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Santhera Pharmaceuticals AG

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Santhera Pharmaceuticals and Genzyme Enter Into Option and License Agreement for Discovery of Therapies for Muscle Diseases

LIESTAL, Switzerland—October 7, 2004—Santhera Pharmaceuticals AG announced today that it has granted a non-exclusive license to its proprietary cellular screening system to Genzyme Corporation for the discovery of novel therapies for a variety of muscle diseases including Duchenne Muscular Dystrophy. Under the terms of the agreement, Santhera will receive a technology license fee. Genzyme also has the option to obtain an exclusive worldwide license to develop and commercialize a subset of Santhera's novel small molecule compounds for the treatment of Duchenne muscular dystrophy and related diseases. Financial details of the transaction were not disclosed.

“We are very pleased to collaborate with Genzyme, which has established itself, through its commitment to the development of therapy for Pompe disease, as one of the most important companies conducting research, clinical- and product-development in the field of muscle diseases.” said Dr. Thomas Meier, Chief Scientific Officer of Santhera Pharmaceuticals. “Genzyme’s decision to work with us validates the high quality of our research in the field of neuromuscular diseases and demonstrates the significant interest in this therapeutic area . By combining the vision and capabilities of our two companies’ leading muscle disease

research teams, we have the opportunity to accelerate our drug discovery efforts for urgently awaited treatments in Duchenne Muscular Dystrophy and similar diseases.

About Santhera Pharmaceuticals AG

Privately-held Santhera Pharmaceuticals AG, headquartered in Switzerland, has operations in Liestal, Switzerland (near Basel), and in Heidelberg Germany, as well as a business development office in Boston, MA, USA. It is a drug discovery and development business which was formed in August 2004 through the merger of MyoContract AG and Graffinity Pharmaceuticals AG. The company is focused on the discovery, preclinical and clinical development, and commercialization of pharmaceuticals for neuromuscular and metabolic diseases. Through its Graffinity Technology division, Santhera offers access to its proprietary small molecule drug fragment micro-array screening platform.

About Genzyme

Genzyme Corporation is a global biotechnology company dedicated to making a major positive impact on the lives of people with serious diseases. The company's broad product portfolio is focused on rare genetic disorders, renal disease, osteoarthritis and immune-mediated diseases, and includes an industry-leading array of diagnostic products and services. Genzyme's commitment to innovation continues today with research into novel approaches to cancer, heart disease, and other areas of unmet medical need. More than 6,300 Genzyme employees in offices around the globe serve patients in over 80 countries.

For further information, please visit www.santhera.com.

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