



Santhera and Takeda Extend European Marketing Collaboration for SNT-MC17 into Duchenne Muscular Dystrophy

Liestal, Switzerland and Osaka, Japan, August 2, 2007 – Santhera Pharmaceuticals (SWX: SANN, “Santhera”), a Swiss specialty pharmaceutical company with a focus on neuromuscular diseases, and Takeda Pharmaceutical Company Limited (TSE: 4502, “Takeda”), today announced they have extended their existing commercialization partnership for SNT-MC17 (INN: idebenone) in the European Union and Switzerland to cover the compound’s second indication of Duchenne Muscular Dystrophy (DMD). SNT-MC17 is currently in a Phase II clinical trial in Europe for DMD. Results of this trial are expected to be released later this year.

Under the agreement, Santhera grants exclusive marketing rights in the EU and Switzerland to Takeda and will receive an upfront payment of EUR 2 million and milestone payments upon initiation of a Phase III pivotal trial and further milestones upon filing and granting of marketing authorization in Europe, totaling EUR 18 million. In addition, Santhera will receive running royalty income from Takeda once the product is marketed, on terms which are identical to those in the earlier agreement covering SNT-MC17 in Friedreich’s Ataxia (FRDA), signed by the two companies in July 2005.

In addition, to support its planned regulatory filings for SNT-MC17 for DMD in the US and Canada, Santhera will reference the preclinical and clinical data generated by Takeda in its earlier development programs of the compound. In North America, Santhera plans to market SNT-MC17 for FRDA and DMD, as well as other possible indications, via its own specialty sales force. Santhera has been granted orphan drug designation for SNT-MC17 in DMD in both the EU and the US. SNT-MC17 is currently in a Phase II clinical trial for DMD at the University of Leuven, Belgium. Results from this study are expected later in 2007.

Preclinical data demonstrate that long-term administration of SNT-MC17 shows improvement in several clinically relevant functional cardiac parameters as well as an increase in endurance exercise performance in the mdx mouse, a well characterized animal model for DMD. These data were recently presented at the American Academy of Neurology’s 59th Annual Meeting in Boston/MA.

“We are pleased to have signed a second agreement with Santhera covering the European marketing rights of SNT-MC17 for the additional indication of DMD,” said Yasuchika Hasegawa, President of Takeda. “DMD and FRDA are both extremely serious neuromuscular disorders where there are currently no drug treatments specifically approved for these indications and we look forward to being in a position to introduce SNT-MC17 to European patients with these diseases.”

“Takeda’s desire to secure marketing rights to SNT-MC17 for DMD in Europe at this stage of development reflects our shared confidence in the product for this second indication,” said Klaus Schollmeier, Chief Executive Officer of Santhera. “Given our very positive existing partnership with Takeda, this second agreement is a logical next step to further explore the therapeutic and commercial potential of our lead compound SNT-MC17.”

About Duchenne Muscular Dystrophy (DMD)

DMD is the most common and a devastating type of muscular degeneration and results in rapidly progressive muscle weakness. It is a genetic, degenerative disease that is inherited in an X-linked recessive mode. DMD affects approximately 30,000 patients in the USA, EU, and Japan and its incidence is approximately 1 in 3,500 live born males. Women can be carriers of DMD but usually exhibit no symptoms. DMD is characterized by a complete loss of the protein *dystrophin*, leading to impaired calcium homeostasis and elevated oxidative stress in muscle cells. This results in progressive muscle weakness and wasting. The average age of onset is between 3 and 5 years of age with a loss of ambulation in teenage patients. Dilated cardiomyopathy is commonly associated with this chronic disease leading to early morbidity and mortality in DMD patients, frequently in their thirties.

References

Gunnar M. Buysse et al., A Long-term Blinded Controlled Efficacy Study of SNT-MC17/Idebenone in the Dystrophin-Deficient MDX Mouse, abstract and poster presented at the American Academy of Neurology’s 59th Annual Meeting in Boston, MA, April 28 to May 5, 2007.

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About Santhera

Santhera Pharmaceuticals (SWX: SANN) is a Swiss specialty pharmaceutical company focusing on the discovery, development and marketing of small molecule pharmaceutical products for the treatment of severe neuromuscular diseases. Santhera’s vision is to become a leading specialty pharmaceutical company offering therapies for a number of indications in this area of high unmet medical need which includes many orphan indications with no current therapy.

Santhera currently has four clinical-stage development programs, three of which are investigating its lead compound, SNT-MC17 (INN: idebenone), in the treatment of Friedreich’s Ataxia (FRDA), Duchenne Muscular Dystrophy (DMD) and Leber’s Hereditary Optic Neuropathy (LHON). The fourth clinical program is investigating JP-1730 (INN: fipamezole) for the treatment of Dyskinesia in Parkinson’s Disease (DPD) in cooperation with Juvantia, the compound’s owner. The most advanced program, SNT-MC17 in FRDA, is currently in preparation for Marketing Authorization Approval (MAA) filing in Europe and in Phase III clinical development in the US while the other clinical programs are in Phase II. For further information, please visit www.santhera.com.

About Takeda

Located in Osaka, Japan, Takeda (TSE:4502) is a research-based global company with its main focus on pharmaceuticals. As the largest pharmaceutical company in Japan and one of the global leaders of the industry, Takeda is committed to striving toward better health for individuals and progress in medicine by developing superior pharmaceutical products.

Aiming to become an “R&D-driven world-class pharmaceutical company”, Takeda is enhancing its R&D pipeline by concentrating its management resources for that purpose in the following selected core therapeutic areas:

- * metabolic diseases,
- * oncology and urological diseases
- * central nervous system disorders, bone/joint diseases
- * gastroenterological diseases

Additional information about Takeda is available through its corporate website, www.takeda.com.

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Forward-looking statements and other information contained in this release involve risks and uncertainties. Such statements reflect the current views, intentions and estimates of Santhera and Takeda. They are based on assumptions that may be inaccurate. Results could differ materially from those anticipated. Certain of these forward-looking statements can be identified by the use of forward-looking terminology such as “believe”, “expect”, “may”, “are expected to”, “will”, “will continue”, “should”, “would be”, “seek” or “anticipate” or by discussions of strategy, plans or intentions. Furthermore, Santhera and Takeda do not assume any obligation to update these forward-looking statements.