

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**SCHEDULE TO  
(AMENDMENT NO. 2)  
(Rule 14d-100)**

**Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)  
of the Securities Exchange Act of 1934**

**XOMA Ltd.**

(Name of Subject Company)

**XOMA Ltd., as Issuer**

(Names of Filing Persons (identifying status as offeror, issuer or other person))

**6.50% CONVERTIBLE SENIOR NOTES DUE FEBRUARY 1, 2012**

(Title of Class of Securities)

**98417BAB2**

(CUSIP Number of Class of Securities)

**Christopher J. Margolin, Esq.**

**XOMA Ltd.**

**2910 Seventh Street**

**Berkeley, California 94710**

**(510) 204-7292**

(Name, Address and Telephone Number of Persons Authorized to Receive Notices  
and Communications on Behalf of filing persons)

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**CALCULATION OF FILING FEE**

Transaction Valuation (1)	Amount of Filing Fee (2)
\$64,200,000	\$ 6,870

- (1) Pursuant to Rule 457(f)(1) under the Securities Act of 1933, this amount is the market value as of December 16, 2005 of the maximum amount of 6.50% Convertible Senior Notes due February 1, 2012 (the "Existing Notes") that may be received by the Registrant from tendering holders in the exchange offer.
- (2) Registration fee previously paid in connection with the Issuer's Registration Statement on Form S-4 filed December 19, 2005.
- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$6,870

Form or Registration No.: Form S-4 (File No. 333-130441)

Filing Party: XOMA Ltd.

Date Filed: December 19, 2005

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.

- issuer tender offer subject to Rule 13e-4.

- going-private transaction subject to Rule 13e-3.

- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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## INTRODUCTORY STATEMENT

This Amendment No. 2 further amends and supplements the Tender Offer Statement on Schedule TO filed by XOMA Ltd. (the "Company") with the Securities and Exchange Commission on January 11, 2006, pursuant to Section 13(e) of the Securities Exchange Act of 1934, in connection with its offer to exchange up to \$60,000,000 of its 6.50% Convertible SNAPS<sub>SM</sub> due February 1, 2012 (the "New Notes") for all of its outstanding 6.50% Convertible Senior Notes due February 1, 2012 (the "Existing Notes") upon the terms and subject to the conditions set forth in the preliminary prospectus dated January 10, 2006 (the "Prospectus") and in the related Letter of Transmittal, which are Exhibit (a)(1) and Exhibit (a)(5) to the Schedule TO. The Company filed Amendment No. 1 to the Tender Offer Statement on Schedule TO on February 2, 2006.

### **Item 4. Terms of the Transaction.**

Item 4 of the Tender Offer Statement on Schedule TO is hereby amended and supplemented as follows:

The exchange offer expired at 12:00 midnight, New York City time, on Wednesday, February 8, 2006. According to the information provided by the exchange agent, prior to the expiration of the exchange offer, an aggregate principal amount of \$60.0 million of Existing Notes had been tendered and not withdrawn pursuant to the exchange offer, which constitutes 100% of the outstanding Existing Notes. Upon the terms and subject to the conditions of the exchange offer, the Company will issue New Notes of an aggregate principal amount of \$60.0 million in exchange for such tendered Existing Notes. On February 9, 2006, the Company issued a press release announcing the results of the exchange offer and the placement of an additional \$12,000,000 aggregate principal amount of New Notes. A copy of this press release is filed as Exhibit (a)(11) to this Schedule TO and incorporated herein by reference.

### **Item 12. Exhibits.**

(a)(11) Press Release issued February 9, 2006.

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**SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Amendment No. 2 to Schedule TO is true, complete and correct.

XOMA Ltd.

/s/ CHRISTOPHER J. MARGOLIN

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Name: Christopher J. Margolin

Title: Vice President, General Counsel and Secretary

Date: February 10, 2006

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INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
(a)(11)	Press Release issued February 9, 2006.

**News Release**

Contact:  
Paul Goodson  
Senior Director of Investor Relations  
XOMA Ltd.  
Tel: (510) 204-7270

**XOMA Announces Successful Exchange Offer With A Tender of  
100% of Its Existing Notes and Placement of \$12 Million of New  
Notes**

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**Berkeley, CA – February 9, 2006** – XOMA Ltd. (Nasdaq: XOMA) announced today that \$60 million in aggregate principal amount of the Company’s 6.50% Convertible Senior Notes due 2012, or 100% of the total outstanding, were tendered and not withdrawn in its previously-announced exchange offer which expired at 12:00 midnight, New York City time, on February 8, 2006. As a result of the exchange offer, the Company will issue \$60 million in aggregate principal amount of 6.50% Convertible SNAPs<sub>sm</sub> due 2012. The Company also announced the placement of \$12 million in aggregate principal amount of additional Convertible SNAPs<sub>sm</sub> to the public for cash. Due to investor demand, the size of the offering was increased from \$10 million to \$12 million and the public offering price was set at 104% of principal. Both the exchange offer and the placement of new notes are expected to close on February 10, 2006.

Piper Jaffray & Co. and Canaccord Adams Inc. served as dealer managers for the exchange offer and placement agents for the cash offer. A prospectus related to the exchange offer and the new money offering is available free of charge from the information agent, Georgeson Shareholder Communications Inc., 17 State Street, 10th Floor, New York, New York 10004 (888-867-6963).

**About XOMA**

XOMA is a pioneer and leader in the discovery, development and manufacture of therapeutic antibodies, with a therapeutic focus that includes cancer and immune diseases. XOMA has a royalty interest in RAPTIVA® (efalizumab), a monoclonal antibody product marketed to treat moderate-to-severe plaque psoriasis. XOMA’s discovery and development capabilities include antibody phage display, bacterial cell expression, and Human Engineering™ technologies. The company pipeline also includes proprietary and collaborative programs in preclinical and clinical development.