



November 7, 2007

Nektar Therapeutics Announces Third Quarter 2007 Financial Results

SAN CARLOS, Calif., Nov 07, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Nektar Therapeutics (Nasdaq: NKTR) announced today the company's financial results for the third quarter that ended September 30, 2007.

Revenue totaled \$56.3 million in the third quarter of 2007 compared to \$58.6 million in the third quarter of 2006. For the nine months ended September 30, 2007, Nektar reported total revenue of \$207.3 million compared to \$147.8 million in the same period in 2006.

Cash, cash equivalents, and short-term investments were \$452.6 million at September 30, 2007 compared to \$406.8 million at June 30, 2007.

Nektar reported a net loss of \$18.6 million or \$0.20 per share in the third quarter of 2007 compared to a net loss of \$19.6 million or \$0.22 per share in the same period of 2006.

For the nine months ended September 30, 2007, net loss was \$71.8 million or \$0.78 per share compared to a net loss of \$115.9 million or \$1.29 per share in the same period in 2006.

"We've made great progress reshaping Nektar this year," said Howard W. Robin, president and chief executive officer of Nektar. "We realigned the company's business and research activities around our PEGylation and pulmonary technology platforms, built a strong executive team, signed a new strategic partnership with Bayer, and are moving two proprietary programs into Phase 2 clinical trials. Finally, for the first time in Nektar's history, we expect almost no operating cash burn for the year."

Mr. Robin will host a conference call today for analysts and investors beginning at 2:00 p.m. Pacific time to discuss the company's performance. This conference call will be available via webcast and can be accessed through a link that is posted on the Investor Relations section of the Nektar website, <http://www.nektar.com>. The web broadcast of the conference call will be available for replay through November 14, 2007.

To access the conference call, follow these instructions:

Dial: (800) 299-6183 (U.S.); (617) 801-9713 (international)
Passcode: 21153437 (Howard Robin is the host)

Audio replay dial-in and passcode:

Dial: (888) 286-8010 (U.S.); (617) 801-6888 (international)
Passcode: 86766898

About Nektar

Nektar Therapeutics is a biopharmaceutical company with a mission to develop and enable differentiated therapeutics with its industry-leading pulmonary and PEGylation technology platforms. Nektar pulmonary and PEGylation technology, expertise, manufacturing capabilities and know-how have enabled ten approved products for partners, which include the world's leading pharmaceutical and biotechnology companies. Nektar also develops its own products by applying its pulmonary and PEGylation technology platforms to

existing medicines with the objective to enhance performance, such as improving efficacy, safety and compliance.

This press release contains forward-looking statements that reflect the company's current views as to its financial plan, expectations regarding the progress, potential, and clinical plans for the company's proprietary product candidates in clinical development, the value of the company's technology platforms, business development potential with respect to potential future partnerships and overall prospects for the company's business. These forward-looking statements involve risks and

uncertainties, including but not limited to: (i) the company's proprietary product candidates and those of certain of its partners are in the early phases of clinical development and the risk of failure is high and can occur at any stage prior to regulatory approval, (ii) the timing or success of the commencement or end of clinical trial phases is subject to a number of uncertainties including but not limited to patient enrollment, regulatory requirements and clinical outcomes, the company's or its partner's ability to obtain regulatory approval of its proprietary product candidates, (iii) the company's or its partner's success in obtaining regulatory approvals for product candidates, (iv) the company may not successfully complete new collaborative arrangements with respect to our product candidates, or if any arrangements we do negotiate do not include sufficiently favorable commercial terms, we may not receive an adequate return on these investments and our results of operations and financial condition would suffer (v) the company's patent applications for its proprietary or partner product candidates may not issue, patents that have issued may not be enforceable, or intellectual property licenses from third parties may be required in the future, and (vi) the outcome of any existing or future intellectual property or other litigation related to the company's proprietary product candidates. Other important risks and uncertainties are detailed in the company's reports and other filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. 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.

Tim Warner, 650-283-4915
twarner@nektar.com

Stephan Herrera, 415-488-7699
sherrera@nektar.com

Jennifer Ruddock, 650-631-4954
jruddock@nektar.com

NEKTAR THERAPEUTICS
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (In thousands, except per share information)

	Unaudited		Unaudited	
	Three-Months Ended		Nine-Months Ended	
	September 30,		September 30,	
	2007	2006	2007	2006
Revenue:				
Product sales and royalties	\$37,497	\$43,521	\$159,818	\$103,564
Contract research	18,824	15,111	47,436	44,250
Total revenue	56,321	58,632	207,254	147,814
Operating costs and expenses:				
Cost of goods sold	27,457	31,179	123,469	76,947
Research and development	35,773	36,005	114,265	106,860
General and administrative	12,426	13,422	42,339	60,878
Litigation Settlement	-	-	-	17,710
Impairment of long lived assets	-	-	-	1,156
Amortization of other intangible assets	237	708	710	3,331
Total operating costs and expenses	75,893	81,314	280,783	266,882
Loss from operations	(19,572)	(22,682)	(73,529)	(119,068)
Interest income	5,519	6,060	16,444	17,316
Interest expense	(4,773)	(5,255)	(14,408)	(15,335)
Other Income	206	2,273	189	1,181

Loss before provision for income taxes	(18,620)	(19,604)	(71,304)	(115,906)
Provision for income taxes	-	-	(500)	-
Net loss	\$(18,620)	\$(19,604)	\$(71,804)	\$(115,906)
Basic and diluted net loss per share	\$(0.20)	\$(0.22)	\$(0.78)	\$(1.29)
Shares used in computing basic and diluted net loss per share	92,028	90,017	91,764	89,550

NEKTAR THERAPEUTICS
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	September 30, 2007 (unaudited)	December 31, 2006 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$174,713	\$63,760
Short-term investments	277,931	394,880
Accounts receivable, net of allowance	36,805	47,148
Inventory	17,175	14,656
Other current assets	8,147	14,595
Total current assets	514,771	535,039
Long-term investments	-	8,337
Property and equipment, net	135,317	133,812
Goodwill	78,431	78,431
Other intangible assets, net	2,917	3,626
Other assets	6,849	8,932
Total assets	\$738,285	\$768,177
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$4,421	\$7,205
Accrued compensation	11,796	12,994
Accrued expenses	24,564	17,942
Interest payable	1,130	3,814
Capital lease obligations, current portion	1,134	711
Deferred revenue, current portion	43,636	16,409
Convertible subordinated notes, current portion	66,627	102,653
Other current liabilities	3,371	3,586
Total current liabilities	156,679	165,314
Convertible subordinated notes	315,000	315,000
Capital lease obligations	21,987	19,759
Deferred revenue	58,247	23,697
Other long-term liabilities	15,469	17,347
Total liabilities	567,382	541,117

Commitments and contingencies

Stockholders' equity:

Preferred stock	-	-
Common stock	9	9
Capital in excess of par value	1,299,173	1,283,982
Accumulated other comprehensive income	518	62
Accumulated deficit	(1,128,797)	(1,056,993)
Total stockholders' equity	170,903	227,060
Total liabilities and stockholders' equity	\$738,285	\$768,177

(1) The consolidated balance sheet at December 31, 2006 has been derived from the audited financial statements at that date but does not include all of the information and notes required by generally accepted accounting principles in the United States for complete financial statements. Certain 2006 amounts have been reclassified between line items to conform with the 2007 presentation.

SOURCE Nektar Therapeutics

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