NEW DEALS | Lawyers on Major Transactions

BY SCOTT PEGRAM

$68 Billion Deal Creates World’s Largest Drug Maker

PHARMACEUTICAL giant Pfizer Inc. has agreed to purchase rival drug company, Wyeth, in a $68 billion cash-and-stock transaction, creating the world’s largest pharmaceutical company.

Wyeth stockholders will be offered $33 in cash and 0.985 of a Pfizer share in exchange for each Wyeth share for a total of $50.19 per share.

A syndicate of five banks has agreed to loan $22.5 billion toward the acquisition, which marks Wall Street’s largest financial investment since the start of the economic crisis. Bank of America Merrill Lynch, Barclays, Citigroup, Goldman Sachs and JPMorgan Chase are participating.

According to Associated Press, New York-based Pfizer is the No. 1 drugmaker in the world. Founded in 1849, the pharmaceutical titan had $48.4 billion in revenues last year. It employs about 81,900 people in more than 150 countries.

Wyeth, headquartered in New Jersey, currently employs nearly 50,000 people with more than $3 billion in annual sales.

The transaction is expected to result in the loss of 20,000 jobs.

Pfizer sought counsel from Cadwalader, Wickersham & Taft.


Wyeth was advised by Simpson Thacher & Bartlett.

Simpson Thacher tapped New York partners Casey Cogut and Eric Swedenburg, mergers and acquisitions; Joseph Kaufman, capital markets; Alvin Brown and Andrea Wahliquist, executive compensation and employee benefits; James Cross, banking and credit; Steve Todrys, tax; Lori Lesser, intellectual property; Michael Chepiga, Jonathan Youngwood, Robert Bourque and Peter Kazanoff, litigation, and Kevin Arquit, Joseph Tringali and London-based David Vann, antitrust. Associates were Christopher May, Atif Azher, Thomas Terbell, Kelly Hunssoo Jin, Daniel Kay, Ariel Oxman, Ashwin Cheriyan, Till Lefranc and Rohith Parasuraman, mergers and acquisitions; Frank Kwok, capital markets; Wonda Quinn and Eric Sarabia, executive compensation and employee benefits; Melissa Hutson, banking and credit; Kurt Dudas, tax; Noreen Lavan, environmental; Jennifer Rackoff, intellectual property; William Regan, Marissa Pirovato, Alexander Key and Justin Engel, litigation; Ketan Jhaveri and Misha Vanyo, antitrust, and Andrew Janis, labor and employment. Andrew Dempster, litigation, and Ellen Frye, antitrust, were London-based associates; Jayma Meyer, antitrust, and Julie Levy, labor and employment, were counsel while Adeeb Fadil, environmental, was senior counsel; all in New York.

Wyeth’s board of directors tapped Wachtell, Lipton, Rosen & Katz partners Adam O. Emmerich and David K. Lam, corporate; Michael J. Segal, executive compensation and benefits; Theodore N. Mirvis and William D. Savitt, litigation; Eric M. Rossof, restructuring and finance, and T. Eiko Stange, tax. Associates included Sarah A. Lewis, corporate and Michael Krasnovsky, executive compensation and benefits; both in New York.