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Santhera Aligns Resources and Plans to Restructure Drug Discovery

Liestal, Switzerland, July 6, 2009 – Santhera Pharmaceuticals (SIX: SANN), a Swiss specialty pharmaceutical company focused on orphan neuromuscular diseases, announced today that it plans to focus the organization on preclinical and clinical development as well as commercialization of small molecules in rare neuromuscular disorders and related attractive niche indications. As a consequence, the Company intends to reduce headcount primarily in drug discovery.

Santhera's strategic focus remains to identify, develop and market products in its area of expertise. The Company's commercial operation in North America will continue to market Catena® in Canada and the marketing organization in the US will be strengthened when positive Friedreich's Ataxia Phase III study (MICONOS) results become available. Santhera's proven development expertise will focus on Catena®, JP-1730/fipamezole and other attractive clinical development programs. The Company's preclinical activities will be concentrated on reprofiling existing molecules and supporting clinical development programs as well as the evaluation of in-licensing opportunities. In-vitro and in-vivo biology know-how will therefore be retained as well as all expertise required for the partnering of the assets related to Santhera's advanced MC4 receptor antagonist program. In-house drug discovery, however, will be discontinued. As a consequence, the Company intends to reduce its current workforce of 82 employees by 26, predominantly from drug discovery. The consultation process with the Swiss employees has been initiated.

"The planned restructuring is a very difficult decision for us. It became necessary due to the current delay of our most advanced program combined with a difficult financial environment", said Klaus Schollmeier, Chief Executive Officer of Santhera. "The measure will assure that we keep enough financial flexibility until Catena® is approved in the US and Europe and for other future growth opportunities."

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About Santhera

Santhera Pharmaceuticals (SIX: SANN) is a Swiss specialty pharmaceutical company focused on the development and commercialization of small-molecule pharmaceutical products for the treatment of severe neuromuscular diseases, an area of high unmet medical need which includes many orphan indications with no current therapy. Santhera's first product, Catena® to treat Friedreich's Ataxia, is marketed in Canada. Data of a second pivotal Phase III study are expected for the first half of 2010. The drug has also shown efficacy in a clinical trial as a potential treatment for Duchenne Muscular Dystrophy. Recently reported results from a clinical trial demonstrate

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July 6, 2009 / page 2 of 2

efficacy of JP-1730/fipamezole in reducing levodopa-induced Dyskinesia in Parkinson's Disease. The development portfolio consists of additional clinical programs, and will be grown further through in-licensing and reprofiling of existing compounds, driven by Santhera's in-house expertise in pharmacology. For further information, please visit the Company's web site www.santhera.com.

Catena® is a trademark of Santhera Pharmaceuticals.

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