



Acquisition of European businesses from Valeant completed

- Competition authorities have approved the acquisition of Valeant's business in Western and Eastern Europe. Meda now takes over the operation.
- Meda gains
 - Russian entry with own organisation
 - Significant market synergies in Eastern Europe
 - Strengthened position in Western Europe, especially in the UK
 - Enhanced position in key therapy areas, neurology and dermatology
- Purchase price on a debt free basis 392 MUSD, equivalent to approx. 2 times sales

On 4 August 2008, Meda announced that it reached agreement regarding acquisition of Valeant's pharmaceutical business in Western and Eastern Europe – pending approval from competition authorities. The authorities have now approved the purchase, and Meda is taking over the operation.

The acquisition will benefit Meda both short term and long term. It will give Meda the entry into Russia. In Eastern Europe, it means a potential for significant market synergies with products in Meda's existing pipeline. In Western Europe, Meda's position will be strengthened, especially in the UK. The majority of the acquired products are within Meda's key therapy areas; neurology and dermatology, which in-line with the company's focused approach will offer good synergies.

Meda pays Valeant 392 MUSD on cash on a debt free basis, which is equivalent to around 2 times sales for the acquired business. Since announcement, Meda has gradually hedged this purchase and the price is therefore approximately 2 565 MSEK on a cash and debt free basis.

The total sales level of the acquired business is 1 100 MSEK, of which Eastern Europe account for 200 MSEK. Major markets are Germany, UK, Italy, Spain and Russia. Total headcount is 380 employees. The 230 employees in marketing and sales primarily visit specialists within dermatology and neurology.

As earlier announced, Meda's board of directors intends to take a decision to propose a new preferential rights issue for existing shareholders to raise approximately 1 500 MSEK. The details of this proposed issue will be announced before an extraordinary shareholders' meeting expected to be held during turn of the month October / November. The subscription period is expected to be completed before year-end. The new share issue is 100% guaranteed by Stena AB.

In line with earlier acquisitions, the intention is to quickly integrate Valeant into Meda and thereby create a stronger company. This will involve non-recurring restructuring costs that will affect the operating profit in the near term while the future profitability can increase. The EBITDA margin of the acquired business was around 14% during 2007. As a consequence of the industrial integration, the ambition is to increase this to above 30%. Based on the proposed financing, and excluding non-recurring restructuring costs, the acquisition is expected to be accretive to Meda's earnings per share already during 2009.

For more information, please contact:

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MEDA AB (publ) is a leading international specialty pharma company. The company specialises in marketing and pharmaceutical development in late clinical stage. Acquisitions and long-term partnerships are fundamental factors that drive the company's strategy. Meda is represented by its own organisations in about 40 countries. Meda's products are sold in 120 countries worldwide. The Meda share is listed under Large Cap on the OMX Nordic Stock Exchange. Find out more, visit www.meda.se.