

PHARMACOEPIA INC  
Form 425  
November 12, 2008

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Joseph A. Mollica, Chairman of the Board,  
Interim President & CEO  
Pharmacoepia  
John L. Higgins, President & CEO  
Ligand Pharmaceuticals  
Rodman & Renshaw 10th Annual Healthcare Conference  
New York City, November 11, 2008  
Filed by Ligand  
Pharmaceuticals  
Incorporated  
Pursuant to Rule 425  
under the Securities Act of 1933 and  
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Subject Company: Pharmacoepia, Inc.  
Commission File No: 0-50523

Joseph A. Mollica, Chairman of the Board,  
Interim President & CEO  
Discovering excellence, driving clinical success  
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Forward-Looking Statements



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Pharmacoepia/Ligand Merger

Merger announced on September 24, 2008

Expected to close by January  
2009

Pharmacoepia shareholders benefit from any growth of  
combined company

Exciting combined portfolio with significant royalty potential

Premium over Pharmacoepia stock price, including further  
upside through CVR if DARA is partnered

Pharmacoepia financing risk removed

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Combined Product Pipeline  
Stage of Development  
Product  
Indication  
Partner  
Preclinical  
Phase I  
Phase II  
Phase III / NDA  
Marketed  
AVINZA ®  
Chronic pain  
King Pharmaceuticals  
PROMACTA  
ITP, Hep C, CLD, CIT

GlaxoSmithKline  
VIVIANT  
/ APRELA  
Osteoporosis  
Wyeth  
FABLYN®  
Osteoporosis  
Pfizer  
PS433540  
DARA / Cardiovascular  
NA  
PS291822  
COPD (CXCR2)  
Schering-Plough  
PS540446  
Psoriasis / RA (p38)  
Bristol-Myers Squibb  
LGD-4665  
Thrombocytopenia  
NA  
PS178990  
Muscle Wasting (SARM)  
NA  
PS095760  
Oncology  
Schering-Plough  
PS386113  
Inflammation  
Schering-Plough  
PS948115  
Respiratory  
Schering-Plough  
PS248288  
Metabolic Diseases  
Schering-Plough  
PS873266  
Inflammation  
Celgene  
LGD-4033  
Muscle Wasting (SARM)  
NA  
Erythropoietin (EPO)  
Anemia  
NA  
AIPC  
Prostate Cancer  
NA  
PS031291  
Arthritis/MS (CCR1)  
NA

Ligand Products  
PS015146  
Undisclosed  
Schering-Plough  
Pharmacoepia Products  
SGRM  
Inflammation & Cancer  
NA

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John L. Higgins, President & CEO  
Ligand Pharmaceuticals

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Safe Harbor Statement

The following presentation contains forward-looking statements regarding the proposed acquisition of Pharmacoepia by Ligand, including projections regarding expectations for potential research and development payments, savings in operational costs, cash burn rates, timing of achieving positive cash flow, and potential revenue and profits of a combined company.

The forward looking statements made in the presentation are subject to several risk factors, including, but not limited to the reliance on collaborative partners for milestone and royalty payments, regulatory hurdles facing product candidates, uncertain product development costs, disputes regarding ownership of intellectual property, the commercial success of approved products. The failure of Pharmacoepia's stockholders to approve the merger, Ligand's

or  
Pharmacoepia's  
inability

to  
satisfy  
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the  
merger,  
or  
that  
the  
merger

is otherwise delayed or ultimately not consummated, and a failure of the combined businesses to be integrated successfully. Additional risks may apply to forward looking statements made in this presentation.

The  
risk  
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Ligand  
and  
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Company's and Pharmacopeia's filings with the SEC, including the most recently filed annual reports on Form 10-K and quarterly reports on Form 10-Q, as well as other public filings.

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#### Additional Information and Where to Find It

Ligand filed on October 20, 2008, the SEC a preliminary Registration Statement on Form S-4, which includes a proxy statement of Pharmacoepia and other relevant materials in connection with the proposed transaction. Once, finalized, the proxy statement will be mailed to the stockholders of Pharmacoepia. Investors and security holders of Pharmacoepia are urged to read the proxy statement and the other relevant materials when they become available because they will contain important information about Ligand, Pharmacoepia and the proposed transaction. The proxy statement and other relevant materials (when they become available), and any other documents filed by Ligand or Pharmacoepia with the SEC, may be obtained free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders may obtain free copies of the documents filed with the SEC by Ligand by going to Ligand's Investor Relations website at [www.ligand.com](http://www.ligand.com).

Investors and security holders may obtain free copies of the documents filed with the SEC by Pharmacoepia by going to Pharmacoepia's Investor Relations page on its corporate website at [www.pharmacoepia.com](http://www.pharmacoepia.com). Investors and security holders of Pharmacoepia are urged to read the proxy statement and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed transaction.

Ligand and its respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Pharmacoepia in favor of the proposed transaction. Information concerning Ligand's directors and executive officers is set forth in Ligand's proxy statement for its 2008 annual meeting of shareholders, which was filed with the SEC on April 29, 2008, and annual report on Form 10-K filed with the SEC on March 5, 2008.

Pharmacoepia and its respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Pharmacoepia in favor of the proposed transaction. Information about Pharmacoepia's executive officers and directors and their ownership of Pharmacoepia common stock is set forth in the proxy statement for the Pharmacoepia 2008 annual meeting of shareholders, which was filed with the SEC on March 24, 2008. Investors and security holders may obtain more detailed information regarding the direct and indirect interests of Pharmacoepia and its respective executive officers and directors in the acquisition by reading the proxy statement regarding the merger, which will be filed with the SEC.



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Why are we Acquiring Pharmacoepia?

Royalty partnerships

Drug discovery platform

Partnerable  
assets

Cash and tax assets

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Vision for the Combined Companies

Consolidated operations with strong fundamentals

Strong balance sheet

Cost-efficient R&D business with spending discipline

Robust product pipeline

Diverse royalty partnerships with promising potential revenue and profits

Leverage highly successful drug discovery capabilities of both companies

Focus on early stage drug discovery and development

Partner pipeline assets at earliest value inflection point

Leadership focused on shareholders, market credibility and solid foundation

Commitment to driving shareholder value and to transparency on the business with

goal to drive strong cash flow and earnings

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Combined Revenue Sources

AVINZA royalties

Potential royalties from three pending NDA s and future registrations in expanded indications

PROMACTA (GSK)

FABLYN (Pfizer)

VIVIAN (Wyeth)

APRELA NDA submission expected in 2009 (Wyeth)

Milestone and Research Payments from existing Pharmacoepia partnerships

\$6.5 to \$25 million potential in 2009

Potential new license payments from pipeline assets

SARM, TPO, Oral EPO, SGRM, DARA, CCR1, JAK3

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Significant Value in Royalty Partnerships

Numerous deals with nine pharmaceutical companies

Over 15 programs in various stages of research and development in partnership portfolio

More than 20 different therapeutic indications being pursued including the largest untapped markets

Muscle wasting, COPD, thrombocytopenia, asthma

More than \$400 million in potential R&D and milestone payments from existing deals

Combined company will have one of the strongest, most diverse royalty partnership rosters in the small cap biotech universe

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Ligand's Plan for DARA

Current 2009 plan

Finish Phase IIb

trial; spend minimal amount to complete study

Evaluate partnerability

of DARA by focusing on:

Quality of data

Time and cost to develop drug and get it to market

Patent extension options

Terms of DARA agreement with BMS

Interest level conveyed by

past partnering discussions

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Pro Forma Financial Forecast

Given our current outlook on the combined businesses, 2009 pro forma operating cash burn rate is expected to be \$20 million

Potential for additional revenue and cash infusion from new license agreements

More than \$350 million in potential Net Operating Loss carry-forwards before any limitations

Robustly capitalized company that has sufficient cash to make it to profitability without additional financings

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Strong Research Platforms

Mainly GPCR, kinase, ion channel, other targets

Exclusively nuclear and cytokine receptor targets

Targets

Combinatorial chemistry compound library

Over 7 million compound screening deck

Discrete compounds

100,000 compound library

Chemistry

Broad approach similar to Big Pharma:

-High-throughput & Ultra-HTS Screening

Focused expertise:

-Cell-based assays

-Gene transcription

Screening

Pharmacopeia

Ligand

Highly complementary research technology

Transaction combines two successful discovery platforms and



integrates strong biology and chemistry capabilities

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Opportunities  
and Benefits to Shareholders

Ligand shareholders gain access to:

Numerous royalty partnerships

Pipeline assets

Drug discovery assets

Cash and NOLs

Pharmacopeia shareholders will participate in:

Lucrative potential near-term royalties

Well capitalized company with no anticipated financing needs

Expanded product pipeline

Financial liquidity

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Overview of Ligand's Partnerships

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Major Collaborations

1997 drug discovery collaboration resulted in  
eltrombopag  
(PROMACTA)  
small molecule  
TPO mimetic

ITP: Numerous clinical studies tested, data  
published in NEJM, NDA pending approval  
(16-0 panel vote in favor of drug)

Hepatitis C: Two Phase III trials were initiated  
in 4Q:07, Phase II Hep C data published in

the NEJM

CIT: Chemotherapy-induced  
thrombocytopenia Phase II ongoing

Sarcoma: Phase I trial

MAA and NDA submissions for the long-term  
treatment of ITP expected by year-end.  
&

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Thrombocytopenia -  
Causes of Disease

Decreased production of platelets  
Myelodysplastic syndrome  
Hepatitis C  
Cancer in the bone marrow (leukemia)  
Aplastic anemia

Increased destruction of platelets  
Autoimmune, such as ITP  
Sequestration in the spleen

Drug-induced  
Myelosuppression by chemotherapy regimens  
Anti-virals in Hep C therapies  
Thrombocytopenia is a condition in which there is an abnormally low level of platelets in the blood.  
Regardless of the underlying cause, thrombocytopenia leads to decreased platelet counts,

which puts patients at greater risk for bleeding and serious adverse events.

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Medical Significance of Thrombocytopenia (US)

(Estimated markets)

Potential Treatable Patients

ITP

~100,000

Hepatitis C

~120,000

Myelodysplastic syndrome

~20,000

Leukemia / lymphoma

~50,000

Chemotherapy induced thrombocytopenia

~140,000

Intensive care unit

acquired

~500,000

Bone marrow transplants



~50,000

Lupus

~100,000

Cirrhosis

~113,000

HIV/other

~600,000

~ 2 million platelet transfusions per year

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Illustrative Cost for Blood-Related Treatments

Annual Cost of Care

Pharmaceuticals

~\$15,000 (annual cost of care)

Splenectomy

\$48,000 (procedure and medical management)

Platelet Transfusion

Single Course

\$4,000

Leukemia

\$84,000 (2 to 4 weeks daily)

Bone Marrow Transplant

\$140,000 (4 to 6 weeks daily)

Chemotherapy

\$20,000 (5 cycles)

NPlate

\*\$55,000

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References: USRDS, 2005. DrugStore.com, Blood 108:481B-482B, 2006

American Red Cross, Transfusion of Plateles: Current Issues, Medical and Scientific Updates, No 98-6.

\*Cost of therapy will be significantly higher if increased dose is needed; per Cowen & Company Research Report, August 29, 2008

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#### SERM Collaborations

Ligand has two partnerships around  
Selective Estrogen Receptor Modulators (SERMs):

Wyeth

Pfizer

SERMs bind with estrogen receptors in a tissue-specific manner:

Exhibit estrogen action in some tissues and anti-estrogen  
action in other tissues

Deliver benefits of estrogen in desirable tissues without  
the negative side effects

Potential target markets: osteoporosis, vaginal atrophy and  
vasomotor symptoms of menopause

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SERM Collaborations  
&

Bazedoxifene (VIVIAN) Monotherapy:  
Received third FDA approvable letter for osteoporosis  
in May 2008

Expects to file complete response with FDA 1H09:  
Submitted NDA for osteoporosis treatment in 3Q:07  
Submitted MAA for osteoporosis prevention &  
treatment in 3Q:07

Bazedoxifene in Combination with Premarin CE (APRELA):  
FDA Meeting in February 2008 discussed product

formulation, bioequivalence and clinical study  
efforts to support the planned NDA filing.  
NDA planned by 2H:09

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SERM Collaborations

Lasofoxifene (FABLYN) for osteoporosis  
treatment

NDA pending approval; FDA Extended Review  
through January 2009

FDA Panel had positive vote (9-3) on  
September 8, 2008 that there is a population of  
postmenopausal women with osteoporosis in  
which the benefit of treatment with lasofoxifene  
is likely to outweigh the risks.

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SARM

Selective Androgen Receptor Modulators

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#### SARM Program

Androgens (e.g. testosterone) are steroids that play key roles in bone, skeletal muscle and libido

Current androgenic drugs have disadvantages that significantly limit their use

Non-selective stimulation of all androgen receptors

Inconvenient formulations

injectable or topical

Available oral drugs have potential for hepatotoxicity

Ligand s lead SARMS LGD-3303 and LGD-4033:

Tissue-selective for bone and muscle while sparing the prostate

Orally active

In preclinical development and expected IND filing in 4Q08

Target Indications:

osteoporosis, frailty, hypogonadism,

sexual dysfunction, cachexia

Market Need

Convenient, prostate-sparing androgen receptor modulator with activity in bone, muscle and CNS

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SARMs Address a Major Unmet Need

Approximately 1/3 of Older Adults

have low muscle mass and

low bone mineral density

Revue de Medecine Interne 2000; 21:608,

Molecular Aspects Med. 2005; 26:818

Healthy Elderly

Elderly with

Serious Disease

Epidemiology of Aging

Ligand SARM Repletes

Muscle and Bone Loss

Increased falls

Increased risk of fractures

Normal Level

Hormone Deficient

BMD  
Muscle  
Mass

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EPO Mimetic Program

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Oral EPO Mimetics Will Provide New Therapeutic Options to Patients

Research-stage program to discover non-peptide, small molecule oral agonists

Builds upon our recent success in discovering TPO mimetic drugs

Current recombinant EPO proteins and the EPO receptor synthetic peptides in development

All require injection

Minimal differentiation of products results in limited therapeutic option

Oral HIF Prolyl Hydroxylase inhibitors in development have the potential for mechanism-based toxicity

HIF-induced angiogenesis is a risk

Oral EPO mimetics will potentially provide targeted activation of the EPO signaling pathway with an oral dosing route

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TPO Mimetic Program

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#### Ligand TPO Mimetic Program

The goal to develop best-in-class molecules to stimulate the production of platelets focused on:

Potency

Onset of action

Safety

Oral dosing flexibility

Ligand's lead molecule, LGD-4665 has a promising efficacy and safety profile

Ligand is developing a robust library of next generation compounds

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LGD-4665 Summary

LGD-4665 is approximately 10 times more potent than eltrombopag based on published data

The drug was safe and well tolerated in Phase I studies

The strong efficacy, good safety and long half-life may permit weekly dosing regimen

Conducting numerous pharmacology studies, to establish drug activity and differentiate drug profile from other TPO mimetic drug candidates

Conducting Phase II ITP trial

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Combined Product Pipeline  
Stage of Development  
Product  
Indication  
Partner  
Preclinical  
Phase I  
Phase II  
Phase III / NDA  
Marketed  
AVINZA ®  
Chronic pain  
King Pharmaceuticals  
PROMACTA  
ITP, Hep C, CLD, CIT

GlaxoSmithKline  
VIVIAN  
/ APRELA  
Osteoporosis  
Wyeth  
FABLYN®  
Osteoporosis  
Pfizer  
PS433540  
DARA / Cardiovascular  
NA  
PS291822  
COPD (CXCR2)  
Schering-Plough  
PS540446  
Psoriasis / RA (p38)  
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Arthritis/MS (CCR1)  
NA

Ligand Products  
PS015146  
Undisclosed  
Schering-Plough  
Pharmacoepia Products  
SGRM  
Inflammation & Cancer  
NA

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Near-Term Milestone and Events Calendar

1H 09

VIVIAN T FDA Action

1Q 09

FABLYN FDA Action

1Q 09

Phase IIb

DARA

4Q 08

Completion of SP CXCR2 Trial in COPD

4Q 08

Phase II ITP Interim Data

Projected Timing

Development and Regulatory Events

Ligand SARM IND Submission

PROMACTA FDA Action  
4Q 08  
Anytime?