Medivir is a collaborative and agile pharmaceutical company with an R&D focus on infectious diseases and a leading position in hepatitis C. We are passionate and uncompromising in our mission to develop and commercialize innovative pharmaceuticals that improve people's lives.

Press release, 23 August 2012

Interim Report, 1 January – 30 June 2012*

Interim period (January - June 2012)

- Net sales were SEK 285.1 (444.6) m of which one-off payments were SEK 0.0 (401.2) m, pharmaceutical sales were SEK 85.2 (16.3) m and parallel import sales were SEK 199.9 (26.6) m
- Profit/loss after tax amounted to SEK -98.6 (220.3) m
- Basic and diluted earnings per share were SEK -3.15 (7.37)
- Cash flow from operating activities amounted to SEK -51.0 (230.9) m; cash and cash equivalents and investments in securities etc. amounted to SEK 409.6 (716.4) m at the end of the period

Second quarter (April - June 2012)

- Net sales were SEK 147.2 (322.9) m of which one-off payments were SEK 0.0 (279.8) m, pharmaceutical sales were SEK 38.9 (16.2) m and parallel import sales were SEK 108.3 (26.6) m
- Profit/loss after tax amounted to SEK -60.9 (167.4) m
- Basic and diluted earnings per share were SEK -1.95 (5.52)

Business highlights in the second quarter

- Clinical collaboration extended on Bristol-Myers Squibb's daclatasvir (BMS-790052) on interferon-free combination trials with TMC435 (simeprevir)
- Janssen started up a new division, Janssen Therapeutics EMEA, to launch TMC435 (simeprevir) in Europe
- Positive final phase IIb data for TMC435 (simeprevir) in hard-to-treat hepatitis C patients presented
- Henric Juserius appointed as Executive Vice President of the company's commercial operations
- Clinical phase I trials on MIV-711, a cathepsin K inhibitor, commence
- Partnership commences with the Swedish University of Agricultural Sciences (SLU) to develop new pharmaceuticals against bacterial infections

Business highlights after the end of the second quarter

- Clinical phase Ia trials with the cathepsin K inhibitor MIV-711 completed and phase Ib trials commence

CONSOLIDATED PROFIT PERFORMANCE SUMMARY, SEK m	**2012 Apr-Jun**	**2011 Apr-Jun**	**2012 Jan-Jun**	**2011 Jan-Jun**	**2011 Jan-Dec**
Net sales	147.2	322.9	285.1	444.6	698.6
Gross profit/loss	35.5	284.8	76.4	406.4	458.0
EBITDA	-42.5	169.5	-72.4	221.4	135.3
EBIT	-51.7	165.6	-90.0	215.7	111.9
Profit/loss before tax	-52.6	164.1	-90.1	217.0	111.2
Profit/loss after tax	-60.9	167.4	-98.6	220.3	113.8
Operating margin, %	-35.0%	51.3%	-31.6%	48.5%	16.0%
Basic and diluted earnings per share, SEK	-1.95	5.52	-3.15	7.37	3.8

* All figures for the group unless otherwise stated. In this Interim Report, comparisons are with the corresponding period of 2011 unless otherwise stated. The BioPhausia group is included from 31 May 2011.

CEO's comment on the second quarter of 2012

"Good progress in all parts of the company"

We continued to develop Medivir into a profitable Nordic pharmaceutical company, and made good progress in all parts of the company. Sales of original pharmaceuticals progressed as planned, and made continued stable progress in the second quarter. Parallel imports, through Cross Pharma, are operating on an expansive and fast-moving market where our experience and long-term commitment continued to create value.

TMC435 gained its generic name - simeprevir. Phase III trials on simeprevir continued as planned and new data presented in the period confirmed simeprevir's good prospects of becoming an essential component in the optimal triple therapy for hepatitis C (HCV). Simeprevir's competitive profile also engenders good hopes of an important role in future interferon-free therapies. Extensive phase II trials have demonstrated good safety and efficacy, not least in the hardest-to-treat patient groups where there is the greatest need for therapy.

The company's proprietary projects progressed as planned. In May, phase I trials commenced on our in-house developed cathepsin K inhibitor MIV-711, for treating skeletal disorders. We also have strong hopes of being able to designate a nucleotide CD in our own early HCV projects before year-end. In June, we initiated a partnership with the Swedish University of Agricultural Sciences (SLU) in Uppsala on the development of new antibiotics against resistant bacteria, a project that is consistent with our strategy.

Henric Juserius was appointed as our new Commercial EVP in the quarter, and took up his position in August. We also integrated our clinical development operations into our R&D organization, which meant that Jens Kristensen left the company at the end of July.

The company's business operations

The Pharmaceuticals business area

The Pharmaceuticals business area includes the group's research and development projects, the cold sore pharmaceutical Xerclear® and original pharmaceuticals owned by BioPhausia. Sales were stable, with retained profitability margins in the second quarter. Mollipect, Citodon and Lithionit remained Medivir's most important pharmaceuticals on the market. Net sales for the second quarter from pharmaceuticals sales were SEK 38.9 (16.2) m. EBITDA was SEK -45.5 (169.2) m. EBITDA includes research and development costs of SEK -49.5 (-44.6) m.

GlaxoSmithKline's European launch of Medivir's in-house developed cold sore pharmaceutical Xerclear® in five countries, under the Zoviduo and Zovirax Duo brands, continued in the second quarter. As the product is launched in additional European countries, its value in Medivir's accounts will become more visible.

Parallel imports in Cross Pharma

The positive sales trend continued. In the second quarter, sales were SEK 108.3 (26.6) m, showing a sales growth for the seventh consecutive quarter. However, the investment in Cross Pharma, through means including an express initiative to register new pharmaceuticals to extend the portfolio, continued to reduce Cross Pharma's operating margin. EBITDA was SEK 3.0 (0.2) m.

R&D

Simeprevir (TMC435) - Medivir's protease inhibitor in clinical phase III for treating hepatitis C

Phase III trials on simeprevir progressed as planned during the period and we expect to be able to present initial data from these trials around the coming year-end. From extensive phase II trials, we know that simeprevir addresses needs in all patient groups effectively and safely, simultaneous with this compound being easy to administer, possible in a single day tablet dose. Good efficacy is especially important in the hardest-to treat and most severely affected patient groups. The strength of the results from treatment-naïve and treatment-experienced patients in phase IIb trials demonstrate that through its mechanism of action, simeprevir will be an important component in future interferon-free treatments.

Combination therapy is a prerequisite for realizing interferon and ribavirin-free treatments. In July, a phase II trial commenced designed to study combination treatment with simeprevir and daclatasvir

from Bristol-Myers Squibb. This trial is another key step in collecting data for future combination therapies with simeprevir as a solid cornerstone. The combination trial in phase II on simeprevir and Gilead's nucleotide inhibitor GS7977, which commenced at the beginning of the year, progressed well. We hope to be able to present the first partial results from this trial before year-end.

Hepatitis C projects in-house
Our own preclinical HCV projects progressed as planned in the second quarter. As previously, our goal is to be able to designate a CD in the nucleotide project before year-end.

Cathepsin K
Phase I trials on our in-house developed CD MIV-711, for treating skeletal disorders, commenced in May. Phase Ia trials with increasing single doses to evaluate safety, tolerance and pharmacokinetics on healthy individuals concluded recently. The results were promising and phase Ib trials have commenced that will examine the treatment of healthy trial subjects for 7-14 days at increasing doses. These trials also include measuring markers of cartilage and bone resorption.

Maris Hartmanis
CEO and President

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Conference call for investors, analysts and the media

The Interim Report will be presented by the CEO, Maris Hartmanis, and members of Medivir's management.

Time: 2 p.m. (CET) on Thursday, 23 August 2012

Participant telephone numbers:	Sweden	+46 (0)8 505 204 24
	Europe	+44 (0) 20 3003 2666
	USA	+1 866 966 5335

The conference call will also be streamed via a link from the website www.medivir.com

Financial information in 2012

The Interim Report for January-September will be published on 20 November
The Financial Statement for January-December will be published on 22 February 2013

Highlights of the second quarter 2012

Extended clinical partnership with Bristol-Myers Squibb (BMS) on simeprevir (TMC435)

The previous collaboration agreement was extended in April and is part of the strategy of evaluating simeprevir in various interferon and ribavirin-free combinations for future new therapies for patients with hepatitis C genotype 1. The clinical collaboration agreement is also designed to evaluate BMS's nucleotide NS5B polymerase inhibitor, BMS-986094. This extended agreement covers:

- Phase III interferon and ribavirin-free combination trials with simeprevir and BMS's compound daclatasvir, assuming the results of the current clinical phase II combination trials support continued clinical development in terms of efficacy and safety.
- The second part of the agreement covers simeprevir and BMS-986094.

Simeprevir and daclatasvir

Simeprevir is a potent NS3/4A protease inhibitor dosed once daily. Simeprevir is in clinical phase III development for treating chronic hepatitis C virus infections (HCV) of genotype 1. A phase II trial evaluating simeprevir in combination with BMS's CD daclatasvir (BMS-790052), an NS5A replication complex inhibitor, which is also in phase III development, commenced in July.

The interferon-free phase II trial on simeprevir in combination with daclatasvir enrolls treatment-naïve and previous null responders infected with HCV genotype 1a and 1b. In total, this trial will enroll some 180 patients and evaluate a combination of simeprevir and daclatasvir in four treatment groups with 12 or 24 weeks' treatment, and with or without ribavirin.

Trial design

This open phase II trial will study the share of patients that achieve sustained virologic response (SVR) 12 (SVR 12) and 24 (SVR 24) weeks after treatment concludes. Up to 35% of the patients enrolled in the trial will be suffering from advanced liver disease (F3/F4).

Treatment groups 1 and 2 will enroll patients with genotype 1b, where simeprevir and daclatasvir will be dosed with or without ribavirin for 12 weeks with follow-up 36 weeks after treatment concludes, or 24 weeks with follow-up 24 weeks after treatment concludes.

Treatment groups 3 and 4 will enroll patients with genotype 1a, where simeprevir, daclatasvir and ribavirin will be dosed for 12 and 24 weeks respectively with follow-up 24 weeks after treatment concludes.

Janssen Therapeutics EMEA, a newly formed division for launching simeprevir (TMC435)

In April, Janssen presented the formation of an all-new division, Janssen Therapeutics EMEA, intended to launch simeprevir in Europe, the Middle East and Africa. This new division is headquartered in Belgium. Our partner has now laid the foundation for a clear and focused launch strategy for simeprevir outside the Nordics.

Presentation of final phase II data for simeprevir (TMC435) in hard-to-treat hepatitis C patients

The ASPIRE trial enrolled 462 hepatitis C genotype 1 patients; relapsers, partial responders or null responders to previous treatment with interferon and ribavirin. 62% (287/462) of patients had advanced liver disease, periportal or septal fibrosis, or cirrhosis, upon entry to the trial (Metavir score F2-F4), which means they are especially hard to treat.

The trial demonstrates that simeprevir-based treatment generated a significant increase in the share of patients with SVR that were previous null responders to hepatitis C treatment. All simeprevir sub-groups achieved significantly higher shares of SVR24 patients compared to control group (interferon and ribavirin in combination only). The results indicate that the share of SVR patients compared to control group was 85% against 37% for relapsers after previous treatment, 75% against 9% for previous partial responders and 51% against 19% for previous null responders. Simeprevir was generally safe and well tolerated in all patient groups.

Overall, simeprevir was demonstrated as highly effective in all patient groups, including treatment-naïve patients, whose final efficacy and safety data was presented previously. These characteristics, including the fact that simeprevir has high SVR in patients with advanced liver disease including those with cirrhosis, will position simeprevir as a highly attractive therapy alternative, both as an adjuvant to interferon and ribavirin, and in future combination products without them.

Clinical phase I trials on cathepsin K inhibitor MIV-711 commenced in May

Clinical phase I trials on Medivir's in-house developed CD MIV-711 commenced in May. MIV-711 is a cathepsin K inhibitor designed to treat skeletal disorders that feature high bone resorption such as osteoporosis, rheumatoid arthritis and bone metastases.

This first study on humans is a combination phase Ia and phase Ib trial. Initially, MIV-711 is being administered in the form of gradually increasing single doses on healthy trial subjects, followed by a second part with repeated single daily doses for 7-14 days. The purpose of the trial is to examine the safety, tolerability, pharmacokinetics and efficacy on biomarkers relevant to bone and cartilage resorption. The trial design means that Medivir can investigate how MIV-711 affects biomarkers that are relevant to bone and cartilage metabolism, which will offer an indication of therapeutic dose and thus valuable information on the treatment doses that should be used in the forthcoming trials. The overall results for the whole trial are expected around year-end.

Medivir commences collaboration with the Swedish University of Agricultural Sciences (SLU)

This partnership with scientists at SLU is designed to identify and develop new experimental drugs against bacteria that have become resistant to current antibiotics.

SLU scientists have long-term experience of isolating new microorganisms and their metabolites that microorganisms compete with in nature. These low-molecular chemical compounds, potentially with new action mechanisms, may constitute the start-point for developing new antibiotics for treating severe bacterial infections. Medivir will continue to develop the compounds that SLU produces in this early screening collaboration.

Post-period end highlights

Clinical phase Ia trial on cathepsin K inhibitor completed and phase Ib trial commences

Based on the promising results from the recently completed clinical phase Ia study, we have now initiated the phase Ib study. The study will evaluate the treatment of healthy individuals including post-menopausal women for 7-14 days with increasing doses.

The overall phase I trial results are scheduled for presentation at around year-end.

Project portfolio

Medivir has a broad-based project portfolio for treating several infectious diseases. The company will continue to focus on progressing this pipeline in addition to looking for new potential opportunities through acquisition or licensing. Medivir will continue to seek out future partnerships on product development, but intends to retain commercial rights for its projects in the Nordics.

The company's project portfolio is summarized in the figure below. For more information please visit www.medivir.com.

Project	Therapy area	Partner	Preclinical phase: Research	Preclinical phase: Develop-ment	Clinical phase: Phase I	Clinical phase: Phase IIa	Clinical phase: Phase IIb	Clinical phase: Phase III	Market
IN-HOUSE DEVELOPED PHARMACEUTICAL									
Xerclear® (Zoviduo/Zovirax Duo)	Herpes labialis	GlaxoSmithKline (GSK)							
Hepatitis									
Simeprevir (TMC435)	Hepatitis C	Janssen Pharmaceuticals Inc./J&J							
HCV POL (Nucleotide)	Hepatitis C	Janssen Pharmaceuticals Inc./J&J							
Nucleotide inhibitor	Hepatitis C								
NS5A inhibitor	Hepatitis C								
Lagociclovir valactate (MIV-210)	Hepatitis B	Daewoong							
Dengue virus									
NS3 protease inhibitor	Dengue fever	Janssen Research & Development							
Other indications									
Cathepsin K inhibitor	Bone disorders								
Cathepsin S inhibitor	Neuropathic pain								
HIV/AIDS									
MIV-410 (PPI-801/802)	HIV	Presidio							
HIV-PI	HIV	Janssen Pharmaceuticals Inc./J&J							
Herpes virus									
Valomaciclovir (MIV-606)	Shingles	Epiphany							

Pharmaceuticals targeting infectious diseases Projects targeting infectious diseases Projects targeting other indications

Consolidated earnings and financial position *

Turnover, 1 January – 30 June 2012

Net sales were SEK 285.1 (444.6) m, which is a decrease of SEK 159.5 m year on year. Sales for the period from one-off payments were SEK 0.0 (401.2) m, sales of pharmaceuticals were SEK 85.2 (16.3) m, and sales via parallel imports were SEK 199.9 (26.6) m. In the corresponding period of the previous year, turnover primarily consisted of a one-off payment for Xerclear®/Xerese® of SEK 278.9 m and two milestone payments on hepatitis C projects, totaling SEK 121.3 m.

Net sales split (SEK m)	**2012 Apr-Jun**	**2011 Apr-Jun**	**2012 Jan-Jun**	**2011 Jan-Jun**	**2011 Jan-Dec**
Outlicensing and partnership agreements					
One-off payments	-	279.8	-	401.2	401.2
Pharmaceutical sales	38.9	16.2	85.2	16.3	111.2
Parallel imports	108.3	26.6	199.9	26.6	185.9
Other services	-	0.3	-	0.5	0.3
Total	**147.2**	**322.9**	**285.1**	**444.6**	**698.6**

Costs and results of operations, 1 January - 30 June 2012

Cost of goods sold was SEK -208.7 (-38.2) m, which is an increase of SEK 170.5 m, mainly as a result of the acquisition of the commercial operation. Gross profit/loss was SEK 76.4 (406.4) m. Operating expenses were SEK -166.4 (-190.7) m, a SEK 24.3 m decrease year on year. Operating expenses were divided between cost of sales of SEK -34.2 (-51.7) m, administrative expenses of SEK -36.5 (-17.3) m, research and development costs of SEK -96.2 (-101.9) m and other operating expenses/income of SEK 0.5 (-19.8) m. Cost of sales decreased by SEK 17.5 m net. The decrease is partly due to lower royalty costs compared to the previous period and partly due to higher costs through the acquisition of the commercial operation in the previous period. Costs for administration increased by SEK 19.2 m, mainly due to higher personnel costs. Research and development costs decreased by SEK 5.7 m, mainly through somewhat lower project costs. Other operating income/expenses decreased by SEK 20.3 m mainly through the previous period's transaction costs for the acquisition of the commercial operation.

The operating profit/loss was SEK -90.0 (215.7) m, a negative change of SEK 305.7 m year on year. The change is mainly due to lower gross profit when no one-off payments were received in the period. The profit/loss from financial income/expense was SEK -0.1 (1.3) m. Net profit/loss was SEK -98.6 (220.3) m.

Segment information

The Pharmaceuticals segment comprises research and development, as well as the marketing and sale, of pharmaceuticals. The Pharmaceuticals segment includes the group's research portfolio, the in-house developed cold sore pharmaceutical Xerclear® and the original pharmaceuticals owned by BioPhausia. The second operating segment consists of the parallel import of pharmaceuticals via BioPhausia's subsidiary Cross Pharma.

Pharmaceuticals segment (SEK m)	**2012 Apr-Jun**	**2011 Apr-Jun**	**2012 Jan-Jun**	**2011 Jan-Jun**	**2011 Jan-Dec**
Net sales	38.9	296.3	85.2	418.0	512.7
EBITDA	-45.5	169.2	-79.6	221.2	137.6
EBITDA %	-117.0%	57.1%	-93.4%	52.9%	26.8%

Turnover and results of operations, 1 January-30 June 2012

Net sales were SEK 85.2 (418.0) m, which is a SEK 332.8 m decrease year on year.

* All figures for the group unless otherwise stated. In this Interim Report, comparisons are with the corresponding period of 2011 unless otherwise stated. The BioPhausia group is included from 31 May 2011.

Turnover in the period consisted of the sale of original pharmaceuticals, the most important products being Mollipect, Citodon and Lithionit. Sales of original pharmaceuticals remain stable with unchanged EBITDA margins.

The corresponding period of the previous year included SEK 401.2 m of one-off payments. Accordingly, of total net sales, 100 (16)% consisted of pharmaceuticals sales and 0 (84)% of one-off payments for out-licensing and partnership agreements. EBITDA for the period was SEK -79.6 (221.2) m, which equates to a margin of -93.4 (52.9)%. EBITDA includes research and development costs of SEK -96.2 (-101.9) m.

Turnover and results of operations, 1 April - 30 June 2012
Net sales for the period were SEK 38.9 (296.3) m, a decrease of SEK 257.4 m year on year. Of total net sales, 100 (5.5)% consisted of pharmaceutical sales, 0 (94.5)% of one-off payments for out-licensing and collaboration agreements and 0(100)% of other sales. EBITDA for the period was SEK -45.5 (169.2) m, which equates to a margin of SEK -117.0 (57.1)%. EBITDA includes research and development costs of SEK -49.5 (-44.6) m.

Parallel Import segment (SEK m)	**2012 Apr-Jun**	**2011 Apr-Jun**	**2012 Jan-Jun**	**2011 Jan-Jun**	**2011 Jan-Dec**
Net sales	108.3	26.6	199.9	26.6	185.9
EBITDA	3.0	0.2	7.2	0.2	-2.3
EBITDA %	2.8%	0.8%	3.6%	0.8%	-1.2%

Turnover and results of operations, 1 January - 30 June 2012
Net sales for the period amounted to SEK 199.9 (26.6) m. The ambition is continued growth by offering pharmacy chains greater breadth of pharmaceuticals through an extended product portfolio in forthcoming periods. EBITDA for the period was SEK 7.2 (0.2) m, equivalent to a margin of 3.6 (0.8)%.

Turnover and results of operations, 1 April - 30 June 2012
Net sales for the period amounted to SEK 108.3 (26.6) m, which is an increase of SEK 81.7 m year on year. Turnover continued to increase for the seventh consecutive quarter. EBITDA for the period was SEK 3.0 (0.2) m, equivalent to a margin of 2.8 (0.8)%.

Cash flow and financial position

Cash flow from operating activities was SEK -51.0 (230.9) m, of which working capital changes were SEK 20.7 (55.3) m. The change in the period mainly related to an increase in inventories of SEK 12.7 m.

Cash flow from investing activities was SEK 2.2 (-163.1) m, of which SEK 8.4 m was the settlement of remaining purchase prices from the sale of BMM Pharma AB. The total purchase price for this company was SEK 32.4 m, of which SEK 24.0 m was settled in 2011. Other changes in investing activities were purchases of fixed assets of SEK 6.2 m. The acquisition of BioPhausia was conducted in the corresponding period of the previous year.

Cash flow from financing activities was SEK -78.0 (1.4) m and was repayment of debt and redemption of a subordinated loan.

At the beginning of 2012, cash and cash equivalents including investments in securities, etc. with a maximum maturity of three months were SEK 536.3 (647.2) m and SEK 409.6 (716.4) m at the end of the period, a change of SEK -126.8 (69.2) m. At the end of the period, assets pledged amounted to SEK 153.1 (129.6) m. In accordance with Medivir's financial policy, Medivir invests its funds in low-risk interest-bearing securities. The company judges that current financial assets will secure the funding of operations.

Investments, depreciation and amortization

Investments in tangible fixed assets in the period were SEK 6.2 (5.1) m, relating mainly to research equipment.

Depreciation of tangible fixed assets in the period of SEK -5.6 (-3.5) m was charged to profit/loss. Amortization of intangible fixed assets in the period of SEK -12.0 (-2.2) m was charged to profit/loss.

Employees

Medivir had 171 (178) employees at the end of the period, 63 (64)% of which were women.

Royalty obligations

A major part of Medivir's research and development projects were generated entirely in-house. This means that Medivir is entitled to all revenues from such inventions.
Other projects have their genesis at Swedish universities, which entitle Medivir to the rights to turnover generated in return for making royalty payments. In addition, some of Medivir's projects have previously been out-licensed to third parties, but have reverted to Medivir, and Medivir has undertaken to pay a royalty to the former licensee. In the period, total royalty costs to third parties were SEK 0.1 (50.6) m. Of last year's royalty costs, SEK 37,7 m were royalties to AstraZeneca.

Parent company, 1 January – 30 June 2012

Medivir AB (publ), corporate identity no. 556238-4361, is the parent company of the group. Operations primarily consist of research and development, administrative and management functions.

Parent company net sales were SEK 0.4 (402.2) m. Cost of goods sold were SEK -0.1 (-0.1) m. Gross profit/loss was SEK 0.3 (402.1) m. Net sales and gross profit/loss decreased by SEK 401.8 m year on year. The change is mainly due to lower net sales because no one-off payments were received in the period.

Operating costs were SEK -125.5 (-159.3) m, which is a SEK 33.7 m decrease year on year. These costs are divided between selling expenses of SEK -0.7 (-42.6) m, administrative expenses of SEK -30.6 (-16.2) m, research and development costs of SEK -97.6 (-101.9) m and other operating expenses/income of SEK 3.4 (1.5) m. The operating profit/loss was SEK -125.2 (242.9) m. The profit/loss from financial income/expense was SEK 6.9 (1.8) m. The net profit/loss for the period was SEK -118.3 (244.7) m.

Investments in tangible and intangible fixed assets were SEK 6.2 (4.5) m. Cash and cash equivalents including investments in securities, etc. with a maximum maturity of three months amounted to SEK 400.1 (686.2) m. investments in financial fixed assets were SEK 0.0 (603.8) m. Investments in financial fixed assets in the previous period were for the acquisition of BioPhausia. For comments on operations, please refer to the section on consolidated earnings and financial position.

Share structure, earnings per share and equity

Share capital at the end of the period was SEK 156.3 (155.9) m and equity was SEK 998.1 (418.5) m.

At the end of the period, the number of shares of Medivir AB was 31 689 923 (31 174 846), of which 660 000 (660 000) were class A and 31 256 927 (30 514 846) class B shares with a nominal value of SEK 5. The average number of shares in the period was 31 253 827 (29 884 038).

Share structure, 29 June 2012					
Share class	**Number of shares**	**Number of votes**	**% of capital**	**% of votes**	**Shares after full exercise of options**
A 10 votes	660 000	6 600 000	2.1%	17.7%	660 000
B 1 vote	30 600 027	30 600 027	97.9%	82.3%	31 029 923
Total	**31 260 027**	**37 200 027**	**100.0%**	**100.0%**	**31 689 923**

Basic and diluted earnings per share, based on a weighted average number of outstanding shares, was SEK -3.15 (7.37). Equity per share was SEK 31.93 (38.33). The equity ratio was 80.7 (74.5)%.

Shareholders

As of 29 June 2012, Medivir AB had 10 805 shareholders. The circumstances in the following table illustrate the situation as of this date according to the share register maintained by Euroclear Sweden AB.

Name	A shares	B shares	% votes	% capital
Bo Öberg	284 000	262 475	8.3%	1.8%
Nils Gunnar Johansson	284 000	76 575	7.8%	1.2%
Staffan Rasjö	0	2 880 731	7.7%	9.2%
AFA Försäkring	0	1 520 572	4.1%	4.9%
Skandia Fonder	0	1 491 704	4.0%	4.8%
Länsförsäkringar Fondförvaltning	0	1 211 442	3.3%	3.9%
Alecta Pensionsförsäkring	0	1 046 000	2.8%	3.4%
Handelsbanken Fonder	0	1 041 662	2.8%	3.3%
UNIONEN	0	1 004 200	2.7%	3.2%
Christer Sahlberg	92 000	29 881	2.6%	0.4%
Tredje AP-Fonden	0	829 233	2.2%	2.7%
DnB Carlsson Fonder	0	794 739	2.1%	2.5%
Goldman Sachs & Co	0	782 544	2.1%	2.5%
Banque Carnegie Luxembourg	0	765 979	2.1%	2.5%
JPM Chase NA	0	660 176	1.8%	2.1%
Total, 15 largest shareholders	**660 000**	**14 397 913**	**56.4%**	**48.1%**
Total, other shareholders		16 202 114	43.6%	51.9%
TOTAL	**660 000**	**30 600 027**	**100%**	**100%**

Outlook

Medivir is a research-based pharmaceutical company focused on infectious diseases. Its goal is to be a profitable Nordic pharmaceutical company in strong growth within a few years. Medivir is working on a goal-oriented and strategic footing to create the best possible prospects of developing the company quickly and with balanced risks. The company has a solid financial position.

The acquisition of BioPhausia brings yearly sales of prescription pharmaceuticals on the Nordic market of just over SEK 500 m, as well as an all-new organization. Medivir now possesses the breadth of know-how and operations extending from research and development to the marketing and sale of prescription pharmaceuticals. Medivir also possesses attractive projects in development phases, with simeprevir (TMC435) being the most advanced, which is in clinical phase III. In combination with the ambition of identifying new business opportunities in the Nordics, these factors are the foundation of the continued work to develop Medivir towards profitability.

CONSOLIDATED INCOME STATEMENT SUMMARY (SEK m)	**2012 Apr-Jun**	**2011 Apr-Jun**	**2012 Jan-Jun**	**2011 Jan-Jun**	**2011 Jan-Dec**
Net sales	147.2	322.9	285.1	444.6	698.6
Cost of goods sold	-111.7	-38.1	-208.7	-38.2	-240.6
Gross profit/loss	**35.5**	**284.8**	**76.4**	**406.4**	**458.0**
Selling expenses	-17.5	-49.5	-34.2	-51.7	-95.2
Administrative expenses	-21.4	-9.6	-36.5	-17.3	-47.2
Research and development costs	-49.5	-44.6	-96.2	-101.9	-184.1
Other operating income/expenses	1.2	-15.5	0.5	-19.8	-19.7
Operating profit/loss	**-51.7**	**165.6**	**-90.0**	**215.7**	**111.9**
Net financial income/expense	**-0.9**	**-1.5**	**-0.1**	**1.3**	**-0.7**
Profit/loss after financial items	**-52.6**	**164.1**	**-90.1**	**217.0**	**111.2**
Tax	-8.3	3.3	-8.5	3.3	2.5
Net profit/loss	**-60.9**	**167.4**	**-98.6**	**220.3**	**113.8**
Net profit/loss attributable to:					
Equity holders of the parent	**-60.9**	**167.4**	**-98.6**	**220.3**	**113.8**
Earnings per share, calculated on profit/loss attributable to equity holders of the parent in the period					
Basic and diluted earnings per share, (SEK per share)	-1.95	5.52	-3.15	7.37	3.80
Average number of shares, 000	31,257	29,924	31,257	29,884	29,924
Number of shares at end of period, 000	31,260	31,175	31,260	31,175	31,254

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)	**2011 Apr-Jun**	**2011 Apr-Jun**	**2012 Jan-Jun**	**2011 Jan-Jun**	**2011 Jan-Dec**
Net profit/loss	**-60.9**	**167.4**	**-98.6**	**220.3**	**113.8**
Other comprehensive income					
Exchange rate differences	0.6	-2.0	0.5	-2.2	0.0
Other comprehensive income for the period, net after tax	**0.6**	**-2.0**	**0.5**	**-2.2**	**0.0**
Total comprehensive income for the period	**-60.3**	**165.4**	**-98.1**	**218.1**	**113.8**
Total comprehensive income attributable to:					
Equity holders of the parent	**-60.3**	**165.4**	**-98.1**	**218.1**	**113.8**

CONSOLIDATED BALANCE SHEET SUMMARY (SEK m)	**2012 30 Jun**	**2011 30 Jun**	**2011 31 Dec**
Assets			
Intangible fixed assets	516.7	561.6	529.0
Tangible fixed assets	36.6	28.2	35.6
Financial fixed assets	9.7	12.5	9.7
Deferred tax asset	69.9	85.4	78.4
Inventories	86.7	103.3	74.0
Current receivables	107.2	96.7	93.9
Investments in securities, etc.	385.5	395.8	425.3
Cash and bank balances	24.1	320.6	110.9
Total assets	**1,236.4**	**1,604.1**	**1,356.8**
Liabilities and equity			
Equity	998.1	1,194.9	1,095.6
Long-term liabilities	55.6	0.1	70.7
Current liabilities	182.7	409.1	190.5
Total liabilities and equity	**1,236.4**	**1,604.1**	**1,356.8**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK m)	**Share capital**	**Other paid-up capital**	**Exchange rate difference**	**Deficit brought forward**	**Total equity**
Opening balance, 1 Jan. 2011	**143.0**	**1,396.0**	**5.8**	**-937.6**	**607.3**
Total comprehensive income for the period			0.0	113.8	113.8
Conversion of options	0.5	5.6			6.1
Acquisition of options		0.2			0.2
New share issues	12.8	354.4			367.2
Staff stock option plans: value of employee service		1.0			1.0
Closing balance, 31 Dec. 2011	**156.3**	**1,757.3**	**5.8**	**-823.8**	**1,095.6**
Opening balance, 1 Jan. 2011	**143.0**	**1,396.0**	**5.8**	**-937.6**	**607.3**
Total comprehensive income for the period			-2.2	220.3	218.1
Conversion of options	0.1	1.1			1.2
Acquisition of options		0.2			0.2
New share issues	12.8	354.8			367.6
Staff stock option plans: value of employee service		0.5			0.5
Closing balance, 30 Jun. 2011	**155.9**	**1,752.7**	**3.6**	**-717.3**	**1,194.9**
Opening balance, 1 Jan. 2012	**156.3**	**1,757.3**	**5.8**	**-823.8**	**1,095.6**
Total comprehensive income for the period			0.5	-98.6	-98.1
Conversion of options	0.0	0.4			0.4
Staff stock option plans: value of employee service		0.2			0.2
Closing balance, 30 Jun. 2012	**156.3**	**1,757.9**	**6.3**	**-922.4**	**998.1**

CONSOLIDATED CASH FLOW STATEMENT SUMMARY (SEK m)	**2012 Jan-Jun**	**2011 Jan-Jun**	**2011 Jan-Dec**
Cash flow from operating activities before changes in working capital	**-71.7**	**175.6**	**92.1**
Changes in working capital	20.7	55.3	-34.9
Cash flow from operating activities	**-51.0**	**230.9**	**57.3**
Investing activities			
Purchase/sale of fixed assets	-6.2	-5.1	- 17.2
Sale of operations	8.4	-	24.0
Purchase of operations		-158.0	-191.7
Cash flow from investing activities	**2.2**	**-163.1**	**-184.8**
Financing activities			
Issue costs	-	-	-0.4
Conversion of options	-	1.2	6.1
Acquisition of options	-	0.2	0.2
Borrowings	-	-	100.0
Repayment of debt	-78.0	-	-90.0
Other changes in long-term liabilities	0.0	-	0.5
Cash flow from financing activities	**-78.0**	**1.4**	**16.5**
Cash flow for the period			
Cash and cash equivalents, at beginning of period	536.3	647.2	647.2
Change in cash and cash equivalents	-126.8	69.2	-111.0
Exchange rate difference in cash and cash equivalents	0.1	0.0	0.1
Cash and cash equivalents, at end of period	**409.6**	**716.4**	**536.3**

KEY FIGURES, SHARE DATA, OPTIONS	2012 Jan-Jun	2011 Jan-Jun	2011 Jan-Dec
Return on:			
- equity, %	-9.4	24.4	13.4
- capital employed, %	-6.8	22.2	14.2
- total assets, %	-6.3	19.3	12.7
Number of shares at beginning of period, 000	31,254	28,593	28,593
New share issues	6	2,582	2,661
Number of shares at end of period, 000	31,260	31,175	31,254
- of which class A shares	660	660	660
- of which class B shares	30,600	30,515	30,594
Average number of shares, 000	31,257	29,884	29,924
Outstanding warrants, 000	394	785	713
- entitlement to class B shares at conversion, 000	430	856	777
Share capital at end of period, SEK m	156.3	155.9	156.3
Equity at end of period, SEK m	998.1	1,194.9	1,095.6
Basic and diluted earnings per share, SEK	-3.15	7.37	3.80
Equity per share, SEK	31.93	38.33	35.05
Net worth per share, SEK	31.93	38.33	35.05
Cash flow per share after investments, SEK	-1.56	2.27	-4.26
Equity ratio, %	80.7	74.5	80.7
EBITDA	-72.4	221.4	135.3
EBIT	-90.0	215.7	111.9
Operating margin, %	-31.6	48.5	16.0

Definitions of key figures

Average number of shares. The unweighted average number of shares in the year.
Basic earnings per share. Profit/loss per share after financial items divided by the average number of shares.
Capital employed. Total assets less non interest-bearing liabilities including deferred tax liabilities.
Cash flow per share after investments. Cash flow after investments divided by the average number of shares.
Diluted earnings per share. Profit/loss per share after financial items divided by the average number of shares and outstanding warrants adjusted for potential valuation effects.
EBIT. (Earnings before interest and taxes) operating profit/loss after depreciation, amortization and impairment.
EBITDA. (Earnings before interest, taxes, depreciation and amortization) operating profit/loss before depreciation, amortization and impairment.
Equity per share. Equity divided by the number of shares at the end of the period.
Equity ratio. Equity in relation to total assets.
Net worth per share. Equity plus hidden assets in listed equities divided by number of shares at the end of the period.
Operating margin. Operating profit/loss as a percentage of net sales.
Return on equity. Profit/loss after financial items as a percentage of average equity.
Return on capital employed. Profit/loss after financial items plus financial costs as a percentage of average capital employed.
Return on total assets. Profit/loss after financial items plus financial costs as a percentage of average total assets.

PARENT COMPANY INCOME STATEMENT (SEK m)	**2012 Jan-Jun**	**2011 Jan-Jun**	**2011 Jan-Dec**
Net sales	0.4	402.2	432.3
Cost of goods sold	-0.1	-0.1	-0.2
Gross profit/loss	**0.3**	**402.1**	**432.1**
Selling expenses	-0.7	-42.6	-45.5
Administrative expenses	-30.6	-16.2	-36.4
Research and development costs	-97.6	-101.9	-184.1
Other operating income/expenses	3.4	1.5	0.9
Operating profit/loss	**-125.2**	**242.9**	**167.0**
Net financial income/expense	**6.9**	**1.8**	**-13.4**
Profit/loss after financial items	**-118.3**	**244.7**	**153.6**
Net profit/loss	**-118.3**	**244.7**	**153.6**
Net profit/loss attributable to:			
Equity holders of the parent	**-118.3**	**244.7**	**153.6**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)	**2012 Jan-Jun**	**2011 Jan-Jun**	**2011 Jan-Dec**
Net profit/loss	**-118.3**	**244.7**	**153.6**
Other comprehensive income for the period, net after tax	**-118.3**	**244.7**	**153.6**
Total comprehensive income for the period	**-118.3**	**244.7**	**153.6**
Total comprehensive income attributable to:			
Equity holders of the parent	**-118.3**	**244.7**	**153.6**

PARENT COMPANY BALANCE SHEET SUMMARY (SEK m)	**2012** **30 Jun**	**2011** **30 Jun**	**2011** **31 Dec**
Assets			
Intangible fixed assets	3.5	4.1	3.8
Tangible fixed assets	33.7	26.1	33.2
Financial fixed assets	614.0	616.5	614.0
Inventories	0.2	0.2	0.3
Current receivables	14.9	23.8	13.7
Investments in securities, etc	385.5	395.8	425.3
Cash and bank balances	14.6	290.4	91.0
Total assets	**1,066.4**	**1,356.9**	**1,181.3**
Liabilities and equity			
Equity	1,015.0	1,218.9	1,132.7
Long-term liabilities	0.0	0.1	0.0
Current liabilities	51.4	137.9	48.6
Total liabilities and equity	**1,066.4**	**1,356.9**	**1,181.3**

Accounting principles

Medivir applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. The significant accounting and valuation principles are stated on pages 56-61 of the Annual Report 2011. The group's Interim Report has been prepared according to IAS 34. The parent company uses the policies recommended in RFR 2 issued by RFR, the Swedish Financial Reporting Board. Other new or revised IFRS and interpretation statements from IFRIC that came into effect after 31 December 2011 did not have any material effect on the group's or parent company's financial position or results of operations.

Segment reporting

Reporting of operating segments (SEK m)	**2012** **Jan - Jun** **Pharmaceuticals**	**2011** **Jan - Jun** **Pharmaceuticals**	**2012** **Jan- Jun** **Parallel Import**	**2011** **Jan- Jun** **Parallel Import**	**2012** **Jan- Jun** **Total**	**2011** **Jan- Jun** **Total**
Net sales	85.2	418.0	199.9	26.6	285.1	444.6
EBITDA	-79.6	221.2	7.2	0.2	-72.4	221.4
Depreciation, amortization and impairment					-17.6	-5.7
Financial income/expense					-0.1	1.3
Profit/loss after financial items					-90.1	217.0

Transactions with related parties

Transactions with related parties are on an arm's length basis.

There are agreements between companies owned by senior managers and Medivir conferring entitlement to royalties on products the company may develop based on patented inventions the company has purchased from the relevant people before and during their time as researchers at Medivir. Remuneration of SEK 0.0 (0.9) m occurred in the period. Other services purchased from related parties amount to SEK 0.3 (0.0) m. Intragroup sales amounted to SEK 3.4 (0.0) m. Intragroup purchases amounted to SEK 1.4 (0.0) m.

Stock option plans

The intention of stock option plans is to promote the company's long-term interests by motivating and rewarding the company's senior managers and other staff.

Outstanding options, redemption and forfeiture

At the beginning of 2012, Medivir had two outstanding option plans divided between a total of 712 507 outstanding options, which correspond to 776 633 class B shares. In the period, 5 688 options in the 2010 program were converted and the remaining 312 419 options in the plan were forfeited due to the

expiration of their term on 30 April 2012. The acquisition of options in the period increased share capital by SEK 0.0 m and other paid-up capital by SEK 0.4 m. The number of outstanding options corresponds to some 1.4% of the capital and some 1.2% of the votes, and upon full exercise, could increase equity by SEK 56.9 m, and accordingly, the total number of shares could amount to 33 689 923. After the rights issue in the second quarter of 2010, the conversion terms for the option plans were restated. The options from the 2007 and 2010 programs confer entitlement to conversion of 1.09 shares per option. The exercise price for the option plans has also been restated.

Outstanding option plans, 30 Jun 2012					
Type	**Term**	**No.**	**Exercise price, SEK**	**Entitlement to no. of shares**	**Outstanding shares now and at full conversion**
No. of shares 30 Jun 2012					31 260 027
Opt. plans	2010-2013	394 400	132.30	429 896	429 896
Total		**394 400**		**429 896**	**31 689 923**

Option plan 2007-2012
The AGM 2007 approved a staff stock option plan of 480 000 options. Some 360 000 staff stock options were granted to employees of the group and the remaining options were retained to cover social security costs. The term of this plan is 18 June 2007 to 30 April 2012, and after vesting, holders are entitled to exercise each option to subscribe for a new class B share against payment of an exercise price. Accordingly, this option plan was forfeited in the second quarter of 2012.

Option plan 2010-2013
The AGM 2010 approved a staff stock option plan of 394 400 options. Some 343 000 options were granted to employees of the group and the remaining options will be retained to cover social security costs. According to the terms of this plan, all employees are offered the opportunity to acquire warrants on market terms. In addition, for each warrant an employee acquires, they also receive a staff stock option free of charge. The term of this plan is 30 April 2010 to 31 May 2013. After vesting, holders are entitled to exercise each option to subscribe for a new class B share against payment of an exercise price.

Significant risks and uncertainty factors

An effective risk assessment reconciles Medivir's business opportunities and results of operations with shareholders' and other stakeholders' requirements for long-term value growth and control. Research and pharmaceutical development until approved registration is a highly risky and capital-intensive process. The majority of projects that are started never reach market registration. If competing products take market share or competing research projects achieve better effect and reach the market faster, the future value of Medivir's product and project portfolio may be lower than expected. Medivir's ability to produce new CDs (candidate drugs), enter partnerships on its projects and successfully develop its projects to market launch and continued sale, and to secure funding of its operations, are decisive to its future.

Medivir is exposed to the following main categories of risk:

- Exogenous risks—such as regulatory approval, competition, price changes, external seasonality and patent protection;
- Operating risks—such as integration risk, production risk and dependency on key employees and partnerships;
- Financial risks—such as liquidity, interest, currency and credit risk.

No changes to risks and uncertainty factors occurred in the period. A more detailed description of exposure to risk, and how Medivir manages it, is provided in the Annual Report 2011.

This Report has not been subject to review by the company's auditors.

Stockholm, Sweden, 23 August 2012

Björn C Andersson
Board member

Rolf Classon
Board member

Anders Hallberg
Board member

Ingemar Kihlström
Board member

Anna Malm Bernsten
Board member

Göran Pettersson
Chairman of the Board

Maris Hartmanis
Chief Executive Officer