

# Merck back to profits on lower one-time costs

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German drug and high-tech materials company Merck KGaA bounced back from losses this time last year to record a net profit of 316 million euros (\$420 million) in the second quarter.

The Darmstadt-based company, which produces the liquid crystal used in TV screens and life sciences laboratory equipment, lost 63 million euros in the year-ago quarter when it had 376 million euros in expenses for its restructuring and cost-cutting program. The April-June profit figures beat [analyst estimates](#) for 277 million euros, according to financial information provider FactSet.

Merck said Tuesday it was benefiting from its cost-cutting program, adding that it would make its earnings goal for all of 2013. Sales increased strongly for its liquid crystal materials used in flat-screen TVs, mobile phones and digital cameras. However, the company cautioned that customer inventories of liquid crystal materials had risen, meaning demand could slacken in the second half of the year.

The company also saw higher prices for its Rebif treatment for multiple sclerosis after it became available in a single-dose portable injector. Rebif is used to decrease the number of flare-ups of some forms of MS and to delay [physical disability](#) common in people with the disease.

Revenue fell 0.4 percent to 2.84 billion euros. Revenues would have risen without the negative effect amounting to 3.4 percent from the recently weaker yen, which shrinks Japan earnings when they are translated into euro currency terms. Merck shares fell 3.6 percent to

121.50 euros in morning trading in Europe.

Merck KGaA is different from Merck & Co., Inc. in the United States.

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