

Ligand Announces Highlights from Today's Analyst Day Event

SAN DIEGO-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** reviewed its business model, growth opportunities, portfolio of partnered assets and unpartnered development programs, as well as its 2014 to 2016 financial outlook at an Analyst Day event held earlier today in Chicago. Highlights of presentations by Ligand's senior management include the following:

Business model and growth drivers:

- Ligand's unique "Shots-on-goal" business model now includes more than 90 fully funded programs with development partners.
- Recent clinical and regulatory progress by partners allows Ligand to estimate that four new revenue-generating products could be approved by the end of 2014.
- Given industry success rate for drugs at various stages of clinical development, the Ligand pipeline may provide the Company with up to 20 revenue-generating partnered programs by 2020.
- Existing partnerships represent more than \$700 million in potential milestone payments (or nearly \$35 per share) and partners are projected to invest more than \$800 million on Ligand programs in 2014, including more than 80 clinical trials.

Asset portfolio review:

- Ligand's portfolio is balanced across multiple major disease categories, including oncology, CNS, inflammation, blood disorders and metabolic disease.
- The acquisition of a portfolio of assets from Selexis SA earlier this year provided licensing agreements with companies such as Merrimack Pharmaceuticals, Baxter, Aveo Oncology and Coherus. Selexis' asset portfolio features promising novel biologics in development and biosimilars for current blockbuster biologics.
- Ligand has experienced a 77% increase in requests for Captisol samples since the technology was acquired in 2011. The Captisol formulation technology has particular ability to enable development of new drugs and improve the profile and performance of existing drugs.
- Management highlighted Promacta[®]'s consistent global revenue growth over the past few years, and noted the product is projected to continue to generate meaningful growth in royalties for Ligand in the future based on new territory expansion, new potential indications coming on line, and the achievement of higher royalty tiers.
- Ligand's clinical-stage glucagon receptor antagonist LGD-6972, which recently commenced a Phase 1 study, holds potential to create significant impact as a novel diabetes treatment.
- Ligand partner Merck is developing MK-8931, an oral beta-secretase (BACE1) inhibitor, with an ongoing Phase 2/3 study in patients with mild-to-moderate

Alzheimer's disease. MK-8931 is the first BACE1 inhibitor demonstrated to lower beta-amyloid in the cerebral spinal fluid of people with Alzheimer's disease.

- Ligand partner Chiva Pharmaceuticals is developing two drug candidates in China, including Pradefovir for the treatment of hepatitis B (approved IND) and MB07133 for the treatment of liver cancer (IND submitted). There are more than 100 million people in China with hepatitis B and more than 40% of all cases of liver cancer are in China.

Women's health:

- Ligand has an important research heritage with the Pfizer-owned, newly FDA-approved drug Duavee™ for the treatment of moderate-to-severe vasomotor symptoms associated with menopause and the prevention of postmenopausal osteoporosis. Ligand believes this is a best-in-class product that will compete in an established global \$4 billion women's health market.
- The Analyst Day program included a feature presentation by guest speaker Cynthia A. Stuenkel, M.D., Clinical Professor of Medicine at the University of California, San Diego School of Medicine, on the medical landscape and patient needs relating to the treatment of menopausal symptoms.

Financial outlook:

- Ligand's cash expenses are expected to remain at approximately \$20 million per year over the next three years, excluding any possible increases due to any new programs acquired or licensed in that time period.
- The Company's significant gross tax assets, including net operating loss carry-forwards, tax credits and future tax deductions now estimated to be in excess of \$800 million, are expected to be utilized over the next six years, potentially keeping the actual rate of taxes paid at 2% through 2018.
- Revenue and non-GAAP diluted EPS projections are as follows:
 - 2014: Revenue in the range of \$62 million to \$64 million, with adjusted diluted EPS in the range of \$1.40 to \$1.45.
 - 2015: Revenue greater than \$81 million, with adjusted diluted EPS greater than \$2.13.
 - 2016: Revenue greater than \$106 million, with adjusted diluted EPS greater than \$3.18.
- Ligand projects a compound annual growth rate in adjusted net income of at least 85% for the next three years.
- Global product sales by partners on which Ligand is entitled to receive royalty payments are projected to exceed \$2.2 billion in 2016 and could potentially exceed \$10 billion in 2020, depending on the timing of product approvals.

A webcast of the Analyst Day presentations can be accessed at www.ligand.com for the next 90 days.

About Ligand Pharmaceuticals

Ligand is a biopharmaceutical company focused on assembling a large portfolio of revenue generating assets through licensing and acquisition with the goal to generate sustainable cash-flow and profitability. Ligand has a diverse asset portfolio addressing the unmet

medical needs of patients for a broad spectrum of diseases including thrombocytopenia, multiple myeloma, diabetes, hepatitis, muscle wasting, dyslipidemia, anemia 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, Bristol-Myers Squibb, Lundbeck Inc., Eli Lilly & Co. and Spectrum Pharmaceuticals. Please visit www.captisol.com for more information on Captisol or www.ligand.com for more information on Ligand.

Forward-Looking Statements

This news release contains certain 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 expected revenue and adjusted diluted EPS for 2014, 2015 and 2016, the expected number of shares outstanding in 2014, 2015 and 2016, the growth of operating expenses in 2014, 2015 and 2016, sales of Captisol in 2014, 2015 and 2016, royalty and non-royalty revenue projections based on third-party research and expected license and milestone revenue in 2014, 2015 and 2016. Ligand cannot assure that it will receive expected royalties to support its ongoing business or that its internal or partnered pipeline products will progress in their development, gain marketing approval or achieve success in the market. In addition, ongoing or future arbitration, litigation or disputes with third parties may have a material adverse effect on Ligand. Such risks and uncertainties, and others, could cause actual results to differ materially from projected performance. The failure to meet expectations with respect to any of the foregoing matters may reduce Ligand's stock price. Additional information concerning these and other risk factors affecting Ligand's business can be found in prior press releases available via www.ligand.com as well as in Ligand's public periodic filings with the Securities and Exchange Commission at www.sec.gov. 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.

Follow Ligand on Twitter @Ligand_LGND.

Ligand Pharmaceuticals Incorporated
John Higgins, President and CEO
(858) 550-7500
or
LHA
Don Markley, (310) 691-7100
dmarkley@lhai.com

Source: Ligand Pharmaceuticals Incorporated