



**Supplement to
4Q 2016
Earnings Release**

**Merck & Co., Inc.
Financial Highlights Package
Fourth Quarter 2016
Table of Contents**

Table 1: GAAP P&L.....	1
Table 1a: GAAP P&L – Current Year and Prior Year by Quarter.....	2
Table 2a: GAAP to Non-GAAP Reconciliation 4Q16	3
Table 2b: GAAP to Non-GAAP Reconciliation Dec YTD 16	4
Table 2c: GAAP to Non-GAAP Reconciliation 4Q15.....	5
Table 2d: GAAP to Non-GAAP Reconciliation Dec YTD 15	6
Table 3: Sales – Current Year and Prior Year by Quarter	7
Table 3a: Sales – U.S. / Ex- U.S. 4Q16	8
Table 3b: Sales – U.S. / Ex- U.S. Dec YTD 16.....	9
Table 3c: Sales – Pharmaceutical Geographic Split	10
Table 4: Other (Income) Expense	11

MERCK & CO., INC.
CONSOLIDATED STATEMENT OF INCOME - GAAP
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 1

	GAAP		% Change	GAAP		% Change
	4Q16	4Q15		Full Year 2016	Full Year 2015	
Sales	\$ 10,115	\$ 10,215	-1%	\$ 39,807	\$ 39,498	1%
Costs, Expenses and Other						
Materials and production ⁽¹⁾	3,332	3,850	-13%	13,891	14,934	-7%
Marketing and administrative ⁽¹⁾	2,593	2,615	-1%	9,762	10,313	-5%
Research and development ⁽¹⁾	4,650	1,797	*	10,124	6,704	51%
Restructuring costs ⁽²⁾	265	233	14%	651	619	5%
Other (income) expense, net ⁽¹⁾⁽³⁾	631	905	-30%	720	1,527	-53%
Income Before Taxes	(1,356)	815	*	4,659	5,401	-14%
Income Tax (Benefit) Provision	(769)	(166)		718	942	
Net Income	(587)	981	*	3,941	4,459	-12%
Less: Net Income Attributable to Noncontrolling Interests	7	5		21	17	
Net Income Attributable to Merck & Co., Inc.	\$ (594)	\$ 976	*	\$ 3,920	\$ 4,442	-12%
(Loss) Earnings per Common Share Assuming Dilution ⁽⁴⁾	\$ (0.22)	\$ 0.35	*	\$ 1.41	\$ 1.56	-10%
Average Shares Outstanding Assuming Dilution ⁽⁴⁾	2,755	2,813		2,787	2,841	
Tax Rate ⁽¹⁾⁽⁵⁾	56.7%	-20.4%		15.4%	17.4%	

* 100% or greater

(1) Amounts include the impact of acquisition and divestiture-related costs, restructuring costs and certain other items. See accompanying tables for details.

(2) Represents separation and other related costs associated with restructuring activities under the company's formal restructuring programs.

(3) Other (income) expense, net in the fourth quarter and full year of 2016 includes a \$625 million charge to settle worldwide patent litigation related to KEYTRUDA. Other (income) expense, net in the fourth quarter and full year of 2015 includes a \$680 million net charge related to the settlement of VIOXX shareholder class action litigation, as well as a \$147 million gain on the divestiture of the company's remaining ophthalmics business in international markets. In addition, other (income) expense, net in the fourth quarter and full year of 2015 includes foreign exchange losses of \$161 million and \$876 million, respectively, to devalue the company's net monetary assets in Venezuela. Other (income) expense, net for the full year of 2015 also includes a \$250 million gain on the sale of certain migraine clinical development programs.

(4) Because the company recorded a net loss in the fourth quarter of 2016, no potential dilutive common shares were used in the computation of loss per share assuming dilution as the effect would have been anti-dilutive.

(5) The effective income tax rates for the fourth quarter and full year of 2015 reflect the impact of the net charge related to the settlement of VIOXX shareholder class action litigation being fully deductible at combined U.S. federal and state tax rates, the favorable impact of tax legislation enacted in the fourth quarter of 2015, as well as the unfavorable effect of non-tax deductible foreign exchange losses related to Venezuela. The effective income tax rates for the fourth quarter and full year of 2015 also reflect net benefits of \$40 million and \$410 million, respectively, related to the settlement of certain federal income tax issues.

MERCK & CO., INC.
CONSOLIDATED STATEMENT OF INCOME - GAAP
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 1a

	2016					2015					% Change	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	4Q	Full Year
Sales	\$ 9,312	\$ 9,844	\$ 10,536	\$ 10,115	\$ 39,807	\$ 9,425	\$ 9,785	\$ 10,073	\$ 10,215	\$ 39,498	-1%	1%
Costs, Expenses and Other												
Materials and production	3,572	3,578	3,409	3,332	13,891	3,569	3,754	3,761	3,850	14,934	-13%	-7%
Marketing and administrative	2,318	2,458	2,393	2,593	9,762	2,601	2,624	2,472	2,615	10,313	-1%	-5%
Research and development	1,659	2,151	1,664	4,650	10,124	1,737	1,670	1,500	1,797	6,704	*	51%
Restructuring costs	91	134	161	265	651	82	191	113	233	619	14%	5%
Other (income) expense, net	48	19	22	631	720	55	739	(170)	905	1,527	-30%	-53%
Income (Loss) Before Taxes	1,624	1,504	2,887	(1,356)	4,659	1,381	807	2,397	815	5,401	*	-14%
Income Tax Provision (Benefit)	494	295	699	(769)	718	423	119	566	(166)	942		
Net Income (Loss)	1,130	1,209	2,188	(587)	3,941	958	688	1,831	981	4,459	*	-12%
Less: Net Income Attributable to Noncontrolling Interests	5	4	4	7	21	5	1	5	5	17		
Net Income (Loss) Attributable to Merck & Co., Inc.	\$ 1,125	\$ 1,205	\$ 2,184	\$ (594)	\$ 3,920	\$ 953	\$ 687	\$ 1,826	\$ 976	\$ 4,442	*	-12%
Earnings (Loss) per Common Share Assuming Dilution ⁽¹⁾	\$ 0.40	\$ 0.43	\$ 0.78	\$ (0.22)	\$ 1.41	\$ 0.33	\$ 0.24	\$ 0.64	\$ 0.35	\$ 1.56	*	-10%
Average Shares Outstanding Assuming Dilution ⁽¹⁾	2,795	2,789	2,786	2,755	2,787	2,865	2,850	2,836	2,813	2,841		
Tax Rate	30.4%	19.6%	24.2%	56.7%	15.4%	30.6%	14.7%	23.6%	-20.4%	17.4%		

* 100% or greater

Sum of quarterly amounts may not equal year-to-date amounts due to rounding.

(1) Because the company recorded a net loss in the fourth quarter of 2016, no potential dilutive common shares were used in the computation of loss per share assuming dilution as the effect would have been anti-dilutive.

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
FOURTH QUARTER 2016
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2a

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items ⁽³⁾	Adjustment Subtotal	Non-GAAP
Materials and production	\$ 3,332	756	32		788	\$ 2,544
Marketing and administrative	2,593	22	4		26	2,567
Research and development	4,650	2,897	9		2,906	1,744
Restructuring costs	265		265		265	-
Other (income) expense, net	631	35		564	599	32
(Loss) Income Before Taxes	(1,356)	(3,710)	(310)	(564)	(4,584)	3,228
Income Tax (Benefit) Provision	(769)	(1,303) ⁽⁴⁾	(60) ⁽⁴⁾	(157) ⁽⁴⁾	(1,520)	751
Net (Loss) Income	(587)	(2,407)	(250)	(407)	(3,064)	2,477
Net (Loss) Income Attributable to Merck & Co., Inc.	(594)	(2,407)	(250)	(407)	(3,064)	2,470
(Loss) Earnings per Common Share Assuming Dilution	\$ (0.22)	(0.87)	(0.09)	(0.15)	(1.11)	\$ 0.89
Tax Rate	56.7%					23.3%

Only the line items that are affected by non-GAAP adjustments are shown.

Merck is providing certain non-GAAP information that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. Management believes that providing this information enhances investors' understanding of the company's results and permits investors to understand how management assesses performance. Management uses these measures internally for planning and forecasting purposes and to measure the performance of the company along with other metrics. Senior management's annual compensation is derived in part using non-GAAP income and non-GAAP EPS. This information should be considered in addition to, but not as a substitute for or superior to, information prepared in accordance with GAAP.

(1) Amounts included in materials and production costs reflect expenses for the amortization of intangible assets recognized as a result of acquisitions. Amounts included in marketing and administrative expenses reflect integration, transaction and certain other costs related to business acquisitions, including severance costs which are not part of the company's formal restructuring programs, as well as transaction and certain other costs related to business divestitures. Amounts included in research and development expenses reflect \$3.3 billion of in-process research and development (IPR&D) impairment charges, partially offset by a reduction of expenses of \$432 million related to decreases in the estimated fair value measurement of liabilities for contingent consideration. Amount included in other (income) expense, net represents a goodwill impairment charge related to a business within the Healthcare Services segment.

(2) Amounts primarily include employee separation costs and accelerated depreciation associated with facilities to be closed or divested related to activities under the company's formal restructuring programs.

(3) Primarily reflects a \$625 million charge to settle worldwide patent litigation related to KEYTRUDA.

(4) Represents the estimated tax impact on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments.

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
FULL YEAR 2016
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2b

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items ⁽³⁾	Adjustment Subtotal	Non-GAAP
Materials and production	\$ 13,891	4,035	181		4,216	\$ 9,675
Marketing and administrative	9,762	78	95		173	9,589
Research and development	10,124	3,152	142		3,294	6,830
Restructuring costs	651		651		651	-
Other (income) expense, net	720	47		558	605	115
Income Before Taxes	4,659	(7,312)	(1,069)	(558)	(8,939)	13,598
Income Tax Provision (Benefit)	718	(1,936) ⁽⁴⁾	(229) ⁽⁴⁾	(156) ⁽⁴⁾	(2,321)	3,039
Net Income	3,941	(5,376)	(840)	(402)	(6,618)	10,559
Net Income Attributable to Merck & Co., Inc.	3,920	(5,376)	(840)	(402)	(6,618)	10,538
Earnings per Common Share Assuming Dilution	\$ 1.41	(1.93)	(0.30)	(0.14)	(2.37)	\$ 3.78
Tax Rate	15.4%					22.3%

Only the line items that are affected by non-GAAP adjustments are shown.

Merck is providing certain non-GAAP information that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. Management believes that providing this information enhances investors' understanding of the company's results and permits investors to understand how management assesses performance. Management uses these measures internally for planning and forecasting purposes and to measure the performance of the company along with other metrics. Senior management's annual compensation is derived in part using non-GAAP income and non-GAAP EPS. This information should be considered in addition to, but not as a substitute for or superior to, information prepared in accordance with GAAP.

(1) Amounts included in materials and production costs primarily reflect \$3.7 billion of expenses for the amortization of intangible assets recognized as a result of acquisitions, as well as \$347 million of intangible asset impairment charges. Amounts included in marketing and administrative expenses reflect integration, transaction and certain other costs related to business acquisitions, including severance costs which are not part of the company's formal restructuring programs, as well as transaction and certain other costs related to business divestitures. Amounts included in research and development expenses reflect \$3.6 billion of in-process research and development (IPR&D) impairment charges, partially offset by a reduction of expenses of \$402 million related to a decrease in the estimated fair value measurement of liabilities for contingent consideration. Amounts included in other (income) expense, net represent goodwill impairment charges related to businesses within the Healthcare Services segment.

(2) Amounts primarily include employee separation costs and accelerated depreciation associated with facilities to be closed or divested related to activities under the company's formal restructuring programs.

(3) Primarily reflects a \$625 million charge to settle worldwide patent litigation related to KEYTRUDA.

(4) Represents the estimated tax impact on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments.

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
FOURTH QUARTER 2015
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2c

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items ⁽³⁾	Adjustment Subtotal	Non-GAAP
Materials and production	\$ 3,850	1,194	81		1,275	\$ 2,575
Marketing and administrative	2,615	47	8		55	2,560
Research and development	1,797	(24)	18		(6)	1,803
Restructuring costs	233		233		233	-
Other (income) expense, net	905	47		707	754	151
Income Before Taxes	815	(1,264)	(340)	(707)	(2,311)	3,126
Income Tax Provision (Benefit)	(166)	(274) ⁽⁴⁾	(77) ⁽⁴⁾	(328) ⁽⁵⁾	(679)	513
Net Income	981	(990)	(263)	(379)	(1,632)	2,613
Net Income Attributable to Merck & Co., Inc.	976	(990)	(263)	(379)	(1,632)	2,608
Earnings per Common Share Assuming Dilution	\$ 0.35	(0.35)	(0.09)	(0.14)	(0.58)	\$ 0.93
Tax Rate	-20.4%					16.4%

Only the line items that are affected by non-GAAP adjustments are shown.

Merck is providing certain non-GAAP information that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. Management believes that providing this information enhances investors' understanding of the company's results and permits investors to understand how management assesses performance. Management uses these measures internally for planning and forecasting purposes and to measure the performance of the company along with other metrics. Senior management's annual compensation is derived in part using non-GAAP income and non-GAAP EPS. This information should be considered in addition to, but not as a substitute for or superior to, information prepared in accordance with GAAP.

(1) Amounts included in materials and production costs reflect \$1.1 billion of expenses for the amortization of intangible assets recognized as a result of acquisitions, as well as \$29 million of amortization of purchase accounting adjustments to inventories related to the acquisition of Cubist Pharmaceuticals, Inc., and \$33 million of intangible asset impairment charges. Amounts included in marketing and administrative expenses reflect integration, transaction and certain other costs related to business acquisitions, including severance costs which are not part of the company's formal restructuring programs, as well as transaction and certain other costs related to business divestitures. Amounts included in research and development expenses primarily reflect a reduction of expenses of \$25 million resulting from a decrease in the estimated fair value of liabilities for contingent consideration. Amounts included in other (income) expense, net represent goodwill impairment charges related to certain businesses within the Healthcare Services segment.

(2) Amounts primarily include employee separation costs and accelerated depreciation associated with facilities to be closed or divested related to activities under the company's formal restructuring programs.

(3) Primarily reflects a \$680 million net charge to settle VIOXX shareholder class action litigation, foreign exchange losses of \$161 million to devalue the company's net monetary assets in Venezuela and a \$147 million gain on the divestiture of the company's remaining ophthalmics business in international markets.

(4) Represents the estimated tax impact of the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments.

(5) Represents the estimated tax impact of the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments, as well as a net benefit of \$40 million on the settlement of certain federal income tax issues.

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
FULL YEAR 2015
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2d

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items ⁽³⁾	Adjustment Subtotal	Non-GAAP
Materials and production	\$ 14,934	4,869	361		5,230	\$ 9,704
Marketing and administrative	10,313	436	78		514	9,799
Research and development	6,704	39	52		91	6,613
Restructuring costs	619		619		619	-
Other (income) expense, net	1,527	54		1,125	1,179	348
Income Before Taxes	5,401	(5,398)	(1,110)	(1,125)	(7,633)	13,034
Income Tax Provision (Benefit)	942	(1,079) ⁽⁴⁾	(222) ⁽⁴⁾	(579) ⁽⁵⁾	(1,880)	2,822
Net Income	4,459	(4,319)	(888)	(546)	(5,753)	10,212
Net Income Attributable to Merck & Co., Inc.	4,442	(4,319)	(888)	(546)	(5,753)	10,195
Earnings per Common Share Assuming Dilution	\$ 1.56	(1.53)	(0.31)	(0.19)	(2.03)	\$ 3.59
Tax Rate	17.4%					21.7%

Only the line items that are affected by non-GAAP adjustments are shown.

Merck is providing certain non-GAAP information that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. Management believes that providing this information enhances investors' understanding of the company's results and permits investors to understand how management assesses performance. Management uses these measures internally for planning and forecasting purposes and to measure the performance of the company along with other metrics. Senior management's annual compensation is derived in part using non-GAAP income and non-GAAP EPS. This information should be considered in addition to, but not as a substitute for or superior to, information prepared in accordance with GAAP.

(1) Amounts included in materials and production costs reflect \$4.7 billion of expenses for the amortization of intangible assets recognized as a result of acquisitions, as well as \$105 million of amortization of purchase accounting adjustments to inventories related to the acquisition of Cubist Pharmaceuticals, Inc., and \$45 million of intangible asset impairment charges. Amounts included in marketing and administrative expenses reflect integration, transaction and certain other costs related to business acquisitions, including severance costs which are not part of the company's formal restructuring programs, as well as transaction and certain other costs related to business divestitures. Amounts included in research and development expenses reflect \$63 million of in-process research and development (IPR&D) impairment charges and a reduction in expenses of \$24 million resulting from a decrease in the estimated fair value of liabilities for contingent consideration. Amounts included in other (income) expense, net represent goodwill impairment charges related to certain businesses within the Healthcare Services segment.

(2) Amounts primarily include employee separation costs and accelerated depreciation associated with facilities to be closed or divested related to activities under the company's formal restructuring programs.

(3) Primarily reflects foreign exchange losses of \$876 million to devalue the company's net monetary assets in Venezuela, a \$680 million net charge to settle VIOXX shareholder class action litigation, a \$250 million gain on the divestiture of certain migraine clinical development programs and a \$147 million gain on the divestiture of the company's remaining ophthalmics business in international markets.

(4) Represents the estimated tax impact of the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments.

(5) Includes the estimated tax impact of the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments, as well as a net benefit of \$410 million on the settlement of certain federal income tax issues.

MERCK & CO., INC.
FRANCHISE / KEY PRODUCT SALES
(AMOUNTS IN MILLIONS)

7

Table 3

	2016					2015					% Change	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	4Q	Full Year
TOTAL SALES ⁽¹⁾	\$ 9,312	\$ 9,844	\$ 10,536	\$ 10,115	\$ 39,807	\$ 9,425	\$ 9,785	\$ 10,073	\$ 10,215	\$ 39,498	-1	1
PHARMACEUTICAL	8,104	8,700	9,443	8,904	35,151	8,266	8,564	8,925	9,027	34,782	-1	1
Primary Care and Women's Health												
Cardiovascular												
Zetia	612	702	671	575	2,560	568	635	633	691	2,526	-17	1
Vytorin	277	293	273	299	1,141	320	320	302	308	1,251	-3	-9
Diabetes												
Januvia	906	1,064	1,006	932	3,908	884	1,044	1,014	921	3,863	1	1
Janumet	506	569	548	577	2,201	509	554	562	526	2,151	10	2
General Medicine & Women's Health												
NuvaRing	175	200	195	207	777	166	182	190	193	732	7	6
Implanon / Nexplanon	134	164	148	160	606	137	124	176	151	588	6	3
Dulera	113	121	97	105	436	130	120	133	153	536	-31	-19
Follistim AQ	94	73	101	87	355	82	111	95	95	383	-9	-7
Hospital and Specialty												
Hepatitis												
Zepatier	50	112	164	229	555							
HIV												
Isentress	340	338	372	337	1,387	385	375	377	374	1,511	-10	-8
Hospital Acute Care												
Cubicin ⁽²⁾	292	357	320	119	1,087	187	293	325	322	1,127	-63	-4
Noxafil	145	143	147	161	595	111	117	132	128	487	26	22
Invanz	114	143	152	152	561	132	139	153	144	569	6	-1
Candidas	133	131	142	152	558	163	134	139	137	573	11	-3
Bridion	90	113	139	139	482	85	87	89	92	353	52	37
Primaxin	73	81	77	66	297	65	88	75	86	313	-23	-5
Immunology												
Remicade	349	339	311	269	1,268	501	455	442	396	1,794	-32	-29
Simponi	188	199	193	186	766	158	169	178	185	690	0	11
Oncology												
Keytruda	249	314	356	483	1,402	83	110	159	214	566	125	148
Emend	126	143	137	144	549	122	134	141	139	535	4	3
Temodar	66	73	78	67	283	74	80	83	75	312	-11	-9
Diversified Brands												
Respiratory												
Singulair	237	229	239	210	915	245	212	201	273	931	-23	-2
Nasonex	229	101	94	112	537	289	215	121	231	858	-52	-37
Other												
Cozaar / Hyzaar	126	132	131	121	511	185	189	150	143	667	-15	-23
Arcoxia	111	117	114	108	450	123	115	123	110	471	-2	-4
Fosamax	75	73	68	68	284	94	96	86	82	359	-18	-21
Zocor	46	50	54	37	186	49	63	56	49	217	-26	-14
Vaccines												
Gardasil / Gardasil 9	378	393	860	542	2,173	359	427	625	497	1,908	9	14
ProQuad / M-M-R II / Varivax	357	383	496	405	1,640	348	358	390	409	1,505	-1	9
Zostavax	125	149	190	221	685	175	149	179	246	749	-10	-9
RotaTeq	188	130	171	162	652	192	89	160	169	610	-4	7
Pneumovax 23	107	120	175	238	641	110	106	138	188	542	27	18
Other Pharmaceutical ⁽³⁾	1,093	1,151	1,224	1,234	4,703	1,235	1,274	1,298	1,300	5,105	-5	-8
ANIMAL HEALTH ⁽⁴⁾	829	900	865	884	3,478	831	842	827	832	3,331	6	4
Other Revenues ⁽⁴⁾⁽⁵⁾	379	244	228	327	1,178	328	379	321	356	1,385	-8	-15

Sum of quarterly amounts may not equal year-to-date amounts due to rounding.

⁽¹⁾ Only select products are shown.

⁽²⁾ First quarter of 2015 reflects approximately two months of sales following the acquisition of Cubist Pharmaceuticals, Inc. by Merck on January 21, 2015.

⁽³⁾ Includes Pharmaceutical products not individually shown above. Other Vaccines sales included in Other Pharmaceutical were \$103 million, \$91 million, \$135 million and \$126 million for the first, second, third and fourth quarters of 2016, respectively. Other Vaccines sales included in Other Pharmaceutical were \$78 million, \$76 million, \$99 million and \$148 million for the first, second, third and fourth quarters of 2015, respectively.

⁽⁴⁾ Amounts reflect a reclassification of certain revenues between Animal Health and Other Revenues.

⁽⁵⁾ Other revenues are comprised primarily of alliance revenue, third-party manufacturing sales and miscellaneous corporate revenues, including revenue hedging activities.

MERCK & CO., INC.
FRANCHISE / KEY PRODUCT SALES
FOURTH QUARTER 2016
(AMOUNTS IN MILLIONS)

8

Table 3a

	Global			U.S.			International		
	4Q 2016	4Q 2015	% Change	4Q 2016	4Q 2015	% Change	4Q 2016	4Q 2015	% Change
TOTAL SALES ⁽¹⁾	\$10,115	\$10,215	-1	\$4,686	\$4,612	2	\$5,429	\$5,603	-3
PHARMACEUTICAL	8,904	9,027	-1	4,282	4,285		4,622	4,742	-3
Primary Care and Women's Health									
Cardiovascular									
Zetia	575	691	-17	335	452	-26	240	239	
Vytorin	299	308	-3	132	123	7	167	185	-10
Diabetes									
Januvia	932	921	1	538	486	11	394	435	-9
Janumet	577	526	10	259	227	14	318	299	6
General Medicine & Women's Health									
NuvaRing	207	193	7	155	142	9	52	51	2
Implanon / Nexplanon	160	151	6	112	102	10	48	49	-1
Dulera	105	153	-31	99	146	-33	6	7	-15
Follistim AQ	87	95	-9	36	37	-2	51	58	-12
Hospital and Specialty									
Hepatitis									
Zepatier	229			180			49		
HIV									
Isentress	337	374	-10	175	194	-10	162	180	-10
Hospital Acute Care									
Noxafil	161	128	26	81	56	46	80	72	11
Cancidas	152	137	11	6	5	16	146	132	10
Invanz	152	144	6	90	87	3	63	57	9
Bridion	139	92	52	36			104	92	13
Cubicin	119	322	-63	82	308	-73	36	14	*
Primaxin	66	86	-23	1	3	-73	65	83	-21
Immunology									
Remicade	269	396	-32				269	396	-32
Simponi	186	185					186	185	
Oncology									
Keytruda	483	214	125	311	132	135	172	82	109
Emend	144	139	4	90	80	13	53	59	-10
Temodar	67	75	-11	6	1	*	61	74	-18
Diversified Brands									
Respiratory									
Singulair	210	273	-23	11	14	-20	199	259	-23
Nasonex	112	231	-52	23	140	-83	88	91	-3
Other									
Cozaar / Hyzaar	121	143	-15	3	6	-54	118	137	-13
Arcoxia	108	110	-2				108	110	-2
Fosamax	68	82	-18	2	2	-9	65	80	-18
Zocor	37	49	-26	2	5	-61	35	44	-20
Vaccines									
Gardasil / Gardasil 9	542	497	9	409	361	13	134	136	-2
ProQuad / M-M-R II / Varivax	405	409	-1	308	354	-13	97	55	74
Pneumovax 23	238	188	27	180	128	41	57	60	-4
Zostavax	221	246	-10	155	190	-18	66	56	17
RotaTeq	162	169	-4	126	126		36	43	-15
Other Pharmaceutical ⁽²⁾	1,234	1,300	-5	339	378	-10	897	922	-3
ANIMAL HEALTH ⁽³⁾	884	832	6	263	237	11	620	595	4
Other Revenues ⁽³⁾⁽⁴⁾	327	356	-8	141	90	57	187	266	-29

* 100% or greater

⁽¹⁾ Only select products are shown.

⁽²⁾ Includes Pharmaceutical products not individually shown above. Other Vaccines sales included in Other Pharmaceutical were \$126 million and \$148 million on a global basis for fourth quarter 2016 and 2015, respectively.

⁽³⁾ Amounts reflect a reclassification of certain revenues between Animal Health and Other Revenues.

⁽⁴⁾ Other revenues are comprised primarily of alliance revenue, third-party manufacturing sales and miscellaneous corporate revenues, including revenue hedging activities.

MERCK & CO., INC.
FRANCHISE / KEY PRODUCT SALES
FULL YEAR 2016
(AMOUNTS IN MILLIONS)

9

Table 3b

	Global			U.S.			International		
	Full Year 2016	Full Year 2015	% Change	Full Year 2016	Full Year 2015	% Change	Full Year 2016	Full Year 2015	% Change
TOTAL SALES ⁽¹⁾	\$39,807	\$39,498	1	\$18,478	\$17,519	5	\$21,329	\$21,979	-3
PHARMACEUTICAL	35,151	34,782	1	17,073	16,238	5	18,077	18,544	-3
Primary Care and Women's Health									
Cardiovascular									
Zetia	2,560	2,526	1	1,588	1,612	-1	972	914	6
Vytorin	1,141	1,251	-9	473	479	-1	668	771	-13
Diabetes									
Januvia	3,908	3,863	1	2,286	2,263	1	1,622	1,601	1
Janumet	2,201	2,151	2	984	976	1	1,217	1,175	4
General Medicine & Women's Health									
NuvaRing	777	732	6	576	515	12	202	216	-7
Implanon / Nexplanon	606	588	3	420	367	14	186	221	-16
Dulera	436	536	-19	412	515	-20	24	21	13
Follistim AQ	355	383	-7	157	160	-2	197	223	-11
Hospital and Specialty									
Hepatitis									
Zepatier	555			488			67		
HIV									
Isentress	1,387	1,511	-8	721	797	-9	666	714	-7
Hospital Acute Care									
Cubicin ⁽²⁾	1,087	1,127	-4	906	1,030	-12	181	97	87
Noxafil	595	487	22	284	212	34	312	275	13
Invanz	561	569	-1	329	322	2	233	247	-6
Candidas	558	573	-3	25	24	2	533	548	-3
Bridion	482	353	37	77			405	353	15
Primaxin	297	313	-5	4	8	-53	293	305	-4
Immunology									
Remicade	1,268	1,794	-29				1,268	1,794	-29
Simponi	766	690	11				766	690	11
Oncology									
Keytruda	1,402	566	148	792	393	101	610	173	254
Emend	549	535	3	356	326	9	193	209	-8
Temodar	283	312	-9	15	7	*	268	306	-12
Diversified Brands									
Respiratory									
Singular	915	931	-2	40	39	3	874	892	-2
Nasonex	537	858	-37	184	449	-59	352	409	-14
Other									
Cozaar / Hyzaar	511	667	-23	16	30	-45	494	637	-22
Arcoxia	450	471	-4				450	471	-4
Fosamax	284	359	-21	5	12	-57	279	347	-20
Zocor	186	217	-14	10	20	-48	176	197	-11
Vaccines									
Gardasil / Gardasil 9	2,173	1,908	14	1,780	1,520	17	393	388	1
ProQuad / M-M-R II / Varivax	1,640	1,505	9	1,362	1,290	6	279	214	30
Zostavax	685	749	-9	518	592	-13	168	157	7
RotaTeq	652	610	7	482	447	8	169	163	4
Pneumovax 23	641	542	18	447	378	18	193	164	18
Other Pharmaceutical ⁽³⁾	4,703	5,105	-8	1,336	1,455	-8	3,367	3,652	-8
ANIMAL HEALTH ⁽⁴⁾	3,478	3,331	4	989	880	12	2,489	2,451	2
Other Revenues ⁽⁴⁾⁽⁵⁾	1,178	1,385	-15	416	401	3	763	984	-23

* 100% or greater

⁽¹⁾ Only select products are shown.

⁽²⁾ Reflects sales following the acquisition of Cubist Pharmaceuticals, Inc. by Merck on January 21, 2015.

⁽³⁾ Includes Pharmaceutical products not individually shown above. Other Vaccines sales included in Other Pharmaceutical were \$455 million and \$401 million on a global basis for December Full Year 2016 and 2015, respectively.

⁽⁴⁾ Amounts reflect a reclassification of certain revenues between Animal Health and Other Revenues.

⁽⁵⁾ Other revenues are comprised primarily of alliance revenue, third-party manufacturing sales and miscellaneous corporate revenues, including revenue hedging activities.

MERCK & CO., INC.
PHARMACEUTICAL GEOGRAPHIC SALES
(AMOUNTS IN MILLIONS)
(UNAUDITED)

Table 3c

	2016					2015					% Change 4Q	% Change Full Year
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year		
TOTAL PHARMACEUTICAL	\$8,104	\$8,700	\$9,443	\$8,904	\$35,151	\$8,266	\$8,564	\$8,925	\$9,027	\$34,782	-1	1
United States	3,913	4,169	4,710	4,282	17,073	3,637	3,934	4,382	4,285	16,238	0	5
% Pharmaceutical Sales	48.3%	47.9%	49.9%	48.1%	48.6%	44.0%	45.9%	49.1%	47.5%	46.7%		
Europe ⁽¹⁾	1,914	1,997	1,935	1,843	7,689	2,024	1,896	1,920	1,873	7,714	-2	0
% Pharmaceutical Sales	23.6%	23.0%	20.5%	20.7%	21.9%	24.5%	22.1%	21.5%	20.8%	22.2%		
Japan	620	673	812	659	2,764	627	629	564	785	2,605	-16	6
% Pharmaceutical Sales	7.7%	7.7%	8.6%	7.4%	7.9%	7.6%	7.3%	6.3%	8.7%	7.5%		
Asia Pacific	806	890	914	912	3,522	809	822	854	946	3,431	-4	3
% Pharmaceutical Sales	9.9%	10.2%	9.7%	10.2%	10.0%	9.8%	9.6%	9.6%	10.5%	9.9%		
China	337	353	350	333	1,374	318	335	353	339	1,344	-2	2
Latin America	359	430	448	538	1,776	630	676	585	512	2,403	5	-26
% Pharmaceutical Sales	4.4%	4.9%	4.7%	6.0%	5.1%	7.6%	7.9%	6.5%	5.7%	6.9%		
Eastern Europe/Middle East Africa	272	314	364	429	1,379	321	372	380	402	1,476	7	-7
% Pharmaceutical Sales	3.4%	3.6%	3.9%	4.8%	3.9%	3.9%	4.3%	4.3%	4.5%	4.2%		
Canada	147	170	184	180	682	170	167	159	172	668	5	2
% Pharmaceutical Sales	1.8%	2.0%	1.9%	2.0%	1.9%	2.1%	2.0%	1.8%	1.9%	1.9%		
Other	73	57	76	61	266	48	68	81	52	247	19	7
% Pharmaceutical Sales	0.9%	0.7%	0.8%	0.7%	0.8%	0.6%	0.8%	0.9%	0.6%	0.7%		

⁽¹⁾ Europe primarily represents all European Union countries and the European Union accession markets.

MERCK & CO., INC.
OTHER (INCOME) EXPENSE, NET - GAAP
(AMOUNTS IN MILLIONS)
(UNAUDITED)
Table 4

OTHER (INCOME) EXPENSE, NET

	4Q16	4Q15	Full Year 2016	Full Year 2015
INTEREST INCOME	\$ (83)	\$ (75)	\$ (328)	\$ (289)
INTEREST EXPENSE	180	169	693	672
EXCHANGE LOSSES ⁽¹⁾	95	239	174	1,277
EQUITY (INCOME) LOSS FROM AFFILIATES	(27)	5	(86)	(205)
Other, net ⁽²⁾	466	567	267	72
TOTAL	\$ 631	\$ 905	\$ 720	\$ 1,527

⁽¹⁾ Fourth quarter and full year of 2015 include foreign exchange losses of \$161 million and \$876 million, respectively, recorded in connection with the devaluation of the company's net monetary assets in Venezuela.

⁽²⁾ Other, net in the fourth quarter and full year of 2016 includes a \$625 million charge to settle worldwide patent litigation related to KEYTRUDA. Other, net in the fourth quarter and full year of 2015 includes a \$680 million net charge related to the settlement of VIOXX shareholder class action litigation, as well as a \$147 million gain on the divestiture of the company's remaining ophthalmics business in international markets. Other, net for the full year of 2015 also includes a \$250 million gain on the sale of certain migraine clinical development programs.