

AstraZeneca sells rights for Seroquel to China's Luye Pharma

08 May 2018 | News

In FY 2017, Seroquel generated annual sales of \$85mn



Global drug giant AstraZeneca has entered into an agreement with China's Luye Pharma (Luye Pharma) for the sale and licence of the rights to Seroquel and Seroquel XR in the UK, China and other international markets, including Brazil, Australia, Saudi Arabia, Mexico, South Korea, Thailand, Argentina, Malaysia and South Africa.

As per the terms, Luye Pharma will pay \$538m in consideration including \$260m immediately following closure of the transaction. In addition, a milestone is payable on the successful transition of certain activities to Luye. AstraZeneca will continue to manufacture and supply Seroquel and Seroquel XR to Luye Pharma during a transition period.

The transaction is part of AstraZeneca's strategy to focus on its three main therapy areas of Oncology, Cardiovascular, Renal & Metabolism and Respiratory. Seroquel, used primarily to treat schizophrenia and bipolar disease, has lost its compound patent protection globally; the Seroquel/XR formulation patents have now also expired in the vast majority of markets. AstraZeneca partnered the rights to Seroquel and Seroquel XR in Japan and Venezuela under prior agreements.

Mark Mallon, Executive Vice President, Global Product and Portfolio Strategy, AstraZeneca, said: "The agreement with Luye Pharma is in line with AstraZeneca's strategy to focus on three main therapy areas while maximising the value from our legacy medicines like Seroquel. The agreement with Luye Pharma will also ensure continued widespread patient access to important established medicines."

Dr Yehong Zhang, head of Luye Pharma (International) said, "Central nervous system diseases continue to present a challenge to patients and healthcare systems across the world. This transaction represents another step in our effort to build a portfolio and platform to help address this issue. It is an affirmation of our commitment to accelerate our international presence. We look forward to strengthening our relationship with existing and future partners and making this a success for us and for patients in need."

The transaction is expected to close by the end of Q2 2018, subject to customary closing conditions and regulatory clearances. In FY 2017, *Seroquel* generated annual sales of \$85m, while *SeroquelXR* generated \$63m. .

Luye Pharma focuses on developing, producing, marketing and selling innovative pharmaceutical products in four of the largest and fastest growing therapeutic areas — oncology, cardiovascular, metabolism and the central nervous system. Luye Pharma has a portfolio of 34 products in the market and 27 product candidates in China