



Today's Merck: **Worldwide Licensing Strategy**

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Forward-looking statement

This presentation contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and involve risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include statements regarding product development, product potential or financial performance. No forward-looking statement can be guaranteed and actual results may differ materially from those projected. Merck undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this presentation should be evaluated together with the many uncertainties that affect Merck's business, particularly those mentioned in the risk factors and cautionary statements in Item 1A of Merck's Form 10-K for the year ended Dec. 31, 2009, and in any risk factors or cautionary statements contained in the Company's periodic reports on Form 10-Q or current reports on Form 8-K, which the Company incorporates by reference.

Agenda



● *Today's Merck*

● **Merck's Worldwide Licensing Strategy**

● **Innovative Partnerships**

Key Company Facts for *Today's* Merck

MERGER	In 2009, Merck and Schering-Plough merged to become a stronger, more dynamic healthcare leader. We are known as Merck in the US and Canada and everywhere else as MSD .
HEADQUARTERS	Whitehouse Station, New Jersey, U.S.A.
BUSINESSES	Pharmaceuticals, Vaccines, Biologics, Consumer Health Care and Animal Health
2009 REVENUES	\$41 billion ¹
2009 R&D EXPENSE	\$8.4 billion ²
GLOBAL OPERATIONS	Merck operates in more than 140 countries
EMPLOYEES	Approximately 100,000
LICENSING	In 2009, 51 significant licensing and partnership deals were executed.

¹ Merck Top-line sales figure represents Global Human Health Supplemental Combined Non-GAAP sales only and 50% of JV revenue for Sanofi-Pasteur and J&J/Merck

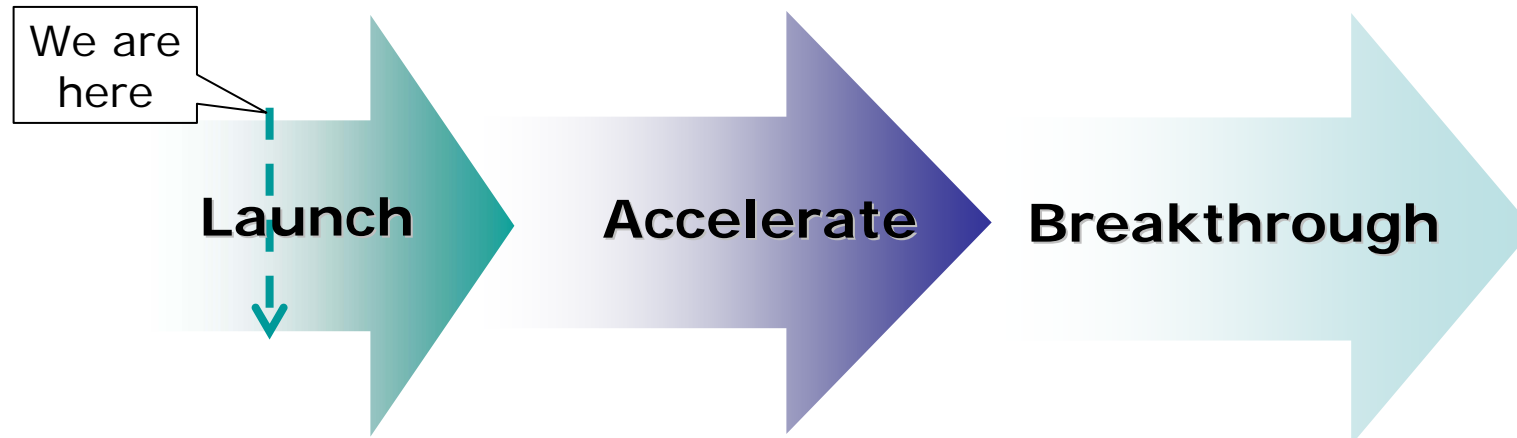
² Reported R&D expenses for Schering Plough 1 – 3Q 2009 plus Merck 2009 R&D spend

Today's Merck Is Best Positioned

- ... To meet evolving needs in a global healthcare environment
- ... To drive growth
- ... To maximize total shareholder return



Best Positioned ... and Delivering a Successful Merger



- ✓ Continued strong growth of key brands in first 2 quarters
- ✓ Built an outstanding leadership team
- ✓ Prioritized and advanced key R&D projects and launched new drugs
- ✓ Completed commercial integration of 16 of top 20 markets
- ✓ Announced plans to create a Merck and sanofi-aventis animal health JV
- ✓ Made significant progress on synergies and new operating model

... Creating a unified culture and new organization

Best Positioned ... and Off to a Fast Start¹

		\$ millions	YoY change
SINGULAIR	Allergic Rhinitis/Asthma	\$2,425	11%
ZETIA/VYTORIN	Atherosclerosis	\$2,202	4%
COZAAR/HYZAAR	Hypertension	\$1,737	1%
JANUVIA/JANUMET	Diabetes	\$1,472	37%
REMICADE	Autoimmune Disorders	\$1,309	30%
NASONEX	Allergic Rhinitis	\$606	3%
PROQUAD/MMRII/VARIVAX	Viral Vaccines	\$652	19%
TEMODAR	Oncology	\$565	16%
GARDASIL	HPV Vaccine	\$510	-7%
ISENTRESS	HIV	\$466	68%
TOTAL Global Human Health Sales		\$20,598	7%
TOTAL Animal Health Sales		\$1,468	13%
TOTAL Consumer Care Sales		\$611	1%

¹ 4 Q'09 + 1Q'10 Supp. Comb. Non-GAAP Sales. For a definition of Supplemental Combined Non-GAAP sales and a reconciliation of these amounts to amounts reported in accordance with GAAP, see table in 05/11/2010 8K filing.

Best Positioned for Success in Evolving Healthcare Environment

- Healthcare reform
- Global pricing environment
- Major patent expirations
- Regulatory environment
- Follow-on biologics
- Emerging markets
- Preventive medicine



Best Positioned to Offer Customers a Portfolio of Options in Key Therapeutic Areas

CV and Diabetes	 <i>(ezetimibe/simvastatin)</i>	 <i>(ezetimibe)</i>	 <i>(eptifibatide) Injection</i>	 <i>(sitagliptin) tablets</i>	 <i>(sitagliptin/metformin HCl) tablets</i>	
Infectious Diseases		 <i>posaconazole Oral Suspension</i>	 <i>(ertapenem sodium) IV/IM</i>	 <i>raltegravir tablets</i>	 <i>(casopfungin acetate) IV</i>	 <i>Peginterferon alfa-2b</i>
Respiratory/ Bone/ Imm/Derm	 <i>Twisthaler® 90 mg</i> <i>(mometasone furoate inhalation powder)</i>	 <i>(desloratadine) 5 mg</i>	 <i>(mometasone furoate monohydrate)</i>	 <i>ONCE-A-DAY (montelukast sodium)</i>		 <i>golimumab</i>
	 <i>INFLIXIMAB</i>	 <i>(alendronate sodium/cholecalciferol) tablets</i>	 <i>(finasteride)</i>	 <i>(etoricoxib, MSD)</i>		
Women's Health	 <i>(etonogestrel/ethinyl estradiol vaginal ring)</i>	 <i>(etonogestrel implant) 68 mg</i>		 <i>recombinant FSH follicitropin beta</i>	 <i>tibolone</i>	
Neuro/ Ophthalmology	 <i>(asenapine) sublingual tablets 5 and 10 mg</i>	 <i>(rafluprost, MSD)</i>	 <i>sugammadex</i>	 <i>MIKALAPINE</i>	 <i>(rizatriptan benzoate)</i>	
Oncology	 <i>(aprepitant)</i>	 <i>(vorinostat) capsules</i>		 <i>Interferon Alfa-2b, Recombinant for Injection</i>	 <i>DRUG ELUC IPSONICAN SULFONATE HCl</i>	
Vaccines	 <i>(Rotavirus Vaccine, Live, Oral, Pentavalent)</i>	 <i>(VARICELLA VIRUS VACCINE LIVE)</i>		 <i>influenza virus vaccine</i>	 <i>(Quadrivalent Human Papillomavirus (Types 6, 11, 16, 18) Recombinant Vaccine)</i>	 <i>(Zoster Vaccine Live (Oka/Merck))</i>
Mature Brands	 <i>(SIMVASTATIN)</i>	 <i>(losartan potassium tablets)</i>	 <i>(fluticasone propionate) Inhalation Aerosol</i>	 <i>Non-Drowsy</i>		

New Commercial Model: Drives Strong Performance

- Merck has launched a new commercial model globally:
 - Model is flexible with execution based on local market dynamics and customer input



Portfolio approach to marketing our products

Focus on customer value and trust

Engage payors early and often

Open and robust dialogue with scientific leaders

Multi-channel approaches and new technologies

Solutions to improve health outcomes

Best Positioned R&D Pipeline

» Filed 2009

- BRINAVESS (EU)
- DULERA²
- NOMAC/E2 (EU)
- SYCREST (EU)

» File 2010¹

- Boceprevir
- JANUMET XR (US)
- NOMAC/E2 (US)
- Ridaforolimus
- Sitagliptin + Simvastatin

» File 2011¹

- AIT Grass³ (US)
- BRIDION (US)
- Ezetimibe + Atorvastatin
- SAFLUTAN (US)
- Sitagliptin + Pioglitazone
- Telcagepant
- Vorapaxar

» File 2012¹

- Acadesine
- AIT Ragweed (US)
- ELONVA (US)
- MK-0524A (US)
- MK-0524B
- MK-4305
- Odanacatib
- V503

¹Anticipated filing date

²Trade name DULERA is under regulatory review in the US

³Anticipated filing 2010/2011

Best Positioned to Successfully Launch New Products

- Track record of strong launches
- New commercial model focused on customers
- Strong local execution
- Primary care and specialty care capabilities
- Focused on driving growth

2010 Merck Research & Development Highlights

- Filings
 - 3 New Molecular Entities (NMEs) recently approved
 - 4 NMEs under review
- Major market filings anticipated in 2010
 - 5 NMEs and combination products
 - 5 Products with new indications
- Ongoing late-stage programs in 2010 (US/EU)
 - 21 NMEs and combinations in Phase III
 - Inclusive of the 5 listed above
 - 8 Major new indications
 - Inclusive of the 5 listed above
- Life cycle management: expanding value of key products

Merck Pipeline¹

Phase II	Phase II	Phase III	Phase III	Combination Products in Development ⁷
Allergy, Immunotherapy SCH 900237 ²	HIV, vicriviroc (SCH 417690)	Allergy, Grass Pollen SCH 697243 ²	Hepatitis C, boceprevir (SCH 503034)	Atherosclerosis Ezetimibe + atorvastatin (MK-0653C)
Asthma MK-0476C	Hot Flashes MK-6913	Allergy, Ragweed SCH 039641 ²	Insomnia MK-4305	Diabetes JANUMET XR (US)
Atrial Fibrillation, vernakalant (MK-6621 [oral])	Insomnia MK-6096	Atherosclerosis MK-0524A ³ (US)	Ischemia-Reperfusion Injury, acadesine (SCH 900395)	Diabetes, Sitagliptin + simvastatin (MK-0431D)
Colorectal cancer dalotuzumab (MK-0646)	Osteoporosis MK-5442	Atherosclerosis MK-0524B	Migraine, telcagepant (MK-0974)	Under Review
Cancer, dinaciclib (SCH 727965)	Parkinson's Disease, preladenant (SCH 420814)	Atherosclerosis, anacetrapib (MK-0859)	Neuromuscular blockade reversal, BRIDION ⁵ (SCH 900616) (US)	Asthma DULERA ⁸ (SCH 418131) (US/EU)
Cancer, SCH 900776	Pediatric Vaccine V419	Cervical Cancer, V503 HPV vaccine (9 valent)	Osteoporosis, odanacatib (MK-0822)	Atrial Fibrillation BRINAVESS (MK-6621) ⁹ (EU)
<i>Clostridium difficile</i> Infection, MK-3415A	Progeria, lonafarnib (SCH 066336)	Contraception, NOMAC/E2 (SCH 900121) (US)	Sarcoma, ridaforolimus (MK-8669)	Contraception NOMAC/E2 (SCH 900121) (EU)
COPD SCH 527123	Schizophrenia, MK-8998	Diabetes, sitagliptin/pioglitazone (MK-0431C)	Staph Infection, daptomycin for injection (MK-3009) ⁶	Schizophrenia, Bipolar Disorder, SYCREST (SCH 900274) (EU)
Contraception, Medicated IUS (SCH 900342)	Schizophrenia SCH 900435	Fertility, corifollitropin alfa (SCH 900962) ³ (US)	Thrombosis, vorapaxar (SCH 530348)	
Diabetes MK-3577	Staph Infection V710	Glaucoma, SAFLUTAN (MK-2452) ⁴ (US)		
Hepatitis C, vaniprevir (MK-7009)	Thrombosis, betrixaban (MK-4448)			

1 The Pipeline is as of April 30, 2010

2 North American rights only

3 Approved in Europe

4 Approved in certain countries in Europe and Japan

5 Approved in Europe and Japan

6 Japanese rights only

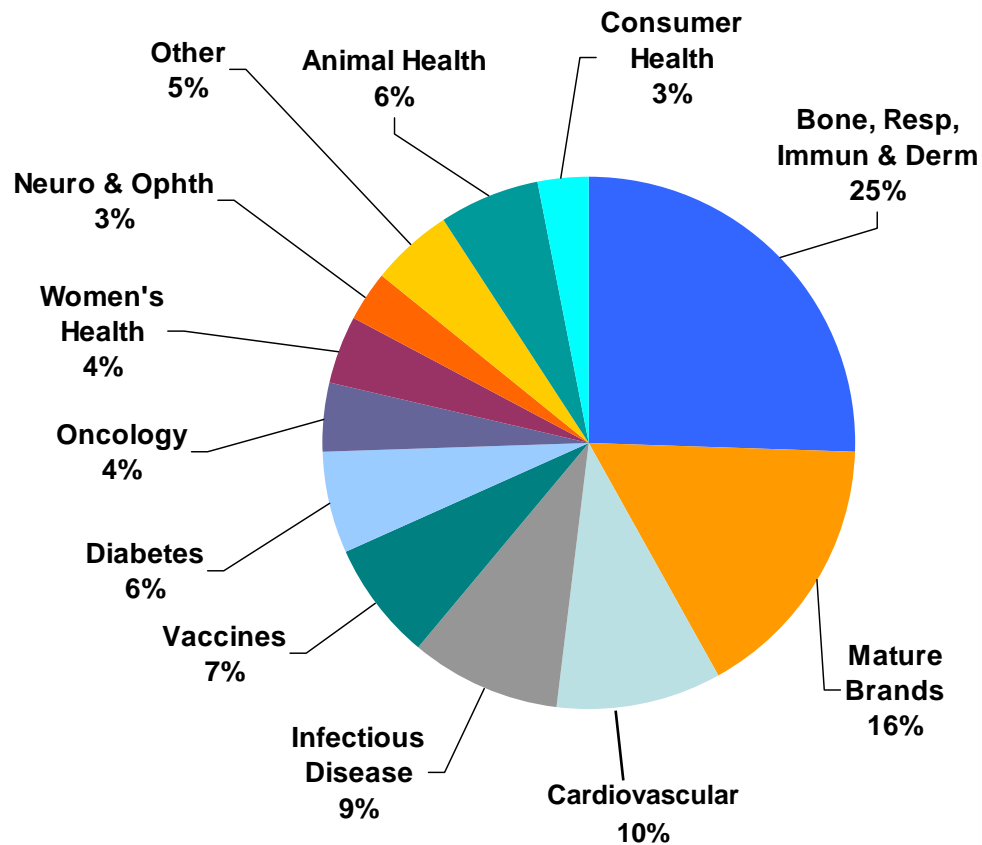
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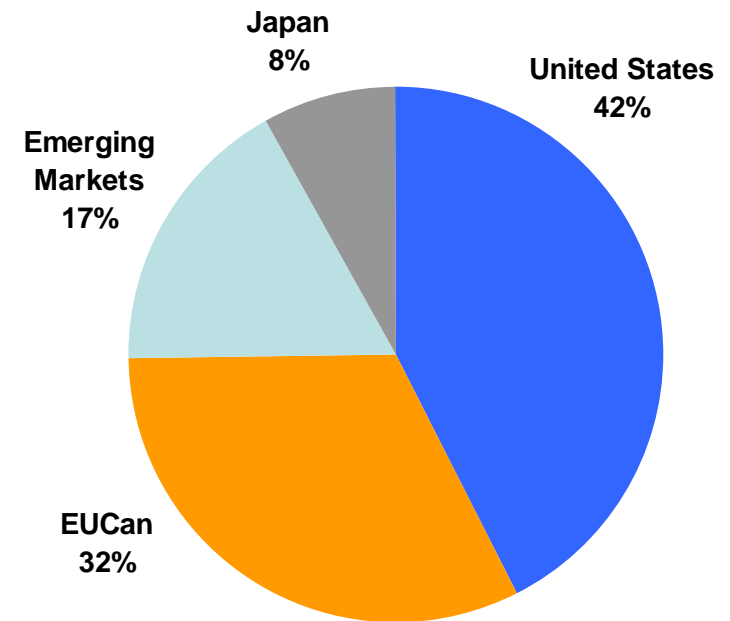
9 Exclusive rights outside of the United States, Canada, and Mexico

A Diverse Portfolio and Global Presence

1Q 2010 Total Revenue



1Q 2010 Pharma & Vaccines Revenue¹



¹ Excludes \$38 million of other sales in 1Q 2010

Agenda



● Today's Merck

● *Merck's Worldwide Licensing Strategy*

● Innovative Partnerships

Today's Merck R&D Strategy: Continued Investment in Innovation

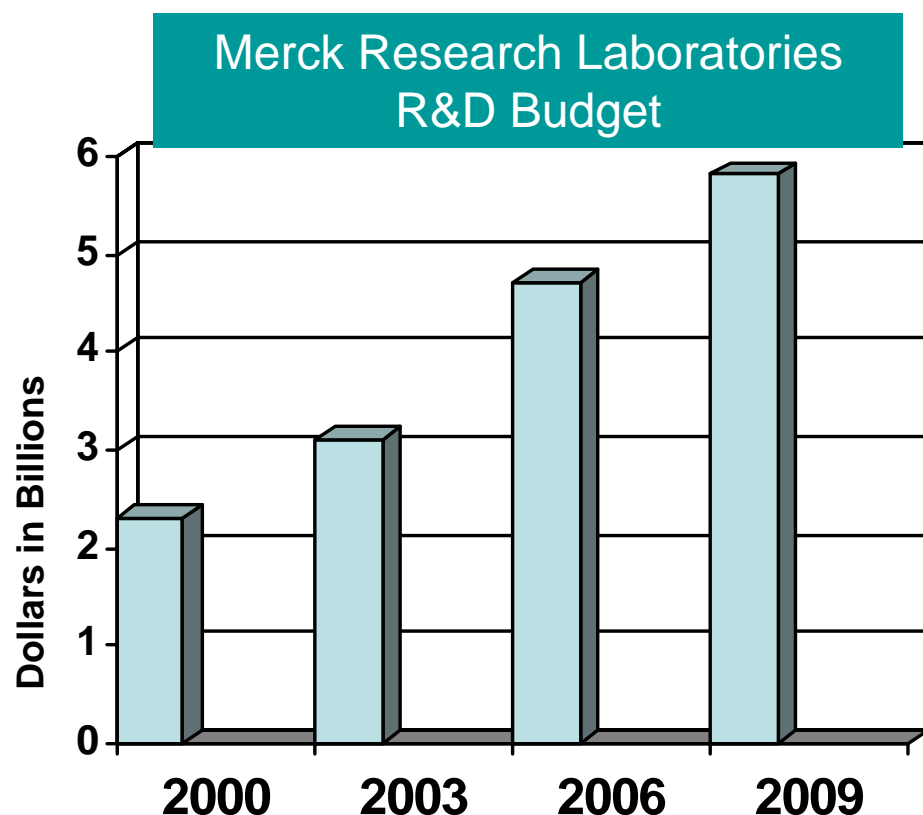
Extract greatest pipeline value from Innovative internal and external R&D

- Ensure a strong internal research capability
- Leverage this capability through collaborations
- Openly collaborate with the best partners
- Continually evaluate potential transactions
 - From platform technologies to late-stage product opportunities
 - In a coordinated approach across the company
- Celebrate the global and distributed nature of innovation!



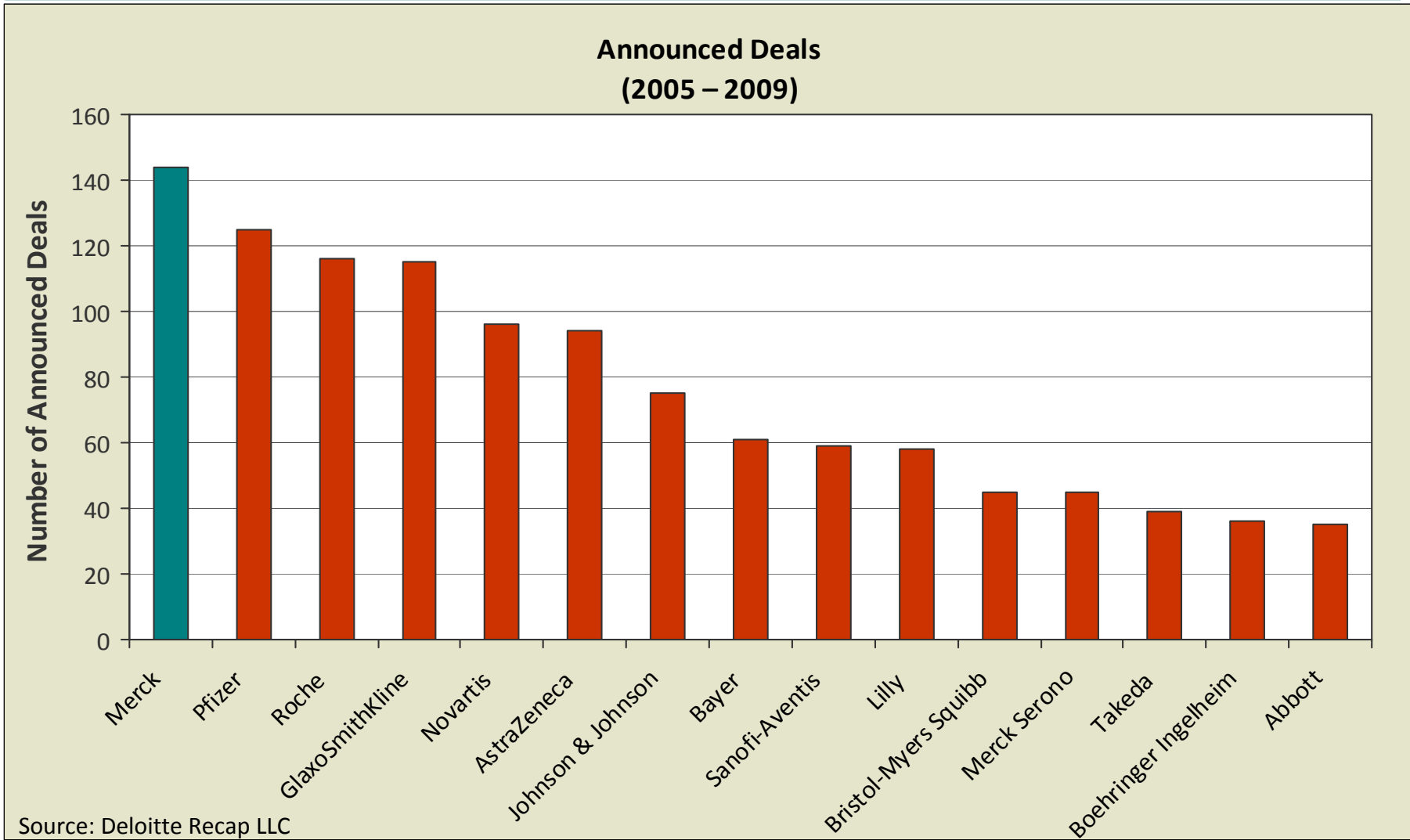
Merck's Commitment to Research & Development

"I believe Merck has the best pipeline in the industry. We continue to lead the way in creating innovative and differentiated candidates designed to address major unmet medical needs."



**Dr. Peter Kim, President,
Merck Research Laboratories**

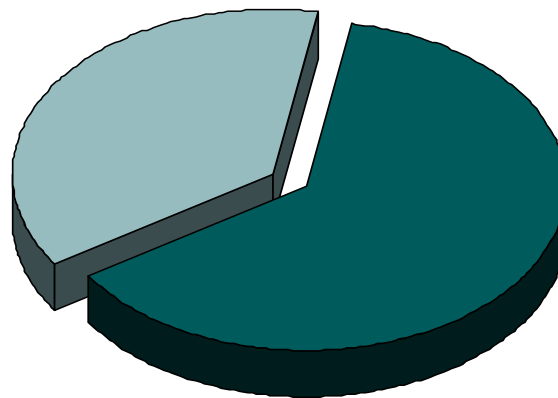
Merck's Commitment to Partnering



Merck Licensing Strategy Results in High-Value Alliances

Approximately 63% of Merck's 2009 revenue* is attributable to alliance products and patents

- COZAAR / HYZAAR
- FOSAMAX
- GARDASIL
- ZETIA / VYTORIN
- NEXIUM
- VARIVAX
- ROTATEQ
- ZOSTAVAX



Licensed Products or Patents:
63% of total sales

** Includes 12 months of Merck human health revenue, 2 months of legacy human health Schering-Plough revenue, 50% of full year JV revenue (Sanofi-Pasteur MSD, Johnson&Johnson°Merck) and 10 months of Merck/Schering-Plough revenue.*

Merck Pipeline¹

Contribution of Licensing

Phase II	Phase II	Phase III	Phase III	Combination Products in Development ⁷
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 = Licensed Product or Patent

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- 8 Trade name DULERA is under regulatory review in the US
- 9 Exclusive rights outside of the United States, Canada, and Mexico

Select transactions: 2008-2010

Licensing Aligns with Franchises and New Technologies



ID and Vaccines

DNDi
MBL/Medarex
Orchid
Pfenex
UT San Antonio
Wellcome Trust



Oncology

AstraZeneca
Celera
Dana Farber
Eli Lilly/Pfizer



Diabetes/Obesity

Envoy
Galapagos
Marcadia



Neurosciences and Ophthalmology

Addex (PD & Schiz)
Santen



Bone/Respiratory/ Immunology/ Dermatology

Galapagos
Harvard
Japan Tobacco
Nycomed



Technologies

Adimab
Avecia Biologics*
BG Medicine
Depomed
Insmed*
MicroDose
Nuevolution
Roche



Cardiovascular

Cardiome
ElexoPharm
Galapagos
Portola
Xenon

*acquisition



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Overview of Merck's licensing process



▶ *Connecting with You*

- Worldwide scouts build relationships and seek out opportunities
- Nonconfidential information submitted for review



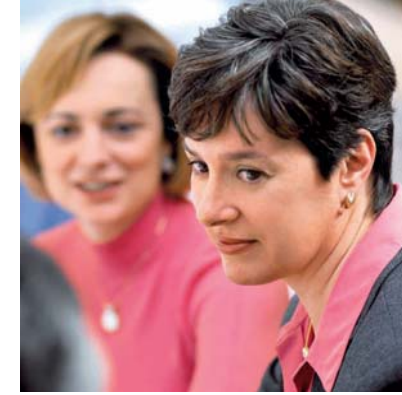
▶ *Understanding Your Science*

- Initial nonconfidential review by Review and Licensing Committees
- Confidentiality disclosure agreement signed
- Confidential review
- Face-to-face scientific meetings
- Commercial assessment



▶ *Doing the Deal*

- Term sheet negotiations conducted by Transaction Manager
- Due diligence
- Definitive agreements negotiated
- Agreements executed



▶ *Working Together*

- Alliance Management
 - Alliance managers assigned
 - Alliance launched
 - Monitor progress throughout the agreement
- Basic Research Collaboration Implementation
 - Senior scientists dedicated to successful execution of the research collaboration

COMBINING OUR STRENGTHS
SHARING OUR SUCCESSES

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Whitehouse Station, N.J., U.S.A.

We Have Defined Our Areas of Interest

- Merck publishes our Areas of Interest twice each year.
- For each therapeutic area, we list the Mechanism of Actions that we are interested in and those that we are not.
- Late-stage clinical compounds (phase III-ready or beyond) are of interest in any therapeutic area.
- Visit us at: www.merck.com/licensing to learn more!



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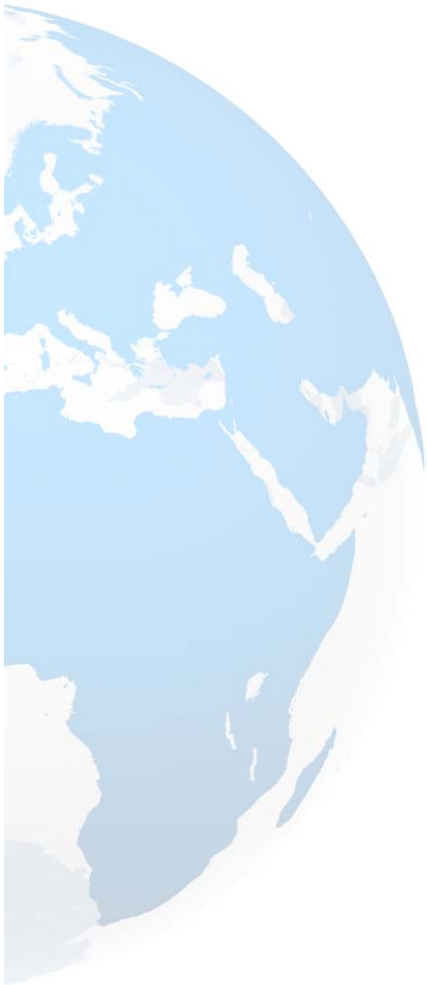
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Merck's Business Model Now Includes Out-licensing

- Following Merck's recent pipeline prioritization process, a number of assets were identified that will not be further developed by Merck.
- The decision was not based on the quality of the assets, but rather the large number of development compounds/programs, technologies, devices and formulations that *Today's* Merck now holds.
- The Outlicensing team resides in MRL and is charged with finding external partners who will be able to harness the value of these assets and move important discoveries forward.
- Our processes vary according to the asset or therapeutic area. In some cases, Merck will proactively seek potential partners based on demonstrated expertise in a specific area.



Agenda



● Today's Merck

● Merck's Worldwide Licensing Strategy

● *Innovative Partnerships*

ElexoPharm and Merck Collaborate on Novel Candidates for Cardiovascular Disease (May '10)

- ElexoPharm GmbH and Merck announced a partnership to develop and commercialize novel candidates targeting aldosterone synthase for the potential treatment of cardiovascular disease.
- ElexoPharm is focused on preclinical medicinal chemistry research concerning the design and development of new drugs, using novel therapeutic approaches for human diseases, which are currently not or insufficiently treatable with existing drugs.
- Under the terms of the agreement, Merck is responsible for development, regulatory filings, manufacturing and commercialization activities.
- This agreement underscores Merck's ongoing commitment to developing breakthrough cardiovascular medicines

Portola: Partnering with Merck on Novel Investigational Oral Anticoagulant for CV Disease (July '09)

- Global collaboration and license agreement for betrixaban, an investigational oral Factor Xa inhibitor anticoagulant in Phase II for the prevention of stroke in patients with atrial fibrillation (SPAF).
 - In addition to SPAF, betrixaban could be developed in other indications, including the treatment or prevention of life threatening blood clots in patients undergoing high risk orthopedic and general surgery as well as those with acute and chronic medical illness.
 - Merck assumed development and commercialization costs. Portola retains option to co-fund Phase III clinical trials in return for additional royalties and to co-promote betrixaban with Merck in the United States.
- **UPDATE, March 15, 2010:** Portola Pharmaceuticals and Merck Announce that Phase II Study Showed Investigational Factor Xa Inhibitor, Betrixaban, Reduced Incidence of Bleeding Compared to Warfarin in Patients with Atrial Fibrillation

Medarex and MBL: Agreement with Merck for Investigational Antibody for *C. difficile* Infection (April '09)

- Exclusive worldwide licensing agreement for CDA-1 and CDB-1, an investigational fully human monoclonal antibody combination developed to target and neutralize *Clostridium difficile* toxins A and B, for the treatment of *C. difficile* infection (CDI).
- CDA-1 and CDB-1 were co-developed by Medarex and MBL. Merck gains worldwide rights to develop and commercialize CDA-1 and CDB-1.
- Top-line results from a Phase II multicenter, randomized, double-blind, placebo-controlled trial evaluating CDA-1/CDB-1 provided evidence of a statistically significant reduction in the rate of recurrence of CDI compared with placebo.
- This agreement underscores Merck's ongoing commitment to infectious disease research and the licensing of promising candidates with the potential to address serious unmet medical needs.

AnaptysBio Collaborates with Merck in Developing Novel Antibody Therapeutics (Feb '10)

- AnaptysBio, a privately-held therapeutic antibody platform and product company, entered into a strategic collaboration with Merck, through an affiliate, to develop novel antibody therapeutics to an undisclosed disease target.
- AnaptysBio will be responsible for generating novel antibodies to a specified disease target using its proprietary somatic hypermutation (SHM) technology platform.
- Merck will receive worldwide rights to develop and commercialize antibodies optimized by AnaptysBio.
- AnaptysBio received an upfront sum and is eligible to receive milestone payments and royalties associated with the development and sale of any products derived from the collaboration.
- The technology platform provides a powerful new approach for the generation of antibodies to meet challenging therapeutic design goals.

BG Medicine and Merck Collaborate on Blood Test Related to Lipid Disorders (Feb '10)

- BG Medicine entered into a research collaboration with Merck for the development and validation of a novel biomarker with potential application in the management of lipid disorders.
- BG Medicine will pursue development and validation of an immunoassay and investigate its clinical utility as a biomarker. If successful, BG Medicine plans to complete the development and validation studies and seek regulatory clearance for the test.
- Merck granted BG Medicine a license to certain IP and technologies for use and development of a candidate in vitro diagnostic test in exchange for certain testing services and data sharing. BG Medicine is eligible for certain payments upon achievement of established milestones.
- The project holds the potential to improve the management of a common disorder that plays an important role in the risk for heart attack and stroke, two of the most deadly medical conditions of our time.

In Summary...

- As part of our efforts to bring the best of science to patients worldwide, **today's Merck has announced more partnerships** than any other company in our industry.
- Merck is **flexible and open** to discuss and develop win-win partnerships
- Merck has a **strong track record of launching new brands** and growing brands through their lifecycle and has launched a new **commercial model** globally that is designed to deliver strong sales performance
- Visit us at www.merck.com/licensing

You've discovered something significant.
Now discover us!

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Collaboration Creates Value

Combining our Strengths Sharing our Successes

Partners

- Discovery
- Innovation
- Subject Matter expertise

Merck

- Novel technology application
- Clinical Development
- Commercialization expertise
- Subject Matter expertise

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SHARING OUR SUCCESSSES

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