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2009 Annual Results

March 2010

IR Website: www.nblife.com/ir



Agenda



- ◆ Financial Highlights
- ◆ Market Overview
- ◆ Business Overview and Strategies
- ◆ Open Forum



Financial Highlights



Summarized Results in FY2009

- ◆ Turnover decreased by 9.2% to HK\$538.1 million
- ◆ Profit attributable to equity holders declined by 37.3% to HK\$149.6 million
- ◆ Gross margin maintained at a high level of 77.2%
- ◆ Operating margin and net margin remained healthy, stood at 34.7% and 26.7% respectively
- ◆ Return on Equity (ROE) was 16.8% (FY2008: 27.1%)
- ◆ Return on Assets (ROA) was 14.2% (FY2008: 23.2%)



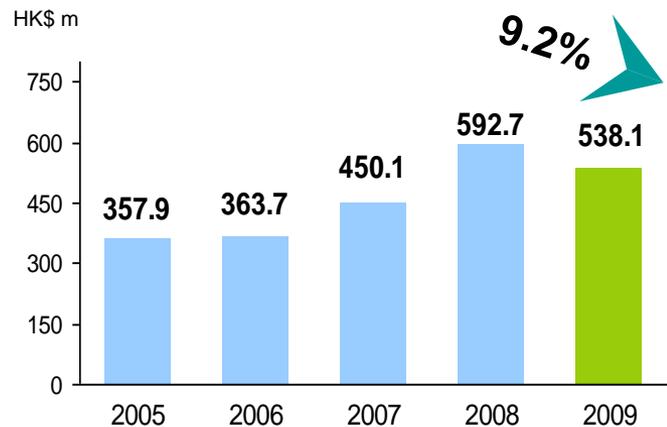
Financial Summary

| | For the year ended 31 December | | Change (%) |
|--|--------------------------------|--------------|-----------------|
| (HK\$ million) | 2009 | 2008 | |
| Turnover | 538.1 | 592.7 | -9.2 |
| Gross profit | 415.2 | 506.6 | -18.0 |
| Operating profit | 186.8 | 308.5 | -39.5 |
| Net profit | 143.9 | 238.6 | -39.7 |
| Profit attributable to equity holders | 149.6 | 238.5 | -37.3 |
| Dividend per share (HK cents) | 7.50 | 8.35 | -10.2 |
| - Interim (HK cents) | 3.50 | 5.00 | -30.0 |
| - Final (HK cents) | 4.00 | 3.35 | +19.4 |
| Dividend payout (%) | 100.3 | 70.1 | +30.2pts |
| Basic EPS (HK cents) | 7.5 | 11.9 | -37.0 |

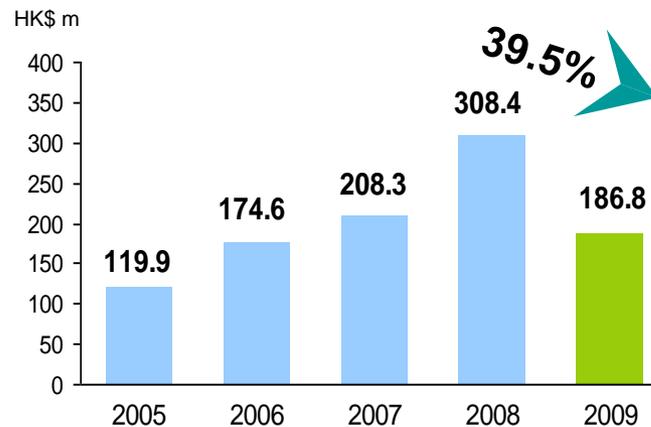
Financial Performance



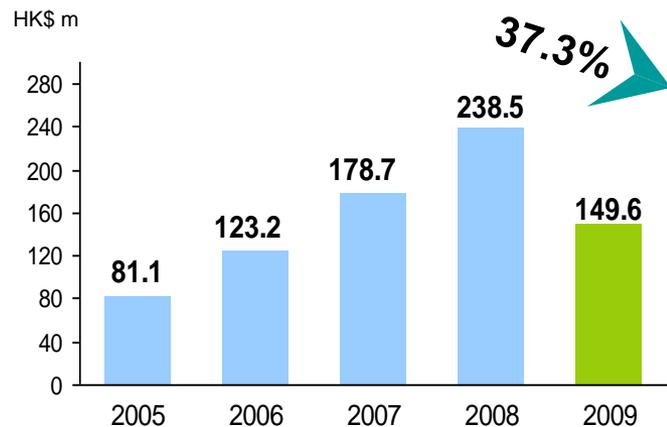
Turnover



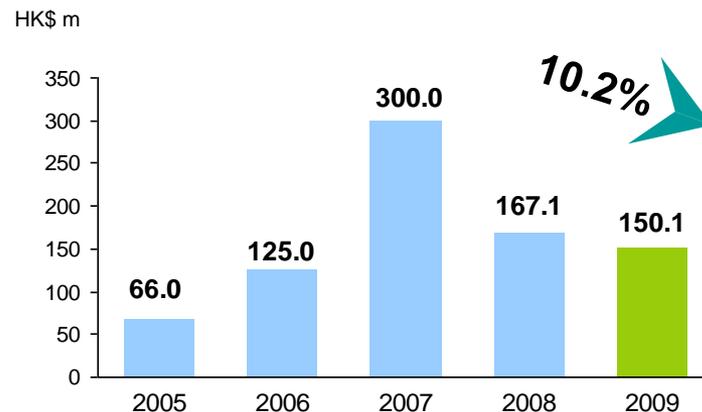
Operating profit



Profit attributable to equity holders



Dividends





Shareholder's Value

Year ended December 31

Change %

2009

2008

ROE (%)

16.8

27.1

-10.3pts

ROA (%)

14.2

23.2

-9.0pts

Cash (HK\$ million)

559.3

546.2

+2.4

Gearing ratio

Net cash

Net cash

-

Dividend pay-out ratio (%)

100.3

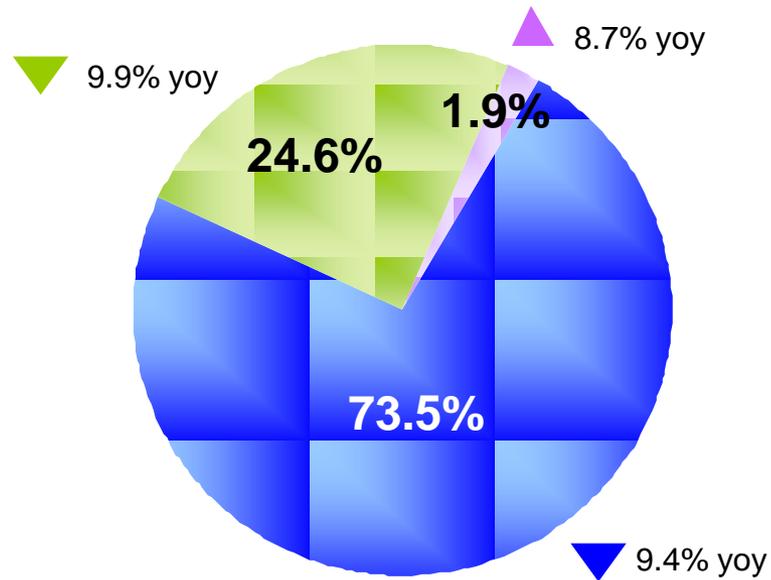
70.1

+30.2pts



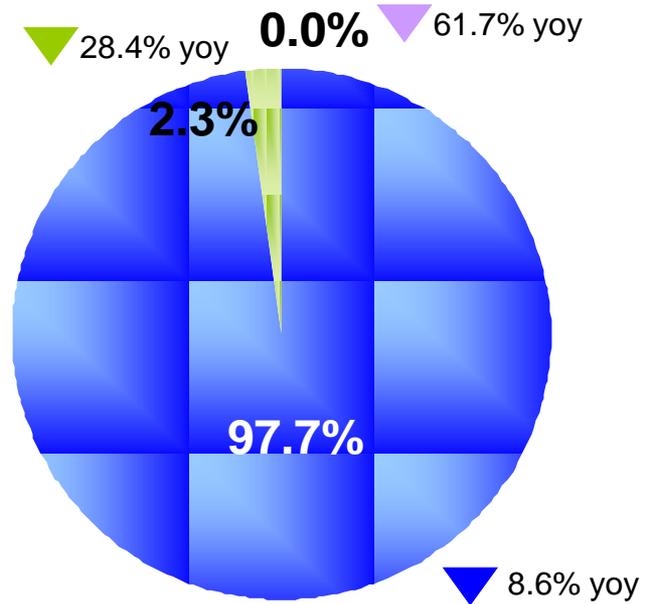
Turnover Analysis for 2009

By Region



- The PRC
- Taiwan
- Others (incl. Hong Kong, Macau & Malaysia)

By Products / Service



- Product Sales
- Service Income
- Entrustment income



Average Sales Per Store

- ◆ The Group's average sales per store remained stable at HK\$294,000 in 2009 despite:
 - The number of stores decreased as a result of eliminating non-compliant stores to ensure the service quality
 - Sales dropped due to the sluggish economy
- ◆ Average store sales in PRC remained unchanged
- ◆ Average store sales in Taiwan decreased slightly by 0.3% yoy

| Average Sales Per Store | | | |
|-------------------------|----------------|----------------|-------------|
| (HK\$) | 2008 | 2009 | (%) |
| PRC | 293,000 | 293,000 | - |
| Taiwan | 300,000 | 299,000 | -0.3 |
| Group Average | 295,000 | 294,000 | -0.3 |



Extensive Network in Greater China

As at 31 Dec 2009

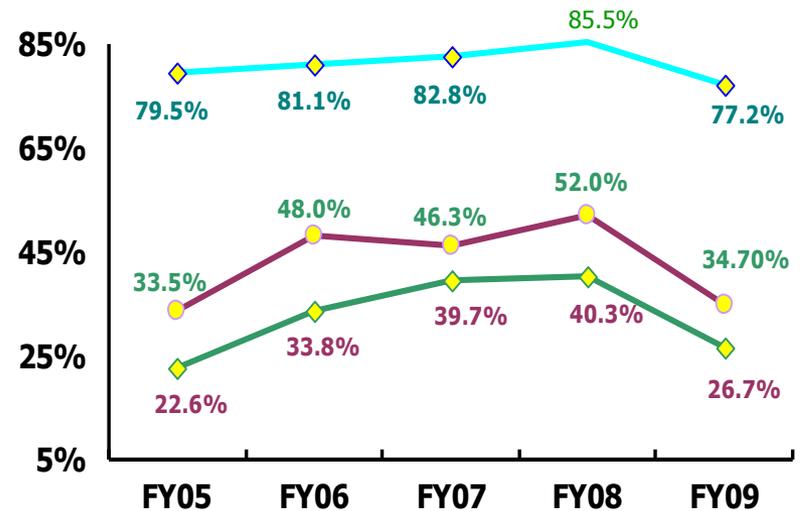
| | | Franchisee owned Spas | Entrusted Spas | Counters | Self-owned Spas | Counters |
|---------|----------|-----------------------------|-------------------|----------|--------------------|----------|
| The PRC | 1,194 | 1,125 | - | 15 | 7 | 47 |
| Taiwan | 437 | 428 | - | - | 9 | - |
| Others | HK | - | - | - | 1 | - |
| | Macau | 55 | - | - | 1 | - |
| | Malaysia | 53 | - | - | - | - |
| Total | 1,686 | 1,606 | - | 15 | 18 | 47 |

Group Profitability



- ◆ Gross profit margin maintained at a high level of 77.2% despite weak market condition
- ◆ The operating and net margins were lowered due to a loss incurred from certain write-offs in 2009 whereas one-off gains were booked in 2008

Group's Margin Analysis



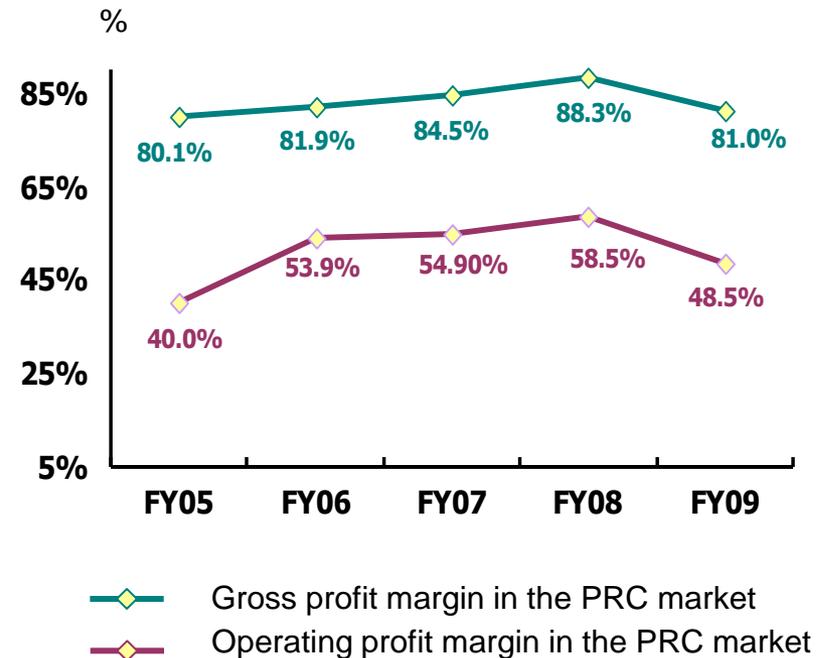
- ◆ Gross profit margin
- ◆ Operating profit margin
- ◆ Net profit margin

PRC Profitability



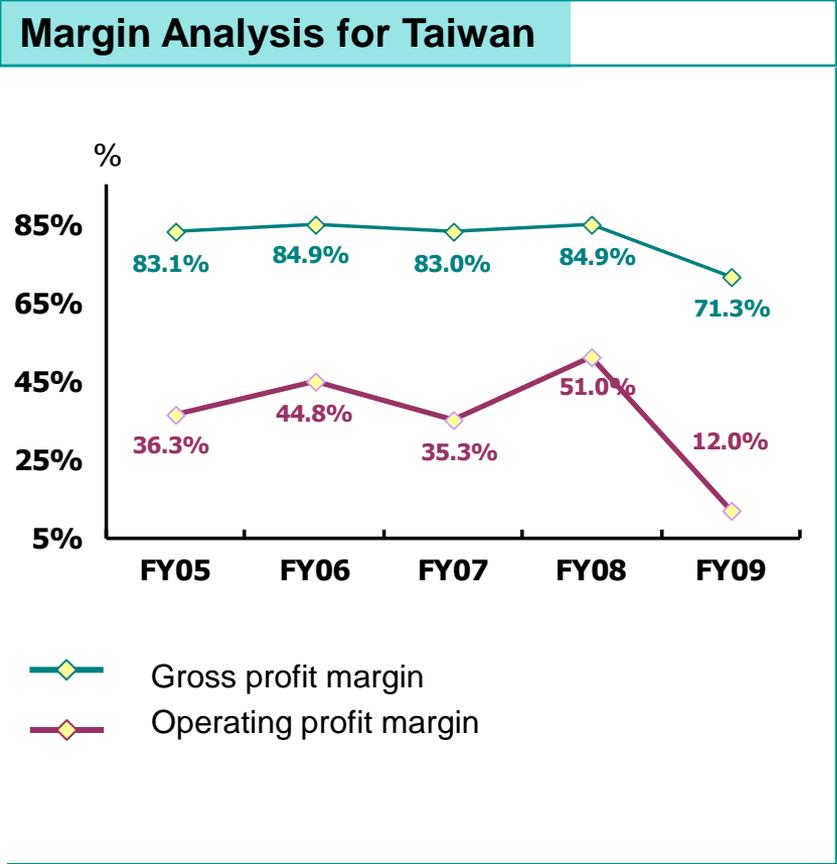
- ◆ **Product sales in the PRC market decreased by 8.7% to HK\$390.8 million in 2009**
 - Threat of global recession seriously affected consumer sentiment
 - The product sales in the PRC market dropped by 18.7% yoy in the first half of 2009, yet the decline had been stabilized in the 2H09
 - Gross margin of product sales in the PRC maintained at a high level of 85.0%
- ◆ **The overall gross profit margin of the PRC business stood high at 81.0%**

Margin Analysis for PRC



Taiwan Performance

- ◆ **Product sales declined by 9.5% to HK125.6 million, which was mainly attributable to:**
 - Declined SPA product sales and weakening consumer sentiment in wake of global financial turmoil





Market Overview, Business Overview and Strategies



Open Forum