

To the Copenhagen Stock Exchange

U.S. International Trade Commission Refers MVA Case Back to the Administrative Law Judge

On February 21, 2007 the International Trade Commission (ITC) issued an order vacating the Initial Determination in a case in which Bavarian Nordic's patents on the Modified Vaccinia Ankara virus (MVA) were found to be infringed but invalid. The order has the effect of nullifying the Initial Determination's ruling, including its finding of patent invalidity. The entire investigation will be heard again before the Administrative Law Judge with a new target completion date of October 19, 2007.

Bavarian Nordic asked the full ITC Commission to review the Initial Determination based on grounds that the finding on the issue of invalidity was legally and factually erroneous. This decision has now been vacated which Bavarian Nordic finds very satisfying.

Bavarian Nordic filed its complaint with the ITC on August 19, 2005 alleging that Acambis plc has imported, sold, and/or offered to sell its MVA-based smallpox vaccines in the USA that infringed patents owned by Bavarian Nordic. Bavarian Nordic requested the ITC to issue to Acambis a permanent cease and desist order which would prohibit Acambis from importing, selling, or offering for sale its MVA-based smallpox vaccine in the USA.

The ITC order issued yesterday has no significance on the ongoing discussions with the US Department of Health and Human Services (HHS) on the MVA-based smallpox vaccine tender process including the expected RFP order. Furthermore, the ITC order has no impact on the company's recently announced rights issue and the prospectus released in conjunction with the offering. Bavarian Nordic management has determined that the issued ITC order does not materially impact the company or its stated projections for the future and therefore will not file an amendment to the prospectus.

Commenting on the ITC order, Peter Wulff, President and CEO of Bavarian Nordic, said: "We are happy about the revised ITC decision and are confident in the validity of our current and expanding portfolio of patents on our MVA technology and will pursue their enforcement in this venue and others as appropriate. We are pleased that the ITC Commission recognized the weakness of the Initial Determination and that we now can straighten out any legal and factual misunderstandings."

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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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