

News Release

NKTR-102 Demonstrates Significant Efficacy as Single-Agent in Second- or Third-Line Treatment in Metastatic Breast Cancer Patients

Phase 2 Data Presented at the 33rd Annual CTRC-AACR San Antonio Breast Cancer Symposium

San Antonio, Texas and San Francisco, Calif, December 12, 2010 – Nektar Therapeutics (Nasdaq: NKTR) today announced positive results from a Phase 2 clinical study evaluating single-agent NKTR-102 in patients with metastatic breast cancer during the 33rd Annual CTRC-AACR San Antonio Breast Cancer Symposium (SABCS). NKTR-102, a novel investigational topoisomerase I inhibitor-polymer conjugate, is Nektar's lead oncology candidate and is being evaluated in multiple cancer indications. The randomized Simon two-stage study presented at SABCS evaluated two 145 mg/m² dose schedules of single-agent NKTR-102, every two weeks (q14d) and every three weeks (q21d), in 70 metastatic breast cancer patients who failed a prior taxane therapy. Eighty-seven percent (61/70) of patients in the study received a prior anthracycline/taxane with or without capecitabine.

More than one million women worldwide are diagnosed with breast cancer every year and anywhere from 30% to 80% develop metastatic disease.¹

A total of 66 of the 70 patients treated in the Phase 2 study were assessable for the primary endpoint of objective tumor response rate (ORR), including confirmed complete and partial responses per RECIST. As of October 26, 2010, confirmed ORR for all evaluable patients was 32% (10/31) for the q14d schedule and 26% (9/35) for the q21d schedule, including two confirmed complete responses (CRs) on the q14d schedule. An additional four patients had near CRs, with 100% disappearance of all target lesions. The combined ORR for all evaluable patients was 29% (19/66). Clinical benefit rate for the 66 evaluable patients was 41% (defined as CR+PR+SD_≥6 mos).

"These are important new results for NKTR-102 in patients with metastatic breast cancer," said Prof. Ahmad Awada, Head of the Medical Oncology Clinic at the Institut Jules Bordet in

Brussels, Belgium. “The high confirmed objective response rate continues to show that NKTR-102 is one of the most active single agents in this disease. This is particularly evident given the number of patients with dramatic reduction in lung and liver metastases.”

The confirmed ORR was maintained in poor prognosis and heavily pre-treated subsets within the study, including patients previously treated with anthracycline/taxane/capecitabine: 33% (5/15); patients with metastatic triple-negative breast cancer: 39% (7/18); and patients with visceral disease: 29% (17/58). As of October 26, 2010, preliminary median progression-free survival (PFS) for all patients was 20 weeks. [Efficacy Tables, Figures A - C]

“We are in critical need of effective new therapeutic options whose mechanism of action is different from those already available for women with metastatic breast cancer,” continued Dr. Awada. “This is especially true for those patients whose disease has progressed despite treatment with anthracyclines and taxanes. NKTR-102 is emerging as an important investigational treatment in metastatic breast cancer and has the potential to be the first topoisomerase 1 inhibitor in this disease. NKTR-102 should enter Phase 3 clinical studies as quickly as possible.”

Patients treated in the single-agent NKTR-102 study had a median of two lines of prior cytotoxic treatments for metastatic disease. Seventy-three percent (51/70) of the patients received neoadjuvant and/or adjuvant therapy and 87% (61/70) had visceral disease.

“NKTR-102 is quickly emerging as a very important potential new drug in the fight against cancer,” said Lorianne Masuoka, M.D., Senior Vice President and Chief Medical Officer. “The drug has consistently high response rates as a single-agent in multiple Phase 1 and 2 clinical studies to-date, including our study in platinum-resistant ovarian cancer and now in metastatic breast cancer. This clinical benefit we’ve observed in tumor settings, where a highly active topoisomerase 1 inhibitor could be extremely useful, makes us very excited about the future of NKTR-102.”

Side effects were generally manageable with dose-limiting toxicity consisting primarily of Grade 3 diarrhea (20-23%) typically occurring after three months of therapy for both schedules. Only one patient of 70 patients treated with NKTR-102 experienced Grade 2 alopecia and no patient experienced grade 3 or 4 neuropathy. Both neuropathy and alopecia are significant adverse

events commonly associated with standard breast cancer therapies [Safety Tables, Figures D and E].

SABCS Presentation

The presentation (P6-11-01) made today at the SABCS 2010 meeting can be found on Nektar's website at http://www.nektar.com/product_pipeline/oncology_nktr-102.html:

- Awada et. al., "*Significant Efficacy in a Phase 2 Study of NKTR-102, a Novel Polymer Conjugate of Irinotecan, in Patients with Pre-Treated Metastatic Breast Cancer (MBC)*"

Nektar to Host Investor and Analyst Call/Webcast During SABCS

The call will include a webcast with slide presentation of the data and a summary review by Howard W. Robin, Nektar President and CEO. The call will be hosted by Nektar management and will feature a review of the data by Dr. Ahmad Awada, Head of the Medical Oncology Clinic at the Institut Jules Bordet in Brussels, Belgium. The webcast can be accessed live from the home page of Nektar's website at www.nektar.com.

Date and Time: Sunday, December 12, 2010, 9:00 a.m. – 10:00 a.m. Central Time

To access the audio conference call, follow these instructions:

Dial: 866-713-8310 (U.S.); (617) 597-5308 (international)

Passcode: 36236932 (Nektar is the host)

To access the live webcast, please log on to the webcast at least fifteen minutes prior to the scheduled start time. A replay of this investor event will be available on the Nektar website approximately three hours after the presentation and will be archived for four weeks.

Figure A: Efficacy Table: Objective Tumor Response Rate by RECIST (Investigator Assessment)

Response by RECIST v 1.0	NKTR-102 145 mg/m ² q14d ITT/Evaluable	NKTR-102 145 mg/m ² q21d ITT/Evaluable	TOTAL ITT/Evaluable
N	35/31*	35	70/66
ORR (confirmed + unconfirmed)	11 (31%)/11 (35%)	11 (31%)	22 (31%)/22 (33%)
ORR (confirmed)	10 (29%)/10 (32%)	9 (26%)	19 (27%)/19 (29%)
CR (confirmed)	2 (6%)/2 (7%)	0	2 (3%)/2 (3%)
PR (confirmed)	8 (23%)/8 (26%)	9 (26%)	17 (24%)/17 (26%)
SD	17 (48%)/13 (42%)	17 (48%)	34 (49%)/30 (45%)
PD	8 (23%)/8 (26%)	9 (26%)	17 (24%)/17 (26%)
Clinical benefit (CR+PR+SD≥6 months)	12 (34%)/12 (39%)	15 (43%)	27 (38%)/27 (41%)

*4 patients in the Q14 day arm with no post-baseline scans, but no evidence of progression were excluded from analysis in the evaluable population.

Figure B: Efficacy Table: Response rate by prior therapy

Prior Therapy Subgroup	Response by RECIST v 1.0 Evaluable Patients		
	NKTR-102 145 mg/m ² q14d N=31	NKTR-102 145 mg/m ² q21d N=35	TOTAL
Prior A/T only ORR (confirmed)	7/22 (32%)	5/21 (24%)	12/43 (28%)
Prior A/T in MBC ORR (confirmed)	2/6 (33%)	2/8 (25%)	4/14 (29%)
Prior A/T/C ORR (confirmed)	2/6 (33%)	3/9 (33%)	5/15 (33%)

Figure C: Efficacy Table: Response rate by tumor characteristics

Disease Subgroup	Response by RECIST v 1.0 Evaluable Patients		
	NKTR-102 145 mg/m ² q14d N=31	NKTR-102 145 mg/m ² q21d N=35	TOTAL
ER+ and/or PR+ ORR (confirmed)	8/21 (38%)	4/21 (19%)	12/42 (29%)
Triple-negative breast cancer ORR (confirmed)	2/8 (25%)	5/10 (50%)	7/18 (39%)
Visceral Disease ORR (confirmed)	8/25 (32%)	9/33 (27%)	17/58 (29%)

Figure D: Safety Table: Safety-Summary of Drug Related AEs

Most Common Drug-related Grade 3 and 4 Adverse Events > 5% or event of interest N (%)	NKTR-102 145 mg/m ² q14d N=35		NKTR-102 145 mg/m ² q21d N=35	
	Grade 3	Grade 4	Grade 3	Grade 4
Diarrhea	6 (17%)	1 (3%)	8 (23%)	0
Neutropenia	2 (6%)	2 (6%)	3 (9%)	1 (3%)
Fatigue	4 (11%)	0	3 (9%)	0
Dehydration	2 (6%)	0	3 (9%)	0
Asthenia	2 (6%)	0	0	0
Lymphopenia	2 (6%)	0	0	0
Vomiting	2 (6%)	0	0	0
Neutropenic sepsis	0	0	1 (3%)	0
Febrile neutropenia	0	0	1 (3%)	0

Note: 2 treatment-related deaths: sepsis (q21d) and acute renal failure following diarrhea (q14d).

Figure E: Safety Table: Other Safety-Neuropathy and Alopecia

No grade 3 or 4 neuropathy was reported.

	NKTR-102 145 mg/m ² q14d N=35		NKTR-102 145 mg/m ² q21d N=35	
	Grade 1	Grade 2	Grade 1	Grade 2
Alopecia	6 (17%)	0	3 (9%)	1 (3%)

About Metastatic Breast Cancer

More than one million women worldwide are diagnosed with breast cancer globally every year¹. The chance of developing invasive breast cancer at some time in a woman's life is a little less than one in eight (12%). Anywhere from 30% to 80% of women with breast cancer develop metastatic disease. Metastatic breast cancer refers to cancer that has spread from the breast to distant sites in the body.

Anthracyclines and taxanes (AT) are the most active and widely used chemotherapeutic agents for breast cancer, but the increased use of these agents at an early stage of disease often renders tumors resistant to these drugs by the time the disease recurs, thereby reducing the number of treatment options for metastatic disease. Drugs used to treat patients who progress following AT treatment can be as high as 20-30%; however, resistance develops rapidly and new agents with different mechanisms of action, such as topoisomerase I inhibitors, are needed to allow novel ways to overcome the problem of drug resistance.² There are currently no FDA-approved topoisomerase I inhibitors to treat breast cancer.

About NKTR-102

Nektar is developing NKTR-102, a topoisomerase I inhibitor-polymer conjugate with reduced peak concentrations and a continuous concentration profile. NKTR-102 was invented by Nektar using its advanced polymer conjugate technology platform, and is the first oncology product candidate to leverage Nektar's releasable polymer technology platform.

In addition to the fully-enrolled Phase 2 studies in platinum-refractory/resistant ovarian cancer and metastatic breast cancer, NKTR-102 is also being tested in a separate Phase 2 clinical trial in patients with second-line colorectal cancer and a Phase 1 clinical trial evaluating NKTR-102 in combination with 5-FU therapy. An expansion arm of the Phase 2 study of single-agent NKTR-102 in platinum-refractory/resistant ovarian cancer in women who failed prior Doxil therapy is also currently enrolling.

About Nektar

Nektar Therapeutics is a biopharmaceutical company developing novel therapeutics based on its PEGylation and advanced polymer conjugation technology platforms. Nektar's technology and drug development expertise have enabled nine approved products in the U.S. or Europe for leading biopharmaceutical company partners, including UCB's Cimzia(R) for Crohn's disease and rheumatoid arthritis, Roche's PEGASYS(R) for hepatitis C and Amgen's Neulasta(R) for neutropenia.

Nektar has created a robust pipeline of potentially high-value therapeutics to address unmet medical needs by leveraging and expanding its technology platforms to improve and enable molecules. In addition to the releasable polymer technology, Nektar is the first company to create a permanent small molecule-polymer conjugate with enhanced oral bioavailability and restricted entry into the CNS. Nektar is currently conducting clinical and preclinical programs in oncology, pain and other therapeutic areas. Nektar recently entered into an exclusive worldwide license agreement with AstraZeneca for its oral NKTR-118 program to treat opioid-induced constipation and its NKTR-119 program for the treatment of pain without constipation side effects. NKTR-102 is being evaluated in Phase 2 clinical studies for the treatment of ovarian, breast and colorectal cancers. NKTR-105 is in a Phase 1 clinical study in cancer patients with refractory solid tumors. Nektar is headquartered in San Francisco, California, with additional R&D operations in Huntsville, Alabama and Hyderabad, India. Further information about the company and its drug development programs and capabilities may be found online at <http://www.nektar.com>.

This press release contains forward-looking statements that reflect Nektar's current views regarding the potential of Nektar's technology platform, the potential of NKTR-102 for breast cancer patients, and preliminary results from the Phase 2 clinical trial of NKTR-102 in metastatic

breast cancer. These forward-looking statements involve substantial risks and uncertainties, including but not limited to one or more of the following: (i) NKTR-102 is in mid-stage clinical development and the risk of failure remains high and failure can unexpectedly occur at any stage for one or more of the cancer indications being studied (i.e. ovarian cancer, breast cancer, and colorectal cancer) due to efficacy, safety or other unpredictable factors even after earlier clinical studies have shown positive results; (ii) the Phase 2 data for NKTR-102 in breast cancer described in this press release remain subject to data audit confirmation procedures, and the final results may change materially and adversely after such review is completed; (iii) additional important data will be reported by Nektar in the future regarding the Phase 2 NKTR-102 clinical study in breast cancer including but not limited to final progression-free survival and overall survival and therefore the complete results for the Phase 2 breast cancer trial may differ materially and adversely from these preliminary results; (iv) the timing or success of the commencement or end of clinical trials and commercial launch of new drugs may be delayed or unsuccessful due to commercial and funding considerations, regulatory delays, clinical trial design, slower than anticipated patient enrollment, drug manufacturing challenges, changing standards of care, clinical outcomes, or delay or failure in obtaining regulatory approval in one or more important markets; (v) this early preliminary data from the NKTR-102 Phase 2 clinical study for breast cancer is not necessarily predictive of success in other cancer indications for which NKTR-102 is being studied (i.e. ovarian and colorectal cancers) or success in Phase 3 clinical development; (vi) the data package required and the timing for regulatory approval of a new drug application is very uncertain and difficult to predict due to broad regulatory discretion, changing standards of care, available approved therapies, the size of the completed clinical trials and the statistical significance of the results, the potential need for comparative clinical studies against approved therapies, and other important variables that are not within the control of Nektar; (vii) Nektar's patent applications for its proprietary or partner product candidates may not issue, patents that have issued may not be enforceable, or additional intellectual property licenses from third parties may be required in the future; (viii) the uncertain outcome of any future intellectual property, commercial or other litigation related to Nektar's proprietary product candidates, including without limitation NKTR-102; and (ix) certain other important risks and uncertainties set forth in Nektar's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, filed on November 4, 2010. Actual results could differ materially from the forward-looking statements contained in this press release. Nektar undertakes no obligation to update forward-looking statements whether as a result of new information, future events or otherwise.

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¹ Parkin D, Bray F, Ferlay J, et al: Global cancer statistics, 2001. CA Cancer J Clin 55:74-108, 2005.

² Alvaro and Perez, Mayo Clin Proc. 2009; 84(6):533-545