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A leader in novel antibiotic drug development

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Arpida: At a glance



- Focused on the attractive antimicrobial market with high medical need
- Six development programmes
 - ➔ intravenous iclaprim in NDA filing process for cSSSI
 - ➔ antifungal TLT in pivotal Phase III trial in Europe
- Operations in Switzerland and the USA
- Management team with extensive pharmaceutical industry experience
- Strong cash position
- Market cap end December 2007: CHF 400m (USD 360m)



Arpida: six development programmes



Intravenous iclaprim	cSSSI	NDA filing
Intravenous iclaprim	HAP/VAP/HCAP	Phase II
Oral iclaprim	cSSSI	Phase II
TLT	onychomycosis	Phase III
AR-709	respiratory tract	Phase 0
AR-2474	topical	Late preclinical

Resistance: a major global health threat



MRSA

Grundmann et al. The Lancet Sept. 2006

"The so-called superbug MRSA is fast becoming untreatable with the currently available antibiotics."
Dr Ted Bianco, Director of Technology Transfer at the Wellcome Trust, January 2007

Streptococcus pneumoniae

"How could something as simple as strep throat, a common childhood disease, turn deadly for Shannon?"
Asbury Park Press, 2 June 2004

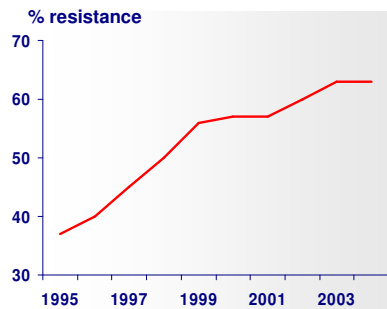
"Drug resistant infections kill more Americans than AIDS and breast cancer combined." (Forbes Magazine, June 2006)

Market opportunity



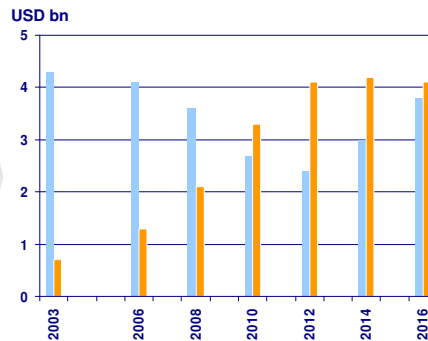
Increasing resistance requires

..... new antibiotics



Proportion of *S. aureus* Nosocomial infections resistant to Oxacillin (MRSA) among intensive care unit patients, 1995 – 2004

Source: NNIS System



Market for hospital antibiotics

■ Non-MRSA drugs -1% p.a.
■ MRSA drugs +12% p.a.


Source: Datamonitor.

Introducing iclaprim

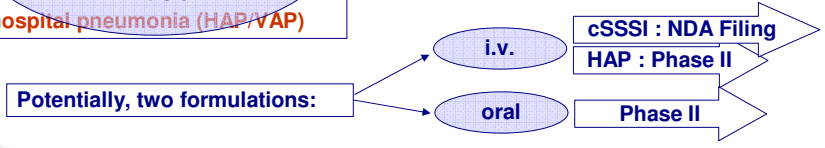


Serious Gram-positive infections (incl. MRSA)

- **complicated skin and skin structure infections (cSSSI)**
- **hospital pneumonia (HAP/VAP)**



- ✓ NCE with broad spectrum of activity
- ✓ Potent activity against resistant bacteria
- ✓ Rapid "killing action" on bacteria
- ✓ Low propensity for development of resistance
- ✓ High distribution in tissues and organs
- ✓ Safe and well-tolerated
- ✓ Strong IP estate



Phase III program in cSSSI completed



ASSIST-1 and ASSIST-2

- Global trials in cSSSI in the hospital setting, including MRSA
- iclaprim (0.8 mg/kg) versus linezolid (600mg)
- Protocol reviewed by authorities

	ASSIST-1		ASSIST-2	
	iclaprim	linezolid	iclaprim	linezolid
ITT population	497		494	
Clinical cure rate ITT population	86%	92%	85%	87%
Treatment-related averse events	18.0%	25.1%	27.9%	34.6%
QTc prolongation	6.3ms	1.2 ms	7.8ms	1.8ms

Positive Outcome ASSIST-1 & ASSIST-2:
 Primary endpoint of statistical non-inferiority to linezolid has been achieved
 Excellent safety profile

A "Five-Star" Drug Candidate

ARPIDA

ICLAPRIM
i.v.

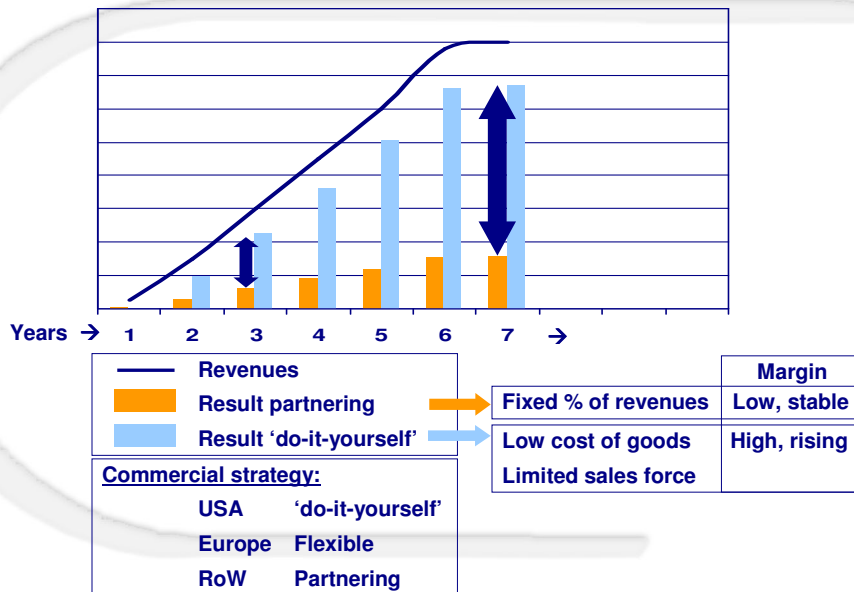
Property	vancomycin (generic)	Tyagcil (Wyeth)	Cubicin (Cubist)	Zyvox (Pfizer)	iclaprim (Arpida)
Description	Slowly cidal	Static	Rapidly cidal +	Static	Rapidly cidal +
MRSA MIC ₉₀	1 - 2	0.25	0.5	1 - 2	0.12 +
Spectrum	Gram +	Gram + / - +	Gram +	Gram +	Gram + / - +
Resistance	VRE, VRSA	Low +	Emerging	Emerging	Low +
Dosing	Twice-a-day	Twice-a-day	Once-a-day	Twice-a-day	Twice-a-day
Distribution	Low	High +	Low	High +	High +
Adverse events	Nephrotoxicity	35% Nausea	Muscle wasting	Myelosuppression	Small & Transient QT
2006 Sales *)	400	72	190	782	na

*) in USD million; vancomycin: estimate; Zyvox: i.v. + oral

MIC₉₀ : Minimum Inhibitory Concentration = the lowest concentration of an antimicrobial that will inhibit the growth of 90% of microorganisms of a certain type

Commercial strategy: Consider the economics

ARPIDA



HAP Phase II

ARPIDA

ICLAPRIM
i.v.

- 15% of all nosocomial infections are HAP, high mortality
- Authorisation to initiate Phase II clinical trials in this indication
- Design:
 - Primary endpoint: clinical cure at Test-of-Cure
 - > 130 patients
 - Three arms: 2 iclaprim, 1 vancomycin

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iclaprim oral – Phase II Hospital-to-Home switch

ARPIDA

ICLAPRIM
oral



Hospital costs

Drug costs USD 135 - 200 p/day

In-patient treatment of a severe bacterial infection costs ± USD 4,500 per patient, per day; some USD 5 - 6 billion p.a. in the US; drug costs relatively limited

→ Early discharge saves roughly USD 4,000 per patient per day ←

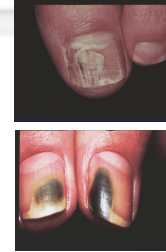
	Hospital i.v. therapies	→	Home oral therapies
Marketed	- vancomycin - Zyvox - Tygacil - Cubicin		- Zyvox
Clinical trials	- iclaprim - Ceftobiprole - Telavancin		- iclaprim

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Introducing Onychomycosis



- Fungal infection of finger- and toenail
- 60-75 million people p.a. affected in industrialised countries
- of which 15 million p.a. treated



	High Patient Acceptance Low Cure Rates	High Patient Acceptance High Cure Rates
Topical	Penlac ~ \$280 m Loceryl ~ \$150 m	Transungual Laser Therapy (TLT)
Oral	Griseofulvin ~ \$50 m	Lamisil ~ \$1 bn Sporanox ~ \$0.5 bn
	Low Patient Acceptance Low Cure Rates	Low Patient Acceptance High Cure Rates
	0%	100%
	Increasing Efficacy →	

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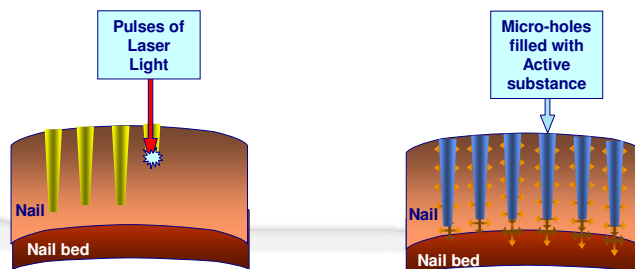
Introducing TLT



Key features

- Based on proven efficacy of Novartis Lamisil® (terbinafine)
- Novel, targeted route of administration, avoiding systemic exposure
- Potentially high efficacy due to increased permeation of nail bed

Status: In pivotal Phase III trial in Europe



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Introducing AR-709 Community-acquired RTI

ARPIDA

AR-709
i.v. + oral and/or
targeted therapy

Key features

- Focus on Respiratory Tract Infections (RTI), acquired in the community
- Rapid bactericidal „killing action“ *in vitro* and *in vivo*
- Potent activity against multidrug resistant *Streptococcus pneumoniae*
- Low potential for resistance development

Results first-in-man studies:

- 👍 large volume of distribution
- 👍 long half life
- 👍 high concentration in key lung compartments

“The strep bacteria overwhelm the body's immune system, get into the bloodstream and begin to aggressively attack other areas of the body.”
Asbury Park Press, 2 June 2004

Status Advanced preclinical studies

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Introducing AR-2474 Topical applications

ARPIDA

AR-2474
Topical applications

Key features

- New chemical entity, new mechanism of action
- No cross-resistance with existing antibiotics
- *In vitro* : Bactericidal „killing action“
Potent activity against multi-drug resistant pathogens
Low potential for resistance development

Proof of concept in infection models

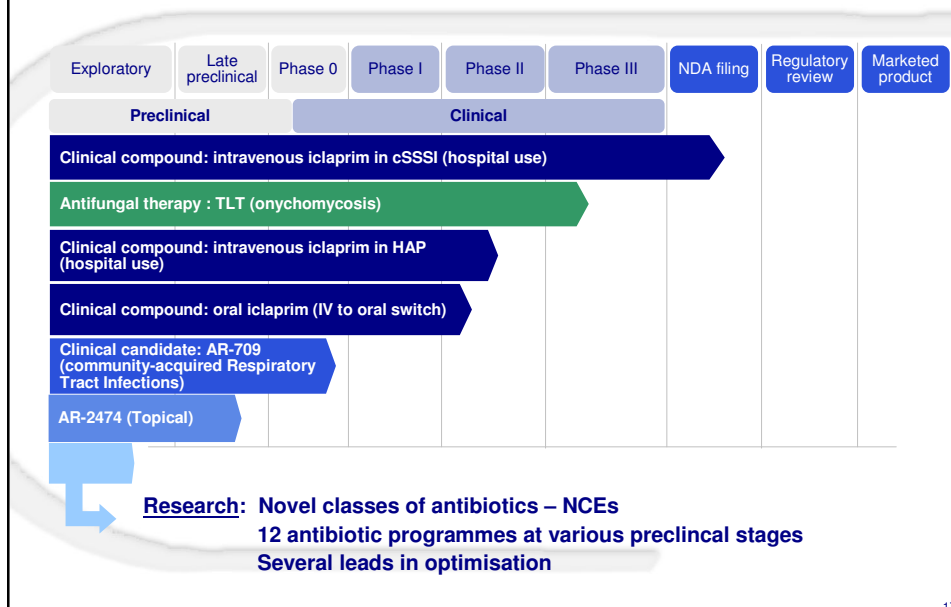
At least as efficacious as gold standard (mupirocin) in MRSA infection and nasal carriage

Status Advanced preclinical studies

“Half of hospitals fail to hit MRSA targets.”
The Daily Mail, 7 February 2007

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Pipeline summary



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Financial overview

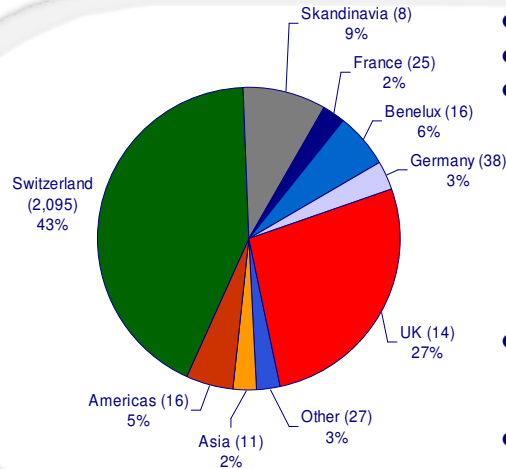


2007:

- Raised CHF 51.9m (gross) via accelerated bookbuilding in March 2007
- Cash and financial investments CHF 95m per 30 June 2007
- First half 2007: cash used in operations CHF 29.8m (2006H1 CHF 24.0m)

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Shareholder Structure



Shareholder base, December 2007
(Numbers in brackets indicate the number of shareholders)

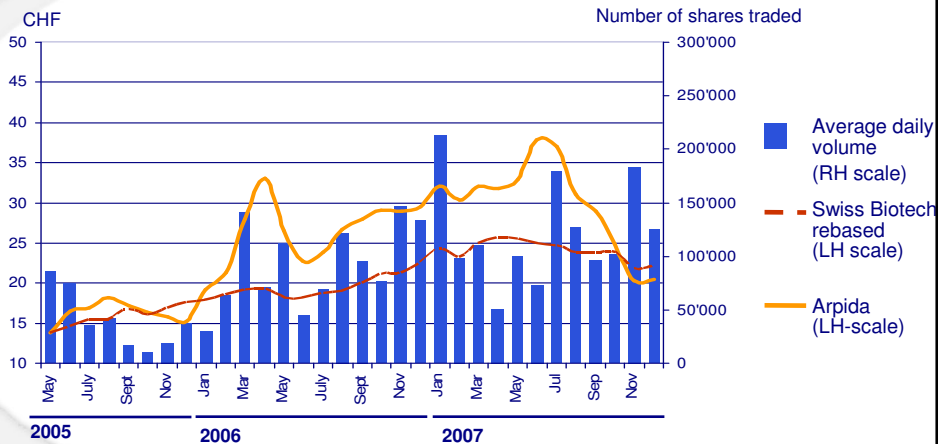
- Well-diversified shareholder base
- Free-float 100%
- Largest holders:
 - Deutsche Bank (17.4%)
 - Fidelity (10.7%)
 - Schroders (7.8%)
 - MKM Longboat (5.1%)
 - Capital (5.0%)
- Active coverage by 12 analysts (5 UK, 6 CH, 1 NL)
- Arpida is included in:
 - SWX SPI Index
 - SWX SPI sector indices
 - SWX SXI sector indices

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„ARNP“ since IPO



Average daily volume 2007: 129,000 shares (> USD 3m)



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