

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 4
on
FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): November 26, 2001

XOMA Ltd.

(Exact name of registrant as specified in its charter)

BERMUDA

(State or other jurisdiction of incorporation)

0-14710
(Commission File Number)

52-2154066
(IRS Employer Identification No.)

2910 Seventh Street, Berkeley, California

94710

(Address of principal executive offices)

(Zip code)

Registrant's telephone number, including area code

(510) 204-7200

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

Item 5. Other Events

As previously announced on November 26, 2001, XOMA Ltd. ("XOMA") has entered into a development and license agreement with Millennium Pharmaceuticals, Inc. ("Millennium").

Under the related investment agreement, Millennium committed to purchase, at XOMA's option, up to \$50 million worth of XOMA common shares over the 30 months following the effective date of the investment agreement, through a combination of convertible debt and equity at then prevailing market prices. As previously announced, on May 16, 2003, XOMA and Millennium agreed to delay the maturity of the convertible debt until February 26, 2004 and to adjust the timing of Millennium's obligation to purchase the remaining \$37.5 million worth of XOMA common shares. As previously announced, on October 10, 2003, XOMA announced that it discontinued development of MLNM2201 (formerly known as LDP-01), one of the two products being developed under its collaboration with Millennium, which had the effect of reducing Millennium's obligation to purchase XOMA common shares under the investment agreement by 40% from up to \$33.5 million remaining to up to \$20.1 million. On February 24, 2004, XOMA and Millennium agreed to delay the maturity of the convertible debt until April 15, 2004 (or the third business day after the date the related registration statement is declared effective, if later) and to further adjust the timing of Millennium's obligation to purchase the remaining \$14.7 million worth of XOMA common shares. At each of four subsequent closings over the following 13 months, XOMA may issue up to \$3,675,000 worth of its common shares. At each closing, the precise number of shares to be purchased by Millennium will be determined using a formula based on the average of certain sale prices per common share as reported on the Nasdaq National Market for a specified period of time prior to the applicable closing date (subject to certain adjustments and limitations). The formula is intended to reflect the current market price per common share at the time of each closing, without any discount or premium.

A copy of the letter agreement is attached hereto as Exhibit 8 and incorporated herein by reference.

Item 7. Exhibits

1. Press Release dated November 26, 2001.*
2. Development and License Agreement dated as of November 26, 2001 by and among Millennium Pharmaceuticals Inc., XOMA (US) LLC and XOMA Ireland Limited (with certain confidential information omitted, which omitted information is the sub-

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ject of a confidential treatment request and has been filed separately with the Securities and Exchange Commission).*

3. Investment Agreement dated as of November 26, 2001 by and among XOMA Ltd., Millennium Pharmaceuticals, Inc. and mHoldings Trust (with certain confidential information omitted, which omitted information is the subject of a confidential treatment request and has been filed separately with the Securities and Exchange Commission).*
4. Registration Rights Agreement dated as of November 26, 2001 by and among XOMA Ltd., Millennium Pharmaceuticals, Inc. and mHoldings Trust (with certain confidential information omitted, which omitted information is the subject of a confidential treatment request and has been filed separately with the Securities and Exchange Commission).*
5. Convertible Subordinated Promissory Note dated November 26, 2001 (with certain confidential information omitted, which omitted information is the subject of a confidential treatment request and has been filed separately with the Securities and Exchange Commission).*
6. Letter Agreement dated May 16, 2003 by and among XOMA Ltd., Millennium Pharmaceuticals, Inc. and mHoldings Trust.*
7. Press Release dated May 20, 2003.*
8. Letter Agreement dated February 24, 2004 by and between XOMA Ltd. and Millennium Pharmaceuticals, Inc.

* Previously filed.

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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: February 24, 2004 XOMA LTD.

By: /s/ Christopher J. Margolin

 Christopher J. Margolin
 Vice President, General
 Counsel and Secretary

EXHIBIT INDEX

Number	Description
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* Previously filed.

XOMA Ltd.
2910 Seventh Street
Berkeley, California 94710

February 24, 2004

Millennium Pharmaceuticals, Inc.
75 Sidney Street
Cambridge, Massachusetts 02139-4815

Re: Additional Amendments to Note and Investment Agreement

Ladies and Gentlemen:

Reference is made to the Convertible Subordinated Note, dated as of November 26, 2001, as amended by Amendment No. 1 dated as of November 5, 2002 and by the letter agreement dated May 16, 2003, in the principal sum of \$5,000,000 (the "Note"), convertible into common shares, par value US\$0.0005 per share, of XOMA Ltd. ("XOMA"), and the Investment Agreement, dated as of November 26, 2001, as amended by the letter agreement dated May 16, 2003 (the "Investment Agreement"), by and among XOMA, Millennium Pharmaceuticals, Inc. ("Millennium") and mHoldings Trust (the "Trust"). Capitalized terms used but not defined in this letter agreement have the meanings assigned thereto in the Investment Agreement.

Notwithstanding any provisions of the Note or the Investment Agreement or any related agreement or resolutions to the contrary and without affecting the rights and obligations of the parties thereunder except as expressly set forth herein, the parties hereto agree as follows:

1. Maturity Date of the Note. The principal of the Note shall be due and payable in a single installment on the earliest of: (a) April 15, 2004 or, if later, the third Business Day following receipt by the Company of reliable notification from the U.S. Securities and Exchange Commission that the registration statement covering the resale by Millennium of the Common Shares to be issued on conversion of the Note has been declared effective, (b) the tenth Business Day following the termination of the Development and License Agreement, and (c) the tenth Business Day following the first date on which the Common Shares are no longer listed on any Principal Trading Market. The earliest such date shall be the "Maturity Date" for purposes of the Note. Sections 6(c) and (e) of the Note are hereby amended to refer to a closing to take place on the date specified in clause (a) of the definition of "Maturity Date" and the shares to be issued at such closing.

2. Remaining Closings Under the Investment Agreement. The Investment Agreement is hereby amended to the extent necessary to reflect the parties' agreement that the dates of the remaining Closings and the remaining Purchase Prices are modified as follows, and to make corresponding changes to all related definitions and provisions, such that the following

table sets forth the dates for all remaining Closings and corresponding Purchase Prices under the Investment Agreement, as amended hereby:

	Closing Date	Purchase Price
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Fifth	July 27, 2004	USD \$3,675,000
Sixth	October 11, 2004	USD \$3,675,000
Seventh	December 27, 2004	USD \$3,675,000
Eighth	March 16, 2005	USD \$3,675,000

and that the rights, obligations, conditions and other provisions in the Investment Agreement and the Registration Rights Agreement relating to each Closing and the Shares purchased thereat shall be the same as those that apply to the other Closings generally, mutatis mutandis, it being understood that the formula for determining the number of Shares to be issued and purchased at each Closing shall be re-applied at such Closing using prices and time periods determined with reference to such Closing. The Investment Agreement is also hereby amended to require that the condition set forth in Section 5.3(i) of the Investment Agreement be satisfied prior to (i.e., not at) the Fifth Closing Date (as provided above). For the sake of clarity, the parties acknowledge that (i) the Shares sold at each Closing shall be subject to the provisions of Sections 4.4 and 4.5 of the Investment Agreement and (ii) the foregoing Purchase Prices are after giving effect to the termination of LDP-01.

3. Lost Note; Indemnity. Millennium represents, warrants and agrees as follows:

(a) Millennium is the sole legal and beneficial owner of the Note.

(b) Millennium is not in possession of the original convertible subordinated promissory note representing the Note and has been unable to locate such original note after due and diligent search therefor. Millennium has no actual knowledge of the circumstances that resulted in such original note no longer being in its possession.

(c) Millennium has not sold, given, traded, conveyed or otherwise transferred, nor has Millennium pledged, hypothecated or otherwise encumbered, nor did the Trust sell, give, trade, convey, otherwise transfer, pledge, hypothecate or otherwise encumber, the Note or any interest therein to or for the benefit of any person, entity or governmental authority.

(d) Millennium is making these representations, warranties and covenants in connection with the other agreements reflected herein and the pending maturity and/or conversion of the Note and acknowledges that, upon any such conversion and the issuance of common shares of the Company as provided for therein, or upon payment in full of the principal thereof and accrued interest thereon, the Note will be canceled in accordance with its terms.

(e) Millennium agrees to indemnify and hold harmless the Company, its officers, directors, shareholders, employees and agents, and their respective successors and assigns, from and against any loss, damage, claim, liability or expense, including, without

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limitation, attorneys' fees and expenses, by reason of any of the foregoing statements being false or by reason of the possession of the original convertible subordinated promissory note representing the Note by any other person, entity or governmental authority.

4. Miscellaneous. The parties acknowledge that Millennium has dissolved the Trust, formerly a Massachusetts trust that was the original payee under the Note and a party to the Investment Agreement, with the effect that all rights and obligations of the Trust under the Note and the Investment Agreement are now rights and obligations of Millennium. Except as expressly modified hereby, the provisions of the Note and the Investment Agreement shall remain in full force and effect. This letter agreement may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each of the parties hereto. The headings on the paragraphs of this letter agreement are not to be considered as part of this letter agreement in construing this letter agreement. This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to principles of conflicts of law. Each party agrees to execute, acknowledge and deliver such further instruments, and do such other acts, as may be necessary and appropriate in order to carry out the purposes and intent of this letter agreement. This letter agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

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Please acknowledge your agreement to the foregoing by executing below whereupon this letter shall become an effective agreement.

Very truly yours,

XOMA LTD.

By: /s/ Christopher J. Margolin

Christopher J. Margolin
Vice President, General
Counsel and Secretary

AGREED and ACCEPTED as
of the date first above written:

MILLENNIUM PHARMACEUTICALS, INC.

By: /s/ Kenneth M. Bate

Name: Kenneth M. Bate

Title: Executive Vice President and
Chief Financial Officer