Emergent BioSolutions Announces Update on Department of Defense Procurement Strategy For BioThrax(R) (Anthrax Vaccine Adsorbed)

November 8, 2007

ROCKVILLE, Md.--(BUSINESS WIRE)--Nov. 8, 2007--Emergent BioSolutions Inc. (NYSE:EBS) announced that it has been advised that the U.S. Department of Defense (DoD) intends to pursue a collaborative arrangement with the U.S. Department of Health and Human Services (HHS) to facilitate the use by DoD of stockpiled doses of BioThrax(R) (Anthrax Vaccine Adsorbed) to prevent future waste of government funding and resources and that DoD is therefore cancelling its previously announced request for proposal. DoD advised the company that these actions are in response to a recent Government Accountability Office report in which it was recommended that HHS and DoD develop a single integrated inventory system to improve efficiency. In taking this action, DoD also noted a recent Homeland Security Presidential Directive that requires DoD to develop protocols for sharing countermeasures and medical goods between the Strategic National Stockpile (SNS) and other federal stockpiles as well as its review of its current vaccine usage rate. This action by DoD has no impact on the company's current multi-year contract with HHS, which was signed in September.

"We understand the reasons for DoD and HHS to collaborate on an integrated stockpile management program. We also understand that DoD is continuing its active immunization program and thus believe DoD will have future requirements for vaccine supply," stated Fuad El-Hibri, chairman and chief executive officer of Emergent BioSolutions. "We intend to work with both DoD and HHS to better understand how DoD's requirements will be satisfied and the role we will play to address those needs."

Summary of Existing HHS Contract

On September 26, 2007 the company announced that it had signed a three-year contract with HHS, with a total value of up to $448 million. Components of the multi-year contract include:

(i) $400 million firm fixed-price for delivery of 18.75 million doses of BioThrax(R) for the SNS;

(ii) $34 million upon receipt of regulatory approval of 4-year expiry dating for BioThrax, payable through a combination of a lump-sum payment reflecting a price per dose increase for certain doses delivered prior to approval and an increase in the per dose price to be paid for doses delivered following approval;

(iii) up to $11.5 million in milestone payments in connection with the company's application for post-exposure prophylaxis (PEP) indication for BioThrax; and

(iv) $2.2 million for logistics services and other related support.

The company currently anticipates completing deliveries of approximately 6 million doses under the HHS contract by year-end 2007.

On November 5, 2007, the company announced that it completed a human clinical study in support of its application for the PEP indication for BioThrax and submitted the final study report for that trial to HHS, which triggered an $8.8 million payment obligation from HHS.

About BioThrax(R) (Anthrax Vaccine Adsorbed)

BioThrax is the only FDA-approved vaccine for the prevention of anthrax infection. It is approved by the FDA as a pre-exposure prophylaxis for use in adults who are at high risk of exposure to anthrax spores. BioThrax is manufactured from a culture filtrate, made from a non-virulent strain of Bacillus anthracis and contains no dead or live bacteria. BioThrax is administered by subcutaneous injection in three initial doses followed by three additional doses, with an annual booster dose recommended thereafter. Since 1998, over 22 million doses of BioThrax have been procured by the U.S. government.

About Emergent BioSolutions Inc.

Emergent BioSolutions Inc. is a biopharmaceutical company dedicated to one simple mission--to protect life. We develop, manufacture and commercialize immunobiotics, consisting of vaccines and therapeutics that assist the body's immune system to prevent or treat disease. Our biodefense business focuses on immunobiotics for use against biological agents that are potential weapons of bioterrorism and biowarfare. Our marketed product, BioThrax(R) (Anthrax Vaccine Adsorbed), is the only vaccine approved by the U.S. Food and Drug Administration for the prevention of anthrax infection. Our commercial business focuses on immunobiotics for use against infectious diseases and other medical conditions that have resulted in significant unmet or underserved public health needs. More information on the company is available at www.emergentbiosolutions.com.

Safe Harbor Statement

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements, other than statements of historical fact, including statements regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management, including our performance under our contract with HHS and future payments from HHS to us under the contract, DoD's vaccine usage rates, potential future arrangement with HHS and DoD, and any other statements containing the words "believes", "expects", "anticipates", "plans", "estimates" and similar expressions, are forward-looking statements. There are a number of

important factors that could cause the company's actual results to differ materially from those indicated by such forward-looking statements, including our plans to expand our manufacturing facilities and capabilities; the rate and degree of market acceptance and clinical utility of our products; the timing of and our ability to obtain and maintain regulatory approvals for our product candidates; our commercialization, marketing and manufacturing capabilities and strategy; our intellectual property portfolio; our estimates regarding expenses, future revenue, capital requirements and needs for additional financing; and other factors identified in the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 and subsequent reports filed with the SEC. The company disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.

CONTACT: Emergent BioSolutions Inc.
Investors Contact:
Robert G. Burrows
Vice President, Investor Relations
301-795-1877
burrowsR@ebsi.com
or
Media Contact:
Tracey Schmitt
Director, Corporate Communications
301-795-1800
schmittT@ebsi.com

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