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consolidated Financial statements

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To download the tables in the consolidated financial statements as Excel files, please use the following link:
ar2015.merckgroup.com/downloads



Consolidated Income Statement¹

€ million	Note	2015	2014
Net sales	→ 8	12,844.7	11,362.8
Cost of sales	→ 9	- 4,076.3	- 3,526.4
<i>(of which: amortization of intangible assets)²</i>		<i>(- 166.6)</i>	<i>(- 94.0)</i>
Gross profit		8,768.4	7,836.4
Marketing and selling expenses	→ 10	- 4,049.5	- 3,589.1
<i>(of which: amortization of intangible assets)²</i>		<i>(- 778.9)</i>	<i>(- 719.0)</i>
Administration expenses		- 719.9	- 608.6
Research and development costs	→ 11	- 1,709.2	- 1,703.7
<i>(of which: amortization of intangible assets)²</i>		<i>(- 2.7)</i>	<i>(- 3.8)</i>
Other operating income	→ 12	470.7	564.4
Other operating expenses	→ 13	- 917.3	- 737.4
Operating result (EBIT)		1,843.2	1,762.0
Financial result	→ 14	- 356.7	- 205.0
Profit before income tax		1,486.5	1,557.0
Income tax	→ 15	- 368.0	- 392.2
Profit after tax from continuing operations		1,118.5	1,164.8
Profit after tax from discontinued operations		5.6	-
Profit after tax		1,124.1	1,164.8
of which: attributable to Merck KGaA shareholders (net income)		1,114.8	1,157.3
of which: attributable to non-controlling interests	→ 25	9.3	7.5
Earnings per share (in €)	→ 16		
basic		2.56	2.66
- thereof from continuing operations		2.55	2.66
- thereof from discontinued operations		0.01	-
diluted		2.56	2.66
- thereof from continuing operations		2.55	2.66
- thereof from discontinued operations		0.01	-

¹The reporting structure has changed, see "Changes to accounting and measurement principles and disclosure changes".

²Excluding amortization of internally generated or separately acquired software.

Consolidated Statement of Comprehensive Income

€ million	Note	2015	2014
Profit after tax		1,124.1	1,164.8
Items of other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement of the net defined benefit liability			
Changes in remeasurement	→ 26	160.5	-861.5
Tax effect		-45.3	149.2
Changes recognized in equity		115.2	-712.3
		115.2	-712.3
Items of other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Available-for-sale financial assets			
Fair value adjustments		18.5	-1.4
Reclassification to profit or loss		-10.9	-0.1
Tax effect		-2.5	0.4
Changes recognized in equity		5.1	-1.1
Derivative financial instruments			
Fair value adjustments		725.5	411.7
Reclassification to profit or loss		71.0	-43.0
Reclassification to assets		-1,380.3	-
Tax effect		15.6	-20.2
Changes recognized in equity		-568.2	348.5
Exchange differences on translating foreign operations			
Changes taken directly to equity		971.8	682.4
Reclassification to profit or loss		-	0.1
Changes recognized in equity		971.8	682.5
		408.7	1,029.9
Other comprehensive income		523.9	317.6
Comprehensive income		1,648.0	1,482.4
of which attributable to Merck KGaA shareholders		1,635.9	1,469.1
of which attributable to non-controlling interests	→ 25	12.1	13.3

Consolidated Balance Sheet¹

€ million	Note	Dec. 31, 2015	Dec. 31, 2014
Non-current assets			
Intangible assets	→ 17	25,339.0	11,395.5
Property, plant and equipment	→ 18	4,009.1	2,990.4
Non-current financial assets	→ 19	131.5	94.4
Other non-current assets	→ 20	127.8	56.5
Deferred tax assets	→ 15	1,049.6	992.9
		30,657.0	15,529.7
Current assets			
Inventories	→ 21	2,619.8	1,659.7
Trade accounts receivable ²	→ 22	2,738.3	2,219.5
Current financial assets	→ 19	227.0	2,199.4
Other current assets ²	→ 20	496.2	1,226.3
Income tax receivables	→ 23	391.0	297.0
Cash and cash equivalents	→ 24	832.2	2,878.5
Assets held for sale	→ 4	45.7	-
		7,350.2	10,480.4
Total assets		38,007.2	26,010.1
Total equity			
	→ 25		
Equity capital		565.2	565.2
Reserves		9,678.9	9,038.9
Gains/losses recognized in equity		2,543.4	2,137.5
Equity attributable to Merck KGaA shareholders		12,787.5	11,741.6
Non-controlling interests		67.8	59.4
		12,855.3	11,801.0
Non-current liabilities			
Provisions for pensions and other post-employment benefits	→ 26	1,836.1	1,820.1
Other non-current provisions	→ 27	855.3	626.1
Non-current financial liabilities	→ 28	9,616.3	3,561.1
Other non-current liabilities	→ 29	608.5	782.0
Deferred tax liabilities	→ 15	2,852.7	818.4
		15,768.9	7,607.7
Current liabilities			
Current provisions	→ 27	535.4	561.7
Current financial liabilities	→ 28	4,096.6	2,075.9
Trade accounts payable	→ 30	1,921.2	1,539.4
Income tax liabilities	→ 31	1,011.3	849.8
Other current liabilities	→ 29	1,818.5	1,574.6
Liabilities directly related to assets held for sale	→ 4	-	-
		9,383.0	6,601.4
Total equity and liabilities		38,007.2	26,010.1

¹ Since January 1, 2015, the consolidated balance sheet of the Merck Group has been structured in descending order of maturity.

² Previous year's figures have been adjusted, see "Changes to accounting and measurement principles and disclosure changes".

Consolidated Cash Flow Statement

€ million	Note	2015	2014
Profit after tax		1,124.1	1,164.8
Depreciation/amortization/impairment losses/reversals of impairments		1,510.9	1,360.9
Changes in inventories		-90.0	20.9
Changes in trade accounts receivable ¹		-84.5	-94.8
Changes in trade accounts payable		166.5	52.8
Changes in provisions		214.7	-341.6
Changes in other assets and liabilities ¹		-636.3	533.1
Neutralization of gains/losses on disposal of assets		-42.0	-9.3
Other non-cash income and expenses		31.8	18.7
Net cash flows from operating activities	→ 34	2,195.2	2,705.5
thereof: from discontinued operations		5.6	-
Payments for investments in intangible assets		-179.1	-143.3
Payments from the disposal of intangible assets		27.4	2.1
Payments for investments in property, plant and equipment		-513.9	-480.9
Payments from the disposal of property, plant and equipment		8.9	14.0
Payments for investments in financial assets		-1,740.8	-3,143.3
Payments for acquisitions less acquired cash and cash equivalents		-13,482.3	-1,419.3
Payments from the disposal of other financial assets		3,858.0	3,508.6
Payments from the divestment of assets held for sale		86.0	20.9
Net cash flows from investing activities	→ 35	-11,935.8	-1,641.2
thereof: from discontinued operations		84.4	-
Dividend payments to Merck KGaA shareholders		-129.2	-122.8
Dividend payments to non-controlling interests		-3.6	-3.1
Dividend payments to E. Merck KG		-435.0	-382.7
Payments from new borrowings of financial liabilities from E. Merck KG		560.0	610.0
Repayments of financial liabilities to E. Merck KG		-483.6	-470.6
Payments for the acquisition of non-controlling interests		-	-351.3
Repayments of bonds		-1,737.7	-
Payments from issuance of bonds		5,756.3	1,482.9
Payments from new borrowings of other current and non-current financial liabilities		4,106.5	322.6
Repayments of other current and non-current financial debt liabilities		-469.9	-324.5
Net cash flows from financing activities	→ 35	7,163.8	760.5
thereof: from discontinued operations		-	-
Changes in cash and cash equivalents		-2,576.8	1,824.8
Changes in cash and cash equivalents due to currency translation		530.5	72.9
Cash and cash equivalents as of January 1		2,878.5	980.8
Cash and cash equivalents as of December 31		832.2	2,878.5
Plus cash and cash equivalents included in assets held for sale		-	-
Cash and cash equivalents as of December 31 (consolidated balance sheet)	→ 24	832.2	2,878.5

¹ Previous year's figures have been adjusted, see Notes to the consolidated cash flow statement.

Consolidated Statement of Changes in Net Equity

For details see Note [25] "Equity".

€ million	Equity capital			Retained earnings	
	General partner's equity Merck KGaA	Subscribed capital Merck KGaA	Capital reserves (share premium) Merck KGaA	Retained earnings/ Net retained profit	Remeasurement of defined benefit plans
Balance as of January 1, 2014	397.2	168.0	3,813.7	6,090.1	-562.7
Profit after tax	-	-	-	1,157.3	-
Other comprehensive income	-	-	-	-	-712.0
Comprehensive income	-	-	-	1,157.3	-712.0
Dividend payments	-	-	-	-122.8	-
Profit transfer to/from E. Merck KG including changes in reserves	-	-	-	-435.0	-
Transactions with no change of control	-	-	-	-189.4	-
Changes in scope of consolidation/Other	-	-	-	-0.3	-
Balance as of December 31, 2014	397.2	168.0	3,813.7	6,499.9	-1,274.7
Balance as of January 1, 2015	397.2	168.0	3,813.7	6,499.9	-1,274.7
Profit after tax	-	-	-	1,114.8	-
Other comprehensive income	-	-	-	-	115.2
Comprehensive income	-	-	-	1,114.8	115.2
Dividend payments	-	-	-	-129.2	-
Profit transfer to/from E. Merck KG including changes in reserves	-	-	-	-461.0	-
Transactions with no change of control	-	-	-	-	-
Changes in scope of consolidation/Other	-	-	-	0.2	-
Balance as of December 31, 2015	397.2	168.0	3,813.7	7,024.7	-1,159.5

Gains/losses recognized in equity					
Available-for-sale financial assets	Derivative financial instruments	Currency translation difference	Equity attributable to Merck KGaA shareholders	Non-controlling interests	Total equity
1.0	44.2	1,068.5	11,020.0	49.2	11,069.2
-	-	-	1,157.3	7.5	1,164.8
-1.1	348.5	676.4	311.8	5.8	317.6
-1.1	348.5	676.4	1,469.1	13.3	1,482.4
-	-	-	-122.8	-3.1	-125.9
-	-	-	-435.0	-	-435.0
-	-	-	-189.4	-161.9	-351.3
-	-	-	-0.3	161.9	161.6
-0.1	392.7	1,744.9	11,741.6	59.4	11,801.0
-0.1	392.7	1,744.9	11,741.6	59.4	11,801.0
-	-	-	1,114.8	9.3	1,124.1
5.1	-568.2	969.0	521.1	2.8	523.9
5.1	-568.2	969.0	1,635.9	12.1	1,648.0
-	-	-	-129.2	-3.6	-132.8
-	-	-	-461.0	-	-461.0
-	-	-	-	-	-
-	-	-	0.2	-0.1	0.1
5.0	-175.5	2,713.9	12,787.5	67.8	12,855.3