MERCK & CO INC
Form DEFA14A
March 11, 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
Filed by a Party other than the Registrant o
Check the appropriate box:

o	Preliminary Proxy Statement
o	Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
o	Definitive Proxy Statement
o	Definitive Additional Materials
x	Soliciting Material Pursuant to §240.14a-12

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

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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This filing consists of employee business briefing materials.

Employee Business Briefing: Executive Committee Discusses Merger Announcement

At an Employee Business Briefing yesterday, Merck's Executive Committee made the most of their first opportunity to speak to Merck employees about the recently announced Merck Schering-Plough merger agreement.

A Compelling Combination
Merck Chairman, President and CEO Dick Clark spoke about the value of the planned merger, highlighting the areas of Schering-Plough's business that complement Merck's. These include:

- a diversified product portfolio across important therapeutic areas;
- a strong presence outside the U.S., particularly in emerging markets;
- a well-developed pipeline; and

A Broad Portfolio
Ken Frazier, executive vice president and president, Global Human Health (GHH), discussed the tremendous opportunities an expanded portfolio will create for our sales representatives. This is particularly true for the therapeutic areas – like Respiratory and Women's Health – where sales reps will be able to provide physicians with multiple options for their patients' needs.

At the same time, Schering-Plough has significant market presence in the emerging markets where Merck has been looking to expand. The combination of an increased product portfolio and a broader reach create an environment that is well-aligned with GHH's new business model.

ITPS ("It's the Pipeline, Stupid!")
Executive Vice President and President of Merck Research Laboratories Peter S. Kim took some liberties with an old adage to make a simple point regarding the importance of a robust pipeline. He expressed excitement about the opportunity to merge Merck's leadership in key research areas with the innovation of Schering-Plough. Peter stressed that the caliber of Schering-Plough's scientists and the complementary nature of the two companies' pipelines is remarkable.

Although both companies have been focusing in the same therapeutic areas, there is very little overlap in the mechanism of actions they've been studying. Peter was most enthusiastic about the therapeutic areas where both companies have made first-to-market discoveries, and believes the combined company will have the best pipeline in the industry "by far."

An Expanded Manufacturing Network
The Merck Manufacturing Division (MMD) is looking forward to integrating Schering-Plough's operations with Merck's existing manufacturing capabilities. Executive Vice President and President of MMD Willie Deese said that Merck will achieve even greater synergies by applying its lean manufacturing and sourcing strategies throughout an expanded network.

Good Financial Sense
In his remarks, Executive Vice President and Chief Financial Officer Peter Kellogg explained that the merger will be "accretive" to Merck's shareholders. Accretion refers to our ability to deliver better earnings as a combined company (with Schering-Plough) than as a stand-alone company.

In addition to the shareholder value, Peter explained that the merger is not expected to impact the company's credit ratings and it is expected to generate additional cash flow by 2013, giving the company access to cash for long-term investments.

100 Pages of Legal Language in 5 Minutes
Executive Vice President and General Counsel Bruce Kuhlik delivered a quick review of the more than 100-page merger agreement. One of the topics he covered was the "reverse merger" process. This process will bring Merck and Schering-Plough together in several steps. They include:

1. Merck & Co., Inc. will become a subsidiary of Schering-Plough.
2. Schering-Plough will be renamed "Merck."
3. Dick Clark will be the leader of the new Merck.
4. Shares for the new "Merck" will be issued to existing Merck shareholders.

Integration of Sites and Systems
Global Services will be responsible for integrating the systems and technologies of the two separate companies. Executive Vice President, Global Services, and Chief Information Officer Chris Scalet confirmed that the U.S. launch of COMET and the global launch of Hire-to-Retire remain on track, with just 116 days until "go live" on July 6. Other projects, including the planned launches of COMET in EMEAC and APAC, will be delayed until a more detailed assessment can be completed.

People Principles
Like Merck, one of Schering-Plough's greatest assets is the talent of its workforce. Mirian Graddick-Weir, executive vice president, Human Resources, shared her excitement over our opportunity to benefit from the talents and capabilities that Schering-Plough's people will bring to the combined company.

During the integration, the chief focus will be on retaining and deploying Schering's top talent and making sure that we integrate their people, the majority of whom will join Merck colleagues in the combined company, across every division and function. We are also instituting an immediate hiring freeze in both companies, except for "critical jobs."

By adhering to the principles of Respect for People and Open and Transparent Communications, Mirian believes we can help set Merck and Schering-Plough up for a successful integration.

What Comes Next
The new company is expected to be created by the end of 2009. Adam Schechter, president, Global Pharmaceuticals, GHH, will lead the integration team for Merck. Merck's Executive Committee will become the management team for the new company, with Dick Clark assuming leadership.

For more information, view the slide deck from the Employee Business Briefing. [link to slide deck]

Forward-Looking Statements
This communication contains “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on both Merck’s and Schering-Plough’s managements 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 and Schering-Plough undertake 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 communication should be evaluated together with the many uncertainties that affect either companies’ business, particularly those mentioned in the risk factors and cautionary statements set forth in Item 1A of either companies’ 10-K for the year ended December 31, 2008, and in their periodic reports on Form 10-Q and Form 8-K, which the companies incorporate by reference.

These reports are available at www.merck.com and www.schering-plough.com.

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 Securities and Exchange Commission (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 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 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's Office of the Secretary at (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 preliminary proxy statement for its 2009 annual meeting of stockholders, filed with the SEC February 25, 2009. Additional information regarding the interests of such potential participants in the proposed transaction will be included in the registration and joint proxy statement filed with the SEC in connection with the proposed transaction.

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