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Citigate
Dewe Rogerson

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AstraZeneca PLC Strikes New Deals Worth \$140 Million With Hutchison China MediTech (Chi-Med) and Astellas Pharma US After R&D Setbacks

AstraZeneca PLC Wednesday said it has entered research deals with two Asian drug companies, just one day after suffering setbacks for two important pipeline products.

The London-based pharmaceuticals group entered a global deal to co-develop and sell a targeted cancer therapy from Hutchison China MediTech Ltd. and also bought options on a potential new class of diabetes pills from Japan-based Astellas Pharma Inc.

The collaboration with China MediTech is a global licensing, co-development and commercialization agreement for a compound named Volitinib--an inhibitor of the c-Met receptor tyrosine kinase for treating cancer, discovered and developed in China by China MediTech and which is about to enter Phase I testing.

AstraZeneca will pay the Hong Kong-based company \$20 million upfront and up to \$120 million if the cancer drug is developed successfully, plus possible significant future commercial sale milestones and up to double-digit percentage royalties on net sales.