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KaloBios Initiates Phase 1/2 Trial of KB002 Engineered Monoclonal Antibody in Persistent Asthma

Palo Alto, CA (March 10, 2008): KaloBios Pharmaceuticals, Inc., a privately held biopharmaceutical company, today announced the initiation of a Phase 1/2 clinical study of KB002, the company's anti-GM-CSF monoclonal antibody, as a potential treatment for persistent asthma.

The blinded, placebo-controlled study, which is being conducted at over five sites in Australia, will enroll up to 24 patients who will receive either KB002 or placebo. Endpoints for the study will include safety, measurements of Forced Expiratory Volume (FEV1 – a measurement of expiratory air flow), and inflammatory markers.

“People with persistent asthma represent more than 15% of the asthmatic population, but they have no treatments unique to their needs and, therefore, remain underserved by current therapies,” said Tillman Pearce, M.D., KaloBios' Chief Medical Officer. “Anti-GM-CSF down regulates eosinophils, neutrophils and macrophages, which are thought to play a role in persistent asthma.”

“Anti-GM-CSF antibody treatment has shown efficacy in animal studies of models of lung inflammation, and we are interested to see if similar pharmacodynamic activity can be reproduced in this patient population,” said Geoffrey Y. Yarranton, Ph.D., KaloBios' Chief Scientific Officer.

About KaloBios

KaloBios Pharmaceuticals, Inc., a U.S. based, private monoclonal company, uses its proprietary platform technology to develop first or best-in-class human antibody therapeutics. It currently has two programs that have completed Phase 1 studies and are entering Phase 1/2 studies; KB001 is an anti-infective for *Pseudomonas aeruginosa* infections to be tested in cystic fibrosis and intensive care patients on a ventilator, and KB002 is an anti-inflammatory in a study for rheumatoid arthritis and now a study for persistent asthma patients. The company's Humaneering™ technology offers advantages over other methods of human antibody creation in terms of immunogenicity, potency, and manufacturing yields. For more information, visit www.kalobios.com.

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