



VITASOY INTERNATIONAL HOLDINGS LIMITED

vitasoy®
Vitasoy International Holdings Limited

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Annual Results

FY2005 - 2006

6th July 2006

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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

(Year ended 31st March)

	2006 HK\$'M	2005 HK\$'M	Change %
● Turnover	2,520	2,380	+ 6%
● Gross Profit	1,481	1,368	+ 8%
● EBITDA	333	281	+ 19%
● EBIT	221	168	+ 32%
● Net Profit	172	121	+ 42%



Financial Highlights

(Year ended 31st March)

	2006 HK Cents	2005 HK Cents
● Basic Earnings per share	17.2	12.2
● Final Dividend per share	6.7	5.7
● Full Year Dividend per share	9.5	8.5
● Special Dividend per share	10.0	10.0



Financial Highlights

(Year ended 31st March)

	2006 HK\$'M	2005 HK\$'M
● Capital Expenditure	64	53
● Depreciation	111	113



Financial Highlights

Balance as at
31st Mar 2006 31st Mar 2005
HK\$'M HK\$'M

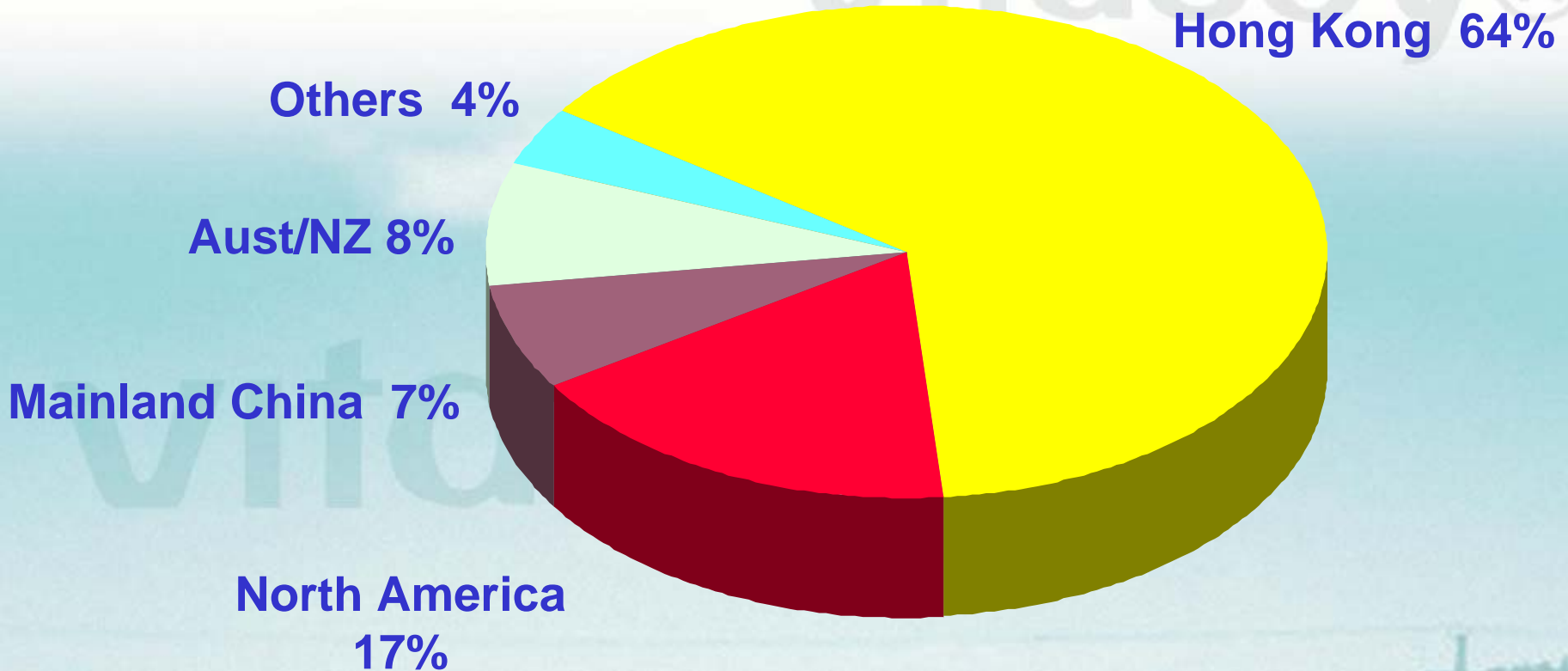
● Net Cash (Cash less borrowings)	398	364
● Shareholders' Funds	1,250	1,248
● Debt/Equity Ratio	9.5%	13.5%



Group Turnover by Market

(Year ended 31st March 2006)

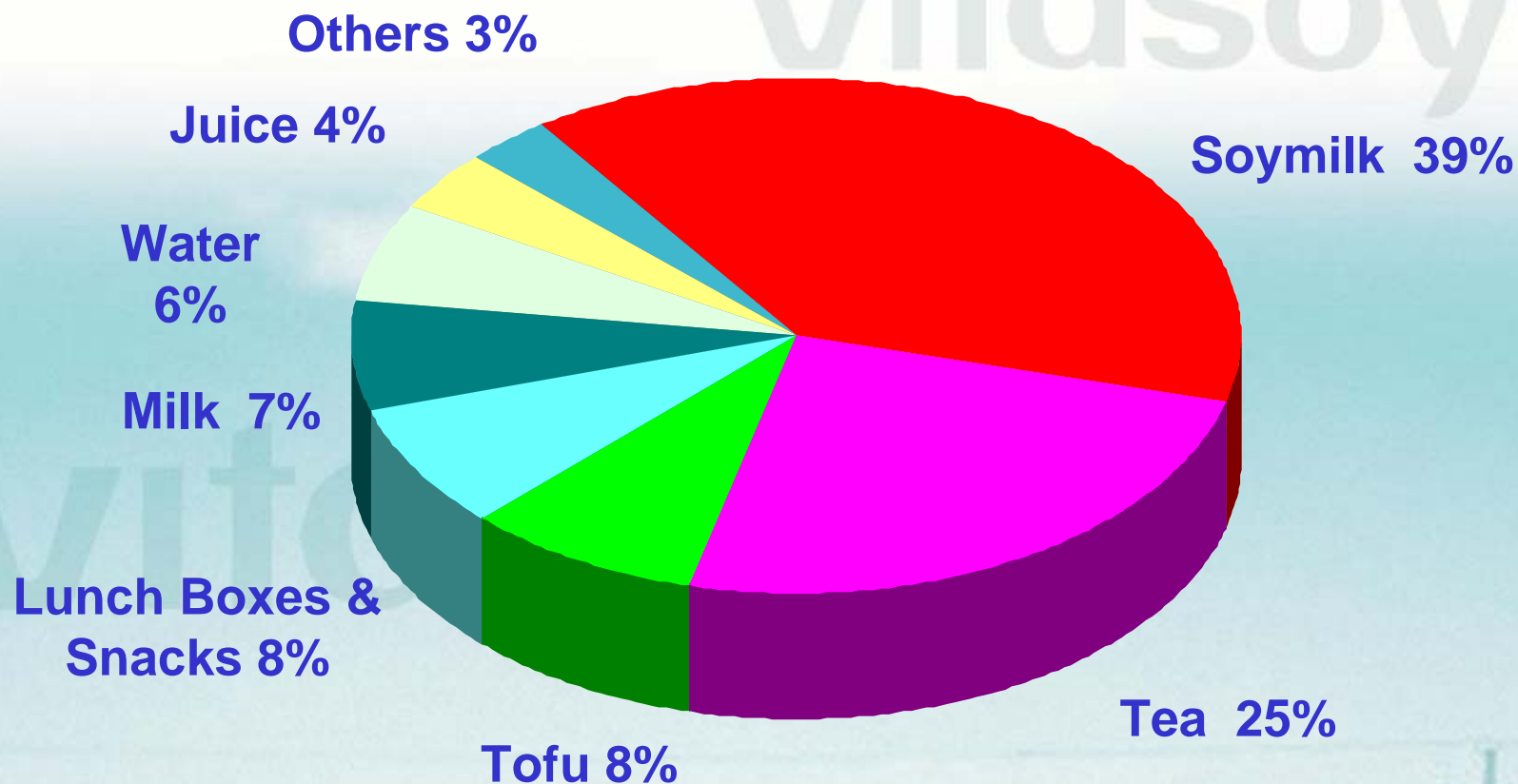
Sales by location of customers





Group Turnover by Category

(Year ended 31st March 2006)





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MARKET REVIEW & OUTLOOK

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Result Highlights

- **Group turnover grew 6% (YOY)**
- **Increase of sales and profit in the 2nd half**
 - **Sales + 10%**
 - **EBIT +37%**
- **A clearly focused business strategy with product development and innovation, brand building, process improvement and cost management**
- **Strong investment in advertising and promotion to strengthen our brands and expand our markets**



Market Review – Hong Kong

- Sales growth of 4%
- Healthy sales growth of 10% (YOY) in the 2nd Half
 - New value-added products to broaden consumer base
 - Increased efforts in marketing and distribution
 - Continued growth in tuck shop business
- Segment profit of HK\$213 million
- Vitasoy Strategies:
 - Capitalize on brand portfolio and invest in strengthening of our brands to capture market share
 - Make further investments in product and packaging innovation as well as marketing and promotion
 - Take positive steps to contain costs through higher efficiency
 - Continue to expand tuck shop business through quality assurance and service enhancement



Market Review – North America

- Sales down by 6% (YOY)
 - Decline in aseptic soymilk sales but healthy growth in water-packed tofu category
 - Excluding the sales of discontinued products, revenue increased by 2%
- Segment loss of HK\$20 million
- Vitasoy Strategies:
 - Leverage product innovation capabilities to drive the sales of Tofu and consolidate our market leadership in this core category
 - Adopt product innovation approach as well as a flexible pricing strategy in respect of Aseptic Soymilk to stimulate growth
 - Improve production efficiency and profitability



Market Review – Mainland China

- **Healthy sales growth of 29% (YOY)**
 - A focused strategy of “core business, core brand and core competency”
 - Efficient product distribution with better outlet management in Southern China
- **Segment Profit: HK\$ 56 million**
- **Vitasoy Strategies:**
 - Invest in core soymilk business to strengthen market position
 - Improve distribution efficiency and outlet management
 - Enhance utilization of production plants with co-pack business
 - Explore market opportunities under CEPA arrangement



Market Review – Australia and NZ

- **Strong sales growth of 37% (YOY)**
 - New product innovation
 - Effective marketing and promotion strategy
 - Successful brand communication
- **Segment Result: HK\$ 26 million**
- **Vitasoy Strategies:**
 - Continue to build our brand and gain market share in Australia and New Zealand
 - Launch new products and new flavors in “value soy beverage” area
 - Open to new opportunities for higher growth and operational efficiency



Conclusion

- Pursue growth opportunities with our strong financial position
- 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 a higher cost-efficiency
- Continue to maximize shareholders' value



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Thank You

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