



Ligand Pharmaceuticals Incorporated
Contact: Paul V. Maier
Senior Vice President and
Chief Financial Officer
(858) 550-7573
pmaier@ligand.com

Royalty Pharma AG
Contact: Dave Madden
Co-CEO
(917) 368-0020
dmadden@royaltypharma.com

**LIGAND, ROYALTY PHARMA CONCLUDE AGREEMENT
FOR RIGHTS/OPTIONS TIED TO FUTURE SERM ROYALTY STREAMS**

-- Payments of up to \$56 Million Enable Additional Investments in R&D 2002-2004 --

San Diego, Calif., March 6, 2002 – Ligand Pharmaceuticals Incorporated (Nasdaq: LGND) announced today an agreement with Royalty Pharma AG, which has purchased rights to a share of future payments from Ligand's collaborative partners' sales of three selective estrogen receptor modulator (SERM) products now in Phase III development.

Royalty Pharma paid Ligand \$6 million at closing in exchange for a right to receive 0.250% of net sales of three late-stage SERM products for a period of 10 years. Royalty Pharma has options, exercisable in its discretion, to purchase at escalating prices additional rights to receive up to 1.0% of the products' net sales for a period of 10 years, for a total of \$56 million according to the following schedule:

- Up to \$11 million during 2002.
- An additional \$12.5 million in 2003.
- Up to \$26.5 million through the second quarter of 2004.

Under the terms of the agreement, unexercised options expire on their due date and cannot be deferred or accelerated. All payments are non-refundable, regardless of whether the products are ever successfully registered or marketed. Milestone payments owed by Ligand's partners as the products

complete development and registration are not included in the Royalty Pharma agreement and will be paid to Ligand as earned.

The SERM products included in the transaction are lasofoxifene, which is in Phase III studies for osteoporosis at Pfizer, and TSE-424 and TSE-424/PREMARIN[®], which are in Phase III trials at Wyeth (formerly American Home Products) for osteoporosis and hormone replacement therapy.

“This transaction enables us, as options are exercised, to increase near-term resources substantially,” said David E. Robinson, Ligand’s Chairman, President and CEO. “The transaction underscores the value of our SERM assets and our entire Ligand Corporate Partner Products (LCPP) pipeline. As additional options are exercised, they can generate additional near-term resources for Ligand’s Specialty Pharmaceutical Products (LSPP) business, resources that could broaden our Targretin[®] capsules program in non-small cell lung cancer, accelerate our indication expansion programs for ONTAK[®] and Targretin gel, and help fund human development of our own SGRM (selective glucocorticoid receptor modulator) product for oncology, inflammation and autoimmune diseases.”

“We view next generation SERMs as a potentially major step forward in women’s health and a correspondingly large market opportunity,” said Dave Madden, co-CEO of Royalty Pharma. “The structure of the transaction with Ligand affords Royalty Pharma the ability to make a substantial investment in these product royalties as development risk is diminished, and provides Ligand matched resources to accelerate the development of its internal pipeline.”

Ligand has a diverse portfolio of partnerships with 11 major pharmaceutical companies, including Pfizer and Wyeth. These companies are developing 16 products for major markets such as men’s and women’s hormone-related diseases, osteoporosis, metabolic disorders, and cardiovascular and inflammatory diseases. Ligand’s corporate partners have four products in Phase II/III, three in Phase I, four on human development track and five in pre-clinical development.

“We expect this transaction to be neutral or modestly accretive to Ligand’s earnings, net of accelerated investments, through 2004,” said Paul V. Maier, Senior Vice President and Chief Financial

Officer. “As options are exercised, we will strengthen our cash flow and balance sheet in a non-dilutive manner, and free up P&L space for additional investments in Ligand’s own innovative, early- and late-stage R&D products. This sale of a minority interest in our future SERM royalty stream, through which we retain most of the products’ significant long-term upside in multibillion-dollar markets, represents an even smaller portion of total potential royalties from our LCPP pipeline of 11 products in clinical trials or on human development track.”

About Royalty Pharma

Royalty Pharma acquires pharmaceutical and biotechnology product royalties and other revenue-producing intellectual property. The Company owns royalty interests in nine marketed products: Rituxan[®], Neupogen[®], ReoPro[®], Thalomid[®], Zerit[®], Retavase, TOBI[®], Simulect[®] and Zenapax[®]; and one product candidate for which an NDA has been submitted, Ariza[®]. In 2000, an affiliate of Royalty Pharma acquired from Ligand its rights to receive royalties on the sales of Zenapax and Simulect. Ligand had acquired rights to these products through its 1998 acquisition of Seragen. More information on Royalty Pharma is available at www.royaltypharma.com.

About Ligand

Ligand discovers, develops and markets new drugs that address critical unmet medical needs of patients in the areas of cancer, skin diseases, men’s and women’s hormone-related diseases, osteoporosis, metabolic disorders, and cardiovascular 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 (IRs) and Signal Transducers and Activators of Transcription (STATs).

Web Cast Conference Call

Ligand will host a live web cast, open to all interested parties, of a conference call during which David E. Robinson and Paul V. Maier will discuss this transaction. The web cast will be available at www.streetevents.com and www.ligand.com (investor relations page) at 8:30 a.m. Eastern Time (5:30 a.m. Pacific Time) Thursday, March 7.

Caution Regarding Forward-Looking Statements

This news release contains certain forward-looking statements that involve risks and uncertainties and reflect Ligand's judgment as of the date of this release. These statements include those related to option exercise(s); royalty revenue; market opportunity; product registration; SERM, SGRM and other drug programs; pipelines; development; markets and upside; as well as effects on revenues, earnings, cash flow and additional investments. Actual events or results may differ from Ligand's expectations. There can be no assurance that Phase III studies of lasofoxifene or TSE-424 will be successful, that either of these products will receive required regulatory approvals to market, that Ligand will receive royalties from the eventual sale of these products, that Royalty Pharma will exercise any of its options to purchase additional royalty rights, or that the other drug programs or pipelines mentioned will be successful. Additional information concerning these and other risk factors affecting Ligand's business can be found in prior press releases as well as in Ligand's public periodic filings with the Securities and Exchange Commission, available via Ligand's internet site at www.ligand.com. 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.

###