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AXURA®. Longer me.





People`s health is our business

Merz

We care. Our research for your health.

Innovations with exceptionally high patient benefits have less to do with a company's size than with its focus and creativity. By concentrating on carefully selected therapeutic fields, Merz contributes to the health, alleviation of pain, and improvement in quality of life for many people.

Merz Pharmaceuticals is an international researching company, specialized in drugs for the treatment of diseases of the central nervous system (CNS). Another focus is the clinical and aesthetic dermatology.

CNS

Serious neurological diseases significantly restrict patients' everyday lives and represent a major burden for family members and caregivers. Targeted therapies that delay the course of the disease not only improve the quality of life of the people affected, but also reduce the costs of care and treatment to society. Merz is a leader in the field of Alzheimer's research and developed the world's first active ingredient for the treatment of moderate to severe Alzheimer's disease (Memantine). The product is sold worldwide under the brand names Axura[®], Akatinol[®], Namenda[®], and Ebixa[®]. Meanwhile, for Alzheimer's disease Memantine is the number 2 in prescriptions worldwide.

Another innovation from the Merz laboratories is Xeomin[®], the next generation botulinum toxin type A. Merz is the first and only company to succeed in eliminating complexing proteins from the botulinum toxin complex. Thus Xeomin[®] contains the pure neurotoxin and is expected to reduce the risk of secondary therapy failure in botulinum toxin therapy. Xeomin[®] is injected into the muscle tissue and relaxes the muscles for a period of up to a few months. Xeomin[®] is approved in Germany and Mexico for the indications spasmodic torticollis* and blepharospasm.

Dermatology

Treatment of the skin is an established core competency at Merz. Merz is the world's leader for scar treatment. Building on this competence, the company will systematically evolve into a full provider for a comprehensive product portfolio in clinical and aesthetic dermatology.

The goal of aesthetic dermatology is to delay the natural aging process of the skin and to preserve a natural, beautiful appearance for as long as possible.

Merz has two complimentary products for skin rejuvenation: Hyal-System[®] and Belotero[®]. Hyal-System[®] is an innovative injection treatment for intradermal rejuvenation and bio-revitalisation. Belotero[®] is a hyaluronic acid filler for the augmentation of folds and lips.



Product Portfolio CNS

| Brand | Active Ingredient | Indication |
|-------------------------------------|------------------------------|--|
| **Axura[®] | Memantine | Alzheimer´s disease |
| PK-Merz[®] | Amantadine | Parkinson´s disease |
| Solvex[®] | Reboxetin | Major depression |
| Xeomin[®] | Botulinium neurotoxin type A | Spasmodic torticollis* / blepharospasm |

**Other brands: Akatinol[®], Ebixa[®], Namenda[®]

*Xeomin[®] is indicated for the symptomatic management of blepharospasm and cervical dystonia of a predominantly rotational form (spasmodic torticollis) in adults.

Product Portfolio Dermatology

| Medical dermatology | Active Ingredient | Indication |
|--|-------------------|------------|
| Contractubex[®] / Mederma[®] | Extractum cepae | Scars |
| Naftin[®] | Naftifine | Mycosis |
| Pantogar[®] / Pantovigar[®] | Amino Acids | Alopecia |
| Pantostin[®] | Alfaradiol | Alopecia |

| Ageing skin and wrinkles | Active Ingredient | Indication |
|---|-----------------------------|----------------------|
| Hyal-System[®] | native Hyaluronic Acid | Skin rejuvenation |
| Belotero[®] | crosslinked Hyaluronic Acid | Wrinkle augmentation |



Research & Development at Merz

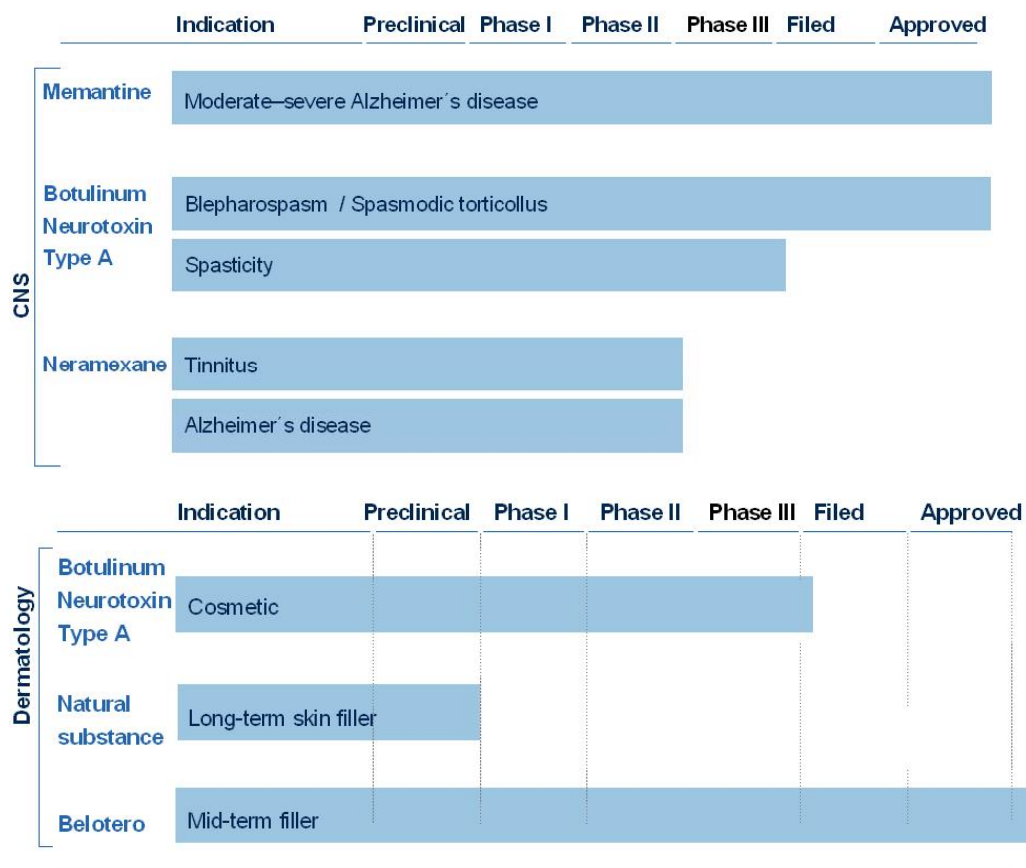
Therapeutic innovation requires research geared toward results. As one German pharmaceutical company with its own research and development, Merz is not only focused on the development of new substances, but is also continuously on the lookout for new uses for existing substances.

Year by year, the company increases its investment in this work. During the past fiscal year, Merz invested 48 million Euros – increasing its total pharmaceutical research by 80% compared to the previous year.

Research at Merz is directed to areas that are in need of new innovations, are highly useful for medical science, and have increasing numbers of patients. For these reasons, the company has specialized in targeted areas of neurological and psychiatric illnesses such as Alzheimer's Disease, Tinnitus, and neuromuscular defects. An additional area is clinical and aesthetic dermatology.

In our intensive co-operation with nationally and internationally recognized experts and renowned scientific institutions we develop and optimize new compounds. Only Merz substances with patent protection, innovative mechanisms of action, and convincingly improved therapeutic benefits go through the lengthy process of preclinical and clinical development. The latest testing procedures ensure effectiveness and safety in use.

Promising pipeline (selected projects)



We care
OUR RESEARCH FOR YOUR HEALTH.



Going global



Merz is actively seeking international expansion, and plans to establish a presence in all key European markets through wholly-owned subsidiaries. Merz has already a presence in Austria, Switzerland, Italy, United Kingdom, and France, as well as in Russia, Mexico and the USA. Additional co-operations and licensing agreements with long-standing partners such as Forest Laboratories Inc. in the US market or H. Lundbeck A/S and Grünenthal GmbH for the European and other markets ensure that Merz Pharmaceuticals' products are available in many other countries, too.



Profile of the Merz Group

The Merz Group

Merz Pharma and Senator are brought together under the umbrella of the Merz Group. Merz Pharma combines the activities of its four subsidiaries:

- **Merz Pharmaceuticals**

Research, development, production, and distribution of innovative drugs for neurology and psychiatry, dermatology and metabolic diseases. Leading position in Alzheimer's research.

- **Merz Consumer Care**

Leading supplier of over-the-counter-products in German-speaking countries, including nutritional supplements, and beauty and wellness products such as its well-known brands tetesept® and Merz Spezial®.

- **Merz Dental**

Development and marketing of artificial teeth for dentists and dental technicians.

- **Merz Group Services**

Internal service provider for the Merz Group.

Senator

One of the leading manufacturers of writing instruments in the field of promotional items and the number one manufacturer of ballpoint pens in Europe.

Key Data

- Employees: 1,900 worldwide
- Revenues: EUR 475 million

A Privately-Owned Company

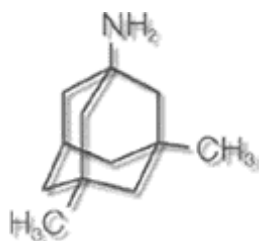
The company founded by Friedrich Merz has been owned by the family for three generations and will be celebrating its 100th anniversary in 2008. As a result of concentrating its research and development activities on selected therapeutic fields and pursuing international partnerships, Merz is one of the world's leading pharmaceutical companies today.

AXURA[®]. Longer me.



Brief Profile of AXURA[®]

Memantine – Innovation for Alzheimer Patients



Memantine is the first and only representative of a new class of Alzheimer drugs – a moderate affinity NMDA-receptor antagonist. Memantine has been developed by Merz Pharmaceuticals and is approved in Europe and the USA for the treatment of moderate to severe Alzheimer's disease. In addition memantine is available in Mexico and in several South American countries.

Efficacy of Memantine

Clinical data on memantine show

- Benefit in cognitive and psychomotor functioning
- Benefit in activities of daily living
- Benefit on behavioral symptoms
- Reduction of care dependence
- Excellent tolerability

Memantine produces symptomatic improvements in learning under conditions of tonic NMDA receptor activation in Alzheimer's disease. In contrast to first generation therapies, memantine is likely to show neuroprotective effects at concentrations used in the treatment of Alzheimer's disease and to slow down disease progression.

Dosage of memantine

The daily dose of memantine is 20 mg per day.





| | Morning | Afternoon |
|-----------------------------|----------------------|----------------------|
| 1st week | ½ tablet or 10 drops | --- |
| 2nd week | ½ tablet or 10 drops | ½ tablet or 10 drops |
| 3rd week | 1 tablet or 20 drops | ½ tablet or 10 drops |
| From the 4th week on | 1 tablet or 20 drops | 1 tablet or 20 drops |

This dose is achieved by upward titration 5 mg per week over the first 3 weeks as follows: Treatment should be started with 5 mg daily (half a tablet in the morning) during the 1st week. In the 2nd week 10 mg per day (half a tablet twice a day) and in the 3rd week 15 mg per day is recommended (one tablet in the morning and half a tablet in the afternoon). From the 4th week on, treatment can be continued with the recommended maintenance dose of 20 mg per day (one tablet twice a day).

Renal impairment: In patients with normal to mildly impaired renal function (serum creatinine levels of up to 130 µmol/l) no dose reduction is needed. In patients with moderate renal impairment (creatinine clearance 40-60 ml/ min/ 1.73 m²) daily dose should be reduced to 10 mg per day. No data is available for patients with severely reduced kidney function.

Tolerability of memantine

- In studies of memantine, doctors assessed tolerability as **good or very good** in the vast majority of patients.
- Memantine displays a favorable tolerability profile even in long-term therapy.
- In clinical studies the overall frequency of side effects was similar to placebo (EU SmPC).
- Memantine's metabolism is not influenced by the cytochrome P-450 system. Therefore memantine has a low potential for interactions in these multimorbid patients.

