Press Release 24 August 2010

Daewoong to distribute Medivir's Xerclear™ in South Korea

Medivir AB (Sweden) today announced it has appointed Daewoong Pharmaceutical Co. Ltd. as its exclusive distributor for Xerclear™ in South Korea. Under the terms of the agreement, Daewoong will be responsible for obtaining the regulatory approvals, and for marketing, sales and distribution of Medivir's cold sore product in the territory. In consideration of the rights granted to Daewoong, Medivir will receive upfront and milestone payments and royalties on sales according to a profit sharing scheme.

"We are pleased to announce this collaboration and to have Daewoong as our partner for Xerclear™ in South Korea", said Ron Long, CEO of Medivir AB, and continued, "We recently initiated a collaboration with Daewoong around MIV-210 (Hepatitis B) and the Xerclear™ distribution agreement further strengthens the relationship between our companies".

"Medivir is an ideal partner for us and Xerclear™ is a perfect fit for our portfolio, providing us the excellent opportunity to offer health care professionals, care providers and patients its considerable benefits. We believe there will be a substantial market opportunity in South Korea for this topical product for the treatment of recurrent herpes labialis", concluded Dr. Jong-Wook Lee, President and CEO, Daewoong Pharmaceutical Co. Ltd.

About Xerclear™

Xerclear™ (Xerese™ in the USA) – Medivir's first pharmaceutical product – is a patented combination of 5% acyclovir and 1% hydrocortisone in Medivir's proprietary cream formulation for the topical treatment of recurrent herpes labialis (cold sores). The indication text as approved by FDA, states "*Xerclear™ 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 adolecents (12 years of age and older)*".
Xerclear™ 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.

The product is approved by the US FDA (trademark "Xerese™") and in Europe (trademark "Xerclear™") and will be marketed by Meda in North America and by GlaxoSmithKline (under its own consumer health brands) in Europe and a number of key markets. Medivir intends to establish further partnerships for Xerclear™ outside Sweden and Finland, where Medivir markets and sells the product today on prescription only basis.

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

About Daewoong Pharmaceutical Co. Ltd.
Daewoong Pharmaceutical Co. Ltd. is a leading Korean pharmaceutical company with a turnover of nearly $605 million U.S. in 2009. Daewoong Pharmaceutical Co. Ltd. was ranked first in the South Korean pharmaceutical market in terms of requested reimbursement totals, according to Health Insurance Review Agency (HIRA). Daewoong has expanded global business operations throughout Asia and is currently developing strategies for the global market.

Daewoong Pharmaceutical Co. Ltd. engages in the research, development, manufacturing and marketing of healthcare products. It provides a full spectrum of healthcare products for various therapeutic areas that include infectious diseases, cardiovascular diseases, metabolic disorders, disorder of central nervous system, digestive disorders, oncology and vaccines.

Daewoong's R&D activity explores a broad spectrum of innovative approaches and has developed new products in key therapeutic area such as EGF for Mucositis and Wounds and WP05195 for Neuropathic Pain.

In particular, Daewoong Pharmaceutical Co. Ltd. has made numerous successful partnerships with multinational pharmaceutical companies launching many blockbuster products on the Korean market, and its strong growth is attributable to its dedication to excellence in sales and marketing, which is backed by a comprehensive portfolio of both innovative and generic prescription drugs.

For more information on Daewoong Pharmaceutical Co. Ltd., please see the company website: www.daewoong.co.kr