

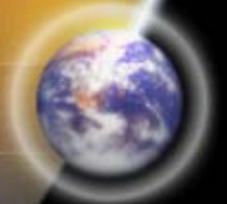


# Vitasoy International Holdings Limited

Interim Results

FY2005 - 2006

12 December 2005





# Disclaimer

In addition to historical information, this presentation contains forward-looking statements with respect to the results of the operations and business of Vitasoy. These forward-looking statements represent Vitasoy's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Vitasoy International Holdings Limited





# Performance Highlights

(Six Months ended 30th September)

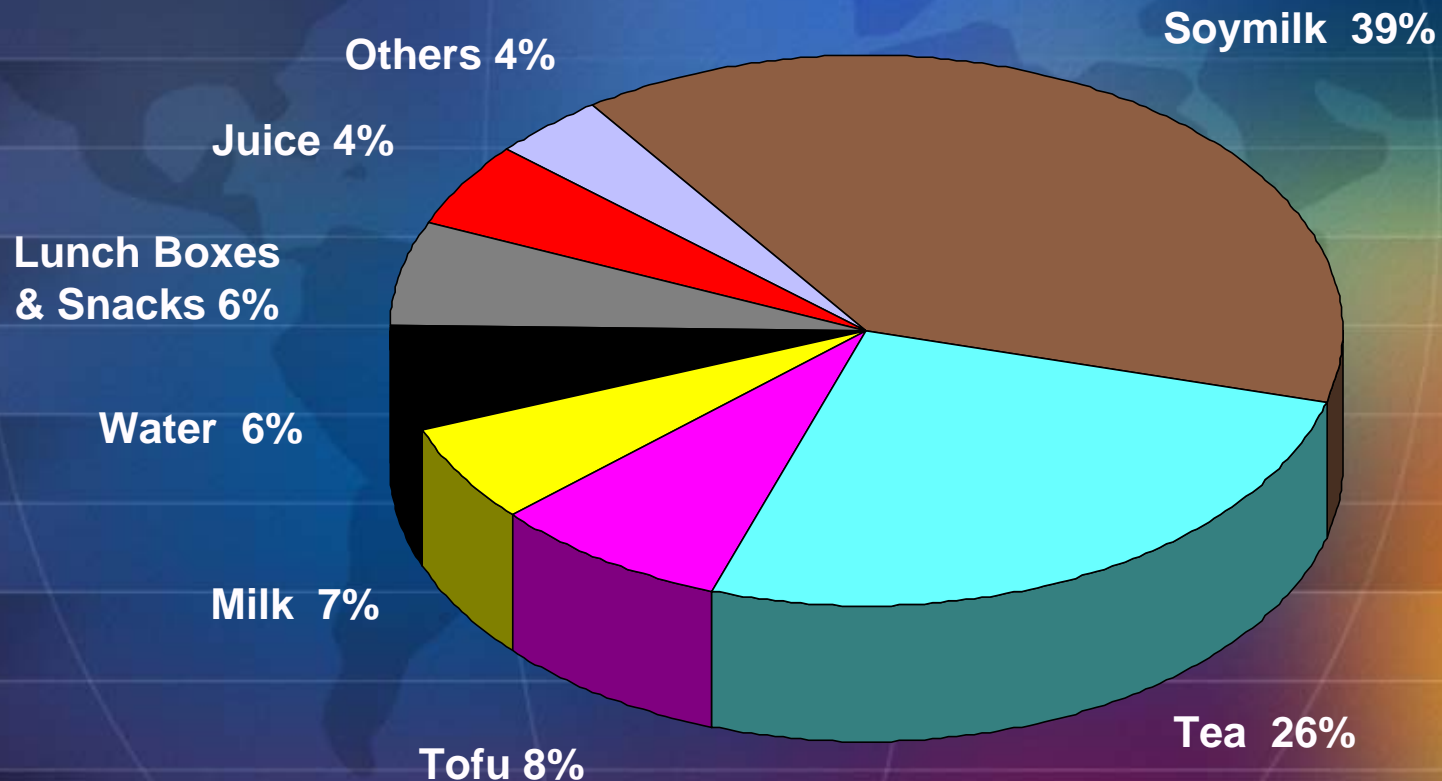
	2005	2004	Change
● Turnover (HK\$'M)	1,262	1,234	+2.3%
● Gross Profit (HK\$'M)	742	729	+1.8%
● EBITDA (HK\$'M)	173	148	+16.9%
● EBIT (HK\$'M)	118	93	+26.9%
● Net Profit (HK\$'M)	91	67	+35.8%
● Basic Earnings per Share (HK Cents)	9.1	6.7	+35.8%
● Dividend per Share (HK Cents)	2.8	2.8	





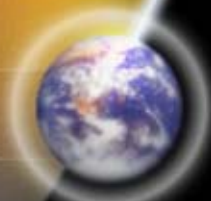
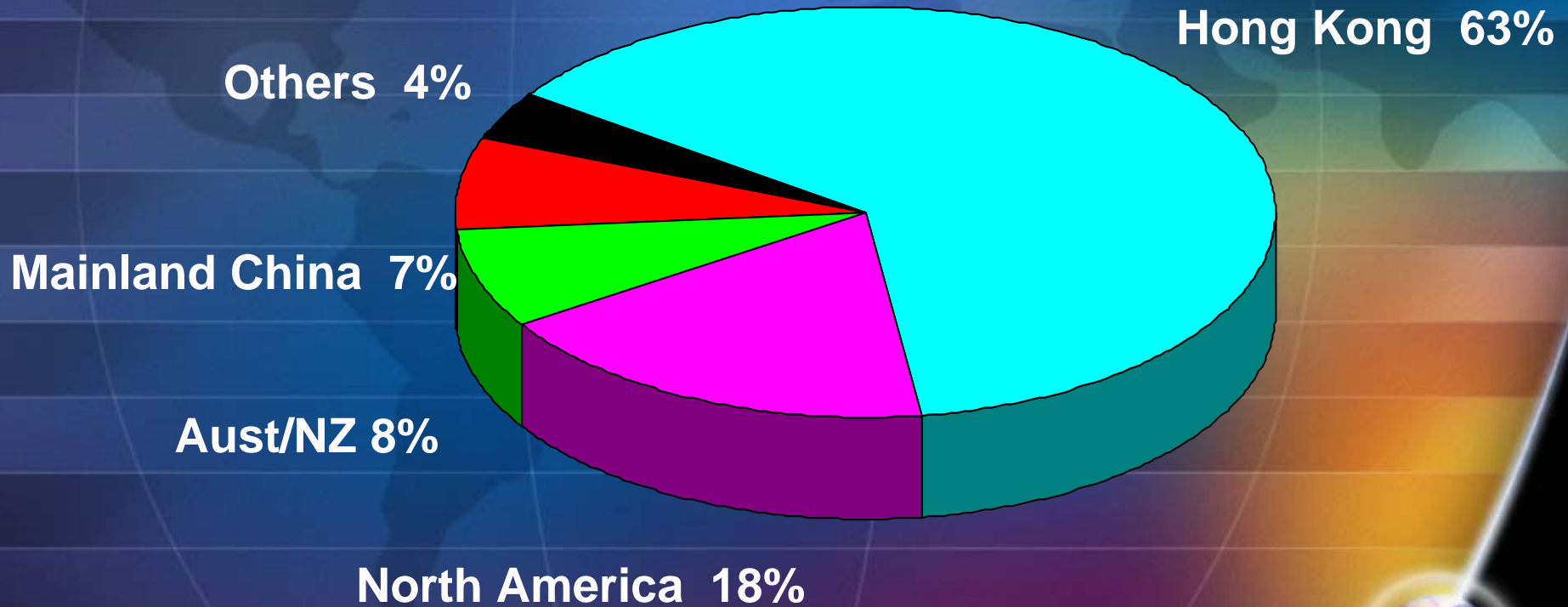
# Group Turnover by Product Category

(Six Months ended 30th September 2005)



# Group Turnover by Market

(Six Months ended 30th September 2005)



# Capital Expenditure Highlights

(Six Months ended 30th September)

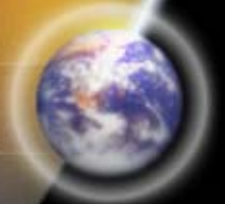
	2005 HK\$M	2004 HK\$M
● Capital Expenditure	23	24
● Depreciation	56	55



# Financial Position

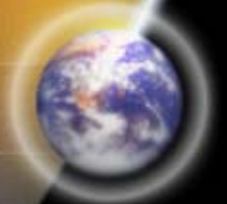
Balance as at  
30 Sep 2005 31 Mar 2005  
HK\$M HK\$M

● Cash (less all borrowings)	289	364
● Shareholders' Funds	1,197	1,248
● Debt/Equity Ratio	11.2%	13.5%





# **MARKET REVIEW & OUTLOOK FOR THE GROUP**



# Results Highlights

(Six Months ended 30th September 2005)

- **Stable growth in turnover and gross profit despite operating environment challenges**
- **Significant increase in net profit**
- **Improved profitability in all markets**
- **A clearly focused business strategy with product development and innovation, brand building, process improvement and cost management**

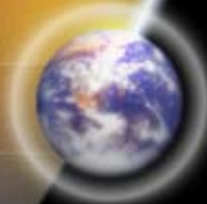




# Market Review -- Hong Kong

(Six Months ended 30th September 2005)

- Sales dropped by 1.5%
  - Experienced a slight decline in the first quarter facing the combination of rainy weather and our increased promotional prices
  - Recovered in the second quarter boosted by successful new product launches and increased promotional support
- Segment profit: HK\$101 million
- Vitasoy Strategies:
  - Pursue consumer-oriented product development program and capitalize on our brand portfolio to expand our market share
  - Take positive steps to contain cost
  - Consolidate tuck shop business to sustain higher profitability





# Market Review -- North America

(Six Months ended 30th September 2005)

- Sales decline of 9.4%
  - Decline in aseptic soymilk sales but healthy growth in Tofu category
  - Excluding the sales of discontinued products, revenue increased by 2%
  - Launch of NUTRIFULL
- Segment loss : HK\$9 million
- Vitasoy Strategies:
  - Expand our market share in the Aseptic Soymilk and Tofu categories by rolling out new products with higher value for consumers
  - Improve production efficiency and profitability

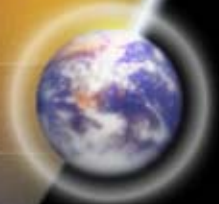




# Market Review -- Mainland China

(Six Months ended 30th September 2005)

- Sales growth of 26.8%
  - Focused strategy of “core business, core brand and core competency”
  - Brand initiatives and advertising campaign to promote local consumption
- Segment profit : HK\$40 million
- Vitasoy Strategies:
  - Reinforce leadership position in soymilk market
  - Expand our product portfolio by developing new sub-segments
  - Enhance utilization of production plants





# Market Review -- Australia/New Zealand

(Six Months ended 30th September 2005)

- **Strong sales growth of 51.4%**
  - Successful new product launches
  - Popularity of VITASOY Rice milk and VITASOY SO MILKY
- **Segment Profit : HK\$13 million**
- **Vitasoy's Strategies:**
  - Reinforce VITASOY brand's position as "the soy expert"
  - Launch new products in "value soy beverage" area and flavour innovation
  - Gain market share in Australia and New Zealand



# Conclusion

- Pursue opportunities with our focused strategy and strong financial position
  - Enhance market leadership via brand strengthening with innovative marketing programs
  - Drive volume growth through product development and innovation
  - Emphasize process improvement and cost management
  - Continue to maximize shareholders' value
- 
- A decorative graphic on the right side of the slide. It features a funnel shape that tapers from top to bottom, with a color gradient from blue at the top to yellow and orange at the bottom. At the base of the funnel is a small globe of the Earth, showing continents and oceans.

