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Xencor Receives Milestone Payment from Boehringer Ingelheim Under Antibody Technology License Agreement

Monrovia, CA—October 12, 2010 – Xencor, Inc. announced today that the Company received a milestone payment from Boehringer Ingelheim. The payment was triggered by the regulatory submission for Phase 1 clinical trials of a novel monoclonal antibody that was optimized using one of Xencor's XmAb® Fc (constant fragment) technology platforms under a technology license agreement entered in February 2007. The amount of the milestone payment was not disclosed. XmAb® engineered high ADCC Fc domains give antibodies more tumor killing power by improving their capacity to recruit the immune system to target cancer cells, a process called antibody-dependent cell cytotoxicity or ADCC. This program is the third oncology antibody using XmAb® High ADCC technology to enter clinical testing.

"Our partners continue to move Fc engineered antibodies into the clinic optimized for heightened potency and convenient dosing, important attributes when differentiating from existing agents and biosimilars," said Bassil Dahiyat, Ph.D., CEO of Xencor. "Our XmAb technology is also fueling Xencor's internal pipeline, which includes several optimized antibodies for both oncology and autoimmune diseases."

As part of its license agreement, Boehringer Ingelheim has also exercised an option to utilize XmAb High ADCC technology for a second discovery program in oncology against an undisclosed target.

About XmAb® High ADCC technology
XmAb® High ADCC technology can increase the potency of therapeutic antibodies by specifically engaging the body's immune system against target antigen cells. A proprietary suite of XmAb® Fc variants allows the selective improvement of antibody cytotoxic properties by enhancing antibody-dependent cell cytotoxicity (ADCC), phagocytosis and/or complement activation. Increased antibody potency has the potential to improve antibody efficacy in a variety of therapeutic areas, including oncology, infectious disease and autoimmune disorders. About Xencor

Xencor, Inc. engineers superior biotherapeutics using its proprietary Protein Design Automation® technology platform, and is a leader in the field of antibody engineering to significantly improve antibody half-life, immune-regulatory function and potency. The company is advancing multiple XmAb® antibody drug candidates into the clinic including XmAb®5871 targeting CD32b and CD19 for autoimmune diseases, an anti-CD30 candidate XmAb®2513 which recently completed a Phase 1 clinical trial for the treatment of Hodgkin's lymphoma, and a portfolio of biosuperior antibodies that are versions of blockbuster antibody drugs engineered for superior half-life and dosing schedule. Xencor's antibody engineering technology has been licensed through multiple partnerships with industry leaders such as Pfizer, Centocor, MorphoSys, Boehringer Ingelheim, CSL Ltd. and Human Genome Sciences. In these partnerships Xencor is applying its suite of proprietary antibody Fc domains to improve antibody drug candidates for traits such as sustained half-life and potency. For more information, please visit www.xencor.com.

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