June 8, 2009

# XOMA Presents Data At ADA Demonstrating Improvement in Diabetes and Inflammatory Measures in Animal Model With XOMA 052

BERKELEY, Calif., June 8, 2009 (GLOBE NEWSWIRE) -- XOMA Ltd. (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, announced the presentation of new preclinical results with XOMA 052 in the diet-induced obesity mouse model. XOMA 052 addresses the inflammatory cause of Type 2 diabetes by targeting interleukin 1 beta (IL-1 beta), a master signaling protein which triggers inflammatory pathways. The results were presented at the American Diabetes Association (ADA) 69th Scientific Sessions in New Orleans, Louisiana.

"The diet-induced obesity model is a validated tool for evaluating the role of IL-1 in Type 2 diabetes that mimics the development of the disease in humans more closely than genetic or chemically-induced models," said Stephen K. Doberstein, Ph.D., XOMA's Vice President of Research. "The data reported today clearly show the potential for XOMA 052 to improve glucose control, beta cell function and survival, and insulin resistance without contributing to weight gain. XOMA 052 also corrected the dyslipidemia associated this diabetes model, suggesting the potential for cardiovascular benefit."

Groups of mice received either a normal diet or a high fat/high sucrose diet and twice-weekly doses of XOMA 052 or an isotype control for 12 to 14 weeks. This study design enabled evaluation of XOMA 052 in both normal and simulated diabetic conditions. At the end of the study period, mice that received XOMA 052 and the high fat/high sucrose diet showed, as compared to control (mice receiving isotype control and on high fat/high sucrose diet), statistically significant:

* Reduction in glycosylated hemoglobin (HbA1c) levels
* Reduction in fasting blood glucose without causing hypoglycemia
* Improvement in glucose control
* Improvement in insulin secretion and beta cell function
* Protection from diet-induced beta cell apoptosis
* Increase in beta cell proliferation
* Reduction in total cholesterol without reduction in high density lipoprotein
* Reduction in triglycerides and free fatty acids

The mice on the normal diet treated with XOMA 052 showed no significant changes as

compared to control mice on the normal diet, including lack of additional weight gain.

The studies were conducted at University of Bremen (Germany) and at XOMA. The full ADA presentation (ADA abstract # 310-OR) will be available on the XOMA website, www.xoma.com.

About XOMA 052

XOMA 052 is a potent monoclonal antibody with the potential to improve the treatment of patients with a wide variety of inflammatory diseases. XOMA 052 binds strongly to interleukin-1 beta (IL-1 beta), a pro-inflammatory cytokine involved in the development of Type 2 diabetes, cardiovascular disease, rheumatoid arthritis, gout and other diseases. By binding to IL-1 beta, the drug inhibits the activation of the IL-1 receptor, thereby preventing the cellular signaling events that produce inflammation. XOMA 052 has a half-life of 22 days. Based on its binding properties, specificity to IL-1 beta and half-life, XOMA 052 may provide convenient dosing of once per month or less frequently.

XOMA has completed enrollment in Phase 1 trials for XOMA 052 in nearly 100 Type 2 diabetes patients and anticipates announcing top-line data from its U.S. trial in July. The trials were designed to evaluate a wide range of XOMA 052 doses, single and multiple dose regimens, and intravenous and subcutaneous routes of administration.

XOMA developed XOMA 052 using the company's proprietary antibody technologies, capabilities and expertise. XOMA owns worldwide rights to the antibody and related intellectual property. The company is actively pursuing a partnership for the development and commercialization of XOMA 052.

About the Interleukin-1 Pathway

The central role of the IL-1 pathway in multiple diseases has been clinically validated by two FDA-approved therapies and several inhibitors of the inflammatory IL-1 pathway in clinical development. These disease indications include rheumatoid arthritis, systemic juvenile idiopathic arthritis, gout, Muckle-Wells syndrome, and others.

About XOMA

XOMA discovers, develops and manufactures therapeutic antibody therapeutics designed to treat inflammatory, autoimmune, infectious and cancerous diseases. The company's proprietary product pipeline includes XOMA 052, an anti-IL-1 beta antibody, and XOMA 3AB, a biodefense anti-botulism antibody candidate.

XOMA's proprietary development pipeline is primarily funded by multiple revenue streams resulting from the licensing of its antibody technologies, product royalties, development collaborations and biodefense contracts. XOMA's technologies and experienced team have contributed to the success of marketed antibody products, including LUCENTIS(r) (ranibizumab injection) for wet age-related macular degeneration and CIMZIA(r) (certolizumab pegol) for rheumatoid arthritis and Crohn's disease.

The company has a premier antibody discovery and development platform that incorporates leading antibody phage display libraries and XOMA's proprietary Human Engineering(tm) and Bacterial Cell Expression and manufacturing technologies. Bacterial Cell Expression is

a key breakthrough biotechnology for the discovery and manufacturing of antibodies and other proteins. As a result, more than 50 pharmaceutical and biotechnology companies have signed BCE licenses.

In addition to developing its own products, XOMA develops products with premier pharmaceutical companies including Novartis AG, Schering-Plough Research Institute and Takeda Pharmaceutical Company Limited. XOMA has a fully integrated product development infrastructure, extending from pre-clinical science to approval, and a team of about 200 employees at its Berkeley location. For more information, please visit http://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 the effects of and possible dosing for XOMA 052, timing of availability of results of clinical trials and/or other aspects of 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.

Among other things, the effects of XOMA 052 may differ in later preclinical or clinical data, dosing of XOMA 052 may be affected by later testing results, and the timing of availability of results of clinical trials may be delayed or may never occur as a result of unavailability of resources, actions or inaction by our present or future collaboration partners, or unanticipated safety issues.

These and other risks, including those related to XOMA's ability to remain in compliance with or renegotiate the requirements of its loan agreements; the declining and generally unstable nature of current economic 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 relationships; the ability of collaborators and other partners to meet their obligations; XOMA's ability to meet the demands of the United States government agency with which it has entered into its government contracts; competition; market demands for products; scale-up 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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