

Natural Beauty FY2012 Annual Results

19 March 2013





Summarized Results in FY2012

- Turnover dropped by 18%
- Gross margin at 78.6%
- Net profit increased by 3.4% to HK\$119 million
- Net profit **dropped by 37% if non-cash stock option expense / reversal were excluded.**
- Net cash 432 million with no borrowings after payment of HK\$140 million during the year
- Final dividend HK\$0.0028 per share (2011: HK\$0.050 per share)

FY2012 Vs. FY2011

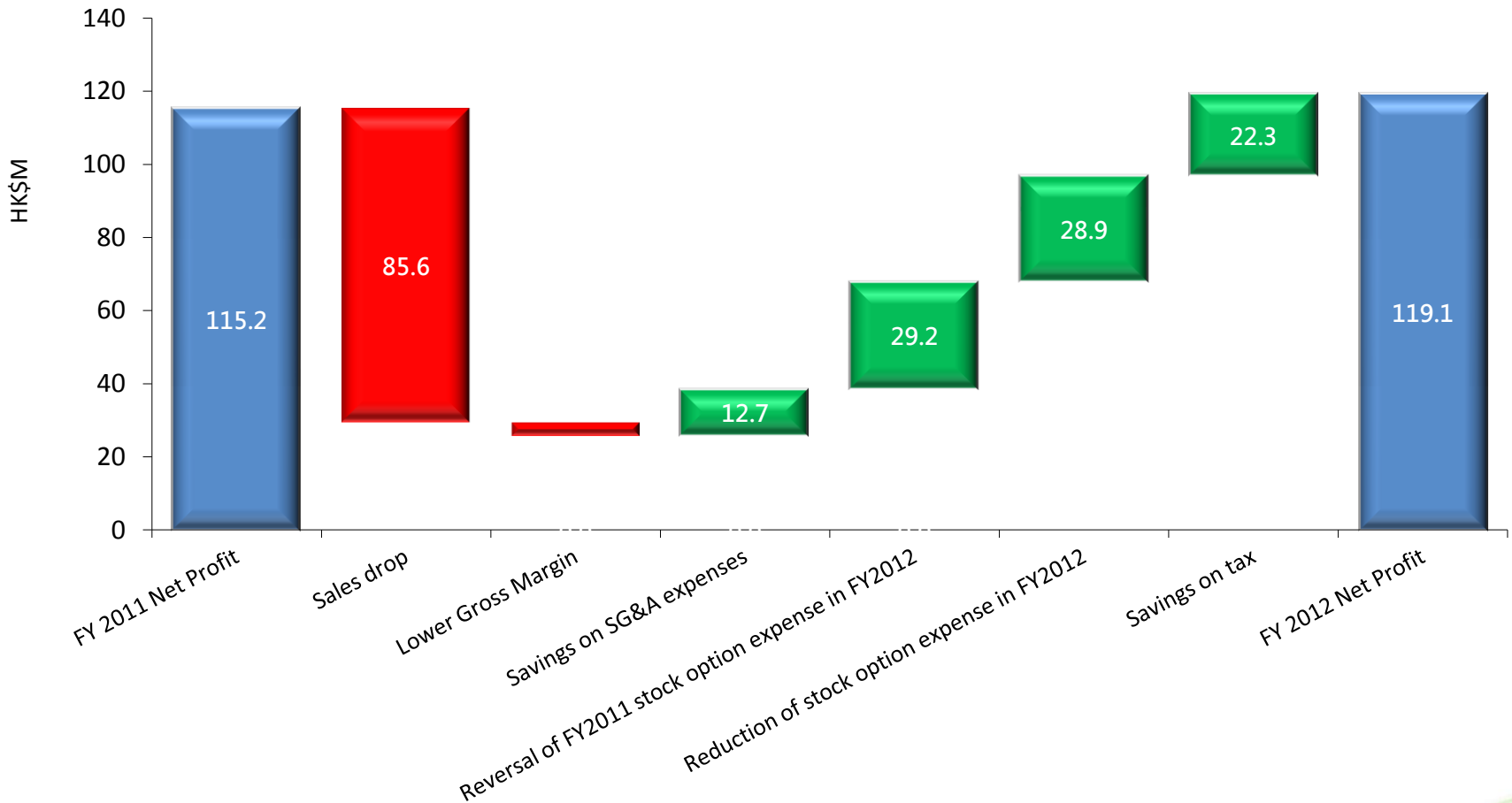
	FY 2011		FY 2012		Variance HK\$'M	Variance %	Margin change % pts
	Audited HK\$'M	As % of T/O	Audited HK\$'M	As % of T/O			
Revenue	591.3	100.0%	483.4	100.0%	(107.9)	-18.2%	
Cost of sales	(122.2)	-20.7%	(103.6)	-21.4%	18.6	-15.2%	
Gross profit	469.1	79.3%	379.8	78.6%	(89.3)	-19.0%	-0.8%
Other income	18.0	3.0%	20.6	4.3%	2.6	14.4%	1.2%
Distribution and selling expenses	(197.1)	-33.3%	(189.6)	-39.2%	7.5	-3.8%	-5.9%
Administrative expenses	(78.5)	-13.3%	(73.0)	-15.1%	5.5	-7.0%	-1.8%
Administrative expenses-mgt option & reversal	(30.1)	-5.1%	28.0	5.8%	58.1	N/A	10.9%
Other expenses	(7.7)	-1.3%	(10.6)	-2.2%	(2.9)	37.7%	-0.9%
Profit before taxation	173.7	29.4%	155.2	32.1%	(18.5)	-10.7%	2.7%
Taxation	(58.5)	-9.9%	(36.1)	-7.5%	22.4	-38.3%	2.4%
Profit for the year	115.2	19.5%	119.1	24.6%	3.9	3.4%	5.2%
Effective tax rate	33.7%		23.3%				

FY2012 Vs. FY2011 (excluding non-cash stock options and reversals)

	FY 2011		FY 2012		Variance HK\$'000	Variance HK\$'M	Variance %	Margin change % pts
	Audited HK\$'M	As % of T/O	Audited HK\$'M	As % of T/O				
Revenue	591.3	100.0%	483.4	100.0%	(107,857)	(107.9)	-18.2%	
Cost of sales	(122.2)	-20.7%	(103.6)	-21.4%	18,570	18.6	-15.2%	
Gross profit	469.1	79.3%	379.8	78.6%	(89,287)	(89.3)	-19.0%	-0.8%
Other income	18.0	3.0%	20.6	4.3%	2,614	2.6	14.4%	1.2%
Distribution and selling expenses	(197.1)	-33.3%	(189.6)	-39.2%	7,525	7.5	-3.8%	-5.9%
Administrative expenses	(78.5)	-13.3%	(73.0)	-15.1%	5,380	5.5	-7.0%	-1.8%
Administrative expenses - mgt option & reversal								
Other expenses	(7.7)	-1.3%	(10.6)	-2.2%	(2,813)	(2.9)	37.7%	-0.9%
Profit before taxation	203.8	29.4%	127.2	26.3%	(46,427)	(76.6)	-37.6%	-3.1%
Taxation	(58.5)	-9.9%	(36.1)	-7.5%	22,332	22.4	-38.3%	2.4%
Profit for the year (if stock options expense & reversals were excluded)	145.3	19.5%	91.1	18.8%	(24,095)	(54.2)	-37.3%	-0.6%
Effective tax rate	28.7%		28.4%					

Water Fall Chart

FY2011 NET PROFIT to FY2012 NET PROFIT



Key Ratios

	For year ended 31 December, 2011	For year ended 31 December, 2012	Chg
A/R days	16 days	18 days	2 days
A/P days	67 days	63 days	-4 days
Inventory turnover days	120 days	238 days	118 days
ROE (%)	14.6	15.9	1.3 pts
ROA (%)	12.0	13.5	1.5 pts
Cash (HK\$ million)	558.3	432.4	-22.6%
Gearing Ratio	Net cash	Net cash	N/A
Dividend payout (%)	147.8	38.3	-109.5 pts
Basic EPS (HK cents)	5.75	5.96	3.7%

Turnover Analysis for FY2012

Geographical Revenue Breakdown

Expressed in HK\$'000	FY2011	%	FY2012	%	Variance	Var (%)
PRC	473,234	80%	379,582	79%	(93,652)	-19.8%
Taiwan	110,503	19%	97,516	20%	(12,987)	-11.8%
Others (HK, Macau & Malaysia)	7,558	1%	6,340	1%	(1,218)	-16.1%
Total	591,295	100%	483,438	100%	(107,857)	-18.2%

Revenue By Type Breakdown

Expressed in HK\$'000	FY2011	%	FY2012	%	Variance	Var (%)
Product sales	584,715	99%	479,592	99%	(105,123)	-18.0%
Services	6,580	1%	3,846	1%	(2,734)	-41.6%
Total	591,295	100%	483,438	100%	(107,857)	-18.2%

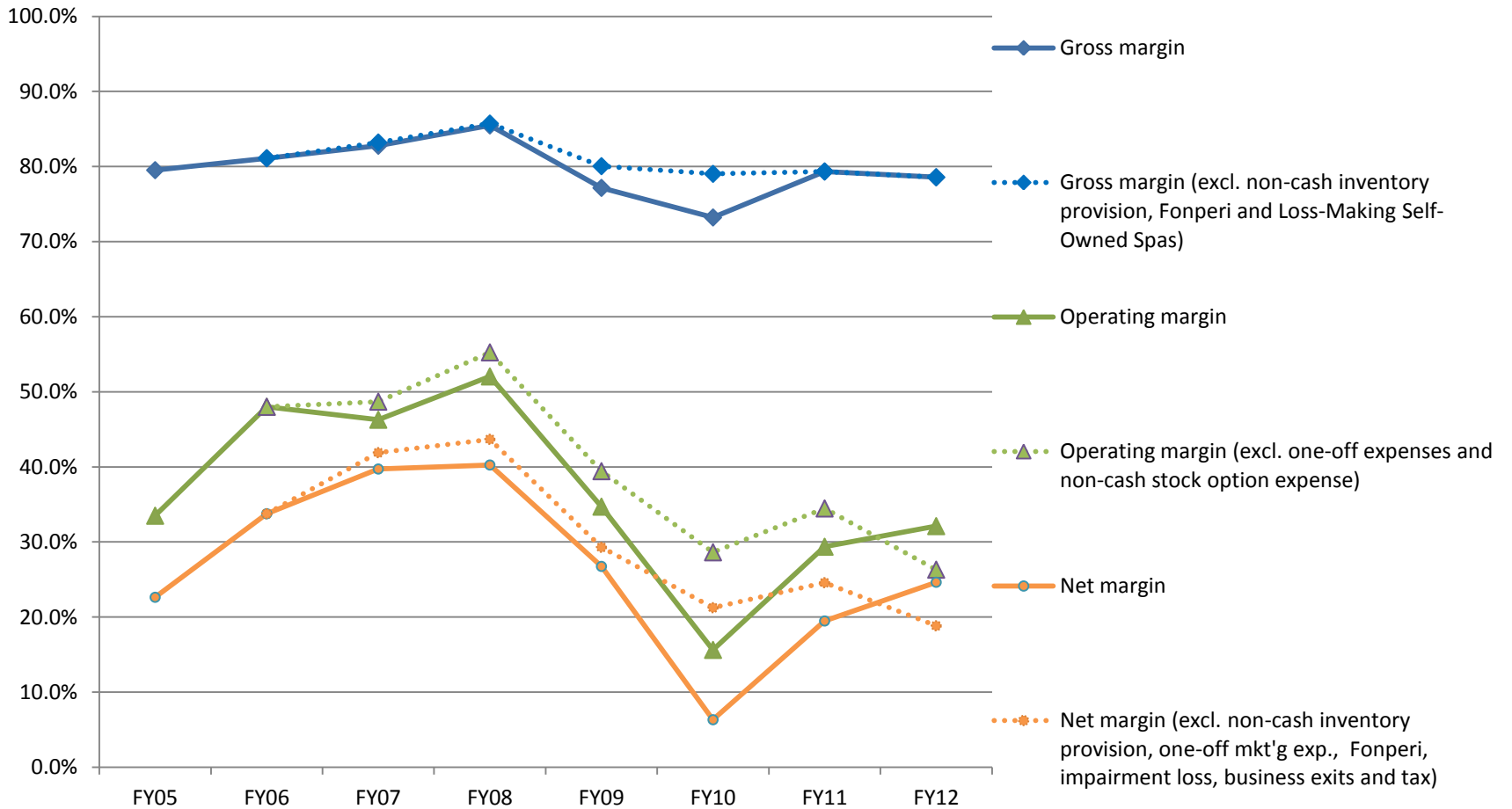
Store Count at 31 Dec 2012

As at 31 Dec 2012		Total	Franchisee owned Spas	Entrusted Counters	Self- owned Spas	Self- owned Counters
The PRC		1,173	1,128	19	1	25
Taiwan		295	292	-	3	-
Others	HK	30	1	-	-	-
	Malaysia		29	-	-	-
Total		1,498	1,450	19	4	25

Average Sales Per Store

Average Sales Per Store			
(HK\$)	FY2011	FY2012	Chg (%)
PRC	416,000	321,000	-22.8%
Taiwan	331,000	321,000	-3.0%
Group Average	396,000	321,000	-18.9%

Group Margins



Thank you!

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