



Company Announcement no. 8/2010

To: NASDAQ OMX Copenhagen

Hørsholm, Denmark, 12 May, 2010

LifeCycle Pharma announces result for the first quarter 2010 and maintains its outlook for 2010.

LifeCycle Pharma A/S (OMX:LCP) today announced the Interim Report for the 3 months ended 31 March, 2010.

Highlights:

- LCP has been granted its first European patent relating to LCP-TacroTM. The European patent relates to the pharmaceutical composition and oral dosage form comprising tacrolimus in a vehicle mixture of polyethylene glycol and a poloxamer. The patent is the first patent ever granted to LCP in Europe and also the first patent granted for LCP-TacroTM in a major market. LCP has also LCP-TacroTM product patents in China and India.
- In 2009 and in the first quarter of 2010 LCP has focused its organization to optimize value creation. The organization is being strengthened in the areas of late stage drug development and business development during 2010 with up to 10 new employees.
- LCP reported a net loss of DKK 80.0 million for the first quarter of 2010, which included one-off restructuring costs related to salary payments to former employees in connection with the reduction in force in January 2010. In the same period in 2009 the net loss was DKK 69.7 million. The reported net loss is in line with the expectations for 2010 which were announced in the annual report for 2009 published on 24 February, 2010.
- For the first quarter of 2010, LCP's research and development costs amounted to DKK 56.3 million compared to DKK 62.8 million during the same period in 2009.
- For the first quarter of 2010, LCP's had a net financial expense of DKK 0.2 million compared to an income of DKK 9.7 million in the same period in 2009. The decrease in financial income is a reflection of lower earned interest on a declining cash position during the period and currency loss related to the increased DKK/USD rate.
- On 31 March, 2010, LCP had cash and cash equivalents of DKK 261.9 million.

A conference call will be held today, 12 May, 2010 at 5:30 PM CET (Denmark). Please refer to page 7 for further details.

Outlook for 2010

LCP maintains its 2010 outlook with an operating loss of DKK 260–290 million and likewise a net loss of DKK 260–290 million.

As of 31 December, 2009, the Company's cash position equaled DKK 333.4 million and the Company's 31 December, 2010 cash position is expected to be in the range of DKK 50–100 million.



Research & development update

LCP-Tacro™ in kidney patients

The clinical Phase 3 program in stable kidney transplant patients was initiated in December 2008. The patient enrollment was finalized early January 2010 with 326 patients. The clinical trial is progressing according to plan, and the patients are now all enrolled in a 52 (excluding a 4 week follow-up period) week trial. We expect as previously announced to complete the treatment in stable kidney patients in first quarter of 2011.

As previously announced we submitted the protocol for LCP-Tacro™ in *de novo* kidney patients to the United States Food and Drug Administration (FDA) in December 2009. We have had a constructive dialogue and submitted the protocol for a Special Protocol Assessment in late March 2010 and expect to have a feedback on the design of the Phase 3 protocol this quarter, and still expect to enroll the first patient for this trial around the mid 2010.

The phase 2 PK clinical studies in *de novo* kidney and liver transplant patients were successfully completed in April 2009 for *de novo* kidney patients and in August 2009 for *de novo* liver patients. Both studies will have a one year extension phase and the results from the extension phases are still expected during this quarter for the kidney program and Q3 2010 for the liver program.

Legal update

On 28 April 2010, Shionogi Pharma, Inc. and LCP jointly filed in the US District Court for the district of Delaware, a patent infringement lawsuit against Impax Laboratories Ltd. (Impax) in response to their Abbreviated New Drug Application (ANDA) for a proposed generic Fenoglide® (fenofibrate) 40 and 120 milligram tablets. Impax has generic versions approved in the United States of higher doses of fenofibrate products (200 mg capsules and 160 mg tablets). In their ANDA, Impax requests approval to sell generic Fenoglide® tablets following the approval by the FDA. Shionogi and LCP's lawsuit asserts that Impax, if permitted to market generic Fenoglide® tablets following a potential approval of the ANDA, will infringe LCP's patent covering Fenoglide® (patent number US 7,658,944 which expires in 2024) and requests that the Court enter an injunction barring the sale of the Impax ANDA product until the expiration of the LCP patent. The trial in the US District Court has not yet been scheduled.



Key Figures

	Q1 2010 DKK'000	Q1 2009 DKK'000	Year 2009 DKK'000
Income Statement			
Revenue	623	349	2,476
Research and development costs	(56,349)	(62,810)	(210,140)
Administrative expenses	(13,157)	(16,982)	(62,381)
One-off restructuring cost	(10,894)	-	(9,489)
Operating loss	(79,777)	(79,443)	(279,534)
Net financial income / (expenses)	(212)	9,735	8,540
Net loss for the period	(79,989)	(69,708)	(270,994)
Balance Sheet			
Cash and cash equivalents	261,918	520,228	333,429
Total assets	302,353	574,148	379,269
Share capital	56,568	56,439	56,568
Total equity	240,383	507,712	317,281
Investment in property, plant and equipment	493	2,515	11,043
Cash Flow Statement			
Cash flow from operating activities	(69,812)	(77,772)	(251,158)
Cash flow from investing activities	(583)	(2,600)	(11,011)
Cash flow from financing activities	(1,095)	(105)	729
Cash and cash equivalents at period end	261,918	520,228	333,429
Financial Ratios			
Basic and diluted EPS	(1.41)	(1.24)	(4.80)
Weighted average number of shares	56,567,810	56,297,561	56,443,701
Average number of employees (FTEs)	69	102	93
Assets/equity	1.26	1.13	1.20

The interim report is unaudited.



Revenue

For the first quarter of 2010 LCP recognized DKK 0.6 million in revenues compared to DKK 0.3 million in the same period of 2009. Revenue consists of payments under LCP's collaboration agreements.

Research and development costs

For the first quarter of 2010, LCP's research and development costs amounted to DKK 56.3 million compared to DKK 62.8 million during the same period in 2009. The decrease is mainly due to fluctuations in activity in connection with the ongoing Phase 3 trial for LCP-TacroTM (Stable kidney transplant patients).

Administrative expenses

For the first quarter of 2010, LCP's administrative cost amounted to DKK 13.2 million compared to DKK 17.0 million during the same period in 2009 and DKK 14.7 million in the previous quarter. The reduction in cost is attributable to the continued focus of reducing overall cost, combined with the effect of the reduction in force that has taken place during the past 9 months.

One-off restructuring cost

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

Compensation costs

For the first three months of 2010, a total of DKK 3.1 million was recognized as share-based compensation. The cost is included in R&D and G&A. The comparable cost for 2009 was DKK 3.8 million.

In the first quarter of 2010, a total of 50,000 warrants were granted to a member of the Executive Management at a strike price of DKK 6.05, while other employees were granted a total of 538,000 warrants at a strike price of DKK 6.05. In the first quarter of 2010, a total of 499,929 warrants have been cancelled.

As of 31 March, 2010, there were a total of 4,625,676 warrants outstanding at an average strike price of DKK 18.2. Members of the Board of Directors held 350,667 warrants at an average strike price of DKK 21.8. Members of the Executive Management held 807,572 warrants at an average strike price of DKK 12.8, while other current and former employees held 3,467,437 warrants at an average strike price of DKK 19.1.

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 2010 was DKK 79.8 million compared to DKK 79.4 million in the corresponding period of 2009.

Financial income

During the first three months of 2010, the Company recognized net financial expenses of DKK 0.2 million compared to an income of DKK 9.7 million in the first three months of 2009. The decrease in financial income is a reflection of lower earned interest on a declining cash position during the period and currency loss related to the increased DKK/USD rate.



Net loss

LCP's net loss for the first three months of 2010 was DKK 80.0 million compared to DKK 69.7 million in the corresponding period of 2009.

Cash flow

As per 31 March, 2010, the balance sheet reflects cash and cash equivalents to DKK 261.9 million compared to DKK 333.4 million as per 31 December, 2009. This represents a decrease of DKK 71.5 million primarily related to the Company's operating activities for the period.

Balance sheet

As per 31 March, 2010, total assets were DKK 302.4 million compared to DKK 379.3 million at the end of 2009.

Shareholders' equity equalled DKK 240.4 million as of 31 March, 2010, compared to DKK 317.3 million at the end of 2009.

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 2009.

The line "one-off restructuring cost" includes major restructuring costs, mainly salary to former employees and is shown separately to facilitate the comparability of income statement and to provide a better picture of the operational result.

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, 2010, which was EUR 1.00 = DKK 7.4447.



Grant of warrants

At a board meeting held on 12 May, 2010, the Board of Directors decided to issue 150,000 warrants to employees of the LCP. Of the total granted warrants, Tim Melkus, Senior Vice President, Development Operations was granted 100,000 warrants.

Each warrant entitles the holder to subscribe one share of nominal DKK 1 in the Company against cash contribution equal to the closing price of the Company's shares at the NASDAQ OMX Copenhagen on 13 May, 2010, thus ensuring that the exercise price reflects the fair market price per share following the disclosure of the interim report for the first three months of 2010.

By application of the Black-Scholes formula, the market value of the warrant program can be calculated as DKK 2.0 per warrant assuming an exercise price of DKK 4.87, equal to the closing price of the Company's share at the NASDAQ OMX Copenhagen on 11 May, 2010, based on an interest rate of 2.22% and a volatility of the Company's shares set to 49%.

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



Conference Call

Today, 12 May, 2010, LCP's Management will host a conference call, at 5:30 PM CET (Denmark); 4:30 PM GMT (London), 11:30 AM ET (New York), 8:30 AM PT (San Francisco).

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

+45 32 71 47 75 Denmark Toll

+1 212 444 0481 USA Toll

+44 (0)20 7136 2051 UK Toll

An audio replay of the conference call will be available on www.lcpharma.com from tomorrow Thursday, 13 May, 2010 at 18:00 PM CET (Denmark); 17:00 PM GMT (London), 12:00 PM ET (New York), 9:00 AM PT (San Francisco), through Friday, 11 June, 2010 by dialing +45 32 71 09 13 (DK), +44 (0) 20 7111 1244 (UK) or +1 347 366 9565 (US), and entering access code 2534991#.

Additional information:

Dr. William J. Polvino
President and CEO
+1 (917) 647 9107
wjp@lcpharma.com

Peter Schøtt Knudsen
General Counsel and Head of Investor Relations
+45 20 55 38 17
psk@lcpharma.com

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 York, LCP is an emerging specialty pharmaceutical company. Clinical development is the core of LCP's effort to develop a product portfolio which includes products for immunosuppression, specifically organ transplantation, and products to combat certain cardiovascular diseases. As a fully integrated company, 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 cholesterol-lowering product, Fenoglide™, currently on the U.S. market and a diversified near- and medium-term pipeline with four product candidates in clinical trials 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, 12 May, 2010

Executive Management

Dr. William J. Polvino
President and CEO

Peter G. Nielsen
Executive Vice President

Board of Directors

Paul Edick
(Chairman)

Thomas Dyrberg
(Deputy Chairman)

Kurt Anker Nielsen

Jean Deleage

Gérard Soula

Anders Götzsche

Mette Kirstine Agger

Interim Report
for the 3 Months Ended 31 March, 2010
(12 May, 2010)



Quarterly Numbers in DKK

	Q1 2010 DKK'000	Q4 2009 DKK'000	Q3 2009 DKK'000	Q2 2009 DKK'000	Q1 2009 DKK'000
Income Statement					
Revenue	623	182	447	1,499	349
Research and development costs	(56,349)	(45,740)	(43,986)	(57,604)	(62,810)
Administrative expenses	(13,157)	(14,713)	(14,330)	(16,357)	(16,981)
One-off restructuring cost	(10,894)	-	(9,489)	-	-
Operating loss	(79,777)	(60,271)	(67,358)	(72,462)	(79,443)
Net financial income / (expenses)	(212)	516	394	(2,105)	9,735
Net loss for the period	(79,989)	(59,755)	(66,964)	(74,567)	(69,708)
Balance Sheet					
Cash and cash equivalents	261,918	333,429	392,133	439,809	520,228
Total assets	302,353	379,269	444,915	500,455	574,148
Share capital	56,568	56,568	56,568	56,439	56,439
Total equity	240,383	317,281	373,583	436,727	507,712
Investment in property, plant and equipment	493	489	890	7,149	2,515
Cash Flow Statement					
Cash flow from operating activities	(69,812)	(56,800)	(44,714)	(71,872)	(77,772)
Cash flow from investing activities	(583)	(504)	(843)	(7,064)	(2,600)
Cash flow from financing activities	(1,095)	(1,312)	(446)	2,593	(105)
Cash and cash equivalents at period end	261,918	333,429	392,133	439,809	520,228
Financial Ratios					
Basic and diluted EPS	(1.41)	(1.06)	(1.19)	(1.32)	(1.24)
Weighted average number of shares	56,567,810	56,443,701	56,467,878	56,438,320	56,297,561
Average number of employees (FTEs)	69	77	88	99	102
Assets/equity	1.26	1.20	1.19	1.15	1.13

Interim Report
for the 3 Months Ended 31 March, 2010
(12 May, 2010)



Quarterly Numbers in Euro					
	Q1 2010 EUR'000	Q4 2009 EUR'000	Q3 2009 EUR'000	Q2 2009 EUR'000	Q1 2009 EUR'000
Income Statement					
Revenue	84	24	60	201	47
Research and development costs	(7,569)	(6,144)	(5,908)	(7,738)	(8,437)
Administrative expenses	(1,767)	(1,976)	(1,925)	(2,196)	(2,281)
One-off restructuring cost	(1,463)	-	(1,275)	-	-
Operating loss	(10,715)	(8,096)	(9,048)	(9,733)	(10,671)
Net financial income / (expenses)	(29)	69	53	(283)	1,308
Net loss for the period	(10,744)	(8,027)	(8,995)	(10,016)	(9,363)
Balance Sheet					
Cash and cash equivalents	35,182	44,787	52,673	59,077	69,879
Total assets	40,613	50,945	59,763	67,223	77,122
Share capital	7,598	7,598	7,598	7,581	7,581
Total equity	32,289	42,618	50,181	58,663	68,198
Investment in property, plant and equipment	66	66	120	960	338
Cash Flow Statement					
Cash flow from operating activities	(9,377)	(7,630)	(6,006)	(9,654)	(10,447)
Cash flow from investing activities	(78)	(68)	(113)	(949)	(349)
Cash flow from financing activities	(147)	(176)	(60)	348	(14)
Cash and cash equivalents at period end	35,182	44,787	52,673	59,077	69,879
Financial Ratios					
Basic and diluted EPS	(0.19)	(0.14)	(0.16)	(0.18)	(0.17)
Weighted average number of shares	56,567,810	56,443,701	56,467,878	56,438,320	56,297,561
Average number of employees (FTEs)	69	77	88	99	102
Assets/equity	1.26	1.20	1.19	1.15	1.13



Income Statement		Consolidated		
(DKK'000)	Q1 2010	Q1 2009	Year 2009	
Revenue	623	349	2,476	
Research and development costs	(56,349)	(62,810)	(210,140)	
Administrative expenses	(13,157)	(16,982)	(62,381)	
One-off restructuring cost	(10,894)	-	(9,489)	
Operating loss	(79,777)	(79,443)	(279,534)	
Financial income	699	15,213	21,391	
Financial expenses	(911)	(5,478)	(12,851)	
Loss before tax	(79,989)	(69,708)	(270,994)	
Tax for the period	-	-	-	
Net loss for the period	(79,989)	(69,708)	(270,994)	
Basic and diluted EPS	(1.41)	(1.24)	(4.80)	
Weighted average number of shares	56,567,810	56,297,561	56,443,701	

Statements of comprehensive income		Consolidated		
(DKK'000)	Q1 2010	Q1 2009	Year 2009	
Net loss for the period	(79,989)	(69,708)	(270,994)	
Other comprehensive income:				
Currency translation differences	12	305	215	
Other comprehensive income for the period	12	305	215	
Total comprehensive income for the period	(79,977)	(69,403)	(270,779)	

Interim Report
for the 3 Months Ended 31 March, 2010
(12 May, 2010)



Assets	Consolidated		
(DKK'000)	31 Mar. 2010	31 Mar. 2009	31 Dec. 2009
Patent rights and software	836	667	860
Intangible assets	836	667	860
Property, plant and equipment	17,074	21,165	18,753
Leasehold improvements	7,218	4,939	7,506
Property, plant and equipment	24,292	26,104	26,259
Non-current assets	25,128	26,771	27,119
Trade receivables	303	3,240	302
Other receivables	6,206	5,164	4,390
Prepayments	8,798	18,745	14,029
Receivables	15,307	27,149	18,721
Cash and cash equivalents	261,918	520,228	333,429
Current assets	277,225	547,377	352,150
Assets	302,353	574,148	379,269

Interim Report
for the 3 Months Ended 31 March, 2010
(12 May, 2010)



Equity & Liabilities	Consolidated		
(DKK'000)	31 Mar. 2010	31 Mar. 2009	31 Dec. 2009
Share capital	56,568	56,439	56,568
Share premium	1,080,263	1,079,554	1,080,263
Translation reserves	1,970	2,048	1,958
Retained earnings/loss	(898,418)	(630,329)	(821,508)
Equity	240,383	507,712	317,281
Provisions	-	10,492	-
Finance lease	12,755	14,955	14,091
Non-current liabilities	12,755	25,447	14,091
Finance lease	5,628	4,507	5,387
Trade payables	12,832	11,178	19,794
Deferred revenue	-	-	120
Other payables	30,755	25,304	22,596
Current liabilities	49,215	40,989	47,897
Liabilities	61,970	66,436	61,988
Equity and liabilities	302,353	574,148	379,269



Cash Flow Statement		Consolidated		
(DKK'000)	Q1 2010	Q1 2009	Year 2009	
Operating loss	(79,777)	(79,443)	(279,534)	
Share-based payment	3,079	3,827	13,934	
Depreciation and amortization	2,493	2,297	10,455	
Changes in working capital	4,057	(16,147)	(3,188)	
Cash flow from operating activities before interest	(70,148)	(89,466)	(258,333)	
Interest received	612	17,155	8,366	
Interest paid	(276)	(5,461)	(1,191)	
Cash flow from operating activities	(69,812)	(77,772)	(251,158)	
Purchase of property, plant and equipment	(493)	(2,515)	(11,043)	
Cash transfer to restricted security deposit	(90)	(85)	32	
Cash flow from investing activities	(583)	(2,600)	(11,011)	
Installments on bank borrowings and finance lease	(1,095)	(1,070)	(1,055)	
Proceeds from issuance of shares, net	-	965	1,784	
Cash flow from financing activities	(1,095)	(105)	729	
Increase/(decrease) in cash and cash equivalents	(71,490)	(80,477)	(261,440)	
Cash and cash equivalents at beginning of period	332,066	598,735	598,735	
Exchange gains/(losses) on cash and cash equivalent	(110)	491	(5,229)	
Cash and cash equivalents at end of period	260,466	518,749	332,066	
Cash and cash equivalents at end of period comprise:				
Restricted bank deposit	1,452	1,479	1,363	
Deposit on demand and cash	260,466	518,749	332,066	
	261,918	520,228	333,429	

Interim Report
for the 3 Months Ended 31 March, 2010
(12 May, 2010)



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 2009	56,287,507	56,288	1,078,740	1,743	(564,448)	572,323
Total comprehensive income				305	(69,708)	(69,403)
Warrant exercises	150,813	151	814			965
Share-based payment					3,827	3,827
Equity as of 31 March 2009	56,438,320	56,439	1,079,554	2,048	(630,329)	507,712
Total comprehensive income				(90)	(201,286)	(201,376)
Warrant exercises	129,490	129	709			838
Share-based payment					10,107	10,107
Equity as of 31 December 2009	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
Equity as of 31 March 2010	56,567,810	56,568	1,080,263	1,970	(898,418)	240,383

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.