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**COMP/M.5502 – MERCK / SCHERING-PLOUGH**

**SECTION 1.2**

**Description of the concentration**

1. On September 18, 2009, the European Commission received a notification concerning a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004, by which Merck & Co., Inc. (“Merck”), a public company incorporated in New Jersey, United States, and Schering-Plough Corporation (“SP”), also a public company incorporated in New Jersey, USA, propose to effect a reverse merger within the meaning of Article 3(1)(a) of the Council Regulation (EC) No 139/2004 resulting in existing shareholders of Merck owning approximately 68% of the combined entity, and with existing SP shareholders owning approximately 32% of the combined entity.
2. Merck is a global research-driven pharmaceutical company that discovers, develops, manufactures and markets a broad range of innovative health products. Merck’s operations comprise two main segments, both relating to human health: the pharmaceuticals segment and the vaccines segment. Merck is not directly involved in the animal health sector. Merck and Rhône-Poulenc S.A. (now Sanofi-aventis S.A.) combined their respective animal health businesses in 1997 to form Merial Limited, an independent standalone company, 50% owned by each party. On July 29, 2009, Sanofi-aventis agreed to acquire the 50% share capital in Merial Limited currently held by Merck through the Merck Subsidiaries. The effect of the transaction is that Merck will no longer have any interest in the animal health sector. See paragraph 3 above for further information about this transaction.
3. SP is a global science-based healthcare company with three segments of activity: human prescription pharmaceuticals, animal health and consumer healthcare. The human prescription pharmaceuticals segment discovers, develops, manufactures and markets human pharmaceutical products. The animal health segment discovers, develops, manufactures and markets animal health products. The consumer healthcare segment develops, manufactures and markets foot care and sunscreen products as well as OTC healthcare products.