

The Government of Canada procures IMVAMUNE® smallpox vaccine for the country's biological preparedness

Following a Request for Proposal issued in 2007 with the intent to procure an MVA-based, third generation smallpox vaccine, Public Works and Government Services Canada, on behalf of the Canadian Department of National Defence, has awarded a contract to Bavarian Nordic for the delivery of IMVAMUNE®.

The Canadian authorities intend to use IMVAMUNE® as part of the country's bio-preparedness programme.

The contract provides for the delivery of 20,000 doses of IMVAMUNE® and payment for the application process to support the use of IMVAMUNE® in an emergency under the Canadian Government's Special Access Programme. The delivery will take place in 2009.

The contract also provides for the optional purchase of an additional 180,000 doses of IMVAMUNE® as well as payment for investigating the requirements for obtaining a licensure of the vaccine in Canada. Hereby, the Government of Canada and Bavarian Nordic have entered into a long term contract.

The order does not change Bavarian Nordic's previously announced financial guidance for 2008.

Smallpox and the need for a new vaccine

Smallpox is the most dangerous infectious disease ever faced by mankind. Hundreds of millions of people have died from the disease. Today, the smallpox threat may be encountered in various ways: bio-terrorism, synthetically manufactured viruses and outbreak from controlled smallpox stocks.

The old, conventional smallpox vaccines which have been stockpiled around the world are not suited to current needs. They are not safe and may cause severe side effects, even death. These vaccines cannot be given to people who are immune compromised, which constitute approx. 25 % of the population.

IMVAMUNE®, Bavarian Nordic's new, third generation smallpox vaccine, offers a number of unique advantages compared to the old vaccines. The superior safety profile of IMVAMUNE® makes it suitable for vaccination of those with compromised immunity. Furthermore, the vaccine is easier to administer and it protects faster than the old vaccines, which is convenient for use in the general population in the case of an emergency.

According to Anders Hedegaard, President & CEO of Bavarian Nordic, *"With the Canadian contract, yet another nation recognizes IMVAMUNE® as an essential part of its smallpox preparedness. Furthermore Bavarian Nordic has just received a small follow-up order with the same Asian country under the same contractual framework as in March. This further demonstrates that countries are increasingly focused on building and retaining an optimum biological preparedness against smallpox, the world's most feared and dangerous infectious disease. With IMVAMUNE® these countries have gained access to the most innovative smallpox vaccine available."*

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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