SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A (Amendment No. 1)

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 12, 1998

Ligand Pharmaceuticals Incorporated

(Exact name of registrant as specified in charter)

Delaware	000-20720	77-0160744
(State or other jurisdiction of incorporation)	(Commission File Number) File Number	(IRS Employer Identification No.)

10275 Science Center Drive, San Diego, California	92121
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (619) 535-3900

Not Applicable

(Former name or former address, if changed since last report.)

Ligand Pharmaceuticals Incorporated ("Ligand") hereby amends its Current Report on Form 8-K ("Form 8-K") as set forth in the pages attached hereto. Ligand originally filed its Form 8-K with the Securities and Exchange Commission on August 25, 1998. Defined terms not otherwise defined herein shall have the meaning given them in the Form 8-K.

Item 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) Financial Statements of Business Acquired: Seragen, Inc. ("Seragen").

Index to Seragen Financial Statements

<TABLE>
<CAPTION>

Document		Sequentially Numbered Page
	Annual Financial Statements	
<S>	<C>	<C>
(1)	Report of Independent Accountants (Arthur Andersen LLP)	*

</TABLE>

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* Incorporated herein by reference to Ligand's Registration Statement on Form S-4 (No. 333-58823) filed with the Securities and Exchange Commission on July 9, 1998.

SERAGEN, INC.
BALANCE SHEETS

<TABLE>
<CAPTION>

	December 31, 1997	June 30, 1998 (Unaudited)
ASSETS		
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 5,328,535	$ 3,245,229
Restricted cash..................................	175,000	200,000
Contract receivable...............................	208,190	644,638
Unbilled contract receivable......................	944,063	1,331,167
Prepaid expenses and other current assets..........	72,065	72,257
Total of current assets...............	6,727,853	5,493,291
Property and equipment, net..........................	15,064	14,711
Deferred commission..................................	2,060,000	2,060,000
Other assets...	8,648	9,324
	$ 8,811,565	$ 7,577,326
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
Current liabilities:		
Accounts payable..................................	$ 447,008	$ 241,820
Related party payable.............................	3,422,833	6,915,736
Dividend payable - Series B preferred stock........	2,943,136	4,120,131
Accrued expenses..................................	2,240,435	1,900,892
Preferred stock redemption liability...............	--	4,530,461
Short-term obligation.............................	800,000	800,000
Total current liabilities.............	9,853,412	$18,509,040
Non-current liabilities:		
Deferred revenue..................................	10,000,000	10,000,000

Long-term obligation..............................	1,450,000	650,000
Canadian affiliate put option liability............	2,400,000	2,400,000
	13,850,000	13,050,000
Commitments and contingencies		
Stockholders' (deficit);		
Convertible preferred stock, Series B, $.01 par value; issued and outstanding 23,800 shares at December 31, 1997 and June 30, 1998, respectively, at liquidation preference.........................	23,800,000	23,800,000
Convertible preferred stock, Series C, $.01 par value; issued and outstanding 5,000 and 0 shares at December 31, 1997 and June 30, 1998, respectively, at liquidation preference.........................	5,500,000	--
Convertible preferred stock, Series D, $.01 par value; issued and outstanding 908 and 0 shares at December 31, 1997 and June 30, 1998, respectively, at liquidation preference.........................	1,023,231	--
Common stock, $.01 par value; 70,000,000 shares authorized; issued 21,444,894 and 28,430,011 shares at December 31, 1997 and June 30, 1998, respectively	214,448	284,308
Additional paid in capital.........................	160,957,800	164,166,614
Accumulated deficit...............................	(206,384,995)	(212,230,305)
	(14,889,516)	(23,979,383)
Less-treasury stock (777 shares at cost at December 31, 1996 and June 30, 1997, respectively)............	(2,331)	(2,331)
Total stockholders' (deficit)..........	(14,891,847)	(23,981,714)
	$ 8,811,565	$ 7,577,326

</TABLE>

The accompanying notes are an integral part of the financial statements.

SERAGEN, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

<TABLE>
<CAPTION>

	For the six months ended June 30	
	1997	1998
<S>	<C>	<C>
Revenue:		
Contract revenue and license fees..................	$ 2,159,447	$ 1,921,692
Operating expenses:		
Cost of contract revenue...........................	2,129,856	1,921,617
Research and development...........................	5,800,166	2,853,707
General and administrative.........................	2,600,579	1,638,844
	$10,530,601	$ 6,414,168
Loss from operations............................	(8,371,154)	(4,492,476)
Interest income....................................	29,464	78,092
Interest expense...................................	(172,366)	--

Net loss before extraordinary item	(8,514,056)	(4,414,384)
Extraordinary income	2,050,000	800,000
Net loss	(6,464,056)	(3,614,384)
Preferred stock dividends and accretion	1,801,797	2,230,926
Net loss applicable to common stockholders	$(8,265,853)	$(5,845,310)
Basic and Diluted net loss per common share	$ (0.44)	$ (0.23)
Weighted average common shares used in computing Basic and Diluted net loss per share	18,885,360	25,551,682

</TABLE>

The accompanying notes are an integral part of the financial statements.

SERAGEN, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>
<CAPTION>

	For the six months ended June 30	
	1997	1998
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss	$(6,464,056)	$(3,614,384)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	464,293	4,297
Gain on disposal of property and equipment	2,491	--
Amortization of discount on long-term debt	171,903	--
Extraordinary item	(2,050,000)	(800,000)
Non-cash charge for issuance of common shares	800,000	--
Compensation expense for Marathon employee options	--	230,778
Changes in operating assets and liabilities:		
Contract receivable	(26,865)	(436,448)
Unbilled contract receivable	60,117	(387,104)
Prepaid expenses and other current assets	187,744	(192)
Accounts payable	(184,032)	(205,188)
Related party payable	--	3,494,082
Accrued expenses	(306,768)	(339,543)
Net cash used in operating activities	(7,345,173)	(2,053,702)
Cash flows from investing activities:		
Purchases of property and equipment	(25,809)	(3,944)
Decrease (increase) in other assets	38,944	(676)
(Increase) in restricted cash account	--	(25,000)
Net cash (used in) provided by investing activities	13,135	(29,620)
Cash flows from financing activities:		
Net proceeds from common stock issuances	75	16
Repayments of long-term debt	(37,418)	--
Deposits received from Boston University	7,899,739	--
Net cash provided by financing activities	7,862,396	16
Net increase (decrease) in cash and cash equivalents	530,358	(2,083,306)

Cash and cash equivalents, beginning of period...........	1,548,392	5,328,535
Cash and cash equivalents, end of period	$ 2,078,750	$ 3,245,229
Supplemental disclosures of cash flows information:		
Cash paid for interest..............................	$ 463	$ --
Supplemental non cash activities:		
Conversion of Series A preferred stock to common stock	$ 2,060,056	$ --
Conversion of Series C preferred stock to common stock and redemption liability............................	--	$ 6,274,833
Series C and D preferred dividends..................	$ 638,458	$ 103,136
Accrued but unpaid Series B dividends...............	--	$ 4,120,131
Issuance of common stock to Lilly...................	$ 800,000	$ --

</TABLE>

The accompanying notes are an integral part of the financial statements.

SERAGEN, INC.
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

JUNE 30, 1998

1. BASIS OF PRESENTATION

The financial statements of Seragen Incorporated (the "Company" or "Seragen") for the six months ended June 30, 1997 and 1998 are unaudited. These financial statements reflect all adjustments consisting of only normal recurring adjustments which, in the opinion of management, are necessary to fairly present the financial position as of June 30, 1998 and the results of operations for the six months ended June 30, 1997 and 1998. The results of operations for the period ended June 30, 1998 are not necessarily indicative of the results to be expected for the year ending December 31, 1998. For more complete financial information, these financial statements, and the notes thereto, should be read in conjunction with the audited financial statements for the year ended December 31, 1997 included in the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission.

In June 1997, the Financial Accounting Standards Board issued SFAS 130, Reporting Comprehensive Income and SFAS 131, Segment Information. Both of these standards are effective for fiscal years beginning after December 15, 1997. SFAS 130 requires that all components of comprehensive income, including net income, be reported in the financial statements in the period in which they are recognized. SFAS 130 requires the change in net unrealized gains (losses) on available-for-sale securities to be included in comprehensive income. The Company's total comprehensive net loss for the six month periods ended June 30, 1997 and 1998 were the same as reported net loss for those periods. SFAS 131 amends the requirements for public enterprises to report financial and descriptive information about its reportable operating segments. The Company currently operates in one business and operating segment and does not believe adoption of this standard will have a material impact on the Company's financial statements as reported.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date(s) of the financial statements and the reported amounts of revenues and expenses during the reporting period(s). Actual results could differ from those estimates.

2. NET LOSS PER SHARE

Basic and Diluted net loss per share is computed using the weighted average number of common shares outstanding. Common stock equivalents related to stock options are antidilutive and therefore, not included.

3. LIGAND MERGER AGREEMENT

On August 12, 1998, Ligand Pharmaceuticals Incorporated ("Ligand") and Seragen announced the closing under a definitive agreement under which a wholly owned subsidiary of Ligand was merged with Seragen (the "Merger"). In addition, Ligand had previously announced that it had signed a definitive asset purchase agreement to acquire substantially all the assets of Marathon Biopharmaceuticals, LLC, ("Marathon") which currently provides services to Seragen under a service agreement. Finally, Seragen signed an agreement with Ligand and Eli Lilly and Company ("Lilly") under which Lilly assigned to Ligand Lilly's rights and obligations under its agreements with Seragen, including its rights to ONTAK(TM) (DAB(389)IL-2, Interleukin-2 Fusion Protein or denileukin diftitox).

Under the terms of the merger agreement, Ligand paid merger consideration at closing in the amount of $30 million, $4 million of which was in cash and $26 million of which was in the form of approximately 1,858,800 shares of Ligand Common Stock valued at $13.99 per share under the terms of the merger agreement. Ligand's stock price for this portion of the transaction is based on the average closing share price for the five trading days prior to signing of the definitive agreement in May 1998. From the upfront payment, Seragen's common shareholders received at the time of closing approximately .036 of a share of Ligand stock for every share of Seragen common stock owned

immediately prior to closing. The remainder of the $30 million in merger consideration paid at closing was used to settle claims of Seragen's creditors, obligees and preferred shareholders.

The merger agreement also calls for an additional $37 million payment in cash and/or Ligand Common Stock, at Ligand's option, to be paid six months after the date of receipt of final U.S. Food and Drug Administration (FDA) clearance to market ONTAK(TM). The $37 million payment will not be made, however, if ONTAK(TM) is not cleared by the FDA by August 12, 2000. Of the $37 million, Seragen's common shareholders will receive $0.23 in, at Ligand's option, cash or equivalent value of Ligand Common Stock (based on the average closing price for the 10 trading days immediately preceding the second closing), for every Seragen common share owned. The remainder of the $37 million payment will be used to settle claims of Seragen's creditors, obligees and preferred shareholders. The terms of the Merger are more fully described in the Company's Form 8-K dated May 11, 1998.

(b) Pro Forma Financial Information: Ligand/Seragen.

Index to Ligand/Seragen Pro Forma Financial Information

<TABLE>
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PRO FORMA FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated balance sheet as of June 30, 1998 and the unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 1997 and the six months ended June 30, 1998 give effect to the Merger as of June 30, 1998 for the pro forma condensed consolidated balance sheet and as of January 1, 1997 for the pro forma condensed consolidated statements of operations.

The unaudited pro forma condensed consolidated financial statements are based on historical financial statements of Ligand and Seragen, giving effect to the Merger applying the purchase method of accounting and the assumptions and adjustments as discussed in the accompanying notes to the unaudited pro forma condensed consolidated financial statements (see Note A). These unaudited pro forma condensed consolidated financial statements have been prepared by the management of Ligand based upon the consolidated financial statements of Ligand and Seragen as of June 30, 1998 (unaudited) and for the year ended December 31, 1997 and the six months ended June 30, 1998 (unaudited). The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the historical financial statements and notes thereto incorporated by reference. The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of what actual results of operations would have been for the periods presented had the transaction occurred on the dates indicated and do not purport to indicate the results of future operations.

LIGAND PHARMACEUTICALS INCORPORATED
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

June 30, 1998
(in thousands)
(Unaudited)

<TABLE>
<CAPTION>

	LIGAND	SERAGEN	SERAGEN PRO FORMA ADJUSTMENTS (NOTE B)	SERAGEN PRO FORMA AS ADJUSTED	MERGER PRO FORMA ADJUSTMENTS (NOTE C)	MERGER PRO FORMA AS ADJUSTED
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Assets						
Current assets:						

Cash, cash equivalents and short-term investments	$ 49,153	$ 3,245	$ (3,245)(a)	$ --	$ (6,000)(a)	$ 43,153
Restricted cash	--	200	(200)(a)	--	--	--
Other current assets	3,178	2,048	(1,976)(b)	72	1,500(b)	4,750
Total current assets	52,331	5,493	(5,421)	72	(4,500)	47,903
Restricted cash	2,809	--	--	--	--	2,809
Property, plant and equipment, net	15,516	15	--	15	15,000(c)	30,531
Deferred commission	--	2,060	(2,060)(c)	--	--	--
Acquired technology	--	--	--	--	35,504(d)	35,504
Other non-current assets	11,612	9	--	9	--	11,621
	$ 82,268	$ 7,577	$ (7,481)	$ 96	$ 46,004	$ 128,368
Liabilities and stockholders's equity						
Current liabilities:						
Accounts payable and other liabilities	$ 12,554	$ 2,143	$ (167)(a) (1,976)(b)	$ --	$ --	$ 12,554
Related party payable	--	6,916	(6,916)(d)	--	--	--
Dividend Payable -- Series B preferred stock	--	4,120	(4,120)(d)	--	--	--
Preferred stock redemption liability	--	4,530	(4,530)(d)	--	--	--
Deferred revenue	4,291	--	--	--	--	4,291
Current portion of obligations under capital leases and equipment notes payable	2,817	--	--	--	--	2,817
Short-term obligation -- Ajinomoto	--	800	(800)(e)	--	--	--
Total current liabilities	19,662	18,509	(18,509)	--	--	19,662
Long-term obligations under capital leases and equipment notes payable	8,406	--	--	--	--	8,406
Long-term obligation -- Ajinomoto	--	650	(550)(e)	100	--	100
Long-term contingent Merger obligations	--	--	--	--	50,000(e)	50,000
Deferred revenue -- Lilly bulk purchase	--	5,000	(5,000)(e)	--	--	--
Deferred revenue -- USSC option	--	5,000	(5,000)(d)	--	--	--
Canadian affiliate put option	--	2,400	(2,400)(d)	--	--	--
Convertible note and debentures	40,465	--	--	--	--	40,465
Total liabilities	$ 68,533	$ 31,559	$ (31,459)	$ 100	$ 50,000	$ 118,633
Stockholders' equity:						
Paid-in capital	320,592	188,248	22,966(d)	211,214	(211,214)(f) 26,000(f)	346,592
Adjustment for unrealized losses on available for sale securities	1,838	--	--	--	--	1,838
Accumulated deficit	(308,695)	(212,230)	(2,060)(c) (3,278)(a) 6,350(e)	(211,218)	211,218(f) (30,000)(g)	(338,695)
Total stockholders' equity	13,735	(23,982)	23,978	(4)	(3,996)	9,735
	$ 82,268	$ 7,577	$ (7,481)	$ 96	$ 46,004	$ 128,368

</TABLE>

See accompanying notes to Pro Forma Condensed Consolidated Financial Statements.

LIGAND PHARMACEUTICALS INCORPORATED
PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS(1)
For the Six Months Ended June 30, 1998
(in thousands, except per share data)
(Unaudited)

<TABLE>
<CAPTION>

<S>	Ligand <C>	Seragen <C>	Merger Pro Forma Adjustments (Note D) <C>	Pro Forma Reflecting Merger <C>
Revenues:				
Collaborative research and development:				
Related parties	$ --	$ --	$ --	$ --
Unrelated parties	9,273	1,922	--	11,195
Other	179	--	--	179
Total revenues	9,452	1,922	0	11,374
Costs and expenses:				
Research and development	32,237	4,775	300 (a) 1,185 (b)	38,497
Selling, general and administrative	6,100	1,639	(231)(c)	7,508
Total costs and expenses	38,337	6,414	1,254	46,005
Loss from operations	(28,885)	(4,492)	(1,254)	(34,631)
Interest income	1,882	78	(243)(d)	1,717
Interest expense	(3,948)	--	--	(3,948)
Net loss	$(30,951)	$ (4,414)	$ (1,497)	$(36,862)
Basic and Diluted net loss per share	$ (0.80)			$ (0.91)
Shares used in computing loss per share	38,708			40,567

</TABLE>

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(1) Due to its non-recurring nature, a $30.0 million in-process technology charge recorded by Ligand in conjunction with the Merger for the estimated fair value of the in-process technologies of Seragen is not reflected in the above unaudited pro forma condensed consolidated statement of operations

See accompanying notes to Pro Forma Condensed Consolidated Financial Statements.

LIGAND PHARMACEUTICALS INCORPORATED
PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS(1)
For the Year Ended December 31, 1997
(in thousands, except per share data)
(Unaudited)

<TABLE>
<CAPTION>

<S>	Ligand <C>	Seragen <C>	Merger Pro Forma Adjustments (Note D) <C>	Pro Forma As Adjusted <C>
Revenues:				
Collaborative research and development				
Related parties	$ 18,997	$ --	$ --	$ 18,997
Unrelated parties	32,284	4,714	--	36,998
Other	418	--	--	418
Total revenues	51,699	4,714	--	56,413
Costs and expenses:				
Research and development	72,426	14,882	(598)(a)	86,710
			2,367 (b)	2,367
Selling, general and administrative	10,108	5,739	(800)(c)	15,047
Write-off of acquired in-process technology(2)	64,970	--	--	64,970
Total costs and expenses	147,504	20,621	969	169,094
Loss from operations	(95,805)	(15,907)	(969)	(112,681)
Interest income	3,743	127	(457)(d)	3,413
Interest expense	(8,088)	(172)	172 (e)	(8,088)
Net loss	$(100,150)	$ (15,952)	$ (1,254)	$(117,356)
Basic and Diluted net loss per share	$ (3.02)			$ (3.35)
Shares used in computing loss per share	33,128			34,987

</TABLE>

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(1) Due to its non-recurring nature, a $30.0 million in-process technology charge to be recorded by Ligand in conjunction with the Merger for the estimated fair value of the in-process technologies of Seragen is not reflected in the above unaudited pro forma condensed consolidated statement of operations.

(2) Write-off of acquired in-process technology recorded by Ligand in 1997 related to Ligand's buyback of Allergan Ligand Retenoid Therapeutics, Inc. (ALRT).

See accompanying notes to Pro Forma Condensed Consolidated Financial Statements.

NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE A

As consideration for Ligand's acquisition of Seragen through the Merger, Ligand has paid and has agreed to pay to holders of Seragen Capital Stock and certain creditors and obligees of Seragen the Merger Consideration pursuant to the terms of the Merger Agreement, as follows:

1. The Closing Consideration, paid at the Closing, in the form of cash in the amount of $4.0 million and approximately 1,858,800 shares of Ligand

Common Stock valued at $13.9875 per share (the average closing price of the Ligand Common Stock on the Nasdaq National Market for the five trading days prior to the announcement of the Merger) or $26.0 million in the aggregate; and

2. The Milestone Consideration, payable on the Milestone Date, in the event that Final FDA Approval is received on or before the Second Closing Anniversary, or in the event Final FDA Approval is not received by the Second Closing Anniversary and Ligand has not satisfied certain obligations to undertake activities to obtain Final FDA Approval. The Milestone Consideration, if any, may be paid in the form of cash, shares of Ligand Common Stock or a combination of both as determined by Ligand in its sole discretion. In the event Final FDA Approval has not been received by the Second Closing Anniversary and Ligand has not breached certain obligations to undertake activities to obtain Final FDA Approval, Ligand will be relieved of all obligations to pay the Milestone Consideration (See Note E).

Simultaneously with the signing of the Merger Agreement, Ligand entered into the Option and Purchase Agreement pursuant to which Ligand will acquire the Purchased Assets from and assume the Assumed Liabilities of Marathon. Ligand also entered into the Letter Agreement and Lilly Agreement.

The total cost of the transactions is anticipated to be $82.0 million:

1. including

    (a) $30 million paid at the Closing to

        (i) creditors and obligees of Seragen pursuant to the terms of the Merger Agreement and

        (ii) holders of Seragen Capital Stock pursuant to the terms of the Merger Agreement;

    (b) $5 million payable for the purchase of the assets of Marathon under the Option and Purchase Agreement no later than January 31, 1999, as extended, and liabilities assumed pursuant to the terms of the Option and Purchase Agreement;

        (i) amounts payable after the Merger only in the event of, among other things, receipt of Final FDA Approval of DAB(389)IL-2 (see Note E), including

        (ii) $5.0 million payable to Lilly as a milestone payment pursuant to the Lilly Agreement,

        (iii) $37 million payable to holders of Seragen Capital Stock and certain creditors and obligees of Seragen pursuant to the Merger Agreement,

        (iv) $3 million payable pursuant to the terms of the Option and Purchase Agreement; and

    (c) $2.0 million of estimated costs and expenses of the Merger; but

2. excluding amounts payable to Lilly as any subsequent milestone payment, royalties or otherwise pursuant to the Lilly Agreement.

The pro forma consolidated financial statements were derived based on the following assumptions:

1. at the Closing, Closing Consideration paid in the form of cash in the amount of $4.0 million and approximately 1,858,800 shares of Ligand Common Stock valued at $13.9875 per share (the average closing price of the Ligand Common Stock on the Nasdaq National Market for the five trading days prior to the announcement of the Merger) or $26.0 million in the aggregate;

2. based on receipt of the Complete Review Letter, Ligand records on its balance sheet as of the Closing Date (i) an intangible asset ("acquired technology") which will be amortized over the remaining life of the patents (assumed to be 15 years) and (ii) certain contingent obligations

as liabilities ("long-term contingent Merger obligations"). See Note E;

3. all payments which Ligand may elect to pay in cash, Ligand Common Stock or a combination of both are assumed to be paid wholly in Ligand Common Stock.

Ligand will obtain a valuation of the tangible and intangible assets in order to properly allocate the total purchase price to all of the assets acquired and liabilities assumed in the Merger as required by Accounting Principles Board Opinion No. 16. Pending completion of such valuations, Ligand has assigned the estimated cost to the fair value of net assets acquired, including $30.0 million, to in-process technology. Ligand recorded a charge to operations for the amount of in-process technology immediately following the consummation of the Merger. This charge has not been reflected in the pro forma condensed consolidated statement of operations for the year ended December 31, 1997 or the six months ended June 30, 1998.

NOTE B

The pro forma condensed consolidated balance sheet gives effect to certain adjustments as if they had occurred on June 30, 1998, immediately prior to the Merger, including the elimination of certain assets and the capitalization of certain liabilities pursuant to the terms of the Accord Agreement and the elimination of certain liabilities pursuant to the Seragen Canada Settlement Agreement and the Lilly Agreement.

These adjustments are summarized as follows (in thousands):

<TABLE>

<S>	<C>
(a) Use of cash to pay Seragen-related pre-Merger transaction costs and payables with excess cash distributed to Seragen creditors and obligees	$ (3,445)
(b) Elimination of unbilled and accrued contract research costs	(1,976)
(c) Elimination of unamortized deferred commission	(2,060)
(d) Capitalization of various short- and long-term liabilities and obligations prior to the Merger	(22,996)
(e) Forgiveness of obligations prior to the Merger	(6,350)

</TABLE>

NOTE C

The pro forma condensed consolidated balance sheet includes the adjustments necessary to give effect to the Merger as if it had occurred on June 30, 1998 and reflects the allocation of the cost of the proposed acquisition to the fair value of net assets acquired; payment of $4 million in cash; issuance of approximately 1,858,800 shares of Ligand Common Stock valued at $13.9875 per share (the average closing price of the Ligand Common Stock on the Nasdaq National Market for the five trading days prior to the announcement of the Merger) or $26 million in the aggregate; payment of $2 million in Merger transaction costs; the accrual of $50 million for long-term contingent Merger obligations including the Milestone Consideration, the Lilly Milestone Payment pursuant to the Lilly Agreement, and payments due January 31, 1999 (or later, as extended) and six months after Final FDA Approval of DAB(389)IL-2 pursuant to the Option and Purchase Agreement and the Merger Agreement, respectively; and elimination of Seragen's equity accounts.

These adjustments are summarized as follows (in thousands):

<TABLE>

<S>	<C>
(a) Use of cash for Merger and related transaction costs	$ (6,000)
(b) Adjustment to fair market value of inventory	1,500

(c) Adjustment to fair market value of Marathon property and equipment	15,000
(d) Valuation of acquired technology	35,504
(e) Long-term contingent Merger obligations	50,000
(f) Issuance of Ligand Common Stock as discussed in Note A and elimination of Seragen equity accounts	26,000
(g) Estimated charge to operations for in-process technology	(30,000)

</TABLE>

NOTE D

The pro forma condensed consolidated statements of operations include the adjustments necessary to reflect the Merger as if it had occurred on January 1, 1997.

The pro forma adjustments are summarized as follows (in thousands):

<TABLE>
<CAPTION>

<S>	For the six months ended June 30, 1998 <C>	For the twelve months ended December 31, 1997 <C>
(a) Adjustment for depreciation resulting from adjusting the basis of property and equipment to fair value and amortization over 25 years	$ 300	$ (598)
(b) Amortization of acquired technology over 15 years	1,185	2,369
(c) Elimination of Seragen stock issuance costs (1997) and compensation expense amortization (1998)	(231)	(800)
(d) Elimination of interest income for Seragen and reduction of Ligand interest income resulting from use of $6 million for the Merger at an annual interest rate of 5.5%	(243)	(457)
(e) Elimination of interest expense related to the amortization of Seragen's Ajinomoto liability	0	172

</TABLE>

The net loss per share and the shares used in computing the net loss per share for the year ended December 31, 1997 and the six months ended June 30, 1998 are based upon Ligand's historical weighted average common shares outstanding for the respective periods adjusted to reflect the issuance of approximately 1,858,800 shares of Ligand Common Stock as described in Note A.

NOTE E

There is no assurance that Final FDA Approval of DAB(389)IL-2 will be received, or will be received prior to the Second Closing Anniversary.

In the event that Final FDA Approval is not received by the Second Closing Anniversary and Ligand has not breached certain obligations to undertake activities to obtain Final FDA Approval, Ligand will be relieved of all obligations to pay the Milestone Consideration and to pay certain other contingent payments pursuant to the Option and Purchase Agreement and the Lilly Agreement. In such an event, the carrying value of Acquired Technology of $35.5 million, inventory of $1.5 million and property, plant and equipment of $15 million would be reduced by the $45 million of long-term contingent Merger obligations which are no longer due and payable and the remaining asset value of $7 million would be evaluated in accordance with SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed

Of."

(c) Exhibits.

(1) Exhibit 23.1 - Consent of Arthur Andersen LLP

(2) Exhibit 23.2 - Consent of PricewaterhouseCoopers LLP

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Current Report on Form 8-K/A to be signed on its behalf by the undersigned hereunto duly authorized.

Ligand Pharmaceuticals Incorporated

(Registrant)

Date: September 25, 1998 By: /s/ Paul V. Maier

Name: Paul V. Maier
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

The following Exhibits are filed herewith:

<TABLE>
<CAPTION>

Document	Description
<S>	<C>
Exhibit 23.1	Consent of Arthur Andersen LLP
Exhibit 23.2	Consent of PricewaterhouseCoopers LLP

</TABLE>

EXHIBIT 23.1

Report of Independent Public Accountants

As independent public accountants, we hereby consent to the incorporation of our reports dated February 5, 1998 (except for the matters discussed in Notes A and J as to which the dates are May 11, 1998 and March 30, 1998, respectively) incorporated by reference in this Form 8-K/A into the Company's previously filed Registration Statement File No. 333-58823.

Arthur Andersen LLP

Boston, Massachusetts
September 24, 1998

EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this Form 8-K/A of our report dated February 23, 1996, on our audit of the financial statements of Seragen, Inc. for the year ended December 31, 1995, appearing in the registration statement on Form S-4 (No. 333-58823) of Ligand filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933.

PricewaterhouseCoopers LLP

Boston, Massachusetts
September 25, 1998