

SECURITIES AND EXCHANGE COMMISSION

FORM 424B3

Prospectus filed pursuant to Rule 424(b)(3)

Filing Date: **1994-01-19**
SEC Accession No. **0000950123-94-000173**

([HTML Version](#) on [secdatabase.com](#))

FILER

MERCK & CO INC

CIK: **64978** | IRS No.: **221109110** | State of Incorporation: **NJ** | Fiscal Year End: **1231**
Type: **424B3** | Act: **33** | File No.: **033-51785** | Film No.: **94501845**
SIC: **2834** Pharmaceutical preparations

Mailing Address

*ONE MERCK DR
PO BOX 100 WS3AB-05
WHITEHOUSE STATION NJ
08889-0100*

Business Address

*ONE MERCK DR
P O BOX 100
WHITEHOUSE STATION NJ
08889-0100
9084231000*

PROSPECTUS

MEDCO CONTAINMENT SERVICES, INC.
6% Convertible Subordinated Debentures due 2001
(Interest payable March 1 and September 1)

This Prospectus relates to \$21,800,000 in aggregate principal amount of 6% Convertible Subordinated Debentures due 2001 (the "Debentures") of Medco Containment Services, Inc. (the "Company"), a wholly owned subsidiary of Merck & Co., Inc. ("Merck"). The Debentures were originally issued by Medco Containment Services, Inc. ("Old Medco"), a Delaware corporation, which merged (the "Merger") with and into the Company on November 18, 1993. As a result of the Merger, the Company changed its name to Medco Containment Services, Inc. Pursuant to a Second Supplemental Indenture (the "Supplemental Indenture"), dated as of November 18, 1993, the Company assumed Old Medco's obligations with respect to the Debentures. In addition, pursuant to the Supplemental Indenture, Merck has become jointly and severally liable for the payment of principal, interest and premium, if any, under the Debentures. Also pursuant to the Supplemental Indenture, the Debentures are now convertible into a combination of cash and shares of Common Stock, no par value (the "Merck Shares"), of Merck. Either the Debentures or Merck Shares issued upon conversion may be offered from time to time for the account of persons who are holders of Debentures or such Merck Shares at the time of such offer (the "Selling Debentureholders"). The Company will not receive any proceeds from this offering.

Based on information available to the Company, the total principal amount of Debentures that may be offered by the Selling Debentureholders named herein is \$13,070,000. Additional Selling Debentureholders or other information concerning certain Selling Debentureholders may be set forth in Prospectus Supplements from time to time. As a result of such Prospectus Supplements, the principal amount of Debentures offered hereby may increase or decrease. The total outstanding principal amount of Debentures is \$131,845,000.

The Debentures are convertible into a combination of Merck Shares and cash (a "Merck Unit") on or before September 1, 2001, unless previously redeemed, at a conversion price determined by dividing the principal amount of Debentures being converted by \$29.28. On the date hereof a Merck Unit consisted of \$15.60 in cash and .728406 Merck Shares. The number of Merck Shares included in a Merck Unit is subject to adjustment in certain events. On January 13, 1994, the last sale price of the Merck Shares as reported on the New York Stock Exchange was \$36.625 per Merck Share.

The Debentures are redeemable on at least 15 days' notice at the option of the Company, in whole or in part, at any time on or after September 1, 1994, initially at 103.429% of the principal amount thereof, and thereafter at prices declining to 100% for redemptions on or after September 1, 1998, together in each case with accrued interest. The Debentures are required to be repurchased at the option of the holder at 100% of the principal amount thereof plus accrued interest if a Designated Event (as defined herein) occurs.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS JANUARY 14, 1994.

(Cover continued on next page)

With respect to the Company, the Debentures are unsecured and subordinated in right of payment to all Senior Debt (as defined below). However, the payment of the principal, interest, and premium, if any, by Merck is unsubordinated and, therefore, the subordination of the Debentures to Senior Debt of the Company will not affect the ability of holders of Debentures to receive payment of all amounts due directly from Merck. See "Description of Debentures."

The Selling Debentureholders, acting as principals for their own account, directly, through agents designated from time to time, or to or through dealers or underwriters also to be designated, may sell all or a portion of the Debentures or Merck Shares offered hereby from time to time on terms to be determined at the time of sale. The aggregate proceeds to the Selling Debentureholders from the sale of Debentures and Merck Shares offered by the Selling Debentureholders pursuant to this Prospectus will be the purchase price of such Debentures or Merck Shares less any commissions. See "Plan of Distribution" herein for indemnification arrangements between the Company and the Selling Debentureholders.

The Selling Debentureholders and any broker-dealers, agents or underwriters that participate with the Selling Debentureholders in the distribution of the Debentures or Merck Shares may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), in which event any commissions received by such broker-dealers, agents or underwriters and any profit on the resale of the Debentures or Merck Shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

The Debentures were issued by Old Medco on September 12, 1991 in a private placement.

3

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND ANY ACCOMPANYING PROSPECTUS SUPPLEMENT IN CONNECTION WITH THE OFFERING DESCRIBED HEREIN AND THEREIN, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY MERCK OR BY ANY UNDERWRITER, DEALER OR AGENT. NEITHER THIS PROSPECTUS NOR ANY PROSPECTUS SUPPLEMENT SHALL CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OFFERED HEREUNDER IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION OR SALE IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT NOR ANY SALE MADE HEREUNDER IMPLIES THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF MERCK AT ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

AVAILABLE INFORMATION

Merck is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Commission. The reports, proxy statements and other information filed by Merck with the Commission can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and should be available at the Commission's Regional Offices at 7 World Trade Center, New York, New York 10048, and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material also can be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. Merck Shares are listed on the New York Stock Exchange (the "NYSE"), and certain of Merck's reports, proxy materials and other information may be available for inspection at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

The Company has filed a registration statement on Form S-3 (herein, together with all amendments and exhibits, referred to as the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") with respect to the securities offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is made to the Registration Statement and the exhibits filed as a part thereof. Statements contained herein concerning any document filed as an exhibit are not necessarily complete and, in each instance, reference is

made to the copy of such document filed as an exhibit to the Registration Statement. Each such statement is qualified in its entirety by such reference.

-2-

4

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed with the Commission by Merck (File No. 1-3305) are incorporated by reference in this Prospectus:

1. Merck's Annual Report on Form 10-K for the fiscal year ended December 31, 1992;
2. Merck's Form 10-K/A filed on June 3, 1993, amending Merck's Annual Report on Form 10-K for the fiscal year ended December 31, 1992;
3. Merck's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993;
4. Merck's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993;
5. Merck's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993;
6. Merck's Proxy Statement for the Annual Meeting of Stockholders held April 27, 1993;
7. Merck's Current Reports on Form 8-K filed January 20, 1993, February 24, 1993, March 26, 1993, August 3, 1993 and December 3, 1993; and
8. The descriptions of shares of common stock of Merck set forth in Merck's Registration Statements pursuant to Section 12 of the Exchange Act, and any amendment or report filed for the purpose of updating any such description.

All documents filed by Merck pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this Prospectus and prior to the termination of the offering of the Debentures hereby shall be deemed to be incorporated herein by reference.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus and the Registration Statement of which it is a part to the extent that a statement contained herein or in any other subsequently filed document which is also incorporated or deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus or such Registration Statement.

Merck will provide without charge to each person to whom a copy of this Prospectus has been delivered, upon written or oral request of such person, a copy of any or all of the documents which have been or may be incorporated herein by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference to such documents). Requests for such copies should be directed to the Office of the Secretary, Merck & Co., Inc., P.O. Box 100, One Merck Drive, Whitehouse Station, New Jersey 08889-0100, telephone number (908) 423-4042.

-3-

5

SUMMARY OF TERMS OF THE DEBENTURES

The following summary is qualified in its entirety by the more detailed description of the terms and provisions of the Debentures set forth under "Description of Debentures."

<TABLE>	
<S>	<C>
Debentures Offered	Up to \$21,800,000 aggregate principal amount of 6% Convertible Subordinated Debentures due 2001.
Maturity Date	September 1, 2001.
Interest Payment Dates	March 1 and September 1.
Conversion	Convertible into a unit of cash and Merck Shares (a "Merck Unit") on or before September 1, 2001, unless previously redeemed, at a conversion price determined by dividing the principal amount of Debentures being converted by \$29.28 which will result in the number of Merck Units to be received. On the date hereof, a Merck Unit consisted of \$15.60 in cash and .728406 Merck Shares. The number of Merck Shares in a Merck Unit is subject to further adjustment in certain events.
Optional Redemption	Redeemable at the option of the Company, in whole or in part, at any time on or after September 1, 1994, initially at a price of 103.429% of the principal amount, and thereafter at prices declining to 100% of the principal amount for redemptions on or after September 1, 1998, together in each case with accrued interest.
Repurchase at Option of Holder Upon Occurrence of a Designated Event	The Debentures are required to be repurchased at 100% of their principal amount, at the option of the holder, if a Designated Event (as defined) occurs.
Subordination	With respect to the Company, the Debentures are subordinated in right of payment to all present and future Senior Debt (as defined). However, the
</TABLE>	

-4-

6

Debentures are not subordinated in right of payment with respect to Merck's obligation to pay all principal, interest, and premium, if any, due thereunder. Consequently, the subordination of the Debentures to Senior Debt of Medco will not affect the ability of holders of Debentures to recover amounts due from Merck.

-5-

7

SELLING DEBENTUREHOLDERS

The Debentures being offered hereby were issued by Old Medco in September 1991 in a private placement pursuant to Rule 144A and Regulation D under the Securities Act. The following table sets forth information concerning the principal amount of Debentures which may be offered pursuant to this Prospectus by those persons or entities identified to Merck or the Company as beneficial owners of Debentures:

<TABLE>

<CAPTION>

	Principal Amount of Debentures Owned	Amount of Debentures That May be Sold	Percent of Outstanding Debentures
<S>	<C>	<C>	<C>
HBK Korenvaes	\$ 3,600,000	\$ 3,600,000	2.73%
General Motors Hourly-Rate Employees Pension Trust	650,000	650,000	*
General Motors Salaried Employees Pension Trust	625,000	625,000	*
Fidelity Securities Fund: Fidelity Growth & Income Portfolio	650,000	650,000	*
Municipal Employees Retirement Fund for the State of Michigan	545,000	545,000	*
California Public Employees Retirement System - Internal Convertible Portfolio	6,000,000	6,000,000	4.55
Smith Barney Shearson Inc.	1,000,000	1,000,000	*
	-----	-----	-----
TOTAL	\$13,070,000	\$13,070,000	9.91%
	=====	=====	=====

</TABLE>

* Less than 1%

8

The preceding table has been prepared based upon information furnished to Merck or the Company by Depository Trust Company and by or on behalf of the Selling Debentureholders.

Based on information available to Merck or the Company, the total principal amount of Debentures that may be offered by the Selling Debentureholders named herein is \$13,070,000. Additional Selling Debentureholders or other information concerning certain Selling Debentureholders may be set forth in Prospectus Supplements from time to time. As a result of such Prospectus Supplements, the principal amount of Debentures offered hereby may increase or decrease. The total outstanding principal amount of Debentures is \$131,845,000.

Other than as a result of the ownership of Debentures or Merck Shares, none of the Selling Debentureholders listed above has had any material relationship with Merck within the past three years, except as noted herein.

Because the Selling Debentureholders may offer all or some of the Debentures which they hold and/or Merck Shares issued upon conversion thereof pursuant to the offering contemplated by this Prospectus, and because there are currently no agreements, arrangements or understandings with respect to the sale of any of the Debentures or Merck Shares that will be held by the Selling Debentureholders after completion of this offering, no estimate can be given as to the principal amount of Debentures or Merck Shares that will be held by the Selling Debentureholders after completion of this offering. See "Plan of Distribution."

DESCRIPTION OF DEBENTURES

The Debentures were issued on September 12, 1991 pursuant to an Indenture, as amended (the "Indenture"), between Old Medco and NationsBank of Georgia, N.A. (formerly The Citizens and Southern National Bank), as trustee (the "Trustee") dated as of September 12, 1991. The terms of the Debentures include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (the "Trust Indenture Act") as in effect on the date of the Indenture. The Debentures are subject to all such terms, and holders of the Debentures are referred to the Indenture and the Trust Indenture Act for a statement thereof. Pursuant to a Second Supplemental Indenture (the "Supplemental Indenture") among Merck, Medco Containment Services, Inc. and NationsBank of Georgia, dated as of November 18, 1993, Merck is directly, jointly and severally, liable for payment of principal, interest, and premium, if any, owed under the Debentures. The following summary of the material provisions of the Indenture and the Supplemental Indenture is qualified in its entirety by

reference to the Indenture and the Supplemental Indenture, including the definitions therein of certain terms used below. Both the Indenture and the Supplemental Indenture are exhibits to the Registration Statement.

-7-

9

GENERAL

The Debentures are general unsecured obligations of the Company and Merck limited to \$150,000,000 in initial aggregate principal amount. The Debentures bear interest at 6% per annum, payable semiannually on March 1 and September 1 in each year to holders of record of Debentures at the close of business on the February 15 or August 15 next preceding the interest payment date. Interest initially began to accrue from September 12, 1991 and the first interest payment date was March 1, 1992. Interest is computed on the basis of a 360-day year of twelve 30-day months. The Debentures mature on September 1, 2001, and are issuable in denominations of \$1,000 and integral multiples thereof.

Principal and interest on the Debentures are payable at the offices of the Company or its agent maintained for such purposes; provided that payment of interest may, at the option of the Company, be made by check mailed to a holder at such holder's registered address. The Debentures will be convertible at the aforesaid offices of the Company or its agent.

MERGER AGREEMENT

On July 27, 1993, Merck, the Company and Old Medco entered into an Agreement and Plan of Merger (the "Merger Agreement") providing for a merger (the "Merger") of Old Medco with and into M Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Merck, which was the surviving corporation in the Merger, which was consummated on November 18, 1993. Pursuant to the Merger Agreement, Merck assumed the obligation to issue Merck Units consisting of a combination of Merck Shares and cash based on the ratio determined under the Merger Agreement upon the conversion of Debentures, if any.

CONVERSION OF DEBENTURES

The holder of any Debenture will be entitled at any time prior to the close of business on September 1, 2001, subject to prior redemption, to convert such Debenture (or portions thereof which are in denominations of \$1,000 or integral multiples thereof), at the principal amount thereof, into Merck Units consisting of a combination of cash and Merck Shares. The number of Merck Units issuable upon conversion of a Debenture (including fractions of Merck Units) is determined by dividing the principal amount of Debentures then being converted by such holder by \$29.28 (the previous conversion price per share of common stock of Old Medco). Interest will be paid on any semiannual interest payment date with respect to Debentures surrendered for conversion after the record date for the payment of interest to the registered holder on such record date. Debentures surrendered for conversion after a record date but prior to the next succeeding interest payment date must be accompanied by payment of an amount equal to the interest thereon which is to be paid on such interest payment date. No payment or adjustment will be made on conversion of any Debenture for interest accrued thereon or dividends on any Merck Shares issued. Merck is not required to issue fractional Merck Shares upon

-8-

10

conversion of Debentures and, in lieu thereof, will pay a cash adjustment based upon the market price of the Merck Shares on the date of conversion. In the case of Debentures called for redemption, conversion rights will expire at the close of business on the business day prior to the redemption date.

The number of Merck Shares included in each Merck Unit is initially .728406 Merck Shares. Such number of Merck Shares is subject to adjustment as set forth in the Supplemental Indenture in certain events, including: the issuance of stock of Merck as a dividend or distribution on the Merck Shares; subdivisions, combinations and reclassifications of

the Merck Shares; the issuance to all holders of Merck Shares of certain rights or warrants entitling them to subscribe for Merck Shares at less than the current market price (as defined); the distribution to all holders of Merck Shares of assets or debt securities of Merck or rights or warrants (other than as referred to above) to purchase assets, debt securities or other securities of Merck (excluding cash dividends or distributions from current or retained earnings); the issuance, in certain circumstances, of Merck Shares for consideration less than the then current market price and less than \$24.12 (the "Merck Adjustment Price" as the same may be adjusted in certain events); and the issuance, in certain circumstances, of securities convertible into or exchangeable for Merck Shares (other than pursuant to transactions described above) for a consideration per Merck Share deliverable on such conversion or exchange that is less than the then current market price of the Merck Shares and the Merck Adjustment Price on the date of issuance of such security. As used above, the "current market price" per Merck Share is the lower of (x) the average of the last reported sales prices of Merck Shares (as reported on the New York Stock Exchange) for consecutive trading days commencing 25 trading days before the date in question or (y) the last reported sales price at the most recent close of trading prior to the time in question (except that, in the case of an issuance of rights or warrants or a distribution of assets or securities to holders of Merck Shares, clause (y) will not apply). No adjustment in the Merck Adjustment Price will be required unless such adjustment would require a change of at least 1% in the price then in effect; but any adjustment that would otherwise be required to be made shall be carried forward and taken into account in any subsequent adjustment.

If Merck consolidates or merges into or sells, leases, conveys or otherwise disposes of all or substantially all of its assets to any person, the Debentures will become convertible into the kind and amount of securities, cash or other assets which the holders of the Debentures would have owned immediately after the transaction if the holders had converted the Debentures immediately before the effective date of the transaction at the conversion price in effect immediately prior to such effective date.

If at any time Merck makes a distribution of property to its stockholders which would be taxable to such stockholders as a dividend for federal income tax purposes (e.g., distributions of evidences of indebtedness or assets of Merck, but generally not stock dividends) and, pursuant to the

11
 antidilution provisions of the Indenture, the Merck Adjustment Price is reduced, such reduction may be deemed to be the receipt of taxable income by the holders of Debentures.

OPTIONAL REDEMPTION OF DEBENTURES

The Debentures are redeemable at the option of the Company, in whole at any time or in part, from time to time, on or after September 1, 1994, at the redemption prices (expressed as percentages of the principal amount) set forth below plus accrued interest to the redemption date, if redeemed during the 12-month period beginning September 1 of the years indicated below:

<TABLE>
 <CAPTION>

YEAR	PERCENTAGE
----	-----
<S>	<C>
1994	103.429%
1995	102.571%
1996	101.714%
1997	100.857%
1998 and thereafter	100.000%

</TABLE>

In the event of redemption of less than all of the Debentures, the Debentures will be chosen for redemption by the Trustee as provided in the Indenture, but generally pro rata or by lot. Notice of redemption will be mailed at least 15 days but not more than 60 days before the redemption date to each holder of Debentures to be redeemed at its registered address. On and after the redemption date interest ceases to accrue on Debentures or portions thereof called for redemption.

If at any time there occurs any Designated Event (as defined below) with respect to the Company, each holder of Debentures shall have the right, at the holder's option, to require the Company to repurchase all of such holder's Debentures, or a portion thereof which is \$1,000 or any integral multiple thereof, on the date (the "Repurchase Date") that is 45 days after the date of the Company Notice (as defined below), at 100% of their principal amount, together with accrued interest to the date fixed for repurchase.

Within 30 days after the occurrence of a Designated Event, the Company is obligated to mail to all holders of record of the Debentures a notice (the "Company Notice") of the occurrence of such Designated Event and of the repurchase right arising as a result thereof. The Company shall deliver a copy of the Company Notice to the Trustee and shall cause a copy of such notice to be published in a newspaper of general circulation in the Borough of Manhattan, The City of New York. To exercise the repurchase right, holders of Debentures must deliver on or before the 30th day after the date of the Company Notice irrevocable written notice to the Company (or an agent designated by the Company for such purpose) of the holder's exercise of such right, together with the Debentures with respect to which the right is being exercised, duly endorsed for transfer.

-10-

12

A Designated Event shall be deemed to have occurred upon the consummation of a purchase, merger or acquisition constituting a "Change in Control." As used herein, a "Change in Control" of the Company shall be deemed to have occurred at such time as any person, together with its affiliates or associates, first is or becomes the beneficial owner, directly or indirectly, through a purchase, merger or other acquisition transaction, of shares of capital stock of the Company entitling such person to exercise 75% or more of the total voting power of all shares of capital stock of the Company entitled to vote in elections of directors, provided that a Change in Control shall not be deemed to have occurred if either (i) the last sale price of the Common Stock for any five trading days during the ten trading days immediately preceding the Change in Control is at least equal to 105% of the conversion price in effect on such day or (ii) at least 90% of the consideration (excluding cash payments for fractional shares) in the transaction or transactions constituting the Change in Control consists of shares of common stock or securities convertible into common stock that are, or upon issuance will be, traded on a national securities exchange or through the NASDAQ-NMS and the consolidated net worth of the surviving entity (or the entity issuing common stock or securities convertible into shares of common stock in such transaction or transactions, if such entity guarantees the Company's obligations under the Debentures) immediately after such transaction or transactions, as measured according to generally accepted accounting principles as in effect on the date hereof, is equal to or greater than the consolidated net worth of the Company immediately prior to the Change in Control. "Beneficial owner" shall be determined in accordance with Rule 13d-3, as in effect on the date of the execution of the Indenture, promulgated by the Commission under the Exchange Act.

SUBORDINATION

With respect to the Company, the indebtedness evidenced by the Debentures is subordinate to the prior payment when due of the principal of, premium, if any, and interest on all Senior Debt (as defined below). Upon maturity of any Senior Debt, payment in full must be made on such Senior Debt before any payment of the principal of, or interest on, the Debentures is made. During the continuance of any default in payment of principal or premium, if any, or interest on Senior Debt, no payment of the principal of, or interest on, the Debentures may be made by the Company unless and until such default is cured or waived. Upon any distribution of assets of the Company in any dissolution, winding-up, liquidation or reorganization of the Company, payment of the principal of, and interest on, the Debentures will be subordinated, to the extent and in the manner set forth in the Indenture, to the prior payment in full of all Senior Debt. Such subordination will not prevent the occurrence of any Event of Default (as defined in the Indenture).

"Senior Debt" means (a) the principal of, premium, if any, and interest on all Debt (other than the Debentures), whether outstanding on the date of the Indenture as originally executed or thereafter created or

incurred, unless, in the agreement or instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such

-11-

13

Debt is not superior in right of payment to the Debentures, and (b) any amendment, modification, deferral, renewal, refunding or extension of any such Senior Debt, or debentures, notes or other evidences of indebtedness issued in exchange of any such Senior Debt; provided, however, that Senior Debt shall not include the Company's guarantee of the Development Authority of Fulton County Industrial Development Revenue Bonds (Porex Technologies Corp. of Georgia Project) Series 1985. "Debt" means (a) all indebtedness of the Company for borrowed money, (b) all indebtedness of the Company which is evidenced by a note, debenture, bond or other similar instrument (including capitalized lease and purchase money obligations) and (c) all indebtedness of the Company (including capitalized lease obligations) incurred, assumed or given in the acquisition (whether by way of purchase, merger or otherwise) of any business, real property or other assets, except assets acquired in the ordinary course of the acquiror's business; any indebtedness of others described in the preceding clauses (a), (b) and (c) which the Company has guaranteed or for which it is otherwise liable; and any amendment, renewal, extension or refunding of any such indebtedness.

However, pursuant to the Supplemental Indenture, Merck is directly liable, without subordination, for the repayment of all amounts due with respect to the Debentures, including the principal of, premium, if any, and all interest thereon. Therefore, the subordination of the Debentures to Senior Debt of the Company will not affect the ability of the holders of Debentures to receive payment of all amounts due directly from Merck.

MERGER, CONSOLIDATION OR SALE OF ASSETS

The Company may not consolidate or merge with or into, or sell, lease, convey or otherwise dispose of all or substantially all of its assets to, another corporation, person or entity unless (i) the Company is the surviving person or the successor or transferee is a corporation organized under the laws of the United States, any state thereof or the District of Columbia, or a corporation or comparable legal entity organized under the laws of a foreign jurisdiction and whose equity securities are listed on a national securities exchange in the United States or authorized for quotation on the NASDAQ-NMS (provided, however, that in the case of a transaction where the surviving entity is organized under the laws of a foreign jurisdiction, the Company may not consummate the transaction without first making provision for the satisfaction of its obligations to repurchase Debentures following a Designated Event, if any), (ii) the successor assumes all the obligations of the Company under the Debentures and the Indenture and (iii) after such transaction no Event of Default exists.

COVENANTS

The Company shall not adopt any plan of liquidation (other than a plan of liquidation incident to a permitted merger, consolidation, sale of assets or other transaction described in the preceding paragraph) which provides for, contemplates or the effectuation of which is preceded by (i) the sale, lease, conveyance or other disposition of all or substantially all of

-12-

14

the assets of the Company otherwise than substantially as an entirety and (ii) the distribution of all the proceeds of such sale, lease, conveyance or other disposition unless the Company makes provisions for satisfaction of the Company's obligation to pay principal and interest on the Debentures.

EVENTS OF DEFAULT AND REMEDIES

An Event of Default is: default for 30 days in payment of interest on the Debentures; default in payment when due of principal and premium, if any; failure by the Company for 30 days after notice to comply with any of its other agreements in the Indenture or the Debentures, or in

the case of failure by the Company to comply with the restrictions on liquidation and on consolidation, merger or transfer or lease of substantially all of its assets or the provisions regarding the conversion of Debentures, with such notice but without such passage of time; default by the Company or a Significant Subsidiary (as defined below) under and acceleration prior to maturity of, or the failure to pay at maturity, certain other indebtedness of the Company or a Significant Subsidiary for money borrowed aggregating in excess of \$25,000,000 and continuance of such default for 30 days after notice; failure by the Company or a Significant Subsidiary to pay certain final judgments aggregating in excess of \$25,000,000 (excluding amounts covered by insurance as to which the insurer has not denied liability); and certain events of bankruptcy or insolvency. "Significant Subsidiary" means a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X under the Securities Act and the Exchange Act (as such Regulation was in effect on September 12, 1991, the date of issuance of the Debentures), except that any subsidiary which is not engaged in the provision of prescription drugs through mail service, the processing of prescription drug claims and the administration or design of prescription drug benefit programs and the common stock of which is publicly held (at present or at any future relevant time) (a "Public Subsidiary"), and any subsidiary of a Public Subsidiary, shall not be deemed to be a Significant Subsidiary.

If any Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the then outstanding Debentures may declare all the Debentures to be due and payable immediately; except that in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Debentures become due and payable without any action or notice by the Trustee or any holder. Holders of the Debentures may not enforce the Indenture or the Debentures except as provided in the Indenture. Subject to certain limitations, holders of a majority in principal amount of the then outstanding Debentures may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Debentures notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest) if it determines that withholding notice is in their interest.

The holders of a majority in aggregate principal amount of the Debentures then outstanding may on behalf of the holders of all of the Debentures waive any past Default or Event of Default under the Indenture and

-13-

15

its consequences except a Default in the payment of interest on, or the principal of, the Debentures or a Default or an Event of Default arising with respect to the conversion rights of holders.

The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and upon becoming aware of any Default or Event of Default, a statement specifying such Default or Event of Default.

A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Debentures or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of the Debentures by accepting a Debenture waives and releases all such liability. The waiver and release were part of the consideration for issuance of the Debentures.

SATISFACTION AND DISCHARGE OF THE INDENTURE

The Company and/or Merck may terminate its obligations under the Indenture at any time by delivering all outstanding Debentures to the Trustee for cancellation. After all the Debentures have been called for redemption, the Company and/or Merck may terminate all of its obligations under the Indenture, other than its obligations to pay the principal of and interest on the Debentures and certain other obligations, at any time, by depositing with the Trustee money or non-callable U.S. Government obligations sufficient to pay all remaining indebtedness on the Debentures.

REGISTRATION AND TRANSFER OF DEBENTURES

As of the date of this Prospectus, all Debentures which have not previously been sold by the initial holder are represented by a single

global debenture (the "Global Debenture") issued to Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee of DTC. NationsBank of Georgia, N.A., as custodian (the "Custodian"), acts as custodian of the Global Debenture for DTC. Currently, ownership of beneficial interests in the Global Debenture is limited to participants in DTC's book-entry settlement system or persons that hold interests through participants, and ownership of beneficial interests in the Global Debenture is shown on records maintained by DTC (with respect to interests of participants in DTC), or by participants in DTC or persons that may hold interests through such participants (with respect to persons other than participants in DTC).

Upon notification to the Trustee (on a form approved by the Company) of any sale of any Debentures pursuant to this Prospectus, the Company will, unless otherwise instructed, issue a Debenture in fully registered, certificated form (a "Definitive Debenture") in exchange for the interest in the Global Debenture representing the Debentures transferred. In the event such an exchange is to be effected, the Trustee will cause, in accordance with the standing instructions and procedures existing between DTC and the Custodian, the aggregate principal amount of the Global Debenture to be

16 reduced. Following such reduction, the Company will execute and the Trustee will authenticate and deliver to the transferee a Definitive Debenture, provided that the Trustee has received written or electronic instructions to that effect from DTC or its nominee on behalf of any person having a beneficial interest in the Debentures evidenced by the Global Debenture and a written order of such person containing registration instructions.

Upon surrender of any Definitive Debenture to the Trustee for exchange or registration of transfer and upon receipt by the Trustee of a written order of the person surrendering such Definitive Debenture containing any necessary registration instructions, the Company will execute and the Trustee will authenticate and deliver to the holder making the exchange or to the transferee, as the case may be, one or more new Definitive Debentures.

Any person having a beneficial interest in Debentures evidenced by the Global Debenture may upon request exchange its interest in the Global Debenture for a Definitive Debenture in the manner set forth in the Indenture. In addition, the Company may at any time and in its sole discretion determine not to have a Global Debenture, and, in such event, will issue Definitive Debentures in exchange for the Debentures represented by the Global Debenture.

A Definitive Debenture may not be exchanged for a beneficial interest in the Global Debenture.

AMENDMENT, SUPPLEMENT AND WAIVER

Subject to certain exceptions, the Indenture or the Debentures may be amended or supplemented with the consent of the holders of at least a majority in principal amount of such then outstanding Debentures, and any existing default or compliance with any provision may be waived with the consent of the holders of a majority in principal amount of the then outstanding Debentures. Without the consent of any holder of the Debentures, the Company, Merck and the Trustee may amend or supplement the Indenture or the Debentures to cure any ambiguity, defect or inconsistency, to provide for uncertificated Debentures in addition to or in place of certificated Debentures, to provide for the assumption of the Company's obligations to holders of the Debentures in the case of a merger or acquisition, or to make any change that does not materially adversely affect the legal rights of any holder of the Debentures. Without the consent of each holder affected, the Company may not reduce the principal amount of Debentures the holders of which must consent to an amendment of the Indenture; reduce the rate or change the interest payment time of any Debenture; reduce the principal of or change the fixed maturity of any Debenture or alter the redemption provision with respect thereto; make any Debenture payable in money other than that stated in the Debenture; make any change in the provisions concerning waiver of Defaults or Events of Default by holders of the Debentures or rights of holders to receive payment of principal or interest; make any change that adversely affects the right to convert any Debenture; or make any change in the subordination provisions that adversely affects the rights of any holder.

CONCERNING THE TRUSTEE

NationsBank of Georgia, N.A. (formerly The Citizens and Southern National Bank) is Trustee under the Indenture. The Trustee is trustee under an indenture in respect of industrial development bonds issued for the benefit of a subsidiary of the Company, which bonds are guaranteed by the Company. The Trustee is also the trustee under the indentures for certain convertible subordinated debentures of Medical Marketing Group, Inc., a 54.2% owned subsidiary of the Company, and certain convertible subordinated debentures of Syntetic, Inc., a 58.7% owned subsidiary of the Company. The Trustee has certain banking relationships with the Company and its subsidiaries and affiliates.

The Indenture contains certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest (as defined), it must eliminate such conflict or resign.

The holders of a majority in principal amount of the then outstanding Debentures will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee. The Indenture provides that in case an Event of Default shall occur (which shall not be cured), the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the holders of the Debentures, unless they shall have offered to the Trustee security and indemnity satisfactory to it.

REGISTRATION RIGHTS AGREEMENT

Old Medco and Kidder, Peabody & Co. Incorporated have entered into a Registration Rights Agreement benefitting the holders of Debentures not sold pursuant to registration thereof with the Commission. Under certain circumstances, such agreement requires the Company to pay additional interest to such holders. Purchasers of Debentures offered hereby will not be entitled to the benefits of such agreement.

RATIO OF EARNINGS TO FIXED CHARGES

Merck's ratio of earnings to fixed charges for each of the five fiscal years ended December 31, 1992 and for the nine months ended September 30, 1993 is set forth below. For purposes of computing these ratios, "earnings" consist of income before income taxes, one-third of rents (deemed by Merck to be representative of the interest factor), and interest expense, net of amounts capitalized. "Fixed charges" consist of one-third of rents and interest expense as reported in Merck's consolidated financial statements (includes both amounts expensed and amounts capitalized). The ratio of earnings to fixed charges should be read in conjunction with the financial statements and other information and data contained in the 1992 10-K, which financial statements and other information and data are incorporated by reference herein. See "Incorporation of Certain Documents by Reference."

18
<TABLE>
<CAPTION>

Nine Months Ended Sept. 30, 1993	Years Ended December 31,				
	1992	1991	1990	1989	1988
-----	-----	-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>	<C>	<C>
Ratio of Earnings to Fixed Charges	25	34	32	29	32	20

</TABLE>

PLAN OF DISTRIBUTION

Neither Merck nor the Company will receive any of the proceeds from this offering. The Selling Debentureholders may sell all or a portion of the Debentures and Merck Shares offered hereby from time to time in the over-the-counter market on terms to be determined at the times of such sales. The Selling Debentureholders may also make private sales directly or through a broker or brokers. Alternatively, any of the Selling Debentureholders may from time to time offer the Debentures or Merck Shares through underwriters, dealers or agents, who may receive compensation in the form of underwriting discounts, commissions or concessions from the Selling Debentureholders and/or the purchasers of the Debentures or Merck Shares for whom they may act as agent. To the extent required, the aggregate principal amount of Debentures and/or number of Merck Shares to be sold, the names of the Selling Debentureholders, the purchase price, the name of any such agent, dealer or underwriter and any applicable commissions with respect to a particular offer will be set forth in an accompanying Prospectus Supplement. The aggregate proceeds to the Selling Debentureholders from the sale of the Debentures and Merck Shares offered by the Selling Debentureholders hereby will be the purchase price of such Debentures and Merck Shares less any broker's commissions.

There is no assurance that the Selling Debentureholders will sell any or all of the Debentures or Merck Shares offered hereby.

In order to comply with the securities laws of certain states, if applicable, the Debentures and Merck Shares will be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the Debentures and Merck Shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

The Selling Debentureholders and any broker-dealers, agents or underwriters that participate with the Selling Debentureholders in the distribution of the Debentures or Merck Shares may be deemed to be "underwriters" within the meaning of the Securities Act, in which event any commissions received by such broker-dealers, agents or underwriters and any profit on the resale of the Debentures or Merck Shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

19

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the Debentures or the Merck Shares offered hereby may not simultaneously engage in market making activities with respect to either the Debentures or the Merck Shares for a period of nine business days (two business days in the case of Merck Shares) prior to the commencement of such distribution. In addition, and without limiting the foregoing, each Selling Debentureholder will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including, without limitation, Rules 10b-2, 10b-6 and 10b-7, which provisions may limit the timing of purchases and sales of Debentures or Merck Shares by the Selling Debentureholders.

LEGAL MATTERS

The validity of the Debentures and the Merck Shares offered hereby has been passed upon for Merck and the Company by Bert I. Weinstein, assistant general counsel of Merck.

EXPERTS

The audited Consolidated Financial Statements and schedules of Merck and its subsidiaries included in Merck's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 and incorporated by reference

in this Prospectus and elsewhere in the Registration Statement have been audited by Arthur Andersen & Co., independent public accountants, as indicated in their report with respect thereto, and are incorporated herein in reliance upon the authority of said firm as experts in giving said report.