



MannKind Announces Pricing of \$100 Million Senior Convertible Notes

August 19, 2010 4:00 AM EDT

MannKind Announces Pricing of \$100 Million Senior Convertible Notes

VALENCIA, Calif., Aug 19, 2010 (BUSINESS WIRE) --

MannKind Corporation (Nasdaq: MNKD) today announced the pricing of its previously announced offering of \$100 million aggregate principal amount of Senior Convertible Notes due 2015 (the "Notes"). The Notes will be offered and sold to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), by the financial institutions that are the initial purchasers of the notes. MannKind has also granted the initial purchasers of the Notes an option, exercisable up to 13 days after the closing of the offering, to purchase up to an additional \$10 million aggregate principal amount of the Notes solely to cover overallocments, if any. MannKind expects to use the net proceeds of the offering to fund the costs of its clinical trials programs and other research and development activities, to expand its manufacturing operations, both on-going and planned, and for general corporate purposes, including working capital. The closing of the Note offering is expected to take place on August 24, 2010.

The Notes will bear interest at a fixed rate of 5.75% per year, payable on February 15 and August 15 of each year, beginning February 15, 2011. The Notes will mature on August 15, 2015. Each holder of the Notes may require MannKind to repurchase all or a portion of the holder's Notes if MannKind is involved in certain types of corporate transactions or other events constituting a fundamental change. MannKind may choose to redeem the Notes prior to maturity if the closing price of MannKind's stock has equaled or exceeded 150% of the conversion price for at least 20 of the 30 consecutive trading days ending on the trading day before MannKind issues a redemption notice. If MannKind chooses to redeem any of the Notes prior to maturity, MannKind will also be required to pay a make-whole payment equal to the present values of the remaining scheduled payments of interest on the Notes. The Notes will be general unsecured senior obligations of MannKind.

The Notes are convertible, at the option of the holder, at any time on or prior to the close of business on the business day immediately preceding the stated maturity date, into shares of MannKind common stock at a conversion rate of 147.0859 shares per \$1,000 principal amount of Notes, which is equal to an approximate conversion price of \$6.80 per share. The conversion rate is subject to adjustment upon the occurrence of certain events, including a conversion of the Notes in connection with a fundamental change.

The Notes and the shares of MannKind's common stock issuable upon conversion of the Notes have not been, and will not be, registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. This press release shall not constitute an offer to sell or a solicitation of an offer to buy any securities.

Forward-Looking Statements

This press release contains forward-looking statements, including statements related to anticipated sale of the Notes, the anticipated terms of the Notes, the expected use of proceeds from the Note offering and the expected closing of the Note offering, that involve risks and uncertainties. Words such as "anticipates", "intends", "plans", "proposes", "expects", "will", 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 related to whether MannKind will consummate the Note offering on the expected terms, or at all, market and other general economic conditions, whether MannKind will be able to satisfy the conditions required to close any sale of the Notes, the fact that MannKind's management will have broad discretion in the use of the proceeds from any sale of the Notes, 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 and stock price volatility. The foregoing list sets forth some, but not all, of the factors that could affect MannKind's ability to achieve results described in any forward-looking statements. For additional information about risks and uncertainties MannKind faces and a discussion of MannKind's financial statements and footnotes, see documents MannKind files with the Securities and Exchange Commission, including MannKind's most recent annual report on Form 10-K and quarterly report on Form 10-Q and other filings with the Securities and Exchange Commission. 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 and expressly disclaims any duty to revise or update any forward-looking statements to reflect events or circumstances after the date of this press release.

SOURCE: MannKind Corporation

MannKind Corporation

Matthew Pfeffer

Corporate Vice President and Chief Financial Officer

661-775-5300

mpfeffer@mannkindcorp.com