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Nektar Announces Receipt of $17.6 Million Payment From Affymax, Inc. Under Agreement for Nektar Advanced PEGylation Technology; Cash Payment Resulting From Affymax and Takeda Signing Global Agreement for Hematide(TM) for the Treatment of Anemia

SAN CARLOS, Calif., Jul 24, 2006 (BUSINESS WIRE) -- Nektar Therapeutics (Nasdaq:NKTR) announced today that it has received a $17.6 million payment under a previously undisclosed license agreement with Affymax, Inc. The cash payment under the Nektar-Affymax agreement was triggered by Affymax entering into a global agreement with Takeda, Inc. to develop and commercialize Affymax's lead product candidate, Hematide(TM). Hematide utilizes Nektar Advanced PEGylation Technology and is in Phase IIb clinical trials for the treatment of anemia.

Nektar and Affymax entered into a partnership in 2004 under which Nektar provides Affymax with its Advanced PEGylation Technology to develop Hematide. Under the terms of the agreement, Nektar receives manufacturing revenue, milestone and other payments, as well as royalties on worldwide end product sales. Nektar first announced the agreement in May of 2004 as a collaboration with an undisclosed biotechnology company.

"This payment highlights the value of Nektar PEGylation technology, which is used in eight marketed products and two additional products filed for regulatory approval in the U.S. and Europe," said Rob Chess, Nektar chairman and acting chief executive officer and president. "Our PEGylation technology has proven its ability to create blockbuster drugs for our partners. As part of our focus on expanding our PEGylation business, Nektar is identifying and developing our own proprietary products using PEGylation. This includes two early-stage programs in our pipeline in the disease areas of oncology and pain."

About Nektar Advanced PEGylation Technology

Nektar Advanced PEGylation has the potential to improve the safety and efficacy of therapeutic agents by increasing drug circulation time in the bloodstream, decreasing immunogenicity and dosing frequency, increasing bioavailability and improving drug solubility and stability. It is based on the use of non-toxic polyethylene glycol (PEG) polymers, which can be attached to most major drug classes, including proteins, peptides, antibody fragments, small molecules, and other drugs and is used in eight approved products in the U.S. and/or Europe today. Two other products using Nektar Advanced PEGylation have been filed for approval by Nektar partners in both the U.S. and the European Union, including UCB's Cimzia(TM) for Crohn's Disease.

About Hematide

Hematide, a synthetic, peptide-based erythropoiesis-stimulating agent (ESA), is designed to stimulate the production of red blood cells. The product is in Phase IIb clinical trials for anemia in dialysis, pre-dialysis and cancer chemotherapy patients. ESAs address currently a $12 billion market worldwide and have been used successfully to manage anemia in patients with chronic kidney disease (CKD) and cancer-related anemia. They reduce the need for blood transfusions and the frequency and severity of anemia-associated morbidity, resulting in an improved quality of life for patients.

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.

Hematide is a trademark of Affymax, Inc.

This press release contains forward-looking statements regarding Nektar's PEGylation technology and business prospects. 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 31, 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. 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 this release.

SOURCE: Nektar Therapeutics

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