

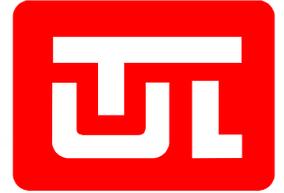
The United Laboratories International Holdings Limited

Annual Results 2010

March 2011



Agenda



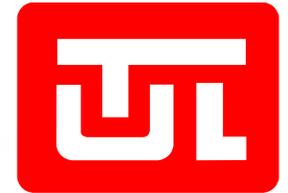
1 Major Accomplishments in 2010

2 Financial Highlights

3 Business Review

4 Strategies & Outlook

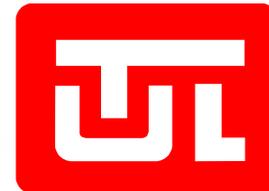
5 Q & A



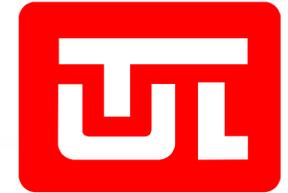
Section 1

Major Accomplishments in 2010

Results Overview



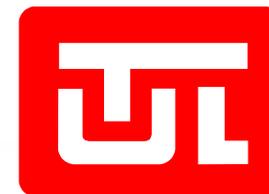
- ◆ Sales volume, turnover and profit reached record high in 2010
 - Intermediate products: +25.7% to 11,917 tones, profit: HK\$570M
 - Bulk medicine: +26.5% to 9,972 tones, profit: HK\$270M
 - Finished products: +21.4% to 176 mil packs, profit HK\$450M
 - Revenue: +40.1% yoy to HK\$6.50Bn
- ◆ Gross profit: +41.6% yoy to HK\$2.57Bn
- ◆ EBITDA: +49.1% yoy to HK\$1.67Bn
- ◆ Profit attributable to equity holders: +79.9% to HK\$ 974 Mn
- ◆ Obtained official production approval for 5 new finished products including human insulin products, Cefprozil Tablet and one influenza virus type A medicine
- ◆ High growth of sales of speciality drugs
- ◆ Continuously benefitted from the individual pricing policy. The level of price reduction of these individual priced products was smaller than the average of the market and brought minimal impact to the Group's sales.
- ◆ Completed the technical training for the sales force. The average production per head increased.
- ◆ Continued the plan to invest RMB500M for expanding the production capacity of human insulin and forming the sales team specialised for human insulin
- ◆ TUL Zhuhai plant recognized by FDA and awarded ISO9000 and ISO14000



Section 2

Financial Highlights

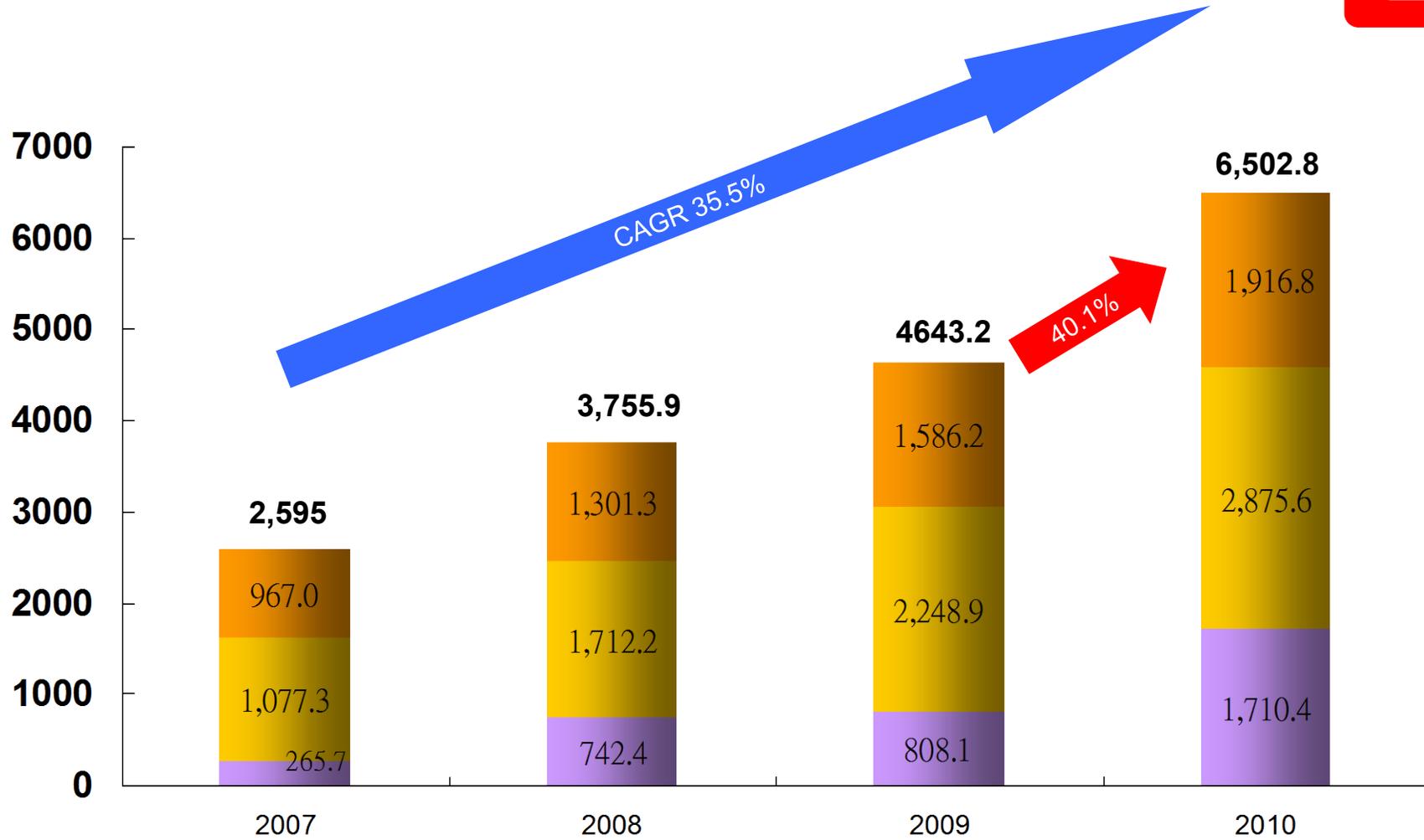
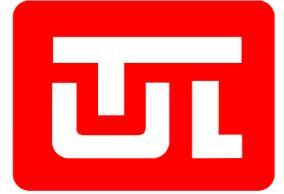
Financial Overview



HK\$m	2010	2009	yoy growth
Revenue	6,502.8	4,643.2	+40.1%
Gross Profit	2,568.1	1,814.0	+41.6%
EBITDA	1,674.2	1,120.4	+49.4%
Profit Attributable to Equity Holders	974.2	541.4	+79.9%
EPS (HK cents)	78.2	45.1	+73.4%
Dividend (HK cents)	30.0*	19.0	+57.9%

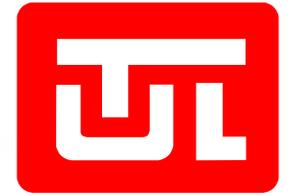
* 2010 Final Dividend: 18 HK cents & Interim Dividend: 12 HK cents

Revenue



■ Intermediate Products ■ Bulk Medicine ■ Finished Products

Revenue Breakdown by Products



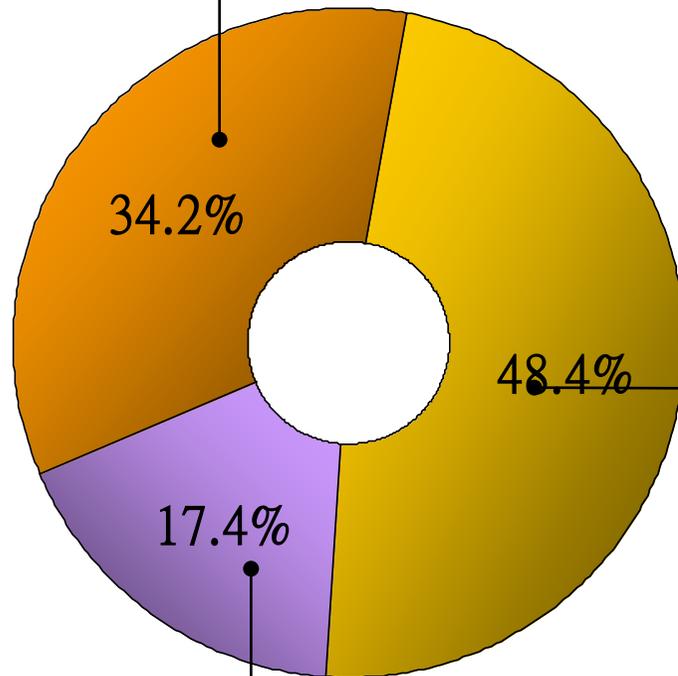
Finished Products



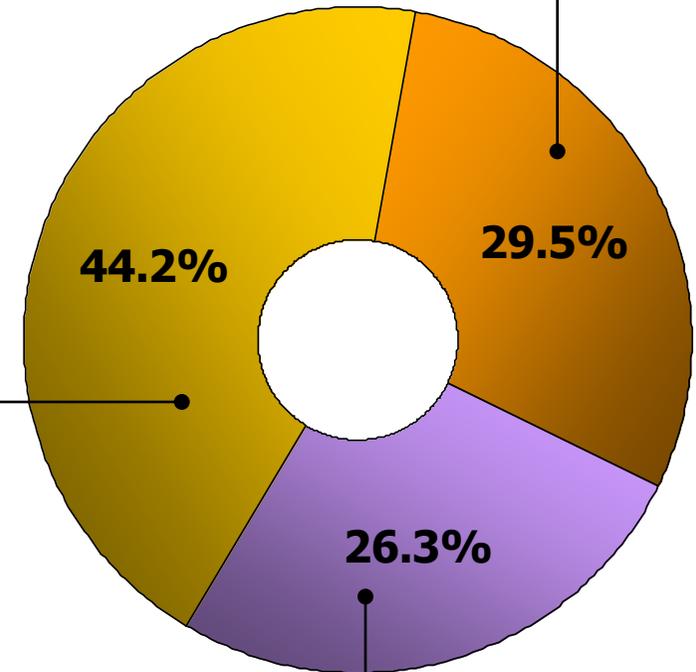
Bulk Medicine



Intermediate Products

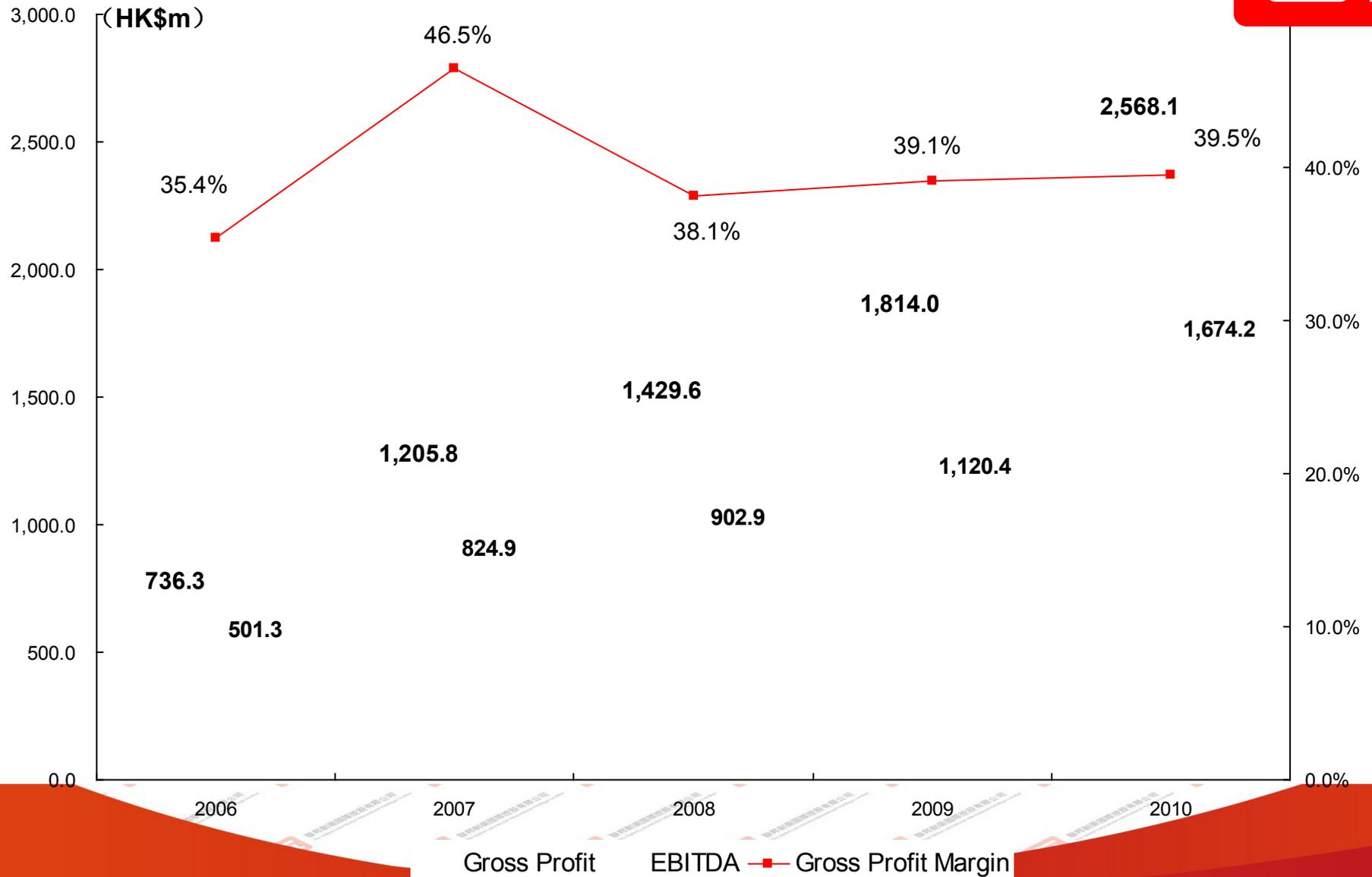
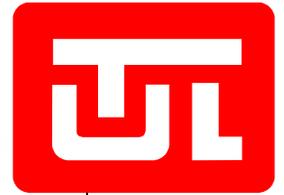


2009

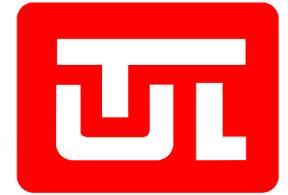


2010

Gross Profit, EBITDA & Gross Profit Margin

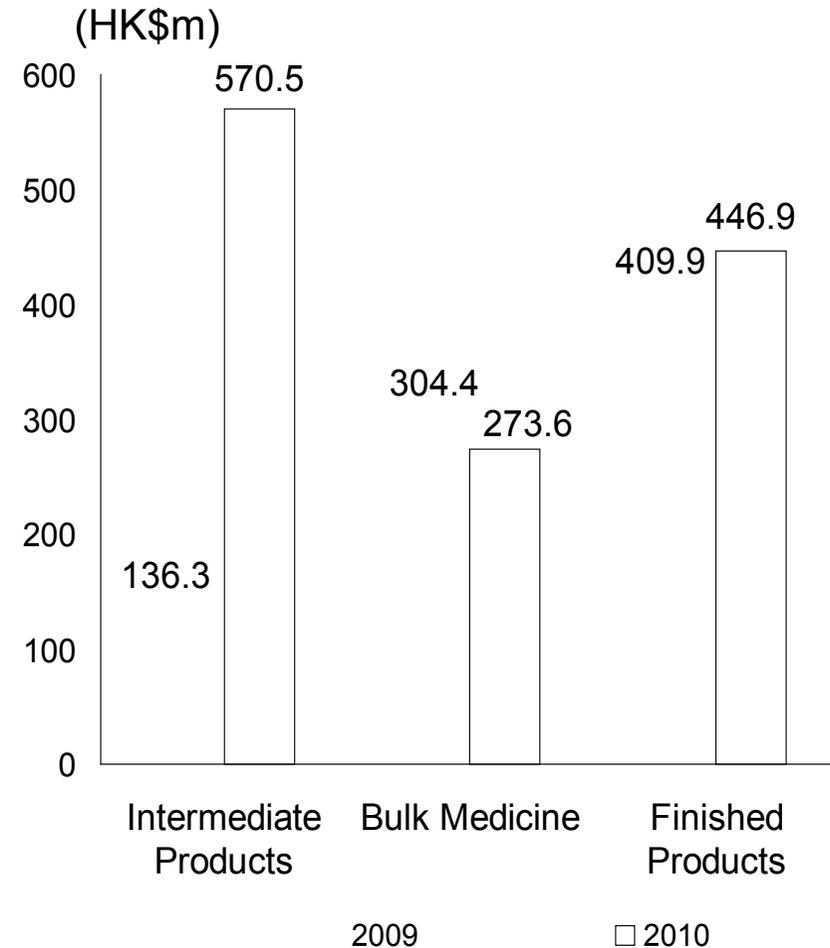


Business Segment Results & Margins

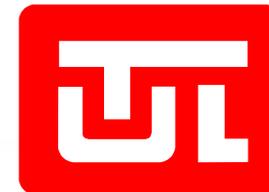


	Segment Margins	
	2010	2009
Intermediate Products	19.1%	6.7%
Bulk Medicine	8.8%	12.5%
Finished Products	23.3%	25.8%

	Segment Profit %	
	2010	2009
Intermediate Products	44.2%	16.0%
Bulk Medicine	21.2%	35.8%
Finished Products	34.6%	48.2%

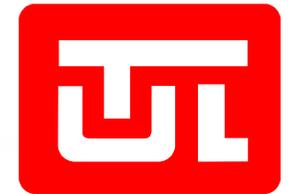


Other Key Financial Indicators



	As at 31 Dec 2010	As at 31 Dec 2009
Trade and bills receivable turnover (days)	126.3	131.2
Trade and bills payable turnover (days)	142.3	183.1
Stock turnover (days)	115.8	114.1
Current ratio	1.06	0.96
Net Gearing ratio⁽¹⁾	29%	54%
Cash and cash equivalents (HK\$ '000)	464,055	192,489
Total assets (HK\$ '000)	9,607,894	7,459,996

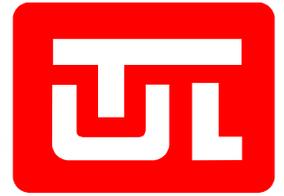
(1) Calculated as total borrowings less cash and bank balances and pledged bank deposits to total equity)



Section 3

Business review

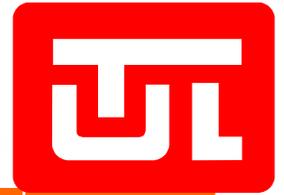
Plant Locations



Plant Location	Products
TUL Hong Kong	Finished products
TUL Zhongshan	Finished products
TUL Zhuhai	Bulk medicine
TUL Chengdu	Intermediate products
TUL Inner Mongolia	Intermediate products, Bulk medicine & Finished products
TUL Kaiping	Empty capsule casings

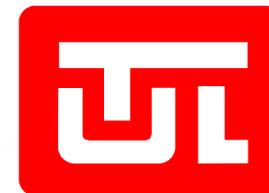


Production Capacity



2010	Designed Capacity	Utilization Rate	External Sales %
Intermediate products (tones)			
• 6-APA	13,600	93.6%	57%
• 7-ACA	792	88.3%	41%
Bulk medicine (tones)			
• Semi-synthetic penicillin type	10,000	90.2%	
• Cephalosporins type	1,000	90.6%	90%
• β - lactamase inhibitor antibiotics type	250	92%	
Finished products (mil)			
• Amoxicillin & Ampicillin capsules	1,100	94.5%	
• Amoxicillin granules	161.2	51.5%	100%
• β - lactamase inhibitor antibiotics (bottle)	19.5	87%	

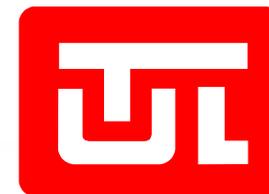
Sales Volume of Group's Products Break Record High



Types	Products	Sales volume in 2010	Sales volume in 2009	yoy growth
Intermediate products (tonnes)	6-APA	7,348.0	3,666.7	+100.4%
	7-ACA	285.9	252	+13.5%
Bulk medicine (tonnes)	Semi-synthetic penicillin type	8,175.8	6,975.8	+17.2%
	Cephalosporins type	859.8	682.4	+26.0%
	β - lactamase inhibitor type	254.5	148.8	+71.0%
Finished products ('000 packs)	Ticarcillin Sodium and Clavulanate Potassium	2.0	1.4	+42.9%
	Tazobactam sodium and piperacillin sodium for injection (2.25g/4.5g) (packs)	7.3	5.9	+23.7%
	Amoxicillin capsules (250/500mg)*	37.3	35.4	+5.4%
	Ampicillin capsules (250/500mg)	21.8	20.1	+8.5%
	Cefuroxime Axetil Tablet*	7.5	5.4	+38.9%
	Eye drops*	5.5	3.5	+57.1%
	Adefovir capsules	1.0	0.8	+25.0%
Cephalosporins for Injection*	44.6	32.6	+36.8%	

*Listed in Essential Drugs List. Eyes drops and Cephalosporins for injection products partially listed.

Average External Selling Price

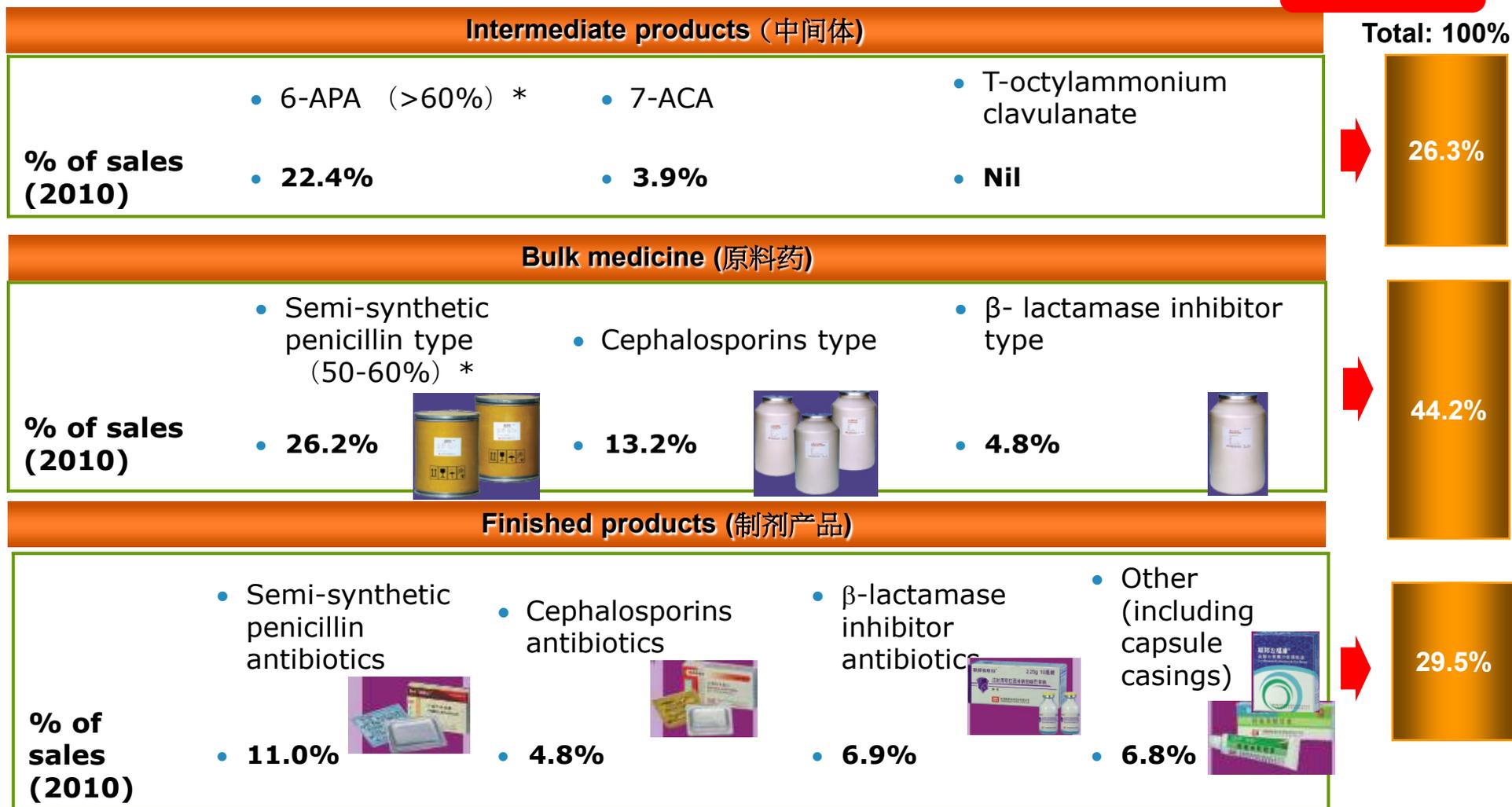
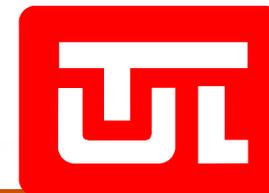


Average External Selling Price	2010	2009	yoy growth
Intermediate products (RMB/kg)			
• 6-APA	171.4	153.4	11.7%
• 7-ACA	756.8	594.1	27.4%
Bulk medicine (RMB/kg)			
• Semi-synthetic penicillin type	180.5	181.1	-0.3%
• Cephalosporins type	867.7	821	5.7%
• β - lactamase inhibitor type	890.9	1,025.6	-13.1%

*Selling price not including VAT

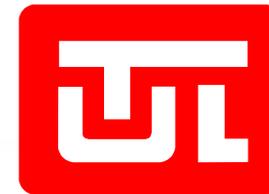
Individual Pricing approved by the National Development and Reform Commission (NDRC)	Individual Pricing	Government ceiling price	Price Premium
Finished products			
• Amoxicillin Granules 125mg x 12 packs	8.4	4.8	+75%
• Amoxicillin Capsules 250mg x 24 tablets	13.7	7.4	+85%
• Amoxicillin Capsules 500mg x 24 tablets	23.3	12.6	+85%
• Ampicillin Capsules 250mg x 24 tablets	14	5.7	+146%
• Ampicillin Capsules 500mg x 24 tablets	23.8	-	-

Further Vertical Integration



*: Chinese market share.

Well-established Brands of Finished Products



As at 31 Dec 2010, a total of 177 bulk medicine and finished products obtained Drug Registration Approvals & Certificate of Drug/Production Registration in the PRC/HK. 78 were in production, and 34 were listed in Insurance Catalogue. 12 finished products are in the list of Essential Drugs List(EDL).

Branded Finished Products

Amoxicillin Capsules



- Market share in 2010: >70%, ranked 1st for 7 consecutive years
- Performed bioequivalence test in USA with patent drug, got the same effectiveness
- Obtained individual pricing approval from NDRC, listed in Insurance catalogue & National Essential Drugs List
- Named as 2008 Beijing Olympic official medication product
- Listed in EDL

Ampicillin Capsules



- Market share in 2010: >90%, ranked 1st for 7 consecutive years
- The first brand in the market
- Obtained individual pricing approval from NDRC

Piperacillin sodium/ Tazabactam sodium for injection



Amoxicillin sodium/ clavulanate potassium for injection

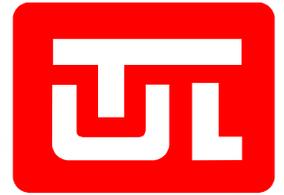


- Market share of 23-25% in 2010, top 2 in the market according to Chinese Pharmaceutical Association data
- Kept high growth of sales since launched
- Listed in Insurance catalogue

Qualifications & Awards

- Amoxicillin powder and compacted both obtained COS by EDQM
- Ampicillin approved by Japanese GMP and recognized by US FDA
- The group awarded “2010 The Chinese Outstanding Environment Protection Enterprise

Extensive Sales and Distribution Network



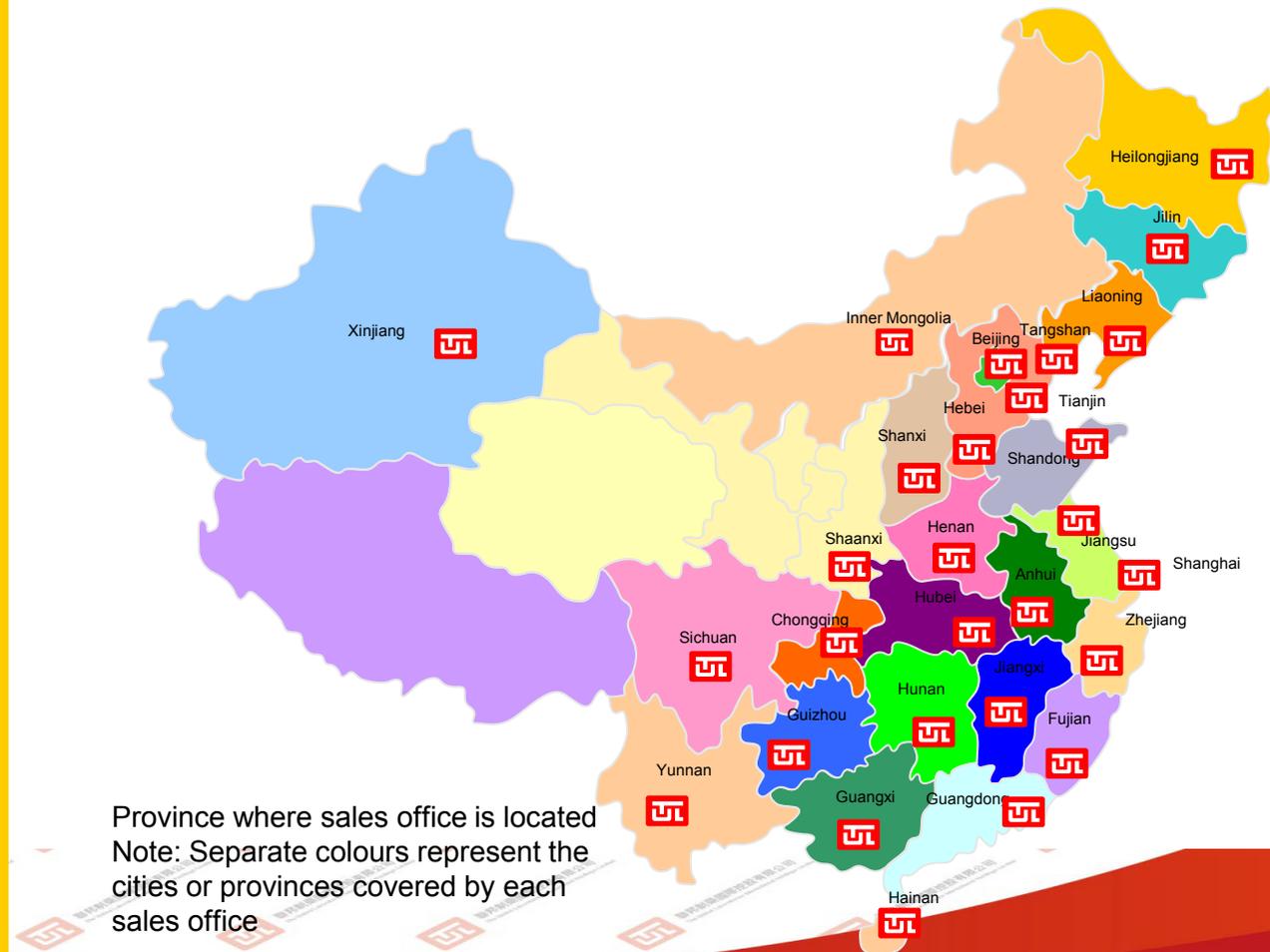
Success in the development of sales in PRC and the overseas markets

Sales inside the PRC

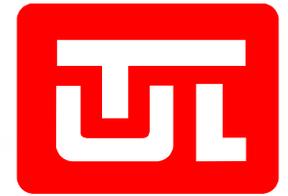
- Around 3,000 sales staff in 28 sales offices of finished products as at 31 December 2010
- Over 1,000 distributors, 80 of them are top class distributors

Overseas Markets

- Accounted for 30.1% of the Group total sales in 2010, 92.6% growth compared with 2009.
- Sales of intermediate products and bulk medicine to India, Europe, US, Japan and other countries



Diversified Customer Base Attributable to Quality Products



Domestic Customers

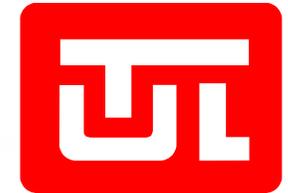


International Customers



Long-term Contract Proportion

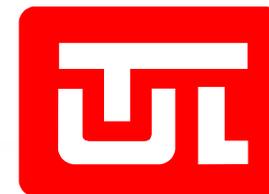
	2008	2009	2010	2011
Finished Products	72-82%	75-85%	75-85%	75-85%
Intermediates and Bulk Medicines	20-30%	30-40%	35-45%	35-45%



Section 4

Strategies & Outlook

Growth Momentum



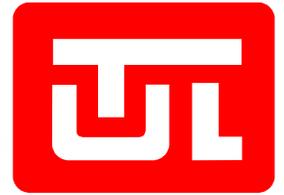
New Products

Product	Classification	Main curative effects	Expected time for launching
Recombinant Human Insulin Injection (重组人胰岛素注射液)	Bio product	For treatment of type I & II diabetes	1H 2011
Premixed Protamine Recombinant Human Insulin Injection (30/70) (精蛋白人胰岛素注射液 (30/70))	Bio product	For treatment of type I & II diabetes	1H 2011
Premixed Protamine Recombinant Human Insulin Injection (50/50) (精蛋白人胰岛素注射液(50/50))	Bio product	For treatment of type I & II diabetes	1H 2011

Expected time to commence operation	New production workshop
2011	Amoxicillin Side Chain Workshop (阿莫西林侧链车间) Amoxicillin Workshop Applying Enzymatic Production Process (阿莫西林酶法车间) Insulin Products (胰岛素车间)

30 finished products under development at various stages 5 patents got approval and other 3 patents in applying process

Forecast and Strategies in 2011

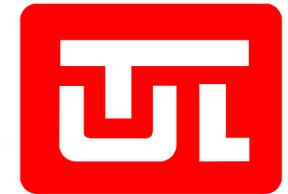


Continue the enhancement of sales force and network

Focus on the development of human insulin market

Strengthen R&D on products of high margin and demand

Increase sales of intermediate products and bulk medicine in oversea markets



Section 5

Q & A Session