

This is a translation of the original Swedish notice. In the event of discrepancies between the Swedish version and this translation, the Swedish version shall prevail.

Press release

2011-04-11

Statement by the Board of Directors of BioPhausia in relation to the public offer by Medivir

The Board of Directors of BioPhausia unanimously recommends the shareholders and the holders of listed warrants to accept the public offer by Medivir.

Background

This statement is made by the Board of Directors* (the "Board") of BioPhausia AB (publ) ("BioPhausia" or the "Company") pursuant to section II.19 of the rules concerning public takeover offers on the stock market adopted by NASDAQ OMX Stockholm (the "Takeover Rules").

Medivir AB (publ) ("Medivir"), has today, on April 11, 2011, announced a public offer to the shareholders and holders of listed warrants in BioPhausia to transfer all of their shares and warrants in BioPhausia to Medivir (the "Offer"). Medivir is offering each BioPhausia shareholder** ; 1) in respect of approximately 69.4 percent of the number of BioPhausia shares tendered by such shareholder: approximately 0.0117 new class B Medivir shares per BioPhausia share (the "Share Consideration"), equivalent to a value of approximately SEK 1.65 per BioPhausia share and 2) in respect of the remaining approximately 30.6 percent of the number of BioPhausia shares tendered by such shareholder: SEK 1.65 in cash per BioPhausia share (the "Cash Consideration"). Accordingly, for every 1,000 BioPhausia shares tendered, each BioPhausia shareholder will receive SEK 504.90 in cash and approximately 8.13 new class B Medivir shares. Shareholders that own 5,000 or less BioPhausia shares can choose to receive a guaranteed cash consideration of SEK 1.65 per BioPhausia share. Medivir offers each holder of listed warrants 2009/2012 SEK 0.32 in cash per listed warrant. The Offer is inter alia conditional upon that Medivir becomes the owner of more than 90 percent of the shares in BioPhausia, that no other party announces an offer with more favorable conditions than the Offer and that the shareholders in Medivir resolve on the necessary decisions to issue new shares in Medivir. Two of BioPhausia's largest shareholders, Skandia Liv and Originat AB, and those of the BioPhausia board members who have participated in the Board's deliberations and decisions regarding the Offer have expressed their intent to accept the Offer. According to the indicative timetable set out in the press release through which the Offer was announced, the acceptance period is expected to commence on or around May 2, 2011 and expire on or around May 23, 2011. Subject to the Offer being declared unconditional no later than on or around May 30, 2011, settlement is expected to commence on or around June 7, 2011.

The Board has allowed Medivir to conduct a limited due diligence before the announcement of the Offer. Accordingly, BioPhausia has conducted a limited due diligence on Medivir. In connection herewith, Medivir has received information regarding BioPhausia's preliminary results for the first quarter 2011, see further separate press release.

The Board notes that Medivir has received an exemption from the Swedish Securities Council implicating that the warrants issued under BioPhausia's employee stock option program in May 2009 are not included in the Offer.

For further information about the Offer, reference is made to Medivir's press release which was made public earlier today.

As a part of the Board's evaluation of the Offer, the Board has engaged SEB Enskilda as financial adviser and White & Case as legal adviser.

*Anna Malm Bernsten is also a member of the Board of Directors of Medivir which has been considered to constitute a conflict of interest and she has therefore not participated in the BioPhausia Board's evaluation and recommendation of the Offer. Johan Unger is a shareholder of Medivir, but the ownership has not been considered to be of such size in relation to his other means and in relation to his ownership in BioPhausia that it constitutes a conflict of interest.

**Certain numbers are rounded. For actual numbers, please see separate press release from Medivir.

The Board's recommendation

The Board is of the opinion that a merger of BioPhausia and Medivir is an industrially sound transaction. BioPhausia brings a commercial platform to Medivir's research portfolio and its commercial rights in the Nordics. It is therefore the Board's assessment that the businesses of both companies complement each other well. The Board notes however that there are risks associated with Medivir's business, primarily related to the fact that most of Medivir's products (including TMC 435) are in a development phase and there is therefore a customary uncertainty regarding the future earnings.

The Board notes that the price per share offered by Medivir represents a premium of 44 percent compared to BioPhausia's volume weighted average share price on NASDAQ OMX Stockholm during the last 30 calendar days, up to and including April 8, 2011 (i.e. the last trading day prior to the announcement of the Offer), of approximately SEK 1.14 per share. Compared to the latest closing price on NASDAQ OMX Stockholm on April 8, 2011 of SEK 1.14 per share in BioPhausia, the Offer represents a premium of approximately 45 percent. The Board also notes that the Offer represents a premium based on the closing price on April 8, 2011 of SEK 146.75 per class B Medivir share (rather than the 30-day volume weighted average price) of 49 percent.

Under the Takeover Rules, the Board must also set out its views on the impact the completion of the Offer may have on BioPhausia, especially employment, and its views on Medivir's strategic plans for BioPhausia and the impact these could be expected to have on employment and on BioPhausia's business locations. In this respect, the Board has noted that Medivir has stated that it anticipates limited effects as a result of completion of the Offer and Medivir's strategic plans for the employees of BioPhausia and their terms of employment as well as the Company's operations at locations where BioPhausia conducts business. The Board assumes that this statement is correct and has, in relevant respects, no reason to have a different view.

The Board has, together with SEB Enskilda and White & Case, evaluated the Offer and finds the Offer attractive for the shareholders and holders of listed warrants in BioPhausia. The Board recommends the shareholders and holders of listed warrants in BioPhausia to accept the Offer. The Board's recommendation is based on the prevailing conditions as of today***.

Stockholm April 11, 2011

BioPhausia AB (publ)

The Board of Directors

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BioPhausia is a Swedish specialty pharma company. The business is divided into three main segments: Own products, Licensed products and Parallel-imported products. The portfolio of pharmaceuticals includes disease areas such as gastrointestinal, CNS (central nervous system) and emergency medicine, and includes, inter alia, products such as Mollipect and Citodon. Operations are carried out in the Nordic countries with a unit for repackaging in Poland. BioPhausia AB (publ) is headquartered in Stockholm and is listed on NASDAQ OMX Stockholm, Small cap. BioPhausia's listed warrants are also listed on NASDAQ OMX Stockholm.

BioPhausia AB (publ) discloses the information provided herein pursuant to the Securities Market Act and the Takeover Rules. The information was submitted for publication on April 11, 2011.

***Holders of listed warrants should pay regard to the market conditions at the end of the acceptance period since the subscription price for the warrants is SEK 1.50.