



BAVARIAN NORDIC

Company Announcement

11 November 2009

Bavarian Nordic A/S - Interim Report for the period 1 January to 30 September 2009

In the first nine months of 2009 Bavarian Nordic generated revenue of DKK 53 million and recorded a loss before tax of DKK 261 million. As of 30 September 2009 the Group's net free liquidity was DKK 304 million. The company maintains its expectations for the financial result for the full year 2009 with revenues in the range of DKK 100-300 million and a pre-tax loss of between DKK 275-325 million. A prerequisite for maintaining the high end of the guidance is that the company will receive delivery allowance from the US authorities no later than beginning of December, leading to the possible initiation of deliveries of IMVAMUNE® to the US Government before the end of 2009. The net free liquidity at year-end is expected to be approximately DKK 175 million as a potential delivery to the US Government by late 2009 will not have a cash effect in 2009.

Following the FDA inspection of the IMVAMUNE® manufacturing facilities in May, Bavarian Nordic has made progress in the implementation of the corrective actions as required due to observations made by the FDA. The company expects to finalise its responses to the FDA no later than in the beginning of December and subsequently will await the FDA review and acceptance hereof. Consequently, the company maintains its expectations to initiate delivery of IMVAMUNE® to the US government before the end of second quarter of 2010.

During the first nine months of 2009, Bavarian Nordic reported further confirmatory data on PROSTVAC™, the company's late-stage prostate cancer vaccine candidate. Oral presentations were held at several cancer congresses, including ASCO and ECCO annual meetings. Bavarian Nordic expects that an end of phase II meeting with the FDA will take place during January 2010. While partnership negotiations are ongoing, the company is in preparations for Phase III and these are proceeding as planned.

Lately, the prostate cancer field has witnessed positive clinical results followed by attractive partnership deals. It has proven worthwhile for a number of companies to independently advance their projects into Phase III, thus maximising their value before they would eventually sign a licensing deal. Similarly, Bavarian Nordic is seeking to maximise and retain the value of its cancer portfolio. Consequently, Bavarian Nordic seeks the ability to advance PROSTVAC™ into Phase III of its own. In order for Bavarian Nordic to gain the independence to execute its short and long term activities within biodefence and cancer, the company is exploring available options for securing an optimum financial position.

Anders Hedegaard, President & CEO of Bavarian Nordic said: "During 2009 we have recorded strong progress in our two leading programmes, IMVAMUNE® and PROSTVAC™. As the acceptance from FDA to initiate deliveries of IMVAMUNE® draws closer, we have initiated negotiations with the US on further development of the vaccine. We have seen positive developments in the market outside the US with the Canadian order now being delivered and talks are ongoing with the authorities on the licensing of the vaccine. We also entered the first IMVAMUNE® contract in the EU during third quarter. Further positive PROSTVAC™ data were reported, demonstrating a great potential for this promising therapeutic approach for the treatment of advanced prostate cancer. With PROSTVAC™ moving into Phase III trials we are well underway to establish ourselves as a key player in the cancer therapeutics industry, which is currently attracting a lot of positive attention due to promising data and lucrative partnership deals. We intend to ride this wave and further advance our cancer portfolio."

Contact

Anders Hedegaard, President & CEO. Phone +45 23 20 30 64

Conference call

A conference call will be held today at 11.00 a.m. (CET). President and CEO, Anders Hedegaard will present the interim results followed by a Q&A session. Also attending are Executive Vice President and CSO, Paul Chaplin, Executive Vice President and CEO of BN ImmunoTherapeutics, Reiner Laus, Executive Vice President

and CFO, Ole Larsen, and Vice President Investor Relations & Communications, Rolf Sass Sørensen. Dial-in numbers for the conference call are: Denmark: +45 3271 4607, UK: +44 (0)20 7162 0077. The accompanying presentation is available on the company's website: www.bavarian-nordic.com.

Highlights from the period

- Bavarian Nordic has signed contract with an EU country for the delivery of IMVAMUNE®**
 In September, Bavarian Nordic signed a contract with the military of an undisclosed EU country for the delivery of a small order for IMVAMUNE®. The size and value of the contract is undisclosed. This marks the first time, Bavarian Nordic enters a contract with an EU country for the delivery of IMVAMUNE®, and it demonstrates that there exists a real demand inside of EU for new and safer smallpox vaccines for preparedness stockpiles. The vaccines have been delivered.
- Negotiations with the US authorities for the further development of IMVAMUNE®**
 Bavarian Nordic is currently in late-stage negotiations with the US authorities for a new contract to develop a freeze-dried version of the IMVAMUNE® smallpox vaccine. This potential new project will have no influence on the ongoing RFP-3 contract for the procurement of 20 million doses of IMVAMUNE® and the licensure of the current liquid-frozen formulation, but represents an additional business opportunity of major strategic importance. The company expects that the prospective contract will constitute the gateway towards securing additional contracts with the US Government and outside the US as well.
- Further detailed PROSTVAC™ data presented at the ECCO 15 - 34th ESMO Congress**
 Further data from the Phase II study with PROSTVAC™ were presented at the European CanCER Organisation (ECCO), ECCO 15 - 34th ESMO Congress in Berlin in September. The data indicate the potential for a broader therapeutic use of PROSTVAC™ in metastatic prostate cancer

Important events after the period

- Delivery of IMVAMUNE® to Canada completed**
 As planned, Bavarian Nordic has delivered 20,000 doses of IMVAMUNE® to the Canadian government. A pre-New Drug Submission (NDS) meeting with Health Canada (National Regulatory Authority) was held in October 2009 to discuss the potential to file an NDS in 2010 for IMVAMUNE® as a safer smallpox vaccine under a Notice of Compliance with Conditions (NOC/C). Conclusions from the meeting have not yet been finalised.
- Encouraging data for MVA-BN® HIV *multiantigen* warrant further studies**
 Bavarian Nordic has completed the analysis of the Phase I/II studies with MVA-BN® HIV *multiantigen*. The final safety and immunogenicity data demonstrate that the vaccine induces a broad T cell response in HIV infected subjects. The high number of responders to the vaccine is encouraging and warrant further studies. Thus, in line with its strategy, Bavarian Nordic is now looking for a partner in order to secure the continued development of MVA-BN® HIV *multiantigen* in a full Phase II.

Management's review

Pipeline

PIPELINE	Programme	Status	Next milestone
Biodefence	Smallpox (IMVAMUNE®)	Phase II	Initiate Phase III (2010)
	Anthrax	Preclinical	Phase I (2010)
Cancer	PROSTVAC™	Phase II	Phase III (2010)
	Breast Cancer (MVA-BN®-HER2)	Phase I/II	Initiate new Phase I/II study (2009/2010)
	Prostate Cancer (MVA-BN®-PRO)	Phase I/II	Phase I/II data update (Q4,2009)
Infectious diseases	HIV <i>multiantigen</i>	Phase I/II	Identify partner for full Phase II
	Measles and RSV	Phase I	Complete recruitment (Q4, 2009)

Biodefence

IMVAMUNE® - third generation smallpox vaccine candidate

Deliveries under the RFP-3 contract

Following the U.S. Food and Drug Administration's (FDA) inspection of the IMVAMUNE® manufacturing facilities in May, Bavarian Nordic has made progress in the implementation of the corrective actions as required due to observations made by the FDA. The company expects to finalise its responses to the FDA no later than in the beginning of December and subsequently will be awaiting the FDA review and acceptance hereof. Consequently, the company maintains its expectations to initiate delivery of IMVAMUNE® to the US government before the end of second quarter of 2010.

Once deliveries of the 20 million doses of IMVAMUNE® to the US begin, Bavarian Nordic will start invoicing the remainder of the RFP-3 contract, including payments of USD 375 million.

Delivery of IMVAMUNE® to Canada completed

As planned, Bavarian Nordic has delivered 20,000 doses of IMVAMUNE® to the Canadian government. A pre-New Drug Submission (NDS) meeting with Health Canada (National Regulatory Authority) was held in October 2009 to discuss the potential to file an NDS in 2010 for IMVAMUNE® as a safer smallpox vaccine under a Notice of Compliance with Conditions (NOC/C). Conclusions from the meeting have not yet been finalised,

Bavarian Nordic delivers a small quantity of IMVAMUNE® to Switzerland

Bavarian Nordic has delivered a small quantity of IMVAMUNE® to the Swiss authorities with the purpose of vaccinating key personnel, including lab workers and potentially also WHO inspectors. The authorities have issued a Special Use Authorization, which allows for IMVAMUNE® to be used although the vaccine is still in development. Switzerland has stockpiled the old replicating smallpox vaccine, but has requested IMVAMUNE® as a safer vaccine for key personnel.

Bavarian Nordic in negotiations with the US authorities for the further development of IMVAMUNE®

Bavarian Nordic is currently in late-stage negotiations with the US authorities for a new contract to develop a freeze-dried version of the IMVAMUNE® smallpox vaccine. This potential new project will have no influence on the ongoing RFP-3 contract for the procurement of 20 million doses of IMVAMUNE® and the licensure of the current liquid-frozen formulation, but represents an additional business opportunity of major strategic importance. The company expects that the prospective contract will constitute the gateway towards securing additional contracts with the US Government and outside the US as well.

A freeze-dried formulation of IMVAMUNE® offers various new advantages in terms of increased shelf-life and improved stability of the vaccine compared to the current liquid-frozen formulation. Additionally, this will improve the cold-chain shipping logistics and storage. These are all important criteria for governments around the world that prioritise their bio terror preparedness.

The new technology for freeze-drying the vaccine will also be applicable for other MVA-BN® based vaccines.

Ongoing studies

Bavarian Nordic has a number of ongoing clinical studies, all of which are funded under the ongoing RFP-2 contract with the US government. These include:

- A Phase II study of patients diagnosed with atopic dermatitis (AD)
- A Phase II study to demonstrate the effect of IMVAMUNE® when administered as a booster dose
- A Phase I study in subjects between 56 and 80 years to generate data on safety and immunogenicity of IMVAMUNE® in an elderly population

Cancer

PROSTVAC™ - therapeutic prostate cancer vaccine candidate

Throughout the first nine months of 2009, further confirmatory data on PROSTVAC™ were presented at several international cancer congresses. In February, data indicating that PROSTVAC™ can be used in earlier disease settings and thus in a larger patient population were presented at the 2009 Genitourinary Cancers Symposium. In May, headline data from the Phase II study with PROSTVAC™ were confirmed at the ASCO Annual Meeting and in September, the company participated in the ECCO 15 - 34th ESMO Congress in Berlin, where data indicating the potential for a broader therapeutic use of PROSTVAC™ in metastatic prostate cancer were presented. Also in September, the company attended the 16th Annual Prostate Cancer Foundation Scientific Retreat at Lake Tahoe, Nevada, where a PROSTVAC™ poster was presented.

Furthermore, PROSTVAC™ abstracts and reviews have been accepted for publication in a number of scientific journals. In July 2009, a review on PROSTVAC™ from key investigators from the National Cancer Institute (NCI) was published in the publication "Expert Opinion on Investigational Drugs", Volume 18, Issue 7 2009. This is the most comprehensive and updated review on PROSTVAC™ so far.

The strong data reported further supports Bavarian Nordics decision to initiate Phase III trials with the vaccine. The company expects that an end of phase II meeting with the FDA will take place during January 2010, leading to the expected initiation of Phase III trials in late 2010. Meanwhile, the transfer and validation of the PROSTVAC™ production process to Bavarian Nordic's manufacturing facility in Berlin is proceeding as planned.

The company is in continued discussions with potential partners on the Phase III development and commercialisation of PROSTVAC™. However, Bavarian Nordic is considering initiating Phase III trials independently.

Ongoing PROSTVAC™ studies

There are a number of ongoing clinical studies with PROSTVAC™ in both early and late stage prostate cancer, all of which are funded and conducted by NCI under the ongoing collaboration with Bavarian Nordic.

Ongoing studies with active patient enrolling:

- Phase II study comparing the radioactive drug, samarium with or without PROSTVAC™ therapy in men with metastatic prostate cancer
- Phase II study comparing antihormone therapy (flutamide) with or without PROSTVAC™ therapy in men with non-metastatic prostate cancer

Ongoing studies with enrolment completed:

- Phase II study investigating PROSTVAC™ in men with PSA progress after local therapy (surgery and/or radiation)
- Phase I dose-escalation, combination study with PROSTVAC™ and MDX-010 (CTL4-antibody) in men with metastatic prostate cancer
- Phase I study investigating PROSTVAC™ by intraprostatic injection in patients with progressive or locally recurrent prostate cancer

MVA-BN@-HER2 - breast cancer

A new, single-site Phase I/II study in the US will be initiated by the turn of the year 2009/2010 and evaluate 24 patients in both metastatic breast cancer as well as in an adjuvant therapy of breast cancer setting.

Infectious diseases

MVA-BN® HIV *multiantigen*

Bavarian Nordic has completed the analysis of the Phase I/II studies with MVA-BN® HIV *multiantigen*, a prophylactic and therapeutic HIV vaccine candidate expressing eight whole or truncated antigens from HIV. The final safety and immunogenicity data confirms the preliminary data that were previously reported, demonstrating that MVA-BN®-HIV *multiantigen* induces a broad T cell response in HIV infected subjects.

The safety and immunogenicity results from this Phase I/II study in 15 HIV infected individuals were presented at the international conference, *AIDS Vaccine 2009*, in Paris. The vaccine was well tolerated and no serious adverse events were recorded, following the three vaccinations with MVA-BN® HIV *multiantigen*, confirming the favourable safety profile of MVA-BN®-based vaccines in this immune compromised population. Following the vaccination course with MVA-BN® HIV *multiantigen*; the majority (87%) of the HIV infected subjects generated a T cell response to HIV. This cell mediated response was demonstrated to be broad as 67% of the subjects had responses to at least two HIV antigens, while approximately 50% had generated response to at least three HIV antigens. This study confirms the proof of concept studies performed with MVA HIV *nef*, as an MVA based HIV vaccine has again shown to be well tolerated and able to induce a broad T cell response to multiple HIV proteins in HIV infected subjects.

The high number of responders to the vaccine is encouraging and warrant further studies. Thus, in line with its strategy, Bavarian Nordic is now looking for a partner in order to secure the continued development of MVA-BN® HIV *multiantigen* in a full Phase II.

MVA-BN® Measles

The first paediatric clinical trial evaluating the safety and immunogenicity of MVA-BN® Measles was initiated as planned in the second quarter of 2009. Ninety children between the ages on 6 months to 6 years will be vaccinated in this Phase I study. The first children have been vaccinated, without any reported safety concerns and enrolment is on track to be completed during this year.

Tropical diseases

The two preclinical projects in tropical diseases; dengue fever and Japanese encephalitis are currently not in development. In line with the strategy, no resources will be spent on these projects. However, the further development may be reassumed with a potential external partner, but currently no discussions are ongoing.

Legal matters

Bavarian Nordic rejects claim from Helmholtz Zentrum München

In August, Bavarian Nordic was notified by the ICC International Court of Arbitration that a request for arbitration has been received from Helmholtz Zentrum München, Deutsches Forschungszentrum für Gesundheit und Umwelt GmbH (formerly also known as GSF).

The arbitration request is based on two old agreements with Bavarian Nordic from 1994 and 1997 regarding a collaboration on certain recombinant vaccines, which was formally terminated in 2001. The agreements do not encompass the MVA-BN® patents but provide Bavarian Nordic with exclusive royalty bearing license to specific patents on recombinant vaccines and include clauses dealing with transfer of know how pertaining thereto. Nevertheless, Helmholtz Zentrum München now in 2009 claims rights to royalties on Bavarian Nordic's MVA-BN® based vaccines, including IMVAMUNE®.

Bavarian Nordic views this claim based on the old agreements as being baseless and without merit.

Patent infringement suit against Oxford BioMedica

The patent infringement suit filed by Bavarian Nordic against Oxford BioMedica in the United States in 2008 continues. Instead of denying infringement, Oxford Biomedica had made a second attempt to dismiss the suit arguing that it was premature because TroVax® was still evaluated in clinical trials. However, in May 2009, the court ruled against Oxford Biomedica and the case will thus continue, based on the substance of the patents. Oxford BioMedica made yet another unsuccessful attempt to get the case dismissed that was struck down by the court in June 2009. Discovery is ongoing and a jury trial is scheduled to commence on December 7, 2010.

Bavarian Nordic owns several United States patents relating to an attenuated strain of the company's core technology, MVA-BN®, which is the basis for its smallpox vaccine, IMVAMUNE®. MVA-BN® also holds promise as a vector for delivering recombinant vaccines. Bavarian Nordic has asserted four US patents as a basis for its infringement action. The claim in this case is that Oxford BioMedica has infringed Bavarian Nordic's patents by commercializing the patented technology in ways that have yielded large payments from Sanofi-Aventis under the agreement between them for the development and commercialization of TroVax®.

Financial statement for the period (1 January - 30 September 2009, un-audited)

The comparison figures for the same period 2008 are stated in parenthesis.

The revenue totalled DKK 20 million (DKK 22 million) in the third quarter. Year to date revenue is DKK 53 million (DKK 45 million). The revenue derives primarily from sale under the RFP-2 contract with the U.S. health authorities.

Production costs totalled DKK 29 million (DKK 62 million) in the third quarter. Year to date the production costs are DKK 126 million (DKK 101 million). The production costs are higher due to higher batch production at the Kvistgaard facility.

The Group's research and development costs totalled DKK 39 million (DKK 26 million) in the third quarter. Year to date research and development costs are DKK 114 million (DKK 98 million). The increase in research and development costs is primarily due to increased activities in the cancer business area and costs related to expansion of the QA department. Furthermore, development costs from the RFP-3 contract totalled DKK 33 million, of which DKK 24 million are capitalised as intangible assets under construction.

Sales costs totalled DKK 4 million (DKK 6 million) in the third quarter. Year to date the sales costs are DKK 14 million (DKK 16 million).

Administrative costs totalled DKK 22 million (DKK 18 million) in the third quarter. Year to date the administration costs are DKK 69 million (DKK 54 million). The increase is partly due to the implementation of new IT systems, partly to personnel costs connected to an increase in the number of employees and partly to legal fees.

Income before tax is a deficit of DKK 74 million (deficit of DKK 76 million) in the third period. Year to date income before tax is a deficit of DKK 261 million (deficit of DKK 195 million).

Net result in the third quarter is a deficit of DKK 63 million (deficit DKK 60 million). Year to date the result is a deficit of DKK 212 million (deficit of DKK 155 million).

The IMVAMUNE® inventory totalled DKK 156 million (DKK 36 million). The company expects that already produced IMVAMUNE® will be delivered to existing and future customers, including its main customer; the US government, upon the acceptance from the FDA.

As of 30 September 2009 the Group's net free liquidity was DKK 304 million (DKK 782 million). Cash flow from operations is negative with DKK -416 million (DKK -66 million). Cash flow from investment activities is DKK 1 million (DKK -55 million) and cash flow from financing activities is DKK -11 million (DKK -11 million). The net change in cash and cash equivalents is negative with DKK -428 million (DKK -133 million).

The Group's equity as of 30 September 2009 was DKK 793 million (DKK 1,027 million). The decrease flows from retained earnings.

Financial expectations

As the company is awaiting the exact timing of the FDA review and final acceptance, the timing of the actual initiation of delivery is at present uncertain. In order to reflect this, the expectations for the financial result for the full year 2009 are at present indicated as a range.

Depending on the timing for initiation of delivery, the revenue is expected to be in the range of DKK 100-300 million, based on a maximum delivery of 1.5 million doses. The difference of approx. DKK 200 million contain the postponed delivery of doses to the US government under the RFP-3 contract, a pro rata revenue recognition of the up front payment of USD 50 million received in 2007 currently booked in the balance sheet as pre-payment from customer and reimbursable costs related to the first delivery.

The result before tax is expected to be a loss between DKK 275-325 million. The difference of approx. DKK 50 million contain the Cost of Goods Sold related to the postponed delivery partly reduced by some of the write downs on inventory made in 2008. A prerequisite for maintaining the high end of the guidance is that the company will receive delivery allowance from the US authorities no later than beginning of December 2009.

The net free liquidity at year-end is expected to be approximately DKK 175 million as a potential delivery to the US Government by late 2009 will not have a cash effect in 2009. In order for Bavarian Nordic to gain the independence to execute its short and long term activities within biodefence and cancer, the company is exploring available options for securing an optimum financial position.

Statement from the Board of Directors and Corporate Management

The Board of Directors and Corporate Management have, today reviewed and approved Bavarian Nordic A/S' interim report for the period 1 January to 30 September 2009.

The interim report has been prepared in accordance with IAS 34 "Presentation of interim reports" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies, including those of NASDAQ OMX Copenhagen. The interim report has not been audited or reviewed by the Company's auditors.

In our opinion, the interim report gives a true and fair view of the group's assets and liabilities and financial position as of 30 September 2009 and the results of the group's activities and cash flows for the period 1 January to 30 September 2009.

In our opinion, the management's review provides a true and fair description of the development in the group's activities and financial affair, the results for the period and the group's financial position as a whole as well as a description of the most important risks and uncertainty factors faced by the group.

Kvistgård, 11 November 2009

Corporate Management:

Anders Hedegaard
President and CEO

Board of Directors:

Asger Aamund
Chairman of the Board

Claus Bræstrup

Erling Johansen

Gerard van Odijk

Flemming Pedersen

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 pipeline is focused in the three areas; biodefence, cancer and infectious diseases, and includes seven development programmes. Two programmes are ready for Phase III: IMVAMUNE®, a third-generation smallpox vaccine is being developed under a contract with the US government, and PROSTVAC™, a therapeutic vaccine for advanced prostate cancer is being developed under a collaboration agreement with the National Cancer Institute.

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

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

Group Key Figures

(Amounts in DKK million)	1/7-30/9 2009	1/7-30/9 2008	1/1-30/9 2009	1/1-30/9 2008	1/1 - 31/12 2008
Income statements					
Revenue	20.3	22.0	53.2	45.0	208.8
Production costs	29.2	62.2	125.6	101.2	196.7
Research and Development costs	39.2	26.2	114.3	97.7	129.6
Sales costs	4.4	5.7	13.6	15.6	22.5
Administrative costs	21.6	17.6	69.2	54.4	69.5
Income before interest and taxes	(74.2)	(89.7)	(269.6)	(223.9)	(209.5)
Net financial income	0.7	13.3	8.3	28.8	26.2
Income before company tax	(73.5)	(76.4)	(261.3)	(195.1)	(183.3)
Result for the period	(63.0)	(59.5)	(212.1)	(155.2)	(150.4)
Balance sheet					
Total non-current assets			680.7	582.9	594.2
Total current assets			638.5	1,067.0	1,100.0
Total assets			1,319.2	1,649.9	1,694.3
Shareholders equity			793.2	1,026.8	1,015.1
Non current liabilities			91.3	102.3	52.7
Current liabilities			434.6	520.8	626.4
Cash flow statements					
Net cash including bonds			303.5	781.5	795.9
Cash flow from operating activities			(460.4)	(66.1)	(22.4)
Cash flow from investment activities			43.4	(55.4)	(81.5)
Investment in tangible assets			(15.9)	(18.9)	(12.0)
Cash flow from financing activities			(11.4)	(11.2)	(15.1)
Financial Ratios (DKK) ¹⁾					
Earnings per share ²⁾			(7.9)	(19.5)	(18.7)
PE, price/earnings ratio			101.5	130.8	129.4
Share price/Net assets value per share			2.3	1.0	1.0
Shareholders equity share			60%	62%	60%
Share price at end of the period			233	137	132
Numbers of outstanding shares at the end of the period, thousands			7,816	7,816	7,816
Number of employees, at the end of the period			351	285	294

¹⁾ Earnings per share has been calculated in accordance with IAS 33 "Earnings per share"
Other key ratios have been calculated in accordance with "Anbefalinger og Nøgletal 2005" from Finansanalytikerforeningen.

²⁾ The figures for previous accounting periods are adjusted in accordance with IAS 33

*) The interim report is un-audited

Notes

(stated on last page):

1. Accounting policies
2. Significant accounting estimates and judgements
3. Intangible assets under construction
4. Inventories
5. Other receivables
6. Other debt

Income Statement

(Amounts in DKK million)	1/7-30/9 2009	1/7-30/9 2008	1/1-30/9 2009	1/1-30/9 2008	1/1 - 31/12 2008
Revenue	20.3	22.0	53.2	45.0	208.8
Production costs	29.2	62.2	125.6	101.2	196.7
Gross profit	(9.0)	(40.2)	(72.4)	(56.2)	12.1
Research and Development costs	39.2	26.2	114.3	97.7	129.6
Sales costs	4.4	5.7	13.6	15.6	22.5
Administrative costs	21.6	17.6	69.2	54.4	69.5
Total operating costs	65.2	49.5	197.1	167.7	221.7
Income before interest and tax	(74.2)	(89.7)	(269.6)	(223.9)	(209.5)
Financial income	6.8	23.2	25.0	47.2	40.1
Financial expenses	(6.1)	(9.9)	(16.7)	(18.4)	(13.8)
Income before company tax	(73.5)	(76.4)	(261.3)	(195.1)	(183.3)
Tax on income for the period	10.5	16.9	49.2	39.9	32.9
Net profit for the period	(63.0)	(59.5)	(212.1)	(155.2)	(150.4)
Distribution of result					
Parent Company's part of the result	(61.5)	(58.4)	(207.8)	(152.2)	(146.1)
Minority Interest	(1.4)	(1.1)	(4.3)	(3.0)	(4.3)
	(63.0)	(59.5)	(212.1)	(155.2)	(150.4)
Earnings per share (EPS) - DKK					
- basic earnings per share of DKK 10 ¹⁾	(7.9)	(7.5)	(26.6)	(19.5)	(18.7)
- diluted earnings, per share of DKK 10 ¹⁾	(7.9)	(7.5)	(26.6)	(19.5)	(18.7)

¹⁾ The figures for previous accounting periods are adjusted in accordance with IAS 33.

Statement of comprehensive income

(Amounts in DKK million)	1/7-30/9 2009	1/7-30/9 2008	1/1-30/9 2009	1/1-30/9 2008	1/1-31/12 2008
Net profit for the period	(63.0)	(59.5)	(212.1)	(155.2)	(150.4)
Exchange rate adjustments	0.5	3.7	2.1	3.6	4.7
Adjustment financial instruments as of January 1st	-	-	-	-	(22.9)
Fair value of financial investments	8.0	(89.5)	(23.7)	(48.7)	(60.2)
Fair value adjustment transferred from equity concerning financial instruments entered into to hedge revenues	-	-	-	-	6.7
Tax effect on total income	(2.0)	20.6	5.9	4.5	13.4
Other comprehensive income of tax	6.5	(65.2)	(15.7)	(40.6)	(58.3)
Total comprehensive income	(56.5)	(124.7)	(227.8)	(195.8)	(208.7)
Distribution of comprehensive result					
Parent Company's part of the result	(55.1)	(124.1)	(223.6)	(193.1)	(205.0)
Minority Interest	(1.4)	(0.6)	(4.1)	(2.7)	(3.6)
	(56.5)	(124.7)	(227.8)	(195.8)	(208.7)

Statement of financial position

(Amounts in DKK million)	Note	30/9 2009	30/9 2008	31/12 2008
Assets				
Purchased rights		8.9	2.8	7.9
Software		16.0	1.3	0.3
Assets under construction	3	92.5	53.7	79.0
Intangible assets		117.5	57.8	87.2
Land and buildings		152.3	155.9	154.1
Leasehold improvements		2.3	1.5	1.2
Plant and machinery		150.6	179.2	172.4
Machinery, equipment and furniture		13.1	13.6	12.8
Assets under construction		28.0	15.5	7.8
Tangible assets		346.3	365.7	348.2
Other financial non-current assets		0.2	0.2	0.2
Deferred tax assets		216.7	159.2	158.6
Financial assets		216.9	159.4	158.8
Non-current assets		680.7	582.9	594.2
Inventories	4	183.4	63.0	62.2
Trade receivables		23.2	13.1	19.1
Other receivables	5	51.4	177.4	171.0
Pre-payments and accrued income		77.1	32.0	51.8
Receivables		151.7	222.5	241.9
Securities		161.8	225.4	226.2
Cash and cash equivalents		141.7	556.1	569.8
Current assets		638.5	1,067.0	1,100.0
Assets		1,319.2	1,649.9	1,694.3
Equity and liabilities				
Share capital		78.2	78.2	78.2
Retained earnings		680.3	891.9	899.5
Other reserves		35.2	51.9	33.8
Equity, parent company		793.7	1,022.0	1,011.4
Equity, minority interest		(0.4)	4.8	3.7
Equity		793.2	1,026.8	1,015.1
Other provisions		-	-	-
Credit institutions		91.3	102.3	52.7
Non-current liabilities		91.3	102.3	52.7
Other provisions		-	0.1	-
Credit institutions		32.1	35.9	82.1
Prepayment from customer		276.6	276.6	276.6
Accounts payable		33.0	23.1	63.8
Company tax		1.6	1.8	0.1
Other debts	6	91.3	183.3	203.8
Current liabilities		434.6	520.8	626.4
Liabilities		525.9	623.1	679.1
Total liabilities and shareholders' equity		1,319.2	1,649.9	1,694.3

Statement of cash flow

(DKK million)	30/9 2009	30/9 2008	31/12 2008
Income before interest and tax	(269.6)	(223.9)	(209.5)
Depreciations, amortisation and write-down	37.1	35.4	48.3
Share-based payment	5.9	4.9	6.1
Changes in inventories	(121.2)	(51.4)	(50.6)
Changes in receivables	(36.5)	21.7	89.4
Changes in provisions	-	(0.6)	(0.7)
Changes in current liabilities	(24.0)	120.9	68.1
Cash flow from operating activities	(408.3)	(93.0)	(48.8)
Financial income	24.0	47.2	39.3
Financial expenses	(31.6)	(18.4)	(12.0)
Paid taxes during the year	(0.2)	(1.9)	(1.0)
Cash flow from operations	(416.0)	(66.1)	(22.4)
Investments in intangible assets	(49.2)	(36.0)	(68.1)
Investments in tangible assets	(15.9)	(18.9)	(12.0)
Investments in financial assets	-	0.1	-
Investments in securities	64.4	(0.6)	(1.4)
Cash flow to investment activities	0.7	(55.4)	(81.5)
Payment on mortgage debt	(1.1)	(1.1)	(1.4)
Payment on leasing liabilities	(10.3)	(10.1)	(13.7)
Cash flow from financing activities	(11.4)	(11.2)	(15.1)
Net changes in cash and cash equivalents	(428.1)	(132.7)	(119.0)
Cash and cash equivalents, 1 January	569.8	688.8	688.8
Cash and cash equivalents, end of period	141.7	556.1	569.8
Securities - highly liquid bonds	161.8	225.4	226.2
Trusted/pledged funds	-	-	-
Credit lines	20.0	20.0	20.0
Cash preparedness	323.5	801.5	815.9

Statement of changes in equity - Group

(Amounts in DKK million)	Share capital	Retained earnings	Reserves for adjustment	Reserves for fair value of financial instruments	Share-based payment	Equity Parent Company	Equity Minority	Equity Group
Shareholders equity as of 1 January 2009	78.2	888.1	2.8	31.0	11.3	1,011.4	3.7	1,015.1
Share-based payment	-	-	-	-	5.9	5.9	-	5.9
Transfer to minority interest	-	-	-	-	-	-	-	-
Total comprehensive income	-	(207.8)	1.9	(17.8)	-	(223.6)	(4.1)	(227.8)
Shareholders equity as of 30 September 2009	78.2	680.3	4.7	13.3	17.2	793.7	(0.4)	793.2

(DKK million)	Share capital	Retained earnings	Reserves for adjustment	Reserves for fair value of financial instruments	Share-based payment	Equity Parent Company	Equity Minority	Equity Group
Shareholders equity as of 1 January 2008	78.2	1,040.8	(1.3)	94.1	5.2	1,217.0	0.7	1,217.7
Share-based payment	-	-	-	-	4.7	4.7	0.2	4.9
Transfer to minority interest	-	(6.6)	-	-	-	(6.6)	6.6	-
Total comprehensive income	-	(152.2)	3.3	(44.2)	-	(193.1)	(2.7)	(195.8)
Shareholders equity as of 30 September 2008	78.2	882.0	2.0	49.9	9.9	1,022.0	4.8	1,026.8

Notes

1. Accounting policies

The interim report is prepared in accordance with IAS 34, Presentation of interim reports, and the additional Danish requirements for submission of interim reports for companies listed on NASDAQ OMX Copenhagen.

The interim report is presented in Danish Kroner (DKK), which is considered the prime currency of the Group's activities and the functional currency of the parent company.

Except for the below mentioned, the accounting policies used in the interim report are consistent with those used in the Annual Report 2008 and in accordance with the recognition and measurement policies in the International Financial Reporting Standards (IFRS/IAS) as adopted by the EU and additional Danish disclosure requirements for interim listed companies. We refer to annual report 2008 for further description the accounting policies.

The revised IAS 1, *Presentation of Financial Statements*, has resulted in a changed presentation of the primary financial statements, as a new statement of comprehensive income has been incorporated and the statement of changes in equity has consequently been adjusted.

The new IFRS 8, *Operating Segments*, requires that reportable segments must be identified on the basis of internal reporting which is regularly reviewed by the chief operating decision maker in the group in order to allocate resources to the segments and to assess its performance.

At present, the implementation has not resulted in a change in the identification of the group's reportable segments.

New and changed standards and interpretations which have been introduced with effect as from financial year 2009 have no material impact in the accounting policies regarding recognition and measurement.

2. Significant accounting estimates and judgements

In the preparation of the interim report according to generally accepted accounting principles, Management is required to make certain estimates as many financial statement items cannot be reliably measured, but must be estimated. Such estimates comprise judgements made on the basis of the most recent information available at the reporting date. It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or due to supplementary information, additional experience or subsequent events.

Similarly, the value of assets and liabilities often depends on future events that are somewhat uncertain. In that connection, it is necessary to set out e.g. a course of events that reflects Management's assessment of the most probable course of events.

Further to significant accounting estimates and judgements which are stated in Annual Report 2008, the Management has not performed significant estimates and judgements regarding recognition and measurement.

3. Intangible assets under construction

Intangible assets under construction include development costs related to the registration of IMVAMUNE® under the RFP-3 contract (own development).

Investment in new ERP system is completed and classified as Software in the balance sheet.

Amounts in DKK million	30/9 2009	30/9 2008	31/12 2008
4. Inventories			
Raw materials and supply materials	28.6	12.3	17.2
Work in progress	227.3	35.5	87.7
Write-down on inventory	(72.6)	-	(42.7)
Raw materials and supply materials	183.4	47.8	62.2
Write-down on inventory recognised under production costs	(29.9)	-	(42.7)
5. Other receivables			
Financial instruments to fair value	21.4	150.0	147.4
Other receivables	29.9	27.5	23.7
Total	51.4	177.5	171.0
6. Other debts			
Financial instruments to fair value	-	-	117.8
Other payables	91.3	68.0	86.0
Total	91.3	68.0	203.8