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Lundbeck expands the agreement with Teva to include marketing of Azilect® in selected Asian countries

H. Lundbeck A/S (Lundbeck) today announced it had expanded the agreement with Teva Pharmaceutical Industries Ltd. (NASDAQ:TEVA) for Azilect® to cover six markets in Asia - China, South Korea, Hong Kong, Malaysia, Thailand and the Philippines.

The Asian market is becoming an increasingly important platform for Lundbeck, as the region experiences rapid growth within the CNS market. With the agreement Lundbeck gains access to six interesting Asian markets all expected to show significant growth within the Parkinson's disease market. Azilect® will be a significant growth driver of Lundbeck's Asian business in general, and especially for China and South Korea. The agreement comes on top of the recent grant of reimbursement in China on two of Lundbeck's key products, Cipralex® and Ebixa®.

As part of the agreement Lundbeck is responsible for conducting the clinical trials and preparing the application filings needed to gain a marketing authorisation in the individual markets. The first launch in one of the markets may potentially occur in approximately one year.

"With the new agreement with our partner Teva, we get an opportunity to expand our already successful work with Azilect®. The pharmaceutical markets in Asia, and the CNS market in particular, is undergoing rapid development, and we see this agreement as a possibility to further strengthen our commercial platform in this promising region," says Ole Chrintz, Senior Vice President, Commercial Operations at Lundbeck. "Azilect® is an important treatment option in an unsatisfied Parkinson's disease market and is the first medication that in clinical trials has shown an effect consistent with the possibility of disease modification in Parkinson's disease. We are glad that we will now be able to offer this effective treatment to the population in the Asian countries."

Specific financial terms remain undisclosed but Lundbeck will pay a share of net sales in the markets to Teva.

Change in accounting policy

In connection with the conclusion of the agreement and as a result of the clarification made in 2009 to IAS 18 *Revenue* in respect of the agent and principal method, Lundbeck has changed its accounting policy with respect to presentation of the existing agreement concerning Azilect®.

On conclusion of the new agreement, Lundbeck believes that the company is acting as principal in respect of total Azilect® sales. This means that Azilect® will henceforth be treated



for accounting purposes in the same way as Lundbeck's other products, for which the company pays a proportion of the revenue or earnings to an external partner. As a result of the change, Azilect[®] will henceforth make a full contribution to consolidated revenue, whilst license payments to Teva will be recognised as part of cost of sales, as opposed to the previous policy under which revenue from Azilect[®] was recognised net of license payments.

As a result of the change in accounting policy, revenue from Azilect[®] during the first nine months of 2009 will be DKK 545 million, against the previously reported figure of DKK 259 million. Cost of sales for the first nine months of 2009 will be DKK 1,915 million, against the previously reported figure of DKK 1,629 million.

The policy change will not affect Lundbeck's profit from operations (EBIT).

Comparative figures will be presented in connection with the publication of the annual report for 2009.

Financial Guidance

As a consequence of the change in accounting policy with regards to Azilect[®] revenue, Lundbeck expects total revenue for 2009 to be slightly higher than the guided range of DKK 13.1-13.6 billion. Apart from this, guidance for 2009 remains unchanged.

Lundbeck will present its financial result for 2009 on 4 March 2010. On the same occasion Lundbeck will present the expectations for the financial result for 2010.

About Azilect[®]

Azilect[®] (rasagiline tablets), a registered trademark that belongs to Teva, are indicated for the treatment of the signs and symptoms of Parkinson's disease both as initial therapy alone and to be added to levodopa later in the disease. Azilect[®] is now available in 38 countries, including the US, Canada, Israel, Mexico and all of the EU countries. Lundbeck has the rights to market Azilect[®] in Europe (in collaboration with Teva in the UK, France and Germany) and in China, South Korea, Malaysia, Hong Kong, The Philippines, Thailand, and a few other countries outside Europe.

About Parkinson's disease

Parkinson's disease is an age-related degenerative disorder of the brain. Symptoms can include tremor, stiffness, slowness of movement and impaired balance. An estimated four million people worldwide suffer from the disease, which usually affects people over the age of 60.



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About Lundbeck

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

Lundbeck was founded in 1915 by Hans Lundbeck in Copenhagen, Denmark, and employs today over 5,500 people worldwide. Lundbeck is one of the world's leading pharmaceutical companies working with CNS disorders. In 2008, the company's revenue was DKK 11.3 billion (approximately EUR 1.5 billion or USD 2.2 billion). For more information, please visit www.lundbeck.com.