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SIGA Technologies Reports Financial Results for the Second Quarter of 2012

NEW YORK, Aug. 6, 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 three and six months ended June 30, 2012.

Revenue for the three months ended June 30, 2012 was $2.7 million, compared to $2.5 million in the second quarter of 2011, and the operating loss for the quarter was $6.3 million, compared to $11.1 million for the comparable period last year. Net loss per share, which included a $1.7 million income tax benefit, was $0.08 for the three months ended June 30, 2012. In comparison, earnings per diluted share, which included a $33 million income tax benefit, was $0.40 for the three months ended June 30, 2011. Per share calculations include non-operational items such as adjustments to the fair value of warrants.

Revenue for the six months ended June 30, 2012 was $4.2 million, matching the $4.2 million of revenue recognized for the corresponding 2011 period. The operating loss for the period was $11.9 million; in comparison, there was an operating loss of $17.6 million in the first half of 2011. Net loss per share was $0.16 in the first six months of 2012, compared to earnings per diluted share of $0.28 in 2011. As is the case for the comparative 2011 quarterly results, earnings per diluted share for the first six months of 2011 includes a $33 million income tax benefit that is primarily related to a partial release of a valuation allowance.

Key Financial Results for Second Quarter and First Half 2012

Revenues

In this quarter, revenue from research and development ("R&D") grants and contracts was $2.7 million, compared to $2.5 million for the second quarter 2011. The increase of $210,000 is primarily due to the net impact of: a $886,000 increase in revenue generated by grants for research relating to antivirals against dengue fever and Lassa fever; a $241,000 decrease in revenue from our federal grants and contracts supporting the development of our ST-246® program; and a $435,000 decrease in revenue related to the conclusion in late 2011 of two federal grants supporting development of a broad-spectrum antiviral.

For the first halves of 2012 and 2011, revenue was $4.2 million in each respective period. Revenue increases due to grants relating to dengue fever and Lassa fever were offset by declines in revenue stemming from lower grant usage by the ST-246® program and the conclusion of certain federal grants and contracts supporting development of a broad-spectrum antiviral.

Research and Development

Research and development ("R&D") expenses were $5.2 million for the three months ended June 30, 2012, an increase of $1.4 million from the $3.8 million incurred for the three months ended June 30, 2011. The increase is mainly due to an increase in expenses related to ST-246 and Lassa fever antivirals, high-throughput screening, facilities and compensation.

For the six months ended June 30, 2012 and 2011, we incurred R&D expenses of $9.6 million and $7.4 million, respectively, an increase of $2.2 million. The increase is mainly due to an increase in expenses related to ST-246 and Lassa fever antivirals, high-throughput screening, facilities and compensation.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses for the three months ended June 30, 2012 and 2011 were $3.5 million and $9.4 million, respectively, reflecting a decrease of approximately $5.9 million. The decrease is primarily attributable to a decrease of $6.5 million in stock-based compensation expenses.

For the six month periods ended June 30, 2012 and 2011, SG&A expenses were $5.7 million and $13.6 million, respectively, a decrease of $7.9 million. The decrease is primarily attributable to a $7.3 million decrease in stock-based compensation.

Patent Preparation Expenses

Patent preparation expenses were $376,000 and $713,000 for the three and six months ended June 30, 2012, respectively.

This represents decreases of $37,000 and $42,000, respectively, over the comparable 2011 periods.

Financial Condition and Liquidity

Cash, cash equivalents and short-term investments on June 30, 2012 were $34.9 million, compared to $49.3 million on December 31, 2011.

Quarterly Report on Form 10-Q

SIGA is filing today with the Securities and Exchange Commission its Second Quarter Report on Form 10-Q for the quarterly period ended June 30, 2012. SIGA urges its investors to read this quarterly filing as well as its Annual Report on Form 10-K for the year ended December 31, 2011, also filed with the SEC, for further details concerning the Company. The Second Quarter Report on Form 10-Q and the Annual Report on Form 10-K are 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 regarding the safety and efficacy of potential products, the progress of its development programs and timelines for bringing such products to market and developments in our ongoing litigation with PharmAthene, Inc. Such forward-looking statements are subject various known and unknown risks and uncertainties and SIGA cautions you that any forward-looking information provided by or on behalf of SIGA is not a guarantee of future performance. SIGA's actual results could differ materially from those anticipated by such forward-looking statements due to a number of factors, some of which are beyond SIGA's control, including, but not limited to, (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 or current 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, (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 the 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 fiscal 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.

CONTACT: KCSA Strategic Communications

Todd Fromer / Robert Fink

212-896-1215 / 1236

Tfromer@kcsa.com / Rfink@kcsa.com

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