

May 20, 2008

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FIVEPRIME AND PFIZER ENTER ONCOLOGY AND DIABETES COLLABORATION

SAN FRANCISCO, California – May 20, 2008. Five Prime Therapeutics, Inc. and Pfizer Inc today announced the initiation of a worldwide collaborative research and license agreement. The collaboration will focus on the discovery of antibody targets and novel therapeutic protein products to treat certain areas of cancer and diabetes. Under the collaboration, FivePrime will screen its comprehensive protein library in both cell-based assays and primary in vivo screens directed toward finding potential therapeutic protein products and antibody targets.

Upon the commencement of the collaboration, FivePrime will receive an up-front payment and an equity investment from Pfizer and three years of committed research funding. Pfizer will have exclusive worldwide rights to develop and commercialize certain products and targets discovered during the research term, in exchange for future milestones and royalties. Further details of the agreement have not been disclosed.

“Pfizer’s commitment to biotherapeutics and its extensive development and commercialization capabilities are an ideal match for FivePrime’s powerful biologics discovery platform. This combination will increase the likelihood and speed of discovering and developing new biotherapeutics for patients in need” stated Lewis T. (“Rusty”) Williams, MD, PhD, FivePrime’s Founder and Executive Chairman.

FivePrime’s existing investors made a co-investment in FivePrime in conjunction with Pfizer’s equity purchase. “This is a very significant transaction for FivePrime,” commented Gail Maderis, President and CEO of FivePrime. “It provides the financial runway to take several of our oncology products into clinical trials in addition to greatly expanding our discovery efforts.”

A key component of the collaboration is FivePrime’s comprehensive, rapid protein discovery system. Its protein screening library contains essentially all human secreted proteins and their receptors, including many that are unavailable in public collections. FivePrime screens its protein library in both complex, primary cell assays and in high-throughput in vivo systems. The in vivo technology is also used for rapid validation of hits, significantly reducing the time from an idea to an Investigational New Drug.

“We are very excited about this research collaboration, as it will fill a core need for Pfizer’s new biologics enterprise, the Biotherapeutics and Bioinnovation Center (BBC),” said BBC President Corey Goodman, PhD. “Our mission is to gain access to the best internal and external science and to achieve Pfizer’s corporate ambition of becoming a global leader in biotherapeutics. The

investment and partnership with FivePrime represents a key milestone in our efforts as we are confident it will generate therapeutic proteins and antibodies that will ultimately lead to innovative medicines for patients worldwide.”

About FivePrime

FivePrime is a privately held protein therapeutics discovery and development company located in San Francisco's Mission Bay development. FivePrime's most advanced programs are in oncology, with its lead biotherapeutic (FP-1039) slated to enter clinical testing in 2008, and two additional products in advanced preclinical development. FivePrime has discovery collaborations with Boehringer Ingelheim in the field of rheumatoid arthritis and with Centocor in the field of pulmonary fibrosis and osteoarthritis to identify new biotherapeutics and antibody targets. For more information please visit www.fiveprime.com.

About Pfizer Inc. and the Biotherapeutics and Bioinnovation Center (BBC)

Pfizer Inc. is the world's largest research-based biomedical and pharmaceutical company, employing approximately 87,000 colleagues in more than 150 countries. In 2007, Pfizer earned \$48.4 billion in revenues and invested \$8.1 billion in research and development. The BBC is based in the San Francisco Bay Area of California and combines cutting-edge biology, new platform technologies, and advanced research tools to discover and develop new medicines. This new venture is a significant departure for Pfizer and the pharmaceutical industry. Located in one of the hubs of biotechnology, the BBC has the entrepreneurial spirit of biotech and will collaborate broadly with the academic, biotech, and venture communities to focus on discovering and developing new medicines. For more information please visit www.pfizer.com.