

News Release

October 2nd, 2012

Merck Serono Announces the Creation of Asceneuron, the Third Spin-Off Company From Its Entrepreneur Partnership Program

- **Asceneuron will develop Merck Serono's research programs in the area of Alzheimer's disease**
- **Merck Serono will invest € 5 million as seed funding**

Geneva, Switzerland, October 2nd, 2012 – Merck Serono, a division of Merck, Darmstadt, Germany, announced today the creation of Asceneuron, a spin-off company resulting from its Entrepreneur Partnership Program (EPP) launched in April 2012. Asceneuron will focus on the development of therapies for the treatment of Alzheimer's disease and Tau protein-related pathologies, by advancing Merck Serono's preclinical programs targeting these conditions towards clinical testing as rapidly as possible. Merck Serono will invest € 5 million as seed funding. Merck Serono Ventures will manage the investment and will be represented on the company's board of directors.

"This new company creation around Merck Serono's valuable assets in neurodegenerative diseases represents a unique opportunity to continue developing highly needed therapies in an area that is outside the company's current focus." said François Naef, Chairman of the Board of Directors of Merck Serono S.A. "It also demonstrates again the commitment of the company to maintain jobs and expertise in the Lake Geneva area and I am convinced that Asceneuron will become an important player in a region where neurosciences are strongly represented."

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The founders of Asceneuron are Dirk Beher (Chief Scientific Officer), Christoph Wiessner (Head of Discovery), and Frank Armstrong (Executive Chairman of the Board). Building on this highly experienced management team combining scientific and drug discovery expertise with business and fundraising background, Asceneuron aims to bring a significant contribution to pharmaceutical approaches of neurodegenerative diseases. The newly founded company will initially employ eight current Merck Serono employees to develop Merck Serono's Alzheimer's Disease programs from lead optimization up to clinical Phase I, and seek partnership and licensing opportunities for further development.

"Asceneuron will initially approach Alzheimer's disease with three complementary drug discovery programs through the modulation of molecular pathways known to be involved in memory loss and the neuropathology. Asceneuron has promising small molecules to improve cognitive function, and to target toxic Tau protein and amyloid-beta peptides. There is great hope for significant progress towards better controlling both the symptoms and the progression of this devastating disease", said Dirk Beher, CSO of Asceneuron.

After the announcement of the creation of Prexton Therapeutics and Quartz Bio, Asceneuron is the third spin-off company to benefit from Merck Serono EPP program. Announced in April 2012 in the framework of the efficiency measures being taken by Merck Serono, the EPP is part of a € 30 million commitment to support the creation of spin-off and start-up companies focused on continuing activities and compounds that originated at Merck Serono. This program is aimed at reducing the impact on employment following the announced closure of the Geneva headquarters due to the restructuring.

About Merck Serono

Merck Serono is the biopharmaceutical division of Merck KGaA. With headquarters in Darmstadt, Germany, Merck Serono offers leading brands in 150 countries to help patients with cancer, multiple sclerosis, infertility, endocrine and metabolic disorders as well as cardiovascular diseases. In the United States and Canada, EMD Serono operates as a separately incorporated subsidiary of Merck Serono.

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Merck Serono discovers, develops, manufactures and markets prescription medicines of both chemical and biological origin in specialist indications. We have an enduring commitment to deliver novel therapies in our core focus areas of neurodegenerative diseases, oncology and rheumatology.

About Merck

Merck is a global pharmaceutical and chemical company with total revenues of €10.3 billion in 2011, a history that began in 1668, and a future shaped by more than 40,000 employees in 67 countries. Its success is characterized by innovations from entrepreneurial employees. Merck's operating activities come under the umbrella of Merck KGaA, in which the Merck family holds an approximately 70% interest and free shareholders own the remaining approximately 30%. In 1917 the U.S. subsidiary Merck & Co. was expropriated and has been an independent company ever since.

For more information, please visit www.merckserono.com or www.merckgroup.com