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Xencor Initiates Phase 1 Study of XmAb®5871 Therapeutic Antibody For the Treatment of Autoimmune Diseases; Dual-Targeted Antibody Aims to Treat Lupus and Rheumatoid Arthritis by Suppressing Autoimmune Response

Monrovia, Calif. – Oct. 21, 2011 – Xencor, Inc., a company using its proprietary Protein Design Automation® (PDA) platform technology to engineer next-generation antibodies, announced today the initiation of a Phase 1 clinical trial of XmAb®5871, the company's therapeutic antibody for the treatment of autoimmune diseases. XmAb5871 uses a novel dual-targeted approach to potently suppress autoimmune disorders that may avoid some of the side effects seen with other therapeutic antibodies that modulate immune response. The advancement of XmAb5871 into clinical stage testing demonstrates the broad potential of Xencor's antibody engineering technology in immune and inflammatory diseases in addition to oncology.

Earlier this year, Amgen and Xencor entered into an option agreement to develop XmAb5871. Under the terms of the agreement, Amgen has the option to an exclusive worldwide license following the completion of a pre-defined Phase 2 study. Xencor will lead all clinical development until that time.

"XmAb5871 is Xencor's first therapeutic antibody for immune disorders, and is the fifth XmAb product to enter clinical testing," said Bassil Dahiyat, Ph.D., president and CEO of Xencor. "Xencor's robust product pipeline in oncology, and now autoimmune disease, is evidence of the broad applicability of our XmAb technology across multiple therapeutic areas."

XmAb5871 is a humanized monoclonal antibody that uses a uniquely selective dual-targeting mechanism for B cell inhibition by targeting the antigen CD19 and co-engaging CD32b (Fc?RIIb), thereby suppressing autoimmune response. Preclinical studies published in the Journal of Immunology showed that XmAb5871 potently suppresses autoimmune response in humanized mouse models of systemic lupus erythematosus (SLE), without the depletion of B cells. This suggests that XmAb5871 may be an effective immunosuppressant in multiple indications, including SLE and rheumatoid arthritis, without the serious safety issues associated with B cell depletion seen with other antibody therapeutics targeting autoimmune disorders.

The endpoints of the Phase 1 study are safety, pharmacokinetics and a number of biomarkers of immunomodulatory drug activity.

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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