



## Meda and Valeant sign collaboration agreement

Meda and Valeant (NYSE: VRX) (TSX: VRX) have entered into a collaboration agreement. Meda has out-licensed exclusive rights for Elidel (pimecrolimus 1% cream) and Xerese (acyclovir and hydrocortisone cream) to Valeant for the U.S., Canada and Mexico. The parties will collaborate on life cycle opportunities for both products.

Meda will receive initial payments of 76 MUSD, whereof about half would be recognized as income over a longer period. Meda will also earn long term double digit royalties on net sales for Zovirax cream and ointment (treatment of cold sores and genital herpes), Xerese, Elidel and their respective product life cycle developments in North America. Until the end of 2012, Meda estimates to receive milestones and royalties totaling approximately 130 MUSD. Thereafter, royalties are due as long as the products are commercialized. During the years 2013-15, royalties will amount to at least 120 MUSD.

Meda and Valeant have done several strategic deals for which both companies have gained valuable synergies; Potiga (retigabine), Meda's acquisition of Valeant's European operations in 2008 and inlicensing of Acnex in Europe.

*"Today's deal will maximize the value of the actual products. Valeant has a strong dermatology franchise in North America and can support Elidel and Xerese in the best way. Meda will concentrate the marketing to the respiratory/allergy area with Astepro and our new product Dymista, which is in late registration phase with the FDA. The deal is expected to be accretive to Meda's earnings and margins - both in the short and long term",* says Anders Lönner, CEO of Meda.

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**Forward-looking Statements**

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