Press release, 21 November 2013

Interim Report, 1 January – 30 September 2013*

Q3 2013 (July-September) Remaining Group operations, excluding Cross Pharma

- Net turnover totalled SEK 80.2 million (SEK 36.6 m), SEK 43.6 million (EUR 5 m) of which represented milestone payments.
- The profit/loss after tax was SEK -10.7 million (SEK -56.2 m).
- Basic and diluted earnings per share totalled SEK -0.34 (SEK -1.80).
- The cash flow from operating activities amounted to SEK -5.2 million (SEK -39.1 m), while liquid assets and short-term investments totalled SEK 337.7 million (SEK 356.6 m) at the end of the period.

Interim period (January-September) Remaining Group operations, excluding Cross Pharma

- Net turnover totalled SEK 299.0 million (SEK 121.8 m), of which SEK 170.5 million (EUR 20 m) represented milestone payments.
- The profit/loss after tax was SEK -3.3 million (SEK -163.5 m).
- Basic and diluted earnings per share totalled SEK -0.11 (SEK -5.23).
- The cash flow from operating activities amounted to SEK -32.5 million (SEK -90.0 m), while liquid assets and short-term investments totalled SEK 337.7 million (SEK 356.6 m) at the end of the period.

Significant events during Q3

- Medivir focused the in-house hepatitis C projects to those involving nucleotide-based polymerase inhibitors.
- Medivir discontinued its collaboration with Daewoong Pharmaceutical Co. Ltd. regarding the development of MIV-210.
- Medivir and Ferrer entered into an agreement for the commercialisation of a new treatment for agitation associated with schizophrenia and bipolar disorder in the Nordic region.
- Simeprevir was approved in Japan for the treatment of genotype 1 chronic hepatitis C virus patients, triggering a milestone payment of EUR 5 million to Medivir.

Significant events after the end of Q3

- Simeprevir will be evaluated for interferon-free treatment of genotype 1 chronic hepatitis C patients in combination with an NS5A replication complex inhibitor acquired by Janssen.
- Positive results from a phase I study with MIV-711 for the treatment of osteoarthritis and other bone-related disorders were presented.
- MIV-247 was selected as a candidate drug and has entered pre-clinical development for the treatment of neuropathic pain.
- Two phase III studies with simeprevir in HCV/HIV co-infected and HCV genotype 4 infected patients showed good efficacy.
- FDA Advisory Committee recommended simeprevir for market approval.
- The interim results from the COSMOS study with simeprevir and sofosbuvir showed good results in difficult-to-treat patients.
- Simeprevir was approved in Canada as a new treatment for hepatitis C.

CONSOLIDATED INCOME STATEMENT SUMMARY Remaining operations (SEK m)	**2013** **July-Sept**	**2012** **July-Sept**	**2013** **Jan-Sept**	**2012** **Jan-Sept**	**2012** **Jan-Dec**
Net turnover	80.2	36.6	299.0	121.8	170.6
Gross profit	64.1	22.9	247.9	77.0	109.3
Operating profit/loss before depreciation and amortisation (EBITDA)	0.8	-40.8	44.4	-120.4	-165.3
Operating profit/loss (EBIT)	-10.1	-48.6	4.6	-147.6	-201.4
Profit/loss before tax	-9.6	-53.7	4.9	-152.1	-210.8
Profit/loss after tax	-10.7	-56.2	-3.3	-163.5	-234.1
Operating margin, %	-12.5	-132.7	1.5	-121.2	-118.0
Basic and diluted earnings per share, SEK	-0.34	-1.80	-0.11	-5.23	-7.49

* All figures refer to the remaining Group operations after the divestment of Cross Pharma, unless otherwise stated.
Comparisons in this Interim Report are, unless otherwise stated, with the corresponding period in 2012.

Medivir is a collaborative and agile pharmaceutical company with an R&D focus on infectious diseases and a leading position in hepatitis C. We are passionate and uncompromising in our mission to develop and commercialize innovative pharmaceuticals that improve people's health and quality of life.

The CEO's comments on Q3 2013

"Simeprevir has been approved in Japan and Canada for the treatment of chronic hepatitis C"

At the end of September, simeprevir was approved by the Japanese Ministry of Health, Labour & Welfare for the treatment of genotype 1 chronic hepatitis C virus (HCV) infection. This is the first market approval of simeprevir and we are naturally proud of this achievement. The number of patients with chronic HCV infection in Japan is estimated at 1.5 to 2 million.

In October, the Antiviral Drugs Advisory Committee of the U.S. Food and Drug Administration (FDA) unanimously voted in favour of market approval for simeprevir in the USA in what is a massive step towards the market introduction of simeprevir in the USA. In November the pharmaceutical authority in Canada, Health Canada, approved simeprevir for the treatment of chronic hepatitis C virus genotype 1. It is the first treatment for hepatitis C to be approved in Canada for once-daily use.

We have developed simeprevir in collaboration with our partner, Janssen. The treatment now approved in Japan involves administering simeprevir in combination with ribavirin and pegylated interferon. Treatment with interferon often causes serious adverse effects and the long-term goal entails the development of a completely interferon-free therapy. In October, Janssen acquired an NS5A replication complex inhibitor from GlaxoSmithKline. This NS5A replication complex inhibitor will be evaluated in combination with simeprevir for interferon-free treatment of genotype 1 chronic hepatitis C patients. A number of other interferon-free clinical studies with simeprevir are currently in progress and we presented good interim results from the COSMOS study, in which simeprevir is used in combination with sofosbuvir, with and without ribavirin.

Other R&D projects
In October, MIV-247 was selected as a candidate drug and has entered pre-clinical development for the treatment of neuropathic pain. The selection is an important milestone for our in-house cathepsin S project.

We also presented positive top-line results from the phase I study with the cathepsin K inhibitor, MIV-711, which is being developed for the treatment of osteoarthritis and other bone-related disorders. These study data are now being compiled and will be used for evaluation purposes in connection with potential future partnerships.

In the hepatitis C area, we decided to stop our research project with our internal NS5A replication complex inhibitors. The decision was taken on commercial grounds and means that we could then focus our hepatitis C research on novel nucleotide-based NS5B polymerase inhibitors.

The past quarter also saw the discontinuation of our collaboration with Daewoong regarding the development of MIV-210 for the treatment of hepatitis B. The decision was based on an evaluation of MIV-210 and its commercial potential in a hepatitis B market in which several pharmaceuticals will be available as generics within the next few years.

Commercial portfolio
Medivir and Ferrer entered into an agreement during the quarter for the commercialisation of Adasuve in the Nordic market. Adasuve is a new treatment for agitation associated with schizophrenia and bipolar disorder. This agreement means that we now have 16 prescription pharmaceuticals in our product portfolio, which further strengthens our commercial position in the Nordic region.

Other
On 10 October 2013, Medivir held a Capital Markets Day in Stockholm that included a wide-ranging presentation of Medivir's operations and provided updates on all of the company's significant projects.

I am looking forward with both excitement and confidence to the coming six months – a period in which simeprevir will be launched in Japan and, hopefully, also approved for sale in other markets.

Maris Hartmanis,
President & CEO

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Conference call for investors, analysts and the media

The Interim Report for the third quarter of 2013 will be presented by the CEO, Maris Hartmanis, and members of Medivir's management group.

Time: Thursday, 21 November 2013 at 14.00 (CET).

Phone numbers for participants from:
Sweden +46 (0) 8 505 564 77
Europe +44 (0) 20 336 453 72
USA +1 855 716 1589

The conference call will also be streamed via a link on the website, www.medivir.com

Financial calendar

The Financial Statement for January-December will be published on 24 February 2014.
The Annual General Meeting will be held on 8 May 2014.

Significant events during Q3 2013

Medivir focused its strategy for in-house hepatitis C projects

Medivir took a strategic decision to focus its in-house research and development resources in the hepatitis C area on the development of novel NS5B nucleotide-based polymerase inhibitors, or "nucleotides" as they are known. There continues to be a need for new, effective – and safe – nucleotides, which have specific characteristics that make them ideally suited for combination with other antiviral HCV pharmaceuticals, including a high barrier to resistance development and the fact that they are effective against all HCV genotypes. This was the background against which Medivir decided to wind up the NS5A replication complex inhibitor project and focus on the development of nucleotide-based polymerase inhibitors.

Medivir discontinued its collaboration with Daewoong Pharmaceutical regarding the development of MIV-210

Under the terms of our collaboration agreement, Daewoong has been responsible for the R&D work with MIV-210, which has a demonstrably competitive antiviral activity. However, like other drugs of this class, it does not completely eradicate the hepatitis B virus (HBV) during treatment. The current standard treatments for hepatitis B will be available as generics within a few years and any product developed must, if it is to be commercially viable, completely eradicate the virus, i.e. cure the patient. To achieve this, MIV-210 would have to be administered in combination with other pharmaceuticals with different, new mechanisms of action, which Medivir does not intend to develop.

Medivir and Ferrer entered into a Nordic agreement for the commercialisation of a new treatment for agitation associated with schizophrenia and bipolar disorder

Medivir obtained exclusive rights to market, sell and distribute ADASUVE in the Nordic market. ADASUVE is a hand-held inhaler designed to deliver the drug, loxapine, with the inhaled air into the lungs, where it has a rapid systemic effect. Under the terms of the agreement, Medivir becomes the exclusive supplier in the Nordic region of this new therapy for the treatment of mild to moderate agitation of patients with schizophrenia or bipolar disorder.
ADASUVE meets a substantial medical need through the novel technology used to administer the drug. Medivir already markets Lithionit for the treatment of bipolar disorder and the addition of ADASUVE expands our offering for psychiatrists and their patients.

Simeprevir approved in Japan for the treatment of hepatitis C

In September, the Japanese Ministry of Health, Labour & Welfare announced that simeprevir had been approved for the treatment of genotype 1 chronic hepatitis C virus infection. Simeprevir was

approved for a broad patient population, both for patients who had not previously been treated with interferon and/or ribavirin and for patients who had been treated but had not responded to previous treatment. The approval triggered a milestone payment of EUR 5 million to Medivir from Janssen.

Significant events after the end of the financial period

Simeprevir will be evaluated in combination with an NS5A replication complex inhibitor acquired by Janssen

In October, Medivir's partner, Janssen, acquired an NS5A replication complex inhibitor from GSK (JNJ-56914845), which will be evaluated in combination with simeprevir for interferon-free treatment of genotype 1 chronic hepatitis C patients.

Results presented from a phase I study with MIV-711 for the treatment of osteoarthritis and other bone-related disorders

The results of the phase I study with the cathepsin K inhibitor, MIV-711, confirmed that MIV-711 is safe and well tolerated at doses where it effectively decreases cartilage degradation and bone resorption, as suggested by biomarker data. Both these phenomena are important characteristics of the development of osteoarthritis. The results support the continued development of MIV-711 and will form the basis for ongoing work on identifying potential partners for future development work.

In the study, 50-200 mg of MIV-711 was administered once daily for seven days to healthy men and women, and 100 mg for 28 days to healthy post-menopausal women. The data show that serum levels of CTX-I, a biomarker for bone resorption, were suppressed by up to 55 per cent and that urinary excretion of the cartilage degradation marker CTX-II, was reduced by up to 72 per cent. All dose levels reported similar drug-related adverse effects and were comparable to placebo.

MIV-247 selected as a candidate drug and enters pre-clinical development for the treatment of neuropathic pain

MIV-247, a potent and highly selective inhibitor of cathepsin S, was selected as a candidate drug (CD) for the treatment of neuropathic pain. MIV-247 will now enter pre-clinical development and will undergo the safety studies required before it can be tested on human subjects in clinical trials.

Cathepsin S is an enzyme that is important for the pathology of neuropathic pain through its action in releasing fractalkine (a pro-inflammatory protein) in areas of the spinal cord important for pain sensation. Medivir's cathepsin S inhibitors, including MIV-247, have shown good efficacy in experimental models of neuropathic pain, with no evidence of tolerance induction.

Approximately 25 million patients across the US, Europe and Japan suffer from neuropathic pain, which includes chronic diabetic neuropathy, post-herpetic neuralgia (nerve pain) and neuropathic low-back pain. Currently marketed drugs have limited efficacy and poor side-effect profiles. Patients with neuropathic pain are therefore in great need of new and efficacious therapies that can deliver sustainable pain relief with improved tolerance and adverse event profiles.

Data presented from two phase III studies with Simeprevir in hepatitis C subpopulations – HCV/HIV co-infected and HCV genotype 4 infected patients

Data from two phase III studies were presented at the European AIDS conference, EACS, held between 16 and 19 October in Brussels. The studies evaluated simeprevir in genotype 1 hepatitis C and HIV-1 co-infected patients, and in genotype 4 chronic hepatitis C-infected patients.

HCV/HIV co-infected patients

This phase III, open-label trial evaluated the safety and efficacy of simeprevir (150 mg QD) with peginterferon and ribavirin (PR) for 12 weeks (n=106). Treatment-naïve patients and prior relapsers (without cirrhosis) received response-guided therapy (RGT) with PR for up to 24 or 48 weeks. All other patients received PR for up to 48 weeks.

High SVR12 rates (sustained virologic response 12 weeks after completion of treatment) were observed in the study, regardless of prior HCV treatment response, with 79% in HCV treatment-naïve patients, 87% in prior relapsers, 70% in partial responders and 57% in null responders achieving SVR12.

HCV genotype 4 patients – interim results

This study enrolled 107 patients with chronic HCV genotype 4 infection. The patients were treated with simeprevir in combination with peginterferon and ribavirin (PR) for 12 weeks. Treatment-naïve patients and prior relapsers received response-guided therapy (RGT) with PR up to 24 or 48 weeks. Prior partial responders and prior null responders received PR up to 48 weeks. At the time of this interim analysis, only data from patients eligible to shorten therapy and who had reached study visits 4 and 12 weeks after completion of treatment were included. In these patients, SVR4 rates of 89 and 91% (n=20) and SVR12 of 67 and 100% (n=9) were achieved in relapsers and naïve patients respectively. Overall, simeprevir was well tolerated and most adverse effects were grade 1 or 2.

The US Food and Drug Administration (FDA) Advisory Committee recommended simeprevir for market approval

In October, the Antiviral Drugs Advisory Committee of the US Food and Drug Administration (FDA) voted 19 to 0 to recommend approval of simeprevir. The recommendation is in respect of once daily doses of 150 mg of simeprevir in combination with pegylated interferon and ribavirin for the treatment of genotype 1 chronic hepatitis C in adult patients with compensated liver disease, including cirrhosis.

Interim results presented from the COSMOS study with simeprevir and sofosbuvir in difficult-to-cure patients

New interim data from the COSMOS study were presented in a late-breaking oral session at the Annual Meeting of the American Association for the Study of Liver Diseases (AASLD) held between 1 and 5 November. COSMOS is a randomised, open-label phase IIa study investigating the safety and efficacy of simeprevir in combination with sofosbuvir, with and without ribavirin, for either 12 or 24 weeks.

- Cohort 1 enrolled HCV genotype 1 patients who were prior null responders to treatment with interferon and ribavirin with METAVIR F0-F2 scores (cohort 1, n=80). Sustained virologic response 12 weeks after the end of treatment (SVR12) was achieved in 93 per cent of genotype 1 null responders with METAVIR F0-F2 scores that were treated with simeprevir and sofosbuvir for either 12 or 24 weeks.
- Cohort 2 enrolled treatment-naïve patients and null responders with METAVIR F3-F4 scores (cohort 2, n=87). The interim analysis of cohort 2 showed that SVR4 was achieved in 100 per cent of both the treatment-naïve patients and the null responders with METAVIR F3-F4 scores after 12 weeks of treatment with simeprevir and sofosbuvir.

The METAVIR score is used to quantify the degree of inflammation and fibrosis/cirrhosis of the liver on a four-point scale. All patients who completed treatment were HCV RNA undetectable at end of treatment and there were no viral breakthroughs.

Efficacy results with 150 mg simeprevir (SMV) and 400 mg sofosbuvir (SOF) once daily, with or without ribavirin (RBV). Intent-to-treat (ITT) population.

Cohort 1: Prior null responder HCV patients with METAVIR scores F0-F2				
	SMV / SOF + RBV 24 weeks	SMV / SOF 24 weeks	SMV / SOF + RBV 12 weeks	SMV / SOF 12 weeks
SVR12 % (n)	79* (19/24)	93 (14/15)	96 (26/27)	93 (13/14)

*17% (4/24) ceased treatment, but not for virologic failure

Cohort 2: Null responder and treatment-naïve HCV patients with METAVIR scores F3-F4**				
	Treatment-naive		Null responders	
	SMV / SOF + RBV 12 weeks	SMV / SOF 12 weeks	SMV / SOF + RBV 12 weeks	SMV / SOF 12 weeks
SVR4 % (n)	100 (12/12)	100 (7/7)	93 (14/15)	100 (7/7)

**SVR4 data were only available for 12-week arms at time of interim analysis cut-off.
The interim results showed no benefit from adding ribavirin to simeprevir and sofosbuvir in these difficult-to-treat groups of HCV patients, and that 12 weeks treatment may confer similar clinical benefits to 24 weeks treatment. The combination treatment with simeprevir and sofosbuvir was generally safe and well tolerated.

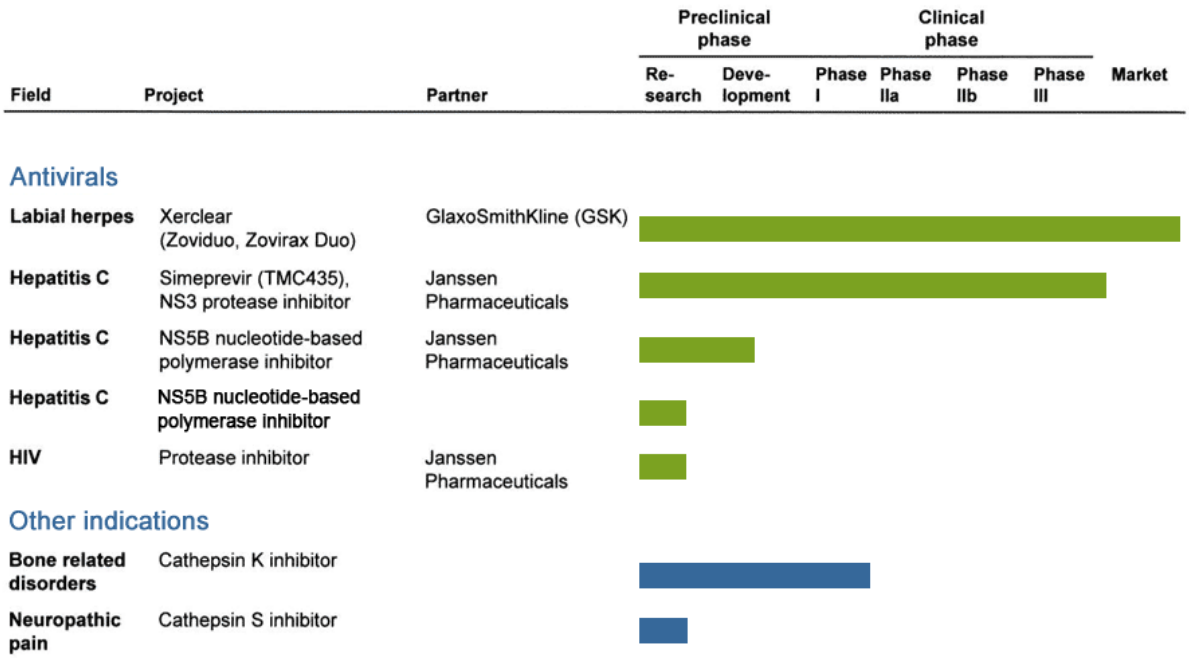
Simeprevir approved in Canada as a new treatment for hepatitis C

In November the pharmaceutical authority in Canada, Health Canada, announced that simeprevir has been approved for the treatment of chronic hepatitis C virus genotype 1. The approval is for adults with compensated liver disease (including cirrhosis) who are treatment-naïve or who have failed previous interferon therapy with ribavirin. Simeprevir received priority review status by the pharmaceutical authority in Canada. Approximately 250,000 Canadians are living with HCV, with thousands of new cases diagnosed each year. Simeprevir is the first treatment for hepatitis C to be approved in Canada for once-daily use.

Project portfolio

Medivir is a research-based pharmaceutical company. The research portfolio currently comprises four projects that focus on the development of antiviral pharmaceuticals. We also conduct research projects in other disease areas, such as skeletal disorders and neuropathic pain. The projects are based on Medivir's expertise in the polymerase and protease areas.

Medivir will also continue to identify partners and to enter into future partnership agreements for product development, but it intends to retain commercial rights for its projects in the Nordic region. Medivir also seeks, in tandem with our in-house research projects, to identify potential new opportunities for development through acquisitions or licensing. The company's project portfolio is summarised in the chart below. Early research projects are on-going but are not included here. For additional information, please visit the company's website at www.medivir.com.



Consolidated results and financial position*

Net turnover breakdown (SEK m)	2013 July-Sept	2012 July-Sept	2013 Jan-Sept	2012 Jan-Sept	2012 Jan-Dec
Outlicensing and partnership agreements					
Non-recurrent payments	43.6	0.0	170.5	0.0	4.4
Pharmaceutical sales	36.6	35.4	128.5	120.6	164.9
Other sales	0.0	1.2	0.0	1.2	1.3
Total	**80.2**	**36.6**	**299.0**	**121.8**	**170.6**

Revenues and results, 1 July-30 September 2013

Net turnover totalled SEK 80.2 million (SEK 36.6 m), corresponding to an increase of SEK 43.6 million. Non-recurrent payments from outlicensing and partnership agreements totalled SEK 43.6 million and referred to the approval of simeprevir by the Japanese Ministry of Health, Labour & Welfare (EUR 5 m). Pharmaceutical sales increased by SEK 1.2 million.

The gross profit was SEK 64.1 million (SEK 22.9 m), corresponding to an increase of SEK 41.2 million and equating to a gross margin of 80% (63%). The gross margin for the period, excluding non-recurrent payments, amounted to 56% (63%). The gross margin, excluding non-recurrent payments, fell by SEK 2.4 million, primarily due to a reclassification of operating costs after the divestment of the parallel imports operations.

The total operating costs were SEK -74.2 million (SEK -71.5 m), corresponding to an increase of SEK 2.7 million. Selling expenses increased by SEK 7.5 million, while administrative expenses fell by SEK 4.2 million, primarily due to the operating cost reclassification. Research and development costs decreased by SEK 0.2 million, while other operating income/expenses increased by SEK 0.4 million.

The operating profit/loss totalled SEK -10.1 million (SEK -48.6 m), corresponding to a positive change of SEK 38.5 million. The positive change was primarily attributable to the higher gross profit/loss that resulted from the period's non-recurrent payment.

Net financial items totalled SEK 0.5 million (SEK -5.1 m). Net financial items for the corresponding period last year included a negative item in respect of the revaluation of shares.

Revenues and results, 1 January-30 September 2013

Net turnover totalled SEK 299.0 million (SEK 121.8 m), corresponding to an increase of SEK 177.2 million. Non-recurrent payments from outlicensing and partnership agreements totalled SEK 170.5 million and referred both to the approval and New Drug Application for simeprevir filed with the Japanese Ministry of Health, Labour & Welfare (EUR 10 m) and to the New Drug Application filed with the FDA, the USA Food and Drug Administration (EUR 10 m). Pharmaceutical sales increased by SEK 7.9 million, primarily as a result of an adjustment in the price of Mollipect. The most important products in terms of sales were Mollipect, Lithionit and Citodon.

The gross profit was SEK 247.9 million (SEK 77.0 m), corresponding to an increase of SEK 170.9 million and equating to a gross margin of 83% (63%). The increase in the gross profit was mainly attributable to higher non-recurrent payments. The gross margin for the period, excluding non-recurrent payments, was 60% (63%) and fell by SEK 0.4 million, primarily due to the reclassification of operating costs.

The total operating costs were SEK -243.3 million (SEK -224.6 m), corresponding to an increase of SEK 18.7 million. Selling expenses increased by SEK 14.7 million, while administrative expenses fell by SEK 11.6 million, primarily due to the reclassification between types of cost after the divestment of the parallel imports operations. Research and development costs increased by SEK 15.6 million, primarily as a result of an increase of SEK 8.5 million in royalty costs and a write-down of SEK 6.7 million in respect of parts of the R&D assets acquired from Novadex. Other operating income/expenses remained unchanged.

The operating profit/loss totalled SEK 4.6 million (SEK -147.6 m), corresponding to an increase of SEK 152.2 million. The positive change was primarily due to the higher gross profit/loss that resulted from the period's non-recurrent payments.

Net financial items totalled SEK 0.3 million (SEK -4.5 m). Net financial items for the corresponding period last year included a negative item in respect of the revaluation of shares.

The tax cost for the period amounted to SEK -8.2 million (SEK -11.4 m) and represents, in its entirety, a decrease in the deferred tax asset arising from the utilisation of capitalised tax loss carry forwards during the period.

The profit/loss for the period from the remaining Group operations totalled SEK -3.3 million (SEK -163.5 m). Basic and diluted earnings per share from the remaining operations amounted to SEK -0.11 (SEK -5.23).

Pharmaceuticals segment

Pharmaceuticals segment	**2013**	**2012**	**2013**	**2012**	**2012**
(SEK m)	**July-Sept**	**July-Sept**	**Jan-Sept**	**Jan-Sept**	**Jan-Dec**
Net turnover	80.2	36.6	299.0	121.8	170.6
EBITDA	0.8	-40.8	44.4	-120.4	-165.3
EBITDA %	1.0	-111.5	14.8	-98.9	-96.9

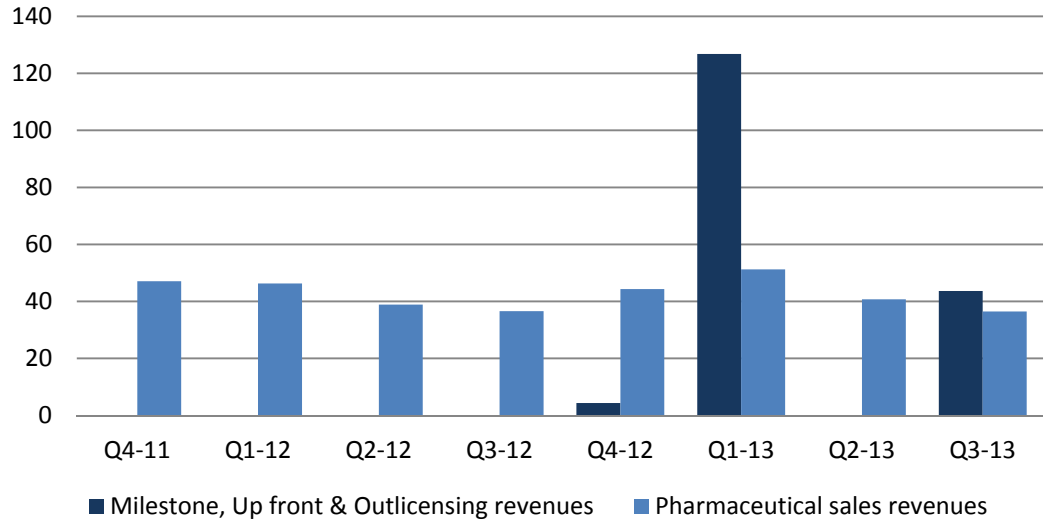
Revenues and results, 1 July-30 September 2013
Net turnover for the period totalled SEK 80.2 million (SEK 36.6 m), corresponding to an increase of SEK 43.6 million. Sales of pharmaceuticals comprised SEK 36.6 million (SEK 35.4 m) of the total net turnover while non-recurrent payments from outlicensing and partnership agreements comprised SEK 43.6 million (SEK 0.0). Sales of pharmaceuticals increased by SEK 1.2 million, primarily as a result of a larger number of units sold.

The operating profit/loss before depreciation and amortisation (EBITDA) includes SEK -46.3 million (SEK -46.5 m) in research and development costs, corresponding to an increase of SEK 0.2 million. EBITDA for the period totalled SEK 0.8 million (SEK -40.8 m), corresponding to a positive change of SEK 41.6 million that resulted mainly from the period's non-recurrent payment.

Revenues and results, 1 January-30 September 2013
Net turnover totalled SEK 299.0 million (SEK 121.8 m), corresponding to an increase of SEK 177.2 million. Sales of pharmaceuticals comprised SEK 128.5 million (SEK 120.6 m) of the total net turnover while non-recurrent payments for outlicensing and partnership agreements comprised SEK 170.5 million (SEK 0.0). Sales of pharmaceuticals increased by SEK 7.9 million, primarily as a result of an adjustment in the price of Mollipect. The most important products were Mollipect, Lithionit and Citodon. Non-recurrent payments referred to the marketing approval and New Drug Application for simeprevir filed with the Japanese Ministry of Health, Labour & Welfare and to the New Drug Application filed with the FDA in the USA.

EBITDA includes SEK -158.3 million (SEK -142.7 m) in research and development costs, corresponding to an increase of SEK 15.6 million that resulted primarily from an extra SEK 8.5 million in royalty costs and SEK 6.7 million in write-downs in relation to certain elements of the R&D operations acquired from Novadex. EBITDA for the period totalled SEK 44.4 million (SEK -120.4 m), corresponding to a positive change of SEK 164.8 million that resulted mainly from the period's non-recurrent payments.

Pharmaceuticals segment, net turnover per quarter, Q4 2011 – Q3 2013



Parallel imports segment, divested operations

The wholly-owned subsidiary company, Cross Pharma, which conducted parallel imports of pharmaceuticals, was divested on 30 June. Organisationally, parallel imports were, up until the time of the sale, a discrete segment. For details of the divestment, see the supplementary information on page19.

Parallel imports segment	**2013**	**2012**	**2013**	**2012**	**2012**
(SEK m)	**July-Sept**	**July-Sept**	**Jan-Sept**	**Jan-Sept**	**Jan-Dec**
Net turnover	0.0	77.8	213.0	277.7	384.4
EBITDA	0.0	2.2	8.2	9.4	14.4
EBITDA %	0.0	2.8	3.8	3.4	3.7

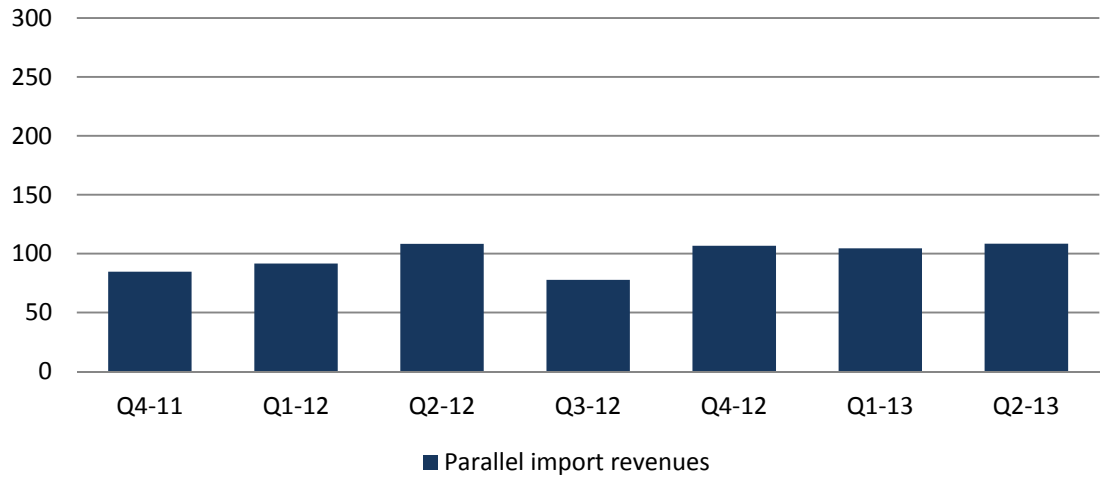
Revenues and results, 1 July-30 September 2013

The parallel imports operations were divested in the previous quarter and the segment consequently has no net turnover or profit/loss to report for the third quarter.

Revenues and results, 1 January-30 September 2013

The parallel imports operations were divested in the previous quarter and the segment consequently has no net turnover or profit/loss to report for the third quarter. Net turnover for the period totalled SEK 213.0 million (SEK 277.7 m). The operating profit/loss before depreciation and amortisation (EBITDA) for the period totalled SEK 8.2 million (SEK 9.4 m), corresponding to a margin of 3.8% (3.4%).

Parallel imports segment, net turnover per quarter, Q4 2011 – Q2 2013, SEK m



Cash flow and financial position, 1 January-30 September 2013

Liquid assets, including short-term investments with a maximum term of 3 months, amounted to SEK 296.7 million (SEK 536.3 m) at the beginning of 2013 and SEK 337.7 million (SEK 356.6 m) at the end of the period, corresponding to a change of SEK 41.0 million (SEK -179.9 m). Pledged assets at the end of the period totalled SEK 54.3 million (SEK 154.8 m). Medivir's financial assets are, in accordance with its financial policy, invested in low-risk interest-bearing securities. The company's current financial assets are, in Medivir's opinion, sufficient to ensure operational financing.

Cash flow from operating activities totalled SEK -32.5 million (SEK -90.0 m), with changes in working capital accounting for SEK -75.8 million (SEK 17.5 m). The change in working capital primarily comprised increases in accounts receivable.

Cash flow from investing activities totalled SEK 114.3 million (SEK -4.4 m) and referred primarily to the sale of the subsidiary company, Cross Pharma. Other changes in investing activities comprised investments in research equipment totalling SEK 0.6 million (SEK 7.8 m).

Cash flow from financing activities totalled SEK -40.8 million (SEK -85.2 m) and primarily comprised the amortisation of loans and bank overdrafts.

Investments, depreciation and amortisation, 1 January-30 September 2013

A total of SEK 0.8 million (SEK 7.8 m) was invested in tangible fixed assets during the period and comprised research equipment. Investments in intangible fixed assets totalled SEK 0 million (SEK 10 m). Depreciation of tangible fixed assets and of intangible fixed assets totalled SEK -7.8 million (SEK -6.0 m) and SEK -17.6 million (SEK -17.0 m), respectively, during the period. Write-downs of intangible fixed assets during the period totalled SEK -6.7 million (SEK -0.0).

Employees

Medivir had 112 (114) employees at the period end, 58% (58%) of whom were women.

Royalty undertakings

A significant percentage of Medivir's research and development project work has been carried out exclusively in-house and Medivir is consequently entitled to all revenues in respect of these inventions. A smaller percentage of Medivir's projects originate from Swedish universities. Medivir is consequently entitled to the revenues generated by these projects but obliged to pay royalties on the same. In addition, some of Medivir's projects were previously outlicensed to third parties but have now reverted to Medivir, and Medivir has undertaken to pay royalties to the former licensees. The combined royalty costs during the period were SEK 8.5 million (SEK 0.0 m) and comprised royalties payable to university consortia.

The Parent Company in brief, 1 January-30 September 2013

Medivir AB (publ.), corporate ID no. 556238-4361, is the Parent Company of the group. Its operations consist of research and development, marketing and sales, and administrative and company management functions.

The Parent Company's net turnover totalled SEK 176.4 million (SEK 1.6 m), corresponding to an increase of SEK 174.8 million resulting primarily from higher non-recurrent payments. Non-recurrent payments related to both the approval and New Drug Application for simeprevir filed with the Japanese Ministry of Health, Labour & Welfare (EUR 10 m) and the New Drug Application filed with the FDA in the USA (EUR 10 m).

The gross profit totalled SEK 169.9 million (SEK 1.5 m), corresponding to an increase of SEK 168.4 million.

The operating costs totalled SEK -205.2 million (SEK -183.2 m), corresponding to an increase of SEK 22.0 million. Research and development costs increased by SEK 13.6 million, primarily as a result of an increase of SEK 6.4 million in royalty costs and a write-down of SEK 6.7 million in respect of certain elements of the R&D operations acquired from Novadex. Selling expenses increased by SEK 10.8 million while administrative expenses increased by SEK 2.1 million after the sale of the parallel import operations.

Other operating income/expenses totalled SEK 12.5 million (SEK 8.0 m), corresponding to an increase of SEK 4.5 million and primarily comprising services to Group companies.

The operating profit/loss was SEK -35.3 million (SEK -181.7 m), corresponding to an increase of SEK 146.4 million. The positive change is mainly due to the higher gross profit resulting from the period's non-recurrent payments.

Net financial items totalled SEK 122.5 million (SEK 3.9 m), corresponding to an increase of SEK 118.6 million. Net financial items include dividends totalling SEK 120.0 million received from the BioPhausia AB subsidiary company.

The net profit/loss for the period was SEK 87.2 million (SEK -177.8 m).

The cash flow from operating activities totalled SEK -72.9 million (SEK -158.4 m), with changes in working capital accounting for SEK -54.9 million (SEK 5.2 m) of this total. The change in working capital primarily comprised an increase in accounts receivable.

Investments in tangible and intangible fixed assets totalled SEK 0.4 million (SEK 17.8 m) and comprised investments in research equipment.

Liquid assets, including short-term investments with a maximum term of 3 months, amounted to SEK 319.1 million (SEK 342.3 m).

Please see the section entitled "Consolidated results and financial position" for further comments on the operations.

Share structure, earnings per share and shareholders' equity

The total share capital at the period end was SEK 156.3 million (SEK 156.3 m) and the total shareholders' equity, SEK 833.7 million (SEK 943.9 m). There were a total of 31,260,027 (31,260,027) shares in Medivir AB at the period end, 660,000 (660,000) of which were class A shares and 30,600,027 (30,600,027) of which were class B shares with a nominal value of SEK 5. The average number of shares during the period was 31,260,027 (31,256,927).

Share structure 30 September 2013 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%	17.7%	660,000
B, 1 vote	30,600,027	30,600,027	97.9%	82.3%	31,004,401
Total	**31,260,027**	**37,200,027**	**100.0%**	**100.0%**	**31,664,401**

Basic and diluted earnings per share for the remaining Group operations, based on a weighted average number of outstanding shares, were SEK -0.11 (SEK -5.23). Shareholders' equity per share totalled SEK 26.67 (SEK 30.20). The equity/assets ratio was 87.4% (81.4%).

Shareholders

On 30 September 2013, Medivir AB had 11,496 shareholders. The table below shows the list of Medivir's shareholders registered by Euroclear Sweden AB on 30 September 2013.

Name	Class A shares	Class B shares	% of votes	% of capital
Bo Öberg	284,000	262,475	8.3%	1.8%
Nils Gunnar Johansson	284,000	76,575	7.8%	1.2%
Staffan Rasjö	0	2,169,693	5.8%	6.9%
AFA Försäkring	0	1,618,229	4.4%	5.2%
Skandia Fonder	0	1,527,908	4.1%	4.9%
Gladiator	0	1,330,457	3.6%	4.3%
UNIONEN	0	1,204,200	3.2%	3.9%
Christer Sahlberg	92,000	29,881	2.6%	0.4%
DnB Carlsson Fonder	0	936,456	2.5%	3.0%
Alecta Pensionsförsäkring	0	735,000	2.0%	2.4%
Tredje AP-fonden	0	734,233	2.0%	2.4%
Swedbank Robur Fonder	0	645,621	1.7%	2.1%
Avanza Pension	0	640,733	1.7%	2.1%
Goldman Sachs & Co	0	632,408	1.7%	2.0%
JPM Chase NA	0	562,491	1.5%	1.8%
Total, 15 largest shareholders	**660,000**	**13,106,360**	**53.0%**	**44.0%**
Total, other shareholders		17,493,667	47.0%	56.0%
TOTAL	**660,000**	**30,600,027**	**100%**	**100%**

Outlook

Medivir is a research-based pharmaceutical company whose focus is on infectious diseases. Its goal is to become a high-growth, profitable pharmaceutical company within the next few years.
Medivir is working resolutely and strategically to generate the best possible prospects for developing the company quickly while also balancing risks. The company has a solid financial position.

Medivir has several attractive projects in the development phase, of which simeprevir is the most advanced. New drug applications for simeprevir have been filed in Japan and the USA during the first quarter and in Europe during the second quarter. Market approval was received in Japan in September 2013 and the Antiviral Drugs Advisory Committee of the American Food and Drug Administration, FDA, voted by 19 to 0 to approve simeprevir in October. These factors, coupled with Medivir's ambition to identify new business opportunities in the Nordic region, form the basis of our ongoing efforts to develop Medivir into a profitable company.

CONSOLIDATED INCOME STATEMENT, SUMMARY (SEK m)	**2013 July-Sept**	**2012 July-Sept**	**2013 Jan-Sept**	**2012 Jan-Sept**	**2012 Jan-Dec**
Remaining operations					
Net turnover	80.2	36.6	299.0	121.8	170.6
Cost of goods sold	-16.1	-13.7	-51.1	-44.8	-61.3
Gross profit	**64.1**	**22.9**	**247.9**	**77.0**	**109.3**
Selling expenses	-17.7	-10.2	-48.3	-33.6	-47.7
Administrative expenses	-11.0	-15.2	-37.6	-49.2	-59.7
Research and development costs	-46.3	-46.5	-158.3	-142.7	-203.4
Other operating income/expenses	0.8	0.4	0.9	0.9	0.1
Operating profit/loss	**-10.1**	**-48.6**	**4.6**	**-147.6**	**-201.4**
Net financial items	**0.5**	**-5.1**	**0.3**	**-4.5**	**-9.4**
Profit/loss after financial items	**-9.6**	**-53.7**	**4.9**	**-152.1**	**-210.8**
Tax	**-1.1**	**-2.5**	**-8.2**	**-11.4**	**-23.3**
Net result for the period from remaining operations	**-10.7**	**-56.2**	**-3.3**	**-163.5**	**-234.1**
Net result for the period from divested operations (page 18)	**-0.3**	**1.1**	**-37.2**	**9.7**	**15.0**
Net result for the period	**-11.0**	**-55.2**	**-40.5**	**-153.8**	**-219.1**
Net result for the period attributable to:					
Parent Company shareholders	**-11.0**	**-55.2**	**-40.5**	**-153.8**	**-219.1**
Earnings per share, calculated from the result attributable to Parent Company shareholders during the period					
Basic and diluted earnings per share:					
Remaining operations, SEK	-0.34	-1.80	-0.11	-5.23	-7.49
Divested operations, SEK	-0.01	0.03	-1.19	0.31	0.48
Total operations, SEK	**-0.35**	**-1.77**	**-1.30**	**-4.92**	**-7.01**
Average number of shares, 000	31,260	31,260	31,260	31,257	31,257
Number of shares at period end, 000	31,260	31,260	31,260	31,260	31,260

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)	2013 July-Sept	2012 July-Sept	2013 Jan-Sept	2012 Jan-Sept	2012 Jan-Dec
Net result for the period	**-11.0**	**-55.2**	**-40.5**	**-153.8**	**-219.1**
Other comprehensive income					
Items that may subsequently be reclassified in the Income Statement					
Exchange rate differences	0.3	1.8	-1.4	1.5	-2.2
Other comprehensive income for the period, net after tax	**0.3**	**1.8**	**-1.4**	**1.5**	**-2.2**
Total comprehensive income for the period	**-10.6**	**-53.4**	**-41.9**	**-152.3**	**-221.3**
Total comprehensive income attributable to:					
Remaining operations	-11.0	-54.1	-4.3	-162.1	-236.0
Divested operations	0.4	0.8	-37.6	9.7	14.7
	-10.6	**-53.4**	**-41.9**	**-152.3**	**-221.3**

CONSOLIDATED BALANCE SHEET SUMMARY (SEK m)	2013 30 Sept	2012 30 Sept	2012 31 Dec
Assets			
Intangible fixed assets	436.8	520.6	514.5
Tangible fixed assets	27.4	34.5	36.0
Financial fixed assets	10.0	3.3	0.0
Deferred tax receivable	46.9	67.6	49.2
Inventories	17.6	80.1	87.3
Current receivables	78.0	97.3	92.5
Short-term investments	295.9	330.6	257.5
Cash and bank balances	41.8	26.0	39.2
Total assets	**954.4**	**1 160.0**	**1 076.2**
Equity and liabilities			
Equity	833.7	943.9	874.9
Long-term liabilities	0.0	48.0	40.5
Current liabilities	120.7	168.1	160.8
Total equity and liabilities	**954.4**	**1 160.0**	**1 076.2**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK m)	Share capital	Other paid-up capital	Exchange rate difference	Accumulated deficit	Total equity
Opening balance, 1 January 2012	**156.3**	**1 757.3**	**5.8**	**-823.8**	**1 095.6**
Total comprehensive income for the period			-2.2	-219.1	-221.3
Conversion of options		0.4			0.4
Staff stock option plan: value of employee service		0.2			0.2
Closing balance, 31 December 2012	**156.3**	**1 757.9**	**3.6**	**-1 042.9**	**874.9**
Opening balance, 1 January 2012	**156.3**	**1 757.3**	**5.8**	**-823.8**	**1 095.6**
Total comprehensive income for the period			1.5	-153.8	-152.3
Conversion of options		0.4			0.4
Share incentive plan: value of employee service		0.2			0.2
Closing balance, 30 September 2012	**156.3**	**1 757.9**	**7.3**	**-977.6**	**943.9**
Opening balance, 1 January 2013	**156.3**	**1 757.9**	**3.6**	**-1 042.9**	**874.9**
Total comprehensive income for the period			-1.4	-40.5	-41.9
Share incentive plan: value of employee service		0.7			0.7
Closing balance, 30 September 2013	**156.3**	**1 758.6**	**2.2**	**-1 083.4**	**833.7**

CONSOLIDATED CASH FLOW STATEMENT SUMMARY (SEK m)	2013 July-Sept	2012 July-Sept	2013 Jan-Sept	2012 Jan-Sept	2012 Jan-Dec
Cash flow from operating activities before changes in working capital	**46.3**	**-35.9**	**43.3**	**-107.6**	**-147.4**
Changes in working capital	-51.5	-3.2	-75.8	17.5	7.9
Cash flow from operating activities	**-5.2**	**-39.1**	**-32.5**	**-90.0**	**-139.5**
Investing activities					
Acquisition/sale of fixed assets	-0.6	-6.6	-0.6	-12.8	-15.7
Sale of operations	70.7	-	114.9	8.4	8.4
Cash flow from investing activities	**70.1**	**-6.6**	**114.3**	**-4.4**	**-7.3**
Financing activities					
Conversion of options	-	0.4	-	0.4	0.4
Amortisation of loans	-7.2	-7.6	-22.2	-85.6	-93.2
Other changes in liabilities	-	-	-18.6	-	-
Cash flow from financing activities	**-7.2**	**-7.2**	**-40.8**	**-85.2**	**-92.8**
Cash flow for the period					
Liquid assets at beginning of period	279.9	409.6	296.7	536.3	536.3
Change in liquid assets	57.7	-52.9	41.0	-179.6	-239.6
Exchange rate difference, liquid assets	0.1	-0.1	-	-0.1	-
Liquid assets at period end	**337.7**	**356.6**	**337.7**	**356.6**	**296.7**

KEY RATIOS, SHARE DATA, OPTIONS Remaining operations	2013 Jan-Sept	2012 Jan-Sept	2012 Jan-Dec
Return on:			
- shareholders' equity,%	0.6	-16.03	-21.4
- capital employed,%	0.8	-10.4	-17.6
- total capital,%	0.7	-11.5	-16.6
Number of shares at beginning of period, 000	31 260	31 254	31 254
New share issues	0	6	6
Number of shares at period end, 000	31 260	31 260	31 260
- of which class A shares	660	660	660
- of which class B shares	30 600	30 600	30 600
Average number of shares, 000	31 260	31 257	31 257
Outstanding subscription rights and options, 000	404	394	394
- entitlement to class B shares upon conversion, 000	404	430	430
Share capital at period end, SEK m	156.3	156.3	156.3
Shareholders' equity at period end, SEK m	833.7	943.9	874.9
Basic and diluted earnings per share, SEK			
- remaining operations	-0.11	-5.23	-7.49
- divested operations	-1.19	0.31	0.48
- total operations	-1.30	-4.92	-7.01
Shareholders' equity per share, SEK	26.67	30.20	27.99
Net worth per share, SEK	26.67	30.20	27.99
Cash flow per share after investments, SEK	2.62	-3.02	-4.69
Equity/assets ratio, %	87.4	81.4	81.3
EBITDA	44.4	-120.4	-165.3
EBIT	4.6	-147.6	-201.3
Operating margin, %	1.5	-121.2	-118.0

Key ratio definitions

Average number of shares. The unweighted average number of shares during the year.
Basic earnings per share. Profit/loss per share after tax divided by the average number of shares.
Cash flow per share after investments. Cash flow after investments divided by the average number of shares.
Capital employed. Balance sheet total less non-interest-bearing liabilities including deferred tax liabilities.
Diluted earnings per share. Profit/loss per share after tax divided by the average number of shares and outstanding warrants, adjusted for any dilution effect.
EBIT (Earnings before interest and taxes). Operating profit/loss after depreciation and amortisation.
EBITDA (Earnings before interest, taxes, depreciation and amortisation). Operating profit/loss before depreciation and amortisation.
Equity/assets ratio. Shareholders' equity in relation to balance sheet total.
Net worth per share. Shareholders' equity plus hidden assets in listed equities divided by the number of shares at the period end.
Operating margin. Operating profit/loss as a percentage of net turnover.
Return on capital employed. Profit/loss after financial items plus financial expenses as a percentage of average capital employed.
Return on shareholders' equity. Profit/loss after financial items as a percentage of average shareholders' equity.
Return on total assets. Profit/loss after financial items plus financial expenses as a percentage of the average balance sheet total.
Shareholders' equity per share. Shareholders' equity divided by the number of shares at the period end.

PARENT COMPANY INCOME STATEMENT SUMMARY (SEK m)	**2013 July-Sept**	**2012 July-Sept**	**2013 Jan-Sept**	**2012 Jan-Sept**	**2012 Jan-Dec**
Net turnover	49.5	1.2	176.4	1.6	34.3
Cost of goods and services sold	-5.7	0.0	-6.4	-0.1	-0.3
Gross profit	**43.8**	**1.2**	**169.9**	**1.5**	**34.1**
Selling expenses	-5.1	-0.2	-11.7	-0.9	-3.8
Administrative expenses	-12.8	-15.1	-47.8	-45.7	-56.1
Research and development costs	-46.2	-47.0	-158.2	-144.6	-206.3
Other operating income/expenses	-0.5	4.6	12.5	8.0	7.3
Operating profit/loss	-20.8	-56.5	-35.3	-181.7	-224.7
Net financial items	**1.8**	**-3.0**	122.5	3.9	-25.1
Profit/loss after financial items	**-19.1**	**-59.5**	**87.2**	**-177.8**	**-249.8**
Net result for the period	**-19.1**	**-59.5**	**87.2**	**-177.8**	**-249.8**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)	**2013 July-Sept**	**2012 July-Sept**	**2013 Jan-Sept**	**2012 Jan-Sept**	**2012 Jan-Dec**
Net result for the period	**-19.1**	**-59.5**	**87.2**	**-177.8**	**-249.8**
Other comprehensive income for the period, net after tax	**-19.1**	**-59.5**	**87.2**	**-177.8**	**-249.8**
Total comprehensive income for the period	**-19.1**	**-59.5**	**87.2**	**-177.8**	**-249.8**

PARENT COMPANY BALANCE SHEET SUMMARY (SEK m)	2013 30 Sept	2012 30 Sept	2012 31 Dec
Assets			
Fixed assets			
Intangible fixed assets	6.2	13.4	13.3
Tangible fixed assets	26.5	31.8	33.0
Financial fixed assets	604.3	607.6	604.3
Inventories	0.0	0.3	0.0
Current receivables	69.6	16.4	24.8
Short-term investments	295.9	330.6	257.5
Cash and bank balances	23.2	11.7	14.9
Total assets	**1 025.6**	**1 011.8**	**947.8**
Equity and liabilities			
Equity	971.3	955.5	883.4
Current liabilities	54.3	56.3	64.4
Total equity and liabilities	**1 025.6**	**1 011.8**	**947.8**

PARENT COMPANY CASH FLOW STATEMENT SUMMARY (SEK m)	2013 July-Sept	2012 July-Sept	2013 Jan-Sept	2012 Jan-Sept	2012 Jan-Dec
Cash flow from operating activities before changes in working capital	**-14.7**	**-50.9**	**-18.0**	**-163.6**	**-202.3**
Changes in working capital	-52.7	3.2	-54.9	5.2	-27.5
Cash flow from operating activities	**-67.4**	**-47.7**	**-72.9**	**-158.4**	**-229.8**
Investing activities					
Acquisition/sale of fixed assets	0.1	-10.5	-0.4	-16.0	-14.5
Dividend received from subsidiary company	120.0	-	120.0	-	-
Cash flow from investing activities	**120.1**	**-10.5**	**119.6**	**-16.0**	**-14.5**
Financing activities					
Conversion of options	-	0.4	-	0.4	0.4
Cash flow from financing activities	**-**	**0.4**	**-**	**0.4**	**0.4**
Cash flow for the period					
Liquid assets at beginning of period	266.4	400.1	272.4	516.3	516.3
Change in liquid assets	52.7	-57.8	46.7	-174.0	-243.9
Liquid assets at period end	**319.1**	**342.3**	**319.1**	**342.3**	**272.4**

Accounting principles

Medivir applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. Significant accounting and valuation principles are presented on pages 59-66 of the 2012 Annual Report. The Group's Interim Report has been prepared in accordance with IAS 34. The Parent Company applies the principles recommended by the Swedish Financial Reporting Board in its recommendation, RFR 2. Other new or revised IFRS standards and IFRIC interpretations that have come into force since 31 December 2012 have had no significant effect on the Group's or Parent Company's financial position or results.

Segment reporting

Medivir was, until 30 June 2013, organised into two operating segments. The Pharmaceuticals segment includes the Group's research portfolio, the in-house developed cold sore pharmaceutical, Xerclear, and the proprietary pharmaceuticals of the wholly owned subsidiary, BioPhausia. The other operating segment comprised parallel imports of pharmaceuticals via BioPhausia's Cross Pharma subsidiary.

Reporting of operating segments, Jan-Sept (SEK m)	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
	Pharmaceuticals		**Parallel imports**		**Eliminations**		**Total**	
Net turnover	299.0	121.8	213.0	277.7	0.0	0.0	512.0	399.5
EBITDA	44.4	-120.4	8.2	9.4	-6.8	0.0	45.8	-111.0
Depreciation and amortisation							-32.1	-26.3
Net financial items							-46.6	-5.6
Profit/loss after financial items							-32.9	-142.9

* Refers to selling expenses for Cross Pharma which are included in the profit/loss for the period from divested operations.

Divested operations

On 25 June, Medivir announced the sale of its parallel imports operations, Cross Pharma AB, including the Polish subsidiary company, Prodlekpol. The transaction of 30 June resulted in a capital loss of SEK 46.3 million. The consolidated value of Cross Pharma was SEK 57.3 million and primarily comprised goodwill and trademarks. The capital loss also includes transaction costs and exchange rate profits/losses totalling SEK 8.8 million. Payment for the shares totalled SEK 19.7 million.

During the third quarter, receivables from the purchaser, Unimedic, totalling SEK 119.7 million were paid. The balance of receivables due from Unimedic now totals SEK 15.0 million, which sum will fall due for stepwise payment during a 36 month period.

The sale has been reported separately as a divested operation in the Income Statement in accordance with IFRS 5. A divested operation is reported separately from remaining operations in the Income Statement with retroactive effect for previous periods. Parallel Imports are reported as a divested operation below.

Profit/loss for divested operations for the period, Parallel imports (SEK m)	**2013 July-Sept**	**2012 July-Sept**	**2013 Jan-Sept**	**2012 Jan-Sept**	**2012 Jan-Dec**
Operating income	-	77.8	213.0	277.7	384.4
Operating expenses	-	-76.5	-203.8	-267.4	-368.8
Profit/loss from divestment of operations	-0.3	-	-46.3	-	-
Financial items	-	-0.4	-0.6	-1.1	2.3
Profit/loss before tax	**-0.3**	**0.9**	**-37.7**	**9.2**	**17.9**
Tax	-	0.2	0.5	0.5	-2.8
Profit/loss after tax	**-0.3**	**1.1**	**-37.2**	**9.7**	**15.0**

Cash flow attributable to divested operations (SEK m)	**2013 July-Sept**	**2012 July-Sept**	**2013 Jan-Sept**	**2012 Jan-Sept**	**2012 Jan-Dec**
Cash flow from operating activities	0.0	9.1	26.9	3.9	14.8
Cash flow from investing activities	0.0	-0.1	0	-0.9	-0.9
Cash flow from financing activities	0.0	0.2	-9.3	0.3	0.3
Cash flow for the period	**0.0**	**9.2**	**17.6**	**3.3**	**14.2**

Seasonal variations

Medivir's sales and operating profit/loss are, to some extent, dependent on external seasonal variations over which the company has no control. Sales of medications to treat respiratory infections are affected by the influenza and common cold season's intensity and timing, primarily in the first and fourth quarters. This risk is, however, mitigated by the fact that Medivir has a number of other products in other therapeutic areas.

Transactions with related parties

Transactions with related parties are on an arm's length basis. There are agreements between companies owned by senior key employees and M edivir, conferring entitlement to royalties on products that the company may develop based on patented inventions that the company has purchased from the parties in question. Payments to these parties of SEK 3.4 million (SEK 0.0 m) occurred during the period. Other services were purchased from related parties for a total of SEK 0.0 million (SEK 0.4 m).

Fair value measurement of financial assets and liabilities

IFRS 13 requires that financial instruments be classified in a 3-level hierarchy on the basis of the information used to determine their fair value. Level 1 inputs are when fair value is measured on the basis of quoted prices in active markets for identical financial assets or liabilities. Level 2 inputs are when fair value is measured on the basis of observable information other than quoted market prices included within level 1. Level 3 inputs are when the fair value is measured using valuation models in which significant inputs are based on unobservable data.

The Group has level 1 short-term investments. The short-term investments, in the form of fixed income funds, are managed as a group of financial assets and are reported at fair value in the Income Statement. The Group has saleable financial assets at level 3 and which are not adjudged to have any value.

Other financial assets and liabilities

The fair value of financial instruments such as accounts receivable, accounts payable, and other non-interest-bearing financial assets and liabilities which are reported at the accrued acquisition value less any depreciation, is adjudged to correspond to the reported value, due to their short anticipated terms.

Share-related incentive plans

The intention of share-related incentive plans is to promote the company's long-term interests by motivating and rewarding the company's senior executives and other members of staff. Medivir currently has one active share-related incentive plan.

Share saving plan, 2013 (LTI 2013)

The Share saving plan, 2013 (LTI 2013) is a long-term, performance-based share-related incentive programme that was approved at the Annual General Meeting held on 6 May 2013. The Share saving plan has been offered to all permanent employees of Medivir AB, on equal terms for the CEO, other senior executives, and other employees. Participation in LTI 2013 is contingent upon the employee making a personal investment and buying shares in Medivir at the market rate – so-called savings shares. The participant may, within the framework of LTI 2013 and over the course of one year, invest a sum corresponding to no more than one twelfth of their fixed annual basic salary before tax, provided that the participant stays with the company for three years. Participants receive one matching share warrant and three performance-based share warrants for every Savings share in which they invest. The performance-based share warrants are based on the strategic development of Medivir's research and product portfolio and earnings per share during the period from 2013 to 2015. 73 per cent of all permanent employees have opted to participate in the plan, including the CEO, who has

invested SEK 0.3 million (4, 341 shares), and other senior executives, who have invested SEK 0.6 million (9, 260 shares).

LTI 2013 will be reported in accordance with IFRS 2 – Share-based payment. The maximum number of class B shares in Medivir that may be disbursed in accordance with the plan, including those additional shares that may be obtained through the exercise of warrants, is 404,374 class B shares corresponding to approximately 1.28 per cent of the total number of shares and approximately 1.08 per cent of the total number of votes in Medivir. The maximum amount by which the share capital can increase is SEK 2.0 million. SEK 1.2 million in costs in connection with LTI 2013, including the cost of social security contributions, has, in accordance with certain assumptions such as share price performance, participation, and staff turnover, been charged to the profit/loss. The right of disposal must exist with regard to warrants to subscribe and the shares that will be disbursed through the exercise of the warrants to subscribe in order to enable the shares to be disbursed to the participants at the end of the programme. Warrants to subscribe are also issued in order to hedge the cash flow costs of the programme for the Group, such as social security costs, that arise in connection with LTI 2013.

Stock option plan, 2010-2013

The staff stock option plan 2010-2013 was adopted at the 2010 Annual General Meeting. The plan comprised all permanent employees of Medivir AB. The term of the plan was from 30 April 2010 to 31 May 2013. The plan was forfeited during the second quarter of 2013 without any options having been exercised during the term of the plan. Detailed information on the stock option plan 2010-2013, is presented in Medivir's 2012 Annual Report.

Significant risks and uncertainty factors

An effective risk assessment reconciles Medivir's business opportunities and results with the requirements of shareholders and other stakeholders for stable, long-term value growth and control. The process of research and pharmaceutical development, all the way up to approved registration, is both high risk and capital-intensive. The majority of projects initiated will never achieve market registration. If competing products take market shares, or competing research projects achieve better efficacy and reach the market more quickly, the future value of Medivir's product and project portfolio may be lower than expected. Medivir's ability to produce new CDs (candidate drugs), to enter into partnerships for its projects, to successfully develop its projects to market launch and continued sale, and to secure funding for its operations, are decisive in terms of the company's future.

Medivir is exposed to the following main risk categories:

- Exogenous risks – such as regulatory approval, competition, price changes, external seasonality and patent protection;
- Operating risks – such as integration risk, production risk, and a reliance on key employees and partnerships;
- Financial risks – such as liquidity, interest, currency and credit risk.

No significant changes to the risks and uncertainty factors occurred during the period. A more detailed description of exposure to risk, and of the ways in which Medivir manages it, is provided in the 2012 Annual Report.

Stockholm, 21 November 2013

Maris Hartmanis
President & CEO

Auditors' review of summary interim financial information (Interim Report) prepared in accordance with IAS 34 and section 9 of the Swedish Annual Accounts Act.

Introduction
We have reviewed this interim report for the period 1 January to 30 September 2013 for Medivir AB (publ.). The Board of Directors and the CEO are responsible for the preparation and presentation of this Interim Report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this Interim Report based on our review.

Focus and scope of the review
We conducted our review in accordance with the Swedish Standard on Review Engagements (SÖG) 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and significantly lesser scope than those of an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion expressed on the basis of a review does not, therefore, provide the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the Interim Report has not, in all material respects, been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group, and with the Swedish Annual Accounts Act for the Parent Company.

Stockholm, 21 November 2013
PricewaterhouseCoopers AB

Hans Jönsson
Authorised Public Accountant