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## **XOMA Announces Planned Retirement of Chief Executive Officer**

BERKELEY, Calif., Feb. 26, 2007 (PRIME NEWSWIRE) -- Jack Castello, Chairman of the Board, President and Chief Executive Officer of XOMA Ltd. (Nasdaq:XOMA), announced today his plans to retire. Mr. Castello, 70, chose to announce his retirement plans now to allow adequate time to find the best qualified individual to succeed him and make the management change as smooth as possible. He will continue to serve in his present capacities during the candidate search and transition period.

Denny Van Ness, a member of XOMA's Board of Directors, stated, "Jack Castello has made a significant contribution to XOMA in guiding it through both tough times and good times. He has transformed XOMA into a leading therapeutic antibody discovery, development and manufacturing company."

"I would like to express my appreciation to the Board, shareholders, and all of XOMA's employees for their support over the past fifteen years," stated Mr. Castello. "We are proud of what we have been able to build here at XOMA and I am confident we have the talent and the programs in place to see XOMA through to financial stability and ensure its ultimate success."

### **About XOMA**

XOMA is a leader in the discovery, development and manufacture of therapeutic antibodies, with a therapeutic focus that includes cancer and immune diseases. XOMA has royalty interests in RAPTIVA(r) (efalizumab), a monoclonal antibody product marketed worldwide (by Genentech, Inc. and Merck-Serono, SA) to treat moderate-to-severe plaque psoriasis, and LUCENTIS(r) (ranibizumab injection), a monoclonal antibody product marketed worldwide (by Genentech and Novartis AG) to treat neovascular (wet) age-related macular degeneration.

The company has built a premier antibody discovery and development platform that includes access to seven of the leading commercially available antibody phage display libraries and XOMA's proprietary Human Engineering(tm) and Bacterial Cell Expression (BCE) technologies. More than 45 companies have signed BCE licenses. XOMA's development collaborators include Lexicon Pharmaceuticals, Inc., Novartis, Schering-Plough Corporation (NYSE:SGP) and Takeda Pharmaceutical Company Limited. With a fully integrated product development infrastructure, XOMA's product development capabilities extend from preclinical sciences to product launch. For more information, please visit the company's website at [www.xoma.com](http://www.xoma.com).

Certain statements contained herein concerning current collaborations and product development or that otherwise relate to future periods are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on assumptions that may not prove accurate. Actual results could differ materially from those anticipated due to certain risks inherent in the biotechnology industry and for companies engaged in the development of new products in a regulated market. These risks, including those related to the results of discovery research and preclinical testing; the timing or results of pending and future clinical trials (including the design and progress of clinical trials; safety and efficacy of the products being tested; action, inaction or delay by the FDA, European or other regulators or their advisory bodies; and analysis or interpretation by, or submission to, these entities or others of scientific data); uncertainties regarding the status of biotechnology patents; uncertainties as to the cost of protecting intellectual property; changes in the status of the existing collaborative and licensing relationships; the ability of collaborators, licensees and other third parties to meet their obligations; market demand for products; scale up and marketing capabilities; competition; international operations; share price volatility; XOMA's financing needs and opportunities and risks associated with XOMA's status as a Bermuda company, are described in more detail in XOMA's most recent annual report on Form 10-K and in other SEC filings. Consider such risks carefully in considering XOMA's prospects.

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