



30 November 2004 in Huddinge, Sweden

Medivir AB enters into License and Research Collaboration Agreement on Hepatitis C

Medivir AB today announced that it has signed a license and research collaboration agreement on Hepatitis C with Tibotec Pharmaceuticals Ltd, a subsidiary of Johnson & Johnson.

The goal of the research collaboration is to discover and develop orally active protease inhibitors of the NS3/4A protease of HCV. Medivir has developed a novel series of potent HCV NS3/4A protease inhibitors. These HCV inhibitors exhibit antiviral properties in a cell-based assay and have drug-like properties.

Tibotec will be responsible for the global clinical development of these compounds and has acquired exclusive, worldwide marketing rights, except for in the Nordic countries, which have been retained by Medivir. The product will be commercialized in the non-Nordic countries by the Tibotec, Ortho-Biotech or Janssen Cilag operating companies of Johnson & Johnson. Under the terms of the agreement, Tibotec will make an upfront payment of €6.5 million and, based on successful achievement of pre-specified scientific, clinical and regulatory milestones, payments of up to €62 million. In addition, upon reaching a specific clinical milestone, Medivir has the right to receive a product that achieves certain predefined commercial criteria for marketing in the Nordic region or an additional payment. Medivir will receive royalties on product sales. The agreement also includes research funding.

"We are pleased to enter this collaboration and see this as evidence of Medivir's competence within protease research. Hepatitis C is the hot spot of antiviral research today. This collaboration takes Medivir another important step further on its journey towards becoming a profitable, integrated pharmaceutical company", says Medivir's CEO Lars Adlersson.

Hepatitis C is a form of hepatitis caused by an RNA virus (HCV). According to the WHO 3% of the global population are infected with hepatitis C (HCV) amounting to 200 million people. In the US 1.8% of population are infected amounting to 3.9 million people. Presently there are approximately 2 million patients diagnosed for HCV in the western world. In more than 60% of cases, infection with HCV leads to long-term disease and disability. It is the most common cause of chronic liver disease, hepatocellular carcinoma, and the most frequent reason for liver transplantation. The HCV market is today dominated by interferon-based treatment regimes which have both limitations in efficacy and tolerability. The market is according to Datamonitor expected to grow rapidly from today's 3.5 bn USD to 9 bn USD in 2010.

The Medivir Group

Medivir is an innovative, specialist research corporation that develops drugs with the objective of becoming a sustaining and profitable pharmaceuticals corporation. Medivir is located in Huddinge, Sweden and near Cambridge, UK. Medivir's research is oriented on developing new drug compounds based on polymerases and proteases as target enzymes. The group consists of Medivir AB, its subsidiary Medivir UK Ltd. and Medivir Personal AB. As of 30 September 2004, the group had 125 employees. Medivir was listed on the Stockholm Exchange O-list in 1996. Medivir's research portfolio includes projects against HIV, jaundice, shingles, cold sores, osteoporosis, RA (rheumatoid arthritis), asthma and MS (multiple sclerosis). Medivir has five projects in clinical development phases, each with a unique clinical profile. The company's broad-based preclinical research portfolio houses six defined projects and nearly ten activities in various preclinical phases. Medivir AB (publ), Lunastigen 7, SE-141 44 Huddinge, Sweden, tel (switchboard): +46 (0)8 5468 3100

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