Press release, 10 May 2012

Interim Report, 1 January – 31 March 2012

Stockholm, Sweden—Today, Medivir AB (OMX: MVIR), a research-based specialty pharmaceutical company focused on infectious diseases, is publishing its Interim Report for the period 1 January – 31 March 2012.*

First quarter 2012

- Net sales were SEK 137.9 (121.6) m
- Profit/loss after tax amounted to SEK -37.7 (52.9) m
- Basic and diluted earnings per share were SEK -1.21 (1.85)
- Cash flow from operating activities amounted to SEK -45.8 (-35.0) m; cash and cash equivalents amounted to SEK 485.6 (645.7) m at the end of the period
- Phase II interferon-free combination trial commenced on TMC435 with Gilead compound GS7977, with and without ribavirin
- Further phase III trials commenced on TMC435 in the very hard-to-treat patient group of previous null responders
- GSK started its OTC launch of Xerclear® in Europe under the Zoviduo and Zovirax Duo brands
- Application to start phase I trials on cathepsin K for treating skeletal disorders filed with the European regulatory authority

Post balance sheet events

- Extended clinical collaboration between our partner Janssen and Bristol-Myers Squibb (BMS) regarding TMC435 and daclatasvir. Apart from interferon and ribavirin-free combination trials on TMC435 in phase II, this collaboration now also covers a phase III program
- The partnership with BMS will involve TMC435 also being evaluated in interferon and ribavirin-free combination trials with BMS's nucleotide inhibitor BMS-986094 (formerly INX-189)
- Medivir's partner Janssen has created a new division, Janssen Therapeutics EMEA, whose sole mission is to launch TMC435 in Europe, the Middle East and Africa
- Strong final phase II data on TMC435 on hard-to-treat hepatitis C patients presented at EASL meeting

CONSOLIDATED PROFIT PERFORMANCE SUMMARY, SEK m	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales	137.9	121.6	698.6
Gross profit/loss	40.9	121.5	458.0
EBITDA	-29.9	51.9	135.3
EBIT	-38.3	50.1	111.9
Profit/loss before tax	-37.5	52.9	111.2
Profit/loss after tax	-37.7	52.9	113.8
Operating margin, %	-27.8%	41.2%	16.0%
Basic and diluted earnings per share, SEK	-1.21	1.85	3.80

* All figures for the group unless otherwise stated. In this Interim Report, comparisons are with the corresponding period of 2011 unless otherwise stated.

CEO's comment on the first quarter of 2012

"Strong momentum in our operations"

Medivir opened 2012 with continued stable sales of Rx pharmaceuticals. We are seeing a rapid increase in awareness of TMC435 on the Nordic market, with positive feedback from leading clinicians and opinion-leaders. One clear continued trend in the hepatitis C segment is a growing number of new combinations of direct-acting antivirals to replace interferon and ribavirin. TMC435 is an important component in the development of these new and superior treatment regimens. TMC435 is part of a large number of newly commenced and planned combination trials aimed at obtaining an interferon and ribavirin-free treatment regimen, which ultimately, could be a major improvement for patients.

Our internal preclinical hepatitis C projects are taking clearer form and are heading towards the designation of clinical candidate drugs (CDs). We also have a new CD heading for clinical phase 1, MIV-711, a cathepsin K inhibitor for treating skeletal disorders.

The company's business operations

The Pharmaceuticals business area

The Pharmaceuticals business area includes the group's research and development portfolio, the cold sore pharmaceutical Xerclear® and original pharmaceuticals owned by BioPhausia. The original pharmaceuticals continued to achieve stable sales and good profitability margins in the first quarter, which is consistent with this product range's seasonal pattern. The most important products are Mollipect, Citodon and Lithionit. Net sales for the first quarter from pharmaceuticals sales were SEK 46.3 (-0.2) m. EBITDA was SEK -34.1 (51.9) m. EBITDA includes research and development costs of SEK -46.7 (-57.4) m.

In February, Medivir's partner GlaxoSmithKline started its European OTC launch of Medivir's in house-developed cold sore pharmaceutical Xerclear®. This launch, under the Zoviduo and Zovirax Duo brands, is in five European countries initially, where the pharmaceutical is approved for OTC sale.

Parallel imports in Cross Pharma

Sales continued to grow for the sixth consecutive quarter, to SEK 91.6 (-) m, and EBITDA for the period was SEK 4.2 (-) m. Investments in the fourth quarter 2011 set a good foundation for Cross Pharma's future extension of its product range.

R&D

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

Medivir's CD TMC435, a protease inhibitor administered in a single daily dose for treating hepatitis C, is in late clinical phase III. Apart from previously commenced ongoing phase III trials enrolling some 1,500 patients, in the first quarter, our partner Janssen commenced another two phase III trials. The first will compare the efficacy of TMC435 with marketed protease inhibitor Telaprevir, both administered in addition to interferon/ribavirin. This trial is being conducted on hard-to-treat patients that have not responded to standard of care (SoC). The second trial is designed to examine the efficacy and safety of TMC435 in patients with HCV infection of genotype 4. The previously commenced combination trials with other companies' experimental drugs are progressing as planned and will offer guidance on how therapies should be optimized. Like our partner Janssen, we are very hopeful that TMC435 will constitute a lasting and central component in forthcoming interferon-free combination therapies against HCV.

After the end of the quarter, our partner Janssen and BMS entered further important strategic development agreements. These agreements are one of several strategies used to examine TMC435 in interferon and ribavirin-free therapies, which we regard as highly important to the onward development of HCV treatment. An extended clinical collaboration between Janssen and BMS was announced in April, which will evaluate the efficacy of TMC435 in combination trials on two different BMS compounds. In the first interferon and ribavirin-free trial, a joint phase II trial with BMS, Janssen will study the efficacy of TMC435 and daclatasvir on patients with HCV genotype 1. The clinical evaluation of TMC435 in combination with BMS nucleotide polymerase inhibitor BMS-986094 (formerly INX-189) is also planned.

In April, Janssen presented the formation of an all-new division, Janssen Therapeutics EMEA, headquartered in Belgium, whose mission is to launch TMC435 in Europe, the Middle East and Africa. Thus our partner has laid the foundation for a clear and focused launch strategy for TMC435 in these regions. We will be marketing and selling TMC435 ourselves in the Nordics.

Final data for TMC435 from the ASPIRE phase II trial on treatment-experienced patients was presented at the EASL meeting in April. The results gained a positive reception from leading clinicians and showed that TMC435 is very effective on these hard-to-treat patients, including patients with cirrhosis of the liver. These results underscore the strong therapeutic profile TMC435 enjoys and demonstrate that TMC435 has good prospects of also serving as a central component in the future HCV combination therapies.

Hepatitis C projects in-house
Medivir made major advances in the quarter in our proprietary preclinical hepatitis C projects, primarily Medivir's nucleotide projects. These projects, which are heading towards the designation of a CD are currently being run entirely in-house, and in strategic terms will be managed to create optimal value for Medivir.

Cathepsin K
Cathepsin K is progressing towards clinical trials. An application was filed in the quarter to start clinical phase I trials on in house-developed CD MIV-711. This molecule is a cathepsin K inhibitor, designed to treat skeletal disorders such as osteoporosis and osteoarthritis. The trial will commence as soon as permits are secured from the regulatory authorities, expected in the near future. Phase I data will be used to enable outlicensing of this project.

Maris Hartmanis
CEO and President

For more information, please contact:

Rein Piir, EVP Corporate Affairs & IR, direct tel: +46 (0)8 440 6550, mobile: +46 (0) 70 853 7292
Maris Hartmanis, CEO, switchboard: +46 (0)8 407 6430

Conference call for investors, analysts and the media

The Interim Report for the first quarter 2012 will be presented by the CEO, Maris Hartmanis, and members of Medivir's management.

Time: 10 a.m. (CET) on Thursday, 10 May 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.se

Financial information in 2012

The Annual General Meeting will be held on 10 May at 2 p.m.
The Interim Report for January-June will be published on 23 August
The Interim Report for January-September will be published on 20 November

Highlights of the first quarter 2012

Phase II interferon and ribavirin-free combination trial on TMC435 and GS7977 started in January

Our partner Janssen has a clinical partnership with Gilead on TMC435, an NS3/4A protease inhibitor and Gilead's GS7977, a nucleotide NS5B polymerase inhibitor. The ongoing interferon-free phase II trial is examining efficacy and safety of 12 and 24 weeks' treatment with TMC435, 150 mg per day, in combination with GS7977, 400 mg per day, with or without ribavirin. This is being conducted on patients with chronic hepatitis C infection of genotype 1 that are previous null responders to peginterferon/ribavirin treatment. The trial's primary endpoint is sustained virologic response 12 weeks after therapy concludes (SVR12)

GSK started OTC launch of Xerclear® in Europe under the Zoviduo and Zovirax Duo brands

In June 2010, Medivir reached an agreement with GSK, who secured exclusive rights to market and distribute Xerclear® for OTC sale on several markets including Europe and Russia. In February, GSK commenced the first phase of OTC launches in the five countries where Zoviduo and Zovirax Duo have been approved for OTC sale until now; Denmark, the Czech Republic, Slovakia, Portugal and Poland. GSK's objective is to launch this product on the remaining markets as soon as each regulatory authority grants approval for OTC sale. GSK will be paying to Medivir up to double-digit royalties on sales.

New phase III trials commence on TMC435

TMC435 is in clinical development phase III. Global registration trials (QUEST 1 & 2, PROMISE) and the phase III program in Japan on TMC435 in combination with interferon and ribavirin completed enrolment last year. These trials are now in their follow-up phase. The results of these trials are scheduled for completion at year-end, and applications for registration will be filed subsequently.

In March, Janssen commenced another two phase III trials on TMC435, HPC3001 and HPC3011.

HPC3001

HPC3001 is a phase III trial that will evaluate the efficacy, safety and tolerability of TMC435 and telaprevir in combination with interferon and ribavirin in HCV patients with genotype 1, null responders or partial responders to previous treatment with interferon and ribavirin. This trial is randomized and double-blind.

The purpose of the trial is to demonstrate the efficacy of TMC435-based treatment in comparison with the approved telaprevir regimen in these hard-to-treat patient groups. Patients will receive TMC435, 150 mg once daily or telaprevir, 750 mg every eight hours in combination with interferon and ribavirin for 12 weeks, followed by 36 weeks of treatment with interferon and ribavirin only. The primary trial endpoint is SVR12.

HPC3011

HPC3011 is an open, phase III trial with one trial arm that is studying the efficacy, safety and tolerability of treatment with TMC435 in combination with interferon and ribavirin in 100 HCV patients of genotype 4. This trial enrolls treatment-naïve patients and previous null responders. The primary trial endpoint is SVR12.

Application to commence phase I trials on cathepsin K filed

Based on the results of the preclinical safety and toxicology trials conducted on MIV-711, Medivir decided to commence clinical development of MIV-711. In March, Medivir filed an application with a pharmaceuticals regulatory authority in Europe to start clinical phase I trials on MIV-711, a cathepsin K inhibitor for treating skeletal disorders such as osteoporosis, osteoarthritis and bone metastases. This clinical trial will start as soon as the permit is secured.

Post-period end highlights

Extended clinical partnership on TMC435 with BMS

In December last year, Medivir reported that Janssen and BMS had entered a partnership to conduct a clinical phase II, interferon-free combination trial on TMC435 and daclatasvir with or without ribavirin. As part of the strategy of evaluating TMC435 in different interferon and ribavirin-free combination therapies for patients with hepatitis C genotype 1, this agreement has now been extended.

The extended clinical partnership agreement covers:

- Continued evaluation of TMC435 and daclatasvir in phase III assuming the results of the forthcoming clinical phase II trial support continued clinical development in terms of efficacy and safety.
- The second part of the agreement covers combination trials on TMC435 and the nucleotide BMS-986094 (formerly INX-189).

TMC435 and daclatasvir

The first phase will study TMC435 in a phrase II trial in combination with BMS's NS5A inhibitor, daclatasvir, which is in clinical phase III development.
Treatment will be administered for 12 and 24 weeks respectively on patients with HCV genotype 1 that are previous null responders to interferon/ribavirin treatment, or who are interferon intolerant.
Interferon and ribavirin-free arms will be included in this trial. The primary trial endpoint is SVR12.

TMC435 and BMS-986094

TMC435 and BMS-986094 (formerly INX-189), a nucleotide NS5B polymerase inhibitor, will be studied in combination. A drug interaction trial will be the first stage. The results of this trial will guide the continued development of TMC435 and BMS-986094 on hepatitis C patients with virus of genotype 1.

Janssen Therapeutics EMEA — a newly created division for launching TMC435

Janssen presented the formation of a new independent division, Jansen Therapeutics EMEA, headquartered in Belgium, at the EASL meeting in April. Its sole mission is to launch TMC435 in Europe, the Middle East and Africa. Accordingly, our partner has laid the foundation for a clear launch strategy for TMC435 in these regions.

Final TMC435 phase II data in hard-to-treat hepatitis C patients presented at EASL meeting

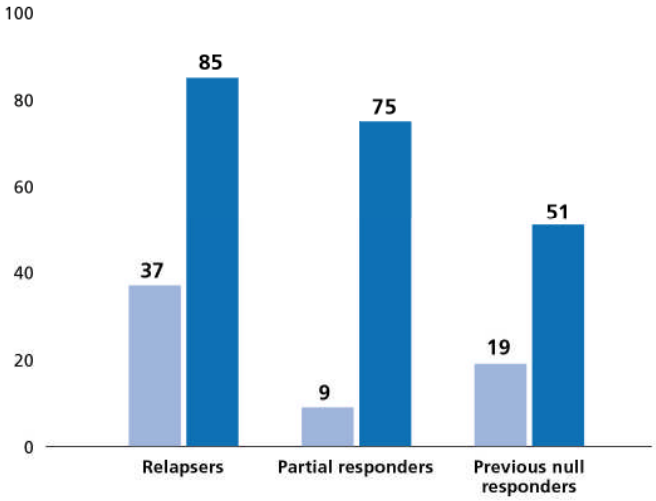
Final results from the ASPIRE trial were reported at the EASL meeting. This trial enrolled 462 patients infected with HCV genotype 1 that were relapsers, partial responders or null responders to previous treatment with interferon and ribavirin. 62% (287/462) of patients had advanced liver disease.

All TMC435 sub-groups achieved significantly higher cure rates (SVR24) compared to the control group that was treated with interferon and ribavirin only.

85% against 37% for relapsers after previous treatment,
75% against 9% for previous partial responders and
51% against 19% for previous null responders.

Analysis of sub-groups also indicated very positive treatment responses in patients with advanced liver disease including those with cirrhosis. TMC435 was generally safe and well tolerated by all patient groups.

SVR24
Percentage cure rates in dark bars (TMC435, 150 mg) compared to control arm (light blue) with interferon and ribavirin treatment.



Summary
In previous phase II trials (PILLAR) TMC435 demonstrated very potent treatment efficacy on patients infected with HCV genotype 1 that had previously not undergone antiviral therapy, also known as naïve patients. The ASPIRE trial corroborated TMC435's very potent antiviral efficacy and thus cure rates in previous null responder patients including patients with advanced cirrhosis of the liver. This data demonstrates that TMC435 is a very attractive treatment alternative as an adjuvant to interferon and ribavirin and as a main component and cornerstone of future interferon and ribavirin-free combination therapies.

Project portfolio

Medivir has a broad-based project portfolio for treating 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 enter partnerships on product development, but intends to retain commercial rights for its projects in the Nordics.
The project portfolio is summarized in the figure below. For more information please visit www.medivir.com.

			Preclinical phase		Clinical phase				
Project	Therapy area	Partner	Research	Develop-ment	Phase I	Phase IIa	Phase IIb	Phase III	Market
IN-HOUSE DEVELOPED PHARMACEUTICAL									
Xerclear® (Zoviduo/Zovirax Duo)	Herpes labialis	GlaxoSmithKline (GSK)							
Hepatitis									
TMC435	Hepatitis C	Tibotec Pharmaceuticals/J&J							
HCV POL (Nucleotide)	Hepatitis C	Tibotec Pharmaceuticals/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 Pharmaceuticals							
Other indications									
Cathepsin K inhibitor	Bone disorders								
Cathepsin S inhibitor	Neuropathic pain								
HIV/AIDS									
MIV-410 (PPI-801/802)	HIV	Presidio							
HIV-PI	HIV	Tibotec Pharmaceuticals/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 – 31 March 2012

Net sales were SEK 137.9 (121.6) m, an increase of SEK 16.3 m year on year. Turnover for the period from sales of original pharmaceuticals was SEK 46.3 (0.2) m, and turnover from parallel imports was SEK 91.6 (-). In the corresponding period of the previous year, turnover primarily consisted of two milestone payments on hepatitis C projects from Medivir's partner Tibotec, totaling SEK 121.3 m.

Net sales split (SEK m)	**2012 Jan-Mar**	**2011 Jan-Mar**	**2011 Jan-Dec**
Outlicensing and partnership agreements			
One-off payments	-	121.3	401.2
Pharmaceutical sales	46.3	0.2	111.2
Parallel imports	91.6	-	185.9
Other services	0.0	0.1	0.3
Total	**137.9**	**121.6**	**698.6**

Costs and results of operations, 1 January - 31 March 2012

Cost of goods sold was SEK -97.0 (-0.1) m, a SEK 96.9 m increase. Gross profit was SEK 40.9 (121.5) m. Operating expenses were SEK -79.2 (-71.4) m, a SEK 7.8 m increase year on year. Operating expenses were divided between cost of sales of SEK -16.7 (-2.1) m, administrative expenses of SEK -15.1 (-7.6) m, research and development costs of SEK -46.7 (-57.4) m and other operating expenses/income of SEK -0.7 (-4.3) m. Cost of sales increased by SEK 14.6 m and costs for administration increased by SEK 7.5 m through the commercial operations purchased in the second quarter of 2011. Research and development costs decreased by SEK 10.7 m mainly because of reduced royalty costs. Other operating income/expenses decreased by SEK 3.6 m.

The operating profit/loss was SEK -38.3 (50.1) m, a negative change of SEK 88.4 m year on year. The change is mainly due to lower gross profit in the period compared to the first quarter of 2011 when high one-off payments of SEK 121.3 m were received. The profit/loss from financial income/expense was SEK 0.8 (2.8) m. Net profit/loss was SEK -37.7 (-52.9) m.

Segment information

The Pharmaceuticals segment comprises research and development, as well as the 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 subsidiary Cross Pharma.

Pharmaceuticals segment (SEK m)	**2012 Jan-Mar**	**2011 Jan-Mar**	**2011 Jan-Dec**
Net sales	46.3	121.6	512.7
EBITDA	-34.1	51.9	137.6
EBITDA %	-73.7%	42.7%	26.8%

Turnover and results of operations, 1 January - 31 March 2012

Net sales were SEK 46.3 (121.6) m, a SEK 75.3 m decrease year on year. Turnover in the period consisted of the sale of original pharmaceuticals, the most important products being Mollipect, Citodon and Lithionit. Sales are stable with unchanged, favorable EBITDA margins. In the corresponding period of the previous year, turnover consisted of two milestone payments on hepatitis C projects from Medivir's partner Tibotec. Accordingly, of total net sales, 100% (0)% consisted of pharmaceuticals sales and 0% (100)% of one-off payments for outlicensing and partnership agreements.

EBITDA for the period was SEK -34.1 (51.9) m, equating to a margin of -73.7% (42.7)%. EBITDA includes research and development costs of SEK -46.7 (-57.4) m.

Parallel Import segment (SEK m)	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales	91.6	-	185.9
EBITDA	4.2	-	-2.3
EBITDA %	4.6%	-	-1.2%

Turnover and results of operations, 1 January - 31 March 2012
Net sales for the period amounted to SEK 91.6 m. Turnover continued to increase for the sixth consecutive quarter. 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 4.2 m, equivalent to a margin of 4.6%.

Cash flow and financial position

Cash flow from operating activities was SEK -45.8 (-35.0) m, of which working capital changes were SEK -17.8 (-4.2) m. In the period, inventories primarily increased, by SEK 14.2 m.

Cash flow from investing activities was SEK 2.6 (-0.3) 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 5.8 m.

Cash flow from financing activities was SEK -7.5 (-) m and was repayment of debt.

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 485.6 (645.7) m at the end of the period, a change of SEK -50.7 (-1.6) m. At the end of the period, assets pledged amounted to SEK 138.3 (0.0) 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 5.8 (0.3) m, relating mainly to research equipment.

Depreciation of tangible fixed assets in the period of SEK -2.7 (-1.7) m was charged to profit/loss. Amortization of intangible fixed assets in the period of SEK -5.8 (-0.1) m was charged to profit/loss.

Employees

Medivir had 172 (79) employees at the end of the period, 63% (54)% of which were women. Accordingly, the number of employees increased by 93 on the corresponding period of the previous year, mainly because of the acquisition of BioPhausia, whose subsidiary Cross Pharma has a packaging unit in Poland with 52 employees.

Royalty obligations

A major part of Medivir's research and development projects were generated entirely in-house and Medivir is thus 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 outlicensed 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 0.0 (13.2) m.

Parent company, 1 January - 31 March 2012

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

Parent company net sales were SEK 1.1 (121.6) m, a decrease of SEK 120.5 m year on year. Operating costs were SEK -61.1 (-71.8) m, a decrease of SEK 10.7 m year on year. Operating costs are divided between selling expenses of SEK -0.3 (-2.1) m, administrative expenses of SEK -13.0 (-7.6) m, research and development costs of SEK -47.2 (-57.3) m and other operating expenses/income of SEK -0.6 (-4.8) m. The operating profit/loss was SEK -60.0 (49.7) m. The profit/loss from financial income/expense was SEK 3.3 (2.8) m. The net profit/loss for the period was SEK -56.7 (52.5) m.

Investments in tangible and intangible fixed assets were SEK 5.0 (0.3) m. Cash and cash equivalents including investments in securities, etc. with a maximum maturity of three months amounted to SEK 455.8 (516.3) m. 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 (143.0) m and equity was SEK 1,058.0 (660.4) m. At the end of the period, the number of shares of Medivir AB was 31 253 827 (28 593 555), of which 660 000 (660 000) were class A and 30 593 827 (27 933 555) class B shares with a nominal value of SEK 5. The average number of shares in the period was 31 253 827 (28 593 392).

Share structure, 31 March 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	30 593 827	30 593 827	97.9%	82.3%	31 370 460
Total	**31 253 827**	**37 193 827**	**100.0%**	**100.0%**	**32 030 460**

Basic and diluted earnings per share, based on a weighted average number of outstanding shares, was SEK -1.21 (1.85). Equity per share was SEK 33.85 (23.10). The equity ratio was 79.9% (91.0)%.

Shareholders

As of 31 March 2012, Medivir AB had 11 253 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	7.9%	1.2%
Staffan Rasjö		2 830 800	7.6%	9.1%
Skandia Fonder		1 498 550	4.0%	4.8%
Länsförsäkringar Fonder		1 211 442	3.3%	3.9%
AFA Försäkring		1 145 959	3.1%	3.7%
Alecta Pensionsförsäkring		1 046 000	2.8%	3.4%
Unionen		1 004 200	2.7%	3.2%
Christer Sahlberg	92 000	29 881	2.6%	0.4%
Tredje AP-fonden		895 120	2.4%	2.9%
DnB Carlsson Fonder		855 770	2.3%	2.7%
Handelsbanken Fonder		838 740	2.3%	2.7%
Goldman Sachs & Co		769 578	2.1%	2.5%
Banque Carnegie Luxembourg		760 279	2.0%	2.4%
Pictet & Cie		572 010	1.5%	1.8%
Total, 15 largest shareholders	**660 000**	**13 797 379**	**54.9%**	**46.3%**
Total, other shareholders		16 796 448	45.2%	53.7%
TOTAL	**660 000**	**30 593 827**	**100%**	**100%**

Outlook

Medivir is a research-based specialty pharmaceutical company focused on infectious diseases whose goal is to be a profitable Nordic specialty 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 brought 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 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 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales	137.9	121.6	698.6
Cost of goods sold	-97.0	-0.1	-240.6
Gross profit/loss	**40.9**	**121.5**	**458.0**
Selling expenses	-16.7	-2.1	-95.2
Administrative expenses	-15.1	-7.6	-47.2
Research and development costs	-46.7	-57.4	-184.1
Other operating income/expenses	-0.7	-4.3	-19.7
Operating profit/loss	**-38.3**	**50.1**	**111.9**
Net financial income/expense	**0.8**	**2.8**	**-0.7**
Profit/loss after financial items	**-37.5**	**52.9**	**111.2**
Tax	-0.2	0.0	2.5
Net profit/loss	**-37.7**	**52.9**	**113.8**
Net profit/loss attributable to:			
Equity holders of the parent	**-37.7**	**52.9**	**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)	-1.21	1.85	3.80
Average number of shares, 000	31,254	28,593	29,924
Number of shares at end of period, 000	31,254	28,594	31,254

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net profit/loss	**-37.7**	**52.9**	**113.8**
Other comprehensive income			
Exchange rate differences	-0.1	-0.2	0.0
Other comprehensive income for the period, net after tax	**-0.1**	**-0.2**	**0.0**
Total comprehensive income for the period	**-37.8**	**52.7**	**113.8**
Total comprehensive income attributable to:			
Equity holders of the parent	**-37.8**	**52.7**	**113.8**

CONSOLIDATED BALANCE SHEET SUMMARY (SEK m)	**2012 31 Mar**	**2011 31 Mar**	**2011 31 Dec**
Assets			
Intangible fixed assets	523.1	4.2	529.0
Tangible fixed assets	38.9	23.6	35.6
Financial fixed assets	9.7	18.8	9.7
Deferred tax asset	78.2	0.0	78.4
Inventories	88.2	0.1	74.0
Current receivables	99.7	33.3	93.9
Investments in securities, etc.	428.3	598.8	425.3
Cash and bank balances	57.3	46.9	110.9
Total assets	**1,323.4**	**725.7**	**1,356.8**
Liabilities and equity			
Equity	1,058.0	660.4	1,095.6
Long-term liabilities	63.1	0.1	70.7
Current liabilities	202.3	65.2	190.5
Total liabilities and equity	**1,323.4**	**725.7**	**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. 2012	**156.3**	**1,757.3**	**5.8**	**-823.8**	**1,095.6**
Total comprehensive income for the period			-0.1	-37.7	-37.8
Staff stock option plans: value of employee service		0.2			0.2
Closing balance, 31 Mar. 2012	**156.3**	**1,757.5**	**5.7**	**-861.5**	**1,058.0**

CONSOLIDATED CASH FLOW STATEMENT SUMMARY (SEK m)	**2012 Jan-Mar**	**2011 Jan-Mar**	**2011 Jan-Dec**
Cash flow from operating activities before changes in working capital	**-28.0**	**3.0**	**92.1**
Changes in working capital	-17.8	-4.2	-34.9
Cash flow from operating activities	**-45.8**	**-35.0**	**-76.9**
Investing activities			
Purchase/sale of fixed assets	-5.8	-0.3	-17.2
Sale of operations	8.4	-	24.0
Purchase of operations	-	-	-191.7
Cash flow from investing activities	**2.6**	**-0.3**	**-184.8**
Financing activities			
Issue costs	-	-	-0.4
Conversion of options	-	-	6.1
Acquisition of options	-	-	0.2
Borrowings	-	-	100.0
Repayment of debt	-7.5	-	-90.0
Other changes in long-term liabilities	0.0	-	0.5
Cash flow from financing activities	**-7.5**	**-**	**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	-50.7	-1.5	-111.0
Exchange rate difference in cash and cash equivalents	0.0	-0.1	0.1
Cash and cash equivalents, at end of period	**485.6**	**645.7**	**536.3**

KEY FIGURES, SHARE DATA, OPTIONS	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Return on:			
- equity, %	-3.5	8.3	13.4
- capital employed, %	-2.7	8.3	14.2
- total assets, %	-2.5	7.3	12.7
Number of shares at beginning of period, 000	31,254	28,593	28,593
New share issues	0	1	2,661
Number of shares at end of period, 000	31,254	28,594	31,254
- of which class A shares	660	660	660
- of which class B shares	30,594	27,934	30,594
Average number of shares, 000	31,254	28,593	29,924
Outstanding warrants, 000	713	803	713
- entitlement to class B shares at conversion, 000	777	876	777
Share capital at end of period, SEK m	156.3	143.0	156.3
Equity at end of period, SEK m	1,058.0	660.4	1,095.6
Basic and diluted earnings per share, SEK	-1.21	1.85	3.80
Equity per share, SEK	33.85	23.10	35.05
Net worth per share, SEK	33.85	23.10	35.05
Cash flow per share after investments, SEK	-1.38	-0.05	-4.26
Equity ratio, %	79.9	91.0	80.7
EBITDA	-29.9	51.9	135.3
EBIT	-38.3	50.1	111.9
Operating margin, %	-27.8	41.2	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-Mar**	**2011 Jan-Mar**	**2011 Jan-Dec**
Net sales	1.1	121.6	432.3
Cost of goods sold	0.0	-0.1	-0.2
Gross profit/loss	**1.1**	**121.5**	**432.1**
Selling expenses	-0.3	-2.1	-45.5
Administrative expenses	-13.0	-7.6	-36.4
Research and development costs	-47.2	-57.3	-184.1
Other operating income/expenses	-0.6	-4.8	0.9
Operating profit/loss	**-60.0**	**49.7**	**167.0**
Net financial income/expense	**3.3**	**2.8**	**-13.4**
Profit/loss after financial items	**-56.7**	**52.5**	**153.6**
Net profit/loss	**-56.7**	**52.5**	**153.6**
Net profit/loss attributable to:			
Equity holders of the parent	**-56.7**	**52.5**	**153.6**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)	**2012 Jan-Mar**	**2011 Jan-Mar**	**2011 Jan-Dec**
Net profit/loss	**-56.7**	**52.5**	**153.6**
Other comprehensive income for the period, net after tax	**-56.7**	**52.5**	**153.6**
Total comprehensive income for the period	**-56.7**	**52.5**	**153.6**
Total comprehensive income attributable to:			
Equity holders of the parent	**-56.7**	**52.5**	**153.6**

PARENT COMPANY BALANCE SHEET SUMMARY (SEK m)	**2012 31 Mar**	**2011 31 Dec**
Assets		
Intangible fixed assets	3.6	3.8
Tangible fixed assets	35.8	33.2
Financial fixed assets	614.0	614.0
Inventories	0.3	0.3
Current receivables	18.6	13.7
Investments in securities, etc	428.3	425.3
Cash and bank balances	27.5	91.0
Total assets	**1,128.1**	**1,181.3**
Liabilities and equity		
Equity	1,076.3	1,132.7
Long-term liabilities	0.0	0.0
Current liabilities	51.8	48.6
Total liabilities and equity	**1,128.1**	**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, Jan - Mar (SEK m)	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
	Pharmaceuticals		**Parallel Import**		**Total**	
Net sales	46.3	121.6	91.6	-	137.9	121.6
EBITDA	-34.1	51.9	4.2	-	-29.9	51.9
Depreciation, amortization and impairment					-8.4	-1.8
Financial income/expense					0.8	2.8
Profit/loss after financial items					-37.5	52.9

Transactions with related parties

Transactions with related parties are on an arm's length basis. Intragroup sales amounted to SEK 1.0 (0.0) m. Intragroup purchases amounted to SEK 0.5 (0.0) m.

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 0.2 (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, no options were converted. The number of outstanding options corresponds to approximately 2.5% of capital and approximately 2.1% of the votes, and upon full exercise, could increase equity by SEK 78.1 m, and accordingly, the total number of shares could amount to 32 030 460. 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, 31 March 2012

Type	**Term**	**No.**	**Exercise price, SEK**	**Entitlement to no. of shares**	**Outstanding shares now and on full conversion**
No. of shares 31 Mar. 2012					31 253 827
Staff stock options	2007-2012	318 107	61.20	346 737	346 737
Opt. plans	2010-2013	394 400	132.30	429 896	429 896
Total		**712 507**		**776 633**	**32 030 460**

Option plan 2007-2012

The AGM 2007 approved a staff stock option plan of 480 000 options, of which some 360 000 staff stock options were granted to employees of the group and the remainder 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.

Option plan 2010-2013
The AGM 2010 approved a staff stock option plan of 394 400 options, of which some 343 000 options can be granted to employees of the group and the remainder 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, and 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 originally 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.

Maris Hartmanis
Chief Executive Officer

Stockholm, Sweden, 10 May 2012