PRESS RELEASE, 16 February 2006

MEDIVIR'S FINANCIAL STATEMENT 1 January – 31 December 2005

- **Milestone payment received from Tibotec**
- **CD designated on hepatitis C project with Tibotec**
- **Decision to start phase III studies on ME-609 in-house**
- **Decision to focus operations and incorporate subsidiary Medivir HIV Franchise AB**
- **Rights to valomaciclovir (MIV-606) revert to Medivir**
- **Phase IIa study on MIV-210 (HIV) begin**
- **CD, MIV-701, designated on Cathepsin K program**
- **Boehringer Ingelheim return MIV-310 (HIV)**
- **Consolidated net sales were SEK 102.6 (82.6) m.**
- **The loss after tax was SEK -104.7 (-111.5) m; earnings per share were SEK -8.10 (-10.38).**

FOR MORE INFORMATION, PLEASE CONTACT
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FORTHCOMING FINANCIAL INFORMATION

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.
The Six-month Interim Report will be published on 10 July 2006
The Nine-month Interim Report will be published on 23 October 2006

Medivir's Financial reports are available on its website, www.medivir.se from these dates under the 'Investor/Media' heading.

The Annual Report will be uploaded to Medivir's website at the end of March/early April. A print version will be available on order from the company.

The Medivir Group

Medivir develops drugs against major, widespread diseases based on proteases as targets. The objective is to be a sustainable, profitable research-based pharmaceutical company with products on the market developed in-house. Medivir is located in Huddinge, Sweden and at Chesterford Research Park, Essex, UK.

The group consists of Medivir AB, its subsidiary Medivir UK Ltd., Medivir HIV Franchise AB and Medivir Personal AB. As of 31 December 2005, the group had 133 employees. Medivir was listed on the Stockholm Exchange O-list in 1996.

Medivir's research portfolio includes projects against hepatitis C, labial herpes, osteoporosis, osteoarthritis, RA (rheumatoid arthritis), asthma, MS (multiple sclerosis) and autoimmune disorders. Medivir has five individual projects in development, one of which is approaching phase III.
Medivir HIV Franchise AB focuses on developing and divesting HIV/HBV projects and determining the clinical strategy for MIV-606 against shingles.

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SIGNIFICANT EVENTS IN THE FOURTH QUARTER 2005

Resource Prioritization and Clarification of Focus—Medivir HIV Franchise AB
In December, Medivir AB's Board of Directors resolved to incorporate a new subsidiary, Medivir HIV Franchise AB, to prepare for the divestiture of all polymerase inhibitor projects against HIV, hepatitis B and shingles. Several of Medivir's most eminent virus researchers will work for this entity. Future investments on these projects will be very limited. This will create a sharper focus, and will enable Medivir to gather its resources to bring protease projects into the clinic, and to bring ME-609 towards market registration.

Labial Herpes Project ME-609 on to Phase III In-house
In December, Medivir decided to take ME-609 through registration studies (phase III) in-house. This project features low development risk, and harbors the potential to offer patients treatment that prevents the incidence of cold sores for the first time. Medivir considers that a launch may be possible in late 2008. The cost of the phase III studies, with planned start in autumn 2006, could be limited to approximately SEK 40 m in the current year.

Designation of CD on the Hepatitis C Protease Project—Collaboration with Tibotec
In December, a CD (candidate drug) was designated on the collaboration project with Tibotec Pharmaceuticals Ltd., a Johnson & Johnson group company. The objective of this research collaboration is to produce and develop orally active inhibitors of the HCV protease NS 3/4A to treat hepatitis C infections. Thus, this collaboration, which began in November 2004, achieved a vital milestone on its route to clinical studies.

Milestone Payment from Tibotec
Separate from the designation of a CD, the first preclinical milestone was attained in December, triggering a EUR 5 m payment.

Medivir Regains the Rights to Valomaciclovir (MIV-606)
This reversion was conducted thanks to a mutual decision to conclude the license agreement with Reliant Pharmaceuticals Inc. The dissolution of Medivir's and Reliant's licensing agreement on MIV-606 will result in all rights, all clinical and other data prepared during the contract term, returning to Medivir. Reliant's activities include a number of phase I studies with positive outcomes, increasing the data volumes on this project. Several of these studies were conducted at the same dosages as in the earlier phase II study, which demonstrated a clear trend towards efficacy on PHN (post-herpetic neuralgia). Higher dosages have also been trialed without any significant side-effects that could rule out further clinical evaluation of higher dosages being observed. The management of Medivir HIV Franchise AB will continue their discussions with the FDA and examine the possibility of conducting a combined phase II/III study to accelerate the project's development rate.

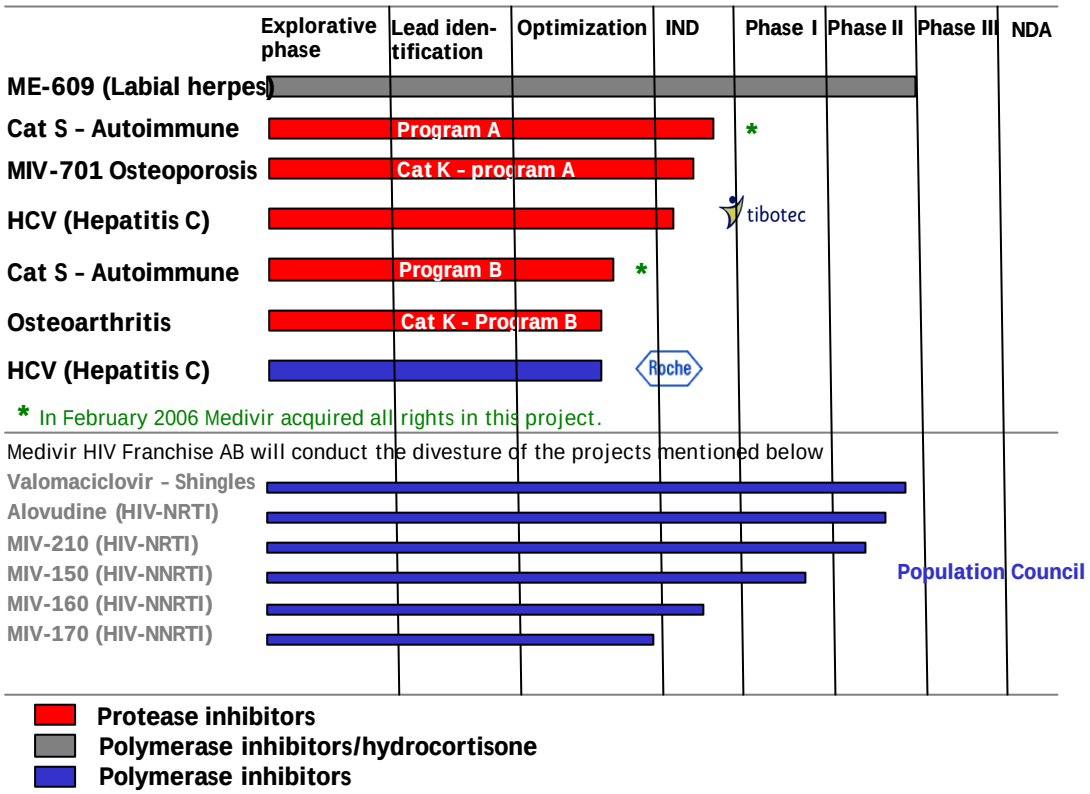
SIGNIFICANT EVENTS AFTER YEAR-END

In February, Medivir announced two significant events for its business.
The first was the designation of a CD on its MIV-170 (HIV-NNRTI) research program. This project can now enter the preclinical development phase, the stage before clinical studies. However, as announced in December 2005, Medivir's ambition is to pursue the divestment or outlicensing of its polymerase projects, including this project, through the subsidiary Medivir HIV Franchise AB.
The second event was the acquisition of all development rights on the Cathepsin S project from Medivir's global partner Peptimmune Inc. This acquisition will be effected by Medivir writing off Peptimmune's accumulated deficit on what previously, was joint project finance. Additionally, Medivir will pay royalties to Peptimmune for future revenues generated on this Cathepsin S program.
The above information does not affect Medivir's accounted profits or financial position in the year.

MEDIVIR'S PROJECT PORTFOLIO
Since December, Medivir's project portfolio has been divided into two, as illustrated in the figure.

The first contains ME-609 against labial herpes, plus protease projects against osteoporosis, osteoarthritis, RA, MS, hepatitis C and the Roche-owned polymerase inhibitor projects against hepatitis C.
Early protease research activities are also being conducted with partners or in networks with various university networks. Such activities are intended to capture new ideas for Medivir, and thereby secure long-term project generation.

The second part comprises those polymerase inhibitor projects to be divested by Medivir HIV Franchise AB on HIV, hepatitis B and shingles.



Registration Studies on ME-609
ME-609 is a project against labial herpes conducted by Medivir in-house. Data from a phase II study on the labial herpes (cold sores) indication demonstrates that with early treatment, ME-609 prevents the incidence of cold sores and lesions. These study results suggest that ME-609 is superior to current drugs for treating cold sores.
In 2005, discussions with the FDA regarding the start of a phase III study concluded in an end of phase II meeting, where the FDA approved Medivir's configuration proposal for the project's registration studies. A decision was taken to conduct registration studies (phase III) in-house in December, which are scheduled to start after summer 2006. Medivir is now intensively involved on various preparations ahead of these studies to be conducted in North America at some 30 study centers. The final objective of these studies is to demonstrate that ME-609 can prevent labial herpes outbreaks. If the studies demonstrate the desired efficacy, ME-609 will be a unique product capable of offering some patients the opportunity of entirely avoiding the incidence of herpes cold sores for the first time.

MIV-701 against Osteoporosis Heading for Clinical Studies
Cathepsin K is a protease whose activity leads to skeletal resorption. **Osteoporosis** arises coincident with increased Cathepsin K activity, or an imbalance between skeletal formation and resorption. The objective is to develop drugs that reduce the resorption of skeletal tissue, and restore the balance between the formation and resorption of bone. In disease models, it has been demonstrated that the pathological resorption of skeletal tissue can be markedly reduced if Cathepsin K activity is inhibited.

Medivir's molecules in this program possess very competitive characteristics, and in spring 2005, a CD was designated that demonstrated powerful efficacy in a human cell-based model of skeletal resorption, with high selectivity. The project is now in its preclinical phase, including large-scale synthesis development and manufacturing of large compound volumes. The objective is to start clinical phase I studies in early 2007, after safety studies conclude.

CD Designated on Hepatitis C Protease Project in December 2005
HCV protease inhibitor—Medivir has developed several new types of highly potent inhibitors of viral **hepatitis C** protease, an enzyme essential to the virus's capacity to replicate. In late 2004, Medivir outlicensed this project to Tibotec, a Johnson & Johnson group company.

Within the auspices of this agreement, Medivir received finance for a considerable number of researchers, who remain active on the project. In addition to this project finance, the agreement may raise a maximum of another EUR 68.5 m for Medivir in various milestone payments, of which EUR 11.5 m has been received, the most recent EUR 5 m payment being received in December.

Additionally, Medivir will receive royalties on global sales outside the Nordic region, where it has retained all rights, and intends to conduct sales in-house. At an agreed time, this deal also encompasses product rights for one drug with a defined product profile from the Johnson & Johnson group.

The objective of this research collaboration is to identify and develop orally active inhibitors of the HCV protease NS3/4A. The project is based on several mutually independent compound classes with very attractive characteristics. The designation of a CD in December means that the project is now in preclinical development, with clinical studies as its next milestone. The inhibition of the NS3/4A enzyme has demonstrated efficacy on the disease in humans. At present, there are a few projects with other companies in clinical development phase II, although these compounds have other characteristics than those developed through Medivir's collaboration with Tibotec.

Inhibiting Cathepsin K—a New Way to Treat Osteoarthritis and Bone Cancer Metastases
An osteoarthritis project began in the year based on Medivir's accumulated knowledge of inhibiting the enzyme Cathepsin K. This project is in its optimization phase, and activities are underway on evaluating efficacy in various test models that simulate the disease. These results will be the foundation for continued activities to optimize the structural classes of compounds in development. If the results of the current project are positive, a CD may be designated as early as during 2006.
The treatment of bone cancer metastases by blocking Cathepsin K activity is another research segment currently being evaluated.

Cathepsin S, Two Programs Targeted at 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, A and B, within the auspices of the Cathepsin S project. Program A is in regulated preclinical development and program B is in preclinical optimization.

Program A designated a CD in 2004, but activities were shelved in autumn 2005 in anticipation of results from the subsequent program B, based on entirely different compound structures.

Program B, which entered the optimization phase just over a year ago, has demonstrated differing, and in many respects, superior qualities to program A compounds. Activities are now focused on pre-designation of a CD, where multiple compounds are tested and evaluated, whereupon several are developed onwards to the objective of being able to designate a CD. Both programs will be evaluated in parallel with these activities. The objective is to bring those compounds with the most favorable characteristics on towards clinical development in the substantial autoimmune disorders segment.

HCV Polymerase Inhibitors —Medivir has a collaboration agreement with Roche on the joint development of drugs against chronic **hepatitis C** (HCV). Medivir has received research support within the framework of this collaboration, and will receive milestone payments as the project develops towards, and within, the clinic. Medivir will also receive royalties at market launch and has retained rights to the Nordic markets.

This research collaboration is based on the development of new compounds known as nucleoside analogues, which inhibit hepatitis C virus polymerase, and thereby, prevent virus replication. The project is in its late preclinical optimization phase, and several promising compounds have now been produced, implying that Roche will develop them further with the objective of designating a CD. This will mark the end of Medivir's active commitment to the project, and accordingly, its research support, but Medivir will receive milestone payments as the project progresses towards clinical studies.

POLYMERASE INHIBITOR PROJECTS

Valomaciclovir (MIV-606) Data from a phase IIb study on the **shingles** indication suggests that valomaciclovir is more effective than current therapy in alleviating the chronic pain (PHN) occurring after shingles episodes. This project was returned from Reliant Pharmaceuticals in the fourth quarter, and Medivir HIV Franchise AB's team is now working on evaluating and preparing new meetings with the FDA aimed at determining the project's future clinical strategy. The objective is to examine whether a combined phase II/III project might be a possible way forward in consultation with the FDA.

Alovudine (MIV-310) is a project developed to treat patients with multiresistant HIV. Boehringer Ingelheim concluded a clinical study on MIV-310 against HIV/AIDS in February. Although the studied dosages of MIV-310 demonstrated antiviral efficacy, they did not match Boehringer Ingelheim's predetermined target level, and accordingly, the agreement with Medivir was concluded in March. These results have been submitted for publication, and alovudine is in the compound group managed by Medivir HIV Franchise AB.

MIV-210 is a project developed for treating **HIV** and hepatitis B (**HBV**) patients that have developed resistance to extant drugs, and as first-line therapy for HBV patients in combination with other drugs. In the autumn, Medivir started a phase IIa study on HIV patients that have not responded to therapy as expected. The results of this study, scheduled for completion in spring 2006, will provide data on MIV-210's efficacy in this patient group. This information will serve as a foundation of the project's future market potential against HIV and HBV.

MIV-150 Preclinical data illustrates MIV-150's good efficacy against **HIV**. Medivir has voluntarily donated the rights for topical use of MIV-150 in a vaginal microbicide in developing countries to the Population Council, a New York-based non-profit organization. The Population Council will be responsible for the development and funding of forthcoming clinical studies. Medivir has rights to sales in other markets, and Medivir has an option on exclusive rights on the Nordic markets. Phase I studies are currently underway.

MV026048—Polymerase Inhibitors —HIV-NNRTI are in preclinical development. Roche has an opt-in on this project.

MIV-170—Polymerase Inhibitor—This project is one of an entirely new structural class of **HIV**-NNRTI compounds. MIV-170 is an exceptionally active inhibitor of wild-type virus and clinical NNRTI-resistant HIV, and accordingly, has very competitive characteristics in comparison with the market's established NNRTI drugs. Moreover, in other comparisons with its competitors, the compound has very positive characteristics, such as very good oral bioavailability and good pharmacokinetics. This suggests that MIV-170 may be an effective HIV drug for administration through only a single daily dosage. Activities are oriented on the evaluation ahead of CD designation, whereupon, the objective is to divest or outlicense the project. Medivir HIV Franchise AB's team is responsible for these activities.

MEDIVIR'S CONSOLIDATED TURNOVER AND COSTS
(Where applicable, year-2004 comparative figures have been recalculated due to the adoption of IFRS pursuant to IFRS 1.)

The Group
Consolidated net sales, encompassing Medivir AB and Medivir UK Ltd., were SEK 102.6 (82.6) m. The sales are attributable to remuneration for research collaboration and a milestone payment on HCV protease inhibitors from Tibotec Pharmaceuticals Ltd., and remuneration from Roche for an HCV polymerase inhibitor research collaboration. Operating costs for continuing operations were SEK -206.9 (-198.2) m, comprising external costs of SEK -87.2 (-90.8) m, personnel costs of SEK -99.5 (-90.8) m and depreciation and amortization of SEK -20.2 (-16.6) m. The operating loss for continuing operations was SEK -102.1 (-113.1) m, the net financial position was SEK 8.3 (12.3) m and the profit after financial items was SEK -93.8 (-100.8) m.

As reviewed above, in late December, Medivir decided that activities on all polymerase projects against HIV/hepatitis B and shingles would be divested. These projects were conducted to a limited extent in 2005, and the costs involved of SEK -14.1 (-13.2) m have been accounted separately in the Income Statement as "discontinued operations". The net loss amounted to SEK -104.7 (-111.5) 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 110.5 (84.4) m, and as stated above, primarily comprised remuneration for research collaboration and a milestone payment on HCV protease inhibitors from Tibotec Pharmaceuticals Ltd. and remuneration from Roche for the HCV polymerase inhibitor research collaboration. Previous-year sales primarily related to the outlicensing of HCV protease inhibitors to Tibotec Pharmaceuticals Ltd. and remuneration from Roche for the research collaboration on HCV polymerase inhibitors.
Operating costs for continuing operations were SEK -188.2 (-180.8) m, divided between external costs of SEK -111.2 (-111.3) m, personnel costs of SEK -66.3 (-60.3) m and depreciation and amortization of SEK -10.6 (-9.1) m.
The external costs item includes SEK -53.7 (-60.3) m of remuneration to Medivir UK for contracted preclinical research conducted by Medivir UK. These costs are on market terms.

Operating profit for continuing operations was SEK -75.3 (-95.0) m, and profit after financial items and profit after tax was SEK -90.3 (-82.2) m. Profit after financial items includes a cost for the write-down of an unconditional shareholders' contribution to Medivir UK Ltd. of SEK -25.1 (-0.4) m that Medivir provided to consolidate subsidiary shareholders' equity. As stated in the 'group' section above, costs of SEK -14.1 (-13.2) m on the projects to be divested were posted to profits. These projects have not been assigned any value in the Balance Sheet. The net loss for the year was SEK -104.3 (-95.4) m.
Liquid assets including short-term investments with a maximum maturity of three months were SEK 301.3 (338.7) m. Investments, primarily in research equipment and existing research premises, were SEK 10.8 (16.8) m.

Financial Position
Consolidated liquid assets including short-term investments with a maximum maturity of three months stood at SEK 301.8 (339.6) m. The group's total value of liquid assets including short-term investments with maturities of over three months is SEK 301.8 (440.6) m. As of 31 December, interest-bearing liabilities were SEK 18.4 (27.9) m. Shareholders' equity was SEK 378.0 (475.7) m; the consolidated equity ratio was 82.9 (85.5) % at year-end.

Investments
Gross investments in consolidated intangible and tangible fixed assets amounted to SEK 15.5 m in the period, mainly in research equipment and existing research premises (previous year, SEK 57.3 m, of which SEK 33.7 m was investments in Medivir UK's new research premises). Medivir's future investments primarily comprise the acquisition of additional 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 have been reserved for apportionment to the group's employees and the remainder retained within the group 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.

Human Resources
Medivir AB's staff increased by six employees in the year, and Medivir UK Ltd.'s staff increased by one employee, which implies that as of 31 December 2005, the group had 133 (126) employees, and the average number of employees in the year was 125 (115).

Dividends
The Board of Directors proposes that no dividends are paid for the financial year 2005.

Annual General Meeting
The Annual General Meeting will be held at 3 p.m. on Wednesday 26 April 2006 at the Sibelius Auditorium, Finlandshuset, Snickarbacken 4, Stockholm, Sweden.

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 prepare its consolidated financial statements pursuant to those IFRS endorsed by the EU. 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, as previously, Medivir AB applies the principles applicable to legal entities that prepare consolidated financial statements and are listed on a stock exchange. Briefly, this still implies the application of RR's recommendations to the extent they are applicable to a group parent company. Medivir AB observed RR 1-29 until 31 December 2004 inclusive, and RR 32 "Accounting for Legal Entities" from 1 January 2005 onwards, which replaced RR 1-29.

Discontinued Operations
In late December, Medivir decided that all HIV, hepatitis B (HBV) and shingles projects based on the older research platform of polymerase inhibition, would be divested.
Accordingly, Medivir is accounting the polymerase projects to be divested pursuant to IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, separately in its income statement. No assets or liabilities directly attributable to these projects existed as of the balance sheet date, and accordingly, no divestment groups are accounted in the Balance Sheet. Costs attributable to these operations are accounted separately in the Income Statement as 'discontinued operations'.

Revised Principles due to the Adoption of IFRS
The effects of revised principles arising when Medivir adopted IFRS were detailed in the First-quarter Interim Report for 2005. For a comprehensive quantitative statement of re-calculated balance sheet as of 1 January 2004, re-calculated balance sheet as of 31 December 2004, re-calculated Income Statement for the full year 2004 a presentation of shareholders' equity with all the effects of revised principles from implementation, and notes on the effect of the transition to IAS 39 as of 1 January 2005, refer to the Interim Report for 1 January - 31 March 2005.

Therefore, this Financial Statement (Interim Report for the final quarter 2005) includes a summarized appendix of the re-calculations effected on comparative figures for the fourth quarter 2004.
A comprehensive statement of the revised principles will also be provided in Medivir's Annual Report for 2005.

NOMINATION COMMITTEE 2005 - 2006
Pursuant to AGM resolution, the Nomination Committee for 2005-2006 will consist of representatives of at least the three largest shareholders at the end of the third quarter 2005 and the Chairman of the Board. This implies that this year's Nomination Committee members are Staffan Grefbäck (Alecta), Carl Harald Jansson (Carnegie Fonder), Roger Johanson (Skandia), Bo Öberg and Chairman of the Board Anders Vedin.

OUTLOOK
Medivir's ability to produce new CDs, to enter partnerships on its projects, and to bring its 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.

The Board
Medivir

Huddinge, Sweden, 16 February 2006.

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, 16 February 2006.

CONSOLIDATED INCOME STATEMENT

Summary, SEK m

	2005 Jan-Dec	Adj. for IFRS 2004 Jan-Dec	Not Adj. for IFRS 2003 Jan-Dec*	Note
Continuing operations				
Turnover				
Net sales	102.6	82.6	0.2	
Change in inventories and other revenue	2.2	2.5	1.2	
Total	**104.8**	**85.1**	**1.5**	
Operating costs				
Other external costs	-87.2	-90.8	-67.4	
Personnel costs	-99.5	-90.8	-78.3	
Depreciation and amortization	-20.2	-16.6	-16.4	
Total operating costs	**-206.9**	**-198.2**	**-162.1**	
Operating profit	**-102.1**	**-113.1**	**-160.6**	
Profit from financial investments	8.3	12.3	6.2	
Profit after financial items	**-93.8**	**-100.8**	**-154.4**	
Tax	3.2	2.5	2.4	A)
Net profit from continuing operations	**-90.6**	**-98.3**	**-152.0**	
Discontinued operations				
Net profit from discontinued operations	-14.1	-13.2	111.7	B)
Net profit	**-104.7**	**-111.5**	**-40.3**	
Earnings per share, SEK	-8.10	-10.38	-4.69	
Average number of shares, 000	12,903	10,746	8,590	
Number of shares, closing balance, 000	12,903	12,903	8,590	

* The comparative year 2003 is not adjusted pursuant to IFRS. However, to attain comparability between years 2003 - 2005, Medivir has adjusted the structure of its Income Statement for 2003 pursuant to IFRS 5, and thus accounted profit for discontinued operations for 2003.

A) The positive tax amounts are 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 650 m until 2005 inclusive.

B) Specification of discontinued operations (SEK m)	2005 Jan-Dec	Adj. for IFRS 2004 Jan-Dec	Not Adj. for IFRS 2003 Jan-Dec*
Turnover			
Polymerase inhibitor projects	0.0	0.0	63.2
CCS	0.0	0.0	87.9
Total	**0.0**	**0.0**	**151.1**
Costs			
Polymerase inhibitor projects	-14.1	-13.2	-30.9
CCS	0.0	0.0	-71.9
Total	**-14.1**	**-13.2**	**-102.8**
Profit from financial investments			
Profit from the divestment of CCS	0.0	0.0	63.4
Net profit from discontinued operations	**-14.1**	**-13.2**	**111.7**

Discontinued operations included those polymerase inhibitor projects to be divested. 2003 also includes the CCS sub-group until the date of its divestiture, 30 June 2003, inclusive.

CONSOLIDATED INCOME STATEMENT

Summary, SEK m

	2005 Oct-Dec	Adj. for IFRS 2004 Oct-Dec[A)]	Not Adj. for IFRS 2003 Oct-Dec*
Continuing operations			
Turnover, etc.			
Net sales	61.7	64.2	0.8
Change in inventories and other revenue	2.0	1.7	0.4
Total	**63.7**	**65.9**	**1.2**
Operating costs			
Other external costs	-26.5	-22.2	-17.8
Personnel costs	-24.4	-25.4	-19.5
Depreciation and amortization	-4.9	-4.7	-3.9
Total operating costs	**-55.7**	**-52.3**	**-41.2**
Operating profit	**7.9**	**13.6**	**-40.0**
Profit from financial investments	1.1	8.2	4.7
Profit after financial items	**9.0**	**21.8**	**-35.3**
Tax	2.9	2.1	2.4
Net profit from continuing operations	**11.9**	**23.9**	**-32.9**
Discontinued operations			
Net profit from discontinued operations	-3.9	-3.2	-9.7
Net profit	**8.0**	**20.7**	**-42.6**

* The comparative period for 2003 is not adjusted pursuant to IFRS. However, to attain comparability between the periods, Medivir has adjusted the structure of its Income Statement for the period in 2003 pursuant to IFRS 5, and thus accounted profit for discontinued operations.

A) Adjustment of Income Statement Oct Dec 2004, pursuant to IFRS (see above)

Summary, SEK m

	Original IS 2004 Oct-Dec	Adjustment 2004 Oct-Dec	Re-calculated IS pursuant to IFRS 2004 Oct-Dec
Continuing operations			
Turnover, etc., total	65.9	0.0	65.9
Total operating costs	-51.9	-0.4*)	-52.3
Operating profit	**14.0**	**-0.4**	**13.6**
Total profit from financial investments	8.2	0.0	8.2
Profit after financial items	22.2	-0.4	21.8
Tax	2.0	0.1**)	2.1
Net profit from continuing operations	**24.2**	**-0.3**	**23.9**
Discontinued operations			
Net profit from discontinued operations	-3.2	0.0	-3.2
Net profit	**21.0**	**-0.3**	**20.7**

*) Estimated personnel costs for stock option plans
**) Reduction of deferred tax liability for acquired R&D

CONSOLIDATED BALANCE SHEET

Summary, SEK m

	2005 31 Dec	Adj. for IFRS 2004 31 Dec	Not Adj. for IFRS 2003 31 Dec
Assets			
Fixed assets			
Intangible fixed assets	9.1	10.9	10.7
Tangible fixed assets	81.7	80.7	40.2
Financial fixed assets	0.0	0.0	3.1
Total fixed assets	**90.8**	**91.7**	**54.0**
Current assets			
Current receivables	63.3	24.3	14.5
Short-term investments	283.5	419.6	229.0
Cash and bank balances	18.3	21.0	10.2
Total current assets	**365.1**	**464.9**	**253.7**
Total assets	**456.0**	**556.6**	**307.7**
Liabilities and shareholders' equity			
Total shareholders' equity	**378.0**	**475.7**	**277.8**
Long-term liabilities, interest-bearing	9.2	18.7	3.4
Long-term liabilities, non interest-bearing	2.0	2.5	0.0
Current liabilities, interest-bearing	9.2	9.2	0.0
Current liabilities, non interest-bearing	57.7	50.5	26.5
Total liabilities and shareholders' equity	**456.0**	**556.6**	**307.7**
Pledged assets			
Pledged short-term investments	8.0	12.6	0.0

Statement of Changes to Shareholders' Equity (SEK m)

	2005 Jan-Dec	Adj. for IFRS 2004 Jan-Dec	Not adj. for IFRS 2003 Jan-Dec
Opening balance, 1 January	**475.7**	**274.8***	**320.0**
Effect of revised principle IAS 39	1.5	0.0	-
Exchange rate differences	3.3	-2.6	-1.9
Total revenue and costs accounted directly to shareholders' equity	**4.8**	**-2.6**	**-1.9**
Net profit	-104.7	-111.5	-40.3
Total accounted revenue and costs	**-99.9**	**-114.1**	**-42.2**
New issue	0.0	313.6	0.0
Stock option plans: value of staff service	2.0	1.4	0.0
Closing balance for the period	**378.0**	**475.7**	**277.8**

* For a comprehensive specification of the effects of the adoption of IFRS on shareholders' equity as of 1 January 2004, please refer to the Interim Report for 1 January-31 March 2005.

CONSOLIDATED CASH FLOW STATEMENT

Summary, SEK m

	2005 Jan-Dec	Adj. for IFRS 2004 Jan-Dec	Not Adj. for IFRS 2003 Jan-Dec	Note
Ongoing operations				
Operating profit	-116.2	-126.3	-48.9	A)
Interest, yields and dividends	8.3	12.3	6.2	
Estimated subsidiary tax credit	2.7	2.0	2.4	
Adjustment for items not included in the cash flow	25.3	9.9	-32.6	B)
Cash flow from ongoing operations before change in working capital	**-79.8**	**-102.0**	**-72.9**	
Change in working capital	-33.7	16.6	5.5	
Cash flow from ongoing operations	**-113.5**	**-85.5**	**-67.4**	
Investment activity				
Acquisition/divestment of tangible fixed assets	-15.2	-55.4	-10.0	
Acquisition of intangible fixed assets	-0.3	-1.9	0.0	
Acquisition/divestment of fixed-income securities	100.9	-100.9	0.0	C)
Sales of subsidiaries	0.0	0.0	114.1	
Sales of financial fixed assets	0.0	6.0	0.0	
Reduction of long-term receivables	0.0	0.0	59.5	
Cash flow from investment activity	**85.4**	**-152.2**	**163.6**	
Financing activity				
New issue	0.0	313.6	0.0	
Loans raised	0.0	27.5	0.0	
Amortization	-9.7	-3.0	-0.8	
Cash flow from financing activity	**-9.7**	**338.1**	**-0.8**	
Cash flow for the period				
Liquid assets, opening balance	339.6	239.2	143.9	D)
Change in liquid assets	-37.8	100.5	95.4	
Exchange rate difference, liquid assets	0.0	0.0	-0.1	
Liquid assets, closing balance	**301.8**	**339.6**	**239.2**	E)

A) Operating profit from continuing operations SEK -102.1 m (2004: SEK -113.1 m, 2003: SEK -160.6 m) and from discontinued operations SEK -14.1 m (2004: SEK -13.2 m, 2003: SEK 111.7 m).
B) The adjustment for items not included in cash flow includes an amount of SEK -53.7 m for 2003 regarding the sale of subsidiaries.
C) A reclassification of short-term investments with maturities of more than 3 months of SEK 100.9 m pursuant to IAS 7 was effected in 2004.
D) From 1 January 2004, liquid assets comprise cash and bank balances and short-term investments with maximum maturity of 3 months.
E) Until 31 December 2003, liquid assets comprised cash and bank balances and short-term investments.

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 16.0 m as of 31 Dec. 2005 that Medivir AB raised, the company has pledged short-term investments of SEK 8.0 m as collateral.

KEY FIGURES	2005 Jan-Dec	Adj. for IFRS 2004 Jan-Dec	Not Adj. for IFRS 2003 Jan-Dec	Note
Return on:				
- equity, %	-24.50	-29.72	-13.49	
- capital employed, %	-23.68	-28.95	-13.91	
- total capital, %	-21.05	-26.18	-12.42	
Average number of shares, 000	12,903	10,746	8,590	
Number of shares, closing balance, 000	12,903	12,903	8,590	
Outstanding warrants, 000	887.0	646.9	449.9	
Earnings per share, SEK	-8.10	-10.38	-4.69	
Shareholders' equity per share, SEK	29.29	36.87	32.35	
Cash flow per share after investments, SEK	-2.17	-22.12	11.20	
Earnings per share, SEK	-7.34	-9.52	-4.27	A, B
Shareholders' equity per share, SEK	33.72	40.66	36.33	A, B
Equity ratio, %	82.89	85.46	90.30	

For forecast year-2006 earnings per share, please refer to the 'Outlook' heading in the section on Medivir's consolidated turnover and costs.
Key figures relate to the group's total operations, i.e. key figures for continuing and discontinued operations are not published.

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.