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Ligand Enters into Exclusive License Agreement with GlaxoSmithKline to License Rights to LGD-4665 and other Ligand Thrombopoietin (TPO) Molecules

SAN DIEGO-- Ligand Pharmaceuticals Incorporated (NASDAQ:LGND) announced today that it has entered into an exclusive, worldwide license agreement with GlaxoSmithKline ("GSK") (NYSE:GSK) under which Ligand has licensed worldwide exclusive rights to Ligand's LGD-4665 product candidate and its other thrombopoietin (TPO)-related molecules to GSK. LGD-4665 currently is in Phase II for treatment of thrombocytopenia, a condition of low-platelet levels commonly associated with a diverse range of clinical disorders.

Under the terms of the agreement, GlaxoSmithKline will pay Ligand \$5 million as an upfront license fee, up to \$158 million in development and commercial milestones and a 16% royalty on net sales. In the first year of sales, royalties will be one-half of the regular royalty rate. GlaxoSmithKline has the exclusive right to develop, manufacture and commercialize LGD-4665, as well as other TPO related molecules discovered by Ligand.

"This agreement is another step in our strategy of partnering early-development assets to increase shareholder value while acutely focusing on resource-efficient, novel pipeline assets. The timing and structure of the deal is excellent for Ligand as it potentially provides a robust royalty rate and milestone stream for a product that has, thus far, demonstrated excellent and differentiated safety and efficacy," said John L. Higgins, President and Chief Executive Officer of Ligand Pharmaceuticals. "In addition, this license agreement is a validation of our program by a world leading pharmaceutical company with clear development success in this field, and permits Ligand to prioritize its development expenses on other promising programs going forward."

"We believe LGD-4665 will complement GSK's TPO receptor agonist program that has resulted in the development of Promacta(TM)/Revolade(TM) (eltrombopag), which was recently approved by the FDA," said Ad Rawcliffe, Senior Vice President, Worldwide Business Development and R&D Finance, GlaxoSmithKline. "We are pleased to extend our commitment to develop novel therapeutics to address patients' needs."

Under the terms of the agreement, GlaxoSmithKline will direct all product development and commercialization and will be responsible for all costs going forward for development, patent maintenance and prosecution, and commercialization. Ligand reported at the December 2008 American Society of Hematology annual meeting that LGD-4665 has the potential for weekly dosing, has differentiated clinical pharmacology from other products on the market and has promising potential efficacy in ITP, based on interim clinical study results.

About Ligand Pharmaceuticals

Ligand discovers and develops new drugs that address critical unmet medical needs of patients with muscle wasting, frailty, hormone-related diseases, osteoporosis, inflammatory diseases and anemia. Ligand's proprietary drug discovery and development programs are based on its leadership position in gene transcription technology.

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. In addition, there can be no assurance that the parties will obtain any governmental clearance or approvals that may be required; that GlaxoSmithKline will continue or actively pursue the clinical development of LGD-4665 or any other TPO molecule; 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 of negative impacts; that product candidates will receive required regulatory approvals or that they will be commercially successful therapies, provide new options or be successfully marketed; that our business will continue to grow or that shareholder value will increase; that the FDA will accept any filing; that any future milestone or royalty payments will be received, or that if any future milestones or royalties are received that they won't be subject to third party claims. The failure to meet expectations may reduce Ligand's stock price. Additional information concerning 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.

Source: Ligand Pharmaceuticals Incorporated