



YINGDE GASES GROUP COMPANY LIMITED

盈德氣體集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 02168

2010 年業績發佈會

2010 Annual Results Announcement

Investor Presentation/Press Conference

Hong Kong, March 22, 2011





2010 Financial review

Industry and business overview

Q & A session



2010 Financial Review



Robust growth and superior earnings, despite the impact of steel industry reorganization and the one off impact of Zhangjiagang Yingde impairment

(RMB '000)	FY10	FY09	Change YoY (%)
Turnover	3,004,933	2,065,685	45.5%
Cost of Sales	(1,840,790)	(1,290,505)	42.6%
Gross Profit	1,164,143	775,180	50.2%
Profit from operations	786,244	620,388	26.7%
Profit from operations (Adjusted Zhangjiagang impairment)	965,250	620,388	55.6%
Profit before taxation	668,379	565,521	18.2%
Profit Attributable to the Equity Holders	577,281	530,037	8.9%



Turnover



Strong growth in Sales

(RMB million)



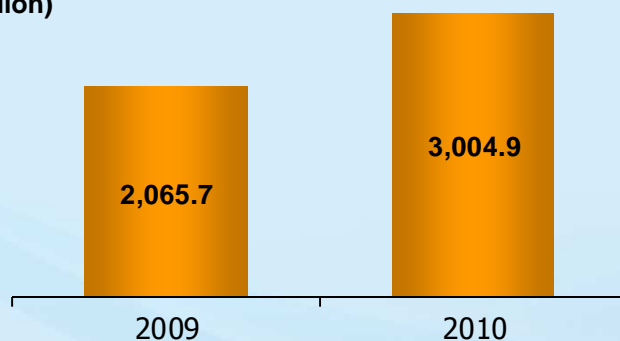
Profit Growth



Constant & healthy growth attributes to strong management capability

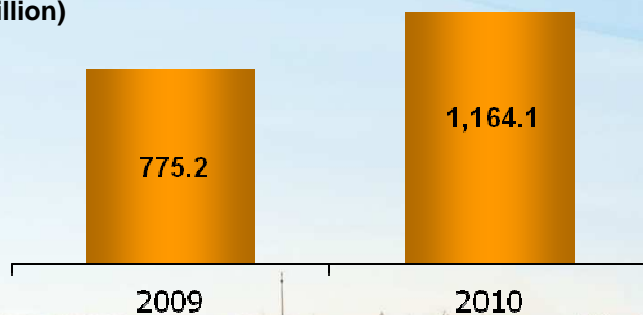
Turnover

(RMB million)



Gross Profit

(RMB million)



Growth of existing on-site consumption

New on-site capacity

Recovery of merchant market

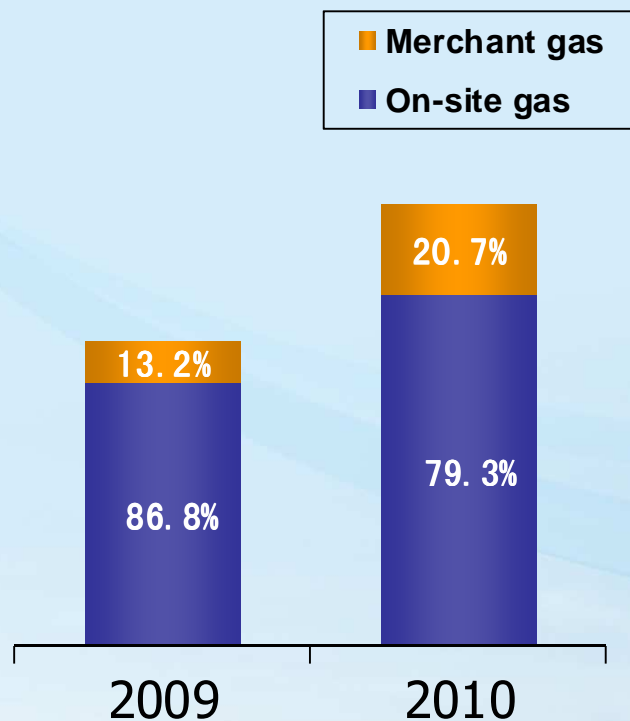
Effective merchant strategy



Turnover by Business



Revenue mix provides perfect combination of defensiveness and value maximization



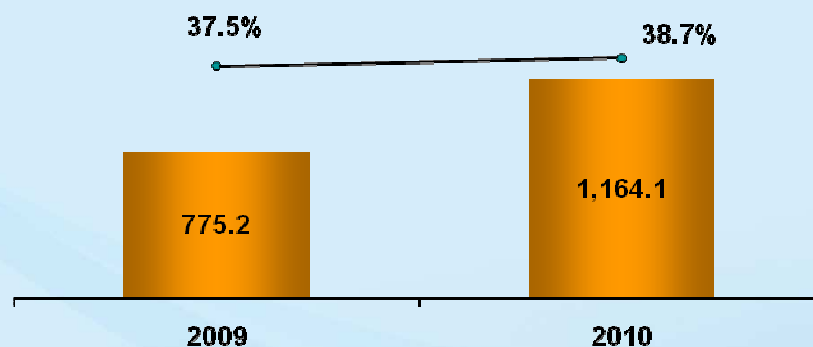
	2009	2010	
Main Business	RMB'000	RMB'000	
On-site gas	1,792,474	2,384,091	33.0%
Merchant gas	273,211	620,842	127.2%
Total	2,065,685	3,004,933	45.5%

Profitability Ratios



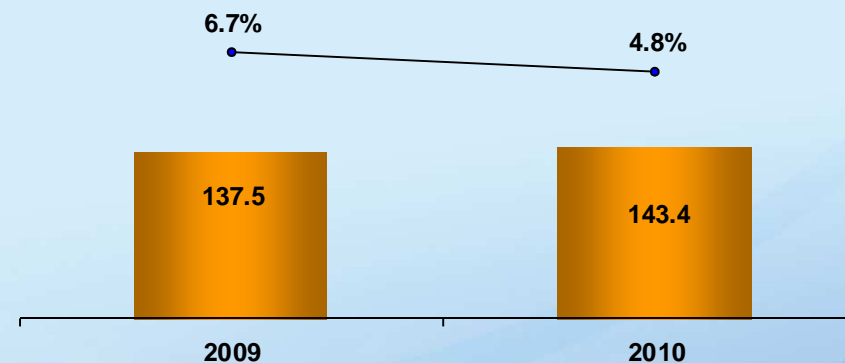
Gross Profit Margin

(RMB million, % of Turnover)



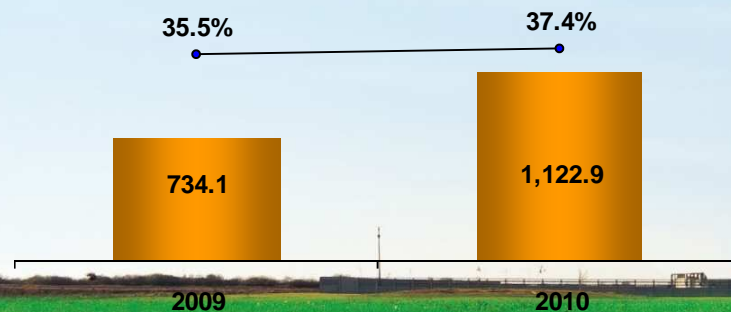
Adjusted G&A as % of Turnover

(RMB million, % of Turnover)



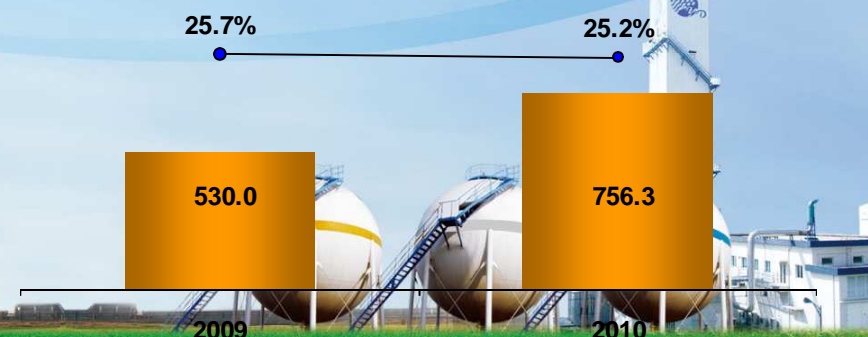
Adjusted EBITDA Margin

(RMB million, % of Turnover)



Adjusted Net Profit Margin

(RMB million, % of Turnover)



Adjusted EBITDA or Net Profit = EBITDA + Zhangjiagang impairment or Net Profit + Zhangjiagang impairment

Operating Cash Flow



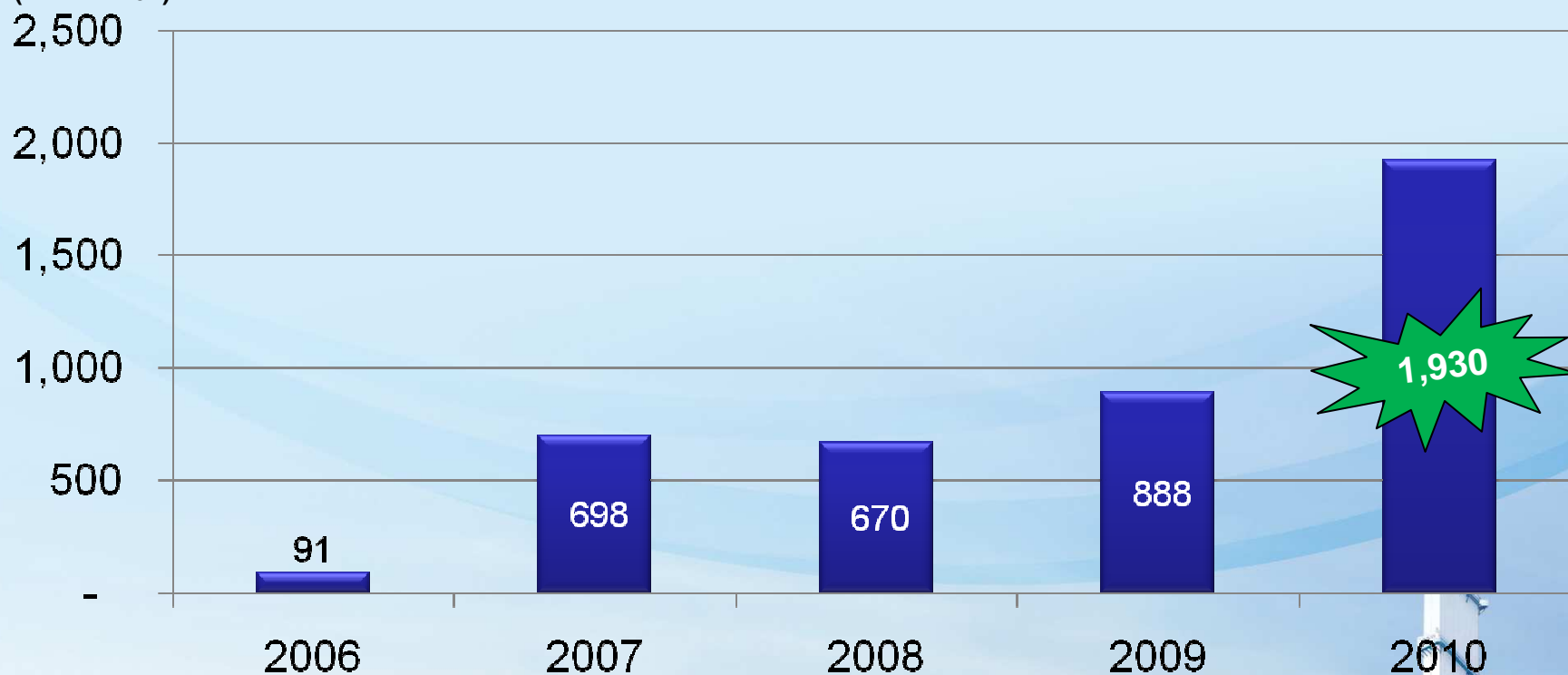
(RMB million)



Capital Expenditure



(RMB million)



Net Profit True-up



2010 Reported net profit was substantially distorted by one timers

(RMB million)



Start-ups



Strong project pipeline, high ability to secure new projects

Number of production facilities

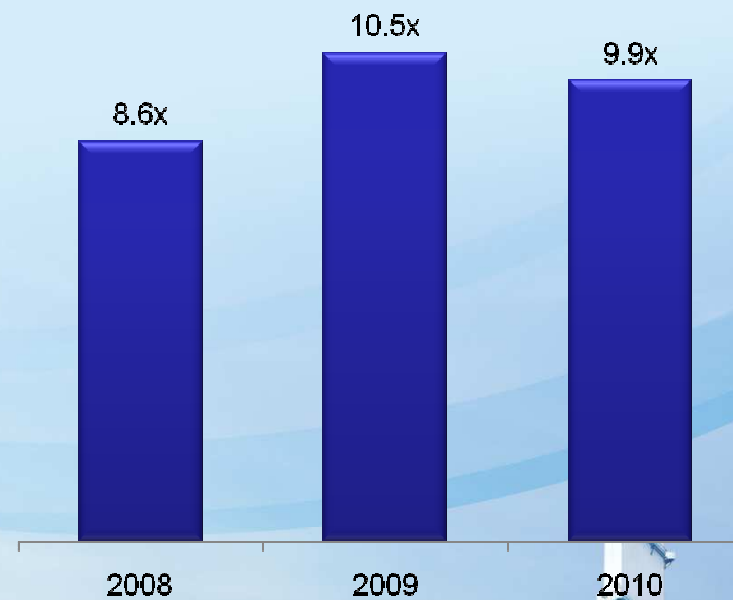
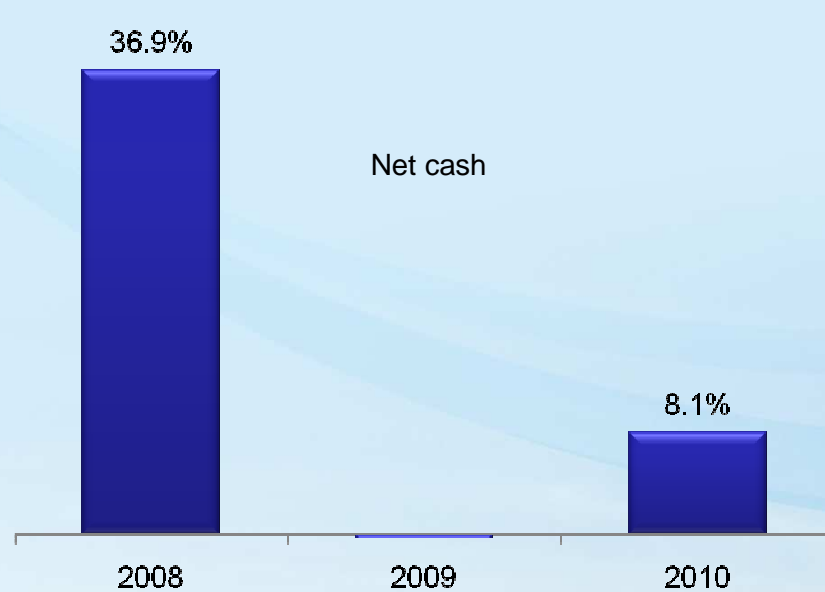


Strong Balance Sheet



Net Debt / Total capitalization⁽¹⁾

Interest Coverage ⁽²⁾



(1) Total Capitalization is calculated as total debt plus total equity

(2) EBITDA/interest expense on bank and other loans



2010 Financial review

Industry and business overview

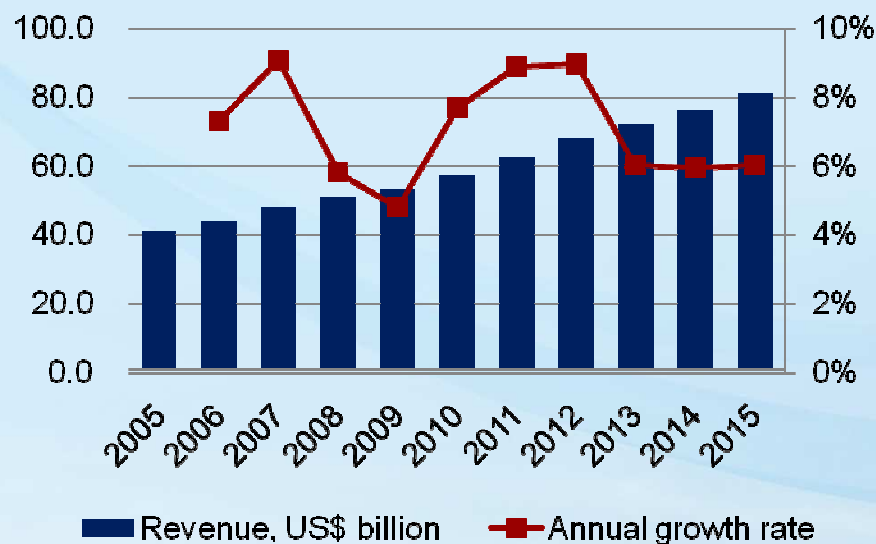
Q & A Session

Market Overview

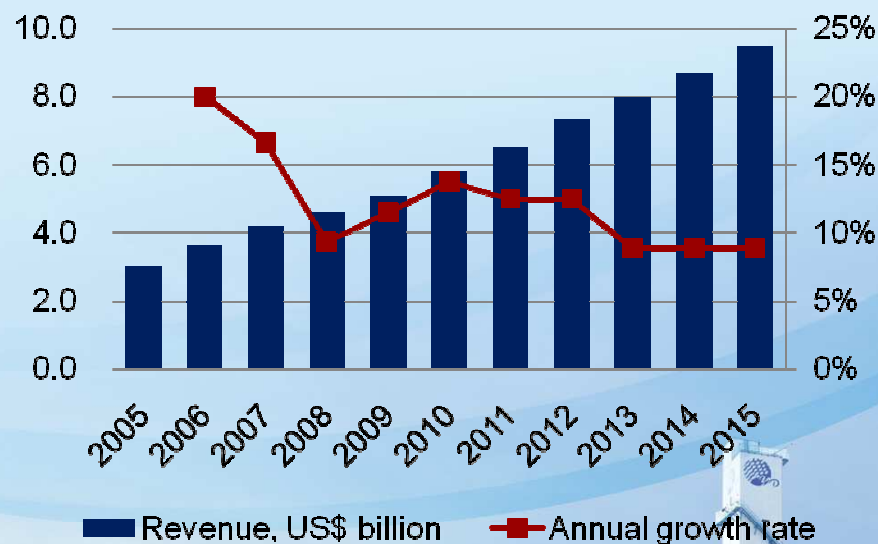


China industrial gas market projected to continue rapid growth trajectory at 10.3% from 2010 to 2015, compared with 7.2% of global market

World industrial gas market, Billion US\$



China Industrial gas market, Billion US\$



Source: SAI Report as issued on March 1, 2011



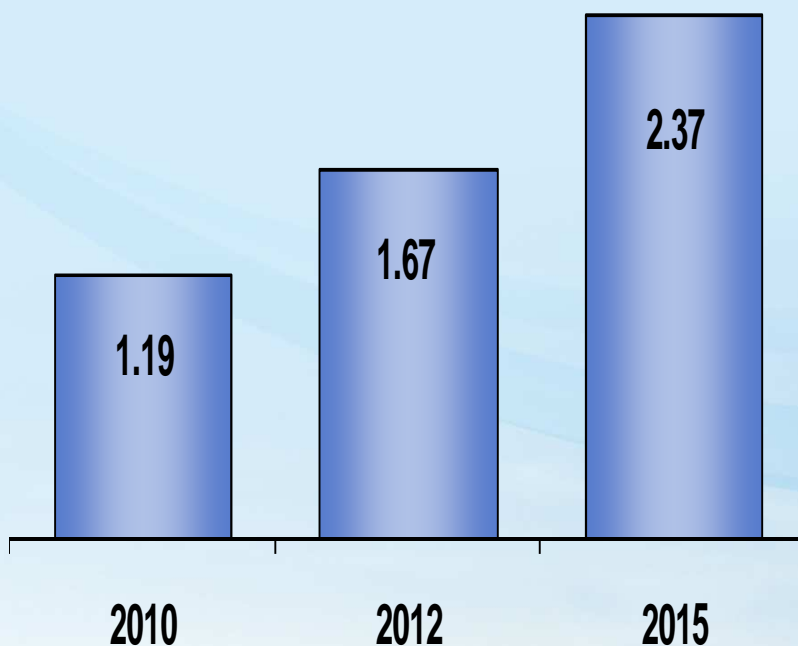
China Industrial Gas Market Overview



Steadfast outsource trend underpinned by high quality professional gas services

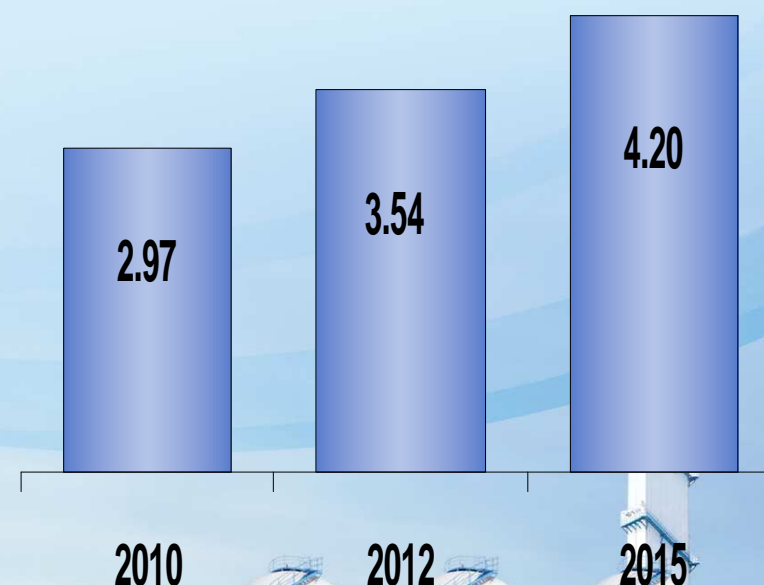
Outsourced Industrial Gas Production in China

(US billion)



Captive Industrial Gas Production in China

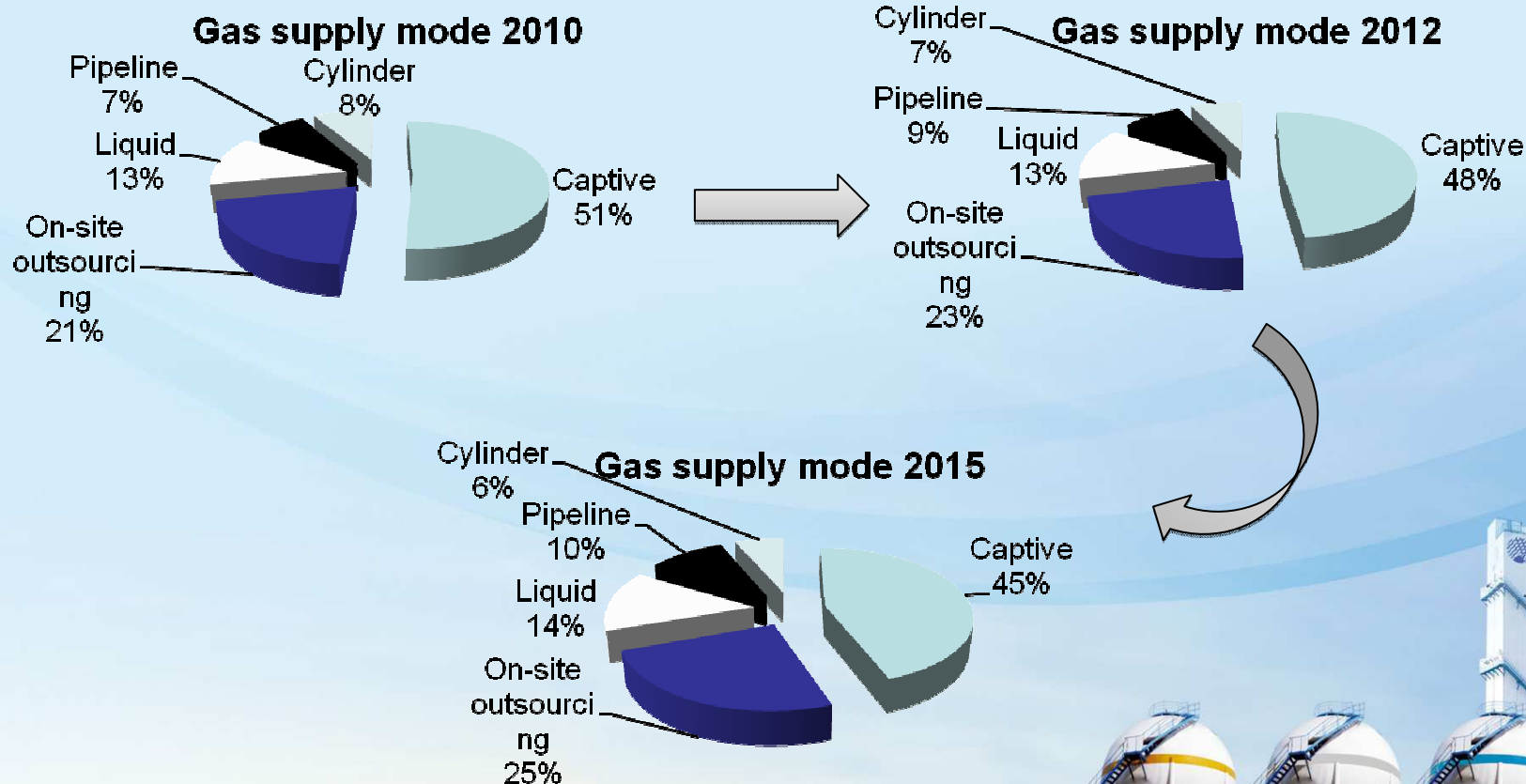
(US billion)



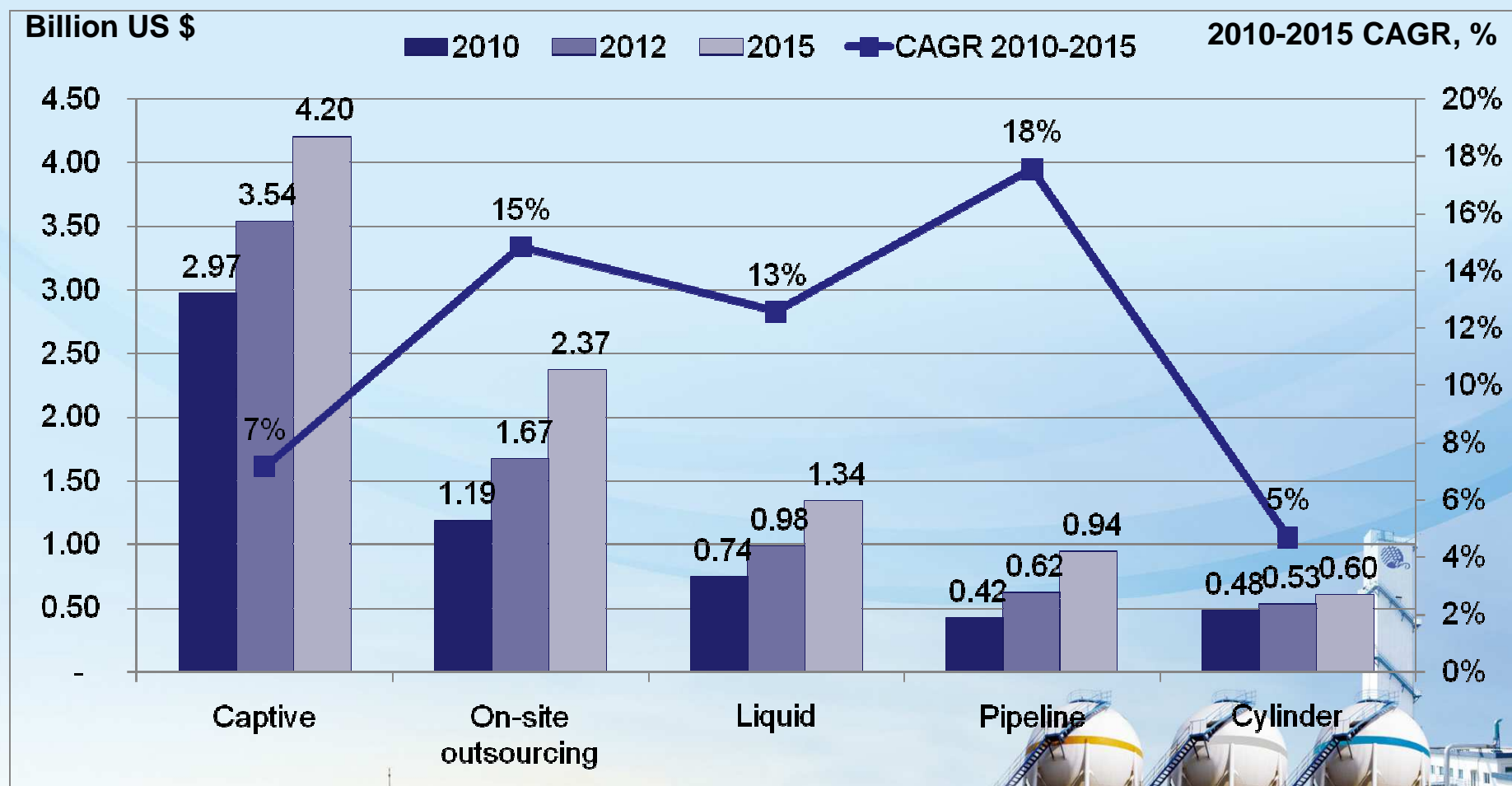
China Industrial Gas Market Overview (Con't)



Outsourcing Supply Mode Gaining Share



China Industrial Gas Market Overview (Con't)

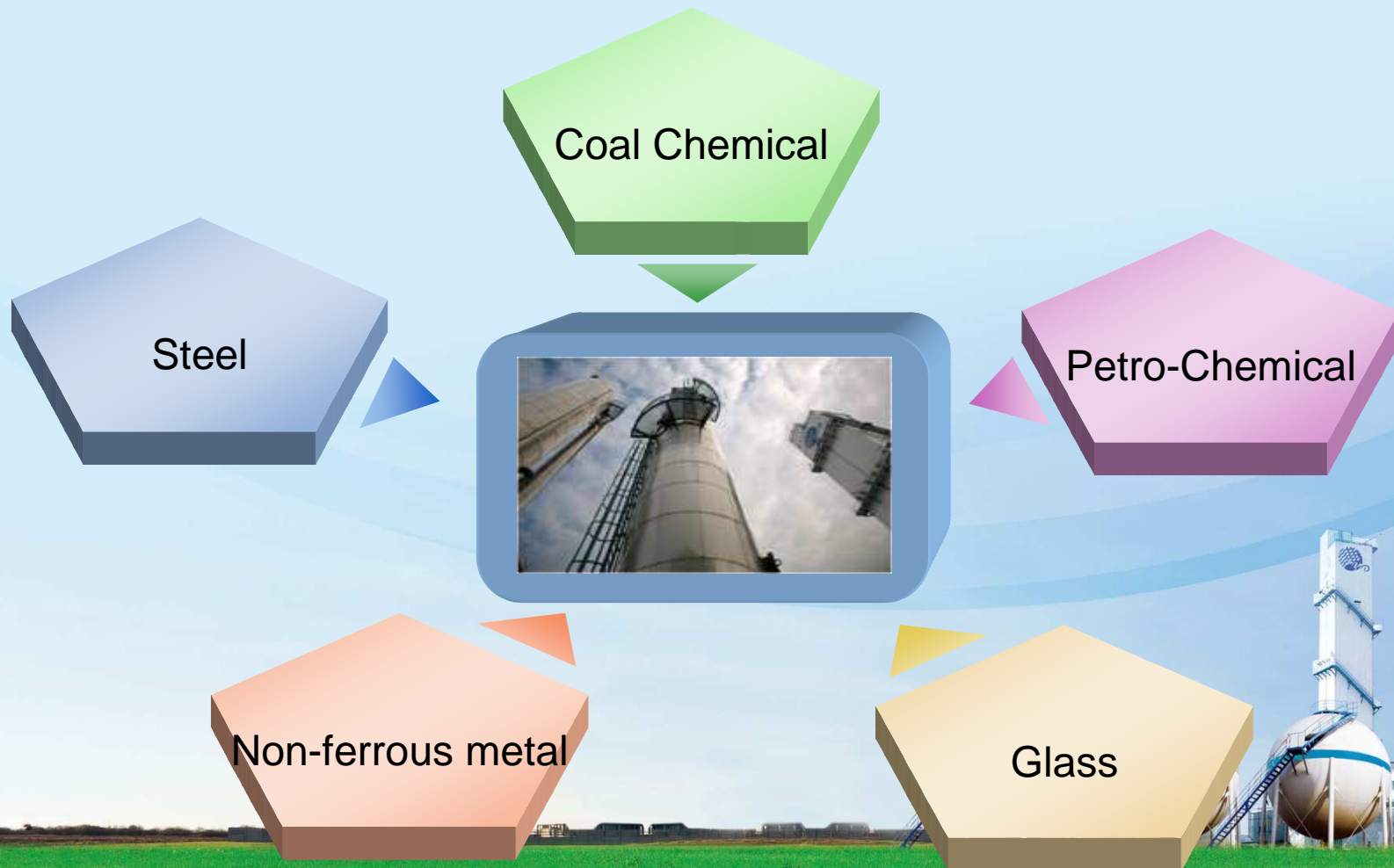


Source: SAI Report as issued on March 1, 2011

Market Overview



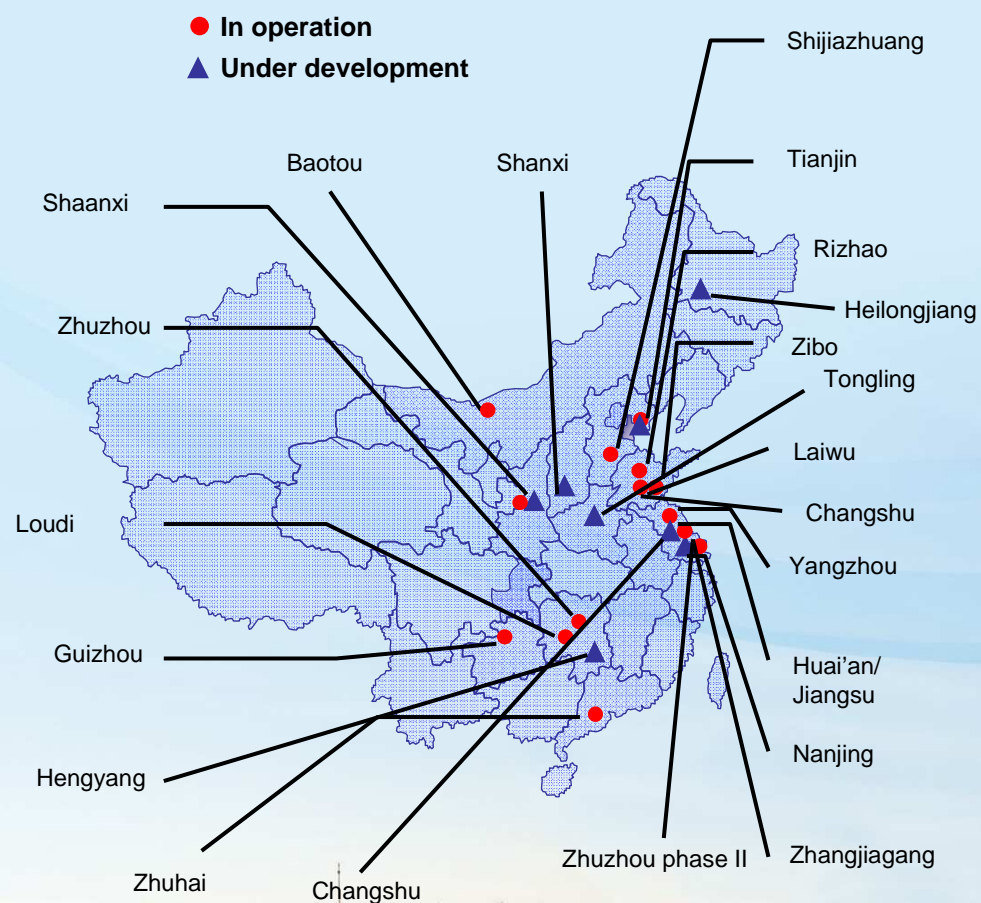
Five fast growing users drive the consumption of industrial gases



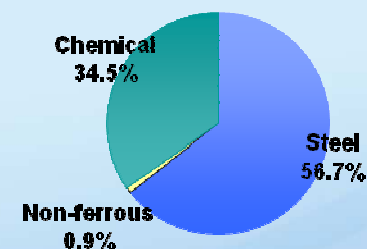
Diversifying Customer-base



Installed Oxygen Capacity Breakdown by On-site Customer Industry

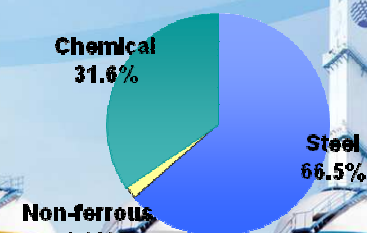


As of December 31, 2010



Total Capacity: 692,800 Nm³/h

Completion of all on-site projects currently under development



Total Capacity: 1,176,800 Nm³/h

Market Overview



We are the leader of China's on-site industrial gas suppliers

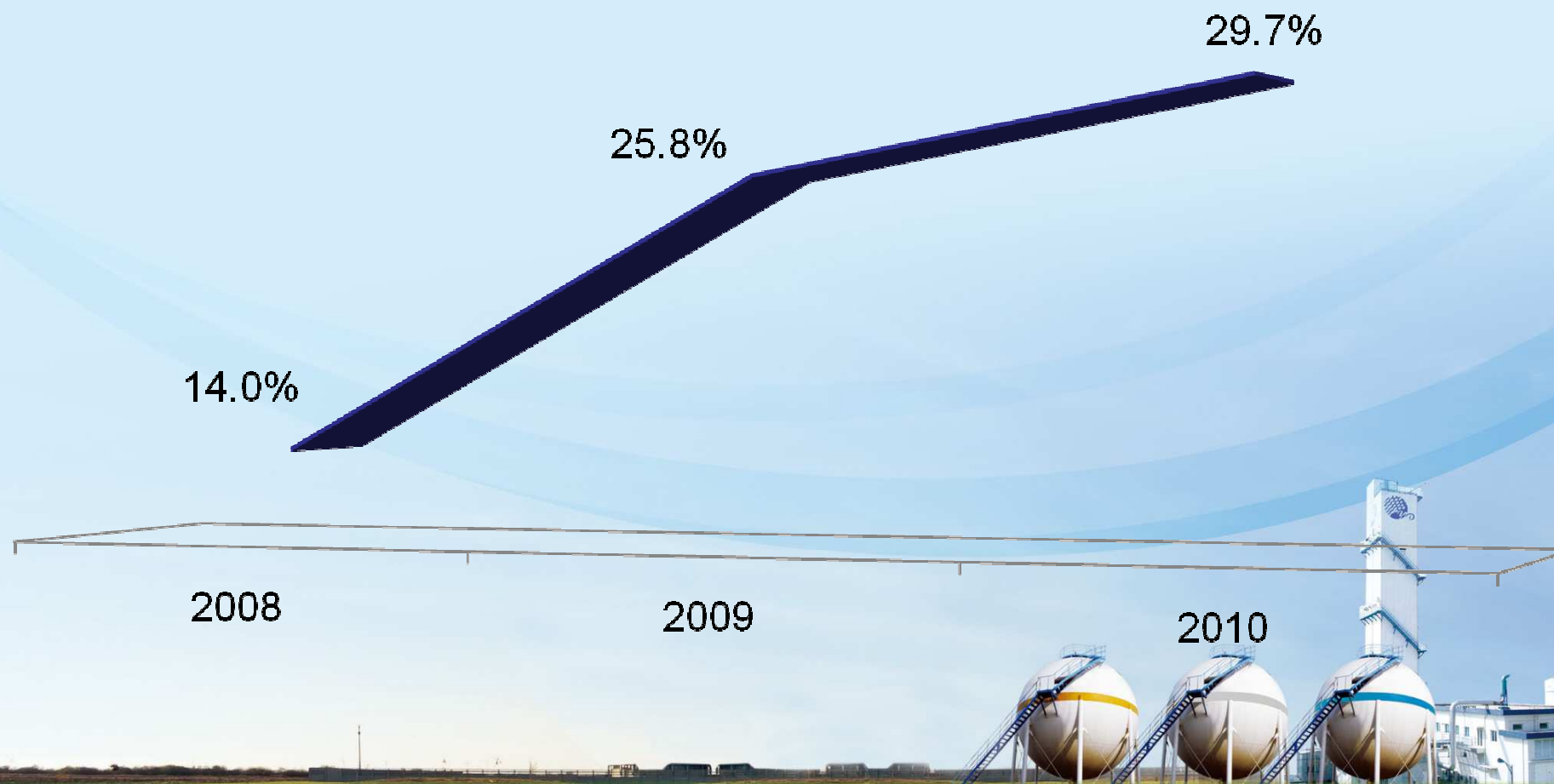
	Leading on-site industrial gas suppliers in China-a		
Name of companies	Ownership	Revenue of on-site industrial gases in 2010 (US \$ million)	Market share in on-site outsourcing market %
Yingde Gases	Local	352	29.7%
Air Liquide	International	231	19.4%
Linde	International	222	18.7%
Praxair	International	149	12.6%
APCI	International	113	9.5%
Messer	International	74	6.2%
Shanghai Jiali	Local	32	2.7%
Sanso	International	10	0.8%
Subtotal		1,183	99.6%
Other		4	0.4%
Total		1,183	100%

Source: SAI Report

Market Share %



Leading on-site gas supplier in China, Rank Number One since 2009



Recent Development



Jan - Dec 2010

- Signing 8 new gas supply contracts and constructing facilities for Steel, Chemical, non-ferrous metal and glass industries.
- Adding 244,000Nm³/hr capacity to the total capacity

Nov 2010

- Our largest ASU at Baotou for the world's largest coal to olefin project of Shenhua commenced operation

Mar 2011

- Completed first overseas debt financing: USD150million syndicated loan

1,412

2,066

3,005

2008

2009

2010

Revenue (RMB million)



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Q & A Session

