



## **Santhera Raises CHF 15.9 Million in Private Placement with Strategic Investor Ares Life Sciences**

**Liestal and Geneva, Switzerland, November 6, 2008 – Santhera Pharmaceuticals (SIX: SANN), a Swiss specialty pharmaceutical company focused on neuromuscular diseases, announced today that it has raised gross proceeds of CHF 15.9 million in a private placement with Ares Life Sciences, an investment vehicle established by the Bertarelli family. Santhera sold 370,082 new registered common shares at a price of CHF 43.00 per share representing a premium of 3.7% over the volume-weighted average share price of the last five trading days. The transaction strengthens Santhera’s financial flexibility and represents a positive strategic endorsement by a major global biotech investor.**

The transaction was executed on November 5, 2008 after the close of trading on the SIX Swiss Exchange. The capital increase will be effected today. The new shares with a par value of CHF 1.00 each will be issued from the Company’s authorized share capital and will represent 10.6% of the outstanding share capital after the transaction. The subscription rights of existing shareholders have been excluded in accordance with Santhera's articles of incorporation. The new shares will be listed on SIX Swiss Exchange with the first day of trading on November 7, 2008. Ares has agreed to a lock-up with regard to the new shares for a period of 12 months following the share issuance.

“We are delighted to have Ares invest in Santhera as a new, long term and strategic shareholder”, said **Klaus Schollmeier, Chief Executive Officer of Santhera**. “Ares represents long-standing and successful first-hand experience in the biotechnology sector. Their investment is a significant validation of our business model in orphan diseases, our product portfolio and our growth prospects.” Commenting on the funding, **Barbara Heller, Chief Financial Officer of Santhera** said: “The new funds we raise provide the Company with additional financial flexibility to ensure the timely progress of our next product candidates and to support the development of our specialist marketing organization for the North American markets. This capital increase further secures Santhera's cash position well beyond the planned launch of our lead product, CATENA®, for the treatment of Friedreich’s Ataxia in the United States.”

“Santhera is our first investment in the biotech sector since the initiation of the fund earlier this year. In our view, Santhera is one of the best-positioned young biopharmaceutical companies in Europe”, said **Jacques Theurillat, Chief Executive Officer of Ares Life Sciences**. “We are extremely pleased to have been given the opportunity to invest in Santhera and strongly believe in the high quality nature of its product pipeline and the excellence of its management team.”

The financial advisors for this transaction were Merrill Lynch International, London, and Bank Vontobel, Zurich, for Santhera and Piper Jaffray, London, for Ares Life Sciences.

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**Conference call / Webcast: At 15:00 CET / 14:00 UKT / 9:00 EST today November 6, 2008, Santhera will host a conference call webcasted on [www.santhera.com/webcasts](http://www.santhera.com/webcasts). Anyone interested in participating may join the conference using the dial-in +41 (0)44 580 73 89.**

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### About Santhera

Santhera Pharmaceuticals (SIX: SANN) is a Swiss specialty pharmaceutical company focused on the discovery, 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 currently investigates three compounds in five clinical-stage development programs. The Company's first product, SNT-MC17 (INN: idebenone), has received a marketing approval with conditions from Health Canada to treat Friedreich's Ataxia and is marketed under its brand name CATENA®. The product is also under review by health authorities in the EU and in Switzerland, while in the United States, a pivotal Phase III trial is recruiting patients. The compound has also shown efficacy in a phase II clinical trial as a potential treatment for Duchenne Muscular Dystrophy. For further information, please visit the Company's website [www.santhera.com](http://www.santhera.com).

*CATENA® is a trademark of Santhera Pharmaceuticals, registered in Canada and the United States.*

### About Ares Life Sciences

Ares Life Sciences is a private equity fund established in 2008 whose lead investor is the Bertarelli family. Its objective is to build a portfolio of revenue generating, late-stage innovative companies in life sciences. The Fund is focused on five specific sectors: pharmaceuticals, biotechnology, diagnostics, medical technology and healthcare services. Its first investment, in June 2008, was in Euromedic, a pan European provider of dialysis and diagnostic imaging services with 170 centers in 15 countries.

Ares Life Sciences aims to add value to its portfolio companies through a management team that provides extensive sector experience, investment expertise, scientific knowledge and industry networks. The team has a unique balance of industry and investment professionals and is led by Jacques Theurillat, previously Deputy CEO of Serono, while the investment committee is chaired by Ernesto Bertarelli.

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