

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 22, 2003

NEKTAR THERAPEUTICS

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-23556
(Commission
File Number)

94-3134940
(IRS Employer
Identification No.)

150 Industrial Road
San Carlos, California 94070
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code: (650) 631-3100

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits

Exhibit 99.1: Press Release Dated April 22, 2003

Item 9. Regulation FD Disclosure

This Form 8-K is being furnished to report information pursuant to Item 12
"Results of Operations and Financial Condition." Please see Item 12 below.

Item 12. Results of Operations and Financial Condition

On April 22, 2003, Nektar Therapeutics issued a press release announcing results
for the quarter ended March 31, 2003. A copy of the press release is attached as
Exhibit 99.1 to this Current Report and is incorporated herein by reference.

SIGNATURES

Pursuant to the requirement 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.

By: /s/ AGIT S. GILL

Ajit S. Gill
Chief Executive Officer,
President and Director

Date: April 22, 2003

By: /s/ AJAY BANSAL

Ajay Bansal
Chief Financial Officer, and Vice
President, Finance and
Administration

Date: April 22, 2003

EXHIBIT INDEX

Exhibit No. Description

99.1 Earnings Press Release of Nektar Therapeutics dated April 22,
2003.

Netkar Announces First Quarter 2003 Results

SAN CARLOS, Calif.--(BUSINESS WIRE)--April 22, 2003--Nektar Therapeutics (Nasdaq:NKTR), formerly Inhale Therapeutic Systems, Inc., announced today its financial results (under generally accepted accounting principles) for the first quarter ending March 31, 2003. The Company reported revenue of \$25.5 million for the three months ending March 31, 2003, including \$7.1 million of product revenue and \$18.4 million of contract research revenue compared to \$26.7 in the same period in 2002, including \$5.4 million of product revenue and \$21.3 million of contract research revenue. The decrease in revenue reported during the first three months of 2003 compared to the first three months of 2002 is due primarily to lower clinical drug and device sales for our partnered projects.

The Company reported a net loss of \$19.9 million or \$(0.36) per share for the three months ending March 31, 2003 compared to \$25.1 million or \$(0.45) per share for the same period in 2002.

The Company's cash balance at the end of the quarter was \$251.5 million versus \$294.0 million at the end of 2002. The net cash usage for the three months ending March 31, 2003 was \$42.5 million. The March 31, 2003 cash balance does not reflect a \$12.3 million receipt, which was collected on April 1, 2003. First quarter cash usage did include \$2.6 million of disbursements associated with the Company's reduction-in-force announced in the fourth quarter 2002 and \$1.3 million of disbursements related to the Company's name change.

"During the first quarter, we advanced partner and proprietary product programs, as well as made progress on scale-up and regulatory filing preparation for Exubera(R)," said Ajit S. Gill, president and chief executive officer (CEO). "We continue to target an increase in revenues in 2003 and a decrease in our operating loss compared to 2002."

Summary of First Quarter Activities

Partner Pipeline

"We are pleased with the continued progress in our partnered product pipeline during the quarter. A major highlight for us was gaining regulatory approval of the fifth product in the United States using our technology, Pfizer's (formerly Pharmacia's) SOMAVERT(R)," said Gill. On March 27, 2003, Nektar reported that SOMAVERT, which uses Nektar's PEGylation technology, was approved by the Food and Drug Administration (FDA) for the treatment of certain patients with acromegaly, a debilitating disease caused by a noncancerous tumor on the pituitary gland that produces increased quantities of growth hormone.

An additional product using Nektar technology entered the clinic early in the quarter. InterMune, Inc. on January 23 announced that it initiated a Phase I clinical study to evaluate PEG-Alfacon, the PEGylated version of Infergen(R) (interferon alfacon-1), as a potential new treatment for chronic hepatitis C virus.

Nektar also announced a collaboration with The Straumann Group, a leader in implant dentistry, to license, manufacture and supply Nektar's PEG-based hydrogel technology for dental regeneration products.

Exubera

"Pfizer and Aventis are continuing long-term safety testing for the Exubera inhaled insulin product, and in January Pfizer indicated that it does not expect to file for approval in 2003," continued Gill. "We made additional progress in the quarter on scale-up of manufacturing for the product and are continuing our work to prepare for the regulatory filing of Exubera." Nektar provides advanced drug formulation and inhaler technology and manufacturing to Pfizer to develop Exubera, an inhaled, rapid-acting, powdered insulin for diabetes. Pfizer has entered into an agreement with Aventis to co-develop, co-promote and co-manufacture Exubera.

Proprietary Pipeline

"As part of our continuing effort to become the leading drug delivery company, we plan to transition from being a drug delivery technology provider to a company that also leverages its drug delivery platforms to develop enhanced products through Phase I/II clinical trials before partnering for further development," said Gill. "Charged with fulfilling this mission, the recently-formed Proprietary Products Group made advances on several fronts. Most notably, we started Phase I clinical trials on an inhaled small-molecule, supergeneric drug

product with the first patient dosing in March 2003. We believe that our proprietary products program will become a strong third business base and revenue generation source together with our partnership pipeline and Exubera," continued Gill.

Management Changes to Support Growth Strategy

In February 2003, Nektar announced the creation of a new executive position to drive development and implementation of management and operations processes to achieve Nektar's growth and profitability objectives. Brigid Makes, previously Nektar's chief financial officer (CFO), was named to this new senior management position, vice president of operations management. Ajay Bansal, formerly of Mehta Partners, Novartis, and McKinsey, has joined Nektar as its new CFO.

Nektar Therapeutics, formerly Inhale Therapeutic Systems, Inc., provides industry-leading drug delivery technologies, expertise and manufacturing to enable the development of high-value, differentiated therapeutics. Nektar's advanced drug delivery capabilities are designed to enable Nektar's biotechnology and pharmaceutical partners to solve drug development challenges and realize the full potential of their therapeutics, from developing new molecular entities to managing the lifecycles of established products. For additional information, see <http://www.nektar.com>

This release contains forward-looking statements that reflect the current views of Nektar management as to future operating results, products, product development, and other future events and operations. These forward-looking statements involve uncertainties and other risks that are detailed in the Company's reports and other filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K. These documents identify important factors that could cause the Company's actual performance to differ from current expectations, including, without limitation, the outcome of clinical trials, the status of its relationship with collaborative partners, regulatory review, manufacturing capabilities, marketing effectiveness, and the ability of the Company to manage its cash and other assets in light of its ongoing operating costs and outstanding indebtedness.

Nektar Conference Call

Ajit Gill, Nektar president and CEO, will host a conference call today for analysts and investors beginning at 2:00 p.m. Pacific Time to further discuss the company's financial results.

Investors can access a live audio-only Webcast through a link that will be posted on the Investor Relations page at Nektar's Web site at <http://www.nektar.com>. The Web broadcast of the conference call will be available for replay through May 6, 2003. In the event that any Non-GAAP financial measure is discussed on the conference call that is not described in this release, related complimentary information will be made available on the Investor Relations page at Nektar's Web site at <http://www.nektar.com> as soon as practicable after the conclusion of the conference call.

Analysts and investors can also access the conference call live via telephone by dialing (800) 559-2403 (US); (847) 619-6534 (international). The passcode is Nektar and the leader is Mr. Ajit Gill. An audio replay will be available shortly following the call through May 6, 2003 and can be accessed by dialing (877) 213-9653 with a passcode of 7067425#.

NEKTAR THERAPEUTICS CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands)

	March 31, 2003	December 31, 2002*
ASSETS		
Current assets:		
Cash, cash equivalents and short-term investments	\$251,512	\$293,969
Other current assets	18,925	17,020
	-----	-----
Total current assets	270,437	310,989
Property and equipment, net	142,706	143,452
Goodwill	130,120	130,120
Other intangible assets, net	14,343	15,470
Deposits and other assets	6,338	6,607
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\$563,944 \$606,638
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued liabilities	\$ 31,740	\$ 40,617
Capital lease obligations - current	1,062	1,008
Deferred revenue	8,322	22,040
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Total current liabilities	41,124	63,665
Convertible subordinated notes and debentures	299,149	299,149
Accrued rent	2,052	2,033
Capital lease obligations - noncurrent	31,488	31,862
Other long-term liabilities	2,796	3,159
Stockholders' equity:		
Preferred stock	40,000	40,000
Common stock	715,279	714,686
Deferred compensation	(128)	(239)
Accumulated other comprehensive income	1,478	1,668
Accumulated deficit	(569,294)	(549,345)
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Total stockholders' equity	187,335	206,770
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	\$563,944	\$606,638
	=====	=====

(*) The balance sheet at December 31, 2002 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

NEKTAR THERAPEUTICS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share information)

	Three Months Ended March 31,	
	2003	2002
	(unaudited)	
Revenue:		
Contract research revenue	\$ 18,393	\$ 21,301
Product sales	7,135	5,445
	-----	-----
Total revenue	25,528	26,746
Operating costs and expenses:		
Cost of goods sold	4,622	1,890
Research and development	32,141	41,927
General and administrative	5,178	5,381
Amortization of other intangible assets	1,127	1,127
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Total operating costs and expenses	43,068	50,325
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Loss from operations	(17,540)	(23,579)
Other income/(expense), net	119	(88)
Interest income/(expense), net	(2,528)	(1,389)
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Net loss	\$(19,949)	\$(25,056)
	=====	=====
Basic and diluted net loss per common share	\$ (0.36)	\$ (0.45)
	=====	=====
Shares used in computing basic and diluted net loss per common share	55,601	55,143
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