

XOMA LTD /DE/  
Form 425  
January 10, 2006

A Leader in Therapeutic Antibodies  
January 11, 2006  
JP Morgan Conference  
Filed Pursuant to Rule 425  
Registration No.  
333-130441  
January 10, 2006

2

NASDAQ: XOMA

Statements made in this presentation relating to future financial performance or results, the timing of regulatory filings, the timing and results of clinical trials and other aspects of product development, collaborative and other strategic relationships, the regulatory process and approvals, collaboration and licensing opportunities and plans for sales and marketing, 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 which may not prove accurate. Actual results could differ materially from those anticipated, due to certain risks inherent in the biotechnology industry, as well as for companies engaged in the development of new products in a regulated market.

These risks, including those related to the success of the sales and marketing efforts for our products, the size and timing of expenditures, whether there are unanticipated expenditures and whether funds are available on acceptable terms; safety or efficacy of the products being tested; design and progress of clinical trials; additional time requirements in connection with regulatory filings for data analysis, filing preparation, discussions with the FDA, additional clinical studies or manufacturing process modifications;

action,  
inaction  
or  
delays  
by  
the  
FDA,  
European  
regulators  
and/or  
their  
advisory  
bodies;

analysis and interpretation by, or submission to, these entities and others of scientific data; results of pre-clinical

testing;  
changes  
in  
the  
status  
of  
the  
Company's  
collaborative  
and  
other  
relationships;

the  
ability of partners to meet their obligations; availability of collaboration and licensing opportunities;  
success of competitors; market demand for products; uncertainties regarding biotechnology patents;  
uncertainties as to the costs of protecting intellectual property; and risks associated with XOMA's  
status

as  
a  
Bermuda  
company  
are  
discussed  
in  
the  
Company's  
most  
recent  
report  
on  
Form  
10-K  
and  
in  
other  
SEC filings.

Such risks should be considered carefully in evaluating XOMA's  
prospects.

Copyright 2006, XOMA Ltd.  
Forward-Looking Statements

3  
NASDAQ: XOMA  
XOMA,  
Ltd.  
has  
filed  
a  
registration  
statement  
(including

a  
prospectus)  
with  
the  
SEC  
for  
the  
offering  
to  
which  
this  
communication  
relates.  
Before  
you  
invest,  
you  
should  
read  
the  
prospectus  
in  
that  
registration  
statement  
and  
other  
documents XOMA has filed with the SEC for more complete  
information about XOMA and this offering. You may get  
these documents for free by visiting EDGAR on the SEC  
Web  
site  
at  
[www.sec.gov](http://www.sec.gov) .  
Alternatively,  
XOMA  
or  
the  
information  
agent  
will  
arrange  
to  
send  
you  
the  
prospectus  
if  
you  
request

it  
by  
calling  
toll-free  
1-888-867-6963.

4

NASDAQ: XOMA

Premier Therapeutic Antibody

Discovery and Development Company

Managing Development and Financial

Risks, Effectively Utilizing Assets

Marketed Product plus Diverse,

Growing Pipeline

XOMA

Right Place, Right Time, By Design

5

NASDAQ: XOMA

Antibody Technologies

Antibody Technologies

Comprehensive Antibody Platform for

Comprehensive Antibody Platform for

Discovery, Optimization and Manufacturing

Discovery, Optimization and Manufacturing

Multiple Antibody Phage Display Libraries

Proprietary

Human

Engineering **TM**

Technology

Bacterial Cell Expression

6  
NASDAQ: XOMA  
XOMA  
Human  
Engineering  
Technology  
Clinically Validated  
100% Success Rate To Date  
25 mAbs Human Engineered  
6 Different Targets  
Structural Approach  
Applicable to mAbs from any Species  
Issued IP  
Reduce Immunogenicity  
Reduce Immunogenicity

of Non-human mAbs  
of Non-human mAbs

7

NASDAQ: XOMA

Therapeutic Antibody Development

Therapeutic Antibody Development

Antibody Lead

Discovery

Preclinical

Development

Clinical

Development

Tech Dev

Mfg

Fully Integrated Development Infrastructure

Fully Integrated Development Infrastructure

Target

Discovery

Functional Biology

Pharmacology (Efficacy, MOA)

Toxicology (IND-enabling safety)

Cell Line and Process Development

Clinical & Regulatory

Pilot Plant and GMP Manufacturing

8  
NASDAQ: XOMA  
Process Development  
Process Development  
Cell Line Development  
Cell Banking  
Pilot Plant Production  
Assay Development  
Formulation Development  
Manufacturing  
Manufacturing  
cGMP  
Production  
Scale to 2750 L -  
3 Trains

Grams to Kilograms  
15,000 sq ft Pilot Plant  
GMP Manufacturing Plant  
XOMA s  
Integrated Development and  
Manufacturing Capability



9

NASDAQ: XOMA

Recognized Leader in  
Technology and Capabilities  
Leverage Technologies and  
Capabilities

Manage Development and  
Financial Risks

XOMA Strategy



10

NASDAQ: XOMA

Benefits from Collaborations

Chiron provides validated antibody targets  
and leads for oncology products

Goal: 1 IND each year

Lexicon provides validated antibody targets

Goal: Minimum of 3 products in 3 years

Bring

More

Product

Candidates

into

XOMA's

Pipeline

Utilize Complementary Capabilities from XOMA and Partners

Manage Financial Risk

Share Development Cost

Utilize XOMA Infrastructure

Provide Other Financial Resources

Maintain Flexibility (e.g. Profit-Share or Royalty)

11  
NASDAQ: XOMA  
Marketed Product  
Marketed Product  
RAPTIVA  
®  
Plaque Psoriasis  
Genentech  
XOMA Pipeline Highlights  
RAPTIVA  
®  
Atopic Dermatitis  
Genentech  
CHIR-12.12  
CLL/MM

Chiron  
rBPI  
21  
/ NEUPREX  
®  
POHS, Burns, BMT  
Proprietary  
Clinical-Stage Candidates  
Clinical-Stage Candidates  
XMA005.2  
Immunology  
Proprietary  
Multiple Candidates  
Oncology  
Chiron  
Metabolic mAb  
Type II Diabetes, Obesity  
Lexicon Genetics  
Anti-Gastrin  
mAb  
GI Cancers  
Aphton  
Early-Stage Programs  
Early-Stage Programs  
CIMZIA™  
Rheumatoid Arthritis / Crohn's  
Disease  
UCB Celltech  
Lucentis™  
Wet AMD  
Genentech  
Bacterial Cell Expression  
Approximately 40 Licensees  
Merck, Wyeth, Others  
Technology Licenses  
Technology Licenses

12  
NASDAQ: XOMA  
Genentech  
and Serono  
Large Markets with Unmet Need  
Moderate-to-Severe Plaque Psoriasis  
Large Safety and Efficacy Database  
Increasing Worldwide Sales  
Atopic  
Dermatitis Trial  
RAPTIVA  
®  
-  
Marketed Product  
Quarterly RAPTIVA

®

U.S. and Worldwide Sales

2004

2005

Q1

Q2

Q3

Q4

Ex-U.S.

U.S.

6.4

17.3

20.1

13.6

Q1

21.1

Q2

28.7

30.9

Q3

10

20

25

15

30

35

5

0

13

NASDAQ: XOMA

Phase I Testing in CLL and MM Underway

B-cell Lymphoma/Leukemia Indications

Anti-CD40 mAb

High Affinity, Fully Human

Dual Mechanism of Action

Blocks CD40-CD40L-mediated Cancer Growth

Recruits Immune Cells to Kill Tumors (ADCC)

No Agonist or Stimulatory Activity

Improved

Efficacy

Compared

with

Rituxan

®  
CHIR 12.12 Anti-CD40 MAb

14  
NASDAQ: XOMA  
Product  
Large Safety Database  
Potent Endotoxin  
Neutralization  
Multiple Indications  
POHS, Burns, BMT  
BioDefense  
-  
ARS  
Clinical Plan  
IST for POHS Underway  
Burns and BMT IST's  
Soon

EU Orphan Drug Application  
rBPI  
21  
/ NEUPREX  
®

15

NASDAQ: XOMA

Potent Anti-inflammatory mAb

Multiple Indications

RA, OA, Others

Product

Human Engineered

High Affinity mAb

300 fM

Potent Inhibitory Activity

Target Monthly Dosing

Preclinical Stage

Planned IND -

Q406

Phase I -

Q107

XMA005.2

-5000

5000

15000

25000

35000

45000

XMA005.2

Target

Challenge

Unstimulated

Antibody, nM

In Vivo Inhibition

0

10

20

30

40

50

60

70

80

90

100

0.4

0.13

0.04

0.013

In Vitro Neutralization

XMA005.2 (ug/kg)

16  
NASDAQ: XOMA  
Marketed Product  
RAPTIVA  
®

for Moderate-to-Severe Plaque Psoriasis

Clinical Stage Programs

RAPTIVA

®

(Phase II)

Atopic

Dermatitis

CHIR-12.12

CLL, MM

rBPI

21

/NEUPREX

POHS, Burns, BMT

Growing Early-Stage Pipeline

XMA005.2

Multiple Oncology Candidates

Metabolic mAb

Technology Licenses-related Products

CIMZIA™

Lucentis™

Pipeline Summary

XOMA

XOMA

Building a Strong and

Diverse Therapeutic

Antibody Product Pipeline.

17  
NASDAQ: XOMA  
RAPTIVA  
®

Market Penetration  
CMO Deals  
NIAID, Cubist  
CIMZIA <sup>TM</sup>  
and  
Lucentis <sup>TM</sup>  
Royalty  
Possibilities  
CHIR-12.12  
Clinical Progress

rBPI

21

/NEUPREX

Additional IST's

Business Development Initiatives

Registration / Exchange Offer for Convertible Debt

Revenue

Growth,

Reductions

in

Spending

and

Cash

Burn,

Size

of

Pipeline

2006 Catalysts

18

NASDAQ: XOMA

Right Place, Right Time, By Design  
Maintain Leadership in Therapeutic Antibodies  
Leverage Technologies, Infrastructure and  
Capabilities

Grow Pipeline

Grow Revenues  
Manage Development and Financial Risks  
A Premier Therapeutic Antibody Company

A Leader in Therapeutic Antibodies

- \*
- \*
- \*