

XENCOR AND PFIZER ENTER INTO ANTIBODY TECHNOLOGY LICENSING AGREEMENT

Monrovia, CA - March 2, 2009. Xencor, Inc., an antibody discovery and development company, announced today that it has entered into a technology license and evaluation agreement with Pfizer Inc to optimize the performance of therapeutic monoclonal antibodies. Pfizer will apply Xencor's proprietary Xtend(tm) antibody half-life prolongation technology and XmAb(r) ADCC enhancing technology to its antibody drug candidates.

Under the terms of the agreement, Pfizer will have access to Xencor's antibody optimization technology during a non-exclusive research period for evaluation of the technology in several of its discovery projects. In addition, Pfizer has taken a commercial license to Xencor's technology for one program.

Xencor will receive an upfront payment from Pfizer and is eligible to receive additional consideration based on Pfizer's successful commercialization of products that incorporate the Xencor technology. Further details of the agreement were not disclosed.

"We are delighted that a world class leader in the antibody space such as Pfizer will be broadly investigating the use of Xencor's antibody optimization technology within its R&D organization to potentially enhance specific properties of its therapeutic antibody drug candidates," commented Bassil Dahiyat, Ph.D., Xencor's chief executive officer.

"The ability to enhance the pharmaceutical properties of antibody drug molecules and customize this class of drugs for specific therapeutic settings is a central differentiating factor which Xencor will continue to pioneer," commented James Posada, Ph.D., MBA, Xencor's acting chief business officer.

About Xtend(tm) technology Enhance Antibody Half-Life

Xencor's proprietary antibody technology platform provides a validated solution to enhancing the serum half-life of immunoglobulin molecules. Using its proprietary series of Xtend(tm) antibody Fc variants, antibody half-life can be readily prolonged to enhance performance in a number of different therapeutic indications.

Commercial Benefits

Dosing frequency is an important attribute and differentiating factor in certain indications. By prolonging the serum half-life of antibody drug molecules the opportunity arises to address chronic indications with an antibody drug product that potentially has the ability to be administered at greater than monthly intervals, greatly enhancing patient convenience and improving market positioning. In addition, it is possible to reduce the dose of the biologic that is required to maintain effective drug levels, potentially improving the cost, profitability and capital expense profile of the product.

About XmAb(r) ADCC technology

The XmAb(r) platform can increase the potency of therapeutic antibodies by specifically engaging the body's immune system against target antigen cells. A

proprietary suite of XmAb(r) Fc variants allows the selective improvement of antibody cytotoxic properties by enhancing antibody-dependent cell cytotoxicity (ADCC), phagocytosis and/or complement activation. Increased antibody potency has the potential to improve antibody efficacy in a variety of therapeutic areas, including oncology, infectious disease and autoimmune disorders.

About Xencor

Xencor, Inc. engineers superior biotherapeutics using its proprietary Protein Design Automation(r) technology platform and is a leader in the field of antibody Fc engineering to significantly improve antibody potency and half-life. The company is advancing XmAb(r) antibody drug candidates optimized for activity against biologically validated targets and its XPro(tm) protein therapeutic candidate into the clinic. Xencor's product development is led by an antibody candidate, XmAb(r)2513, in a Phase I clinical trial for the treatment of Hodgkin lymphoma and anaplastic large cell lymphoma, and a protein therapeutic drug candidate, XPro(tm)1595 DN-TNF, for the treatment of inflammatory disease. With multiple partners, such as industry leaders Genentech, Boehringer Ingelheim, MedImmune and Human Genome Sciences, Xencor is applying its suite of proprietary 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.

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