

The following table shows the financial results for Merck & Co., Inc. and subsidiaries for the quarter ended December 31, 2007, compared with the corresponding period of the prior year.

Merck & Co., Inc. Consolidated Results (In Millions Except Earnings per Common Share) Quarter Ended December 31 (Unaudited)			
	<u>2007</u>	<u>2006</u>	<u>% Change</u>
Sales	\$ 6,242.8	\$6,044.2	3%
Costs, Expenses and Other			
Materials and production ⁽¹⁾	1,544.8	1,669.1	(7)
Marketing and administrative ⁽²⁾	1,719.5	2,345.8	(27)
Research and development ⁽³⁾	1,381.7	1,722.9	(20)
Restructuring costs ⁽⁴⁾	156.2	55.8	*
Equity (income) from affiliates	(796.3)	(584.2)	36
U.S. VIOXX Settlement Agreement charge ⁽⁵⁾	4,850.0	--	
Other (income) expense, net ⁽⁶⁾	567.4	(77.1)	*
(Loss) Income Before Taxes	(3,180.5)	911.9	*
Income Tax (Benefit) Provision ⁽⁷⁾	(1,549.6)	438.0	
Net (Loss) Income	\$(1,630.9)	\$473.9	*
Average Shares Outstanding			
Assuming Dilution ⁽⁸⁾	2,177.7	2,184.6	
(Loss) Earnings per Common Share			
Assuming Dilution ⁽⁸⁾	\$(0.75)	\$0.22	*

* > 100%

- (1) Includes restructuring costs of \$117.5 million in the fourth quarter of 2007 and \$164.3 million in the fourth quarter of 2006 primarily related to accelerated depreciation and asset impairment costs associated with Merck's global restructuring program announced in November 2005.
- (2) Includes a gain of \$454.6 million in the fourth quarter of 2007 relating to an insurance arbitration settlement. Marketing and administrative expenses in the fourth quarter of 2006 include the impact of reserving an additional \$75 million solely for future VIOXX legal defense costs and reserving \$48 million for FOSAMAX legal defense costs.
- (3) Includes acquired research expense of \$466.2 million in the fourth quarter of 2006 resulting from the acquisition of Sirna Therapeutics, Inc.
- (4) Restructuring costs in 2007 and 2006 represent separation and other related costs associated with the global restructuring program.
- (5) Represents a previously disclosed charge to fund the Company's obligation under the U.S. VIOXX Settlement Agreement entered into on November 9, 2007.
- (6) Other (income) expense, net reflects a civil governmental investigations charge of \$671.1 million in the fourth quarter of 2007.
- (7) The effective tax rate of 48.7% in the fourth quarter of 2007 reflects the impacts of the U.S. VIOXX Settlement Agreement charge, the civil governmental investigations charge and the gain relating to an insurance arbitration settlement. In addition, the tax rate reflects the favorable impacts of fourth quarter adjustments relating to certain federal and state tax items.
- (8) Because the Company recorded a loss in the fourth quarter of 2007, no potential dilutive common shares were used in the computation of loss per share assuming dilution as the effect would have been anti-dilutive.

The following table shows the financial results for Merck & Co., Inc. and subsidiaries for the year ended December 31, 2007, compared with the corresponding period of the prior year.

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

	<u>2007</u>	<u>2006</u>	<u>% Change</u>
Sales	\$24,197.7	\$22,636.0	7%
Costs, Expenses and Other			
Materials and production ⁽¹⁾	6,140.7	6,001.1	2
Marketing and administrative ⁽²⁾	7,556.7	8,165.4	(7)
Research and development ⁽³⁾	4,882.8	4,782.9	2
Restructuring costs ⁽⁴⁾	327.1	142.3	*
Equity (income) from affiliates	(2,976.5)	(2,294.4)	30
U.S. VIOXX Settlement Agreement charge ⁽⁵⁾	4,850.0	--	
Other (income) expense, net ⁽⁶⁾	46.2	(382.7)	*
Income Before Taxes	3,370.7	6,221.4	(46)
Taxes on Income ⁽⁷⁾	95.3	1,787.6	
Net Income	\$3,275.4	\$4,433.8	(26)
Average Shares Outstanding			
Assuming Dilution	2,192.9	2,187.7	
Earnings per Common Share			
Assuming Dilution	\$1.49	\$2.03	(27)

* > 100%

- (1) Includes restructuring costs of \$483.1 million in 2007 and \$736.4 million in 2006 primarily related to accelerated depreciation and asset impairment costs associated with Merck's global restructuring program announced in November 2005.
- (2) Includes a gain of \$454.6 million in 2007 relating to an insurance arbitration settlement. In addition, marketing and administrative expenses include the impact of reserving an additional \$280 million in 2007 and \$673 million in 2006 solely for future VIOXX legal defense costs. Also included in 2006 is the impact of reserving \$48 million for FOSAMAX legal defense costs.
- (3) Included in 2007 is acquired research expense of \$325.1 million resulting from the acquisition of NovaCardia, Inc. Included in 2006 is acquired research expense of \$762.5 million resulting from the acquisitions of Sirna Therapeutics, Inc. and GlycoFi, Inc. Research and development expenses in 2006 also include restructuring costs of \$56.8 million primarily related to accelerated depreciation associated with the global restructuring program.
- (4) Restructuring costs in 2007 and 2006 represent separation and other related costs, as well as gains on the sales of facilities in 2006, associated with the global restructuring program.
- (5) Represents a previously disclosed charge to fund the Company's obligation under the U.S. VIOXX Settlement Agreement entered into on November 9, 2007.
- (6) Other (income) expense, net in 2007 reflects a civil governmental investigations charge of \$671.1 million partially offset by 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.
- (7) The effective tax rate of 2.8% in 2007 reflects the impacts of the U.S. VIOXX Settlement Agreement charge, the civil governmental investigations charge and the gain relating to an insurance arbitration settlement. In addition, the tax rate reflects the favorable impacts of fourth quarter adjustments relating to certain federal and state tax items.