



News Release

FOR IMMEDIATE RELEASE

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Wellcome Trust and Merck Launch First of Its Kind Joint Venture to Develop Affordable Vaccines for Low-Income Countries

India-Based 'Hilleman Laboratories' to Operate on a Not-for-Profit Basis to Turn Innovative Science into Practical Solutions

Altaf A. Lal, Ph.D. Named as CEO; Hilleman Laboratories to Extend Legacy of Maurice Hilleman, Ph.D., the Creator of More than 30 Vaccines

LONDON and WHITEHOUSE STATION, N.J., Sept. 17, 2009 – The Wellcome Trust and Merck & Co., Inc. today announced the creation of the MSD Wellcome Trust Hilleman Laboratories (www.hillemanlaboratories.in), the first of its kind research and development joint venture with a not-for-profit mission to focus on developing affordable vaccines to prevent diseases that commonly affect low-income countries.

The joint venture marks the first time a research charity and a pharmaceutical company have partnered to form a separate entity with equally shared funding and decision-making rights. Pairing two of the world's preeminent healthcare institutions provides an opportunity to integrate the best of both to drive the investment and expertise needed to develop and deliver vaccines to low-income countries.

The Vision: A Sustainable, Not-For-Profit Operating Model to Turn Innovative Science into Practical Solutions for Those in Greatest Need

The heart of this concept is the creation of a sustainable R&D organization that operates like a business, but with a not-for-profit operating model, to address the vaccine needs of low-income countries. As well as developing new vaccines in areas of unmet need, the Hilleman Laboratories will also work on optimizing existing vaccines, an important and powerful way of

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increasing the impact of vaccination in resource-limited settings. By working in partnership, the Wellcome Trust and Merck seek to achieve what neither can do alone.

“Linking the ingenuity of academic research with the know-how of industry is vital if we are to produce a new generation of vaccines to reduce the burden of infectious diseases in low-income countries,” said Sir Mark Walport, Director and CEO, the Wellcome Trust. “The Hilleman Laboratories partnership brings together the requisite skills in a powerful way and Merck is the ideal partner because of its impressive history of innovation and contributions to global health which provide a perfect complement to the Wellcome Trust mission to improve health in the developing world.”

“There is a critical need to develop new ways for scientific innovation to be translated effectively into new vaccines that can save lives and protect the health of people living in low-income countries,” said Richard T. Clark, Chairman, President and CEO, Merck & Co., Inc. “We believe that success in bringing forward these new vaccines can be best achieved through productive partnerships. The Wellcome Trust's strong track record in global public health and biomedical research combined with Merck's expertise in the development and delivery of vaccines positions the Hilleman Laboratories to make a real and sustained difference.”

Merck and the Wellcome Trust will invest equally in the R&D joint venture, which will be primed with a combined cash contribution of 90 million GBP (approximately 130 million USD) over the next seven years and will support a staff of approximately 60 researchers and developers. The venture will be based in India to facilitate engagement and partnership with a broad range of experts in vaccine research, policy and manufacturing to develop and mature its R&D pipeline.

The Hilleman Laboratories is designed to fill an important gap in how vaccines get developed. Many scientists from academia and government identify vaccine candidates potentially useful to developing countries, but then face significant technical challenges in designing suitable vaccine formulations, production processes and clinical programs. The Hilleman Laboratories will work to advance projects to 'proof of concept' by providing key expertise in product development and optimization that is typically available only within large vaccine companies. The Hilleman Laboratories will also work with vaccine manufacturers to ensure production can be scaled and that the vaccines are affordable. Through this model, the Hilleman Laboratories will help deliver vaccines to registration that are specifically designed to meet the needs and practical realities in developing countries.

While an initial portfolio of projects will be selected only after consultation with the international community and careful technical assessment, examples of the kind of programs being considered include developing vaccines that do not require refrigeration, and a vaccine against Group A streptococci which causes more than 500,000 deaths per year worldwide.

Providing some of the key input to the Hilleman Laboratories will be a Strategic Advisory Group of internationally-recognized, independent experts. Dr. David Heymann, Chairman of the UK's Health Protection Agency and former Assistant Director-General of the World Health Organization, will serve as chair of the panel.

The Hilleman Laboratories will operate with a combination of core funding from the founders, third party grants, and other revenue streams. Over time, it is envisaged it will receive compensation for its innovations where these are leveraged in higher income settings. The aim will be to attract multiple sources of income to support the mission of the organization so that its impact can be sustained as it builds on its early success.

Altaf Lal, Ph.D., Named CEO

Altaf A. Lal, Ph.D., has been appointed Chief Executive Officer of the Hilleman Laboratories. Dr. Lal spent 20 years working for the National Center for Infectious Diseases at the U.S. Centers for Disease Control and Prevention (CDC) and was the Chief of the Molecular Vaccine Section in the Division of Parasitic Diseases. Dr. Lal is currently Health Attaché and Department of Health and Human Services Regional Representative for South Asia at the Embassy of the United States of America, New Delhi, India. His extensive experience in global public health gives him the expertise needed to lead this new public-private research partnership.

"If we are successful at building new partnerships and collaborations with governments, other companies and NGOs, I am confident that we will be successful in delivering vaccines to the people who need them." said Dr. Lal. "This is why I am making a firm commitment as CEO of this new venture to proceed by working in concert with the global vaccine community, obtaining feedback and input at every step."

Dr. Lal will soon begin to appoint his staff and identify premises in India with the goal of being operational in 2010.

Recognizing and Extending the Legacy of Dr. Maurice Hilleman

The new entity is named in honor of the pioneering vaccine scientist Maurice Hilleman, Ph.D. Dr. Hilleman is credited with the development of more than 30 vaccines, including measles, mumps, and hepatitis B during a career which included nearly 30 years at Merck.

"Maurice Hilleman was perhaps the single most influential public health figure of the 20th century when you consider the millions of lives saved, and the countless people who were spared suffering because of his work," said Anthony S. Fauci, M.D., Director of National Institute of Allergy and Infectious Disease, National Institutes of Health. "It is only fitting that such a novel endeavor, which aims to develop lifesaving vaccines for those in the developing countries, should be named in his honor."

About the Wellcome Trust

The Wellcome Trust is the largest charity in the United Kingdom. It funds innovative biomedical research, in the UK and internationally, spending around £600 million each year to support the brightest scientists with the best ideas. The Wellcome Trust supports public debate about biomedical research and its impact on health and wellbeing. www.wellcome.ac.uk

About Merck

Merck & Co., Inc. is a global research-driven pharmaceutical company dedicated to putting patients first. Established in 1891, Merck discovers, develops, manufactures and markets vaccines and medicines to address unmet medical needs. The company devotes extensive efforts to increase access to medicines through far-reaching programs that not only donate Merck medicines but help deliver them to the people who need them. Merck also publishes unbiased health information as a not-for-profit service. For more information, visit www.merck.com.

Merck Forward-Looking Statement

This press release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and involve risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include statements regarding product development, product potential or financial performance. No forward-looking statement can be guaranteed and actual results may differ materially from those projected. Merck undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this press release should be evaluated together with the many uncertainties that affect Merck's business, particularly those mentioned in the risk factors and cautionary statements in Item 1A of Merck's Form 10-K for the year ended December 31, 2008, and in its periodic reports on Form 10-Q and Form 8-K, which the Company incorporates by reference.

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