

vitasoy

Vitasoy International Holdings Limited

FRIEND 祝 70 年



Vitasoy International Holdings Limited

Annual Results Announcement

FY2009 – 2010

8th June, 2010

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)

(In HK\$'M)	2010	2009	% Change
• Turnover	3,012	2,809	+ 7%
• Gross Profit	1,498	1,305	+ 15%
• Profit before tax	375	301	+ 25%
• EBITDA	483	406	+ 19%
• EBIT	378	301	+ 26%
• Profit attributable to shareholders	260	217	+ 20%

Financial Highlights

(Year ended 31st March)

	2010 HK Cents	2009 HK Cents
• Basic Earnings Per Share	25.6	21.4
• Final Dividend Per Share	13.4	9.0
• Full Year Dividend Per Share	16.6	11.8
• Special Dividend Per Share	10.0	10.0

Financial Highlights

(Year ended 31st March)

	2010 HK\$'M	2009 HK\$'M
● Capital Expenditure	91	146
● Depreciation and amortization	104	105

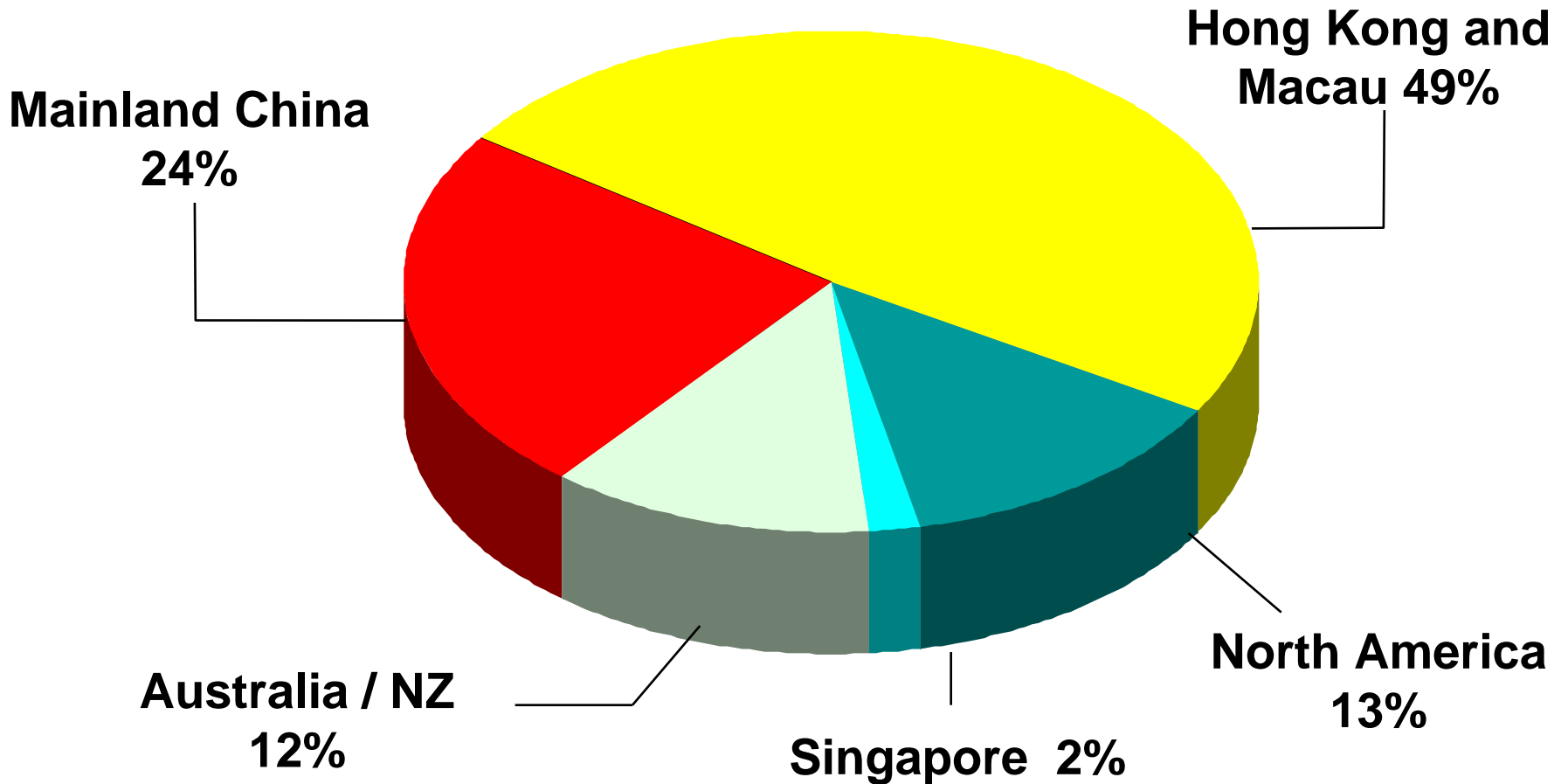
Financial Highlights

(Year ended 31st March)

	2010 HK\$'M	2009 HK\$'M
● Net Cash (Cash less borrowings)	392	406
● Shareholders' Funds	1,358	1,287
● Debt/Equity Ratio	6%	6%

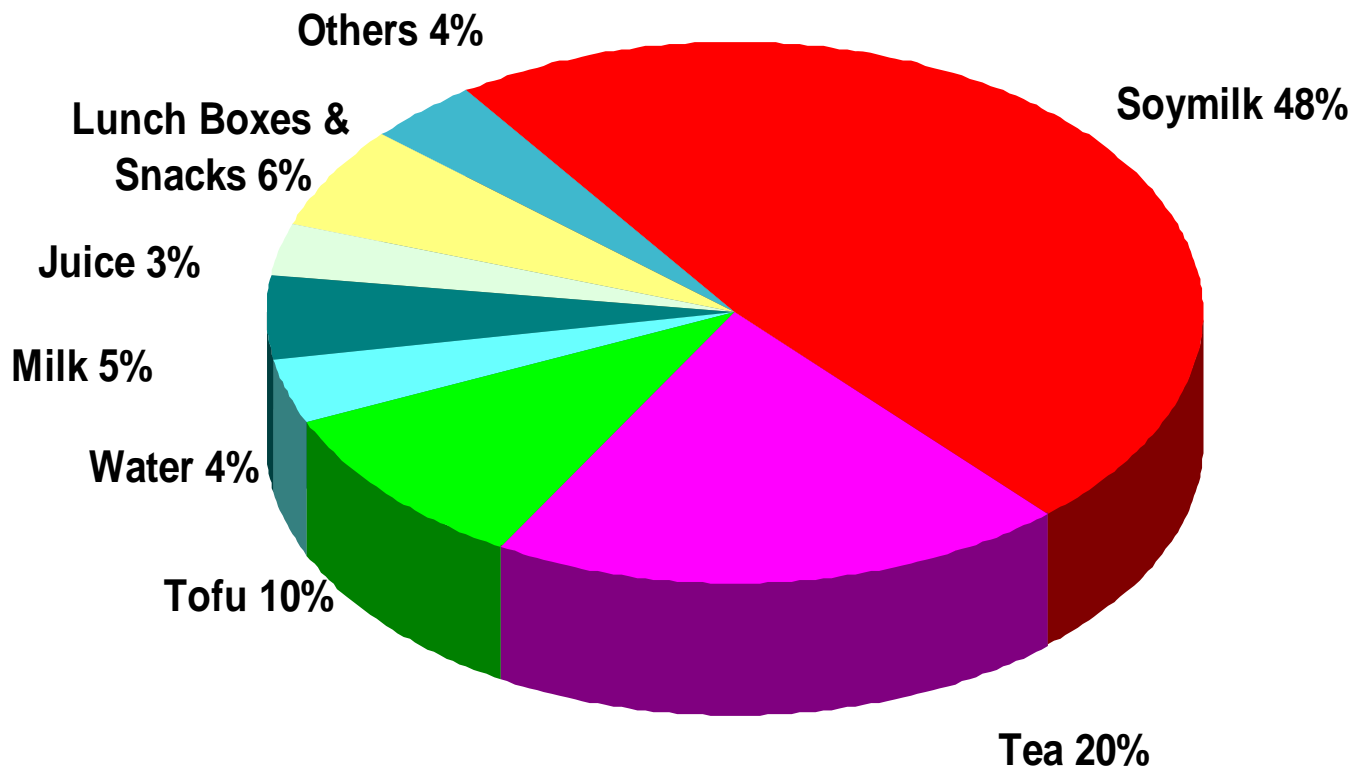
Group Turnover by Market

(Year ended 31st March 2010)



Group Turnover by Product Category

(Year ended 31st March 2010)



MARKET REVIEW & OUTLOOK

Result Highlights

- **Solid business growth**
- **Group turnover grew 7% (YOY)**
- **Gross profit margin increased to 50% (+3 ppt.)**
- **Benefited from price reduction of commodities & raw materials**
- **Steady performance in all the operating markets**

Market Review – Hong Kong and Macau

- **Satisfactory Performance under a Challenging Environment**
- **Healthy sales growth of 1% (YOY)**
 - In line with the overall growth trend of the non-alcoholic beverage market
 - Built an even stronger market position
 - 70th Anniversary campaigns helped sales and brand equity.
 - Impressive growth of over 16% in Macau
 - Vitaland business hurt badly by the swine flu pandemic.
- **Segment profit from operation: HK\$278 million (+14% YoY)**
- **Vitasoy Strategies:**
 - Reinforce our market position through innovative marketing and promotion
 - Maintain market leadership with improved profitability for the Vitaland business
 - Further enhance our production capability by increasing our capacity and technical competence

Market Review – Mainland China

- **Main Growth Driver of the Group**
- **Strong sales growth of 29% (YOY)**
 - Persistent effort in brand building and marketing maintained market leadership
 - Effective product development strategy
 - Intensive market competition as dairy companies regaining momentum
- **Segment profit from operation: HK\$104 million (+33% YoY)**
- **Vitasoy Strategies:**
 - Continue with the “Core Business, Core Brand and Core City” strategy
 - Continue the aggressive marketing effort in Eastern China
 - Strengthen the manufacturing capacity in Southern China

Market Review – Australia and NZ

- **Strong Sales and Category Growth**
- **Robust sales growth of 22%**
 - Category leadership
 - Expanded distribution network
- **Segment profit from operation: HK\$56 million (8% YoY)**
- **Vitasoy Strategies:**
 - Continue “key price point” promotional strategy
 - Actively promote the SOY MILKY range
 - Enhance production capacity

Market Review – North America

- **First Operating Profit Recorded in Over a Decade**
- **Modest sales decline of 9%**
 - Exit from the mainstream soymilk business
- **Segment profit from operation: HK\$8 Million (vs. HK\$6 Million loss in 2009)**
 - Strong growth in the sales of core products with good profit margins
 - Savings in costs
- **Vitasoy Strategies:**
 - Focus on our core domestic products
 - Expand our customer base
 - Launching of new products

Market Review – Singapore

- **Driving Category Growth**
- **Sales increased by 3%**
 - Consumption of tofu continued to grow
 - Major growth driver in the supermarket channel
 - New products well received by customers
- **Segment profit from operation: HK\$ 9 million (+10% YoY)**
- **Vitasoy Strategies:**
 - New package design to enhance product differentiation
 - Use of offsite distribution centre to improve efficiency
 - To increase presence in segments where we are not dominant

Conclusion

- **Retail trade could benefit from recovery of global economy**
- **Alert to challenges including rise of raw material prices and intensified uncertain economic conditions particularly in Europe**
- **Leverage our brand equity and product innovation capability to fortify market position**
- **Ensure production facilities worldwide will have enough capacity for meeting the increase in demand**