Vita Life Sciences Limited
ABN 35 003 190 421
Suite 630
1 Queens Road Melbourne
Victoria 3004 Australia
T 61 3 9867 2811
F 61 3 9820 5957
www.vitalifesciences.com

Vita Life Sciences Limited ("Vita Life" or "Group")
[ASX Code: VSC]

Annual General Meeting 20 May 2010

Summary of Managing Director's Address

The following were the key highlights for the financial year ended 31 December 2009:

- Vita Life's sales revenue of $17.02 million for the financial year was $2.66 million or 18.5% higher than 2008;
- On a normalised basis, profit after tax was $0.30 million compared to an operating loss of $0.69 million in 2008;
- The Health division's normalised EBIT of $0.78 million (2008: Normalised loss before interest expense and taxation of $0.29 million) demonstrated improved performance despite the global financial crisis in 2009;
- Further growth was achieved by the New business units.

Financial highlights:

- Sales in 2009 improved by 18.5% with sales growth in Australia, Malaysia and Singapore of approximately 26.5%, 16.1% and 7.8% respectively. This reflects the strengths of the Group's brands in Australia, Malaysia and Singapore.
- The Group's loss of $0.33 million (2008: profit after tax of $0.35 million) was not representative of the performance of the business in 2009 as it includes a $0.63 million charge for legal and professional costs associated with the Group's claim against the Commonwealth of Australia ("Pan TGA Claim"). On a normalised basis, profit after tax was $0.30 million excluding the Pan TGA Claim costs compared to an operating loss of $0.69 million in 2008 excluding proceeds from Pan Liquidator of $1.04 million.
- Group adjusted net results before losses in New business units ("Adjusted Results") of $1.0 million in 2009, improved from 2008's loss of $0.09 million, demonstrates the benefits of an effective management team, focussed action in new product introductions and strong retailer partnerships.

- The Health division reported normalised EBIT of $0.78 million (2008: Normalised loss before interest expense and taxation of $0.29 million). The Health division’s Established business units remained the key driver of the robust results. Whilst the Established business continues to do well, there are substantial growth opportunities for the Group in the New business units.
- The Health division’s New business units were initiated with the focus on increasing sales, profitability and market share in the longer term.
- The Group has an equity interest of 6.3% (profit share of 20.1%) in a property project in Malaysia. The Investment division did not record any revenue during the financial year and the loss of $0.02 million (2008: $0.08 million) was mainly administrative costs.
- Based on current performance, the Group is well positioned to grow revenue whilst maintaining existing profit margin ratios.

Outlook for the financial year ending 31 December 2010

- The Health division’s Established business is expected to grow by 15% - 25.0% (measured in local currency) in the first half of 2010 compared to 2009. This trend is expected for the full financial year assuming consumer sentiment remains unchanged.
- The New business units in Malaysia and China are expected to continue to expand with losses moderating in 2010. Whilst the business in Thailand is being adversely affected as a result of its political situation, the impact to the Group will be immaterial.
- The Group continues to seek redress from the Commonwealth of Australia for its part in the Pan product recall which devastated the Vita Life business (“Pan TGA Claim”). The legal case is presently in the “discovery” stage with hearing expected in early 2011. The Group anticipates the ultimate positive outcome to be a substantial lift in the financial base of Vita Life.
- The Health division’s performance remains encouraging in 2010 as compared to 2009. However, the Pan TGA Claim costs are forecast to negatively impact the Group’s financial results.