

MERCK & CO., INC.
ADDITIONAL DISCLOSURE
MEDCO HEALTH SOLUTIONS, INC.
THIRD QUARTER

	3Q `02	3Q `01	% CHG.
NET REVENUES	<u>\$ 8,039.3</u>	<u>\$ 7,124.3</u>	13%
Product Net Revenues	7,937.3	7,045.5	
Service Revenues	102.0	78.8	
COST OF OPERATIONS	<u>\$ 7,884.3</u>	<u>\$ 6,964.9</u>	
Cost of Product Net Revenues	7,650.7	6,733.3	
Cost of Service Revenues	45.5	37.9	
Cost of Revenues	7,696.2	6,771.2	
Selling, General and Admin	166.9	146.5	
Amortization of Goodwill & Intangibles	21.2	47.9	
Other (Income)/Expense, Net	-	(0.7)	
PRE-TAX INCOME	\$ 155.0	\$ 159.4	
TAXES	\$ 64.8	\$ 80.5	
TAX RATE	41.8%	50.5%	
NET INCOME	\$ 90.2	\$ 78.9	14%

NOTE 1: Included in product net revenues and cost of product net revenues are retail copayments of approximately \$1,534 million and \$1,363 million for 3Q02 and 3Q01, respectively. The retail copayments are recorded as revenue because under Medco Health's contracts with its clients and affiliated retail pharmacies, Medco Health is principally responsible for managing the entire drug transaction, including the copayment. It is also important to note that for each copayment included in Medco Health's revenues there is a corresponding offset as a cost of revenues, so net income is not affected by this accounting.

NOTE 2: Included in cost of operations is depreciation of \$42.0 million and \$32.3 million for 3Q02 and 3Q01, respectively.

MERCK & CO., INC.
ADDITIONAL DISCLOSURE
MEDCO HEALTH SOLUTIONS, INC.
NINE MONTHS YEAR TO DATE

	2002	2001	% CHG.
NET REVENUES	<u>\$ 24,418.8</u>	<u>\$ 21,395.5</u>	14%
Product Net Revenues	24,132.3	21,129.5	
Service Revenues	286.5	266	
TOTAL COSTS, EXPENSES, & OTHER	<u>\$ 23,981.6</u>	<u>\$ 21,016.6</u>	
Cost of Product Net Revenues	23,351.2	20,305.6	
Cost of Service Revenues	<u>127.6</u>	<u>138.8</u>	
Cost of Revenues	23,478.8	20,444.4	
Selling, General and Admin	430.7	431.9	
Amortization of Goodwill & Intangibles	63.7	143.9	
Other (Income)/Expense, Net	8.4	(3.6)	
PRE-TAX INCOME	\$ 437.2	\$ 378.9	
TAXES	\$ 182.8	\$ 191.3	
TAX RATE	41.8%	50.5%	
NET INCOME	\$ 254.4	\$ 187.6	36%

NOTE 1: Included in product net revenues and cost of product net revenues are retail copayments of approximately \$4,814 million and \$4,082 million for the first nine months of 2002 and the first nine months of 2001, respectively. The retail copayments are recorded as revenue because under Medco Health's contracts with its clients and affiliated retail pharmacies, Medco Health is principally responsible for managing the entire drug transaction, including the copayment. It is also important to note that for each copayment included in Medco Health's revenues there is a corresponding offset as a cost of revenues, so net income is not affected by this accounting.

NOTE 2: Included in cost of operations is depreciation of \$116.9 million and \$98.6 million for the first nine months of 2002 and the first nine months of 2001, respectively.