



MannKind Corporation Reports Third Quarter Financial Results

November 7, 2007 5:00 AM EST

VALENCIA, Calif., Nov. 7 /PRNewswire-FirstCall/ -- MannKind Corporation (Nasdaq: MNKD) today reported financial results for the third quarter ended September 30, 2007.

For the third quarter of 2007, total operating expenses were \$75.6 million, compared to \$61.1 million for the third quarter of 2006. A substantial portion of this increase was attributed to increased research and development (R&D) expenses which totaled \$64.8 million for this quarter compared to \$50.8 million for the same quarter in 2006. These increased R&D costs were associated with the Company's expanded clinical development program and the associated manufacturing costs (including clinical supplies) for Technosphere Insulin. General and administrative (G&A) expenses increased by \$0.4 million to \$10.7 million for the third quarter of 2007 compared to the third quarter of 2006. This increase was due primarily to the increased number of employees.

For the first nine months of 2007, operating expenses totaled \$228.3 million, compared to \$162.0 million in the first nine months of 2006. R&D expenses were \$190 million, up \$58.0 million as compared to the first nine months of 2006, again primarily related to the Company's expanded clinical development program and the associated manufacturing costs (including clinical supplies) for Technosphere Insulin. G&A expenses increased by \$8.3 million to \$38.2 million for the first nine months of 2007 compared to the first nine months of 2006 primarily related to the increased number of employees and increased professional fees.

The net loss for the third quarter of 2007 was \$73.0 million, or \$0.99 per share, based on 73.5 million weighted average shares outstanding. This compares to a net loss of \$61.0 million, or \$1.23 per share, based on 49.7 million weighted average shares outstanding for the third quarter of 2006.

The net loss for the first nine months of 2007 was \$218.2 million, or \$2.97 per share based on 73.4 million weighted average shares outstanding, compared with a net loss of \$159.3 million, or \$3.20 per share based on 49.7 million weighted average shares outstanding, for the first nine months of 2006.

Cash, cash equivalents and marketable securities were \$204.2 million at September 30, 2007, \$284.0 million at June 30, 2007, and \$436.5 million at December 31, 2006. On October 5, 2007 the company received \$250 million in gross proceeds from its self managed registered direct offering of approximately 27 million shares of common stock.

"While Exubera stumbled in the marketplace and then was ultimately withdrawn, our Technosphere Insulin is very different and continues to be well received by patients and physicians in our clinical trials," stated Alfred Mann, Chairman and Chief Executive Officer. "Our Phase 3 program is on track and our readiness for commercial operations is proceeding according to schedule. As data becomes available in 2008, we will be able to share more of this progress with our investors. In the meantime, the recently announced positive Phase 1 data for our Technosphere/GLP-1 product were encouraging. More than ever, there is a need for improved and innovative diabetes therapies. We at MannKind remain committed to bringing such therapies to the enormous number of diabetes patients who suffer from this disease."

Conference Call

MannKind management will host a conference call to discuss these results today at 8:00 a.m. Eastern Time. To participate in the call please dial (888) 566-5775 or (210) 234-0001. 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) 262-4859 or (203) 369-3220.

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 Dick Anderson
- 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 the anticipated availability of clinical trial data in 2008, MannKind's commitment to develop diabetes therapies, the status of MannKind's Phase 3 program, and MannKind's readiness for commercial operations. 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 MannKind's current expectations and involve risks and uncertainties. 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, MannKind's ability to enter into any collaborations or strategic partnerships, MannKind's ability to raise additional financing 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, 2006 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 news release.

(Tables to follow)

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

| | Three Months Ended | | Nine Months Ended | |
|---|--------------------|-------------|-------------------|--------------|
| | Sept. 30, | Sept. 30, | Sept. 30, | Sept. 30, |
| | 2007 | 2006 | 2007 | 2006 |
| Revenue | \$- | \$- | \$10 | \$100 |
| Operating expenses: | | | | |
| Research and development | 64,825 | 50,785 | 190,093 | 132,056 |
| General and administrative | 10,744 | 10,349 | 38,207 | 29,943 |
| Total operating expenses | 75,569 | 61,134 | 228,300 | 161,999 |
| Loss from operations | (75,569) | (61,134) | (228,290) | (161,899) |
| Other income | 62 | 51 | 158 | 160 |
| Interest expense on senior convertible notes | (778) | - | (2,824) | - |
| Interest expense on note payable to principal stockholder | - | (689) | - | (689) |
| Interest income | 3,238 | 802 | 12,779 | 3,153 |
| Loss before provision for income taxes | (73,047) | (60,970) | (218,177) | (159,275) |
| Income taxes | - | - | - | (5) |
| Net loss | \$ (73,047) | \$ (60,970) | \$ (218,177) | \$ (159,280) |
| Net loss - basic and diluted | \$ (0.99) | \$ (1.23) | \$ (2.97) | \$ (3.20) |
| Shares used to compute basic and diluted net loss per share | 73,520 | 49,731 | 73,444 | 49,718 |

MannKind Corporation
Condensed Balance Sheet
(Unaudited) [
(in thousands)

| | September 30, | December 31, |
|--------|---------------|--------------|
| | 2007 | 2006 |
| Assets | | |

| | | |
|---|-----------|-----------|
| Current assets: | | |
| Cash and cash equivalents | \$152,298 | \$319,555 |
| Marketable securities | 51,875 | 116,924 |
| State research and development tax credit exchange receivable - current | 3,171 | 2,418 |
| Prepaid expenses and other current assets | 11,876 | 10,650 |
| Total current assets | 219,220 | 449,547 |
| Property and equipment - net | 143,244 | 88,328 |
| State research and development tax credit exchange receivable - net of current portion | 1,125 | 1,500 |
| Other assets | 547 | 362 |
| Total | \$364,136 | \$539,737 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | \$72,847 | \$44,959 |
| Other liabilities | 24 | 24 |
| Senior convertible notes | 111,641 | 111,267 |
| Stockholders' equity | 179,624 | 383,487 |
| Total | \$364,136 | \$539,737 |

SOURCE MannKind Corporation

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