



Merrion Pharmaceuticals plc

Presentation

Disclaimer

The information contained in this document and communicated verbally to you including the speeches of the presenter(s), the question and answer session and any materials distributed at, or in connection with it, (together the "Presentation") is confidential and is being supplied, in Ireland only to qualified investors (within the meaning of the Prospectus (Directive 2005/71/EC) Regulations 2006 of Ireland) and, if permitted by applicable law, is being supplied outside Ireland only to professionals or institutions whose ordinary business involves them in investment activities. The information contained in this Presentation is not intended to be viewed by, or distributed or passed on (directly or indirectly) to, any other class of persons.

No representation or warranty, express or implied, is made as to and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information or opinions contained in the Presentation. The information in the Presentation is subject to verification, completion and change. The contents of the Presentation have not been verified by the Company or its subsidiary undertakings (the "Group"). No liability is accepted for any such information or opinions by the Company or any of its respective directors, members, officers, employees, agents or advisers.

Accordingly, information contained in the Presentation is being supplied to you solely for your information and may not be copied, reproduced or further distributed to any person or published in whole or in part, for any purpose. In particular, the distribution of this document in jurisdictions other than Ireland may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe any, such restrictions. Any failure to comply with these restrictions may constitute a violation of laws of any such other jurisdiction. In particular, this document is not for distribution in the United States, Australia, Canada or Japan.

The Company is under no obligation to update or keep current the information contained in this Presentation or to correct any inaccuracies which may become apparent, and any opinions expressed in it are subject to change without notice. Save in the case of fraud, neither the Company nor any of its directors, members, officers, employees, agents or advisers nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection therewith.

This document and the information contained in it does not constitute a prospectus and does not form any part of an offer of, or invitation to apply for, securities nor shall this document or any part of it, or the fact of its distribution, form the basis of or be relied on in connection with any contract or commitment whatsoever. This Presentation should not be considered a recommendation by the Company or any of their respective directors, members, officers, employees, agents or advisers in relation to any purchase of or subscription for ordinary shares in the Company.

This Presentation includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Group's products and services), and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "believes", "estimates", "expects", "aims", "intends", "will", "can", "may", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Among the important factors that could cause the Group's actual results, performance or achievements to differ materially from those in forward-looking statements include those relating to the Company's funding requirements, regulatory approvals, clinical trials, reliance on third parties, intellectual property, key personnel and other factors. These forward-looking statements speak only as at the date of this Presentation.

The Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in the Presentation to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, prospective investors are cautioned not to rely on any forward-looking statement.

By attending this presentation and/or accepting a copy of this document, you agree to be bound by the foregoing limitations and conditions and, in particular, will be taken to have represented, warranted and undertaken that you have read and agree to comply with the contents of this notice including, without limitation, the obligation to keep this document, its contents and the Presentation confidential.

Management Team



John Lynch, CEO

- 20 years at multinational healthcare companies
- Led a \$100M business for Abbott
- Business development, Commercial director
- Ernst & Young, Bayer, Abbott

John Fox , PhD CDO

- 20 years at multinational / specialty pharmaceutical companies
- Pharmaceutical development, regulatory affairs, portfolio planning
- Hunter Fleming, Shire, Lilly



Thomas Leonard, PhD CSO

- 23 years pharmaceutical industry experience
- Inventor on 30 drug patents and numerous products through approval process
- Product formulation, R&D Management
- Wyeth-Ayerst, aalPharma, Endeavor Pharmaceuticals

Jonathan O'Connell, CFO

- 14 years as a CFO with commercial experience
- Floated Trinity Biotech (Nasdaq and ISEQ)
- Spectel - raised funding (30m) (trade sale 2004 for \$105m)



Board Composition:

P O'Sullivan, H Stratford, P Thornton, M Donnelly, F Maher, A Carragher, M McKenna, J Lynch

40 employees-35 in R&D

Investor Day Agenda

- | | |
|---------------------------|---------------|
| ❑ Introduction to Merrion | 09.30 – 09.50 |
| ❑ Plant Tour | 09.50 – 10.20 |
| ❑ Orazol Information | 10.20 – 11.00 |
| ❑ Partner programs | 11.00 – 11.30 |
| ❑ Q & A | |
| ❑ Official opening | 11.45 – 12.30 |





Introduction to Merrion

MERRION PHARMACEUTICALS PLC

90's/00's

2003

Q3 2009

Development of drug delivery technologies in Elan

Merrion opens for business - plan to build own/ partner portfolio

Develops in house portfolio of 4 products

Signs major partner programs Complete successful clinical trials

IPO December 2007
Further clinical trials

First NN licence agreement November 2008

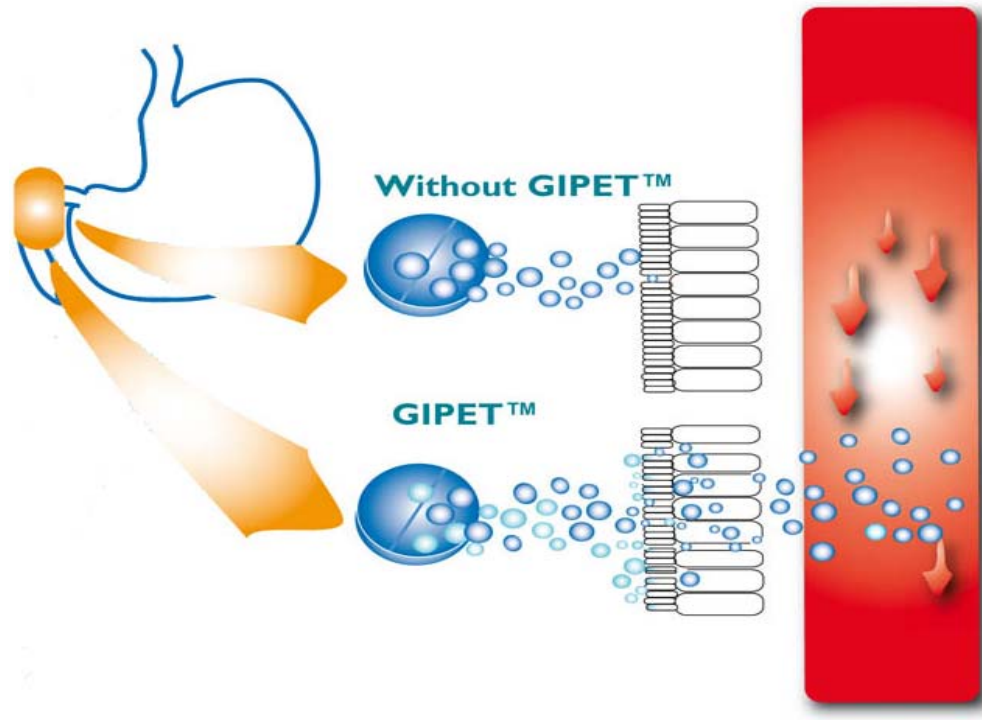
Second NN licence agreement January 2009

Orazol Phase II results
Acquire new Facility

Broad, high potential crystallising to value creation

How does GIPET® work?

- ❑ Large increases in bioavailability (up to 46 fold)
- ❑ Works in broad range small molecule, peptide compounds
- ❑ Uses GRAS status absorption enhancers
- ❑ Excellent reproducibility (CV%)
- ❑ Abbreviated regulatory pathways e.g. 505(b)2
- ❑ Straightforward manufacture



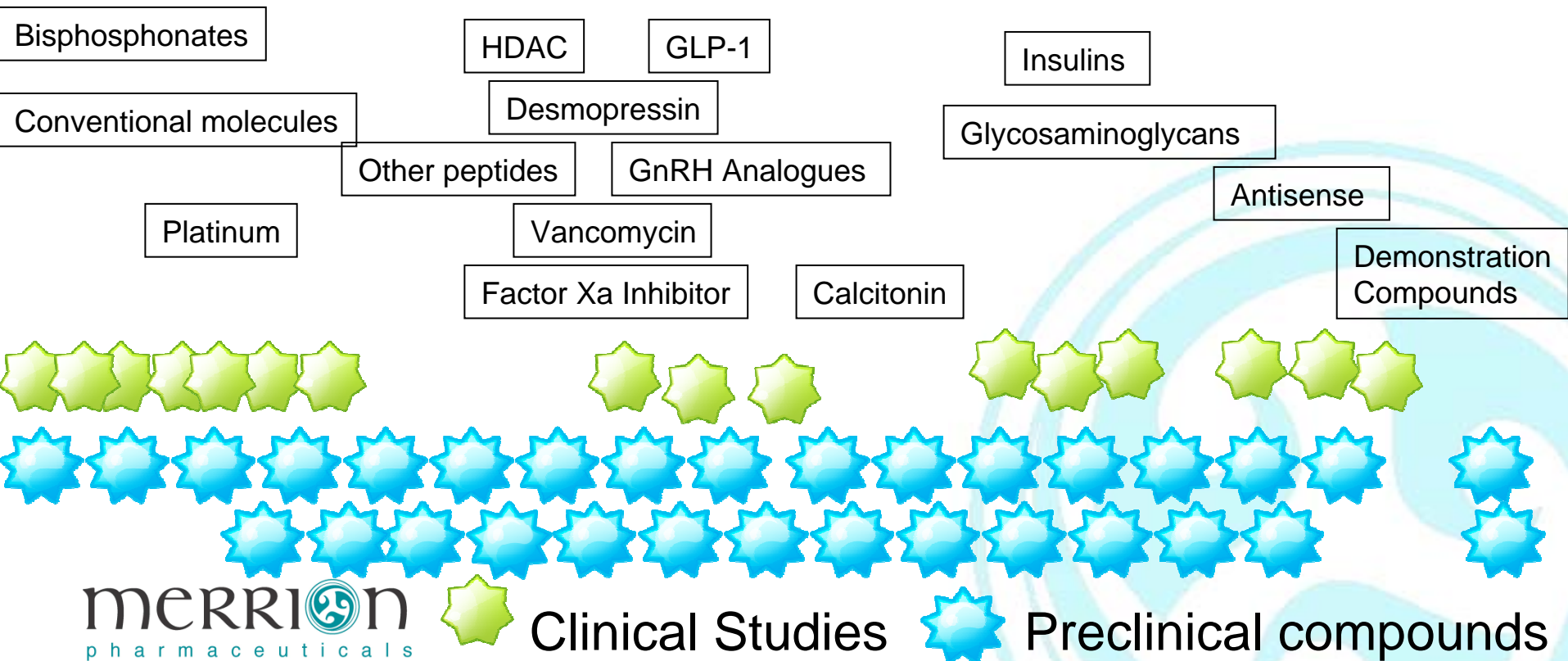
GIPET works on a broad horizon of compounds

300MW

10,000MW

Small Molecules

Peptides



What does the database tell us?

□ GIPET is:

- ❖ Very versatile technology
 - Has 'worked' on >30 compounds
 - Bisphosphonate (12-15 Fold), Peptide (46 fold)
- ❖ Improves absorption of very different drug types
 - Molecular weights
 - Physical/chemical characteristics
- ❖ Clean safety database (as expected)
- ❖ Provides multiple product opportunities for highly differentiated new products
- ❖ Can be trialled quickly and inexpensively to bring product to significant valuepoint
- ❖ Allows Merrion to do things that other can't?

What product advantages could GIPET Allow?

❑ Parenteral (injectable) to oral (single tablet dose)

- ❖ Patient QOL
- ❖ Improved use of healthcare resources
- ❖ Health economics
- ❖ Improved access for patients to drug therapy e.g. Homecare
- ❖ Allow efficacious drugs come to market (e.g. Peptides)
- ❖ New indications for existing drugs



❑ Improved Safety Profile

- ❖ Improved dosing regimen (e.g. Renal profile Orazol)

❑ Improved side effect profile

- ❖ Less drug exposure
- ❖ Different absorption profile



What product advantages could GIPET Allow?

- ❑ **Life Cycle Management of products**
 - ❖ Fast route to clinical studies
 - ❖ GRAS status - safety
 - ❖ Positive interactions to date with key regulatory bodies (FDA, EMEA)
 - ❖ Build patent position fence

- ❑ **NCE's**
 - ❖ Enable bringing to market, without additional complication

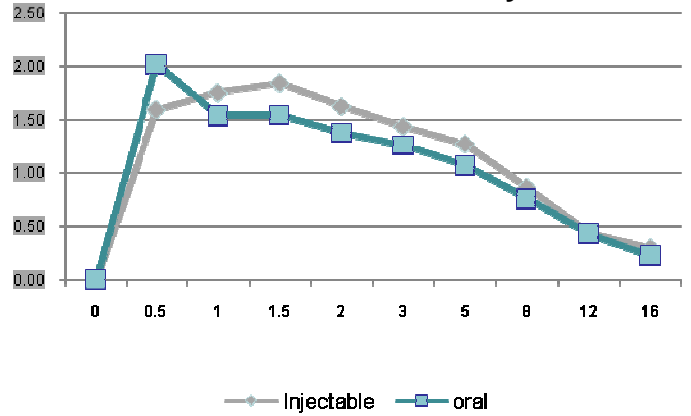
- ❑ **Positive variability profile**

- ❑ **Better efficacy profile?**



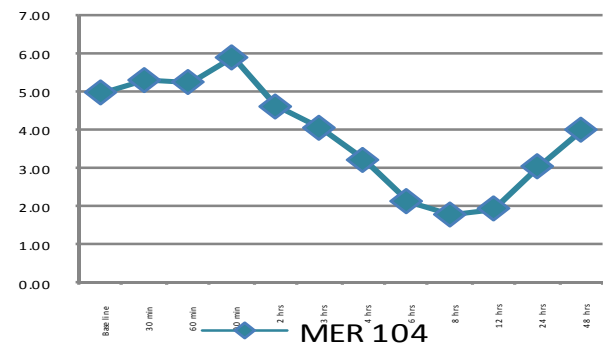
**GIPET oral has similar profile to SC, consistent absorption
Synthetic Glycosaminoglycan**

Anti Factor Xa activity



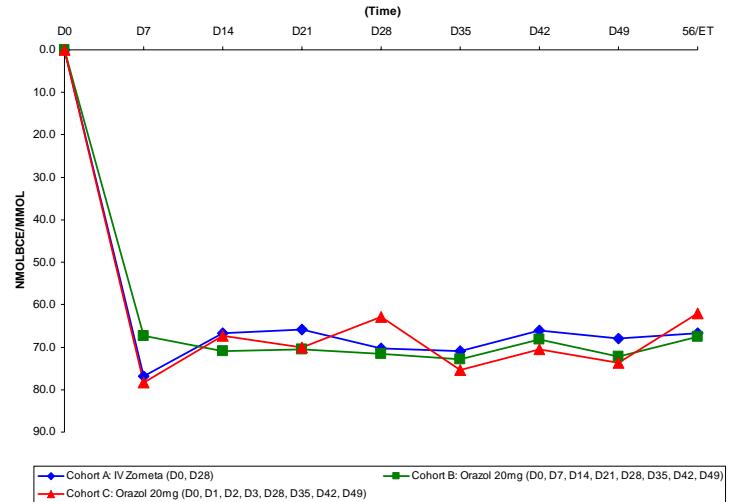
GIPET oral significantly boosts bioavailability, demonstrates clinical endpoint - Synthetic Peptide

Suppression of Testosterone



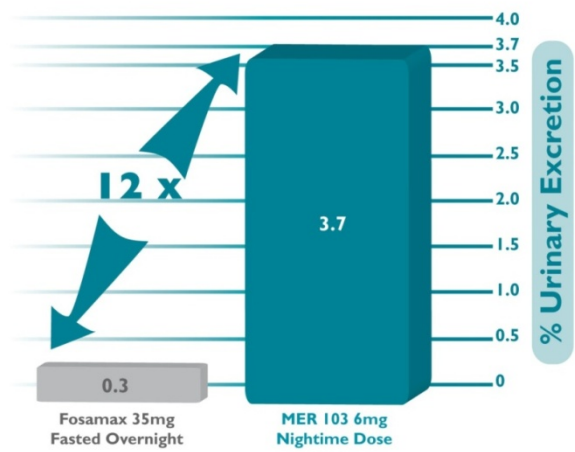
GIPET oral has similar Therapeutic effect to IV infusion - Small Molecule

NTX, Urine % Reduction from Baseline



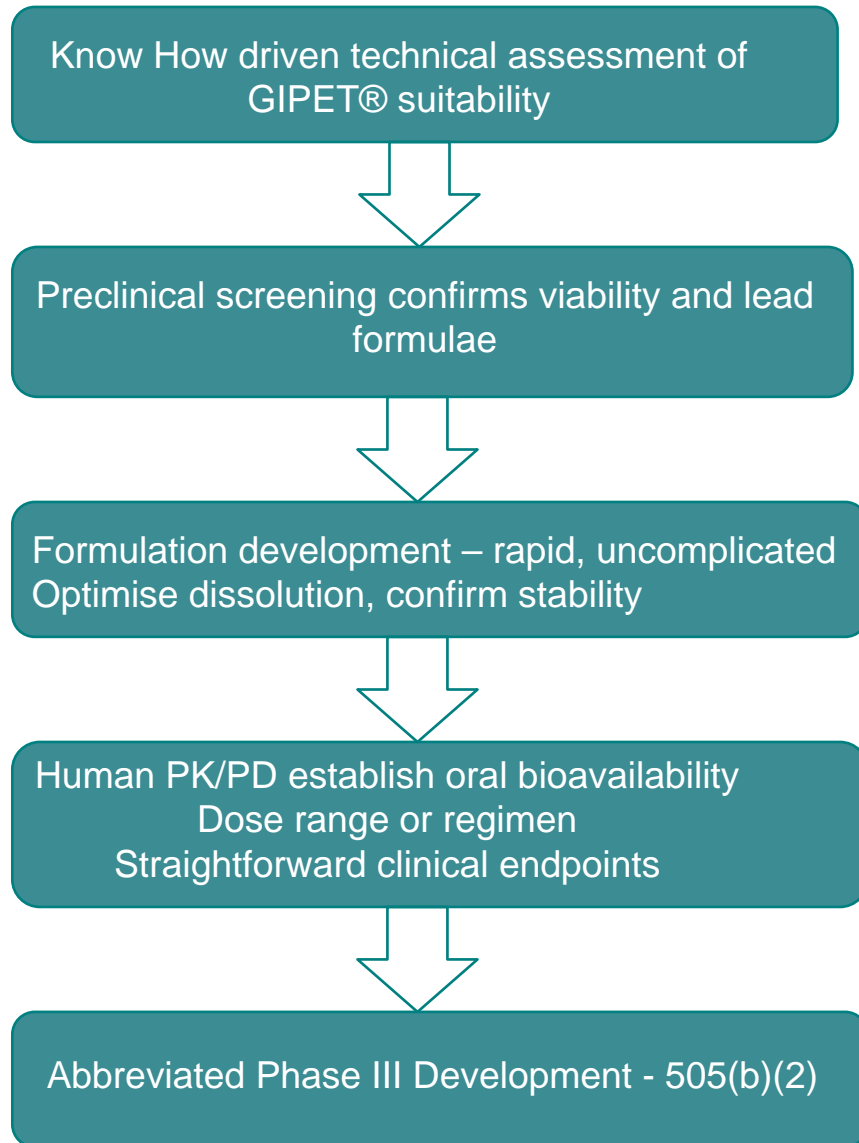
GIPET oral has similar 12 fold increase in bioavailability. As well as improved dosing convenience and reduction in fed/ fasted effect- Small Molecule

Comparative Bioavailability



GIPET® Development Pathway Marketed Compounds

'it is wasteful and unnecessary to carry out studies to demonstrate what is already known about a drug' FDA



Business model allows

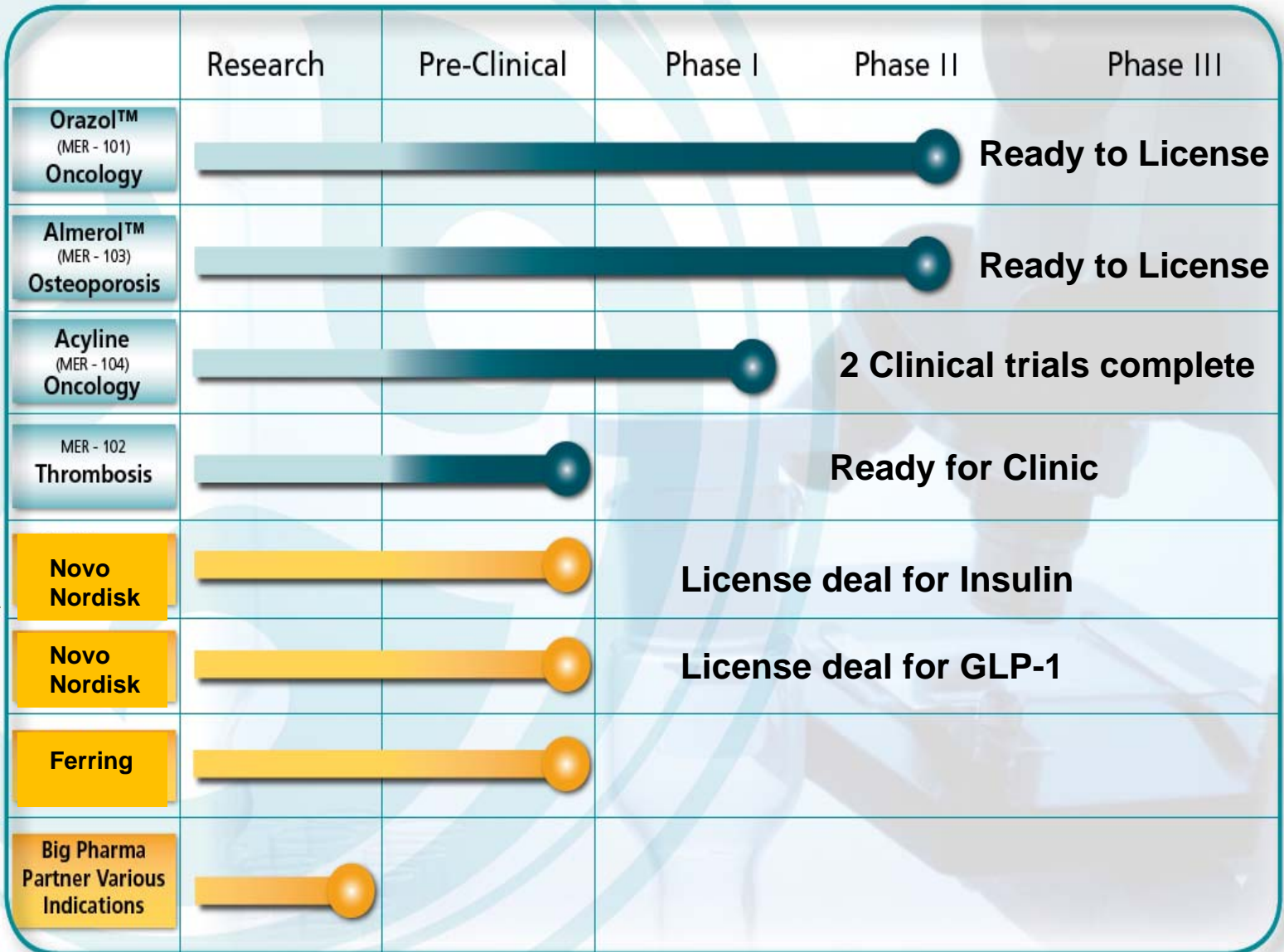
- Rapid screening
- Rapid tablet formulation
- Rapid human POC
- Phase II to design Ph III
- Straightforward scale up

Delivering

Highly differentiated products
brought to licensing (Ph II) rapidly

Merrion Pipeline – Driving Value Growth

Internal



Partner Programs

New Product Development Selection

- ❑ **New Product Evaluation process**

- ❑ **700 to 800 compounds considered**
 - ❖ Compounds poor absorption due to permeability
 - ❖ Top 200 best selling pharmaceuticals
 - ❖ Patent expiry soon
 - ❖ Recently launched products
 - ❖ Injectable drugs
 - ❖ Oncology drugs
 - ❖ OTC medicines

- ❑ **Next Steps**
 - ❖ 170 passed initial commercial/technical screen
 - ❖ 70 under further review
 - ❖ Identify leading candidates
 - ❖ Complete New Product Evaluation Process
 - ❖ Process performed on an regular basis



Merrion Capabilities

From idea to final phase II formulation in our own cGMP facilities

- ❑ 40 Employees
 - ❖ 35 highly qualified R&D scientists
- ❑ Facilities
 - ❖ 29,000 sq.ft. purpose built facility, to highest specification
 - ❖ 21 Processing Rooms - Class D clean room
- ❑ FDA Audit – Previous pre-approval
- ❑ IMB License – EU Clinical Trials Directive





Plant Tour

New Facility – Building Strategic Options

- ❑ **Expands capacity significantly (29,000 sq ft – 5 fold)**
 - ❖ Formulation development and Manufacturing (10 fold)
- ❑ **Purpose built Oral formulation R&D facility**
 - ❖ Designed to support up to Phase III/ small scale commercial
- ❑ **Fully equipped**
 - ❖ Accommodates anticipated capital expenditures for next 4 years
- ❑ **Facility previously successfully passed regulatory reviews:**
 - ❖ FDA Audit –Pre-approval NDA #21-763 and 21-412
 - ❖ IMB Licence Recently re-approved (June 2008)
- ❑ **Allows additional programmes**
 - ❖ Both partner and internal
- ❑ **Commenced initial operations in October 2009**
 - ❖ Transfer from TCD to Q2 2010
- ❑ **Allows for future technology developments**

Cash impact of new facility

	22 July 2009
	€000
Cost building	3,000
Cost equipment	750
Mortgage (15yrs)	2,100
Equipment lease (4 yrs)	750
Cash outlay	900
Other costs	200
Less R&D tax credits on equipment (3yrs)	167

- ❑ Building and equipment a Fraction (less than 20%) of initial costs

- ❑ Costs compared to leasing alternate facility – cash flow positive in 12 mths
 - ❖ Fit out saving once off (500k)
 - ❖ Rental saving p.a. (140k)
 - ❖ Capital saving p.a. (750k)
 - ❖ Leasing p.a. 200k

2009 Interim Results

	6 months ended 30 June 2009 €000	6 months ended 30 June 2008 €000	Increase (Decrease)
Revenue	1,691	354	378%
Cost of sales	(444)	(66)	573%
Gross profit	1,247	288	333%
R&D expenses	(2,569)	(1,679)	53%
Administration expenses	(1,139)	(936)	21%
Net Interest income/(expense)	127	154	(18%)
Loss for the period	(2,335)	(2,173)	(58%)

Consolidated Balance Sheet 30 June 2009

	30 June 2009	31 Dec 2008
	€000	€000
Fixed assets	997	788
Trade and other receivables	1,341	753
Cash	8,453	8,140
	10,791	9,680
Trade Creditors and accruals	672	663
Deferred income	4,636	730
Leasing	303	-
Retained Loss	(31,064)	(28,733)
Equity	35,527	34,404
	10,791	9,680



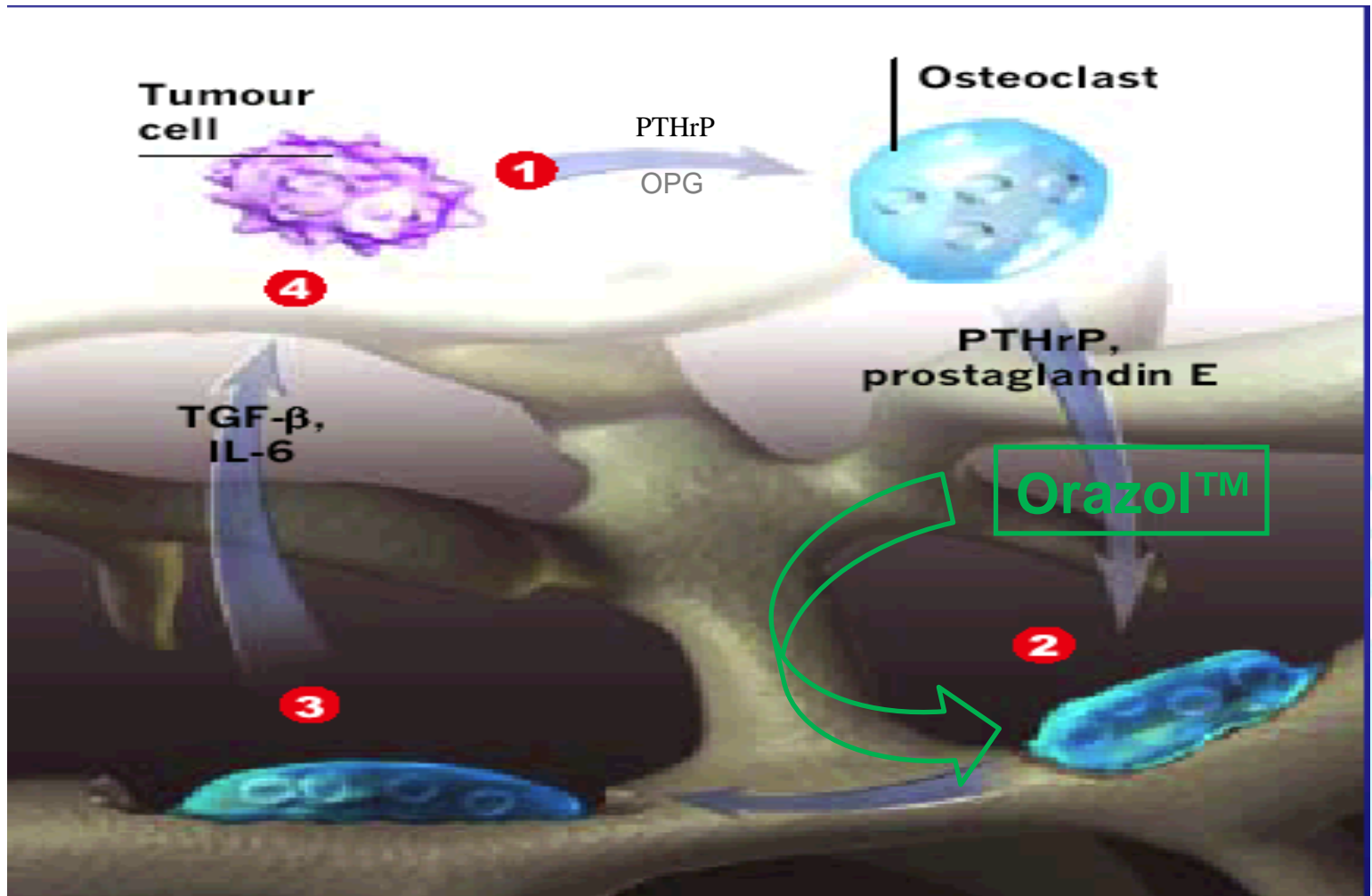
Orazol™

Improving the Standard of Care in Bone Metastases

BONE METASTASES MARKET OPPORTUNITY

- ❑ Estimated 1.5 million patients worldwide.
- ❑ Associated with extensive osteolytic bone destruction.
- ❑ Bone pain, pathological fractures, spinal cord compression have a major impact on quality of life.
- ❑ Breast, prostate, multiple myeloma, lung, renal cancer patients are key target groups.
- ❑ Estimated US only cost of managing bone metastases is \$12.6 billion.
- ❑ Zometa® 2008 positive growth worldwide sales \$1.38 billion.
- ❑ Zometa® current standard of care in bone metastases.
- ❑ Potential for adjunctive treatment for earlier stage cancers in patients with a higher risk of metastasizing to bone, e.g. breast cancer.

Osteolysis; the Vicious Cycle



WHAT IS ORAZOL™?

- ❑ Orazol™ is a weekly oral tablet form of zoledronic acid (Zometa®).
- ❑ Orazol™ is formulated in Merrion's proprietary **GIPET**® drug delivery technology.
- ❑ Orazol™ has demonstrated therapeutic equivalence to intravenous Zometa® in clinical trials in patients with established metastatic disease.
- ❑ Orazol™ has the potential to be developed in osteoporosis, Paget's disease, & steroid induced osteoporosis.

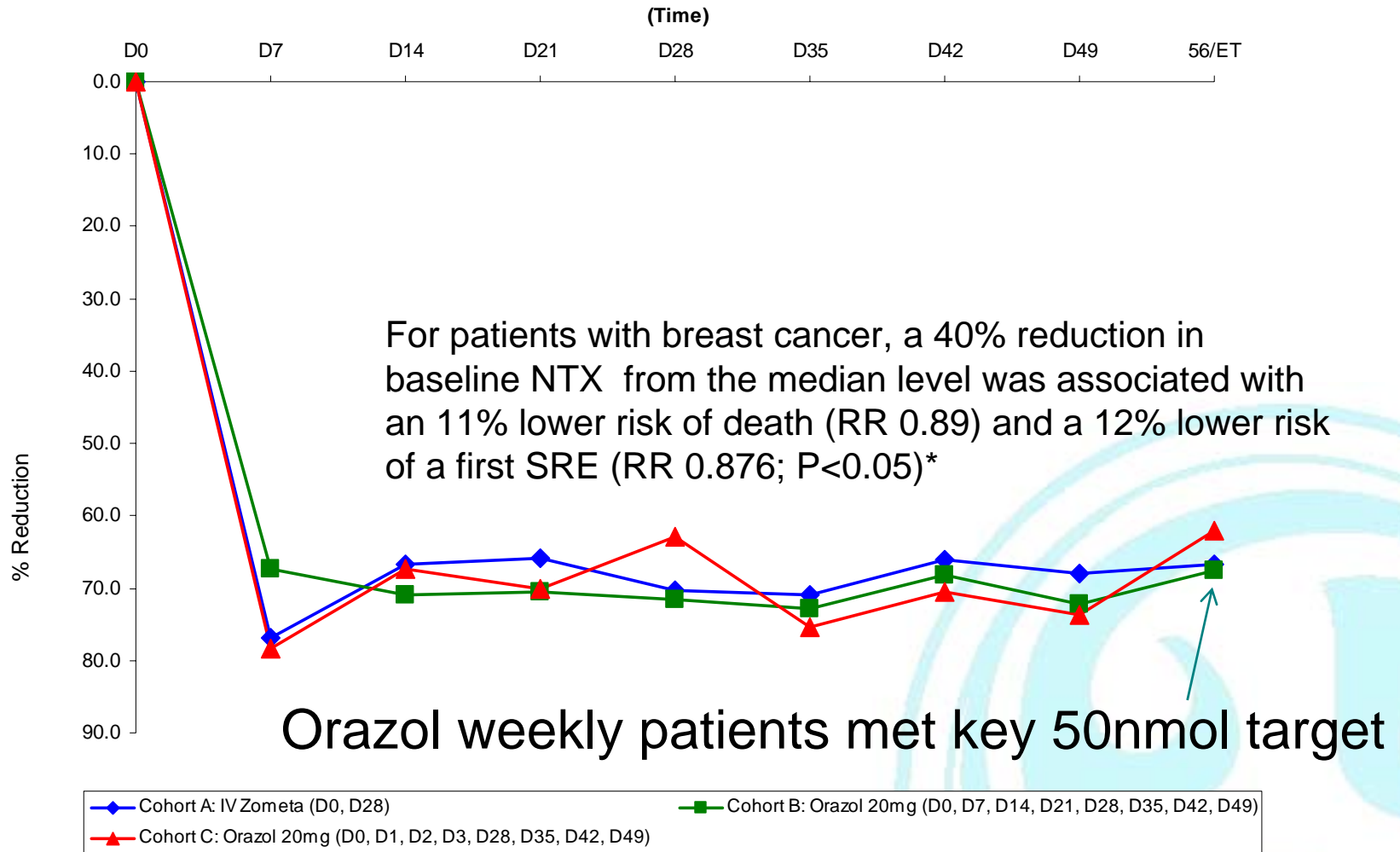
WHAT WILL ORAZOL DO?

Orazol™ demonstrated therapeutic equivalence to IV Zometa® as measured by metabolic by-products of bone resorption.

- ❑ Orazol™ allows the patient to be managed effectively in the home environment with a once a week oral dosage form.
- ❑ Orazol™ substantially enhances absorption with good reproducibility while decreasing GI drug load.
- ❑ Orazol™ enteric coating eliminates the potential for esophageal erosion.
- ❑ Orazol™ avoids the need for the patient to remain upright after dosing.
- ❑ There is less potential for renal impairment with Orazol™ due to lower peak plasma concentrations (C_{max}).
- ❑ Orazol™ dosing can be titrated to patient's disease state.

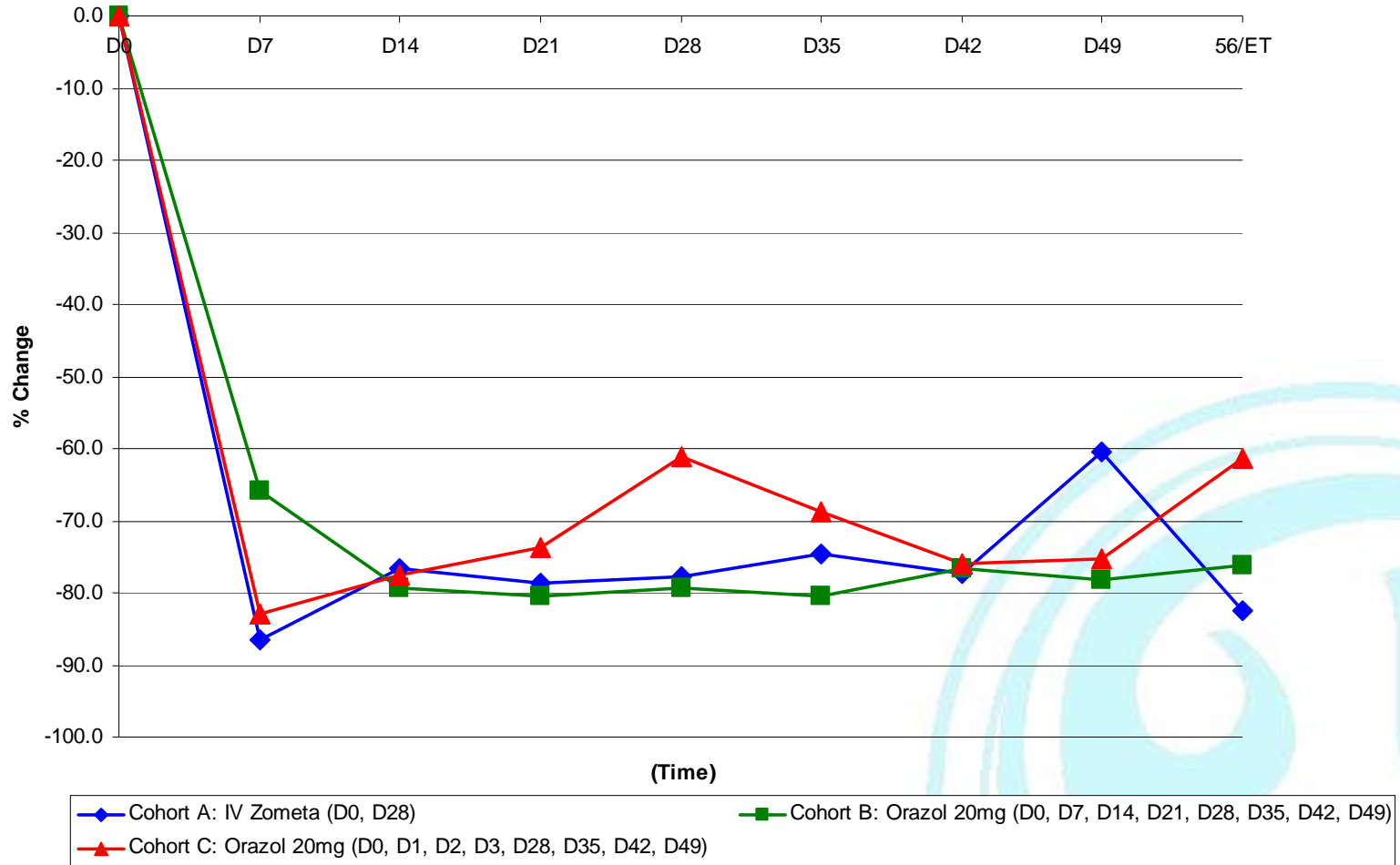
Orazol™ (MER 101-03) Data

NTX, Urine % Reduction from Baseline



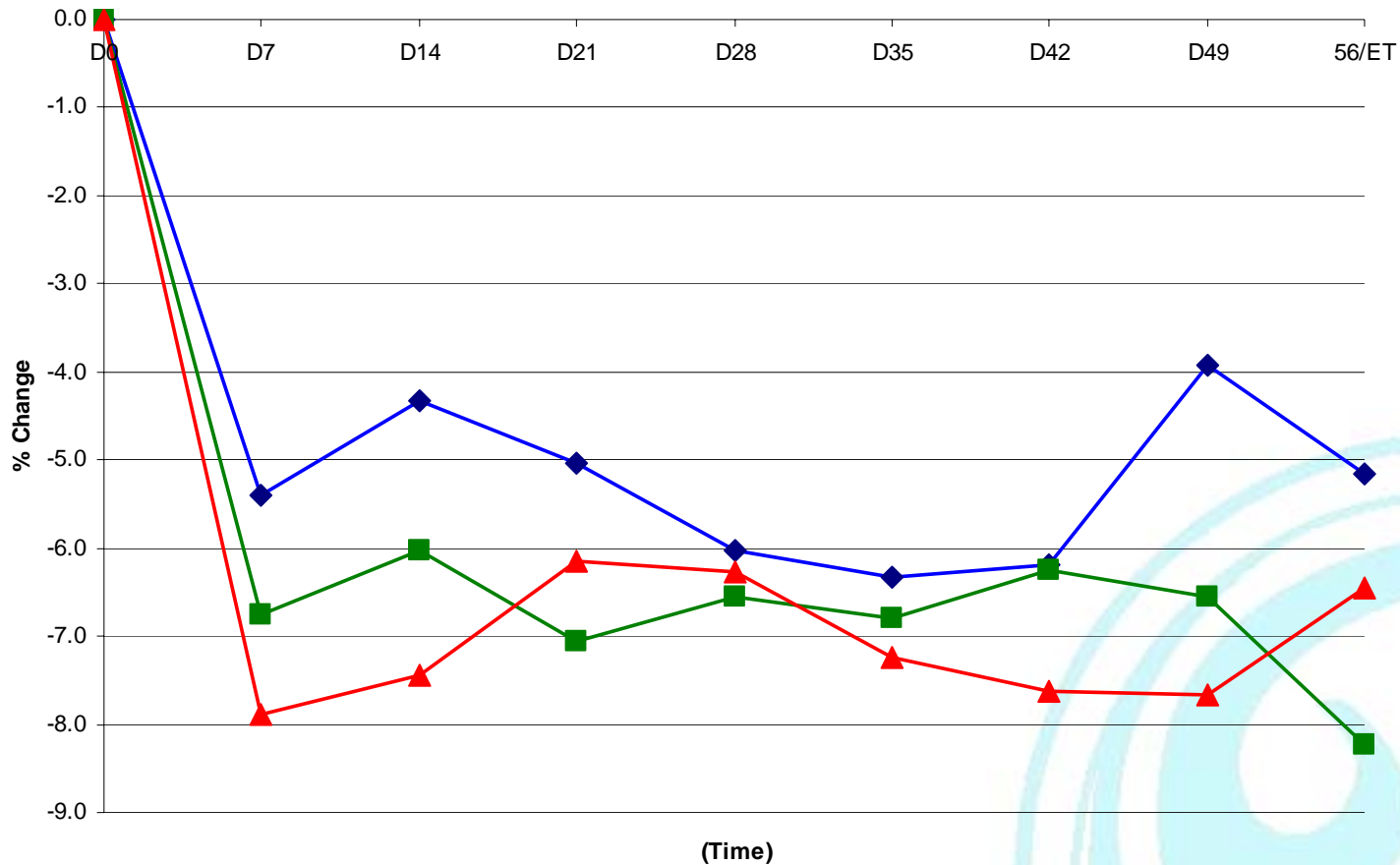
MER-101-03 Results (n=29)

CTX, Serum % Change from Baseline



MER-101-03 Results (n=29)

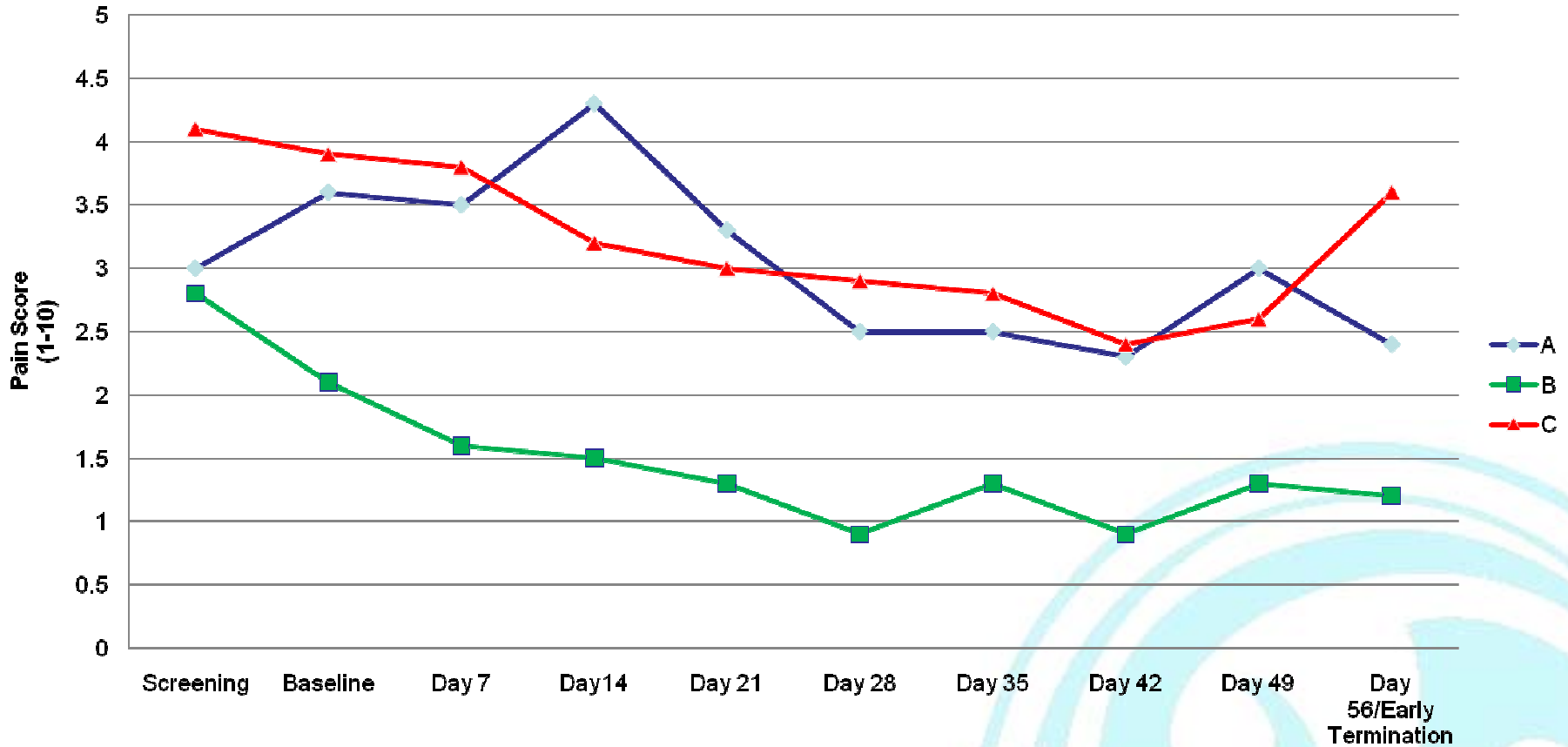
Calcium % Change from Baseline



◆ Cohort A: IV Zometa (D0, D28) ■ Cohort B: Orazol 20mg (D0, D7, D14, D21, D28, D35, D42, D49)
▲ Cohort C: Orazol 20mg (D0, D1, D2, D3, D28, D35, D42, D49)

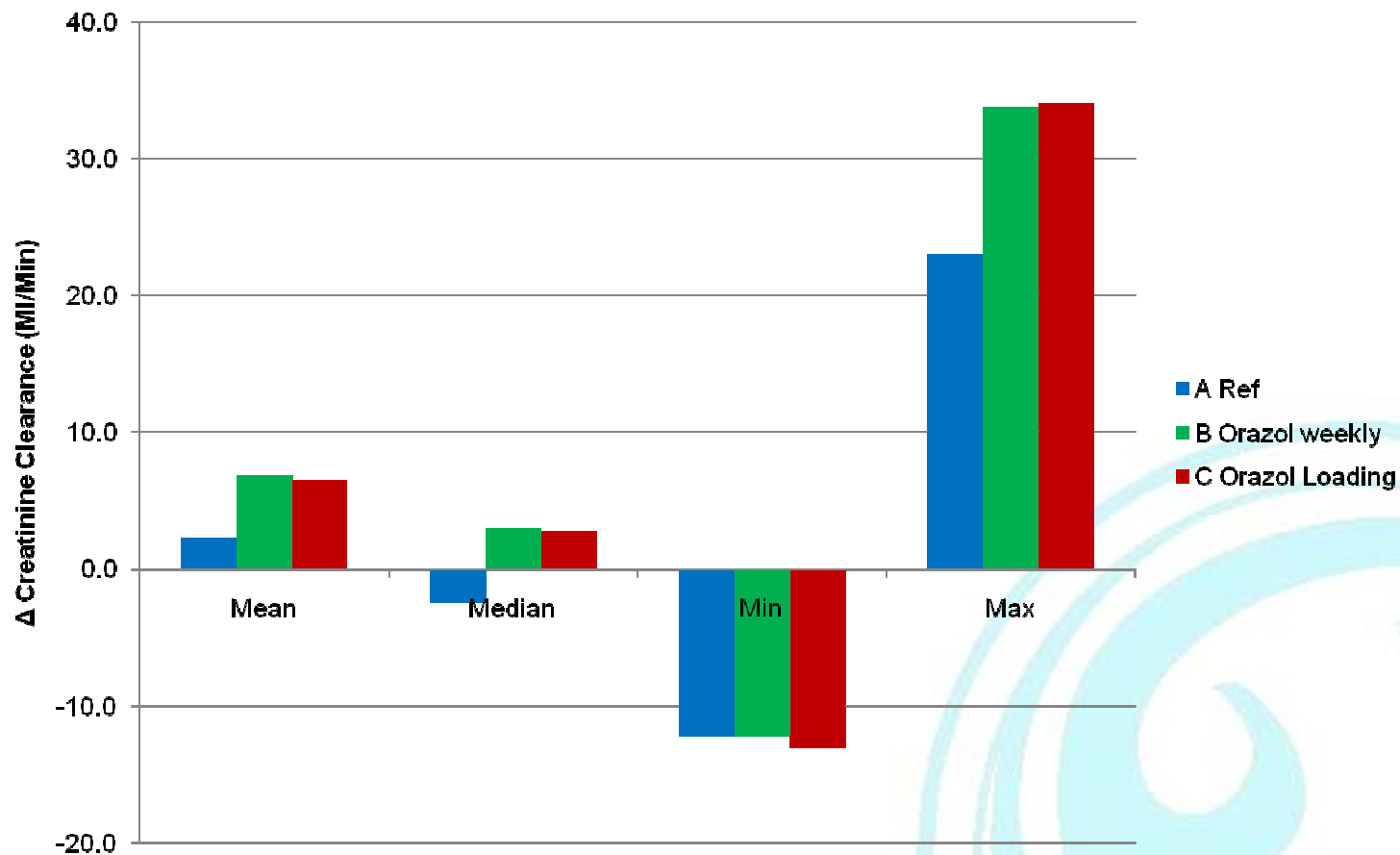
Orazol™ (MER101-03)

Brief Pain Inventory Pain; Worst Severity



Orazol™ (MER 101-03) Results

Creatinine Clearance (kidney function) Baseline-D56



MER-101-03

Adverse Event Summary

MER-101-03 Patients Experiencing ≥ 1 AE by Relationship to Study Medication (Safety Population)

Cohort	#Patients	Patients reporting AEs (n)		
		n (%)	Not Related n (%)	Related n (%)
A	(8)	6 (75%)	2 (25%)	4 (50%)
B	(11)	5 (46%)	4 (36%)	1 (9%)
C	(11)	7 (64%)	4 (36%)	3 (27%)

WHAT ARE THE BENEFITS OF ORAZOL™?

Efficacy & Scale-up

- ❑ Orazol™ once weekly yielded a rapid & continuous depression of metabolic bone markers equal to IV Zometa®.
- ❑ Orazol™ in clinical studies reduces pain scores.
- ❑ Clinical studies support the use of Orazol™ outside hospital/clinic setting.
- ❑ Orazol™ may facilitate market expansion through increased usage, e.g. increased usage in earlier stage disease, urology, & time on therapy.
- ❑ Orazol™ production can be scaled-up cost effectively.

WHAT ARE THE BENEFITS OF ORAZOL™

Safety

- ❑ Orazol™ enteric coating & low level of GI exposure reduces the potential for bisphosphonate class GI side effects.
- ❑ Orazol™ has potential to be developed with reduced kidney function monitoring as no meaningful clinical changes in renal function have been observed.
- ❑ Acute phase reaction seen with IV Zometa® has not been observed with Orazol™ once a week dosage regime.
- ❑ Orazol™ is well tolerated in clinical studies. In MER-101-03, 75% of patients on IV infusion reported AEs versus 46% on once-a-week therapy.

Health Economics

- ❑ **Orazol provides significant Health Economic benefit to healthcare systems also:**
 - ❖ Allowing easier patient access, should increase duration of therapy, thereby reducing the significant cost of managing SRE's in bone metastases (US alone \$12.6Bn annually)
 - ❖ Avoids the cost of infusion, including iv preparation, infusion chair, giving set and physician/nurse time
 - ❖ Improved safety and side effect profile reduce treatment costs, particularly in renal impairment
 - ❖ Allows iv infusion chairs to be used for other treatments e.g. Chemotherapy.

ORAZOL™ DEVELOPMENT STATUS

- ❑ Phase I & Phase II trials complete.
- ❑ Orazol™ 20mg tablet delivers a systemic dose equal to IV Zometa® 1mg.
- ❑ Phase II (b) trial against standard IV Zometa® demonstrated therapeutic equivalence over 8 week period based on established markers of bone resorption
- ❑ 3 clinical studies indicate Orazol™ is well tolerated with low potential to cause bisphosphonate GI side effects.
- ❑ Formulation, technical & manufacturing to GMP standards are complete.
- ❑ Manufacturing process for Orazol™ is scalable.
- ❑ Orazol™ ICH stability completed with an anticipated shelf-life of 36 months.

ORAZOL™ REGULATORY STATUS

- ❑ Regulatory pathway for US & European (EU) approval identified. 505(b)2 in US and equivalent in Europe.
- ❑ Pre-Phase III FDA Meeting on Oct 20, 2009, another meeting to be scheduled. EMEA Scientific Advice meeting has been requested & received.
- ❑ Phase III multi-center non-inferiority trial comparing Orazol™ 20mg once weekly tablet with IV Zometa® 4mg every 4 weeks over 24 weeks in breast & prostate cancer patients with proven metastases.
- ❑ Full scale bioavailability study will confirm equivalent systemic dose for Orazol®.

MER-101-05

Phase III Study Outline

- ❑ A multi-center Phase III clinical trial comparing
 - ❖ Orazol™ 20mg tablets once a week
 - ❖ Zometa® 4mg IV every four weeks

- ❑ Patients with prostate or breast cancer

- ❑ Patients will be stratified by uNTX levels

- ❑ The study will be carried out over 24 weeks for assessment of markers of bone turnover
 - ❖ The study will continue to track safety and Skeletal Related Events (fracture, radiation/surgery to bone, spinal cord compression)

- ❑ The primary efficacy assessment will be non-inferiority of Orazol™ to Zometa®
 - ❖ Confirmation of therapeutic equivalence
 - ❖ Assessment of safety profile and delineation of the improvements from Orazol™.

ORAZOL™ PATENT STATUS

- ❑ 5 patent applications filed cover broad composition of patent in GIPET® technology to drug specific compositions including zoledronic acid.
- ❑ European patent no 1154761 granted February 2008.
- ❑ US Patent Application no 09/510,560 is under active review- verbal allowance
- ❑ Canadian patent allowance in progress
- ❑ Filed second generation GIPET® I patent covering improvements in base technology (i.e. US provisional patent).
- ❑ US application specific to composition of GIPET® I & bisphosphonates is under review.
- ❑ US provisional patent filed covering method of using zoledronic acid & frequency of dosing.
- ❑ Orazol™ 'Fence' patent strategy provides strong intellectual property position with an anticipated coverage to 2030.

ORAZOL™ Clinical and regulatory summary

- ❑ Orazol™ is a weekly oral tablet of zoledronic acid in GIPET® technology.
- ❑ Orazol™ 20mg tablet once weekly dosage regime yielded a rapid & continuous depression of metabolic bone markers equal to IV Zometa®.
- ❑ Clinical trials with Orazol™ have demonstrated therapeutic equivalence with IV Zometa® & support Orazol's use outside hospital/clinic setting.
- ❑ Enteric coated Orazol™ & low level of GI exposure reduces the potential for bisphosphonate class GI side effects.
- ❑ No clinically significant changes in renal function has been observed with Orazol™.
- ❑ Acute phase reaction seen with IV Zometa® has not been observed with a once a week dose regime of Orazol™.
- ❑ Clinical trials with Orazol™ confirmed it is well tolerated.
- ❑ Market research indicates the potential for Orazol® to expand the market.
- ❑ Orazol™ 'Fence' patent strategy provides strong intellectual property position, potentially out to 2030.



Market Research

Market Research – Summary

Methodology—Physician Primary Research

Merrion engaged Campbell Alliance to conduct combined primary and secondary research. In the primary research, interviewees were presented with an anonymized target product profile of Orazol and were probed on their reactions to the products and its potential to replace existing therapies or the late-stage emerging compound, denosumab.

Primary Research Methodology

- Primary research is focused on key opinion leader and community-based oncologists who regularly treat breast, prostate, or multiple myeloma cancer patients.
 - Physicians must be board-certified in their specialty with a minimum of 10 years of practical experience following doctoral degree.
 - One-on-one telephone interviews lasted from 45 to 60 minutes.
 - Physicians from the US and EU were interviewed.
 - Physicians are provided with an anonymized Product X target product profile.
- In addition to oncologists, oncology clinic managers and payers will be interviewed and asked to respond to the anonymized Orazol target product profile.
 - Clinic managers are from oncology clinics with an infusion center; are familiar with pricing and reimbursement; and have purchasing decision responsibilities (US only).
 - Payers must be involved in coverage and/or formulary placement decision making in the US and formulary recommendations in the EU.

The results of the interviews for each of these groups were analyzed individually and pooled to support conclusions and form high-level strategic market share assumptions.

The interviews conducted for this project may not be of an adequate sampling size to produce statistically significant results. Client shall determine whether or not to act or rely on the interview results in its sole judgment and discretion. Campbell makes no guarantee, warranty or assurances concerning the accuracy or dependability of the interview results and/or suggestions or materials developed there from.

Market Research - Summary

Primary research with key stakeholders in the US and EU

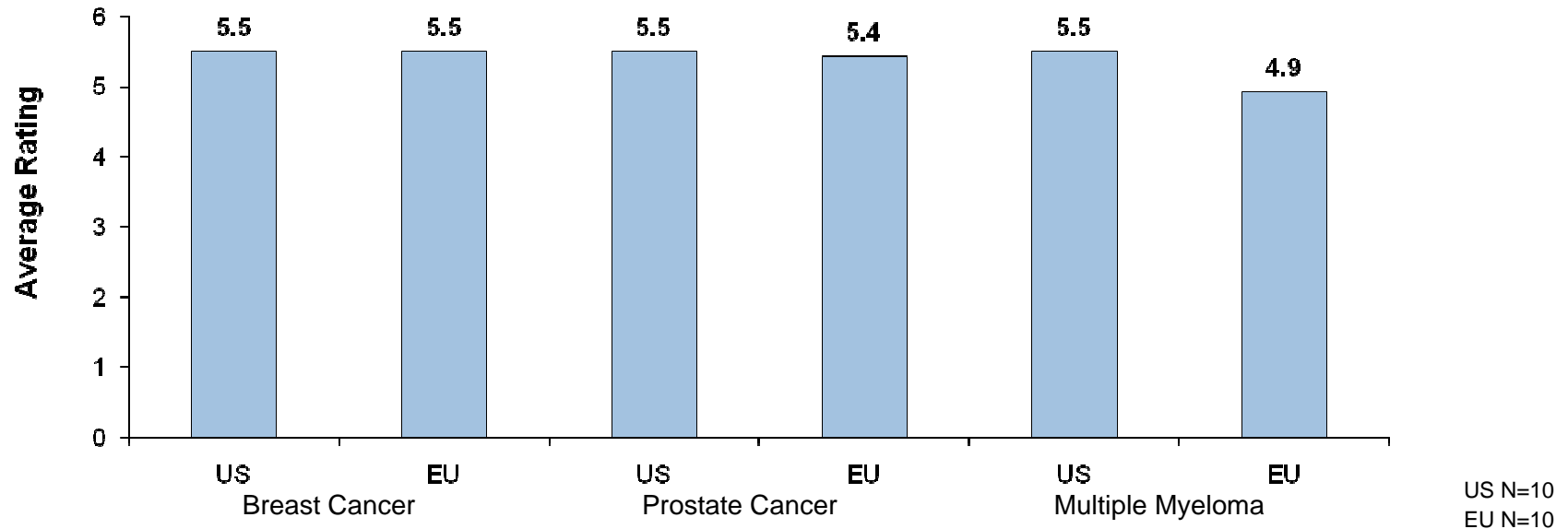
- ❑ Reaction from **Key Opinion Leaders (5) – Very positive and would recommend**
 - ❖ KOLs were generally favorable to Orazol and saw it as a significant improvement over the IV version of zoledronic acid.
 - ❖ In addition to the administration benefits of Orazol, the KOLs were positive regarding the potential for Orazol to have an improved safety profile and reduce bone pain; some even commented that weekly dosing could theoretically improve efficacy.
- ❑ Reaction from **Community Oncologists (20) – Very positive and would prescribe**
 - ❖ This group reacted favorably as well, indicating a high likelihood of prescribing Orazol; they particularly liked the option of an oral product.
 - ❖ Even with the potential competition from denosumab, they indicated there would likely still be a market for Orazol.
 - ❖ Their key questions centered on patient compliance (both US and EU) and out-of-pocket cost of an oral drug vs. an IV (which was more of a concern for US-based oncologists).
- ❑ Reaction from **US and EU Payers (9) – Would pay at least same price as Zometa**
 - ❖ Payers responded well to switching from an IV to oral as coverage under the pharmacy benefit provides greater transparency for them to track drug use, and in the case of the US, may actually cost payers less to cover Orazol for Medicare patients.
 - ❖ Both US and EU payers expected Orazol to be priced similarly to Zometa and indicated equivalent formulary positioning and management at that price level.
 - ❖ The potential launch of denosumab was anticipated not to have an effect on their management approach for MBD therapies.
- ❑ Reaction from **Clinical Office Managers (7) – Generally positive and see patients benefits**
 - ❖ We received a mixed response as to the extent to which clinics derive significant revenue from Zometa infusions and the potential impact of switching away from this to an oral product. Two of the sites indicated that they derived more than 25% of their revenue from Zometa infusions.
 - ❖ This group was favorable to the product's potential positive impact on patients in terms of reducing the number of clinic visits as well as Orazol's ability to "free-up" infusion chairs to patients receiving more profitable chemotherapy infusions.

Market Research - Summary

Physician Reaction to Orazol

Interviewed physicians indicated a fairly high likelihood to prescribe Orazol in situation where denosumab was also available

Physician Likelihood to Prescribe Orazol



Source: Results of 20 physician interviews conducted in August 2009 by Campbell Alliance.

Market Research - Summary

Market Sizing and Segments

Applying the physician-indicated uptake for Orazol in Scenario 1 leads to an estimate of potentially 81,000 breast, prostate, lung, and MM patients who could receive Orazol in the US and EU.

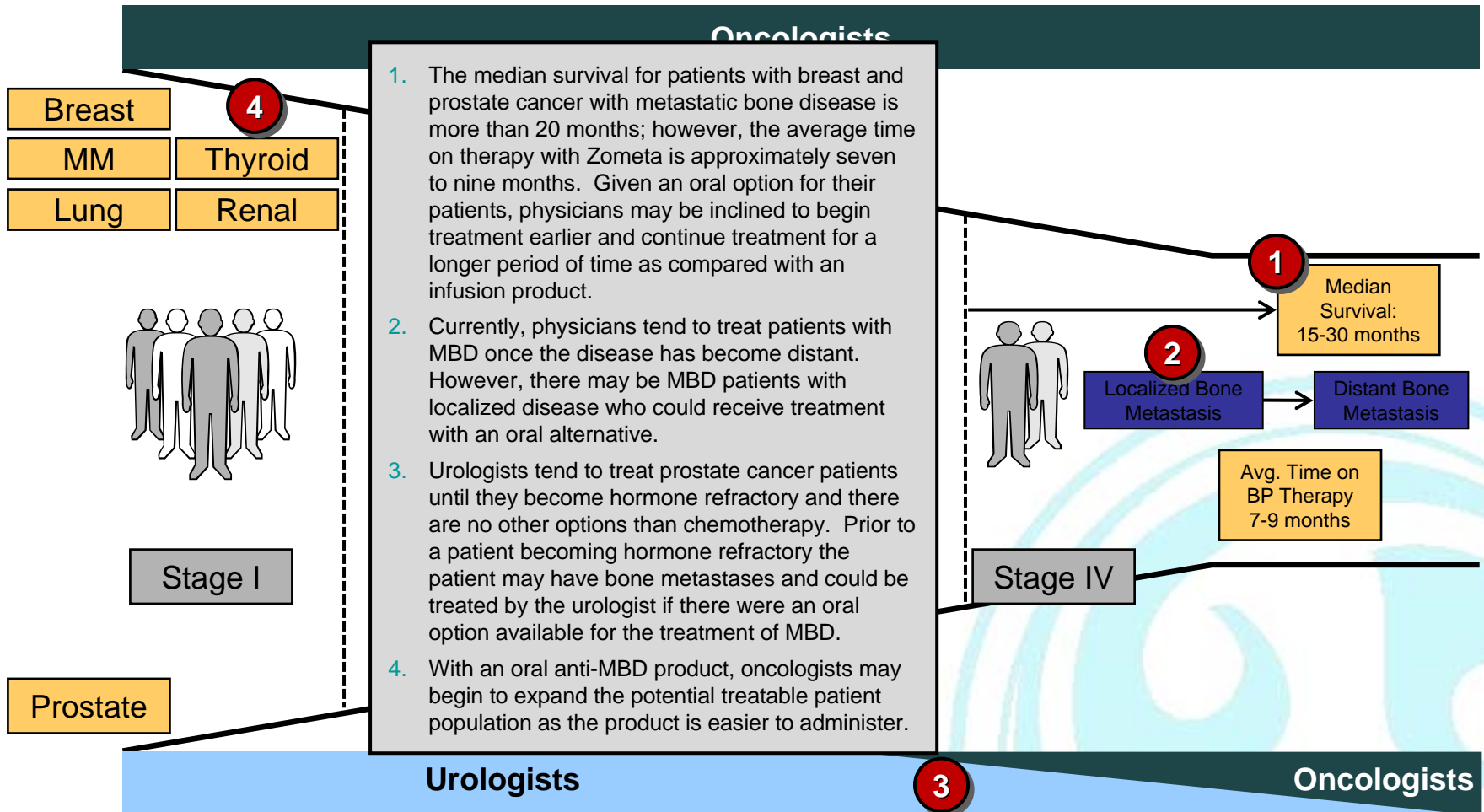
Estimated Number of Patients Potentially Treated With Orazol—Scenario 1								
Cancer Type	Breast		Prostate		MM		Lung	
Region	US	EU	US	EU	US	EU	US	EU
5-Year Prevalence	892,363	822,766	951,432	476,246	48,667	49,392	201,923	180,107
Number of MBD Patients	66,035	60,885	61,843	30,956	14,016	14,225	31,500	28,097

Sources: NCI SEER database. Available at <http://seer.cancer.gov>. Accessed August 2009; CancerMondial. International Agency for Research on Cancer. Globocan 2002. Available at <http://www-dep.iarc.fr/>. Accessed August 2009; Terpos E, Sezer O, et. al. The use of bisphosphonates in multiple myeloma: recommendations of an expert panel on behalf of the European Myeloma Network. *Annals of Oncology*. 2009; 20:1303-1317; Rubens RD, Coleman RE. Bone metastases. In: Abeloff MD, Armitage JO, Lichter AS, Niederhuber JE. *Clinical oncology*. New York: Churchill Livingstone, 1995:643-665; Schulman K, Kohles J. Economic burden of metastatic bone disease in the US. Available at <http://www3.interscience.wiley.com/cgi-bin/fulltext/114214631/PDFSTART>. Accessed August 2009.

Market Research - Summary

Potential Market Segments

Beyond the potential initial approval for Orazol in the markets where Zometa is currently used exist several additional potential areas for market expansion.



Source: Results of 41 interviews conducted in August 2009 by Campbell Alliance.

New lung cancer data for zoledronic acid

- The clinical impact of zoledronic acid was recently assessed in a study with 144 lung cancer (stage IV) patients with bone metastases.
 - ❖ 2 groups: Group A with bone pain received zoledronic acid and Group B were asymptomatic and received no zoledronic acid. All patients received combination chemotherapy.

- Results
 - ❖ Median survival was 578 days for group A and 384 days for group B
 - ❖ Median time to progression was 265 days for group A and 150 days for group B
 - ❖ There was no statistically significant difference between the 2 groups of patients in relation to the pain effect of ZOL in comparison to baseline
 - ❖ A statistically significant positive correlation was found between the number of cycles of therapy with ZOL and total patient survival ($p < 0.01$) and time to progression

NEJM - Endocrine Therapy plus Zoledronic Acid in Premenopausal BC

- **Austrian Breast and Colorectal study group**
 - ❖ 1803 premenopausal breast cancer patients
 - ❖ Anastrozole/gosarelin or gosarelin/tamoxifen with/out zoledronic acid
 - ❖ Zoledronic acid group – 36% reduction in risk disease progression (follow up 47.8 months)
 - Reduced risk of recurrence by 35%
 - Fewer events in all categories – locoregional/distant recurrence, bone metastases, disease in contralateral breast
 - Slightly higher incidence of bone pain, arthralgia, fever

- **Phase shift in treatment of breast cancer patients to prevent disease recurrence**
 - ❖ Similar impact as Paclitaxel, Docetaxel which became treatment standard when introduced

Denosumab – potential competitor

- ❑ **Osteoporosis indication – FDA decision not to approve**
 - ❖ Approval delayed – complete Response Letter issued
 - ❖ Prevention of osteoporosis requires new clinical programme
 - ❖ Updated safety data requested
 - ❖ Patient Monitoring system required (REMS)

- ❑ **Hormone ablation (breast/prostate cancer) - FDA decision not to approve**
 - ❖ Approval delayed – complete Response Letter issued
 - ❖ New clinical trials demonstrating no detrimental effects on either:
 - time-to-disease progression
 - overall survival.

- ❑ **Details on Phase III oncology studies published**
 - ❖ Breast cancer
 - ❖ Other solid Tumours

- ❑ **Prostate Cancer data expected Q1 2010**

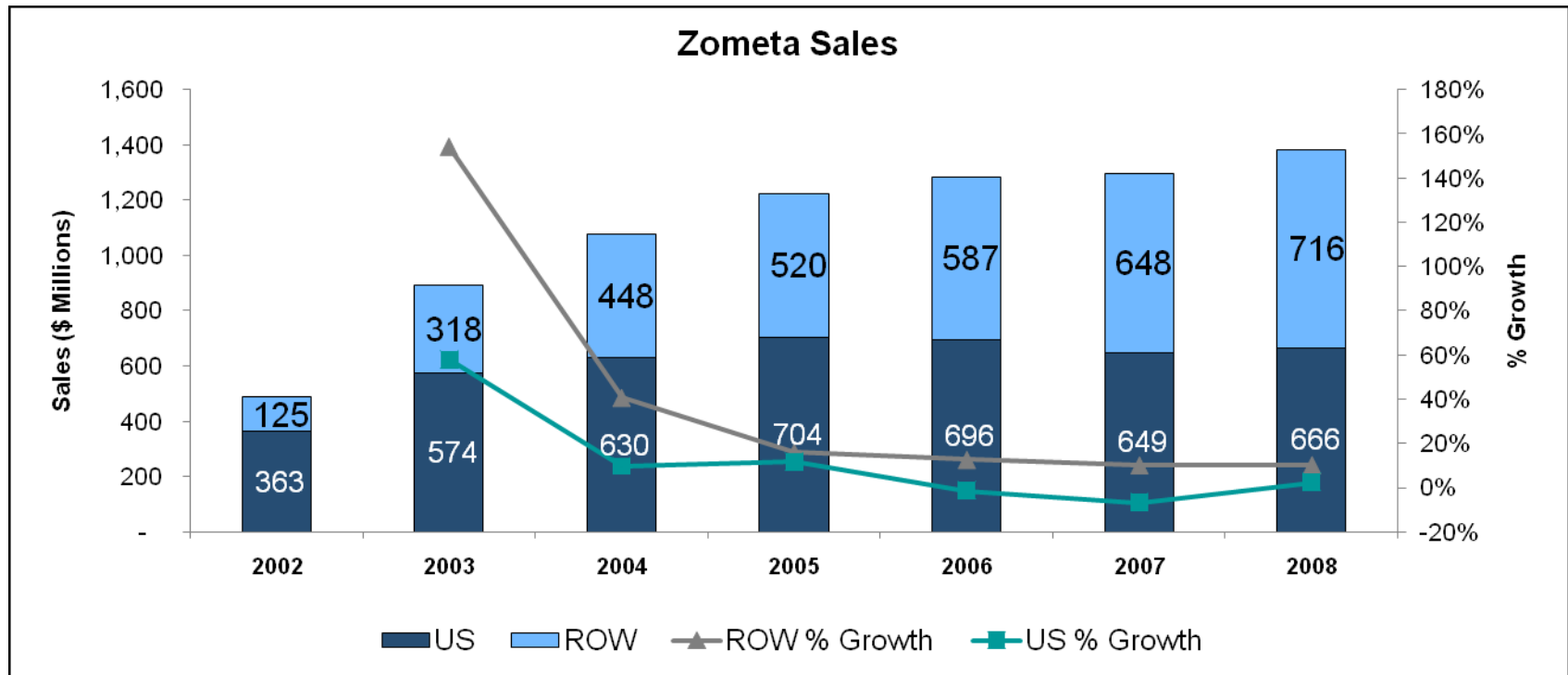
How Orazol Fits the Unmet Medical Need

	I/V Zometa	Denosumab	Orazol
Approved Indications	mBC, PrC, ST, MM		
Indications sought	Adjuvant therapy for breast cancer	mBC	<ul style="list-style-type: none"> •mBC, PrC, ST, MM • Adjuvant therapy for breast cancer –tablet ideal
Administration	IV infusion. Patient needs to go to hospital every 3/4 weeks.	SC injection by healthcare professional every month	Once weekly oral dosage.
Efficacy vs Zometa		Denosumab demonstrated improved efficacy in breast cancer. Equivalence in other solid tumors.	Based on effective current 'standard of care' – more regular dosing should bring benefits
Safety/Adverse Effects	<ul style="list-style-type: none"> ▪ Renal toxicity/monitoring ▪ Fever-like symptoms (Pyrexia) ▪ ONJ warning 	<ul style="list-style-type: none"> •Monoclonal antibody. •FDA safety concerns-serious skin infections, new tumors or tumor progression, delayed fracture healing, freezing of bone turnover, and impact on immune system. ONJ warning 	<ul style="list-style-type: none"> •No clinically significant changes in renal function observed. •Reduction in acute phase reaction. •Well tolerated. •ONJ warning
Impact on healthcare infrastructure	IV infusion centre. Competes with IV Infusion chairs (a scarce resource).	SC injection to be administered by healthcare professional.	Patient self delivery. Reduces impact on healthcare system.
Cost and Reimbursement	High cost drug. High cost delivery. Healthcare systems seeking to reduce costs.	High cost drug, High cost delivery.	Pharmacoeconomic advantage for oral in reducing healthcare costs.

Market Research - Summary

Sales of Current Treatment Options

Zometa sales increased quickly as it replaced Aredia and captured market share from other bisphosphonates.



Source: Novartis Annual Reports, 2002-2008.

Orazol™ - Licensing status

- ❑ Marketing material completed
 - ❖ FDA final outcome
 - ❖ Meeting end October, 505(b)2 agreed
 - ❖ Merrion response being completed

- ❑ Target list identified – 80 relevant parties

- ❑ Actively under review – large number of parties

- ❑ CDA's signed/Meetings held with some interested parties

- ❑ Systematic approach to licensing process

- ❑ Specialist US business development appointed – bone disease/bisphosphonate expertise



Partner programs

Partner Pipeline

Partner

Relationship

Status



License deal for Insulin

Proceeding to Clinical Trial



License deal for GLP-1

Proceeding to Clinical Trial



Feasibility for undisclosed compound

Proof of concept work

- R&D costs paid by partner – margin for Merrion
- Increases number of projects in development – balance risk
- Earlier licensing deal – after proof of concept
- Lower deal size
- More confidentiality and less control
- More potential partner deals in discussion



Novo Nordisk Collaboration

- ❑ NN World leaders in Diabetes health care since 1923
 - ❖ 52% market share in Insulin
- ❑ Revenue 2008 \$8.95bn – diabetes 75%
- ❑ 25 Quarters consecutive double digit growth
- ❑ There are 246m people with diabetes worldwide growing to 380 m in 2025
- ❑ License Deals
 - ❖ Oral Insulin November 2008
 - ❖ Oral GLP-1 January 2009
 - ❖ Total milestones \$116M (first products)
 - ❖ Royalty
 - ❖ Equity
 - ❖ Development fees for formulation development and manufacturing

Novo Nordisk Collaboration

- ❑ Oral Delivery Strategy
- ❑ Novo Nordisk CSO comments in Danish Press July 2009
 - ❖ 'Two decisive scientific breakthroughs in the last 24 months'
 - Novo Nordisk success in creating stable versions of insulin/GLP-1 molecule
 - GIPET successfully getting absorption into bloodstream preclinical
 - ❖ 'Ready to test first insulin pill in 6-9 months, GLP-1 slightly after'
- ❑ Significant senior involvement - Head of diabetes research on Joint Development Committee
- ❑ Significant due diligence/validation on Merrion

NN - Project status

- ❑ Second License agreement in January 2009 for GLP-1
 - ❖ \$58m+ Milestones
 - ❖ Development fees
 - ❖ Royalties
- ❑ All insulin activities ahead/on track 
- ❑ All GLP-1 activities ahead/on track 
- ❑ All deliverables/timeframes met or exceeded 
- ❑ €1.2m in fees received (\$6Mn milestones) 
- ❑ Core strategic focus for Novo



Q & A