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Acceleron Pharma Closes \$30M Series B Financing

CAMBRIDGE, MA – August 2, 2006 – Acceleron Pharma, Inc., a biopharmaceutical company involved in the development of regenerative therapeutics, today announced that it secured a \$30 million Series B financing. OrbiMed Advisors, the sole new investor, led the round with participation by all existing institutional investors including Advanced Technology Ventures, Flagship Ventures, Polaris Ventures, Sutter Hill Ventures and Venrock Associates. As part of this financing, Carl Gordon, Ph.D. of OrbiMed will join the Board of Directors.

“We are pleased to have raised an additional \$30 million to advance our rapidly expanding product pipeline. We are also proud that this financing recognizes the substantial value created since our Series A financing,” said Glenn Batchelder, Chief Executive Officer of Acceleron.

Proceeds from this financing will be used to advance ACE-011, a promising agent for the treatment of bone loss now in Phase 1 clinical trials, and several other programs addressing musculoskeletal, metabolic and cancer-related diseases. Based on results from preclinical studies, ACE-011 has the potential to fundamentally change the treatment of bone loss; rebuilding bone even after substantial bone loss has already occurred.

“This financing validates the Acceleron scientific and operational platform which has generated a robust pipeline of product candidates that harness the regenerative powers of the superfamily of Growth and Differentiation Factors / Bone Morphogenetic Proteins” said John Knopf, Ph.D., Executive Vice President Corporate Development and a Founder of Acceleron. In addition to ACE-011, Acceleron will introduce other regenerative drug candidates into clinical development in 2007 and will continue to build integrated pharmaceutical capabilities to develop these candidates into new therapies.

“We are excited to join this top tier group of investors as we share their belief in the promise of Acceleron and their products. The clinical and commercial potential of the Acceleron pipeline is enormous and we believe this management team has the skills and experience to capitalize on the opportunity” said Carl Gordon, Ph.D., General Partner at OrbiMed.

“Since the formation of Acceleron, this company has consistently exceeded their ambitious goals and is developing an impressive track record of value creation. We’re pleased to continue our strong support of the company,” said Terry McGuire, Managing General Partner at Polaris Ventures.

About Acceleron Pharma

Acceleron is a privately held biopharmaceutical company that is focused on developing and commercializing regenerative therapeutics. The company’s scientific platform is based on its unique position to harness the clinical potential of naturally-occurring tissue growth factors to treat diseases with significant unmet medical need. The company’s lead program is being developed to reverse bone loss in diseases such as osteoporosis and cancer. Additionally, the company has therapeutic programs in the areas of muscle growth, angiogenesis and metabolic diseases. Acceleron utilizes proven biotherapeutic technologies and capitalizes on the company’s internal GMP manufacturing capability to rapidly and efficiently advance therapeutics from its R&D platform to create a range of drug products.

About OrbiMed Advisor

OrbiMed is a preeminent asset management firm focused on the global health sciences industry, with over \$6 billion in assets under management across a family of venture capital funds, hedge funds and other investment vehicles. OrbiMed’s investment advisory activities were founded in 1989 by Samuel D. Isaly with a vision to invest across the spectrum of healthcare companies: from small privately-held firms to large multinational companies. OrbiMed’s investment team includes over 20 experienced professionals with backgrounds in science, medicine, finance and law. OrbiMed seeks to be the capital provider of choice for life sciences companies pursuing growth and new opportunities.

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