



IAVI and Theraclone Expand HIV Antibody Discovery Collaboration

SEATTLE, WA and NEW YORK, NY, July 6, 2009 – Theraclone Sciences, Inc. and the International AIDS Vaccine Initiative (IAVI) have announced an expansion of their HIV antibody discovery program.

In 2008, Theraclone was granted an award under IAVI's Innovation Fund to test its unique process for isolating, from the blood of certain HIV-infected individuals, potent monoclonal antibodies to HIV that are broadly neutralizing. Such antibodies have the potential to neutralize many of the types of HIV in circulation worldwide. The Innovation Fund, co-funded by the Bill & Melinda Gates Foundation, primarily supports biotechnology companies outside the field of AIDS vaccine R&D that have innovative, emerging technologies that might accelerate breakthroughs in the field.

The award to Theraclone already has paid off in scientific terms. "What we've seen is that Theraclone's process has demonstrated results," said Wayne Koff, Senior Vice President of Research and Development at IAVI. "From the blood of certain HIV-infected individuals, the Theraclone technology is able to identify HIV-specific broadly neutralizing antibodies, which is an enormous benefit to AIDS vaccine designers." Broadly neutralizing antibodies to HIV are valuable to researchers working to understand vulnerable portions of HIV, called epitopes, so they can design vaccines targeted to those areas. This is the work of the Neutralizing Antibody Consortium, a global collaboration of researchers organized by IAVI that will take advances from the Theraclone-IAVI partnership forward.

Innovation Fund awardees, whose technologies work out, are eligible for further funding from IAVI. Under a new agreement, Theraclone will receive additional funding from IAVI to support further work isolating novel, broadly neutralizing monoclonal antibodies to HIV. The parties will collaborate to identify new broadly neutralizing antibodies to functional epitopes on HIV. IAVI will retain the rights to develop HIV vaccines based on these antibodies and Theraclone will retain the rights to develop therapeutics based on these antibodies.

"The expansion of our collaboration with IAVI is an important milestone for our company. We are very pleased to be working with the world-class science team at IAVI and the network of collaborators they have assembled as part of their Neutralizing Antibody Consortium," commented David Fanning, CEO of Theraclone Sciences. "We are committed to our partnership with IAVI and hope to make important contributions to the design of a future antibody-based HIV vaccine."

"With 7,500 people becoming infected with HIV every day, it's clear we need better tools for combating AIDS," said IAVI CEO Seth Berkley. "A safe, effective vaccine would be the most powerful tool. Creating a fully protective vaccine will likely require generation of potent, broadly neutralizing antibodies to HIV. Identifying such antibodies and then finding a way to elicit them by way of inoculation is the biggest

challenge facing AIDS vaccine researchers today. Our exciting work with Theraclone offers promise that the challenge can be overcome.”

About Theraclone Sciences, Inc.

Theraclone Sciences, Inc. is a biopharmaceutical company committed to the development and commercialization of therapeutic monoclonal antibodies for the treatment of infectious disease and inflammation. Theraclone is a privately-held organization with venture investment from ARCH Venture Partners, Canaan Partners and Healthcare Ventures and is headquartered in Seattle. For additional information, please visit www.theraclone-sciences.com.

About IAVI

The International AIDS Vaccine Initiative (IAVI) is a global not-for-profit organization whose mission is to ensure the development of safe, effective, accessible, preventive HIV vaccines for use throughout the world. Founded in 1996 and operational in 24 countries, IAVI and its network of collaborators research and develop vaccine candidates. IAVI was founded with the generous support of the Alfred P. Sloan Foundation, The Rockefeller Foundation, The Starr Foundation, and Until There's A Cure Foundation. Other major supporters include the Bill & Melinda Gates Foundation, the Foundation for the National Institutes of Health, The John D. Evans Foundation, The New York Community Trust, the James B. Pendleton Charitable Trust; the Governments of Canada, Denmark, India, Ireland, The Netherlands, Norway, Spain, Sweden, the United Kingdom, and the United States, the Basque Autonomous Government, the European Union as well as The City of New York, Economic Development Corporation; multilateral organizations such as The World Bank; corporate donors including BD (Becton, Dickinson & Co.), Bristol-Myers Squibb, Continental Airlines, Google Inc., Henry Schein, Inc., Pfizer Inc, and Thermo Fisher Scientific Inc.; leading AIDS charities such as Broadway Cares/Equity Fights AIDS; other private donors such as The Haas Trusts; and many generous individuals from around the world. For more information, see www.iavi.org.

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