

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D/A3  
Under the Securities Exchange Act of 1934

LIGAND PHARMACEUTICALS INCORPORATED

-----  
(Name of Issuer)

Common Stock, \$0.001 par value

-----  
(Title of Class of Securities)

53220K 20 7

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(CUSIP Number)

William F. Daniel  
Elan Corporation, plc  
Lincoln House  
Lincoln Place  
Dublin 2, Ireland  
(353) 1-709-4000

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Copy to:  
Lisabeth F. Murphy, Esq.  
Athena Neurosciences, Inc.  
800 Gateway Boulevard  
South San Francisco, California 94080  
(650) 877-0900

-----  
Telecopy: (650) 875-3620

-----  
(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications)

August 31, 1999

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(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of ss.ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box //.

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss. 240.13d-7(b) for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 53220K 20 7

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1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES  
ONLY)  
Elan Corporation, plc  
I.R.S. Employer Identification No.: NA

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) //  
(b) //  
N/A

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3 SEC USE ONLY

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4 SOURCE OF FUNDS

-----  
WC

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5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(d) or 2(e) N/A

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6 CITIZENSHIP OR PLACE OF ORGANIZATION

Ireland

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7 SOLE VOTING POWER

NUMBER OF  
SHARES 10,386,208

BENEFICIALLY OWNED BY  
EACH REPORTING  
PERSON WITH 8 SHARED VOTING POWER

None

9 SOLE DISPOSITIVE POWER

10,386,208

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10 SHARED DISPOSITIVE POWER

None

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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,386,208

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12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES //

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

18.7% (based upon outstanding common stock as of July 31,  
1999)

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14 TYPE OF REPORTING PERSON

CO

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Item 1. Security and Issuer.

This Schedule 13D/A3 amends the Schedule 13D filed with the Securities and Exchange Commission (the "Commission") on January 6, 1999, as amended by the Schedule 13D/A1 filed with the Commission on July 27, 1999 and the Schedule

13D/A2 filed with the Commission on July 29, 1999 (the "Schedule 13D") with respect to the Common Stock, \$0.001 par value ("Common Stock"), of Ligand Pharmaceuticals Incorporated (the "Issuer"), a Delaware corporation, whose principal executive offices are located at 10275 Science Center Drive, San Diego, California 92121.

Item 3. Sources and Amount of Funds or Other Consideration.

Item 3 of the Schedule 13D is restated in its entirety as follows:

Pursuant to a Stock Purchase Agreement, dated as of September 30, 1998, by and between the Issuer and Elan International Services, Ltd., a wholly-owned subsidiary of Elan ("EIS"), EIS acquired 1,278,970 shares of Common Stock (the "First Shares") on September 30, 1998 for an aggregate cash purchase price of \$14,900,000.50.

Pursuant to a Securities Purchase Agreement, dated as of November 6, 1998, by and among the Issuer, EIS and Elan (the "Purchase Agreement"), on November 9, 1998, EIS acquired (i) 437,768 additional shares of Common Stock (the "Second Shares") for an aggregate cash purchase price of \$5,099,997.20 and (ii) zero coupon convertible senior notes due 2008 of the Issuer with an 8.0% per annum yield to maturity (the "Notes") at an issue price of \$30,000,000 (the "Initial Notes"). The issue price plus all accrued interest on the Initial Notes is convertible into Common Stock of the Issuer at any time at the option of EIS at a conversion price of \$14.00 per share.

Pursuant to a Development, License and Supply Agreement, dated as of November 6, 1998 (the "License Agreement"), by and between the Issuer and Elan, on November 9, 1998, Elan acquired (i) 429,185 additional shares of Common Stock of the Issuer (the "Third Shares") and (ii) additional Notes of the Issuer (the "Second Notes") with an issue price of \$10,000,000, in each case, in lieu of certain cash license fees payable by the Issuer to Elan pursuant to the License Agreement. The issue price plus all accrued interest on the Second Notes is convertible into Common Stock of the Issuer at any time at the option of Elan at a conversion price of \$14.00 per share.

Pursuant to the Purchase Agreement, on July 14, 1999, EIS acquired additional Notes of the Issuer (the "Third Notes") with an issue price of \$40,000,000. The issue price plus all accrued interest on the Third Notes is convertible into Common Stock of the Issuer at any time at the option of EIS at a conversion price of \$14.00 per share.

On August 13, 1999, EIS, Elan and the Issuer executed an amendment to the Purchase Agreement (the "Letter Agreement"). Among other things, the Letter Agreement (i) removed certain limitations on the Company's use of

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proceeds from the sale of any Additional Notes issued after August 13, 1999; (ii) revised the formula used to calculate the conversion price of Notes issued after August 13, 1999; and (iii) extended the period during which the Issuer may request that EIS purchase additional Notes to December 31, 2000.

Pursuant to the Purchase Agreement, as amended by the Letter Agreement, on August 31, 1999 EIS acquired additional Notes of the Issuer (the "Fourth Notes" and, together with the First Shares, the Second Shares, the Third Shares, the Initial Notes, the Second Notes and the Third Notes, the "Securities") with an issue price of \$20,000,000. The issue price plus all accrued interest on the Fourth Notes is convertible into Common Stock of the Issuer at any time at the option of EIS at a conversion price of \$9.15 per share.

The First Shares, the Second Shares, the Initial Notes, the Third Notes and the Fourth Notes were purchased by EIS with general corporate funds. None of such funds were borrowed.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is restated in its entirety as follows:

Elan acquired the Securities for the purpose of making an investment in the Issuer and in connection with the execution of the License Agreement.

Each of the Initial Notes, the Second Notes and the Third Notes are

convertible into Common Stock of the Issuer at the option of EIS or Elan, as the case may be, at a conversion price of \$14.00 per share. The number of shares of Common Stock into which the Initial Notes, the Second Notes and the Third Notes may be converted is based upon the quotient obtained by dividing the issue price thereof plus all accrued interest thereon to the conversion date by \$14.00.

The Fourth Notes are convertible into Common Stock of the Issuer at the option of EIS or Elan, as the case may be, at a conversion price of \$9.15 per share. The number of shares of Common Stock into which the Fourth Notes may be converted is based upon the quotient obtained by dividing the issue price thereof plus all accrued interest thereon to the conversion date by \$9.15.

The Issuer has granted to Elan and EIS certain registration rights for the First Shares, the Second Shares and the Third Shares and the shares of Common Stock issuable upon conversion of the Initial Notes, the Second Notes, the Third Notes and the Fourth Notes.

Pursuant to and subject to the conditions set forth in the Purchase Agreement, as amended by the Letter Agreement, at the Issuer's request, EIS will, in its sole discretion, purchase additional Notes with an issue price of up to \$10,000,000 on or before December 31, 2000. Such Notes will be convertible into Common Stock of the Issuer at the option of EIS at a

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conversion price equal to the average of the closing prices of the Common Stock for the 20 consecutive trading days immediately preceding the issue date of such Notes, plus a premium. In addition, pursuant to the License Agreement, Elan may, at the option of the Issuer, acquire additional shares of Common Stock in lieu of certain cash fees which may become payable by the Issuer to Elan pursuant thereto upon the achievement of certain milestones.

Other than as set forth above, neither Elan nor EIS has any present plans or intentions which would result in or relate to any of the transactions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

The foregoing descriptions of the Purchase Agreement, the License Agreement and the Letter Agreement do not purport to be complete and are qualified in their entirety by reference to the full text thereof (copies of the Purchase Agreement and the Letter Agreement were filed as Exhibits 1 and 2 to the Schedule 13D). A copy of the Letter Agreement is filed herewith as Exhibit 3. The Purchase Agreement, the License Agreement and the Letter Agreement are incorporated herein by reference.

#### Item 5. Interest in Securities of the Issuer.

Item 5 (a) of the Schedule 13D is restated in its entirety as follows:

(a) Elan is the beneficial owner of 10,386,208 shares of Common Stock, or approximately 18.7%, of the outstanding shares of Common Stock (based upon the outstanding shares of Common Stock as of July 31, 1999 and the shares of Common Stock issuable upon conversion of the Initial Notes, the Second Notes, the Third Notes and the Fourth Notes). To the best knowledge of Elan, no other person named in Item 2 above beneficially owns any shares of Common Stock of the Issuer.

#### Item 7. Items to be Filed as Exhibits.

Exhibit 1\* Securities Purchase Agreement, dated as of November 6, 1998, by and among Elan Corporation, plc ("Elan"), Elan International Services, Ltd. and the Issuer.

Exhibit 2\* Development, License and Supply Agreement, dated as of November 9, 1998, by and between Elan and the Issuer.

Exhibit 3 Letter Agreement, dated as of August 13, 1999, between Elan, EIS and the Issuer.

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\* Previously filed.

Signature

The undersigned certifies that, after reasonable inquiry and to the best of its knowledge and belief, the information set forth in this statement is true, complete and correct.

September 10, 1999

ELAN CORPORATION, PLC

By: /s/ William F. Daniel

-----  
Name: William F. Daniel  
Title: Group Financial Controller

Exhibit Index

Exhibit No.	Exhibit
1*	Securities Purchase Agreement, dated as of November 6, 1998, by and among Elan Corporation, plc, Elan International Services, Ltd. and Ligand Pharmaceuticals Incorporated.
2*	Development, License and Supply Agreement, dated as of November 9, 1998, by and between Elan Corporation, plc and Ligand Pharmaceuticals Incorporated.
3	Letter Agreement, dated as of August 13, 1999, between Elan Corporation, plc, Elan International Services, Ltd. and Ligand Pharmaceuticals Incorporated

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\* Previously filed.

ELAN INTERNATIONAL SERVICES, LTD.  
102 St. James Court  
Flatts, Smiths Parish  
Bermuda FL 04

ELAN CORPORATION, PLC  
Lincoln House  
Lincoln Place  
Dublin 2  
Ireland

August 13, 1999

Ligand Pharmaceuticals Incorporated  
10275 Science Center Drive  
San Diego, California 92121

Attention: Paul V. Maier

Ladies and Gentlemen:

Reference is made to the Securities Purchase Agreement, dated as of November 6, 1998 (the "Purchase Agreement"), by and among Ligand Pharmaceuticals Incorporated (the "Company"), Elan International Services, Ltd. (the "Purchaser"), and Elan Corporation, plc ("Elan"). Capitalized terms used in this letter agreement and not otherwise defined herein have the meanings assigned to such terms in the Purchase Agreement.

By their signatures below, the Company, the Purchaser and Elan hereby agree as follows:

(1) Effective as of the date of this letter agreement, in connection with the issuance and sale of any Additional Notes by the Company from and after the date of this letter agreement, the Purchase Agreement is hereby amended as follows:

(a) Section 1(b) of the Purchase Agreement is hereby amended such that the gross proceeds received by the Company as a result of the issuance and sale of Additional Notes after the date of this letter agreement may be used by the Company for general corporate purposes.

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(b) Section 12(c)(ii)(y) of the Purchase Agreement is hereby amended by replacing "0.025" with "0.10".

(c) Section 12(c) of the Purchase Agreement is hereby amended by deleting in its entirety the proviso at the end of the first sentence thereof and the second sentence thereof.

(d) Section 1(b) of the Purchase Agreement is hereby amended by replacing "December 31, 1999" with "December 31, 2000".

(2) On the basis of the representations, warranties, agreements and covenants contained in the Purchase Agreement and subject to the terms and conditions set forth therein, the Purchaser agrees to purchase from the Company on August 31, 1999, Additional Notes having an Additional Note Issuance Price of \$20,000,000; provided, however, that the obligation of the Purchaser to purchase such Additional Notes shall be subject to the approval of the Board of Directors of the Purchaser. In addition, the Purchaser waives the delivery by the Company of a Purchase Request with respect to the issuance and sale of such Additional Notes.

The amendments to the Purchase Agreement set forth in this letter agreement shall apply only to Additional Notes issued and sold by the Company on or after the date hereof. The Initial Notes and Additional Notes issued and sold by the Company prior to the date of this letter agreement shall remain unchanged and in full force and effect.

Except as specifically amended hereby, all of the terms, conditions, and provisions of the Purchase Agreement shall remain unchanged and in full force and effect. No reference to this letter agreement need be made in any Additional Notes issued and sold by the Company on or after the date hereof or in any other instrument or document relating to such Additional Notes, a reference to the Purchase Agreement in any of such to be deemed to be a reference to the Purchase Agreement as amended by this letter agreement.

The execution, delivery and effectiveness of this letter agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Purchaser, any Affiliate of the Purchaser or Elan under the Purchase Agreement or any of the Initial Notes or the Additional Notes, nor constitute a waiver of any provision of the Purchase Agreement, the Initial Notes or the Additional Notes.

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This letter agreement shall be governed by and construed in accordance with the laws of the State of New York.

This letter agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original without the production of other counterparts and all of which taken together shall constitute one and the same instrument.

Sincerely,

ELAN INTERNATIONAL SERVICES, LTD.

By: /s/ Thomas G. Lynch

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Name: Thomas G. Lynch  
Title: Chairman

ELAN CORPORATION, PLC

By: /s/ Thomas G. Lynch

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Name: Thomas G. Lynch  
Title: Executive Vice President and  
Chief Financial Officer

Accepted and agreed as of the date first written above:

LIGAND PHARMACEUTICALS INCORPORATED

By: /s/ Paul V. Maier

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