



## **GENMAB ANNOUNCES RESULTS FOR THE NINE MONTHS PERIOD OF 2009**

*Summary: Genmab reports results for the nine month period ended September 30, 2009*

**Copenhagen, Denmark; November 10, 2009** – Genmab A/S (OMX: GEN) announced today results for the nine month period ended September 30, 2009. During this period, Genmab reported the following results:

- Genmab's revenues were DKK 435 million (USD 86 million) for the nine month period ended September 30, 2009. In the same period of 2008, Genmab recognized revenues of DKK 667 million (USD 131 million).
- An operating loss of DKK 536 million (USD 105 million). This compares to an operating loss of DKK 508 million (USD 100 million) for the corresponding period of 2008. Despite the decrease in revenues of DKK 232 million, the operating loss has only increased by DKK 28 million compared to the corresponding period in 2008. This is mainly a result of our continued strong focus on cost savings and control.
- An income of DKK 141 million (USD 28 million) from net financial items for the first nine months of 2009, compared to a loss of DKK 18 million (USD 4 million) in the same period of 2008. The net financial items have continued to be positively impacted by the improved market conditions which have resulted in improved fair market valuations of our marketable securities.
- A net loss of DKK 403 million (USD 79 million) compared to a net loss of DKK 526 million (USD 104 million) for the same period in 2008. The net loss per share was DKK 8.98 (USD 1.77) for the first nine months of 2009 compared to DKK 11.81 (USD 2.32) in the first nine months of 2008.
- Genmab ended the nine month period with a cash position of DKK 1,380 million (USD 271 million), a decrease of DKK 382 million (USD 76 million) from the end of 2008. The decrease arises primarily from the investment in our research and development activities.

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### Highlights

During the third quarter of 2009, Genmab announced a number of business and scientific highlights, as follows:

For ofatumumab:

- Completion of patient recruitment in two ofatumumab studies: the Phase III pivotal study in refractory chronic lymphocytic leukemia (CLL) and the Phase II study in relapsed Diffuse Large B-cell Lymphoma (DLBCL).
- Top-line results from four ofatumumab studies: a Phase III study to treat rheumatoid arthritis (RA) in patients refractory to methotrexate; a Phase II front line combination study in CLL; a Phase II front line combination study in non-Hodgkin's lymphoma (NHL) and a pivotal Phase III study in rituximab refractory NHL. The overall response rate in this Phase III pivotal study was 11%. Genmab and its partner GlaxoSmithKline (GSK) are continuing ongoing plans for additional clinical studies in NHL.

For zalutumumab:

- The FDA placed a partial clinical hold on zalutumumab clinical studies being conducted under the US Investigational New Drug (IND) application, as well as requests for new studies in June 2009. The company met the FDA's request for additional safety information and the hold was lifted on July 16.

Financial guidance:

- We published revised financial guidance for 2009 to reflect the exclusion of a milestone payment related to the Phase III NHL study under the Arzerra™ (ofatumumab) collaboration with GSK.

Subsequent to the balance sheet date:

- In October, we announced that GSK had filed a declaratory judgment action seeking a declaration that the US Patent 6,331,415 (the "Cabilly" patent) is invalid, unenforceable and not infringed by Arzerra.
- In October, we received accelerated approval for Arzerra from the FDA for CLL that is refractory to fludarabine and alemtuzumab. The FDA approval triggered a milestone payment of DKK 116 million from GSK.
- In November, we announced a reorganization plan to match resources to ongoing and future needs, sell our US manufacturing facility and reduce headcount by approximately 300 positions. We will retain a core staff with critical development skills. We do not intend to discontinue any of our ongoing development programs as a result of this reorganization and look forward to data from the zalutumumab pivotal study in head and neck cancer, now expected in 2010, as overall patient survival is longer than anticipated.

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- In November, we published revised financial guidance for 2009 to reflect the financial impact of the reorganization plan.
- In November, we announced the initiation of a Phase III study of ofatumumab plus chemotherapy versus rituximab plus chemotherapy to treat patients with relapsed or refractory DLBCL.

### Outlook

As announced on November 5, 2009, we revised our 2009 financial guidance due to the announcement of a reorganization plan including a contemplated reduction in headcount of approximately 300 positions and decision to sell our manufacturing facility in Brooklyn Park, Minnesota, USA.

At certain Genmab locations the reduction in headcount and severance packages offered are subject to consultation discussions and therefore the estimates included in this guidance are subject to change. However, we estimate that the cash cost of the reduction in workforce including severance, retention payments and other costs to be approximately DKK 105 million. We currently estimate a cash impact of DKK 38 million in 2009 and DKK 67 million in 2010.

We estimate that the reorganization charges above will impact the 2009 income statement by approximately DKK 80 million, including non-cash warrant expenses of approximately DKK 22 million.

We will also recognize an impairment charge in the fourth quarter of 2009 related to the proposed sale of the Brooklyn Park facility. We have estimated the fair value of the facility to be approximately USD 150 million less sales related costs of approximately USD 5 million, resulting in a fair value less cost to sell of approximately USD 145 million (DKK 737 million as of November 3, 2009), which resulted in a non-cash impairment charge of approximately USD 83 million (DKK 420 million as of November 3, 2009). The fair value less cost to sell and impairment is based on the best information available and may be subject to change.

The Brooklyn Park facility will be classified as held for sale and will therefore be presented as a discontinued operation in the fourth quarter of 2009. This change in presentation is not yet reflected in the revised guidance below. The facility will be kept in maintenance mode pending the sale, incurring an estimated annualized expense of USD 10 million (DKK 50 million).

The annualized impact of the reorganization is estimated to yield savings of approximately DKK 300 million, including non-cash items of approximately DKK 60 million.

This revised guidance also includes some other changes to the previously issued 2009 guidance. We expect our 2009 revenue to be approximately DKK 640 million compared to the previous estimate of DKK 750 million. The reduction in revenue is primarily due to the delay of a

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milestone payment to 2010 that was originally expected in 2009 under the Arzerra collaboration with GSK.

We anticipate that our operating expenses will be approximately DKK 1.3 billion, DKK 100 million below our previous guidance of DKK 1.4 billion due to a continued focus on cost control. This will result in a revised operating loss of approximately DKK 660 million before the reorganization charges, as compared to our previous guidance of DKK 650 million.

Including the impact of all of the items discussed above we estimate a revised operating loss of approximately DKK 1,160 million, as compared to our previous guidance of DKK 650 million.

After reflecting the impact of the reorganization we expect the cash burn for 2009 to be approximately DKK 700 million which is at the same level as our previous guidance. Therefore, Genmab still projects a cash balance at the end of the year of approximately DKK 1.1 billion.

We therefore anticipate that the guidance after reflecting the impact of the reorganization and other items discussed above to be as follows:

2009 Guidance	New				Previous	
	With Reorganization		Before Reorganization		Before Reorganization	
	DKK Millions	USD Millions	DKK Millions	USD Millions	DKK Millions	USD Millions
Revenues	640	126	640	126	750	148
Operating expenses	1,300	256	1,300	256	1,400	275
Reorganization charge	80	15	-	-	-	-
Impairment charge	420	83	-	-	-	-
Operating loss	(1,160)	(228)	(660)	(130)	(650)	(127)
Cash burn	(700)	(138)	(660)	(130)	(700)	(138)
Cash at the end of the year*	1,060	209	1,100	216	1,050	207

*\*Cash, cash equivalents and marketable securities*

In addition to factors already mentioned the estimates above are subject to change due to numerous reasons, including the timing and variation of development activities, related income and costs and fluctuations in the value of our marketable securities, fair value less cost to sell related to our manufacturing facility and currency exchange rates. The financial guidance also assumes that no further significant agreements are entered into during 2009 that could materially affect the results.

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### **Conversion of Certain DKK Amounts to USD**

For the convenience of the reader certain DKK amounts have been converted to USD. The conversion has been made using the Danish Central Bank closing spot rate on September 30, 2009 of USD 1.00 = DKK 5.0839.

### **Conference Call**

Genmab will hold a conference call to discuss the results for the nine month period ended September 30, 2009 tomorrow, Wednesday, November 11, 2009, at

3.00 pm CEST

2.00 pm BST

9.00 am EDT

The conference call will be held in English.

The dial in numbers are as follows:

+1 877 941 2333 (in the US) and provide conference ID 4181679

+1 480 629 9724 (outside the US) and provide conference ID 4181679

A live webcast of the call and relevant slides will be available at [www.genmab.com](http://www.genmab.com). The webcast will also be archived on Genmab's website.

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## Selected Consolidated Key Figures

	9 months ended September 30, 2009 DKK'000	9 months ended September 30, 2008 DKK'000	9 months ended September 30, 2009 *USD'000	9 months ended September 30, 2008 *USD'000
<b>Income Statement</b>				
Revenues	434,976	667,496	85,560	131,296
Research and development costs	(818,363)	(1,020,774)	(160,971)	(200,786)
General and administrative expenses	(114,940)	(110,265)	(22,609)	(21,689)
Operating loss	(536,324)	(508,057)	(105,495)	(99,935)
Net loss	(403,153)	(526,474)	(79,300)	(103,558)
<b>Balance Sheet</b>				
Cash and marketable securities	1,380,259	2,095,389	271,496	412,162
Non-current assets	1,188,318	1,284,660	233,742	252,692
Assets	2,709,798	3,641,566	533,017	716,294
Shareholders' equity	1,854,335	2,546,762	364,745	500,945
Share capital	44,907	44,735	8,833	8,799
<b>Statement of Cash Flows</b>				
Cash flow from operating activities	(477,781)	(288,652)	(93,979)	(56,779)
Cash flow from investing activities	1,150,209	349,576	226,245	68,762
Cash flow from financing activities	(4,643)	13,334	(914)	2,622
<b>Financial Ratios (in DKK / USD)</b>				
Basic and diluted net loss per share	(8.98)	(11.81)	(1.77)	(2.32)
Period-end share market price	133.00	300.00	26.16	59.01
Price / book value	3.22	5.27	3.22	5.27
Shareholders' equity per share	41.29	56.93	8.12	11.20
Equity ratio	68%	70%	68%	70%
Average number of employees	530	535	530	535
Number of employees at the end of the period	520	643	520	643

## About Genmab A/S

Genmab is a leading international biotechnology company focused on developing fully human antibody therapeutics for the potential treatment of cancer. Genmab's world class discovery and development teams are using cutting-edge technology to create and develop products to address unmet medical needs. Our primary goal is to improve the lives of patients who are in urgent need of new treatment options. For more information on Genmab's products and technology, visit [www.genmab.com](http://www.genmab.com).

*This Stock Exchange Release contains forward looking statements. The words "believe", "expect", "anticipate", "intend" and "plan" and similar expressions identify forward looking statements. Actual results or performance may differ materially from any future results or performance expressed or implied by such statements. The important factors that could cause our actual results or performance to differ materially include, among others, risks associated with product discovery and development, uncertainties related to the outcome and conduct of clinical trials including unforeseen safety issues, uncertainties related to product manufacturing, the lack of market acceptance of our products, our inability to manage growth, the competitive environment in relation to our business area and markets, our inability to attract and retain suitably qualified personnel, the unenforceability or lack of protection of our patents and proprietary rights, our relationships with affiliated entities, changes and developments in technology which may render our products obsolete, and other factors. For a further discussion of these risks,*

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*please refer to the section "Risk Management" in Genmab's Annual Report, which is available on [www.genmab.com](http://www.genmab.com). Genmab does not undertake any obligation to update or revise forward looking statements in this Stock Exchange Release nor to confirm such statements in relation to actual results, unless required by law.*

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Contact: Helle Husted, Vice President, Investor Relations  
T: +45 33 44 77 30; M: +45 25 27 47 13; E: [h.husted@genmab.com](mailto:h.husted@genmab.com)

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