

ASTRAZENECA PLC ANNOUNCES MEDIMMUNE OUT-LICENSES POTENTIAL MEDICINE FOR INFLAMMATORY DISEASES TO ALLERGAN

This announcement contains inside information

03 October 2016 07:00

AstraZeneca today announced that MedImmune, its global biologics research and development arm, has entered into a licensing agreement with Allergan plc for the global rights to MEDI2070. MEDI2070 is an IL-23 monoclonal antibody currently in a Phase Ib clinical trial for moderate-to-severe Crohn's disease (a chronic inflammatory disease of the intestines) and is ready for Phase II for ulcerative colitis (a chronic inflammatory condition of the colon and rectum). These diseases are outside AstraZeneca's three main therapy areas - Respiratory, Cardiovascular & Metabolic Diseases, and Oncology. MedImmune will continue the ongoing Phase II trials until a mutually-agreed transition date.

Under the terms of the agreement, Allergan will make an upfront payment to AstraZeneca of \$250 million for the exclusive, worldwide licence to develop and commercialise MEDI2070. In addition, Allergan may make potential additional payments to AstraZeneca of up to \$1.27 billion, dependent on the achievement of agreed upon success-based development and sales-related milestones, and pay tiered royalties on potential sales of the medicine.

MedImmune has been leading the clinical development for MEDI2070 under a collaboration agreement AstraZeneca entered into with Amgen Inc. (Amgen) in March 2012. Under the conditions of this agreement, AstraZeneca will subsequently pay Amgen one third of all payments and royalties received from Allergan. Amgen will also receive a single-digit percentage inventor royalty on MEDI2070.

Bahija Jallal, Executive Vice President, MedImmune, said: "This agreement demonstrates our sharp focus on three main therapy areas while creating value from the increased R&D productivity and innovative science in our pipeline through collaborations. Allergan has significant experience in gastrointestinal and inflammatory diseases and is the right partner to progress the development and commercialisation of MEDI2070."

David Nicholson, Chief Research & Development Officer, Allergan, said: "MEDI2070 represents an exciting addition to our Open Science pipeline, adding an important new programme currently being studied in Crohn's disease, with potential across a number of inflammatory and autoimmune disorders. The MEDI2070 programme also reinforces Allergan's commitment to bringing forward important innovations in the treatment of inflammation and autoimmune disorders where significant unmet need exists across many of our therapeutic areas. We look forward to bringing our significant clinical development and regulatory expertise to bear and maximising the potential benefit of this possible new treatment option for patients."

Financial considerations

The transaction is expected to close in the fourth quarter of 2016, subject to customary closing conditions, including the expiration or early termination of the waiting period under the Hart Scott Rodino Act. AstraZeneca is expected to retain around \$167 million of the upfront payment and up to around \$847 million in future potential milestones, as well as the tiered royalty payments of up to low double-digit percent, following payment to Amgen under the provisions of the original agreement. As AstraZeneca will not retain a significant ongoing interest in MEDI2070, any revenue will be reported as Other Operating Income in the Company's financial statements. The agreement does not impact AstraZeneca's financial guidance for 2016.

About Allergan plc

Allergan plc, headquartered in Dublin, Ireland, is a bold, global pharmaceutical company and a leader in a new industry model - Growth Pharma. Allergan is focused on developing, manufacturing and commercializing branded pharmaceuticals, devices and biologic products for patients around the world.

Allergan markets a portfolio of leading brands and best-in-class products for the central nervous system, eye care, medical aesthetics and dermatology, gastroenterology, women's health, urology and anti-infective therapeutic categories.

Allergan is an industry leader in Open Science, the Company's R&D model, which defines our approach to identifying and developing game-changing ideas and innovation for better patient care. This approach has led to Allergan building one of the broadest development pipelines in the pharmaceutical industry with 65+ mid-to-late stage pipeline programs in development.

Our Company's success is powered by our more than 16,000 global colleagues' commitment to being Bold for Life. Together, we build bridges, power ideas, act fast and drive results for our customers and patients around the world by always doing what is right.

With commercial operations in approximately 100 countries, Allergan is committed to working with physicians, healthcare providers and patients to deliver innovative and meaningful treatments that help people around the world live longer, healthier lives every day.

For more information, visit Allergan's website at www.Allergan.com.

About MedImmune

MedImmune is the global biologics research and development arm of AstraZeneca, a global, innovation-driven biopharmaceutical business that focuses on the discovery, development and commercialization of small molecule and biologic prescription medicines. MedImmune is

pioneering innovative research and exploring novel pathways across Respiratory & Autoimmunity, Cardiovascular & Metabolic Diseases, Oncology, and Infection and Vaccines. The MedImmune headquarters is located in Gaithersburg, Md., one of AstraZeneca's three global R&D centres, with additional sites in Cambridge, UK and Mountain View, CA. For more information, please visit www.medimmune.com.

About AstraZeneca

AstraZeneca is a global, science-led biopharmaceutical company that focuses on the discovery, development and commercialisation of prescription medicines, primarily for the treatment of diseases in three therapy areas - Respiratory, Cardiovascular & Metabolic Diseases, and Oncology. The Company is also selectively active in Neuroscience and Autoimmunity. AstraZeneca operates in over 100 countries and its innovative medicines are used by millions of patients worldwide. For more information please visit: www.astrazeneca.com

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