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Xencor Presents Findings on New Aspect of its Fc Technology Targeting Autoimmune Disease

Monrovia, Calif. — December 7, 2007 — Xencor, Inc., a company developing protein and antibody therapeutics, presented findings at IBC Life Sciences' 17th Annual Antibody Engineering Conference demonstrating the effects of XmAb™5871, a humanized anti-CD19 antibody therapeutic, in suppressing autoimmunity through B-cell inhibition without depleting B cells, a novel mechanism created using Xencor's Fc engineering technology.

Anti-CD20 antibodies have been successfully used to treat autoimmune disease through B cell ablation, but the resultant long-term depletion of B cells has the potential to suppress healthy immunity to infection. Researchers at Xencor engineered XmAb5871 to inhibit the activation of B cells by enabling crosslinking of the B cell antigen receptor (BCR) and the inhibitory Fc receptor, FcγRIIb, via the antigen CD19, a part of the BCR coreceptor complex. Using Xencor's PDA® technology, researchers engineered the constant region (Fc) of the antibody to increase its affinity for binding FcγRIIb by about 200-fold. Engineered antibodies strongly inhibited B cell receptor-induced proliferation and showed minimal B cell depletion by comparison to anti-CD19 antibodies that had not been engineered. Fc regions with enhanced Fcg RIIb binding can potentially enable novel therapies for other disorders, for example, by improving antibodies to target mast cells for allergy and asthma.

"Our novel strategy may enable the suppression of autoimmunity while maintaining a viable B cell population that is capable of responding to immune challenges," said John Desjarlais, Ph.D., Vice President of Research at Xencor. "Such dramatic enhancements in antibody effector function are an indicator of the strength and breadth of Xencor's core technology in developing novel antibodies with the potential to address serious medical needs. Fc domains that target the Fcg RIIb receptor to inhibit immune function complement our high cytotoxicity Fc domains, which have enabled our oncology programs."

In addition to ongoing early discovery, Xencor continues its research in various antibody candidates for cancer and autoimmune disease including XmAb™2513 (high cytotoxicity anti-CD30) for Hodgkin's disease and T-cell lymphoma, which will enter a Phase I clinical trial in 2007, and XmAb™5574 (high cytotoxicity anti-CD19) for B-cell malignancies, which is in pre-clinical development. 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.