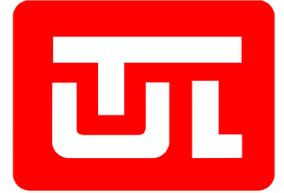


The United Laboratories International Holdings Limited

Interim Results 2011

September 2011





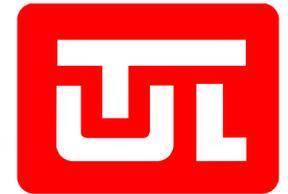
Major Accomplishments in 1H 2011

Financial Highlights

Business Review

Strategies & Outlook

Q & A

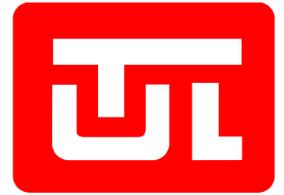


Section 1

Major Accomplishments in 1H 2011

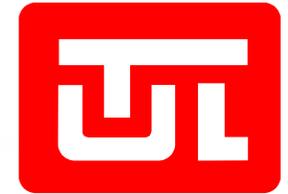


Results Overview



- ◆ **Turnover: +9.6% to HK\$3,373.9 million**
 - ◆ Intermediate Products : Turnover +19.1%* to HK\$1,655.1 million
 - ◆ Bulk Medicine: Turnover +1.7%* to HK\$1,577.5 million
 - ◆ Finished Products : Turnover +10.1%* to HK\$994.3 million
- ◆ **Profit attributable to equity holders: -36.4% to HK\$307.7 million**
- ◆ **Inner Mongolian plant in full operation:**
 1. Annual production capacities of 10,000 tonnes for bulk Amoxicillin
 2. Became the world's second company to master enzyme processing in production of bulk Amoxicillin, and products manufactured under the new process have been launched
- ◆ **Successfully launched three human insulin injection products in 1H 2011**, and began to make revenue contribution; while 5 new products got official approval by SFDA
- ◆ **Overseas sales reaching HK\$961.6 million, up 8.2% yoy**, with new offices established in Brazil, India, Dubai, Indonesia, Hamburg Germany etc.

* Including inter-segment sales

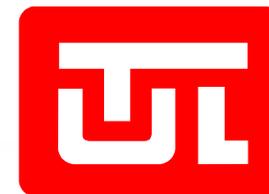


Section 2

Financial Highlights

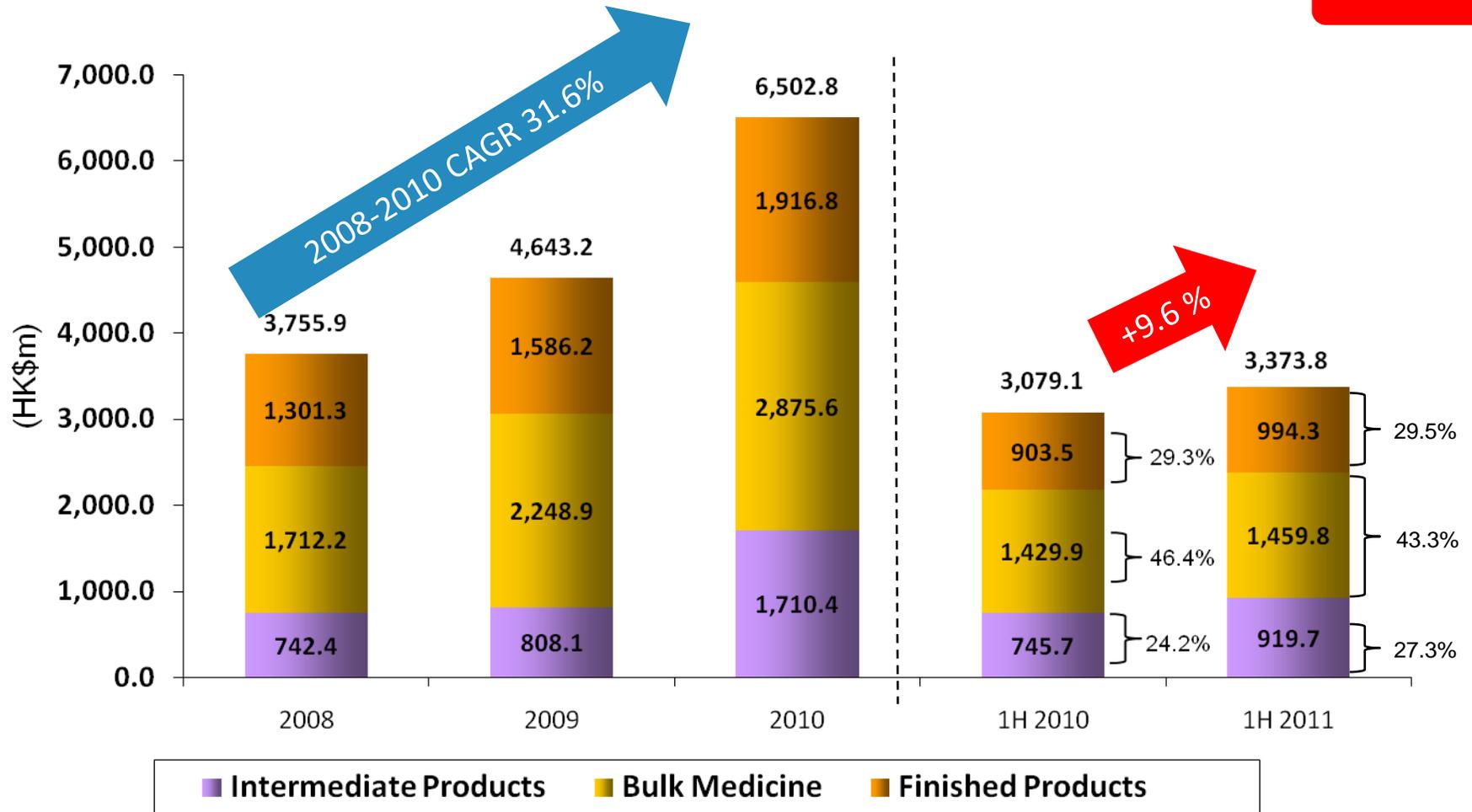
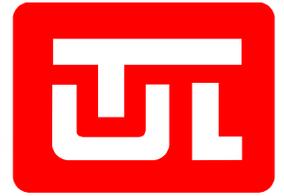


Financial Overview

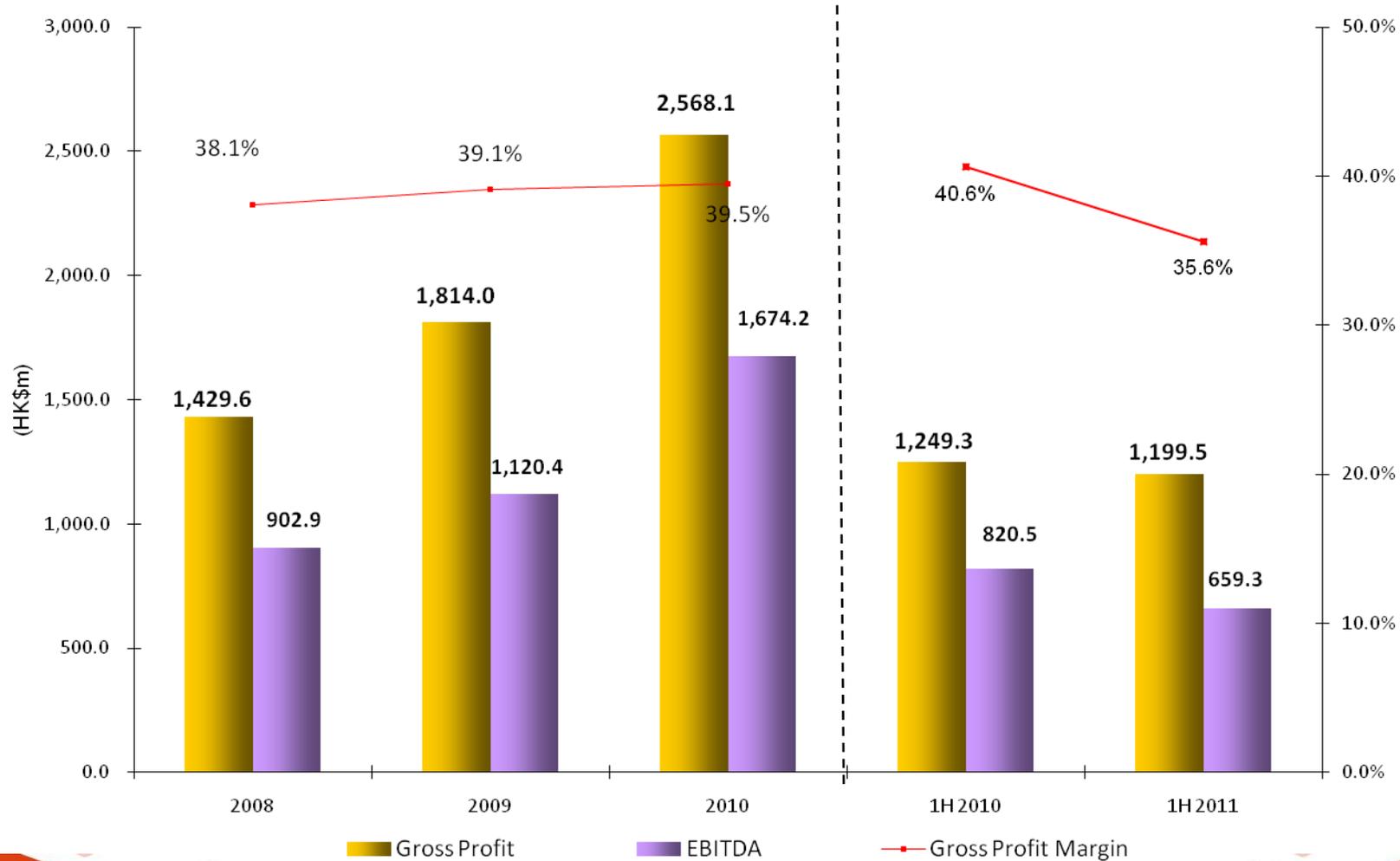
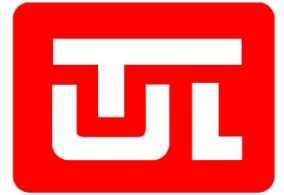


HK\$ million	1H 2011	1H 2010	yoy change
Revenue	3,373.9	3,079.1	+9.6%
Gross Profit	1,199.5	1,249.3	-4.0%
EBITDA	659.3	820.5	-19.6%
Profit Attributable to Equity Holders	307.7	483.9	-36.4%
EPS (HK cents)	23.6	39.8	-40.7%
Interim Dividends (HK cents)	3	12	-75.0%

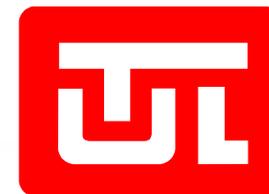
Revenue



Gross Profit, EBITDA & Gross Profit Margin



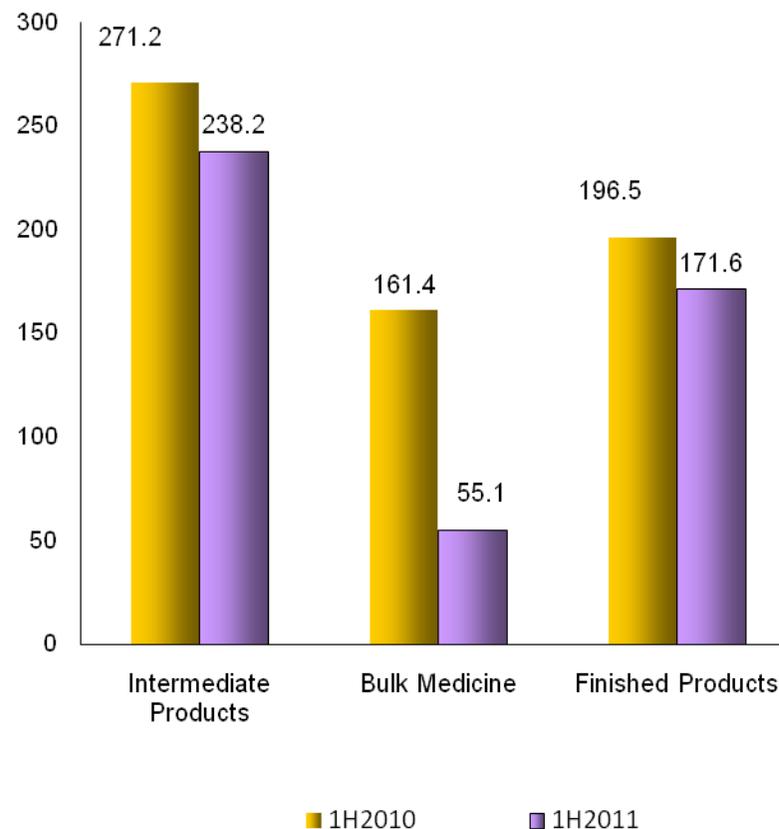
Business Segment Results & Margins



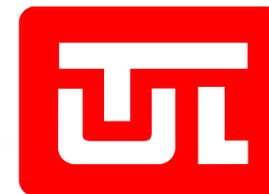
	Segment Profit by Product	
	1H 2011	1H 2010
Intermediate Products	51.2%	43.1%
Bulk Medicine	11.8%	25.7%
Finished Products	36.9%	31.2%

	Segment Margins	
	1H 2011	1H 2010
Intermediate Products	14.4%	19.5%
Bulk Medicine	3.5%	10.4%
Finished Products	17.3%	21.7%

(HK\$m)

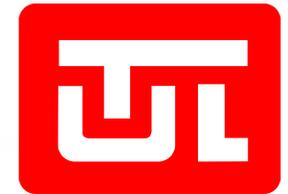


Other Key Financial Indicators



	As at 30 Jun2011	As at 31 Dec 2010
Trade and bills receivable turnover (days)	124.3	126.3
Trade and bills payable turnover (days)	140.5	142.3
Stock turnover (days)	130.5	115.8
Current ratio	1.0	1.06
Net Gearing ratio ⁽¹⁾	37.1%	29%
Cash and cash equivalents (HK\$ '000)	687,440	464,055
Total assets (HK\$ '000)	10,763,519	9,607,894

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

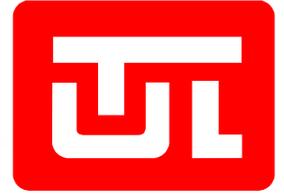


Section 3

Business Review



Challenging Operation Environment

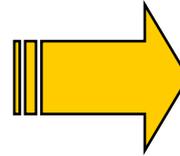


Government tightened regulatory policies

- Measure to lower drug price was launched on 28 March, and medical institutions delayed procurement of antimicrobial agents
- Measure to restrict the use of antibiotics in medical institutions at all levels, affecting the demand for high-end antimicrobial agents

Rising prices of raw materials due to inflation

Interest rate hikes



Retail pricing pressure brought by an average price cut of over 10% of the finished products

ASP of 7-ACA came down significantly

Operating costs increased as human insulin was launched in full scale

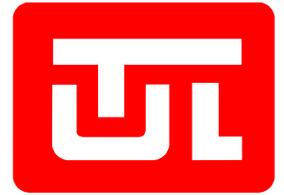
Interest expenses increased

Overall profit margin was affected

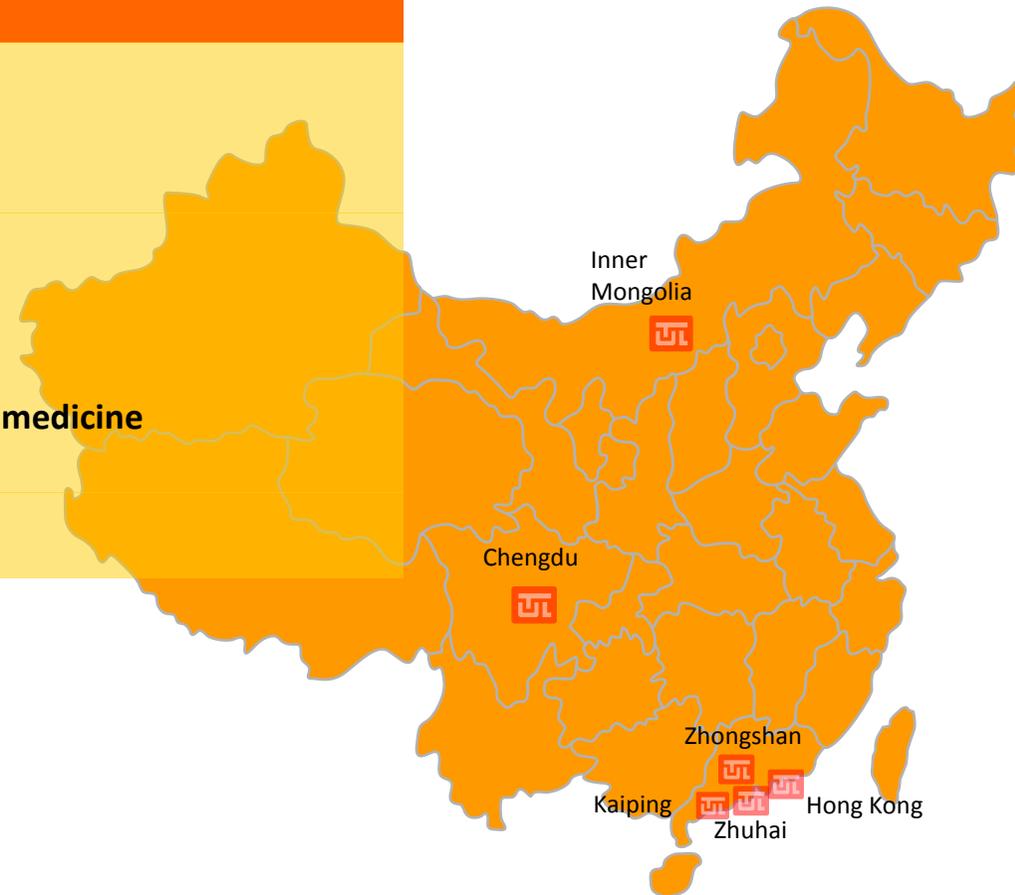
TUL's counter strategies

1. Maintain the price competitiveness of bulk medicine
2. Actively develop new production processes and became the world's second company to master enzyme processing in production of bulk Amoxicillin
3. Further integrate production process in Inner Mongolia production plant
4. New production capacity has been put into production to cope with new technology, further reducing production costs and improving production efficiency
5. Leverage Hong Kong as a financing platform for lower financing cost and with longer loan tenor

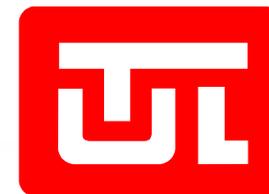
Plant Locations



Plant Location	Key Product(s)
Hong Kong	Finished products
Zhongshan	Finished products
Zhuhai	Bulk medicine
Chengdu	Intermediate products
Inner Mongolia	Intermediate products, bulk medicine & finished products
Kaiping	Empty capsule casings

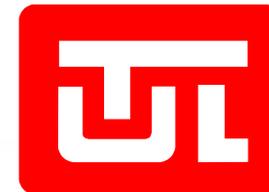


Production Capacity in 1H 2011



1H 2011	Designed Capacity (Half-year)	Utilization Rate	External Sales %
<i>Intermediate products(tonnes)</i>			
• 6-APA	6,950	91%	62.9%
• 7-ACA	400	97%	34.4%
<i>Bulk medicine(tonnes)</i>			
• Semi-synthetic penicillin type	6,666	69%	
• Cephalosporins type	600	92%	90%
• β - lactamase inhibitor antibiotics type	200	95%	
<i>Finished products (mil)</i>			
• Amoxicillin & Ampicillin capsules	550	93%	
• Amoxicillin granules	80.6	61%	100%
• β - lactamase inhibitor antibiotics (bottles)	9.75	81%	

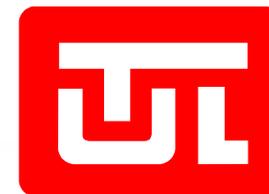
Sales Volume



Types	Products	Sales volume in 1H 2011	Sales volume in 1H 2010	yoy change
Intermediate products (tonnes)	6-APA	3,977.2	3,467.6	+14.7%
	7-ACA	133.4	127.9	+4.3%
Bulk medicine (tonnes)	Semi-synthetic penicillin type	4,166.3	4,484.0	-5.0%
	Cephalosporins type	443	431.1	+2.8%
	β - lactamase inhibitor type	152	99.2	+53.2%
Finished products ('000 packs)	Ticarcillin Sodium and Clavulanate Potassium	1,099.8	878.2	+25.2%
	Tazobactam sodium and piperacillin sodium for injection (2.25g/4.5g) (packs)	3,834.2	3,437.6	+11.5%
	Amoxicillin capsules (250/500mg)*	17,323.8	19,427.7	-10.8%
	Ampicillin capsules (250/500mg)	10,364.3	12,022.8	-13.8%
	Cefuroxime Axetil Tablet*	4,618.3	2,987.5	+54.6%
	Eye drops*	2,896.5	2,244.2	+29.1%
	Adefovir capsules	537.9	420.8	+27.8%
	Cephalosporins for Injection*	20,302.1	16,000.6	+26.9%
Imipenem cilasttin sodium for injection	278.6	72.8	+282.7%	

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

Average External Selling Price

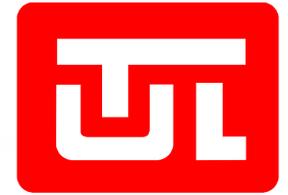


Average External Selling Price	1H 2011	1H 2010	yoy change
Intermediate products (RMB/kg)			
• 6-APA	174.7	157.3	+11.1%
• 7-ACA	572.5	846.6	-32.4%
Bulk medicine (RMB/kg)			
• Semi-synthetic penicillin type	173.6	177.0	-1.9%
• Cephalosporins type	793.4	876.3	-9.5%
• β - lactamase inhibitor type	879.1	1,001.0	-12.4%

* 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 (RMB)			
• 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 500mg x 24 tablets	23.8	-	-
• Ampicillin Capsules 250mg x 24 tablets	14.0	5.7	+ 146%

Further Vertical Integration



Intermediate products (中間體)

	<ul style="list-style-type: none"> • 6-APA (>60%) * 	<ul style="list-style-type: none"> • 7-ACA 	<ul style="list-style-type: none"> • T-octylammonium clavulanate
% of sales (1H 2011)	<ul style="list-style-type: none"> • 24.6% 	<ul style="list-style-type: none"> • 2.7% 	<ul style="list-style-type: none"> • Nil

~27.3%

Bulk medicine (原料藥)

	<ul style="list-style-type: none"> • Semi-synthetic penicillin type (50-60%) * 	<ul style="list-style-type: none"> • Cephalosporins type 	<ul style="list-style-type: none"> • β- lactamase inhibitor type
% of sales (1H 2011)	<ul style="list-style-type: none"> • 26.2% 	<ul style="list-style-type: none"> • 12.4% 	<ul style="list-style-type: none"> • 4.7%



~43.3%

Finished products (製劑產品)

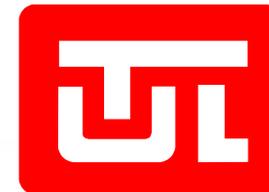
	<ul style="list-style-type: none"> • Semi-synthetic penicillin antibiotics 	<ul style="list-style-type: none"> • Cephalosporins antibiotics 	<ul style="list-style-type: none"> • β-lactamase inhibitor antibiotics 	<ul style="list-style-type: none"> • Other (including capsule casings)
% of sales (1H 2011)	<ul style="list-style-type: none"> • 9.7% 	<ul style="list-style-type: none"> • 5.4% 	<ul style="list-style-type: none"> • 6.4% 	<ul style="list-style-type: none"> • 8.0%



~29.5%

*Chinese market share

New Products Drive Profit Growth



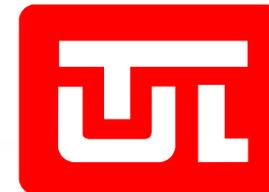
As at 30 Jun 2011,

- 182 bulk medicine and finished products obtained Drug Registration Approvals & Certificate of Drug/Production Registration in the PRC/HK
- 80 were in production and 34 were listed in Insurance Catalogue. 12 finished products are in the list of Essential Drugs List (EDL)

New Products	Classification	Main curative effects	Launch Time
Recombinant Human Insulin Injection (重組人胰島素注射液)	Bio product	For treatment of type I & II diabetes	1H 2011
Premixed Protamine Recombinant Human Insulin Injection(30/70) (精蛋白人胰島素注射液(30/70))	Bio product	For treatment of type I & II diabetes	1H 2011
Premixed Protamine Recombinant Human Insulin Injection(50/50) (精蛋白人胰島素注射液(50/50))	Bio product	For treatment of type I & II diabetes	1H 2011

- Comparable with foreign-imported insulin products in terms of effectiveness
- Competitive price
- More than 100 million diabetes patients in China
- Demand for recombinant human insulin products in China is huge, with annual growth rate of 20-30%

Extensive Sales and Distribution Network



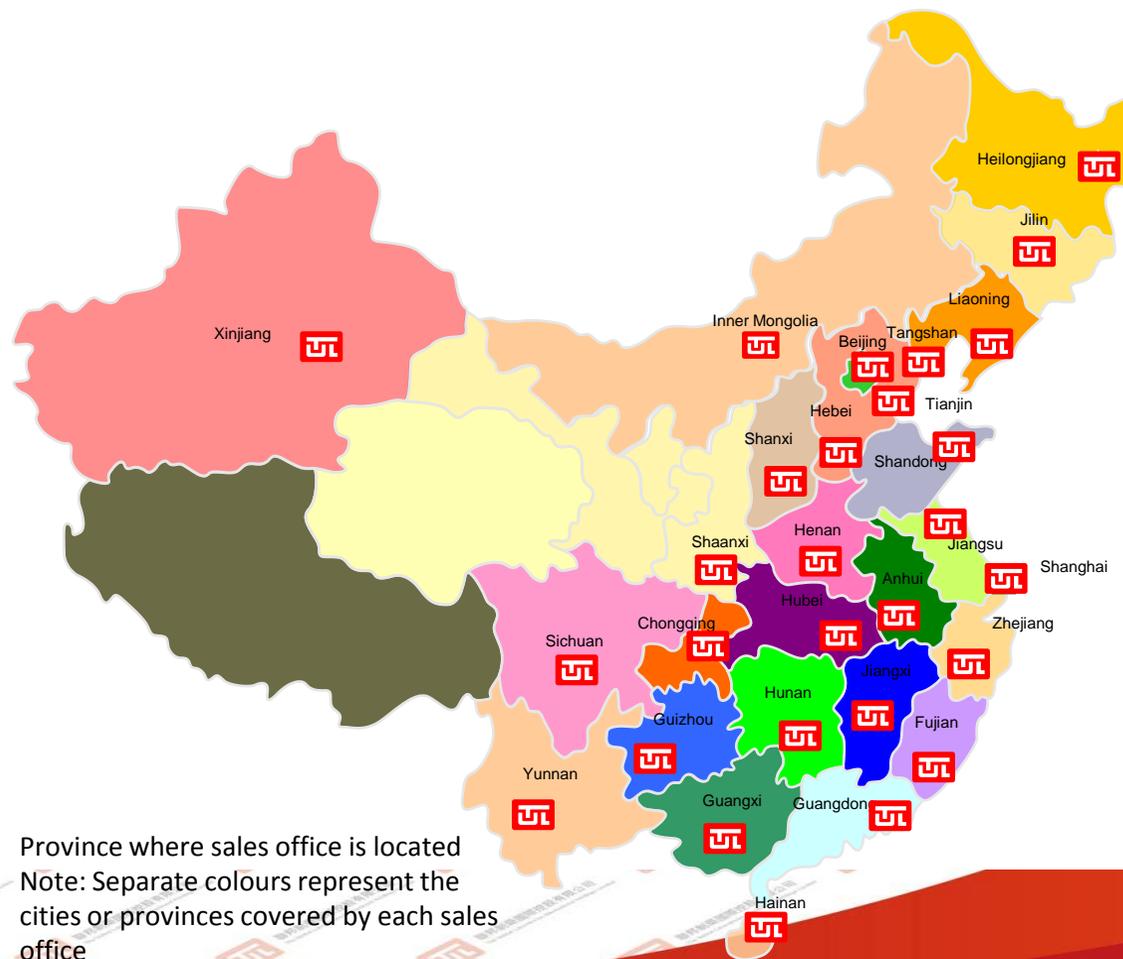
Success in the development of sales in PRC and the overseas markets

Sales in the PRC

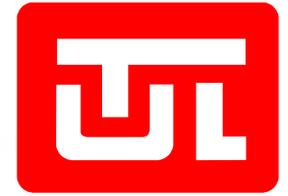
- Around 2,700 sales staff in 28 sales offices of finished products as at 30 June 2011
- Over 1,000 distributors, 80 of them are top class distributors

Overseas Markets

- Accounted for 28.5% of the Group total sales in 1H2011, 8.2% yoy growth
- Sales of intermediate products and bulk medicine to India, Europe, US, Japan and other countries
- Expanded internationally, with new offices established in Brazil, India, Dubai, Indonesia, and Germany etc.



Diversified Customer Base Attributable to Quality Products



Domestic Customer

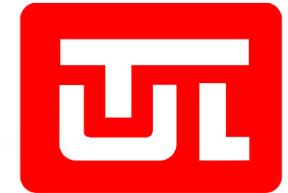


International Customers



Long-term Contract Proportion

	2009	2010	2011
Finished Products	75-85%	75-85%	75-85%
Intermediates and Bulk Medicine	30-40%	35-45%	35-45%

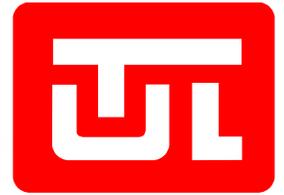


Section 4

Strategies & Outlook



Business Outlook



Volume pressure on antibiotic usage is likely to impact the whole value chain of the industry, including both bulk medicine and finished products

60% of TUL's antibiotic products are in non-restricted categories, sales of finished products is expected to recover gradually in 2H after the measures are made clear

Human Insulin as Future Growth Driver

- China's diabetes patients are more than 100 million
- Huge demand for recombinant human insulin products in China, with annual growth rate of 20-30%

Expected time to commence operation

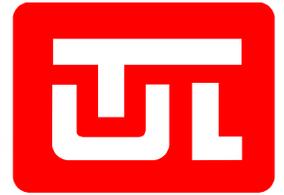
New production workshop

2H 2011

Amoxicillin Side Chain Workshop (阿莫西林側鏈車間)
Insulin Products (胰島素車間)

36 finished products under development at various stages, 5 patents got approval and other 3 patents in application process

Business Development Strategies



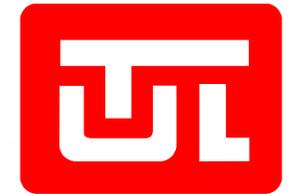
Further penetrate into existing domestic and overseas markets and expand into new markets

Focus on the development of human insulin market

Strengthen R&D on products with high margins and demand

Increase sales of intermediate products and bulk medicine in oversea markets

Penetrate further into rural and community markets



Section 5

Q & A Session

