Press release, 24 October 2011

Interim Report, 1 January – 30 September 2011

Operating profit/loss of SEK 156.0 m

Huddinge, Sweden—Today, Medivir AB (OMX: MVIR), a research-based specialty pharmaceutical company focused on infectious diseases, is publishing its Interim Report for the period 1 January – 30 September and its operational report for the third quarter of 2011.

Unless otherwise stated all figures are for the group and comparisons in this Interim Report are with the corresponding period of 2010.

Interim period (January – September)

- Net sales were SEK 566.8 (53.6) m
- Profit/loss after tax amounted to SEK 166.9 (-77.7) m
- Basic and diluted earnings per share were SEK 5.58 (-3.30)
- Cash flow from operating activities amounted to SEK 44.7 (-35.0) m; cash and cash equivalents and investments in securities etc. amounted to SEK 550.0 (421.8) m at the end of the period

Third quarter (July – September)

- Net sales were SEK 122.2 (17.9) m
- Profit/loss after tax amounted to SEK -53.4 (-27.3) m
- Earnings per share were SEK -1.71 (-1.04)

Business highlights in the third quarter

- Maris Hartmanis was appointed as Medivir's new Chief Executive Officer in September and in addition the company's management was strengthened
- Patient enrolment was completed in the three global phase 3 studies on TMC435
- TMC435 was granted Fast Track status by the FDA in the USA
- Medivirs partner Tibotec will conduct a combination study involving TMC435 and Pharmasset's PSI-7977 for hepatitis C genotype 1 patients
- Four TMC435 abstracts, one of which is an oral presentation of the final analysis, including SVR24 data, from the TMC435 phase 2b PILLAR study have been accepted for presentation at the AASLD Meeting in San Francisco on 4-8 November
- Medivir's subsidiary, BioPhausia, divested its generics business, BMM Pharma AB

CONSOLIDATED PROFIT PERFORMANCE SUMMARY, SEK M	2011 Jul-Sep	2010 Jul-Sep	2011 Jan-Sep	2010 Jan-Sep	2010 Jan-Dec
Net sales	122,2	17,9	566,8	53,6	54,9
Gross profit/loss	16,5	17,2	422,9	52,9	54,1
EBITDA	-50,4	-26,6	171,0	-73,5	-128,9
EBIT	-59,7	-28,5	156,0	-79,8	-136,7
Profit/loss before tax	-58,3	-27,3	158,7	-77,7	-134,2
Profit/loss after tax	-53,4	-27,3	166,9	-77,7	-134,2
Operating margin, %	-48,9%	-159,2%	27,5%	-148,9%	-249,0%
Basic and diluted earnings per share, SEK	-1,71	-1,04	5,58	-3,30	-5,43

Medivir AB
PO Box 1086
SE-14122 Huddinge
SWEDEN

Telephone
+46 8 5468 3100

Facsimile
+46 8 5468 3199

Contact
info@medivir.se
www.medivir.se

"We are standing on a solid foundation for taking the company forward towards its goal of becoming a profitable pharmaceutical company"

CEO's comment

At the end of September, I accepted the invitation from the Board of Directors and my predecessor, Ron Long, to take on the responsibility of becoming Chief Executive Officer of Medivir. Under Ron Long's leadership, the company has gained a clear commercial focus and took important steps towards its goal of becoming a profitable pharmaceutical company. Accordingly, we are now standing on a solid foundation for driving and enhancing the assets we possess in our project portfolio and continuing to build on our commercial platform.

In September, we also executed changes to our management team to strengthen Medivir operationally and strategically in its R&D activities. Bertil Samuelsson was appointed as Chief Scientific Advisor, and simultaneously, Charlotte Edenius took over as Executive Vice President of R&D. We also strengthened our clinical development segment by appointing Jens D. Kristensen as Executive Vice President of Clinical.

The company's business operations

Since the acquisition of BioPhausia, Medivir has been organized into two business segments, Pharmaceuticals and Parallel Import.

The Pharmaceuticals business segment includes the group's research and development portfolio, the cold sore product Xerclear® and the original pharmaceuticals owned by BioPhausia. In the third quarter of 2011, our generics business, BMM Pharma, was sold to Bluefish Pharmaceuticals. The divestment was a natural step in the strategic refocusing of BioPhausia that commenced in 2010.
Net sales from pharmaceutical sales in the quarter were SEK 47.4 (0) m, and SEK 0.0 (17.1) m from outlicensing and collaboration agreements. EBITDA for the third quarter not adjusted for accounting estimates for the acquisition of BioPhausia amounts to SEK -27.8 m, equivalent to a margin of -58.4%.

Our business segment for parallel import, Cross Pharma, imports, packages and sells original pharmaceuticals. At the beginning of the quarter, Cross Pharma's net sales were somewhat weaker than expected, but staged a recovery at the end of the period. The business area continued to grow in year-on-year terms. In the third quarter, a number of products with insufficient market potential were identified, resulting in a SEK 5.8 m inventory impairment loss. EBITDA for the third quarter not adjusted for inventory impairment and accounting estimates for the acquisition of BioPhausia amounts to SEK 4.6 m, equivalent to a margin of 6.2%

R&D

Within Infectious Diseases, the hepatitis C portfolio is continuing its positive progress. This applies to in-house preclinical projects and the clinical projects, where TMC435 is our leading investigational candidate drug (CD). In November, we will be presenting final efficacy data from TMC435 phase 2b study on treatment-naïve patients, C205 (PILLAR) in a late breaker oral presentation at the AASLD conference in San Francisco 4-8 November.

In other disease areas, we are developing Cathepsin K against skeletal disorders and Cathepsin S against neuropathic pain. Cathepsin K, MIV-711, is currently in a number of preclinical safety studies including mapping its safety profile. If the outcome of these studies is positive for the project, the next step is to commence clinical development. The next milestone in the Cathepsin S project will be to designate a CD.

Future

Myself and the Medivir team are looking forward to continuing to develop Medivir towards the company's stated objective of becoming a profitable pharmaceutical company. Our challenge is to work on a goal-oriented basis to create the best possible prospects of developing the company's research and development projects and pharmaceutical products. We expect to be able to report further data from clinical studies through the coming quarters that corroborate the potential of TMC435.

We will continue to drive high-quality and innovative pharmaceutical research and exploit the commercial opportunities of the products we received in the acquisition of BioPhausia. Medivir has a solid financial position, and the strategy the Board and my predecessor set remains in place—to become a profitable Nordic research-based specialty pharmaceutical company focusing on infectious diseases.

Maris Hartmanis
CEO and President

For more information, please contact

Rein Piir, EVP Corporate Affairs & IR, mobile: +46 (0)70 53 72 92
Maris Hartmanis, CEO, phone: +46 (0)8 5468 3113

Conference call for investors, analysts and media

The Interim Report for the third quarter 2011 will be presented by the CEO, Maris Hartmanis, and members of Medivir's management.

Time: Monday, 24 October 2011 at 11 a.m. (CET).

Participant telephone numbers:	Sweden	+46 (0)200 884 516
	USA	+1 866 261 3627
	Europe	+44 (0)1452 568 328
Please quote conference code:		20118828
Seven day replay access numbers:	Sweden	+46 (0)200 899 157
	USA	+1 866 247 4222
	Europe	+44 (0)1452 55 00 00
Replay access code:		20118828#

R&D Day 15 November

Medivir has invited participants in the capital markets to an in-depth investor presentation on 15 November in Stockholm. More information is available on the company's website.

Financial information in 2012

The Financial Statement for 2011 will be published on 22 February
The Three-month Interim Report will be published on 10 May
The Annual General Meeting will be held on 10 May
The Six-month Interim Report will be published on 23 August

For more information on Medivir's operations, please refer to the company's website, www.medivir.com.

Highlights of the third quarter 2011

New CEO and strengthened management team

Maris Hartmanis was appointed as CEO and President of Medivir effective 26 September. He succeeded Ron Long, who was Medivir's CEO and President from 2009. Under Mr. Long's leadership, the company gained a clear commercial focus and took a number of important steps towards its goal of becoming a profitable pharmaceutical company.

Bertil Samuelsson is leaving his position as CSO, Chief Scientific Officer, Research & Development, and has been appointed as Chief Scientific Advisor. He leaves operational management to focus on the strategic development of Medivir's R&D, including new projects.

In tandem with this appointment, Charlotte Edenius was made EVP Research & Development. In this new role, she assumes operational responsibility for Medivir's research and development. Charlotte Edenius was previously Medivir's VP of R & D Projects.

To strengthen the clinical development capacity, Jens D. Kristensen has been appointed as EVP of Clinical to head up Medivir's clinical development unit. He will take up his position during the autumn. These appointments are a step in strengthening Medivir operationally and strategically for the future.

Hepatitis C: TMC435

Patient enrolment completed in the three global phase 3 studies

All patients in the three phase 3 studies have now commenced treatment with TMC435 or placebo in addition to standard of care (SoC). These studies are QUEST 1 and QUEST 2, for treatment-naive patients, and PROMISE for relapsers. In all three studies, total treatment time is dependent on response, which means that the patients in the TMC435 arms can conclude all treatment in week 24 if the predetermined criteria are met.

In tandem with these studies, enrolment to phase 3 studies on TMC435 was completed in Japan. These studies involve treatment-naïve and treatment-experienced patients with chronic hepatitis C (CHC) virus genotype 1 infection.

TMC435 granted Fast Track status in the USA

The FDA has granted TMC435 Fast Track status in the USA for treating CHC virus infection of genotype 1. This is based on the potential of TMC435 to address the remaining medical needs for treating CHC virus infection compared to existing approved therapies.

Combination study of TMC435 and Pharmasset's PSI-7977 in HCV genotype 1 patients commencing soon

Medivir's partner, Tibotec Pharmaceuticals, will soon be commencing a phase 2 proof of concept study on interferon-free treatment to evaluate the efficacy of combination treatment with TMC435 and Pharmasset's PSI-7977, a nucleotide NS5B polymerase inhibitor, both dosed once daily.

This study will investigate the efficacy and safety of 12 and 24-week treatment with TMC435 (150 mg) and PSI-7977 (400 mg) once daily, with or without ribavirin. The patient population will be prior null responders, i.e. people that did not respond to previous SoC. The study's primary endpoint will be sustained virological response 12 weeks after treatment concludes (SVR12).

Final efficacy data of TMC435 from the phase 2b study C205 (PILLAR) in treatment naïve patients to be presented at the AASLD

Four abstracts on TMC435 have been accepted for presentation at the AASLD's (American Association for the Study of Liver Diseases) annual meeting on 4–8 November in San Francisco, USA. The final SVR24 data from the phase 2B study C205 (PILLAR) will be presented orally at the Meeting.

BioPhausia

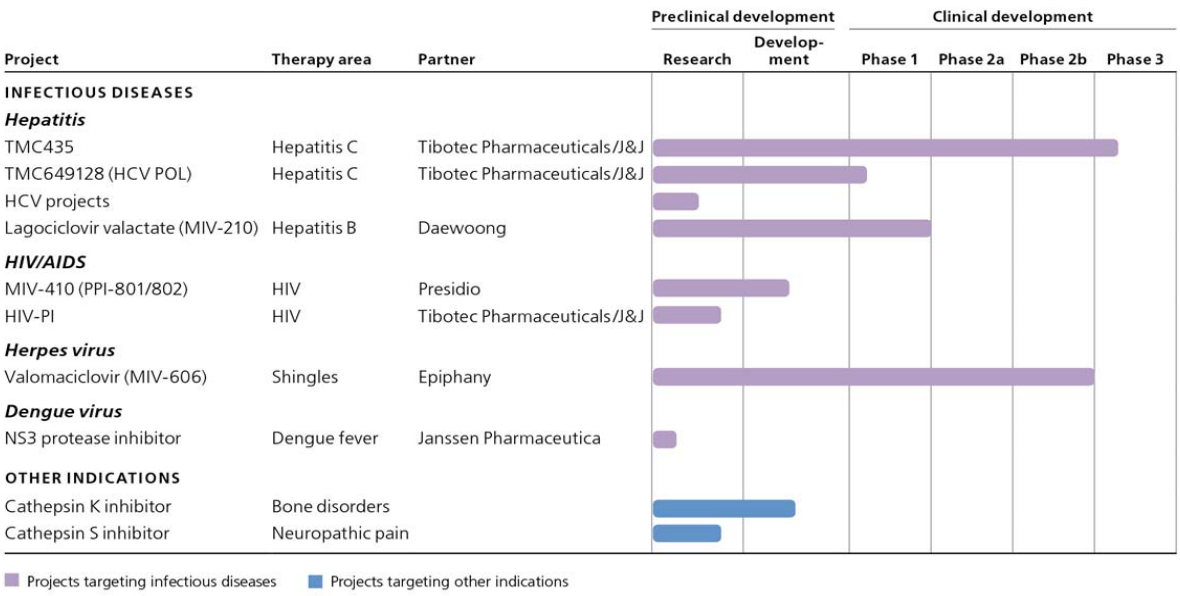
Medivir subsidiary BioPhausia divests generics business

At the end of August, BioPhausia reached an agreement to sell its generics business, the subsidiary BMM Pharma, to Bluefish Pharmaceuticals. The total purchase price amounted to SEK 33.6 m including the value of inventories on the date of sale. The divestment had a positive effect of SEK 0.8 m on net profit for the period. The staff of BMM Pharma was not covered by this transaction, which did result in some staff being issued redundancy notices in September.

Project portfolio

Medivir has a broad-based product portfolio for treating a range of infectious diseases. The company will continue to focus on progressing this pipeline in addition to looking for new potential opportunities through acquisition or licensing. Medivir will continue to seek future partnerships on product development, but intends to retain commercial rights for its projects in the Nordic region.

Medivir's project portfolio is summarized in the figure below. For more information please visit www.medivir.com.



Consolidated earnings and financial position

Turnover, 1 January – 30 September 2011

Net sales were SEK 566.8 (53.6) m, an increase of SEK 513.2 m year on year. Turnover for the period mainly consisted of a one-off payment for Xerclear®/Xerese® of SEK 278.9 m from a renegotiated agreement with Meda. According to the terms of this renegotiated agreement, Meda receives all the rights to the product in the US, Canada and Mexico. Turnover in the period was also derived from two milestone payments from Medivir's partner Tibotec totaling SEK 122.3 m. These relate to the start of phase 3 trials on TMC435 against hepatitis C of SEK 51.8 m and the start of phase 1a on TMC649128 against hepatitis C of SEK 70.5 m. Turnover from pharmaceutical sales in the period was SEK 63.7 (0.0) m and turnover from parallel import was SEK 101.2 (0.0) m, which matches expectations. In the same period of the previous year, turnover primarily consisted of one-off payments of SEK 45.3 m for a licensing agreement for Xerclear®/Xerese®.

Net sales split (SEK m)	**2011 Jul-Sep**	**2010 Jul-Sep**	**2011 Jan-Sep**	**2010 Jan-Sep**	**2010 Jan-Dec**
Outlicensing and partnership agreements					
One-off payments	0.0	17.1	401.2	47.2	47.1
Pharmaceutical sales	47.4	0.0	63.7	0.0	0.1
Parallel imports	74.6	-	101.2	-	-
Co-promotion services	0.0	0.0	0.0	2.8	2.8
Other services	0.2	0.8	0.7	3.6	4.9
Total	**122.2**	**17.9**	**566.8**	**53.6**	**54.9**

Costs and results of operations, 1 January - 30 September 2011

Cost of goods sold was SEK -143.9 (-0.7) m, a SEK 143.2 m increase. Gross profit was SEK 422.9 (52.9) m. Operating expenses were SEK -266.9 (-132.7) m, a SEK 134.2 m increase year on year. Operating expenses were divided between cost of sales of SEK -76.8 (-7.1) m, administration costs of SEK -33.3 (-20.5) m, research and development costs of SEK -136.0 (-105.2) m and other operating expenses/income of SEK -20.8 (0.1) m. Cost of sales increased by SEK 69.7 m mainly because of higher royalty costs to third parties. Research and development costs increased by SEK 30.8 m mainly because of higher external project costs and increased royalty costs to third parties. Other operating income/expenses increased by SEK 20.9 m mainly due to transaction costs for the acquisition of BioPhausia. The operating profit/loss was SEK 156.0 (-79.8) m, a positive change of SEK 235.8 m year on year.

The profit/loss from financial income/expense was SEK 2.7 (2.1) m. The profit/loss from financial income/expense includes impairment on shares of Epiphany Biosciences Inc. of SEK 7.8 m due to material value impairment in the period. Tax for the period was SEK 8.2 (0.0) m, and is tax on temporary differences, i.e. the difference between carrying amounts and taxable values.

100% of the shares of generics company BMM Pharma AB were divested in the third quarter 2011. Of a total purchase price of SEK 33.6 m, including the value of inventories on the date of sale, a smaller share is conditional on the approval of certain subcontractors. Medivir judges that approval will be forthcoming. The divestment affected net profit for the period positively by SEK 0.8 m. The criteria for recognition as a discontinued operation have not been satisfied because BMM Pharma AB was neither an independent segment nor a significant part of operations.

Net profit/loss for the period was SEK 166.9 (-77.7) m.

Turnover and results of operations, 1 July - 30 September 2011

Net sales for the period amounted to SEK 122.2 (17.9) m, a SEK 104.3 m increase year on year. Turnover in the period consisted of pharmaceutical sales of SEK 47.4 (0.0) m and parallel imports of SEK 74.6 (-) m, which matches expectations. In the corresponding period of the previous year, turnover primarily consisted of one-off payments for licensing agreements on Xerclear®/Xerese® of 16.7 m. Cost of goods sold was

SEK -105.7 (-0.7) m, a SEK 105.0 m increase. Gross profit was SEK 16.5 (17.2) m. Operating expenses were SEK -76.2 (-45.8) m, a SEK 30.4 m increase year on year. Operating expenses were divided between selling expenses of SEK -25.1 (-1.9) m, administrative expenses of SEK -16.0 (-7.1) m, research and development costs of SEK -34.1 (-38.8) m and other operating expenses/income of SEK -1.0 (2.1) m. The operating profit/loss was SEK -59.7 (-28.5) m. The profit/loss from financial investments was SEK 1.4 (1.2) m. Tax for the period was SEK 4.9 (0.0) m. The net profit/loss was SEK -53.4 (-27.3) m.

Segment information

General information

Operating segments are reported consistent with internal reporting as presented to the chief operating decision maker. The chief operating decision maker is that function responsible for the allocation of resources and judging the results of operating segments. In the group, this function has been identified as group management.

Prior to the acquisition of BioPhausia, Medivir was organized into a single integrated operating segment. After the acquisition of BioPhausia on 31 May 2011, Medivir's business operations are organized into two operating segments. The core of the business operations consists of the Pharmaceuticals operating segment. The Pharmaceuticals segment comprises research and development of new products, as well as manufacturing, marketing and sales. The Pharmaceuticals segment includes the group's research portfolio and original pharmaceuticals that BioPhausia has unlimited ownership of and also certain generic products where BioPhausia's ownership is limited. BioPhausia divested the company's generics business in the third quarter 2011. The second operating segment consists of the Parallel Import business operation in BioPhausia's subsidiary Cross Pharma, which imports original pharmaceuticals from EU countries where pricing is lower than in Sweden. When pharmaceuticals are sold on the market, pharmacies are offered a price that is lower than the original producers'.

Pharmaceuticals segment (SEK m)	**2011 Jul-Sep**	**2010 Jul-Sep**	**2011 Jan-Sep**	**2010 Jan-Sep**	**2010 Jan-Dec**
Net sales	47.6	17.9	465.6	53.6	54.9
EBITDA	-47.3	-26.6	173.9	-73.5	-128.9
EBITDA %	-99.4%	-148.6%	37.3%	-137.1%	-234.8%

Turnover and results of operations, 1 January-30 September 2011

Net sales were SEK 465.6 (53.6) m, a SEK 412.0 m increase year on year. Turnover in the period primarily consisted of a one-off payment of SEK 278.9 m (USD 45.0 m) for Xerclear® from a renegotiated agreement with Meda. Of total net sales, 86 (88)% consisted of one-off payments for outlicensing and partnership agreements and 14 (0)% of pharmaceutical sales.

EBITDA for the period was SEK 173.9 (-73.5) m, equating to a margin of 37.3 (-137.1)%. EBITDA includes research and development costs of SEK -136.0 (-105.2) m. EBITDA for the period not adjusted for accounting estimates for the acquisition of BioPhausia amounted to SEK 200.3 m, equating to a margin of 43.0%.

Turnover and results of operations, 1 July-30 September 2011

Net sales for the period were SEK 47.6 (17.9) m, a SEK 29.7 m increase year on year. Of total net sales, 0 (95)% consists of one-off payments for outlicensing and partnership agreements, 100 (0)% of pharmaceutical sales and 0 (5)% of other sales.

EBITDA for the period was SEK -47.3 (-26.6) m, equating to a margin of -99.4 (-148.6)%. EBITDA includes research and development costs of SEK -34.1 (-38.8) m. EBITDA for the period not adjusted for accounting estimates for the acquisition of BioPhausia amounted to SEK -27.8 m, equating to a margin of -58.4%.

Parallel Import segment (MSEK)	**2011 Jul-Sep**	**2010 Jul-Sep**	**2011 Jan-Sep**	**2010 Jan-Sep**	**2010 Jan-Dec**
Net sales	74.6	-	101.2	-	-
EBITDA	-3.1	-	-2.9	-	-
EBITDA %	-4.2%	-	-2.9%	-	-

Turnover and results of operations, 1 January-30 September 2011
Net sales for the period amounted to SEK 101.2 m. EBITDA for the period was SEK -2.9 m, equating to a margin of -2.9%. A number of products with insufficient market potential were identified in the third quarter, which resulted in inventory impairment of SEK 5.8 m. EBITDA for the period not adjusted for inventory impairment and accounting estimates for the acquisition of BioPhausia amounted to SEK 5.6 m, equating to a margin of 7.5%.

Turnover and results of operations, 1 July-30 September 2011
Net sales for the period amounted to SEK 74.6 m. EBITDA for the period was SEK -3.1 m, equating to a margin of -4.2%. At the beginning of the quarter, net sales were somewhat weaker than expected, but staged a recovery at the end of the period. The business segment is continuing to achieve growth year on year. A number of products with insufficient market potential were identified in the third quarter, which resulted in inventory impairment of SEK 5.8 m. EBITDA for the period not adjusted for inventory impairment and accounting estimates for the acquisition of BioPhausia amounted to SEK 4.6 m, equating to a margin of 6.2%.

Cash flow and financial position

Cash flow from operating activities was SEK 44.7 (-35.0) m. The agreement with Meda for Xerclear®/Xerese® was renegotiated in the second quarter, which affected cash flow from operating activities for the period by SEK 278.9 m. In the third quarter, SEK 60.0 m of the subordinated loan issued by BioPhausia AB in 2006 was repaid. Because a review of long-term funding and borrowing structure is ongoing, for the short term, this repayment was funded by Medivir AB.

Cash flow from investing activities was SEK 148.0 (-1.8) m. In the second quarter of 2011, Medivir acquired BioPhausia, which affected investing activities by SEK -158.0 m after bank balances taken over. The generics company BMM Pharma AB was divested in the third quarter of 2011, which had a positive effect on cash flow from investing activities in the period of SEK 24.0 m.

Cash flow from financing activities was SEK 5.9 (315.2) m.

At the beginning of 2011, cash and cash equivalents including investments in securities, etc. with a maximum maturity of three months were SEK 647.2 (143.6) m and SEK 550.0 (421.8) m at the end of the period, a change of SEK -97.3 (278.1) m. At the end of the period, assets pledged amounted to SEK 164.8 (0.0) m. In accordance with Medivir's financial policy, Medivir invests its funds in low-risk interest-bearing securities. The company judges that current financial assets will secure the funding of operations.

Investments, depreciation and amortization

Investments in intangible fixed assets in the period were SEK 559.4 (0.3) m, which related to the acquisition of BioPhausia. Of this acquisition, a preliminary SEK 351.9 m was product rights, SEK 19.2 m trademarks and brands and SEK 188.3 m goodwill.

Investments in tangible fixed assets in the period were SEK 14.2 (1.5) m, and mainly consisted of research equipment.

Depreciation of tangible fixed assets of SEK -8.0 (-5.7) m was charged to profit/loss in the period. Amortization of intangible fixed assets of SEK -7.0 (-0.6) m was charged to profit/loss for the period. There were SEK 0.0 (0.0) m of sales of fixed assets.

Employees

Medivir had 177 (78) employees at the end of the period, 64 (50)% of which were women. Accordingly, the number of employees increased by 99 in the period, mainly because of the acquisition of BioPhausia, whose subsidiary Cross Pharma has a packaging unit in Poland with 54 employees.

Royalty obligations

A significant part of Medivir's research and development projects were generated entirely in-house and Medivir is thus entitled to all revenues from such inventions. Other projects have their genesis at Swedish universities, which entitles Medivir to revenues generated in return for modest royalty payments. In addition, some of Medivir's projects have previously been licensed to third parties, but have reverted to Medivir, and Medivir has undertaken to pay a royalty to the former licensee. In the period, total royalty costs to third parties were SEK 50.6 (0.0) m of which SEK 37.7 m is included in selling expenses and SEK 12.9 m is included in research costs.

Parent company, 1 January - 30 September 2011

Medivir AB (publ), corporate identity no. 556238-4361, is the parent company of the group. Operations primarily consist of research and development, and administrative functions.

Parent company net sales were SEK 405.4 (52.5) m. Operating expenses were SEK -206.9 (-133.4) m, up SEK 73.5 m year on year. Operating expenses were divided between selling expenses of SEK -44.0 (-7.1) m, administration costs of SEK -27.1 (-19.7) m, research and development costs of SEK -136.0 (-105.1) m and other operating expenses/income of SEK 0.2 (-1.5) m. The operating profit/loss was SEK 198.4 (81.6) m. The profit/loss from financial income/expense was SEK 10.1 (2.1) m. The net profit/loss for the period was SEK 208.5 (-79.5) m.

Investments in tangible and intangible fixed assets were SEK 12.9 (1.8) m.

Investments in financial fixed assets were SEK 603.8 (0.0) m, relating to the acquisition of BioPhausia. The acquisition cost includes SEK 17.3 m of transaction costs. Cash and cash equivalents including investments in securities, etc. with a maximum maturity of three months amounted to SEK 520.5 (418.9) m. For comments on operations, please refer to the section on consolidated earnings and financial position.

Share structure, earnings per share and equity

Share capital at the end of the period was SEK 156.3 (131.2) m and equity was SEK 1,148.0 (391.3) m. At the end of the period, the number of shares of Medivir AB was 31,253,827 (26,241,661), of which 660,000 (660,000) were class A and 30,593,827 (25,581,661) class B shares with a nominal value of SEK 5. The average number of shares in the period was 29,923,528 (23,542,604). The increase of 5,012,166 shares in the period mainly relates to new shares issued as payment for the acquisition of BioPhausia.

Share structure, 30 September 2011					
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	30,593,827	30,593,827	97.9%	82.3%	31,370,460
Total	**31,253,827**	**37,193,827**	**100.0%**	**100.0%**	**32,030,460**

Basic and diluted earnings per share, based on a weighted average number of outstanding shares, was SEK 5.58 (-3.30). Equity per share was SEK 36.73 (14.91). The equity ratio was 81.2 (79.3)%.

Shareholders

As of 30 September 2011, Medivir AB had 10,887 shareholders. The circumstances in the following table illustrate the situation as of this date according to the share register maintained by Euroclear Sweden AB.

Name	A shares	B shares	% votes	% capital
Fidelity		3,016,280	8.7%	10.5%
Bo Öberg	284,000	262,475	8.3%	1.8%
Nils Gunnar Johansson	284,000	76,575	7.9%	1.2%
Staffan Rasjö		2,282,582	6.1%	7.3%
Skandia Fonder		1,328,453	3.6%	4.3%
Skandia Liv		1,279,968	3.4%	4.1%
AFA Försäkring		1,128,959	3.0%	3.6%
Pictet & Cie		1,044,769	2.8%	3.3%
Tredje AP-fonden		1,009,458	2.7%	3.2%
Alecta		1,000,000	2.7%	3.2%
Christer Sahlberg	92,000	29,881	2.6%	0.4%
Länsförsäkringar Fonder		746,211	2.0%	2.4%
Carlsson Fonder		737,456	2.0%	2.4%
Unionen		704,200	1.9%	2.3%
JPM Chase		670,161	1.8%	2.1%
Total, 15 largest shareholders	**660,000**	**15,317,428**	**59.5%**	**52.0%**
Total, other shareholders	0	15,276,399	40.5%	48.0%
TOTAL	**660,000**	**30,593,827**	**100.0%**	**100.0%**

Nomination Committee 2011-2012

According to an AGM resolution, the Nomination Committee 2011-2012 should consist of representatives of at least the three largest shareholders at the end of the third quarter of 2011 and the Chairman of the Board. Work on composing the Nomination Committee is now completed, and this year's Nomination Committee consists of: Bo Öberg, founder and A-shareholder, (Bo Öberg represents through an agreement also the other A- shareholders, Nils Gunnar Johansson and Christer Sahlberg), Caroline af Ugglas, Skandia Liv, Anders Algotsson, AFA Försäkring and Göran Pettersson, Chairman of the Board, Medivir AB.

Outlook

Medivir is a research-based specialty pharmaceutical company focused on infectious diseases and has the ambition to be, within a few years, a profitable Nordic specialty pharmaceutical company in high growth. Medivir is working on a goal-oriented and strategic footing to create the best possible prospects of developing the company's research projects and pharmaceutical products quickly and with balanced risks. The company is positioned uniquely among specialty pharmaceutical companies with its hepatitis C pharmaceutical TMC435, a potential blockbuster therapy, in late-stage development, a marketed product, Xerclear®/Xerese®, approaching international launch and a broad earlier pipeline. The company has a solid financial position.

CONSOLIDATED INCOME STATEMENT SUMMARY (SEK m)	2011 Jul-Sep	2010 Jul-Sep	2011 Jan-Sep	2010 Jan-Sep	2010 Jan-Dec
Net sales	122.2	17.9	566.8	53.6	54.9
Cost of goods sold	-105.7	-0.7	-143.9	-0.7	-0.8
Gross profit/loss	**16.5**	**17.2**	**422.9**	**52.9**	**54.1**
Selling expenses	-25.1	-1.9	-76.8	-7.1	-9.5
Administrative expenses	-16.0	-7.1	-33.3	-20.5	-29.5
Research and development costs	-34.1	-38.8	-136.0	-105.2	-153.4
Other operating income/expenses	-1.0	2.1	-20.8	0.1	1.6
Operating profit/loss	**-59.7**	**-28.5**	**156.0**	**-79.8**	**-136.7**
Net financial income/expense	**1.4**	**1.2**	**2.7**	**2.1**	**2.5**
Profit/loss after financial items	**-58.3**	**-27.3**	**158.7**	**-77.7**	**-134.2**
Tax	4.9	0.0	8.2	**0.0**	0.0
Net profit/loss	**-53.4**	**-27.3**	**166.9**	**-77.7**	**-134.2**
Net profit/loss attributable to:					
Equity holders of the parent	**-53.4**	**-27.3**	**166.9**	**-77.7**	**-134.2**
Earnings per share, calculated on profit/loss attributable to equity holders of the parent in the period					
Basic and diluted earnings per share, (SEK per share)	-1.71	-1.04	5.58	-3.30	-5.43
Average number of shares, 000	31,214	26,232	29,924	23,543	24,718
Number of shares at end of period, 000	31,254	26,242	31,254	26,242	28,593

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)	2011 Jul-Sep	2010 Jul-Sep	2011 Jan-Sep	2010 Jan-Sep	2010 Jan-Dec
Net profit/loss	**-53.4**	**-27.3**	**166.9**	**-77.7**	**-134.2**
Other comprehensive income					
Exchange rate differences	1.8	0.0	-0.4	0.0	1.0
Other comprehensive income for the period, net after tax	**1.8**	**0.0**	**-0.4**	**0.0**	**1.0**
Total comprehensive income for the period	**-51.6**	**-27.3**	**166.5**	**-77.7**	**-133.2**
Total comprehensive income attributable to:					
Equity holders of the parent	**-51.6**	**-27.3**	**166.5**	**-77.7**	**-133.2**

CONSOLIDATED BALANCE SHEET SUMMARY (SEK m)	**2011 30 Sep**	**2010 30 Sep**	**2010 31 Dec**
Assets			
Intangible fixed assets	535.4	4.2	4.3
Tangible fixed assets	35.0	22.3	24.8
Financial fixed assets	11.0	18.8	18.8
Deferred tax asset	84.1	0.0	0.0
Inventories	82.6	0.1	0.1
Current receivables	116.3	26.5	30.2
Investments in securities, etc.	497.4	389.0	418.6
Cash and bank balances	52.6	32.8	228.7
Total assets	**1,414.4**	**493.6**	**725.5**
Liabilities and equity			
Equity	1,148.0	391.3	607.3
Long-term liabilities	0.8	0.2	0.1
Current liabilities	265.6	102.1	118.1
Total liabilities and equity	**1,414.4**	**493.6**	**725.5**

CONSOLIDATED STATEMENT OF CHANGES TO EQUITY (SEK m)	**Share capital**	**Other paid-up capital**	**Exchange rate difference**	**Deficit brought forward**	**Total equity**
Opening balance, 1 Jan. 2010	**104.2**	**848.2**	**4.8**	**-803.4**	**153.9**
Total comprehensive income for the period			1.0	-134.2	-133.2
Conversion of options	1.3	15.4			16.7
Acquisition of options		1.6			1.6
New share issues	37.5	530.7			568.2
Staff stock option plans: value of employee service		0.1			0.1
Closing balance, 31 Dec. 2010	**143.0**	**1,396.0**	**5.8**	**-937.6**	**607.3**
Opening balance, 1 Jan. 2010	**104.2**	**848.2**	**4.7**	**-803.3**	**153.9**
Total comprehensive income for the period			0.0	-77.6	-77.6
Conversion of options	0.8	9.6			10.4
Acquisition of options		1.6			1.6
Rights issue	26.2	277.0			303.2
Staff stock option plans: value of employee service		-0.2			-0.2
Closing balance, 30 Sep. 2010	**131.2**	**1,136.2**	**4.7**	**-880.9**	**391.3**
Opening balance, 1 Jan. 2011	**143.0**	**1,396.0**	**5.8**	**-937.6**	**607.3**
Total comprehensive income for the period			-0.4	166.9	166.5
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		0.7			0.7
Closing balance, 30 Sep. 2011	**156.3**	**1,757.0**	**5.4**	**-770.7**	**1,148.0**

CONSOLIDATED CASH FLOW STATEMENT SUMMARY (SEK m)	**2011 Jan-Sep**	**2010 Jan-Sep**	**2010 Jan-Dec**
Cash flow from operating activities before changes in working capital	**129.4**	**-86.7**	**-141.5**
Changes in working capital	-84.7	51.7	64.7
Cash flow from operating activities	**44.7**	**-35.0**	**-76.9**
Investing activities			
Purchase/sale of fixed assets	-14.1	-1.8	-5.8
Purchase/sale of financial fixed assets	-133.9	0.0	0.0
Cash flow from investing activities	**-148.0**	**-1.8**	**-5.8**
Financing activities			
New share issues	0.0	325.1	606.4
Issue costs	-0.4	-21.9	-38.2
Conversion of options	6.1	10.4	16.7
Acquisition of options	0.2	1.6	1.6
Cash flow from financing activities	**5.9**	**315.2**	**586.5**
Cash flow for the period			
Cash and cash equivalents, at beginning of period	647.2	143.6	143.6
Change in cash and cash equivalents	-97.4	278.3	503.9
Exchange rate difference in cash and cash equivalents	0.1	-0.2	-0.3
Cash and cash equivalents, at end of period	**550.0**	**421.8**	**647.2**

KEY FIGURES, SHARE DATA, OPTIONS	2011 Jan-Sep	2010 Jan-Sep	2010 Jan-Dec
Return on:			
- equity, %	19.0	-28.5	-35.3
- capital employed, %	18.4	-28.4	-35.2
- total assets, %	16.2	-22.2	-28.8
Number of shares at beginning of period, 000	28,593	20,844	20,844
New share issues	2,660.6	5,379	7,749
Number of shares at end of period, 000	31,254	26,242	28,593
- of which class A shares	660	660	660
- of which class B shares	30,594	25,582	27,933
Average number of shares, 000	29,924	23,543	24,718
Outstanding warrants, 000	713	1,024	804
- entitlement to class B shares at conversion, 000	777	1,174	876
Share capital at end of period, SEK m	156.3	131.2	143.0
Equity at end of period, SEK m	1,148.0	391.3	607.3
Basic and diluted earnings per share, SEK	5.58	-3.30	-5.43
Equity per share, SEK	36.73	14.91	21.24
Net worth per share, SEK	36.73	14.91	21.24
Cash flow per share after investments, SEK	-3.45	-1.56	-3.34
Equity ratio, %	81.2	79.3	83.7
EBITDA	171.0	-73.5	-128.9
EBIT	156.0	-79.8	-136.7
Operating margin, %	0.3	-1.5	-2.5

Definitions of key figures

EBITDA. (Earnings before interest, taxes, depreciation and amortization) operating profit/loss before depreciation, amortization and impairment.
EBIT. (Earnings before interest and taxes) operating profit/loss after depreciation, amortization and impairment.
Operating margin. Operating profit/loss as a percentage of net sales.
Return on equity. Profit/loss after financial items as a percentage of average equity.
Return on capital employed. Profit/loss after financial items plus financial costs as a percentage of average capital employed.
Return on total assets. Profit/loss after financial items plus financial costs as a percentage of average total assets.
Equity per share. Equity divided by the number of shares at the end of the period.
Average number of shares. The unweighted average number of shares in the year.
Cash flow per share after investments. Cash flow after investments divided by the average number of shares.
Basic and diluted earnings per share. Profit/loss after financial items divided by the average number of shares.
Equity ratio. Equity in relation to total assets.
Net worth per share. Equity plus hidden assets in listed equities divided by number of shares at the end of the period.
Capital employed. Total assets less non interest-bearing liabilities including deferred tax liabilities.

PARENT COMPANY INCOME STATEMENT	2011	2010	2010
(SEK m)	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	405.4	52.5	72.3
Cost of goods sold	-0.1	-0.7	-0.8
Gross profit/loss	**405.3**	**51.8**	**71.5**
Selling expenses	-44.0	-7.1	-9.5
Administrative expenses	-27.1	-19.7	-28.7
Research and development costs	-136.0	-105.1	-152.1
Other operating income/expenses	0.2	-1.5	-0.5
Operating profit/loss	**198.4**	**-81.6**	**-119.2**
Net financial income/expense	**10.1**	**2.1**	**-16.5**
Profit/loss after financial items	**208.5**	**-79.5**	**-135.7**
Net profit/loss	**208.5**	**-79.5**	**-135.7**
Net profit/loss attributable to:			
Equity holders of the parent	**208.5**	**-79.5**	**-135.7**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)	2011 Jan-Sep	2010 Jan-Sep	2010 Jan-Dec
Net profit/loss	**208.5**	**-79.5**	**-135.7**
Other comprehensive income for the period, net after tax	**208.5**	**-79.5**	**-135.7**
Total comprehensive income for the period	**208.5**	**-79.5**	**-135.7**
Total comprehensive income attributable to:			
Equity holders of the parent	**208.5**	**-79.5**	**-135.7**

PARENT COMPANY BALANCE SHEET SUMMARY	2011	2010	2010
(SEK m)	30 Sep	30 Sep	31 Dec
Assets			
Intangible fixed assets	4.0	4.2	4.3
Tangible fixed assets	32.4	22.3	24.8
Financial fixed assets	614.9	19.0	19.0
Inventories	0.3	0.1	0.1
Current receivables	96.7	23.0	27.4
Investments in securities, etc	497.4	389.0	418.6
Cash and bank balances	23.1	29.9	226.0
Total assets	**1,268.8**	**487.5**	**720.2**
Liabilities and equity			
Equity	1,187.4	389.3	604.6
Long-term liabilities	0.1	1.6	0.1
Current liabilities	81.3	96.6	115.4
Total liabilities and equity	**1,268.8**	**487.5**	**720.2**

Accounting principles

Medivir applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. The significant accounting and valuation principles are stated on pages 54-58 of the Annual Report 2010. The group's Interim Report has been prepared according to IAS 34. The parent company uses the policies recommended in RFR 2 issued by RFR, the Swedish Financial Reporting Board. Other new or revised IFRS and interpretation statements from IFRIC that came into effect after 31 December 2010 did not have any material effect on the group's or parent company's financial position or results of operations.

Presentation of the Income Statement

From 1 January 2011, Medivir has revised the Income Statement from classification by nature of expense to classification by function in accordance with IAS 1 Presentation of financial statements. Medivir's management expects classification by function to present a more accurate view of Medivir's financial outcome and will improve comparability with other companies active in the same sector. In order to improve comparability in Medivir's progress, comparative figures for 2010 have also been revised. The group's results of operations and financial position are not affected by the revised presentation. The costs of Medivir's operations are divided between Cost of Goods Sold, Marketing & Sales, Administration and Research & Development:

Marketing and sales
This function is responsible for the commercialization of research projects, product launches and sales of pharmaceuticals in-house and via partners.

Administration
This function comprises Medivir's administrative functions such as management, corporate development, IR and finance department.

Research and development
This function comprises Medivir's research and pharmaceuticals development in pre-clinical and clinical trials and regulatory operations.

Segment reporting

Reporting of operating segments, Jan-Sep	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
(SEK m)	**Pharmaceuticals**		**Parallel Import**		**Total**	
Net sales	465.6	53.6	101.2	-	566.8	53.6
EBITDA	173.9	-73.5	-2.9	-	171.0	-73.5
Depreciation, amortization and impairment	-14.4	-6.3	-0.6	-	-15.0	-6.3
Financial income/expense	3.0	2.1	-0.3	-	2.7	2.1
Profit/loss after financial items	162.5	-77.7	-3.8	-	158.7	-77.7

Transactions with related parties

Transactions with related parties are on an arm's length basis. Medivir AB's sales of services to subsidiaries amounted to SEK 0.2 (0.0) m. There were no purchases from subsidiaries.

There are agreements between companies owned by senior managers and Medivir conferring entitlement to royalties on products the company may develop based on patented inventions the company has acquired from the relevant people before and during their time as researchers at Medivir. Remuneration of SEK 0.9 (0.0) m occurred in the period.

In the period, Medivir AB purchased SEK 0.2 m of office services from Scicona Ltd., which is owned by Ron Long, and entered a SEK 0.5 m option agreement with PepTonic AB, of which Mr. Long is a minor owner. These payments were made in the period when Mr. Long was CEO and a Board member of Medivir AB.

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 managers and other staff.

Outstanding options, redemption and forfeiture

At the beginning of 2011, Medivir had two outstanding option plans divided between a total of 803,647 outstanding options. In the period, 91,140 options in the 2007 plan were converted, increasing share capital by SEK 0.5 m and other paid-in capital by SEK 5.6 m. The number of outstanding options at the end of the period was 712,507, equating to 776,633 class B shares. Upon full conversion, the number of outstanding options corresponds to approximately 2.5% of capital and approximately 2.1% of the votes, and upon full exercise, could increase equity by SEK 78.1 m, and accordingly, the total number of shares could amount to 32,030,460. After the rights issue in the second quarter of 2010, the conversion terms for the option plans were restated. The options from the 2007 and 2010 programs confer entitlement to conversion of 1.09 shares per option. The exercise price for the option plans has also been restated.

Outstanding option plans, 30 September 2011					
Type	**Term**	**No.**	**Exercise price, SEK**	**Entitlement to no. of shares**	**Outstanding shares now and on full conversion**
No. of shares 30 Sep. 2011					31,253,827
Staff stock options	2007-2012	318,107	61.20	346,737	346,737
Opt. plans	2010-2013	394,400	132.30	429,896	429,896
Total		**712,507**		**776,633**	**32,030,460**

Option plan 2007-2012

The AGM 2007 approved a staff stock option plan of 480,000 options, of which some 360,000 staff stock options were granted to employees of the group and the remainder were retained to cover social security costs. The term of this plan is 18 June 2007 to 30 April 2012, and after vesting, holders are entitled to exercise each option to subscribe for a new class B share against payment of an exercise price.

Option plan 2010-2013

The AGM 2010 approved a staff stock option plan of 394,400 options, of which some 343,000 options can be granted to employees of the group and the remainder retained to cover social security costs. According to the terms of this plan, all employees are offered the opportunity to acquire warrants on market terms. In addition, for each warrant an employee acquires, they also receive a staff stock option free of charge. The term of this plan is 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.

Acquired operations

On 11 April 2011, Medivir publicized its offering to acquire all the shares and listed warrants of BioPhausia. This offering consisted of a combination of cash and new class B Medivir shares, with each BioPhausia share valued at SEK 1.65 and each listed warrant at SEK 0.32, equating to the listed price at the acquisition date. An EGM (Extraordinary General Meeting) of Medivir on 5 May secured shareholder support to issue shares as payment. The Board had decided to execute the acquisition on 31 May 2011. The valuation of the new class B Medivir shares was based on the listed price of SEK 143.50 at the acquisition date. A total of 2,510,817 class B shares were issued, with an additional SEK 184.5 m paid in cash for the acquisition. This acquisition did not include any additional purchase price. At the end of the period, Medivir's holding was 94%. Because Medivir invoked redemption of the remaining shares, BioPhausia has been incorporated into the group as a wholly owned subsidiary and the purchase price of the remaining shares has been recognized as a liability.

BioPhausia complements Medivir's operations with its competence in regulatory work, logistics, distribution, marketing, sales and the quality-assurance of pharmaceuticals, as well as a local presence in Sweden, Denmark and Finland. This acquisition is also an important step ahead of the expected launch and commercialization of TMC435 in the Nordics, where Medivir holds the commercial rights. The transaction was

based on commercial benefit and with this acquisition, Medivir has taken a step toward its goal of becoming an integrated and profitable Nordic specialty pharmaceutical company focusing on infectious diseases.

The revenue from BioPhausia recognized in the Consolidated Income Statement since 1 June 2011 amounts to SEK 161.6 m. BioPhausia also made a SEK -21.4 m contribution to net profit/loss. If BioPhausia had been consolidated from 1 January 2011, revenue would have been SEK 380.8 m and the contribution to net profit/loss SEK 5.6 m. Because inventories at the acquisition date are recognized at estimated net realizable value, BioPhausia's net profit/loss for the period was negatively affected by SEK 29.3 m.

Transaction costs for the acquisition amount to SEK 20.5 m and are included in consolidated operating expenses. The goodwill of SEK 188.3 m arising through the acquisition relates to BioPhausia's legal structure, segments, product and market presence, and the synergies expected to arise by coordinating Medivir and BioPhausia's commercial operations and competence base. Goodwill is recognized as an intangible asset and consists of the amount by which acquisition cost exceeds the fair value of the identifiable net assets at the acquisition date. No part of recognized goodwill is expected to be deductible for income tax purposes.

The fair value of the acquired identifiable intangible assets of SEK 371.1 m, of which product rights were SEK 351.9 m, and trademarks and brands SEK 19.2 m, are preliminary numbers dependent on receiving definitive measurement of these assets.

A preliminary acquisition analysis for the purchase of BioPhausia, summarizing the purchase price paid and the fair value of acquired assets and liabilities taken over and reported on the acquisition date follows. Acquired net assets and goodwill may be restated.

Statement of purchase price (SEK m)	
Purchase price	
Cash payment, shares	171.0
Fair value of issued shares	367.5
Cash payment, listed warrants	12.9
Cash payment, staff stock options	0.6
Liability for compulsory redemption	34.4
Total purchase price	**586.5**

Assets and liabilities of the acquired operation measured at market value (SEK m)	
Fixed assets	
Intangible fixed assets	371.1
Tangible fixed assets	1.6
Deferred tax asset	82.2
Current assets	
Inventories	113.2
Accounts receivable	56.7
Current tax receivables	5.6
Other receivables	0.7
Prepaid expenses and accrued income	9.4
Cash and bank balances	26.6
Total assets of acquired operation	**667.0**
Long-term liabilities	
Subordinated loan	60.7
Current liabilities	
Repayment of long-term debt	156.2
Accounts payable	18.6
Other liabilities	9.4
Accrued expenses and deferred income	23.8
Total liabilities in acquired operation	**268.8**
Acquired net assets	**398.2**
Goodwill	188.3
Total purchase price	**586.5**

Cash and cash equivalents (SEK m)	
Cash and cash equivalents	
Cash paid, purchase price	-184.5
Cash and cash equivalents in acquired operation	26.6
Effect on consolidated cash and cash equivalents	**-158.0**

Significant risks and uncertainty factors

Medivir's main operation focuses on pharmaceutical research and development, which is a highly risky and capital-intensive process. The majority of projects that are started never reach market registration. Medivir's ability to produce new CDs (candidate drugs), enter partnerships on its projects and successfully develop its projects to market launch and sale, and to secure funding of its operations, are decisive to its future. After the acquisition of BioPhausia, the risk profile changes somewhat through additional exogenous and product risks.

The Board of Directors judges that existing cash and cash equivalents and revenues from partnership agreements already signed and product sales will ensure funding of operations in accordance with current plans.

Medivir is exposed to three main categories of risk:

- Exogenous risks such as competition, actions by regulatory authorities, price changes and patent protection. If competing products take market share or competing research projects achieve superior efficacy and reach the market faster, the future value of Medivir's product and project portfolio will be less than originally expected.
- Operating risks such as dependency on external parties in partnerships and dependency on regulatory approval;
- Financial risks such as liquidity, interest, currency and credit risk.

A more detailed description of exposure to risk, and how Medivir and BioPhausia manage it, is provided in the respective Annual Report 2010.

Huddinge, Sweden, 24 October 2011

Göran Pettersson
Chairman

Björn C Andersson
Board member

Ingemar Kihlström
Board member

Anna Malm Bernsten
Board member

Review report

We have conducted a limited review of the financial statement for Medivir AB (publ) for the period 1 January – 30 September 2011. The preparation and presentation of these interim financial statements pursuant to IAS 34 and the Swedish Annual Accounts Act are the responsibility of the Board of Directors and Chief Executive Officer. Our responsibility is to report our conclusions concerning these interim financial statements on the basis of our limited review.

We have conducted our limited review pursuant to the Standard for Limited Review (SÖG) 2410 "Limited review of interim financial information conducted by the company's appointed auditor." A limited review consists of making inquiries, primarily to individuals responsible for financial and accounting matters, as well as performing analytical procedures and taking other limited review measures. A limited review has a different focus and significantly less scope than an audit according to RS Auditing Standards in Sweden and generally accepted auditing practice. The review procedures undertaken in a limited review do not enable us to obtain a level of assurance where we would be aware of all important circumstances that would have been identified had an audit been conducted. Therefore, a conclusion reported on the basis of a limited review does not have the level of certainty of a conclusion reported on the basis of an audit.

Based on our limited review, no circumstances have come to our attention that would give us reason to believe that the interim financial statements have not been prepared pursuant to IAS 34 and the Swedish Annual Accounts Act for the group, and pursuant to the Swedish Annual Accounts Act for the parent company, in all material respects.

PricewaterhouseCoopers AB

Claes Dahlén
Authorized Public Accountant
Stockholm, Sweden, 24 October 2011