

SIGA Technologies Reports Financial Results for the Fourth Quarter and Year Ended 2011

NEW YORK, New York, March 1, 2012 (GLOBE NEWSWIRE) -- SIGA Technologies, Inc. (Nasdaq:SIGA), a company specializing in the development of pharmaceutical agents to fight pathogens capable of use as bioweapons, today reported its financial results for the fourth quarter and year ended December 31, 2011.

Revenue for the year ended December 31, 2011 was \$12.7 million, compared to \$19.2 million in 2010, and the operating loss was \$31.4 million, compared to \$12.7 million in 2010. Earnings per diluted share, which includes a \$36.1 million income tax benefit that is primarily related to the partial release of a valuation allowance, was \$0.09 for the year ended December 31, 2011. In comparison, there was a basic loss per share of \$0.62 for the year ended December 31, 2010, which included a \$16.0 million loss relating to an adjustment to the fair market valuation of certain warrants.

Revenue for the three months ended December 31, 2011 was \$5.0 million, compared to \$3.1 million in the corresponding 2010 period. The operating loss for this period was \$7.8 million; in comparison, there was an operating loss of \$4.2 million for the three months ended December 31, 2010. Basic loss per share was \$0.11 for the three months ended December 31, 2011, compared to a basic loss per share of \$0.29 in 2010.

In addition to reporting financial results for the quarter and year end, SIGA is also reporting that during the fourth quarter it received \$41.0 million in advance payments as permitted under the \$435 million amended smallpox antiviral contract (HHSO1002011000001C) with the Biomedical Advanced Research and Development Authority ("BARDA") (the "BARDA Contract").

2011 Key Financial Results

Revenues

For 2011, revenue from research and development ("R&D") grants and contracts was \$12.7 million, compared to \$19.2 million in 2010. The decrease of \$6.5 million is primarily due to a \$3.1 million decrease in grant and contract usage for the ST-246® program and a \$3.7 million decrease in grant and contract usage for the Lassa fever program. Grant and contract usage has declined for the ST-246® program primarily due to the restructuring of existing development contracts with BARDA in connection with the awarding of the \$435 million BARDA Contract. Grant and contract usage has declined for the Lassa fever program due to the conclusion of certain federal grants in 2010. The impact of concluded grants was partially offset by revenues generated by the new dengue and Lassa fever grants that were issued in May and August of 2011, respectively.

Research and Development

Research and development expenses in the years ended December 31, 2011 and 2010 were \$18.4 and \$22.7 million, respectively, a decrease of \$4.3 million. The decrease in expenses is mainly due to a decrease in related funding from federal grants and programs, partially offset by an increase in compensation expenses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the years ended December 31, 2011 and 2010 were \$23.9 million and \$8.1 million, respectively, reflecting an increase of approximately \$15.8 million. The increase is primarily attributable to a \$13.0 million increase in compensation expenses and the accrual of a \$2.0 million loss contingency expense in connection with an ongoing legal dispute. Compensation expenses increased mainly due to an \$11.1 million increase in stock-based compensation. Among other things, stock-based compensation includes equity awards to key employees for the achievement of long-term strategic goals.

Patent Preparation Expenses

Patent preparation expenses were \$1.8 million and \$1.1 million for the years ended December 31, 2011 and 2010, respectively. The increase of \$660,000 is related to the Company's efforts to protect ST-246 and other drug candidates in expanded geographic territories.

Income Tax Benefit

For the year ended December 31, 2011, SIGA recorded an income tax benefit of \$36.1 million which was primarily due to a partial reduction of the related valuation allowance. The valuation allowance was reduced because a significant portion of deferred tax assets were deemed realizable as a result of the execution and active status of the BARDA Contract and the current forecast of future taxable income that could absorb certain of our net operating loss carryforwards.

Financial Condition and Liquidity

Cash, cash equivalents and short-term investments on December 31, 2011 were \$49.3 million, compared to \$21.3 million on December 31, 2010. During the year ended December 31, 2011, the Company received \$41.0 million in advance payments as permitted under the \$435 million BARDA Contract.

Annual Report on Form 10-K

SIGA is filing today with the Securities and Exchange Commission its Annual Report on Form 10-K for the year ended December 31, 2011. SIGA urges its investors to read this Annual Report on Form 10-K for further details concerning the Company. The Annual Report on Form 10-K is also available on the Company's website, at www.siga.com

About SIGA Technologies, Inc.

In the United States and around the world, populations face a serious but unmet need for drugs to protect against potentially catastrophic emerging viral pathogens and biological weapons of mass destruction. SIGA Technologies, Inc. is a pharmaceutical company specializing in the development and commercialization of therapeutic solutions for some of the most lethal disease causing pathogens in the world - smallpox, Ebola, dengue, Lassa fever and other dangerous viruses. Our business is to discover, develop, manufacture and successfully commercialize drugs to prevent and treat these high priority threats. Our mission is to disarm dreaded viral diseases and create robust, modern biodefense countermeasures. For more information about SIGA, please visit SIGA's web site at 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 relating to the safety and efficacy of our products, the progress of our development programs and timelines for bringing products to market, the realization of future revenue and income and the resolution of our ongoing litigation with PharmAthene, Inc. 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 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 governmental 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, (vi) the risk that any challenge to SIGA's patent and other property rights, if adversely determined, could affect SIGA's 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 one or more protests could be filed and upheld in whole or in part or other governmental action taken, in either case leading to a delay of performance under the BARDA Contract or other governmental contracts, (ix) the risk that the BARDA Contract is modified or cancelled at the request or requirement of the U.S. government, (x) the risk that the adverse portions of the post-trial decision by the Delaware Chancery Court in the litigation brought by PharmAthene, Inc. will be upheld in further proceedings, including any appeal, or that the favorable portions will be modified, (xi) the risk that the volatile and competitive nature of the biotechnology industry may hamper SIGA's efforts to develop or market its products, (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 any change to federal, state, or foreign regulation, including drug regulation and international trade 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 Annual Report on Form 10-K for the year ended December 31, 2011, 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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