

## Press Cutting

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**Hutchison China Meditech** ( LON:HCM 441.5p/£228.45m)

Hutchison China Meditech, the China-based healthcare and consumer products group, this week announced its interim results for the six months ended 30 June 2011. The group comprises a China Healthcare Division selling OTC and prescription drugs, a Drug R&D Division with its own drug pipeline and a Consumer Products Division selling “healthy living” focused consumer products. The group reported sales up 14 per cent. to US\$83.3m (H12010: US\$73.2m) and reduced net losses after interest, tax and minority interests down 9 per cent. to \$1.4m (H12010: -\$1.6 m).

The China Healthcare Division grew its revenues 14 per cent. to \$76.0 m and net profits after interest, tax and minority interest by 27 per cent. to \$11.0 m while managing significant price spikes in certain raw materials. These prices are expected to normalise over the next year to eighteen months and underlying growth in the China pharmaceutical market remains strong.

The Drug R&D Division has strengthened its portfolios with multiple new small molecule cancer drugs now in Phase I trials in China and has continued to progress HMP- 004, its lead drug, towards Phase III. Partnering for co-development of HMPL – 004 remains under discussion.

The chairman concluded by saying that the prospects for each of the group businesses are strong and as a result they remain positive on the outlook of the company for the full year and beyond.