



THE JOURNEY 2007-2015

M³ - Meet the Management

Karl-Ludwig Kley, CEO



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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.

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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

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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.

Looking back: **Our Ambition in 2007**



**Transform a mid-sized conglomerate
into a world class technology leader**



Create a truly global and modern company



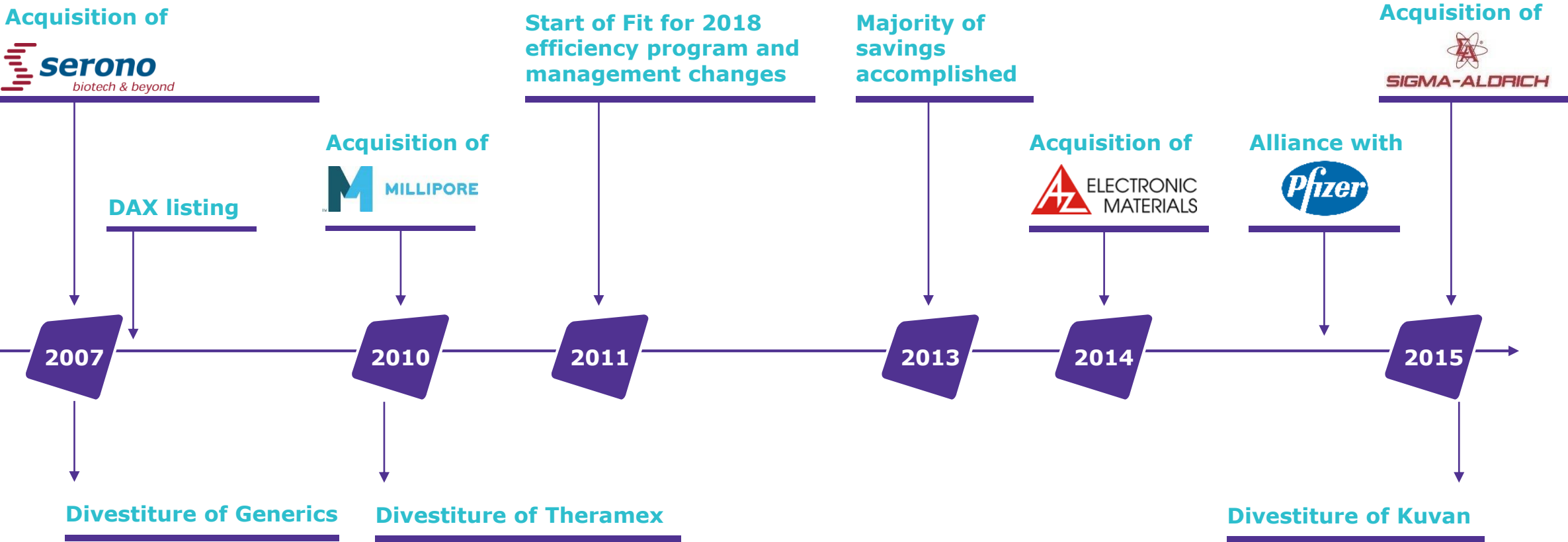
Secure sustainable profitable growth



Generate value for our owners



From ambition to reality



Agenda 2007-2015

1

Transformation

2

Becoming global and modern

3

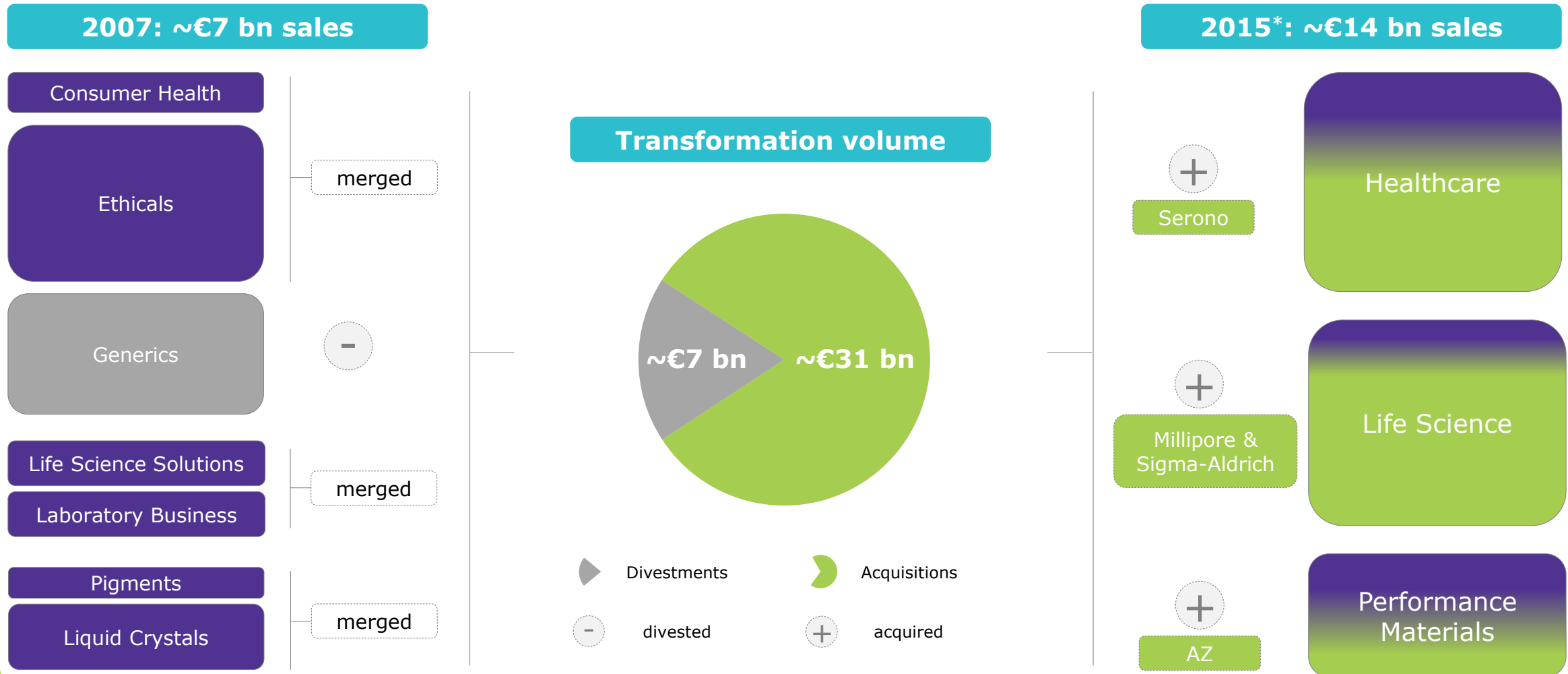
Sustainable profitable growth

4

Value creation

1. Transformation

We have added scale, focus and attractiveness



*LTM numbers + pro-forma 2014 sales from Sigmal-Aldrich

1. Transformation

We have created three business leaders

MERCK

Healthcare

+ Serono

- Leading biotech company
- Global footprint
- Strong Emerging Markets presence
- Solid underlying business
- Promising pipeline assets

MERCK

Life science

+ Millipore

+ Sigma

- Nr. 2 in the world market
- Broad and global product portfolio
- Leading eCommerce platform
- Best-in-class supply chain management

MERCK

performance Materials

+ AZ

- World market leader
- Technology and innovation leader

Science

Technology

Innovation

Specialties

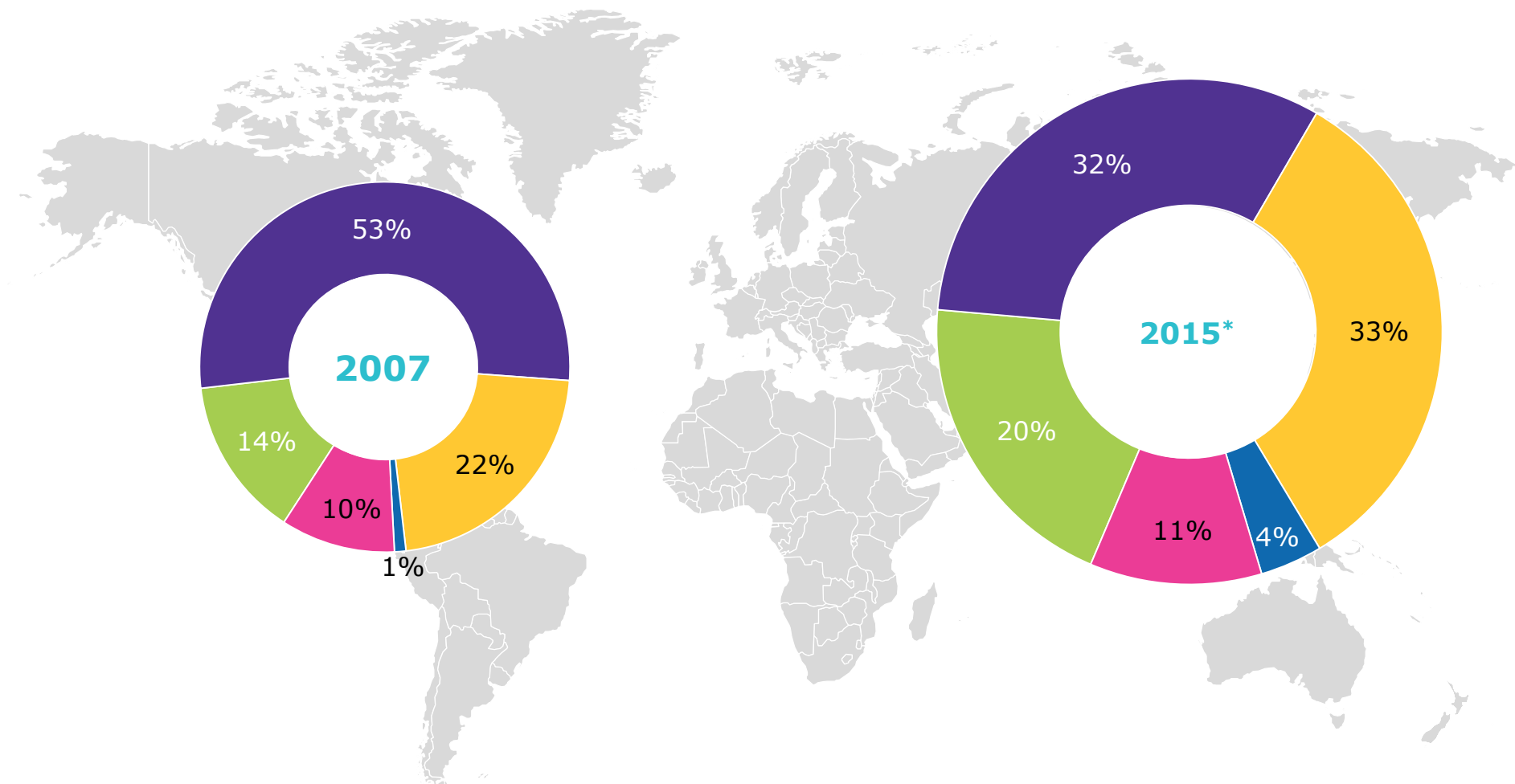
Quality

Customer focus

2. Becoming global and modern

Growth markets U.S. and Asia-Pacific have driven regional shift

■ Europe ■ Asia-Pacific ■ Middle East & Africa ■ Latin America ■ North America



*Figures reflect LTM reported net sales without Sigma-Aldrich

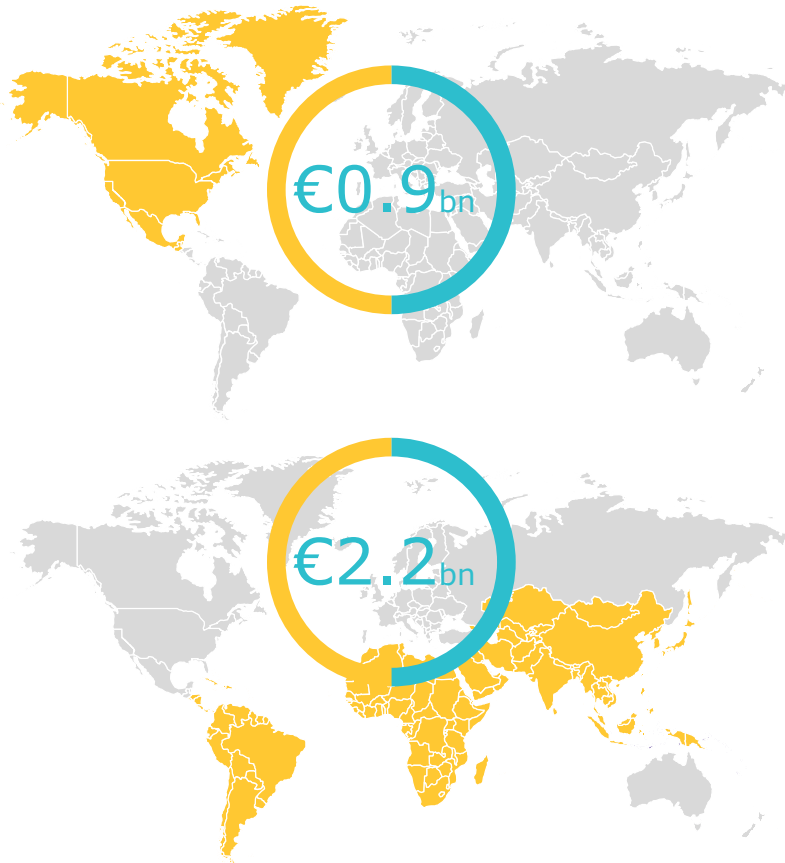
2. Becoming global and modern

North America and Emerging Markets have driven growth

Sales 2007

Initiatives

Sales 2015*



North America:

- Build presence through M&A
- Grow and defend Rebif
- Expand Fertility
- Grow Life Science

Emerging Markets:

- Drive General Medicine and Consumer Health
- Leverage Life Science portfolio
- LC and OLED leadership



*Figures reflect LTM net sales without Sigma-Aldrich

2. Becoming global and modern

Changing the culture: Getting the right people in the right jobs

Top class management

Diversity of minds

Fresh and experienced mix of managers

**New leadership organization,
2011 implemented, 2015 adjusted**

Performance driven remuneration (short & long term)

Awards for state-of-the-art HR processes



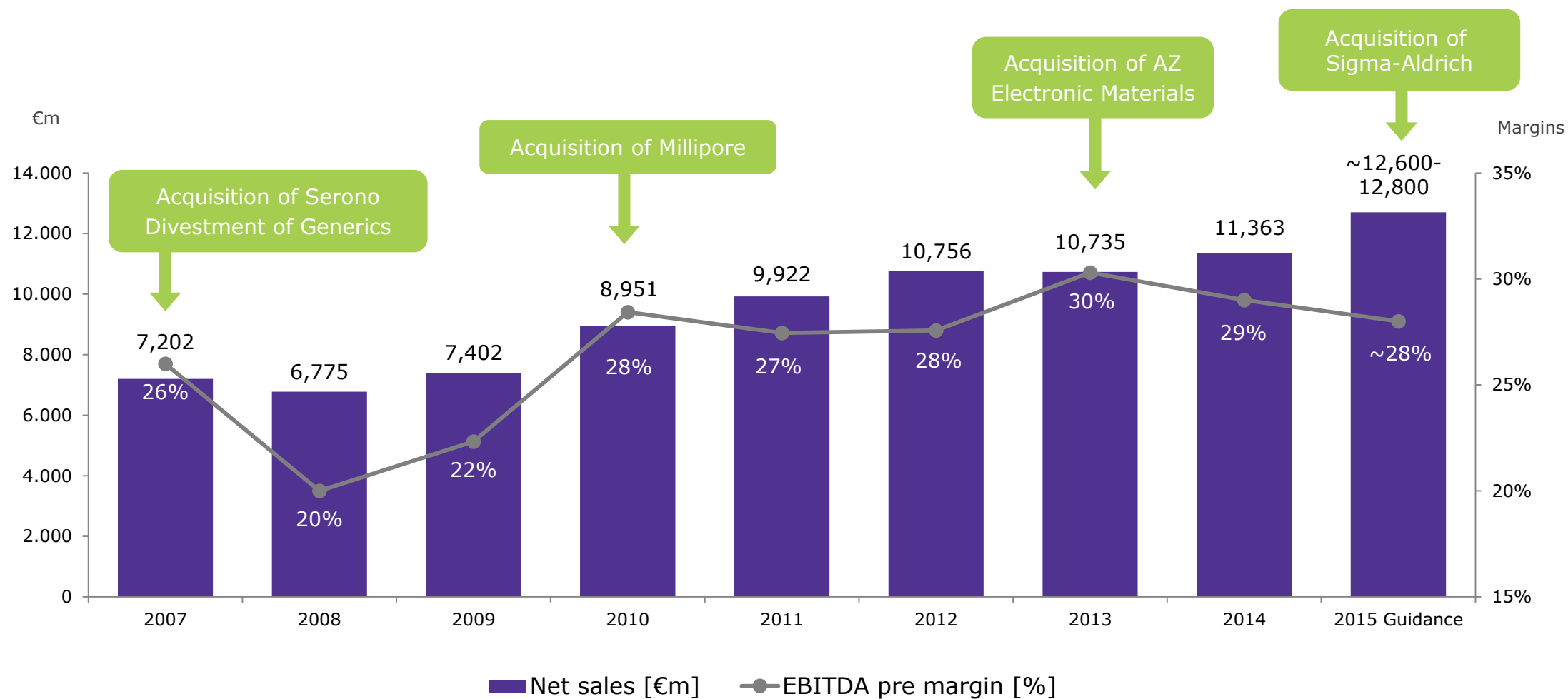
2. Becoming global and modern

Changing the culture: Six major initiatives



3. Sustainable profitable growth

8 years of growth and margin improvement



2007 and 2014 EBITDA pre margin adjusted for comparability

3. Sustainable profitable growth

Successful execution of Fit for 2018 efficiency measures



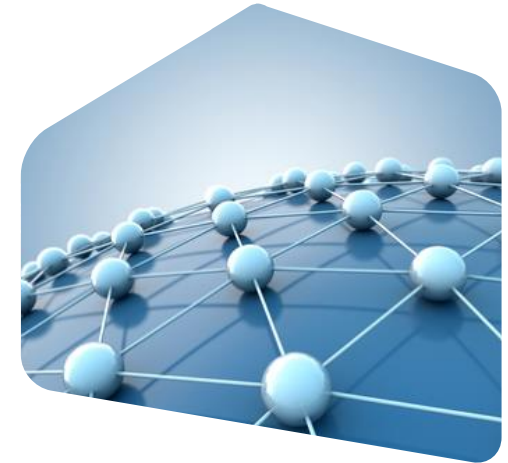
Savings of €360 m by end of 2014

- Biggest contribution from former Biopharmaceuticals
- Closure of Geneva HQ



Improved working capital management

- New management incentives
- Effective working capital control mechanisms in place



Transformation of former Biopharmaceuticals

- Pipeline pruning
- New business model

3. Sustainable profitable growth

We deliver: Solid set of numbers expected for 2015



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

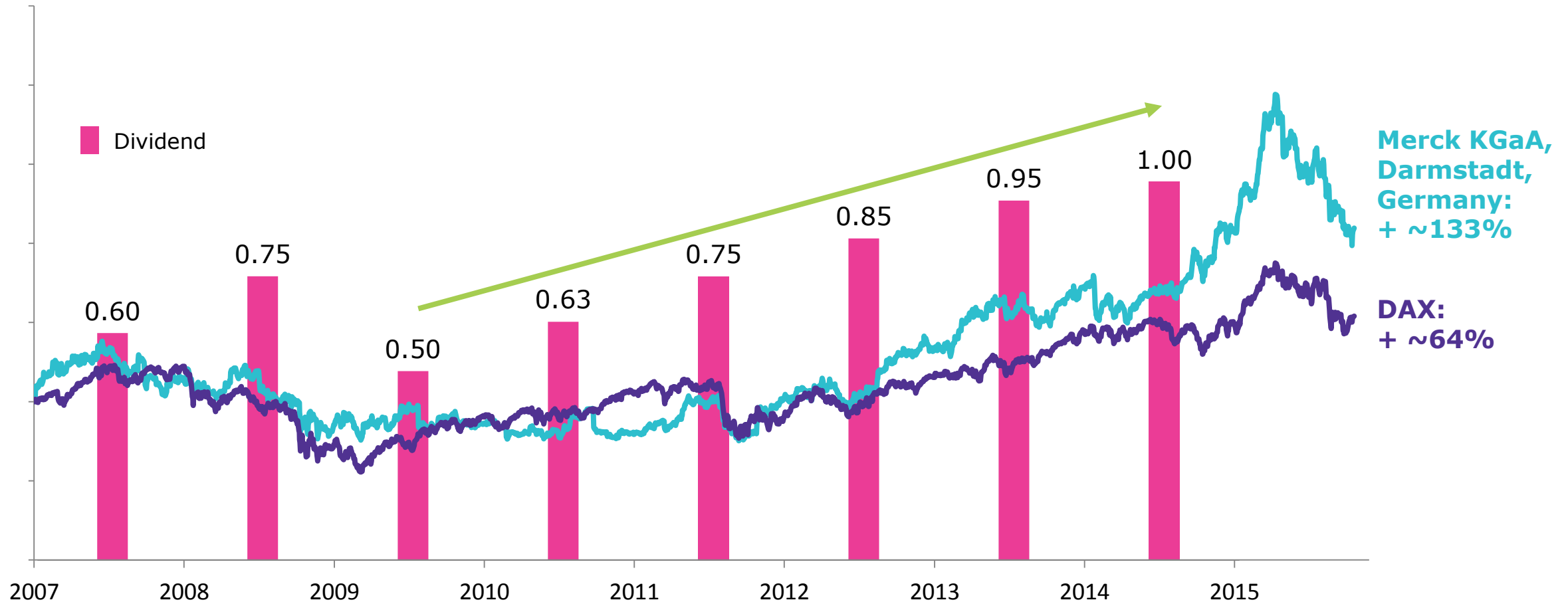
Slight organic growth

EBITDA pre

~ €1.1 – 1.14 bn

4. Value creation

Constant and sustainable dividend along with DAX outperformance



Ambition 2007 achieved! Today we are:



Market and technology leader in many of its businesses



A truly global, modern and vibrant company



Delivering sustainable profitable growth



Committed to generate value for our owners



2015: Our platform for future growth



Resilient base business
Strong Emerging Markets platform
Promising pipeline assets for in-house development or partnering



Leading position in the life science market
Leverage global presence and strategic capabilities of combined Sigma and our portfolio
Continuous product and process innovation



Diverse and robust mix of highly innovative businesses
Expand technological leadership in display materials
Innovate in applications beyond displays



MERCK - the future can begin