

Solid sales performance in 2015 and return to profitability in 2016

HIGHLIGHTS

- In 2015, revenue reached DKK 14,594 million representing an increase of 8% (0% in local currencies). The performance was driven by the key products (Abilify Maintena[®], Brintellix[®], Northera[®], Onfi[®], Rexulti[®])
 - US revenue increased 69% (43% in local currency) to DKK 6,353 million
 - Revenue in Europe declined 22% (23% in local currencies) to DKK 3,896 million
 - International Markets declined 8% (11% in local currencies) to DKK 3,827 million
- Revenue from key products grew 171% (135% in local currencies) to DKK 3,647 million in 2015 representing 25% of total revenue
 - Abilify Maintena sees strong growth reaching DKK 669 million. The growth of 220% (191% in local currencies) was generated in all regions, but particularly in Europe
 - Brintellix sales reached DKK 629 million, with non-US markets contributing DKK 226 million or 36%
 - Northera was launched in Q3 2014 and achieved DKK 475 million in sales
 - Onfi continues its solid performance growing 90% (63% in local currencies) to DKK 1,757 million
 - Following the launch in the US in August 2015, Rexulti reached DKK 117 million for the year for Lundbeck
- In the second half of 2015, the underlying EBIT-margin (core-EBIT) reached 6.8% compared to 0.9% in the same period in 2014
- Lundbeck's has announced long-term financial targets which consist of an EBIT-margin of 25%, ROIC of 25% and a cash-to-earnings greater than 90%
- For 2016, Lundbeck expects revenue of around DKK 13.8-14.2 billion and EBIT is expected to reach DKK 1.0-1.2 billion
- The executive management in Lundbeck has been expanded by three members

In connection with the financial report, Lundbeck's President and CEO, Kåre Schultz said:

"I am pleased with the progress of our restructuring programme and also with the sales momentum of our key products which gives me great confidence in the future of our company in general. For 2016, we expect a return to profitability and solid cash generation as well as a continued solid sales growth of our key products".

DKK million	2015	2014	Growth
Core Revenue*	14,464	13,468	7%
Core EBIT [†]	847	1,228	(31%)
Core EPS [†]	1.56	3.20	(51%)
Core EBIT margin	5.9%	9.1%	-
Reported Revenue	14,594	13,468	8%
Reported EBIT	(6,816)	99	-
Reported EPS	(28.98)	(0.78)	-
Reported EBIT margin	(46.7%)	0.7%	-

[†]) For definition of the measures "Core Revenue", "Core EBIT" and "Core EPS", see page 16, and reconciliation to reported figures, see page 23

CONTENTS

FINANCIAL HIGHLIGHTS AND KEY FIGURES	3
MANAGEMENT REVIEW	4
Financial guidance and forward-looking statements	4
Expansion of the Executive Management at Lundbeck	5
Dividend.....	6
Revenue.....	6
Expenses and income.....	12
Cash flow	14
Balance sheet	15
Lundbeck's development portfolio.....	15
General corporate matters.....	16
FINANCIAL STATEMENTS.....	19
FINANCIAL CALENDAR 2016	26

FINANCIAL HIGHLIGHTS AND KEY FIGURES

	2015 Q4	2014 Q4	2015 FY	2014 FY
Financial highlights (DKK million)				
Core revenue	3,716	3,247	14,464	13,468
Core profit from operations (core EBIT)	73	(238)	847	1,228
Reported revenue	3,733	3,247	14,594	13,468
Operating profit/(loss) before depreciation and amortization (EBITDA)	185	(214)	210	1,552
Reported profit/(loss) from operations (EBIT)	(432)	(838)	(6,816)	99
Net financials	(98)	(31)	(190)	(155)
Profit/(loss) before tax	(530)	(869)	(7,006)	(56)
Tax	(82)	(236)	(1,312)	97
Profit/(loss) for the period	(448)	(633)	(5,694)	(153)
Equity	8,785	13,526	8,785	13,526
Assets	21,325	25,637	21,325	25,637
Cash flows from operating and investing activities (free cash flow)	655	361	(2,645)	(1,786)
Purchase of property, plant and equipment, gross	79	85	237	240
Key figures				
EBIT margin (%)	(11.6)	(25.8)	(46.7)	0.7
Research and development ratio (%)	25.4	31.6	55.8	21.6
Return on equity (%)	(5.0)	(4.6)	(51.1)	(1.1)
Equity ratio (%)	41.2	52.8	41.2	52.8
Invested capital (DKKm)	na	na	11,034	13,200
Return on invested capital (ROIC) (%)	na	na	(45.4)	0.0
Net debt/EBITDA	na	na	10.7	(0.2)
Cash-to-earnings (%)	na	na	na	na
Share data				
Number of shares for the calculation of EPS (million)	197.2	196.4	196.5	196.3
Number of shares for the calculation of DEPS (million)	197.5	196.5	196.7	196.4
Earnings per share, basic (EPS) (DKK)	(2.27)	(3.22)	(28.98)	(0.78)
Earnings per share, diluted (DEPS) (DKK)	(2.27)	(3.22)	(28.98)	(0.78)
Cash flow per share, diluted (DKK)	3.86	2.73	1.00	8.18
Net asset value per share, diluted (DKK)	44.47	68.73	44.47	68.73
Market capitalization (DKK million)	46,445	24,117	46,445	24,117
Share price end of period (DKK)	235.4	122.8	235.4	122.8
Proposed dividend per share (DKK)	0.00	0.00	0.00	0.00
Other				
Number of employees (FTE)	5,257	5,811	5,257	5,811

Comparative figures including number of shares have been restated using a factor 0.9982 for the effect of employees' exercise of warrants.

MANAGEMENT REVIEW

Financial guidance and forward-looking statements

For the fiscal year 2016, Lundbeck expects constant exchange rate revenue to reach DKK 13.8-14.2 billion. Lundbeck expects profit from operations (EBIT) in constant exchange rate to reach DKK 1.0-1.2 billion for 2016.

The guidance is summarized below:

Financial forecast 2016

DKK billion	2015 actual	2016 forecast
Revenue	14.6	13.8-14.2
EBIT	(6.8)	1.0-1.2

Long-term financial targets

In order to measure our success, Lundbeck's executive management has defined financial long-term targets to describe what Lundbeck strives for on the journey to realize our strategy and to govern the company's path towards increased profitability and enhanced cash flow generation.

Key figures	Definition	Financial target
EBIT margin (%)	Profit from operations as a percentage of revenue	25%
ROIC (%)	Profit from operations (EBIT) after tax as a percentage of average invested capital	25%
Cash-to-earnings	Free cash flow as a percentage of net profit	>90%

In addition, Lundbeck has a financial policy which aims to have a net debt to EBITDA less than 2x. Furthermore, Lundbeck has a policy for dividend pay-out ratio which has been adjusted from a previous range from 25% to 35% to a range between 30% and 40%. The revised range will bring the expected pay-out ratio more in line with similar sized pharmaceutical companies in Europe. For 2015, the Board of Directors proposes no dividend payout due to the loss for the year.

Major restructuring programme to regain profitability and ensure value creation

In August 2015, Lundbeck announced a major restructuring programme. The programme was initiated in order to significantly improve profitability and the company's value creation. Lundbeck needs higher profitability to be able to invest in future profitable growth initiatives leading to better treatments for patients and secure a competitive return on investment.

Total restructuring impact is approximately DKK 1.8 billion which was recognized in the third quarter and the initiative aims to improve cost structures and accelerate productivity improvements across the company. The cost base is expected to be improved by approximately DKK 3 billion by 2017.

In the past few years, Lundbeck has gone through major restructurings of its European commercial infrastructure. However, it has been necessary to further adjust the commercial set-up primarily in Europe. Lundbeck emphasizes the focus on the following products: Abilify Maintena, Brintellix, Northera, Onfi and Rexulti. Furthermore, Lundbeck captures savings through restructuring of all headquarter functions, further minimize G&A functions at affiliates and also expand the newly established Business Service Center in Kraków in Poland. In R&D, a number of cost reduction initiatives were identified including closure of selected early-stage projects. Lundbeck expects that the restructuring programme will affect approximately 1,000 employees.

Financial implications of the restructuring programme

Following the restructuring programme, Lundbeck has recognized provisions for DKK 1.1 billion for severance payments and restructuring costs. Furthermore, in the third quarter, Lundbeck has recognized approximately DKK 0.7 billion in impairment loss due to changed management estimates of certain intangible rights and fixed assets.

When the restructuring programme is finalized, we expect to significantly improve the company's profitability and we are guiding for positive operating profit (EBIT) of DKK 1.0-1.2 billion in 2016 with further improvements in 2017.

From reclassification of product rights to impairment testing

In the second quarter of 2015, Lundbeck made a reclassification of certain product rights of DKK 4.8 billion, mainly related to Rexulti and Abilify Maintena, which was recognized in research and development costs. This was based on Management's assessment of changes in accounting estimates at 30 June 2015.

Previously, all material milestone payments triggered by an event were treated as an addition to the purchase price for the product rights. They were therefore capitalized, and when the products were launched, amortized over the product's life cycle. Prior to receiving final market registration approval, there is significant uncertainty as to whether the product will be approved and launched, i.e. whether a product right exists at this stage. Consequently, Management decided at 30 June 2015 to adopt a more conservative approach when these milestone payments predominantly are triggered by or relate to research and development or pre-registration efforts.

Based on dialogue with the Danish Business Authority ("Erhvervsstyrelsen") and the uncertainty mentioned above, Lundbeck has reversed the reclassification and instead performed impairment testing of the product rights reclassified in the second quarter of 2015. The impairment test did not result in any material changes to the income statement, balance sheet and equity compared to the previously reported reclassification in the interim financial reports for the second and third quarter of 2015.

In the fourth quarter of 2015, an additional impairment loss related to these previously reclassified product rights of DKK 0.2 billion was recognized under research and development costs. The total impairment loss for 2015 amounts to DKK 5.0 billion, mainly related to Rexulti, which has been recognized under research and development costs.

The reclassification related to Abilify Maintena has been reversed as these product rights are not impaired at 31 December 2015.

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.

Expansion of the Executive Management at Lundbeck

The Board of Directors has appointed three new Executive Vice Presidents and members of Lundbeck's Executive Management.

- Lars Bang (53 years) is appointed Executive Vice President, Supply Operations & Engineering
- Staffan Schüberg (47 years) is appointed Executive Vice President, Chief Commercial Officer
- Jacob Tolstrup (43 years) is appointed Executive Vice President, Corporate Functions

Lars Bang has led Supply Operations & Engineering since 2003. His responsibilities include global manufacturing, quality, logistics, engineering and facility management. Lars Bang began his career at Lundbeck in 1988.

Staffan Schüberg has led Lundbeck US since 2010. Staffan Schüberg joined Lundbeck in 1994 and has created strong commercial results in a number of positions including that of International Marketing Director, Managing Director of Lundbeck Portugal, and Regional Vice President of Southern and Western Europe.

Jacob Tolstrup joined Lundbeck in 1999 and has since been working in a number of positions including Finance, Investor Relations and Communication and has worked in Lundbeck affiliates in the US for approximately four years. Today, Jacob Tolstrup is head of Corporate Functions which comprises Corporate Business Development, Corporate Human Resources, Investor Relations and Corporate Communication & Public Affairs.

Lundbeck's Executive Management now consists of

- Kåre Schultz, President & 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, Chief Commercial Officer
- Jacob Tolstrup, Executive Vice President, Corporate Functions

Dividend

Based on the financial results for 2015, the Board of Directors will at the Annual General Meeting (AGM) on 31 March 2015 propose no dividend pay-out for 2015.

Revenue

Revenue for the full year 2015 reached DKK 14,594 million compared to DKK 13,468 million for full year 2014. The increase of 8% is caused by a positive development in some of our main currencies and USD in particular. In local currencies we saw flat revenue development following the significant generic erosion on CipraleX in the European markets and in Canada. This was partly offset by growth from our key products (Abilify Maintena, Brintellix, Northera, Onfi and Rexulti) of 171% (135% in local currencies). For the period, these key products contributed 25% of total revenue.

In the fourth quarter of 2015, **revenue** grew 15% (7% in local currencies) and reached DKK 3,733 million compared to DKK 3,247 million the year before. Revenue in the quarter was impacted by generic competition on Ebixa and CipraleX in Europe and on CipraleX in Canada. Key products reached DKK 1,189 million, up 142%, and contributed 32% of total revenue in the quarter.

Revenue from key products and regions

DKK million	Q4 2015	Q4 2014	Growth	Growth in local currency	FY 2015	FY 2014	Growth	Growth in local currency
Abilify Maintena	211	82	155%	138%	669	209	220%	191%
Azilect	359	378	(5%)	(5%)	1,457	1,497	(3%)	(3%)
Brintellix	211	83	157%	136%	629	188	235%	195%
Cipralext	572	803	(29%)	(30%)	2,591	4,647	(44%)	(45%)
Northera	192	10	1,804%	1,555%	475	24	1,868%	1,552%
Onfi	516	317	63%	44%	1,757	923	90%	63%
Rexulti	59	-	-	-	117	-	-	-
Sabril	265	197	35%	17%	985	716	38%	15%
Xenazine	542	489	11%	(2%)	2,201	1,695	30%	11%
Other pharmaceuticals	702	714	(2%)	(3%)	3,195	3,022	6%	1%
Other revenue	104	174	(40%)	(42%)	518	547	(5%)	(11%)
Total revenue	3,733	3,247	15%	7%	14,594	13,468	8%	0%
Europe	972	1,003	(3%)	(4%)	3,896	5,019	(22%)	(23%)
US	1,803	1,155	56%	36%	6,353	3,758	69%	43%
International Markets	854	915	(7%)	(7%)	3,827	4,144	(8%)	(11%)

Abilify Maintena (aripiprazole once-monthly injection), for the treatment of schizophrenia and launched within the global alliance with Japanese Otsuka Pharmaceutical Co., Ltd, shows steady sales growth. Sales grew 155%, or 138% in local currencies, and reached DKK 211 million in the fourth quarter.

Azilect (rasagiline) for the treatment of Parkinson's disease realized revenue of DKK 359 million for the quarter.

Revenue from **Brintellix** (vortioxetine) for the treatment of depression (MDD) reached DKK 211 million in the fourth quarter of the year. The growth was primarily driven by the continued sales growth in the US, however also from launches in countries such as Canada, Chile, Mexico and South Africa. The global launches of Brintellix continue as planned, and feedback from patients and prescribers is encouraging.

Cipralext (escitalopram) for the treatment of depression declined in revenue by 29% in the quarter due to generic competition in the European markets and in Canada. The decline is in line with expectations.

Onfi (clobazam) for the treatment of Lennox-Gastaut syndrome continues to show very strong growth and generated fourth quarter revenue of DKK 516 million, an increase of 44% in local currencies, or 63% reported, compared to the same period last year. Lundbeck has the marketing rights for Onfi in the US.

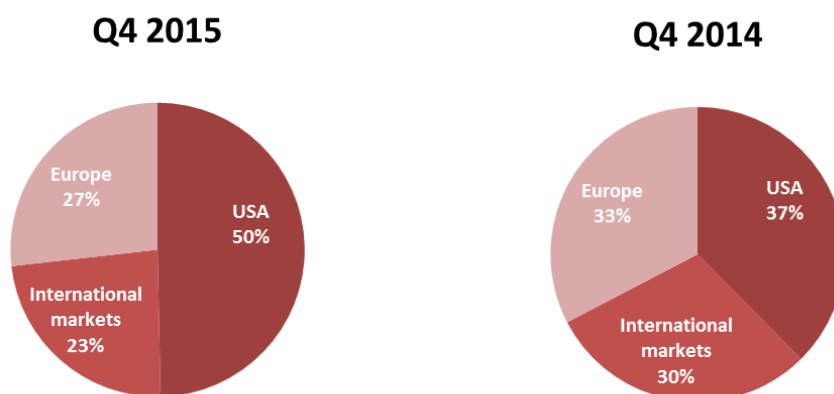
Sabril (vigabatrin) for the treatment of refractory complex partial seizures (rCPS) and infantile spasms (IS) generated fourth quarter revenue of DKK 265 million, thereby increasing 17% in local currencies, or 35% reported, compared to the fourth quarter of 2014. Lundbeck has the marketing rights for Sabril in the US.

Xenazine (tetrabenazine) for the treatment of chorea associated with Huntington's disease saw the first generic introductions in the fourth quarter which has impacted growth. Revenue reached DKK 542 million compared to DKK 489 million in the same period last year, a slight decline of 2% in local currencies, or an increase of 11% reported. Lundbeck has the marketing rights for Xenazine in the US.

Revenue from **Other pharmaceuticals**, which comprise the remainder of Lundbeck's products, was DKK 702 million. Other pharmaceuticals are negatively impacted by the generic competition on Ebixa in Europe which is countered by growth in other mature products.

Other revenue reached DKK 104 million in the quarter, compared to DKK 174 million for the same period in the previous year. Other revenue mainly consists of income from contract manufacturing.

Figure 1 – Revenue per region Q4 2015 vs Q4 2014 (excluding Other revenue)



Europe

Revenue reached DKK 3,896 million in 2015 which was a decline compared to DKK 5,019 million in the same period last year. The decline is caused by generic erosion of CipraleX and Ebixa sales following the loss of exclusivity and limited mitigating effects from our new products due to timing of market access.

Fourth quarter revenue in Europe was DKK 972 million, a decrease of 3% compared to the same quarter previous year as Lundbeck's key products are early in their launch phase and only have limited contribution to revenue.

Revenue – Europe

DKK million	Q4 2015	Q4 2014	Growth in local currencies		FY 2015	FY 2014	Growth in local currencies	
			Growth				Growth	
Abilify Maintena	96	23	311%	290%	281	44	527%	505%
Azilect	314	349	(10%)	(11%)	1,282	1,371	(7%)	(6%)
Brintellix	46	3	1,735%	1,733%	105	4	2,629%	2,632%
CipraleX	196	290	(32%)	(33%)	893	2,203	(59%)	(60%)
Selincro	46	36	32%	30%	184	59	214%	212%
Other pharmaceuticals	274	302	(10%)	(10%)	1,151	1,338	(14%)	(15%)
Total revenue	972	1,003	(3%)	(4%)	3,896	5,019	(22%)	(23%)

Abilify Maintena has been launched in all major markets in Europe. Sales uptake of Abilify Maintena is encouraging with sales in the fourth quarter reaching DKK 96 million with Spain, France and the UK being the largest markets, followed by Germany and Italy.

Brintellix has been launched in close to 20 European markets so far. As expected, market access is still limited outside the Nordic countries and the Netherlands. However, in countries where Brintellix has been launched (e.g. Poland, Sweden and Denmark) we see a solid uptake.

In October 2015, the National Institute for Health and Care Excellence (NICE) in the UK has in its final guidance recommended Brintellix for some adults with depression (MDD). The positive recommendation follows the submission of further evidence from Lundbeck that NICE requested in its previous draft guidance. In its final decision published on 15 October 2015, the German Gemeinsamer Bundesausschuss (G-BA, Federal Joint Committee) concludes that Brintellix has not shown additional benefit in the treatment of major depressive episodes in adults. G-BA rejected the clinical evidence submitted on purely formal grounds. Based on this decision, price negotiations between the GKV-Spitzenverband (National Association of Statutory Health Insurance) and Lundbeck will be initiated and should be completed by the end of April 2016.

Fourth quarter revenue from **Azilect** amounted to DKK 314 million, a decline of 10% compared to the fourth quarter of 2014. This performance can primarily be attributed to a decline in the UK and some of the smaller markets across Europe such as Greece.

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

Selincro (nalmefene), for the treatment of alcohol dependence, realized sales in the fourth quarter of 2015 of DKK 46 million primarily driven by France, which contributed more than 67% of sales, and to a lesser extent Spain and Switzerland.

Revenue from **Other pharmaceuticals** was DKK 274 million, a decline of around 10% compared to same period the previous year.

US

Revenue reached DKK 6,353 million in 2015, which is an increase of 43% in local currencies, or 69% reported. Lundbeck US continues its solid growth, thereby confirming this market's strategic importance for Lundbeck. Revenue in the US contributed 44% of total revenue compared to 28% in the same period last year.

In the fourth quarter, revenue reached DKK 1,803 million representing 48% of total revenue compared to 36% last year. The revenue increased by 36% in local currencies, or 56% reported, compared to the same quarter previous year.

Revenue – US

DKK million	Q4 2015	Q4 2014	Growth in local currencies		FY 2015	FY 2014	Growth in local currencies	
			Growth	currencies			Growth	currencies
Abilify Maintena	92	56	62%	41%	324	161	101%	69%
Brintellix	125	75	66%	42%	403	179	125%	85%
Northera	192	10	1,804%	1,555%	475	24	1,868%	1,552%
Onfi	516	317	63%	44%	1,757	923	90%	63%
Sabril	265	197	35%	17%	985	716	38%	15%
Xenazine	539	482	12%	(2%)	2,182	1,672	31%	12%
Rexulti	59	-	-	-	117	-	-	-
Other pharmaceuticals	15	18	(19%)	(28%)	110	83	31%	13%
Total revenue	1,803	1,155	56%	36%	6,353	3,758	69%	43%

Abilify Maintena continues to grow and sales reached DKK 92 million, which represents Lundbeck's 20% share of total net sales, for the quarter. Since launch, several improvements to the product offering have been made, including the dual-chamber pre-filled syringe and the positive outcome from the *QUALIFY* study. Furthermore, the FDA has approved a labelling update to include description of a controlled clinical study of Abilify Maintena for treating adult patients experiencing acute relapses of schizophrenia. In July 2015, FDA approved deltoid injection site for Abilify Maintena in the treatment of schizophrenia.

Brintellix was launched in the US in January 2014, and revenue for the fourth quarter of 2015 reached DKK 125 million for Lundbeck. Brintellix' share of branded TRx (total prescriptions) volume was 18.5% and the share of branded NRx (new prescriptions) volume was 21.1% by early-January. In value, Brintellix has a similar strong position in the branded market (NRx) with a share of more than 23%.

Northera for the treatment of symptomatic neurogenic orthostatic hypotension (nOH) was made available in the US market in September 2014 and the commercial launch commenced in October 2014. Sales from Northera reached DKK 192 million in the fourth quarter of the year and the level of new patient enrolments remains strong.

Onfi reached revenue of DKK 516 million in the fourth quarter, corresponding to a growth of 44% in local currencies, or 63% reported. The solid performance is primarily driven by demand combined with a positive price development.

Sabril revenue for the quarter was DKK 265 million, growing 17% in local currencies or 35% reported, compared to the same quarter the year before. The performance is primarily driven by demand combined with a positive price development.

Revenue from **Xenazine** was DKK 539 million for the quarter, a decrease of 2% in local currencies, but an increase of 12% reported, compared to the fourth quarter previous year. The performance was impacted by generic introductions which are starting to have some negative impact on growth though the impact is mitigated by the positive currency development.

Rexulti (brexipiprazole) has been approved by FDA in July 2015 as an adjunctive therapy for the treatment of adults with major depressive disorder and as a treatment for adults with schizophrenia. Rexulti was discovered by Otsuka and co-developed with Lundbeck. It is co-marketed by the two companies and became available to patients in the US in early August 2015. Lundbeck's share of the revenue reached DKK 59 million in the fourth quarter of 2015.

International Markets

Revenue from International Markets, which comprise all of Lundbeck's markets outside of Europe and the US, reached DKK 3,827 million in 2015, compared to DKK 4,144 million in the same period last year – a decline of 8%. In local currencies, revenue decreased by 11%. The performance was caused by the generic competition of Cipralelex in Canada where sales declined by 74% to DKK 238 million which was compensated for by growth in other products and geographies including emerging markets. International Markets constituted 26% of total revenue in 2015 compared to 31% in the same period last year.

Revenue in the fourth quarter was DKK 854 million, corresponding to a decrease of 7% in both local currencies and reported. In the quarter International Markets constituted 23% of total revenue representing a decrease compared to 28% in the same period in 2014.

Revenue – International Markets

DKK million	Q4 2015	Q4 2014	Growth in local currencies		FY 2015	FY 2014	Growth in local currencies	
			Growth				Growth	
Abilify Maintena	23	3	669%	705%	64	4	1,546%	1,548%
Azilect	45	29	60%	60%	175	126	40%	39%
Brintellix	40	5	775%	801%	121	5	2,535%	2,465%
Cipralelex/Lexapro	376	513	(27%)	(28%)	1,698	2,444	(31%)	(31%)
Ebixa	128	90	43%	33%	576	486	19%	9%
Other pharmaceuticals	242	275	(13%)	(11%)	1,193	1,079	10%	4%
Total revenue	854	915	(7%)	(7%)	3,827	4,144	(8%)	(11%)

Abilify Maintena has been launched in Australia and Canada so far and reached revenue of DKK 23 million in the fourth quarter of 2015.

Azilect continues to show growth in Thailand, South Korea, Hong Kong and Australia, and revenue increased in the fourth quarter by 60%.

Brintellix reached DKK 40 million for the quarter. The product has been launched in several countries such as Australia (private market), Canada, South Africa, Chile and Mexico and in general the uptake is encouraging. In October 2015, the Brazilian authorities approved Brintellix with cognition mentioned in the label. Brazil is the world's fourth largest antidepressants market with an estimated market size of around USD 800 million per year. Furthermore, the product has been granted 1st line reimbursement in broad depression/MDD (without any restrictions) in South Korea.

Cipralelex generated fourth quarter revenue of DKK 376 million. Sales decreased by 27% reported, or 28% in local currencies, compared to the previous year, due to generic competition primarily in Canada and Latin America. Cipralelex continued to grow in most Asian markets.

Ebixa generated fourth quarter revenue of DKK 128 million representing an increase of 43% and 33% in local currencies.

Other pharmaceuticals generated revenue of DKK 242 million during the quarter, a decrease of 13% compared to the same quarter the year before. The increase is explained by quarterly fluctuations in sales of mature products in the region. **Treanda** (bendamustine hydrochloride for injection) is sold by Lundbeck in Canada and is

included in Other pharmaceuticals. The product reached DKK 53 million in the fourth quarter of 2015 compared to DKK 63 million in the same period previous year. For 2015, Treanda reached DKK 206 million.

Expenses and income

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

Total costs for 2015 was DKK 21,410 million compared to DKK 13,369 million for the same period last year. The increase in total costs can primarily be ascribed to the impairment of certain product rights, and provisions and impairments relating to the restructuring programme.

In the fourth quarter of 2015, total costs amounted to DKK 4,165 million, which is an increase of 2% compared to the same quarter last year.

Distribution of costs

DKK million	Q4 2015	Q4 2014	Growth	FY 2015	FY 2014	Growth
Cost of sales	1,271	1,167	9%	5,395	4,160	30%
Sales and distribution	1,710	1,547	10%	6,706	5,164	30%
Administration	234	345	(32%)	1,160	1,134	2%
Research and development	950	1,026	(7%)	8,149	2,911	180%
Total costs	4,165	4,085	2%	21,410	13,369	60%

Cost of sales increased 9% to DKK 1,271 million in the quarter. This corresponds to 34% of Lundbeck's total revenue, a slight decrease from 36% in the same quarter previous year. This is mainly driven by change in product mix.

Sales and distribution costs were DKK 1,710 million, corresponding to 46% of revenue and an increase of 10% compared to fourth quarter the year before primarily driven by launch costs for Rexulti and the reclassification of costs from administrative expenses to sales and distribution costs. For the full year, sales and distribution costs are also impacted by full year impact of launch costs for Northera.

Administrative expenses were DKK 234 million corresponding to 6% of total revenue in the fourth quarter of 2015. The 32% decline in administration costs can be attributed to the execution on cost initiatives combined with high implementation costs for the setup of the Business Service Centre in Kraków in 2014.

SG&A costs were DKK 1,944 million compared to DKK 1,892 million in the same period previous year. The SG&A ratio for the period was 52%, compared to 58% in the same period the year before.

Research and development costs were DKK 950 million (25% of revenue) including additional impairments of DKK 201 million. Research and development costs in the fourth quarter 2014 of DKK 1,026 million included a write-down of desmoteplase of DKK 309 million.

Depreciation, amortization and impairment charges

Depreciation, amortization and impairment charges, which are included in the individual expense categories, amounted to DKK 617 million in the fourth quarter compared to DKK 624 million last year.

Depreciation, amortization and impairment charges

DKK million	Q4 2015	Q4 2014	Growth	FY 2015	FY 2014	Growth
Cost of sales	357	331	8%	1,561	985	58%
Sales and distribution	22	10	141%	101	34	199%
Administration	8	18	(55%)	103	68	51%
Research and development	230	265	(13%)	5,261	366	1,335%
Total depreciation, amortization and impairment charges	617	624	(1%)	7,026	1,453	383%

Core EBIT and profit from operations (EBIT)

Core EBIT was positive for the fourth quarter and amounted to DKK 73 million compared with a negative core EBIT of DKK 238 million for the same quarter in 2014. The increase is driven by strong sales especially in the US, more than offsetting the loss in revenue due to generic erosion on mature products, and benefits from the ongoing restructuring programme. Reported EBIT for the fourth quarter of 2015 amounted to a loss of DKK 432 million, compared to a loss of DKK 838 million in the same quarter in 2014.

Net financials

Lundbeck generated a net financial expense of DKK 98 million in the fourth quarter of 2015, compared to a net financial expense of DKK 31 million in the fourth quarter of 2014.

Net interest income, including realized and unrealized gains and losses on the bond portfolio, amounted to a net expense of DKK 27 million in the fourth quarter of 2015, compared to a net expense of DKK 24 million in the same period in 2014.

Net exchange amounted to a loss of DKK 34 million in the fourth quarter of 2015, compared to a loss of DKK 6 million in the fourth quarter last year. The main reason being increased revaluation on balances in USD and GBP.

Other financial income amounted to a loss of DKK 37 million in the fourth quarter of 2015, compared to a loss of DKK 1 million in the same period in 2014. The increased financial expenses relate to prolonged impairment losses of available-for-sale financial assets amounting to DKK 33 million.

Tax

The effective tax for 2015 is a gain of 18.7% due to the deficit caused by the restructuring programme. The tax rate reflects a lower benefit of the negative result compared to the Danish corporate 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 increased activity in the US results in an increased profit in the US taxed at a higher tax rate in the US, than the Danish tax rate

Net profit/(loss) and EPS for the period

Reported loss for 2015 was DKK 5,694 million, compared to a loss of DKK 153 million in 2014. In the fourth quarter net loss amounted to DKK 448 million compared to a net loss of DKK 633 million for 2014.

The reported loss in the fourth quarter 2015 corresponds to a negative EPS of DKK 2.27 per share versus a negative EPS of DKK 3.22 per share for the same period the year before. Core EPS was negative at DKK 0.18 per share for the fourth quarter in 2015, compared to a negative core EPS of DKK 1.06 per share in the same quarter in 2014.

Hedging

Lundbeck hedges expected income from its products through currency hedging on a rolling basis, up to 12 months in advance. As a result of Lundbeck's currency hedging policy, foreign exchange gains and losses on hedging transactions are allocated directly to the hedged transaction. Hedging had a negative impact on profit of DKK 29 million in the fourth quarter of 2015, compared with a situation where the income is not hedged and included at the current exchange rates during the period. The effect was a DKK 25 million loss in the fourth quarter of 2014.

Cash flow

Lundbeck had a positive cash flow from operating and investing activities of DKK 655 million in the fourth quarter of 2015 compared to a cash flow from operating and investing activities of DKK 361 million in the same period last year.

Cash flow

DKK million	Q4 2015	Q4 2014	FY 2015	FY 2014
Cash flows from operating activities	763	538	197	1,610
Cash flows from investing activities	(108)	(177)	(2,842)	(3,396)
Cash flows from operating and investing activities (free cash flow)	655	361	(2,645)	(1,786)
Cash flows from financing activities	(486)	1,195	501	589
Net cash flow for the period	169	1,556	(2,144)	(1,197)
Cash and bank balance at beginning of period	1,334	2,092	3,651	4,817
Unrealized exchange gains/losses on cash and bank balances	1	3	(3)	31
Net cash flow for the period	169	1,556	(2,144)	(1,197)
Cash and bank balances at end of period	1,504	3,651	1,504	3,651
Securities	17	18	17	18
Interest-bearing debt	(3,770)	(3,343)	(3,770)	(3,343)
Interest-bearing debt, cash, bank balances and securities, net end of period	(2,249)	326	(2,249)	326

Investing activities in 2015 generated cash outflow of DKK 2,842 million consisting mainly of milestones paid to Otsuka for approval Rexulti in the US of USD 200 million and a development milestone of additional USD 200 million.

Financing activities generated a cash outflow of DKK 486 million compared to an inflow of DKK 1,195 million in the same quarter last year. At the end of July 2015, Lundbeck entered into a DKK 2 billion two-year revolving credit facility with a possible extension for an additional one year from a group of banks consisting of Danske Bank, Jyske Bank and Nordea. Of this facility, DKK 0.5 billion has been drawn in the fourth quarter of 2015.

Balance sheet

As of 31 December 2015, Lundbeck had total assets of DKK 21,325 million, compared to DKK 25,637 million at the end of 2014. The significant decline in total assets is mainly due to the impairment of certain product rights primarily related to Rexulti.

As of 31 December 2015, Lundbeck's equity amounted to DKK 8,785 million, corresponding to an equity ratio of 41.2% compared to 52.8% at the end of 2014.

Lundbeck's development portfolio

Lundbeck is developing a number of new and promising pharmaceuticals for the treatment of psychiatric and neurological disorders, such as depression, anxiety and other psychiatric and neurological disorders. Pipeline development is summarized as follows:

Approved or under regulatory review

In February 2016 Lundbeck and Takeda Pharmaceutical Company announced that the FDA Psychopharmacologic Drugs Advisory Committee (PDAC) voted 8 to 2 that the companies presented substantial evidence to support the effectiveness of **Brintellix** for treating certain aspects of cognitive dysfunction in adults with Major Depressive Disorder. The FDA is expected to make a decision by 28 March 2016. The FDA is not bound by the committee's guidance.

Clinical phase III

In August 2012, Lundbeck and Otsuka Pharmaceuticals initiated a randomized, double-blind, placebo-controlled trial (NCT01567527) to assess the time to recurrence of any mood episode in individuals with bipolar I disorder who have maintained stability on **Abilify Maintena** for at least 8 weeks. The study is expected to recruit approximately 650 patients in the US, Canada, EU and Asia and is expected to be finalized by mid-2016.

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 December 2014, Lundbeck and Takeda initiated a clinical phase II study (NCT02327013) with the purpose to determine the effect of Brintellix treatment on ADHD symptoms in adult patients with ADHD in a 12 week study. The study is expected to recruit approximately 225 patients and is expected to be finalized during the second half of 2016.

In the second half of 2013, Lundbeck and Otsuka Pharmaceuticals initiated two pivotal studies with **Rexulti** (brexpiprazole) in individuals with agitation associated with dementia of the Alzheimer's type. The two studies are expected to recruit around 420 and 230 patients respectively (NCT01862640, NCT01922258). Enrolment of patients has progressed as planned, and the studies are expected to finalize in the second half of 2017. FDA has granted fast-track designation for this programme.

In October 2013, Lundbeck and Otsuka Pharmaceuticals initiated the phase III programme in **idalopirdine** in order to explore the effect of the compound in mild-to-moderate Alzheimer's disease as adjunctive therapy to acetylcholinesterase inhibitors (AChEIs). The key endpoints are Alzheimer's Disease Assessment Scale -

Cognitive Subscale (ADAS-cog), Activities of Daily Living (ADL), and the Clinical Global Impression of Change Scale (CGIC). The programme will enrol approximately 2,500 patients worldwide and recruitment is on track in order to finalize the programme in the first quarter of 2017.

For **Selincro** (nalmefene), which has been launched in Europe for alcohol dependence, a clinical phase III study (NCT02364947) was initiated in Japan in December 2014. The study is run by Otsuka Pharmaceuticals and is expected to recruit some 660 patients. Additionally, a long-term open label study has been initiated in Japan.

The clinical phase III programme on **Lu AF35700** is planned to start during the first quarter of 2016 in treatment-resistant schizophrenia. The first study is expected to include approximately 650 patients. Several phase I studies have been conducted, including a multiple-dose study in patients. Lu AF35700 has a novel and unique pharmacological profile with high D₁ and 5-HT₆ receptor affinity in combination with low D₂ receptor affinity. The compound represents a potential new option for patients not responding on high D₂ blocking antipsychotics. In completed safety trials, Lu AF35700 was generally safe and well tolerated with less mood and mentation related side effects due to low D₂ blockade.

General corporate matters

Accounting policies

Lundbeck's accounting policies are explained in detail in the 2015 Annual Report also published today.

Lundbeck core results 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 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.

Incentive programmes in the Lundbeck Group

Lundbeck operates long-term incentive programmes for Executive Management and key employees in Denmark and abroad. To fund the shares granted under the 2012 programme, Lundbeck purchased 177,364 shares at a value of DKK 22 million in the first quarter of 2015.

2015 grant

In December 2015, Lundbeck established a restricted share unit (RSU) programme. 129 key employees were granted 130,777 RSUs. All of the RSUs will vest in 2018, three years after grant, subject to the financial targets for vesting being achieved and subject to continuing employment with the Lundbeck Group. Key employees in the US subsidiaries were granted restricted cash units (RCU) on terms and conditions similar to those that apply to the RSU programme. The market values of the RSUs and the RCUs are calculated using the Black-Scholes method and is based on a volatility of 31.44%, a dividend yield of 2.00%, a risk free interest rate of 0.50%, a vesting period of three years and a share price of DKK 215.32. The total value of the programmes at the time of grant was DKK 28 million.

Purchase of shares to fund long-term incentive programmes

To fund Lundbeck's long-term incentive scheme granted to Executive Management and key employees in Denmark and abroad in 2013, Lundbeck will purchase 377,695 shares in compliance with the Danish Securities Trading Act, the Danish Companies Act, the Danish Financial Statements Act, the NASDAQ Copenhagen rules and Lundbeck's internal rules on trading with shares in Lundbeck. The number of shares to be purchased currently corresponds to less than 0.2% of the share capital. The purchase will be made after the announcement of the first quarter results for 2016 in order to mirror the final number of shares needed.

The shares to be transferred in 2017 to fund the 2014 programme correspond to 200,643 shares, which is equivalent to approximately DKK 47 million at year-end share price. The shares are expected to be purchased after the announcement of the first quarter results for 2017.

Lundbeck has decided to bring forward the purchase of shares to cover the obligation with regard to the new RSU programme granted to key employees in Denmark and abroad in December 2015. Lundbeck will purchase 130,777 shares, which at year-end share price of DKK 235.40 is equivalent to approximately DKK 31 million. The number of shares to be purchased corresponds to less than 0.1% of Lundbeck's share capital.

The shares will be purchased following the announcement of the annual report for 2015 and in compliance with the Danish Securities Trading Act, the Danish Companies Act, the Danish Financial Statements Act, the NASDAQ Copenhagen rules and Lundbeck's internal rules on trading with shares in Lundbeck.

Considering the relatively small amount of shares concerned, the purchase will be carried out as a share buy-back outside of the EU Commission Regulation on share buy-back. Notwithstanding this, to secure market integrity the purchase is subject to the following rules:

- The purchase will be carried out by a bank (lead manager) on an arm's-length basis and independently of Lundbeck,
- The bank must not purchase shares at a price higher than the higher of the price of the last independent trade and the highest current independent bid on Nasdaq Copenhagen at the time of the purchase,
- The bank must not purchase more than 20% of the daily volume of the shares on NASDAQ Copenhagen on the day the purchase is carried out.

Other corporate matters

Intellectual property rights are a prerequisite for Lundbeck's continued investments in innovative pharmaceuticals. It is Lundbeck's policy to enforce its granted intellectual property rights wherever they may be violated. Lundbeck is still involved in a number of trials around the world related to defending its intellectual property rights covering escitalopram.

In late January 2016, Lundbeck LLC, USA received a subpoena from the US Attorney's Office for the District of Rhode Island relating to an investigation of Xenazine sales, marketing and related practices. Lundbeck LLC, USA is cooperating with this investigation.

Conference call

Today at 1.00 pm (CET), Lundbeck will be hosting a conference call for the financial community. You can listen to the call online at www.lundbeck.com under the investor section.

FINANCIAL STATEMENTS

Income statement

DKK million	2015 Q4	2014 Q4	2015 FY	2014 FY
Revenue	3,733	3,247	14,594	13,468
Cost of sales	1,271	1,167	5,395	4,160
Gross profit	2,462	2,080	9,199	9,308
Sales and distribution costs	1,710	1,547	6,706	5,164
Administrative expenses	234	345	1,160	1,134
Research and development costs	950	1,026	8,149	2,911
Profit/(loss) from operations (EBIT)	(432)	(838)	(6,816)	99
Net financials	(98)	(31)	(190)	(155)
Profit/(loss) before tax	(530)	(869)	(7,006)	(56)
Tax on profit/(loss) for the period	(82)	(236)	(1,312)	97
Profit/(loss) for the period	(448)	(633)	(5,694)	(153)
Earnings per share, basic (EPS) (DKK)	(2.27)	(3.22)	(28.98)	(0.78)
Earnings per share, diluted (DEPS) (DKK)	(2.27)	(3.22)	(28.98)	(0.78)

Statement of comprehensive income

DKK million	2015 Q4	2014 Q4	2015 FY	2014 FY
Profit/(loss) for the period	(448)	(633)	(5,694)	(153)
Actuarial gains/losses	16	(50)	16	(50)
Tax	(4)	14	(4)	14
Items that will not be reclassified subsequently to profit or loss	12	(36)	12	(36)
Exchange rate adjustments of investments in foreign subsidiaries	92	72	341	332
Exchange rate adjustments of additions to net investments in foreign subsidiaries	130	212	555	664
Adjustments, deferred exchange gains/losses, hedging	(62)	12	(93)	(102)
Exchange gains/losses, hedging (transferred to the hedged items)	29	25	80	85
Exchange gains/losses, trading (transferred from hedging to financial items)	5	-	5	-
Fair value adjustment of available-for-sale financial assets	44	(27)	79	(38)
Tax	(36)	(60)	(140)	(156)
Items that may be reclassified subsequently to profit or loss	202	234	827	785
Other comprehensive income	214	198	839	749
Comprehensive income	(234)	(435)	(4,855)	596

Balance sheet

DKK million

Assets	31.12.2015	31.12.2014
Intangible assets	9,794	12,670
Property, plant and equipment	2,246	2,724
Financial assets	1,625	857
Non-current assets	13,665	16,251
Inventories	2,217	1,991
Receivables	3,922	3,726
Securities	17	18
Cash	1,504	3,651
Current assets	7,660	9,386
Assets	21,325	25,637
Equity and liabilities		
Share capital	987	982
Share premium	349	252
Foreign currency translation reserve	1,157	392
Currency hedging reserve	(4)	2
Retained earnings	6,296	11,898
Equity	8,785	13,526
Provisions	1,105	1,650
Debt	3,687	3,259
Non-current liabilities	4,792	4,909
Provisions	986	352
Debt	83	84
Trade payables	4,349	4,930
Other payables	2,330	1,836
Current liabilities	7,748	7,202
Liabilities	12,540	12,111
Equity and liabilities	21,325	25,637

Statement of changes in equity

DKK million

	Share capital	Share premium	Foreign currency translation reserve	Currency hedging reserve	Retained earnings	Equity
2015						
Equity at 1 January	982	252	392	2	11,898	13,526
Profit/(loss) for the year	-	-	-	-	(5,694)	(5,694)
Other comprehensive income	-	-	765	(6)	80	839
Comprehensive income	-	-	765	(6)	(5,614)	(4,855)
Capital increase through exercise of warrants	5	97	-	-	-	102
Buyback of treasury shares	-	-	-	-	(22)	(22)
Incentive programmes	-	-	-	-	34	34
Other transactions	5	97	-	-	12	114
Equity at 31 December	987	349	1,157	(4)	6,296	8,785
2014						
Equity at 1 January	981	232	(441)	15	12,694	13,481
Profit/(loss) for the year	-	-	-	-	(153)	(153)
Other comprehensive income	-	-	833	(13)	(71)	749
Comprehensive income	-	-	833	(13)	(224)	596
Dividends paid	-	-	-	-	(544)	(544)
Capital increase through exercise of warrants	1	20	-	-	-	21
Buyback of treasury shares	-	-	-	-	(70)	(70)
Incentive programmes	-	-	-	-	42	42
Other transactions	1	20	-	-	(572)	(551)
Equity at 31 December	982	252	392	2	11,898	13,526

Cash flow statement

DKK million	2015 Q4	2014 Q4	2015 FY	2014 FY
Profit/(loss) from operations (EBIT)	(432)	(838)	(6,816)	99
Adjustments for non-cash operating items etc.	402	682	7,878	1,499
Change in working capital	780	745	(534)	440
Cash flows from operations before financial receipts and payments	750	589	528	2,038
Financial receipts and payments	(26)	(13)	(99)	(61)
Cash flows from ordinary activities	724	576	429	1,977
Income taxes paid	39	(38)	(232)	(367)
Cash flows from operating activities	763	538	197	1,610
Acquisition of subsidiary ¹	-	-	-	(2,831)
Investments in and sale of bonds and other financial assets	(1)	(22)	(5)	976
Investments in and sale of intangible assets and property, plant and equipment	(107)	(155)	(2,837)	(1,541)
Cash flows from investing activities	(108)	(177)	(2,842)	(3,396)
Cash flows from operating and investing activities (free cash flow)	655	361	(2,645)	(1,786)
Capital contributions	15	1	102	21
Dividends paid	-	-	-	(544)
Other financing activities	(501)	1,194	399	1,112
Cash flows from financing activities	(486)	1,195	501	589
Net cash flow for the period	169	1,556	(2,144)	(1,197)
Cash and bank balances at the beginning of period	1,334	2,092	3,651	4,817
Unrealized exchange gains/losses on cash and bank balances	1	3	(3)	31
Net cash flow for the period	169	1,556	(2,144)	(1,197)
Cash and bank balances at end of period	1,504	3,651	1,504	3,651
Interest-bearing debt, cash, bank balances and securities, net is composed as follows:				
Cash and bank balances	1,504	3,651	1,504	3,651
Securities	17	18	17	18
Interest-bearing debt	(3,770)	(3,343)	(3,770)	(3,343)
Interest-bearing debt, cash, bank balances and securities, net end of period	(2,249)	326	(2,249)	326

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

Income statement – Core results reconciliation (Q4)**Q4 2015**

DKK million	Reported result	Intangible amortization	Impairment	Major restructuring	Legal fees and settlements	Divestments/sales milestones	Core result
Revenue	3,733	-	-	-	-	(17)	3,716
Cost of sales	1,271	(319)	-	-	-	-	952
Gross profit	2,462	319	-	-	-	(17)	2,764
Sales and distribution costs	1,710	-	(2)	-	-	-	1,708
Administrative expenses	234	-	-	-	-	-	234
Research and development costs	950	-	(201)	-	-	-	749
Profit/(loss) from operations (EBIT)	(432)	319	203	-	-	(17)	73
Net financials	(98)	-	-	-	-	-	(98)
Profit/(loss) before tax	(530)	319	203	-	-	(17)	(25)
Tax on profit/(loss) for the period	(82)	56	41	-	-	(4)	11
Profit/(loss) for the period	(448)	263	162	-	-	(13)	(36)
Earnings per share, basic (EPS) (DKK)	(2.27)	1.33	0.82	-	-	(0.06)	(0.18)

Q4 2014

DKK million	Reported result	Intangible amortization	Impairment	Major restructuring	Legal fees and settlements	Divestments/sales milestones	Core result
Revenue	3,247	-	-	-	-	-	3,247
Cost of sales	1,167	(291)	-	-	-	-	876
Gross profit	2,080	291	-	-	-	-	2,371
Sales and distribution costs	1,547	-	-	-	-	-	1,547
Administrative expenses	345	-	-	-	-	-	345
Research and development costs	1,026	-	(309)	-	-	-	717
Profit/(loss) from operations (EBIT)	(838)	291	309	-	-	-	(238)
Net financials	(31)	-	-	-	-	-	(31)
Profit/(loss) before tax	(869)	291	309	-	-	-	(269)
Tax on profit/(loss) for the period	(236)	100	76	-	-	-	(60)
Profit/(loss) for the period	(633)	191	233	-	-	-	(209)
Earnings per share, basic (EPS) (DKK)	(3.22)	0.97	1.19	-	-	-	(1.06)

Income statement – Core results reconciliation (FY)**FY 2015**

DKK million	Reported result	Intangible amortization	Impairment	Major restructuring	Legal fees and settlements	Divestments/sales milestones	Core result
Revenue	14,594	-	-	-	-	(130)	14,464
Cost of sales	5,395	(1,007)	(404)	(55)	-	-	3,929
Gross profit	9,199	1,007	404	55	-	(130)	10,535
Sales and distribution costs	6,706	-	(40)	(554)	-	-	6,112
Administrative expenses	1,160	-	(58)	(203)	-	-	899
Research and development costs	8,149	-	(5,150)	(322)	-	-	2,677
Profit/(loss) from operations (EBIT)	(6,816)	1,007	5,652	1,134	-	(130)	847
Net financials	(190)	-	-	-	-	-	(190)
Profit/(loss) before tax	(7,006)	1,007	5,652	1,134	-	(130)	657
Tax on profit/(loss) for the year	(1,312)	149	1,266	278	-	(31)	350
Profit/(loss) for the year	(5,694)	858	4,386	856	-	(99)	307
Earnings per share, basic (EPS) (DKK)	(28.98)	4.37	22.32	4.36	-	(0.51)	1.56

FY 2014

DKK million	Reported result	Intangible amortization	Impairment	Major restructuring	Legal fees and settlements	Divestments/sales milestones	Core result
Revenue	13,468	-	-	-	-	-	13,468
Cost of sales	4,160	(820)	-	-	-	-	3,340
Gross profit	9,308	820	-	-	-	-	10,128
Sales and distribution costs	5,164	-	-	-	-	-	5,164
Administrative expenses	1,134	-	-	-	-	-	1,134
Research and development costs	2,911	-	(309)	-	-	-	2,602
Profit/(loss) from operations (EBIT)	99	820	309	-	-	-	1,228
Net financials	(155)	-	-	-	-	-	(155)
Profit/(loss) before tax	(56)	820	309	-	-	-	1,073
Tax on profit/(loss) for the period	97	271	76	-	-	-	444
Profit/(loss) for the period	(153)	549	233	-	-	-	629
Earnings per share, basic (EPS) (DKK)	(0.78)	2.79	1.19	-	-	-	3.20

***Restatement of income statement following
the reclassification from administrative expenses***

Q4 2014

DKK million	Q4 2014			FY 2014		
	After restatement	Adjustment	Before restatement	After restatement	Adjustment	Before restatement
Revenue	3,247	-	3,247	13,468	-	13,468
Cost of sales	1,167	-	1,167	4,160	-	4,160
Gross profit	2,080	-	2,080	9,308	-	9,308
Sales and distribution costs	1,547	(83)	1,464	5,164	(296)	4,868
Administrative expenses	345	112	457	1,134	405	1,539
Research and development costs	1,026	(29)	997	2,911	(109)	2,802
Profit/(loss) from operations (EBIT)	(838)	-	(838)	99	-	99
Net financials	(31)	-	(31)	(155)	-	(155)
Profit/(loss) before tax	(869)	-	(869)	(56)	-	(56)
Tax on profit/(loss) for the period	(236)	-	(236)	97	-	97
Profit/(loss) for the period	(633)	-	(633)	(153)	-	(153)

FINANCIAL CALENDAR 2016

31 March 2016:	Annual General Meeting 2016
11 May 2016:	First quarter results 2016
24 August 2016:	Second quarter results 2016
2 November 2016	Third quarter results 2016

Corporate releases since the third quarter report

8 February 2016	US FDA accepts for review Otsuka and Lundbeck's sNDA filing for labeling update of Rexulti® (brexpiprazole) for maintenance treatment of schizophrenia
4 February 2016	FDA Psychopharmacologic Drug Advisory Committee supports the effectiveness of Brintellix® (vortioxetine) in treating certain aspects of cognitive dysfunction in Major Depressive Disorder (MDD)
1 December 2015	Incentive plans in the Lundbeck Group
30 November 2015	Total number of voting rights and share capital in H. Lundbeck A/S as of 30 November 2015
17 November 2015:	H. Lundbeck A/S increases its share capital by 139,333 shares (0.0707% of outstanding shares) as a result of employee warrant exercise

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

Lundbeck contacts

Investors:

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

Media:

Mads Kronborg
Director, Corporate Communication
mavk@lundbeck.com
+45 36 43 30 00

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 depression, schizophrenia, Parkinson's disease and Alzheimer's disease.

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

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

Our approximately 5,300 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 research centres in China and Denmark and production facilities in China, Denmark, France and Italy. Lundbeck generated revenue of DKK 14.6 billion in 2015 (EUR 2 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](https://twitter.com/Lundbeck).