



NEWS RELEASE

For Immediate Release

Contacts:

PharmAthene, Inc.

Francesca Cook
VP, Policy & Government Affairs
Phone: +1-410-571-8920
cookf@PharmAthene.com

Medarex, Inc.

Laura S. Choi
Investor Relations
Phone: +1-609-430-2880, x2216

Jean Mantuano
Corporate Communications (media)
Phone: +1-609-430-2880, x2221

Fully Human Anti-Anthrax Antibody Enlists Immune System to Neutralize Anthrax Toxin in Preclinical Studies

New preclinical study findings presented at Infectious Diseases Society of America annual meeting

ANNAPOLIS, MD and PRINCETON, NJ, October 11, 2005 - Medarex, Inc. (Nasdaq: MEDX) and PharmAthene, Inc., a privately held biotechnology company dedicated to the development of biodefense products, today announced preclinical study findings describing the activity of Valortim™ (MDX-1303) against anthrax infection. Valortim™ is a fully human antibody developed by Medarex's UltiMAb Human Antibody Development System® that targets the *Bacillus anthracis* protective antigen.

Details of these findings were presented in a Late Breaker Session oral presentation on Friday, October 7 and as a poster on Saturday, October 8 at the Infectious Diseases Society of American (IDSA) annual meeting held in San Francisco, Calif. The presentation is entitled "Valortim™ (MDX-1303): A Fully Human Anti-Anthrax Toxin MAbs Provides Potent and Durable Protection by Mechanisms Similar to Vaccine Induced Immunity," and the abstract is posted on the IDSA website (<http://www.idsociety.org/>).

The research presented at the IDSA meeting was conducted in order to better understand the high level of potency exhibited by Valortim™ in both prophylaxis and treatment preclinical studies. Valortim™ binds to the protective antigen (PA) component of anthrax toxin and appears to interfere with the normal formation or function of the anthrax toxin complex on macrophage and dendritic cells, which are believed to be critical cells in the natural defense of the immune system against anthrax and are prime targets of the anthrax toxin complex in causing disease. In addition to binding to PA, study results suggest that Valortim™ also interacts with a receptor on the surface of macrophage and dendritic cells known as the Fc receptor (FcR).

The three-way interaction between Valortim™, anthrax PA, and FcR on macrophage and dendritic cells appears to result in an efficient and potent neutralization of the toxin complex, and this mechanism has not been previously described in studies of other known anthrax neutralizing antibodies. Importantly, the ability to take advantage of this FcR interaction is also found in the protective serum raised in individuals after vaccination with effective anthrax vaccines. These data suggest that the FcR interaction is a characteristic shared by Valortim™ and optimal natural immune responses raised by vaccination. The companies believe that the FcR interaction may contribute to Valortim™'s potency and durability of protection seen in the animal studies.

“We are very pleased with the progress of the development of Valortim™ as both a potential treatment and prophylaxis. We believe that due to its unique mechanism of action with regard to other antibodies, demonstrated efficacy in two animal models, and its potency in animal studies at the lowest dose reported, Valortim™ is the leading candidate for Project Bioshield procurement,” said David P. Wright, President and CEO of PharmAthene.

“We believe that Valortim™ has significant potential efficacy because it takes advantage of a natural mechanism for augmenting the potency of antibodies to the anthrax toxin and protecting the macrophage and dendritic cells,” said Dr. Israel Lowy, Medarex's Senior Director of Clinical Science and Infectious Disease. “These data may account for the ability of Valortim™ to protect non-human primates from lethal anthrax infection at the lowest doses of administered antibody that have been achieved, to the best of our knowledge, by any of the anthrax monoclonal antibodies in development.”

About Valortim™

Valortim™ (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 is designed to target a protein component known as the anthrax protective antigen (PA) of the lethal toxin complex produced by the bacterium. The anthrax protective antigen is believed to initiate the onset of the illness by attaching to cells in the infected person, and then is believed to facilitate the entry of additional destructive toxins into the cells. Valortim™ is designed to target anthrax protective antigen and protect the cells from damage by the anthrax toxins.

In preclinical studies, Valortim™ both protected against infection and induced recovery and survival in animals exposed to lethal doses of inhalation anthrax spores. A recently performed study in non-human primates has demonstrated the potency of Valortim™ in this model using the potentially most clinically-useful intramuscular route of administration. In this study, the animals were challenged with a target aerosol dose of 200 times the median lethal dose of *B. anthracis* spores; 6 animals received no treatment, 6 animals received 1 mg/kg of Valortim™ intramuscularly, and 6 animals received 10 mg/kg of Valortim™ intramuscularly, all at the time of aerosol challenge. None of the animals were given antibiotics or other therapies. All control animals died within one week of the challenge; all treated animals in both dose groups were reported alive 60 days post-challenge. The effectiveness of doses even lower than 1 mg/kg may be studied in future preclinical research.

A first clinical study of the safety and pharmacokinetics of a single dose of Valortim™ given to human volunteers is planned to begin in the future, under an Investigational New Drug application recently allowed by the U.S. Food and Drug Administration to Medarex. Funding for the clinical trial, as well as for the experimental data reported at IDSA, have been provided in large part through two grants

from the National Institute of Allergy and Infectious Disease, part of the National Institutes of Health, awarded to Medarex to both support the clinical development and to understand the mechanism of action of Valortim™.

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's lead programs include Valortim™ and Protexia®. 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

Medarex is a biopharmaceutical company focused on the discovery, development and potential commercialization of fully human antibody-based therapeutics to treat life-threatening and debilitating diseases, including cancer, inflammation, autoimmune disorders 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 product candidates for itself and its partners. Twenty-four of these therapeutic product candidates derived from Medarex technology are in human clinical testing, with two of the most advanced product candidates currently in Phase III clinical trials. 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.

Statement on Cautionary Factors

For Medarex: Except for the historical information presented herein, matters discussed herein may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 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 study subject enrollment, uncertainties related to scheduling and completing necessary animal experiments to satisfy the FDA Animal Rule

requirements in the few facilities approved to perform such experiments, unforeseen safety issues resulting from the handling of *Bacillus anthracis*, unforeseen safety issues resulting from the administration of Valortim™ (MDX-1303) in human subjects, uncertainties related to product manufacturing 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, 2004 and subsequent Quarterly Reports on Form 10-Q. There can be no assurance that such development efforts will succeed or that 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.

###

Medarex®, the Medarex logo and UltiMAb® are registered trademarks of Medarex, Inc. All rights are reserved. Valortim™ is a trademark of PharmAthene, Inc. All rights are reserved.