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Pfizer Receives FDA Approval for Exubera, the First Inhaleable Form of Insulin for Controlling Type 1 and Type 2 Diabetes in Adults

SAN CARLOS, Calif., Jan 27, 2006 (BUSINESS WIRE) -- Nektar Therapeutics (Nasdaq:NKTR):

-- Innovative Hand-Held Insulin Inhaler Effectively Controls Diabetes and Provides Reliable and Easy to Use Insulin Dosing

-- Diabetes is the Fifth Leading Cause of Death in the U.S. and Accounts for \$132 Billion in Annual Healthcare Costs

Nektar Therapeutics (Nasdaq:NKTR) today reported that Pfizer Inc said that Exubera(R) (insulin human (rDNA origin)) Inhalation Powder has been approved by the U.S. Food and Drug Administration for the treatment of adults with type 1 and type 2 diabetes. Exubera was found in clinical trials to be as effective as short-acting insulin injections, and to significantly improve blood sugar control when added to diabetes pills. Exubera, which is expected to be available for patients by mid-year, is the first inhaled form of insulin and the first insulin option that does not need to be administered by injection in the United States.

Nektar developed the inhalers and the powdered insulin formulation for Exubera in partnership with Pfizer. Pfizer is responsible for marketing, manufacturing and the clinical development of Exubera. Nektar provides support in the manufacturing process for Exubera insulin, and manufactures the inhalation devices. Under the agreement between Nektar and Pfizer, Nektar will receive royalties on all marketed products as well as revenue for the manufacture of the powders and the inhalation devices.

"Today's FDA approval of Exubera marks the beginning of a new era for diabetes patients in the U.S. who for the first time have an alternative to injectable insulin therapy to control their blood sugars," said Dr. John Patton, co-founder and chief scientific officer at Nektar. "Exubera would not have been possible without Nektar's innovative scientists and engineers and also our partner, Pfizer, who worked with us and remained committed to our original dream of delivering this medical breakthrough to patients."

As quoted in Pfizer's announcement earlier today: "Exubera is a major, first-of-its-kind, medical breakthrough that marks another critical step forward in the treatment of diabetes, a disease that has taken an enormous human and economic toll worldwide," said Hank McKinnell, chairman and chief executive of Pfizer. "The global incidence of diabetes is currently at epidemic levels. Millions of patients are not achieving or maintaining acceptable blood sugar levels, despite the availability of current therapies. Exubera meets a critical medical need by offering a highly effective and needle-free alternative to diabetes pills and insulin injections to manage this complicated, debilitating disease."

Exubera is a rapid-acting, powder human insulin that is inhaled through the mouth into the lungs prior to eating, using the handheld Exubera Inhaler. The Exubera Inhaler weighs four ounces and, when closed, is about the size of an eyeglass case. The unique Exubera Inhaler produces in its chamber a cloud of insulin powder, which is designed to pass rapidly into the bloodstream to regulate the body's blood sugar levels.

Exubera Meets Medical Need

As quoted in Pfizer's announcement earlier today: "Many people who could benefit from insulin are fearful of injections, so they delay treatment five years or ten years, placing them at risk for serious complications. Now, for the first time patients can improve blood sugar control with fewer or no painful injections," said Dr. William Cefalu, Exubera investigator and chief of the division of nutrition and chronic diseases at the Pennington Biomedical Research Center, a campus of the Louisiana State University System, in Baton Rouge.

The efficacy and safety profile of Exubera was studied in more than 2,500 adults with type 1 or type 2 diabetes for an average duration of 20 months. In clinical trials, many patients using Exubera reported greater treatment satisfaction than patients taking insulin by injection. Significantly more patients who had used both Exubera and insulin injections or diabetes pills reported an overall preference for Exubera.

As quoted in Pfizer's announcement earlier today: "With Exubera, I've been able to control my blood sugar levels and not constantly worry about how I manage my diabetes," said Jamie Villastrigo, a type 2 diabetes patient and Exubera clinical trial

participant.

In patients with type 2 diabetes, Exubera can be used alone as an alternative to rapid-acting insulin injections or diabetes pills, or in combination with diabetes pills or longer-acting insulin. In patients with type 1 diabetes, Exubera will be used in combination with longer-acting insulin.

The Burden of Diabetes in the United States

Complications commonly associated with uncontrolled or poorly controlled blood sugar levels include heart disease, amputation, blindness and kidney failure. Diabetes and its complications are estimated to account for \$132 billion in direct and indirect US health care costs annually.

Nearly 21 million Americans have diabetes and approximately 95 percent of these people have type 2 diabetes.

In type 2 diabetes, the body does not make or use insulin well enough to manage blood sugar levels. Type 2 diabetes progresses over time, and eventually most patients will need to administer insulin to achieve blood sugar control. In type 1 diabetes, the body does not make insulin at all. These patients must take insulin to survive.

All people with type 1 diabetes and a large percentage of people with type 2 diabetes need treatment with insulin. While insulin has been proven to be effective to reduce blood sugar levels and the risk of complications, health care providers and patients often have been unwilling to start treatment. Factors include patients' fear of injections and social embarrassment associated with needles.

Exubera is the result of one of the most rigorous and innovative diabetes development programs. Pfizer has invested in two state-of-the-art manufacturing facilities: one of the world's largest insulin plants in Frankfurt, Germany, and a highly automated, high-tech production facility in Terre Haute, Indiana.

Exubera is a product of a collaboration between Pfizer and Nektar Therapeutics. Pfizer recently reached an agreement to acquire the sanofi-aventis worldwide rights to Exubera. The two companies were previously in a worldwide alliance to co-develop, co-promote and co-manufacture Exubera.

Important Safety Information about Exubera

Patients should not take Exubera if they smoke or have stopped smoking less than six months prior to starting Exubera treatment. If a patient starts smoking or resumes smoking, he or she must stop using Exubera and see a health care provider about a different treatment.

Exubera may affect lung function so patients need to have their lungs tested before starting Exubera, and periodically thereafter, as directed by a healthcare provider. The test involves exhaling into a measuring device. Exubera is not recommended for people that have chronic lung disease (such as asthma, chronic obstructive pulmonary disease or emphysema). Also, Exubera should not be used at all by people with unstable or poorly controlled lung disease.

Like all medicines, Exubera can cause side effects. As with all forms of insulin, a possible side effect of Exubera is low blood sugar levels. Some patients have reported a mild cough while taking Exubera, which occurred within seconds to minutes after Exubera inhalation. Coughing occurred less frequently as patients continued to use Exubera.

About Nektar

Nektar Therapeutics enables high-value, differentiated therapeutics with its industry-leading drug delivery technologies, expertise and manufacturing capabilities. The world's top biotechnology and pharmaceutical companies are developing new and better therapeutics using Nektar's advanced technologies and know-how. Nektar also develops its own products by applying its drug delivery technologies and its expertise to existing medicines to enhance performance, such as improving efficacy, safety and compliance.

This release contains forward-looking statements that reflect management's current views as to the impact of the approval of Exubera by the United States Food and Drug Administration. These forward-looking statements involve substantial risks and uncertainties including, among other things, the successful completion of the conditions to closing in the Pfizer and sanofi-aventis agreement and regulatory decisions regarding labeling and other matters that could affect Exubera's commercial potential as well as competitive developments. A further description of other important risks and uncertainties related to these forward-looking statements are detailed in Nektar's reports and other filings with the SEC, including its Annual Report on Form 10-K, as amended, for the year ended December 31, 2004 and its Quarterly Report on 10-Q for the quarter ended September 30, 2005. Actual results could differ materially from these forward-looking statements. Nektar assumes no obligation to update any forward-looking statements contained in this release as the result of new information or future events or developments that

may occur after the date of the release.

Patients and health care providers can call 1-800-EXUBERA and register to receive more information about Exubera when it is available. The hotline can be accessed in English and Spanish.

SOURCE: Nektar Therapeutics

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