December 2, 2010

Xencor and MorphoSys Initiate Phase 1 Study of Anti-CD19 Antibody in Chronic Lymphocytic Leukemia

Monrovia, Calif. – December 2, 2010 – Xencor, Inc. and MorphoSys AG (FSE: MOR; Prime Standard Segment; TecDAX) announced today that they have initiated Phase 1 testing for XmAb®5574 (MOR208), and the first patient has been dosed. XmAb5574 (MOR208) is a potent monoclonal anti-CD19 antibody to which MorphoSys recently gained worldwide access via an exclusive license and collaboration agreement with Xencor. The trial is designed to assess the drug's safety, tolerability, pharmacokinetic profile and preliminary anti-tumor activity in chronic lymphocytic leukemia (CLL) patients. The open-label, multi-dose, single-arm, dose-escalation study is estimated to enroll 30 patients suffering from relapsed or refractory CLL. More information on the trial can be found by searching for XmAb5574 at www.clinicaltrials.gov.

"This is the fourth high ADCC antibody based on our XmAb technology that has reached the clinic, demonstrating the tremendous progress our optimization technologies have made in producing next-generation biological drugs," said Bassil Dahiyat, Ph.D., CEO of Xencor. "We'll be collaborating with our new partner MorphoSys through Phase 1, and are sure that their antibody expertise and product development capabilities will help accelerate the compound's clinical progress."

"With MOR208, our second proprietary compound enters clinical trials in addition to currently ten programs being developed in the clinic by our partners," commented Dr. Arndt Schottelius, Chief Development Officer of MorphoSys AG. "CD19 represents a particularly attractive immunotherapy target for cancers of lymphoid origin, due to its high expression levels on non-Hodgkin's lymphomas and B-cell leukemias such as chronic lymphocytic leukemia."

In preclinical studies, XmAb5574 (MOR208) was well tolerated at various dose levels, elicited immediate and sustained B-cell depletion, and showed strong anti-tumor potency, anti-proliferative and apoptotic activity. B-cell malignancies, such as non-Hodgkin's lymphoma, chronic lymphocytic leukemia (CLL) and acute lymphoblastic leukemia afflict more than one hundred and fifty thousand patients in the seven major markets each year. CD19 is expressed more broadly and earlier in B-cell development than CD20, the target of the marketed cancer drug Rituxan®, therefore potentially allowing for an even broader use of XmAb5574 (MOR208) as compared to Rituxan®.

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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