santhera Pharmaceuticals

An Emerging Product Company

Annual Shareholders' Meeting
Basel, April 27, 2009

Strong Operational and Financial Results in 2008

- First product approval moves Santhera from development to product company
- Successful launch of Catena® in Canada
- Robust pipeline: R&D programs on track
- Well financed into 2011 according to current financial planning

Today‘s Agenda

1. Key Achievements 2008
2. Update on Clinical Development Programs
3. Update on Commercial Operations
4. Financial Results 2008
5. Outlook

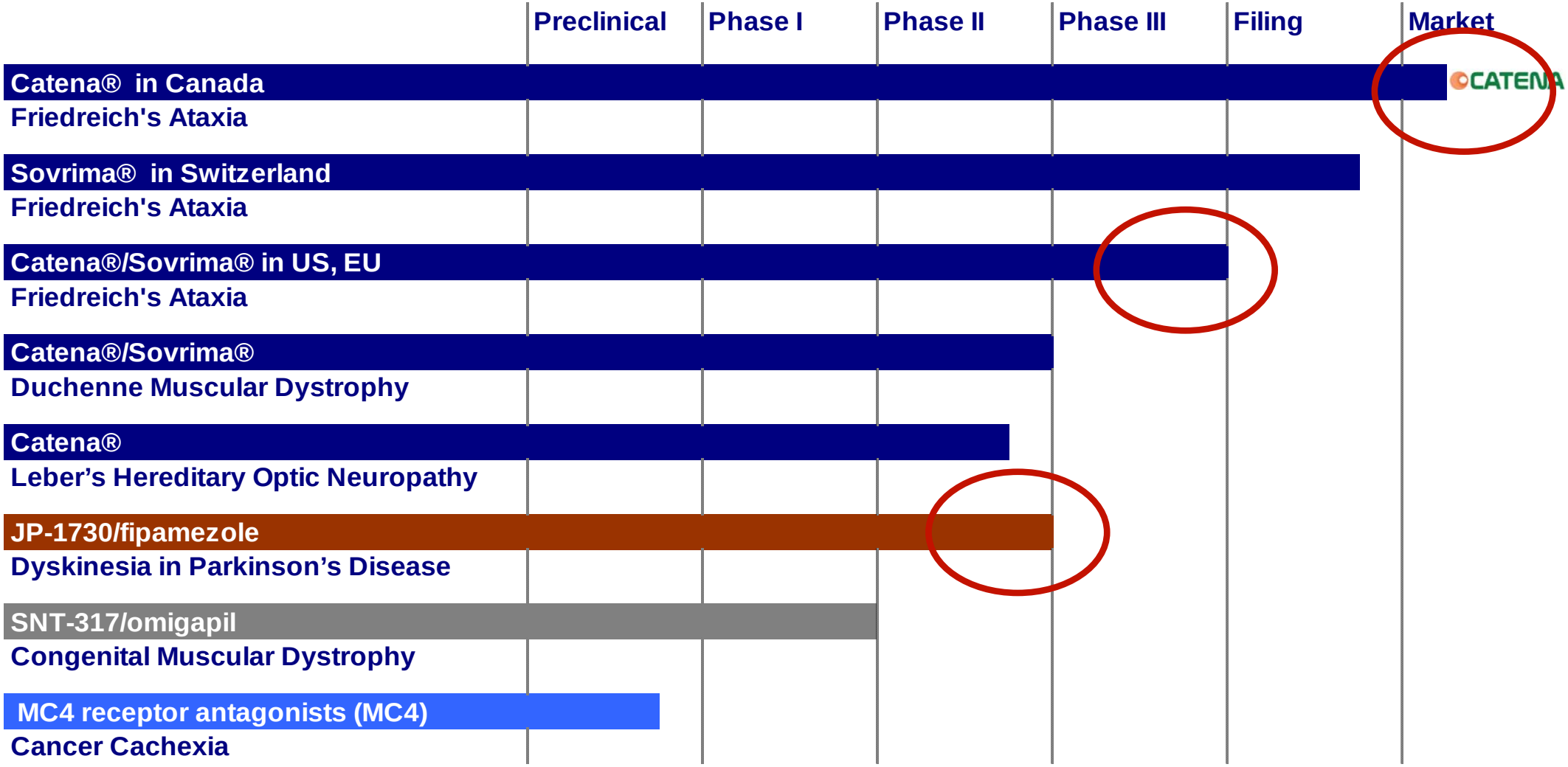
Major Events in 2008: Key Milestones (1)

- **Regulatory**
  - Approval of Catena® for treatment of Friedreich's Ataxia in Canada
  - Early approval in EU refused
- **Marketing & Sales**
  - Successful Canadian launch of Catena®
- **Clinical**
  - Friedreich's Ataxia: US (IONIA) and European (MICONOS) Phase III trials fully recruited in October and December, respectively
  - Dyskinesia in Parkinson's Disease: Phase IIb study with JP-1730/fipamezole (FJORD) well advanced

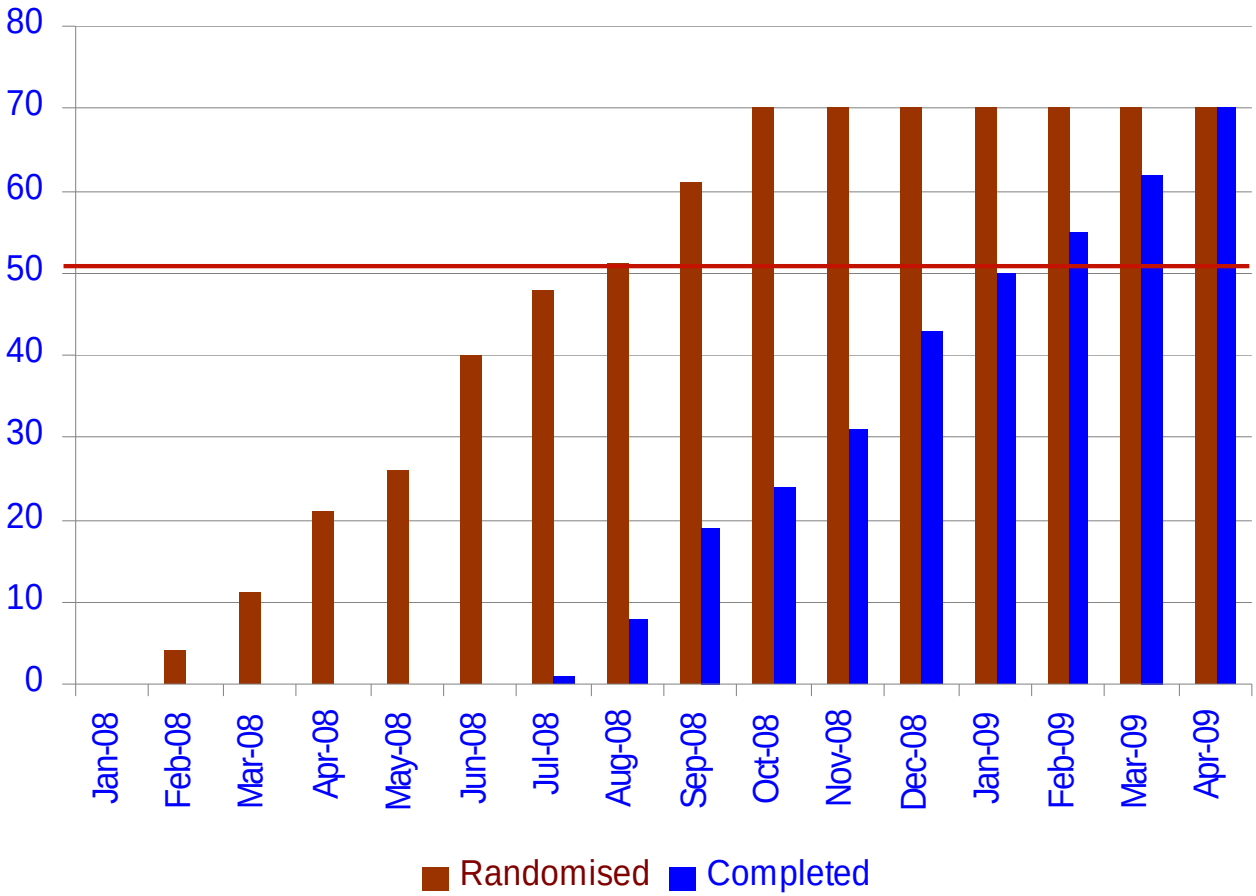
Major Events in 2008: Key Milestones (2)

- **Preclinical**
  - MC4 receptor antagonist program in Cancer Cachexia reaches late preclinical stage
- **Operational**
  - North American Marketing & Sales established in Boston and Montréal
- **Financials**
  - Cash runway secured into 2011
  - Capital increase of about CHF 16m

Substantial Progress in Development Portfolio

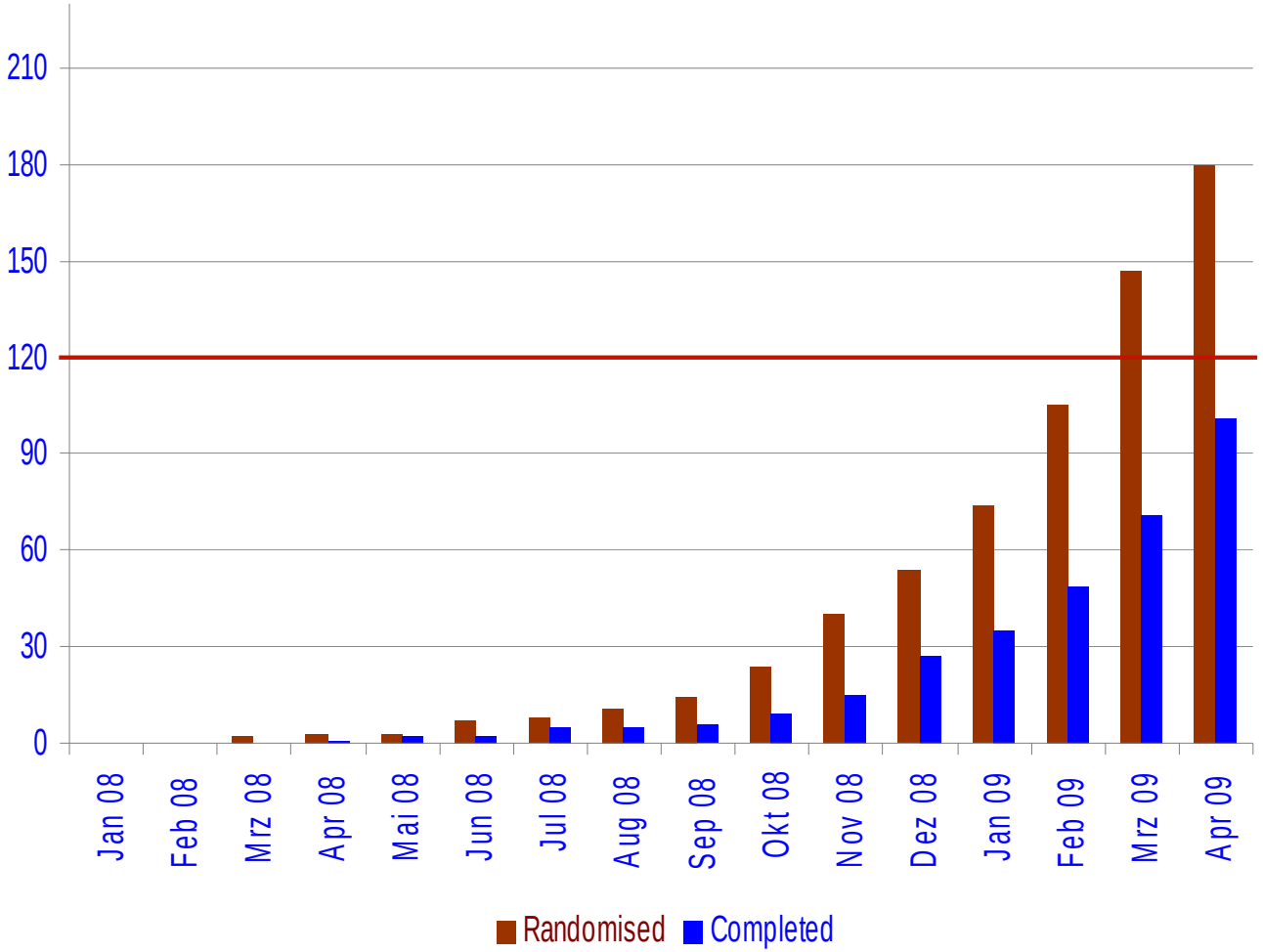


Catena® in Friedreich's Ataxia: Update on US IONIA Study



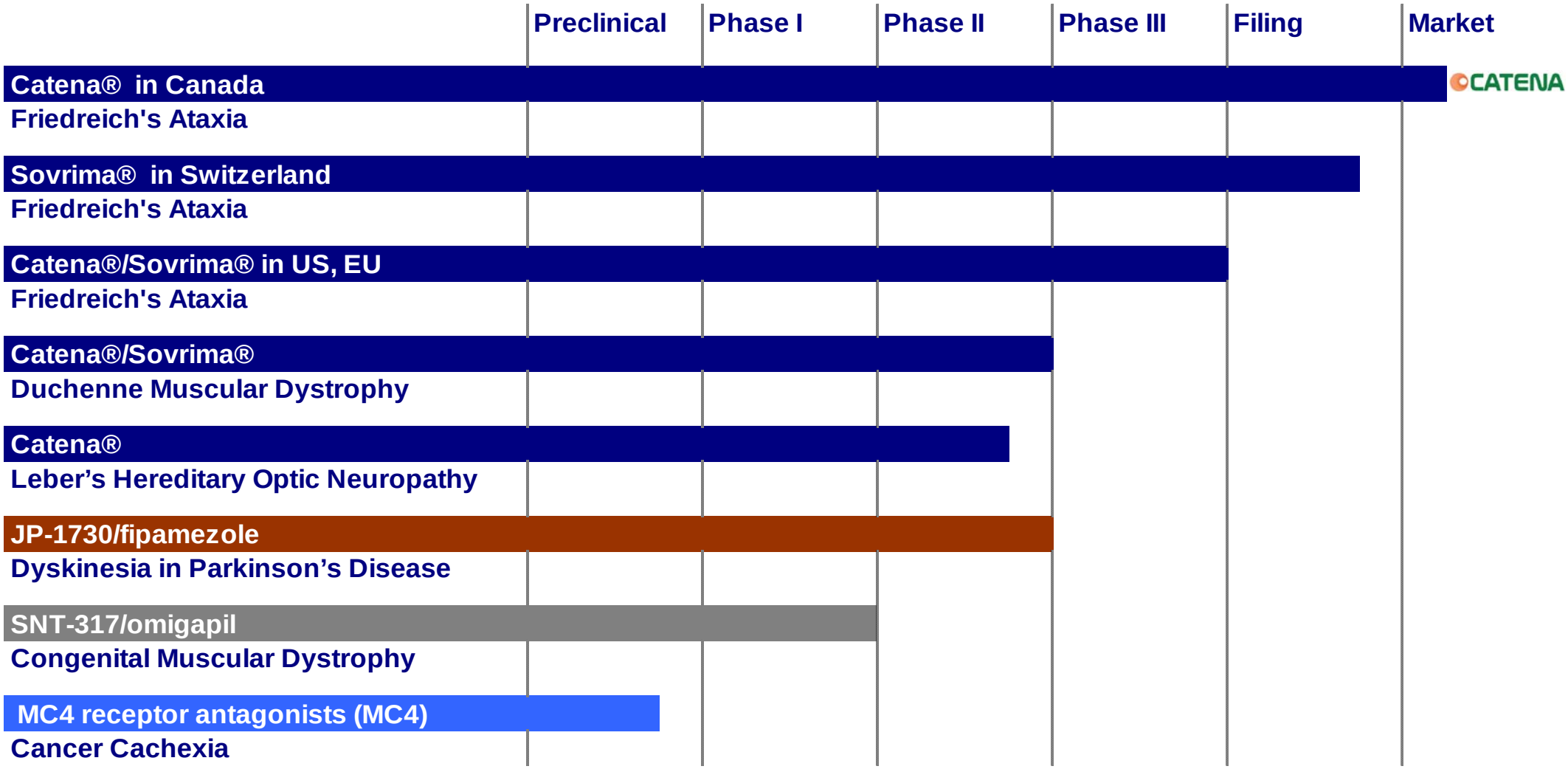
- 70 ambulatory patients; aged 8 to 17
- LPI October 31, 2008
- 6 month treatment
- LPO April 14, 2009
- 2 dose arms vs placebo
- Top-line data in summer 2009
- NDA & MAA filings in late 2009

JP-1730/fipamezole in Dyskinesia in Parkinson's Disease: Update on FJORD Study

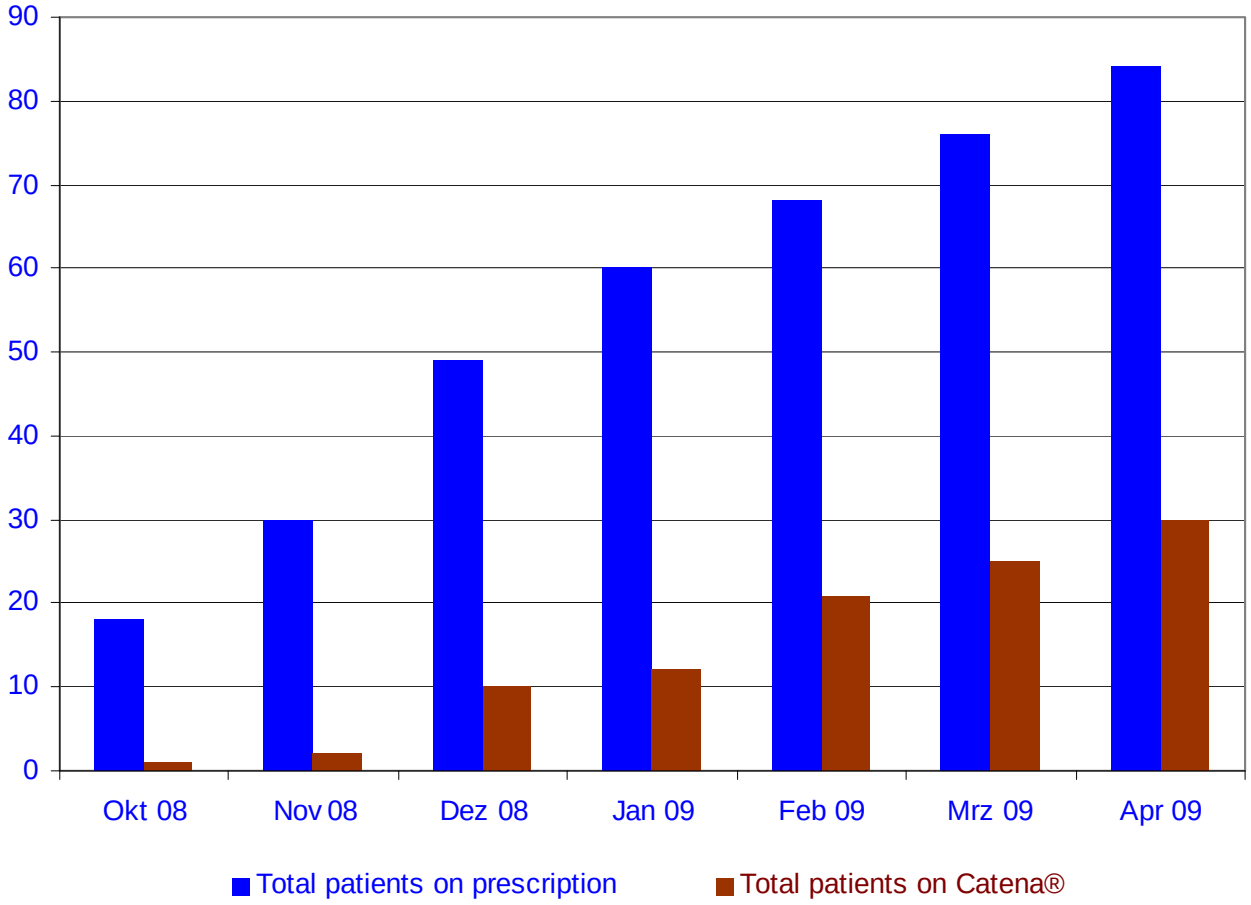


- 180 patients recruited
- 120 evaluable patients required, about 130 expected
- 33 study centers in US and India
- 28 days treatment
- Top-line data in summer 2009
- Subsequent Santhera decision on option to acquire Juvantia
- Subsequent partnering for Phase III and later commercialization

Focus on Orphan Neuromuscular Diseases



Fast Market Uptake of Catena® in Canada



- 25-40% of patient population have prescription after 7 months
- 50:50 split between public and private insurance
- 30% of prescriptions for high dose
- All major private payors accept Catena® in their formularies
- Ongoing negotiations for public reimbursement on national and provincial levels

Canadian Launch Shows That We Are on the Right Track

- Meeting an unmet medical need translates into high and instant awareness amongst prescribers and patients
- Patients are organized in dedicated medical and patient communities
- Majority of patients are treated by a small number of specialized centers requiring only a small specialized sales team
- Prescribers and payers accept Catena®'s pricing regimen

Initial experience in Canada validates Santhera's business model in orphan diseases

Financial Information 2008

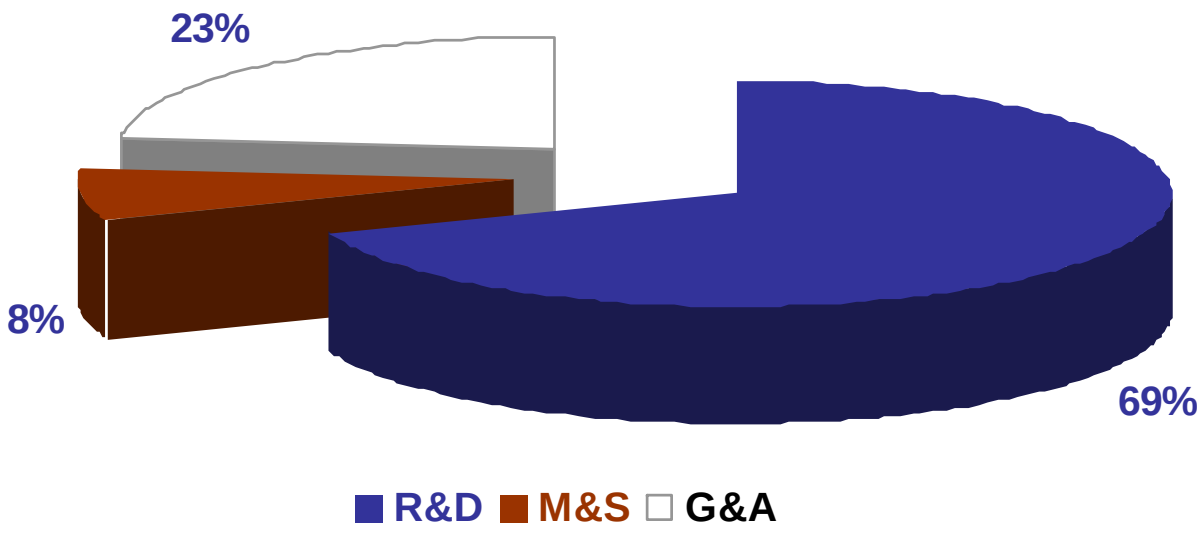
Key Financials

(IFRS, consolidated, in CHF thousands)

	2008	2007
Cash and cash equivalents	**75,006**	106,618
Net increase cash/cash equivalents	**- 31,612**	- 19,044
Net sales	**48**	0
Gross profit	**25**	9,226
Other operating income	**26**	2,439
Total operating expenses	**- 45,642**	- 42,792
- R&D expenses	- 31,467	- 23,335
- Noncash-relevant share-based payments	- 1,680	- 10,154
Net loss	**- 44,656**	- 27,871

- Transition into product company with a first marketed product
- Monthly net cash-burn of CHF 2.6m (2007: CHF 1.6m) due to
  - Advances in clinical development
  - Costs of Canadian launch
  - Inventory of API
  - No partnering income
  - First product sales
  - Financing

Operating Expenses 2008: Functional Allocation



- Research & Development: 69% (CHF 31.5m) of total operating expenses (55% in 2007)
- Marketing & Sales: 8% (CHF 3.5m)
- General & Administration: 23% (CHF 10.6m)
- Total operating expenses: CHF 45.6m

Financial Information 2008

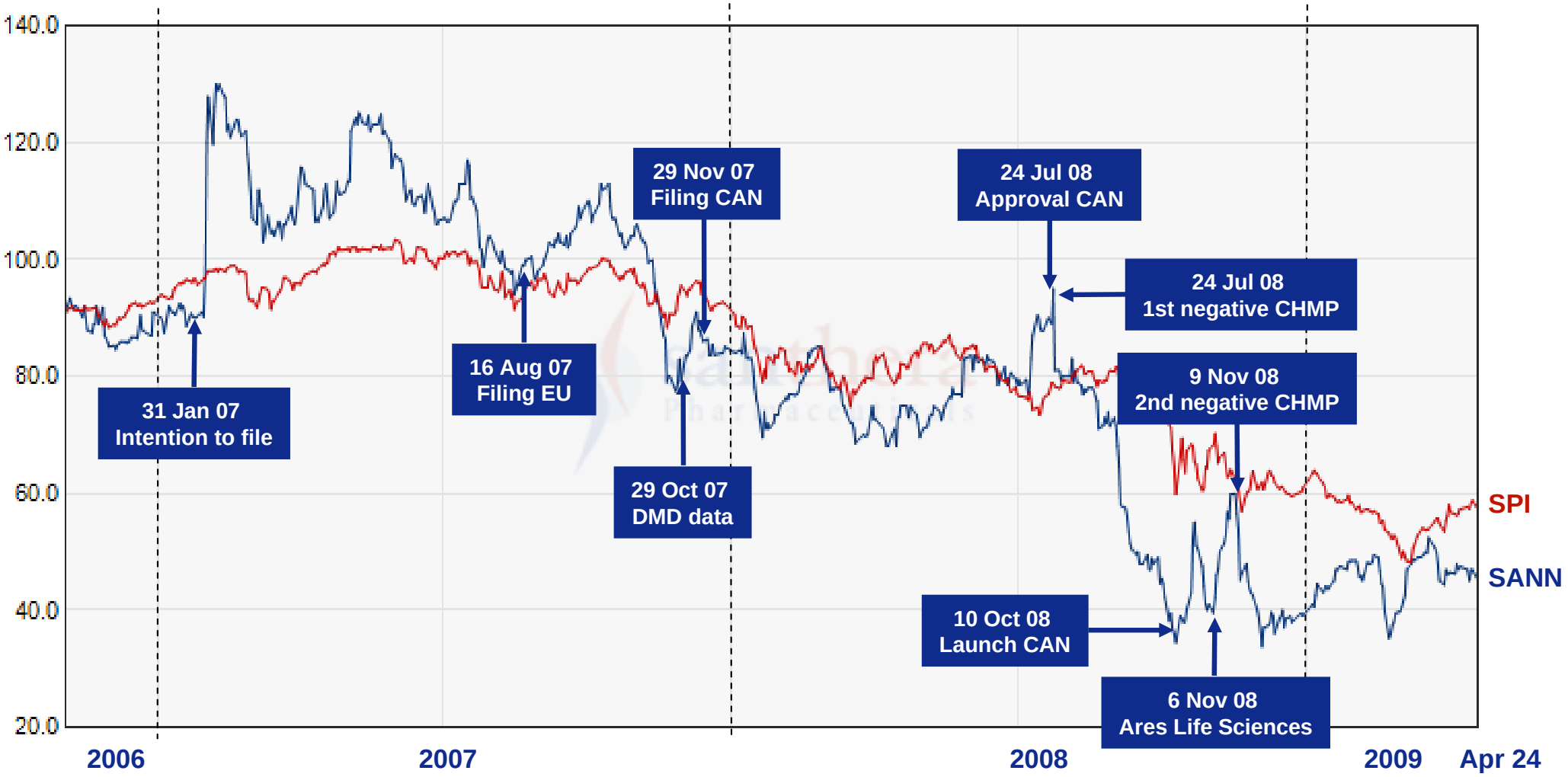
Consolidated Balance Sheets

(IFRS, condensed, in CHF thousands)

December 31	**2008**	2007
Cash and cash equivalents	**75,006**	106,618
Noncurrent assets	**31,641**	34,588
Other current assets	**6,300**	2,969
Total assets	**112,947**	144,175
Equity	**104,474**	135,514
Noncurrent liabilities	**263**	272
Current liabilities	**8,210**	8,389
Total equity & liabilities	**112,947**	144,175
Cash per Share (in CHF)	21.35	34.18

- Fully equity financed
- Strong cash position
  - Cash reach into 2011 including product sales and partnering income
  - Financing with Ares Life Sciences

Share Price Development since IPO (vs. SPI – Swiss Performance Index)



Expected Milestones and News Flow

1H 2009

- Top-line data IONIA Phase III trial; Subsequent filing of NDA & MAA
- Swissmedic decision on Sovrima® in Friedreich's Ataxia

2H 2009

- Top-line data Phase IIb trial with JP-1730/fipamezole in Dyskinesia in Parkinson's Disease; Potential acquisition of Juvantia
- Start pivotal Phase III with Catena®/Sovrima® in Duchenne Muscular Dystrophy
- Interim results 1H 2009 (September 4)
- Partnering of Dyskinesia program for Phase III and commercialization
- Partnering of MC4-R antagonists in Cancer Cachexia
- Top-line data Phase IIa trial with Catena® in Leber's Hereditary Optic Neuropathy

Hopefully she'll never
hear the name Santhera
as she grows up...

...but if she needs us,
we'll be with her
every step of the way.

As an emerging speciality pharmaceutical company, Santhera believes that the development of small molecules has a big future.

Unmet medical need is what drives our work. Particularly rare diseases and the development of orphan drugs where there are no current alternatives.

That's why we are busy developing novel solutions to improve the lives of patients with severe neuromuscular diseases.

At Santhera we care about people – every step of the way.

Date of preparation: August 2008

when it comes to science

we know how to move people

santhera Pharmaceuticals