

XOMA LTD /DE/
Form 8-K
August 29, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): August 28, 2007

XOMA LTD.

(Exact name of registrant as specified in its charter)

BERMUDA

(State or other jurisdiction of incorporation)

0-14710
(Commission File Number)

2-2154066
(IRS Employer Identification No.)

2910 Seventh Street, Berkeley,
California
(Address of principal executive offices)

94710
(Zip code)

Registrant's telephone number, including
area code

(510) 204-7200

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement

As announced on August 28, 2007, XOMA has licensed to Pfizer Inc. non-exclusive, worldwide rights to XOMA's patented bacterial cell expression (BCE) technology for phage display and other research, development and manufacturing of antibody products. Under the terms of the license agreement, XOMA will receive an upfront, non-dilutive cash payment of \$30 million and milestone, royalty and other fees on future sales of all products subject to this license, including products currently in late-stage clinical development.

A copy of the press release is attached hereto as Exhibit 1 and is incorporated herein by reference.

Item 9.01. Exhibits

1. Press Release dated August 28, 2007.
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EXHIBIT INDEX

| <u>Number</u> | <u>Description</u> |
|---------------|--------------------------------------|
| 1. | Press Release dated August 28, 2007. |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 29, 2007

XOMA LTD.

By: /s/ Christopher J. Margolin
Christopher J. Margolin
Vice President, General
Counsel and Secretary