



Underwriters Exercise Over-Allotment Option for Ironwood Pharmaceuticals' Initial Public Offering

CAMBRIDGE, Mass., Feb 16, 2010 (BUSINESS WIRE) -- [Ironwood Pharmaceuticals, Inc.](#) (NASDAQ: IRWD) today announced that the underwriters of its February 2, 2010 initial public offering (IPO) have exercised their over-allotment option in full on an additional 2.5 million shares of Ironwood's Class A common stock. With the completion of the IPO and the exercise of the over-allotment option, Ironwood has approximately 97.4 million shares of common stock outstanding (approximately 19.2 million shares of Class A common stock and 78.2 million shares of Class B common stock). On a fully diluted basis, Ironwood has approximately 119.8 million shares of common stock outstanding, including 22.4 million shares available for issuance under outstanding options or for future grants under Ironwood's existing equity plans.

Including proceeds from the exercise of the over-allotment option, net proceeds to Ironwood from the initial public offering are \$203 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by Ironwood. Following the initial public offering, Ironwood has \$320 million cash on hand. Ironwood intends to utilize these cash resources to develop and commercialize linaclotide in the U.S. with its partner Forest Laboratories, to invest in additional research and development efforts, and for general corporate purposes.

The joint book-running managers of the initial public offering were J.P. Morgan Securities Inc., Morgan Stanley & Co. Incorporated, and Credit Suisse Securities (USA) LLC. The co-managers were BofA Merrill Lynch and Wedbush PacGrow Life Sciences.

A registration statement relating to Ironwood's Class A common stock was declared effective by the Securities and Exchange Commission (SEC) on February 2, 2010. This press release shall not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any such offer or solicitation or any sale of securities in any jurisdiction in which such an offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Copies of the final prospectus for the offering may be obtained from J.P. Morgan Securities Inc., Attention: Broadridge Financial Solutions at 1155 Long Island Avenue, Edgewood, NY 11717, or by telephone at (866) 803-9204; from Morgan Stanley & Co. Incorporated at 180 Varick Street, New York, NY 10014, Attention: Prospectus Department, by calling (866) 718-1649, or by emailing prospectus@morganstanley.com; or from Credit Suisse Securities (USA) LLC, Prospectus Department, One Madison Avenue, New York, NY 10010, by calling (800) 221-1037.

About Ironwood Pharmaceuticals

Ironwood Pharmaceuticals (NASDAQ: IRWD) is an entrepreneurial pharmaceutical company dedicated to the art and science of great drugmaking. Linaclotide, Ironwood's first in class compound, is being evaluated in a confirmatory Phase 3 program for the treatment of irritable bowel syndrome with constipation (IBS-C) and chronic constipation. Ironwood also has a growing pipeline of additional drug candidates in earlier stages of development. Ironwood is located in Cambridge, Mass.

This press release includes forward-looking statements. These forward looking statements address various matters, including Ironwood's anticipated use of the proceeds from its initial public offering. Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statement. Applicable risks and uncertainties include, among others, that a reallocation of funds may be necessary based on (i) the progress and results of clinical studies and other development activities, (ii) the continuation of existing collaborations and the establishment of new arrangements, (iii) manufacturing requirements, and (iv) regulatory or competitive developments, in addition to the risks identified under the heading "Risk Factors" in Ironwood's final prospectus dated February 2, 2010 and filed with the SEC on February 4, 2010. For further discussion of risks and uncertainties, individuals should refer to Ironwood's SEC filings. Ironwood undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release. 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.

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