July 23, 2007

Xencor Data Published in Journal of Immunology Demonstrate Selectivity of New Class of Inhibitors for Inflammatory Disease

MONROVIA, Calif.–(BUSINESS WIRE)–Jul 23, 2007 – A first-in-class protein therapeutic drug candidate has been shown to selectively inhibit its therapeutic target, according to research conducted at Xencor and published in the August 1 print issue of the Journal of Immunology. The data provides early evidence that this new class of therapeutics may offer an alternative to non-selective therapeutics that are currently used to treat inflammatory diseases such as rheumatoid arthritis (RA). Target selectivity has the potential to significantly enhance efficacy of therapeutics while limiting their toxicity and side effects, therefore selectivity has long been the goal in the development of new therapeutics to treat inflammatory disease.

In the published research, Xencor's clinical candidate, XPro™ 1595 DN-TNF™, was shown to selectively inhibit the soluble for of Tumor Necrosis Factor (TNF alpha) in both human and animal cell lines and blocked inflammation in animal models. TNF alpha is a cytokine protein with a very well-established role in autoimmune disease and inflammation. DN-TNF™ did not, however, inhibit the cell membrane-bound form of TNF alpha and thereby preserved the key role of membrane-bound TNF alpha in infection resistance and immune function. Xencor scientists created the DN-TNF™ mechanism with its unique selectivity by applying Xencor's Protein Design Automation® (PDA®) Technology to engineer the desired properties into the protein.

There are currently four marketed treatments that target TNF alpha and several other drug candidates in clinical development. Each non-selectively targets both soluble TNF alpha and membrane-bound TNF alpha. Unfortunately, these non-specific TNF alpha inhibitors have rare but severe side effects and are prescribed to patients only when other anti-inflammatory drugs do not work.

"Drug-associated adverse side effects, including severe infections and tuberculosis, continue to hamper effective treatment of many inflammatory diseases. Using our PDA® technology, we engineered a first-in-class selective inhibitor of TNF alpha with enhanced pharmaceutical properties," said Bassil Dahiyat, Ph.D., President and CEO of Xencor. "The selectivity of XPro™ 1595 DN-TNF™ has the potential to maintain the significant therapeutic benefits of targeting soluble TNF alpha without the adverse events from off-target inhibition."

About PDA® Technology

Xencor's PDA® technology combines high performance computing with proprietary molecular biology processes and assays to create very broad protein diversity with exquisite control and efficiency. This technology takes advantage of the information embedded in protein structure to optimize key protein properties, such as binding affinity, selectivity, stability and expression level, which are targeted to yield therapeutic proteins with enhanced safety and efficacy in the clinic. In addition, the application of PDA® technology has created an expanding portfolio of over 2,000 antibody Fc domain variants that can be used to optimize a variety of valuable antibody properties, such as potency, targeting capacity and half-life.

About Xencor

Xencor, Inc. engineers superior biotherapeutics using its proprietary Protein Design Automation® technology platform and is a leader in the field of antibody Fc engineering to significantly improve antibody potency. The company is advancing XmAb™ antibody drug candidates optimized for activity against biologically validated targets and its XPro™ protein therapeutic candidate into the clinic. Xencor's product development is led by an antibody candidate, XmAb™2513, for the treatment of Hodgkin's disease and T-cell lymphoma, and a protein therapeutic drug candidate, XPro™ 1595 DN-TNF™, for the treatment of inflammatory disease. With multiple partners, such as industry leaders Genentech, Boehringer Ingelheim, Centocor and MedImmune, Xencor is applying its suite of XmAb™ antibody Fc domains to improve antibody drug candidates for traits such as potency and sustained half-life. For more information, please visit www.xencor.com.