

NOTE: THIS IS A RESTRICTED COMMUNICATION AND YOU MAY NOT FORWARD IT OR ITS CONTENTS TO ANY PERSON PROHIBITED BY THE LEGENDS CONTAINED HEREIN.



Press Release

ARPIDA SUCCESSFULLY COMPLETES INITIAL PUBLIC OFFERING

Muenchenstein / Basel, Switzerland, 4th May 2005. Arpida Ltd., a Swiss anti-infectives company, today announced that it has successfully completed its Initial Public Offering (IPO) in connection with its listing on the SWX Swiss Exchange. The shares being placed in the IPO are being issued at CHF18.0, giving the Company a market capitalisation of approximately CHF294.7 million (c. €191.0 million*) immediately after the IPO. Shares will be trading on the SWX Swiss Exchange for the first time today under the symbol ARP.N.

Arpida focuses on the discovery and development of novel antibiotic drugs to address the growing problem of bacterial resistance. The world-wide antibacterials market is estimated at US \$26 billion. The Company's lead product candidate, injectable iclaprim has recently entered a global Phase III programme and is being developed for treatment of severe hospital infections arising from infected burns, ulcers and surgical wounds; infections that often include multidrug-resistant bacteria, such as MRSA.

Details of the Offering

- The offering comprised an aggregate of 5.4 million shares, all of which are newly issued registered shares being issued by Arpida, corresponding to gross proceeds for the Company of approximately CHF97.2 million (c. €63.0 million*) before expenses.
- The issue price is CHF18.0 per registered share. The ordinary share capital consists of 16,371,959 shares corresponding to a market capitalisation of the Company at the offering price of approximately CHF294.7 million (c. €191.0 million*). The nominal value of the issued shares is CHF0.20 per registered share.
- The IPO attracted a good geographic spread of institutional investor interest from Switzerland, the UK and a number of other European countries, and the US.
- The Company's newly issued registered shares will commence trading today, 4th May 2005, on the SWX Swiss Exchange Main Market Segment under the ticker symbol ARP.N.
- In connection with the offering, the lead manager has been granted an option (greenshoe) by the Company to subscribe for up to an additional 810,000 new registered shares at the offering price to cover over-allotments, if any, or to cover short positions. This over-allotment option will be exercisable for a period of 30 days after the first trading day of the ordinary registered shares on the SWX Swiss Exchange.
- Deutsche Bank acted as Global Co-ordinator, Sole Bookrunner and Sole Lead Manager, Julius Baer, Lombard Odier Darier Hentsch, and swissfirst as Co-Lead Managers.

Commenting on today's news, Arpida's President and CEO, Dr Khalid Islam, said, "We are delighted to have successfully completed our IPO. I view this positive outcome as a reflection of our strong story and investors' confidence in the continued growth of Arpida based on our ambition of solving the growing problem of bacterial resistance. The funds raised will allow us to progress our lead antibiotic product candidate injectable iclaprim through the Phase III clinical programme, as well as continuing the development of our portfolio of new anti-infectives against the growing antibiotics crisis."

* Converting rate of 1 EUR = CHF 1.5432

About Arpida Ltd.

www.arpida.ch

Arpida, a biopharmaceutical company based near Basel, is focused on the discovery and development of novel antibiotic drugs that seek to overcome the growing problem of bacterial resistance. Arpida uses an integrated multidisciplinary platform including genomics-assisted selection of novel antibacterial targets to develop its portfolio of potential drug candidates.

Arpida's leading product candidate is injectable iclaprim, a broad-spectrum antibiotic that targets severe infections requiring hospital treatment, including those caused by MRSA (methicillin-resistant *Staphylococcus aureus*). In March 2005, Arpida received clearance from the FDA to conduct Phase III clinical trials for injectable iclaprim in the US as part of a global Phase III programme for the treatment of cSSSI (complicated skin and skin structure infections).

Iclaprim is also orally available and an oral formulation is currently in Phase I trials. Arpida believes oral iclaprim offers significant benefits as it would enable patients to be discharged from hospitals earlier by allowing them to continue and complete their treatment at home.

Arpida's second most advanced antibiotic drug candidate, AR-709, targets severe respiratory tract and inner ear infections in the community setting. AR-709 is in late pre-clinical development. In addition, the company has a further 12 pre-clinical antibiotic programmes derived from its own discovery platform, which are at various stages of development.

Arpida has previously raised a total of CHF141 million (€91 million) from international venture capital, institutional and private investors since 1997. The company has research facilities near Basel, Switzerland and in Copenhagen, Denmark, and it currently employs 72 people.

For further information please contact:

Arpida

Dr Khalid Islam, President and CEO
Harry Welten, MBA, CFO and Senior Vice President

Tel: + 41 61 417 96 60

Tel: + 41 61 417 96 65

Citigate Dewe Rogerson

David Dible / Mark Swallow/ Valerie Auffray

Tel: +44 (0)207 638 9571

Tolxdorff & Eicher Consulting (Swiss enquiries)

Daniel Eicher

Tel: +41 44 718 25 25

This press release contains specific forward-looking statements, e.g. statements including terms like "believe", "assume", "expect" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the company and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties readers should not place undue reliance on forward-looking statements. The company assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.

THIS PRESS RELEASE IS NOT BEING ISSUED IN THE UNITED STATES OF AMERICA AND SHOULD NOT BE DISTRIBUTED TO UNITED STATES PERSONS OR PUBLICATIONS WITH A GENERAL CIRCULATION IN THE UNITED STATES. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES. IN ADDITION, THE SECURITIES OF ARPIDA LTD HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS ABSENT FROM REGISTRATION UNDER OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE UNITED STATES SECURITIES LAWS.

This communication does not contain or constitute any invitation or inducement to engage in investment activity. This communication is directed only at persons who (1) are outside the United Kingdom; (2) have professional experience in matters relating to investments; (3) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001; or (4) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. Stabilization / FSA