



**Xcellerex Contacts:**

Jon Lieber  
CFO  
(508)683-2239

Robert Gottlieb  
RMG Associates  
(857) 891-9091

**Itero Biopharmaceuticals Contacts:**

Debanjan Ray  
Director, Commercial Development  
(650) 212-7601 x506

Joan Kureczka  
Kureczka Martin Associates  
(415) 821-2413

**For Immediate Release**

**Xcellerex and Itero Biopharmaceuticals Announce  
Strategic Manufacturing and Supply Collaboration**

*Itero selects Xcellerex technologies to enable cost effective  
production of specialty biopharmaceutical protein products*

**Marlborough, MA and San Mateo, CA – October 1, 2009** – Xcellerex, Inc. and Itero Biopharmaceuticals, Inc. announced today that they have signed a Letter of Intent to enter into a strategic collaboration for the production of Itero's lead product, an undisclosed commercially differentiated therapeutic protein. Itero will initiate technology transfer for the product to Xcellerex immediately. Xcellerex will provide development expertise and product manufacturing for global clinical and commercialization supplies under the terms of a Master Services Agreement to be executed as soon as is reasonably practicable. The parties anticipate that this will be a multi-product collaboration, and for the first product, Xcellerex will manufacture Itero's Phase 3 clinical materials in 2010/2011.

"Xcellerex is enabling Itero's rapid drug development through Phase 3 utilizing its state-of-the-art PDMax® process development platform and its FlexFactory® technology, which should provide Itero and its future partners with a cost-effective and flexible manufacturing alternative at full commercial scale," stated Joseph Zakrzewski, Xcellerex's President and Chief Executive Officer, "We believe we will provide a significant advantage to Itero in terms of cost, flexibility and control of its manufacturing destiny. Given that we will become an equity holder in Itero under this collaboration, we will be particularly interested in ensuring their success, as we grow our portfolio of biomolecules using such creative deal structures."

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The parties will utilize Xcellerex's PDMax® process development technology to scale-up the manufacturing process in Xcellerex's FlexFactory and rapidly produce material to initiate clinical trials. Financial terms of the partnership were not disclosed, but include contract manufacturing fees, as well as Itero equity being granted to Xcellerex as part of the payment structure. The collaboration also anticipates Itero's future purchase of a portable FlexFactory.

"We believe Xcellerex is the right choice for Itero given their innovative, portable technology and their extensive manufacturing experience, which includes nearly 20 products for clinical trial development," said Bryan Lawlis, PhD, Itero's President and CEO. "With the equity component of our collaboration, we are confident in their commitment to fully support our manufacturing needs as we make significant strides in building our product portfolio."

#### **About FlexFactory**

Xcellerex's FlexFactory is an innovative, portable manufacturing platform, based on the innovative application of (1) single-use technologies; (2) controlled environmental modules (CEMs); and (3) advanced and proven process automation including electronic batch records. The FlexFactory effectively eliminates clean- and steam-in-place and clean room infrastructure, greatly simplifies facility design, reducing manufacturing footprint and capital investment, and creates breakthrough gains in operating efficiency, flexibility and environmental friendliness.

#### **About Itero Biopharmaceuticals, Inc.**

Itero Biopharmaceuticals, Inc. is a San Mateo, California based specialty biopharmaceutical company that plans to develop and commercialize multiple differentiated protein therapeutics. Itero's focus is on clinically and commercially differentiated protein molecules that serve niche markets that can be readily marketed. Since Itero's founding in November 2007, the company has advanced its first product to late pre-clinical stage and is seeking to identify their next product candidate. Itero intends to leverage strategic collaborations to provide capital efficient process and manufacturing development as well as global clinical development. The company's management team consists of seasoned executives with development, manufacturing and commercialization experience relating to therapeutic proteins including monoclonal antibodies.

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**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 <http://www.xcellerex.com>

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