

March 2, 2015 - Frequently Asked Questions and Answers – (FAQs)

From time to time, Merck Investor Relations will provide FAQs on various topics of interest. The following are recent FAQs.

Key words: Product Divestitures

Merck has announced a number of product divestitures recently. How will these divestitures affect Merck's future reported sales?

On October 1, 2013, Merck announced a global initiative to sharpen its commercial and R&D focus. The multi-year initiative will enable Merck to better target its resources behind those opportunities that have the potential to deliver the greatest return on investment. In other areas we are reducing investment and looking for ways to maximize the value of these assets. Accordingly, we have entered into the following transactions that will have an impact on future reported sales:

Merck Consumer Care

On May 6, 2014, Merck entered into an agreement for Bayer AG to purchase the Merck Consumer Care business for \$14.2 billion. Consumer Care Sales were approximately \$1.9 billion in 2013. In addition to all Merck Consumer Care sales, Bayer also acquired the rights for Claritin Rx and Afrin Rx in international markets where these products are available by prescription only (~\$200 million in 2013 sales). The transaction closed on October 1, 2014, and the related gain from this transaction was excluded from Merck's non-GAAP financial results.

Ophthalmic Products

On July 1, 2014, Merck sold to Santen Merck's ophthalmology business line in Japan and key markets in Europe and Asia Pacific. The ophthalmics business line includes 9 branded ophthalmic products including COSOPT®, COSOPT PF®, TRUSOPT®, TRUSOPT PF®, TIMOPTIC®, TIMOPTIC PF®, TIMOPTIC XE®, SAFLUTAN®, and TAPTIQOM®. Under the terms of the agreement, Santen made an upfront payment of approximately \$600 million and will make additional payments based on defined sales milestones. The 2013 annual sales of these ophthalmology products in the markets within the scope of the agreement were approximately \$400 million. The related gain from this transaction was excluded from Merck's non-GAAP financial results.

On April 1, 2014, Merck sold the U.S. rights to ZIOPTAN® to Akorn, Inc. for \$11 million. The 2013 annual sales for ZIOPTAN® in the U.S. were approximately \$20 million.

On November 15, 2013, Merck sold the U.S. rights to three branded ophthalmic products to Akorn, Inc. for \$52.8 million. Products included in this transaction are AzaSite®, COSOPT®, and COSOPT® PF. The 2013 annual sales associated with these ophthalmic products were approximately \$30 million.

SAPHRIS

On January 17, 2014, Merck sold the U.S. rights to SAPHRIS® (asenapine), a treatment for adult patients with schizophrenia or acute bipolar mania, for \$240 million. The 2013 annual U.S. sales associated with SAPHRIS were approximately \$150 million.

Aspen

On October 1, 2013, Merck sold its active pharmaceutical ingredient (API) manufacturing business, including the related manufacturing facility, in the Netherlands to Aspen Holdings (Aspen). The 2013 annual sales associated with the API business were approximately \$150 million.

In addition, Aspen acquired certain products within Diversified Brands and Merck Consumer Care, effective December 31, 2013. The 2013 annual sales associated with these products were approximately \$240 million.

The following table reflects approximate 2014 Sales for products and businesses divested during 2014.

Divested Products: Approximate 2014 Sales:

	Total	U.S.	International	Closing Date
SAPHRIS®	\$290 mm	\$290 mm		Jan. 17, 2014
COSOPT®, COSOPT PF®, TRUSOPT®, TRUSOPT PF®	\$175 mm ²		\$175 mm	July 1, 2014
Other Pharmaceutical Sales	\$10 mm ¹	\$10 mm		April 1, 2014
	\$40 mm ²		\$40 mm	July 1, 2014
CLARITIN R _x	\$140 mm		\$140 mm	Oct. 1, 2014
Consumer Care Sales	\$1,550 mm	\$1,060 mm	\$490 mm	Oct. 1, 2014
Total Merck Sales of Completed Divestitures	\$2,205 mm	\$1,360 mm	\$845 mm	

¹ Sales of products divested to Akorn

² Sales of products divested to Santen

DISCLOSURE NOTICE:

This FAQ contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and involve risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include statements regarding product development, product potential or financial performance. No forward-looking statement can be guaranteed and actual results may differ materially from those projected. Merck undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this presentation should be evaluated together with the many uncertainties that affect Merck's business, particularly those mentioned in the risk factors and cautionary statements in Item 1A of Merck's Form 10-K for the year ended Dec. 31, 2014.

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