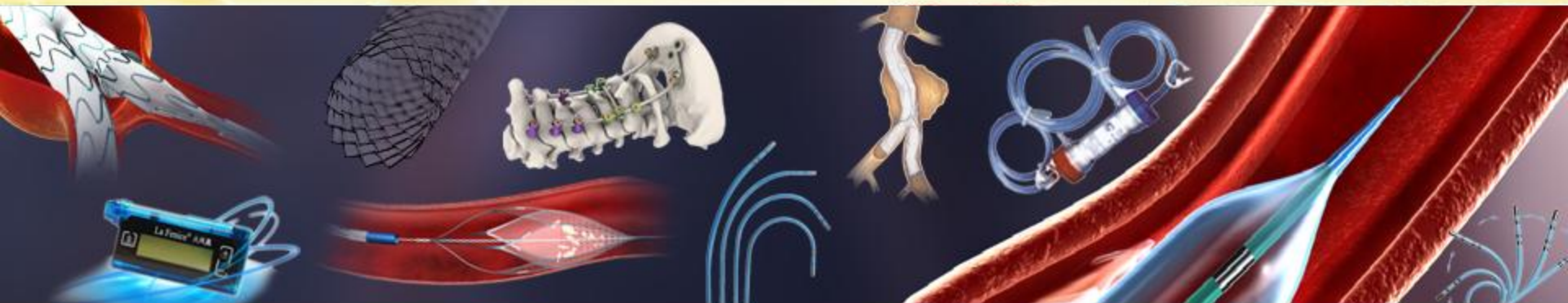




一个属于患者和医生的品牌

微创医疗

Stock Code: 00853(HK)



June 2013



Content



 2013 1H Financial Results

 Business Update

***Appendix - Financial Statements**

Financial Summary 2013 1H

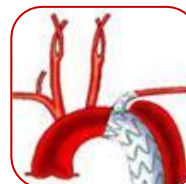
Highlights

- **Revenue: 422m, Y/Y ↓13%**
- **Net profit: 92m, Y/Y ↓59%**
- **New Commercially-Launched Products:**
 - WILLIS® intracranial stent graft system for the treatment of intracranial aneurysms.
 - Fireforce balloon inflation device in Thailand.
 - Disposable cervical dilator designed to dilate cervix of uterus.
- **Key Clinical Trial:**
 - Castor Branched stent-graft system completed the first clinical implantation 8 April 2013.
- **Business Diversification:**
 - DES takes less proportion in total revenue, from 83% to 72%.
 - A strategic orthopedic acquisition – OrthoRecon of Wright

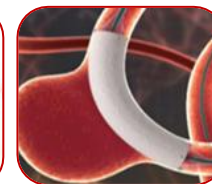
Key Financial Summary

RMB: million	2013 1H	2012 1H	Flux
Revenue	421.9	484.9	-13%
Cost	(79.5)	(71.8)	12%
Gross Profit	342.4	413.1	-17%
Operating Expenses	(200.7)	(174.3)	15%
Other operating Expense	(43.8)	(0.3)	
Net Gain/Loss	18.9	25.8	-27%
Operating Profit	116.8	264.2	-56%
Net Profit	92.1	222.7	-59%
EPS-Basic	0.07	0.16	-56%

Castor



Willis



Fireforce

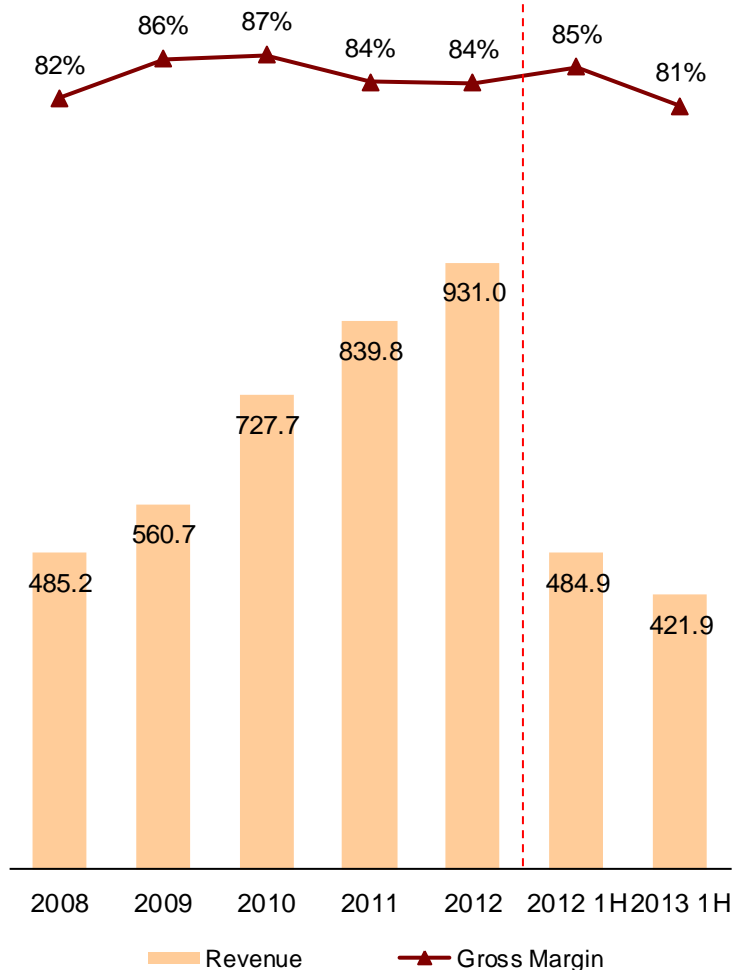


Financial Performance

Revenue & Gross Margin

(RMB million)

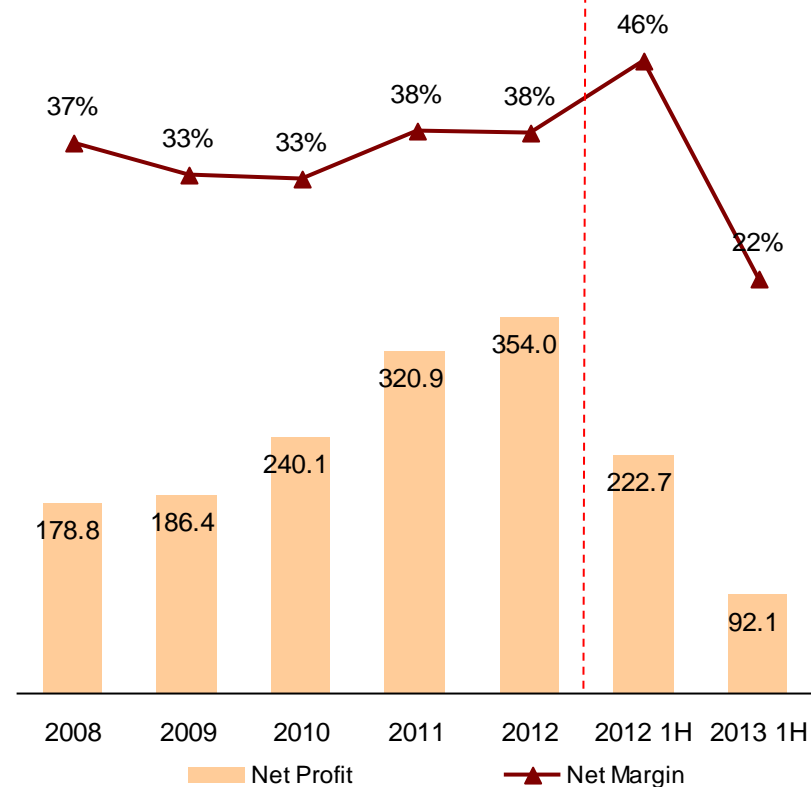
5Y CAGR: 18%



Net Profit & Net Margin

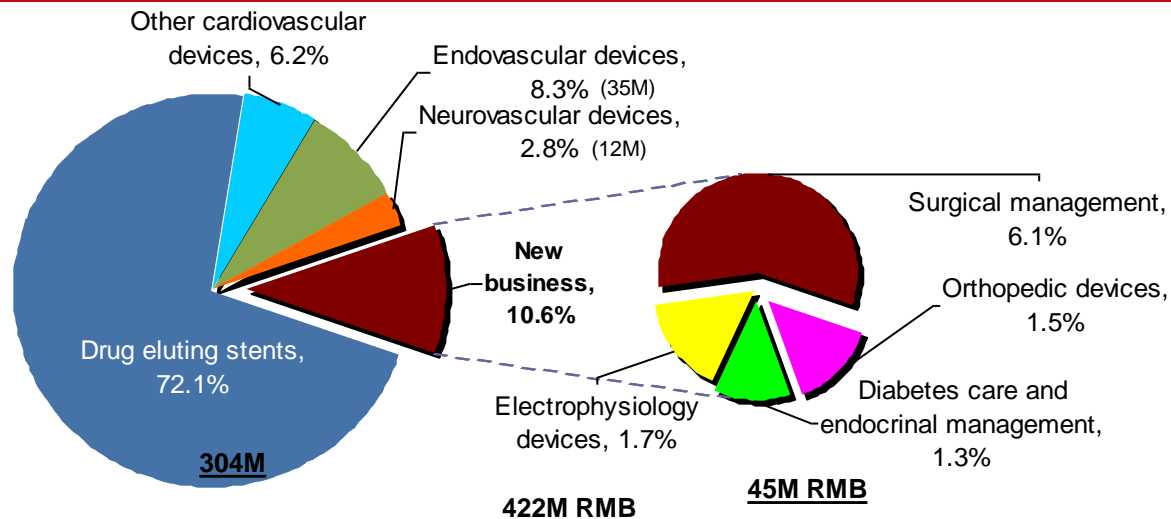
(RMB million)

5Y CAGR: 19%

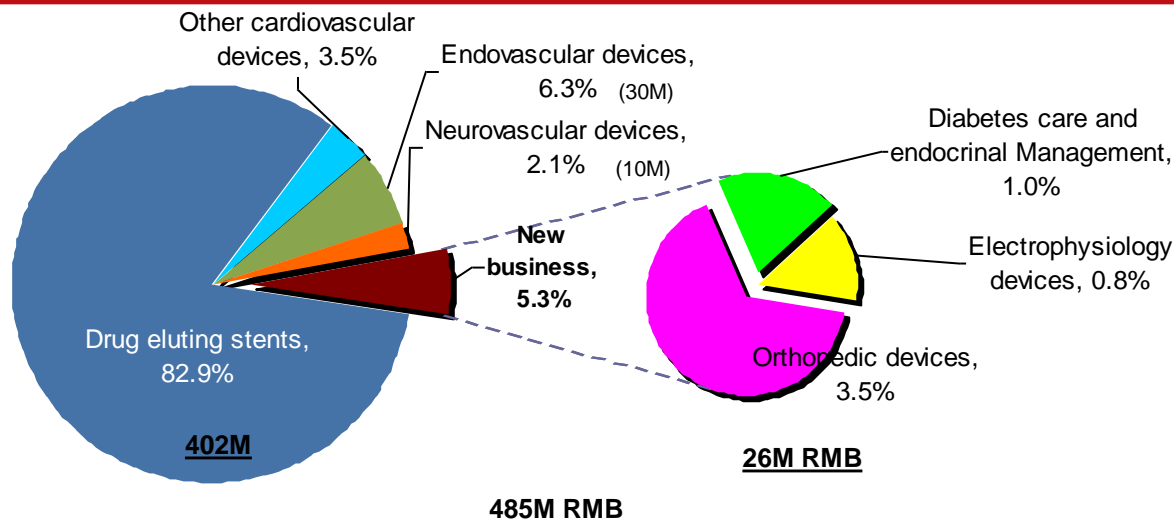


Business Diversification - Revenue Mix for Reference

Revenue by Products (2013 1H)



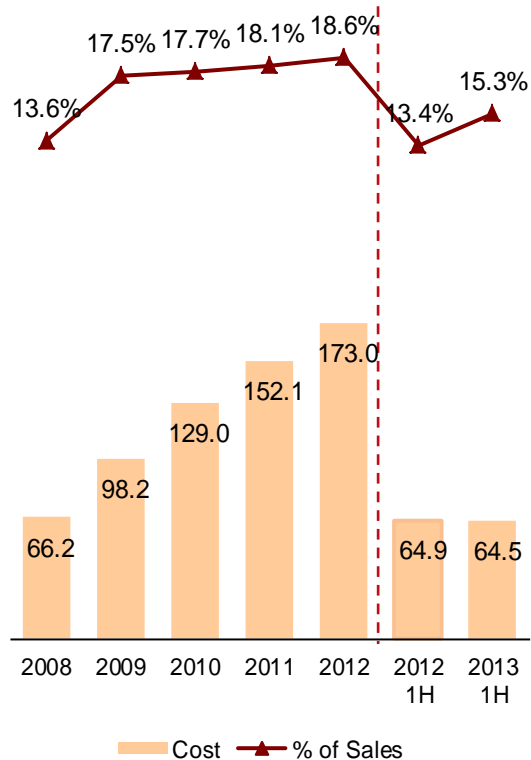
Revenue by Products (2012 1H)



Operating Expenses

Sales and Marketing Cost

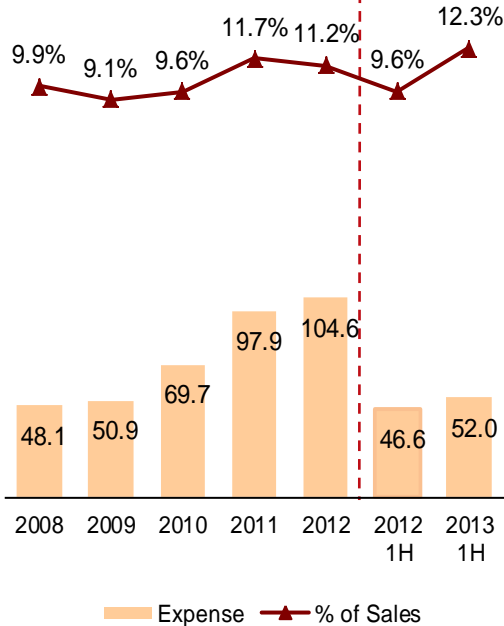
(RMB million)



■ Y/Y: ↓0.6%

Administrative Expense

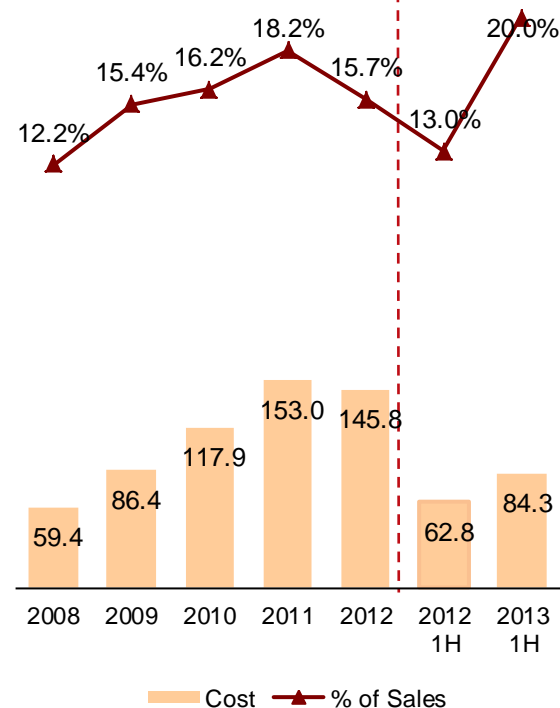
(RMB million)



■ Y/Y: ↑11.5%

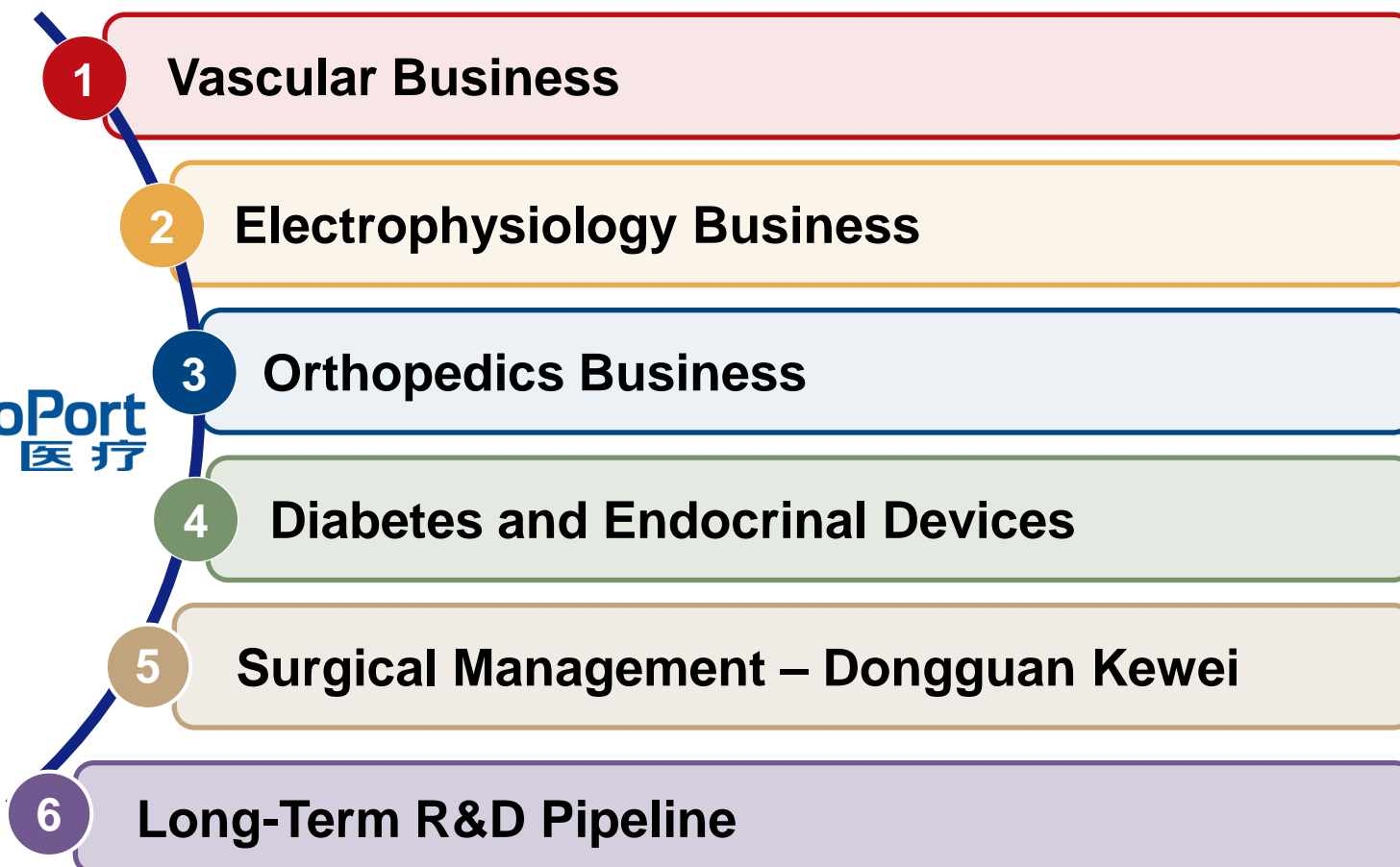
Research and Development Cost

(RMB million)



■ Y/Y: ↑34.1%

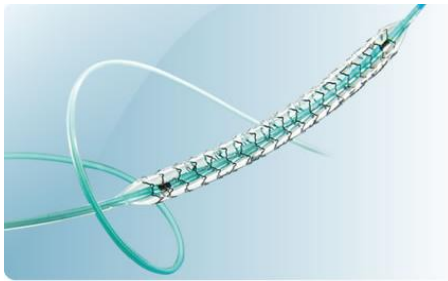
Business Update



1-1 Vascular Business

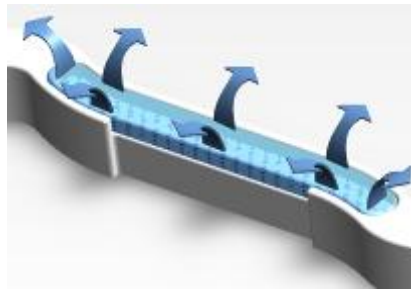
DES-Firehawk R&D Status

Firebird 2



- Commercially launched in **January 2009**
- Constructed of **cobalt-chromium** coated with sirolimus
- 0.034 inch thick

Firehawk



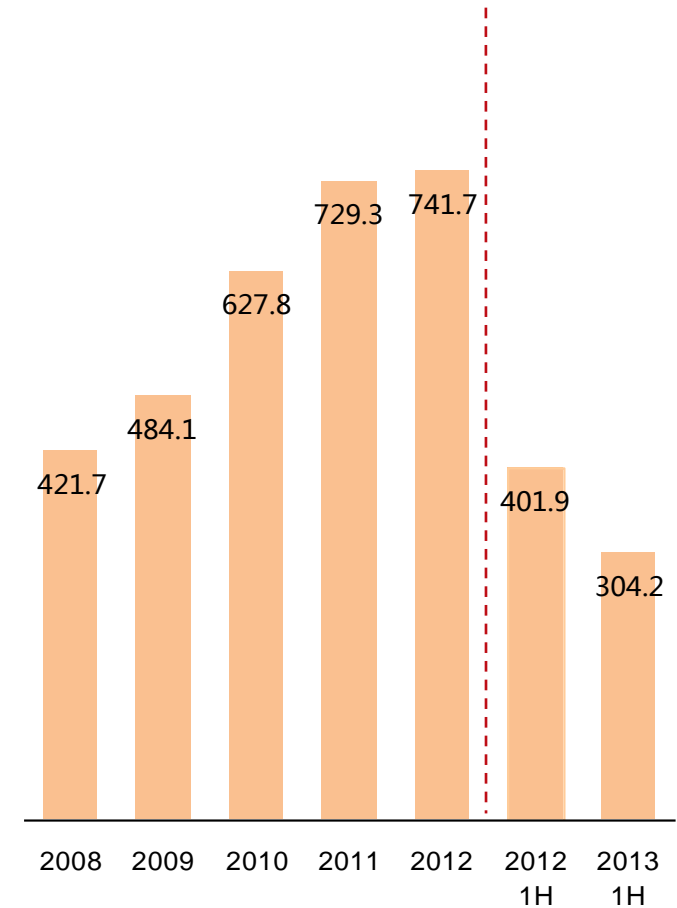
- Third generation DES
- Cobalt-chromium **target-eluting** stent coated with sirolimus
- **Biodegradable** drug coating that attaches only to the area of stent that contacts the blood vessel

Update of Firehawk

- The results of **All Trials** was published on **CIT 2013** (Mar. 2013)
- Waiting for SFDA approval and CE approval

DES Revenue (2008-2013 1H)

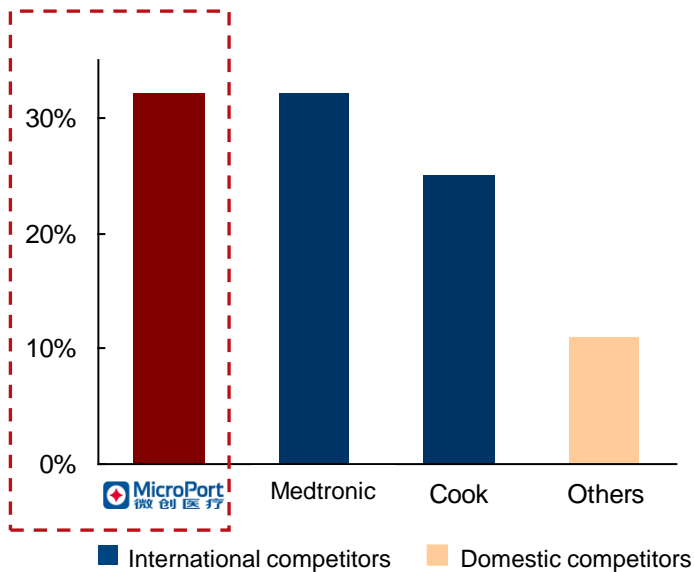
RMB: million



1-2 Vascular Business

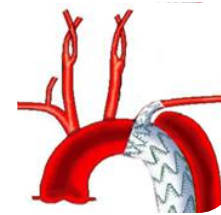
Endovascular – Stent Graft

TAA/AAA Market Leadership (2012)



Products Profile

Castor



- Branched Aortic Stent-Graft and Delivery System
- Clinical Trial to be kicked off in 2012

Hercules B / Hercules T

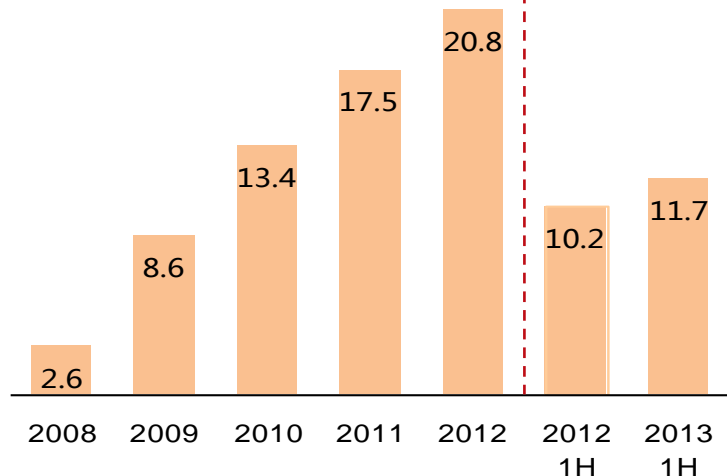


1-3 Vascular Business

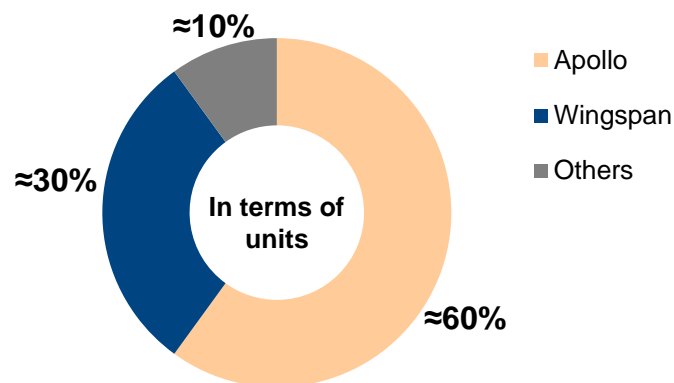
Neurovascular – Apollo, Willis

Solid Growth of Apollo in Revenue

RMB: million

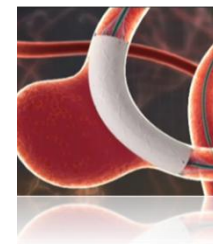


Leading Position in Neurovascular stents



Products Already Received SFDA Approval

Willis



- Intracranial Stent Graft System
- Received SFDA approval on March, 2013

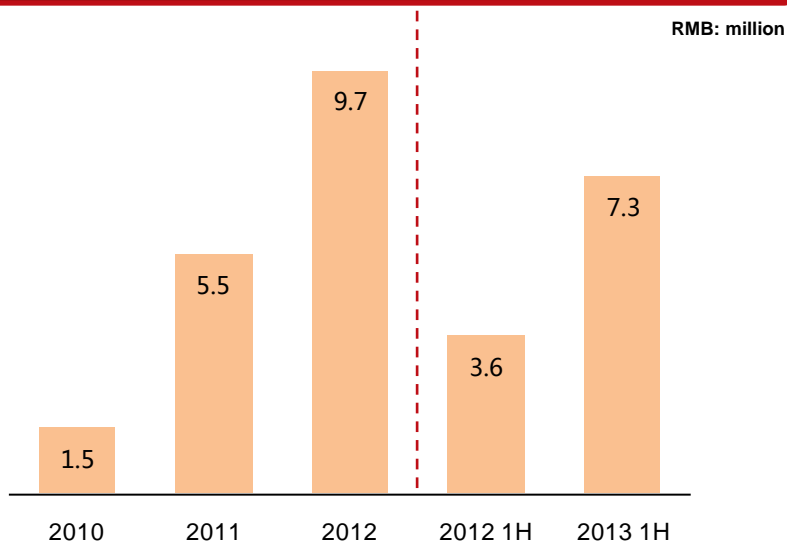
R&D Pipeline

Tubridge



- Vascular Reconstruction Device
- First-in-man Finished in 2011
- Clinical Trial started in 2012

Solid Growth of Electrophysiology in Revenue



Products on the Market



R&D Pipeline

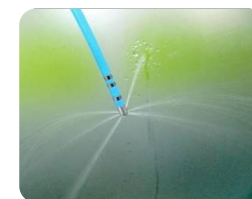
Columbus

- 3D Mapping System
- Clinical Trial in 2012



Voyager

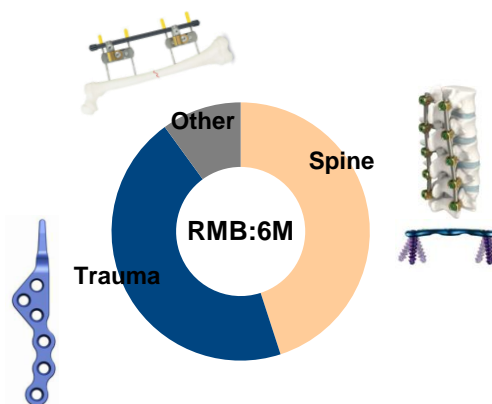
- Irrigated RF Ablation Catheter
- Clinical Trial in 2012



Milestones

- ◆ **2009**
 - Established Shanghai MicroPort Orthopedics
- ◆ **2010**
 - Obtained CE Certificates for over 5 products since 2010
- ◆ **2011**
 - Acquired Suzhou BEST Orthopedics Corporation
- ◆ **2012**
 - Revenues generated from domestic & international sales

Sales Split by Application

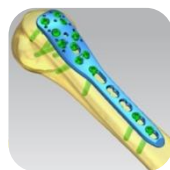


Key Factors



- Employee: 180 in total
- Facilities: increase an area of 11,000m²
- Certificates: over 20 domestic registration certificates, and over 5 CE certificates

Products Profile Pipeline



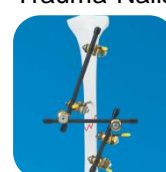
Trauma-Plates



Trauma-Nails



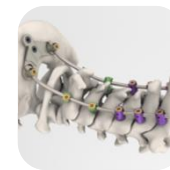
Cannulated Screws



External FX



Spine-Plates



Spine-Screws



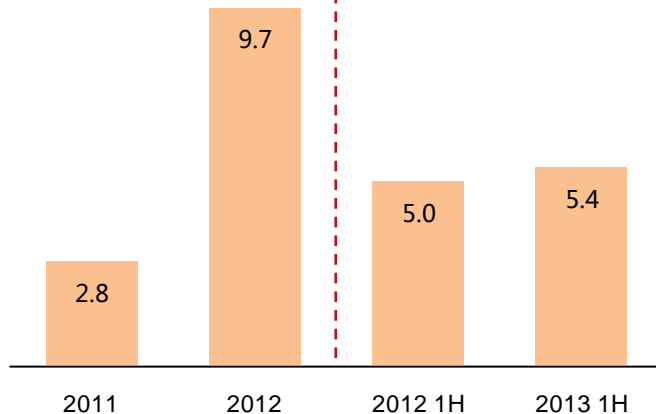
Spine-Cages



Spine-Instruments

Solid Growth of Diabetes Business in Revenue

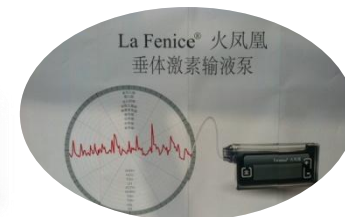
RMB: million



Products Profile

Micro-Infusion GnRH Pump (Artificial Pituitary Pump)

- Innovative Solution for Hypogonadotropic Hypogonadism (HH)
- Contribute a lot to the revenue



R&D Pipeline

La Fenice V



- New generation Insulin Pum
- Clinical Trial Finished

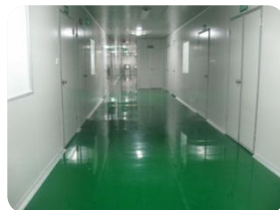


La Fenice Pen

- Motor Drive Insulin Pen
- Clinical Trial to be kicked off in 2013

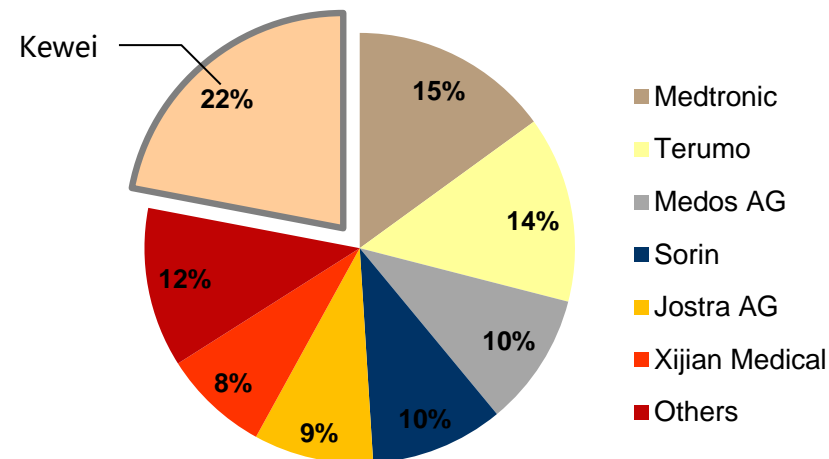


Key Factors



- Located on Dongguan, Guangdong province
- 28 patents in China
- Around 160 employees, over 20 engineers and 10 sales
- Products currently used in more than 150 hospitals

Oxygenators Market Leadership



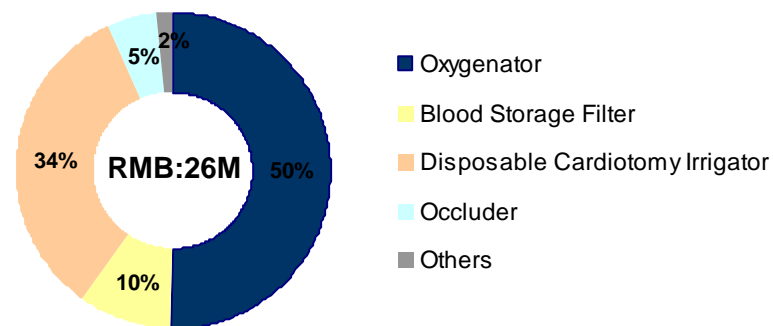
Source: Guohai Securities Research Center , Feb. 2011

Products

- Oxygenator
- Blood Storage Filter
- Disposable Cardiotomy Irrigator
- Amender™ PDA Occluder
- Amender™ ASD Occluder



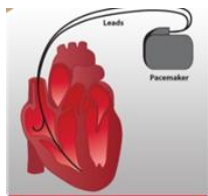
Revenue of 2013 1H



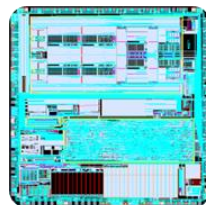
Pacemaker & Pacing Lead

IPG (Implantable Pulse Generator)

■ Under R&D stage

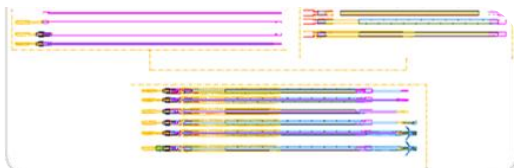


(微创医芯)



Pacing Leads – active & passive

■ Under R&D stage



Others

Transcatheter Aortic Valve Implantation system

■ Under R&D stage



Renal Denervation Device

■ Under R&D stage

Appendix I - Consolidated Income Statement

(RMB '000)	2013 1H Actual	2012 1H Actual
Revenue	421,922	484,916
Cost of sales	(79,506)	(71,833)
Gross profit	342,416	413,083
Other revenue & net income	18,923	25,811
Research and development costs	(84,260)	(62,824)
Sales and marketing costs	(64,489)	(64,886)
Administrative expenses	(51,983)	(46,637)
Other operating costs	(43,764)	(313)
Operating Profit	116,843	264,234
Finance costs	(1,543)	(327)
Profit before taxation	115,300	263,907
Income tax	(23,190)	(41,236)
Net profit	92,110	222,671

Appendix II - Consolidated Balance Sheet

RMB'000	30 Jun 2013	31 Dec 2012
Cash and cash equivalents	662,227	413,149
Deposits with banks	451,528	666,275
Trade & Other receivables	390,343	433,890
Inventories	109,522	92,654
Total current assets	1,613,620	1,605,968
Fixed Assets & CIP & Prepay for FA	824,765	720,497
Intangible assets	167,568	149,974
Goodwill	154,955	175,492
Deferred tax assets	15,477	15,949
Total non-current assets	1,162,765	1,061,912
Total assets	2,776,385	2,667,880
Interest-bearing borrowings	(498)	(20,491)
Trade & Other payables	(267,392)	(174,812)
Income tax payable	(14,908)	(9,011)
Deferred income	(215)	(257)
Total current liabilities	(283,013)	(204,571)
Interest-bearing borrowings	(2,745)	(2,703)
Deferred income	(104,072)	(71,125)
Deferred tax liabilities	(27,355)	(28,923)
Other non-current liabilities	(41,691)	(40,679)
Total liabilities	(458,876)	(348,001)
Share capital	(108)	(108)
Capital reserve	(2,317,401)	(2,319,771)
Total stockholders' equity	(2,317,509)	(2,319,879)
Total liabilities and equity	(2,776,385)	(2,667,880)
Net Current Assets	1,330,607	1,401,397
Net Assets	2,317,509	2,319,879

Appendix III –

Condensed Consolidated Cash Flow Statement - Adjusted

(RMB '000)	2013 1H Actual	2012 1H Actual
Cash generate from operations	198,573	196,529
Income tax paid	(18,388)	(29,131)
Net cash generated from operating activities	180,185	167,398
Net cash (used in)/from investing activities	(98,851)	(164,935)
Net cash used in financing activities	(50,036)	(25,963)
Net decrease in cash and cash equivalent	31,298	(23,499)
Cash and cash equivalents at 1 January	1,079,424	1,414,488
Effect of foreign exchange rate changes	3,033	(971)
Cash and cash equivalents at 30 June	1,113,755	1,390,017

* Adjusted 215 million net placement of time deposits with bank over 3 month(2012 1H: net uplift 781 million) in to cash and cash equivalents.

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