November 7, 2013

KaloBios to Present KB004 Interim Phase 1 Clinical Data in Hematologic Malignancies at ASH

SOUTH SAN FRANCISCO, Calif., Nov. 7, 2013 /PRNewswire/ -- KaloBios Pharmaceuticals, Inc. (Nasdaq: KBIO) today announced that data from its ongoing Phase 1 trial of KB004, an anti-EphA3 monoclonal antibody (mAb), will be presented at a poster session at the 55th American Society of Hematology (ASH) Annual Meeting and Exhibition. The Phase 1 trial of KB004 is a multi-center, dose-escalation study evaluating KB004 in patients with advanced hematologic malignancies. The presentation will include data describing the safety, pharmacokinetics and clinical activity of KB004. The ASH meeting is being held in New Orleans, Louisiana from December 7 – 10, 2013.

(Logo: https://photos.prnewswire.com/prnh/20130225/MM66380LOGO)

"This presentation will describe the safety profile observed in our ongoing Phase 1 trial of KB004, as well as reductions in markers of disease activity, peripheral blood blast percentage and marrow blast percentage," stated Dr. Nestor A. Molfino, Chief Medical Officer at KaloBios. "We believe these early data support the potential of KB004 in EphA3 positive hematologic malignancies, and we are targeting enrolling the first patient in the Phase 2 portion of the study of this antibody by the end of 2013."

Poster Presentation Details

- **Title:** A Phase I study of KB004, a novel non-fucosylated humaneered® antibody, targeted against the receptor tyrosine kinase EphA3, in advanced hematologic malignancies
- **Date:** Monday, December 7, 2013
- **Presentation Time:** 6:00 p.m. – 8:00 p.m.
- **Presenter:** Jeffrey Lancet, MD, Medical Oncology, H. Lee Moffitt Cancer Center and Research Institute
- **Location:** Ernest N. Morial Convention Center, Hall E.

Additional Abstracts

In addition to the abstract accepted for presentation, two additional abstracts describing EphA3 expression and screening in myeloid malignancies were accepted for publication online and in the ASH conference materials. These abstracts outline ***An Immunohistochemistry (IHC) Screen For EphA3 Positive Tumors*** and ***Analysis of EphA3 Expression in Hematologic Malignancies by Quantitative PCR***.

"These published abstracts further detail our ongoing research efforts on EphA3," stated Dr. Geoffrey Yarranton, Chief Scientific Officer and Executive Vice President of Research and Development at KaloBios. "We continue to work to understand EphA3 expression on various tumor types, and we now have a validated EphA3 screening test operative at a CLIA laboratory to screen patients' tumor biopsies before entry into the Phase 2 portion of Study KB004-01 in AML and MDS."

About KaloBios

KaloBios Pharmaceuticals, Inc. is developing a portfolio of proprietary, patient-targeted, first-in-class monoclonal antibodies designed to treat severe life-threatening or debilitating diseases for which there is an unmet medical need, with a clinical focus on severe respiratory diseases and cancer.

Currently, KaloBios has three drug development programs:

- KB003, an anti-GM-CSF mAb with potential to treat inflammatory diseases, being developed for the treatment of severe asthma. Enrollment of 160 patients has been completed in a Phase 2 study in the United States, Europe and Australia.
- KB001-A, an anti-PcrV mAb fragment that is partnered exclusively with Sanofi Pasteur and is being developed for the prevention and treatment of *Pa* infections. KaloBios has retained rights for the CF indication and has initiated a 180 patient Phase 2 study in CF subjects with chronic *Pa* lung infection in the United States. KaloBios has received Orphan Drug designation from both the FDA and the European Commission for KB001-A for the treatment of CF patients with *Pa* lung infection. Sanofi is pursuing a ventilator-associated pneumonia prevention indication in the intensive care setting, an indication which has received U.S. FDA Fast Track Designation.
- KB004, an anti-EphA3 mAb, has potential in treating hematologic malignancies and solid tumors. KaloBios is currently testing this drug in a Phase 1 study in subjects with hematologic malignancies. KaloBios plans to begin the phase 2 portion of this study in AML and MDS before the end of 2013.

All of the company's antibodies were generated using its proprietary Humaneered® technology, a method that converts nonhuman antibodies (typically mouse) into recombinant antibodies that have a high binding affinity to their target and are designed for chronic therapeutic use. The company believes that antibodies produced using its Humaneered® technology offer important clinical and economic advantages over antibodies generated by other methods in terms of high binding affinity, high manufacturing yields, and minimal to no immunogenicity (inappropriate immune response) upon repeat administration in humans.

For more information on KaloBios Pharmaceuticals, please visit our web site at http://www.kalobios.com.

Forward Looking Statements

This release contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including: the

statements under the heading "Anticipated Upcoming Milestones for 2013-2014"; and statements regarding the company's clinical development of KB001-A, KB003 and KB004. Forward-looking statements reflect management's current knowledge, assumptions, judgment and expectations regarding future performance or events. Although management believes that the expectations reflected in such statements are reasonable, they give no assurance that such expectations will prove to be correct and you should be aware that actual results could differ materially from those contained in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties including, but not limited to, the company's limited cash reserves and its ability to obtain additional capital on acceptable terms, or at all, including the additional capital which will be necessary to complete the clinical trials that the company has initiated or plans to initiate; the company's dependence on Sanofi Pasteur for the development and commercialization of KB001-A; the company's ability to successfully complete further development of its programs; the uncertainties inherent in clinical testing, including time to enroll clinical studies; the timing, cost and uncertainty of obtaining regulatory approvals; the company's ability to protect the company's intellectual property; competition; changes in the regulatory landscape or the imposition of regulations that affect the company's products; and other factors listed under "Risk Factors" in the company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 1, 2013, the quarterly reports on Form 10-Q filed on May 14, 2013 and August 19, 2013, and the company's other filings with the Securities and Exchange Commission.

All forward-looking statements are expressly qualified in their entirety by this cautionary notice. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this release. The company has no obligation, and expressly disclaims any obligation to update, revise or correct any of the forward-looking statements, whether as a result of new information, future events or otherwise.

For more information, visit http://www.kalobios.com.

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