



# 2012 Financial Results & Business Update

Stock Code: 00853(HK)



March 2013





 2012 Financial Results

 Business Update

 Company Vision & Strategic Plans

**\*Appendix - Financial Statements**

# Financial Summary 2012

## Highlights

- Revenue: 931m, .8%
- Net profit: 354m ,Y/Y .3%

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

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

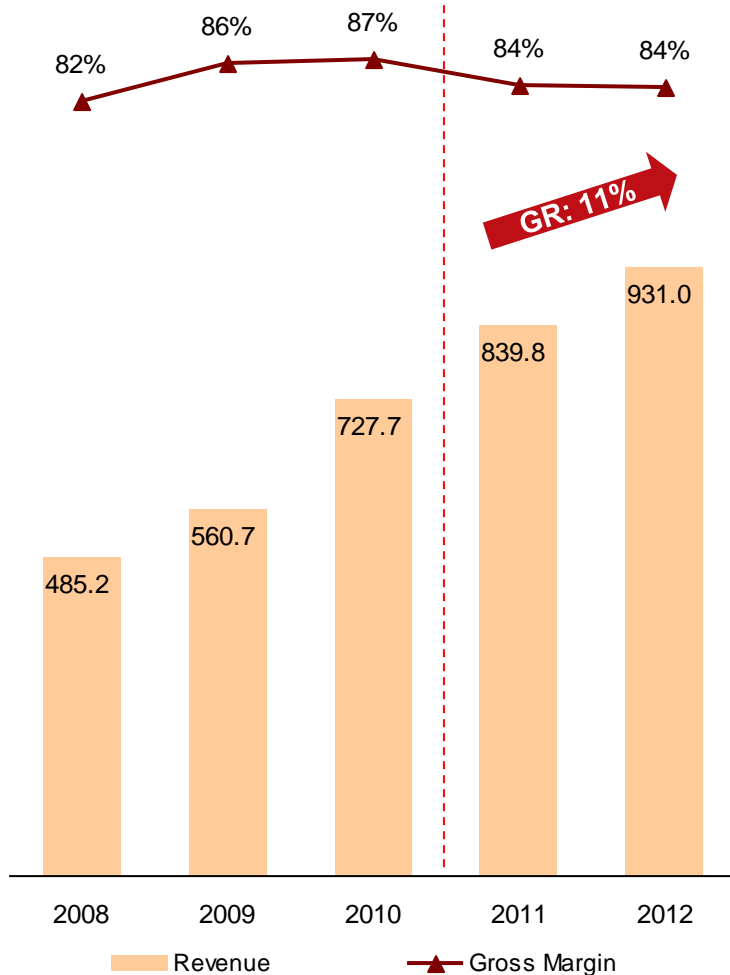


# Solid Financial Performance

## Revenue & Gross Margin

(RMB million)

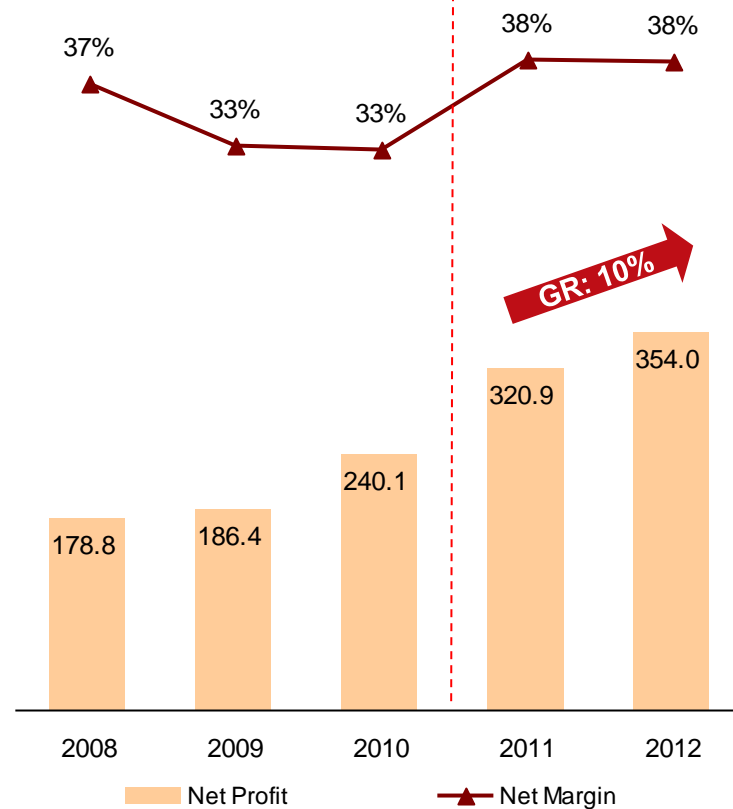
5Y CAGR: 18%

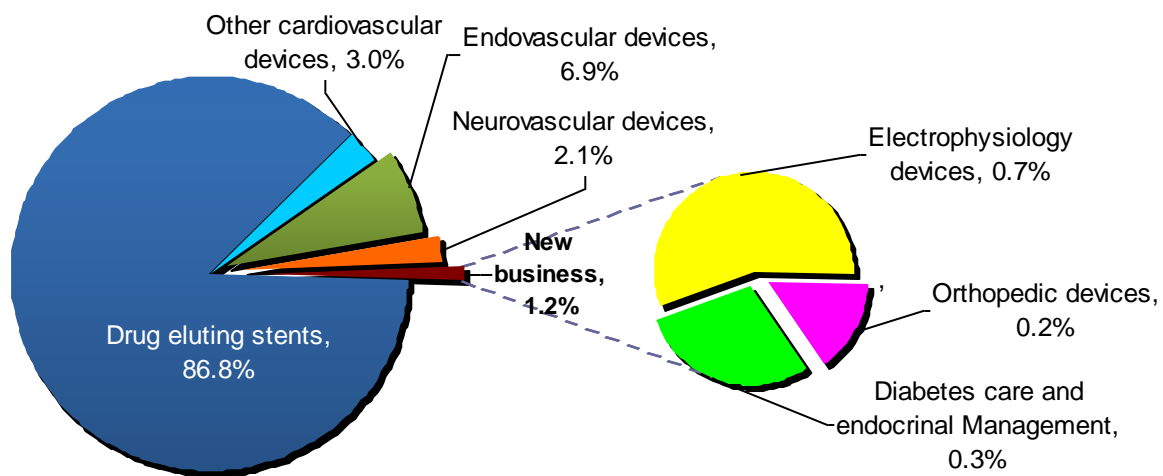
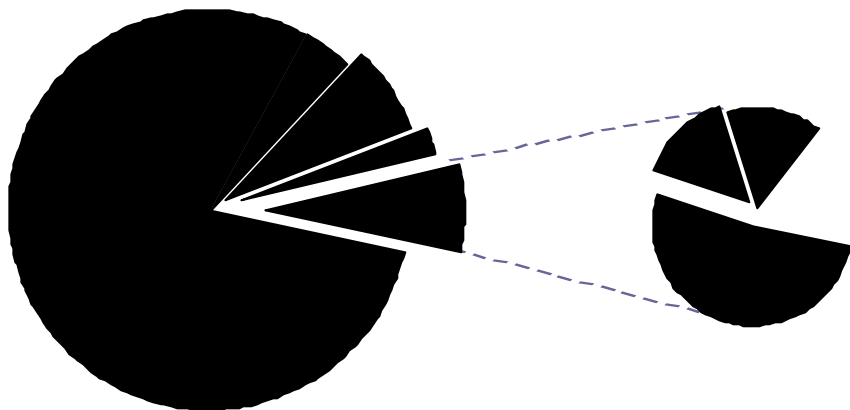


## Net Profit & Net Margin

(RMB million)

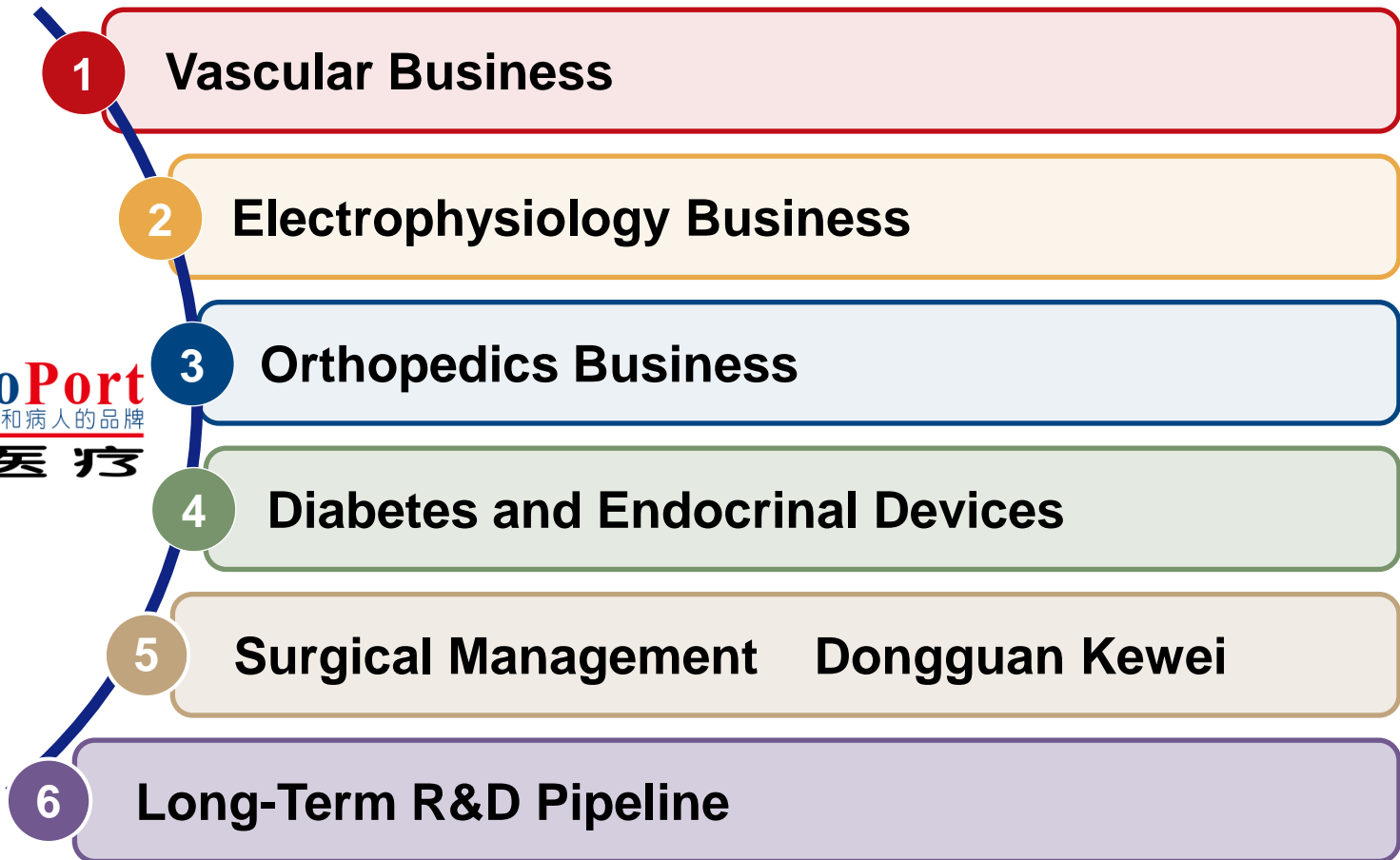
5Y CAGR: 19%







# Business Update



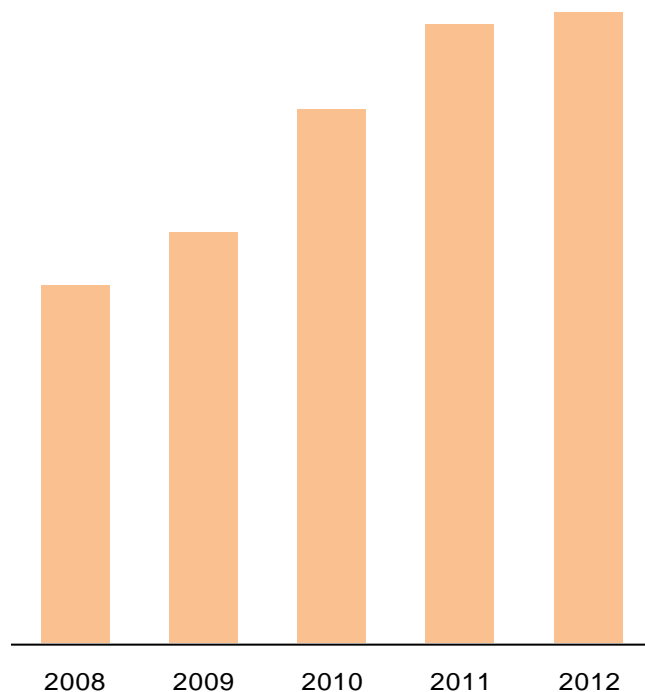
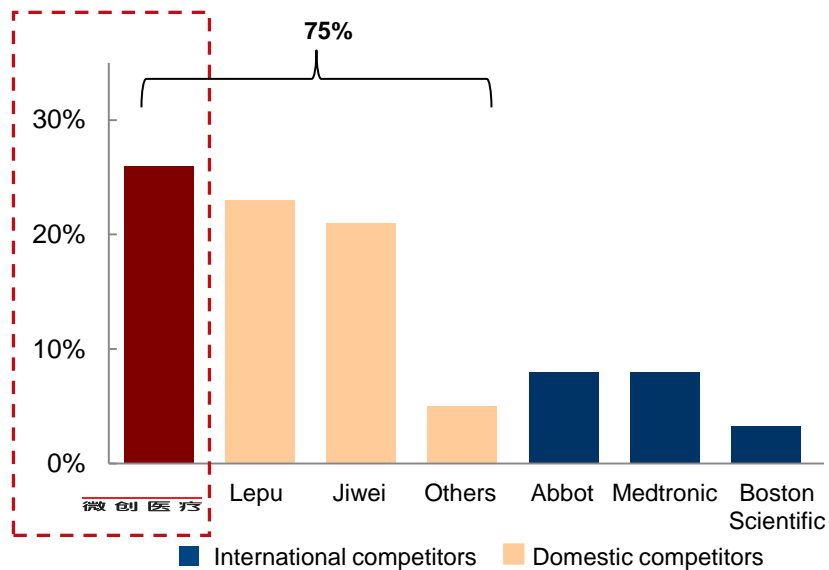
# Vascular Business DES-Market Leader with Strong Brand Recognition



DES Market Leadership (2012)

DES Revenue (2008-2012)

RMB: million



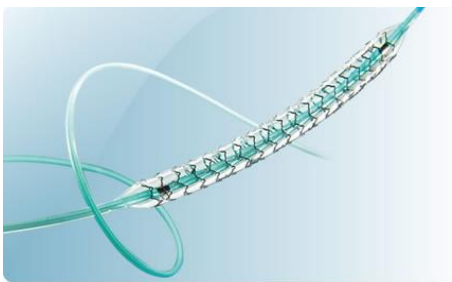
Source: Internal Study Data



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

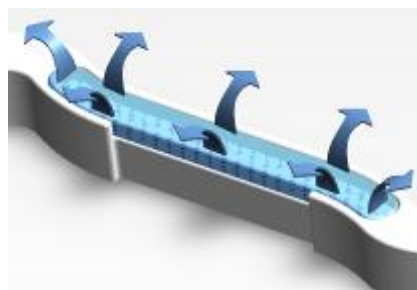


## Firebird 2



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

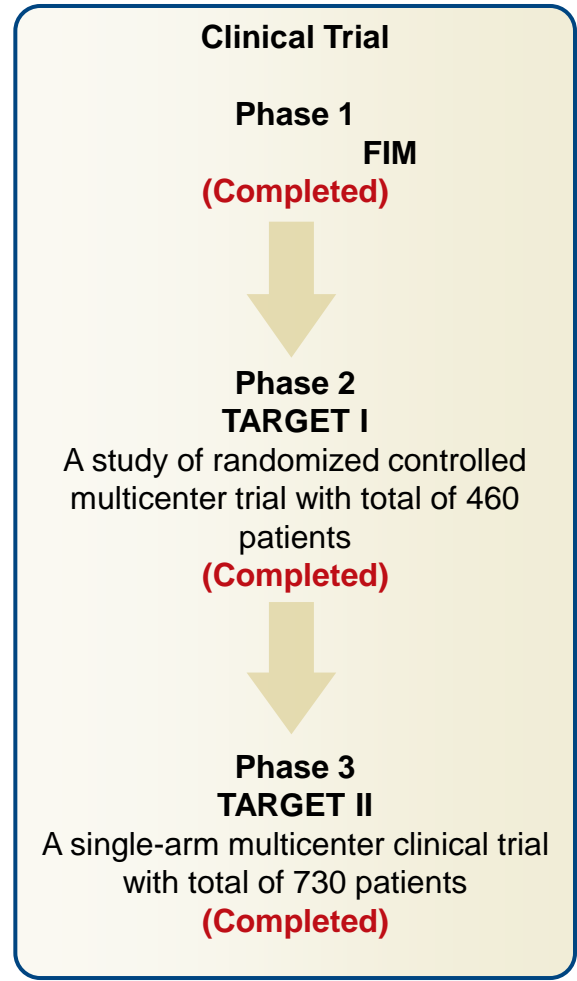
## Firehawk



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

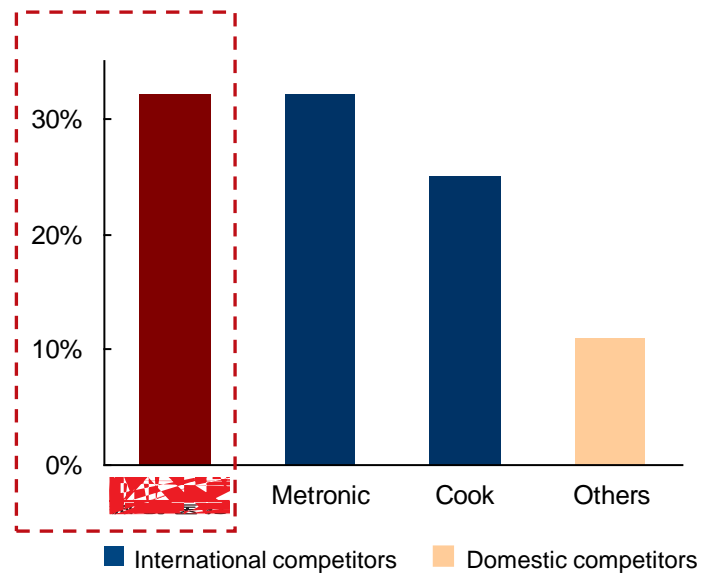
The results of **All Trials** was published on **CIT 2013** (Mar. 2013)  
The clinical results concluded that Firehawk is safe and effective. Furthermore it also indicated the feasibility and advantage of the "Target Release" feature on Firehawk.  
Expect to get SFDA approval as soon as the **beginning of 2014**  
Expect to get CE Certification as soon as the **middle of 2014**



# 1-2 Vascular Business Endovascular Stent Graft

## TAA/AAA Market Leadership (2012)

(in terms of units implanted)

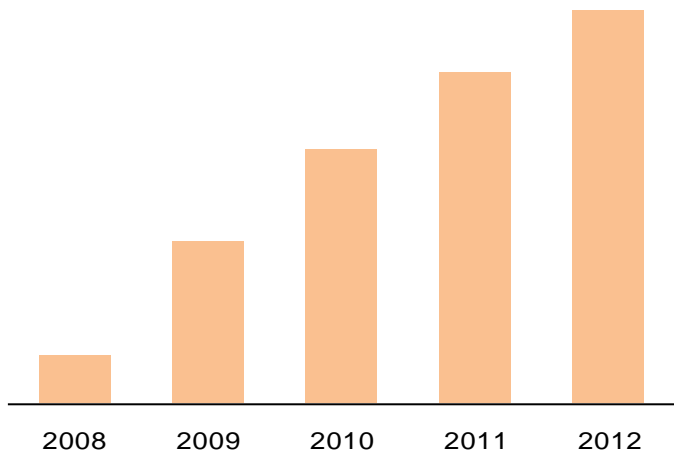


# Vascular Business Neurovascular Apollo, Willis

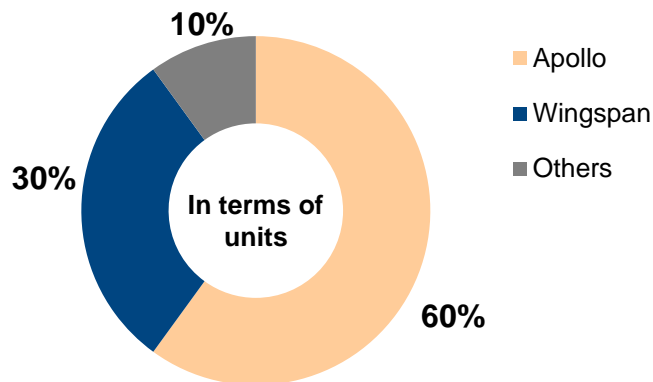


## Solid Growth of Apollo in Revenue

RMB: million

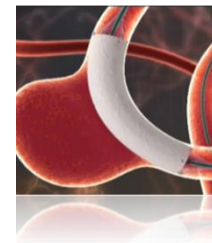


## Leading Position in Neurovascular stents



## Products Already Received SFDA Approval

### Willis

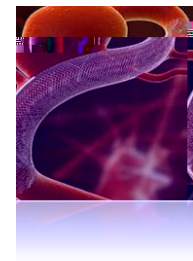


Intracranial Stent Graft System  
Received SFDA approval on March, 2013

## R&D Pipeline

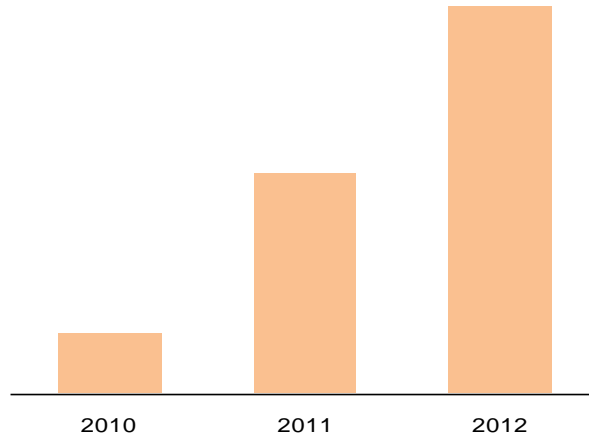
### Tubridge

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

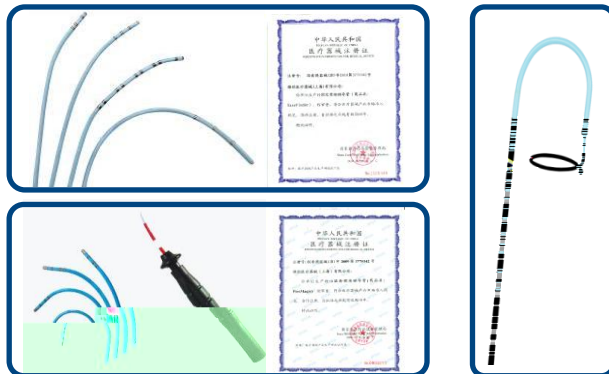


## Solid Growth of Electrophysiology in Revenue

RMB: million



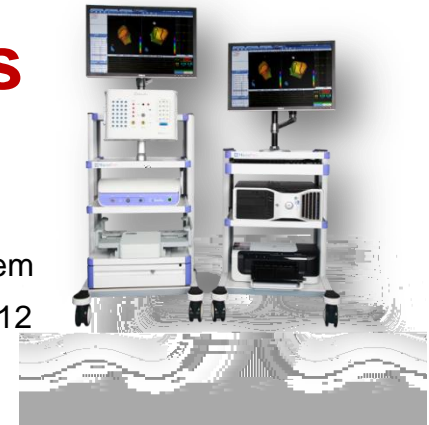
## Products on the Market



## R&D Pipeline

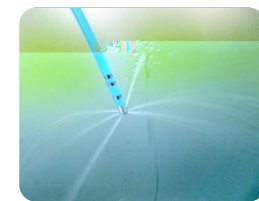
### Columbus

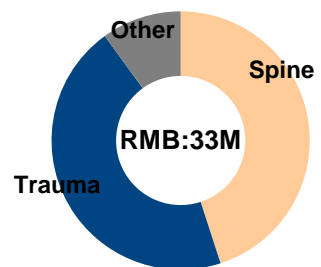
3D Mapping System  
Clinical Trial in 2012



### Voyager

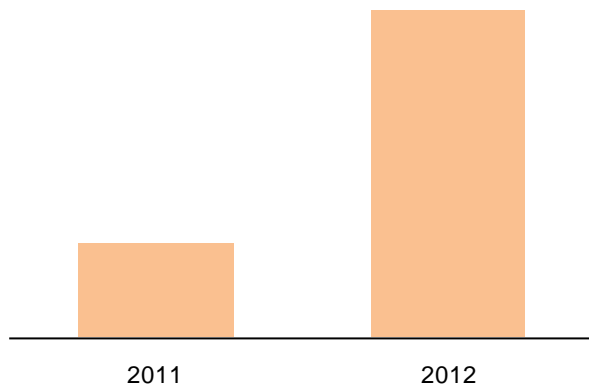
Irrigated RF Ablation Cathete  
Clinical Trial in 2012





## Solid Growth of Diabetes Business in Revenue

RMB: million

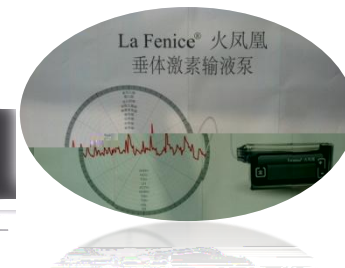


## Products Profile

### 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



# 5 Surgical Devices Business



## Key Factors



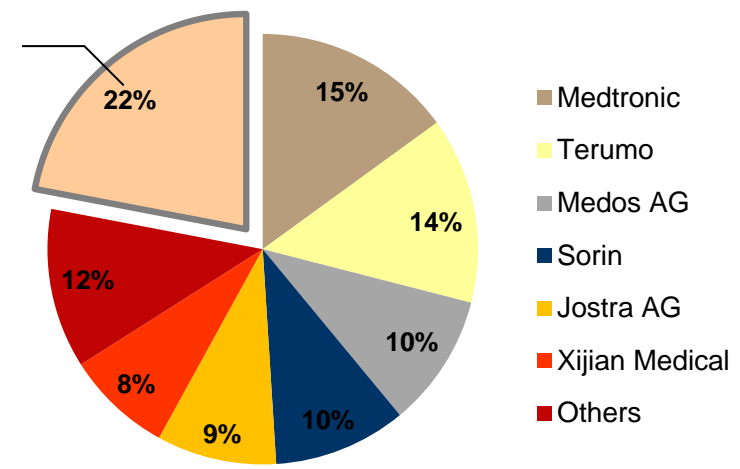
- Located on Dongguan, Guangdong province
- 28 patents in China
- Around 160 employees, over 20 engineers and 10 sales
- Products currently used in more than 150 hospitals

## Products

- Oxygenator
- Blood Storage Filter
- Disposable Cardiotomy Irrigator
- Occluder
- ASD occluder



## Oxygenators Market Leadership



Source: Guohai Securities Research Center , Feb. 2011

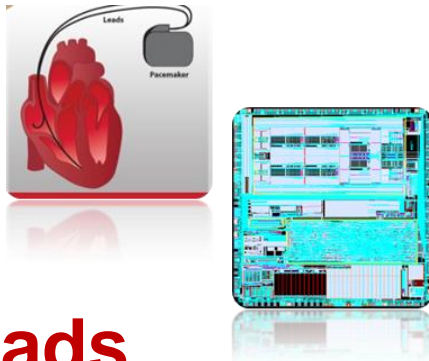
## Future Development

- 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



### 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

Cardiovascular

Endovascular & Peripheral vascular

Neurovascular

Endo Surgery

General Surgery

Electrophysiology

# Appendix I - Consolidated Income Statement

(RMB '000)	2012 Actual	2011 Actual
<b>Revenue</b>	<b>930,962</b>	<b>839,849</b>
Cost of sales	(153,129)	(137,268)
<b>Gross profit</b>	<b>777,833</b>	<b>702,581</b>
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)
<b>Operating Profit</b>	<b>417,033</b>	<b>375,429</b>
Finance costs	(1,675)	(1,376)
<b>Profit before taxation</b>	<b>415,358</b>	<b>374,053</b>
Income tax	(61,378)	(53,198)
<b>Net profit</b>	<b>353,980</b>	<b>320,855</b>

# 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
<b>Total current assets</b>	<b>1,605,968</b>	<b>1,775,067</b>
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
<b>Total non-current assets</b>	<b>1,061,912</b>	<b>569,132</b>
<b>Total assets</b>	<b>2,667,880</b>	<b>2,344,199</b>
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)
<b>Total current liabilities</b>	<b>(204,571)</b>	<b>(153,933)</b>
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)	-
<b>Total liabilities</b>	<b>(348,001)</b>	<b>(229,044)</b>
Share capital	(108)	(109)
Capital reserve	(2,319,771)	(2,115,046)
<b>Total stockholders' equity</b>	<b>(2,319,879)</b>	<b>(2,115,155)</b>
<b>Total liabilities and equity</b>	<b>(2,667,880)</b>	<b>(2,344,199)</b>
<b>Net Current Assets</b>	<b>1,810,539</b>	<b>1,929,000</b>
<b>Net Assets</b>	<b>2,319,879</b>	<b>2,115,155</b>

# 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)
<b>Net cash generated from operating activities</b>	<b>285,586</b>	<b>300,130</b>
<b>Net cash (used in)/from investing activities</b>	<b>(460,867)</b>	<b>(247,248)</b>
<b>Net cash used in financing activities</b>	<b>(160,406)</b>	<b>(207,414)</b>
<b>Net decrease in cash and cash equivalent</b>	<b>(335,687)</b>	<b>(154,532)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>1,414,488</b>	<b>1,572,326</b>
Effect of foreign exchange rate changes	623	(3,306)
<b>Cash and cash equivalents at 31 December</b>	<b>1,079,424</b>	<b>1,414,488</b>

\* 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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# Thank You