

Overview

Advanced Life Sciences is a biopharmaceutical company engaged in the discovery, development and commercialization of drugs in the areas of infection, cancer and inflammation. The Company's lead product candidate, cethromycin, is a novel once-a-day antibiotic developed for the treatment of respiratory tract infections.

Nasdaq: ADLS
 Shares Outstanding: 28.2M
 Cash Position: \$6.4M at 9-30-07
 52 Week Range: \$1.29 - \$3.97
 Market Cap: \$50M at 9-30-07
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Advanced Life Sciences has assembled a promising pipeline of clinical and preclinical candidates using its internal discovery platform of natural product optimization through medicinal chemistry and structural biology, coupled with in-licensing promising new products. The Company has three product candidates that are either in clinical development or approved to begin clinical development, as well as six additional candidates in preclinical development.

Advanced Life Sciences is focusing its resources on the development and commercialization of cethromycin for use in respiratory tract infections such as community acquired pneumonia, bronchitis and sinusitis. The Company recently announced the completion of its two pivotal phase III clinical trials in community acquired pneumonia in which cethromycin achieved its primary endpoint of demonstrating non-inferiority compared to the current standard of care. Advanced Life Sciences plans to partner with other organizations to advance its earlier stage programs.

Development Pipeline

	Infectious Disease	Discovery	Preclinical	Phase I	Phase II	Phase III	Commercialization
Product Portfolio (Indication)	<i>Cethromycin</i> (Community Acquired Pneumonia)						
	<i>Cethromycin</i> (Anthrax)	<i>Pre-NDA Animal Studies</i>					
	Oncology						
	<i>ALS-357</i> (Melanoma)						
	Respiratory Disease						
	<i>ALS-886</i> (ARDS)						

Cethromycin Program

With increasing worldwide resistance rates to current macrolide and penicillin antibiotics there is a growing medical need for new antibiotics. Cethromycin was created to address this need and has recently completed clinical development for the treatment of mild-to-moderate community-acquired pneumonia (CAP) in adults. Based on the results of these trials, Advanced Life Sciences intends to bring in a commercial partner and seek marketing approval for cethromycin in the CAP indication. The Company will begin development of other indications as part of its collaboration with the commercial partner.

Another potential use for cethromycin is in the prophylactic treatment of inhaled anthrax. As resistance to the first-line treatment grows, there is a medical need for other therapeutics that work differently than existing agents to treat anthrax infection. Our collaboration with USAMRIID has produced promising results in anthrax, and a recent primate study confirmed cethromycin's efficacy in preventing anthrax infection. This study, along with our human safety database with cethromycin, could potentially support a future sNDA submission for the treatment of anthrax inhalation.

Potential Indications for Cethromycin

Respiratory tract infections (RTI) account for about 60% of prescriptions written for oral antibiotics annually, and with nearly 4 million deaths worldwide every year, have the highest mortality rate of any infectious disease. Sales of branded antibiotics recorded more than \$5 billion in the US respiratory infectious disease market in 2005.

- Community acquired pneumonia is the sixth most common cause of death in the United States. Community acquired pneumonia affects 5-6 million patients each year, requiring 10 million physician visits and 2 million hospitalizations annually.
- Bronchitis affects as many as 13 million patients per year, in the United States. Additionally, there are 32 million cases of acute exacerbation of chronic bronchitis characterized by increased coughing and additional symptoms of respiratory distress.
- Sinusitis accounts for an estimated 31 million cases annually, resulting in 25 million office visits per year. It is the fifth most common diagnosis for which antibiotics are prescribed.
- Anthrax is classified as a Category A bioterrorism agent by the Centers for Disease Control and Prevention. Although contraction is rare, using current methods of treatment, inhalation anthrax is fatal in 75% of cases.

Commercialization and Partnering Plan for Cethromycin

The Company plans to co-promote cethromycin with a partner that has a large sales force targeting primary care physicians globally. We plan to have a commercial partner in place to plan for a successful launch.

Recently Accomplished Milestones

December 2007	Completed private placement of \$20 Million
November 2007	Released data from second of two pivotal Phase III clinical trials confirming earlier results in which cethromycin achieved primary efficacy endpoint of non-inferiority in CAP
August 2007	ALS-357 granted FDA Orphan Drug Designation for metastatic melanoma
August 2007	Commenced collaboration with U.S. Government to study cethromycin as treatment for anthrax and other high-priority biodefense agents
August 2007	Formed National Advisory Board for cethromycin
June 2007	Released data from first of two pivotal Phase III clinical trials showing cethromycin achieved primary efficacy endpoint of non-inferiority in CAP
May 2007	Released data showing cethromycin 100% effective against anthrax in non-human primate study

Management Team

Michael Flavin, Ph.D.	Chairman and CEO
John Flavin, M.B.A.	President
Richard Wieland, M.B.A.	EVP and CFO
Suseelan Pookote, Ph.D.	EVP of Corporate Development
Ze-Qi Xu, Ph.D.	CSO
David Eiznhamer, Ph.D.	EVP of Clinical Development

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