Corporate Release
Valby, Denmark, 9 August 2017

Financial report for the period 1 January to 30 June 2017

Lundbeck reports 13% revenue growth and a doubling of EBIT in first half of 2017

HIGHLIGHTS

- Revenue reached DKK 8,494 million in the first six months of 2017 representing an increase of 13% compared to the same period last year
  - Revenue of Abilify Maintena® increased by 23% to DKK 659 million (24% in local currencies)
  - Revenue of Brintellix®/Trintellix® increased by 61% to DKK 778 million (60% in local currencies)
  - Revenue of Northera® increased by 60% to DKK 716 million (59% in local currency)
  - Revenue of Onfi® increased by 28% to DKK 1,448 million (27% in local currency)
  - Revenue of Rexulti® increased by 85% to DKK 574 million (84% in local currencies)
  - Revenue in North America increased by 22% to DKK 5,115 million (21% in local currencies)
  - Revenue in International Markets increased by 8% to DKK 1,810 million (9% in local currencies)
  - Revenue in Europe decreased by 1% to DKK 1,433 million (1% decline in local currencies)
- EBIT improved significantly reaching DKK 2,061 million from DKK 952 million in the same period last year and the EBIT margin reached 24.3% compared to an EBIT margin of 12.7% the year before
- EPS grew 186% in the period to DKK 6.06 compared to DKK 2.12 in the same period last year
- The free cash flow reached DKK 700 million and the net cash position has improved to DKK 1,052 million compared to net debt of DKK 1,778 million at the end of the second quarter of 2016
- The US FDA has approved Abilify Maintena for the maintenance monotherapy of bipolar I disorder in adults, making it the first once-monthly, long-acting injectable treatment for this indication. Additionally, Azilect® has been approved by the CFDA in China for Parkinson's disease
- Lundbeck now expects revenue to reach DKK 16.7-17.5 billion and profit from operations (EBIT) to reach DKK 4.1-4.5 billion for 2017 compared to previously DKK 16.5-17.3 billion and DKK 3.6-4.0 billion, respectively. The gain of around DKK 200 million from the divestiture of properties announced on 5 May 2017 is included in the revised financial guidance and will be recognized as Other operating income

In connection with the financial report, Lundbeck's President and CEO, Kåre Schultz said:
"Lundbeck has shown very strong operational performance in the first half of the year and we are on track to deliver on our strategy and financial targets. I feel confident with our R&D pipeline and we are committed to continue to deliver innovative medicines to patients."

DKK million	H1 2017	H1 2016	*Growth*
Reported Revenue	**8,494**	7,521	*13%*
Reported EBIT	**2,061**	952	*117%*
Reported EPS	**6.06**	2.12	*186%*
Reported EBIT margin	***24.3%***	*12.7%*	-
Core Revenue*	**8,494**	7,521	*13%*
Core EBIT*	**2,500**	1,475	*69%*
Core EPS*	**8.04**	4.33	*86%*
*Core EBIT margin**	***29.4%***	*19.6%*	-

*For definition of the measures "Core Revenue", "Core EBIT" and "Core EPS", see note 9 *Core reporting*

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CONTENTS

FINANCIAL HIGHLIGHTS AND KEY FIGURES

	H1 2017	H1 2016	Q2 2017	Q2 2016	FY 2016
Financial highlights (DKK million)					
Reported revenue	**8,494**	7,521	**4,283**	3,751	15,634
Core revenue	**8,494**	7,521	**4,283**	3,751	15,634
Operating profit before depreciation and amortization (EBITDA)	**2,649**	1,618	**1,362**	794	3,846
Reported profit from operations (EBIT)	**2,061**	952	**1,050**	469	2,292
Core profit from operations (core EBIT)	**2,500**	1,475	**1,287**	726	3,477
Net financials	**(70)**	(116)	**(55)**	7	(135)
Profit before tax	**1,991**	836	**995**	476	2,157
Tax	**796**	418	**387**	244	946
Profit for the period	**1,195**	418	**608**	232	1,211
Equity	**10,695**	8,862	**10,695**	8,862	9,694
Assets	**19,199**	20,300	**19,199**	20,300	20,210
Cash flows from operating and investing activities (free cash flow)	**700**	696	**19**	376	2,789
Purchase of property, plant and equipment, gross	**59**	67	**31**	46	238
Key figures					
EBIT margin (%)	**24.3**	12.7	**24.5**	12.5	14.7
Return on invested capital (ROIC) (%)	**13.3**	4.9	**7.2**	2.1	13.2
Annualized return on invested capital (ROIC) (%)	**26.6**	9.8	**28.7**	8.4	13.2
Cash-to-earnings (%)	**58.6**	166.3	**3.1**	161.5	230.3
Research and development ratio (%)	**15.0**	18.6	**14.5**	17.9	19.0
Return on equity (%)	**11.8**	4.7	**5.9**	2.6	13.1
Equity ratio (%)	**55.7**	43.7	**55.7**	43.7	48.0
Invested capital (DKKm)	**9,643**	10,640	**9,643**	10,640	9,368
Net debt/EBITDA	**(0.4)**	1.1	**(0.8)**	2.2	(0.1)
Share data					
Number of shares for the calculation of EPS (millions)	**197.1**	197.1	**197.3**	197.1	197.2
Number of shares for the calculation of DEPS (millions)	**197.4**	197.4	**197.8**	197.4	197.4
Earnings per share, basic (EPS) (DKK)	**6.06**	2.12	**3.08**	1.18	6.13
Earnings per share, diluted (DEPS) (DKK)	**6.05**	2.11	**3.07**	1.18	6.12
Cash flow from operating activities per share, diluted (DKK)	**6.17**	4.00	**2.86**	2.20	15.80
Net asset value per share, diluted (DKK)	**53.88**	44.76	**53.88**	44.76	48.96
Market capitalization (DKK million)	**72,517**	49,339	**72,517**	49,339	56,776
Share price end of period (DKK)	**365.40**	249.80	**365.40**	249.80	287.30
Proposed dividend per share (DKK)	**-**	-	**-**	-	2.45
Other					
Number of employees (FTE) end of period	**4,894**	5,022	**4,894**	5,022	4,983

Comparative figures including number of shares have been restated using a factor 0.9976 for the effect of employees' exercise of warrants.

MANAGEMENT REVIEW

Financial guidance and forward-looking statements

Financial guidance for the full year 2017 is revised. Revenue guidance is lifted affected by increased expectations for revenue in local currencies offset by decline of some of the company's main currencies. For 2017, Lundbeck now expects revenue to reach DKK 16.7-17.5 billion and profit from operations (EBIT) to reach DKK 4.1-4.5 billion with unchanged exchange rates.

The revised financial guidance includes the gain from divestiture of properties. In May 2017, Lundbeck signed a conditional agreement regarding the sale of properties in Valby (Copenhagen). The pre-specified conditions have now been met and the divestiture will have a positive effect in the income statement of around DKK 200 million recognized as Other operating income in the second half of 2017.

The financial guidance is summarized below:

Financial guidance 2017

DKK	2016 actual	Previous 2017 guidance*	Revised 2017 guidance
Revenue	15,634 million	**16.5-17.3 billion**	**16.7-17.5 billion**
EBIT	2,292 million	**3.6-4.0 billion**	**4.1-4.5 billion**

*) Please note that 2017 financial guidance stated in Lundbeck's first quarter financial report did not include the gain of around DKK 200 million from the divestiture of properties.

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

Revenue for the first six months of 2017 reached DKK 8,494 million compared to DKK 7,521 million for the same period in 2016. The increase of 13% is primarily driven by Brintellix/Trintellix, Northera, Onfi and Rexulti. The currency impact was limited.

Revenue - products and regions

DKK million	H1 2017	H1 2016	Growth	Growth in local currencies	Q2 2017	Q2 2016	Growth	Growth in local currencies	Q1 2017
Abilify Maintena	**659**	534	*23%*	*24%*	**347**	279	*24%*	*25%*	312
Brintellix/Trintellix	**778**	482	*61%*	*60%*	**411**	244	*68%*	*70%*	367
Cipralex/Lexapro	**1,286**	1,333	*(4%)*	*(3%)*	**593**	583	*2%*	*9%*	693
Northera	**716**	449	*60%*	*59%*	**376**	250	*51%*	*48%*	340
Onfi	**1,448**	1,128	*28%*	*27%*	**758**	584	*30%*	*27%*	690
Rexulti	**574**	309	*85%*	*84%*	**303**	193	*56%*	*54%*	271
Sabril	**773**	604	*28%*	*25%*	**399**	317	*26%*	*22%*	374
Xenazine	**545**	824	*(34%)*	*(35%)*	**293**	380	*(23%)*	*(25%)*	252
Other pharmaceuticals	**1,579**	1,663	*(5%)*	*(4%)*	**741**	807	*(8%)*	*(6%)*	838
Other revenue	**136**	195	*(30%)*	*(30%)*	**62**	114	*(46%)*	*(45%)*	74
Total revenue	**8,494**	**7,521**	***13%***	***13%***	**4,283**	**3,751**	***14%***	***15%***	**4,211**
North America	**5,115**	4,190	*22%*	*21%*	**2,678**	2,179	*23%*	*21%*	2,437
International Markets	**1,810**	1,683	*8%*	*9%*	**819**	752	*9%*	*17%*	991
Europe	**1,433**	1,453	*(1%)*	*(1%)*	**724**	706	*3%*	*4%*	709

Abilify Maintena (aripiprazole once-monthly injection) for the treatment of schizophrenia and in the US also for bipolar I disorder shows steady growth. Sales grew 23% and reached DKK 659 million. Abilify Maintena was discovered by Otsuka, is co-marketed by Lundbeck and became available to patients in 2013.

Revenue from **Brintellix/Trintellix** (vortioxetine) for the treatment of depression (MDD) reached DKK 778 million following a growth of 61%. Growth was driven by continued sales growth in North America and from countries such as Brazil, France, Italy and Spain. In the US, Trintellix is co-marketed by Takeda Pharmaceutical Company Limited (Takeda).

Cipralex/Lexapro (escitalopram) for the treatment of depression declined 4% due to generic competition.

Northera (droxidopa) for the treatment of symptomatic neurogenic orthostatic hypotension (nOH) was launched in the US in 2014. Sales from Northera showed strong growth of 60% and reached DKK 716 million.

Onfi (clobazam) for the treatment of Lennox-Gastaut syndrome continues to show strong growth and generated revenue of DKK 1,448 million, an increase of 28% compared to the same period last year.

Rexulti (brexpiprazole) is approved by the US FDA (Food and Drug Administration) as an adjunctive therapy for the treatment of adults with major depressive disorder and as a treatment for adults with schizophrenia and became available to patients in the US in early August 2015 and in Canada in April 2017. Rexulti was co-developed and is co-marketed by Otsuka and Lundbeck. Lundbeck's share of revenue reached DKK 574 million for the period corresponding to a growth of 85%.

Sabril (vigabatrin) for the treatment of refractory complex partial seizures (rCPS) and infantile spasms (IS) generated revenue of DKK 773 million, thereby increasing 28%, compared to first half of 2016. Lundbeck has the marketing rights for Sabril in the US.

Xenazine (tetrabenazine) for the treatment of chorea associated with Huntington's disease saw the first generic introductions in the third quarter of 2015 which have impacted sales negatively. Revenue reached DKK 545 million compared to DKK 824 million in the first six months of 2016, a decline of 34%. Lundbeck has the marketing rights for Xenazine in the US.

Revenue from **Other pharmaceuticals**, which comprise the remainder of Lundbeck's products, was DKK 1,579 million. Other pharmaceuticals are negatively impacted by the generic competition on Azilect (rasagiline) and Ebixa in Europe which is partly offset by growth in other mature products. Azilect for the treatment of Parkinson's disease, now included in Other Pharmaceuticals, realized revenue of around DKK 96 million.

Other revenue, which mainly consists of contract manufacturing, reached DKK 136 million compared to DKK 195 million for the same period in 2016.

Figure 1 – Revenue per region H1 2017 vs H1 2016 (excluding Other revenue)

Key developments in the second quarter of 2017

In the second quarter of 2017, revenue grew 14% and reached DKK 4,283 million compared to DKK 3,751million the year before as decline in sales of Xenazine was more than mitigated by growth of products such as Brintellix/Trintellix, Northera, Onfi and Rexulti. In local currencies, revenue was up 15%.

North America

Revenue reached DKK 5,115 million in the first six months of 2017 which is an increase of 22% compared to DKK 4,190 million for the same period in 2016. The growth was mainly driven by the uptake of Brintellix/Trintellix, Rexulti, Onfi and Northera, offsetting the decline in sales of Xenazine. Overall, there has been limited impact from currencies. North America constitutes 61% of revenue (excluding Other revenue) compared to 57% last year.

Revenue – North America

DKK million	H1 2017	H1 2016	*Growth*	*Growth in local currencies*	Q2 2017	Q2 2016	*Growth*	*Growth in local currencies*	Q1 2017
Abilify Maintena	**285**	247	*15%*	*15%*	**152**	128	*18%*	*17%*	133
Trintellix	**439**	314	*40%*	*41%*	**234**	153	*53%*	*54%*	205
Northera	**716**	449	*60%*	*59%*	**376**	250	*51%*	*48%*	340
Onfi	**1,448**	1,128	*28%*	*27%*	**758**	584	*30%*	*27%*	690
Rexulti	**574**	309	*85%*	*84%*	**303**	193	*56%*	*54%*	271
Sabril	**773**	604	*28%*	*25%*	**399**	317	*26%*	*22%*	374
Xenazine	**533**	815	*(35%)*	*(36%)*	**287**	375	*(24%)*	*(26%)*	246
Other pharmaceuticals	**347**	324	*7%*	*6%*	**169**	179	*(6%)*	*(4%)*	178
Total revenue	**5,115**	**4,190**	***22%***	***21%***	**2,678**	**2,179**	***23%***	***21%***	**2,437**

Abilify Maintena revenue grew 15% (15% in local currencies) in the period and reached DKK 285 million in the first half of 2017, which represents Lundbeck's 20% share of total net sales.

Trintellix sales reached DKK 439 million for Lundbeck following a growth of 40% (41% in local currencies). In the US, Trintellix' share of branded TR_x (total prescriptions) volume increased significantly to 44.4% following the loss of exclusivity of Pfizer's Pristiq (desvenlafaxine). The share of branded NR_x (new prescriptions) volume reached 47.8% by mid-July 2017. Total market share including all MDD products in the US regardless of brand/generic distinction was 0.624%.

Northera was made available in the US market in the autumn of 2014. Sales from Northera reached DKK 716 million corresponding to a growth of 60% (59% in local currency).

Onfi reached revenue of DKK 1,448 million corresponding to a growth of 28% (27% in local currency).

Lundbeck's **Rexulti** revenue reached DKK 574 million. Rexulti had 13.2% branded TR_x market share in the US and 14.4% branded NR_x market share by mid-July 2017. The share of the total atypical market in the US now exceeds 1%. Patient data suggest that more than ¾ of prescriptions are prescribed for MDD. Rexulti has had close to 26,200 writers since launch. In February 2017, Lundbeck and Otsuka announced that Health Canada issued a Notice of Compliance for Rexulti for the treatment of schizophrenia and the product became commercially available in Canada during the second quarter. Schizophrenia is estimated to be affecting approximately 1% of the Canadian population – which is more than 350,000 Canadians.

Sabril revenue for the period was DKK 773 million, growing 28% (25% in local currency).

Revenue from **Xenazine** was DKK 533 million. Revenue decreased 35% compared to the previous year. Performance was impacted by the introductions of generic products.

Key developments in the second quarter of 2017

Revenue reached DKK 2,678 million in the second quarter of 2017, which is an increase of 21% in local currencies, or 23% reported. North America continues its solid growth, thereby confirming this market's strategic importance for Lundbeck. Sales of Sabril and Xenazine continue to perform better than expected. Revenue in North America contributed 64% of revenue (excluding Other revenue) compared to 60% in the same period last year.

International Markets

Revenue from International Markets, which comprise all of Lundbeck's markets outside of Europe and North America, reached DKK 1,810 million in the first six months of 2017, compared to DKK 1,683 million in the same period last year. In local currencies, sales were up 9% as the positive underlying performance driven by Abilify Maintena and Brintellix is mitigating the reduced revenue from products like Azilect and Cipralex. International Markets constitutes 22% of revenue (excluding Other revenue) compared to 23% last year. The biggest markets are China, Japan, Brazil, South Korea, Mexico and Australia.

Revenue – International Markets

DKK million	H1 2017	H1 2016	*Growth*	*Growth in local currencies*	Q2 2017	Q2 2016	*Growth*	*Growth in local currencies*	Q1 2017
Abilify Maintena	**48**	35	*37%*	*36%*	**23**	18	*27%*	*36%*	25
Brintellix	**158**	73	*115%*	*109%*	**78**	41	*88%*	*95%*	80
Cipralex/Lexapro	**860**	856	*1%*	*1%*	**388**	358	*9%*	*19%*	472
Ebixa	**272**	263	*3%*	*7%*	**96**	119	*(19%)*	*(13%)*	176
Other pharmaceuticals	**472**	456	*3%*	*5%*	**234**	216	*8%*	*14%*	238
Total revenue	**1,810**	**1,683**	***8%***	***9%***	**819**	**752**	***9%***	***17%***	**991**

Abilify Maintena has so far only been launched in Australia and reached revenue of DKK 48 million.

Brintellix reached DKK 158 million following an increase of 115% mainly driven by Brazil following the launch in March 2016 and in Singapore and Saudi Arabia in the second quarter of 2017. The product has been launched in some 20 countries in the region such as Australia, South Africa and Turkey.

Cipralex/Lexapro generated revenue of DKK 860 million. Sales increased 1% compared to the same period the previous year as sales growth in countries such as Brazil, China, Japan and South Korea mitigated the sales decline in other regions such as the Middle East.

Ebixa generated revenue of DKK 272 million representing a growth of 3% reported and 7% in local currencies. Growth is primarily coming from China.

Rexulti has been approved for the treatment of schizophrenia in Australia in June 2017 and launch is expected later in the year. Rexulti has also recently been submitted for approval in Saudi Arabia.

Azilect was approved by the Chinese CFDA in late June 2017 and is planned to be launched by Lundbeck towards the end of the year. Parkinson's disease is the second most common neurodegenerative disease following Alzheimer's disease. At present, as many as 2.7 million patients in China are suffering from Parkinson's disease, and as China's aging population grows, it is expected that in 2030 Parkinson's disease will surge to 5 million people, accounting for more than 50% of the global patients.

Other pharmaceuticals generated revenue of DKK 472 million, an increase of 3% compared to the same period in 2016. The increase is explained by quarterly fluctuations and is not a permanent trend in the region. In China, however, sales are slightly negatively impacted by generic erosion on Deanxit, an antidepressant sold by China Medical System Holdings Ltd. on license from Lundbeck.

Key developments in the second quarter of 2017

Revenue in the second quarter was DKK 819 million, corresponding to an increase of 9% reported but 17% in local currencies. Sales of Ebixa in China were negatively impacted by quarterly fluctuation following stocking in the first quarter of 2017. In the second quarter, International Markets constituted 19% of revenue (excluding Other revenue) representing a slight decline compared to the same period in 2016.

Europe

Revenue reached DKK 1,433 million in the first six months of 2017, which was a slight decline of 1% compared to DKK 1,453 million for the period in 2016. The decline is a result of generic erosion on older products. Adjusted for Azilect, our newer products are replacing the sales decline for other mature products. Europe constitutes 17% of revenue (excluding Other revenue) compared to 20% last year.

Revenue – Europe

DKK million	H1 2017	H1 2016	Growth	Growth in local currencies	Q2 2017	Q2 2016	Growth	Growth in local currencies	Q1 2017
Abilify Maintena	**326**	252	*30%*	*31%*	**172**	133	*30%*	*31%*	154
Brintellix	**181**	95	*90%*	*83%*	**99**	50	*96%*	*101%*	82
Cipralex	**336**	379	*(11%)*	*(13%)*	**167**	181	*(7%)*	*(6%)*	169
Other pharmaceuticals	**590**	727	*(19%)*	*(18%)*	**286**	342	*(17%)*	*(16%)*	304
Total revenue	**1,433**	**1,453**	***(1%)***	***(1%)***	**724**	**706**	***3%***	***4%***	**709**

Abilify Maintena has been launched in all major markets in Europe. Sales uptake of Abilify Maintena is solid with sales reaching DKK 326 million. In Europe the penetration of long-acting atypical antipsychotics is generally higher than seen in the US (volume) and varies between 4-10% in most markets and with a modest increasing trend. Spain, France and Italy are the largest markets for Abilify Maintena.

Brintellix grew 90% thereby reaching DKK 181 million and has been launched in most European markets, but the product has only recently achieved market access in some of the major markets. Brintellix realizes solid growth in both Italy and Spain, and in France the product has had an encouraging start since launch in December 2016.

In March 2017, Lundbeck and Otsuka announced that the European Medicines Agency (EMA) has accepted for review a Marketing Authorisation Application (MAA) for **brexpiprazole** to treat schizophrenia in adults. The EMA is anticipated to complete its review in second quarter of 2018. If the EMA grants regulatory approval to brexpiprazole, the brand name of the product in the EU will be **Rxulti®**.

Revenue from **Other pharmaceuticals** was DKK 590 million, a decline of 19% compared to the same period the previous year, following continued generic erosion of mature products such as Azilect and Ebixa.

Key developments in the second quarter of 2017

In the second quarter, revenue reached DKK 724 million which was an increase of 3% compared to DKK 706 million in the same period last year. Europe shows growth despite generic erosion of older products following the loss of exclusivity driven by new products. Europe constitutes 17% of revenue (excluding Other revenue) compared to 19% last year. In the second quarter of 2017 revenue from **Azilect** amounted to DKK 23 million following the handback to Teva after which revenue has been replaced by royalties.

Expenses and income

Total costs for the first six months of 2017 were DKK 6,473 million compared to DKK 6,569 million for the same period last year – a decline of 1%.

Distribution of costs

DKK million	H1 2017	H1 2016	*Growth*	Q2 2017	Q2 2016	*Growth*	Q1 2017
Cost of sales	**1,957**	2,094	*(7%)*	**992**	1,031	*(4%)*	**965**
COS-ratio	***23.1%***	*27.9%*	-	***23.2%***	*27.5%*	-	***22.9%***
Sales and distribution	**2,864**	2,695	*6%*	**1,431**	1,393	*3%*	**1,433**
S&D-ratio	***33.7%***	*35.8%*	-	***33.4%***	*37.1%*	-	***34.0%***
Administration	**378**	378	-	**188**	188	-	**190**
G&A-ratio	***4.4%***	*5.0%*	-	***4.4%***	*5.0%*	-	***4.5%***
Research and development	**1,274**	1,402	*(9%)*	**622**	670	*(7%)*	**652**
R&D-ratio	***15.0%***	*18.6%*	-	***14.5%***	*17.9%*	-	***15.5%***
Total costs	**6,473**	**6,569**	***(1%)***	**3,233**	**3,282**	***(1%)***	**3,240**

Cost of sales decreased 7% to DKK 1,957 million in the first six months of 2017. This corresponds to 23.1% of total revenue compared to 27.9% in the previous year. Cost of sales is positively impacted by the change in product mix.

Sales and distribution costs were DKK 2,864 million, which was an increase of 6% compared to the same period in 2016. The increase is mainly due to additional spend on DTC promotion and higher distribution costs in the US only partly offset by sales force savings in Europe. Sales and distribution costs correspond to 33.7% of revenue compared to 35.8% the year before.

Administrative expenses were unchanged at DKK 378 million corresponding to 4.4% of total revenue in 2017.

SG&A costs were DKK 3,242 million compared to DKK 3,073 million in the same period the previous year. The SG&A ratio for the period was 38.1%, compared to 40.8% in the same period the year before.

Research and development costs declined to DKK 1,274 million in the period as a consequence of fewer ongoing late-stage trials compared to last year. The R&D ratio reached 15.0% of revenue in the period compared to 18.6% last year.

Other operating income amounted to DKK 40 million and represented a gain from the divesture of office and research facilities in the US recognized in the first quarter of 2017.

Key developments in the second quarter of 2017

In the second quarter of 2017, total costs amounted to DKK 3,233 million, which is a slight decrease compared to the same quarter last year.

Depreciation, amortization and impairment charges

Depreciation, amortization and impairment charges, which are included in the individual expense categories, amounted to DKK 628 million in the first six months of 2017 compared to DKK 666 million the previous year.

Depreciation, amortization and impairment charges

DKK million	H1 2017	H1 2016	*Growth*	Q2 2017	Q2 2016	*Growth*	Q1 2017
Cost of sales	**546**	598	*(9%)*	**270**	292	*(8%)*	276
Sales and distribution	**24**	21	*14%*	**12**	11	*16%*	12
Administration	**14**	11	*29%*	**8**	6	*27%*	6
Research and development	**44**	36	*23%*	**22**	16	*39%*	22
Total depreciation, amortization and impairment charges	**628**	**666**	***(6%)***	**312**	**325**	***(4%)***	**316**

Profit from operations (EBIT)

EBIT for the first six months of 2017 reached DKK 2,061 million compared to DKK 952 million for the same period last year. There is a modest negative currency impact on the EBIT for the period. **EBIT margin** increased significantly and reached 24.3% in 2017 compared to 12.7% last year.

Core EBIT increased by 69% to DKK 2,500 million in the first half of 2017. The increase in EBIT and in Core EBIT is driven by strong sales especially in North America, more than offsetting the loss in revenue due to generic erosion on mature products, and benefits from the restructuring programme initiated in 2015.

For definition of the measures “Core Revenue”, “Core EBIT” and “Core EPS”, see note 9 *Core reporting*.

Net financials

Lundbeck generated a net financial expense of DKK 70 million in the first half year of 2017, compared to a net financial expense of DKK 116 million in the first half of 2016.

Net interest expense, including realized and unrealized gains and losses on the bond portfolio, amounted to an expense of DKK 33 million in the first half of 2017, compared to an expense of DKK 31 million in the same period in 2016. The increased interest expense is primarily related to the breakage cost from the early repayment of mortgage loans in the second quarter of 2017.

Net exchange gains/losses amounted to a loss of DKK 31 million in the first half of 2017, compared to a loss of DKK 83 million in the first half of 2016. The loss in 2016 was primarily related to the recognition of an exchange loss relating to the devaluation in Venezuela.

Tax

The effective tax rate for the first half of 2017 was 40%. The effective tax rate is higher than the Danish income tax rate due to:

- Amortization of Northera product rights, which is not deductible for tax purposes and thus creates a permanent difference
- Lundbeck’s activities in the US result in a significant profit generated in the US and taxed at a higher tax rate than the Danish tax rate

Net profit and EPS for the period

Net profit for the first six months of 2017 reached DKK 1,195 million compared to DKK 418 million last year. The reported net profit corresponds to an **EPS** of DKK 6.06 per share versus an EPS of DKK 2.12 per share for the same period last year. **Core EPS** was DKK 8.04 per share for the first six months of 2017, compared to a Core EPS of DKK 4.33 per share in the same quarter in 2016 – a growth of 86%.

Hedging

Lundbeck hedges expected income from its products through currency hedging on a rolling basis, up to 18 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 of DKK 100 million in the first half year of 2017, compared with a situation where the income is not hedged and included at the current exchange rates during the period. The effect was positive with DKK 19 million in the first half year of 2016.

Cash flow

Cash flows from operating activities amounted to DKK 1,217 million, against DKK 792 million in the first half of 2016. The increase of 54% follows the significant increase in profitability being slightly muted by seasonality in working capital and by increased income taxes paid.

Lundbeck made **investments** of DKK 517 million in the first half of 2017 compared to DKK 96 million in the same period last year. The increase was mainly due to investments in securities. Net CAPEX accounted for 0.2% of revenue. **The free cash flow** was DKK 700 million in the second half of 2017 compared to DKK 696 million in the second half of 2016.

In the first half of 2017 repayment of loans and dividend payout amounted to DKK 990 million and DKK 483 million, respectively. **Net cash flow** for the period declined from DKK 22 million in the first half of 2016 to a cash outflow of DKK 742 million in the first half of 2017.

At 30 June 2017, Lundbeck had **interest-bearing net cash** of DKK 1,052 million, against interest-bearing net debt of DKK 1,778 million at 30 June 2016.

Balance sheet

At 30 June 2017, Lundbeck’s **total assets** amounted to DKK 19,199 million, compared to DKK 20,210 million at the end of 2016.

Assets held for sale include the carrying amount of properties in Valby (Copenhagen), which were sold conditionally in May 2017. The gain of around DKK 200 million will be recognized in the income statement on the line item Other operating income in the second half of 2017.

At 30 June 2017, Lundbeck's **equity** amounted to DKK 10,695 million, corresponding to an equity ratio of 55.7% compared to 48.0% at the end of 2016.

Interest bearing debt has been reduced to DKK 909 million compared to DKK 1,891 million at the end of 2016. **Net cash** has increased from DKK 326 million at year-end 2016 to DKK 1,052 million at the end of the second quarter of 2017.

To fund Lundbeck’s long-term incentive programmes granted to key employees in Denmark and abroad, Lundbeck purchased 290,000 shares at a value of DKK 93 million in the first half of 2017.

At the Annual General Meeting in March 2017, the proposed **dividend** for 2016 of DKK 2.45 per share or DKK 484 million was approved. The dividend was paid to the shareholders in April 2017.

Lundbeck's development portfolio

Lundbeck is developing a number of new and promising pharmaceuticals for the treatment of psychiatric and neurological disorders within the indications of Alzheimer's, depression, Parkinson's and schizophrenia. Pipeline developments are summarized below.

Approved or under regulatory review

In July 2017, Lundbeck and Otsuka announced the US FDA approval of **Abilify Maintena** (aripiprazole) for extended-release injectable suspension for the maintenance monotherapy treatment of bipolar I disorder (BP-I). The approval is based on results from a 52-week, phase III, double-blind, randomized-withdrawal study in adults (aged 18 to 65) with BP-I (NCT01567527).

In June 2017, Lundbeck and Takeda announced that after providing additional analysis, the US FDA issued a second Complete Response Letter (CRL) regarding the supplemental new drug application (sNDA) to include new data in the clinical trials section of the US prescribing information of **Trintellix** for treating aspects of cognitive dysfunction in adults with major depressive disorder.

Takeda and Lundbeck are disappointed, but believe in the strength of the data and plan to continue discussions with the US FDA on potential paths forward. The companies remain committed to the depression community and Trintellix as a treatment option for adult patients living with depression, including those who suffer from cognitive dysfunction as part of this disease.

Clinical phase III

In April 2015, our partner Takeda started a new clinical phase III study (NCT02389816) with **Brintellix** 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 finalized in 2018.

In the second half of 2013, Lundbeck and Otsuka initiated two pivotal studies with **brexpiprazole** in individuals with agitation associated with dementia of the Alzheimer's type (NCT01862640, NCT01922258). In May 2017, Lundbeck and Otsuka announced top-line results from the clinical trials. In both studies, patients treated with brexpiprazole showed improvements in symptoms of agitation relative to placebo. In the first study, the improvements in the primary endpoint of CMAI for 2 mg brexpiprazole were statistically better than placebo ($p<0.05$) and appeared more robust than the improvements on the key secondary endpoint of CGI-S ($p>0.05$). In the second study, the improvements in the primary endpoint of CMAI ($p>0.05$) appeared less robust than the improvements on the key secondary endpoint of CGI-S ($p<0.05$). In both studies, there was variability in the data from different countries, perhaps associated with differing standards of care; the data from Russian sites showed especially poor separation between placebo and drug.

Regarding safety and tolerability, both studies confirmed the profile of brexpiprazole as observed in the clinical trials for schizophrenia and for adjunctive treatment of major depressive disorder. The most common adverse events in patients receiving brexpiprazole versus placebo (incidence >3% and greater than placebo) were insomnia (4.7% vs. 3.3%), agitation (3.5% vs. 2.9%), and somnolence (3.3% vs. 2.2%). Overall mortality during the studies was low (0.86%) and none of the deaths were considered to be related to the treatment. US FDA has granted Fast Track designation for this programme.

In March 2016, Lundbeck initiated the phase III programme on **Lu AF35700** which is currently planned to consist of two pivotal trials. Two doses of Lu AF35700 (10 and 20 mg) will be tested in patients with treatment resistant

schizophrenia. The first study, *DayBreak*, (NCT02717195) is planned to enrol approximately 1,000 patients in approximately 15 countries including the US and Canada and is expected to continue into early 2019. Lu AF35700 has been granted Fast Track designation in treatment resistant schizophrenia by the FDA. A long-term open label safety study was initiated (NCT02892422) in August 2016. Additionally, Lundbeck initiated the *Anew*-study (NCT03230864) in July 2017 in order to evaluate the efficacy of 10 mg/day Lu AF35700 on symptoms of schizophrenia in patients with early-in-disease (ED) or late-in-disease (LD) treatment-resistant schizophrenia. The study is expected to recruit around 300 patients.

For **Selincro** (nalmefene) a clinical phase III study (NCT02364947) was initiated in Japan in December 2014. In June 2017, Otsuka Pharmaceutical and Lundbeck announce topline, positive results from this comparative clinical trial and a follow-on, long-term extension study in participants with an alcohol dependency.

Clinical phase II

In January 2017, a phase II trial (NCT03033069) using **brexpiprazole** as monotherapy or as combination therapy in the treatment of adults with Post-traumatic Stress Disorder (PTSD) was initiated. The study is expected to enrol around 330 patients.

Early programmes

In June 2017, Lundbeck together with Otsuka, initiated a phase 1, open-label study to determine the pharmacokinetics and tolerability of **aripiprazole 2-month intramuscular depot** administered gluteally in adult subjects with schizophrenia.

In January 2017, Lundbeck together with Otsuka initiated a phase I open-label study (NCT02968121) to determine the pharmacokinetics and tolerability of **brexpiprazole LAI** (long-acting injectable) administered subcutaneously or intramuscularly. The study is expected to enrol 110 adult patients with schizophrenia.

In March 2015, an open-label, dose escalation, multiple immunisation phase I study (NCT02388152) was initiated, to assess the safety, tolerability and immunogenicity of **Lu AF20513** in patients with mild Alzheimer's disease. Lu AF20513 is an active vaccine inducing high affinity polyclonal antibodies that target beta-amyloid, for the potential injectable prevention of progression of Alzheimer's. All 35 patients have been enrolled and the study is expected to finalise during the autumn of 2017. Lundbeck is developing Lu AF20513 in a phase I trial collaboration with Otsuka.

General corporate matters

Lundbeck is involved in legal proceedings in a number of countries against a number of businesses, including patent disputes. In the Annual Report 2016 (page 52), Lundbeck provided an overview of pending legal proceedings.

Conference call

Today at 11.30 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 June 2017. 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 June 2017, and of the results of the Group's operations and cash flows for the first six months of 2017, which ended on 30 June 2017.

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, 9 August 2017

Executive Management

Kåre Schultz
President and CEO

Lars Bang
Executive Vice President, Supply Operations & Engineering

Anders Götzsche
Executive Vice President, CFO

Anders Gersel Pedersen
Executive Vice President, R&D

Staffan Schüberg
Executive Vice President, CCO

Jacob Tolstrup
Executive Vice President, Corporate Functions

Board of Directors

Lars Søren Rasmussen
Chairman of the Board

Lene Skole-Sørensen
Deputy Chairman of the Board

Mona Elisabeth Elster
Employee representative

Lars Erik Holmqvist

Henrik Sindal Jensen
Employee representative

Jeremy Max Levin

Jørn Møller Mayntzhusen
Employee representative

Jens Jesper Ovesen

FINANCIAL STATEMENTS

Income statement

DKK million	H1 2017	H1 2016	Q2 2017	Q2 2016	FY 2016
Revenue	**8,494**	7,521	**4,283**	3,751	15,634
Cost of sales	**1,957**	2,094	**992**	1,031	4,082
Gross profit	**6,537**	**5,427**	**3,291**	**2,720**	**11,552**
Sales and distribution costs	**2,864**	2,695	**1,431**	1,393	5,488
Administrative expenses	**378**	378	**188**	188	805
Research and development costs	**1,274**	1,402	**622**	670	2,967
Other operating income	**40**	-	**-**	-	-
Profit from operations (EBIT)	**2,061**	**952**	**1,050**	**469**	**2,292**
Net financials	**(70)**	(116)	**(55)**	7	(135)
Profit before tax	**1,991**	**836**	**995**	**476**	**2,157**
Tax on profit for the period	**796**	418	**387**	244	946
Profit for the period	**1,195**	**418**	**608**	**232**	**1,211**
Earnings per share, basic (EPS) (DKK)	**6.06**	2.12	**3.08**	1.18	6.13
Earnings per share, diluted (DEPS) (DKK)	**6.05**	2.11	**3.07**	1.18	6.12

Statement of comprehensive income

DKK million	H1 2017	H1 2016	Q2 2017	Q2 2016	FY 2016
Profit for the period	**1,195**	**418**	**608**	**232**	**1,211**
Actuarial gains/losses	**-**	-	**-**	-	(42)
Tax	**-**	-	**-**	-	3
Items that will not be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**(39)**
Exchange rate gains/losses on investments in foreign subsidiaries	**(284)**	(256)	**(247)**	13	(180)
Exchange rate gains/losses on additions to net investments in foreign subsidiaries	**(86)**	72	**(61)**	119	241
Deferred exchange gains/losses, hedging	**561**	(29)	**514**	(147)	(308)
Exchange gains/losses, hedging (transferred to the hedged items)	**100**	(19)	**20**	5	15
Exchange gains/losses, transferred from hedging to financial items	**-**	-	**-**	-	3
Fair value adjustment of available-for-sale financial assets	**16**	5	**21**	(11)	8
Tax	**(122)**	(7)	**(100)**	7	8
Items that may be reclassified subsequently to profit or loss	**185**	**(234)**	**147**	**(14)**	**(213)**
Other comprehensive income	**185**	**(234)**	**147**	**(14)**	**(252)**
Comprehensive income	**1,380**	**184**	**755**	**218**	**959**

Balance sheet

DKK million	30.06.2017	30.06.2016	31.12.2016
Assets			
Intangible assets	**7,880**	9,127	8,839
Property, plant and equipment	**1,938**	2,190	2,162
Financial assets	**1,373**	1,694	1,685
Non-current assets	**11,191**	**13,011**	**12,686**
Inventories	**1,807**	1,997	1,528
Receivables	**4,115**	3,839	3,779
Securities	**518**	17	17
Cash and bank balances	**1,443**	1,436	2,200
Assets held for sale	**125**	-	-
Current assets	**8,008**	**7,289**	**7,524**
Assets	**19,199**	**20,300**	**20,210**
Equity and liabilities			
Share capital	**992**	988	988
Share premium	**-**	373	-
Foreign currency translation reserve	**813**	955	1,164
Currency hedging reserve	**286**	(41)	(230)
Retained earnings	**8,604**	6,587	7,772
Equity	**10,695**	**8,862**	**9,694**
Provisions	**991**	1,047	1,032
Debt	**870**	3,148	1,708
Non-current liabilities	**1,861**	**4,195**	**2,740**
Provisions	**634**	684	745
Debt	**43**	83	188
Trade payables	**3,200**	3,866	3,650
Other payables	**2,766**	2,610	3,193
Current liabilities	**6,643**	**7,243**	**7,776**
Liabilities	**8,504**	**11,438**	**10,516**
Equity and liabilities	**19,199**	**20,300**	**20,210**

Statement of changes in equity

DKK million	Share capital	Share premium	Foreign currency translation reserve	Currency hedging reserve	Retained earnings	Equity
Equity at 1 January 2017	**988**	**-**	**1,164**	**(230)**	**7,772**	**9,694**
Profit for the period	-	-	-	-	1,195	1,195
Other comprehensive income	-	-	(351)	516	20	185
Comprehensive income	**-**	**-**	**(351)**	**516**	**1,215**	**1,380**
Distributed dividends, gross	-	-	-	-	(484)	(484)
Distributed dividends, treasury shares	-	-	-	-	1	1
Capital increase through exercise of warrants	4	-	-	-	120	124
Buyback of treasury shares	-	-	-	-	(93)	(93)
Incentive programmes	-	-	-	-	28	28
Tax on other transactions in equity	-	-	-	-	45	45
Other transactions	**4**	**-**	**-**	**-**	**(383)**	**(379)**
Equity at 30 June 2017	**992**	**-**	**813**	**286**	**8,604**	**10,695**

DKK million						
Equity at 1 January 2016	**987**	**349**	**1,157**	**(4)**	**6,296**	**8,785**
Profit for the period	-	-	-	-	418	418
Other comprehensive income	-	-	(202)	(37)	5	(234)
Comprehensive income	**-**	**-**	**(202)**	**(37)**	**423**	**184**
Capital increase through exercise of warrants	1	24	-	-	-	25
Buyback of treasury shares	-	-	-	-	(155)	(155)
Incentive programmes	-	-	-	-	23	23
Other transactions	**1**	**24**	**-**	**-**	**(132)**	**(107)**
Equity at 30 June 2016	**988**	**373**	**955**	**(41)**	**6,587**	**8,862**

Cash flow statement

DKK million	H1 2017	H1 2016	Q2 2017	Q2 2016	FY 2016
Profit from operations (EBIT)	**2,061**	**952**	**1,050**	**469**	**2,292**
Adjustments for non-cash operating items etc.	**509**	346	**239**	276	1,154
Change in working capital	**(646)**	(60)	**(162)**	89	463
Cash flows from operations before financial receipts and payments	**1,924**	**1,238**	**1,127**	**834**	**3,909**
Financial receipts and payments	**(41)**	(28)	**(29)**	(12)	(63)
Cash flows from ordinary activities	**1,883**	**1,210**	**1,098**	**822**	**3,846**
Income taxes paid	**(666)**	(418)	**(532)**	(387)	(720)
Cash flows from operating activities	**1,217**	**792**	**566**	**435**	**3,126**
Purchase of and proceeds from sale of bonds and other financial assets	**(504)**	(3)	**(500)**	(3)	(3)
Purchase of and proceeds from sale of intangible assets and property, plant and equipment	**(13)**	(93)	**(47)**	(56)	(334)
Cash flows from investing activities	**(517)**	**(96)**	**(547)**	**(59)**	**(337)**
Cash flows from operating and investing activities (free cash flow)	**700**	**696**	**19**	**376**	**2,789**
Capital increase through exercise of warrants	**124**	25	**122**	21	37
Other financing activities	**(1,083)**	(699)	**(924)**	(347)	(2,043)
Dividends paid in the financial year	**(483)**	-	**(483)**	-	-
Cash flows from financing activities	**(1,442)**	**(674)**	**(1,285)**	**(326)**	**(2,006)**
Net cash flow for the period	**(742)**	**22**	**(1,266)**	**50**	**783**
Cash and bank balances at beginning of period	**2,200**	1,504	**2,728**	1,383	1,504
Unrealized exchange gains/losses on cash and bank balances	**(15)**	(90)	**(19)**	3	(87)
Net cash flow for the period	**(742)**	22	**(1,266)**	50	783
Cash and bank balances at end of period	**1,443**	**1,436**	**1,443**	**1,436**	**2,200**
Interest-bearing debt, cash, bank balances and securities, net is composed as follows:					
Cash and bank balances	**1,443**	1,436	**1,443**	1,436	2,200
Securities	**518**	17	**518**	17	17
Interest-bearing debt	**(909)**	(3,231)	**(909)**	(3,231)	(1,891)
Interest-bearing debt, cash, bank balances and securities, net end of period – Net cash/(Net debt)	**1,052**	**(1,778)**	**1,052**	**(1,778)**	**326**

Income statement – Core results reconciliation (first half)

H1 2017

DKK million	Reported result	Intangible amortization	Impairment	Major restructuring	Legal fees and settlements	Divestments / sales milestones	Core result
Revenue	8,494	-	-	-	-	-	8,494
Cost of sales	1,957	(479)	-	-	-	-	1,478
Gross profit	**6,537**	**479**	**-**	**-**	**-**	**-**	**7,016**
Sales and distribution costs	2,864	-	-	-	-	-	2,864
Administrative expenses	378	-	-	-	-	-	378
Research and development costs	1,274	-	-	-	-	-	1,274
Other operating income	40	-	-	-	-	(40)	-
Profit from operations (EBIT)	**2,061**	**479**	**-**	**-**	**-**	**(40)**	**2,500**
Net financials	(70)	-	-	-	-	-	(70)
Profit before tax	**1,991**	**479**	**-**	**-**	**-**	**(40)**	**2,430**
Tax on profit for the period	796	65	-	-	-	(16)	845
Profit for the period	**1,195**	**414**	**-**	**-**	**-**	**(24)**	**1,585**
Earnings per share, basic (EPS) (DKK)	6.06	2.10	-	-	-	(0.12)	8.04

H1 2016

DKK million	Reported result	Intangible amortization	Impairment	Major restructuring	Legal fees and settlements	Divestments / sales milestones	Core result
Revenue	7,521	-	-	-	-	-	7,521
Cost of sales	2,094	(523)	-	-	-	-	1,571
Gross profit	**5,427**	**523**	**-**	**-**	**-**	**-**	**5,950**
Sales and distribution costs	2,695	-	-	-	-	-	2,695
Administrative expenses	378	-	-	-	-	-	378
Research and development costs	1,402	-	-	-	-	-	1,402
Profit from operations (EBIT)	**952**	**523**	**-**	**-**	**-**	**-**	**1,475**
Net financials	(116)	-	-	-	-	-	(116)
Profit before tax	**836**	**523**	**-**	**-**	**-**	**-**	**1,359**
Tax on profit for the period	418	85	-	-	-	-	503
Profit for the period	**418**	**438**	**-**	**-**	**-**	**-**	**856**
Earnings per share, basic (EPS) (DKK)	2.12	2.21	-	-	-	-	4.33

Income statement – Core results reconciliation (Q2)

Q2 2017

DKK million	Reported result	Intangible amortization	Impairment	Major restructuring	Legal fees and settlements	Divestments / sales milestones	Core result
Revenue	4,283	-	-	-	-	-	4,283
Cost of sales	992	(237)	-	-	-	-	755
Gross profit	**3,291**	**237**	**-**	**-**	**-**	**-**	**3,528**
Sales and distribution costs	1,431	-	-	-	-	-	1,431
Administrative expenses	188	-	-	-	-	-	188
Research and development costs	622	-	-	-	-	-	622
Other operating income	-	-	-	-	-	-	-
Profit from operations (EBIT)	**1,050**	**237**	**-**	**-**	**-**	**-**	**1,287**
Net financials	(55)	-	-	-	-	-	(55)
Profit before tax	**995**	**237**	**-**	**-**	**-**	**-**	**1,232**
Tax on profit for the period	387	32	-	-	-	-	419
Profit for the period	**608**	**205**	**-**	**-**	**-**	**-**	**813**
Earnings per share, basic (EPS) (DKK)	3.08	1.04	-	-	-	-	4.12

Q2 2016

DKK million	Reported result	Intangible amortization	Impairment	Major restructuring	Legal fees and settlements	Divestments / sales milestones	Core result
Revenue	3,751	-	-	-	-	-	3,751
Cost of sales	1,031	(257)	-	-	-	-	774
Gross profit	**2,720**	**257**	**-**	**-**	**-**	**-**	**2,977**
Sales and distribution costs	1,393	-	-	-	-	-	1,393
Administrative expenses	188	-	-	-	-	-	188
Research and development costs	670	-	-	-	-	-	670
Profit from operations (EBIT)	**469**	**257**	**-**	**-**	**-**	**-**	**726**
Net financials	7	-	-	-	-	-	7
Profit before tax	**476**	**257**	**-**	**-**	**-**	**-**	**733**
Tax on profit for the period	244	42	-	-	-	-	286
Profit for the period	**232**	**215**	**-**	**-**	**-**	**-**	**447**
Earnings per share, basic (EPS) (DKK)	1.18	1.08	-	-	-	-	2.26

2016 quarterly figures restated to new regional structure

Q3 2016 DKK million	North America	International markets	Europe	Total
Abilify Maintena	127	21	123	271
Brintellix/Trintellix	184	49	58	291
Cipralex/Lexapro	45	334	196	575
Northera	325	-	-	325
Onfi	645	-	-	645
Rexulti	246	-	-	246
Sabril	332	-	-	332
Xenazine	355	-	2	357
Other pharmaceuticals	117	370	367	854
Other revenue				52
Total	**2,376**	**774**	**746**	**3,948**

Q4 2016 DKK million	North America	International markets	Europe	Total
Abilify Maintena	152	24	133	309
Brintellix/Trintellix	208	57	67	332
Cipralex/Lexapro	44	381	185	610
Northera	313	-	-	313
Onfi	636	-	-	636
Rexulti	271	-	-	271
Sabril	406	-	-	406
Xenazine	387	-	3	390
Other pharmaceuticals	139	356	325	820
Other revenue				78
Total	**2,556**	**818**	**713**	**4,165**

Notes

Note 1 Accounting policies

Lundbeck's accounting policies are explained in detail in the 2016 Annual Report published 8 February 2017.

Note 2 Other operating income

Please see Expenses and income; page 10.

Note 3 Assets held for sale

Please see Balance sheet; page 12.

Note 4 Purchase of treasury shares

Please see Balance sheet; page 12.

Note 5 Dividends for 2016

Please see Balance sheet; page 12.

Note 6 Exercise of warrants

In the first half of 2017, Lundbeck has increased its share capital by DKK 4 million due to employees' exercise of warrants. The total proceed to the company was DKK 124 million.

Note 7 Events after the balance sheet date

Please see section on page 13 and Corporate Release no. 622. In July 2017, Lundbeck and Otsuka Pharmaceutical Co., Ltd. announced the U.S. Food and Drug Administration approval of Abilify Maintena (aripiprazole) for extended-release injectable suspension for the maintenance monotherapy treatment of bipolar I disorder. The approval releases a milestone payment to Otsuka of USD 50 million which will be capitalized.

The pre-specified conditions related to the divestiture of properties as announced on 5 May 2017 (Corporate Release no. 614) have been met and the divestiture will have a positive effect in the income statement of around DKK 200 million recognized as Other operating income in the second half of 2017.

Note 8 EBITDA calculation

DKK million	H1 2017	H1 2016	Q2 2017	Q2 2016
EBIT	2,061	952	1,050	469
+ Depreciation, amortization and impairment charges	628	666	312	325
- Other operating income	(40)	-	-	-
= EBITDA	**2,649**	**1,618**	**1,362**	**794**

Note 9 Core reporting

In general, Lundbeck has adjusted for each non-recurring item, including milestones that are accumulated, 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 reporting is a non-IFRS performance measurement. Lundbeck's core results – including core operating income (core EBIT) and core EPS – exclude:

Amortization and impairments:

- Amortization of intangible assets
- Impairment of intangible assets and property, plant and equipment

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.

Financial calendar 2017

8 November 2017: Third quarter results 2017

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About Lundbeck

H. Lundbeck A/S (LUN.CO, LUN DC, HLUYY) is a global pharmaceutical company specialized in psychiatric and neurological disorders. For more than 70 years, we have been at the forefront of research within neuroscience. Our key areas of focus are Alzheimer's disease, depression, Parkinson's disease and schizophrenia.

Our approximately 5,000 employees in 55 countries are engaged in the entire value chain throughout research, development, manufacturing, marketing and sales. Our pipeline consists of several late-stage development programmes and our products are available in more than 100 countries. We have production facilities in Denmark, France and Italy. Lundbeck generated revenue of DKK 15.6 billion in 2016 (EUR 2.1 billion; USD 2.2 billion).

For additional information, we encourage you to visit our corporate site www.lundbeck.com and connect with us on Twitter at @Lundbeck.