Meda is a leading international specialty pharma company with a broad product portfolio and its own sales organizations in almost 60 countries. Including those markets where sales are managed by distributors, Meda's products are sold in more than 120 different countries. Meda AB is the Group's parent company and its headquarters are located in Solna outside of Stockholm. The Meda share is listed under Large Cap on the Nasdaq OMX Nordic Stock Exchange in Stockholm.

Interim Report, January-June 2014

January-June 2014

- The Group's net sales reached SEK 6,842 million (6,478), corresponding to an increase of 6% or an organic growth[1] of 4% compared to the previous year.
- EBITDA amounted to SEK 2,003 million (1,845), corresponding to a 29.3% margin (28.5).
- Operating profit totaled SEK 888 million (765).
- Profit after tax amounted to SEK 503 million (400).
- Earnings per share reached SEK 1.66 (1.34).
- Cash earnings per share amounted to SEK 4.14 (3.81).

Second quarter 2014

- The Group's net sales reached SEK 3,477 million (3,279), corresponding to an increase of 6% or an organic growth[1] of 4% compared to the previous year.
- EBITDA was SEK 993 million (922), yielding a 28.6% margin (28.1).
- Operating profit totaled SEK 426 million (381).
- Profit after tax amounted to SEK 243 million (192).
- Earnings per share reached SEK 0.80 (0.64).
- Cash earnings per share amounted to SEK 2.17 (2.04).

1) Organic growth: Sales growth adjusted for currency effects, acquisitions, disposed operations and revenues from the cooperation agreement with Valeant.

Webcasted presentation of the report on August 13 at 10:30 a.m.
The presentation can be accessed at www.meda.se/Investors/, where a recorded version will also be available until the next interim report is presented.

For further inquiries, please contact:
Paula Treutiger, Investor Relations, paula.treutiger@meda.se, +46 733-666 599.

All information in this interim report refers to the Group unless otherwise stated. Figures shown refer to the period indicated in the paragraph heading, and figures in parentheses refer to the corresponding period last year. For further information about medicines and development projects, see www.meda.se and the 2013 Annual Report. For definitions, see page 21 or the 2013 Annual Report.

CEO statement

I am satisfied with our performance during the second quarter as we have continued to deliver healthy organic growth. Sales were up 6% in the second quarter, corresponding to organic growth of 4%. The EBITDA margin was 28.6% in Q2 and 29.3% for the first half year 2014. This is an improvement of 0.8%-points compared to the same period last year.

Dymista continues to make the strongest contribution to growth, with a positive trend in both the US and Europe in the second quarter. In Europe, we were able to achieve substantially increased market shares in virtually all markets after a strong allergy season. In the US, this year's allergy season was weaker, despite that Dymista strengthened its position in the market in the second quarter.

Also Emerging Markets contributed significantly to Meda's growth in the quarter with organic growth of 26%, primarily driven by Russia, Turkey, and China. Several markets in Eastern Europe, including Hungary and Slovakia, also saw positive development in the quarter, along with smaller markets where we have recently established ourselves, such as South Africa. As we have previously highlighted, we continue to expect the rate of growth on Emerging Markets to fluctuate and vary between regions, markets, and quarters.

We are now beginning to discern the impact of measures we took within the OTC business area, which is pleasing. In the second quarter, organic growth amounted to 5%. We continue to focus our efforts on the programs we implemented to strengthen and build our brands in the long term.

Sales increased by 5% in Western Europe with an organic growth of about 1%. During the quarter especially the Nordic countries and Southern Europe developed well. Both Italy and Spain continued to show positive growth.

The US had a weak second quarter and reported a negative organic growth of 2%, primarily due to sales of Astepro weakened due to the launch at risk of a generic in the quarter. This could not be offset by the positive development of Dymista.

In 2011, Meda acquired the global sales rights to Elidel from Novartis. Since then our studies have revealed that Elidel is an effective, safe and well-positioned product in the treatment of atopic dermatitis, which has boosted the product's sales trend. During the second quarter there have been manufacturing problems, which have affected delivery capacity, e.g.in the Middle East. At this point in time we are unable to say with any certainty when these problems will be resolved.

On July 31, we announced the acquisition of Italian Rottapharm. The acquisition is strategically important as it strengthens our position within Cx / OTC and Emerging Markets and strengthens our future cash flow. In this way, we create a platform for further growth, both organically and through acquisitions. It shows our ability to pursue an active acquisition strategy in order to create shareholder value.

Provided the transaction is completed as planned at the start of October 2014, Meda expects sales for full-year 2014 of around SEK 15 billion, and the EBITDA margin to be in line with last year (excluding integration costs and other costs associated with the transaction). This corresponds to an expected organic growth for Meda standalone of 2-3% in 2014.

Jörg-Thomas Dierks

CEO

Sales

For information on sales trends for major products, see the table on page 20. Definitions of geographic regions and product categories are presented on page 21.

January-June

Net sales for the period amounted to SEK 6,842 million (6,478) corresponding to an increase of 6%. In fixed exchange rates, sales increased by 3%, while organic growth amounted to 4%.

April-June

Net sales for the period amounted to SEK 3,477 million (3,279) corresponding to an increase of 6%. In fixed exchange rates, sales increased by 3%, while the organic increase was 4% compared to the previous year.

Sales by geographic area

January-June

Sales in **Western Europe** for the period were SEK 4,486 million (4,252) corresponding to an increase of 6% and representing a 1% increase both organic and at fixed exchange rates. Spain and Sweden displayed the highest growth during the period. A majority of the countries in the region are showing growth year-on-year, with the exception of Germany and the UK.

US sales amounted to SEK 1,247 million (1,177) corresponding to an increase of 6% and representing a 5% increase at fixed exchange rates and organic sales growth of 6%. Sales of Dymista on the US market rose to SEK 257 million (164). The basic product portfolio in the US decreased overall by 9% and sales of launch quantities of Aerospan amounted to SEK 37 million.

Sales in **Emerging Markets** amounted to SEK 1,017 million (921) corresponding to an increase of 10% and representing a 14% increase both organic and at fixed exchange rates. Growth was chiefly fueled by Russia, China, Turkey, and Australia, while sales in the Middle East due to supply problems of Elidel and in CIS due to the political situation in Ukraine declined compared to the same period last year.

Other Sales amounted to SEK 92 million (128).

April-June

Sales in **Western Europe** for the period were SEK 2,284 million (2,166) corresponding to an increase of 5% and representing zero growth at fixed exchange rates and organic growth of 1%. Growth during the quarter was chiefly driven by Spain and the Nordic countries, while Germany and the UK saw a decline in sales. Sales on the German market have been impeded by reductions in reference prices mainly for Formatris and sales in the UK dipped due to increased generic competition, especially for Tramadol.

US sales amounted to SEK 566 million (575) corresponding to a decline of 1% and representing a 3% decrease at fixed exchange rates and an organic sales decline of 2%. The dip in the growth curve for the second quarter was primarily attributable to the launch of a generic at risk of Astepro, while sales of Dymista rose to SEK 130 million (101). Following sales to wholesalers of Aerospan in the first quarter there were no additional sales in the second quarter.

Sales in **Emerging Markets** amounted to SEK 582 million (473) corresponding to an increase of 23% and representing a 26% increase both organic and at fixed exchange rates. Following a weaker first quarter, the second quarter saw a significant recovery in Russia, China, Turkey and Australia. Sales in the Middle East were affected negatively by lower sales of Elidel resulting from manufacturing problems at Meda’s contract manufacturer. As in previous quarters, sales in CIS were hampered by the volatile political and economic situation.

Other Sales amounted to SEK 45 million (65).

Sales by geographic area (SEK million)

	January-June					April-June				
	2014	2013	Index	Index[1)]	Index[2)]	**2014**	2013	Index	Index[1)]	Index[2)]
Western Europe	4,486	4,252	106	101	101	2,284	2,166	105	100	101
USA	1,247	1,177	106	105	106	566	575	99	97	98
Emerging Markets	1,017	921	110	114	114	582	473	123	126	126
Other Sales	92	128	72	69	80	45	65	70	66	93
Total sales	**6,842**	**6,478**	**106**	**103**	**104**	**3,477**	**3,279**	**106**	**103**	**104**

[1)]Fixed exchange rates [2)]Organic growth

Sales by product category

January-June

Sales of prescription drugs (**RX**) amounted to SEK 5,004 million (4,706) corresponding to an increase of 6% and representing a 4% increase at fixed exchange rates and 5% organic growth. Dymista, Epipen, and Tambocor continued to make significant contributions to growth in the period, while the trend was weak for Astepro due to the launch of a generic at risk and Aldara due to price decrease and competition.

OTC sales amounted to SEK 1,647 million (1,570) corresponding to an increase of 5% and representing a 2% increase both organic and at fixed exchange rates.

Other Sales amounted to SEK 191 million (202).

April-June

Sales of prescription drugs (**RX**) amounted to SEK 2,542 million (2,403) corresponding to an increase of 6%, representing a 3% increase at fixed exchange rates and 4% organic growth. The most outstanding product in terms of growth for the quarter was Dymista, which achieved sales of SEK 189 million (114). Sales within the category were also adversely affected by generic competition for Astepro in the US, along with manufacturing problems for Elidel. Sales of Solco saw an increase during the period following a recovery in Russia.

OTC sales amounted to SEK 837 million (773) corresponding to an increase of 8% and representing a 4% increase at fixed exchange rates and 5% organic growth. Sales of CB12 experienced a sharp increase on most markets, totaling SEK 90 million (73).

Other Sales amounted to SEK 98 million (103).

Sales by product category (SEK million)

	January-June					April-June				
	2014	2013	Index	Index[1)]	Index[2)]	**2014**	2013	Index	Index[1)]	Index[2)]
RX	5,004	4,706	106	104	105	2,542	2,403	106	103	104
OTC	1,647	1,570	105	102	102	837	773	108	104	105
Other Sales	191	202	95	92	92	98	103	96	93	94
Total sales	**6,842**	**6,478**	**106**	**103**	**104**	**3,477**	**3,279**	**106**	**103**	**104**

[1)]Fixed exchange rates [2)]Organic growth

Earnings

Operating profit

January-June

Operating profit for the period totaled SEK 888 million (765).

EBITDA for the period was SEK 2,003 million (1,845), yielding a 29.3% margin (28.5).

Operating expenses for the period amounted to SEK 3,282 million (3,276).

April-June

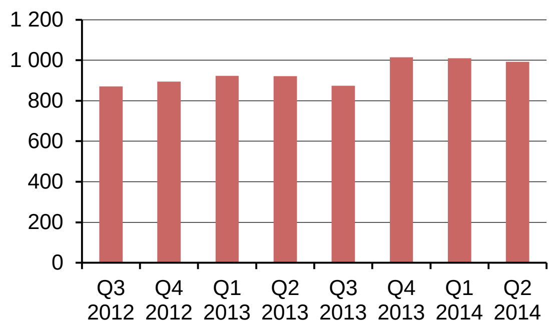
Operating profit for the period totaled SEK 426 million (381).

EBITDA for the period was SEK 993 million (922), yielding a 28.6% margin (28.1).

Other income of SEK 42 million relates to a non-recurring effect linked to the agreement with Valeant to conclude the companies' joint ventures in Canada, Mexico, and Australia.

Operating expenses for the period amounted to SEK 1,695 million (1,650). The increase is largely attributable to higher selling expenses, mainly as a result of launch costs for Aerospan in the US and increased marketing costs for Dymista on several markets.

EBITDA (SEK MILLION)*



*Figures for 2012 have been recalculated for IAS 19; see 2013 annual report for further information.

Financial items and net profit

January-June

The Group's net finance expense amounted to SEK -252 million (-271). The average interest rate on June 30, 2014, was 2.7% (3.0).

Profit after net finance expense totaled SEK 636 million (494).

Net profit amounted to SEK 503 million (400).

The Group's tax expense was SEK 133 million (94), equivalent to a tax rate of 20.8% (19.0).

Earnings per share reached SEK 1.66 (1.34).

April-June

The Group's net finance expense amounted to SEK -117 million (-142).

Profit after net finance expense totaled SEK 309 million (239).

Net profit amounted to SEK 243 million (192).

The Group's tax expense was SEK 66 million (47), equivalent to a tax rate of 21.1% (19.7).

Earnings per share reached SEK 0.80 (0.64).

Cash flow

January-June

Cash flow from operating activities, before changes in working capital, amounted to SEK 1,471 million (1,454).

Tied-up working capital had a SEK -174 million (-253) impact on cash flow, which was mainly due to increased trade receivables on the US market and some European markets, and also in part due to an increase in prepaid expenses. Cash flow from operating activities amounted to SEK 1,297 million (1,201).

Cash flow from investing activities amounted to SEK -115 million (-107). The acquisition of the product EB24, which was carried out via the acquisition of the company ZpearPoint AS, was completed during the first quarter.

Cash flow from financing activities was SEK -1,175 million (-1,039).

Cash earnings per share for the period rose 9% to SEK 4.14 (3.81).

April-June

Cash flow from operating activities before changes in working capital amounted to SEK 691 million (664).

Tied-up working capital had a SEK -9 million (-14) impact on cash flow. Inventories had a positive effect on cash flow of SEK 79 million, which is largely attributable to seasonal variations. Receivables had a positive impact on cash flow of SEK 51 million, which is primarily attributable to the drop in sales at the end of the quarter compared to the end of the previous quarter. Debts had a negative effect on cash flow of SEK 139 million, which is largely owing to a reduction in accrued expenses on the US market. Accordingly, cash flow from operating activities amounted to SEK 682 million (650).

Cash flow from investing activities amounted to SEK -59 million (-61).

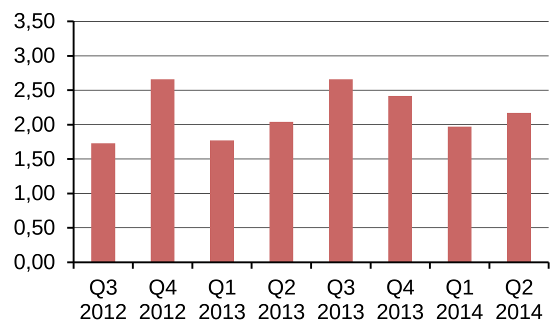
Cash flow from financing activities reached SEK -709 million (-643). The dividend of SEK 756 million was paid during the quarter.

Cash earnings per share for the period rose by 6% to SEK 2.17 (2.04).

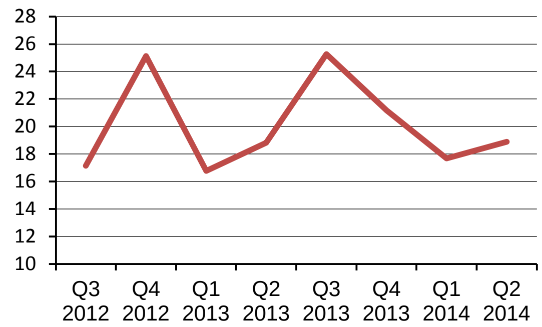
Average free cash flow per quarter during the last eight quarters amounted to SEK 658 million. For Q2 2014, free cash flow amounted to SEK 657 million (617). Performance of cash earnings per share is illustrated in the table below.

Free cash flow/net sales totaled 19% for the period and 20% on average for the last eight quarters.

Cash earnings per share (SEK)



Free cash flow/net sales (%)



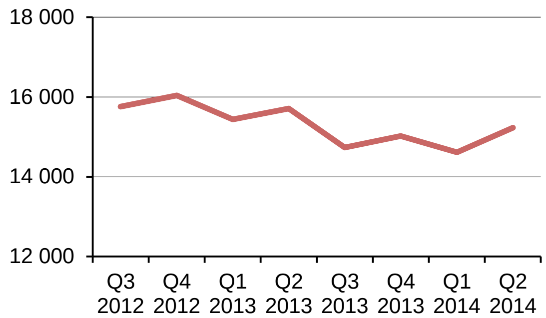
Financing

On June 30, equity stood at SEK 15,335 million compared to SEK 15,211 million at the year's start, which corresponds to SEK 50.7 (50.3) per share. The equity/assets ratio was 41.9% compared to 41.9% at the start of the year.

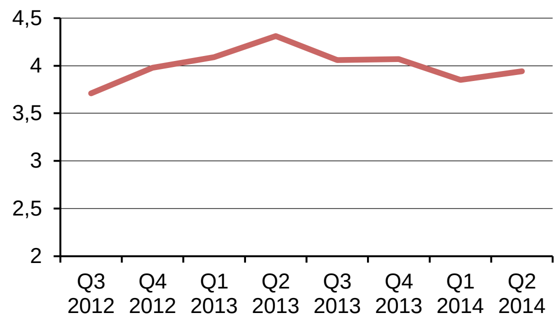
Net debt for the Group totaled SEK 15,234 million on June 30, compared to SEK 15,025 million at the start of the year. Net debt was affected negatively in the second quarter by the dividend of SEK 756 million.

Performance of net debt/adjusted EBITDA over the last eight quarters is illustrated in the following chart.

Net debt (SEK million)*



Net debt/adjusted EBITDA (times)*



*Figures for 2012 have been recalculated for IAS 19; see 2013 annual report for more information.

Events after the reporting date

Meda to acquire Rottapharm, creating a European specialty pharma leader

Meda announced July 31st that it has entered into a definitive agreement to acquire Rottapharm│Madaus ("Rottapharm"), an Italian company owned by the Rovati family, for a consideration of SEK 21.2 billion (€2.275 billion) on a cash and debt free basis. This is estimated to correspond to an EBITDA multiple below 9 including full synergies. The consideration will comprise SEK 15.3 billion (€1.643 billion) in cash, 30 million Meda shares corresponding to a value of SEK 3.3 billion (€357 million) and a non-contingent deferred payment in January 2017 of SEK 2.6 billion (€275 million). Following completion of the transaction, the Rovati family will own 9% of Meda.

Rottapharm S.p.A., headquartered in Monza, Italy, was founded by Professor Luigi Rovati in 1961 and has grown into a leading consumer healthcare focused branded specialty pharma company. The company's products are differentiated through the professional endorsement of doctors and pharmacists within the consumer healthcare segment. The company combines Rx-reimbursed medications with more traditional consumer healthcare products, characterized by high scientific credibility (clinically-proven consumer healthcare products or Cx); these are high-margin, non-reimbursed, by doctors prescribed or recommended products with nearly no generic competition. Rottapharm has a global footprint with a presence of its products in 90 countries worldwide and generated in 2013 revenues of €536 million, of which 75% from Cx, with an overall gross margin of 67% and an adjusted EBITDA of €149 million implying a margin of 28%. Year-to-date trading as at June 30 showed sales growth excluding acquisitions of around 5%[1].

Transaction rationale

Enhanced scale, reach and profitability

- The transaction creates a preeminent branded specialty pharma business with pro-forma revenues of over SEK 18 billion in 2013 and good growth prospects
- The combined business will be better positioned to leverage a number of attractive brands through a broader reach to physicians, pharmacists and consumers
- The combination will benefit from enhanced profitability, through the realization of synergies from overlapping infrastructure

Increased consumer healthcare presence

- Cx is an attractive space with free pricing (not reimbursed), limited generic competition and a short time to market, while still offering science-based and clinically effective treatments
- Meda will on a combined basis have a good balance between their Rx segment (~60%) and Cx / OTC treatments (~40%). The resources will be dedicated to key brands with a view to drive in-market sales growth, internationalization and line extensions

Acquisition of diverse portfolio of strong brands

Rottapharm markets a balanced portfolio of strong brands, such as:

- Dona® (Cx), the original and global market leading glucosamine sulfate for osteoarthritis with strong sales in emerging markets such as Russia, China and Thailand
- Saugella® (Cx), a market leader in Italy, Germany and Taiwan for intimate feminine hygiene, to be launched in several other countries
- ArmoLIPID® (Cx), the leading nutraceutical in Italy for dyslipidemia management with a 60% market share, which was recently launched in a number of other countries, including Spain, Portugal, Belgium, Austria and Thailand

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[1] Unaudited figures, 6M 2014A vs. 6M 2013A

- Legalon® (Rx), used in the treatment of liver degenerative, inflammatory and fibrotic diseases. Legalon SIL is an injectable version of the medication indicated for mushroom intoxication and under study for prevention of recurrent hepatitis C in liver transplant patients

Stronger presence in emerging markets

- Meda's global reach will be further supported by an enlarged business in emerging markets with sales of over SEK 3 billion (17% of pro-forma 2013 sales). This corresponds to an increase of around 50%
- Rottapharm's presence, with its own sales forces, in Southeast Asia is particularly complementary to Meda, providing additional opportunities to sell Meda's products in new geographic markets

Attractive financial impact

- The acquisition is expected to yield approximately SEK 900 million per annum of cost synergies, with full effect in 2016. Synergies are anticipated to be driven by efficiencies in sales and marketing, administration and research and development. There is an additional upside, outside of these areas, from selling Meda products in new geographic markets as well as repatriating certain licenses to Meda
- The acquisition is expected to be both EPS and Cash EPS accretive, in excess of 20%, following integration in 2016
- The combination is anticipated to generate strong cash flows, enabling the business to rapidly de-lever the balance sheet from a level above 5x Net debt / EBITDA as estimated at year end 2014 back to current Net debt / EBITDA level in 2016

Transaction terms

The transaction will comprise SEK 15.3 billion (€1.643 billion) in cash, 30 million Meda shares corresponding to a value of SEK 3.3 billion (€357 million) and a SEK 2.6 billion (€275 million) of non-contingent, deferred payment in January 2017, which totals SEK 21.2 billion (€2.275 billion) on a cash and debt free basis.

Financing

The acquisition will be funded through a combination of new debt facilities, an equity issue with preferential rights to existing shareholders and payment in Meda shares. SEK 28 billion in bridge financing has been secured, which includes refinancing of Meda's existing credit facilities. Take out financing is expected to be a combination of syndicated bank debt (SEK 26 billion) and an equity rights issue (SEK 2 billion). The payment in Meda shares, as mentioned above, corresponds to SEK 3.3 billion.

The Rovati family will on closing become a meaningful shareholder in Meda with an ownership stake of 9%. The Rovati family and Stena Sessan Rederi AB have both committed to subscribe for their pro rata share in the equity issue with preferential rights to existing shareholders.

Approvals and timing

The acquisition of Rottapharm must be reported to the competition authorities of multiple jurisdictions. Filings for gaining approvals will be initiated within days and the transaction is expected to complete in Q4 2014 following such clearances.

Closing of the transaction is not subject to any other material conditions.

The Board of Directors of Meda will call for an Extraordinary General Meeting to decide upon an equity issue with preferential rights to existing Meda shareholders. Shareholders will be notified as soon as practically possible following completion of the transaction.

Guidance

Provided the transaction is completed as planned at the start of October 2014, Meda expects sales for full-year 2014 of around SEK 15 billion, and the EBITDA margin to be in line with last year (excluding integration costs and other costs associated with the transaction). This corresponds to an expected organic growth for Meda standalone of 2-3% in 2014.

Risks and uncertainties

The Group's business is exposed to financial risks, which are described in Meda's 2013 annual report on pp. 78-80. Risks related to Group operations are described in the 2013 annual report on pp. 60-62.

Accounting policies

The Group complies with the EU-approved IFRS standards and their interpretations (IFRIC). This interim report was prepared as per IAS 34 Interim Financial Reporting. Further information about Group reporting and valuation principles is detailed in Note 1 on pp. 74-78 of the 2013 annual report. The parent company applies RFR 2, Accounting for Legal Entities.

The Group uses the same accounting policies in this interim report as applied in the preparation of the 2013 annual report. New or revised IFRS standards that came into force in 2014 did not have any material impact on the Group.

Changes to external reporting – sales by product category

As of January 1, 2014, Meda reports the following two product categories: RX, OTC, and Other Sales.

Product categories as of January 1, 2014:

RX – Prescription drugs and specialty products

OTC – Over-the-counter products

Other Sales – Revenue from med-tech products and income not related to products

The board of directors and CEO hereby confirm that this interim report provides a true and fair view of the parent company's and Group's operations, position, and performance, and describes material risks and uncertainties faced by the parent company and Group companies.

Stockholm, August 13, 2014

Martin Svalstedt Board chairman	Peter Claesson Board member	Peter von Ehrenheim Board member
Marianne Hamilton Board member	Tuve Johannesson Board member	Guido Oelkers Board member
Karen Sörensen Board member	Lars Westerberg Board member	Jörg-Thomas Dierks CEO

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Upcoming reporting dates

Interim report January-September November 6, 2014

REVIEW REPORT

Introduction

We have conducted a review of the interim report for Meda AB (publ) for the period January 1 to June 30, 2014. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the parent company.

Stockholm, August 13, 2014

PricewaterhouseCoopers AB

Mikael Eriksson
Authorized public accountant
Auditor in charge

Forward-looking statement

This report is not an offer to sell or a solicitation to buy shares in Meda. This report also contains certain forward-looking statements with respect to certain future events and Meda's potential financial performance. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and may sometimes include words such as "may", "will", "seek", "anticipate", "expect", "estimate", "intend", "plan", "forecast", "believe", or other words of similar meaning. These forward-looking statements reflect the current expectations on future events of the management at the time such statements are made, but are made subject to a number of risks and uncertainties. In the event such risks or uncertainties materialize, Meda's results could be materially affected. The risks and uncertainties include, but are not limited to, risks associated with the inherent uncertainty of pharmaceutical research and product development, manufacturing and commercialization, the impact of competitive products, patents, legal challenges, government regulation and approval, Meda's ability to secure new products for commercialization and/or development, and other risks and uncertainties detailed from time to time in Meda AB's interim or annual reports, prospectuses, or press releases. Listeners and readers are cautioned that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. Meda does not intend or undertake to update any such forward-looking statements.

MEDA

Consolidated income statement (SEK million)

	January-June			April-June			Full year
	2014	2013	Change, %	**2014**	2013	Change, %	2013
Net sales	6,842	6,478	6%	3,477	3,279	6%	13,114
Cost of sales	-2,714	-2,437		-1,398	-1,248		-5,087
Gross profit	**4,128**	**4,041**		**2,079**	**2,031**		**8,027**
Other income	42	-		42	-		-
Selling expenses	-1,573	-1,536		-822	-772		-2,993
Medicine and business development expenses[1)]	-1,384	-1,370		-696	-698		-2,794
Administrative expenses	-325	-370		-177	-180		-692
Operating profit (EBIT)	**888**	**765**		**426**	**381**		**1,548**
Net financial items	-252	-271		-117	-142		-545
Profit for the period after net financial items (EBT)	**636**	**494**		**309**	**239**		**1,003**
Tax	-133	-94		-66	-47		-198
Net profit	**503**	**400**		**243**	**192**		**805**
Profit/loss attributable to:							
Parent company shareholders	502	405		243	194		807
Non-controlling interests	1	-5		-	-2		-2
Net profit	**503**	**400**		**243**	**192**		**805**
[1)]Of which amortization of product rights	-1,056	-1,022		-537	-512		-2,067
EBITDA	2,003	1,845		993	922		3,734
Amortization, product rights	-1,056	-1,022		-537	-512		-2,067
Depreciation and amortization, other	-59	-58		-30	-29		-119
Operating profit (EBIT)	**888**	**765**		**426**	**381**		**1,548**

Key ratios related to earnings							
Operating margin, %	13.0	11.8		12.3	11.6		11.8
Profit margin, %	9.3	7.6		8.9	7.3		7.6
EBITDA, %	29.3	28.5		28.6	28.1		28.5
Return on capital employed, rolling 12 months, %	5.5	4.7					5.1
Return on equity, rolling 12 months, %	6.0	6.3					5.4

Consolidated statement of earnings and comprehensive income (SEK million)

	January-June		April-June		Full year
	2014	2013	**2014**	2013	2013
Net profit	**503**	**400**	**243**	**192**	**805**
Items that will not be reclassified to the income statement					
Revaluation of defined-benefit pension plans and similar plans after tax	-88	87	-89	79	113
	-88	**87**	**-89**	**79**	**113**
Items that may be reclassified to the income statement					
Translation difference	810	458	592	918	510
Translation difference reversed to income statement	-5	-	-5	-	-
Net investment hedge, after tax	-377	-236	-274	-479	-277
Cash flow hedges, after tax	3	12	2	5	17
	431	**234**	**315**	**444**	**250**
Other comprehensive income for the period, net of tax	**343**	**321**	**226**	**523**	**363**
Total comprehensive income	**846**	**721**	**469**	**715**	**1,168**
Profit/loss attributable to:					
Parent company shareholders	845	726	470	717	1,168
Non-controlling interests	1	-5	-1	-2	0
Total comprehensive income	**846**	**721**	**469**	**715**	**1,168**

Share data

	January-June		April-June		Full year
	2014	2013	**2014**	2013	2013
Earnings per share					
Basic earnings per share, SEK	1.66	1.34	0.80	0.64	2.67
Diluted earnings per share, SEK	1.66	1.34	0.80	0.64	2.67
Basic earnings per share, SEK	1.66	1.34	0.80	0.64	2.67
Diluted earnings per share, SEK	1.66	1.34	0.80	0.64	2.67
Average number of shares					
Basic (thousands)	302,243	302,243	302,243	302,243	302,243
Diluted (thousands)	302,243	302,243	302,243	302,243	302,243
Number of shares on closing day					
Basic (thousands)	302,243	302,243	302,243	302,243	302,243
Diluted (thousands)	302,243	302,243	302,243	302,243	302,243

Consolidated balance sheet (SEK million)

	June 30 2014	June 30 2013	December 31 2013
ASSETS			
Non-current assets			
- Property, plant, and equipment	865	808	848
- Intangible[1]	29,346	29,904	29,666
- Other non-current assets	1,129	877	936
Non-current assets	**31,340**	**31,589**	**31,450**
Current assets			
- Inventories	2,010	2,121	1,982
- Current receivables	3,067	2,607	2,683
- Cash and cash equivalents	194	248	178
Current assets	**5,271**	**4,976**	**4,843**
Total assets	**36,611**	**36,565**	**36,293**
EQUITY AND LIABILITIES			
Equity	**15,335**	**14,764**	**15,211**
Non-current liabilities			
- Borrowings	4,737	12,473	7,792
- Pension obligations	1,254	1,165	1,107
- Deferred tax liabilities	2,114	2,392	2,211
- Other non-current liabilities	268	295	274
Non-current liabilities	**8,373**	**16,325**	**11,384**
Current liabilities			
- Borrowings	9,444	2,322	6,304
- Other current liabilities	3,459	3,154	3,394
Current liabilities	**12,903**	**5,476**	**9,698**
Total equity and liabilities	**36,611**	**36,565**	**36,293**
[1]Of which, goodwill	14,435	14,107	13,971

Key ratios affecting balance sheet			
Net debt	15,234	15,712	15,025
Net debt/equity ratio, times	1.0	1.1	1.0
Equity/assets ratio, %	41.9	40.4	41.9
Equity per share, SEK (at end of period)	50.7	48.8	50.3

Consolidated cash flow statement (SEK million)

	January-June		April-June		Full year
	2014	2013	**2014**	2013	2013
Profit after financial items	636	494	309	239	1,003
Adjustments for items not included in cash flow	1,102	1,123	541	560	2,246
Net change in pensions	-7	-1	-4	-5	-19
Net change in other provisions	-24	33	4	3	116
Income taxes paid	-236	-195	-159	-133	-390
Cash flow from operating activities before changes in working capital	**1,471**	**1,454**	**691**	**664**	**2,956**
Cash flow from changes in working capital					
Inventories	70	-185	79	-23	-97
Receivables	-199	-86	51	58	-225
Liabilities	-45	18	-139	-49	211
Cash flow from operating activities	**1,297**	**1,201**	**682**	**650**	**2,845**
Cash flow from investing activities	**-115**	**-107**	**-59**	**-61**	**-1,255**
Cash flow from financing activities	**-1,175**	**-1,039**	**-709**	**-643**	**-1,597**
Cash flow for the period	**7**	**55**	**-86**	**-54**	**-7**
Cash and cash equivalents at period's start	178	194	274	297	194
Translation difference for cash and cash equivalents	9	-1	6	5	-9
Cash and cash equivalents at period's end	**194**	**248**	**194**	**248**	**178**
Key ratios related to cash flow					
Free cash flow, SEK million	1,252	1,153	657	617	2,688
Cash earnings per share, SEK	4.14	3.81	2.17	2.04	8.89

Consolidated statement of changes in equity (SEK million)

SEK million	Attributable to parent company shareholders Share capital	Other contri-buted capital	Other reserves	Retained earnings includ-ing profit for the year	Total	Non-control-ling interests	Total equity
Opening balance, equity, Jan 1, 2014	**302**	**8,865**	**-415**	**6,491**	**15,243**	**-32**	**15,211**
Translation difference	-	-	810	-	810	-	810
Translation difference reversed to income statement	-	-	-5	-	-5	-	-5
Net investment hedge, after tax	-	-	-377	-	-377	-	-377
Cash flow hedges, after tax	-	-	3	-	3	-	3
Defined-benefit pension plans and similar plans after tax	-	-	-88	-	-88	-	-88
Total other comprehensive income	-	-	**343**	-	**343**	-	**343**
Profit for period	-	-	-	502	502	1	503
Total comprehensive income	**-**	**-**	**343**	**502**	**845**	**1**	**846**
Disposal of subsidiary	-	-	-	-	-	31	31
Share-based payments, settled using equity instruments	-	-	-	3	3	-	3
Dividend	-	-	-	-756	-756	-	-756
Closing balance, equity, Jun 30, 2014	**302**	**8,865**	**-72**	**6,240**	**15,335**	**-**	**15,335**

Fair value – financial assets and liabilities

The table below comprises the consolidated financial assets and liabilities that are measured at fair value.

Derivatives are reported as level 2 and used for the purpose of hedging. Fair value measurement for interest-rate swaps is calculated by discounting with observable market data. Measurement of fair value for currency forward contracts is based on published forward prices.

Available-for-sale financial assets are primarily recognized at level 1 and consist of funds invested in interest-bearing securities. Fair value measurement is based on quoted prices on an active market.

Group derivatives are covered by right of set-off between assets and liabilities with the same counterparty. Offsetting of assets and liabilities has not been applied. Derivatives recognized as assets and liabilities are presented in the table below.

No transfers have been made between level 1 and level 2 during the period.

	January-June		**January-June**		**Full year**	
	2014		2013		2013	
	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2
Assets						
Interest rate swaps[1)]	-		-	-	-	-
Currency forward contracts	-	105	-	42	-	49
Available-for-sale financial assets	4	-	4	1	4	1
Total	**4**	**105**	**4**	**43**	**4**	**50**
Liabilities						
Interest rate swaps[1)]	-	30	-	39	-	33
Currency forward contracts	-	183	-	133	-	113
Total	**-**	**213**	**-**	**172**	**-**	**146**

[1)]*Cash flow hedging*

Parent company

Net sales for the January-June period totaled SEK 2,889 million (2,639), of which intra-Group sales represented SEK 1,935 million (1,762). Operating profit totaled SEK 449 million (237) and net financial items amounted to SEK -12 million (53).

During the period, Meda reached an agreement with Valeant to conclude the companies' joint ventures in Canada, Mexico, and Australia, which generated a negative non-recurring effect in net financial items of SEK 15 million.

Investments in intellectual property rights for the period were SEK 4 million (62), and investments in property, plant, and equipment totaled SEK 0 million (0).

Financial assets at June 30, 2014, totaled SEK 24,289 million, compared to SEK 23,630 million at the end of last year. Cash and cash equivalents were SEK 0 million (22).

Income statement for the parent company (SEK million)

	January-June	
	2014	**2013**
Net sales	2,889	2,639
Cost of sales	-1,636	-1,552
Gross profit	**1,253**	**1,087**
Selling expenses	-179	-136
Medicine and business development expenses	-550	-603
Administrative expenses	-75	-111
Operating profit (EBIT)	**449**	**237**
Net financial items	-12	53
Profit for the period after net financial items (EBT)	**437**	**290**
Appropriations and tax	-407	-360
Net profit	**30**	**-70**

Balance sheet for the parent company (SEK million)

	June 30 2014	December 31 2013
ASSETS		
Non-current assets		
- Intangible	5,626	6,172
- Property, plant, and equipment	1	1
- Financial	24,289	23,630
Total non-current assets	**29,916**	**29,803**
Current assets		
- Inventories	415	460
- Current receivables	1,390	1,422
- Cash and bank balances	0	22
Total current assets	**1,805**	**1,904**
Total assets	**31,721**	**31,707**
EQUITY AND LIABILITIES		
Restricted equity	3,477	3,477
Non-restricted equity	7,728	8,451
Total equity	**11,205**	**11,928**
Untaxed reserves	2,630	2,239
Provisions	64	62
Non-current liabilities	6,818	9,726
Current liabilities	11,004	7,752
Total equity and liabilities	**31,721**	**31,707**

Sales (SEK million)

Sales trends for the 20 best-selling products during the period.

	January-June				April-June			
	2014	2013	Index	Index[1]	**2014**	2013	Index	Index[1]
Tambocor	411	376	109	104	213	195	109	104
Betadine	404	372	108	103	207	188	110	104
Dymista	345	177	195	192	189	114	166	163
EpiPen	229	169	135	128	122	102	119	112
Aldara/Zyclara	195	212	92	88	96	104	92	88
Elidel[2]	185	184	101	100	92	101	91	89
CB12	174	161	108	105	90	73	124	120
Astelin	158	138	114	113	74	62	119	117
Minitran	143	135	106	101	72	68	108	102
Solco	141	133	106	111	89	66	136	142
Thioctacid	127	118	107	112	80	59	135	139
Mestinon	124	112	111	108	65	56	119	114
Treo	107	107	100	99	52	53	100	99
Astepro	101	172	58	58	34	79	43	42
Novopulmon	96	94	102	98	49	46	106	101
Rantudil	96	103	93	100	51	58	89	94
Zamadol	95	106	90	85	44	52	85	80
Calcium	95	82	116	113	48	40	119	116
Muse	93	92	102	99	49	47	106	104
Formatris	87	129	68	64	46	63	74	70

[1]Index in fixed exchange rates
[2]Refers to sales outside North America

Information on geographic markets

External net sales (SEK million)

	January-June		April-June		Full year
	2014	2013	**2014**	2013	2013
Western Europe	4,486	4,252	2,284	2,166	8,507
USA	1,247	1,177	566	575	2,416
Emerging Markets	1,017	921	582	473	1,951
Other Sales	92	128	45	65	240
Total external net sales	**6,842**	**6,478**	**3,477**	**3,279**	**13,114**

EBITDA (SEK MILLION)

	January-June		April-June		Full year
	2014	2013	**2014**	2013	2013
Western Europe	1,563	1,545	782	763	3,078
USA	465	360	185	174	872
Emerging Markets	281	236	162	133	504
Other Sales	-306	-296	-136	-148	-720
EBITDA, total	**2,003**	**1,845**	**993**	**922**	**3,734**

Definitions related to sales comments

Sales by geographic area

Western Europe – Western Europe, excluding the Baltics, Poland, Czech Republic, Slovakia, and Hungary

USA – Includes Canada

Emerging Markets – Eastern Europe, including the Baltics, Poland, Czech Republic, Slovakia, and Hungary, along with Turkey, the Middle East, Mexico, and other non-European markets

Other Sales – Revenue from contract manufacturing, services, and other income

Sales by product category

RX – Prescription drugs and specialty products

OTC – Over-the-counter products

Other Sales – Revenue from med-tech products and income not related to products

Other definitions

Net debt/adjusted EBITDA – EBITDA rolling 12 months adjusted for acquisitions and disposals, and excluding restructuring costs due to acquisitions.

Organic growth – Sales growth adjusted for currency effects, acquisitions, disposed operations and revenues from the cooperation agreement with Valeant.