



Is

A News Maker

October 21, 2011

John Higgins, President and CEO

BioCentury NewsMakers Conference - New York

Safe Harbor Statement

- The following presentation contains forward-looking statements regarding Ligand's prospects, plans and strategies, drug development programs and collaborations. Forward-looking statements include financial projections, expectations regarding research and development programs, and other statements including words such as "will," "should," "could," "plan," etc. Actual events or results may differ from Ligand's expectations. For example, expense reductions and drug development programs may not be realized. In addition there can be no assurance that Ligand will achieve its guidance in 2011 or thereafter.
- The forward-looking statements made in the presentation are subject to several risk factors, including, but not limited to, Ligand's reliance on collaborative partners for milestone and royalty payments, regulatory hurdles facing Ligand's and partner's product candidates, uncertainty regarding Ligand's and partner's product development costs, the possibility that Ligand's and partner's drug candidates might not be proved to be safe and efficacious and commercial performance of Ligand's and/or its partner's products. Additional risks may apply to forward-looking statements made in this presentation.
- The risk factors facing Ligand are explained in greater detail in Ligand's filings with the SEC, including the most recently filed annual reports on Form 10-K and quarterly reports on Form 10-Q, as well as other public filings.
- While forward-looking statements reflect our good faith beliefs (or those of the indicated third parties), they are not guarantees of future performance. We disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

LIGAND on Twitter

- Follow us on Twitter @Ligand_LGND
- Since we launched Ligand's Twitter feed in May 2011 we have had 51 tweets
- Substantive news that often does not warrant a press release, for example:
 - Partner data releases at scientific conferences
 - News stories on Ligand
 - Information from partner CEOs from presentations

Today's Focus

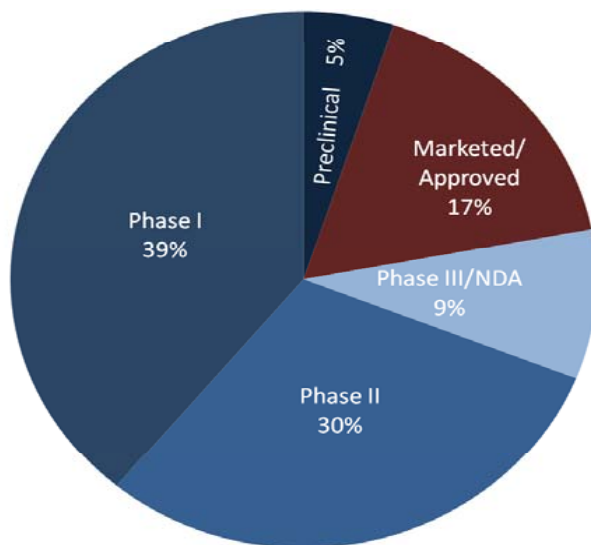
- Core Business
- Promacta
- Global Deal Making
- Captisol® Expansion Highlights

The Foundation of the Ligand Opportunity

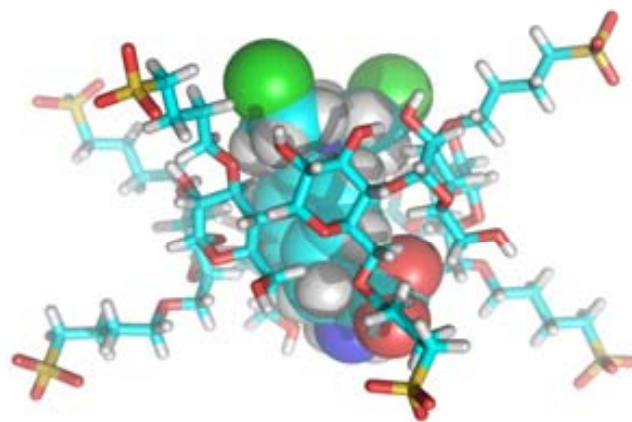
Expanding Revenue Base



Large Partnered Portfolio

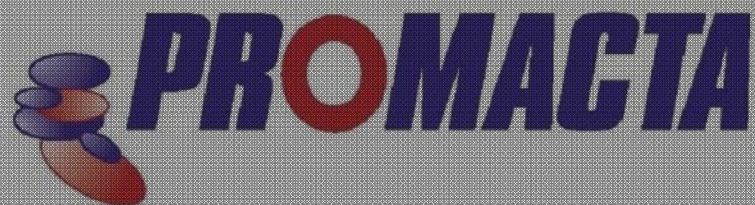


Captisol® – Enabling Technology

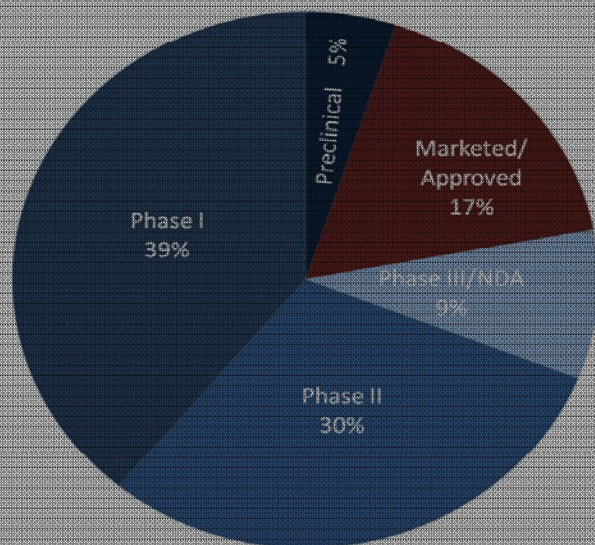


The Foundation of the Ligand Opportunity

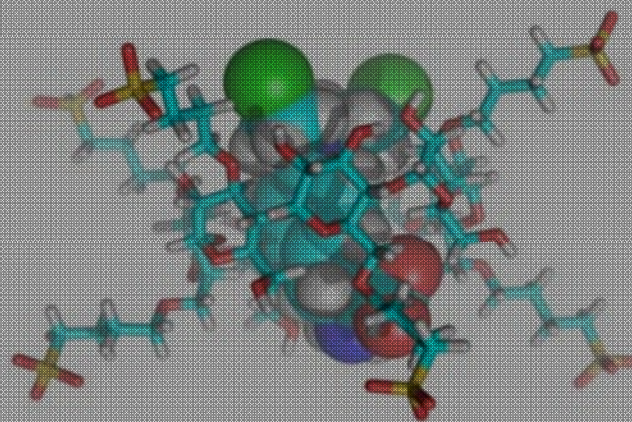
Expanding Revenue Base



Large Partnered Portfolio



Captisol® – Enabling Technology



Potential Significant Revenue Expansion Over Next Several Years

Illustrative Growth

2012

Promacta
Carfilzomib
Nexterone
Avinza
Conbriza

>\$30 million revenue*

**"Shots on Goal" Vision
Turning into Reality**

2015

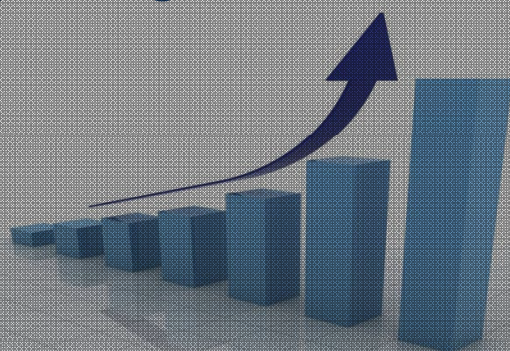
Promacta
Carfilzomib
Nexterone
Avinza
Conbriza
Aprela
Carbamazepine
Clopidogrel
Navarixin
Dinaciclib
Melphalan
Merck Captisol® Program

>\$200 million revenue*

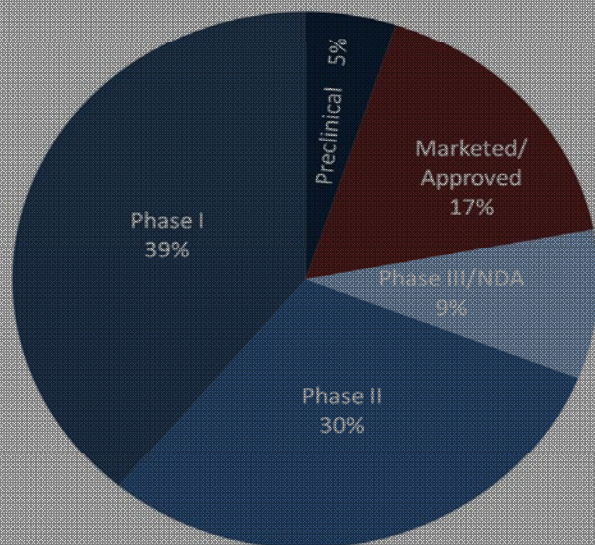
*Plus license fees

The Foundation of the Ligand Opportunity

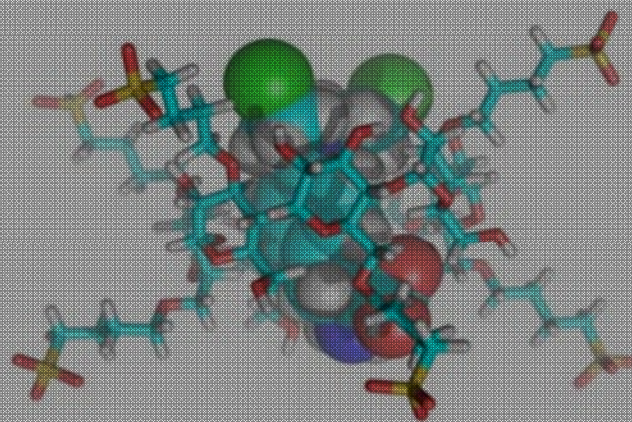
Expanding Revenue Base



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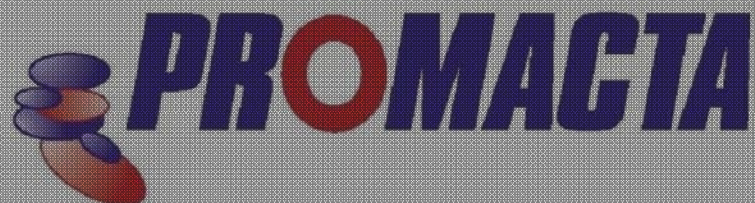
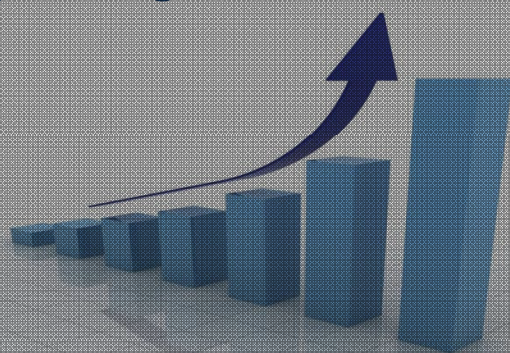
Promacta: Ligand's Most Valuable Asset



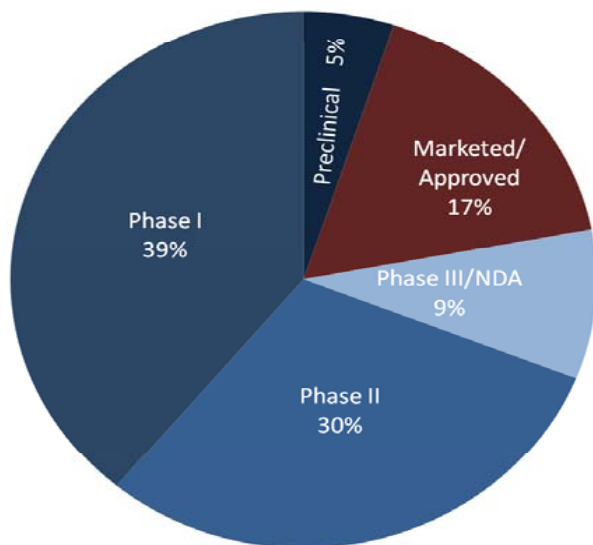
- Ligand and GSK jointly discovered Promacta as part of a thrombopoietin (TPO) receptor agonist research collaboration started in 1995
- Approved for first indication and opportunity for significant label expansion
- Possible major upcoming catalysts: Phase III data announcements, sNDA filing, initiation of new Phase III studies
- Long patent life
- Significant tiered royalties

The Foundation of the Ligand Opportunity

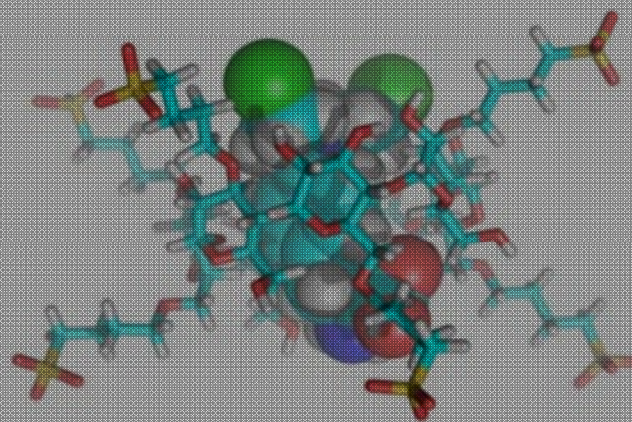
Expanding Revenue Base



Large Partnered Portfolio

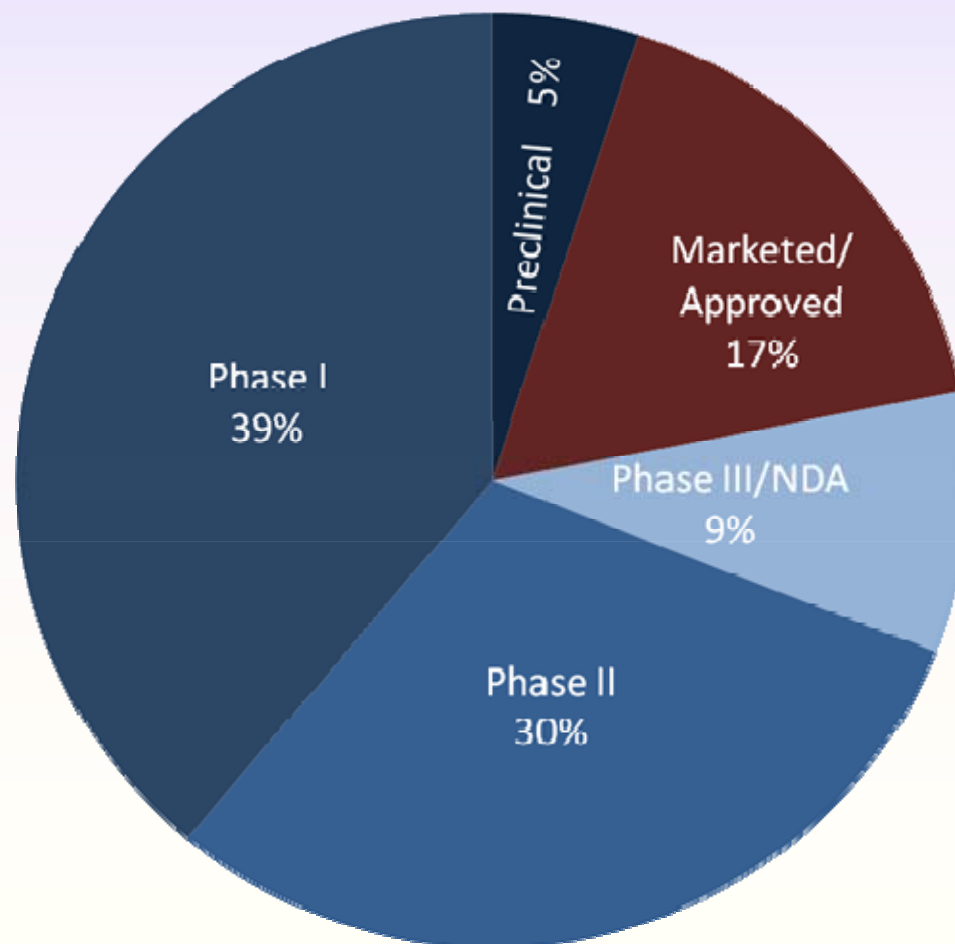


Captisol® – Enabling Technology



Ligand's Partnered Portfolio

More than 50 Partnered Programs



Ligand's Partnered Portfolio By The Numbers

Over **25** different **partners**

Over **10** different **therapeutic areas**

Over **50%** of the portfolio is **Phase II** or later

Ligand estimates that partners collectively spend **over \$150M**
per year on this portfolio

The Value of Ligand's Partnered Portfolio

Diversified

- lowers risk
- more ways to succeed

Fully Funded

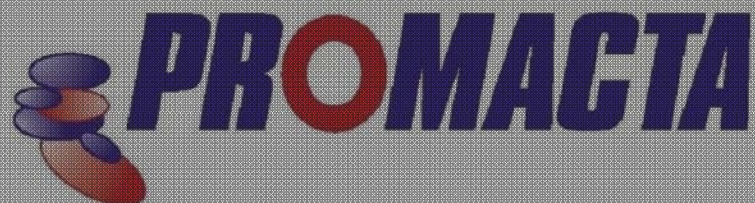
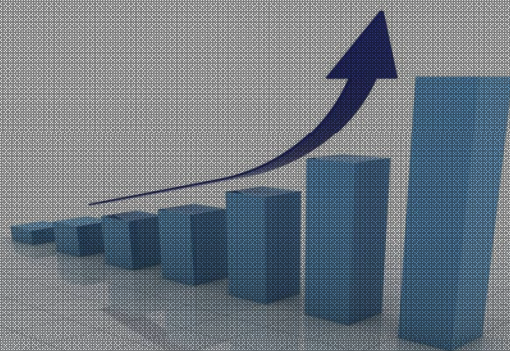
- Partners carry the risk and cost burden
- Ligand can operate with a financial model that can return real value back to shareholders

Substantial Upside

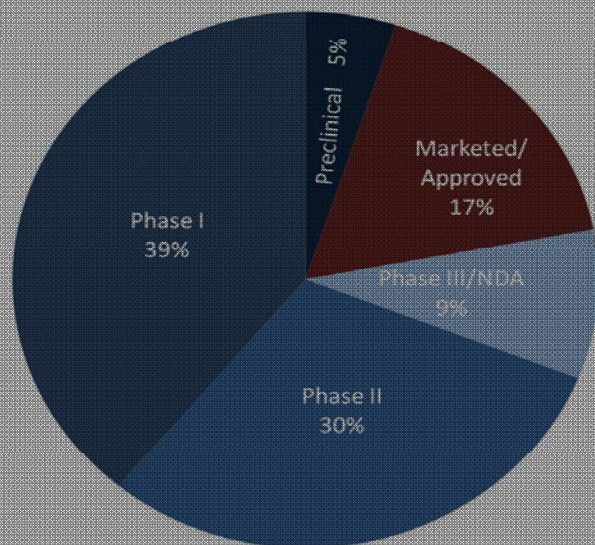
- Some programs targeting big markets with big royalties
- Numerous revenue sources drives the outlook
- Significant major news flow

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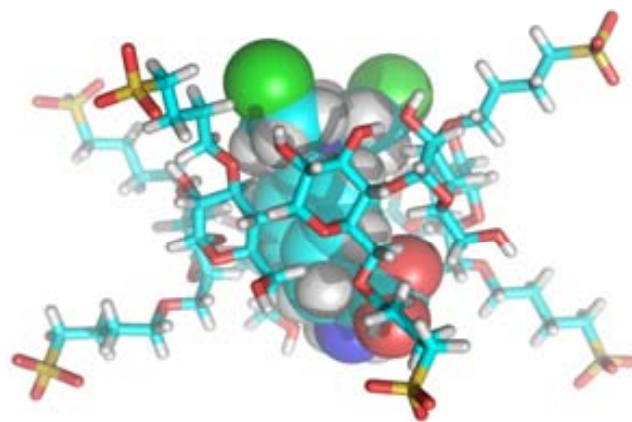
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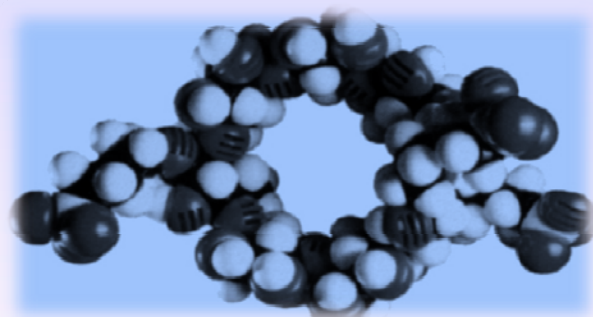
Large Partnered Portfolio



Captisol® – Enabling Technology



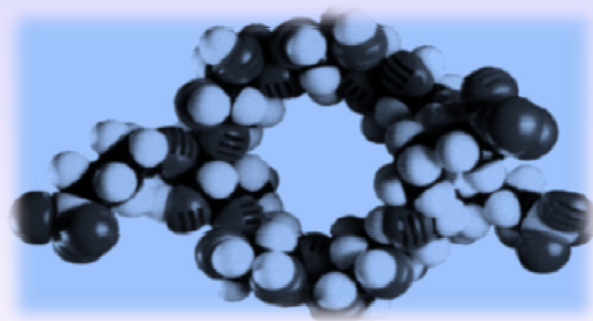
Captisol®: The Need



“... between 70 and 90% of drug candidates in pipelines are believed to have low solubility. In fact, **poor solubility** problems is considered to be the **leading challenge** in drug development”

- Chemical Engineering News, 2010

Captisol®: Enabling New Drugs



Patented, chemically-modified cyclodextrin

Increase drug solubility, reduce side reactions

Versatile across molecule families and sizes

Over 100 clinical studies

Type V Drug Master File

Captisol®: A Highly Valuable Enabling Technology

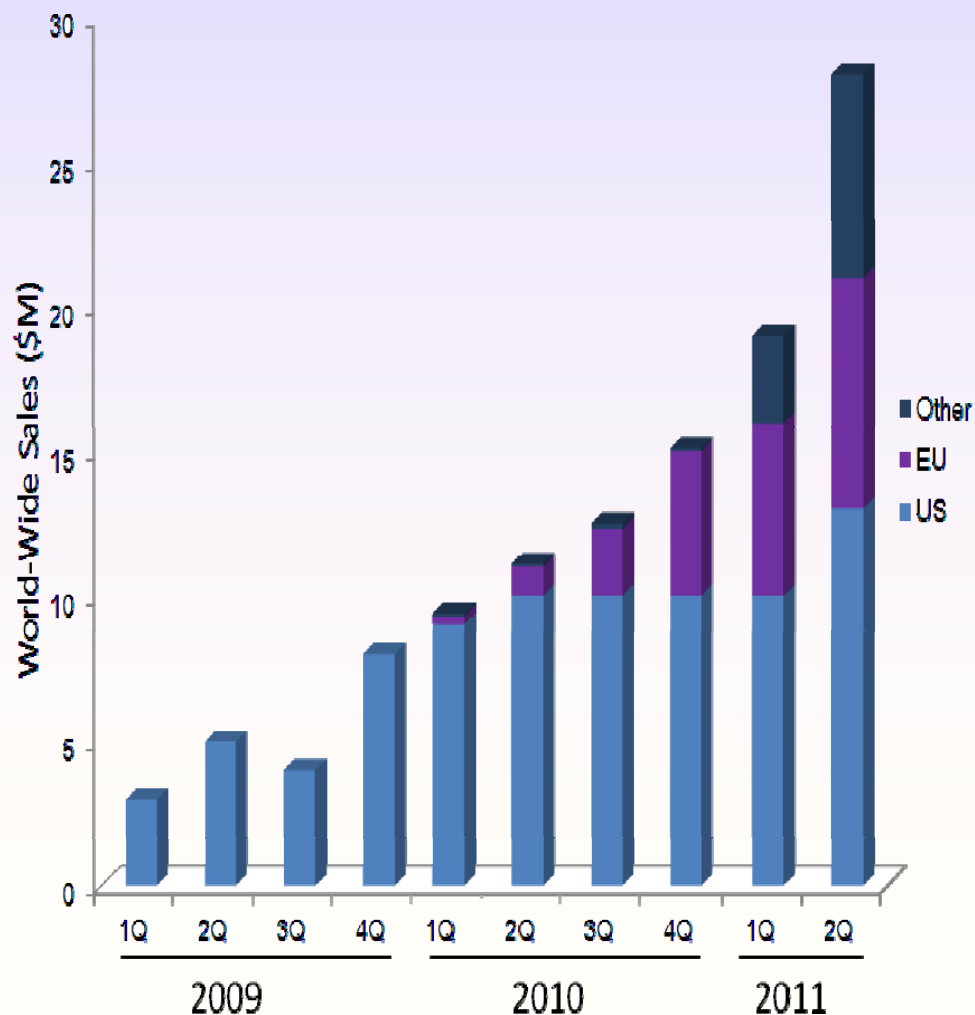


Promacta Highlights

Promacta: A Blockbuster Driver For Ligand Growth

- ☒ Approved in all major markets for ITP
- ☒ Marketed by GSK, premier pharma company
- ☒ Potential for major label expansion
- ☒ Long patent protection thru 2025
- ☒ Significant royalty interest (avg ~9% on \$1 billion)
- ☒ Major upcoming Data event – Nov. 7, 2011

Promacta: Accelerating Quarterly Sales



New markets and new indications should help accelerate revenue growth

Ligand expects to receive royalties for another 14 years

The Promacta ENABLE Studies

Pivotal Data Due Q4 2011



Study Descriptions

- 2 parallel global Phase III studies
 - **ENABLE 1** - peginterferon **alfa-2a (PEGASYS)** plus ribavirin
 - **ENABLE 2** - peginterferon **alfa-2b (PEG-Intron)** plus ribavirin
- Double blind, placebo control, 750 patients each
- More than 300 sites worldwide
- Primary endpoint is SVR at 6 months post antiviral treatment (48-72 weeks)

ENABLE 1 AASLD Abstract Summary

- Oral presentation to be given by Dr. Afdhal on Monday afternoon, Nov. 7 at the AASLD meeting (San Francisco)
- Abstract was published online September 30th

Key Highlights from Abstract

- 95% of patients given Promacta were allowed to start antiviral therapy
- Primary endpoint of SVR (at > 1 year) was seen in 23% of patients on Promacta (P=.006)
- No difference in adverse events between Promacta and placebo

Global Deal Making

Ligand's Global Business Strategy

Ligand Licensing Opportunities exist with Companies of All Sizes
and In Every Market in the World



Ligand's Global Business Strategy

China represents a particularly unique opportunity for the Ligand business model

Vast **Market Size**

A **Need** For **Assets**

Unprecedented Public
and Private **Investment**



Ligand's Newest Partnered Asset

Ligand Licenses Fablyn to Chiva Pharmaceuticals



Chiva Pharmaceuticals, Inc.

- Ligand recently announced the re-licensing of Fablyn to Chiva
- Fablyn is an osteoporosis treatment that stemmed from a SERM collaboration between Ligand and Pfizer
 - Pfizer had fully developed Fablyn through EU approval
- Following Pfizer's acquisition of Wyeth, Pfizer decided not to launch Fablyn and the asset reverted back to Ligand
- Ligand is eligible to receive upfront payment, milestones and royalties from Chiva

Captisol® Expansion Highlights

Ligand Carfilzomib Relationship



CARFILZOMIB

POSITIONED TO ADVANCE MULTIPLE MYELOMA TREATMENT
Compelling clinical data across a range of treatment settings

- Onyx formulated Carfilzomib with Ligand's Captisol formulation technology for refractory multiple myeloma
- Onyx submitted NDA submission in 3Q11
- Two large ongoing Phase III studies targeted for completion in 2012
- Recent Phase II Data
 - 24.1% overall response rate with no worsening of neuropathy
 - Strong potential for improvement over Velcade®
- Commercial Outlook:
 - Third-party analysts project peak annual sales of carfilzomib over \$1Billion
 - Ligand entitled to milestones, royalties and revenue from Captisol material sales

Ligand's Newest Captisol Collaboration



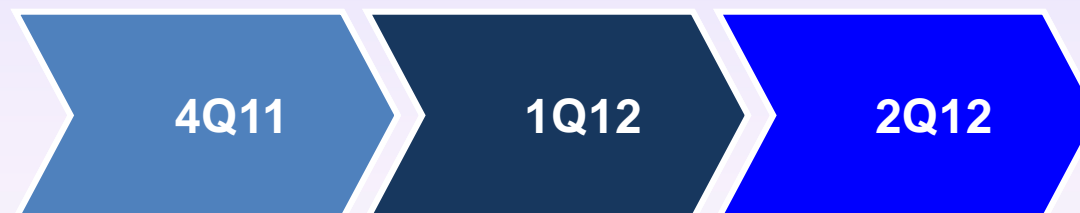
CNS Collaboration

- Sage Therapeutics is a recently formed Third Rock Ventures start-up that will focus on new CNS therapeutics
- Ligand's Captisol technology will be the formulation foundation for many of the CNS-active molecules
- Sage will fund formulation research at Ligand to produce Captisol-enabled CNS therapeutics
- Ligand is eligible to receive substantial milestones, as well as tiered royalties on products

Summary

Ligand Projected to Continue being a NEWSMAKER

Substantial Portfolio News Flow Expected During The Next 3 Quarters



Select Ligand Partner Programs

- Promacta (GSK)
- Viviant (Pfizer)
- Nexterone (Baxter)
- Aprela (Pfizer)
- Carfilzomib (Onyx)
- Merck Captisol
- Navarixin (Merck)
- Dinaciclib (Merck)
- Clopidogrel (TMC)



Potential Upcoming Events

- New Product Launches
- NDA Approvals
- NDA Filings
- PIII Data Announcements
- PIII Trial Initiations
- PII Data Releases

The Case for Investment in Ligand

Tremendous upside with Promacta

Unprecedented asset portfolio

Powerful enabling Captisol platform technology

Project turning cash-flow positive and profitable

Competent and proven management team