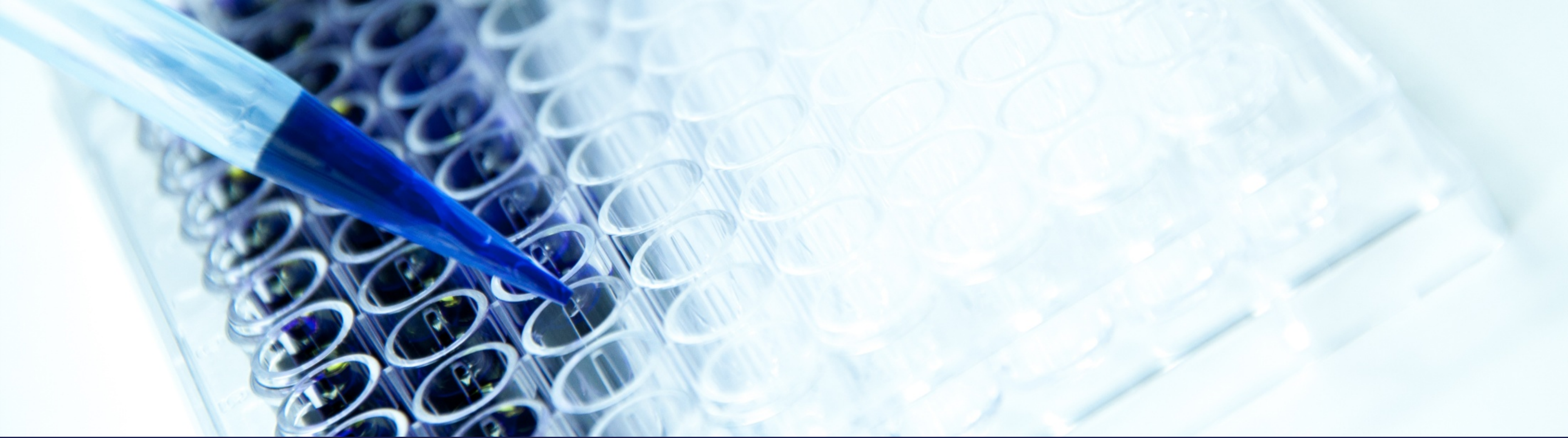

FY 2013 Results Conference Call

Merck – Another year of strong delivery

Karl-Ludwig Kley, CEO

Matthias Zachert, CFO

MERCK

Darmstadt, Germany – March 6, 2014

Disclaimer

Remarks
All comparative figures relate to the corresponding last year's period.

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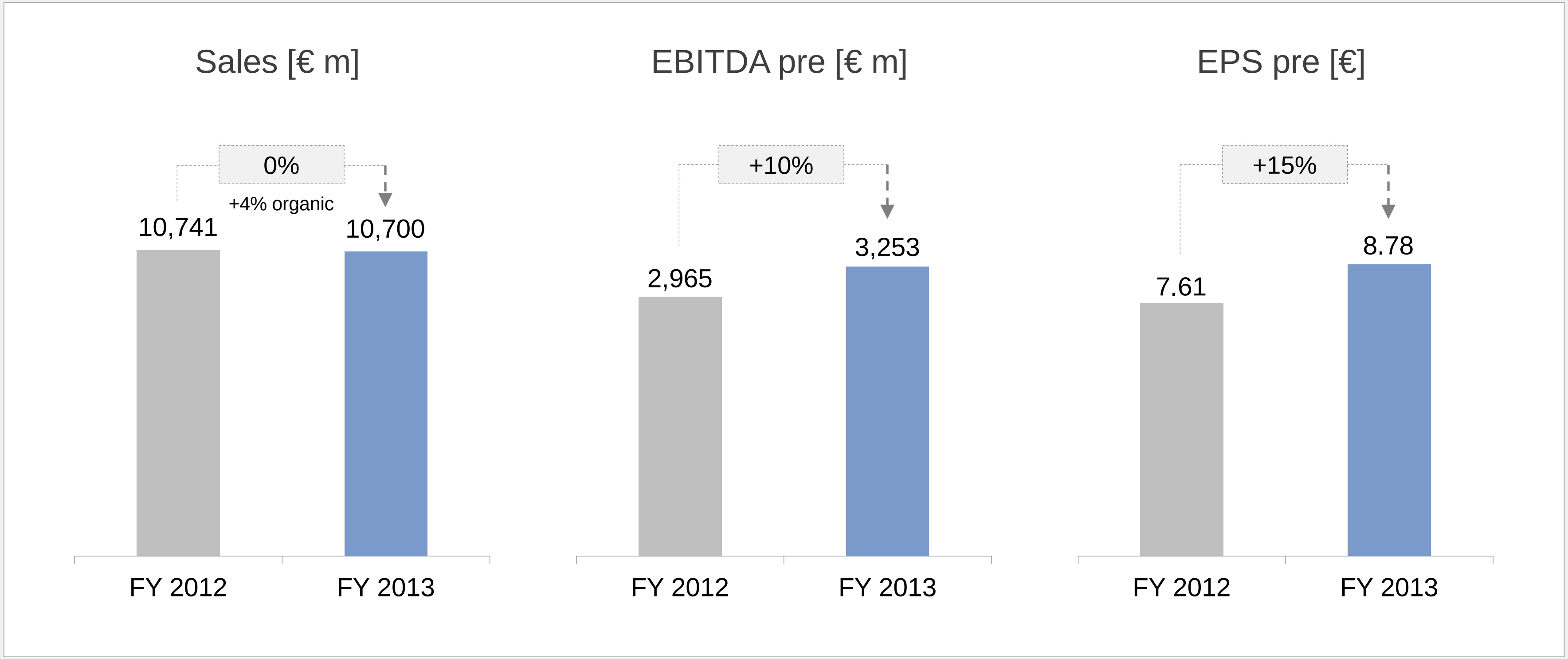
2013: Highlights

Delivered on promises	Targets announced in 2012 achieved
Restructuring taken forward	Faster implementation of savings
Further improved the resource allocation	Move from mature to emerging markets
Strengthened organic growth platform	▪ Merck Serono - Start of biosimilars initiative ▪ Consumer Health - Focus on strategic brands ▪ Performance Materials – Ongoing LC* improvements ▪ Merck Millipore - Process Solutions growth
Inorganic growth reinitiated	Proposed acquisition of AZ

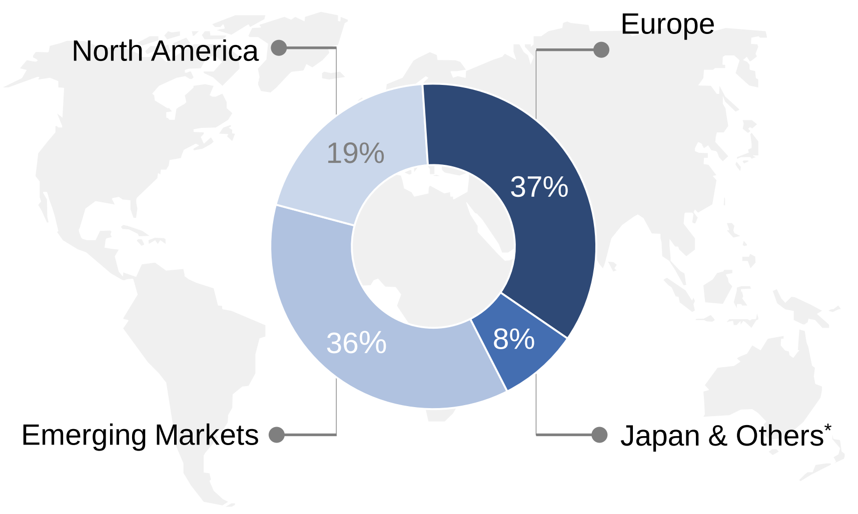
*Liquid Crystals

FY 2013: Another year of strong delivery

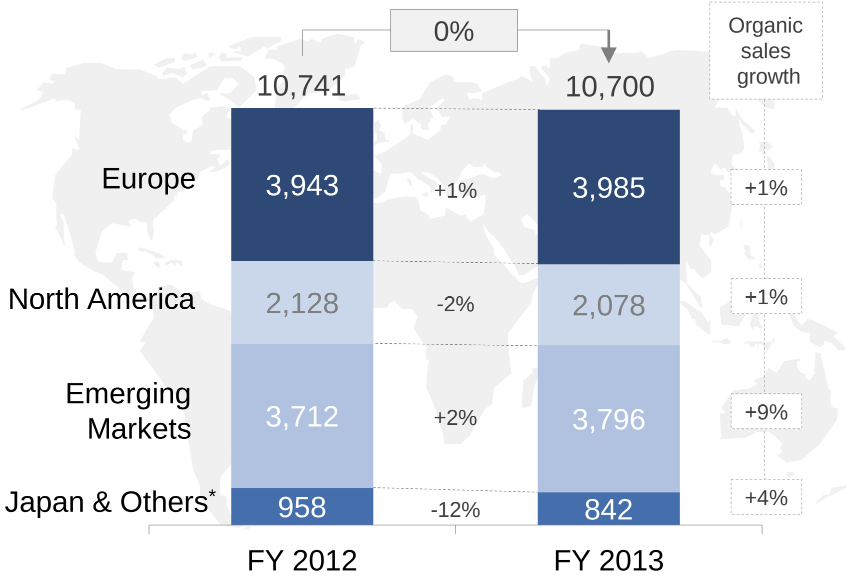


Emerging Markets drive organic growth, strong FX headwinds weigh on sales

Merck Group FY 2013 sales by region



Regional development of sales [€ m]

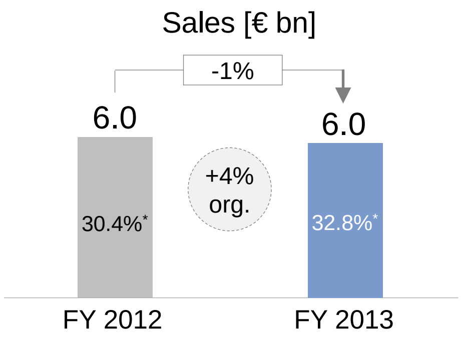


*Australia/Oceania, Africa

Divisional overview – Pharmaceuticals

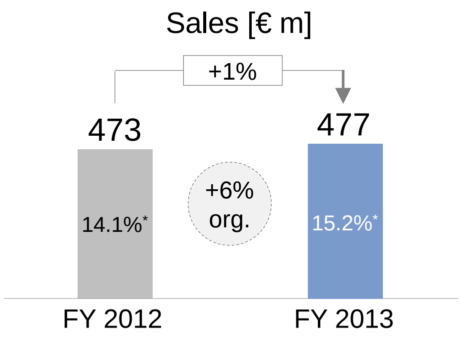
Merck Serono

- Successful launch of Erbitux head & neck in Japan and positive clinical trial data result in good organic growth
- Rebif kept at stable organic level
- Merck Serono benefitting from an ongoing good Emerging Markets platform driving growth



Consumer Health

- Profitability increases on better resource allocation and focus on core brands and markets
- Organic growth above market
- Turnaround on track

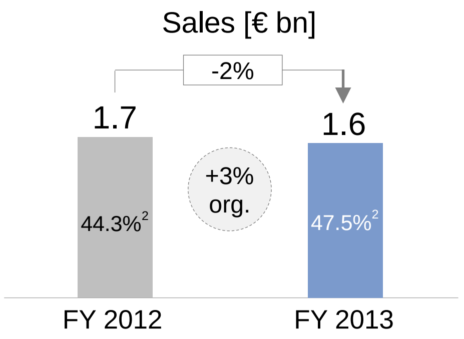


*EBITDA pre margin in % of sales

Divisional overview – Chemicals

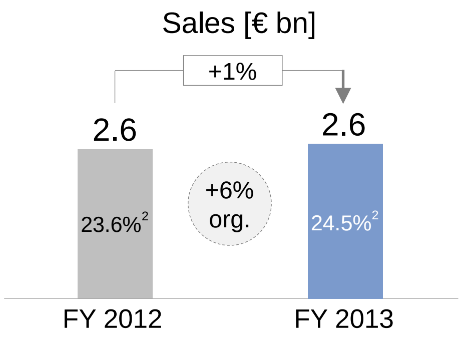
Performance Materials

- Innovation leader Merck maintains solid share in the liquid crystals market
- UHD[1] fuels demand for larger TVs supporting PS-VA; increased usage of mobile devices & tablets drives IPS
- Pigments restructuring successfully executed



Merck Millipore

- Biopharma production drives organic growth in Process Solutions
- Business portfolio shows its resilience in tougher market conditions
- Continued strong performance in all regions



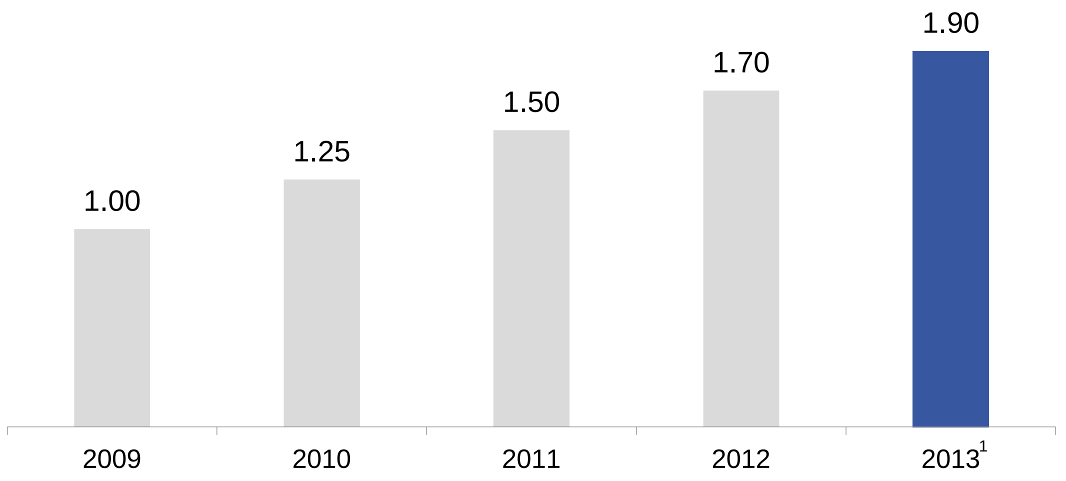
[1]Ultra High Definition; [2]EBITDA pre margin in % of sales

Mid-term guidance communicated in 2012 delivered

KPI	Targets May 2012	Results 2013
Sales	~ €10.35 – 10.7 bn	€10.7 bn ✓
EBITDA pre	~ €3.0 - 3.2 bn	€3.25 bn ✓
EPS pre	~ €8.20 – 9.00	€8.78 ✓

Continuous increase of dividend

Dividend development 2009-2013*



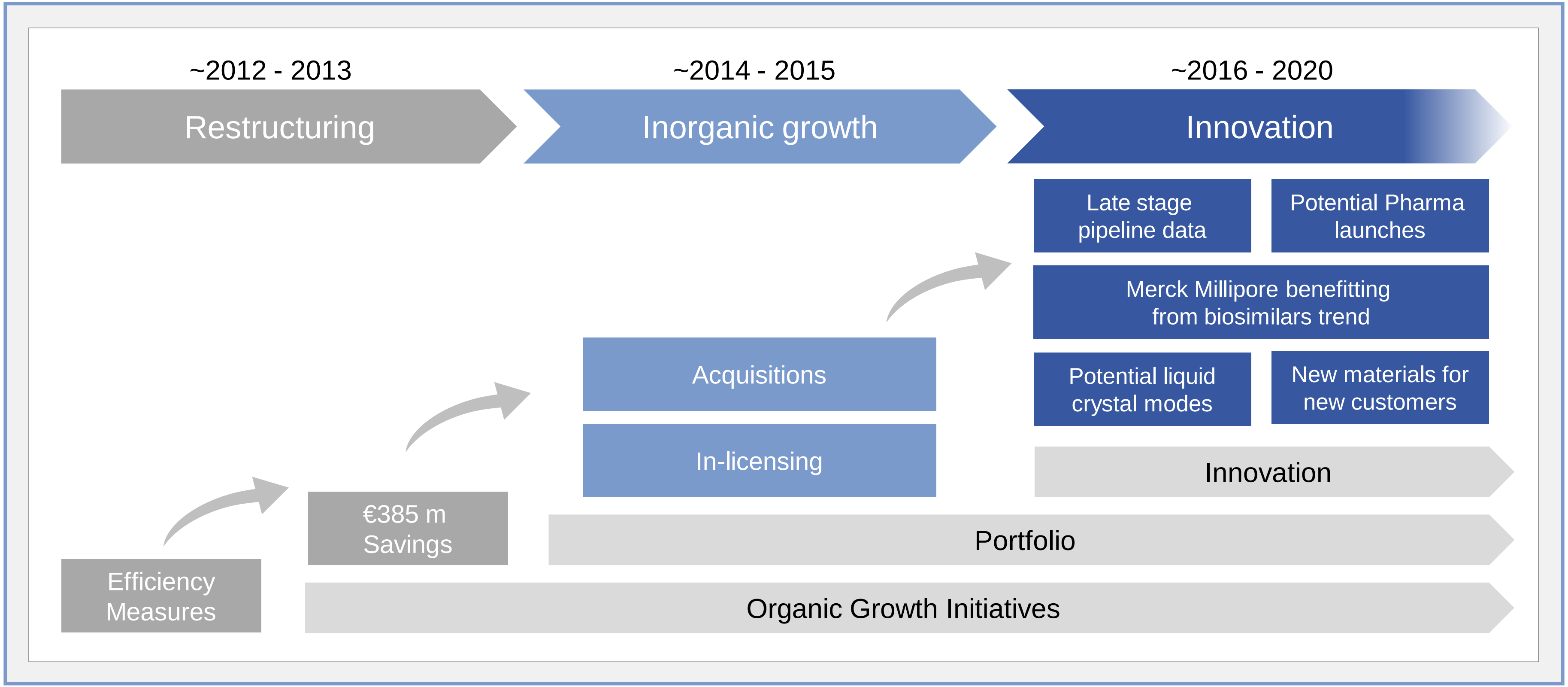
2013 dividend

- Dividend of €1.90 per share proposed[1] for 2013
- Dividend increase of ~12% yoy
- Dividend yield of ~1.5%
- Payout ratio[2] of 31% in a year of restructuring

Ensure shareholders benefit appropriately and sustainably from business performance

[1]Proposal; final decision subject to AGM approval; [2]On adjusted net income (reported net income plus one-time items, i.e. transformation costs)

As restructuring nears completion, Merck increases focus on inorganic growth and innovation



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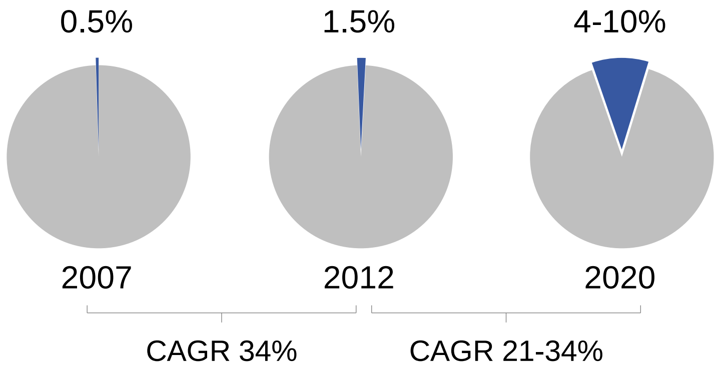
Biosimilars initiative

Merck Serono | Consumer Health | Performance Materials | Merck Millipore

Biosimilars share of total biologic market



Key 2020 catalysts

- Number of product introductions
- Development of the U.S. biosimilars markets

Biosimilars initiative at Merck

- Therapeutic area focus on:
  - Autoimmune diseases
  - Oncology
- Risk-sharing through partnering in combination with in-house development
- Leveraging existing strengths
  - Emerging Markets platform
  - Manufacturing and development capabilities
  - Regulatory know-how

Financials

- Current year (2014) investment: ~€100 m
- Gradual sales build-up anticipated to start in 2017

Source: IMS Health, February 2014

ONO-4641: Ongoing evaluation of partnering options

MERCK

Merck Serono	Consumer Health	Performance Materials	Merck Millipore

ONO-4641 potential

- Pre-clinical effect on remyelination
- Potential improvement of disability progression
- Comparative efficacy in Phase I/II trials

? ONO-4641 phase III – considerations

- Phase III trial setting likely to be complex based on Merck's analysis and agencies' feedback
  - Possible trial costs of significant ~ €500-600 m
  - Potential filing towards the end of the decade
- Degree of differentiation versus competition regarding efficacy would only be confirmed during the phase III trial

Risk sharing approach

- Exploring multiple options for partnering
- Potential to jointly benefit from combined expertise and experience
- Possibility to collectively share risk

Business platform now realigned to leverage strategic brands

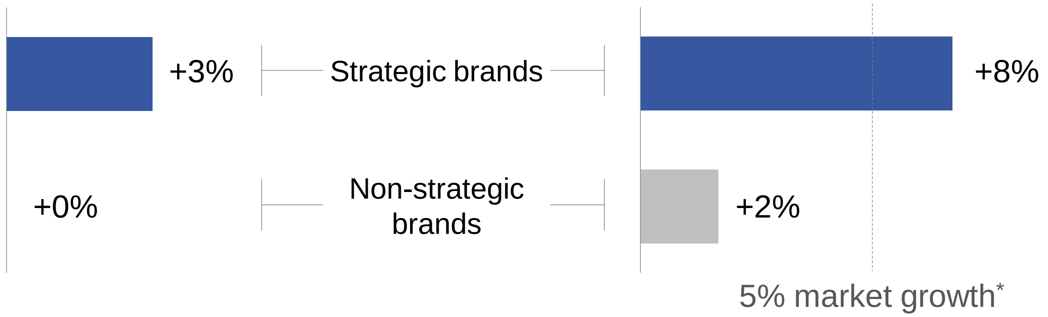
Merck Serono | **Consumer Health** | Performance Materials | Merck Millipore

Restructuring achievements

- Cost base optimized to approach benchmark
- Unprofitable markets and brands exited
- New operating model implemented to increase accountability
- Geographical footprint in selected markets strengthened

2013 sales promotion spend

2013 organic sales growth



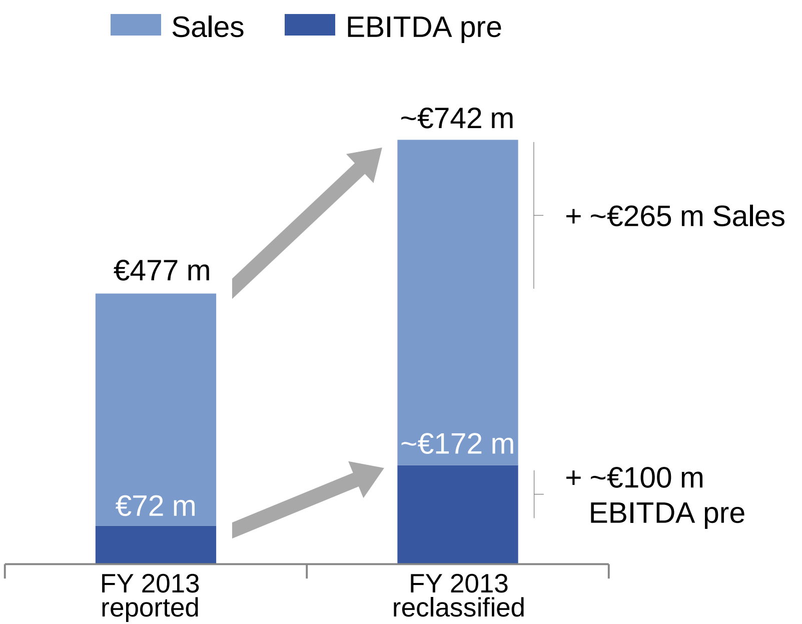
Elements of competitiveness

- Strong brands with leadership positions in all relevant markets
- Solid presence in fast-growing Emerging Markets
- Sufficient local scale

*Source: Nicholas Hall Benchmarking

Neurobion and Floratil to be transferred from Merck Serono to Consumer Health

Merck Serono | **Consumer Health** | Performance Materials | Merck Millipore



Rationale

- Leveraging consumer-focused marketing approach by transferring Neurobion and Floratil to Consumer Health
- Portfolio strengthened with two strategic brands
- Raising exposure to Emerging Markets from ~28% to more than 50%
- Adding local scale to leverage existing infrastructure
- Reclassified EBITDA pre margin of around ~23%

Neurobion®   FLORATIL®

Update on AZ acquisition

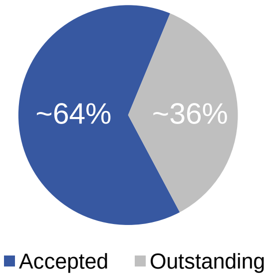
Merck Serono | Consumer Health | **Performance Materials** | Merck Millipore

Extended timeline for offer

- Offer has been extended until 1.00 p.m. (GMT) on March 14, 2014
- Formerly February 28, 2014
- Extension with view to allowing Chinese antitrust authority to complete review in ordinary course

Current acceptance rate

- Status of February 28, 2014:
- For ~64.03% i.e. 243,918,671 AZ shares, Merck has received valid acceptances



Anti trust clearance

Germany	✓
USA	✓
Taiwan	✓
Japan	✓
China	Proceeding constructively

2013 Update: Merck Millipore driven by Process Solutions

Merck Serono	Consumer Health	Performance Materials	Merck Millipore

Process Solutions

- The industry leader and trusted partner to drug manufacturing
- A platform with global reach in all markets
- Providing service solutions for improved small-scale biological manufacturing with single-use products
- Increased market share in customer base producing biosimilars

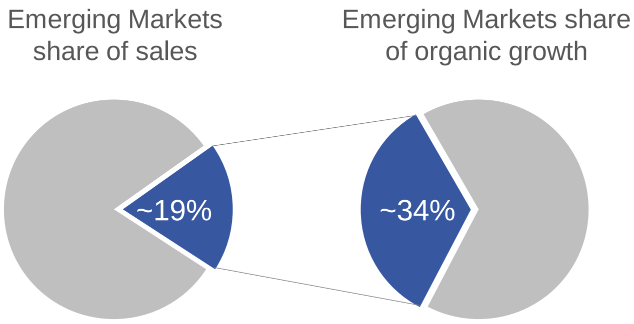
Serving industry trends


Higher protein yields


Entry of biosimilars


Need for improved formulation & drug delivery


Flexible manufacturing



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FY 2013: Targets achieved and transformation ongoing

[€ m]	FY 2013	FY 2012	Δ
Sales	**10,700**	**10,741**	**0%**
EBITDA pre	**3,253**	**2,965**	**10%**
Margin (% of sales)	*30.4%*	*27.6%*	
EPS pre [€]	**8.78**	**7.61**	**15%**
Operating cash flow	**2,226**	**2,472**	**-10%**
[€ m]	Dec 31, 2013	Dec 31, 2012	Δ
Net financial debt	**307**	**1,926**	**-84%**
Working capital	**2,132**	**2,360**	**-10%**
Employees	**38,154**	**38,847**	**-2%**

Over ~€1.6 bn net financial debt reduction in one year

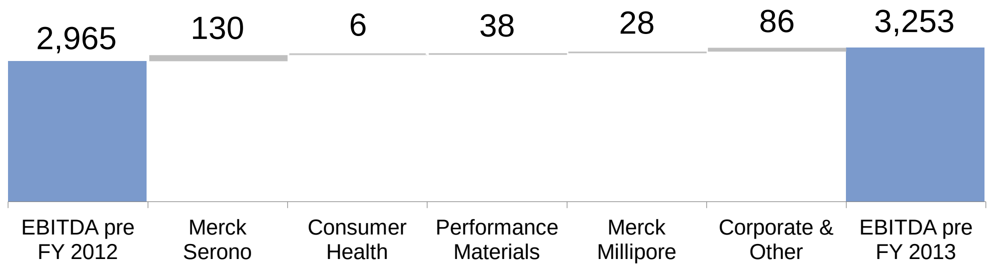
FY 2013 dynamics

- Sales stable as organic growth is being overshadowed by FX
- Strong EBITDA pre increase of €288 m reflects positive contribution of all divisions
- Operating cash flow strength continued, prior year contained positive one-time effect from working capital
- Strong cash-generating nature of business drives net financial debt reduction of ~€1.6 bn

Merck Serono and Merck Millipore are largest absolute contributors to organic growth

FY yoy sales	Organic	Currency	Portfolio	Total
Merck Serono	4%	-5%	0%	-1%
Consumer Health	6%	-5%	0%	1%
Performance Materials	3%	-5%	0%	-2%
Merck Millipore	6%	-5%	1%	1%
Merck Group	**4%**	**-5%**	**0%**	**0%**

FY yoy EBITDA pre contributors [€ m]



- Merck Serono and Merck Millipore strongest absolute contributors to organic sales growth
- FX headwinds in all divisions, mainly Japanese yen and the U.S. dollar

- Accelerated savings, solid organic performance and better yields fuel Merck Serono
- Corporate & Other contains hedging gains stemming from Merck's conservative hedging approach

Strong reported figures reflect a year of structural improvements

[€ m]	FY 2013	FY 2012	Δ
EBIT	**1,611**	**964**	**67%**
Financial result	-222	-255	-13%
Profit before tax	**1,389**	**709**	**96%**
Income tax	-180	-130	38%
Tax rate (%)	*13%*	*18%*	
Net income	**1,202**	**567**	**>100%**
EPS (€)	**5.53**	**2.61**	**>100%**

Reported results

- EBIT increases due to strong 2013 performance, prior year burdened by one-time items
- Ongoing deleveraging process improves financial result
- Tax rate includes exceptional 2013 tax gain from beneficial tax rulings
- Strong operational and financial performance drives record EPS

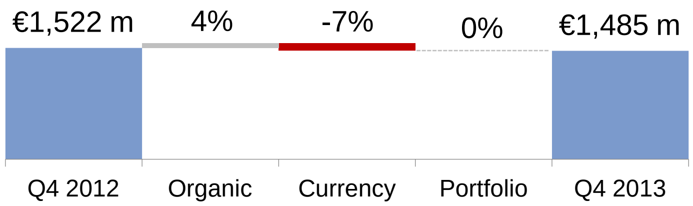
Merck Serono: Solid operational performance despite FX headwinds and royalty income decrease

[€ m]	Q4 2013	Q4 2012
Sales	**1,485**	**1,522**
Marketing and selling	-324	-341
Admin	-57	-51
R&D	-265	-271
EBIT	**141**	**220**
EBITDA	480	446
EBITDA pre	**500**	**506**
Margin (% of sales)	*33.7%*	*33.3%*

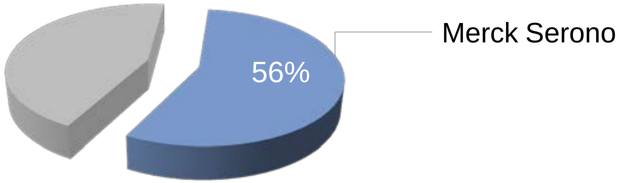
Comments

- Organic sales growth is more than offset by currency effects, leading to slight sales decline
- Ongoing good performance in Emerging Markets (CMC & GM*) and Japan (Erbitux) key driver of organic growth
- Rebif stable in Q4 despite competitive pressure; 7% price increase posted end of December 2013
- Erbitux growing 8% organically supported by good trial data; label change preparations ongoing
- EBIT includes €127 m asset impairment for Humira settlement
- Despite lower royalties and FX headwinds margin improves as marketing and selling and R&D costs are well managed

Sales bridge



Q4 2013 share of group sales



*CMC & GM = Cardiometabolic Care and General Medicine

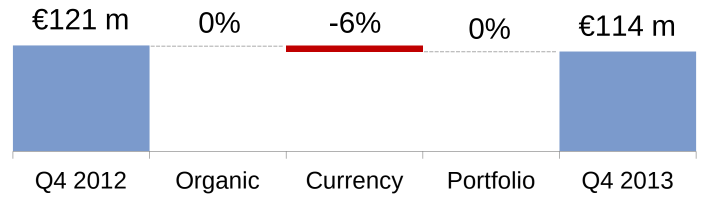
Consumer Health: Strong FX headwinds and softer cough & cold season weigh on business performance

[€ m]	Q4 2013	Q4 2012
Sales	**114**	**121**
Marketing and selling	-54	-59
Admin	-5	-5
R&D	-5	-6
EBIT	**11**	**-17**
EBITDA	13	-3
EBITDA pre	**15**	**20**
Margin (% of sales)	*12.8%*	*16.1%*

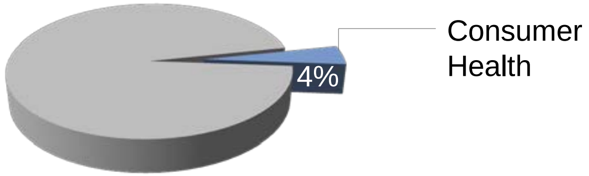
Comments

- Q4 sales down yoy and sequentially after strong Q3, burdened by significant FX headwinds and flat organic performance
- Weak cough and cold season due to mild winter
- Healthy organic growth in Europe, especially Germany, Belgium and Poland
- Continued momentum of strategic brands like Femibion, but modest performance of Seven Seas products
- Despite a more moderate Q4 performance Consumer Health has shown a very solid yearly profitability upgrade

Sales bridge



Q4 2013 share of group sales



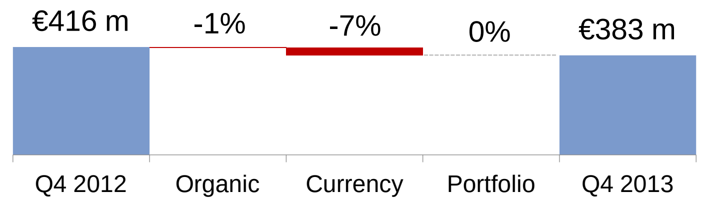
Performance Materials: Reasonable performance amid strong FX headwinds and moderate destocking

[€ m]	Q4 2013	Q4 2012
Sales	**383**	**416**
Marketing and selling	-33	-36
Admin	-6	-7
R&D	-36	-35
EBIT	**134**	**133**
EBITDA	155	170
EBITDA pre	**167**	**188**
Margin (% of sales)	*43.5%*	*45.3%*

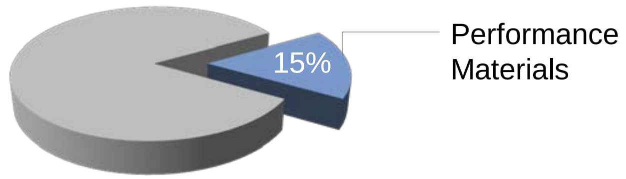
Comments

- Sales decrease due to currency headwinds and further supply chain destocking in Liquid Crystals
- Customer intimacy and continuous innovation in PS-VA and IPS improve mix and expand market share
- Strongest yoy operational improvement in Pigments driven by restructuring and Xirallic performance
- Completion of savings program: €20 m realized by 2013; one year ahead of plan
- EBITDA pre softer amid FX headwinds and destocking

Sales bridge



Q4 2013 share of group sales



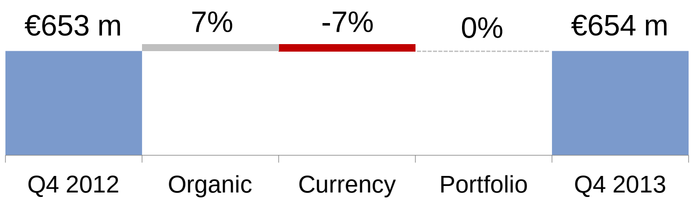
Merck Millipore: A strong finish of the year

[€ m]	Q4 2013	Q4 2012
Sales	**654**	**653**
Marketing and selling	-169	-174
Admin	-25	-23
R&D	-38	-44
EBIT	**51**	**31**
EBITDA	145	112
EBITDA pre	**168**	**143**
Margin (% of sales)	*25.7%*	*22.0%*

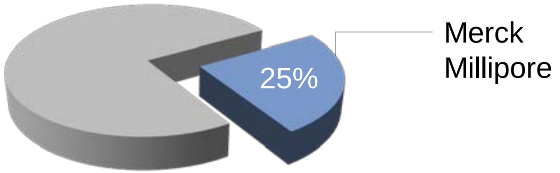
Comments

- Stable sales as strong organic growth is offset by strong FX effects
- All regions except North America (U.S. sequestration) contribute to organic growth
- Some Q1 pre-buying can not be excluded
- Process and Lab Solutions with ongoing good performance due to biopharma demand as well as price and volume uptakes
- Challenging currency effects are being mitigated by stringent cost control in nearly all functional cost categories
- EBITDA and margin increase on robust profitable growth

Sales bridge



Q4 2013 share of group sales



Balance sheet: A strong foundation

[€ m]	Dec 31, 2013	Dec 31, 2012		Dec 31, 2013	Dec 31, 2012
Current assets	**7,385**	**6,626**	**Net equity**	**11,069**	**10,415**
Cash and cash equivalents	981	730	**Current liabilities**	**3,899**	**4,562**
Marketable securities and financial assets	2,411	1,798	Current financial liabilities	440	1,091
Trade accounts receivable	2,021	2,115	Trade accounts payable	1,364	1,288
Inventories	1,474	1,534	Other current liabilities	1,135	1,096
Other current assets	361	272	Income tax liabilities	465	401
Income tax receivables	110	179	Current provisions	495	684
Assets held for sale	27	0			
Non-current assets	**13,434**	**15,017**	**Non-current liabilities**	**5,851**	**6,667**
Intangible assets	9,867	10,945	Non-current financial liabilities	3,257	3,362
Property, plant and equipment	2,647	2,954	Other non-current liabilities	6	9
Non-current financial assets	78	97	Non-current provisions	1,011	892
Other non-current assets	106	75	Prov. for pensions / other	911	1,212
Deferred tax assets	736	947	Deferred tax liabilities	666	1,192
Total assets	**20,819**	**21,643**	**Total liabilities and equity**	**20,819**	**21,643**

- Significant net debt reduction despite €200 m CTA* funding in Q4
- Improvement of financial profile led to rating upgrades: S&P to “A” and Moody’s to “A3” both with stable outlook

*Contractual Trust Arrangement

Underlying cash flow strength

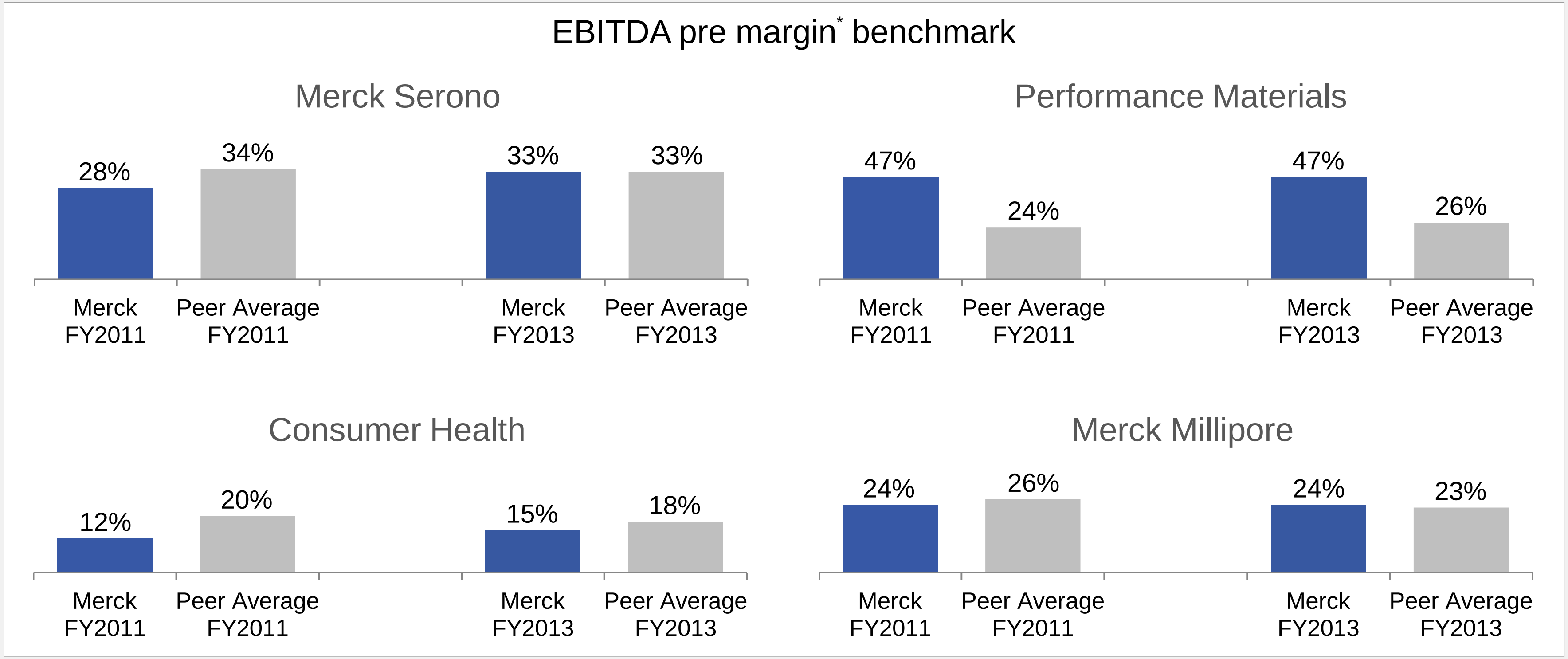
[€ m]	FY 2013	FY 2012	Δ
Profit after tax	**1,209**	**579**	**630**
D&A	1,458	1,397	61
Changes in provisions	-203	379	-582
Changes in other assets / liabilities	-260	-384	124
Other operating activities	-3	-24	21
Operating cash flow before changes in WC	**2,201**	**1,947**	**254**
Changes in working capital	25	526	-501
Operating cash flow	**2,226**	**2,472**	**-246**
Investing cash flow	**-875**	**-1,158**	**283**
thereof Capex[1]	-407	-329	-78
Financing cash flow	**-1,073**	**-1,519**	**446**

Cash flow drivers

- Higher profit after tax due to good operational business performance; prior year burdened by restructuring
- Changes in provisions contain cash-outs for restructuring and CTA[2] funding of €200 m
- Other assets and liabilities decrease due to lower tax payments
- Operating cash flow strength continued
- Investing cash flow contains cash-in from Geneva HQ sale (€251 m)
- Financing cash flow increases due to lower bond repayments

[1]Only PPE without intangibles; [2]Contractual Trust Arrangement

Divisional benchmarks



Source: Company reports (LTM if FY data not yet available) and sell-side research; *on sales

Savings acceleration in second half of 2013; majority of program now completed

Previous savings 2013	
Merck Serono:	€250 m
Consumer Health:	€15 m
Performance Materials:	€10 m
Merck Millipore:	€5 m
Total:	€280 m

Acceleration

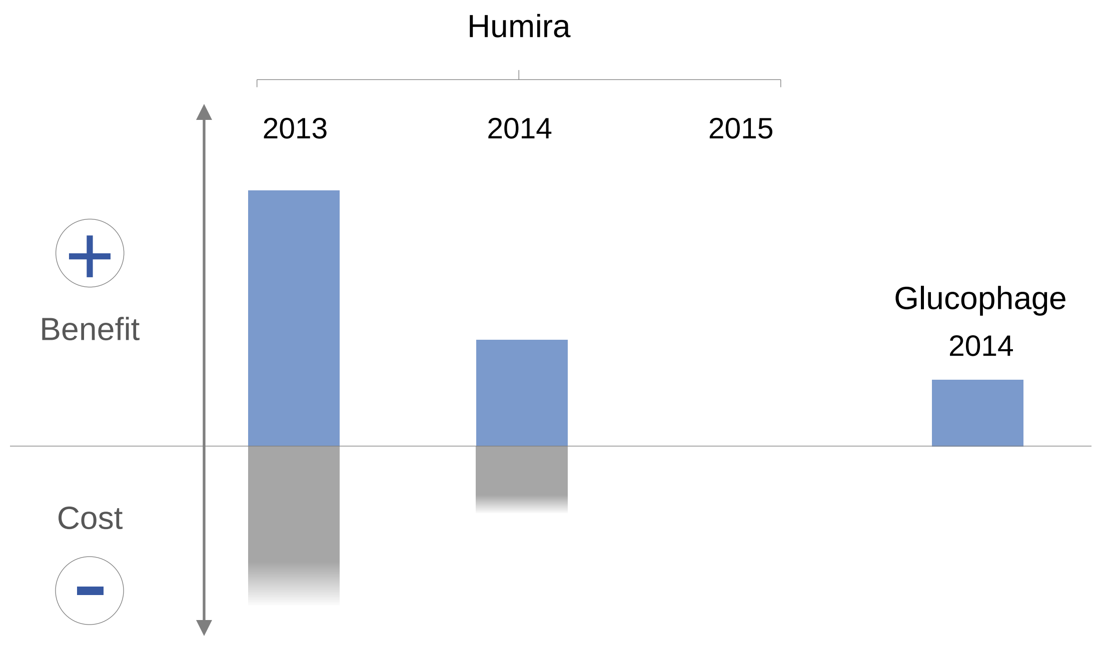
	New disclosure 2013	Remaining 2014-2017*
Merck Serono:	€275 m	€25 m
Consumer Health:	€20 m	€5 m
Performance Materials:	€20 m	€0 m
Merck Millipore:	€10 m	€30 m
Total:	€325 m	€60 m

Swift implementation of efficiency measures: €325 m of €385 m completed

*Remaining savings expected to lead to costs of ~€100 m

Settlement on patent dispute with AbbVie, while BMS co-promotion will yield first results

P&L effects of Humira and Glucophage



Drivers

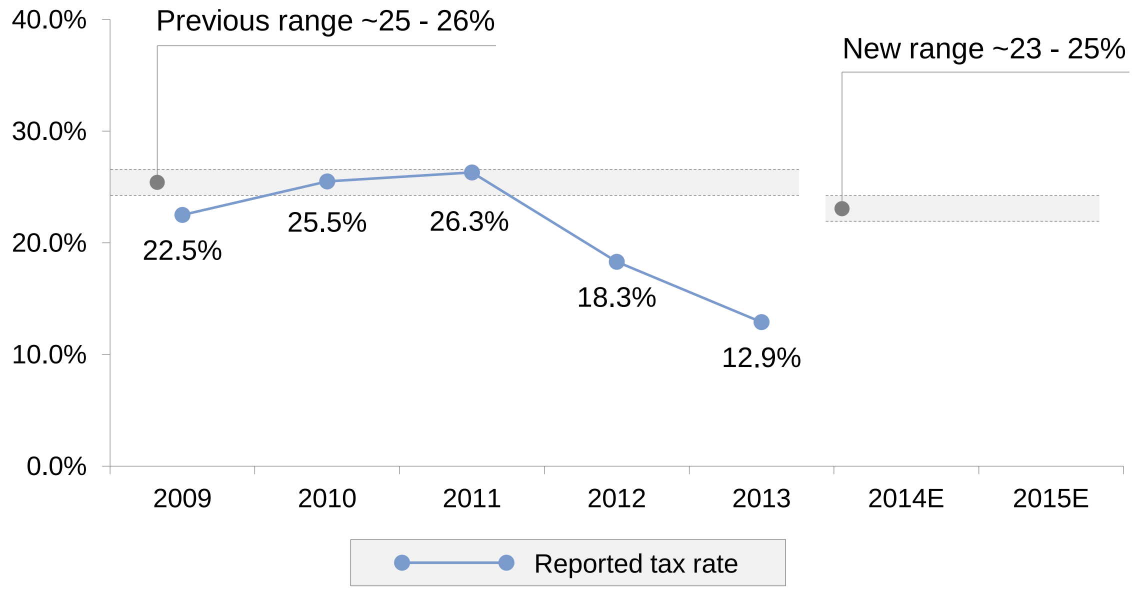
- From H2 2014 Merck is to receive no further license payments from AbbVie
- Merck and AbbVie reached an out-of-court settlement on patent dispute concerning Humira
- EBITDA pre expected to decline by ~€50 m yoy in 2014
- New commission income from co-promotion agreement with Bristol-Myers Squibb for Glucophage in China

New 2015 royalty, license and commission income guidance ~€130 – 150m

Illustration

Favorable tax rulings in several countries result in decrease in underlying tax rate

Tax rate development 2009-2013



Tax rate rationale

- Former guidance of 25 - 26% now reduced to 23 - 25% due to
  - Beneficial tax rulings in several countries
  - High share of profits in low-tax jurisdictions
- 2012 and 2013 contained one-time effects and exceptional tax gains
- New 24% rate will be applied to EPS pre calculation starting Q1 2014

New underlying tax rate guidance around 23 to 25%

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Qualitative guidance for 2014

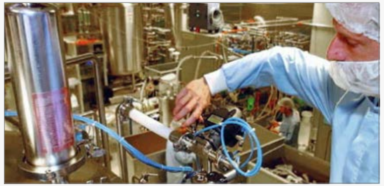
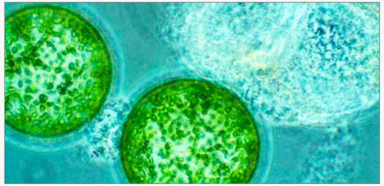
Merck guidance for 2014

- Slight organic sales growth
- EBITDA pre on existing platform stable

2014 moving parts

- Avonex and Enbrel patent expiry
- Humira settlement
- Biosimilars initiative
- Rebif competition

Divisional guidance

Merck Serono	Consumer Health	Performance Materials	Merck Millipore
			
▪ Sales organically stable ▪ EBITDA pre slightly lower ▪ Rebif: Continuous competitive pressure; volume decline ▪ Erbitux: Moderate org. growth ▪ Emerging Markets growth	▪ Moderate organic sales growth ▪ Moderate EBITDA pre increase	▪ Slight organic sales growth ▪ EBITDA pre at best stable ▪ Slight growth in Pigments	▪ Moderate organic sales growth ▪ Slight increase of EBITDA pre

Merck Group 2014: EBITDA pre stable | Slight organic sales growth

MERCK

Living Innovation

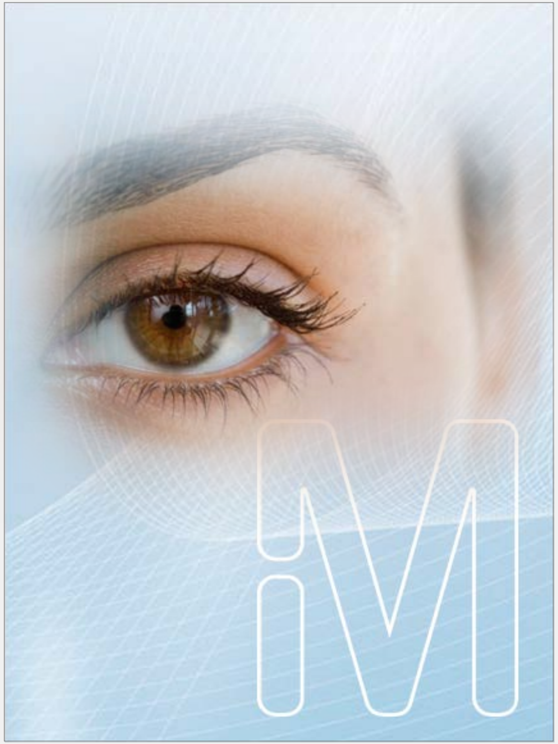
Appendix

Additional financial guidance

Further financial details	
Merck Group royalty, license and commission income in 2015	~€130-150 m
Corporate EBITDA pre	~€-200 m
Underlying tax rate	~23% to 25%
Capex on PPE and Software	~€500 m
Hedging / USD assumption	2014 & 2015 hedge rate ~30% at EUR/USD ~1.30 to 1.35

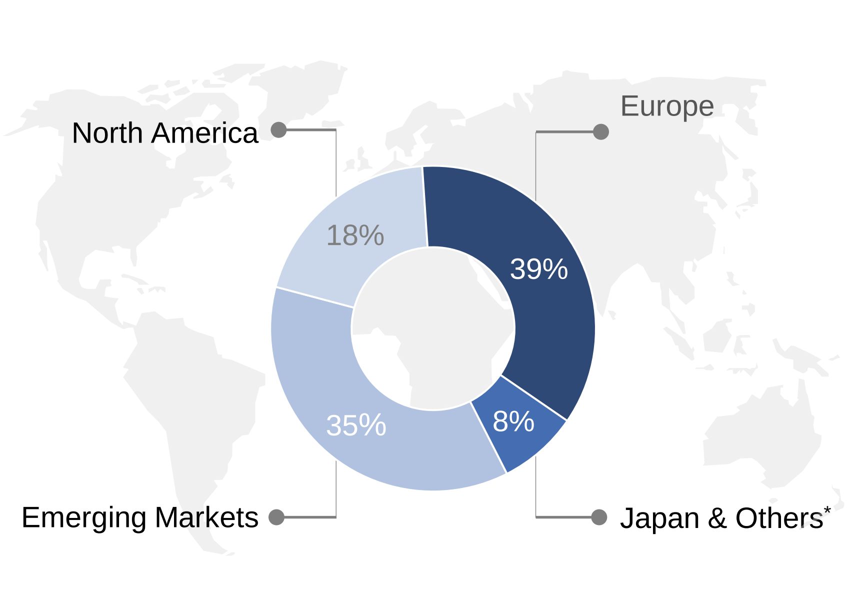
Merck 2014 industry outlook

Merck Serono	Growth will be driven by emerging markets, especially China and Brazil Mature markets will continue to be affected from austerity measures
Consumer Health	Industry growth of ~5% in Consumer Health end markets Emerging markets grow mid to high-single digit, European growth lower
Performance Materials	LC display market growth fueled by trend to larger displays World automotive market forecasted to grow low-single digit
Merck Millipore	Biotech R&D investments increase, benefiting Process Solutions Lab supply market grows 1-2%; austerity measures affect Bioscience

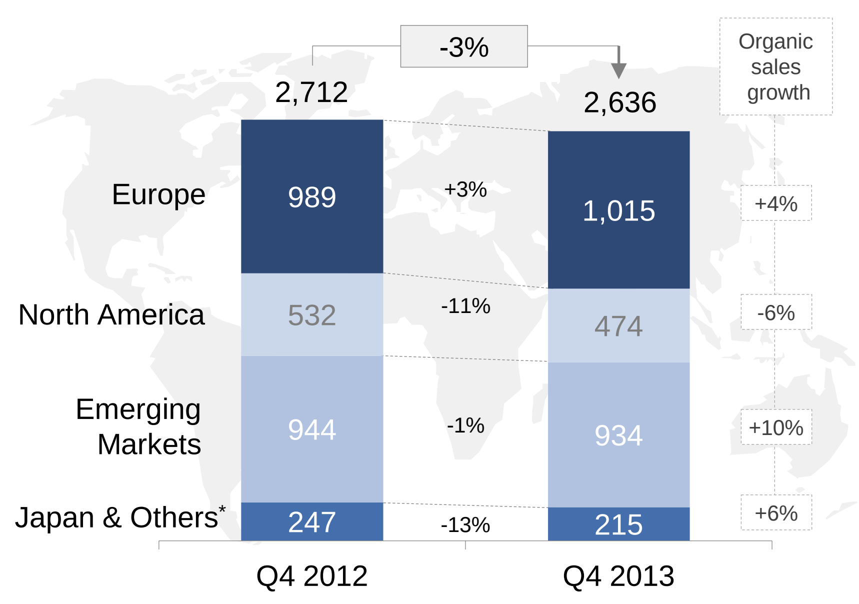


Slight softening in sales as solid organic growth driven by EM and Japan is more than offset by FX

Merck Group Q4 sales by region



Regional development of sales [€ m]



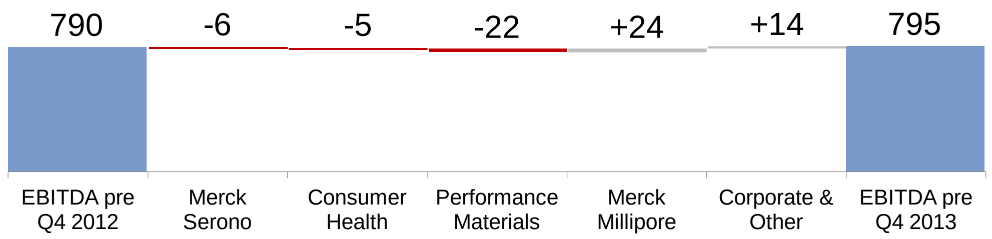
Europe with highest share, followed by Emerging Markets

*Australia/Oceania, Africa; EM = Emerging Markets

Merck Millipore and hedging are key elements of slight profitability improvement

Q4 yoy sales	Organic	Currency	Portfolio	Total
Merck Serono	4%	-7%	0%	-2%
Consumer Health	0%	-6%	0%	-6%
Performance Materials	-1%	-7%	0%	-8%
Merck Millipore	7%	-7%	0%	0%
Merck Group	**4%**	**-7%**	**0%**	**-3%**

Q4 yoy EBITDA pre contributors [€ m]



- Merck Serono and Merck Millipore as only contributors to absolute organic growth
- Adverse currency effects continue to visibly impact top line

- Merck Millipore´s volumes and pricing, main driver of EBITDA pre improvement
- Corporate & Other contains FX hedging gains

Q4 2013: Solid performance burdened by strong currency effects

[€ m]	Q4 2013	Q4 2012	Δ
Sales	**2,636**	**2,712**	**-3%**
EBITDA pre	**795**	**790**	**1%**
Margin (% of sales)	*30.2%*	*29.1%*	
EPS pre [€]	**2.12**	**2.05**	**3%**
Operating cash flow	**440**	**398**	**11%**
[€ m]	Dec 31, 2013	Dec 31, 2012	Δ
Net financial debt	**307**	**1,926**	**-84%**
Working capital	**2,132**	**2,360**	**-10%**
Employees	**38,154**	**38,847**	**-2%**

Solid year end performance

Q4 2013

- Sales decline as organic improvement is more than offset by negative currency effects
- Adjusted EBITDA and EPS improve slightly on solid organic performance and tight cost management despite loss of royalty income
- Solid operating cash flow contains €200 m CTA* funding
- Cash-generating nature of business portfolio drives net debt reduction
- Improvement of working capital due to ongoing tight management

*Contractual Trust Arrangement

Loss of royalty income and higher one-time items weigh on reported earnings

[€ m]	Q4 2013	Q4 2012	Δ
EBIT	**264**	**312**	**-15%**
Financial result	-63	-61	4%
Profit before tax	**201**	**251**	**-20%**
Income tax	80	25	>100%
Tax ratio (%)	*-40%*	*-10%*	
Net income	**281**	**272**	**3%**
EPS (€)	**1.29**	**1.25**	**3%**

Reported results

- EBIT burdened by lower royalty income as well as FX headwinds
- Income tax gain due to one-off change in applicable tax rates and high share of profits in lower tax jurisdictions
- EPS improves slightly as EBIT reduction is overcompensated by income tax effect

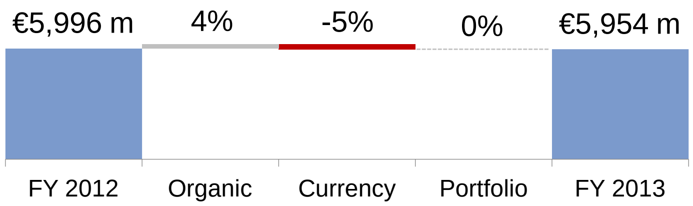
Merck Serono: Good organic growth and accelerated cost savings implementation fuel profitability

[€ m]	FY 2013	FY 2012
Sales	**5,954**	**5,996**
Marketing and selling	-1,289	-1,371
Admin	-211	-217
R&D	-1,183	-1,187
EBIT	**893**	**548**
EBITDA	1,886	1,480
EBITDA pre	**1,955**	**1,825**
Margin (% of sales)	*32.8%*	*30.4%*

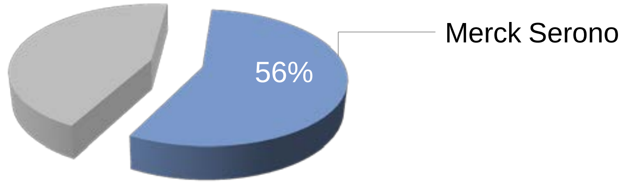
Comments

- Sales virtually stable as ongoing good organic momentum in Emerging Markets is being offset by adverse currency effects
- Rebif price increases in U.S. key elements of organic growth - being partly offset by softening volumes
- Erbitux growth driven by Emerging Markets, strong impetus from head and neck launch in Japan and supportive trial results
- Visible cost containment in marketing & selling and administration
- R&D contains investments in life cycle management as well as early oncology projects
- Profitability increases on savings and yield variances

Sales bridge

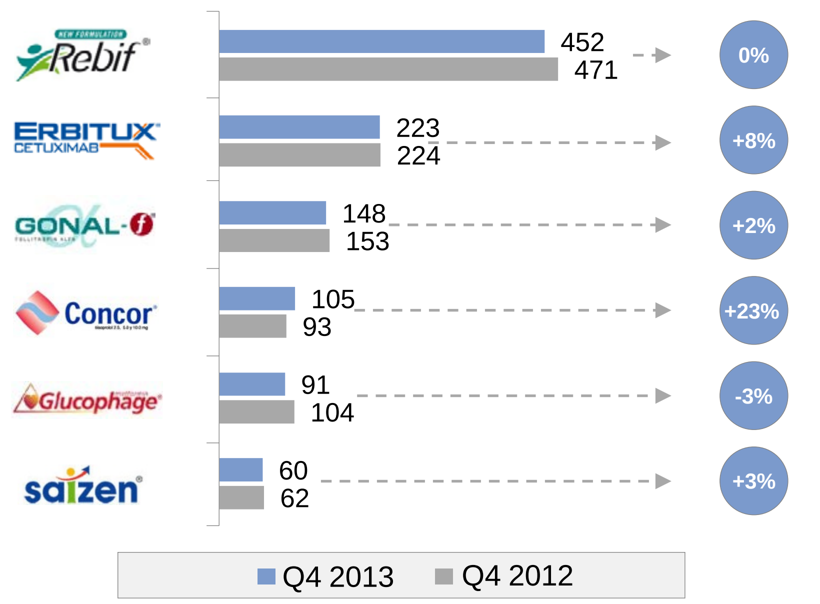


FY 2013 share of group sales



Merck Serono organic growth by product

Q4 2013 organic sales growth [%] by key products [€ m]

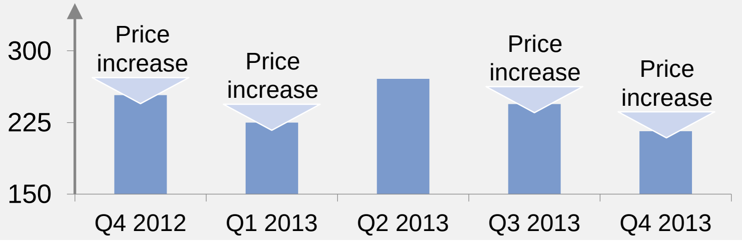


FY 2013 organic sales growth [%] by key products [€ m]

Rebif – a year of stable performance driven by organic growth in H1 and sales erosion in H2

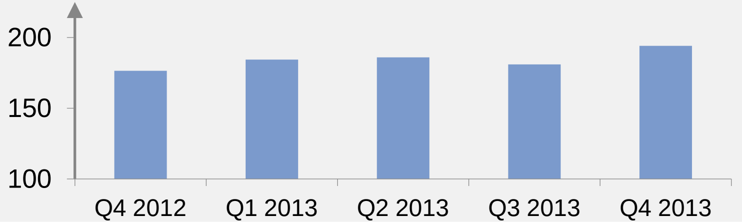
Rebif - Regional sales evolution [€ m]

Trend	North America	Q4 drivers



Price
Volume
FX

Trend	Europe	Q4 drivers



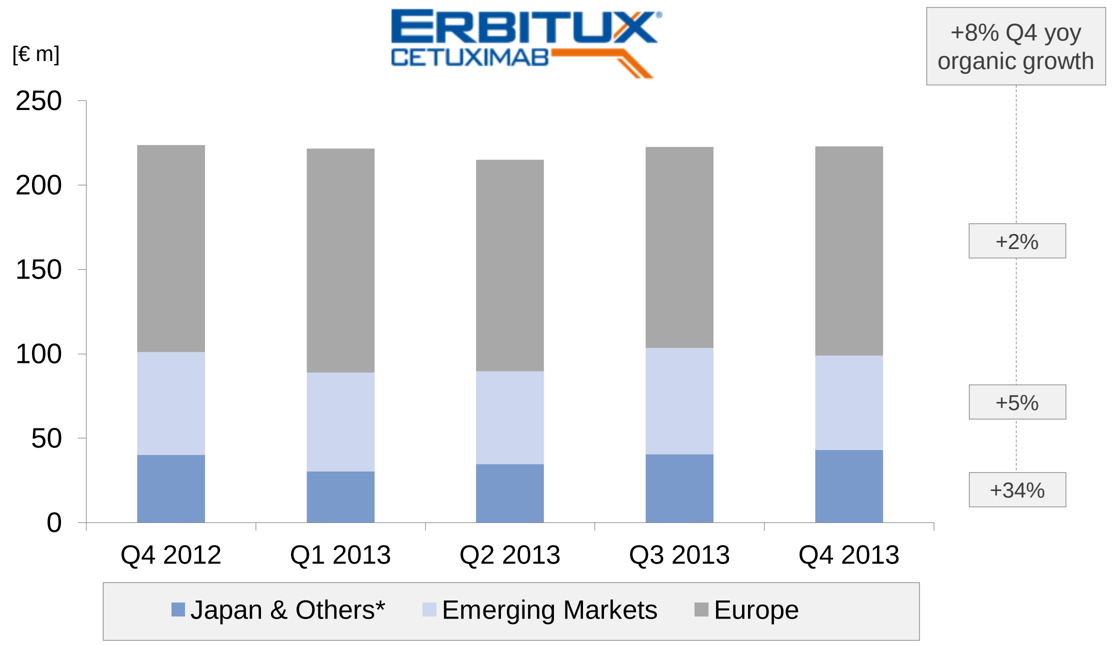
Price
Volume

Rebif performance

- Sales decrease to €452 m in Q4 due to FX headwinds
- U.S. price increases overshadowed by U.S. volume declines (oral competition)
- Uptake in Europe led by UK and Germany as well as tender in Russia
- Slight organic growth of 1.4% in FY 2013 due to solid performance in Europe and pricing in U.S.

Erbitux – ongoing strong performance in Japan and Emerging Markets supported by good data for EU

Erbitux sales by geography



Erbitux performance

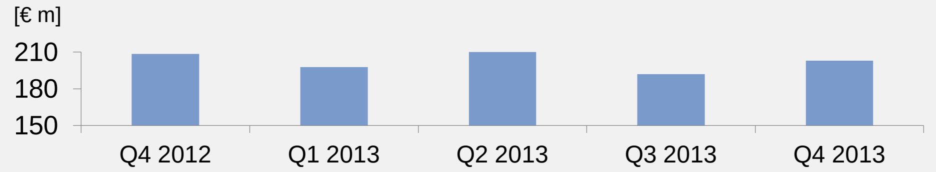
- Organic growth of 8% in Q4 is offset by FX effects, leading to stable reported sales of €223 m
- Japan with significant organic growth of 34% driven by introduction and high market share of head & neck indication and improvement in mCRC
- Europe benefitting from supportive data and repatriation measures, while pricing pressure remains
- FY 2013 organic growth of 6% is offset by adverse currency effects, mainly stemming from the Japanese yen

*Australia/Oceania, Africa

General Medicine with ongoing good momentum, while Fertility and Endocrinology show slight growth

Sales evolution

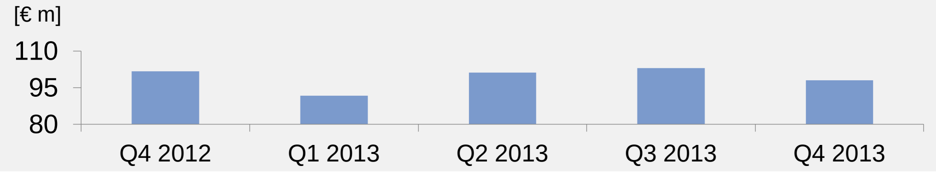
Fertility



Q4 drivers

Organic

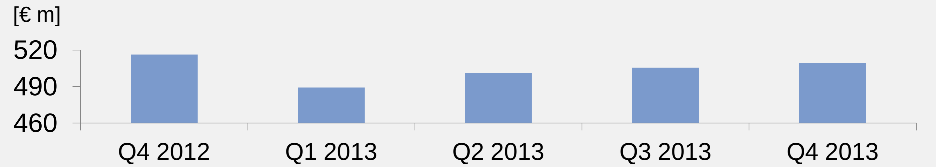
Endocrinology



Q4 drivers

Organic

*General Medicine**



Q4 drivers

Organic

Q4 drivers

- Organic Fertility growth of 3% driven by strong performance in China, Japan and Turkey
- Endocrinology with good organic growth driven by increasing demand for Saizen and Serostim, partly offset by softer performance of Egrifta in U.S.
- General Medicine growing 8% organically with solid performance of Concor in Emerging Markets and Thyroid products in Europe
- Glucophage with volatile performance in Europe mitigated to some extent by well-performing Emerging Markets

*includes "Cardiometabolic Care & General Medicine and Others"

Merck Serono pipeline

MERCK

Phase I

- **ATX-MS-1467**
  Immune-tolerizing agent
  Multiple sclerosis

- **Pimasertib/PI3K inhibitor - novel combination**[1]
  Solid tumors
- **Pimasertib/hDM2 inhibitor - novel combination**[2]
  Solid tumors
- **C-Met kinase inhibitor**
  Solid tumors
- **TH-302 - Hypoxia-targeted drug**
  Hematologic malignancies and solid tumors
- **Sym004 - Anti-EGFR mAb mixture**
  Solid tumors
- **P7056K and Akt inhibitor**
  Solid tumors

- **Anti-PD-L1**
  Programmed cell death ligand mAb
  Solid tumors
- **NHS-IL2 - Cancer immunotherapy, targeting IL-2 to the necrotic regions of tumors**
  Solid tumors
- **NHS-IL12**[3] **- Cancer immunotherapy targeting IL-12 to the necrotic region of tumors**
  Solid tumors

Phase II

- **ONO-4641 (Ceralifimod)**
  Oral S1P receptor modulator
  Multiple sclerosis
- **Plovamer acetate (PI-2301)**
  Second-generation peptide copolymer
  Multiple sclerosis

- **DI17E6**
  Anti-integrin mAb
  Colorectal cancer
- **DI17E6**
  Anti-integrin mAb
  Castration-resistant prostate cancer
- **Pimasertib**
  MEK inhibitor/gemcitabine combination
  Pancreatic cancer
- **Pimasertib**
  MEK inhibitor
  Malignant melanoma
- **Pimasertib/PI3K inhibitor - novel combination**[1]
  Low grade ovarian cancer
- **Sym004**
  Anti-EGFR mAb mixture
  Head and neck cancer

- **Sprifermin**[4]
  Fibroblast Growth Factor 18
  Osteoarthritis
- **Atacicept**[5]
  anti-Blys/anti-APRIL fusion protein
  Systemic lupus erythematosus

Phase III

- **TH-302**
  Hypoxia-targeted drug
  Soft tissue sarcoma
- **TH-302**
  Hypoxia-targeted drug
  Pancreatic cancer

- **Tecemotide (L-BLP25)**[6]
  MUC1 antigen-specific cancer immunotherapy
  Non-small cell lung cancer

- **Kuvan®**
  (Sapropterin dihydrochloride)
  PKU in pediatric patients < 4years[7]

In registration

- **Erbitux® (cetuximab)**
  Anti-EGFR mAb
  Head and neck cancer (China)

Neurodegenerative Diseases
Oncology
Immunology
Endocrinology
Immuno-Oncology

Pipeline as of December 31, 2013; [1]Combined with PI3K/mTOR inhibitor of Sanofi (SAR245409), conducted under the responsibility of Merck [2]Combined with hDM2-inhibotor (SAR405838) from Sanofi, conducted under the responsibility of Sanofi; [3]Sponsored by the National Cancer Institute (NCI), USA; [4]FORWARD study; [5]ADDRESS II study in preparation; [6]START2 study in preparation. INSPIRE study ongoing; [7]Phase IIIb post-approval request by EMA

Merck Serono pipeline newsflow

Project	Indication	Current phase	Timing	Event
Pergoveris™	Poor ovarian responder patients	NA	Q1 2014	Start of Phase III study
C-Met inhibitor	Non Small Cell Lung Cancer	Phase II	Q1 2014	Start of Phase II study
C-Met inhibitor	Hepatocellular carcinoma	Phase II	Q1 2014	Start of Phase II study
Sym004	Metastatic colorectal carcinoma	Phase II	H1 2014	Start of Phase II study

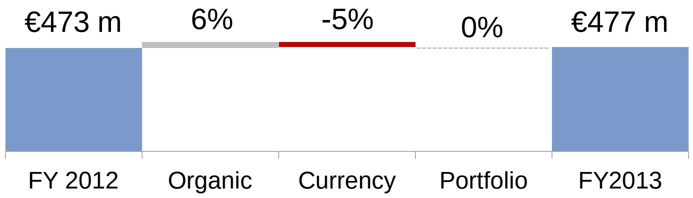
Consumer Health: Healthy organic growth and execution of efficiency measures drive profitability

[€ m]	FY 2013	FY 2012
Sales	**477**	**473**
Marketing and selling	-213	-218
Admin	-18	-20
R&D	-17	-19
EBIT	**62**	**8**
EBITDA	71	30
EBITDA pre	**72**	**67**
Margin (% of sales)	*15.2%*	*14.1%*

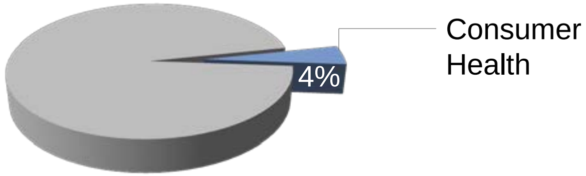
Comments

- Higher sales on strong organic increase mitigated by adverse currency effects and weak cough and cold season in Q4
- Solid organic growth in Emerging Markets and Europe as key elements of top-line increase
- Strong performance of core products like Bion 3, Femibion and Nasivin, mainly stemming from Europe and Emerging Markets
- Prior-year EBIT affected by one-time items related to site closure in Hull/UK
- Improved profitability driven by focus on strategic products, cost containment and exit from unprofitable markets lacking scale

Sales bridge



FY 2013 share of group sales



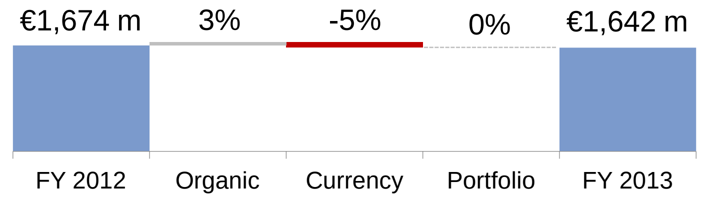
Performance Materials: Pigments restructuring and liquid crystals leadership increase profitability

[€ m]	FY 2013	FY 2012
Sales	**1,642**	**1,674**
Marketing and selling	-141	-143
Admin	-28	-31
R&D	-143	-137
EBIT	**653**	**610**
EBITDA	766	735
EBITDA pre	**780**	**742**
Margin (% of sales)	*47.5%*	*44.3%*

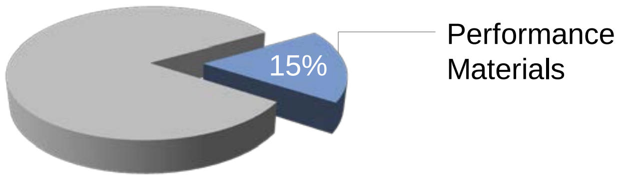
Comments

- Sales decline slightly as organic growth is more than offset by currency headwinds
- Global display trends drive demand for large UHD* TVs and tablets resulting in shift towards PS-VA and IPS technologies
- Pigments supporting business with strong Xirallic volumes in Europe as well as implementation of efficiency measures
- Early ~€20 m savings implementation, changes in product mix as well as good capacity utilization drive margin improvement

Sales bridge



FY 2013 share of group sales



*UHD = Ultra High Definition

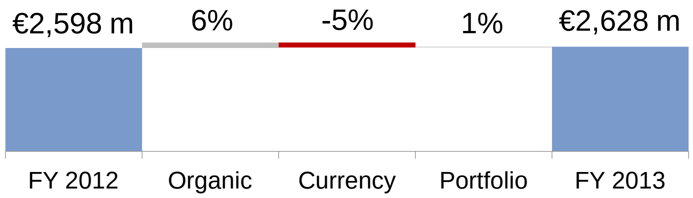
Merck Millipore: Resilient business delivers margin expansion amid FX headwinds and U.S. sequestration

[€ m]	FY 2013	FY 2012
Sales	**2,628**	**2,598**
Marketing and selling	-683	-676
Admin	-99	-101
R&D	-160	-166
EBIT	**262**	**252**
EBITDA	590	561
EBITDA pre	**643**	**614**
Margin (% of sales)	*24.5%*	*23.6%*

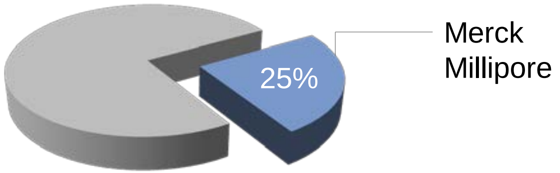
Comments

- Price and volume increases are mitigated by FX mainly due to the devaluation of the Japanese yen
- Ongoing healthy demand from biopharmaceutical industry, especially for single-use products, drive Process Solutions growth
- Mid-single-digit Lab Solutions organic growth led by Biomonitoring and strong Lab Water, mainly stemming from Emerging Markets
- Bioscience organically flat; impact of U.S. healthcare budget constraints overshadows good performance in EM* and Europe
- Increase in EBITDA pre on higher volumes and prices despite higher costs in marketing & selling as field force is enlarged

Sales bridge



FY 2013 share of group sales



*Emerging Markets

Solid operating cash flow in Q4 2013

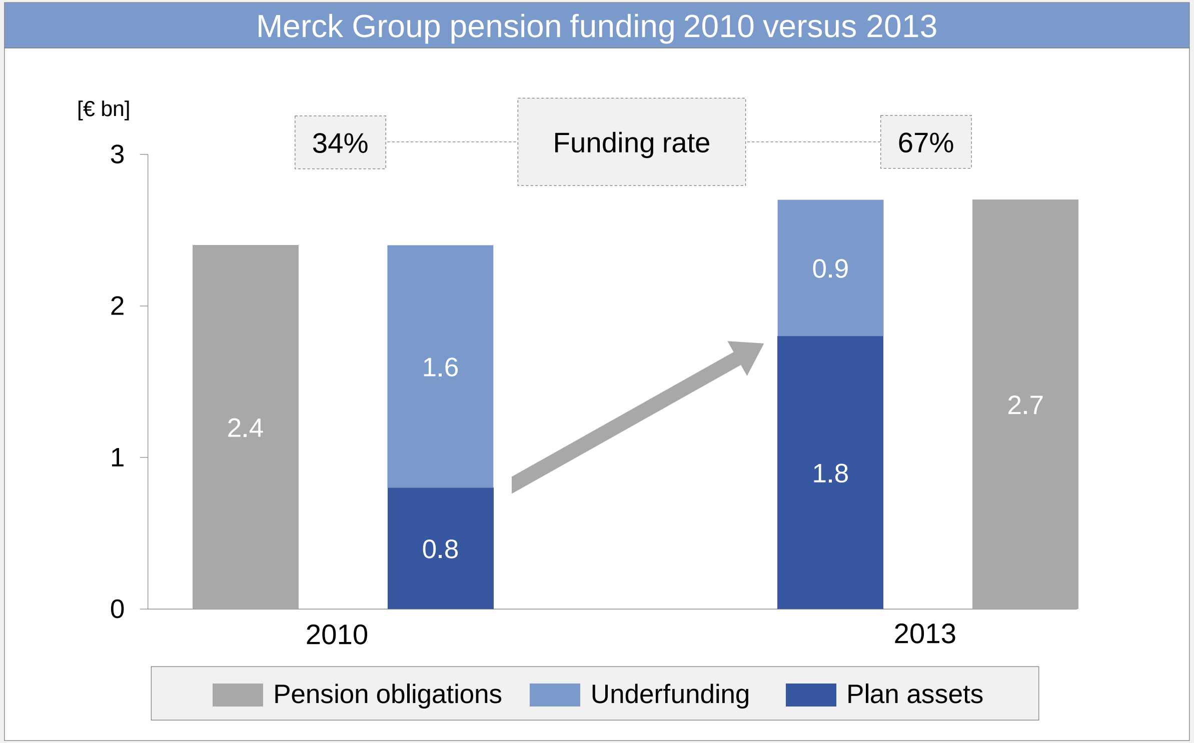
[€ m]	Q4 2013	Q4 2012	Δ
Profit after tax	**281**	**276**	**5**
D&A	462	359	103
Changes in provisions	-238	-172	-66
Changes in other assets / liabilities	-205	-167	-38
Other operating activities	44	2	42
Operating cash flow before changes in WC	**344**	**298**	**46**
Changes in working capital	97	101	-4
Operating cash flow	**440**	**398**	**42**
Investing cash flow	**-263**	**-573**	**310**
thereof Capex[1]	-172	-148	-24
Financing cash flow	**-106**	**-576**	**470**

Cash flow drivers

- Stable profit after tax
- Amortization up due to impairment for Humira settlement of €127 m
- Changes in provision higher due to €200 m CTA[2] funding versus €250m funding last year
- Other operating activities contain loss on disposals due to capacity streamlining
- Operating cash flow on solid year-end level despite restructuring cash-outs and CTA funding
- Investing cash flow down due to lower investments in short-term securities
- Prior year financing cash flow contains €500 m bond repayment

[1]Only PPE without intangibles; [2]Contractual Trust Arrangement

Rigorous pension funding of last three years brings Merck up to market standards



- Significant improvement of funded status since 2010 by ~€1 bn
  - Start of CTA[1] in 2011
  - Overall CTA funding of more than €1 bn
- Improved funding ratio despite increase in pension obligations due to volatility of actuarial interest rates
- Merck's funding rate above DAX average of 65%[2]

[1]Contractual Trust Arrangement; [2]Source: Towers/Watson

One-time items in Q4 2013

One-time items on EBIT

[€ m]	Q4 2013		Q4 2012	
	One-time items	thereof D&A	One-time items	thereof D&A
Merck Serono	164	144	65	5
Consumer Health	1	0	34	11
Performance Materials	7	-4	19	0
Merck Millipore	40	17	33	1
Corporate & Other	14	0	15	0
Total	226	157	136	17

One-time items in FY 2013

One-time items on EBIT

[€ m]	FY 2013		FY 2012	
	One-time items	thereof D&A	One-time items	thereof D&A
Merck Serono	258	189	391	46
Consumer Health	1	0	48	11
Performance Materials	10	-4	8	0
Merck Millipore	70	17	54	1
Corporate & Other	47	0	162	0
Total	387	203	664	59

Financial Calendar

Date	Event
May 9, 2014	Annual General Meeting
May 15, 2014	Q1 2014 Earnings Release
August 7, 2014	Q2 2014 Earnings Release
November 13, 2014	Q3 2014 Earnings Release

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