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News Release

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Lead Discovery Center GmbH Announces Five-year Strategic Partnership with Merck Serono

- **Partners will collaborate to discover lead structures and potential development candidates for novel drug targets**
- **Program aims to enhance Merck Serono's pipeline for new therapies in areas of high unmet medical need**

Dortmund, Germany, October 31, 2013 - Lead Discovery Center GmbH (LDC) a renowned translational research organization, today announced a five-year strategic partnership with Merck Serono, Darmstadt, Germany, the biopharmaceutical division of Merck. This collaboration integrates the expertise and resources of both organizations to expedite the discovery of promising lead structures and to optimize the development of therapeutic candidates in areas of high unmet medical need.

Under the terms of this agreement, Merck Serono and LDC will enter into a broader drug discovery collaboration aiming to identify lead candidates to multiple drug targets. Merck Serono hereby expands a successful initial collaboration with LDC in oncology into a strategic partnership spanning across all of Merck Serono's core research and development areas. The first project under the new agreement will be in immunology and emerged from an ongoing collaboration of LDC with the Max-Planck researcher and Nobel Laureate Prof. Robert Huber.

"Merck Serono is a recognized leader in drug discovery and development with a strong research base in Germany and shares our rigorous approach to pursuing the most promising lead candidates," said Dr. Bert Klebl, Managing Director of LDC. "We are excited to extend our collaboration with Merck Serono into a strategic alliance combining our complementary expertise to translate academic research into promising drug candidates at an accelerated rate, and with a greater chance of therapeutic success."

Page 1 of 2

“This partnership is a key element of our strategy to access alliances with leading partners to enhance our pipeline of novel targets and drug candidates,” said Dr. Susan Jane Herbert, Executive Vice President, Head of Business Development and Strategy at Merck Serono. “We are confident that the combination of LDC’s strong academic network and high innovation potential in chemical optimization and screening, combined with the drug development and clinical trial expertise of Merck Serono, has the potential to accelerate our joint development of new therapies in areas of high unmet medical needs.”

Both organizations will contribute expertise, infrastructure and resources to identify lead candidates and will work closely together in interdisciplinary project teams to advance them into pharmaceutical leads. More specifically, LDC will drive the design, screening and synthesis of compounds during discovery phases, while Merck Serono will provide extended *in vitro* and *in vivo* pharmacological profiling, scale up, pre-clinical and pharmacokinetics as well as clinical study design expertise. Merck Serono will be responsible for drug development and commercialization for selected drug candidates. Under the terms of the agreement, LDC will receive research funding, and for selected drug candidates, milestone and royalty payments. Further financial details of the agreement are not disclosed.

About LDC Dortmund

The Lead Discovery Center (LDC) was established in 2008 by the technology transfer organization Max Planck Innovation, as a novel approach to capitalize on the potential of excellent basic research for the discovery of new therapies for diseases with high medical need.

LDC takes on promising early-stage projects from academia and transforms them into innovative pharmaceutical leads that reach initial proof-of-concept in animals. In close collaboration with high profile partners from academia and industry, LDC is building a strong and growing portfolio of small molecule leads with exceptional medical and commercial potential. LDC sustains a preferred partnership with the Max Planck Society and has formed alliances with AstraZeneca, Bayer and Merck Serono as well as leading academic drug discovery centers around the globe. Further information at: www.lead-discovery.de

About Merck Serono

Merck Serono is the biopharmaceutical division of Merck. 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. 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 neurology, oncology, immuno-oncology and immunology.

For more information, please visit www.merckserono.com

Merck is a leading pharmaceutical, chemical and life science company with total revenues of € 11.2 billion in 2012, a history that began in 1668, and a future shaped by approx. 38,000 employees in 66 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.