Merck Signs Sale Agreement with Santen for Merck’s Ophthalmology Products in Japan and Key Markets in Europe and Asia Pacific

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WHITEHOUSE STATION, N.J.--(BUSINESS WIRE)--Merck (NYSE:MRK), known as MSD outside the United States and Canada, announced today that it signed an agreement for Santen Pharmaceutical Co., Ltd. (Santen) to purchase Merck's ophthalmology products, COSOPT® (dorzolamide hydrochloride – timolol maleate ophthalmic solution), COSOPT PF® (dorzolamide hydrochloride-timolol maleate ophthalmic solution) 2%/0.5%, TRUSOPT® (dorzolamide hydrochloride ophthalmic solution) sterile ophthalmic solution 2%, TRUSOPT PF® (dorzolamide hydrochloride ophthalmic solution) preservative-free, TIMOPTIC® (timolol maleate ophthalmic solution), TIMOPTIC PF® (timolol maleate preservative free ophthalmic solution in unit dose dispenser), TIMOPTIC XE® (timolol maleate ophthalmic gel forming solution), SAFLUTAN® (tafluprost) and TAPTIQOM® (tafluprost-timolol maleate® ophthalmic solution, in development) in Japan and key markets in Europe and Asia Pacific.

“The decision to divest our ophthalmics business is part of our ongoing strategy to sharpen our commercial focus and improve our operational effectiveness,” said Jay Galeota, president, Hospital and Specialty Care, Merck. “This transaction provides products that complement Santen’s portfolio and is designed to ensure continued access for physicians and patients to these medicines around the world.”

Santen will make an upfront payment of approximately $600 million and additional payments based on defined sales milestones as needed. The annual sales of these ophthalmology products in the markets within the scope of the agreement are approximately $400 million. Santen will also purchase supply of the ophthalmology products covered by this agreement from Merck for a two- to five-year period. The agreement is subject to certain closing conditions, including obtaining antitrust clearance in Japan and other closing conditions related to specific markets or regions. The agreement is expected to close in most markets in a few months.

Merck divested its U.S. ophthalmology business to Akorn Pharmaceuticals in 2013 and 2014. Merck will continue to sell its ophthalmology products in Latin America, Canada, Australia, the Middle East, Africa and other markets.

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. These statements are based upon the current beliefs and expectations of Merck’s management and are subject to significant risks and uncertainties. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; Merck’s ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of Merck’s patents and other protections for innovative products; and the exposure to litigation, including patent 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 2013 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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Language:
English

Contact:
Merck
Media:
Caroline Lappetito, 267-218-1584
or
Mamoru Ohara, 81-3-6272-1001
or
Investor:
Carol Ferguson, 908-423-4465

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