The Merck Group

Highlights – 1st Quarter 2012

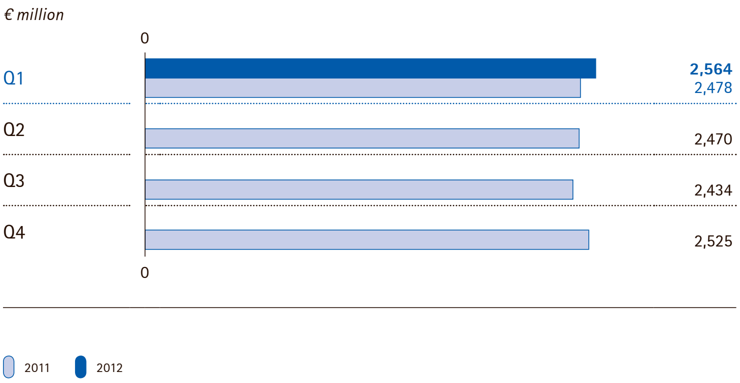
- Organic sales growth of 1.2% driven by Merck Serono and Merck Millipore, offsetting declines in Performance Materials and Consumer Health
- EBITDA pre one-time items declines by 8.4% to € 675 million from € 737 million versus a very strong year-ago quarter
- Group-wide restructuring process well underway

Merck Group | Key figures – Q1

€ million	Q1 – 2012	Q1 – 2011	Change
Total revenues	2,644.9	2,563.8	3.2%
Sales	2,563.9	2,477.5	3.5%
Operating result (EBIT)	311.2	529.5	–41.2%
Margin (% of sales)	*12.1%*	*21.4%*	
EBITDA	654.0	882.5	–25.9%
Margin (% of sales)	*25.5%*	*35.6%*	
EBITDA pre one-time items	674.9	736.7	–8.4%
Margin (% of sales)	*26.3%*	*29.7%*	
EPS pre one-time items (€)	1.67	1.91	–12.6%
Free cash flow	419.8	645.3	–35.0%

The Merck Group's first-quarter 2012 total revenues rose 3.2% to € 2,645 million compared to € 2,564 million in the first quarter of 2011. Sales for the Group increased 3.5% to € 2,564 million in first quarter compared to € 2,478 million in the year-ago quarter. This performance reflected organic sales growth of 1.2%, a 1.7% positive benefit from changes in foreign exchange rates and a 0.6% boost from acquisitions/divestments. The Group's organic sales growth was entirely driven by the Merck Serono and Merck Millipore divisions during the quarter.

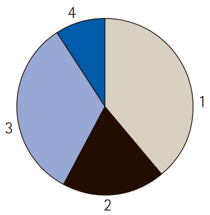
Merck Group | Sales by quarter



→ Merck Group

Merck Group | Sales by region – Q1

€ million/% of sales



1 Europe	1,000.1	39%
2 North America	486.6	19%
3 Emerging Markets	844.6	33%
4 Rest of World	232.6	9%

The largest proportion – 39% – of the Group's sales continues to be generated in Europe. The Emerging Markets region follows closely behind, accounting for 33% of Group sales. At Merck, Emerging Markets include Central and South America, and Asia except for Japan. North America generated 19% of Merck's first-quarter sales while the region Rest of the World (ROW) was responsible for 9% of sales. ROW includes Japan, Australia/Oceania and Africa.

Merck Group | Growth components by region – Q1

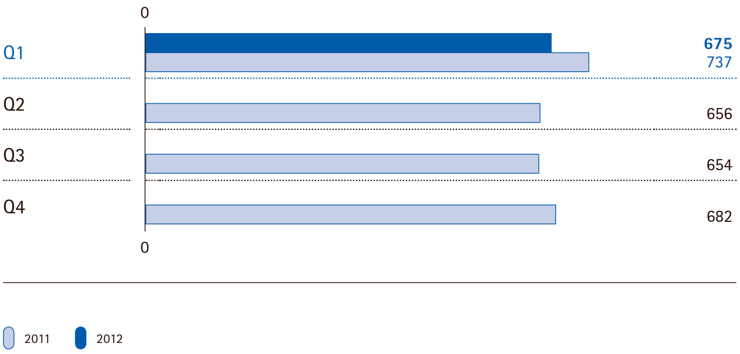
€ million/change in%	Sales	Organic growth	Exchange rate effects	Acquisitions/ divestments	Reported sales growth
Europe	1,000.1	−1.9%	–	1.1%	−0.8%
North America	486.6	2.7%	3.7%	0.4%	6.9%
Emerging Markets	844.6	4.2%	1.7%	–	5.8%
Rest of World	232.6	1.8%	5.2%	0.6%	7.6%
Group	**2,563.9**	**1.2%**	**1.7%**	**0.6%**	**3.5%**

The Group's first-quarter sales on an organic basis declined in Europe by 1.9% but rose 2.7% in North America. Organic sales growth was 4.2% in the Emerging Markets and 1.8% in the ROW region.

Gross profit declined 1.5% to € 1,896 million from € 1,925 million in the first quarter of 2011. The primary reasons for the year-over-year difference were higher start-up costs for the new biotech production plant in Corsier-sur-Vevey (Switzerland), lack of positive manufacturing variances and a slightly less favorable product mix. Likewise, currency fluctuations, particularly the Swiss franc, contributed negatively. This resulted in a first-quarter gross profit margin of 74.0% of sales, compared to 77.7% in the first quarter of 2011.

Merck Group | EBITDA pre one-time items by quarter

€ million



→ Merck Group

The operating result (EBIT) fell to € 311 million (Q1 2011: € 530), mainly due to lower operational performance and a one-time capital gain of € 157 million generated from the divestment of the Crop BioScience business in the first quarter of 2011. EBITDA pre (earnings before interest, taxes, depreciation, amortization and one-time items) declined to € 675 million, or 26.3% of sales in the first quarter of 2012 from € 737 million, or 29.7% of sales, in the year-ago quarter. The Group's EBITDA pre in the first quarter of 2012 excluded € 30 million in one-time costs recorded under other operating expenses.

Merck's financial result remained largely in line with last year, improving to € -65 million in the first quarter of 2012 compared to € -68 million in the year-ago quarter. Net financial debt as of March 31, 2012, declined to € 3,017 million from € 3,484 million at the end of 2011. This improvement reflects the ongoing good cash flow generation of the Group.

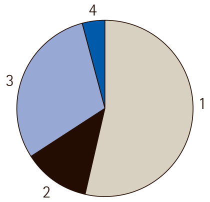
The Merck Group's first-quarter 2012 profit before tax declined 47% to € 246 million compared to € 461 million in the year-ago quarter, which was inflated by the € 157 million gain on the divestment of the Crop BioScience business. The reported income tax ratio was 28.2% in the first quarter 2012, increasing from 25.4% in the first quarter of 2011.

Profit after tax declined 49% to € 177 million in the first quarter of 2012 from € 344 million in the first quarter of 2011. EPS pre one-time items (EPS adjusted by net of tax effect of one-time items and amortization of purchased intangible assets) declined to €1.67 from € 1.91 due to the lower operational performance previously mentioned. The free cash flow of the Merck Group was € 420 million in the first quarter of 2012 compared to € 645 million in the year-ago period. The change is due primarily to last year's divestment of the Crop BioScience business and the receipt of the purchase price for Théramex.

As part of the comprehensive efficiency program made public in February, Merck announced plans on April 24 to close the Merck Serono Geneva headquarters site and reduce headcounts by 580 positions in Switzerland. Additionally, the company plans to transfer 620 positions from Geneva to Darmstadt, Boston and Beijing, with another 130 moving to other sites within Switzerland. Merck's efficiency program is focused on addressing unprecedented market shifts, increasing competition in key product areas and existing inefficiencies within its own organization.

Merck had 40,542 employees worldwide on March 31, 2012, compared to 40,676 on December 31, 2011.

Merck Group | Number of employees as of March 31, 2012: 40,542



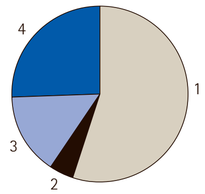
1 Europe	21,798	54%
2 North America	4,918	12%
3 Emerging Markets	12,170	30%
4 Rest of World	1,658	4%

Merck's Four Divisions

Merck has four divisions: Merck Serono, a specialty biopharmaceutical business; Consumer Health, an over-the-counter drug business focused on Europe and the Emerging Markets; Performance Materials, a niche specialty materials business with a leading position in liquid crystals; and Merck Millipore, one of the largest life science businesses in the world.

Merck Group | Sales by division – Q1

€ million / % of sales



1 Merck Serono	1,417.2	55%
2 Consumer Health	107.6	4%
3 Performance Materials	386.4	15%
4 Merck Millipore	652.6	26%

Merck Group | EBITDA pre one-time items by division – Q1

€ million	Q1 – 2012	Q1 – 2011	Change
Merck Serono	393.5	401.4	–2.0%
Consumer Health	8.6	10.6	–19.0%
Performance Materials	160.3	197.9	–19.0%
Merck Millipore	161.4	158.4	1.9%
Corporate and Other	–48.9	–31.6	54.5%

→ Divisions

Merck Serono

Merck Serono, the Group's specialty biopharmaceutical division, accounted for 55% of Group sales in the first quarter of 2012.

The division's first-quarter total revenues rose 4.8% to € 1,495 million in 2012 compared to € 1,427 million in the first quarter of 2011. Sales for the division increased 5.4% to € 1,417 million compared to € 1,345 million in the year-ago quarter. This performance reflected organic sales growth of 4.1% and a positive benefit from foreign exchange rates of 1.2%. The drivers of Merck Serono's first quarter sales increase included strong performance from its Fertility, Endocrinology, and CardioMetabolic Care & General Medicines businesses. All three saw meaningful growth from the Emerging Markets in the quarter. The division also generated growth from its two largest products, Erbitux® and Rebif®, aided by a net pricing benefit.

Merck Serono | Key figures – Q1

€ million	Q1 – 2012	Q1 – 2011	Change
Total revenues	1,495.3	1,427.2	4.8%
Sales	1,417.2	1,344.9	5.4%
Operating result (EBIT)	152.0	152.5	–0.3%
Margin (% of sales)	*10.7%*	*11.3%*	
EBITDA	383.8	402.4	–4.6%
Margin (% of sales)	*27.1%*	*29.9%*	
EBITDA pre one-time items	393.5	401.4	–2.0%
Margin (% of sales)	*27.8%*	*29.8%*	

Royalty, license and commission income declined by 5.0% to € 78 million in the first quarter compared to € 82 million in the year-ago quarter. The decline was due to a one-time milestone payment of € 10 million in the first quarter of 2011 related to the FDA approval of the antidepressant vilazodone, which was previously outlicensed by Merck Serono.

The division's production costs rose 33% in the first quarter due to higher start-up costs for the new biotech production plant in Corsier-sur-Vevey (Switzerland). In addition, production costs in Q1 2011 were lower due to positive manufacturing variances. This led to a gross profit of € 1,224 million. The gross margin (as a percentage of sales) fell to 86.3% from 90.9% in the year-ago quarter.

The division lowered promotional spending, which helped marketing and selling costs to decline by 5.3% to € 332 million. Royalty, license and commission expenses rose 8.4% to € 115 million, primarily due to higher sales for Rebif® in the United States.

Research and development spending by Merck Serono declined slightly to € 303 million in the first quarter. This line item remains at a high level due to several expensive late-stage clinical trials.

Amortization of intangible assets at Merck Serono decreased in the first quarter by 17% to € 165 million from € 199 million as the year-ago quarter was affected by a € 50 million impairment for cladribine.

Other operating expenses (net) doubled compared to last year's first quarter to € 96 million mainly due to receivable allowances and restructuring costs.

The reported operating result (EBIT) of Merck Serono declined slightly to € 152 million from € 153 million as higher sales could not offset higher operating expenses.

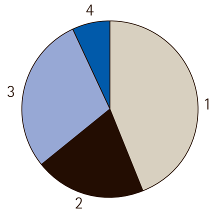
The division's EBITDA pre declined 2.0% to € 394 million in the first quarter of 2012, resulting in a margin (as a percentage of sales) of 27.8%, compared to € 401 million in the year-ago quarter, with a margin of 29.8%.

→ Divisions

From a geographic perspective, Merck Serono reported an organic sales decline of 3.1% in Europe during the first quarter while North America generated organic sales growth of 8.2%. The Emerging Markets organic growth was 11%, and the Rest of the World reported organic growth of 20%.

Merck Serono | Sales by region – Q1

€ million/% of sales



1 Europe	624.5	44%
2 North America	288.2	20%
3 Emerging Markets	407.5	29%
4 Rest of World	96.9	7%

Global sales of Merck's largest single product, Rebif® for the treatment of relapsing forms of multiple sclerosis (MS), rose 2.7% organically to € 430 million in the first quarter or 4.5% on a nominal basis. The increase is mainly due to price increases in the United States in the first quarter of 2012 and in June 2011. Sales increased organically in the Emerging Markets by 31%, boosted by a marked increase in health care spending in Venezuela.

A difficult environment in Europe due to cost-containment measures resulted in an organic sales decline in that region. In January 2012, Merck Serono received approval from the European Commission for the extension of the drug's indication to include patients who have experienced a single demyelinating event, an early sign of MS, and who are at risk of converting to MS. This approval is for the use of Rebif® 44 micrograms three times weekly and is not applicable in the United States.

Merck Serono | Growth components by region – Q1

€ million/change in%	Sales	Organic growth	Exchange rate effects	Acquisitions/ divestments	Reported sales growth
Europe	624.5	–3.1%	–0.1%	–	–3.2%
North America	288.2	8.2%	3.8%	–	12.0%
Emerging Markets	407.5	10.7%	1.1%	–	11.9%
Rest of World	96.9	19.6%	4.3%	–	23.9%

Sales of the targeted cancer treatment Erbitux® increased 1.3% on an organic basis to € 214 million in the first quarter of 2012. Sales stayed relatively flat (+0.2% organically) in Europe, where stronger UK sales driven by NICE reimbursement were offset by cost-containment measures in other countries. Sales in Emerging Markets grew 7.1% organically with good sales reported from Brazil. Sales in Rest of World decreased organically by 3.2%. A strong performance in Australia was offset by a sales decline in Japan due to growing competition.

→ Divisions

Merck Serono | Major products by region, organic growth rates – Q1

€ million/organic growth in%	Sales	Europe	North America	Emerging Markets	Rest of World	Total
Rebif®	429.8	–6.6%	7.5%	31.2%	–7.8%	2.7%
Erbitux®	213.6	0.2%	–	7.1%	-3.2%	1.3%

First-quarter sales of Gonal-f®, a recombinant hormone used in the treatment of infertility, improved markedly, rising 13% on an organic basis to € 152 million. The introduction of a new line of ready-to-use injection pens helped boost sales. Merck Serono's entire Fertility business performed strongly in the first quarter, with organic sales growth of 15% driven by demand in the United States, Europe, Australia, Asia and Africa.

The division's Endocrinology business also continued its robust growth in the first quarter, posting sales of € 92 million, which represented an organic sales growth of 12%. Sales of the recombinant growth hormone Saizen® for the treatment of growth-hormone deficiency were € 59 million, representing a 6.9% organic sales growth in the quarter.

Kuvan®, which was launched in 2009, continues to grow rapidly. This product is the first and only prescription drug approved in Europe for the treatment of hyperphenylanlaninemia (HPA) due to phenylketonuria (PKU) in patients over the age of 4 or due to tetrahydrobiopterin (BH4) deficiency, two rare genetic diseases.

Merck Serono's CardioMetabolic Care & General Medicines products posted a 1.5% organic sales growth. This business includes the branded Concor® (bisoprolol) beta-blocker products, such as Lodoz® and Concor®COR; thyroid medicines such as Euthyrox®, and the Glucophage® (metformin) franchise of oral antidiabetic products.

On February 3, Merck announced a global agreement with Threshold Pharmaceuticals, Inc., USA, to co-develop and commercialize TH-302, Threshold's small molecule hypoxia-targeted drug. TH-302 is currently being investigated in a global Phase III clinical trial in patients with soft tissue sarcoma as well as in Phase 1 trials in other solid tumors and hematological malignancies. On February 21, Threshold announced that a Phase II clinical trial evaluating TH-302 in patients with first-line advanced pancreatic cancer plus chemotherapy achieved its primary endpoint, with a 63% improvement in progression-free survival.

→ Divisions

Consumer Health

The Consumer Health division reported sales of € 108 million in the first quarter, a 7.4% decline compared to € 116 million in the first quarter of 2011. This performance reflected an organic sales decline of 7.7% and a 0.3% positive benefit from changes in foreign exchange rates. The weak performance in the first quarter of 2012 was primarily related to weakness in Europe, which represents approximately 70% of the division's sales. In Europe, sales decreased 10.5% organically due to one-time supply chain issues in France, a sluggish UK market, and weak performance of the division's Joint Care range. Sales in the Emerging Markets were mainly driven by higher sales in Venezuela and also benefited from momentum in India due to the relaunch of the Seven Seas brand.

Consumer Health | Key figures – Q1

€ million	Q1 – 2012	Q1 – 2011	Change
Total revenues	108.0	116.6	–7.4%
Sales	107.6	116.2	–7.4%
Operating result (EBIT)	4.9	7.9	–38.5%
Margin (% of sales)	*4.5%*	*6.8%*	
EBITDA	7.9	10.6	–25.8%
Margin (% of sales)	*7.3%*	*9.1%*	
EBITDA pre one-time items	8.6	10.6	–19.0%
Margin (% of sales)	*8.0%*	*9.1%*	

The division's first-quarter 2012 gross profit decreased to € 71 million (Q1 2011: € 82 million) due to inventory valuation combined with lower sales.

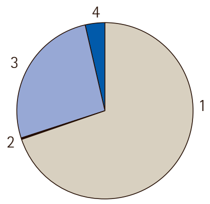
Consumer Health is highly focused on improving its profitability over the next three years and driving better operational performance. The initial results of this effort are reflected in the division's selling, general and administration (SG&A) costs, which declined by 12% and reflected a reduction and reprioritization of its sales promotion and marketing spending.

The operating result (EBIT) fell 39% to € 5 million as the lower sales were only partially offset by decreased spending. The operating result was also lowered by € 0.7 million in one-time restructuring costs.

The division's EBITDA pre for the first quarter of 2012 was € 8.6 million, or 8.0% of sales, compared to € 10.6 million, or 9.1% of sales, in the first quarter of 2011.

Consumer Health | Sales by region – Q1

€ million/% of sales



1 Europe	75.1	70%
2 North America	0.4	1%
3 Emerging Markets	28.4	26%
4 Rest of World	3.6	3%

→ Divisions

The division's portfolio consists of scientifically based brands that consumers trust. It specializes in Women's and Children's Health (Femibion® and Kidabion® / Haliborange®), Cough and Cold (Nasivin®), as well as products to support Everyday Health (Bion® / Multibionta®, Cebion® and Diabion®) and agility (Flexagil®, Seven Seas® and Kytta®).

The division is in the process of a global reorganization and is narrowing its marketing efforts on strategic brands and geographic regions in order to bring profitability levels more in line with peers within the consumer health industry.

Consumer Health | Growth components by region – Q1

€ million/change in%	Sales	Organic growth	Exchange rate effects	Acquisitions/ divestments	Reported sales growth
Europe	75.1	–10.5%	–	–	–10.5%
North America	0.4	–22.2%	1.1%	–	–21.1%
Emerging Markets	28.4	2.3%	2.1%	–	4.4%
Rest of World	3.6	–16.0%	–3.6%	–	–19.6%

Performance Materials

The Performance Materials division, which is comprised of the Liquid Crystals (LC) and Pigments & Cosmetics business units, faced a difficult year-over-year comparison in the first quarter of 2012 after generating a 14.6% organic sales growth rate in the year-ago quarter due to unusually high customer demand for its liquid crystal materials.

Performance Materials | Key figures – Q1

€ million	Q1 – 2012	Q1 – 2011	Change
Total revenues	386.2	408.7	–5.5%
Sales	386.4	408.0	–5,3%
Operating result (EBIT)	129.3	327.9	–60.6%
Margin (% of sales)	*33.5%*	*80.4%*	
EBITDA	159.7	354.9	–55.0%
Margin (% of sales)	*41.3%*	*87.0%*	
EBITDA pre one-time items	160.3	197.9	–19.0%
Margin (% of sales)	*41.5%*	*48.5%*	

First-quarter 2012 sales of the division declined 5.3% to € 386 million compared to € 408 million in the first quarter of 2011. This performance reflected an organic sales decline of 7.9% and an 0.4% decline due to effects of divested businesses. These declines were partially offset by a 3.0% benefit from changes in foreign exchange rates.

The division continues to see healthy demand from its liquid crystals customers and maintained its leading market share in the first quarter. Due to the high concentration of liquid crystals customers, the business unit can see significant swings in the quarterly growth patterns based on these customers' decisions to build or reduce inventories. The second business unit, Pigments & Cosmetics, declined in the quarter but showed sequential improvement from a very weak fourth quarter of 2011.

→ Divisions

The division's gross profit dropped 19% to € 214 million from € 265 million in the year-ago quarter. This decrease was due to lower sales and a negative mix effect (lower sales of polymer-stabilized vertical alignment or PS-VA liquid crystals materials, which carry high margins). The gross margin fell to 55.5% in the first quarter 2012 compared to 64.8% in the exceptionally strong year-ago quarter.

Selling, general and administration (SG&A) costs showed a change due to the divestment of the Crop BioScience business in the first quarter of 2011. Adjusted for this effect, the division's SG&A spending was reduced by € 7 million compared to last year as a result of lower discretionary spending.

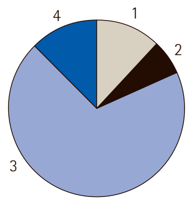
Research and development costs declined 2.0% to € 35 million, or 9.1% of sales. This R&D spending is spread between investments in LC and organic light-emitting diodes (OLED) materials and new technologies such as reactive mesogens. Other operating expenses (net) were € 7.3 million for the quarter compared to an income (net) of € 142 million last year due to a gain of € 157 million on the divestment of the Crop BioScience business.

Largely due to the one-time capital gain for the Crop BioScience divestment in 2011, the division's operating result decreased 61% to € 129 million in the reporting period.

The division's EBITDA pre for the first quarter of 2012 was € 160 million, or 41.5% of sales, down 19% from the € 198 million, or 48.5% of sales, in the first quarter of 2011. This decline was due to lower sales and a comparably lower gross profit.

Performance Materials | Sales by region – Q1

€ million/% of sales



1	Europe	47.1	12%
2	North America	23.9	6%
3	Emerging Markets	267.5	69%
4	Rest of World	47.9	13%

From a product perspective, the division's top-line was driven by the strong performance of its In-Plane Switching (IPS) liquid crystal technology. This technology is an important component in tablet computers, which are currently in very high demand. Within the Pigments & Cosmetics business unit, a sales decline of its coating products, was partially offset by modest growth in Cosmetic Actives, including good performance of the RonaCare® skin-care products.

Performance Materials | Growth components by region – Q1

€ million/change in%	Sales	Organic growth	Exchange rate effects	Acquisitions/ divestments	Reported sales growth
Europe	47.1	−4.9%	0.2%	–	−4.7%
North America	23.9	5.1%	3.8%	−4.7%	4.2%
Emerging Markets	267.5	−5.4%	2.9%	−0.2%	−2.7%
Rest of World	47.9	−26.3%	5.3%	–	−21.0%

→ Divisions

Merck Millipore

The Merck Millipore division, a leading supplier of the life science industry, had a solid start in 2012. This division represented 26% of the Group's sales.

Its first-quarter 2012 sales rose 7.3% to € 653 million compared to € 608 million in the year-ago period. The division generated organic sales growth of 2.7% with changes in foreign exchange rates adding 2.0% and acquisitions a further 2.5% in growth.

Merck Millipore | Key figures – Q1

€ million	Q1 – 2012	Q1 – 2011	Change
Total revenues	655.4	611.3	7.2%
Sales	652.6	608.4	7.3%
Operating result (EBIT)	78.3	74.2	5.4%
Margin (% of sales)	*12.0%*	*12.2%*	
EBITDA	154.0	146.2	5.3%
Margin (% of sales)	*23.6%*	*24.0%*	
EBITDA pre one-time items	161.4	158.4	1.9%
Margin (% of sales)	*24.7%*	*26.0%*	

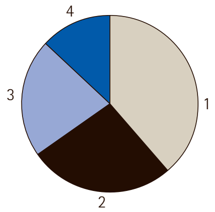
Merck Millipore's top-line performance was driven by solid results from its Lab Solutions and Process Solutions business units. The Lab Solutions business unit reported 3.3% organic sales growth, boosted by an increasing number of tests for environmental, drug and food quality and higher demand for consumables and instruments sold into laboratories. The Process Solutions business unit reported 2.7% organic sales growth and is benefiting from higher levels of biotech drug production. The organic sales growth of Process Solutions was lower due to the loss of a contract to re-sell insulin into the biopharmaceutical manufacturing market. Finally, the Bioscience business unit generated 1.3% organic sales growth as research markets remained soft due to lower funding of academic research and weaker demand from pharmaceutical customers.

Merck Millipore's gross profit increased 9.2% to € 390 million in the first quarter of 2012 from € 357 million in the year-ago quarter. The gross margin was 59.7% in the first quarter of 2012 compared to 58.6% in the year-ago quarter. This improvement resulted mainly from higher sales. Selling, general and administration (SG&A) costs rose by 10% compared to the first quarter of last year, primarily driven by unfavorable currency effects, added costs from recently acquired companies, and investments in the division's sales force, predominantly in the United States.

→ Divisions

Merck Millipore | Sales by region – Q1

€ million/% of sales



1 Europe	253.3	39%
2 North America	174.1	27%
3 Emerging Markets	141.1	21%
4 Rest of World	84.1	13%

Research and development spending increased 16%, reflecting acquisitions and investments made in the Process Solutions business unit. The division is investing heavily into single-use products and developing integrated process-unit solutions for customers.

Merck Millipore | Growth components by region – Q1

€ million/change in%	Sales	Organic growth	Exchange rate effects	Acquisitions/ divestments	Reported sales growth
Europe	253.3	5.2%	0.4%	4.6%	10.3%
North America	174.1	–5.6%	3.5%	1.8%	–0.3%
Emerging Markets	141.1	6.7%	0.4%	0.3%	7.4%
Rest of World	84.1	7.2%	6.6%	1.9%	15.7%

Merck Millipore's EBITDA pre for the first quarter of 2012 was € 161 million, or 24.7% of sales, compared to € 158 million, or 26.0% of sales, in the year-ago quarter. The modest growth of EBITDA pre reflects the investments the division is making for future growth.

From a geographic perspective, all regions contributed to growth with the exception of North America, mainly due to the loss of the insulin contract mentioned above.

Risk Report

The Merck Group operates global in a variety of highly innovative business fields, which results in exposure to potential risks as well as opportunities. As of this date, the previously stated risk categories enumerated in the 2011 Annual Report's Risk Report on pages 84 through 90 remain valid for the Merck Group. The company is not aware of any risks that could jeopardize the continued existence of the Merck Group.

The company has a risk management system in place to identify and mitigate potential risks. Merck continuously monitors business risks such as issues regarding liquidity, defaults on payables and receivables, currency and interest rates, market pricing, pension obligations, assessment of independent rating agencies, human resources and information technology. Regarding legal risks, Merck monitors a host of potential issues such as litigation regarding product liability, antitrust law, pharmaceutical law, patent law and environmental protection among others.

Report on Expected Developments

After having already provided a first indication of the current business year in March, the Executive Board is now further refining its forecast for 2012. In general, the guidance for the Group reflects the modest recovery rate of the global economy.

Merck Guidance for 2012

Merck Divsions	Sales Growth
Merck Serono	+ ~ 2%
Consumer Health	+0% – 2%
Performance Materials	+2% – 3%
Merck Millipore	+4% – 6%
Merck Group	
Total Revenues	~ € 10.5 bn
EBITDA pre one-time items*	€ 2.8 bn – € 2.9 bn

*Includes € 50 million in savings from the efficiency program.

Division Profitability Expectations

→ Merck Serono: Modest increase before efficiency savings
→ Consumer Health: Slight improvement in a moderate market environment
→ Performance Materials: Close to 2011 level
→ Merck Millipore: Improving in line with sales growth

The net financial debt of the Merck Group resulting from the 2010 acquisition of Millipore continues to decrease at an excellent pace.