



**Merck & Co., Inc.
Financial Highlights Package
Third Quarter 2016
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MERCK & CO., INC.
CONSOLIDATED STATEMENT OF INCOME - GAAP
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 1

	GAAP		% Change	GAAP		% Change
	3Q16	3Q15		Sep YTD 2016	Sep YTD 2015	
Sales	\$ 10,536	\$ 10,073	5%	\$ 29,692	\$ 29,283	1%
Costs, Expenses and Other						
Materials and production ⁽¹⁾	3,409	3,761	-9%	10,559	11,084	-5%
Marketing and administrative ⁽¹⁾	2,393	2,472	-3%	7,169	7,698	-7%
Research and development ⁽¹⁾	1,664	1,500	11%	5,475	4,906	12%
Restructuring costs ⁽²⁾	161	113	42%	386	386	--
Other (income) expense, net ⁽¹⁾⁽³⁾	22	(170)	*	88	624	-86%
Income Before Taxes	2,887	2,397	20%	6,015	4,585	31%
Taxes on Income	699	566		1,487	1,108	
Net Income	2,188	1,831	19%	4,528	3,477	30%
Less: Net Income Attributable to Noncontrolling Interests	4	5		13	12	
Net Income Attributable to Merck & Co., Inc.	\$ 2,184	\$ 1,826	20%	\$ 4,515	\$ 3,465	30%
Earnings per Common Share Assuming Dilution	\$ 0.78	\$ 0.64	22%	\$ 1.62	\$ 1.22	33%
Average Shares Outstanding Assuming Dilution	2,786	2,836		2,791	2,850	
Tax Rate ⁽⁴⁾	24.2%	23.6%		24.7%	24.2%	

* 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 first nine months of 2016 includes a \$117 million gain related to the settlement of certain patent litigation. Other (income) expense, net in the third quarter and first nine months of 2015 includes a \$250 million gain on the sale of certain migraine clinical development programs. Other (income) expense, net in the first nine months of 2015 also includes foreign exchange losses of \$715 million recorded in the second quarter to devalue the company's net monetary assets in Venezuela.

(4) The effective income tax rate for the first nine months of 2015 reflects a net benefit of \$370 million related to the settlement of certain federal income tax issues, partially offset by the unfavorable impact of non-tax deductible foreign exchange losses recorded in connection with the devaluation of the company's net monetary assets in Venezuela.

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

Table 1a

	2016				2015						% Change	
	1Q	2Q	3Q	Sep YTD	1Q	2Q	3Q	Sep YTD	4Q	Dec YTD	3Q	Sep YTD
Sales	\$ 9,312	\$ 9,844	\$ 10,536	\$ 29,692	\$ 9,425	\$ 9,785	\$ 10,073	\$ 29,283	\$ 10,215	\$ 39,498	5%	1%
Costs, Expenses and Other												
Materials and production	3,572	3,578	3,409	10,559	3,569	3,754	3,761	11,084	3,850	14,934	-9%	-5%
Marketing and administrative	2,318	2,458	2,393	7,169	2,601	2,624	2,472	7,698	2,615	10,313	-3%	-7%
Research and development	1,659	2,151	1,664	5,475	1,737	1,670	1,500	4,906	1,797	6,704	11%	12%
Restructuring costs	91	134	161	386	82	191	113	386	233	619	42%	-
Other (income) expense, net	48	19	22	88	55	739	(170)	624	905	1,527	*	-86%
Income Before Taxes	1,624	1,504	2,887	6,015	1,381	807	2,397	4,585	815	5,401	20%	31%
Income Tax Provision (Benefit)	494	295	699	1,487	423	119	566	1,108	(166)	942		
Net Income	1,130	1,209	2,188	4,528	958	688	1,831	3,477	981	4,459	19%	30%
Less: Net Income Attributable to Noncontrolling Interests	5	4	4	13	5	1	5	12	5	17		
Net Income Attributable to Merck & Co., Inc.	\$ 1,125	\$ 1,205	\$ 2,184	\$ 4,515	\$ 953	\$ 687	\$ 1,826	\$ 3,465	\$ 976	\$ 4,442	20%	30%
Earnings per Common Share Assuming Dilution	\$ 0.40	\$ 0.43	\$ 0.78	\$ 1.62	\$ 0.33	\$ 0.24	\$ 0.64	\$ 1.22	\$ 0.35	\$ 1.56	22%	33%
Average Shares Outstanding Assuming Dilution	2,795	2,789	2,786	2,791	2,865	2,850	2,836	2,850	2,813	2,841		
Tax Rate	30.4%	19.6%	24.2%	24.7%	30.6%	14.7%	23.6%	24.2%	-20.4%	17.4%		

* 100% or greater

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

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
THIRD 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	Adjustment Subtotal	Non-GAAP
Materials and production	\$ 3,409	773	36		809	\$ 2,600
Marketing and administrative	2,393	36	1		37	2,356
Research and development	1,664	13	14		27	1,637
Restructuring costs	161		161		161	-
Other (income) expense, net	22	12		(6)	6	16
Income Before Taxes	2,887	(834)	(212)	6	(1,040)	3,927
Tax Provision (Benefit)	699	(189) ⁽³⁾	(47) ⁽³⁾	1 ⁽³⁾	(235)	934
Net Income	2,188	(645)	(165)	5	(805)	2,993
Net Income Attributable to Merck & Co., Inc.	2,184	(645)	(165)	5	(805)	2,989
Earnings per Common Share Assuming Dilution	\$ 0.78	(0.23)	(0.06)	--	(0.29)	\$ 1.07
Tax Rate	24.2%					23.8%

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

Merck is providing 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 performance. Management uses this information 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 divestitures. Amounts included in research and development expenses primarily reflect expenses related to an increase in the estimated fair value measurement of liabilities for contingent consideration and in-process research and development ("IPR&D") impairment charges. 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) 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
NINE MONTHS ENDED SEPTEMBER 30, 2016
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2b

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items	Adjustment Subtotal	Non-GAAP
Materials and production	\$ 10,559	3,279	149		3,428	\$ 7,131
Marketing and administrative	7,169	56	91		147	7,022
Research and development	5,475	255	133		388	5,087
Restructuring costs	386		386		386	-
Other (income) expense, net	88	12		(6)	6	82
Income Before Taxes	6,015	(3,602)	(759)	6	(4,355)	10,370
Tax Provision (Benefit)	1,487	(633) ⁽³⁾	(169) ⁽³⁾	1 ⁽³⁾	(801)	2,288
Net Income	4,528	(2,969)	(590)	5	(3,554)	8,082
Net Income Attributable to Merck & Co., Inc.	4,515	(2,969)	(590)	5	(3,554)	8,069
Earnings per Common Share Assuming Dilution	\$ 1.62	(1.06)	(0.21)	--	(1.27)	\$ 2.89
Tax Rate	24.7%					22.1%

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

Merck is providing 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 performance. Management uses this information 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 \$2.9 billion of expenses for the amortization of intangible assets recognized as a result of acquisitions, as well as \$347 million of impairment charges on product intangibles. 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 divestitures. Amounts included in research and development expenses reflect \$225 million of in-process research and development ("IPR&D") impairment charges and \$30 million of expenses to increase the estimated fair value 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) 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
THIRD 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	\$ 3,761	1,184	70		1,254	\$ 2,507
Marketing and administrative	2,472	26	17		43	2,429
Research and development	1,500	(71)	17		(54)	1,554
Restructuring costs	113		113		113	-
Other (income) expense, net	(170)	7		(283)	(276)	106
Income Before Taxes	2,397	(1,146)	(217)	283	(1,080)	3,477
Tax Provision (Benefit)	566	(248) ⁽⁴⁾	(57) ⁽⁴⁾	119 ⁽⁴⁾	(186)	752
Net Income	1,831	(898)	(160)	164	(894)	2,725
Net Income Attributable to Merck & Co., Inc.	1,826	(898)	(160)	164	(894)	2,720
Earnings per Common Share Assuming Dilution	\$ 0.64	(0.32)	(0.06)	0.06	(0.32)	\$ 0.96
Tax Rate	23.6%					21.6%

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

Merck is providing 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 performance. Management uses this information 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 \$1.2 billion of 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 divestitures. Amount included in research and development expenses represents income resulting from a reduction in the estimated fair value of liabilities for contingent consideration.

(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 \$250 million gain on the divestiture of certain migraine clinical development programs.

(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.

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
NINE MONTHS ENDED SEPTEMBER 30, 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	\$ 11,084	3,675	280		3,955	\$ 7,129
Marketing and administrative	7,698	389	70		459	7,239
Research and development	4,906	63	34		97	4,809
Restructuring costs	386		386		386	-
Other (income) expense, net	624	7		418	425	199
Income Before Taxes	4,585	(4,134)	(770)	(418)	(5,322)	9,907
Tax Provision (Benefit)	1,108	(805) ⁽⁴⁾	(145) ⁽⁴⁾	(251) ⁽⁵⁾	(1,201)	2,309
Net Income	3,477	(3,329)	(625)	(167)	(4,121)	7,598
Net Income Attributable to Merck & Co., Inc.	3,465	(3,329)	(625)	(167)	(4,121)	7,586
Earnings per Common Share Assuming Dilution	\$ 1.22	(1.16)	(0.22)	(0.06)	(1.44)	\$ 2.66
Tax Rate	24.2%					23.3%

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

Merck is providing 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 performance. Management uses this information 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 \$3.6 billion of expenses for the amortization of intangible assets recognized as a result of acquisitions, as well as \$76 million of amortization of purchase accounting adjustments to inventories related to the Cubist Pharmaceuticals, Inc. acquisition. 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 divestitures. Amounts included in research and development expenses primarily reflect in-process research and development ("IPR&D") impairment charges.

(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 \$715 million to devalue the company's net monetary assets in Venezuela and a \$250 million gain on the divestiture of certain migraine clinical development programs.

(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 \$370 million on the settlement of certain federal income tax issues.

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

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Table 3

	2016				2015						% Change	
	1Q	2Q	3Q	Sep YTD	1Q	2Q	3Q	Sep YTD	4Q	FY	3Q	Sep YTD
TOTAL SALES ⁽¹⁾	\$ 9,312	\$ 9,844	\$ 10,536	\$ 29,692	\$ 9,425	\$ 9,785	\$ 10,073	\$ 29,283	\$ 10,215	\$ 39,498	5	1
PHARMACEUTICAL	8,104	8,700	9,443	26,247	8,266	8,564	8,925	25,755	9,027	34,782	6	2
Primary Care and Women's Health												
Cardiovascular												
Zetia	612	702	671	1,985	568	635	633	1,836	691	2,526	6	8
Vytorin	277	293	273	843	320	320	302	942	308	1,251	-10	-11
Diabetes												
Januvia	906	1,064	1,006	2,976	884	1,044	1,014	2,942	921	3,863	-1	1
Janumet	506	569	548	1,624	509	554	562	1,625	526	2,151	-2	0
General Medicine & Women's Health												
NuvaRing	175	200	195	571	166	182	190	538	193	732	3	6
Implanon / Nexplanon	134	164	148	446	137	124	176	437	151	588	-16	2
Dulera	113	121	97	331	130	120	133	383	153	536	-27	-14
Follistim AQ	94	73	101	268	82	111	95	288	95	383	6	-7
Hospital and Specialty												
Hepatitis												
Zepatier	50	112	164	326								
HIV												
Isentress	340	338	372	1,050	385	375	377	1,137	374	1,511	-1	-8
Hospital Acute Care												
Cubicin ⁽²⁾	292	357	320	969	187	293	325	805	322	1,127	-2	20
Noxafil	145	143	147	434	111	117	132	360	128	487	11	21
Invanz	114	143	152	409	132	139	153	424	144	569	-1	-4
Cancidas	133	131	142	406	163	134	139	436	137	573	2	-7
Bridion	90	113	139	343	85	87	89	262	92	353	56	31
Primaxin	73	81	77	231	65	88	75	228	86	313	3	2
Immunology												
Remicade	349	339	311	999	501	455	442	1,398	396	1,794	-30	-29
Simponi	188	199	193	581	158	169	178	505	185	690	8	15
Oncology												
Keytruda	249	314	356	919	83	110	159	352	214	566	124	161
Emend	126	143	137	405	122	134	141	396	139	535	-3	2
Temodar	66	73	78	216	74	80	83	238	75	312	-6	-9
Diversified Brands												
Respiratory												
Singulair	237	229	239	705	245	212	201	658	273	931	19	7
Nasonex	229	101	94	425	289	215	121	625	231	858	-22	-32
Other												
Cozaar / Hyzaar	126	132	131	389	185	189	150	524	143	667	-12	-26
Arcoxia	111	117	114	342	123	115	123	361	110	471	-7	-5
Fosamax	75	73	68	217	94	96	86	277	82	359	-21	-22
Zocor	46	50	54	150	49	63	56	168	49	217	-3	-11
Vaccines												
Gardasil / Gardasil 9	378	393	860	1,631	359	427	625	1,410	497	1,908	38	16
ProQuad / M-M-R II / Varivax	357	383	496	1,236	348	358	390	1,096	409	1,505	27	13
RotaTeq	188	130	171	489	192	89	160	441	169	610	7	11
Zostavax	125	149	190	464	175	149	179	503	246	749	6	-8
Pneumovax 23	107	120	175	403	110	106	138	354	188	542	27	14
Other Pharmaceutical ⁽³⁾	1,093	1,151	1,224	3,464	1,235	1,274	1,298	3,806	1,300	5,105	-8	-11
ANIMAL HEALTH ⁽⁴⁾	829	900	865	2,594	831	842	827	2,499	832	3,331	5	4
Other Revenues ⁽⁴⁾⁽⁵⁾	379	244	228	851	328	379	321	1,029	356	1,385	-29	-17

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 and \$135 million for the first, second and third 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
THIRD QUARTER 2016
(AMOUNTS IN MILLIONS)

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Table 3a

	Global			U.S.			International		
	3Q 2016	3Q 2015	% Change	3Q 2016	3Q 2015	% Change	3Q 2016	3Q 2015	% Change
TOTAL SALES ⁽¹⁾	\$10,536	\$10,073	5	\$5,063	\$4,749	7	\$5,474	\$5,324	3
PHARMACEUTICAL	9,443	8,925	6	4,710	4,382	7	4,733	4,543	4
Primary Care and Women's Health									
Cardiovascular									
Zetia	671	633	6	411	406	1	261	228	15
Vytorin	273	302	-10	109	122	-11	164	180	-9
Diabetes									
Januvia	1,006	1,014	-1	568	628	-10	438	386	13
Janumet	548	562	-2	241	274	-12	307	288	7
General Medicine & Women's Health									
NuvaRing	195	190	3	144	135	7	51	56	-7
Implanon / Nexplanon	148	176	-16	97	107	-10	51	69	-26
Follistim AQ	101	95	6	49	37	31	52	57	-10
Dulera	97	133	-27	92	128	-28	6	5	21
Hospital and Specialty									
Hepatitis									
Zepatier	164			152			13		
HIV									
Isentress	372	377	-1	215	204	5	157	173	-9
Hospital Acute Care									
Cubicin	320	325	-2	264	291	-9	56	35	60
Invanz	152	153	-1	93	89	4	59	64	-7
Noxafil	147	132	11	65	61	7	82	71	15
Candidas	142	139	2	8	6	48	134	133	0
Bridion	139	89	56	24			115	89	29
Primaxin	77	75	3	1	1	-39	76	74	4
Immunology									
Remicade	311	442	-30				311	442	-30
Simponi	193	178	8				193	178	8
Oncology									
Keytruda	356	159	124	188	109	72	168	50	237
Emend	137	141	-3	91	88	4	46	53	-13
Temodar	78	83	-6	5	6	-22	73	77	-5
Diversified Brands									
Respiratory									
Singulair	239	201	19	6	10	-44	233	191	22
Nasonex	94	121	-22	20	41	-51	74	80	-7
Other									
Cozaar / Hyzaar	131	150	-12	4	7	-41	128	143	-11
Arcoxia	114	123	-7				114	123	-7
Fosamax	68	86	-21	2	4	-47	66	83	-20
Zocor	54	56	-3	3	5	-43	51	51	1
Vaccines									
Gardasil / Gardasil 9	860	625	38	737	556	33	124	69	78
ProQuad / M-M-R II / Varivax	496	390	27	419	327	28	77	64	21
Zostavax	190	179	6	138	145	-5	52	34	54
Pneumovax 23	175	138	27	122	103	19	53	35	51
RotaTeq	171	160	7	123	115	7	48	45	8
Other Pharmaceutical ⁽²⁾	1,224	1,298	-8	319	377	-15	900	917	-2
ANIMAL HEALTH ⁽³⁾	865	827	5	237	226	5	628	601	4
Other Revenues ⁽³⁾⁽⁴⁾	228	321	-29	116	141	-18	113	180	-37

⁽¹⁾ Only select products are shown.

⁽²⁾ Includes Pharmaceutical products not individually shown above. Other Vaccines sales included in Other Pharmaceutical were \$135 million and \$99 million on a global basis for third 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
SEPTEMBER YEAR-TO-DATE 2016
(AMOUNTS IN MILLIONS)

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Table 3b

	Global			U.S.			International		
	Sep YTD 2016	Sep YTD 2015	% Change	Sep YTD 2016	Sep YTD 2015	% Change	Sep YTD 2016	Sep YTD 2015	% Change
TOTAL SALES ⁽¹⁾	\$29,692	\$29,283	1	\$13,792	\$12,907	7	\$15,899	\$16,376	-3
PHARMACEUTICAL	26,247	25,755	2	12,792	11,953	7	13,455	13,802	-3
Primary Care and Women's Health									
Cardiovascular									
Zetia	1,985	1,836	8	1,253	1,160	8	731	676	8
Vytorin	843	942	-11	341	356	-4	502	586	-14
Diabetes									
Januvia	2,976	2,942	1	1,748	1,777	-2	1,228	1,165	5
Janumet	1,624	1,625		724	749	-3	899	877	3
General Medicine & Women's Health									
NuvaRing	571	538	6	421	373	13	150	165	-9
Implanon / Nexplanon	446	437	2	308	265	16	138	172	-20
Dulera	331	383	-14	314	369	-15	18	15	19
Follistim AQ	268	288	-7	121	123	-1	146	164	-11
Hospital and Specialty									
Hepatitis									
Zepatier	326			308			18		
HIV									
Isentress	1,050	1,137	-8	546	603	-9	504	534	-6
Hospital Acute Care									
Cubicin ⁽²⁾	969	805	20	824	722	14	145	83	76
Noxafil	434	360	21	202	156	30	232	204	14
Invanz	409	424	-4	239	235	2	170	189	-10
Candidas	406	436	-7	18	19	-2	388	417	-7
Bridion	343	262	31	42			301	262	15
Primaxin	231	228	2	3	5	-42	228	222	3
Immunology									
Remicade	999	1,398	-29				999	1,398	-29
Simponi	581	505	15				581	505	15
Oncology									
Keytruda	919	352	161	481	261	84	438	90	386
Emend	405	396	2	266	245	8	140	151	-7
Temodar	216	238	-9	10	6	60	207	232	-11
Diversified Brands									
Respiratory									
Singulair	705	658	7	30	26	14	675	632	7
Nasonex	425	625	-32	161	308	-48	264	317	-17
Other									
Cozaar / Hyzaar	389	524	-26	13	23	-43	376	501	-25
Arcoxia	342	361	-5				342	361	-5
Fosamax	217	277	-22	3	10	-69	214	267	-20
Zocor	150	168	-11	9	15	-43	141	153	-7
Vaccines									
Gardasil / Gardasil 9	1,631	1,410	16	1,371	1,159	18	259	252	3
ProQuad / M-M-R II / Varivax	1,236	1,096	13	1,053	936	13	182	160	14
RotāTeq	489	441	11	356	320	11	133	121	10
Zostavax	464	503	-8	363	402	-10	102	101	1
Pneumovax 23	403	354	14	267	250	7	136	104	31
Other Pharmaceutical ⁽³⁾	3,464	3,806	-11	997	1,080	-8	2,468	2,726	-9
ANIMAL HEALTH ⁽⁴⁾	2,594	2,499	4	726	643	13	1,868	1,856	1
Other Revenues ⁽⁴⁾⁽⁵⁾	851	1,029	-17	274	311	-12	576	718	-20

⁽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 \$329 million and \$253 million on a global basis for September YTD 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 3Q
	1Q	2Q	3Q	Sep YTD	1Q	2Q	3Q	Sep YTD	4Q	Full Year	
TOTAL PHARMACEUTICAL	\$8,104	\$8,700	\$9,443	\$26,247	\$8,266	\$8,564	\$8,925	\$25,755	\$9,027	\$34,782	6
United States	3,913	4,169	4,710	12,792	3,637	3,934	4,382	11,953	4,285	16,238	7
% Pharmaceutical Sales	48.3%	47.9%	49.9%	48.7%	44.0%	45.9%	49.1%	46.4%	47.5%	46.7%	
Europe ⁽¹⁾	1,914	1,997	1,935	5,846	2,024	1,896	1,920	5,841	1,873	7,714	1
% Pharmaceutical Sales	23.6%	23.0%	20.5%	22.3%	24.5%	22.1%	21.5%	22.7%	20.8%	22.2%	
Japan	620	673	812	2,105	627	629	564	1,820	785	2,605	44
% Pharmaceutical Sales	7.7%	7.7%	8.6%	8.0%	7.6%	7.3%	6.3%	7.1%	8.7%	7.5%	
Asia Pacific	806	890	914	2,611	809	822	854	2,485	946	3,431	7
% Pharmaceutical Sales	9.9%	10.2%	9.7%	9.9%	9.8%	9.6%	9.6%	9.6%	10.5%	9.9%	
China	337	353	350	1,040	318	335	353	1,005	339	1,344	-1
Latin America	359	430	448	1,237	630	676	585	1,891	512	2,403	-23
% Pharmaceutical Sales	4.4%	4.9%	4.7%	4.7%	7.6%	7.9%	6.5%	7.3%	5.7%	6.9%	
Eastern Europe/Middle East Africa	272	314	364	950	321	372	380	1,074	402	1,476	-4
% Pharmaceutical Sales	3.4%	3.6%	3.9%	3.6%	3.9%	4.3%	4.3%	4.2%	4.5%	4.2%	
Canada	147	170	184	501	170	167	159	496	172	668	16
% Pharmaceutical Sales	1.8%	2.0%	1.9%	1.9%	2.1%	2.0%	1.8%	1.9%	1.9%	1.9%	
Other	73	57	76	205	48	68	81	195	52	247	-6
% Pharmaceutical Sales	0.9%	0.7%	0.8%	0.8%	0.6%	0.8%	0.9%	0.8%	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

	3Q16	3Q15	SEP YTD 2016	SEP YTD 2015
INTEREST INCOME	\$ (87)	\$ (68)	\$ (244)	\$ (214)
INTEREST EXPENSE	170	165	513	503
EXCHANGE LOSSES ⁽¹⁾	3	228	79	1,038
EQUITY INCOME FROM AFFILIATES	(21)	(63)	(59)	(210)
Other, net ⁽²⁾	(43)	(432)	(201)	(493)
TOTAL	\$ 22	\$ (170)	\$ 88	\$ 624

⁽¹⁾ Included in foreign exchange losses for the first nine months of 2015 is a \$715 million charge recorded in the second quarter in connection with the devaluation of the company's net monetary assets in Venezuela.

⁽²⁾ Other, net in the third quarter and first nine months of 2015 includes a \$250 million gain on the divestiture of certain migraine clinical development programs.