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Xencor, Inc. Signs Collaboration with Centocor, Inc. to Improve Antibodies

Xencor, Inc. licenses engineered Fc domains to Centocor, Inc. to enhance therapeutic efficacy Monrovia, CA – July 18, 2005 – Xencor, Inc., a biotherapeutics company developing protein therapeutics and antibody drugs, today announced a collaboration with Centocor, Inc. to create monoclonal antibodies with improved therapeutic efficacy.

Under the terms of the agreement, Xencor's XmAb™ engineered antibody Fc domains will be used to create antibody drug candidates that Centocor will evaluate against an oncology target. Xencor will receive an upfront payment and is eligible to receive additional license fees, milestones and royalties in the event that Centocor advances candidates into development. Specific financial terms were not disclosed.

“Our suite of proprietary antibody Fc domains can be inserted into any antibody and have been shown to enhance the potency of antibodies in animal models of cancer,” said Bassil Dahiyat, President and CEO of Xencor.

About XmAb™ Antibodies

Xencor's XmAb engineered Fc domains are designed to enhance the therapeutic properties of monoclonal antibodies. Xencor's Fc domains can be inserted into antibody candidates against any target antigen and may improve one or more important effector functions, including enhanced antibody-mediated tumor cell killing, sustained half-life and increased structural stability. XmAb antibodies are produced using conventional expression and manufacturing processes. Xencor has also restored effector functions in aglycosylated antibodies, thereby creating an opportunity to use alternative expression systems with the potential of significantly lower cost of goods. Xencor is creating a pipeline of XmAb antibody drug candidates with enhanced potency and pharmaceutical properties.

About Xencor

Xencor, Inc. is developing protein therapeutics and antibody drugs using its proprietary Protein Design Automation® (PDA) technology and XmAb™ antibody Fc domains. Xencor's lead drug development program is a novel inhibitor of Tumor Necrosis Factor (TNF), a key target in arthritis and other rheumatic disorders. The company is also advancing potent antibody therapeutics internally and collaborating with leading life science and pharmaceutical companies, including Genentech, Inc., Centocor, Inc., F. Hoffman-La Roche, Ltd., Chugai Pharmaceutical Co., Ltd., and Protein Design Labs, Inc., to develop antibody and protein drugs. Additional information is available at www.xencor.com.