



KaloBios Completes Patient Dosing in its U.S. Phase 1 Trial of Its Third Drug Candidate, KB003

-- First Humaneered™ Anti-GM-CSF Monoclonal Antibody Part of Comprehensive Inflammation Development Program --

PALO ALTO, California, April 28, 2008 – KaloBios Pharmaceuticals, Inc., a privately held biopharmaceutical company, today announced that the company has completed dosing subjects in a U.S. Phase 1 clinical trial of its third drug candidate, KB003. The study is a placebo-controlled, single-dose, dose-escalation Phase 1 trial in healthy volunteers, with safety and immunogenicity as primary endpoints.

KB003 is a Humaneered™ monoclonal antibody targeted to GM-CSF, and it shares the same epitope (target) and pharmacokinetic properties with KB002, its chimeric (mouse) precursor. They are part of a major development program that collectively includes five Phase 1 and Phase 2 proof-of-principle clinical trials for inflammation-related diseases, including persistent asthma and rheumatoid arthritis. Animal studies have suggested the drug candidate also has potential in multiple sclerosis, chronic obstructive pulmonary disease (“COPD”), psoriasis, and other indications.

“This antibody is another example of the power of Humaneering™ technology,” said Geoffrey Yarranton, KaloBios’ Chief Scientific Officer. “We believe that high affinity antibodies that are close to human germline will be preferred when choosing antibody treatments for chronic diseases in large patient populations. We are especially excited about the use of this antibody in future repeat-dose chronic clinical trials in humans.”

“We now have the most comprehensive clinical research program in the world for targeting GM-CSF,” said Tillman Pearce, KaloBios’ Chief Medical Officer. “We have treated our last patient in our Phase 1/2 rheumatoid arthritis trial, are making great progress with our Phase 2 persistent asthma trials, and have other confidential clinical trials underway. We can now leverage the data that we obtain from these KB002 studies to guide our KB003 multiple-dose trials.”

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. The company has multiple programs that are in five Phase 1/2 clinical trials: KB001 is an anti-infective for *Pseudomonas aeruginosa* infections being tested in cystic fibrosis and soon to be tested in intensive care patients on a ventilator, and KB002 and KB003 are being evaluated in inflammatory conditions such as rheumatoid arthritis and asthma. 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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Contact:

David W. Pritchard
President and CEO
KaloBios Pharmaceuticals, Inc.
(650) 843-1897 x 300

Media Contact:

Joan E. Kureczka
Kureczka/Martin Associates
(415) 821-2413
Jkureczka@comcast.net