



Meda acquires exclusive rights to potential specialty blockbuster product in the US

Meda has entered into an exclusive and perpetual license agreement with BioDelivery Sciences International Inc (BDSI) for marketing of a potential specialty blockbuster product in the US, Canada and Mexico. Filing for registration with the FDA (Food and Drug Administration) is planned this year, giving a potential launch in late 2008. The product, BEMA Fentanyl, is patented and has a unique delivery system designed to give rapid and reliable delivery of fentanyl for treatment of breakthrough pain in cancer patients.

BEMA Fentanyl consists of a small, dissolvable, polymer disc, formulated with the opioid narcotic fentanyl, for application to the buccal (inner lining of cheek) membranes. BEMA Fentanyl has shown in clinical studies important patient advantages compared to competing products, especially fewer side effects. The two currently largest competing fentanyl products in the US with the same indication had combined sales of about USD 700 millions in 2006 and grew by approximately 60% versus 2005.

Meda and BDSI started their collaboration in 2006 with BEMA Fentanyl for all the European markets. In July this year, Meda announced the acquisition of the US specialty pharma company MedPointe Inc, an acquisition which immediately gave access to a strong platform in the US with about 500 employees within marketing and sales. Through this acquisition and Meda's rapid development in Europe, Meda's annual turnover has increased from around USD 30 million in 2002 to now approaching USD 1,4 billion (including MedPointe).

"It is optimal timing for us to acquire BEMA Fentanyl rights so soon after the acquisition of our US platform MedPointe. BEMA Fentanyl represents a huge opportunity for us in the US. Our ambition with this unique product within the breakthrough cancer pain indication is to reach well over USD 200 million in yearly sales. Our US marketing organisation has good experience in the pain area and is well acquainted with the target group. Pain is a priority therapy area and with this deal we now add a significant potential for Meda in the US market", says Anders Lonner, CEO Meda AB.

Financial aspects:

- 1st milestone: USD 30 million payable by Meda on closing. Closing is contingent upon antitrust approval by the Federal Trade Commission.
- 2nd milestone: USD 30 million payable by Meda upon receipt of FDA approval.
- A gross margin above 70% is secured for Meda.
- Royalty: BDSI to receive a significant double digit royalty on net sales. Guaranteed minimum annual royalties based on low sales levels during the first 7 years.
- Sales milestones: A total of \$30 million payable by Meda at
 - \$10 million when annualized sales exceeds \$75 million
 - \$10 million when annualized sales exceeds \$125 million
 - \$10 million when annualized sales exceeds \$175 million

Meda and BDSI will collaborate on the development for expanding the indication for BEMA Fentanyl, which could fourfold the market potential. Meda will fund this development, and will also get a right of first refusal to future development projects based on BEMA Fentanyl.

“This is a landmark event for BDSI, and based on our standing relationship with Meda in Europe, we believe Meda is going to be a terrific marketing partner for BEMA Fentanyl here in the US.” said Mark A. Sirgo, BDSI’s President and CEO. *“Meda already knows BDSI and the product they will be selling here in the US. When they recently entered the US marketplace by purchasing MedPointe, they actively pursued the US BEMA Fentanyl opportunity with us given the natural strategic fit. We believe Meda provides BDSI a commercial partner with global reach and abundant resources to support our lead product. Importantly, this transaction along with the anticipated submission of our BEMA Fentanyl NDA will allow us to achieve BDSI’s highest priorities for 2007. We could not be more pleased.”*

For more information, contact:

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Meda AB

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 with own organisations in 26 countries and with more than 1 500 employees within marketing and sales. Meda’s products are sold in approximately 120 countries world-wide. The Meda share is listed under Large Cap on the OMX Nordic Stock Exchange. Find out more, visit www.meda.se.

BioDelivery Sciences International Inc

BioDelivery Sciences International, Inc. is a specialty pharmaceutical company that is focused on developing innovative products to treat acute conditions such as pain. The company utilizes its owned and licensed patented drug delivery technologies to develop, partner and commercialize, clinically-significant new products using proven therapeutics. The company’s headquarters are located in Morrisville, North Carolina and its principal laboratory is located in Newark, New Jersey. For more information please visit www.bdsinternational.com.

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