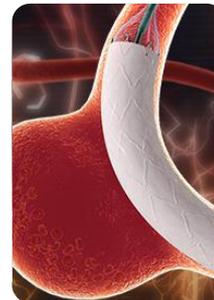
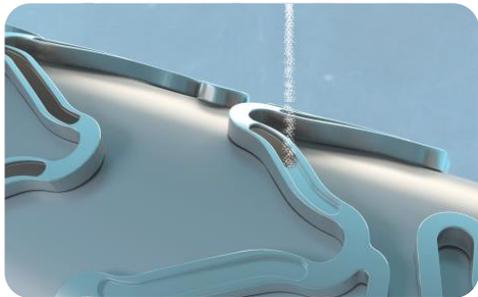
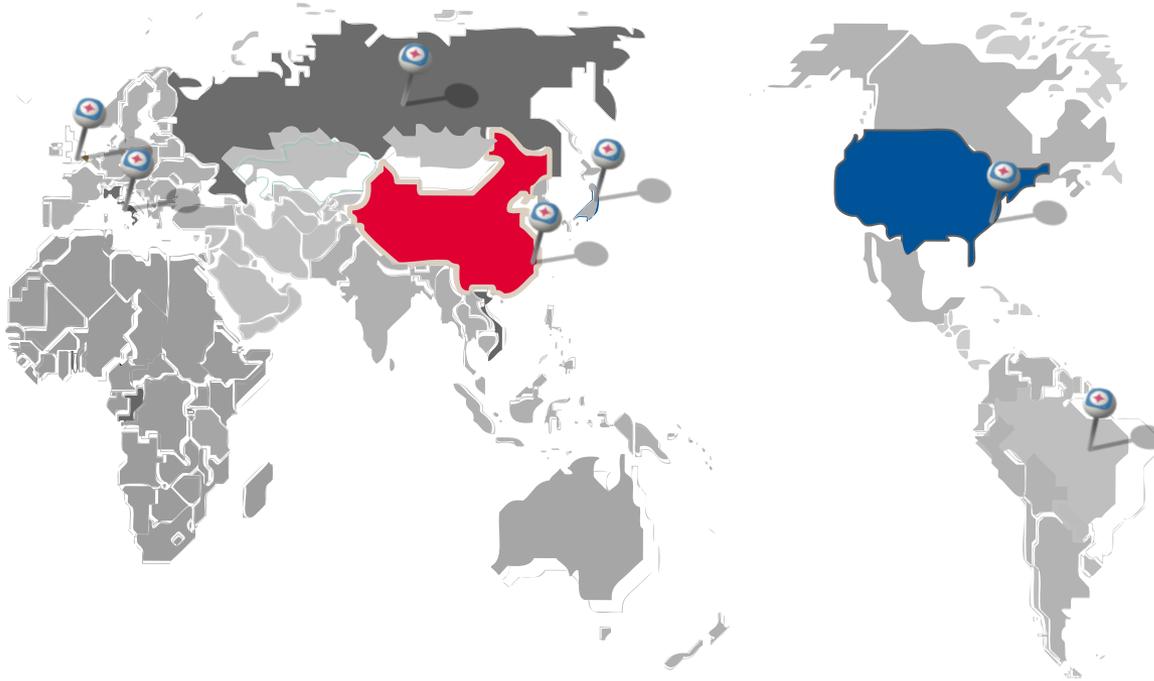


MicroPort 2015 1H Earning Release

Stock Code: 00853(HK)

September 2015



2015 1H Company Highlights

Interventional Cardiology

- ❑ DES revenue return to growth.
- ❑ Firehawk obtained CE certification in Jan 2015.
- ❑ Bio-absorbable stent: : Performed first human use in Aug 2015.
- ❑ TAVI: Started First-in-Man (FIM) trial in Sep 2014.

Orthopedics

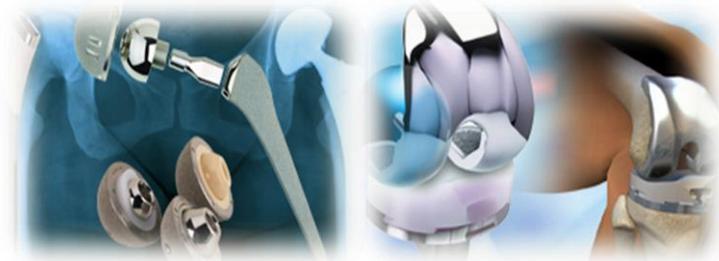
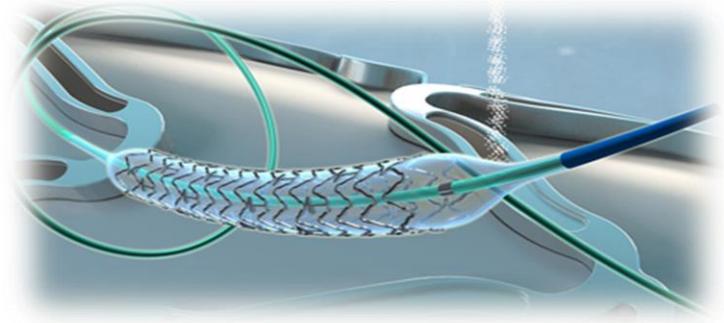
- ❑ Global revenue turn around.
- ❑ China orthopedics continues hyper growth.
- ❑ Significant improvement in global operating efficiency metrics.
- ❑ Continue to leverage cost by integrating with China operations.

CRM

- ❑ Launched China's first domestic pacemaker production line in Sorin JV.

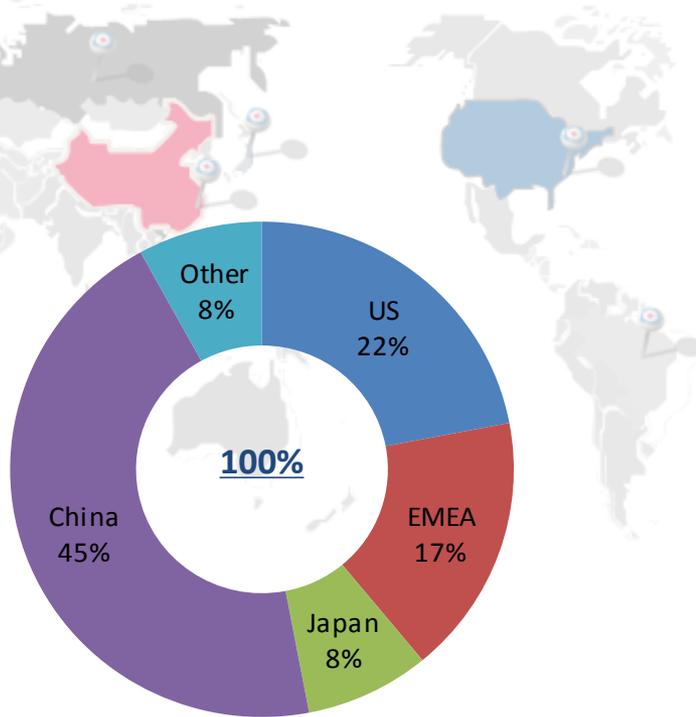


F I R E H A W K™ - 3rd generation of DES



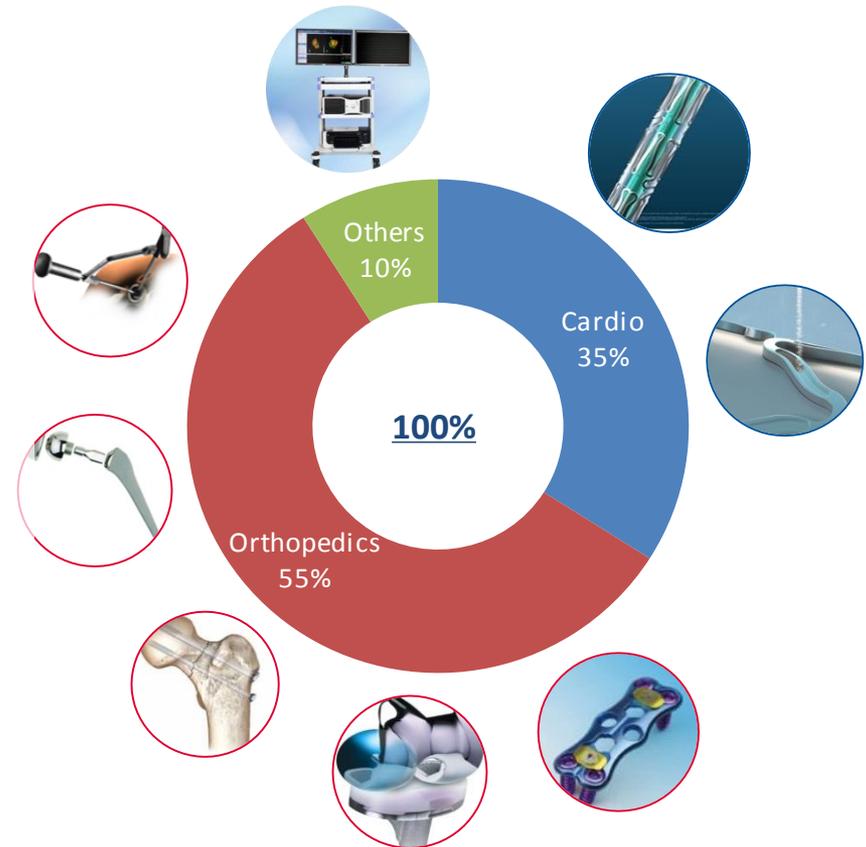
Globalization & Diversification

Revenue by Geography (Globalization)



Greatly expanded our geographic coverage:
Non China sales contribute 55%.

Revenue by product (Diversification)



Significantly diversified product offering:
Non Cardio sales contribute 65%.

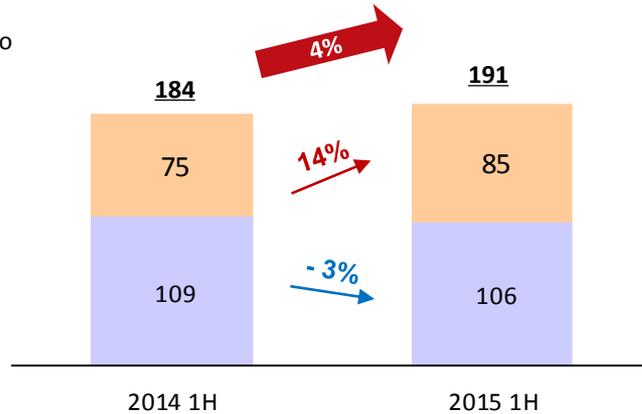
2015 1H Positive Financial Performance



Revenue

USD: million

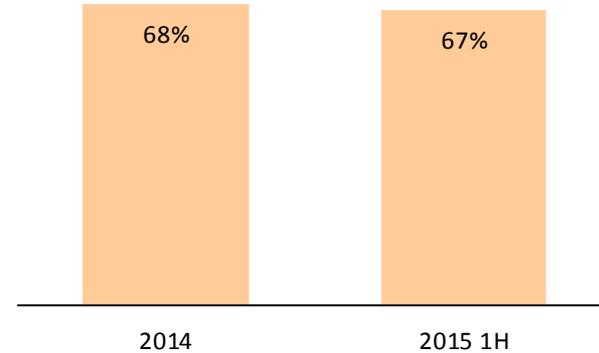
- Non-Ortho
- Ortho



In constant currency, orthopedics' revenue increased by 3%.

Gross Profit Margin

USD: million

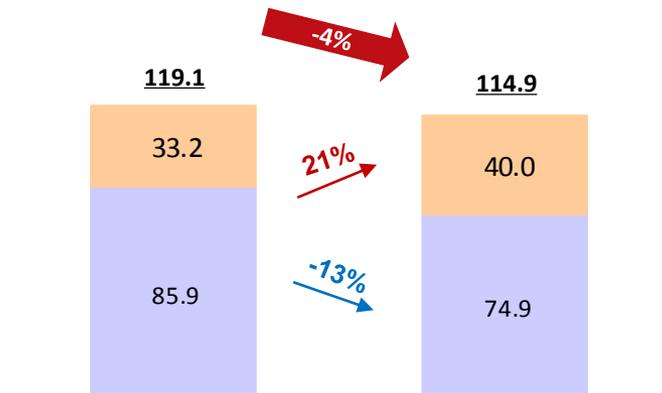


GP margin maintain flat.

Operating Expense

USD: million

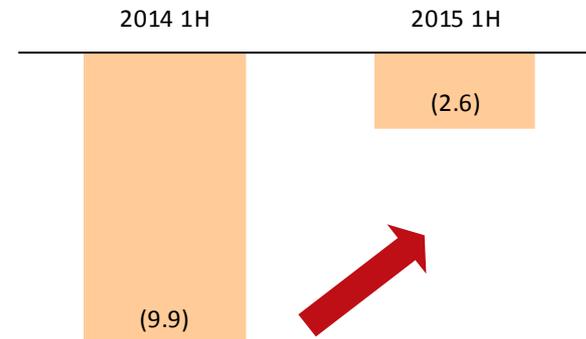
- Non-Ortho
- Ortho



Ortho Opex significantly decreased by 4%.

Net loss

USD: million

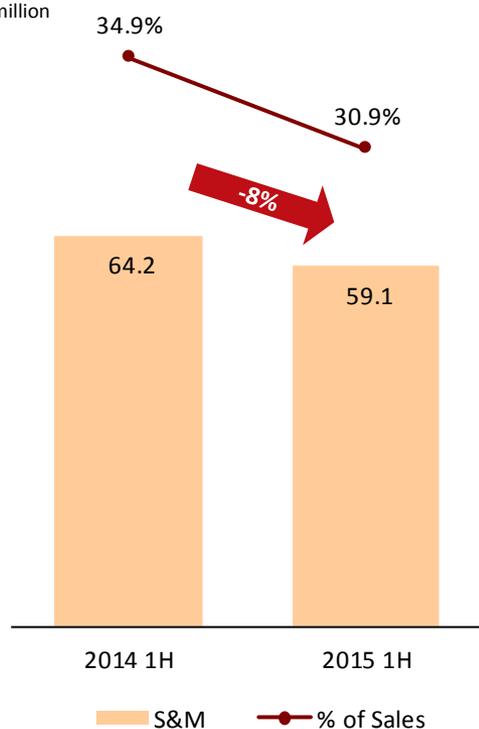


Net loss significantly improved by 74%.

1H 2015 Operating Expense

Sales and Marketing Expenses

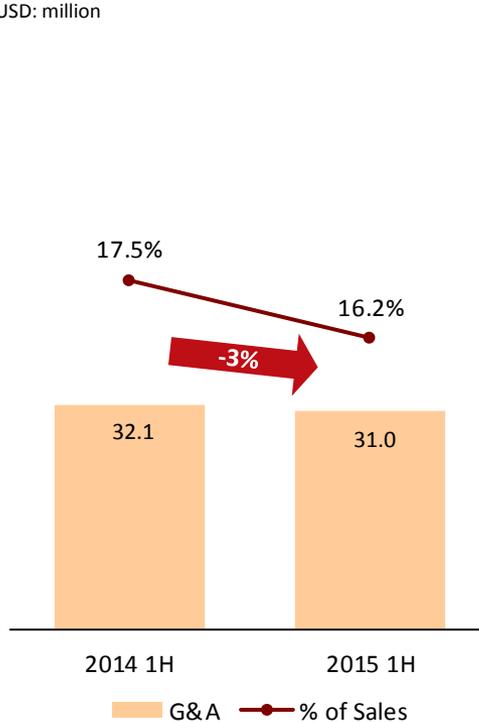
USD: million



- Non-Ortho: Y/Y ↑ 13% (1.4M):
Mainly due to more input in
- Cardio market
- Int'l market
- Ortho: Y/Y ↓ 12% (6.5M):
- Operation efficiency by reorganization

Administrative Expenses

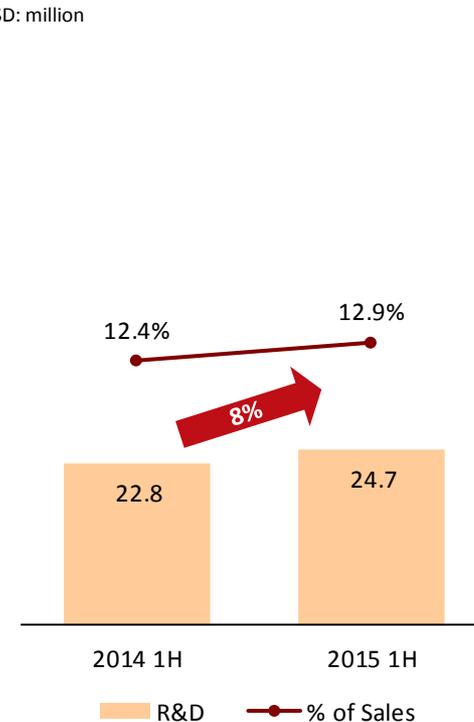
USD: million



- Non Ortho: Y/Y ↑ 45% (3.6M):
Mainly due to headquarter office building
start to use since 2014 H2.
- Ortho: Y/Y ↓ 20% (4.7M):
- Operation efficiency by reorganization

Research and Develop. Expenses

USD: million



- Non Ortho: Y/Y ↑ 13% (1.8M):
Mainly due to R&D input in
biodegradable stent, surgical robot, etc.
- Ortho: Y/Y flat.

Business Update by Segment

1

Orthopedics Business

2

Cardiovascular Business

3

Endovascular Business

4

Neurovascular Business

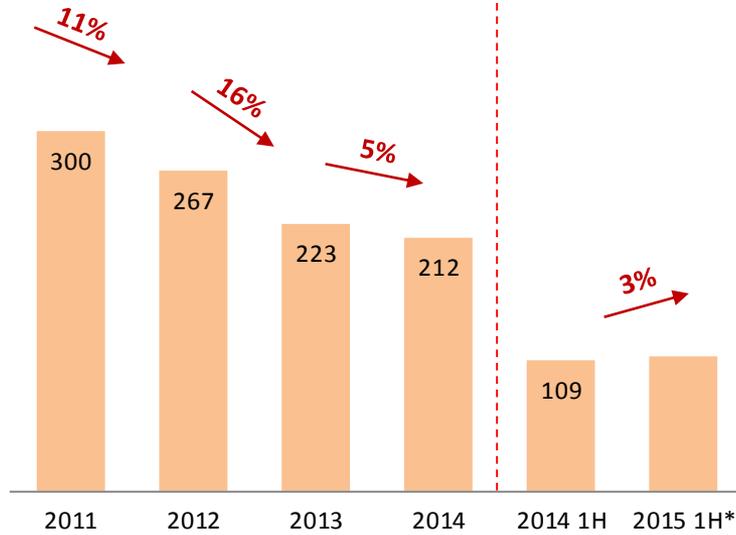
5

Electrophysiology and CRM Business

1 Orthopedics - Global Business

Revenue

(USD million)



Under Wright

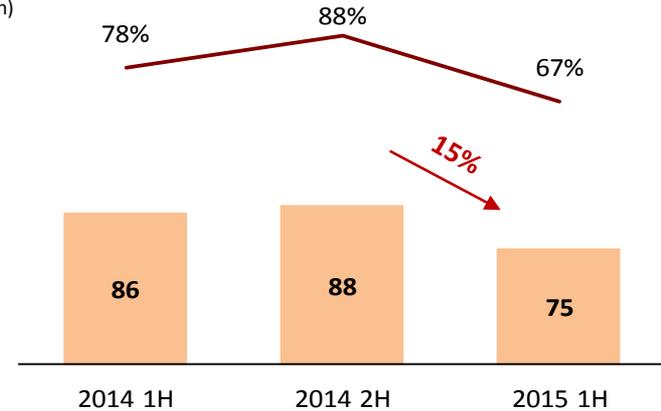
Under Microport

Note*: in Constant Currency

- Global narrow decrease in 1st year
- Global turn around in 2nd year
- China: keep robust growth

Operating Expense

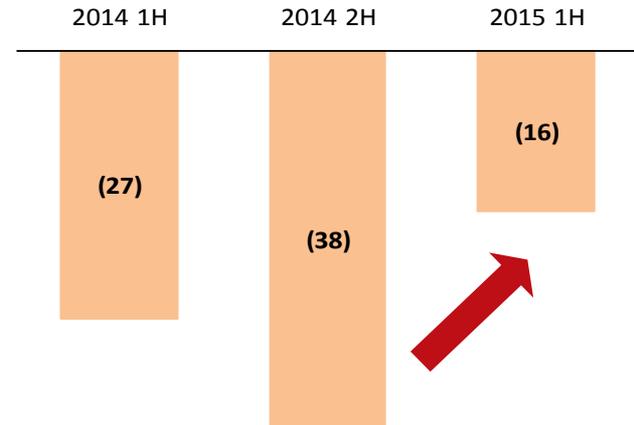
(USD million)



- Operating expenses reduced by improving operation efficiency and cost leverage.

Net Loss

(USD million)



- Net loss significantly improved by 58%.

1 Orthopedics - Pathway Development

Organic Business Performance Goals

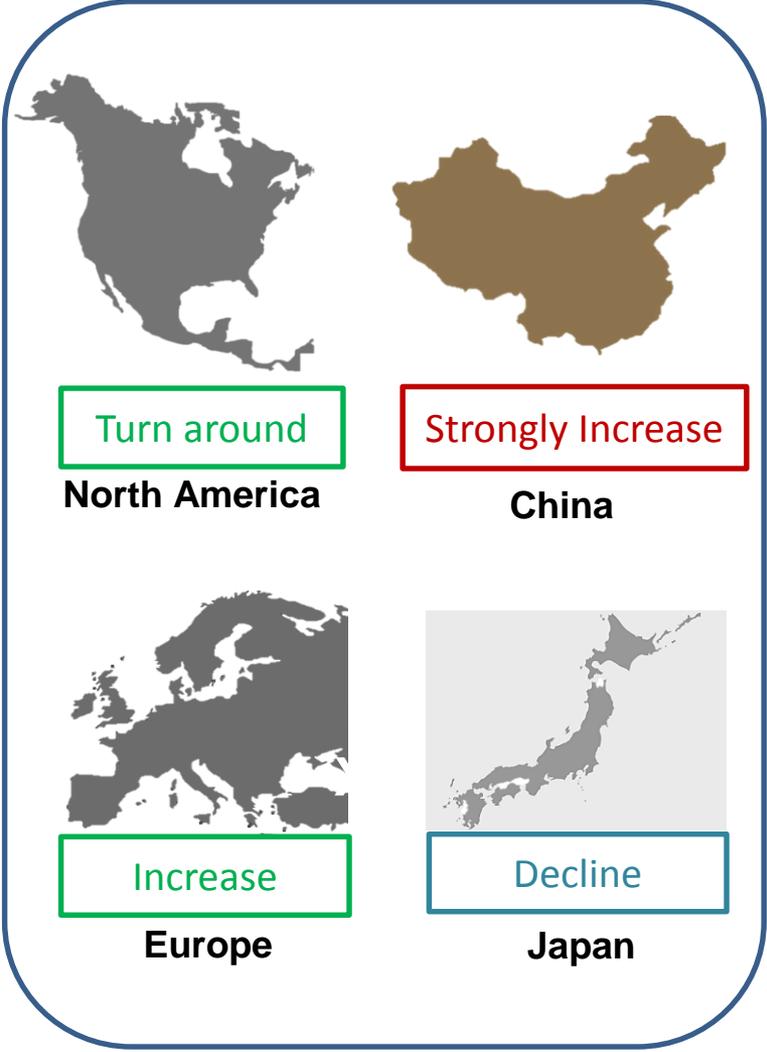
2014: Complete transition and infrastructure investments 

2015: Revenue turn around 

2015: Achieve more efficiency by reorganization & integration

2016: Target more product licenses in 

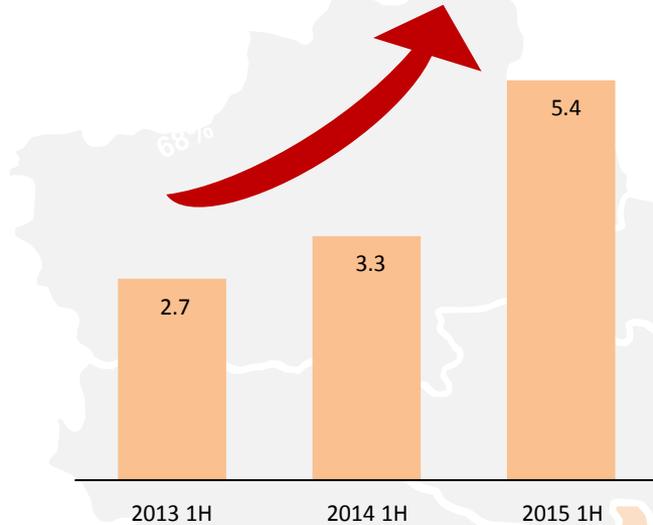
2016: Achieve self-funding operations 



1 Orthopedics - China Business

Revenue

(USD million)



Product pipeline

Evolution® launch



Delta Launch



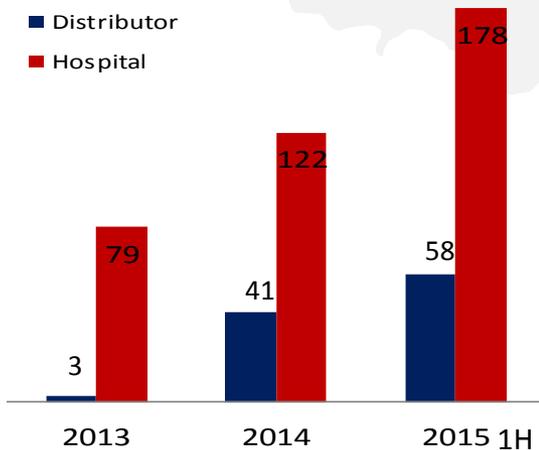
CFDA Approval Q2'15

SuperPath™ Enhance

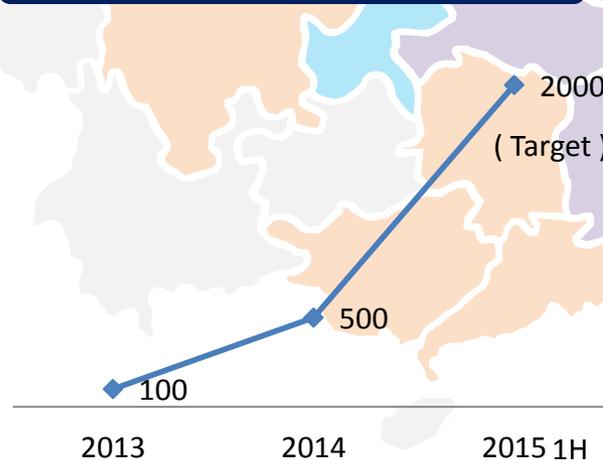


OrthoRecon Distributor and Hospital

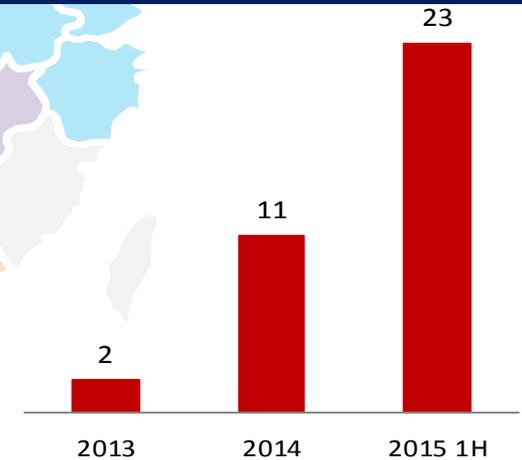
■ Distributor
■ Hospital



Surgeons be trained



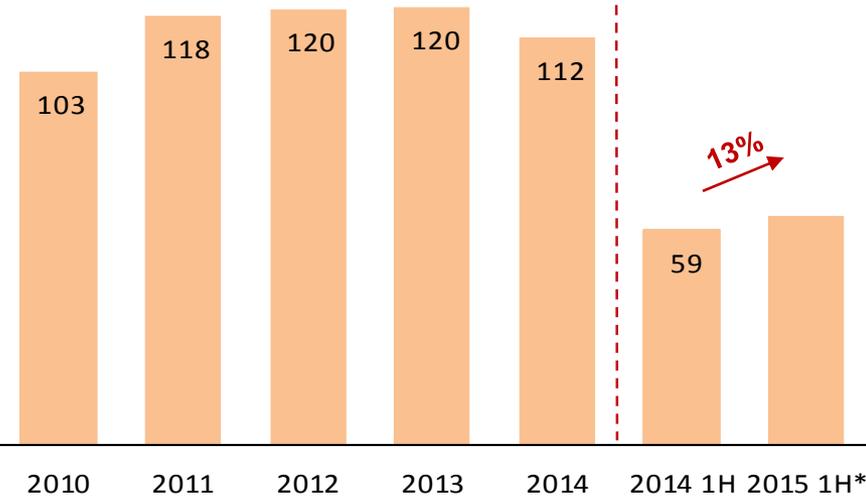
KOL Leadership



2 Cardiovascular Business - Overview

Cardiovascular

(USD million)



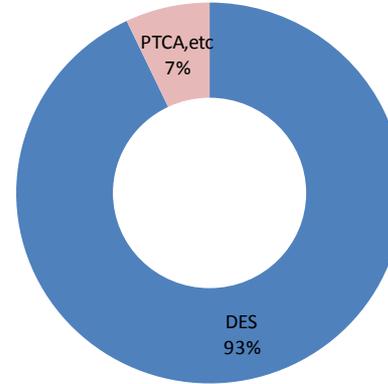
Note*: in Constant Currency

DES revenue return to growth

- Firebird2 price decreased due to tendering process
- Firehawk premium price achieved

Firehawk revenue increased

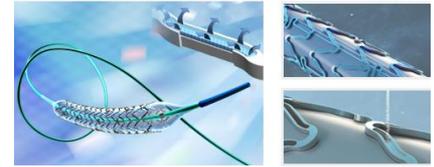
Diversify Cardiovascular Product Line



➤ Firebird-2nd Generation DES



➤ Firehawk-3rd Generation DES



☒ **FOXTROT™ PRO PTCA Balloon Catheter**

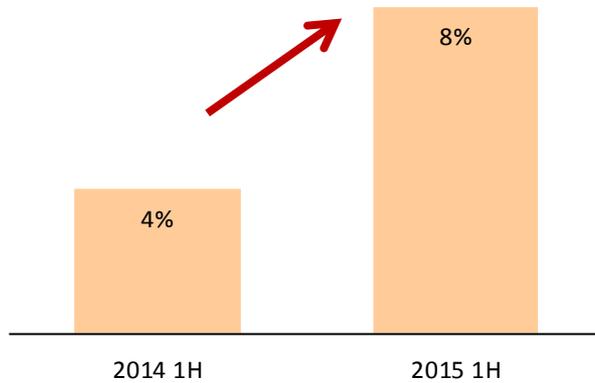
- Received CE Mark approval in Mar 2015
- Gained approval in Thailand in Jul 2015

☒ **FOXTROT™ NC PTCA Balloon Catheter**

- Received CE mark in Sep 2013
- Gained FDA approval in Mar 2015
- Gained CFDA approval in Aug 2015



Firehawk Contribute to DES Revenue



Firehawk China Market Coverage

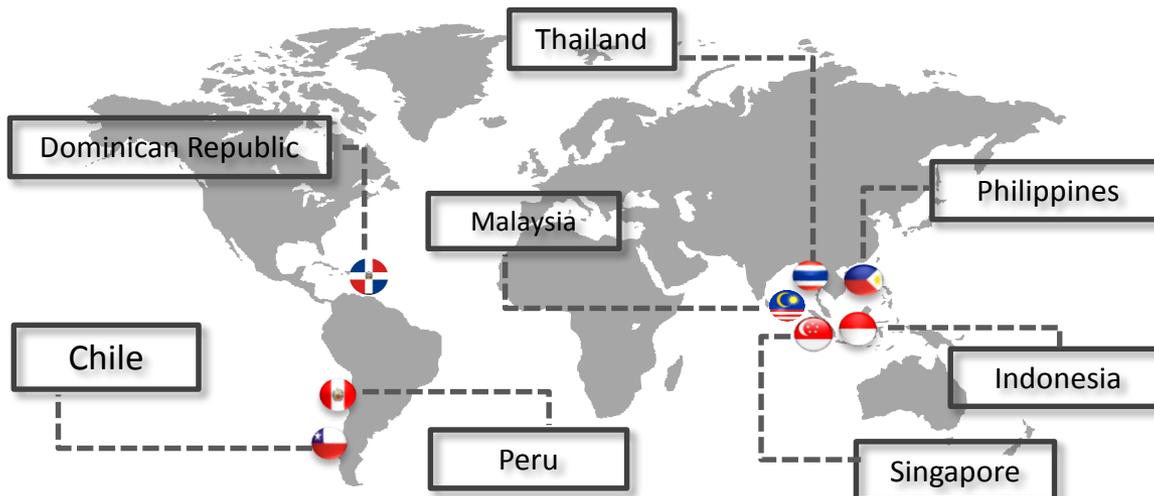


Current Firehawk China Business:

- Operate over 20 Provinces
- Business over 110 hospitals

Firehawk Development in International Market

📌 Launched/Approved

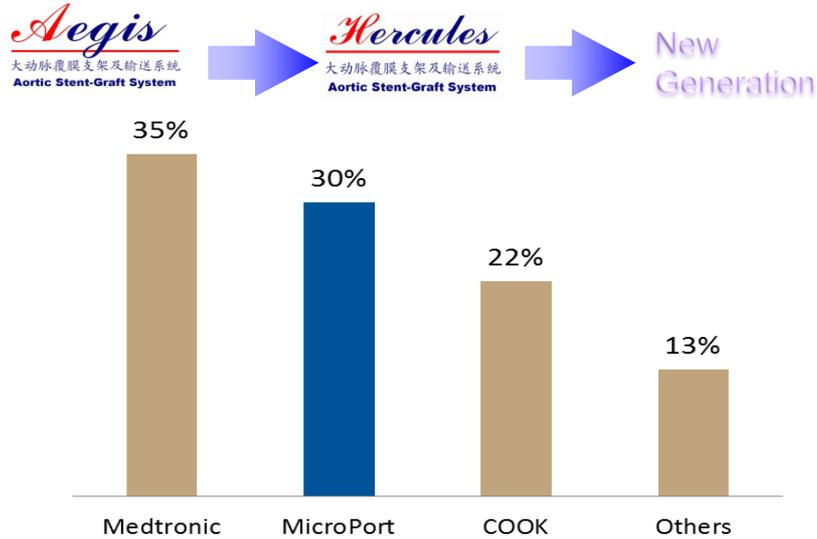


📌 Targeted Europe

TARGET All Comer Trial
 Total 20 +2 (backup) sites from 12 countries:

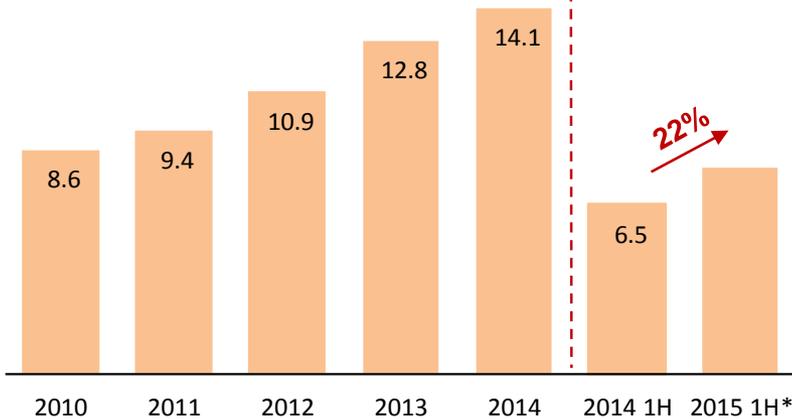
1. Germany
2. Netherlands
3. UK
4. Poland
5. Hungary
6. Denmark
7. France
8. Austria
9. Sweden
10. Belgium
11. Spain
12. Italy

TAA/AAA Market Share



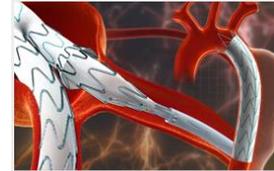
Solid Growth of Endovascular in Revenue

USD: million



Note*: in Constant Currency

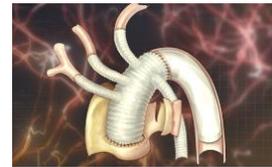
Products Profile



AAA/TAA Stent Graft System



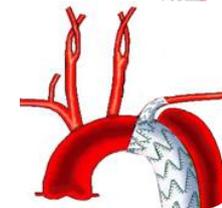
Hercules Balloon Dilation Catheter



Stent Graft in Surgical Operation



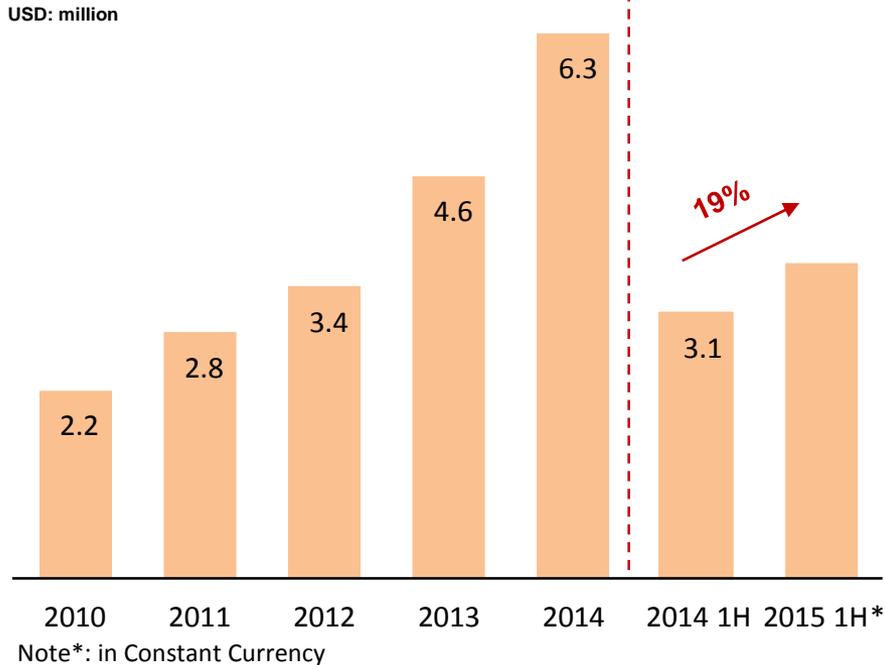
Castor



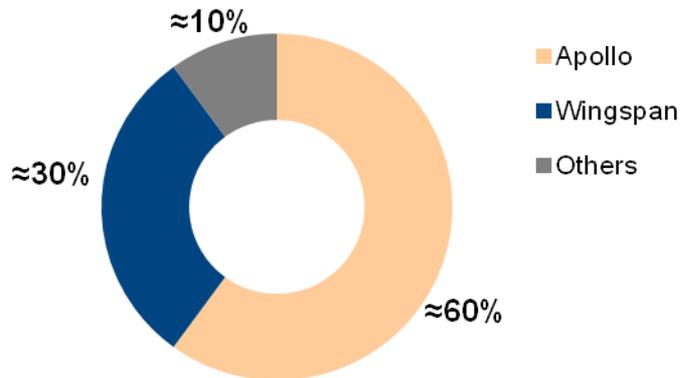
- Branched Aortic Stent-Graft and Delivery System
- Successful Clinical Trial closing report announced on Jan 2015

4 Neurovascular Business

Dramatic Growth of Neurovascular in Revenue

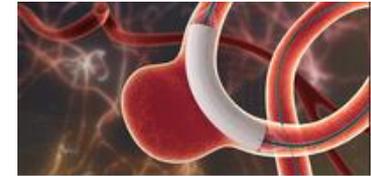


Leading Position in Neurovascular stents

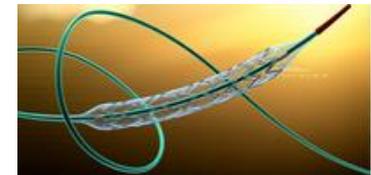


Products Already Received SFDA Approval

- WILLIS** - hemorrhagic
- The Only product in Chinese market
 - WILLIS has already entered 58 hospitals in China.



- APOLLO** - Ischemic
- Vascular Reconstruction Device
 - Finished Clinical Trial



Tubridge™

- The Breakthrough Aneurism Medical Device
- Successfully completed clinical trials and waiting for CFDA approval



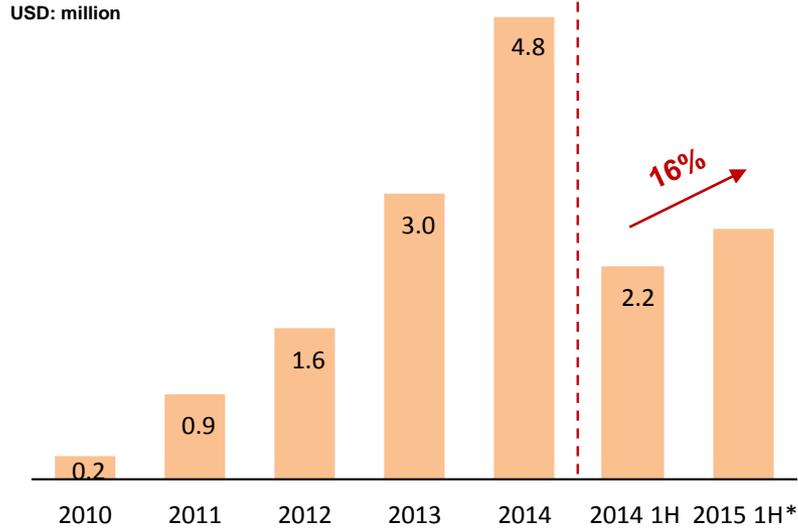
Coil

- The Aneurism improve the success rate of surgery(In R&D development)



5 Electrophysiology Business

Dramatic Growth of Electrophysiology in Revenue



Note*: in Constant Currency

Products on the China Market



Products with CE Certifications

FireMagic



- Radiofrequency Ablation Catheter

EasyFinder



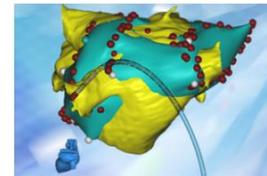
- Fixed or adjustable Curved Mapping Catheter

EasyLoop



- Circumferential Pulmonary Vein Mapping Catheter

FireMagic 3D



- Saline Infusion Radiofrequency Ablation Catheter

Columbus



- 3D EP Navigation System

Anchor

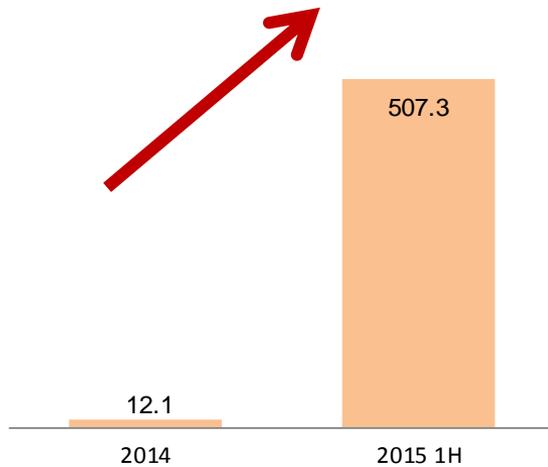


- External Reference Patch

- The Only Chinese company to have full EP product line.
- Achieved overseas sales of 3-D mapping systems since 2014.
- 3-D mapping system finished clinical, waiting CFDA approval

Revenue

USD '000



Innovated in China, for China



创领 心律管理医疗器械
 (上海) 有限公司

MICROPORT SORIN CRM (SHANGHAI) CO., LTD

创新 起搏 | 领梦 中国
 INNOVATED IN CHINA, FOR CHINA

- IPGs
- Leads
- Programmer
- Biz Models
- Others



- **Launches China's First Domestic Pacemaker Production Line in June, 2015**
- Animal study on going
- Aiming to initiate human trial in 2015
- Leveraging MP & Sorin capabilities



Appendix I

- Consolidated Income Statement

(USD '000)	2015 1H	2014 1H
Revenue	191,245	183,795
Cost of sales	(62,904)	(55,198)
Gross profit	128,341	128,597
Other revenue & net gain	1,027	6,366
Research and development costs	(24,712)	(22,819)
Distribution costs	(59,122)	(64,151)
Administrative expenses	(31,019)	(32,087)
Other operating costs	(1,843)	(15,225)
Operating Profit	12,672	681
Finance costs	(7,855)	(5,071)
Share of losses of a joint venture	(1,913)	(1)
Profit/(loss) before taxation	2,904	(4,391)
Income tax	(5,491)	(5,552)
Net loss	(2,587)	(9,943)

Appendix II

- Consolidated Balance Sheet

USD'000	30 June 2015	31 Dec 2014
Fixed assets	283,422	286,666
Intangible assets	62,282	60,506
Prepayments for fix assets	3,217	1,678
Goodwill	56,529	56,529
Interest in a joint venture	3,555	3,866
Deferred tax assets	2,936	4,124
Time deposits	11,450	11,440
Other non-current assets	7,448	6,813
Total non-current assets	430,839	431,622
Inventories	109,299	109,901
Trade and other receivables	128,822	121,930
Time deposits	50,599	60,679
Cash and cash equivalents	69,288	215,602
Total current assets	358,008	508,112
Total assets	788,847	939,734
Trade and other payables	(92,980)	(108,649)
Interest-bearing borrowings	(94,111)	(215,897)
Income tax payable	(2,782)	(1,016)
Deferred income	(8)	(10)
Derivative financial liabilities	(446)	(592)
Obligation under finance leases	(2,228)	(1,868)
Total current liabilities	(192,555)	(328,032)
Interest-bearing borrowings	(117,562)	(132,817)
Convertible bonds	(93,915)	(91,573)
Obligation under finance leases	(374)	(1,894)
Deferred income	(30,353)	(28,989)
Other payables	(2,545)	(1,793)
Other non-current liabilities	(7,524)	(7,335)
Deferred tax liabilities	(3,485)	(3,558)
Total liabilities	(448,313)	(595,991)
Share capital	(14)	(14)
Reserves	(338,654)	(342,239)
Non controlling interests	(1,866)	(1,490)
Total equity	(340,534)	(343,743)
Total liabilities and equity	(788,847)	(939,734)
Net Current Assets	165,453	180,080
Net Assets	340,534	343,743

Appendix III

- Condensed Consolidated Cash Flow - Adjusted



(USD '000)	2015 1H	2014 1H
Cash generate from operations	14,476	6,252
Income tax paid	(2,221)	(4,313)
Net cash generated from operating activities	12,255	1,939
Net cash (used in)/from investing activities*	(21,485)	(314,085)
Net cash generated in financing activities	(146,272)	351,383
Net decrease in cash and cash equivalent	(155,502)	39,237
Cash and cash equivalents at 1 January	287,721	216,225
Effect of foreign exchange rate changes	(882)	(159)
Cash and cash equivalents at 30 June	131,337	255,303

* Adjusted net placement 10 million of time deposits with bank over 3 month (2014 1H: 113 million net uplift) in to cash and cash equivalents.

Appendix IV -Orthopedics Marketing/Branding

45th Annual Meeting of JSRA from 7 to 8, February, 2015.



10th to 12th , April , 2015. Microport Orthopedics attends 9th Annual Meeting of ISHKS .

24th to 28th, March, 2015.
Microport Orthopedics attends AAOS

Microport Orthopedics attends JOA from 21 to 23, May, 2015.

16th to 17th , May, 2015. Microport Orthopedics attends The 9th International Congress on Orthopedic Advanced Techniques and Clinical Translation Research.

18th to 20th , June, 2015. Microport Orthopedics attends Meeting of JOSKAS

Appendix V

-Full Range of Orthopedics Products Pipeline



Knees

ADVANCE®



EVOLUTION®



ADVANCE®-延长



REPIPHYSIS®



PROPHECY®



SuperPath



Hips

PROFEMUR™



PROFEMUR™
RENAISSANCE™



LINEAGE™



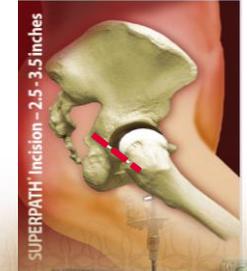
CONSERVE™
Plus



PROCOTYL®

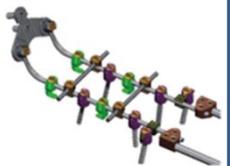


Micro-posterior Total Hip Arthroplasty



Spine & Trauma

Mountever™
Cervical Posterior Fusion System



FirefoX 5.5/6.0™
Lumbar Posterior Fusion System



Futago™
Lumbar & Thoracic Fusion System



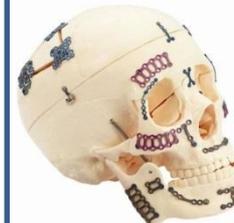
Firestone™
Lumbar Fusion System



Antelope™
Anterior Cervical Disk System



微型钢板系统



金属锁定板



Appendix VI

-Key R&D Pipeline

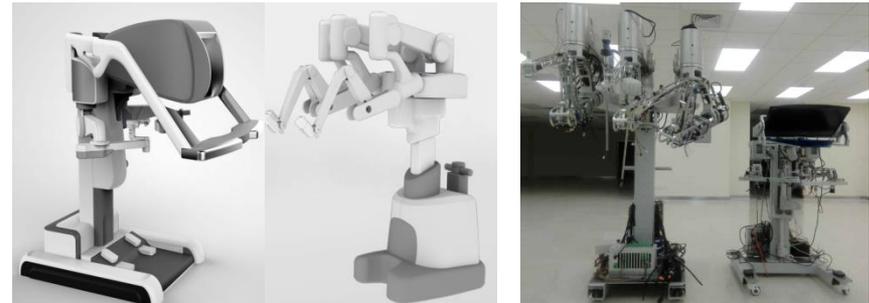
TAVI



- Successfully completed the first human implantation on Sep 2014.
- In the stage of clinical trial



Surgical Robot

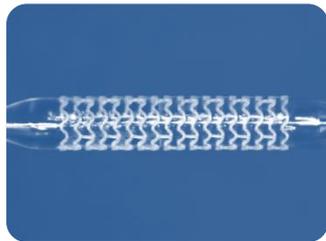


- Set up the project on May, 2014
- The core team has been set up, including 10 R&D engineers
- In the stage of animal experiment

Bio-absorbable stent

2nd generation Bioresorbable Scaffold:

- Thinner strut thickness
- Abluminal coating
- Lower drug dosage



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Thank You

The Patient Always Comes First

