

The following table shows the financial results for Merck & Co., Inc. and subsidiaries for the quarter ended September 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 September 30
(Unaudited)

	<u>2009</u>	<u>2008</u>	<u>% Change</u>
Sales	\$6,049.7	\$5,943.9	2 %
Costs, Expenses and Other			
Materials and production ⁽¹⁾	1,430.3	1,477.9	(3)
Marketing and administrative ⁽²⁾	1,725.5	1,730.3	--
Research and development ⁽³⁾	1,254.0	1,171.1	7
Restructuring costs ⁽⁴⁾	42.4	757.5	(94)
Equity income from affiliates	(688.2)	(665.6)	3
Other (income) expense, net ⁽⁵⁾	(2,791.1)	30.6	*
Income Before Taxes	5,076.8	1,442.1	*
Taxes on Income ⁽⁶⁾	1,621.5	318.2	
Net Income	\$3,455.3	\$1,123.9	*
Less: Net Income Attributable to Noncontrolling Interests	31.0	31.2	
Net Income Attributable to Merck & Co., Inc.	\$3,424.3	\$1,092.7	*
Average Shares Outstanding Assuming Dilution	2,113.7	2,132.7	
Earnings per Common Share Assuming Dilution Attributable to Merck & Co., Inc. Common Shareholders ⁽⁷⁾	\$1.61	\$0.51	*

* > 100%

(1) Includes restructuring costs of \$27 million in the third quarter of 2009 and \$59 million in the third quarter of 2008 primarily related to accelerated depreciation associated with Merck's global restructuring programs.

(2) Reflects merger-related costs of \$56 million and the impact of reserving an additional \$40 million and \$15 million solely for future legal defense costs for VIOXX and FOSAMAX litigation, respectively, in the third quarter of 2009.

(3) Includes restructuring costs of \$48 million in the third quarter of 2009 and \$31 million in the third quarter of 2008 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) Primarily reflects a \$2.8 billion gain on the sale of the company's interest in Merial Limited, as well as \$127 million of recognized gains in the company's investment portfolio and \$88 million of merger-related costs in the third quarter of 2009. Included in the third quarter of 2008 is \$88 million of recognized losses in the company's investment portfolio.

(6) The third quarter 2009 effective tax rate was 31.9%. The effective tax rate excluding the impact of the gain on the sale of the company's interest in Merial Limited, restructuring charges and merger-related costs was 24.7% for the third quarter of 2009. The third quarter 2008 effective tax rate was 22.1%. The effective tax rate excluding the impact of restructuring charges was 24.2% for the third quarter of 2008.

(7) On January 1, 2009, the company adopted new guidance issued by the Financial Accounting Standards Board ("FASB") for computing earnings per share which requires the allocation of net income between common shareholders and participating security holders. As a result, the net income attributable to common shareholders used to calculate earnings per share assuming dilution was \$3,412.6 million and \$1,089.9 million for the third quarter of 2009 and 2008, respectively.

The following table shows the financial results for Merck & Co., Inc. and subsidiaries for the nine months ended September 30, 2009, 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>2009</u>	<u>2008</u>	<u>% Change</u> (3) %
Sales	\$17,334.8	\$17,817.9	
Costs, Expenses and Other			
Materials and production ⁽¹⁾	4,118.0	4,112.5	--
Marketing and administrative ⁽²⁾	5,088.0	5,515.0	(8)
Research and development ⁽³⁾	3,873.5	3,418.7	13
Restructuring costs ⁽⁴⁾	144.1	929.4	(84)
Equity income from affiliates	(1,861.2)	(1,840.7)	1
Other (income) expense, net ⁽⁵⁾	(2,854.7)	(2,291.3)	25
Income Before Taxes	8,827.1	7,974.3	11
Taxes on Income ⁽⁶⁾	2,327.7	1,716.8	
Net Income	\$6,499.4	\$6,257.5	4
Less: Net Income Attributable to Noncontrolling Interests	93.8	93.9	
Net Income Attributable to Merck & Co., Inc.	\$6,405.6	\$6,163.6	4
Average Shares Outstanding Assuming Dilution	2,110.6	2,153.8	
Earnings per Common Share Assuming Dilution Attributable to Merck & Co., Inc. Common Shareholders ⁽⁷⁾	\$3.03	\$2.85	6

(1) Includes restructuring costs of \$96 million in the first nine months of 2009 and \$90 million in the first nine months of 2008 primarily related to accelerated depreciation associated with Merck's global restructuring programs.

(2) Includes merger-related costs of \$106 million in the first nine months of 2009. Also, includes the impact of reserving an additional \$40 million solely for future legal defense costs for VIOXX litigation in the first nine months of 2009. Additionally, reflects the impact of reserving an additional \$40 million in both the first nine months of 2009 and 2008 solely for future legal defense costs for FOSAMAX litigation.

(3) Includes restructuring costs of \$244 million in the first nine months of 2009 and \$31 million in the first nine months of 2008 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 nine months of 2009 primarily reflects a \$2.8 billion gain on the sale of the company's interest in Merial Limited, \$226 million of recognized gains in the company's investment portfolio, \$151 million of merger-related costs and an \$80 million charge related to the settlement of the company's VIOXX third-party payor litigation in the United States. 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 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.

(6) The effective tax rate was 26.4% for the first nine months of 2009. The effective tax rate excluding the impact of the sale of the company's interest in Merial Limited, restructuring charges and merger-related costs was 21.7%, reflecting a net benefit of approximately three percentage points resulting from 2009 tax settlements, including the settlement reached with the Canada Revenue Agency in first quarter 2009. The effective tax rate was 21.5% 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 17.9% for the first nine months of 2008, reflecting a net benefit of approximately five 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 new guidance issued by the FASB for computing earnings per share which requires the allocation of net income between common shareholders and participating security holders. As a result, the net income attributable to common shareholders used to calculate earnings per share assuming dilution was \$6,385.4 million and \$6,147.5 million for the first nine months of 2009 and 2008, respectively.