September 29, 2010

# XOMA 052 Phase 2a Trial Enrollment Completed

## Top Line Results From Interim Analysis at Three Months to be Announced in Early January 2011

BERKELEY, Calif., Sept. 29, 2010 (GLOBE NEWSWIRE) -- XOMA Ltd. (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, today announced that patient enrollment was recently completed for the company's Phase 2a trial of XOMA 052 in patients with Type 2 diabetes. XOMA 052 is a therapeutic antibody candidate that inhibits the inflammatory cytokine interleukin-1 beta (IL-1 beta) that may be a major cause of diabetes and cardiovascular disease. The Phase 2a trial follows the completion of positive Phase 1 trials in Type 2 diabetes patients and is designed to gain additional information on XOMA 052's anti-diabetes activity including glycosylated hemoglobin (HbA1c) levels, impact on biomarkers of cardiovascular risk, and safety. XOMA anticipates reporting top line results in early January 2011 from a planned interim analysis of the first three months of treatment in this six month trial.

In the trial, 74 patients were enrolled and randomized in a 3:1 ratio to receive three months of treatment with either XOMA 052 at a single dose level or placebo, respectively, along with metformin, the standard of care. After three months, patients in the active treatment arm are treated for an additional three months at either the same, a higher or a lower dose of XOMA 052. Patients in the placebo group also were continued for an additional three months. In addition to HbA1c, outcomes to be evaluated include fasting blood glucose and levels of C-reactive protein, a biomarker of cardiovascular risk. Further information is available at http://www.clinicaltrials.gov/ct2/show/NCT01144975?term=XOMA+052&rank=2

XOMA has also completed enrollment in a larger Phase 2b trial of XOMA 052 in patients with Type 2 diabetes. Top line results from this dose-ranging trial, in which 420 patients were enrolled, are expected to be available in the first quarter of 2011. Patients on metformin therapy were randomized equally to one of four XOMA 052 dose groups or placebo for monthly treatments over six months. The primary outcome to be evaluated in this trial is mean change in HbA1c from baseline at the end of treatment. Additional diabetic outcomes as well as inflammatory and cardiovascular disease biomarkers will be evaluated. Further information is available at http://www.clinicaltrials.gov/ct2/show/NCT01066715?term=XOMA+052&rank=4

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 completion of enrollment in the Phase 2 studies of XOMA 052 is an important step forward for XOMA in our efforts to develop a potentially disease-modifying medicine for Type 2 diabetes and other chronic indications," said Steven B. Engle, XOMA's Chairman and Chief Executive Officer. "XOMA 052 is designed to treat the inflammatory cause of diabetes and other difficult diseases. It has the potential to provide patients an entirely new approach to controlling their disease."

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.

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:

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XOMA 052, an anti-IL-1 beta antibody in Phase 2 clinical development for Type 2 dia

XOMA 3AB, an antibody candidate in pre-IND studies to neutralize the botulinum toxi

A preclinical pipeline with candidates in development for several diseases.
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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, 60 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 225 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

Forward-Looking Statements

Certain statements contained herein concerning product development and capabilities of XOMA's technologies 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 the generally unstable nature of current economic and financial market conditions; the results of discovery research 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); availability of additional collaborative and licensing opportunities; 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 demand for products; scale-up and marketing capabilities; 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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