

SIGA Technologies Reports Financial Results for the Third Quarter of 2010

NEW YORK, Nov 2, 2010 (GlobeNewswire via COMTEX News Network) -- SIGA Technologies, Inc. (Nasdaq:SIGA), a company specializing in the development of pharmaceutical agents to fight biowarfare pathogens, today reported its financial results for the third quarter and the nine months ended September 30, 2010.

Revenue for the third quarter of 2010 was \$6.6 million compared to \$3.9 million in 2009, and operating loss was \$2.4 million compared to \$2.6 million in 2009. Net loss per share for the three-month periods ending September 30, 2010 and 2009 was \$0.10 and \$0.03, respectively.

For the nine months ended September 30, 2010, revenue was \$16.2 million compared to \$9.9 million in 2009, and net operating loss was \$8.5 million compared to \$8.1 million in 2009. Net loss per common share was \$0.33 compared to \$0.59 in 2009.

Third Quarter and Nine Months 2010 Key Financial Results

Revenues

For the third quarter of 2010, revenue from research and development ("R&D") grants and contracts was \$6.6 million compared to \$3.9 million for the year-earlier period. The increase of \$2.7 million is primarily due to \$2.1 million of revenues recorded in the third quarter of 2010 from grants supporting the development of drug candidates for arenaviruses including Lassa fever as compared to \$130,000 recorded in 2009. Revenue from grants and contracts supporting the development of a broad-spectrum antiviral drug increased \$461,000 from the third quarter of 2009, and revenue generated from our grants and contracts for the development of ST-246(R) and its alternative formulations increased \$360,000 from the third quarter of 2009.

For the nine-month period ending September 30, 2010, revenue from R&D grants and contracts increased by \$6.3 million, to \$16.2 million, from \$9.9 million in the comparable period in 2009. The increase in revenue primarily relates to a \$2.0 million increase in revenue generated from grants and contracts supporting the development of our lead drug candidate, ST-246(R), and its alternative formulations, an increase of \$1.7 million in revenue generated from our grant and contract for the development of a broad-spectrum antiviral drug, and a \$2.5 million increase from grants supporting the development of drug candidates for arenavirus pathogens.

Research and Development

For the third quarter of 2010, R&D expenses were \$7.4 million, an increase of \$2.6 million from \$4.8 million recognized for the third quarter of 2009, primarily due to an increase of \$1.4 million in expenses supporting our arenavirus program, an increase of \$607,000 in expenses supporting the development of ST-246(R) and its alternative formulations, and an increase of \$244,000 in expenses supporting the development of a broad-spectrum antiviral drug. In addition, employee-related compensation costs for the third quarter of 2010 increased by approximately \$220,000 from the comparable period in 2009.

For the nine months ending September 30, 2010 and 2009, R&D expenses were \$18.2 million and \$12.2 million, respectively, reflecting an increase of \$6.0 million. Expenses related to the continued development of ST-246(R) and its alternative formulations, including costs associated with our commercial manufacturing validation campaign, increased \$2.3 million from the nine months in 2009. Expenditures associated with the development of drug candidates for arenavirus pathogens increased \$1.8 million, expenses incurred in connection with the development of a broad-spectrum antiviral drug increased \$675,000 and employee-related compensation expenses increased \$645,000 for the nine-month period in 2010.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses for the third quarter of 2010 were \$1.39 million, a decrease of \$133,000 from \$1.52 million for the third quarter of 2009. The slight decline in SG&A expenses mainly relates to lower legal and accounting fees and a decrease in non-cash stock-based compensation.

For the nine months ending September 30, 2010, SG&A expenses were \$5.6 million, an increase of \$200,000 from \$5.4 million for the comparable period in 2009, primarily due to higher insurance premiums and business development expenses.

Patent Preparation Expenses

For the third quarters of 2010 and 2009, patent preparation expenses were \$235,000 and \$191,000, respectively. For the nine

months ended September 30, 2010, patent preparation expenses were \$861,000, an increase of \$476,000 from \$385,000 for the nine-month period in 2009. Higher costs in 2010 reflect our efforts to protect SIGA's lead drug candidates in expanded geographic territories.

Financial Condition and Liquidity

Cash, cash equivalents and short-term investments on September 30, 2010 were \$19.5 million, compared to \$19.5 million on December 31, 2009, reaffirming our confidence that SIGA's strong balance sheet can support our operations and fund our research programs beyond the next twelve months.

Restatements

Please note that amounts set forth in the following summary financial statements for 2009 are restated, as further discussed in our filing with the Securities and Exchange Commission (the "SEC") on Form 8-K dated September 28, 2010.

Financial Statements SIGA Technologies Inc. Consolidated Balance Sheets (Unaudited)

	September 30, 2010	December 31, 2009
		(Restated)
	-----	-----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,711,777	\$ 14,496,313
Short term investments	13,748,788	4,999,300
Accounts receivable	1,361,236	2,405,861
Prepaid expenses	381,487	1,585,072
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Total current assets	21,203,288	23,486,546
Property, plant and equipment, net	1,295,478	1,225,656
Goodwill	898,334	898,334
Other assets	274,713	304,751
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Total assets	\$ 23,671,813	\$ 25,915,287
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,415,251	\$ 3,458,013
Accrued expenses and other	1,192,794	740,333
Deferred revenue	212,874	1,570,234
Common stock warrants	--	3,260,000
Total current liabilities	2,820,919	9,028,580
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Common stock warrants	13,122,337	9,733,870
Total liabilities	15,943,256	18,762,450
	-----	-----
Stockholders' equity		
Common stock (\$.0001 par value, 100,000,000 shares		

authorized, 46,346,003 and 43,061,635 issued and outstanding at September 30, 2010, and December 31, 2009, respectively)	4,635	4,306
Additional paid-in capital	116,607,389	101,417,677
Accumulated other comprehensive income	3,889	--
Accumulated deficit	(108,887,356)	(94,269,146)
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Total stockholders' equity	7,728,557	7,152,837
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Total liabilities and stockholders' equity	\$ 23,671,813	\$ 25,915,287
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SIGA Technologies Inc. Consolidated Statements of Operations (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
		(Restated)		(Restated)
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Revenues				
Research and development	\$ 6,631,857	\$ 3,921,938	\$ 16,153,821	\$ 9,856,674
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Operating expenses				
Selling, general and administrative	\$ 1,389,259	1,522,186	5,591,875	5,382,964
Research and development	7,419,749	4,828,010	18,176,733	12,238,255
Patent preparation fees	234,511	191,144	860,511	384,700
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Total operating expenses	9,043,519	6,541,340	24,629,119	18,005,919
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Operating loss	(2,411,662)	(2,619,402)	(8,475,298)	(8,149,245)
(Increase) decrease in fair value of common stock warrants	(2,018,644)	1,429,652	(6,142,912)	(13,701,336)
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Net loss	\$ (4,430,306)	\$ (1,189,750)	\$ (14,618,210)	\$ (21,850,581)
Unrealized gain on securities	528	--	3,889	--
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Comprehensive loss	\$ (4,429,778)	\$ (1,189,750)	\$ (14,614,321)	\$ (21,850,581)
	=====	=====	=====	=====

Weighted average shares				
outstanding: basic and diluted	45,509,375	37,675,381	44,110,885	36,760,793
	=====	=====	=====	=====
Net loss per share: basic and				
diluted	\$ (0.10)	\$ (0.03)	\$ (0.33)	\$ (0.59)
	=====	=====	=====	=====

Quarterly Report on Form 10-Q

SIGA is filing today with the SEC its Quarterly Report on Form 10-Q for the quarter ending September 30, 2010. SIGA Technologies urges its investors to read this quarterly filing as well as its amended Annual Report on Form 10-K/A, also filed with the SEC, for further details concerning the Company. The Quarterly Report on Form 10-Q and the amended Annual Report on Form 10-K/A are also available on the Company's website, at <http://www.siga.com>.

About SIGA Technologies, Inc.

SIGA Technologies is applying viral and bacterial genomics and sophisticated computational modeling in the design and development of novel products for the prevention and treatment of serious infectious diseases, with an emphasis on products for biological warfare defense. SIGA believes that it is a leader in the development of pharmaceutical agents to fight potential bio-warfare pathogens. SIGA has antiviral programs targeting smallpox and other Category A pathogens, including arenaviruses (Lassa fever, Junin, Machupo, Guanarito, Sabia, and lymphocytic choriomeningitis), dengue virus, and the filoviruses (Ebola and Marburg). For more information about SIGA, please visit SIGA's web site at <http://www.siga.com/>.

The SIGA Technologies, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=4504>

Forward-looking Statements

This press release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including statements regarding the safety and efficacy of potential products, the progress of its development programs and timelines for bringing such products to market, the pursuit of the BARDA Smallpox RFP and the availability of funding sources for continued development of such products. Forward-looking statements are based on management's estimates, assumptions and projections, and are subject to uncertainties, many of which are beyond the control of SIGA. Actual results may differ materially from those anticipated in any forward-looking statement. Factors that may cause such differences include (i) the risk that potential products that appear promising to SIGA or its collaborators cannot be shown to be efficacious or safe in subsequent pre-clinical or clinical trials, (ii) the risk that SIGA or its collaborators will not obtain appropriate or necessary governmental approvals to market these or other potential products, (iii) the risk that SIGA may not be able to obtain anticipated funding for its development projects or other needed funding, (iv) the risk that SIGA may not be able to secure funding from anticipated government contracts and grants, (v) the risk that SIGA may not be able to secure or enforce sufficient legal rights in its products, including patent protection for its products, (vi) the risk that any challenge to our patent and other property rights, if adversely determined, could affect our business and, even if determined favorably, could be costly, (vii) the risk that regulatory requirements applicable to SIGA's products may result in the need for further or additional testing or documentation that will delay or prevent seeking or obtaining needed approvals to market these products, (viii) the risk that BARDA may not complete the procurement set forth in its solicitation for the acquisition of smallpox antiviral for the strategic national stockpile, or may complete it on different terms, (ix) the risk that third parties may protest contracts awarded to us through an RFP process which may cause such potential awards to be delayed or overturned, (x) the risk that the pending protest or another future protest may cause a contract award to us through the RFP process to be delayed or overturned, (xi) the risk that the volatile and competitive nature of the biotechnology industry may hamper SIGA's efforts, (xii) the risk that changes in domestic and foreign economic and market conditions may adversely affect SIGA's ability to advance its research or its products, and (xiii) the effect of federal, state, and foreign regulation on SIGA's businesses. More detailed information about SIGA and risk factors that may affect the realization of forward-looking statements, including the forward-looking statements in this presentation, is set forth in SIGA's filings with the Securities and Exchange Commission, including SIGA's amended Annual Report on Form 10-K/A for the fiscal year ended December 31, 2009, and in other documents that SIGA has filed with the SEC. SIGA urges investors and security holders to read those documents free of charge at the SEC's Web site at <http://www.sec.gov>. Interested parties may also obtain those documents free of charge from SIGA. Forward-looking statements speak only as of the date they are made, and except for our ongoing obligations under the United States of America federal securities laws, we undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

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