

Content



 **2013 Financial Results**

 **Business Update**

***Appendix - Financial Statements**

Financial Summary 2013

Highlights

- Revenue: 939m, Y/Y 1%
- Recurring operating profit: 302m, Y/Y 15%
 - R&D Exp, Y/Y
 - DES price deduct net off other segment Rev
- Net profit: 149m, Y/Y 58%
 - Transactional Cost 109m & impairment 24m

Key Clinical Trial:

- Firehawk CFDA certificate in Jan 2014.
- Firehawk CE registration submitted in Dec 2013.

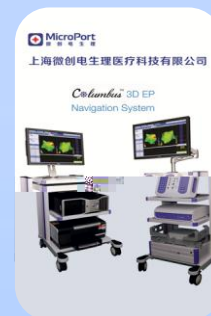
Key Financial Summary



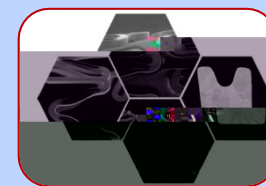
Knees -
Advance



EP 3D system -
Columbus



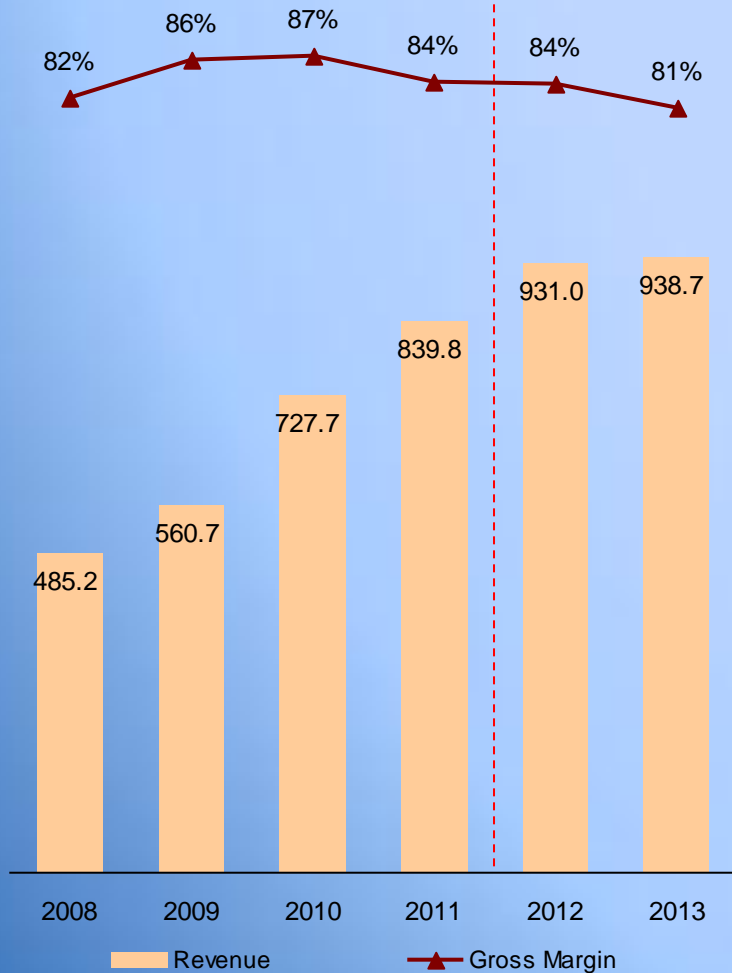
DES
Firehawk



Financial Performance

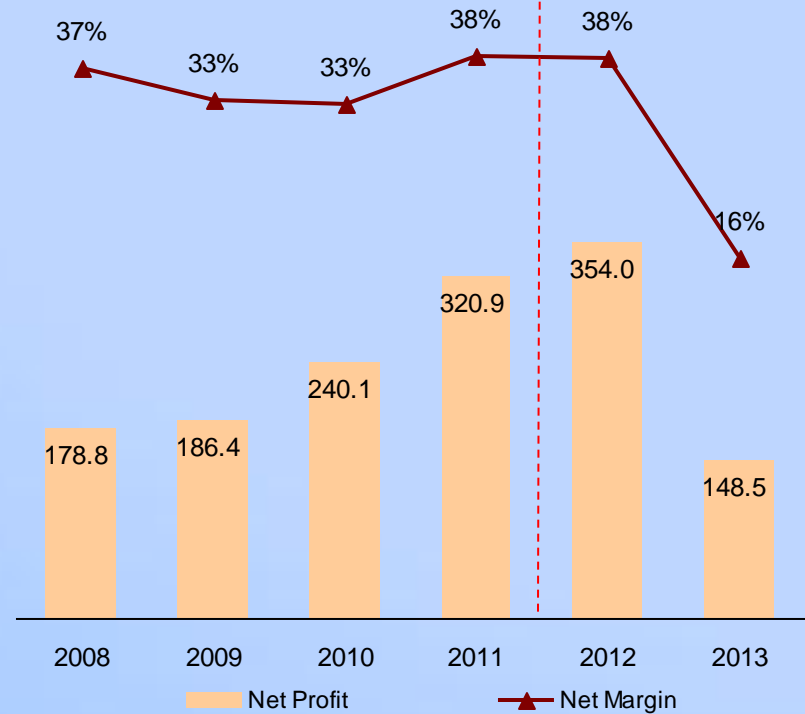
Revenue & Gross Margin

(RMB million)



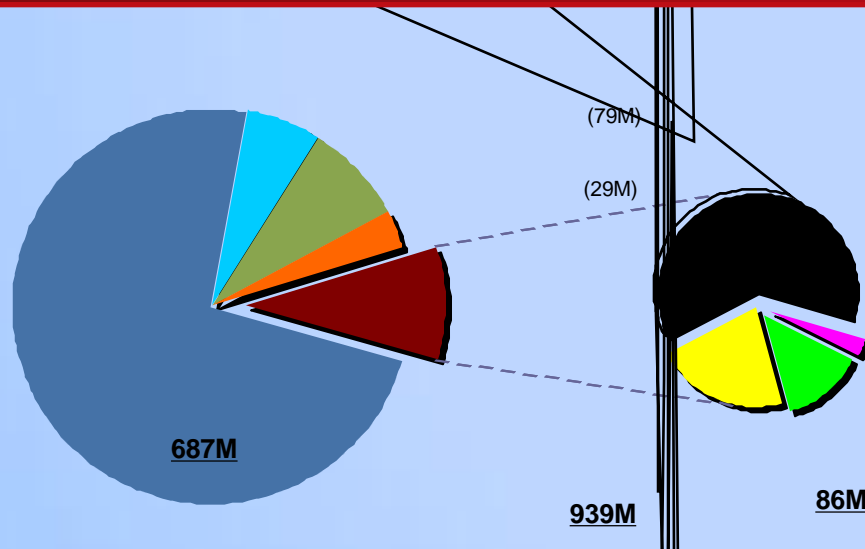
Net Profit & Net Margin

(RMB million)

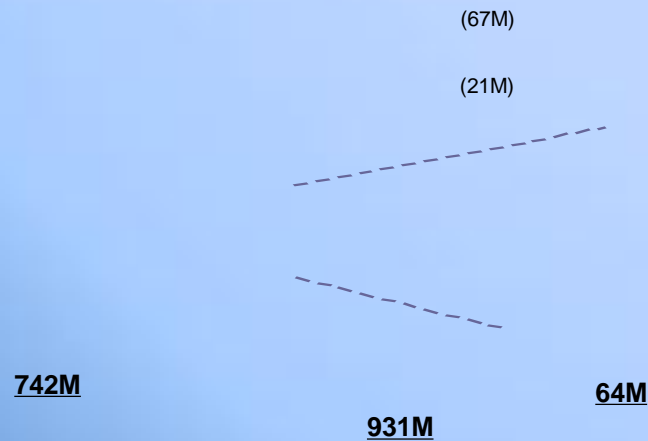


Business Diversification - Revenue Mix for Reference

Revenue by Products (2013)



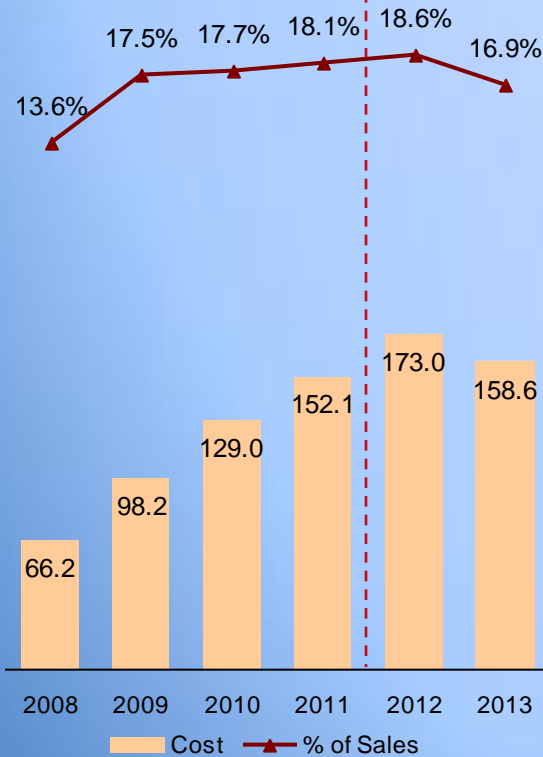
Revenue by Products (2012)



Operating Expenses

Sales and Marketing Cost

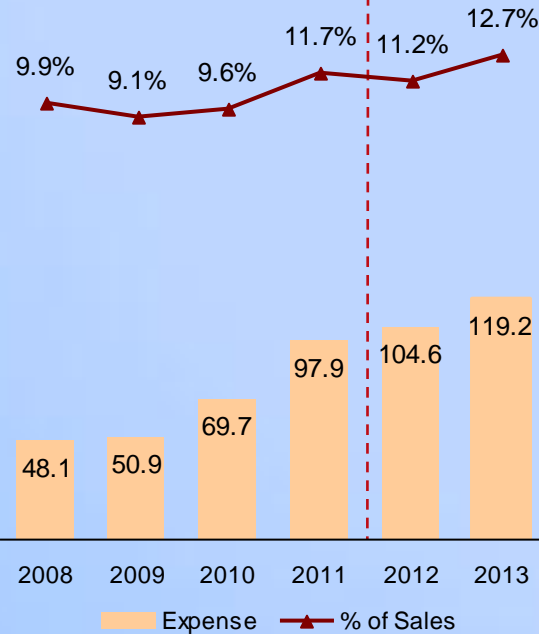
(RMB million)



■ Y/Y: 8.3%

Administrative Expense

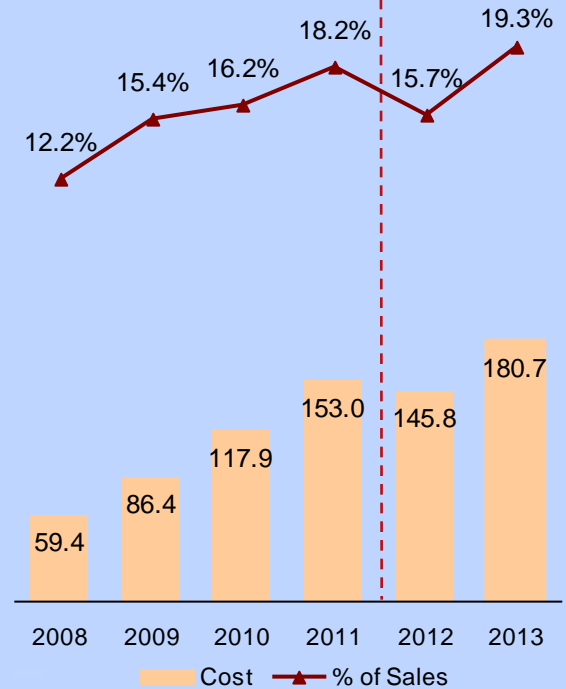
(RMB million)



■

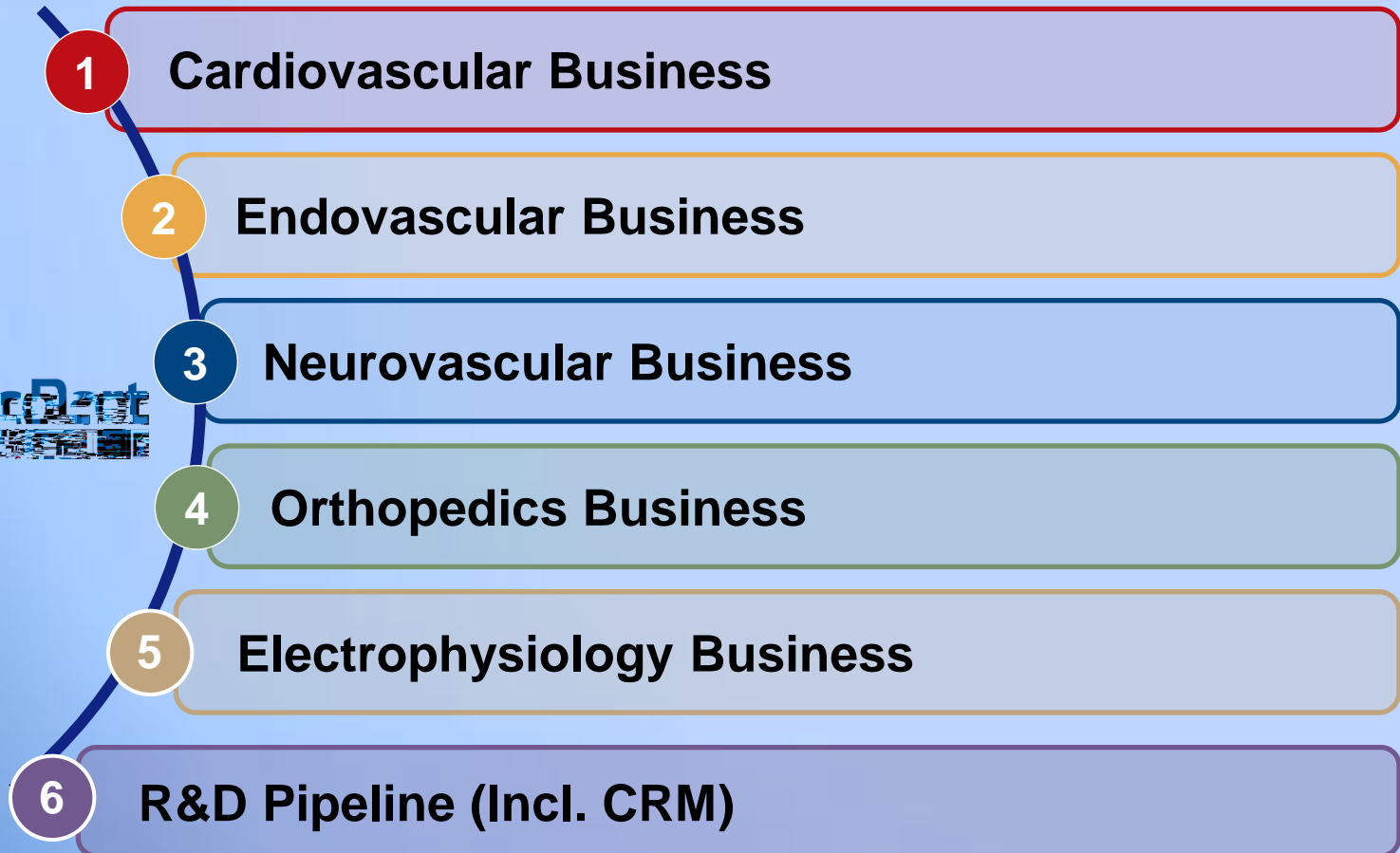
Research and Development Cost

(RMB million)



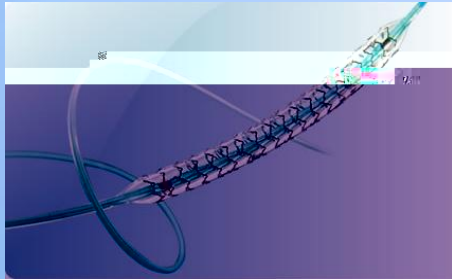
■

Business Update



1 Cardiovascular Business

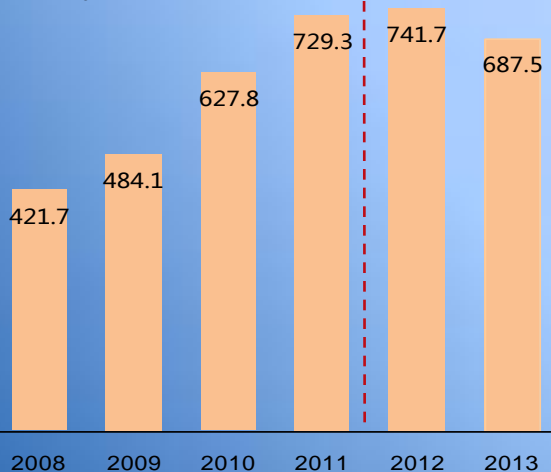
Firebird2



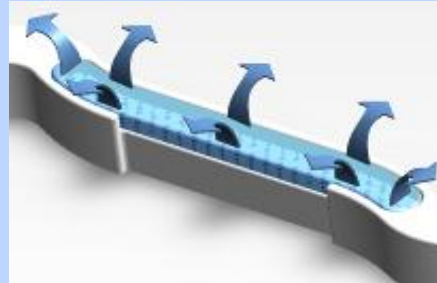
- Commercially launched in **January 2009**
- Constructed of **cobalt-chromium** coated with sirolimus
- 0.034 inch thick

DES Revenue (2008-2013)

RMB: million



Firehawk Update



- CFDA approved in Jan, 2014**
- CE submitted in Dec 2013**

- Third generation DES
- The World's First and Only **target-eluting stent**
- The largest pre-market clinical study in China ensures high credibility of safety and efficacy (1,261 trails in 29 clinical centers)
- The lowest dosage of drug amongst all DES's maintains excellent efficacy
- Solid evidence-based medical data paves the way for world-wide introduction

APA from Cordis

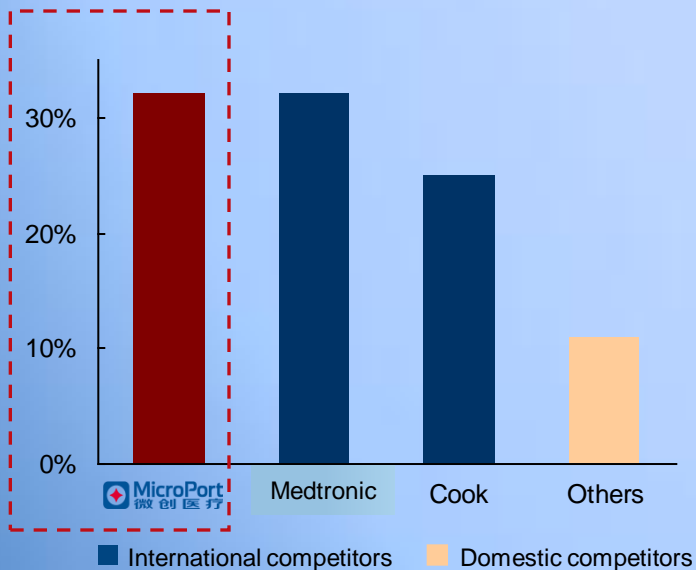
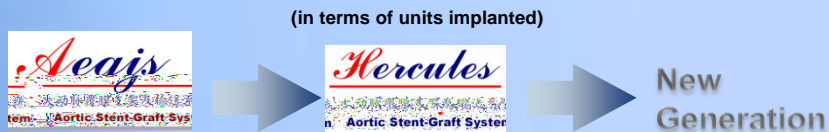
- Asset purchase agreement on Jan 2014, acquired:**
 - Certain DES manufacturing related equipment and machinery;
 - Certain DES-related patents & IP



Secure the position of global leader for target-eluting stent technology and take another step forward to strengthen the competitive and intellectual property position for DES franchise.

2 Endovascular Business

TAA/AAA Market Leadership



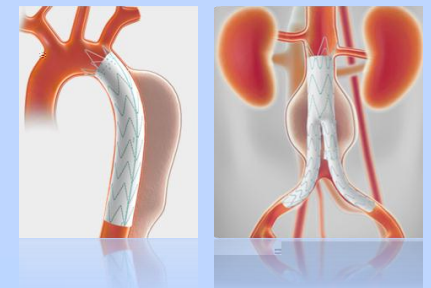
Products Profile

Castor



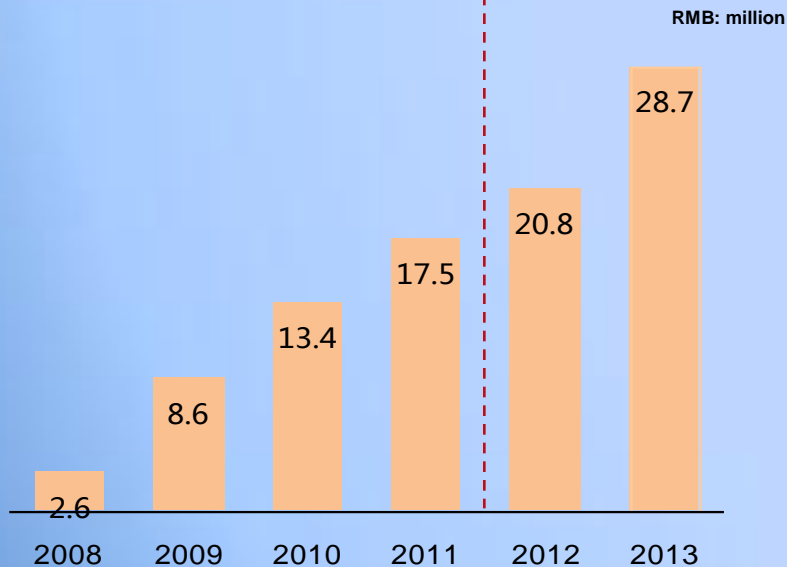
- Branched Aortic Stent-Graft and Delivery System
- First-in-man Finished in early 2013
- Clinical Trial started in 2013

Hercules T / Hercules B



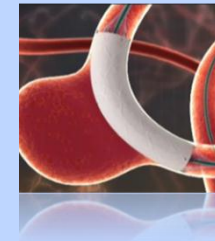
- Hercules Balloon Dilation Catheter received CFDA approval in 2013.

Solid Growth of Neurovascular in Revenue



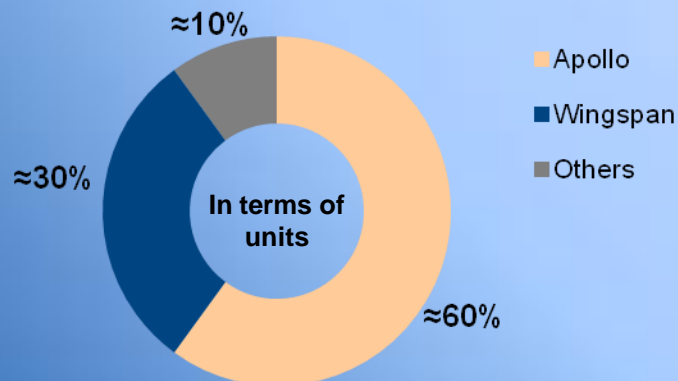
Products Already Received SFDA Approval

Willis



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

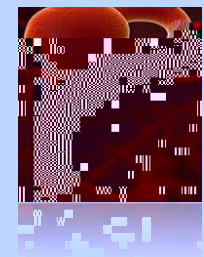
Leading Position in Neurovascular stents



R&D Pipeline

Tubridge

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



Orthopedic Business

Milestones

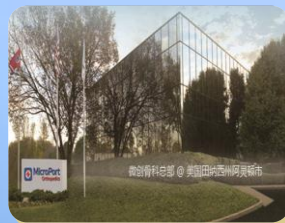
- ◆ 2009
 Established Shanghai MicroPort Orthopedics
- ◆ 2010
 Obtained CE Certificates for over 5 products since 2010
- ◆ 2011
 Acquired Suzhou BEST Orthopedics Corporation
- ◆ 2012
 Revenues generated from domestic & international sales
- ◆ 2013 ~ 10 Jan 2014
 Completed acquisition of OrthoRecon business from Wright Medical

Full Range of Products Pipeline

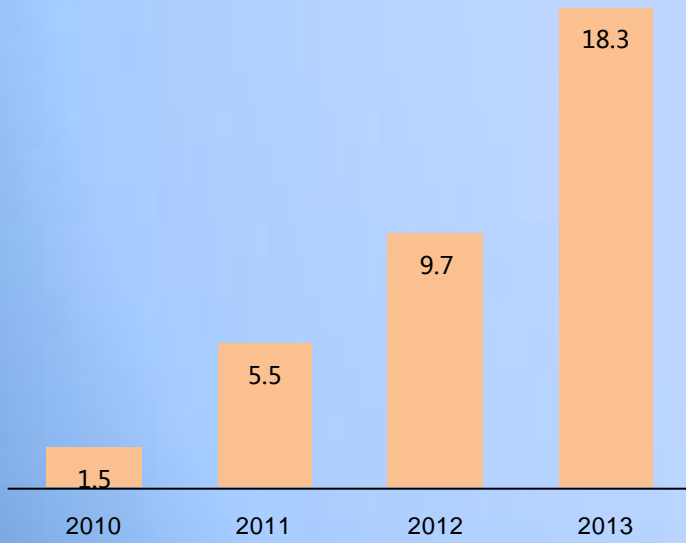


Key Factors

- MicroPort Orthopedics the sixth largest multinational OrthoRecon business.
- The only company could offer a full product line covering hip and knee, spine, and trauma in China.
- Broaden product portfolio beyond China DES Immediately.
- Expand business geographic coverage outside China greatly.
- Increase body mass.



Solid Growth of Electrophysiology in Revenue

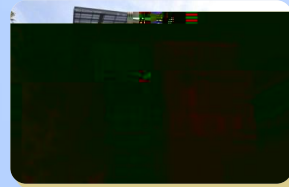


6 R&D Pipeline

CRM

JV with Sorin

- Agreement in early 2014
- MicroPort 51%, Sorin 49%
- 62m investment in JV
- CRM product in greater China
- Accelerate development of local CRM products



Others

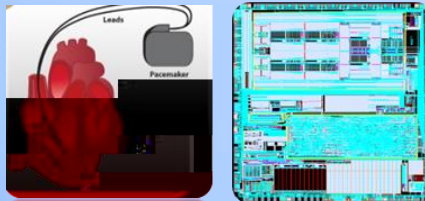
Transcatheter Aortic Valve Implantation system

- Under R&D stage



IPG Implantable Pulse Generator

- Under R&D stage



Renal Artery RF Ablation System

- First-in-man Finished in 2013

Pacing Leads active & passive

- Under R&D stage



Appendix I - Consolidated Income Statement

(RMB '000)	2013 Actual	2012 Actual
Revenue	938,682	930,962
Cost of sales	(178,118)	(153,129)
Gross profit	760,564	777,833
Other revenue & net income	45,306	67,898
Research and development costs	(180,703)	(145,849)
Distribution costs	(158,638)	(172,999)
Administrative expenses	(119,208)	(104,600)
Other operating costs	(135,535)	(5,250)
Operating Profit	211,786	417,033
Finance costs	(6,529)	(1,675)
Profit before taxation	205,257	415,358
Income tax	(56,726)	(61,378)
Net profit	148,531	353,980

Appendix II - Consolidated Balance Sheet

	31 Dec 2013	31 Dec 2012
Cash and cash equivalents	968,757	413,149
Deposits with banks	341,219	666,275
Trade & Other receivables	383,277	433,890
Inventories	123,070	92,654

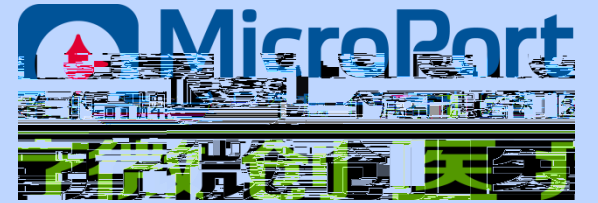
Appendix III – Condensed Consolidated Cash Flow Statement - Adjusted

(RMB '000)	2013 Actual	2012 Actual
Cash generate from operations	411,624	352,250
Income tax paid	(54,060)	(66,664)
Net cash generated from operating activities	357,564	285,586
Net cash (used in)/from investing activities*	(287,271)	(460,867)
Net cash used in financing activities	172,423	(160,406)
Net decrease in cash and cash equivalent	242,716	(335,687)
Cash and cash equivalents at 1 January	1,079,424	1,414,488
Effect of foreign exchange rate changes	(12,164)	623
Cash and cash equivalents at 30 June	1,309,976	1,079,424

* Adjusted 325 million net uplift of time deposits with bank over 3 month (2012: net placement 347 million) in to cash and cash equivalents.

0

0



Thank You