Press Release, 4 November 2002

MEDIVIR, INTERIM REPORT, 1 January – 30 September 2002

- MIV-310 has demonstrated powerful anti-viral activity on patients with multiresistant HIV that do not respond to current drugs. Phase IIa trial results were reported in May, and presented in July at the XIV International AIDS Conference in Barcelona, and elsewhere.

- Positive pre-clinical results from Medivir's hepatitis B and HIV project MIV-210 were presented at the ICAAC, San Diego, in September.

- Efforts to appoint a CEO to succeed Jonas Frick are underway.

- Profit after financial items amounted to SEK -26.7 (-99.4) m; net sales rose to SEK 208.7 (96.7) m.

- CCS achieved net sales gains to SEK 117.0 (96.9) m; operating profit was SEK 18.3 (15.7) m.

Forthcoming Financial Reports

The Financial Statement will be published on 14 February 2003.
Medivir's First-quarter Interim Report will be published on 29 April 2003.

Medivir's financial reports are available from its Website, www.medivir.se as of these dates, under the 'Financial Information' heading.

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The Medivir Group

Medivir is an innovative, specialist pharmaceuticals research and development corporation. Medivir's research is focused on developing substances into new pharmaceuticals based on proteases and polymerases as target enzymes. Research and development is pursued at Cambridge, UK and Huddinge, Sweden. The group comprises Medivir AB, the subsidiaries Medivir UK Ltd. and CCS AB, plus second-tier subsidiaries CCS (UK) Ltd. and Nordic Care Sweden AB. Medivir has been quoted on the Stockholm Stock Exchange O-list since 1996, and on the Attract 40 list since 1 July 2002.

Medivir's research portfolio includes projects against HIV, jaundice, shingles, cold sores, osteoporosis, asthma, MS (multiple sclerosis) and RA (rheumatoid arthritis).

Medivir has four projects in clinical development phases, two of which are entering phase III after completing phase II. One project is in phase I and one is in phase II. Medivir's preclinical research encompasses a number of projects, one of which is entering, and two are in, the optimization phase. One project is in its late preclinical development phase. Medivir also has some 15 specific activities in early preclinical research.

Summary

Medivir signed two licensing agreements in the accounting period, the first with Reliant Pharmaceuticals on RP-606 (formerly MIV-606) against shingles, and the second with Roche on Medivir's anti-HIV compound MV026048. The efforts of the business development unit remain oriented on partnerships on Medivir's other clinical projects, and on evaluating various business and research collaborations.

Positive preclinical results for Medivir's project MIV-210 against hepatitis B and HIV were published at the ICAAC, in San Diego, in September. The positive results of a phase IIa trial were published in May, and were also presented during the XIV International AIDS Conference in Barcelona, and the XI International HIV Drug Resistance Workshop in Seville, in July.

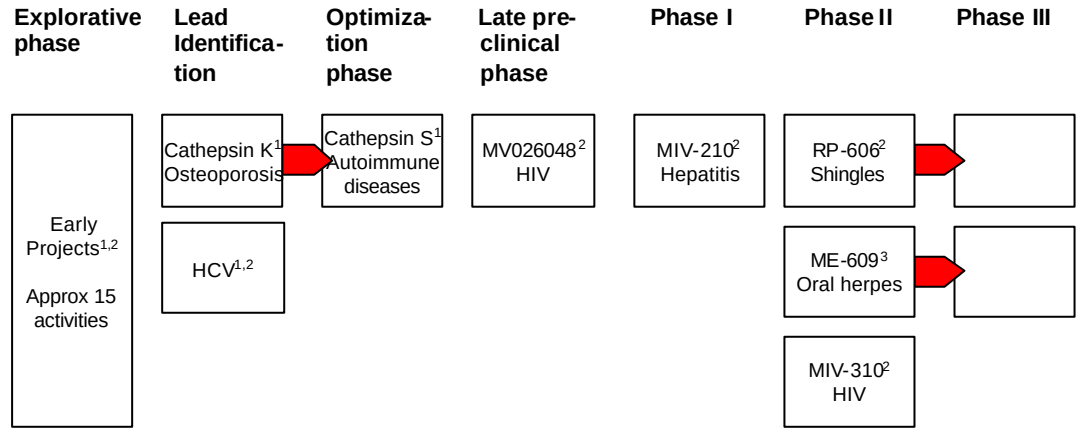
Chiron returned MIV-150 (HIV) to Medivir in the period.

Among Medivir's preclinical projects, positive research results were presented for Cathepsin S against MS (multiple sclerosis) and autoimmune deficiencies.

CCS is maintaining its robust sales and profit performance, with the supply of, and associated revenues from, eye-care products and nasal decongestant Nezeril getting underway in the period, exerting a positive influence on sales performance.

Efforts to apoint a new CEO to succeed Jonas Frick are underway.

MEDIVIR'S PROJECT PORTFOLIO



1 Protease inhibitor
2 Polymerase inhibitor
3 Polymerase inhibitor combination

Completed, on its way into next step

The figure above schematically depicts the current development phase for the various Medivir projects.

Medivir's Clinical Development Portfolio

RP-606 (previously MIV-606) against Shingles

The transfer of data and documentation related to RP-606 to Reliant was completed in early summer 2002. The planning of forthcoming phase III trials, substance production and developing synthesis, continues. The corporations have also jointly appointed an advisory board consisting of world-renowned clinical scientists in this field, which is now actively participating in the planning of phase III trials. The next stage of this process is to meet the FDA to report on the phase II trials.

ME-609 against Labial Herpes (Cold Sores)

Efforts to secure a partnership for phase III trials continue.

MIV-310 against Multiresistant HIV

A phase IIa proof of concept trial were published in the summer. It demonstrated that MIV-310 (NRTI) is effective on patients whose HIV infection could not be arrested with available drugs. MIV-310 may form part of future treatment of the growing multiresistant-HIV patient population. Forthcoming phase IIb trials are now being planned in parallel with the evaluation of future potential partnerships for the project's onward development in clinical trials.

MIV-210 against Hepatitis B Virus (jaundice) and HIV

Medivir's MIV-210 project against hepatitis B virus (jaundice) and HIV are now in phase I clinical trials. In September, Medivir published new preclinical data for MIV-210 against hepatitis B and HIV at the ICAAC (Interscience Conference on Antimicrobial Agents and Chemotherapy) in San Diego, US, demonstrating that MIV-210 is highly potent against hepatitis B, and against viruses that have developed resistance to current treatments. Moreover, MIV-210's very positive effect against multiresistant HIV was demonstrated, as was its synergistic efficacy with MIV-310.

In parallel with the ongoing phase I trials which demonstrated very positive oral uptake in healthy subjects, planning is underway of a forthcoming clinical phase IIa trial in which patients with the multiresistant HIV will be treated with MIV-210. MIV-210 will be similarly trialed on hepatitis B patients. Medivir's ambition is to continue the clinical development of this very promising project, and to seek partnerships for MIV-210 when the circumstances are right.

Medivir's Preclinical Research

Project Progress

Medivir has approximately 15 specific activities in preclinical research, four of which have reached project status.

One such project is MV026048, an NNRTI-type polymerase inhibitor, which is in late-preclinical development. Medivir outlicensed this project to Roche in April, with the transfer of data and documentation completed in the summer. Roche, which has assumed development responsibility, is now preparing for clinical trials, expected to start in 2003.

Medivir's Cathepsin S (protease inhibitor) project—intended as therapy against autoimmune deficiencies—is now in its optimization phase. This project is being pursued jointly with Peptimmune of the US, oriented against indications such as RA (rheumatoid arthritis) and MS. Major research advances have been made validating this project for these indications, which have also been reported.

Cathepsin K protease is an enzyme whose activity results in the breakdown of skeletal tissue. Osteoporosis results if Cathepsin K activity increases, or an imbalance between

skeletal accumulation and breakdown occurs. It has been possible to demonstrate that the pathogenic resorption of skeletal tissue can be radically reduced if Cathepsin K activity is inhibited. Medivir's inhibitor has demonstrated efficacy in a model of human skeletal resorption, and this project is now heading towards its optimization phase.

CCS

CCS sustained positive sales performance, registering gains of 21%, primarily attributable to brisk sales growth across CCS' entire product range. Moreover, the production, supply and associated revenues from eye-care products and nasal decongestant Nezeril got underway late in the second quarter, further accentuating CCS' sales growth during the third quarter.

In the period, CCS and the Population Council of New York extended their collaboration on the development and manufacture of a vaginal gel to be used in forthcoming phase III trials. The objective of these trials is to create a project to protect third-world women against sexually transmitted disease.

Operating profit this year has been burdened by costs for the restructuring of Nordic Care AB, and for the take-over of AstraZeneca's eye-care products, and contract manufacture of Nezeril, which had a negative impact on operating margins.
CCS' operating margins expanded in the third quarter, and are expected to return to previous levels, shadowing the sales of eye-care product and the contract manufacture of Nezeril reaching their full scale.

Medivir's Consolidated Turnover and Costs

The Group

Consolidated net sales amounted to SEK 208,714,000 (96,675,000) in the period; operating costs were SEK -239,600,000 (-205,660,000), including goodwill amortization of SEK -2,524,000 (-2,524,000). The net financial position was SEK 2,796,000 (9,863,000). Profit after financial items was SEK -26,653,000 (-99 409,000).

Medivir

The net sales of Medivir's research operations—encompassing Medivir AB and Medivir UK Ltd.—were SEK 92,440,000 (153,000) in the period. The revenue gains are attributable to the outlicensing of RP-606 against shingles to Reliant, and of MV026048 against HIV, to Roche. Operating costs were SEK -137,639,000 (-122,558,000), distributed between external costs of SEK -72,642,000 (-63,927,000), personnel costs of SEK –53,762,000 (-48,646,000) and depreciation of SEK -11,235,000 (-9,985,000). External costs include some SEK 7,500,000, which was posted to costs from part of RP-606 stocks within Medivir AB. Operating profits amounted to SEK –45,198,000 (-122,405,000); the earnings gains are mainly due to the outlicensing of RP-606 and MV026048. Profit after financial items stood at SEK -42,424,000 (-112,785,000).

CCS

The CCS group includes CCS AB, NCS AB (Nordic Care Sweden AB) and CCS UK Ltd. CCS' net sales rose to SEK 116,974,000 (96,935,000). The CCS group's consolidated operating profit stood at SEK 18,274,000 (15,656,000); profit after financial items was SEK 18,295,000 (15,899,000).

The sales gains are due to the sustained positive sales performance of CCS' proprietary products, and that the production and sale of acquired eye-care products and Nezeril got underway late in the second quarter. The two biggest product groups—ordinary retail goods and pharmaceuticals—registered 15% and 12% gains respectively. In the period, CCS' UK subsidiary began the launch and sale of CCS' foot-care products at Lloyds, while Boots has also been distributing CCS products for some time.

Of CCS AB's product sales, 35 (36)% comprise contract manufacture and 16 (14)% export sales.

In the period, operating profit was subject to costs for the restructuring of NCS AB, the take-over of AstraZeneca's eye-care products and the contract manufacture of Nezeril. Production, supply and the associated eye-care product revenues, and Nezeril, began at the end of the second quarter.
The addition of over 40 staff in 2001, for reasons including CCS' increasing share of contract manufacture in the skin-care segment, the manufacture and sale of CCS' new eye-care product range, the contract manufacture of Nezeril and from the acquired enterprise NCS AB, explain the increase in the CCS group's personnel costs.

Financial Position
Consolidated liquid assets including short-term investments were SEK 156,230,000 (182,732,000 as of 31 December 2001), with the market value of listed equities of SEK 9,293,000 (15,554,000 as of 31 December 2001) being additional.
Interest-bearing liabilities were SEK 2,444,000 (852,000) as of 30 September. Shareholders' equity stood at SEK 353,707,000 (396,176,000). The consolidated equity ratio was 88.9%, against 88.1% at year-end 2001.

Investments
Gross investments in consolidated tangible and intangible fixed assets were SEK 14,114,000 (24,913,000) in the period, primarily attributable to the acquisition of research equipment for Medivir, and production equipment within CCS. The expansion of intangible fixed assets relates to CCS' acquisition of eye-care product production rights from AstraZeneca.

Accounting Principles
The group observed the Swedish Annual Accounts Act when preparing this Interim Report. The accounting and valuation principles applied are consistent with RR (the Swedish Financial Accounting Standards Council) recommendations and statements.

Outlook
In 2002, research costs will be consistent with 2001. Pursuant agreements regarding the outlicensing of RP-606 and MV026048, Medivir will receive a liquidity injection of some SEK 100 m, of which SEK 20 m from new issues. CCS' sales and profit are expected to progress positively.

Medivir
The Board

Huddinge, Sweden, 4 November 2002

This Report has not been subject to specific review by Medivir's auditors.

CONSOLIDATED INCOME STATEMENT
Summary, SEK 000

	2002 Jan-Sep.	2001 Jan-Sep.	2000 Jan-Sep.	2001 Jan.-Dec.
Turnover, etc.				
Net sales	208,714	96,675	78,586	125,891
Change in inventories	1,336	-415	1,325	805
Other turnover	101	127	312	199
Total turnover	**210,151**	**96,387**	**80,223**	**126,895**
Operating costs				
Raw materials and consumables	-50,254	-39,703	-23,561	-53,789
Other external costs	-90,355	-78,236	-63,480	-104,604
Personnel costs	-81,073	-71,826	-47,412	-100,096
Depreciation	-17,918	-15,894	-9,853	-21,302
Total operating costs	**-239,600**	**-205,660**	**-144,306**	**-279,790**
Operating profit	**-29,449**	**-109,272**	**-64,083**	**-152,895**
Profit from financial investments				
Profit from other securities and receivables	153	150	291	213
Other interest income and similar profit/loss items	2,932	9,911	10,478	13,433
Interest costs and similar profit/loss items	-289	-197	-87	-168
Total profit from financial investments	**2,796**	**9,863**	**10,682**	**13,477**
Profit after financial items	**-26,653**	**-99,409**	**-53,401**	**-139,418**
Tax*	0	0	0	3,625
Net profit	**-26,653**	**-99,409**	**-53,401**	**-135,793**
Earnings per share, SEK	-3.16	-11.99	-7.16	-16.38
Average number of shares, 000	8,439	8,288	7,459	8,288
Number of shares, closing balance, 000	8,590	8,288	8,262	8,288

* The group has estimated accrued tax-deductible losses of at least SEK 300 m until 2001 inclusive.

CONSOLIDATED INCOME STATEMENT
Summary, SEK 000

	2002 July-Sep	2001 July-Sep	2000 July-Sep
Turnover, etc.			
Net sales	43,171	33,087	23,866
Change in inventories	-354	-7	1,240
Other turnover	-77	79	292
Total turnover	**42,740**	**33,159**	**25,398**
Operating costs			
Raw materials and consumables	-15,382	-13,814	-5,507
Other external costs	-27,881	-25,544	-23,426
Personnel costs	-25,374	-22,566	-17,512
Depreciation	-6,046	-5,548	-3,919
Total operating costs	**-74,683**	**-67,471**	**-50,364**
Operating profit	**-31,943**	**-34,312**	**-24,966**
Profit from financial investments			
Profit from other securities and receivables	22	22	35
Other interest income and similar profit/loss items	964	3,012	5,429
Interest costs and similar profit/loss items	-4	-124	-5
Total profit from financial investments	**982**	**2 909**	**5 459**
Profit after financial items	**-30,961**	**-31,403**	**-19,507**
Tax	0	0	0
Net profit	**-30,961**	**-31,403**	**-19,507**

CONSOLIDATED BALANCE SHEET
Summary, SEK 000

	2002 30 Sep.	2001 30 Sep.	2000 30 Sep.	2001 31 Dec.
Assets				
Fixed assets				
Intangible fixed assets	38,037	38,112	42,304	37,270
Tangible fixed assets	105,554	109,254	80,572	110,948
Financial fixed assets	3,130	3,319	3,133	3,130
Total fixed assets	**146,721**	**150,684**	**126,009**	**151,348**
Current assets				
Inventories	42,470	47,493	40,343	50,306
Current receivables	52,613	27,748	21,478	25,734
Short-term investments	130,165	202,107	351,940	163,544
Cash and bank balances	26,065	11,033	29,320	19,188
Total current assets	**251,313**	**288,381**	**443,081**	**258,772**
Total assets	**398,034**	**439,065**	**569,090**	**410,120**
Liabilities and shareholders' equity				
Restricted equity	588,523	573,322	589,663	570,704
Accumulated deficit/non-restricted equity	-234,816	-177,146	-66,091	-209,525
Total shareholders' equity Note 1	**353,707**	**396,176**	**523,572**	**361,179**
Provisions	4,494	5,260	6,245	4,494
Long-term liabilities	2,444	852	0	953
Current liabilities	37,388	36,777	39,273	43,494
Total liabilities and shareholders' equity	**398,034**	**439,065**	**569,090**	**410,120**

Note 1
Change in shareholders' equity (SEK 000)

	Restricted equity	Accumulated deficit/ non-restricted equity	Total sh'holders' equity
Balance sheet, 31 Dec. 2001	570,704	-209,525	361,179
Private placement	20,501		20,501
Transfer between restricted and non-restricted reserves	-2,682	2,682	0
Translation differences		-1,320	-1,320
Net profit		-26,653	-26,653
Balance Sheet, 30 Sep. 2002	**588,523**	**-234,815**	**353,707**

CONSOLIDATED CASH FLOW STATEMENT
Summary, SEK 000

	2002 Jan-Sep.	2001 Jan-Sep.	2000 Jan-Sep.	2001 Jan.-Dec.
Ongoing operations				
Operating profit after financial items	-26,653	-99,409	-53,401	-139,418
Adjustment for items not included in cash flow:				
Depreciation and write-downs	17,918	15,894	9,853	22,846
Exchange rate and translation differences	-523	-2,844	-877	-1,599
Capital gain(-)/loss (+) on divested fixed assets	26	148	-100	109
Tax paid	-1,847	-1,782	-733	-1,431
Cash flow from ongoing operations before change in working capital	**-11,079**	**-87,994**	**-45,258**	**-119,492**
Change in working capital	-23,302	-17,605	-7,472	-12,039
Cash flow from ongoing operations	**-34,381**	**-105,599**	**-52,730**	**-131,531**
Investment activity				
Acquisitions of tangible fixed assets	-10,739	-24,913	-23,874	-31,342
Acquisitions of intangible fixed assets	-3,375	0	0	0
Acquisitions of financial fixed assets	0	0	-873	0
Divestments of tangible fixed assets	0	0	140	62
Divestments of financial fixed assets	0	3	0	3
Investment grant received	0	0	0	1,789
Cash flow from investment activity	**-14,114**	**-24,910**	**-24,607**	**-29,487**
Financing activity				
Financial payments	20,501	13	310,972	13
Increase in long-term liability	1,491	852	0	953
Cash flow from financing activity	**21,992**	**865**	**310,972**	**966**
Cash flow for the period				
Liquid assets, opening balance*	182,732	342,784	147,625	342,784
Change in liquid assets	-26,503	-129,644	233,635	-160,052
Liquid assets, closing balance*	**156,230**	**213,140**	**381,260**	**182,732**

* Liquid assets refer to cash, bank balances and short-term investments.
The market value of listed equities, of SEK 9,293,000 (15,554,000 at year-end 2001) is additional to the above.

KEY FIGURES

	2002 Jan-Sep.	2001 Jan-Sep.	2000 Jan-Sep.	2001 Jan.-Dec.
Return on:				
- equity, %	-7.46	-22.26	-14.00	-31.64
- capital employed, %	-7.34	-22.21	-14.00	-32.48
- total capital, %	-6.52	-20.05	-12.60	-28.99
Average number of shares, 000	8,439	8,288	7,459	8,288
Number of shares at end of period, 000	8,590	8,288	8,262	8,288
Outstanding warrants, 000	313.4	313.4	266.8	313.4
Earnings per share, SEK	-3.16	-11.99	-7.16	-16.38
Shareholders' equity per share, SEK	41.18	47.80	63.37	43.58
Cash flow per share after investments, SEK	-5.75	-15.64	-10.37	-19.43
Earnings per share, SEK*	-2.89	-11.40	-6.74	-15.57
Shareholders' equity per share, SEK*	45.62	52.15	67.48	48.14
Equity ratio, %	88.86	90.23	92.00	88.07

For forecast year-2002 earnings per share, please refer to the 'Outlook' heading in the section on Medivir's consolidated turnover and costs.

* After full utilization of outstanding warrants.
RR's (the Swedish Financial Accounting Standards Council) instruction No. 18 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 warrants. 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.