



## **Meda enters the US market through the strategic acquisition of MedPointe Inc**

- Meda acquires MedPointe and becomes a world class specialty pharma company with:
  - Full marketing coverage, both in Europe and the US
  - Strengthened focus on key therapy areas
  - Substantial pipeline of new product opportunities
- MedPointe:
  - Net sales 2006 were 252 MUSD, +23% compared to previous year
  - Therapy areas Allergy / Respiratory and Pain
  - 710 employees, whereof approximately 500 employees in sales and marketing
- Purchase price:
  - 520 MUSD in cash, and
  - 17 500 000 newly issued shares in Meda
- New shareholders in Meda:
  - The Carlyle Group,
  - The Cypress Group, LLC and
  - other US investors

Meda has signed an agreement to acquire all shares in MedPointe Inc. The acquisition establishes Meda as a world class specialty pharma company with full marketing coverage both in the US and Europe and with revenues approaching 1,4 billion USD (9 billion SEK).

MedPointe is focused on two of Meda's priority areas, Allergy / Respiratory and Pain, and the product portfolios are highly complementary. Meda's pipeline which is open for the US market can now be commercialised in own regimen through a wholly-owned subsidiary and thereby retaining 100% of the value of the product assets. Likewise Meda, through its strong European organisation, will be able to capitalise on product development opportunities based on MedPointe's pipeline. The new transatlantic combination will enable Meda to develop synergies both as to geographical markets and product portfolios.

MedPointe is a fast growing and privately owned US-based specialty pharma company. Net sales in 2006 were 252 MUSD, representing a 23% growth in local currency compared to previous year. The gross margin was around 90% but significant costs related to marketing and clinical development limited the EBITDA margin to approximately 12%. For some years the company has invested significant funds in supporting its new pipeline of products. MedPointe's net debt at closing of the transaction is estimated to be around zero. On a pro forma basis, Meda's US operation will account for about 20% of the combined companies annual sales. The acquisition of MedPointe is expected to be accretive to Meda's earnings per share at the latest during 2009.

MedPointe's shareholders will receive 520 MUSD in cash and 17 500 000 of newly issued Meda shares<sup>1</sup>. MedPointe's main shareholders, The Carlyle Group and The Cypress Group, LLC, two well known private equity funds, have decided to become shareholders in Meda. Their shareholding in Meda after closing of the transaction will together be approximately 6%<sup>2</sup>. Closing of the transaction is dependent on US antitrust approvals.

*"We are glad to support a strong and logical industrial solution. Meda has in a relatively short period of time built a solid pan-European position. Together with MedPointe we see unique synergy effects, both product and market wise",* says Dr. Ryan Harris, Principal, The Carlyle Group.

The other shareholders in MedPointe, Frazier Healthcare Ventures, Ferrer Freeman & Co. and MedPointe's management have also decided to become shareholders in Meda. Newly issued Meda shares are subject to a lock-up period of 12 – 18 months.

Total headcount of MedPointe is 710 employees. The company covers all of the US with approximately 500 employees in marketing and sales that primarily visit specialists within the

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<sup>1</sup> Meda's annual general meeting in May 2007 approved Meda's board proposal that the board would be authorised to decide on share issues – on one or more occasions to increase the company's share capital – during the period until the next annual general meeting in 2008. Such authorisation covers a maximum of 23 223 712 shares and can be used as purchase-price payments for acquisitions of other companies.

<sup>2</sup> If no further warrants will be exercised until closing. As of 18 July 2007 the outstanding number of shares in Meda were 232 291 251.

allergy and pain areas but also general practitioners. The headquarters are located in Somerset, New Jersey. The main products are manufactured in a modern facility in Decatur, Illinois.

MedPointe is highly focused on the Allergy / Respiratory and Pain therapeutic areas. The company's biggest products, Astelin and Optivar, both contain the active substance azelastine. Astelin is a non-steroidal nasal spray approved for allergic and non-allergic rhinitis. Optivar is indicated for treatment of allergic conjunctivitis. MedPointe's sales of Astelin and Optivar during 2006 were 167 MUSD and 29 MUSD respectively, both achieving double digit growth in local currency compared to previous year.

*"We now take the opportunity to establish a world-class specialty pharma company. The formation is strong both marketing wise and in product pipeline. The new product development from both companies can now be utilised in the company instead of being out-licensed. The product development investment done by MedPointe will represent strong growth potential both on top line and profit. I also take the opportunity to welcome our new US shareholders which I appreciate as a sign of confidence in Meda",* says Anders Lonner, CEO Meda AB.

Meda has been collaborating with MedPointe on azelastine throughout the last 5 years and worked closely on product supply. The nasal and ophthalmic formulations have medical use patents in the US until 2011. In addition, MedPointe has developed a significant program of near and long-term opportunities for azelastine. Meda also intend to exploit these opportunities in Europe and on other important markets.

*"There is an extraordinarily good fit between the two companies. The management team at MedPointe is eager to join the Meda team and together create a winning team. Both companies have interesting product opportunities, which give a strong potential in both the middle and long-term. We can now increase our efforts to support these programs with both US and European coverage",* says Paul Edick, CEO MedPointe Inc.

Merchant Banking, Skandinaviska Enskilda Banken AB (publ) is Meda's financial advisor for the transaction. SEB Merchant Banking is providing the bank loans that finance the transaction.

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**MEDA AB (publ)** is a leading European specialty pharma company that concentrates on marketing and market-adapted product development. Acquisitions and long-term partnerships are fundamental factors that drive the company's strategy. Meda is represented in 25 European countries and has more than 1 000 employees within marketing and sales. The Meda share is listed under Large Cap on the OMX Nordic Stock Exchange. Find out more, visit [www.meda.se](http://www.meda.se).