

NEKTAR THERAPEUTICS
Form 424B7
February 14, 2006

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File No. 333-130591

PROSPECTUS SUPPLEMENT NO. 3

TO PROSPECTUS DATED DECEMBER 21, 2005 (as supplemented by Prospectus Supplement No. 1 dated January 18, 2006 and Prospectus Supplement No. 2 dated January 19, 2006)

NEKTAR THERAPEUTICS

\$315,000,000 of 3.25% Convertible Subordinated Notes Due 2012 and Shares of Common Stock Issuable Upon Conversion of the Notes

This prospectus supplement supplements the prospectus, dated December 21, 2005, relating to the resale by selling securityholders of our 3.25% convertible subordinated notes due 2012 and shares of our common stock into which the notes are convertible. This prospectus supplement should be read in conjunction with the prospectus, and is qualified by reference to the prospectus, except to the extent that the information presented herein supersedes the information contained in the prospectus. This prospectus supplement is not complete without, and may not be delivered or utilized except in connection with, the prospectus, including any amendments or supplements thereto.

Investing in our notes or our common stock offered by this prospectus involves a high degree of risk. Please carefully consider the Risk Factors beginning on page 5 of the prospectus as well as the section entitled Risk Factors included in our most recent annual report on Form 10-K and in our most recent quarterly report on Form 10-Q, as well as any amendments thereto, as filed with the Securities and Exchange Commission.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS TO WHICH IT RELATES IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The information in the table appearing under the caption Selling Securityholders in the prospectus is amended by adding the information below with respect to persons not previously listed in the prospectus or in any amendments or supplements thereto, and by superseding the information with respect to persons previously listed in the prospectus with the information that is set forth below:

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| Name | Principal Amount of Notes Beneficially Owned and Offered (1) | Common Stock Beneficially Owned (1)(2) | Common Stock Offered (1)(2) | Principal | Common Stock Beneficially Owned After Completion of the Offering (3) | |
|-----------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------|-----------------------------|------------------------------|----------------------------------------------------------------------|----------------------|
| | | | | Amount of Notes Owned | Number of Shares | Percentage Ownership |
| | | | | After Completion of Offering | | |
| Independence Blue Cross | \$ 139,000 | 6,459 | 6,459 | | | * |
| Lehman Brothers Inc. (4) | \$ 25,000,000 | 1,161,817 | 1,161,817 | | | * |
| LLT Limited | \$ 283,000 | 13,151 | 13,151 | | | * |
| Morley Alternative Investment Strategy Fund PCC LTD/FAO Convertible Bond Arbitrage Fund | \$ 2,000,000 | 92,945 | 92,945 | | | * |
| New York Hotel Trades Council & Assoc of NYC Pension Funds | \$ 100,000 | 4,647 | 4,647 | | | * |
| United Mine Workers of America Health and Retirement Funds | \$ 100,000 | 4,647 | 4,647 | | | * |
| Maxim Loomis Sayles Bond Portfolio | \$ 285,000 | 13,244 | 13,244 | | | * |
| No. California UFCW Employers Joint Pension | \$ 160,000 | 7,435 | 7,435 | | | * |
| Firefighters Pension & Relief Fund - City of New Orleans | \$ 5,000 | 232 | 232 | | | * |
| The Charles Stark Draper Laboratory, Inc. - Medium Grade | \$ 60,000 | 2,788 | 2,788 | | | * |

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| Name | Principal Amount of Notes Beneficially Owned and Offered (1) | Common Stock Beneficially Owned (1)(2) | Common Stock Offered (1)(2) | Principal | Common Stock | |
|----------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------|-----------------------------|------------------------------|---------------------------------------------------------|----------------------|
| | | | | Amount of | Beneficially Owned After Completion of the Offering (3) | |
| | | | | Notes Owned | | |
| | | | | After Completion of Offering | Number of Shares | Percentage Ownership |
| CDC AM - L/S High Yield Fund | \$ 155,000 | 7,203 | 7,203 | | | * |
| CDC AM - L/S Bond Fund | \$ 145,000 | 6,738 | 6,738 | | | * |
| Health Services Retirement Plan | \$ 75,000 | 3,485 | 3,485 | | | * |
| United Technologies Corp Master Retirement Trust | \$ 440,000 | 20,447 | 20,447 | | | * |
| Michigan Laborers Pension Fund | \$ 20,000 | 929 | 929 | | | * |
| Ensign Peak Advisors, Inc. | \$ 375,000 | 17,427 | 17,427 | | | * |
| Dallas Police and Fire Pension System | \$ 100,000 | 4,647 | 4,647 | | | * |
| Houston Firefighters Relief & Retirement Fund B | \$ 200,000 | 9,294 | 9,294 | | | * |
| LA Water and Power Employees Retirement Plan | \$ 290,000 | 13,477 | 13,477 | | | * |
| High Yield Verizon Master Trust | \$ 20,000 | 929 | 929 | | | * |
| Health Care Security Trust - High Yield | \$ 50,000 | 2,323 | 2,323 | | | * |
| High Yield PRIT | \$ 2,775,000 | 128,961 | 128,961 | | | * |
| Transamerica Life Insurance and Annuity Co. | \$ 100,000 | 4,647 | 4,647 | | | * |
| Eugene and Agnes E. Meyer Foundation | \$ 10,000 | 464 | 464 | | | * |
| Bakery & Confectioner Union Pension Fund | \$ 295,000 | 13,709 | 13,709 | | | * |
| Stealth Growth Fund - Loomis | \$ 40,000 | 1,858 | 1,858 | | | * |
| New Hampshire Retirement System | \$ 70,000 | 3,253 | 3,253 | | | * |
| North Dakota State Investment Board | \$ 60,000 | 2,788 | 2,788 | | | * |
| Firemen's Annuity & Benefit Fund of Chicago - Opportunistic FI | \$ 50,000 | 2,323 | 2,323 | | | * |
| Centerpoint Energy, Inc. | \$ 155,000 | 7,203 | 7,203 | | | * |
| Desert States UFCW Unions Pension Plan | \$ 45,000 | 2,091 | 2,091 | | | * |
| City of Fresno Employees and Fire and Police Retirement System | \$ 400,000 | 18,589 | 18,589 | | | * |
| The Detroit Medical Center Consolidated Pension Plan | \$ 55,000 | 2,555 | 2,555 | | | * |
| O5 | \$ 25,000 | 1,161 | 1,161 | | | * |
| The Detroit Medical Center Endowment / Funded Dep Fund | \$ 15,000 | 697 | 697 | | | * |
| U.S. Retirement Trust | \$ 45,000 | 2,091 | 2,091 | | | * |
| NSTAR Union Medical VEBA | \$ 110,000 | 5,111 | 5,111 | | | * |
| LS Bond Fund | \$ 4,230,000 | 196,579 | 196,579 | | | * |
| LS Fixed Income Fund | \$ 275,000 | 12,779 | 12,779 | | | * |

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| | | | | | |
|-----------------------------------|----|---------|--------|--------|---|
| LS Institutional High Income Fund | \$ | 350,000 | 16,265 | 16,265 | * |
|-----------------------------------|----|---------|--------|--------|---|

| Name | Principal Amount of Notes Beneficially Owned and Offered (1) | Common Stock Beneficially Owned (1)(2) | Common Stock Offered (1)(2) | Principal | Common Stock | |
|------------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------|-----------------------------|------------------------------|---------------------------------------------------------|----------------------|
| | | | | Amount of | Beneficially Owned After Completion of the Offering (3) | |
| | | | | Notes Owned | | |
| | | | | After Completion of Offering | Number of Shares | Percentage Ownership |
| Halliburton High Yield | \$ 45,000 | 2,091 | 2,091 | | | * |
| Sony Pension Fund | \$ 30,000 | 1,394 | 1,394 | | | * |
| Richmond Retirement System High Yield Fixed Income | \$ 115,000 | 5,344 | 5,344 | | | * |
| Albertsons | \$ 90,000 | 4,182 | 4,182 | | | * |
| Ohio Carpenters Pension Fund | \$ 160,000 | 7,435 | 7,435 | | | * |
| Alameda County Retirement Association Fund B | \$ 495,000 | 23,003 | 23,003 | | | * |
| LS Strategic Income Fund | \$ 2,730,000 | 126,870 | 126,870 | | | * |
| Houston Municipal Employees Pension System | \$ 35,000 | 1,626 | 1,626 | | | * |
| The Boston Foundation Inc. - Fixed Income | \$ 20,000 | 929 | 929 | | | * |
| Orange County Employees Retirement System | \$ 115,000 | 5,344 | 5,344 | | | * |
| Consolidated Edison Retirement Plan | \$ 180,000 | 8,365 | 8,365 | | | * |
| State of Connecticut Fund F | \$ 425,000 | 19,750 | 19,750 | | | * |
| Minnesota Laborers Pension Fund | \$ 30,000 | 1,394 | 1,394 | | | * |
| So. CA UFCW Unions & Food Employers Joint Pension Trust Fund | \$ 95,000 | 4,414 | 4,414 | | | * |
| Topaz Fund (5) | \$ 8,000,000 | 371,781 | 371,781 | | | * |
| Radcliffe SPC, Ltd for and on behalf of the Class A Convertible Crossover Segregated Portfolio | \$ 2,770,000 | 128,729 | 128,729 | | | * |
| UBS O Connor LLC f/b/o O Connor Global Convertible Arbitrage II Master Limited | \$ 191,000 | 8,876 | 8,876 | | | * |
| UBS O Connor LLC f/b/o O Connor Global Convertible Arbitrage Master Limited | \$ 1,009,000 | 46,890 | 46,890 | | | * |

* Less than one percent.

- (1) Amounts indicated may be in excess of the total amount registered due to sales or transfers exempt from the registration requirements of the Securities Act since the date upon which the selling holders provided to us the information regarding their notes and common stock.
- (2) Unless otherwise noted, represents shares of common stock issuable upon conversion of the Notes.
- (3) Percentage is based on 87,684,184 shares of common stock outstanding as of December 13, 2005.
- (4) These selling security holders are also registered broker-dealers and therefore may be underwriters within the meaning of the Securities Act.
- (5) These selling security holders are affiliates of registered broker-dealers and have advised us that they purchased the notes in the ordinary course of business and, at the time of the purchase of the notes, had no agreements or understandings directly or indirectly with any person to distribute the notes or the shares of common stock issuable upon conversion thereof.

The date of this prospectus supplement is February 14, 2006.