Emergent BioSolutions Signs Contract with BARDA/NIAID, Valued at Up to $29.7 Million, to Fund Development of AV7909 - A Next Generation Anthrax Vaccine

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--AV7909 Contract is in Addition to Recently Announced $24 Million Development Contract for Anthrax Monoclonal and Pending Proposal to Supply HHS with Up to 25 Million Doses of a Recombinant Anthrax Vaccine

ROCKVILLE, Md.--(BUSINESS WIRE)--Sept. 12, 2008--Emergent BioSolutions Inc. (NYSE:EBS) announced today that it has signed a contract with BARDA/NIAID, valued at up to $29.7 million, to fund the further development of AV7909, a next generation anthrax vaccine candidate within Emergent's portfolio of anthrax countermeasures. The three-year contract provides up to $24.9 million of funding for manufacturing of clinical lots, for non-clinical safety and efficacy studies, and for stability studies to further demonstrate that the vaccine candidate does not need refrigeration during storage, a key requirement of this vaccine development initiative. In addition, the contract provides up to $4.8 million for a Phase I clinical trial, to be funded as an option that, if exercised, would increase the value of the contract to $29.7 million.

This development contract will be jointly administered through the Office of the Biomedical Advanced Research and Development Authority (BARDA) of the Department of Health and Human Services (HHS) and the National Institute of Allergy and Infectious Diseases (NIAID), a component of the National Institutes of Health (NIH).

"We are very encouraged to have signed this development contract with BARDA/NIAID in support of AV7909, one of our next generation anthrax vaccine candidates," said Daniel J. Abdun-Nabi, president and chief operating officer of Emergent BioSolutions. "We look forward to continuing to work with the U.S. Government to advance all aspects of AV7909, as it pursues a multi-prong approach in responding to the ongoing threat of bioterrorism."

This contract is in addition to and separate from:

- The recently announced $24 million contract with HHS to fund continued development of an anthrax monoclonal antibody;
- The recently announced notification received from HHS that states the company's proposal to provide 25 million doses of a recombinant anthrax vaccine is technically acceptable and within the competitive range; and
- Ongoing discussions with HHS for the continued supply of BioThrax(R), the only vaccine licensed by the FDA for the prevention of anthrax, for the Strategic National Stockpile (SNS).

In addition to the further development of AV7909, Emergent's franchise of anthrax countermeasures includes:

- BioThrax(R) - the only vaccine licensed by the FDA to prevent anthrax. More than two million men and women of the U.S. military have received the vaccine, and HHS has procured more than 28 million doses of BioThrax for the SNS;
- rPA - a recombinant anthrax vaccine candidate, which is composed of a purified protein with an aluminum adjuvant and is designed to induce antibodies that neutralize anthrax toxins;
- AIG - a polyclonal anthrax immunoglobulin product candidate being developed as an intravenous post-exposure treatment for patients who present with symptoms of anthrax disease, AIG is derived from human plasma from individuals who have been vaccinated with BioThrax;
- AVP-21D9 - a fully human anthrax monoclonal antibody that appears to be a highly active therapeutic for anthrax based on laboratory and animal studies conducted to date. This could be due to its putative mechanism of action compared to other monoclonal candidates under development - binding to protective antigen and inhibiting heptamer (spore) formation, rather than inhibiting binding of toxin to its receptor.

About AV7909 next generation anthrax vaccine candidate

AV7909, one of the company's next generation anthrax vaccine candidates, is comprised of BioThrax(R) (Anthrax Vaccine Adsorbed) in combination with the immunostimulatory oligodeoxynucleotide compound CPG 7909 (VaxImmune(R)) licensed from Pfizer Inc. AV7909 was successfully tested in multiple pre-clinical studies and in a clinical trial. In the clinical study, the addition of CPG 7909 to BioThrax increased peak anti-protective antigen (PA) titers more than 6-fold, and reduced the time to reach the peak response from six weeks to three weeks as compared to BioThrax alone. Additionally, only two doses of AV7909 were required to elicit the same serum anti-PA IgG levels achieved by three doses of BioThrax(R). These results indicate that AV7909 is a promising next-generation anthrax vaccine candidate. Emergent's AV7909 development program has been funded in part with Federal funds from DARPA and NIAID Grant No. 1U01AI078169-01.

About Emergent BioSolutions Inc.

Emergent BioSolutions Inc. is a leading, fully integrated biopharmaceutical company dedicated to one simple mission--to protect life. Emergent develops, manufactures and commercializes immune-related vaccines and biotherapeutics that assist the body's immune system to prevent or treat infectious and other life threatening diseases. Emergent's marketed product, BioThrax(R) (Anthrax Vaccine Adsorbed), is the only vaccine licensed by

the U.S. Food and Drug Administration for the prevention of anthrax infection. Emergent's clinical pipeline includes franchises focused on anthrax and botulism, as well as individual program candidates targeting typhoid, tuberculosis, hepatitis B and chlamydia. 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 our ability to obtain sales contracts for BioThrax and our recombinant anthrax vaccine; our ability to obtain additional development funding for our product candidates; the rate and degree of market acceptance and clinical utility of our products; our ongoing and planned development programs, preclinical studies and clinical trials; 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 June 30, 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.

Source: Emergent BioSolutions Inc.