

GTx and Merck Collaborate on New SARMs Muscle-building Drug, Ostarine!

Contributed by Merck
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MEMPHIS, Tenn., and WHITEHOUSE STATION, N.J., Nov. 6, 2007 - GTx, Inc. (NASDAQ: GTXI) and Merck & Co., Inc. (NYSE: MRK) today announced an agreement providing for a research and development and global strategic collaboration for selective androgen receptor modulators (SARMs), a new class of drugs with the potential to treat age-related muscle loss (sarcopenia) as well as other musculoskeletal conditions.

GTx, Inc. and Merck & Co., Inc. Enter Global Strategic Collaboration for the Development of SARMs, a Novel Investigational Class of Drugs to Treat Muscle Loss and other Musculoskeletal Conditions

MEMPHIS, Tenn., and WHITEHOUSE STATION, N.J., Nov. 6, 2007 - GTx, Inc. (NASDAQ: GTXI) and Merck & Co., Inc. (NYSE: MRK) today announced an agreement providing for a research and development and global strategic collaboration for selective androgen receptor modulators (SARMs), a new class of drugs with the potential to treat age-related muscle loss (sarcopenia) as well as other musculoskeletal conditions. This collaboration includes GTx's lead SARM candidate, OstarineTM, which is currently being evaluated in a Phase II clinical trial for the treatment of muscle loss in patients with cancer, and establishes a broad SARM collaboration under which GTx and Merck will pool their programs and partner to discover, develop, and commercialize current as well as future SARM molecules. As part of this global agreement, Merck will be responsible for all future costs associated with ongoing development and, if approved, commercialization of Ostarine and other investigational SARMs resulting from the collaboration.

Under the terms of the collaboration agreement and related stock purchase agreement, GTx and Merck will combine their respective SARM research programs. GTx will receive an upfront payment of \$40 million plus \$15 million in research reimbursements to be paid over the initial three years of the collaboration. In addition, Merck will make an equity investment of \$30 million in GTx common stock at a 40 percent premium to the 30 day average closing price. GTx will also be eligible to receive up to \$422 million in future milestone payments associated with the development and approval of a drug candidate if multiple indications receive regulatory approval. Additional milestones may be received for the development and approval of other collaboration drug candidates. GTx will receive royalties on any resulting worldwide product revenue.

"By combining our drug candidates, resources and talents, this Merck-GTx collaboration positions both companies for success in the development and commercialization of SARMs," said Mitchell S. Steiner, M.D., chief executive officer of GTx. "We believe that Ostarine and our other SARMs offer the potential to address a number of unmet medical needs focused on musculoskeletal disorders. GTx believes that Merck has the world class scientific, clinical development, and commercial expertise to capture the potential of the SARM class."

"By selectively targeting the androgen receptor, SARMs offer a promising alternative to androgen therapy with the potential advantages of oral dosing, tissue selectivity and improved safety and tolerability," said Alan B. Ezekowitz, MBChB, D.Phil., senior vice president and franchise head, Bone, Respiratory, Immunology, and Endocrine, Merck Research Laboratories. "GTx has established a strong scientific reputation in the research and development of novel SARMs and we look forward to working with Dr. Steiner and his team."

The effectiveness of the collaboration agreement and the investment in GTx common stock by Merck are subject to the expiration or earlier termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act, if applicable, as well as other customary closing conditions.

Conference Call

GTx will host a conference call at 9 a.m. Eastern Time today to discuss the GTx-Merck collaboration as well as GTx's third quarter 2007 financial results. To listen to the conference call, please dial: 800-901-5248 from the United States and Canada or 617-786-4512 (International). The passcode for the call is #62291111.

A playback of the call will be available beginning today at 11:00 a.m. Eastern Time through November 20, and may be accessed by dialing: 888-286-8010 from the United States and Canada or 617-801-6888 (International). The reservation number for the replay is #89187183.

About SARMs

Selective androgen receptor modulators (SARM) are a new class of drugs with the potential to treat sarcopenia (age-related muscle loss) and other musculoskeletal conditions. Ostarine, a first in class SARM, has demonstrated the ability to build lean body mass (muscle) in a proof of concept clinical trial and may have the potential to improve physical performance. Ostarine is currently being evaluated in a Phase II clinical trial for the treatment of muscle loss in patients with cancer.

About GTx

GTx, headquartered in Memphis, Tenn., is a biopharmaceutical company dedicated to the discovery, development, and commercialization of small molecules that selectively target hormone pathways to treat cancer, osteoporosis and bone loss, muscle wasting and other serious medical conditions. GTx is developing ACAPODENE® (toremifene citrate), a selective estrogen receptor modulator, or SERM, in two separate clinical programs in men: first, a pivotal Phase III clinical trial for the treatment of serious side effects of androgen deprivation therapy for advanced prostate cancer, and second, a pivotal Phase III clinical trial for the prevention of

prostate cancer in high risk men with high grade prostatic intraepithelial neoplasia, or PIN. GTX has licensed to Ipsen Limited exclusive rights in Europe to develop and commercialize ACAPODENE. GTX has agreed to a collaboration with Merck & Co., Inc. for the development and global commercialization of selective androgen receptor modulators, or SARMs, a new class of drugs with the potential to treat a variety of indications associated with muscle wasting and bone loss including sarcopenia and osteoporosis, cancer cachexia, and chronic kidney disease muscle wasting. GTX is also developing GTX-878, an estrogen receptor beta agonist for the treatment of benign prostatic hyperplasia and chronic prostatitis. GTX is planning to initiate human clinical studies for GTX-878 in 2009.

About Merck

Merck & Co., Inc. is

a global research-driven pharmaceutical company dedicated to putting patients first. Established in 1891, Merck currently discovers, develops, manufactures and markets vaccines and medicine to address unmet medical needs. The company devotes extensive efforts to increase access to medicines through far-reaching programs that not only donate Merck medicines but help deliver them to the people who need them. Merck also publishes unbiased health information as a not-for-profit service. For more information, visit <http://www.merck.com>.

GTX Forward-Looking Statement

This press release contains

forward-looking statements based upon GTX's current expectations, including all statements (i) that reflect the completion of the proposed collaboration with Merck (including statements related to GTX's receipt of upfront licensing fees, guaranteed preclinical development reimbursements, development and approval milestone payments and royalty payments, as well as proceeds from the sale of GTX common stock to Merck); and (ii) relating to the prospects for, and the development and commercialization of, Ostarine and other SARMs. Forward-looking statements involve risks and uncertainties. GTX's actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, the risks that (i) the collaboration agreement may not become effective and the investment by Merck in GTX common stock may not occur as a result of the failure to satisfy certain closing conditions under the agreements with Merck, including relating to the Hart-Scott-Rodino Antitrust Improvements Act of 1974; (ii) even if the collaboration agreement becomes effective, future payments to GTX may not be realized due to the inability to achieve certain milestones under the collaboration agreement or the failure to develop and commercialize Ostarine and other SARMs included in or arising from the collaboration; (iii) product candidates developed under the collaboration may not be commercialized as a result of the failure to obtain required regulatory approvals, including if clinical trials do not demonstrate safety and efficacy in humans; (iv) even if required regulatory approvals are obtained, products developed under the collaboration may not gain market acceptance among physicians, patients, health care payors and the medical community; and (v) GTX could utilize its available cash resources sooner than it currently expects and may be unable to raise capital when needed, which would force GTX to delay, reduce or eliminate its product development programs or commercialization efforts. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this press release. GTX's quarterly report on form 10-Q filed with the U.S. Securities and Exchange Commission on August 1, 2007, contains under the heading "Risk Factors," a more comprehensive description of these and other risks to which GTX is subject. GTX expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to

reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

Merck Forward-Looking Statement

This press release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and involve risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include statements regarding product development, product potential or financial performance. No forward-looking statement can be guaranteed and actual results may differ materially from those projected. Merck undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this press release should be evaluated together with the many uncertainties that affect Merck's business, particularly those mentioned in the risk factors and cautionary statements in Item 1A of Merck's Form 10-K for the year ended December 31, 2006, and in its periodic reports on Form 10-Q and Form 8-K, which the Company incorporates by reference.