loss) for the period	(81)	210	-	-	-	-	129
Earnings per share (EPS)(DKK)	(0.41)	1.07	-	-	-	-	0.66

Q1 2014

DKK million	Reported result	Intangible amortization	Intangible impairment	Major restructuring	Legal fees and settlements	Divestments/sales milestones	Core result
Revenue	3,587	-	-	-	-	-	3,587
Cost of sales	987	(160)	-	-	-	-	827
Gross profit	2,600	160	-	-	-	-	2,760
Sales and distribution costs	1,147	-	-	-	-	-	1,147
Administrative expenses	251	-	-	-	-	-	251
Research and development costs	633	-	-	-	-	-	633
Profit/(loss) from operations	569	160	-	-	-	-	729
Net financials	(17)	-	-	-	-	-	(17)
Profit/(loss) before tax	552	160	-	-	-	-	712
Tax on profit/(loss) for the period	221	51	-	-	-	-	272
Profit/(loss) for the period	331	109	-	-	-	-	440
Earnings per share (EPS)(DKK)	1.69	0.56	-	-	-	-	2.25

Restatement of income statement following the reclassification of certain costs

Q1 2014

DKK million	After restatement	Adjustment	Before restatement
Revenue	3,587	-	3,587
Cost of sales	987	-	987
Gross profit	2,600	-	2,600
Sales and distribution costs	1,147	(77)	1,070
Administrative expenses	251	101	352
Research and development costs	633	(24)	609
Profit/(loss) from operations	569	-	569
Net financials	(17)	-	(17)
Profit/(loss) before tax	552	-	552
Tax on profit/(loss) for the period	221	-	221
Profit/(loss) for the period	331	-	331

FY 2014

DKK million	After restatement	Adjustment	Before restatement
Revenue	13,468	-	13,468
Cost of sales	4,160	-	4,160
Gross profit	9,308	-	9,308
Sales and distribution costs	5,164	(296)	4,868
Administrative expenses	1,134	405	1,539
Research and development costs	2,911	(109)	2,802
Profit/(loss) from operations	99	-	99
Net financials	(155)	-	(155)
Profit/(loss) before tax	(56)	-	(56)
Tax on profit/(loss) for the period	97	-	97
Profit/(loss) for the period	(153)	-	(153)

FINANCIAL CALENDAR 2015

19 August 2015: Second quarter results 2015

4 November 2015: Third quarter results 2015

Corporate releases since the fourth quarter report

6 May 2015: Kåre Schultz appointed new president and CEO of Lundbeck

27 March 2015: Major shareholder announcement

25 March 2015: Lundbeck held its Annual General Meeting on 25 March 2015 at the company's registered office

28 February 2015: Total number of voting rights and share capital in H. Lundbeck A/S as of 28 February 2015

24 February 2015: Notice of annual general meeting

18 February 2015: H. Lundbeck A/S increases its share capital by 40,480 shares (0.0206% of outstanding shares) as a result of employee warrant exercise

For more information, please visit <http://investor.lundbeck.com/releases.cfm>.

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About Lundbeck

H. Lundbeck A/S (LUN.CO, LUN DC, HLUYY) is a global pharmaceutical company specialized in brain diseases. For more than 50 years, we have been at the forefront of research within neuroscience. Our key areas of focus are alcohol dependence, Alzheimer's disease, bipolar disorder, depression/anxiety, epilepsy, Huntington's disease, Parkinson's disease, schizophrenia and symptomatic neurogenic orthostatic hypotension (NOH).

An estimated 700 million people worldwide are living with brain disease and far too many suffer due to inadequate treatment, discrimination, a reduced number of working days, early retirement and other unnecessary consequences. Every day, we strive for improved treatment and a better life for people living with brain disease – we call this Progress in Mind.

Read more at www.lundbeck.com/global/about-us/progress-in-mind.

Our approximately 6,000 employees in 57 countries are engaged in the entire value chain throughout research, development, production, marketing and sales. Our pipeline consists of several late-stage development programs and our products are available in more 100 countries. We have research centers in China, Denmark and the United States and production facilities in China, Denmark, France and Italy. Lundbeck generated revenue of approximately DKK 13.5 billion in 2014 (EUR 1.8 billion; USD 2.4 billion).

For additional information, we encourage you to visit our corporate site www.lundbeck.com.