



July 1, 2013

MannKind Announces \$160 Million Debt Financing

VALENCIA, Calif.--(BUSINESS WIRE)--Jul. 1, 2013-- **MannKind Corporation (Nasdaq:MNKD)** announced today that it has entered into a secured financing with affiliates of Deerfield Management Company L.P. ("Deerfield"), who have committed to purchase up to \$160 million in senior secured notes.

Under the terms of the financing, Deerfield committed to provide up to four tranches of \$40 million each on the following schedule: at closing; following the release of certain results in MannKind's two current Phase 3 clinical studies of Afrezza®; concurrently with repayment of MannKind's 3.75% Senior Convertible Notes due 2013; and following FDA approval of Afrezza. The notes will accrue interest at a rate of 9.75% per annum until maturity in 2019. A portion of the principal amount of the loan facility may be convertible into shares of MannKind's common stock at the Deerfield's option after a specified period following the release of data from the aforementioned clinical trials. The conversion price will be determined by the volume weighted average price of the common stock during the 20 trading days immediately preceding the conversion date. If the conversion price exceeds \$6.67, no more than 6 million shares may be issued upon conversion; if the conversion price is less than \$3.33, no more than 12 million shares may be issued upon conversion; and if the conversion price is between these dollar amounts, no more than \$40 million worth of common stock may be issued upon conversion. As part of the transaction, Deerfield received from MannKind milestone rights that provide for the payment of up to \$90 million upon the occurrence of certain strategic and sales milestones.

"We are encouraged by Deerfield's confidence in the potential of AFREZZA," commented Alfred E. Mann, Chief Executive Officer of MannKind Corporation. "We worked with Deerfield to structure a facility that aligns with our near- and long-term strategy to achieve important development, commercial and strategic milestones while minimizing near term dilution."

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction.

About MannKind

MannKind Corporation (Nasdaq: MNKD) focuses on the discovery, development and commercialization of therapeutic products for patients with diseases such as diabetes. Its lead product candidate, AFREZZA®, is in late stage clinical investigation for the treatment of adults with type 1 or type 2 diabetes for the control of hyperglycemia. MannKind maintains a website at www.mannkindcorp.com to which MannKind regularly posts copies of its press releases as well as additional information about MannKind. Interested persons can subscribe on the MannKind website to e-mail alerts that are sent automatically when MannKind issues press releases, files its reports with the Securities and Exchange Commission or posts certain other information to the website.

About Deerfield

Deerfield is a leading investment management firm, committed to advancing healthcare through investment, information and philanthropy. For more information, please visit www.deerfield.com.

Forward-Looking Statements

This press release contains forward-looking statements, including statements regarding MannKind's expectations with respect to the expected gross proceeds from the financing, that involve risks and uncertainties. Words such as "believes," "anticipates," "plans," "expects," "intends," "will," "goal," "potential" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon MannKind's current expectations. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks associated with market conditions, the progress, timing and results of clinical trials, difficulties or delays in seeking or obtaining regulatory approval, the manufacture of AFREZZA®, competition from other pharmaceutical or biotechnology companies, MannKind's ability to enter into any collaborations or strategic partnerships, intellectual property matters, stock price volatility and other risks detailed in MannKind's filings with the Securities and Exchange Commission, including its quarterly report on Form 10-Q for the quarter ended March 31, 2013. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement, and MannKind undertakes no obligation

to revise or update any forward-looking statements to reflect events or circumstances after the date of this press release.

Source: MannKind Corporation

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