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Gangolf Schrimpf +49 6151 72-9591

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Merck Strengthens its Presence in China with New Pharmaceutical Manufacturing Facility

- **€80 million investment underscores Merck's long-term commitment to China**
- **New facility will focus on Merck's leading brands referenced in China's essential drug list and serve the country's expanding healthcare needs in the areas of diabetes, cardiovascular diseases and thyroid disorders**

Darmstadt / Germany, Nantong / China, November 15, 2013 – Merck Serono, the biopharmaceutical division of Merck, announced today a €80 million investment in a new pharmaceutical manufacturing facility, to be located in the Nantong Economical Technological Development Area (NETDA), in the Greater Shanghai region (Yangtze River Delta area).

“This further investment in China reflects Merck's long-term commitment to the country where our group has been present for 80 years,” said Belén Garijo, President and Chief Executive Officer of Merck Serono, the biopharmaceutical division of Merck. “We are proud to be one of the first multinational companies investing in a local site focused on the manufacturing of medicines referenced in China's essential drug list, and serve the country's expanding healthcare needs in the areas of diabetes, cardiovascular diseases and thyroid disorders, by bringing high-quality medicines made in China to a broader population, in full alignment with the Chinese government's goal to increase access to quality products.”

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Merck KGaA

www.merckserono.com

Merck Serono is a division of Merck.

Frankfurter Strasse 250
64293 Darmstadt
Germany
Hotline +49 (0) 6151 72-5000
www.merckgroup.com

Tel. +49 (0) 6151 72-9591
gangolf.schrimpf@merckgroup.com

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The new facility will focus on the bulk production and packaging of Glucophage[®], Concor[®] and Euthyrox[®], Merck's leading brands for the treatment of diabetes, cardiovascular diseases and thyroid disorders respectively. Located in NETDA's BioSpark, a high-tech industrial park designed to accommodate all aspects of the life science industry, the new facility will cover an area of 40,000 square meters, with a possible 20,000 square meters extension. The construction of the site is scheduled to start in 2014 and to be completed in 2016, and start commercial production in 2017. The site will be designed to comply with the highest international quality standards. The preservation of the environment will also be a critical consideration in the facility's construction, with a maximization of resource efficiency and minimized waste generation during the manufacturing process.

"This new facility will become Merck Serono's second largest pharmaceutical manufacturing site in the world and will help ensure that our medicines will always be available to patients who rely on them, which is a key priority for Merck Serono," added Allan Gabor, General Manager and Managing Director of Merck Serono in China. "With our research center, our development capabilities, our commercial presence and this new manufacturing facility, we are building for the future in China by investing across our value chain."

As part of its 80-year history in China, Merck has made significant investments in the country. Over the past five years only, investments for the Merck Serono division included:

- A research center in Beijing, focused on biomarker research, including pharmacogenomics and bioanalytics, which is part of Merck Serono's stratified medicine approach;
- Enhanced clinical development capabilities, covering over 400 key clinical study sites and having recruited over 10,000 patients accumulatively across China;
- Increased commercial presence to better serve patients and healthcare providers;
- An extensive network of collaborations with leading academic and medical institutions, as well as local companies; Merck Serono's latest collaboration

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agreement with a Chinese company, announced on November 13, 2013, is a second co-development and commercialization agreement with BeiGene, which will further strengthen the two companies existing collaboration in oncology.

Recent investments for other divisions of the Merck group include the Merck Millipore Biopharmaceutical Technical and Training Centre and a soon to be opened Liquid Crystals manufacturing facility, both located in Shanghai.

About Merck Serono China

Headquartered in Beijing, Merck Serono China currently employs 1,250 people in the country. Merck Serono China offers a portfolio of medicines addressing some of the key rising healthcare needs of the Chinese population, including the division's leading brands serving patients with cancer (Erbitux®), infertility (Gonal-f®), as well as cardiometabolic diseases (Glucophage®, Concor®, Euthyrox®).

About Merck Serono

Merck Serono is the biopharmaceutical division of Merck. With headquarters in Darmstadt, Germany, Merck Serono offers leading brands in 150 countries to help patients with cancer, multiple sclerosis, infertility, endocrine and metabolic disorders as well as cardiovascular diseases. In the United States and Canada, EMD Serono operates as a separately incorporated subsidiary of Merck Serono.

Merck Serono discovers, develops, manufactures and markets prescription medicines of both chemical and biological origin in specialist indications. We have an enduring commitment to deliver novel therapies in our core focus areas of neurology, oncology, immuno-oncology and immunology.

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Merck is a leading pharmaceutical, chemical and life science company with total revenues of € 11.2 billion in 2012, a history that began in 1668, and a future shaped by approx. 38,000 employees in 66 countries. Its success is characterized by innovations from entrepreneurial employees. Merck's operating activities come under the umbrella of Merck KGaA, in which the Merck family holds an approximately 70% interest and free shareholders own the remaining approximately 30%. In 1917 the U.S. subsidiary Merck & Co. was appropriated and has been an independent company ever since.