

SIGA Technologies Reports Financial Results for the Second Quarter and First Half of 2010

NEW YORK, Aug 5, 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 announced its financial results for the second quarter and first half ended June 30, 2010.

For the second quarter of 2010, revenues were \$4.4 million compared to \$4.0 million in 2009, and operating loss was \$3.0 million compared to \$2.6 million in 2009. Net loss per share for the three month periods ending June 30, 2010 and 2009 was \$0.10 and \$0.28, respectively.

For the first half of 2010, revenues were \$9.5 million compared to \$5.9 million in 2009, and net operating loss was \$6.0 million compared to \$5.5 million in 2009. Net loss per common share was \$0.21 compared to \$0.47 in 2009.

"We continued to take steps toward our goal of commercializing ST-246(R), as well as make progress in the development of our pipeline of drug candidates. Our Dengue fever, Lassa fever and broad spectrum antiviral programs continue to advance in line with our expectations," stated Ayelet Dugary, SIGA's Chief Financial Officer. "Our laboratory space was recently remodeled with enhanced analytical and screening capabilities that we expect will help accelerate our drug development efforts in the future."

Q2 and First Half 2010 Key Financial Results

Revenues

Revenues from research and development grants and contracts in the second quarter of 2010 were \$4.4 million compared to \$4.0 million in the second quarter of 2009. The increase of \$0.4 million or 11% mainly relates to \$0.96 million of revenue generated from our grant and contract for the development of a broad spectrum antiviral drug, an increase of \$0.55 million in revenue generated from our grants for the development of drug candidates for arenavirus pathogens, and a decrease of \$1.1 million in revenue generated from programs supporting the advanced development of ST-246.

For the six months ended June 30, 2010 and 2009, we recorded revenues of \$9.5 million and \$5.9 million, respectively, an increase of \$3.6 million or 60%. Revenues generated from grants and contracts supporting the development of ST-246 increased \$1.7 million, revenues related to our arenavirus pathogen program increased \$0.52 million, and \$1.3 million of the increase was recognized from our new grant and contract for the development of a broad spectrum antiviral drug.

Research and Development

Research and development expenses in the second quarter in 2010 and 2009 were \$4.9 million and \$4.7 million, respectively. For the six months ended June 30, 2010 and 2009, we incurred \$10.8 million and \$7.4 million, respectively, in research and development expenses, an increase of \$3.4 million or 46%. For the six-month period, expenditures related to the continued development of ST-246 and its alternative formulations, including costs associated with our commercial validation campaign, increased \$1.9 million. Moreover, costs related to the development of our broad spectrum antiviral drug and our arenavirus pathogens programs increased \$0.43 million and \$0.39 million, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were \$2.2 million compared to \$1.8 million in the second quarter of 2009. For the first six months ended June 30, 2010 and 2009, selling, general and administrative expenses were \$4.2 million and \$3.9 million, respectively. Higher selling, general and administrative costs in 2010 mainly relate to increases in insurance premiums, legal costs, and employee-related expenses including stock-based compensation.

Patent Preparation Expenses

Patent expenses were \$0.31 million and \$0.63 million for the three and six months ended June 30, 2010, respectively. The increases of \$0.22 million and \$0.43 million from the comparable periods in 2009 reflect reinforced efforts to protect our lead drug candidates in expanded geographic territories.

Financial Condition and Liquidity

Cash, cash equivalents and short-term investments on June 30, 2010 were \$15.3 million, compared to \$19.5 million on December 31, 2009. Additionally, our accounts receivable balance on June 30, 2010 was \$3.4 million, which is primarily comprised of balances due for expanded research and development activities performed in May and June, 2010.

Financial Statements

SIGA Technologies Inc. Consolidated Balance Sheets (Unaudited)

	June 30, 2010	December 31, 2009
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ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,540,003	\$ 14,496,313
Short term investments	8,749,800	4,999,300
Accounts receivable	3,445,347	2,405,861
Prepaid expenses	605,903	1,585,072
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Total current assets	19,341,053	23,486,546
Property, plant and equipment, net	1,651,810	1,225,656
Goodwill	898,334	898,334
Other assets	268,665	304,751
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Total assets	\$ 22,159,862	\$ 25,915,287
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 4,403,759	\$ 3,458,013
Accrued expenses and other	747,928	740,333
Deferred revenue	600,927	1,570,234
Common stock warrants	4,082,000	3,260,000
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Total current liabilities	9,834,614	9,028,580
Common stock warrants	8,495,057	6,398,216
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Total liabilities	18,329,671	15,426,796
Stockholders' equity		
Common stock (\$.0001 par value, 100,000,000 shares authorized, 43,671,893 and 43,061,635 issued and outstanding at June 30, 2010, and December 31, 2009, respectively)	4,367	4,306
Additional paid-in capital	103,737,034	101,417,677
Accumulated other		

comprehensive income	3,361	--
Accumulated deficit (See Note 2)	(99,914,571)	(90,933,492)
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Total stockholders' equity	3,830,191	10,488,491
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Total liabilities and stockholders' equity	\$ 22,159,862	\$ 25,915,287
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SIGA Technologies Inc.
Consolidated Statements of
Operations (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
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Revenues				
Research and development	\$ 4,446,753	\$ 4,008,959	\$ 9,521,964	\$ 5,934,736
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Operating expenses				
Selling, general and administrative	\$ 2,233,825	1,801,746	4,202,616	3,860,778
Research and development	4,929,961	4,712,863	10,756,984	7,410,245
Patent preparation fees	305,661	84,426	626,000	193,556
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Total operating expenses	7,469,447	6,599,035	15,585,600	11,464,579
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Operating loss	(3,022,694)	(2,590,076)	(6,063,636)	(5,529,843)
Increase in fair value of common stock rights, common stock warrants, and treasury securities	(1,548,927)	(7,763,035)	(2,917,443)	(11,707,770)
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Net loss	\$ (4,571,621)	\$ (10,353,111)	\$ (8,981,079)	\$ (17,237,613)
Unrealized gain (loss) on securities	3,361	--	3,361	--
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Comprehensive loss	\$ (4,568,260)	\$ (10,353,111)	\$ (8,977,718)	\$ (17,237,613)
	=====	=====	=====	=====
Weighted average shares outstanding: basic and diluted	43,620,212	36,747,909	43,408,287	36,293,128
	=====	=====	=====	=====

Net loss per share: basic and
diluted

\$ (0.10)

\$ (0.28)

\$ (0.21)

\$ (0.47)

Quarterly Report on Form 10-Q

SIGA is filing today with the Securities and Exchange Commission ("SEC") its Second Quarter Report on Form 10-Q for the quarter ending June 30, 2010. SIGA Technologies urges its investors to read this quarterly filing as well as its Annual Report on Form 10-K, also filed with the SEC, for further details concerning the Company. The Quarterly Report on Form 10-Q and the Annual Report on Form 10-K 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 efficacy of potential products, the timelines for bringing such products to market 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 volatile and competitive nature of the biotechnology industry may hamper SIGA's efforts, (xi) 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 (xii) 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 Annual Report on Form 10-K 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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