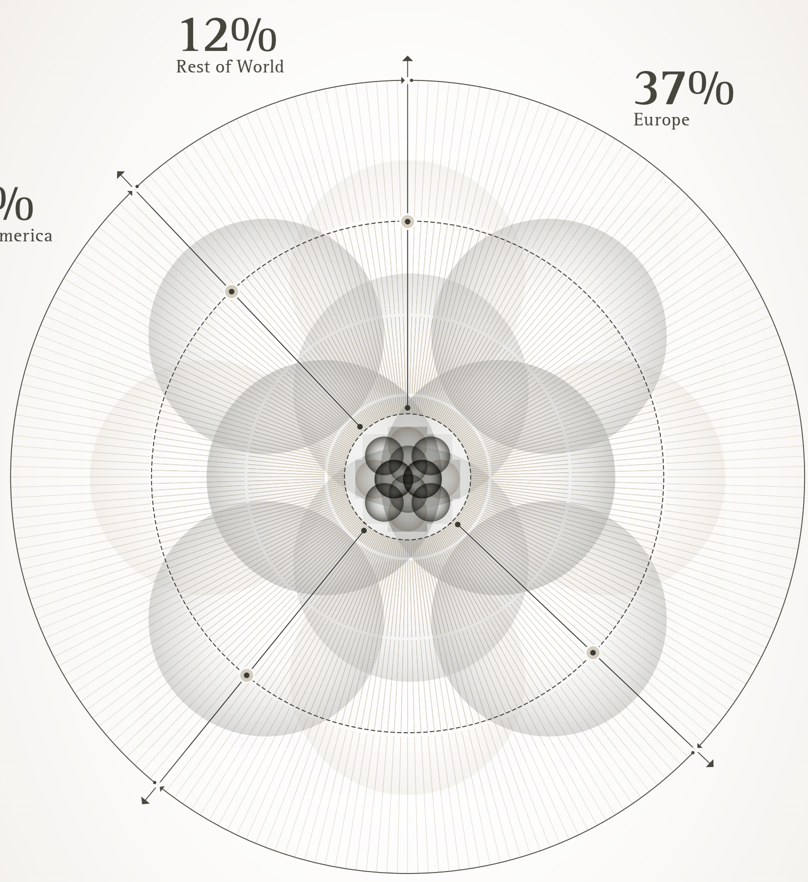

Merck Millipore

Sales by region 2012

Merck Millipore → 4/4

Solid business performance continues as integration advances

All business units grow organically, brisk demand from pharma customers

2012 was again a successful year for the Merck Millipore division. Sales grew by 9.0% to € 2,598 million (2011: € 2,383 million), stemming from solid organic growth of 3.8% and positive exchange rate effects of 3.9% primarily related to the U.S. dollar and 1.4% from acquisitions in the areas of cell culture media, cell imaging and microbial testing. All three business units grew organically, driven by the division's customers from the pharmaceutical industry, which benefited from higher drug volumes, including new drug launches. Consequently, the Process Solutions business unit, which supplies materials and services for drug production, saw the strongest sales increase. The Lab Solutions business unit performed well, driven by Lab Water and BioMonitoring products. The performance of the Bioscience business unit remained affected by softer spending by government and academic institutions, although this customer group only accounts for about 15% of divisional sales. During 2012, Merck Millipore recorded royalty, license and commission income of € 19 million (2011: € 10 million) primarily related to the Process Solutions business unit.

Merck Millipore | Key figures

€ million	2012	2011	Change in %
Total revenues	2,616.9	2,392.8	9.4
Sales	2,598.2	2,382.6	9.0
Operating result (EBIT)	233.2	235.4	–1.0
Margin (% of sales)	9.0	9.9	–
EBITDA	542.4	522.4	3.8
Margin (% of sales)	20.9	21.9	–
EBITDA pre one-time items	595.9	561.1	6.2
Margin (% of sales)	22.9	23.6	–

Cost of sales increased 8.2% to € 1,086 million in 2012 (2011: € 1,003 million), below reported sales growth. Accordingly, the division's gross profit increased 10.2% to € 1,531 million (2011: € 1,390 million) or 58.9% of sales (2011: 58.3%). Higher idle costs as a result of the division's initiative to reduce inventories were partially offset by stronger pricing.

Higher spending driven by actions to fuel future growth

In 2012, Merck Millipore continued to execute its growth strategy by investing in new product development and commercial operations. As a consequence, total selling, general and administration costs grew 11.9% to € 928 million (2011: € 829 million). Marketing and selling expenses, which are included in this item, increased 11.5% to € 676 million (2011: € 606 million). Part of this increase was also driven by the stronger U.S. dollar since the majority of Merck Millipore's global marketing operations are located in the United States. In addition, the marketing and selling expenses of the recently acquired businesses were included for the first time. Both factors also contributed to the 9.0% increase in administration expenses to € 113 million (2011: € 104 million). Other operating expenses amounted to € 123 million (2011: € 103 million), corresponding to an increase of 19.3% and including € 28 million one-time items related to the Group's efficiency program.

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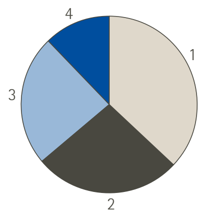
To further drive the development of innovative products, the division also increased its R&D spending by 24.5% to € 166 million (2011: € 133 million), representing 6.4% of divisional sales (2011: 5.6%). A significant portion of the increase was directed to Process Solutions, reflecting the division's expectation that increasing volumes of biopharmaceuticals will remain an attractive growth opportunity. Once again, the strong U.S. dollar contributed to higher costs since the majority of Merck Millipore's R&D activities are also located in the United States.

EBIT slightly down due to restructuring costs, EBITDA pre one-time items increased

The division's EBIT decreased slightly by 1.0% to € 233 million in 2012 (2011: € 235 million) as a consequence of higher strategic investments in the business as well as higher one-time items related to restructuring (including impairments), offsetting the improved gross profit. The decline also reflects a 7.7% increase in depreciation and amortization to € 309 million (2011: € 287 million), driven primarily by higher amortization of purchased intangible assets following recent acquisitions as well as an asset impairment related to the consolidation of the division's production sites. Adding this back, however, EBITDA increased by 3.8% to € 542 million (2011: € 522 million), while EBITDA pre one-time items grew 6.2% to € 596 million (2011: € 561 million).

Merck Millipore | Sales by region – 2012

€ million / % of divisional sales



1	Europe	966	37%
2	North America	703	27%
3	Emerging Markets	617	24%
4	Rest of World	312	12%

As the largest contributor to sales, Europe delivers solid growth, Emerging Markets and Rest of World show strong growth

Compared to 2011, Merck Millipore's geographic sales split remained nearly unchanged, although regional growth trends differed significantly in some cases. Europe remained the division's largest regional market generating sales of € 966 million (2011: € 906 million) or 37% of divisional sales (2011: 38%), growing 3.1% organically. Organic sales growth was primarily driven by healthy demand from biopharmaceutical production customers for Process Solutions products. In North America, Merck Millipore's organic sales were flat at € 703 million (2011: € 648 million), representing an unchanged 27% of the division's sales. However, this development includes the impact of lost sales from an insulin supply contract that was discontinued in the third quarter of 2011 and that primarily affected sales in the United States. Excluding the insulin contract, the division's organic growth in North America was in the low single digits, reflecting the significant presence of drug manufacturing customers in the United States that also posted increasing drug volumes.

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In the Emerging Markets region, sales grew 6.8% organically to € 617 million (2011: € 561 million), equivalent to an unchanged 24% of sales. All of the division's business units posted solid growth in this region, delivering mid-single to low double-digit organic growth rates. Posting an 8.5% organic increase in sales to € 312 million (2011: € 268 million), the Rest of World region accounted for 12% of the division's sales (2011: 11%) and showed growth trends similar to those seen in Emerging Markets.

Merck Millipore | Sales growth components by region – 2012

€ million / change in %	Sales	Organic growth	Exchange rate effects	Acquisitions/ divestments	Reported sales growth
Europe	965.7	3.1	0.8	2.6	6.6
North America	702.8	0.0	7.5	0.9	8.5
Emerging Markets	617.4	6.8	3.1	0.2	10.1
Rest of World	312.3	8.5	7.1	1.1	16.7
World in total	**2,598.2**	**3.8**	**3.9**	**1.4**	**9.0**

Growth in Bioscience driven also by innovations

The Bioscience business unit – which provides products and services to support life science research – continued to grow in line with the market, reporting an organic increase of 2.0% to sales of € 455 million in 2012 (2011: € 421 million). Growth was driven by Asian and Latin American markets offsetting softer conditions in North America and Europe. On a product level, reagents and kits were the main growth contributors, as well as newly launched products, including Muse™, a closed system of instrument and consumables providing quantitative information on cell health, cell death and cell cycle at the individual cell level. Also launched was the Direct Detect™ system that increases the simplicity and reliability of quantitative protein and peptide analysis. To strengthen the cell biology platform, the division acquired CellASIC in October 2012, a company offering a system allowing in-depth studies of living cells.
In August 2011, the acquisition of Amnis extended the business units offering of cell imaging solutions.

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Acquisitions also contribute to growing sales in Lab Solutions

The Lab Solutions business unit generated € 1,097 million in sales (2011: € 1,006 million). This performance reflects an organic growth of 3.1% as a result of solid demand for laboratory water products and biomonitoring solutions primarily used for sample preparation and analytical purposes, respectively. Geographically, all regions contributed to organic growth with the Emerging Markets being the strongest growth contributor. Lab Solutions' reported sales also saw a 3.1% growth impetus from acquisitions, primarily Heipha and Hycon in March 2011.

Process Solutions strongest growth driver of the division

Sales of the Process Solutions business unit totaled € 1,046 million in 2012 (2011: € 956 million). This represents an organic growth of 5.3% driven by double-digit growth rates in Emerging Markets and Rest of World countries in addition to a solid mid-single digit growth rate in Europe. Organic sales growth in North America was slightly negative; however, adjusted for the above mentioned non-renewal of a supply contract for insulin, organic growth for the total business unit was in the high mid-single digit area. The business mainly benefited from higher volumes of biologically manufactured drugs, seeing strong demand for biosafety solutions, process systems hardware and single-use manufacturing technologies. In November 2012, the business unit's product portfolio in the area of cell culture media was strengthened with the takeover of Biochrom.

Merck Millipore | Sales growth components by business unit – 2012

€ million / change in %	Sales	Organic growth	Exchange rate effects	Acquisitions/ divestments	Reported sales growth
Bioscience	454.6	2.0	5.5	0.6	8.0
Lab Solutions	1,097.2	3.1	3.0	3.1	9.1
Process Solutions	1,046.3	5.3	4.1	0.1	9.4