AiCuris and Merck Enter Exclusive Worldwide License Agreement for Investigational Portfolio Targeting Human Cytomegalovirus

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WHITEHOUSE STATION, N.J. & WUPPERTAL, GERMANY--(BUSINESS WIRE)--Merck (NYSE: MRK), known as MSD outside the United States and Canada, and AiCuris today announced that they have entered into an exclusive worldwide licensing agreement for AiCuris' novel portfolio of investigational medicines targeting Human Cytomegalovirus (HCMV), including letermovir (AIC246), an oral, late-stage antiviral candidate being investigated for the treatment and prevention of HCMV infection in transplant recipients.

"There is a significant need for additional medicines for the treatment of HCMV infection, which is one of the most common viral infections affecting organ and bone marrow transplant patients," said Dr. Roger Pomerantz, senior vice president, Worldwide Licensing and Knowledge Management, and Infectious Disease Franchise Head, Merck Research Laboratories. "AiCuris has built a leading portfolio of innovative antiviral HCMV candidates that are designed to address novel targets and offer the potential for HCMV prophylaxis. This portfolio complements Merck's broad antiviral portfolio."

Under the agreement, Merck, through a subsidiary, will gain worldwide rights to develop and commercialize candidates in AiCuris' HCMV portfolio. AiCuris will receive a €110 million upfront payment and is eligible for milestone payments of up to €332.5 million based on successful achievement of development, regulatory and commercialization goals for HCMV candidates, including letermovir, an additional back-up candidate as well as other Phase I candidates designed to act via an alternate mechanism. In addition, AiCuris will be entitled to receive royalty payments reflecting the advanced stage of the clinical program on any potential products that result from the agreement. Merck will be responsible for all development activities and costs.

"This is the first development deal derived from AiCuris' strong pipeline, and we are very pleased to have Merck, a major global player in healthcare, be our license partner," commented Dr. Thomas Strüngmann, majority investor in AiCuris.

"Merck's ongoing commitment to infectious disease research, combined with its experience in developing and marketing antiviral products, makes them an excellent partner for AiCuris' unique HCMV portfolio," added Dr. Helga Rübsamen-Schaeff, AiCuris' CEO. "We very much look forward to working with the scientists and clinical development teams at Merck to maximize the therapeutic potential of these candidates for patients."

Closing of the transaction is contingent upon obtaining clearance from the relevant authorities.

About Letermovir
Letermovir (AIC246) is an investigational oral, once-daily candidate for the prevention and treatment of HCMV infection. It is a potentially first in class molecule derived from a novel chemical class (quinazolines) and is designed to inhibit the HCMV viral terminase. In April 2012, AiCuris announced that a randomized, placebo controlled Phase IIb clinical trial evaluating the safety and efficacy of letermovir in HCMV-seropositive allogeneic human blood precursor cell recipients (bone marrow transplant patients) met all primary efficacy endpoints. Letermovir has received Orphan Drug Status in the European Union and the United States, where it has also been granted Fast Track Designation.

About HCMV
The Human Cytomegalovirus (HCMV) is widely spread in the human population and can cause severe, life-threatening infections in cases of immune incompetency or immune deficiency, such as, for example, cases in transplant recipients, newborn babies and HIV/AIDS patients. HCMV infection is characterized by fever, leukopenia (very low white blood cell count) and thrombocytopenia (very low platelet numbers) with or without specific organ dysfunction. Two main strategies to prevent HCMV infection have been adopted: anti-HCMV drug prophylaxis or pre-emptive treatment of transplant recipients who are at risk and have evidence of HCMV infection upon screening.

About AiCuris
AiCuris GmbH & Co KG (name derived from Anti-Infective Cures) was founded in 2006 as a spin-off from Bayer Healthcare AG. With its deep roots in Bayer's long history of successful anti-infectives drug research and development, AiCuris is focused exclusively on the discovery, research and development of novel, resistance breaking antiviral and antibacterial agents for the treatment of severe and potentially life-threatening infectious diseases. Majority investors are Drs.
Strüngmann, founders and former owners of the pharmaceutical company Hexal. Besides the HCMV program, AiCuris is pursuing several other candidates in various stages of clinical development including a novel anti Herpes Simplex compound ready for Phase III clinical testing. For more information, please visit www.aicuris.com.

**About Merck**

Today's Merck is a global healthcare leader working to help the world be well. Merck is known as MSD outside the United States and Canada. Through our prescription medicines, vaccines, biologic therapies, and consumer care and animal health products, we work with customers and operate in more than 140 countries to deliver innovative health solutions. We also demonstrate our commitment to increasing access to healthcare through far-reaching policies, programs and partnerships. For more information, visit www.merck.com and connect with us on Twitter, Facebook and YouTube.

**Merck Forward-Looking Statement**

This news release includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such statements may include, but are not limited to, statements about the benefits of the merger between Merck and Schering-Plough, including future financial and operating results, the combined company's plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of Merck's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the possibility that all of the expected synergies from the merger of Merck and Schering-Plough will not be realized, or will not be realized within the expected time period; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; Merck's ability to accurately predict future market conditions; dependence on the effectiveness of Merck's patents and other protections for innovative products; and the exposure to litigation and/or regulatory actions.

Merck undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in Merck’s 2011 Annual Report on Form 10-K and the company's other filings with the Securities and Exchange Commission (SEC) available at the SEC's Internet site (www.sec.gov).


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