



Press Release

Indigo Pharmaceuticals, Inc. Signs License Agreement for INDI-702, a Drug for the Treatment of Arteriosclerosis Obliterans, with Nissan Chemical Industries and Taisho Pharmaceutical Co.

Start of Phase 3 Clinical Trial Planned for the First Half of 2008

New York, NY – June 1, 2007 – Manhattan-based Indigo Pharmaceuticals, Inc. (Indigo), is a pharmaceutical company focused on the development of new treatments for cardiovascular diseases, currently concentrating on peripheral arterial disease, announced today that it has signed a license agreement for INDI-702 (previously NM-702; current development code in Japan: NT-702) with Tokyo-based Nissan Chemical Industries, Ltd. (Nissan Chemical) and Taisho Pharmaceutical Co., Ltd. (Taisho). Nissan Chemical and Taisho have been jointly developing INDI-702, a drug for the treatment of arteriosclerosis obliterans.

Under the terms of this agreement, Nissan Chemical and Taisho granted Indigo exclusive development and marketing rights worldwide, except in Japan, South Korea, China and Taiwan. In return, Indigo will make a one-off payment on the execution of the license followed by milestone payments based on the development progress and royalty payments based on sales of INDI-702.

INDI-702 is an orally active inhibitor of phosphodiesterase and thromboxane A₂ synthetase. In Japan, Phase 2 studies are being conducted for intermittent claudication caused by arteriosclerosis obliterans, intermittent claudication caused by spinal canal stenosis, and asthma. In the U.S., a Phase 2 study for intermittent claudication caused by arteriosclerosis obliterans has been successfully completed.

Intermittent claudication is a major symptom of arteriosclerosis obliterans. It is caused by insufficient oxygen supply to exercising muscles in the lower extremities due to decreased blood flow as a result of sclerosis of peripheral arteries. It is estimated that about 6 million people suffer from intermittent claudication in the U.S., with only 10 percent of these people currently receiving treatment. Furthermore, there are only a few effective drugs in this field, and Indigo, Nissan Chemical, and Taisho believe that INDI-702 will significantly contribute to the treatment of intermittent claudication. Indigo plans to begin Phase 3 trials in the U.S. in the first half of 2008.

“INDI-702 is a novel compound that will be developed for the treatment of peripheral arterial disease,” said Carol Ann Satler, MD, PhD, President and Chief Executive Officer of Indigo Pharmaceuticals, Inc. “We have already mobilized our in-house team to begin product development and lay the groundwork for the commercialization of this product. Our hope is that INDI-702 will offer an improved quality of life for patients who have peripheral arterial disease.”

Prior to joining Indigo Pharmaceuticals in May of 2007, Dr. Satler held senior posts in the pharmaceutical industry, including leadership roles in medical affairs, clinical research and development and administration in the US and globally (UK and France) for Pfizer and Sanofi-Aventis. Dr. Satler specialized in formulating strategic clinical development plans, life cycle management, and commercialization of products each with annual revenues in excess of \$1 billion, including Plavix (clopidogrel), Lipitor (atorvastatin), and Lovenox (enoxaparin). Dr. Satler was trained in pediatrics and cardiology at The Children’s Hospital Boston and Harvard Medical School and served on the faculty at these institutions. She earned an MD, PhD in Biochemistry from Case Western Reserve University, BA in Chemistry from Wesleyan University.

About Indigo Pharmaceuticals, Inc.

Indigo Pharmaceuticals (formerly Milford Sound Sciences, Inc.) is a pharmaceutical company focused on developing novel therapeutics for cardiovascular diseases. Indigo in-licenses, develops and markets late pre-clinical and clinical stage assets for the North American and European markets. Indigo Pharmaceuticals was founded in 2007 by Paramount BioSciences, which is a global drug development and healthcare investment firm with a portfolio of life-sciences-focused companies.

About Paramount BioSciences, LLC

Paramount BioSciences is a global drug development and healthcare investment firm focused on the in-licensing of novel therapeutics, and the formation of new biotechnology and life-sciences-focused companies. For additional information about Paramount BioSciences, visit www.paramountbio.com.

About Peripheral Vascular Disease (PVD) and Peripheral Arterial Disease (PAD)

Peripheral Vascular Disease (PVD) refers to diseases of blood vessels (arteries and veins) outside the heart and brain. Peripheral arterial disease (PAD) is an abnormal narrowing of vessels that carry blood to the extremities (arms and legs) and internal organs such as the kidneys. The most common symptom of PAD is cramping, pain or tiredness in the lower extremity muscles while walking, running or climbing stairs. The pain typically goes away with rest and returns with repeated activity. The pain of PAD usually disappears when activity stops, although this may take a few minutes. When muscles are being used, they need more blood flow to supply oxygen

to the tissue and to remove breakdown products. A narrowing of the vessel, usually due to atherosclerotic plaque, diminishes blood flow to the muscles. Increased blood flow is needed for increased levels of activity. Decreased blood flow in the setting of increased need causes the pain, which is called "intermittent claudication." It is estimated that about 6 million people suffer from intermittent claudication in the U.S., with only 10 percent of these people currently receiving treatment.

Forward-Looking Statements

This release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such forward-looking statements include statements regarding the intended utilization of product candidates, the conduct and results of future clinical trials, plans regarding regulatory filings, future research, discovery of new product candidates, and clinical trials, and partnering activities. Factors that may cause actual results to differ materially include the risk that product candidates that appeared promising in early research and clinical trials do not demonstrate safety and/or efficacy in larger-scale or later clinical trials, the risks associated with regulatory processes, the risks associated with reliance on outside financing to meet capital requirements, and the risks associated with reliance on collaborative partners for future revenues under the terms of its existing collaboration agreements, and for further pre-clinical and clinical studies, development and commercialization of product candidates. You are urged to consider statements that include the words "may," "will," "would," "could," "should," "believes," "estimates," "projects," "potential," "expects," "plans," "anticipates," "intends," "continues," "forecast," "designed," "goal," or the negative of those words or other comparable words to be uncertain and forward-looking.

Any forward-looking statements are made pursuant to Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, speak only as of the date made. Indigo Pharmaceuticals, Inc. undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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