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## **Santhera Reports Closing of Juvantia Acquisition and Final Upfront Payment from Partner Biovail**

**Liestal, Switzerland, October 5, 2009 – Santhera Pharmaceuticals (SIX: SANN), a Swiss specialty pharmaceutical company focused on orphan neuromuscular diseases, announced today the final closing of the acquisition of Oy Juvantia Pharma Ltd of Turku, Finland. Santhera issued 105,973 previously reserved shares from its authorized share capital to Juvantia investors, as announced when exercising its option to acquire Juvantia on August 17, 2009. The closing of the transaction triggers a final upfront payment of USD 4 million from Biovail Laboratories International SRL, a subsidiary of Biovail Corporation, Santhera's licensing partner for the further development and marketing of JP-1730/fipamezole to treat Dyskinesia in Parkinson's Disease in the United States and Canada.**

The new shares issued to the former Juvantia shareholders as a consideration for their sale of Juvantia to Santhera will be listed on the SIX Swiss Exchange today. Upon this transaction, the share capital of Santhera Pharmaceuticals Holding AG will consist of 3,629,266 listed shares with a nominal value of CHF 1 each. The available amount of authorized share capital will be reduced accordingly by CHF 105,973 to CHF 323,945.

In August 2009, Biovail acquired the US and Canadian rights to develop and commercialize JP1730/fiapmezole for the treatment of levodopa-induced Dyskinesia in Parkinson's Disease. Under the terms of the agreement Santhera received a partial upfront payment of USD 8 million and is entitled to up to USD 180 million in development and commercialization milestones and royalties of 8 to 15% on future net sales. Following the closing of the acquisition of Juvantia, Santhera is now entitled to a final upfront payment from Biovail in the amount of USD 4 million.

**Upon application by Santhera Pharmaceuticals Holding AG, the Regulatory Board of the SIX Swiss Exchange granted an exemption from the obligation to produce a prospectus in connection with the listing of 105,973 newly issued shares**

Exemption from the obligation to produce a listing prospectus was granted upon analysis of the overall situation of the listing of new shares in connection with the acquisition of Juvantia. In particular, the Regulatory Board decided to grant this exemption due to the fact that the collaboration with Juvantia and the option agreement with former shareholders of Juvantia defining the terms and conditions for the potential acquisition of Juvantia were already fully disclosed in the offering memorandum and listing prospectus of the IPO of Santhera back in 2006.

Also, importantly, in order to comply with requirements regarding ad-hoc publicity, contractual arrangements between Santhera and Juvantia required Santhera to disclose important activities

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and developments of Juvantia. In addition and in contrast to other capital increases in connection with acquisitions, due to the fact that the target company Juvantia has been known for several years, the need for information of investors and market participants was less.

Moreover, since Santhera's IPO, all annual reports contained relevant information about the potential acquisition of Juvantia. In particular also the maximum number of the newly to be issued shares from authorized capital upon exercising the option for the acquisition were disclosed.

The Regulatory Board appreciated in its analysis the small size of the capital increase of approximately 3% as well as the fact that the acquisition does not lead to a structural change requiring publication of additional financial information in a listing prospectus (financial information on Juvantia and pro-forma consolidated financial information) and also that the shares were placed with the former shareholders of Juvantia. The Regulatory Board notes however that these last-mentioned facts alone would not have lead to an exemption from the obligation to produce a listing prospectus.

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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 and in a well-advanced Phase III development program. The drug is also investigated in a Phase III study in Duchenne Muscular Dystrophy. Recently published study results show that Santhera's second compound JP-1730/fipamezole is efficacious in reducing levodopa-induced Dyskinesia in Parkinson's Disease. For further information, please visit the Company's Web site [www.santhera.com](http://www.santhera.com).

*Catena® is a trademark of Santhera Pharmaceuticals.*

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