October 2, 2006

MacroGenics receives multiple government awards totaling more than $62 million to advance infectious disease programs

Rockville, Maryland, October 2, 2006 MacroGenics, Inc. announced today that the National Institute for Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH), awarded the privately held biotechnology company a $50 million contract over five years to develop a monoclonal antibody to West Nile virus (WNV). The NIAID contract will support the advancement of the antibody through manufacturing and Phase 2 clinical trials. MacroGenics WNV antibody is currently in late-stage preclinical testing and is anticipated to enter Phase 1 clinical trials in the first half of 2007.

MacroGenics therapeutic antibody will be targeted to individuals who develop neuroinvasive disease as a result of WNV infection, including patients with meningitis and encephalitis. Since 1999, 21,877 cases of WNV have been reported to the Centers for Disease Control and Prevention (CDC) and 42% of these reported cases involved neuroinvasive disease. This year to date, 2,177 WNV cases have been reported to the CDC, a 43% increase in the number of reported cases compared to this time in the 2005 season. Among infectious pathogens that pose a biothreat or emerging disease risk to the U.S. population, the NIAID has prioritized these agents within three risk categories (A, B, and C). WNV is assigned to Category B, with those viruses that infect the central nervous system.

The NIAID award marks a true turning point in the advancement of our infectious disease portfolio, enabling MacroGenics to accelerate the development of a potentially novel, safe and effective intervention for patients suffering from West Nile virus neuroinvasive disease, noted Dr. Scott Koenig, President and CEO of MacroGenics. This award is especially timely, as there currently are no approved treatments for West Nile virus, and there is no evidence that this disease is abating since its introduction in the US in 1999. We are honored to have won the support and confidence of NIAID for this innovative approach to treating infectious diseases.

MacroGenics also was recently granted two additional awards from NIAID totaling close to $13 million to support two new infectious disease programs.

The company received a grant of up to $6.8 million to develop a monoclonal antibody with neutralizing activity against smallpox virus in collaboration with investigators at NIAID. This immunotherapeutic product is intended to prevent infection in the face of an immediate biothreat and to suppress infection and disease in individuals exposed to the smallpox virus. NIAID classifies smallpox as a Category A agent.

MacroGenics was also awarded a NIAID subcontract of up to $6 million from St. Jude Childrens Research Hospital to develop cross-neutralizing monoclonal antibodies specific for the H5N1 influenza virus. The World Health Organization (WHO) reports that since 2003, there have been 247 cases of human H5N1 avian flu, 58% of which have resulted in death. New treatments are urgently needed for this virus in the event that person to person spread becomes a major route of virus transmission.

About MacroGenics, Inc.

Founded in 2000, MacroGenics is a private, venture-backed biotechnology company headquartered in Rockville, Maryland that focuses on the development, manufacture, and commercialization of immunotherapeutics for autoimmune disorders, cancer, and infectious diseases. The companys proprietary Fc engineering technology offers ways of improving antibody function, such as enhancing its ability to eliminate cancer cells, cells that contribute to autoimmune disorders, or those infected with certain pathogens. The company is developing first in class product candidates from its autoimmunity and oncology portfolios, one of which is expected to enter a pivotal clinical study in diabetes later this year. In addition to the infectious disease product candidates, MacroGenics is developing a vaccine to prevent West Nile virus infections.

Statements made in this news release that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as expects, believes, intends, and similar expressions are intended to identify forward-looking statements. Actual results may differ materially from those projected in any forward-looking statement. Specifically, there are a number of important factors that could cause actual results to differ materially from those anticipated, such as the Companys ability to raise additional capital, and risks related to the Companys ability to initiate, and enroll patients in, planned clinical trials. You should not place undue reliance on any forward-looking statements. The Company assumes no obligation to update any forward-looking statements as a result of new information, future events or

developments, except as required by law.