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Ligand Earns $1 Million Milestone Payment Triggered by FDA Approval of Merck's NOXAFIL® (posaconazole) Injection for Intravenous Use, a New Captisol-enabled Formulation

SAN DIEGO-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** announces that it has earned a $1 million milestone payment as a result of the recent U.S. Food and Drug Administration (FDA) approval of Merck's NOXAFIL® (posaconazole) injection (18 mg/mL). This is a new Captisol®-enabled formulation of NOXAFIL for intravenous (IV) use. Ligand will sell Captisol to Merck for this product under a commercial supply agreement.

"We congratulate the project team at Merck on this important advancement in the treatment of invasive fungal infections," said John Higgins, President and Chief Executive Officer of Ligand Pharmaceuticals.

"Ligand's business is thriving with the continued success of our partners with late-stage clinical and regulatory events. This is the second new product expected to be made available in 2014 following the launch of Duavee® last month by Pfizer and three additional Ligand-partnered programs are pending approvals in 2014," continued Higgins. "Captisol is a proven formulation that is garnering more interest by prospective customers and partners given the technology's elevated profile."

NOXAFIL injection for intravenous use is indicated for prophylaxis of invasive *Aspergillus* and *Candida* infections in patients who are at high risk of developing these infections due to being severely immunocompromised, such as hematopoietic stem cell transplant (HSCT) recipients with graft-versus-host disease (GVHD) or those with hematologic malignancies with prolonged neutropenia (low white blood cell counts) from chemotherapy. NOXAFIL injection is indicated in patients 18 years of age and older.

The availability of a NOXAFIL formulation for intravenous administration is particularly important for those patients who may benefit from or require intravenous therapy, or who might not be able to take an oral formulation. Merck's antifungal agent is also marketed as NOXAFIL (100 mg) delayed-release tablets and NOXAFIL (40 mg/mL) oral suspension.

About Ligand Pharmaceuticals

Ligand is a biopharmaceutical company with a business model that is based upon the concept of developing or acquiring royalty revenue generating assets and coupling them to a lean corporate cost structure. Ligand's goal is to produce a bottom line that supports a sustainably profitable business. By diversifying the portfolio of assets across numerous

technology types, therapeutic areas, drug targets, and industry partners, we offer investors an opportunity to invest in the increasingly complicated and unpredictable pharmaceutical industry. In comparison to its peers, we believe Ligand has assembled one of the largest and most diversified asset portfolios in the industry with the potential to generate revenue in the future. These therapies address the unmet medical needs of patients for a broad spectrum of diseases including diabetes, hepatitis, muscle wasting, Alzheimer's disease, dyslipidemia, anemia, asthma and osteoporosis. Ligand's Captisol platform technology is a patent protected, chemically modified cyclodextrin with a structure designed to optimize the solubility and stability of drugs. Ligand has established multiple alliances with the world's leading pharmaceutical companies including GlaxoSmithKline, Onyx Pharmaceuticals (a subsidiary of Amgen Inc.), Merck, Pfizer, Baxter International, Eli Lilly & Co. and Spectrum Pharmaceuticals. Please visit www.captisol.com for more information on Captisol. For more information on Ligand, please visit www.ligand.com.

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Forward-Looking Statements

This news release contains forward-looking statements by Ligand that involve risks and uncertainties and reflect Ligand's judgment as of the date of this release. These statements include those related to potential future launch of products and product candidates; future financial performance and other developments regarding Merck's NOXAFIL IV and statements regarding the potential for Ligand's partnered and un-partnered programs, including plans and market potential for such programs and Merck's NOXAFIL IV. Actual events or results may differ from our expectations. There can be no assurance that Merck's NOXAFIL IV will achieve commercial success, that any of our partners will continue clinical development of any compound(s); that clinical development will be successful; that future clinical trial data will be favorable or that such trials will confirm any improvements over other products or lack negative impacts; that drugs will receive required regulatory approvals or that they will be commercially successful, that any future milestone or royalty payments will be received, or that if any future milestones or royalties are received that they will not be subject to sharing obligations with any third party. Our stock price could be harmed if any of these events or trends fails to occur, is delayed or otherwise differs from expectations. Additional information concerning these and other risk factors affecting Ligand's business can be found on the company's prior press releases as well as in public periodic filings with the Securities and Exchange Commission, available via www.ligand.com. Ligand disclaims any intent or obligation to update these forward-looking statements beyond the date of this release. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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