SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

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

For the quarter ended March 31, 1999

Commission file number: 0-23047

SIGA PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	13-3864870
(State or other jurisdiction of incorporation or organization)	(IRS Employer Id. No.)

420 Lexington Avenue
New York, NY 10170
(Address of principal executive offices)

Registrant's telephone number, including area code: (212) 672-9100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No[_]

As of May 7, 1999, the Registrant had outstanding 6,557,712 shares of its $.0001 par value Common Stock.

SIGA PHARMACEUTICALS, INC.
(A development stage company)

Part I. Financial Information

Item 1. Financial Statements

BALANCE SHEET

	March 31, 1999	December 31, 1998
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,014,809	$ 4,966,873
Accounts receivable	--	--
Prepaid sponsored research	--	--
Prepaid expenses	113,026	134,969
Total current assets	4,127,835	5,101,842
Equipment, net	1,658,529	1,696,404
Investments	91,199	132,220
Other assets	147,002	147,002
Total assets	6,024,565	7,077,468
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	286,087	266,371
Accrued expenses	58,771	143,364
Capital lease obligations	312,477	369,288
Total liabilities	657,335	779,023
Non current capital lease obligations	632,478	650,659
Commitments and contingencies	--	--
Stockholders' equity		
Preferred stock ($.0001 par value, 10,000,000 shares authorized, none issued and outstanding)	--	--
Common stock ($.0001 par value, 25,000,000 shares authorized, 6,577,712 and 6,577,712 issued and outstanding at March 31, 1999 and December 31, 1998, respectively)	658	658
Additional paid-in capital	16,712,044	16,697,424
Unrealized losses on available for sale securities	(15,180)	(34,816)
Deficit accumulated during the development stage	(11,962,770)	(11,015,480)
Total stockholders' equity	4,734,752	5,647,786
Total liabilities and stockholders' equity	6,024,565	7,077,468

The accompanying notes are an integral part of these financial statements

SIGA PHARMACEUTICALS, INC.
(A development stage company)

STATEMENT OF OPERATIONS

	Three Months Ended March 31, 1999	Three Months Ended March 31, 1998	For The Period December 28, 1995 (Date of Inception) to March 31, 1999
	(Unaudited)	(Unaudited)	(Unaudited)
Revenues - Research and development contracts	112,500	$ 112,500	$ 1,237,500
Operating expenses			
General and administrative (including amounts to related parties of $126,356 and $117,120 for the three months ended March 31, 1999 and 1998, respectively	$ 525,085	540,818	5,653,351
Research and development (including amounts to related parties of $18,750 for each of the three months ended March 31, 1999 and 1998	553,704	512,217	5,090,449
Write-off of in-process research and development	--	1,457,458	1,457,458
Patent preparation fees	61,939	40,278	999,216
Stock option and warrant compensation	--	14,407	450,450
Total operating expenses	1,140,728	2,565,178	13,650,924
Operating loss	(1,028,228)	(2,452,678)	(12,413,424)
Interest income/(expense)	56,848	81,932	426,564
Net gain on sale of securities	24,090	--	24,090
Net loss	$ (947,290)	$ (2,370,746)	$(11,962,770)
Other comprehensive income			
Unrealized gain/(loss) on available for sale securities	19,636	--	(15,180)
Comprehensive income/(loss)	$ (927,654)	$ (2,370,746)	$(11,977,950)
Basic and diluted loss per share	$ (0.14)	$ (0.37)	
Weighted average common shares outstanding used for basic and diluted loss per share	6,577,712	6,424,859	

The accompanying notes are an integral part of these financial statements

SIGA PHARMACEUTICALS, INC.
(A development stage company)

STATEMENT OF CASH FLOWS

	Three Months Ended March 31, 1999 (Unaudited)	Three Months Ended March 31, 1998 (Unaudited)	For The Period December 28, 1995 (Date of Inception) to March 31, 1999 (Unaudited)
Cash flows from operating activities:			
Net loss	$ (947,290)	$ (2,370,746)	$(11,962,770)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	92,459	10,656	320,440
Stock, options & warrant compensation	14,620	14,407	640,940
Amortization of debt discount	--	--	133,000
Write-off of in-process research and development	--	1,457,458	1,457,458
Realized gain on sale of marketable securities	(24,090)		(24,090)
Changes in assets and liabilities:			
Accounts receivable	--	150,000	--
Prepaid sponsored research		11,684	--
Prepaid expenses and ither current assets	21,943	41,615	(113,026)
Other assets	--	(112,618)	(147,002)
Accounts payable and accrued expenses	(64,877)	(186,671)	344,858
Net cash used in operating activities	(907,235)	(984,215)	(9,350,192)
Cash flows from investing activities:			
Capital expenditures	(54,584)	(81,587)	(1,978,969)
Purchase of minority interest			(167,036)
Proceeds from sale of securities	84,747	--	84,747
Net cash flow used in investing activities	30,163	(81,587)	(2,061,258)
Cash flows from financing activities:			
Net proceeds from issuance of common stock	--		14,480,056
Receipts of stock subscriptions outstanding	--		1,248
Proceeds from bridge notes	--		1,000,000
Repayment of bridge notes			(1,000,000)
Proceeds from sale and leaseback of equipment			1,139,085
Principal payments on capital lease obligations	(74,992)	--	(194,130)
Net cash provided from financing activities	(74,992)	--	15,426,259
Net increase in cash and cash equivalents	(952,064)	(1,065,802)	4,014,809
Cash and cash equivalents at beginning of period	4,966,873	10,674,104	--
Cash and cash equivalents at end of period	$ 4,014,809	$ 9,608,302	$ 4,014,809

The accompanying notes are an integral part of these financial statements

1. Basis of Presentation

The financial statements of SIGA Pharmaceuticals, Inc. have been prepared in accordance with generally accepted accounting principles for interim financial information and the rules of the Securities and Exchange Commission (the "SEC") for quarterly reports on forms 10-QSB and do not include all of the information and footnote disclosures required by generally accepted accounting principles for complete financial statements. These statements should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended December 31, 1998, included in the 1998 Form 10-KSB.

In the opinion of management, the accompanying unaudited financial statements include all adjustments, consisting of normal adjustments, necessary for a fair presentation of results of operations for the interim periods. The results of operations for the three ended March 31, 1999 are not necessarily indicative of the results of operations to be expected for the full year ending December 31, 1999.

2. License and Research Support Agreements

In January 1996, the Company entered into a research agreement with a third party. Under the terms of the agreements, the Company had agreed to fund further research by the third parties in the annual amount of approximately $360,000. The agreement expired in January 1998; however, the Company has continued its relationship with the third party under similar terms for the period ended January 1999 and intends to continue its relationship with the third party on an informal basis.

In February 1998, the Company entered into a research collaboration and license agreement with a third party. Under the terms of the agreement, the Company has been granted an exclusive world-wide license to make, use and sell products derived from the licensed technology, in exchange for royalty payments equal to a certain percentage of net sales of products incorporating the licensed technology, and certain milestone payments. In addition, the Company agreed to sponsor further research by the third party for the development of the licensed technologies in the amounts of approximately $187,000, $387,000 and $403,000, for the years ending December 31, 1998, 1999 and 2000. During the three months ended March 31, 1999 and 1998 the company incurred sponsored research expense in the amount of $44,808 and $0 under this agreement.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The Company is a development stage, biopharmaceutical company. Since its inception in December 1995, the Company's efforts have been principally devoted to research and development, securing patent protection, obtaining corporate relationships and raising capital. Since its inception through March 31, 1999, the Company has sustained cumulative net losses of $11,962,770, including non-cash charges in the amount of $1,457,458 for the write-off of research and development expenses associated with the acquisition of certain technology rights acquired from a third party in exchange for the Company's common stock. In addition, a non-cash charge of $450,450 was incurred for stock option and warrant compensation expense. The Company's losses have resulted primarily from expenditures incurred in connection with research and development, patent preparation and prosecution and general and administrative expenses. From inception through March 31, 1999, research and development expenses amounted to $5,090,449, patent preparation and prosecution expenses totaled $999,216, and general and administration expenses amounted to $5,653,351. From inception through March 31, 1999 revenues from research and development agreements totaled $1,237,500.

The Company expects to continue to incur substantial research and development costs in the future resulting from ongoing research and development programs, manufacturing of products for use in clinical trials and pre-clinical testing of the Company's products. The Company also expects that general and administrative costs, including patent and regulatory costs, necessary to support clinical trials, research and development, will continue to be substantial in the future. Accordingly, the Company expects to incur operating losses for the foreseeable future. There can be no assurance that the Company will ever achieve profitable operations.

To date, the Company has not marketed, or generated revenues from the commercial sale of any products. The Company's current product candidates are not expected to be commercially available for several years.

Results of Operations

Three months ended March 31, 1999 to the three months ended March 31, 1998

Revenues from research and development contracts were $112,500 for the three months ended March 31, 1999, the same amount as received for the same period of 1998. The revenue was the result of payments made to the Company under an agreement entered into in July of 1997 with Wyeth-Ayerst, under which the Company receives certain payments for research and development activities sponsored by Wyeth-Ayerst.

Research and development expenses increased to $553,704 for the three months ended March 31, 1999, an 8.1% increase from the $512,217 of expenses incurred for the same period in 1998. The modest increase reflects the Company's concentration on its core development programs at a level that is consistent with its financial resources. Further, in the 1999 quarter, the Company's research and development activities were largely carried out at its Corvallis, Oregon research facility, greatly reducing the amount spent on third party research agreements as compared to the three months ended March 31, 1998.

The Company incurred a non-cash charge for the three months ended March 31, 1998 totaling $1,457,458 for the write-off of in-process research and development associated with the acquisition of certain technology from MedImmune, Inc. in exchange for 335,530 shares of the Company's common stock. No similar charges were incurred in the three month period ended March 31, 1999.

General and administrative expenses declined approximately 3% in the three months ended March 31, 1999 to $525,085 from $540,818 for the three months ended March 31, 1998. The decrease reflects the Company's ongoing effort to preserve its cash resources. Beginning in the quarter ended December 31, 1998 and carrying forward through the three month period ended March 31, 1999, the Company has materially reduced its level of general and administrative spending compared to the second and third quarters of the year ended December 31, 1998. The reduced level of general and administrative spending was largely attained through the restructuring of the Company's executive management and careful monitoring of expenses.

Patent expense of $61,939 for the three months ended March 31, 1999 represents an increase of 53.8% from the $40,278 level of the prior year. The increase in spending is due to the Company's commitment to maintain and expand patent protection for the technology developed by the Company and under third party agreements.

Total operating loss declined by $1,424,450 to $1,028,228 for the three months ended March 31, 1999 from $2,452,678 for the same period of 1998. Excluding the one time non-cash expense of $1,457,458 for the write-off of in-process research and development incurred for the three months ended March 31, 1998, the operating loss was essentially equal for the two periods.

Interest income for the three months ended March 31, 1999 was $56,848 compared to $81,932 for the prior year period. The decline is the result of lower cash balances in the three month period of 1999 compared to the three months ended March 31, 1998.

Net loss per common share of $0.14 for the three months ended March 31, 1999 represents a decrease in loss per share of $0.23 from the $0.37 loss incurred for the three months ended March 31, 1998. The decline in the loss per share is the result of the one-time non-cash charge for the write-off of in-process research and development incurred in the prior year period. Excluding this one-time charge, net loss per share for the three months ended March 31, 1998 was $0.14, the same as the net loss per share for the 1999 period.

Liquidity and Capital Resources

As of March 31, 1999 the Company had $4,014,809 in cash and cash equivalents and $3,470,500 of net working capital. In July, August and September of 1998 the Company sold certain laboratory equipment, computer equipment and furniture to a third party, for $493,329, $385,423 and $260,333, respectively, under sale/leaseback arrangements. The leases have a term of 42 months and require minimum monthly payments of $13,171, $10,290 and $6,950, respectively. The Company has an option to purchase the equipment for Fair Market Value (defined in the agreement as 15% of original cost) at the end of the lease. In July of 1997 the Company entered into a collaborative research and license agreement with Wyeth-Ayerst. Under the terms of the agreement, the Company has granted Wyeth-Ayerst an exclusive worldwide license to develop, make, use and sell products derived from specified technologies. If certain milestones are met, the agreement requires Wyeth-Ayerst to sponsor further research by the Company for the development of the licensed technologies for a period of two years from the effective date of the agreement, in return for minimum payments to the Company totaling $1,200,000. Through March 31, 1999 the Company has received a total of $1,237,500 from Wyeth-Ayerst.

The Company anticipates that its current resources will be sufficient to finance the Company's currently anticipated needs for operating and capital expenditures through at least the first quarter of 2000. The Company will continue to carefully monitor its general and administrative expenses and the progress of its research programs in an effort to reduce expenditures where appropriate. In addition, the Company will attempt to generate additional working capital through a combination of collaborative agreements, strategic alliances and equity financings. However, no assurance can be provided that additional capital will be obtained through these sources.

The Company's working capital and capital requirements will depend upon numerous factors, including progress of the Company's research and development programs; pre-clinical and clinical testing; timing and cost of obtaining regulatory approvals; levels of resources that the Company devotes to the development of manufacturing and marketing capabilities; technological advances; status of competitors; and the ability of the Company to establish collaborative arrangements with other organizations.

Part II

Other Information

Item 1	Legal Proceedings	NONE
Item 2	Changes in Securities	NONE
Item 3	Defaults upon Senior Securities	NONE
Item 4	Submission of Matters to Vote of Security Holders	NONE
Item 5	Other Information	NONE
Item 6	Exhibits and Reports on Form 8-K	NONE

SIGNATURE PAGE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SIGA PHARMACEUTICALS, INC.

Dated: May 14, 1999

by: /s/ Thomas N. Konatich

Thomas N. Konatich
Chief Financial Officer
(Principal Accounting and Financial Officer
and Vice President, Finance)

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