Press release, 12 May 2010

Meda acquires exclusive rights to new treatment of actinic keratosis

Meda has acquired exclusive European rights to a new formulation of imiquimod from Graceway Pharmaceuticals. The new formulation is 3,75% imiquimod topical cream indicated for the treatment of actinic keratosis (AK). This product has recently been approved in the US and Canada.

Today, Meda markets a higher strength (5%) of imiquimod in Europe under the trademark Aldara. In 2009, sales of Aldara were approximately 500 MSEK.

3,75% imiquimod can be used on a significantly larger treatment area, it is once-daily and more tolerable due to the decreased concentration. The patent for this novel imiquimod formulation is pending.

"We have very good experience with Aldara in Europe and we look forward to provide AK patients with a new product with improved tolerability that builds on the efficacy of imiquimod", says Anders Lönner, CEO at Meda.

Graceway is continuing its development program around 3,75% imiquimod. Meda has exclusive rights to follow-up products based on the imiquimod substance.

In consideration for exclusive European rights for 3,75% imiquimod, Meda will pay Graceway an undisclosed up-front and a single digit royalty on net sales. No milestones payments will be due for 3,75% imiquimod.

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About imiquimod and actinic keratosis

Imiquimod is an immunomodulating agent that activates the body's own immune defenses through the skin. Actinic keratosis is a common pre-cancerous lesion that often develops on skin frequently exposed to the sun. It should be treated as it cannot be predicted which AKs will develop into a more serious forms of skin cancer. AK occurs in more than 30 million people in Europe and only a small percentage of patients have been properly treated.

If questions, please contact:

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