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ASIA EDITION

AZ enters licensing agreement with China Medical System Holdings for hypertension medicine

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Bangalore: AstraZeneca announced it has entered into a licensing agreement with China Medical System (CMS) Holdings for the commercialisation rights in China to its calcium channel blocker, Plendil (felodipine). Plendil was first approved in China in 1995 for the treatment of hypertension or high blood pressure and in 2015 achieved Product Sales of $189 million.

Under the terms of the agreement, CMS will pay AstraZeneca $310 million for the license to sell Plendil in China. AstraZeneca will maintain a significant, long term interest in the future value derived from Plendil sales in China and will manufacture and supply the medicine to CMS. AstraZeneca will retain the global rights to Plendil outside China. The transaction does not include the transfer of any AstraZeneca employees or facilities.

Mr Mark Mallon, executive vice president, International at AstraZeneca, said, "This commercial collaboration supports our strategy of working with a local partner to maximise the value from our medicines in China, our second largest market globally. The agreement ensures widespread patient access to an established medicine and continued long-term revenues, while focusing our resources on commercialising innovative new medicines from our pipeline across our main therapy areas."

Mr Lam Kong, chairman and chief executive officer at China Medical System Holdings said, "We are pleased to be entering into this agreement with AstraZeneca. Plendil, while a mature brand in AstraZeneca's portfolio, represents a significant commercial opportunity in China, supported by our long track record in the market, our nationwide coverage and expertise."

The licensing agreement for Plendil will close at signing and revenue from the agreement will be reported as externalization Revenue in AstraZeneca's financial statements. The agreement does not impact AstraZeneca's financial guidance for 2016.

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AstraZeneca has also entered into an agreement with CMS and its associated company, Tibet Rhodiola Pharmaceutical Holding for the divestment of the global rights to Imdur outside the US.

Imdur is a mature medicine for the prevention of angina in patients with heart disease; its global sales outside the US were $57 million in 2015. Under the terms of this agreement, AstraZeneca will receive $190 million for the rights to Imdur in all markets outside the US. The divestment is expected to close in the second quarter of 2016 and income from the agreement will be reported as Core Other Operating Income. The agreement does not impact AstraZeneca's financial guidance for 2016.

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