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Hutchison China Meditech, AstraZeneca Agree Cancer Therapy Pact

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LONDON -(Dow Jones)- Hutchison China Meditech Ltd . (HCM.LN) said Wednesday its R&D Company Hutchison MediPharma Ltd., or HMP, and AstraZeneca PLC <javascript:void(0);> (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 <javascript:void(0);> , 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; AstraZenecashares 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 [12-21-11 0249ET]