Emergent BioSolutions Awarded NIAID Contract That Increases Potential Funding to Over $58 Million for Advanced Development of Third Generation Anthrax Vaccine

September 1, 2010

- **New Contract Valued at up to $28.7 Million for Phase II Clinical Trial**

ROCKVILLE, Md., Sep 01, 2010 (BUSINESS WIRE) --

Emergent BioSolutions Inc. (NYSE:EBS) announced today that it has signed a contract valued at up to $28.7 million with the National Institute of Allergy and Infectious Diseases (NIAID), an institute within the National Institutes of Health (NIH), for advanced development of the company's third generation anthrax vaccine candidate. The award of this contract increases to over $58 million the total potential development funding from NIAID for this product. This product candidate, one of two third generation vaccines being developed as part of Emergent's anthrax franchise, consists of BioThrax(R) (Anthrax Vaccine Adsorbed) in combination with a novel immunostimulatory compound, CPG 7909 (VaxImmune™).

"Emergent applauds the U.S. government's commitment to protecting the nation against biological threats by supporting critical development of advanced vaccine and therapeutic candidates," said Daniel J. Abdun-Nabi, president and chief operating officer of Emergent BioSolutions. "We believe our vaccine candidate addresses key criteria established by the government for a third generation anthrax vaccine. If successfully developed, we believe this product would strengthen the government's portfolio of biodefense medical countermeasures."

This four-year development contract consists of a two-year base, valued at $9.1 million, and milestone-based options that if exercised, would increase the total contract value to up to $28.7 million. The base contract will fund activities related to manufacturing and stability studies of Phase II clinical trial lots, process characterization and assay validation, and clinical trial preparation. The milestone-based options include continued stability testing of Phase II clinical trial lots and a clinical study to evaluate safety and immunogenicity of the product candidate. The Phase II clinical trial is anticipated to begin in the first quarter of 2012, with preliminary data expected to be available in the second half of 2012.

This new contract was awarded to expand the development efforts being conducted under a Biomedical Advanced Research and Development Authority (BARDA)/NIAID contract awarded in September 2008, which provides for funding of up to $29.7 million. Thus, with this new contract, the potential funding from the U.S. government for this third generation anthrax vaccine candidate increases to over $58 million.

About Emergent BioSolutions Inc.

Emergent BioSolutions Inc. is a biopharmaceutical company focused on the development, manufacture and commercialization of vaccines and antibody therapies that assist the body's immune system to prevent or treat disease. Emergent's 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. Emergent's product pipeline targets infectious diseases and includes programs focused on anthrax, tuberculosis, typhoid, flu and chlamydia. Additional information may be found 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 any potential future securities offering, our expected revenue growth and net earnings for 2010, 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 the success of our ongoing and planned preclinical studies and clinical trials; our plans to pursue label expansions and improvements for BioThrax(R); the rate and degree of market acceptance and clinical utility of our products; the success of our ongoing and planned development programs; the timing of and our ability to obtain and maintain regulatory approvals for our other product candidates; our commercialization, marketing and manufacturing capabilities and strategy; 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 June 30, 2010 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.

SOURCE: Emergent BioSolutions Inc.

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