



Company Announcement no. 6/2011

To: NASDAQ OMX Copenhagen A/S

Hørsholm, Denmark, 10 May, 2011

**LifeCycle Pharma announces result for the first quarter 2011
and confirms second quarter 2011 timing for Phase 3 results**

Highlights:

- On target for release of phase 3 top line data in June 2011 for LCP-Tacro™ in kidney transplant patients (stable patients, Study 3001).
- LCP reported a net loss of DKK 65.8 million for the first quarter of 2011 compared to a net loss of DKK 80.0 million for the same period in 2010. The reported net loss is in line with the expectations for 2011, which were announced in the annual report for 2010, published on 1 March 2011.
- For the first quarter of 2011, LCP's research and development costs amounted to DKK 52.3 million compared to DKK 56.3 million during the same period in 2010.
- On 31 March, 2011, LCP had cash and cash equivalents of DKK 462.3 million.

Outlook for 2011

LCP maintains its 2011 outlook with an operating loss of DKK 250–280 million and likewise a net loss of DKK 250–280 million. The Company's position of cash and cash equivalents as at 31 December, 2011 is expected to be in the range of DKK 250–300 million.

Research & development update

LCP-Tacro™ in kidney transplant patients (stable patients, Study 3001)

The clinical Phase 3 program in stable kidney transplant patients was initiated in December 2008, and full patient enrollment was finalized early January 2010 with 326 patients. The primary endpoint for the study is a non-inferiority comparison of LCP-Tacro™ to Prograf® with the traditional composite endpoint of: Biopsy Proven Acute Rejection ("BPAR"), graft failure, loss to follow up or death. Secondary endpoints include assessments of safety/tolerability measures and renal function. Patients were evaluated on treatment every few months over a 12-month treatment duration plus a safety follow-up visit at month 13.

The clinical trial is progressing according to plan, and all patients have completed their treatment. LCP expects to announce topline results of this key study in June 2011.



LCP-Tacro™ in kidney transplant patients (de novo patients, Study 3002)

The clinical Phase 3 program in *de novo* kidney transplant patients was initiated in October 2010. Patient enrollment is ongoing, and will include approximately 540 patients in total.

The study is expected to be ready for filing in the U.S. and EU in the first quarter of 2013.

The LCP Study 3002 is a randomized, double-blind, multicenter study that will compare once-daily LCP-Tacro™ against twice-daily Prograf® in *de novo* adult kidney transplant patients. The primary endpoint of the study, a composite endpoint (BPAR, graft failure, loss to follow up or death), will be evaluated after a 12-month treatment period to demonstrate the non-inferiority of LCP-Tacro™ compared to Prograf®. Secondary endpoints will include safety, tolerability and renal function assessments. The study will be conducted at approximately 100 transplant centers, primarily in the U.S and Europe. Patients will participate in a 12-month extension period on treatment for follow-up safety assessments.



| Financial Highlights | | | |
|---|--------------------------------|--------------------------------|----------------------------------|
| | Q1 2011 DKK'000 | Q1 2010 DKK'000 | Year 2010 DKK'000 |
| Income Statement | | | |
| Revenue | - | 623 | 1,496 |
| Research and development costs | (52,261) | (56,349) | (210,426) |
| Administrative expenses | (11,724) | (13,157) | (52,198) |
| One-off restructuring cost | - | (10,894) | (10,894) |
| Operating loss | (63,985) | (79,777) | (272,022) |
| Net financial income / (expenses) | (1,850) | (212) | (759) |
| Loss before tax | (65,835) | (79,989) | (272,781) |
| Tax for the period | - | - | (1,425) |
| Net loss for the period | (65,835) | (79,989) | (274,206) |
| Balance Sheet | | | |
| Cash and cash equivalents | 462,319 | 261,918 | 531,519 |
| Total assets | 490,578 | 302,353 | 562,906 |
| Share capital | 452,543 | 56,568 | 452,543 |
| Total equity | 436,200 | 240,383 | 498,238 |
| Investment in property, plant and equipment | 621 | 493 | 2,583 |
| Cash Flow Statement | | | |
| Cash flow from operating activities | (65,396) | (69,812) | (238,148) |
| Cash flow from investing activities | (299,602) | (583) | (2,658) |
| Cash flow from financing activities | (1,407) | (1,095) | 440,014 |
| Cash and cash equivalents at period end | 462,319 | 261,918 | 531,519 |
| Financial Ratios | | | |
| Basic and diluted EPS | (0.15) | (1.41) | (2.84) |
| Weighted average number of shares | 452,542,480 | 56,567,810 | 96,707,708 |
| Average number of employees (FTEs) | 54 | 69 | 59 |
| Assets/equity | 1.12 | 1.26 | 1.13 |

The interim report is unaudited.



Revenue

For the first quarter of 2011 LCP had no revenue compared to DKK 0.6 million in revenues in the same period of 2010. Revenue in 2010 consisted of payments under LCP's collaboration agreements.

Research and development costs

For the first quarter of 2011, LCP's research and development costs amounted to DKK 52.3 million compared to DKK 56.3 million during the same period in 2010. Research and development costs are mainly attributable to the two ongoing phase 3 trials in LCP-Tacro™. In the period cost is included to the finalization of the phase 3 study in kidney transplant patients (stable patients, Study 3001), along with costs associated to the ramp up in the phase 3 study in kidney transplant patients (de novo patients, Study 3002).

Administrative expenses

For the first quarter of 2011, LCP's administrative cost amounted to DKK 11.7 million compared to DKK 13.2 million during the same period in 2010 and DKK 13.4 million in the previous quarter. The reduction in cost reflects the cost reduction initiatives which have taken place during 2010.

One-off restructuring cost

One-off restructuring cost mainly includes salary payments to former employees in connection with the reduction in January 2010.

Compensation costs

For the first three months of 2011, a total of DKK 3.5 million was recognized as share-based compensation. The cost is included in R&D and G&A. The comparable cost for 2010 was DKK 3.1 million.

In the first quarter of 2011, a total of 1,260,052 warrants were granted to a member of the Executive Management at a strike price of DKK 1.23, while other employees were granted a total of 1,352,000 warrants at a strike price of DKK 1.23. In the first quarter of 2011, a total of 1,675,278 warrants have been cancelled.

As of 31 March, 2011, there were a total of 28,511,698 warrants outstanding at an average strike price of DKK 3.2. Members of the Board of Directors held 578,976 warrants at an average strike price of DKK 9.8. Members of the Executive Management held 8,788,122 warrants at an average strike price of DKK 2.2, while other current and former employees held 19,144,600 warrants at an average strike price of DKK 3.5.

Please refer to LCP's latest annual report for additional details on the Company's warrant programs.

Operating loss

LCP's operating loss for the first three months of 2011 was DKK 64.0 million compared to DKK 79.8 million in the corresponding period of 2010.

Financial income

During the first three months of 2011, the Company recognized net financial expenses of DKK 1.9 million compared to net financial expenses of DKK 0.2 million in the first three months of 2010. The loss is mainly due to currency losses following the decline in the USD / DKK currency rate.



Net loss

LCP's net loss for the first three months of 2011 was DKK 65.8 million compared to DKK 80.0 million in the corresponding period of 2010.

Cash flow

As per 31 March, 2011, the balance sheet reflects cash and cash equivalents to DKK 462.3 million compared to DKK 531.5 million as per 31 December, 2010. This represents a decrease of DKK 69.2 million primarily related to the Company's operating activities for the period.

Balance sheet

As per 31 March, 2011, total assets were DKK 490.6 million compared to DKK 562.9 million at the end of 2010.

Shareholders' equity equalled DKK 436.2 million as of 31 March, 2011, compared to DKK 498.2 million at the end of 2010.

Accounting policies

The interim report is prepared in compliance with International Accounting Standard No. 34 (IAS 34), "Interim Financial Reporting" and in accordance with the NASDAQ OMX Copenhagen's financial reporting requirements for listed companies.

There have been no changes in accounting policies used for the interim report compared to the accounting policies used in the preparation of LifeCycle Pharma group's annual report for 2010.

Financial review

LCP reports its financial statements in Danish Kroner (DKK), which is the functional currency of the Company and the group. Solely for the convenience of the reader, this Interim Report contains a conversion of certain DKK amounts into Euro (EUR) at a specified rate. These converted amounts should not be construed as representations that the DKK amounts actually represent such EUR amounts or could be converted into EUR at the rate indicated or at any other rate. Unless otherwise indicated, conversion herein of financial information into EUR has been made using the Danish Central Bank's spot rate on 31 March 2011, which was EUR 1.00 = DKK 7.4567.



Grant of warrants

At a board meeting held on 10 May 2011, the Board of Directors decided to issue 250,000 warrants to the Board of Directors of LCP.

By application of the Black-Scholes formula, the market value of the warrant program can be calculated as DKK 0.5 per warrant assuming an exercise price of DKK 1.16, equal to the closing price of the Company's share at the NASDAQ OMX Copenhagen on 10 May 2011, based on an interest rate of 2.56% and a volatility of the Company's shares of 52%.

The volatility is based on the Company's historical share prices since its IPO in November 2006.



Conference Call

On 11 May, 2011, LCP's Management will host a conference call, at 3:00 PM CET (Denmark); 2:00 PM GMT (London), 9:00 AM ET (New York), 6:00 AM PT (San Francisco).

To access the live conference call, please dial one of the following numbers:

+45 32 72 76 25 Denmark

+44 (0) 1452 555 566 UK

+1 631 510 7498 USA

Access code 64356225

Following the conference call, a recording will be available on the company's website www.lcpharma.com.

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The forward looking statements and targets contained herein are based on LifeCycle Pharma A/S' management's current view and assumptions. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated herein. LifeCycle Pharma A/S expressly disclaim any obligation or undertaking to update or revise any forward looking statements, targets or estimates contained in this interim report to reflect any change in events, conditions, assumptions, or circulations on which any such statements are based unless required by applicable law.

About LifeCycle Pharma A/S (LCP)

Based in Hørsholm, Denmark, with an office in New Jersey, LCP is a specialty pharmaceutical company. Clinical development is the core of LCP's efforts to develop a product portfolio which includes the Company's lead product candidate, LCP-Tacro™, for immunosuppression, specifically organ transplantation, and products to combat certain cardiovascular diseases. LCP adapts new technologies on a fast commercial timetable. LCP's unique, patented delivery technology, MeltDose®, can improve absorption and bioavailability - at low-scale up costs - not only for a broad spectrum of drugs already on the market but also for new chemical entities. LCP has a lipid-lowering product, Fenoglide®, currently on the U.S. market and a diversified near and medium-term pipeline with three clinical stage product candidates and a number of projects in preclinical development. LCP is listed on the NASDAQ OMX Copenhagen under the trading symbol OMX: LCP. For further information, please visit www.lcpharma.com.



Executive Management's and the Board of Directors' Statement on the Interim Report

The Executive Management and the Board of Directors have considered and adopted the Interim Report of LifeCycle Pharma A/S.

The Interim Report is prepared in accordance with International Accounting Standard No. 34 (IAS 34), "Interim Financial Reporting" and additional Danish disclosure requirements for financial reporting of listed companies.

We consider the applied accounting policies to be appropriate and, in our opinion, the Interim Report gives a true and fair view of the assets and liabilities, financial position, results of the operation and cash flow of the group for the period under review. Furthermore, in our opinion the management review includes a fair review of the development and performance of the business and the financial position of the group, together with a description of the material risks and uncertainties the group faces. The group does not face any material risks or uncertainties relating to the financial statements.

Hørsholm, 10 May, 2011

Executive Management

Dr. William J. Polvino
President and CEO

Peter G. Nielsen
Executive Vice President

Board of Directors

Kim Björnstrup
(Chairman)

Thomas Dyrberg
(Deputy Chairman)

Kurt Anker Nielsen

Anders Götzsche

Mette Kirstine Agger

Interim Report
for the 3 Months Ended 31 March, 2011
(10 May, 2011)



| Financial Highlights | | | | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Quarterly Numbers in DKK | | | | | |
| | Q1 2011 DKK'000 | Q4 2010 DKK'000 | Q3 2010 DKK'000 | Q2 2010 DKK'000 | Q1 2010 DKK'000 |
| Income Statement | | | | | |
| Revenue | - | - | 3 | 871 | 623 |
| Research and development costs | (52,261) | (48,302) | (66,150) | (39,625) | (56,349) |
| Administrative expenses | (11,724) | (13,439) | (12,829) | (12,773) | (13,157) |
| One-off restructuring cost | - | - | - | - | (10,894) |
| Operating loss | (63,985) | (61,741) | (78,976) | (51,527) | (79,777) |
| Net financial income / (expenses) | (1,850) | 461 | (695) | (313) | (212) |
| Loss before tax | (65,835) | (61,281) | (79,671) | (51,840) | (79,989) |
| Tax for the period | - | (168) | (862) | (395) | - |
| Net loss for the period | (65,835) | (61,448) | (80,533) | (52,235) | (79,989) |
| Balance Sheet | | | | | |
| Cash and cash equivalents | 462,319 | 531,519 | 134,022 | 205,136 | 261,918 |
| Total assets | 490,578 | 562,906 | 163,651 | 245,345 | 302,353 |
| Share capital | 452,543 | 452,543 | 56,568 | 56,568 | 56,568 |
| Total equity | 436,200 | 498,238 | 111,902 | 189,958 | 240,383 |
| Investment in property, plant and equipment | 621 | 1,548 | 441 | 101 | 493 |
| Cash Flow Statement | | | | | |
| Cash flow from operating activities | (65,396) | (45,568) | (67,109) | (55,659) | (69,812) |
| Cash flow from investing activities | (299,602) | (1,548) | (281) | (246) | (583) |
| Cash flow from financing activities | (1,407) | 444,519 | (2,059) | (1,351) | (1,095) |
| Cash and cash equivalents at period end | 462,319 | 531,519 | 134,022 | 205,136 | 261,918 |
| Financial Ratios | | | | | |
| Basic and diluted EPS | (0.15) | (0.64) | (1.42) | (0.92) | (1.41) |
| Weighted average number of shares | 452,542,480 | 96,707,708 | 56,567,810 | 56,567,810 | 56,567,810 |
| Average number of employees (FTEs) | 54 | 54 | 51 | 60 | 69 |
| Assets/equity | 1.12 | 1.13 | 1.46 | 1.29 | 1.26 |

Interim Report
for the 3 Months Ended 31 March, 2011
(10 May, 2011)



| Financial Highlights | | | | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Quarterly Numbers in EUR | | | | | |
| | Q1 2011 EUR'000 | Q4 2010 EUR'000 | Q3 2010 EUR'000 | Q2 2010 EUR'000 | Q1 2010 EUR'000 |
| Income Statement | | | | | |
| Revenue | - | - | - | 117 | 84 |
| Research and development costs | (7,009) | (6,478) | (8,871) | (5,314) | (7,557) |
| Administrative expenses | (1,572) | (1,802) | (1,720) | (1,713) | (1,765) |
| One-off restructuring cost | - | - | - | - | (1,461) |
| Operating loss | (8,581) | (8,280) | (10,591) | (6,910) | (10,699) |
| Net financial income / (expenses) | (248) | 62 | (93) | (42) | (28) |
| Loss before tax | (8,829) | (8,218) | (10,684) | (6,952) | (10,727) |
| Tax for the period | - | (22) | (116) | (53) | - |
| Net loss for the period | (8,829) | (8,240) | (10,800) | (7,005) | (10,727) |
| Balance Sheet | | | | | |
| Cash and cash equivalents | 62,001 | 71,281 | 17,973 | 27,510 | 35,125 |
| Total assets | 65,790 | 75,490 | 21,947 | 32,903 | 40,548 |
| Share capital | 60,689 | 60,689 | 7,586 | 7,586 | 7,586 |
| Total equity | 58,498 | 66,817 | 15,007 | 25,475 | 32,237 |
| Investment in property, plant and equipment | 83 | 208 | 59 | 14 | 66 |
| Cash Flow Statement | | | | | |
| Cash flow from operating activities | (8,770) | (6,111) | (9,000) | (7,464) | (9,362) |
| Cash flow from investing activities | (40,179) | (208) | (38) | (33) | (78) |
| Cash flow from financing activities | (189) | 59,613 | (276) | (181) | (147) |
| Cash and cash equivalents at period end | 62,001 | 71,281 | 17,973 | 27,510 | 35,125 |
| Financial Ratios | | | | | |
| Basic and diluted EPS | (0.02) | (0.09) | (0.19) | (0.12) | (0.19) |
| Weighted average number of shares | 452,542,480 | 96,707,708 | 56,567,810 | 56,567,810 | 56,567,810 |
| Average number of employees (FTEs) | 54 | 54 | 51 | 60 | 69 |
| Assets/equity | 1.12 | 1.13 | 1.46 | 1.29 | 1.26 |



Statements of comprehensive income

| Income Statement | | Consolidated | | |
|-----------------------------------|-----------------|-----------------|------------------|--|
| (DKK'000) | Q1 2011 | Q1 2010 | Year 2010 | |
| Revenue | - | 623 | 1,496 | |
| Research and development costs | (52,261) | (56,349) | (210,426) | |
| Administrative expenses | (11,724) | (13,157) | (52,198) | |
| One-off restructuring cost | - | (10,894) | (10,894) | |
| Operating loss | (63,985) | (79,777) | (272,022) | |
| Financial income | 1,645 | 699 | 3,635 | |
| Financial expenses | (3,495) | (911) | (4,394) | |
| Loss before tax | (65,835) | (79,989) | (272,781) | |
| Tax for the period | - | - | (1,425) | |
| Net loss for the period | (65,835) | (79,989) | (274,206) | |
| Basic and diluted EPS | (0.15) | (1.41) | (2.84) | |
| Weighted average number of shares | 452,542,480 | 56,567,810 | 96,707,708 | |

| Statements of comprehensive income | | Consolidated | | |
|--|-----------------|-----------------|------------------|--|
| (DKK'000) | Q1 2011 | Q1 2010 | Year 2010 | |
| Net loss for the period | (65,835) | (79,989) | (274,206) | |
| Other comprehensive income: | | | | |
| Currency translation differences | 271 | 12 | 136 | |
| Other comprehensive income for the period | 271 | 12 | 136 | |
| Total comprehensive income for the period | (65,564) | (79,977) | (274,070) | |



Balance sheet

| Assets (DKK'000) | Consolidated | | |
|--------------------------------------|-----------------|-----------------|-----------------|
| | 31 Mar. 2011 | 31 Mar. 2010 | 31 Dec. 2010 |
| Patent rights and software | 2,035 | 836 | 1,938 |
| Intangible assets | 2,035 | 836 | 1,938 |
| Property, plant and equipment | 11,099 | 17,074 | 11,950 |
| Leasehold improvements | 5,317 | 7,218 | 5,858 |
| Property, plant and equipment | 16,416 | 24,292 | 17,808 |
| Non-current assets | 18,451 | 25,128 | 19,746 |
| Trade receivables | - | 303 | - |
| Other receivables | 6,325 | 6,206 | 8,590 |
| Prepayments | 3,483 | 8,798 | 3,051 |
| Receivables | 9,808 | 15,307 | 11,641 |
| Securities | 299,039 | - | - |
| Cash | 163,281 | 261,918 | 531,519 |
| Cash and cash equivalents | 462,319 | 261,918 | 531,519 |
| Current assets | 472,127 | 277,225 | 543,160 |
| Assets | 490,578 | 302,353 | 562,906 |



Balance sheet

| Equity & Liabilities | Consolidated | | |
|---------------------------------|-------------------------|-------------------------|-------------------------|
| (DKK'000) | 31 Mar. 2011 | 31 Mar. 2010 | 31 Dec. 2010 |
| Share capital | 452,543 | 56,568 | 452,543 |
| Share premium | (18,708) | 181,845 | 43,601 |
| Translation reserves | 2,365 | 1,970 | 2,094 |
| Equity | 436,200 | 240,383 | 498,238 |
| Finance lease | 7,118 | 12,755 | 8,532 |
| Non-current liabilities | 7,118 | 12,755 | 8,532 |
| Finance lease | 5,749 | 5,628 | 5,742 |
| Trade payables | 12,045 | 12,832 | 23,528 |
| Other payables | 29,466 | 30,755 | 26,866 |
| Current liabilities | 47,260 | 49,215 | 56,136 |
| Liabilities | 54,378 | 61,970 | 64,668 |
| Equity and liabilities | 490,578 | 302,353 | 562,906 |



Cash flow statements

| Cash Flow Statement (DKK'000) | Consolidated | | |
|---|------------------|-----------------|------------------|
| | Q1 2011 | Q1 2010 | Year 2010 |
| Operating loss | (63.985) | (79.777) | (272.022) |
| Share-based payment | 3.526 | 3.079 | 9.810 |
| Depreciation and amortization | 1.899 | 2.493 | 9.957 |
| Changes in working capital | (6.649) | 4.057 | 14.835 |
| Cash flow from operating activities before interest | (65.209) | (70.148) | (237.420) |
| Interest received | 1.047 | 612 | 1.689 |
| Interest paid | (1.234) | (276) | (992) |
| Corporate tax paid | - | - | (1.425) |
| Cash flow from operating activities | (65.396) | (69.812) | (238.148) |
| Purchase of property, plant and equipment | (621) | (493) | (2.583) |
| Investments in and sale of bonds | (299.039) | - | - |
| Cash transfer to restricted security deposit | 58 | (90) | (75) |
| Cash flow from investing activities | (299.602) | (583) | (2.658) |
| Installments on bank borrowings and finance lease | (1.407) | (1.095) | (5.203) |
| Proceeds from issuance of shares, net | - | - | 445.217 |
| Cash flow from financing activities | (1.407) | (1.095) | 440.014 |
| Increase/(decrease) in cash | (366.405) | (71.490) | 199.208 |
| Cash at beginning of period | 530.081 | 332.066 | 332.066 |
| Exchange gains/(losses) on cash | (1.775) | (110) | (1.193) |
| Cash at end of period | 161.901 | 260.466 | 530.081 |
| Cash and cash equivalents at end of period comprise: | | | |
| Restricted bank deposit | 1.379 | 1.452 | 1.438 |
| Securities | 299.039 | - | - |
| Deposit on demand and cash | 161.901 | 260.466 | 530.081 |
| | 462.319 | 261.918 | 531.519 |



Statement of changes in equity

| Consolidated Equity | | | | | | |
|--------------------------------------|---------------------|-----------------------------|-----------------------------|------------------------------------|---------------------------------|------------------|
| | Number of Shares | Share Capital DKK'000 | Share Premium DKK'000 | Translation Reserves DKK'000 | Retained Earnings DKK'000 | Total DKK'000 |
| Equity as of 1 January 2010 | 56.567.810 | 56.568 | 1.080.263 | 1.958 | (821.508) | 317.281 |
| Total comprehensive income | | | | 12 | (79.989) | (79.977) |
| Share-based payment | | | | | 3.079 | 3.079 |
| Transfer of retained earnings | | | (898.418) | | 898.418 | - |
| Equity as of 31 March 2010 | 56.567.810 | 56.568 | 181.845 | 1.970 | - | 240.383 |
| Total comprehensive income | | | | 124 | (194.217) | (194.093) |
| Issuance of shares | 395.974.670 | 395.975 | 79.195 | | | 475.170 |
| Share-based payment | | | | | 6.731 | 6.731 |
| Costs related to capital increases | | | (29.953) | | | (29.953) |
| Transfer of retained earnings | | | (187.486) | | 187.486 | - |
| Equity as of 31 December 2010 | 452.542.480 | 452.543 | 43.601 | 2.094 | - | 498.238 |
| Total comprehensive income | | | | 271 | (65.835) | (65.564) |
| Share-based payment | | | | | 3.526 | 3.526 |
| Transfer of retained earnings | | | (62.309) | | 62.309 | - |
| Equity as of 31 March 2011 | 452.542.480 | 452.543 | (18.708) | 2.365 | - | 436.200 |

The share capital is not available for distribution, while other reserves are distributable for dividend purposes subject to the provision of the Danish Public Company Act.