

Acton Pharmaceuticals, Inc. Announces Completion of \$15 Million Series A Financing with Sequoia Capital

Acton has licensed AEROSPAN™ (flunisolide HFA, 80 mcg) Inhalation Aerosol from Forest Laboratories, Inc. which will compete in the \$7 billion inhaled steroid market

MARLBOROUGH, Mass., Jan. 6, 2010 -- Acton Pharmaceuticals, Inc. (Acton) today announced completion of a \$15 million round of financing led by Sequoia Capital. Acton also announced today that it has completed a licensing agreement for AEROSPAN™ (flunisolide HFA, 80 mcg) Inhalation Aerosol from Forest Laboratories, Inc. (NYSE: FRX).

AEROSPAN is a HFA-propelled aerosol inhaled corticosteroid (ICS) for the treatment of asthma, which will compete in the \$7 billion U.S. ICS market¹. HFA-based aerosol inhalers are replacing the older CFC-based inhalers because they are safer for the environment. AEROSPAN has been approved by the U.S. Food and Drug Administration (FDA) and Acton plans to commercialize it in early 2011 upon completion of certain manufacturing requirements. Under the agreement, Acton assumes responsibility for development, marketing, and sale of AEROSPAN. Acton plans to launch the product into the U.S. market with its own specialty respiratory field force, which will focus on promotion to allergists, pulmonologists and other leading asthma specialists.

"We are very pleased to license AEROSPAN from Forest and to complete this round of financing with Sequoia Capital," stated John W. Simon. "Partnering with Sequoia Capital, one of the world's leading venture capital funds, validates the significant opportunity of our first product. Our shared vision with Sequoia Capital along with our strong capital structure will enable us to complete development of AEROSPAN and build a substantial sales, marketing, scientific, and business development infrastructure that we believe will attract new opportunities for clinical stage and marketed products."

Acton was founded by Daniel L. Kreisler and John W. Simon. Mr. Kreisler has more than 25 years of commercial pharmaceutical experience, including 16 years at Forest Laboratories, Inc. and most recently at JDS Pharmaceuticals, where he was a co-founder and Vice President of Business Development. JDS was subsequently acquired by Noven Pharmaceuticals, Inc. in 2007 for \$125 million. Mr. Simon has 20 years of pharmaceutical experience, first with Forest Laboratories, Inc. and most recently, as a Vice President at Sepracor Inc., where he worked from 1997 to 2007. During his tenure, Mr. Simon launched and led Sepracor's largest revenue producing franchise. Joining the management team is Patrick A. Noland, a 30-year veteran of drug

development who is an expert in aerosol delivery technology working most recently at ABC Laboratories and Sepracor Inc.

“We believe that AEROSPAN is an exciting opportunity, as it provides Acton with an excellent platform on which to build our organization,” stated Daniel L. Kreisler. “AEROSPAN is the first and only approved HFA inhaled corticosteroid available with an integrated spacer device. With the on-going phase out of CFC inhalers, AEROSPAN has potential to be an important treatment option for patients suffering with asthma.”

David Solomon, Corporate Vice-President Business Development and Strategic Planning at Forest Laboratories, Inc. added, “We are pleased to enter into this agreement with Acton to complete development and commercialization of AEROSPAN. We believe Acton’s extensive experience in the respiratory field, along with its strong management team, will be well suited to bring AEROSPAN to the millions of patients who suffer from asthma.”

Joining Acton’s Board of Directors is Scott Carter who leads healthcare investing for Sequoia Capital in the U.S. “Acton is poised to achieve accelerated growth in the multi-billion dollar asthma market. We are excited to partner with a company that will bring important medicines to patients and healthcare providers that need them the most,” noted Carter.

The in-licensing of AEROSPAN, the management team’s respiratory drug development and commercialization experience, along with the plans to deploy a specialty sales force, makes Acton an ideal partner for companies seeking to develop and launch new products or co-market existing ones in the U.S.

About Sequoia Capital

Since 1972, Sequoia Capital has provided early stage and growth stage venture capital for very smart founders and executives who have turned great ideas into sustainable companies of enduring value. As the “Entrepreneurs Behind the Entrepreneurs”, Sequoia Capital’s Partners have worked with accomplished innovators and operators who built great franchises such as Ameritox, Amylin Pharmaceuticals, Apple Computer, Cisco Systems, CV Therapeutics, eCardio Diagnostics, Flextronics, Google, Network Appliance, nVidia, Oracle, PayPal, Therasense, Yahoo!, YouTube and Zappos. To learn more about Sequoia Capital visit www.sequoiacap.com/us

About Acton

Acton is a specialty respiratory pharmaceutical company dedicated to acquiring, developing, and commercializing prescription drugs to improve the well-being of patients. Acton's corporate headquarters are located in Marlborough, Massachusetts.

About AEROSPAN™

AEROSPAN (flunisolide HFA, 80 mcg) is an inhaled corticosteroid used as a controller medication in the treatment of asthma. It was developed by Forest Laboratories and received FDA approval in January 2006. Inhaled steroids are recommended for patients who need more than a rescue inhaler for their asthma. AEROSPAN decreases inflammation by acting directly on the airways when inhaled into the lungs. Additionally, AEROSPAN decreases airway hyper-responsiveness, which makes airways less likely to strongly respond to an asthma trigger.

AEROSPAN is formulated with a non-CFC, ozone-friendly HFA propellant and is the only FDA approved HFA inhaler in its class to incorporate a built-in spacer device, which assists in the delivery of the medicine to the lung.

Important Safety Information

AEROSPAN Inhalation Aerosol is an orally inhaled corticosteroid indicated for the maintenance treatment of asthma as prophylactic therapy in adult and pediatric patients 6 years of age and older. AEROSPAN is not a bronchodilator and is not indicated for rapid relief of bronchospasm.

In clinical trials, AEROSPAN was generally well tolerated. Particular care is needed in patients transferred from systemically active corticosteroids to AEROSPAN Inhalation Aerosol because deaths due to adrenal insufficiency have occurred in asthmatic patients transferred from systemically active corticosteroids to less systemically active inhaled corticosteroids. The most common adverse reactions (>3%) were headache, fever, allergic reaction, bacterial infection, pain and back pain, vomiting, dyspepsia, pharyngitis, rhinitis, cough, sinusitis, epistaxis, rash, urinary tract infection.

Treatment with orally inhaled corticosteroids may lead to signs or symptoms of hypercorticism, suppression of hypothalamic-pituitary-adrenal (HPA) function and/or suppression of growth in children. Glaucoma, increased intraocular pressure and cataracts have been reported following the administration of inhaled corticosteroids.

About Asthma

Asthma is a chronic disorder characterized by inflammation of the air passages, resulting in the temporary narrowing of the airways that transport air from the nose and mouth to the lungs. According to the National Heart Lung and Blood Institute (NHLBI), when taken every day, maintenance inhalers like AEROSPAN can help prevent the wheezing coughing, and tightening of the airways, which causes shortness of breath and can be life threatening. The NHLBI's Expert Panel Report estimates that more than 22 million Americans have asthma. Annually, the disease is responsible for nearly two million emergency room visits and accounts for an estimated \$11.5 billion in health care costs.

1. *Source: 2008 IMS NPA*

Aerospan is a trademark of Forest Laboratories, Inc.

For a copy of this release, please visit Acton's web site at www.actonpharmaceuticals.com.

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