

MERCK & CO INC  
Form DEFM14A  
June 25, 2009

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**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

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- 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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- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
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-

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Dear Shareholders:

The boards of directors of Merck & Co., Inc. and Schering-Plough Corporation have approved a merger agreement providing for the combination of our two companies.

We expect that this combination will create a strong, global healthcare leader uniquely positioned for sustainable long-term growth through:

scientific innovation, with a combined team of top scientists focused on discovering, developing and delivering innovative treatments for patients around the world;

a stronger, more diversified product portfolio with an expanded geographic footprint and an industry-leading team of marketing and sales professionals; and

a strong financial base, to be further strengthened by synergies expected to be recognized from the combination, to support further investments in research and strategic opportunities to build for the future.

In addition, the combined company expects to continue Merck's current practice of paying quarterly dividends of \$0.38 per share.

Merck and Schering-Plough will each hold a special meeting of shareholders to consider and vote on a proposal to approve the merger agreement. You will find the notice of meeting, logistics of the proposed combination and details in the attached documents. We encourage you to participate in the governance of your company by voting. Your vote is critical, because we cannot complete the merger unless the shareholders of both Merck and Schering-Plough approve the respective proposals related to the merger.

We enthusiastically support this combination of our companies and join with our boards in recommending that you vote **FOR** the approval of the merger agreement.

Sincerely,

Richard T. Clark  
Chairman, President and Chief Executive Officer Merck &  
Co., Inc.

Sincerely,

Fred Hassan  
Chairman and Chief Executive Officer  
Schering-Plough Corporation

**For a discussion of risk factors which you should consider in evaluating the transaction, see Risk Factors beginning on page 17 of the attached joint proxy statement/prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger and other transactions described in the attached joint proxy statement/prospectus or the securities to be issued pursuant to the merger under the attached joint proxy statement/prospectus nor have they determined if the attached joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

The attached joint proxy statement/prospectus is dated June 25, 2009, and is first being mailed to shareholders on or about June 29, 2009.

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**  
**To be held August 7, 2009**

The Special Meeting of Shareholders of Schering-Plough Corporation will be held at The Conference Center at Harvard Medical, 77 Avenue Louis Pasteur, Boston, Massachusetts, on August 7, 2009, at 1:30 p.m. local time. Directions to The Conference Center at Harvard Medical are available at <http://www.theconfcenter.hms.harvard.edu/directions>. The purposes of the meeting are to vote on the following matters and to transact such other business that may properly come before the meeting:

Consider and act on a proposal to approve the Agreement and Plan of Merger, dated as of March 8, 2009, by and among Merck & Co., Inc., Schering-Plough Corporation, SP Merger Subsidiary One, Inc. (formerly Blue, Inc.), and SP Merger Subsidiary Two, Inc. (formerly Purple, Inc.), as it may be amended (the merger agreement) and the issuance of shares of common stock in the merger contemplated by the merger agreement. The Board recommends a vote **FOR** this proposal.

Approve any adjournment of the Schering-Plough Special Meeting (including, if necessary, to solicit additional proxies if there are not sufficient votes to approve the merger agreement and the issuance of shares of common stock in the merger). The Board recommends a vote **FOR** this proposal.

Only holders of record of common shares at the close of business on June 22, 2009 will be entitled to vote at the meeting or any adjournments or postponements thereof.

For the security of everyone attending the meeting, a shareholder must present both an admission ticket and photo identification to be admitted to the Special Meeting of Shareholders. The process for shareholders to obtain an admission ticket from Schering-Plough's transfer agent, BNY Mellon, is described in the attached joint proxy statement/prospectus on page 45.

Your vote is important. Whether or not you plan to attend the meeting, please vote in advance by proxy in whichever way is most convenient in writing, by telephone or by the Internet.

We appreciate your investment in Schering-Plough. We encourage you to participate in Schering-Plough's governance by voting.

Susan Ellen Wolf  
Corporate Secretary and  
Vice President Governance

Kenilworth, New Jersey  
June 25, 2009

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**  
**August 7, 2009**

To the Shareholders:

The shareholders of Merck & Co., Inc. will hold a special meeting on August 7, 2009 at 8:30 a.m., local time, at the Bridgewater Marriott located at 700 Commons Way, Bridgewater, New Jersey. The purposes of the meeting are to:

1. Consider and act on a proposal to approve the Agreement and Plan of Merger, dated as of March 8, 2009, by and among Merck & Co., Inc., Schering-Plough Corporation, SP Merger Subsidiary One, Inc. (formerly Blue, Inc.), and SP Merger Subsidiary Two, Inc. (formerly Purple, Inc.), as it may be amended (the merger agreement); and
2. Transact any other business that may properly come before the meeting.

Only shareholders listed on the company's records at the close of business on June 22, 2009 are entitled to vote at the special meeting or at any adjournments or postponements of the special meeting.

We cannot complete the transactions contemplated by the merger agreement unless a quorum (comprised of holders of a majority of the outstanding shares of Merck common stock) is present at the special meeting in person or by proxy, and a majority of the votes cast are cast in favor for approval of the merger agreement.

For more information about the transactions contemplated by the merger agreement, please review carefully the accompanying joint proxy statement/prospectus and the merger agreement attached to it as Annex A.

Your vote is important. Whether or not you plan to attend the special meeting, please vote in advance by proxy in whichever way is most convenient by Internet, telephone or mail.

By Order of the Board of Directors,

Celia A. Colbert  
Senior Vice President, Secretary and  
Assistant General Counsel

Whitehouse Station, New Jersey  
June 25, 2009

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The board of directors of Schering-Plough Corporation ( Schering-Plough ) and Merck & Co., Inc. ( Merck ) have approved a merger agreement providing for the combination of the two companies in a stock and cash transaction in which Schering-Plough, renamed Merck & Co., Inc., will continue as the surviving company (referred to in this joint proxy statement/prospectus as New Merck ) and Merck will become a wholly owned subsidiary of New Merck.

In the merger, Schering-Plough shareholders will receive \$10.50 in cash and 0.5767 of a share of the common stock of the combined company for each share of Schering-Plough common stock they hold and Merck shareholders will receive one share of common stock of the combined company for each share of Merck common stock they hold. The combined company expects to continue Merck's current practice of paying quarterly dividends of \$0.38 per share.

A total of approximately 3,099,067,269 shares of the combined company will be offered to the Merck and Schering-Plough shareholders in the merger. Immediately after the merger, the former shareholders of Merck and Schering-Plough will own approximately 68% and 32%, respectively, of the shares of the combined company, which we expect will be listed on the New York Stock Exchange and traded under the symbol MRK.

**For a discussion of risk factors which you should consider in evaluating the transaction, see Risk Factors beginning on page 17.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger and other transactions described in this joint proxy statement/prospectus or the securities to be issued pursuant to the merger under this joint proxy statement/prospectus nor have they determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated June 25, 2009, and is first being mailed to shareholders on or about June 29, 2009.

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**REFERENCES TO ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about Merck and Schering-Plough from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available for you to review at the Securities and Exchange Commission's (SEC) public reference room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website, [www.sec.gov](http://www.sec.gov). You can also obtain those documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Merck & Co., Inc.  
One Merck Drive  
P.O. Box 100  
Whitehouse Station, NJ 08889  
**1-908-423-7845**

Attention: Stockholder Services Dept, WS3AB-40  
[www.merck.com/finance](http://www.merck.com/finance)

Schering-Plough Corporation  
2000 Galloping Hill Road  
Kenilworth, NJ 07033  
**1-908-298-7436**

Attention: Investor Relations  
[www.schering-plough.com/investor-relations/index.aspx](http://www.schering-plough.com/investor-relations/index.aspx)

**If you would like to request documents, please do so no later than July 31, 2009 in order to receive them before the special meetings.**

See "Where You Can Find More Information" beginning on page 157 for more information about the documents referenced in this joint proxy statement/prospectus.

In addition, if you have any questions about the merger, this joint proxy statement/prospectus, voting your shares, would like additional copies of this joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact:

**IF YOU ARE A MERCK SHAREHOLDER:**

Laurel Hill Advisory Group, LLC  
100 Wall Street, 22<sup>nd</sup> Floor  
New York, NY 10005  
**1-888-742-1305**

**IF YOU ARE A SCHERING-PLOUGH SHAREHOLDER:**

Georgeson Shareholder Communications, Inc.  
199 Water Street, 26<sup>th</sup> Floor  
New York, NY 10038  
**1-866-288-2190**

**For strategic and financial issues:**

Alex Kelly  
Group Vice President  
Global Communications  
and Investor Relations  
Schering-Plough Corporation  
2000 Galloping Hill Road  
Mail Stop: K-1-4-4275  
Kenilworth, NJ 07033  
Phone: (908) 298-7436  
Fax: (908) 298-7082

**For governance and social issues:**

Susan Ellen Wolf  
Corporate Secretary and Vice President  
Corporate Governance  
Schering-Plough Corporation  
2000 Galloping Hill Road  
Mail Stop: K-1-4-4275  
Kenilworth, NJ 07033  
Phone: (908) 298-3636  
Fax: (908) 298-7303

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**QUESTIONS AND ANSWERS ABOUT THE VOTING PROCEDURES FOR THE SPECIAL MEETINGS**

**Q: What is the proposed transaction for which I am being asked to vote?**

**A:** You are being asked to approve a merger agreement providing for the combination of Merck and Schering-Plough. In order to complete the merger, Merck shareholders must vote to approve the merger agreement and Schering-Plough shareholders must vote to approve the merger agreement and the issuance of shares of common stock of New Merck in the merger. Merck and Schering-Plough will hold separate special shareholders meetings to obtain these approvals. This joint proxy statement/prospectus contains important information about the merger, including the special meetings of the respective shareholders of Merck and Schering-Plough. You should read it carefully and in its entirety. The enclosed proxy card or voting instruction card allows you to vote your shares without attending your company's special meeting.

Your vote is important. We encourage you to vote as soon as possible.

**Q: When and where will the special meetings be held?**

**A:** The Merck special meeting is scheduled to be held at 8:30 a.m., local time, on August 7, 2009, at the Bridgewater Marriott located at 700 Commons Way, Bridgewater, NJ. The Schering-Plough special meeting is scheduled to be held at 1:30 p.m., local time, on August 7, 2009, at The Conference Center at Harvard Medical, 77 Avenue Louis Pasteur, Boston, MA.

**Q: Who is entitled to vote at the Merck and Schering-Plough special meetings?**

**A:** The boards of directors of each of Merck and Schering-Plough has fixed June 22, 2009 as the record date for its respective special meeting. If you were a Merck or Schering-Plough shareholder at the close of business on the record date you are entitled to vote your Merck or Schering-Plough shares at your company's special meeting.

**Q: How many votes do I have?**

**A:** You are entitled to one vote at the Merck special meeting for each share of Merck common stock that you owned as of the record date. As of the close of business on the record date, there were approximately 2,108,780,449 outstanding shares of Merck common stock. As of that date, less than 1% of the outstanding shares of Merck common stock were held by the directors and executive officers of Merck.

You are entitled to one vote at the Schering-Plough special meeting for each share of Schering-Plough common stock that you owned as of the record date. As of the close of business on the record date, there were approximately 1,633,437,974 outstanding shares of Schering-Plough common stock. As of that date, less than 1% of the outstanding shares of Schering-Plough common stock were held by the directors and executive officers of Schering-Plough.

**Q: What constitutes a quorum?**

**A:** Shareholders who hold at least a majority of the outstanding shares of Merck common stock as of the close of business on the record date and who are entitled to vote must be present, either in person or represented by proxy, in order to constitute a quorum to conduct business at the Merck special meeting.



Shareholders who hold at least a majority of the outstanding shares of Schering-Plough common stock as of the close of business on the record date and who are entitled to vote must be present, either in person or represented by proxy, in order to constitute a quorum to conduct business at the Schering-Plough special meeting.

**Q: What vote is required to approve the merger agreement?**

**A:** As long as a quorum is present at the companies' respective special meetings, the affirmative vote of a majority of the votes cast at the special meeting is required for each of Merck and Schering-Plough to approve the merger agreement. Moreover, in the case of Schering-Plough, the rules of the New York Stock Exchange require that holders of at least a majority of the outstanding shares of Schering-Plough common

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stock actually cast votes on the proposal to approve the merger agreement (whether for or against the proposal).

**Q: What is the difference between holding shares as a shareholder of record or in street name ?**

**A:** If your shares are registered directly in your name with Merck's transfer agent, Wells Fargo Bank, N.A., or with Schering-Plough's transfer agent, BNY Mellon, as the case may be, you are considered, with respect to those shares, the shareholder of record. If you are a shareholder of record, this joint proxy statement/prospectus and the enclosed proxy card have been sent directly to you by Merck or Schering-Plough.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name. This joint proxy statement/prospectus has been forwarded to you by your broker, bank or nominee who is considered, with respect to those shares, the shareholder of record. As the beneficial owner of shares held in street name, you have the right to direct your broker, bank or nominee how to vote your shares by using the voting instruction card included with this joint proxy statement/prospectus or by following their instructions for voting by telephone or the Internet.

**Q: How do I vote?**

**A:** In order to ensure that your vote is recorded, please submit your proxy or voting instructions as instructed below as soon as possible even if you plan to attend your company's special meeting in person.

*Mail.* You can vote by mail by completing, signing, dating and mailing your proxy card or voting instruction card in the postage-paid envelope included with this joint proxy statement/prospectus.

*Vote by Telephone or Internet.* If you are a shareholder of record (that is, if you hold your shares in your own name), you may vote by telephone (toll-free) or the Internet by following the instructions on your proxy and voting instruction card. If your shares are held in the name of a bank, broker or other holder of record (that is, in street name), and if the bank or broker offers telephone and Internet voting, you will receive instructions from them that you must follow in order for your shares to be voted. If you vote by telephone or the Internet, you do not need to return your proxy and voting instruction card.

In addition, all shareholders may vote in person at their company's special meeting. You may also be represented by another person at the meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares held in street name, you must obtain a legal proxy from your broker, bank or nominee and present it to the inspectors of election with your ballot when you vote at the meeting.

**Q: How will my proxy be voted?**

**A:** If you vote by Internet, by telephone or by completing, signing, dating and mailing your proxy card or voting instruction card, your shares will be voted in accordance with your instructions. If you are a shareholder of record and you sign, date, and return your proxy card but do not indicate how you want to vote or do not indicate that you wish to abstain, your shares will be voted in favor of the approval of the merger agreement.

**Q: Who can attend the Merck and Schering-Plough special meetings?**

**A:** All Merck shareholders as of the record date may attend the Merck special meeting but must have an admission ticket. If you are a shareholder of record, the ticket attached to the proxy card will admit you and one guest. If you are a beneficial owner of Merck shares held in street name, you may request a ticket by writing to the following address:

Office of the Secretary, WS 3AB-05  
Merck & Co., Inc.  
P.O. Box 100  
Whitehouse Station, NJ 08889-0100

or by faxing your request to 908-735-1224. You must provide evidence of your ownership of shares with your ticket request, which you can obtain from your broker, bank or nominee. We encourage you or your

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broker, bank or nominee to fax your ticket request and proof of ownership in order to avoid any mail delays.

All Schering-Plough shareholders as of the record date may attend the Schering-Plough special meeting with an admission ticket and a photo identification. To get an admission ticket, Schering-Plough shareholders must write to Schering-Plough's transfer agent, BNY Mellon, using the following address:

BNY Mellon Shareowner Services  
480 Washington Boulevard  
29th Floor  
Jersey City, NJ 07310  
Attn: Ann-Marie Webb

If you are a record shareholder (your shares are held in your name), you must list your name exactly as it appears on your stock ownership records from BNY Mellon. If you hold shares through a bank, broker or trustee, you must also include a copy of your latest bank or broker statement showing your ownership.

**Q: Can I change my vote after I have submitted a proxy or voting instruction card?**

**A:** Yes. If you are a shareholder of record you can change your vote at any time before your proxy is voted at your special meeting. You can do this in one of three ways:

you can send a signed notice of revocation to the Secretary of Merck or the Corporate Secretary of Schering-Plough, as appropriate;

you can submit a revised proxy bearing a later date by Internet, telephone or mail as described above; or

you can attend your company's special meeting and vote in person, which will automatically cancel any proxy previously given, or you may revoke your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

If you choose either of the first two methods, you must submit your notice of revocation or your new proxy no later than the beginning of the applicable special meeting. If you are a beneficial owner of shares held in street name, you may submit new voting instructions by contacting your broker, bank or nominee. You may also vote in person at the special meeting if you obtain a legal proxy from your broker, bank or nominee and present it to the inspectors of election with your ballot when you vote at the meeting.

Additional information on changing your vote is located on page 41 for Merck and on page 45 for Schering-Plough.

**Q: As a participant in Merck's 401(k) or similar employee retirement plan(s), how do I vote shares held in my plan account?**

**A:** If you are a participant in the Merck & Co., Inc. Employee Savings and Security Plan, Merck & Co., Inc. Employee Stock Purchase and Savings Plan, Hubbard LLC Employee Savings Plan, Merck Puerto Rico Employee Savings and Security Plan, Merck Frosst Canada Inc. Stock Purchase Plan (Merck Frosst Plan) or Merck 401(k) Savings Plan (Merck Plan), you should have received separate proxy voting instruction cards from the plan trustees and you have the right to provide voting directions to the plan trustee by submitting your voting instruction card for those shares of Merck common stock that are held by your plan and allocated to your plan account on the approval of the merger agreement.

**Q: If I am a participant in one of the Merck retirement plans mentioned above, what happens if the plan trustee does not receive voting instructions from me?**

**A:** If voting instructions are not received from participants in the Merck Frosst Plan, the plan trustee will vote the shares in accordance with the recommendation of the Merck board of directors.

If voting instructions are not received from participants in the Merial Plan, the plan trustee will vote the shares in the same proportion as it votes shares for which voting instructions are received from plan participants.

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If voting instructions are not received from participants in the plans other than the Merck Frosst Plan and the Merial Plan mentioned above, trustees for the other plans will not vote shares for which no voting instructions are received from plan participants.

**Q: As a participant in Schering-Plough's employees' savings plans, how do I vote shares held in my plan account?**

**A:** If you are a current or former Schering-Plough employee with shares credited to an account under the Schering-Plough employees' savings plan or the Schering-Plough Puerto Rico employees' retirement savings plan, you will receive a proxy and voting instruction card.

If you do not give voting instructions to the plan trustee by mailing your proxy and voting instruction card or voting by telephone or the Internet, the trustee will vote shares you hold in the employees' savings plan or in the Puerto Rico employees' retirement savings plan in the same proportion as shares held in that plan for which voting instructions were timely received. To allow sufficient time for the trustee to vote your shares under either plan, your voting instructions must be received by 5:00 p.m. (Eastern Time) on Tuesday, August 4, 2009.

**Q: Should I send in my share certificates now?**

**A:** No. If you hold Schering-Plough share certificates, after we have completed the transaction, we will send you written instructions informing you how to exchange your share certificates. If you hold Merck share certificates, your share certificates will automatically represent an equal number of shares in New Merck after completion of the transaction.

**Q: If I hold outstanding Merck stock options or restricted stock units, what do I need to do?**

**A:** No action is necessary on your part. Immediately prior to the closing, each of your outstanding stock options and restricted stock units will automatically convert, on a one for one basis, to be a stock option exercisable for, or a restricted stock unit settled in, common shares of New Merck. This conversion is also described on page 102.