



## MannKind Corporation Reports Third Quarter Financial Results

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Company to Host Conference Call at 9:00 a.m. ET

VALENCIA, Calif., Nov. 2 /PRNewswire-FirstCall/ -- MannKind Corporation (Nasdaq: MNKD) today reported financial results for the third quarter and nine months ended September 30, 2006.

For the third quarter of 2006, total operating expenses were \$61.1 million, compared with \$32.9 million for the third quarter of 2005. Research and development (R&D) expenses increased by \$26.3 million to \$50.8 million, primarily due to increased costs associated with the Company's expanded clinical trials and related support for its Technosphere<sup>®</sup> Insulin program. General and administrative (G&A) expenses increased by \$2.0 million to \$10.3 million primarily due to an increase in stock compensation expense and increased consulting and various other general and administrative expenses, such as legal and accounting fees.

For the nine months of 2006, operating expenses totaled \$162.0 million, compared with \$83.1 million in the first nine of 2005. R&D expenses were \$132.1 million, up \$65.3 million, again primarily related to the expansion of clinical trials of MannKind's Technosphere<sup>®</sup> Insulin program. G&A expenses increased by \$13.6 million to \$29.9 million for the nine months ended September 30, 2006 primarily related to increased stock compensation expense, compensation and other employee related costs and increased legal, accounting and consulting fees.

The net loss applicable to common stockholders for the third quarter of 2006 was \$61.0 million, or \$1.23 per share based on 49.7 million shares outstanding, compared with a net loss applicable to common stockholders of \$31.7 million, or \$0.73 per share based on 43.5 million shares outstanding, for the third quarter of 2005.

The net loss applicable to common stockholders for the nine months ended September 30, 2006 was \$159.3 million, or \$3.20 per share based on 49.7 million shares outstanding, compared with a net loss applicable to common stockholders of \$81.0 million, or \$2.23 per share based on 36.4 million shares outstanding for nine months ended September 30, 2005.

Cash, cash equivalents and marketable securities were \$50.1 million at September 30, 2006, \$50.9 million at June 30, 2006 and \$145.6 million at December 31, 2005.

"In the past quarter, we achieved several significant milestones," said Alfred Mann, Chairman and Chief Executive Officer of MannKind Corporation. "We announced the results of an important study: Study 014, a six-month Phase 3 trial that demonstrated no adverse effect on pulmonary function. We also announced the completion of enrollment with 2,050 patients in Study 030, our pivotal two-year safety study. We have launched all pivotal efficacy trials and remain on track to complete registration studies by September 2008. We also just last week broke ground in Danbury, Connecticut for the expansion of our commercial manufacturing facility. Finally, we filed a shelf registration statement that is intended to provide us with the flexibility to take advantage of financing opportunities, if and when we deem appropriate."

### Conference Call

Management of the Company will host a conference call to discuss the third quarter financial results, clinical progress and other Company developments at 9:00 a.m. ET on Thursday, November 2, 2006. Presenting from the Company will be its Chairman and Chief Executive Officer, Alfred Mann; President and Chief Operating Officer, Hakan Edstrom; and Corporate Vice President and Chief Financial Officer, Dick Anderson.

To participate in the live call by telephone, please dial (888) 566-5775 or (210) 839-8503. Those interested in listening to the conference call live via the Internet may do so by visiting the Company's website at [www.mannkindcorp.com](http://www.mannkindcorp.com).

A telephone replay of the call will be available for 48 hours by dialing (866) 394-7039 or (203) 369-0463 and entering passcode "MNKD." A replay will be available on MannKind's website for fourteen days.

### About MannKind Corporation

MannKind Corporation (Nasdaq: MNKD) focuses on the discovery, development and commercialization of therapeutic products for diseases such as diabetes and cancer. Its lead product, the Technosphere<sup>®</sup> Insulin System, is currently in phase 3 clinical trials in the U.S., 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 [www.mannkindcorp.com](http://www.mannkindcorp.com).

### Forward-Looking Statements

This press release contains forward-looking statements, including statements related to MannKind's clinical trials and product

candidates 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, the risk that future safety and efficacy studies may not confirm our past clinical results, intellectual property matters, difficulties or delays in seeking or obtaining regulatory approval, manufacturing the Company's lead product candidate, competition from other pharmaceutical or biotechnology companies, the Company's ability to enter into any collaborations or strategic partnerships or obtain additional financing to support the Company's operations, the Company's ability to meet milestones and other risks detailed in MannKind's filings with the SEC, including the Annual Report on Form 10-K for the year ended December 31, 2005 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	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Revenue	\$--	\$--	\$100	\$--
Operating expenses:				
Research and development	50,785	24,466	132,056	66,758
General and administrative	10,349	8,396	29,943	16,318
Total operating expenses	61,134	32,862	161,999	83,076
Loss from operations	(61,134)	(32,862)	(161,899)	(83,076)
Other income (expense)	51	(29)	160	(8)
Interest expense on note payable to principal stockholder	(689)	--	(689)	--
Interest income (expense)	802	1,161	3,153	2,038
Loss before provision for income taxes	(60,970)	(31,730)	(159,275)	(81,046)
Income taxes	--	--	(5)	(1)
Net loss applicable to common stockholders	\$ (60,970)	\$ (31,730)	\$ (159,280)	\$ (81,047)
Net loss per share applicable to common stockholders - basic and diluted	\$ (1.23)	\$ (0.73)	\$ (3.20)	\$ (2.23)
Shares used to compute basic and diluted net loss per share applicable to common stockholders	49,731	43,460	49,718	36,373

MannKind Corporation  
Condensed Balance Sheet  
(Unaudited) ☐

(in thousands)

Assets	September 30, 2006	December 31, 2005
Current assets:		
Cash and cash equivalents	\$43,086	\$56,037
Marketable securities	7,007	89,597
State research and development tax credit exchange receivable - current	918	1,194
Prepaid expenses and other current assets	11,702	3,044
Total current assets	62,713	149,872
Property and equipment - net	84,005	76,183
State research and development tax credit exchange receivable - net of current portion	2,625	2,031
Other assets	359	285
Total	\$149,702	\$228,371
Liabilities and Stockholders' Equity		
Current liabilities	\$87,707	\$21,365
Other liabilities	24	29
Stockholders' equity	61,971	206,977
Total	\$149,702	\$228,371

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CONTACT: Dick Anderson, Chief Financial Officer of MannKind Corporation,  
+1-661-775-5302, [danderson@mannkindcorp.com](mailto:danderson@mannkindcorp.com); or Investors, Julie Huang, or  
Media, Robert Stanislaro, both of Financial Dynamics, +1-212-850-5600,  
[mnkd@fd.com](mailto:mnkd@fd.com), for MannKind Corporation  
Web site: <http://www.mannkindcorp.com>  
(MNKD)