

Achieving  
Results.

Accelerating  
Discovery.

Regaining  
Leadership.

2007 Annual Review



ACHIEVING RESULTS:

On target to meet or exceed the goals established in Merck's *Plan to Win*.

ACCELERATING DISCOVERY:

Using the best of science to develop medicines and vaccines that make a real difference.

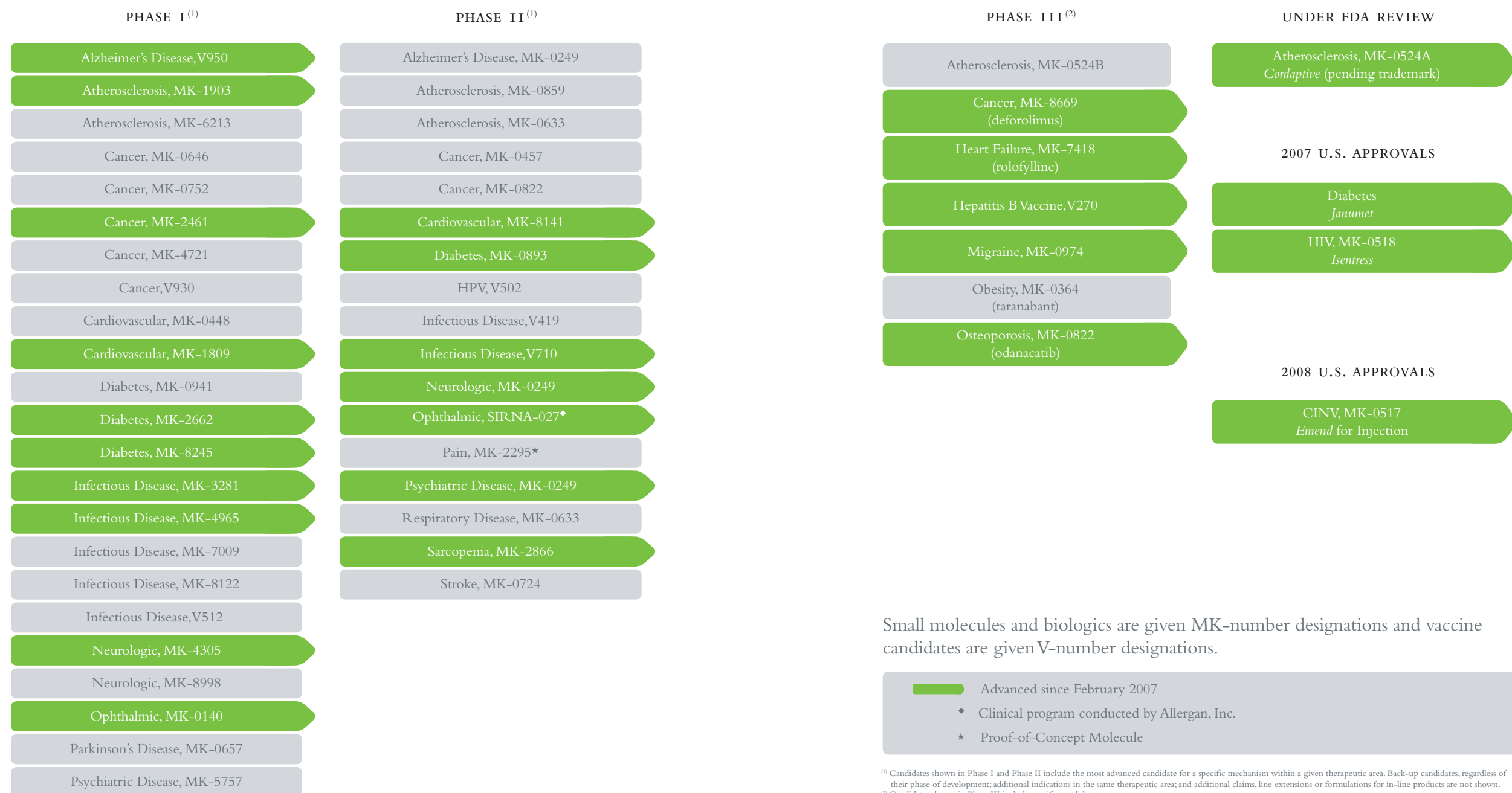
REGAINING LEADERSHIP:

Becoming the company patients and shareholders alike look to for unmatched excellence.


# A Robust Pipeline

UPDATED FEBRUARY 15, 2008

Merck's research pipeline continues to grow as we accelerate our discovery efforts. In the past year, we have advanced 26 candidates to the next clinical development stage. We currently have seven candidates in Phase III development, 17 distinct candidates in Phase II and another 23 in Phase I.



Small molecules and biologics are given MK-number designations and vaccine candidates are given V-number designations.

-  Advanced since February 2007
- <sup>♦</sup> Clinical program conducted by Allergan, Inc.
- <sup>★</sup> Proof-of-Concept Molecule

<sup>(1)</sup> Candidates shown in Phase I and Phase II include the most advanced candidate for a specific mechanism within a given therapeutic area. Back-up candidates, regardless of their phase of development; additional indications in the same therapeutic area; and additional claims, line extensions or formulations for in-line products are not shown.  
<sup>(2)</sup> Candidates shown in Phase III include specific candidates.

## To Our Shareholders:

The people of Merck continue to work hard to change our company, driven by our determination to be the industry leader. And although we are only approaching the half-way mark in our five-year strategy to turn this company around, our 2007 results increase my confidence in our ability to achieve that goal and the others we set for 2010, positioning Merck for success in the years beyond.

In 2007, our *Plan to Win* began to pay off with results for Merck, for our shareholders, for customers, and most importantly, for patients. As you'll read throughout this report, we are achieving significant and sustainable results, accelerating our discovery and development of ground-breaking new medicines and vaccines, and beginning to regain industry leadership.

**ACHIEVING RESULTS** Merck's 2007 results demonstrate real progress against the goals we put in place for 2010. Here is a summary of these goals and our progress:

- Achieve double-digit compound annual earnings-per-share growth, excluding certain items, from 2005 to 2010. *We are on track to achieve that goal.*

- Deliver compound annual revenue growth of 4 to 6 percent by 2010, including half of joint-venture revenue. *We are on target to produce that growth.*
- Return Merck's product gross margin beyond 2008 to the level we had before *Zocor*, our biggest-selling product ever, lost patent exclusivity. *We are on pace to achieve that goal a full year ahead of schedule.*
- Return marketing and administrative expenses to 2006 levels by 2010. Although we have increased spending in the short term to fully support our product launches, *we remain committed to that goal and expect to achieve it on schedule.*
- Fund our growing research and development efforts fully so that we can continue to develop medicines and vaccines that make a difference. *We are achieving that goal.*

We are harnessing every aspect of our business to drive these results, including new and in-line products, our growing research pipeline, and new initiatives designed to make Merck more efficient.

**NEW AND IN-LINE PRODUCTS** Using a new model that quickly gets our products to people around the world, Merck has launched eight new products in 24 months. New products such as *Gardasil*, *Januvia* and *RotaTeq* are steadily growing our revenue as we introduce them worldwide, and more established products like *Singulair*, *Cozaar/Hyzaar*, and joint-venture products *Zetia* and *Vytorin* are

“In 2007, our *Plan to Win* began to pay off with results for Merck, for our shareholders, for customers, and most importantly, for patients.”

## Financial Highlights

Merck & Co., Inc. and Subsidiaries Years Ended December 31				Percentage Change from Preceding Year	
	2007 <sup>(1)</sup>	2006 <sup>(2)</sup>	2005 <sup>(3)</sup>	2007	2006
(\$ in millions except per share amounts)					
Sales	\$ 24,197.7	\$ 22,636.0	\$ 22,011.9	+7%	+3%
Net income	3,275.4	4,433.8	4,631.3	-26%	-4%
Earnings per common share assuming dilution	\$ 1.49	\$ 2.03	\$ 2.10	-27%	-3%
Cash dividends paid per common share	\$ 1.52	\$ 1.52	\$ 1.52		
Average common shares outstanding assuming dilution (millions)	2,192.9	2,187.7	2,200.4		
Total assets	48,350.7	44,569.8	44,845.8		
Net cash flows provided by operating activities	6,999.2	6,765.2	7,608.5		
Capital expenditures	1,011.0	980.2	1,402.7		
Net income as a % of average total assets	7.0%	9.9%	10.6%		
Number of stockholders of record	173,000	184,200	198,200		
Number of employees	59,800	60,000	61,500		

<sup>(1)</sup> Amounts for 2007 include the impact of the U.S. *Vioxx* Settlement Agreement charge, restructuring actions, a civil governmental investigations charge, an insurance arbitration settlement gain, acquired research expense resulting from an acquisition, additional *Vioxx* legal defense costs, gains on sales of assets and product divestitures, as well as a net gain on the settlements of certain patent disputes.

<sup>(2)</sup> Amounts for 2006 include the impact of restructuring actions, acquired research expenses resulting from acquisitions, additional *Vioxx* legal defense costs and the adoption of a new accounting standard requiring the expensing of stock options.

<sup>(3)</sup> Amounts for 2005 include the impact of the net tax charge primarily associated with the AJCA repatriation, restructuring actions and additional *Vioxx* legal defense costs.

driving growth as well. We continue to increase the contributions of these medicines and vaccines with new indications that broaden their use and bring their benefits to even more patients.

For example, in 2007 we received approval for the use of *Januvia* in combination with additional medications for the treatment of type 2 diabetes. We have also asked the U.S. Food and Drug Administration (FDA) to approve the use of *Gardasil* to help protect against vaginal and vulvar cancers, as well as to expand the vaccine's use to women between the ages of 27 and 45. And later this year, we expect to file for approval to use our newest medicine, *Isentress*, as a first-line therapy for HIV/AIDS.

**RESEARCH PIPELINE** We continue to grow our research pipeline with innovative medicines and vaccines that will make a true difference in the lives of patients. Our newest product, *Emend* for Injection, an intravenous therapy to help reduce the nausea and vomiting experienced by many cancer patients

undergoing chemotherapy, was approved by the FDA in January 2008. And *Cordaptive*, the proposed trademark for our new medicine for helping to manage cholesterol, is currently under FDA review.

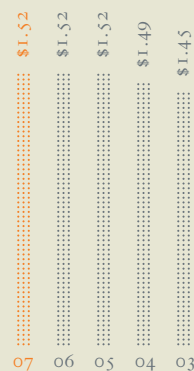
In 2008, we also expect to file New Drug Applications for MK-0524B, which is *Cordaptive* combined with simvastatin (*Zocor*), and MK-0364 (also called taranabant), which has shown weight loss benefits in early clinical trials.

In addition, our pipeline includes five other promising medicines and vaccines in Phase III development, including new treatments for migraine, cancer, heart failure and osteoporosis, plus a new vaccine for hepatitis B for adults.

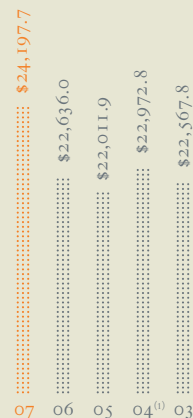
**BUSINESS EFFICIENCY** Of course, revenue growth and new products alone will not allow us to attain optimal levels of growth, which is why we are also aggressively changing the way we work to become more efficient.

Returning our product gross margin to pre-*Zocor* levels is critical to this effort. As I stated

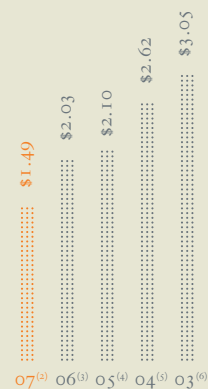
Cash Dividends Paid per Common Share



Consolidated Sales \$ in Millions



Earnings per Common Share Assuming Dilution



<sup>(1)</sup> Amount for 2004 includes the impact of the withdrawal of *Vioxx*.

<sup>(2)</sup> Amount for 2007 includes the impact of the U.S. *Vioxx* Settlement Agreement charge, restructuring actions, a civil governmental investigations charge, an insurance arbitration settlement gain, acquired research expense resulting from an acquisition, additional *Vioxx* legal defense costs, gains on sales of assets and product divestitures, as well as a net gain on the settlements of certain patent disputes.

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<sup>(4)</sup> Amount for 2005 includes the impact of the net tax charge primarily associated with the AJCA repatriation, restructuring actions and additional *Vioxx* legal defense costs.

<sup>(5)</sup> Amount for 2004 includes the impact of the withdrawal of *Vioxx*, *Vioxx* legal defense costs and restructuring actions.

<sup>(6)</sup> Amount for 2003 includes the impact of the implementation of a new distribution program for U.S. wholesalers and restructuring actions.

earlier, we expect to achieve that goal a full year ahead of schedule – a direct result of the cost-saving measures we’ve implemented. We are eliminating waste from our supply chain; creating lower-cost manufacturing partnerships; and we have completed the closure or sale of five plants in our internal manufacturing network.

The results we have achieved are a testament to how hard every Merck employee has worked to completely transform every aspect of our company. The last few years have confirmed what I’ve always believed: never underestimate the people of Merck.

And I could not be prouder of the senior management team that is leading the company through this period of transformation. The team is a good mix of Merck’s best and brightest along with new, external perspectives, and it is second to none.

**ACCELERATING DISCOVERY** Nowhere is our transformation more evident than in Merck’s research and development efforts. We are moving products through our research pipeline more quickly, and at

the same time, using exciting new technology to increase the chances that our initial discoveries will end up as products that improve and save lives. And, we are growing our pipeline not only through our internal efforts, but also through strategic external partnerships.

One of the most impressive examples of the impact of this transformation is our reduction in clinical development cycle times, or how long it takes to complete the three phases of clinical studies and move a product through our pipeline.

Before we began transforming Merck’s R&D process, our clinical studies progressed more slowly than those of most of our peers. But a recent evaluation by an independent industry expert found that Merck has substantially improved its performance on this important measure. We now rank either at or near the top in how quickly we can initiate and enroll patients in a study, as well as how quickly we can complete it, while never forgetting our dedication to patient safety.



When we launched our breakthrough HIV/AIDS treatment *Isentress* in October, we were 18 months ahead of schedule. This acceleration gave patients like Scott Gilmore, for whom existing treatments had ceased to work, access to the life-saving potential of *Isentress* much earlier than anticipated. You can read more about the difference *Isentress* has made in Scott’s life later in this report.

For Merck, bringing the best of science to patients also means working with the best science. In 2007, we developed 55 significant new partnerships, bringing our total to nearly 250 in the last five years. Our “virtual lab” of partners around the globe allows us to use the best emerging technologies, work with the latest scientific developments, and develop those products that hold the greatest promise for patients.

**REGAINING LEADERSHIP** Looking ahead, we will know our strategy has succeeded when Merck is again the company patients, health care professionals and payers look to for unmatched scientific excellence, and when our shareholders again look to us as the industry leader in value and performance.

A key part of achieving this goal is becoming even more transparent in how we meet our obligations to these groups. This is an essential step in restoring trust in our industry – and, in fact, in science and medicine. We must do this not only for our own sake, but for the good of patients.

Serving patients also means that we have to get

our innovative medicines and vaccines to those who need them. For more than 50 years, we have provided free medicines to millions of Americans as part of the Merck Patient Assistance Program. And we have created a program that provides our adult vaccines free to the uninsured in the United States.

And Merck continues to break new ground globally with public-private partnerships that help get our latest vaccines to the developing world as quickly as possible. We are also working to ensure that people living with HIV infection worldwide have access to our newest medicines, and that our highly regarded Mectizan Donation Program will continue to thrive in the 21<sup>st</sup> century.

It is because of our commitment to those we serve that we have taken on the challenge of changing Merck’s business model. Our *Plan to Win* is about more than achieving our goals for 2010. It’s about positioning Merck far beyond then, so that we can continue to meet our commitment to the people who count on us.

Sincerely,

Dick Clark  
Chairman, President and  
Chief Executive Officer  
February 15, 2008

# ISENTRESS:

HOW OUR STRATEGY  
IS HELPING  
SAVE LIVES

Merck's *Isentress*, the first FDA-approved integrase inhibitor, was the result of more than a decade's work by Merck researchers who knew that HIV/AIDS patients, especially those for whom current medicines weren't working, needed a product with a new approach to fighting the disease.

In a marked departure from the past, teams from across Merck – from manufacturing to marketing – worked together earlier than ever before to get *Isentress* to patients as quickly as possible, without compromising our commitment to safety. They succeeded. *Isentress* was approved 18 months ahead of schedule, and took less than four years to move from its first clinical trial to FDA approval in October.

Such collaboration is part of a new strategic model at Merck. Now, all those responsible for a product are working together from the earliest research stages throughout its lifecycle.

Getting our new drugs and vaccines to market faster than ever before has never been more important. Our new approach is giving us a real edge – an edge that is already making a difference to Merck and to patients.

"We were driven by the knowledge that if we succeeded, it could literally mean the difference between life and death for many HIV/AIDS patients." Dr. Daria Hazuda, vice president, Scientific Affairs – Infectious Diseases/HIV

#### A PERSONAL REMINDER FROM BOTSWANA

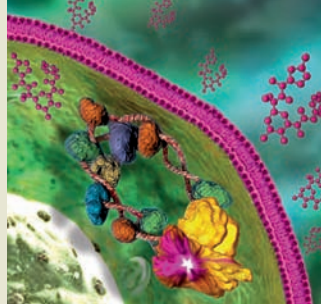
Dr. Hazuda bought the pin she is wearing at an HIV/AIDS conference. The pin was created in Botswana, where the Government of Botswana, the Bill & Melinda Gates Foundation and Merck are partnering in a landmark comprehensive HIV/AIDS program. In that spirit, Merck is making *Isentress* available worldwide to qualified patients through an expanded, early access clinical research program. Patients not responding to current medicines can access the hope *Isentress* provides.

## NEW TREATMENT/NEW HOPE:

For 20 years, Scott Gilmore's blood tests have consistently revealed detectable levels of the HIV virus. Not anymore. Since adding *Isentress* to his other antiretroviral medicines, his viral load has fallen – for the first time ever – to undetectable levels. Although not everyone responds so dramatically, Scott's experience shows why *Isentress* is bringing hope to so many patients and their physicians.

## INTEGRASE INHIBITOR

This is a representation of how *Isentress* helps prevent the DNA of the HIV virus from getting inside human DNA, making it harder for the virus to infect new cells.



"*Isentress* was a last-ditch effort for me. Once I added it to my other medicines, my viral load was undetectable for the first time ever. *Isentress* has really given me hope for the future." Scott Gilmore

## ISENTRESS:

FROM APPROVAL TO  
MARKET IN JUST  
FOUR DAYS

*Isentress* is the first Merck product to go through our new manufacturing commercialization process, and the results are impressive – especially for patients who needed *Isentress* as soon as possible.

As part of the new process, Merck was mass producing our new medicine before clinical development was even completed. More than 18 months before its expected launch, our manufacturing facilities in Ballydine, Ireland, and Elkton, Va., were already producing large amounts of *Isentress* both for clinical trials and for the market after approval, instead of waiting to move to full-scale production once the product was approved.

As a result, we were able to meet our accelerated development timelines and had *Isentress* on pharmacists' shelves just four business days after FDA approval.

# MECTIZAN:

TWENTY YEARS OF FIGHTING RIVER BLINDNESS

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It's been 20 years since Merck launched its Mectizan Donation Program. Since then, Merck has donated more than 1.8 billion *Mectizan* tablets to patients in 33 countries, helping protect more than 69 million people from river blindness every year.

In November, thanks to *Mectizan*, Colombia became the first country to stop the spread of this debilitating tropical disease.

Merck has reaffirmed its pledge to donate enough *Mectizan* to eliminate river blindness, and has also pledged up to

\$25 million toward a new \$50 million initiative with the World Bank and other partners to eliminate the disease worldwide.

50  
YEARS

**MERCK COMPANY FOUNDATION:  
BRINGING OUR BEST EFFORTS TO THE WORLD**

Since 1957, The Merck Company Foundation has contributed more than \$480 million to help people get needed medicines and vaccines, encourage new scientific talent and innovation, support the communities in which Merck employees work and live, and promote environments that support innovation and economic growth and development in an ethical and fair context.

## ROTATEQ IN NICARAGUA: ONE YEAR LATER, REMARKABLE SUCCESS



In the year since Merck began donating *RotaTeq* for every infant in Nicaragua, that country has achieved one of the world's highest rates of immunization against rotavirus, a disease whose effects kill nearly 600,000 children each year worldwide. This three-year program marks the first time a new vaccine has been introduced in the developed and developing world in the same year.

### GARDASIL: HELPING PROTECT WOMEN EVERYWHERE

Merck's new donation program for *Gardasil* will provide 1 million women in the lowest-income nations in the world with the three doses required for the vaccine. Merck will donate those doses of *Gardasil* over the next five years to immunization projects around the globe. These projects will help developing countries identify the best way to reach women with vaccines, and also to use vaccination as an opportunity for improved cervical cancer screening and treatment efforts.

### A GROWING GLOBAL VACCINE MARKET

By the end of this decade, the global vaccine market is expected to grow to \$18 billion – more than double what it was in 2004 – and Merck is leading this growth. *Gardasil* isn't the only successful new Merck vaccine driving this growth. *Zostavax* and *RotaTeq*, along with *Varivax*, have increased Merck's global vaccine sales nearly four-fold since 2005.

# DRIVING GROWTH WITH OUR COMMITMENT TO VACCINES

7<sup>M</sup> MORE THAN  
7 MILLION GIRLS  
AND YOUNG  
WOMEN HAVE  
RECEIVED AT  
LEAST THEIR  
FIRST DOSE  
OF GARDASIL

*Gardasil*, Merck's first-in-class cervical cancer vaccine, has achieved worldwide sales for Merck of more than \$1.7 billion since its U.S. launch in June 2006. Approved in more than 93 countries, with more pending, *Gardasil* is one of the leading vaccines in our industry.

The success of *Gardasil* is proof that Merck's commitment to vaccines is the right thing to do, not only for public health, but for the company. Merck is one of only a handful of companies still dedicated to vaccine development, a commitment that has continued despite the ever-increasing complexity of vaccine discovery, development and production.

The work that led to *Gardasil*, for example, represents a new approach to vaccine development. It involved academic, government and small biotech research companies, as well as Merck researchers. And it used the newest biotechnology tools to unlock the complex secrets to developing this HPV vaccine.

The contribution our vaccine commitment is making to our business and to public health is just beginning. Currently indicated for girls and young women ages 9 to 26, in 2007 we filed for FDA approval of *Gardasil* for vaginal and vulvar cancers, as well as approval for 27- to 45-year-old women to use *Gardasil*. And in 2008, we expect to file for approval of the vaccine in males ages 9 to 26.



# Alliances and Acquisitions

As part of its commitment to bringing the best of science to patients, Merck continues to collaborate with companies, institutions, academics and other organizations around the world. In 2007 alone, Merck developed 55 significant new partnerships, and has entered into nearly 250 in the past five years. Below are some examples of announced collaborations from 2005–2007.

## NORTH AMERICA

**ACUMEN**  
United States  
ALZHEIMER'S DISEASE

**AGENSYS**  
United States  
CANCER

**AMBRILIA**  
Canada  
ANTIVIRALS

**AMBRX**  
United States  
DIABETES

**ARIAD**  
United States  
CANCER

**ASURAGEN**  
United States  
CANCER

**AVALON**  
United States  
CANCER

**AVEO**  
United States  
CANCER

**CELERA  
DIAGNOSTICS**  
United States  
CANCER

**COLEY**  
United States  
VACCINES

**CUBIST**  
United States  
ANTIBACTERIAL

**DYNAVAX**  
United States  
VACCINES

**EV3**  
United States  
CARDIOVASCULAR

**GERON**  
United States  
CANCER VACCINE

**GTX**  
United States  
ENDOCRINE

**HARVARD  
UNIVERSITY**  
United States  
OPHTHALMOLOGY

**IDERA**  
United States  
VACCINES

**J. DAVID  
GLADSTONE  
INSTITUTES**  
United States  
ALZHEIMER'S DISEASE

**KINEMED**  
United States  
CARDIOVASCULAR

**MELIOR  
DISCOVERY**  
United States  
CENTRAL NERVOUS  
SYSTEM

**METABASIS**  
United States  
DIABETES

**MOFFITT  
CANCER  
CENTER**  
United States  
CANCER

**MONOGRAM**  
United States  
ANTIVIRAL

**NEUROMED**  
Canada  
PAIN

**NOVACARDIA**  
United States  
CARDIOVASCULAR

**PARATEK**  
United States  
ANTIBIOTICS

**PDL**  
United States  
ANTIBODIES

**PROTIVA**  
Canada  
siRNA

**SURMODICS**  
United States  
OPHTHALMOLOGY

**ZNOMICS**  
United States  
METABOLIC

## EUROPE

**ADDEX**  
Switzerland  
CENTRAL NERVOUS  
SYSTEM

**ARTEMIS**  
Germany  
RNAi TECHNOLOGY

**CRUCELL**  
Netherlands  
VACCINES

**INTERCELL**  
Austria  
VACCINES

**MORPHOSYS**  
Germany  
ANTIBODIES

**NICOX**  
France  
CARDIOVASCULAR

**PROSIDION**  
United Kingdom  
DIABETES



## ASIA

**ADVINUS**  
India  
METABOLIC  
DISORDERS

**NICHOLAS  
PIRAMAL**  
India  
CANCER

**SHANGHAI  
BIOCHIP**  
China  
CANCER

## MIDDLE EAST

**COMPUGEN**  
Israel  
CHEMISTRY

## AUSTRALIA AND NEW ZEALAND

**CSL**  
Australia  
VACCINES

# Our Medicines and Vaccines

Merck's focus on discovering and developing medicines and vaccines has resulted in products that have helped millions of patients around the world. We continue to grow our business with new product indications and formulations, as well as clinical trials that demonstrate their benefits. Following is a list of selected Merck medicines and vaccines. For more information on Merck products, including complete prescribing information, please visit [www.merck.com](http://www.merck.com).

## Atherosclerosis & Cardiovascular

Cozaar® (losartan potassium)	– High blood pressure
Hyzaar® (losartan potassium and hydrochlorothiazide)	– High blood pressure
Vytorin® (ezetimibe/simvastatin) <sup>(1)</sup>	– High cholesterol
Zetia® (ezetimibe) <sup>(1)</sup>	– High cholesterol

## Diabetes & Obesity

Janumet® (sitagliptin/metformin HCl)	– Type 2 diabetes
Januvia® (sitagliptin phosphate)	– Type 2 diabetes

## Infectious Diseases

Atripla® (efavirenz 600mg/ emtricitabine 200 mg/tenofovir disoproxil fumarate 300 mg) <sup>(2)</sup>	– HIV infection
Candidas® (caspofungin acetate)	– Certain fungal infections
Crixivan® (indinavir sulfate)	– HIV infection
Invanz® (ertapenem sodium)	– Certain bacterial infections
Isentress® (raltegravir)	– HIV infection
Primaxin® (imipenem and cilastatin)	– Certain bacterial infections
Stocrin® (efavirenz) <sup>(3)</sup>	– HIV infection

## Neuroscience & Ophthalmology

Cosopt® (dorzolamide hydrochloride and timolol maleate)	– Elevated intraocular pressure
Maxalt® (rizatriptan benzoate)	– Acute migraine
Timoptic-XE® (timolol maleate ophthalmic gel forming solution)	– Elevated intraocular pressure
Trusopt® (dorzolamide hydrochloride)	– Elevated intraocular pressure



Isentress®

## Oncology

Emend® (aprepitant)	– Prevention of postoperative or chemotherapy-induced nausea and vomiting
Emend® for Injection (fosaprepitant dimeglumine)	– Intravenous prevention of chemotherapy-induced nausea and vomiting
Zolinza® (vorinostat)	– Cancer [cutaneous T-cell lymphoma (CTCL)]

## Respiratory, Bone, Arthritis & Analgesia

Arcoxia® (etoricoxib)	– Pain and arthritis
Fosamax® (alendronate sodium)	– Osteoporosis
Fosamax Plus D® (alendronate sodium/cholecalciferol)	– Osteoporosis
Singular® (montelukast sodium)	– Asthma, indoor and outdoor allergies

## Specialty

Propecia® (finasteride)	– Male pattern hair loss
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## Vaccines

Comvax® [Haemophilus b conjugate (meningococcal protein conjugate) and hepatitis B (recombinant) vaccine]	– Haemophilus influenzae type b and hepatitis B
Gardasil® [human papillomavirus quadrivalent (types 6, 11, 16, 18) vaccine, recombinant]	– Cervical cancer, cervical lesions, vulvar lesions, vaginal lesions and genital warts caused by HPV types 6, 11, 16, and 18
M-M-R® II (measles, mumps and rubella virus vaccine live)	– Measles, mumps, rubella (German measles)
PedvaxHIB® [Haemophilus b conjugate vaccine (meningococcal protein conjugate)]	– Haemophilus influenzae type b
Pneumovax® 23 (pneumococcal vaccine polyvalent)	– Pneumococcal disease
ProQuad® [measles, mumps, rubella and varicella (Oka/Merck) virus vaccine live]	– Measles, mumps, rubella (German measles) and chickenpox
Recombivax HB® [hepatitis B vaccine (recombinant)]	– Hepatitis B
RotaTeq® (rotavirus vaccine, live, oral pentavalent)	– Rotavirus
Vaqa® (hepatitis A vaccine inactivated)	– Hepatitis A
Varivax® [varicella virus vaccine live (Oka/Merck)]	– Chickenpox
Zostavax® (zoster vaccine live)	– Shingles



Varivax®

<sup>(1)</sup> Vytorin (marketed as *Inegy* outside the United States) and Zetia (marketed as *Ezetrol* outside the United States) are marketed through a partnership with Schering-Plough Corporation. <sup>(2)</sup> Atripla is marketed by Bristol-Myers Squibb and Gilead in the United States, Canada and Europe. Merck and Gilead are working to register and distribute Atripla in 94 developing countries around the world. <sup>(3)</sup> Efavirenz is marketed by Bristol-Myers Squibb as Sustiva in the United States, Canada and certain European countries, and by Merck in the rest of the world as Stocrin.

# Board of Directors

AS OF FEBRUARY 1, 2008

In 2007, three new directors were elected to Merck's Board: Thomas Glocer in November, Steven Goldstone in September and Harry Jacobson in December. Dick Clark, president and CEO of Merck, serves as chairman of the Board of Directors. Merck's Board of Directors has six standing committees: Audit, Compensation and Benefits, Corporate Governance, Finance, Public Policy and Social Responsibility, and Research. Board members and their committee assignments are listed below.

**Richard T. Clark** Chairman, President and Chief Executive Officer, Merck & Co., Inc. Age: 61.

**Johanna B. Cole, Ph.D.** President Emerita of Spelman College and Bennett College for Women. Merck Director since 1994. Age: 71. Committees: Corporate Governance, Finance, Public Policy and Social Responsibility\*

**Thomas H. Glocer** Chief Executive Officer, Reuters Group PLC. Director, Reuters Group PLC. Merck Director since 2007. Age: 48.

**Steven F. Goldstone** Retired Chairman and Chief Executive Officer, RJR Nabisco, Inc. Managing Partner, Silver Spring Group. Non-Executive Chairman, ConAgra Foods, Inc. Director, Trane Inc. (formerly American Standard Companies, Inc.) and Greenhill & Co., Inc. Merck Director since 2007. Age: 61.

**William B. Harrison, Jr.** Retired Chairman of the Board, JP Morgan Chase & Co. Director, Cousins Properties Incorporated. Merck Director since 1999. Age: 64. Committees: Compensation and Benefits, Finance\*, Public Policy and Social Responsibility

**Harry R. Jacobson, M.D.** Vice Chancellor, Health Affairs, Vanderbilt University Medical Center. Director, CeleNova BioSciences, Inc., HealthGate Data Corporation, Ingram Industries, Inc. and Kinetic Concepts, Inc. Merck Director since 2007. Age: 60.

**William N. Kelley, M.D.** Professor of Medicine, Biochemistry and Biophysics, University of Pennsylvania School of Medicine. Director, Advanced Bio-Surfaces, Inc., Beckman Coulter, Inc., GenVec, Inc. and Polymedix, Inc. Merck Director since 1992. Age: 68. Committees: Compensation and Benefits, Corporate Governance, Research\*

**Rochelle B. Lazarus** Chairman and Chief Executive Officer, Ogilvy & Mather Worldwide. Director, General Electric and New York Presbyterian Hospital. Merck Director since 2004. Age: 60. Committees: Audit, Public Policy and Social Responsibility

**Thomas E. Shenk, Ph.D.** Elkins Professor, Princeton University. Director, Cell Genesys, Inc. and CV Therapeutics, Inc. Merck Director since 2001. Age: 61. Committees: Audit, Public Policy and Social Responsibility, Research

**Anne M. Tatlock** Retired Chairman and Chief Executive Officer, Fiduciary Trust Company International. Director, Fortune Brands, Inc. and Franklin Resources, Inc. Merck Director since 2000. Age: 68. Committees: Compensation and Benefits\*, Corporate Governance, Finance

**Samuel O. Thier, M.D.** Professor of Medicine and Health Care Policy, Emeritus, Harvard Medical School. Director, Charles River Laboratories, Inc. Merck Director since 1994. Age: 70. Committees: Corporate Governance\*, Public Policy and Social Responsibility, Research

**Wendell P. Weeks** Chairman and Chief Executive Officer, Corning Incorporated. Director, Corning Incorporated. Merck Director since 2004. Age: 48. Committees: Audit, Corporate Governance, Finance

**Peter C. Wendell** Managing Director, Sierra Ventures. Chairman, Princeton University Investment Co. Merck Director since 2003. Age: 57. Committees: Audit\*, Compensation and Benefits, Research

\*Indicates Committee Chairperson

# Senior Leadership

AS OF FEBRUARY 1, 2008

**David W. Anstice** Executive Vice President, Strategy Initiatives. Age: 59.

**Richard T. Clark** Chairman, President and Chief Executive Officer. Age: 61.

**Willie A. Deese** Executive Vice President and President, Merck Manufacturing Division. Age: 52.

**Kenneth C. Frazier** Executive Vice President and President, Global Human Health. Age: 53.

**Miriam M. Graddick-Weir, Ph.D.** Executive Vice President, Human Resources. Age: 53.

**Peter N. Kellogg** Executive Vice President and Chief Financial Officer. Age: 51

**Peter S. Kim, Ph.D.** Executive Vice President and President, Merck Research Laboratories. Age: 49.

**Bruce N. Kuhlik** Executive Vice President and General Counsel. Age: 51

**Margaret G. McGlynn** President, Merck Vaccines and Infectious Diseases. Age: 48.

**Stefan Oschmann** President, Europe, Middle East, Africa & Canada. Age: 50.

**J. Chris Scalet** Executive Vice President, Global Services, and Chief Information Officer. Age: 49.

**Adam H. Schechter** President, Global Pharmaceuticals. Age: 43.

**Wendy L. Yarno** Chief Marketing Officer. Age: 53.

# Corporate Information

## Annual Meeting

The Annual Meeting of Stockholders will be held at 2 p.m., ET, on Tuesday, April 22, 2008, at the Edward Nash Theatre at Raritan Valley Community College, Route 28 and Lamington Road, North Branch, NJ.

## Stock Trading Information

Merck stock is listed on the New York Stock Exchange (ticker symbol: MRK), the Philadelphia Stock Exchange and the Paris Stock Exchange.

## Direct Purchase of Merck Stock and Dividend Reinvestment Plan

You can purchase shares directly from the company through the Merck Stock Investment Plan. Shares also may be purchased by automatic investment each month. Merck's Dividend Reinvestment Plan allows dividends (all or part) to be automatically reinvested to purchase additional Merck shares. Call 800-522-9114, or write to: Merck Stockholder Services, WS3AB-40 Merck & Co., Inc. One Merck Drive, P.O. Box 100 Whitehouse Station, NJ 08889-0100

## Stockholder Services

Call Monday through Friday, 8 a.m. to 8 p.m., ET, with questions on stock-related matters, including verification of your holdings, to change your address or to report lost or missing dividends. Call 800-522-9114, or write to Merck Stockholder Services at the address listed above.

## For Changes or Lost Stock Certificates

If you want to transfer your stock, change ownership or if you have lost your stock certificates, call 800-522-9114, or write to: Merck Shareowner Services Wells Fargo Bank, N.A. 161 N. Concord Exchange South St. Paul, MN 55075-1139

## Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP  
400 Campus Drive  
Florham Park, NJ 07932  
973-236-4000

The paper, paper mill and printer used in the production of Merck's 2007 Annual Review are all certified to Forest Stewardship Council (FSC) standards, which promote environmentally appropriate, socially beneficial and economically viable management of the world's forests. In addition, this book was printed with 100% renewable energy.



## News and Information

- News on Call
  - Access Merck news 24 hours a day, seven days a week by calling 800-CALL-MRK (800-225-5675).
- Investor Relations
  - Securities analysts and investment professionals with business-related questions should call Investor Relations at 908-423-5881.
- Media Relations
  - Professional journalists should visit [www.merck.com/newsroom](http://www.merck.com/newsroom) for contacts.
- Corporate Documents
  - Visit [www.merck.com](http://www.merck.com) or write to: Merck Global Communications, WS1A-40 Merck & Co., Inc. One Merck Drive, P.O. Box 100 Whitehouse Station, NJ 08889-0100 for copies of:
    - Merck's 2007 Form 10-K, as filed with the Securities and Exchange Commission.
    - Report on Diversity at Merck.
    - Policies of the Board (Merck governance principles).
    - Merck Board Committee Charters – Audit, Compensation and Benefits, Corporate Governance, Finance, Public Policy and Social Responsibility, and Research.
    - Merck's Code of Conduct – *Our Values and Standards*.

## Forward-Looking Statements

This report 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 report 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 Dec. 31, 2007, and in its periodic reports on Form 10-Q and Form 8-K, which the Company incorporates by reference.

## Trademarks

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## Patient Assistance Programs

Merck offers several programs to give individuals greater access to the medicines and vaccines they need. For more information, visit [www.merckhelps.com](http://www.merckhelps.com).

## Corporate Responsibility at Merck

Information about corporate responsibility at Merck is available at [www.merck.com/cr](http://www.merck.com/cr).



## The Merck Manuals

Merck publishes unbiased health information as a not-for-profit service through *The Merck Manuals*, a collection of books designed to meet the needs of health care professionals, caregivers and consumers. Books include *The Merck Manual*, the world's most widely used medical textbook; *The Merck Manual Second Home Edition*, the world's best-selling home medical reference; *The Merck Veterinary Manual*; and *The Merck Index*, an encyclopedia of chemicals, drugs and biologicals. The newest manual, the *Merck/Merial Manual for Pet Health*, was released in fall 2007 and is a complete health resource for pet owners written in everyday language. It includes information on the full spectrum of today's pets, from dogs, cats and horses, to reptiles, birds, fish and even exotic pets.

For more information on *The Merck Manuals*, and to access many of them free online as part of Merck's commitment to health, visit [www.merck.com](http://www.merck.com).



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