



NEW MOUNTAIN CAPITAL LLC

NEWS RELEASE
For Immediate Release

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**IKARIA SHAREHOLDERS LED BY NEW MOUNTAIN CAPITAL REACH AGREEMENT TO
SPLIT IKARIA INTO TWO COMPANIES**

Ikaria's Commercial Business, The Exclusive Provider Of INOMAX®, Sold To Madison Dearborn
Partners In Transaction Valued At \$1.6 Billion; Sellers Receive Cash And 45% Stake In New
Parent Company

Ikaria's Research Business, With Three High Potential Programs, Will Be Spun Out To Existing
Shareholders And Pre-Funded With ~\$80 Million In Cash

New York, N.Y. and Hampton, N.J., December 24, 2013 – Ikaria, Inc., a critical care company focused on developing and commercializing innovative therapies designed to address the significant needs of critically ill patients, announced today that its investor group and employee shareholders have reached a definitive agreement to sell the Commercial Business to Madison Dearborn Partners in a transaction valued at approximately \$1.6 billion.

Ikaria's selling investor group comprises New Mountain Capital, Arch Venture Partners, Venrock, and 5AM Ventures, who created the company in 2007 in an approximately \$670 million cash and stock merger of INO Therapeutics, a leader in gaseous drugs, and Ikaria, Inc., a biotechnology company. New Mountain Capital was the lead investor, investing \$220 million for a convertible preferred security with majority control. The seller of INO Therapeutics, The Linde Group (Deutsche Börse: LIN), retained a 17% equity position in the combined entity and is an additional member of the existing shareholder group. Since the original combination, Ikaria has experienced significant growth and corporate development. Over this period, the Company has substantially improved its service offering to hospitals through device development,

emergency support services, and ongoing training as well as recruited a world-class management team and expanded the business internationally.

Ikaria's lead product is INOMAX® (nitric oxide) for inhalation, the only FDA approved drug for the treatment of hypoxic respiratory failure associated with pulmonary hypertension in term and near-term infants. The discovery of nitric oxide properties led to a 1998 Nobel Prize in Medicine and is the basis of INO Therapeutics' original work on inhaled nitric oxide with Dr. Warren Zapol at the Massachusetts General Hospital.

"We would like to greatly thank the management team and the investor group for their hard work and dedication in building Ikaria into a leading provider of critical therapies to hospitals around the world. We look forward to working with Madison Dearborn in the years ahead," said Steve Klinsky, founder and CEO of New Mountain Capital. "We are extremely proud of the value-added approach of the investor group in developing Ikaria as a standalone company, recruiting a talented management team and supporting multiple business building initiatives," said Matt Holt, managing director of New Mountain Capital and Ikaria Board Member. "Together we have built a Company that has exceeded our expectations and provided a critical service to its customers."

The Ikaria shareholders will reinvest a portion of their proceeds into a 45% interest in the new parent Company. In addition, existing shareholders will own an independent research stage company that will be spun out of Ikaria. The research company has three high potential programs in clinical development and approximately \$80 million in cash to fund the programs to their human proof of concept milestones. These programs consist of products at the intersection of drugs and devices to address significant unmet needs in cardio-pulmonary medicine, including:

- inhaled nitric oxide via pulsed delivery for pulmonary arterial hypertension (PAH)
- inhaled nitric oxide via pulsed delivery in pulmonary hypertension secondary to chronic obstructive pulmonary disease (COPD)
- bioabsorbable cardiac matrix (BCM) to prevent left ventricular remodeling and congestive heart failure after acute myocardial infarction

“We have been very pleased with the support and assistance of New Mountain and the investor group, who have added meaningful value to the growth of the Company,” said Daniel Tassé, Chairman and CEO of Ikaria. “We are looking forward to working with Madison Dearborn as we embark on the next stage of Ikaria’s development. I am also confident that the existing Ikaria investors will provide strong support to the newly independent research company in its clinical trials for three groundbreaking research programs.”

“We are very excited to capitalize on Ikaria’s core expertise at the intersection of drugs and devices to enable new therapies for large unmet needs”, said Bryan Roberts of Venrock. “We believe all three of these compelling programs may reach significant value creating milestones over the next 12 to 18 months”

Subject to customary regulatory approvals and closing conditions, the transaction is expected to close in the first quarter of 2014. Credit Suisse acted as lead financial advisor and Morgan Stanley also acted as a financial advisor to Ikaria. Fried, Frank, Harris, Shriver & Jacobson LLP and Wilmer Cutler Pickering Hale and Dorr LLP served as legal advisor to Ikaria.

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About Ikaria

Ikaria, Inc. is a critical care company focused on developing and commercializing innovative therapies designed to address the significant needs of critically ill patients (in the hospital and ICU settings). The company’s lead product is INOMAX® (nitric oxide) for inhalation, the only FDA approved drug for the treatment of hypoxic respiratory failure associated with pulmonary hypertension in term and near-term infants. It is offered through the INOMAX therapy package, an all-inclusive offering of drug product, drug-delivery system, on-site training and 24/7/365 technical assistance and support. The INOMAX therapy package also is marketed in Puerto Rico, Canada, Australia, Mexico and Japan. The company is also investigating additional indications for INOMAX in bronchopulmonary dysplasia. Ikaria is headquartered in Hampton, NJ, with a research facility in Madison, WI, and manufacturing facilities in Port Allen, LA and Madison, WI. Please visit www.ikaria.com.

About New Mountain Capital

New Mountain Capital is a New York based private equity firm that emphasizes business building and growth, rather than debt, as it pursues long-term capital appreciation. The firm currently manages private and public equity funds with over \$10 billion in aggregate capital commitments. New Mountain seeks out what it believes to be the highest quality growth leaders in carefully selected industry sectors and then works intensively with management to build the value of these companies. For more information on New Mountain Capital, please visit www.newmountaincapital.com.

About ARCH Venture Partners

ARCH Venture Partners is a premier provider of seed and early-stage venture capital for technology firms. Over the last 20 years, ARCH has co-founded or led the seed round for more than 115 new ventures. ARCH enjoys special recognition as a leader in the successful commercialization of technologies developed at academic research institutions and national laboratories. ARCH's "concept to commerce" approach gives the firm special expertise in co-founding and building technology firms—from startup through financial liquidity. For more information on ARCH Venture Partners, please visit www.archventure.com.

About Venrock Associates

Venrock Associates is a premier venture capital firm with offices in Menlo Park, Calif.; New York; Cambridge, Mass.; and Israel. Originally established as the venture capital arm of the Rockefeller family, Venrock continues a seven-decade tradition of funding entrepreneurs and establishing successful, enduring companies. Having invested \$1.8 billion in 400 companies resulting in over 120 IPOs over the past 38 years, Venrock's investment returns place it among the top tier venture capital firms that have achieved consistently superior performance. With a primary focus on information technology, healthcare, and energy, portfolio companies have included Intel, Apple Computer, StrataCom, Check Point Software, and DoubleClick; Sirna Therapeutics, IDEXX Laboratories, Centocor, Idec Pharmaceuticals, Sugen, Millennium Pharmaceuticals and Illumina. For more information on Venrock Associates, please visit www.venrock.com.

About 5AM Ventures

Founded in 2002, 5AM Ventures makes seed and early-stage investments in next-generation life science companies. As successful former company leaders and established venture capitalists, the 5AM Team takes a hands-on approach to company building. The 5AM portfolio, built on advanced life science technologies, is diversified among innovative platforms, spinouts from established biotechnology and pharmaceutical companies, and companies developing near-term products. For more information on 5AM Ventures, please visit www.5amventures.com.

About The Linde Group

The Linde Group is a world leading gases and engineering company with around 63,000 employees in more than 100 countries worldwide. In the 2012 financial year, Linde generated revenue of EUR 15.280 bn. The strategy of the Group is geared towards long-term profitable growth and focuses on the expansion of its international business with forward-looking products and services. Linde acts responsibly towards its shareholders, business partners, employees, society and the environment – in every one of its business areas, regions and locations across the globe. Linde is committed to technologies and products that unite the goals of customer value and sustainable development. For more information, see The Linde Group online at <http://www.linde.com/>