



2012 Financial Results & Business Update

Stock Code: 00853(HK)



March 2013



Content



2012 Financial Results

Business Update

Company Vision & Strategic Plans

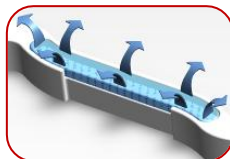
*Appendix - Financial Statements

Financial Summary 2012

Highlights

- ◆ **Revenue: 931m, Y/Y ↑10.8%**
- ◆ **Net profit: 354m, Y/Y ↑10.3%**
- ◆ **Completion of Key Clinical Trial:**

- The clinical trial of Firehawk has been completed, with the results of which published on CIT 2013 (March 21st).



◆ **New Commercially-Launched Products:**

- A Gonadotropin-Releasing Hormone (GnRH) Infusion Pump for the treatment of IHH
- A Circumferential Pulmonary Vein Diagnostic Catheter for atrial fibrillation procedures

◆ **Business Diversification:**

- DES takes less proportion in total revenue, from 87% to less than 80%.
- A strategic acquisition in on-pump fields - Dongguan Kewei in June, 2012.

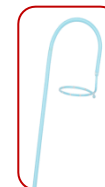
Key Financial Summary

RMB: million	2012	2011	Flux
Revenue	931.0	839.8	10.8%
Cost	(153.1)	(137.3)	11.6%
Gross Profit	777.8	702.6	10.7%
Expenses	(423.4)	(403.1)	5.0%
Net Gain/Loss	62.6	75.9	-17.5%
Operating Profit	417.0	375.4	11.1%
Net Profit	354.0	320.9	10.3%
EPS	0.25	0.22	13.6%

GnRH



Easyloop

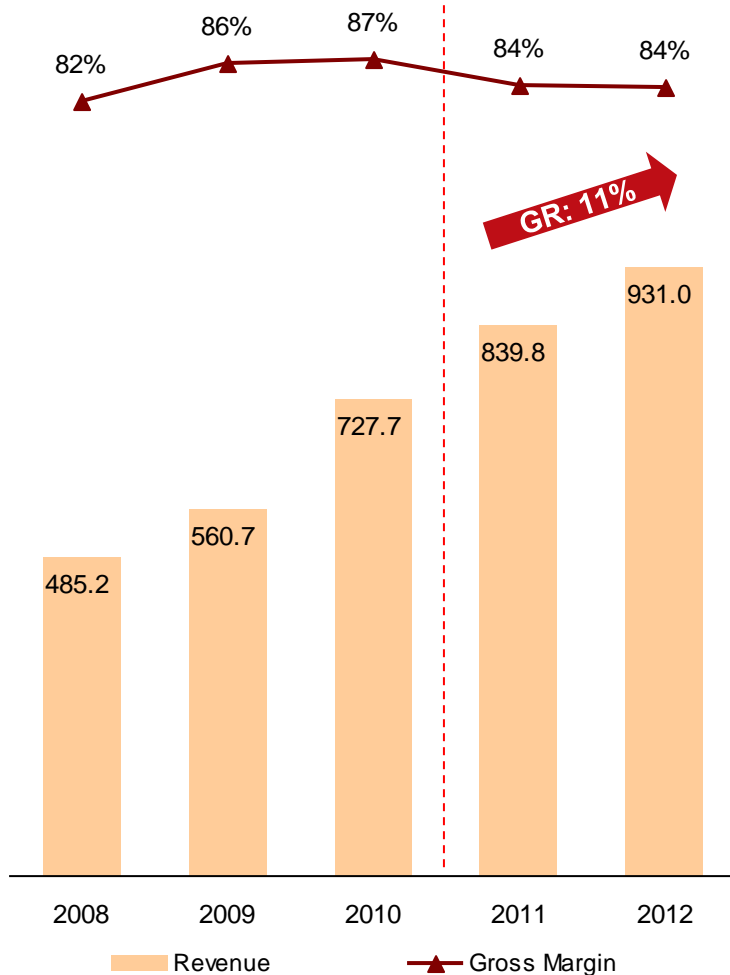


Solid Financial Performance

Revenue & Gross Margin

(RMB million)

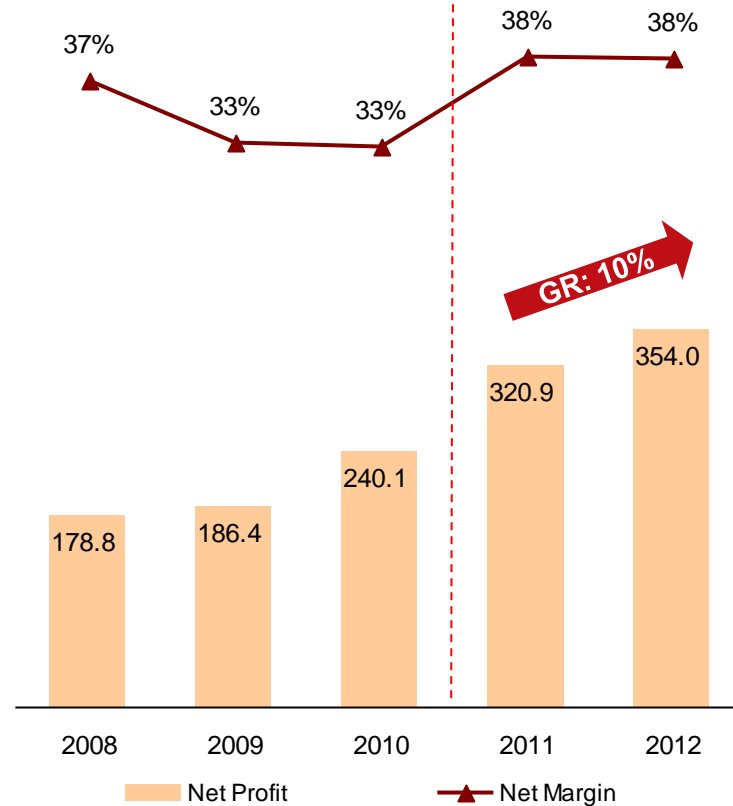
5Y CAGR: 18%



Net Profit & Net Margin

(RMB million)

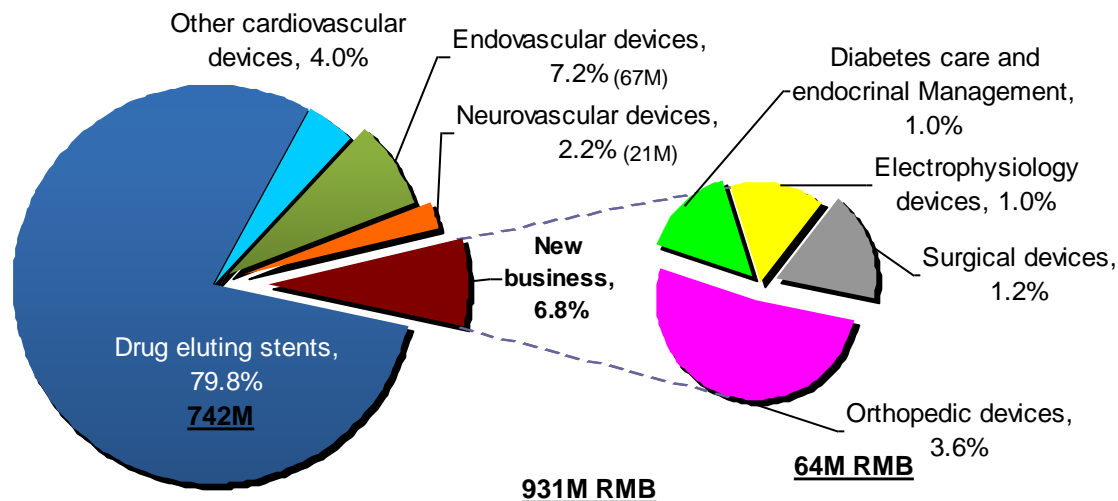
5Y CAGR: 19%



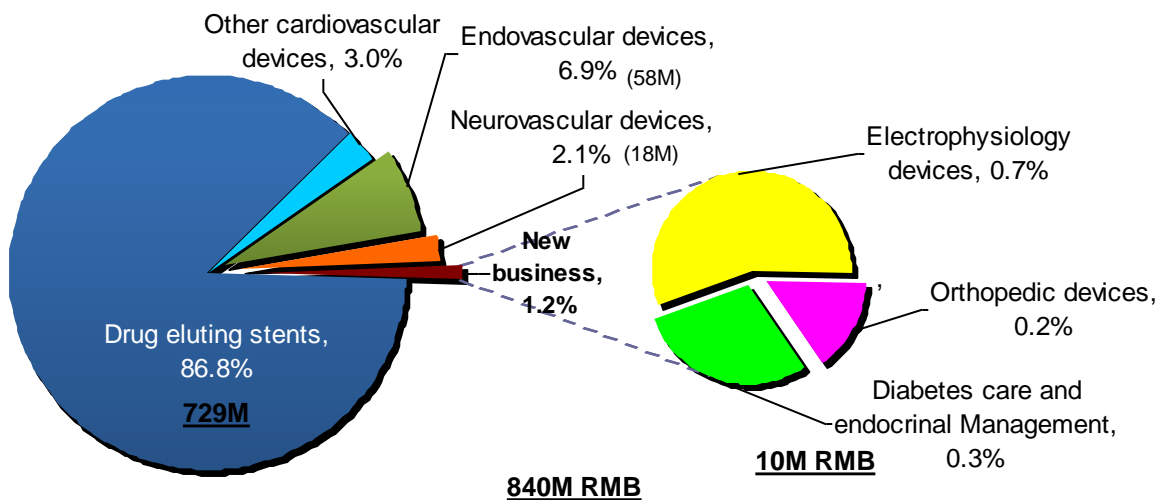
Business Diversification

Revenue Mix for Reference

Revenue by Products (Year 2012)



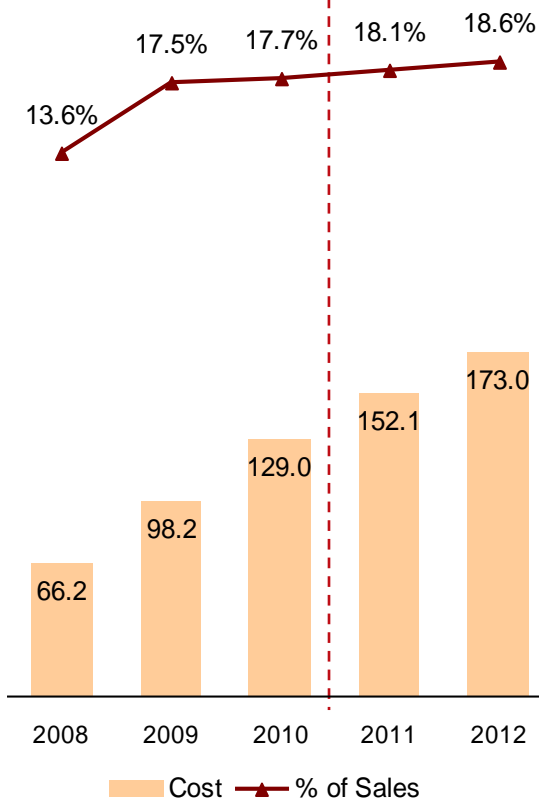
Revenue by Products (Year 2011)



Operating Expenses

Sales and Marketing Cost

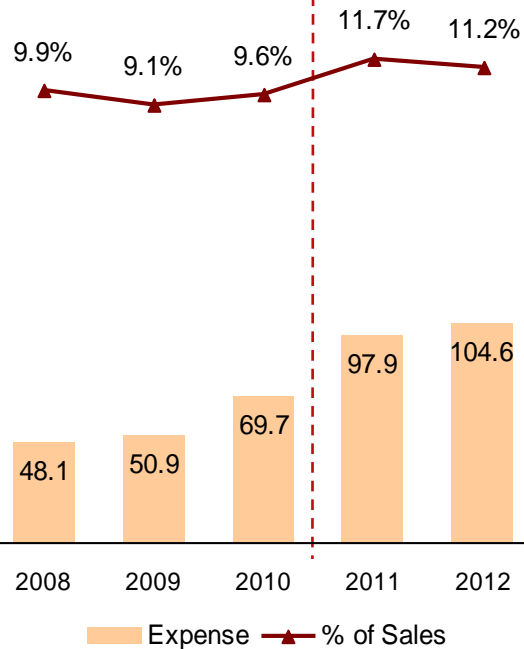
(RMB million)



■ Y/Y: ↑13.7%

Administrative Expense

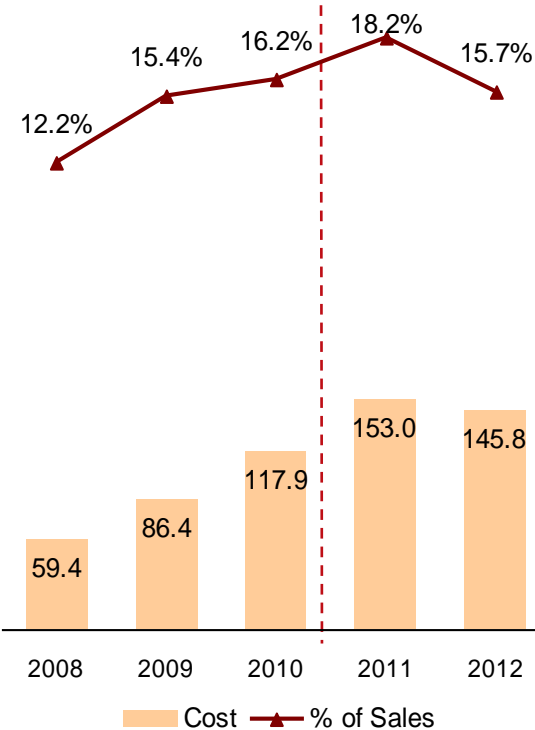
(RMB million)



■ Y/Y: ↑6.8%

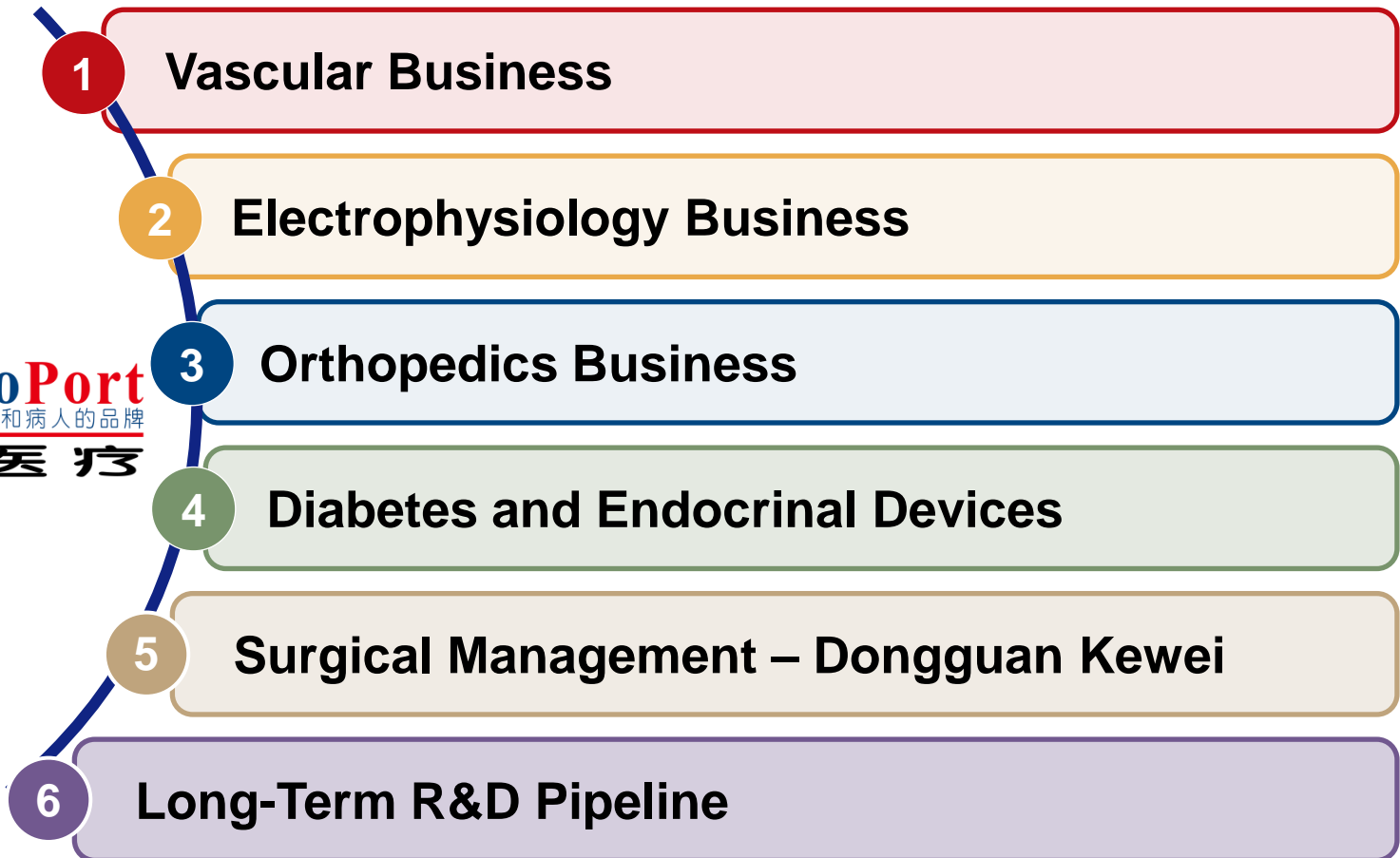
Research and Development Cost

(RMB million)

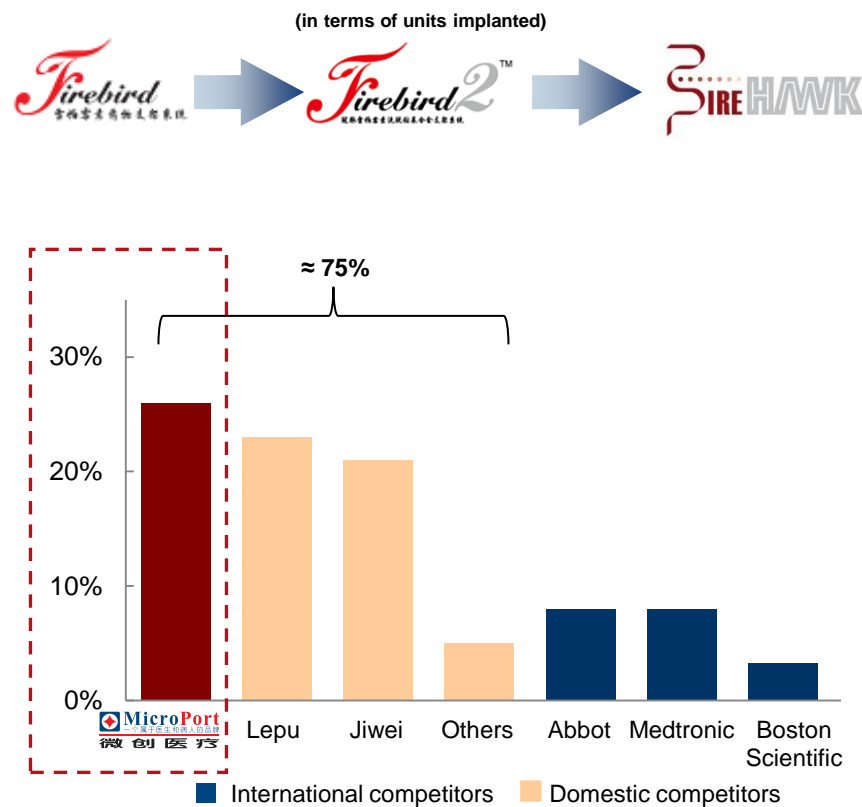


■ Y/Y: ↓4.7%

Business Update



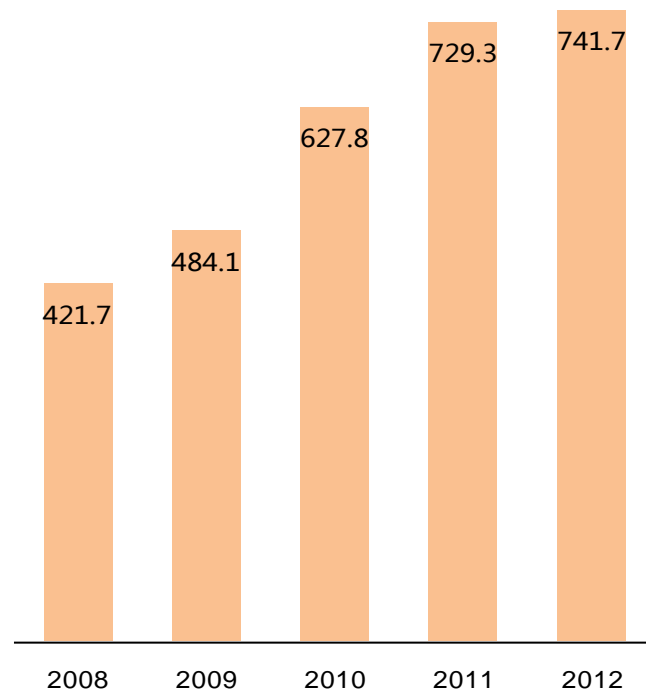
DES Market Leadership (2012)



Source: Internal Study Data

DES Revenue (2008-2012)

RMB: million



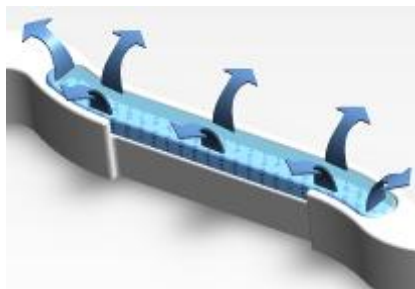
1-1 Vascular Business DES-Firehawk R&D Status

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)
The clinical results concluded that Firehawk is safe and effective. Furthermore it also indicated the feasibility and advantage of the "Target Release" feature on Firehawk.
- Expect to get SFDA approval as soon as the **beginning of 2014**
- Expect to get CE Certification as soon as the **middle of 2014**

Clinical Trial

Phase 1
First in Man ("FIM")
(Completed)



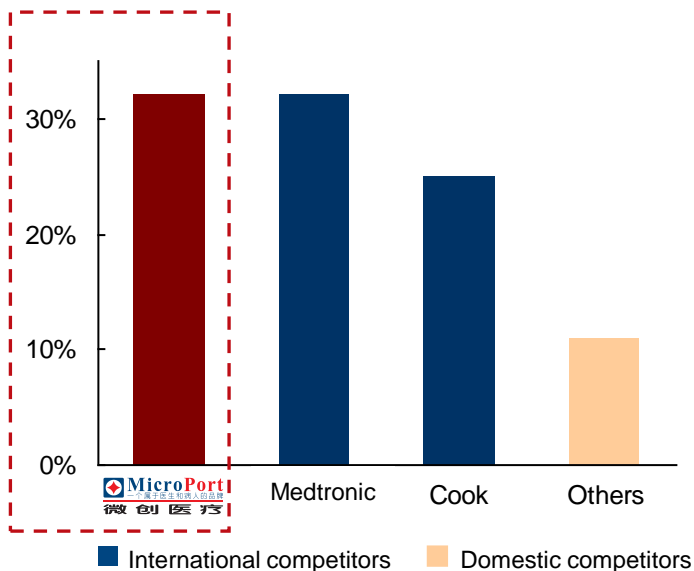
Phase 2
TARGET I
A study of randomized controlled multicenter trial with total of 460 patients
(Completed)



Phase 3
TARGET II
A single-arm multicenter clinical trial with total of 730 patients
(Completed)

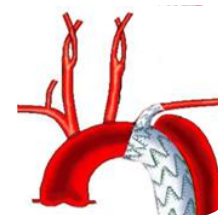
1-2 Vascular Business Endovascular – Stent Graft

TAA/AAA Market Leadership (2012)



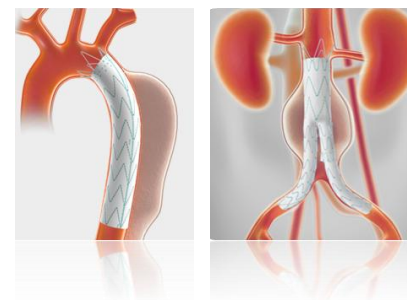
Products Profile

Castor



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

Hercules B / Hercules T

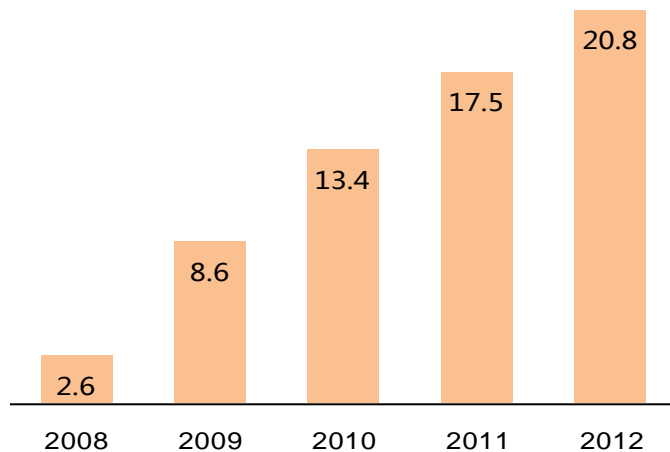


Vascular Business

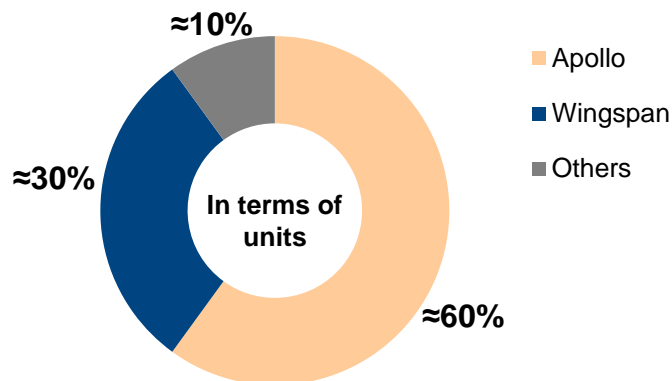
Neurovascular – Apollo, Willis

Solid Growth of Apollo in Revenue

RMB: million

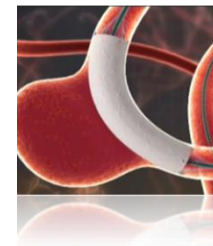


Leading Position in Neurovascular stents



Products Already Received SFDA Approval

Willis



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

R&D Pipeline

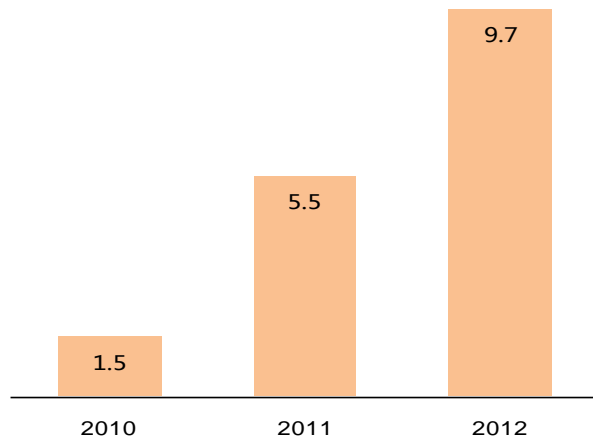
Tubridge



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

Solid Growth of Electrophysiology in Revenue

RMB: million



Products on the Market



R&D Pipeline

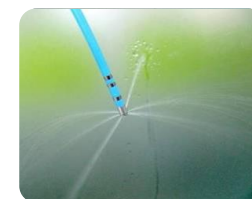
Columbus

- 3D Mapping System
- Clinical Trial in 2012



Voyager

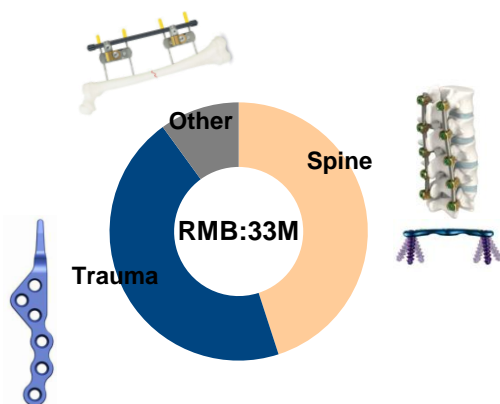
- Irrigated RF Ablation Catheter
- Clinical Trial in 2012



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

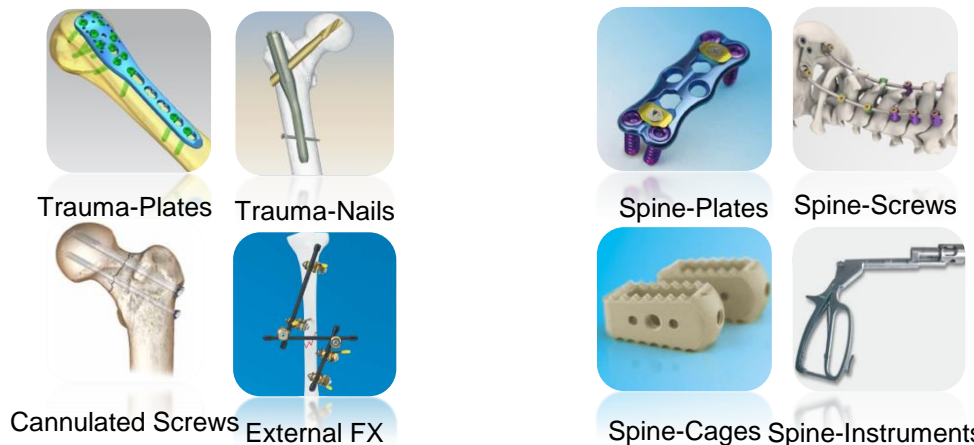


Key Factors



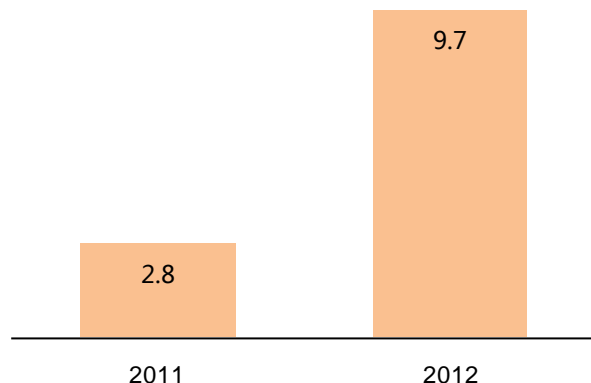
- Employee: 180 in total
- Facilities: increase an area of 11,000m²
- Certificates: over 20 domestic registration certificates, and over 5 CE certificates

Products Profile Pipeline



Solid Growth of Diabetes Business in Revenue

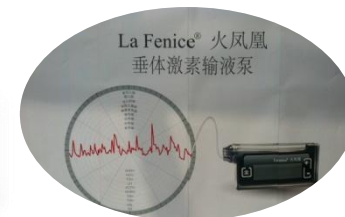
RMB: million



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 Pump
- Clinical Trial Finished



La Fenice Pen

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



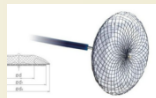
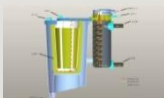
Key Factors



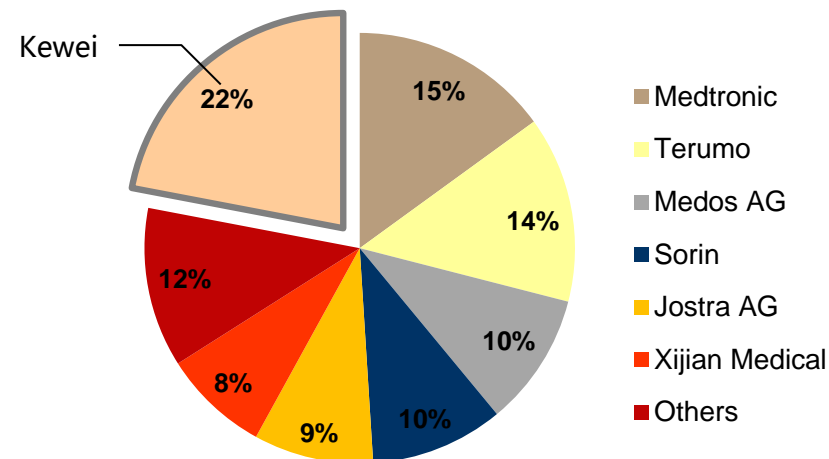
- Located on Dongguan, Guangdong province
- 28 patents in China
- Around 160 employees, over 20 engineers and 10 sales
- Products currently used in more than 150 hospitals

Products

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



Oxygenators Market Leadership



Source: Guohai Securities Research Center , Feb. 2011

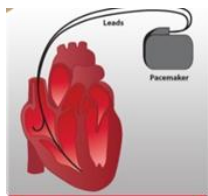
Future Development

- Fill the gap of product lines in cardiac surgeries and structural heart diseases markets for MicroPort Medical
- Compete in the cardio-thoracic area
- Enrich the existing product lines and increase market share with the new products
- Huge potential for development of new technologies relating to the occluders and membrane oxygenators

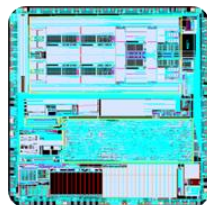
Pacemaker & Pacing Lead

IPG (Implantable Pulse Generator)

■ Under R&D stage

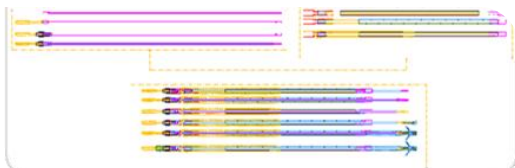


(微创医芯)



Pacing Leads – active & passive

■ Under R&D stage



Others

Transcatheter Aortic Valve Implantation system

■ Under R&D stage



Intramyocardial injection catheter

■ Under R&D stage



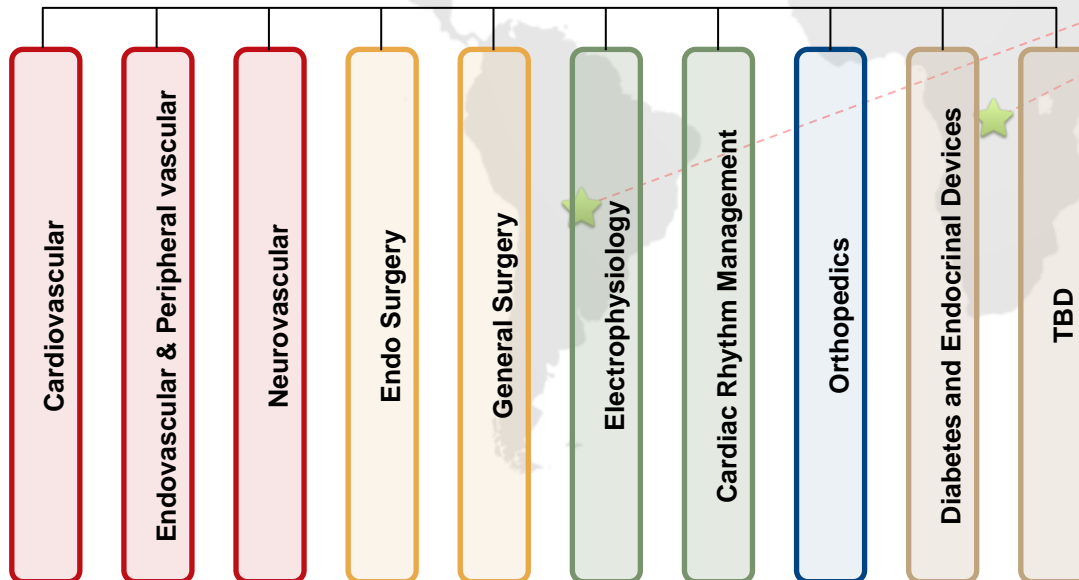
Company Vision & Long-Term Strategic Plans

Company Vision

Leading global player in minimally invasive medical devices



Long-Term Strategic Plans: 10+5



Appendix I - Consolidated Income Statement

(RMB '000)	2012 Actual	2011 Actual
Revenue	930,962	839,849
Cost of sales	(153,129)	(137,268)
Gross profit	777,833	702,581
Other revenue & net income	67,898	93,827
Research and development costs	(145,849)	(153,035)
Sales and marketing costs	(172,999)	(152,112)
Administrative expenses	(104,600)	(97,920)
Other operating costs	(5,250)	(17,912)
Operating Profit	417,033	375,429
Finance costs	(1,675)	(1,376)
Profit before taxation	415,358	374,053
Income tax	(61,378)	(53,198)
Net profit	353,980	320,855

Appendix II - Consolidated Balance Sheet

RMB'000	31 Dec 2012	31 Dec 2011
Cash and cash equivalents	413,149	1,095,209
Deposits with banks	666,275	319,279
Trade & Other receivables	433,890	286,617
Inventories	92,654	73,962
Total current assets	1,605,968	1,775,067
Fixed Assets & CIP & Prepay for FA	720,497	407,360
Intangible assets	149,974	85,632
Goodwill	175,492	64,466
Deferred tax assets	15,949	11,674
Total non-current assets	1,061,912	569,132
Total assets	2,667,880	2,344,199
Interest-bearing borrowings	(20,491)	(2,476)
Trade & Other payables	(174,812)	(141,284)
Income tax payable	(9,011)	(10,059)
Deferred income	(257)	(114)
Total current liabilities	(204,571)	(153,933)
Interest-bearing borrowings	(2,703)	(3,193)
Deferred income	(71,125)	(46,628)
Deferred tax liabilities	(28,923)	(25,290)
Other non-current liabilities	(40,679)	-
Total liabilities	(348,001)	(229,044)
Share capital	(108)	(109)
Capital reserve	(2,319,771)	(2,115,046)
Total stockholders' equity	(2,319,879)	(2,115,155)
Total liabilities and equity	(2,667,880)	(2,344,199)
Net Current Assets	1,810,539	1,929,000
Net Assets	2,319,879	2,115,155

Appendix III - Condensed Consolidated Cash Flow Statement - Adjusted *

(RMB '000)	2012 Actual	2011 Actual
Cash generate from operations	352,250	364,339
Income tax paid	(66,664)	(64,209)
Net cash generated from operating activities	285,586	300,130
Net cash (used in)/from investing activities	(460,867)	(247,248)
Net cash used in financing activities	(160,406)	(207,414)
Net decrease in cash and cash equivalent	(335,687)	(154,532)
Cash and cash equivalents at 1 January	1,414,488	1,572,326
Effect of foreign exchange rate changes	623	(3,306)
Cash and cash equivalents at 31 December	1,079,424	1,414,488

* Adjusted 347 million net placement of time deposits with bank over 3 month(2011: net uplift 325 million) in to cash and cash equivalents.

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