

October 14, 2009

To: Holders of 6.00% Mandatory Convertible Preferred Stock of Schering-Plough Corporation

Re: Notice of Make-Whole Acquisition

Dear Investors:

Reference is hereby made to the Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") of Schering-Plough Corporation, a New Jersey corporation ("Schering-Plough" or the "Company"), including Annex A to the Certificate of Incorporation setting forth the terms of the 6.00% Mandatory Convertible Preferred Stock of Schering-Plough (the "Preferred Stock"). Capitalized terms used in this notice without definition have the respective meanings ascribed to them in Annex A to the Certificate of Incorporation. You may obtain a copy of the Certificate of Incorporation for free at the Corporate Governance page of the Investor Relations section of the Company's website at www.schering-plough.com or by contacting Investor Relations, Schering-Plough Corporation, 2000 Galloping Hill Road, Mail Stop: K-1-4-4275, Kenilworth, NJ 07033, Phone: (908) 298-7436, Fax: (908) 298-7082.

The Merger with Merck & Co., Inc.

On March 8, 2009, Schering-Plough entered into an Agreement and Plan of Merger (the "Merger Agreement") with Merck & Co., Inc., a New Jersey corporation ("Merck"). Under the terms, and subject to the conditions, of the Merger Agreement, a wholly-owned subsidiary of Schering-Plough will merge with and into the Company (the "Merger"), and each outstanding share of common stock of Schering-Plough (the "SP Common Stock") will be converted into the right to receive \$10.50 in cash, without interest, and 0.5767 shares of common stock of the surviving entity in the Merger ("New Merck"). Each share of Preferred Stock outstanding immediately prior to the Merger will continue to be outstanding after the Merger, until the share is converted as described below.

Immediately after the Merger, a wholly-owned subsidiary of New Merck will merge with and into Merck, and each outstanding share of Merck will automatically convert into one share of common stock of New Merck (the "New Merck Common Stock").

Notice of Make-Whole Acquisition and Anticipated Merger Completion Date

The Merger will constitute a "Make-Whole Acquisition" as defined by the Certificate of Incorporation. Accordingly, as required by the Certificate of Incorporation, the Company is sending this Notice to inform you that we anticipate that the Merger will be completed no earlier than 20 days after the date of this Notice. From and after the date of completion of the Merger (the "Effective Date"), the shares of Preferred Stock will be convertible into Merger Consideration Units, rather than shares of SP Common Stock. Each "Merger Consideration Unit" will be comprised of two components: (a) \$10.50 in cash, without interest (the "Cash Consideration"), and (b) 0.5767 of a share of New Merck Common Stock (the "Share Consideration").

Please note that the Merger is subject to conditions, including receipt of various regulatory approvals. On the date the Merger is completed, the Company will issue a press release announcing the completion of the Merger and the beginning and end of the 15-day Make-Whole Acquisition Conversion Period described below.

Option to Convert Preferred Stock during the Make-Whole Acquisition Conversion Period at the Make-Whole Acquisition Conversion Rate

During the period from and including the Effective Date to 5:00 p.m., New York City Time on the 15th day after the Effective Date (the “Make-Whole Acquisition Conversion Period”), holders of shares of Preferred Stock will have the option (the “Make-Whole Conversion Option”) to convert their shares of Preferred Stock, in whole or in part, into Cash Consideration and Share Consideration based on a “Make-Whole Acquisition Conversion Rate” applicable to the Cash Consideration and Share Consideration determined as described below. If the 15th day after the Effective Date falls on a weekend or holiday, the Make-Whole Acquisition Conversion Period will be extended until 5:00 p.m., New York City Time on the first business day following the 15th day after the Effective Date. If a holder does not elect to exercise the Make-Whole Conversion Option, such holder’s shares of Preferred Stock will remain outstanding and subject to mandatory conversion on the mandatory conversion date of August 13, 2010, or may be converted, at the option of the holder, in whole or in part, at any time prior to the mandatory conversion date.

The Make-Whole Acquisition Conversion Rate

The Make-Whole Acquisition Conversion Rate applicable to the Cash Consideration and Share Consideration will be determined by reference to the table below based on the exact Effective Date and the average of the daily closing prices on the New York Stock Exchange (as reflected on the website of the New York Stock Exchange) for the shares of SP Common Stock over the 10 consecutive trading days up to, but not including, the Effective Date. Because the Effective Date will be between August 15, 2009, and August 13, 2010, on the table below, the Make-Whole Acquisition Conversion Rate will be determined by straight-line interpolation between the rates set forth on the table below for the two dates, based on a 365-day year. If the 10 trading day average for the shares of SP Common Stock is between two share price amounts on the table below, the Make-Whole Acquisition Conversion Rate will also be determined by straight-line interpolation between the rates set forth on the table for the higher and lower price amounts.

	10-Day Average Trading Price for the SP Common Stock															
Merger Completion Date	\$10.00	\$15.00	\$20.00	\$25.00	\$27.50	\$30.00	\$33.69	\$35.00	\$40.00	\$45.00	\$50.00	\$55.00	\$60.00	\$65.00	\$75.00	\$100.00
8/15/2009	8.9569	8.9515	8.8654	8.5305	8.2348	7.9071	7.5392	7.4625	7.3432	7.3303	7.3302	7.3309	7.3315	7.3321	7.3329	7.3343
8/13/2010	9.0909	9.0909	9.0909	9.0909	9.0909	8.3333	7.4206	7.4206	7.4206	7.4206	7.4206	7.4206	7.4206	7.4206	7.4206	7.4206

The press release the Company will issue announcing the completion of the Merger will also provide the exact Make-Whole Acquisition Conversion Rate applicable to the Cash Consideration and Share Consideration.

For each share of Preferred Stock converted during the Make-Whole Acquisition Conversion Period, the holder will receive

- o An amount of cash equal to the Cash Consideration (\$10.50) multiplied by the Make-Whole Acquisition Conversion Rate; and
- o A number of shares of New Merck Common Stock equal to the Share Consideration (0.5767 of a share of New Merck Common Stock) multiplied by the Make-Whole Acquisition Conversion Rate.

If a record date for a dividend on the New Merck Common Stock occurs during the Make-Whole Acquisition Conversion Period, for shares of Preferred Stock converted after the record date but prior to the end of the Make-Whole Acquisition Conversion Period, the Make-Whole Acquisition Conversion Rate that will be used to calculate the amount of Share Consideration receivable upon conversion will reflect an “anti-dilution adjustment” and, as such, will be greater than the Make-Whole Acquisition Conversion Rate calculated in accordance with the table described above. If a record date for a dividend on the New Merck Common Stock will occur during the Make-Whole Acquisition Conversion Period, the Company will issue a press release announcing the resulting adjusted Make-Whole Acquisition Conversion Rate.

Cash will be paid in lieu of fractional shares of New Merck Common Stock based on the average of the daily closing prices on the New York Stock Exchange (as reflected on the website of the New York Stock Exchange) for the shares of New Merck Common Stock over the five consecutive trading days preceding the trading day immediately preceding the date of conversion.

Payment of Dividend Amounts Upon Conversion During Make-Whole Acquisition Conversion Period

For each share of Preferred Stock converted during the Make-Whole Acquisition Conversion Period, the holder will also receive an amount of cash equal to:

- all accrued, cumulated and unpaid dividends on the converted share that have not been declared for all dividend periods to, but excluding, the effective date of a conversion during the Make-Whole Acquisition Conversion Period (the “Make-Whole Acquisition Conversion Date”); plus
- if the Make-Whole Acquisition Conversion Date is prior to the record date for any declared dividend on the shares of Preferred Stock, all accrued, cumulated and unpaid dividends on the converted share that have been declared for all dividend periods to, but excluding, the Make-Whole Acquisition Conversion Date; plus
- the present value of all remaining future dividend payments on the converted share through and including August 13, 2010 (excluding (a) any unpaid dividends accrued during the portion of the then-current dividend period through, but excluding, the Make-Whole Acquisition Conversion Date, and (b) if the Make-Whole Acquisition Conversion Date is after the record date for any declared dividend, any of those dividends for the then-current dividend period) discounted at an annual rate equal to 6.75%.

If the Make-Whole Acquisition Conversion Date is after the record date for any declared dividends, the holder as of the record date of the converted shares will be paid those dividends on the relevant dividend payment date, rather than the Make-Whole Acquisition Conversion Date.

Procedures for Conversion During Make-Whole Acquisition Conversion Period

In order for a registered holder of Preferred Stock to convert shares of Preferred Stock during the Make-Whole Acquisition Conversion Period, the registered holder must do each of the following by 5:00 p.m., New York City Time, on the last day of the Make-Whole Acquisition Conversion Period:

- obtain a form of conversion notice from Wells Fargo Bank, N.A., which will be the conversion agent for the Preferred Stock, from and after the Effective Date, at its address set forth below under “Conversion Agent”;
- complete and manually sign the conversion notice that can be obtained, or a facsimile of the conversion notice, and deliver the conversion notice to Wells Fargo Bank, N.A., at its address set forth below under “Conversion Agent”;
- surrender the shares of Preferred Stock being converted to Wells Fargo Bank, N.A. in accordance with the conversion notice;
- if required, furnish appropriate endorsements and transfer documents; and
- if required, pay all transfer or similar taxes.

If a holder holds shares of Preferred Stock through a broker, bank or other nominee, the holder should consult with his or her broker, bank or other nominee for the actions that must be taken, and the timing for taking such actions, in order to convert shares of Preferred Stock during the Make-Whole Acquisition Conversion Period. Wells Fargo Bank, N.A., as conversion agent, will, on a registered holder’s behalf, deliver the Share Consideration and Cash Consideration (and cash in lieu of fractional shares) into which the Preferred Stock is converted, and the dividend amounts payable upon conversion of Preferred Stock, in accordance with the instructions set forth on the completed and signed conversion notice delivered by or on behalf of the registered holder.

The person or persons entitled to receive the shares of New Merck Common Stock issuable upon conversion of the Preferred Stock will be treated as the holder(s) of such shares as of the close of business on the Make-Whole Acquisition Conversion Date. Prior to the close of business on the Make-Whole Acquisition Conversion Date, the shares of New Merck Common Stock issuable upon conversion of the Preferred Stock will not be deemed to be outstanding for any purpose and holders of Preferred Stock will have no rights with respect to the New Merck Common Stock.

New Merck will pay any documentary, stamp or similar issue or transfer tax or duty due on the issue of shares New Merck Common Stock and payment of cash upon conversion of Preferred Stock. However, a holder of Preferred Stock that converts must pay any such tax or duty which is due because such shares of New Merck Common Stock are issued in a name other than such holder’s name or such cash is paid to a person other than the holder of the Preferred Stock.

Conversion Agent

From and after the Effective Date, Wells Fargo Bank, N.A. will be the new conversion agent for the Preferred Stock. Its address and telephone number are:

Wells Fargo Bank, N. A.
Shareowner Services,
161 N. Concord Exchange
South St. Paul, MN 55075
Phone: 1-800-522-9114

The Bank of New York, the existing conversion agent for the Preferred Stock, will be the conversion agent until the Effective Date.

Taxpayer Identification Information

Each registered holder converting shares of Preferred Stock must provide to Wells Fargo Bank, N.A. such holder's correct Taxpayer Identification Number, which generally is such holder's Social Security Number or federal Employer Identification Number, and certain other information, on the Substitute Form W-9, a form of which may be obtained from Wells Fargo Bank, N.A., or, alternatively, to establish another basis for exemption from backup withholding. Failure to provide the correct information on the form may subject the holder to a \$50 penalty imposed by the Internal Revenue Service and tax backup withholding of 28% on the payments made to the holder or to the payee with respect to shares of Preferred Stock which are converted

If a holder holds shares of Preferred Stock through a broker, bank or other nominee, the holder should consult with his or her broker, bank or other nominee with respect to whether the holder must complete any tax forms in connection with the conversion of shares of Preferred Stock.

Holders of the Preferred Stock should consult their tax advisor for further guidance regarding the completion of the Substitute Form W-9, IRS Form W-8BEN, or another version of IRS Form W-8 to claim exemption from backup withholding.

Conversion After the Make-Whole Acquisition Conversion Period

If a holder does not elect to convert shares of Preferred Stock during the Make-Whole Acquisition Conversion Period, the holder's shares will remain outstanding and subject to automatic conversion into Cash Consideration and Share Consideration on the mandatory conversion date of August 13, 2010 (the "Mandatory Conversion Date"), or may be converted into Cash Consideration and Share Consideration, in whole or in part, at the option of the holder at any time prior to the Mandatory Conversion Date.

Each share of Preferred Stock that is converted into Cash Consideration and Share Consideration at the option of the holder at any time after the Make-Whole Acquisition Conversion Period and prior to the Mandatory Conversion Date will be converted into Cash Consideration, based on a fixed "Minimum Cash Conversion Rate" of 7.4206 that will not be subject to "anti-dilution adjustments," and Share Consideration, based on a "Minimum Share Conversion Rate" that will initially be 7.4206, but will be subject to "anti-dilution adjustments" as described below. Accordingly, for each share of Preferred Stock so converted, the holder will receive

- o \$77.9163 in cash (\$10.50 multiplied by the Minimum Cash Conversion Rate of 7.4206); and
- o a number of shares of New Merck Common Stock equal to 0.5767 multiplied by the Minimum Share Conversion Rate then in effect.

Each share of Preferred Stock that is subject to automatic conversion on the Mandatory Conversion Date will be converted into Cash Consideration and Share Consideration based on mandatory conversion rates applicable to the Cash Consideration (the "Mandatory Cash Conversion Rate") and to the Share Consideration (the "Mandatory Share Conversion Rate") determined as follows.

The Mandatory Cash Conversion Rate will be determined by dividing \$250 by the Applicable Market Value of a Merger Consideration Unit (determined as described below), except that the Mandatory Cash Conversion Rate will be no less than the Minimum Cash Conversion Rate of 7.4206 nor more than the "Maximum Cash Conversion Rate" of 9.0909.

The Minimum Cash Conversion Rate and the Maximum Cash Conversion Rate will not be subject to “anti-dilution adjustments.”

The Mandatory Share Conversion Rate will also be determined by dividing \$250 by the Applicable Market Value of a Merger Consideration Unit (determined as described below). The Mandatory Share Conversion Rate will also be no less than the Minimum Share Conversion Rate and no more than the “Maximum Share Conversion Rate.” Although the Minimum Share Conversion Rate and Maximum Share Conversion Rate will initially be 7.4206 and 9.0909, respectively, these rates will be subject to “anti-dilution adjustments” as described below.

The “Applicable Market Value” of a Merger Consideration Unit used to calculate the Mandatory Cash Conversion Rate and the Mandatory Share Conversion Rate will be equal to:

- \$10.50, plus
- the average of the closing prices for the shares of New Merck Common Stock over the 20 consecutive trading days ending on the third trading day immediately preceding the Mandatory Conversion Date, multiplied by the 0.5767.

For each share of Preferred Stock that is subject to automatic conversion on the Mandatory Conversion Date, the holder will receive

- an amount of cash equal to \$10.50 multiplied by the Mandatory Cash Conversion Rate; and
- a number of shares of New Merck Common Stock equal to 0.5767 multiplied by the Mandatory Share Conversion Rate.

The Mandatory Cash Conversion Rate and/or the Mandatory Share Conversion Rate may exceed or be less than the Make-Whole Acquisition Conversion Rate.

Cash will be paid in lieu of fractional shares of New Merck Common Stock otherwise deliverable upon conversion of Preferred Stock. For Provisional Conversions, conversions made during the Make-Whole Acquisition Conversion Period and conversions made on the Mandatory Conversion Date, the amount of cash to be paid in lieu of fractional shares is based on the average of the daily closing prices on the New York Stock Exchange (as reflected on the website of the New York Stock Exchange) for the shares of New Merck Common Stock over the five consecutive trading days preceding the trading day immediately preceding the date of conversion. For conversion at the option of the holder after the Make-Whole Acquisition Conversion Period but before the Mandatory Conversion Date, the amount of cash to be paid in lieu of fractional shares is based on the closing price of the New Merck Common Stock determined as of the second trading day immediately preceding the effective date of the conversion.

Anti-Dilution Adjustments

After the Merger, the Minimum Share Conversion Rate and Maximum Share Conversion Rate will initially be 7.4206 and 9.0909, respectively, and the “Threshold Appreciation Price” and the “Initial Price” applicable to a “Merger Consideration Unit” will initially be \$33.69 and \$27.50, respectively. However, these rates and prices will be subject to anti-dilution adjustments upon the occurrence of certain “dilutive” events with respect to the New Merck Common Stock similar to the anti-dilution adjustments to which the “Minimum Conversion Rate” and “Maximum Conversion Rate” and the “Threshold Appreciation Price” and the “Initial Price” would have been subject upon the occurrence of those “dilutive” events with respect to the SP Common Stock.

Specifically, after the Merger, the Minimum Share Conversion Rate and Maximum Share Conversion Rate will be subject to adjustment upon the payment by New Merck of any regularly scheduled quarterly dividend in excess of a dividend threshold amount of \$0.065 per share of New Merck Common Stock. After the Merger, New Merck intends to pay a quarterly dividend of \$0.38 per share of New Merck Common Stock. Accordingly, each such dividend paid by New Merck will result in an anti-dilution adjustment that will increase the Minimum Share Conversion Rate and Maximum Share Conversion Rate. On the dividend record date for each such dividend, the Minimum Share Conversion Rate and Maximum Share Conversion Rate will be adjusted to equal the Minimum Share Conversion Rate or Maximum Share Conversion Rate, as applicable, in effect prior to such date multiplied by a fraction with a numerator equal to the average of the closing prices for the shares of New Merck Common Stock over the five consecutive trading days ending on the on the day before the excess-dividend date (the “Pre-Ex Average Price”) and a denominator equal to the Pre-Ex Average Price less \$0.315 (the amount by which the \$0.38 per share dividend exceeds \$0.065). Each time the Minimum

Share Conversion Rate and the Maximum Share Conversion Rate are adjusted, the Initial Price and the Threshold Appreciation Price will be adjusted inversely and proportionately.

Neither the Minimum Cash Conversion Rate nor the Maximum Cash Conversion Rate will be subject to any anti-dilution adjustment after the Merger. As such, changes to the Minimum Share Conversion Rate, the Maximum Share Conversion Rate, the Initial Price and the Threshold Appreciation Price will not impact the amount of Cash Consideration a holder of shares of Preferred Stock will receive upon conversion of those shares.

Where You Can Find More Information

Schering-Plough and Merck file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (“SEC”). These SEC filings are available to the public over the Internet at the SEC’s website at www.sec.gov. You may also read and copy any document the Company files with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549 or obtain copies of these documents at prescribed rates by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its Public Reference Room.

The documents listed below (as they may be amended from time to time) contain important information about Schering-Plough, Merck, New Merck and the Preferred Stock, and holders should review these documents carefully before determining whether or not to convert their shares of Preferred Stock during the Make-Whole Acquisition Conversion Period as described in this Notice or otherwise retain or dispose of their shares of Preferred Stock:

- Schering-Plough’s annual report on Form 10-K for the year ended December 31, 2008, filed with the SEC on February 27, 2009;
- Merck’s annual report on Form 10-K for the year ended December 31, 2008, filed with the SEC on February 27, 2009;
- Schering Plough’s quarterly report on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009, filed with the SEC on May 1, 2009 and July 24, 2009, respectively;
- Merck’s quarterly report on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009, filed with the SEC on May 4, 2009 and August 3, 2009, respectively;
- the description of the Preferred Stock and related rights set forth in Schering Plough’s prospectus filed with the SEC on August 10, 2007;
- Schering-Plough’s Certificate of Incorporation filed as Exhibit 3.1 to Schering-Plough’s current report on Form 8-K filed with the SEC on September 18, 2007;
- the joint proxy statement/prospectus relating to the Merger filed by Schering-Plough with the SEC on May 20, 2009; and
- Future filings Schering-Plough, Merck and New Merck make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, on or after the date of this Notice.

In the event of conflicting information in the documents referred to above, the information in the latest filed documents should be considered correct. Holders should not assume that the information in this Notice or any of the documents referred to above is accurate as of any date other than the date of the applicable document.

SCHERING-PLOUGH CORPORATION