



自然美
natural beauty

2006 Annual Results

April 2007





Results Highlights





Financial Summary

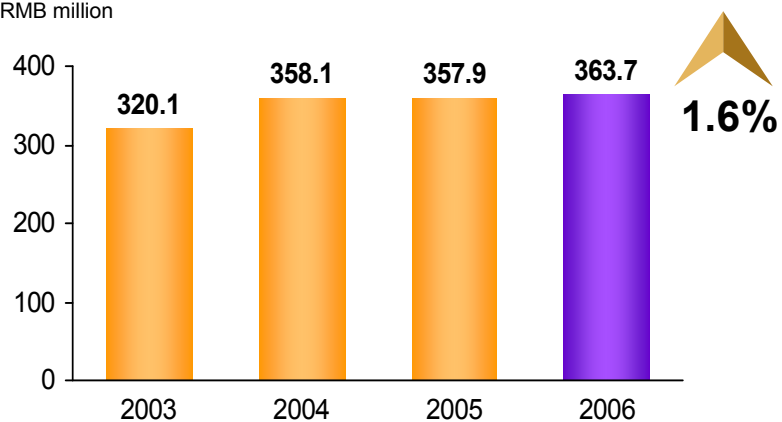
(HK\$ million)	Year ended 31 December		Change %
	2005	2006	
Turnover	357.9	363.7	+1.6
Gross profit	284.6	295.0	+3.7
Profit from operations	119.8	174.5	+45.6
Profit for the year	81.0	122.8	+51.6
Basic EPS (HK cents)	4.055	6.160	+51.9
Dividends per share (HK cents)	3.30	6.25	+89.4
- Interim	0.90	1.40	+55.6
- Special	0.40	0.60	+50.0
- Final	2.00	3.00	+50.0
- Final special	-	1.25	N/A
Dividend payout ratio	81.5%	101.8%	+20.3 pp



Strong Financial Performance

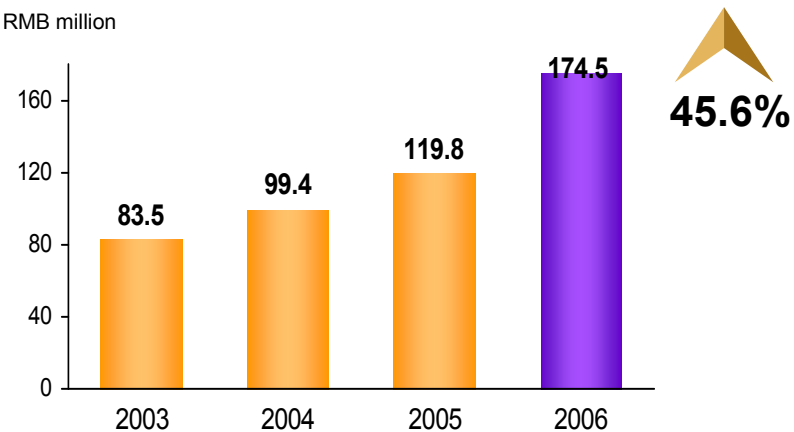
Turnover

RMB million



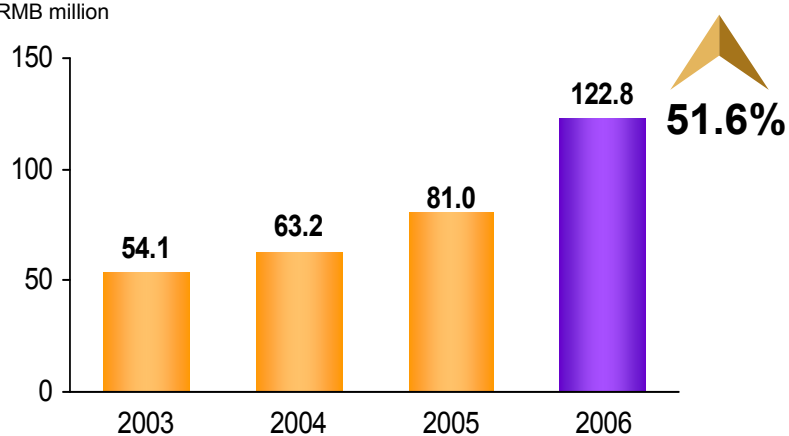
Operating profit

RMB million



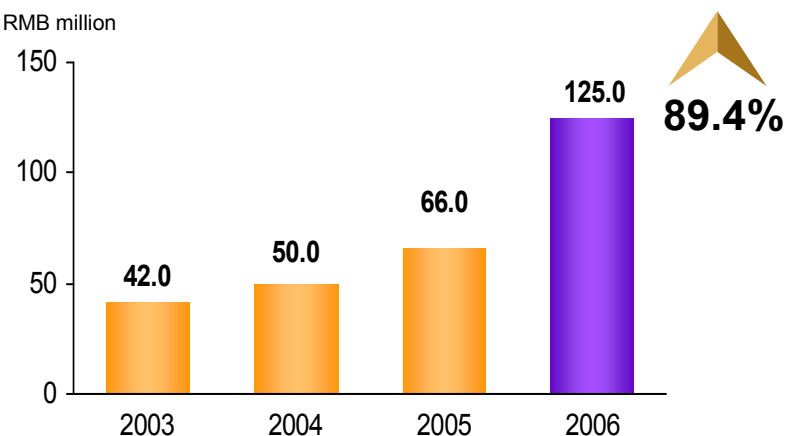
Net income

RMB million



Dividends

RMB million





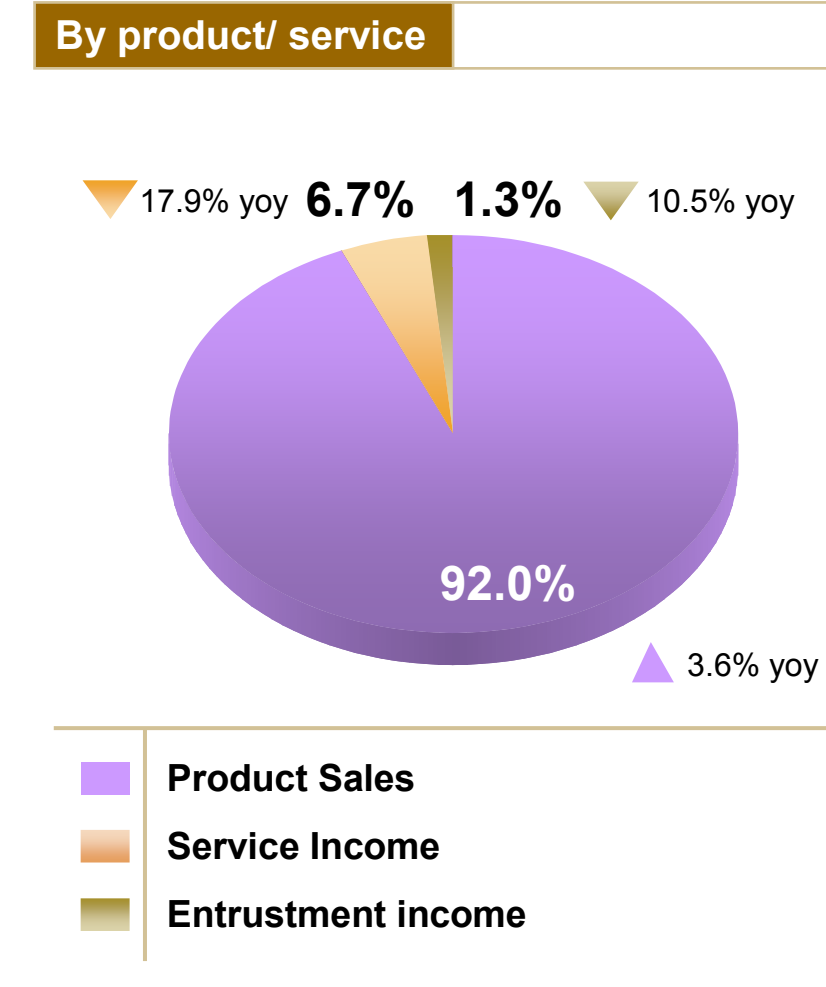
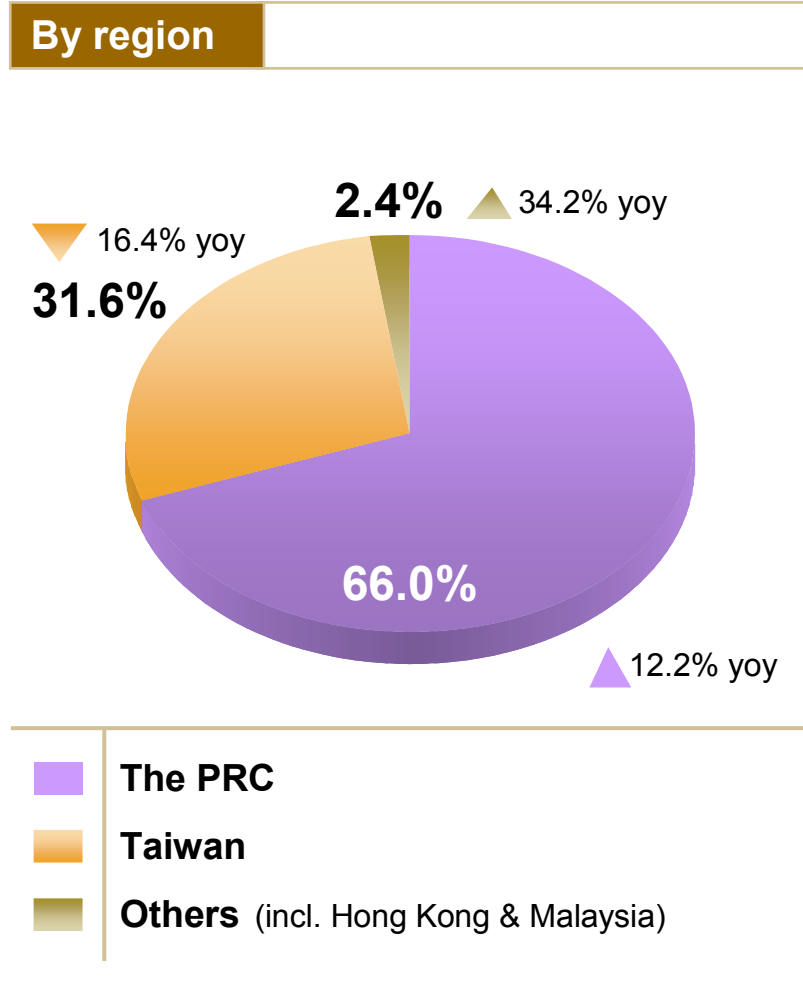
Key Financial Ratios

Year ended 31 December

	2005	2006
Inventory turnover (days)	275	314
AR turnover (days)	69	81
AP turnover (days)	66	87
Cash (HK\$ mil)	338.7	356.2
Gearing ratio	Net Cash	Net Cash
ROE	10.1%	14.5%
ROA	8.9%	12.7%



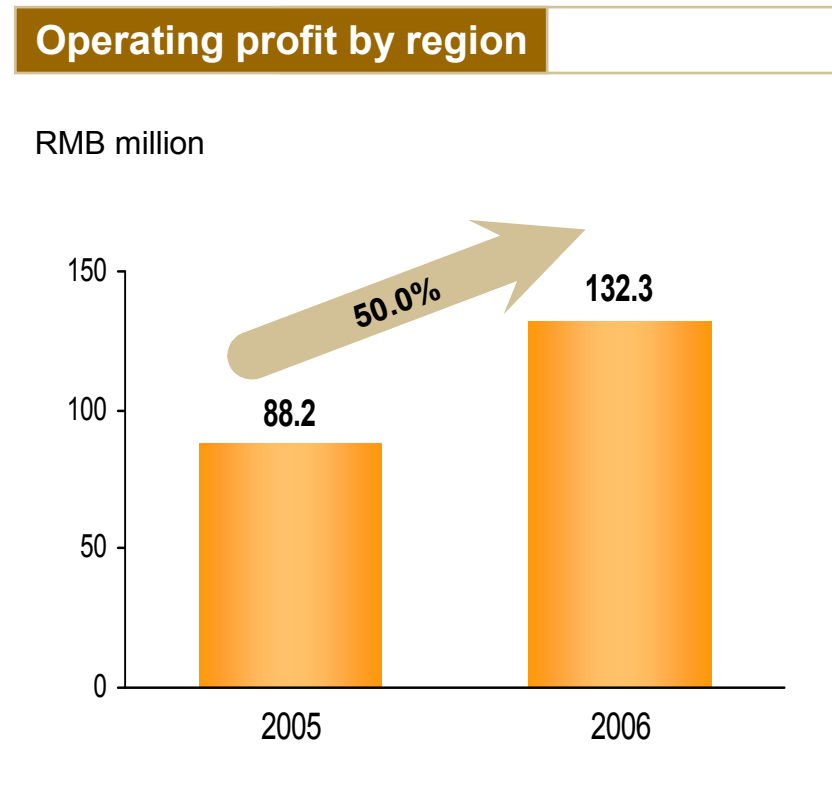
Turnover Analysis for FY2006





Strong Profitability in the PRC

- ▶ **PRC's operating profit before tax increased by 50% to HK\$132.3 million**
 - Tax refund impact of HK\$26.5 million (FY2005: HK\$19.6 million)
 - Successful brand revamping exercise including overall brand image, franchised store image and new product packaging
 - Better utilization of advertising expenses
- ▶ **Taiwan's increased slightly due to:**
 - Stringent cost control
 - Commenced revamp exercise which started to contribute positively to performance

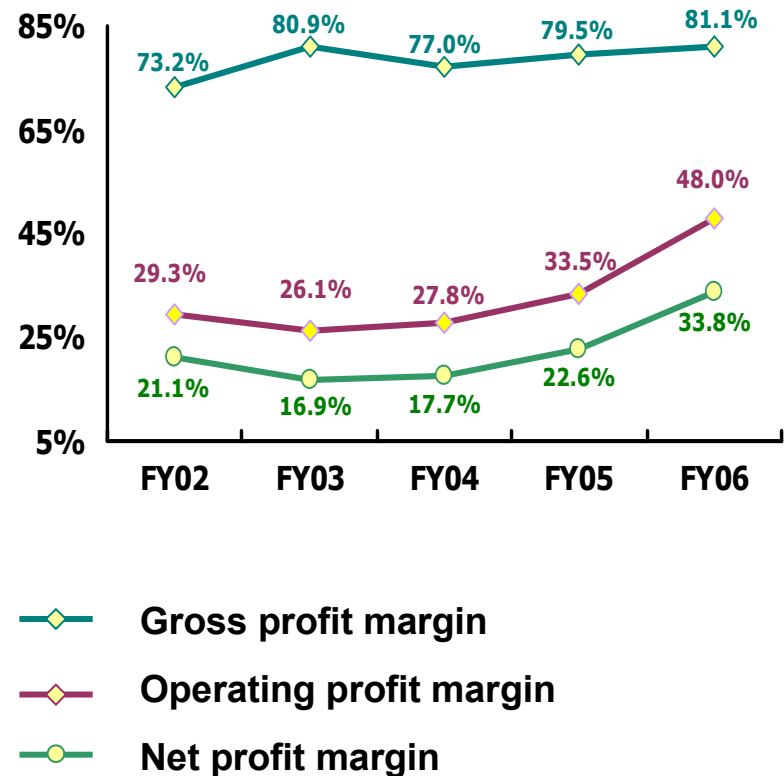




Maintained High Profitability

- ▶ **Gross profit margin and operating profit margin further increased to 81.1% and 48% respectively:**
 - Premium line, NB-1 Family products, contributed to higher product margins
 - Product repackaging increased products margins
- ▶ **Net profit margin significantly grew by 11.2 percentage points due to:**
 - Increased tax refund as a result of higher sales revenue in the PRC
 - Entrustment of spas to reputable operators enhanced cost-efficiency

Operating profit by region





Business Overview



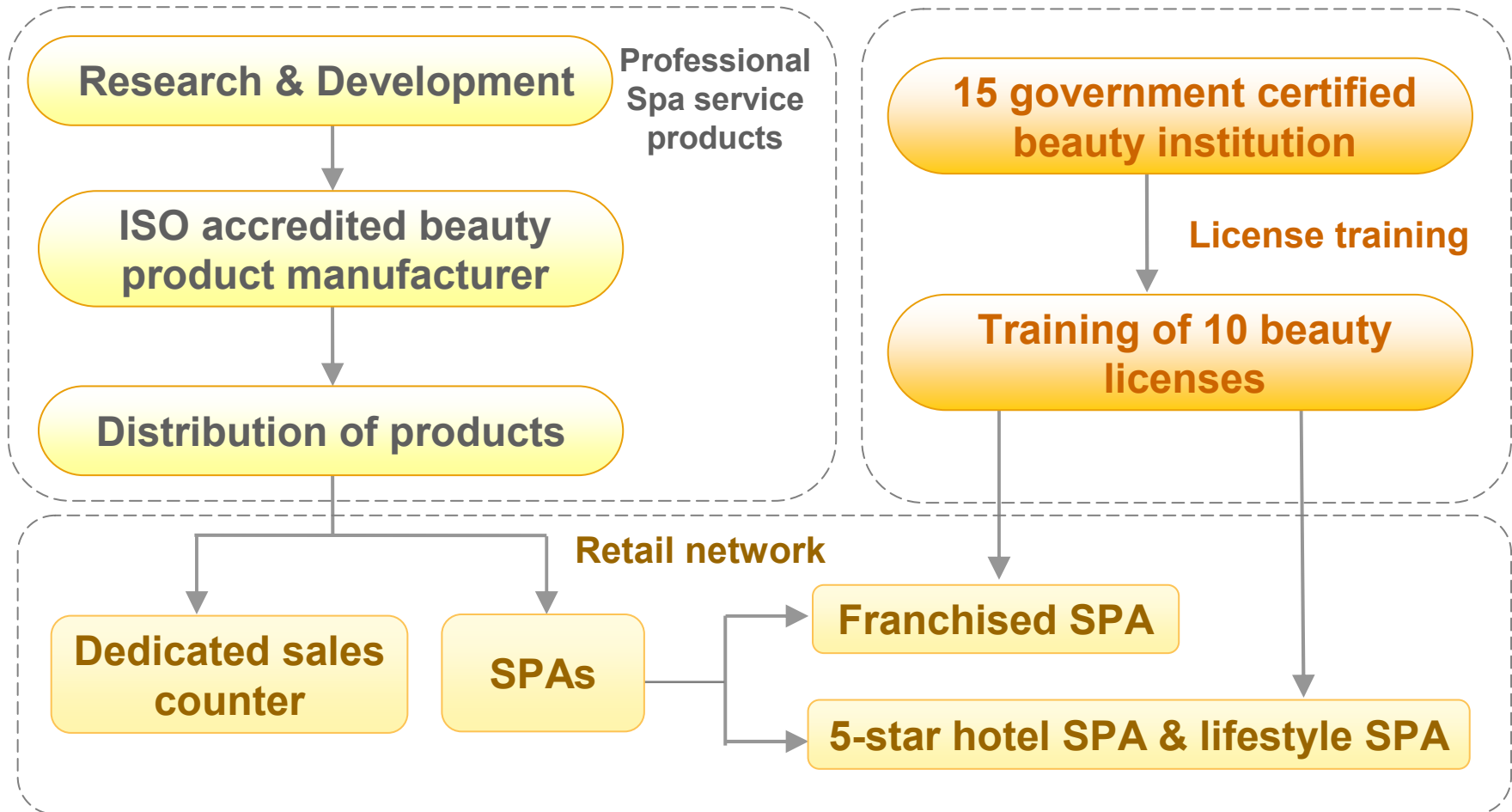
Corporate Positioning



Asian Leading **Beauty & Spa**
Professional Service Product
& Training Provider



Core Business





Optimized Distribution Network

As at 31 Dec 2006

		Franchisee owned		Entrusted		Self-owned	
		Spa	Spa	Counter	Spa	Counter	
The PRC	1,707	1,591	24	20	5	67	
Taiwan	671	501	-	161	9	-	
Others	51	-	-	-	1	-	
HK Malaysia		50	-	-	-	-	
Total	2,429	2,142	24	181	15	67	



Nationwide Distribution Network in PRC





Growth Drivers Summary

- ▶ **Enhance Average Store Sales (FY2006: HK\$148,000 for PRC)**
 - Revamp brand, website and shop image (FY2006:1,451 stores)
 - Repackage products to stimulate home-use product sales and reduce costs (FY2006: 221 products repackaged)
 - Introduce various skin-care products and health supplements to enrich product line (FY2006: 36 new products)
 - Enhance beautician training to increase franchisees' productivity & product sales

- ▶ **Expand Distribution Channels**
 - Target to open 400 franchisee stores in China (FY2006: 308)
 - Further expand retail distribution network in Taiwan

- ▶ **Develop Retail Market**
 - Explore retail opportunity in China following the successful launch of “Fonperi” brand in Taiwan in April 2007



New IR Website (www.nblife.com/ir/)

Microsoft Internet Explorer
Address: <http://www.nblife.com/ir/>

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IR Search:

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Latest TV Commercial (60 seconds)

NB-1 Angel TV commercial with celebrity He Jun Xiang. For more details, please [click here](#).

IR Updates

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2007-04-19 10:17:08 (GMT+8)

\$1.76 (↑ 0.03)

Day High	1.77
Day Low	1.77
Turnover	548.7 K

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Q&A





First Foray into Retail Market

- ▶ **Started NB's first foray in the Taiwan retail market in April 2007**
- ▶ **Launched the DIY personal care products under the brand name of**



- ▶ **Competitive advantages of NB in Taiwan retail market**
 - Unrivalled brand awareness in the beauty and spa professional service products in Asia
 - Rich and professional experience in operating professional salon chains
 - Strong R&D team with international expertise including China, US and Japan
 - High popularity and customer loyalty of its products



Effective Distribution Network

- ▶ Opened 161 retail outlets in 2006
- ▶ To further expand distribution network
 - Target to establish 1,300 retail points of sales in 2007 including hypermarkets and drugstores





Fonperi - Advertising

水潤為底，九倍勁白! **妳的白，自然透出光采!**

fonperi
natural beauty

white fountain
泉·淨白

以Salon級專業學問的自然美 fonperi
堅持採用最純潔最精純養護成份，調和天然無害配方
讓東方女性細嫩敏感的肌膚

new

White fountain 泉·淨白 亮潔保潔乳霜
肌膚光澤透潤，才能容顏煥發！這瓶White fountain 泉·淨白亮潔保潔乳霜，含有「亮潔保潔精華」及「潤澤保湿精華」兩種成分，能深層和透層清潔肌膚，並滋潤肌膚，九倍強效淨白效果！讓妳的白，「潤、白、透」自然流露！

www.fonperi.com

Fonperi - Product Display





Professional Spa & Beauty 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 Lympho 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 Lympho 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