



NEWS RELEASE

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**PharmAthene and Medarex Receive Orphan Drug Designation  
for Valortim™ to Treat Anthrax Infection**

**PRINCETON, NJ and ANNAPOLIS, MD, March 6, 2006** - Medarex, Inc. (Nasdaq: MEDX) and PharmAthene, Inc., a privately held biotechnology company specializing in the development of biodefense therapeutics, today announced that the United States Food and Drug Administration (FDA) has granted orphan drug designation to Valortim™ (MDX-1303) for the treatment of anthrax infection. Valortim™ is an investigational fully human antibody created using Medarex's UltiMab Human Antibody Development System® that targets the *Bacillus anthracis* protective antigen.

The U.S. Orphan Drug Act is intended to encourage companies to develop safe and effective therapies for the treatment of rare diseases and conditions, specifically those expected to affect fewer than 200,000 people in the U.S. Orphan drug designation provides important benefits to companies such as eligibility for a special seven-year period of market exclusivity upon approval for the compound and indication with orphan designation, potential tax credits for research, potential grant funding for research and development, reduced filing fees for marketing applications, and assistance with clinical trial protocol review.

“Despite aggressive antibiotic therapy and supportive care, the anthrax attacks of 2001 resulted in a mortality rate of nearly 50%, illustrating the urgent need for more effective anthrax therapeutics,” remarked David P. Wright, President and Chief Executive Officer of PharmAthene. “Our receipt of orphan drug designation for Valortim™ and, earlier this year, fast track designation, should facilitate a more streamlined development process through more frequent dialogue with the FDA.”

Mr. Wright continued, “We believe Valortim™ may be the superior choice for procurement in the Strategic National Stockpile under Project BioShield. Its mechanism of action appears to work under the same mechanism as the natural protective response to anthrax vaccine yet

Valortim™ has the potential to provide immediate immunity compared to vaccines, which may take months to confer immunity. Animal studies have demonstrated efficacy in both pre- and post-exposure prophylaxis and treatment for anthrax infection, potentially enabling therapeutic intervention after the appearance of disease symptoms, when antibiotic therapy is progressively less effective.”

Valortim™ is currently being evaluated in a Phase I open-label, dose-escalation clinical trial to evaluate the safety, tolerability, immunogenicity, and pharmacokinetics of a single dose of Valortim™ administered intravenously or intramuscularly in healthy volunteers. Results from this trial are anticipated later this year.

Preclinical studies suggest that Valortim™ has the potential to provide significant protection against anthrax infection when administered prophylactically, or prior to the emergence of symptoms of anthrax infection, and also may increase survival when administered therapeutically, or once symptoms become evident. In these studies, Valortim™ has been shown to protect both rabbits and monkeys against the lethal effects of anthrax infection when administered at the time of exposure at doses as low as 1 mg/kg. When administered to rabbits after the development of symptoms, Valortim™ also improved survival as late as 48 hours post-exposure as compared to controls.

#### **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 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.

#### **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](http://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. Thirty of these therapeutic product candidates derived from Medarex technology are in human clinical testing or have had INDs submitted for such trials, with four 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](http://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.

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