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FOR IMMEDIATE RELEASE

Anti-Anthrax Antibody Subject of Collaboration

Medarex and PharmAthene Form Alliance to Develop and Commercialize Fully-Human Anti-Anthrax Antibody

PRINCETON, NJ and ANNAPOLIS, MD, December 6, 2004 - Medarex, Inc. (Nasdaq: MEDX) and PharmAthene, Inc., a privately held biotechnology company dedicated to the development of biodefense products, announced today that the companies have entered into a collaboration agreement under which the companies plan to develop and commercialize MDX-1303, a fully human monoclonal antibody targeting the *Bacillus anthracis* protective antigen. MDX-1303 was developed by Medarex using its UltiMAB Human Antibody Development System®, and this antibody is currently in preclinical development by Medarex for use against human anthrax infection.

Under the terms of the agreement, Medarex and PharmAthene have agreed to jointly continue to investigate the potential for MDX-1303 to be used as a therapeutic for individuals with active disease as well as for prophylactic treatment of individuals exposed to anthrax. Medarex will receive an initial payment from PharmAthene which will be used to fund development activities already underway for MDX-1303. PharmAthene will be fully responsible for funding all future research and development activities that are not supported by government funds. The companies will share profits according to a pre-agreed allocation percentage. The specific financial terms of the agreement have not been disclosed.

PharmAthene recently announced that it had completed a financing of \$50 million dollars which will enable the company to expand its efforts to develop biodefense products.

The Department of Health & Human Services (DHHS) recently solicited responses to a Request for Proposal (RFP) for 'Acquisition of Therapeutic Products for Treatment of Inhalational Anthrax Disease for the Strategic National Stockpile (SNS)' under which monoclonal antibodies will be selected and purchased to treat civilians in the event of a bioterror attack using *Bacillus anthracis*. It is anticipated that there will be additional annual solicitations by DHHS over the next two years until the SNS is sufficiently stockpiled with these critical anthrax therapeutics.

Medarex recently announced that it has been awarded two grants from the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH), to support Medarex's research and development of MDX-1303. If all performance milestones are met, the grants could total approximately \$7.2 million over the next three years. These grants will be applied to research and development activities under the collaboration.

"We believe that the preclinical data in the rabbit inhalation anthrax model has shown that MDX-1303 has one of the highest post-exposure survival rates among available MAbs currently in clinical development. MDX-1303 may serve as a potent antidote against a potential anthrax attack, and we believe that it clearly meets the requirements and urgent biodefense needs of this country," said David P. Wright, President and CEO of PharmAthene. "The U.S. Government has indicated that complementary biodefense vaccines and therapeutics must be developed in order to provide the maximum degree of protection against anthrax for both military and civilian populations. By adding this product to our portfolio we believe that we are meeting the needs of the U.S. Government while executing our strategy of becoming the leading developer and provider of biodefense products," said Mr. Wright.

"PharmAthene is an ideal partner for the advancement of MDX-1303 because of their commitment to the development of quality biodefense products, knowledge of the government procurement process and proximity to U.S. Government and congressional decision makers," said Donald L. Drakeman, President and CEO of Medarex.

About MDX-1303

MDX-1303 is a fully human antibody designed to protect against inhalation anthrax, the most lethal form of illness in humans caused by the *Bacillus anthracis* bacterium. The investigational antibody targets a protein component of lethal toxins produced by the bacterium known as the anthrax protective antigen. The anthrax protective antigen initiates the onset of the illness by attaching to cells in the infected person, and then facilitates the entry of additional destructive toxins into the cells. MDX-1303 is designed to target anthrax protective antigen and protect the cells from damage by the anthrax toxins. In preclinical studies, MDX-1303 both protected against infection, and when administered some time after exposure, it induced recovery and survival in animals exposed to lethal doses of inhalation anthrax spores.

About Anthrax

According to the Centers for Disease Control and Prevention, anthrax is an acute infectious disease caused by the spore-forming bacterium *Bacillus anthracis*. Anthrax most commonly occurs in hooved mammals and can also infect humans. Symptoms of disease vary depending on how the disease was contracted, but usually occur within seven days after exposure. The serious forms of human anthrax are inhalation anthrax, cutaneous anthrax, and intestinal anthrax. Initial symptoms of inhalation anthrax infection may resemble a common cold. After several days, the symptoms may progress to severe breathing problems and shock. Inhalation anthrax is often fatal, even with the use of antibiotics.

About PharmAthene, Inc.

PharmAthene, a privately-held biotechnology company, was formed to meet the critical needs of the United States by developing biodefense products. PharmAthene is dedicated to the rapid development of important and novel biotherapeutics to address biological pathogens and chemicals that may be used as weapons of bioterror. PharmAthene is located in the Chesapeake Innovation Center in Annapolis, MD, the first technology incubator focused solely on Homeland

Security. For more information on PharmAthene, please visit its website at www.PharmAthene.com.

About Medarex, Inc.

Medarex, Inc. is a biopharmaceutical company focused on the discovery and development of fully human antibody-based therapeutics to treat life-threatening and debilitating diseases, including cancer, inflammation, autoimmune and infectious diseases. Medarex applies its UltiMAB™ technology and product development and clinical manufacturing experience to generate, support and potentially commercialize a broad range of fully human antibody products for itself and its partners. Twenty-one of these therapeutic products derived from Medarex technology are currently in human clinical testing, with the most advanced product presently in a Phase III clinical trial. Medarex is committed to building value by developing a diverse pipeline of antibody products to address the world's unmet healthcare needs. For more information about Medarex, visit its website at www.medarex.com.

For Medarex: Except for the historical information presented herein, matters discussed herein may constitute forward-looking statements that are subject to certain risks and uncertainties that could cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements. Statements that are not historical facts, including statements preceded by, followed by, or that include the words “potential”; “believe”; “anticipate”; “intend”; “plan”; “expect”; “estimate”; “could”; “may”; or similar statements are forward-looking statements. Medarex disclaims, however, any intent or obligation to update these forward-looking statements. Risks and uncertainties include risks associated with product discovery and development, uncertainties related to the outcome of clinical trials, slower than expected rates of patient recruitment, unforeseen safety issues resulting from the administration of MDX-1303 in patients, uncertainties related to product manufacturing, risks associated with the use of hazardous substances as well as risks detailed from time to time in Medarex's public disclosure filings with the U.S. Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and subsequent Quarterly Reports on Form 10-Q. There can be no assurance that such development efforts will succeed, that MDX-1303 or other developed products will receive required regulatory clearance or that, even if such regulatory clearance were received, such products would ultimately achieve commercial success. Copies of Medarex's public disclosure filings are available from its investor relations department.

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