

Bavarian Nordic receives USD 25 million milestone payment after submission of important IMVAMUNE® data to the U.S. Health Authorities

Bavarian Nordic has invoiced the U.S. authorities for another milestone payment of USD 25 million as allowed under the RFP-3 contract to manufacture and deliver 20 million doses of the company's IMVAMUNE® smallpox vaccine. This milestone payment was triggered by the recent submission of a clinical safety report from a large Phase II study with IMVAMUNE® in HIV infected subjects, which is part of the regulatory package that will be used to potentially support the use of IMVAMUNE® in a declared emergency. With this, Bavarian Nordic is an important step closer to fulfilling the conditions for initiating delivery of IMVAMUNE® in 2009.

The income will be recognised as revenue in the financial statements for 2008.

With this payment, Bavarian Nordic has so far invoiced a total of USD 125 million in advance- and milestone payments under the RFP-3 contract, of which USD 50 million has not yet been recognised in the income statement.

This announcement does not change Bavarian Nordic's previously announced financial guidance for 2008.

Anders Hedegaard, President & CEO of Bavarian Nordic, said: *"Since the award of the RFP-3 we have successfully met all agreed objectives in the contract with the U.S. Department of Health and Human Services and we find this very satisfactory. The submission of these clinical data concludes the data package that may support the use of IMVAMUNE® in a declared emergency and marks an important event for the company this year. This submission is part of the company's plan to support the delivery of IMVAMUNE® which is planned to start during 2009".*

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Forward-looking statements

This announcement includes "forward-looking statements" that involve risks, uncertainties and other factors, many of which are outside of our control that could cause actual results to differ materially from the results discussed in the forward-looking statements. Forward-looking statements include statements concerning our plans, objectives, goals, future events, performance and/or other information that is not historical information. We undertake no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances after the date made, except as required by law.

About Bavarian Nordic

Bavarian Nordic A/S is a leading industrial biotechnology company developing and producing novel vaccines for the treatment and prevention of life-threatening diseases with a large unmet medical need. The company's business strategy is focused in three areas: biodefence, cancer and infectious diseases. Bavarian Nordic's proprietary and patented technology MVA-BN® is one of the world's safest, multivalent vaccine vectors. Bavarian Nordic has ongoing contracts with the US government for the late-stage development and procurement of the company's third-generation smallpox vaccine, IMVAMUNE®.

Bavarian Nordic is listed on NASDAQ OMX Copenhagen under the symbol BAVA.

For more information please visit www.bavarian-nordic.com