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NEWS

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GLADSTONE INSTITUTES AND MERCK & CO., INC. ANNOUNCE MAJOR RESEARCH COLLABORATION AND EXCLUSIVE LICENSE AGREEMENT IN FIELD OF APOLIPOPROTEIN (APO) E

Research Focuses on Treatment and Prevention of Alzheimer's Disease by Altering ApoE4-induced Neuronal Dysfunction

SAN FRANCISCO, CA AND WHITEHOUSE STATION, N.J. - Nov. 2, 2006 - The J. David Gladstone Institutes and Merck & Co., Inc. today announced a major collaboration and license agreement for research and development of drugs to treat neurodegenerative diseases, including Alzheimer's disease, that are linked to apoE-regulated mechanisms in the body.

The agreement provides Merck, through an affiliate, with a worldwide, exclusive license to research, develop and commercialize compounds that are directed to apoE-regulated pathways and result from collaborative research or discoveries that have been made in the field of neurodegeneration by the Gladstone Institutes.

The agreement also establishes a four-year research collaboration with the research team led by Robert W. Mahley, MD, PhD, President of the Gladstone Institutes. Under the terms of the agreement, Gladstone will receive a \$3.25 million upfront payment, significant milestone fees and an annual license fee in addition to downstream royalties on any marketed products that result from the agreement. For at least four years, Gladstone will also receive substantial funding for apoE research conducted at the Gladstone Institutes' new Center for Translational Research under the direction of Dr. Mahley. Additional financial terms were not disclosed.

“After more than 25 years of Gladstone research on apoE and its role in both cardiovascular and neurological diseases, this partnership provides great hope for a therapeutic agent targeting the detrimental effects of the apoE4 isoform,” said Dr. Mahley. “Our research into apoE has identified a number of strategies for preventing the progress of Alzheimer’s and other neurological diseases, and we look forward to collaborating with the outstanding scientists at Merck.”

“We are delighted to enter into this partnership with Dr. Mahley and his research team at the Gladstone Institutes,” said Dr. Peter S. Kim, President, Merck Research Laboratories. “Merck is committed to developing innovative therapies for the treatment and prevention of Alzheimer’s disease and we now add the apoE4-regulated mechanisms that contribute to neuronal degeneration to the approaches we are currently exploring. By establishing a strategic alliance with the outstanding scientific research group at the Gladstone Institutes to combine the strengths of both our organizations, we hope to rapidly validate the Gladstone hypothesis linking apoE4 function and Alzheimer’s disease.”

About ApoE

Apolipoprotein E exists in three forms --apoE2, E3, E4 -- and plays a fundamental role in regulating lipid homeostasis and maintaining neuronal integrity and function. The apoE4 allele is expressed in 15%-20% of the population and is the major genetic risk factor for developing Alzheimer’s disease (AD). The exact mechanism by which apoE4 increases the risk for AD and other neurodegenerative diseases is not fully understood, but the molecular conformation of apoE4 as distinguished from that of apoE3 and apoE2 is believed to be involved. Because of the unique structure of apoE4, abnormal fragments of the apoE accumulate in nerve cells, disrupting normal functions of the cells. A primary objective of the Merck-Gladstone collaboration is identifying drugs that correct the apoE4 protein conformation. Additional therapeutic targets include inhibition of the protease responsible for apoE4 fragment formation and protecting nerve cell mitochondria, a target of the fragments of apoE4. The organizations hope to develop new therapies to improve symptoms and restore neuronal and cognitive function in patients with AD and other neurodegenerative diseases, including Parkinson’s disease and amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig's disease.

About the Gladstone Institutes

The J. David Gladstone Institutes, affiliated with the University of California, San Francisco (UCSF), is dedicated to the health and welfare of humankind through research into the causes and prevention of some of the world's most devastating diseases. Gladstone is comprised of the Gladstone Institute of Cardiovascular Disease, the Gladstone Institute of Virology and Immunology and the Gladstone Institute of Neurological Disease. More information can be found at www.gladstone.ucsf.edu.

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.

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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