

PROSPECTUS SUPPLEMENT NO. 3 DATED NOVEMBER 29, 2000
TO PROSPECTUS DATED MAY 30, 2000

INHALE THERAPEUTIC SYSTEMS, INC.
\$230,000,000
OF
5% CONVERTIBLE SUBORDINATED NOTES
DUE FEBRUARY 8, 2007
AND
5,996,610 SHARES OF COMMON STOCK
ISSUABLE UPON CONVERSION OF THE NOTES

This prospectus supplement supplements the prospectus dated May 30, 2000 of Inhaled Therapeutic Systems, Inc. relating to the public offering and sale by selling security holders described below. This prospectus supplement contains information on ownership of principal amount of notes beneficially owned and offered and shares of our common stock issuable upon conversion of the notes. This prospectus supplement should be read in conjunction with the prospectus, and this prospectus supplement is qualified by reference to the prospectus, except to the extent that the information provided by this prospectus supplement supersedes the information contained in the prospectus.

RECENT EVENTS

Inhale's Board of Directors declared a two-for-one split of the outstanding shares of our common stock for all holders of record as of the close of business on August 1, 2000 which was effected in the form of a stock dividend resulting in a reduction by one-half of the conversion price per share and an increase in the number of shares of our common stock issuable upon conversion of the notes. As of August 2, 2000 the notes became convertible at a conversion price of \$38.355 per share. All share numbers in this supplement have been adjusted to give effect to the two-for-one stock split.

SELLING SECURITY HOLDERS

The table on pages 41, 42, 43 and 44 of the prospectus setting forth information concerning the selling security holders is amended by the addition of the following information to that table:

SELLING SECURITY HOLDER	PRINCIPAL AMOUNT OF NOTES BENEFICIALLY OWNED AND OFFERED(1)	COMMON STOCK ISSUABLE UPON CONVERSION OF THE NOTES(1)	COMMON STOCK OFFERED(1)	COMMON STOCK OWNED AFTER COMPLETION OF THE OFFERING
Credit Suisse First Boston Corporation.....	\$ 200,000(2)	5,214	5,214	--
Capital Markets Transaction.....	3,500,000	91,252	91,252	--
Chase Manhattan International.....	1,000,000	26,072	26,072	--
GLG Market Neutral Fund.....	\$6,500,000	169,469	169,469	--
Hull Overseas, Ltd.....	\$ 250,000	6,518	6,518	--
J.M. Hull Associates, L.P.....	\$ 250,000	6,518	6,518	--
Minnesota Power Inc.....	\$1,000,000	26,072	26,072	--
Pioneer High Yield Fund.....	\$ 400,000	10,428	10,428	--
Public Employee's Retirement Association of Colorado.....	\$1,000,000	26,072	26,072	--
Van Kampen Harbor Fund.....	\$2,180,000	56,837	56,837	--

(1) Amounts indicated may be in excess of the total amount registered due to sales or transfers exempt from the registration requirements of the Securities Act since the date upon which the selling holders provided to us in the information regarding their notes.

(2) Amounts listed are in addition to the principal amount of notes beneficially owned and offered by the selling holder already included in the prospectus.

Information concerning the selling holders may change from time to time and any changed information will be set forth in supplements to this prospectus if and when necessary. In addition, the conversion rate and therefore, the number of shares of common stock issuable upon conversion of the notes, is subject to adjustment under certain circumstances. Accordingly, the aggregate principal

amount of notes and the number of shares of common stock into which the notes are convertible may increase or decrease.