

**MEDA AB (publ.)**

**Proposal to the AGM 2014**

**The Board's proposal and statement according to Chapter 18 Section 4 of the Swedish Companies Act regarding allocation of profit (Item 10)**

These amounts are at the disposal of the AGM 2014:

- Share premium reserve 5,694,493,945 SEK
- Fair value reserve -26,213,269 SEK
- Retained earnings 2,455,212,311 SEK
- Profit for the year 327,760,298 SEK

Total profit available for allocation 8,451,253,285 SEK

The board proposes the following allocation of available profit:

- Distribution to shareholders (SEK 2.50 per share) 755,607,663 SEK
- Carried forward 7,695,645,622 SEK
- Total 8,451,253,285 SEK

The annual report and the consolidated accounts of Meda AB (publ) for 2013 was approved for publication by a board resolution March 28, 2014. The board proposes the adoption of the annual report and the consolidated accounts at the AGM May 7, 2014. It is proposed that May 12, 2014, be the record date for the dividend. If the AGM approves this proposal, the dividend is expected to be distributed under the direction of Euroclear Sweden AB May 15, 2014. Last day of trading of the Meda share including the right to dividend is May 7, 2014.

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One of the major objectives of Meda's business is to create long-term increase in value for the shareholders. Such value increase may be realized by increased share value and by payment of dividends. In proposing the above profit allocation the board of Meda has taken into account a number of factors such as:

- the Company's long-term profit development
- the Company's expansion possibilities and availability of capital
- the Company's business risks
- the effect of the dividend on liquidity
- the Company's solidity objectives

After a weighted assessment of these factors the board proposes a dividend for 2013 of two (2) krona and 50 öre per share (SEK 2.25).

On the basis of the equity capital as of 31 December 2013 this dividend will result in a reduction of Group solidity from 41,9% to 39,9%. The equity capital of the Company would have been SEK 12,004 million, or SEK 76 million higher, in case the assets had not been

valued at actual value according to Chapter 4 Section 14 of the Swedish Annual Accounts Act.

With reference to the proposed profit allocation and the statement made above as well as other information that has come to the knowledge of the board and after careful assessment of the financial position of the Company and the Group the board finds the proposal justified considering the capital requirements of the Company and the Group posed by the nature, scope and risks of the business activities and the consolidation requirements, the liquidity and the position of the Company and the Group in general.

As far as the board and the CEO are aware the annual report has been prepared in accordance with generally accepted accounting principles for listed companies. The information provided is consistent with the factual circumstances in the business activities and nothing of material importance for the picture of the Company and the Group as presented by the annual report has been omitted.

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Solna in April 2014

Board of Meda AB (publ)

*This document is a translation from Swedish original. In the event of any difference between a translation and the Swedish original the latter shall prevail.*