



Bristol-Myers Squibb and AstraZeneca Announce Worldwide Collaboration to Develop and Commercialize Diabetes Compounds

Partnership Aligned with Bristol-Myers Squibb Company Strategy

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PRINCETON, N.J.--(BUSINESS WIRE)--Bristol-Myers Squibb Company (NYSE: BMY) and AstraZeneca ("companies") today announced a collaboration to develop and commercialize two investigational compounds being studied for the treatment of Type 2 diabetes. Both compounds were discovered by Bristol-Myers Squibb.

Saxagliptin, a dipeptidyl peptidase-4 (DPP-4) inhibitor, is currently in Phase III development. Upon successful completion of the development program, the companies plan to file for U.S. regulatory approval of saxagliptin during the first half of 2008. Dapagliflozin (previously referred to as BMS-512148), a sodium-glucose cotransporter-2 (SGLT2) inhibitor, is currently in Phase IIb development. The collaboration on these compounds is worldwide, except for Japan. Should either party develop additional DPP-4 or SGLT2 compounds, the other company can elect to add those compounds to the collaboration.

Terms of the agreements include an upfront payment of \$100 million by AstraZeneca to Bristol-Myers Squibb. The companies have agreed upon initial development plans for the two compounds. From 2007 through 2009, the majority of development costs will be funded by AstraZeneca. Any additional development costs will be shared equally.

Bristol-Myers Squibb may also receive additional payments of up to \$650 million based on development and regulatory milestones for the two compounds. In addition, potential sales milestones up to \$300 million per product are also possible. The companies will jointly develop the clinical and marketing strategy of the compounds, and post-launch will share commercialization expenses and profits/losses equally on a global basis, excluding Japan. Bristol-Myers Squibb will manufacture both products and book sales.

"This collaboration provides Bristol-Myers Squibb the opportunity to maximize our primary care assets, and it is aligned with our corporate strategy to concentrate R&D efforts on serious diseases such as diabetes while maintaining commercial focus on specialists and high prescribing primary care physicians," said Jim Cornelius, chief executive officer, Bristol-Myers Squibb. "Bristol-Myers Squibb has a strong legacy in treating Type 2 diabetes and cardiovascular disease, and we look forward to leveraging the combined expertise of our company and AstraZeneca to further develop and commercialize these compounds."

David Brennan, chief executive officer of AstraZeneca, said, "Diabetes is a disease reaching almost epidemic proportions in many regions throughout the world and is a particular area of scientific interest for AstraZeneca. This deal represents a significant

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Bristol-Myers Squibb's recognized contributions to diabetes research will complement our existing strengths. Additionally, our combined expertise will develop new areas of opportunity for both companies and the potential to bring real medical benefit to the wider community."

About Diabetes

Diabetes is a disease in which the body does not produce or properly use insulin. Insulin is a hormone needed to carry glucose (sugar) from the blood into cells, where it is converted to energy the cells need to perform properly. When insulin is not present or does not function correctly, the result is high levels of glucose in the blood. Over time, high blood glucose levels can lead to complications in the eyes, kidneys, central nervous system or heart.

Type 2 diabetes is the most common form of diabetes, accounting for approximately 90-95 percent of diabetes cases. Having Type 2 diabetes increases the risk of many serious complications, including heart disease or stroke, high blood pressure, amputation (particularly legs), blindness, nerve damage, and kidney failure. The risk of stroke and the rate of deaths due to heart disease are two to four times higher among people with diabetes, while about 65 percent of deaths among people with diabetes are due to heart disease and stroke.

The American Diabetes Association (ADA) estimates that more than 20 million people in the United States, or 7 percent of the population, have diabetes, and that one in three Americans born in 2000 will develop diabetes sometime during their lifetime. There are currently more than 230 million people living with diabetes worldwide. The objective of treating diabetes is to control blood glucose to as normal a level as possible. This can be accomplished by a combination of diet, exercise and medication.

About Saxagliptin and Dapagliflozin

Saxagliptin is a dipeptidyl peptidase-4 (DPP-4) inhibitor, a new class of diabetes medicines that work by increasing and prolonging the action of natural hormones in the body called incretins. Incretins decrease blood sugar by increasing consumption of sugar by the body, mainly through increasing insulin production in the pancreas, and by reducing production of sugar by the liver. By enhancing the effect of active incretin hormones in the body, DPP-4 inhibitors improve timely insulin release and ultimately decrease high blood sugar levels in patients with Type 2 diabetes.

Dapagliflozin is a sodium glucose cotransporter-2 (SGLT2) inhibitor. The SGLT2 transporter protein is located only in the kidney, where it normally reabsorbs glucose from urine while waste products are filtered out. Patients with Type 2 diabetes continue to reabsorb glucose from the urine, even though this process contributes to high blood glucose levels, or hyperglycemia. Dapagliflozin has a novel mechanism of action that blocks re-absorption of glucose from urine in patients with Type 2 diabetes. Inhibiting SGLT2 activity decreases re-absorption of glucose by the kidney, helping to improve glucose control in patients with Type 2 diabetes.

About Bristol-Myers Squibb

Bristol-Myers Squibb is a global pharmaceutical and related healthcare products company whose mission is to extend and enhance human life.

About AstraZeneca

AstraZeneca is a major international healthcare business engaged in the research, development, manufacture and marketing of prescription pharmaceuticals and the

cardiovascular, neuroscience, respiratory, oncology and infection products. AstraZeneca is listed in the Dow Jones Sustainability Index (Global) as well as the FTSE4 Good Index. AZ has over 40 years experience in cardiovascular medicine, with a powerful range of products including Atacand, a hypertension medication, Seloken ZOK, a leader in its class of beta blockers and CRESTOR, for the treatment of high cholesterol levels.

Bristol-Myers Squibb Forward-Looking Statement

This press release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995, regarding the development and commercialization of products. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes and results to differ materially from current expectations. No forward-looking statement can be guaranteed. Among other risks, there can be no guarantee that the products described in this release will receive regulatory approval, or that if approved, will be commercially successful. Nor is there any assurance that any or all of the development, regulatory, and sales milestones provided for in the agreement will be achieved. Forward-looking statements in the press release should be evaluated together with the many uncertainties that affect Bristol-Myers Squibb's business, particularly those identified in the cautionary factors discussion in Bristol-Myers Squibb's Annual Report on Form 10-K for the year ended December 31, 2005, its Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. Bristol-Myers Squibb undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise.

SOURCE: Bristol-Myers Squibb Company

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