



***For Immediate Release***

## **GLAXOSMITHKLINE AND CHEMOCENTRYX ENTER INTO DRUG DISCOVERY AND DEVELOPMENT ALLIANCE IN INFLAMMATORY DISORDERS**

**London, UK, Philadelphia, PA and Mountain View, CA, USA – August 24, 2006** – GlaxoSmithKline (NYSE: GSK) and ChemoCentryx, Inc. today announced a worldwide multi-target strategic alliance to discover, develop and market novel medicines targeting four chemokine and chemoattractant receptors for the treatment of a variety of inflammatory disorders, including Traficet-EN® in late stage development for the treatment of inflammatory bowel disease (IBD). This collaboration provides GSK access to selected targets from one of the broadest pipelines of chemokine-based therapeutics in the biopharmaceutical industry leveraging ChemoCentryx's expertise and pioneering insight into the chemokine system. The alliance with GSK will be conducted through its Center of Excellence for External Drug Discovery (CEEDD).

ChemoCentryx will receive an upfront payment of \$63.5 million comprised of cash and an equity investment in the form of a Series D financing. In addition, ChemoCentryx will receive research funding and will be eligible to earn milestone payments up to, potentially, \$1.5 billion, across six product options on the four targets, assuming successful development and commercialization. ChemoCentryx will also receive double-digit royalties on all collaboration product sales and will be able to increase royalties in certain instances by co-funding development through Phase III clinical trials. Furthermore, under certain circumstances, upon an initial public offering by ChemoCentryx, GSK will invest in ChemoCentryx's common stock.

Under the terms of the agreement, ChemoCentryx will be responsible for the discovery and development of small molecule drug candidates targeting four specific chemokine and chemoattractant receptor targets through clinical proof of concept, at which point GSK will have exclusive options to license each product for further development and commercialization on a worldwide basis. The agreement encompasses

Traficet-EN, a specific CCR9 antagonist currently in a multinational clinical trial (PROTECT-1) of greater than 400 patients with IBD, as well as three ongoing pre-agreed preclinical research programs involving named but undisclosed chemokine and chemoattractant receptor targets. ChemoCentryx will retain the option to co-develop and to co-promote Traficet-EN in IBD to certain physician specialists in the U.S.

“We are extremely pleased to be working closely with GSK as a premier global pharmaceutical company. Their outstanding commitment to pharmaceutical innovation and broad expertise and experience in the development and commercialization of new medicines in inflammatory conditions make them an ideal collaborator,” said Thomas J. Schall, Ph.D., President and CEO of ChemoCentryx. “This important alliance with GSK will provide us with access to significant capital in the near and long term to support the ongoing development of each of these programs, as well as the ability to continue to discover and bring forward multiple new compounds targeting the chemokine system.”

Maxine Gowen, Ph.D., Senior Vice President and head of GSK’s CEEDD stated, “The ChemoCentryx alliance is a landmark relationship for the CEEDD. This collaboration clearly demonstrates GSK’s commitment to gain access to leading-edge, best anywhere science and we are excited by the opportunity to work with ChemoCentryx, the leading chemokine company, and their world class team. Accessing their expertise and four advanced chemokine programs, including, Traficet-EN in the clinic for IBD, will allow us to bring novel medicines to patients with high unmet need.”

ChemoCentryx has established a broad pipeline of clinical and preclinical stage chemokine-based therapeutics, each targeting distinct chemokine and chemoattractant receptors and offering the potential to treat various diseases. ChemoCentryx is currently conducting the PROTECT-1 Trial for Traficet-EN in patients with moderate-to-severe Crohn’s disease, one of the most common forms of IBD. Traficet-EN is intended to control the inappropriate inflammatory response underlying IBD by targeting the CCR9 chemokine receptor. Other programs target receptors that are implicated in a number of inflammatory conditions including rheumatoid arthritis, multiple sclerosis, systemic lupus erythematosus, acute macular degeneration and asthma.

### **About ChemoCentryx**

ChemoCentryx, Inc. is a clinical-stage biopharmaceutical company focused on discovering, developing and commercializing orally-administered therapeutics that target the chemokine and chemoattractant receptor systems in order to treat autoimmune diseases, inflammatory disorders and cancer. The chemokine system is a complex network of chemokine molecules, or ligands, and receptors that regulates inflammation. Based on their proprietary drug discovery and drug development platform, ChemoCentryx has generated, internally, several clinical and preclinical stage programs, each targeting distinct chemokine and chemoattractant receptors with different small molecule compounds. The

company's compounds are designed to be highly potent with minimal side effects and orally available for improved patient compliance, as well as ease and efficiency of manufacture.

### **About The CEEDD**

GlaxoSmithKline is enhancing the way it discovers and develops drugs by creating a small dedicated team who will feed the GSK pipeline solely through the efforts of its external alliances. The CEEDD (Center of Excellence for External Drug Discovery) was formed as further validation of GSK's strategy to create small, independent and accountable R&D teams (Centers of Excellence for Drug Discovery or CEDDs). In essence, the CEEDD will 'virtualize' a portion of the GSK pipeline; namely, from target to clinical proof of concept, by forming multiple risk-sharing/reward-sharing alliances. Capitalizing on the speed and efficiency of its collaborators will allow GSK to deliver pharmaceuticals products faster to patients.

### **About GlaxoSmithKline**

GlaxoSmithKline, one of the world's leading research-based pharmaceutical and healthcare companies, is committed to improving the quality of human life by enabling people to do more, feel better and live longer.

*Any statements in this press release about ChemoCentryx's expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and are forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as believe, will, expect, anticipate, estimate, intend, plan and would. Forward-looking statements are not guarantees of performance. They involve known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to differ materially from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statement. Some of the risks, uncertainties and assumptions that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include but are not limited to (i) the timing, success and cost of preclinical research and clinical studies, (ii) the timing, acceptability and review periods for regulatory filings, (iii) the availability of corporate partners, (iv) uncertainties relating to patent protection and intellectual property rights of third parties, (v) the impact of competitive products and technological changes, (vi) the availability of capital and the cost of capital, (vii) other vagaries in the biotechnology industry and (viii) other risks. ChemoCentryx undertakes no obligation to update or revise any forward-looking statements.*

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