



Press Release, 15 February 2010

Medivir partners with Meda to commercialize Xerese™ (Lipsovir®) in North America

Medivir and Meda today announced an agreement for the commercialization of Medivir's cold sore product which will be marketed in North America under the trade name Xerese™.

Under the terms of the agreement, Meda is granted the exclusive rights to market, sell and distribute Xerese™ in the United States, Canada and Mexico for the treatment of cold sores (herpes labialis). In addition to funding the commercial development of Xerese™, Meda will pay USD 5 million in up-front and pre-launch milestones and double-digit royalties on sales to Medivir for the exclusive rights.

Xerese™ – a combination product of acyclovir and hydrocortisone - was granted FDA marketing approval in July 2009. Based on strong clinical data, Xerese™ was given a label, which differentiates it from other topical cold sore products currently on the market.

"I am pleased to announce this partnership, which is a powerful validation of the product and represents the first step for the global commercialization of our cold sore product," said Ron Long, Medivir's CEO, and continued, "Meda's demonstrated leadership in marketing pharmaceutical products and understanding US market dynamics, make them the ideal partner for Xerese™. We are convinced that Meda will make the new product a success," Ron Long concluded.

"Xerese™ is a very interesting addition to our product portfolio in the US. It's already registered and has a unique and differentiating claim. When commercial stock is in place we will launch it. We look forward to the collaboration with Medivir and that we together can develop new indications for Xerese™", says Anders Lönner CEO at Meda.

About Xerese™

Xerese™ (Xerclear™ in Europe) – a patented combination of 5% acyclovir and 1% hydrocortisone in Medivir's proprietary cream formulation - is a topical product for the treatment of recurrent herpes labialis. The indication text as approved by FDA, states "*Xerese™ is indicated for the early treatment of recurrent herpes labialis (cold sores) to reduce the likelihood of ulcerative cold sores and to shorten the lesion healing time in adults and adolescents (12 years of age and older)*". Xerese™ is the first topical product that in controlled clinical trials has been shown to significantly ($P < 0.0001$ vs. placebo) reduce the development of ulcerative lesions during a cold sore episode.

About cold sores

Recurrent herpes labialis (cold sores) is a common infection that affects one-third of the population in the Western world resulting in around 600 million episodes per year with 57 million people having three or more episodes per year. The great majority of cases are caused by herpes simplex virus type 1 (HSV-1). Unlike most viruses, the cold sore virus is not completely eliminated by the body's immune response. Instead it establishes a chronic, latent and life-long infection in sensory ganglia. At a later date, the virus may be reactivated and travel back to the skin – often around the mouth and nose – to trigger a clinical episode of recurrent herpes labialis. The virus is reactivated by factors like sunlight and stress.

Today only 1-2% of the episodes are treated. Products based on antiviral substances such as aciclovir, penciclovir, famciclovir and valaciclovir are the most commonly used treatment options. The market for topical treatment of herpes infections in the USA and Europe are estimated to USD 230 million and USD 170 million, respectively.

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For more information on Medivir, please see the company website: www.medivir.se

For more information on Meda, please see the company website: www.meda.se