

Meda is a leading international specialty pharma company with a broad product portfolio and its own sales organizations in over 60 countries. Including those markets where sales are managed by distributors, Meda's products are sold in more than 150 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 Nasdaq Stockholm.



Interim Report, January-March 2016

January-March 2016

- Net sales reached SEK 4,315 million (4,583), corresponding to a decrease of 6% and an organic sales development of -2%, compared with the previous year.
- EBITDA, excluding non-recurring items, was SEK 1,256 million (1,403), corresponding to a margin of 29.1% (30.6).
- Non-recurring items related to the Mylan offer had a SEK 121 million negative impact on earnings before tax.
- Profit after tax amounted to SEK 291 million (226).
- Earnings per share reached SEK 0.80 (0.62). Excluding non-recurring items, earnings per share totaled SEK 0.46 (0.59).
- Cash earnings per share amounted to SEK 0.90 (0.74). Excluding non-recurring items cash earnings per share totaled SEK 1.36 (1.94).

Webcast presentation of the report on May 3 at 10:00 a.m.

The presentation can be accessed at www.meda.se/eng/investerare, where a recorded version will also be available until the next interim report.

For further inquiries, please contact:

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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 2015 Annual Report. For definitions, see page 20 or the 2015 Annual Report.

CEO statement

2016 is developing in accordance with our plans.

Emerging Markets continued to show solid performance during the quarter. Strong sales in Eastern Europe, Turkey, Middle East and Mexico outweighed lower sales in parts of Asia where we saw an impact mainly related to fluctuations in distributor buying patterns in the quarter. Sales for Emerging Markets amounted to SEK 810 million in Q1.

Sales for our Western European business were varied in the first quarter. Most countries showed a good development and sales were supported by major products such as Dymista and Betadine. As expected, sales were lower in Germany than last year while Southern Europe (Spain, Portugal and Italy) and the Nordic markets performed strongly.

One of the most positive notes for this quarter was Italy, where we saw some of the first signs of a turn around with positive effects on Cx sales, particularly with Saugella and Armolipid. As you may recall in our last quarter's report we called out some problems that we ran into with the Italian operations, and we stated that we would take measure to sort out those issues. We have and will continue to do so, but I am particularly pleased with the Cx business' turnaround in Italy which is again showing growth of 9% compared to last year's first quarter.

We are also finally seeing some impact from our repositioning efforts for CB12 – growing sales by 6%. Armolipid, the Cx-product which we intend to expand internationally, has also realized a strong sales increase with 33%. All in all sales in Western Europe amounted to SEK 2,801 million in the quarter.

In the US our promoted growth products continued on a positive track especially with Dymista showing growth in the market of 13% according to IMS compared to the same period last year. This was offset as expected by the natural disruption associated with the potential sale of this division last fall, a tougher comparison for products like Felbatol, the expected negative impact from lower royalties this quarter from Valeant due to the specific terms in our contract which halved our revenues this quarter as compared to last year, and lastly from additional generic competition on four of our existing products. Sales for the US in the quarter totaled SEK 669 million.

Overall our promoted growth products globally showed a growth of 6% compared to the same period last year.

In total, sales for the first quarter amounted to SEK 4,315 million and EBITDA excluding non-recurring items to SEK 1,256 million corresponding to an EBITDA margin of 29.1%. Free cash flow excluding non-recurring items for the quarter was SEK 496 million.

Bottom line, we will continue to execute against our business plan targets as we are hopeful to see more continued recovery in Italy, and expect the US to improve throughout the year.

And now with this attractive offer from Mylan pending, 2016 will prove to be an exciting year for Meda and its stakeholders. Not only does the offer from Mylan create new opportunities for our company and its employees, but also insures our position as a leading European specialty pharma company.

Jörg-Thomas Dierks

Group President and CEO

Sales

For information on sales trends for major products, see the table on page 17. Definitions of geographic regions and product categories are presented on page 20.

January-March

Net sales for the period amounted to SEK 4,315 million (4,583), which corresponds to a decrease of 6%. At constant exchange rates, sales decreased by 4%. Sales compared to last year were negatively impacted by reduced royalties according to the agreement with Valeant as well as the divestment of the manufacturing site Euromed. Organic growth for the period amounted to -2%. The positive sales development in Emerging Markets could not offset lower sales in the US. Western Europe sales were only slightly lower than last year. For the top 20 products, organic growth for the period was flat.

Sales by geographic area

January-March

Sales for **Western Europe** over the period were SEK 2,801 million (2,865), representing a 2% decrease and a 1% decrease at constant exchange rates. Organic growth was -1%. Slow sales development in Germany, the UK, Denmark, and the Netherlands was not fully offset by positive sales development in the rest of the markets and especially in Spain, Finland, Portugal and Sweden.

US sales amounted to SEK 669 million (786), corresponding to a decrease of 15% and 16% at constant exchange rates. Organic growth was -11%. Several products showed lower sales compared to last year, most notably Felbatol, Astepro, Astelin and Soma. License income from the collaboration agreement with Valeant was reduced to SEK 43 million (92).

Sales in **Emerging Markets** amounted to SEK 810 million (819), representing a 1% decrease. At constant exchange rates Emerging Markets showed an increase of 5% and organic growth was 4%. Several markets in the region showed good sales development, especially Turkey where market demand for our products was very strong. The overall sales growth was held back by lower sales in Hong Kong and Taiwan, which was mainly related to fluctuations in distributor buying patterns.

Other Sales fell to amount to SEK 35 million (113) after the divestment of Euromed.

Sales by geographic area

SEK million	January-March				
	2016	2015	Index	Index ¹⁾	Index ²⁾
Western Europe	2,801	2,865	98	99	99
USA	669	786	85	84	89
Emerging Markets	810	819	99	105	104
Other Sales	35	113	31	31	84
Total Sales	4,315	4,583	94	96	98

¹⁾ Constant exchange rates ²⁾ Organic growth

Sales by product category

January-March

Sales of prescription drugs (**Rx**) amounted to SEK 2,609 million (2,820), representing a 6% decrease at constant exchange rates. Organic growth for the period was -5%. Lower sales of Rx products in the US, Germany and the UK (driven by lower EpiPen sales) were the main reasons for the sluggish development. Dymista continued to show growth at 19% and Legalon grew by 22%.

Cx/OTC sales amounted to SEK 1,671 million (1,650), representing a 3% increase at constant exchange rates. Organic growth for the period amounted to 3%. Amongst other products, Saugella, Armolipid, Betadine and Reparil were the main drivers behind the positive development. Sales of Dona were down by 15%, mainly

as a result of fluctuations in distributor buying patterns in Hong Kong and Taiwan. CB12 sales turned around and grew by 6%.

Other Sales amounted to SEK 35 million (113).

Sales by product category

SEK million	January-March				
	2016	2015	Index	Index ¹⁾	Index ²⁾
Rx	2,609	2,820	93	94	95
Cx/OTC	1,671	1,650	101	103	103
Other Sales	35	113	31	31	84
Total Sales	4,315	4,583	94	96	98

¹⁾ Constant exchange rates ²⁾ Organic growth

Earnings

Operating profit

January-March

Operating profit for the period was SEK 349 million (536) and EBITDA was SEK 1,135 million (1,346), yielding a 26.3% margin (29.4). Excluding non-recurring items, operating profit amounted to SEK 470 million (593) and EBITDA to SEK 1,256 million (1,403). This corresponds to an EBITDA margin of 29.1% (30.6).

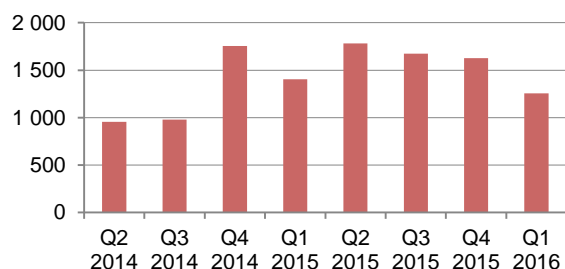
Operating expenses for the period amounted to SEK 2,338 million (2,297) and included transaction costs of SEK 121 million related to the Mylan offer. Accordingly, operating expenses excluding non-recurring items were SEK 2,217 million (2,240).

Selling expenses for the period were SEK 1,010 million (1,049).

Medicine and business development expenses were SEK 1,083 million (967) including transaction costs of SEK 121 million related to the Mylan offer.

Administrative expenses for the period totaled SEK 245 million (281).

EBITDA (SEK million)*



*Excluding non-recurring items

Net financial items, tax and earnings per share

January-March

Net financial items amounted to SEK -252 million (-469) corresponding to a decrease of 18% compared to last year excluding non-recurring items in Q1 2015 of SEK 161 million. The decrease is related to lower interest expense as a result of the reduced net debt.

Profit after net financial items totaled SEK 97 million (67).

Reported tax for the period amounted to SEK 194 million (159). Tax was affected by re-assessment of certain deferred tax balances and non-recurring items. Excluding non-recurring items, tax expense was SEK 50 million (68), equivalent to a tax rate of 23.0% (23.8).

Net profit totaled SEK 291 million (226).

Earnings per share reached SEK 0.80 (0.62). Excluding non-recurring items, earnings per share totaled SEK 0.46 (0.59).

Cash flow

January-March

Cash flow from operating activities before changes in working capital amounted to SEK 723 million (749).

Working capital had an impact of SEK -369 million (-418) on cash flow. Cash flow from inventories totaled SEK -154 million, partly due to inventory build-up of seasonal products and partly due to the timing of inventory purchases. Receivables had a positive effect of SEK 55 million on cash flow. Liabilities had a negative effect of SEK 270 million on cash flow due to payment of bridging stocks acquired at the end of Q4 2015 and fluctuations in payments of trade payables. Accordingly, cash flow from operating activities amounted to SEK 354 million (331).

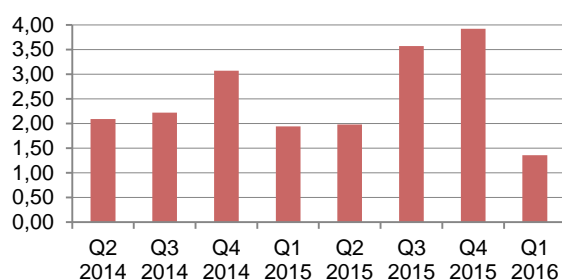
Free cash flow was SEK 330 million (269). Transaction costs related to the Mylan offer of SEK 100 million and restructuring costs of SEK 66 million were paid during the period. Accordingly, free cash flow excluding non-recurring items totaled SEK 496 million (709).

Cash earnings per share for the period totaled SEK 0.90 (0.74). Excluding non-recurring items, cash earnings per share was SEK 1.36 (1.94).

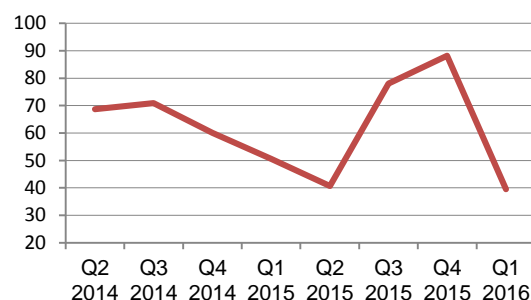
Cash flow from investing activities amounted to SEK -47 million (-246).

Cash flow from financing activities amounted to SEK -939 million (-804).

Cash earnings per share (SEK)*



Free cash flow/EBITDA (%)*



* Excluding non-recurring items

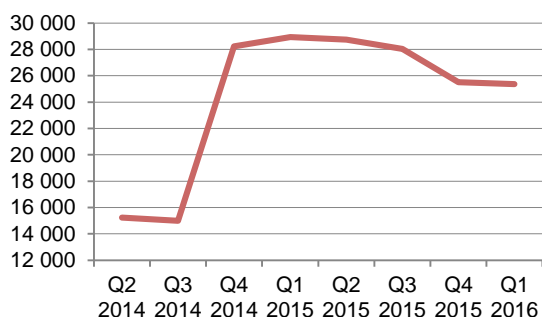
Financing

On March 31, equity stood at SEK 21,076 million compared with SEK 20,956 million at the start of the year, which corresponds to SEK 57.7 (57.3) per share. The equity/assets ratio was 35.5% compared with 34.4% at the start of the year.

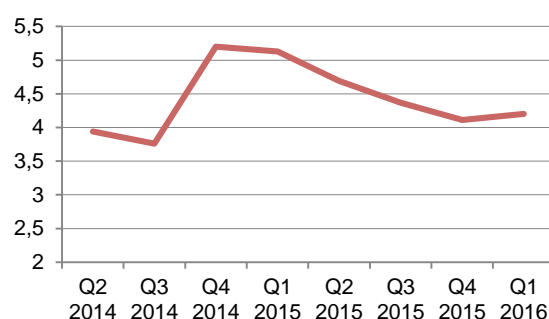
Net debt totaled SEK 25,373 million on March 31, compared with SEK 25,505 million at the start of the year. At March 31, 2016, the average cost of the debt portfolio, including pension liabilities, was 3.0%.

Performance for net debt and net debt/adjusted EBITDA over the past eight quarters is illustrated in the following charts.

Net debt (SEK million)



Net debt/adjusted EBITDA (times)



Agreements and key events

Mylan N.V., a company incorporated in the Netherlands, and whose ordinary shares are traded on the NASDAQ Global Select Market and the Tel Aviv Stock Exchange, announced on February 10, 2016, a recommended public offer to the shareholders of Meda AB to transfer all of their shares in Meda AB to Mylan N.V. for a consideration consisting of a combination of cash and shares of common stock in Mylan N.V. Please refer to Mylan N.V.'s separate offer announcement for more information about the offer, and to a separate press release issued by Meda AB regarding the Board's recommendation regarding the offer.

Risks and uncertainties

The business is exposed to financial risks, which are described in Meda's 2015 Annual Report on pages 94-96. Risks related to operations are described in the 2015 Annual Report on pages 70-72.

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 pages 90-94 of the 2015 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 2015 Annual Report. The new and amended IFRS standards and IFRIC interpretations effective from January 1, 2016, have not had any material effect on the consolidated financial statements.

Stockholm, May 3, 2016

Martin Svalstedt Board chairman	Luca Rovati Deputy board chairman	Peter Claesson Board member
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Peter von Ehrenheim Board member	Kimberly Lein-Mathisen Board member	Guido Oelkers Board member
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Karen Sörensen Board member	Lillie Li Valeur Board member	Lars Westerberg Board member
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Jörg-Thomas Dierks
CEO

The company's auditors did not review this interim report.

Meda AB

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Upcoming reporting dates

Interim report, January-June	July 21, 2016
Interim report, January-September	October 26, 2016

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 AB discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. This information was submitted for publication on May 3, 2016 at 8:00 AM.

Consolidated income statement

SEK million	January-March		Full year
	2016	2015	2015
Net sales	4,315	4,583	19,648
Cost of sales	-1,628	-1,750	-7,525
Gross profit	2,687	2,833	12,123
Other income	-	-	22
Selling expenses	-1,010	-1,049	-4,359
Medicine and business development ¹⁾	-1,083	-967	-4,086
Administrative expenses	-245	-281	-981
Operating profit (EBIT)	349	536	2,719
Net financial items	-252	-469	-1,415
Profit for the period after net financial items (EBT)	97	67	1,304
Tax	194	159	-112
Net profit	291	226	1,192
Profit attributable to:			
Parent company shareholders	291	226	1,176
Non-controlling interests	0	0	16
Net profit	291	226	1,192
¹⁾ Of which amortization of product rights	-731	-751	-3,040
EBITDA	1,135	1,346	6,003
Amortization, product rights	-731	-751	-3,040
Depreciation and amortization, other	-55	-59	-244
Operating profit (EBIT)	349	536	2,719
EBITDA, excluding non-recurring items	1,256	1,403	6,482

Consolidated comprehensive income

SEK million	January-March		Full year
	2016	2015	2015
Net profit	291	226	1,192
Items that will not be reclassified to the income statement			
Revaluation of defined-benefit pension plans and similar plans, net after tax	-124	-19	55
	-124	-19	55
Items that may be reclassified to the income statement			
Translation difference	-45	97	-376
Translation difference reversed to income statement	-	0	-3
Hedge of net investment, net after tax	-21	70	308
Cash flow hedges, net after tax	3	3	-1
Available-for-sale financial assets, net after tax	-1	-1	-9
	-64	169	-81
Total other comprehensive income, net after tax	-188	150	-26
Total comprehensive income	103	376	1,166
Total comprehensive income attributable to:			
Parent company shareholders	103	376	1,150
Non-controlling interests	0	0	16
Total comprehensive income	103	376	1,166

Share data

	January-March		Full year
	2016	2015	2015
Earnings per share			
Basic earnings per share, SEK	0.80	0.62	3.22
Diluted earnings per share, SEK	0.80	0.62	3.22
Basic earnings per share, SEK ¹⁾	0.46	0.59	4.14
Diluted earnings per share, SEK ¹⁾	0.46	0.59	4.14
Average number of shares			
Basic (thousands)	365,467	365,467	365,467
Diluted (thousands)	365,467	365,467	365,467
Number of shares on closing day			
Basic (thousands)	365,467	365,467	365,467
Diluted (thousands)	365,467	365,467	365,467

¹⁾ Earnings per share excluding non-recurring items.

Consolidated balance sheet

SEK million	March 31 2016	March 31 2015	December 31 2015
ASSETS			
Non-current assets			
- Property, plant and equipment	1,475	1,665	1,504
- Intangibles ¹⁾	46,541	50,710	47,478
- Other non-current assets	1,975	1,957	2,097
Non-current assets	49,991	54,332	51,079
Current assets			
- Inventories	3,017	3,276	2,876
- Current receivables	5,382	5,589	5,279
- Cash and cash equivalents	977	1,624	1,612
Current assets	9,376	10,489	9,767
Total assets	59,367	64,821	60,846
EQUITY AND LIABILITIES			
Equity	21,076	21,059	20,956
Non-current liabilities			
- Borrowings	21,359	22,845	22,507
- Pension obligations	2,445	2,411	2,273
- Deferred tax liabilities	4,249	5,137	4,708
- Other non-current liabilities	364	2,884	2,830
Non-current liabilities	28,417	33,277	32,318
Current liabilities			
- Borrowings	2,563	5,370	2,355
- Other current liabilities	7,311	5,115	5,217
Current liabilities	9,874	10,485	7,572
Total equity and liabilities	59,367	64,821	60,846
¹⁾ Of which goodwill	25,337	25,807	25,524

Consolidated cash flow statement

SEK million	January-March		Full year
	2016	2015	2015
Profit after financial items	97	67	1,304
Adjustments for items not included in cash flow	803	1,009	3,373
Net change in pensions	-10	-17	-45
Net change in other provisions	-41	-243	-112
Income taxes paid	-126	-67	-803
Cash flow from operating activities before changes in working capital	723	749	3,717
Cash flow from changes in working capital			
Inventories	-154	-273	-198
Receivables	55	-132	-96
Liabilities	-270	-13	-99
Cash flow from operating activities	354	331	3,324
Cash flow from investing activities	-47	-246	262
Cash flow from financing activities	-939	-804	-4,272
Cash flow for the period	-632	-719	-686
Cash and cash equivalents at period's start	1,612	2,311	2,311
Exchange-rate difference in cash and cash equivalents	-3	32	-13
Cash and cash equivalents at period's end	977	1,624	1,612
Free cash flow, SEK million	330	269	3,095
Free cash flow, excluding non-recurring items, SEK million	496	709	4,172
Cash earnings per share, SEK	0.90	0.74	8.47
Cash earnings per share, excluding non-recurring items, SEK	1.36	1.94	11.41

Consolidated statement of changes in equity

SEK million	Share capital	Other capital contributions	Other reserves	Retained earnings including profit for the period	Total	Non-controlling interests	Total equity
Opening balance, January 1, 2015	365	13,788	401	6,142	20,696	-16	20,680
Total comprehensive income	-	-	150	226	376	0	376
Divestment of operation	-	-	-	-	-	-3	-3
Share-based payments, settled using equity instruments	-	-	-	6	6	-	6
Closing balance, March 31, 2015	365	13,788	551	6,374	21,078	-19	21,059
Opening balance, January 1, 2016	365	13,788	375	6,431	20,959	-3	20,956
Total comprehensive income	-	-	-188	291	103	0	103
Share-based payments, settled using equity instruments	-	-	-	17	17	-	17
Closing balance, March 31, 2016	365	13,788	187	6,739	21,079	-3	21,076

Fair value – financial assets and liabilities

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

Interest rate swaps and currency forward contracts 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 reported as level 1 and 2. Level 1 comprises quoted interest-bearing securities and fair value measurement is based on quoted prices on an active market. Level 2 mainly comprises fund holdings where fair value measurement is based on observable market data.

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.

SEK million	January-March		January-March		Full year	
	2016		2015		2015	
	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2
Assets						
Currency forward contracts	-	240	-	199	-	149
Available-for-sale financial assets	6	16	17	27	6	17
Total	6	256	17	226	6	166
Liabilities						
Interest rate swaps ¹⁾	-	19	-	19	-	23
Currency forward contracts	-	161	-	102	-	201
Total	-	180	-	121	-	224

¹⁾ Cash flow hedging

Parent company

The parent company's net sales reached SEK 1,351 million (1,497), of which intra-Group sales represented SEK 851 million (1,019). Operating profit totaled SEK -40 million (131) and net financial items amounted to SEK 18 million (-53).

Investments in intellectual property rights for the period were SEK 11 million (14), and investments in property, plant, and equipment totaled SEK 1 million (24).

Financial assets on March 31, 2016, totaled SEK 38,546 million, compared to SEK 40,224 million at the end of the previous year. Cash and cash equivalents amounted to SEK 290 million (968).

Income statement for the parent company

SEK million	January-March	
	2016	2015
Net sales	1,351	1,497
Cost of sales	-815	-928
Gross profit	536	569
Selling expenses	-133	-101
Medicine and development expenses	-377	-282
Administrative expenses	-66	-55
Operating profit (EBIT)	-40	131
Net financial items	18	-53
Profit for the period after net financial items (EBT)	-22	78
Appropriations and tax	113	117
Net profit	91	195

Balance sheet for the parent company

	March 31	December 31
	2016	2015
ASSETS		
Non-current assets		
- Intangibles	4,271	4,459
- Property, plant and equipment	45	45
- Financial	38,546	40,224
Total non-current assets	42,862	44,728
Current assets		
- Inventories	584	535
- Current receivables	1,906	1,725
- Cash and bank balances	290	968
Total current assets	2,780	3,228
Total assets	45,642	47,956
EQUITY AND LIABILITIES		
Restricted equity	3,540	3,540
Non-restricted equity	12,753	12,623
Total equity	16,293	16,163
Untaxed reserves	1,381	1,520
Provisions	77	75
Non-current liabilities	23,125	24,075
Current liabilities	4,766	6,123
Total equity and liabilities	45,642	47,956

Sales

Sales for the 20 best-selling products in the period.

SEK million	January-March			
	2016	2015	Index	Index ¹⁾
Dymista	229	193	119	119
Betadine	206	189	109	110
Dona	182	223	82	85
Tambocor	127	141	90	91
Saugella	126	98	128	129
Elidel ²⁾	98	115	85	88
EpiPen	95	129	74	75
Aldara/Zyclara	84	88	95	97
Legalon	73	63	116	122
Astelin	72	107	67	69
Armolipid	72	54	132	133
Calcium	70	66	106	107
CB12	69	66	104	106
Reparil	68	59	115	118
Mestinon	61	60	102	105
Felbatol	60	87	69	68
Minitran	57	47	121	122
Solco	56	56	101	110
Proctofoam	56	53	106	104
Muse/Bondil	54	55	98	97

¹⁾ Index in constant exchange rates

²⁾ Refers to sales outside North America

Segment information

External net sales

SEK million	January-March		Full year
	2016	2015	2015
Western Europe	2,801	2,865	12,213
US	669	786	3,354
Emerging Markets	810	819	3,660
Other Sales	35	113	421
Total external net sales	4,315	4,583	19,648

EBITDA

SEK million	January-March		Full year
	2016	2015	2015
Western Europe	1,012	941	4,247
US	204	308	1,432
Emerging Markets	284	296	1,281
Other Sales	-365	-199	-957
Total EBITDA	1,135	1,346	6,003

EBITDA, excluding non-recurring items

SEK million	January-March		Full year
	2016	2015	2015
Western Europe	1,012	961	4,476
US	204	308	1,432
Emerging Markets	284	322	1,294
Other Sales	-244	-188	-720
Total EBITDA	1,256	1,403	6,482

Key ratios

	January-March		Full year
	2016	2015	2015
Related to earnings			
Net sales, SEK million	4,315	4,583	19,648
- Growth, total	-6%	36%	28%
- Growth, constant exchange rates	-4%	24%	21%
- Growth, organic	-2%	-5% *)	-1% *)
Gross margin	62.3%	61.8%	61.7%
EBITDA, SEK million	1,135	1,346	6,003
EBITDA margin	26.3%	29.4%	30.6%
EBITDA excluding non-recurring items, SEK million	1,256	1,403	6,482
EBITDA margin excluding non-recurring items	29.1%	30.6%	33.0%
Earnings per share, SEK	0.80	0.62	3.22
Earnings per share excluding non-recurring items, SEK	0.46	0.59	4.14
Adjusted earnings per share, SEK	2.01	2.18	10.57
Related to cash flow			
Free cash flow, SEK million	330	269	3,095
Cash earnings per share, SEK	0.90	0.74	8.47
Free cash flow excluding non-recurring items, SEK million	496	709	4,172
Cash earnings per share excluding non-recurring items, SEK	1.36	1.94	11.41
Return/Efficiency			
Adjusted free cash flow/capital employed	9.7%	10.0%	10.3%
Adjusted free cash flow/equity	19.0%	17.6%	20.1%
Net working capital/net sales	25%	25%	22%
Free cash flow/EBITDA	29%	20%	52%
Free cash flow excluding non-recurring items/EBITDA excluding non-recurring items	39%	51%	64%
Related to balance sheet			
Net debt, SEK million	25,373	28,949	25,505
Net debt/equity ratio, times	1.2	1.4	1.2
Equity per share, SEK (at end of period)	57.7	57.6	57.3
Equity/asset ratio	35.5%	32.5%	34.4%
Other			
Net debt/adjusted EBITDA	4.20	5.13	4.11

*) *Organic growth pro forma*

Definitions related to sales comments

Sales by geographic area

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

US – includes Canada.

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

Other Sales – revenues from contract manufacturing, services and other income.

Sales by product category

Rx – prescription drugs and specialty products.

Cx/OTC – non-prescription products.

Other Sales – revenues from contract manufacturing, services and other income.

Definitions of key ratios

Related to earnings

Growth, total – sales development in relation to the same period previous year.

Growth, constant exchange rates – sales development in relation to the same period the previous year adjusted for currency effects.

Growth, organic – sales development adjusted for currency effects, acquisitions, disposals, discontinued products, and revenues from the cooperation agreement with Valeant.

Organic growth pro forma – sales development in relation to the same period the previous year including acquisitions of products and business adjusted for currency effects.

Earnings per share – profit for the period attributable to parent company shareholders in relation to weighted average number of shares for the period. Where applicable, the comparative periods have been recalculated to consider the bonus issue element.

Adjusted earnings per share – earnings per share adjusted for non-recurring items and amortizations on product rights and related tax.

Related to cash flow

Free cash flow – cash flow from operating activities less cash flow from investing activities (excluding acquired product rights and acquired operations).

Cash earnings per share – free cash flow for the period in relation to weighted average number of shares for the period. Where applicable, the comparative periods have been recalculated to consider the bonus issue element.

Return/Efficiency

Capital employed – the balance sheet total less cash and cash equivalents, tax provisions, and non-interest-bearing liabilities.

Adjusted free cash flow/capital employed – free cash flow rolling 12 months excluding non-recurring items and paid interest in relation to average capital employed.

Free cash flow/equity – free cash flow rolling 12 months excluding non-recurring items in relation to average equity.

Net working capital/net sales – current assets less current liabilities in relation to net sales rolling 12 months pro forma.

Related to balance sheet

Net debt – net of interest-bearing liabilities and interest-bearing provisions less cash and cash equivalents, including current investments and interest-bearing non-current financial assets.

Net debt/equity ratio – net debt divided by equity.

Equity/assets ratio – equity as a percentage of the balance sheet total.

Other

Net debt/adjusted EBITDA – net debt divided by EBITDA rolling 12 months pro forma excluding restructuring and transaction costs due to acquisitions.