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Ligand Signs Multi-Program Captisol® License Agreement with Avion Pharmaceuticals

Adds Four Additional Fully-Funded Programs to Partnered Portfolio

SAN DIEGO-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** announces the signing of a commercial license agreement with Avion Pharmaceuticals, LLC for the development and commercialization of four Captisol-enabled programs. Under the terms of the agreement, Ligand is entitled to receive an up-front payment, and is eligible to receive revenue from Captisol material sales, potential milestone payments, and royalties on future net sales of the products containing Captisol.

“Through this multi-program partnership with Avion Pharmaceuticals, we are adding a new organization to our growing list of partners and have added four additional fully-funded programs to our existing portfolio of more than 100 Shots-on-Goal,” commented John Higgins, President and Chief Executive Officer of Ligand Pharmaceuticals. “Ligand continues to expand its portfolio of assets to deliver value to shareholders. Importantly, this partnership also demonstrates new demand for Captisol in both oral and topical administration, adding to the position Captisol has established in enabling injectable products.”

Ligand’s Expanding Portfolio of Shots-on-Goal

Ligand’s business model features economic interests in a broad and growing portfolio of biotech and pharmaceutical programs that is based upon novel research and proprietary technology. In 2008 Ligand had nine fully-funded programs. Today, the Company has more than 100 fully-funded programs whereby Ligand is entitled to receive potential payments in the form of milestones, royalties and/or sales of Captisol. Ligand calls its portfolio “Shots-on-Goal” as given the published rates of success, many scientific and clinical research programs do not advance to successful commercialization. However, by building a broad and diversified portfolio, the Company believes it will be able to leverage its partners’ investment to drive the number of revenue generating assets to increase. As demonstration of this model’s success, Ligand now has seven revenue-generating assets, up from one in 2008. Ligand’s portfolio programs are licensed to over 60 companies, representing all sizes and types of companies in the biopharmaceutical industry.

About Avion Pharmaceuticals

Avion Pharmaceuticals is a specialty pharmaceutical company that develops and markets a growing portfolio of innovative, branded pharmaceutical and dietary supplement products in women’s health and dermatology. Avion focuses on identifying opportunities to acquire and enhance the market potential of innovative, commercially available dietary supplement products, therapeutics and late-stage development drugs to fulfill unmet medical and dietary

needs. For more information please visit www.avionrx.com.

About Captisol®

Captisol is a patent-protected, chemically modified cyclodextrin with a structure designed to optimize the solubility and stability of drugs. The original form of Captisol was invented and initially developed by scientists in the laboratories of Dr. Valentino Stella at the University of Kansas' Higuchi Biosciences Center for use in drug development and formulation. This unique technology has enabled six FDA-approved products, including Onyx Pharmaceuticals' (now Amgen) Kyprolis®, Baxter International's Nexterone® and Merck's NOXAFIL® IV. There are more than 30 Captisol-enabled products currently in clinical development.

About Ligand Pharmaceuticals

Ligand is a biopharmaceutical company that develops and acquires assets it believes will generate royalty revenues and, under its lean corporate cost structure, produce sustainable 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 (now a subsidiary of Amgen Inc.), Merck, Pfizer, Baxter International, Bristol-Myers Squibb, Celgene, Lundbeck Inc., Eli Lilly & Co., Spectrum Pharmaceuticals and AstraZeneca. Please visit www.captisol.com for more information on Captisol or www.ligand.com for more information on Ligand. 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: expected value creation for shareholders, potential increase in the number of Ligand's revenue-generating assets, potential future launch of products and product candidates, and future financial performance and other developments regarding Captisol-enabled programs with Avion Pharmaceuticals. Actual events or results may differ 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 beyond, that Ligand's 2014 revenues 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 Ligand's 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 release. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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