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AstraZeneca and HMP to co-develop cancer therapy

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StockMarketWire.com - AstraZeneca and Chi-Med's majority-owned research and development company Hutchison MediPharma are to co-develop and commercialise a novel cancer therapy.

AstraZeneca and HMP have entered into a global licensing, co-development, and commercialisation agreement for Volitinib (HMPL-504), a novel targeted therapy and a highly selective inhibitor of the c-Met receptor tyrosine kinase for the treatment of cancer.

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

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

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

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

In addition, HMP will receive up to \$120m contingent upon the successful achievement of clinical development and first sale milestones.

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

At 8:22am: (LON:HCM) share price was +29.5p at 292.5p