February 5, 2014

KaloBios Announces Upcoming Webcasts and Conference Participation

SOUTH SAN FRANCISCO, Calif., Feb. 5, 2014 /PRNewswire/ -- KaloBios Pharmaceuticals, Inc. (Nasdaq: KBIO) today announced that David Pritchard, President and Chief Executive Officer, will be presenting at the following upcoming investor conferences:

- 16th Annual BIO CEO & Investor Conference
  Tuesday, February 11, 2014 in New York City
  8:30 AM Eastern Time (5:30 AM Pacific Time)

- Leerink Global Healthcare Conference 2014
  Thursday, February 13, 2014 in New York City
  8:30 AM Eastern Time (5:30 AM Pacific Time)

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

Mr. Pritchard's presentations will discuss the company's development programs for KB004 in hematologic malignancies as well as KB001-A to treat *Pseudomonas aeruginosa* (*Pa*) infection.

KB004 is an anti-EphA3 mAb, with potential to treat both hematologic malignancies and solid tumors which KaloBios is currently testing in a Phase 1 study in subjects with hematologic malignancies. KaloBios plans on initiating a Phase 2 expansion for acute myeloid leukemia and myelodysplastic syndrome in the first quarter of 2014.

KB001-A is an anti-PcrV mAb fragment, being developed by KaloBios for the prevention and treatment of *Pa* lung infection in cystic fibrosis (CF) patients. KaloBios is conducting a 180 patient Phase 2 study in CF subjects with chronic *Pa* lung infections.

Individuals may access live audio of the webcasts by visiting the event URL at: http://ir.kalobios.com/events.cfm. A replay of the webcasts will be available on the Company's website for 30 days following the live event.

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:

- KB001-A is an anti-PcrV mAb fragment, partnered exclusively with Sanofi Pasteur, and is being developed for the prevention and treatment of *Pa* infection. KaloBios has retained rights for the CF indication and is conducting a 180 patient Phase 2 study in CF subjects with chronic *Pa* lung infection. KaloBios has received Orphan Drug designation from both the U.S. FDA and the European Medicines Agency for KB001-A for the treatment of *Pa* lung infection in CF patients. 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 is an anti-EphA3 mAb, with potential in treating hematologic malignancies and solid tumors. KaloBios is currently testing this drug in a Phase 1 study in subjects with hematologic malignancies, and intends to initiate a Phase 2 expansion for acute myeloid leukemia and myelodysplastic syndrome in the first quarter of 2014.
- KB003 is an anti-GM-CSF mAb with potential to treat inflammatory diseases, being developed for the treatment of severe asthma. A Phase 2 clinical study in 160 patients with severe asthma has been completed in the United States, Europe and Australia, which did not meet its primary endpoint of average improvement in FEV_1 from baseline as compared to placebo. KaloBios has discontinued development of this compound in severe asthma, and is continuing to analyze the Phase 2 data to review with thought leaders in order to determine next steps, if any, in the development of KB003.

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, 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 analysis of summary data from clinical studies, including but not limited to

KB003-04, the potential, if any, for future development of KB003, 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 progress or complete further development of its programs; the uncertainties inherent in clinical testing; 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, August 19, and November 12, 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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