

Press Cutting

Citigate
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Client: Chi-Med

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Chi-Med profits up


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StockMarketWire.com - Hutchison China MediTech posts pre-tax profits of \$6.6m for the six months to the end of June - up from \$4.8m last time.

Revenues rose to \$17.6m from \$10.1m and operating profits increased to \$7.4m from \$5.4m.

The group said results are reported for the first time under the new International Financial Reporting Standard, IFRS 11 'Joint Arrangements' ("IFRS11"), which establishes the equity accounting principle for the reporting of joint ventures and means that the income statements and statements of financial position of JVs will no longer be proportionately consolidated.

Chief executive  Christian Hogg said: "The new IFRS11 accounting standard means we can no longer consolidate the revenues of our JVs, and we therefore report a considerable reduction in Group consolidated revenues.

"However, the divisional results show continued strong revenue growth , as does our consolidated group profit.

"There has been much comment on whether economic growth in China is slowing, but it is quite clear this is not the case in the pharmaceutical sector, where the progressive widening and deepening of the State's National Healthcare Plan and the growth in personal incomes continue to drive strong growth.

"This is reflected in the results for our China Healthcare Division, which will also benefit in future from planned pricing and the easing of currently high raw material costs on one of our lead products. We also expect to benefit from the values of our JVs' land holdings which we expect to more than cover the costs of the planned relocation and expansion of the production facilities."

At 9:30am: [\[LON:HCM\]](#) share price was +27.5p at 510p