

**Leading the World in Natural Product Discovery****Enquiry****(11 Jan 2011) MerLion Signs License Agreement with Alcon to Develop and Commercialize Novel Finafloxacin Otic Product****MerLion Signs License Agreement with Alcon to Develop and Commercialize Novel Finafloxacin Otic Product**

Singapore, January 11, 2011 – MerLion Pharmaceuticals Pte Ltd today announced the signing of an agreement with Alcon Pharmaceuticals, Ltd. an affiliate of Alcon, Inc., by which Alcon obtains exclusive rights from MerLion for the development and commercialization in North America of finafloxacin specifically for treating ear infections.

The agreement provides for an upfront payment, milestone payments associated with clinical progress, and sales-based royalty payments to MerLion. It grants Alcon an exclusive license to finafloxacin in North America for use in treating ear infections, including acute otitis externa (outer ear and ear canal) and acute otitis media (middle ear). The agreement also provides Alcon with options to expand the compound's use for ophthalmic applications and to include additional geographic territories.

Dr. Tony Buss, CEO of MerLion, commented, "We are very pleased to be working with Alcon which has extensive experience in developing and commercializing otic anti-infective products. We believe this is just the first step in developing and commercializing finafloxacin for use in much broader anti-infective indications using IV and oral formulations of the compound, both of which are outside the scope of this current agreement."

"This agreement is part of our overall strategy of increasing access to new compounds that have the potential to treat infections of the eye and ear," said Stuart Raetzman, Alcon's Vice President of global marketing and General Manager of its U.S. business. "We will now be able to more fully evaluate the clinical effectiveness of finafloxacin for the treatment of ear infections."

About Finafloxacin

Finafloxacin is a novel, highly differentiated fluoroquinolone antibiotic with a unique pH activation profile. The antibacterial activity of finafloxacin increases significantly at pH values below neutral i.e., under infection relevant conditions. The compound exhibits an all inclusive spectrum of activity that covers Gram positive, Gram negative, anaerobic and atypical pathogens. In addition to otic and ophthalmic indications, finafloxacin, which has already shown potential for the treatment of a range of infections in Phase IIa clinical studies, is being evaluated in critical care and hospital based infection settings.

For more information visit MerLion's website <http://www.merlionpharma.com> (<http://www.merlionpharma.com>)

About Ear infections

Outer ear infections, referred to as otitis externa, are common bacterial infections. Although the presence of bacteria in the outer ear canal is normal and healthy, it can develop into infection when the right conditions are present for it to thrive. Such conditions include when skin in the ear canal is injured or damaged, often from objects like cotton swabs, or when water gets trapped in the ear from activities like swimming. The infection creates swelling, which is often painful. Middle ear infections can develop as a result of colds or flu, when bacteria move into the middle ear from the nose or throat.

About MerLion Pharmaceuticals

MerLion pharmaceuticals Pte Ltd is a privately held company headquartered in Singapore with clinical development operations based in Berlin, Germany. The company is organized into two key business units; MerLion Research and MerLion Development.

For more information visit MerLion's website <http://www.merlionpharma.com> (<http://www.merlionpharma.com>)

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Caution concerning Forward-Looking Statements. This press release may contain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Any forward-looking statements reflect the views of our management as of the date of this press release with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except to the extent required under the federal securities laws and the rules and regulations promulgated by the Securities and Exchange Commission, we undertake no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or circumstances or otherwise.

SOURCE: Alcon Inc.

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