

The road to tomorrow

Merck Annual Report 2011



The road to tomorrow starts with this Annual Report, which offers far more than a look back at the year 2011. Continue this journey into the future – with our online media and our media for tablet PCs. More information is available online at:

→ www.merckgroup.com
→ www.magazine.merck.de

Merck Serono

Consumer Health Care

Merck Millipore

Performance Materials

Merck Serono → discovers, develops and commercializes innovative prescription drugs of chemical and biotechnological origin. It is our largest division in terms of sales.

Consumer Health Care → offers patients and consumers high-quality over-the-counter products for a healthy lifestyle.

Merck Millipore → is a world-class partner to the life science industry with products that make life science research easier, more efficient and more economical.

Performance Materials → offers an extensive range of innovative products, technologies and special solutions for consumer electronics, lighting, printing technology, plastic and coating applications, and cosmetics.

Detailed information about our divisions is available starting on → **page 60**.

We are on the road to tomorrow

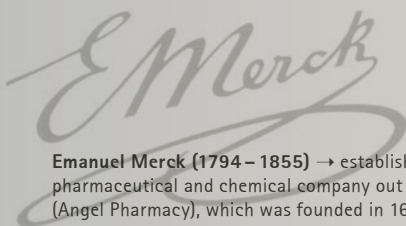
Innovative
Dynamic
Future-oriented
Values-based

We are a leading pharmaceutical, chemical and life science company with four strong divisions: Merck Serono, Consumer Health Care, Merck Millipore and Performance Materials.

We have a clear focus on research and development as well as profitable, high-margin specialties. With over 40,000 employees in 67 countries, we are committed to living social, economic and ecological responsibility – toward people, toward our partners in the market and toward our shareholders.

Four examples show how we are succeeding globally with the values that unite us and with our strategy entitled “Sustain. Change. Grow.”

“I have experienced myself what people can do [...] my ambition was aroused and thus I resolved [...] that I had to be the best [...]. This experience bore me abundant fruits later by teaching me that people [...] can achieve a great deal if they have the determination to do so.”



Emanuel Merck (1794 – 1855) → established the world's oldest pharmaceutical and chemical company out of the Engel-Apotheke (Angel Pharmacy), which was founded in 1668. Today we are continuing this tradition into the future with pioneering spirit and innovative strength.

Merck 2011

The road to tomorrow

A woman with dark hair, wearing a white lab coat over a light blue shirt, is looking upwards and pointing her right index finger towards a glowing target graphic. The target consists of several concentric circles with a bright light at the center. The background is a soft, hazy blue with some light flares and faint circular patterns.

1/4 Our research -
For more quality of life



The road to tomorrow

#1

Innovative thinking

Promoting research → Merck ranks among the world's leading pharmaceutical, chemical and life science companies. Our success is based on our unwavering focus on research and innovation.

————→ Seeing the world through the eyes of our patients is a unique source of inspiration which drives us to continuously strengthen our product offerings, taking advantage of the latest medical and technological advances to ultimately meet patient needs. Over the years, we have continuously worked on enhancing the product profile of Rebif®, our leading product for patients with relapsing multiple sclerosis, with new formulations, new delivery devices and new clinical data showing how best the product should be used. Recent achievements include the European approval to expand the use of Rebif® in patients with early signs of multiple sclerosis. We also extended our range of innovative delivery devices for the self-administration of Rebif® with the approval in select markets of Rebidose™, a single-use pre-filled pen.

The needs of our patients are the focus of our innovation culture. For them, we develop pioneering therapies and solutions.

Providing independence → Our Rebidose™ pen gives patients more independence, for example when traveling or on vacation.



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Our impetus -
For new technologies



The road to tomorrow

#2

Dynamic change

Transforming ideas into reality → Merck embodies experience and pioneering spirit. Our corporate culture is based on the dynamism of innovation and the commitment of our employees.

→ *With our corporate strategy* “Sustain. Change. Grow.” we are addressing future-oriented sectors in which Merck already has extensive experience and a strong market position. As a leading global manufacturer of materials for liquid crystal (LC) displays and for innovative organic light-emitting diodes (OLEDs), we are working on key components for the communication technologies of tomorrow. We offer pioneering technologies and key products for the displays of televisions, notebooks, mobile telephones, digital cameras and navigation systems. We are opening up ever new horizons: At our technology center in Darmstadt, for example, we have realized the world’s largest OLED display to date.

We utilize the dynamism and potential of our employees in order to tap new, high-growth markets systematically and successfully.

Setting milestones → The world’s largest OLED display, manufactured using materials from Merck, represents an important step forward in developing the information technology of tomorrow.

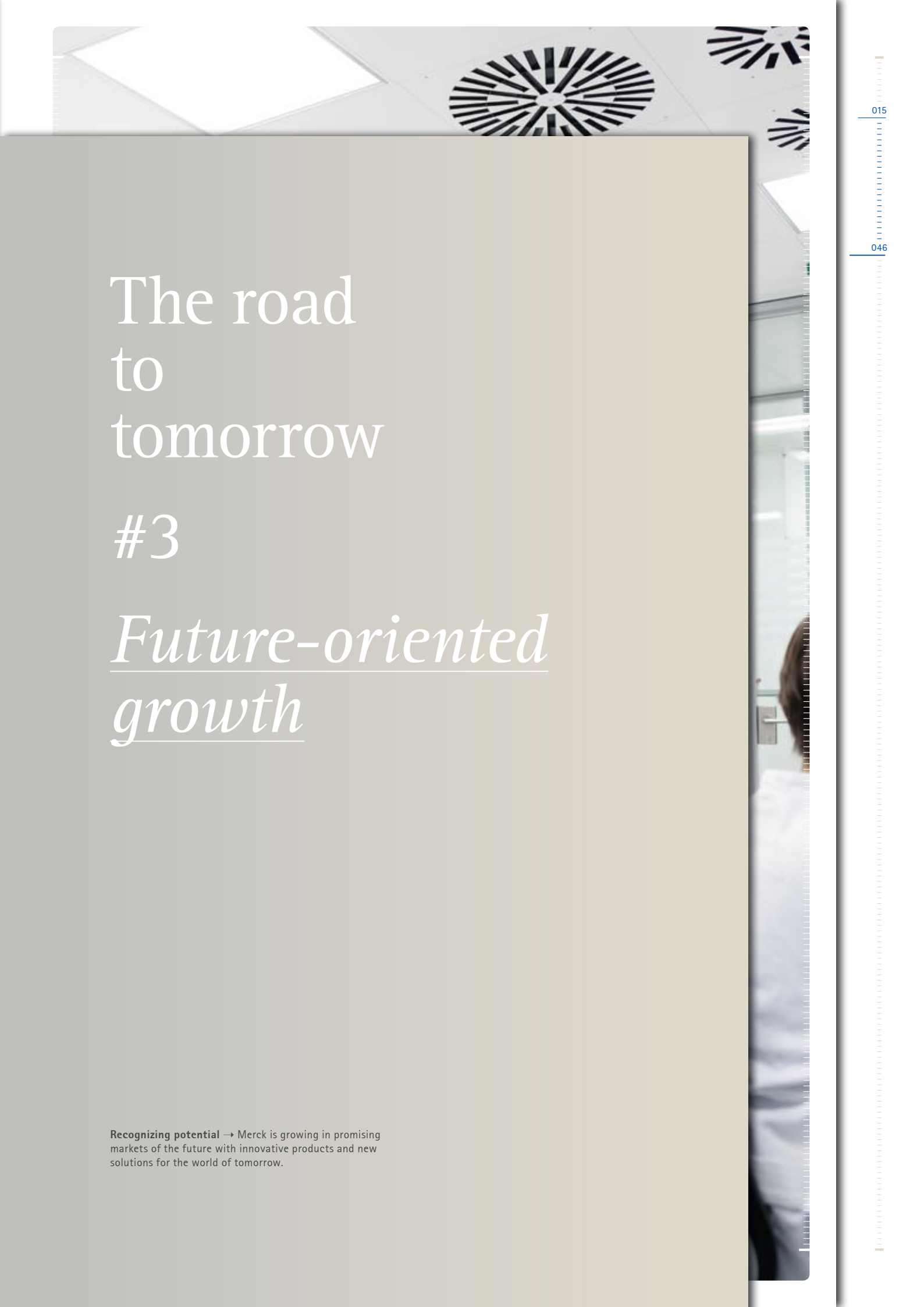


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3/4 Our solutions -
For the future



The road to tomorrow

#3

Future-oriented growth

Recognizing potential → Merck is growing in promising markets of the future with innovative products and new solutions for the world of tomorrow.

————→ *Forward-looking innovations* and future-oriented actions have always been the core of our company and our entrepreneurial success. At an early stage, Merck recognized the tremendous potential of biotechnology, using it resolutely and responsibly for research and innovation – and not only for developing our own biotherapeutic drugs. Today we are among the leading suppliers of products and services for research and production in the life science industry. In this way, we help to make work easier, more efficient and more economical for our customers.

With our knowledge and experience we are tapping key markets of the future. We are keenly aware of our customers' needs. For example, we are one of the leading suppliers of cell culture media.

Tapping growth markets → Merck is one of the world's leading suppliers of laboratory chemicals and cell culture media for use in research and industrial production.



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Our knowledge-
For society



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#4

Values-based behavior

Living our values → Merck thinks and acts in a long-term and values-based manner. As a company, we actively take on responsibility in the communities in which we operate.

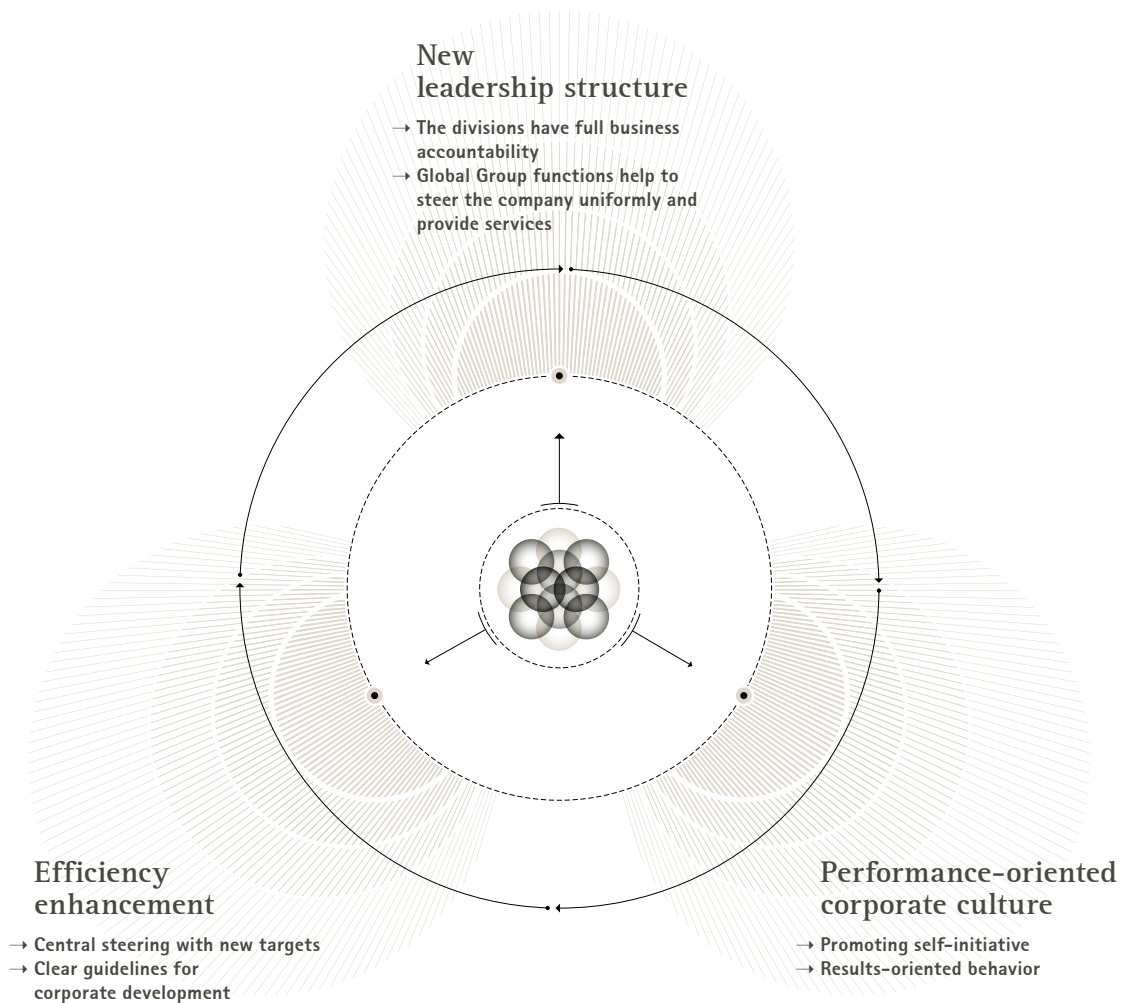
→ *As a company that is very conscious of its values,* we feel committed not only to the employees and shareholders of Merck but also to the community – at all our sites and worldwide. With the drug Cesol® 600, Merck has been cooperating with the World Health Organization since 2007 to fight schistosomiasis, an infectious disease caused by parasitic worms living in tropical water. It is estimated that around 200 million people are infected. Since the donation program began, Merck has supplied around 80 million tablets to treat around 19 million children. In 2011 we decided to expand our engagement tenfold. In the medium term we intend to provide 250 million tablets per year and to continue this donation until the disease has been eliminated in Africa.

We apply all our expertise and skills not only to achieve sustainable entrepreneurial success, but also to meet our social responsibility.

Taking on responsibility → Merck is supporting the fight against schistosomiasis, thereby protecting many children in Africa against this serious disease.



Merck: The road to tomorrow



Transformation and change are the basis for future growth. With a lean organization, enhanced efficiency and a performance-oriented corporate culture, we will secure our position as a leading innovation-driven enterprise and rigorously expand our cutting-edge positions.

We are making our organization leaner → In the future, the divisions at Merck will assume global responsibility for their businesses. The Group will steer corporate development, take over central administrative tasks and services, and consolidate administration, legal and compliance tasks. The individual legal entities in the countries will implement the regulations defined by the divisions and Group functions.

We are enhancing our efficiency → Based on investment and cost-cutting targets that will be defined in the first half of 2012, Merck will develop specific initiatives to meet these objectives. These activities will be supported by suitable Human Resources measures. The implementation and success of the program will be continually monitored and evaluated.

We are establishing a performance-oriented corporate culture → Merck is fostering a performance-oriented corporate culture – by means of clearly defined responsibilities and by promoting self-initiative, commitment, decisiveness and results-oriented behavior.