Emergent BioSolutions and the University of Oxford Form Joint Venture to Develop an Advanced Tuberculosis Vaccine with Funding from Wellcome Trust and Aeras Global TB Vaccine Foundation

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-- Wellcome Trust and Aeras Global TB Vaccine Foundation have agreed to provide GBP 8 million in funding for Phase IIb clinical trial that is expected to commence in 2009

-- The vaccine candidate, MVA85A, has been granted orphan drug designation by the European Medicines Agency (EMEA)

-- If successful, MVA85A would be the first new vaccine licensed to prevent tuberculosis in over 80 years

OXFORD, England & ROCKVILLE, Md.--(BUSINESS WIRE)--July 23, 2008--The University of Oxford and Emergent BioSolutions Inc. (NYSE:EBS) announced today that they have formed a joint venture, The Oxford-Emergent Tuberculosis Consortium Ltd. (the "Consortium"), to further develop MVA85A, the world's most clinically advanced vaccine candidate for the prevention of tuberculosis. The University of Oxford, through its technology transfer office, Isis Innovation Limited, has exclusively licensed the MVA85A tuberculosis vaccine candidate and related technology to the Consortium.

The Consortium will work with the Aeras Global TB Vaccine Foundation to evaluate the efficacy of MVA85A in infants in a Phase IIb clinical trial anticipated to begin in 2009. The trial will take place at a clinical trial site developed by Aeras and the University of Cape Town's South African Tuberculosis Vaccine Initiative (SATVI) in Worcester, South Africa. The Consortium has secured GBP 8 million (approximately $16 million) from The Wellcome Trust and the Aeras Global TB Vaccine Foundation to fund this Phase IIb trial. Under agreements with the Consortium, Emergent BioSolutions has the rights to commercialize the MVA85A vaccine. The Aeras Global TB Vaccine Foundation will have distribution rights in the developing world to ensure availability and access to the vaccine to those who need it.

The MVA85A vaccine candidate is designed to work in tandem with the Bacille Calmette Guerin vaccine (BCG), which is currently the only available vaccine against tuberculosis. BCG is administered to infants throughout the developing world and in certain countries in the developed world. However, BCG provides only variable protection against pulmonary tuberculosis and is not effective in adults.

The MVA85A vaccine candidate is intended to augment the response of T-cells already primed by the BCG vaccine. Clinical trials to date have demonstrated consistently high cellular immune responses in those who received the MVA85A vaccine candidate following vaccination with BCG. The MVA85A vaccine has been awarded orphan drug status by EMEA and is the most clinically advanced of a new generation of tuberculosis vaccine candidates.

The MVA85A vaccine was originally developed at the University of Oxford by Dr. Helen McShane, a Wellcome Trust Senior Clinical Research Fellow, working with Dr. Sarah Gilbert and Professor Adrian Hill, a Wellcome Trust Principal Research Fellow. Further funding has been provided by the European Community's fifth and sixth Framework Programmes and the Medical Research Council (MRC), a UK organization dedicated to promoting the balanced development of medical and related biological research in the UK.

"I am excited by the prospect of further development of this promising vaccine candidate," said Dr. McShane of the University's Jenner Institute. "Curbing tuberculosis is a pressing global health priority, and if achieved could save the lives of millions. We at Oxford have selected Emergent BioSolutions as our commercial partner given their vaccine development experience and dedication to bringing lifesaving vaccines to market."

Mauro Gibellini, senior vice president corporate development, Emergent BioSolutions, said, "This unique public-private partnership provides Emergent BioSolutions with an extraordinary opportunity to address a major public health crisis. We believe that by pooling our resources and expertise with such distinguished academic and charitable peers, this consortium is well-positioned to develop what would be a groundbreaking vaccine to prevent one of the world's most widespread diseases and tragic causes of death."

Dr. Ted Bianco, Director of Technology Transfer at the Wellcome Trust, said, "We have been losing the battle against tuberculosis for too long, as a result of poor diagnostics, protracted treatment regimes, antibiotic resistance and HIV-induced, immuno-suppression. Conquering this historic enemy has to be one of our highest public health priorities, and developing an effective vaccine is arguably the key to a defensive strategy that will ultimately turn the tide in this insidious war. It is first class science that has brought us this new hope, and it will be first-class partnering that takes us to the next stage. I applaud Dr. McShane and her colleagues for their tireless efforts."

"New tuberculosis vaccines are urgently needed. A vaccine that is effective in all ages against all forms of the disease could have an enormous global public health impact by arresting the continued expansion of this terrible epidemic," said Jerald C. Sadoff, MD, the President and CEO of the Aeras Global TB Vaccine Foundation. "Leading scientists at the University of Oxford have been working on a novel vaccine candidate for infants and adolescents. I am encouraged by the support given to Oxford's efforts by The Wellcome Trust and Emergent BioSolutions," Dr. Sadoff said. "Aeras is pursuing this vaccine and other promising candidates. We will support MVA85A in expanded Phase II efficacy trials and in the use of Aeras-sponsored Phase III field sites if MVA85A meets all of the established criteria for such trials."

About Tuberculosis

Tuberculosis, which is caused by the Mycobacterium tuberculosis bacterium, is the world's second leading cause of death from infectious disease in adults, after HIV/AIDS, according to the World Health Organization. Over one third of the world's population is infected with the disease, and an estimated 1.7 million people die of tuberculosis every year. One of ten people infected will develop the active form of the disease during their lifetime. Drug-resistant strains including multi-drug resistant TB and extensively drug-resistant TB are on the rise, raising concerns about the efficacy of the current BCG vaccine and leaving many patients without effective treatment. This year, the World Health Organization reported the highest rates of multi-drug resistant tuberculosis ever recorded.

The increased susceptibility to tuberculosis seen in people infected with HIV is having a devastating impact, particularly in sub-Saharan Africa. The

number of new cases of tuberculosis has more than doubled in countries with high HIV prevalence in the past 15 years. Tuberculosis is the most common cause of death in people living with HIV in Africa and a major cause of death elsewhere.

Tuberculosis is a global problem, infecting millions worldwide. In the United States, where there is currently no licensed vaccine, tuberculosis rates in the United States are declining. However, efforts to strengthen and intensify tuberculosis prevention, treatment and control are still urgently needed to address this global pandemic.

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. More information on the company is available at www.emergentbiosolutions.com.

About Oxford University's Medical Sciences Division

Oxford University's Medical Sciences Division is one of the largest biomedical research centers in Europe. It represents almost one-third of Oxford University's income and expenditure, and two-thirds of its external research income. Oxford's world-renowned global health program is a leader in the fight against infectious diseases (such as malaria, HIV/AIDS, tuberculosis and avian flu) and other prevalent diseases (such as cancer, stroke, heart disease and diabetes). Key to its success is a long-standing network of dedicated Wellcome Trust-funded research units in Asia (Thailand, Laos and Vietnam) and Kenya, and work at the MRC Unit in The Gambia. Long-term studies of patients around the world are supported by basic science at Oxford and have led to many exciting developments, including potential vaccines for tuberculosis, malaria and HIV, which are in clinical trials.

About the Wellcome Trust

The Wellcome Trust is the largest charity in the UK. It's mission is to fund innovative biomedical research, in the UK and internationally, spending around GBP 600 million each year to support the brightest scientists with the best ideas. The Wellcome Trust supports public debate about biomedical research and its impact on health and wellbeing. www.wellcome.ac.uk

About Aeras Global TB Vaccine Foundation

The Aeras Global TB Vaccine Foundation (http://www.aeras.org) is a non-profit organization working as a Product Development Partnership to develop new tuberculosis vaccines and ensure that they are distributed to all who need them around the world. Aeras collaborates with academia, industry, foundations and governments to develop new TB vaccine candidates and delivery systems, manufacture vaccines at low cost and establish intellectual property rights to assure their future availability and affordability. Aeras is funded by the Bill & Melinda Gates Foundation, the Netherlands Ministry of Foreign Affairs, the Danish International Development Agency, the Research Council of Norway and the U.S. Centers for Disease Control and Prevention. Aeras, with over 130 employees, is based in Rockville, Maryland, where it operates a state-of-the-art manufacturing and laboratory facility.

About SATVI

The South African Tuberculosis Vaccine Initiative is located in the Institute of Infectious Disease and Molecular Medicine at the University of Cape Town (UCT). Since 1999, with funding largely from the Aeras Global TB Vaccine Foundation, SATVI has developed the capacity to conduct registration standard vaccine trials at a site in Worcester, where rates of tuberculosis are amongst the highest in the world. SATVI has a state of the art immunology laboratory where it conducts cutting edge basic science research aimed at better understanding the human immune response to tuberculosis and to tuberculosis vaccines. SATVI has also conducted a number of very large field trials and epidemiological cohort studies, which are necessary to test the efficacy of new tuberculosis vaccines. http://www.satvi.uct.za

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 joint venture's ongoing and planned development programs; the clinical utility of MVA85A; the timing of, and the joint venture's plans and ability to obtain and maintain, regulatory approval for MVA85A; the joint venture's plans for future manufacture and sale of MVA85A; our plans to expand the joint venture's manufacturing facilities and capabilities; the rate and degree of market acceptance and clinical utility of the joint venture's products; our ability to identify and acquire or in license products and product candidates that satisfy our selection criteria; the potential benefits of our existing collaboration agreements and our ability to enter into additional collaboration arrangements; 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 intellectual property portfolio; our estimates regarding expenses, future revenue, capital requirements and needs for additional financing; 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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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
or
University of Oxford
Media Contact:
Jonathan Wood
Press Officer, Medical Sciences
+44 (0) 1865 280530
press.office@admin.ox.ac.uk
or
Aeras Global TB Vaccine Foundation
Media Contact:
Annmarie Leadman
Director of Communications
240-599-3018

SOURCE: Emergent BioSolutions Inc.