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XOMA Achieves Planned Enrollment Goal for Phase 2b Clinical Trial of XOMA 052 in Type 2 Diabetes

BERKELEY, Calif., June 30, 2010 (GLOBE NEWSWIRE) -- XOMA Ltd. (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, announced that it has reached the enrollment goal of 325 patients for its Phase 2b dose-ranging clinical trial of XOMA 052, and that it expects patient enrollment to close in the next three weeks, with top-line results available in the first quarter of 2011. XOMA 052 is a therapeutic antibody candidate that inhibits the pro-inflammatory cytokine interleukin-1 beta (IL-1 beta) which drives the inflammatory cause of Type 2 diabetes.

The Phase 2b trial, in which Type 2 diabetes patients are randomized to receive one of four dose levels of XOMA 052 or placebo administered monthly over six months, is designed with the primary endpoint of mean change in glycosylated hemoglobin (HbA1c) levels compared to baseline. Secondary endpoints include additional diabetes parameters as well as measures of inflammatory and cardiovascular disease. Prior to enrolling, patients were on a stable regimen of metformin monotherapy for at least 12 weeks before treatment with XOMA 052 or placebo.

"Achieving the enrollment goal for our Phase 2b clinical trial is a significant milestone in the development of XOMA 052 to treat Type 2 diabetes," said Steven B. Engle, Chairman and Chief Executive Officer of XOMA.

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 diseases including Type 2 diabetes, cardiovascular disease, rheumatoid arthritis, gout and auto-inflammatory diseases including Behcet's uveitis. IL-1 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 preventing the cellular signaling events that produce inflammation.

XOMA is conducting two Phase 2 clinical trials of XOMA 052 in patients with Type 2 diabetes and a Phase 2 trial in Type 1 diabetes. The Phase 2 trials follow a successful 98 patient Phase 1 program in Type 2 diabetes patients in which XOMA 052 was shown to be well-tolerated, demonstrated evidence of biological activity in diabetes measures and cardiovascular biomarkers, and had a half-life that may provide convenient dosing of once

per month or less frequently. The company has also demonstrated the potential for XOMA 052 in in vivo models of atherosclerosis and cardiac remodeling and in an in vitro model using human myeloma, or plasma cell cancer, cells.

About XOMA

XOMA discovers, develops and manufactures novel antibody therapeutics for its own proprietary pipeline as well as through license and collaborative agreements with pharmaceutical and biotechnology companies, and under its contracts with the U.S. government. The company's proprietary product pipeline includes:

- XOMA 052, an anti-IL-1 beta antibody in Phase 2 clinical development for Type 2 diabetes, Type 1 diabetes and cardiovascular disease, with potential for the treatment of a wide range of inflammatory conditions.
- XOMA 3AB, an antibody candidate in pre-IND studies to neutralize the botulinum toxin, among the most deadly potential bioterror threats, under development through funding provided by the National Institute of Allergy and Infectious Diseases of the National Institutes of Health (Contract # HHSN266200600008C).
- A preclinical pipeline with candidates in development for several diseases.

In addition to its proprietary pipeline, XOMA develops products with premier pharmaceutical companies including Novartis AG, Schering Corporation, a subsidiary of Merck & Co., Inc. and Takeda Pharmaceutical Company Limited.

XOMA's technologies 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 an unmatched collection of antibody phage display libraries and proprietary Human Engineering(TM), affinity maturation, Bacterial Cell Expression (BCE) and manufacturing technologies. BCE 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, and several licensed product candidates are in clinical development. XOMA has a fully integrated product development infrastructure, extending from pre-clinical science to approval, and a team of about 215 employees at its Berkeley, California 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>

Safe Harbor Statement

Certain statements contained herein concerning the timing of availability of clinical trial results 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. Among other things, the timing of availability of clinical trial results may be other than expected due to unanticipated safety issues, regulatory changes or unavailability of resources.

These and other risks, including those related to inability to comply with NASDAQ's continued listing requirements; the generally unstable nature of current economic conditions; 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); changes in the status of existing collaborative and licensing relationships; the ability of collaborators, licensees and other third parties 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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