



Interim Report January to June 2008

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Santhera's 2008 Interim Results Reflect Advances in Clinical Development and Preparation for First Product Launch

The interim results for the first half year, ending June 30, 2008 highlight the progress in the Company's development programs and preparations for the launch of Santhera's first product. During the reporting period, research and development (R&D) amounted to CHF 15.7 million, reflecting expenses associated with the advanced stages of the ongoing studies as well as additional clinical trials. Net cash burn in the first six months of 2008 was CHF 25.6 million compared to CHF 15.3 million in the first half of 2007. As of June 30, 2008, Santhera had cash reserves of CHF 81.1 million. The Company continues to focus its resources on the launch preparation of CATENA® in Canada and its core development programs.

Major events of 2008 to date include

- First product approval: In July, Health Canada approved under conditions Catena for symptomatic treatment of Friedreich's Ataxia. Product launch is scheduled for late October 2008.
- Pivotal Phase III trials in Friedreich's Ataxia well-advanced: Recruitment for the two trials with SNT-MC17/idebenone in Europe and in the United States is close to complete.
- Regulatory delay in Europe: In its July meeting, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued a negative opinion on SNT-MC17/idebenone to treat Friedreich's Ataxia.
- Commercial operations on track: Two subsidiaries in North America set up to coordinate and launch Catena in Canada and later in the United States.

Solid balance sheet with cash reserves of CHF 81 million by mid-year 2008

As of June 30, 2008, Santhera had cash and cash equivalents of CHF 81.1 million reflecting a net cash burn of CHF 25.6 million in the first six months of 2008 compared to CHF 15.3 million in the first half of 2007. Total equity by mid-year 2008 amounted to CHF 112.2 million compared to CHF 135.5 million as of December 31, 2007.

The Company's issued and outstanding share capital was increased by CHF 14,279 through the exercise of employee stock options and warrants held by the shareholders of Juvantia Pharma, equaling to 4,461 and 9,818 new shares, respectively. As of June 30, 2008, the issued nominal share capital amounted to CHF 3,133,140 divided into 3,133,140 registered shares.

During the reporting period, Santhera built up an inventory of active pharmaceutical ingredient to the amount of CHF 4.6 million for the anticipated launch of SNT-MC-17/idebenone in Friedreich's Ataxia.

Foreign currency developments increased the fair value of the short-term financial liabilities consisting of forward contracts to CHF 1.1 million.

Expenses focused on clinical development

Operating expenses amounted to CHF 22.6 million including CHF 0.9 million noncash-relevant expenses for share-based payments, compared to CHF 20.7 million and CHF 5.6 million noncash-relevant expenses for share-based payments in the same period 2007. This 10% increase was in line with expectations and is mainly due to the advancement of the clinical development programs. No revenues were generated in both the first half of 2008 as well as in 2007.

Expenses for R&D amounted to CHF 15.7 million including CHF 0.2 million noncash-relevant expenses for share-based payments for the first half of 2008. In the preceding year, R&D accounted for CHF 10.7 million including CHF 0.4 million noncash-relevant expenses for share-based payments. The increase of 47% reflects the advancements of the clinical programs, in particular the three additional studies, namely the MICONOS (Mitochondrial Protection With Idebenone In Cardiological Or Neurological Outcome Study) extension study in Europe, the IONIA (Idebenone Effects On Neurological ICARS Assessments) Phase III trial in the United States, both in Friedreich's Ataxia, and the FJORD (Fipamezole from Juvantia fOR treatment of Dyskinesia) Phase IIb trial in Dyskinesia in Parkinson's Disease.

Preparing for the commercialization of the first products, expenses for marketing and sales (M&S) increased to CHF 1.5 million including CHF 0.1 million noncash-relevant expenses for share-based payments compared to CHF 0.5 million and CHF 0.1 million in the first half of 2007.

Expenses for general and administration (G&A) decreased from CHF 9.4 million in the first six months of 2007 to CHF 5.4 million in the reporting period due to a reduction of noncash-relevant expenses for share-based payments from CHF 5.1 million in 2007 to CHF 0.5 million in 2008. Actual cash-relevant G&A expenses slightly increased by CHF 0.6 million due to higher personnel expenses and costs incurred in connection with the incorporation of the two North American subsidiaries, in the United States in Boston, Massachusetts, and in Canada in Montréal, Québec.

For the first half of 2008, the operating result of Santhera amounted to CHF -22.6 million compared to CHF -20.7 million. The financial result fell to CHF -0.6 million compared to CHF 1.6 million in 2007 due to fair value valuation of currency hedging contracts and currency losses of the Swiss franc against the US dollar and the euro. As a consequence, for the first half of 2008, the Company reported a net loss of CHF 23.3 million, an increase of 22% over CHF 19.0 million for the same period in 2007.

The cash-relevant operating key figure, the gross operating and investing cash flow, increased by 70% to CHF -25.5 million (CHF -15.0 million in first half of 2007). The figure primarily reflects the higher expenses in clinical development, in regulatory activities surrounding the Canadian and EU approval processes and the one-time build up of inventory. As a result, the net burn rate for the

first six months 2008 amounted to CHF 25.6 million or CHF 4.3 million per month compared to CHF 15.3 million or CHF 2.6 million in the corresponding period of the preceding year.

Continuing focused cash spending and outlook

Santhera is building its commercial operations in North America in preparation of the launch of its first product in Canada. Simultaneously, the Company continues to focus financial and human resources on its key value drivers namely on SNT-MC17/idebenone and JP-1730/fipamezole. Santhera expects cash burn to remain at the same level as reported for the first six months of 2008. The Company is convinced that the tight focus of its resources preserves cash while maximizing the value of its two core franchises.

Update on products and pipeline: Focusing on key value-drivers

CATENA® (idebenone) in Friedreich's Ataxia: Shipment of the drug is on track for the launch in Canada in late October 2008. The drug will be marketed by Santhera's own specialized marketing team. Canada has granted use patent protection until 2019.

SNT-MC17/idebenone in Friedreich's Ataxia: Santhera requested reexamination of the original negative opinion adopted by the CHMP in its July meeting. A final decision could be reached within the forthcoming months. Despite this appeal, Santhera is focused on completing its two well-advanced Phase III trials in order to apply for marketing authorizations in Europe and in the United States during the second half of 2009.

In Europe, the 12-month MICONOS Phase III trial is on track for full recruitment by the end of this year. Meanwhile, 48 patients have completed the study and were enrolled into the open-label extension study on the high dose.

In the United States, the minimum of 51 patients are enrolled into the IONIA Phase III trial as defined by the study protocol. Given the current prospect of additional patients, Santhera expects to complete recruitment of up to 65 patients by the fourth quarter of 2008.

SNT-MC17/idebenone in Duchenne Muscular Dystrophy: Scientific advice meetings with the EMEA and the US Food and Drug Administration (FDA) are being scheduled for later in 2008. Based on these discussions, the initiation of a European Phase III clinical trial is now planned for the first half of 2009.

In Belgium, the open-label extension study for participants of the DELPHI (Duchenne Efficacy Study In Long-Term Protocol Of High Dose Idebenone) trial, of which results were reported in 2007, is expected to start in early fall 2008.

SNT-MC17/idebenone in Leber's Hereditary Optic Neuropathy: A third study center was recently opened in Montréal, Québec, for the RHODOS (Rescue Of Hereditary Optic Disease Outpatient Study) trial. The six-month Phase II study assesses the efficacy of SNT-MC17/ idebenone against placebo in the treatment and prevention of vision loss associated with the eye disease.

JP-1730/fipamezole in Dyskinesia in Parkinson's Disease: Study centers in the United States and India are recruiting patients for the FJORD Phase IIb trial while the first patients have already completed the study. The protocol is currently under review in order to focus on the capacity of JP-1730/fipamezole to reduce dyskinesia versus reduction of dyskinesia and extension of antiparkinsonian action of levodopa. The amendments are designed to make the study management easier and to increase recruitment speed. Santhera is evaluating partnering opportunities for advancing the program to Phase III.

SNT-317/omigapil in Congenital Muscular Dystrophy: To support the current focus on the core programs, Santhera has postponed external development work, while internal preparation for this Phase II/III program continues. Meanwhile, the compound has been granted orphan drug designation by the EMEA and the FDA for the indication.

Consolidated Financial Statements (Unaudited)

Consolidated Balance Sheet (Unaudited)

	In CHF thousands	Notes	June 30, 2008	December 31, 2007
Assets				
Tangible assets			1,578	1,363
Intangible assets		6	32,332	33,114
Financial assets long-term			29	111
Noncurrent assets			33,939	34,588
Prepaid expenses and accrued income			920	1,235
Inventories		7	4,563	584
Trade and other receivables			797	1,069
Financial assets short-term			0	81
Cash and cash equivalents		8	81,078	106,618
Current assets			87,358	109,587
Total assets			121,297	144,175
<hr/>				
		Notes	June 30, 2008	December 31, 2007
Equity and liabilities				
Share capital		9	3,133	3,119
Capital reserves and share premium			250,194	249,295
Retained earnings			-141,687	-118,432
Translation differences			601	1,532
Total equity			112,241	135,514
Financial liabilities long-term			0	1
Pension liabilities			274	271
Total noncurrent liabilities			274	272
Trade and other payables			2,592	3,659
Financial liabilities short-term		10	1,062	112
Accrued expenses			4,787	4,267
Short-term provisions			341	351
Total current liabilities			8,782	8,389
Total liabilities			9,056	8,661
Total equity and liabilities			121,297	144,175

Consolidated Income Statement (Unaudited)

	For the half-year ended June 30, in CHF thousands	Notes	2008	2007
Revenue			0	0
Gross profit			0	0
Other operating income		11, 12	0	25
Research and Development		11, 12	-15,725	-10,685
Marketing and Sales		11, 12	-1,464	-505
General and Administrative		11, 12	-5,406	-9,432
Other operating expenses		11, 12	-25	-65
Operating expenses		11, 12	-22,620	-20,662
Operating result			-22,620	-20,662
Financial income			2,311	2,101
Financial expenses			-2,946	-529
Result before taxes			-23,255	-19,090
Income taxes			0	54
Net loss			-23,255	-19,036
Basic and diluted loss per share (in CHF)			-7.43	-6.14

Consolidated Cash Flow Statement (Unaudited)

For the half-year ended June 30, in CHF thousands	Notes	2008	2007
Result before taxes		-23,255	-19,090
Depreciation of tangible assets		319	288
Depreciation of intangible assets		55	39
Issuance of share options	13	890	5,564
Change in pension liabilities		3	0
Change in networking capital		-4,360	-1,462
Total financial result		635	-1,572
Interest received		904	1,242
Interest paid		-8	-26
Cash flow from operating activities		-24,817	-15,017
Investments in tangible assets		-534	-107
Disposal of tangible assets		0	138
Investments in intangible assets		-140	-20
Cash flow from investing activities		-674	11
Capital increases	9	23	0
Repayment of debt		0	-472
Cash flow from financing activities		23	-472
Effects of exchange rate changes on cash and cash equivalents		-72	154
Net increase / (decrease) in cash and cash equivalents		-25,540	-15,324
Cash and cash equivalents at January 1		106,618	125,662
Cash and cash equivalents at June 30		81,078	110,338

Consolidated Statement of Changes in Equity (Unaudited)

In CHF thousands	Notes	Share capital	Capital reserves and share premium	Retained earnings	Translation differences	Total
Balance at January 1, 2007		3,099	239,105	-90,561	405	152,048
Currency translation differences		0	0	0	1,017	1,017
Net loss		0	0	-19,036	0	-19,036
Total recognized income and expenses for the period		0	0	-19,036	1,017	-18,019
Issuance of share options	13	0	5,564	0	0	5,564
Balance at June 30, 2007		3,099	244,669	-109,597	1,422	139,593
Balance at January 1, 2008		3,119	249,295	-118,432	1,532	135,514
Currency translation differences		0	0	0	-931	-931
Net loss		0	0	-23,255	0	-23,255
Total recognized income and expenses for the period		0	0	-23,255	-931	-24,186
Issuance of share options	13	0	890	0	0	890
Capital increase from warrant exercise	9	10	0	0	0	10
Capital increase from option exercise	9	4	9	0	0	13
Balance at June 30, 2008		3,133	250,194	-141,687	601	112,241

Notes to the Unaudited Consolidated Financial Statements

1 General Information

Santhera Pharmaceuticals Holding AG (the **Company** together with its subsidiaries **Santhera** or **Group**) is a specialty pharmaceutical company focused on the discovery, development and commercialization of small-molecule pharmaceutical products for the treatment of severe neuromuscular diseases, seeking to address the high unmet medical need associated with most neuromuscular diseases where few, if any, effective therapies currently exist. Santhera's vision is to become a global market leader in the treatment of neuromuscular diseases, which frequently qualify for orphan drug status.

The Company, having its primary listing of its registered shares (**Shares**) on the SWX Swiss Exchange (SWX:SANN), is a Swiss stock corporation and the parent company of the Group. Its purpose is to acquire, dispose and manage investments. The Company has its registered offices at Hammerstrasse 47 in 4410 Liestal, Switzerland.

The consolidated interim financial statements were approved for publication by the Board of Directors (**Board**) on August 21, 2008.

2 Summary of Significant Accounting Policies

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2007.

Basis of preparation

These consolidated interim financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the year ended December 31, 2007.

The presentation currency is Swiss Francs (CHF). All figures included in these financial statements and notes to the financial statements are rounded to the nearest CHF 1,000 except where otherwise indicated.

Consolidation

On April 1, 2008, Santhera Pharmaceuticals (USA), Inc., was incorporated in Charlestown, Massachusetts, US. It is a wholly owned subsidiary of the Company and has been newly consolidated as of this date for the purposes of the presentation of these interim consolidated financial statements.

Changes in accounting policies

- IFRIC 11, IFRS 2 Group and Treasury Share Transactions: Effective for annual periods beginning on or after March 1, 2007. The Group did apply IFRIC 11 from January 1, 2008, which did not have an impact on the Group's financial statements.
- IFRIC 12 Service Concession Arrangements: Effective for annual periods beginning on or after January 1, 2008. The Group did apply IFRIC 12 from January 1, 2008, which did not have an impact on the Group's financial statements.
- IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions: Effective for annual periods beginning on or after January 1, 2008. Santhera applied IFRIC 14 since January 1, 2008, which did not have an impact on its financial statements.

3 Information by Geographical Areas

Santhera has only one business segment, namely the discovery, development and commercialization of small-molecule pharmaceutical products for the treatment of severe neuromuscular diseases.

Geographical analysis of revenue

No revenue was generated in the reporting periods of six months ended June 30, 2008, and June 30, 2007.

Geographical analysis of assets¹

In CHF thousands	June 30, 2008	December 31, 2007
Switzerland and EU	120,142	144,175
North America	1,155	0
Total assets	121,197	144,175

Geographical analysis of capital expenditure¹

In CHF thousands	Six months ended June 30, 2008	Six months ended June 30, 2007
Switzerland and EU	665	127
North America	9	0
Total capital expenditure	674	127

¹ Currently there are no assets nor capital expenditure in Asia and other regions.

4 Seasonality

The operating result is not subject to significant seasonal variations during the financial year.

5 Exchange Rates of Principal Currencies

	Income statements in CHF (average rates)		Balance sheets in CHF (rates as of)	
	Six months ended June 30, 2008	Six months ended June 30, 2007	June 30, 2008	December 31, 2007
EUR 1	1.6060	1.6322	1.6091	1.6587
USD 1	1.0506	1.2281	1.0190	1.1267

6 Intangible Assets

The change in intangible assets mainly results from exchange rate differences on the major intangible asset SNT-MC17 (INN: idebenone), an asset denominated in EUR.

7 Inventories

This position shows the value of active pharmaceutical ingredient which is kept by Santhera as stock for launch and inventory risk management purposes (security stock) for SNT-MC17/idebenone in the indication Friedreich's Ataxia only.

8 Cash and Cash Equivalents

	In CHF thousands	June 30, 2008	December 31, 2007
Cash at banks and on hand		2,452	45,478
Short-term money market deposits		78,626	61,140
Cash and cash equivalents		81,078	106,618

9 Share Capital

During the reporting period ended 30 June, 2008, 4,461 Shares were issued out of conditional capital upon the exercise of stock options under the Employee Stock Option Plan 2004 (ESOP 2004).

In February 2008, 9,818 Shares were issued out of conditional capital upon the exercise of warrants issued to investors of Oy Juvantia Pharma Ltd, Turku, Finland (Juvantia), in 2006.

As a result, as of June 30, 2008, the issued nominal share capital amounted to CHF 3,133,140, divided into 3,133,140 registered Shares.

At the Annual Shareholders' Meeting on April 21, 2008, the shareholders approved to adjust the capital structure as follows:

Authorized share capital

The authorized share capital of the Company was increased from CHF 561,092 by CHF 238,908 to CHF 800,000. Up to this amount the Board is authorized to increase the share capital at any time until April 20, 2010, through the issuance of up to 800,000 registered Shares with a nominal value of CHF 1.00 each.

As per July 12, 2006, Santhera entered into a cooperation agreement with Juvantia for the clinical development of Juvantia's product candidate JP-1730 (INN: fipamezole) to generate additional clinical data required for commencement of pivotal clinical trials. At the same time Santhera and the Juvantia investors entered into an option agreement that effectively grants Santhera the right to purchase Juvantia. If Santhera exercises the option, it shall either issue 105,973 Shares to the Juvantia investors (the preferential subscription rights of the existing shareholders are excluded) or, if for any reason, such Shares shall not be issued, a cash payment of EUR 9.0 million shall be made to them. Based on the current agreements, the option cannot be exercised before March 1, 2009, and the term of the option ends on June 30, 2009.

Conditional share capital

The conditional share capital of the Company was increased as follows:

- from CHF 351,971 by CHF 348,029 to CHF 700,000 by issuing up to 700,000 additional Shares for option rights being exercised under the stock option plans, whereas 175,000 Shares may not be issued at an exercise price below CHF 90.
- from CHF 230,000 by CHF 270,000 to CHF 500'000 by issuing up to 500,000 additional Shares for the exercise of warrants and/or notes granted in connection with bonds or similar debt instruments or options granted by the Company.

10 Financial Liabilities Short-term

Based on its planned expenses for research, development and marketing activities in foreign currencies, the Company entered into derivative contracts for CHF versus USD. The net fair value of such contracts amounted to a liability of CHF 1.1 million as per June 30, 2008 (December 31, 2007: CHF 29,326). The Group does not apply hedge accounting; therefore changes in fair value of the contracts are accounted for directly through profit and loss.

11 Operating Expenses by Function

	In CHF thousands	Six months ended June 30, 2008	Six months ended June 30, 2007
Other operating income		0	25
Research (preclinical)		-4,158	-3,923
Development		-11,567	-6,762
Total research and development		-15,725	-10,685
of which noncash-relevant expenses for share-based payments		-220	-366
Marketing and sales		-1,464	-505
of which noncash-relevant expenses for share-based payments		-133	-83
Business development and licensing		-584	-383
Finance and administration		-4,822	-9,049
Total general and administration		-5,406	-9,432
of which noncash-relevant expenses for share-based payments		-537	-5,115
Other operating income/expenses		-25	-65
Total operating expenses		-22,620	-20,662

12 Operating Expenses by Nature

	In CHF thousands	Six months ended June 30, 2008	Six months ended June 30, 2007
Other operating income		0	25
External research and development expenses		-11,479	-6,834
Patent and license expenses		-127	-288
Marketing expenses		-695	-248
Employee expenses		-7,885	-10,974
of which noncash-relevant expenses for share-based payments		-890	-5,564
General and administrative expenses		-2,035	-1,951
Depreciation		-374	-327
Other operating expenses		-25	-65
Total operating expenses		-22,620	-20,662

13 Stock Option Plans

Santhera has established employee stock option plans, the ESOP 2004, the ESOP 2008 and the 2006 Executive Incentive Plan (**EIP**), to align the long-term interests of the directors, executive management, employees and consultants, including members of the Scientific Advisory Board. Options granted under these stock option plans are equity settled. The terms and conditions of the ESOP 2004 and ESOP 2008 are basically the same (the differences concern the determination of the exercise price and the forfeiture of options) and are stipulated in the Company's Annual Report 2007 with the relevant parameters applied for the fair value calculations of such options. No further grants can be made under the ESOP 2004 and the EIP.

In the reporting period ended June 30, 2008, a total of 25,600 options with exercise prices of CHF 72.70, CHF 77.50 and CHF 95.70 were granted. This compares to 40,939 options granted in the period ending June 30, 2007, at exercise prices of CHF 1.00, CHF 59.44, CHF 89.90 and CHF 106.80.

The fair value of stock options is determined at each grant date by using the Hull-White option pricing model. For the calculation of the fair value of stock options granted during the reporting period in 2008, the same range of valuation parameters as disclosed in the financial statements as of December 31, 2007, was applied. The noncash-relevant expenses for all unvested stock options in the reporting period 2008 amounts to CHF 0.9 million compared to CHF 5.6 million in the same period in 2007.

	January 1 to June 30, 2008	January 1 to June 30, 2007
Options outstanding at the beginning of the year	297,509	274,737
Options granted	25,600	40,939
Options forfeited	0	-1,182
Options exercised	-4,461	0
Options expired	0	0
Options outstanding at the end of the period	318,648	314,494

Regarding information about conditional capital for the stock option plans we refer to note 9 "Share Capital".

14 Contingent Liabilities

Santhera has entered into contracts for clinical development with clinical research organizations (CRO). Santhera compensates CROs for their services on a monthly basis. It has the right to terminate such agreements at any time at its sole discretion. In case of early termination, Santhera has to pay for all cost which is incurred by the respective counterparty. The expected payments for these contracts are as follows:

	in CHF thousands	June 30, 2008	December 31, 2007
Within 1 year		9,484	13,832
1 year through 5 years		219	3,443
After 5 years		0	0
Total at period end		9,703	17,275

15 Related-party Transactions

During the reporting period 2008 a total of 12,000 options were granted to a member of the Executive Management. In the same period in 2007 a total of 29,339 options were granted to two members of the Executive Management (see note 13 "Stock Option Plans").

16 Subsequent Events

On July 1, 2008, Santhera Pharmaceuticals (Canada), Inc., was incorporated as a 100% subsidiary of the Company in Montreal, Quebec, Canada.

On July 24, 2008, Santhera received a Notice of Compliance by Health Canada approving SNT-MC17/idebenone in the indication Friedreich's Ataxia in Canada with conditions. Market launch under the brand name Catena[®] is expected later in 2008.

On July 24, 2008, Santhera was also informed by the Committee for Medicinal Products for Human Use of the European Medicines Agency that it would not support a positive opinion for the Marketing Authorization Application for SNT-MC17/idebenone to treat patients with Friedreich's Ataxia at this time. Santhera has requested an appeal for reexamination of this negative opinion.

Also in July 2008, Biovitrum AB, Stockholm, Sweden (**Biovitrum**), in line with its strategy to focus on specialist care pharmaceuticals, has decided to return the DPP-IV rights to Santhera. Biovitrum has agreed to reimburse Santhera with the running patent costs for the remainder of 2008. The companies had entered into a license and collaboration agreement for the development of DPP-IV inhibitors in metabolic disorders back in 2005.

These subsequent events do not have an implication of the consolidated financial statements as of June 30, 2008.

Review Report of the Group Auditors on the Interim Condensed Consolidated Financial Statements

To the Board of Directors

Santhera Pharmaceuticals Holding AG, Liestal

Basel, August 21, 2008

Review report on the interim condensed consolidated financial statements

We have reviewed the accompanying interim condensed consolidated balance sheet (balance sheet, incomes statement, cash flow statement, statement of changes in equity and explanatory notes) of Santhera Pharmaceuticals Holding AG as of June 30, 2008.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young AG

Jürg Zürcher
Swiss Certified Accountant
(Auditor in charge)

Daniel Geiger
Swiss Certified Accountant

Forward-looking statements

This Interim Report is not and under no circumstances to be construed as a solicitation, offer or recommendation to buy or sell securities issued by Santhera Pharmaceuticals Holding AG. Santhera Pharmaceuticals Holding AG makes no representation (either express or implied) that the information and opinions expressed in this Interim Report are accurate, complete or up to date. Santhera Pharmaceuticals Holding AG disclaims, without limitation, all liability for any loss or damage of any kind, including any direct, indirect or consequential damages, which might be incurred in connection with the information contained in this Interim Report.

This Interim Report expressly or implicitly contains certain forward-looking statements concerning Santhera Pharmaceuticals Holding AG and its business. 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. Such statements involve certain known and unknown risks, uncertainties and other factors, which could cause the actual results, financial condition, performance or achievements of Santhera Pharmaceuticals Holding AG to be materially different from any expected results, performance or achievements expressed or implied by such forward-looking statements. There can be no guarantee that any of the research and/or development projects described will succeed or that any new products or indications will be brought to market. Similarly, there can be no guarantee that Santhera Pharmaceuticals Holding AG or any future product or indication will achieve any particular level of revenue. In particular, management's expectations could be affected by, among other things, uncertainties involved in the development of new pharmaceutical products, including unexpected preclinical and clinical trial results; unexpected regulatory actions or delays or government regulation generally; the ability of Santhera Pharmaceuticals Holding AG to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry and general public pricing and other political pressures. Santhera Pharmaceuticals Holding AG is providing the information in this Interim Report as of the date of the publication, and does not undertake any obligation to update any forward-looking statements contained herein as a result of new information, future events or otherwise.

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