PRESS RELEASE, 26 October 2005

MEDIVIR, INTERIM REPORT, 1 January – 30 September 2005

- A phase IIa study on MIV-210 against multiresistant HIV began in September.
- A Candidate drug (CD) was designated on the Cathepsin K project against osteoporosis in May.
- BI (Boehringer Ingelheim) concluded its research collaboration with Medivir on the HIV compound MIV-310 (polymerase inhibitor) in March. Medivir has decided to prioritize its protease projects, and accordingly, will not assign in-house resources to MIV-310 until further notice.
- Consolidated net sales were SEK 41.0 (18.4) m in the period.
- The loss after tax was SEK -112.6 (-132.3) m; earnings per share were SEK -8.72 (-12.31).

FOR MORE INFORMATION, PLEASE CONTACT
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FORTHCOMING FINANCIAL INFORMATION
The Financial Statement will be published on 16 February 2006
The Three-month Interim Report will be published on 26 April 2006
The Annual General Meeting will be on 26 April 2006, from 3 p.m.

Medivir's financial reports are available from its Website, www.medivir.se from these dates.

The Medivir Group

Medivir is an innovative, specialist research company that develops drugs with the objective of becoming a sustaining, profitable pharmaceuticals company. 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 30 September 2005, the group had 129 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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SIGNIFICANT EVENTS IN THE THIRD QUARTER

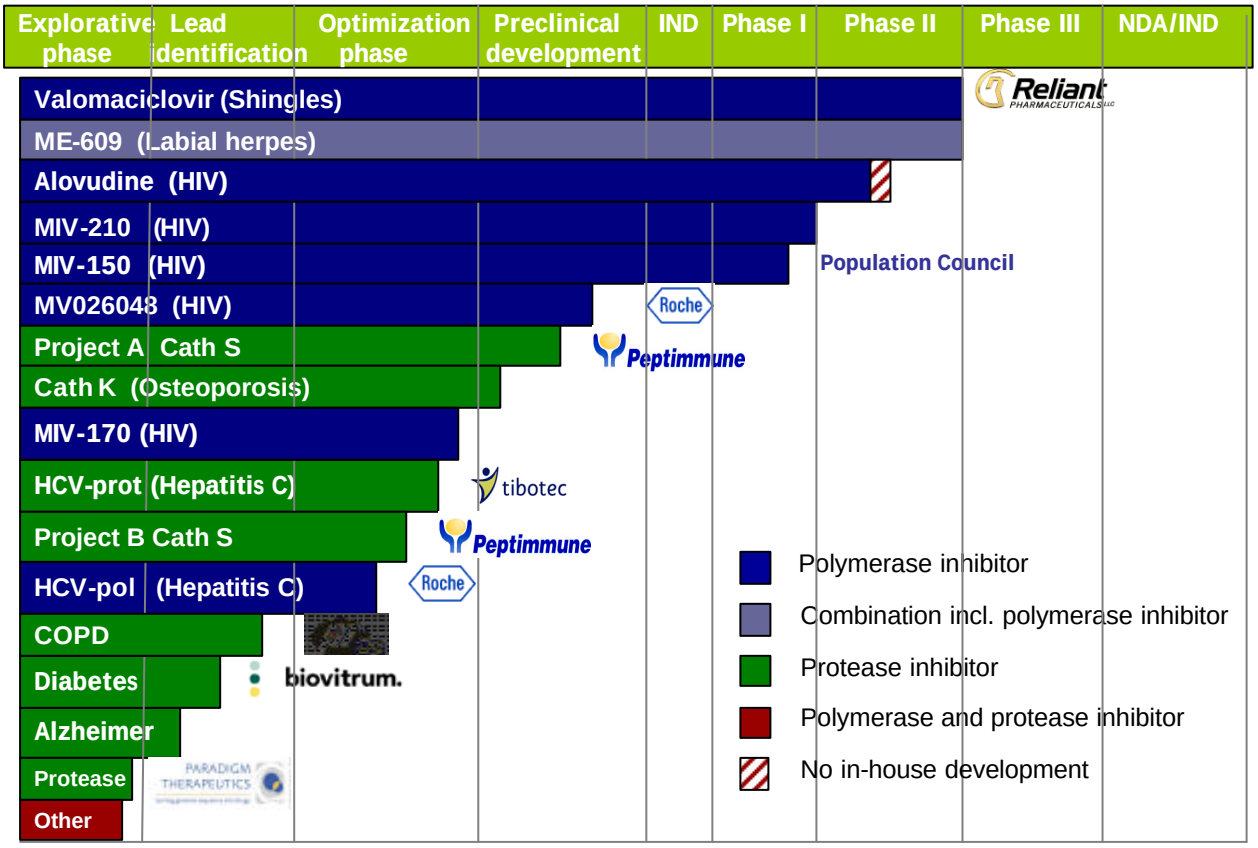
MIV-210 is a nucleoside analogue (NRTI) with the potential to treat HIV and HBV (hepatitis B virus). In September, Medivir began a phase IIa trial on patients with multiresistant HIV, whose purpose is to specify MIV-210's clinical efficacy at a given dosage. Medivir expects to be able to evaluate this study, where MIV-210 is administered in daily dosages over two weeks, within six months.

By bringing MIV-210 into phase II, Medivir is testing its hypothesis that at relatively low dosages, MIV-210 has the capacity to assist the growing HIV patient population for whom extant therapies are inadequate. If the results are positive, MIV-210 will enjoy significant potential in the HIV indication. Apart from this indication, Medivir also sees possibilities for MIV-210 in another serious viral infection—hepatitis B.

In preclinical studies, MIV-210 is an effective inhibitor of multiresistant HIV strains and HBV. Moreover, in cell cultures, MIV-210 has demonstrated good efficacy against HBV that has become resistant to other drugs currently on the market. Moreover, in phase I studies on healthy volunteers, MIV-210 has demonstrated good oral bioavailability, while high plasma levels can be achieved.

Medivir considers that a favorable outcome of current studies would significantly enhance its prospects of finding a partner on its project ahead of ongoing clinical development.

MEDIVIR'S PROJECT PORTFOLIO AS OF Q3 2005



INFECTIOUS DISEASES

Valomaciclovir (RP-606)—data from a phase IIb study on the **shingles** indication suggests 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 shingles and PHN.

In autumn 2004, Reliant initiated discussions with US regulator the FDA (Food & Drug Administration) regarding the design of further studies to demonstrate a palpable effect on PHN optimally. The FDA has proposed complementary phase II studies intended to test higher dosages to examine the optimal development strategies for future phase III studies. Medivir and Reliant are actively discussing ways to bring the project on towards market launch. The objective is to examine whether a combined phase II/III study might be a possible way forward, in consultation with the FDA.

ME-609 is a project against oral herpes run by Medivir in-house. Phase II study data on the **labial herpes** (cold sores) indication demonstrates with early treatment start, ME-609 can prevent the incidence of cold sores and lesions. These results suggest that ME-609 is superior to extant drugs for treating cold sores.
Efforts to secure a partnership for the project's onward development continued in the quarter, including contacts with the FDA.

Alovudine (MIV-310) is a project developed to treat patients with multiresistant **HIV**, and has unique effect against a number of resistant strains.
In February, Boehringer Ingelheim concluded a clinical study on MIV-310 (alovudine) against HIV/AIDS. Although the studied dosages of MIV-310 demonstrated antiviral effect, this did not match BI's predetermined target level. Accordingly, BI resolved to conclude the development of this clinical CD, and terminated its agreement with Medivir in March.
At this time, Medivir decided not to assign resources for MIV-310's continued development, but instead, to focus on the protease inhibitor projects closest to clinical development phases. Since the spring, efforts on MIV-310 have been oriented on taking over technical documentation from Boehringer Ingelheim, a process that is now concluded.

MIV-210 is a project developed for treating **HIV** and **HBV** patients that have developed resistance to extant drugs, and as a first-line therapy for HBV patients in combination with other drugs. Recently, Medivir began 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 implementing the clinical study.

MIV-150 preclinical data demonstrates that MIV-150 has good 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. Phase I studies are currently ongoing. The NIH (National Institutes of Health) gave Medivir and the Population Council a grant for activities relating to the project in the quarter.

MV026048— HIV polymerase inhibitor NNRTI is in late preclinical development. Roche has an opt-in on this project.

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 2004, 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.

This project, based on three mutually independent molecule series, is progressing briskly, using substantial shared resources, and the next milestone is to designate a CD. At its Pharmaceutical R&D Day on 26 May 2005, Johnson & Johnson announced that clinical phase I studies would begin in 2006.

MIV-170 polymerase inhibitors—this project is an example of an entirely new structural class of NNRTI compounds with very powerful resistance profile data. Compounds in the MIV-170 project are also intended as therapy for new (treatment-naive) HIV patients and 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 are proceeding. After completing evaluation, Medivir intends to designate a CD to then seek a partner for ongoing project development at a suitable time.

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 to identify and document new promising compounds continued in the quarter.

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.

Program B, which was initiated and started optimization in spring 2004, is making 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.

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.
The goal is to develop a drug that reduces bone degradation and restores the balance between skeletal formation and resorption. 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 has demonstrated powerful effect and high selectivity in a human cell-based model of bone resorption. Since April, when a CD was designated on the project, it has been in its regulated preclinical development phase. The objective is to file an IND application, with phase I studies as its next objective. This phase involves a series of activities such as the synthesis of large-scale volumes of the compound, and safety studies that take some 12-18 months (industry average).
Medivir has also begun a preclinical project to document the effect of Cathepsin K inhibitors in osteoarthritis (arthrosis), a severe and very widespread joint disorder, which has no effective therapy at present.

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 41.0 (18.4) m. The sales are attributable to remuneration for research collaboration on HCV protease inhibitors from Tibotec Pharmaceuticals Ltd., and remuneration from Roche for an HCV polymerase inhibitor research collaboration. Operating costs were SEK -161.4 (-155.9) m, comprising external costs of SEK -68.1 (-74.6) m, Personnel costs of SEK -77.9 (-69.4) m and depreciation and amortization of SEK -15.4 (-11.9) m. The operating loss was SEK -120.2 (-136.7) m, the net financial position was SEK 7.2 (4.1) m and the profit after financial items was SEK -113.0 (-132.6) 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 45.2 (16.9) m, and as stated above, primarily comprised remuneration for research collaboration on HCV protease inhibitors from Tibotec Pharmaceuticals Ltd. and remuneration from Roche for the HCV polymerase inhibitor research collaboration.

Operating costs were SEK -148.7 (-139.8) m, comprising external costs of SEK -89.2 (-86.7) m, Personnel costs of SEK -51.3 (-46.3) m and depreciation and amortization of SEK -8.1 (-6.7) m. The external costs item includes SEK -43.0 (-43.8) m of remuneration to Medivir UK for contracted preclinical research conducted at Chesterford Research Park. These costs are on market terms.

Operating profit was SEK -103.2 (-122.1) m and profit after financial items, and profit after tax, were SEK -103.7 (-126.5) m. Profit after financial items includes a funding cost for Medivir UK of SEK -9.0 (-9.0) m.

Liquid assets including short-term investments with a maximum maturity of three months were SEK 323.4 (376.4) m. Investments, primarily in research equipment and existing research premises, were SEK 9.7 (8.1) m.

Financial Position
Consolidated liquid assets including short-term investments with a maximum maturity of three months stood at SEK 324.0 (378.6) m. The group's total value of liquid assets and short-term investments is SEK 324.0 (423.6) m. As of 30 September, interest-bearing liabilities were SEK 21.2 (30.9) m. Shareholders' equity was SEK 369.4 (456.6) m; the consolidated equity ratio was 84.0 (87.0)%.

Investments
Gross investments in consolidated intangible and tangible fixed assets amounted to SEK 14.2 m in the period, mainly in research equipment and existing research premises (previous year, SEK 44.7 m, of which SEK 30.6 m was investments in Medivir UK's new research premises). Medivir's future investments primarily comprise the acquisition of further research equipment.

The Share and Stock Options
There are a total of 12,902,611 outstanding shares, comprising 660,000 class A and 12,242,611 class B shares. The AGM (Annual General Meeting) on 21 April 2005 approved a new stock option plan encompassing 280,000 options for subscription for class B shares, some 220,000 of which for apportionment to the group's employees and the remainder retained in a cash flow hedge to cover expenditure for social security costs. This means that in total, the number of outstanding options is 886,995, and upon full conversion, the total number of shares would be 13,829,306.

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.

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.

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. 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 principles 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 the IASB's recommendations, retroactive adoption of recommendations has been implemented to the extent required by IFRS 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 also 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.

More information on **IAS 39** is under the IAS 39 heading below.

Apart from the above choices, Medivir has reset accumulated **exchange rate differences** to zero as of 1 January 2004.
As for the recalculated balance sheet as of 1 January 2004, Medivir has chosen to utilize its previous **cost values**, rather than using any actual valuation of tangible or intangible assets. The principle of cost value accounting with linear depreciation over assessed useful lives will remain in use.

IFRS 2
Medivir accounts its 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 three plans 2002/2007, 2004/2009 and 2005/2010) at market value at issuance, 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.

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, which in this case, corresponds to IAS 19 in principle terms for Medivir, 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 if it was a defined-contribution scheme. The group's other pension schemes are defined-contribution.

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 deductible 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.
- The balance sheet item 'acquired research and development', identified in the recalculated acquisition, has given rise to a deferred tax effect.
- The adoption of IFRS 2 on stock option plans implies an opening balance effect of SEK 0.6 m on shareholders' equity as of 1 January 2004.
- As reviewed above, exchange rate differences have been reset to zero.

For a comprehensive quantitative disclosure of opening balances as of 1 January 2004 and recalculated closing balances as of 31 December 2004, readers are referred to Appendices 1, 5, 6 and 7 of Medivir's Interim Report for 1 January - 31 March 2005.

Quantitative Effects on Comparative Figures for the Period January-September and the Quarter July-September 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:

The Period January-September 2004
- At the adoption of IFRS 2, the effect in January - September 2004 is Personnel costs increasing by SEK 1.0 m, and the same increase to restricted equity. More information in Appendices 1 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 9.4 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 0.4 m in the period and gives rise to the corresponding amount as a deferred tax revenue in the Income Statement.
- The Cash Flow Statement's comparative figures have been converted pursuant to the definition of liquid assets stated in IAS 7. For January - September 2004, this means that liquid assets reduced by SEK 45.0 m.

The Quarter July-September 2004

- Because of the adoption of IFRS 2, Personnel costs for April-September 2004 increased by SEK 0.4 m and restricted equity increased by the corresponding amount.
- The quarter was also affected by an SEK 0.1 m deferred tax revenue and the deferred tax liability reduced by the corresponding amount.

Quantitative Effects Accounted in the Period January-September 2005 Due to the New Principles

- In January-September 2005, the adoption of IFRS 2 implied personnel costs increasing by SEK 1.4 m and the same increase to restricted equity.
- A deferred tax revenue of SEK 0.4 m due to the adoption of IFRS 3 is accounted, and the deferred tax liability reduces by the same amount.
- The adoption of IAS 39 on 1 January 2005 generated an SEK 1.5 m effect implying an increase to the value of short-term investments and a reduction of the accumulated deficit. The effect of the revised principle on the opening balance of year-2005 shareholders' equity is disclosed in the shareholders' equity statement for the period. A comprehensive statement of the transitional effects resulting from IAS 39 is provided in note A on the Income Statement of the quarterly report for the period January-March 2005.
- Income Statement effects from the adoption of IAS 39 in January - September 2005 amount to SEK 6.0 m.

ELECTION COMMITTEE 2005-2006

Pursuant to an AGM resolution, the Election Committee 2005-2006 will comprise representatives of at least three of Medivir's largest shareholders at the end of the third quarter 2005 and the Chairman of the Board. This implies that Medivir's Election Committee will comprise Staffan Grefbäck, Alecta, Carl Harald Jansson, Carnegie Funds, Roger Johansson, Skandia, Bo Öberg and Anders Vedin, Chairman of the Board.

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 progress of existing partnerships and securing new partnerships may exert a major influence on Medivir's revenues and cash position, although scheduling revenue flows is impossible. Medivir's net research costs for 2005 will end at approximately SEK 155 m, which is lower than the previous estimate.

The Board
Medivir

Huddinge, Sweden, 26 October 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	Peter Clemedtson
Authorised Public Accountant	Authorised Public Accountant

Stockholm, Sweden, 26 October 2005.

CONSOLIDATED INCOME STATEMENT
Summary, SEK m

	2005 Jan-Sep	Adj. for IFRS 2004 Jan-Sep	Not Adj. for IFRS 2003 Jan-Sep	Adj. for IFRS 2004 Jan-Dec	Note/ Appendix
Turnover, etc.					
Net sales	41.0	18.4	148.2	82.6	
Change in inventories and other revenue	0.2	0.8	3.2	2.5	
Total	**41.2**	**19.2**	**151.4**	**85.1**	
Operating costs					
Raw materials and consumables	0.0	0.0	-33.7	0.0	
Other external costs	-68.1	-74.6	-76.7	-99.1	
Personnel costs	-77.9	-69.4	-87.1	-95.7	Appendix 1
Depreciation and amortization	-15.4	-11.9	-16.5	-16.6	
Total operating costs	**-161.4**	**-155.9**	**-214.0**	**-211.4**	
Operating profit	**-120.2**	**-136.7**	**-62.6**	**-126.3**	
Profit from financial investments	7.2	4.1	64.9	12.3	
Profit after financial items	**-113.0**	**-132.6**	**2.3**	**-114.0**	
Tax	0.4	0.4	0.0	2.5	A) Appendix 1
Net profit	**-112.6**	**-132.2**	**2.3**	**-111.5**	
Earnings per share, SEK	-8.72	-12.31	0.27	-10.38	
Average number of shares, 000	12,903	10,746	8,590	10,746	
Number of shares, closing balance, 000	12,903	12,902	8,590	12,903	

A) 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.

CONSOLIDATED INCOME STATEMENT
Summary, SEK m

	2005 Jul-Sep	Adj. for IFRS 2004 Jul-Sep	Not Adj. for IFRS 2003 Jul-Sep	Note/ Appendix
Turnover, etc				
Net sales	13.8	5.9	9.6	
Change in inventories and other revenue	-0.2	0.2	0.8	
Total	**13.6**	**6.1**	**10.4**	
Operating costs				
Other external costs	-22.2	-23.5	-17.0	
Personnel costs	-25.9	-21.2	-18.4	Appendix 2
Depreciation and amortization	-5.1	-4.0	-4.0	
Total operating costs	**-53.2**	**-48.7**	**-39.4**	
Operating profit	**-39.6**	**-42.6**	**-29.0**	
Profit from financial investments	0.3	3.1	64.6	
Profit after financial items	**-39.3**	**-39.5**	**35.6**	
Tax	0.1	0.1	0.0	Appendix 2
Net profit	**-39.2**	**-39.4**	**35.6**	

CONSOLIDATED BALANCE SHEET
Summary, SEK m

	2005 30 Sep	Adj. for IFRS 2004 30 Sep	Not Adj. for IFRS 2003 30 Sep	Adj. for IFRS 2004 31 Dec	Note/Appendix
Assets					
Fixed assets					
Intangible fixed assets	9.6	9.4	11.1	10.9	
Tangible fixed assets	84.5	74.7	40.9	80.7	
Financial fixed assets	0.0	1.8	3.2	0.0	
Total fixed assets	**94.1**	**85.9**	**55.2**	**91.7**	
Current assets					
Inventories	0.0	0.0	5.4	0.0	
Current receivables	21.8	15.5	11.5	24.3	
Short-term investments	320.1	358.0	264.8	419.6	
Cash and bank balances	3.9	65.6	6.0	21.0	
Total current assets	**345.8**	**439.1**	**287.7**	**464.9**	
Total assets	**440.0**	**525.0**	**342.9**	**556.6**	
Liabilities and shareholders' equity					
Restricted equity	861.6	864.9	585.3	862.5	Appendix 3
Accumulated deficit	-492.1	-408.3	-264.9	-386.8	Appendix 3
Total shareholders' equity	**369.4**	**456.6**	**320.4**	**475.7**	
Long-term liabilities, interest-bearing	12.0	21.8	3.3	18.7	
Long-term liabilities, non interest-bearing	2.2	2.6	0.0	2.5	Appendix 3
Current liabilities, interest-bearing	9.2	9.2	0.0	9.2	
Current liabilities, non interest-bearing	47.2	34.8	19.2	50.5	
Total liabilities and shareholders' equity	**440.0**	**525.0**	**342.9**	**556.6**	
Pledged assets					
Pledged short-term investments	9.2	13.8	0.0	12.6	

STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY
SEK m

	2005 Jan-Sep	2004 Jan-Sep	2003 Jan-Sep	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
Stock option plans: value of staff service	1.4	1.0		1.4
New issue		313.6		313.6
Exchange rate differences	3.4	-0.6	-1.9	-2.6
Net profit	-112.6	-132.2	2.3	-111.5
Closing balance for the period	**369.4**	**456.6**	**320.4**	**475.7**

CONSOLIDATED CASH FLOW STATEMENT
Summary, SEK m

	2005 Jan-Sep	Adj. for IFRS 2004 Jan-Sep	Not Adj. for IFRS 2003 Jan-Sep	Adj. for IFRS 2004 Jan-Dec	Note/ Appendix
Ongoing operations					
Operating profit after financial items	-113,0	-132.6	2.3	-114.0	Appendix 4
Estimated subsidiary tax credit	0.0	0.0	0.0	2.0	
Adjustment for items not included in cash flow:					
- Sales of subsidiaries	0.0	0.0	-53.7	0.0	
- Depreciation, amortization and write-downs	15.4	11.9	16.5	17.9	
- Capital gain/loss on divestment of fixed assets and exchange rate difference	0.0	-3.6	-2.1	-7.9	
- Tax paid/received	1.4	-1.0	0.8	-1.4	
- Effect of adoption of IFRS	2.9	1.0	0.0	1.4	Appendix 4
Cash flow from ongoing operations before Change in working capital	**-93.3**	**-124.3**	**-36.2**	**-102.0**	
Change in working capital	-2.1	8.4	-1.8	16.6	
Cash flow from ongoing operations	**-95.4**	**-115.9**	**-38.0**	**-85.5**	
Investment activity					
Acquisition/divestment of tangible fixed assets	-13.9	-44.7	-7.8	-55.4	
Acquisition of intangible fixed assets	-0.3	0.0	0.0	-1.9	
Sales of subsidiaries	0.0	0.0	114.1	0.0	
Sales of financial fixed assets	0.0	3.9	0.0	6.0	
Reduction of long-term receivables	0.0	0.0	59.5	0.0	
Cash flow from investment activity	**-14.2**	**-40.8**	**165.8**	**-51.3**	
Financing activity					
New issue	0.0	313.6	0.0	313.6	
Loans raised	0.0	27.6	0.0	27.5	
Amortization	-6.9	0.0	-0.8	-3.0	
Cash flow from financing activity	**-6.9**	**341.2**	**-0.8**	**338.1**	
Cash flow for the period					
Liquid assets, opening balance	440.6	239.2	143.9	239.2	A)
Change in liquid assets	-116.6	184.4	127.0	201.4	
Exchange rate difference, liquid assets	0.0	0.0	-0.1	0.0	
Reclassification between short-term investments and liquid assets	0.0	-45.0	0.0	-100.9	B) Appendix 4
Liquid assets, closing balance	**324.0**	**378.6**	**270.8**	**339.6**	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 three 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 is additional to liquid assets as of 31 Dec. 2004.
For the loan of SEK 18.3 m as of 30 Sep. 2005 that Medivir AB raised, the company has pledged short-term investments of SEK 9.2 m as collateral.

KEY FIGURES

	2005 Jan-Sep	Adj. for IFRS 2004 Jan-Sep	Not Adj. for IFRS 2003 Jan-Sep	Adj. for IFRS 2004 Jan-Sep	Note/ Appendix
Return on:					
- equity, %	-26.63	-36.16	0.71	-29.72	
- capital employed, %	-25.04	-34.61	0.88	-28.95	
- total capital, %	-22.46	-31.83	0.80	-26.18	
Average number of shares, 000	12,903	10,746	8,590	10,746	
Number of shares, closing balance, 000	12,903	12,902	8,590	12,903	
Outstanding warrants, 000	887.0	647.5	513.4	646.9	
Earnings per share, SEK	-8.72	-12.31	0.27	-10.38	
Shareholders' equity per share, SEK	28.63	35.39	37.30	36.87	
Cash flow per share after investments, SEK	-8.51	-14.59	14.86	-12.72	
Earnings per share, SEK	-7.97	-11.40	0.44	-9.52	A, B)
Shareholders' equity per share, SEK	33.05	38.87	42.42	40.66	A, B)
Equity ratio, %	83.97	86.97	93.44	85.46	

For forecast year-2005 earnings per share, please refer to the 'Outlook' heading in the section on Medivir's consolidated turnover and costs.

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.

B) Previous stock option plans from 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.

APPENDIX 1
Adjustment of Income Statement, January -September 2004 Pursuant to IFRS

Summary, SEK m

	Original Income Statement, Jan-Sep 2004	Adjustment, Jan-Sep 2004	Adj. Income Statement for IFRS, Jan-Sep 2004	Note
Turnover, etc.				
Total	**19.2**	**0**	**19.2**	
Total operating costs	**-154.9**	**-1.0**	**-155.9**	A)
Operating profit	**-135.7**	**-1.0**	**-136.7**	
Total profit from financial investments	**4.1**	**0.0**	**4.1**	
Profit after financial items	**-131.6**	**-1.0**	**-132.6**	
Tax	0.0	0.4	0.4	B)
Net profit	**-131.6**	**-0.6**	**-132.2**	
Earnings per share, SEK	-12.25		-12.31	
Average number of shares, 000	10,746		10,746	
Number of shares, closing balance, 000	12,902		12,902	

APPENDIX 2
Adjustment of Income Statement, July -September 2004 Pursuant to IFRS

Summary, SEK 000

	Original Income Statement, Jul-Sep 2004	Adjustment, Jul-Sep 2004	Adj. Income Statement for IFRS, Jul-Sep 2004	Note
Turnover, etc.				
Total	**6.1**	**0.0**	**6.1**	
Total operating costs	**-48.3**	**-0.4**	**-48.7**	**A)**
Operating profit	**-42.2**	**-0.4**	**-42.6**	
Total profit from financial investments	**3.1**	**0.0**	**3.1**	
Profit after financial items	**-39.1**	**-0.4**	**-39.5**	
Tax	0.0	0.1	0.1	B)
Net profit	**-39.1**	**-0.3**	**-39.4**	

A) Calculated personnel cost for stock option plans
B) Reduction of deferred tax liability for acquired R&D

APPENDIX 3
Adjustment of Balance Sheet, 30 September 2004 Pursuant to IFRS

Summary, SEK m

	Original Balance Sheet 30 Sep. 2004	Adjustment 30 Sep. 2004	Adj. Balance Sheet for IFRS, 30 Sep. 2004	Note
Assets				
Total fixed assets	**85.9**	**0.0**	**85.9**	
Total current assets	**439.1**	**0.0**	**439.1**	
Total assets	**525.0**	**0.0**	**525.0**	
Liabilities and shareholders' equity				
Restricted equity	863.3	1.6	864.9	A)
Accumulated deficit	-404.1	-4.2	-408.3	A, B)
Total shareholders' equity	**459.2**	**-2.6**	**456.6**	
Total liabilities	**65.8**	**2.6**	**68.4**	B)
Total liabilities and shareholders' equity	**525.0**	**0.0**	**525.0**	

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

	Restricted Equity	Accumulated Deficit	Total Shareholders' Equity
Adopted Balance Sheet, 30 Sep. 2004	**863.3**	**-404.1**	**459.2**
Effects of revised principle			
Stock option plans, effect on opening balance	0.6	-0.6	0.0
Deferred tax on acquired R&D, effect on opening balance		-3.0	-3.0
Stock option plans, effect on Q1 to Q3 2005	1.0	-1.0	0.0
Deferred tax on acquired R&D, effect on Q1 to Q3 2005		0.4	0.4
Adjusted Balance Sheet, 30 Sep. 2004	**864.9**	**-408.3**	**456.6**

APPENDIX 4
Adjustment of Cash Flow Statement, January-September 2004 Pursuant to IFRS

Summary, SEK m

	Orig. Cash Flow, Jan-Sep 2004	Adjustment, Jan-Sep 2004	Adj. Cash Flow for IFRS, Jan-Sep 2004	Note
Cash flow from ongoing operations	**-115.9**	**0.0**	**-115.9**	
Cash flow from investment activity	**-40.8**	**0.0**	**-40.8**	
Cash flow from financing activity	**341.2**	**0.0**	**341.2**	
Cash flow for the period				
Liquid assets, opening balance	239.2		239.2	A)
Change in liquid assets	184.4		184.4	
Exchange rate difference, liquid assets	0.0		0.0	
Reclassification between short-term investments and liquid assets		-45.0	-45.0	B)
Liquid assets, closing balance pursuant to IAS 7	**423.6**	**-45.0**	**378.6**	C)

A) Until 31 Dec. 2003 inclusive, liquid assets comprised cash and bank balances, plus short-term investments.
B) SEK 45 m of short-term investments have maturities of more than 3 months and have thus 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.