

Merck & Co., Inc., (Whitehouse Station, N.J., U.S.A.) Pricing Policy for CRIXIVAN™, STOCRIN™ and ATRIPLA™ in Developing Countries

As a guideline for developing countries and other stakeholders to which Merck (which operates in many countries outside the United States as Merck Sharp & Dohme or "MSD") offers CRIXIVAN™ (indinavir sulfate), STOCRIN™ (efavirenz) and ATRIPLA™ (efavirenz 600 mg/ emtricitabine 200 mg/ tenofovir disoproxil fumarate 300 mg) at significant discounts, we use the generally-accepted United Nations Development Program (UNDP)'s Human Development Index (HDI). The HDI measures the overall development of countries with an indicator combining life expectancy, educational attainment, and standard of living (in GDP per capita). Countries are classified as high, medium or low human development.¹

Using this classification, and adjusting for the severity of the HIV epidemic in countries (as measured by adult prevalence rates reported by UNAIDS²) we have developed the following guidelines in applying the price reductions for CRIXIVAN, STOCRIN and ATRIPLA:

CRIXIVAN & STOCRIN

- All low HDI countries and all medium HDI countries with an adult HIV prevalence rate of 1% or greater qualify for the lowest prices (US\$ 600 per patient per year for CRIXIVAN, US\$ 394.20 per patient per year for STOCRIN 200 mg capsules, and US\$ 237.25 per patient year for STOCRIN 600 mg tablets.) These countries face the most severe challenges, both in terms of the burden of HIV/AIDS and in having limited resources to address the problem. This group includes all countries in sub-Saharan Africa, as well as several countries in Asia (e.g., Thailand, Cambodia), Latin America (e.g., Haiti, Guatemala, Honduras, Panama), and Eastern Europe.

(Romania has also been included in this category as an exception, based on the government's major commitment to allocate significant new resources to treatment of HIV/AIDS in their national AIDS program and MSD's continuing collaboration with the government to help build the infrastructure for effective monitoring of treatment among Romania's HIV-positive population.)

- Countries in the medium HDI category with an adult HIV prevalence of less than 1% qualify for prices of US\$ 1029 per patient per year for CRIXIVAN, US\$ 821.25 for STOCRIN 200 mg capsules and US\$ 697.15 for STOCRIN 600 mg tablets. Countries in this category include, for example, Brazil, Costa Rica, Ecuador, El Salvador, Mexico, Nicaragua, Peru, and Venezuela in Latin America. Other countries in this category include Egypt and Morocco in Africa, and Malaysia in Asia/Pacific (where, for instance, MSD has offered these prices to both the government and the Malaysian AIDS Council).
- High HDI countries will not be offered these discounted prices. (This category includes Argentina, Chile, Uruguay, in addition to the United States, Canada, and countries in

¹ For the methodology and a list of countries, see United Nations Development Programme (UNDP) <http://hdr.undp.org/hdr2006/>

² For adult HIV prevalence rates, see Joint United Nations Programme on HIV/AIDS (UNAIDS) 2006.

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STOCRIN (efavirenz) is a trademark of Merck & Co., Inc., Whitehouse Station, NJ, USA

ATRIPLA (efavirenz 600 mg/ emtricitabine 200 mg/ tenofovir disoproxil fumarate 300 mg) is a trademark of Bristol-Myers Squibb & Gilead Sciences, LLC.

Western Europe.) MSD makes its antiretroviral medicines available in these countries at competitive, market-based prices that take into account local purchasing power and competitive products. We are working with high HDI countries to help expand access on a case-by-case basis. For instance, in Chile, Barbados and the Bahamas, MSD is providing CRIXIVAN and STOCRIN at substantial discounts based on the number of patients treated.

ATRIPLA

On August 11, 2006, MSD announced an agreement with Gilead Sciences for the distribution of ATRIPLA™ in developing countries around the world. ATRIPLA™ is a once-daily, single tablet regimen for the treatment of HIV-1 infection in adults. ATRIPLA™ contains 600 mg of efavirenz (STOCRIN) from MSD, combined with 200 mg of emtricitabine and 300 mg of tenofovir disoproxil fumarate (Truvada), from Gilead Sciences.

This developing world agreement covers 94 countries, including those 15 priority countries designated by George W. Bush under his 2004 President's Emergency Program For Aids Relief (PEPFAR).

- For countries in the low HDI category and countries in the medium HDI category, with adult HIV prevalence of 1% or greater, ATRIPLA will be available to all purchasers at a price of US \$613.20 per patient per year. Sixty-seven countries are eligible for this pricing.
- For countries in the medium HDI category with adult HIV prevalence of less than 1%, ATRIPLA will be available to all purchasers at a price of US \$1,032.95 per patient per year. Twenty-two countries are in this category.

CRIXIVAN, STOCRIN and ATRIPLA are available at these prices (ex-manufacturer) to all stakeholders (in accordance with this pricing policy) who are responsible for the provision of HIV/AIDS care and treatment, and who can provide reasonable assurance of their capacity to ensure increased patient access. This includes, for example, governments, international organizations, non-governmental organizations (such as MSF), and private sector organizations (such as employers, hospitals, and insurers).

In the least developed countries and those hardest hit by the AIDS epidemic, MSD makes no profit on the sale of CRIXIVAN, STOCRIN at these prices. As of September 2006, nearly 500,000 patients were being treated with regimens containing CRIXIVAN or STOCRIN in more than 75 developing countries.

2007.02.28