

## H. Lundbeck A/S

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## New incentive plan for Executive Management in H. Lundbeck A/S

**Valby, Denmark, 26 March 2014** - The Board of Directors of H. Lundbeck A/S has resolved, pursuant to the authorisation in article 4.4 of the company's Articles of Association, to issue warrants for up to a nominal value of DKK 6,775,000, corresponding to 1,355,000 shares of DKK 5 each.

The members of H. Lundbeck A/S' Executive Management are comprised by the new incentive plan (Warrant Program 2014). Under the Warrant Program 2014, the Executive Management is offered to participate with a grant value of up to 42 months of base salary. For each of the eligible recipients the Board of Directors of H. Lundbeck A/S determines the number of warrants that each eligible recipient may receive. If a member of the Executive Management accepts to participate in the Warrant Program 2014, the member will not participate in, and will thus not receive any shares or share-based instruments under the revolving LTI program in 2014, 2015 and 2016. The Board of Directors may allow any new members of the Executive Management to participate in the revolving LTI program.

The members of H. Lundbeck A/S' Board of Directors are not comprised by the incentive plan.

The warrants are granted on terms and conditions consistent with the Remuneration guidelines for the Board of Directors and the Executive Management of H. Lundbeck A/S that were adopted at the company's annual general meeting held on 26 March 2014.

One warrant entitle the holder to subscribe for 1 (one) Lundbeck share of DKK 5 nominal value. The subscription of shares will take place at a price per share of DKK 5 nominal value of a basic amount calculated as the average amount of the average prices ("all trades") of one Lundbeck share of DKK 5 nominal value on NASDAQ OMX Copenhagen Stock Exchange over the 10 business days following the date of publication of H. Lundbeck A/S' announcement of its annual results for 2013. To the basic amount will be added annual increases of 4% of the basic amount (including any annual increases for previous years) less any dividend per Lundbeck share paid under resolutions passed at H. Lundbeck A/S' general meetings. The annual increases will continue until expiry of the warrants on 30 April 2020.

The warrants will vest 3 years after the date of grant subject to the Board of Directors' decision on vesting (having regard to i.a. the financial situation of the Lundbeck group) and subject to the Executive Management member's continued employment in the Lundbeck Group in the vesting period. The warrants may be exercised during certain windows in the period from 3-6 years after the date of grant.

The market value of the warrants at the expected time of the grant in May 2014 is estimated to approximately DKK 45.7 million using the Black & Scholes formula based on market assumptions. The number of warrants issued is low compared to the overall share capital of H. Lundbeck A/S, and therefore no adjustment has been made for the dilutive effect of the warrants issued when calculating the market value.

In the financial statements, the incentive programmes granted to the Executive Management members will be recognized in the income statement at fair value over the vesting period of three years.



### Lundbeck contacts

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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 development and distribution of pioneering treatments continues to make a difference to people living with brain diseases. Our key areas of focus are alcohol dependence, Alzheimer's disease, depression/anxiety, epilepsy, Huntington's disease, Parkinson's disease, schizophrenia and stroke.

Our approximately 6,000 employees in 57 countries are engaged in the entire value chain throughout research, development, production, marketing and sales, and are committed to improving the quality of life of people living with brain diseases. 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, Italy and Mexico. Lundbeck generated revenue of DKK 15.3 billion in 2013 (EUR 2.0 billion; USD 2.7 billion).