



Meda acquires Recip

Meda has signed an agreement to acquire Recip AB – a Nordic pharmaceutical company with strong growth. According to the agreement Meda takes over the existing Recip AB sales and organisation. Meda also obtains product rights, trademarks and right to the *Recip* name. Recipharm, a production company, will continue as a contract manufacturer for Meda and isn't part of the deal.

The acquisition is expected to contribute sales of about SEK 850 million into Meda's operation during 2008 and strengthens Meda in several significant respects:

- New product opportunities from Recip's portfolio can be commercialised outside the Nordic countries.
- Well-established pharmaceuticals, with stable profitability, fortify Meda's home base.
- In terms of volume, Meda becomes one of the three largest pharma companies on the Swedish market.
- Considerable synergies can be achieved.

Meda is paying SEK 2,650 million in cash and 5.7 million newly issued Meda AB shares for all shares in Recip AB (debt-free basis). This is comparable to an acquisition multiple of about 10 times forecasted EBITDA for 2008. Existing credit facilities finance the cash part. On 31 August 2007, Recip's equity totaled about SEK 1.5 billion. The acquisition requires competition authority approval.

Pro forma sales for the operation that Meda is acquiring reached SEK 514 million during the January – September 2007 period. The EBITDA margin was 37%. Of total sales, 70% occurred in Sweden, 20% in the rest of the Nordic countries, and 10% in other markets. Meda's well-developed marketing organisations in Europe and the US, form a good base for further growth of Recip's products on new markets. During 2008 it is expected that Recip will generate more than five new pharmaceutical registrations.

The product portfolio consists of well-established drugs such as Kåvepenin® (treatment of infectious diseases), Heracillin® (treatment of infectious diseases), Kalcipos® (treatment of osteoporosis), and TrioBe® (prophylaxis against vitamin B deficiency). The deal also includes Aminess® N, a specialist medication for kidney failure, which will be launched in the US.

Recip has its own operation in all Nordic countries with about 50 employees in total. The operation mainly consists of marketing and sales.

"We're pleased to have Meda as an industrial acquirer of Recip," says Lars Backsell, CEO, Recipharm. "Meda has a strong marketing organisation in Europe and the US, which means that Recip's products can be marketed on a broader front. It is positive that Recip's professional staff can be a part of building a strong Swedish pharma company. We're looking forward to become Meda shareholders and to a continued partnership."

"Meda and Recip have the same magnitude of sales on the Nordic market," says Anders Lönner, CEO, Meda. "The acquisition strengthens our position on our home market both when it comes to organization and products. The existing product range and forthcoming product development mean attractive opportunities. The ambition is to achieve sales of more than SEK 1 billion of Recip-products already in 2009. We welcome Recip to the Meda Group."

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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 has its own affiliates in 26 countries and more than 1500 employees within marketing and sales. Its products are sold in 120 countries. The Meda share is listed under Large Cap on the OMX Nordic Stock Exchange. Find out more, visit www.meda.se.