

Acquisition Of KuDOS Pharmaceuticals Will Enhance AstraZeneca's Ability To Generate Novel Cancer Treatments

AstraZeneca today announced an agreement to acquire KuDOS Pharmaceuticals Limited, a privately-owned UK biotechnology company, focused on the discovery and development of oncology therapies based on the inhibition of DNA repair. The total share capital of the company will be purchased for \$210m cash, subject to debt and working capital adjustment. The transaction is expected to close early in 2006.

Acquisition of KuDOS Pharmaceuticals represents an important strategic step for AstraZeneca: strengthening its portfolio of promising cancer treatments from external opportunities and also demonstrating its commitment to discover, develop and bring to market innovative therapies.

This transaction provides AstraZeneca with a widely-recognised expert group and technology platform in an area of research that complements internal capabilities in oncology, one of the company's key therapy areas. The DNA repair platform developed by KuDOS Pharmaceuticals, in association with its founder Professor Stephen Jackson of Cambridge University, includes several different approaches towards inhibition of enzymes involved in the responses to various types of DNA damage. DNA repair inhibitors have the potential to kill cancer cells either as stand-alone therapy or by enhancing the efficacy of chemo- and radio-therapies.

The acquisition of KuDOS Pharmaceuticals augments AstraZeneca's portfolio with clinical and pre-clinical compounds and programmes. An innovative, targeted compound, KU 59436, an oral poly-ADP-ribose polymerase (PARP) enzyme inhibitor, is currently in phase I clinical development.

PARP is a key signalling enzyme involved in triggering repair of single strand DNA damage. PARP inhibition selectively kills tumour cells lacking the homologous recombination (HR) DNA repair pathway whilst sparing normal cells. Known defects in HR repair include the well-characterised hereditary BRCA1 and BRCA2 mutations in breast and ovarian cancer for which diagnostic tests are available. This therapeutic/diagnostic combination offers the exciting potential that KU 59436 can be developed as a new cancer monotherapy targeted for the benefit of a definable patient population.

"KuDOS Pharmaceuticals is an excellent opportunity to acquire an established technology platform additive to our own oncology research capabilities and promising early development stage compounds at the same time," said Dr. John Patterson, Executive Director of Development, AstraZeneca.

KuDOS Pharmaceuticals currently has some 75 employees deployed on two UK sites: Cambridge and Horsham. AstraZeneca's immediate plans are for KuDOS Pharmaceuticals to become a hub for DNA repair discovery activities reporting into the Global Cancer and Infection Research Area (CIRA) and it will remain at its present sites. CIRA also has discovery hubs in Alderley Park (UK), Boston (US) and Bangalore (India).

"Our scientists are looking forward to working within the AstraZeneca research framework, which is recognised as being a world leader in oncology," said Dr Graeme Smith, Research Director of KuDOS Pharmaceuticals.

AstraZeneca is a major international healthcare business engaged in the research, development, manufacture and marketing of prescription pharmaceuticals and the supply of healthcare services. It is one of the world's leading pharmaceutical companies with healthcare sales of over \$21.4 billion and leading positions in sales of gastrointestinal, cardiovascular, respiratory, oncology and neuroscience products. AstraZeneca is listed in the Dow Jones Sustainability Index (Global) as well as the FTSE4Good Index.

KuDOS Pharmaceuticals' current shareholders include investment funds represented by Advent Venture Partners, BankInvest Biomedical Venture, Euclid SR Partners, Johnson & Johnson Development Corporation, Life Science Partners (LSP), 3i, and SV Life Sciences, who were advised on the transaction by Lazard.

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