Press release, 24 August 2005

Meda AB (publ): interim report, January – June 2005

Meda sold its parallel trading operation, which leads to several accounting and technical consequences (because of IFRS 5) that affect comparability with previously reported figures.

- Group sales reached SEK 712 million (362)[1,2].
- Operating profit increased to SEK 209.4 million (56.9)[1,2].
- Profit after tax rose to SEK 131.1 million (36.9)[1].
- Profit per share increased to SEK 2.24 (0.73)[1].

Highlights

- Meda becomes a leading specialty pharma company in Europe through acquisition of Viatris, a German pharma group.
- Sale of the parallel trading operation implemented.
- The board proposes a new share issue with preferential rights for existing shareholders.

Higher forecast for all of 2005

- Meda's forecast for all of 2005 was raised. Operating profit (excluding Viatris) is expected to reach at least SEK 380 million (including sale of an operation) [3]

[1] Excluding sale of parallel trading operation (as per IFRS 5, Fixed assets held for sale and discontinued operations).
[2] Including sale of parallel trading, sales reached SEK 835 million; operating profit rose to SEK 215 million.
[3] As per IFRS 5, positive effect from sale of the operation (SEK 44 million) isn't included under operating profit; it's reported farther down in the income statement.

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SALES

Two key factors affected reported Group sales during the January-June period. Acquisition of Cibacen, Cibadrex, and Cyklokapron (for cardiovascular disorders) generated about SEK 275 million in sales, while sale of the parallel trading operation reduced sales (as per IFRS 5) by SEK 123 million. The changed product structure had positive effects on profitability. Among other products in the Pharma operation, these demonstrated more than 20% sales growth: Relifex (inflammation), Ursofalk (liver diseases), Lederspan (osteoarthritis and rheumatoid arthritis), Zanidip (high blood pressure), Colazid (ulcerative colitis)

Period sales, in SEK million, for the two remaining operations:

	Jan-June 2005	Jan-June 2004	Index*
Pharma	651	309	211
Medical Device	61	54	113

*Compared with the same period in 2004.

In H1 2005, Group sales (excluding sale of the parallel trading operation) increased 96% to SEK 712 million (362); adjusted for exchange-rate changes, the figure didn't change.

Pharma's sales jumped 111% to SEK 651 million (309). Sales of Cibacen and Cibadrex, newly acquired drugs, reached SEK 245 million. Before the vacation period, wholesalers' stockpiling had a positive effect on Q2 2005 sales of Cibacen and Cibadrex.

Medical Device's sales continued in a positive trend and increased 13% to SEK 61 million (54).

Parallel Trading's net sales reached SEK 123 million (148). Meda sold the operation on 1 August 2005. Its sales and operation expenses are excluded from the income statement for the present period as are comparable figures (as per IFRS 5). Parallel Trading's net sales after tax are reported under the "Net profit from discontinued operations" heading in the income statement.

PROFIT

In H1 2005, Group operating profit increased 268% to SEK 209.4 million (56.9), resulting in a 29.4% (15.7%) operating margin. Sales of Cibacen and Cibadrex primarily account for the improvement.

The gross margin – 63.9% (49.3%) – widened because of an increasing proportion of profitable products within Pharma. Besides Cibacen and Cibadrex , sales trends for most other profitable products were also good, which explains the margin's improvement. Operating expenses increased 102% to SEK 245.8 million (121.8). Selling expenses of SEK 72.7 million and intangible rights amortisation of SEK 43.4 million accounted for this SEK 124 million increase in expenses.

Marketing activities intensified during Q2 2005 through marketing OTC products in the Nordics. Meda also launched the establishment of marketing organisations on new markets.

Group profit after financial items reached SEK 182.7 million (52.0). Profit per share for remaining operations increased to SEK 2.25 (0.73).

FINANCIAL POSITION

Cash flow from operations (excluding the sold operation) reached SEK 163.9 million (44.8). An SEK 104.1 million increase in short-term receivables (because of newly acquired products takeover) burdened the underlying strong cash flow.

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During H1, Group investments reached SEK 1058.8 million (161.0) million. In January, the Group acquired Cibacen and Cibadrex (in Europe) from Novartis, a Swiss pharma company, for SEK 941 million. In February, Meda acquired Imovane (on certain European markets) from sanofi-aventis for SEK 90.0 million.

Meda financed the acquisitions through a preferential rights share issue worth SEK 554.4 million (after issue costs) and through a loan of about SEK 500 million. In addition, shares were bought – via warrants – for a total of SEK 13.2 million. At the end of June 2005, Group cash and cash equivalents were worth SEK 202.8 million compared to SEK 60.8 million at the year's start. And unused credit facilities totalled SEK 220.9 million. H1 2005 interest-bearing liabilities increased to SEK 922.4 million (333.5). At the end of June 2005, net debt stood at SEK 750.2 million compared to SEK 402.9 million at the year's start. The equity/assets ratio was 48.7% compared to 42.8% at the year's start.

Equity increased to SEK 1236.8 million compared to SEK 545.6 million at the year's start, which is comparable to SEK 19.73 per share (12.36).

PARENT COMPANY

The parent company's profit before tax and appropriations reached SEK 206 million (46.9).

CONTRACTS AND KEY EVENTS

- **MEDA ACQUIRES VIATRIS**

Meda signed a contract with Viatris, a German pharma group. Meda is paying EUR 583 million for all shares in Viatris and is assuming net debt (including pension provisions), which reached EUR 167 million on 30 June 2005. Viatris is a profitable, well-established pharma company with sales that reached EUR 377 in 2004. Operating profit before deductions (EBITDA) was EUR 49 million in 2004. In its H1 2005 closing, Viatris booked sales worth EUR 204 million. Preliminary EBITDA stood at EUR 34 million. On 30 June 2005, Viatris' total assets were worth EUR 350 million (preliminary); of this, equity stood at EUR 50 million (as per German GAAP).

Through its subsidiaries, Viatris has operations in 14 countries and strong focus on the larger European markets. In 2004, sales (in EUR million) reached: 63 in Germany, 62 in France, 45 in the Benelux, 29 in Spain, 25 in Italy, 20 in Austria, and 19 in the UK.

Products for asthma treatment constitute Viatris' most important therapy area (TA). Its patented Novolizer device provides Meda/Viatris with opportunities for strong organic growth. The Novolizer device is a multi-dose dry powder inhaler that contains an active substance called *budesonide*. In a short time, it became a market leader in Germany. During H1 2005, sales of the Novolizer product line reached EUR 13.5 million – about a 130% increase compared to H1 2004. Successful launches of many products in the Novolizer line are currently occurring in Europe. Viatris also holds a strong position in the pain and inflammation TA, which is one of Meda's main TAs.

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Synergies

Earlier, Meda reported plans to build its marketing company on the larger markets in Europe.

The Viatris acquisition gives Meda direct access to established marketing organisations, which saves a lot of time. Together, the two companies create a very good industrial solution. The companies complement each other when it comes to products and geographic regions. Meda holds a strong position in the Nordics where Viatris has no operations. Product synergies are enormous because Meda's products can now be simultaneously sold on several markets, while Meda's organisation sells Viatris products in the Nordics.

Meda has no production facilities; all manufacturing is subcontracted. Viatris has modern production facilities for the inhalation products and tablet production. Viatris also has capacity for pharmaceutical development, which will enhance the value of existing mature-product portfolios. Meda intends to swiftly consolidate and rationalise the new corporate structure to quickly achieve full benefits from the synergies. In parallel, marketing resources will be prioritised to achieve the highest growth opportunities within TAs such as respiratory. The objective for the merged company is to reach an EBITDA margin of at least 25% already during 2007.

Through the Viatris acquisition, Meda becomes one of the leading European specialty pharma companies. The merged company will also be an attractive in-licensing partner with its strong pan-European coverage and organisation, when it comes to marketing and sales and its capacity in regulatory affairs and product development.

H1 2005 pro forma summary and Viatris' historical trends

This pro forma summary outlines the companies' structures before synergies:

Pro forma summary January – June 2005 (SEK million)

	Meda[4] (6 months)	**Viatris**[5] (6 months)	**Combined** (6 months)
Sales	712	1 875	2 587
Gross profit	455	1 070	1 525
Operating expenses	-182	-763	-945
EBITDA	273	308	581
EBITDA %	38%	16%	22%
Number of employees	170	1 582	1 752

[4] As per IFRS 5
[5] As per the German GAAP

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Viatris' pro forma historical trends (EUR million)

	Viatris 2003 (12 months)	**Viatris 2004** (12 months)
Sales	365	377
EBITDA	44	49
EBITDA %	12%	13%

Financing and schedule

Payment of the cash consideration for acquisition of Viatris will occur upon completion of the transaction, which is expected at the end of September or early October 2005. The transaction will require approval from relevant competition authorities in some European countries. The process for gaining such approvals was launched. As mentioned above, acquisition value for Viatris amounts to EUR 750 million. The acquisition will be financed in total by a debt facility.

In connection with the acquisition and subject to approval by an extraordinary shareholders' meeting, Meda's board decided on a new share issue worth about SEK 2500 million. The share issue will occur with preferential rights for existing Meda shareholders. They will be offered an opportunity to buy two new shares for each three shares held in Meda, resulting in an estimated total of 104,479,358 shares. The subscription price will be SEK 60 per share. Meda's board will publicly issue an extraordinary shareholder's meeting notice that will contain complete terms and conditions plus a detailed schedule for the new share issue.

Many major Meda shareholders, which together represent more than 46% of the share capital of Meda, committed to subscribe for their respective parts of the share issue. Above this amount, the company has subscription guarantees up to 50% of the share capital. Additional shareholders, together representing about 12% of Meda's share capital, stated that they intend to subscribe for their parts of the share issue. All of these shareholders, in total representing around 58% of Meda's share capital, also stated to Meda's board that they intend to vote in favour of the share issue at the extraordinary shareholders' meeting. Enskilda Securities is acting as financial advisor to Meda in connection with the new share issue. SEB Merchant Banking will provide the debt facility that is financing the transaction.

- **MEDA SELLS PARALLEL TRADING OPERATION**

Meda reached an agreement with Biophausia regarding sale of the parallel trading operation. Biophausia is buying shares in two of Meda's subsidiaries for a total of SEK 41 million. The transfer went into effect on 1 August 2005 and profit from the sale will be reported in Q3 2005. In 2004, the parallel trading operation booked sales worth SEK 250 million and accounted for 3.3% of Meda's gross profit. The deal results in capital gain of about SEK 37 million and releases about SEK 50 million in operating capital.

- **FIVE-FOR-ONE SHARE SPLIT**

In May 2005, the company implemented a split, i.e., each share is split into five new shares. On 30 June 2005, the new number of shares was 62,687,615.

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- **FORECAST FOR THE REMAINDER OF 2005**

Accounting for the size of the Viatris acquisition, Meda's board chose to announce forecasts for all of 2005 – excluding the acquisition and including certain pro forma effects after acquisition implementation.

Meda's forecast for all of 2005

The company's positive development so far this year has continued. At the same time, many expenses that were planned for build-up of Meda's marketing organisations in Europe were set aside because of the Viatris acquisition. These factors led to the following raised forecast for all of 2005:

"The Group's 2005 operating profit (excluding Viatris) is estimated to reach at least SEK 380 million (including the sold operation)".

The previous forecast was: "The Group's 2005 operating profit (excluding Viatris) is estimated to reach at least SEK 350 million" (including the sold operation).

The previously announced divestment of the parallel trading operation is completed, which resulted in a positive non-recurring effect on profit. According to IFRS 5, the positive profit effect (SEK 44 million) from the sold operation must be reported separately, farther down in the income statement under the "Net profit from discontinued operations" heading, and it cannot be included in operating profit as before. So net profit is not affected.

Pro forma effects from the Viatris acquisition

As stated in the press release for the Viatris acquisition, consolidation of Viatris would start on 1 July 2005, and would result in combined 2005 operating profit before deductions (EBITDA) of about SEK 800 million. With application of IFRS 5, 1 August 2005 became the targeted consolidation date, and combined 2005 EBITDA is estimated to be SEK 700-750 million. The above assumptions depend on whether Meda receives timely approval from the appropriate authorities in order to conclude the acquisition.

Intangible product rights and goodwill will constitute Group overvalue after Meda's consolidation of Viatris. Distribution of these assets was determined during establishment of the acquisition's balance sheet, which is not yet completed. A preliminary analysis indicates that about 50% of these assets will be product rights. Intangible product rights will be subject to customary depreciation, while running goodwill amortisation may not occur. The prospectus for the new share issue will report complete pro forma income and balance sheet statements.

ACCOUNTING PRINCIPLES

GROUP

This January-June 2005 interim report complies with International Accounting Standard (IAS) 34. Starting on 1 January 2005, the Group's financial reports are prepared as per the International Financial Reporting Standards (IFRS); 1 January 2004 was the date of transition to the IFRS. All financial information after this date was restated to comply with the IFRS.

According to an EU decision in 2002, stock-exchange-listed companies must prepare their consolidated financial statements according to accounting principles established by the International Accounting Standards Board. These principles are called the *International Financial Reporting Standards* and the *International Accounting Standards* (IFRS and IAS); the IAS were established before 2002. IFRS transition effects on Meda's profit/loss and financial position were described in Meda's *2004 year-end report* and *2004 annual report*. The IFRS and IAS, which must be applied starting in 2005, are EU Commission-approved standards.

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Restatement of income statements, balance sheets, equity, and key data for 2004 (as per the IFRS) are reported in forthcoming sections; effect on the opening, 1 January 2004 balance sheet is SEK 0.

GOODWILL AMORTISATION

Goodwill amortisation is prohibited as per IFRS 3. Instead, write-down tests must be done at least once a year. Meda did write-down tests on 31 December 2003 and 31 December 2004. As per these tests, there is no need for write-downs; brought-back goodwill amortisation for 2004 totalled SEK 8.5 million.

MARKET'S MEASUREMENT OF FOREIGN-EXCHANGE-DERIVATIVE HEDGING ITEMS

As per the IFRS, all derivatives are continuously valued. Actual value changes are immediately reported in the income statement. Market value was SEK 0.4 million for outstanding foreign-exchange-derivative hedging items; SEK 0.1 million was deducted for tax.

DISCONTINUING AN OPERATION

Operations, which are being discontinued, are reported separately in the income and balance sheet statements starting at the time when it's highly likely that a sale will occur within one year (as per IFRS 5: Fixed assets held for sale and discontinued operations). So the parallel trading operation is reported separately under "Discontinued operations".

OPENING BALANCE SHEET AS PER THE IFRS

In general, accounting principles applied on the opening balance must agree with each IFRS rule that applies at the time of reporting. Several exceptions from total retroactive application are allowed. On the opening balance, as per the IFRS, Meda applied transition rules like this:

- Employee benefits (IAS 19): introduction of IAS 19 is not considered a transition effect, because RR29 already has been applied from 1 January 2004. RR29 and IAS 19 are generally aligned. Accumulated actuarial profits and losses for pension plans were set to zero (0) at the time of transition and completely reported as pension liability and equity.
- Equity compensation benefits (IFRS2): the recommendation will be applied to plans that have an allocation date starting on 7 November 2002 and onward and that have an earning date of 1 January 2005 or later. Meda's plan doesn't fall within these dates, so it need not be restated.
- Financial instruments (IAS 39): reporting and valuation will be applied from 1 January 2004.
- Restatement differences in relation to investments in foreign operations should, as per IAS 21, be reported as a separate item under equity. If foreign operations are sold, then accumulated restatement differences should be reported as part of the profit/loss of the disposals. Meda chose to set the accumulated restatement differences to zero (0) as of 1 January 2004, as per transition provisions in IFRS 1.

PARENT COMPANY

Starting 1 January 2005, the parent company applies RR32. Earlier, it applied RR1-29. This change means that as of 1 January 2005, the parent company reports all derivative contracts at actual value as described above, although this change did not lead to significant changes in the parent company's profit/loss and position. The parent's company's reporting principles are aligned (applicable parts) with the Group's principles – except when it comes to leasing, pensions, and deferred tax on untaxed reserves. The parent company reports all leasing contracts as per operational contract rules. It does not report pensions as per IAS 19; instead, the parent company follows FARs recommendation no. 4. The parent company does not separately report deferred tax on untaxed reserves. It reports shares in subsidiaries at acquisition value – after deduction for possible write-downs, as per the Annual Accounts Act.

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FORTHCOMING REPORT

January - September	Monday, 7 November

Stockholm, 24 August 2005

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AUDITORS' REPORT

As per the FAR recommendation, we carried out a general review of this interim report. A general review is essentially limited, compared to an audit. We saw no indications that this interim report does not fulfil requirements as per the Securities and Annual Accounts acts.

Stockholm, 24 August 2005

Öhrlings PricewaterhouseCoopers AB

Einar Christensen	**Mikael Winkvist**
Authorised auditor	**Authorised auditor**

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Consolidated income statement

SEK million	January – June			April – June			
	2005	2004	Change	2005	2004	Change	2004
Remaining operations							
Net sales	712,0	362,4	96%	376,3	184,7	104%	792,5
Cost of sales	-256,8	-183,7		-134,1	-94,4		-399,8
Gross profit	**455,2**	**178,7**	155%	**242,2**	**90,3**	168%	**392,7**
Selling expenses	-140,5	-67,8		-85,3	-33,9		-140,4
Medicine and business development expenses1)	-73,4	-26,1		-38,4	-13,5		-62,2
Administration expenses	-31,9	-27,9		-15,5	-14,0		-57,2
Operating profit (EBIT) [2)]	**209,4**	**56,9**	268%	**103,0**	**28,9**	256%	**132,9**
Net financial items	-25,7	-4,9		-11,3	-3,3		-14,9
Period's profit after net financial items (EBT)	**183,7**	**52,0**	253%	**91,7**	**25,6**	258%	**118,0**
Tax	-52,6	-15,1		-27,1	-7,5		-30,8
Profit from remaining operations	**131,1**	**36,9**	255%	**64,6**	**18,1**	257%	**87,2**
Net profit from discontinued operations3)	3,9	5,0		1,8	0,5		6,4
Net profit	**135,0**	**41,9**	222%	**66,4**	**18,6**	257%	**93,6**
1) Of which is amortisation (intangible rights)	-61,9	-18,5		-31,6	-9,5		-46,2
2) Profit before amortisation and depreciation (EBITDA)	273,0	77,2		135,5	39,2		182,8
3) Regarding sale of the parallel trading operation							

Profit-related key data and figures							
Operating margin, %	29,4	15,7		27,4	15,6		16,8
Profit margin, %	25,8	14,3		24,4	13,9		14,9
EBITDA, %	38,3	21,3		36,0	21,2		23,1
Return on employed capital rolling, 12 months, %	17,8	16,7					16,2
Return on equity rolling, 12 months, %	21,7	18,1					18,8

Depreciation and amortisation							
Amortisation, product rights	-61,9	-18,5		-31,6	-9,5		-46,2
Depreciation, other	-1,7	-1,8		-0,9	-0,8		-3,7
Total depreciation and amortisation	**-63,6**	**-20,3**		**-32,5**	**-10,3**		**-49,9**

Share data							
Profit per share from remaining operations							
Profit per share, before dilution, SEK 4)	2,24	0,73		1,03	0,36		1,73
Profit per share, after dilution, SEK 4)	2,23	0,73		1,03	0,36		1,72
Profit per share from discontinued operations							
Profit per share, before dilution, SEK 4)	0,07	0,10		0,03	0,01		0,13
Profit per share, after dilution, SEK 4)	0,07	0,10		0,03	0,01		0,13
Ave. no. of shares							
before dilution (in thousand)	58 630	50 261		62 675	50 350		50 329
after dilution (in thousand)	58 800	50 835		62 675	50 979		50 742
No. of shares before dilution (in thousand)	62 688	43 869		62 688	43 869		44 139
No. of shares after dilution (in thousand)	62 688	44 442		62 688	44 498		44 499

4) Period's profit per share and average number of shares are recalculated for 2004, to account for the bonus issue element in the new February-March 2005 issue. In addition, the number of shares is recalculated to account for the five-for-one (5:1) share split that was implemented in May 2005.

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Consolidated balance sheet (summary)

SEK million	30-jun 2005	30-jun 2004	31-dec 2004
Assets			
Fixed assets			
- Product rights	1 683,6	536,8	697,3
- Goodwill	181,2	177,8	177,6
- Tangible	16,5	15,7	15,1
- Financial	15,5	8,8	10,6
Fixed assets	**1 896,8**	**739,1**	**900,6**
Current assets			
- Inventories	154,2	189,4	180,3
- Current receivables	216,5	136,3	133,9
- Cash and bank	202,8	24,2	60,8
Current assets	**573,5**	**349,9**	**375,0**
Assets in discontinued operations	**68,6**	**-**	**-**
Total assets	**2 538,9**	**1 089,0**	**1 275,6**
Equity and liabilities			
Equity	**1 236,8**	**490,0**	**545,6**
Non-current liabilities			
- Pension provisions	34,2	34,1	34,4
- Deferred tax liabilities	131,2	88,3	92,3
- Interest-bearing loans	79,4	127,5	105,0
Non-current liabilities	**244,8**	**249,9**	**231,7**
Current liabilities			
- Interest-bearing loans	843,0	206,0	327,9
- Current, non-interest bearing	195,5	143,1	170,4
Current liabilities	**1 038,5**	**349,1**	**498,3**
Liabilities related to discontinued operations	18,8	**-**	**-**
Total equity and liabilities	**2 538,9**	**1 089,0**	**1 275,6**

Balance-related key data and ratios			
Net debt	750,2	340,9	402,9
Net debt/equity ratio, times	0,6	0,7	0,7
Equity/assets ratio, %	48,7	45,0	42,8
Equity per share, SEK (at period's end)	19,73	11,17	12,36

Consolidated cash flow statement (summary)

SEK million	January - June 2005	January - June 2004	April – June 2005	April – June 2004	2004
Cash flow from operating activities before change in working capital	238,0	63,1	157,5	32,6	149,1
Change in working capital					
Inventories	-10,6	2,0	-10,0	0,4	8,7
Receivables	-104,1	-8,2	-10,8	14,3	-6,2
Liabilities	45,2	6,7	30,0	-22,8	22,9
Cash flow from operating activities [1)]	168,5	63,6	166,7	24,5	174,5
Cash flow from investing activities [2)]	-1058,8	-161,0	-0,7	-145,0	-337,8
Cash flow from financing activities [2)]	1030,4	95,3	-29,6	125,8	198,4
Period's cash flow	**140,1**	**-2,1**	**136,4**	**5,3**	**35,1**
Cash and cash equivalents at year's start	60,8	26,1	65,0	18,9	26,1
Exchange-rate difference in cash and cash equivalents	1,9	0,2	1,4	0,0	-0,4
Cash and cash equivalents at period's end	**202,8**	**24,2**	**202,8**	**24,2**	**60,8**
1) Of which is from discontinued operations	*4,6*	*18,8*	*0,7*	*2,2*	*34,4*

2) Discontinued operations do not affect investments and financing

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Specification of changes in shareholders' equity

SEK million	30-jun 2005	30-jun 2004	31-dec 2004
Opening equity	**545,6**	**459,1**	**459,1**
Dividend	-25,1	-17,5	-17,5
New share issue	571,7	6,1	11,2
Translation difference	9,6	0,4	-0,8
Period's profit	131,1	36,9	87,2
Closing equity	**1 232,9**	**485,0**	**539,2**

Transition to IFRS, consolidated income statement

SEK million	January – June 2004	Adjustment, IFRS	Adjustment, IFRS 5*	IFRS	April – June 2004	Adjustment, IFRS	Adjustment, IFRS 5*	IFRS
Net sales	510,5		-148,1	362,4	239,6		-54,9	184,7
Cost of sales	-322,8		139,1	-183,7	-147,5		53,1	-94,4
Gross profit	**187,7**	**0,0**	**-9,0**	**178,7**	**92,1**	**0,0**	**-1,8**	**90,3**
Selling expenses	-69,6		1,8	-67,8	-34,9		1,0	-33,9
Medicine and business development expenses	-28,8	2,5	0,2	-26,1	-14,9	1,3	0,1	-13,5
Administration expenses	-28,8	0,9		-27,9	-14,5	0,5	0,0	-14,0
Operating profit/loss	**60,5**	**3,4**	**-7,0**	**56,9**	**27,8**	**1,8**	**-0,7**	**28,9**
Net financial items	-4,9	0,0	0,0	-4,9	-3,3	0,0	0,0	-3,3
Period's profit/loss after net financial items	**55,6**	**3,4**	**-7,0**	**52,0**	**24,5**	**1,8**	**-0,7**	**25,6**
Net profit/loss from remaining operations	-17,1		2,0	-15,1	-7,7		0,2	-7,5
Net profit/loss from remaining operations	**38,5**	**3,4**	**-5,0**	**36,9**	**16,8**	**1,8**	**-0,5**	**18,1**
Net profit from discontinued operations			**5,0**	**5,0**			**0,5**	**0,5**
Net profit	**38,5**	**3,4**	**0,0**	**41,9**	**16,8**	**1,8**	**0,0**	**18,6**
Period's adjustments								
Goodwill amortisation		3,4				1,8		
Valuation of foreign-exchange contracts		0,0				0,0		
Deferred tax		0,0				0,0		
		3,4				1,8		

SEK million	January – December 2004	Adjustment, IFRS	Adjustment, IFRS 5*	IFRS
Net sales	1 041,9	0,4	-249,8	792,5
Cost of sales	-635,9		236,1	-399,8
Gross profit	**406,0**	**0,4**	**-13,7**	**392,7**
Selling expenses	-144,6		4,2	-140,4
Medicine and business development expenses	-69,5	6,7	0,6	-62,2
Administration expenses	-59,0	1,8		-57,2
Operating profit	**132,9**	**8,9**	**-8,9**	**132,9**
Net financial items	-14,9	0,0		-14,9
Period's profit after net financial items	**118,0**	**8,9**	**-8,9**	**118,0**
Tax	-33,2	-0,1	2,5	-30,8
Net profit/loss from remaining operations	**84,8**	**8,8**	**-6,4**	**87,2**
Net profit from discontinued operations			**6,4**	**6,4**
Net profit	**84,8**	**8,8**	**0,0**	**93,6**
Period's adjustments				
Goodwill amortisation		8,5		
Valuation of foreign-exchange contracts		0,4		
Deferred tax		-0,1		
		8,8		

* Regarding sale of the parallel trading operation

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Transition to IFRS, consolidated balance sheet (summary)

SEK million	30-jun 2004	Adjustment IFRS 2004	30-jun 2004	31-dec 2004	Adjustment IFRS 2004	31-dec 2004
Assets						
Fixed assets						
- Product rights	536,8		536,8	697,3		697,3
- Goodwill	174,4	3,4	177,8	169,1	8,5	177,6
- Tangible	15,7		15,7	15,1		15,1
- Financial	8,8		8,8	10,6		10,6
Current assets						
- Inventories	189,4		189,4	180,3		180,3
- Current receivables	136,3	0,0	136,3	133,5	0,4	133,9
- Cash and bank	24,2		24,2	60,8		60,8
Current assets	**1 085,6**	**3,4**	**1 089,0**	**1 266,7**	**8,9**	**1 275,6**
Equity and liabilities						
Equity	486,6	3,4	490,0	536,8	8,8	545,6
Non-current liabilities						
- Pension provisions	34,1	0,0	34,1	34,4		34,4
- Deferred tax liabilities	88,3		88,3	92,2	0,1	92,3
- Interest-bearing loans	127,5		127,5	105,0		105,0
Current liabilities						
- Interest-bearing loans	206,0		206,0	327,9		327,9
- Current, non-interest bearing	143,1		143,1	170,4		170,4
Total equity and liabilities	**1 085,6**	**3,4**	**1 089,0**	**1 266,7**	**8,9**	**1 275,6**
Period's adjustments						
Goodwill amortisation		1,6			8,5	
Valuation of foreign-exchange contracts		0,0			0,4	
Deferred tax		0,0			-0,1	
		1,6			8,8	

Transition to IFRS, specification of changes in shareholders' equity

SEK million	30-jun 2004	Adjustment, IFRS 2004	30-jun 2004	31-dec 2004	Adjustment, IFRS 2004	31-dec 2004
Opening equity	**459,1**	**0,0**	**459,1**	**459,1**	**0,0**	**459,1**
Dividend			-17,5	-17,5		-17,5
New share issue	6,1		6,1	11,2		11,2
Translation difference	0,3		0,3	-0,8		-0,8
Period's profit	38,5	3,4	41,9	84,8	8,8	93,6
Closing equity	**504,0**	**3,4**	**489,9**	**536,8**	**8,8**	**545,6**

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IFRS transitions affected key figures like this:

	January – June				April - June			
	2004	2004 Adjustment, IFRS	2004 Adjustment, IFRS 5	2004 IFRS	2004	2004 Adjustment, IFRS	2004 Adjustment, IFRS 5	2004 IFRS
Operating margin, %	11,9	2,9	0,9	15,7	11,6	3,1	0,9	15,6
Profit margin, %	11,3	2,1	0,9	14,3	10,2	2,7	1,0	13,9
Return on employed capital rolling, 12 months, %	16,7	2,9		19,6				
Return on equity rolling, 12 months, %	17,0	1,2		18,2				
Profit/loss per share, before dilution, SEK [4]	0,77	0,07	-0,10	0,73	0,33	0,04	-0,01	0,36
Profit/loss per share, after dilution, SEK [4]	0,76	0,07	-0,10	0,73	0,33	0,04	-0,01	0,36
Net debt	340,9	0,0	0,0	340,9				
Net debt/equity ratio, times	0,7	0,0	0,0	0,7				
Equity/assets ratio, %	44,80	0,20	0,00	45,00				
Equity per share, SEK (at period's end)	11,09	0,08	0,00	11,17				

	January – December			
	2004	2004 Adjustment, IFRS	2004 Adjustment, IFRS 5	2004 IFRS
Operating margin, %	12,8	2,9	1,1	16,8
Profit margin, %	11,3	2,5	1,1	14,9
Return on employed capital rolling, 12 months, %	16,2	0,0		16,2
Return on equity rolling, 12 months, %	17,1	1,7		18,8
Profit/loss per share, before dilution, SEK [4]	1,68	0,17	-0,13	1,73
Profit/loss per share, after dilution, SEK [4]	1,67	0,17	-0,13	1,72
Net debt	402,9	0,0	0,0	402,9
Net debt/equity ratio, times	0,7	0,0	0,0	0,7
Equity/assets ratio, %	42,40	0,40	0,00	42,80
Equity per share, SEK (at period's end)	12,16	0,20	0,00	12,36

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Assets held for sale and discontinued operations

SEK million	January – June		April - June		
	2005	2004	2005	2004	2004
Profit from discontinued operations					
Net sales	122,8	148,1	64,6	54,9	249,8
Cost of sales	-116,2	-139,1	-61,8	-53,1	-236,1
Gross profit	**6,6**	**9,0**	**2,8**	**1,8**	**13,7**
Selling expenses	-0,8	-1,8	-0,1	-1,0	-4,2
Medicine and business development expenses	-0,4	-0,2	-0,2	-0,1	-0,6
Administration expenses	0,0		0,0	0,0	0,0
Operating profit	**5,4**	**7,0**	**2,5**	**0,7**	**8,9**
Net financial items	0,0	0,0	0,0	0,0	0,0
Period's profit after net financial items	**5,4**	**7,0**	**2,5**	**0,7**	**8,9**
Tax	-1,5	-2,0	-0,7	-0,2	-2,5
Net profit from discontinued operations [3]	**3,9**	**5,0**	**1,8**	**0,5**	**6,4**

SEK million	30-jun 2005
Assets held for sale	
Current assets	
- Inventory	42,2
- Current receivables	26,4
Current assets	**68,6**
	68,6
Liabilities held for sale	
Current liabilities	
- Current, non-interest bearing	18,8
Current liabilities	**18,8**
	18,8

3) Regarding discontinued parallel trading operation

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Segment reporting

SEK million	January – June			April - June			
	2005	**2004**	**Change**	**2005**	**2004**	**Change**	**2004**
Remaining operations							
Net sales							
Pharma	651,3	308,8	111%	343,5	156,5	119%	685,4
Medical Device	60,7	53,6	13%	32,8	28,2	16%	107,1
	712,0	**362,4**	96%	**376,3**	**184,7**	104%	**792,5**
Gross profit							
Pharma	421,9	150,3	181%	224,1	75,3	198%	334,9
Medical Device	33,3	28,4	17%	18,1	15,0	21%	57,8
	455,2	**178,7**	155%	**242,2**	**90,3**	168%	**392,7**
Gross margin							
Pharma	64,8%	48,7%	16,1%	65,2%	48,1%	17,1%	48,9%
Medical Device	54,9%	53,0%	1,9%	55,2%	53,2%	2,0%	54,0%
	63,9%	**49,3%**	14,6%	**64,4%**	**48,9%**	15,5%	**49,6%**
Operating profit							
Pharma	222,8	70,0	218%	106,8	35,6	200%	161,4
Medical Device	18,5	14,1	31%	10,7	8,0	34%	28,9
Non-allocated expenses	-31,9	-27,1		-14,5	-14,6		-57,3
Net profit from remaining operations	**209,4**	**57,0**	267%	**103,0**	**29,0**	255%	**133,0**

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