



## News Release

June 19, 2007

### **Merck Serono and Ambrx to Collaborate on Development of Next Generation Growth Hormone Products**

- **Ambrx growth hormone products designed to allow less frequent administration than current growth hormone daily dosing regimens**

San Diego, California, USA, June 19, 2007 – Ambrx announced today a collaboration with Merck Serono, an affiliate of Merck KGaA, Darmstadt, Germany, to develop and commercialize Ambrx's long-acting growth hormone products. The collaboration will focus initially on the development of ARX201, the most advanced product candidate, currently in Phase I/II clinical trials. ARX201 has improved pharmacological properties, which should allow less frequent administration than the daily dosing regimen of currently available growth hormones.

Under the terms of the agreement, Merck Serono will receive worldwide commercialization rights for ARX201. Merck Serono will make an initial payment to Ambrx, and Ambrx is eligible to receive undisclosed clinical, regulatory and commercial milestone payments based on the successful development and commercialization of products, as well as undisclosed royalties on net sales of such products. In addition, Ambrx retains an option to co-promote products in the US market. If the option is exercised, Ambrx and Merck Serono will share US commercialization expenses as well as profits. In the event Ambrx declines to exercise its option, it will receive undisclosed royalties on net sales of products worldwide.

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“Merck Serono has a long-term commitment to children and adults with disorders requiring growth hormone treatment”, said François Feig, Head of Global Therapeutic Area Endocrinology and Cardio-Metabolic Care, Merck Serono. “We believe that ARX201 has the potential to establish a new standard of care in growth hormone therapy. Less frequent administration would represent a significant advance for patients in terms of improved convenience and quality of life. This may lead to improved treatment outcome for the patients.”

James W. Young, Ph.D., interim Chief Executive Officer of Ambrx, added: “Merck Serono is a leader in the development and commercialization of innovative approaches to growth hormone therapy. This alliance is consistent with our strategy to work with industry leaders in their respective fields and is a validation of Ambrx’s ability to deliver differentiated, high-value drug candidates.”

### About ARX201

In February 2007, Ambrx announced the initiation of a Phase I/II clinical trial of ARX201 to investigate the safety, tolerability, pharmacokinetic and pharmacodynamic profile of this product candidate in adult patients with growth hormone deficiency following single-dose escalation and repeated dosing.

ARX201 (PEG-ahGH) is a recombinant form of human growth hormone that has been modified using Ambrx’s patented ReCODE™ technology to achieve precise spatial positioning of the site of polyethylene glycol (PEG) attachment to human growth hormone, by biosynthetic incorporation of a chemically unique amino acid (ahGH). Ambrx believes that ARX201 may have improved pharmacological performance over existing growth hormone products, including the potential for less frequent dosing.

ARX201 was selected through a lead optimization process that employed Ambrx’s proprietary ReCODE™ technology, which effectively enables protein medicinal chemistry. Candidate molecules were characterized and screened to select for



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increased potency and improved pharmacological and pharmacodynamic performance. In pre-clinical studies, ARX201 met or exceeded key end-points in assays that are believed to be predictive of human pharmacokinetics and biological response.

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### **Forward-looking statements**

*Some of the statements in this press release are forward looking. Such statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Merck Serono S.A. and affiliates to be materially different from those expected or anticipated in the forward-looking statements. Forward-looking statements are based on Merck Serono's current expectations and assumptions, which may be affected by a number of factors, including those discussed in this press release and more fully described in Serono's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on February 28, 2006. These factors include any failure or delay in Merck Serono's ability to develop new products, any failure to receive anticipated regulatory approvals, any problems in commercializing current products as a result of competition or other factors, our ability to obtain reimbursement coverage for our products, the outcome of any government investigations and litigation. Merck Serono is providing this information as of the date of this press release, and has no responsibility to update the forward-looking statements contained in this press release to reflect events or circumstances occurring after the date of this press release.*

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### **About Ambrx**

Ambrx, Inc., is a biopharmaceutical company focused on optimizing existing, and developing novel, protein-based drugs. Using its technology, the Company can overcome the performance limitations of high-value commercial proteins by improving their efficacy, safety and ease of use. Ambrx's core ReCODE™ technology enables the precise, site-specific substitution of a novel amino acid within a protein. This allows the conjugation of proteins with additional molecules that can serve to modulate their pharmacokinetic profile or biological function. Ambrx's ReCODE™ technology is applicable to multiple protein products across numerous therapeutic areas. With its innovative approach, Ambrx has successfully and rapidly bridged the gap from technology platform to a drug product enabling technology. For additional information, call 858.875.2400 or visit [www.ambrx.com](http://www.ambrx.com).

### **About Merck Serono S.A.**

Merck Serono S.A. is a global biotechnology leader, with sales in over 90 countries. The Company is the world leader in reproductive health, with Gonal-f®, Luveris® and Ovidrel®/Ovitrelle®. It has strong market positions in neurology, with Rebif®, as well as in metabolism and growth, with Saizen®, Serostim® and Zorbtive™. The Company has recently entered the psoriasis area with Raptiva®. Merck Serono's research programs are focused on growing these businesses and on establishing new therapeutic areas, including oncology and autoimmune diseases.

Bearer shares of Merck Serono S.A., the holding company, are traded on the virt-x (SEO).

### **About Merck**

Merck is a global pharmaceutical and chemical company with sales of EUR 6.3 billion in 2006, a history that began in 1668, and a future shaped by 35,091 employees in 62 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.