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**Merck & Co., Inc. and Idera Pharmaceuticals Sign Collaboration Agreement Incorporating Idera's Toll-like Receptor Agonists in Merck's Vaccine Programs**

**CAMBRIDGE, MASS. and WHITEHOUSE STATION, N.J., Dec. 11, 2006** – Merck & Co., Inc. (NYSE: MRK) and Idera Pharmaceuticals (AMEX: IDP) announced today that they have formed a broad collaboration to research, develop and commercialize Idera's Toll-like Receptor (TLR) agonists by incorporating them in therapeutic and prophylactic vaccines being developed by Merck for oncology, infectious diseases and Alzheimer's disease.

"Our collaboration with Idera is part of Merck's long-standing commitment to research and develop novel vaccines and medicines that can improve human health," said Peter S. Kim, Ph.D., president, Merck Research Laboratories. "We believe that vaccines combined with TLR-targeted compounds offer great promise in treating and preventing serious diseases, and look forward to integrating Idera's TLR agonists into our vaccine development programs."

Under the terms of the agreement, Merck will receive worldwide exclusive rights to a number of Idera's agonist compounds targeting TLR 7, 8 and 9 for use in combination with Merck's therapeutic and prophylactic vaccines under development for oncology, infectious diseases and Alzheimer's disease. Merck and Idera will engage in a two-year research and development collaboration to generate novel agonists targeting TLR 7 and TLR 8 and incorporating both Merck and Idera chemistry for use in the licensed fields.

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Merck has agreed to pay an upfront license fee of \$20 million to Idera and to purchase \$10 million of its common stock at \$5.50 per share. In addition, Merck will fund the research and development collaboration. Idera is eligible to receive milestone payments of up to \$165 million if vaccines are successfully developed in each of the three fields. Additional milestones of up to \$260 million would be payable for follow-on indications in the oncology field and the successful development of additional vaccines containing Idera's TLR agonists. There is no limit to the number of vaccines to which Merck can apply Idera's agonists within the licensed fields. In addition, Idera will receive royalties on products commercialized under the collaboration.

"We are extremely pleased to collaborate with Merck, a global pharmaceutical leader with a reputation for innovative research," said Sudhir Agrawal, D. Phil., chief executive officer and chief scientific officer of Idera. "This agreement enables Idera to increase the potential of our TLR7, 8 and 9 targeted compounds in the field of therapeutic and prophylactic vaccines. Furthermore, we look forward to working closely with Merck's world-class chemists to expand our portfolio of novel TLR 7 and TLR 8 agonist compounds."

"TLRs are critical mediators of the human immune response. We believe a chemistry-based approach may be an efficient way to harness the activity of TLRs to train the immune system to recognize antigens, thereby potentially enhancing the effect of vaccines," said Stephen H. Friend, M.D., Ph.D., executive vice president of Advanced Technologies and Oncology at Merck. "We are pleased to collaborate with Idera, which has established a robust TLR-based discovery platform that is synergistic with our internal chemistry programs and has yielded an extensive portfolio of TLR agonist compounds that can be applied across our multiple areas of interest for new vaccine development."

### **About TLRs**

Toll-like Receptors (TLR) function in human immune cells as the sensors of pathogens. They recognize different microbial products present in pathogens such as bacteria, viruses and parasites, and mount an appropriate immune response against the foreign invaders. TLRs have become attractive targets for developing immune modulators to treat a number of diseases, including cancer, asthma, allergies, and infectious diseases.

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## **About Idera Pharmaceuticals, Inc.**

Idera Pharmaceuticals, Inc. is a drug discovery and development company that is developing drug candidates to treat cancer and infectious, respiratory, and autoimmune diseases, and for use in combination with therapeutic and prophylactic vaccines. Idera's proprietary drug candidates are designed to modulate Toll-like Receptors, the body's first line of immune defense. Idera's pioneering DNA chemistry expertise enables it to identify drug candidates for internal development and creates opportunities for multiple collaborative alliances. For more information, visit [www.iderapharma.com](http://www.iderapharma.com).

## **Idera Forward Looking Statement**

This press release contains forward-looking statements concerning Idera Pharmaceuticals, Inc. that involve a number of risks and uncertainties. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "estimates," "intends," "should," "could," "will," "may," and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause Idera's actual results to differ materially from those indicated by such forward-looking statements, including whether the collaboration with Merck will be successful and whether the Company will receive any of the milestones provided for under the collaboration; whether products based on Idera's technology will advance into or through the clinical trial process on a timely basis or at all and receive approval from the United States Food and Drug Administration or equivalent foreign regulatory agencies; whether, if the Company's products receive approval, they will be successfully distributed and marketed; whether Idera's cash resources will be sufficient to fund product development and clinical trials; and such other important factors as are set forth under the caption "Risk Factors" in Idera's Quarterly Report on Form 10-Q filed on November 13, 2006, which important factors are incorporated herein by reference. Idera disclaims any intention or obligation to update any forward-looking statements.

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## **About Merck & Co., Inc.**

Merck & Co., Inc. is a global research-driven pharmaceutical company dedicated to putting patients first. Established in 1891, Merck currently discovers, develops, manufactures and markets vaccines and medicines to address unmet medical needs. The Company devotes extensive efforts to increase access to medicines through far-reaching programs that not only donate Merck medicines but help deliver them to the people who need them. Merck also publishes unbiased health information as a not-for-profit service. For more information, visit: [www.merck.com](http://www.merck.com).

## **Merck Forward-Looking Statement**

This press release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's 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 undertakes 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 press release should be evaluated together with the many uncertainties that affect Merck's business, particularly those mentioned in the cautionary statements in Item 1 of Merck's Form 10-K for the year ended Dec. 31, 2005, and in its periodic reports on Form 10-Q and Form 8-K, which the company incorporates by reference.

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