News Release

September 18, 2014

Merck KGaA, Darmstadt, Germany, on Track with Pharma Strategy; Pipeline Progress Announced

- Solid basis for long-term growth and value creation
- Advanced talks with major oncology players over partnering on anti-PD-L1 compound
- Biosimilars unit to start Phase III trials in 2015

Darmstadt, Germany, September 18, 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 announced that its biopharmaceutical division is well on track with the implementation of the Group’s “Fit for 2018” transformation and growth program. This is reflected by efficiency gains and the successful execution of growth initiatives as well as progress in the pipeline, among others in Immuno-Oncology and in the field of Biosimilars, in which Merck KGaA, Darmstadt, Germany, plans to step up investments next year.

“I’m happy that the realignment of our pharma business is taking hold and that we’re now in a position to demonstrate clear progress,” said Karl-Ludwig Kley, Chairman of the Executive Board of Merck KGaA, Darmstadt, Germany, at today’s Analyst & Investor Day in Darmstadt. “We are well on track to live up to our own as well as to the expectations of our patients, customers and those of the capital markets.”

Merck KGaA, Darmstadt, Germany, today presented a detailed update of its clinical development candidates in Immunology and Oncology and Immuno-oncology. Besides clinical data on atacicept and the program and prospects around TH-302,
initial progress regarding the immuno-oncology drug candidate anti-PD-L1 was discussed.

"While we are moving forward expeditiously with our internal programs, we have initiated a competitive process to select the best partner for the global co-development and co-commercialization of our anti-PD-L1 compound,” said Stefan Oschmann, CEO Pharma and member of the Executive Board of Merck KGaA, Darmstadt, Germany. “We are currently in advanced discussions with major oncology players and aim to reach an agreement by year-end.”

Merck KGaA, Darmstadt, Germany, today gave examples of how to keep the biopharmaceutical business around Erbitux, Rebif and fertility resilient, stable and profitable by building on strong competitive positions. In General Medicine, especially with brands such as Glucophage and Concor, Merck KGaA, Darmstadt, Germany, is focusing on growth in Emerging Markets.

Belén Garijo, head of the company's biopharmaceutical division, concluded: “The roadmap to becoming a successful mid-sized biopharma player has been clearly defined. Given the growth initiatives we discussed today plus our promising pipeline candidates such as anti PD-L1, atacicept and TH-302, we are well-positioned to deliver sustainable success. Together with the existing business and related initiatives, our current R&D focus in the fields of immuno-oncology, immunology and oncology will drive our division’s growth from 2016 and beyond.”

Merck KGaA, Darmstadt, Germany, also gave an update on its plans for its Biosimilars activities. In addition to the already disclosed investment plan of €100 million for this year, the unit plans to invest €130 million to €150 million in 2015, depending on the outcome of ongoing Phase I studies. Existing partnerships with India’s Dr. Reddy's and Brazil’s Bionovis will be expanded by another, yet undisclosed in-licensing agreement for a late-stage biosimilar, initially for smaller
News Release

emerging markets. Between 2015 and 2016, Merck KGaA, Darmstadt, Germany, plans to initiate between two and five Phase III clinical trials.

Notes to editors

- More information incl. digital press kit can be found here
- Merck KGaA, Darmstadt, Germany, hosts a press conference today at 14:30 CEST, which can be followed live
- Our company on Facebook, Twitter, Linkedin
- Photos and video footage can be found here

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 and chemical 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.

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 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.