Press release, 31 August 2011

Financial Statement, 1 January – 30 June 2011

Operating profit/loss of SEK 215.7 m

All figures for the group unless otherwise stated. Unless otherwise stated, comparisons in this Interim Report are with the corresponding period of2010.

Interim period (January 2011 – June 2011)

- Net sales were SEK 444.6 (35.7) m
- Profit/loss after tax amounted to SEK 220.3 (-50.3) m
- Basic and diluted earnings per share were SEK 7.37 (-2.14)
- Cash flow from operating activities amounted to SEK 230.9 (4.6) m; cash and cash equivalents and investments in securities etc. amounted to SEK 716.4 (462.7) m at the end of the period

Second quarter (April 2011 – June 2011)

- Net sales were SEK 322.9 (14.1) of which BioPhausia, which was consolidated from 1 June, contributed SEK 42.4 m
- Profit/loss after tax amounted to SEK 167.4 (-24.1) m
- Basic earnings per share were SEK 5.52 (-1.01)

Business highlights in the second quarter

- Medivir's commercial presence in the Nordics enhanced through the acquisition of BioPhausia
- Positive interim results after 48 weeks' treatment presented from phase 2b ASPIRE study on TMC435 in treatment-experienced hepatitis C genotype 1 patients
- Clinical phase 1b trial commenced on polymerase inhibitor TMC649128 in patients with chronic hepatitis C virus genotype 1 infection
- Medivir receives USD 45 m (SEK 279 m) from Meda, which acquired the American rights to Xerese®

Post-period end highlights

- Tibotec decides to conduct a combination study on TMC435 with Pharmasset's PSI-7977 for hepatitis C
- TMC435 receives Fast Track designation by the FDA in the US
- BioPhausia CEO Maris Hartmanis appointed Deputy CEO and Chief Operating Officer
- BioPhausia's generics business, BMM Pharma AB, has been divested

CONSOLIDATED PROFIT PERFORMANCE	2011	2010	2011	2010	2010
SUMMARY, SEK m	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	322.9	14.1	444.6	35.7	54.9
Gross profit/loss	284.8	14.1	406.4	35.6	54.1
EBITDA	169.5	-22.7	221.4	-46.9	-128.9
EBIT	165.6	-24.8	215.7	-51.3	-136.7
Profit/loss before tax	164.1	-24.1	217.0	-50.3	-134.2
Profit/loss after tax	167.4	-24.1	220.3	-50.3	-134.2
Operating margin, %	51.3%	-175.6%	48.5%	-143.8%	-249.0%
Basic and diluted earnings per share, SEK	5.52	-2.14	7.37	-2.14	-5.43

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“Medivir’s commercial presence strengthened in the Nordics”

CEO’s comment

A trading company at the leading edge

We continued to make major advances in all segments in the second quarter. We took a momentous step forward to consolidate our commercial operation through our acquisition of Swedish specialty pharmaceutical company BioPhausia.

The acquisition of BioPhausia brings Medivir a profitable product portfolio with a number of well-known brands such as Mollipect (cough medicine), Citodon (analgesic), Laxabon (laxative) and Egazil (irritable bowel). The cash flow from this portfolio and enhancement of our commercial platform via BioPhausia’s network significantly improves our prospects of acquiring more products for sale in the Nordics, which complements the future flow of Medivir’s proprietary products.

BioPhausia also brings an infrastructure and platform that will facilitate the expected launch of TMC435 for HCV patients in the Nordics, where we’ve retained the commercial rights to the product. The Nordic market for hepatitis C consists of some 115,000 chronically infected patients. Of this total, some 3,000 per year are currently treated with current SoC (standard of care). In the best case, existing therapies cure only about 50% of the patients treated for this life-threatening disease. In addition, current therapy has problems with both safety and tolerability. Overall, this indicates that the Nordic region is a valuable future market for TMC435.

Late in the period, we consolidated our financial position further by renegotiating the terms with our commercial partner Meda on Xerese®, and our unique cold sore (labial herpes) product. Through a sale of the rights to Xerese® in the US, Canada and Mexico to Meda, we raised USD 45 m (SEK 279 m). This agreement will trigger a payment to AstraZeneca, the original patentee, according to previously agreed terms. Medivir has retained the existing global rights to Xerclear® outside the US, Canada and Mexico. We will continue to exploit these market opportunities via various partners.

Our hepatitis C projects

Medivir is continuing to make major advances in its hepatitis C portfolio. Our leading CD (candidate drug), the next-generation protease inhibitor TMC435, which is under development in partnership with Johnson & Johnson subsidiary Tibotec Pharmaceuticals, has continued to achieve very positive results. Interim data after 48 weeks’ treatment from the phase 2b ASPIRE study on previous null responders with chronic hepatitis C genotype 1, demonstrated significantly higher efficacy data for TMC435 than current standard of care (SoC). Additionally, TMC435 again demonstrated an excellent safety and tolerability profile. This is important because treatment-related adverse events are the main reason for the poor patient compliance with current SOC.

Medivir and Tibotec also have a sharp development focus on new combination therapies for treating hepatitis C. Our polymerase inhibitor TMC649128 has the potential to become a key component in forthcoming HCV combination therapies. This is due to the compound’s high genetic resistance barrier and anti-viral activity against several HCV genotypes. In June, phase 1b clinical studies on TMC649128 commenced on HCV patients. A combination study on TMC435 and TMC647055, a non-nucleoside NS5B polymerase inhibitor developed by Tibotec Pharmaceuticals also commenced in June.

After the end of the period, Medivir presented reports regarding the progress of the company’s hepatitis C projects. TMC435 was granted Fast Track designation by US regulatory authority the FDA. This is a further validation of the strong and clear profile TMC435 demonstrated in major

phase 2 studies and in comparison with the recently approved competing antivirals, Incivek™ and Victrelis™.

TMC435 has potential to be a cornerstone of forthcoming combination therapies. Medivir has given its support to partner Tibotec Pharmaceuticals' decision to commence combination studies on TMC435 with Pharmasset's polymerase inhibitor PSI-7977. These phase 2b combination studies are scheduled to commence in the year. This is corroboration of the efforts that are made to develop new treatment methods with the aim of improving current SoC for this serious disease.

We're looking forward to the second half of 2011. We expect to be able to report further results from several clinical studies that may continue to confirm the potential of TMC435 and indicate further advances towards our goal of becoming an integrated and profitable specialty pharmaceutical company focusing on infectious diseases.

Ron Long,
Chief Executive Officer

For more information, please contact

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Conference call for analysts and investors

There will be a conference call at 08.00 (EDT)/13.00 (GMT)/14.00 (CET) today, 31 August 2011, for investors and sell-side analysts to discuss this Report. To dial in to the conference call please use the following numbers:

Participant telephone numbers:	Sweden	+46 (0)8 5593 6764
	USA	+1 646 254 3361
	UK/Europe	+44 (0)20 3364 5381
Soundbyte replay access numbers:	Sweden	+46 (0)8 5051 3897
	USA	+1 347 366 9565
	UK	+44 (0)20 7111 1244
Replay access code:	3480691	

Financial information in 2011

The Interim Report for the third quarter will be published on 24 October 2011.

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

Highlights of the second quarter 2011

Medivir's commercial presence enhanced in the Nordics

Acquisition of BioPhausia

On 11 April 2011, Medivir reported that both Medivir and BioPhausia's Boards had recommended Medivir's offer to acquire all shares of profitable Nordic specialty pharmaceutical company BioPhausia. An Extraordinary General Meeting (EGM) of Medivir on 5 May secured shareholder support to issue shares for settlement of the transaction.

The offering to the shareholders of BioPhausia consisted of a combination of cash and new class B Medivir shares, with each BioPhausia share valued at SEK 1.65. The total purchase price was SEK 586.5 m (EUR 64 m). Medivir has invoked redemption in accordance with the Swedish Companies Act, in order to acquire all outstanding the shares and listed warrants of BioPhausia.

An EGM of BioPhausia on 12 July resolved to de-list BioPhausia shares and its listed warrants from NASDAQ OMX Stockholm with the final trading day of 15 July. The EGM resolved to elect new Board members of the company for the period until the end of the next AGM. All Board members are employees of the Medivir group. BioPhausia's listed subordinated debenture (BIOP 2 RTL) will remain listed on NASDAQ OMX Stockholm.

This acquisition of BioPhausia is an important step towards Medivir's goal of becoming a profitable, research-based specialty pharmaceutical company. BioPhausia complements Medivir's operations with competence in regulatory affairs, logistics, distribution, marketing, sales and quality-assurance of pharmaceuticals with a local presence in Sweden, Denmark and Finland. The acquisition is also an important step ahead of the expected launch and commercialization of TMC435 in the Nordics, where Medivir holds the commercial rights. BioPhausia was then consolidated into Medivir's accounts on 1 June and had sales of SEK 42.4 m in this month, which is in line with expected sales. In August, BioPhausia's generics business was divested for sales proceeds of SEK 26 m and the value of inventories, which amounted to SEK 12 m. Accordingly, this divestment concludes the restructuring process in BioPhausia that started a year ago. The business focus is now on Own products and Parallel imported products.

Hepatitis C

Medivir presented positive interim results after 48 weeks' treatment from the phase 2b study ASPIRE on TMC435 on treatment-experienced hepatitis C genotype 1 patients

All patient sub-groups achieved significantly higher sustained viral response (SVR) results (undetectable virus levels four weeks after end of treatment) compared with treatment with peginterferon and ribavirin (PegIFN/RBV).

Results—treatment efficacy

In this interim analysis after 48 weeks, all sub-groups of treatment-experienced patients that were former null responders to peginterferon achieved significantly higher virologic treatment responses after treatment with a regimen of 150 mg TMC435 in addition to PegIFN/RBV compared to treatment with PegIFN/RBV alone.

There was no relevant difference in virologic treatment response between the groups receiving TMC435 for 12, 24 or 48 weeks. Analysis of data from all patients who received 150 mg TMC435 in addition to PegIFN/RBV indicated that after end of treatment (EoT), 92, 83 and 71% respectively of the patients that were either relapsers, partial responders or null responders to previous treatment showed undetectable HCV RNA levels, compared to 70, 17 and 25% respectively in the control groups that received PegIFN/RBV alone, i.e. current SoC. The corresponding results four weeks after EoT (SVR4) were 88, 77 and 57% respectively for patients

that received TMC 435 in addition to PegIFN/RBV (SoC), compared to 50, 11 and 23% respectively in the patient groups receiving PegIFN/RBV alone.

Virologic treatment response in dosage groups TMC435 (150 mg once daily) vs. placebo			
% (n/N)		All TMC435 PR48 N=199	Placebo PR48 N=66
Former relapsers	**EoT**	92 (73/79)	70 (19/27)
	SVR4	88 (68/77)	50 (12/24)
Former partial responders	**EoT**	83 (57/69)	17 (4/23)
	SVR4	77 (50/65)	11 (2/18)
Former null responders	**EoT**	71 (36/51)	25 (4/16)
	SVR4	57 (27/47)	23 (3/13)

SVR4: patients with undetectable HCV RNA levels (<25 IU/mL, undetectable) at EoT and 4 weeks after planned EoT.
Former relapsers: undetectable HCV RNA levels after EoT and detectable at 24-week follow-up
Former partial responders: more than 2-log reduction in HCV RNA in week 12 but did not achieve undetectable levels after EoT
Former null responders: less than 2-log reduction in HCV RNA in week 12

Results—safety and tolerability

TMC435 was safe and well tolerated and overall incidence of adverse events (AEs) was similar across treatment groups. Most of the AEs were grade 1 or 2 in severity. Serious AEs (SAEs) were reported in 6.1% of the subjects in the placebo and in 8.3% of the subjects treated with TMC435. AEs leading to treatment discontinuation were reported in 4.5% of the placebo subjects and in 8.8% of the TMC435 treated subjects. Patients in the TMC435 ASPIRE treatment groups had overall longer treatment duration than patients receiving SoC due to a higher frequency of early discontinuation in the latter group caused by treatment failures (e.g. reaching viral stopping rules).

The most common AEs during the treatment period were headache, fatigue, pruritus and influenza-like illness. Incidence was similar across treatment groups and the level of AEs and frequency were consistent with prior phase 2b PILLAR study of TMC435 on treatment-naïve patients.

Clinical phase 1b study on TMC649128 on patients with chronic hepatitis C virus genotype 1 infection commenced in the quarter

TMC649128 is a nucleoside NS5B polymerase inhibitor developed in collaboration with Tibotec Pharmaceuticals. TMC649128 has demonstrated a highly attractive pre-clinical profile and displays broad in vitro activity across multiple HCV genotypes and a high genetic barrier to resistance. This clinical phase 1a double-blind, randomized, placebo-controlled study on TMC649128 on patients with HCV genotype 1 infection will evaluate the safety, tolerance, pharmacokinetics and anti-viral efficacy with increasing multiple doses of TMC649128 as a monotherapy and in combination with pegylated interferon and ribavirin (PegIFN/RBV).

TMC649128 is intended for use in combination with other direct acting anti-viral agents against HCV.

Combination study on TMC435 and TMC647055 commences

A combination study of HCV patients with TMC435 and TMC647055, a non-nucleoside NS5B polymerase inhibitor developed by Tibotec Pharmaceuticals commenced in June.

Cold sore therapy

Medivir receives USD 45 m (SEK 279 m) from Meda for American rights to Xerese®

In June Medivir renegotiated the terms of its commercial partnership with Meda on Xerese®, Medivir's unique pharmaceutical against cold sores (labial herpes). Xerese® has been approved by the FDA and is sold as a prescription pharmaceutical in the US. Meda launched this product in the US in February 2011, and until renegotiation of this agreement, Medivir was receiving double-digit royalties on Meda's sales on this market.

According to the terms of the renegotiated agreement, Medivir received USD 45 m (SEK 279 m) from Meda, who in return, receives all rights to the product in the US, Canada and Mexico. This agreement will trigger a payment to AstraZeneca, the original patentee, according to previously agreed terms.

The renegotiated agreement also grants Meda exclusive rights to Xerese® for the genital herpes indication. Meda is responsible for development of this indication, and if the product gains FDA approval, Medivir is entitled to a milestone payment of USD 10 m. Medivir will also receive single-digit royalties on American sales and full commercization rights outside the US, Canada and Mexico. In return, Medivir will pay Meda single-digit royalties on these sales.

The other agreements Medivir has on Xerclear® with GSK, Daewoong Pharmaceuticals and Luxemburg Pharmaceuticals will not change because of the transaction with Meda.

In the quarter, Medivir also signed another agreement with Daewoong Pharmaceutical Co. Ltd. regarding exclusive rights for distributing Medivir's unique cold sore product Xerclear® in China and Hong Kong.

Post-period end highlights

TMC435

FDA grants TMC435 fast track designation in the US

TMC435 has received fast track designation by the FDA for treating chronic hepatitis C virus infection (CHC) genotype 1. This is based on TMC 435's potential to address the remaining medicinal needs for treating CHC infections compared to existing approved therapies.

TMC435's pharmacological profile:

- High and sustained virologic response (SVR) for HCV-infected patients with genotype 1, including hard-to-treat patient groups
- Short treatment time
- Favorable overall safety and tolerability profile
- Simple dosing once daily

TMC435 will be included in a combination study on Pharmasset's PSI-7977 for HCV genotype 1

Medivir's partner Tibotec Pharmaceuticals will commence a phase 2 proof of concept study on exclusively *per oral*—i.e. interferon-free—administration, to evaluate the efficacy of combination therapy with TMC435 and Pharmasset's PSI-7977, a nucleotide NS5B polymerase inhibitor, both dosed once daily.

This study will be conducted by Tibotec and will investigate efficacy and safety of 12 and 24 weeks' treatment with TMC435 150 mg and PSI-7977 400 mg once per day, with or without ribavirin on prior null responders, people that have not responded to previous treatment with

PegIFN/RBV. The study's primary outcome measure will be sustained virologic response 12 weeks after EoT (SVR12).

Additions to management

Dr. Maris Hartmanis has been appointed Deputy CEO and Chief Operating Officer, and will be a member of Medivir's management. In tandem with this appointment, Dr. Hartmanis will continue as CEO of BioPhausia, the specialty pharmaceutical company recently acquired by Medivir.

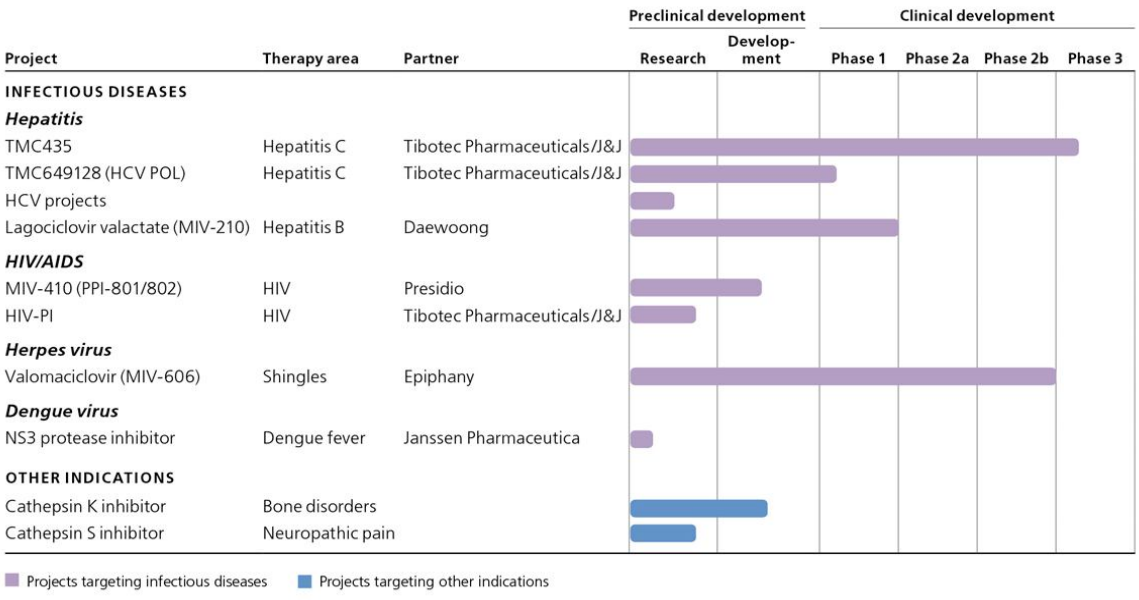
Bertil Samuelsson has also been appointed as Chief Scientific Adviser and Charlotte Edenius as Executive VP of Research & Development. Jens Kristensen will become Executive VP, Clinical.

These appointments are a part of strengthening Medivir operationally and strategically for the company's onward development.

Project portfolio

Medivir has a broad-based product portfolio in several infectious disease indications, and the company will continue to focus on progressing this pipeline in addition to looking for new potential opportunities through acquisition or licensing. Medivir will be seeking future partnerships on product development, which facilitates its plan to retain commercial rights 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 June 2011

Net sales were SEK 444.6 (35.7) m, an increase of SEK 408.9 m year on year. Turnover for the period mainly consisted of a one-off payment for Xerclear®/Xerese® of SEK 278.9 m (USD 45.0m) 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 (EUR 5 m) and the start of phase 1a on TMC649128 against hepatitis C of SEK 70.5 m (EUR 7 m). Turnover from pharmaceutical sales in the period was SEK 42.4 m. In the same period of the previous year, turnover primarily related to one-off payments of SEK 28.6 m for the licensing agreement relating to Xerclear®/Xerese®.

Net sales split	**2011**	**2010**	**2011**	**2010**	**2010**
(SEK m)	**Apr-Jun**	**Apr-Jun**	**Jan-Jun**	**Jan-Jun**	**Jan-Dec**
Outlicensing and partnership agreements					
One-off payments	279.8	10.6	401.2	30.1	47.1
Pharmaceutical sales	42.8	0.0	42.9	0.0	0.1
Co-promotion services	0.0	2.8	0.0	2.8	2.8
Other services	0.3	0.7	0.5	2.8	4.9
Total	**322.9**	**14.1**	**444.6**	**35.7**	**54.9**

Costs and results of operations, 1 January – 30 June 2011

Operating expenses were SEK -190.7 (-86.9) m, an increase of SEK 103.8 m year on year. Operating expenses were divided between selling expenses of SEK -51.7 (-5.2) m, administrative expenses of SEK -17.3 (-13.4) m, research and development costs of SEK -101.9 (-66.3) m and other operating expenses/income of SEK -19.8 (-2.0) m. Cost of sales increased by SEK 46.5 m mainly because of higher royalty costs to third parties. Research and development costs increased by SEK 35.6 m mainly because of higher external project costs and increased royalty costs to third parties. Other operating income/expenses increased by SEK 17.8 m mainly due to transaction costs for the acquisition of BioPhausia. The operating profit/loss was SEK 215.7 (-51.3) m, an increase of SEK 267.0 m year on year. The profit/loss from financial income/expense was SEK 1.3 (1.0) m. The profit/loss from financial income/expense includes impairment on shares of Epiphany Biosciences Inc. of SEK 6.3 m due to material value impairment in the period. Tax for the period was SEK 3.3 (0.0) m, and is tax on temporary differences, i.e. the difference between carrying amounts and taxable values. The net profit for the period was SEK 220.3 (-50.3) m.

Turnover and results of operations, 1 April-30 June 2011

Net sales for the period amounted to SEK 322.9 (14.1) m, an increase of SEK 308.8 m year on year. Operating expenses were SEK -119.2 (-38.8) m, an SEK 80.4 m increase year on year. Operating expenses were divided between selling expenses of SEK -49.5 (-3.0) m, administrative expenses of SEK-9.6 (-5.4) m, research and development costs of SEK -44.6 (-30.8) m and other operating expenses/income of SEK -15.5 (0.4) m. The operating profit/loss was SEK 165.6 (-24.8) m. The profit/loss from financial investments was SEK -1.5 (0.7) m. Tax for the period was SEK 3.3 (0.0) m. The net profit/loss was SEK 167.4 (-24.1) m.

Cash flow and financial position

Cash flow from operating activities was SEK 230.9 (4.6) m. The renegotiated agreement with Meda on Xerclear®/Xerese® affected cash flow from operating activities for the period by SEK 278.9 m.

Cash flow from investing activities was SEK -163.1 (-0.8) m. The acquisition of BioPhausia was conducted in the period. This investment affected cash flow from investment activities for the period by SEK -158.0 m after bank balances taken over.

Cash flow from financing activities was SEK 1.4 (315.4) 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 716.4 (462.7) m at the end of the period, a change of SEK 69.2 (319.1) 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 (0.2) 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 5.1 (0.6) m, and mainly consisted of research equipment.

Depreciation of tangible fixed assets of SEK -3.5 (-3.9) m was charged to profit/loss in the period. Amortization of tangible fixed assets of SEK -2.2 (-0.5) m was charged to profit/loss for the period. There were SEK 0.0 (0.0) m of sales of fixed assets.

Segment information

General information

Operating segments are reported in a manner 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, 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, which are then manufactured, marketed and sold. The Pharmaceuticals segment includes the group's research portfolio and original pharmaceuticals that BioPhausia has unlimited ownership of including the 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 subsidiary Cross Pharma, which imports original pharmaceuticals from EU countries where pricing is lower than in Sweden. When pharmaceuticals are sold on the Swedish market, pharmacies are offered a price that is lower than the original producers'.

Pharmaceuticals segment

Net sales split	**2011**	**2010**	**2011**	**2010**	**2010**
(SEK m)	**Apr-Jun**	**Apr-Jun**	**Jan-Jun**	**Jan-Jun**	**Jan-Dec**
Net sales	296.3	14.1	418.0	35.7	54.9
EBITDA	169.2	-22.7	221.2	-46.9	-128.9
EBITDA %	57.1%	-161.2%	52.9%	-131.5%	-234.7%

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

Net sales were SEK 418.0 (35.7) m, an SEK 382.3 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) from a renegotiated agreement with Meda. Of total net sales, 90.2 (84.3)% consisted of one-off

payments for outlicensing and partnership agreements and 9.7 (0.1)% of pharmaceutical sales. EBITDA for the period was SEK 221.2 (-46.9) m, equating to a margin of 52.9 (-131.5)%.

Turnover and results of operations, 1 April-30 June 2011
Net sales for the period were SEK 296.3 (14.1) m, a SEK 282.2 m increase year on year. Turnover in the period mainly consisted of a one-off payment for Xerclear® of SEK 279.8 m (USD 45.0 m) from a renegotiated agreement with Meda. Of total net sales, 94.5 (75.2)% consists of one-off payments for outlicensing and partnership agreements and 5.5 (0.1)% of pharmaceutical sales. EBITDA for the period was SEK 169.2 (-22.7) m, equating to a margin of 57.1 (-161.2) %.

Parallel Import segment

Net sales split	**2011**	**2010**	**2011**	**2010**	**2010**
(SEK m)	**Apr-Jun**	**Apr-Jun**	**Jan-Jun**	**Jan-Jun**	**Jan-Dec**
Net sales	26.6	-	26.6	-	-
EBITDA	0.2	-	0.2	-	-
EBITDA %	0.7%	-	0.7%	-	-

Turnover and results of operations, 1 January-30 June 2011
Net sales for the period amounted to SEK 26.6 m. EBITDA for the period was SEK 0.2 m, equating to a margin of 0.7%. Reversal of market values after the acquisition of BioPhausia in the period affected EBITDA by SEK -1.0 m.

Turnover and results of operations, 1 April-30 June 2011
Net sales for the period amounted to SEK 26.6 m. EBITDA for the period was SEK 0.2 m, equating to a margin of 0.7%. Reversal of market values after the acquisition of BioPhausia in the period affected EBITDA by SEK -10.4 m.

Parent company, 1 January - 30 June 2011

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

Parent company net sales were SEK 402.2 (34.6) m. Operating expenses were SEK -159.1 (-87.3) m, up SEK 71.8 m year on year. Operating expenses were divided between selling expenses of SEK -42.6 (-3.0) m, administration costs of SEK -16.1 (-12.9) m, research and development costs of SEK -101.9 (-68.4) m and other operating expenses/income of SEK 1.5 (-2.9) m. The operating profit/loss was SEK 242.9 (-52.8) m. The profit/loss from financial income/expense was SEK 1.8 (1.0) m. The net profit for the period was SEK 244.7 (-51.8) m. There were no sales or purchases with subsidiaries in the period.

Investments in tangible and intangible fixed assets were SEK 4.5 (0.8) 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 686.2 (462.3) 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 155.9 (131.1) m and equity was SEK 1,194.8 (418.5) m. At the end of the period, the number of shares of Medivir AB was 31,174,846 (26,222,662), of which 660,000 (660,000) were class A and 30,514,846 (25,562,662) class B shares with a nominal value of SEK 5. The average number of shares in the period was 29,884,038 (23,533,105). The increase of 2,581,617 shares in the period mainly relates to new shares issued as payment for the acquisition of BioPhausia.

Share structure, 30 June 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%	17.8%	660,000
B 1 vote	30,514,846	30,514,846	97.9%	82.2%	31,370,460
Total	**31,174,846**	**37,114,846**	**100.0%**	**100.0%**	**32,030,460**

Basic and diluted earnings per share, based on a weighted average number of outstanding shares, was SEK 7.37 (-2.14). Equity per share was SEK 38.33 (15.96). The equity ratio was 74.5 (79.0)%.

Employees

Medivir had 178 (77) employees at the end of the period, 64 (48)% of which were women. Accordingly, the number of employees increased by 101 in the period, mainly because of the acquisition of BioPhausia, of which Cross Pharmas repackaging unit in Polen, Prodlekpol, has approximately 60 employees.

Royalty obligations

A major 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 entitle Medivir to the rights to turnover 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.

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 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 also enjoys a solid financial position.

CONSOLIDATED INCOME STATEMENT SUMMARY (SEK m)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec
Net sales	322.9	14.1	444.6	35.7	54.9
Cost of goods sold	-38.1	-0.1	-38.2	-0.1	-0.8
Gross profit/loss	**284.8**	**14.1**	**406.4**	**35.6**	**54.1**
Selling expenses	-49.5	-3.0	-51.7	-5.2	-9.5
Administrative expenses	-9.6	-5.4	-17.3	-13.4	-29.5
Research and development costs	-44.6	-30.8	-101.9	-66.3	-153.4
Other operating income/expenses	-15.5	0.4	-19.8	-2.0	1.6
Operating profit/loss	**165.6**	**-24.8**	**215.7**	**-51.3**	**-136.7**
Net financial income/expense	**-1.5**	**0.7**	**1.3**	**1.0**	**2.5**
Profit/loss after financial items	**164.1**	**-24.1**	**217.0**	**-50.3**	**-134.2**
Tax	**3.3**	**0.0**	3.3	0.0	0.0
Net profit/loss	**167.4**	**-24.1**	**220.3**	**-50.3**	**-134.2**
Net profit/loss attributable to:					
Equity holders of the parent	**167.4**	**-24.1**	**220.3**	**-50.3**	**-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)	5.52	-1.01	7.37	-2.14	-5.43
Average number of shares, 000	1,291	23,533	29,884	23,533	24,718
Number of shares at end of period, 000	2,581	26,223	31,175	26,223	28,593

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec
Net profit/loss	**167.4**	**-24.1**	**220.3**	**-50.3**	**-134.2**
Other comprehensive income					
Exchange rate differences	-2.0	0.0	-2.2	0.0	1.0
Other comprehensive income for the period, net after tax	**-2.0**	**0.0**	**-2.2**	**0.0**	**1.0**
Total comprehensive income for the period	**165.4**	**-24.1**	**218.1**	**-50.3**	**-133.2**
Total comprehensive income attributable to:					
Equity holders of the parent	**165.4**	**-24.1**	**218.1**	**-50.3**	**-133.2**

CONSOLIDATED BALANCE SHEET SUMMARY (SEK m)	**2011** **30 Jun**	**2010** **30 Jun**	**2010** **31 Dec**
Assets			
Intangible fixed assets	561.6	4.3	4.3
Tangible fixed assets	28.2	23.3	24.8
Financial fixed assets	12.5	18.8	18.8
Deferred tax asset	85.4	0.0	0.0
Inventories	103.3	0.8	0.1
Current receivables	96.7	20.2	30.2
Investments in securities, etc.	395.8	138.5	418.6
Cash and bank balances	320.6	324.2	228.7
Total assets	**1,604.1**	**530.1**	**725.5**
Liabilities and equity			
Equity	1,194.9	418.5	607.3
Long-term liabilities	0.1	0.2	0.1
Current liabilities	409.1	111.4	118.1
Total liabilities and equity	**1,604.1**	**530.1**	**725.5**
Assets pledged	129.6	-	-

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 January 2010	**104.2**	**848.3**	**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 December 2010	**143.0**	**1,396.1**	**5.8**	**-937.6**	**607.3**
Opening balance, 1 January 2010	**104.2**	**848.2**	**4.7**	**-803.3**	**153.9**
Total comprehensive income for the period			0.0	-50.3	-50.3
Conversion of options	0.7	9.9			10.6
Acquisition of options		0.2			0.2
Rights issue	26.2	278.4			304.6
Staff stock option plans: value of employee service		0.6			0.6
Staff stock option plans: revised judgment of value of employee service		-1.0			-1.0
Closing balance, 30 June 2010	**131.1**	**1,136.3**	**4.7**	**-853.5**	**418.5**
Opening balance, 1 January 2011	**143.0**	**1,396.1**	**5.8**	**-937.6**	**607.3**
Total comprehensive income for the period			-2.2	220.3	218.1
Conversion of options	0.1	1.1			1.2
Acquisition of options		0.2			0.2
New share issue	12.8	354.8			367.6
Staff stock option plans: value of employee service		0.5			0.5
Closing balance, 30 June 2011	**155.9**	**1,752.7**	**3.6**	**-717.3**	**1,194.9**

CONSOLIDATED CASH FLOW STATEMENT SUMMARY (SEK m)	**2011** **Jan-Jun**	**2010** **Jan-Jun**	**2010** **Jan-Dec**
Cash flow from operating activities before changes in working capital	**175.6**	**-45.9**	**-141.5**
Changes in working capital	55.3	50.5	64.7
Cash flow from operating activities	**230.9**	**4.6**	**-76.9**
Investing activities			
Purchase/sale of fixed assets	-5.1	-0.8	-5.8
Purchase/sale of financial fixed assets	-158.0	0.0	0.0
Cash flow from investing activities	**-163.1**	**-0.8**	**-5.8**
Financing activities			
New share issues	0.0	325.1	606.4
Issue costs	0.0	-20.5	-38.2
Conversion of options	1.2	10.6	16.7
Acquisition of options	0.2	0.2	1.6
Cash flow from financing activities	**1.4**	**315.4**	**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	69.2	319.1	503.9
Exchange rate difference in cash and cash equivalents	0.0	0.0	-0.3
Cash and cash equivalents, at end of period	**716.4**	**462.7**	**647.2**

KEY FIGURES, SHARE DATA, OPTIONS	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec
Return on:			
- equity, %	24.4	-17.6	-35.3
- capital employed, %	22.2	-17.6	-35.2
- total assets, %	19.3	-13.7	-28.8
Number of shares at beginning of period, 000	28,593	20,844	20,844
New share issues	2,581.6	5,379	7,749
Number of shares at end of period, 000	31,175	26,223	28,593
- of which class A shares	660	660	660
- of which class B shares	30,515	25,563	27,933
Average number of shares, 000	29,884	23,533	24,718
Outstanding warrants, 000	785	1,039	804
- entitlement to class B shares at conversion, 000	856	1,193	876
Share capital at end of period, SEK m	155.9	131.1	143.0
Equity at end of period, SEK m	1,194.9	418.5	607.3
Basic and diluted earnings per share, SEK	7.37	-2.14	-5.43
Equity per share, SEK	38.33	15.96	21.24
Net worth per share, SEK	38.33	15.96	21.24
Cash flow per share after investments, SEK	2.27	0.16	-3.34
Equity ratio, %	74.5	79.0	83.7

Definitions of key figures

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 (SEK m)	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec
Net sales	402.2	34.6	72.3
Cost of goods sold	-0.1	0.0	-0.8
Gross profit/loss	**402.1**	**34.6**	**71.5**
Selling expenses	-42.6	-3.0	-9.5
Administrative expenses	-16.2	-12.9	-28.7
Research and development costs	-101.9	-68.4	-152.1
Other operating income/expenses	1.5	-2.9	-0.5
Operating profit/loss	**242.9**	**-52.8**	**-119.2**
Net financial income/expense	**1.8**	**1.0**	**-16.5**
Profit/loss after financial items	**244.7**	**-51.8**	**-135.7**
Net profit/loss	**244.7**	**-51.8**	**-135.7**
Net profit/loss attributable to: **Equity holders of the parent**	**244.7**	**-51.8**	**-135.7**

PARENT COMPANY STATEMENT OF **COMPREHENSIVE INCOME** (SEK m)	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec
Net profit/loss	**244.7**	**-51.8**	**-135.7**
Other comprehensive income for the period, net after tax	**244.7**	**-51.8**	**-135.7**
Total comprehensive income for the period	**244.7**	**-51.8**	**-135.7**
Total comprehensive income attributable to: **Equity holders of the parent**	**244.7**	**-51.8**	**-135.7**

PARENT COMPANY BALANCE SHEET SUMMARY (SEK m)	**2011** **30 Jun**	**2010** **30 Jun**	**2010** **31 Dec**
Assets			
Intangible fixed assets	4.1	4.3	4.3
Tangible fixed assets	26.1	23.3	24.8
Financial fixed assets	616.5	19.0	19.0
Inventories	0.2	0.8	0.1
Current receivables	23.8	16.6	27.4
Investments in securities, etc	395.8	138.5	418.6
Cash and bank balances	290.4	323.8	226.0
Total assets	**1,356.9**	**526.2**	**720.2**
Liabilities and equity			
Equity	1,218.9	417.0	604.6
Long-term liabilities	0.1	4.0	0.1
Current liabilities	137.9	105.3	115.4
Total liabilities and equity	**1,356.9**	**526.2**	**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,	2011	2010	2011	2010	2011	2010
Jan-Jun (SEK m)	**Pharmaceuticals**		**Parallel Import**		**Total**	
Net sales	418.0	35.7	26.6	-	444.6	35.7
EBITDA	221.2	-46.9	0.2	-	221.4	-46.9
Depreciation, amortization and impairment	-5.6	-4.4	-0.1	-	-5.7	4.4
Financial income/expense	1.4	1.0	-0.1	-	1.3	1.0
Profit/loss after financial items	217.0	-50.3	0.0	-	217.0	0.0

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 class B 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 acquisition was consummated 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 specialty pharmaceutical company focusing on infectious diseases.

The revenue from BioPhausia recognized in the Consolidated Income Statement since 1 June 2011 amounts to SEK 42.4 m. BioPhausia also made a SEK -5.9 m contribution to net profit/loss. If BioPhausia had been consolidated from 1 January 2011, revenue would have been SEK 260.8 m and the contribution to net profit/loss SEK 21.2 m. The reversal of market values in June affected the contribution to net profit/loss by SEK –7,2 m. Transaction costs for the acquisition amount to SEK 20.5 m and are included in consolidated operating costs.

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 was 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**

Transactions with related parties

There are agreements with Medivir among senior managers, and agreements between companies belonging to senior managers and Medivir conferring entitlement to royalties on products the company may develop based on patented inventions the company has purchased 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.

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, 18,680 options in the 2007 plan were converted, increasing share capital by SEK 0.1 m and other paid-in capital by SEK 1.1 m. The number of outstanding options at the end of the period was 784,967, equivalent to 855,614 class B shares. Upon full conversion, the number of outstanding options corresponds to approximately 2.7% of capital and approximately 2.3% of the votes, and upon full exercise, could increase equity by SEK 82.9 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 the right to conversion of 1.09 shares per option. The exercise price for the option plans has also been restated.

Outstanding option plans, 30 June 2011

Type	Term	No.	Entitlement to no. of shares	Exercise price, SEK	Outstanding shares now and on full conversion
					31,174,846
Staff stock options	2007-2012	390,567	425,718	61.20	31,600,564
Opt. plans	2010-2013	394,400	429,896	132.30	32,030,460
Total		**784,967**	**855,614**		

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 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.

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 increased 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 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 manages it is provided in the Annual Report 2010.

Huddinge, Sweden, 31 August 2011

Göran Pettersson *Chairman*	Björn C Andersson *Board member*	Ingemar Kihlström *Board member*
Ron Long *CEO /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 June 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, 31 August 2011