Emergent BioSolutions Expands Manufacturing and Development Infrastructure Through a Series of Real Estate Transactions

August 6, 2009

- **Emergent enters agreement to acquire manufacturing facility in Maryland**
- **Emergent in negotiations to purchase laboratory facility in Gaithersburg**
- **Emergent enters agreement to sell both of its Frederick facilities**
- **Transactions should result in reduction of Company's total debt and annual interest and operating expenses**

ROCKVILLE, Md., Aug 06, 2009 (BUSINESS WIRE) -- Emergent BioSolutions Inc. (NYSE:EBS) announced today that it has entered into multiple real estate transactions that will expand the Company's manufacturing and development infrastructure. These transactions should broaden the Company's manufacturing options and increase the flexibility with which it uses its manufacturing assets, facilitate the continued growth of its product development programs, and reduce the Company's overall debt and annual interest and operating expenses.

Specifically, the Company is selling its Frederick facilities, which consists of two 145,000 sq. ft. unimproved buildings acquired in 2004 and 2006. In turn, the Company is in the process of acquiring a new Maryland manufacturing facility and a Gaithersburg laboratory facility.

With respect to manufacturing, the Company plans to use the proceeds from the sale of one of its unimproved facilities in Frederick to acquire another facility in Maryland that is suitable for cGMP manufacture within a time frame and at a cost that should be significantly below what would be required to build out the Frederick site. The Maryland facility includes several suites suitable for cGMP manufacturing of multiple products as well as space for process development and administrative functions. Strategically, the new Maryland manufacturing facility broadens Emergent's options in that it enables the Company to offer to the U.S. government another site wherein rPA manufacturing could be accomplished, while freeing up Building 55 in Lansing for BioThrax(R) scale up. In addition, this new facility creates greater manufacturing flexibility for the Company and positions it well to build value from its manufacturing assets in a more timely fashion and at a lower cost.

With respect to product development, the Company plans to use the proceeds from the sale of the other unimproved facility in Frederick to acquire a laboratory facility in Gaithersburg suitable for the Company's growing product development programs. The new laboratory facility includes space for product development, process development, assay development and administrative functions.

The exchange of the two Frederick facilities for both the Maryland manufacturing facility and the Gaithersburg lab, in aggregate, should be cash positive as well as reduce the Company's total debt and annual interest and operating expenses.

It is anticipated that these transactions will close within ninety days, at which time additional details on each site will be provided, as appropriate.

Kyle Keese, senior vice president manufacturing operations of Emergent BioSolutions, commented, "These transactions represent an important step in the implementation of our manufacturing and development strategy. In relatively short order, we have optimized our manufacturing and development asset mix and, importantly, added to our portfolio a second site that could be used to produce rPA, thereby freeing up the facility in Lansing for the scale up of BioThrax, as well as to manufacture other pipeline products."

About Emergent BioSolutions Inc.

Emergent BioSolutions Inc. is a biopharmaceutical company focused on the development, manufacture and commercialization of vaccines and therapeutics 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 licensed by the U.S. Food and Drug Administration for the prevention of anthrax disease. Emergent's development pipeline includes programs focused on anthrax, botulism, tuberculosis, typhoid, hepatitis B 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 2009, 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 appropriations for BioThrax(R) procurement; our ability to obtain new BioThrax(R) sales contracts; our ability to obtain an rPA development and procurement contract; our plans to pursue label expansions and improvements for BioThrax(R); our plans to expand our manufacturing facilities and capabilities; the rate and degree of market acceptance and clinical utility of our products; our ongoing and planned development programs, preclinical studies and clinical trials; 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 selective 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 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 March 31, 2009 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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