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NOVAVAX Announces Selection of a Respiratory Syncytial Virus Vaccine Candidate for Advanced Preclinical Studies

Company discovers an efficient process to produce RSV-F particle-based vaccine at commercial yields

Rockville, MD (July 22, 2009) –Novavax, Inc. (NASDAQ:NVAX) announced today final selection of a Respiratory Syncytial Virus (RSV) vaccine candidate that will be advanced into additional preclinical studies to support an Investigational New Drug (IND) application. As previously announced, Novavax has been evaluating a number of RSV vaccine candidates, all of which have successfully induced antibody responses in mice. Novavax scientists have now engineered a new vaccine candidate which has been shown to protect mice against RSV disease and can be produced at sufficient yields to allow commercial manufacture. This new candidate is directed against a protein on the surface of the virus, the “F” or “fusion” protein, which is the protein that the virus uses to infect and fuse with cells in the respiratory tract and cause disease.

The new RSV-F vaccine candidate consists of novel three-dimensional particles containing the F protein. The structure of the F protein in these particles is identical to the configuration in which it exists on the surface of the native virus. The particle nature of the vaccine holds the promise for inducing a broad set of immune responses including antibody and cell mediated immune responses to prevent infection of the respiratory tract and attack respiratory cells that may already be infected with RSV.

The first preclinical study of this new vaccine candidate in mice showed that it induced production of antibodies that neutralized live RSV. In addition, the vaccine protected mice against replication of RSV in the lungs. The study included groups of mice that received two injections of RSV-F vaccine at doses of 1, 10, or 30 micrograms with and without adjuvant. The study showed that the RSV-F vaccine induced neutralizing antibody responses at all doses evaluated. The highest titers were observed with vaccine formulations that contained an aluminum-based adjuvant. Following vaccination, mice were exposed to live RSV through the nose. Even without adjuvant, the lowest dose (1.0 mcg) of RSV-F vaccine prevented RSV infection in the lungs of these mice. However, protection from RSV infection was not observed in unvaccinated mice. Based on these favorable pre-clinical data obtained with this RSV-F vaccine candidate and the ability to produce it at commercial yields, the Company has selected it for advanced preclinical development.

Today, the only therapy against RSV disease is a monoclonal F antibody. The antibody reduces RSV-related hospitalizations in infants and young children at high risk of severe disease. However, several injections are required and the lifespan of the antibody in the body has a limited duration. Therefore, a vaccine that induces long lasting protection against RSV-F would be highly desired by healthcare providers. There is currently no approved vaccine for the prevention of RSV and the market potential for such a vaccine could exceed \$1 billion annually.

Dr. Penny Heaton, Chief Medical Officer and Vice President of Development at Novavax, stated: “A vaccine against the RSV-F protein is an ideal candidate to progress into advanced preclinical testing. Studies of the monoclonal RSV-F antibody show it protects against hospitalizations for severe RSV disease, suggesting that a vaccine which induces neutralizing antibody against RSV-F has the potential to be a powerful weapon against this disease.”

ABOUT RESPIRATORY SYNCYTIAL VIRUS

RSV is the most commonly identified cause of lower respiratory tract illnesses in infants and young children. Repeated infections occur throughout life causing moderate to severe cold-like symptoms. More severe lower respiratory tract disease is also seen in elderly adults over age 65 years similar to the severe illness witnessed in children. It is estimated that RSV infects more than 8.5 million adults annually, including the elderly over age 65 years. This virus is responsible for approximately 900,000 hospitalizations annually in the United States and major European countries. In the United States alone, RSV leads to 177,500 hospitalizations in high risk adults resulting in annual medical costs exceeding \$1 billion.

ABOUT NOVAVAX

Novavax, Inc. (Nasdaq: NVAX) is a clinical-stage biotechnology company creating novel vaccines, including H1N1, to address a broad range of infectious diseases worldwide using advanced proprietary virus-like-particle (VLP) technology. The company produces these VLP-based, potent, recombinant vaccines utilizing new and efficient manufacturing approaches. Additional information about Novavax is available at www.novavax.com and in the company’s various filings with the Securities and Exchange Commission.

Forward Looking Statement

Statements herein relating to future development results and performance, conditions or strategies and other matters, including expectations regarding product and clinical developments, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Novavax cautions that these forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Factors that may cause actual results to differ materially from the results discussed in the forward-looking statements or historical experience include risks relating to the early stage of Novavax’s product candidates under development; current results may not be predictive of future results; further testing is required before an IND may be filed with the FDA and human clinical trials can begin; uncertainties relating to clinical trials; results in human clinical trials may not be consistent with animal study results; dependence on the efforts of third parties; competition for clinical resources and patient enrollment from drug candidates in development by other companies with greater resources and visibility; and risks that we may lack the financial resources and access to capital to fund our operations including further preclinical work and clinical trials. Further information on the factors and risks that could affect Novavax’s business, financial conditions and results of operations, is contained in Novavax’s filings with the U.S. Securities and Exchange Commission, which are available at <http://www.sec.gov>. These forward-looking statements speak only as of the date of this press release, and Novavax assumes no duty to update forward-looking statements.

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