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Nektar Closes Its Bradford UK Site; Company Focusing on Development of Products Using its Drug Delivery Technology

SAN CARLOS, Calif., Jul 26, 2006 (BUSINESS WIRE) -- Nektar Therapeutics (Nasdaq:NKTR) today announced the closing of the Nektar UK site in Bradford, UK as part of its ongoing strategy to realign business operations with a focus on product development using its leading drug delivery technologies. Nektar had announced its intent to dispose of its UK operation and supercritical fluid technology on the company's first quarter financial results conference call on May 10, 2006.

Previously, on February 28, 2006 the company announced that Nektar UK at Bradford was deemed to be significantly impaired, which resulted in a write off, reported as part of the company's 2005 net loss. The next step is today's announcement of the closing of the approximately 35-person UK site on June 30, 2006, with the exception of a small staff who will remain for a short transition period.

"As Nektar transitions from being a technology development company to a commercial entity focused on achieving profitability, it is important that we channel our resources into those businesses that will drive future growth. To this end, disposing of our supercritical fluid processing technology represents a significant first step in aligning our spending with those activities that will drive our revenue in the near-term: (1) developing proprietary products based on our drug delivery technology; (2) Exubera(R) (insulin human (rDNA origin)) Inhalation Powder, the product of a developmental collaboration between Pfizer and Nektar, and diabetes life-cycle management products, and (3) high-value partner programs," said Robert B. Chess, chairman, and acting president and CEO of Nektar.

"We still believe that supercritical fluid processing is a promising technology to manufacture powdered drugs. However, we do not believe this technology would enable products Nektar could develop itself and consequently it is not a fit for our strategy. To lower our cost structure, we have closed down the Bradford operation, but will continue to seek a buyer for the intellectual property and other assets," concluded Chess.

About Nektar Supercritical Fluid Technology

Nektar Supercritical Fluid Technology uses a novel particle engineering process that yields consistent powder particles in terms of size, shape and morphology that can be incorporated into a number of dosage forms including tablets, capsules, and inhalation systems. This technology may serve as a platform technology for a diverse range of applications primarily for small molecules including such uses as taste masking and selection of stable solid state forms that can affect both the rate and extent of absorption of certain drugs.

About Nektar Proprietary Products

Nektar applies its pulmonary and PEGylated technologies to established medicines to create and develop differentiated, proprietary products designed to target serious diseases in novel ways. These products have the potential to raise the standards of current patient care by improving efficacy, safety, and/or ease-of-use. Nektar has four products in its proprietary pipeline, including amphotericin B inhalation powder, in Phase I trials, which has received orphan drug and fast track designation by the Food and Drug Administration (FDA) and has the potential of changing the treatment paradigm by preventing fungal infections in immunocompromised patients. Other products in the proprietary Nektar pipeline include inhaled amikacin for adjunctive treatment of gram negative pneumonia in mechanically ventilated patients; and two PEGylated products not yet disclosed for treating oncology and pain indications.

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 release contains forward-looking statements that reflect management's current views as to Nektar's business plan. These forward-looking statements involve substantial risks and uncertainties. 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 for the year ended December 2005 and its Quarterly Report on 10-Q for the quarter ended March 31, 2006. Actual results could differ materially from these forward-looking statements.

SOURCE: Nektar Therapeutics

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