



**NEWS RELEASE**  
**For Immediate Release**

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**IKARIA AND INVESTOR GROUP TO ACQUIRE INO THERAPEUTICS IN \$670 MILLION  
CASH AND STOCK MERGER, CREATING A WORLD LEADER IN CRITICAL CARE THERAPEUTICS**

Combined Company Will Have More Than \$160 Million in Revenue, Significant Earnings and a  
High-Potential Product Pipeline Based On Breakthrough Research in Hydrogen Sulfide, Nitric Oxide, Carbon  
Monoxide and Other Novel Drug Candidates

Innovative Transaction is Led by New Mountain Capital, ARCH Venture Partners, Venrock Associates,  
5AM Ventures and Black Point Group

Seattle and Clinton, N.J., February 22, 2007 – Ikaria Holdings, a newly formed investment company, announced today the signing of a definitive agreement to combine Ikaria Inc., a biotechnology company, and INO Therapeutics, the world leader in gaseous drugs including inhaled nitric oxide for treatment of hypoxic respiratory failure in newborns. The transaction, valued at approximately \$670 million, is being financed by a group of private equity and venture capital investors led by New Mountain Capital, ARCH Venture Partners and Venrock Associates. INO Therapeutics is being acquired from The Linde Group (Deutsche Börse: LIN), which will retain an equity position in the new entity. The combined company, which will be called Ikaria Holdings, will have a leadership position in therapeutic gases and critical care medicine, a high-growth, multi-billion-dollar market. Its corporate headquarters will be in Clinton, N.J., with operations in several other locations including a research and development facility in Seattle.

“The merger of Ikaria and INO Therapeutics creates a fully integrated critical care therapeutics company with more than 300 employees, exceptional growth opportunities and the capability to significantly improve critical care for newborns and other patients in thousands of hospitals around the world,” said David Shaw, chairman and chief executive officer-designate of the combined Ikaria entity. “From the outset, we will have a great team, substantial revenues and profitability, a well-established market position, outstanding products and technology, a deep R&D

pipeline, an extensive commercialization infrastructure and strong financial resources. Each party brings important and complementary strengths in critical care medicine to the transaction, benefiting our customers and their patients, our investors and employees." Shaw is the founder of IDEXX Laboratories, a director of Ikaria, a senior advisor to New Mountain Capital and Venrock Associates and general partner of Black Point Group.

"The technology portfolio of this combined company is remarkable," said Robert Nelsen, co-founder and director of Ikaria and co-founder and managing director of ARCH Venture Partners. "Ikaria brings groundbreaking technology and a therapeutic portfolio based on research on hibernation and metabolic control via hydrogen sulfide from the laboratory of Dr. Mark Roth at the Fred Hutchinson Cancer Research Center. INO Therapeutics, among other things, has a strong patent and product position in nitric oxide, a signaling molecule with far-reaching medical applications ranging from regulation of blood pressure to fighting infection. 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 believe that the combination of Ikaria and INO Therapeutics provides a novel and exciting alternative to the traditional biotech model of financing development via sequential private and public fundraisings. Additionally, we see a wide range of attractive opportunities for synergies and collaboration on both sides and look forward to building even greater critical care capabilities, both organically and via acquisitions," said Bryan Roberts, an Ikaria director and managing general partner of Venrock Associates.

Ikaria and INO Therapeutics will continue their broad range of research and development programs in critical care drugs and drug delivery devices, including:

- Phase III studies of treatments for chronic lung disease in premature newborns and cardiac surgery in adults.
- Phase I and II studies of myocardial infarction, organ transplantation, ischemic stroke and other disease indications.
- Preclinical studies of treatment of ischemia/reperfusion injury, vascular disease, acute respiratory distress syndrome, circulatory shock, hepatic injury, acute lung injury and autoimmune diseases.

Certain research programs at Ikaria and the Roth laboratory are supported by the Defense Advanced Research Projects Agency of the U.S. Department of Defense (DARPA). Beyond its internal R&D programs, Ikaria has an active business development program to acquire pharmaceutical products and medical devices useful in critical care applications.

"This unique, highly customized transaction results in the formation of a new company that combines high free cash flows, a strong capital base and a great pipeline of synergistic and important new products," said Alok Singh, managing director of New Mountain Capital. "We look forward to working with management, our venture partners and with Linde to fully realize the exciting prospects that lie ahead." Singh will join the Ikaria board with two other New Mountain directors including Steve Klinsky, founder and CEO of New Mountain Capital. Other directors will include David Shaw, Robert Nelsen, Bryan Roberts and a representative of Linde.

Dennis Smith, president and chief executive officer of INO Therapeutics, said, "On behalf of the INO Therapeutics team, we are delighted to join with Ikaria to create this category-leading critical care company. The combination will extend our current capabilities into new therapeutic technologies and applications. We will continue to build on our groundbreaking treatment for persistent pulmonary hypertension (PPHN) and hypoxic respiratory failure in newborns, which impacts the lives of thousands of patients every year. We are also pursuing additional indications as well as new drugs and drug delivery devices for a range of medical conditions. Finally, we are pleased that our long relationship with Linde will continue, as both a shareholder and an international distribution partner for our products."

Existing Ikaria investors will continue to be investors in the combined Company and approximately \$300 million of new equity capital will be contributed by the investor group, including over \$200 million from New Mountain Capital. In addition to the other named investors, the investor group will also include Altitude Life Science Ventures, Washington Research Foundation and Alexandria Equities. Debt financing for the transaction will be provided by Credit Suisse acting as lead arranger. Goldman Sachs served as the financial advisor to Ikaria. Heller Ehrman LLP served as legal advisor to Ikaria; Fried, Frank, Harris, Shriver & Jacobson LLP served as legal advisor to New Mountain Capital; and O'Melveny & Myers LLP served as legal advisor to the other venture capital investors. Linde was advised by Morgan Stanley, and Freshfields Bruckhaus Deringer provided legal counsel. The transaction, which is subject to Hart-Scott-Rodino approval, is expected to close by April 2007.

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#### **About Ikaria**

Ikaria is a Seattle-based biotechnology company focused on developing breakthrough products for critical care. At the forefront of a new research domain in metabolic depression, the company is rapidly pursuing the development of products that would change critical care medicine. The company's technology is based on early research focused on metabolic control performed by Mark Roth, PhD, investigator at the Fred Hutchinson Cancer Research Center. For more information on Ikaria, please visit [www.ikaria.com](http://www.ikaria.com).

#### **About INO Therapeutics**

INO Therapeutics is a specialty pharmaceutical company with strengths in the development, marketing and sales of critical care drugs and drug/device combinations that improve the lives of patients and fulfill unmet medical needs. The company's core product is INOmax<sup>®</sup> (nitric oxide) for inhalation. INOmax<sup>®</sup> is approved in the United States, Europe, Canada and parts of Latin America, and is supported by the INOvent<sup>®</sup> delivery system, INOcal<sup>®</sup> calibration mixtures and 24/7 medical and technical service and support. INO Therapeutics is headquartered in Clinton, N.J., and the company maintains a state-of-the-art manufacturing facility in Port Allen, La. Its parent company is The Linde

Group. The Linde Group stock is publicly traded in Europe. For more information on INO Therapeutics, please visit [www.inotherapeutics.com](http://www.inotherapeutics.com).

#### **About The Linde Group**

The Linde Group is a leading global industrial gas and engineering company that boasts a workforce of more than 53,000 employees in over 70 countries across the globe. Following the acquisition of BOC Group, the company's Gas and Engineering segment now generates annual sales of approximately €12 billion. The strategy of The Linde Group is aimed at generating earnings-based growth. Its primary focus is on the targeted expansion of its international business by developing innovative products and services. For more information on The Linde Group, please visit [www.linde.com](http://www.linde.com).

#### **About New Mountain Capital**

New Mountain Capital is a New York-based private equity firm investing for long-term capital appreciation through direct investment in growth equity transactions, leveraged acquisitions and management buyouts. New Mountain seeks out the highest-quality growth leaders in carefully selected industry sectors, and then works intensively with management to build the value of those companies. For more information on New Mountain Capital, please visit [www.newmountaincapital.com](http://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](http://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](http://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](http://www.5amventures.com).

#### **About Black Point Group**

Black Point Group is a private equity partnership with investments in both public and private growth companies. The firm has offices in New York City and Portland, Maine. For more information on Black Point Group, please visit [www.blackpointgroup.com](http://www.blackpointgroup.com).

#### **About Fred Hutchinson Cancer Research Center**

At Fred Hutchinson Cancer Research Center, interdisciplinary teams of world-renowned scientists and humanitarians work together to prevent, diagnose and treat cancer. For more information, please visit [www.fhcrc.org](http://www.fhcrc.org).