

Press Cutting

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Drugs giant in deals to boost pipeline

ASTRAZENECA is placing new bets on drug research by signing deals with two Asian companies, just one day after suffering a double setback for two of its most important pipeline assets.

Britain's second-biggest drugmaker said yesterday it had struck a global deal to co-develop a novel cancer treatment from Hutchison China MediTech and bought options on a potential new class of diabetes pills from Astellas Pharma.

The deals go some way to bolster AstraZeneca's pipeline of experimental medicines in two priority areas for the company, although the products are still at an early – and risky – phase of development.

Their addition to the portfolio will do little to offset investor concerns about AstraZeneca's fragile pipeline of new drugs.

AstraZeneca is taking \$381.5 million (£243m) in charges – pushing 2011 profits to the lower end of its forecast range – after dropping olaparib for ovarian cancer and announcing a second unsuccessful late-stage test for new anti-depressant TC-5214.

It can ill-afford such failures, since it has few other products in late-stage development, with the exception of a new pill for rheumatoid

arthritis, as it faces looming patent losses on blockbusters like Seroquel for schizophrenia and Nexium for heartburn and ulcers.

Its top-selling cholesterol fighter Crestor also has a tough time ahead, due to the arrival of cheap generic copies of Pfizer's market-leading drug Lipitor in the key US market last month.