



**Vita Life Sciences Limited (“Vita Life” or “Group”)  
[ASX Code: VSC]**

**Annual General Meeting 19 May 2011**

**Summary of Managing Director’s Address**

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**Highlights:**

The following were the key highlights for the financial year ended 31 December 2010:

- Vita Life’s Group sales revenue increased by \$3.2 million or 18.7% compared to 2009;
- EBIT (Earnings before interest and tax) of \$4.9 million for the year was recorded including \$3.9 million net proceeds from PAN;
- The Group’s borrowings of \$1.8 million were fully repaid in January 2011; and
- All the new businesses investments/ ventures are currently funded internally.

**Financial Highlights:**

- Sales in 2010 improved by 18.7% for the Group (despite about 4% offset by the stronger A\$) with sales growth in Australia, Malaysia and Singapore of 13.4%, 20.2% and 15.7% respectively in their local currencies.
- On a normalised basis, the Group’s EBIT was \$1.0 million against \$0.6 million in 2009. Excluding new businesses losses of \$0.5 million for the year and \$0.7 million in 2009, our established businesses profits improved from \$1.3 million in 2009 to \$1.5 million in 2010.
- The Group’s shareholders’ funds of \$8.1 million at end of 2010 was the highest since 2007 when we were relisted on the ASX.
- Net Tangible Assets of \$8.0 million at the end of 2010. The Group has negligible intangible assets.
- A dividend was paid on 12 Apr 2011 at 0.5 cents per share representing 27% of normalised EBIT in total. The last dividend was paid 10 years ago.
- All loans were fully repaid in January 2011, the group has no bank borrowings.

**Businesses:**

- The Australian market is still the single largest market contributing 47% of our total revenue compared to 49% in 2009. Sales in Malaysia in 2010 contributed 34% of our total revenue compared to 30% in 2009, propelled by our established and MLM businesses.
- Sales of our Australian pharmacy brand, VitaScience, grew by 52% in 2010.
- The MLM business in Malaysia achieved a three-fold growth and contributed about 6.7% of the total Group revenue compared to only 1.7% in 2009.
- All our new investments/ ventures have shown significant progress during the year and are expected to contribute to our long term growth.
- New markets are currently small but growing steadily as a result of a careful balance between fast sales growth and commercial risks. Thailand, Malaysia-MLM, China and Indonesia all showed strong growth in 2010.
- We continue to look for potential merger and acquisition opportunities.

**Health Division Outlook 2011:**

- Sales trend to continue with health division's business to grow for the first half of 2011 compared to 2010.
- New businesses units in Malaysia, China and Vietnam are expected to grow with losses moderating in 2011.
- Barring unforeseen circumstances, we expect sales and normalised EBIT for 2011 to exceed the sales of \$20.2 million and normalised EBIT \$1.0 million recorded in 2010.

**Investment Division Outlook 2011:**

- Group has an equity interest of 6.3% (profit share of 20.1%) in a property project in Malaysia and by end of year 2011, the project is expected to reach about 30-35% of total development sold.
- Project expected to report a pre-tax profit in 2011.