



News Release

Merck Media
Contact:

Ian McConnell
(908) 423-3046

Sun Pharma Media
Contact:

Frederick Castro
+91-22-66455964

Merck Investor
Contact:

Justin Holko
(908) 423-5088

Sun Pharma
Investor Contact:

Nimish Desai
+91-22-66455717

Sun Pharma and Merck & Co. Inc. Enter into Licensing Agreement for Tildrakizumab

WHITEHOUSE STATION, N.J., and MUMBAI, INDIA, Sept. 17, 2014 – Merck & Co., Inc., (NYSE: MRK), known as MSD outside the United States and Canada, and Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) through their respective subsidiaries, today announced an exclusive worldwide licensing agreement for Merck's investigational therapeutic antibody candidate, tildrakizumab, (MK-3222), which is currently being evaluated in Phase 3 registration trials for the treatment of chronic plaque psoriasis, a skin ailment.

Under terms of the agreement, Sun Pharma will acquire worldwide rights to tildrakizumab for use in all human indications from Merck in exchange for an upfront payment of U.S. \$80 million. Merck will continue all clinical development and regulatory activities, which will be funded by Sun Pharma. Upon product approval, Sun Pharma will be responsible for regulatory activities, including subsequent submissions, pharmacovigilance, post approval studies, manufacturing and commercialization of the approved product. Merck is eligible to receive undisclosed payments associated with regulatory (including product approval) and sales milestones, as well as tiered royalties ranging from mid-single digit through teen percentage rates on sales.

"Consistent with our previously announced global initiative to sharpen our commercial and R&D focus, including prioritizing our late stage pipeline candidates, we are pleased to enter into this agreement with Sun Pharma to help realize the potential of tildrakizumab for patients

with chronic plaque psoriasis,” said Iain D. Dukes, Ph.D., senior vice president, Business Development and Licensing, Merck Research Laboratories.

“Sun Pharma is very pleased to enter into this collaboration with Merck, a recognized leader in the field of inflammatory/immunology therapies, for this late-stage candidate for chronic plaque psoriasis,” said Kirti Ganorkar, senior vice president, Business Development, Sun Pharma. “This collaboration is a part of our strategy towards building our pipeline of innovative dermatology products in a market with strong growth potential.”

The transaction is subject to customary closing conditions, including the requirements under the Hart Scott-Rodino Antitrust Improvements Act.

About Tildrakizumab

Tildrakizumab is an investigational humanized, anti-IL-23p19 monoclonal antibody that binds specifically to IL-23p19 and is therefore designed to selectively block the cytokine IL-23. Human genetics suggest that inhibiting IL-23 is effective for treating inflammatory conditions. In clinical studies for the treatment of chronic plaque psoriasis, tildrakizumab demonstrates efficacy in blocking inflammation by blocking IL-23. Other potential indications, which may be evaluated in future, include psoriatic arthritis and Crohn’s Disease.

Further details of the Phase 3 clinical trials can be found at: <http://clinicaltrials.gov>

About Merck

Today’s Merck is a global healthcare leader working to help the world be well. Merck is known as MSD outside the United States and Canada. Through our prescription medicines, vaccines, biologic therapies, and consumer care and animal health products, we work with customers and operate in more than 140 countries to deliver innovative health solutions. We also demonstrate our commitment to increasing access to healthcare through far-reaching policies, programs and partnerships. For more information, visit www.merck.com and connect with us on [Twitter](#), [Facebook](#) and [YouTube](#).

About Sun Pharma

Established in 1983, listed since 1994 and headquartered in India, Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) is an international specialty pharmaceutical company with over 75% sales from global markets. It manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in US, India and several other markets across the world. For the year ending

March 2014, overall revenues were at US\$2.7 billion, of which US contributed US\$1.6 billion. In India, the company is a leader in niche therapy areas of psychiatry, neurology, cardiology, nephrology, gastroenterology, orthopedics and ophthalmology. The company has strong skills in product development, process chemistry, and manufacturing of complex dosage forms. More information about the company can be found at www.sunpharma.com.

Merck Forward-Looking Statement

This news release includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States 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.

Risks and uncertainties include, but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and healthcare legislation in the United States and internationally; global trends toward healthcare cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; Merck’s ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of Merck’s patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

Merck undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in Merck’s 2013 Annual Report on Form 10-K and the company’s other filings with the Securities and Exchange Commission (SEC) available at the SEC’s Internet site (www.sec.gov).

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