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Xencor Completes \$45 Million Financing with MedImmune Ventures, Novo Nordisk and HealthCare Ventures

Monrovia, CA – October 19, 2006 – Xencor, a company developing protein and antibody therapeutics, today announced that it raised \$45 million in a private financing led by MedImmune Ventures, Inc., and including new investors Novo Nordisk and HealthCare Ventures as well as existing investor Zen Investments. The financing, which includes an initial \$6 million bridge financing that the company announced in July, will be used to advance the clinical development of two biologic drug compounds, a first-in-class protein therapeutic and a novel antibody drug candidate. Both were developed using the company's Protein Design Automation® (PDA®) technologies. To date, Xencor has raised \$130 million in financing.

“We are gratified by our investors’ recognition of the value in our pipeline and the potential for our Protein Design Automation technologies to produce potent and selective antibody and protein therapeutics,” said Bassil Dahiyat, Ph.D., President and CEO of Xencor. “This financing will allow us to continue to independently advance our pipeline and to maximize our ability to strategically partner our antibody technologies with pharmaceutical and biotechnology companies.”

“Biologic therapies have had an important impact on improving human health and will likely continue to transform the drug development landscape,” said Wayne T. Hockmeyer, Ph.D., President of MedImmune Ventures and Chairman of MedImmune, Inc. “Xencor has developed compelling technologies, including XmAb™, which have the potential to deliver novel protein and antibody drugs.”

Xencor expects to advance its first drug candidate, XPro1595, into clinical development this year for treatment of inflammatory conditions. XPro1595 is a Dominant Negative inhibitor of TNF α (tumor necrosis factor) that the company designed using its PDA® technologies to act through a new, uniquely selective molecular mechanism of action. The inhibition of TNF α has been clinically proven to be an effective treatment for rheumatoid arthritis and other inflammatory diseases, and annual sales of TNF blockers currently exceed \$8.5 billion.

In 2007, the company expects to initiate clinical studies of a proprietary antibody compound, XmAb™2513, for Hodgkin disease. XmAb™2513 includes one of the company's patented XmAb™ Fc domains that greatly increases cytotoxic potency.

Gus Lawlor, Managing Director of HealthCare Ventures, said, “Xencor's technologies are increasing the utility and applicability of protein and antibody therapeutics. With its expanding pipeline of biologic drug candidates, the company is well-positioned in this important and growing field.

RBC Capital Markets acted as exclusive placement agent to Xencor for this transaction.

About Protein Design Automation® (PDA®) Technology

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 MedImmune Ventures

MedImmune Ventures, Inc. is a wholly owned venture capital subsidiary of MedImmune, Inc. It was created in 2002 to leverage the company's expertise in discovering, developing and commercializing biotechnology products, as well as its financial resources, to transform new ideas in biotechnology into successful products and companies.

MedImmune Ventures invests in early- to late-stage, public or private biotechnology companies focused on discovering and developing human therapeutics. MedImmune Ventures primarily seeks to invest in areas of strategic interest to MedImmune, including infectious disease, oncology and inflammatory disease.

About Novo Nordisk A/S

Novo Nordisk is a healthcare company and a world leader in diabetes care. The company has the broadest diabetes product portfolio in the industry, including the most advanced products within the area of insulin delivery systems. In addition, Novo Nordisk has a leading position within areas such as haemostasis management, growth hormone therapy and hormone replacement therapy. Novo Nordisk manufactures and markets pharmaceutical products and services that make a significant difference to patients, the medical profession and society. With headquarters in Denmark, Novo Nordisk employs 23,000 employees in 79 countries, and markets its products in 179 countries. Novo Nordisk's B shares are listed on the stock exchanges in Copenhagen and London. Its ADRs are listed on the New York Stock Exchange under the symbol 'NVO'. For more information visit www.novonordisk.com.

About HealthCare Ventures

HealthCare Ventures is a leading venture capital firm specializing in life science industry investing. Over the past 21 years, HealthCare Ventures has raised \$1.6 billion in eight funds and has created nearly 50 new life science companies.

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 internally advancing both XPro™ protein therapeutic candidates and XmAb™ antibody drug candidates optimized for activity against biologically validated targets. Xencor's product development is led by a protein therapeutic drug candidate, XPro™1595, for the treatment of inflammatory disorders and an antibody candidate, XmAb™2513, for the treatment of Hodgkin Disease and T-cell lymphoma. With multiple partners, such as industry leaders Genentech, Roche, 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. Xencor also develops therapeutic protein variants in collaboration with major pharmaceutical partners. For more information, please visit www.xencor.com.