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News Release

February 2, 2015

Merck KGaA, Darmstadt, Germany, Repatriates Diabetes and Thyroids Portfolio in Russia to Continue to Drive Emerging Markets Strategy

- Move transfers responsibility from marketing partner Takeda to biopharmaceuticals business of Merck KGaA, Darmstadt, Germany, for products in diabetes and thyroid franchises in Russia
- Transaction reflects company focus on further expansion in Emerging Markets, a key pillar for biopharmaceuticals business' growth
- Decision in line with biopharmaceuticals business' objective to provide top-quality products to meet the increasing healthcare needs of millions of Russian patients with diabetes and thyroid diseases

Darmstadt, Germany, February 2, 2015 – Merck KGaA, Darmstadt, Germany, a leading company for innovative and top-quality high-tech products in healthcare, life science and performance materials today announced the repatriation of all responsibility for its diabetes and thyroid brands in Russia back to the company. The move, effective as of January 1, 2015, transfers all activities for these brands from the company's marketing partner Takeda Pharmaceutical Company Limited back to the company's business in Russia.

Expansion in Emerging Markets is a key pillar of the commercial strategy of the biopharmaceuticals business of Merck KGaA, Darmstadt, Germany, with a special focus being placed on the General Medicines (GM) and Cardiometabolic Care franchises.

"Repatriation of our products used in the treatment of diabetes and thyroid disorders is well aligned with our commercial priorities in Emerging Markets, especially in strategic

Merck KGaA

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markets like Russia. Where opportunities arise, we will seek to bring marketing and sales activities back 'in house' to support business growth and foster further market development through increased diagnosis and access," said Elcin Ergun, Head of Global Commercial at the biopharmaceutical business of Merck KGaA, Darmstadt, Germany. "This decision also reflects our commitment to patients and society in Russia. We will continue to strengthen our business by expanding our commercial footprint, as well as by harnessing manufacturing and supply solutions locally. This was exemplified by our recent announcement of our strategic collaboration with Pharmstandard on local fill and finish production, marketing and distribution of our product Rebif for Multiple Sclerosis treatment in Russia. Providing access to the best therapies for patients is the overriding priority for our business."

There will be no change in the branding of products as a result of the switch, and the same manufacturing and distribution channels will be utilized. The biopharmaceuticals business of Merck KGaA, Darmstadt, Germany, recently expanded retail sales force in Russia in preparation for the shift in responsibilities, with promotion and marketing to be handled by a new local business unit, which is now in place.

The change covers the leading diabetes and thyroid brands of Merck KGaA, Darmstadt, Germany, including Glucophage[®] (metformin hydrochloride), and Glucophage XR[®], Glucovance[®] (metformin and glibenclamide), Euthyrox[®] (levothyroxine sodium), Jodid[®] (potassium iodide; lodbalance[™] in Russia), and Thyrozol[®] (thiamazole).

Takeda will continue to market the cardiovascular care products of the Concor[®] family, Merck KGaA, Darmstadt, Germany, and other GM products of in Russia. In other countries of the Commonwealth of Independent States (CIS) Takeda will continue to commercialize all products in the portfolio of Merck KGaA, Darmstadt, Germany, for the treatment of diabetes, cardiovascular diseases and thyroid disorders alongside other GM products.





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Glucophage and Glucophage XR

Glucophage[®] (metformin hydrochloride) and Glucophage XR[®] is a prescription-only medicine indicated for the treatment of type 2 diabetes mellitus particularly in overweight patients when diet and exercise alone have failed. In adults, Glucophage may be given alone or with oral antidiabetic agents, or with insulin. In children from 10 years old and adolescents, Glucophage may be given alone or with insulin. A reduction of diabetic complications has been shown in overweight type 2 diabetic adult patients treated with Glucophage as first-line therapy after diet failure.

Glucovance

Glucovance[®] (metformin hydrochloride and glibenclamide) is a fixed-dose combination therapy containing two anti-hyperglycemic compounds indicated for the treatment of type 2 diabetes. The treatment is for adult patients only.

Merck KGaA, Darmstadt, Germany, and thyroid disorders

Merck KGaA, Darmstadt, Germany, has a longstanding commitment to the treatment of thyroid diseases dating back to 1894 when its first thyroid medicine was launched. Today the company markets Euthyrox[®] (levothyroxine sodium) and Novothyral[®] (levothyroxine sodium, liothyronine sodium) for the treatment of hypothyroidism, Thyrozo^{I®} (thiamazole) for hyperthyroidism, lodbalance[™] (potassium iodide) for iodine deficiency (a cause of enlargement of the thyroid gland leading to goiter) and Jodthyrox[®] (levothyroxine sodium and potassium iodide) for the treatment of goiter.

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 <u>www.emdgroup.com/subscribe</u> 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.

Merck KGaA of Darmstadt, Germany, is a leading company for innovative and top-quality high-tech products in healthcare, life science and performance materials. The company has six businesses – Biopharmaceuticals, Consumer Health, Allergopharma, Biosimilars, Life Science Tools and Performance Materials – and generated total revenues of € 11.1 billion in 2013. Around 39,000 employees work in 66 countries to improve the quality of life for patients, to foster the success of customers and to help meet global challenges. Merck KGaA, Darmstadt, Germany, is the world's oldest pharmaceutical and chemical company – since 1668, the company has stood for innovation, business success and responsible entrepreneurship. Holding an approximately 70% interest, the founding family remains the majority owner of the company to this day. Merck KGaA, Darmstadt, Germany holds the global rights to the Merck name and brand. The only exceptions are Canada and the United States, where the company operates as EMD Serono, EMD Millipore and EMD Performance Materials.