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## News Release

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### **Merck KGaA, Darmstadt, Germany Issues Euro Hybrid Bond Amounting to € 1.5 billion**

- **Issuance important part of the financing of the proposed Sigma-Aldrich acquisition**
- **Two tranches of € 1 billion and € 500 million issued**
- **Transaction significantly oversubscribed**
- **CFO Marcus Kuhnert: “Company committed to a conservative financial policy”**

Darmstadt, Germany, December 8, 2014 – Merck KGaA, Darmstadt, Germany, a leading company for innovative and top-quality high-tech products in the pharmaceutical, chemical and life science sectors, today successfully issued a hybrid bond with a two-tranche structure amounting to € 1.5 bn. The issuance is part of the financing of the proposed acquisition of U.S.-based life science company Sigma-Aldrich, which was announced in September 2014.

Both tranches have a maturity of 60 years. The first tranche of € 1.0 billion pays a coupon of 2,625% and contains an early redemption option for Merck KGaA, Darmstadt, Germany after 6.5 years. The second tranche, amounting to € 500 million and carrying coupon of 3,375%, includes an early redemption right after 10 years. The issuance supports Merck KGaA, Darmstadt, Germany’s credit rating by receiving an equity credit treatment from both rating agencies Standard & Poor’s and Moody’s. The bond is subordinated to all of Merck KGaA, Darmstadt, Germany’s other existent financial liabilities.

#### Merck KGaA

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“For the proposed Sigma-Aldrich acquisition, this hybrid transaction is a very important part of our financing structure. It is a clear signal to the capital markets that Merck KGaA, Darmstadt, Germany is committed to a conservative financial policy,” said Marcus Kuhnert, Group Chief Financial Officer. The acquisition is a key element in Merck KGaA, Darmstadt, Germany’s “Fit for 2018” transformation and growth program aimed at strengthening the company’s three growth platforms, healthcare, life science and performance materials.

The transaction was significantly oversubscribed and generated strong international demand, with the majority being placed in Germany, France and the UK. The bond achieved a well-diversified distribution among a wide range of institutional investors such as fund managers, insurance companies and banks. Bookrunners of the transaction were Merck KGaA, Darmstadt, Germany’s relationship banks.

Merck KGaA, Darmstadt, Germany is rated A flat (negative outlook) by Standard & Poor’s and A3 (under review for downgrade) by Moody’s.

All Merck KGaA, Darmstadt, Germany, press releases are distributed by e-mail at the same time they become available on the EMD Group Website. In case you are a resident of the USA or Canada please go to [www.emdgroup.com/subscribe](http://www.emdgroup.com/subscribe) to register again for your online subscription of this service as our newly introduced geo-targeting requires new links in the email. You may later change your selection or discontinue this service.

### **About Merck KGaA, Darmstadt, Germany**

Merck KGaA of Darmstadt, Germany, is a leading company for innovative and top-quality high-tech products in the pharmaceutical, chemical and life science sectors. Its subsidiaries in Canada and the United States operate under the umbrella brand EMD. Around 38,000 employees work in 66 countries to improve the quality of life for patients, to further the success of customers and to help meet global challenges. The company generated total revenues of € 11.1 billion in 2013 with its four divisions: Biopharmaceuticals, Consumer Health, Performance Materials and Life Science Tools. Merck KGaA of Darmstadt, Germany is the world’s oldest pharmaceutical and chemical company – since 1668, the name has stood for innovation, business success and responsible entrepreneurship. Holding an approximately 70 percent interest, the founding family remains the majority owner of the company to this day.



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### 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 businesscritical 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”).



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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.