



CA Cheuvreux

9th German Corporate Conference

Frankfurt – January 19, 2010

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Disclaimer



Remarks

All comparative figures relate to the corresponding last year's period. From 2007 the Generics business is reported in "discontinued operations". With the divestiture of Electronic Chemicals in Q2 2005 this division and the remaining toll manufacturing business are allocated to Corporate & Other. Return on Sales (ROS) calculation is based on total revenues.

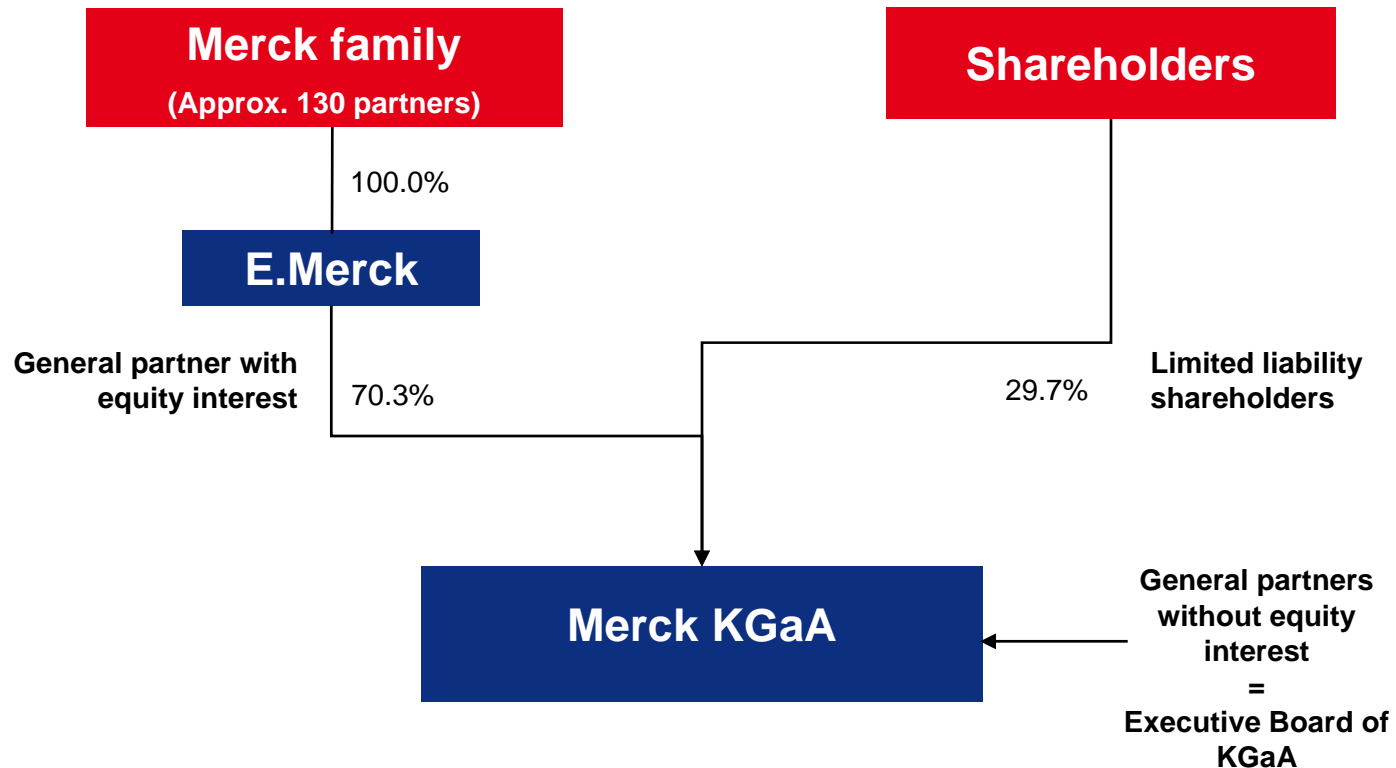
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Merck Group Ownership Structure



- **Capital Share of General Partner E.Merck:** €397.2 mm = 152.8 m share equivalents = 70.3%
- **Share Capital:** €168.0 mm = 64.6 m shares = 29.7%

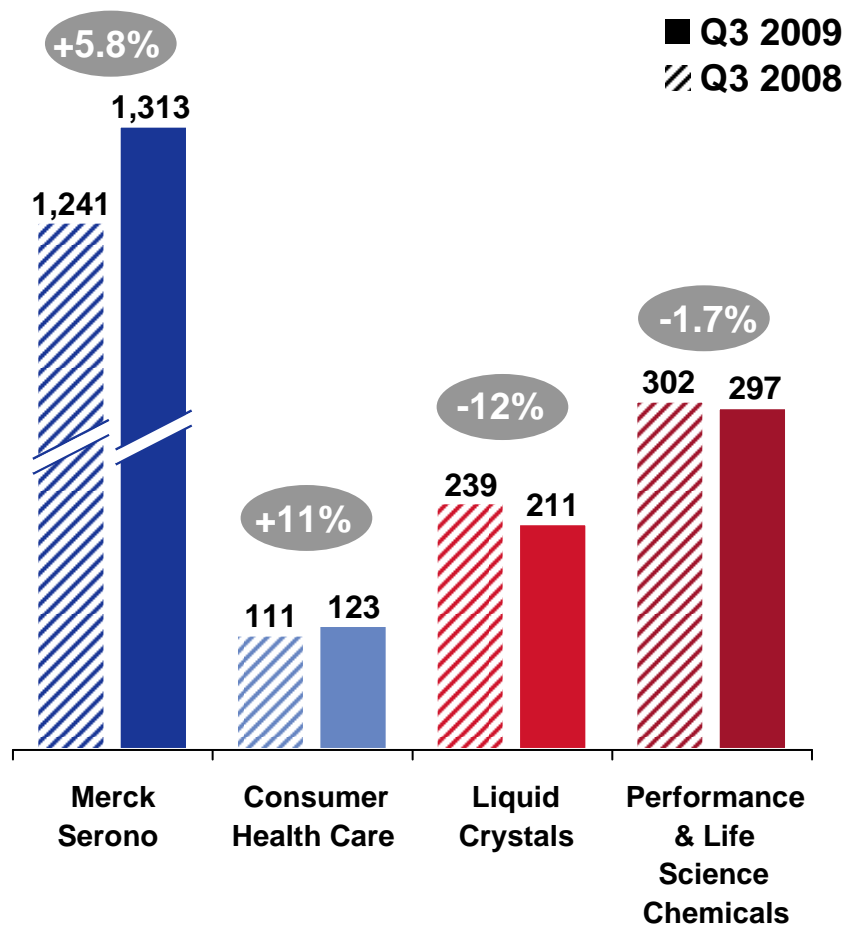
Merck Group

Q3 2009 Key Financials by Division



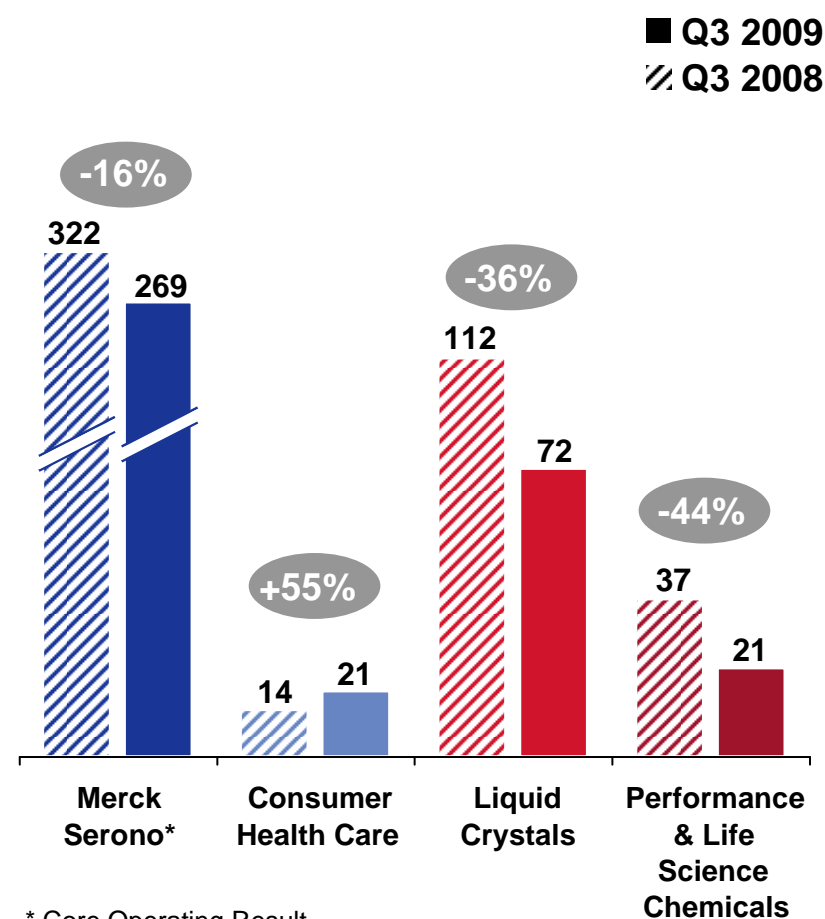
Revenues by Division

€m



Operating Result by Division

€m



* Core Operating Result

Merck Group

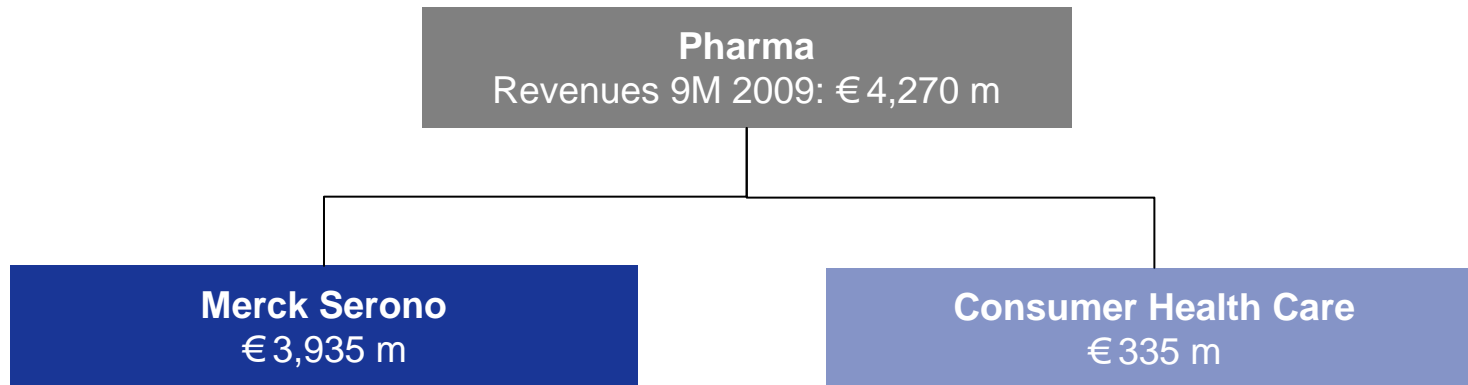
Q3 2009 Balance Sheet Data



€m	Sep. 30, 2009	<i>in % of total assets</i>	Dec. 31, 2008
Total Assets	16,347	100	15,645
Equity	9,523	58	9,563
Cash	1,650	10	869
Intangible Assets	7,692	47	8,203
Financial Debt	2,090	13	1,346
Pension Provisions	1,252	8	1,144
thereof covered by financial assets	207	1	0
Net Financial Debt	441	3	477

- Cash and financial debt up following €750m bond in March
- €207m financial assets covering pensions (=17% of total pension provisions)
- €234m net financial debt without financing of financial assets covering pensions

Pharmaceuticals Overview



Merck Serono

- Focus on specialist and innovative drugs in prescription markets
- Build three core therapeutic areas backed by strong established fields
- Improve R&D efficiency and leverage biopharmaceutical expertise

Consumer Health Care

- Focus on over-the-counter pharma products in four health themes
- Grow key brands through regional expansion
- Strengthen business in established markets

Merck Serono

Focus on Defined Therapeutic Areas



Merck Serono – Business Focus

Neurodegenerative Diseases



Oncology



Fertility



Endocrinology



Cardiometabolic Care & Local Products

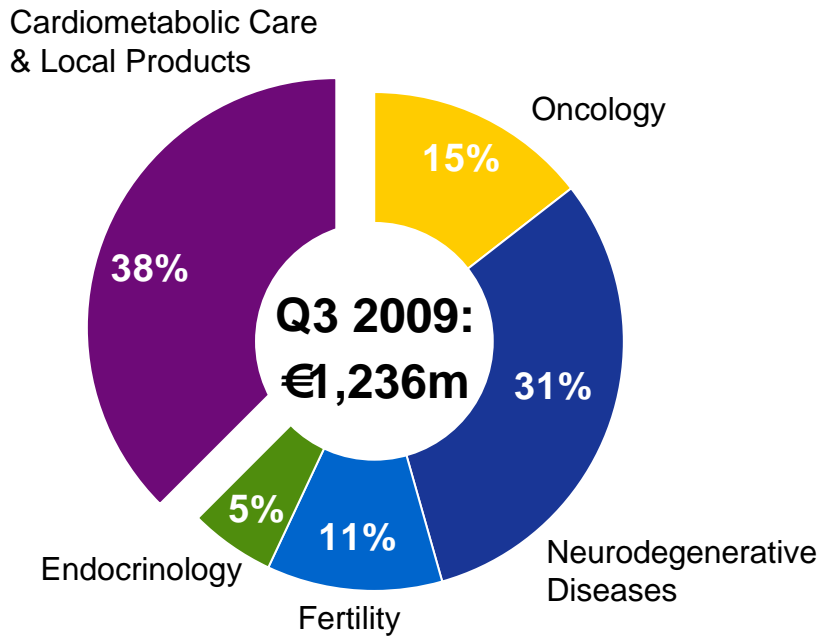


Specialized in innovative products of defined Therapeutic Areas

Merck Serono Product Portfolio

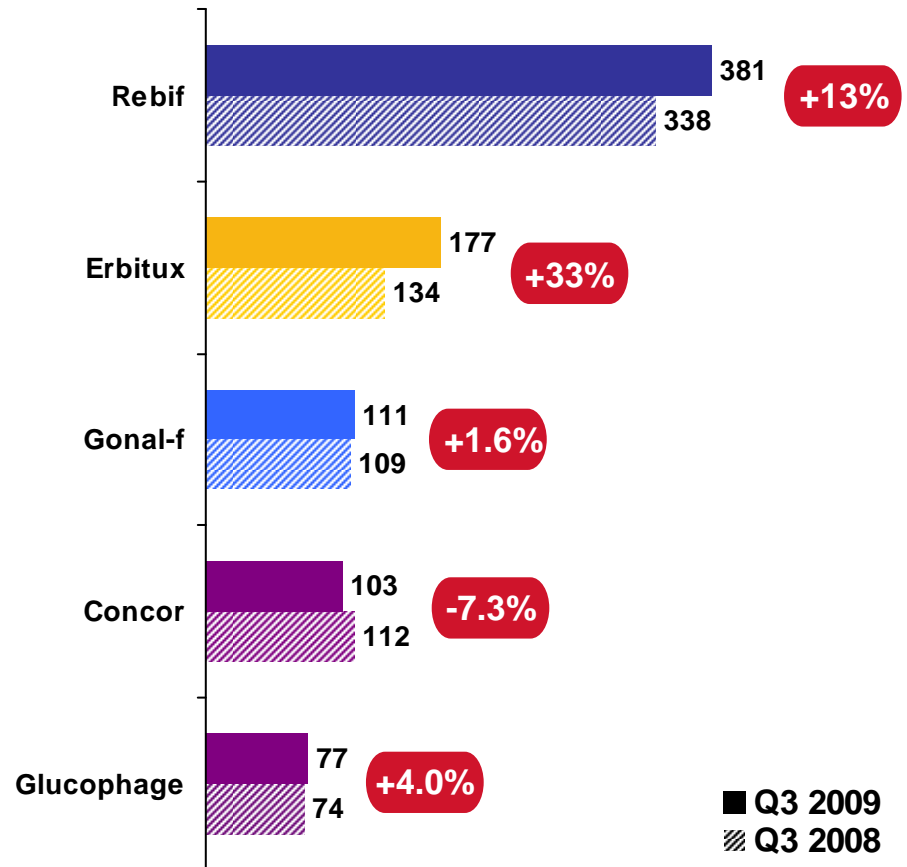


Sales by Therapeutic Areas

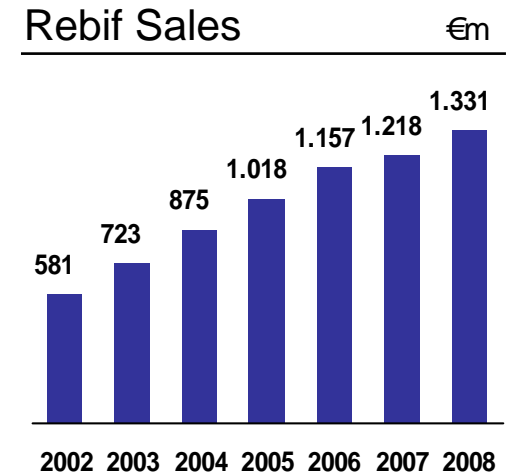


Sales by Key Products (Q3 2009)

€m






- Leading drug against relapsing Multiple Sclerosis (MS) outside the US with double digit growth rate in the US
 - Approved for the treatment of relapsing MS in over 80 countries worldwide
 - Only interferon-beta treatment globally available in ready-to-use, pre-filled syringes
 - Favorable benefit-to-risk profile and proven efficacy are key differentiating features
 - Long term safety supported by >8 years of clinical data and experience
- Further Improved Convenience with Rebif New Formulation (RNF)
 - RNF reduces injection site reactions by 33%
 - RNF reduces amount of neutralizing antibodies by 17%



Merck Serono Neurodegenerative Diseases - Cladribine



- Refuse-to-File letter received from FDA in November. Meeting with regulatory agency scheduled for 1Q10 to discuss further steps necessary for re-filing
- Marketing authorization application submitted in Europe in July 2009. EU application accepted and currently under review, with decision expected in 3Q10
- Additional ongoing studies with cladribine:

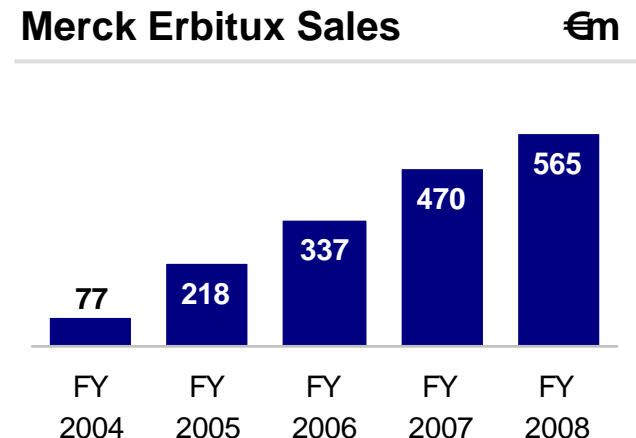
	Subjects	Status
	~1300	Extension study of pivotal 2-year Phase III monotherapy trial in patients with relapsing MS
	642	Phase III study of two doses of cladribine tablets vs placebo in preventing conversion to MS in subjects with a first clinical demyelinating event at high risk of converting to MS
	200	Phase II safety study of cladribine tablets added to interferon therapy in patients with active MS

Merck Serono

Erbix[®] – On the growth path



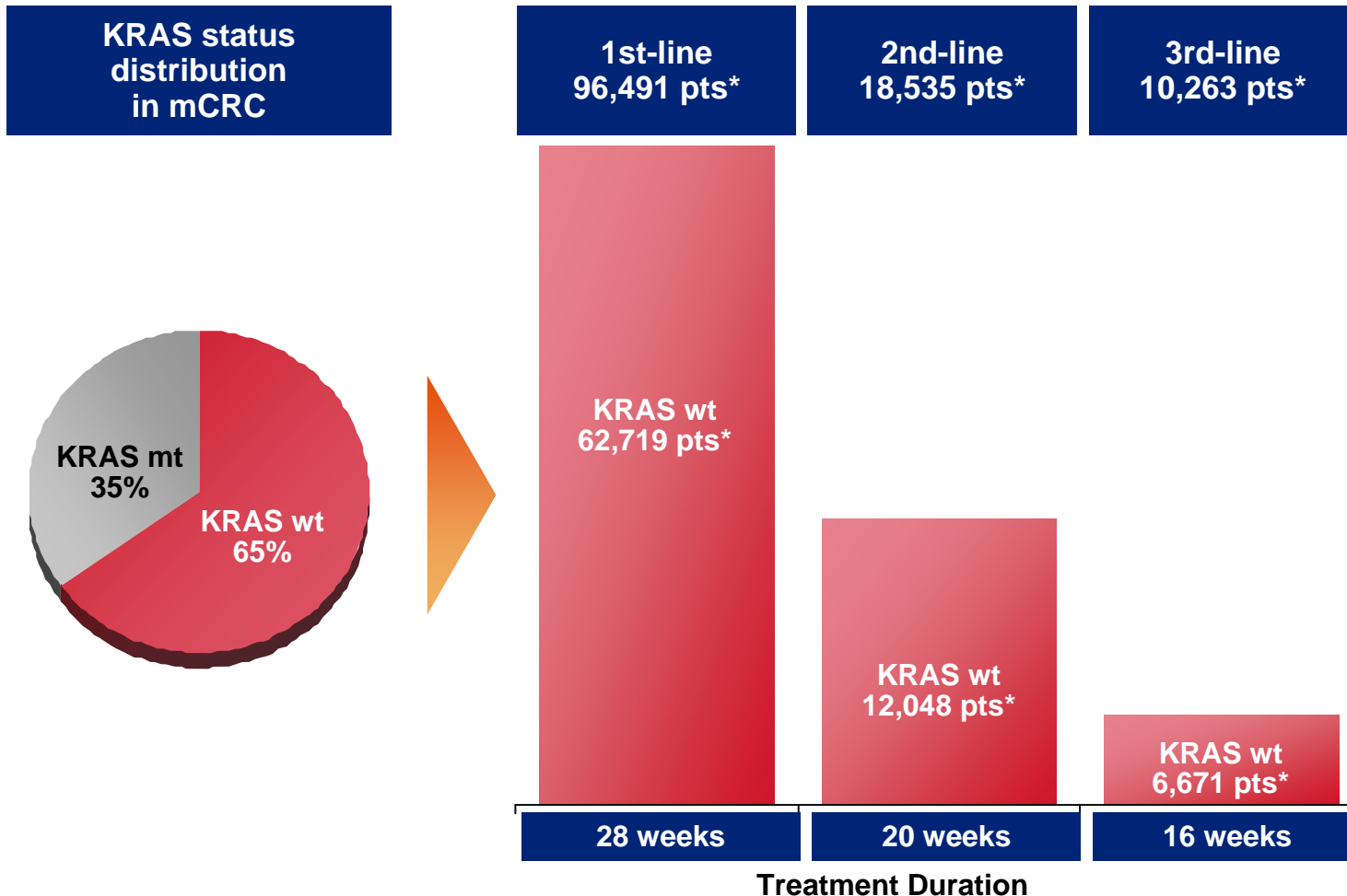
Indication	Approved
3 rd /2 nd line mCRC ^{*)} in EU	Jun 04
Locally advanced SCCHN ^{**)} in EU	Apr 06
1 st line mCRC in EU	July 08
3 rd /2 nd line mCRC in Japan	July 08
Recurrent/metastatic SCCHN in EU	Nov 08



- Erbitux now approved for mCRC in 77 countries, for SCCHN in 72 countries
- Committee for Medicinal Products for Human Use (CHMP) adopted negative opinion for treatment of lung cancer (November 2009)
- National Comprehensive Cancer Network (NCCN) guidelines: Erbitux recommended as 1st line treatment in mCRC
- mCRC in EU: KRAS screenings and reimbursement process established

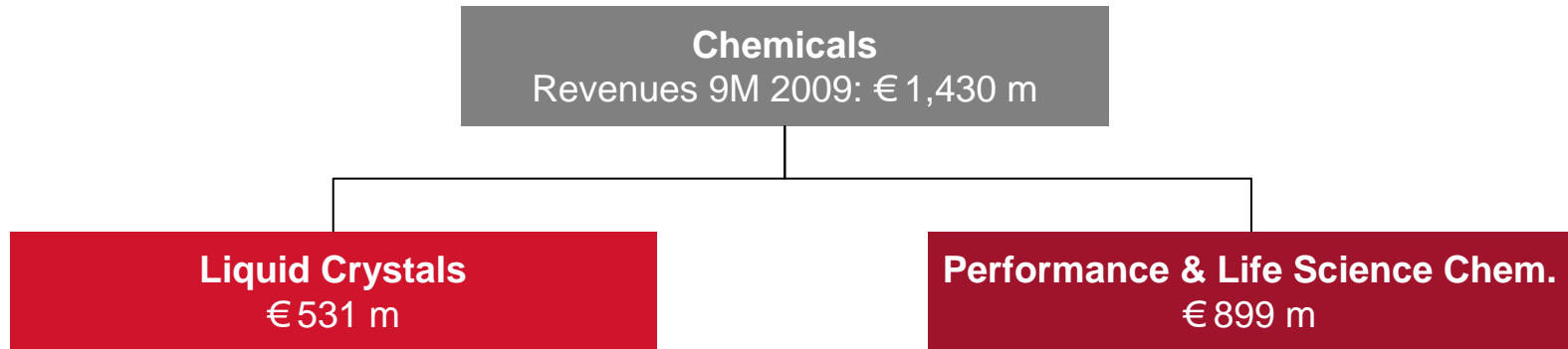
*) mCRC – Metastatic Colorectal Cancer

***) SCCHN – Squamous Cell Carcinoma of the Head and Neck



*Data for Europe Big Five, Source: OncFoundation v5 Nov 2009 projections for 2009
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Chemicals Overview



Liquid Crystals

- Focus on innovation in display technologies to sustain market leadership
- Capitalize on excellent reputation in quality and reliability
- Broaden application basis long-term with penetration into new markets

Performance & Life Science Chemicals

- Focus on specialty chemicals solutions
- Leverage strong expertise in regulated markets with high entry barriers
- Strengthen position in growth focus regions: India and China

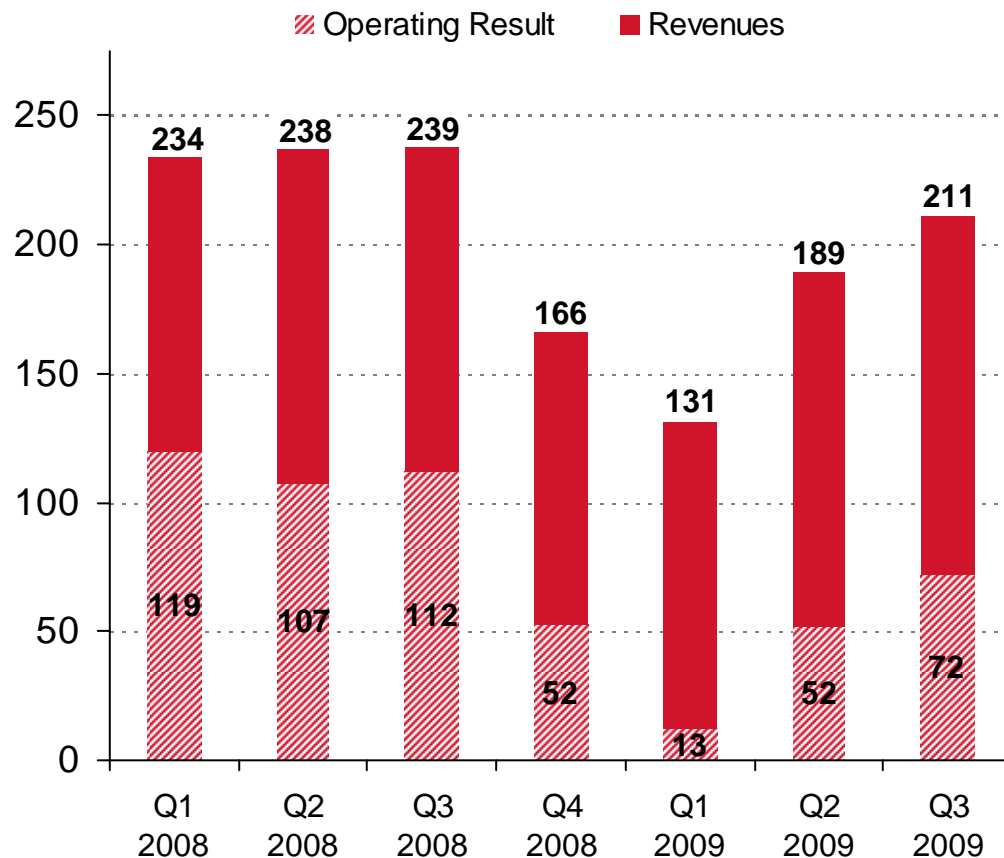
PS-VA = polymer-stabilized vertical alignment

Liquid Crystals Business Dynamics



Quarterly Business Development

€m



- Trough seen in Q1 2009, continued recovery since then
- Increasing market penetration of PS-VA technology
- Prices continued to be under pressure

Liquid Crystals

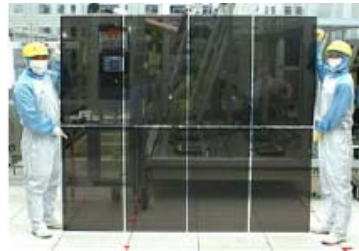
A Highly Consolidated Industry



LC
Suppliers



LCD
Panel
Makers



LCD
Set
Makers

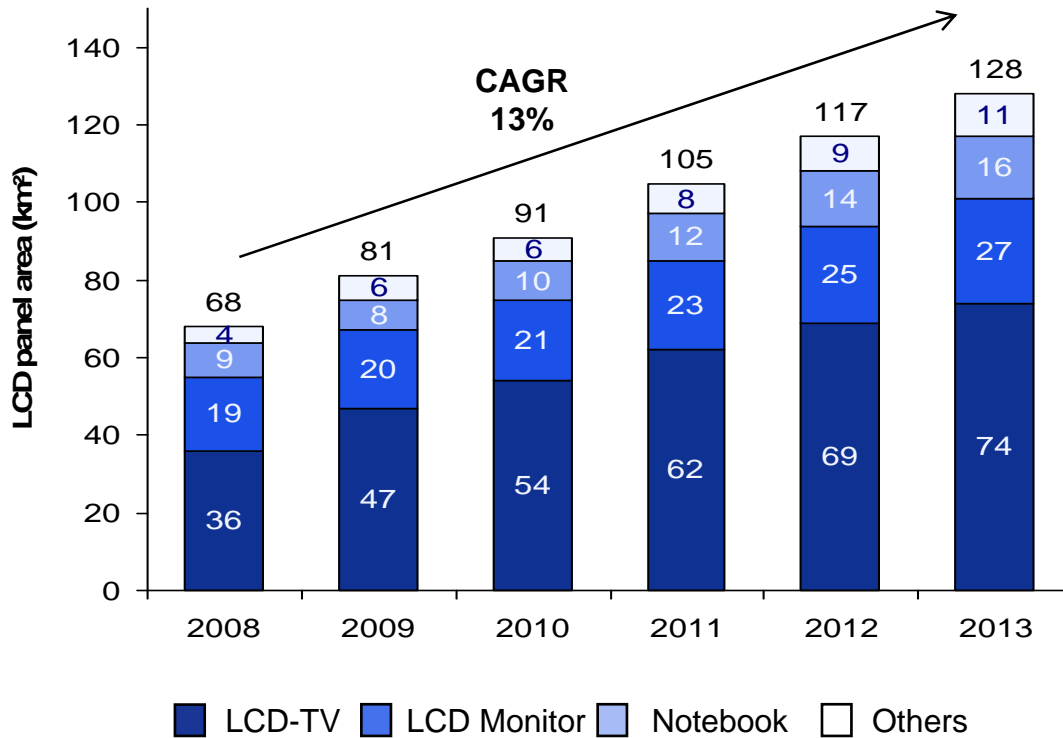


Liquid Crystals

TFT-LCD panel forecast (area) by application



TFT-LCD panel area by application



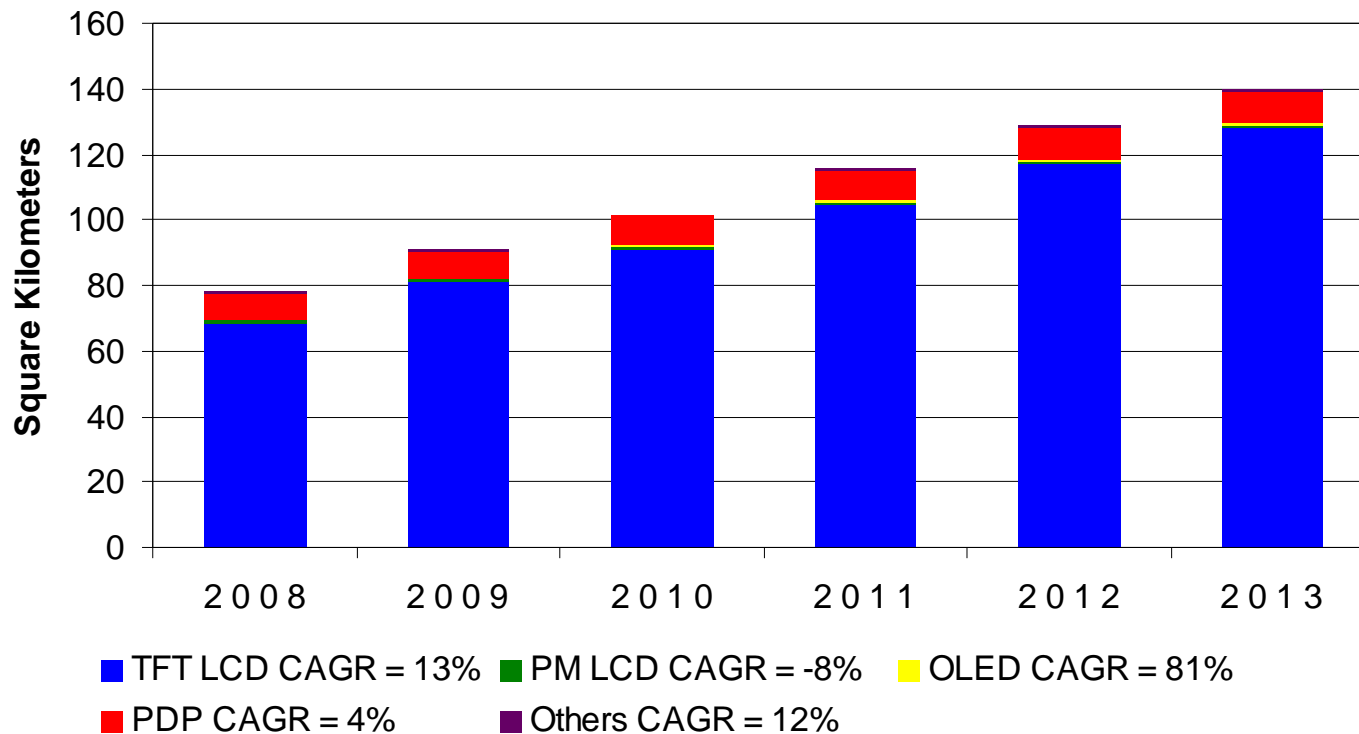
Key facts

- The **TFT-LCD** area is continuously growing in all application segments
- **19%** TFT-LCD area growth in 2009
- **LCD-TV** remains the dominant application
- **Notebooks** have the highest growth rate

Source: DisplaySearch (Q3/2009)

Liquid Crystals

Flat Display Market by Technology

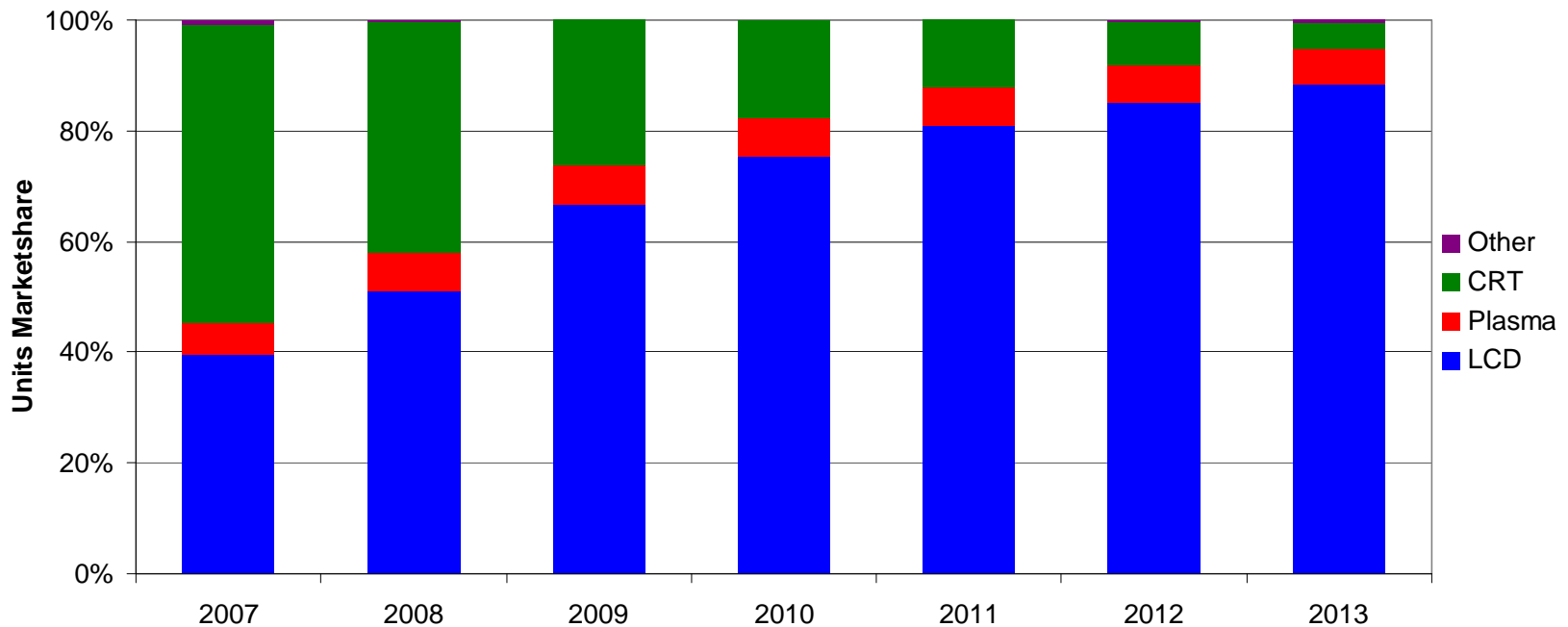


Total CAGR = 13%

Source: DisplaySearch, Long-term demand forecast Q3 2009

LCDs dominant the Flat Panel Display market in terms of value, units, display area and will continue to do so for the next years

Liquid Crystals TV Market by Unit Market Share



LCD TV shipments surpassed CRT in 2008, fast further penetration

Performance & Life Science Chemicals

Diversified Customers and Applications



Performance & Life Science Chemicals – Business Characteristics

- Customized solutions for pharma, biosciences, cosmetics
- Leading market position in analytical materials for research and manufacturing
- Market leader for innovative effect pigments in e. g. coatings (automotive, industrial), safety printing, plastics and cosmetics
- Global market presence with excellent reputation in quality and brands
- Strategic focus: Capitalizing on synergies in regulated markets
- Innovations for new growth markets (e. g. photovoltaics)

Selected Applications



Lab materials



Ingredients for cosmetics



Pigments for packaging



Pigments for automotive coatings

Performance & Life Science Chemicals

Laboratory Market Characteristics and Trend



Market Characteristics and Trends



- Strong regulatory pressure with certification requirements (according to national and international norms)
- High demand for premium quality products and services (certificates, documentation)
- High demand for easy-to-use convenience products, systems and services
- Increasing relevance of multi national customers
- Need for customized solutions and applications
- Need for comprehensive product range and right packaging
- Higher price sensitivity than in other segments

Merck Group Outlook Update FY2009



	Revenues* FY 2009	ROS FY 2009
Merck Serono	+ 6% (from: + 6-9%)	20% ** (from: 20-25% **)
Consumer Health Care	+ 5% (from: + 3-6%)	9% (from: 5-10%)
Liquid Crystals	- 20% (from: - 20-25%)	30% (from: 20-30%)
Performance & Life Science Chemicals	unchanged	7% (from: 5-10%)
Corporate & Others	Development insignificant	
Merck Group	+ 2% (from: + 0-5%)	17% ** (from: 15-20% **)

* Compared to 2008

** Core ROS

Merck Investor Relations says Thank you




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