santaris pharma
RNA Medicines for the 21st Century

News Release

Santaris Pharma Consortium awarded 45m DKK (€6m) by Denmark's Advanced Technology Foundation to enhance discovery of RNA medicines

Focus on developing innovative drugs for Cancer and Neurological Disorders

Copenhagen, 15th May 2008

Santaris Pharma, the Danish biopharmaceutical company, announced today that the Danish National Advanced Technology Foundation (ATF) has awarded a major program grant of DKK 45m (€6m, $9m) towards the development of a high-throughput drug discovery platform for novel RNA medicines. The project will be based on Santaris Pharma's proprietary LNA drug chemistry and the screening platform will be developed by a collaborative Research Consortium led by Santaris Pharma and the Biotech Research & Innovation Centre (BRIC) at the University of Copenhagen. Other members of the Consortium are the Nucleic Acid Centre (NAC), University of Southern Denmark, H. Lundbeck A/S, the Danish headquartered pharmaceutical company and RiboTask A/S, the Danish reagents company.

The award is the first program grant to be made by the ATF and is the third and largest award from the Danish ATF to a Santaris Pharma led collaborative group. The three year program will enable Santaris Pharma to identify 3-5 new RNA drug candidates. In 2006 and 2007 the ATF made two separate project grants to Santaris Pharma and the University of Copenhagen totaling approximately DKK 20m (€2,7m, $4,15m), to support research in the rapidly evolving field of microRNA therapeutics.

Keith McCullagh, Santaris Pharma's President and CEO said:

"We are pleased that Denmark's Advanced Technology Foundation has continued to support the frontiers of medicine with their first large program grant. Over the next decade, RNA medicines are likely to become one of the fastest growing areas of new drug research and may lead to major breakthroughs in the treatment of cancer and neurological disorders. Today, the discovery and development of new drugs require a multi-disciplinary approach and we are delighted to be working in this collaboration with such high quality academic and industry partners."

Santaris Pharma owns the worldwide exclusive rights to develop innovative new drugs based on LNA technology. Santaris Pharma and H. Lundbeck will collaborate on the development of potential neurological drugs arising from the platform.

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Santaris Pharma forward looking statements

This written announcement contains forward-looking statements, identified by the use of words such as "believes," "expects," "may," "will," "should", "potential," "anticipates," "plans" or "intends" and similar expressions. Such forward-looking statements involve risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from the future results, events or developments indicated in this announcement. Such factors include, but are not limited to the timing, success and cost of clinical studies; the ability to obtain regulatory approval of products, market acceptance of and future demand for Santaris Pharma products and the impact of competitive products and pricing. These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. No assurance can be given that the future results covered by the forward-looking statements will be achieved. All information in this press release is as of the date of this press release and Santaris Pharma does not intend to update this information.

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Facts

About Santaris Pharma
Santaris Pharma is a Danish clinical stage biopharmaceutical company. The Company was formed in 2003 and has the exclusive rights to LNA technology, used to develop new classes of RNA medicines, called RNA antagonists. Santaris Pharma's messengerRNA antagonists and microRNA antagonists are being developed to silence mRNAs and microRNAs associated with various diseases, including cancer, metabolic disorders and viral infections. Santaris Pharma completed a Euro 40m second round of equity financing in May 2006 and a Euro 20m third round of equity financing in December 2007. Santaris Pharma has a global alliance with Enzon Pharmaceuticals of New Jersey to develop and co-commercialise a series of Santaris Pharma RNA antagonists for the treatment of cancer and a worldwide strategic alliance with GlaxoSmithKline for the discovery, development and commercialization of novel medicines against viral diseases.

About Santaris Pharma's Locked Nucleic Acid technology
LNA is the first true conformational analogue of RNA (ribonucleic acid). The ribose sugar in LNA is 'locked' in the three-dimensional shape of RNA by virtue of its rigid bicyclic structure. The result is that when incorporated into oligonucleotides, LNA conveys dramatically enhanced binding affinity to complementary RNA sequences. Drug molecules with multiple LNA substitutions therefore have truly unprecedented potencies. The greater potency of LNA in binding complementary RNA sequences means that LNA oligonucleotide drugs can be made significantly shorter than previous antisense or siRNA drugs. These shorter RNA antagonist drugs are taken up efficiently by cells and tissues, thereby overcoming many of the delivery problems of RNAi to date. As LNA drugs are resistant to degradation when given systemically, have long tissue half lives, and are taken up readily by many tissues they have greater potency than other oligonucleotide chemistries.

About microRNAs
MicroRNAs are a newly discovered class of small regulatory molecules which control many biological processes in cells. In addition, microRNAs are implicated in many diseases, such as cancer, viral infections, cardiovascular disease and neurological disorders and, therefore, represent a new class of targets for therapeutic intervention. Santaris Pharma's unique LNA technology enables development of short, synthetic RNA-binding molecules that can effectively antagonize disease-causing microRNAs and, thus may yield patient benefits unobtainable by other therapeutic approaches.