



MannKind Corporation Reports Second Quarter Financial Results

08/11/08

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VALENCIA, Calif., Aug. 11 /PRNewswire-FirstCall/ -- MannKind Corporation (Nasdaq: MNKD) today reported financial results for the second quarter ended June 30, 2008.

For the second quarter of 2008, total operating expenses were \$80.9 million, compared to \$75.4 million for the second quarter of 2007. This increase was primarily attributable to increased research and development (R&D) expenses which totaled \$67.6 million for this quarter compared to \$61.5 million for the same quarter in 2007. The increase in research and development expenses for the three months ended June 30, 2008 as compared to the same period in the prior year was primarily due to increases in manufacturing costs, clinical trial costs, and stock-based compensation expense. General and administrative (G&A) expenses decreased by \$0.6 million to \$13.3 million for the second quarter of 2008 compared to the second quarter of 2007. The decrease in general and administrative expenses for the three months ended June 30, 2008 as compared to the same period in the prior year was primarily due to lower professional service fees, partially offset by increases in stock-based compensation expense and salary related expenses.

For the first six months of 2008, operating expenses totaled \$154.9 million, compared to \$152.7 million in the first half of 2007. R&D expenses for the first six months were \$126.0 million, compared to \$125.3 million in 2007. The increase in R&D expenses for the first six months was primarily due to increases in stock-based compensation expense and manufacturing costs, partially offset by lower clinical trial costs. G&A expenses increased by \$1.5 million to \$28.9 million for the first half of 2008 as compared to the same period in 2007. The increase in G&A expenses for the first six months was primarily due to increases in salary related expenses and stock-based compensation expense, partially offset by lower professional service fees.

We expect G&A expenses to increase during the remainder of 2008 as a result of increased salary and stock-based compensation related expenses and professional service fees.

The net loss for the second quarter of 2008 was \$79.8 million, or \$0.79 per share, based on 101.4 million weighted average shares outstanding. This compares to a net loss of \$72.0 million, or \$0.98 per share, based on 73.4 million weighted average shares outstanding for the second quarter of 2007.

The net loss for the first half of 2008 was \$151.2 million, or \$1.49 per share based on 101.4 million shares outstanding, compared with a net loss of \$145.1 million, or \$1.98 per share based on 73.4 million shares outstanding, for the first half of 2007.

Cash and cash equivalents were \$180.5 million at June 30, 2008, \$269.1 million at March 31, 2008 and \$368.3 million at December 31, 2007.

"This is an exciting time for MannKind Corporation," commented Alfred Mann, Chairman and CEO. "We are only about three weeks from completion of our final two pivotal trials for Technosphere Insulin. Importantly, our team was satisfied with the outcome from our July 14 pre-NDA meeting with the FDA. Our science, preclinical and clinical programs have enabled us to target year-end to complete preparation of the NDA, though that is an aggressive target."

Hakan Edstrom, President and COO, added, "Our new Danbury factory is virtually complete and we are looking forward to the dedication on September 17. This factory is being equipped in modular steps to meet our expected demand for Technosphere Insulin. Our other products are also moving forward, and clinical progress for our GLP-1 formulation and two cancer vaccines continues to be very promising. As Al Mann said, this is an exciting time, full of promise for the future."

Conference Call

MannKind management will host a conference call to discuss these results today at 5:00 p.m. Eastern Time. To participate in the call please dial (888) 677-5721 or (210) 839-8507. To listen to the call via the Internet please visit <http://www.mannkindcorp.com>. The web site replay will be available for fourteen days. A telephone replay will be accessible for approximately 14 days following completion of the call by dialing (800) 219-6350 or (402) 220-3904 and entering conference number 4423748.

Presenting from the Company will be:

- Chairman and Chief Executive Officer Alfred Mann
- President and Chief Operating Officer Hakan Edstrom
- Corporate Vice President and Chief Financial Officer Matthew Pfeffer
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Corporate Vice President and Chief Scientific Officer Peter Richardson

About MannKind Corporation

MannKind Corporation (Nasdaq: MNKD) focuses on the discovery, development and commercialization of therapeutic products for patients with diseases such as diabetes and cancer. Its lead product, the Technosphere Insulin System, is currently in Phase 3 clinical trials in the United States, Europe and Latin America to study its safety and efficacy in the treatment of diabetes. For more information on MannKind Corporation and its technology, visit <http://www.mannkindcorp.com>.

Forward-Looking Statements

This press release contains forward-looking statements, including statements related to MannKind's expected G&A expenses, clinical trials, product candidates, regulatory submissions, manufacturing facility and product demand, that involve risks and uncertainties. Words such as "believes", "anticipates", "plans", "expects", "intend", "will", "goal", "potential" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon the Company'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 the progress, timing and results of clinical trials, difficulties or delays in seeking or obtaining regulatory approval, the manufacture of the Technosphere Insulin System, competition from other pharmaceutical or biotechnology companies, MannKind's ability to enter into any collaborations or strategic partnerships, intellectual property matters and other risks detailed in MannKind's filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the year ended December 31, 2007 and periodic reports on Form 10-Q and Form 8-K. 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.

(Tables to follow)

MannKind Corporation
Consolidated Statements of Operations
(Unaudited) □
(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenue	\$ -	\$ -	\$20	\$10
Operating expenses:				
Research and development	67,574	61,480	126,019	125,268
General and administrative	13,290	13,913	28,930	27,463
Total operating expenses	80,864	75,393	154,949	152,731
Loss from operations	(80,864)	(75,393)	(154,929)	(152,721)
Other income (expense)	(60)	44	-	96
Interest expense on senior convertible notes	(124)	(901)	(461)	(2,046)
Interest income	1,222	4,261	4,143	9,541
Loss before provision for income taxes	(79,826)	(71,989)	(151,427)	(145,130)
Income taxes	-	-	-	-
Net loss	\$ (79,826)	\$ (71,989)	\$ (151,247)	\$ (145,130)
Net loss per share - basic and diluted	\$ (0.79)	\$ (0.98)	\$ (1.49)	\$ (1.98)
Shares used to compute basic and diluted net loss per share	101,427	73,421	101,418	73,405

MannKind Corporation
Condensed Balance Sheet
(Unaudited) □

(in thousands)

Assets	June 30, 2008	December 31, 2007
Current assets:		
Cash and cash equivalents	\$180,454	\$368,285
State research and development tax credit exchange receivable - current	-	831
Prepaid expenses and other current assets	7,253	9,596
Total current assets	187,707	378,712
Property and equipment - net	208,742	162,683
State research and development tax credit exchange receivable - net of current portion	2,250	1,500
Other assets	549	548
Total	\$399,248	\$543,443
Liabilities and Stockholders' Equity		
Current liabilities	\$61,958	\$67,558
Other liabilities	-	24
Senior convertible notes	112,004	111,761
Stockholders' equity	225,286	364,100
Total	\$399,248	\$543,443

SOURCE MannKind Corporation

CONTACT:

Matthew Pfeffer,
Chief Financial Officer
of MannKind Corporation,
+1-661-295-4784,
mpfeffer@mannkindcorp.com

Web site: <http://www.mannkindcorp.com>