H. Lundbeck A/S

Ottiliavej 9
DK-2500 Valby, Copenhagen
CVR number: 56759913

Tel +45 36 30 13 11
Fax +45 36 43 82 62

E-mail investor@lundbeck.com
www.lundbeck.com

9 November 2011

Third quarter report 2011
The positive momentum continues

H. Lundbeck A/S (Lundbeck) reports third quarter revenue of DKK 3,975 million, an increase of 10% compared to the same quarter last year. The growth was driven by increasing revenue from key products and a milestone payment related to the launch of escitalopram in Japan. Operating profit before depreciation and amortisation (EBITDA) was DKK 1,260 million, an increase of 12% corresponding to an EBITDA margin of 31.7%. As earlier communicated, write offs of DKK 341 million related to restructuring in R&D have been included for the quarter, and as a result profit from operations (EBIT) decreased 22% to DKK 660 million for the quarter.

- Continued growth for the key products Cipralex®, Ebixa® and Azilect®, which grew 5%, 18% and 20% respectively, compared to the same quarter last year.
- Revenue from Xenazine® in the US was DKK 191 million, an increased of 20% compared to third quarter last year.
- Revenue from Sabril® was DKK 77 million and increased 47% compared to the third quarter last year.
- Revenue from International Markets was DKK 901 million and increased 20% compared to the third quarter last year.
- Onfi™ was approved in October and is expected to be launched in January 2012.
- Financial guidance for the full year is unchanged compared to the previous quarter.

Distribution of revenue

DKK million	Q3 2011	Q3 2010	Growth	Growth at CER*
Cipralex®	1,456	1,391	5%	2%
Lexapro®	498	566	(12%)	(21%)
Ebixa®	707	597	18%	16%
Azilect®	301	250	20%	22%
Xenazine®	193	172	12%	25%
Sabril®	77	52	47%	61%
Europe	1,934	1,910	1%	1%
USA	909	901	1%	(1%)
International Markets	901	749	20%	15%
Total revenue	3,975	3,619	10%	8%

* Constant exchange rates

In connection with the third quarter report, Lundbeck's President and CEO Ulf Wiinberg said:
"We are very pleased with yet another strong quarter, as our marketed products continue to deliver solid results. We are now entering a new era with many new product launches. With the launch of Lexapro® in Japan, the continued roll out of Sycrest® and the forthcoming launch of Onfi™ in the US, we have expanded on our product diversification and strengthened our long term growth prospects substantially."

CONTENTS

FINANCIAL HIGHLIGHTS AND KEY FIGURES 3

MANAGEMENT REVIEW 4

- Financial outlook 4
- Lundbeck's development portfolio 5
- Revenue 6
- Expenses and income 11
- Cash flow 14
- Balance sheet 14
- Other 15

MANAGEMENT STATEMENT 17

FINANCIAL STATEMENTS 18

FINANCIAL CALENDAR 22

FINANCIAL HIGHLIGHTS AND KEY FIGURES

	2011 Q3	2010 Q3	2011 9M	2010 9M	2010 FY
Financial highlights (DKK million)					
Revenue	3,975	3,619	12,178	11,235	14,765
Operating profit before depreciation and amortisation (EBITDA)	1,260	1,123	4,050	3,807	4,393
Profit from operations (EBIT)	660	846	3,067	3,036	3,357
Net financials	3	(12)	(54)	(78)	(68)
Profit before tax	663	834	3,013	2,958	3,289
Tax on profit for the period	311	212	934	730	823
Profit for the period	352	622	2,079	2,228	2,466
Equity	12,337	10,767	12,337	10,767	11,122
Assets	19,802	18,352	19,802	18,352	18,005
Cash flows from operating and investing activities	322	1,141	1,684	3,179	2,462
Property, plant and equipment investments, gross	92	118	276	213	383
Key figures					
EBITDA margin (%)[1]	31.7	31.0	33.3	33.9	29.8
EBIT margin (%)[1]	16.6	23.4	25.2	27.0	22.7
Return on capital employed (%)	4.8	6.4	23.1	24.9	27.6
Research and development ratio (%)	27.7	21.1	19.9	18.7	20.6
Return on equity (%)[1]	2.9	5.8	17.7	22.8	24.8
Solvency ratio (%)[1]	62.3	58.7	62.3	58.7	61.8
Capital employed (DKK million)	14,256	12,683	14,256	12,683	13,040
Share data					
Number of shares for the calculation of EPS (million)	196.1	196.1	196.1	196.1	196.1
Number of shares for the calculation of DEPS (million)	196.1	196.1	196.1	196.1	196.1
Earnings per share (EPS) (DKK)[1]	1.80	3.17	10.60	11.36	12.57
Diluted earnings per share (DEPS) (DKK)[1]	1.80	3.17	10.60	11.36	12.57
Cash flow per share (DKK)[1]	6.64	6.20	17.18	17.21	16.65
Net asset value per share (DKK)[1]	62.90	54.90	62.90	54.90	56.71
Market capitalisation (DKK million)	20,869	18,935	20,869	18,935	20,788
Share price end of period (DKK)	106.40	96.55	106.40	96.55	106.00
Other					
Number of employees (FTE)	5,745	5,631	5,745	5,631	5,644

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

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

MANAGEMENT REVIEW

Financial outlook

Financial guidance for the full year 2011 is maintained. Lundbeck continues to expect revenue of DKK 15.3-15.8 billion, EBITDA of DKK 4.3-4.6 billion and EBIT of DKK 3.3-3.6 billion. Net profit for 2011 is expected to reach DKK 2.3-2.6 billion. Revenue and EBITDA are anticipated to be in the upper end of the guidance ranges.

Financial forecast 2011

DKK billion	2010 actual	2011 forecast
Revenue	14.8	15.3-15.8
EBITDA	4.4	4.3-4.6
EBIT	3.4	3.3-3.6
Net profit	2.5	2.3-2.6
Effective tax rate	25%	30-32%

In connection with the optimisation programme in R&D, which was announced in connection with the first half results, write offs were carried out during the third quarter of the year. As a consequence, EBIT guidance includes additional write offs to the amount of DKK 341 million on intellectual property rights and buildings and equipment.

Forward-looking statements

Forward-looking statements provide current expectations or forecasts for events, such as product launches, product approvals and financial performance. Forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. Actual results may differ from expected results. Factors that may affect future results include fluctuations in interest rates and exchange rates, a delay in or failure of development projects, production problems, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for Lundbeck's products, introduction of a competing product, Lundbeck's ability to successfully market both new and existing products, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws and their interpretation and unexpected growth in costs and expenses.

Lundbeck's development portfolio

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

Regulatory review

In October, the US Food and Drug Administration (FDA) approved **Onfi™** (clobazam) as adjunctive therapy for seizures associated with Lennox-Gastaut syndrome (LGS) in patients two years and older. LGS is a rare and severe form of epilepsy that is typically diagnosed in childhood and often persists into adulthood. The FDA approval of Onfi™ was based on a clinical development programme including a pivotal phase III clinical study in 238 patients with a history of LGS. Onfi™ will be available in US pharmacies in January 2012.

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

Clinical phase III

Following the completion of the phase III clinical programme for **nalmefene** in patients with alcohol dependence earlier in 2011 the submission process was initiated. Submission of a European Marketing Authorization Application (MAA) for nalmefene is expected by the end of 2011. In the clinical phase III programme and across the studies, consistency and robustness were observed and the studies support the overall positive clinical profile of nalmefene. A reduction in heavy drinking days and total alcohol consumption was seen within the first month of treatment in all three studies and was maintained throughout the 12-month safety study.

The additional clinical phase III studies with **Lu AA21004** in Major Depressive Disorder (MDD) continue to recruit patients according to plan. The studies are based on the clinical data obtained to date, which demonstrate positive results for the potential efficacy and the tolerability profile of Lu AA21004. The studies should be completed during the first half of 2012.

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

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

Clinical phase II

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

Early stage programmes

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

Revenue

Total revenue for the third quarter was DKK 3,975 million corresponding to an increase of 10%, or 8% in constant exchange rates, compared to the same quarter last year.

Total revenue

DKK million	Q3 2011	Q3 2010	Growth	Growth at CER	Q2 2011
Cipralex®	1,456	1,391	5%	2%	1,531
Lexapro®	498	566	(12%)	(21%)	715
Ebixa®	707	597	18%	16%	707
Azilect®	301	250	20%	22%	299
Xenazine®	193	172	12%	25%	209
Sabril®	77	52	47%	61%	80
Other pharmaceuticals	512	532	(4%)	(1%)	497
Other revenue	231	59	294%	276%	62
Total revenue	**3,975**	**3,619**	**10%**	**8%**	**4,100**

Sycrest® (asenapine), approved for the treatment of manic episodes associated with bipolar I disorder in the EU, has been launched commercially in Denmark and Germany. Lundbeck expects to launch Sycrest® in several major European markets during the next six months, including the UK, Spain and Italy. Sycrest® is already available in a number of countries where reimbursement is not yet granted. Outside the EU, **Saphris®** (asenapine) is indicated for the treatment of both schizophrenia and manic episodes associated with bipolar I disorder. Recently the product was approved in Canada and it is expected to be commercially launched in the first half 2012. Furthermore, a full commercial launch of the product in Australia is expected in 2011. Lundbeck has the commercial rights to Sycrest®/Saphris® in all markets outside the US, Japan and China. Sycrest®/Saphris® is currently included under Other pharmaceuticals.

Revenue from **Cipralex®** (escitalopram) for the treatment of mood disorders rose to DKK 1,456 million, an increase of 5%, or 2% at constant exchange rates. Revenue from **Lexapro®**, escitalopram marketed in the US by Forest Laboratories, Inc. (Forest), was DKK 498 million for the quarter. This was a decrease of 12%, or 21% in constant exchange rates, compared to the same period last year. The decrease was due to an expected reduction in Forest's inventories. During the quarter Lexapro® was launched in Japan by Lundbeck's partners, Mochida Pharmaceuticals (Mochida) and Mitsubishi Tanabe Pharma Corporation (Mitsubishi). Revenue from Lexapro® in Japan is included in Cipralex® revenue, International Markets.

Ebixa® (memantine) for the symptomatic treatment of Alzheimer's disease, generated third quarter revenue of DKK 707 million, an increase of 18% compared to the same period last year. The increase corresponds to 16% growth at constant exchange rates. Lundbeck has the marketing rights to Ebixa® in most of the world, except Japan and the US.

Revenue from **Azilect®** (rasagiline) for the treatment of Parkinson's disease was DKK 301 million, an increase of 20%, or 22% in constant exchange rates, compared to the third quarter last year. Lundbeck has commercial rights to Azilect® in Europe (in co-promotion with Teva Pharmaceutical Industries Inc. (Teva) in France, Germany and the UK) and some markets outside Europe, including six Asian countries.

Xenazine®[1] (tetrabenazine) for the treatment of chorea associated with Huntington's disease, generated revenue of DKK 193 million in the third quarter, an increase of 12%, or 25% at constant exchange rates, compared to the same period last year. Lundbeck has the marketing rights to Xenazine® in the US.

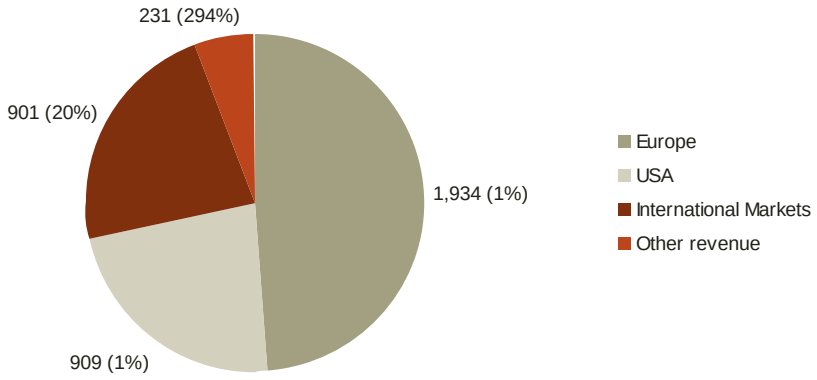
Sabril® (vigabatrin) for the treatment of refractory complex partial seizures (rCPS) and infantile spasms (IS), generated third quarter revenue of DKK 77 million, increasing 47%, or 61% in constant exchange rates, compared to the third quarter 2010. Lundbeck has the marketing rights to Sabril® in the US.

Revenue from **Other pharmaceuticals**, which comprise the remainder of Lundbeck's products, was DKK 512 million, a decrease of 4% or 1% in constant exchange rates, compared to the same quarter last year.

Other revenue was DKK 231 million, compared to DKK 59 million for the same period last year. The increase was due to the inclusion of a milestone from Mochida of close to DKK 200 million related to the launch of escitalopram in Japan.

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

Revenue per region Q3 2011 (growth in brackets) - DKKm



Europe

Third quarter revenue in Europe increased 1% compared to the same quarter last year. The increase driven by the continued growth of Ebixa® and Azilect® was offset by decreasing sales from Cipralex® and Other pharmaceuticals.

Revenue – Europe

DKK million	Q3 2011	Q3 2010	Growth	Growth at CER	Q2 2011
Cipralex®	872	937	(7%)	(7%)	1,001
Ebixa®	589	516	14%	14%	602
Azilect®	274	226	22%	23%	275
Other pharmaceuticals	199	231	(14%)	(14%)	213
Total revenue	**1,934**	**1,910**	**1%**	**1%**	**2,091**

Cipralex® generated third quarter revenue of DKK 872 million in Europe, a decrease of 7% compared to the third quarter last year. Cipralex® continues to gain market shares and reinforce its leading position in most countries in Europe, but revenue for the quarter was negatively impacted by the launch of generic escitalopram in Spain and Finland in 2010, as well as the withdrawal of Cipralex® from the public market in Germany in July (Cipralex® continues to be available in the private market in Germany). Furthermore, revenue in some European countries continues to be impacted by price decreases and health care reforms. Compared to the third quarter last year, Lundbeck has now lost around 50% of Cipralex® revenue in Spain and Germany. As a consequence, at the end of August 2011, Cipralex® held a market share in value of 18.0% of the European antidepressant market, compared with a market share of 20.1% at the same time in 2010.

Revenue from Ebixa® rose 14% to DKK 589 million compared to the third quarter last year. At the end of August 2011, the product held 20.0% of the European Alzheimer's market measured in value, compared to a market share of 18.6% at the same time in 2010. Ebixa® continues to take market shares in several markets in the EU, and revenue continues to be positively impacted by the re-launch of Ebixa® in the UK, following support of the use of memantine from NICE (National Institute of Health and Clinical Excellence) in the UK.

Third quarter revenue from Azilect® was DKK 274 million, an increase of 22% compared to the third quarter of 2010. At the end of August 2011, Azilect® held a market share in value of 16.6% of the total European Parkinson market. This compares to a market share of 13.3% at the same time in 2010. Azilect® continues to gain market share in Europe, as it is increasingly recognised as an effective and easy-to-administer medication. The reimbursement of Azilect® in France last year continues to support sales. At the end of August, Azilect® had achieved a market share in France of 20.1%, compared to 14.8% at the same time in 2010.

During the quarter, Lundbeck has renegotiated the agreement with Teva regarding Azilect®. According to the new agreement, Teva will now market Azilect® in Germany alone, opposed to the former agreement, where Lundbeck and Teva co-promoted the product.

Revenue from Other pharmaceuticals was DKK 199 million, a decrease of 14% compared to last year. The decrease was primarily due to a fall in revenue from Cipramil®.

USA

Lundbeck's third quarter revenue in the US was DKK 909 million, an increase of 1%, or a decrease of 1% at constant exchange rates, compared to the third quarter of 2010. The growth in Xenazine® and Sabril® during the quarter was offset by a decrease in Lexapro® revenue.

Revenue – USA

DKK million	Q3 2011	Q3 2010	Growth	Growth at CER	Q2 2011
Lexapro®	498	566	(12%)	(21%)	715
Xenazine®	191	160	20%	33%	209
Sabril®	77	52	47%	61%	80
Other pharmaceuticals	143	123	16%	27%	119
Total revenue	**909**	**901**	**1%**	**(1%)**	**1,123**

Lundbeck continues to see strong growth for Lundbeck US, particularly driven by the positive development in Xenazine® and Sabril®. Excluding income from Lexapro®, growth in the US was 23% for the quarter. Furthermore, the upcoming launch of Onfi™ in the US will provide an additional growth driver for the region.

Revenue from Lexapro® was DKK 498 million for the quarter, a decrease of 12% or 21% at constant exchange rates, compared to the same quarter last year. The decrease was due to lower bulk deliveries as a result of an expected reduction in Forest's inventories. At the end of August, Lexapro® held a market share in value of 28.3% of the US aggregate market for antidepressants, compared to a market share of 24.7% in August 2010. The increase in market share in value is primarily due to the launch of generic venlafaxine in June 2011.

Prepayments from Forest, recorded in Lundbeck's balance sheet as the difference between the invoiced price and the minimum price of Forest's inventories, were DKK 526 million as of 30 September 2011. This compares to DKK 626 million as of the end of September 2010.

Revenue from Xenazine® was DKK 191 million for the quarter, an increase of 20% or 33% at constant exchange rates, compared to the third quarter last year. Revenue from Xenazine® continues to progress well and is on track to meet our expectations.

Sabril® revenue for the quarter was DKK 77 million, an increase of 47% or 61% at constant exchange rates, compared to the same quarter last year. The performance of Sabril® continues to be driven by increased compliance rates among existing patients, as well as higher doses used.

Third quarter revenue from Other pharmaceuticals in the US was DKK 143 million, an increase of 16% compared to same quarter last year. The increase in revenue was primarily due to adjustments in reserves for returned goods for certain products during the quarter, as well as quarterly fluctuations in sales.

International Markets

Revenue in International Markets, which comprise all of Lundbeck's markets outside Europe and the US, was DKK 901 million for the quarter. This is an increase of 20% compared to the third quarter 2010, or 15% at constant exchange rates. The growth was across all key products.

Revenue – International Markets

DKK million	Q3 2011	Q3 2010	Growth	Growth at CER	Q2 2011
Cipralex®	584	454	29%	21%	530
Ebixa®	118	81	47%	26%	105
Azilect®	27	24	8%	20%	24
Other pharmaceuticals	172	190	(10%)	(7%)	165
Total revenue	**901**	**749**	**20%**	**15%**	**824**

Cipralex® generated third quarter revenue of DKK 584 million in International Markets, an increase of 29% compared to the third quarter last year and corresponding to an increase of 21% at constant exchange rates. Cipralex® sales in Canada continue to show strong growth, and grew 28% for the quarter. Cipralex® now holds a market share in terms of value of 17.8% in Canada (August 2011), compared to 12.9% at the same time last year. At the end of August 2011, Cipralex® held a market share in terms of value of 12.6% of the aggregate market for antidepressants in International Markets[2], compared to a market share of 11.1% in the same period last year.

In August, Lexapro® was launched in Japan by Lundbeck's partners Mochida and Mitsubishi. The sales force is already fully in place and Lexapro® is being marketed with a very competitive share of voice. Mochida and Mitsubishi estimate Lexapro® revenue of JPY 3 billion (DKK ~0.2 billion) for the first year following the launch and revenue of JPY 33.8 billion (DKK ~2.3 billion) in its peak year six years from now. Lundbeck receives a royalty from sales.

Ebixa® generated third quarter revenue of DKK 118 million, an increase of 47%, or 26% at constant exchange rates. The increase was due to continued growth in most important markets and favourable

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

exchange rates. In August 2011, Ebixa® held 8.7% of the total market in terms of value of pharmaceuticals for the treatment of Alzheimer's disease in International Markets. This compares to a market share of 8.3% in August 2010.

Other pharmaceuticals generated revenue of DKK 172 million during the quarter, a decrease of 10%, or 7% at constant exchange rates, compared to the same quarter last year. The decrease was due to decreasing sales in Lundbeck's mature products.

Expenses and income

Total costs for the quarter were DKK 3,315 million, an increase of 20% compared to the third quarter last year. The increase was primarily due to the inclusion of extraordinary write offs in the R&D organisation.

Distribution of costs

DKK million	Q3 2011	Q3 2010	Growth	Q2 2011
Cost of sales	790	752	5%	726
Distribution	948	813	16%	1,040
Administration	475	442	7%	540
Research & Development	1,102	766	44%	692
Total costs	**3,315**	**2,773**	**20%**	**2,998**

Total cost of sales increased 5% to DKK 790 million. This corresponds to 20% of Lundbeck's total revenue, compared with 21% in the third quarter of 2010. Cost of sales for the period was affected by the higher cost of goods sold due to increasing revenue from in-licensed products (i.e. Xenazine®, Azilect® and Ebixa®).

Distribution costs were DKK 948 million, corresponding to 23% of revenue and an increase of 16% compared to the third quarter last year. The increase in distribution costs is related to launch costs for Sycrest® and pre-launch costs for Sycrest®, Onfi™ and nalmefene. Administrative expenses were DKK 475 million and corresponding to 12% of the total revenue for the period, which was at the same level as the third quarter of last year. SG&A costs were DKK 1,423 million, compared to DKK 1,255 million in the same period last year. The SG&A margin for the period was 35%, compared to 35% in the same period last year.

R&D costs for the quarter were DKK 1,102 million, compared to DKK 766 million in the same period last year. The increase of 44% compared to last year is mainly related to write offs of DKK 341 million related to the restructuring in the R&D organisation. In connection with the restructuring around 150 employees were made redundant. In addition, higher costs to cover the company's defence of its intellectual property rights were incurred.

Operating profit before depreciation and amortisation (EBITDA)

EBITDA was DKK 1,260 million, compared to DKK 1,123 million for the third quarter of 2010. EBITDA margin for the period was 31.7%, compared to 31.0% in the same quarter last year.

Depreciation, amortisation and impairment charges

Depreciation, amortisation and impairment charges, which are included in the individual expense categories, amounted to DKK 600 million, compared to DKK 277 million in third quarter last year. The increase was primarily due to write offs of DKK 341 million in the R&D organisation. The write off relates to buildings, equipment and patent rights. Lower depreciation in distribution is related to depreciation in 2010, which has not continued into 2011.

Depreciation, amortisation and impairment charges

DKK million	Q3 2011	Q3 2010	Growth	Q2 2011
Cost of sales	82	76	8%	(33)
Distribution	99	117	(16%)	98
Administration	16	18	(10%)	25
Research & Development	403	66	509%	58
Total depreciation, amortisation and impairment charges	**600**	**277**	**116%**	**148**

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

Profit from operations (EBIT)

EBIT for the third quarter of 2011 amounted to DKK 660 million, which corresponds to a decrease of 22%, compared to the same period in 2010 (DKK 846 million). The decrease was due to extraordinary write offs of DKK 341 million related to the restructuring in R&D.

The EBIT margin for the period was 16.6%, compared to 23.4% in the same period the year before. Excluding the extraordinary restructuring costs in R&D for the period as well as the milestone payment from Mochida, EBIT-margin for the period was 22%.

Net financials

Lundbeck generated net financial gains of DKK 3 million in the third quarter, compared with net expenses of DKK 12 million in the third quarter of 2010.

Net financials

DKK million	Q3 2011	Q3 2010	Q2 2011
Interest on financial assets and liabilities measured at amortised cost	(12)	(15)	(16)
Net gains on financial instruments measured at fair value	9	-	3
Net interest income, incl. net gains on the bond portfolio	**(3)**	**(15)**	**(13)**
Net gains regarding the trading portfolio	-	-	1
Net exchange gains	2	6	3
Net currency items relating to financial items	**2**	**6**	**4**
Net gains on available-for-sale financial assets, incl. dividends	7	-	-
Other financial income, net	(3)	(3)	(10)
Net financials	**3**	**(12)**	**(19)**

Net interest income, including realised and unrealised gains and losses on the bond portfolio, amounted to a net expense of DKK 3 million, as compared to a net expense of DKK 15 million in the same period in 2010. The difference was primarily due to a higher cash position and bond portfolio in 2011.

Net exchange gains amounted to DKK 2 million, as compared to a net gain of DKK 6 million in the third quarter last year. The increase was due to favourable fluctuations in exchange rates.

Net gains of DKK 7 million on available-for-sale financial assets are mainly due to sale of our investment in the Danish private hospital, Privathospitalet Hamlet A/S.

Profit for the period

Profit for the third quarter of 2011 was DKK 352 million, compared to DKK 622 million in the same period last year. This corresponds to an EPS of DKK 1.80 per share.

Hedging

Lundbeck hedges income from its products through currency hedging. As a result of Lundbeck's currency hedging policy, foreign exchange losses and gains on hedging transactions are allocated directly to the hedged transaction. Hedging had a positive effect on profit of DKK 19 million in the third quarter of 2011, compared with a situation where the income is not hedged and included at the current exchange rates during the period. Hedging had a negative effect on profit of DKK 46 million in the third quarter of 2010. The currency with the most financial impact in the third quarter of 2011 was the US dollar and overall hedging of the US dollar had a net gain of DKK 14 million. This compares to a loss of DKK 12 million in the third quarter of 2010.

Lundbeck hedges cash flow in US dollars on a rolling basis, approximately 12 months in advance. The average rate for the US dollar hedging contracts for 2011 is approximately USD/DKK 564. The corresponding rate for 2010 was approximately USD/DKK 541. For the next 12 months, the average rate for the existing US dollar hedging contracts is approximately USD/DKK 545.

Cash flow

Lundbeck had a positive cash flow during the quarter of DKK 322 million, compared to DKK 1,095 million in the same period last year.

Cash flow

DKK million	Q3 2011	Q3 2010	Q2 2011
Cash flows from operating activities	1,303	1,216	1,257
Cash flows from investing activities	(981)	(75)	(12)
Cash flows from operating and investing activities	**322**	**1,141**	**1,245**
Cash flows from financing activities	-	(46)	(737)
Change in cash	**322**	**1,095**	**508**
Cash at beginning of period	2,895	1,920	2,389
Unrealised exchange adjustments for the period	(5)	(20)	(2)
Cash at end of period	**3,212**	**2,995**	**2,895**
Securities	1,473	52	655
Interest-bearing debt	(1,919)	(1,916)	(1,918)
Interest-bearing net cash and cash equivalents, end of period	**2,766**	**1,131**	**1,632**

Operating activities generated a third quarter cash inflow of DKK 1,303 million, compared to an inflow of DKK 1,216 million in the same period last year.

Cash flows from investing activities represented an outflow of DKK 981 million and were primarily related to investments in bonds and an investment in the UK based company, Proximagen.

Cash as of 30 September 2011 was DKK 3,212 million. This compares to DKK 2,995 million as of 30 September 2010 and DKK 2,294 million as of 31 December 2010. At the end of September 2011, Lundbeck had a net cash position of DKK 2,766 million, compared to a net cash position of DKK 1,131 million at the end of September 2010.

Balance sheet

As of 30 September 2011, Lundbeck had total assets of DKK 19,802 million, compared to DKK 18,352 million at the end of the third quarter of 2010.

As of 30 September 2011, Lundbeck's equity amounted to DKK 12,337 million, corresponding to a solvency ratio of 62.3% compared to 58.7% at the end of the third quarter 2010.

As a consequence of the exercise of employee warrants, the share capital increased during the second quarter this year by DKK 96,420 (or 19,284 shares of nominally DKK 5). The increase was affected without any preemption rights for the existing shareholders of the company or others. The shares were subscribed in cash at DKK 115 per share. Proceeds to the company were approximately DKK 2.2

million. The increase corresponds to approx. 0.01% of the company's share capital. After the increase, Lundbeck's share capital amounts to DKK 980,679,590.

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

Other

Events after the balance sheet date

In October, the FDA approved Onfi™ as adjunctive therapy for seizures associated with Lennox-Gastaut syndrome (LGS) in patients two years and older. LGS is a rare and severe form of epilepsy that is typically diagnosed in childhood and often persists into adulthood. Onfi™ will be available in US pharmacies in January 2012.

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 are unchanged compared to the annual report 2010, which contains a more detailed description of the Group's accounting policies.

Incentive plan in the Lundbeck Group

Members of Lundbeck's Executive Management and 113 key employees appointed by Lundbeck's Executive Management Group, who are employed by Lundbeck or Lundbeck's subsidiaries, were granted participation in Lundbeck's Long Term Incentive program on 1 April 2011. The above-mentioned subsidiaries comprise Danish and foreign enterprises in which Lundbeck directly, or indirectly, holds at least 50% of the shares. The members of the company's Board of Directors are not included in the scheme.

Stock Appreciation Rights and Restricted Cash Units were issued for key employees in the US subsidiaries, with conditions and award criteria similar to the grant made to key employees of the parent company and its non-US subsidiaries was issued.

The Long Term Incentive programme is vested over a three-year period. In the financial statements, the cost will be recognised in the income statement at fair value over the vesting period. The grant to the Executive Management Group is subject to achieving specific goals.

The incentive programme granted in 2008 is fully vested. To fund the programme, Lundbeck has purchased treasury shares with a value of DKK 9 million corresponding to 71,025 shares.

New incentive plan in the Lundbeck Group

The Board of Directors has resolved to establish a long-term incentive programme for selected key employees of the Lundbeck Group. The programme comprises a single award of shares in H. Lundbeck

A/S. The incentive programme does not comprise members of the Board of Directors or Executive Management of H. Lundbeck A/S.

For key employees of US subsidiaries, Lundbeck will issue Restricted Cash Units on financial terms that in all material respects correspond to the terms for other key employees.

The shares will be awarded in November 2011. The vesting period runs until and including 30 June 2014, after which date the vested shares will be transferred to the employees in question.

The maximum number of shares that can be awarded to participating employees has been fixed at a number whose market value equals 4, 8 or 12 months' basic salary in 2011 for the relevant employees, for a total amount of DKK 44.5 million.

Shares will be awarded to employees subject to the employee achieving corporate goals during the vesting period, and the value of the award is therefore recognised in the income statement over the vesting period. The right to receive shares is also subject to the relevant employee's continuing employment throughout the vesting period.

In special cases, the Board of Directors of H. Lundbeck A/S can change the number of shares awarded and/or the relevant employees' personal targets in the vesting period.

The shares are awarded free of charge.

The market value of the programme is DKK 44.5 million.

Protection of patents and other intellectual property rights

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

Risk factors

Lundbeck's overall risk exposure is unchanged and reflects the risk factors described in the annual report 2010.

Conference call

Today at 1:00 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 – 30 September 2011. 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 30 September 2011 and of the results of the Group’s operations and cash flows for the first nine months of 2011, which ended on 30 September 2011.

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 account of the significant risks and uncertainty factors that may affect the Group.

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

Valby, 9 November 2011

Executive Management

Ulf Wiinberg
President and CEO

Anders Götzsche
Executive Vice President, CFO

Anders Gersel Pedersen
Executive Vice President, R&D

Marie-Laure Pochon
Executive Vice President,
Commercial Operations

Board of Directors

Mats Petterson
Chairman

Thorleif Krarup
Deputy Chairman

Håkan Björklund

Kim Rosenville Christensen

Christian Dyvig

Mona Elisabeth Elster

Peter Kürstein

Jørn Mayntzhusen

Jes Østergaard

FINANCIAL STATEMENTS

Income statement

DKK million	2011 Q3	2010 Q3	2011 9M	2010 9M	2010 FY
Revenue	3,975	3,619	12,178	11,235	14,765
Cost of sales	790	752	2,297	2,156	2,958
Gross profit	**3,185**	**2,867**	**9,881**	**9,079**	**11,807**
Distribution costs	948	813	2,893	2,547	3,496
Administrative expenses	475	442	1,494	1,394	1,909
Profit before research and development costs	**1,762**	**1,612**	**5,494**	**5,138**	**6,402**
Research and development costs	1,102	766	2,427	2,102	3,045
Profit from operations	**660**	**846**	**3,067**	**3,036**	**3,357**
Net financials	3	(12)	(54)	(78)	(68)
Profit before tax	**663**	**834**	**3,013**	**2,958**	**3,289**
Tax on profit for the period	311	212	934	730	823
Profit for the period	**352**	**622**	**2,079**	**2,228**	**2,466**
Earnings per share (EPS) (DKK)	1.80	3.17	10.60	11.36	12.57
Diluted earnings per share (DEPS) (DKK)	1.80	3.17	10.60	11.36	12.57

Statement of comprehensive income

DKK million	2011 Q3	2010 Q3	2011 9M	2010 9M	2010 FY
Profit for the period	**352**	**622**	**2,079**	**2,228**	**2,466**
Currency translation, foreign subsidiaries	121	(339)	(88)	204	295
Currency translation concerning additions to net investments in foreign subsidiaries	233	(368)	(67)	159	240
Realised exchange gains/losses, additions to net investments in foreign subsidiaries (transferred to profit and loss)	(4)	-	3	-	-
Adjustment, deferred exchange gains/losses, hedging	(21)	152	147	(130)	(213)
Exchange gains/losses, hedging (transferred to the hedged items)	(27)	103	(135)	136	163
Exchange gains/losses, trading (transferred from hedging)	-	-	-	-	1
Accumulated exchange loss on divestment of associate	-	-	-	-	2
Fair value adjustment of available-for-sale financial assets	(4)	(5)	(9)	(2)	(4)
Tax on other comprehensive income	(43)	38	13	(41)	(47)
Other comprehensive income	**255**	**(419)**	**(136)**	**326**	**437**
Comprehensive income	**607**	**203**	**1,943**	**2,554**	**2,903**

Balance sheet

DKK million

Assets	30.09.2011	30.09.2010	31.12.2010
Intangible assets	7,407	7,621	8,012
Property, plant and equipment	2,759	2,931	3,046
Financial assets	305	255	191
Non-current assets	**10,471**	**10,807**	**11,249**
Inventories	1,183	1,545	1,491
Receivables	3,463	2,953	2,917
Securities	1,473	52	54
Cash	3,212	2,995	2,294
Current assets	**9,331**	**7,545**	**6,756**
Assets	**19,802**	**18,352**	**18,005**
Equity and liabilities			
Share capital	980	980	980
Share premium	226	224	224
Currency translation reserve	(417)	(433)	(281)
Retained earnings	11,548	9,996	10,199
Equity	**12,337**	**10,767**	**11,122**
Provisions	959	1,019	930
Debt	1,906	1,916	1,918
Non-current liabilities	**2,865**	**2,935**	**2,848**
Provisions	239	192	216
Debt	13	-	-
Trade payables	1,181	1,019	1,237
Other payables	2,641	2,813	2,065
Prepayments from Forest	526	626	517
Current liabilities	**4,600**	**4,650**	**4,035**
Liabilities	**7,465**	**7,585**	**6,883**
Equity and liabilities	**19,802**	**18,352**	**18,005**

Statement of changes in equity at 30 September 2011

DKK million **2011**	Share capital	Share premium	Currency translation reserve	Retained earnings	Equity
Equity at 01.01.2011	**980**	**224**	**(281)**	**10,199**	**11,122**
Profit for the period	-	-	-	2,079	2,079
Other comprehensive income	-	-	(136)	-	(136)
Comprehensive income	**-**	**-**	**(136)**	**2,079**	**1,943**
Distributed dividends	-	-	-	(739)	(739)
Capital increase through exercise of warrants	-	2	-	-	2
Buyback of treasury shares	-	-	-	(9)	(9)
Incentive programmes	-	-	-	18	18
Other transactions	**-**	**2**	**-**	**(730)**	**(728)**
Equity at 30.09.2011	**980**	**226**	**(417)**	**11,548**	**12,337**
2010					
Equity at 01.01.2010	**980**	**224**	**(757)**	**8,356**	**8,803**
Profit for the period	-	-	-	2,228	2,228
Other comprehensive income	-	-	324	2	326
Comprehensive income	**-**	**-**	**324**	**2,230**	**2,554**
Distributed dividends	-	-	-	(602)	(602)
Incentive programmes	-	-	-	12	12
Other transactions	**-**	**-**	**-**	**(590)**	**(590)**
Equity at 30.09.2010	**980**	**224**	**(433)**	**9,996**	**10,767**

Cash flow statement

DKK million	2011 Q3	2010 Q3	2011 9M	2010 9M	2010 FY
Profit from operations	**660**	**846**	**3,067**	**3,036**	**3,357**
Adjustments	533	276	927	753	1,080
Working capital changes	171	130	(286)	(196)	88
Cash flows from operations before financial receipts and payments	**1,364**	**1,252**	**3,708**	**3,593**	**4,525**
Financial receipts and payments	(3)	(8)	(49)	(38)	(78)
Cash flows from ordinary activities	**1,361**	**1,244**	**3,659**	**3,555**	**4,447**
Income tax paid	(58)	(28)	(290)	(179)	(1,182)
Cash flows from operating activities	**1,303**	**1,216**	**3,369**	**3,376**	**3,265**
Investments in and sale of bonds and other financial assets	(856)	-	(1,461)	13	21
Investments in and sale of intangible assets and property, plant and equipment	(125)	(75)	(224)	(210)	(824)
Cash flows from investing activities	**(981)**	**(75)**	**(1,685)**	**(197)**	**(803)**
Cash flows from operating and investing activities	**322**	**1,141**	**1,684**	**3,179**	**2,462**
Dividends paid in the financial year	-	-	(739)	(602)	(602)
Capital contribution	-	-	2	-	-
Other financing activities	-	(46)	(9)	(1,565)	(1,560)
Cash flows from financing activities	**-**	**(46)**	**(746)**	**(2,167)**	**(2,162)**
Change in cash	**322**	**1,095**	**938**	**1,012**	**300**
Cash at beginning of period	2,895	1,920	2,294	1,960	1,960
Unrealised exchange adjustments for the period	(5)	(20)	(20)	23	34
Change for the period	322	1,095	938	1,012	300
Cash at end of period	**3,212**	**2,995**	**3,212**	**2,995**	**2,294**

Interest-bearing net cash and cash equivalents is composed as follows:					
Cash	3,212	2,995	3,212	2,995	2,294
Securities	1,473	52	1,473	52	54
Interest-bearing debt	(1,919)	(1,916)	(1,919)	(1,916)	(1,918)
Interest-bearing net cash and cash equivalents, end of period	**2,766**	**1,131**	**2,766**	**1,131**	**430**

FINANCIAL CALENDAR

8 February 2012	Annual report 2011
15 February 2012	Deadline for Lundbeck's receipt of shareholder proposals for the Annual General Meeting 2012
29 March 2012	Annual General Meeting 2012
4 April 2012	Payment of annual dividend
2 May 2012	First quarter results 2012
8 August 2012	Second quarter results 2012
7 November 2012	Third quarter results 2012

CORPORATE RELEASES SINCE THE PREVIOUS QUARTERLY REPORT

21 October 2011	FDA approves Onfi™ (clobazam) for the adjunctive treatment of seizures associated with Lennox-Gastaut Syndrome
7 September 2011	Marie-Laure Pochon elected as Lundbeck's new EVP of Commercial Operations
22 August 2011	Announcement of transactions with shares and linked securities in H. Lundbeck A/S made by executives and their closely associated persons and legal entities
22 August 2011	Launch of Lexapro commenced in Japan
15 August 2011	Announcement of transactions with shares and linked securities in H. Lundbeck A/S made by executives and their closely associated persons and legal entities

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

LUNDBECK CONTACTS

Investors:

Palle Holm Olesen
Chief Specialist, Investor Relations
palo@lundbeck.com
+45 36 43 24 26

Magnus Thorstholm Jensen
Investor Relations Officer
matj@lundbeck.com
+45 36 43 38 16

Jacob Tolstrup
Vice President
jtl@lundbeck.com
+1 847 282 5713

Media:

Mads Kronborg
Media Relations Manager
mavk@lundbeck.com
+45 36 43 28 51

Simon Mehl Augustesen
International Media Specialist
smeh@lundbeck.com
+45 36 43 49 80

ABOUT LUNDBECK

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

Lundbeck was founded in 1915 by Hans Lundbeck in Copenhagen, Denmark. Today Lundbeck employs approximately 5,900 people worldwide. Lundbeck is one of the world's leading pharmaceutical companies working with brain disorders. In 2010, the company's revenue was DKK 14.8 billion (approximately EUR 2.0 billion or USD 2.6 billion). For more information, please visit www.lundbeck.com.