

# FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL	
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## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person* <b>MARGOLIN CHRISTOPHER J</b>			2. Issuer Name and Ticker or Trading Symbol <b>XOMA LTD /DE/ [XOMA]</b>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director _____ 10% Owner _____ <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) _____ <b>VP, General Counsel &amp; Sec'y</b>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <b>01/12/2004</b>					
C/O XOMA, LTD., 2910 SEVENTH STREET			4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
(Street)								
BERKELEY, CA 94710								
(City)			(State)			(Zip)		

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Shares	01/09/2004		S		10,000	D	\$ 7.5604	35,503	D	
Common Shares	01/09/2004		M		30,000	A	\$ 2.5625	65,503	D	
Common Shares	01/09/2004		S		30,000	D	\$ 7.5604	35,503	D	
Common Shares	01/09/2004		M		20,000	A	\$ 2.5625	55,503	D	
Common Shares	01/09/2004		M		25,000	A	\$ 2.375	80,503	D	
Common Shares								12,448	I	by 401(k) (L)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Incentive Share Option (right to buy)	\$ 2.375	01/09/2004		M		25,000	01/11/2000	02/22/2005	Common Shares	25,000	\$ 0	0	D	
Incentive Share Option (right to buy)	\$ 2.5625	01/09/2004		M		30,000	01/11/2000	01/11/2005	Common Shares	30,000	\$ 7.5604	20,000	D	
Incentive Share Option (right to buy)	\$ 2.5625	01/09/2004		M		20,000	01/11/2000	01/11/2005	Common Shares	20,000	\$ 0	0	D	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MARGOLIN CHRISTOPHER J C/O XOMA, LTD. 2910 SEVENTH STREET BERKELEY, CA 94710			VP, General Counsel & Sec'y	

## Signatures

Christopher J. Margolin	01/12/2004
<small>Signature of Reporting Person</small>	<small>Date</small>

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Held indirectly under the XOMA Ltd. Deferred Savings Plan. All shares were acquired in a transaction exempt from Section 16(b).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.