

**vitasoy**

Vitasoy International Holdings Limited



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# **Vitasoy International Holdings Limited**

## **Interim Results**

**FY2008 - 2009**

**24th November 2008**

# 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)

(In HK\$'M)	2008	2007	Change
• Turnover (Note)	1,425	1,189	+20%
• Gross Profit	637	568	+12%
• Profit before tax (excluding one-off provision)	170	147	+16%
Less: One-off provision	<u>26</u>	<u>-</u>	
Profit before tax (including one-off provision)	144	147	-2%
• EBITDA	197	199	-1%
• EBIT	143	142	+1%
• Profit attributable to shareholders	97	105	-8%
• Basic Earnings per Share (HK Cents)	9.5	10.4	-9%
• Dividend per Share (HK Cents)	[2.8]	2.8	

Note: Turnover figure is on net sales basis, ie, gross sales minus returns, rebates and discounts, for the six months ended 30<sup>th</sup> September 2008. Comparative figure for 2007/08 interim was restated accordingly.

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	2008 HK\$'M	2007 HK\$'M
● Capital Expenditure	33	38
● Depreciation	53	57

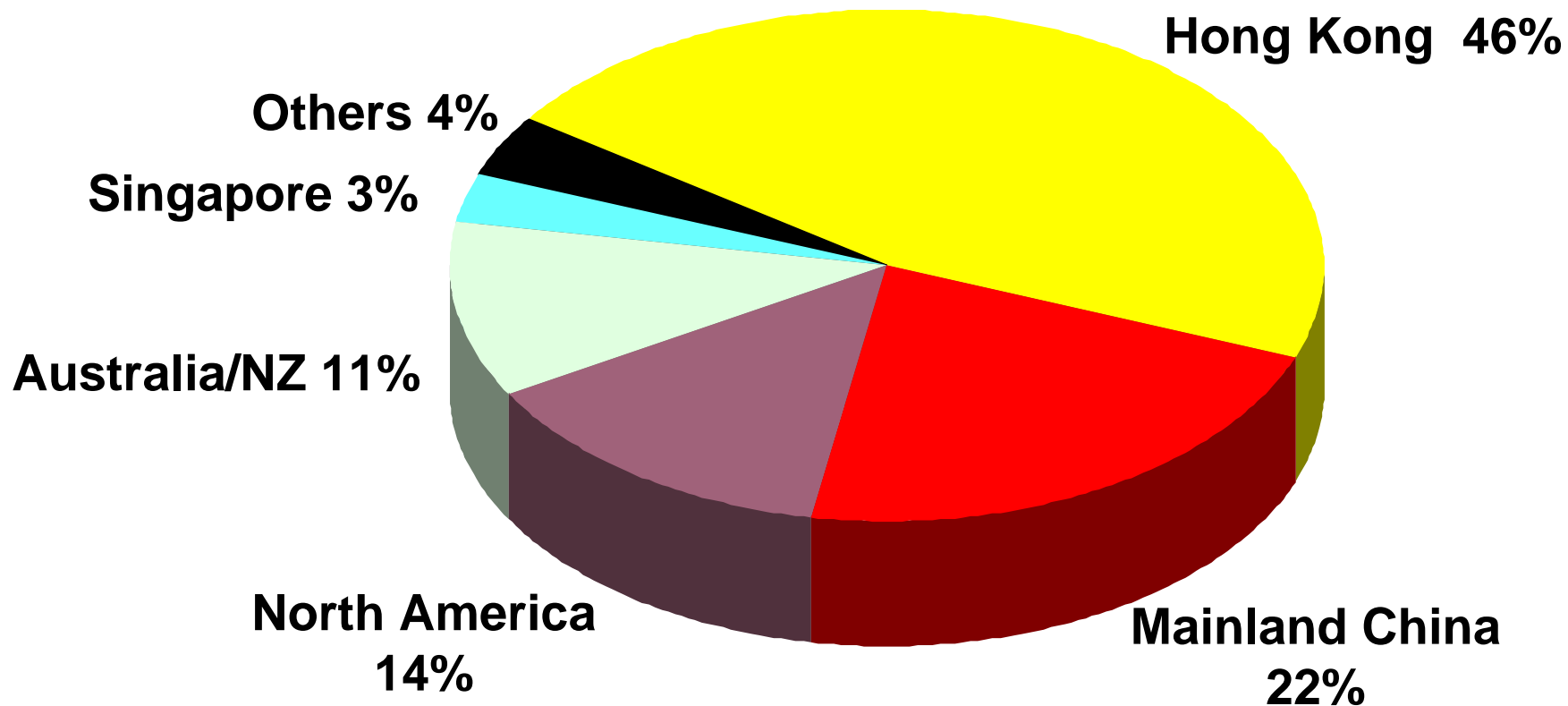
# Financial Highlights

	30th Sept 2008 HK\$'M	Balance as at 31st Mar 2008 HK\$'M	30th Sept 2007 HK\$'M
● <b>Net Cash (Cash less borrowings)</b>	<b>260</b>	<b>444</b>	<b>285</b>
● <b>Shareholders' Funds</b>	<b>1,211</b>	<b>1,305</b>	<b>1,208</b>
● <b>Debt/Equity Ratio</b>	<b>9%</b>	<b>8%</b>	<b>10%</b>

# Group Turnover by Market

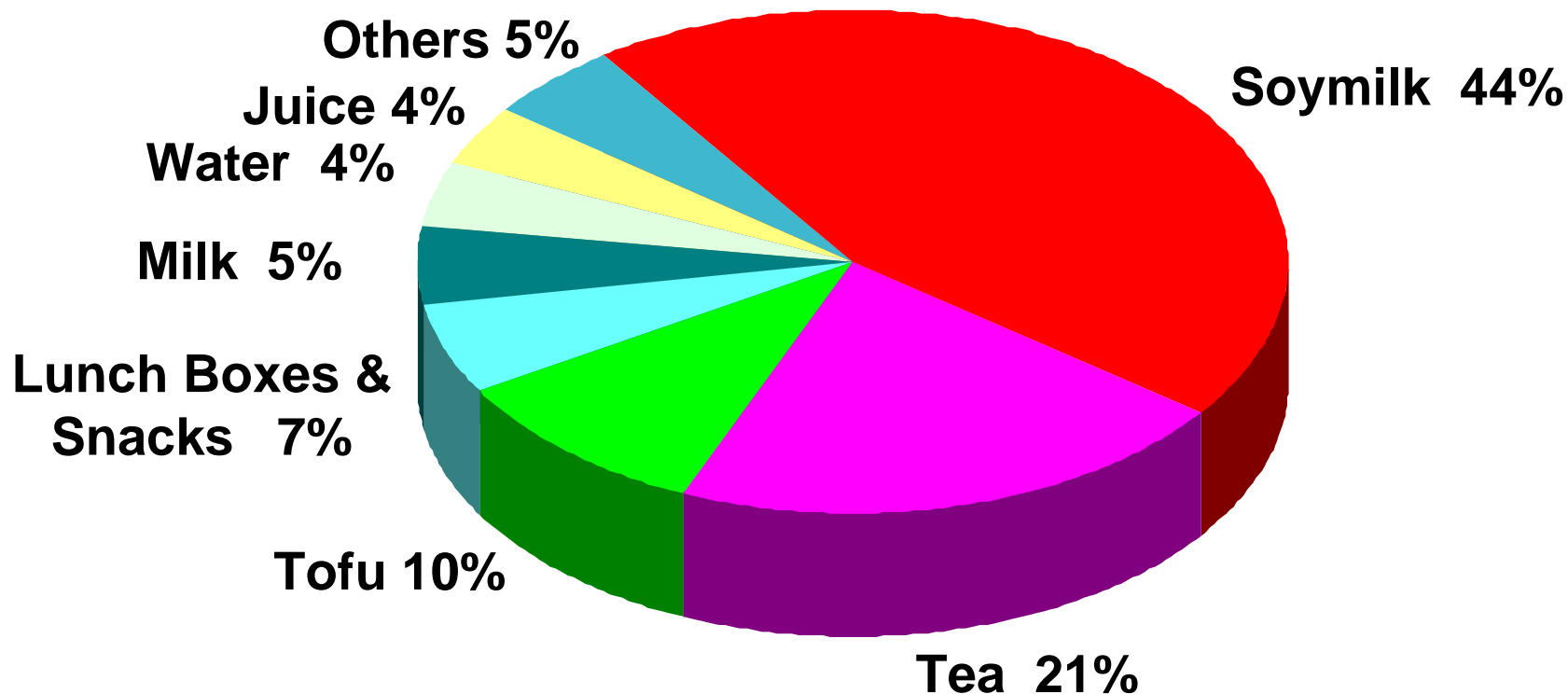
(Six Months ended 30th September 2008)

Sales by location of customers



# Group Turnover by Product Category

(Six Months ended 30th September 2008)



# **MARKET REVIEW & OUTLOOK**

# Result Highlights

- **Turnover reached HK\$1,425 million, up by 20%**
  - **Successful development and introduction of new value-added products**
  - **A clear focused business strategy complemented by product development and innovation, brand building**
- **Profit attributable to shareholders was HK\$97 million, decreased by 8%**
  - **A one-off provision of HK\$26 million in relation to prior year's Hong Kong employees' leave pay entitlement for the previous years had been provided.**

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# Market Review – Hong Kong

- **Sales growth of 3% (YOY)**
  - **Successful pricing strategies**
  - **Proactive product development programme drove demand growth**
  - **Investment in VITASOY revamp program**
  - **Robust growth was recorded in export markets**
- **Segment Profit: HK\$91 million**
- **Vitasoy Strategies:**
  - **Diversify product range with an emphasis on more healthy products**
  - **Leverage the success of our revamp VITASOY logo and product package to reinforce market position**
  - **Continue to enhance cost management**

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# Market Review – Mainland China

- **Healthy sales growth of 60% (YOY)**
  - **Commanded a leading marketing position in Southern China**
  - **Aggressive sales strategy**
  - **Pursued product development strategy that caters to local needs**
- **Segment Profit: HK\$62 million**
- **Vitasoy Strategies:**
  - **Invest in brand building and promoting soy benefits**
  - **Continue execution of “core business, core brand and core city” strategy**
  - **Expand distribution network**
  - **Further expand our product portfolio**

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# Market Review – Australia and NZ

- **Healthy sales growth of 23% (YOY)**
  - High product quality
  - Diverse product range
- **Catching up quickly in market leadership position**
- **Segment Profit: HK\$28 million**
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  - Launch new products

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# Market Review – North America

- **Sales growth of 5% (YOY)**
  - Focused on the most profitable products
  - Maximised the use of trade spending
- **Segment Loss: HK\$9 million**
- **Vitasoy Strategies:**
  - Focus on our core competencies
  - Rationalize product portfolio
  - Enhance distribution channels
  - Reduce cost and improve trade spending efficiency

# Market Review – Singapore

- **Acquisition of Unicurd**
  - **Leading Soyfood manufacturer and marketer in Singapore**
  - **Expand the Group's market presence in the Asia Pacific region**
- **Stable domestic and export sales growth**
- **Segment Revenue: HK\$37 million**
- **Segment Profit: HK\$5 million**
- **Vitasoy Strategies:**
  - **Improve the plant's production efficiency and output**
  - **Launch more new dessert products**

## Conclusion

- **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 pursue growth opportunities**

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