

Press Release

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EPIPHANY BIOSCIENCES LICENSES ANTIVIRAL COMPOUND EPB-348 (MIV-606) FROM MEDIVIR AB

Medivir AB and Epiphany Biosciences announced today the signing of a license agreement on MIV-606 (valomaciclovir), Medivir's phase II compound with potent activity against varicella zoster virus (VZV).

Under the terms of the agreement Medivir will receive equity in Epiphany, milestone payments of maximally USD 24.5m and royalty from world wide sales except the Nordic countries where Medivir has retained the marketing rights for all disease indications. Epiphany will be responsible for the further clinical development of MIV-606.

Phase IIa studies have shown MIV-606 to be efficacious and safe in patients with shingles, caused by the varicella zoster virus (VZV). The market for zoster drugs is going to increase with the aging population.

"We are delighted to collaborate with Epiphany, an emerging US based company with an interesting project portfolio and support by a group of outstanding scientists such as Dr Robert Gallo, the co-discoverer of HIV, and Professor Hans Wigzell, Karolinska Institute" comments Lars Adlersson, CEO and President of Medivir.

"Licensing MIV-606 will strengthen Epiphany's portfolio of projects in the infectious disease area. The broad spectrum of activity demonstrated by MIV-606 offers more than one large market opportunity," says Dr Fred Volinsky, CEO and President of Epiphany.

About Medivir

Medivir develops pharmaceuticals for widely prevalent disease with proteases as the target enzyme. The goal is to become a self-sustaining, profitable, research-based pharmaceutical company with proprietary products on the market. The company is located in Huddinge, Sweden and Chesterford Research Park, Essex, England.

The group comprises Medivir AB, subsidiary Medivir UK Ltd, Medivir HIV Franchise AB and Medivir Personal AB. At the end of December 2005, the group had 133 employees. Medivir is listed on the O list at the Stockholm Stock Exchange (Stockholmsbörsen).

Medivir's research portfolio embraces projects on hepatitis C, labial herpes, HIV, osteoporosis, rheumatoid arthritis (RA), chronic obstructive pulmonary disease (COPD) and multiple sclerosis (MS). Medivir has seven individual projects in development, of which one has entered phase III.

Medivir HIV Franchise AB is focused on the development and spin-out of antiviral projects based on polymerase inhibitors.

About Epiphany Biosciences

Epiphany Biosciences is a privately-held company developing therapeutic products and diagnostic technologies that treat or help prevent the spread of pathogenic viruses, including varicella zoster virus (VZV), Epstein-Barr Virus (EBV) and hepatitis C virus (HCV).