



Contacts: Frank Cano, Ph.D. (Investors)
Vaxin Chairman and CEO
650 949-1750
cano@vaxin.com

Debra Bannister (Media)
530 676-8001

debban@pacbell.net

Revolutionary Flu Vaccine in Development by Vaxin Inc.

– Vaxin Technology Utilizes Cell Culture for Manufacturing –

Birmingham, AL – October 11, 2004 – In the midst of mounting concerns about shortages of flu vaccine supplies and worries about the deadly avian flu virus and its potential to cause a pandemic, Vaxin Inc., a privately-held biotechnology company in Birmingham, Alabama, is quietly developing a revolutionary new flu vaccine. The Vaxin influenza vaccine differs from traditional flu vaccines in two important ways: its method of manufacture and its method of delivery; both of which convey potentially significant advantages over traditional flu vaccines.

The Vaxin influenza vaccine, which has been tested in both proof-of-principle animal studies and a Phase I human clinical trial, employs a recombinant adenovirus to deliver an influenza antigen to the nose, where it stimulates a protective immune response. Vaccine delivery to the nose may stimulate multiple arms of the immune system, offering protection at least as good as traditional flu vaccines. And because the virus is inactivated, it does not have some of the issues associated with live-virus vaccines.

The manufacturing method being used by Vaxin for its influenza vaccine has several important advantages. Currently, all flu vaccines are produced in chicken eggs. Vaxin, however, produces its vaccine in cell culture. Among the many benefits to this manufacturing process is that the product availability is not dependent on the long lead times required to secure chicken eggs every year, which may be important especially in the event of a pandemic. In addition, the use of cell culture manufacturing eliminates the possibility of contamination with the avian flu virus, a risk inherent in egg-based production. Furthermore, the Vaxin process provides higher yields, greater quantities in a faster timeframe, and more reliable manufacturing than the egg-based process. Also, the Vaxin manufacturing process is not dependent on how well (if at all) a particular strain grows in eggs. Finally, because the Vaxin process does not need to be adapted to grow in eggs to achieve higher yields, the Vaxin vaccine is “truer” to the strains picked by the regulatory agencies.

"We will be conducting additional Phase I and Phase II clinical trials in 2005 and 2006 for our nasal delivery influenza vaccine," stated Frank Cano, Ph.D., Chairman and Chief Executive Officer of Vaxin Inc. "Although the Vaxin influenza vaccine is several years from commercialization, we are pioneering a new technology that in the future could solve many of the problems associated with today's traditional flu vaccines."

According to a report in the Wall Street Journal, the U.S. government in August called for urgent steps to speed up the development, production and deployment of influenza vaccine. The plan calls for improved surveillance to identify the strain, quicker production of high-growth viruses to make

vaccine, developing cell culture-based technologies as alternatives to current egg-based production technologies, and expansion of production capacity, among other steps. The flu vaccine being developed by Vaxin addresses three of the major steps that were detailed in the government report: quicker production, cell culture-based production technologies, and capacity, thanks to high-yield manufacturing in cell culture.

About Vaxin

Vaxin Inc. is an emerging biotechnology company developing vaccines and other biological products utilizing its proprietary technology for non-invasive delivery to the nasal passages and skin. The company's products use non-replicating recombinant adenovirus or inactivated bacterial vectors to deliver vaccine antigens where they stimulate a protective immune response. This method has been tested in proof-of-principle animal studies as well as a Phase I human clinical trial. Initial product development is targeted towards an improved influenza vaccine manufactured in cell culture, and vaccines for anthrax, RSV and tetanus/diphtheria. Earlier stage programs include therapeutic vaccines to address disease targets such as Alzheimer's and cancer. The company has raised more than \$15 million in venture capital and government grants.