



PRESS RELEASE, 6 July 2004

## **MEDIVIR, INTERIM REPORT, 1 January – 30 June 2004**

- Medivir's new share issue was fully subscribed in June, whereby the company raised SEK 322.5 m before deducting issue costs.
- A CD (candidate drug) was selected in the Cathepsin S protease inhibitor program against autoimmune deficiencies at the end of March.
- An EU patent was granted in late March on Medivir's herpes project ME-609.
- Medivir's preclinical research is maintaining positive progress. Major advances were made in the spring, on projects including the HCV and Cathepsin K (osteoporosis) programs.
- Net sales amounted to SEK 12.5 m in the period (138.6 inc. CCS, 53.4 exc. CCS).
- The loss after tax was SEK -92.5 m (-33.3 inc. CCS, -49.3 exc. CCS); earnings per share were SEK -8.61 (-3.88).

### **FOR MORE INFORMATION, PLEASE CONTACT**

Rein Piir, CFO and VP, Investor Relations: +46 (0)8 546 83100 or +46 (0)70 853 7292.

### **FORTHCOMING FINANCIAL INFORMATION**

The Nine-month Interim Report will be published on 26 October 2004

The Financial Statement will be published on 18 February 2005

The Three-month Interim Report will be published on 21 April 2005

The Annual General Meeting will be held on 21 April 2005, from 3 p.m.

Medivir's financial reports are available from its Website, [www.medivir.se](http://www.medivir.se) from these dates, under the 'Financial Information' heading.

---

### ***The Medivir Group***

*Medivir is an innovative, specialist research corporation that develops drugs with the objective of becoming a sustaining and profitable pharmaceuticals corporation. Medivir is located in Huddinge, Sweden and Cambridge, UK.*

*Medivir's research is oriented on developing new drug compounds based on polymerases and proteases as target enzymes. The group consists of Medivir AB, its subsidiary Medivir UK Ltd. and Medivir Personal AB. As of 30 June 2004, the group had 118 employees. Medivir was listed on the Stockholm Exchange O-list in 1996.*

*Medivir's research portfolio includes projects against HIV, jaundice, shingles, cold sores, osteoporosis, RA (rheumatoid arthritis), asthma and MS (multiple sclerosis). Medivir has five projects in clinical development phases, each with a unique clinical profile. The company's broad-based preclinical research portfolio houses five defined projects and nearly ten activities in various preclinical phases.*

*Medivir AB (publ), Lunastigen 7, 141 44 Huddinge, Sweden, tel (switchboard): +46 (0)8 546 83100*

## **INFECTIOUS DISEASES**

### **RP-606 against Shingles; Phase II Concluded, Proceeding to Phase III**

The hope for forthcoming phase III trials is to be able to demonstrate that RP-606 alleviates both the acute symptoms and the hard-to-treat chronic pain associated with shingles called PHN (post-herpetic neuralgia), which affects many patients.

The project is outlicensed to Reliant Pharmaceuticals, which is responsible for clinical phase III trials, application for market registration in the US and other countries, and after approval, marketing and sales of RP-606 in North America. Medivir has retained the rights to the Nordic market. Medivir and Reliant also have a joint venture to secure a marketing partner for RP-606 in Europe and Asia when suitable.

Reliant's efforts in the first half-year involved the production of tablets ahead of forthcoming phase III trials, the implementation of a number of complementary studies for a better tablet formulation and planning for a forthcoming FDA meeting. This project is progressing according to plan towards phase III trials; the next developmental step is to meet the FDA to present the forthcoming phase III program.

### **ME-609 against Labial Herpes (Cold Sores); Phase II Concluded, Proceeding to Phase III**

ME-609 may be the first drug to prevent the incidence of blisters and cold sores in labial herpes.

Medivir's ambition is to have a project ready for phase III trials, while simultaneously creating a suitable partnership structure. These efforts are proceeding favorably.

During the year, Medivir continued its efforts in preparing for forthcoming phase III trials, oriented on upscaling its production method and planning ahead of meeting the FDA.

In late March, the European authorities granted a product patent on ME-609. This patent covers all topical pharmaceuticals containing the antiviral agent acyclovir and glucocorticoid hydrocortisone for treating herpes infections. This patent applies till 2016, and will probably be granted further extension through the issuance of a Supplementary Protection Certificate.

The US patent, which has been granted since 2001, applies to combinations for all immunomodulatory and antiviral compounds, and also runs until 2016. However, there are to some extent conflicting patent claims in the US, from Novartis. Novartis's later patent was granted despite it partially overlapping with Medivir's previously filed patent. Medivir intends to resolve this issue through an administrative procedure with the patent authorities, or an agreement between Medivir and Novartis. Efforts to resolve this issue are progressing well.

### **MIV-310 against Multiresistant HIV; Phase II Continues**

Medivir has outlicensed this project to BI (Boehringer Ingelheim), who will be responsible for global drug development and has exclusive rights to the global markets apart from the Nordic countries, which Medivir has retained.

During the first quarter, BI's efforts were primarily oriented on planning and preparations for a phase IIa dosage/response trial. This began in April and is intended to identify the optimal clinical dose for ongoing development efforts. Preclinical long-term toxicological trials also began in the first half-year.

### **MIV-210 against HIV and Hepatitis B Virus (Jaundice); Phase I Concluded**

Medivir has a global licensing agreement with GSK (GlaxoSmithKline), which will primarily focus on the onward development of MIV-210 for the treatment of HIV. GSK is responsible for drug development and has rights to the global market excluding the Nordic countries, which Medivir has retained.

GSK has continued extensive R&D efforts ahead of further clinical trials. These trials include activities such as preclinical toxicological trials and assessments of clinical dosage.

### **MIV-150 against HIV; Phase I Continues**

Medivir has outlicensed MIV-150 to the Population Council, a New York-based non-profit organization. The Population Council is responsible for development and the funding of forthcoming clinical trials. Medivir has voluntarily donated the rights for topical use in a vaginal microbicide in developing countries. Medivir has retained rights to sales in other countries, and an option to receive exclusive rights on the Nordic market.

Medivir and the Population Council presented the results of preclinical trials of a combination of MIV-150 and Carraguard against HIV at the international congress Microbicides 2004 in London in late March. This type of combination product may be a vital weapon in the struggle against the increasing spread of HIV. During the spring, the Population Council secured funding for the project's onward development.

### **MV026048 against HIV; in Preclinical Development Phase**

MV026048 is an NNRTI polymerase inhibitor now in preclinical development. In November 2003, Medivir took back development responsibility from Roche, which will now have an advisory role on this project. Efforts are now, and will remain, focused on preclinical trials to be evaluated before clinical development.

### **MIV-170 against HIV; in Preclinical Optimization Phase**

MIV-170 is an NNRTI polymerase inhibitor, particularly focused on therapy for the growing multiresistant HIV patient population. Efforts are being pursued in the optimization phase; substances with good characteristics have been identified, which are now being evaluated in a number of test models. Extensive patenting efforts have been undertaken; patent protection has been safeguarded.

### **HCV Polymerase; Preclinical Optimization Phase**

In November 2003, Medivir entered a collaborative agreement with Roche to jointly develop a drug against chronic HCV (hepatitis C virus). Medivir will receive research contributions, milestone payments and royalty revenues within the auspices of this collaboration, while Medivir also retains rights to the Nordic markets.

This collaboration is based on what are termed nucleoside analogues, which inhibit hepatitis C virus polymerase, and is in its optimization phase. Very promising substances have already been identified within the auspices of this collaboration, based on extensive shared knowledge of nucleoside analogues, and Roche's know-how in the HCV segment. This joint research collaboration has progressed very well.

### **HCV Protease; in Lead Substance Identification Phase**

In a very short time, Medivir has developed several new types of highly potent inhibitor of viral hepatitis C protease, an enzyme essential to the virus's capacity to replicate. The substance has effectively block virus replication *in vitro*, demonstrating good predictability for HCV-infected patients. Extensive patent efforts were completed in spring 2004. The project is developing very rapidly and will soon enter the preclinical optimization phase.

## **AUTOIMMUNE DEFICIENCIES**

### **Cathepsin S against RA and MS; CD Selected and in Preclinical Development**

The cathepsin S project (protease inhibitor) is intended for the treatment of autoimmune deficiencies. This project is being pursued jointly with Peptimmune of the US, against RA (rheumatoid arthritis) and MS (multiple sclerosis) with other potential indications including chronic pain.

A CD was selected in late March, the project is now proceeding into the regulated preclinical development phase and the goal is to file an IND (Investigational New Drug) application and proceed to clinical trials.

A cathepsin S follow-up project was initiated in the spring; the experience garnered from the project will result in quick progress and ensure that the project gains access to new potential CDs with differing biological and physical chemistry characteristics for onward screening in the extensive autoimmune deficiency segment.

## **OTHER THERAPY AREAS**

### **Cathepsin K against Osteoporosis; in Late Preclinical Optimization Phase**

Cathepsin K is a protease whose activity results in skeletal deterioration. Osteoporosis (brittle bones) arises coincident with increased Cathepsin K activity or an imbalance between skeletal formation and resorption.

Disease models recently demonstrated that the pathological deterioration of skeletal tissue can be radically reduced if Cathepsin K activity is inhibited. Medivir's inhibitor has demonstrated very good efficacy in a human cell-based model of skeletal resorption (breakdown).

This project is sustaining brisk progress in its optimization phase, with a broad array of substances demonstrating promising data. In the next developmental step, the ambition is to select a CD on this project for onward development towards clinical trials.

## **MEDIVIR'S CONSOLIDATED TURNOVER AND COSTS**

### **The Group**

Consolidated net sales in 1 January - 30 June 2004 amounted to SEK 12.5 (138.6) m, and operating costs were SEK -106.7 (-174.6) m, which include goodwill amortization of SEK -0.9 (-1.7) m. The net financial position was SEK 1.1 (0.3) m, while profit after financial items was SEK -92.5 (-33.3) m.

The consolidated figures for January - June 2003 include the CCS group's turnover and costs. The CCS group was divested on 1 July 2003, and the gains from this transaction are accounted in the Income Statement for the full year 2003 under the 'profit from financial investments' item.

### **Medivir's Research Operations**

The net sales of Medivir's research operations, encompassing Medivir AB and Medivir UK Ltd., were SEK 12.5 (53.4) m in the period, which primarily comprises remuneration from Roche for its research efforts on HCV polymerase inhibitors. The previous year's net sales largely comprise the outlicensing of MIV-210 to GSK. Operating costs amounted to SEK -106.7 (-103.1) m, divided between external costs of SEK -51.1 (-45.8) m, personnel costs of SEK -47.7 (-48.9) m and depreciation and amortization (including goodwill amortization) of SEK -7.9 (-8.5) m. Operating profit was SEK -93.6 (-49.7) m, while profit after financial items was SEK -92.5 (-49.3) m.

### **Medivir AB, Corporate Identity No. 556238-4361, Parent Company**

Medivir AB's business comprises research operations and group-wide administrative functions. In the period, parent company net sales amounted to SEK 11.6 (56.3) m and operating costs to SEK -97.3 (-91.3) m with these costs including SEK -30.7 (-22.4) m of remuneration to Medivir UK of Cambridge for contracted preclinical research. Profit after financial items, and profit after tax, were SEK -91.0 (-34.5) m. In the profit after tax a cost of SEK -7.0 m is included, covering the loss in Medivir UK. Liquid assets were SEK 456.8 (113.5) m, with investments in the period, primarily in research equipment, of SEK 5.4 (3.6) m.

### **Financial Position**

As of 30 June, consolidated liquid assets including short-term investments stood at SEK 464.8 (131.1) m, with the increase in liquid assets due to the new issue consummated in the second quarter, which raised SEK 322.5 m before issue costs. The market value of listed equities, accounted under 'financial fixed assets' of SEK 11.3 (10.1) m, is additional.

As of 30 June, interest-bearing liabilities were SEK 3.6 (3.7) m. Shareholders' equity stood at SEK 500.4 (285.1) m. The consolidated equity ratio was 90.9 (81.8)%.

## Investments

Gross investments in consolidated tangible fixed assets were SEK 16.7 (6.0) m in the period. These investments are attributable to the acquisition of research equipment within Medivir AB and Medivir UK Ltd. Gross investments also include SEK 9.5 m of work in progress for new research premises for Medivir UK.

Medivir's planned future investments primarily comprise the acquisition of further research equipment and investments as a consequence of Medivir UK relocating to new premises in Cambridge in autumn 2004. The total investments in the new premises in Cambridge are estimated at some SEK 48 m, for which Medivir has secured a GBP 3 m loan commitment. The costs for rent and operation of the new premises are estimated at just below prevailing levels.

## New Issue

On 15 March 2004, Medivir AB's Board of Directors resolved on a new issue with preferential rights for existing shareholders, conditional on AGM approval. The transaction offered the right to subscribe for one new class B share for SEK 75 for every two class A and/or class B shares held. The AGM (Annual General Meeting) on 22 April approved the proposed new issue, which was fully subscribed, whereupon Medivir raised SEK 322.5 m. The new issue was some 22% oversubscribed. As a consequence of this transaction, the number of shares increased by 4,299,682 class B shares, each with a nominal value of SEK 5. After the new issue, the share capital is SEK 64.5 m, and there are 12,899,047 shares.

## Other

The AGM approved the proposal regarding the adoption of Medivir AB's staff stock option plan 2004/2009 encompassing 210,000 options, of which 166,000 will be apportioned to staff of the Medivir group. Medivir Personal AB will retain the remaining options as a hedge to cover future social security costs. The exercise price of the option is SEK 126, or 130% of the average share price in the two weeks after the AGM.

## The Share

In February each, Medivir issued 9,765 new class B shares through outstanding staff stock options; in June, the number of class B shares increased by a further 4,299,682 through the aforementioned new issue. The total number of outstanding shares thus amounts to 12,899,047, comprising 680,000 class A and 12,239,047 class B shares. Previous staff stock option plans from 2000, 2001 and 2002 have been recalculated due to the consummated new issue and the warrants related to these plans confer the rights to conversion of 1.10 shares per option. The exercise price has also been recalculated, as in the table below. This implies that in total, the number of outstanding options amounts to 650,135, and upon full conversion, the total number of shares would be 13,593,196.

<b>Medivir AB's outstanding option plan 30 June 2004</b>				
<b>Duration</b>	<b>Type</b>	<b>Number</b>	<b>Confer the right to number of shares</b>	<b>Exercise price, SEK</b>
2000-2005	Warrants	39 900	43 890	302.90
2001-2006	Stock options	210 000	231 000	97.00
2002-2007	Stock options	190 235	209 259	58.90
2004-2009	Stock options	210 000	210 000	126.00
<b>Total</b>		<b>650 135</b>	<b>694 149</b>	

## **Accounting Principles**

This Interim Report has been prepared pursuant to the Swedish Annual Accounts Act and RR's (Redovisningsrådet, the Swedish Financial Accounting Standards Council) recommendation RR 20 Interim Reports. The accounting and valuation principles are consistent with RR recommendations and statements.

From 1 January 2004, Medivir is applying RR's recommendation RR 29 Employee Benefits. Medivir AB's ITP (supplementary pensions for salaried employees) is insured with Alecta, and should be regarded as a defined-benefit pension plan, pursuant to statement URA 42 from the RR Emerging Issues Task Force. Because Alecta is unable to provide sufficient information, at present, the plan is accounted as a defined-contribution plan. The group's other pension plans are defined contribution. Accordingly, the application of RR 29 has not implied any change to Medivir's accounting of pension commitments compared to its Annual Report 2003.

Expenses in connection to the new share issue have reduced the restricted equity in the Parent company as well as in the Group.

Medivir has in the Annual Report 2003 described the accounting principles, which the company observes and adopts, the ongoing work on the adaptation to the IFRS (International Financial Reporting Standards) recommendations that all quoted companies will follow from 2005 onwards, and the implication this leads to for Medivir.

The company has not identified any substantial differences in the accounting principles after publishing the Annual Report 2003, which leads to that accounting principles and calculation methods are unmodified compared to the Annual Report 2003.

## **Outlook**

Medivir's ability to produce new CDs, to enter partnerships on its projects, and bring forward the clinical development projects to market launches that then generate sales, are decisive to its future.

Existing and new partnerships may exert a major influence on Medivir's sales and cash position, although scheduling revenue flows is impossible. Medivir's estimated research costs in 2004 are some SEK 175 m, which is consistent with the previous year. Some further expenses in the cathepsin S and K programs may be made during the year to precipitate development towards clinical trials.

Medivir  
The Board

Huddinge, Sweden, 6 July 2004.

## **Audit Report**

We have performed a summary review of this Interim Report pursuant to the relevant recommendation issued by FAR (the Institute for the Accountancy Profession in Sweden). A summary review is far more limited than a full audit. Nothing has arisen to suggest that this Interim Report does not satisfy the stipulations of the Swedish Stock Exchange and Annual Accounts Acts.

Liselott Stenudd  
Authorised Public Accountant

Peter Clemedtson  
Authorised Public Accountant

Stockholm, Sweden, 6 July 2004

## CONSOLIDATED INCOME STATEMENT, AGGREGATE

Summary, SEK m

	2004	2003	2002	2003
	Jan-June	Jan-June	Jan-June	Jan-Dec
<b>Turnover, etc.</b>				
Net sales	12.5	138.6	165.5	149.0
Change in inventories and other revenues	0.6	2.4	1.9	3.6
<b>Total</b>	<b>13.1</b>	<b>141.0</b>	<b>167.4</b>	<b>152.6</b>
<b>Operating costs</b>				
Raw materials and consumables	0.0	-33.6	-34.8	-33.7
Other external costs	-51.1	-59.8	-62.5	-101.8
Personnel costs	-47.7	-68.8	-55.7	-109.0
Depreciation	-7.9	-12.4	-11.9	-20.4
<b>Total operating costs</b>	<b>-106.7</b>	<b>-174.6</b>	<b>-164.9</b>	<b>-264.9</b>
<b>Operating profit</b>	<b>-93.6</b>	<b>-33.6</b>	<b>2.5</b>	<b>-112.3</b>
Profit from financial investments	1.1	0.3	1.8	69.6
<b>Profit after financial items</b>	<b>-92.5</b>	<b>-33.3</b>	<b>4.3</b>	<b>-42.7</b>
Tax*	0.0	0	0	2.4
<b>Net profit</b>	<b>-92.5</b>	<b>-33.3</b>	<b>4.3</b>	<b>-40.3</b>
Earnings per share, SEK	-8.61	-3.88	0.51	-4.69
Average number of shares, 000	10 745	8 590	8 439	8 590
Number of shares, closing balance, 000	12 899	8 590	8 590	8 590

\* The positive tax amount is mainly attributable to Medivir UK's tax credits, a consequence of UK fiscal legislative support for research. The Group has estimated accrued tax-deductible losses of at least SEK 400 m until 2003 inclusive.

## CONSOLIDATED INCOME STATEMENT, QUARTERLY

Summary, SEK m

	2004	2003	2002
	April-June	April-June	April-June
<b>Turnover, etc.</b>			
Net sales	7.6	95.2	78.9
Change in inventories and other revenues	0.4	1.5	1.2
<b>Total</b>	<b>8.0</b>	<b>96.7</b>	<b>80.1</b>
<b>Operating costs</b>			
Raw materials and consumables	0.0	-17.4	-19.6
Other external costs	-26.4	-29.4	-25.7
Personnel costs	-25.2	-38.5	-28.2
Depreciations	-3.9	-6.1	-5.9
<b>Total operating costs</b>	<b>-55.7</b>	<b>-91.4</b>	<b>-79.4</b>
<b>Operating profit</b>	<b>-47.6</b>	<b>5.3</b>	<b>0.7</b>
Profit from financial investments	0.4	0.0	0.8
<b>Profit after financial items</b>	<b>-47.2</b>	<b>5.3</b>	<b>1.5</b>
Tax	0.0	0.0	0.0
<b>Net profit</b>	<b>-47.2</b>	<b>5.3</b>	<b>1.5</b>

## CONSOLIDATED BALANCE SHEET

Summary, SEK m

	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>31 Dec</b>
<b>Assets</b>				
<b>Fixed assets</b>				
Intangible fixed assets	9.9	35.3	35.6	10.7
Tangible fixed assets	50.6	104.0	103.0	40.2
Financial fixed assets	3.1	3.1	3.1	3.1
<b>Total fixed assets</b>	<b>63.6</b>	<b>142.4</b>	<b>141.7</b>	<b>54.0</b>
<b>Current assets</b>				
Inventories	0.0	37.2	45.3	0.0
Current receivables	22.0	37.8	65.9	14.5
Short-term investments	373.0	108.8	168.1	229.0
Cash and bank balances	91.8	22.3	16.3	10.2
<b>Total current assets</b>	<b>486.8</b>	<b>206.1</b>	<b>295.6</b>	<b>253.7</b>
<b>Total assets</b>	<b>550.3</b>	<b>348.5</b>	<b>437.3</b>	<b>307.7</b>
<b>Liabilities and shareholders' equity</b>				
Restricted equity	866.2	582.8	588.4	552.1
Accumulated deficit	-365.8	-297.7	-204.0	-274.2
<b>Total shareholders' equity</b>	<b>500.4</b>	<b>285.1</b>	<b>384.4</b>	<b>277.8</b>
Provisions	0.0	3.7	4.5	0.0
Long-term liabilities, interest-bearing	3.6	3.7	2.3	3.4
Current liabilities, non-interest-bearing	46.3	56.0	46.1	26.5
<b>Total liabilities and shareholders' equity</b>	<b>550.3</b>	<b>348.5</b>	<b>437.3</b>	<b>307.7</b>

### Change in shareholders' equity (SEK m)

	<b>2004</b>	<b>2003</b>	<b>2002</b>
	<b>Jan-June</b>	<b>Jan-June</b>	<b>Jan-June</b>
Balance sheet, 31 Dec 2003	277.8	320.0	361.2
New rights issue	313.8		20.5
Translation differences	1.3	-1.6	-1.6
Net profit	-92.5	-33.3	4.3
<b>Balance sheet, 30 June 2004</b>	<b>500.4</b>	<b>285.1</b>	<b>384.4</b>

## CONDOLIDATED CASH FLOW STATEMENT

Summary, SEK m

	2004	2003	2002	2003
	Jan-June	Jan-June	Jan-June	Jan-Dec
<b>Ongoing operations</b>				
Operating profit after financial items	-92.5	-33.3	4.3	-42.7
Estimated subsidiary tax credit	0.0	0.0	0.0	2.4
<i>Adjustment for items not included in cash flow:</i>				
Divestment of subsidiaries	0.0	0.0	0.0	-53.7
Depreciation and write-downs	7.9	12.4	11.9	20.4
Capital gain/loss on divestment of fixed assets and exchange rate difference	0.3	-0.6	-0.5	-2.5
Tax paid/received	-0.7	1.0	-1.4	3.2
<b>Cash flow from ongoing operations before change in working capital</b>	<b>-85.0</b>	<b>-20.5</b>	<b>14.3</b>	<b>-72.9</b>
Change in working capital	13.1	14.6	-31.1	5.5
<b>Cash flow from ongoing operations</b>	<b>-71.9</b>	<b>-5.9</b>	<b>-16.8</b>	<b>-67.4</b>
<b>Investment activity</b>				
Acquisitions/divestment of tangible fixed assets	-16.7	-6.0	-3.4	-10.0
Divestment of subsidiaries	0.0	0.0	0.0	114.1
Reduction in long-term receivables	0.0	0.0	0.0	59.5
<b>Cash flow from investment activity</b>	<b>-16.7</b>	<b>-6.0</b>	<b>-3.4</b>	<b>163.6</b>
<b>Financing activity</b>				
New share issue	313.8	0.0	20.5	0.0
Increase (+) / decrease (-) in long-term liabilities	0.0	-0.8	1.3	0.0
Loans raised	0.2	0.0	0.0	0.0
Amortisation	0.0	0.0	0.0	-0.8
<b>Cash flow from financing activity</b>	<b>314.0</b>	<b>-0.8</b>	<b>21.8</b>	<b>-0.8</b>
<b>Cash flow for the period</b>				
Liquid assets, opening balance*	239.2	143.9	182.7	143.9
Change in liquid assets	225.4	-12.7	1.6	95.4
Exchange rate difference, liquid assets	0.2	-0.1	0.1	-0.1
<b>Liquid assets, closing balance*</b>	<b>464.8</b>	<b>131.1</b>	<b>184.4</b>	<b>239.2</b>

\* Liquid assets comprise cash and bank balances, plus short-term investments. The market value of listed equities, of SEK 11,3 m (SEK 10,4 m at year-end 2003) is additional to the above.

## KEY FIGURES

	2004	2003	2002	2003
	Jan-June	Jan-June	Jan-June	Jan-Dec
Return on:				
- equity, %	-23.78	-11.01	1.16	-13.49
- capital employed, %	-23.55	-10.70	1.22	-13.91
- total capital, %	-21.55	-9.13	1.08	-12.43
Average number of shares, 000	10 745	8 590	8 439	8 590
Number of shares, closing balance, 000	12 899	8 590	8 590	8 590
Outstanding warrants, 000	650.1	513.4	313.4	449.9
Earnings per share, SEK	-8.61	-3.88	0.51	-4.69
Shareholders' equity per share, SEK	38.80	33.20	44.75	32.35
Cash flow per share after investments, SEK	-8.24	-1.39	-2.39	11.20
Earnings per share, SEK* **	-7.98	-3.53	0.60	-4.27
Shareholders' equity per share, SEK* **	42.07	38.49	49.01	36.33
Equity ratio, %	90.93	81.81	87.90	90.30

For forecast year-2003 earnings per share, please refer to the "Outlook" heading in the section on Medivir's consolidated turnover and costs

\* After full utilization of outstanding warrants

RR's (the Swedish Financial Accounting Standards Council) instruction No. 18 stipulates that any potential ordinary shares do not give rise to any dilution effect when their conversion into ordinary shares results in increased EPS, which would occur upon the conversion of Medivir's outstanding warrants. Thus, the above should not be considered a calculation of dilution effects but a theoretical calculation on profit and shareholders' equity per share, after the full exercise of outstanding warrants.

\*\* As the new share issue was completed in June 2004 the earlier option plans 2000, 2001 and 2002 were recounted. The warrants from these programs confer conversion of 1.10 shares per warrant and the exercise price has been recounted.