June 8, 2011

XOMA Announces Phase 2a Six-Month Top Line Trial Results Support Safety and Biological Activity

BERKELEY, Calif., June 8, 2011 (GLOBE NEWSWIRE) -- XOMA Ltd. (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, released six-month top line results from a Phase 2a clinical trial of XOMA 052 in 74 patients with Type 2 diabetes. The results were as expected based on data from the Phase 2a three-month interim review and the Phase 2b trial. XOMA 052 was well tolerated with no significant differences between the XOMA 052 and placebo groups in observations of adverse events. XOMA 052 continued to show evidence of biological activity as shown by a reduction in levels of C-reactive protein, a biomarker of cardiovascular risk. There were no differences in glycemic control between the drug groups and placebo as measured by hemoglobin A1c levels. This Phase 2a trial was designed as an exploratory trial focused on overall safety and kinetics and was not designed to show statistically significant differences in measures of biological activity.

XOMA 052 and Interleukin-1 Inhibition

XOMA 052 is a potent monoclonal antibody with the potential to improve the treatment of patients with a wide variety of inflammatory diseases and other diseases including cancer. XOMA 052 binds strongly to interleukin-1 beta (IL-1 beta), a pro-inflammatory cytokine involved in Behcet's uveitis, cardiovascular disease, rheumatoid arthritis, gout, diabetes and other auto-inflammatory diseases. The IL-1 pathway is a well-validated therapeutic target, with three marketed IL-1 inhibitors that have been used by more than 200,000 patients overall. By binding to IL-1 beta, XOMA 052 inhibits the activation of the IL-1 receptor, thereby modulating the cellular signaling events that produce inflammation.

To date, nearly 600 patients have been enrolled in XOMA 052 clinical trials in which XOMA 052 was shown to be well-tolerated, demonstrated evidence of biological activity and had a half-life that may provide convenient dosing of once per month or less frequently. The potential for XOMA 052 has also been demonstrated in in vivo models of beta cell sparing and cardiovascular disease and in an in vitro model using human myeloma or plasma cell cancer cells.

XOMA has completed a successful proof-of-concept Phase 2 trial of XOMA 052 in patients with Behcet's uveitis. As previously reported, all seven patients displayed rapid reduction of intraocular inflammation and improvement in visual acuity or other ophthalmic measures after a single treatment with XOMA 052 and following discontinuation of immunosuppressive drugs such as cyclosporine and/or azathioprine. Follow-up results demonstrated that each of the five patients re-treated with XOMA 052 due to a recurring uveitis exacerbation responded again to XOMA 052 treatment and maintained their response for several months.

The drug was well-tolerated, and no drug-related adverse events were reported.

About XOMA

XOMA is a leader in the discovery and development of novel antibody therapeutics. The company's proprietary product pipeline includes:

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XOMA 052, a potentially best-in-class antibody that binds to the inflammatory cytok

XOMA 3AB, a novel combination of three antibodies to prevent and treat botulism poi

A preclinical pipeline with candidates in development for autoimmune, cardio-metabo
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XOMA has a premier antibody discovery and development platform that incorporates an unmatched collection of antibody phage display libraries and proprietary optimization and expression and manufacturing technologies that it uses for its own pipeline and in collaborations with pharmaceutical and biotechnology companies. XOMA technologies have contributed to the success of marketed antibody products including LUCENTIS® for wet age-related macular degeneration and CIMZIA® for rheumatoid arthritis and Crohn's disease. XOMA's fully integrated product development infrastructure extends from preclinical science to approval and is located in Berkeley, California. For more information, please visit www.xoma.com.

The XOMA Ltd. logo is available at https://www.globenewswire.com/newsroom/prs/?pkgid=5960

Forward-Looking Statements

Certain statements contained herein concerning plans for initiation of clinical trials, or interim or other results of early-stage clinical trials, 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.

Among other things, the initiation of clinical trials may be delayed or may never occur as a result of actions or inaction by our present or future collaboration partners, complications in the design, implementation or third-party approval of clinical trials or unanticipated safety issues; results of early-stage clinical trials may not be supported by later findings, larger trials and/or other actions required for regulatory approval may not be economically feasible, and final results of clinical trials may in any event not be consistent with preclinical or interim results.

These and other risks, including those related to the generally unstable nature of current economic and financial market conditions; the results of discovery and pre-clinical 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); changes in the

status of existing collaborative or licensing relationships; the ability of collaborators, licensees and other third parties to meet their obligations and their discretion in decision-making; XOMA's ability to meet the demands of the United States government agency with which it has entered into its government contracts; competition; market demand for products; scale-up, manufacturing and marketing capabilities; availability of additional licensing or collaboration opportunities; international operations; share price volatility; XOMA's financing needs and opportunities; uncertainties regarding the status of biotechnology patents; uncertainties as to the costs of protecting intellectual property; and risks associated with XOMA's status as a Bermuda company, are described in more detail in XOMA's most recent filing on Form 10-K and in other SEC filings. Consider such risks carefully when considering XOMA's prospects.

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