

Merck KGaA

Darmstadt · Germany

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News Release

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Consumer Health Division of Merck KGaA, Darmstadt, Germany, Sparks Debate on Future of OTC Sector

- Consumer Health division hosts top level debate on key aspects of the industry
- Speakers and delegates discuss whether sector is undergoing evolutionary change or a revolutionary shift in behaviors
- Third-quarter figures illustrate continuing success of division with solid year-on-year growth reported

Darmstadt, Germany, and London, UK, November 28, 2014 – The Consumer Health division of Merck KGaA, Darmstadt, Germany, today hosted a top level debate on key future aspects of the OTC (over-the-counter) sector, at the Science Museum, London, UK. Featuring contributions from leading analysts, professional representatives and patient groups, the event combined the experience and views of Consumer Health's senior management team with external perspectives on the major pressures and influences facing the industry.

Commenting on today's event and the publication of the third-quarter results earlier this month Uta Kemmerich-Keil, Chief Executive Officer and President of Consumer Health at Merck KGaA, Darmstadt, Germany, said: "Today's debate is an important milestone for our Consumer Health division, as we become increasingly important players in the OTC sector. We hope that by bringing together leading stakeholders from the worlds of business, pharmacy and patient organizations, more clarity will emerge about the key pressures and opportunities that lie ahead for our sector. In light of our positive business results in the third quarter and throughout the entire year, these influences

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Empowered and active consumers

Whether evolutionary or revolutionary, the changing role of consumer behavior is influencing the OTC sector as well. With patients increasingly willing to navigate their own health journey, the demand for information and choice has never been so high.

Dr. Ian Banks, President of the European Men's Health Forum and a guest panelist at the debate, stated that: "Many people are interested in proactively maintaining their own health – a trend which can only improve outcomes and wellbeing. However, many do not access health services at all, and it is these hard to reach groups which are most in need of pharmacy and primary care services. Striking a balance between health awareness and creating unnecessary demand is one of the key challenges facing the sector."

Innovating into a leadership position

For the Consumer Health division at Merck KGaA, Darmstadt, Germany, 2014 has seen the launch of new product innovations built on feedback from consumers. This has helped the company gain market share in a highly competitive environment, driven by the increasing importance of consumer trends and demands.

A notable example was the launch of Seven Seas Perfect7 – a product specifically tailored to help meet the needs of women and men in their advanced adulthood stage. The two Perfect7 offerings – one specifically for women and one for men – combine natural sources of marine oils rich in Omega-3 with key vitamins and minerals.

This innovation was driven by in-depth consumer insights generated through extensive consumer research activities that guided both Research & Development and Marketing to address the immediate consumer desire of staying and feeling "younger for longer". And it is an insightful example of the new consumer-focused innovation approach at the Consumer Health division of Merck KGaA, Darmstadt, Germany.



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Leading discussion through financial success

The Consumer Health division of Merck KGaA, Darmstadt, Germany, is playing an increasingly active role in the sector, not just through facilitating debate on its future, but through continued financial success based on the relentless focus on key strategic brands and new product innovations.

In the third quarter of 2014, the division reported sound organic growth of 1.4% versus a very strong Q3 2013, totaling 5% year-to-date growth. Total sales stand at €569.1 million year to date, versus €561.8 million for the same time in 2013. Sales for the quarter stand at €204.1 million, driven by strong growth particularly in emerging markets such as Brazil, Venezuela, Malaysia, Indonesia and South Africa.

Among the division's strategic brands, significant growth was experienced on Femibion, Seven Seas and Neurobion. The third quarter of 2014 also reported EBITDA pre one-time items of € 48.6 million, down 16.5% on last year's very strong third quarter.

Notes for editors

- The top level debate entitled "Trends, challenges and opportunities in consumer health: evolution or revolution" took place at the Science Museum in London, United Kingdom, November 28, 2014. Further information, including photos and video are available here.
- Our company on <u>Facebook</u> and <u>LinkedIn</u>
- Photos and video footage can be found <u>here</u>

Consumer Health Division of Merck KGaA, Darmstadt, Germany

Brands of the Consumer Health division, such as Neurobion[®], Bion[®], Nasivin[®], Seven Seas[®], Dolo-Neurobion[®], and Femibion[®] are innovative leaders in key markets, backed by science and trusted by consumers worldwide. The Consumer Health division with around 2,000 employees is active in more than 40 markets world-wide. Since 2014, the portfolio comprises of brands with annual total sales of over \$1 billion. Consumer Health is a division of the Merck KGaA, Darmstadt, Germany, with global headquarters in Darmstadt, Germany.





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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 39,000 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.