

Press Cutting

Citigate
Dewe Rogerson

Client: Chi-Med

Publication: Dow Jones

Date: 21 December 2011

Dow Jones **News**wires

Hutchison China Meditech, AstraZeneca Agree Cancer Therapy Pact

LONDON (Dow Jones)--**Hutchison China Meditech Ltd.** (HCM.LN) said Wednesday its R&D Company Hutchison MediPharma Ltd., or HMP, and **AstraZeneca PLC** (AZN.LN) have entered into a global licensing, co-development, and commercialization agreement for Volitinib (HMPL-504), a therapy and inhibitor of the c-Met receptor tyrosine kinase for the treatment of cancer.

MAIN FACTS:

-Volitinib, which will imminently enter Phase I testing, has been discovered and developed in China by HMP.

-Under the agreement, development costs for Volitinib in China will be shared between HMP and **AstraZeneca**, with HMP continuing to lead development in China.

-**AstraZeneca** will lead and pay for development of Volitinib for the rest of the world.

-An initial cash payment of \$20 million is payable by **AstraZeneca** to HMP upon signing of the agreement.

-HMP will also receive up to \$120 million contingent upon successful achievement of clinical development and first sale milestones.

-Agreement also contains possible significant future commercial sale milestones and up to double-digit percentage royalties on net sales.

-Hutchison China shares closed Tuesday at 263 pence valuing the company at GBP136.08 million; **AstraZeneca** shares closed at 2949 pence, valuing the company at GBP37.6 billion.

-By Ian Walker, Dow Jones Newswires; 44-20-7842-9296; ian.walker@dowjones.com [21-12-11 0734GMT]