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Nektar Reports Pfizer Announcement That New Studies Show More Than Half of Patients at Risk for or Suffering from Complications of Type 2 Diabetes Delay Insulin Injections -- Some More Than Four Years

WASHINGTON, Jun 12, 2006 (BUSINESS WIRE) -- Nektar Therapeutics (Nasdaq:NKTR):

-- Pfizer Medical Officer: "These data demonstrate that people put their health at risk and suffer devastating complications to avoid injecting insulin, despite common medical knowledge that insulin is the most effective medicine to control blood sugar levels."

-- Nektar: "Nektar's dedication to the development of a new way of taking insulin is based on the premise that diabetes patients will be more likely to use insulin therapy if available in an inhaleable form."

-- Data Support Efforts to Make Exubera(R) (insulin human (rDNA origin)) Inhalation Powder, the First Inhaled Insulin, Available to Patients Through National Health Systems and Medical Plans

-- Effective Management of Diabetes Proven to Prevent Complications such as Kidney Failure, Heart Disease, Blindness, Amputations and Death; Complications Account for the Majority of an Estimated $286 Billion in Health Care Costs Worldwide

Nektar Therapeutics (Nasdaq:NKTR) reported today that Pfizer announced the results from two new studies that show many people with type 2 diabetes who should take insulin injections to improve blood sugar control often choose to avoid injections for at least four years or more, despite insulin's proven effectiveness. These data were presented today at the 66th Annual Scientific Sessions of the American Diabetes Association.

One study reviewed 2,501 anonymous patient records from more than 100 general practices of the United Kingdom's National Health Service database over a 17-year period. The data showed that half of the patients delayed starting insulin for at least four years after their diabetes pills failed to be effective, even if those patients already suffered from complications caused by diabetes.

A similar analysis was conducted in the U.S. using a Kaiser Permanente Northwest database of 4,367 anonymous patient records spanning eight years. Researchers found that only half of the patients taking two diabetes pills (sulfonylurea and metformin) achieved targeted control of blood sugar levels, and half of those patients delayed the start of insulin for four years.

As quoted in Pfizer's announcement: "These studies demonstrate that people put their health at risk and suffer devastating complications to avoid injecting insulin," said Dr. Jack Watters, vice president, Pfizer medical affairs. "We believe that Exubera will improve patients' acceptance of insulin and thereby reduce the risk for serious and costly complications in the future."

"Nektar's dedication to the development of a new way of taking insulin is based on the premise that diabetes patients will be more likely to use insulin therapy if available in an inhaled form," said John Patton, PhD, co-founder and chief scientific officer, Nektar. "For years, researchers failed to formulate drugs that could consistently and reproducibly reach the deep lungs -- where the drug would quickly enter the blood stream -- at sufficient doses. Nektar, in collaboration with Pfizer, is the first to develop the multiple technologies needed to solve the challenges of delivering insulin to and through the deep lungs in a convenient, easy-to-use manner."

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.

Pfizer also said that results of today's studies counter the basis for a preliminary opinion by the United Kingdom's National Institute for Health and Clinical Excellence (NICE) that would limit patient access to Exubera for patients in the country's health care system. The NICE opinion was based in part on a belief that injected insulin was not a concern for the majority of people with diabetes. Earlier this year, Exubera was approved by European regulatory authorities.

"Pfizer shared these data with NICE and continues to advocate on behalf of patients to ensure they are not denied access to Exubera, and the opportunity to start insulin earlier," added Watters.

Previously, surveys have been conducted of patients with type 2 diabetes that reported many had delayed insulin injections.

-- A survey in Canada published in Diabetes Care in 2005, reported that patients were willing to suffer complications from diabetes rather than face daily injections.

-- A recent Pfizer-sponsored survey by Harris International in four European countries, two Latin American countries, the U.S., and United Kingdom (OPTIMIZE) found almost two-thirds of people with type 2 diabetes reported they would avoid or be apprehensive about using injected insulin. Nearly 80 percent of those not yet taking insulin indicated that they would be more willing to accept insulin therapy if it were available in the inhaled form.

As quoted in Pfizer's press release: "I found myself becoming anxious and depressed having to take one, two and finally four injections a day," said Jamie Villastrigo, a patient with type 2 diabetes who participated in the Exubera clinical trial. "With Exubera, I've been able to control my blood sugar levels and focus on my day-to-day activities while not constantly worrying about how I manage my diabetes."

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.

Data presented earlier at the ADA meeting from two large Phase III trials reinforced Exubera's long-term efficacy and safety in patients with type 1 or type 2 diabetes.

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.

Exubera is marketed by Pfizer and is a product of a developmental collaboration between Pfizer and Nektar. Nektar manufactures the Exubera Inhalers and supports the manufacturing of the powder processing for the insulin powder. Pfizer manufactures and markets Exubera. Under the agreement between Nektar and Pfizer, Nektar will receive royalties on all marketed products as well as revenue for the manufacture of the insulin powder and 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 comparators 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 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 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 the company'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.

Abstracts 324-OR, 535-P, 110-OR, 109-OR

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