



NEWS RELEASE

For Immediate Release

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Medarex and PharmAthene Announce Phase I Results of Anthrax Therapeutic Valortim™

Clinical study results presented at Infectious Diseases Society of America Annual Meeting

PRINCETON, N.J. and ANNAPOLIS, Md., October 16, 2006 - Medarex, Inc. (Nasdaq: MEDX) and PharmAthene, Inc., a privately held biotechnology company dedicated to the development of biodefense countermeasures, today announced Phase I study results for Valortim™ (MDX-1303) in healthy volunteers. Valortim is a fully human antibody against anthrax infection developed using Medarex's UltiMAb Human Antibody Development System®. The study results were presented in an oral presentation on Sunday, October 15, 2006, at the Infectious Diseases Society of America (IDSA) annual meeting held in Toronto, Canada. The presentation abstract is posted on the IDSA web site (<http://www.idsociety.org/>).

A Phase I clinical study was conducted to assess the safety and tolerability of Valortim. Forty-six healthy volunteers received either a single intravenous (IV) dose of Valortim ranging from 0.3 to 20.0 mg/kg (10 subjects in cohorts receiving 1.0, 3.0 or 10.0 mg/kg and 3 subjects in cohorts receiving 0.3 and 20 mg/kg) or a single 100 mg intramuscular (IM) dose of Valortim (10 subjects).

The Phase I data showed that Valortim was safe and well-tolerated. No drug-related Grade 2-4 or serious adverse events were reported. Grade 1 adverse events were reported in 16 of the volunteers overall, with the most common being pain/burning at the injection site for those being dosed intramuscularly (6 subjects). There were also a few mild headaches (3 subjects overall). Initial analyses of serum pharmacokinetics revealed increasing peak concentrations and overall duration of exposure to antibody with increasing dose, and a half-life of approximately 26 days for IV administration, and approximately 32 days for IM dosing. In the cohorts dosed with 1.0 mg/kg IV or 100 mg IM, individual subjects were tested for the level of toxin neutralizing activity present in their serum 71 days after dosing. The level of activity was comparable to the level of toxin neutralizing activity seen in pooled

human sera provided by the CDC; these reference sera were generated from anthrax toxin immunized individuals, and provide a standard for defining a protective vaccine response. These data suggest that a single dose of Valortim given by the convenient intramuscular route of administration could provide protection for two months, comparable to that present in previously immunized individuals. Exposed but unvaccinated individuals are typically prescribed a two month course of antibiotic prophylaxis to assure protection in the absence of prior protective antibodies.

Preclinical studies suggest that Valortim has the potential to provide significant protection against anthrax infection when administered prophylactically (prior to the emergence of symptoms of anthrax infection) and also may increase survival when administered therapeutically (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 1.0 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.

“We believe that the unique characteristics of Valortim make it an ideal choice for military and civilian protection against an anthrax bioterrorist attack,” commented David P. Wright, President and Chief Executive Officer of PharmAthene. “As our Phase I results demonstrate, a single intramuscular dose of Valortim produces levels of antibodies in humans that correspond to protective levels in animal models and is well tolerated. Based on impressive human safety and animal efficacy data, we believe that Valortim could meet the needs of the U.S. Government and could ultimately be selected for inclusion in the Strategic National Stockpile to provide protection to the American public.”

“We are pleased that Valortim was safe and well tolerated in this initial study, even at the highest dose tested of 20 mg/kg intravenously, as well as in the cohort that received an IM injection of 100 mg (approximately 1.0 mg/kg) of Valortim,” said Israel Lowy, M.D., Ph.D., Senior Director of Clinical Science and Infectious Disease of Medarex. “We believe that it is important that the IM dose resulted in persistence of serum levels for over two months that provided a comparable level of toxin neutralizing activity as that seen in pooled sera from vaccinated volunteers that was provided by the CDC. These sera are used as a gold standard against which to assess the efficacy of new vaccines. When the concentration of anthrax-reactive antibodies is compared between Valortim and the CDC standard needed to provide similar neutralizing activity, Valortim is about 50 times more potent for toxin neutralization. We believe these data may support the use of Valortim as both a pre- and post-exposure prophylaxis and as a therapy for symptomatic anthrax infection.”

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.

The work leading to the Investigational New Drug application and the Phase I study was supported in large part by a challenge grant awarded to Medarex from the National Institute of Allergy and

Infectious Disease, part of the National Institutes of Health, to advance the clinical development of promising agents for biodefense. Department of Defense appropriations were awarded for the continued study of Valortim in FY 2006 and FY 2007.

Findings of preclinical studies describing the activity of Valortim against anthrax infection were published in the October 2006 issue of the journal *Infection and Immunity*. An article abstract is available on the journal web site at <http://iai.asm.org/cgi/content/abstract/74/10/5840>.

In preclinical studies, Valortim both protected against infection and induced recovery and survival in animals exposed to lethal doses of inhalation anthrax spores. A 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 1.0 mg/kg may be studied in future preclinical research.

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, Inc.

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-three of these therapeutic product candidates derived from Medarex technology are in human clinical testing or have had INDs submitted for such trials, with six 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, 2005 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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