

# Welcome to the 2014 Vita Life Sciences Limited Annual General Meeting



# 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 overview



- Asia Pacific pharmaceutical and healthcare over-the-counter business involved in the formulating, packaging, sales and distribution of vitamins and supplements
- 800 registered sku of vitamin and supplement sold in 8 countries in the Asia Pacific region
- 2 major brands
  1. VitaHealth: products sold in health food stores and pharmacies throughout Southeast Asia
  2. Herbs of Gold: products sold in health food stores in Australia
- Approx. 400 employees across 8 countries
- ASX listed since 2007 (ASX:VSC)

# Positioned to grow with the health conscious Asia Pacific middle class

- 1 Trusted brand portfolio
- 2 Established footprint in 8 countries
- 3 Substantial product portfolio offering 800 sku and growing
- 4 Platform for sustained growth: operations established in 8 Asia Pacific countries
- 5 Financially disciplined: 19% 3 year revenue CAGR and expansion into 4 new Asian markets has been achieved since 2010 whilst maintaining a net cash balance sheet
- 6 Strong Asia based management team that thinks internationally but acts locally

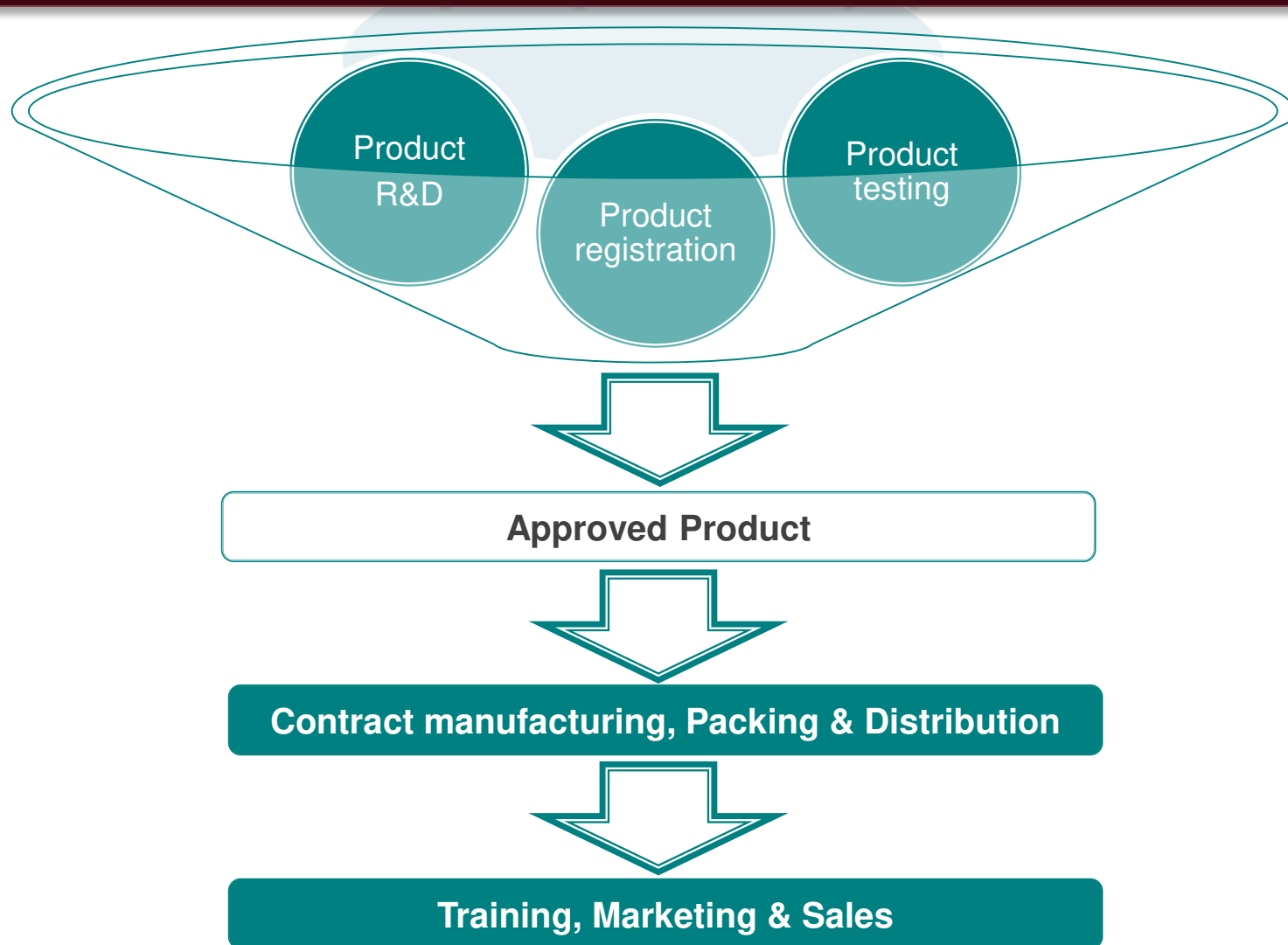
# Focussed product offering tailored to meet the demands of each market



<b>Country presence</b>	Malaysia Singapore China Thailand Vietnam Indonesia	Australia Hong Kong	Malaysia
<b>Total no. of products (sku) on sale</b>	~450	~200	~30
<b>Product offering</b>			
Supplements	✓	✓	✓
Vitamins	✓	✓	✓
Minerals	✓	✓	✓
Meal replacement	x	x	✓
<b>Market channels</b>	Health food stores Pharmacies	Health food stores	Direct to customer

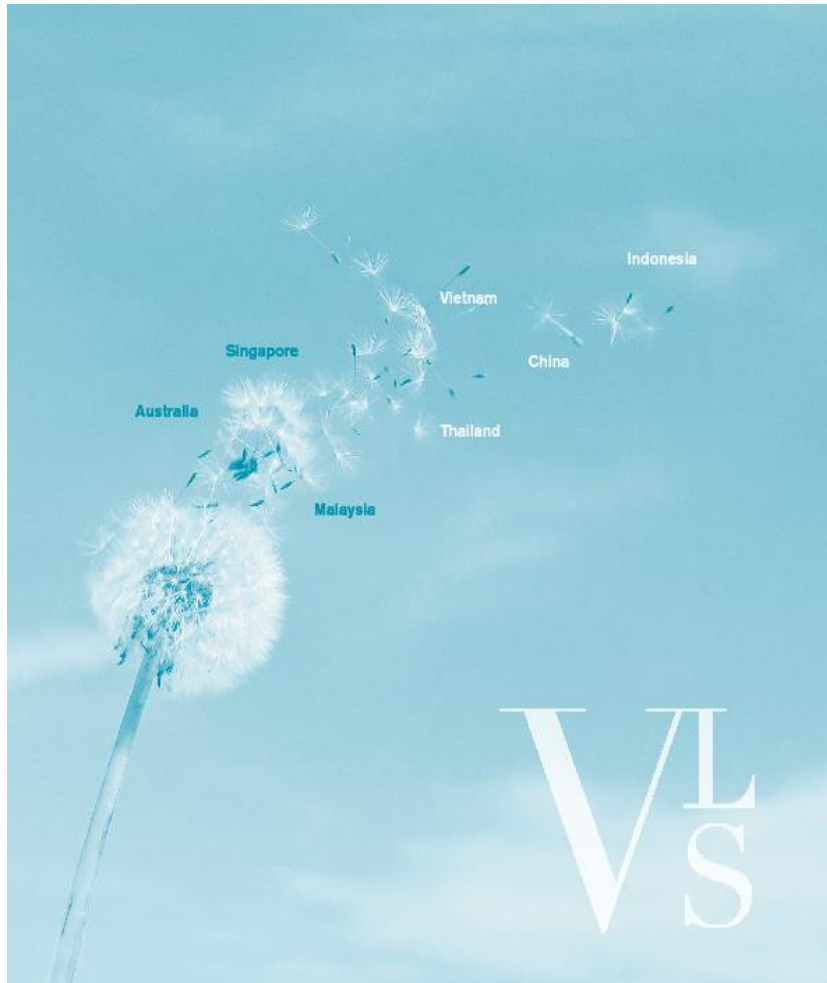
Vita Life Sciences thinks internationally but acts locally

# Vita Life Sciences develops, registers and sells proprietary products





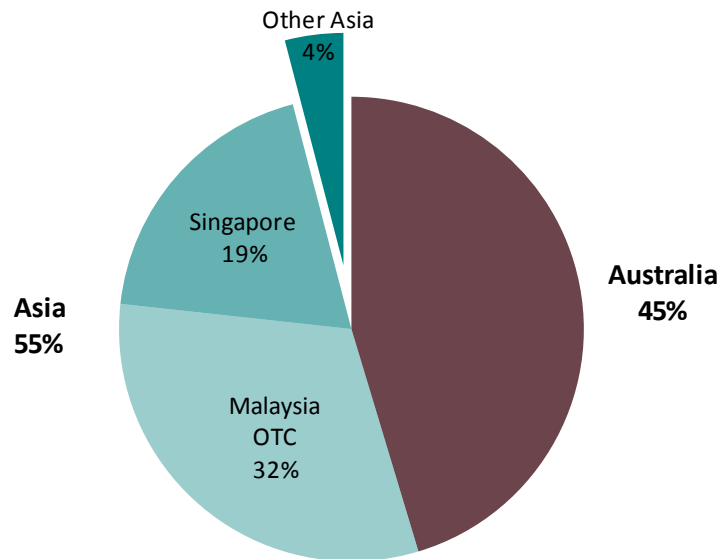
# Vita Life Sciences today



	Population (m)	Business Commenced	2013 Revenue (A\$m)
Australia	23	1989	14.2
Malaysia	29	2000	12.3
Singapore	5	1947*	5.7
Hong Kong	7	2006	3.2
Thailand	67	2007	
China	1,351	2008	
Vietnam	89	2010	
Indonesia	247	2015	

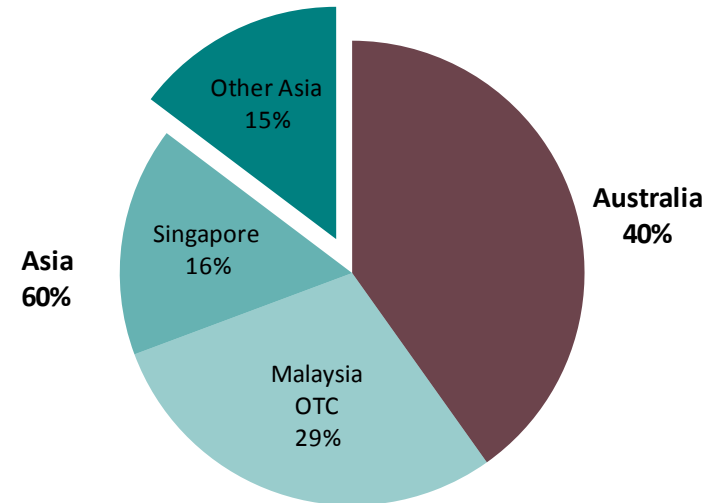
# An Asia Pacific platform built for sustained growth

2010 revenue by geography



Total revenue: \$21m

2013 revenue by geography



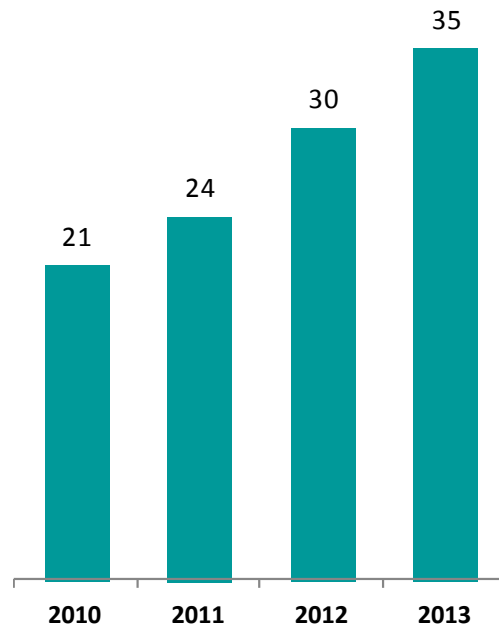
Total revenue: \$35m

Thailand, Vietnam, Indonesia, China and Hong Kong are expected to contribute 25% of Group revenue in the medium term

# Vita Life Sciences has significant momentum

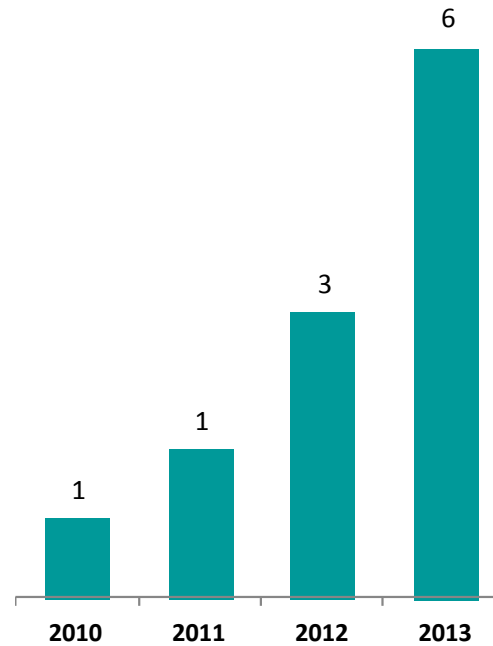
## Revenue

(A\$m)



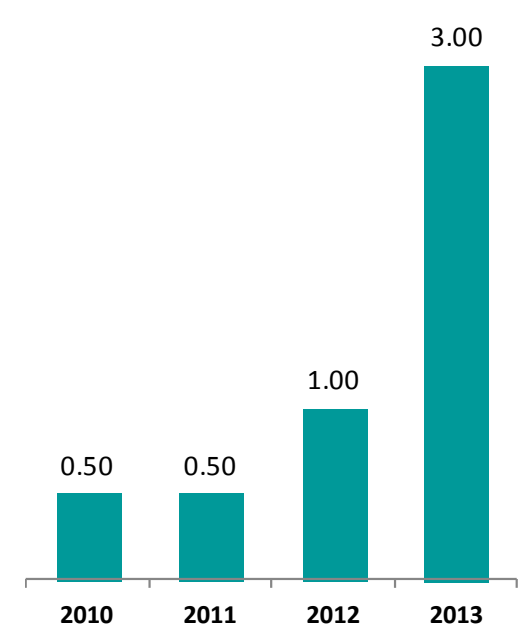
## EBIT

(A\$m)



## DPS

(cps)



# Maintaining Business Growth

- Footprint in 8 countries in Asia Pacific
- Strategically positioned to grow with the rapid emergence of the Asian middle class that is health conscious with increasing discretionary spending power
- Australia: Population of 23m; Approximately 7,000 pharmacies and 1,200 health food stores plus grocery.
- Singapore & Malaysia: Combined population of 34m; Approximately 2,100 pharmacies and 700 Chinese medicine halls
- Malaysian MLM industry grew 7% to US\$4.67 billion in 2012 and was ranked 7th in the world
- Elsewhere in Asia:
  - The Group's 2008 strategy was to enter markets with 50m+ population. China, Thailand and Vietnam are now established which provide the Group with significant opportunities
  - As products are approved by authorities in Indonesia, the Group expects meaningful sales contributions

# Human Capital (Malaysia & Singapore)





# Trading Update

## 2014 Strategic initiatives

- New consolidated Malaysian premises
- Indonesia: continued to register products in preparation for commencement of operations

## Trading update

- Benefits of an enlarged Asia Pacific platform continue to be realized. New markets entered under current management continue to outperform and are expected to contribute 25% of Group revenue in the medium term
- Directors would like to reaffirm full year EBIT guidance

# Appendix

# Appendix 1 – Profit and Loss

Year ended 31 December	2013	2012	Change
	\$ m	\$ m	%
Revenue	35.41	30.19	17%
EBITDA	5.62	2.93	92%
EBIT	5.51	2.86	93%
Profit Before Tax	5.52	2.84	94%
Profit After Tax	4.75	2.32	105%
EPS (Diluted - cents)	8.42	4.14	103%
Dividend (cents/share)	3.00	1.00	200%



# Appendix 2 – Balance Sheet

Balance Sheet (\$ m)	2013	2012
Current assets	20.49	15.58
Non-current assets	1.52	1.23
<b>Total assets</b>	<b>22.01</b>	<b>16.81</b>
Current liabilities	(5.68)	(5.42)
Non-current liabilities	(0.06)	(0.05)
<b>Total liabilities</b>	<b>(5.74)</b>	<b>(5.47)</b>
<b>Net assets</b>	<b>16.27</b>	<b>11.34</b>

# Appendix 3 – Cash Flow

Cash Flow (\$ m)	2013	2012
Receipts from customers	38.86	32.74
Payments to suppliers and employees	(33.54)	(31.12)
<b>Gross operating cash flow</b>	<b>5.32</b>	<b>1.62</b>
<b>EBITDA</b>	<b>5.62</b>	<b>2.93</b>
<b>Ratio of gross operating cash flow to EBITDA</b>	<b>94.7%</b>	<b>55.3%</b>
Net interest received (paid)	0.07	0.04
Income tax paid	(0.56)	(0.27)
<b>Operating Cash flows</b>	<b>4.83</b>	<b>1.39</b>
<b>Cash flows from investing activities</b>	<b>(0.28)</b>	<b>0.09</b>
Net movements in Equity	(0.70)	(0.16)
<b>Cash flows from financing activities</b>	<b>(0.70)</b>	<b>(0.16)</b>
Net foreign exchange differences	0.10	0.07
<b>Net increase in cash reserves</b>	<b>3.95</b>	<b>1.39</b>
Cash at beginning of period	5.02	3.63
<b>Cash at end of period</b>	<b>8.97</b>	<b>5.02</b>

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# Ordinary Resolutions

- 1. Remuneration Report**
- 2. Re-election of Director – Henry Townsing**
- 3. Share buy-back**
- 4. Long Term Incentive Plan**

# Proxy Summary

RESOLUTIONS	IN FAVOUR	AGAINST	ABSTAIN	PROXY'S DISCRETION	TOTALS
1) Adoption of the Remuneration Report	30,254,874	10,600	3,036,476	44,621	33,346,571
2) Election of Director (Mr H Townsing)	33,048,252	-	253,698	44,621	33,346,571
3) Long Term Incentive Plan	31,849,828	14,350	1,437,772	44,621	33,346,571
4) Share Buy-Back	33,298,886	2,543	521	44,621	33,346,571

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