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MEDIVIR'S RESEARCH PARTNER, PEPTIMMUNE, ATTRACTS USD 41.2m FROM INVESTORS

JOINT CATHEPSIN S INHIBITOR PROJECT CONTINUED AGGRESIVELY

The American biotech corporation, Peptimmune, has recently obtained USD 41.2 million from American investors. As a consequence, Medivir's cathepsin s inhibitor project, partnered with Peptimmune, will benefit and will continue to be pursued aggressively towards the clinical phases of pharmaceutical development.

Cathepsin S is a protease with a fundamental function in immunological processes and autoimmune diseases. Medivir has developed potent compounds which selectively inhibit cathepsin S and which have been demonstrated to be active in animal models of rheumatoid arthritis (RA) and multiple sclerosis (MS). Medivir has filed several patent applications for cathepsin S inhibitor compounds and the Medivir/Peptimmune collaboration also controls the patent rights for cathepsin S as a drug development target for immune diseases.

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The Medivir Group

Medivir is an innovative and specialized research company active in the pharmaceuticals sphere, located in Cambridge, UK, and Huddinge, Sweden. Medivir's research focuses on the development of new pharmaceutical compounds as inhibitors of target enzymes with protease or polymerase activity.

The group comprises Medivir AB, the subsidiaries Medivir UK Ltd. and CCS AB, plus second-tier subsidiaries CCS (UK) Ltd. and Nordic Care Sweden AB. Medivir has been listed on the Stockholm Stock Exchange since 1996.

The research portfolio includes projects against HIV, viral hepatitis, shingles, cold sores, osteoporosis, rheumatoid arthritis, asthma, multiple sclerosis and organ/graft rejection. Medivir has four projects in clinical development. Of these, two are moving towards Phase III trials after having completed Phase II trials. One is in Phase I and the other is in Phase II. Medivir's pre-clinical research encompasses a number of projects, of which one is in the late pre-clinical development stage and a further three are in, or are entering the lead optimization phase. A further fifteen activities are in the explorative stage.

For more information about Medivir, visit the company's web site at www.medivir.com