

Ligand Provides Highlights from Today's Analyst Day Event

Webcast available at www.ligand.com

SAN DIEGO-- At an Analyst Day event held earlier today in New York City, **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** reviewed the financial leverage in its business model, revenue growth opportunities and its portfolio of partnered assets and unpartnered development programs, as well as its Captisol formulation technology and its financial outlook through 2017.

"Ligand has transformed into a high-growth company with economic rights to some of the world's most important medicines. Our 'Shots-on-Goal' business model is stronger than ever and is projected to continue to drive the business significantly for the long-term," said John Higgins, President and Chief Executive Officer of Ligand. "We currently have more than 100 programs fully funded by partners, economic rights to seven commercial products including two with blockbuster potential, and six major products in development. We project that more than 20 revenue-generating products will be on the market by 2020. All of this is being managed through a highly efficient infrastructure as evidenced by our projection for 2015 adjusted cash flow to be approximately 60% of our total revenue."

Highlights of presentations by Ligand's senior management include the following:

Business model and growth drivers:

- Ligand has more than 100 fully-funded programs in partnership with 62 different pharmaceutical and biotechnology companies. Seven programs are commercialized and generating revenue for Ligand today, and the company projects that in 2020 more than 20 products from its portfolio will be commercialized and generating revenue for Ligand.
- Ligand estimates that in 2015 its partners will spend more than \$1.1 billion on R&D to advance partnered programs including funding more than 50 Phase 3 and Phase 2 trials.
- Global product sales by partners on which Ligand is entitled to receive royalty payments are projected to exceed \$1.1 billion in 2015, to exceed \$2.1 billion in 2016 and to exceed \$2.7 billion in 2017. The blended average royalty rate to Ligand during this period is expected to be 3% to 4%.
- Ligand expects revenue growth to accelerate, increasing from a 28% compound annual growth rate (CAGR) over the past three years to a 31% CAGR for the period 2014 through 2017.
- Ligand also expects non-GAAP diluted EPS growth to accelerate, increasing from a 19% CAGR over the past three years to a 44% CAGR for the period 2014 through 2017.

Asset portfolio review:

- Management highlighted six promising pipeline assets including CE-melphalan for oncology (Spectrum Pharmaceuticals), delafloxacin IV for infections (Melinta Therapeutics), MK-8931 for Alzheimer's disease (Merck), Sparsentan for kidney disease (Retrophin), SAGE-547 for neurology (Sage Therapeutics) and IRAK-4 for oncology (TG Therapeutics), including key milestones for each over the next three years.
- Management also highlighted consistent global revenue growth from Promacta®, with double-digit growth in all geographies. The expanding number of approved indications for Promacta (branded Revolade™ in certain markets outside the U.S.) now includes idiopathic thrombocytopenia, thrombocytopenia induced by the hepatitis C virus and aplastic anemia, as well as a growing number of geographies where the product is sold, which now total 95 countries.
- Kyprolis®, sold by Amgen for the treatment of multiple myeloma, is expanding geographically following recent results from the ASPIRE Phase 3 trial in relapsed multiple myeloma, with further Phase 3 trials underway in relapsed multiple myeloma and as a front-line therapy. Several global regulatory filings for Kyprolis are expected in the first half of 2015.
- Duavee™, marketed by Pfizer for the treatment of moderate-to-severe vasomotor symptoms (hot flashes) associated with menopause and the prevention of postmenopausal osteoporosis, was launched this past year in the U.S. with European regulatory action expected by year-end. In September, Pfizer rolled out a direct-to-consumer campaign. More than 50 million American women are projected to have postmenopausal symptoms by 2020.
- LGD-6972 is Ligand's proprietary glucagon receptor antagonist in development as an oral treatment for type 2 diabetes, which recently completed a first Phase 1 trial. At the Analyst Day event management profiled the product's recent clinical data, which suggest significant market advantages for a safe, highly potent oral therapy compared with existing classes of new mechanisms.

Captisol review:

- Management reviewed the four critical components of its Captisol platform technology, including: (1) its ability to maximize safety and improve solubility, stability and bioavailability, or lessen the volatility, irritation, smell or taste of drugs; (2) multi-metric ton cGMP supply chain using the highest-quality partner and standards; (3) a vast safety and clinical database underlying the Drug Master File; and (4) intellectual property protection in the U.S. through 2029 and in Europe through 2025, with additional patents pending.
- Ligand's partner Hovione is manufacturing Captisol at FDA-inspected sites worldwide, including two facilities in Europe, and is leveraging their full global network.
- In comparing 2013 with 2012, visits to www.captisol.com increased more than three-fold to approximately 47,000, Captisol information requests also increased nearly three-fold to more than 660 and new inbound sample requests increased 57% to approximately 350. Inbound sample requests for year-to-date 2014 are 35% higher than full-year 2013 requests.

Financial outlook:

- Management highlighted revenue and non-GAAP diluted EPS projections, as follows:
 - 2015: Revenue is projected to be in the range of \$81 million to \$83 million, with non-GAAP diluted EPS projected to be in the range of \$2.14 to \$2.18. Gross margin is projected to be 85%, adjusted cash flow margin is projected to be 60% and adjusted profit margin is projected to be 55%.
 - 2016: Revenue is projected to exceed \$107 million and non-GAAP diluted EPS is projected to exceed \$3.20.
 - 2017: Revenue is projected to exceed \$146 million and non-GAAP diluted EPS is projected to exceed \$4.65.
- Ligand's cash expenses are expected to remain at approximately \$20 million to \$22 million per year through 2017, excluding any increases due to new programs acquired or licensed during that period.
- The Company's gross tax assets are estimated to be \$778 million and include net operating loss carry-forwards, tax credits and future tax deductions. These are expected to be utilized over the next five years, potentially keeping the actual rate of taxes paid below 5% through 2018.

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

Non-GAAP Financial Measures

The non-GAAP (U.S. Generally Accepted Accounting Principles) financial measures discussed above exclude changes in contingent liabilities, mark-to-market adjustment for amounts owed to licensors, non-cash stock-based compensation expense and non-cash debt-related costs. Ligand believes that the presentation of non-GAAP financial measures provides useful supplementary information to investors and reflects amounts that are more closely aligned with the cash profits for the period as the items that are excluded from non-GAAP net income are all non-cash items. Ligand uses these non-GAAP financial measures in connection with its own budgeting and financial planning. These non-GAAP financial measures are in addition to, and not a substitute for, or superior to, measures of financial performance prepared in conformity with GAAP.

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 our 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. Follow Ligand on Twitter @Ligand_LGND.

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. Words such as "plans," "believes," "expects," "anticipates," and "will," and similar expressions, are intended to identify forward-looking statements. These forward-looking statements include, without limitation, statements regarding: Ligand's financial outlook; the potential for Ligand's commercial products and products in development; estimates of future R&D spending by Ligand's partners; potential for milestone events related to Ligand's asset pipeline; estimates of growth in the global multiple myeloma market; estimates of growth in the number of American women who are projected to have postmenopausal symptoms in the future; projections for future cash expenses, revenues, non-GAAP EPS, gross margins, adjusted cash flow margins and adjusted profit margins; expectations regarding the future utilization of Ligand's gross tax assets; and estimates regarding future global product sales by partners on which Ligand is entitled to receive royalty payments. Actual events or results may differ materially from Ligand's expectations. For example, Ligand may not receive expected revenue from material sales of Captisol, expected royalties on partnered products and research and development milestone payments. Ligand and its partners may not be able to timely or successfully advance any product(s) in its internal or partnered pipeline. In addition, there can be no assurance that Ligand will achieve its guidance for 2014 or its financial projections for future years, that Ligand's revenues and expenses will be at the levels or be broken down as currently anticipated, that Ligand will be able to create future revenues and cash flows by developing innovative therapeutics, that results of any clinical study will be timely, favorable or confirmed by later studies, that products under development by Ligand or its partners will receive regulatory approval, that there will be a market for the product(s) if successfully developed and approved, or that Ligand's partners will not terminate any of its agreements or development or commercialization of any of its products. Further, Ligand may not generate expected revenues under its existing license agreements and may experience significant costs as the result of potential delays under its supply agreements. Also, Ligand and its partners may experience delays in the commencement, enrollment, completion or analysis of clinical testing for its product candidates, or significant issues regarding the adequacy of its clinical trial designs or the execution of its clinical trials, which could result in increased costs and delays, or limit Ligand's ability to obtain regulatory approval. Further, unexpected adverse side effects or inadequate therapeutic efficacy of Ligand's product(s) could delay or prevent regulatory approval or commercialization. In addition, Ligand may not be able to successfully implement its strategic growth plan and continue the development of its proprietary programs. 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 can be found in prior press releases available at www.ligand.com as well as in public periodic filings with the Securities and Exchange Commission, available at www.sec.gov. Ligand disclaims any intent or obligation to update these forward-looking statements beyond the date of this press release. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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