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AVECIA WINS US \$71 m. ANTHRAX VACCINES CONTRACT

Avecia, a leader in biotechnology-derived medicines and vaccines, has been awarded a US \$71.3 million contract to make 3 million doses of a new type of recombinant anthrax vaccine for the US Government's National Institute of Allergy and Infectious Diseases (NIAID).

Scheduled for completion by late 2006, the contract will continue anthrax vaccine development efforts for NIAID that were initiated with a contract awarded in 2002 to produce 2,000 doses of the new vaccine for clinical trials. This award is consistent with Avecia's ongoing and successful performance associated with the initial contract.

The new vaccine is intended to provide immunity to inhalation anthrax in three or fewer doses and to protect individuals from anthrax spores, even if the vaccine is given shortly after exposure. It is planned to replace a current vaccine that requires six injections over 18 months.

Production of the new vaccine is based on technology developed by the UK's Defence Science and Technology Laboratory (Dstl), in close co-operation with Avecia, which jointly conceived and engineered the process development and scale-up technologies for large scale, cost-effective GMP manufacture.

In preparing the bid, Avecia has also teamed up with Baxter Healthcare Corporation, already a vaccine supplier to the US government, who will provide regulatory expertise, commercial services and support, as well as fill and finishing and final packaging of this vaccine.

Avecia CEO Jeremy Scudamore commented, "This contract is a notable success for our Biotechnology business and the strong specialised collaboration we have established with Dstl and Baxter."

The active part of the newly developed vaccine – which will be used to provide immunity to inhaled anthrax spores – is based on the microbially derived, purified protein rPA (recombinant Protective Antigen). The vaccine uses similar technology to that used for many modern medicines. It is not based on the anthrax organism itself, or any derivative, and vaccine production poses no risk of exposure to the disease itself.

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Production of the vaccine for NIAID will comply fully with the US Food and Drug Administration (FDA) requirements, the European Medicines Evaluation Agency (EMA) and the Medicines and Healthcare products Regulatory Agency (MHRA), which regulates the UK's development, manufacture and sale of all medicinal products.

Avecia Biotechnology is a world leader in the provision of services for the development and production of biopharmaceuticals, including new vaccines to treat skin disease, forms of cancer and heart disease. Avecia is the world's largest manufacturer of DNA medicines, and recently won The Queen's Award for Enterprise for outstanding innovation in the development of large scale manufacturing processes for this new generation of advanced treatments.

This project has been funded wholly with Federal funds from the National Institute of Allergy and Infectious Diseases, National Institutes of Health, Department of Health and Human Services, under Contract No. N01-AI- 30052 and Contract No. NO1-AI-25492.

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Notes to Editors:

NIAID/NIH NIAID is one of the U.S. National Institutes of Health (NIH), part of the U.S. Department of Health and Human Services (HHS). The NIH is the focal point for publicly funded medical research in the United States, with an annual budget of over US \$23 billion. NIH research is conducted through a network of 27 institutes and centers, including the NIAID (www.nih.gov and www.niaid.nih.gov).

Avecia is one of Europe's largest privately-owned specialty chemical companies. It serves customers in the global healthcare, electronic materials, coatings, plastics and automotive sectors
<http://www.avecia.com/>

Avecia Biotechnology is a world leader in process development and manufacturing services for advanced medicines, notably protein-based biologics and DNA medicines. Avecia has been involved with the production of advanced vaccines and medicines to treat skin diseases, forms of cancer and heart disease since 1998. Production of the new anthrax vaccine is based on a three-stage process, involving protein fermentation using an E.coli expression system, downstream purification by chromatography and formulation.

Baxter Healthcare Corporation is the principal US operating subsidiary of Baxter International Inc. (NYSE:BAX). Baxter International Inc., through its subsidiaries, assists health-care professionals and their patients with treatment of complex medical conditions, including cancer, hemophilia, immune disorders, kidney disease and trauma. The company applies its expertise in medical devices, pharmaceuticals and biotechnology to make a meaningful difference in patients' lives. www.baxter.com

Dstl: Part of the Ministry of Defence (MOD), the UK government's Defence Science and Technology Laboratory (Dstl) is responsible for defence research, specialist technical services and the tracking of global technology developments. It has a 3,000-strong workforce and laboratories at key research

locations such as Farnborough, Porton Down and Malvern. Formed in July 2001, Dstl was formerly known as the Defence Evaluation and Research Agency (DERA) www.dstl.gov.uk