

July 26, 2010

To: Holders of 6.00% Mandatory Convertible Preferred Stock of Merck & Co., Inc.

Re: Notice of Mandatory Conversion

Dear Investors:

Reference is hereby made to Annex A to the Restated Certificate of Incorporation (the "Certificate of Incorporation") of Merck & Co., Inc., a New Jersey corporation ("Merck" or the "Company"), setting forth the terms of the 6.00% Mandatory Convertible Preferred Stock of Merck (the "Preferred Stock"), formerly the 6.00% Mandatory Convertible Preferred Stock of Schering-Plough Corporation. Capitalized terms used in this notice without definition have the respective meanings ascribed to them in Annex A to the Certificate of Incorporation. You may obtain a copy of the Certificate of Incorporation for free at the Investor Relations section of the Company's website at www.merck.com or by contacting Stockholder Services Dept., WS3AB-40, Merck & Co., Inc., One Merck Drive, P.O. Box 100, Whitehouse Station, NJ 08889-0100, Phone: 1-908-423-7845.

Mandatory Conversion

Immediately prior to the close of business on August 13, 2010 (the "Mandatory Conversion Date"), each share of Preferred Stock then outstanding will automatically convert into, and holders of shares of Preferred Stock will receive for each share of Preferred Stock they hold:

- o an amount of cash equal to \$10.50 multiplied by the Cash Conversion Rate (determined as described below) (the "Cash Consideration"); and
- o a number of shares of common stock of Merck ("Merck Common Stock") equal to 0.5767 multiplied by the Share Conversion Rate (determined as described below) (the "Share Consideration").

The "Cash Conversion Rate" will be determined by dividing \$250 by the Applicable Market Value of a Conversion Unit (determined as described below), except that the Cash Conversion Rate will be no less than a minimum of 7.4206 nor more than a maximum of 9.0909.

The "Share Conversion Rate" will also be determined by dividing \$250 by the Applicable Market Value of a Conversion Unit (determined as described below), except that the Share Conversion Rate will be no less than a minimum of 7.6197 and no more than a maximum of 9.3348. These minimum and maximum rates reflect adjustments described below to be effective on the Mandatory Conversion Date.

The "Applicable Market Value" of a Conversion Unit used to calculate the Cash Conversion Rate and the Share Conversion Rate will be equal to:

- o \$10.50, plus
- o the average of the closing prices for the shares of Merck Common Stock over the 20 consecutive trading days ending on August 10, 2010, the third trading day immediately preceding the Mandatory Conversion Date, multiplied by 0.5767.

On or before the Mandatory Conversion Date, the Company will issue a press release announcing the Applicable Market Value of a Conversion Unit and the Cash Conversion Rate and the Share Conversion Rate.

Cash will be paid in lieu of fractional shares of Merck Common Stock otherwise deliverable upon the mandatory conversion of shares of Preferred Stock. The amount of cash to be paid in lieu of fractional

shares will be determined based on the average of the daily closing prices on the New York Stock Exchange (as reflected on the website of the New York Stock Exchange) for the shares of Merck Common Stock over the five consecutive trading days ending on August 11, 2010.

As of June 30, 2010, there were approximately 853,000 shares of Preferred Stock Outstanding.

In order to allow for settlement by the Mandatory Conversion Date, the last day of trading of the Preferred Stock, and also the last day to convert shares of Preferred Stock at the option of the holder as described below, will be August 12, 2010.

Early Conversion

Each share of Preferred Stock that is converted into Cash Consideration and Share Consideration at the option of the holder prior to the Mandatory Conversion Date will be converted into:

- o \$77.9163 in cash (\$10.50 multiplied by the Minimum Cash Conversion Rate of 7.4206); and
- o 4.3532 shares of Merck Common Stock (0.5767 multiplied by the current Minimum Share Conversion Rate of 7.5485).

Payment of Final Dividend

Each holder of shares of Preferred Stock as of the close of business on August 2, 2010, will also be entitled to receive a dividend of \$3.67 per share of Preferred Stock (the "Final Dividend") then held by such holder. Holders of Preferred Stock as of the close of business on August 2, 2010 that convert or transfer their shares of Preferred Stock prior to the Mandatory Conversion Date will still be entitled to receive the Final Dividend with respect to such converted or transferred shares of Preferred Stock. An investor who becomes the holder of shares of Preferred Stock after August 2, 2010 will not be entitled to receive the Final Dividend with respect to such shares of Preferred Stock (unless the holder of those shares as of the close of business on August 2, 2010 transfers the right to receive the Final Dividend to the investor).

Procedures for Conversion of Preferred Stock

In order for a registered holder of shares of Preferred Stock to receive the Cash Consideration and Share Consideration (and cash in lieu of fractional shares) payable in respect of such shares in connection with the mandatory conversion, the registered holder must do each of the following:

- obtain a form of mandatory conversion notice from Wells Fargo Bank, N.A., which will be the conversion agent for the Preferred Stock, at its address set forth below under "Conversion Agent";
- complete and manually sign the mandatory conversion notice that can be obtained, or a facsimile of the mandatory conversion notice, and deliver the mandatory conversion notice to Wells Fargo Bank, N.A., at its address set forth below under "Conversion Agent";
- surrender the shares of Preferred Stock held by such registered holder to Wells Fargo Bank, N.A., at its address set forth below under "Conversion Agent";
- if required, furnish appropriate endorsements and transfer or tax documents; and
- if required, pay all transfer or similar taxes.

Wells Fargo Bank, N.A., as conversion agent, will, on a registered holder's behalf, deliver the Cash Consideration and Share Consideration (and cash in lieu of fractional shares) payable in respect of the registered holder's shares in connection with the mandatory conversion in accordance with the instructions set forth on the completed and signed mandatory conversion notice delivered by or on behalf of the registered holder.

If a holder holds shares of Preferred Stock through a broker, bank or other nominee, the holder should consult with his or her broker, bank or other nominee for the actions that must be taken in order to receive the Cash Consideration and Share Consideration (and cash in lieu of fractional shares) payable in respect of the such holder's shares in connection with the mandatory conversion.

The person or persons entitled to receive the Share Consideration will be treated as the holder(s) of such shares as of the close of business on the Mandatory Conversion Date. Prior to the close of business on the Mandatory Conversion Date, the Share Consideration issuable upon the mandatory conversion of the Preferred Stock will not be deemed to be outstanding for any purpose and holders of Preferred Stock will have no rights with respect to the Share Consideration.

Merck will pay any documentary, stamp or similar issue or transfer tax or duty due on the issue of shares of Merck Common Stock and payment of cash upon mandatory conversion of Preferred Stock. However, a holder of Preferred Stock must pay any such tax or duty which is due because such shares of Merck Common Stock are issued in a name other than such holder's name or such cash is paid to a person other than the registered holder of the Preferred Stock.

Conversion Agent

On the Mandatory Conversion Date, Wells Fargo Bank, N.A. will be the conversion agent for the Preferred Stock. Its address and telephone number are:

Wells Fargo Bank, N. A.
Shareowner Services,
161 N. Concord Exchange
South St. Paul, MN 55075
Phone: 1-800-522-9114

Taxpayer Identification Information

In order to claim the Cash Consideration and Share Consideration (and cash in lieu of fractional shares) payable in respect of a registered holder's shares in connection with the mandatory conversion, each registered holder of Preferred Stock must provide to Wells Fargo Bank, N.A. such holder's correct Taxpayer Identification Number, which generally is such holder's Social Security Number or federal Employer Identification Number, and certain other information, on the Substitute Form W-9, a form of which may be obtained from Wells Fargo Bank, N.A., or, alternatively, to establish another basis for exemption from backup withholding. Failure to provide the correct information on the form may subject the holder to a \$50 penalty imposed by the Internal Revenue Service and tax backup withholding of 28% on the payments made to the holder or to the payee with respect to shares of Preferred Stock which are converted.

If a holder holds shares of Preferred Stock through a broker, bank or other nominee, the holder should consult with his or her broker, bank or other nominee with respect to whether the holder must complete any tax forms in connection with the mandatory conversion of shares of Preferred Stock.

Holders of Preferred Stock should consult their tax advisor for further guidance regarding the completion of the Substitute Form W-9, IRS Form W-8BEN, or another version of IRS Form W-8 to claim exemption from backup withholding.

Adjustment to the Share Conversion Rates

Section 14(a)(iv) of Annex A to the Certificate of Incorporation provides for an adjustment to the minimum and maximum Share Conversion Rates if the Company distributes a regularly scheduled quarterly cash dividend on the Merck Common Stock that exceeds \$0.065 (the "Dividend Threshold Amount") per share of Merck Common Stock. Under these circumstances, the minimum and maximum Share Conversion Rates then

in effect are adjusted by multiplying such minimum and maximum Share Conversion Rates by a fraction (the “Adjustment Fraction”) the numerator of which was the average of the closing prices for the shares of Merck Common Stock on the New York Stock Exchange over the five consecutive trading days ending on the day before the first day on which the shares of Merck Common Stock trade without the right to receive the regularly scheduled quarterly cash dividend (the “Pre-Ex Average Price”) and the denominator of which is the Pre-Ex Average Price less the amount by which the regularly scheduled quarterly cash dividend exceeds \$0.065. However, Section 14(c) of Annex A to the Certificate of Incorporation provides, however, that, if a required adjustment to the minimum or maximum Share Conversion Rates would result in an increase or decrease the minimum or maximum Share Conversion Rate of less than one percent, the adjustment need not be implemented immediately and may be carried forward and become effective as of the Mandatory Conversion Date. No adjustments are required to be made to the minimum and maximum Cash Conversion Rates.

On May 26, 2010, the Board of Directors of the Company declared a quarterly cash dividend of \$0.38 (the “Q3 Dividend”) per share of Merck Common Stock (\$0.315 in excess of the \$0.065 Dividend Threshold Amount), which was distributed on July 8, 2010 to holders of record of shares of Merck Common Stock on June 15, 2010.

The Adjustment Fraction with respect to the Q3 Dividend (the “Q3 Adjustment Fraction”), was a fraction the numerator of which is \$33.73 (the “Q3 Pre-Ex Average Price”) (the average of the closing prices for the shares of Common Stock on the New York Stock Exchange over the five consecutive trading days ending on June 10, 2010, the day before the first day on which the shares of Common Stock trade without the right to receive the Q3 Dividend) and the denominator of which was equal to \$33.415 (the Q3 Pre-Ex Average Price less \$0.315 (the amount by which the Q3 Dividend exceeded \$0.065 Dividend Threshold Amount)).

Because the increase to the minimum and maximum Share Conversion Rates that would have resulted from multiplying the minimum and maximum Share Conversion Rates by the Q3 Adjustment Fraction were less than one percent, pursuant to Section 14(c) of Annex A to the Certificate of Incorporation, no adjustment to the minimum and maximum Share Conversion Rates was made at the time of the Q3 Dividend and such adjustment was carried forward to be effective as of the Mandatory Conversion Date.

Multiplying the minimum and maximum Share Conversion Rates of 7.5485 and 9.2476, respectively, by the Q3 Adjustment Fraction and adjusting the result to the nearest 1/10,000th, the minimum and maximum Share Conversion Rates will be adjusted to 7.6197 and 9.3348, respectively, effective as of the Mandatory Conversion Date.

MERCK & CO., INC.