Press Release, 24 October 2007

MEDIVIR, INTERIM REPORT 1 January – 30 September 2007

- Consolidated net sales were SEK 80.8 (88.1) m in the period.
- The loss after tax amounted to SEK -138.1 (-115.0) m.
- Liquid funds amounted to SEK 264.0 (216.9) m as of 30 September.
- Earnings per share were SEK -8.23 (-8.91).

CEO's statement—comments on the third quarter

Our preferred projects are continuing to progress positively.

- The successes of the clinical phase Ia study are the single most important event for Medivir so far this year. We have reported major advances in our clinical hepatitis C project TMC435350, conducted together with Tibotec. Data from preclinical test models demonstrate that even at very low doses, this compound effectively inhibits virus replication. The results from the clinical phase Ia study (healthy volunteers) demonstrate that the compound is well absorbed, distributed and retained in the body, enabling single daily tablet or capsule doses. Moreover, in these initial studies, the compound demonstrated a very positive side-effect profile. The project has advanced to phase Ib studies, where its capacity to eliminate the virus in patients with hepatitis C infection will be documented. The ability to administer the drug in a single daily tablet and at low doses will be an important competitive edge compared to other projects in clinical development..

- All patients are now enrolled (have received study drugs) in the pivotal study in Lipsovir's® phase III program, and at the end of the quarter, 96% of patients had been treated. All patients have now concluded treatment in the other two, smaller-scale phase III studies.

- MIV-701, our development program against bone degradation diseases is in phase I, with the phase Ia study concluded and phase Ib underway. The complete phase I program is scheduled for completion before year-end.

- During September, we established a new function for sales and marketing. Stefan Mårtensson, most recently from a position as Head of Marketing at Novartis Sverige AB, has been recruited as responsible for this and he will also be a member of the Senior Management Team. This is part of our strategy to integrate forwards, to sell proprietary and acquired drugs, focusing initially on the Nordic market.

We are, with considerable confidence continuing our efforts to be able to report results from the current clinical programs in forthcoming quarters.

Lars Adlersson

Huddinge, Sweden, 24 October 2007

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SIGNIFICANT EVENTS IN THE THIRD QUARTER 2007

Phase Ia results published on Medivir/Tibotec hepatitis C project, TMC435350

Results from the clinical phase Ia study (on healthy volunteers) demonstrate that the compound is well absorbed, distributed and retained *in vivo* in a manner enabling single daily tablet or capsule doses. Moreover, in these initial studies, the compound demonstrated a very positive side-effect profile.

In addition, data from preclinical test models was published in the quarter, demonstrating that even at very low doses, the compound inhibits virus replication very effectively. More information on this project will be presented at the 58th annual American Association for the Study of Liver Diseases (AASLD) conference in Boston, Massachusetts, US on 6 November 2007.

The project has advanced to phase Ib studies, which will document the compound's capacity to eliminate virus in patients with hepatitis C infections. The ability to administer the compound in a single daily tablet at low doses will be an important competitive edge compared to other projects in clinical development.

96% of patients treated in the pivotal study on Lipsovir®

All patients have now been included (have received study drugs) in the main phase III study on Lipsovir®. By the end of the quarter, 96% of patients had been treated. In the two other, smaller phase III studies, all patients have now concluded treatment.

This phase III program consists of three studies. The first, including children and young people with cold sores, started in January 2007 and is being conducted in Sweden/Russia. The purpose of the study is to examine the safety profile of Lipsovir in this age group. It encompasses 240 patients of which 130 will be treated, all with Lipsovir®. The last patient has now completed treatment, which is ahead of plan.

The second study is being conducted on immuno-deficient patients with cold sores. This study also started in January 2007 and is being conducted in Russia/Ukraine. The main purpose of the study is to compare cold sore healing times between Lipsovir® and acyclovir. The study encompasses 200 patients, 105 of which will be treated with Lipsovir® or acyclovir. The last patient has now completed treatment, which is also ahead of plan.

The third, main and pivotal, study includes cold sore patients aged over 18 and is being conducted in North America at over 50 clinics. The main purpose of the study is to demonstrate that early treatment onset with Lipsovir® can prevent the incidence of cold sores. Patients in the pivotal study have one of three treatments: placebo, acyclovir or Lipsovir®. 96% of patients that will undergo treatment have now been treated.

MIV-701 against bone degradation diseases in phase Ib

MIV-701 is in clinical phase I studies, which examine the safety, pharmacokinetics and tolerability of the drug on healthy volunteers. The first part (phase Ia) is now concluded, and phase Ib is underway. This clinical phase will include a group of post-menopausal women (a group often affected by osteoporosis), and will study the effect of MIV-701 on osteoporosis biomarkers. This will enable Medivir to gain its first impression of the compound's efficacy not only against osteoporosis, but also other bone degradation diseases like osteoarthritis and metastasing skeletal cancer.

The entire phase I program is scheduled for completion before year-end.

In September, Medivir presented preclinical efficacy data from MIV-701 at the American Society for Bone and Mineral Research conference in Hawaii. Results demonstrate that dosing MIV-701 in these preclinical disease models of osteoporosis sharply reduces osteoclast cell activity by inhibiting the enzyme Cathepsin K. High osteoclast activity results in bone resorption, and thus osteoporosis. The effect of MIV-701 is reversible (ceases when dosing concludes), a major therapeutic advantage over other types of treatment such as bisphosphonates, currently the customary therapy.

Chesterford Research Park, UK research facility now let

In July, Medivir and BioFocus Ltd. entered an eight-year rental agreement, with a ten-year extension option. Accordingly, the transfer of the UK operations from Chesterford to Huddinge, Sweden, which began in December (2006), is complete.

MIV-170 returned to Medivir

Bristol-Myers Squibb terminated development of the preclinical HIV compound MIV-170 in July, because it did not match Bristol-Myers Squibb's desired profile. MIV-170 is a polymerase inhibitor, and is in the group of projects administered by Medivir subsidiary Medivir HIV Franchise AB.

A new partner for MIV-160

Medivir has transferred the licensing rights for the HIV compound MIV-160 from Guangdong Lantai Viewland Pharmaceutical Co. Ltd. to Beijing Mefuvir Medicinal Technology Co. Ltd., a subsidiary of Wuhan Humanwell Ltd one of China's largest condom producers. This enterprise will develop MIV-160 to prevent and treat HIV. MIV-160 is in the group of projects administered by Medivir subsidiary Medivir HIV Franchise AB.

Medivir has received shares in Presidio Pharmaceuticals

In August, San Francisco-based Presidio Pharmaceuticals Inc., Medivir's licensing partner for the antiviral compounds alovudine (MIV-310) and PPI-801/802 (MIV-410), consummated a USD 26 m share issue, triggered that Medivir received class B Presidio shares.

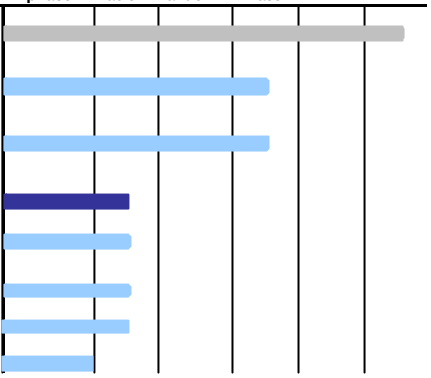
A new partner for MIV-210

In September, Tibotec decided to discontinue the development of MIV-210, and Medivir entered a new licensing agreement with Chinese drug company Hainan Noken Pharmaceutical Industry Ltd. for the pharmaceutical compound MIV-210. Noken intends to develop MIV-210 into a drug for treating hepatitis B. MIV-210 is in the group of projects administered by Medivir subsidiary Medivir HIV Franchise AB.

MEDIVIR'S PREFERRED PROJECT PORTFOLIO

Medivir's preferred project portfolio currently comprises Lipsovir® against labial herpes and the protease projects against hepatitis C, osteoporosis, osteoarthritis, metastasing skeletal cancer, HIV, COPD, Alzheimer's disease and a project against hypertension (renin inhibitors).

Project	Indication(s)	Partners/-date of agreement	Terms	Medivir's markets
Lipsovir® (ME-609)	Labial herpes	In-house		
TMC435350 (HCV PI)	Hepatitis C	Tibotec / 2004	EUR 66.5 m + royalties FTE funding Quid pro quo, J&J	Nordic region
MIV-701 (Cat - K)	Osteoporosis, osteoa bone metastases	In-house		
HCV POL	Hepatitis C	Roche / 2003	Undisclosed	Nordic region
HIV PI	HIV	Tibotec / 2006	EUR 64 m + royalties FTE funding	Nordic region
COPD PI	COPD	In-house(Hengrui)		World exc. China
Renin	Hypertension	Hypertension	Hypertension	Hypertension
BACE	Alzheimer's	In-house		



* The regulated preclinical development phase

Protease inhibitor Polymerase inhibitor Plymerase inhibitor/hydrocortisone

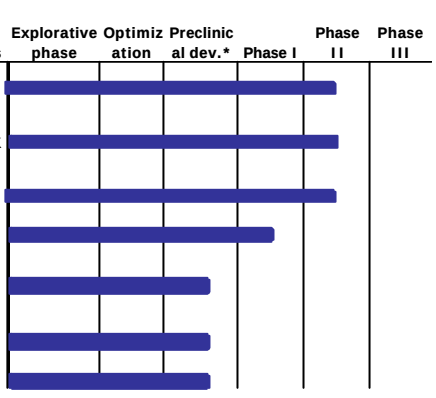
Other projects

In addition to Medivir's preferred projects, there are a number of protease-based projects, which Medivir is not actively conducting at present, awaiting resources that will be freed up when other projects enter late pre-clinical development on the way to clinical studies. These projects include Cathepsin S (autoimmune disorders such as RA, MS and chronic pain control).

POLYMERASE-BASED PROJECTS—Medivir HIV Franchise AB

Medivir HIV Franchise AB administers polymerase-based projects against HIV, HBV and shingles, where Medivir has decided not to assign internal resources.

Project	Indication(s)	Partners/-date of agreement	Terms	Medivir's markets
Valomaciklovir (ME-606)	Shingles,herpes-virus	Epiphany Bio-sciences /2006	USD 24.5 m + royalties Epiphany shares	Nordic region
Alovudine (MIV-310)	HIV	Presidio/2006	USD 75.25 m+royalties Presidio shares	Nordic region and UK option on Europe
MIV-210	HIV, Hepatitis B	Hainan Noken	USD 7 m + royalties	World exc. Asia
MIV-150	HIV	Population Council / 2003		Option of 50% of Western world
MIV-160	HIV	Mefuvir	Mefuvir shares and royalties	World exc. China, Taiwan and Macao
MIV-410	HIV, CMV	Presidio/2006	See above, MIV-310	See above, MIV-310
MIV-170	HIV			



Polymerase inhibitor

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

FINANCIAL INFORMATION

Consolidated earnings, January-September 2007

Net sales were SEK 80.8 (88.1) m in the period. Turnover is attributable to items including a milestone payment of SEK 22.6 m (EUR 2.5 m) relating to HCV protease inhibitors from Tibotec Pharmaceuticals Ltd. and remuneration of SEK 3.5 them (USD 0.50) on the MIV-606 shingles project from Epiphany Bioscience. Turnover includes SEK 25.6 m of remuneration for a research collaboration on HCV and HIV protease inhibitors from Tibotec Pharmaceuticals Ltd. SEK 18.4 m (EUR 2 m) for HIV protease inhibitors was received in July 2006 from Tibotec Pharmaceuticals Ltd., an amount allocated over the term of the collaboration agreement, with SEK 9.2 m of revenue recognized in the period. Turnover also includes shares as remuneration totaling SEK 19.0 m, of which SEK 14.2 m relates to the MIV-606 shingles project from Epiphany Biosciences and SEK 4.8 m on the antiviral compounds alovudine (MIV-310) and PPI-801/802 (MIV-410) from Presidio Pharmaceuticals, Inc. Beijing Mefuvir Medicinal Technology Co. Ltd.'s licensing rights on the HIV compound MIV-160 include an obligation to make a payment in shares on demand from Medivir. A shareholding in the company is dependent on the approval of the Chinese authorities, and accordingly, the shares have not been recognized at any value.

Operating costs were SEK -225.5 (-206.7) m, comprising external costs of SEK -133.1 (-115.8) m, personnel costs of SEK -71.4 (-77.8) m, and depreciation and amortization of SEK -8.0 (-13.2) m and impairment losses of SEK -13.0 (0.0) m. The increased external costs are mainly due to the current phase III study on the Lipsovir® project. Impairment losses during the second quarter comprise the balance sheet item "fixed assets held for sale" in Medivir UK, which are not saleable.

The operating loss was SEK -143.7 (-118.0) m. Profit from financial investments was SEK 6.1 (2.6) m, and the loss after financial items was SEK -137.6 (-115.4) m. The consolidated net loss for the period was SEK -138.1 (-115.0) m.

As previously announced, in late December 2005, Medivir decided that activities on polymerase projects against HIV/hepatitis B and shingles would be outlicensed/divested. Medivir HIV Franchise, which administered these activities, outlicensed the seventh and final polymerase project in February 2007. In the period of outlicensing efforts, "discontinued operations" were stated separately in the Income Statement. The structure of the Income Statement has been changed from the first quarter of 2007 (including comparables) to encompass all consolidated turnover and costs without any separate disclosure of the polymerase projects that have been outlicensed according to plan.

Consolidated earnings, July – September 2007

Net sales were SEK 14.1 (69.6) m in the period, and are primarily attributable to SEK 8.6 m of remuneration on research collaboration on HIV protease inhibitors from Tibotec Pharmaceuticals Ltd., and SEK 4.8 m of shares as remuneration on the antiviral compounds alovudine (MIV-310) and PPI-801/802 (MIV-410) from Presidio Pharmaceuticals, Inc.

Operating costs were SEK -55.4 (-77.2) m, divided between external costs of SEK -32.6 (-48.7)m, personnel costs of SEK -20.0 (-24.2) m and depreciation and amortization of SEK -2.8 (-4.3) m. The lower operating costs in the period are mainly due to lower costs from the current phase III studies on the Lipsovir® project, and reduced costs due to the concentration of research to the unit at Huddinge, Sweden. The operating loss was SEK -40.9 (-7.6) m and the loss after financial items was SEK -39.6 (-6.7) m.

Liquidity and financial position

At the end of the period, liquid funds including short-term investments with a maximum maturity of three months were SEK 264.0 (216.9) m. If liquid funds including short-term investments with maturities of over three months are included, liquid funds amount to SEK 264.0 (246.9) m.

Cash flow for the period was SEK -129.6 (-45.0) m. At the end of the period there were SEK 0.0 (11.5) m of interest-bearing liabilities, because a bank loan was amortized in the period.

Investments

Gross investments in tangible and intangible fixed assets were SEK 12.3 (3.3) m in the period, primarily in research equipment and existing research premises. Medivir's future investments largely comprise the acquisition of additional research equipment.

Focusing of operations

In December 2006, the company resolved to focus the company's resources and concentrate its research operations on the unit at Huddinge, Sweden. The research operations at the former unit at Chesterford, UK were transferred in the first quarter of 2007. In July 2007, Medivir's research facility at Chesterford Research Park was let to BioFocus Ltd. until 2015 with an extension option until 2025. No provision for future rental expenditure is considered necessary. Accordingly, the focus of operations on the Huddinge unit is complete.

The accounts for 2006 included a provision for non-recurring restructuring costs of SEK 9.2 m and additional costs for 2007 are approximately SEK 9.0 m. Apart from the aforementioned costs, non-cash impairment losses on intangible and tangible fixed assets amounted to SEK 29.7 m in the accounts for 2006, and in the period, additional non-cash impairment losses on tangible fixed assets were SEK 13.0 m. No further restructuring-related expenditure or impairment losses are expected.

Medivir AB, corporate identity no. 556238-4361, parent company

Medivir AB's operations comprise research operations and administrative functions.
Parent company net sales for the period were SEK 80.8 (95.2) m. Operating costs were SEK -198.3 (-186.1) m, divided between external costs of SEK -123.2 (-125.0) m, personnel costs of SEK -67.1 (-54.4) m and depreciation and amortization of SEK -8.0 (-6.7) m. The operating loss was SEK -117.3 (-90.4) m and the loss after financial items was SEK -137.1 (-114.1) m. The loss after financial items includes a cost to cover the losses of Medivir UK Ltd. of SEK -26.8 (-24.4) m. Gross investments in tangible fixed assets were SEK 16.3 (2.1) m in the period. Liquid funds including short-term investments with a maximum maturity of three months were SEK 259.5 (246.2) m.
For comments on operations, please refer to the section on consolidated turnover and costs.

Shareholders' equity, share data and stock options

Consolidated shareholders' equity at the end of the period was SEK 266.0 (263.7) m and there was a total of 20,659,449 outstanding shares, 660,000 class A and 19,999,449 class B shares. At the beginning of the period there were 676,995 outstanding options, with 10,909 options converted to class B shares and an additional 480,000 options forthcoming, and accordingly, the total number of outstanding options at the end of the period was 1,146,086, corresponding to 1,348,820 class B shares. The number of outstanding options could increase shareholders' equity by SEK 94.3 m and upon full conversion, the total number of shares could amount to 22,008,269.
The Annual General Meeting (AGM) on 24 April 2007 approved a new staff stock option plan of 480,000 options for the subscription of new class B shares, of which approximately 360,000 staff

stock options will be apportioned to employees of the group, with the remainder retained as a cash flow hedge to cover social security costs. The term is from 18 June 2007 to 30 April 2012, and each staff stock option plan will be exercisable against the payment of an exercise price of SEK 67. After one year, employees can convert 30% of apportioned options, a further 30% after two years and the remaining 40% after three years. The consolidated equity ratio at the end of the period 76.7 (74.5)%. Earnings per share in the period, based on a weighted average of the number of outstanding shares, was SEK -8.23 (-8.91) and shareholders' equity per share at the end of the period was SEK 12.87 (20.44).

New share issue

On 22 December 2006, an Extraordinary General Meeting (EGM) of Medivir AB approved the Board proposal of 5 December 2006 on a new share issue of a maximum of 7,741,566 class B shares, implying a share capital increase of a maximum of SEK 38,707,830. The company's shareholders were eligible to subscribe for new shares in the period 15 January - 2 February 2007, where, irrespective of share class, each 5 existing shares conferred the holder with the right to subscribe for 3 new class B shares. The subscription price per share was SEK 29. The new share issue was fully subscribed, raising SEK 215.1 m in February 2007 after deductions for issue expenses of SEK 9.6 m.

Nomination Committee 2007 - 2008

In accordance with an Annual General Meeting resolution, the Election Committee for 2007-2008 will comprise representatives of at least the three largest shareholders at the end of the third quarter 2007, and the Chairman of the Board. The work of nominating candidates for the nomination committee is ongoing and will be completed shortly.

Outlook including significant risks and uncertainty factors

Medivir's ability to produce new CDs, to enter 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 period, the reader is referred to the Report of the Directors in the Annual Report 2006.

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, 24 October 2007

CONSOLIDATED INCOME STATEMENT (SEK m)	2007	2006	2007	2006	2006
Turnover, etc.	**Jul-Sep**	**Jul-Sep**	**Jan-Sep**	**Jan-Sep**	**Jan-Dec**
Net sales	14.1	69.6	80.8	88.1	126.0
Other revenue	0.4	0.0	1.0	0.6	3.3
Total	**14.5**	**69.6**	**81.8**	**88.7**	**129.3**
Operating costs					
Other external costs	-32.6	-48.7	-133.1	-115.8	-173.5
Personnel costs	-20.0	-24.2	-71.4	-77.8	-110.3
Depreciation and amortization	-2.8	-4.3	-8.0	-13.2	-17.5
Impairment loss	-	-	-13.0	0.0	-29.5
Total operating costs	**-55.4**	**-77.2**	**-225.5**	**-206.7**	**-330.9**
Operating profit	**-40.9**	**-7.6**	**-143.7**	**-118.0**	**-201.6**
Profit from financial investments	1.3	0.9	6.1	2.6	1.1
Profit after financial items	**-39.6**	**-6.7**	**-137.6**	**-115.4**	**-200.6**
Tax	-0.5	0.1	-0.5	0.4	4.9
Net profit	**-40.1**	**-6.6**	**-138.1**	**-115.0**	**-195.6**
Basic and diluted earnings per share, SEK	-1.94	-0.51	-8.23	-8.91	-15.16
Average number of shares, 000	20,659	12,903	16,781	12,903	12,903
Number of shares at end of period, 000	20,659	12,903	20,659	12,903	12,903

CONSOLIDATED BALANCE SHEET (SEK m)	2007	2006	2006
Assets	**30 Sep**	**30 Sep**	**31 Dec**
Fixed assets			
Intangible fixed assets	1.0	7.5	1.4
Tangible fixed assets	38.1	72.9	33.4
Financial fixed assets	18.8	0.0	0.0
Total fixed assets	**57.9**	**80.4**	**34.8**
Current assets			
Fixed assets held for sale	0.0	0.0	13.5
Current receivables	24.5	26.9	43.4
Short-term investments	244.3	242.0	172.1
Cash and bank balances	19.7	4.9	23.0
Total current assets	**288.5**	**273.7**	**252.0**
Total assets	**346.6**	**354.1**	**286.8**
Liabilities and shareholders' equity			
Shareholders' equity	**266.0**	**263.7**	**186.3**
Long-term liabilities, interest-bearing	0.0	2.3	0.0
Deferred tax liability	0.0	1.7	0.0
Current liabilities, interest-bearing	0.0	9.2	6.9
Current liabilities, non interest-bearing	80.6	77.3	93.6
Total liabilities and shareholders' equity	**346.6**	**354.1**	**286.8**

STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY (SEK m)	2007	2006	2006
	30 Sep	**30 Sep**	**31 Dec**
Opening balance of shareholders' equity	**186.3**	**378.0**	**378.0**
Exchange rate differences	0.8	-0.5	2.4
Total revenue and costs accounted directly in shareholders' equity	**0.8**	**-0.5**	**2.4**
Net profit	-138.1	-115.0	-195.6
Total accounted revenue and costs	**-137.3**	**-115.5**	**-193.2**
New share issue	215.6	0.0	0.0
Staff stock option plans, value of employee service	1.4	1.2	1.5
Closing balance of shareholders' equity	**266.0**	**263.7**	**186.3**

CONSOLIDATED CASH FLOW STATEMENT (SEK m)	2007 Jan-Sep	2006 Jan-Sep	2006 Jan-Dec
Operating activities			
Operating profit/loss	-143.7	-118.0	-201.6
Adjustment for items not included in cash flow, etc:			
Depreciation, amortization and impairment loss	21.0	13.2	47.1
Other adjustments	-15.6	4.1	5.7
	-138.3	**-100.7**	**-148.8**
Interest, yields and dividends, etc.	5.1	-0.4	0.7
Cash flow from operating activities before change in working capital	**-133.2**	**-101.1**	**-148.1**
Change in working capital	3.6	56.1	58.1
Cash flow from operating activities	**-129.6**	**-45.0**	**-90.0**
Investment activity			
Acquisition/divestment of fixed assets	-10.2	-3.1	-5.4
Acquisition/divestment of fixed-income securities	0.0	-30.0	0.0
Cash flow from investment activity	**-10.2**	**-33.1**	**-5.4**
Financing activity			
New issue	215.6	0.0	0.0
Amortization/change in loans	-6.9	-6.9	-11.4
Cash flow from financing activity	**208.7**	**-6.9**	**-11.4**
Cash flow for the period			
Liquid funds, opening balance	195.1	301.9	301.9
Change in liquid funds	68.9	-85.0	-106.8
Liquid funds, closing balance	**264.0**	**216.9**	**195.1**

KEY FIGURES	2007 Jan-Sep	2006 Jan-Sep	2006 Jan-Dec
Return on:			
-equity, %	-61.1	-35.8	-69.3
-capital employed, %	-59,8	-34.1	-66.6
-total capital, %	-43.4	-28.2	-52.8
Average number of shares, 000	16,781	12,903	12,903
Number of shares at end of period, 000	20,659	12,903	12,903
Outstanding warrants, 000	1,146	677	677
Basic and diluted earnings per share, SEK	-8.23	-8.91	-15.16
Shareholders' equity per share before and after dilution, SEK	12.87	20.44	14.44
Cash flow per share after investments, SEK	-8.33	-6.06	-7.39
Equity ratio,%	76.7	74.5	65.0

PARENT COMPANY INCOME STATEMENT (SEK m)	2007 Jan-Sep	2006 Jan-Sep	2006 Jan-Dec
Turnover, etc.			
Net sales	80.8	95.2	135.2
Other revenue	0.2	0.5	3.1
Total	**81.0**	**95.7**	**138.3**
Operating costs			
Other external costs	-123.2	-125.0	-184.9
Personnel costs	-67.1	-54.4	-72.4
Depreciation and amortization	-8.0	-6.7	-8.8
Total operating costs	**-198.3**	**-186.1**	**-266.1**
Operating profit	**-117.3**	**-90.4**	**-127.8**
Profit from financial investments	-19.8	-23.7	-91.2
Profit after financial items	**-137.1**	**-114.1**	**-219.0**
Tax	0.0	0.0	0.0
Net profit	**-137.1**	**-114.1**	**-219.0**

PARENT COMPANY BALANCE SHEET (SEK m)	2007 30 Sep	2006 30 Sep	2006 31 Dec
Assets			
Fixed assets			
Intangible fixed assets	1.0	1.5	1.4
Tangible fixed assets	38.1	29.6	29.5
Financial fixed assets	20.4	70.1	0.2
Total fixed assets	**59.5**	**101.2**	**31.1**
Current assets			
Current receivables	17.5	16.8	33.5
Short-term investments	244.3	242.0	172.1
Cash and bank balances	15.2	4.2	22.3
Total current assets	**277.0**	**263.0**	**227.9**
Total assets	**336.5**	**364.2**	**259.0**
Liabilities and shareholders' equity			
Shareholders' equity	**265.0**	**289.8**	**185.1**
Long-term liabilities, interest-bearing	0.0	0.0	0.8
Current liabilities, interest-bearing	0.0	9.2	6.9
Current liabilities, non interest-bearing	71.5	65.2	66.2
Total liabilities and shareholders' equity	**336.5**	**364.2**	**259.0**

ACCOUNTING PRINCIPLES

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 2006. Apart from the stated IFRS, the group also observes RR's (Redovisningsrådet, the Swedish Financial Accounting Standards Council) recommendations RR 30 (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 'Accounting for Legal Entities'.

Discontinued operations

In late-December 2005, Medivir decided that its HIV, hepatitis B (HBV) and shingles projects based on the older research platform of polymerase inhibition, would be outlicensed/divested. Medivir HIV Franchise, which administered these efforts, outlicensed the seventh and final polymerase project in February. In the period of outlicensing efforts, "discontinued operations" were stated separately in the Income Statement. The outcome of the divestment is that Medivir retains the ownership of intangible assets. This implies a future relationship with the projects remains (for example, Medivir has retained the Nordic market rights, which may be utilized at a future date) and that Medivir may receive revenue. Accordingly, the structure of the Income Statement, from and including the first quarter 2007 (and comparables), has been revised to encompass all consolidated turnover and costs without any separate disclosure of the polymerase projects that have been outlicensed according to plan.

The research operations conducted in the UK have been relocated to Sweden and have not been discontinued. A restructuring has occurred, where the research operations have been relocated/focused to Sweden, implying restructuring costs. For a review of provisions, expenditure and impairment losses, please refer to the relevant section and the Annual Report for 2006.

Financial assets held for sale

Medivir received shares from a new issue consummated by Epiphany Biosciences, Medivir's license partner on the MIV-606 shingles project, and received shares from a new issue by Presidio Pharmaceuticals, Inc., Medivir's license partner on the antiviral compounds alovudine (MIV-310) and PPI-801/802 (MIV-410).

Medivir classifies these shares as financial assets held for sale pursuant to IAS 39 and the shares are recognized in the balance sheet item "financial fixed assets". Because there is no active market in the shares, there will be no ongoing value change to the balance sheet item, although Medivir will monitor any potential need for impairment loss.

REVIEW REPORT

We have conducted a limited review of the interim financial statements for Medivir AB (publ) for the period 1 January – 30 September 2007. 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, 17 October 2007

FORTHCOMING FINANCIAL INFORMATION
The Financial Statement will be published on 13 February 2008.
The Three-month Interim Report will be published on 23 April 2008.
The Annual General Meeting will be held on 23 April 2008.

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