

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: March 26, 2007

Re: Ligand Pharmaceuticals, Inc. (LQP/LGND) - Special Cash Dividend

Ligand Pharmaceuticals, Inc. (LQP/LGND) has declared a special cash dividend of \$2.50 payable to share holders of record on Thursday, April 5, 2007. Distribution date for the special cash dividend will be Thursday, April 19, 2007.
Ex-distribution date for the special cash dividend will be Tuesday, April 3, 2007.

EFFECTIVE DATE: Tuesday, April 3, 2007
SYMBOL(s): LQP remains unchanged
STRIKE PRICE: Reduced by \$2.50
POS/EXERCISE LIMITS: Limits will remain unchanged
MULTIPLIER: 100 * (e.g., premium of 1.00=\$100)
NEW DELIVERABLE: Deliverable will remain unchanged (100 shares LQP)

GOOD-TILL-CANCELLED (GTC) ORDERS:

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution or effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

The resulting list of adjusted strike prices and symbols is as follows:

Ligand Pharmaceuticals, Inc. (LGND/LQP) (Before 4/3/2007) (100 shrs LGND)					Ligand Pharmaceuticals, Inc. (LGND/LQP) (Beginning 4/3/2007) (100 shrs LGND)				
			Calls	Puts			Calls	Puts	
LQP	APR	10	DB	PB	LQP	APR	7 1/2	DU	PU
LQP	APR	12 1/2	DV	PV	LQP	APR	10	DB	PB
LQP	APR	15	DC	PC	LQP	APR	12 1/2	DV	PV
LQP	MAY	7 1/2	EU	QU	LQP	MAY	5	EA	QA
LQP	MAY	10	EB	QB	LQP	MAY	7 1/2	EU	QU
LQP	MAY	12 1/2	EV	QV	LQP	MAY	10	EB	QB
LQP	MAY	15	EC	QC	LQP	MAY	12 1/2	EV	QV
LQP	AUG	7 1/2	HU	TU	LQP	AUG	5	HA	TA
LQP	AUG	10	HB	TB	LQP	AUG	7 1/2	HU	TU
LQP	AUG	12 1/2	HV	TV	LQP	AUG	10	HB	TB
LQP	AUG	15	HC	TC	LQP	AUG	12 1/2	HV	TV
LQP	NOV	7 1/2	KU	WU	LQP	NOV	5	KA	WA
LQP	NOV	10	KB	WB	LQP	NOV	7 1/2	KU	WU
LQP	NOV	12 1/2	KV	WV	LQP	NOV	10	KB	WB

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.