



VITASOY INTERNATIONAL HOLDINGS LIMITED

vitasoy®
Vitasoy International Holdings Limited

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Interim Results

FY2007 - 2008

26th November 2007

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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



Financial Highlights

(Six Months ended 30th September)

	2007	2006	Change
● Turnover (HK\$'M)	1,514	1,326	+14%
● Gross Profit (HK\$'M)	894	779	+15%
● EBITDA (HK\$'M)	199	183	+9%
● EBIT (HK\$'M)	142	129	+10%
● Net Profit (HK\$'M)	105	100	+5%
● Basic Earnings per Share (HK Cents)	10.4	9.9	+5%
● Dividend per Share (HK Cents)	2.8	2.8	-



Financial Highlights

(Six Months ended 30th September)

	2007 HK\$'M	2006 HK\$'M
● Capital Expenditure	38	40
● Depreciation	57	54



Financial Highlights

Balance as at
30th Sept 2007 31st Mar 2007
HK\$'M HK\$'M

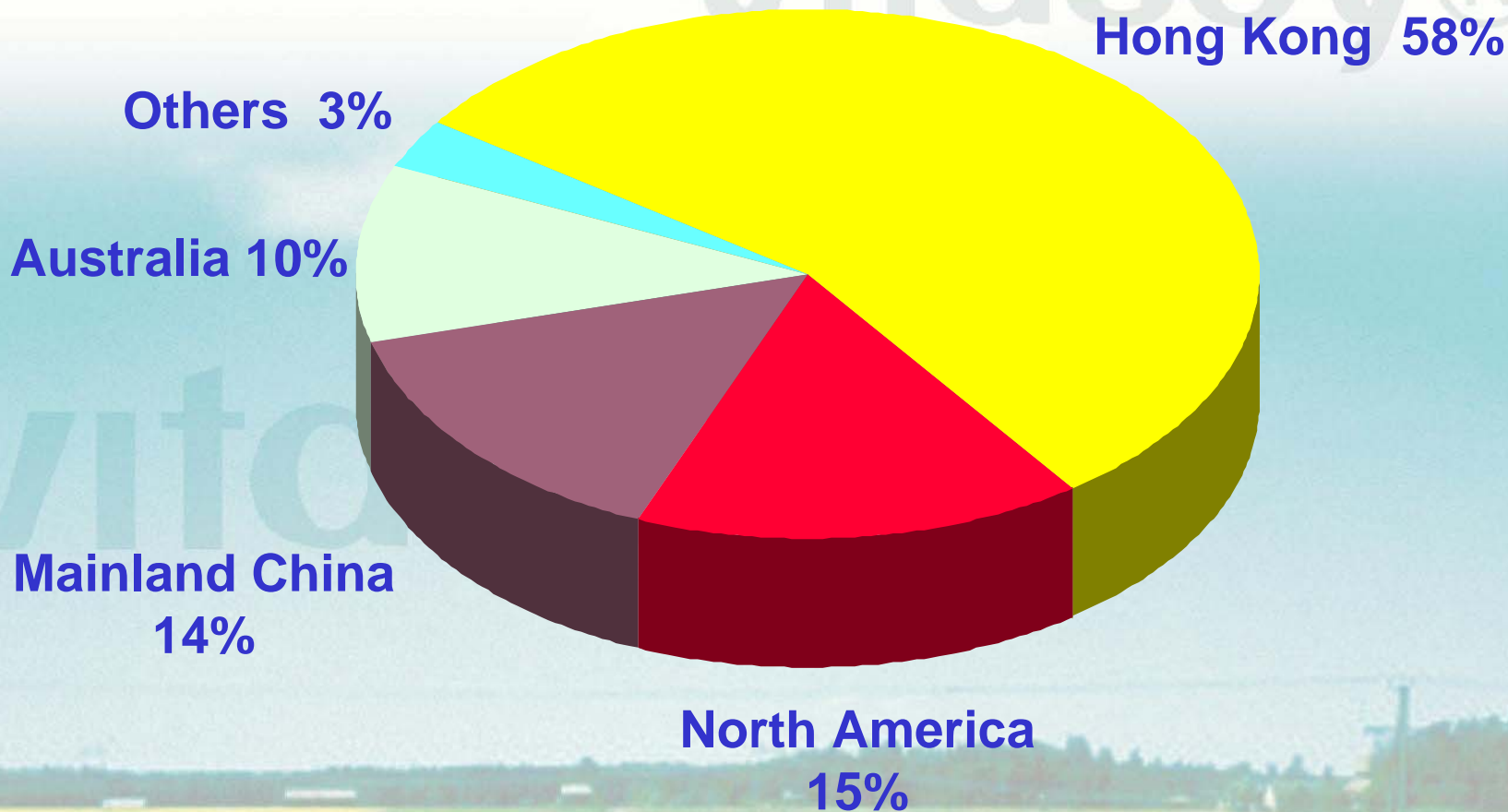
● Net Cash (Cash less borrowings)	285	368
● Shareholders' Funds	1,208	1,254
● Debt/Equity Ratio	9.6%	10.5%



Group Turnover by Market

(Six Months ended 30th September 2007)

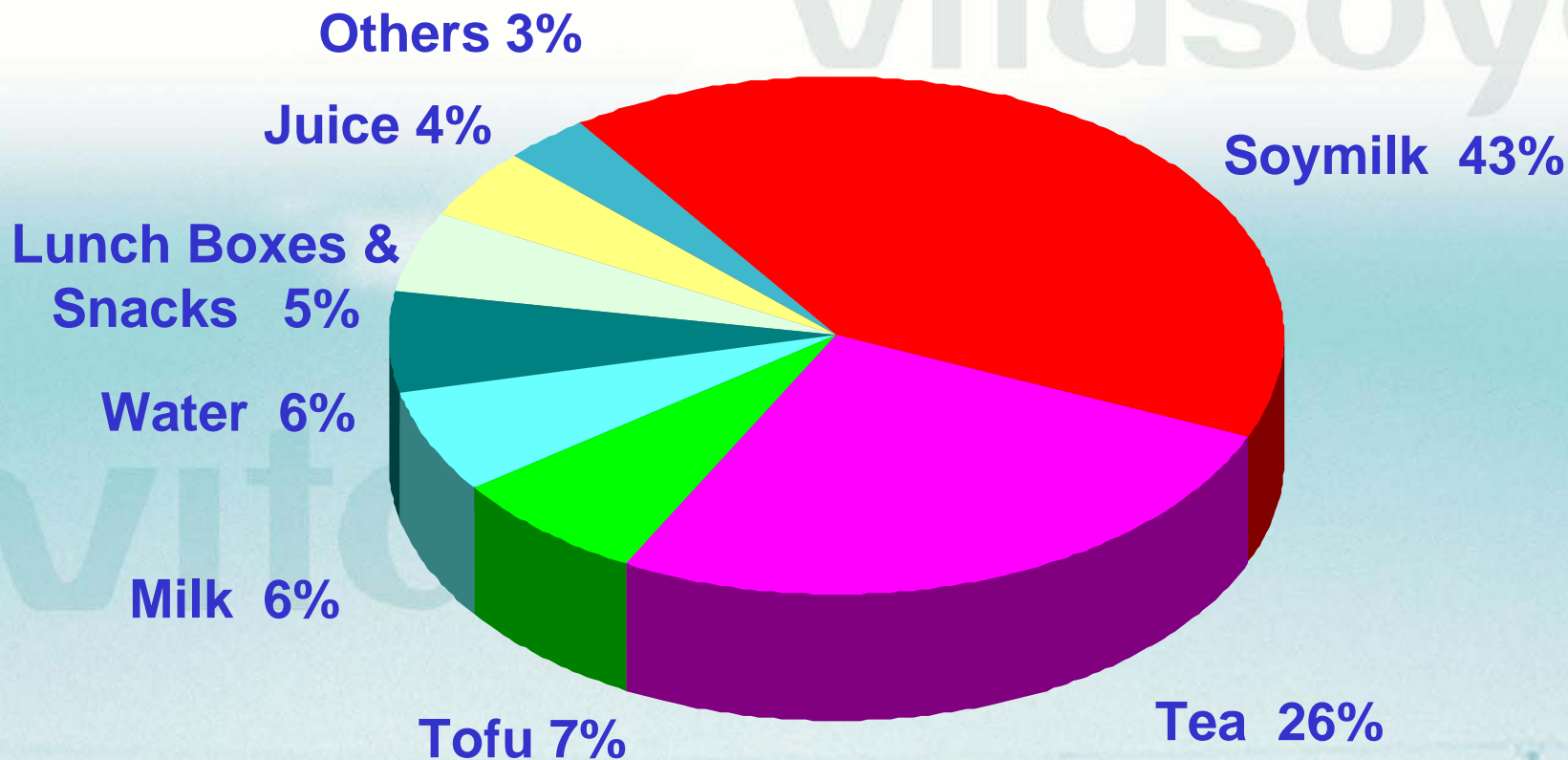
Sales by location of customers





Group Turnover by Product Category

(Six Months ended 30th September 2007)





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MARKET REVIEW & OUTLOOK

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Result Highlights

- **Group turnover increased by 14%. Mainland China and Australian markets continued to deliver impressive performance**
- **All segments reported growth in operating profit, with North America drastically reduced its operating loss by 41%**
- **A clearly focused business strategy with product development and innovation, brand building, process improvement and cost management**



Market Review – Hong Kong

- **Sales growth of 7.4% (YOY)**
 - All business segments enjoyed healthy growth
 - Vigorous product innovation strategy
 - Significant investment on brand building and product innovation to enhance long term growth and profitability
- **Segment profit of HK\$108 million**
- **Vitasoy Strategies:**
 - Continue to invest in brand building and reinforcement
 - Conscious cost management especially on raw material costs
 - Capture additional margin through effective price adjustment



Market Review – Mainland China

- **Impressive sales growth of 68.5% (YOY)**
 - Both Southern and Eastern China reported phenomenal growth
 - Focused strategy of “core business, core brand and core city” played a key role in driving sales growth
 - Significant investment in brand building and distribution infrastructure
- **Segment Profit: HK\$ 50 million**
- **Vitasoy Strategies:**
 - Invest in brand building and customer education to fortify our premium position in high-end markets
 - Strengthen our distribution network
 - Further expand our product portfolio
 - Continue to replicate the success model of Southern China in Eastern China and other regions



Market Review – Australia

- **Healthy sales growth of 28.1% (YOY)**
 - Strenuous effort in expanding market share
 - Robust brand position
 - Appreciation in Australian dollar
- **Segment Result: HK\$ 23 million**
- **Vitasoy Strategies:**
 - Continue current promotion strategy to drive volume and consumption and consumer trial
 - Launch new products and explore other distribution channels and new market segments
 - Continue to reinforce Vitasoy's brand as "the soy expert"



Market Review – North America

- Sales growth of 0.5% (YOY)
 - Tofu and aseptic soymilk market remain soft
 - Adjusted business strategy to focus on core products
- Segment loss reduced drastically by 41.2% to HK\$ 10 million
- Vitasoy Strategies:
 - Launch single-serve soymilk for entrance into food service and club store channels
 - Fortify our leading position in the tofu market
 - Develop the ethnic market
 - Cost rationalization and price revision on selected products



Conclusion

- Pursue growth opportunities with strong cash inflow from operating activities
- Consolidate market leadership via brand strengthening with innovative marketing
- Drive volume growth with focus on product development and innovation
- Maintain disciplined cost control to achieve higher cost-efficiency
- Build on our strengths and capitalize on the opportunities