



FOR IMMEDIATE RELEASE

CELTIC PHARMA ACQUIRES STAKE IN IDEA AG

21.7% shareholding purchased in Europe's leading targeted therapeutics company

IDEA prepares to expand its late stage clinical development programmes

HAMILTON, BERMUDA and MUNICH, GERMANY: September 28, 2005 - Celtic Pharmaceutical Holdings LP ("Celtic Pharma"), the global private equity firm focused on the biotechnology and pharmaceutical industries, and IDEA AG today announce that Celtic has acquired a 21.7% holding in IDEA, the Munich-based biopharma company developing targeted therapeutics based on novel, Transfersome[®] carriers.

IDEA's breakthrough, proprietary Transfersome[®] technology enables the targeted and non-invasive delivery of drugs (including large molecules such as proteins) through the skin, with a particular focus on pain relief and dermatology. The Company's Transfersome[®] carriers are topically applied on the skin and can be engineered to achieve high drug concentration at or near the site of application, increasing drug potency and diminishing side effects. IDEA has an attractive portfolio of proprietary Transfersome[®] applications with its leading compound, IDEA-033, currently in phase III trials in Europe for the treatment of peripheral pain. Separately, IDEA is also announcing very encouraging interim analysis data from the ongoing German open label phase III study of IDEA-033, which is partnered in North America with a top 5 global pharmaceutical company. IDEA retains exclusive rights to this product outside of North America, including for Europe and Japan.

Celtic Pharma has acquired the shares previously held by the German government organisation tbg and the majority of IDEA shares held by MPM Capital. IDEA consequently announces the appointment of Mr. John Mayo, a Managing Principal of Celtic Pharma, to its Supervisory Board, replacing Dr. Steven St. Peter of MPM Capital. MPM sold the balance of its shares to a number of recent Series D investors in IDEA who had exercised their proportional pre-emption rights.

John Mayo commented: "IDEA has strong management and a genuinely commercial proposition. IDEA is probably the most interesting targeted therapeutics company in Europe today. Its clinical data show that the Transfersome[®] technology represents a powerful tool for delivering drugs through the skin and for achieving tissue specific drug action. Our exposure to IDEA-033 represents the fifth late stage development product investment for Celtic Pharma during 2005."

Stephen Evans-Freke, a Managing Principal of Celtic Pharma, added: "Given the well publicised side effects of COX-2 pain relievers, IDEA-033's development is very timely and it obviously has the potential to be an important product in all major markets worldwide. In addition to the pain relief area, we are excited by the prospect of applying Transfersomes® in new therapeutics for dermatological conditions, and look forward to working with the IDEA team to move their lead programmes into late-stage development."

Steven St Peter, General Partner of MPM Capital, commented: "There was a tremendous level of interest in IDEA for its Series D financing, in which MPM also participated. On the heels of that transaction, we were approached about selling our position. Given that our investment was from a 1997 vintage year fund, we worked creatively with IDEA's Management and participating funds to find a good balance of liquidity and return objectives. Celtic Pharma was a very good, and in many respects unique, partner in that dialogue."

Gregor Cevc, Chief Executive Officer of IDEA, said: "IDEA is excited about gaining Celtic Pharma as a supporter and welcomes Mr. Mayo to the Board of Directors. Celtic Pharma, with its investment focus on late-stage development projects and the great experience in the pharmaceutical and biotechnology sectors of its principals, is the ideal new partner for IDEA at this stage of the company's development."

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About Celtic Pharmaceutical Holdings L.P.

Celtic Pharmaceutical Holdings L.P. (Celtic Pharma) is a global private equity investment firm focused on the biotechnology and pharmaceutical industries. Celtic Pharma was founded by Stephen Evans-Freke and John Mayo, CBE and is based in Bermuda, with offices in New York and London. Celtic Pharma acquires and invests in late stage pharmaceutical programmes and drives these programmes through the final stages of regulatory approval. Celtic Pharma's aim is to bridge the gap between the established pharmaceutical companies' new product pipeline crisis and the biotech industry's capital drought. For further information, please visit Celtic Pharma's website at www.celticpharma.com.

About IDEA AG

IDEA is a privately held biopharmaceutical company with headquarters in Munich, Germany. IDEA develops and commercialises non-invasive, targeted therapeutics, applied through the skin and/or nose. The proprietary carriers are typically applied on skin and can be engineered to achieve high drug concentration at or near the site of application, diminish local or systemic adverse side effects, and often increase drug potency. In total 53 patents from 8 patent families protect the core technology.

The Company's leading products are in the area of dermatology and pain. IDEA-033, with excellent market potential, has completed a Ph III (EU) / Ph II (US) clinical study. IDEA's further pipeline includes one therapeutic in Ph II, one entering Ph II and three earlier stage development products. In-house capabilities range from formulation and small-scale (GMP) manufacturing work to clinical testing. For further information see IDEA's website at www.idea-ag.de.

Background information:

Osteoarthritis

Osteoarthritis (OA), the clinical syndrome of joint pain and dysfunction caused by joint degeneration, affects more people than any other joint disease. It is one of the leading causes of disability, as by the age of 65 an estimated 85% of the population will have some degree of OA. Oral non-steroidal anti-inflammatory drugs (NSAIDs) are most commonly used to treat OA. Although effective, they cause serious adverse side effects, including gastrointestinal and cardiac problems or kidney and liver abnormalities. Topical NSAIDs, which are marketed in the EU but have never been approved to date in the US, may be seen as generally safer; these formulations were shown, however, to be ineffective for the treatment of chronic pain beyond a two-week treatment duration (Lin et al., BMJ 2004).

NSAID Market

Worldwide sales of non-steroidal anti-inflammatory drugs (NSAIDs) are estimated to be €14 billion. Approximately 30 million people worldwide take oral NSAIDs on a daily basis; NSAIDs are also the gold standard for treating the majority of arthritic diseases and chronic pain. The main disadvantage is that all classic oral NSAIDs carry a risk of upper gastrointestinal (GI) side effects, with up to 30% of long-term NSAID users developing gastric ulcers, for example. Close to 20,000 osteoarthritis patients and 2,000 rheumatoid arthritis patients in the US alone die each year from GI complications associated with oral NSAID use. Newer, more selective NSAIDs (so-called COX-2 inhibitors) were developed to selectively inhibit only the COX-2 pathway, while sparing the COX-1 enzymes, which are also affected by the old NSAIDs. Until recently, COX-2 inhibitors were therefore seen by broad opinion as a relatively safe arthritis treatment option. However, as illustrated by recent worldwide withdrawals of both Vioxx® (rofecoxib) and Bextra® (valdecoxib), COX-2 inhibitors could lead to serious adverse side effects as well, such as cardiovascular events. Consequently, the US Food and Drug Agency (FDA) has recently mandated black-box warnings on all prescribed NSAIDs and similar labelling changes for comparable over-the-counter medicines.

IDEA-033

IDEA-033 contains a particularly potent, well-established non-steroidal anti-inflammatory drug in a Transfersome®-based gel. Transfersomes® are novel, ultra deformable vesicle carriers designed to deliver drugs non-invasively through the skin barrier. Furthermore, Transfersomes® can be applied to target muscles and joints below the application site without being cleared by the local cutaneous blood microcirculation. The resulting targeted drug delivery can increase product efficacy (having higher local drug concentration) and improve product safety (having lower systemic drug concentration) in comparison with existing oral and/or topical NSAID formulations. IDEA-033 is expected to become the first, truly effective, topical analgesic on the market for treating peripheral chronic pain, such as that caused by osteoarthritis. IDEA-033 should, moreover, give the medical community an effective and safe alternative for suppressing pain associated with muscle conditions.