

MERCK & CO INC
Form DEFA14A
March 20, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant x

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Merck & Co., Inc.
(Name of Registrant as Specified In Its Charter)

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This filing consists of “Behind the Merger with Peter Kellogg” and a related video transcript, first available to employees on March 19, 2009 and posted on the Merck & Co., Inc. (“Merck”) internal website on March 20, 2009, in connection with the proposed transaction between Merck and Schering-Plough Corporation.

Published in The Daily on March 20, 2009

Behind the Merger With Peter Kellogg Dick Clark and other members of the Executive Committee have filmed a series of short videos to provide you with more details on the recent Merck and Schering-Plough merger. This video is the fifth in the series, each highlighting different aspects of the merger agreement. Each video segment will only be available for one week from its distribution date. Transcripts are available in English, Spanish, Portuguese, French, Chinese, Korean, Russian, Japanese, Italian and German. [Click here](#) or click on the icon above to view the video or transcripts of “Behind the Merger With Peter Kellogg.”

Behind the Merger with Peter Kellogg

My sense is that this merger will be seen quite differently from other pharma mergers for a couple of reasons. First of all, because we're going to be emphasizing the combined pipeline and the science of the two companies as we come together. It won't just be about synergies and efficiency. Of course, we'll also be focusing on great financial results and, by the way we constructed this deal, there are some very great benefits for shareholders and for employees.

First, we're going to be able to maintain the dividend of the company, going forward, and other companies have had to cut their dividend to finance it. We structured the financing in such a way that our tax rate will remain the same.

Finally, we're going to leave this company in a very strong financial position. So we won't be stretched. We still will be able to make the investments and grow the business we want to going forward. In fact, my goal is for Merck coming out this to be just as strong and just as growth-oriented and science-oriented as it was before. So I think it will be a great fit and I hope it will be perceived as one of the best M & A deals in the pharma sector ever.

What I liked about the merger of Merck and Schering-Plough was that it allowed us to maintain the focus that Merck's been known for over time on science and innovation. At the same time, put two companies together that could operate much more efficiently around the world and across all different parts of the business.

Merck will after this deal remain a very strong financial company and that was one of our real goals. In fact, after this merger is done, we'll be able to maintain our dividend, we will not have an increase in our tax rate, we'll generate a lot of cash every year. In fact, we advised investors that we expect to have fifteen billion dollars in cash flow annually by 2013. So one of the things that was important to me as CFO and for all of us as a management team, we wanted to make sure that investors saw Merck after this transaction as the same, strong, financially well-founded company that it was before and that I think we've accomplished.

Forward-Looking Statements

This communication includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such statements may include, but are not limited to, statements about the benefits of the proposed merger between Merck and Schering-Plough, including future financial and operating results, the combined company’s plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of Merck’s and Schering-Plough’s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the possibility that the expected synergies from the proposed merger of Merck and Schering-Plough will not be realized, or will not be realized within the expected time period, due to, among other things, the impact of pharmaceutical industry regulation and pending legislation that could affect the pharmaceutical industry; the ability to obtain governmental and self-regulatory organization approvals of the merger on the proposed terms and schedule; the actual terms of the financing required for the merger and/or the failure to obtain such financing; the failure of Schering-Plough or Merck stockholders to approve the merger; the risk that the businesses will not be integrated successfully; disruption from the merger making it more difficult to maintain business and operational relationships; the possibility that the merger does not close, including, but not limited to, due to the failure to satisfy the closing conditions; Merck’s and Schering-Plough’s ability to accurately predict future market conditions; dependence on the effectiveness of Merck’s and Schering-Plough’s patents and other protections for innovative products; the risk of new and changing regulation and health policies in the U.S. and internationally and the exposure to litigation and/or regulatory actions. Merck and Schering-Plough undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in Merck’s 2008 Annual Report on Form 10-K, Schering-Plough’s 2008 Annual Report on Form 10-K and each company’s other filings with the Securities and Exchange Commission (the “SEC”) available at the SEC’s Internet site (www.sec.gov).

Additional Information

In connection with the proposed transaction, Schering-Plough will file a registration statement, including a joint proxy statement of Merck and Schering-Plough, with the SEC. Investors are urged to read the registration statement and joint proxy statement (including all amendments and supplements to it) because they will contain important information. Investors may obtain free copies of the registration statement and joint proxy statement when they become available, as well as other filings containing information about Merck and Schering-Plough, without charge, at the SEC’s Internet web site (www.sec.gov). These documents may also be obtained for free from Schering-Plough’s Investor Relations web site (www.schering-plough.com) or by directing a request to Schering-Plough’s Investor Relations at (908) 298-7436. Copies of Merck’s filings may be obtained for free from Merck’s Investor Relations Web Site (www.merck.com) or by directing a request to Merck at Merck’s Office of the Secretary, (908) 423-1000.

Merck and Schering-Plough and their respective directors and executive officers and other members of management and employees are potential participants in the solicitation of proxies from Merck and Schering-Plough shareholders in respect of the proposed transaction.

Information regarding Schering-Plough's directors and executive officers is available in Schering-Plough's proxy statement for its 2008 annual meeting of shareholders, filed with the SEC on April 23, 2008, and information regarding Merck's directors and executive officers is available in Merck's proxy statement for its 2009 annual meeting of stockholders, filed with the SEC on March 13, 2009. Additional information regarding the interests of such potential participants in the proposed transaction will be included in the registration statement and joint proxy statement filed with the SEC in connection with the proposed transaction.