



GROWTH ACROSS ALL BUSINESSES & REGIONS

Merck Q3 2015 results

Marcus Kuhnert,	Member of the Executive Board & CFO
Bernd Reckmann,	Member of the Executive Board & CEO Life Science and Performance Materials
Rico Wiedenbruch,	Head of Integrated Circuit Materials

November 12, 2015

MERCK

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

- 01** Executive summary
- 02** Financial review
- 03** Excursus: Integrated Circuit Materials
- 04** Outlook and guidance



01

EXECUTIVE SUMMARY

Highlights

Operations

- ▶ Organic growth in all businesses and regions
- ▶ Sigma: EU approval of transaction granted – closing scheduled for Nov. 18, 2015
- ▶ Avelumab: Phase III in 1st line NSCLC initiated; Orphan Drug and Fast Track designation for Merkel cell carcinoma

Financials

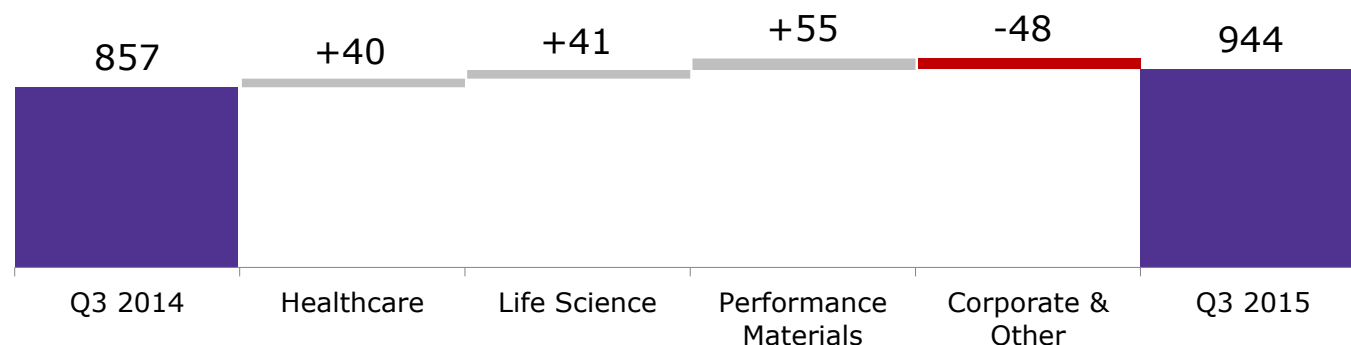
- ▶ Sales growth of 6.8% in Q3 2015
- ▶ EBITDA pre increases by 10.2% to €944 m
- ▶ FY 2015 guidance lifted for EBITDA pre

Sales and EBITDA pre growth driven by all businesses

Q3 2015 YoY net sales

	Organic	Currency	Portfolio	Total
Healthcare	1.9%	-0.5%	0.0%	1.4%
Life Science	8.1%	6.8%	0.0%	14.9%
Performance Materials	2.2%	11.2%	0.0%	13.4%
Merck Group	3.3%	3.5%	0.0%	6.8%

Q3 YoY EBITDA pre contributors [€ m]

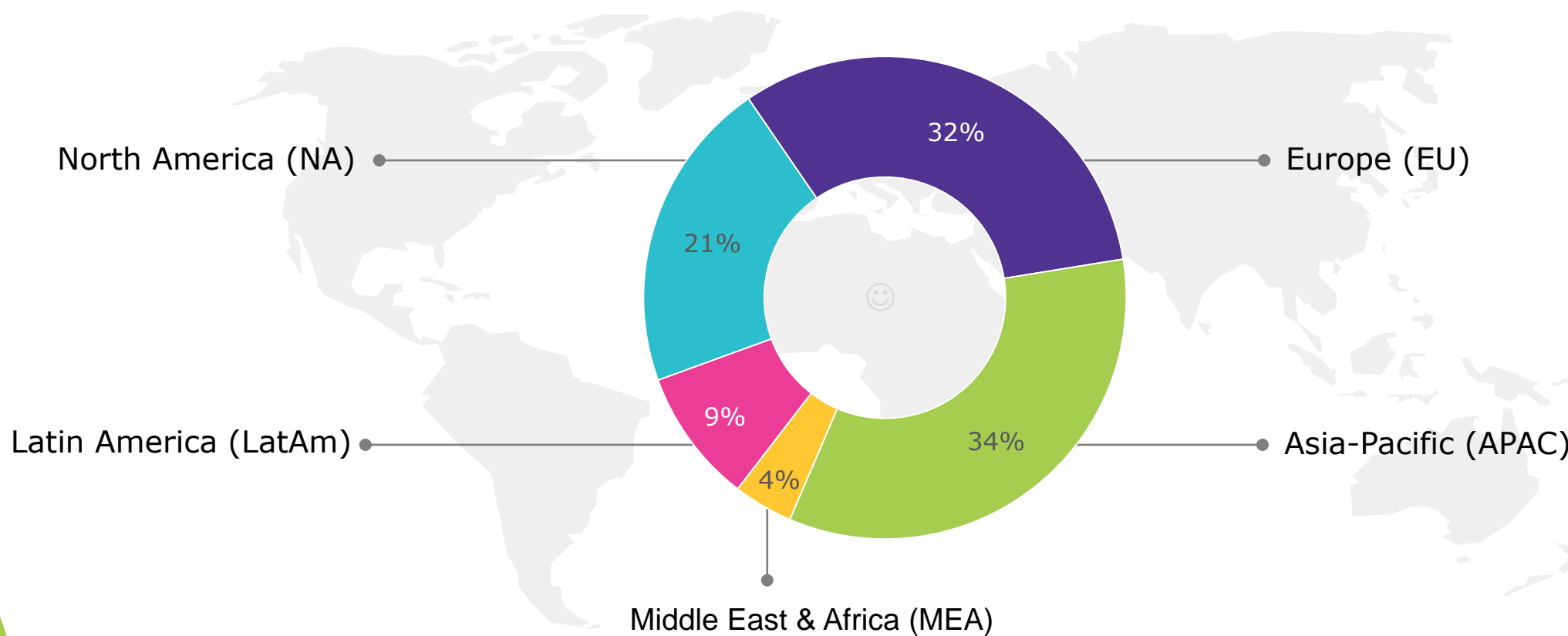


- Fertility and General Medicine more than offsetting Rebif decline
- Life Science benefits from strong performance of Process Solutions
- Performance Materials driven by FX tailwinds, LC and OLED volume growth
- Healthcare benefits from organic growth and release of R&D termination provision
- Life Science increase supported by strong organic performance
- Performance Materials reflects FX benefits and favorable LC product mix
- Hedging losses and branding initiative burden Corporate EBITDA pre

Acronyms: LC = liquid crystals, OLED = organic light emitting diode
Totals may not add up due to rounding

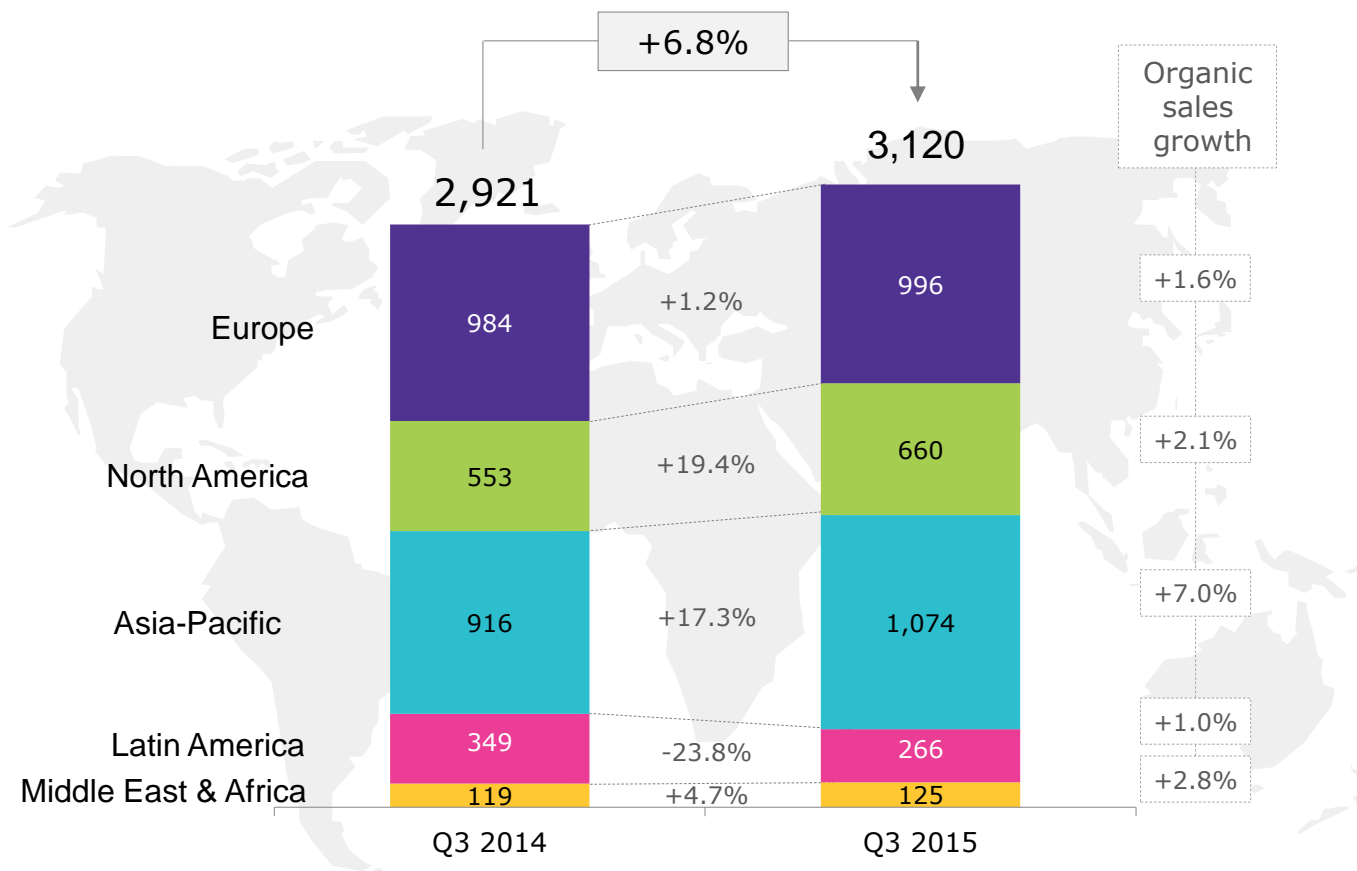
Asia-Pacific largest region – China with strong growth momentum

Merck Group Q3 2015 net sales by region [in %]



All regions contribute to organic growth

Regional development of net sales Q3 2015 [€ m]



Regional development

- Growth in EU and NA predominantly driven by Life Science and Fertility
- Organic growth in Asia-Pacific coming from China (esp. Fertility, GM)
- LatAm organically softer due to macro challenges, nominal decline mainly from change of VEN* FX rate

*Venezuelan Bolivar
Totals may not add up due to rounding



02

FINANCIAL REVIEW

Q3 2015 overview

Q3 2015 – key figures

[€m]	Q3 2014	Q3 2015	Δ
Net sales	2,921	3,120	6.8%
EBITDA pre	857	944	10.2%
Margin (in % of net sales)	29.3%	30.3%	
EPS pre	1.15	1.32	14.8%
Operating cash flow	726	872	20.1%

[€m]	Dec. 31, 2014	Sept. 30, 2015	Δ
Net debt	559	-1,304	n.m.
Working capital	2,356	2,614	10.9%
Employees	39,639	40,339	1.8%

Comments – Q3 2015

- EBITDA pre increase driven by good organic performance, release of R&D termination provision and FX
- EPS pre and operating cash flow increase mainly due to higher EBITDA pre
- Net cash position reflects strong track record of deleveraging

Q3 2015 – good quarter with strong earnings growth

Q3 2015 – reported results

[€m]	Q3 2014	Q3 2015	Δ
EBIT	429	564	31.4%
Financial result	-57	-81	42.3%
Profit before tax	372	482	29.8%
Income tax	-122	-117	-4.4%
Tax ratio [in %]	32.9%	24.2%	
Net income	249	364	46.3%
EPS [€]	0.57	0.84	47.4%

Comments – Q3 2015

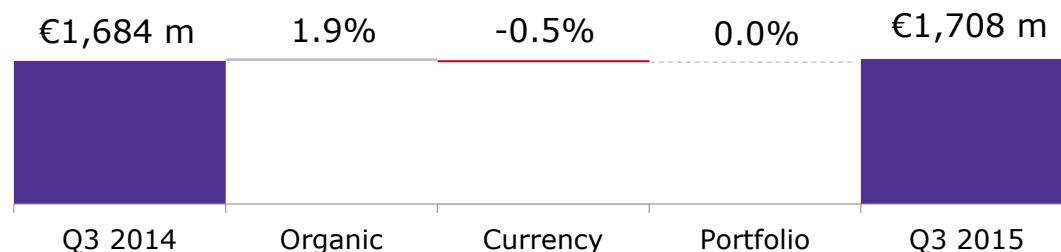
- Strong EBIT increase reflects EBITDA pre progression; last year with higher D&A and exceptionals
- Financial result includes higher interest expenses from Sigma financing
- Tax ratio last year contained taxable gain from Sigma FX hedging

Healthcare: Slight sales growth driven by Fertility and General Medicine

Healthcare P&L

[€m]	Q3 2014	Q3 2015
Net sales	1,684	1,708
Marketing and selling	-625	-683
Administration	-62	-60
Research and development	-416	-322
EBIT	279	349
EBITDA	481	538
EBITDA pre	497	537
Margin (in % of net sales)	29.5%	31.5%

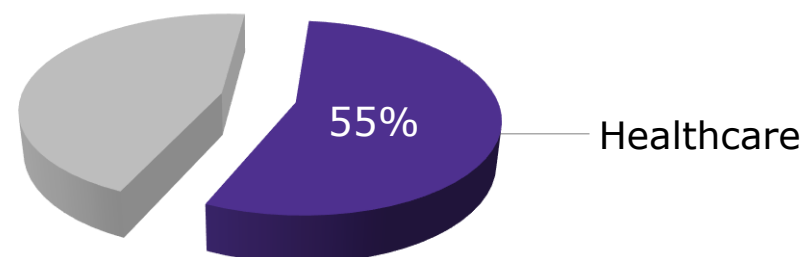
Net sales bridge



Comments

- Sales growth impacted by change of Venezuelan FX rate and softer Latin American currencies
- Rebif organically lower as volume decline mainly due to competition from orals is only partially offset by price increases in the U.S.
- Erbitux burdened by EU pricing and lower volumes in LatAm
- Fertility with strong growth mainly driven by demand from China
- General Medicine remains largest contributor to organic growth
- LY's R&D impacted by terminations; provision release in 2015 (€31 m)
- EBITDA pre expansion reflects organic growth & release of provision

Q3 2015 share of group net sales

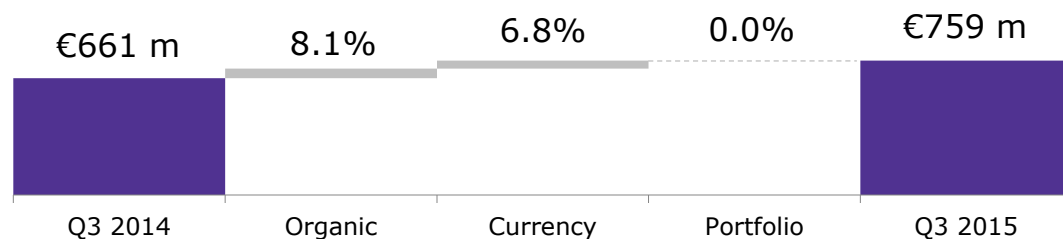


Life Science: All businesses contribute to strong organic performance

Life Science P&L

[€m]	Q3 2014	Q3 2015
Net sales	661	759
Marketing and selling	-209	-238
Administration	-26	-30
Research and development	-42	-45
EBIT	72	97
EBITDA	150	180
EBITDA pre	161	201
Margin (in % of net sales)	24.3%	26.5%

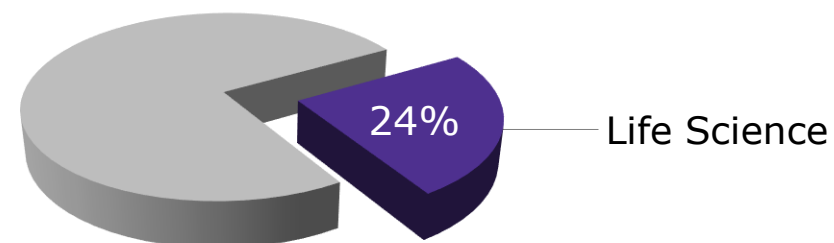
Net sales bridge



Comments

- Process Solutions remains main organic growth contributor driven by strong performance in single-use & virus filtration
- Solid organic growth in Lab Solutions led by U.S. and Europe especially in biomonitoring and lab water products
- Bioscience sees continued soft demand for reagents & antibodies offset by sound volumes of cell biology and cell culture systems
- Margin progression driven by organic performance, manufacturing efficiencies, favorable product mix and pricing

Q3 2015 share of group net sales

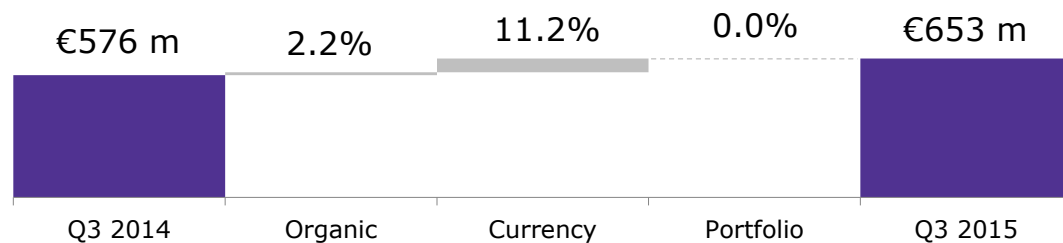


Performance Materials: All businesses yield profitable growth

Performance Materials P&L

[€m]	Q3 2014	Q3 2015
Net sales	576	653
Marketing and selling	-45	-54
Administration	-18	-16
Research and development	-46	-50
EBIT	152	233
EBITDA	218	292
EBITDA pre	243	298
Margin (in % of net sales)	42.2%	45.5%

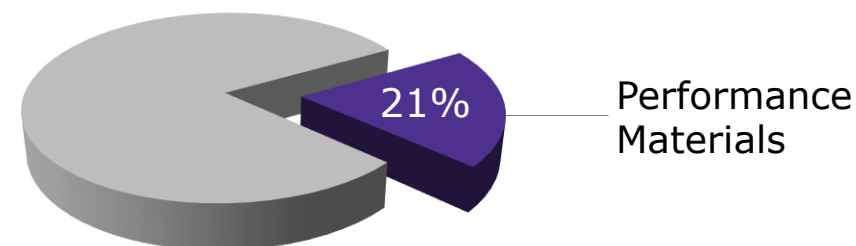
Net sales bridge



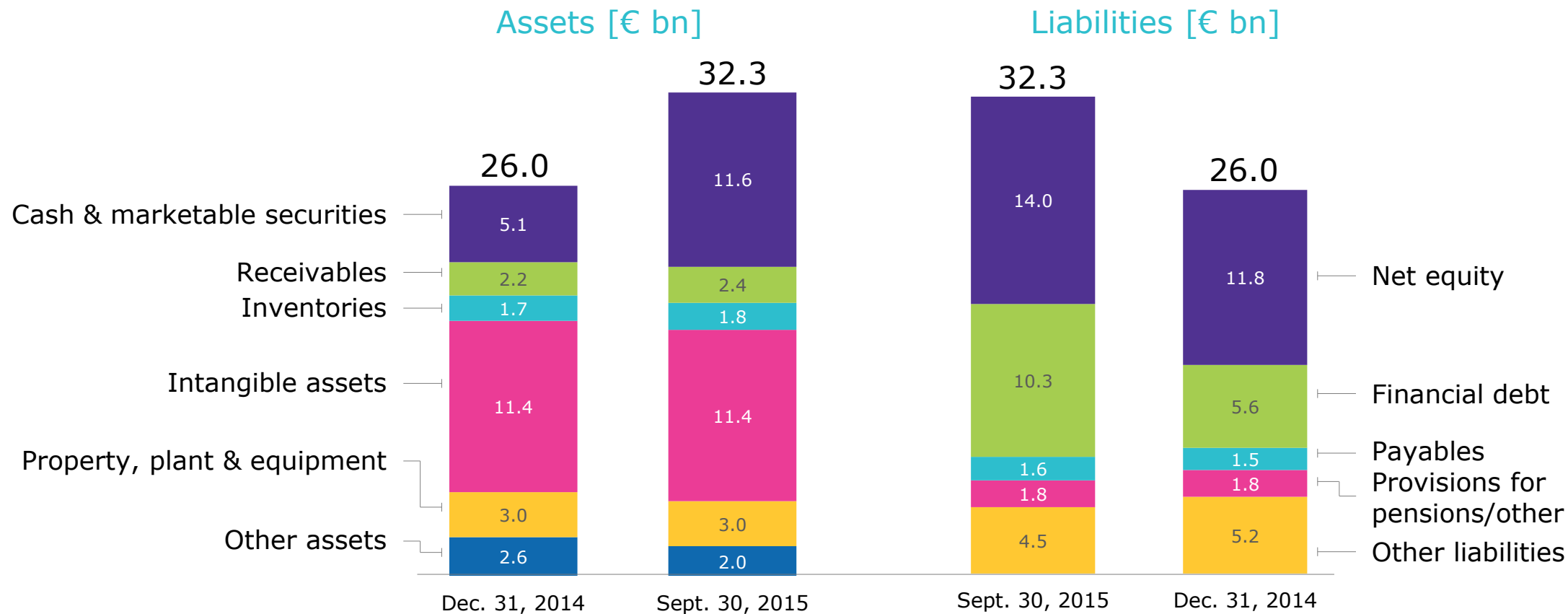
Comments

- Strong increase in sales reflecting FX tailwinds
- Further shift towards innovative liquid crystal technologies (esp. UB-FFS) supports volumes and profitability
- Display industry supply chain inventories remain at high level
- OLED and ICM* support growth with sound volume development
- Pigments slightly growing
- Profitability at high level mainly driven by FX and favorable product mix

Q3 2015 share of group net sales



Balance sheet reflects Sigma financing measures



- Issuance of USD & EUR bonds impacts cash and debt

- FX development accounts for ~€1 bn total balance sheet increase (~€700 m in equity)

Strong operating cash flow reflecting cash generating nature of businesses

Q3 2015 – cash flow statement

[€m]	Q3 2014	Q3 2015	Δ
Profit after tax	250	366	116
D&A	353	337	-16
Changes in provisions	89	11	-78
Changes in other assets/liabilities	115	153	38
Other operating activities	-4	12	16
Changes in working capital	-77	-7	70
Operating cash flow	726	872	146
Investing cash flow	-364	418	782
thereof Capex on PPE	-128	-130	-2
Financing cash flow	90	2,217	2,127

Cash flow drivers

- Last year's D&A included amortization for discontinued R&D project
- In 2014 provision built-up for R&D terminations, partial release in 2015
- Investing cash flow includes proceeds from Sigma FX hedging, payment of Intrexon upfront & cash management
- €2.1 bn eurobond issuance in August drives financing cash flow

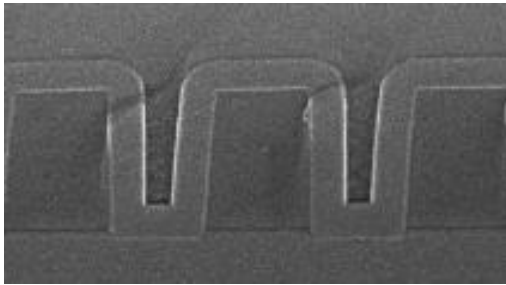


03

**EXCURSUS:
INTEGRATED CIRCUIT
MATERIALS**

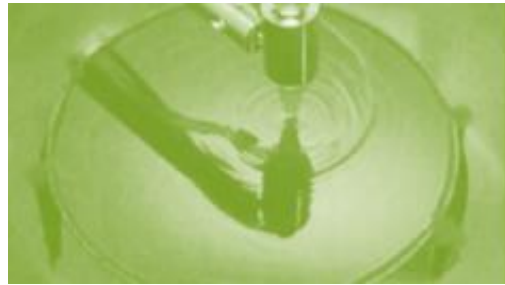
Integrated Circuit Materials – enabling solutions for the semiconductor market and adjacent industries

Dielectric Materials



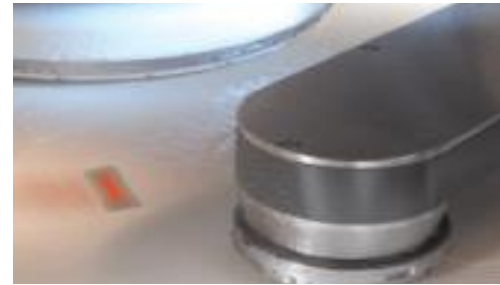
- Spin-on silicon-based materials forming electrical insulation layers inside the microchips, displacing chemical vapor deposition (Spinfil®)

Lithography Materials



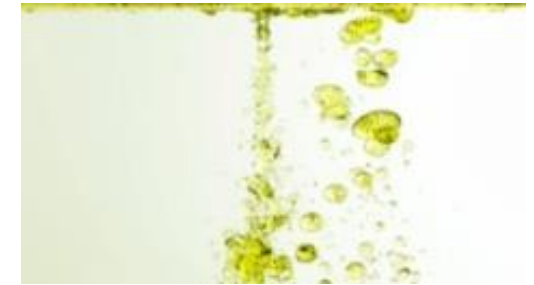
- Diverse portfolio of bespoke materials that improve resolution and performance and reduce costs in the IC lithography process

Silica Materials



- Colloidal silica used in chemical mechanical planarization (CMP), substrate polishing and industrial applications (Klebosol®)

IC Process Materials



- Removers, developers and other solvents as well as polyimide raw materials

Merck has a strong position and will benefit further from complex technological advances and underlying market trends

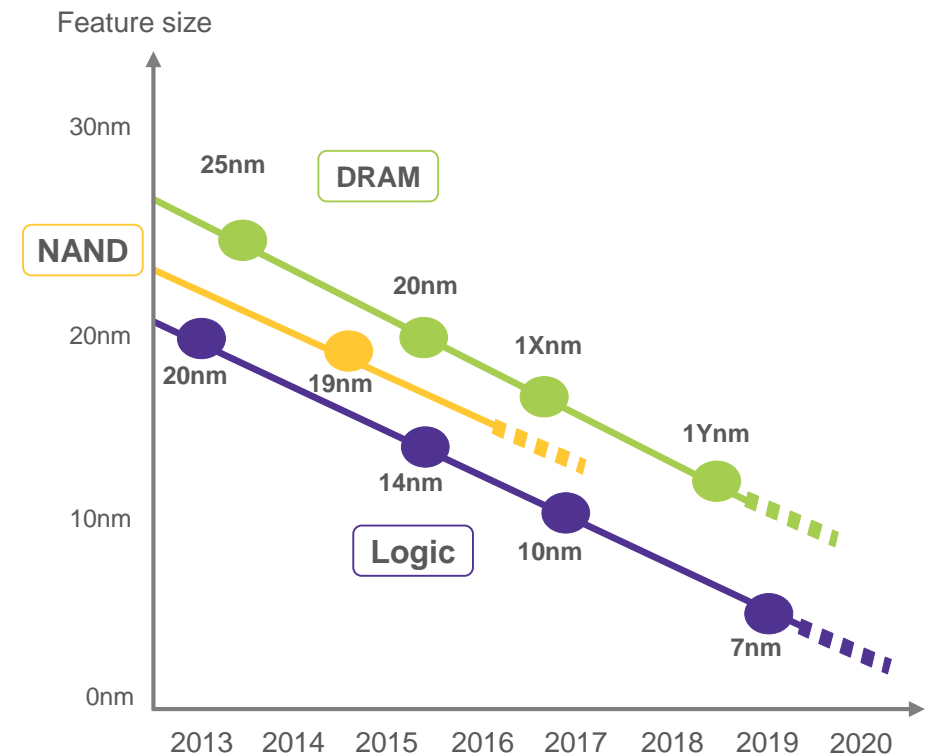
Market drivers and technological trends

- **Miniaturization:** Devices are becoming smaller with better performance
 - Need for enabling materials to reduce size (Moore's law)
- **Mobility:** Everyone is continuously connected without direct power supply
 - More chips needed for local energy production
 - Energy storage → smaller batteries with higher density
- **Internet of Things:** Everything is continuously connected
 - More gadgets and devices that include chips
 - Increasing amount of communication and sensor chips
- **Big Data:** Increasing need for intelligent data storage
 - Switch from hard disk drives (HDD) to solid state drives (SSD)

Selected competitors

- | | |
|--------------------|----------------------------|
| • Tokyo Ohka Kogyo | • Dow Electronic Materials |
| • Nissan Chemicals | • JSR |

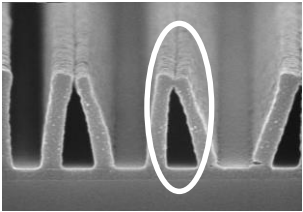
Feature sizes develop as predicted by Moore's law



Integrated Circuit Materials develops dedicated solutions for customer challenges, enabling cutting edge innovation

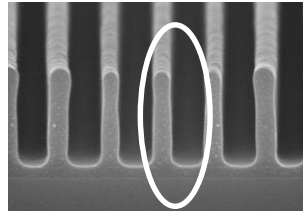
Challenge

PATTERN COLLAPSE



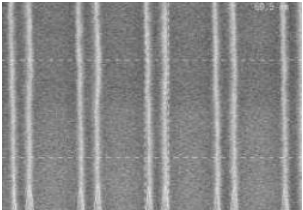
Solution

FIRM® RINSE MATERIALS



As lines get narrower and closer together in advanced chip generation, they tend to “stick” due to surface tension.

LITHOGRAPHY LIMITATION

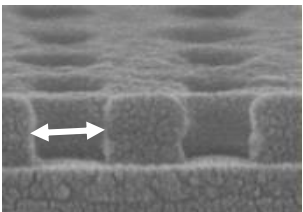


DIRECTED SELF ASSEMBLY (DSA)

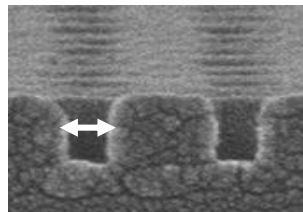


Block Copolymer can generate small lines or contact holes by self-assembly. This allows miniaturization without expensive new equipment.

WIDE FEATURES



RELACS® SHRINK MATERIALS



Shrink materials “shrink” the gap between lines and, hence, allow the manufacture of narrower features otherwise not possible



04

OUTLOOK AND GUIDANCE



&



SIGMA-ALDRICH

Strategic rationale

- ▶ Broad and complementary product fit in attractive segments
- ▶ Expanding global reach and scale
- ▶ Leveraging operational excellence to deliver superior value to customers

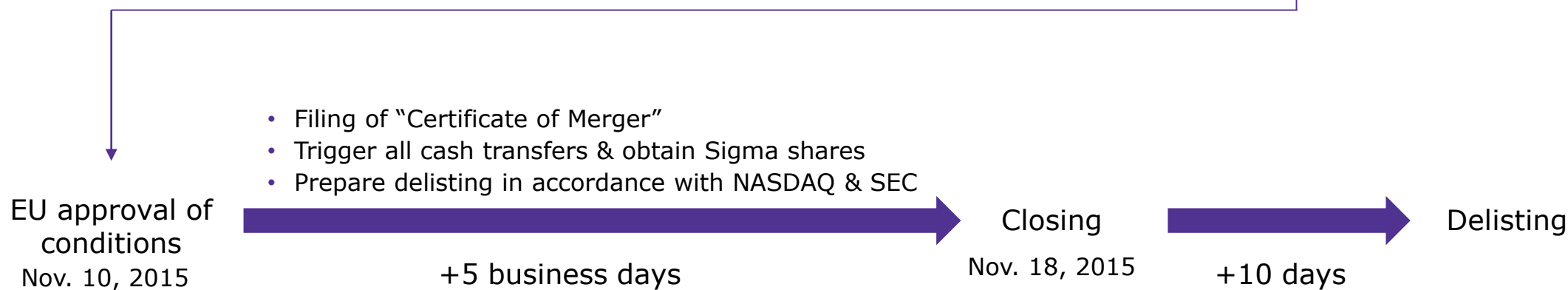
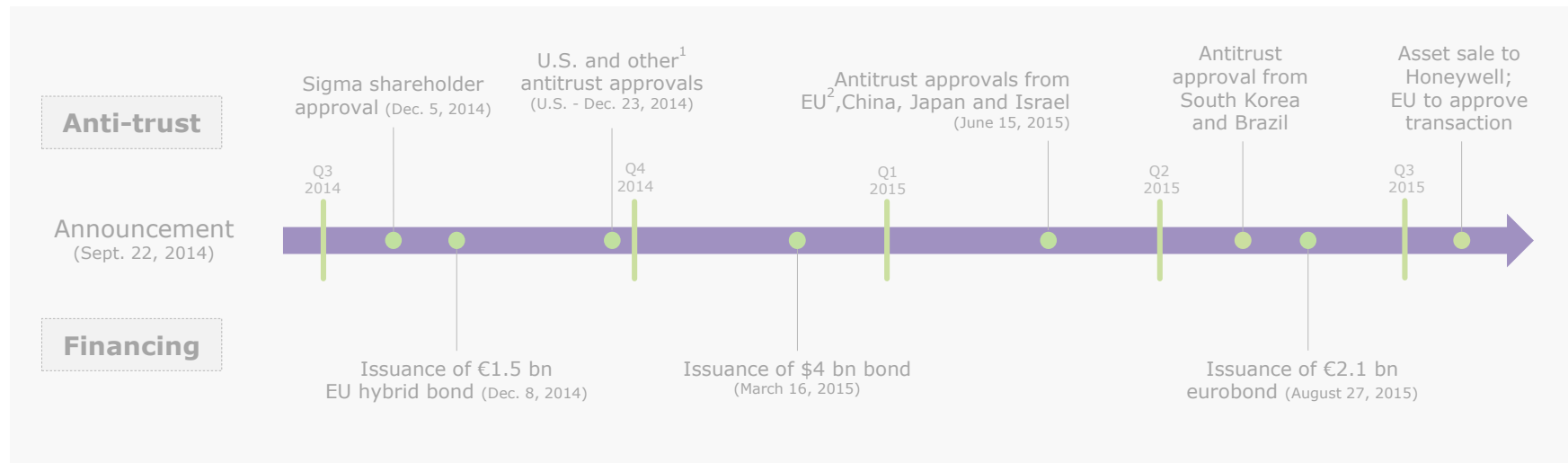
Integration

- ▶ New organizational structure designed (Applied, Research and Process Solutions)
- ▶ Top 2 management levels already appointed
- ▶ Focus on seamless integration for customers and the organization

Financials

- ▶ Confirming synergies of €260 m p.a., realized by the third full year after closing
- ▶ Sigma to be consolidated for 43 days in 2015

Sigma-Aldrich – timeline update



Full-year 2015 guidance upgraded and updated for Sigma

Merck guidance for 2015, including Sigma-Aldrich for 43 days

▶ **Net sales:** ~ €12.6 – 12.8 bn
thereof Sigma: ~ €300 m ◀

▶ **EBITDA pre:** ~ €3,580 – 3,650 m
thereof Sigma: ~ €80 – 95 m ◀

▶ **EPS pre:** ~ €4.80 – 4.95
thereof Sigma: ~ €0.10 – 0.15 ◀



2015 business sector guidance without Sigma-Aldrich



Net sales

Organically stable

EBITDA pre

~ €1.93 – 2.0 bn



Net sales

Solid organic growth

EBITDA pre

~ €0.76 – 0.78 bn



Net sales

Slight organic growth

EBITDA pre

~ €1.1 – 1.14 bn



APPENDIX

Additional financial guidance 2015

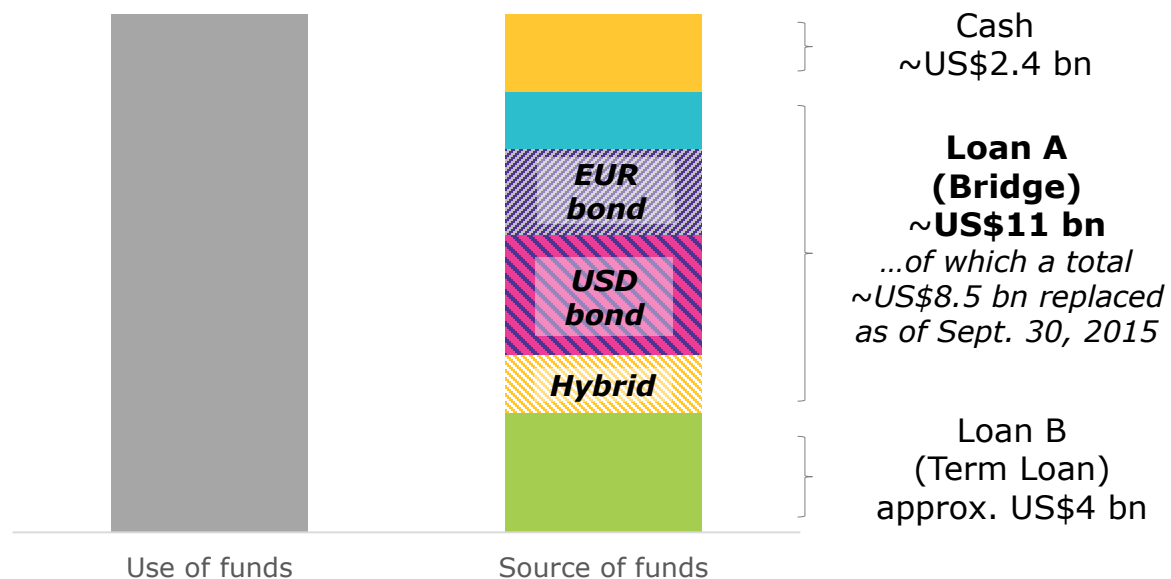
Further financial details

Merck Group royalty, license and commission income in 2015	~€300 m
Corporate & Other EBITDA pre	~ -€340 – -360 m
Underlying tax ratio	~23% to 25%
Capex on PPE	~€550 m
Hedging/USD assumption	2015 & 2016 hedge rate ~25-30% at EUR/USD ~1.19 to 1.24
2015 Ø EUR/USD assumption	~1.10 – 1.15

Solid structure to finance Sigma-Aldrich transaction

Financing structure as of September 30, 2015

Total: US\$17.4 bn

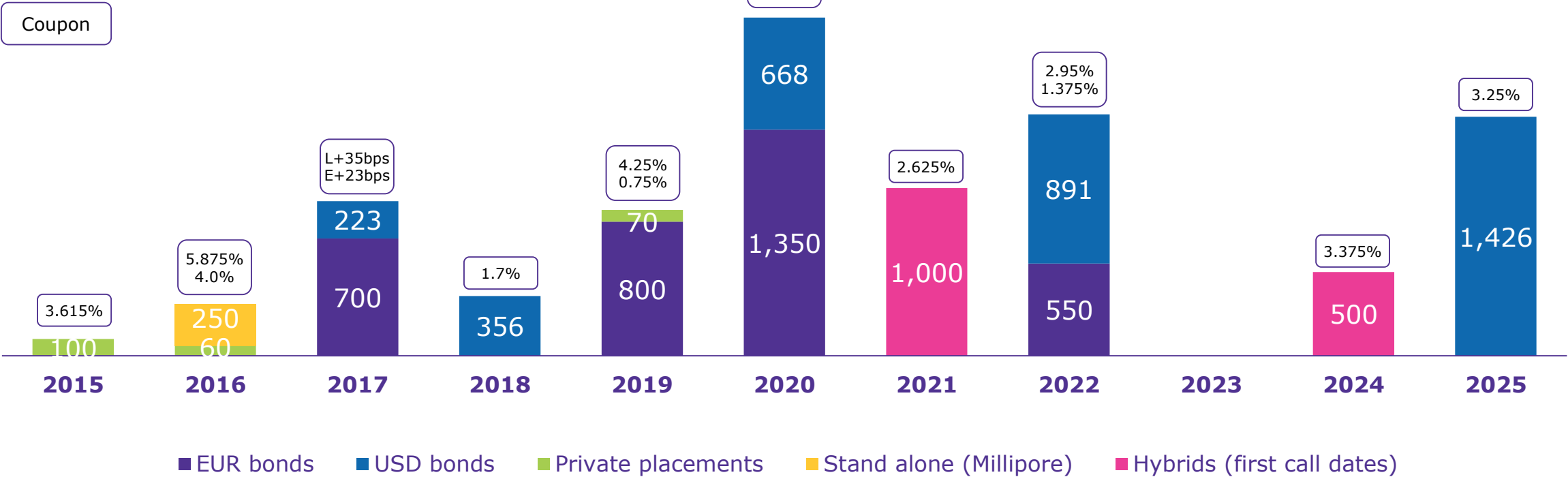


Update on funding structure

- Acquisition 100% cash & debt financed
- The bridge has almost completely been replaced through various capital markets transactions
- Accomplished transactions:
 - Dec. 2014: ~US\$1.9 bn EUR-hybrid bond
 - March 2015: US\$4 bn USD bond
 - August 2015: ~US\$2.6 bn EUR bond
- Strong combined cash flows available for rapid deleveraging
- Strong investment grade rating maintained
- Expected financing costs well below 2%

Well-balanced maturity profile reflects Sigma-Aldrich related capital markets transactions

Maturity profile as of Sept. 30, 2015 [in €m]



Additional loan arrangements exist that enable flexible and swift deleveraging

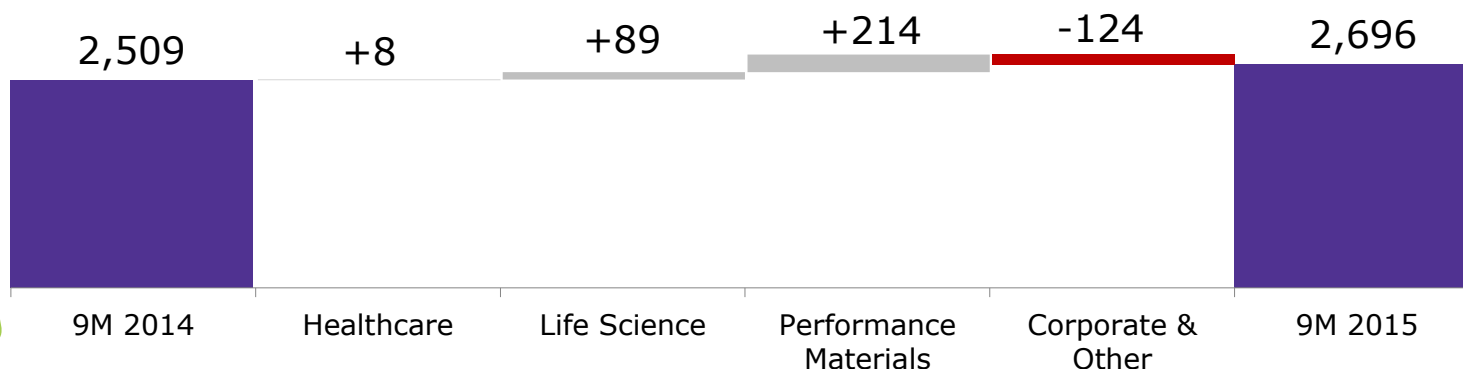
Growth driven by FX, AZ and organic performance of all segments

9M 2015 YoY net sales

	Organic	Currency	Portfolio	Total
Healthcare	1.2%	4.7%	0.0%	6.0%
Life Science	5.9%	9.3%	-0.3%	14.9%
Performance Materials	1.2%	14.1%	13.7%	28.9%
Merck Group	2.3%	7.5%	2.4%	12.2%

- Rebif and Erbitux declines more than offset by other franchises driving organic growth of Healthcare
- Life Science benefits from positive market trends (esp. biopharma)
- Performance Materials driven by FX tailwinds, AZ and volume growth

9M YoY EBITDA pre contributors [€ m]



- Healthcare affected by Humira royalty loss and Rebif decline
- Increase in Life Science driven by good organic growth and positive mix
- Performance Materials contains FX benefits, AZ and positive product mix
- Corporate EBITDA pre reflects hedging losses

9M 2015: Overview

9M 2015 – key figures

[€m]	9M 2014	9M 2015	Δ
Net sales	8,364	9,381	12.2%
EBITDA pre	2,509	2,696	7.5%
Margin (in % of net sales)	30.0%	28.7%	
EPS pre	3.46	3.74	8.1%
Operating cash flow	1,564	1,477	-5.6%

[€m]	Dec. 31, 2014	Sept. 30, 2015	Δ
Net debt	559	-1,304	n.m.
Working capital	2,356	2,614	10.9%
Employees	39,639	40,339	1.8%

9M 2015

- Sales increase mainly driven by FX, AZ and organic performance
- EBITDA pre increases, while margin softens due to royalty loss and Rebif decline
- Operating cash flow burdened by higher tax and interest payments
- Net cash position driven by operating cash flow and cash-in from realization of Sigma FX hedging instrument
- Working capital increase mainly attributable to organic growth and FX

9M 2015 – solid reported figures

9M 2015 YoY – reported results

[€m]	9M 2014	9M 2015	Δ
EBIT	1,338	1,545	15.5%
Financial result	-142	-223	56.7%
Profit before tax	1,196	1,322	10.6%
Income tax	-313	-326	4.0%
<i>Tax ratio (%)</i>	26.2%	24.6%	
Net income	877	989	12.7%
EPS (€)	2.02	2.27	12.4%

Reported results

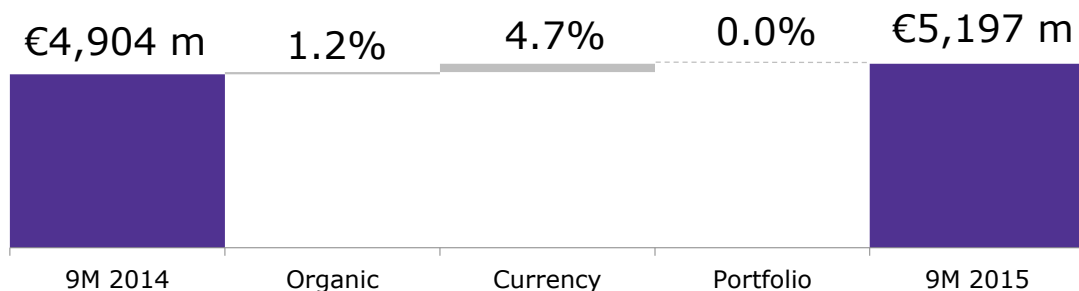
- EBIT reflects increased EBITDA pre and higher exceptionals last year
- Financial result impacted by higher interest expenses for Sigma financing (hybrid, USD and EUR bonds)
- Tax ratio in line with guidance range of 23-25%

Healthcare: Stability in base business and investments in future growth

9M 2015 YoY net sales

[€m]	9M 2014	9M 2015
Net sales	4,904	5,197
Marketing and selling	-1,894	-2,073
Administration	-184	-195
Research and development	-1,035	-1,027
EBIT	828	884
EBITDA	1,431	1,448
EBITDA pre	1,470	1,478
Margin (in % of net sales)	30.0%	28.4%

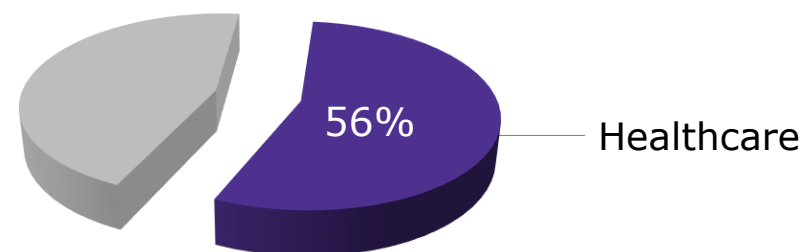
Net sales bridge



Comments

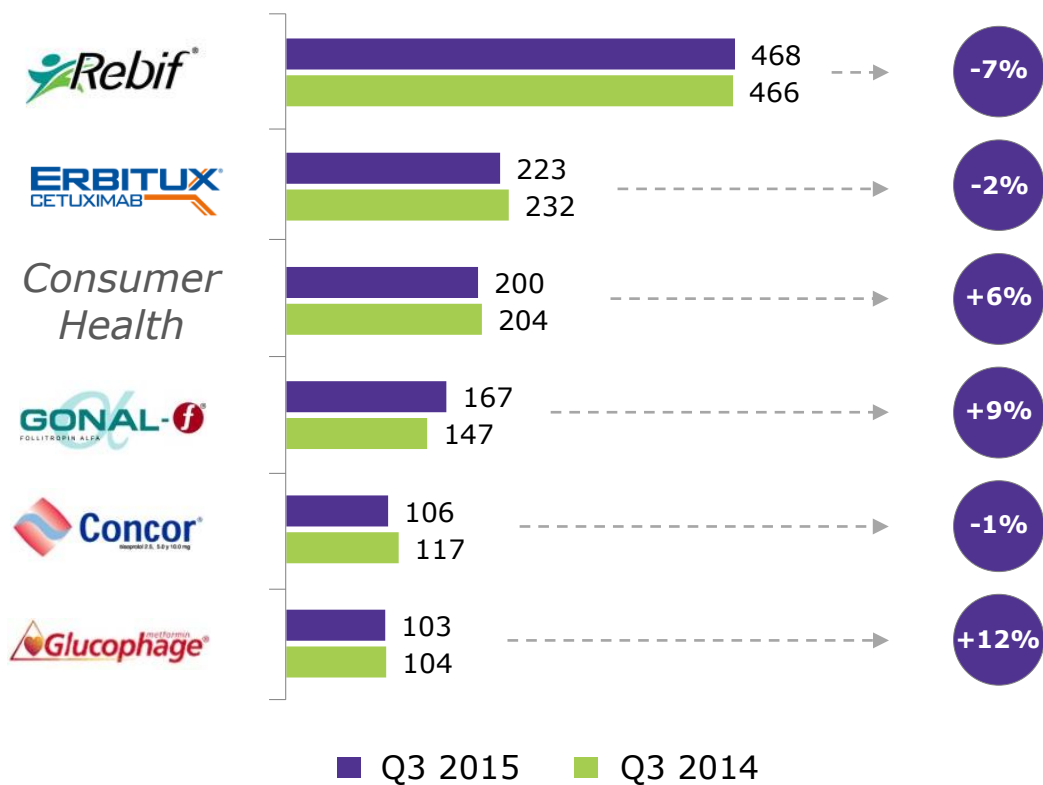
- Rebif decline due to competition partially mitigated by U.S. pricing
- Erbitux soft, as mandatory price cuts in Europe & lower private sector sales in Brazil outweigh volume increase in China
- General Medicine and Fertility remain key growth drivers
- Consumer Health with strong organic growth as new marketing approach fuels demand - especially for Neurobion in Latin America
- Investments in growth markets and FX drive higher M&S spending
- Steady ramp-up of avelumab program and other focus programs as well as promising earlier-stage pipeline candidates
- Lower profitability reflects investments and unfavorable product mix

9M 2015 share of group net sales

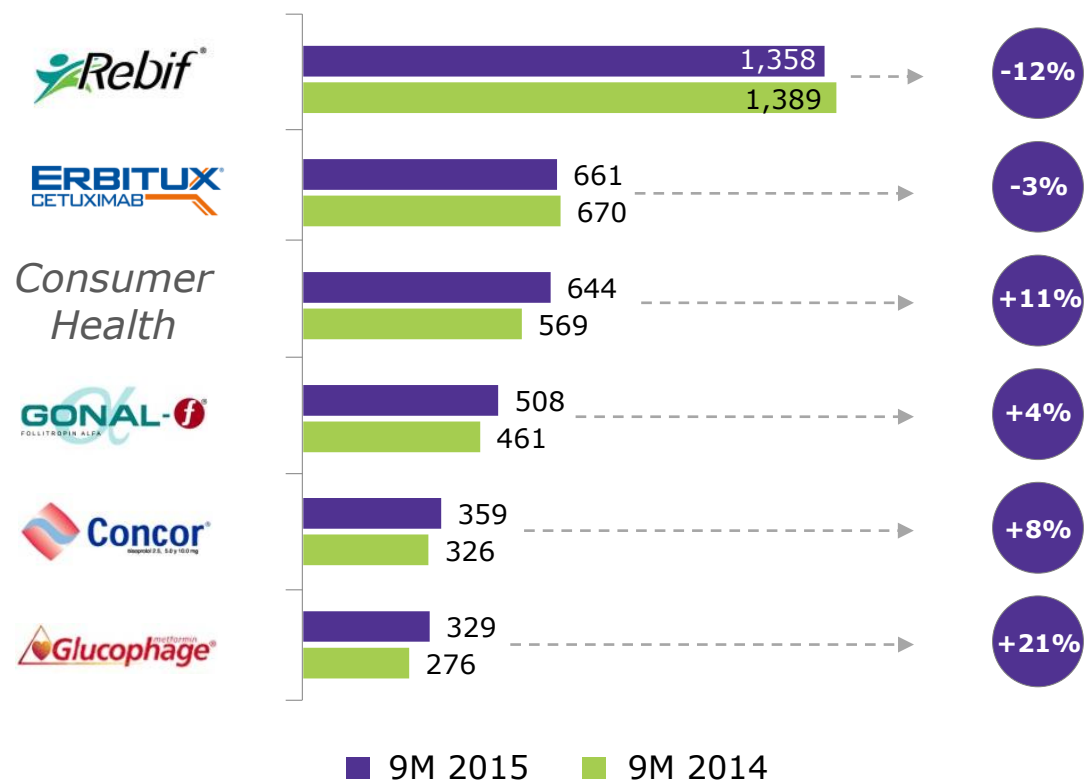


Healthcare organic growth by franchise/product

Q3 2015 organic sales growth [%]
by key products [€ m]



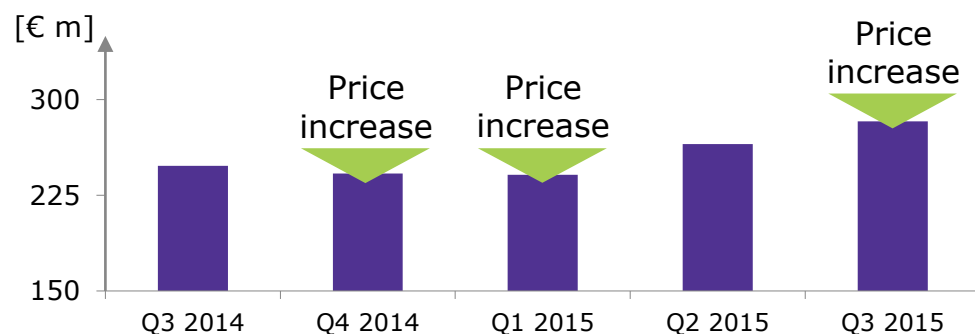
9M 2015 organic sales growth [%]
by key products [€ m]



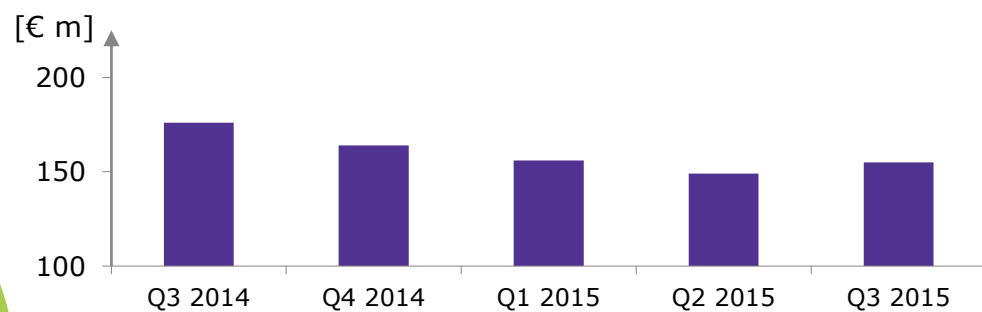
Rebif: Defending the franchise – competitive pressure in the U.S. and Europe

Rebif sales evolution

North America



Europe



Q3 drivers
-2.8% org.

- Price
- Volume
- FX

Q3 drivers
-9.5% org.

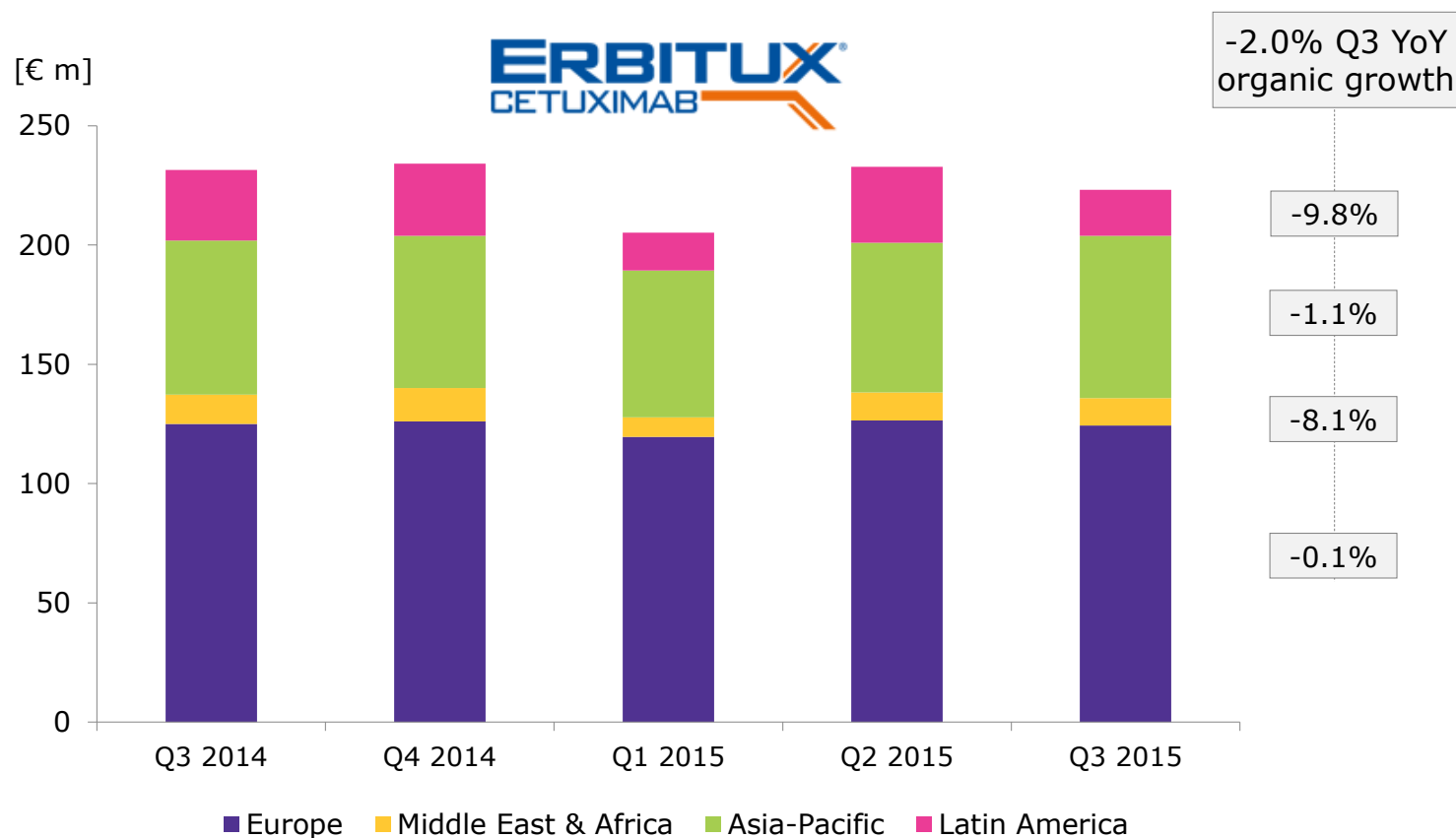
- Price
- Volume

Reported results

- Rebif sales of €468 m in Q3 2015 benefit from FX tailwinds (USD)
- Organic decline of -7.0% due to lower volumes mitigated by U.S. pricing
- U.S. and European volume decline mainly due to competition from orals
- U.S. price increase in September supports performance

Erbitux: A challenging market environment

Erbitux sales by region



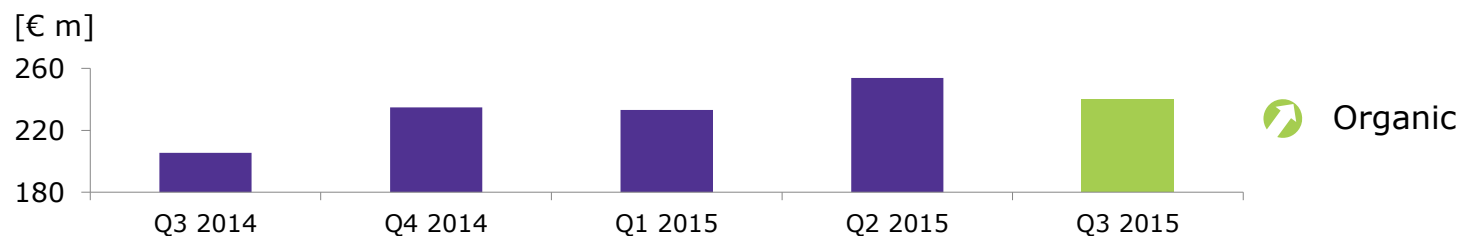
Erbitux performance

- Sales decrease to €223m due to negative pricing and FX
- Europe impacted by mandatory price cuts in various countries and increasing competition
- Latin America burdened by decline in private sector sales in Brazil
- APAC organically lower due to channel destocking outweighing strong volume growth in China

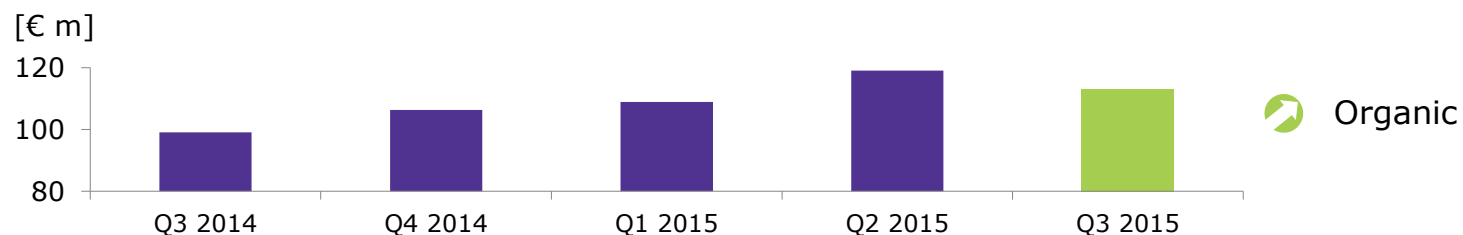
Strong growth in Fertility, General Medicine and Endocrinology

Sales evolution

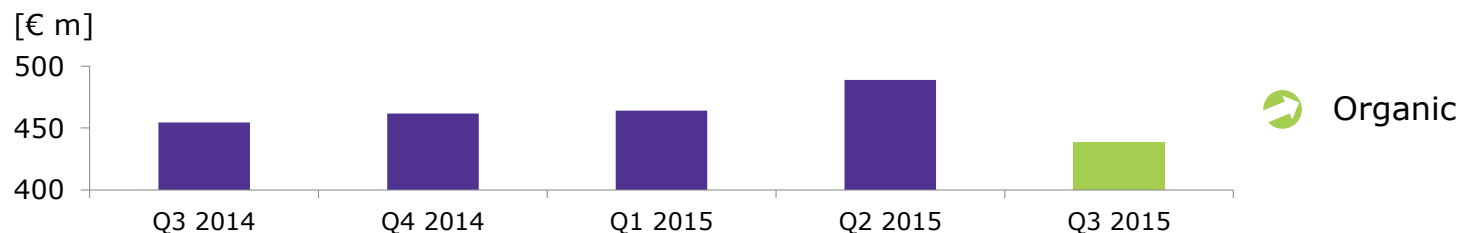
Fertility



Endocrinology



General Medicine*



Q3 drivers

- Organic growth of Fertility driven by all major regions, especially China
- Endocrinology with strong growth across all regions and products; Saizen with market share gains in EU
- General Medicine sales affected by FX, organic performance remains good
- Thyroid products post sound volume development in Asia and Europe
- Glucophage shows ongoing strong growth, benefiting from Russia repatriation and supply issues LY

Merck pipeline

Phase I

Tepotinib – c-Met kinase inhibitor
Solid tumors

Evofofosfamide (TH-302) – Hypoxia-activated prodrug
Hematologic malignancies and solid tumors

M2698 – p70S6K & Akt inhibitor
Solid tumors

M3814 – DNA-PK inhibitor
Solid tumors

Beigene-283 – BRAF inhibitor
Solid tumors

Beigene-290 – PARP inhibitor
Solid tumors

Avelumab¹ – Anti-PD-L1 mAb
Solid tumors

M9241 (NHS-IL12)² – Cancer immunotherapy
Solid tumors

M7824 – Bifunctional immunotherapy
Solid tumors

M1095 (ALX-0761) – Anti-IL-17 A/F nanobody
Psoriasis

M2951 – BTK inhibitor
Healthy volunteers

Phase II

M2736 (ATX-MS-1467) – Immune tolerizing agent
Multiple sclerosis

Pimasertib – MEK inhibitor
Melanoma

Evofofosfamide (TH-302) – Hypoxia-activated prodrug
Melanoma

Evofofosfamide (TH-302) – Hypoxia-activated prodrug
Non-small cell lung cancer

Tepotinib – c-Met kinase inhibitor
Non-small cell lung cancer

Tepotinib – c-Met kinase inhibitor
Hepatocellular cancer

Avelumab¹ – Anti-PD-L1 mAb
Merkel cell carcinoma

Sprifermin – Fibroblast growth factor 18
Osteoarthritis

Atacicept – Anti-Blys/anti-APRIL fusion protein
Systemic lupus erythematosus

Phase III

Evofofosfamide (TH-302) – Hypoxia-activated prodrug
Soft tissue sarcoma

Evofofosfamide (TH-302) – Hypoxia-activated prodrug
Pancreatic cancer

Avelumab¹ – Anti-PD-L1 mAb
Non-small cell lung cancer 1L³

Avelumab¹ – Anti-PD-L1 mAb
Non-small cell lung cancer 2L⁴

In registration

Cladribine Tablets⁵ – Lymphocyte targeting agent
Relapsing-remitting multiple sclerosis

- Neurodegenerative Diseases
- Oncology
- Immunology
- Immuno-Oncology

Pipeline as of November 5, 2015

Pipeline products are under clinical investigation and have not been proven to be safe and effective. There is no guarantee any product will be approved in the sought-after indication.

¹Avelumab is the proposed International Non-proprietary Name (INN) for the anti-PD-L1 monoclonal antibody (previously known as MSB 0010718C);

²Sponsored by the National Cancer Institute (USA); ³First Line treatment; ⁴Second Line treatment

⁵As announced on September 11th, 2015 Merck is preparing a regulatory submission to the European Medicines Agency

Next catalysts for focus projects

avelumab

Initiate up to 6 registrational trials
Data readout Phase II mMCC

End 2015
H1 2016

evofosfamide

Pancreatic Cancer Phase III results
Soft Tissue Sarcoma Phase III results

End 2015
End 2015

atacicept

Data readout Phase II

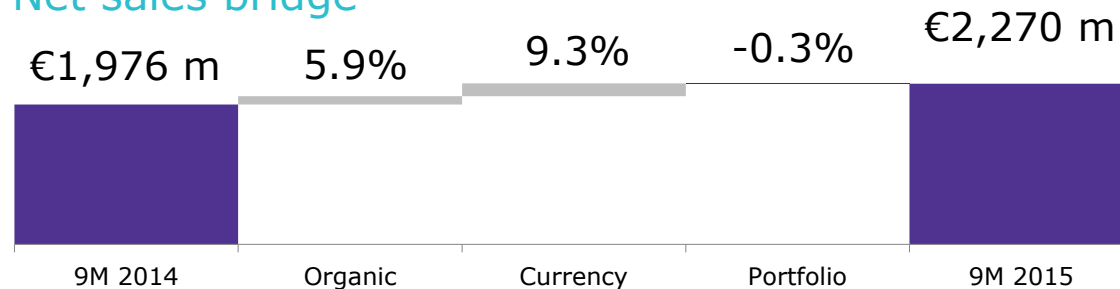
H1 2016

Life Science: Good organic performance fueled by ongoing demand for Process Solutions products

9M 2015 YoY net sales

	9M 2014	9M 2015
Net sales	1,976	2,270
Marketing and selling	-625	-715
Administration	-81	-88
Research and development	-119	-139
EBIT	234	266
EBITDA	464	514
EBITDA pre	496	585
Margin (in % of net sales)	25.1%	25.8%

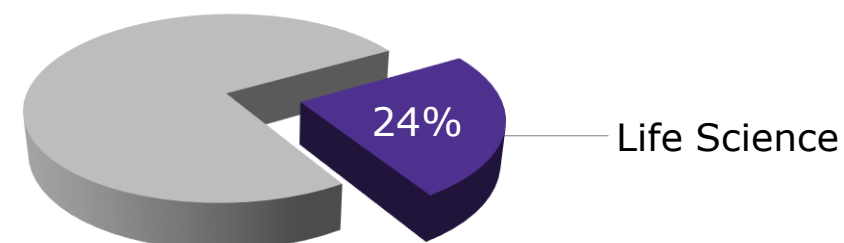
Net sales bridge



Comments

- Process Solutions drives divisional growth mainly due to strong demand from biopharma for single-use and purification products
- Lab Solutions with moderate organic growth especially in lab water consumables and biomonitoring
- Bioscience slightly positive as good development of protein detection systems offsets softness for reagents and antibodies
- Ongoing investments in R&D – several product launches in 2015
- EBITDA pre benefits from FX tailwinds and organic growth, partially offset by investments in marketing and selling

9M 2015 share of group net sales

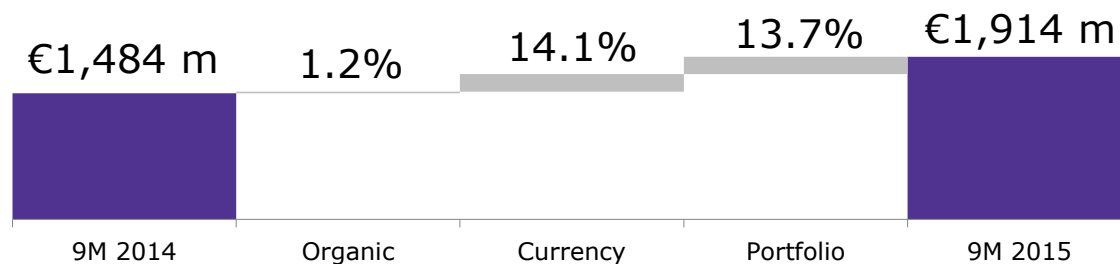


Performance Materials: Healthy trends & strong FX tailwinds drive growth

9M 2015 YoY net sales

	9M 2014	9M 2015
Net sales	1,484	1,914
Marketing and selling	-130	-154
Administration	-41	-48
Research and development	-122	-145
EBIT	441	685
EBITDA	574	864
EBITDA pre	656	870
Margin (in % of net sales)	44.2%	45.4%

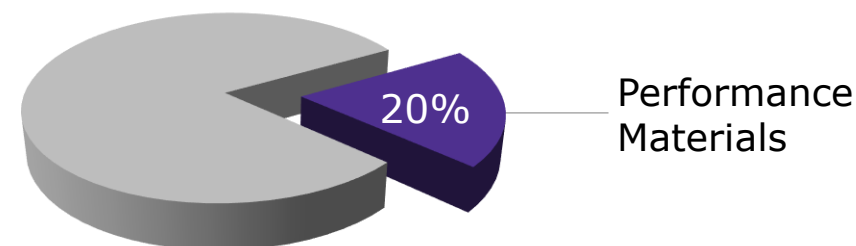
Net sales bridge



Comments

- Strong sales mainly reflect portfolio effect and FX tailwinds
- Liquid crystals volume trend remains largest contributor to growth
- Shift towards flagship technologies like PS-VA and UB-FFS amid shrinking TN-TFT market benefits product mix
- Pigments flat – growth in attractive focus markets is offset by volume decline in less profitable areas
- Integrated Circuit Materials supports organic performance with sound volume development especially in dielectric materials
- Increase in EBITDA pre driven by FX, AZ and positive product mix

9M 2015 share of group net sales



Operating cash flow burdened by tax payment for Pfizer upfront

9M 2015 – cash flow statement

[€m]	9M 2014	9M 2015	Δ
Profit after tax	883	997	114
D&A	980	1,006	26
Changes in provisions	0	32	32
Changes in other assets/liabilities	-67	-348	-281
Other operating activities	-8	-6	2
Changes in working capital	-224	-204	20
Operating cash flow	1,564	1,477	-87
Investing cash flow	-497	2,670	3,167
thereof Capex*	-270	-297	-27
Financing cash flow	-758	4,331	5,089

Cash flow drivers

- D&A increase due to AZ
- Changes in provisions reflect higher pension & litigation provisions
- Higher tax and interest payments main drivers of changes in other assets/liabilities
- Investing cash flow contains cash-in from Sigma hedging instrument as well as sale of financial assets
- Financing cash flow impacted by Sigma financing and repayment of eurobond; LY reflects part of purchase of AZ

Exceptionals in Q3 2015

Exceptionals in EBIT

[€m]	Q3 2014		Q3 2015	
	Exceptionals	thereof D&A	Exceptionals	thereof D&A
Healthcare	17	0	-1	0
Life Science	11	0	21	0
Performance Materials	25	0	5	0
Corporate & Other	26	4	18	0
Total	79	4	44	0

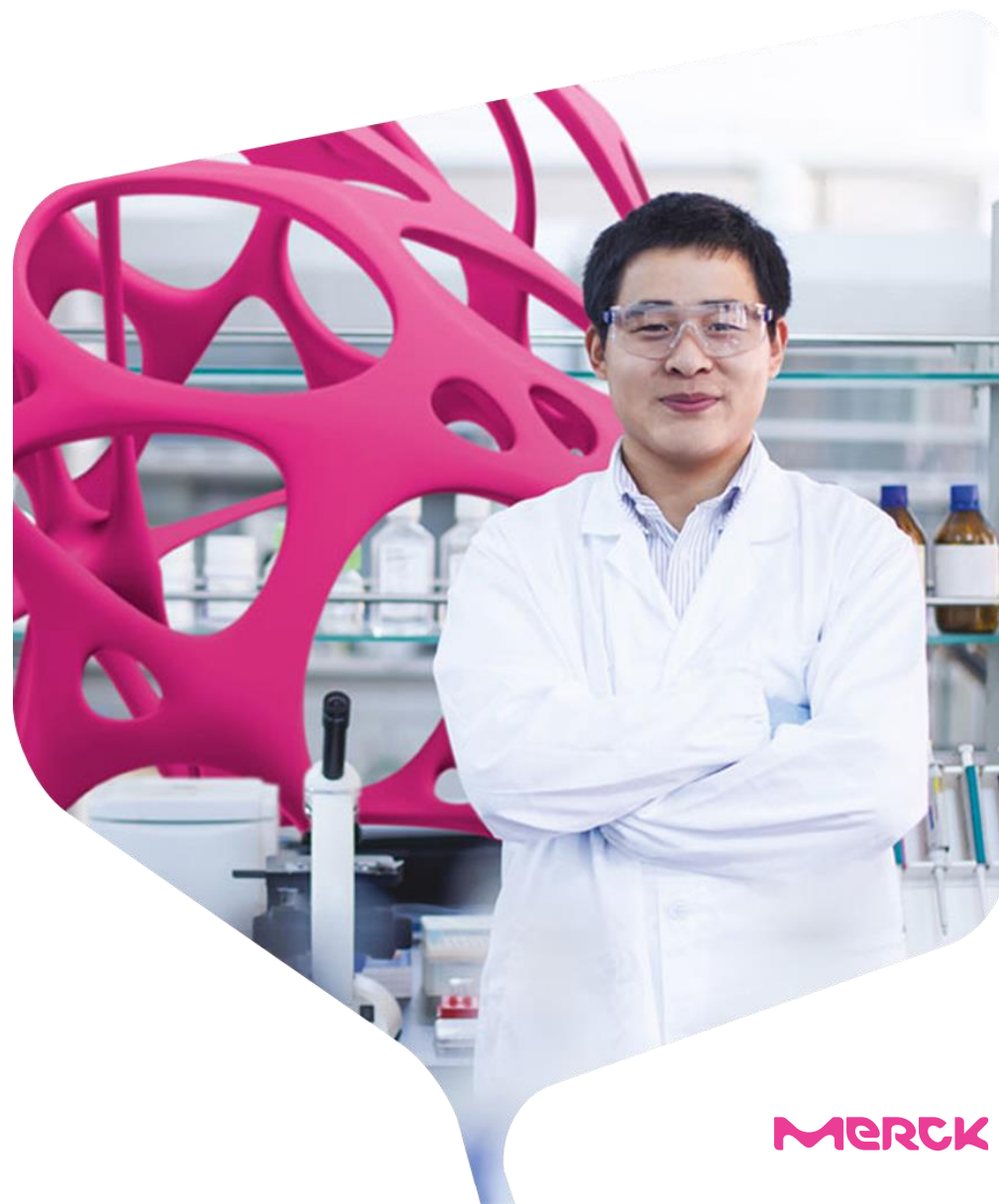
Exceptionals in 9M 2015

Exceptionals in EBIT

[€m]	9M 2014		9M 2015	
	Exceptionals	thereof D&A	Exceptionals	thereof D&A
Healthcare	43	4	32	2
Life Science	32	0	71	0
Performance Materials	81	0	6	0
Corporate & Other	42	4	39	0
Total	198	8	148	2

Financial calendar

Date	Event
December 10, 2015	M ³ - Meet Merck Management
March 8, 2016	Q4 2015 Earnings release
April 29, 2016	Annual General Meeting
May 19, 2016	Q1 2016 Earnings release



MERCK

CONSTANTIN FEST



Head of Investor Relations
+49 6151 72-5271
constantin.fest@merckgroup.com

SVENJA BUNDSCHUH



Assistant Investor Relations
+49 6151 72-3744
svenja.bundschuh@merckgroup.com

ALESSANDRA HEINZ



Assistant Investor Relations
+49 6151 72-3321
alessandra.heinz@merckgroup.com

ANNETT WEBER



Institutional Investors /
Analysts
+49 6151 72-63723
annett.weber@merckgroup.com

JULIA SCHWIENTEK



Institutional Investors /
Analysts
+49 6151 72-7434
julia.schwientek@merckgroup.com

EVA STERZEL



Private Investors / AGM /
CMDs / IR Media
+49 6151 72-5355
eva.sterzel@merckgroup.com

OLLIVER LETTAU



Institutional Investors /
Analysts
+49 6151 72-34409
olliver.lettau@merckgroup.com

EMAIL: investor.relations@merckgroup.com

WEB: www.investors.merck.de

FAX: +49 6151 72-913321

