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

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First Quarter Report 2010
Lundbeck delivers strong growth - and is off to a very good start to achieve full year guidance

H. Lundbeck A/S (Lundbeck) reports first quarter revenue of DKK 3,849 million growing 15% in constant exchange rates compared to the first quarter results of 2009. Profit from operations was DKK 1,254 million, an increase of 32% compared to the same period last year. The EBIT margin for the quarter increased to 32.6% up from 28.6% in 2009.

- Cipralex® revenue was DKK 1,454 million, an increase of 5% compared to last year. Cipralex® revenue in Europe was up 10% for the quarter.
- Ebixa® and Azilect® continue to show solid growth, increasing 17% and 46% respectively.
- US sales were DKK 1,044 million, an increase of 53%. Lexapro® revenue increased 9%.
- Sabril® revenue for the quarter was DKK 34 million.
- Operating profit before depreciation and amortisation (EBITDA) was DKK 1,478 million corresponding to an EBITDA margin of 38.4% compared to an EBITDA margin of 32.6% in the first quarter of 2009.
- Financial guidance for the full year is maintained. Lundbeck expects revenue of DKK 14.3-14.8 billion, EBITDA of DKK 3.9-4.3 billion and EBIT of DKK 3.0-3.4 billion for 2010.

Distribution of revenue	Q1 2010 DKKm	Q1 2009 DKKm	Growth	Growth at CER*
Cipralex®	1,454	1,363	7%	5%
Lexapro®	727	626	16%	9%
Ebixa®	611	526	16%	17%
Azilect®	240	164	47%	46%
Xenazine®	119	12	-	-
Sabril®	34	-	-	-
Europe	1,982	1,753	13%	12%
USA	1,044	687	52%	53%
International Markets	734	716	3%	1%
Total revenue	3,849	3,312	16%	15%

* Constant exchange rates

In connection with the first quarter report, Lundbeck's President and CEO Ulf Wiinberg said: *"The first quarter of 2010 has been very strong for Lundbeck, and revenue and profits continue to show firm growth. All key products are delivering good results and Cipralex® continues to show solid growth across Europe and in most of our International Markets. With the results for the quarter we are off to a good start to deliver on our financial guidance."*

Management review

Financial highlights and key figures

	2010 Q1	2009 Q1	2009 FY
FINANCIAL HIGHLIGHTS (DKKm)			
Revenue	3,849	3,312	13,747
Operating profit before depreciation and amortisation (EBITDA)	1,478	1,079	3,728
Profit from operations (EBIT)	1,254	947	2,858
Net financials	(11)	20	(192)
Profit before tax	1,243	968	2,666
Tax	298	271	659
Profit for the period	945	697	2,007
Equity	9,977	8,115	8,803
Assets	16,874	16,000	17,127
Cash flows from operating and investing activities	864	(1,802)	(2,040)
Property, plant and equipment investments, gross	38	41	258
KEY FIGURES			
EBIT margin (%)	32.6	28.6	20.8
Return on capital employed (%)	11.1	11.5	28.0
Research and development ratio (%)	16.3	21.7	23.2
Return on equity (%)	10.1	8.9	24.6
Solvency ratio (%)	59.1	50.7	51.4
Capital employed (DKKm)	11,945	10,056	12,278
SHARE DATA			
Number of shares for the calculation of EPS (million)	196.1	196.1	196.1
Number of shares for the calculation of DEPS (million)	196.1	196.1	196.1
Earnings per share (EPS) (DKK)	4.82	3.55	10.24
Diluted earnings per share (DEPS) (DKK)	4.82	3.55	10.24
Cash flow per share (DKK)	4.67	3.01	15.47
Net asset value per share (DKK)	50.87	41.38	44.89
Market capitalisation (DKKm)	20,377	18,809	18,582
Share price end of period (DKK)	103.90	95.53	94.75
OTHER			
Number of employees	5,708	5,686	5,733

1) Definitions according to the Danish Society of Financial Analysts' *Recommendations & Financial Ratios 2005.*

Lundbeck's development portfolio
Lundbeck is developing a number of new and promising pharmaceuticals in its existing fields of specialty such as depression, anxiety and mental health disorders – as well as in new areas such as epilepsy, stroke and alcohol dependence. Lundbeck's pipeline includes:

One compound in the FDA regulatory process
Five compounds in clinical phase III
Five compounds in clinical phase II
Two compounds in clinical phase I

Seven compounds in Lundbeck's pipeline have shown proof of concept, and two of the five compounds in phase II are expected to enter clinical phase III later in 2010.

Pipeline development is summarised as follows:

Clinical phase III
The programme for **Lu AA21004** will consist of four clinical phase III studies. The studies will include approximately 2,000 patients with moderate to severe depression. In order to explore the full potential of Lu AA21004, the planned doses are 10 mg, 15 mg and 20 mg.

Following the initial top-line MDD (Major Depressive Disorder) results from previous phase III studies with Lu AA21004 in June 2009, additional data from the full programme was received and analysed in the first quarter of 2010. This data showed strong results for Lu AA21004 in terms of both efficacy and tolerability. Data received towards the end of 2009 from a primarily Europe-based clinical phase III MDD programme with 560 patients showed statistical significance in terms of the primary efficacy endpoint across all tested doses of Lu AA21004 compared to placebo. Also, an MDD relapse prevention study involving 639 patients showed statistically significant results in terms of maintenance of efficacy in the treatment of MDD. New trials are in the final stages of planning and the first patients are expected to enrol during May 2010.

The phase III programme studying the use of **nalmefene** in alcohol dependence is progressing as planned and two of the three studies are ahead of schedule and have finished recruiting patients. Data from the clinical programme is expected around year-end 2010. Filing in Europe is expected in the second half of 2011.

The phase III programme for **desmoteplase** in both DIAS-3 and DIAS-4 has experienced slow initial patient recruitment. Some centres in the US have experienced delays, but are now recruiting patients. Additional centres will be opened over the next six months and other initiatives are ongoing in order to speed up recruitment. No significant impact is expected on the previously communicated timelines. Desmoteplase could be eligible for priority review by the FDA.

Recruitment and follow up in the **clobazam** clinical phase III programme for patients with Lennox-Gastaut Syndrome (LGS) have been completed. Data is expected during the second

quarter of 2010 and the company intends to submit an NDA in early 2011. LGS, or childhood epileptic encephalopathy, is a devastating paediatric epilepsy syndrome that accounts for 1-4% of all incidences of childhood epilepsy. The syndrome is characterised by multiple types of seizures and developmental delays or regression. Clobazam is a 1,5-benzodiazepine that possesses potent anticonvulsant properties. The anti-epileptic activity of clobazam has been demonstrated in multiple pharmacology studies with various animal models. Data from more than 300 patients in 20 studies worldwide have contributed to an understanding of the clinical effectiveness of clobazam in the treatment of LGS.

Clinical phase II

Lundbeck is finalising the plans for additional clinical work with **zicronapine**, including plans for the pivotal programme, which is expected to start in late 2010.

Lu AA24530 is progressing according to the plan. Based on the solid clinical phase II data reported in July 2009, a pivotal phase III programme is set to start in late 2010.
The programme will begin with four individual phase III studies, including a long-term study and a relapse prevention study. The plan is to investigate doses of 10 mg and 20 mg on approximately 2,000 patients. Selected trials will include an active reference compound.

Lu AA24493 is in clinical phase II in the treatment of Friedreich's ataxia and in clinical phase I in the treatment of ischaemic stroke. Both programmes are expected to be concluded in the second half of 2010.

Lundbeck has evaluated **Lu AE58054**, a selective 5-HT_6 antagonist, as augmentation therapy to risperidone in a clinical phase II study of 124 patients suffering from schizophrenia. The study lasted 12 weeks and explored the efficacy within schizophrenia by means of the Positive And Negative Syndrome Scale (PANSS). The compound was well tolerated in the study, but the overall phase II efficacy results in this trial did not support further development in general schizophrenia. The clinical phase II study in Alzheimer's disease will continue as planned. This is supported by the fact that other clinical studies support the use of 5-HT_6 antagonists in this setting.

Clinical phase I

Lu AE04621 is a novel agent that acts on the areas of the brain affected by Parkinson's disease. Its net effect is similar to that of **Lu 02-750**, which entered phase I in November 2009. In animal models, the compound has demonstrated convincing effects when compared to conventional treatments. The compound is being developed to offer Parkinson's patients a new and higher level of disease control.

In April 2010 a clinical phase I study with Lu AE04621 was initiated in order to investigate the safety, tolerability and pharmacokinetic profile of the drug in humans. The placebo-controlled study is expected to enrol around 100 healthy individuals.

Financial guidance 2010 and forward-looking statements

During the first quarter a health care reform bill was passed in the US. Lundbeck assesses that the reform will have only a marginal impact on the company's operations in 2010 and going forward.

Financial guidance for the full year remains unchanged and reflects the guidance that was reported in the annual report 2009.

Lundbeck's financial guidance	2009 DKKm	2010 guidance DKKbn
Revenue	13,747	14.3-14.8
EBITDA	3,728	3.9-4.3
EBIT	2,858	3.0-3.4
Tax rate	*24.7%*	*24-25%*
R&D ratio	*23.2%*	*~ 21%*

This announcement contains forward-looking statements that provide current expectations or forecasts for events such as new 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 related interpretation thereof and unexpected growth in costs and expenses.

Revenue

Lundbeck recorded first quarter revenue of DKK 3,849 million growing 15% in constant exchange rates compared to the first quarter last year.

Total revenue	Q1 2010 DKKm	Q1 2009 DKKm	Growth	Growth at CER	Q4 2009 DKKm
Cipralex®	1,454	1,363	7%	5%	1,354
Lexapro®	727	626	16%	9%	600
Ebixa®	611	526	16%	17%	548
Azilect®	240	164	47%	46%	225
Xenazine®	119	12	-	-	116
Sabril®	34	-	-	-	-
Other pharmaceuticals	575	466	23%	26%	620
Other revenue	89	155	(43%)	(42%)	78
Total revenue	**3,849**	**3,312**	**16%**	**15%**	**3,540**

Revenue from Cipralex® (escitalopram) for the treatment of depression and anxiety rose to DKK 1,454 million, an increase of 7% or 5% in constant exchange rates. Revenue from Lexapro®, escitalopram marketed in the US by Forest Laboratories, Inc. (Forest), was DKK 727 million for the quarter. This was an increase of 16%, or 9% in constant exchange rates compared to the same period last year.

Ebixa® (memantine), for the treatment of Alzheimer's disease, generated first quarter revenue of DKK 611 million, an increase of 16% compared to the same period last year. The increase corresponds to 17% growth in 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 rose 47% during the period to DKK 240 million (46% in constant exchange rates). Lundbeck has commercial rights to Azilect® in Europe (in co-promotion with Teva Pharmaceutical Industries Inc. 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 119 million in the first quarter. Xenazine® was launched in November 2008 in the US, but only contributed for approximately two weeks to Q1 revenue in 2009 following the acquisition of Ovation Pharmaceuticals, Inc. (Ovation), now Lundbeck Inc.

Sabril® (vigabatrin), for the treatment of refractory complex partial seizures (rCPS) and infantile spasms (IS), generated first quarter revenue of DKK 34 million. Sabril® was launched in the US in September 2009.

Other pharmaceuticals, which comprises Lundbeck's mature pharmaceuticals and revenue from Lundbeck Inc. (excluding Xenazine® and Sabril®), rose 23% to DKK 575 million. Other pharmaceuticals includes revenue of DKK 176 million from Lundbeck Inc. Excluding Lundbeck Inc., revenue from other pharmaceuticals was DKK 399 million, a decrease of 4% compared to the first quarter of 2009.

Other revenue was DKK 89 million, compared to DKK 155 million for the first quarter of 2009. However, other revenue from the first quarter of 2009 included DKK 124 million from the divestment of interests in the Danish biotech company LifeCycle Pharma A/S.

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

Europe

Revenue in Europe rose 12% at constant exchange rates to DKK 1,982 million. The increase was driven by double digit growth in all key products. Revenue from other pharmaceuticals was DKK 243 million, a decline of 8% at constant exchange rates.

Revenue Europe	Q1 2010 DKKm	Q1 2009 DKKm	Growth	Growth at CER	Q4 2009 DKKm
Cipralex®	1,007	913	10%	10%	972
Ebixa®	514	431	19%	19%	465
Azilect®	218	148	47%	46%	204
Other pharmaceuticals	243	260	(7%)	(8%)	247
Total revenue	**1,982**	**1,753**	**13%**	**12%**	**1,889**

Cipralex® generated first quarter revenue of DKK 1,007 million in Europe and continues to gain market shares and enforce its leading position in the European antidepressant market. At the end of February 2010, Cipralex® held a market share in value of 20.2% of the European antidepressant market, compared with a market share of 17.8% a year earlier. The growth in market share continues to be driven by an increasing understanding of Cipralex® as a leading antidepressant and the patent expiry on venlafaxine, which also resulted in flat to negative growth in the antidepressant market as a whole measured in value.

Revenue from Ebixa® rose to DKK 514 million during the period, and at the end of February 2010 the product held 17.6% of the European Alzheimer's market, compared to a market share of 16.1% at the same time in 2009. In Italy, Ebixa® continues to experience very positive growth since the product obtained reimbursement in April 2009. Ebixa® has a market share of 21.1% in the Italian Alzheimer's market (February 2010) compared to a market share of 13.8% one year ago. The launch of the Ebixa® Once Daily formulation in Italy in April 2010 should support sales even further. Memantine, the active ingredient in Ebixa®, is the second-most prescribed pharmaceutical in Europe for the treatment of Alzheimer's disease.

First quarter revenue from Azilect® amounted to DKK 218 million, an increase of 46% in constant exchange rates. Azilect® now holds a market share in value of 9.0% of the total European Parkinson's market (February 2010). This compares to a market share of 7.1% at the same time in 2009. Azilect® continues to gain market shares in Europe, as it is increasingly recognised as an effective and easy-to-administer medication.

In the beginning of January 2010, Azilect® received public reimbursement in France. The product is already experiencing a promising uptake, and at the end of February 2010 Azilect® had a market share in value of 4.3% in France. The Parkinson's disease market in France generates annual sales of more than DKK 750 million.

USA

Lundbeck's first quarter revenue in the US rose to DKK 1,044 million, growing 52% or 53% in constant exchange rates.

Revenue USA	Q1 2010 DKKm	Q1 2009 DKKm	Growth	Growth at CER	Q4 2009 DKKm
Lexapro®	727	626	16%	9%	600
Xenazine®	107	12	-	-	110
Sabril®	34	-	-	-	-
Other pharmaceuticals	176	49	259%	286%	251
Total revenue	**1,044**	**687**	**52%**	**53%**	**961**

Revenue from Lexapro® was DKK 727 million, an increase of 16% compared to the same quarter last year and growing 9% at constant exchange rate. Lexapro® revenue was positively affected by quarterly fluctuations in sales as well as higher prices compared to the same quarter last year. At the end of February 2010, Lexapro® held a market share in value of 24.2% of the US aggregate market for antidepressants compared to a market share of 24.7% in February 2009.

Prepayments from Forest, recorded in Lundbeck's balance sheet as the difference between the invoiced price and the minimum price of Forest's inventories, was DKK 718 million as of 31 March 2010. This compares to DKK 545 million as of 31 March 2009. Excluding related hedging contracts, prepayments from Forest would be roughly unchanged. At the end of the first quarter, the inventory levels corresponded to approximately seven months of commercial supply.

Sales from Lundbeck Inc. reached DKK 317 million in the first quarter. Revenue from Xenazine® was DKK 107 million for the quarter. Sales were marginally down compared to the fourth quarter 2009, primarily impacted by destocking at wholesalers during the beginning of the year due to some inventory build up at the end of 2009. The destocking effect was partly offset by an increase in volumes during the first quarter.

Sabril® revenue for the first quarter was DKK 34 million. Sabril® is the first treatment approved by the FDA for the treatment of IS, and an important new adjunctive therapeutic option for the approximately 30-36% of adults with CPS whose seizures remain uncontrolled in spite of receiving many of the antiepileptic therapies already available. The primary focus in the early launch phase is to enrol prescribing physicians in the Risk Evaluation and Mitigation Strategy programme (REMS) and increase the awareness of the new treatment among patients and caregivers.

International Markets

Revenue in International Markets, which comprises all of Lundbeck's markets outside Europe and the US, was up 1% in constant exchange rates to DKK 734 million. Cipralex® sales decreased 5% in constant exchange rates, while Ebixa® sales increased 7% during the quarter. Azilect® continues to only be marketed by Lundbeck in a few markets in the region and consequently contributes with a relatively small share.

Revenue from other pharmaceuticals was DKK 168 million, an increase of 8% compared to the first quarter last year.

Revenue **International Markets**	Q1 2010 DKKm	Q1 2009 DKKm	Growth	Growth at CER	Q4 2009 DKKm
Cipralex®	447	450	(1%)	(5%)	381
Ebixa®	97	95	2%	7%	84
Azilect®	22	15	49%	43%	20
Other pharmaceuticals	168	156	8%	8%	126
Total revenue	**734**	**716**	**3%**	**1%**	**612**

Cipralex® generated revenue of DKK 447 million in International Markets, a decrease of 1% compared to same quarter last year, and a decrease of 5% in constant exchange rates. Cipralex® sales were experiencing continued growth in most International Markets, but were negatively affected by price reductions in Turkey at the end of 2009 and the entrance of generic versions of escitalopram in the Australian market during 2009. Cipralex® holds a market share in terms of value of 11.0% of the aggregate market for antidepressants in International Markets (Q4 2009), compared to a market share of 10.8% in Q4 2008.

The reimbursement of Cipralex® in Canada continues to support revenue growth in the country and the brand now holds a market share in terms of value of 10.7% in Canada (February 2010) compared to 8.1% at the same time last year.

Ebixa® generated first quarter revenue of DKK 97 million, growing 7% in constant exchange rates. Ebixa® revenue was negatively affected by the launch of generic versions of memantine in Canada as well as lower prices in the Turkish market. Ebixa® held 10.4% of the total market in terms of value of pharmaceuticals for the treatment of Alzheimer's disease in International Markets (Q4 2009). This compares to a market share of 10.9% in Q4 2008. Ebixa® continues to hold a steady market share in International Markets despite generic competition in most markets. International Markets continues to maintain significant underlying volume growth as a result of the increasing maturity of the medical sector in most of the region.

Expenses

Total costs at Lundbeck grew DKK 230 million compared to first quarter last year. The main reason for the increase in costs was the acquisition of Lundbeck Inc. Costs related to Lundbeck Inc. were only included in Lundbeck's books for the last two weeks of the first quarter in 2009, as the acquisition took place in March 2009.

Excluding costs related to Lundbeck Inc. and LifeHealth Limited, costs for the first quarter were DKK 2,222 million, a decrease of 2% compared to the first quarter last year.

Total expenses for the period were DKK 2,595 million, an increase of 10% compared to the first quarter last year.

Distribution of costs	Q1 2010 DKKm	Q1 2009 DKKm	Growth	Q4 2009 DKKm
Cost of sales	698	573	22%	740
Distribution	820	673	22%	989
Administration	448	401	12%	519
Research & Development	629	718	(12%)	884
Total costs	**2,595**	**2,365**	**10%**	**3,132**

Total cost of sales rose 22% to DKK 698 million. This accounted for 18% of Lundbeck's total revenue, compared with 17% in the first quarter of 2009. Cost of sales for the period was affected by higher cost of goods sold due to increasing revenue of in-licensed products (i.e. Xenazine®, Azilect® and Ebixa®).

Distribution costs were DKK 820 million, corresponding to 21% of revenue and an increase of 22% compared to the first quarter last year. The increase is mainly due to the inclusion of Lundbeck Inc., amortisations of rights in relation to the acquisition of Lundbeck Inc. and LifeHealth and spending on the promotion of Azilect®. Administrative expenses increased by 12% to DKK 448 million, which accounted for 12% of the total revenue. This figure is on level with the first quarter of 2009. SG&A costs were DKK 1,268 million, compared to DKK 1,074 million in the same period in the previous year.

R&D costs for the quarter were DKK 629 million, a decrease of 12% compared to the same period last year. The decrease was driven by a difference in the timing of costs over the quarters, primarily due to development costs related to Lu AA21004, Lu AA24530 and zicronapine. At the same time, clinical development costs for clobazam have decreased during the quarter as the development programme is coming to an end. R&D costs for the period accounted for 16% of total revenue, compared to 22% in the same period the previous year. For the full year, Lundbeck continues to expect R&D costs to amount to approximately 21% of revenue.

Operating profit before depreciation and amortisation (EBITDA)
EBITDA was DKK 1,478 million compared to DKK 1,079 million for the first quarter of 2009. EBITDA margin for the period was 38.4%, up from 32.6% 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 224 million.

Depreciation, amortisation and impairment charges per expense category	Q1 2010 DKKm	Q1 2009 DKKm	Growth	Q4 2009 DKKm
Cost of sales	53	48	10%	60
Distribution	85	9	810%	243
Administration	20	16	23%	18
Research & Development	66	58	12%	71
Total depreciation, amortisation and impairment charges	**224**	**132**	**69%**	**392**

The large increase in depreciation and amortisation included in distribution costs compared to the same period last year is primarily due to amortisation on product rights acquired in connection with the acquisition of Ovation (Lundbeck Inc.) and LifeHealth.

Depreciation and amortisation included in distribution costs for the fourth quarter 2009 includes Circadin® write down of DKK 157 million.

Profit from operations (EBIT)
EBIT for the first quarter of 2010 amounted to DKK 1,254 million, corresponding to an increase of 32% compared to the same period in 2009 (DKK 947 million). The increase was primarily due to an increase in revenue, as well as reduced R&D spending.

The EBIT margin for the period was 32.6%, compared to 28.6% in the same period the year before.

Net financials
Lundbeck generated a net financial expense of DKK 11 million in the first quarter, compared with a net income of DKK 20 million in the first quarter of 2009.

Net financials	Q1 2010 DKKm	Q1 2009 DKKm	Q4 2009 DKKm
Net items relating to trading	-	(4)	(2)
Accounting translation of currency items	23	6	12
Net currency items relating to financial items	**23**	**2**	**10**
Realised and unrealised gains concerning other investments excl. exchange rate adjustments	-	-	(21)
Net interest income	(34)	18	(62)
Net financials	**(11)**	**20**	**(73)**

Accounting translation of currency items was a gain of DKK 23 million for the quarter, primarily due to a an increase in the USD/DKK exchange rate.

Net interest income, including realised and unrealised gains and losses on the bond portfolio, amounted to a net expense of DKK 34 million, as compared to a net income of DKK 18 million in the same period in 2009. Net interests, including interests paid on loans related to the acquisition of Ovation (Lundbeck Inc.), were negatively affected by a lower cash position compared to the same quarter in 2009.

Tax

The income tax expense for the period was DKK 298 million, as compared to DKK 271 million in the same period last year. The tax rate was 24%, down from 28% in the first quarter of last year.

Profit for the period

Profit after tax for the first quarter of 2010 was DKK 945 million compared to DKK 697 million in the same period last year.

Cash flows

Lundbeck had a cash outflow during the quarter of DKK 647 million, compared to an outflow of DKK 1,802 million in the same period last year.

Cash flows	Q1 2010 DKKm	Q1 2009 DKKm	Q4 2009 DKKm
Cash flows from operating activities	915	591	634
Cash flows from investing activities	(51)	(2,393)	(268)
Cash flows from operating and investing activities	**864**	**(1,802)**	**366**
Cash flows from financing activities	(1,511)	-	(965)
Change in cash	**(647)**	**(1,802)**	**(598)**
Cash at beginning of period	1,960	2,921	2,554
Unrealised gains/losses	17	4	4
Cash at end of period	**1,330**	**1,123**	**1,960**

Operating activities generated first quarter cash inflow of DKK 915 million, compared to DKK 591 million in the same period last year. Cash flows from investing activities represented an outflow of DKK 51 million, compared to an outflow of DKK 2,393 million in the same period in 2009. This period was affected by the acquisition of Ovation (Lundbeck Inc.).

Cash flows from financing activities came to an outflow of DKK 1,511 million. This was due to the repayment of loans surrounding the acquisition of Ovation (Lundbeck Inc.).

Cash as of 31 March 2010 was DKK 1,330 million. This compares to DKK 1,123 million at the end of March 2009 and DKK 1,960 million at 31 December 2009. At the end of the period, Lundbeck had an interest-bearing net debt of DKK 585 million compared to net debt of DKK 766 million at the end of March 2009.

Balance sheet
As of 31 March 2010, Lundbeck had total assets of DKK 16,874 million, compared to DKK 16,000 million at the end of the first quarter of 2009.

As of 31 March 2010, Lundbeck's equity amounted to DKK 9,977 million, corresponding to a solvency ratio of 59.1%, compared to 50.7% at the end of March 2009.

Lundbeck has finalised the purchase price allocation related to the acquisition of Ovation (Lundbeck Inc.). As a consequence immaterial reclassifications have been made within intangible assets.

Hedging
Lundbeck hedges income from its products using 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 58 million in the first quarter of 2010, compared with a situation where the income is not hedged and included at the current rates of exchange during the period. The effect was a DKK 80 million gain in the year-earlier period. The currency with the most impact financially in the first quarter of 2010 was the US dollar and of the total effect DKK 67 million stems from the hedging of the US dollar. This compares to DKK 68 million in the first quarter of 2009.

Lundbeck hedges cash flow in US dollar on a rolling basis approximately 12 months in advance. The average rate for 2010 for the existing US dollar hedging contracts is approximately USD/DKK 541. The corresponding rate for 2009 was approximately USD/DKK 536. For the next 12 months the average rate for the existing US dollar hedging contracts is approximately USD/DKK 530.

Accounting policies
The interim report is presented in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU.

Accounting policies are unchanged compared to the annual report 2009, which contains a more detailed description of the Group’s accounting policies.

Protection of patents and other intellectual property rights
The respect of intellectual property rights is a prerequisite for Lundbeck's continued investments in innovative pharmaceuticals. As the Lundbeck Group's intellectual property rights are valid and therefore enforceable, it is Lundbeck's policy to enforce its intellectual property rights wherever they may be violated. In terms of escitalopram Lundbeck is involved in pending patent trials in Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Hungary, Lithuania, The Netherlands, Norway, Portugal, Rumania, Slovenia, Spain and UK.

Decisions in key patent cases
Denmark
In April, a city court in Elsinore, Denmark ruled in favour of Lundbeck in a preliminary injunction case. The decision means that generic versions of escitalopram in Denmark must be removed from the market. The decision can be appealed by the other side.

Spain
Recently, the Commercial Court of Barcelona ruled against Lundbeck in an injunction case regarding infringement of the escitalopram patent in Spain. The Court decided to lift the ex parte injunction made against companies preparing to market a generic version of escitalopram. Lundbeck does not agree with the court ruling and will appeal the decision.

As a result of the ruling, Lundbeck expects generic versions of escitalopram to be available in Spain within a short period of time. The entrance of generic versions into the market is expected to have a moderate impact on Cipralex® sales on the Spanish market in 2010.

Risk factors
Lundbeck's overall risk exposure is unchanged and reflects the risk factors described in the annual report 2009.

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 section "Investors – Presentations".

Income statement

	2010 O1 DKKm	2009 O1 DKKm	2009 FY DKKm
Revenue	3,849	3,312	13,747
Cost of sales	698	573	2,655
Distribution costs	820	673	3,174
Administrative expenses	448	401	1,864
Profit before research and development costs	**1,883**	**1,665**	**6,054**
Research and development costs	629	718	3,196
Profit from operations (EBIT)	**1,254**	**947**	**2,858**
Income from investments in associates	-	1	-
Net financials	(11)	20	(192)
Profit before tax	**1,243**	**968**	**2,666**
Tax on profit for the period	298	271	659
Profit for the period	**945**	**697**	**2,007**
Earnings per share (EPS) (DKK)	4.82	3.55	10.24
Diluted earnings per share (DEPS) (DKK)	4.82	3.55	10.24

Statement of comprehensive income

	2010 O1 DKKm	2009 O1 DKKm	2009 FY DKKm
Profit for the period	**945**	**697**	**2,007**
Currency translation, foreign subsidiaries	213	39	(25)
Currency translation concerning additions to net investments in foreign subsidiaries	190	(148)	(396)
Adjustment, deferred gains/losses, hedging	(132)	(89)	7
Realised gains/losses, hedging	(32)	57	(1)
Realised gains/losses, trading (transferred from hedging)	-	-	22
Fair value adjustment of available-for-sale financial assets	3	1	27
Tax on other comprehensive income	(16)	46	93
Other comprehensive income	**226**	**(94)**	**(273)**
Comprehensive income	**1,171**	**603**	**1,734**

Balance sheet

	31.03.2010 DKKm	31.03.2009 DKKm	31.12.2009 DKKm
Assets			
Intangible assets	7,977	7,552	7,724
Property, plant and equipment	3,003	3,123	3,049
Financial assets	192	257	199
Non-current assets	**11,172**	**10,932**	**10,972**
Inventories	1,357	1,347	1,481
Receivables	2,962	2,545	2,655
Securities	53	53	59
Cash	1,330	1,123	1,960
Current assets	**5,702**	**5,068**	**6,155**
Assets	**16,874**	**16,000**	**17,127**
Equity and liabilities			
Share capital	980	984	980
Share premium	224	224	224
Currency translation reserve	(454)	(545)	(857)
Retained earnings	9,227	7,452	8,456
Equity	**9,977**	**8,115**	**8,803**
Provisions	1,110	1,310	1,116
Debt	1,915	1,930	2,671
Non-current liabilities	**3,025**	**3,240**	**3,787**
Provisions	198	17	186
Bank and mortgage debt	53	12	804
Trade payables	805	682	997
Other payables	2,098	3,389	1,857
Prepayments from Forest	718	545	693
Current liabilities	**3,872**	**4,645**	**4,537**
Liabilities	**6,897**	**7,885**	**8,324**
Equity and liabilities	**16,874**	**16,000**	**17,127**

Statement of changes in equity at 31 March 2010

	Share capital DKKm	Share premium DKKm	Currency translation reserve DKKm	Retained earnings DKKm	Equity DKKm
2010					
Equity at 01.01.2010	**980**	**224**	**(857)**	**8,456**	**8,803**
Comprehensive income	**-**	**-**	**403**	**768**	**1,171**
Incentive programmes	-	-	-	3	3
Other transactions	**-**	**-**	**-**	**3**	**3**
Equity at 31.03.2010	**980**	**224**	**(454)**	**9,227**	**9,977**
2009					
Equity at 31.12.2008	**984**	**224**	**-**	**6,384**	**7,592**
Change in accounting policies:					
Currency translation, foreign subsidiaries	-	-	(436)	355	(81)
Equity at 01.01.2009	**984**	**224**	**(436)**	**6,739**	**7,511**
Comprehensive income	**-**	**-**	**(109)**	**712**	**603**
Incentive programmes	-	-	-	1	1
Other transactions	**-**	**-**	**-**	**1**	**1**
Equity at 31.03.2009	**984**	**224**	**(545)**	**7,452**	**8,115**

Cash flow statement

	2010 Q1 DKKm	2009 Q1 DKKm	2009 FY DKKm
Profit from operations (EBIT)	**1,254**	**947**	**2,858**
Adjustments	252	(19)	699
Working capital changes	(467)	(289)	312
Cash flows from operations before financial receipts and payments	**1,039**	**639**	**3,869**
Financial receipts and payments	(21)	70	(110)
Cash flows from ordinary activities	**1,018**	**709**	**3,759**
Income tax paid	(103)	(118)	(725)
Cash flows from operating activities	**915**	**591**	**3,034**
Company acquisition	-	(3,535)	(5,110)
Investments in and sale of bonds	9	941	1,270
Investments in and sale of intangible assets, property, plant and equipment and other financial assets	(60)	201	(1,234)
Cash flows from investing activities	**(51)**	**(2,393)**	**(5,074)**
Cash flows from operating and investing activities	**864**	**(1,802)**	**(2,040)**
Cash flows from financing activities	**(1,511)**	**-**	**1,065**
Change in cash	**(647)**	**(1,802)**	**(975)**
Cash at beginning of period	1,960	2,921	2,921
Unrealised exchange differences for the period	17	4	14
Change for the period	(647)	(1,802)	(975)
Cash at end of period	**1,330**	**1,123**	**1,960**

Interest-bearing net cash and cash equivalents is composed as follows			
Cash	1,330	1,123	1,960
Securities	53	53	59
Interest-bearing debt	(1,968)	(1,942)	(3,475)
Interest-bearing net cash and cash equivalents, end of period	**(585)**	**(766)**	**(1,456)**

Management statement

The Supervisory Board and the Executive Management have discussed and adopted the interim report of H. Lundbeck A/S for the period 1 January – 31 March, 2010. 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, 2010 and of the results of the Group’s operations and cash flows for the first quarter of 2010, which ended on 31 March 2010.

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 is unaudited.

Valby, 6 May 2010

Executive Management

Ulf Wiinberg President and CEO	Peter Høngaard Andersen Executive Vice President	Lars Bang Executive Vice President
Anders Götzsche Executive Vice President, CFO	Anders Gersel Pedersen Executive Vice President	Stig Løkke Pedersen Executive Vice President

Supervisory Board

Per Wold-Olsen Chairman	Thorleif Krarup Deputy Chairman	Egil Bodd
Kim Rosenville Christensen	Mona Elizabeth Elster	Peter Kürstein
Jørn Mayntzhusen	Mats Pettersson	Jes Østergaard

Lundbeck contacts

Investors:

Jacob Tolstrup
Vice President, IR & Communication
+45 36 43 30 79

Palle Holm Olesen
Chief Specialist; Investor Relations
+45 36 43 24 26

Magnus Thorstholm Jensen
Investor Relations Officer
+45 36 43 38 16

Media:

Mads Kronborg
Media Relations Manager
+45 36 43 28 51

Stine Hove Marsling
External Communication Specialist
+45 36 43 28 33

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 central nervous system (CNS) 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, 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 CNS disorders. In 2009, the company's revenue was DKK 13.7 billion (approximately EUR 1.8 billion or USD 2.6 billion). For more information, please visit www.lundbeck.com.

Recent Corporate Releases from H. Lundbeck A/S

22 April 2010	H. Lundbeck A/S held its Annual General Meeting on 20 April 2010 at the company's registered office
16 April 2010	Update on legal proceedings
6 April 2010	Novel agent for treatment of Parkinson's disease - Lu AE04621 - enters Lundbeck's development pipeline
26 March 2010	Notice of the annual general meeting
16 March 2010	Desmoteplase enters clinical phase II in Japan in ischaemic stroke representing Lundbeck's first clinical programme in Japan

Please visit www.lundbeck.com for more information.