May 5, 2011

XOMA Reports First Quarter 2011 Financial Results

BERKELEY, Calif., May 5, 2011 (GLOBE NEWSWIRE) -- XOMA Ltd. (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, today announced its financial results for the first quarter ended March 31, 2011 and provided a general business update.

XOMA had total revenues of $15.6 million in the first quarter of 2011 compared with $7.2 million in the first quarter of 2010. The increase in revenues in the 2011 period compared with the 2010 period was due primarily to funding from the company's collaborative partner Les Laboratoires Servier (Servier) for XOMA 052 development and increased funding under the company's contracts with the U.S. government for XOMA 3AB development.

XOMA had a net loss of $6.3 million, or $0.22 per share, for the first quarter of 2011, compared with a net loss of $21.8 million, or $1.36 per share, for the first quarter of 2010. Research and development expenses in the first quarter of 2011 were $17.3 million as compared with $17.6 million in the first quarter of 2010. Selling, general and administrative expenses were $5.4 million in the first quarter of 2011 as compared with $5.6 million in the first quarter of 2010. At March 31, 2011, XOMA had cash and cash equivalents of $56.9 million, compared with $37.3 million at December 31, 2010.

"In the first quarter of 2011, we announced a strategic development and commercialization collaboration with Servier, a world-class pharmaceutical partner committed to advancing XOMA 052 in multiple indications including Behcet's uveitis and cardiometabolic diseases. Given its broad portfolio of medicines, Servier has the expertise that will help both companies unlock the potential of XOMA 052," said Steven B. Engle, Chairman and Chief Executive Officer of XOMA. "In the largest clinical study of XOMA 052 to date, the biological activity and safety of XOMA 052 as an anti-inflammatory agent was demonstrated over six months in a 421 patient trial and in all four XOMA 052 dose levels compared to placebo. XOMA and Servier plan to initiate a Phase 3 program in Behcet's uveitis and a Phase 2 program in cardiovascular disease."

Recent Highlights

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Entered into strategic development and commercialization partnership for XOMA 052: '

XOMA has retained U.S. and Japanese development and commercialization rights to XOM

Phase 2 studies of XOMA 052 show positive anti-inflammatory results and confirmed s
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The potential for cardiovascular benefit with XOMA 052 was observed in both trials,

XOMA 3AB Phase 1 trial to be initiated by NIAID:The National Institute of Allergy a

XOMA 3AB results reported at national biodefense meeting: Several presentations hig

Guidance

XOMA will not be providing specific guidance on overall revenues or cash receipts for 2011 so as to best manage its ongoing business development discussions and other activities. The company currently expects that cash used in operating activities in 2011 may range from $30 million to cash neutral.

Investor Conference Call and Webcast

XOMA will host a conference call and webcast today, May 5, 2011, at 4:30 p.m. ET. The webcast can be accessed via the Investors section of XOMA's website at http://investors.xoma.com/events.cfm and will be available for replay until close of business on June 10, 2011. Telephone numbers for the live audio cast are 877-369-6589 (U.S./Canada) and 408-337-0122 (international). A telephonic replay will be available beginning approximately two hours after the conclusion of the call until close of business on May 12, 2011. Telephone numbers for the replay are 800-642-1687 (U.S./Canada) and 706-645-9291 (international), passcode 63534695.

About XOMA

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

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

XOMA 3AB, a novel combination of three antibodies in one product under development

A preclinical pipeline with candidates in development for autoimmune, cardio-metabo

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 www.globenewswire.com/newsroom/prs/?pkgid=5960

Forward-Looking Statements

Certain statements contained herein concerning anticipated levels of cash utilization, timing of 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 anticipated levels of cash utilization may be other than as expected due to unanticipated changes in XOMA's research and development programs, unavailability of additional arrangements or higher than anticipated transaction costs; 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.

** Tables Follow **

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(in thousands, ex
Three month

March 31,

Revenues:	
License and collaborative fees	$ 5,
Contract and other revenue	9
Royalties	
Total revenues	15

Operating expenses:	
Research and development	17
Selling, general and administrative	5
Total operating expenses	22
Loss from operations	(7,
Other income (expense):	
Investment and interest income	
Interest expense	(
Other income (expense)	1
Net loss before taxes	(6,
Provision for income tax expense	
Net loss	$ (6,33
Basic and diluted net loss per common share	$ (0.
Shares used in computing basic and diluted net loss per common share	29

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	March 31, 2011	December 31, 2010
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 56,874	
Trade and other receivables, net	10,233	
Prepaid expenses and other current assets	465	
Total current assets	67,572	
Property and equipment, net	14,401	
Other assets	503	
Total assets	$ 82,476	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,746	
Accrued liabilities	5,287	
Deferred revenue	11,446	
Warrant liability	1,854	
Total current liabilities	22,333	
Deferred revenue - long-term	9,427	
Interest bearing obligations - long-term	26,241	
Other long-term liabilities	272	
Total liabilities	58,273	
Shareholders' equity	24,203	
Total liabilities and shareholders' equity	$ 82,476	

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Image: company logo

Source: XOMA Ltd.