

[Overview for Investors](#)[Stock Chart](#)[Financials](#)[Annual Report](#)[SEC Filings](#)[Frequently Asked Questions](#)[Current Presentations](#)[Audio Archives](#)[News Releases](#)[Calendar of Events](#)[Request Information](#)[E-mail Alerts](#)[Home](#) » [Investor Relations](#) » [News Release Archive](#)

## Investor Relations

Ligand Pharmaceuticals Incorporated (ticker: LGND, exchange: NASDAQ) News Release - 4/18/02

### Ligand to Receive \$3 Million as Royalty Pharma Exercises First Option to Purchase Additional Rights to Future SERM Royalty Streams

SAN DIEGO, Apr 18, 2002 (BW HealthWire) -- Ligand Pharmaceuticals Incorporated (Nasdaq: LGND) expects to receive \$3 million this quarter from Royalty Pharma AG, which has formally notified Ligand that it intends to exercise its first option to purchase an additional 0.125% of potential future sales of three selective estrogen receptor modulator (SERM) products now in Phase III development. Payment is subject to the usual conditions of the agreement between the parties.

In March, Royalty Pharma paid Ligand \$6 million in exchange for a right to receive 0.25% of net sales of the three SERMs for a period of 10 years. Royalty Pharma has remaining options, exercisable in its discretion, to purchase at escalating prices rights to receive up to another 0.875% of the products' net sales for:

- Up to another \$8 million during 2002.
- An additional \$12.5 million in 2003.
- Up to \$26.5 million through the second quarter of 2004.

In total, Royalty Pharma can purchase, for a total of \$56 million, rights to receive up to 1.25% of the products' net sales for a period of 10 years. 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 bazedoxifene (formerly TSE-424) and bazedoxifene/PREMARIN(R), which are in Phase III trials at Wyeth for osteoporosis and as hormone replacement therapy.

"We are pleased that Royalty Pharma has chosen to exercise its first option under our March agreement," said Paul V. Maier, Ligand's senior vice president and CFO. "Their decision further underscores the value of our SERM assets and our 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(R) capsules program in non-small cell lung cancer, accelerate our indication expansion programs for ONTAK(R) and Targretin gel, and help fund human development of our own SGRM (selective glucocorticoid receptor modulator) product for oncology, inflammation and autoimmune disease."

Ligand has formed 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.

#### About Ligand

Ligand Pharmaceuticals Incorporated 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).

Ligand Pharmaceuticals' releases are available on the World Wide Web at [www.businesswire.com/cnn/lgnd.htm](http://www.businesswire.com/cnn/lgnd.htm).

#### Caution Regarding 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. These statements include those related to option exercise(s), royalty revenue, milestones, SERM development, other drug and SGRM programs, and 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 bazedoxifene 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 other options to purchase royalty rights, or that the other drug programs 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](http://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.

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