

To the Copenhagen Stock Exchange**Bavarian Nordic A/S completes fully subscribed rights issue**

Bavarian Nordic A/S offered 1,275,236 new shares with a nominal value of DKK 10 each at DKK 365 per share in the period from 10 March to 23 March 2007. The new shares were offered with pre-emption rights for the company's existing shareholders at a ratio of 1:5. The rights issue was underwritten by FIH Erhvervsbank A/S and Nordea Bank Danmark A/S and accordingly fully subscribed. Bavarian Nordic A/S receives gross proceeds of DKK 465 million.

A number of the existing shareholders, A.J. Aamund A/S, PKA A/S and Fåmandsforeningen LD had given binding advance commitments for the exercise of their entire subscription rights equivalent to gross proceeds of DKK 119.7 million. A. J. Aamund A/S has subscribed new shares for approximately DKK 80.8 million. A minor part of the offering (0.7%) was subscribed according to the underwriting provided by FIH Erhvervsbank A/S and Nordea Bank Danmark A/S.

The new shares will carry rights and be eligible for dividends from the time of the registration with the Danish Commerce and Companies Agency on 28 March 2007.

The new shares are expected to be listed on Copenhagen Stock Exchange on 29 March 2007. As soon as possible hereafter, the existing and the temporary securities code will be merged. After registration of 1,275,236 new shares with a nominal value of DKK 10 each, Bavarian Nordic's nominal share capital will be DKK 76,514,160 equivalent to 7,651,416 shares, each with a nominal value of DKK 10.

Kvistgård, 28 March 2007

Asger Aamund
Chairman

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About Bavarian Nordic A/S:

Bavarian Nordic (CSE: BAVA) is a leading international biopharmaceutical company developing and producing innovative vaccines to prevent and treat infectious diseases and cancer. With operations in Denmark, Germany, the USA, and Singapore, Bavarian Nordic employs over 200 people. Bavarian Nordic's patented technology, MVA-BN[®], is as been demonstrated in clinical studies, one of the world's safest, multivalent vaccine vectors for the development of vaccines against various infectious diseases such as smallpox, HIV/AIDS, as well as against breast and prostate cancer. Several MVA-BN[®]-based HIV and smallpox vaccines are in clinical Phase I and Phase II trials. Bavarian Nordic has ongoing development contracts with the US government to develop IMVAMUNE[®] as a safe third-generation smallpox vaccine. Bavarian Nordic has supplied several other governments with smallpox vaccines. For more information please visit www.bavarian-nordic.com

"Safe Harbour" Statement Under the Private Securities Litigation Reform Act of 1995:

Except for the historical information contained herein, this release contains "forward-looking statements" within the meaning of the Private Securities Reform Act of 1995. No "forward-looking statement" can be guaranteed, and actual results may differ materially from those projected. Bavarian Nordic undertakes no obligation to publicly update any "forward-looking statement", whether as a result of new information, future events, or otherwise. Additional information regarding risks and uncertainties is set forth in the current Annual Report, which we incorporate by reference.

Stockwise Resumé

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