September 30, 2003

Xencor Granted Patent on Optimized Pharmaceutical Protein

US Patent Issued for Novel G-CSF with Improved Pharmaceutical Properties Created by Protein Design Automation Technology

Monrovia, CA – September 30, 2003 – Xencor today announced the issuance of U.S. Patent No. 6,627,186, entitled “Nucleic Acids and Protein Variants of hG-CSF with Granulopoietic Activity“. The patent covers a wide range of hG-CSF variants, which were designed using Xencor’s proprietary Protein Design Automation (PDA) technology. The molecules described in the patent have dramatically enhanced stability and novel sequences while matching the biological activity of native hG-CSF. These features enable new products with different delivery modes, improved stability, and extended patent life. This patent further extends Xencor’s leadership position in engineered biotherapeutics and in computational protein design. Xencor currently has over 250 patent applications filed worldwide.

“The issuance of this patent is an important milestone for Xencor and is among the first issued patents on novel proteins derived from in silico protein sequence screening, the fastest method for protein optimization. We also have issued patents for novel interferons, as well as for our PDA methodology,“ said Bassil Dahiyat, Chief Executive Officer of Xencor. “Xencor has a significant competitive advantage from our early recognition that rational computational design rapidly generates novel intellectual property and provides superior biotherapeutics that can be efficiently moved into development. We are continuing to exploit our PDA platform to create a broad range of novel therapeutics.“

About Protein Design Automation technology

PDA technology combines high performance computing with sensitive biochemical assays to create broader protein diversity with far greater control than other optimization technologies, such as directed evolution and phage display. It uses the information embedded in protein structure to optimize protein activity, binding affinity and specificity, stability, expression level, and potency. This process also creates new intellectual property, continually broadening Xencor’s patent portfolio by generating sets of novel protein sequences that are distinct from naturally occurring proteins.

About Xencor

Xencor discovers and develops protein therapeutics using its proprietary rational protein design platform. Xencor’s platform applies high performance computing and advanced molecular biology to rapidly discover drugs with novel mechanisms and improved safety and efficacy. Xencor is a privately held biopharmaceutical company located in Monrovia, CA. Additional information is available at www.xencor.com.