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Cara Therapeutics Secures \$19 Million In Series C Financing

Cara Therapeutics, Inc. announced today that it had closed on \$19 million of its Series C financing. New investors participating in the round include MVM Life Science Partners and Alta Biopharma Partners, as well as previous investors Ascent Biomedical Ventures. In conjunction with the financing, Dr. Stephen Reeders, Managing Partner of MVM Life Science Partners, and Ed Hurwitz, Director of Alta Partners, will join Cara's Board of Directors.

"I am very pleased with the outstanding group of international investors we have attracted to participate in Cara's Series C financing and look forward to working with them to advance our internal drug development pipeline", said Dr. Derek Chalmers, President & CEO of Cara Therapeutics. "Combined with cash already on-hand, this financing provides Cara with operating capital through 2008 and provides the runway necessary to advance our next two drug candidates into the clinic", he added.

Dr. Stephen Reeders commented "Over the last twenty years there has been little innovation in treating pain. There is a big gap in the choices available to clinicians between moderately efficacious OTC analgesics and centrally acting opiates with serious side effects. We believe that Cara Therapeutics is developing novel drugs to fill this gap."

"We are extremely excited about Cara's focus in pain and inflammation where major advances have been lacking for several decades," commented Ed Hurwitz of Alta Partners. "The company's truly differentiated kappa agonist, which is being tested in proof of concept studies, has the chance to substantially change the treatment options for acute and chronic pain sufferers. We found this opportunity along with the company's rapidly advancing programs on exciting novel pain and inflammation targets to be a compelling investment opportunity," added Hurwitz.

On January 5th of this year, Cara announced that it had entered into a worldwide licensing agreement with ALZA Corporation, a Johnson & Johnson company, for Cara's novel peripherally-acting pain drug candidate, CR665. Under the terms of that agreement, Cara received an upfront payment and is eligible to receive pre-determined clinical and regulatory milestone payments. Cara is also eligible to receive royalties on sales of all marketed products incorporating the compound, as well as an option to co-promote intravenous products in the U.S.

About CR665

CR665 is the lead clinical development candidate from a series of highly selective peripheral kappa opioid receptor agonists. In preclinical studies, CR665 was highly selective for the peripheral kappa opioid receptor. Preclinical animal studies suggest that CR665 is a potent analgesic compound. In addition, unlike currently marketed opioids, CR665 does not produce inhibition of intestinal transit (ileus), induce respiratory depression, or elicit signs of euphoria or addiction in animal models. Preclinical studies also indicate that CR665 possesses anti-inflammatory activities.

A completed Phase 1a study of intravenous CR665 in healthy men and women indicated that the drug candidate was safe, well tolerated, and exhibited predictable pharmacokinetic characteristics. In addition, this study demonstrated plasma levels of CR665 associated with analgesic effects in preclinical studies, as well as biomarker evidence of peripheral kappa opioid receptor activation in both men and women.