

Press Cutting

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Companies in the news

ChiMed announces global deal with AstraZeneca

By David Blackwell

When Hutchison China MediTech was nominated this year for international company of the year at the Aim awards, its shares were trading above 450p.

The price has fallen in line with investor disenchantment with Chinese companies, and ChiMed suffers from having Hutchison Whampoa as a 70 per cent stakeholder.

Since it began life trying to develop a global market for traditional medicines, it has widened its scope to pharmaceuticals proper. This week it announced a global licensing, co-development and commercialisation agreement with AstraZeneca for Volitinib,

a drug that halts progress of breast and lung cancer.

Development costs in China will be shared with AZ, which will make an initial cash payment of \$20m. A further \$120m is contingent on milestones.

First-half results showed a pre-tax profit of \$2.7m on sales up 14 per cent at \$83.3m. Before news of the deal, UBS set a 12-month target price of 540p.

Hutchison China MediTech

Share price (pence)



Source: Thomson Reuters Datastream