Press Release, 20 November 2012

Interim Report, 1 January-30 September 2012*

Interim period, January-September 2012

- Net turnover totalled SEK 399.5 million (SEK 566.8 m), of which non-recurrent payments comprised SEK 0.0 million (SEK 401.2 million), sales of pharmaceuticals, SEK 120.6 million (SEK 63.7 m), and sales via parallel imports, SEK 277.7 million (SEK 101.2 m).
- The profit/loss after tax was SEK -153.8 million (SEK 166.9 m).
- Basic and diluted earnings per share totalled SEK -4.92 (SEK 5.58).
- The cash flow from operating activities amounted to SEK -90.0 million (SEK 44.7 m), while liquid assets and short-term investments totalled SEK 356.6 million (SEK 550.0 m) at the period end.

Q3, July-September 2012

- Net turnover totalled SEK 114.4 million (SEK 122.2 m), of which sales of pharmaceuticals comprised SEK 35.4 million (SEK 47.4 m) and sales via parallel imports, SEK 77.8 million (SEK 74.6 m).
- The profit/loss after tax was SEK -55.2 million (SEK -53.4 m).
- Basic and diluted earnings per share totalled SEK -1.77 (SEK -1.71).

Significant events during Q3

- A third interferon-free phase II combination trial of simeprevir (TMC435) and TMC647055 began in September. The study includes both previously untreated HCV patients (treatment-naïve) and patients who had previously failed to respond to therapy (treatment-refractory).
- Preclinical research programmes and prodrug technologies were acquired, complementing the company's research in the field of hepatitis C.

Significant events after the end of the Q3

- Phase II data for simeprevir was presented in November 2012 in Boston, at the AASLD (American Association for the Study of Liver Diseases) Annual Liver Meeting.
- A fourth interferon-free phase II trial of simeprevir in combination with Vertex's nucleotide polymerase inhibitor, VX-135, for the treatment of hepatitis C, is scheduled to begin in early 2013.

CONSOLIDATED EARNINGS TREND SUMMARY, SEK m	**2012 July-Sept**	**2011 July-Sept**	**2012 Jan-Sept**	**2011 Jan-Sept**	**2011 Jan-Dec**
Net turnover	114.4	122.2	399.5	566.8	698.6
Gross profit	30.3	16.5	106.8	422.9	458.0
EBITDA	-38.6	-50.4	-111.0	171.0	135.3
EBIT	-47.3	-59.7	-137.3	156.0	111.9
Profit/loss before tax	-52.8	-58.3	-142.9	158.7	111.2
Profit/loss after tax	-55.2	-53.4	-153.8	166.9	113.8
Operating margin, %	-41.4%	-48.9%	-34.4%	27.5%	16.0%
Basic and diluted earnings per share, SEK	-1.77	-1.71	-4.92	5.58	3.80

* All figures are for the Group, unless otherwise stated. Comparisons in this Interim Report are, unless otherwise stated, with the corresponding period in 2011. The BioPhausia corporate group is included from 31 May 2011.

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.

The CEO's comments on Q3 2012

"A more focused project portfolio and development according to plan for Simeprevir"
Medivir's commercial operations continued stable during the third quarter. Original pharmaceuticals provide a platform for the long-term creation of new business opportunities. Cross Pharma continued to invest in the registration of new products as part of its growth strategy and posted a year-on-year increase in turnover. This is the eighth quarter in succession in which Cross Pharma has posted a year-on-year increase in turnover.

The global phase III trials of simeprevir (TMC435) proceeded according to plan and the results are expected around year-end. These results will provide the basis for the registration of simeprevir in the USA, Europe and Japan and we anticipate submitting the various registration files to the respective authorities during the first half of 2013.

Medivir acquired early antiviral, preclinical research programmes from Novadex Pharmaceuticals AB during the quarter. The acquisition included unique intellectual property rights to the projects and prodrug technologies, and sees Medivir expanding its technical platform and strengthening its position in the hepatitis C research sphere.

Medivir's two in-house hepatitis C projects – one NS5A inhibitor program and one in the field of nucleotide polymerase inhibitors – developed and proceeded according to plan. The in-house projects outside the virus sphere – cathepsin K for the treatment of skeletal disorders, which is in clinical phase I, and cathepsin S for the treatment, primarily, of neuropathic pain and which is in the preclinical phase – proceeded largely according to plan.

We have carried out a review of the existing project portfolio during the quarter and have wound up two collaborative projects as our partners lack the necessary resources to continue with the projects. The wound up projects are MIV-410 (collaboration with Presidio in the USA) and MIV-606 (collaboration with Epiphany in the USA).

The Pharmaceuticals Business Area
The Pharmaceuticals Business Area comprises the Group's research and development projects, the Xerclear® cold sore pharmaceutical, and the original pharmaceuticals owned by our wholly owned subsidiary company, BioPhausia. Sales of original pharmaceuticals continued to show a stable underlying trend during the third quarter and the operating performance ratio was maintained. The third quarter saw Mollipect, Citodon and Lithionit retain their positions as Medivir's best-selling pharmaceuticals and net turnover from pharmaceutical sales during the third quarter totalled SEK 35.4 million (SEK 47.7 m). Turnover for the corresponding period last year included SEK 5.5 million in sales of generics from BMM Pharma, which has now been sold. EBITDA for the period totalled SEK -40.8 million (SEK -47.3 m). EBIT includes research and development costs of SEK -46.5 million (SEK -34.1 m).

Parallel imports via Cross Pharma
Cross Pharma's positive turnover trend continued during the third quarter with sales rising to SEK 77.8 million (SEK 74.6 m), corresponding to a year-on-year increase in turnover. Cross Pharma's growth strategy meant that the company's investments − primarily aimed at expanding the pharmaceutical portfolio − continued to depress the operating margin, which consequently fell in comparison with the previous quarter. EBITDA for the quarter totalled SEK 2.2 million (SEK -3.1 m).

R&D
Simeprevir – Medivir's protease inhibitor for the treatment of hepatitis C in clinical phase III trials
A further interferon-free phase IIa trial of simeprevir has recently begun. Simeprevir will be evaluated in combination with TMC647055, a potent non-nucleotide polymerase inhibitor developed by our partner, Janssen. Approximately 40 patients with HCV genotype 1a or 1b will enrol in the study.

A clinical collaboration agreement was reached in November, after the end of the reporting period between Janssen and the American pharmaceutical company, Vertex. The collaboration will entail trials of simeprevir in combination with Vertex's nucleotide polymerase inhibitor, VX-135, as part of an interferon-free phase II trial for the treatment of hepatitis C.

In-house hepatitis C projects
The aim of our in-house NS5A project is to address the weaknesses of the first generation NS5A inhibitors in clinical development, and we have made good progress in this respect. Our internal project working with nucleotide polymerase inhibitors has recently been expanded through the acquisition of Novadex – a move that has generated interesting potential with regard to designating a future candidate drug.

Cathepsin K
A phase Ib trial of our in-house developed candidate drug, MIV-711, began in August. An amendment of this trial entailing the extension of the treatment period from 14 days to 28 days for post-menopausal women is enabling additional valuable information to be gathered. Extending the treatment period allows additional data to be obtained with regard to the biomarkers under study, thereby increasing the potential for gathering valuable information on the effects on cartilage and bone resorption. The extended treatment period is supported by the data generated to date by the ongoing trials but also means that the final results of the trial will be postponed until the end of the first quarter of 2013.

Maris Hartmanis
President & CEO

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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 group.

Time: Tuesday, 20 November 2012 at 14.00 (CET)

Phone numbers for participants from:	Sweden 0200 89 63 77
	Europe +44 (0)20 3003 2666
	USA +1 866 966 5335

The conference call will also be streamed live via a link on the website: www.medivir.se

Financial calendar, 2013
The Financial Statement for January-December will be published on 22 February 2013
The Interim Report for January-March will be published on 6 May 2013.
The Annual General Meeting will be held on 6 May 2013

Significant events during Q3 2012

Third interferon-free phase II combination trial of Simeprevir (TMC435) begins

Simeprevir is a potent HCV NS3/4A protease inhibitor that is administered in tablet form once a day to patients with chronic hepatitis C. Simeprevir is being developed in a partnership between the Medivir and Janssen pharmaceutical companies and is currently undergoing clinical phase III trials.

This current combination trial, which began in September 2012, is an interferon-free combination trial involving patients with chronic hepatitis C genotype 1. The aim is to evaluate simeprevir and TMC647055, with and without ribavirin. TMC647055 is a potent non-nucleoside inhibitor (NNI) of HCV NS5B polymerase that is being developed by Janssen.

Trial design

This is an open trial in which efficacy, safety and tolerability are evaluated in patients with chronic hepatitis C genotype 1a or 1b. The primary efficacy metric for the trial is SVR12, (SVR, sustained viral response), i.e. the percentage of patients who are virus-free twelve weeks after conclusion of the treatment. All patients will be treated once a day for twelve weeks with simeprevir, TMC647055, and a low dose of ritonavir, with or without supplementary ribavirin.

Approximately 40 patients will enrol in the trial, which has been divided into two stages. The first stage will comprise patients with chronic hepatitis C genotype 1 who are either treatment-naïve (have not been treated before) or who have suffered a relapse after previous treatment with pegylated interferon (PegIFN) and ribavirin, which is currently the standard mode of treatment.

The second stage of the trial will include previous null responders (patients who have not responded at all to previous treatment) with chronic hepatitis C genotype 1a.

Acquisition of preclinical research programmes and pro-drug technologies boosts hepatitis C research

In September 2012, Medivir acquired a research portfolio of early antiviral research programmes from Novadex Pharmaceuticals AB. The acquisition includes recently identified nucleotide polymerase inhibitors, unique intellectual property rights, and prodrug technologies. These prodrug technologies can be applied to the development of both protease and polymerase inhibitors in order to improve the overall pharmacokinetic properties. The acquisition further strengthens Medivir's pipeline and augments the capacity of the company's antiviral research activities. Medivir paid an upfront payment in conjunction with the acquisition and will, potentially, make certain milestone payments at a later date, depending on the progress of the project development work.

Significant events after the end of the financial period

Simeprevir to be studied in a fourth interferon-free phase II trial together with Vertex's nucleotide polymerase inhibitor, VX-135

Our partner, Janssen, entered into a clinical collaboration agreement with Vertex at the beginning of November to conduct an interferon-free phase II "proof of concept" trial for the treatment of hepatitis C. The trial involves a combination treatment with the protease inhibitor, simeprevir, developed by Medivir/Janssen, and the nucleotide polymerase inhibitor, VX-135, developed by Vertex.

Janssen will conduct a drug-drug interaction trial with simeprevir and VX-135 that will form the basis for this phase II "proof of concept" trial, which is expected to start in early 2013 after discussions with the regulatory authorities. The phase II trial will evaluate safety, tolerability and the percentage of patients cured after twelve weeks of combination treatment with simeprevir and VX-135, with or without supplementary ribavirin. The trial will include non-cirrhotic patients with chronic hepatitis C genotype 1 who have not previously been treated (treatment naïve).

Simeprevir is, in addition to this upcoming trial, also being trialled in three different phase II interferon-free combination treatment trials, with and without ribavirin, in collaboration with:

- Gilead Sciences, Inc.'s sofosbuvir (GS-7977) in treatment-refractory null responder HCV genotype 1 patients

- Bristol-Myers Squibb's daclatasvir in treatment-naïve and treatment-refractory null responder HCV genotype 1 patients
- Janssen's TMC647055 and ritonavir in treatment-naïve patients, in patients who have suffered a relapse after previous interferon-based treatment, and in treatment-refractory null responder HCV genotype 1 patients.

Simeprevir efficacy and safety data in advanced fibrosis HCV patients from phase II studies, presented at AASLD

Data from post hoc analyses of the ASPIRE and PILLAR studies in patients with Metavir scores of F3 and F4 show sustained viral response compared to placebo.

In treatment-naive patients with a Metavir score of F3 (PILLAR), the primary endpoint of SVR24 was achieved in 79 percent of patients in the simeprevir group compared to 72 percent in the control group (pegylated interferon and ribavirin alone). In treatment-experienced patients with a Metavir score of F3 (ASPIRE), SVR24 was achieved in 48 percent of patients in the simeprevir group compared to 8 percent in the control group. In treatment-experienced patients with a Metavir score of F4 (ASPIRE), SVR was achieved in 62 percent of patients in the simeprevir group compared to 0 percent in the control group. In both the PILLAR and ASPIRE trials, serious AEs occurred in 7.6 percent of patients receiving simeprevir plus pegylated interferon and ribavirin compared to 9.8 percent of patients receiving pegylated interferon and ribavirin alone.

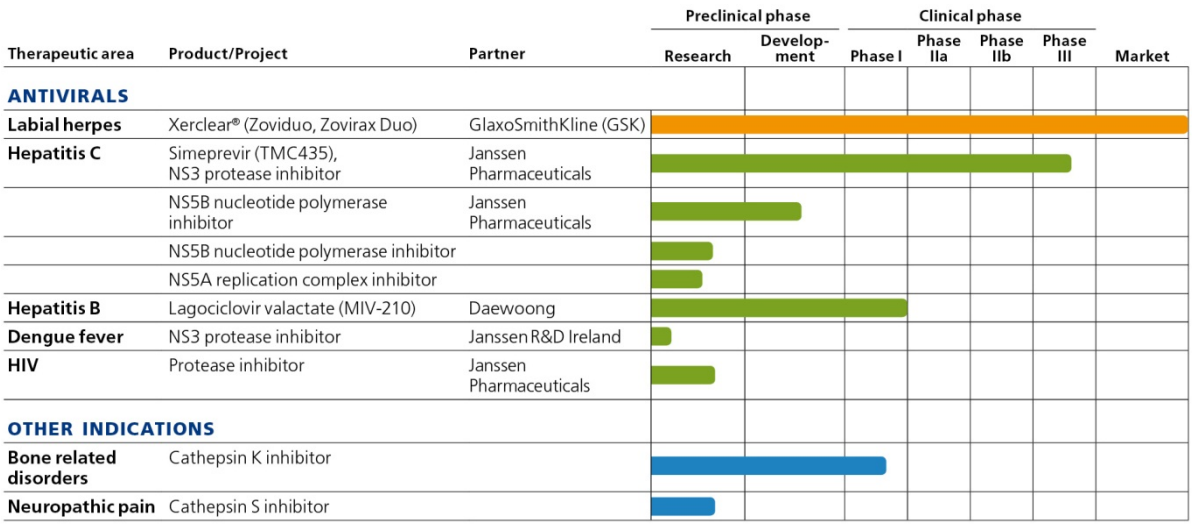
This shows that simeprevir also is efficient in the hard to treat patients that have reached advanced stage of fibrosis and that the compound is safe and well tolerated .This is an important characteristic of simeprevir that have shown high cure rates in all patient groups including the hard to treat patients in phase II-studies.

Project portfolio

Medivir has a broad-based project portfolio for the treatment of several infectious diseases. The company will continue to focus on developing this pipeline while simultaneously identifying potential new opportunities through acquisition or licensing. Medivir will continue to seek out future partnership agreements with regard to product development, but intends to retain commercial rights for its projects in the Nordic region.

The recent project portfolio review resulted in the winding up of two of Medivir's collaboration projects as the company's partners lack the resources necessary to continue with the projects. The wound up projects are MIV-410 for the treatment of HIV, in collaboration with Presidio in the USA, and MIV-606 for the treatment of herpes zoster, in collaboration with Epiphany in the USA.

The company's project portfolio is summarised in the chart below. For additional information, please visit the company's website at www.medivir.se.



Consolidated results and financial position*

* All figures are for the Group, unless otherwise stated. Comparisons in this Interim Report are, unless otherwise stated, with the corresponding period in 2011. The BioPhausia corporate group is included from 31 May 2011.

Revenues, 1 January-30 September 2012

Net turnover totalled SEK 399.5 million (SEK 566.8 m), corresponding to a year-on-year decrease of SEK 167.3 million. There were no non-recurrent payments during the period. The corresponding period last year, however, included a non-recurrent payment of SEK 278.9 million in respect of Xerclear®/Xerese® and two milestone payments for hepatitis C projects, totalling SEK 121.3 million.

Net turnover breakdown (SEK m)	2012 July-Sept	2011 July-Sept	2012 Jan-Sept	2011 Jan-Sept	2011 Jan-Dec
Outlicensing and partnership agreements					
Non-recurrent payments	-	-	-	401.2	401.2
Pharmaceutical sales	35.4	47.4	120.6	63.7	111.2
Parallel imports	77.8	74.6	277.7	101.2	185.9
Other services	1.2	0.2	1.2	0.7	0.3
Total	**114.4**	**122.2**	**399.5**	**566.8**	**698.6**

Costs and results, 1 January-30 September 2012

The cost of goods sold totalled SEK -292.7 million (SEK -143.9 m), corresponding to a year-on-year increase of SEK 148.4 million and resulted primarily from the acquisition of commercial operations. The gross profit was SEK 106.8 million (SEK 422.9 m). Operating expenses amounted to SEK -244.1 million (SEK -266.9 m). The operating expenses break down into SEK -48.6 million (SEK -76.8m) in selling expenses, SEK -53.5 million (SEK -33.3 m) in administrative expenses, SEK -142.7 million (SEK -136.0 m) in research and development costs, and SEK 0.7 million (SEK -20.8 m) in other operating expenses/income.

Selling expenses fell by SEK 28.2 million, primarily due to lower royalty costs. Administrative expenses increased by SEK 20.2 million, largely due to higher personnel costs after the acquisition of BioPhausia. Research and development costs increased slightly, mainly due to the costs of the ongoing phase 1 trial as part of the cathepsin K project. Other operating income/expenses fell by SEK 21.5 million as the transaction costs in association with the acquisition of BioPhausia were charged to the previous period.

The operating profit/loss was SEK -137.3 million (SEK 156.0 m), a negative change of SEK 293.3 million. The change was primarily due to a lower gross profit resulting from the absence of non-recurrent payments during the current period. Net financial items totalled SEK -5.6 million (SEK 2.7 m) – a reduction in net financial items of SEK 8.3 million resulting largely from a revaluation of the shares in Epiphany Biosciences Inc.

The tax for the period amounted to SEK -10.9 million (SEK 8.2 m) and includes the utilisation of SEK 11.0 million in capitalised, previously unused tax loss carry-forwards. The net result for the period was SEK -153.8 million (SEK 166.9 m).

Revenues and results, 1 July-30 September 2012

Net turnover totalled SEK 114.4 million (SEK 122.2 m), corresponding to a year-on-year fall of SEK 7.8 million. The lower turnover from the sale of pharmaceuticals is primarily attributable to the disposal of the BMM Pharma generics operations and to seasonal variations in sales of Mollipect. The EBITDA margin of the pharmaceutical sales result continued to be high. Sales via parallel imports totalled SEK 77.9 million (SEK 74.6 m), corresponding to a year-on-year increase of SEK 3.3 million.

The cost of goods sold was SEK -84.1 million (SEK -105.7 m), and the gross profit was SEK 30.3 million (SEK 16.5 m). The change was mainly due to a higher gross profit resulting from the sale of the BMM Pharma generics operations. Operating expenses totalled SEK -77.6 million (SEK -76.2 m) and break down into SEK -14.3 million (SEK -25.1 m) in selling expenses, SEK -17.1 million (SEK -16.0 m)

in administrative expenses, SEK -46.5 million (SEK -34.1 m) in research and development costs, and SEK 0.3 million (SEK -1.0 m) in other operating income/expenses. Selling expenses decreased by SEK 10.8 million, principally as a result of lower royalty costs. Research and development costs increased by SEK 12.4 million due, largely, to the ongoing phase 1 trial of cathepsin K. Administrative expenses and other operating income/expenses remained on a par with those during the previous period.

The operating profit/loss improved, year-on-year, by SEK 12.4 million to SEK -47.3 million (SEK -59.7 m). Financial investments yielded a result of SEK -5.5 million (SEK 1.4 m) and net financial items fell by SEK 6.9 million, largely due to a revaluation of the shares in Epiphany Biosciences Inc. The tax for the period amounted to SEK -2.4 million (SEK 4.9 m) and the net result for the period was SEK -55.2 million (SEK -53.4 m). On 13 September 2012, the Swedish government proposed a lowering of the corporation tax rate in Sweden from 26.3% to 22.0%. If the proposal is implemented, it will entail a negative one-off effect related to the utilisation of a deferred tax receivable of approximately SEK 10 million.

Segment information

The Pharmaceuticals segment comprises research and development and 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 of the wholly owned subsidiary, BioPhausia. The other operating segment comprises parallel imports of pharmaceuticals via BioPhausia's Cross Pharma subsidiary.

Pharmaceuticals segment (SEK m)	**2012 July-Sept**	**2011 July-Sept**	**2012 Jan-Sept**	**2011 Jan-Sept**	**2011 Jan-Dec**
Net turnover	36.6	47.6	121.8	465.6	512.7
EBITDA	-40.8	-47.3	-120.4	173.9	137.6
EBITDA %	-111.5%	-99.4%	-98.9%	37.3%	26.8%

Revenues and results, 1 January-30 September 2012

Net turnover totalled SEK 121.8 million (SEK 465.6 m). Non-recurrent payments in the sum of SEK 401.2 million were included in the turnover for the corresponding period last year. Turnover during the period was generated exclusively by revenues from the sale of original pharmaceuticals, the most important products being Mollipect, Citodon and Lithionit, and EBITDA margins remained high. 100% (14%) of the total net turnover comprised pharmaceutical sales and 0% (86%) non-recurrent payments for outlicensing and partnership agreements. The operating profit/loss before depreciation and amortisation (EBITDA) for the period was SEK -120.4 million (SEK 173.9 m). EBITDA includes
SEK -142.7 million (SEK -136.0 m) in research and development costs.

Revenues and results, 1 July-30 September 2012

Net turnover for the period totalled SEK 36.6 million (SEK 47.6 m). Sales of SEK 5.5 million from generic pharmaceuticals within BMM Pharma, which has now been sold, were included in the net turnover for the corresponding period last year. Turnover during the period was generated exclusively by revenues from the sale of original pharmaceuticals, the most important products being Mollipect, Citodon and Lithionit, and EBITDA margins remained high. 100% (100%) of the total net turnover comprised pharmaceutical sales. The operating profit/loss before depreciation and amortisation (EBITDA) for the period was SEK -40.8 million (SEK -47.3 m). EBITDA includes SEK -46.5 million (SEK -34.1 m) in research and development costs.

Parallel imports segment (SEK m)	**2012 July-Sept**	**2011 July-Sept**	**2012 Jan-Sept**	**2011 Jan-Sept**	**2011 Jan-Dec**
Net turnover	77.8	74.6	277.7	101.2	185.9
EBITDA	2.2	-3.1	9.4	-2.9	-2.3
EBITDA %	2.8%	-4.2%	3.4%	-2.9%	-1.2%

Revenues and results, 1 January-30 September 2012
Net turnover for the period totalled SEK 277.7 million (SEK 101.2 m). The ambition is to ensure continued growth by offering pharmacy chains a greater range of pharmaceutical products by means of the expansion of its product portfolio in the forthcoming periods. The operating profit/loss before depreciation and amortisation (EBITDA) for the period was SEK 9.4 million (SEK -2.9 m), corresponding to a margin of 3.4% (-2.9%).

Revenues and result, 1 July-30 September 2012
Net turnover for the period totalled SEK 77.8 million (SEK 74.6 m). Cross Pharma has continued to invest in the registration of new products with the ambition of ensuring continued growth by offering pharmacy chains a greater range of pharmaceutical products by means of the expansion of its product portfolio in the forthcoming periods. The operating profit/loss before depreciation and amortisation (EBITDA) for the period was SEK 2.2 million (SEK -3.1 m), corresponding to a margin of 2.8% (-4.2%).

Cash flow and financial position

Liquid assets, including short-term investments with a maximum term of 3 months, totalled SEK 536.3 million (SEK 647.2 m) at the beginning of 2012 and SEK 356.6 million (SEK 550.0 m) at the period end, corresponding to a change of SEK -179.7 million (SEK -97.3 m). Pledged assets at the period end amounted to SEK 154.8 million (SEK 164.8 m). Medivir's financial assets are, in accordance with its financial policy, invested in low-risk interest-bearing securities. The company's current financial assets are, in Medivir's opinion, sufficient to ensure operational funding.

Cash flow from operating activities amounted to SEK -90.0 million (SEK 44.7 m), with changes in working capital accounting for SEK 17.5 million (SEK -84.7 m) of this total. Inventories increased by SEK 6.1 million during the period, primarily as a result of the growth within the parallel imports segment.

Cash flow from investing activities totalled SEK -4.4 million (SEK -148.0 m). The acquisition of research programmes from Novadex Pharmaceuticals during the period affected the cash flow from investing activities by SEK 5.0 million. Fixed assets acquisitions totalled SEK 7.8 million and related, primarily, to research equipment. The investing activities also included SEK 8.4 million in settlement of the final purchase price from the sale of BMM Pharma. The total purchase price for the company was SEK 32.4 million, SEK 24.0 million of which was paid in 2011. The acquisition of BioPhausia took place during the corresponding period last year.

Cash flow from financing activities amounted to SEK -85.2 million (SEK 5.9 m) and comprised the amortisation of debts and the redemption of a subordinated loan.

Investments, depreciation and amortisation

A total of SEK 10.0 million (SEK 559.4 m) was invested in intangible fixed assets during the period. Early antiviral research programmes were acquired from Novadex Pharmaceuticals during the period. Investments in intangible fixed assets during the corresponding period last year related to the acquisition of BioPhausia.

Investments in tangible fixed assets during the period totalled SEK 7.8 million (SEK 14.2 m) and related primarily to research equipment. Depreciation of tangible fixed assets in the sum of SEK -6.0 million (SEK -8.0 m) was charged to the result for the period, along with SEK -17.0 million (SEK -7.0 m) in amortisation of intangible fixed assets. No disposals occurred during the period

Employees

Medivir had 173 (177) employees at the period end, 60% (64%) of whom were women.

Royalty undertakings

A significant percentage of Medivir's research and development project work has been carried out exclusively in-house and Medivir is consequently entitled to all revenues in respect of these inventions. A smaller percentage of Medivir's projects have their genesis at Swedish universities and Medivir is consequently entitled to revenues generated, in return for royalty payments. Some of Medivir's projects were previously outlicensed to third parties but have now reverted to Medivir, and Medivir has undertaken to pay royalties to the former licensees. The combined royalty costs during the

period were SEK 0.1 million (SEK 50.6 m). SEK 37.7 million of last year's royalty costs comprised royalties payable to AstraZeneca.

The Parent Company in brief, 1 January-30 September 2012

Medivir AB (publ), corporate ID no. 556238-4361, is the Parent Company of the group. Its operations primarily consist of research and development and administrative and company management functions.

The Parent Company's net turnover totalled SEK 1.6 million (SEK 405.4 m). The cost of goods sold was SEK -0.1 million (SEK -0.1 m) and the gross profit was SEK 1.5 million (SEK 405.3 m). The net turnover and gross profit fell, year-on-year, by SEK 403.8 million, with the change primarily due to the lower net turnover that resulted from the absence of non-recurrent payments received during the current period.

Operating expenses amounted to SEK -183.2 million (SEK -206.9 m). These operating expenses break down into SEK -0.9 million (SEK -44.0 m) in selling expenses, SEK -45.7 million (SEK -27.1 m) in administrative expenses, SEK -144.6 million (SEK -136.0 m) in research and development costs, and SEK 8.0 million (SEK 0.2 m) in other operating expenses/income. Net financial items totalled SEK 3.9 million (SEK 10.1 m) and the net result for the period was SEK -177.8 million (SEK 208.5 m).

Investments in tangible and intangible fixed assets increased to SEK 17.8 million (SEK 12.9 m). Investments in financial fixed assets fell to SEK 0.0 million (SEK 603.8 m). The investment in financial fixed assets during the previous period related to the acquisition of BioPhausia.

Liquid assets, including short-term investments with a maximum term of 3 months, amounted to SEK 342.3 million (SEK 520.5 m).

Please see the section entitled "Consolidated results and financial position" for comments on the operations.

Share structure, earnings per share and shareholders' equity

The total share capital at the period end was SEK 156.3 million (SEK 156.3 m) and the total shareholders' equity, SEK 943.9 million (SEK 1,148.0 m).

There were a total of 31,260,027 (31,253,827) shares in Medivir AB at the period end, 660,000 (660,000) of which were class A shares and 30,600,027 (30,593,827) of which were class B shares with a nominal value of SEK 5. The average number of shares during the period was 31,256,927 (29,923,528).

Share structure, 28 September 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, were SEK -4.92 (SEK 5.58). Shareholders' equity per share totalled SEK 30.20 (SEK 36.73). The equity/assets ratio was 81.4% (81.2%).

Shareholders

On 28 September, Medivir AB had 10,559 shareholders. The circumstances in the table below illustrate the situation on this date according to the register of shareholders maintained by Euroclear Sweden AB.

Name	Class A shares	Class B shares	% of votes	% of 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%
Skandia Fonder	0	1,592,887	4.3%	5.1%
AFA Försäkring	0	1,520,572	4.1%	4.9%
Länsförsäkringar Fondförvaltning	0	1,048,841	2.8%	3.4%
UNIONEN	0	1,004,200	2.7%	3.2%
Alecta Pensionsförsäkring	0	1,000,000	2.7%	3.2%
Handelsbanken Fonder	0	983,988	2.7%	3.2%
Christer Sahlberg	92,000	29,881	2.6%	0.4%
DnB Carlsson Fonder	0	905,142	2.4%	2.9%
Tredje AP-Fonden	0	829,233	2.2%	2.7%
Goldman Sachs & Co	0	782,544	2.1%	2.5%
Banque Carnegie Luxembourg	0	770,979	2.1%	2.5%
JPM Chase NA	0	608,419	1.6%	2.0%
Total, 15 largest shareholders	**660,000**	**14,296,467**	**56.2%**	**47.9%**
Total, other shareholders		16,303,560	43.8%	52.1%
TOTAL	**660,000**	**30,600,027**	**100%**	**100%**

Nomination Committee and Annual General Meeting

The 2012-2013 Nomination Committee shall, in accordance with a resolution by the Annual General Meeting of the company's shareholders, comprise representatives of at least the three largest shareholders at the end of the third quarter of 2012, together with the Chairman of the Board. The work on the composition of the Nomination Committee is now complete and this year's Nomination Committee comprises: Bo Öberg, founder and class A shareholder (Bo Öberg also represents, via an agreement between the three class A shareholders, Nils Gunnar Johansson and Christer Sahlberg), Annelie Enquist of Skandia Fonder, Anders Algotson of AFA Försäkring and Göran Pettersson, Chairman of the Board of Medivir AB.

Shareholders' wishing to contact the Nomination Committee may do so by letter addressed to: Nomination Committee, Medivir AB, Blasieholmsgatan 2, 111 48 Stockholm, Sweden, or by email to: valberedning@medivir.se.

The Annual General Meeting will be held on 6 May 2013 in Stockholm.

Outlook

Medivir is a research-based pharmaceutical company whose focus is on infectious diseases. Its goal is to become a high-growth, profitable Nordic pharmaceutical company within the next few years. Medivir is working resolutely and strategically to generate the best possible prospects for developing the company quickly while also balancing risks. The company has a solid financial position.

The acquisition of BioPhausia brings annual sales of prescription pharmaceuticals in the Nordic market of just over SEK 500 million, as well as a completely new organisation, and Medivir now possesses a breadth of knowledge and operations that extends from research and development to the marketing and sale of prescription pharmaceuticals. Medivir also has attractive projects in development phases, of which simeprevir (TMC435) – currently in clinical phase III – is the most

advanced. These factors, combined with the company's ambitious programme of identifying new business opportunities in the Nordic region, form the foundation for our continued endeavours to develop Medivir into a profitable concern.

CONSOLIDATED INCOME STATEMENT SUMMARY (SEK m)	**2012 July-Sept**	**2011 July-Sept**	**2012 Jan-Sept**	**2011 Jan-Sept**	**2011 Jan-Dec**
Net turnover	114.4	122.2	399.5	566.8	698.6
Cost of goods sold	-84.1	-105.7	-292.7	-143.9	-240.6
Gross profit	**30.3**	**16.5**	**106.8**	**422.9**	**458.0**
Selling expenses	-14.3	-25.1	-48.6	-76.8	-95.2
Administrative expenses	-17.1	-16.0	-53.5	-33.3	-47.2
Research and development costs	-46.5	-34.1	-142.7	-136.0	-184.1
Other operating income/expenses	0.3	-1.0	0.7	-20.8	-19.7
Operating profit/loss	**-47.3**	**-59.7**	**-137.3**	**156.0**	**111.9**
Net financial items	**-5.5**	**1.4**	**-5.6**	**2.7**	**-0.7**
Profit/loss after financial items	**-52.8**	**-58.3**	**-142.9**	**158.7**	**111.2**
Tax	-2.4	4.9	-10.9	8.2	2.5
Net result for the period	**-52.8**	**-53.4**	**-153.8**	**166.9**	**113.8**
Net result for the period attributable to:					
Parent Company shareholders	**-55.2**	**-53.4**	**-153.8**	**166.9**	**113.8**
Earnings per share, calculated from the result attributable to Parent Company shareholders during the period					
Basic and diluted earnings per share, (SEK per share)	-1.77	-1.71	-4.92	5.58	3.80
Average number of shares, 000	31,260	31,214	31,257	29,924	29,924
Number of shares at period end, 000	31,260	31,254	31,260	31,254	31,254

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)	**2012 July-Sept**	**2011 July-Sept**	**2012 Jan-Sept**	**2011 Jan-Sept**	**2011 Jan-Dec**
Net result for the period	**-55.2**	**-53.4**	**-153.8**	**166.9**	**113.8**
Other comprehensive income					
Exchange rate differences	1.0	1.8	1.5	-0.4	0.0
Other comprehensive income for the period, net after tax	**1.0**	**1.8**	**1.5**	**-0.4**	**0.0**
Total comprehensive income for the period	**-54.2**	**-51.6**	**-152.3**	**166.5**	**113.8**
Total comprehensive income attributable to:					
Parent Company shareholders	**-54.2**	**-51.6**	**-152.3**	**166.5**	**113.8**

CONSOLIDATED BALANCE SHEET SUMMARY (SEK m)	**2012 30 Sept**	**2011 30 Sept**	**2011 31 Dec**
Assets			
Intangible fixed assets	520.6	535.4	529.0
Tangible fixed assets	34.5	35.0	35.6
Financial fixed assets	3.3	11.0	9.7
Deferred tax receivable	67.6	84.1	78.4
Inventories	80.1	82.6	74.0
Current receivables	97.3	116.3	93.9
Short-term investments	330.6	497.4	425.3
Cash and bank balances	26.0	52.6	110.9
Total assets	**1,160.0**	**1,414.4**	**1,356.8**
Equity and liabilities			
Shareholders' equity	943.9	1 148.0	1 095.6
Long-term liabilities	48.0	0.8	70.7
Current liabilities	168.1	265.6	190.5
Total equity and liabilities	**1,160.0**	**1,414.4**	**1,356.8**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK m)	**Share capital**	**Other paid-up capital**	**Exchange rate difference**	**Accumulated Deficit**	**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 issue	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			-0.4	166.9	166.5
Conversion of options	0.5	5.6			6.1
Acquisition of options		0.2			0.2
New share issue	12.8	354.4			367.2
Staff stock option plans: value of employee service		0.7			0.7
Closing balance, 30 Sept. 2011	**156.3**	**1,757.0**	**5.4**	**-770.7**	**1,148.0**
Opening balance, 1 Jan. 2012	**156.3**	**1,757.3**	**5.8**	**-823.8**	**1,095.6**
Total comprehensive income for the period			1.5	-153.8	-152.3
Conversion of options	0.0	0.4			0.4
Staff stock option plans: value of employee service		0.2			0.2
Closing balance, 30 Sept. 2012	**156.3**	**1,757.9**	**7.3**	**-977.6**	**943.9**

CONSOLIDATED CASH FLOW STATEMENT SUMMARY (SEK m)	**2012** **Jan-Sept**	**2011** **Jan-Sept**	**2011** **Jan-Dec**
Cash flow from operating activities before changes in working capital	**-107.6**	**129.4**	**92.1**
Changes in working capital	17.5	-84.7	-34.9
Cash flow from operating activities	**-90.0**	**44.7**	**57.3**
Investing activities			
Acquisition/sale of fixed assets	-12.8	-14.1	-17.2
Sale of operations	8.4	-	24.0
Acquisition of operations	-	-133.9	-191.7
Cash flow from investing activities	**-4.4**	**-148.0**	**-184.8**
Financing activities			
Issue costs	-	-0.4	-0.4
Conversion of options	0.4	6.1	6.1
Acquisition of options	-	0.2	0.2
Borrowings	-	-	100.0
Amortisation of debts	-85.6	-	-90.0
Other changes in long-term liabilities	0.0	-	0.5
Cash flow from financing activities	**-85.2**	**5.9**	**16.5**
Cash flow for the period			
Liquid assets at beginning of period	536.3	647.2	647.2
Change in liquid assets	-179.6	-97.4	-111.0
Exchange rate difference, liquid assets	-0.1	0.1	0.1
Liquid assets at period end	**356.6**	**550.0**	**536.3**

KEY RATIOS, SHARE DATA, OPTIONS	2012 Jan-Sept	2011 Jan-Sept	2011 Jan-Dec
Return on:			
-shareholders' equity,%	-15.1	19.0	13.4
-capital employed,%	-10.8	18.4	14.2
-total assets,%	-9.9	16.2	12.7
Number of shares at beginning of period, 000	31,254	28,593	28,593
New share issues	6	2,661	2,661
Number of shares at period end, 000	31,260	31,254	31,254
-of which class A shares	660	660	660
-of which class B shares	30,600	30,594	30,594
Average number of shares, 000	31,257	29,924	29,924
Outstanding warrants, 000	394	713	713
-entitlement to class B shares upon conversion, 000	430	777	777
Share capital at period end, SEK m	156.3	156.3	156.3
Shareholders' equity at period end, SEK m	943.9	1,148.0	1,095.6
Basic and diluted earnings per share, SEK	-4.92	5.58	3.80
Shareholders' equity per share, SEK	30.20	36.73	35.05
Net worth per share, SEK	30.20	36.73	35.05
Cash flow per share after investments, SEK	-3.02	-3.45	-4.26
Equity/assets ratio, %	81.4	81.2	80.7
EBITDA	-111.0	171.0	135.3
EBIT	-137.3	156.0	111.9
Operating margin, %	-34.4	0.3	16.0

Key ratio definitions

Average number of shares. The unweighted average number of shares during the year.
Basic earnings per share. Profit/loss per share after financial items divided by the average number of shares.
Cash flow per share after investments. Cash flow after investments divided by the average number of shares.
Capital employed. Balance sheet total less non-interest-bearing liabilities including deferred tax liabilities.
Diluted earnings per share. Profit/loss per share after financial items divided by the average number of shares and outstanding warrants, adjusted for any dilution effect.
EBIT. (Earnings before interest and taxes) Operating profit/loss after depreciation and amortisation.
EBITDA. (Earnings before interest, taxes, depreciation and amortisation) Operating profit/loss before depreciation and amortisation.
Equity/assets ratio. Shareholders' equity in relation to balance sheet total.
Net worth per share. Shareholders' equity plus hidden assets in listed equities divided by the number of shares at the period end.
Operating margin. Operating profit/loss as a percentage of net turnover.
Return on capital employed. Profit/loss after financial items plus financial expenses as a percentage of average capital employed.
Return on shareholders' equity. Profit/loss after financial items as a percentage of average shareholders' equity.
Return on total assets. Profit/loss after financial items plus financial expenses as a percentage of the average balance sheet total.
Shareholders' equity per share. Shareholders' equity divided by the number of shares at the period end.

PARENT COMPANY INCOME STATEMENT (SEK m)	**2012 July-Sept**	**2011 Jan-Sept**	**2011 Jan-Dec**
Net turnover	1.6	405.4	432.3
Cost of goods sold	-0.1	-0.1	-0.2
Gross profit	**1.5**	**405.3**	**432.1**
Selling expenses	-0.9	-44.0	-45.5
Administrative expenses	-45.7	-27.1	-36.4
Research and development costs	-144.6	-136.0	-184.1
Other operating income/expenses	8.0	0.2	0.9
Operating profit/loss	**-181.7**	**198.4**	**167.0**
Net financial items	**3.9**	**10.1**	**-13.4**
Profit/loss after financial items	**-177.8**	**208.5**	**153.6**
Net result for the period	**-177.8**	**208.5**	**153.6**
Net result for the period attributable to:			
Parent Company shareholders	**-177.8**	**208.5**	**153.6**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)	**2012 July-Sept**	**2011 Jan-Sept**	**2011 Jan-Dec**
Net result for the period	**-177.8**	**208.5**	**153.6**
Other comprehensive income for the period, net after tax	**-177.8**	**208.5**	**153.6**
Total comprehensive income for the period	**-177.8**	**208.5**	**153.6**
Net result for the period attributable to:			
Parent Company shareholders	**-177.8**	**208.5**	**153.6**

PARENT COMPANY BALANCE SHEET SUMMARY (SEK m)	**2012 30 Sept**	**2011 30 Sept**	**2011 31 Dec**
Assets			
Intangible fixed assets	13.4	4.0	3.8
Tangible fixed assets	31.8	32.4	33.2
Financial fixed assets	607.6	614.9	614.0
Inventories	0.3	0.3	0.3
Current receivables	16.4	96.7	13.7
Short-term investments	330.6	497.4	425.3
Cash and bank balances	11.7	23.1	91.0
Total assets	**1,011.8**	**1,268.8**	**1,181.3**
Equity and liabilities			
Shareholders' equity	955.5	1,187.4	1,132.7
Long-term liabilities	0.0	0.1	0.0
Current liabilities	56.3	81.3	48.6
Total equity and liabilities	**1,011.8**	**1,268.8**	**1,181.3**

Accounting principles

Medivir applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. Significant accounting and valuation principles are presented on pages 56-61 of the 2011 Annual Report. The Group's Interim Report has been prepared in accordance with IAS 34. The Parent Company applies the principles recommended by the Swedish Financial Reporting Board in its recommendation, RFR 2. Other new or revised IFRS standards and IFRIC interpretations that have come into force since 31 December 2011 have had no significant effect on the Group's or Parent Company's financial position or results.

Segment reporting

Reporting of operating segments,	2012	2011	2012	2011	2012	2011
Jan-Sept (SEK m)	Pharmaceuticals		Parallel imports		Total	
Net turnover	121.8	465.6	277.7	101.2	399.5	566.8
EBITDA	-120.4	173.9	9.4	-2.9	-111.0	171.0
Depreciation and amortisation					-26.3	-15.0
Net financial items					-5.6	2.7
Profit/loss after financial items					--142.9	158.7

Transactions with related parties

Transactions with related parties are on an arm's length basis. There are agreements between companies owned by senior executives and Medivir conferring entitlement to royalties on products that the company may develop based on patented inventions that the company has purchased from the parties in question before and during their time as researchers at Medivir. Remuneration of SEK 0.0 million (SEK 0.9 m) occurred during the period in accordance therewith. Other services were purchased from related parties for a total of SEK 0.4 million (SEK 0.7 m). Intragroup sales totalled SEK 8.0 million (SEK 0.2 m), while intragroup purchases totalled SEK 1.9 million (SEK 0.0 m).

Medivir has sold services to its subsidiaries for a total of SEK 0.2 million (SEK 0.0 m). No purchases were made from subsidiaries.

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 executives and other members of staff.

Outstanding options, redemption and forfeiture

At the beginning of 2012, Medivir had two outstanding stock option plans divided between a total of 712,507 outstanding options, corresponding to 776,633 class B shares. 5,688 options from the 2010 programme were converted during the period 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 during the period increased the share capital by SEK 0.0 million and other paid-up capital by SEK 0.4 million. The number of outstanding options corresponds to approximately 1.4% of the capital and approximately 1.2% of the votes and, upon full conversion, could increase the shareholders' equity by SEK 56.9 million and the total number of shares could, accordingly, amount to 33,689,923. The conversion terms for the option plans were restated after the rights issue in the second quarter of 2010. The options from the 2007 and 2010 programmes confer entitlement to conversion of 1.09 shares per option. The exercise price for the option plans has also been recalculated.

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

Option plan 2010-2013
A staff stock option plan comprising 394,400 options was approved at the 2010 Annual General Meeting. Approximately 343,000 options have been allocated to employees within the Group and the remaining options will be retained to cover social security costs. Under the terms of the plan, all employees will be offered the opportunity to acquire warrants on market terms. In addition, and for each warrant an employee acquires, they also receive a staff stock option free of charge. The term of the plan is from 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 with the requirements of shareholders and other stakeholders for stable, long-term value growth and control. The process of research and pharmaceutical development, all the way up to approved registration, is both highly risky and capital-intensive. The majority of the projects begun never achieve market registration. If competing products take market shares or competing research projects achieve better effect and reach the market more quickly, the future value of Medivir's product and project portfolio may be lower than expected. Medivir's ability to produce new CDs (candidate drugs), to enter into partnerships for its projects, to successfully develop its projects to market launch and continued sale, and to secure funding for its operations, are decisive in terms of the company's future.

Medivir is exposed to the following main risk categories:

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

No changes to the risks and uncertainty factors occurred during the period. A more detailed description of Medivir's risk exposure and the way in which it manages these risks is provided in the 2011 Annual Report.

Stockholm, 20 November 2012

Maris Hartmanis
CEO

Auditors' Review Report of summary interim financial information (the Interim Report) prepared in accordance with IAS 34 and chapt. 9 of the Swedish Annual Accounts Act

Introduction

We have conducted a limited review of the financial statement for Medivir AB (publ) for the period 1 January – 30 September 2012. The preparation and presentation of these interim financial statements pursuant to IAS 34 and the Swedish Annual Accounts Act are the responsibility of the Board of Directors and Chief Executive Officer. Our responsibility is to report our conclusions concerning these interim financial statements on the basis of our limited review.

Focus and scope of the review

We have conducted our limited review pursuant to the Standard for Limited Review (SÖG) 2410 "Limited review of interim financial information conducted by the company's appointed auditor." A limited review consists of making inquiries, primarily to individuals responsible for financial and accounting matters, as well as performing analytical procedures and taking other limited review measures. A limited review has a different focus and significantly less scope than an audit according to RS Auditing Standards in Sweden and generally accepted auditing practice. The review procedures undertaken in a limited review do not enable us to obtain a level of assurance where we would be aware of all important circumstances that would have been identified had an audit been conducted. Therefore, a conclusion reported on the basis of a limited review does not have the level of certainty of a conclusion reported on the basis of an audit.

Conclusion

Based on our limited review, no circumstances have come to our attention that would give us reason to believe that the interim financial statements have not been prepared pursuant to IAS 34 and the Swedish Annual Accounts Act for the group, and pursuant to the Swedish Annual Accounts Act for the parent company, in all material respects.

Stockholm, 20 November 2012
PricewaterhouseCoopers AB

Claes Dahlén
Authorised Public Accountant