

The following table shows the financial results for Merck & Co., Inc. and subsidiaries for the quarter ended December 31, 2008, 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>2008</u>	<u>2007</u>	<u>% Change</u> (3)%
Sales	\$6,032.4	\$6,242.8	
Costs, Expenses and Other			
Materials and production ⁽¹⁾	1,470.0	1,544.8	(5)
Marketing and administrative ⁽²⁾	1,862.1	1,719.5	8
Research and development ⁽³⁾	1,386.6	1,381.7	--
Restructuring costs ⁽⁴⁾	103.1	156.2	(34)
Equity income from affiliates	(720.0)	(796.3)	(10)
U.S. VIOXX Settlement Agreement charge	--	4,850.0	*
Other (income) expense, net ⁽⁵⁾	3.2	567.4	(99)
Income (Loss) Before Taxes	1,927.4	(3,180.5)	*
Income Tax Provision (Benefit) ⁽⁶⁾	282.6	(1,549.6)	
Net Income	\$1,644.8	\$(1,630.9)	*
Average Shares Outstanding			
Assuming Dilution ⁽⁷⁾	2,113.3	2,177.7	
Earnings (Loss) per Common Share			
Assuming Dilution ⁽⁷⁾	\$0.78	\$(0.75)	*

* \geq 100%

(1) Includes restructuring costs of \$33 million in the fourth quarter of 2008 and \$118 million in the fourth quarter of 2007 primarily related to accelerated depreciation associated with Merck's global restructuring programs.

(2) Includes the impact of reserving an additional \$62 million in the fourth quarter of 2008 solely for future legal defense costs for VIOXX litigation. Includes a gain of \$455 million in the fourth quarter of 2007 relating to an insurance arbitration settlement.

(3) Includes restructuring costs of \$97 million in the fourth quarter of 2008.

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

(5) Other (income) expense, net includes a \$671 million charge in the fourth quarter of 2007 related to the resolution of certain civil governmental investigations.

(6) The fourth quarter 2008 effective tax rate was 14.7%. The effective tax rate excluding the impact of restructuring charges for the fourth quarter of 2008 was 14.5%. Both rates reflect a benefit of approximately 5 percentage points relating to the favorable tax impact of foreign exchange rate changes during the quarter, particularly the strengthening of the Japanese yen against the U.S. dollar. Both rates also reflect a benefit of approximately 3 percentage points relating to the U.S. research and development tax credit which was enacted as part of the Emergency Economic Stabilization Act on Oct. 3, resulting in the full year benefit being recorded in the fourth quarter. The fourth quarter 2007 effective tax rate was 48.7% which 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 2007 adjustments relating to certain federal and state tax items.

(7) 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 twelve months ended December 31, 2008, compared with the corresponding period of the prior year.

Merck & Co., Inc. Consolidated Results (In Millions Except Earnings per Common Share) Twelve Months Ended December 31 (Unaudited)			
	<u>2008</u>	<u>2007</u>	<u>% Change</u> (1)%
Sales	\$23,850.3	\$24,197.7	
Costs, Expenses and Other			
Materials and production ⁽¹⁾	5,582.5	6,140.7	(9)
Marketing and administrative ⁽²⁾	7,377.0	7,556.7	(2)
Research and development ⁽³⁾	4,805.3	4,882.8	(2)
Restructuring costs ⁽⁴⁾	1,032.5	327.1	*
Equity income from affiliates	(2,560.6)	(2,976.5)	(14)
U.S. VIOXX Settlement Agreement charge	--	4,850.0	*
Other (income) expense, net ⁽⁵⁾	(2,194.2)	46.2	*
Income Before Taxes	9,807.8	3,370.7	*
Taxes on Income ⁽⁶⁾	1,999.4	95.3	
Net Income	\$7,808.4	\$3,275.4	*
Average Shares Outstanding			
Assuming Dilution	2,145.3	2,192.9	
Earnings per Common Share			
Assuming Dilution	\$3.64	\$1.49	*

* \geq 100%

(1) Includes restructuring costs of \$123 million in 2008 and \$483 million in 2007 primarily related to accelerated depreciation associated with Merck's global restructuring programs.

(2) Includes the impact of reserving an additional \$102 million in 2008 solely for future legal defense costs for VIOXX and FOSAMAX litigation and \$280 million in 2007 solely for future legal defense costs for VIOXX litigation. Includes a gain of \$455 million in 2007 relating to an insurance arbitration settlement.

(3) Includes restructuring costs of \$128 million in 2008 and acquired research expense related to the acquisition of NovaCardia, Inc. of \$325 million in 2007.

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

(5) Other (income) expense, net in 2008 reflects a \$2.2 billion gain on 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, \$117 million, net, 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 2007 reflects a civil governmental investigations charge of \$671 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.

(6) The full year 2008 effective tax rate was 20.4%. The 2008 effective tax rate excluding the impacts of the first-quarter gain on distribution from AstraZeneca LP and restructuring charges was 17.2%. Both of these rates reflect an aggregate net benefit of approximately 6 percentage points primarily relating to the first-quarter realization of foreign tax credits, the second quarter favorable impact of tax settlements and the fourth quarter favorable tax impact of foreign exchange rate changes and a benefit relating to the U.S. research and development tax credit. The effective tax rate of 2.8% for full-year 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 2007 effective tax rate reflects the favorable impacts of fourth quarter adjustments relating to certain federal and state tax items.