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Forward-Looking Statement

This communication includes “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based upon the current beliefs and expectations of Merck’s management and are subject to significant risks and uncertainties. There can be no guarantees with respect to pipeline products that the products will receive the necessary regulatory approvals or that they will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

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Merck is Positioned for Long-Term Growth through Innovation

Premier Research-Driven Biopharmaceutical Company

New Focused Model

**Four Key Growth
Platforms**

Accelerating BD Strategy

**Improving Operating
Model**

Suite of Opportunities

**Advancing Innovative
Pipeline**

**Programs in Areas with
Large Unmet Needs**

**Multiple New Product
Launches**

2014: A Year of Significant Execution for Merck

Delivered Sales and EPS in-line with guidance

Grew all 4 Commercial Focus Areas in Q4

Advanced the pipeline; obtained 6 new product registrations in the U.S.

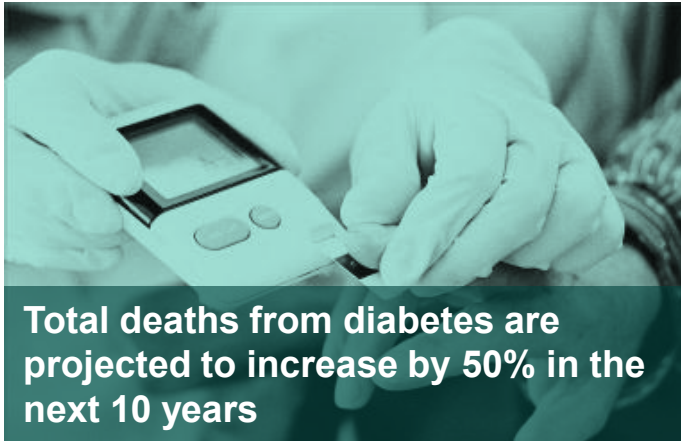
Executed significant business development

Returned \$13 Billion of cash to shareholders

**Strong
momentum
entering 2015**

Focused Areas Give Us a Strong Platform for Growth

DIABETES



Total deaths from diabetes are projected to increase by 50% in the next 10 years

VACCINES



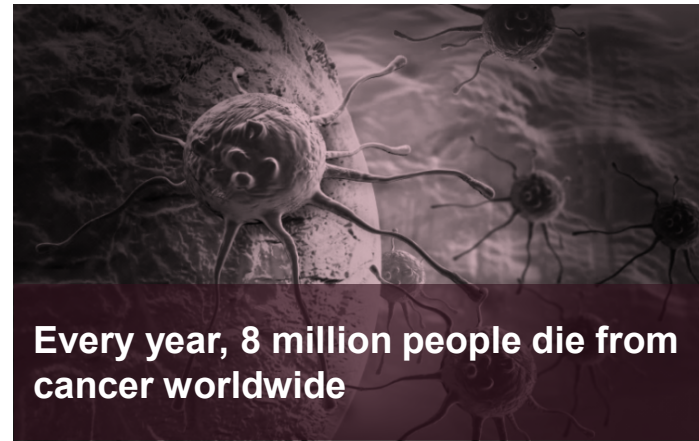
Prevention of disease through vaccination is cost effective

HOSPITAL ACUTE CARE



Antibiotic-resistant bacteria infects over 2 million Americans annually, resulting in 23,000 deaths

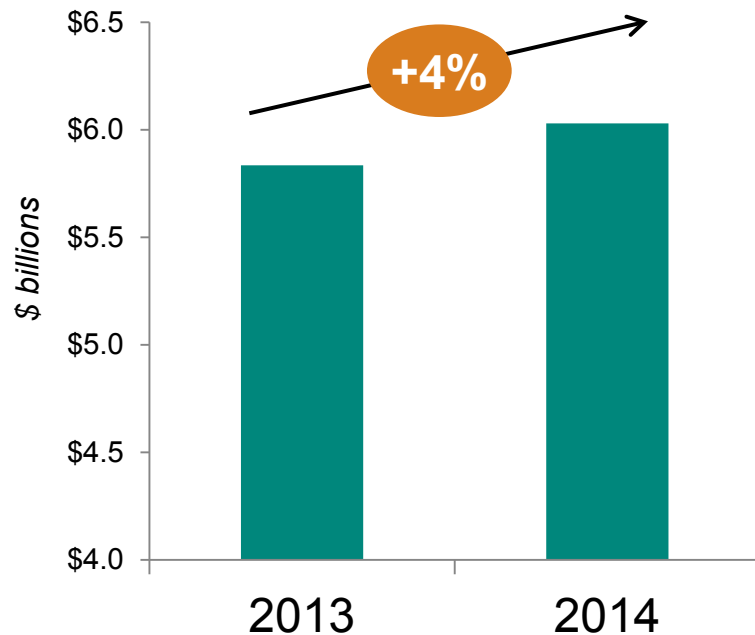
ONCOLOGY



Every year, 8 million people die from cancer worldwide

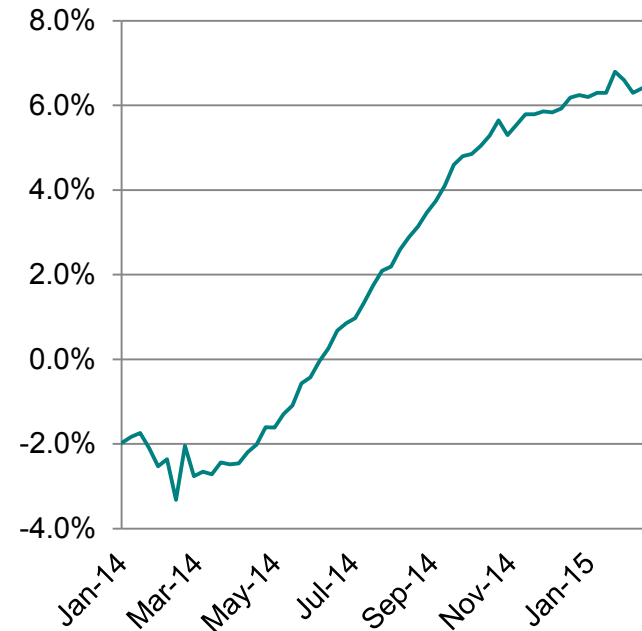
Focused Strategy supports Leadership in the DPP-4 Market

FY 2014 Sales Growth¹



JANUVIA TRx Trend²

JANUVIA Franchise 12-Wk Rolling TRx
YoY Change %

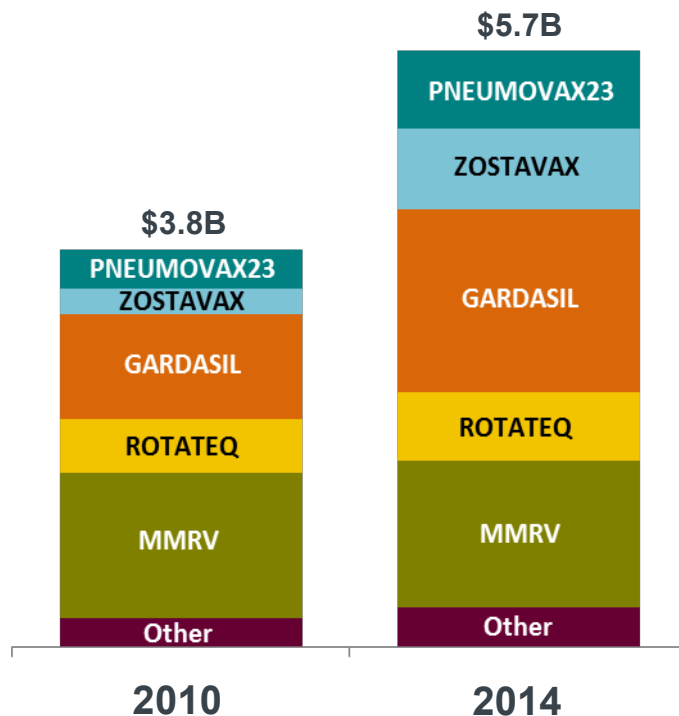


- Focusing resources on this important brand with ~\$6 billion annual sales
- Macro trends support a growing Diabetes market

Focused Strategy builds Leadership in the Global Vaccines Market

Merck Vaccine Sales¹

+11% CAGR

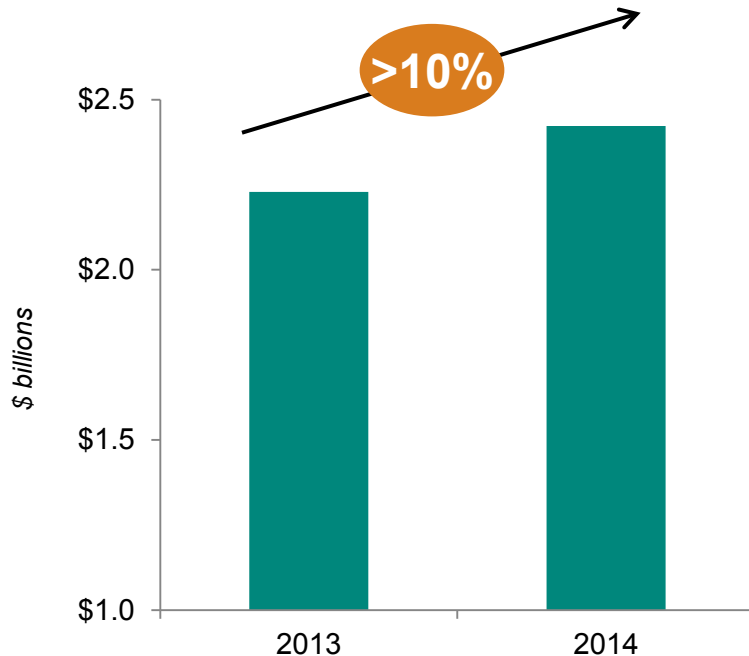


- A global leader in vaccines sales
- Broad portfolio
- GARDASIL market share leader at >90% globally
- GARDASIL 9, 9-valent HPV vaccine recently approved by FDA
- ZOSTAVAX single-dose shingles vaccine launching around the world

Focused Strategy building Leadership in Hospital Acute Care

An Area of Significant Unmet Need

FY 2014 Sales Growth¹



- Merck's Hospital Acute Care portfolio has annual sales ~\$2.5 billion
- Key products include:
 - Antibiotics (INVANZ, PRIMAXIN)
 - Antifungals (NOXAFIL, CANCIDAS)
 - BRIDION
- Well-positioned longer term with several Phase 3 pipeline opportunities

Hospital Acute Care has an efficient customer base and positive momentum from regulatory and reimbursement trends.

Merck + Cubist: A Compelling Combination for the Long-Term

Merck

Cubist

Complements position in Antibiotics / Antifungals *High Growth Segment, Favorable Reimbursement*

INVANZ (IV, Gram Negative)
PRIMAXIN/TIENAM (IV, Broad Spectrum)
NOXAFIL & CANCIDAS (Antifungals)
Relebactam/MK-7655 (IV, Gram Negative)

CUBICIN (IV, MRSA)
SIVEXTRO (IV/Oral, MRSA)
ZERBAXA (IV, Gram Negative)

Building strength in C. difficile infections

Prevention of Recurrence
MK-3415a (IV mAb)

Treatment
DIFICID (Oral); Surotomycin (Oral Ph III)

Building strength and capabilities in surgery and post-operative care

BRIDION

GI Surgery
ENTEREG (US)

Cubist strengthens Merck's Hospital Acute Care Pipeline and Portfolio

Launching ZERBAXA in Gram-negative Infections



- Rising resistance rates of traditional first-line agents
- Approved for treatment of cUTI and cIAI caused by designated susceptible Gram-negative bacteria
- Ongoing Phase 3 programs in VABP and HABP

Launching BELSOMRA in Adults Who Have Insomnia

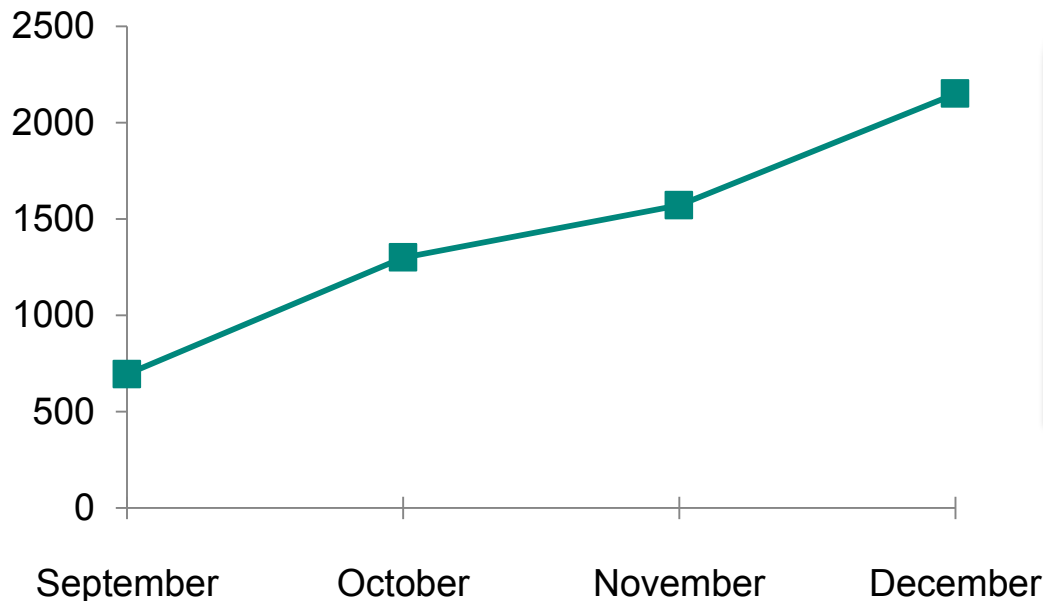


- BELSOMRA now launching in the U.S. and Japan
 - ~1000 U.S. TRx for the week ending February 13, 2015¹
- 2 billion insomnia medication doses administered per year in both the U.S. and Japan¹
- 30% of patients are continuous treaters (~60% of Rx's) and seeking new alternatives

Strong KEYTRUDA Uptake in Advanced Melanoma

KEYTRUDA[®]
(pembrolizumab) for Injection 50 mg

Patients on KEYTRUDA Treatment¹



- \$55mm in 2014 sales
- Vast majority of ipilimumab-refractory patients are receiving KEYTRUDA
- Strong access in labeled indication

Merck has Multiple Clinical Programs in Areas with Large Unmet Need

KEYTRUDA: anti-PD-1 for oncology

- Launched KEYTRUDA for advanced melanoma
- ***Expected filing in mid-2015 for NSCLC***
- Breakthrough designation in NSCLC
- Evidence of efficacy in 7 tumor types in 2014
- ~70 clinical trials ongoing or planned, more than 20 combinations, and in over 30 cancer types

MK-5172A for hepatitis C virus

- ***Expected filing in 1st Half 2015***; Initial Phase 3 Data at EASL
 - Phase 2: >90% efficacy at 12 weeks across patient types
- Phase 2 triplet program enrolling; Phase 3 expected to start in 2015

Merck has Outcomes Studies in Large Markets with Unmet Need

Anacetrapib: CETP Inhibitor for CV disease

- Phase 3 fully enrolled
- Oral, once-daily, tablet being tested as additive therapy to statins
- Study completion targeted for early 2017

BACE Inhibitor for Alzheimer's Disease

- 2 Phase 3 studies enrolling mild-to-moderate or prodromal patients
- BACE inhibitor prevents the formation of A-Beta peptides
- Passed interim safety analysis in December 2013
- First study completion targeted for early 2017

Growth from Core Commercial Areas and Launches

Diabetes
Hospital Acute Care
Oncology
Vaccines

KEYTRUDA
BELSOMRA
BRIDION
GARDASIL9
ZERBAXA
ZONTIVITY

WAVE 1

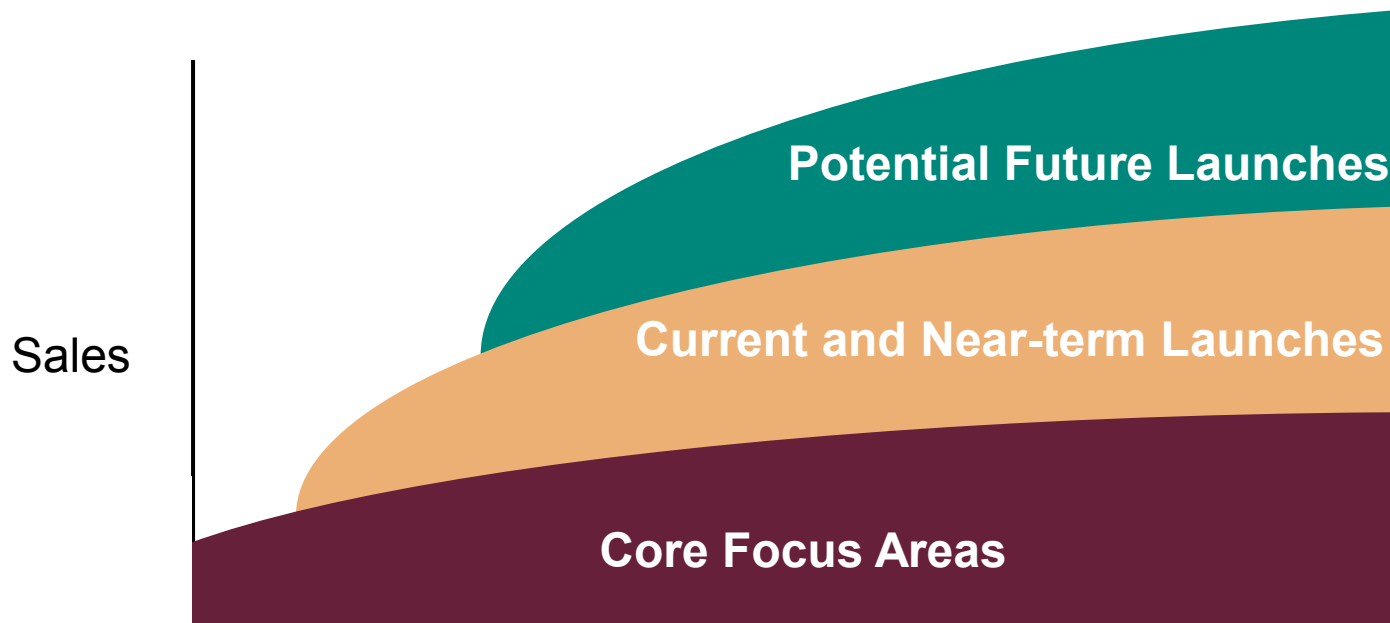
Innovation

MK-5172A (HCV)
Odanacatib (Osteoporosis)
Omarigliptin (Diabetes)
Anacetrapib (Dyslipidemia)
Doravirine (HIV)
MK-8931 (Alzheimer's Disease)

Biosimilars

Immunology
Oncology
Insulin

WAVE 2



Biosimilars Opportunity for Merck and Customers



SAMSUNG BIOEPIS

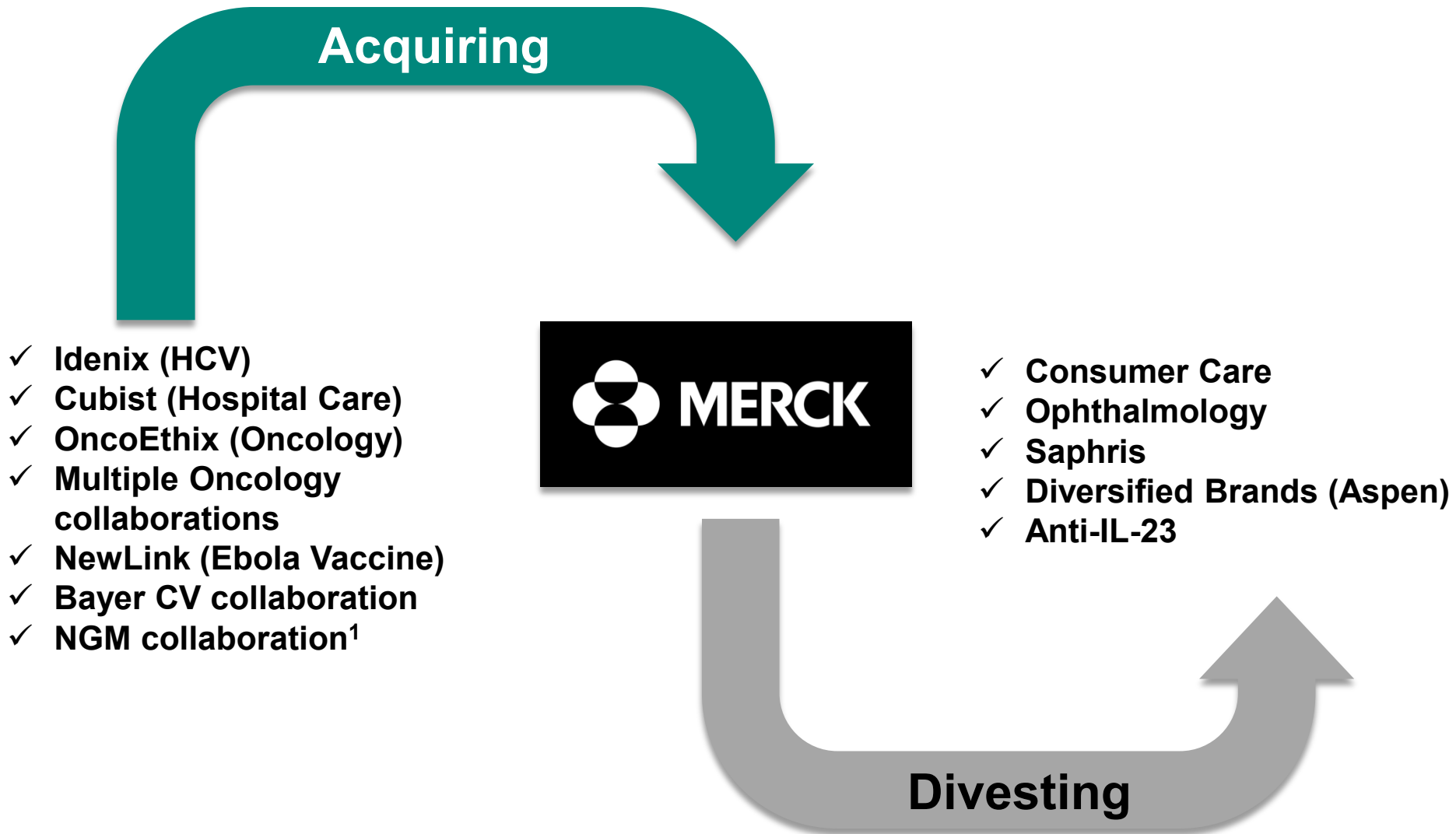


- Merck and Samsung Bioepis formed a partnership in 2013 where Samsung Bioepis conducts R&D and Manufacturing and Merck has Commercialization rights¹
- Commercial opportunity offers customers alternatives to existing biologic therapies
- Addresses healthcare system needs while potentially creating cost capacity for new innovative treatments
- Strategic fit with global commercial capabilities; allows Merck R&D resources to focus on innovative therapeutics
- Five programs in Phase 3 development; others to follow

Reference Product	Reference Product 2014 Sales ²	Merck-Samsung Bioepis Product	Expected Filing Timeline
Humira	\$8.0 B	SB5	2015-2016(ex-EU/Russia/Turkey)
Remicade	\$6.0 B	SB2	2015-2016(ex-EU/Russia/Turkey)
Enbrel	\$1.1 B	SB4	2015-2016(ex-US/EU/Japan)
Lantus	\$8.4 B	MK-1293	2015-2016
Herceptin	\$6.9 B	SB3	2016

1. Merck and Samsung will collaborate on MK-1293. Merck will manufacture and commercialize the product
2. 2014 reference product sales in designated Merck markets. Sources: IMS, EvaluatePharma, February 2015

Merck's BD Strategy is Adding Value and Increasing Focus

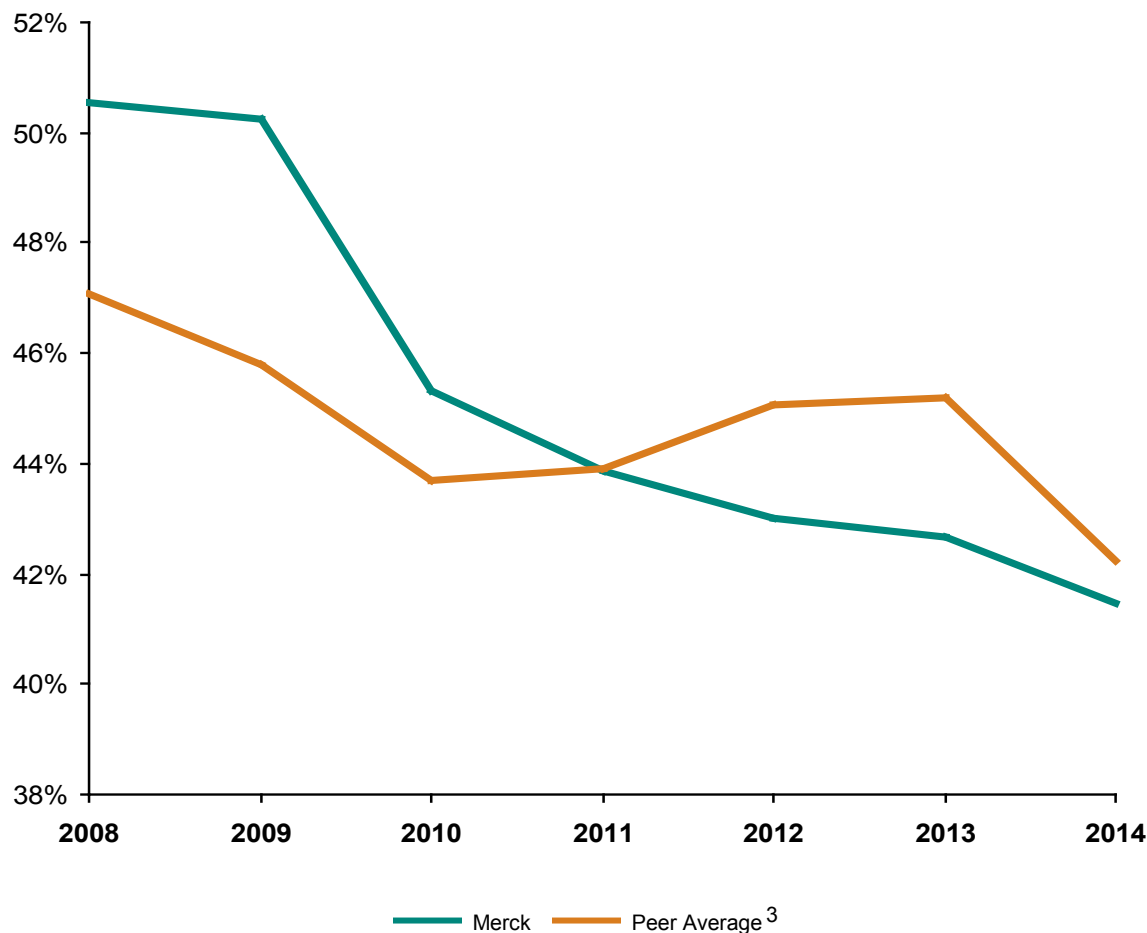


1. Collaboration focused on Diabetes, Metabolic Dysregulation, and Oncology; consummation subject to satisfaction of closing conditions, including HSR waiting period.

Merck is on Track to Hit Savings Targets by the end of 2015

Reducing Costs by \$2.5 billion

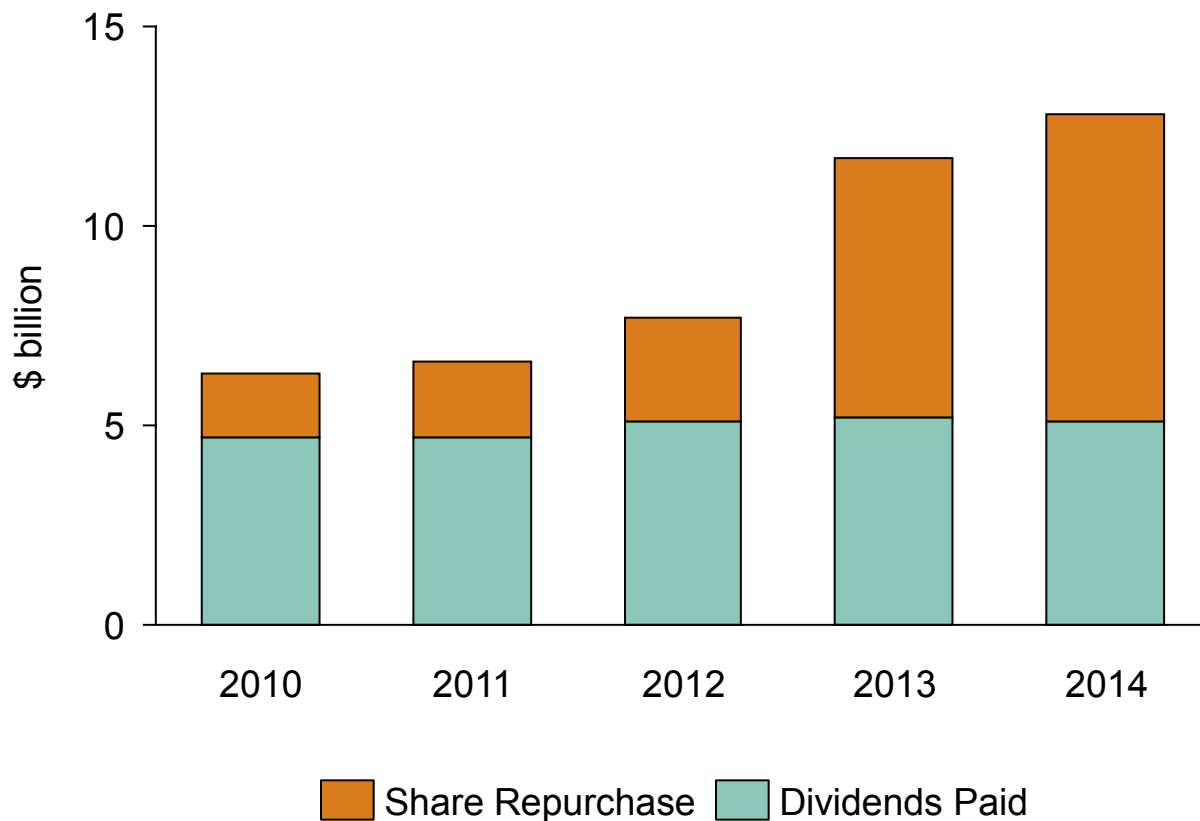
SG&A + R&D¹



1. Non-GAAP SG&A + Non-GAAP R&D as a % of sales.
2. 2008 Operating expense ratio represents Merck standalone; 2009 represents 12 months of Merck + 2 months of Schering-Plough.
3. Peer group results based on Non-GAAP results reported by peers in Q4 earnings reports – group made up of 8 large pharmaceutical companies.

Merck is Creating Value and Returning Cash to Shareholders

Dividends and share repurchases > 90% of Free Cash Flow



2015: Merck Looking Forward to...

- **Multiple product launches ongoing**
- **Future Launches: Near-term regulatory action for several additional programs**
- **Major filings in HCV, NSCLC, and Osteoporosis**
- **Targeting business development to drive long-term value**