Notes to the Interim Consolidated Financial Statements as of March 31, 2013

These consolidated financial statements have been prepared with Merck KGaA, Frankfurter Strasse 250, 64293 Darmstadt, Germany, which manages the operations of the Merck Group, as parent company.

Accounting policies

The unaudited interim financial statements of the Merck Group dated March 31, 2013 comply with IAS 34. They have been prepared in accordance with the International Reporting Standards (IFRS) in force on the reporting date and adopted by the European Union. In accordance with IAS 34, a condensed scope of reporting as compared with the consolidated financial statements as of December 31, 2012 was selected. With the exception of the changes described in the following, the accounting policies have remained unchanged in comparison with the previous year.

In June 2011, the IASB approved the amended version of IAS 19 "Employee Benefits," which was adopted by the EU in June 2012. Starting with the interim financial statements as of June 30, 2012, Merck has made use of the possibility to adopt the standard earlier, and has been applying the rules contained in IAS 19 (2011) since January 1, 2012. The figures published in the first quarter of 2012 were adjusted accordingly.

In a first step, the allocation of expenses for Group functions of Merck KGaA to the operating divisions was modified in fiscal 2012. In a further step, the corresponding disclosures for the consolidated subsidiaries were adjusted in fiscal 2013. Consequently, expenses for Group functions are no longer allocated to the operating divisions, but rather disclosed fully in the column "Corporate and Other" in the Segment Reporting. In order to ensure comparability, the previous year's Segment Reporting figures have been adjusted in accordance with the allocation rules for 2013.

The notes to the consolidated financial statements of the Merck Group for 2012, particularly the accounting policies, apply accordingly.

Income tax includes the taxes on taxable profit paid in the individual countries plus those changes in deferred taxes that are recognized in income. The income tax in the interim financial statements is calculated based on the income of the consolidated companies and the currently valid tax rate as a best possible estimate.

The preparation of the interim financial statements requires that assumptions and estimates be made to a certain extent. The assumptions and estimates are based on the current state of knowledge and the data available on the balance sheet date.

The following rules take effect as of fiscal 2013:

- IFRS 13 "Fair Value Measurement"
- Amendment to IAS 1 "Presentation of Financial Statements"
- Amendment to IAS 12 "Income Taxes"
- Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards"
- Amendment to IFRS 7 "Financial Instruments: Disclosures"
- "Improvements to International Financial Reporting Standards" (IASB version issued in May 2012)
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"

Based on the new IFRS 13, information on financial instruments in these consolidated financial statements has been expanded in comparison with previous interim financial statements. In accordance with the amendment to IAS 1, the components of the statement of comprehensive income have been grouped into items based on whether they are potentially reclassifiable to profit or loss subsequently, i.e. those that might be reclassified and those that will not be reclassified. The disclosures required by IFRS 7 about the effect of netting arrangements on the financial position have been included in the interim financial statements.

The other new rules do not have any material effects on the interim financial statements.

Scope of consolidation

As of March 31, 2013, 197 (December 31, 2012: 203) companies were fully consolidated. No companies were consolidated either on a pro rata basis or at equity as of the balance sheet date. The changes that have taken place since the beginning of 2013 are attributable to six liquidations.

Discontinuation of the cilengitide development program

Since the Phase III trial of cilengitide did not meet the primary endpoint, Merck decided to discontinue its activities to develop this active ingredient. The accounting impact has been taken into consideration in these interim financial statements.

→ Notes to the Interim Consolidated Financial Statements

Segment Reporting

Information by division

€ million	Merck Serono Q1 – 2013	Merck Serono Q1 – 2012	Consumer Health Q1 – 2013	Consumer Health Q1 – 2012
Sales	**1,454.3**	**1,417.2**	**116.1**	**107.6**
Royalty, license and commission income	93.3	78.2	0.1	0.3
Total revenues	**1,547.6**	**1,495.3**	**116.3**	**108.0**
Gross profit	1,298.8	1,223.6	78.0	71.2
Marketing and selling expenses	–312.5	–332.4	–51.4	–52.5
Royalty, license and commission expenses	–131.7	–115.2	–0.5	–0.2
Administration expenses[1]	–51.9	–52.0	–4.1	–4.7
Other operating expenses and income[1]	–128.3	–95.0	–5.6	–2.2
Research and development	–324.1	–302.8	–4.1	–4.9
Operating result (EBIT)[1]	**195.2**	**161.5**	**11.8**	**5.7**
Depreciation and amortization	209.8	222.8	2.8	3.0
Impairment losses	28.3	9.1	–	–
Other	–	–	–0.1	–
EBITDA[1]	**433.3**	**393.3**	**14.4**	**8.7**
One-time items	29.4	9.7	–0.1	0.7
EBITDA pre one-time items (Segment result)[1]	**462.7**	**403.0**	**14.3**	**9.4**
EBITDA margin pre one-time items (% of sales)[1]	31.8	28.4	12.3	8.7
Net operating assets[2]	7,920.2	8,020.6	287.3	283.8
Segment liabilities[2]	–1,364.1	–1,349.8	–77.6	–76.5
Investments in property, plant and equipment[3]	17.1	22.2	0.6	0.3
Investments in intangible assets[3]	25.0	21.6	–	0.1
Net cash flows from operating activities[1]	349.0	508.2	6.1	10.6
Free cash flow[1]	307.5	487.0	5.5	11.4
Business free cash flow	354.1	387.3	6.7	20.1
Free cash flow margin (% of sales)[1]	21.1	34.4	4.7	10.6

[1] Previous year's figures have been adjusted, see explanation on page 27
[2] Reporting period ending on March 31, 2013. Previous year's figures as of December 31, 2012
[3] According to the cash flow statement

→ Notes to the Interim Consolidated Financial Statements

Segment Reporting

Information by division

€ million	Performance Materials		Merck Millipore	
	Q1 – 2013	Q1 – 2012	Q1 – 2013	Q1 – 2012
Sales	**421.3**	**386.4**	**668.7**	**652.6**
Royalty, license and commission income	0.8	–0.2	5.8	2.8
Total revenues	**422.1**	**386.2**	**674.5**	**655.4**
Gross profit	265.8	214.4	394.9	389.6
Marketing and selling expenses	–35.5	–32.9	–169.5	–167.2
Royalty, license and commission expenses	–0.4	–0.5	–3.7	–4.1
Administration expenses[1]	–7.0	–7.6	–26.8	–25.4
Other operating expenses and income[1]	–10.5	–5.2	–30.8	–22.2
Research and development	–36.4	–35.3	–41.3	–37.6
Operating result (EBIT)[1]	**172.5**	**132.4**	**72.3**	**82.8**
Depreciation and amortization	30.7	30.4	79.1	75.7
Impairment losses	0.1	–	0.1	–
Other	–	–	–	–
EBITDA[1]	**203.3**	**162.8**	**151.5**	**158.5**
One-time items	4.1	0.6	10.4	7.5
EBITDA pre one-time items (Segment result)[1]	**207.4**	**163.4**	**161.9**	**166.0**
EBITDA margin pre one-time items (% of sales)[1]	49.2	42.3	24.2	25.4
Net operating assets[2]	1.157.2	1.187.7	6.394.9	6.328.9
Segment liabilities[2]	–162.9	–147.1	–407.9	–383.1
Investments in property, plant and equipment[3]	9.2	11.7	9.3	16.3
Investments in intangible assets[3]	0.8	0.6	1.3	5.6
Net cash flows from operating activities[1]	203.7	171.9	106.9	118.5
Free cash flow[1]	193.8	159.3	81.5	101.8
Business free cash flow	199.0	183.4	81.1	113.3
Free cash flow margin (% of sales)[1]	46.0	41.2	12.2	15.6

[1] Previous year's figures have been adjusted, see explanation on page 27
[2] Reporting period ending on March 31, 2013. Previous year's figures as of December 31, 2012
[3] According to the cash flow statement

→ Notes to the Interim Consolidated Financial Statements

Segment Reporting

Information by division

€ million	Corporate and Other Q1 – 2013	Corporate and Other Q1 – 2012	Merck Group Q1 – 2013	Merck Group Q1 – 2012
Sales	**–**	**–**	**2,660.4**	**2,563.9**
Royalty, license and commission income	–	–	100.1	81.1
Total revenues	**–**	**–**	**2,760.5**	**2,644.9**
Gross profit	–1.0	–2.6	2,036.5	1,896.2
Marketing and selling expenses	0.6	–1.6	–568.3	–586.6
Royalty, license and commission expenses	–	–	–136.3	–120.0
Administration expenses[1]	–42.9	–46.6	–132.7	–136.4
Other operating expenses and income[1]	–8.8	–19.8	–184.0	–144.6
Research and development	–0.3	–1.1	–406.2	–381.8
Operating result (EBIT)[1]	**–52.4**	**–71.8**	**399.4**	**310.6**
Depreciation and amortization	3.6	1.9	325.9	333.7
Impairment losses	0.1	–	28.6	9.1
Other	–	–	–0.1	–
EBITDA[1]	**–48.7**	**–69.9**	**753.8**	**653.3**
One-time items	3.4	2.5	47.3	21.0
EBITDA pre one-time items (Segment result)[1]	**–45.3**	**–67.4**	**801.1**	**674.3**
EBITDA margin pre one-time items (% of sales)[1]	–	–	30.1	26.3
Net operating assets[2]	44.1	25.1	15,803.8	15,846.1
Segment liabilities[2]	–37.8	–33.7	–2,050.4	–1,990.2
Investments in property, plant and equipment[3]	1.3	0.2	37.5	50.7
Investments in intangible assets[3]	1.8	1.3	28.9	29.1
Net cash flows from operating activities[1]	–150.0	–337.3	515.7	471.9
Free cash flow[1]	–149.7	–339.8	438.6	419.8
Business free cash flow	–48.1	–69.2	592.9	634.9
Free cash flow margin (% of sales)[1]	–	–	16.5	16.4

[1] Previous year's figures have been adjusted, see explanation on page 27
[2] Reporting period ending on March 31, 2013. Previous year's figures as of December 31, 2012
[3] According to the cash flow statement

Segmentation was performed in accordance with the internal organization and reporting structure of the Merck Group. The fields of activity of the individual divisions are described in detail in the sections about the divisions in the interim management report.

The column "Corporate and Other" includes assets and liabilities as well as income and expenses that cannot be directly allocated to the reportable segments; it serves the reconciliation to the Group numbers. These mainly relate to Group functions. The cash flow resulting from the financial result and income taxes are also disclosed under Corporate and Other.

Apart from sales, the main indicator used to measure the success of a segment is EBITDA pre one-time items (segment result).

We determine the transfer prices of intragroup transactions in accordance with market values. There were no significant transactions between the business segments.

The reconciliation of EBITDA pre of all operating businesses to earnings before income tax of the Merck Group was as follows:

€ million	Q1 – 2013	Q1 – 2012
Total EBITDA pre one-time items of the operating businesses	**846.4**	**741.7**[1]
Corporate and Other	–45.3	–67.4[1]
EBITDA pre one-time items of the Merck Group	**801.1**	**674.3**[1]
Depreciation and amortization/impairment losses/other	–354.4	–342.8
One-time items	–47.3	–21.0
Operating result (EBIT)	**399.4**	**310.6**[1]
Financial result	–58.7	–66.1[1]
Profit before income tax	**340.7**	**244.5**[1]

[1] Previous year's figures have been adjusted, see explanation on page 27

One-time items comprised the following and were recorded in the income statement under other operating expenses and income:

€ million	Q1 – 2013	Q1 – 2012
Integration / IT costs	–5.8	–9.6
Restructuring charges	–41.8	–10.5
Gains/losses on the divestment of businesses	–1.7	–0.9
Acquisition costs	–	–
Other one-time items	2.0	–
One-time items before impairment losses	**–47.3**	**–21.0**
Impairment losses	–26.6	–8.6
One-time items (total)	**–73.9**	**–29.6**

The restructuring charges amounting to € 41.8 million (2012: € 10.5 million) were directly related to the efficiency program "Fit for 2018". Impairment losses of € 26.6 million were also attributable to the efficiency program, resulting in total expenses of € 68.4 million for "Fit for 2018", including restructuring charges.

The reconciliation of operating assets in the Segment Reporting was as follows:

€ million	March 31, 2013	Dec. 31, 2012
Assets	21,953.8	21,643.3
Monetary assets (cash and cash equivalents, current financial assets, loans, securities)	–2,969.1	–2,633.7
Non-operating receivables, income tax receivables, deferred taxes and net defined benefit assets	–1,130.5	–1,173.3
Operating assets (gross)	**17,854.2**	**17,836.3**
Trade accounts payable	–1,252.3	–1,288.3
Other operating liabilities	–798.1	–701.9
Segment liabilities	**–2,050.4**	**–1,990.2**
Operating assets (net)	**15,803.8**	**15,846.1**

Notes to the cash flow statement

Interest paid and interest received resulted in a total cash outflow of € 99.7 million in the first quarter of 2013 (previous-year quarter: € 121.5 million).

Free cash flow resulted as follows:

€ million	Q1 – 2013	Q1 – 2012
Net cash flows from operating activities	**515.7**	**471.9**
Investments in intangible assets	–28.9	–29.1
Investments in property, plant and equipment	–37.5	–50.7
Acquisitions	–	–
Investments in non-current financial assets	–19.4	–5.6
Disposal of non-current assets	8.7	31.4
Purchase/sale of marketable securities	–	1.7
Free cash flow	**438.6**	**419.8**

Business free cash flow comprised the following:

€ million	Q1 – 2013	Q1 – 2012
EBITDA pre one-time items	**801.1**	**674.3**
Less investments in property, plant and equipment, software as well as advance payments for intangible assets	–42.6	–56.4
Changes in inventories as reported in the balance sheet	–25.5	32.2
Changes in trade accounts receivable as reported in the balance sheet	–140.2	–15.2
Business free cash flow	**592.9**	**634.9**

→ Notes to the Interim Consolidated Financial Statements

Earnings per share

Basic earnings per share are calculated by dividing the profit after tax attributable to the shareholders of Merck KGaA by the weighted average number of theoretical shares outstanding. The calculation of the theoretical number of shares is based on the fact that the general partner's equity capital is not represented by shares. The share capital of € 168.0 million was divided into 64,621,126 shares. Accordingly, the general partner's capital of € 397.2 million was divided into 152,767,813 theoretical shares. Overall, the total capital thus amounted to € 565.2 million or 217,388,939 theoretical shares outstanding. The weighted average number of shares was likewise 217,388,939 in the first quarter of 2013.

As of March 31, 2013, there were no potentially dilutive shares. Diluted earnings per share corresponded to basic earnings per share.

Information on the measurement of fair value as well as netting arrangements

On the reporting date, assets classified as available-for-sale financial assets and derivative financial instruments were measured at fair value.

Derivative financial investments are used exclusively to hedge and reduce the risks of interest rate and foreign exchange positions.

The following derivative financial instruments were held at the balance sheet date:

	Nominal volume		Fair value	
€ million	March 31, 2013	Dec. 31, 2012	March 31, 2013	Dec. 31, 2012
Cash flow hedge	5,908.1	5,798.9	–143.6	–106.1
Interest	650.0	650.0	–66.5	–58.1
Currency	5,258.1	5,148.9	–77.1	–48.0
Fair value hedge	–	–	–	–
Interest	–	–	–	–
Currency	–	–	–	–
No hedge accounting	1,093.7	1,610.1	–4.0	5.4
Interest	–	–	–	–
Currency	1,093.7	1,610.1	–4.0	5.4
	7,001.8	**7,409.0**	**–147.6**	**–100.7**

The stated fair values for derivatives do not include accrued interest (clean price). The maturity structure of the hedging transactions (nominal volume) is as follows as of the balance sheet date:

€ million	Remaining maturity less than 1 year	Remaining maturity more than 1 year	Total March 31, 2013	Remaining maturity less than 1 year	Remaining maturity more than 1 year	Total Dec. 31, 2012
Foreign exchange contracts	4,174.5	1,509.0	5,683.5	3,965.8	2,089.3	6,055.1
Currency options	318.4	349.9	668.3	292.9	411.0	703.9
Interest rate swaps	–	650.0	650.0	–	650.0	650.0
Interest rate futures	–	–	–	–	–	–
	4,492.9	**2,508.9**	**7,001.8**	**4,258.7**	**3,150.3**	**7,409.0**

The forward exchange contracts that are entered into to reduce the exchange rate risk and currency options primarily serve to hedge intercompany financing in foreign currency as well as to hedge future cash flows.

The following table presents the reconciliation of the balance sheets items to the classes of financial instruments in accordance with IFRS 7 and provides information on fair value measurement:

		Subsequent measurement according to IAS 39					
€ million	Book value March 31, 2013	Amortized cost	At cost	Fair value	Carrying value according to IAS 17	Non-financial items	Fair value March 31, 2013
Assets							
Cash and cash equivalents	814.0	814.0	–	–	–	–	814.0
Current financial assets	2,087.3	477.2	–	1,610.1	–	–	
Held for trading (non-derivatives)	–	–	–	–	–	–	–
Non-hedging derivatives	3.5	–	–	3.5	–	–	3.5
Held to maturity	259.1	259.1	–	–	–	–	259.1
Loans and receivables	218.1	218.1	–	–	–	–	218.4
Available-for-sale	1,580.6	–	–	1,580.6	–	–	1,580.6
Hedging derivatives	26.0	–	–	26.0	–	–	26.0
Trade receivables	2,254.8	2,254.8	–	–	–	–	
Loans and receivables	2,254.8	2,254.8	–	–	–	–	2,254.8
Current and non-current other assets	389.0	83.5	–	45.1	–	260.4	
Non-hedging derivatives	0.3	–	–	0.3	–	–	0.3
Loans and receivables	83.5	83.5	–	–	–	–	83.5
Hedging derivatives	44.8	–	–	44.8	–	–	44.8
Non-financial items	260.4	–	–	–	–	260.4	
Non-current financial assets	67.5	17.8	43.1	6.6	–	–	
Non-hedging derivatives	–	–	–	–	–	–	–
Held to maturity	–	–	–	–	–	–	–
Loans and receivables	17.8	17.8	–	–	–	–	17.8
Available-for-sale	49.7	–	43.1	6.6	–	–	49.7
Hedging derivatives	–	–	–	–	–	–	–
Liablilities							
Current and non-current financial liabilities	4,468.4	4,268.4	–	190.4	9.6	–	
Non-hedging derivatives	6.0	–	–	6.0	–	–	6.0
Other liabilities	4,268.4	4,268.4	–	–	–	–	4,658.6
Hedging derivatives	184.4	–	–	184.4	–	–	184.4
Finance lease	9.6	–	–	–	9.6	–	9.6
Trade accounts payable	1,252.3	1,252.3	–	–	–	–	
Other liabilities	1,252.3	1,252.3	–	–	–	–	1,252.3
Current and non-current other liabilities	1,190.5	490.8	–	31.9	–	667.8	
Non-hedging derivatives	1.8	–	–	1.8	–	–	1.8
Other liabilities	490.8	490.8	–	–	–	–	490.8
Hedging derivatives	30.1	–	–	30.1	–	–	30.1
Non-financial items	667.8	–	–	–	–	667.8	

The fair values of derivatives stated here do not include accrued interest (clean price).

€ million	Book value Dec. 31, 2012	Subsequent measurement according to IAS 39: Amortized cost	At cost	Fair value	Carrying value according to IAS 17	Non-financial items	Fair value Dec. 31, 2012
Assets							
Cash and cash equivalents	729.7	729.7	–	–	–	–	729.7
Current financial assets	1,797.9	549.7	–	1,248.2	–	–	
Held for trading (non-derivatives)	–	–	–	–	–	–	–
Non-hedging derivatives	7.8	–	–	7.8	–	–	7.8
Held to maturity	349.7	349.7	–	–	–	–	349.7
Loans and receivables	200.0	200.0	–	–	–	–	200.3
Available-for-sale	1,230.1	–	–	1,230.1	–	–	1,230.1
Hedging derivatives	10.3	–	–	10.3	–	–	10.3
Trade receivables	2,114.6	2,114.6	–	–	–	–	
Loans and receivables	2,114.6	2,114.6	–	–	–	–	2,114.6
Current and non-current other assets	346.9	88.8	–	55.3	–	202.8	
Non-hedging derivatives	2.7	–	–	2.7	–	–	2.7
Loans and receivables	88.8	88.8	–	–	–	–	88.8
Hedging derivatives	52.6	–	–	52.6	–	–	52.6
Non-financial items	202.8	–	–	–	–	202.8	
Non-current financial assets	97.1	48.0	41.8	7.3	–	–	
Non-hedging derivatives	–	–	–	–	–	–	–
Held to maturity	30.0	30.0	–	–	–	–	30.0
Loans and receivables	18.0	18.0	–	–	–	–	18.0
Available-for-sale	48.7	–	41.8	6.9	–	–	48.7
Hedging derivatives	0.4	–	–	0.4	–	–	0.4
Liablilities							
Current and non-current financial liabilities	4,453.5	4,284.2	–	159.5	9.8	–	
Non-hedging derivatives	4.7	–	–	4.7	–	–	4.7
Other liabilities	4,284.2	4,284.2	–	–	–	–	4,715.7
Hedging derivatives	154.8	–	–	154.8	–	–	154.8
Finance lease	9.8	–	–	–	9.8	–	9.8
Trade accounts payable	1,288.3	1,288.3	–	–	–	–	
Other liabilities	1,288.3	1,288.3	–	–	–	–	1,288.3
Current and non-current other liabilities	1,105.6	522.9	–	15.0	–	567.7	
Non-hedging derivatives	0.4	–	–	0.4	–	–	0.4
Other liabilities	522.9	522.9	–	–	–	–	522.9
Hedging derivatives	14.6	–	–	14.6	–	–	14.6
Non-financial items	567.7	–	–	–	–	567.7	

The fair values of derivatives stated here do not include accrued interest (clean price).

→ Notes to the Interim Consolidated Financial Statements

The fair value of financial assets is based on the official market prices and market values quoted on the balance sheet date (Level 1 assets) as well as mathematical calculation models with inputs observable in the market on the balance sheet date. Level 1 assets comprise stocks and bonds and are classified as "available-for-sale". Level 2 assets are primarily interest-bearing securities classified as "available-for-sale" as well as hedging and non-hedging derivatives. The fair value of interest-bearing securities is determined by discounting future cash flows using market interest rates. The fair value measurement of forward exchange contracts and currency options uses spot and forward rates as well as foreign exchange volatilities applying recognized mathematical principles. The fair value of interest rate swaps is determined with standard market valuation models using interest rate curves available in the market.

The fair values of the financial instruments disclosed in our balance sheet were determined as follows:

€ million as of March 31, 2013	Assets	Liabilites
Fair value determined by official prices and quoted market values (Level 1)	**1,061.9**	**–**
thereof available-for-sale	1,061.9	–
Fair value determined using inputs observable in the market (Level 2)	**600.0**	**–222.3**
thereof available-for-sale	525.3	–
thereof hedging derivatives	70.9	–214.5
thereof non-hedging derivatives	3.8	–7.8
Fair value determined using inputs unobservable in the market (Level 3)	**–**	**–**

€ million as of Dec. 31, 2012	Assets	Liabilities
Fair value determined by official prices and quoted market values (Level 1)	**818.3**	**–**
thereof available-for-sale	818.3	–
Fair value determined using inputs observable in the market (Level 2)	**492.5**	**–174.5**
thereof available-for-sale	418.7	–
thereof hedging derivatives	63.3	–169.4
thereof non-hedging derivatives	10.5	–5.1
Fair value determined using inputs unobservable in the market (Level 3)	**–**	**–**

From an economic perspective, netting is only possible at Merck with derivatives. This possibility results from the framework agreements on derivatives trading which Merck enters into with commercial banks. However, Merck does not offset financial assets and financial liabilities in its balance sheet.

The following table presents the potential netting volume of the derivative financial assets and liabilities disclosed:

€ million as of March 31, 2013	Gross amount	Netting	Net amount	Potential netting volume: owing to global netting arrangements	Potential netting volume: in connection with financial collateral	Potential net amount
Derivative financial assets	74.6	–	74.6	60.3	–	14.3
Derivative financial liabilities	–222.3	–	–222.3	–60.3	–	–162.0

€ million as of Dec. 31, 2012	Gross amount	Netting	Net amount	Potential netting volume: owing to global netting arrangements	Potential netting volume: in connection with financial collateral	Potential net amount
Derivative financial assets	73.8	–	73.8	61.3	–	12.5
Derivative financial liabilities	–174.5	–	–174.5	–61.3	–	–113.2

Related-party disclosures

As of March 31, 2013, there were liabilities by Merck Financial Services GmbH, Merck KGaA and Merck & Cie, Switzerland, to E. Merck KG in the amount of € 578.3 million as well as liabilities of Merck Financial Services GmbH to Merck Capital Asset Management, Malta, amounting to € 0.3 million. In addition, as of March 31, 2013, Merck KGaA was owed receivables of € 3.5 million by E. Merck Beteiligungen KG. The balances resulted mainly from the profit transfers by Merck & Cie to E. Merck KG as well as the reciprocal profit transfers between Merck KGaA and E. Merck KG. They included financial liabilities of € 243.4 million, which were subject to standard market interest rates.

From January to March 2013, Merck KGaA performed services for E. Merck KG and Emanuel-Merck-Vermögens-KG with a value of € 0.2 million and € 0.1 million, respectively.

During the reporting period, Merck KGaA sold a piece of developed land to Emanuel-Merck-Vermögens-KG. The purchase price of € 4.3 million corresponded to the market value, which an independent expert third party determined in an appraisal.

Subsequent events

Subsequent to the balance sheet date of March 31, 2013, the British Office of Fair Trading issued a statement of objections to Merck in connection with the former Generics business, which was divested in 2007. It is alleged that Merck, or its former subsidiary Generics (UK) Ltd., engaged in anticompetitive behavior in connection with the launch of the antidepressant paroxetine.

Since a comprehensive legal appraisal has not been concluded, the issue has not been reflected in this interim report.