



自然美

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2010 Interim Results

August 2010

IR Website: www.nblife.com/ir



Summarized Results in 1H2010

- ◆ Turnover decreased by 10.1% to HK\$229.6 million
- ◆ Net profit declined by 85.4% to HK\$15.8 million
- ◆ Gross margin maintained at a high level of approximately 80.0% if non-cash provision for slow moving and obsolete inventory were excluded
- ◆ Interim dividend of HK\$0.035 per share (Div. payout at 440%)
- ◆ Net cash of HK\$531.9 million with no borrowing



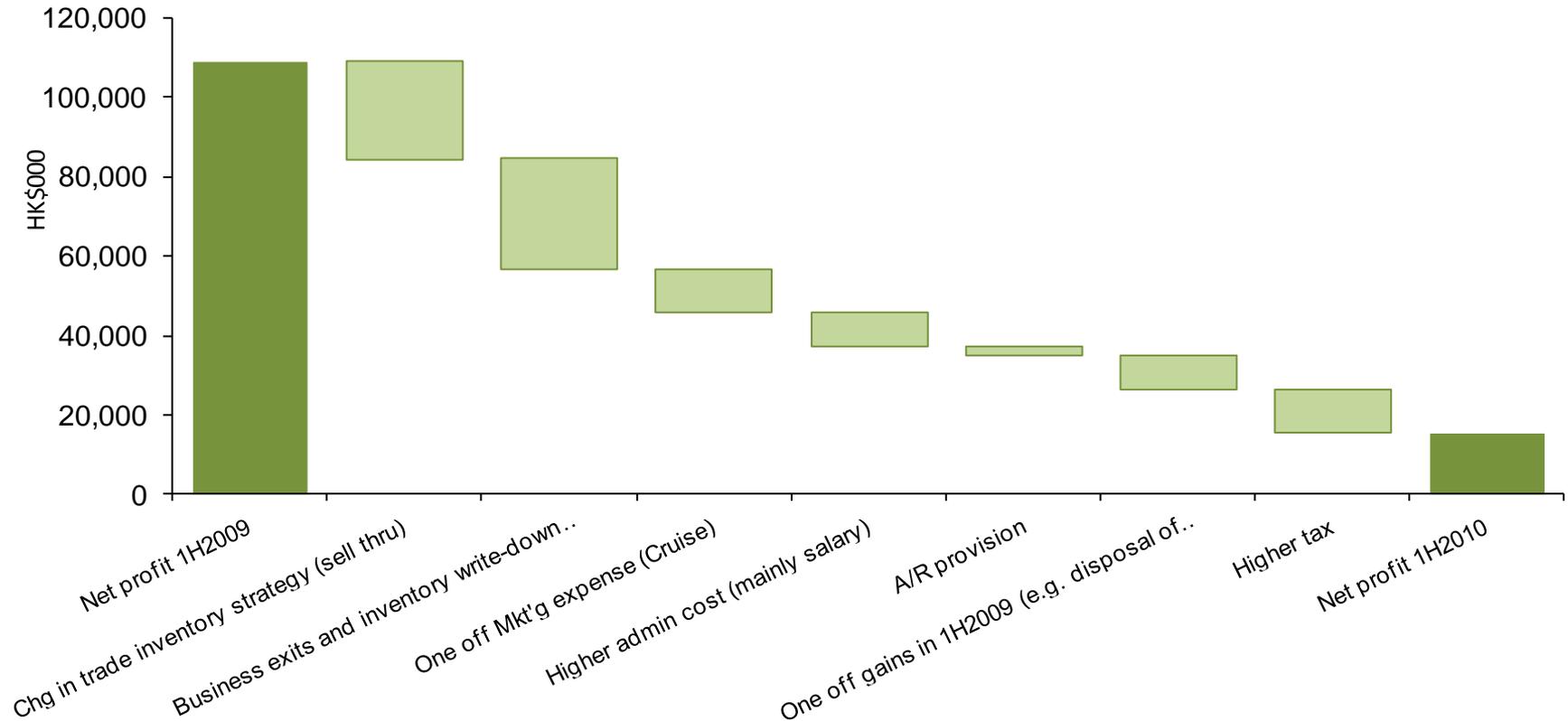
Financial Summary

	For the six months ended 30 June		Change (%)
(HK\$ million)	2010	2009	
Turnover	229.6	255.3	-10.1
Gross profit	159.4	208.7	-23.6
Operating profit	36.6	118.9	-69.2
Net profit	15.8	108.9	-85.4
Dividend per share (HK cents) - Interim (HK cents)	3.50	3.50	0
Dividend payout (%)	440.7	64.3	+376.4pts
Basic EPS (HK cents)	0.794	5.446	-85.4



Waterfall Chart – Change in net profit

1H2009 NET PROFIT to 1H2010 NET PROFIT





Change in trade inventory strategy

- ◆ Sell Through focus instead of Sell In focus
- ◆ Reduce channel inventory to ensure long term success:
 - ◆ Enable better assessment of effectiveness of consumer promotional programs
 - ◆ Ensure freshness of products – better consumer experience
 - ◆ Improve inventory turnover in channel
 - ◆ Improve cash flow of franchisees
 - ◆ Support future store expansion



Shareholder's Value

	Six months ended 30 June	Year ended 31 December	Change %
	2010	2009	
ROE* (%)	3.8	16.8	-13.0pts
ROA* (%)	3.3	14.2	-10.9pts
Cash (HK\$ million)	531.9	559.3	-4.9
Gearing ratio	Net cash	Net cash	-
Dividend pay-out ratio (%)	440.7	100.3	+340pts

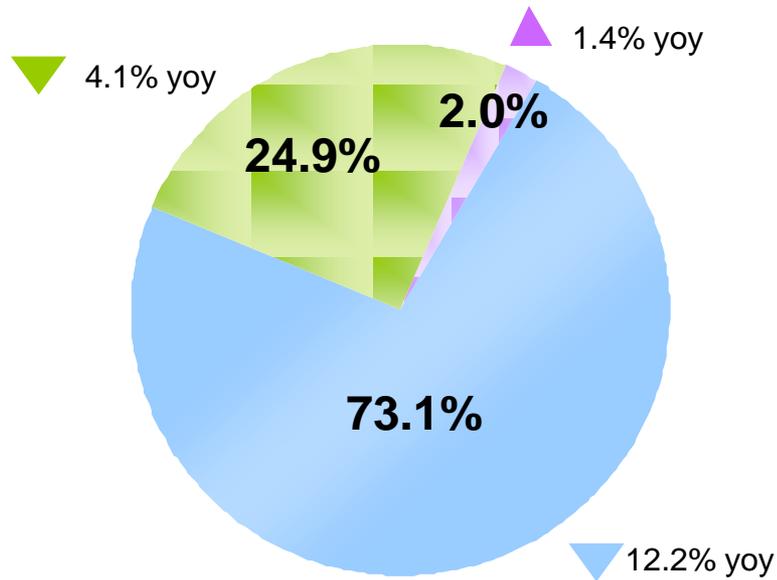
* Annualised.

- ◆ Cash represents 57.6% of total assets at 30 June 2010



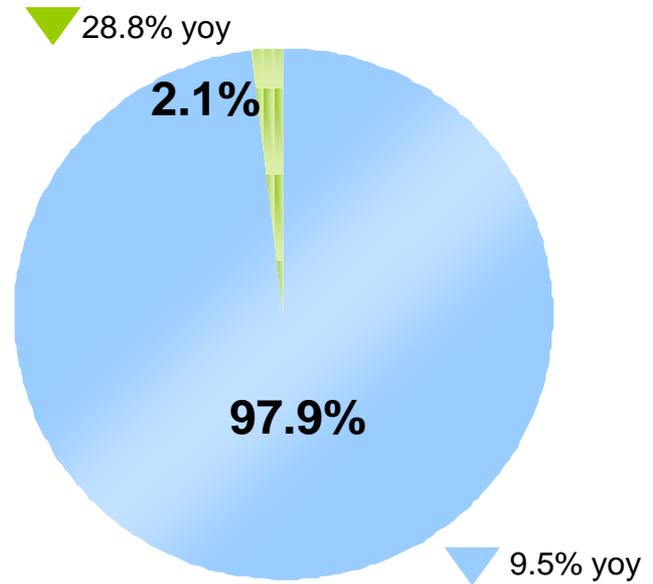
Turnover Analysis for 1H2010

By Region



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

By Products / Service



- Product Sales
- Service Income

Extensive Network in Greater China



As at 30 June 2010

		Franchisee owned Spas	Entrusted Spas	Counters	Self-owned Spas	Counters
The PRC	1,142	1,079	-	15	6	42
Taiwan	374	366	-	-	8	-
Others	HK	-	-	-	1	-
	Macau	-	-	-	1	-
	Malaysia	32	-	-	-	-
Total	1,550	1,477	-	15	16	42

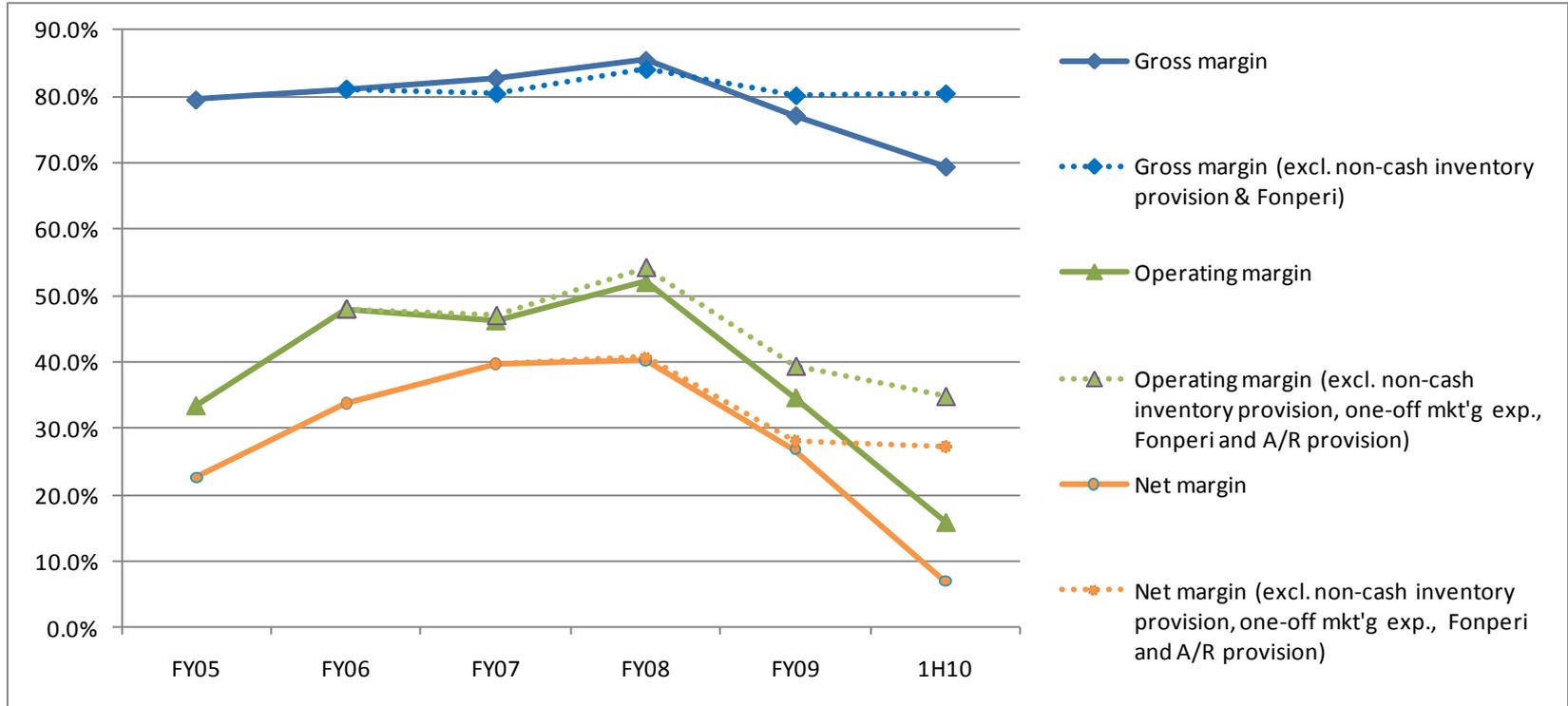


Average Sales Per Store

- ◆ The Group's average sales per store rose by 9.2% to HK143,000 in 1H2010 despite:
 - The number of stores decreased as a result of eliminating non-compliant stores to ensure the service quality
 - Decrease in product sales
- ◆ Average store sales in PRC grew by 9.1% yoy
- ◆ Average store sales in Taiwan improved by 9.3% yoy

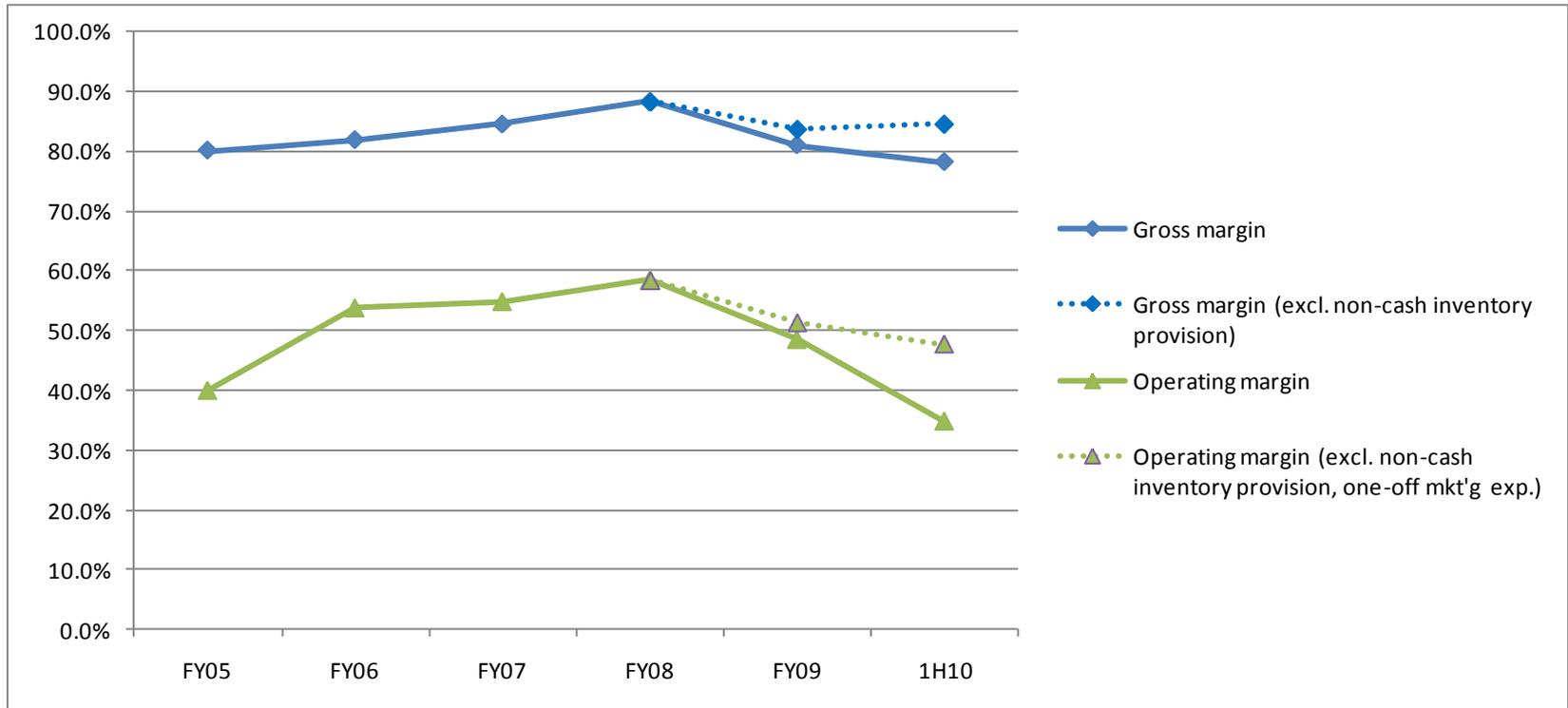
Average Sales Per Store			
(HK\$)	1H2009	1H2010	(%)
PRC	132,000	144,000	+9.1
Taiwan	129,000	141,000	+9.3
Group Average	131,000	143,000	+9.2

Group Profitability



- ◆ On normalised basis, the margins are much better
- ◆ Lower margins due to lower sales in 1H2010. Lower sales as a result of:
 - change of trade inventory strategy, we focus on sell through to the end consumer instead of sell in to franchisees to ensure long term profitability
 - Franchisees defer purchases and wait for new incentive scheme effective July 2010
 - Discontinue Fonperi business in 3Q 2010 to focus on high margin business

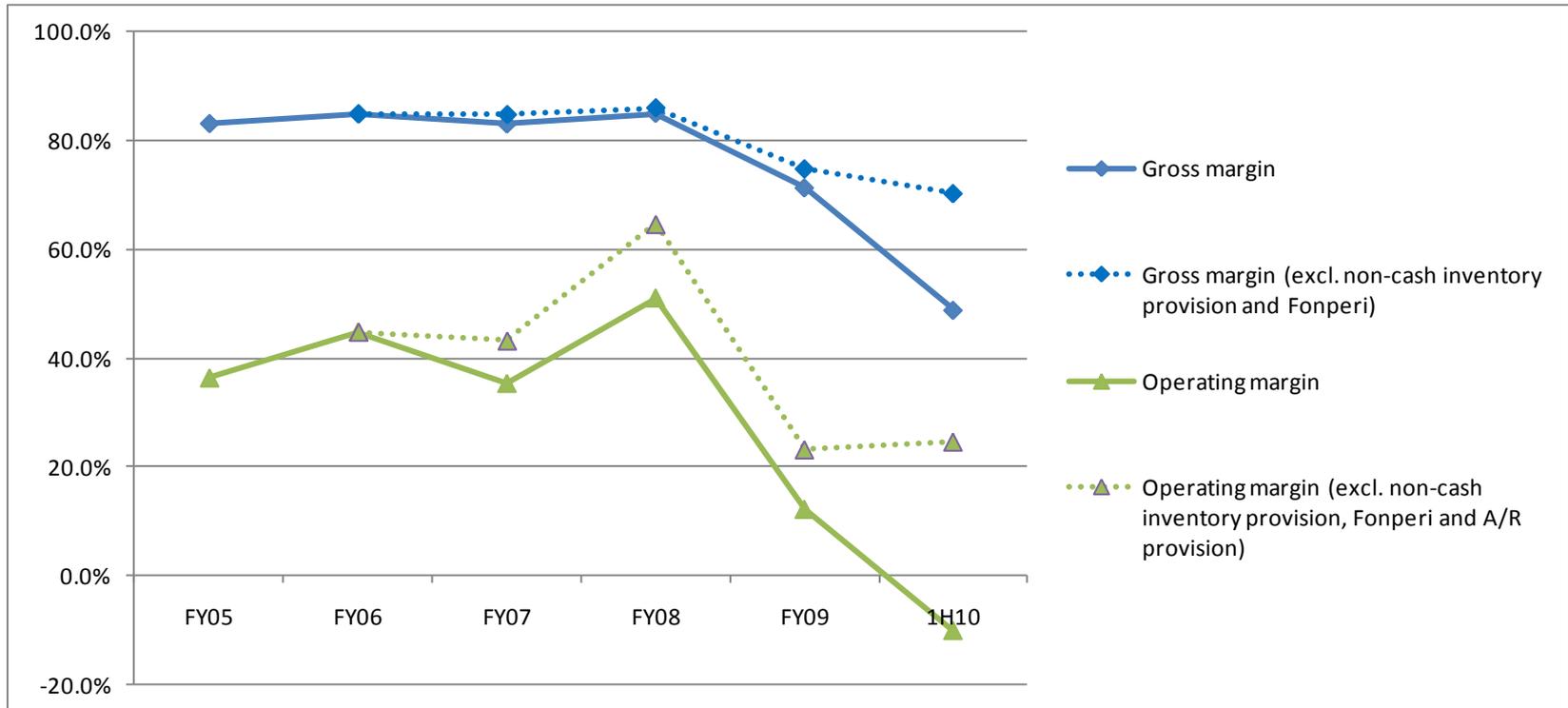
PRC Profitability



- ◆ On normalised basis, the margins are much better
- ◆ Lower margins due to lower sales in 1H2010. Lower sales as a result of:
 - change of trade inventory strategy, we focus on sell through to the end consumer oriented instead of sell in to franchisees to ensure long term profitability
 - Franchisees defer purchases and wait for new incentive scheme effective July 2010



Taiwan Profitability



- ◆ On normalised basis, the margins are much better
- ◆ Lower margins due to lower sales in 1H2010. Lower sales as a result of:
 - change of trade inventory strategy, we focus on sell through to the end consumer oriented instead of sell in to franchisees to ensure long term profitability
 - Discontinue Fonperi business in 3Q 2010 to focus on high margin business