



MannKind Corporation Reports 2013 Third Quarter Financial Results

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VALENCIA, Calif.--(BUSINESS WIRE)--Nov. 4, 2013-- **MannKind Corporation (Nasdaq:MNKD)** today reported financial results for the third quarter ended September 30, 2013.

For the third quarter of 2013, total operating expenses were \$44.8 million, compared to \$35.5 million for the third quarter of 2012, an increase of \$9.3 million. Research and development (R&D) expenses were \$27.3 million for the third quarter of 2013 compared to \$25.5 million for the same quarter in 2012, an increase of \$1.8 million, or 7%, primarily due to an increase in non-cash stock compensation expense, partially offset by a decrease in clinical trial related expenses with the completion of studies 171 and 175 last quarter. General and administrative (G&A) expenses increased by \$7.4 million to \$17.5 million for the third quarter of 2013 compared to \$10.1 million in the third quarter of 2012. This 73.3% increase in G&A expense was primarily due to an increase in non-cash stock compensation expense of \$6.7 million in the third quarter of 2013 compared to the same quarter of the prior year.

For the nine months of 2013, operating expenses totaled \$122.8 million, compared to \$113.5 million for the same period in 2012. Total R&D expenses for the nine months ended September 30, 2013 increased \$4.5 million, or 5.9%, compared to the same period in 2012, primarily due to an increase in non-cash stock compensation expense partially offset by a decrease in clinical trial related expense in 2013 with the completion of studies 171 and 175 in the second quarter of 2013. G&A expenses increased by \$4.8 million, or 12.9%, to \$42.1 million for the nine months of 2013 as compared to \$37.3 million in the same period in 2012. The increase was primarily due to increased stock compensation expense and professional fees in 2013 partially offset by the \$7.7 million litigation settlement accrual recorded in 2012.

The net loss applicable to common stockholders for the third quarter of 2013 was \$50.8 million, or \$0.17 per share based on 296.4 million weighted average shares outstanding, compared with a net loss applicable to common stockholders of \$42.8 million, or \$0.22 per share based on 190.5 million weighted average shares outstanding for the third quarter of 2012. The number of common shares outstanding at September 30, 2013 was 309,993,285.

Cash and cash equivalents were \$93.8 million at September 30, 2013 and \$61.8 million at December 31, 2012. Subsequent to September 30, 2013, the Company received \$45.0 million in proceeds from the exercise of warrants issued in MannKind's October 2012 public offering. Additionally, The Mann Group exercised warrants resulting in the issuance of 30,000,000 restricted shares of MannKind's common stock in exchange for the cancellation of \$78.0 million in outstanding principal indebtedness owed by MannKind under the parties' loan arrangement. Concurrently with the cancellation of principal indebtedness, MannKind capitalized into new principal indebtedness approximately \$7.9 million of accrued interest. In addition, in October 2013, the promissory note underlying the loan arrangement with The Mann Group was amended to, among other things, extend the maturity date of the loan until January 5, 2020 and extend the date through which the Company can borrow under the loan arrangement to December 31, 2019.

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 (800) 447-0521 or (847) 413-3238 and use the participant passcode: 34087264. To listen to the call via the Internet please visit <http://www.mannkindcorp.com>. The web site replay will be available for 14 days. A telephone replay will be accessible for approximately 14 days following completion of the call by dialing (888) 843-7419 or (630) 652-3042 and use the participant passcode: 3408 7264#.

About MannKind Corporation

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®, has completed Phase 3 clinical trials.

MannKind maintains a website at <http://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.

Forward-Looking Statements

This press release contains forward-looking statements 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, difficulties or delays in obtaining regulatory feedback or completing and analyzing the results of clinical studies, MannKind's ability to manage its existing cash resources or raise additional cash resources, stock price volatility 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, 2012 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.



Source: MannKind Corporation

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