Press release, 6 May 2013

Interim Report, 1 January – 31 March 2013*

Q1 2013 (January-March)

- Net turnover totalled SEK 282.6 million (SEK 137.9 m).
- The profit/loss after tax was SEK 77.6 million (SEK -37.7 m).
- Basic and diluted earnings per share totalled SEK 2.48 (SEK -1.21).
- The cash flow from operating activities amounted to SEK -19.1 million (SEK -45.8 m), while liquid assets and short-term investments totalled SEK 264.4 million (SEK 485.6 m) at the period end.

Significant events during Q1

- Collaboration agreement was reached for phase II combination trials with simeprevir, TMC647055 and IDX719.
- Registration application for simeprevir was filed with the Japanese Ministry of Health & Welfare and the FDA in the USA, triggering a EUR 15 million-milestone payment to Medivir. The applications refer to treatment of adults with chronic HCV genotype 1.
- The results of the first part of the phase IIa trial of simeprevir and sofosbuvir in hepatitis C patients who had not responded to previous treatment were presented.
- The R&D organisation was divided into two parts and the R&D leadership strengthened and augmented.
- The Nomination Committee submitted its proposal for a new Board of Directors ahead of the 2013 Annual General Meeting.

Significant events after the end of Q1

- Simeprevir trial results were presented at the EASL meeting in Amsterdam on 24-28 April.
- A registration application for simeprevir was filed in Europe for the treatment of adults with chronic HCV genotypes 1 and 4.

CONSOLIDATED EARNINGS TREND SUMMARY (SEK M)	2013 Jan-March	2012 Jan-March	2012 Jan-Dec
Net turnover	282.6	137.9	555.0
Gross profit	171.3	40.9	152.3
Operating profit/loss before depreciation and amortisation (EBITDA)	84.7	-29.9	-151.0
Operating profit/loss (EBIT)	83.0	-38.3	-185.8
Profit/loss before tax	83.0	-37.5	-192.9
Profit/loss after tax	77.6	-37.7	-219.1
Operating margin, %	29.4%	-27.8%	-33.5%
Basic and diluted earnings per share, SEK	2.48	-1.21	-7.01

* All figures are for the Group, 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 Q1 2013

"An historic quarter in Medivir's history when registration applications for Simeprevir were filed in several parts of the world."

We started the year with a number of very positive events for simeprevir, a potent protease inhibitor now in late clinical phase III development for the treatment of patients with hepatitis C. Registration applications for simeprevir were filed in Japan and the USA during the quarter, yielding a EUR 15 million-milestone payment for Medivir. A registration application for market approval was also filed in Europe in April. The application is for treatment once a day with simeprevir for twelve weeks together with pegylated interferon and ribavirin. Simeprevir is being developed in collaboration with our partner, Janssen.

The results of the first interferon- and ribavirin-free trials of simeprevir and sofosbuvir were also presented during the first quarter. The results met our high expectations and are another step towards achieving our goal of developing a completely interferon- and ribavirin-free treatment. The second part of this combination trial is now in progress and the results are scheduled for presentation in the autumn.

The clinical collaboration agreement reached between Janssen and Idenix was another important milestone for simeprevir during the quarter. The agreement covers phase II combination trials of simeprevir, TMC647055 and IDX719 and the intention is to evaluate an oral, interferon-free antiviral combination therapy for the treatment of hepatitis C. This trial will mean that there are currently five different ongoing interferon- and ribavirin-free trials involving simeprevir.

The company's research organisation was strengthened with the recruitment of Dr Richard Bethell who will be responsible for Medivir's preclinical research. Richard joins us from Boehringer Ingelheim in Canada, where he worked as the Director of Biological Sciences. Charlotte Edenius will head up the development organisation and will be in charge of pharmaceutical development work after the selection of a candidate drug.

We are convinced that the coming year will be an eventful one. Registration applications for simeprevir that have been filed in Japan, the USA and Europe are currently being reviewed by the pharmaceutical regulatory authorities and are progressing towards their anticipated approval. We are also, at the same time, making preparations aimed at generating the optimum preconditions for our own launch in the Nordic region during the first half of 2014.

The company's business operations

Our pharmaceutical sales developed according to plan during the quarter with Mollipect, Citodon, Lithionit, Laxabon and Paraflex responsible for the biggest sales. The marketing department is currently working hard on preparations for an expected market introduction of simeprevir in the Nordic region in 2014 and this work is proceeding according to plan.

Research and Development

Hepatitis C

We have a strong focus on hepatitis C research and the data presented at a scientific congress in March shows that we are making good progress. The collaboration agreements reached for combination trials of simeprevir and other compounds for the treatment of hepatitis C also prove that simeprevir has the potential to become an important component of any future treatment that is completely interferon- and ribavirin-free.

Other projects

Data from the cathepsin K trial is currently being compiled and analysed and our goal is to present these data during the coming months. We have also developed compounds for final evaluation prior to the selection of candidate drugs within the framework of the cathepsin S-project.
Medivir and our partner, Janssen R&D, have taken a joint decision to wind up the activities in the early preclinical collaboration on the dengue project as, despite taking a multipronged approach, we have failed to make the progress necessary to justify further investment.

Parallel imports via Cross Pharma

The first quarter saw a positive net turnover trend for Cross Pharma, and we are currently endeavouring to expand the product portfolio in order to offer the pharmacy chains a wider range of pharmaceuticals with increased growth as a result.

Maris Hartmanis,
President & CEO

For further information, please contact:

Rein Piir, EVP Corporate Affairs & IR, +46 (0) 708 537292
Maris Hartmanis, President & CEO +46 (0)8 5468 3113

Conference call for investors, analysts and the media

The Interim Report for the first quarter of 2013 will be presented by the CEO, Maris Hartmanis, and members of Medivir's management group.
Time: Monday, 6 May 2013 at 16.30 (CET).

Phone numbers for participants from:
Sweden +46 (0)8 505 204 24
Europe +44 (0) 20 3003 2666
USA +1 866 966 5335

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

Financial calendar, 2013

The Annual General Meeting will be held on 6 May at 14.00 (CET)
The Interim Report for January-June will be published on 22 August
The Interim Report for January-September will be published on 21 November

Significant events during Q1 2013

Collaboration agreement for phase II combination trials of Simeprevir, TMC647055 and IDX719

A non-exclusive collaboration agreement was reached between Janssen and Idenix in January 2013 for phase II combination trials of simeprevir, TMC647055/r (a non-nucleoside polymerase inhibitor developed by Janssen, reinforced with a low dose of ritonavir) and IDX719 (an NS5A replication complex inhibitor developed by Idenix). The clinical development plans include a drug-drug interaction trial, followed by phase II trials as agreed between the companies and subject to the consent of regulatory authorities. The phase II programme intends to start by evaluating a direct-acting antiviral combination of IDX719 and simeprevir plus ribavirin over a 12-week treatment period of treatment-naïve hepatitis C patients. The companies then plan to evaluate a triple direct-acting antiviral combination of IDX719, simeprevir and TMC647055/r, with or without supplementary ribavirin.

Registration application filed for Simeprevir in Japan for the treatment of patients with HCV genotype 1

In February, Janssen filed a registration application with the Japanese Ministry of Health & Welfare, requesting market approval for triple combination therapy using simeprevir in combination with pegylated interferon (Peg-IFN) and ribavirin (RBV) for patients with chronic HCV genotype 1. The application refers to the treatment of treatment-naïve patients, null responders, or patients who have relapsed after treatment with Peg-IFN, with or without supplementary RBV.

Four Japanese phase III trials form the basis for the registration application in Japan. In all of these trials, the patients were treated with simeprevir once a day for 12 weeks in combination with Peg-IFN and RBV.

Medivir became entitled to a milestone payment of EUR 5 million from Janssen in conjunction with the filing of the registration application.

First interim data from phase II trial of Simeprevir and Sofosbuvir in null responder hepatitis C patients presented

Interim data from the COSMOS trial (**C**ombination **O**f **S**i**M**eprevir and S**O**fosbuvir in HCV genotype I infected patient**S**) were presented at the "20th Conference on Retroviruses and Opportunistic Infections" (CROI), scientific conference held in Atlanta, Georgia, USA in March.

The COSMOS trial is a randomised open phase IIa trial of simeprevir and sofosbuvir, with and without ribavirin, in HCV genotype 1 patients. The aim is to investigate efficacy and safety in conjunction with 12 and 24 week courses of treatment. Part 1 of the trial enrolled a total of 80 patients who were null responders to treatment with pegylated interferon and ribavirin, all with METAVIR scores of F0 to F2.

By the time of the interim analysis, 26 of the 27 patients (96.3%) in the 12-week group with RBV had achieved SVR4, while 13 of the 14 patients (92.9%) in the 12-week group without RBV had achieved SVR4. Subsequent analysis confirmed that all patients with SVR4 had also achieved SVR8. In the 24-week group, the percentage that achieved SVR4 with RBV was 66.7 per cent (one patient terminated treatment due to adverse effects and one patient simply decided to terminate the treatment). The corresponding figure in the group without RBV was 100 per cent. The number of patients who had reached the date for follow-up analysis of the trial was limited.

Virologic response with 150 mg simeprevir (SMV) and 400 mg sofosbuvir (SOF) q.d., with and without ribavirin (RBV).

Patients n/N	SMV + SOF +RBV 24 weeks (n=24)	SMV + SOF 24 weeks (n=15)	SMV + SOF +RBV 12 weeks (n=27)	SMV + SOF 12 weeks (n=14)
RVR (week 4)	18/22 (81.8)	10/15 (66.7)	23/27 (85.2)	8/14 (57.1)
EoT*	10/12 (83.3)	8/9 (88.9)	27/27 (100)	14/14 (100)
Relapse, n	0	0	1	1
SVR4	4/6 (66.7)	5/5 (100)	26/27 (96.3)	13/14 (92.9)
SVR8	4/6 (66,7)	5/5 (100)	26/27 (96.3)	13/14 (92.9)

q.d. (quaque die): once a day; RVR; Rapid Virological Response, EoT: End of Treatment; SVR4 and SVR8: patients with undetectable levels of HCV RNA (<25 IU/mL undetectable) 4 or 8 weeks, respectively, after end of treatment.
**= undetectable levels at end of treatment. (SVR: Sustained Virological Response)*

Treatment with simeprevir and sofosbuvir, with and without ribavirin, was generally well-tolerated and no serious adverse effects were reported during the treatment period.

The second part of the COSMOS study intends to examine the same treatments and treatment periods in patients infected with HCV genotype 1 who are null responders or treatment-naïve and who have advanced liver disease (METAVIR scores of F3 or F4).

Registration application for Simeprevir filed with FDA for the treatment of adults with chronic HCV genotype 1

A registration application (NDA) for simeprevir was filed with the American pharmaceutical regulatory authority, the FDA, at the end of March.

Medivir received a milestone payment of EUR 10 million from Janssen in conjunction with the filing of the registration application.

The registration application is based on data from three pivotal phase III trials, namely QUEST-1 and QUEST-2, which enrolled treatment-naïve patients, and PROMISE, which only enrolled patients who had suffered a relapse after having previously completed treatment with interferon and ribavirin. All of the trials also enrolled patients with advanced liver disease. The patients were dosed with 150 mg simeprevir once a day for twelve weeks and pegylated interferon and ribavirin for 24 or 48 weeks.

Significant events after the end of the financial period

Registration application for Simeprevir filed with the European Medicines Agency (EMA) for treatment of patients with chronic HCV genotypes 1 and 4

In February, Medivir's partner, Janssen, filed a registration application for simeprevir with the European Medicines Agency regarding treatment with simeprevir once a day in combination with pegylated interferon (Peg-IFN) and ribavirin (RBV) for the treatment of chronic HCV genotypes 1 and 4. The application refers to patients who have not been treated before (treatment-naïve patients), those who have failed to respond to previous treatments (null responders) or patients who have relapsed after treatment with pegylated interferon, with or without supplementary ribavirin (relapsers).

New trial results presented from the QUEST-1 and QUEST-2 phase III trials of Simeprevir in HCV patients

Six abstracts were accepted for presentation at the International Liver Congress organised by the European Association for the Study of the Liver (EASL) in Amsterdam from 24-28 April. Two "late breaker abstracts" presented data from two pivotal phase III trials of simeprevir in the treatment of chronic HCV (QUEST-1 and -2).

QUEST-1 and QUEST-2 are global, double-blind, placebo-controlled phase III trials assessing the efficacy, safety and tolerability of simeprevir plus pegylated interferon and ribavirin versus pegylated interferon and ribavirin alone. The patients enrolled in these trials are treatment-naïve adult patients with genotype 1 chronic hepatitis C. Up to 22-30% of the patients enrolled in the trial had advanced liver disease (METAVIR scores of F3-F4*). Treatment with the protease inhibitor, simeprevir, in combination with pegylated interferon and ribavirin resulted in sustained virological response twelve weeks after completion of the treatment (SVR 12) in 80 and 81 per cent of the patients, respectively, in comparison with 50 per cent of the patients in the respective studies who received pegylated interferon and ribavirin alone.

In QUEST-1 and -2, 394 and 391 patients, respectively, were randomised to receive simeprevir (150 mg) once daily or placebo plus pegylated interferon and ribavirin for 12 weeks, followed by pegylated interferon and ribavirin alone for 12 or 36 weeks (based on response-guided treatment criteria, RGT). All treatment was stopped in week 24 for those patients who met the RGT criteria, while for other patients, treatment was continued until week 48. In QUEST-1 and -2, 85% and 91%, respectively, of the patients treated with simeprevir met the RGT criteria and were able to reduce the treatment time with pegylated interferon and ribavirin to 24 weeks. 91% (QUEST-1) and 86% (QUEST-2) of these patients achieved SVR 12.

The choice of patients was stratified by the IL28B genotype (a submarker) in which the TT group represents the most difficult-to-treat patients. Among those patients who were treated with simeprevir in QUEST-1, SVR12 rates in the respective IL28B genotype groups were 94 per cent (CC), 76 per cent (CT), and 65 per cent (TT). In QUEST-2, SVR12 rates in the respective IL28B genotype groups were 96 per cent (CC), 80 per cent (CT), and 58 per cent (TT). Among patients with METAVIR scores F3 and F4*, 70 per cent of patients treated with simeprevir in QUEST-1 and 66 per cent of patients treated with simeprevir in QUEST-2 achieved SVR12.

The most common adverse events seen in patients receiving simeprevir in QUEST-1 were fatigue (42 per cent versus 41 per cent for placebo), itching (26 per cent versus 16 per cent for placebo), and headaches (33 per cent versus 39 per cent for placebo). The most common adverse events seen in patients receiving simeprevir in QUEST-2 were fatigue (37 per cent versus 42 per cent for placebo), itching (25 per cent versus 25 per cent for placebo), headaches (39 per cent versus 37 per cent for placebo), fever (31 per cent versus 40 per cent for placebo), and influenza-like illness (26 per cent versus 26 per cent for placebo). In QUEST-1, in both the simeprevir and placebo arms, 3 per cent of patients discontinued treatment due to an adverse event. In QUEST-2, 2 per cent of patients in the simeprevir arm and 1 per cent of patients in the placebo arm discontinued treatment due to an adverse event.

** The METAVIR score is used to quantify the degree of inflammation and fibrosis of the liver and patients are scored on a four-point scale, with F3-4 representing the most advanced form of liver disease.*

Other trials presented:

- *Pharmacokinetics of simeprevir (TMC435) in volunteers with moderate or severe hepatic impairment*
- *Improved SVR with simeprevir (TMC435) associated with reduced time with patient-reported fatigue in treatment-naïve, HCV-infected patients in the PILLAR phase IIb trial*
- *Adding simeprevir (TMC435) to pegylated interferon/ribavirin does not increase patient reported fatigue in treatment-experienced patients with chronic HCV infection: results from the ASPIRE trial*
- *Combination therapy of TMC647055 with simeprevir (TMC435) in genotype 1 HCV patients*

Project portfolio

Medivir has a broad-based project portfolio for the treatment of several infectious diseases. The company will continue to focus on developing this pipeline while simultaneously identifying potential new opportunities through acquisitions or licensing.

Medivir will continue to seek out future partnership agreements with regard to product development, but intends to retain commercial rights for its projects in the Nordic region.

The company's project portfolio is summarised in the chart below. Early research projects are ongoing but are not included in the project chart below. For additional information, please visit the company's website at www.medivir.se.

			Preclinical phase		Clinical phase				
Therapeutic area	**Product/Project**	**Partner**	**Research**	**Develop-ment**	**Phase I**	**Phase IIa**	**Phase IIb**	**Phase III**	**Market**
ANTIVIRALS									
Labial herpes	Xerclear® (Zoviduo, Zovirax Duo)	GlaxoSmithKline (GSK)							
Hepatitis C	Simeprevir (TMC435), NS3 protease inhibitor	Janssen Pharmaceuticals							
Hepatitis B	Lagociclovir valactate (MIV-210)	Daewoong							
Hepatitis C	NS5B nucleotide polymerase inhibitor	Janssen Pharmaceuticals							
Hepatitis C	NS5B nucleotide polymerase inhibitor								
Hepatitis C	NS5A replication complex inhibitor								
HIV	Protease inhibitor	Janssen Pharmaceuticals							
OTHER INDICATIONS									
Bone related disorders	Cathepsin K inhibitor								
Neuropathic pain	Cathepsin S inhibitor								

Consolidated results and financial position*

* All figures are for the Group, unless otherwise stated. Comparisons in this Interim Report are, unless otherwise stated, with the corresponding period in 2012.

Revenues, 1 January – 31 March 2013

Net turnover totalled SEK 282.6 million (SEK 137.9 m), corresponding to an increase of SEK 144.7 million. Non-recurrent payments in respect of outlicensing and partnership agreements totalled SEK 126.8 million and were in respect of the registration applications for simeprevir filed with both the Japanese Ministry of Health & Welfare (EUR 5 million) and with the FDA in the USA (EUR 10 million). Pharmaceutical sales increased by SEK 5.0 million. Sales of parallel imported products grew by SEK 12.9 million.

Net turnover breakdown (SEK m)	**2013 Jan-March**	**2012 Jan-March**	**2012 Jan-Dec**
Outlicensing and partnership agreements			
Non-recurrent payments	126.8	-	4.4
Pharmaceutical sales	51.3	46.3	164.9
Parallel imports	104.5	91.6	384.4
Other services	0.0	0.0	1.3
Total	**282.6**	**137.9**	**555.0**

Costs and results, 1 January – 31 March 2013

The cost of goods sold totalled SEK -111.3 million (SEK -97.0 m), corresponding to an increase of SEK 14.3 million. The gross profit totalled SEK 171.3 million (SEK 40.9 m), corresponding to a gross margin of 61% (30%) with the increase of SEK 130.4 million primarily due to higher non-recurrent payments.

Selling expenses increased by SEK 2.3 million, primarily as a result of plans ahead of a Nordic market introduction of simeprevir. Administrative expenses remained on a par with the preceding period. Research and development costs increased by SEK 8.6 million, mainly due to higher royalty costs and to an expansion of the early research operations. The total function costs were SEK -88.8 million (SEK -78.5 m), corresponding to an increase of SEK 10.3 million. Other operating income and expenses totalled SEK 0.5 million (SEK -0.7 m).

The operating profit/loss totalled SEK 83.0 million (SEK -38.3 m), corresponding to an increase of SEK 121.3 million. The positive change was primarily due to the increase in the gross profit that resulted from the period's non-recurrent payments. Net financial items totalled SEK 0.0 million (SEK 0.8 m).

The tax cost for the period amounted to SEK -5.4 million (SEK -0.2 m). The Group utilised capitalised tax loss carry forwards to a value of SEK 25.5 million during the period, thereby reducing the deferred tax receivable by SEK 5.2 million. The net result for the period was SEK 77.6 million (SEK -37.7 m) and the basic and diluted earnings per share were SEK 2.48 (SEK -1.21).

Pharmaceuticals segment

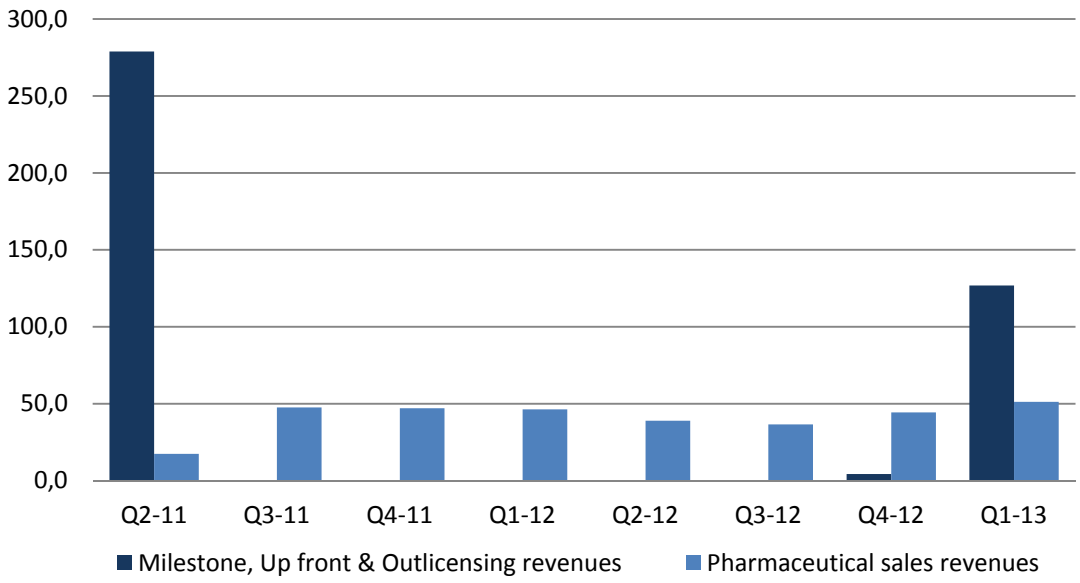
Pharmaceuticals segment (SEK m)	**2013 Jan-March**	**2012 Jan-March**	**2012 Jan-Dec**
Net turnover	178.1	46.3	170.6
EBITDA	80.2	-34.1	-165.3
EBITDA %	45.1%	-73.7%	-96.9%

Revenues and results, 1 January – 31 March 2013

Net turnover totalled SEK 178.1 million (SEK 46.3 m), corresponding to an increase of SEK 131.8 million. SEK 51.3 million (SEK 46.3 m) of the total net turnover comprised pharmaceutical sales, while SEK 126.8 million (SEK 0.0 m) comprised non-recurrent payments for outlicensing and partnership

agreements. Sales of pharmaceuticals rose by SEK 5.0 million, the most important products being Mollipect, Citodon and Lithionit, and EBITDA margins remained high. Non-recurrent payments during the period related to registration applications for simeprevir filed with the Japanese Ministry of Health & Welfare and with the FDA in the USA. The operating profit/loss before depreciation and amortisation (EBITDA) totalled SEK 80.2 million (SEK -34.1 m), corresponding to a positive change of SEK 114.3 million that resulted mainly from higher non-recurrent payments. EBITDA includes SEK -55.3 million (SEK -46.7 m) in research and development costs, corresponding to an increase of SEK 8.6 million that resulted principally from higher royalty costs and an expansion of the early research activities.

*Net turnover, Pharmaceuticals segment, Q2 2011 – Q1 2013**



*The BioPhausia corporate group is included from 31 May 2011.

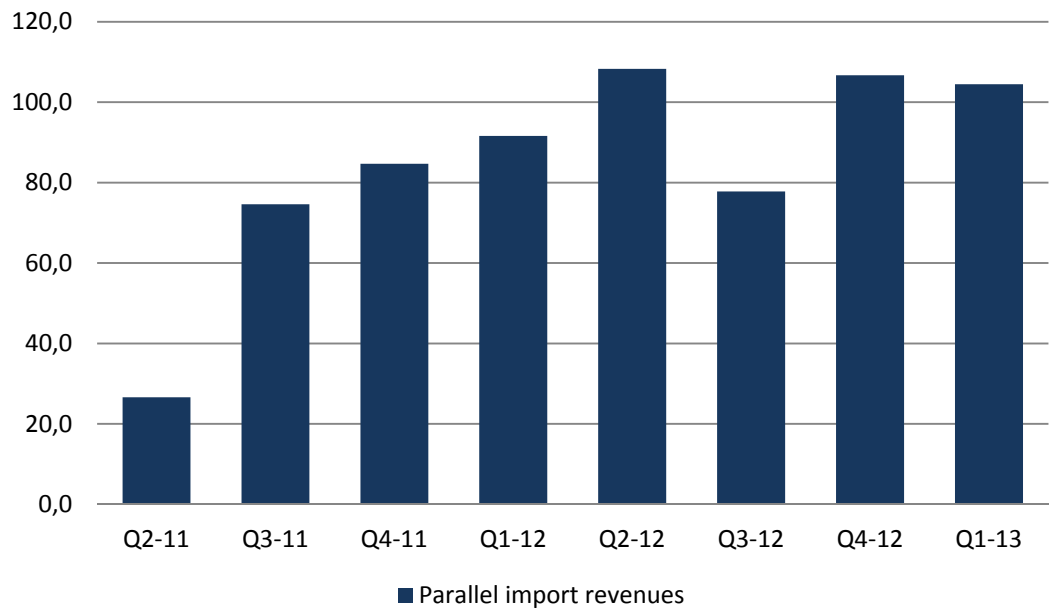
Parallel imports segment

Parallel imports segment (SEK m)	2013 Jan-March	2012 Jan-March	2012 Jan-Dec
Net turnover	104.5	91.6	384.4
EBITDA	4.5	4.2	14.4
EBITDA %	4.3%	4.6%	3.7%

Revenues and results, 1 January – 31 March 2013

Net turnover for the period totalled SEK 104.5 million (SEK 91.6 m), corresponding to an increase of SEK 12.9 million. The ambition is to ensure continued growth by offering pharmacy chains a greater range of pharmaceutical products by means of the expansion of the product portfolio in the forthcoming periods. The operating profit/loss before depreciation and amortisations (EBITDA) for the period increased to SEK 4.5 million (SEK 4.2 m), corresponding to a margin of 4.3% (4.6%).

*Parallel imports segment, net turnover per quarter, Q2 2011 – Q1 2013, SEK m**



*The BioPhausia corporate group is included from 31 May 2011.

Cash flow and financial position

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 264.4 million (SEK 485.6 m) at the period end, corresponding to a change of SEK -32.3 million (SEK -50.8 m). Pledged assets at the period end totalled SEK 143.8 million (SEK 138.3 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 -19.1 million (SEK -45.8 m), with changes in working capital accounting for SEK -110.4 million (SEK -17.8 m). The change in working capital primarily comprised increased accounts receivable totalling SEK 105.9 million.

Cash flow from investing activities totalled SEK -0.2 million (SEK 2.6 m) and primarily comprised investments in research equipment.

Cash flow from financing activities totalled SEK -13.1 million (SEK -7.5 m) and primarily comprised the amortisation of loans.

Investments, depreciation and amortisation

A total of SEK 0.3 million (SEK 5.8 m) was invested in tangible fixed assets during the period and primarily comprised research equipment. Depreciation of tangible fixed assets during the period was charged to the result in the sum of SEK -2.7 million (SEK -2.7 m). Depreciation of intangible fixed assets during the period was charged to the result in the sum of SEK -6.0 million (SEK -5.8 m).

Employees

Medivir had 159 (172) employees at the period end, 63% (63%) 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 agreements between Swedish universities and Medivir. Medivir is consequently entitled to revenues generated, in return for royalty payments. 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 6.3 million (SEK 0.0 m).

The Parent Company in brief, 1 January – 31 March 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 126.9 million (SEK 1.1 m), corresponding to an increase of SEK 125.8 million resulting from higher non-recurrent payments. The period's non-recurrent payments comprised both the registration application for simeprevir filed with the Japanese Ministry of Health & Welfare (EUR 5 million) and the application filed with the FDA in the USA (EUR 10 million). The gross profit totalled SEK 126.2 million (SEK 1.1 m), corresponding to an increase of SEK 125.1 million.

Selling expenses increased by SEK 4.7 million, principally as a result of the preparation work ahead of a Nordic market introduction of simeprevir. Administrative expenses were on a par with the previous period. Research and development costs increased by SEK 8.1 million, largely due to higher royalty costs and to an expansion of the early research operations. The total function costs were SEK -75.5 million (SEK -60.5 m), corresponding to an increase of SEK 15.0 million, while other operating income and expenses totalled SEK 7.8 million (SEK -0.6 m), corresponding to an increase of SEK 7.1 million. Other operating income includes services provided for Group companies.

The operating profit/loss was SEK 58.6 million (SEK -60.0 m), corresponding to an increase of SEK 118.6 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 0.7 million (SEK 3.3 m) and the net result for the period was SEK 59.3 million (SEK -56.7 m).

The cash flow from operating activities totalled SEK -23.1 million (SEK -55.5 m), with changes in working capital accounting for SEK -84.2 million (SEK -1.3 m) of this total. The change in working capital principally comprised increases in accounts receivable totalling SEK 87.8 million.

Investments in tangible and intangible fixed assets totalled SEK 0.3 million (SEK 5.0 m) and mainly comprised investments in research equipment.

Liquid assets, including short-term investments with a maximum term of 3 months, amounted to SEK 249.1 million (SEK 455.8 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 953.4 million (SEK 1,058.0 m). There were a total of 31,260,027 (31,253,827) shares in Medivir AB at the period end, 660,000 (660,000) of which were class A shares and 30,600,027 (30,593,827) 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 (31,253,827).

Share structure, 31 March 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%	31,029,923
Total	**31,260,027**	**37,200,027**	**100.0%**	**100.0%**	**31,689,923**

Basic and diluted earnings per share, based on a weighted average number of outstanding shares, were SEK 2.48 (SEK -1.21). Shareholders' equity per share totalled SEK 30.50 (SEK 33.85). The equity/assets ratio was 83.2% (79.9%).

Shareholders

On 28 March 2013, Medivir AB had 11,034 shareholders. The table below shows the list of Medivir´s shareholders registered by Euroclear Sweden AB on 28 March.

Name	Class A shares	Class B shares	% of votes	% of capital
Bo Öberg	284,000	262,475	8.3%	1.8%
Staffan Rasjö	0	2,967,348	8.0%	9.5%
Nils Gunnar Johansson	284,000	76,575	7.8%	1.2%
AFA Försäkring	0	1,520,572	4.1%	4.9%
Skandia Fonder	0	1,513,867	4.1%	4.8%
UNIONEN	0	1,204,200	3.2%	3.9%
Handelsbanken Fonder	0	1,174,632	3.2%	3.8%
Christer Sahlberg	92,000	29,881	2.6%	0.4%
Goldman Sachs & Co	0	935,349	2.5%	3.0%
DnB Carlsson Fonder	0	918,806	2.5%	2.9%
Alecta Pensionsförsäkring	0	900,000	2.4%	2.9%
Tredje AP-Fonden	0	829,233	2.2%	2.7%
Länsförsäkringar Fondförvaltning	0	635,110	1.7%	2.0%
JPM Chase NA	0	616,238	1.7%	2.0%
Gladiator	0	597,987	1.6%	1.9%
Total, 15 largest shareholders	**660,000**	**14,182,273**	**55.9%**	**47.6%**
Total, other shareholders		16,417,754	44.1%	52.4%

Outlook

Medivir is a research-based pharmaceutical company whose focus is on infectious diseases. Its goal is to become a high-growth, profitable Nordic pharmaceutical company within the next three 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. Registration applications for simeprevir have been filed during the period in Japan and the USA and, after the period end, in Europe, thereby increasing the likelihood of simeprevir reaching the market in 2014. These factors, coupled with Medivir's ambition to identify new business opportunities in the Nordic region, form the basis for our ongoing efforts to develop Medivir into a profitable company.

CONSOLIDATED INCOME STATEMENT SUMMARY (SEK m)	**2013 Jan-March**	**2012 Jan-March**	**2012 Jan-Dec**
Net turnover	282.6	137.9	555.0
Cost of goods sold	-111.3	-97.0	-402.7
Gross profit	**171.3**	**40.9**	**152.3**
Selling expenses	-19.0	-16.7	-69.7
Administrative expenses	-14.5	-15.1	-64.5
Research and development costs	-55.3	-46.7	-203.3
Other operating income/expenses	0.5	-0.7	-0.6
Operating profit/loss	**83.0**	**-38.3**	**-185.8**
Net financial items	**0.0**	**0.8**	**-7.1**
Profit/loss after financial items	**83.0**	**-37.5**	**-192.9**
Tax	**-5.4**	**-0.2**	**-26.2**
Net result for the period	**77.6**	**-37.7**	**-219.1**
Net result for the period attributable to:			
Parent Company shareholders	**77.6**	**-37.7**	**-219.1**
Earnings per share, calculated from the result attributable to Parent Company shareholders during the period			
Basic and diluted earnings per share, (SEK per share)	2.48	-1.21	-7.01
Average number of shares, 000	31 260	31 254	31 257
Number of shares at period end, 000	31 260	31 254	31 260

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2013	2012	2012
(SEK m)	Jan-March	Jan-March	Jan-Dec
Net result for the period	**77.6**	**-37.7**	**-219.1**
Other comprehensive income Items that can subsequently be reversed in the Income Statement:			
Exchange rate differences	0.9	-0.1	-2.2
Other comprehensive income for the period, net after tax	**0.9**	**-0.1**	**-2.2**
Total comprehensive income for the period	**78.5**	**-37.8**	**-221.3**
Total comprehensive income attributable to:			
Parent Company shareholders	**78.5**	**-37.8**	**-221.3**

CONSOLIDATED BALANCE SHEET	2013	2012	2012
SUMMARY (SEK m)	31 March	31 March	31 Dec
Assets			
Intangible fixed assets	508.1	523.1	514.5
Tangible fixed assets	33.8	38.9	36.0
Financial fixed assets	0.0	9.7	0.0
Deferred tax receivable	44.0	78.2	49.2
Inventories	100.1	88.2	87.3
Current receivables	195.0	99.7	92.5
Short-term investments	198.0	428.3	257.5
Cash and bank balances	66.4	57.3	39.2
Total assets	**1,145.4**	**1,323.4**	**1,076.2**
Equity and liabilities			
Equity	953.4	1,058.0	874.9
Long-term liabilities	32.9	63.1	40.5
Current liabilities	159.1	202.3	160.8
Total equity and liabilities	**1,145.4**	**1,323.4**	**1,076.2**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK m)	Share capital	Other paid-up capital	Exchange rate difference	Accumulated deficit	Total capital
Opening balance, 1 Jan. 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 plans: value of employee service		0.2			0.2
Closing balance, 31 Dec. 2012	**156.3**	**1,757.9**	**3.6**	**-1,042.9**	**874.9**
Opening balance, 1 Jan. 2012	**156.3**	**1,757.3**	**5.8**	**-823.8**	**1,095.6**
Total comprehensive income for the period			-0.1	-37.7	-37.8
Staff stock option plans: value of employee service		0.2			0.2
Closing balance, 31 March 2012	**156.3**	**1,757.5**	**5.7**	**-861.5**	**1,058.0**
Opening balance, 1 Jan. 2013	**156.3**	**1,757.9**	**3.6**	**-1,042.9**	**874.9**
Total comprehensive income for the period			0.9	77.6	78.5
Closing balance, 31 March 2013	**156.3**	**1,757.9**	**4.6**	**-965.4**	**953.4**

CONSOLIDATED CASH FLOW STATEMENT SUMMARY (SEK m)	2013 Jan-March	2012 Jan-March	2012 Jan-Dec
Cash flow from operating activities before changes in working capital	**91.3**	**-28.0**	**-147.4**
Changes in working capital	-110.4	-17.8	7.9
Cash flow from operating activities	**-19.1**	**-45.8**	**-139.5**
Investing activities			
Acquisition/sale of fixed assets	-0.2	-5.8	-15.7
Sale of operations	-	8.4	8.4
Cash flow from investing activities	**-0.2**	**2.6**	**-7.3**
Financing activities			
Conversion of options	-	-	0.4
Amortisation of loans	-7.5	-7.5	-93.2
Other changes in liabilities	-5.6	-	0.0
Cash flow from financing activities	**-13.1**	**-7.5**	**-92.8**
Cash flow for the period			
Liquid assets at beginning of period	296.7	536.3	536.3
Change in liquid assets	-32.3	-50.8	-239.6
Liquid assets at period end	**264.4**	**485.6**	**296.7**

KEY RATIOS, SHARE DATA, OPTIONS	2013 Jan-March	2012 Jan-March	2012 Jan-Dec
Return on:			
- shareholders' equity, %	2.3%	-3.5%	-22.2%
- capital employed, %	8.4%	-2.7%	-14.8%
- total assets, %	7.6%	-2.5%	-14.0%
Number of shares at beginning of period, 000	31,260	31,254	31,254
New share issues	0	0	6
Number of shares at period end, 000	31,260	31,254	31,260
- of which class A shares	660	660	660
- of which class B shares	30,600	30,594	30,600
Average number of shares, 000	31,260	31,254	31,257
Outstanding warrants, 000	394	713	394
- entitlement to class B shares upon conversion, 000	430	777	430
Share capital at period end, SEK m	156.3	156.3	156.3
Shareholders' equity at period end, SEK m	953.3	1,058.0	874.9
Basic and diluted earnings per share, SEK	2.48	-1.21	-7.01
Shareholders' equity per share, SEK	30.50	33.85	27.99
Net worth per share, SEK	30.50	33.85	27.99
Cash flow per share after investments, SEK	-0.62	-1.38	-4.69
Equity/assets ratio, %	83.2%	79.9%	81.3%
EBITDA	84.7	-29.9	-150.9
EBIT	83.0	-38.3	-185.8
Operating margin, %	29.4	-27.8	-33.5

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 financial items 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 financial items 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 Jan-March	2012 Jan-March	2012 Jan-Dec
Net turnover	126.9	1.1	34.3
Cost of goods sold	-0.7	0.0	-0.3
Gross profit	**126.2**	**1.1**	**34.1**
Selling expenses	-5.0	-0.3	-3.8
Administrative expenses	-15.2	-13.0	-56.1
Research and development costs	-55.3	-47.2	-206.3
Other operating income/expenses	7.8	-0.6	7.3
Operating profit/loss	**58.6**	**-60.0**	**-224.8**
Net financial items	**0.7**	**3.3**	**-25.1**
Profit/loss after financial items	**59.3**	**-56.7**	**-249.9**
Net result for the period	**59.3**	**-56.7**	**-249.9**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)	2013 Jan-March	2012 Jan-March	2012 Jan-Dec
Net result for the period	**59.3**	**-56.7**	**-249.9**
Other comprehensive income for the period, net after tax	**59.3**	**-56.7**	**-249.9**
Total comprehensive income for the period	**59.3**	**-56.7**	**-249.9**

PARENT COMPANY BALANCE SHEET SUMMARY (SEK m)	2013 31 March	2012 31 March	2012 31 Dec
Assets			
Intangible fixed assets	13.1	3.6	13.8
Tangible fixed assets	30.9	35.8	32.5
Financial fixed assets	604.3	614	604.3
Inventories	0.0	0.3	0.0
Current receivables	106.9	18.6	24.8
Short-term investments	198.0	428.3	257.5
Cash and bank balances	51.1	27.5	14.9
Total assets	**1,004.4**	**1,128.1**	**947.8**
Equity and liabilities			
Equity	942.7	1,076.3	883.4
Current liabilities	61.7	51.8	64.4
Total equity and liabilities	**1,004.4**	**1,128.1**	**947.8**

PARENT COMPANY CASH FLOW STATEMENT SUMMARY (SEK m)	2013 Jan-March	2012 Jan-March	2012 Jan-Dec
Cash flow from operating activities before changes in working capital	**61.1**	**-54.1**	**-202.3**
Changes in working capital	-84.2	-1.3	-27.5
Cash flow from operating activities	**-23.1**	**-55.5**	**-229.8**
Investing activities			
Acquisition/sale of fixed assets	-0.3	-5.0	-14.5
Cash flow from investing activities	**-0.3**	**-5.0**	**-14.5**
Financing activities			
Conversion of options	-	-	0.4
Cash flow from investing activities	**0.0**	**0.0**	**0.4**
Cash flow for the period			
Liquid assets at beginning of period	272.4	516.3	516.3
Change in liquid assets	-23.3	-60.5	-243.9
Liquid assets at period end	**249.1**	**455.8**	**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 is organised into two operating segments. The Pharmaceuticals segment comprises research and development and the marketing and sale of pharmaceuticals. 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 comprises parallel imports of pharmaceuticals via BioPhausia's Cross Pharma subsidiary.

Reporting of operating segments, Jan-March (SEK m)	2013 Pharmaceuticals	2012 Pharmaceuticals	2013 Parallel imports	2012 Parallel imports	2013 Total	2012 Total
Net turnover	178.1	46.3	104.5	91.6	282.6	137.9
EBITDA	80.2	-34.1	4.5	4.2	84.7	-29.9
Depreciation and amortisation					-1.8	-8.4
Net financial items					0.0	0.8
Profit/loss after financial items					82.9	-37.5

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 influenza and common cold medications in the first and fourth quarters are affected by the influenza and common cold season and the quarter in which it occurs. This risk is, however, limited by the fact that Medivir has a number of other products in other therapeutic spheres.

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 Medivir, 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. Remuneration of SEK 3.3 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 0.2 m). Intragroup sales totalled SEK 0.0 million (SEK 1.0 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.

Stock option plans

The intention of stock option plans is to promote the company's long-term interests by motivating and rewarding the company's senior executives and other members of staff.

Option plan 2010-2013

A staff stock option plan comprising 394,400 options was adopted at the 2010 Annual General Meeting. Approximately 343,000 options have been granted to the employees of the Group with the remainder retained to cover social security costs. For each warrant an employee acquires, they also receive one staff stock option free of charge. The term of the plan is from 30 April 2010 to 31 May 2013, and after vesting, holders are entitled to exercise each option to subscribe for a new class B share against payment of an exercise price.

Outstanding options, redemption and forfeiture

At the beginning of 2013, Medivir had an outstanding option plan (2010-2013) for 394,400 options, corresponding to 429,896 class B shares. No changes in these figures occurred during the period. The number of outstanding options corresponds to approximately 1.4% of the capital and approximately 1.2% of the votes. Upon full exercise, the share capital could increase by SEK 56.9 million and the total number of shares would, accordingly, be 33,689,923. The conversion terms and exercise price for the redemption plans were restated after the rights issue in the second quarter of 2010, and confer entitlement to conversion of 1.09 shares per option.

Outstanding option plans, 31 March 2013

Type	Term	No.	Exercise price, SEK	Entitlement to no. shares	Outstanding shares now and on full conversion
No. shares, 31 March 2013					31,260,027
Stock option plans	2010-2013	394,400	132.30	429,896	429,896
Total		**394,400**		**429,896**	**31,689,923**

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 highly risky and capital-intensive. The majority of the projects begun 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 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.

The Interim Report has not been subject to review by the company's auditors.

Stockholm, 6 May 2013

Maris Hartmanis
President & CEO