

Welcome to the 2013 Vita Life Sciences Limited Annual General Meeting



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Chairman's Welcome Address



Agenda

1. **Chairman's Welcome Address**
2. **Managing Director's Review**
3. **Ordinary Resolutions**
4. **Question & Answer Time**

Managing Directors Review



Vita Life Sciences Ltd

- **Pharmaceutical and healthcare Over-The-Counter business**
- **Wide range of supplements, vitamins, minerals, meal replacement, sports nutrition and herbal care**
- **Branded under:**
 - “Herbs of Gold” throughout Australia and China
 - “VitaHealth” and “VitaLife” throughout Asia



An “All Asia Footprint” objective

- Established Business Units: Australia, Malaysia and Singapore
- New Business Units: Multi-Level-Marketing (MLM) in Malaysia, China, Thailand and Vietnam
- Indonesia currently being established. Focus currently on product registration and preparations for commencement of operations in 2013
- Aim to have New Business Units contributing 15% to 25% of total sales in next 2 to 4 years

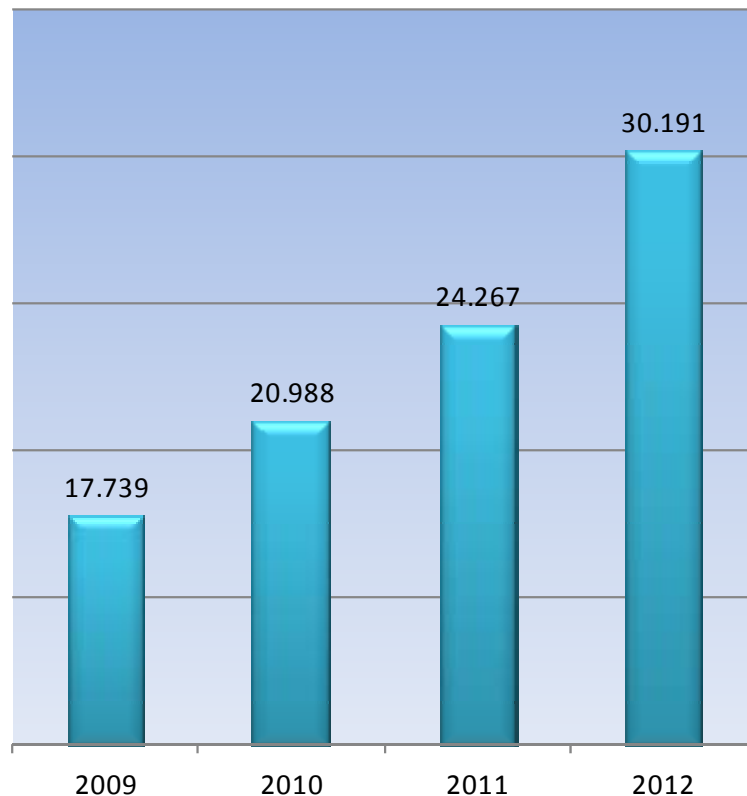


Profit and Loss

Year ended 31 December	2012	2011	Change
	\$ m	\$ m	%
Revenue	30.191	24.267	24.4%
EBIT	2.865	1.489	92.4%
Profit Before Tax	2.841	1.403	102.5%
Profit After Tax	2.316	1.213	90.9%
EPS (cents)	4.14	2.12	95.3%
Dividend (cents)	1.00	0.50	100.0%

Sales Revenue

Revenue-\$'m



- Compound Annual Growth Rate (CAGR) of 14.3% over last 4 years

- Sales growth (in local currency):

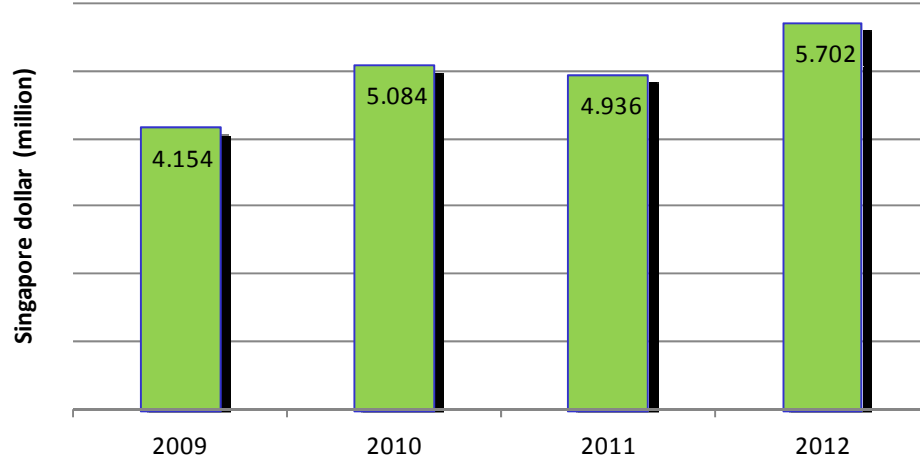
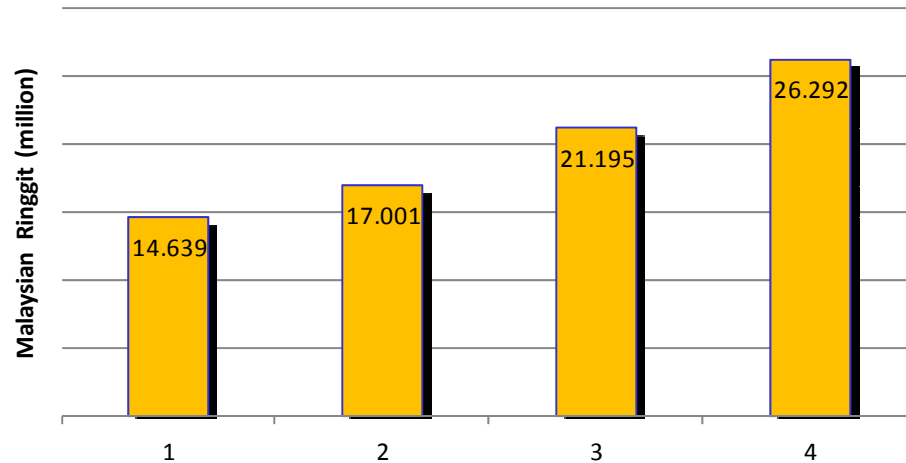
Established Business Units

- Australia 25.1% (2011: 14.1%)
- Malaysia* 24.0% (2011: 24.7%)
* excluding MLM
- Singapore 15.5% (2011: -2.9%)

New Business Units

- Thailand 47.7% (2011: 76.3%)
- MLM sales decreased by 16.2% (2011: 77.1% growth) due to transition to a new marketing strategy in July 2012, but gained traction and recorded a break even result for the second half of the financial year
- China's sales increased by 39.6% (2011: 236.9%)
- Vietnam recorded its first sales in 2012

Sales in local currency Established Business Units



Malaysia*

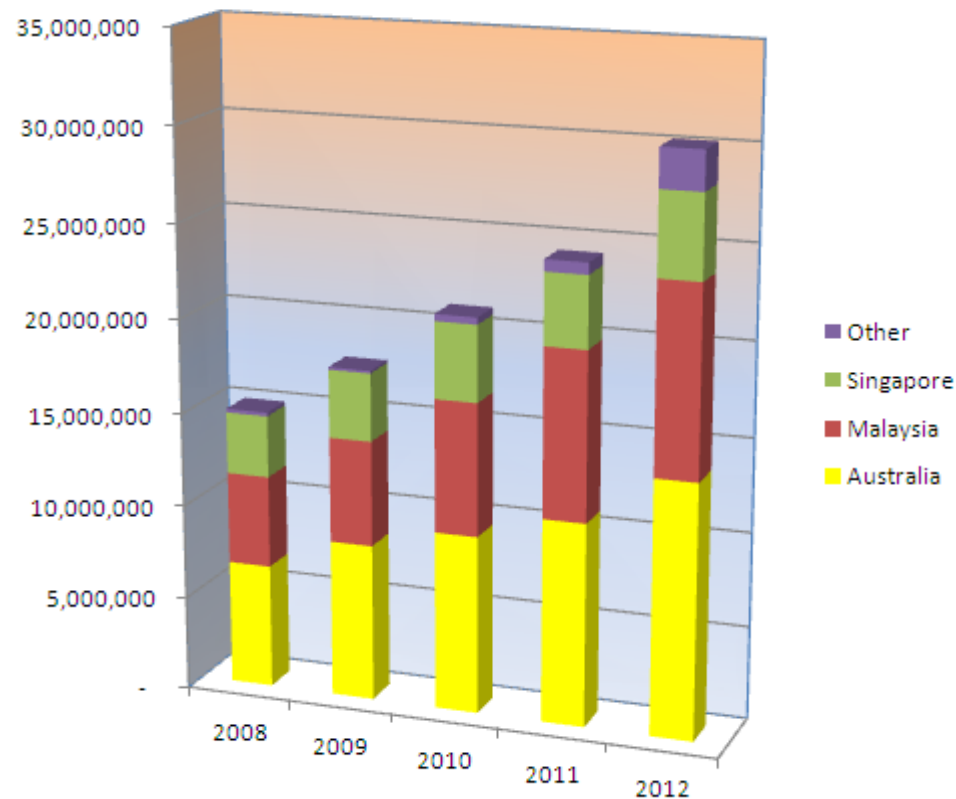
- CAGR over 4 years of 15.8%
- Current year increase 24.0% (2011: 24.7%)

* MLM not included as classified as a New Business Unit

Singapore

- CAGR over 4 years of 8.2%
- Current year increase 15.5% (2011: -2.9%)

Sales Revenue – Segment



- Australia remains the largest contributor to Group revenue with 45% (2011 :45%)
- “Other” includes China, Indonesia, Thailand and Vietnam
- Other increased to 7% of Group revenue (2011: 3%). Bulk of this increase is due to Thailand being consolidated for the first time in 2012

Balance Sheet

Balance Sheet (\$ m)	2012	2011
Current assets	15.58	10.93
Non-current assets	1.23	2.42
Total assets	16.81	13.35
Current liabilities	(5.42)	(4.36)
Non-current liabilities	(0.05)	(0.03)
Total liabilities	(5.47)	(4.39)
Net assets	11.34	8.96

- Group remains debt-free, with cash balance of \$5.0m (2011: \$3.6m)
- Cash and cash equivalents make up 44.2% of net assets
- Increased investment in Inventory of \$1.9m to cater for increase in sales, SKU's and geographic area
- Net assets increased to \$11.3m
- Negligible intangible assets

Cash Flow

Cash Flow (\$ m)	2012	2011
Receipts from customers	32.74	26.26
Payments to suppliers and employees	(31.13)	(25.44)
Gross operating cash flow	1.61	0.82
EBITDA	2.87	1.49
Ratio of gross operating cash flow to EBITDA	56.1%	55.0%
Net interest received (paid)	0.04	(0.02)
Income tax paid	(0.27)	(0.21)
Net proceeds from Pan Case	-	5.07
Operating Cash flows	1.38	5.66
Cash flows from investing activities	0.09	(0.07)
Net movements in Equity	(0.16)	(0.39)
Loans to associated entities	-	(0.20)
Repayments of Borrowings	-	(1.76)
Cash flows from financing activities	(0.16)	(2.35)
Net foreign exchange differences	0.07	(0.02)
Net increase in cash reserves	1.38	3.22
Cash at beginning of year	3.63	0.41
Cash at end of year	5.01	3.63

- Gross operating cashflow ratio has improved marginally in FY12
- Ratio impacted by increased investment in inventory and trade debtors
- Inventory impacted by increase in sales, SKU's and geographic area
- Trade debtors impacted by increase in sales. 95% of trade debtors 60 days or less

Dividends

- 0.5 cent per share final dividend declared for the year ending 31 December 2012. Total dividend for the financial year of 1.0 cent per share
- Represents dividend payout ratio of 24%
- Directors aiming to increase this ratio to approximately 33% for the foreseeable future
- Due to prior year tax losses carried forward of approximately \$10m, no tax is being paid in Australia and the franking balance is almost depleted
- Apart from a small franking percentage in the interim dividend in FY13 future dividends will be unfranked until tax losses are utilised

Outlook

- The CAGR for revenue of 13% pa over the last 3 years is expected to continue in FY13 and potentially increase as the New Business Units start to make larger contributions
- Over the same period EBIT CAGR has shown an increase of 54% reflecting the gains made in cost control and operating leverage. Barring unforeseen circumstances, Directors are targeting a 40 to 50% increase in EBIT in FY13
- The strong cash position, positive cash flows from operating activities and being debt free leaves the Group in a strong position to expand its business and take advantage of future growth opportunities as they arise

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Ordinary Resolutions

- 1. Remuneration Report**
- 2. Re-election of Director – Vanda Gould**
- 3. Re-election of Director – Jonathan Tooth**
- 4. Share buy-back**
- 5. Long Term Incentive Plan – Amendment to a limited recourse loan to Managing Director**
- 6. Long Term Incentive Plan – Amendment to a limited recourse loan to Director of Subsidiary**

Proxy Summary

RESOLUTIONS	IN FAVOUR	AGAINST	ABSTAIN	PROXY'S DISCRETION	TOTALS
1) Adoption of the Remuneration Report	16,188,342	31,062	774,064	11,034	17,004,502
2) Election of Director (Mr V Gould)	16,990,881	2,587	-	11,034	17,004,502
3) Election of Director (Mr J Tooth)	16,721,914	11,293	260,261	11,034	17,004,502
4) Share Buy-Back	16,976,864	16,604	-	11,034	17,004,502
5) Long Term Incentive Plan – Amendment to a limited recourse loan to Managing Director	12,804,913	26,319	4,162,236	11,034	17,004,502
6) Long Term Incentive Plan – Amendment to a limited recourse loan to Director of Subsidiary	12,791,109	26,319	4,176,040	11,034	17,004,502



Agenda

- 1. Chairman's Address**
- 2. Managing Director's Review**
- 3. Ordinary Resolutions**
- 4. Question & Answer Time**

Closing

Thank You

23 May 2013

