



PRESS RELEASE, 21 April 2005

## MEDIVIR, INTERIM REPORT, 1 January - 31 March 2005

- In March, Boehringer Ingelheim (BI) concluded its research collaboration with Medivir on the HIV compound MIV-310. Medivir has decided to prioritize its protease projects, and accordingly, this project becomes dormant until further notice.
- Consolidated net sales were SEK 13.7 (4.9) m in the period.
- The loss after tax was SEK -36.2 (-45.4) m; earnings per share were SEK -2.81 (-5.28).

### FOR MORE INFORMATION, PLEASE CONTACT

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### FORTHCOMING FINANCIAL INFORMATION

The Annual General Meeting will be held on today's date, at the *Polstjärnan* Conference Facility, Sveavägen 77, Stockholm, Sweden, from 3 p.m.

The Six-month Interim Report will be published on 7 July 2005.

The Nine-month Interim Report will be published on 26 October 2005.

Medivir's financial reports are available from its Website, [www.medivir.se](http://www.medivir.se) from these dates, under the 'Financial Information' heading.

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### *The Medivir Group*

*Medivir is an innovative, specialist research corporation that develops drugs with the objective of becoming a sustaining and profitable pharmaceuticals corporation. Medivir is located in Huddinge, Sweden and at Chesterford Research Park, Essex, UK.*

*Medivir's research is oriented on developing new drug compounds based on polymerases and proteases as target enzymes. The group consists of Medivir AB, its subsidiary Medivir UK Ltd. and Medivir Personal AB. As of 31 December 2004, the group had 126 employees. Medivir was listed on the Stockholm Exchange O-list in 1996.*

*Medivir's research portfolio includes projects against HIV, jaundice, shingles, cold sores, osteoporosis, RA (rheumatoid arthritis), asthma and MS (multiple sclerosis). Medivir has five projects in clinical development phases, each with a unique clinical profile. The company's broad-based preclinical research portfolio houses six defined projects and nearly ten activities in various preclinical phases.*

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## INFECTIOUS DISEASES

**Valomaciclovir (RP-606)**—data from a phase IIb study on the **shingles** indication suggested that valomaciclovir is more effective than current therapies for alleviating the PHN (post-herpetic neuralgia, or chronic pain) occurring after shingles. This project is outlicensed to Reliant pharmaceuticals, which is responsible for the development activities, whose objective is to demonstrate that RP-606 is effective against the shingles and against PHN.

Last autumn, Reliant initiated discussions with the FDA regarding the design of further studies to demonstrate a palpable effect on PHN optimally. The design of forthcoming studies is crucial, because a significant difference in efficacy against PHN over and above extant drugs might imply an opportunity to position valomaciclovir as first line therapy for treating shingles.

**ME-609** is a project against oral herpes pursued by Medivir in-house. Data from a phase II study on the **labial herpes** indication (cold sores) proves that with early treatment start, ME-609 can prevent the incidence of lesions and cold sores. These results indicate that ME-609 is superior to extant drugs for treating cold sores.

Medivir continued discussions with the FDA regarding study design and ultimate objectives in the quarter. The next phase is a final meeting with the FDA ahead of phase III. In parallel with this process, Medivir is working to secure a partnership for the onward development of this project once discussions with the FDA conclude.

**Alovudine (MIV-310)**—is a project developed for treating patients with multiresistant **HIV** and has unique efficacy on a number of resistant strains. Boehringer Ingelheim concluded this collaboration agreement in March. Looking ahead, Medivir's work on this project will relate exclusively to the technical transfer of documentation from BI to Medivir, and on contacts with companies potentially interested in the project's onward development.

**MIV-210** is a project developed for treating **HIV** patients that have developed resistance to extant drugs. This year, Medivir will conduct a phase IIa study on HIV patients that have not responded to treatment as expected. The results of this study will offer guidance on MIV-210's efficacy for this patient group and will be the foundation for an assessment of the project's future market potential. Medivir intends to find a new partner for this project in parallel with ongoing clinical studies.

Activities in the quarter were oriented on three main issues: the technical transfer of the project from GlaxoSmithKline to Medivir, the evaluation and tendering of future CROs, performing a clinical phase IIa study and activities to plan this study.

**MIV-150** preclinical data demonstrates that MIV-150 has a pronounced effect against **HIV**. Medivir voluntarily donated the rights to MIV-150 for topical usage in a vaginal microbicide in developing countries to the Population Council, a New York-based non-profit organization. The Population Council is responsible for development and funding of forthcoming clinical studies. Medivir has retained rights to sales in other countries, and an option on exclusive rights to the Nordic market.

**MV026048 HIV NNRTI** is in late preclinical development. Medivir concluded some selective research in the quarter, with the results being evaluated in-house. Roche has an opt-in on this project when this data is evaluated.

**HCV protease inhibitors**—Medivir has very rapidly developed several new types of highly potent inhibitors of viral **hepatitis C** protease, an enzyme essential to viral replication. In late November, Medivir outlicensed this project to Tibotec (Johnson & Johnson), which is now responsible for further development. Within the auspices of this agreement, Medivir receives funding for a considerable number of researchers that remain active on the project. Additional to this project financing, the agreement may raise a maximum of EUR 68.5 m for Medivir in various milestone payments, of which EUR 6.5 m was a down-payment on signing. Additionally, Medivir will receive royalties from global sales outside the Nordic region, where Medivir has retained all rights and intends to pursue sales in-house.

The agreement also includes product rights to one drug with a defined product profile from the Johnson & Johnson group, at an agreed time.

The project, based on three mutually independent molecule series, was in the quarter run forward with big joint resources.

**MIV-170 polymerase inhibitors**—this project is an example of an entirely new structural class of NNRTI compounds with promising resistance profile data. Compounds in the MIV-170 project are intended as therapy for the growing patient population with multiresistant **HIV**.

Two highly active inhibitors were identified last year; evaluation efforts in several test models to document safety and efficacy against the multiresistant virus proceeded in the quarter. At a suitable time, Medivir will seek a partner for ongoing project development after this evaluation process.

**HCV polymerase inhibitors**—Medivir has a collaboration agreement with Roche to jointly develop a drug against chronic HCV (**hepatitis C virus**). Medivir will receive research contributions, milestone payments and royalties within the auspices of this collaboration, while Medivir also retains rights to the Nordic markets. This collaboration is based on the development of new compounds known as nucleoside analogues that inhibit hepatitis C virus polymerase, thereby preventing virus replication. Activities continued in the quarter, with the promising compounds identified last year.

## **AUTOIMMUNE DISORDERS**

The cathepsin S project (protease inhibitor) is intended for the treatment of **autoimmune disorders**. This project is being run alongside Peptimmune of the US, and is targeted on developing a new drug class for treating immunological disorders such as RA (rheumatoid arthritis), MS (multiple sclerosis) and allergies.

There are currently two programs running within the framework of the cathepsin S project. Program A is now in the regulated preclinical development phase and the goal is to file an IND (Investigational New Drug) application and proceed to clinical studies.

Program B, which began in spring 2004, is making very rapid progress thanks to cumulative experience on the project. This may result in new CDs with differing physical chemistry characteristics and biological activity profiles for onward screening in the extensive autoimmune disorder segment.

Activities on these programs continued according to plan in the quarter.

## **SKELETAL DISORDERS**

**Cathepsin K** is a protease whose activity results in skeletal deterioration. **Osteoporosis** (brittle bones) arises coincident with increased Cathepsin K activity or an imbalance between skeletal formation and resorption. This project is being run by Medivir, and since entering its optimization phase in autumn 2003, has made momentous advances. The goal is to develop a drug that reduces bone degradation. In disease models, Medivir has proved that the pathological resorption of bone can be radically reduced if cathepsin K activity is suppressed. Medivir's inhibitor demonstrates powerful efficacy in a human cell-based model of bone resorption. In the quarter, the evaluation of a number of compounds began, ahead of the future designation of a first CD for onward development towards clinical studies.

## **EXPLORATIVE ACTIVITIES**

Medivir's explorative activities, pursued in-house, in collaboration with partners or in a network of university collaborations, has nearly ten activities targeted at proteases. Explorative activities are in segments such as diabetes, COPD (chronic obstructive pulmonary disease), Alzheimer's disease and HIV. Additionally, identification of protease as new targets is underway via partners.

## **MEDIVIR'S CONSOLIDATED TURNOVER AND COSTS**

(Year-2004 comparative figures have been adjusted where applicable, pursuant to IFRS.)

### **The Group**

Consolidated net sales, encompassing Medivir AB and Medivir UK Ltd., were SEK 13.7 (4.9) m. Turnover is attributable to remuneration for the HCV protease inhibitor research collaboration from Tibotec Pharmaceuticals Ltd. and remuneration from Roche for a research collaboration within HCV polymerase inhibitors. Operating costs were SEK -52.6 (-51.1) m, divided between external costs of SEK -22.5 (-24.6) m, personnel costs of SEK -25.1 (-22.6) m and depreciation and amortization of SEK -5.0 (-4.0) m.

Operating profit was SEK -38.9 (-46.1) m, the net financial position was SEK 2.6 (0.6) and profit after financial items was SEK -36.3 (-45.4) m.

### **Medivir AB, Corporate Identity No. 556238-4361, Parent Company**

Medivir AB's business comprises research operations and group-wide administrative functions. In the period, parent company net sales amounted to SEK 14.7 (6.2) m, and as stated above, primarily comprised remuneration for a research collaboration in HCV protease inhibitors from Tibotec Pharmaceuticals Ltd. and remuneration from Roche for the HCV polymerase inhibitor research collaboration.

Operating costs were SEK -50.3 (-46.2) m, comprising external costs of SEK -29.8 (-28.6) m, personnel costs of SEK -17.9 (-15.4) m and depreciation and amortization of SEK -2.7 (-2.2) m. The external costs item includes SEK -14.4 (-14.4) m of remuneration to Medivir UK for contracted preclinical research conducted in Chesterford Research Park. These costs are on market terms.

Operating profit was SEK -35.5 (-39.9) m and profit after financial items, and profit after tax, were SEK -32.4 m (-39.2) m.

Liquid assets including short-term investments with maximum maturities of three months were SEK 336.8 (167.3) m, with investments primarily in research equipment and existing research premises, of SEK 6.0 (2.2) m.

### **Financial Position**

Consolidated liquid assets including short-term investments with a maximum maturity of three months stood at SEK 337.5 (167.5) m, with the increase in liquid assets due mainly to the new issue consummated in the second quarter 2004, which raised SEK 322.5 m before issue costs and outlicensing of HCV protease inhibitors to Tibotec Pharmaceuticals Ltd. in December 2004, which raised SEK 58.3 m. In total, the group has liquid assets and short-term investments worth SEK 392.5 m. Listed equities were divested for SEK 2.9 m in the period. As of 31 March, interest-bearing liabilities were SEK 25.7 (3.6) m. Shareholders' equity stood at SEK 443.3 (231.6) m and the consolidated equity ratio was 84.9 (85.9) per cent.

### **Investments**

Gross investments in consolidated tangible and intangible fixed assets amounted to SEK 9.3 (6.4) m in the period, mainly in research equipment and existing research premises. Medivir's planned future investments primarily comprise the acquisition of further research equipment.

### **The Share and Stock Options**

The total number of outstanding shares is 12,902,611, of which 660,000 are class A and 12,242,611 class B shares. The new issue implemented in 2004 resulted in previous stock option plans from 2000, 2001 and 2002 being re-calculated, implying that the total number of outstanding stock options is 646,895, and that the total number of shares upon full conversion would be 13,593,196.

## **ACCOUNTING PRINCIPLES**

### **The Group**

As of 1 January 2005, Medivir transferred to adopting IFRS for its consolidated financial statements, which means that from the first quarter 2005 onwards, Medivir will adopt all the IAS, IFRS, IFRIC and SICs prevailing at any given time, and which are applicable to Medivir as a quoted company in Sweden, in its consolidated financial statements. Apart from the aforementioned IFRS, the group also observes RR's (Redovisningsrådet, the Swedish Financial Accounting Standards Council) recommendations RR 30 (complementary accounting standards for corporate groups) and RR 31 (interim reporting for corporate groups) and applicable RR Emerging Issues Task Force statements.

Thus, the Interim Report has been prepared pursuant to IAS 34 Interim Financial Reporting, which in itself, did not imply any differences in the format or scope compared to RR 20 on interim reporting. The differences in principle that arise compared to the Annual Report for 2004 are reviewed under the title 'Revised Principles Due to the Adoption of IFRS' below.

### **Parent Company**

In its accounting, Medivir AB is continuing with those principles applying to legal entities that prepare consolidated financial statements and are quoted on a stock exchange. Briefly, this implies the continued adoption of RR's recommendations where they are applicable to the parent company of a group. From 1 January 2005 onwards, Medivir AB will observe RR's recommendation RR 32 (accounting of legal entities) that replaces the previous RR 1-29. In this context, the adoption of IFRS does not imply that the parent company's principles change for 2004, and accordingly, there has been no need to recalculate comparative figures, which remained the same as in the Annual Report for 2004.

Due to the advance adoption of RR 32 in 2005, a revised principle arises in the parent company's accounting. Because, pursuant to RR 32, the parent company must structure its reports consistent with all applicable IFRS/IAS, unless the recommendation permits an exception from adoption, market values of short-term investments will be disclosed. These have been disclosed in the Annual Report for 2004, at the lower of cost or market. Because the Swedish Annual Accounts Act allows value changes in a period to be accounted in the Income Statement, and because additionally, this is the principle selected for the group's accounting pursuant to IAS 39, Medivir AB will utilize the same principle as the group in this context. More information under the IAS 39 heading below.

### **Revised Principles Due to the Adoption of IFRS**

The following reviews the revised principles, and resulting effects, that arise when Medivir modified its accounting to the regulatory structure stipulated by the IASB (International Accounting Standards Board). The recommendations that caused revised principles compared to the Annual Report for 2004 are considered under separate headings. For other principles, that do not change upon adoption, the reader is referred to the accounting principles section of the Annual Report. It should be noted that the calculated effects of the adoption of IFRS on comparative figures for 2004 are preliminary, because this regulatory structure may alter in 2005.

#### **IFRS 1**

Pursuant to IFRS 1, which stipulates how companies should act on first-time adoption of IASB's recommendations, retroactive adoption of recommendations has been implemented to the extent required by IFRS 1. This has resulted in the opening balance as of 1 January 2004 as stated in Appendix 1.

The option of recalculating previous acquisitions pursuant to IFRS 3 has been utilized. Such adoption implies that IAS 36 and IAS 38 (updated 2004) should be applied retroactively. This has resulted in the reclassification of previously accounted goodwill related to the acquisition of Medivir UK in 2000, to acquired research and development. The depreciation term as of the acquisition date, and utilizing the then assessed useful life, was set at ten years. Because this term is the same as for previously accounted goodwill, this does not imply any change to depreciation and amortization costs compared to previously.

For **IAS 39**, the option to adopt this recommendation in 2004 has not been utilized. Therefore, the revised principle regarding the valuation of financial instruments occurs as of 1 January 2005. More information is below under the IAS 39 heading.

Apart from the above choices, Medivir has reset accumulated **exchange rate differences** to zero as of 1 January 2004. However, this is not apparent in the opening balance sheet, but is stated in the statement of shareholders' equity transference note, which is published with the transitional statement of opening balances for 2004.

As for the recalculated balance sheet as of 1 January 2004 otherwise, Medivir has chosen to utilize its previous **acquisition values**, rather than using any actual valuation of tangible or intangible assets. The principle of cost accounting with linear depreciation over assessed useful lives will remain in use.

Coincident with activities related to the adoption of IFRS, Medivir has not identified any misstatements in its accounting, and has not revised any previous estimates. Accordingly, Medivir utilizes items such as previously assessed useful lives for depreciating fixed assets.

## **IFRS 2**

Medivir accounts its staff stock option plans pursuant to IFRS 2. To applicable extent, this has also been applied retroactively to those plans within the time interval of the transference rules of IFRS 2. Medivir has not adopted IFRS 2 for earlier plans from 2000 and 2001.

This standard means that in contrast to previously, upon issuance, Medivir values the relevant plan (currently the two plans 2002/2007 and 2004/2009) at market value, then allocating the value over the accrual period as a personnel cost. This remuneration to staff means that Medivir issues its own financial instruments (warrants that staff possess rights to through agreements in the plans), and accordingly, for each period's costs, receives the corresponding increase to restricted equity. More information on the quantitative effects is under 'Opening Balance as of 1 January 2004' below.

Pursuant to previous principles, the stock option plans themselves do not imply any personnel costs for Medivir, apart from the provisioning for social security costs on the benefits accrued by staff. This accounting is apparent in the Annual Report for 2004.

## **IAS 7**

Pursuant to IAS 7, the definition of liquid assets has been changed from previously, and has also been applied retroactively for 2004. The new definition is stated in notes to the Cash Flow Statement.

## **IAS 19**

Medivir adopted RR 29 Employee Benefits from 1 January 2004 onwards. Medivir AB's ITP (supplementary pensions for salaried employees) scheme is underwritten by Alecta, and should be considered a defined-benefit pension scheme, pursuant to statement URA 42 from RR's Emerging Issues Task Force. Because Alecta is not able to publish sufficient information, this scheme is currently accounted as a defined-contribution scheme. The group's other pension schemes are defined-contribution. The previous adoption of RR 29, which in this case, corresponds to IAS in principle terms for Medivir, and the aforementioned shortage of information from Alecta, accordingly implied that no change has been made to Medivir's accounting of pension commitments compared to the Annual Report for 2004.

## **IAS 39**

Medivir is adopting IAS 39 in its consolidated financial statements from 1 January 2005 onwards. Medivir has selected the principle of accounting the actual value changes of all its short-term investments in the Income Statement. The revised principle of the market valuation of short-term investments, which also applies to parent company accounting, did not generate any deferred tax effect as of 1 January 2005, because offset is considered possible against the accumulated loss carry-forwards within Medivir AB.

### **Opening Balance as of 1 January 2004**

The effects of principles affecting the opening balance of IFRS are as follows:

- The opening balance has been affected by the adoption of IFRS 3 to the extent that after a recalculated acquisition analysis of Medivir UK, consolidated intangible assets comprise acquired research and development. Previously, the intangible asset comprised goodwill.
- The balance sheet item 'acquired research and development' identified in the recalculated acquisition has given rise to a deferred tax effect, implying that a deferred tax liability of SEK 3.0 m is accounted in the opening balance, and that the corresponding amount affected the accumulated deficit negatively.
- The adoption of IFRS 2 on staff stock option plans implies an opening balance effect of SEK 0.6 m on shareholders' equity as of 1 January 2004, accounted as an increase of consolidated restricted equity and the corresponding increase of the aggregate deficit; more information in Appendix 1.
- As reviewed above, exchange rate differences have been reset to zero.

### **Quantitative Effects on Comparative Figures for the First Quarter 2004, Resulting from the Adoption of IFRS**

IFRS stipulate that on the adoption of IFRS on 1 January 2005, comparative figures for corresponding periods in 2004 should be recalculated. For the Medivir group, this has the following effects:

- At the adoption of IFRS 2, the effect in the first quarter 2004 is personnel costs increasing by SEK 0.2 m, and the same increase to restricted equity. More information in Appendices 2 and 3.
- The adoption of IFRS 3 on the acquisition analysis of Medivir UK in 2000 has given rise to Medivir's consolidated financial statements accounting the acquisition of research and development from Medivir UK of SEK 10.3 m, instead of the previously accounted goodwill of the same amount.
- The deferred tax liability attributable to the acquired R&D stated above reduces by SEK 0.1 m in the quarter and gives rise to the corresponding amount as a deferred tax asset in the Income Statement.
- The Cash Flow Statement comparative figures have been converted pursuant to the definition of liquid assets stated in IAS 7. For the first quarter 2004, this means that liquid assets reduced by SEK 30.0 m.

### **Quantitative Effects Accounted in the First Quarter 2005 Related to the New Principles**

- The adoption of IFRS 2 increases personnel costs by SEK 0.4 m in the first quarter 2005, and increases restricted equity by the same amount.
- A deferred tax asset resulting from the adoption of IFRS 3 of SEK 0.1 m is accounted, and the deferred tax liability reduces by the same amount.
- The revised principle that arises upon the adoption of IAS 39 on 1 January 2005 creates an effect of SEK 1.5 implying higher values of short-term investments and a reduction of the aggregate deficit. The effect of the revised principle on the opening balance of shareholders' equity in 2005 is apparent in the relevant quarterly statement of shareholders' equity.
- The Income Statement effect in the first quarter 2005 from the adoption of IAS 39, of SEK 2.3 m, is specified together with the effect of the revised principle above in note A) of the Income Statement.

## **OUTLOOK**

Medivir's ability to produce new CDs, to enter partnerships on its projects, and to bring its clinical development projects to market launches and sales, is decisive to its future. The development within the existing partnerships and creation of new may exert a major influence on Medivir's revenues and cash position, although scheduling revenue flows is impossible. Medivir's estimated net research costs are SEK 165 m for 2005.

The Board  
Medivir

Huddinge, Sweden, 21 April 2005.

## **Audit Report**

We have performed a summary review of this Interim Report pursuant to the relevant recommendation issued by FAR (the Institute for the Accountancy Profession in Sweden). A summary review is far more limited than a full audit. Nothing has arisen to suggest that this Interim Report does not satisfy the stipulations of the Swedish Stock Exchange and Annual Accounts Acts.

Liselott Stenudd  
Authorised Public Accountant

Peter Clemedtson  
Authorised Public Accountant

Stockholm, Sweden, 21 April 2005.

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<b>CONSOLIDATED INCOME STATEMENT</b>					
Summary, SEK m					
	<b>2005 Jan-Mar</b>	<b>Adj. for IFRS 2004 Jan-Mar</b>	<b>Not Adj. for IFRS 2003 Jan-Mar</b>	<b>Adj. for IFRS 2004 Jan-Dec</b>	<b>Note/Appendix</b>
<b>Turnover, etc.</b>					
Net sales	13.7	4.9	43.4	82.6	
Change in inventories and other revenue	0.0	0.1	0.9	2.5	
<b>Total</b>	<b>13.7</b>	<b>5.0</b>	<b>44.4</b>	<b>85.1</b>	
<b>Operating costs</b>					
Raw materials and consumables	0.0	0.0	-16.3	0.0	
Other external costs	-22.5	-24.6	-30.4	-99.1	
Personnel costs	-25.1	-22.6	-30.3	-95.7	2, 5
Depreciation and amortization	-5.0	-4.0	-6.3	-16.6	
<b>Total operating costs</b>	<b>-52.6</b>	<b>-51.1</b>	<b>-83.3</b>	<b>-211.4</b>	
<b>Operating profit</b>	<b>-38.9</b>	<b>-46.1</b>	<b>-38.9</b>	<b>-126.3</b>	
Profit from financial investments	2.6	0.6	0.3	12.3	A
<b>Profit after financial items</b>	<b>-36.3</b>	<b>-45.5</b>	<b>-38.6</b>	<b>-114.0</b>	
Tax	0.1	0.1	0.0	2.5	B, 2, 5
<b>Net profit</b>	<b>-36.2</b>	<b>-45.4</b>	<b>-38.6</b>	<b>-111.5</b>	
Earnings per share, SEK	-2.81	-5.28	-4.50	-10.38	
Average number of shares, 000	12,903	8,595	8,590	10,746	
Number of shares, closing balance, 000	12,903	8,599	8,590	12,903	

A)

<b>TRANSITIONAL EFFECT IAS 39, SEK m</b>							
Balance Sheet Item		Book Value 31 Dec. 2004	Transitional Effect of Revised Principle 1 Jan. 2005	Acquisitions in Q1	Q1 Actual Value Chg.	Sales in Q1	Value 31 Mar. 2005
Fin. Assets with market value via Income Statement	Listed equities	0.9	1.5	0.0	0.5	-2.9	0.0
	Mutual fund investments	273.7	0.0	0.5	1.8	0.0	275.9

The transitional effect of the revised accounting principle is accounted in Medivir AB pursuant to the accounting principles on pages 6 and 8.

B)

The positive tax amount as of 31 December 2004 is mainly attributable to Medivir UK's tax credits, a consequence of UK fiscal legislative support for research.

The group has estimated accrued tax-deductible losses of at least SEK 540 m until 2004 inclusive.

<b>CONSOLIDATED BALANCE SHEET</b>					
Summary, SEK m					
	31 Mar. 2005	Adj. for IFRS 2004 31 Mar.	Not Adj. for IFRS 2003 31 Mar.	Adj. for IFRS 2004 31 Dec.	Note/ Appendix
<b>Assets</b>					
<b>Fixed assets</b>					
Intangible fixed assets	10.7	10.3	36.2	10.9	
Tangible fixed assets	87.3	43.9	108.0	80.7	
Financial fixed assets	0.0	3.1	3.1	0.0	
<b>Total fixed assets</b>	<b>98.0</b>	<b>57.3</b>	<b>147.3</b>	<b>91.7</b>	
<b>Current assets</b>					
Inventories	0.0	0.0	36.5	0.0	
Current receivables	31.9	14.8	45.8	24.3	
Short-term investments	375.9	190.0	87.6	419.6	
Cash and bank balances	16.6	7.5	18.2	21.0	
<b>Total current assets</b>	<b>424.4</b>	<b>212.3</b>	<b>188.1</b>	<b>464.9</b>	
<b>Total assets</b>	<b>522.3</b>	<b>269.6</b>	<b>335.4</b>	<b>556.6</b>	
<b>Liabilities and shareholders' equity</b>					
Restricted equity	860.2	554.3	584.0	862.5	3, 6
Accumulated deficit	-416.9	-322.7	-303.6	-386.8	3, 6
<b>Total shareholders' equity</b>	<b>443.3</b>	<b>231.6</b>	<b>280.3</b>	<b>475.7</b>	
Long-term liabilities, interest-bearing	16.5	3.6	4.3	18.7	
Long-term liabilities, non interest-bearing	2.4	2.9	3.7	2.5	3
Current liabilities, interest-bearing	9.2	0.0	0.0	9.2	
Current liabilities, non interest-bearing	50.9	31.6	47.1	50.5	
<b>Total liabilities and shareholders' equity</b>	<b>522.3</b>	<b>269.6</b>	<b>335.4</b>	<b>556.6</b>	
<b>Pledged assets</b>					
Pledged short-term investments	10.3	0.0	0.0	12.6	
Property mortgages	0.0	0.0	3.0	0.0	

<b>STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>				
SEK m				
	2005 Jan-Mar	2004 Jan-Mar	2003 Jan-Mar	2004 Jan-Dec
Opening balance, 1 January	475.7	277.8	320.0	277.8
Effect of revised principle, 1 January	1.5	-3.0		-3.0
Staff stock option plans: value of staff service	0.4	0.2		1.4
New issue		0.6		313.6
Exchange rate differences	1.9	1.3	-1.0	-2.6
Net profit	-36.2	-45.4	-38.6	-111.5
<b>Closing balance for the period</b>	<b>443.3</b>	<b>231.6</b>	<b>280.3</b>	<b>475.7</b>

<b>CONSOLIDATED CASH FLOW STATEMENT</b> Summary, SEK m	<b>2005 Jan-Mar</b>	<b>Adj. for IFRS 2004 Jan-Mar</b>	<b>Not Adj. for IFRS 2003 Jan-Mar</b>	<b>Adj. for IFRS 2004 Jan-Dec</b>	<b>Note/ Appendix</b>
<b>Ongoing operations</b>					
Operating profit after financial items	-36.2	-45.5	-38.6	-114.0	4, 7
Estimated subsidiary tax credit	0.0	0.0	0.0	2.0	
Adjustment for items not included in cash flow:					
Depreciation, amortization and write-downs	5.0	4.0	6.3	17.9	
Capital gain/loss on divestment of fixed assets and exchange rate difference	0.0	0.3	-0.6	-7.9	
Tax paid/received	-0.4	-0.4	1.5	-1.4	
Effect of adoption of IFRS	1.9	0.2	0.0	1.4	4, 7
<b>Cash flow from ongoing operations before change in working capital</b>	<b>-29.6</b>	<b>-41.4</b>	<b>-31.4</b>	<b>-102.0</b>	
Change in working capital	-6.8	5.2	-2.1	16.6	
<b>Cash flow from ongoing operations</b>	<b>-36.4</b>	<b>-36.3</b>	<b>-33.6</b>	<b>-85.5</b>	
<b>Investment activity</b>					
Acquisition/divestment of tangible fixed assets	-9.0	-6.4	-4.4	-55.4	
Acquisition of intangible fixed assets	-0.3	0.0	0.0	-1.9	
Sales of financial fixed assets	0.0	0.0	0.0	6.0	
<b>Cash flow from investment activity</b>	<b>-9.3</b>	<b>-6.4</b>	<b>-4.4</b>	<b>-51.3</b>	
<b>Financing activity</b>					
New issue, staff stock options	0.0	0.6	0.0	0.0	
New issue	0.0	0.0	0.0	313.6	
Loans raised	0.0	0.3	0.0	27.5	
Amortization	-2.3	0.0	0.0	-3.0	
<b>Cash flow from financing activity</b>	<b>-2.3</b>	<b>0.9</b>	<b>-0.2</b>	<b>338.1</b>	
<b>Cash flow for the period</b>					
Liquid assets, opening balance	440.6	239.2	143.9	239.2	A
Change in liquid assets	-48.1	-41.7	-38.1	201.4	
Exchange rate difference, liquid assets	0.0	0.1	-0.1	0.0	
Reclassification between short-term investments and liquid assets	-55.0	-30.0	0.0	-100.9	B, 4, 7
<b>Liquid assets, closing balance</b>	<b>337.5</b>	<b>167.5</b>	<b>105.7</b>	<b>339.6</b>	C
A) Liquid assets comprised cash and bank balances, plus short-term investments until 31 December 2003 inclusive.					
B) Short-term investments with maturities of more than 3 months have been reclassified in the Cash Flow Statement.					
C) From 1 January 2004, liquid assets comprise cash and bank balances and short-term investments with maximum maturity of 3 months.					

Surplus value of listed equities, of SEK 1.5 m (at 31 Dec. 2004) is additional to the above.  
Medivir AB pledged short-term investments of SEK 10.3 m as collateral for the loan raised as of 31 Mar. 2005.

<b>KEY FIGURES</b>		<b>Adj. for IFRS 2004 Jan-Mar</b>	<b>Not. Adj. for IFRS 2003 Jan-Mar</b>	<b>Adj. for IFRS 2004 Jan-Dec</b>	<b>Note/ Appendix</b>
<b>Return on:</b>					
- equity, %	-7.88	-17.91	-12.87	-29.72	
- capital employed, %	-7.39	-17.70	-12.68	-28.95	
- total capital, %	-6.67	-15.74	-10.95	-26.18	
Average number of shares, 000	12,903	8,595	8,590	10,746	
Number of shares, closing balance, 000	12,903	8,599	8,590	12,903	
Outstanding warrants, 000	646.9	440.1	513.4	646.9	
Earnings per share, SEK	-2.81	-5.28	-4.50	-10.38	
Shareholders' equity per share, SEK	34.36	26.93	32.64	36.87	
Cash flow per share after investments, SEK	-3.54	-4.96	-4.42	-12.72	
Earnings per share, SEK	-2.61	-4.97	-4.18	-9.52	A, B
Shareholders' equity per share, SEK	38.13	30.99	37.89	40.66	A, B
Equity ratio, %	84.88	85.87	83.58	85.46	
<p>For forecast year-2005 earnings per share, please refer to the 'Outlook' heading in the section on Medivir's consolidated turnover and costs.</p> <p>A) After full utilization of outstanding warrants. IAS 33 stipulates that any potential ordinary shares do not give rise to any dilution effect when their conversion into ordinary shares results in increased EPS, which would occur upon the conversion of Medivir's outstanding stock options. Thus, the above should not be considered a calculation of dilution effects but a theoretical calculation of earnings and shareholders' equity per share, after the full exercise of outstanding warrants.</p> <p>B) Previous stock option plans from 2000, 2001 and 2002 have been recalculated due to the new issue consummated in June 2004. Warrants from these plans confer the rights to conversion of 1.10 shares per stock option, and the exercise price has been recalculated.</p>					

**APPENDIX 1**  
**OPENING BALANCE, 1 Jan. 2004**

	Original Balance Sheet 1 Jan. 2004	Adj. Opening Balance 2004	Opening Balance, IFRS 1 Jan. 2004	Note
<b>Assets</b>				
<b>Fixed assets</b>				
Intangible fixed assets				
Acquired research & development		10.7	10.7	
Goodwill	10.7	-10.7	0.0	A
<b>Total intangible fixed assets</b>	<b>10.7</b>	<b>0.0</b>	<b>10.7</b>	
Tangible fixed assets				
Buildings and land	3.4		3.4	
Plant and machinery	0.0		0.0	
Equipment, tools, fixtures and fittings	33.1		33.1	
Construction in progress and advance payments for tangible assets	3.6		3.6	
<b>Total tangible fixed assets</b>	<b>40.2</b>	<b>0.0</b>	<b>40.2</b>	
Financial fixed assets				
Participations in associated companies	0.0		0.0	
Other securities held as fixed assets	3.1		3.1	
<b>Total financial fixed assets</b>	<b>3.1</b>	<b>0.0</b>	<b>3.1</b>	
<b>Total fixed assets</b>	<b>54.0</b>	<b>0.0</b>	<b>54.0</b>	
<b>Current assets</b>				
Current receivables				
Accounts receivable	0.1		0.1	
Other receivables	5.3		5.3	
Prepaid expenses and accrued income	9.2		9.2	
<b>Total current receivables</b>	<b>14.5</b>	<b>0.0</b>	<b>14.5</b>	
Short-term investments				
Other short-term investments	229.0		229.0	
Cash and bank balances	10.2		10.2	
<b>Total current assets</b>	<b>253.7</b>	<b>0.0</b>	<b>253.7</b>	
<b>Total assets</b>	<b>307.7</b>	<b>0.0</b>	<b>307.7</b>	
<b>Liabilities and shareholders' equity</b>				
Shareholders' equity				
Restricted equity				
Share capital	42.9		42.9	
Restricted/statutory reserve	509.1	0.6	509.7	B
<b>Total restricted equity</b>	<b>552.1</b>	<b>0.6</b>	<b>552.7</b>	
Accumulated deficit				
Profit brought forward	-233.9	-3.6	-237.5	B, C
Net profit	-40.3		-40.3	
<b>Accumulated deficit</b>	<b>-274.2</b>	<b>-3.6</b>	<b>-277.8</b>	
<b>Total shareholders' equity</b>	<b>277.8</b>	<b>-3.0</b>	<b>274.8</b>	
<b>Long-term liabilities</b>				
Liabilities to credit institutions	3.4		3.4	
Deferred tax liability		3.0	3.0	C
<b>Current liabilities</b>				
Accounts payable	8.3		8.3	
Other liabilities	2.3		2.3	
Accrued expenses and deferred income	15.9		15.9	
<b>Total current liabilities</b>	<b>26.5</b>	<b>0.0</b>	<b>26.5</b>	
<b>Total liabilities and shareholders' equity</b>	<b>307.7</b>	<b>0.0</b>	<b>307.7</b>	

A) Reclassification of goodwill to acquired research & development

B) Calculated personnel costs for staff stock option plans

C) Deferred tax liability on the intangible asset, acquired research & development

**EFFECT OF REVISED PRINCIPLE ON SHAREHOLDERS' EQUITY, 1 JAN. 2004**

	Share Capital	Restricted Reserves	Accumulated Deficit	Exchange Rate Difference	Net Profit	Total Shareholders' Equity
<b>Adopted Balance Sheet 1 Jan. 2004</b>	<b>42.9</b>	<b>509.1</b>	<b>-231.3</b>	<b>-2.7</b>	<b>-40.3</b>	<b>277.8</b>
Effect of revised accounting principle to IFRS (staff stock options)		0.6	-0.6			0.0
Effect of revised accounting principle to IFRS (exchange rate difference)			-2.7	2.7		0.0
Effect of revised accounting principle to IFRS (deferred tax on acquired R&D)			-3.0			-3.0
<b>Adjusted opening balance, 1 Jan. 2004</b>	<b>42.9</b>	<b>509.7</b>	<b>-237.5</b>	<b>0.0</b>	<b>-40.3</b>	<b>274.8</b>

**APPENDIX 2  
ADJUSTMENT OF INCOME STATEMENT, JANUARY-MARCH 2004 PURSUANT TO IFRS**

**CONSOLIDATED INCOME STATEMENT**

Summary, SEK m

	Original Income Statement, Jan-Mar 2004	Adjustment Jan-Mar 2004	Adjusted Income Statement, IFRS Jan-Mar 2004	Note
<b>Turnover, etc.</b>				
Net sales	4.9		4.9	
Change in inventories and other revenue	0.1		0.1	
<b>Total</b>	<b>5.0</b>	<b>0.0</b>	<b>5.0</b>	
<b>Operating costs</b>				
Other external costs	-24.6		-24.6	
Personnel costs	-22.4	-0.2	-22.6	A
Depreciation and amortization	-4.0		-4.0	
<b>Total operating costs</b>	<b>-51.0</b>	<b>-0.2</b>	<b>-51.1</b>	
<b>Operating profit</b>	<b>-46.0</b>	<b>-0.2</b>	<b>-46.1</b>	
Profit from financial investments	0.6		0.6	
<b>Profit after financial items</b>	<b>-45.3</b>	<b>-0.2</b>	<b>-45.5</b>	
Tax	0.0	0.1	0.1	B
<b>Net profit</b>	<b>-45.3</b>	<b>0.0</b>	<b>-45.4</b>	
Earnings per share, SEK	-5.27		-5.28	
Average number of shares, 000	8,595		8,595	
Number of shares, closing balance, 000	8,599		8,599	

A) Calculated personnel cost for staff stock option plans

B) Reduction of deferred tax liability for acquired R&D

**APPENDIX 3  
ADJUSTMENT OF BALANCE SHEET 31 MARCH 2004 PURSUANT TO IFRS**

**CONSOLIDATED BALANCE SHEET**

Summary, SEK m

	Original Balance Sheet 31 Mar. 2004	Adjustment	Adjusted Balance Sheet, IFRS 31 Mar. 2004	Note
<b>Assets</b>				
<b>Fixed assets</b>				
Intangible fixed assets	10.3		10.3	
Tangible fixed assets	43.9		43.9	
Financial fixed assets	3.1		3.1	
<b>Total fixed assets</b>	<b>57.3</b>	<b>0.0</b>	<b>57.3</b>	
<b>Current assets</b>				
Current receivables	14.8		14.8	
Short-term investments	190.0		190.0	
Cash and bank balances	7.5		7.5	
<b>Total current assets</b>	<b>212.3</b>	<b>0.0</b>	<b>212.3</b>	
<b>Total assets</b>	<b>269.6</b>	<b>0.0</b>	<b>269.6</b>	
<b>Liabilities and shareholders' equity</b>				
Restricted equity	553.5	0.8	554.3	A
Accumulated deficit/non-restricted equity	-319.1	-3.6	-322.7	A, B
<b>Total shareholders' equity</b>	<b>234.4</b>	<b>-2.9</b>	<b>231.6</b>	
Long-term liabilities, interest-bearing	3.6		3.6	
Long-term liabilities, non interest-bearing	0.0	2.9	2.9	B
Current liabilities	31.6		31.6	
<b>Total liabilities and shareholders' equity</b>	<b>269.6</b>	<b>0.0</b>	<b>269.6</b>	

A) Calculated personnel cost for staff stock option plans  
B) Deferred tax liability for acquired R&D

**STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY, SEK m RECALCULATED AS OF 31 MARCH 2004**

	Restricted Equity	Acc. Deficit/ Non-restricted Equity	Total Shareholders' Equity
<b>Adopted Balance Sheet, 31 Mar. 2004</b>	553.5	-319.1	234.4
<b>Effect of revised principle on opening balance</b>			
Effect of revised accounting principle, staff stock option plans	0.6	-0.6	0.0
Effect of revised accounting principle, deferred tax liability		-3.0	-3.0
<b>Effect of adoption of IFRS in Q1</b>			
Staff stock option plans: value of staff service	0.2	-0.2	0.0
Deferred tax on acquired R&D		0.1	0.1
<b>Adjusted Balance Sheet 31 Mar. 2004</b>	<b>554.3</b>	<b>-322.7</b>	<b>231.6</b>

**APPENDIX 4****ADJUSTMENT OF CASH FLOW STATEMENT JANUARY-MARCH 2004 PURSUANT TO IFRS****CONSOLIDATED CASH FLOW STATEMENT****Summary, SEK m**

	<b>Orig. Cash Flow Jan-Mar 2004</b>	<b>Adjustment, Jan-Mar 2004</b>	<b>Adj. Cash Flow, IFRS Jan-Mar 2004</b>	<b>Note</b>
<b>Ongoing operations</b>				
Operating profit after financial items	-45.3	-0.2	-45.5	
Adjustment for items not included in cash flow:				
Depreciation, amortization and write-downs	4.0		4.0	
Exchange rate differences and capital gain/loss on divestment of fixed assets	0.3		0.3	
Tax paid/received	-0.4		-0.4	
Calculated personnel cost, staff stock option plans	0.0	0.2	0.2	
<b>Cash flow from ongoing operations before change in working capital</b>	<b>-41.4</b>	<b>0.0</b>	<b>-41.4</b>	
Change in working capital	5.2		5.2	
<b>Cash flow from ongoing operations</b>	<b>-36.2</b>	<b>0.0</b>	<b>-36.2</b>	
<b>Investment activity</b>				
Acquisition/divestment of tangible fixed assets	-6.4		-6.4	
<b>Cash flow from investment activity</b>	<b>-6.4</b>	<b>0.0</b>	<b>-6.4</b>	
<b>Financing activity</b>				
New issue, staff stock options	0.6		0.6	
Loans raised	0.3		0.3	
<b>Cash flow from financing activity</b>	<b>0.9</b>	<b>0.0</b>	<b>0.9</b>	
<b>Cash flow for the period</b>				
Liquid assets, opening balance	239.2		239.2	A
Change in liquid assets	-41.7		-41.7	
Exchange rate difference, liquid assets	0.1		0.1	
Reclassification between short-term investments and liquid assets	0.0	-30.0	-30.0	B
<b>Liquid assets, closing balance, IAS 7</b>	<b>197.5</b>	<b>-30.0</b>	<b>167.5</b>	<b>C</b>

A) Liquid assets comprised cash and bank balances, plus short-term investments until 31 Dec. 2003 inclusive.

B) SEK 30 m of short-term investments have maturities of more than 3 months and have been reclassified in the Cash Flow Statement.

C) From 1 January 2004, liquid assets comprise cash and bank balances and short-term investments with maximum maturity of 3 months.

**APPENDIX 5  
ADJUSTED INCOME STATEMENT, JANUARY-DECEMBER 2004 PURSUANT TO  
IFRS SEK m**

	<b>Original Income Statement, Jan-Dec 2004</b>	<b>Adjustment IFRS Jan-Dec 2004</b>	<b>Adjusted Income Statement, IFRS Jan-Dec 2004</b>	<b>Note</b>
<b>Turnover, etc.</b>				
Net sales	82.6		82.6	
Other turnover	2.5		2.5	
<b>Total</b>	<b>85.1</b>	<b>0.0</b>	<b>85.1</b>	
<b>Operating costs</b>				
Other external costs	-99.1		-99.1	
Personnel costs	-94.3	-1.4	-95.7	A
Depreciation, amortization, write-downs and transfers	-16.6		-16.6	
<b>Total operating costs</b>	<b>-210.1</b>	<b>-1.4</b>	<b>-211.4</b>	
<b>Operating profit</b>	<b>-125.0</b>	<b>-1.4</b>	<b>-126.3</b>	
Profit from financial investments				
Profit from other securities and receivables	4.1		4.1	
Other interest income and similar profit/loss items	9.1		9.1	
Interest costs and similar profit/loss items	-0.9		-0.9	
<b>Total profit from financial investments</b>	<b>12.3</b>	<b>0.0</b>	<b>12.3</b>	
<b>Profit after financial items</b>	<b>-112.6</b>	<b>-1.4</b>	<b>-114.0</b>	
Tax	2.0	0.5	2.5	B
<b>Net profit</b>	<b>-110.6</b>	<b>-0.9</b>	<b>-111.5</b>	
Earnings per share, SEK	-10.29		-10.38	
Average number of shares, 000	10,746		10,746	
Number of shares, closing balance, 000	12,903		12,903	

A) Calculated personnel cost for staff stock option plans

B) Reduction of deferred tax liability for acquired R&D

**APPENDIX 6**
**ADJUSTED BALANCE SHEET, 31 DECEMBER 2004 PURSUANT TO IFRS SEK m**

	Adopted Balance Sheet 31 Dec. 2004	Adj. IFRS 1 Jan. 2004	Adj. IFRS in 2004	Adjusted Closing Balance 31 Dec. 2004	Note
<b>Assets</b>					
<b>Fixed assets</b>					
Intangible fixed assets					
Acquired research & development		9.0		9.0	A
Goodwill	9.0	-9.0		0.0	A
Other intangible assets	1.9			1.9	
<b>Total intangible fixed assets</b>	<b>10.9</b>	<b>0.0</b>		<b>10.9</b>	
Tangible fixed assets					
Buildings and land	24.8			24.8	
Equipment, tools, fixtures and fittings	50.1			50.1	
Construction in progress and advance payments for tangible assets	5.8			5.8	
<b>Total tangible fixed assets</b>	<b>80.7</b>	<b>0.0</b>	<b>0.0</b>	<b>80.7</b>	
Financial fixed assets					
Participations in associated companies	0.0			0.0	
<b>Total financial fixed assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<b>Total fixed assets</b>	<b>91.7</b>	<b>0.0</b>	<b>0.0</b>	<b>91.7</b>	
<b>Current assets</b>					
Current receivables					
Accounts receivable	10.5			10.5	
Other receivables	5.9			5.9	
Prepaid expenses and accrued income	7.9			7.9	
<b>Total current receivables</b>	<b>24.3</b>	<b>0.0</b>	<b>0.0</b>	<b>24.3</b>	
Short-term investments					
Other short-term investments	419.6			419.6	
Cash and bank balances	21.0			21.0	
<b>Total current assets</b>	<b>464.9</b>	<b>0.0</b>	<b>0.0</b>	<b>464.9</b>	
<b>Total assets</b>	<b>556.6</b>	<b>0.0</b>	<b>0.0</b>	<b>556.6</b>	
<b>Liabilities and shareholders' equity</b>					
Shareholders' equity					
Restricted equity					
Share capital	64.5			64.5	
Restricted/statutory reserve	796.1	0.6	1.4	798.0	B
<b>Total restricted equity</b>	<b>860.6</b>	<b>0.6</b>	<b>1.4</b>	<b>862.5</b>	
Accumulated deficit					
Profit brought forward	-271.7	-3.6		-275.3	B, C
Net profit	-110.6		-0.9	-111.5	
Accumulated deficit	-382.4	-3.6	-0.9	-386.8	
<b>Total shareholders' equity</b>	<b>478.2</b>	<b>-3.0</b>	<b>0.5</b>	<b>475.7</b>	
Long-term liabilities					
Liabilities to credit institutions	18.7			18.7	
Deferred tax liability		3.0	-0.5	2.5	C
<b>Current liabilities</b>					
Liabilities to credit institutions	9.2			9.2	
Accounts payable	13.2			13.2	
Other liabilities	2.6			2.6	
Accrued expenses and deferred income	34.7			34.7	
<b>Total current liabilities</b>	<b>59.7</b>	<b>0.0</b>	<b>0.0</b>	<b>59.7</b>	
<b>Total liabilities and shareholders' equity</b>	<b>556.6</b>	<b>0.0</b>	<b>0.0</b>	<b>556.6</b>	

A) Reclassification of goodwill to the intangible asset, acquired research & development

B) Increased personnel costs for staff stock option plans

C) Deferred tax liability on the intangible asset, acquired research & development

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, SEK m RECALCULATED AS OF  
31 DEC. 2004**

	Share Capital	Restricted Reserves	Accumulated Deficit	Exchange Rate Difference	Net Profit	Total Shareholders' Equity
<b>Adopted Balance Sheet, 31 Dec. 2004</b>	<b>64.5</b>	<b>796.1</b>	<b>-266.5</b>	<b>-5.3</b>	<b>-110.6</b>	<b>478.2</b>
<b>Effect on opening balance</b>						
Effect of revised accounting principle to IFRS (staff stock options)		0.6	-0.6			0.0
Effect of revised accounting principle to IFRS (exchange rate difference)			-2.7	2.7		0.0
Effect of revised accounting principle to IFRS (deferred tax on acquired R&D)			-3.0			-3.0
<b>Effects of adoption of IFRS in 2004</b>						
Staff stock option plans: value of staff service		1.4			-1.4	0.0
Deferred tax on acquired R&D					0.5	0.5
<b>Adjusted closing balance , 31 Dec. 2004</b>	<b>64.5</b>	<b>798.0</b>	<b>-273.6</b>	<b>-2.6</b>	<b>-111.5</b>	<b>475.7</b>

**APPENDIX 7  
ADJUSTMENT OF CASH FLOW STATEMENT JANUARY-DECEMBER 2004  
PURSUANT TO IFRS**

**CONSOLIDATED CASH FLOW STATEMENT  
Summary, SEK m**

	<b>Orig. Cash Flow Jan-Dec 2004</b>	<b>Adjustment Jan-Dec 2004</b>	<b>Adj. Cash Flow, IFRS Jan-Dec 2004</b>	<b>Note</b>
<b>Ongoing operations</b>				
Operating profit after financial items	-112.6	-1.4	-114.0	
Estimated subsidiary tax credit	2.0		2.0	
Adjustment for items not included in cash flow:				
Depreciation, amortization and write-downs	17.9		17.9	
Exchange rate differences and capital gain/loss on divestment of fixed assets	-7.9		-7.9	
Tax paid/received	-1.4		-1.4	
Calculated personnel cost, staff stock option plans		1.4	1.4	
<b>Cash flow from ongoing operations before change in working capital</b>	<b>-102.0</b>	<b>0.0</b>	<b>-102.0</b>	
Change in working capital	16.6		16.6	
<b>Cash flow from ongoing operations</b>	<b>-85.5</b>	<b>0.0</b>	<b>-85.5</b>	
<b>Investment activity</b>				
Acquisition/divestment of tangible fixed assets	-55.4		-55.4	
Acquisition of intangible fixed assets	-1.9		-1.9	
Sales of financial fixed assets	6.0		6.0	
<b>Cash flow from investment activity</b>	<b>-51.3</b>	<b>0.0</b>	<b>-51.3</b>	
<b>Financing activity</b>				
Financing payments	313.6		313.6	
Loans raised	27.5		27.5	
Amortization	-3.0		-3.0	
<b>Cash flow from financing activity</b>	<b>338.1</b>	<b>0.0</b>	<b>338.1</b>	
<b>Cash flow for the period</b>				
Liquid assets, opening balance	239.2		239.2	A
Change in liquid assets	201.4		201.4	
Exchange rate difference, liquid assets	0.0		0.0	
Reclassification between short-term investments and liquid assets		-100.9	-100.9	B
<b>Liquid assets at end of period, IAS 7</b>	<b>440.6</b>	<b>-100.9</b>	<b>339.6</b>	C

A) Liquid assets comprised cash and bank balances, plus short-term investments until 31 Dec. 2003 inclusive.

B) SEK 100.9 m of short-term investments have maturity of longer than three months and have therefore been reclassified in the Cash Flow Statement.

C) From 1 January 2004, liquid assets comprise cash and bank balances and short-term investments with maximum maturity of 3 months.

Surplus value of listed equities, of SEK 1.5 m is additional to the value as of 31 Dec. 2004.