



Retigabine agreement can give Meda significant royalty income

The pharmaceutical company GlaxoSmithKline has signed an exclusive worldwide collaboration agreement with Meda's partner Valeant Pharmaceuticals for the Retigabine substance. Meda is entitled to receive significant royalties and certain milestone payments.

Retigabine comprises a new way of affecting potassium channels in the central nervous system. It has been documented to treat epilepsy. According to Valeant, the registration application is expected to be submitted early 2009 in both the U.S. and in Europe. Broadened indications within the pain area are being pursued, such as neuropathic pain.

"If the sales expectations are realised, this will result in significant annual revenues and profits for a long time which is very positive for Meda's shareholders", said Anders Lönner, CEO Meda.

The sales potential for the first indication (epilepsy) is estimated to be 10 billion SEK on a yearly and worldwide basis. Meda is entitled to receive royalties of 7% on market sales in the U.S., which account for about 60% of the total world market. In addition, the product will be co-commercialised with GlaxoSmithKline and Valeant in the U.S. In Europe, the royalty rate can vary from 6% to 8% depending on sales and profitability. In other world markets, the royalty rate is 3%. Meda is also entitled to receive up to a quarter of a billion SEK at certain milestone events that are not linked to sales levels.

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MEDA AB (publ) is an international 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 by its own organisations in 26 countries and has more than 1 500 employees within marketing and sales. Meda's products are sold in about 120 countries worldwide. The Meda share is listed under Large Cap on the OMX Nordic Stock Exchange. Find out more, visit www.meda.se.