Press Cutting

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Lower down the market Hutchison China MediTech, the Chinese focused healthcare group, was 30p higher at 707.5p after a 65% rise in operating profits to $9.6m. During the year it signed a new licensing deal with Eli Lilly and cemented its collaboration with Janssen to add to those it already has with AstraZeneca and Nestlé Health Science. Chief executive Christian Hogg said:

Trading has started well this year. Sales and profit in our China Healthcare Division are well ahead of 2013 levels, as a result of effective execution and continued normalisation of raw material costs. We expect 2014 to be a breakout year for our Drug R&D Division as we publish clinical data on Volitinib, Fruquintinib and Sulfatinib, in each case outlining next stage clinical plans.

House broker Panmure Gordon said:

The company provides a well-diversified consumer healthcare opportunity in a market that should see strong growth in the next three to five years. We forecast Chi-Med's China healthcare business to grow at 16.2% (2012- 2015 estimated compound annual growth rate), which is faster than the markets in which it operates. We remain buyers of the stock and set a new price target of 750p (from 725p).