

The following table shows the financial results for Merck & Co., Inc. and subsidiaries for the quarter ended June 30, 2009, compared with the corresponding period of the prior year.

Merck & Co., Inc. Consolidated Results (In Millions Except Earnings per Common Share) Quarter Ended June 30 (Unaudited)			
	<u>2009</u>	<u>2008</u>	<u>% Change</u> (3) %
Sales	\$5,899.9	\$6,051.8	
Costs, Expenses and Other			
Materials and production ⁽¹⁾	1,353.9	1,396.5	(3)
Marketing and administrative ⁽²⁾	1,729.5	1,930.2	(10)
Research and development ⁽³⁾	1,395.3	1,169.3	19
Restructuring costs ⁽⁴⁾	37.4	102.2	(63)
Equity income from affiliates	(587.1)	(523.0)	12
Other (income) expense, net ⁽⁵⁾	3.6	(112.8)	*
Income Before Taxes	1,967.3	2,089.4	(6)
Taxes on Income ⁽⁶⁾	379.0	290.2	
Net Income	\$1,588.3	\$1,799.2	(12)
Less: Net Income Attributable to Noncontrolling Interests	32.0	30.9	
Net Income Attributable to Merck & Co., Inc.	\$1,556.3	\$1,768.3	(12)
Average Shares Outstanding Assuming Dilution	2,110.0	2,151.9	
Earnings per Common Share Assuming Dilution Attributable to Merck & Co., Inc. Common Shareholders ⁽⁷⁾	\$0.74	\$0.82	(10)

* > 100%

(1) Includes restructuring costs of \$47 million in the second quarter of 2009 and \$16 million in the second quarter of 2008 primarily related to accelerated depreciation associated with Merck's global restructuring programs.

(2) Reflects merger-related costs of \$44 million and the impact reserving an additional \$25 million solely for future legal defense costs for FOSAMAX litigation in the second quarter of 2009.

(3) Includes restructuring costs of \$108 million in the second 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 associated with the global restructuring programs.

(5) Other (income) expense, net in the second quarter of 2009 reflects \$50 million of merger-related costs.

(6) The second quarter 2009 effective tax rate was 19.3%. The effective tax rate excluding the impact of restructuring charges and merger-related costs was 20.4%, reflecting a benefit of approximately five percentage points resulting from favorable 2009 tax settlements. The second quarter 2008 effective tax rate was 13.9%. The effective tax rate excluding the impact of restructuring charges was 15.0%, reflecting a net benefit of approximately nine percentage points primarily relating to the favorable impact of 2008 tax settlements.

(7) 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 \$1,551.5 million and \$1,763.6 million for the second quarter of 2009 and 2008, respectively.

The following table shows the financial results for Merck & Co., Inc. and subsidiaries for the six months ended June 30, 2009, compared with the corresponding period of the prior year.

Merck & Co., Inc.
Consolidated Results
(In Millions Except Earnings per Common Share)
Six Months Ended June 30
(Unaudited)

	<u>2009</u>	<u>2008</u>	<u>% Change</u>
Sales	\$11,285.1	\$11,873.9	(5) %
Costs, Expenses and Other			
Materials and production ⁽¹⁾	2,687.7	2,634.6	2
Marketing and administrative ⁽²⁾	3,362.5	3,784.7	(11)
Research and development ⁽³⁾	2,619.5	2,247.6	17
Restructuring costs ⁽⁴⁾	101.7	171.9	(41)
Equity income from affiliates	(1,173.0)	(1,175.1)	---
Other (income) expense, net ⁽⁵⁾	(63.6)	(2,322.0)	(97)
Income Before Taxes	3,750.3	6,532.2	(43)
Taxes on Income ⁽⁶⁾	706.2	1,398.6	
Net Income	\$3,044.1	\$5,133.6	(41)
Less: Net Income Attributable to Noncontrolling Interests	62.8	62.8	
Net Income Attributable to Merck & Co., Inc.	\$2,981.3	\$5,070.8	(41)
Average Shares Outstanding Assuming Dilution	2,109.8	2,163.2	
Earnings per Common Share Assuming Dilution Attributable to Merck & Co., Inc. Common Shareholders ⁽⁷⁾	\$1.41	\$2.34	(40)

(1) Includes restructuring costs of \$69 million in the first six months of 2009 and \$31 million in the first six months of 2008 primarily related to accelerated depreciation associated with Merck's global restructuring programs.

(2) Includes merger-related costs of \$50 million in the first six months of 2009. Also, includes the impact of reserving an additional \$25 million in the first six months of 2009 and \$40 million in the first six months of 2008 solely for future legal defense costs for FOSAMAX litigation.

(3) Includes restructuring costs of \$196 million in the first six months 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 2008, associated with global restructuring programs.

(5) Other (income) expense, net in the first six months of 2009 reflects \$63 million of merger-related costs. Other (income) expense, net in the first six months 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 \$58 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 effective tax rate was 18.8% for the first six months of 2009. The effective tax rate excluding the impact of restructuring charges and merger-related costs was 19.9%, reflecting a net benefit of approximately five percentage points resulting from second quarter 2009 tax settlements as well as the settlement reached with the Canada Revenue Agency in first quarter 2009. The effective tax rate was 21.4% for the first six months of 2008. The effective tax rate excluding the impacts of the gain on distribution from AstraZeneca LP and restructuring charges was 14.7%, reflecting a net benefit of approximately eight percentage points primarily relating to the favorable impact of 2008 tax settlements and the realization of foreign tax credits.

(7) 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 \$2,972.3 million and \$5,057.7 million for the first six months of 2009 and 2008, respectively.