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Xcellerex Raises \$31 Million in Series C Financing

VantagePoint Venture Partners' David E. Thompson to Join Board of Directors

Marlborough, MA, October 11, 2007 – Xcellerex, Inc. announced today that it has raised \$31 million in a Series C financing to advance the development and commercialization of its proprietary FlexFactory™ manufacturing system and XDR™ bioreactors for the production of biomolecules, including biotherapeutics and vaccines, and for developing its own internal biomolecule products. VantagePoint Venture Partners, a new investor, led the financing. Existing investors, including Kleiner Perkins Caufield and Byers, and SCG Investments, also participated.

In connection with the financing, VantagePoint Venture Partner David E. Thompson will join the Xcellerex board of directors.

"With the rapid growth in markets for biomolecules, the ability to deploy manufacturing capacity rapidly and cost-effectively has become critical to successful product development and commercialization," said David E. Thompson, a Venture Partner at VantagePoint. "Xcellerex's platform, which radically improves biomanufacturing economics, has great potential to revolutionize the commercial development of biomolecules. The Company's business strategy provides a wealth of opportunities for developing proprietary biomolecules as well as commercializing its manufacturing products and systems."

Thomas Monath, M.D., a Partner at Kleiner Perkins, commented, "Xcellerex has made outstanding progress in developing its biomanufacturing platform based on unique single-use component technology. The Company is well positioned to accelerate the commercialization of the FlexFactory™, its complete turnkey, modular production train and XDR™ bioreactors as well as leverage the FlexFactory platform to develop proprietary biomolecules." He noted that during the past year, the Company launched the XDR bioreactor line, began GMP production in support of multiple INDs, created strong interest in Xcellerex' technology within major biopharmaceutical companies, and strengthened its senior management team.

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"The financing will enable us to continue the development and commercialization of the FlexFactory model, initiate development of proprietary biomolecules using the FlexFactory and grow our bioreactor business," said Joseph S. Zakrzewski, Chief Executive Officer of Xcellerex. "Our ability to attract quality investors such as VantagePoint and Kleiner Perkins is a strong endorsement of our progress to date and our strategy for building value around our platform."

He added, "The addition of David Thompson to our Board provides us with great expertise business development and a wealth of industry insight." Mr. Thompson joined VantagePoint in 2006 after a 30-year career at Eli Lilly and Company in various executive roles. His experiences include business development and licensing for which he is an acknowledged and accomplished expert in the field, and well as numerous operations management positions including president of IVAC and President and General Manager of Eli Lilly Canada.

About VantagePoint Venture Partners

VantagePoint Venture Partners provides creative growth strategies and capital to companies transforming global markets. With more than \$4.0 billion of capital under management, the Firm invests in entrepreneurial companies at all stages of development in the CleanTech, Digital Media/Internet, Healthcare, Semiconductor and Wireless sectors. VantagePoint partners with talented entrepreneurs who are seeking to build companies that are world-scale in both size and substance. The Firm has created a network of thought leaders and strategic partners with some of the world's leading corporations to provide portfolio companies with a unique advantage to accelerate growth. For more information, visit www.vpvp.com.

About Kleiner Perkins Caufield & Byers

Since its founding in 1972, KPCB has backed entrepreneurs in over 475 ventures, including AOL, Align Technology, Amazon.com, Citrix, Compaq Computer, Electronic Arts, Genentech, Genomic Health, Google, IDEC Pharmaceuticals, Intuit, Juniper Networks, Netscape, Lotus, LSI Logic, Sun Microsystems, Symantec, VeriSign and Xilinx. More than 150 of the firm's portfolio companies have gone public. Many other ventures have achieved success through mergers and acquisitions. Additional information can be found at www.kpcb.com.

About Xcellerex, Inc.

Xcellerex is revolutionizing the way biomolecules are developed, manufactured and commercialized. The company's unique single-use component technology platform transforms biomanufacturing economics, enabling the development of biotherapeutics and vaccines, and dramatically improving the ability of Xcellerex and its partners to deploy manufacturing capacity. Xcellerex leverages its technology and services platform by: 1) commercializing its FlexFactories™ (complete, turnkey, modular production trains) and XDR™ (unique, single use component bioreactor systems); 2) building a portfolio of proprietary biotherapeutics and vaccines through creative alliances and in licensing; and 3) creatively structuring transactions around FlexFactories, XDRs and its pipeline. Learn more at www.xcellerex.com