

PRESS RELEASE January 4, 1999



**MEDIVIR LICENSES TO CHIRON NOVEL HIV COMPOUND**

Chiron Corporation, Emeryville, California has licensed the exclusive worldwide rights for a non-nucleoside reverse transcriptase inhibitor (NNRTI) being developed for HIV from Medivir AB, Huddinge, Sweden. Chiron and Medivir will collaborate in developing the drug through clinical trials which are anticipated to begin in 1999.

This agreement could give Medivir a total of 35 MUSD plus future royalty incomes until year 2017. Medivir received a 5 MUSD upfront payment upon signing.

Despite major advances in recent years, there remains an important need for more effective antiretroviral therapy for patients with HIV. The new Medivir compound belongs to a class of therapeutic agents called non-nucleoside reverse transcriptase inhibitors (NNRTI). As a group, NNRTIs are promising candidates for HIV drug therapy and one is being recommended as first-line HIV-therapy in combination with two other drugs.

In laboratory tests the Medivir compound is extremely active against HIV and resistant HIV and could be an advance over existing therapies.

Sales of pharmaceuticals active against HIV/AIDS grew from 535 MUSD in 1995 to an estimated 3300 MUSD in 1997. This dramatic sales gains derived from the fact that early combination therapies using three different drugs have significantly improved treatment results. The market for pharmaceuticals against HIV/AIDS is expected to expand sharply, reaching USD 8 000 MUSD by 2001 and USD 11 000 MUSD by 2006.

Medivir is a research and development company with the business concept of developing new and improved substances for the treatment of infectious diseases. Medivir's research and development initiatives are concentrated on developing new chemical substances that inhibit the enzymes polymerase and protease. These two enzymes are pre-requisites for the propagation of virtually all viruses, fungi, parasites and bacteria. Experience in the area of polymerase and protease consequently provides Medivir with the opportunity to develop new pharmaceutical substances active against various infectious diseases. At present, the research projects are primarily focused on substances active against diseases caused by viruses that cause shingles, herpes, HIV/AIDS and hepatitis.

Chiron Corporation, headquartered in Emeryville, California, is a leading biotechnology company that participates in three global healthcare markets: therapeutics, blood testing and vaccines. Chiron also conducts research and development in the field of recombinant technology, novel vaccines, gene therapy, small molecule discovery and genomics.

Chiron currently has HIV product development activities ongoing in both therapeutics and vaccines. In the therapeutic area, Chiron is investigating the use of its proprietary biologic, Proleukin® ( aldesleukin) a recombinant interleukin-2 ( IL-2), for the treatment of patients infected with HIV. In studies conducted to date, Proleukin, when used in combination with

antiretroviral therapy, has been shown to be an effective immunostimulant increasing the CD4+ cell counts of patients infected with HIV. Additionally, Chiron is actively engaged in research to develop a novel HIV vaccine capable of inducing antibody and cell-based immunity.

”We are very pleased with this agreement, comments Jonas Frick, CEO of Medivir. ”We have in Chiron found a partner with whom we hope to develop the HIV treatment of the future. Chiron is a well known for its work in the HIV area and we believe that our compound fits very well within their portfolio”, continues Jonas Frick.

”Medivir’s compound is an attractive addition to Chiron’s product development pipeline” says Lewis T. ( Rusty) Williams, M.D.,Ph.D.,Chiron’s chief scientific officer and president of Chiron Technologies. ”This agreement underscores our deep commitment to developing treatments for infectious diseases such as HIV. We believe that this compound is a promising drug candidate in a fast-moving, competitive field. By working in partnership with Medivir, with its focus on novel antivirals, we feel that we can move quickly to capitalize on this important drug lead.”

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Jonas Frick  
President and CEO  
Medivir AB

For further information please contact Jonas Frick, President or Anna Bernsten, Vice President Business Development and Investor Relations at Medivir +46-8-6083100

For more information about Medivir: [www.medivir.se](http://www.medivir.se)

For more information about Chiron: [www.chiron.com](http://www.chiron.com)