

The following table shows the financial results for Merck & Co., Inc. and subsidiaries for the quarter ended March 31, 2009, compared with the corresponding period of the prior year.

Merck & Co., Inc.
Consolidated Results
(In Millions Except Earnings per Common Share)
Quarter Ended March 31
(Unaudited)

	<u>2009</u>	<u>2008</u>	<u>% Change</u>
Sales	\$5,385.2	\$5,822.1	(8)%
Costs, Expenses and Other			
Materials and production ⁽¹⁾	1,333.8	1,238.1	8
Marketing and administrative ⁽²⁾	1,632.9	1,854.4	(12)
Research and development ⁽³⁾	1,224.2	1,078.3	14
Restructuring costs ⁽⁴⁾	64.3	69.7	(8)
Equity income from affiliates	(585.8)	(652.1)	(10)
Other (income) expense, net ⁽⁵⁾	(67.2)	(2,209.2)	(97)
Income Before Taxes	1,783.0	4,442.9	(60)
Taxes on Income ⁽⁶⁾	327.2	1,108.4	
Net Income ⁽⁷⁾	\$1,455.8	\$3,334.5	(56)
Less: Net income attributable to noncontrolling interests ⁽⁷⁾	30.8	31.9	
Net Income Attributable to Merck & Co., Inc. ⁽⁷⁾	\$1,425.0	\$3,302.6	(57)
Average Shares Outstanding Assuming Dilution	2,109.2	2,172.4	
Earnings per Common Share Assuming Dilution ⁽⁸⁾	\$0.67	\$1.52	(56)

(1) Includes restructuring costs of \$22 million in the first quarter of 2009 and \$15 million in the first quarter of 2008 primarily related to accelerated depreciation associated with Merck's global restructuring programs.

(2) Reflects merger-related costs of \$7 million in the first quarter of 2009. Includes the impact of reserving an additional \$40 million in the first quarter of 2008 solely for future legal defense costs for FOSAMAX litigation.

(3) Includes restructuring costs of \$88 million in the first quarter of 2009 primarily related to accelerated depreciation associated with Merck's 2008 global restructuring program.

(4) Restructuring costs represent separation and other related costs, as well as gains on sales of facilities and related assets in the first quarter of 2008, associated with the global restructuring programs.

(5) Other (income) expense, net, in the first quarter of 2009 reflects \$12 million of merger-related expenses. Other (income) expense, net, in the first quarter of 2008 reflects a \$2.2 billion gain related to a distribution from AstraZeneca LP, a \$300 million expense for a contribution to The Merck Company Foundation, a \$249 million gain on the company's remaining worldwide rights to AGGRASTAT, and a \$55 million charge in connection with the resolution of an investigation into whether the company violated state consumer protection laws with respect to the sales and marketing of VIOXX.

(6) The first-quarter 2009 effective tax rate was 18.4%. The effective tax rate excluding the impact of restructuring charges and merger-related costs was 19.4%, reflecting a benefit of approximately 4 percentage points resulting from the previously disclosed settlement reached with the Canada Revenue Agency. The effective tax rate of 24.9% in the first quarter of 2008 reflects the unfavorable impact of the AstraZeneca LP gain being fully taxable in the United States at a combined federal and state tax rate of approximately 36.3%, partially offset by the favorable impact of approximately 4 percentage points relating to the first quarter realization of foreign tax credits.

(7) On January 1, 2009, the company adopted Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51*, the provisions of which, among others, require that a company present a consolidated net income measure that includes the amounts attributable to noncontrolling interests (formerly minority interests) and also to present the amounts of consolidated net income attributable to the parent and to the noncontrolling interest for all periods presented.

(8) On January 1, 2009, the company adopted FASB Staff Position EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*, which requires the allocation of net income between common shareholders and participating security holders when computing earnings per share. As a result, the net income available to common shareholders used to calculate earnings per share assuming dilution was \$1,420.9 million and \$3,294.2 million for the first quarter of 2009 and 2008, respectively.