Company Announcement

28 February 2011

Bavarian Nordic Announces Start of Randomized Phase 2 Study Comparing PROSTVAC® and Chemotherapy versus Chemotherapy

Kvistgård, Denmark, February 28, 2011 – Bavarian Nordic A/S (OMX: BAVA) announced today the initiation of a new multicenter, randomized Phase 2 study of patients with metastatic castration-resistant prostate cancer (mCRPC) treated with PROSTVAC®. The study will compare PROSTVAC® followed by docetaxel (chemotherapy) versus docetaxel alone.

Patients in the PROSTVAC® arm will receive an accelerated treatment with PROSTVAC® (5 immunizations over 2 months) followed by docetaxel and prednisone. The control arm will receive upfront docetaxel and prednisone. After completion of study therapy, patients are followed up every 3-6 months for 5 years. With the first patients now being enrolled, the study is anticipated to be fully enrolled with 144 patients in 2012.

The primary endpoint of the study is to evaluate the overall survival. Secondary endpoints include the evaluation of prostate-specific antigen (PSA) response rates and evaluation of the association between development of PSA-specific immune responses, time to progression, and overall survival in patients treated with these regimens.

The study is being conducted by The Eastern Cooperative Oncology Group (ECOG) - one of the largest clinical cancer research organizations in the United States. Dr. Doug McNeel (University of Wisconsin) is the Principle Investigator of the study. The DCTD/NCI-sponsored[1)] study is being conducted under the cooperative research and development agreement (CRADA) that Bavarian Nordic has with the NCI for further development of PROSTVAC®.

Anders Hedegaard, President & CEO of Bavarian Nordic said: "*We are happy to announce the initiation of this Phase 2 study, Through this and other studies supported by our partner NCI, the potential synergic effects by combining PROSTVAC® with traditional therapies is investigated, offering an extension of our already large clinical data package. Data from another large Phase 2 study with PROSTVAC® has already demonstrated a significant survival benefit for patients with metastatic castration-resistant prostate cancer, and we expect to initiate confirmatory Phase 3 trials under a Special Protocol Assessment agreement with the FDA later this year as previously announced.*"

1) Division of Cancer Treatment and Diagnosis at National Cancer Institute

Asger Aamund
Chairman of the Board

Contact
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About Bavarian Nordic
Bavarian Nordic 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 clinical pipeline targets cancer and infectious diseases, and includes seven development programmes. Two programmes under preparation for Phase III: PROSTVAC®, a therapeutic vaccine for advanced prostate cancer is being developed under a collaboration agreement with the National Cancer Institute, and IMVAMUNE®, a third-generation smallpox vaccine is being developed under a contract with the US government.

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

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PROSTVAC® is a registered trademark in the U.S.

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.

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