

RECENT PRICE	59.28	P/E RATIO	17.1 (Trailing: 16.8 Median: 12.0)	RELATIVE P/E RATIO	0.97	DIV'D YLD	3.0%	VALUE LINE
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1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
11.40	14.05	17.49	20.99	23.07	10.12	10.39	10.09	10.44	11.14	11.32	8.82	14.92	15.80	15.62	15.04	14.65	14.40	Sales per sh	15.35
2.65	3.02	3.51	3.85	3.85	3.56	3.29	3.34	3.59	2.42	4.48	3.21	5.87	6.29	6.19	5.95	5.75	5.80	"Cash Flow" per sh	6.55
2.15	2.45	2.90	3.14	3.14	2.92	2.61	2.53	2.52	1.49	3.64	3.25	3.42	3.77	3.82	3.49	3.50	3.60	Earnings per sh ^A	4.40
.95	1.10	1.21	1.37	1.41	1.45	1.49	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.68	1.72	1.76	1.80	Div's Decl'd per sh ^B	1.92
.84	1.10	1.18	1.20	1.06	.86	.78	.64	.45	.47	.62	.47	.54	.57	.65	.53	.55	.55	Cap'l Spending per sh	.70
5.42	5.69	6.43	7.06	8.11	7.01	7.83	8.21	8.10	8.37	8.90	19.00	17.64	17.93	17.52	17.00	17.25	17.55	Book Value per sh	18.95
2360.5	2329.1	2307.6	2272.7	2245.0	2221.8	2208.6	2181.9	2167.8	2172.5	2107.7	3108.2	3082.1	3040.8	3026.6	2927.5	2900.0	2850.0	Common Shs Outst'g ^C	2800.0
30.0	29.8	25.6	22.7	17.3	18.2	16.2	12.1	15.2	34.1	10.2	9.1	10.5	9.1	10.8	13.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.0
1.56	1.70	1.66	1.16	.94	1.04	.86	.64	.82	1.81	.61	.61	.67	5.7	.69	.75			Relative P/E Ratio	.80
1.5%	1.5%	1.6%	1.9%	2.6%	2.7%	3.5%	5.0%	4.0%	3.0%	4.1%	5.1%	4.2%	4.4%	4.1%	3.7%			Avg Ann'l Div'd Yield	3.4%

Receivables	7672	7184	7022	BUSINESS: Merck & Co., Inc. is a global health care company that delivers innovative health solutions through its prescription medicines, vaccines, biologic therapies, animal health, and consumer care products. Operations comprised of four operating segments: Pharmaceutical, Animal Health, Consumer Care, and Alliances. Top-grossing products in 2013: <i>Januvia</i> (diabetes), <i>Zetia</i> (cholesterol) and <i>Remicade</i> (arthritis). Acquired Schering-Plough 11/09. Has 76,000 employees. BlackRock owns 7.0% of common stock; Capital World, 5.8%; Wellington, 5.3%; Offit's, less than 1%. (4/14 proxy). Chrmn.: Richard T. Clark; CEO: Kenneth Frazier. Inc.: NJ. Addr.: One Merck Dr., P.O. Box 100, Whitehouse Station, NJ 08889. Tel.: 908-423-1000. Internet: www.merck.com .
Inventory (LIFO)	6535	6226	6136	
Other	4509	4789	7034	
Current Assets	34857	35685	33587	
Accts Payable	1753	2274	2326	
Debt Due	4315	4521	4477	
Other	12280	11073	11125	

Calendar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	11580	12151	12022	12294	48047
2012	11731	12311	11488	11738	47268
2013	10671	11010	11032	11320	44033
2014	10264	10934	10600	10702	42500
2015	10000	10300	10200	10500	41000

Cal- endar	QUARTERLY DIVIDENDS PAID				
	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.38	.38	.38	.38	1.52
2011	.38	.38	.38	.38	1.52
2012	.42	.42	.42	.42	1.68
2013	.43	.43	.43	.43	1.72
2014	.44	.44	.44		

2014	2013	2012	2011	2010	likely to weigh on top-line comparisons	Michael Ratty	October 10, 2014
<p>(A) Based on avg. shares outstanding through 1997, diluted thereafter. Quarters may not sum due to rounding. Excludes nonrecurring gains (losses): '98, 1¢; '05, (43¢); '09, (\$1.00); '10, (\$1.00); '11, (\$1.00); '12, (\$1.00); '13, (\$2.02). Next egs. report due late October.</p> <p>(B) Dividends historically paid in early January, April, July, and October. ■ Dividend reinvestment plan available.</p>					<p>(C) In millions.</p>		<p>Company's Financial Strength A++</p> <p>Stock's Price Stability 90</p> <p>Price Growth Persistence 60</p> <p>Earnings Predictability 75</p>

(cholesterol) and *Remicade* (arthritis). Acquired Schering-Plough, 11/09. Has 76,000 employees. BlackRock owns 7.0% of common stock; Capital World, 5.8%; Wellington, 5.3%; Off/dirs., less than 1%. (4/14 proxy). Chrmn.: Richard T. Clark; CEO: Kenneth Frazier. Inc.: NJ. Addr.: One Merck Dr., P.O. Box 100, Whitehouse Station, NJ 08889. Tel.: 908-423-1000. Internet: www.merck.com.

over the next several quarters. That said, we expect to see some improvement during the 2015-2016 timeframe, and possibly a trend reversal, as generic pressures abate and newer products begin to take form. Encouragingly, Merck's top 5-grossing franchises each posted sales growth in the second quarter; *Januvia/Janumet* (+2%), *Zetia/Vytorin* (+6%), *Remicade* (+15%), *Isentress* (+10%), and *Gardasil* (+7%). Moreover, the pipeline appears well stocked with several attractive late-stage assets, a few of which have the potential to be immediate contributors.

The stock maintains an Average (3) rank for Timeliness. In our view, these shares represent a quality core holding for investors seeking drug exposure. Merck possesses superior marks for Safety (1) and Financial Strength (A++), to go along with an attractive 3.0% dividend yield. That said, the equity's strong performance of late appears to have diminished near-term share appreciation potential, to a degree. Merck's stock has increased nearly 20% year to date and is currently trading right around its 52-week high.

Company's Financial Strength	A++
Stock's Price Stability	90
Price Growth Persistence	60
Earnings Predictability	75

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