

July 31, 2008

Mr. Martin Delaney  
Fair Pricing Coalition  
c/o Project Inform  
215 13<sup>th</sup> Street, Suite 2001  
San Francisco, CA 94103

Dear Martin,

I am writing today to respond to the Fair Pricing Coalition's request regarding the price of our first-in-class integrase inhibitor ISENTRESS (raltegravir). Merck is highly committed to ensuring access of our antiretroviral medications (ARVs) to people living with HIV. We have a history of working closely with leaders from the HIV Community to ensure our approach to pricing our medications is fair and reasonable, balancing Merck's need to continue conducting extensive HIV research while supporting broad access to our medications.

As you know, when we launched our protease inhibitor CRIVAN (indinavir sulfate) we priced it below the other available protease inhibitors. We were also the first company to provide a price freeze to the unique AIDS Drug Assistance Programs (ADAP) when they suffered through an earlier funding challenge in the late 1990s.

We approached the pricing for ISENTRESS by consulting closely with you and other Community and ADAP leaders, and we priced ISENTRESS to provide the cost-neutrality requested by those managing these flat-funded ADAP programs. This approach was taken despite significant innovation and investment associated with discovering and developing ISENTRESS – integrase research has been ongoing at Merck since 1993 – and has finally enabled integrase inhibition for people living with HIV.

Today, it appears likely that ADAP, a unique fixed-funding program, will once again experience a flat federal budget in the coming years. Therefore, Merck has decided to freeze the price for ADAP programs of ISENTRESS at its launch price until December 31, 2010. We feel this decision to freeze the price for ADAP programs of ISENTRESS is appropriate given the very unique nature of ADAP, and that doing so is consistent with Merck's commitment to HIV.

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Our commitment to patient access is also evidenced by our HIV patient assistance program called SUPPORT™, which provides our HIV medicines free of charge to eligible patients, including eligible patients whose co-payments exceed \$50 per prescription. Patients meeting eligibility criteria can receive reimbursement support (e.g., assistance accessing coverage) and same-day access to medicines. More information about the SUPPORT Program can be obtained by calling 800-850-3430 or at [www.isentress.com](http://www.isentress.com).

Merck devotes extensive efforts to increase access to medicines through far-reaching global programs that not only donate Merck medicines but help deliver them. Merck is committed to ensuring access to our ARVs through a pricing policy that provides our ARVs at dramatically lower prices – at which Merck does not profit – to people living in the world's least developed countries and those hardest hit by the pandemic, as defined by various United Nations indices. Merck is also seeking additional ways to reduce the cost of its ARVs for people living in these countries, including through partnering with external manufacturers and suppliers to achieve incremental efficiencies and cost savings.

We hope today's action demonstrates Merck's commitment to HIV and to putting patients first. We look forward to continuing to work with you and other Community leaders to continue demonstrating this commitment.

Sincerely,

Margaret G. McGlynn  
President  
Merck Vaccines and Infectious Diseases  
Merck & Co., Inc.