



## **Press Release**

**December 20, 2005, 4 p.m.**

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### **Santhera Raises CHF 25 million (€16 million) Via a Further Closing of its 2005 B Financing Round**

**Liestal, Switzerland – December 20, 2005** -- Santhera Pharmaceuticals AG ("Santhera"), a Swiss-based biopharmaceutical company focused on neuromuscular diseases, announced today that it has successfully raised CHF 25 million (€ 16 million) via a further closing of the private B financing round which took place earlier in 2005. The new shares have been fully subscribed by the company's existing investors which supported the formation of Santhera Pharmaceuticals via the merger of Graffinity Pharmaceuticals AG (Heidelberg, Germany) and Myocontract AG (Basel, Switzerland) in July 2004. Santhera has now raised over CHF 45 million (approx. € 30 million) since its formation.

This round of financing was supported by leading global industry investors including NGN Capital, Oxford Bioscience Partners, Varuma AG, Merlin Biosciences Limited, 3i Group plc, Carnegie Asset Management, GIMV, The Novartis Venture Fund, The Dow Chemical Company, Clariden Biotechnology Fund, Heidelberg Innovation as well as from the Swiss Foundation for Research on Muscle Diseases.

Santhera will use the proceeds to fund its late-stage clinical development program and to start the initial marketing activities for its lead compound SNT-MC17 (Idebenone) in a range of neuromuscular indications, including Friedreich's Ataxia, a rare but devastating disease which is ultimately fatal. The new funds will also be used to accelerate the Company's preclinical programs into clinical development.

"The successful completion of this financing shows the continuing strong support that Santhera enjoys from the international investor group that has backed the company since its formation in 2004 and reflects the very positive progress that has been achieved since then," said Santhera's Chairman of the Board Michael Lytton from Oxford Bioscience Partners.

Jacques Rognon, Chairman of the The Swiss Foundation for Research on Muscle Diseases, stated "The Foundation has supported Santhera in this and previous financings emphasizing our commitment to supporting research and development activities in the specialized field of neuromuscular diseases, an area where Santhera has built excellent know how, where the diseases can be devastating and ultimately fatal and where currently often are no treatments available. "

"We are very pleased with the continued support of our investors. The management is strongly committed to building on the successes of the last six months and plans to use the new funds to achieve the important milestones which we expect to deliver in the next several years as we drive towards our strategic goal of making Santhera the leading biopharmaceutical company in the field of neuromuscular diseases," said Santhera's Chief Financial Officer, Barbara Heller.

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## About Santhera

Santhera Pharmaceuticals AG is a Swiss biopharmaceutical company focused on the discovery, development and marketing of small molecule pharmaceutical products for the treatment of neuromuscular diseases. The company's lead product, SNT-MC17 (idebenone) is in an European Phase III for the treatment of Friedreich's Ataxia, a rare but devastating disease which is ultimately fatal. Santhera has orphan drug designation for this indication in both the US and EU. The Company intends to market the product in the US, and has exclusively licensed to Takeda rights to market the product for FRDA in Europe. SNT-MC17 (idebenone) is also in a Phase II trial for Duchenne Muscular Dystrophy. Santhera has developed a pipeline of preclinical drug candidates which it will progress in neuromuscular diseases and out license in areas outside its core therapeutic focus. Santhera's program on novel DPP IV inhibitors for the treatment of metabolic diseases, including Type II diabetes is licensed to Biovitrum (Sweden).

Santhera was formed in 2004 through the merger of MyoContract AG and Graffinity Pharmaceuticals AG providing it with a fully integrated platform for the discovery and development of drug candidates. The Company has operations in Basel, Switzerland and Heidelberg, Germany.

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