November 8, 2007

Ligand Pharmaceuticals Announces Third Quarter Results

Conference Call Begins at 4:30 p.m. Eastern Time Today

SAN DIEGO--

Ligand Pharmaceuticals Incorporated (NASDAQ:LGND) (the "Company" or "Ligand") today announced financial results for the three and nine months ended September 30, 2007 and provided a business update.

Third Quarter Results

The Company sold its commercial oncology product line in October 2006 and sold its AVINZA(R) product line in February 2007. The results of operations related to these products have been reflected as discontinued operations for all reporting periods discussed below.

Total revenues for the third quarter of 2007 were $5.5 million, compared with no revenues for the third quarter of 2006. Royalty revenues for the third quarter of 2007 were $5.2 million, and collaborative research and development and other revenues for the third quarter of 2007 were $0.3 million.

Operating costs and expenses for the third quarter of 2007 were $14.7 million down from $22.5 million for the same 2006 period. The decrease was due primarily to the reduction in headcount as a result of the Company's restructuring during the first quarter of 2007. Operating costs and expenses for the third quarter of 2007 include $0.9 million of stock-based compensation expense, compared with $1.7 million for the same 2006 period. The loss from continuing operations for the third quarter of 2007 was $4.9 million, or $0.05 per share, compared with a loss from continuing operations of $22.2 million, or $0.28 per share, for the third quarter of 2006. Income from discontinued operations in the third quarter of 2007 was $6.1 million, or $0.06 per share, compared with $7.3 million, or $0.09 per share, in the comparable 2006 quarter.

Net income for the third quarter of 2007 was $1.2 million, or $0.01 per diluted share, compared with a net loss of $14.9 million, or $0.19 per share, in the third quarter of 2006.

As of September 30, 2007, Ligand had cash, cash equivalents, short-term investments and restricted investments of $100 million. In addition, there was approximately $27 million of cash held in escrow and trust accounts as of September 30, 2007 to support potential indemnifiable claims by purchasers of the Company's commercial products and by certain current and former members of our Board of Directors. In March 2007, the Company's Board of Directors authorized up to $100 million in share repurchases. As of November 8, 2007, the Company had repurchased 5.9 million shares for a total of $38.3 million and had 95.4 million

shares outstanding.

"Our internal and partnered development programs continue to make progress and the results this quarter reflect our focus on maintaining financial and operating efficiency," said John L. Higgins, President and Chief Executive Officer of Ligand Pharmaceuticals. "We are on track for value building events in the near term. We expect key activities relating to our partnered programs over the next few months and in early December, we plan to present data on our lead compound, LGD-4665, at the American Society of Hematology 49th Annual Meeting in Atlanta."

Year-to-Date Results

Total revenues for the nine months ended September 30, 2007 were $7.1 million, compared with $4.0 million for the first nine months of 2006. Royalty revenues for the first nine months of 2007 were $6.6 million, compared with no royalty revenues for the same period in 2006.

Operating costs and expenses for the first nine months of 2007 were $60.7 million, compared with $58.8 million for the same period in 2006. The increase was primarily due to one-time expenses recognized during the first nine months of 2007 related to the Company's restructuring. Operating costs and expenses for the nine months ended September 30, 2007 include $6.9 million of stock-based compensation expense, compared with $3.5 million for the same period in 2006. The loss from continuing operations for the first nine months of 2007 was $29.4 million, or $0.30 per share, compared with a loss from continuing operations of $53.0 million, or $0.68 per share, for the first nine months of 2006. Income from discontinued operations for the first nine months of 2007 was $305.2 million, or $3.08 per share, compared with a loss from discontinued operations of $120.1 million, or $1.53 per share, for the first nine months of 2006.

Net income for the nine months ended September 30, 2007 was $275.8 million, or $2.78 per share, compared with a net loss of $173.1 million, or $2.21 per share, for the same period in 2006.

Key Program Updates

LGD-4665 - TPO Mimetic: Ligand continues to advance LGD-4665 (small molecule, non-peptide TPO mimetic) through clinical development. The Company has completed the Phase I multi-dose escalation study and will be presenting the results at the annual American Society of Hematology (ASH) meeting on December 8, 2007.

GlaxoSmithKline - TPO Mimetic, Eltrombopag: Ligand's partner GlaxoSmithKline reported in October 2007 that it expects to submit an NDA for eltrombopag (Promacta) by year-end for the treatment of short-term ITP. In addition, two Phase III trials were initiated in the fourth quarter of 2007 for hepatitis C.

Wyeth - SERM (selective estrogen receptor modulator), Bazedoxifene:

Significant announcements and developments for Ligand's partner Wyeth included:

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--  Submitted complete response to the FDA approvable letter
    received in April 2007 for bazedoxifene (Viviant) for the
    prevention of osteoporosis: the FDA set an action date by the
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end of December 2007 for this product.

-- Filed a separate NDA with the FDA for bazedoxifene (Viviant) for the treatment of osteoporosis; FDA action is expected by the end of May 2008.

-- Filed an MAA in Europe for bazedoxifene (Viviant) in the treatment and prevention of osteoporosis in September 2007; in connection with this filing, Ligand received a $250,000 milestone payment.

-- Reported that additional work will need to be completed before filing an NDA for bazedoxifene CE (Aprela) for menopausal symptoms and osteoporosis.

-- Announced that Aprela significantly reduced hot flashes in symptomatic post-menopausal women and improved symptoms of vulvar and vaginal atrophy; NDA filing for Aprela now projected for the second quarter of 2008.

Pfizer - SERM, Lasofoxifene: Ligand's partner Pfizer plans to resubmit an NDA for lasofoxifene (Oporia) by the end of 2007. Pfizer expects that the results from the PEARL (Postmenopausal Evaluation and Risk Reduction with Lasofoxifene) study will address the FDA's requirements in terms of safety and benefits for this product.

LGD-3303 - SARM: Ligand is conducting pre-clinical studies to prepare LGD-3303 (SARM product candidate) for an IND filing and the initiation of clinical trials in 2008. In the third quarter, Ligand announced findings that suggest the potential for LGD-3303 to be useful either as a single agent or in combination with conventional bisphosphonate therapy. The data suggest that LGD-3303 may provide a safe and effective new drug for the treatment of osteoporosis, including in patients that have had an inadequate response to bisphosphonate treatment.

Conference Call

Ligand management will host a conference call today beginning at 4:30 p.m. Eastern time (1:30 p.m. Pacific time) to discuss this announcement and answer questions. To participate via telephone please dial (877) 356-5578 from the U.S. or (706) 679-0565 from outside the U.S. A replay of the call will be available until December 8, 2007 at 5:30 p.m. Eastern time by dialing (800) 642-1687 from the U.S. or (706) 645-9291 from outside the U.S., and entering passcode 22432883. Individual investors can access the live and archived Webcast through Ligand's web site at www.ligand.com.

About Ligand Pharmaceuticals

Ligand discovers and develops new drugs that address critical unmet medical needs of patients with thrombocytopenia, hepatitis C, certain types of cancer, hormone-related diseases, osteoporosis and inflammatory diseases. Ligand's proprietary drug discovery and development programs are based on its leadership position in gene transcription technology, primarily related to intracellular receptors.

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. Actual events or results may differ from Ligand's expectations. For example, we also may not receive expected royalties on AVINZA(R) from King Pharmaceuticals or any other partnered products or from research and development milestones. In addition, our partners may change their plans or timetables regarding our partnered products and expected regulatory actions (e.g., filings, approvals, etc.) may be delayed or may not occur. Any payments expected from third parties may not be received by us due to third party intellectual property or contract restrictions and any amounts received by us may be subject to third party claims. We may not be able to timely or successfully advance any product(s) in our pipeline, for example, LGD-4665 and LGD-3303. In addition, we may have indemnification obligations to King Pharmaceuticals in connection with the sales of the AVINZA. Further, we may not be able to fully complete our reductions in workforce on any particular or expected timeframe, we may not realize the expected operating savings due to our restructuring and we may not be able to successfully or timely complete our early stage programs or any specific business or research initiative(s). In addition, we may not be able to successfully implement our strategy, and continue the development of our proprietary programs. The failure to meet expectations with respect to any of the foregoing matters may reduce our 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 including our form 10-Q filed with the SEC on November 8, 2007. 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.

LIGAND PHARMACEUTICALS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues:				
Royalties	$ 5,229	$ --	$ 6,639	$ --
Collaborative research and development and other revenues	250	--	485	3,977
Total revenues	5,479	--	7,124	3,977
Operating costs and expenses:				
Research and development	9,838	10,159	34,191	28,664
General and administrative	4,856	12,293	26,539	30,137
Total operating costs and expenses	14,694	22,452	60,730	58,801

Accretion of deferred gain on sale leaseback	491	--	1,473	--
Loss from operations	(8,724)	(22,452)	(52,133)	(54,824)
Other income	1,502	265	6,917	1,779
Loss before income taxes	(7,222)	(22,187)	(45,216)	(53,045)
Income tax benefit	2,360	--	15,779	--
Loss from continuing operations	(4,862)	(22,187)	(29,437)	(53,045)
Discontinued operations:				
Income (loss) from discontinued operations before income taxes	--	7,284	5,993	(120,010)
Gain on sale of AVINZA Product Line before income taxes	6,892	--	317,306	--
Adjustment to gain on sale of Oncology Product Line before income taxes	(2,138)	--	7,669	--
Income tax benefit (expense) on discontinued operations	1,356	(17)	(25,781)	(52)
Discontinued operations	6,110	7,267	305,187	(120,062)
Net income (loss)	$ 1,248	$ (14,920)	$ 275,750	$ (173,107)
Basic and diluted per share amounts:				
Loss from continuing operations	$ (0.05)	$ (0.28)	$ (0.30)	$ (0.68)
Discontinued operations	0.06	0.09	3.08	(1.53)
Net income (loss)	$ 0.01	$ (0.19)	$ 2.78	$ (2.21)
Weighted average number of				

common shares	96,541,752	78,670,137	99,020,141	78,239,868

LIGAND PHARMACEUTICALS INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 2007	December 31, 2006
Assets		
Current assets:		
Cash, cash equivalents, short-term investments and restricted cash	$ 98,392	$210,662
Other current assets	2,643	24,895
Current portion of co-promote termination payments receivable	14,740	--
Total current assets	115,775	235,557
Restricted investments	1,411	1,826
Property and equipment, net	3,434	5,551
Acquired technology and product rights, net	--	83,083
Long-term portion of co-promote termination payments receivable	80,935	--
Restricted cash - indemnity account	9,969	--
Other assets	--	36
Total assets	$211,524	$326,053
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 41,318	$ 58,768
Current portion of deferred revenue, net	--	57,981
Current portion of deferred gain	1,964	1,964
Current portion of co-promote termination liability	14,740	12,179
Other current liabilities	1,810	2,168
Note payable	--	37,750
Total current liabilities	59,832	170,810
Long-term portion of co-promote termination liability	80,935	81,149
Long-term portion of deferred gain	25,747	27,220
Other long-term liabilities	6,375	7,177
Total liabilities	172,889	286,356
Common stock subject to conditional redemption	12,345	12,345

Stockholders' equity	26,290	27,352
Total liabilities and stockholders' equity	$211,524	$326,053

Source: Ligand Pharmaceuticals Incorporated