



**Merck & Co., Inc.**  
**Financial Highlights Package**  
**First Quarter 2012**  
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**MERCK & CO., INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS - GAAP**  
**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**  
**(UNAUDITED)**

Table 1

	GAAP		% Change
	1Q12	1Q11	
Sales	\$ 11,731	\$ 11,580	1%
Costs, Expenses and Other			
Materials and production <sup>(1)</sup>	4,037	4,059	-1%
Marketing and administrative <sup>(1)</sup>	3,074	3,164	-3%
Research and development <sup>(1)</sup>	1,862	2,158	-14%
Restructuring costs <sup>(2)</sup>	219	(14)	*
Equity income from affiliates <sup>(3)</sup>	(110)	(138)	-20%
Other (income) expense, net <sup>(1) / (4)</sup>	142	622	-77%
Income Before Taxes	2,507	1,729	45%
Income Tax Provision	740	658	
Net Income	1,767	1,071	65%
Less: Net Income Attributable to Noncontrolling Interests	29	28	
Net Income Attributable to Merck & Co., Inc.	\$ 1,738	\$ 1,043	67%
Earnings per Common Share Assuming Dilution <sup>(5)</sup>	\$ 0.56	\$ 0.34	65%
Average Shares Outstanding Assuming Dilution	3,074	3,104	
Tax Rate <sup>(6)</sup>	29.5%	38.1%	

\*100% or greater

(1) Amounts include the impact of acquisition-related costs, restructuring costs and certain other items. See accompanying tables for details.

(2) Represents separation and other related costs associated with restructuring activities under the company's formal restructuring programs.

(3) Primarily reflects equity income from the AstraZeneca LP and Sanofi Pasteur MSD partnerships.

(4) Other (income) expense, net in the first quarter of 2011 includes a charge of \$500 million related to the resolution of the arbitration proceeding with Johnson & Johnson and a \$134 million gain on the sale of certain manufacturing facilities and related assets.

(5) The company calculates earnings per share pursuant to the two-class method which requires the allocation of net income between common shareholders and participating security holders (losses are not allocated). Net income attributable to Merck & Co., Inc. common shareholders used to calculate earnings per common share assuming dilution was \$1,736 million for the first quarter of 2012 and was \$1,040 million for the first quarter of 2011.

(6) The GAAP effective tax rates for the first quarter of 2012 and 2011 were 29.5% and 38.1%, respectively. Excluding the impact of the non-GAAP reconciling items detailed in the accompanying tables, the effective tax rates were 24.8% and 25.5% for the first quarter of 2012 and 2011, respectively.

**MERCK & CO., INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS - GAAP**  
**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**  
**(UNAUDITED)**

Table 1a

	2012	2011					% Change
	1Q	1Q	2Q	3Q	4Q	Full Year	1Q
Sales	\$ 11,731	\$ 11,580	\$ 12,151	\$ 12,022	\$ 12,294	\$ 48,047	1%
Costs, Expenses and Other							
Materials and production	4,037	4,059	4,284	4,352	4,176	16,871	-1%
Marketing and administrative	3,074	3,164	3,525	3,340	3,704	13,733	-3%
Research and development	1,862	2,158	1,936	1,954	2,419	8,467	-14%
Restructuring costs	219	(14)	668	119	533	1,306	*
Equity income from affiliates	(110)	(138)	(55)	(161)	(257)	(610)	-20%
Other (income) expense, net	142	622	121	66	139	946	-77%
Income Before Taxes	2,507	1,729	1,672	2,352	1,580	7,334	45%
Income Tax Provision (Benefit)	740	658	(382)	628	37	942	
Net Income	1,767	1,071	2,054	1,724	1,543	6,392	65%
Less: Net Income Attributable to Noncontrolling Interests	29	28	30	32	31	120	
Net Income Attributable to Merck & Co., Inc.	\$ 1,738	\$ 1,043	\$ 2,024	\$ 1,692	\$ 1,512	\$ 6,272	67%
Earnings per Common Share Assuming Dilution	\$ 0.56	\$ 0.34	\$ 0.65	\$ 0.55	\$ 0.49	\$ 2.02	65%
Average Shares Outstanding Assuming Dilution	3,074	3,104	3,110	3,091	3,069	3,094	
Tax Rate	29.5%	38.1%	-22.8%	26.7%	2.3%	12.8%	

Sum of quarterly amounts may not equal year-to-date amounts due to rounding.

\*100% or greater

**MERCK & CO., INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**GAAP TO NON-GAAP RECONCILIATION**  
**FIRST QUARTER 2012**  
**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**  
**(UNAUDITED)**  
**Table 2a**

	GAAP	Acquisition- Related Costs <sup>(1)</sup>	Restructuring Costs <sup>(2)</sup>	Certain Other Items	Adjustment Subtotal	Non-GAAP
Sales	\$ 11,731				\$ -	\$ 11,731
Costs, Expenses and Other						
Materials and production	4,037	1,229	5		1,234	2,803
Marketing and administrative	3,074	51	24		75	2,999
Research and development	1,862	9	45		54	1,808
Restructuring costs	219		219		219	-
Equity income from affiliates	(110)				-	(110)
Other (income) expense, net	142				-	142
Income Before Taxes	2,507	(1,289)	(293)	-	(1,582)	4,089
Income Tax Provision	740				(276) <sup>(3)</sup>	1,016
Net Income	1,767				(1,306)	3,073
Less: Net Income Attributable to Noncontrolling Interests	29				-	29
Net Income Attributable to Merck & Co., Inc.	\$ 1,738				\$ (1,306)	\$ 3,044
Earnings per Common Share Assuming Dilution	\$ 0.56					\$ 0.99 <sup>(4)</sup>
Average Shares Outstanding Assuming Dilution	3,074					3,074
Tax Rate	29.5%					24.8%

Merck is providing non-GAAP information that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. Management believes that providing this information enhances investors' understanding of the company's performance. This information should be considered in addition to, but not in lieu of, information prepared in accordance with GAAP.

(1) Amounts included in materials and production costs reflect expenses for the amortization of intangible assets recognized as a result of mergers and acquisitions. Amounts included in marketing and administrative expenses reflect merger integration costs. Amounts included in research and development expenses represent in-process research and development ("IPR&D") impairment charges.

(2) Amounts primarily include employee separation costs and accelerated depreciation associated with facilities to be closed or divested related to actions under the company's formal restructuring programs.

(3) Represents the estimated tax impact on the reconciling items.

(4) The company calculates earnings per share pursuant to the two-class method which requires the allocation of net income between common shareholders and participating security holders. Net income attributable to Merck & Co., Inc. common shareholders used to calculate non-GAAP earnings per common share assuming dilution was \$3,040 million for the first quarter of 2012.

**MERCK & CO., INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**GAAP TO NON-GAAP RECONCILIATION**  
**FIRST QUARTER 2011**  
**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**  
**(UNAUDITED)**  
**Table 2b**

	GAAP	Acquisition- Related Costs <sup>(1)</sup>	Restructuring Costs <sup>(2)</sup>	Certain Other Items <sup>(3)</sup>	Adjustment Subtotal	Non-GAAP
Sales	\$ 11,580				\$ -	\$ 11,580
Costs, Expenses and Other						
Materials and production	4,059	1,297	72		1,369	2,690
Marketing and administrative	3,164	58	23		81	3,083
Research and development	2,158	302	45		347	1,811
Restructuring costs	(14)		(14)		(14)	-
Equity income from affiliates	(138)				-	(138)
Other (income) expense, net	622			366	366	256
Income Before Taxes	1,729	(1,657)	(126)	(366)	(2,149)	3,878
Income Tax Provision	658				(331) <sup>(4)</sup>	989
Net Income	1,071				(1,818)	2,889
Less: Net Income Attributable to Noncontrolling Interests	28				-	28
Net Income Attributable to Merck & Co., Inc.	\$ 1,043				\$ (1,818)	\$ 2,861
Earnings per Common Share Assuming Dilution	\$ 0.34					\$ 0.92 <sup>(5)</sup>
Average Shares Outstanding Assuming Dilution	3,104					3,104
Tax Rate	38.1%					25.5%

Merck is providing non-GAAP information that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. Management believes that providing this information enhances investors' understanding of the company's performance. This information should be considered in addition to, but not lieu of, information prepared in accordance with GAAP.

(1) Amounts included in materials and production costs reflect expenses for the amortization of intangible assets and the amortization of purchase accounting adjustments to inventories recognized as a result of mergers and acquisitions. Amounts included in marketing and administrative expenses reflect merger integration costs. Amounts included in research and development expenses represent in-process research and development ("IPR&D") impairment charges.

(2) Amounts primarily include employee separation costs and accelerated depreciation associated with facilities to be closed or divested related to actions under the company's formal restructuring programs.

(3) Included in other (income) expense, net is a \$500 million charge related to the resolution of the arbitration proceeding with Johnson & Johnson and a \$134 million gain on the sale of certain manufacturing facilities and related assets.

(4) Represents the estimated tax impact on the reconciling items.

(5) The company calculates earnings per share pursuant to the two-class method which requires the allocation of net income between common shareholders and participating security holders. Net income attributable to Merck & Co., Inc. common shareholders used to calculate non-GAAP earnings per common share assuming dilution was \$2,853 million for the first quarter of 2011.

**MERCK & CO., INC.**  
**FRANCHISE / KEY PRODUCT SALES**  
**(AMOUNTS IN MILLIONS)**  
**Table 3**

	2012	2011					% Change
	1Q	1Q	2Q	3Q	4Q	Full Year	1Q
<b>TOTAL SALES <sup>(1)</sup></b>	<b>\$11,731</b>	<b>\$11,580</b>	<b>\$12,151</b>	<b>\$12,022</b>	<b>\$12,294</b>	<b>\$48,047</b>	<b>1</b>
<b>PHARMACEUTICAL</b>	<b>10,082</b>	<b>9,820</b>	<b>10,360</b>	<b>10,354</b>	<b>10,755</b>	<b>41,289</b>	<b>3</b>
<b>Primary Care and Women's Health</b>							
Cardiovascular							
Zetia	614	582	592	614	640	2,428	6
Vytorin	444	480	459	469	475	1,882	-8
Diabetes & Obesity							
Januvia	919	739	779	846	960	3,324	24
Janumet	392	305	321	350	386	1,363	29
Respiratory							
Singular	1,340	1,328	1,354	1,336	1,461	5,479	1
Nasonex	375	373	323	266	325	1,286	1
Clarinox	134	155	209	128	129	621	-14
Asmanex	48	60	47	42	57	206	-19
Dulera	39	13	25	22	37	96	*
Women's Health & Endocrine							
Fosamax	184	208	221	215	211	855	-12
NuvaRing	146	142	154	159	168	623	2
Follistim AQ	116	133	143	129	126	530	-13
Implanon	76	60	81	80	74	294	27
Cerazette	67	59	66	74	69	268	14
Other							
Maxalt	156	173	131	156	178	639	-10
Arcoxia	112	114	100	108	110	431	-1
Avelox	73	106	61	59	95	322	-31
<b>Hospital and Specialty</b>							
Immunology							
Remicade	519	753	842	561	511	2,667	-31
Simponi	74	54	75	74	61	264	38
Infectious Disease							
Isentress	337	292	337	343	387	1,359	15
PegIntron	162	166	154	163	175	657	-2
Cancidas	145	158	168	150	164	640	-8
Vitreolis	111	1	21	31	87	140	*
Invanz	101	87	103	107	110	406	17
Primaxin	88	136	136	124	119	515	-35
Noxafil	59	55	56	61	59	230	7
Oncology							
Temodar	237	248	234	223	230	935	-4
Emend	102	87	120	98	114	419	17
Other							
Cosopt / Trusopt	124	114	122	124	117	477	9
Bridion	58	41	47	52	60	201	39
Integrilin	53	64	56	53	57	230	-17
<b>Diversified Brands</b>							
Cozaar / Hyzaar	336	426	406	404	427	1,663	-21
Propecia	108	106	112	112	117	447	2
Zocor	103	127	107	110	111	456	-19
Claritin Rx	87	120	65	55	74	314	-28
Remeron	57	60	57	65	59	241	-5
Vasotec / Vaseretic	53	57	59	57	58	231	-6
Proscar	51	60	53	58	52	223	-15
<b>Vaccines</b>							
Gardasil	284	214	277	445	274	1,209	33
ProQuad, M-M-R II and Varivax	255	244	291	391	276	1,202	4
RotaTeq	142	125	148	184	195	651	14
Pneumovax	112	79	64	133	222	498	42
Zostavax	76	24	122	108	78	332	*
<b>Other Pharmaceutical <sup>(2)</sup></b>	<b>1,013</b>	<b>892</b>	<b>1,064</b>	<b>1,018</b>	<b>1,064</b>	<b>4,038</b>	<b>14</b>
<b>ANIMAL HEALTH</b>	<b>821</b>	<b>758</b>	<b>802</b>	<b>826</b>	<b>868</b>	<b>3,253</b>	<b>8</b>
<b>CONSUMER CARE</b>	<b>554</b>	<b>517</b>	<b>541</b>	<b>421</b>	<b>361</b>	<b>1,840</b>	<b>7</b>
Claritin OTC	169	167	134	118	92	511	1
<b>Other Revenues <sup>(3)</sup></b>	<b>274</b>	<b>486</b>	<b>448</b>	<b>421</b>	<b>310</b>	<b>1,666</b>	<b>-43</b>
Astra	186	322	306	299	256	1,184	-42

\* 100% or greater

Sum of quarterly amounts may not equal year-to-date amounts due to rounding.

<sup>(1)</sup> Only select products are shown.

<sup>(2)</sup> Includes Pharmaceutical products not individually shown above. Other Vaccines sales included in Other Pharmaceutical were \$60 million for the first quarter of 2012. Other Vaccines sales included in Other Pharmaceutical were \$54 million, \$67 million, \$100 million and \$62 million for the first, second, third and fourth quarters of 2011, respectively.

<sup>(3)</sup> Other revenues are primarily comprised of alliance revenue, miscellaneous corporate revenues and third party manufacturing sales.

**MERCK & CO., INC.**  
**FRANCHISE / KEY PRODUCT SALES**  
**FIRST QUARTER 2012**  
**(AMOUNTS IN MILLIONS)**

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Table 3a

	Global			U.S.			International		
	1Q12	1Q11	% Change	1Q12	1Q11	% Change	1Q12	1Q11	% Change
<b>TOTAL SALES <sup>(1)</sup></b>	<b>\$11,731</b>	<b>\$11,580</b>	<b>1</b>	<b>\$5,009</b>	<b>\$4,848</b>	<b>3</b>	<b>\$6,721</b>	<b>\$6,732</b>	<b>--</b>
<b>PHARMACEUTICAL</b>	<b>10,082</b>	<b>9,820</b>	<b>3</b>	<b>4,189</b>	<b>3,907</b>	<b>7</b>	<b>5,892</b>	<b>5,912</b>	<b>--</b>
<b>Primary Care and Women's Health</b>									
Cardiovascular									
Zetia	614	582	6	309	298	4	305	284	8
Vytorin	444	480	-8	189	247	-23	255	233	9
Diabetes & Obesity									
Januvia	919	739	24	493	426	16	427	313	36
Janumet	392	305	29	202	163	24	190	142	34
Respiratory									
Singulair	1,340	1,328	1	876	810	8	464	518	-11
Nasonex	375	373	1	161	156	3	213	216	-1
Clarinet	134	155	-14	51	47	10	82	109	-24
Asmanex	48	60	-19	44	54	-20	5	5	-14
Dulera	39	13	*	38	13	*	1		*
Women's Health & Endocrine									
Fosamax	184	208	-12	7	13	-43	177	195	-10
NuvaRing	146	142	2	83	87	-4	63	56	13
Follistim AQ	116	133	-13	38	38		78	95	-18
Implanon	76	60	27	31	24	28	45	35	27
Cerazette	67	59	14				67	59	14
Other									
Maxalt	156	173	-10	112	132	-15	44	41	7
Arcoxia	112	114	-1				112	114	-1
Avelox	73	106	-31	70	97	-28	3	10	-68
<b>Hospital and Specialty</b>									
Immunology									
Remicade	519	753	-31				519	753	-31
Simponi	74	54	38				74	54	38
Infectious Disease									
Isentress	337	292	15	186	150	25	150	143	5
PegIntron	162	166	-2	32	18	83	130	148	-12
Cancidas	145	158	-8	8	12	-34	137	146	-6
Victrelis	111	1	*	67		*	44	1	*
Invanz	101	87	17	51	44	15	50	42	18
Primaxin	88	136	-35	4	25	-82	84	111	-25
Noxafil	59	55	7	15	16	-5	44	39	12
Oncology									
Temodar	237	248	-4	105	102	2	132	145	-9
Emend	102	87	17	63	51	22	39	36	9
Other									
Cosopt / Trusopt	124	114	9	3	4	-4	120	111	9
Bridion	58	41	39				58	41	39
Integrilin	53	64	-17	49	59	-18	4	5	-9
<b>Diversified Brands</b>									
Cozaar / Hyzaar	336	426	-21	5	36	-87	332	389	-15
Propecia	108	106	2	32	32		76	74	3
Zocor	103	127	-19	6	8	-22	96	119	-19
Claritin Rx	87	120	-28				87	120	-28
Remeron	57	60	-5	1	2	-39	56	58	-3
Vasotec / Vaseretic	53	57	-6				53	57	-6
Proscar	51	60	-15	1	2	-64	51	59	-14
<b>Vaccines</b>									
Gardasil	284	214	33	174	151	15	110	63	76
ProQuad, M-M-R II and Varivax	255	244	4	228	226	1	27	19	42
RotaTeq	142	125	14	108	107		34	18	95
Pneumovax	112	79	42	73	60	21	39	19	*
Zostavax	76	24	*	67	22	*	9	2	*
<b>Other Pharmaceutical <sup>(2)</sup></b>	<b>1,013</b>	<b>892</b>	<b>14</b>	<b>207</b>	<b>175</b>	<b>18</b>	<b>806</b>	<b>715</b>	<b>13</b>
<b>ANIMAL HEALTH</b>	<b>821</b>	<b>758</b>	<b>8</b>	<b>193</b>	<b>164</b>	<b>18</b>	<b>627</b>	<b>594</b>	<b>6</b>
<b>CONSUMER CARE</b>	<b>554</b>	<b>517</b>	<b>7</b>	<b>383</b>	<b>357</b>	<b>7</b>	<b>171</b>	<b>161</b>	<b>6</b>
Claritin OTC	169	167	1	137	132	3	33	34	-5
<b>Other Revenues <sup>(3)</sup></b>	<b>274</b>	<b>486</b>	<b>-43</b>	<b>243</b>	<b>421</b>	<b>-42</b>	<b>31</b>	<b>65</b>	<b>-52</b>
Astra	186	322	-42	186	322	-42			

\* 100% or greater

<sup>(1)</sup> Only select products are shown.

<sup>(2)</sup> Includes Pharmaceutical products not individually shown above. Other Vaccines sales included in Other Pharmaceutical were \$60 million and \$54 million on a global basis for first quarter 2012 and 2011, respectively.

<sup>(3)</sup> Other revenues are primarily comprised of alliance revenue, miscellaneous corporate revenues and third party manufacturing sales.

**MERCK & CO., INC.**  
**PHARMACEUTICAL GEOGRAPHIC SALES**  
**(AMOUNTS IN MILLIONS)**

Table 3b

	1Q12	1Q11	2Q11	3Q11	4Q11	Full Year	% Change 1Q
<b>TOTAL PHARMACEUTICAL</b>	<b>\$10,082</b>	<b>\$9,820</b>	<b>\$10,360</b>	<b>\$10,354</b>	<b>\$10,755</b>	<b>\$41,289</b>	<b>3</b>
<b>United States</b>	<b>4,189</b>	<b>3,907</b>	<b>4,088</b>	<b>4,515</b>	<b>4,606</b>	<b>17,117</b>	<b>7</b>
% Pharmaceutical Sales	41.6%	39.8%	39.5%	43.6%	42.8%	41.5%	
<b>Europe <sup>(1)</sup></b>	<b>2,558</b>	<b>2,587</b>	<b>2,827</b>	<b>2,588</b>	<b>2,621</b>	<b>10,623</b>	<b>-1</b>
% Pharmaceutical Sales	25.4%	26.3%	27.3%	25.0%	24.4%	25.7%	
<b>Japan</b>	<b>1,267</b>	<b>1,164</b>	<b>1,104</b>	<b>1,114</b>	<b>1,327</b>	<b>4,709</b>	<b>9</b>
% Pharmaceutical Sales	12.6%	11.8%	10.7%	10.8%	12.3%	11.4%	
<b>Latin America</b>	<b>627</b>	<b>700</b>	<b>743</b>	<b>667</b>	<b>747</b>	<b>2,857</b>	<b>-10</b>
% Pharmaceutical Sales	6.2%	7.1%	7.2%	6.4%	6.9%	6.9%	
<b>Asia Pacific</b>	<b>762</b>	<b>699</b>	<b>779</b>	<b>763</b>	<b>736</b>	<b>2,977</b>	<b>9</b>
% Pharmaceutical Sales	7.6%	7.1%	7.5%	7.4%	6.8%	7.2%	
<b>China</b>	<b>221</b>	<b>187</b>	<b>206</b>	<b>220</b>	<b>221</b>	<b>834</b>	<b>19</b>
<b>Eastern Europe/Middle East Africa</b>	<b>361</b>	<b>358</b>	<b>369</b>	<b>371</b>	<b>378</b>	<b>1,476</b>	<b>1</b>
% Pharmaceutical Sales	3.6%	3.6%	3.6%	3.6%	3.5%	3.6%	
<b>Canada</b>	<b>264</b>	<b>360</b>	<b>399</b>	<b>285</b>	<b>279</b>	<b>1,323</b>	<b>-27</b>
% Pharmaceutical Sales	2.6%	3.7%	3.9%	2.8%	2.6%	3.2%	
<b>Other</b>	<b>53</b>	<b>45</b>	<b>51</b>	<b>51</b>	<b>61</b>	<b>208</b>	<b>17</b>
% Pharmaceutical Sales	0.5%	0.5%	0.5%	0.5%	0.6%	0.5%	

(1) Europe primarily represents all European Union countries and the European Union accession markets.



**MERCK & CO., INC.**  
**EQUITY INCOME / JV SALES / OTHER (INCOME) EXPENSE - GAAP**  
**FIRST QUARTER 2012**  
**AMOUNTS IN MILLIONS**

Table 4

**EQUITY INCOME FROM AFFILIATES**

	1Q12	1Q11
ASTRAZENECA LP	\$ 113	\$ 133
Other <sup>(1)</sup>	(3)	5
<b>TOTAL</b>	<b>\$ 110</b>	<b>\$ 138</b>

<sup>(1)</sup> Includes results for Sanofi Pasteur MSD.

**SANOFI PASTEUR MSD JOINT VENTURE SALES DETAIL**

All sales reported here are end-market JV sales, presented on a "NET" basis.

	1Q12	1Q11
GARDASIL	\$ 55	\$ 58
OTHER VIRAL VACCINES	25	19
ROTATEQ	11	9
HEPATITIS VACCINES	9	10
FLU VACCINES	-	2
Other Vaccines	106	89
<b>TOTAL SANOFI PASTEUR MSD SALES</b>	<b>\$ 206</b>	<b>\$ 187</b>

**OTHER (INCOME) EXPENSE, NET**

	1Q12	1Q11
INTEREST INCOME	\$ (75)	\$ (41)
INTEREST EXPENSE	195	186
EXCHANGE LOSSES	67	42
Other, net <sup>(1)</sup>	(45)	435
<b>TOTAL</b>	<b>\$ 142</b>	<b>\$ 622</b>

<sup>(1)</sup> Other, net in the first quarter of 2011 includes a charge of \$500 million related to the resolution of the arbitration proceeding with Johnson & Johnson.