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Nektar Reports That Pfizer to Introduce Exubera in U.S. With a Comprehensive Education Program

Education and Training Program to Begin in July; Initial Supplies of Exubera to Be Available Across U.S. Beginning in September; Nektar Increases Guidance for Exubera Revenue

SAN CARLOS, Calif., Jul 20, 2006 (BUSINESS WIRE) -- Nektar Therapeutics (Nasdaq:NKTR) today reported that Pfizer Inc (NYSE:PFE) announced that Pfizer will introduce Exubera(R) (insulin human (rDNA origin)) Inhalation Powder in the U.S. by commencing a comprehensive physician and patient education and training program for this landmark innovation in diabetes treatment on July 24, 2006, that will be rolled out in phases. Pfizer also said that initial supplies of Exubera will be available across the U.S. beginning in September. Exubera is marketed by Pfizer and is a product of a developmental collaboration between Pfizer and Nektar.

Karen Katen, vice chairman of Pfizer and president of Pfizer Human Health, said that their education programs and manufacturing preparations are time-consuming, "But we are taking the time necessary to do the job right. We are working to meet not only initial demand for the medicine, but also continued demand from prescription refills." In addition, Katen said that Pfizer held its nationwide Exubera launch meeting with the field force earlier this week.

"As the first non-injectable insulin in the U.S., Exubera is designed to address an important unmet need for diabetes patients," said Robert B. Chess, chairman, and acting president and CEO, Nektar. "We look forward to continuing to deliver commercial quantities of the Exubera Inhaler and powder according to plan, and will work closely with Pfizer to build sufficient supplies to meet patient demand."

Today Nektar is also updating its 2006 revenue guidance provided on May 10, 2006 in the press release announcing its first quarter 2006 results. Nektar is increasing its revenue guidance for Exubera manufacturing and royalty revenue from a range of $60 to $80 million to a range of $70 to $90 million, with most of the revenue being generated by manufacturing sales to Pfizer. Nektar will provide full year revenue and net loss guidance for 2006 in its press release announcing second quarter results.

Exubera, one of the most significant innovations in insulin delivery since the introduction of insulin 85 years ago, represents a profound medical advance that offers patients a novel method of introducing insulin into their systems via the lungs. Long-term efficacy and safety data in both type 1 and type 2 diabetes support Exubera as a valuable new option that, when used as directed, could lead to better blood glucose control and potentially reduce the debilitating and costly complications associated with the disease. Exubera was launched in Germany and Ireland in May 2006.

To further support patients and healthcare professionals in the treatment of diabetes and the appropriate use of Exubera, Pfizer is also providing a 24-hour, 7-day call center staffed by healthcare professionals.

About Exubera

Exubera 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 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.

Pfizer manufactures and markets Exubera. 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. 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 receives royalties on all marketed products as well as revenue for the manufacture of the insulin 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, treatment with 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 that reflect management's current views and expectations as to the Exubera product launch, manufacturing activities, and Exubera revenue projections for the 2006 calendar year. These forward-looking statements involve uncertainties and other risks, including but not limited to: (i) the timing and success of the Exubera product launch; (ii) the company's ability to manufacture and supply sufficient quantities of Exubera powder insulin and inhalation devices 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 the company's reports and other filings with the SEC, including its most recent Annual Report on Form 10-K, Quarter 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. The company 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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