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IRONWOOD RAISES $50 MILLION TO ADVANCE LINACLOTIDE THROUGH PHASE 3

CAMBRIDGE, Mass., October 1, 2008—Ironwood Pharmaceuticals, Inc. today announced it has raised $50 million in a private equity financing. This capital will be utilized to support the ongoing Phase 3 development program evaluating linaclotide for the treatment of irritable bowel syndrome with constipation (IBS-C) and chronic constipation (CC), to invest in a growing pipeline of internally discovered drug candidates, and to expand commercial capabilities. The financing was led by Morgan Stanley Investment Management, with participation by numerous investors from previous financing rounds.

"Ironwood's investors are terrific and supportive business partners who share our passion for building a great entrepreneurial pharmaceutical company. We are extremely fortunate to work with such high quality investors—their involvement is a testament to the productivity of our talented team of drug hunters and the strength of our clinical and discovery assets," said Peter Hecht, CEO of Ironwood. "This infusion of equity capital will enable us to execute on our comprehensive development plans for linaclotide, which has the potential to benefit millions of patients; advance our pipeline of therapeutic candidates; and grow our sales and marketing team to commercialize our products."

Ironwood and partner Forest Laboratories, Inc. recently initiated a comprehensive Phase 3 program to evaluate linaclotide's safety and efficacy in patients with either IBS-C or CC. The program will include two pivotal trials in IBS-C patients and two pivotal trials in CC patients, enrolling over 2,500 patients at approximately 250 clinical centers. The companies recently initiated both CC trials and expect to initiate the IBS-C trials by January 2009.

About Linaclotide

Linaclotide is a first-in-class compound currently being evaluated for the treatment of IBS-C, CC, and other gastrointestinal disorders. In a Phase 2b study in 420 patients with IBS-C, linaclotide reduced abdominal pain and relieved constipation—the hallmarks of the condition—throughout the 12-week treatment period. Results from this study will be presented at the American College of Gastroenterology 2008 Annual Scientific Meeting in Orlando, Fla. on

October 7, 2008. Positive results from a linaclotide Phase 2b study in 310 patients with CC were detailed in May 2008 at the Digestive Disease Week conference in San Diego. Linaclotide was well tolerated at all doses in both Phase 2b studies, with the most common adverse event being diarrhea.

Linaclotide was designed to exert its effect on the intestine with minimal systemic exposure. Linaclotide is an agonist of guanylate cyclase type-C, a receptor found on the lining of the intestine. In preclinical testing, linaclotide was shown to decrease visceral pain, increase fluid secretion into the intestine, and accelerate intestinal transit. A United States patent covering linaclotide composition of matter expires in 2025. In September 2007, Ironwood and Forest Laboratories entered into a 50/50 collaboration to co-develop and co-promote linaclotide in the United States. Ironwood retains exclusive rights to linaclotide outside of North America.

About Irritable Bowel Syndrome (IBS)

One out of six adults in developed countries suffers from IBS, a chronic condition marked by abdominal pain and disturbed bowel function. IBS accounts for 12% of adult visits to primary care physicians and is the most common disorder diagnosed by gastroenterologists. Healthcare costs associated with IBS exceed $25 billion annually. IBS patients fall largely into three subgroups—constipation-predominant (IBS-C), diarrhea-predominant (IBS-D), and mixed IBS(IBS-M)—and 30% to 40% of these patients suffer from IBS-C. There are currently few available therapies to treat the nine million U.S. patients diagnosed with IBS-C.

About Chronic Constipation (CC)

As many as 26 million Americans suffer from CC. Patients with CC often experience hard and lumpy stools, straining during defecation, a sensation of incomplete evacuation, and fewer than three bowel movements per week. The discomfort of CC significantly affects patients' quality of life by impairing their ability to work and participate in typical daily activities.

About Ironwood Pharmaceuticals

Ironwood Pharmaceuticals (formerly Microbia) (*www.ironwoodpharma.com*) is an entrepreneurial pharmaceutical company dedicated to the science and art of great drugmaking. The Company is advancing several clinical candidates—linaclotide for the treatment of irritable bowel syndrome with constipation, chronic constipation, and other functional gastrointestinal disorders; and novel, next-generation cholesterol absorption inhibitors for the treatment of hypercholesterolemia. Ironwood also has a growing pipeline of additional drug candidates in earlier stages of development. Microbia Precision Engineering, Inc., a majority-owned subsidiary of Ironwood, is an industrial biotechnology company developing and commercializing novel bioprocesses for the production of specialty chemicals. Ironwood has raised $281 million in private equity financing and is located in Cambridge, Massachusetts.