Press release, 22 February 2013

Financial Statement, 1 January – 31 December 2012*

Full-year (January − December)

- Net turnover totalled SEK 555.0 million (SEK 698.6 m).
- The profit/loss after tax was SEK -219.1 million (SEK 113.8 m).
- Basic and diluted earnings per share totalled SEK -7.01 (SEK 3.80).
- The cash flow from operating activities amounted to SEK -139.5 million (SEK 57.3 m), while liquid assets and short-term investments totalled SEK 296.7 million (SEK 536.3 m) at the period end.
- Phase III trials of simeprevir or telaprevir in combination with pegylated interferon and ribavirin began.
- Two interferon-free phase II combination trials began: simeprevir in combination with daclatasvir and simeprevir in combination with TMC647055.
- A clinical phase I trial of Medivir's in-house developed cathepsin K-inhibitor, MIV-711, began.
- Medivir gained preclinical research programmes in the antiviral sphere through the acquisition of assets from Novadex.
- Medivir's partner, GSK, began the OTC launch of the Xerclear cold sore pharmaceutical in Europe under the Zoviduo and Zovirax Duo brand names.
- A partnership to develop new pharmaceuticals for the treatment of bacterial infections was launched with the Swedish University of Agricultural Sciences (SLU).

Q4 (October − December)

- Net turnover totalled SEK 155.5 million (SEK 131.8 m).
- The profit/loss after tax was SEK -65.3 million (SEK -53,1 m).
- Basic and diluted earnings per share totalled SEK -2.09 (SEK -1.70).
- Part two of the interferon-free phase II trial of simeprevir and sofosbuvir was initiated.
- Positive, robust results from three pivotal phase III trials of simeprevir in combination with pegylated interferon and ribavirin were presented.
- A phase III trial of simeprevir in combination with pegylated interferon and ribavirin began in China.

Significant events after the end of the Q4

- A non-exclusive collaborative agreement was concluded between Janssen and Idenix for phase II combination trials of simeprevir, TMC647055 and IDX719. The collaboration intends to evaluate a fully oral, interferon-free, antiviral combination therapy for the treatment of hepatitis C.

CONSOLIDATED EARNINGS TREND SUMMARY, SEK m	2012 Oct-Dec	2011 Oct-Dec	2012 Jan-Dec	2011 Jan-Dec
Net turnover	155.5	131.8	555.0	698.6
Gross profit	45.6	35.1	152.3	458.0
Operating profit/loss before depreciation and amortisation (EBITDA)	-39.9	-35.7	-150.9	135.3
Operating profit/loss (EBIT)	-48.5	-44.1	-185.8	111.9
Profit/loss before tax	-50.0	-47.5	-193.0	111.2
Profit/loss after tax	-65.3	-53.1	-219.1	113.8
Operating margin	-31.2%	-33.6%	-33.5%	16.0%
Basic and diluted earnings per share, SEK	-2.09	-1.70	-7.01	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 health and quality of life.

The CEO's round up of 2012

"The year ended with positive phase III data for Simeprevir"

The year was characterised by a number of important events, but perhaps the foremost of these was the announcement of positive, robust phase III data for simeprevir. The results show, among other things, that treatment with simeprevir results in a high percentage of cured patients and in a reduction in the treatment duration from 48 weeks to 24 weeks for the majority of patients, with no incremental side effects. We expect to submit an application for the market registration of simeprevir in triple combination with pegylated interferon and ribavirin during the first half of 2013. The next goal is to develop an oral, fully interferon-free, direct-acting antiviral combination therapy for hepatitis C and the past year saw three clinical partnership agreements concluded in order to evaluate simeprevir in various interferon-free therapies. Simeprevir, which is the most advanced of our R&D pipeline products, is not our only research project. The internal projects are moving towards a range of subsidiary goals and 2012 saw work begin, for example, on the clinical development of MIV-711 for the treatment of osteoarthritis and osteoporosis. We also strengthened our research organisation by the recruitment of a number of specialists and enhanced our ability to evaluate new project concepts.

The company's business operations

Our pharmaceutical sales were stable and showed good profitability, with Mollipect, Citodon, Lithionit, Laxabon and Paraflex generating the best sales during the year. In 2013, we will be preparing for a potential market introduction of simeprevir in the Nordic region in 2014 – preparations that will include strengthening our presence in the Nordic market with Medivir personnel in each country. The cold sore compound that we have developed was launched in five European OTC markets in 2012 and was also approved for launch in Russia. The launch is being driven by our partner, GSK, and the compound is being sold under the Zoviduo and Zovirax Duo brand names.

Research and Development (R&D)

- *Focus on hepatitis C research*

Simeprevir is administered in tablet form (150 mg) once a day and is one of the next generation of protease inhibitors. The phase III trials of simeprevir reported in December involve triple treatment with simeprevir in combination with pegylated interferon and ribavirin. Simeprevir has displayed distinguishing properties that make it an ideal pharmaceutical for a future interferon- and ribavirin-free combination therapy and simeprevir will, therefore, also be evaluated in five interferon-free trials. We are looking forward to the results of these trials which will be presented continuously throughout the year. Our two internally-driven hepatitis C projects also made good progress and the acquisition of Novadex's assets has strengthened our position in the field of antiviral diseases in the form of new polymerase inhibitors and prodrug technology.

- *Other projects*

Testing of our in-house developed cathepsin K-inhibitor (MIV-711) for the treatment of skeletal disorders began as part of phase I trials during the year. The results of the trials are expected during the latter half of 2013 and our ambition is then to develop the project through partnerships or outlicensing. A range of different preclinical models yielded new and promising results in the cathepsin S project for the treatment of neuropathic pain and we hope to be able to select a new candidate drug in this sphere during the first half of 2013. We also initiated a partnership with the Swedish University of Agricultural Sciences for the development of new antibiotics to treat drug-resistant bacteria. Antibiotic resistance is an important field and there is substantial demand for new, effective antibiotics.

Parallel imports via Cross Pharma

This portfolio comprised approximately 120 different pharmaceuticals at the end of the year. The product portfolio was expanded in 2012 and a range of activities carried out in order to strengthen our position at the Swedish pharmacy chains.

The future

We are convinced that the coming year will be an eventful one. We expect to submit a registration application for simeprevir in the USA, Europe and Japan during the first half of 2013 and are making preparations aimed at generating the optimum preconditions for our own launch in the Nordic region during the first half of 2014.

We are looking forward to receiving a continuous stream of data from the interferon-free trials of simeprevir and are optimistic about the possibility of participating in the development of a future interferon-free treatment.
Our R&D pipeline is strong and we are confident about the potential for progressing our internal projects during the year and seeking out partnerships that will enable continued clinical trials and further development of our projects.

Maris Hartmanis
President & CEO

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Conference call for investors, analysts and the media

The Financial Statement for 2012 will be presented by the CEO, Maris Hartmanis, and members of Medivir's management group.

Time: Friday, 22 February 2013 at 15.00 (CET)
Phone numbers for participants from:
Sweden +46 (0)8 505 204 24
Europe +44 (0) 20 3003 2666
USA +1 866 966 5335

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

Financial calendar, 2013

The Interim Report for January-March will be published on 6 May
The Annual General Meeting will be held on 6 May
The Interim Report for January-June will be published on 22 August

Significant events during Q4 2012

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

Data showing that treatment of hepatitis C with simeprevir administered as one tablet once a day, as supplement to pegylated interferon and ribavirin, resulted in a higher viral response 24 weeks after treatment ended (SVR24) than in the control group in patients with advanced stage liver disease (Metavir scores of F3 to F4). The results are based on an analysis of efficacy, safety and tolerability in two phase II trials, namely PILLAR (treatment-naïve patients) and ASPIRE (treatment-experienced patients) with patients infected with HCV genotype 1. In patients with a Metavir score of F3, 79 per cent of the treatment-naïve patients who received simeprevir achieved SVR24, in comparison with 72 per cent in the control group. In the group with treatment-experienced patients, 48 per cent of those in the simeprevir group achieved SVR24, compared with 8 per cent in the control group. SVR24 was achieved by 62 per cent of the patients in the simeprevir group of treatment-experienced patients with cirrhosis of the liver, i.e. those with a Metavir score of F4 (ASPIRE), in comparison with 0 per cent in the control group.

In summary, simeprevir was safe and well tolerated in both trials and the incidence of side effects was comparable with that in the control groups. This shows that simeprevir is also efficacious and has a high cure rate in hard to treat hepatitis C patients with very advanced liver disease, and that the compound is also safe and well-tolerated in this patient group.

Clinical collaboration agreement reached for oral interferon-free phase II trial of Simeprevir and VX-135

Janssen och Vertex decided in November to carry out a phase II “proof of concept” trial in order to evaluate the safety, tolerability and percentage of virally cured patients after 12 weeks of treatment with simeprevir and VX-135, a nucleotide polymerase inhibitor developed by Vertex. This phase II “proof of concept” trial is scheduled to begin in the spring of 2013, provided that the results of a drug-drug interaction study of simeprevir and VX-135 are positive.

Part two of the interferon-free phase II trial of Simeprevir and sofosbuvir initiated

Treatment group 2 of the interferon-free phase II combination trial of simeprevir and sofosbuvir (GS7977; nucleotide polymerase inhibitor), with or without supplementary ribavirin, began in December. Part two of the trial aims to include 90 patients infected with HCV genotype 1 who are either treatment-naïve or null responders. The patients will also all have advanced liver disease, i.e. liver fibrosis/cirrhosis (Metavir scores of F3 and F4).

Positive results from three pivotal phase III trials of Simeprevir in triple combination

Positive results of triple combination treatment with simeprevir, pegylated interferon and ribavirin were presented in December. Overall safety, tolerability and efficacy data in patients with HCV genotype 1 were presented from all three global phase III trials. The QUEST-1 and QUEST-2 trials comprised 394 and 391 treatment-naïve patients, respectively, while the PROMISE trial comprised 393 patients who had suffered a relapse after previous treatment with pegylated interferon and ribavirin. 22-31 per cent of the patients in the three trials had advanced liver disease, i.e. liver fibrosis/cirrhosis (Metavir scores of F3 and F4).

The results primarily showed that:

- Treatment with simeprevir resulted in between 79 and 81 per cent of patients demonstrating a virological response (virally cured) 12 weeks after treatment was completed (SVR12).
- A majority of the patients, 85-93 per cent, were able to cease all treatment after 24 weeks in accordance with response-guided treatment.
- Treatment with simeprevir was generally safe and well tolerated and the combined incidence of side effects, including rashes and anaemia, was similar to that in the control group.
- The number of side effects that resulted in treatment being stopped was lower in those patients who were treated with simeprevir than among those in the control groups.

Final analyses of phase III data are in progress and the complete results of these trials will be presented at scientific conferences in the months ahead. The results will form the basis for an application for market approval for simeprevir.

Significant events after the end of the financial period

Collaboration agreement for phase II combination trials with Simeprevir, TMC647055 and IDX719

A non-exclusive collaboration agreement was reached between Janssen and Idenix in January 2013 for phase II combination trials of simeprevir, TMC647055/r (a non-nucleotide polymerase inhibitor developed by Janssen, reinforced with a low dose of ritonavir) and IDX719 (NS5A- a replication complex inhibitor developed by Idenix).

The clinical development plans include a drug-drug interaction trial scheduled to begin during the first quarter of 2013, followed by phase II trials as agreed between the companies and subject to the consent of regulatory authorities. The phase II programme intends to start by evaluating a direct-acting antiviral combination of IDX719 and simeprevir plus ribavirin over a 12 week treatment period of treatment-naïve hepatitis C patients. The companies then plan to evaluate a triple direct-acting antiviral combination of IDX719, simeprevir and TMC647055/r, with or without supplementary ribavirin.

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

			Preclinical phase		Clinical phase				
Therapeutic area	Product/Project	Partner	Research	Develop-ment	Phase I	Phase IIa	Phase IIb	Phase III	Market
ANTIVIRALS									
Labial herpes	Xerclear® (Zoviduo, Zovirax Duo)	GlaxoSmithKline (GSK)							
Hepatitis C	Simeprevir (TMC435), NS3 protease inhibitor	Janssen Pharmaceuticals							
	NS5B nucleotide polymerase inhibitor	Janssen Pharmaceuticals							
	NS5B nucleotide polymerase inhibitor								
	NS5A replication complex inhibitor								
Hepatitis B	Lagociclovir valactate (MIV-210)	Daewoong							
Dengue fever	NS3 protease inhibitor	Janssen R&D Ireland							
HIV	Protease inhibitor	Janssen Pharmaceuticals							
OTHER INDICATIONS									
Bone related disorders	Cathepsin K inhibitor								
Neuropathic pain	Cathepsin S inhibitor								

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 – 31 December 2012

Net turnover totalled SEK 555.0 million (SEK 698.6 m), corresponding to a decrease of SEK 143.6 million. The Parallel imports segment reported an increase in product sales of SEK 198.5 million. Sales of pharmaceuticals increased by SEK 53.7 million. Non-recurrent payments in respect of outlicensing and partnership agreements fell by SEK 396.8 million. Non-recurrent payments during the period totalled SEK 4.4 million and were in respect of OTC approval for the cold sore pharmaceutical, Xerclear, in Russia. Non-recurrent payments in the sum of SEK 401.2 million were included in the turnover for the corresponding period last year.

Net turnover breakdown* (SEK m)	**2012 Oct-Dec**	**2011 Oct-Dec**	**2012 Jan-Dec**	**2011 Jan-Dec**
Outlicensing and partnership agreements				
Non-recurrent payments	4.4	-	4.4	401.2
Pharmaceutical sales	44.3	47.5	164.9	111.2
Parallel imports	106.6	84.7	384.4	185.9
Other services	0.3	-0.4	1.3	0.3
Total	**155.5**	**131.8**	**555.0**	**698.6**

*The BioPhausia corporate group is included from 31 May 2011.

Costs and results, 1 January − 31 December 2012

The cost of goods sold totalled SEK -402.7 million (SEK -240.6 m), corresponding to an increase of SEK 162.1 million and resulted primarily from the acquisition of BioPhausia. The gross profit totalled SEK 152.3 million (SEK 458.0 m), a decrease of SEK -305.7 million, primarily due to lower non-recurrent payments.

Operating expenses totalled SEK -338.1 million (SEK -346.2 m), corresponding to a decrease of SEK 8.1 million.
Selling expenses fell by SEK 25.5 million, primarily due to lower royalty costs. Administrative expenses increased by SEK 17.3 million, largely due to higher personnel costs after the acquisition of BioPhausia. Research and development costs increased by SEK 19.2 million, mainly due to activities as part of the internally run hepatitis C projects. Other costs fell by SEK 19.1 million, primarily as a result of transaction costs in conjunction with the acquisition of BioPhausia having been charged to the previous period.

The operating profit/loss totalled SEK -185.8 million (SEK 111.9 m), corresponding to a negative change of SEK -297.7 million. The change was primarily due to the lower gross profit. Net financial items totalled SEK -7.1 million (SEK -0.7 m). Net financial items include the depreciation of the shares in Epiphany Biosciences and Presidio Pharmaceuticals amounted to SEK 9.7 m.

The tax for the period amounted to SEK -26,2 million (SEK 2.5 m). The Group utilised capitalised tax loss carry-forwards to a value of SEK 64.9 million during the period, thereby reducing the deferred tax receivable by SEK 17.1 million. The tax for the period also includes non-recurrent effects arising from a reduction in the corporation tax rate which reduced the value of the remaining tax receivable by SEK 9.6 million. The net result for the period was SEK -219.1 million (SEK 113.8 m).

Revenues and results, 1 October − 31 December 2012

Net turnover totalled SEK 155.5 million (SEK 131.8 m), corresponding to an increase of SEK 23.7 million. The Parallel imports segment reported an increase in product sales of SEK 21.9 million. Sales of pharmaceuticals fell by SEK 3.2 million, primarily as a result of seasonal variations in the sales of Mollipect. Non-recurrent payments during the period totalled SEK 4.4 million.

The cost of goods sold was SEK -109.9 million (SEK -96.7 m). The gross profit amounted to SEK 45.6 million (SEK 35.1 m). The operating profit/loss was SEK -48.5 million (SEK -44.0 m), corresponding to

a year-on-year negative change of SEK 4.5 million. The change was primarily due to higher operating costs. Operating expenses totalled SEK -94.1 million (SEK -79.1 m), corresponding to an increase of SEK 15.0 million. The increase was mainly caused by higher research and development costs arising principally from activities as part of the internally run hepatitis C projects. Other operating costs were on a par with those in the previous period.

Financial investments yielded a result of SEK -1.5 million (SEK -3.4 m). Net financial items include the depreciation of the shares in Presidio Pharmaceuticals amounted to SEK 3.3 m.

The tax for the period amounted to SEK -15.3 million (SEK -5.7 m). The tax for the period also includes non-recurrent effects arising from a reduction in the corporation tax rate which reduced the value of the remaining tax receivable by SEK 9.6 million. The net result for the period was SEK -65.3 million (SEK -53.1 m).

Pharmaceuticals segment

Pharmaceuticals segment* (SEK m)	2012 Oct-Dec	2011 Oct-Dec	2012 Jan-Dec	2011 Jan-Dec
Net turnover	48.9	47.1	170.6	512.7
EBITDA	-44.9	-36.3	-165.3	137.6
EBITDA %	-91.6%	-77.1%	-96.9%	26.8%

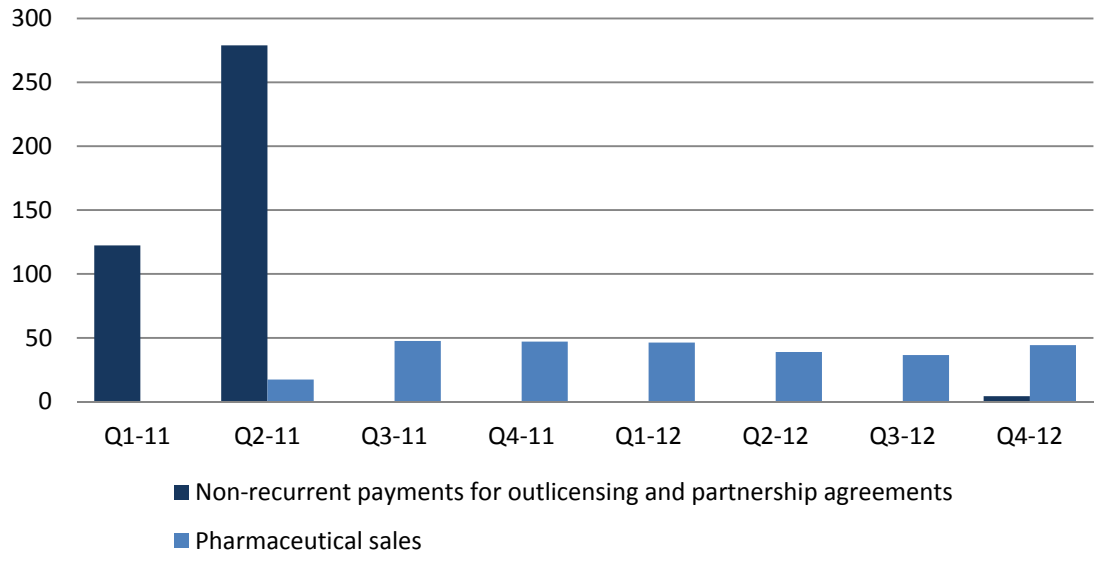
*The BioPhausia corporate group is included from 31 May 2011.

Revenues and results, 1 January − 31 December 2012

Net turnover totalled SEK 170.6 million (SEK 512.7 m), a decrease of SEK 342.1 million primarily due to lower non-recurrent payments. 97% (22%) of the net turnover comprised pharmaceutical sales, while 3% (78%) comprised non-recurrent payments for outlicensing and partnership agreements. The sale of pharmaceuticals rose by SEK 53.7 million, the most important products being Mollipect, Citodon and Lithionit, and EBITDA margins remained high. Non-recurrent payments during the period amounted to SEK 4.4 million. Non-recurrent payments in the sum of SEK 401.2 million were included in the turnover for the corresponding period last year.

Operating profit/loss before depreciation and amortisation (EBITDA) totalled SEK -165.3 million (SEK 137.6 m), a negative development of SEK 302.9 million primarily due to lower non-recurrent payments. EBITDA includes SEK -203.3 million (SEK -184.1 m) in research and development costs, corresponding to an increase of SEK 19.1 million and arising principally from activities as part of the internally run hepatitis C projects.

*The Pharmaceuticals segment net turnover per quarter, SEK m**



*The BioPhausia corporate group is included from 31 May 2011.

Revenues and results, 1 October − 31 December 2012
Net turnover for the period totalled SEK 48.9 million (SEK 47.1 m), corresponding to an increase of SEK 1.8 million. 90% (100%) of the net turnover comprised pharmaceutical sales while 10% (0%) comprised non-recurrent payments for outlicensing and partnership agreements. Sales of pharmaceuticals fell by SEK 3.2 million, primarily as a result of the deferred seasonal effect in respect of sales of Mollipect. Non-recurrent payments during the period amounted to SEK 4.4 million.

The operating profit/loss before depreciation and amortisation (EBITDA) for the period was SEK -44.9 million (SEK -36.3 m), corresponding to a negative change of SEK 8.6 million. EBITDA includes SEK -60.6 million (SEK -48.0 m) in research and development costs corresponding to an increase of SEK 12.6 million.

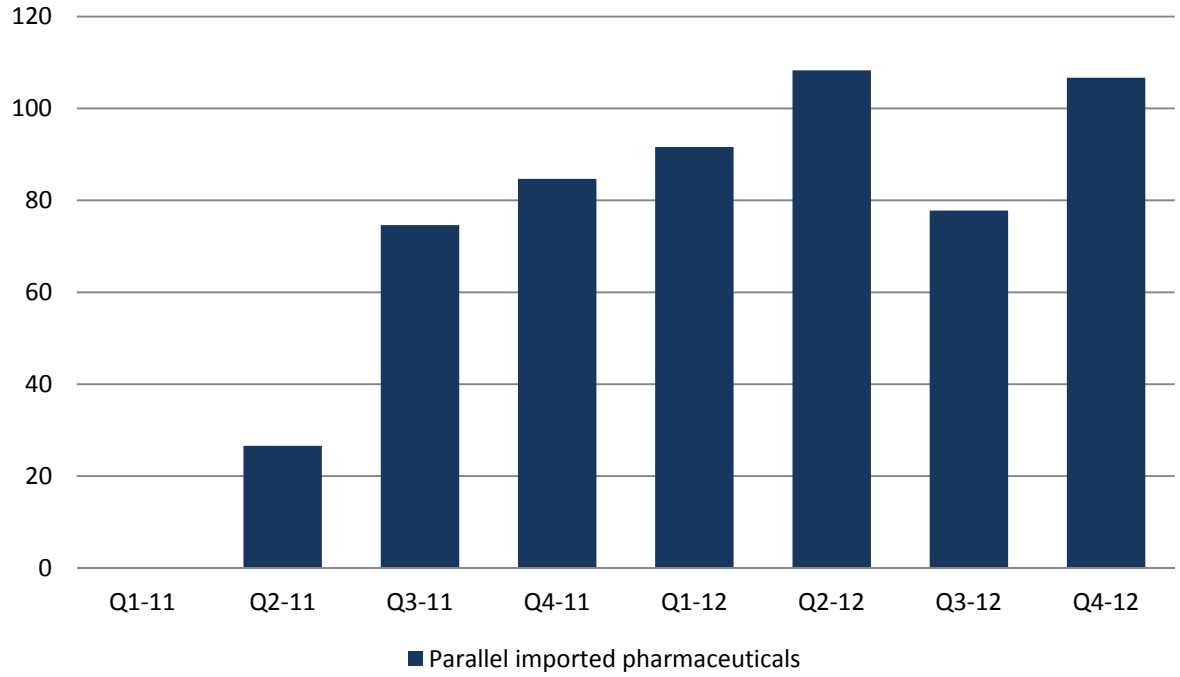
Parallel imports segment

Parallel imports segment* (SEK m)	2012 Oct-Dec	2011 Oct-Dec	2012 Jan-Dec	2011 Jan-Dec
Net turnover	106.6	84.7	384.4	185.9
EBITDA	5.0	0.6	14.4	-2.3
EBITDA %	4.7%	0.7%	3.7%	-1.2%

*The BioPhausia corporate group is included from 31 May 2011.

Revenues and results, 1 January − 31 December 2012
Net turnover for the period totalled SEK 384.4 million (SEK 185.9 m), corresponding to an increase of SEK 198.5 million. The ambition is to ensure continued growth by offering pharmacy chains a greater range of pharmaceutical products by means of the expansion of the product portfolio in the forthcoming periods. The operating profit/loss before depreciation and amortisation (EBITDA) for the period increased to SEK 14.4 million (SEK -2.3 m), corresponding to a margin of 3.7% (-1.2%). EBITDA was negatively affected during the corresponding period last year by inventory adjustments.

*The Parallel imports segment net turnover per quarter, SEK m**



*The BioPhausia corporate group is included from 31 May 2011.

Revenues and results, 1 October − 31 December 2012
Net turnover for the period totalled SEK 106.6 million (SEK 84.7 m), corresponding to an increase of SEK 21.9 million. Cross Pharma has continued to invest in the registration of new products for parallel imports. The operating profit/loss before depreciation and amortisation (EBITDA) for the period increased to SEK 5.0 million (SEK 0.6 m), corresponding to a margin of 7.8% (0.7%). EBITDA was negatively affected during the corresponding period last year by inventory adjustments.

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 296.7 million (SEK 536.3 m) at the period end, corresponding to a change of SEK -239.6 million (SEK -110.9 m). Pledged assets at the period end totalled SEK 148.4 million (SEK 162.2 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 totalled SEK -139.5 million (SEK 57.3 m), with changes in working capital accounting for SEK 7.9 million (SEK -34.9 m) of this total. Inventories increased by SEK 13.3 million during the period, primarily as a result of the growth within the parallel imports segment.

Cash flow from investing activities was SEK -7.3 million (SEK -184,8 m). The acquisition of research programmes from Novadex Pharmaceuticals during the period has affected the cash flow from investing activities to the tune of SEK 5.0 million. Purchase of tangible assets totalled SEK 10.7 million and related, primarily, to research equipment. The investing activities also included SEK 8.4 million in received considerations from the sale of BMM Pharma. The total consideration for the divestment 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 -92.8 million (SEK 16.5 m) and comprised primarily 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 and comprised the antiviral research programme acquired from Novadex Pharmaceuticals. The investments during the corresponding period last year related to the acquisition of BioPhausia. Depreciation of intangible fixed assets in the sum of SEK -24.6 million (SEK -14.0 m) was charged to the result for the period.

Investments in tangible fixed assets during the period totalled SEK 10.7 million (SEK 17.2 m) and related primarily to research equipment. Depreciation of tangible fixed assets in the sum of SEK -9.8 million (SEK -9.4 m) was charged to the result for the period.

Employees

Medivir had 162 (168) employees at the period end, 66% (63%) 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 2.2 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 − 31 December 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 34.3 million (SEK 432.3 m), a decrease of SEK 398.0 million due to lower non-recurrent payments. Non-recurrent payments during the period amounted to SEK 4.4 million. Non-recurrent payments in the sum of SEK 401.2 million were included in the turnover for the corresponding period last year. The gross profit totalled SEK 34.0 million (SEK 398.1 m), corresponding to a decrease of SEK 398.1 million.

Operating expenses totalled SEK -258.8 million (SEK -265.1 m), corresponding to a decrease of SEK 6.3 million. Selling expenses fell by SEK 41.7 million, primarily as a result of lower royalty costs. Administrative expenses increased by SEK 19.7 million, largely due to higher personnel costs. Research and development costs increased by SEK 22.2 million. Other operating income/expenses decreased by SEK 6.5 million.

The operating profit/loss totalled SEK -224.8 million (SEK 167.0 m), a decrease of SEK 391.8 million primarily due to lower non-recurrent payments. Net financial items totalled SEK -25.1 million (SEK -13.4 m). Net financial items include the depreciation of shares in Epiphany Biosciences and Presidio Pharmaceuticals amounted to SEK 9.7 m. The net result for the period was SEK -249.9 million (SEK 153.6 m).
Investments in tangible and intangible fixed assets amounted to SEK 20.6 million (SEK 15.7 m). Investments in financial fixed assets fell to SEK 0.0 million (SEK 235.8 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 272.4 million (SEK 516.3 m).

Please see the section entitled "Consolidated results and financial position" for further 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 874.9 million (SEK 1,095.6 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, 31 December 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 -7.01 (SEK 3.80). Shareholders' equity per share totalled SEK 27.99 (SEK 35.05). The equity ratio was 81.3% (80.7%).

Shareholders

On 31 December, Medivir AB had 11,004 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	2,690,731	7.2%	8.6%
Skandia Fonder	0	1,564,282	4.2%	5.0%
AFA Försäkring	0	1,520,572	4.1%	4.9%
UNIONEN	0	1,204,200	3.2%	3.9%
Handelsbanken Fonder	0	1,124,229	3.0%	3.6%
Alecta Pensionsförsäkring	0	1,000,000	2.7%	3.2%
Christer Sahlberg	92,000	29,881	2.6%	0.4%
Goldman Sachs & Co	0	940,489	2.5%	3.0%
DnB Carlsson Fonder	0	905,142	2.4%	2.9%
Tredje AP-Fonden	0	829,233	2.2%	2.7%
Banque Carnegie Luxembourg	0	736,933	2.0%	2.4%
Länsförsäkringar Fondförvaltning	0	721,795	1.9%	2.3%
JPM Chase NA	0	608,753	1.6%	2.0%
Total, 15 largest shareholders	**660,000**	**14,215,290**	**56.0%**	**47.6%**
Total, other shareholders		16,384,737	44.0%	52.4%
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, or by email to: valberedning@medivir.se.

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

Annual Report

Medivir's Annual Report is scheduled to be available on the company's website, www.medivir.se, as of 5 April 2013. Printed copies of the Annual Report will be distributed to those shareholders who have requested it.

Dividend

The Board of Directors proposes that no dividend be paid for the 2012 financial year.

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 three 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.

Medivir has several attractive projects in the development phase, of which simeprevir is the most advanced, and intends to submit a registration application for simeprevir during the first half of 2013. These factors, coupled with Medivir's ambition to identify new business opportunities in the Nordic region, form the basis for our ongoing efforts to develop Medivir into a profitable company.

CONSOLIDATED INCOME STATEMENT SUMMARY (SEK m)	**2012 Oct-Dec**	**2011 Oct-Dec**	**2012 Jan-Dec**	**2011 Jan-Dec**
Net turnover	155.5	131.8	555.0	698.6
Cost of goods sold	-109.9	-96.7	-402.7	-240.6
Gross profit	**45.6**	**35.1**	**152.3**	**458.0**
Selling expenses	-21.2	-18.4	-69.7	-95.2
Administrative expenses	-10.9	-13.9	-64.5	-47.2
Research and development costs	-60.6	-48.0	-203.3	-184.1
Other operating income/expenses	-1.4	1.2	-0.6	-19.7
Operating profit/loss	**-48.5**	**-44.0**	**-185.8**	**111.9**
Net financial items	**-1.5**	**-3.4**	**-7.1**	**-0.7**
Profit/loss after financial items	**-50.0**	**-47.4**	**-193.0**	**111.2**
Tax	-15.3	-5.7	-26.2	2.5
Net result for the period	**-65.3**	**-53.1**	**-219.1**	**113.8**
Net result for the period attributable to:				
Parent Company shareholders	**-65.3**	**-53.1**	**-219.1**	**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)	-2.09	-1.70	-7.01	3.80
Average number of shares, 000	31,260	31,254	31,257	29,924
Number of shares at period end, 000	31,260	31,254	31,260	31,254

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)	**2012 Oct-Dec**	**2011 Oct-Dec**	**2012 Jan-Dec**	**2011 Jan-Dec**
Net result for the period	**-65.3**	**-53.1**	**-219.1**	**113.8**
Other comprehensive income				
Exchange rate differences	-3.7	0.4	-2.2	0.0
Other comprehensive income for the period, net after tax	**-3.7**	**0.4**	**-2.2**	**0.0**
Total comprehensive income for the period	**-69.0**	**-52.7**	**-221.3**	**113.8**
Total comprehensive income attributable to:				
Parent Company shareholders	**-69.0**	**-52.7**	**-221.3**	**113.8**

CONSOLIDATED BALANCE SHEET SUMMARY (SEK m)	**2012 31 Dec**	**2011 31 Dec**
Assets		
Intangible fixed assets	515.0	529.0
Tangible fixed assets	35.5	35.6
Financial fixed assets	0.0	9.7
Deferred tax receivable	49.2	78.4
Inventories	87.3	74.0
Current receivables	92.5	93.9
Short-term investments	257.5	425.3
Cash and bank balances	39.2	110.9
Total assets	**1,076.2**	**1,356.8**
Equity and liabilities		
Equity	874.9	1,095.6
Long-term liabilities	40.5	70.7
Current liabilities	160.8	190.5
Total equity and liabilities	**1,076.2**	**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. 2012	**156.3**	**1,757.3**	**5.8**	**-823.8**	**1,095.6**
Total comprehensive income for the period			-2.2	-219.1	-221.3
Conversion of options		0.4			0.4
Staff stock option plans: value of employee service		0.2			0.2
Closing balance, 31 Dec. 2012	**156.3**	**1,757.9**	**3.5**	**-1,042.8**	**874.9**

CONSOLIDATED CASH FLOW STATEMENT SUMMARY (SEK m)	**2012 Oct-Dec**	**2011 Oct-Dec**	**2012 Jan-Dec**	**2011 Jan-Dec**
Cash flow from operating activities before changes in working capital	**-39,8**	**-37,3**	**-147.4**	**92.1**
Changes in working capital	-9,7	49,8	7.9	-34.9
Cash flow from operating activities	**-49,5**	**12,5**	**-139.5**	**57.3**
Investing activities				
Acquisition/sale of fixed assets	-2,9	-3,0	-15.7	-17.2
Sale of operations	-	0,0	8.4	24.0
Acquisition of operations	-	-33,7	-	-191.7
Cash flow from investing activities	**-2,9**	**-36,7**	**-7.3**	**-184.8**
Financing activities				
Issue costs	-	0,0	-	-0.4
Conversion of options	-	0,0	0.4	6.1
Acquisition of options	-	-	-	0.2
Borrowings	-	100,0	-	100.0
Amortisation of debts	-7,5	-90,0	-93.2	-90.0
Other changes in long-term liabilities	-	0,5	0.0	0.5
Cash flow from financing activities	**-7,5**	**10,5**	**-92.8**	**16.5**
Cash flow for the period				
Liquid assets at beginning of period	356,6	550,0	536.3	647.2
Change in liquid assets	-59,9	-13,7	-239.6	-111.0
Exchange rate difference, liquid assets	0,0	0,0	0.0	0.1
Liquid assets at period end	**296,7**	**536,3**	**296.7**	**536.3**

KEY RATIOS, SHARE DATA, OPTIONS	2012 Jan-Dec	2011 Jan-Dec
Return on:		
-shareholders' equity,%	-22.2	13.4
-capital employed,%	-14.8	14.2
-total assets,%	-14.0	12.7
Number of shares at beginning of period, 000	31,254	28,593
New share issues	6	2,661
Number of shares at period end, 000	31,260	31,254
-of which class A shares	660	660
-of which class B shares	30,600	30,594
Average number of shares, 000	31,257	29,924
Outstanding warrants, 000	394	713
-entitlement to class B shares upon conversion, 000	430	777
Share capital at period end, SEK m	156.3	156.3
Shareholders' equity at period end, SEK m	874.9	1,095.6
Basic and diluted earnings per share, SEK	-7.01	3.80
Shareholders' equity per share, SEK	27.99	35.05
Net worth per share, SEK	27.99	35.05
Cash flow per share after investments, SEK	-4.69	-4.26
Equity/assets ratio, %	81.3	80.7
EBITDA	-150.9	135.3
EBIT	-185.8	111.9
Operating margin; %	-33.5	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 Oct-Dec	2011 Oct-Dec	2012 Jan-Dec	2011 Jan-Dec
Net turnover	32.7	26.9	34.3	432.3
Cost of goods sold	-0.2	-0.1	-0.3	-0.2
Gross profit	**32.5**	**26.8**	**34.0**	**432.1**
Selling expenses	-2.8	-1.5	-3.8	-45.5
Administrative expenses	-10.4	-9.3	-56.1	-36.4
Research and development costs	-61.7	-48.1	-206.3	-184.1
Other operating income/expenses	-0.7	0.7	7.4	0.9
Operating profit/loss	**-43.0**	**-31.4**	**-224.8**	**167.0**
Net financial items	**-29.0**	**-23.5**	**-25.1**	**-13.4**
Profit/loss after financial items	**-72.0**	**-54.9**	**-249.9**	**153.6**
Net result for the period	**-72.0**	**-54.9**	**-249.9**	**153.6**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)	2012 Oct-Dec	2011 Oct-Dec	2012 Jan-Dec	2011 Jan-Dec
Net result for the period	**-72.0**	**-54.9**	**-249.9**	**153.6**
Other comprehensive income for the period, net after tax	**-72.0**	**-54.9**	**-249.9**	**153.6**
Total comprehensive income for the period	**-72.0**	**-54.9**	**-249.9**	**153.6**

PARENT COMPANY BALANCE SHEET SUMMARY (SEK m)	2012 31 Dec	2011 31 Dec
Assets		
Intangible fixed assets	13.8	3.8
Tangible fixed assets	32.5	33.2
Financial fixed assets	604.3	614.0
Inventories	0.0	0.3
Current receivables	24.8	13.7
Short-term investments	257.5	425.3
Cash and bank balances	14.9	91.0
Total assets	**947.8**	**1,181.3**
Equity and liabilities		
Equity	883.4	1,132.7
Current liabilities	64.4	48.6
Total equity and liabilities	**947.8**	**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

Medivir is organised into two operating segments. 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 proprietary pharmaceuticals of the wholly owned subsidiary, BioPhausia. The other operating segment comprises parallel imports of pharmaceuticals via BioPhausia's Cross Pharma subsidiary.

Reporting of operating segments, Jan-Dec (SEK m)	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
	Pharmaceuticals		**Parallel imports**		**Total**	
Net turnover	170.6	512.7	384.4	185.9	555.0	698.6
EBITDA	-165.3	137.6	14.4	-2.3	-150.9	135.3
Depreciation and amortisation					-34.9	-23.4
Net financial items					-7.1	-0.7
Profit/loss after financial items					-192.9	111.2

Seasonal variations

Medivir's sales and operating profit/loss are, to some extent, dependent on external seasonal variations over which the company has no control. Sales of influenza and common cold medications in the first and fourth quarters are affected by the influenza and common cold season and the quarter in which it occurs. This risk is, however, limited by the fact that Medivir has a number of other products in other therapeutic spheres.

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. Other services were purchased from related parties for a total of SEK 0.4 million (SEK 0.7 m). Intragroup sales totalled SEK 36.9 million (SEK 37.1 m), Intragroup purchases totalled SEK 2.7 million (SEK 36.5 m).

Stock option plans

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

Option plan 2010-2013

A staff stock option plan comprising 394,400 options was adopted at the 2010 Annual General Meeting. Approximately 343,000 options have been granted to the employees of the Group with the remainder retained to cover social security costs. For each warrant an employee acquires, they also receive one 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.

Outstanding options, redemption and forfeiture

At the end of 2012, Medivir had an outstanding option plan (2010-2013) for 394,400 options, corresponding to 429,896 class B shares. 5,688 options from the 2007-2012 plan were converted during the period and the remaining 312,419 options in the plan were forfeited when the plan expired on 30 April 2012. Options acquired during the period and other capital contributed have increased the share capital by SEK 0.0 million and SEK 0.4 million, respectively. The number of outstanding options

corresponds to approximately 1.4% of the capital and approximately 1.2% of the votes. Upon full exercise, the share capital could increase by SEK 56.9 million and the total number of shares would, accordingly, be 33,689,923. The conversion terms and exercise price for the redemption plans were restated after the rights issue in the second quarter of 2010, and confer entitlement to conversion of 1.09 shares per option.

Outstanding option plans, 31 December 2012

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

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 exposure to risk, and of the ways in which Medivir manages it, is provided in the 2011 Annual Report. Please see the 2012 Annual Report, as of 5 April 2013.

Stockholm, 22 February 2013

Göran Pettersson *Chairman of the Board*	Björn C Andersson *Member of the Board*	Rolf A Classon *Member of the Board*
Anders Hallberg *Member of the Board*	Ingemar Kihlström *Member of the Board*	Anna Malm Bernsten *Member of the Board*