



Emergent BioSolutions Initiates Lawsuit Against Protein Sciences and Its Senior Management Regarding Delayed Asset Acquisition

July 9, 2008

-- Suit alleges fraud by PSC management and contract breaches by PSC

-- Emergent seeks immediate repayment of \$10 million bridge loan secured by all of PSC's assets plus other relief

ROCKVILLE, Md.--(BUSINESS WIRE)--July 9, 2008--Emergent BioSolutions Inc. (NYSE:EBS) announced today that it has initiated a lawsuit against Protein Sciences Corporation (PSC) and its senior management in connection with a pending acquisition of PSC's assets. The complaint--filed in the Supreme Court of the State of New York--alleges, among other things, that PSC and its senior management engaged in fraudulent conduct during the proposed transaction and that PSC breached the terms of its agreements with Emergent. Emergent is presently evaluating whether additional legal filings or courses of action are appropriate.

In connection with the negotiation of the acquisition, PSC requested, and Emergent provided, a \$10 million senior secured line of credit to PSC to fund its continuing operations pending closing of the transaction. PSC has drawn down the full \$10 million, which is secured by all assets of PSC, including its intellectual property. Repayment has been accelerated as a result of PSC's material breaches of the loan agreement, and in the event that PSC is unable to repay the loan, Emergent may foreclose on all PSC assets securing the loan.

As previously announced, Emergent and PSC entered into a definitive agreement on May 26, 2008, pursuant to which Emergent agreed to acquire substantially all of PSC's assets in exchange for a combination of up to \$28 million of cash and Emergent's assumption of certain PSC liabilities (including forgiveness of Emergent's \$10 million secured loan), a \$20 million convertible note, up to \$30 million in FluBlok commercialization and net sales milestones, and a percentage of net sales of FluBlok. Emergent also agreed to retain PSC's employees and to continue operations at PSC's Meriden, Connecticut facility. The lawsuit alleges fraud and material breaches of the asset purchase agreement and seeks compensatory and punitive damages and injunctive and declaratory relief.

The proposed transaction was subject to PSC stockholder approval, and PSC called, but never held, a stockholders' meeting scheduled for June 23, 2008. Subsequent discussions between Emergent and PSC have not led to a satisfactory resolution.

"We regret that the course of conduct of PSC's senior management forced us to take this action, but, as a fully secured creditor, we need to protect our collateral and preserve our rights under the terms of the agreements we have with Protein Sciences," said Daniel J. Abdun-Nabi, Emergent's President and Chief Operating Officer. "We have not terminated any of our agreements with Protein Sciences, and we are willing to continue a dialogue with the non-management members of the Protein Sciences board to establish a path forward to complete this acquisition."

About Emergent BioSolutions Inc.

Emergent BioSolutions Inc. is a leading biopharmaceutical company dedicated to one simple mission--to protect life. We develop, manufacture and commercialize vaccines and therapeutics that assist the body's immune system to prevent or treat disease. Our products target infectious diseases and other medical conditions that have resulted in significant unmet or underserved public health needs. 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.

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 expected revenue growth and net earnings for 2008, 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 timing of, and our ability to continue to work with the non-management members of the PSC board of directors to complete an acquisition and other factors identified in the company's current report on Form 10-Q for the quarter ended March 31, 2008 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.

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SOURCE: Emergent BioSolutions Inc.