

The following table shows the financial results for Merck & Co., Inc. and subsidiaries for the quarter ended September 30, 2008, compared with the corresponding period of the prior year.

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

	<u>2008</u>	<u>2007</u>	<u>% Change</u> (2)%
Sales	\$5,943.9	\$6,074.1	
Costs, Expenses and Other			
Materials and production ⁽¹⁾	1,477.9	1,517.7	(3)
Marketing and administrative ⁽²⁾	1,730.3	1,951.4	(11)
Research and development ⁽³⁾	1,171.1	1,440.5	(19)
Restructuring costs ⁽⁴⁾	757.5	49.3	*
Equity income from affiliates	(665.6)	(768.5)	(13)
Other (income) expense, net ⁽⁵⁾	61.8	(180.9)	*
Income Before Taxes	1,410.9	2,064.6	(32)
Taxes on Income ⁽⁶⁾	318.2	539.1	
Net Income	\$1,092.7	\$1,525.5	(28)
Average Shares Outstanding Assuming Dilution	2,135.6	2,192.8	
Earnings per Common Share Assuming Dilution	\$0.51	\$0.70	(27)

* > 100%

(1) Includes restructuring costs of \$59 million in the third quarter of 2008 and \$129 million in the third quarter of 2007 primarily related to accelerated depreciation associated with Merck's global restructuring programs.

(2) Includes the impact of reserving an additional \$70 million in the third quarter of 2007 solely for future legal defense costs for VIOXX litigation.

(3) Includes restructuring costs of \$31 million in the third quarter of 2008. Includes acquired research expense of \$325 million related to the acquisition of NovaCardia, Inc. in the third quarter of 2007.

(4) Restructuring costs represent separation and other related costs associated with the global restructuring programs.

(5) Includes \$88 million of recognized losses in the Company's investment portfolio in the third quarter of 2008. Includes a net gain of approximately \$100 million in the third quarter of 2007 related to the settlements of certain patent disputes.

(6) The third quarter 2008 effective tax rate was 22.6%. The effective tax rate excluding the impact of restructuring charges was 24.5%.

The following table shows the financial results for Merck & Co., Inc. and subsidiaries for the nine months ended September 30, 2008, compared with the corresponding period of the prior year.

Merck & Co., Inc. Consolidated Results (In Millions Except Earnings per Common Share) Nine Months Ended September 30 (Unaudited)			
	<u>2008</u>	<u>2007</u>	<u>% Change</u> (1)%
Sales	\$17,817.9	\$17,954.8	
Costs, Expenses and Other			
Materials and production ⁽¹⁾	4,112.5	4,595.9	(11)
Marketing and administrative ⁽²⁾	5,515.0	5,837.2	(6)
Research and development ⁽³⁾	3,418.7	3,501.0	(2)
Restructuring costs ⁽⁴⁾	929.4	170.9	*
Equity income from affiliates	(1,840.7)	(2,180.2)	(16)
Other (income) expense, net ⁽⁵⁾	(2,197.4)	(521.2)	*
Income Before Taxes	7,880.4	6,551.2	20
Taxes on Income ⁽⁶⁾	1,716.8	1,644.9	
Net Income	\$6,163.6	\$4,906.3	26
Average Shares Outstanding Assuming Dilution	2,156.8	2,187.4	
Earnings per Common Share Assuming Dilution	\$2.86	\$2.24	28

* > 100%

(1) Includes restructuring costs of \$90 million in the first nine months of 2008 and \$366 million in the first nine months of 2007 primarily related to accelerated depreciation associated with Merck's global restructuring programs.

(2) Includes the impact of reserving an additional \$40 million in 2008 solely for future legal defense costs for FOSAMAX litigation and \$280 million in 2007 solely for future legal defense costs for VIOXX litigation.

(3) Includes restructuring costs of \$31 million in 2008 and acquired research expense of \$325 million related to the acquisition of NovaCardia, Inc. in 2007.

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

(5) Other (income) expense, net in the first nine 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 sale of the Company's remaining worldwide rights to AGGRASTAT, \$108 million of recognized losses in the Company's investment portfolio 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. Other (income) expense, net in the first nine months of 2007 primarily reflects the favorable impact of gains on sales of assets and product divestitures, as well as a net gain on the settlements of certain patent disputes.

(6) The effective tax rate was 21.8% for the first nine months of 2008. The effective tax rate excluding the impacts of the gain on distribution from AstraZeneca LP and restructuring charges was 18.1% reflecting a net benefit of approximately six percentage points primarily relating to the favorable impact of tax settlements and the realization of foreign tax credits.