

Merck to acquire Cubist for \$9.5 billion

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Merck has announced that it will acquire Cubist Pharmaceuticals in a deal worth \$9.5 billion.

"Cubist is a global leader in antibiotics and has built a strong portfolio of both marketed and late-stage pipeline medicines. Combining this expertise with Merck's strong capabilities and global reach will enable us to create a stronger position in hospital acute care while addressing critical areas of unmet medical need, such as antibiotic resistance," said Mr Kenneth C Frazier, chairman and chief executive officer, Merck.

"Combining with Merck is an exciting opportunity to accelerate Cubist's established leadership in antibiotics and deliver significant, certain and immediate value to shareholders," said Mr Michael Bonney, chief executive officer, Cubist.

He added, "We have a deep respect for Merck, and it is clear that they share our commitment to addressing the growing, global problem we are facing in combating antibiotic-resistant bacteria. Under Merck's robust commercial platform, global reach and scientific expertise, we believe Cubist's programs can thrive. We're proud of the company that our team has built and are confident that Cubist's important mission and focus on significant unmet medical needs will continue."

Merck expects the acquisition to add more than \$1 billion of revenue to its 2015 base. Under the terms of the agreement, the company, through a subsidiary, will initiate a tender offer to acquire all outstanding shares of Cubist Pharmaceuticals. The companies expect the transaction to close in the first quarter of 2015.