



Arpida implements comprehensive action plan

Arpida's Board of Directors has unanimously approved the full implementation of the previously announced measures for significantly reducing costs to focus on iclaprim. As a result, the company gains the time needed to consider and develop all strategic options.

Reinach, Switzerland, 16-12-2008 – Arpida concentrates all future activities around iclaprim. To this end, the Board of Directors has approved a comprehensive set of measures reducing all non-core activities. Key elements of the action plan to reduce costs include:

- the immediate reduction of the workforce by three-quarters down to 20 employees
- the stop of the Phase II iclaprim iv trial in HAP/VAP/HCAP (pneumonia) with immediate effect
- the review of the TLT-programme and the stop of enrolment into the ongoing Phase III trial in onychomycosis (nail infection).

The above measures reduce the monthly burn rate to around CHF 1 million on average per month from April 2009 onwards. Cash by year-end 2008 amounts to approximately CHF 38 million. The cash balance by year-end 2009 is expected to be around CHF 17 million.

Arpida also announces that Sergio Lociuoro, Head of Research, and Paul Hadvary, Head of Development, will be leaving the company by mutual agreement.

In the coming months, Arpida expects to receive the Full Response Letter from the U.S. Food and Drug Administration (FDA) and the report from the European Medicines Agency (EMA). Through thorough analysis, including external expert advice, Arpida will define a platform for iclaprim's clinical development to obtain regulatory approval. No other Drug Submission will be pursued for the time being.

"The situation that arose from the unexpected negative recommendation of the FDA's advisory committee is calling for quick and resolute action", Chairman André Lamotte said.

"Having to dismiss employees is very sad, yet unavoidable in order to buy time to consider and develop strategic options", CEO Jürgen Raths said. "With the new lean organisation we are ready for the challenges that we are facing."

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This statement was also released in German and French. The English original is the binding version.