

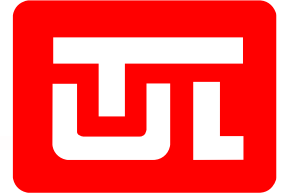
The United Laboratories International Holdings Limited

Interim Results 2010

August 2010



Agenda



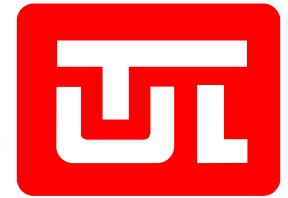
1 Major Accomplishments in 1H2010

2 Financial Highlights

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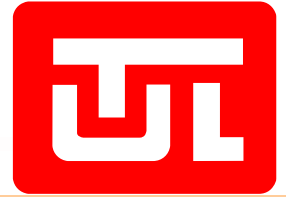
5 Q & A



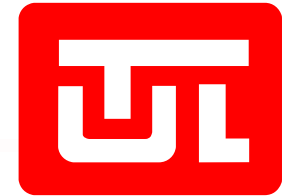
Section 1

Major Accomplishments in 1H2010

Results Overview



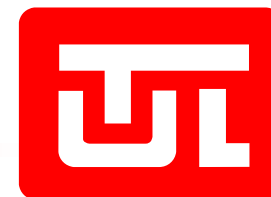
- ◆ Revenue: +48.3% yoy to a new record HK\$3.08Bn, reflecting the Group's strong sales growth
- ◆ Gross profit: +68.3% yoy to a record high HK\$1.25Bn
- ◆ EBITDA: +95.5% yoy to HK\$820Mn, a new record
- ◆ Profit attributable to equity holders: HK\$484 Mn, +259.9% yoy, a new record
- ◆ The Board of Directors decided to start distributing interim dividend of HK 12 cents, in response to shareholders' long-lasting support
- ◆ Sales volume reached record high in 1H2010
 - Intermediate products : +74.2% to 6,133.8 tones (including cross segment sales)
 - Bulk medicine : +44.1% to 4,914 tones
 - Finished products : +27.4% to 71.5 mil packs
- ◆ Overseas Sales: +92% yoy, accounted for 28.9% of the Group's total sales, reflecting the high growth of market demand
- ◆ The gross profit margin keeps improving because of lower cost led by larger production capacity of intermediate products.
- ◆ Uplifting TUL brand recognition, larger sales force (3,300 people), and better sales network stimulate the Group's performance.
- ◆ Sales in rural areas: +40%
- ◆ Human Insulin launched to market in 1H2010. Capacity expansion and marketing in progress, setting a key profit contributor.
- ◆ Sales expected to grow, benefited from the policies of Medical Reform and Social Health Insurance



Section 2

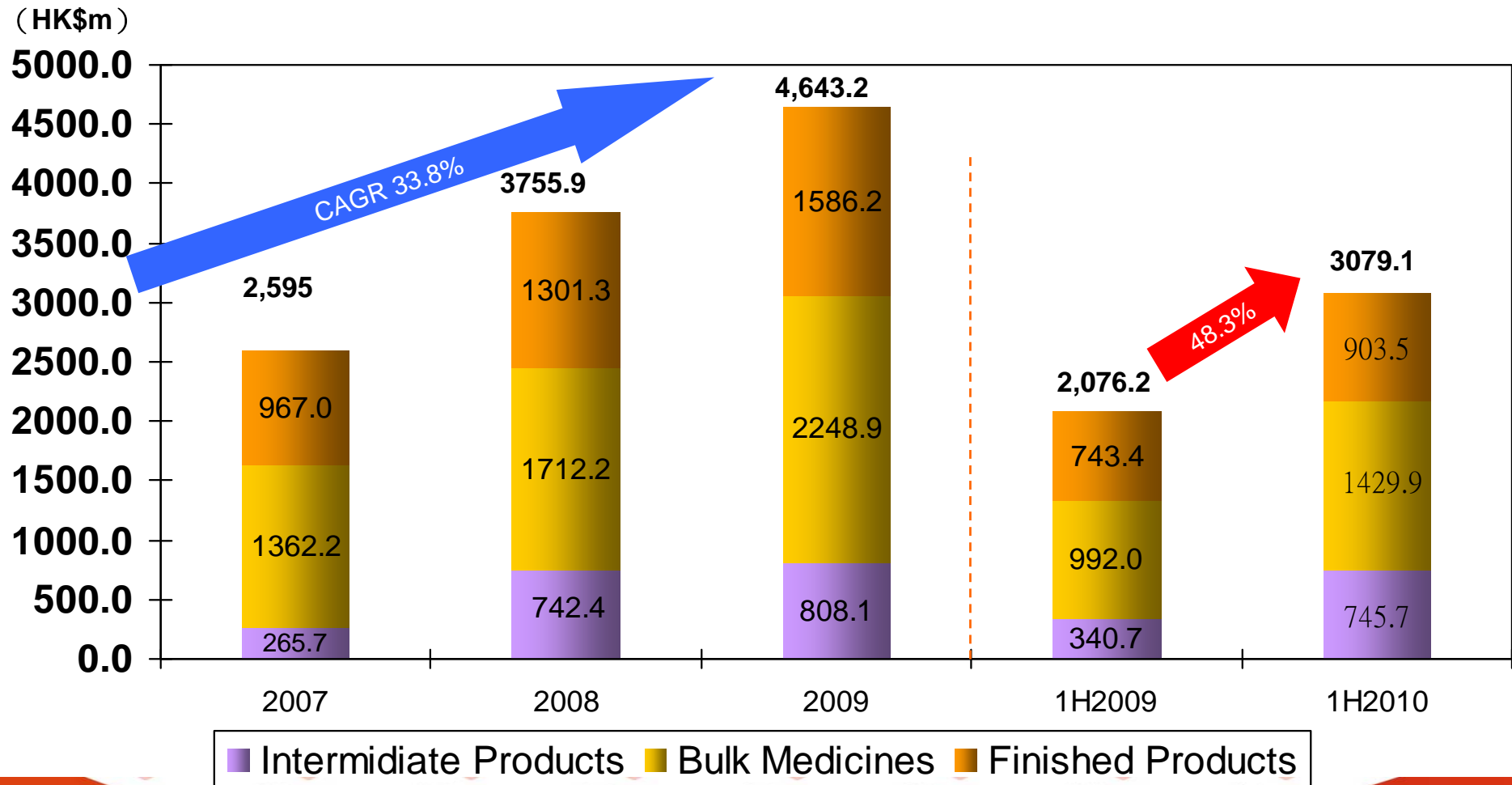
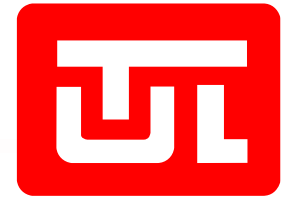
Financial Highlights

Financial Overview

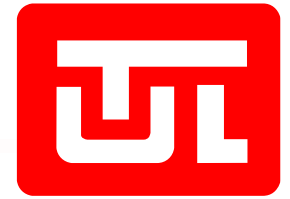


HK\$m	1H2010	1H2009	yoy growth
Revenue	3,079.1	2,076.2	+48.3%
Gross Profit	1,249.3	742.1	+68.3%
EBITDA	820.5	420.0	+95.5%
Profit Attributable to Equity Holders	483.9	134.4	+259.9%
EPS (HK cents)	39.8	11.2	+255.4%
Interim Dividend (HK cents)	12	-	-

Revenue



Revenue Breakdown by Products



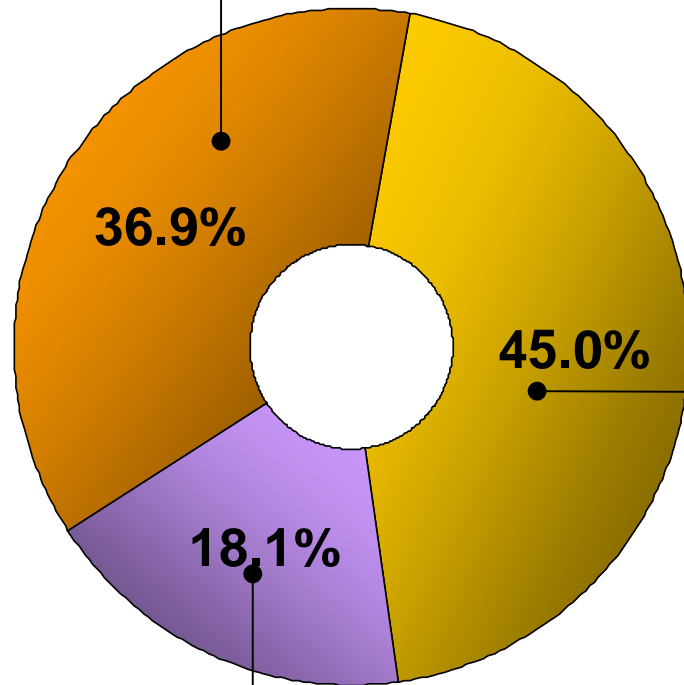
Finished Products



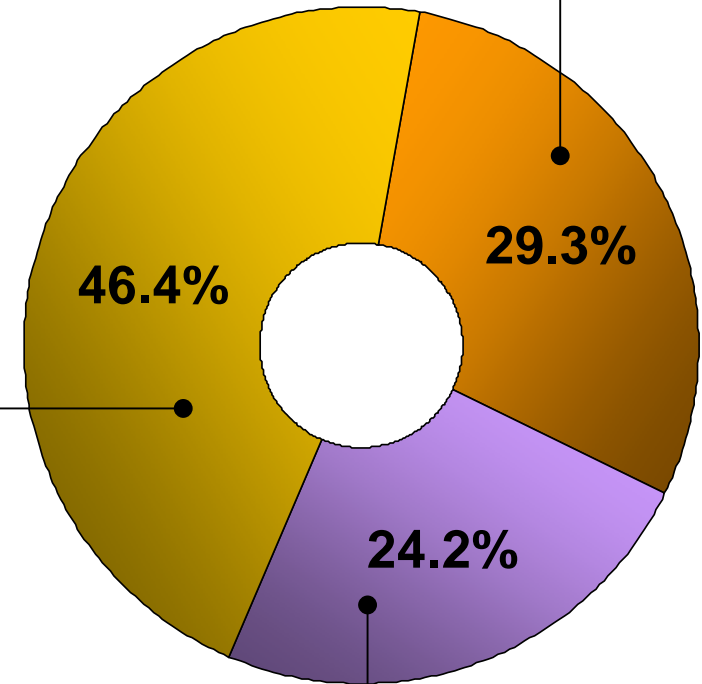
Bulk Medicine



Intermediate Products

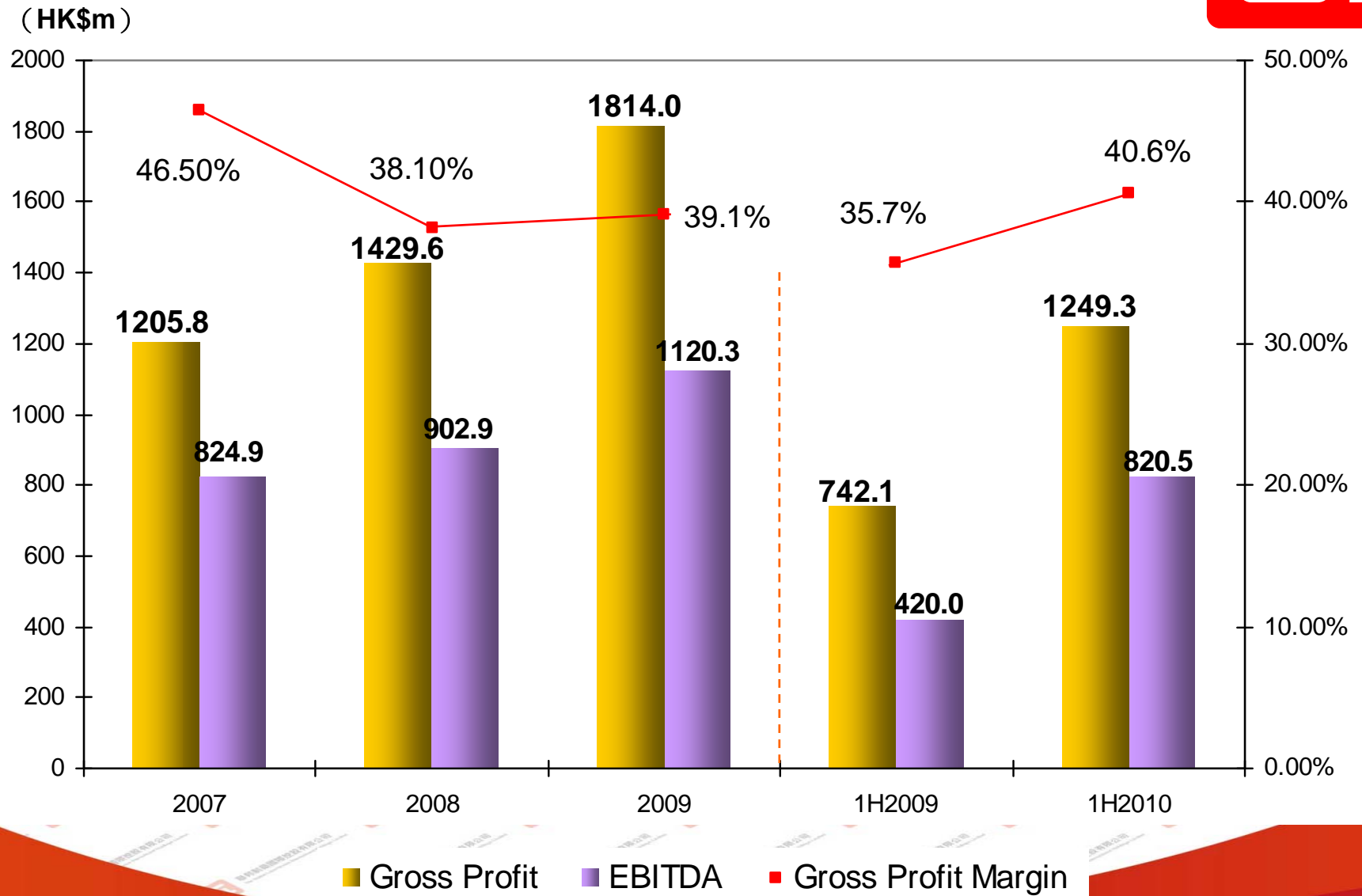
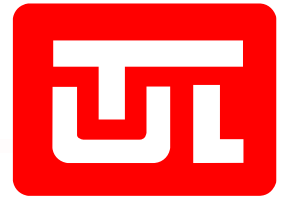


1H2009

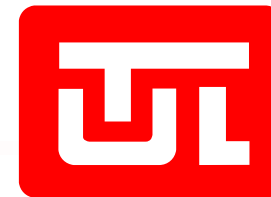


1H2010

Gross Profit, EBITDA & Gross Profit Margin

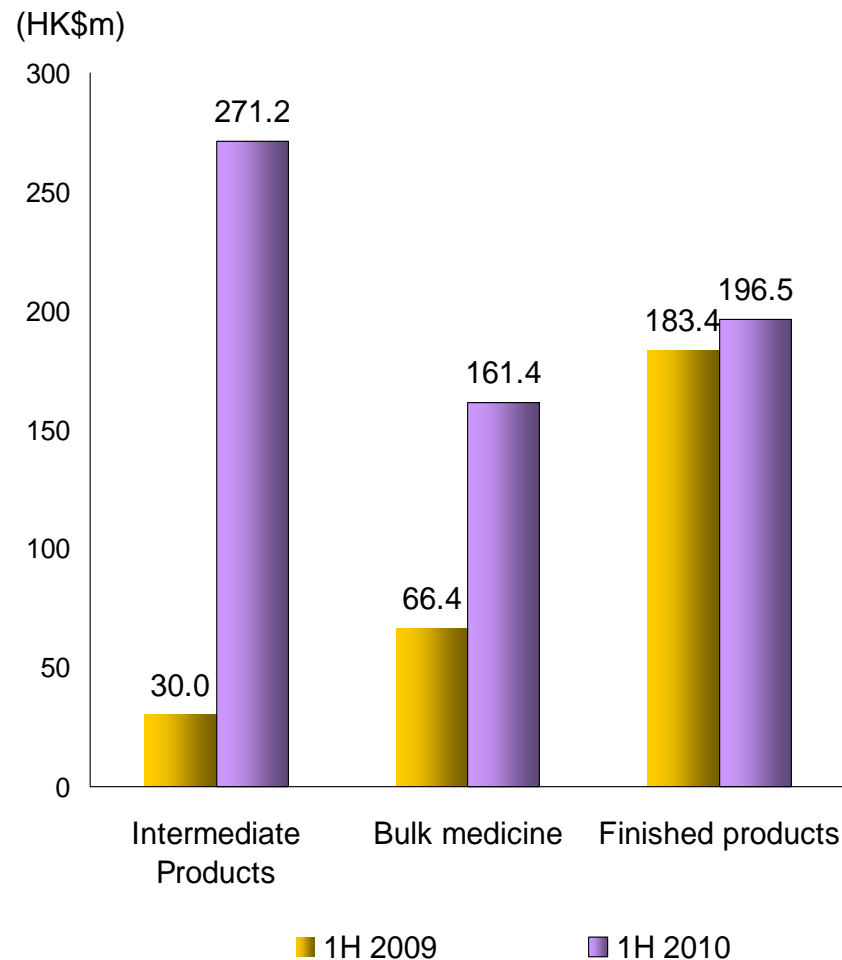


Business Segment Results & Margins

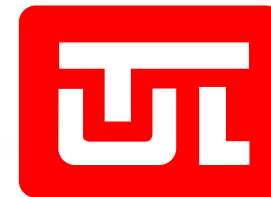


	Segment Margins	
	1H2010	1H2009
Intermediate products	19.5%	3.3%
Bulk medicine	10.4%	6.1%
Finished products	21.7%	24.7%

	Segment Profit %	
	1H2010	1H2009
Intermediate products	43.1%	10.8%
Bulk medicine	25.7%	23.7%
Finished products	31.2%	65.5%

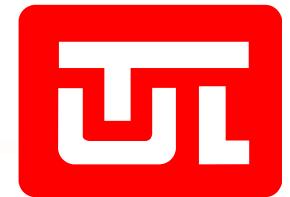


Other Key Financial Indicators



	As at 30 Jun 2010	As at 31 Dec 2009
Trade and bills receivable turnover (days)	107.4	131.2
Trade and bills payable turnover (days)	151.1	183.1
Stock turnover (days)	107.1	114.1
Current ratio	1.01	0.96
Net Gearing ratio ⁽¹⁾	45.4%	54%
Cash and cash equivalents (HK\$ '000)	388,784	192,489
Total assets (HK\$ '000)	8,702,977	7,459,996

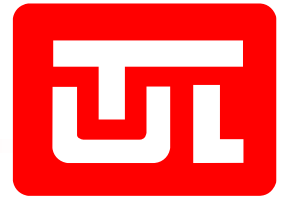
(1) Calculated as total borrowings less cash and bank balances and pledged bank deposits to total equity)



Section 3

Business review

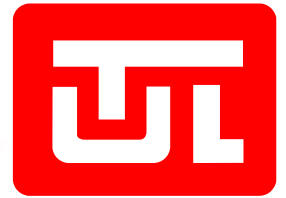
Plant Locations



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

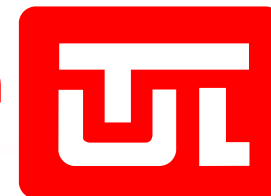


Production Capacity



1H2010	Designed Capacity	Utilization Rate	External Sales %
<i>Intermediate products (tones)</i>			
• 6-APA	6,500	98%	54.4%
• 7-ACA	385	95%	35%
<i>Bulk medicine (tones)</i>			
• Semi-synthetic penicillins type	5,000	95%	
• Cephalosporins type	500	91%	90%
• β - lactamase inhibitor antibiotics type	100	99%	
<i>Finished products</i>			
• Amoxicillin & Ampicillin capsules	600mil	96%	
• Amoxicillin granules	63mil	74%	100%
• β - lactamase inhibitor antibiotics (bottle)	8.5mil	96%	

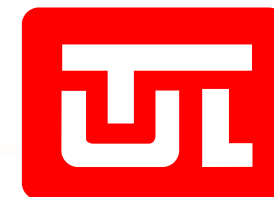
Sales Volume of Group's Products Break Record High



Types	Products	Sales volume in 1H2010	Sales volume in 1H2009	yoy growth
Intermediate products (tonnes)	6-APA	3,467.6	1,241	+179.4%
	7-ACA	127.9	167	-23.4%
Bulk medicines (tonnes)	Semi-synthetic penicillins type	4,484.0	3,064	+43.1%
	Cephalosporins type	431.1	275	+56.8%
	β- lactamase inhibitor type	99.2	40	+148.0%
Finished products ('000 packs)	Ticarcillin Sodium and Clavulanate Potassium	878.2	515	+70.5%
	Tazobactam sodium and piperacillin sodium for injection (2.25g/4.5g) (packs)	3,437.6	2,857.5	+20.3%
	Amoxicillin capsules (250/500mg)*	19,427.7	17,429	+11.5%
	Ampicillin capsules (250/500mg)	12,022.8	10,336	+16.3%
	Cefuroxime Axetil Tablet*	2,987.5	2,528.8	+18.1%
	Eye drops*	2,244.2	1,653.9	+35.7%
	Adefovir capsules	420.8	368	+14.3%
	Cephalosporins for Injection* Imipenem cilastatin sodium for injection	16,000.6 72.8	15,247 3.8	+4.9% +1815.7

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

Average Selling Price

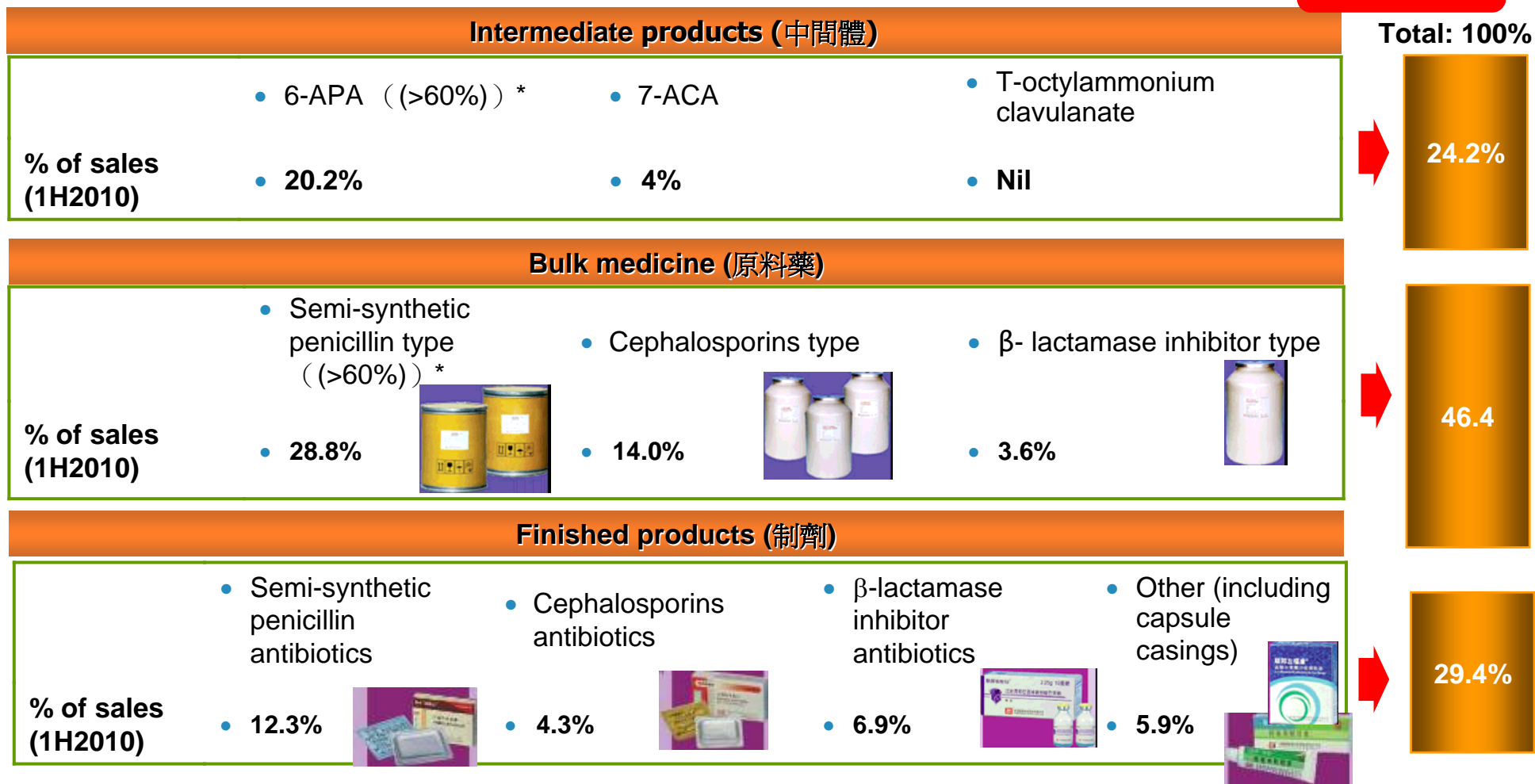
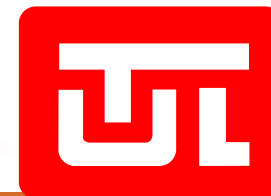


Average Selling Price*	1H2010	1H2009	yoy growth
Intermediate products (RMB/kg)			
• 6-APA	157.3	163.7	-3.9%
• 7-ACA	846.6	580.2	+45.9%
Bulk medicine (RMB/kg)			
• Semi-synthetic penicillin type	177.0	186.7	-5.2%
• Cephalosporins type	876.3	855	+2.5%
• β - lactamase inhibitor type	1,001.0	968	+3.4%

*Selling price not including VAT.

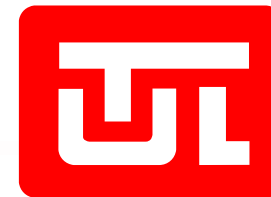
Individual Pricing approved by the National Development and Reform Commission (NDRC)	Individual Pricing	Government ceiling price	Price Premium
Finished products			
• Amoxicillin Granules 125mg x 12 packs	10.2	8.0	+27%
• Amoxicillin Capsules 250mg x 24 tablets	15.7	9.0	+74%
• Amoxicillin Capsules 500mg x 24 tablets	27.4	15.8	+73%
• Ampicillin Capsules 250mg x 24 tablets	15.6	9.0	+73%
• Ampicillin Capsules 500mg x 24 tablets	26.5	-	-

Further Vertical Integration



* : Chinese market share.

Well-established Brands of Finished Products



As at 30 Jun 2010, a total of 174 bulk medicine and finished products obtained Drug Registration Approvals & Certificate of Drug/Production Registration in the PRC/HK. 76 were in production, and 34 were listed in Insurance Catalogue. 12 finished products are in the Essential Drugs List (EDL).

Branded Finished Products

Amoxicillin Capsules



- Market share in 1H2010: 64%, ranked 1st for 6 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 Basic Drugs Catalogue
- Listed in EDL

Ampicillin Capsules



- Market share in 1H2010: >90%, ranked 1st for 6 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

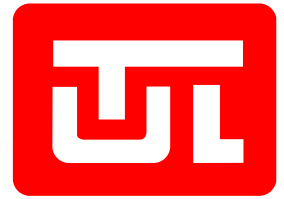


- Market share of 23-25% in 1H2010, top 2 in the market according to Chinese Pharmaceutical Association data
- Kept high growth of sales since launched
- Listed in Insurance catalogue

Bulk Medicine Qualifications

- Amoxicillin powder and compacted both obtained COS by EDQM
- Amoxicillin approved by Japanese GMP and recognized by US FDA
- The group awarded “2009 The Chinese Outstanding Environmental Protection Enterprise”

Extensive Sales and Distribution Network



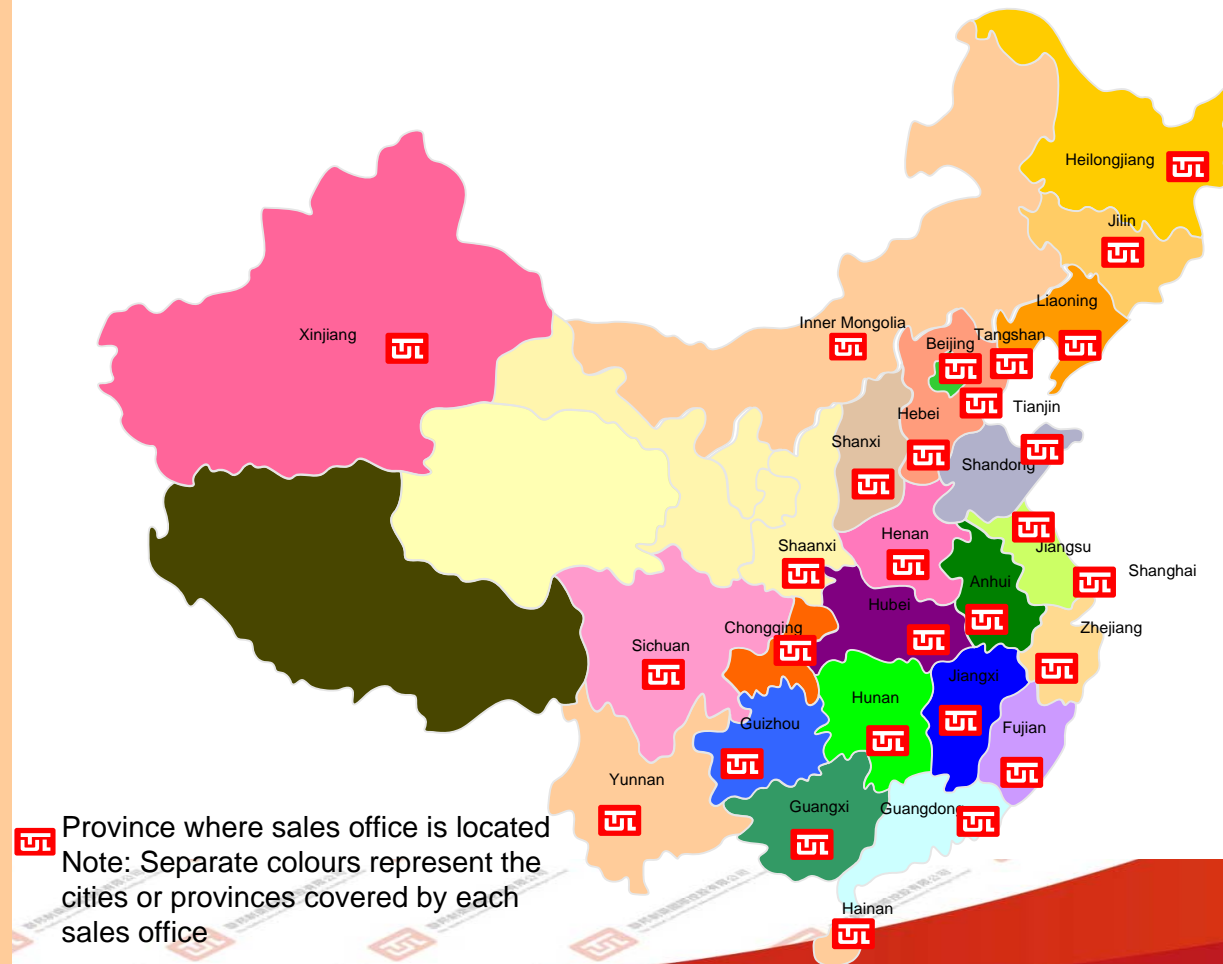
Success in the development of sales in PRC and the overseas markets

Sales inside the PRC

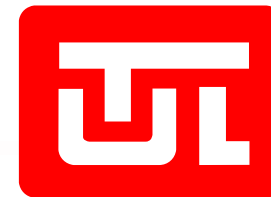
- Over 3,300 sales staff in 28 sales offices as at 30 June 2010
- Over 1,000 distributors, 80 of them are top class distributors

Overseas Markets

- Accounted for 28.9% of the Group total sales in 1H2010, 92% growth compared with same period of 2009.
- Sales of intermediate products and bulk medicine to India, Europe, USA, Japan and other countries



Diversified Customer Base Attributable to Quality Products



Domestic Customers

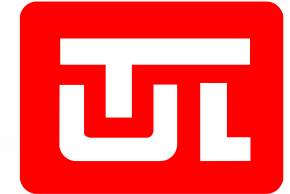


International Customers



Long-term Contract Proportion

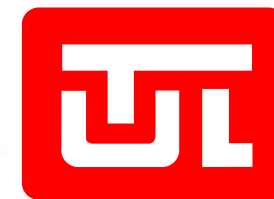
	2007	2008	2009	2010
Finished Products	70-80%	72-82%	75-85%	75-85%
Intermediates and Bulk Medicines	10-20%	20-30%	30-40%	35-45%



Section 4

Strategies & Outlook

Growth Momentum



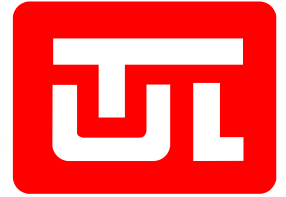
New Products

Product	Classification	Main curative effects	Expected time for launching
Recombinant Human Insulin Injection (重組人胰島素注射液)	Bio product	For treatment of type I & II diabetes	2H 2010
Isophane Protamine 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	2H 2010
Isophane Protamine 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	2H 2010

Expected time to commence operation	New production workshop
2010	Solid Finished Products (固體制劑) Amoxicillin Side Chain Workshop (阿莫西林側鏈車間) Insulin Products (胰島素車間)

29 finished products under development at various stages 5 patents got approval and other 8 patents in applying process

Strategies in 2H2009

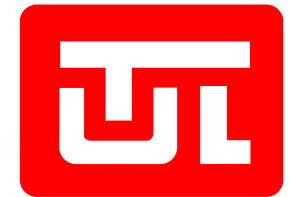


Reduce costs & increase efficiency with the Group's economic scale

Increase sales with TUL's well-recognized brand & large sales network

**Continue penetration into the community and rural market,
with supports from country policies**

Brand human insulin as the signature product of the Group



Section 5

Q & A Session