



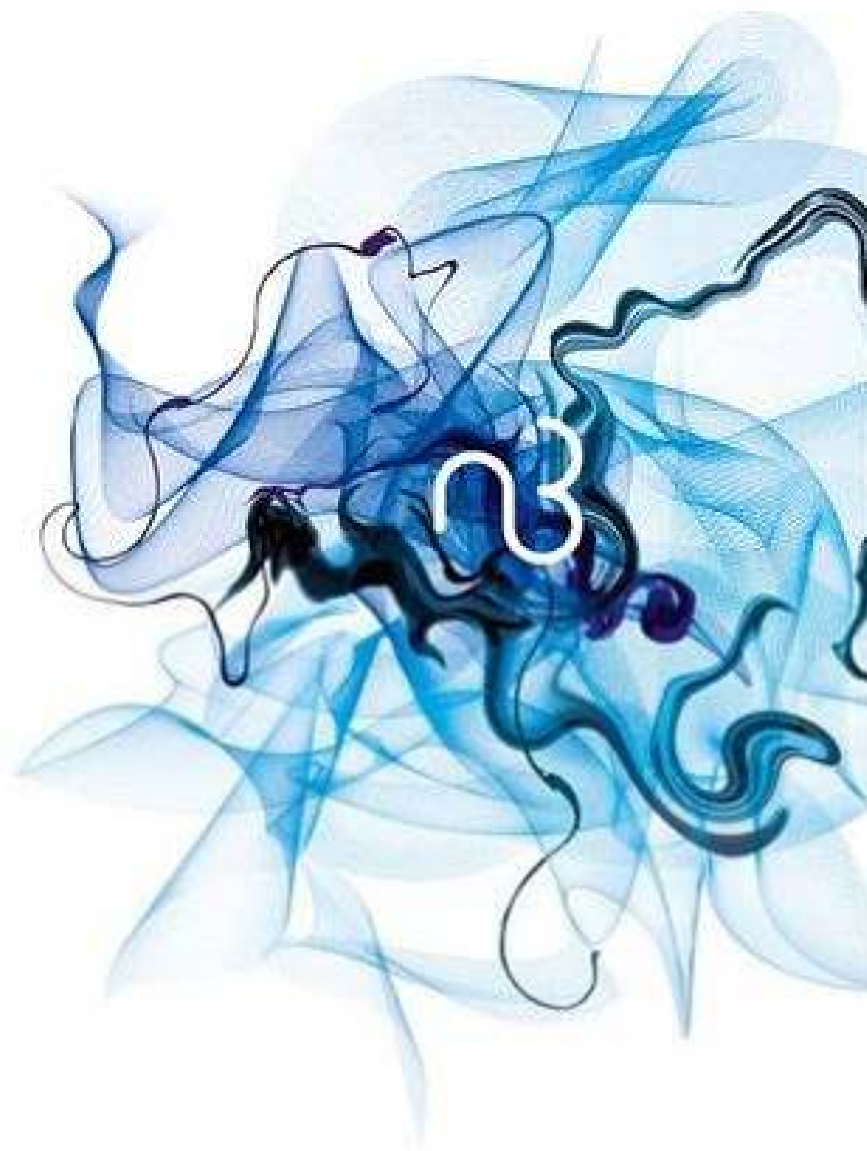
自然美

natural beauty

## 2008 Annual Results

April 2009

IR Website: [www.nblife.com/ir](http://www.nblife.com/ir)





# Agenda

- ◆ Results Highlights
- ◆ Business Overview
- ◆ Outlook
- ◆ Open Forum

# Results Highlights





## Highlights of the Year

- ◆ Turnover increased by 31.7% to HK\$592.7 million
- ◆ Net profit surged by 33.4% to HK\$238.6 million
- ◆ Gross margin maintained at a high level of 85.5%
- ◆ Operating margin and net margin further improved to 52.0% and 40.3%
- ◆ Return on Equity (ROE) accelerated to 27.1% (FY2007: 20.0%)
- ◆ Return on Assets (ROA) reached 23.2% (FY2007: 17.6%)



# Financial Summary

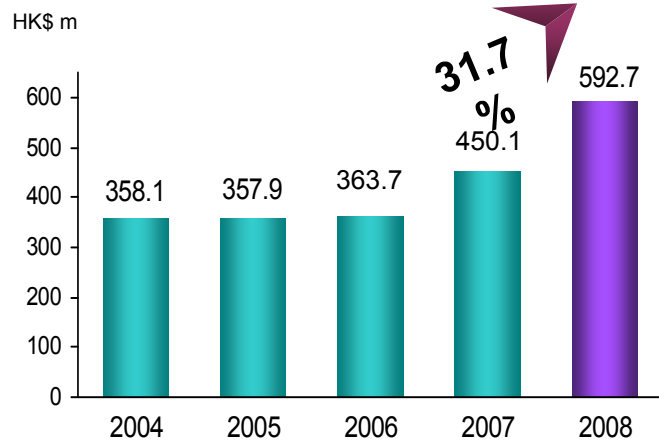
(HK\$ million)	Year end December 31		Change %
	2008	2007	
<b>Turnover</b>	<b>592.7</b>	450.1	<b>+31.7</b>
<b>Gross profit</b>	<b>506.6</b>	372.6	<b>+36.0</b>
<b>Profit before tax</b>	<b>308.5</b>	208.0	<b>+48.3</b>
<b>Net profit</b>	<b>238.6</b>	178.8	<b>+33.4</b>
<b>Dividend per share (HK cents)</b>	<b>8.35</b>	15.0	<b>-44.3</b>
- Interim (HK cents)	<b>5.00</b>	3.00	<b>+66.7</b>
- Interim Special (HK cents)	-	2.00	<b>-100</b>
- Final (HK cents)	<b>3.35</b>	4.20	<b>-20.2</b>
- Final Special (HK cents)	-	5.80	<b>-100</b>
<b>Dividend payout * (%)</b>	<b>70.0%</b>	167.8%	<b>-97.8pts</b>

\* Dividend payout was over 100% in 2007 due to disposal of investment property

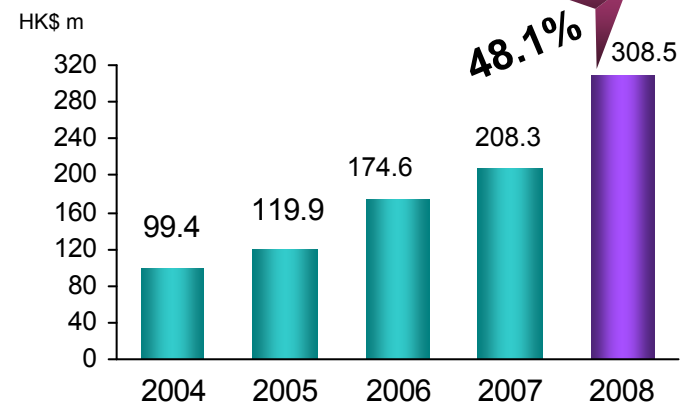


# Strong Financial Performance

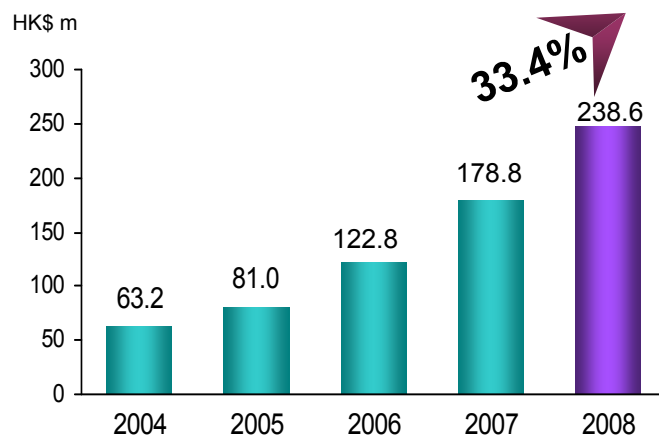
## Turnover



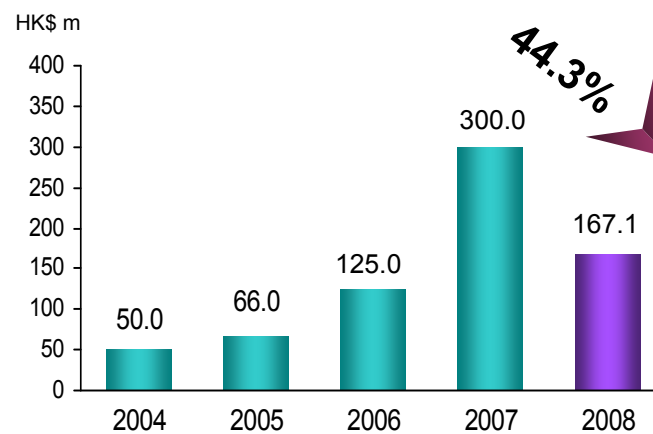
## Operating profit



## Net income



## Dividends





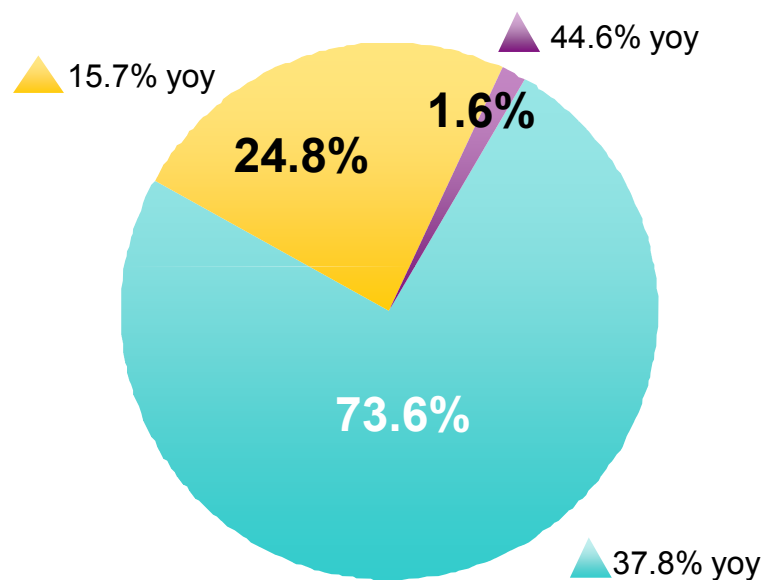
# Enhancing Shareholder's Value

(HK\$ million)	Year end December 31		Change %
	2008	2007	
<b>Basic EPS (HK cents)</b>	<b>11.9</b>	8.94	<b>+33.4</b>
<b>ROE (%)</b>	<b>27.1</b>	19.9	<b>+7.2pts</b>
<b>ROA (%)</b>	<b>23.2</b>	17.6	<b>+5.6pts</b>
<b>Cash (HK\$ million)</b>	<b>546.6</b>	588.7	<b>-7.2</b>
<b>Gearing ratio</b>	<b>Net cash</b>	Net cash	<b>-</b>



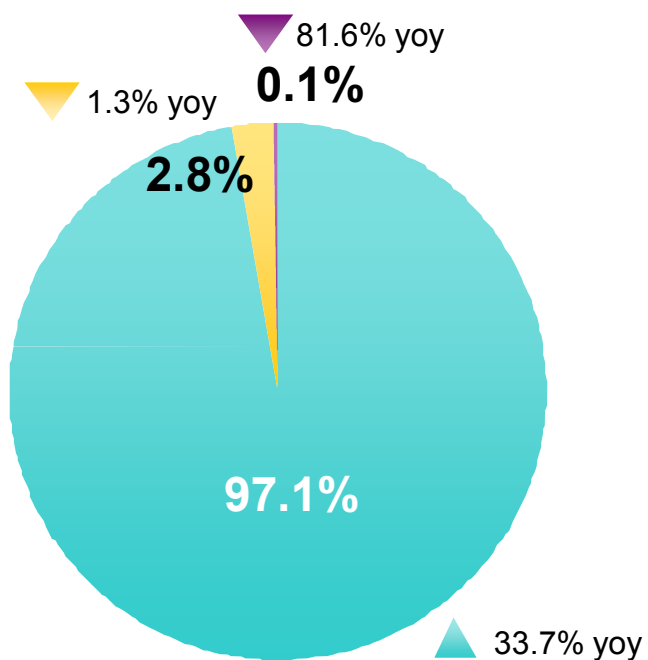
# Turnover Analysis for FY08

## 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 increased by 30% yoy to HK\$295,000 in FY2008:
  - Implemented the strategy of promoting products to “family and friends of our existing customers”
  - Strengthening franchisees' training on selling skills and product knowledge
  - Introducing new products such as health supplements
  - Average store sales in PRC increased by 30.2% yoy
  - Average store sales in Taiwan increased by 30.4% yoy

## Average Sales Per Store

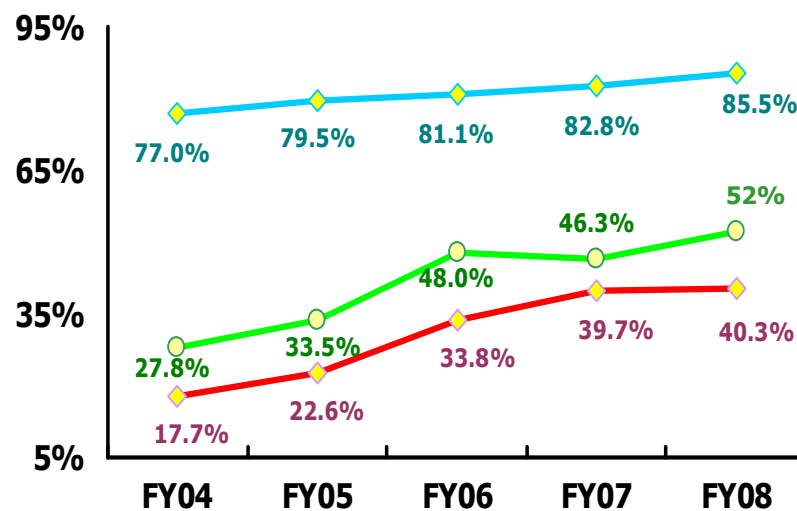
(HK\$)	FY2008	FY2007	(%)
PRC	293,000	225,000	+30.2
Taiwan	300,000	230,000	+30.4
<b>Group Average</b>	<b>295,000</b>	<b>227,000</b>	<b>+30.0</b>



# Sustainable Profitability

- ◆ Gross profit margin increased from 82.8% to 85.5%
- ◆ Net profit margin improved by 0.6 percentage points to 40.3%
- ◆ Gross margin of products further improved by 2.3 percentage points from 87.2% in 2007 to 89.5% in 2008

Group's Margin Analysis



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

# Business Overview



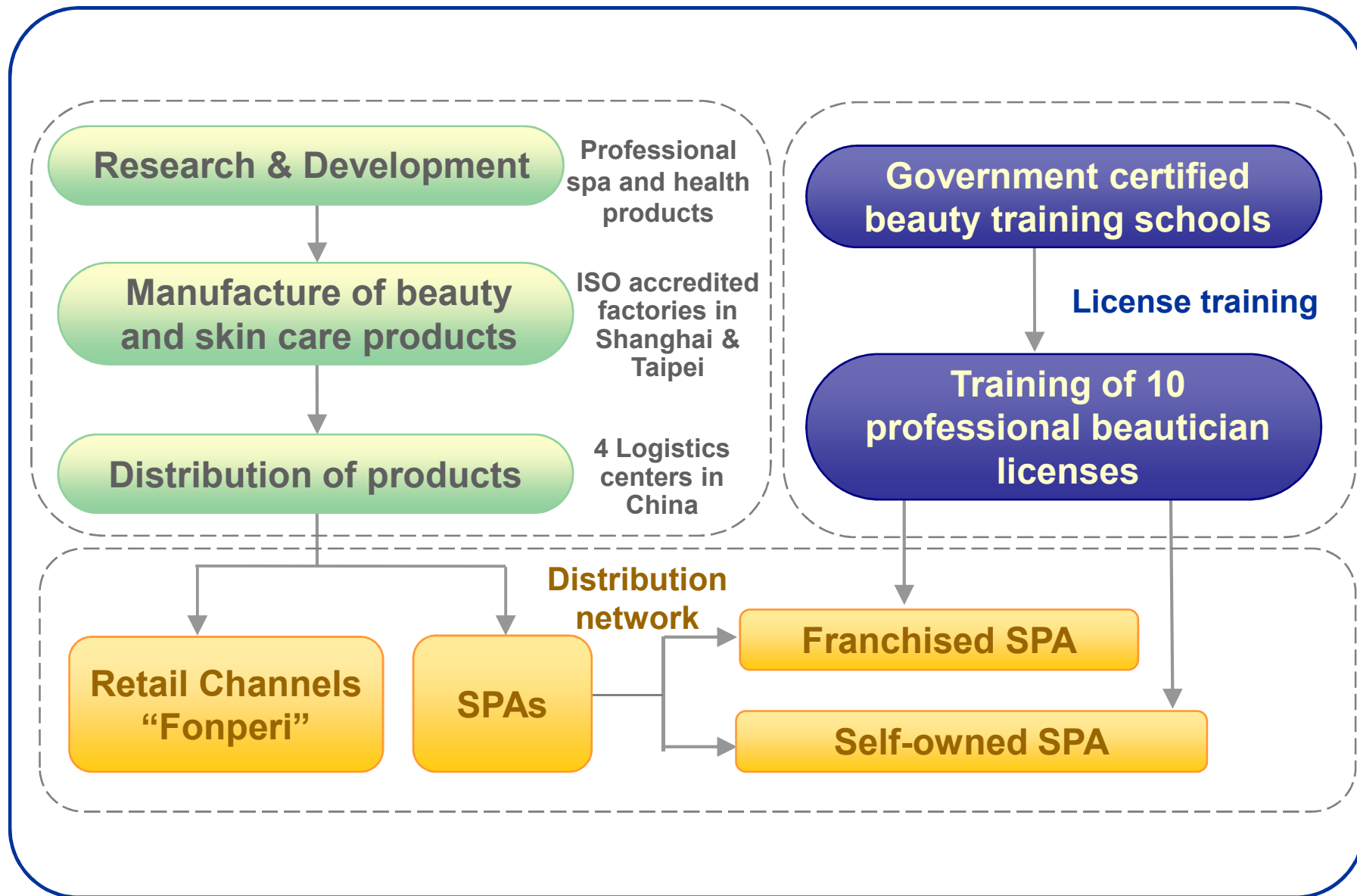
# Corporate Positioning



Leading **Health, Beauty & Spa**  
Product, Service Channel  
& Training Provider in Asia



# Core Business





# Extensive Network in Greater China

As at 31 December 2008

		Franchisee owned Spas	Entrusted Spas	Counters	Self-owned Spas	Counters	Retail Channels
<b>The PRC</b>	<b>1,510</b>	1,446	1	14	7	42	-
<b>Taiwan</b>	<b>4,075</b>	438	-	-	9	-	3,628
<b>Others</b>	<b>HK</b>	-	-	-	1	-	-
	<b>Macau</b>	-	-	-	1	-	-
	<b>Malaysia</b>	53	-	-	-	-	-
<b>Total</b>	<b>5,640</b>	1,937	1	14	18	42	3,628



# Nationwide Distribution Network in PRC





# Strong Profitability in the PRC

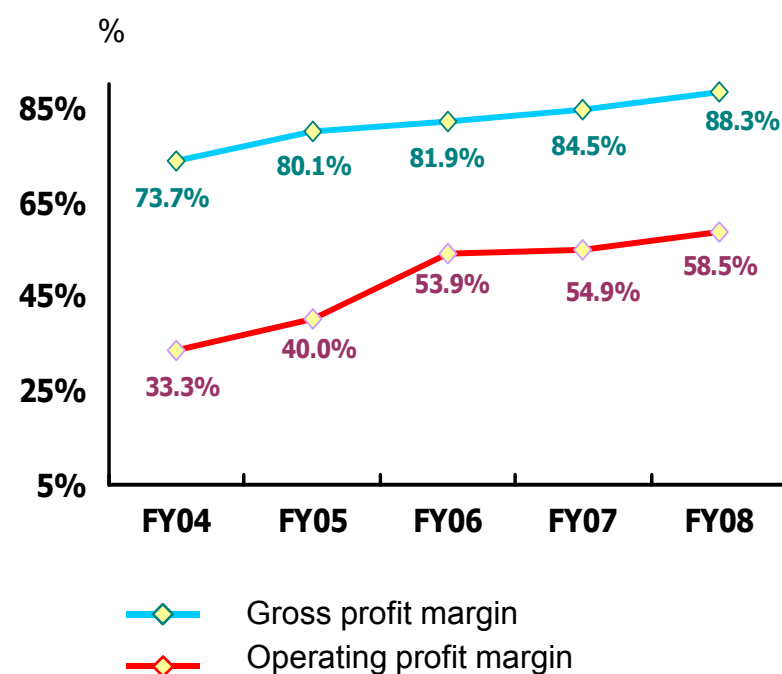
## ◆ Product sales significantly increased by 39.4% to HK\$428.2 million

- Gross margin of product sales increased by 3 percentage points to 90.7% from 87.7%
- Strengthened service quality and selling skills for franchised stores boosted product sales

## ◆ PRC's net margin grew by 4.3 percentage points to 54.2%

- Operating profit expanded to HK\$255.2 million, representing an increase of 46.6%
- Operating margin increased from 54.9% to 58.5%
- Net margin improved 4.3 percentage points from 49.9% to 54.2%

Margin Analysis for PRC







# Encouraging Performance in Taiwan

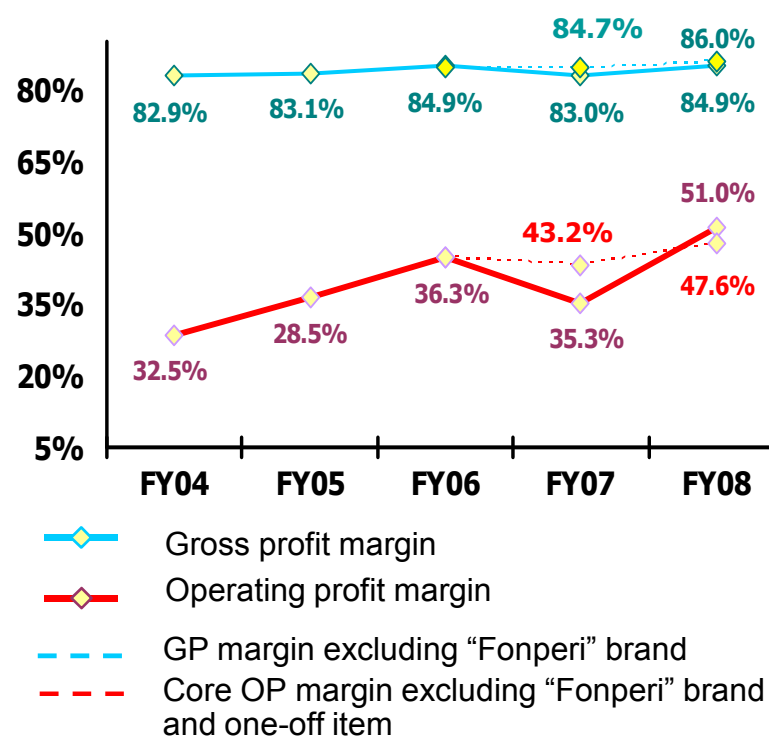
## ◆ Product sales increased by 17.5% to HK\$138.8 million which was mainly attributable to:

- HK\$11.3 million product sales from the new retail brand “Fonperi”
- If the retail sales of “Fonperi” is excluded, spa products registered a 24.1% year-on-year growth

## ◆ Operating profit reached HK\$74.9 million, representing an increase of 67.5%

- Turnover increased by 15.7% to HK\$146.8 million
- Operating margin surged by 15.7 percentage points to 51% from 35.3%
- Net margin increased by 8.7 percentage points to 41.7% from 33%

### Margin Analysis for Taiwan





# “Fonperi” To Capture Retail Market

- ◆ Retail brand “Fonperi” was launched in April 2007 in Taiwan market
- ◆ Captured the growing segment of the medium price retail skin-care market
- ◆ Sold via retail channel like hypermarkets, drugstores as well as wholesalers
- ◆ 3,628 retail points as at 31 December 2008 merchandised the “Fonperi” products, over 205,000 units were sold with a turnover of HK\$11.3 million in 2008
- ◆ 12 new products were launched to the market including products for “Men”



# Professional Health & Spa Products



◀ **Harvard NB1 Series**  
RMB2000~5888

**Natural hormone Series** ▶  
RMB2200



◀ **Tao of Beauty**  
Facial treatment use only  
RMB52~525

**Spice of Beauty** ▶  
Body treatment use only  
RMB90~1345



◀ **Zen of Beauty**  
Home use series  
RMB120~680

**Qi of Beauty** ▶  
Home use series  
RMB99~480



◀ **Harvard XXS Body Fitness & A2D Breast Beauty Series**  
RMB420~880

▼ **Health Supplement**  
RMB250~280



# Unique Professional Products for Head-to-toe Spa Programs



- 
- ▶ **Aroma Hair-loss Preventive Scalp Treatment**  
RMB110
  - ▶ **Aroma Bust Treatment & Firming Wrap**  
RMB320
  - ▶ **Aroma Hydrotherapy**  
RMB120
  - ▶ **Digestion Enhancing Treatment**  
RMB380
  - ▶ **Aroma PMS Treatment**  
RMB120
  - ▶ **Aroma Body Sculpturing & Firming Treatment**  
RMB300~450
  - ▶ **Ultra Lympo Slim Up Treatment [Waist/ Stomach/ Pregnant lines / Thigh/ Buttock/ Shoulder]**  
RMB300
  - ▶ **Aroma Oriental Massage/ Energetic Lymphomassage**  
RMB450
  - ▶ **Yin & Yang Jade Massage Therapy**  
RMB120
  - ▶ **Aroma Spa / Paraffin Manicure & Pedicure**  
RMB300~500
  - ▶ **Facial Treatment [NB-1/ Natural Hormone/ Bio-tech / Whitening/ Hydro/ Specialty]**  
RMB180~500
  - ▶ **Aroma Lympo Lift-up Therapy [Whitening/ Balancing/ Refining/ Brightening/ Rejuvenating/ Dark Circle/ Firming]**  
RMB200~250
  - ▶ **Optional Facial Upgrade [Eyes/ T-zone/ Whitening/ Slimming/ Anti-wrinkle]**  
RMB85~160
  - ▶ **Aroma Pores & Dark Spot Back Treatment**  
RMB250
  - ▶ **Aroma Firming Neck Treatment**  
RMB160
  - ▶ **Aroma Muscle-relieving Shoulder Massage**  
RMB120
  - ▶ **Waxing [Underarm/Arm/Leg/Eyebrows]**  
RMB130~280
  - ▶ **Whitening Ocean Wrap [Arm/Full Body]**  
RMB300
  - ▶ **Body Herbal Scrub** RMB320



## Health Food / Supplements

- ◆ The Group's new growth driver for the year and the future
- ◆ Sales in 2008 amounted to HK\$47.4 million, as compared with the amount of HK\$16.6 million in 2007
- ◆ Turnover registered a year-on-year growth of 186%



# Outlook





# Growth Drivers Summary

## ◆ Improved Same Store Sales

- Successfully implemented the strategy of promoting products to “family and friends of existing customers”
- Strengthened franchisees’ training on selling skills and product knowledge

## ◆ New Products

- 109 new products were launched in 2008
- Enrich product range by introducing 29 new health supplement products, representing a turnover growth of 186% in FY08
- Over 271,000 sets/ bottles of NB-1 family products were sold, with a turnover of HK\$200.2 million, accounting for over 1/3 of total product sales
- Over 205,000 units of Fonperi products were sold, generating a total turnover of HK\$11.3 million

## ◆ Expand Distribution Channels

- A total of 3,628 retail outlets of Fonperi line were established as at 31 December 2008

# Open Forum

