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Nektar Reports Pfizer Announcement of New Exubera Data; New Data from Two Large Phase III Trials Reinforce Exubera's Long-Term Efficacy and Safety in Adults with Type 1 or Type 2 Diabetes

WASHINGTON, Jun 10, 2006 (BUSINESS WIRE) -- Nektar Therapeutics (Nasdaq:NKTR):

-- Principal Investigator: "Exubera is a valuable new option that could improve earlier acceptance of insulin among people with type 2 diabetes, and potentially reduce the debilitating and costly complications associated with the disease."

-- Exubera, the First Inhaled, Non-Invasive Insulin Treatment, is Available in Germany and Ireland; U.S. Introduction to Begin in Mid-July

-- Nektar: "As the creator of the core technologies for Exubera, we at Nektar appreciate that today's findings help to confirm that we are bringing patients a new way of treating diabetes."

-- Global Epidemic: 150 Million People Worldwide Have Diabetes; Large Majority Not Controlling Blood Sugar Levels Resulting in Devastating and Costly Complications such as Blindness, Heart Disease, Kidney Failure, Amputations and Death

Nektar Therapeutics (Nasdaq:NKTR) today reported results announced by Pfizer Inc from two ongoing studies that showed adults with type 1 or type 2 diabetes treated with Exubera(R) (insulin human (rDNA origin)) Inhalation Powder experienced sustained blood sugar control over a two-year period and gained about half as much weight as those taking injected insulin. These data were presented today at the 66th Annual Scientific Sessions of the American Diabetes Association.

Nektar developed the core technologies used for Exubera, including the formulation and particle engineering for the insulin powder, the filling and packaging techniques for the insulin blister, and the Exubera Inhaler with its components.

"As the creator of the core technologies for Exubera, we at Nektar appreciate that today's findings help to confirm that we are bringing patients a new way of treating diabetes," said John Patton, PhD, co-founder and chief scientific officer, Nektar.

As quoted in Pfizer's announcement earlier today: "These findings are important because they confirm that people who switched from rapid-acting injectable insulin to Exubera experienced no loss of blood sugar control," said Dr. Julio Rosenstock, lead investigator from the Dallas Diabetes and Endocrine Center at Medical City and also a clinical professor of medicine at the University of Texas Southwestern Medical Center, Dallas.

"This long-term study also builds on earlier studies of type 2 patients showing that Exubera can significantly improve blood sugar control when used alone or added to diabetes pills in patients not controlled on two diabetes pills," he said. "Overall, Exubera is a valuable new option that could lead to earlier acceptance of insulin among people with type 2 diabetes, and potentially reduce the debilitating and costly complications associated with the disease."

About the Type 2 Diabetes Study:

-- 635 adults with type 2 diabetes, who had stable injected insulin therapy at baseline, were randomized to receive either Exubera or continued injected insulin therapy.

-- Blood sugar levels (A1c) at base line were 7.7 percent (Exubera) and 7.8 percent (injected insulin). After two years of treatment, patients in both groups had similar improvement or maintained their blood sugar levels (A1C levels of 7.3 percent). Patients with Exubera also achieve slightly better fasting blood sugar levels.

-- Patients with Exubera also achieved slightly better fasting blood sugar levels. Weight gain in patients taking Exubera was 1.7 kg (3.7 pounds) compared to 3 kg (6.6 pounds) in patients taking injected insulin.

-- Exubera was well-tolerated, and this study confirmed that mean decreases in lung function relative to comparator treatments were small, occurred early, did not progress and showed resolution shortly after discontinuation of therapy.

-- Adverse events were similar in both groups with exception of cough, which was more frequent in the Exubera group. The cough was defined as mild, occurring shortly after dosing and rarely resulted in a discontinued treatment.

About the Type 1 Diabetes Study:

-- Same methodology as the previous study with 582 adults with type 1 diabetes.

-- Baseline blood sugar levels (A1c) were 7.4 percent (Exubera) and 7.5 percent (injected insulin). After two years of treatment, patients improved or maintained their blood sugar control.

-- Weight gain in patients taking Exubera was 0.8 kg (1.7 pounds) compared to 2 kg (4.4 pounds) in patients taking injected insulin.

-- Exubera was well-tolerated, with comparable lung function changes, and this study confirmed that mean decreases in lung function relative to comparator treatments were small, occurred early and did not progress.

-- Adverse events were similar in both groups with exception of cough, which was more frequent in the Exubera group. The cough was defined as mild, occurring shortly after dosing and rarely resulted in a discontinued treatment.

"This study further supports previous findings that Exubera is an appropriate treatment for type 1 diabetes patients," said principal investigator, Dr. Lois Jovanovic, clinical professor of medicine, division of endocrinology, at the University of Southern California-Keck School of Medicine, and chief executive officer and chief scientific officer, Sansum Diabetes Research Institute in Santa Barbara, California.

Exubera Meets Medical Needs

Eventually most patients with type 2 diabetes will require insulin to achieve blood sugar control. Of the medications used to treat type 2 diabetes, insulin is the most effective blood sugar-lowering agent available. Yet, despite the availability of insulin and other diabetes treatments, blood sugar levels have failed to improve over the past ten years. Up to two-thirds of people with type 2 diabetes have uncontrolled blood sugar levels, even though many of them are currently taking medication to treat their disease.

Many people with type 2 diabetes are reluctant to start treatment with injected insulin and a review of medical databases within the U.S. and U.K. shows that many delay insulin for at least four years or more. Complications commonly associated with uncontrolled or poorly controlled blood sugar levels include heart disease, amputation, blindness, kidney failure and death. Diabetes and its complications are a leading cause of direct health care costs in the United States, and are estimated to account for as much as $286 billion direct and indirect health care costs worldwide.

About Exubera

Exubera is the first inhaled form of insulin and the first insulin option in the U.S., European Union and Brazil in more than 80 years that does not need to be administered by injection.

It is a rapid-acting insulin that is inhaled through the mouth prior to eating, using the handheld Exubera Inhaler. The unique Exubera Inhaler produces a standing cloud of insulin powder, which is designed to pass rapidly into the bloodstream to regulate the body's blood sugar levels.

In the U.S., Exubera is approved for the treatment of adults with type 1 or type 2 diabetes for the control of high blood sugar levels. In patients with type 2 diabetes, Exubera can be used alone or in combination with diabetes pills or longer-acting insulin. In patients with type 1 diabetes, Exubera should be used in combination with a longer-acting insulin.

In the U.S., the introduction of Exubera will begin in mid-July.

In the European Union, Exubera is approved for the treatment of adult patients with type 2 diabetes who require insulin therapy and are not adequately controlled with diabetes pills. In patients with type 1 diabetes, Exubera should be used in combination with long or intermediate acting insulin.

In the European Union, Exubera is currently available in Germany and Ireland and is expected to be available in the United Kingdom soon.

Exubera is marketed by Pfizer and is a product of a developmental collaboration between Pfizer and Nektar Therapeutics. Pfizer manufactures and markets Exubera. Nektar manufactures the Exubera Inhalers and supports the manufacturing of the

powder processing for the insulin powder. Under the agreement between Nektar and Pfizer, Nektar will receive royalties on all marketed products as well as revenue for the manufacture of the powder and the Exubera Inhalers.

Important Safety Information about Exubera

Patients should not take Exubera if they have poorly controlled or unstable lung disease, or 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.

Before starting treatment with Exubera, a health care provider will carry out a simple test to check lung function. This will help to find out if Exubera is the right treatment for individual patients. Once a patient starts treatment, it is recommended that a health care provider check lung function again at six months and yearly thereafter.

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.

In clinical trials, mean treatment group differences between Exubera and comparator showed that Exubera was associated with small, non-progressive declines in lung function relative to comparator treatments.

About Nektar

Nektar Therapeutics is a biopharmaceutical company that develops and enables differentiated therapeutics with its industry-leading drug delivery technologies, expertise and manufacturing capabilities. Nektar technology and know-how have enabled nine approved products for partners, which include the world's leading pharmaceutical and biotechnology companies. Nektar also develops its own products by applying its drug delivery technologies and expertise to existing medicines to enhance performance, such as improving efficacy, safety and compliance.

This press release contains forward-looking statements regarding Exubera. These forward-looking statements involve uncertainties and other risks, including but not limited to (i) the commercial success of the Exubera product launch, (ii) Nektar's ability to manufacture and supply sufficient quantities of Exubera insulin powder and Exubera Inhalers to meet market demand, and (iii) the discovery of any new or more severe side effects or negative efficacy findings for Exubera or any product liability claims related thereto. Other important risks and uncertainties are detailed in Nektar's reports and other filings with the SEC, including its most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, and Current Reports on Form 8-K. Actual results could differ materially from the forward-looking statements contained in this press release. Nektar undertakes no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise.

For more information about Exubera, please call 1-800-EXUBERA or visit www.Exubera.com.

SOURCE: Nektar Therapeutics

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