Press Release, 23 April 2008

MEDIVIR, INTERIM REPORT, 1 January – 31 March 2008

- Consolidated net sales were SEK 4.2 (53.3) m.
- The loss after tax amounted to SEK -41.2 (-25.6) m.
- Earnings per share amounted to SEK -1.98 (-1.52) m.
- Cash flow from operating activities increased by SEK 29.1 m to SEK -5.5 (-34.6) m. Liquid assets amounted to SEK 323.5 (369.8) m as of 31 March.

CEO's statement—comments on the first quarter

We published the results from our phase III program on Lipsovir® — a potential labial herpes pharmaceutical — in the quarter. The results demonstrated that it is possible to prevent cold sores by early treatment initiation with Lipsovir®. None of the products currently on the market have been able to demonstrate this effect. This is an important milestone for Medivir, and these results will now be presented to regulatory authorities ahead of future filings for registration. In parallel, we are continuing our discussions with potential marketing partners.

Our other prioritized projects also progressed well in the quarter. We extended our collaboration with Tibotec on HIV protease inhibitors, and our hepatitis C collaboration project, TMC-435350, is making good progress in its phase IIa study.

After the end of the reporting period, Medivir entered into a collaboration with GlaxoSmithKline, which gives Medivir the rights to market selected GSK products in Sweden. This is a significant first step in the work on establishing Medivir as a pharmaceutical company on the Nordic market.

Lars Adlersson
CEO

Huddinge, Sweden, 23 April 2008

FOR MORE INFORMATION, PLEASE CONTACT:
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FORTHCOMING FINANCIAL INFORMATION
The Annual General Meeting will be held today at 3 p.m.
The Six-month Interim Report will be published on 9 July 2008.
The Nine-month Interim Report will be published on 20 October 2008.

These reports will be available at Medivir's Website, www.medivir.se from these dates under the 'Investor/Media' heading.

SIGNIFICANT EVENTS IN THE FIRST QUARTER 2008

Extended collaboration with Tibotec regarding HIV protease inhibitors

In January, Medivir extended its research collaboration with Tibotec Pharmaceuticals, Ltd. on HIV protease inhibitors. This extension is for one year and means that Medivir will receive continued research support in 2008. This project is currently in the preclinical optimization phase.

Phase III results on Lipsovir® reported

For the first time, a phase III program has demonstrated that it is possible to prevent cold sores by early treatment initiation. The phase III program involved nearly 3,000 patients in five studies. The pivotal study—the biggest of its type yet—involved 2,437 patients, of which 1,443 were treated. Treatment with Lipsovir® prevented cold sores in 42% of patients. In patients who developed cold sores despite treatment the healing time and severity level were reduced significantly.

Lipsovir® is a patented combination of hydrocortisone (anti-inflammatory) and acyclovir (virus inhibitor) in a cream base developed by Medivir. Lipsovir® prevented cold sores significantly better than placebo ($p < 0.0001$). Lipsovirs preventive effect was also significantly better ($p = 0.014$) than aciklovir despite an unexpected large effect of acyclovir in Medivir's cream base. In patients who developed cold sores the healing time was reduced by 1.5 days, which is a clinically relevant improvement. Lipsovir® was well tolerated in all phase III studies.

The outcome of the comparison between Lipsovir® and placebo exceeded the significance level that FDA requested. Before the pivotal study started, no preventive effect had been demonstrated for acyclovir in large-scale clinical studies. The FDA wanted a somewhat higher significance level ($p = 0.001$) than achieved in the comparison between Lipsovir® and acyclovir ($p = 0.014$). Apart from the very positive effect of Lipsovir® and the fact that there is no other product on the market that can prevent cold sores, analysis of data from the whole program will provide the basis for discussion with regulatory authorities. After these discussions conclude, the timing for filing a registration application can be scheduled more accurately.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Collaboration with GlaxoSmithKline (GSK)

On 15 April, Medivir entered into a collaboration with global pharmaceuticals corporation GlaxoSmithKline's (GSK) Swedish subsidiary. This agreement gives Medivir the rights to market selected GSK products in Sweden.

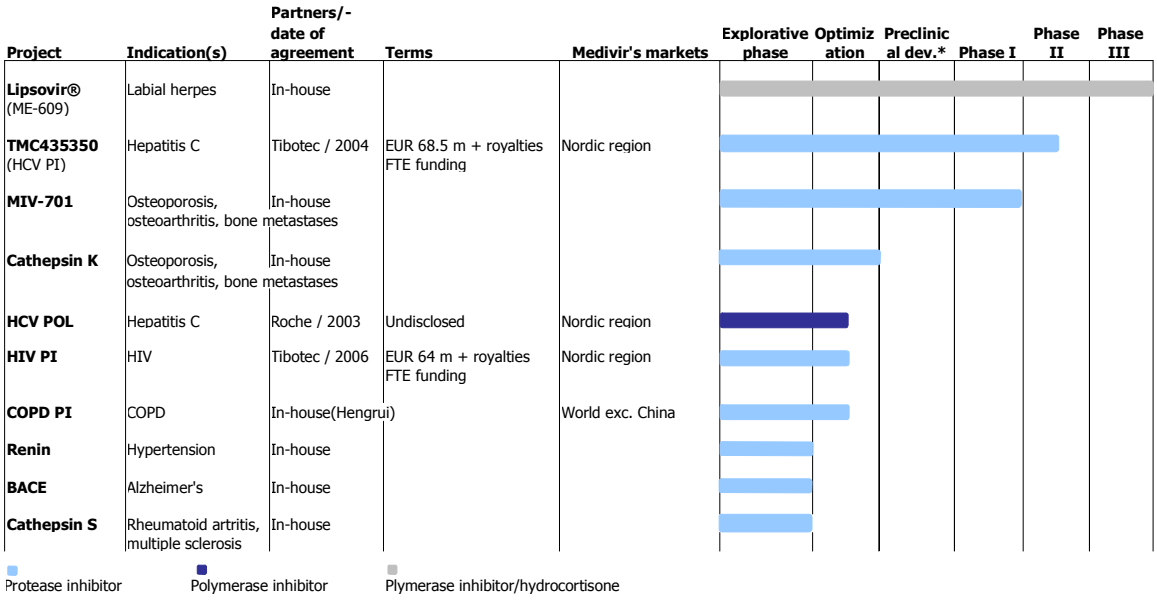
The products included in the agreement are GSK's complete dermatology portfolio, selected anti-infective products and *Zyban*, the smoking cessation product. The dermatology portfolio includes *Betnovat*, which is one of Sweden's leading products for treating eczema and psoriasis. The anti-infective products include *Relenza*, used to treat and prevent influenza. The agreement mainly covers well-recognized and well-established products on the Swedish market. *Altargo*, a completely new antibacterial salve for treating impetigo and small infected lesions, is an exception. Total sales of the relevant product portfolio were over SEK 53 million in 2007.

The agreement with GSK means Medivir undertakes the responsibility to assign the necessary human and financial resources to be able to market the affected products successfully. The scale of Medivir's revenues from the collaboration will be determined by how much future sales exceed the baseline agreed by the parties. Medivir will secure a significant share of revenues above baseline. Medivir's objective is for its collaboration with GSK to make a positive financial impact on operations in 2009.

MEDIVIR'S PRIORITIZED PROJECT PORTFOLIO

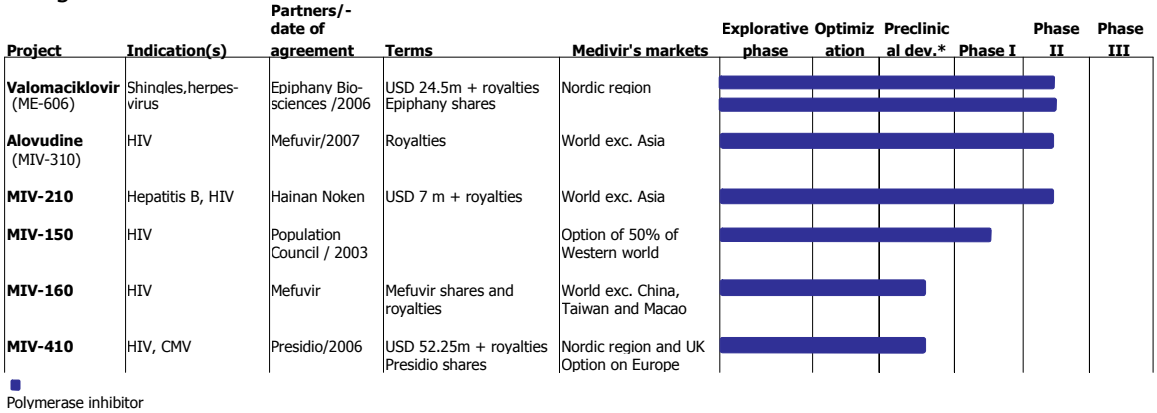
Medivir's prioritized clinical projects currently comprises Lipsovir® against labial herpes, TMC435350 against hepatitis C and MIV-701 against bone degradation diseases. The preferred projects and those currently with full resources assigned in the preclinical portfolio are Cathepsin K and HIV-PI.

In addition to Medivir's preferred projects, there are a number of protease-based projects, which Medivir has not currently assigned full resources to and are awaiting resources to be freed up as other projects enter late pre-clinical development on the way to clinical studies. These projects include projects against COPD (chronic obstructive pulmonary disease) Alzheimer's disease, a project against hypertension (renin inhibitors) and Cathepsin S (focusing on autoimmune disorders such as RA, MS and chronic pain control).



Polymerase-based projects

Medivir HIV Franchise AB administers the polymerase-based projects against HIV, HBV, shingles and glandular fever.



For a detailed description of all projects, go to Medivir's website www.medivir.se under Research & Development.

EARNINGS AND FINANCIAL POSITION

Turnover and earnings, 1 January-31 March 2008

Net sales were SEK 4.2 (53.3) m. Reported net sales were remuneration received from Tibotec Pharmaceuticals Ltd. for the extended collaboration on HIV protease inhibitors. Compared to the corresponding period of the previous year, apart from research collaborations with Tibotec Pharmaceuticals Ltd., net sales included milestone payments on HCV protease inhibitors from Tibotec Pharmaceuticals Ltd. and remuneration on the MIV-606 shingles project from Epiphany Biosciences.

Operating costs were SEK -49.6 (-82.0) m, comprised of external costs of SEK -23.4 (-52.3) m, personnel costs of SEK -23.6 (-27.2) m and depreciation and amortization of SEK -2.6 (-2.5) m. The reduced operating costs during the quarter compared to the previous year are mainly attributable to the conclusion of the clinical phase III program on Lipsovir® and the phase I program on MIV-701, and the concentration of research at the unit in Huddinge.

The operating loss was SEK -44.9 (-28.1) m. The profit decrease is a consequence of lower net sales. Profit from financial investments was SEK 3.7 (2.5) m. The increase in profits from financial investments is due mainly to rising interest rates. The net loss for the period was SEK -41.2 (-25.6) m.

Cash flow and financial position

Cash flow from operating activities improved by SEK 29.1 m to SEK -5.5 (-34.6) m. In year-on-year terms, cash flow from operating activities was positively affected by changes in working capital. Cash flow from financing activity was SEK 0.0 (212.8) m. In the first quarter of the previous period, a new share issue raised SEK 215.1 m net of issue costs

Liquid assets including short-term investments with a maximum maturity of three months were SEK 323.5 (369.8) m.

Investments

Gross investments in tangible and intangible fixed assets were SEK 0.4 (4.0) m in the period, primarily research equipment. Medivir's future investments will be largely comprised of the acquisition of additional research equipment and rebuilding of existing research premises.

Shareholders' equity, share data and stock options

The share capital at the end of the period was SEK 104.2 (103.2) m and shareholders' equity was SEK 343.8 (376.2) m. The number of shares was 20,843,547 (20,644,177), of which 660,000 (660,000) were class A and 20,183,547 (19,984,177) class B shares with a quotient value of SEK 5. There were 970,000 outstanding options at the end of the period, corresponding to 1,102,300 class B shares. No options were converted or expired in the period. The number of outstanding options could increase shareholders' equity by SEK 82.9 m and upon full conversion; the total number of shares could amount to 21,945,847.

The equity ratio at the end of the period was 86.3 (81.0)%. Earnings per share, based on a weighted average number of outstanding shares, was SEK -1.98 (-1.52) and shareholders' equity per share was SEK 16.49 (18.22).

Employees

Medivir had 98 (101) employees at the end of the period, 45 (45)% of which were women.

Parent company

Medivir AB (publ), corporate identity no. 556238-4361, is the parent company of the group. The group's operations are mainly conducted in the parent company, and consist of research operations and administrative functions. Parent company net sales for the period were SEK 4.2 (53.3) m. Operating costs were SEK -48.6 (-72.5) m, divided between external costs of SEK -22.5 (-47.4) m, personnel costs of SEK -23.6 (-22.7) m and depreciation and amortization of SEK -2.6 (-2.5) m. The operating loss was SEK -44.4 (-19.0) m and the loss after financial items was SEK -40.7 (-16.5) m. Gross investments in tangible fixed assets were SEK 0.4 (7.9) m in the period. Liquid assets including short-term investments with a maximum maturity of three months amounted to SEK 322.6 (369.3) m. For comments on the parent company's earnings and financial position, please refer to the section above.

Outlook including significant risks and uncertainty factors

Medivir's ability to produce new CDs, to enter into partnerships on its projects, and to bring its development projects to market launch and sale, is decisive to its future. The progress of existing partnerships and securing new partnerships will exert a major influence on Medivir's revenues and cash position.
There are many risk factors to consider for Medivir as a company in the research and development process. Medivir has several projects in, or close to clinical phases, and many collaboration partners to develop compounds and conduct clinical studies. This diversifies risks, both financial and operational.

Because no significant change to significant risks and uncertainty factors occurred in the quarter, the reader is referred to the Report of the Directors in the Annual Report 2007.

Anders Vedin *Chairman*	Lars-Göran Andrén *Board member*	Anna Malm Bernsten *Board member*
Magnus Falk *Board member*	Donna Janson *Board member*	Ron Long *Board member*
Bo Öberg *Board member*	Lars Adlersson *Chief Executive Officer*	

Huddinge, Sweden, 23 April 2008

CONSOLIDATED INCOME STATEMENT (SEK m)	2008 Jan-Mar	2007 Jan-Mar	2007 Jan-Dec
Turnover, etc.			
Net sales	4.2	53.3	249.6
Other revenue	0.5	0.6	3.8
Total	**4.7**	**53.9**	**253.5**
Operating costs			
Other external costs	-23.4	-52.3	-168.1
Personnel costs	-23.6	-27.2	-99.0
Depreciation and amortization	-2.6	-2.5	-10.8
Impairment loss	0.0	0.0	-12.9
Total	**-49.6**	**-82.0**	**-290.8**
Operating profit	**-44.9**	**-28.1**	**-37.3**
Profit from financial investments	3.7	2.5	8.5
Profit after financial items	**-41.2**	**-25.6**	**-28.8**
Tax	0.0	0.0	-0.5
Net profit	**-41.2**	**-25.6**	**-29.3**
Basic and diluted earnings per share, SEK	-1.98	-1.52	-1.74
Average number of shares, 000	20,844	16,773	16,873
Number of shares at end of period, 000	20,844	20,644	20,844

CONSOLIDATED BALANCE SHEET SUMMARY (SEK m)	2008 31 Mar	2007 31 Mar	2007 31 Dec
Assets			
Intangible fixed assets	0.8	1.3	0.9
Tangible fixed assets	33.6	35.0	35.9
Financial fixed assets	18.8	14.2	18.8
Fixed assets held for sale	0.0	13.4	0.0
Current receivables	21.6	30.9	73.9
Short-term investments	315.3	349.4	311.5
Cash and bank balances	8.2	20.4	17.8
Total current assets	**398.3**	**464.6**	**458.9**
Liabilities and shareholders' equity			
Shareholders' equity	343.8	376.2	384.0
Current liabilities, interest-bearing	0.0	4.6	0.0
Current liabilities, non interest-bearing	54.5	83.8	74.9
Total liabilities and shareholders' equity	**398.3**	**464.6**	**458.9**

STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY (SEK m)	2008 31 Mar	2007 31 Mar	2007 31 Dec
Opening balance	**384.0**	**186.3**	**186.3**
Exchange rate difference	0.2	-0.1	0.7
Net profit	-41.2	-25.6	-29.3
New share issue	0.0	215.1	224.2
Staff stock option plans: value of employee service	0.8	0.4	2.1
Closing balance	**343.8**	**376.2**	**384.0**

CONSOLIDATED CASH FLOW STATEMENT (SEK m)	2008 Jan-Mar	2007 Jan-Mar	2007 Jan-Dec
Cash flow from operating activities before changes in working capital	**-37.5**	**-39.5**	**-16.4**
Changes in working capital	32.0	4.9	-54.1
Cash flow from operating activities	**-5.5**	**-34.6**	**-70.5**
Investment activity			
Acquisition/divestment of fixed assets	-0.2	-3.6	-12.4
Cash flow from investment activity	**-0.2**	**-3.6**	**-12.4**
Financing activity			
New share issue	0.0	215.1	224.2
Amortization/change in loans	0.0	-2.3	-6.9
Cash flow from financing activity	**0.0**	**212.8**	**217.3**
Cash flow for the period			
Liquid assets, opening balance	329.3	195.1	195.1
Change in liquid assets	-5.7	174.7	134.4
Exchange rate difference in liquid assets	-0.1	0.0	-0.2
Liquid assets, closing balance	**323.5**	**369.8**	**329.3**

KEY FIGURES	2008 Jan-Mar	2007 Jan-Mar	2007 Jan-Dec
Return on:			
- equity, %	-11.3	-9.1	-10.3
- capital employed, %	-11.3	-8.9	-9.9
- total capital,%	-9.6	-6.8	-7.6
Average number of shares, 000	20,844	16,773	16,873
Number of shares at end of period, 000	20,844	20,644	20,844
Outstanding warrants, 000	970	677	970
Basic and diluted earnings per share, SEK	-1.98	-1.52	-1.74
Shareholders' equity per share before and after dilution, SEK	16.49	18.22	18.42
Cash flow per share after investments, SEK	-0.27	-2.27	-4.91
Equity ratio, %	86.3	81.0	83.7

PARENT COMPANY INCOME STATEMENT (SEK m)	2008 Jan-Mar	2007 Jan-Mar	2007 Jan-Dec
Turnover, etc.			
Net sales	4.2	53.3	254.3
Other revenue	0.0	0.2	2.4
Total	**4.2**	**53.5**	**256.7**
Operating costs			
Other external costs	-22.5	-47.4	-168.4
Personnel costs	-23.6	-22.7	-94.7
Depreciation and amortization	-2.6	-2.5	-10.8
Total	**-48.6**	**-72.5**	**-273.8**
Operating profit	**-44.4**	**-19.0**	**-17.1**
Profit from financial investments	3.7	2.5	-10.1
Profit after financial items	**-40.7**	**-16.5**	**-27.2**
Net profit	**-40.7**	**-16.5**	**-27.2**

PARENT COMPANY BALANCE SHEET SUMMARY (SEK m)	2008 31 Mar	2007 31 Mar	2007 31 Dec
Assets			
Intangible fixed assets	0.8	1.3	0.9
Tangible fixed assets	33.6	35.0	35.9
Financial fixed assets	19.0	31.9	19.0
Current receivables	17.4	20.1	69.5
Short-term investments	315.3	339.4	311.5
Cash and bank balances	7.3	29.9	14.5
Total assets	**393.4**	**457.7**	**451.3**
Liabilities and shareholders' equity			
Shareholders' equity	344.3	384.0	384.2
Long-term liabilities, interest-bearing	1.4	0.0	0.6
Current liabilities, interest-bearing	0.0	4.6	0.0
Current liabilities, non interest-bearing	47.7	69.1	66.5
Total liabilities and shareholders' equity	**393.4**	**457.7**	**451.3**

ACCOUNTING POLICIES

Group
Medivir prepares its consolidated accounts pursuant to IFRS, as endorsed by the EU. These are the same principles as applied in the Annual Report for 2007. Apart from the stated IFRS, the group also observes RR's (Redovisningsrådet, the Swedish Financial Accounting Standards Council) recommendations RR 30:06 (Supplementary Accounting Regulations for Groups) and RR 31 (Interim Reporting for Groups) and applicable RR Emerging Issues Task Force statements. The Interim Report has been prepared pursuant to IAS 34 Interim Financial Reporting.

Parent company
In its accounting, as previously, Medivir AB applies the principles applicable to legal entities that prepare consolidated accounts and are listed on a stock exchange. Briefly, this implies the continued application of RR's recommendations to the extent they are applicable to a group parent company. Thus Medivir AB observes RR 32:06 'Accounting for Legal Entities'.

REVIEW REPORT

We have conducted a limited review of the Financial Statement for Medivir AB (publ) for the period 1 January – 31 March 2008. The preparation and presentation of these interim financial statements pursuant to the Swedish Annual Accounts Act and IAS 34 are the responsibility of the company's management. 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,* issued by FAR. 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 the Swedish Annual Accounts Act and IAS 34 in all material respects.

Liselott Stenudd
Authorized Public Accountant
PricewaterhouseCoopers AB

Peter Clemedtson
Authorized Public Accountant
PricewaterhouseCoopers AB

Stockholm, Sweden, 23 April 2008