

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

OCTOBER 12, 2000

Date of Report (Date of earliest event reported)

INHALE THERAPEUTIC SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware

023556

94-3134940

(State or other jurisdiction of
incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

150 Industrial Road
SAN CARLOS, CA 94070

(Address of principal executive offices)

(650) 631-3100

(Registrant's telephone number, including area code)

(Former name, if changed since last report)

ITEM 5. OTHER EVENTS

On October 12, 2000, Inhale Therapeutic Systems, Inc. announced that it has entered into a purchase agreement providing for the sale to certain initial purchasers of \$200 million aggregate principal amount of convertible subordinated notes (\$250 million if the over-allotment option exercised in full.) A press release relating to the issuance is attached hereto as Exhibit 99.1.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

99.1 Press Release dated October 12, 2000

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INHALE THERAPEUTIC SYSTEMS, INC.

Dated: October 13, 2000

By: /s/ Brigid A. Makes

Brigid A. Makes,
Chief Financial Officer and
Vice President, Finance and Administration

Contact: Joyce Strand (650) 631-3138

INHALE ANNOUNCES OFFERING OF CONVERTIBLE SUBORDINATED NOTES

SAN CARLOS, CALIF., OCTOBER 12, 2000 - Inhale Therapeutic Systems, Inc. (Nasdaq:INHL) today announced that it has entered into a purchase agreement providing for the sale to certain initial purchasers of \$200 million aggregate principal amount of convertible subordinated notes (\$250 million if the over-allotment option is exercised in full). The offering of the notes, which was made to qualified institutional buyers under Rule 144A of the Securities Act of 1933, as amended, is expected to close on October 17, 2000. The notes will be convertible into shares of Inhale's common stock and will have a seven-year term.

Interest on the notes will accrue at a rate of 3.5% per year, subject to adjustment in certain circumstances. The notes will mature in 2007 and will be convertible into shares of Inhale's common stock at a conversion price of \$50.46 per share, subject to adjustment in certain circumstances.

The net proceeds of the offering will be used by Inhale to invest in various product development programs relating to the company's business strategy, to accelerate development of its next-generation technologies, and to provide resources for potential acquisition and development of complementary technologies, as well as for working capital and other general corporate purposes. A portion of the proceeds may also be used to make cash payments to certain holders of the 5% convertible subordinated notes due 2007 issued in February 2000 in exchange for their agreement to convert into common stock. The offering is subject to market conditions and other factors.

The notes offered will not be registered under the Securities Act or applicable state securities laws, and may not be offered or sold in the United States absent registration under the Securities Act and applicable state securities laws or available exemptions from the registration requirements.

This release contains forward-looking statements that reflect management's current views as to Inhale's business strategy, product and technology development plans and funding, collaborative arrangements, clinical trials, and other future events and operations. These forward-looking statements involve uncertainties and other risks that are detailed in Inhale's reports and other filings with the SEC, including its Form 10-Q for the fiscal quarter ended June 30, 2000. Actual results could differ materially from these forward-looking statements.

#