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MICROBIA RAISES \$75 MILLION IN PRIVATE EQUITY FINANCING TO ADVANCE THERAPEUTIC CANDIDATES THROUGH CLINICAL TRIALS

— Company-Sponsored Phase 2 Trial Initiated for MD-1100, Novel GI Treatment —

CAMBRIDGE, Mass., February 27, 2006—Microbia, Inc., an entrepreneurial pharmaceutical company with two internally discovered drug candidates in clinical trials, today announced it has raised \$75 million in a series E private equity financing. In addition, the company announced the initiation of a second Phase 2 clinical trial for MD-1100, a first-in-class development candidate for the treatment of gastrointestinal disorders.

“This significant infusion of equity capital will be utilized to advance our proprietary pipeline of novel therapeutics through clinical trials, including both MD-1100 and our Phase 1 cholesterol absorption inhibitor MD-0727,” said Peter Hecht, CEO of Microbia. “Both of these innovative oral drug candidates – which target the needs of millions of patients – have shown early potential in human studies, and we are committed to their aggressive, comprehensive development.”

The Phase 2 study announced today will assess the effects of MD-1100 in patients with chronic idiopathic constipation (CIC); an ongoing Phase 2 trial is being conducted in patients with constipation-predominant irritable bowel syndrome (IBS-C). Phase 1 data indicate that MD-1100 is well tolerated in healthy human volunteers and elicits gastrointestinal pharmacodynamic effects that would be expected to alleviate the symptoms of IBS-C and CIC. Microbia expects to present Phase 1 data for MD-1100 in an appropriate scientific forum later this year. Data from both Phase 2 trials will be available in the second half of 2006.

“The encouraging data from our clinical programs validate the support our investors have shown,” said Hecht. “We are very pleased to fortify our outstanding investor syndicate with new investors of the highest quality.”

The financing was led by Sigma Capital Management LLC, joined by Jennison Associates, Maverick Capital, and other investors. Microbia’s investors from previous financing rounds also participated.

[more...]

About Chronic Idiopathic Constipation

As many as 42 million Americans suffer from constipation. Patients who suffer from CIC often experience straining during defecation, a sensation of incomplete evacuation, and may have fewer than three bowel movements in a week. The discomfort of CIC can greatly diminish a patient's quality of life as it impacts their ability to work and participate in normal daily activities.

About Irritable Bowel Syndrome

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. Health care costs associated with IBS exceed \$25 billion annually. Of the three IBS subgroups—constipation-predominant (IBS-C), diarrhea-predominant (IBS-D), and alternating (IBS-A)—30% to 40% of patients suffer from IBS-C. There are currently few available therapies to treat the symptoms of IBS.

About Cholesterol Absorption Inhibitors (CAIs)

The National Heart, Blood and Lung Institute reports high blood cholesterol is one of the major risk factors for heart disease, which is the leading cause of death in the United States and Europe. According to the American Heart Association, nearly 107 million American adults have total blood cholesterol values that could benefit from treatment.

Drug therapies that lower cholesterol reduce mortality and result in significant improvements in patients' cardiovascular health. The cholesterol product sector exceeded \$25 billion in sales in 2004 and continues to show significant growth, fueled by multiple published clinical studies demonstrating the benefits of more aggressive cholesterol-lowering therapies. These studies led to the recent introduction of more aggressive cholesterol-management guidelines by the National Cholesterol Education Program (NCEP).

CAIs work in a unique manner compared with traditional cholesterol medications known as statins. CAIs reduce the amount of cholesterol absorbed from the digestive tract, whereas statins inhibit the production of cholesterol in the liver. Studies have shown combining CAIs with statins can result in greater cholesterol lowering than is achieved using either therapy alone.

About Microbia

Microbia (www.microbia.com) is an entrepreneurial pharmaceutical company dedicated to the science and art of great drugmaking. Two of the Company's drug candidates are in clinical studies—MD-1100 for the treatment of constipation-predominant irritable bowel syndrome and other gastrointestinal disorders, and MD-0727 for the treatment of hypercholesterolemia. Our Precision Engineering business unit collaborates with leading pharmaceutical and chemical manufacturers to improve efficiencies of existing fermentation processes or to create new bioprocesses. Microbia has raised \$174 million in private equity financing and is located in Cambridge, Massachusetts.

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