



# Lehman Brothers Global Healthcare Conference

March 19-21, 2007, Florida

**Dr. Monika Buttkereit – Investor Relations**

**Robert M. Bennett – Investor Relations**

# Disclaimer



## Remarks

With the divestiture of Electronic Chemicals in Q2 2005 this division and the remaining toll manufacturing business are allocated to Corporate & Other. Therefore, all historic chemical figures are shown comparable without EC. All comparative figures relate to the corresponding last year's period.

In order to harmonize accounting practices within the Merck Group, as of 2006 certain customer rebates previously reported as marketing and selling expenses now are reported as reductions in sales revenues. Figures for 2005 have been adjusted accordingly.

## Important Information

This presentation does not constitute an offer of securities for sale or a solicitation of an offer to purchase securities in the United States. The shares referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "*Securities Act*"), and may not be offered or sold in the United States absent registration under the Securities Act or an available exemption from such registration. The issuer of the shares does not intend to register any portion of the offering in the United States or to conduct any public offering of the shares in the United States.

## Note regarding forward-looking statements

The information in this document may contain "forward-looking statements." Forward-looking statements may be identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "will" or words of similar meaning and include, but are not limited to, statements about the expected future business of Serono SA and of Merck KGaA resulting from the proposed transaction. These statements are based on the current expectations of management of Merck KGaA and E. Merck OHG, and are inherently subject to uncertainties and changes in circumstances. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are factors relating to satisfaction of the conditions to the proposed transaction, and changes in global, political, economic, business, competitive, market and regulatory forces. Merck KGaA and E. Merck OHG do not undertake any obligation to update the forward-looking statements to reflect actual results, or any change in events, conditions, assumptions or other factors.

# Agenda



1	Overview of Merck
2	Pharmaceuticals
3	Chemicals
4	Financials
5	Outlook

# The Businesses of the Merck Group...



## Merck Group

Business sectors

Pharmaceuticals

Chemicals

Divisions

Merck Serono

Generics

Consumer Health Care

Liquid Crystals

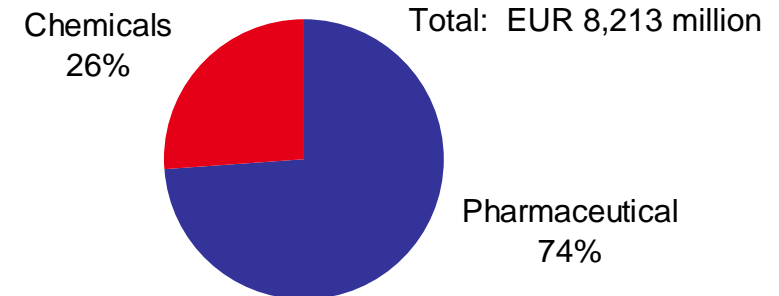
Performance &  
Life Science Chemicals

# ...build for long-term growth...

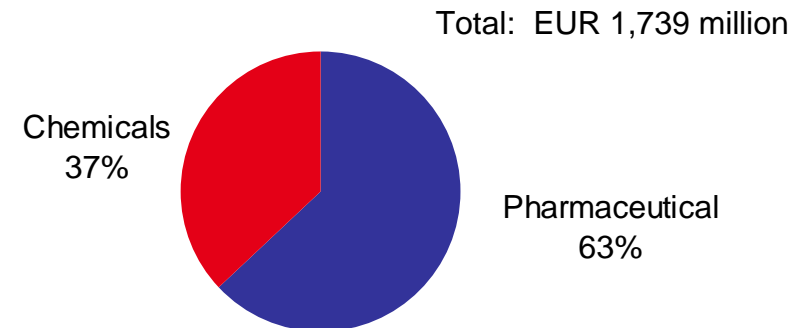


- Business risk spread between Chemicals and Pharmaceuticals
- Strong businesses with high cash flows and sustainable growth rates
- Good market positions in attractive markets
- Competitive advantage through flexible production
- Customer centric and focused on innovative solutions

Combined Sales by Segment<sup>1</sup> (2006)



Combined Operating Result by Segment<sup>1</sup> (2006)



<sup>1</sup> Combined data; not audited; no pro-forma consolidation; without "Corporate & others"

Source: Company information

...based on its business principles.



- Merck **concentrates on Specialty- and Niche-markets** and exits businesses that become commodity
- Merck is **globally oriented** and will be present in all relevant countries worldwide to be competitive
- Merck is **research and technology driven**
- Merck grows organically and through **acquisitions** where necessary
- Merck is **family controlled** but is **run as a public company**

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1	Overview of Merck
2	Pharmaceuticals
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# Pharmaceuticals Strategy

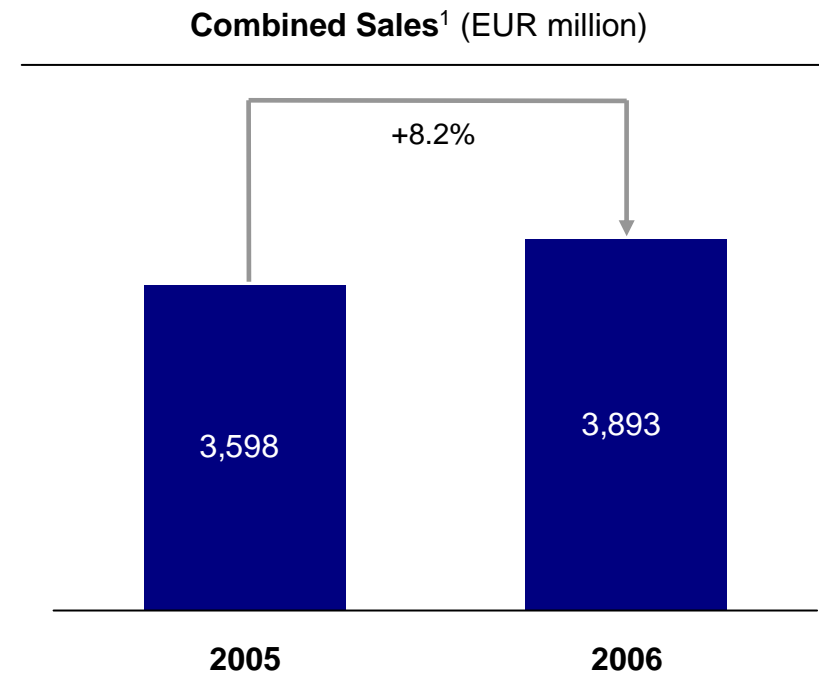


- The acquisition of Serono is the harbinger of Merck's long-term role in the innovative Pharma business (**Merck Serono**)
  - Market-leading Multiple Sclerosis franchise
  - Successful market entry into Oncology business with promising pipeline
  - Critical mass in R&D to increase product launches and to better exploitation of assets
  - Expanded geographic reach and improved attractiveness for in-licensing
  - World-class biotechnology and chemical manufacturing
- The **Generics division** is a leading global player with worldwide presence focusing on branded generics and respiratory business
- **Consumer Health Care** provides steady cash flows and growth above market with well established brands and envisaged market penetration

# Merck Serono Overview

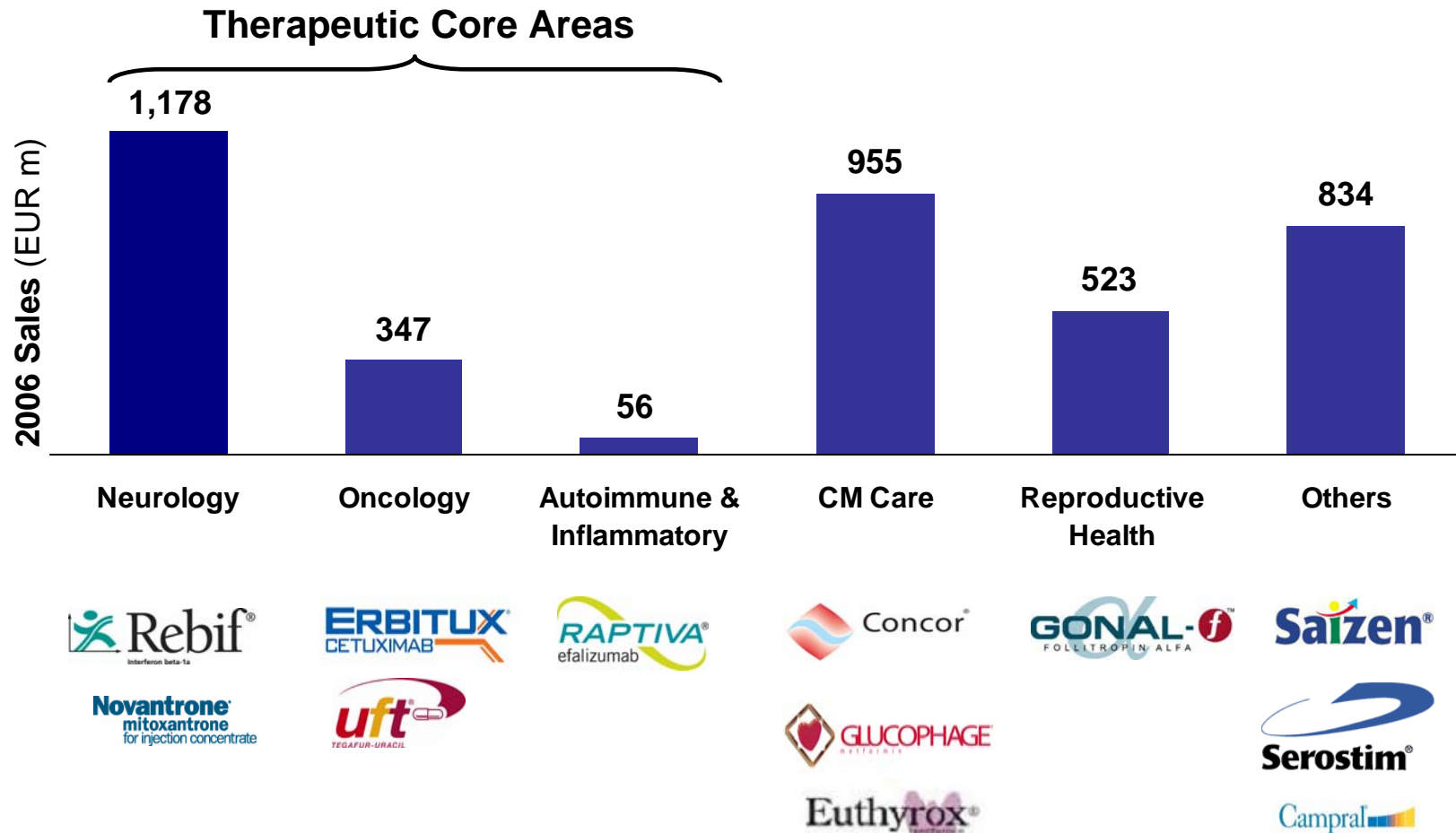


- Leading Multiple Sclerosis (MS) franchise around the flagship product Rebif®
  - worldwide sales of > EUR 1 billion in 2006
  - continued growth through strong life cycle management
- Highly successful launch and continued growth of Erbitux® (EUR 337 million in 2006)
- World leader in Reproductive Health
  - Gonal-f® sales of > EUR 400 million in 2006
- Successful CM Care franchise built on two core product families
  - Concor® (EUR 362 million sales in 2006)
  - Glucophage® (EUR 290 million sales in 2006)




<sup>1</sup> Combined data based on publicly available information; not audited; no pro-forma consolidation

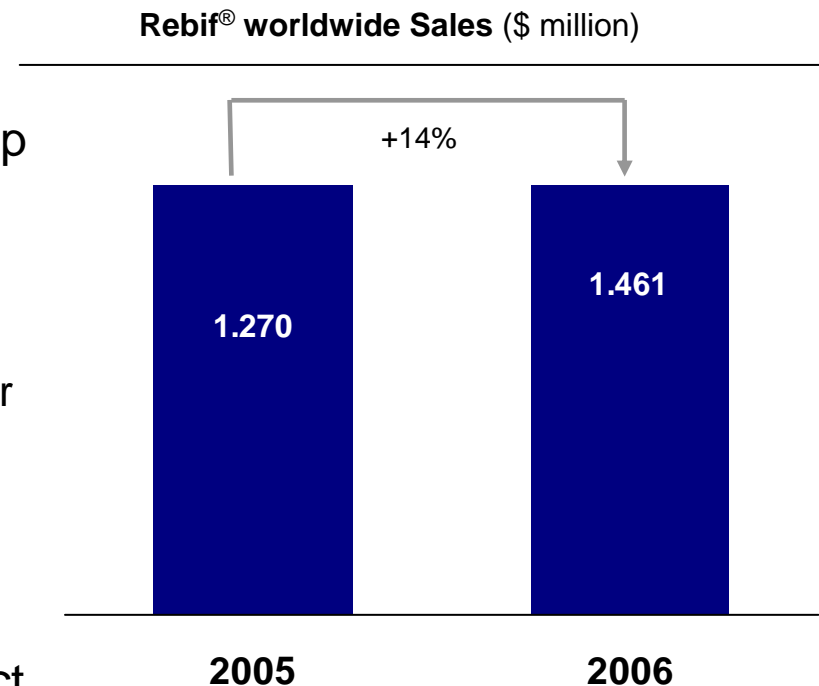
# Expertise in Several Therapeutic Areas



# Neurology/Multiple Sclerosis



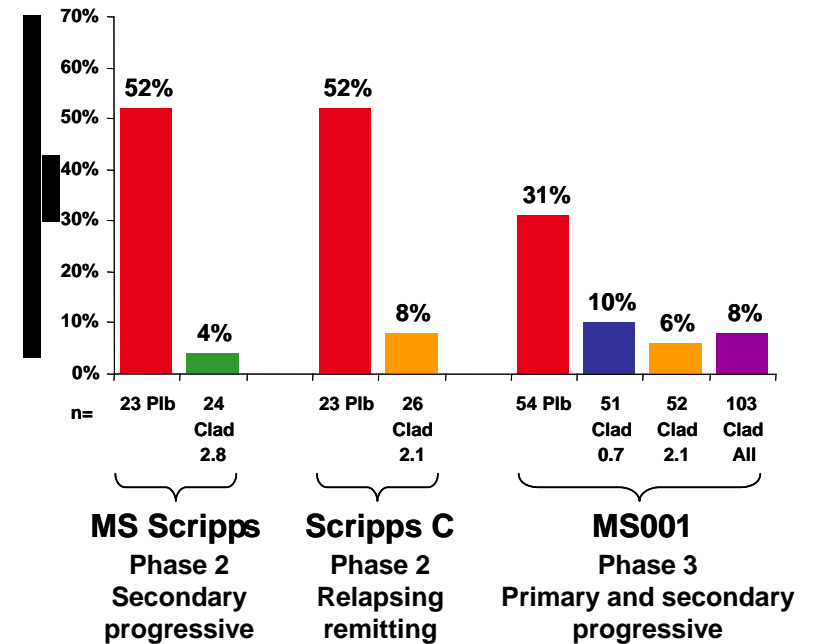
-  Rebif<sup>®</sup> was leading MS product in the world (ex US) in 2006
- 2006 global sales of USD 1,461 million up 14% and US sales up 26%
- Oral cladribine Phase III enrollment completed
  - First fully enrolled pivotal Phase III trial for an oral MS treatment and fast track designation by FDA
- In-licensed Phase III Safinamide for Parkinson's disease October 06
- Active life cycle management and product launches should sustain growth in mid-term
  - Filed EU and FDA label, Rebif<sup>®</sup> new formulation (RNF) with improved tolerability and immunogenicity





# Oral Cladribine Strong Rationale in MS

- A potent small molecule inhibitor of lymphocyte activation and proliferation
- Injectable cladribine evaluated in 3 Phase II and III trials across several MS subgroups
  - Consistent, significant reduction (68-92%) in MRI lesions
  - Evidence of effect on disability and relapse rates
  - Well-characterized safety profile
- Phase III CLARITY trial of oral cladribine fully enrolled Jan 2007—outcome expected Q1 2009
  - 2-year, international, placebo-controlled study enrolling patients with relapsing forms of MS
  - Efficacy endpoints include clinical relapse, disability progression and MRI
  - 1290 subjects, 150 sites, 28 countries; 2 doses of oral cladribine and placebo
- Well-placed vs other oral MS compounds in development
  - Awarded Fast Track designation by FDA

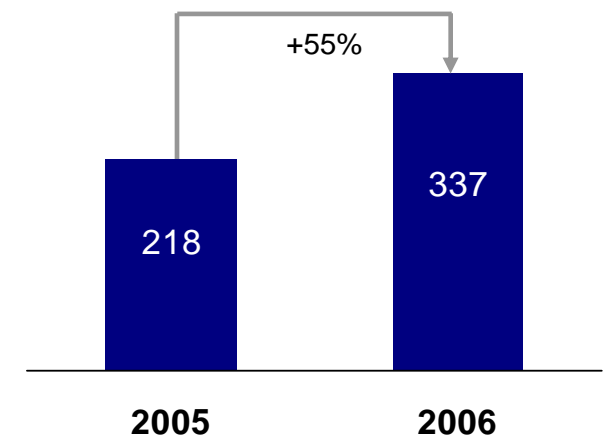


# Oncology



- **ERBITUX<sup>®</sup>** CETUXIMAB **Merck's first oncology drug was one of the most successful oncology launches in Europe**
  - Approved since 2003 in mCRC III line treatment
  - Since December 2005 2nd indication with H&N
  - Driving top-line growth, seeking to expand label
  - CRYSTAL Phase III first line CRC study met primary end point Jan 2007
- **In-licensed *uft* an oral chemotherapy (marketing approval in 60 countries)**
- **Further activities to develop oncology franchise**
  - Two large Erbitux<sup>®</sup> Phase III studies are underway to expand into new indications
  - Acquisition of full US rights of the cancer vaccine Stimuvax<sup>®</sup> (L-BLP25); First patient in Phase III clinical trial on February 26, 2007
  - Zanolimumab (HuMax-CD4): Results from Phase III and Phase II T-cell lymphoma trials anticipated mid-2007
  - Completed Atacicept Phase I pilot studies for multiple myeloma, B-cell malignancies

Erbitux<sup>®</sup> worldwide Sales (EUR million)



# Erbitux<sup>®</sup> – Labels and Indications



- **Approved Indications**

- mCRC: For the use in combination with irinotecan in patients with EGFR-expressing metastatic colorectal cancer who have failed prior irinotecan therapy
- H&N: In combination with radiotherapy for the treatment of locally advanced squamous cell carcinoma of the head and neck (SCCHN)

- **Additional Indications**

1st and 2nd line mCRC

1st line H&N

1st line NSCLC

1st line Pancreatic

1st line Gastric

# Erbix<sup>®</sup> - panitumumab



	<b>Erbix<sup>®</sup> (cetuximab)</b>	<b>Vectibix<sup>™</sup> (panitumumab)</b>
EGFR Inhibitor characterization/structure	Monoclonal antibody Chimeric (mouse/human) IgG1	Monoclonal antibody Fully Human (100% human) IgG2
Mechanism(s) of action	Blockade of EGFR signaling ADCC (Antibody dependent cellular cytotoxicity)	Blockade of EGFR signaling No ADCC
Hypersensitivity (severe)	Low (1%)* (Black box warning—US)	Low (1%) (Black box warning—US)
Administration/dosing	qw, q2w	qw, q2w
Efficacy in 3 <sup>rd</sup> line monotherapy mCRC	Significant survival benefit	No significant survival benefit
Efficacy in 3 <sup>rd</sup> line combination therapy	Combination with irinotecan sig. better than monotherapy RR up to 23%; OS up to 9.2 months	-----
Efficacy in 1 <sup>st</sup> line mCRC	Positive CRYSTAL study; RR up to 79% (Ph. II)	RR 33% plus FOLFIRI (Ph. II)
Approved indications	CRC: After irinotecan failure in combination with irinotecan and as single agent H&N: Locally advanced SCCHN in combination with RT; 2nd line r/m SCCHN as single agent	CRC: 3 <sup>rd</sup> line mCRC as single agent

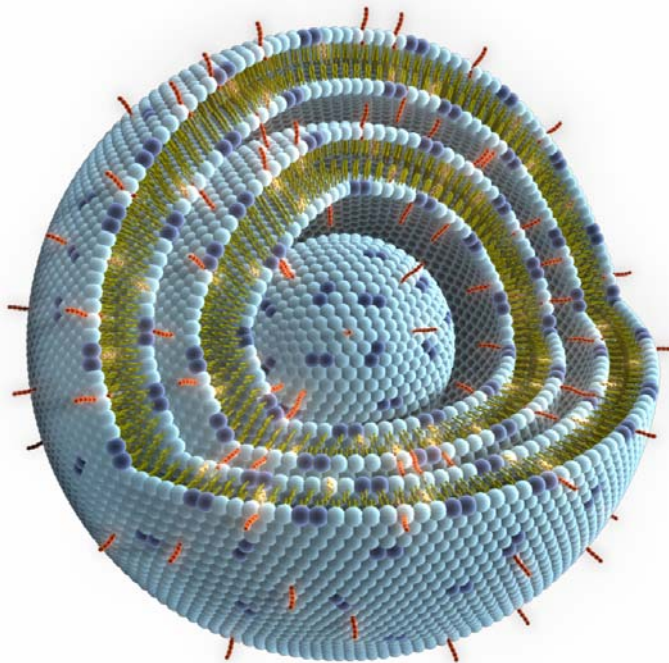
\*with antihistamine and corticoid pre-medication; Siena et al. ASCO-GI 2007

# Erbitux<sup>®</sup> – “Potential for Cure”



- In patients with mCRC, long-term survival or even cure is possible after resection of metastases
- It has been shown that the response rates correlate with the resection rates
- Erbitux<sup>®</sup> significantly increases response rates of chemotherapy
- Resection rates of Erbitux<sup>®</sup> plus standard chemotherapy in 1<sup>st</sup> line mCRC markedly improved in previously unresectable patients (higher than 20%)
- Bevacizumab in combination with oxaliplatin-based chemotherapy did not increase response rates in 1<sup>st</sup> line mCRC

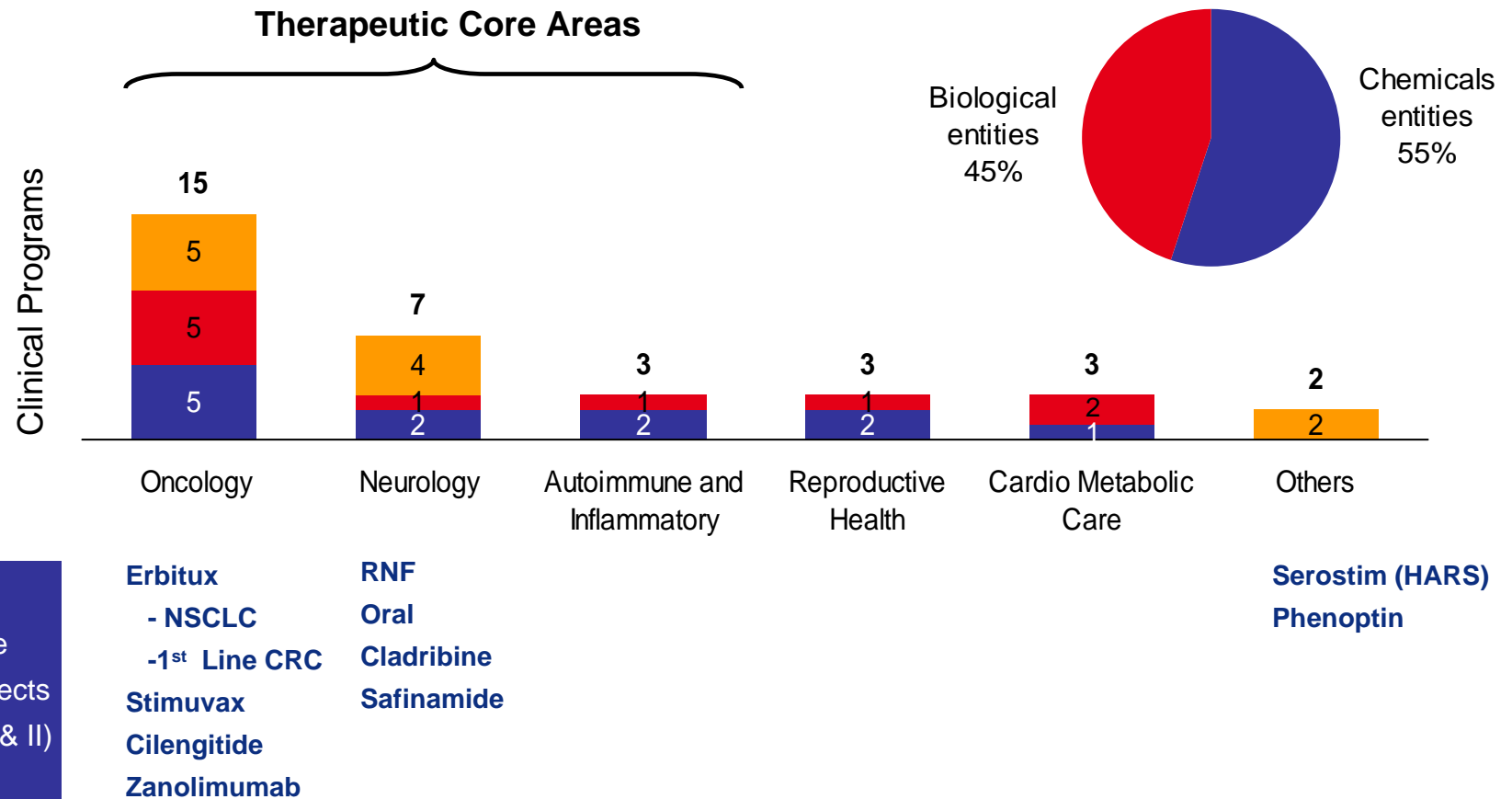
# Stimuvax<sup>®</sup> (BLP25 liposome vaccine)



- Stimuvax<sup>®</sup> :
  - It is a peptide—based vaccine against MUC 1 murine, expressed on a variety of different tumours
    - e.g. NSCLC, multiple myeloma
  - May help immune system to recognise and attack cancer cells
- Clinical Development:
  - In April 2006, Biomira announced final survival results of a phase IIb study in non small cell lung cancer patients with stage IIIb locoregional disease who had completed first line radiochemotherapy. Patients showed a median survival of 30.6 months compared to 13.3 months for patients treated with radiochemotherapy alone
  - Randomization of first patient to START trial (Phase III) in February 2007. The study will recruit over 1,300 patients in approximately 30 countries in about 250 sites
- FDA: fast track designation granted



# Development pipeline with breadth and depth



Source: Company information

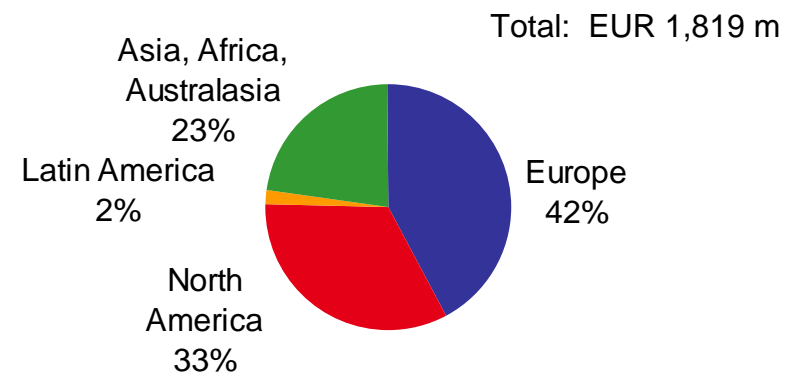
■ Phase I   ■ Phase II   ■ Phase III

# Generics

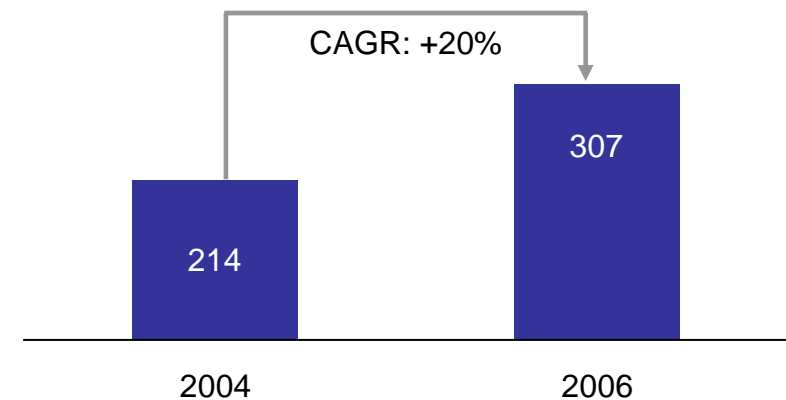


- Merck is No. 3 worldwide and a global Generics player
  - No. 1 in Australia, New Zealand, France, Portugal
  - Strong market positions in UK, Spain, Canada and Japan
- First to file / first to market continues to be critical, good track-record in the past
- Steady sales growth despite increasing price pressures and strong cash flow contribution
- Strategy moving up the value chain to value added generics (R&D represent 7.3% of sales in 2006)
- FY 2006 sales increase +6.9% to EUR 1,819 million; Operating result +29%
- Market consolidation and importance of cost leadership leads to Merck's current evaluation of strategic options

Sales by Region (2006)



Operating Result development (EUR million)



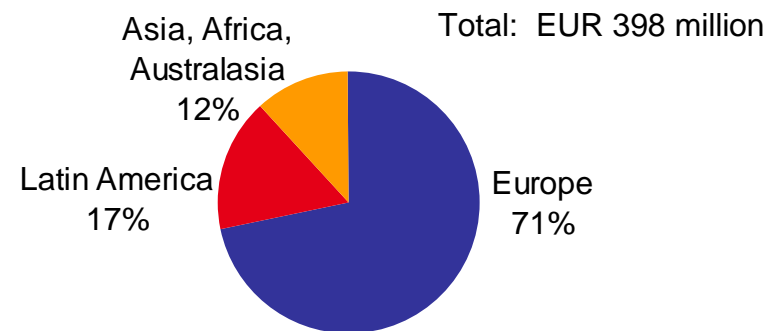
Source: Company information

# Consumer Health Care

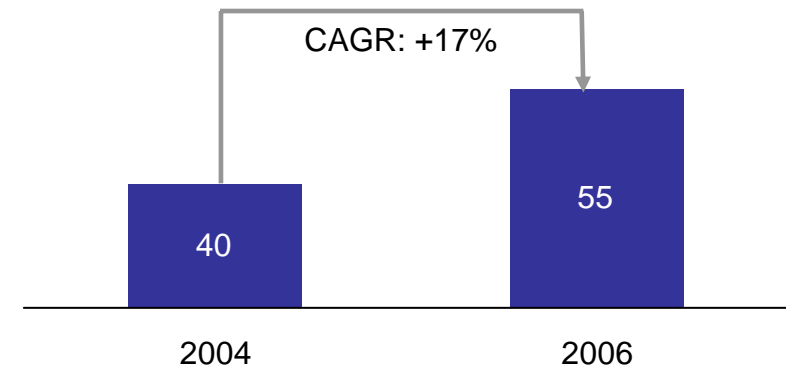


- Merck CHC is a fast-growing OTC business
- Focus on four Health Themes
  - Mobility, e.g. Joint Care, Kytta products
  - Everyday Health Protection, e.g. Cebion, Bion 3
  - Women’s and Children’s Health, e.g. Femibion, Kidabion
  - Cough & Cold, e.g. Nasivin, Sedalmerck
- Solid Profitability and Cash Flow contribution
- Multi-channel distribution concept
- FY 2006 sales increase +6.3% to EUR 398 million; Operating result +9.0%
- The emerging markets will remain a key driver of market and CHC growth

Sales by Region (2006)



Operating Result development (EUR million)



Source: Company information

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# Market Leader in Liquid Crystals



- Merck is the world's leading manufacturer of liquid crystals for Liquid Crystal Displays (LCDs)
- Merck liquid crystals dominate in
  - LCD TVs
  - LCD Monitors
  - Notebooks
  - Mobile Phones and
  - a wide range of other consumer electronics products such as PDAs, navigation systems, MP3 players, etc.



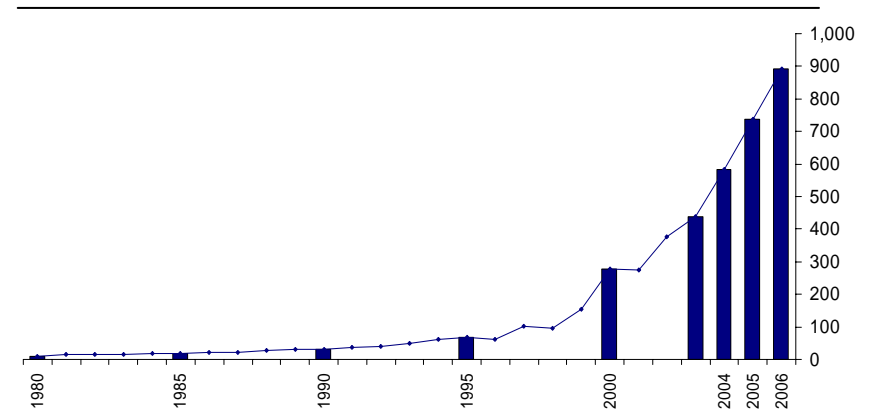
Merck  
Makes Communication  
Visible™

# Liquid Crystals

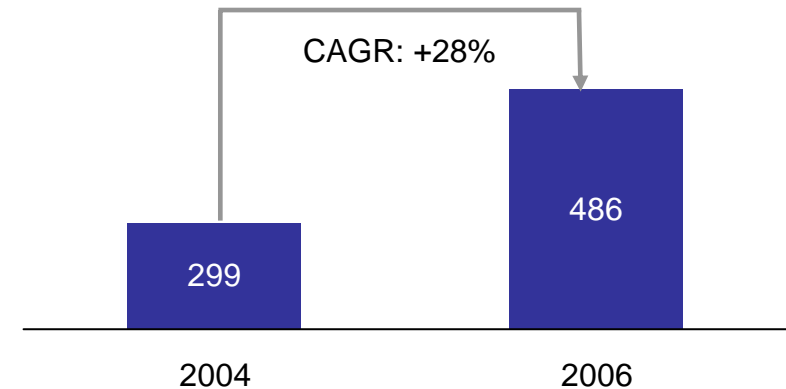


- The market leader with approx. 70%; taking full advantage of current positive market dynamics
- More than 2,500 patents for LC singles, mixtures and display applications
- Patent family and technological leadership enable outstanding profitability
- FY 2006 sales up by 21% to EUR 892 million; Operating result +40% to EUR 486 million, Return on sales: 54%
- Future growth driven by large size/ high-end TV market

Sales Growth (EUR million)



Operating Result development (EUR million)



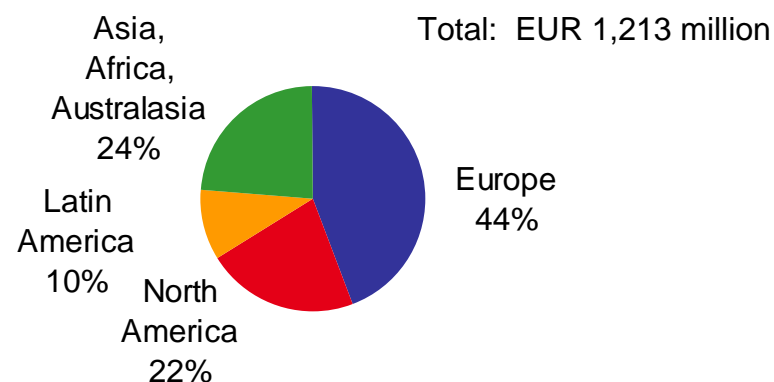
Source: Company information

# Performance & Life Science Chemicals

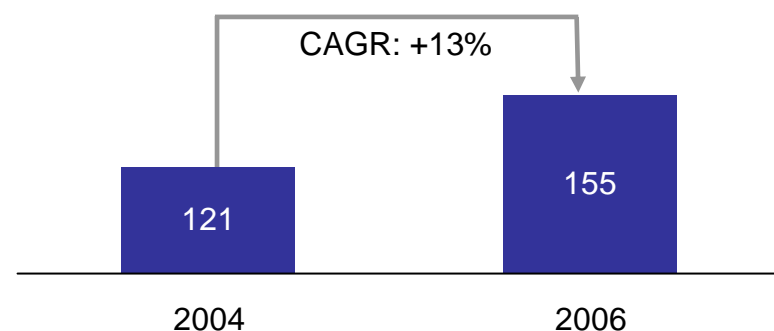


- Products and services for analytical and preparative laboratory
- Broad worldwide customer base and stable demand
- Among leading suppliers of innovative pigments and active ingredients for cosmetics
- Consistent organic, profitable growth in strategic businesses
- FY 2006 sales up by 4.5% to EUR 1,213 million; Operating result +6.4%
- Growth in all areas above market average

**Sales Breakdown by Region (2006)**



**Operating Result development (EUR million)**



Note: This division was only formed on April 1, 2006 from the merger of the former Pigments and Life Science & Analytics divisions. The combined sales of the former two divisions are presented for the years 2004 and 2005; sales breakdown by region combined figures of Pigments and Life Science & Analytics, not audited

Source: Company information

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# P&L Statement Merck Group



€million	Q4 2006	Q4 2005	Δ in %	FY 2006	FY 2005	Δ in %
Sales	1,625.3	1,491.1	9.0	6,258.6	5,768.2	8.5
Operating result	303.3	191.7	58.2	1,105.4	883.3	25.1
Exceptionals	-111.1	-50.3	120.8	219.4	72.3	203.6
EBIT	192.2	141.4	35.9	1,324.8	955.6	38.6
Financial result	-25.1	-14.1	78.3	-51.3	-62.2	-17.3
Profit before tax	167.1	127.3	31.2	1,273.5	893.4	42.5
Income tax	-36.5	-13.7	165.8	-272.2	-220.7	23.3
Profit after tax	130.6	113.6	15.0	1,001.3	672.7	48.8
Earnings per Share (EUR)*	0.67	0.56	19.6	5.07	3.40	49.1
Tax rate	21.8%	10.8%		21.4%	24.7%	

\* According to IAS 33 EPS is calculated on the average weighted number of shares

# Merck Serono S.A. Preliminary Results

## P&L Statement



\$ million	Q4 2006	Q4 2005	Δ in %	FY 2006	FY 2005	Δ in %
Total revenue	739.2	669.9	10.4	2,804.9	2,586.4	8.5
Operating income	134.0	164.2	-18.4	736.6	598.8	23.0
Exceptionals	-	-		-	-725.0	
EBIT	134.0	164.2	-18.4	736.6	-126.2	683.8
Financial income net	4.1	3.2	27.1	31.4	54.3	-42.3
Net income before tax and M.I.	137.4	166.8	-17.7	766.6	-72.4	1,158.9
Tax	58.3	-22.6	-358.0	-31.0	-32.9	-5.6
Net income	195.7	144.1	35.8	735.4	-106.1	793.0
Tax rate	-42.5%	13.6%		4.0%	-45.4%	

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# Guidance 2007



## **Merck standalone** (excluding Generics)

- Sales : High single digit growth
- EBIT: Comfortable double digit increase

## **Serono standalone** (excluding PPA)

- Sales: High Single digit growth
- EBIT: Comfortable double digit increase


# Investor Relations Events



04/25/2007	Publication of business results for Q1 2007 Conference Call
04/27/2007	Annual General Meeting
06/22/2007	Financial review on Serono acquisition Conference Call
07/25/2007	Publication of business results for Q2 2007 Conference Call
10/24/2007	Publication of business results for Q3 2007 Conference Call

# Your Contact



Sascha Becker  
Head of Investor Relations  
 +49 6151 72-3706

Robert Bennett  
 +49 6151 72-5355  
 +1 781 681 2552 (N. America)

Dr. Monika Buttkereit  
 +49 6151 72-2584

Susanne Zeichner  
Assistant Investor Relations  
 +49 6151 72-3315

Merck KGaA  
Investor Relations  
Frankfurter Str. 250  
64271 Darmstadt  
Germany

Fax: +49 6151 72-913321

[investor.relations@merck.de](mailto:investor.relations@merck.de)

[www.investors.merck.de](http://www.investors.merck.de)

A photograph showing a low-angle view of a building with a prominent clock tower. The tower has a white facade and a green, conical roof. The building is partially obscured by a dark, modern glass and metal structure in the foreground. The sky is a clear, bright blue.

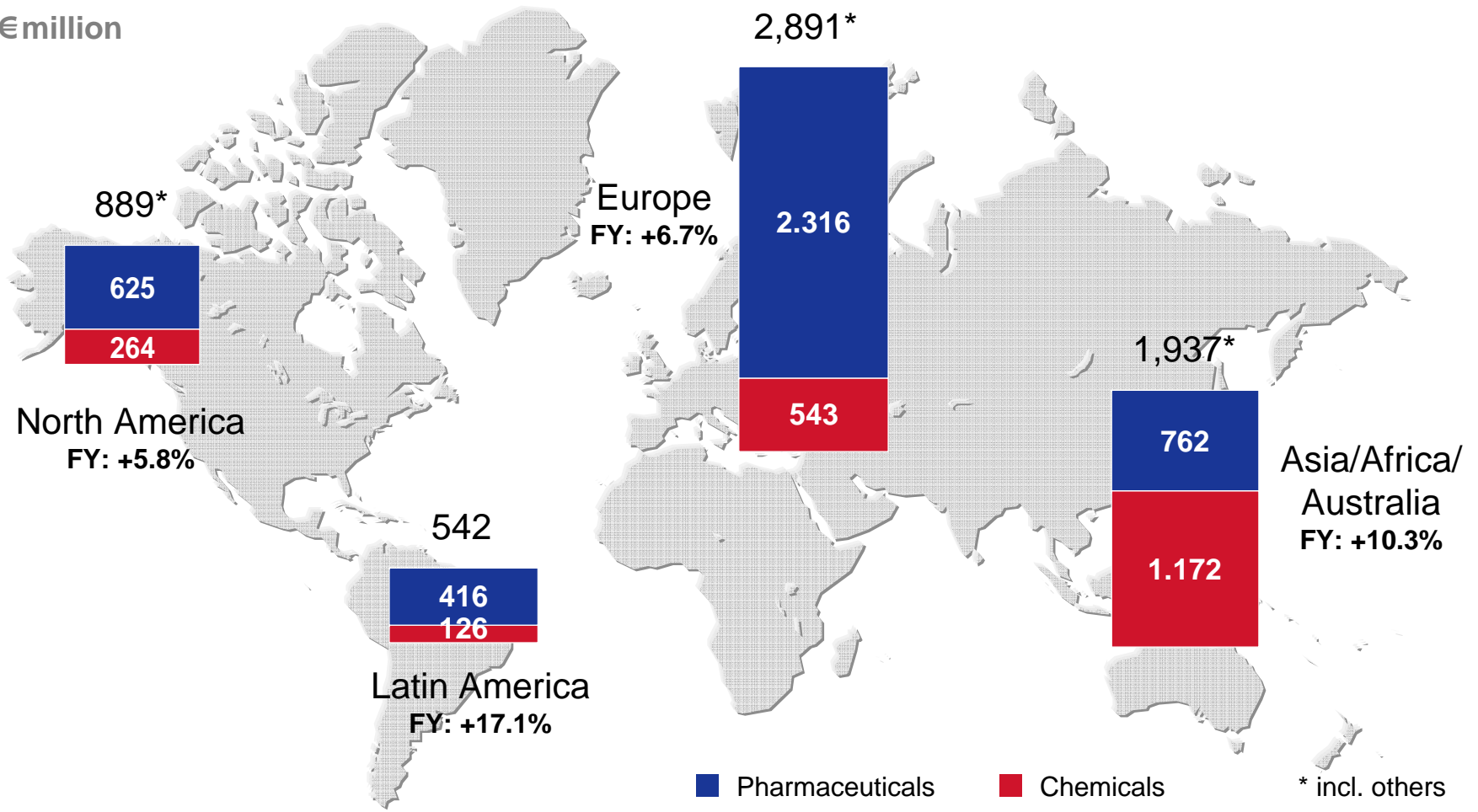
# Back-up

the details

# Sales by Region FY 2006



€million



# Top Ten Products



## Sales Figures

Product	Therapeutic Area	Indication	2006 (EUR million)	2005 (EUR million)	Change (in %)
Concor® <sup>1</sup>	CardioMetabolic Care	Cardiovascular	362	348	+4
Erbix®	Oncology	Cancer	337	218	+55
Glucophage® <sup>1</sup>	CardioMetabolic Care	Diabetes	290	297	-2
Duoneb®	Respiratory	Pulmonary disease	269	252	+7
Neurobion®	Others	Other	146	129	+14
EpiPen®	Others	Anaphylactic shock	139	125	+12
Euthyrox® <sup>1</sup>	CardioMetabolic Care	Thyroid disease	128	114	+12

Product	Therapeutic Area	Indication	2006 (\$ million)	2005 (\$ million)	Change (in %)
Rebif®	Neurology	Multiple Sclerosis	1,452	1,270	+14
Gonal-f®	Reproductive Health	Fertility	533	541	-2
Saizen®	Others	Growth Disorders	209	206	+1

<sup>1</sup> Including combination preparations/LCM products and direct sales to licensees.

# R&D Pipeline – Oncology



Substance	Indication	Current Status <sup>1</sup>
Erbix <sup>®</sup> (cetuximab), EGFR-specific monoclonal antibody <sup>2</sup>	Colorectal cancer (CRC)	Approved/phase III
	Squamous cell carcinoma of the head and neck (SCCHN)	Approved/phase III
	Other EGFR-expressing tumors: e.g. non-small-cell-lung cancer (NSCLC)	Phase III
Matuzumab (EMD 72000), humanized EGFR-specific monoclonal antibody <sup>3</sup>	EGFR-expressing tumors: including NSCLC, gastric cancer, colorectal cancer	Phase II
Stimuvax <sup>®</sup> (BLP25 liposome vaccine), liposomal cancer vaccine <sup>4</sup>	MUC1-expressing tumors: including NSCLC	Phase III
Cilengitide (EMD 121974), angiogenesis inhibitor	Glioblastoma <sup>5</sup>	Phase II
EMD 273063 (hu14.18-IL2), immunocytokine	GD2-expressing tumors: including melanoma and pediatric neoblastoma	Phase II <sup>6</sup>
Tucotuzumab celmoleukin (EMD 273066/huKS-IL2), immunocytokine	EPCAM-expressing tumors: including ovarian cancer and small cell lung cancer (SCLC)	Phase II
NHS-IL2-LT (EMD 521873), immunocytokine	Targets DNA of necrotic cells	Phase I

<sup>1</sup> Clinical status (for the most advanced indication)

<sup>2</sup> Collaboration between Merck KGaA, Darmstadt, Germany, and ImClone Systems Inc. Merck KGaA licensed the right to market Erbitux outside the U.S. and Canada from ImClone Systems Incorporated of New York in 1998. In Japan, Merck KGaA has co-exclusive marketing rights with ImClone Systems.

<sup>3</sup> Collaboration between Merck KGaA, Darmstadt, Germany, and Takeda Pharmaceuticals

<sup>4</sup> Exclusive worldwide licensing rights acquired from Biomira Inc., Canada, with the exception of Canada where the companies will share rights.

<sup>5</sup> Further indications in development by the US National Cancer Institute (NCI)

<sup>6</sup> Clinical trials being conducted by US NCI, Children's Oncology Group, and University of Wisconsin.

EGFR: epidermal growth factor receptor  
EPCAM: epithelial cell adhesion molecule  
MUC: mucinous glycoprotein that is abnormally expressed in various cancers  
NSCLC: non-small-cell lung cancer  
GD2: cancer associated ganglioside

# R&D Pipeline – CardioMetabolic



Substance	Indication	Current status
EMD 503982 (oral Factor Xa Inhib.)	Arterial and Venous Thrombosis	Phase I
EMD 387008	Type 2 Diabetes	Phase II
EMD 675992 (DPPIV-Inhib.)	Type 2 Diabetes	Phase II

# Key Products & Clinical Programs



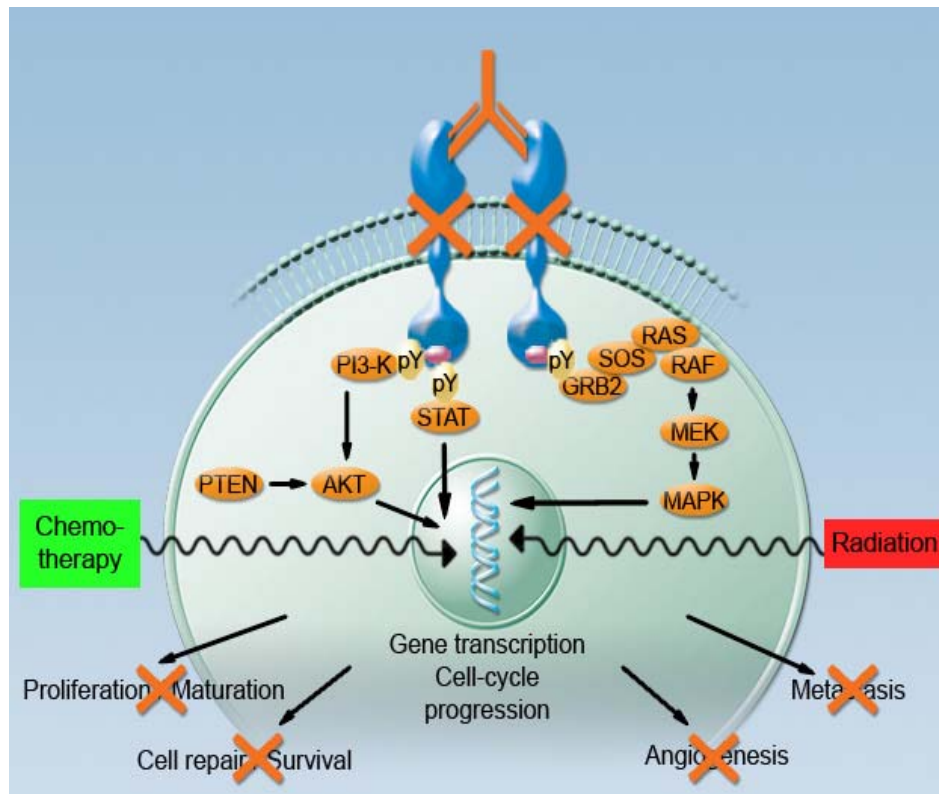
	Neurology	Oncology	Autoimmune	Cardio/Metabolic	Reproductive Health	Other
<b>Marketed</b>	Rebif Novantrone	Erbix (3 <sup>rd</sup> /CRC, SCCHN) UFT (CRC)		Concor Concor COR Glucophage Glucovance Niaspan Euthyrox	Gonal-f Ovidrel Luveris Cetrotide Crinone	Campral Lutenyl Fem7 Saizen Serostim Zorbtive Raptiva
<b>Phase III</b>	Oral Cladribine (CLARITY MS) RNF Safinamide (early and late Parkinson's) Rebif vs. Copaxone (REGARD)	Erbix (NSCLC, 1 <sup>st</sup> /CRC, 1 <sup>st</sup> /SCCHN) Zanolimumab (cutaneous T-cell lym) Stimuvax L-BLP25 (NSCLC)				Serostim (HARS) Phenoptin (PKU)
<b>Phase II</b>	Oral cladribine add on to Rebif (ONWARD)	Matuzumab (CRC, Gastric, NSCLC) Cilengitide (Glioblastoma) HU 14.18-IL2 (Melanoma, Pediatric Neuroblastoma) Tucotuzumab (Ovarian, SCLC, Prostate, Pancreatic) Zanolimumab (non-cutaneous T-cell lym)	Atacept (RA)	DPP IV Inhibitor EMD 387008	Anastrozole	
<b>Phase I</b>	MMP-12 inhibitor (MS) JNK inhibitor (MS)	Atacept (refract. B-cell mal) Atacept (MM) Aurora kinase Inhibitor (solid tumors & hematological cancers) Adecatumumab with docetaxol (Breast) NHS-IL2-LT (DANN in necrotic cells)	Atacept (Lupus) N1-0401 anti-CD3 (Crohn's)	Factor Xa Inhibitor	Oxytocin receptor ant. Hyperglycosyl. FSH	
<b>Pharmaceuticals</b>				Atacept = TACI-Ig      Zanolimumab = HuMax-CD4 Tucotuzumab = KS-IL2		

# Erbix<sup>®</sup> Mode of Action



Blocking the EGFR by Erbix<sup>®</sup> has an effect on several processes within the cell that contribute to tumor growth, spread and survival

## Erbix<sup>®</sup> (IgG1 monoclonal antibody)



## Erbix<sup>®</sup> :

- Blocks receptor dimerization, tyrosine kinase phosphorylation, and signal transduction
- Prevents repair and survival of tumor cells damaged by the effects of chemotherapy and radiotherapy
- Potentiates apoptosis
- Inhibits cell cycle progression
- Inhibits angiogenesis by downregulating pro-angiogenic growth factors
- Inhibits invasion/metastasis
- Elicits antibody-dependent cellular cytotoxicity (ADCC) response

## Tucotuzumab celmoleukin (EMD 273066) – Phase II

- Mechanism of action
  - Tucotuzumab celmoleukin– targets the cell membrane glycoprotein KSA (also know as EpCAM) which is expressed by most epithelial tumors. This triggers an immune response at the tumor site
- Ongoing trials
  - Currently in Phase II clinical development in EpCAM-expressing tumors (e.g., ovarian and SCLC)

## EMD 273063 – Phase II

- Mechanism of action
  - EMD 273063 – binds to ganglioside GD-2 (expressed in neuroectodermal tumors) to trigger an immune response
- Ongoing trials
  - This drug is currently in ongoing Phase II clinical trials in adult melanoma and pediatric neuroblastoma
  - Developed in co-operation with the University of Wisconsin Comprehensive Cancer Center and the National Cancer Institute

## NHS-IL2-LT (EMD 521873) – Phase I

- Mechanism of action
  - The antibody part of the molecule targets necrotic tissue DNA, resulting immune response expect. to kill viable tumor cells surrounding the necrotic regions

# Successful licensing activities to maximize value of intellectual property rights



- 5HT2a antagonist – Licensing Deal with Eli Lilly in Q4 2004
  - Eli Lilly was granted worldwide developing and marketing rights; Merck received an upfront payment (EUR 22.5 million), and will receive potential milestone payments and royalties
- Oral Contraceptive – Licensing Deal with Organon in Q2 2005
  - Organon (Akzo Nobel Group) received license to develop and commercialize EMM 310066 in the U.S. and certain EU countries; Merck (Theramex) receives milestone payments and royalties, and keeps the commercialization rights for certain countries.
- Bisoprolol Animal Use – Out-licensing to Bayer in Q2 2005
  - Bayer Healthcare received an exclusive worldwide license to use Bisoprolol in companion animal indications; Merck will receive milestone payments.
- Asimadoline – Out-licensing to Tioga Pharmaceuticals in Q2 2005
  - Tioga Pharmaceuticals Inc. was created & funded by Forward Ventures to develop and commercialize Asimadoline for pain associated with Irritable Bowel Syndrome; Merck received an equity stake and will participate in potential future royalties.
- NHE Inhibitor – Option to Novacardia in Q3 2005
  - An option was granted to Novacardia Inc. to evaluate the compound and enter into a licensing agreement with Merck later; Merck receives an option fee.
- Saratin – Out-licensing to BioVascular in Q3 2005
  - BioVascular Inc. was created / funded by Domain Associates to develop and commercialize Saratin (locally acting protein in preclinical stage; novel approach to prevent thrombosis and stenosis); Merck received an equity stake and will participate in potential future royalties.