

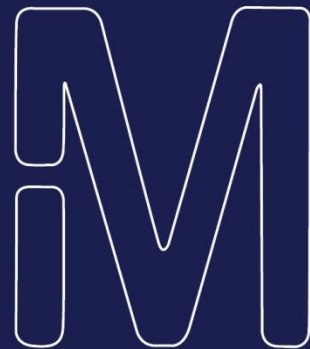


FY 2014 Results Conference Call

Strategic progress and delivery of results

Karl-Ludwig Kley, CEO

Marcus Kuhnert, CFO



March 3, 2015

Disclaimer



Cautionary Note Regarding Forward-Looking Statements

This communication may include “forward-looking statements.” Statements that include words such as “anticipate,” “expect,” “should,” “would,” “intend,” “plan,” “project,” “seek,” “believe,” “will,” and other words of similar meaning in connection with future events or future operating or financial performance are often used to identify forward-looking statements. All statements in this communication, other than those relating to historical information or current conditions, are forward-looking statements. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond control of Merck KGaA, Darmstadt, Germany, which could cause actual results to differ materially from such statements.

Risks and uncertainties relating to the proposed transaction with Sigma-Aldrich Corporation (“Sigma-Aldrich”) include, but are not limited to: the risk that regulatory or other approvals required for the transaction are not obtained or are obtained subject to conditions that are not anticipated; competitive responses to the transaction; litigation relating to the transaction; uncertainty of the expected financial performance of the combined company following completion of the proposed transaction; the ability of Merck KGaA, Darmstadt, Germany, to achieve the cost-savings and synergies contemplated by the proposed transaction within the expected time frame; the ability of Merck KGaA, Darmstadt, Germany, to promptly and effectively integrate the businesses of Sigma-Aldrich and Merck KGaA, Darmstadt, Germany; the effects of the business combination of Merck KGaA, Darmstadt, Germany, and Sigma-Aldrich, including the combined company’s future financial condition, operating results, strategy and plans; the implications of the proposed transaction on certain employee benefit plans of Merck KGaA, Darmstadt, Germany, and Sigma-Aldrich; and disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees or suppliers.

Additional risks and uncertainties include, but are not limited to: the risks of more restrictive regulatory requirements regarding drug pricing, reimbursement and approval; the risk of stricter regulations for the manufacture, testing and marketing of products; the risk of destabilization of political systems and the establishment of trade barriers; the risk of a changing marketing environment for multiple sclerosis products in the European Union; the risk of greater competitive pressure due to biosimilars; the risks of research and development; the risks of discontinuing development projects and regulatory approval of developed medicines; the risk of a temporary ban on products/production facilities or of non-registration of products due to non-compliance with quality standards; the risk of an import ban on products to the United States due to an FDA warning letter; the risks of dependency on suppliers; risks due to product-related crime and espionage; risks in relation to the use of financial instruments; liquidity risks; counterparty risks; market risks; risks of impairment on balance sheet items; risks from pension obligations; risks from product-related and patent law disputes; risks from antitrust law proceedings; risks from drug pricing by the divested Generics Group; risks in human resources; risks from e-crime and cyber attacks; risks due to failure of business-critical information technology applications or to failure of data center capacity; environmental and safety risks; unanticipated contract or regulatory issues; a potential downgrade in the rating of the indebtedness of Merck KGaA, Darmstadt, Germany, or Sigma-Aldrich; downward pressure on the common stock price of Merck KGaA, Darmstadt, Germany, or Sigma-Aldrich and its impact on goodwill impairment evaluations; the impact of future regulatory or legislative actions; and the risks and uncertainties detailed by Sigma-Aldrich with respect to its business as described in its reports and documents filed with the U.S. Securities and Exchange Commission (the “SEC”).

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included elsewhere, including the Report on Risks and Opportunities Section of the most recent annual report and quarterly report of Merck KGaA, Darmstadt, Germany, and the Risk Factors section of Sigma-Aldrich’s most recent reports on Form 10-K and Form 10-Q. Any forward-looking statements made in this communication are qualified in their entirety by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us or our business or operations. Except to the extent required by applicable law, we undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Agenda

Executive overview

Strategy update

Financial review

Outlook and guidance

2014: A year of strategic progress

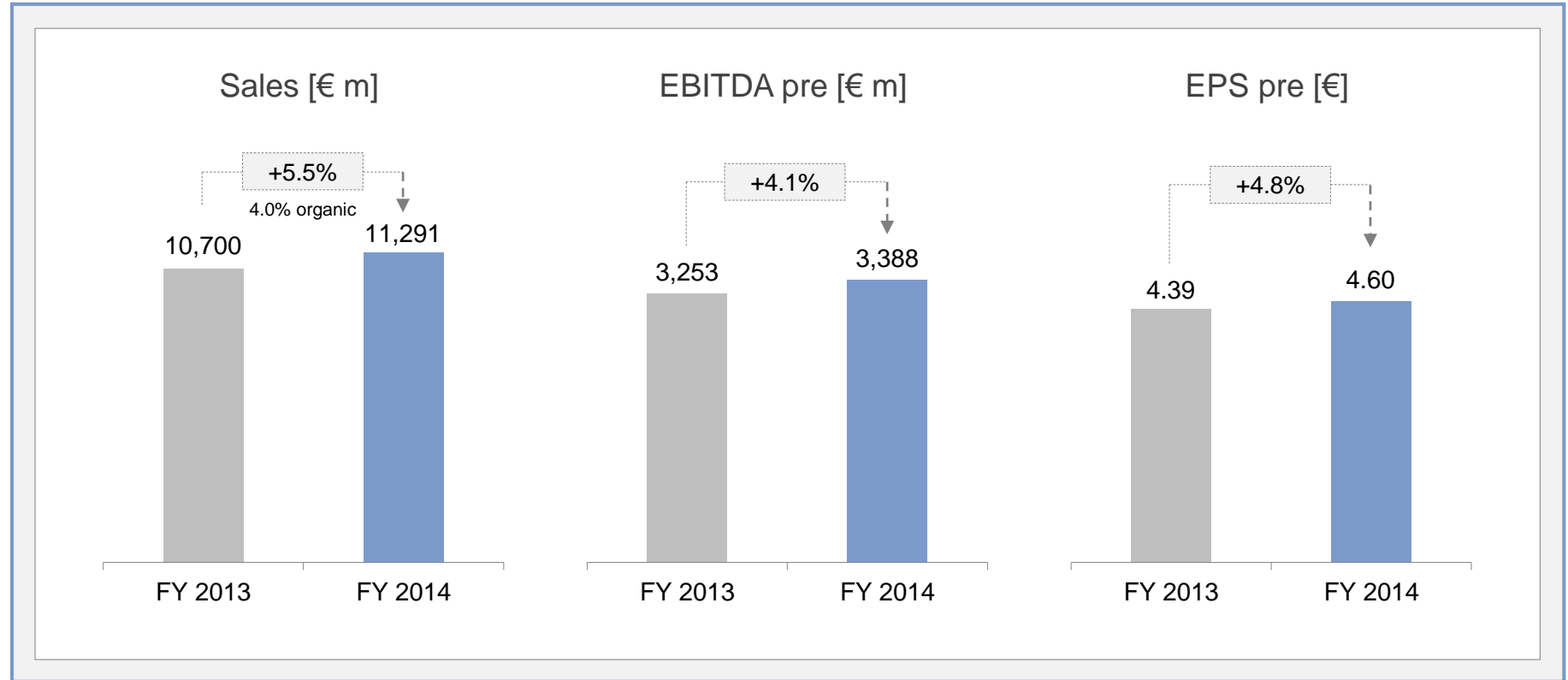
Execution of “Fit for 2018” growth strategy

- ▶ Closing and successful integration of AZ Electronic Materials
- ▶ Announcement of Sigma-Aldrich acquisition
- ▶ Signing of alliance with Pfizer to leverage iOnc pipeline

Sound financial performance

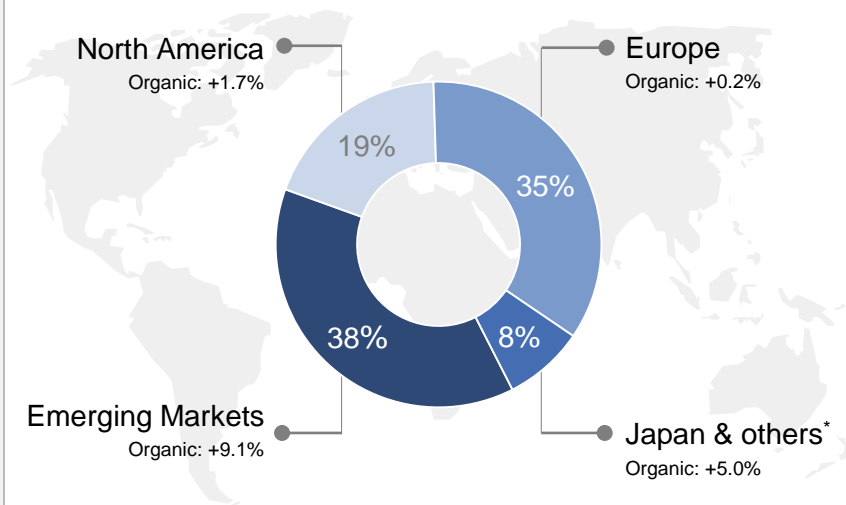
- ▶ Delivery on targets:
Sales €11.3 bn, EBITDA pre €3.388 bn, EPS pre €4.60
- ▶ Organic growth across all divisions
- ▶ Rapid deleveraging following AZ acquisition

FY 2014: Merck on track to deliver results

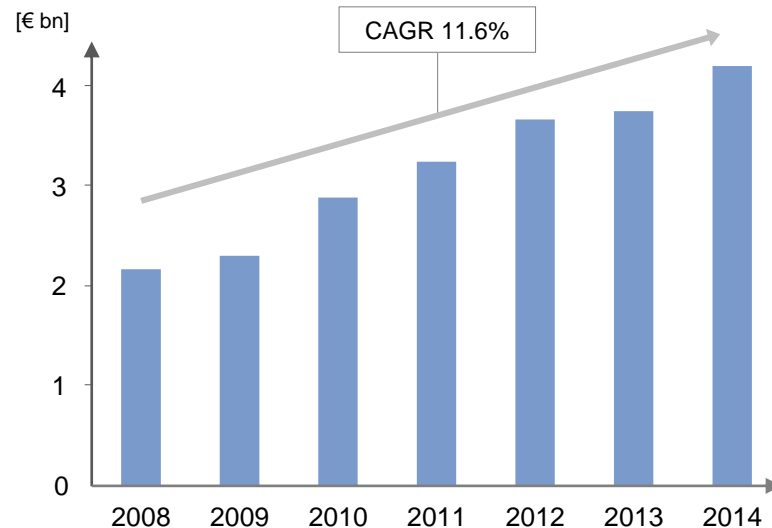


Emerging Markets – Growth continues

Merck Group FY 2014 sales by region



Merck Group: Emerging Markets sales development



Emerging Markets sales doubled within 6 years

Divisional overview – Merck Serono and Consumer Health

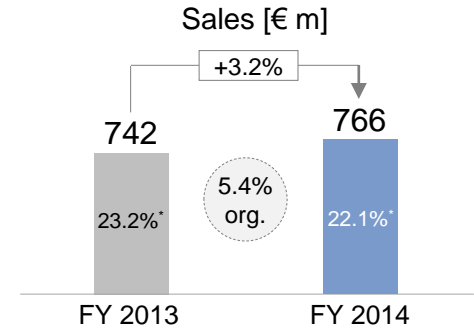
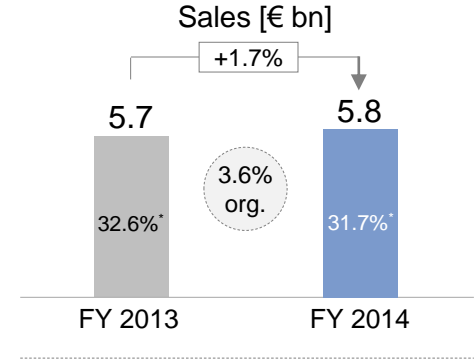


Merck Serono

- ▶ Good performance of Erbitux and Fertility – Rebif stable despite strong competition
- ▶ Emerging Markets platform driving growth
- ▶ Pipeline advancing with continued focus on strategic R&D projects like anti-PD-L1 amid stringent prioritization

Consumer Health

- ▶ Good development of Neurobion and Floratil especially in emerging markets
- ▶ Good performance of Femibion in mature markets
- ▶ Softer margin mainly due to investments in growth



*EBITDA pre margin in % of sales

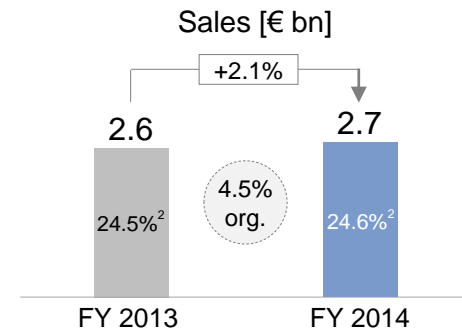
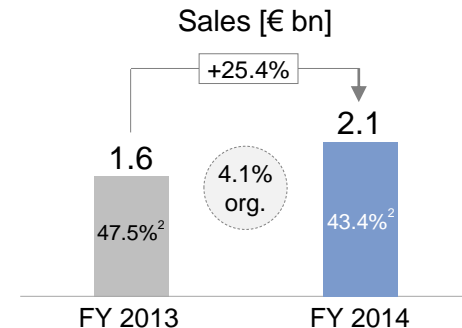
Divisional overview – Performance Materials and Life Science

Performance Materials

- ▶ High share in liquid crystals market underlines Merck's innovation leadership
- ▶ Large premium TV demand fuels IPS & PS-VA growth; successful launch of UB-FFS¹ for small devices
- ▶ AZ integration completed

Merck Millipore

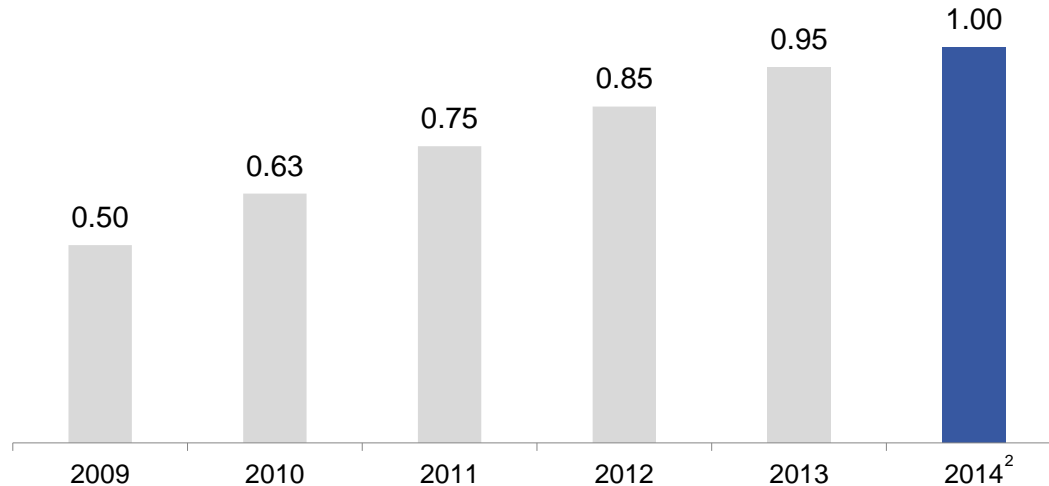
- ▶ Biopharma production and Emerging Markets drive organic growth in Process Solutions
- ▶ Consumables-driven business model yields another year of steady growth
- ▶ Further enhanced customer proximity and continuous innovation



¹Ultra brightness fringe field switching; ²EBITDA pre margin in % of sales

Sustainable dividend development

Dividend¹ development 2009-2014²



2014 dividend and policy

- Dividend of €1 per share proposed¹ for 2014
- Dividend increase in line with earnings progression – 2014: +5.3% yoy
- Last years' dividend constitutes the minimum level³
- Aiming at corridor of 20-25% of EPS pre

¹Adjusted for share split, which has been effective since June 30, 2014; ²Proposal; final decision subject to Annual General Meeting approval; ³Assuming a stable economic environment

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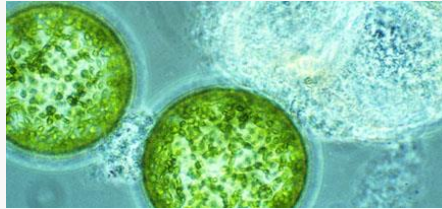
The Merck Group going forward – three distinct business sectors support profitable growth



Healthcare*



Life Science



Performance Materials



Strategic requirements

- Diversification
- Attractive markets
- High-margin businesses
- Overlapping core competencies (customer intimacy, innovation, quality, life cycle management)
- Merck culture

*Merck Healthcare includes Merck Serono, Consumer Health, Biosimilars and Allergopharma

AZ – Complementing Performance Materials, expanding innovation leadership in niche markets



Healthcare

Life Science

Performance Materials



ELECTRONIC MATERIALS

Ongoing development in Liquid Crystals



- Launch of new UB-FFS* mode - enhancing light transmission and reducing energy consumption
- Further advancing future technologies e.g. liquid crystal windows

Research in advanced technologies



EPSON®

- Collaboration with EPSON on OLED progressing well
- Development of new proprietary OLED materials and LED phosphors - launch of a vivid green

R&D projects from AZ



- Si-tech materials for OLED encapsulant
- Graphene-based materials in Separators, Anodes and Cathodes

Successful integration of AZ completed in 2014

*Ultra brightness fringe field switching

Sigma-Aldrich – Next step to enhance Life Science business sector



Healthcare

Life Science

Performance Materials



Broad and complementary product fit in attractive segments



Expanding global reach and scale



Leveraging operational excellence to deliver superior value to customers



Announcement
(Sept. 22, 2014)

Sigma shareholder approval
(Dec. 5, 2014)

U.S. and other* anti-trust
approvals (U.S. - Dec. 23, 2014)

All relevant anti-trust reviews
on track (January, 2015)

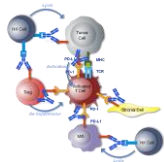
Closing
(Expected mid-year 2015)

*Russia, Serbia, Ukraine and Taiwan

Pfizer collaboration – Acceleration and broadening of immuno-oncology pipeline

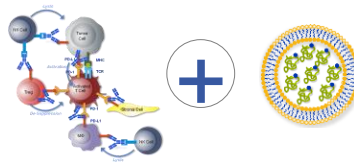


Leverage anti-PD-L1 asset



- Avelumab* with over 700 patients already enrolled in PI/II
- Initiation of several pivotal studies in 2015 e.g.:
 - Lung, bladder, renal, ovarian, gastric

Tackle combination therapies



- Enlarge pool of potential combinations
- Combination studies in 2015 e.g.:
 - Axitinib (Inlyta) in renal cancer
 - Crizotinib (Xalkori) ALK/ROS in lung cancer

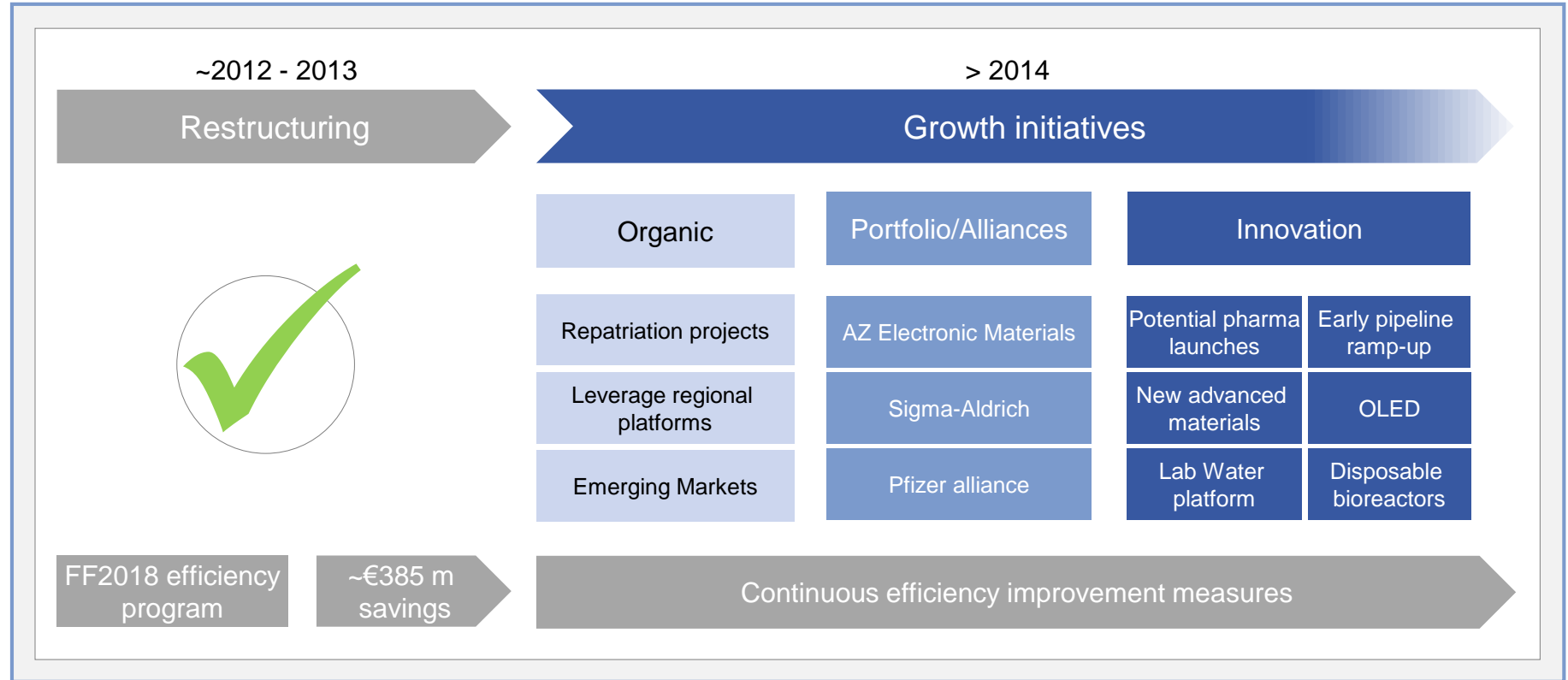
Build commercialization strength



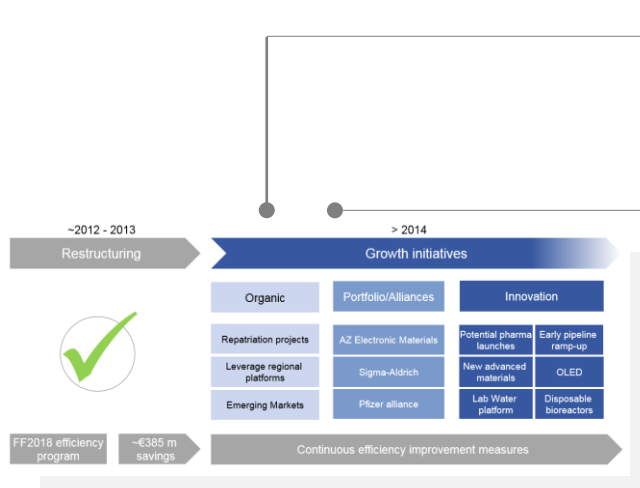
- Co-commercialization of Xalkori in U.S. and other key markets
- Ramp-up of Oncology infrastructure and capabilities in 2015, especially in U.S.

*Avelumab = proposed International Non-proprietary Name (INN), formerly referred to as Anti-PD-L1 mAb (MSB0010718C)

Strategic agenda 2018 – milestones achieved



Strategic agenda 2018 – milestones achieved



▪ Repatriation projects:

- Glucophage and Euthyrox from Takeda in Russia
- Co-promotion agreement with BMS¹ for Glucophage in China
- Transfer of full promotional responsibilities for Erbitux in Japan

▪ Leverage regional platforms:

- Transfer of Neurobion & Floratil to Consumer Health
- Strategic partnership with Lupin to broaden GM² portfolio

▪ Emerging Markets:

- Healthcare focus on strategic markets such as China & Brazil
- Investments in regional sites (Nantong – China)

▪ Portfolio and alliances:

- AZ closed and integrated in 2014
- Proposed Sigma acquisition expected to close mid 2015
- Strategic alliance with Pfizer in immuno-oncology

▪ Innovation:

- Launch of UB-FFS as well as progress in OLED
- New innovation center in corporate HQ

¹Bristol-Myers Squibb; ²General Medicine

2014 – a solid foundation for future growth

▶ Key steps in portfolio transformation taken



▶ Continued implementation of “Fit for 2018” strategy



▶ Solid financials – delivered on guidance



▶ Operational discipline kept at high level



▶ Poised for future growth



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FY 2014: Another year of sound delivery



[€ m]	FY 2013	FY 2014	Δ
Sales	10,700	11,291	5.5%
EBITDA pre	3,253	3,388	4.1%
<i>Margin (% of sales)</i>	<i>30.4%</i>	<i>30.0%</i>	
EPS pre [€]	4.39	4.60	4.8%
Operating cash flow	2,226	2,705	21.6%
[€ m]	Dec 31, 2013	Dec. 31, 2014	Δ
Net financial debt	307	559	82.3%
Working capital	2,132	2,356	10.5%
Employees	38,154	39,639	3.9%

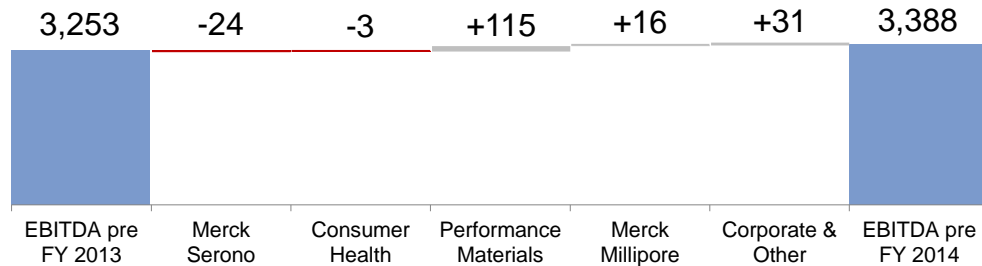
FY 2014
<ul style="list-style-type: none"> ▪ Sales, EBITDA pre and EPS pre increase on organic growth and AZ ▪ Operating cash flow benefits from Pfizer upfront payment ▪ Only slight increase in financial debt, AZ acquisition digested within a year ▪ Higher headcount includes employees from AZ

All Merck businesses drive organic growth



FY 2014 YoY sales	Organic	Currency	Portfolio	Total
Merck Serono	3.6%	-1.9%	0.0%	1.7%
Consumer Health	5.4%	-2.2%	0.0%	3.2%
Performance Materials	4.1%	-1.5%	22.8%	25.4%
Merck Millipore	4.5%	-1.7%	-0.7%	2.1%
Merck Group	4.0%	-1.8%	3.3%	5.5%

FY YoY EBITDA pre contributors [€ m]



- All Merck Serono franchises deliver organic growth; Rebif stable
- Volume growth in Liquid Crystals drives Performance Materials
- Merck Millipore benefits from strong demand from biopharma industry
- Merck Serono affected by royalty income loss and higher production costs
- Performance Materials includes eight months of AZ contribution
- Merck Millipore with solid organic performance
- Corporate contains ~€45 m hedging gains

Totals may not add up due to rounding

Reported EPS burdened by normalization of tax rate



[€ m]	FY 2013	FY 2014	Δ
EBIT	1,611	1,762	9.4%
Financial result	-222	-205	-7.7%
Profit before tax	1,389	1,557	12.1%
Income tax	-180	-392	>100%
<i>Tax rate (%)</i>	<i>12.9%</i>	<i>25.2%</i>	
Net income	1,202	1,157	-3.7%
EPS (€)	2.77	2.66	-4.0%

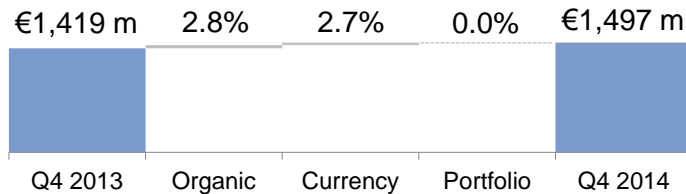
Reported results
<ul style="list-style-type: none"> ▪ EBIT increases due to operational performance and lower impairments ▪ Financial result improved mainly from decreasing interest expenses after bond repayment last year ▪ Tax rate 2013 was impacted by beneficial tax rulings

Q4 - Merck Serono: Emerging Markets drive organic growth



[€ m]	Q4 2013 ¹	Q4 2014
Sales	1,419	1,497
Marketing and selling	-449	-459
Admin	-53	-56
R&D	-265	-323
EBIT	116	244
EBITDA	455	478
EBITDA pre	475	492
<i>Margin (% of sales)</i>	33.5%	32.9%

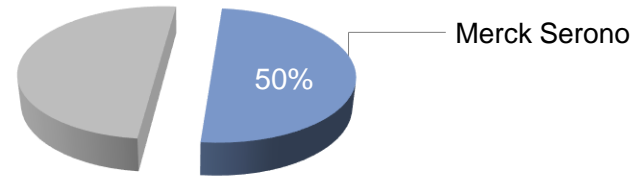
Sales bridge



Comments

- Rebif organically lower as European and U.S. volume losses to competition from oral therapies outweigh U.S. pricing initiatives
- Erbitux with good organic performance driven by commercial initiatives in Emerging Markets
- Strong demand for entire Fertility portfolio in all regions
- Continued pipeline prioritization (pimasertib, Sym004) increase R&D expenses
- EBITDA pre increases due to organic growth; litigation settlement balances one-time R&D expenses and higher LTIP² provisions

Q4 2014 share of group sales

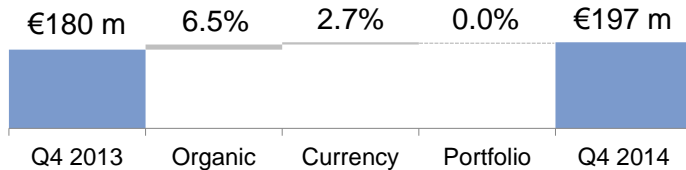


¹Restated for product reclassification of Neurobion and Floratil from Merck Serono to Consumer Health; ²Long Term Incentive Plan

Q4 - Consumer Health: Strong volumes amid investments in marketing and selling

[€ m]	Q4 2013*	Q4 2014
Sales	180	197
Marketing and selling	-72	-86
Admin	-9	-7
R&D	-5	-7
EBIT	36	34
EBITDA	38	37
EBITDA pre	39	38
<i>Margin (% of sales)</i>	<i>21.9%</i>	<i>19.4%</i>

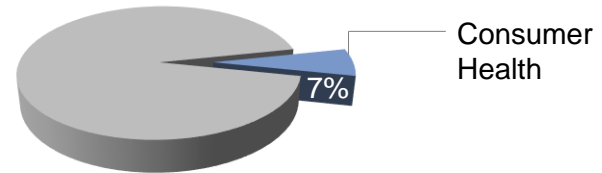
Sales bridge



Comments

- Sound organic sales growth supported by currency tailwinds
- Investments in global marketing initiatives drive growth in Emerging Markets, especially Neurobion and Floratil in Brazil
- Good performance of cough and cold products in Europe
- Femibion reaches record market share in Germany
- EBITDA pre almost stable as organic growth is offset by higher marketing and selling costs

Q4 2014 share of group sales



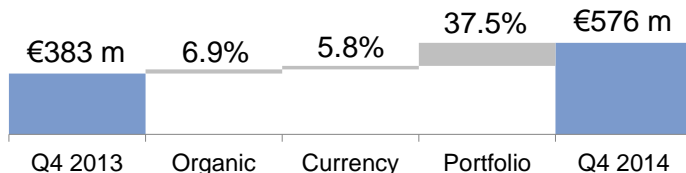
*Restated for product reclassification of Neurobion and Floratil from Merck Serono to Consumer Health

Q4 - Performance Materials: A strong quarter



[€ m]	Q4 2013	Q4 2014
Sales	383	576
Marketing and selling	-36	-50
Admin	-6	-15
R&D	-37	-48
EBIT	134	170
EBITDA	155	229
EBITDA pre	167	239
<i>Margin (% of sales)</i>	<i>43.5%</i>	<i>41.6%</i>

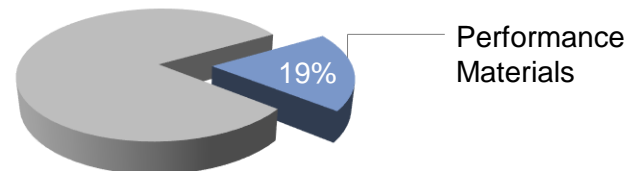
Sales bridge



Comments

- Sales jump on portfolio effect, strong organic growth & FX tailwinds
- Volume growth in Liquid Crystals remains largest contributor to organic performance
- Strong demand for ultra-high-definition TV's (PS-VA) and mobile devices (IPS & UB-FFS) key success factor
- Significant EBITDA pre increase driven by AZ and strong organic growth
- EBITDA pre margin reflects mix effect from AZ

Q4 2014 share of group sales

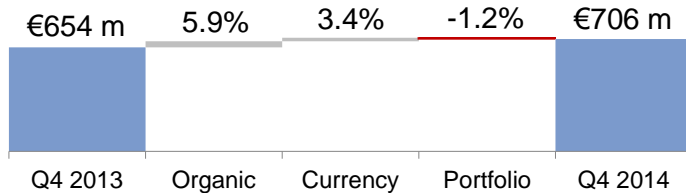


Q4 - Merck Millipore: Process Solutions drives growth



[€ m]	Q4 2013	Q4 2014
Sales	654	706
Marketing and selling	-206	-231
Admin	-25	-30
R&D	-38	-43
EBIT	51	55
EBITDA	145	135
EBITDA pre	168	163
<i>Margin (% of sales)</i>	<i>25.7%</i>	<i>23.0%</i>

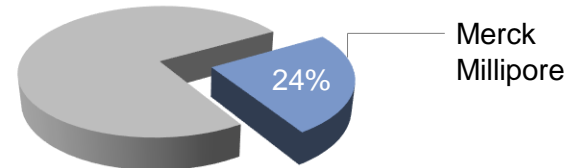
Sales bridge



Comments

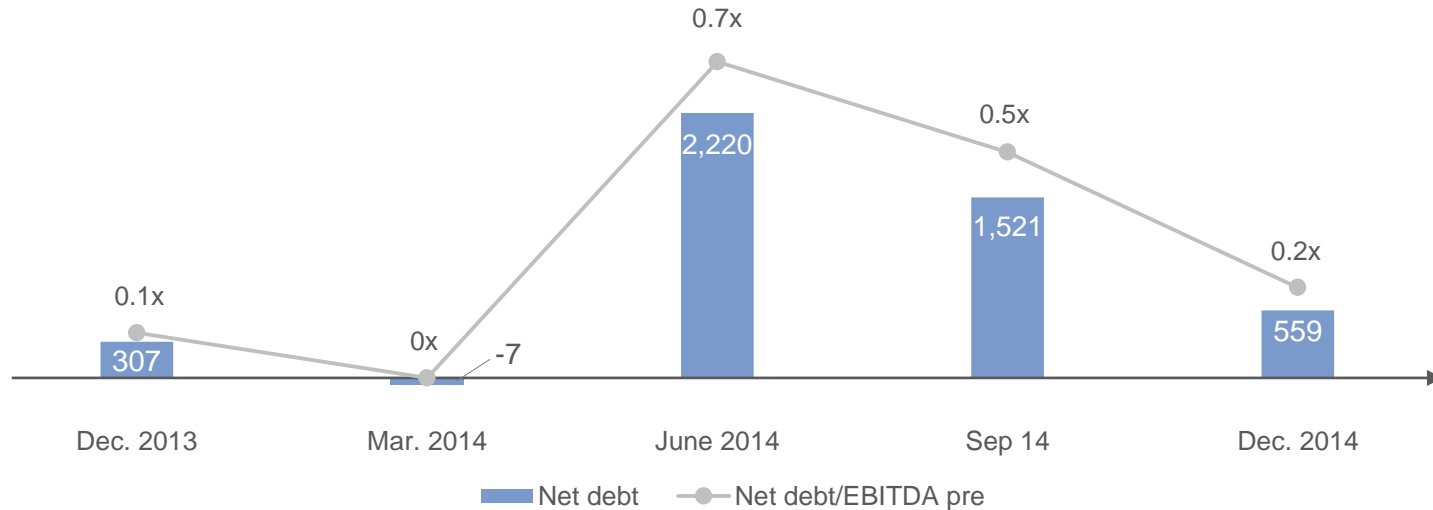
- Good organic growth and FX, slightly offset by portfolio changes
- Strong demand from biopharma industry for single-use equipment and purification consumables drives growth at Process Solutions
- Lab Solutions with good performance from price and volume uptakes especially in lab water consumables
- Bioscience almost flat as good development of separation and preparation products is offset by low demand for antibodies
- EBITDA pre affected by investments in marketing and selling, higher LTIP* provisions and unfavorable product mix

Q4 2014 share of group sales



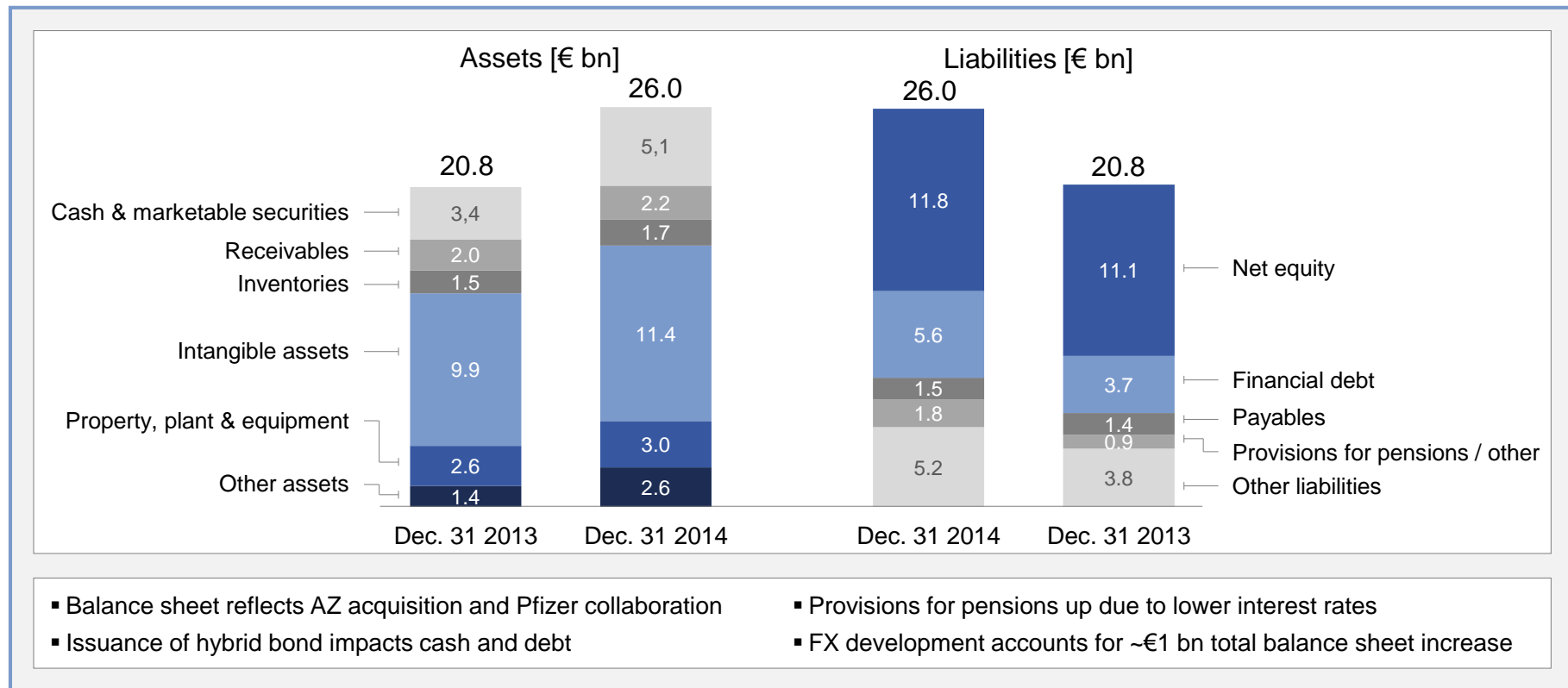
Swift deleveraging following AZ acquisition

Net debt [€ m] and net debt/EBITDA pre* development 2014



*Last twelve months

Balance sheet: Reflecting strategic M&A moves



Totals may not add up due to rounding

Operating cash flow increase driven by Pfizer



[€ m]	FY 2013	FY 2014	Δ
Profit after tax	1,209	1,165	-44
D&A	1,458	1,361	-97
Changes in provisions	-203	-342	-139
Changes in other assets / liabilities	-260	471	731
Other operating activities	-3	9	12
Changes in working capital	25	41	16
Operating cash flow	2,226	2,705	479
Investing cash flow	-875	-1,641	-766
thereof Capex*	-407	-481	-74
Financing cash flow	-1,073	761	1,834

Cash flow drivers
<ul style="list-style-type: none"> ▪ Decrease in D&A YoY due to 2013 impairments ▪ Changes in provisions reflect release from litigation settlement ▪ Changes in other assets/liabilities increase from Pfizer upfront payment ▪ Investing cash flow reflects payment for AZ and cash investments in short term assets ▪ Capex increases mainly due to investment in new plant in China ▪ Financing cash flow positive mainly driven by cash in from hybrid bond; last year reflects bond repayment

*Only PPE, not including software
Totals may not add up due to rounding

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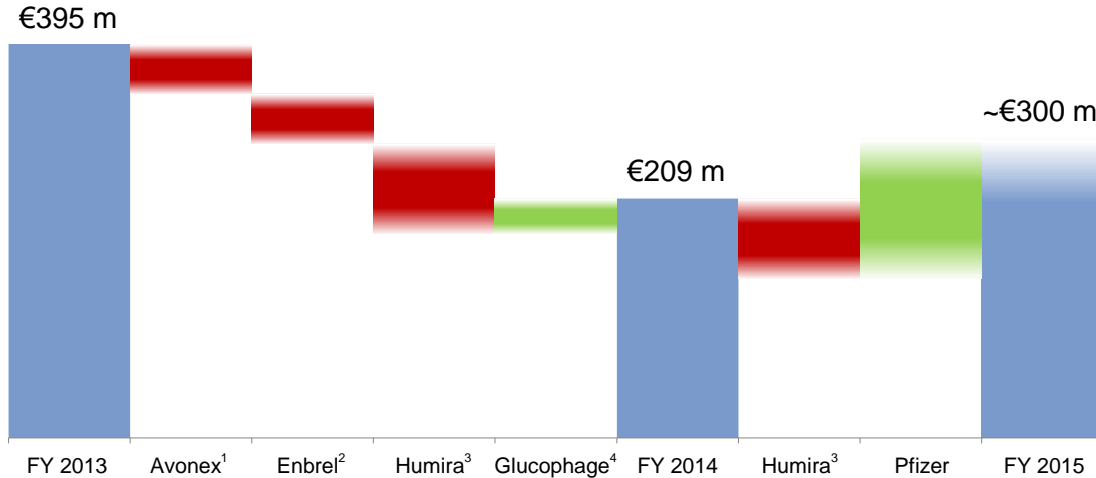
Strategy update

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Outlook and guidance

Food for thought on royalty, license and commission income

Royalty, license and commission income bridge 2013 - 2015



Details and future changes

- Pfizer deal contains release of upfront and Xalkori accruals
- New reporting starting 2015:
 - Net Sales will include commission and profit share income
 - Royalty & license income will be within Other Operating Income
 - Royalty, license and commission expenses will be allocated to individual functional lines

Illustration; ¹Avonex patent expired in May 2013; ²Enbrel patent expired in November 2013; ³Humira royalty income expired June 30, 2014;

⁴Commission income due to co-promotion agreement for Glucophage with BMS in China – shown in net sales in 2015

Industry outlook 2015

Healthcare

Continuous market growth in emerging markets
Mature markets driven by launches of innovative products
Consumer market is expected to grow mid-single digit

Life Science

Biotech IPO's drive R&D investments
Molecules in pharma-pipelines support Process Solutions
Academia research market still soft

Performance Materials

LC display market growth fueled by trend to larger displays
Wafer production increase due to rising demand for big data
World automotive market forecasted to show low-single digit growth



Merck guidance for 2015

Slight organic sales growth

EBITDA pre* slightly higher, at least stable

2015 key influencing factors

- | | |
|---|---|
| - R&D costs from PD-L1 & TH302 buy-up | + 4 months AZ contribution |
| - 6 months loss of Humira royalties | + Currency tailwinds |
| - Strong competitive pressure for Rebif | + Operational performance & org. growth |

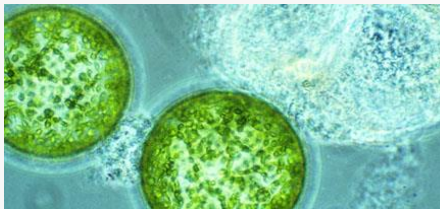


Healthcare



- Organically stable top line
- Rebif decline
- Growth in other franchises
- EBITDA pre slightly lower

Life Science



- Moderate organic sales growth
- Process solutions key growth contributor
- Moderate EBITDA pre increase

Performance Materials



- Slight organic growth
- Strong AZ portfolio effect leads to low double-digit EBITDA pre increase

Merck Group 2015: EBITDA pre* slightly higher - at least stable Slight organic sales growth



Appendix

Additional financial guidance

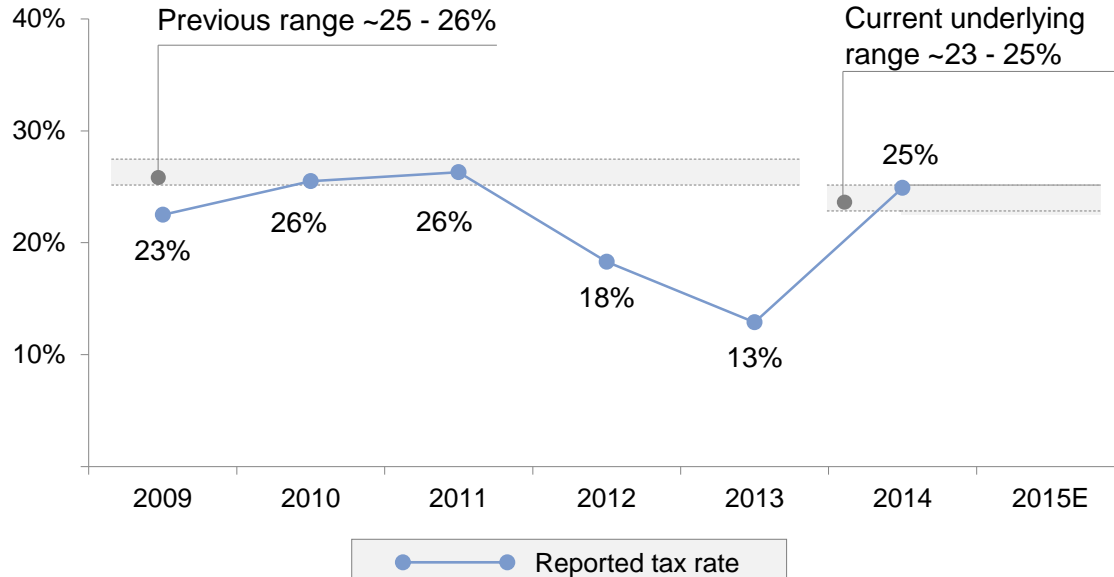
Further financial details

Merck Group royalty, license and commission income in 2015	~€300 m
Corporate & Other EBITDA pre	at least -€220 m
Underlying tax rate	~23% to 25%
Capex on PPE and software	~€600 m



Underlying tax rate remains unchanged

Tax rate development 2009-2014



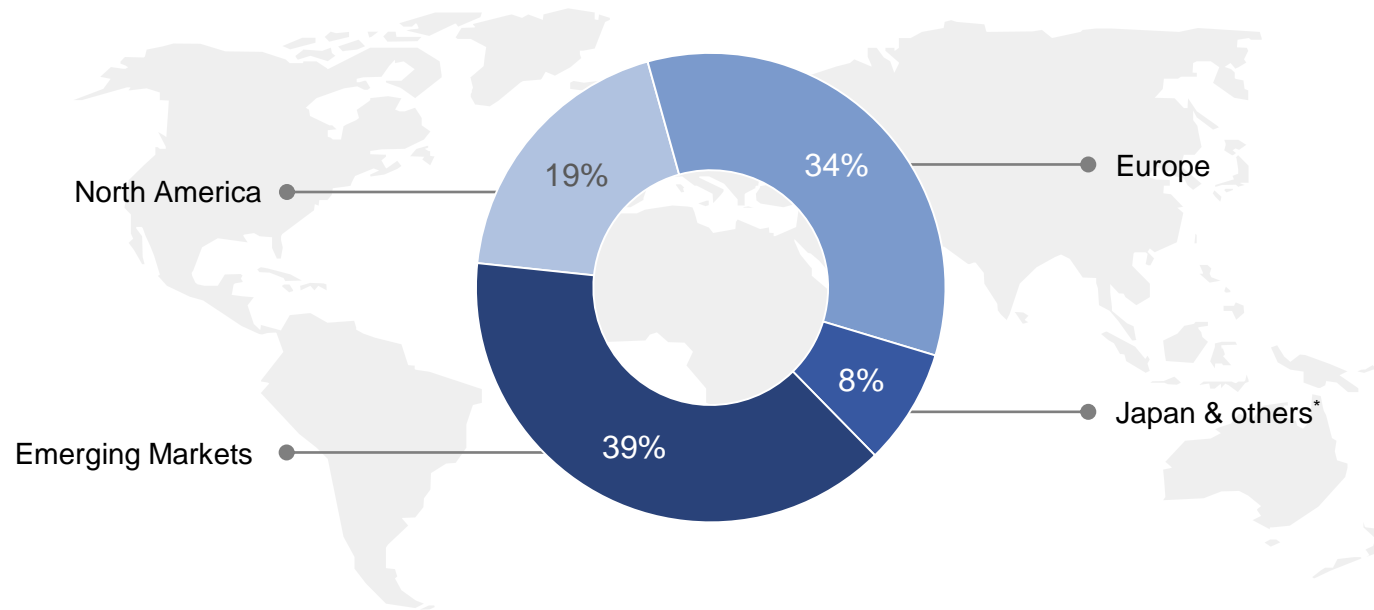
Tax rate rationale

- Underlying tax rate of 23 - 25% due to beneficial tax rulings in several countries
- 2012 and 2013 contained one-time effects and exceptional tax gains
- 24% rate basis for EPS pre calculation since Q1 2014

**Underlying tax rate
guidance of 23 to 25%**

Growing Emerging Markets share

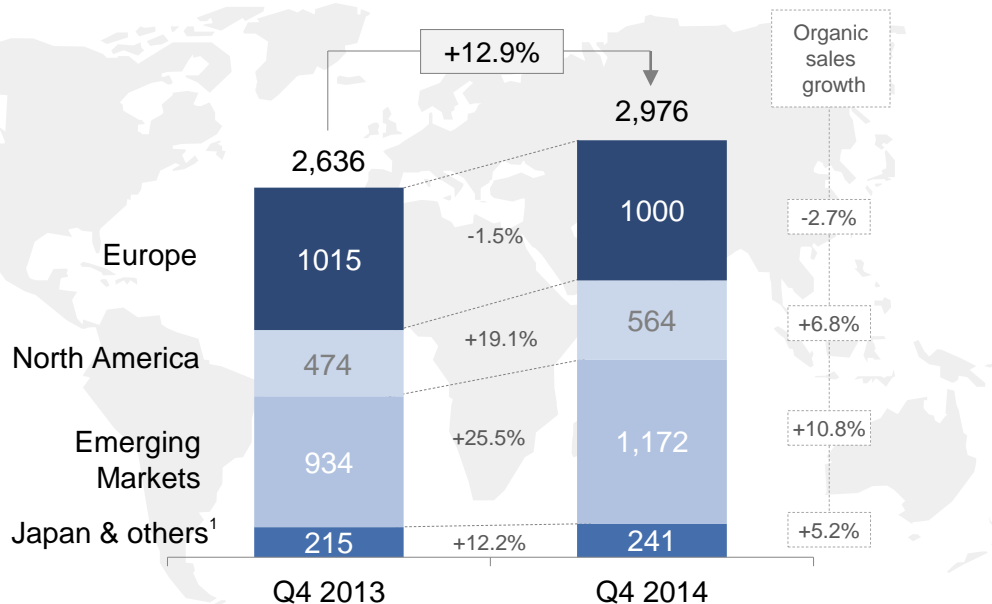
Merck Group Q4 2014 sales by region [in %]



*Australia/Oceania, Africa

Emerging Markets main contributor to growth

Regional development of sales [€ m]



Regional details

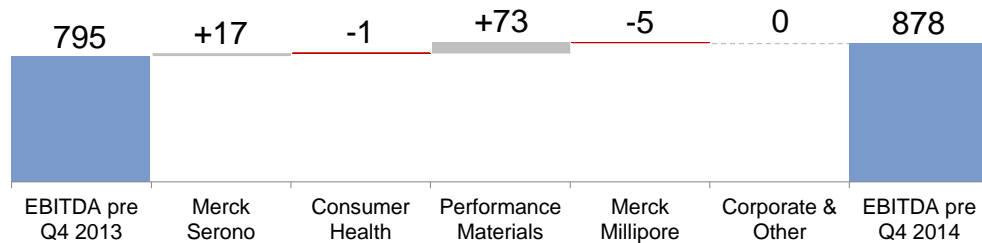
- Reported sales growth includes AZ contribution esp. EM, NA and Japan
- Chinese market remains driver in Emerging Markets especially for branded generics and fertility products
- North America benefits from bio-pharma demand in Process Solutions
- Japan supported by strong demand for IPS in mobile devices

¹Australia/Oceania, Africa; ²Emerging Markets; ³North America
Totals may not add up due to rounding

All divisions post organic growth, currency headwinds soften

Q4 YoY sales	Organic	Currency	Portfolio	Total
Merck Serono	2.8%	2.7%	0.0%	5.5%
Consumer Health	6.5%	2.7%	0.0%	9.2%
Performance Materials	6.9%	5.8%	37.5%	50.2%
Merck Millipore	5.9%	3.4%	-1.2%	8.1%
Merck Group	4.4%	3.3%	5.2%	12.9%

Q4 YoY EBITDA pre contributors [€ m]



- Portfolio reflects the acquisition of AZ Electronic Materials
- Currency tailwinds mainly driven by EUR/USD development

- Performance Materials includes strong organic performance and AZ
- Hedging gains this quarter are leveled out by higher gains last year ($\Delta \sim \text{€-6m}$)

Q4 2014: Strong year-end performance



[€ m]	Q4 2013	Q4 2014	Δ
Sales	2,636	2,976	12.9%
EBITDA pre	795	878	10.5%
<i>Margin (% of sales)</i>	<i>30.2%</i>	<i>29.5%</i>	
EPS pre [€]	1.06	1.14	7.5%
Operating cash flow	440	1,141	>100%
[€ m]	Dec 31, 2013	Dec 31, 2014	Δ
Net financial debt	307	559	82.3%
Working capital	2,132	2,356	10.5%
Employees	38,154	39,639	3.9%

Q4 2014
<ul style="list-style-type: none"> ▪ Organic growth, portfolio effects as well as currency tailwinds drive sales ▪ EBITDA pre and EPS pre improve on solid organic performance and AZ despite loss of royalty income ▪ Operating cash flow includes Pfizer upfront payment ▪ Jump in working capital reflects consolidation of AZ ▪ Only slight increase in financial debt, AZ acquisition digested within a year

Reported EPS impacted acquisition hedging effects



[€ m]	Q4 2013	Q4 2014	Δ
EBIT	264	424	60.4%
Financial result	-63	-63	-0.4%
Profit before tax	201	361	79.5%
Income tax	80	-79	n.m.
<i>Tax rate (%)</i>	-39.9%	21.9%	
Net income	281	280	-0.2%
EPS (€)	0.65	0.64	-1.5%

Reported results

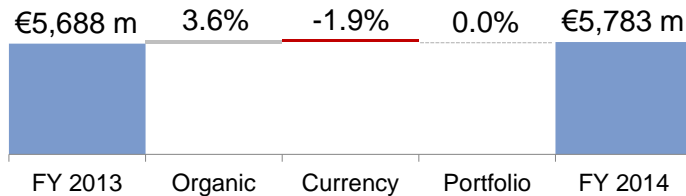
- EBIT up due to lower one-time costs and organic growth
- Last years' tax rate impacted by one-time change in applicable tax rates
- Net income and EPS almost stable as higher EBIT is canceled out by higher income tax

Merck Serono: Solid performance supported by all franchises amid royalty income reduction



[€ m]	FY 2013 *	FY 2014
Sales	5,688	5,783
Marketing and selling	-1,814	-1,780
Admin	-202	-220
R&D	-1,178	-1,344
EBIT	793	957
EBITDA	1,787	1,786
EBITDA pre	1,855	1,831
<i>Margin (% of sales)</i>	<i>32.6%</i>	<i>31.7%</i>

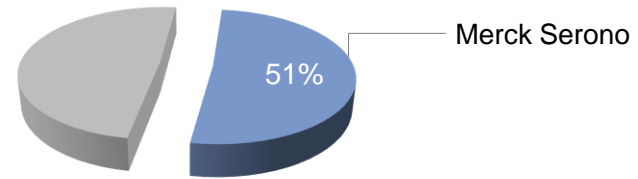
Sales bridge



Comments

- Organic growth partially offset by adverse currency effects
- Rebif organically stable, as U.S. pricing and Q1 wholesaler restocking offset volume declines due to competition from orals
- Solid Erbitux performance driven by growth in Emerging Markets and support from Japan, while Europe is flat
- Strong organic growth of fertility business as a result of good demand for entire portfolio especially from China and U.S.
- R&D reflects pipeline prioritization and Biosimilars initiatives
- Lower profitability owing to royalty decline

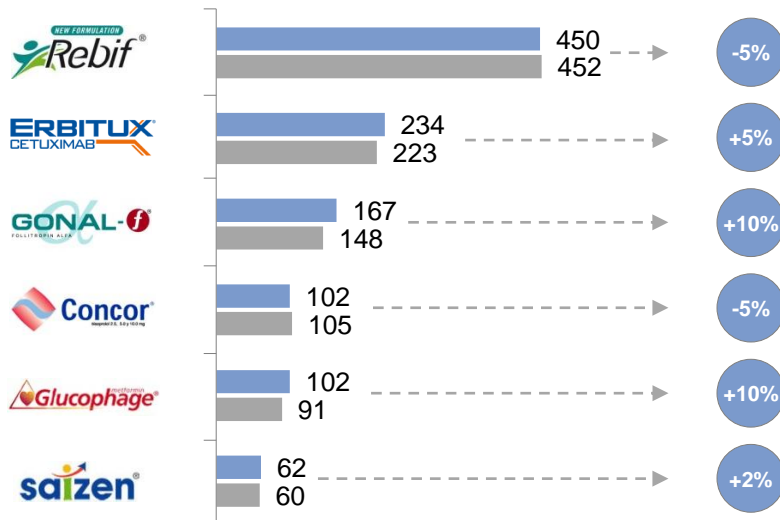
FY 2014 share of group sales



*Restated for product reclassification of Neurobion and Floratil from Merck Serono to Consumer Health

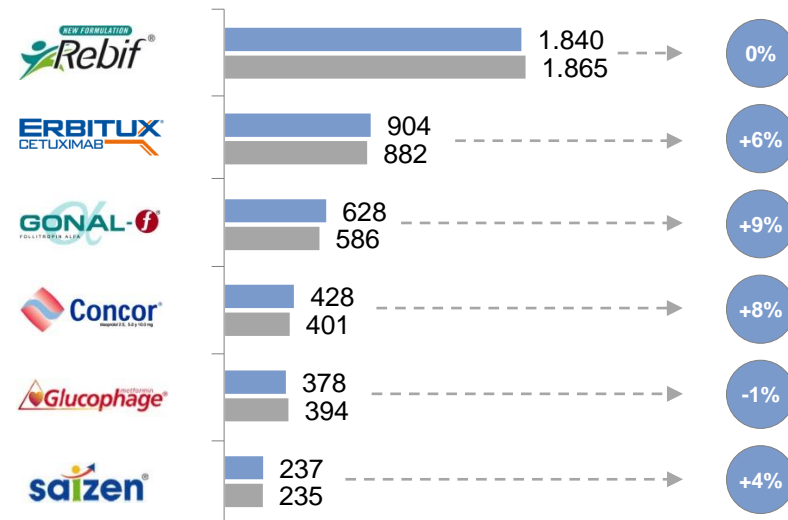
Merck Serono organic growth by product

Q4 2014 organic sales growth [%] by key product [€ m]



■ Q4 2014 ■ Q4 2013

FY 2014 organic sales growth [%] by key product [€ m]

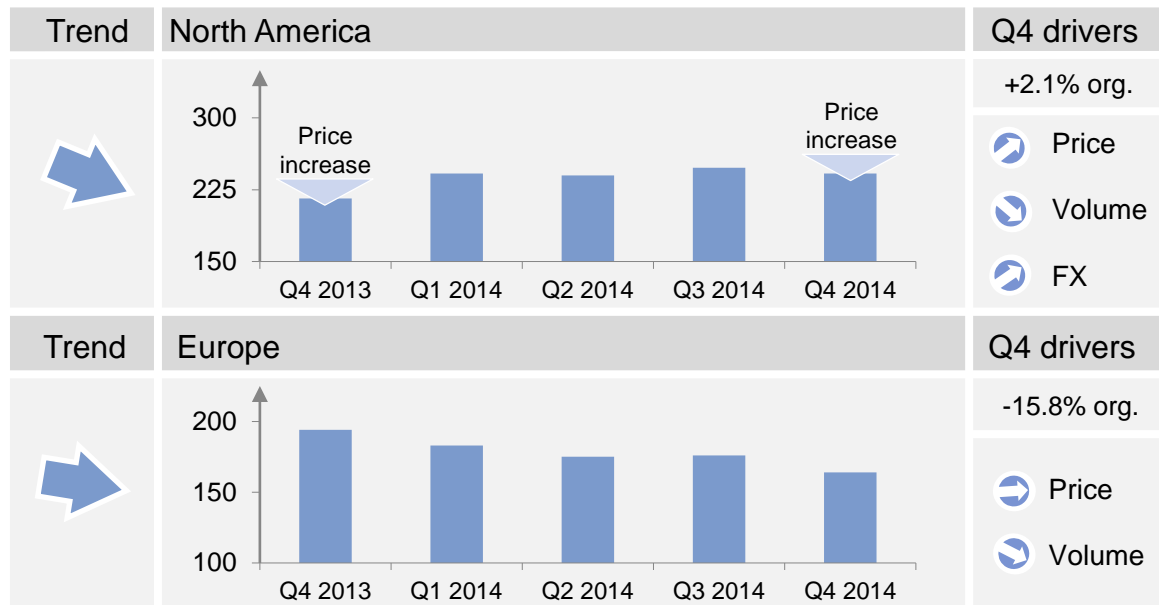


■ FY 2014 ■ FY 2013

Rebif – defending the franchise; competitive pressure in the U.S. and Europe



- Regional sales evolution [€ m]

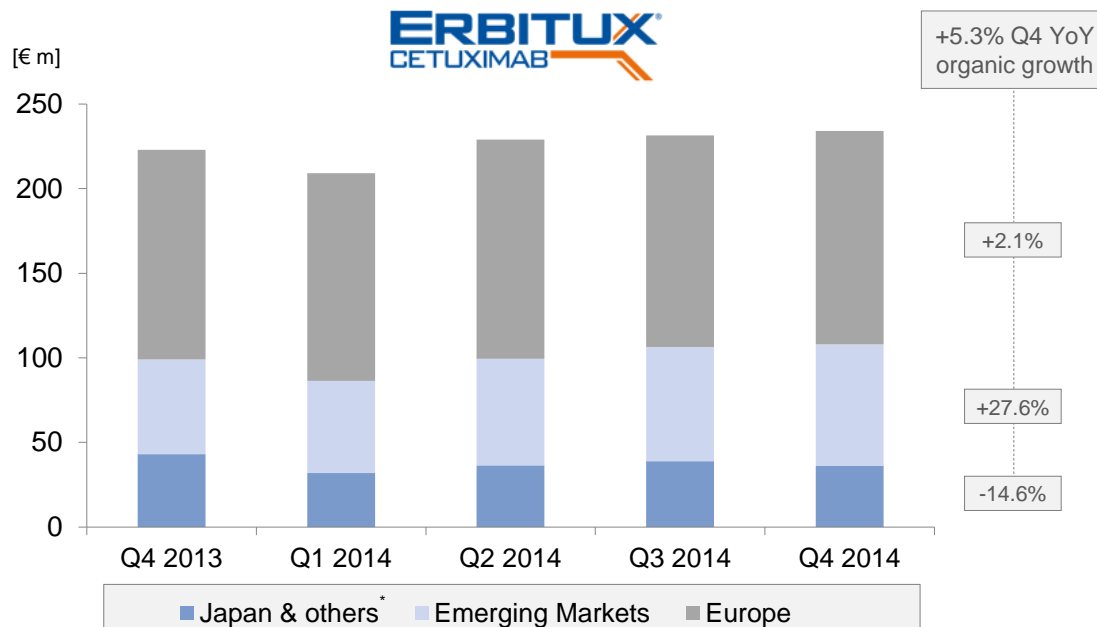


Rebif performance

- Rebif sales of €450 m in Q4
- Organic decline of -4.7% is driven by lower volumes mitigated by pricing
- Competition from orals main factor of U.S. and European volume decline
- October price increase supported U.S. performance in Q4
- European performance driven by volume losses to orals; last year's high base included tender in Russia

Erbitux – Emerging Markets strength

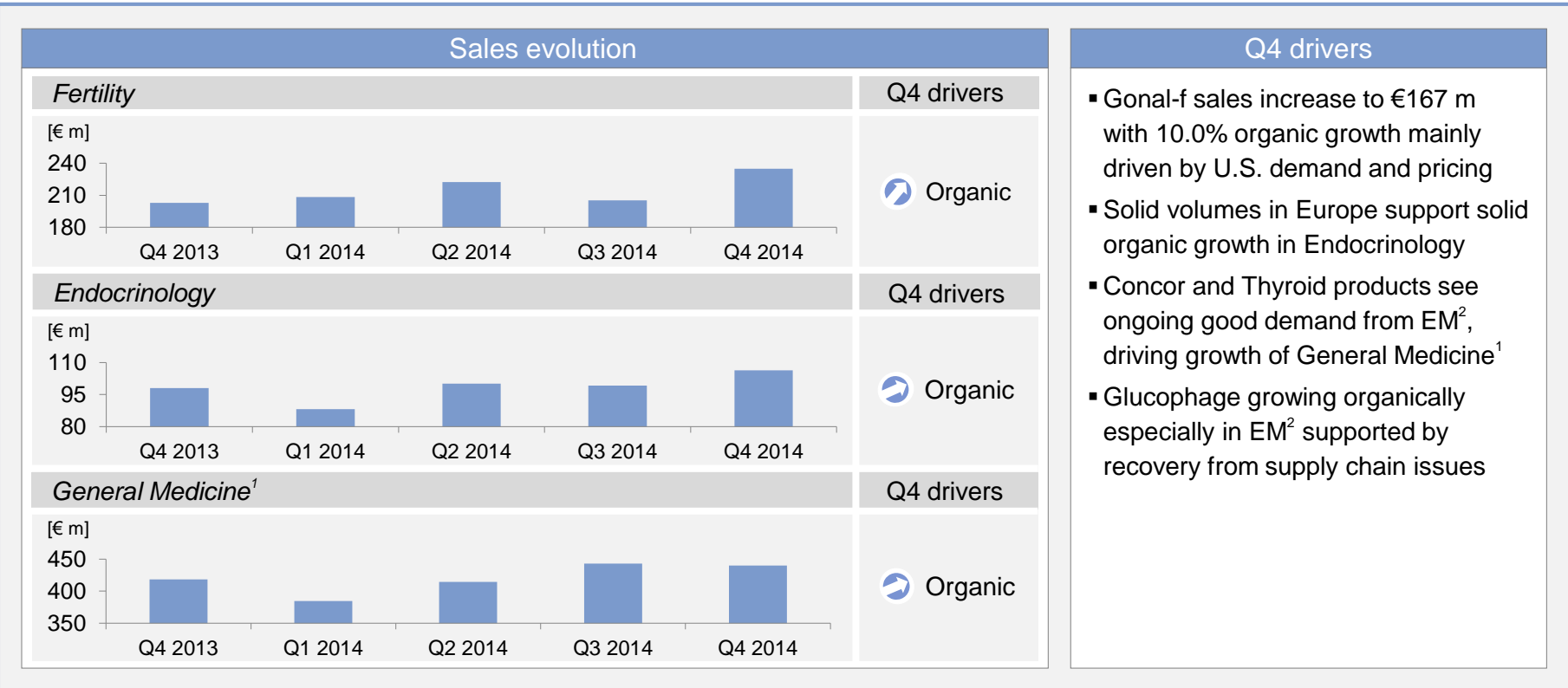
Erbitux sales by region



Erbitux performance

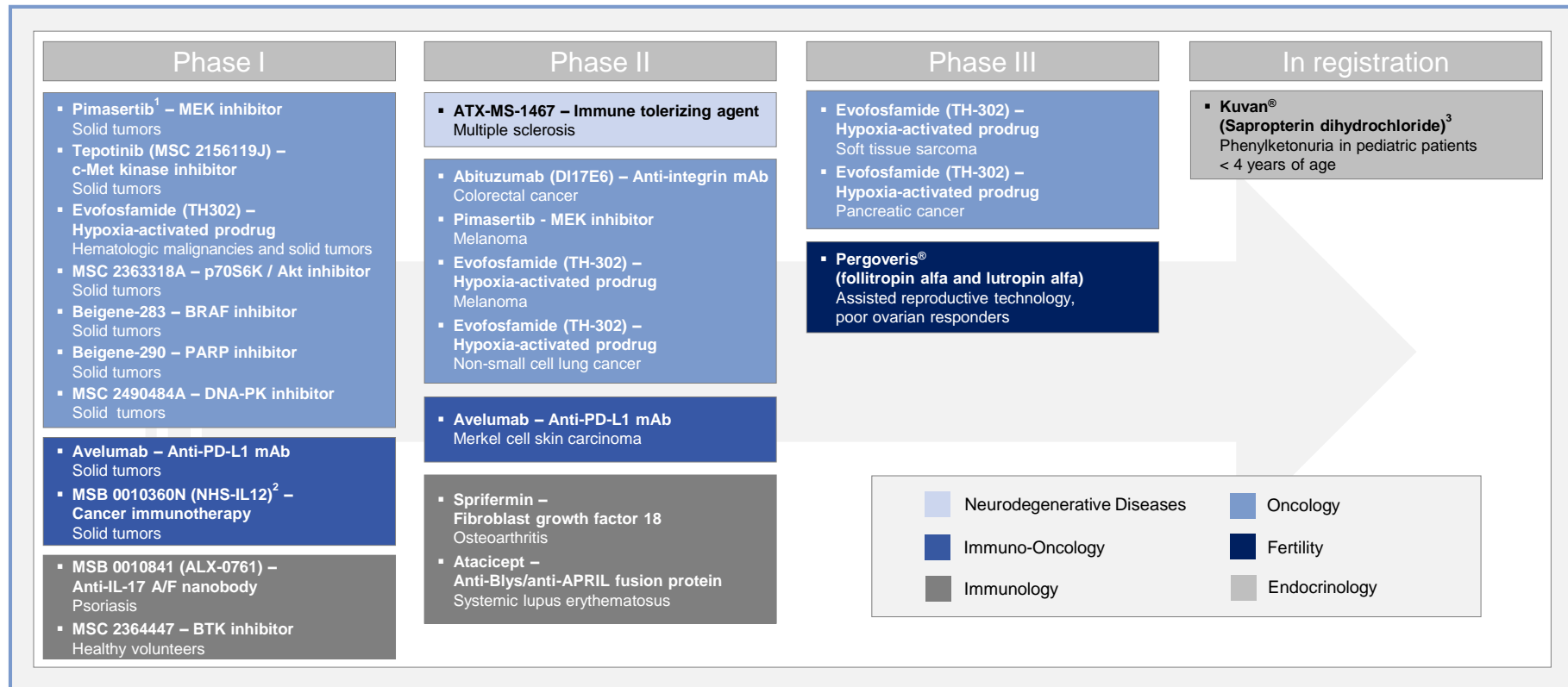
- Sales increase to €234 m as volume gains outweigh negative price effects
- Europe with slight organic growth mainly driven by reimbursement approval in Turkey
- Strong growth in China as well as in Latin American markets leads to Emerging Markets uptake
- Japan compares to very high base, overall business remains healthy
- FY performance of 6% organic growth mainly driven by Emerging Markets is partially offset by -3.4% FX

Strong growth in Fertility and General Medicine



¹includes "Cardiometabolic Care & General Medicine and Others"; ²Emerging Markets

Merck Serono pipeline



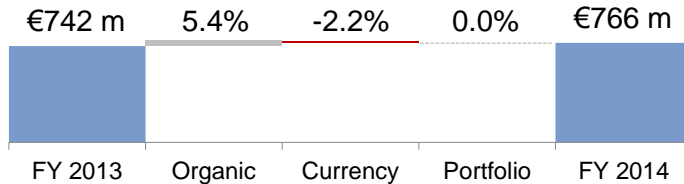
Pipeline as of February 28, 2015; ¹Combined with hDM2 inhibitor (SAR405838) from Sanofi, conducted under the responsibility of Sanofi;

²Sponsored by the National Cancer Institute (USA); ³Post-approval request by the European Medicines Agency

Consumer Health: Focus on strategic brands in Emerging Markets drives organic performance

[€ m]	FY 2013 *	FY 2014
Sales	742	766
Marketing and selling	-287	-303
Admin	-27	-27
R&D	-22	-22
EBIT	162	150
EBITDA	171	160
EBITDA pre	172	169
<i>Margin (% of sales)</i>	<i>23.2%</i>	<i>22.1%</i>

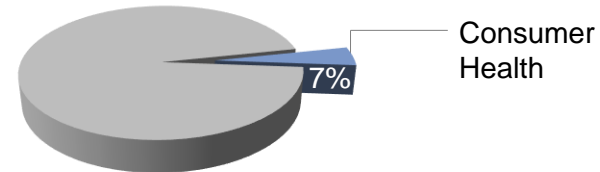
Sales bridge



Comments

- Increase in sales as good organic growth driven by Emerging Markets and Europe is partially offset by FX headwinds
- New strategic brands Neurobion and Floratil drive organic growth mainly from EM supported by consumer focused marketing
- Europe solid with strong demand for Femibion and some local brands especially in Germany
- Marketing and selling increases on global marketing initiatives; shift in promotional spending towards strategic brands continues
- Slight decrease in profitability due to investments in marketing and selling

FY 2014 share of group sales

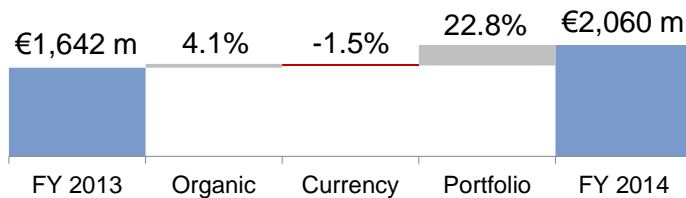


*Restated for product reclassification of Neurobion and Floratil from Merck Serono to Consumer Health

Performance Materials: Growth fueled by display industry trends

[€ m]	FY 2013	FY 2014
Sales	1,642	2,060
Marketing and selling	-152	-178
Admin	-28	-56
R&D	-145	-171
EBIT	653	611
EBITDA	766	804
EBITDA pre	780	895
<i>Margin (% of sales)</i>	<i>47.5%</i>	<i>43.4%</i>

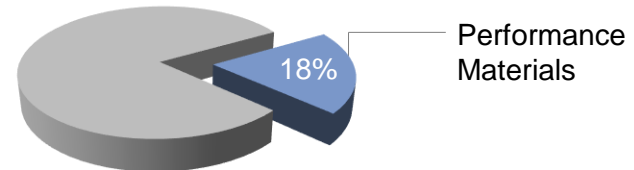
Sales bridge



Comments

- Sales increase as good organic growth and portfolio effects from AZ are slightly offset by negative FX effects
- Liquid Crystals flagship technologies (IPS & PS-VA) see ongoing good demand
- Pigments with slight organic growth owing to good demand for Xirallic products from coating industry
- Cost base reflects portfolio effects from AZ
- Increase in EBITDA pre contains organic growth and AZ
- EBITDA pre margin reflects mix effect from AZ

FY 2014 share of group sales

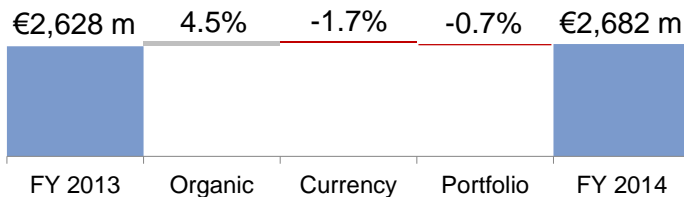


Merck Millipore: Growth in Process Solutions



[€ m]	FY 2013	FY 2014
Sales	2,628	2,682
Marketing and selling	-835	-844
Admin	-99	-110
R&D	-160	-163
EBIT	262	289
EBITDA	590	599
EBITDA pre	643	659
<i>Margin (% of sales)</i>	<i>24.5%</i>	<i>24.6%</i>

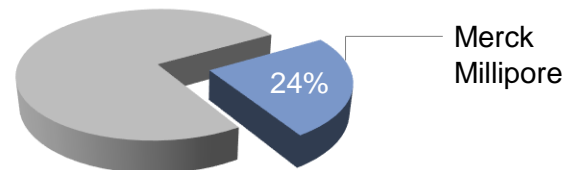
Sales bridge



Comments

- Sales increase as organic growth overcompensate FX headwinds and portfolio effects*
- Process Solutions growth driven by biopharma demand for filtration and single-use products stemming from all regions
- Bioscience organically flat, as solid demand for separation and preparation products is offset by soft demand for antibodies
- Demand for consumables and water purification solutions in Emerging Markets drives organic growth in Lab Solutions
- Profitability stable due to solid volumes and pricing

FY 2014 share of group sales



Underlying cash flow strength

[€ m]	Q4 2013	Q4 2014	Δ
Profit after tax	281	282	1
D&A	462	380	-81
Changes in provisions	-238	-342	-104
Changes in other assets / liabilities	-205	604	809
Other operating activities	44	17	-27
Changes in working capital	97	200	103
Operating cash flow	440	1,141	701
Investing cash flow	-263	-1,144	-881
thereof Capex*	-172	-211	-39
Financing cash flow	-106	1,519	1,625

Cash flow drivers

- Higher impairments last year lead to lower D&A in 2014
- Changes in provisions mainly impacted by release for litigation settlement
- Increase in changes in other assets and liabilities reflects Pfizer upfront
- Changes in working capital increase due to higher business activity
- Investments in short-term assets impact investing cash flow
- Financing cash flow mainly reflects cash in from hybrid issuance in December

*Only PPE, not including software
Totals may not add up due to rounding

One-time items in Q4 2014

One-time items in EBIT				
[€ m]	Q4 2013		Q4 2014	
	One-time items	thereof D&A	One-time items	thereof D&A
Merck Serono	164	144	15	1
Consumer Health	1	0	1	0
Performance Materials	7	-4	10	0
Merck Millipore	40	17	28	0
Corporate & Other	14	0	23	1
Total	226	157	76	2

Totals may not add up due to rounding

One-time items in FY 2014

One-time items in EBIT

[€ m]	FY 2013		FY 2014	
	One-time items	thereof D&A	One-time items	thereof D&A
Merck Serono	258	189	50	5
Consumer Health	1	0	9	0
Performance Materials	10	-4	91	0
Merck Millipore	70	17	60	0
Corporate & Other	47	0	65	5
Total	387	203	275	10

Totals may not add up due to rounding

New allocation of royalty, license and commission income and expenses

2014 P&L structure

Sales

Royalty, license and commission income

Commission income

Royalty & license income

Revenues

Cost of Sales

Gross profit

Marketing & selling expenses

Royalty, license and commission expenses

Commission expenses

Royalty & license expenses

Administration expenses

Other operating expenses/income

Research & development expenses

EBIT

New 2015 P&L structure

Net sales

~~Royalty, license and commission income~~

~~Commission income~~

~~Royalty & license income~~

Revenues

Cost of Sales

Gross profit

Marketing & selling expenses

~~Royalty, license and commission expenses~~

~~Commission expenses~~

~~Royalty & license expenses~~

Administration expenses

Other operating expenses/income

Research & development expenses

EBIT

Financial calendar

Date	Event
April 17, 2015	Annual General Meeting 2015
May 19, 2015	Q1 2015 Earnings release
August 06, 2015	Q2 2015 Earnings release
November 12, 2015	Q3 2015 Earnings release
March 08, 2016	Q4 2015 Earnings release



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