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News Release

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Merck KGaA, Darmstadt, Germany, signs exclusive contract with Laboratory Skin Care for anti-aging active ingredient

- Cooperation to market the cosmetic active ingredient established for the long term
- Mechanism of action accelerates calcium transport into deeper skin layers
- Significant potential in the growing market for anti-aging products

Darmstadt, March 20, 2014 – Merck KGaA, Darmstadt, Germany, today announced the signing of an agreement with Laboratory Skin Care, Inc. of the United States for its cosmetic active ingredient Hydroxysomes[®] Calcium. According to the agreement, Merck KGaA, Darmstadt, Germany, will market the active ingredient globally as a co-brand under the name Ronacare[®] Hydroxysomes[®] Calcium as of October 2014. In the interim, Merck KGaA, Darmstadt, Germany, will gradually take on the responsibility for marketing, sales, logistics and application technology customer support. The innovative substance uses a sophisticated mechanism to transport calcium into deep layers of the skin and there revitalizes the skin.

Optimal addition to cosmetic active ingredients portfolio

"Hydroxysomes Calcium fits perfectly within our expanding portfolio for providing our customers with anti-aging active ingredients that are technologically sophisticated, patent-protected and globally approved. We're pleased to have found a partner in Laboratory Skin Care, which has extensive experience and wishes to cooperate with us over the long term," said Michael Weiden, Head of Functional Materials within the Pigments &

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Merck KGaA

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Cosmetics business unit. "Such scientific alliances are very important to us. We establish them to complement our own research activities, which recently generated highly interesting cosmetic active ingredients – for example Ronacare Bronzyl and Ronacare Pristine Bright," Weiden added.

Promising mechanism of action in a growing market

Calcium feeds and regenerates the skin. Hydroxysomes[®] Calcium accelerates this mechanism by transporting the mineral into deeper skin layers several folds more effectively than conventional alternatives. Hydroxysomes[®] Calcium repairs the natural skin barrier, which is crucial for retaining moisture in skin. In addition, calcium plays an important role in skin layer differentiation and prevents wrinkles. Euromonitor has forecast annual sales for anti-aging products to be around USD 26 billion in 2014. Average market growth of 7 percent is predicted for the coming years.

Forward-looking cooperation

Zari Mansouri, Chief Executive Officer of California-based Laboratory Skin Care, is also pleased about the cooperation with Merck KGaA, Darmstadt, Germany. "We see not only the benefit of being able to use the company's sales channels, we're also confident that the two brands Hydroxysomes and Ronacare will optimally complement each other. Our mutual goal, and thus the basis for our forward-looking cooperation, is to exceed the high expectations of the cosmetics industry for bioactives."

Cosmetic active ingredients from Merck KGaA, Darmstadt, Germany: Merck KGaA, Darmstadt, Germany, is a leader manufacturer of ingredients for the cosmetic industry. Apart from decorative effect pigments, the company offers customers functional skin care and protection solutions. In particular, effect pigments and functional products are used in many cosmetic products and packaging in order to lend color, luster, gloss and other effects and to strengthen brand identity. Merck KGaA, Darmstadt, Germany, offers a wide range of active ingredients used in skin care cosmetics to protect the skin against UV radiation and premature aging. More information about the range of products offered by Merck KGaA, Darmstadt, Germany, can be found at www.merck4cosmetics.com.

About Laboratory Skin Care®, **Inc. (LSC):** LSC is a privately-held biotechnology company established in the San Francisco Bay area in 1993 to develop, manufacture and commercialize dermal, trans-dermal and subdermal delivery technologies for use in cosmetic skin care products, and prescription dermatologicals, and other pharmaceutical products. LSC products and technologies have enjoyed worldwide commercial success through incorporation in several leading-brand skin care products. LSC's patented flagship technology, Hydroxysomes®, is a non-liposome- and non-polymer-based micro-carrier platform dermal delivery system.





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About Merck KGaA, Darmstadt, Germany and EMD Chemicals

Merck KGaA of Darmstadt, Germany, is a leading company for innovative and top-quality high-tech products in the pharmaceutical and chemical sectors. Its subsidiaries in Canada and the United States operate under the umbrella brand EMD. Around 38,000 employees work in 66 countries to improve the quality of life for patients, to further the success of customers and to help meet global challenges. The company generated total revenues of € 11.1 billion in 2013 with its four divisions: Biopharmaceuticals, Consumer Health, Performance Materials and Life Science Tools. Merck KGaA of Darmstadt, Germany is the world's oldest pharmaceutical and chemical company – since 1668, the name has stood for innovation, business success and responsible entrepreneurship. Holding an approximately 70 percent interest, the founding family remains the majority owner of the company to this day.

EMD Chemicals is a North American subsidiary of Merck KGaA of Darmstadt, Germany. Worldwide there are two separate companies that bear the name "Merck", the original Merck KGaA from Darmstadt, Germany, the oldest pharmaceutical and chemical company in the world, and the pharmaceutical company Merck & Co. in the United States. The rights to the name and trademark MERCK in North America (USA and Canada) lie with Merck & Co., the former U.S. subsidiary, whereas Merck KGaA, Darmstadt, Germany, operates in North America under the umbrella brand EMD and EMD Chemicals. In the rest of the world, Merck KGaA, Darmstadt, Germany, owns the rights to the Merck name and trademark. This press release was distributed by Merck KGaA, Darmstadt, Germany.