

BEST WORLD FY2006 RESULTS BRIEFING

15th February 2007



Presentation Outline

- ❖ Highlights
- ❖ FY2006 Financial Review
- ❖ FY2006 Operating Review
- ❖ Outlook & Future Plans

Highlights

- ❖ Revenue increase by 40.0% to S\$77.1 million
- ❖ Net profit surges 40.1% to S\$11.9 million
- ❖ Final tax-exempt dividend of 1.3 cent per share and an interim dividend of 1.2cent per share (34.8 % payout of net profit)
- ❖ Negative ionizer proves to be a star product
 - Launched extension to range – ÜberAir Ride
- ❖ Strong performances by key markets and expansion to promising new markets

Milestones in 2006

- ❖ Opening of RC in Johor Bahru, Malaysia
- ❖ Awarded Regional Headquarters (RHQ) status by EDB
- ❖ Upgraded to Main Board
- ❖ Obtained Halal-food certification from the Islamic Food and Nutrition Council of America (IFANCA) for Health Supplements
- ❖ Opening of RC in Taichung, Taiwan
- ❖ Opening of RC in Causeway Bay, Hong Kong

FY2006 FINANCIAL REVIEW



Income Statement Highlights

In S\$'000	FY2006	FY2005	% Variance
Revenue	77,114	55,098	40.0%
Gross Profit	59,895	42,898	39.6%
Gross profit margin	77.7%	77.9%	
PBT	15,617	11,755	32.9%
PBT margin	20.3%	21.3%	
Income tax expense	3,110	2,833	9.8%
Effective tax rate	19.9%	24.1%	
Net Profit	11,861	8,464	40.1%
Net profit margin	15.4%	15.4%	

12 months ending 31 Dec 2006



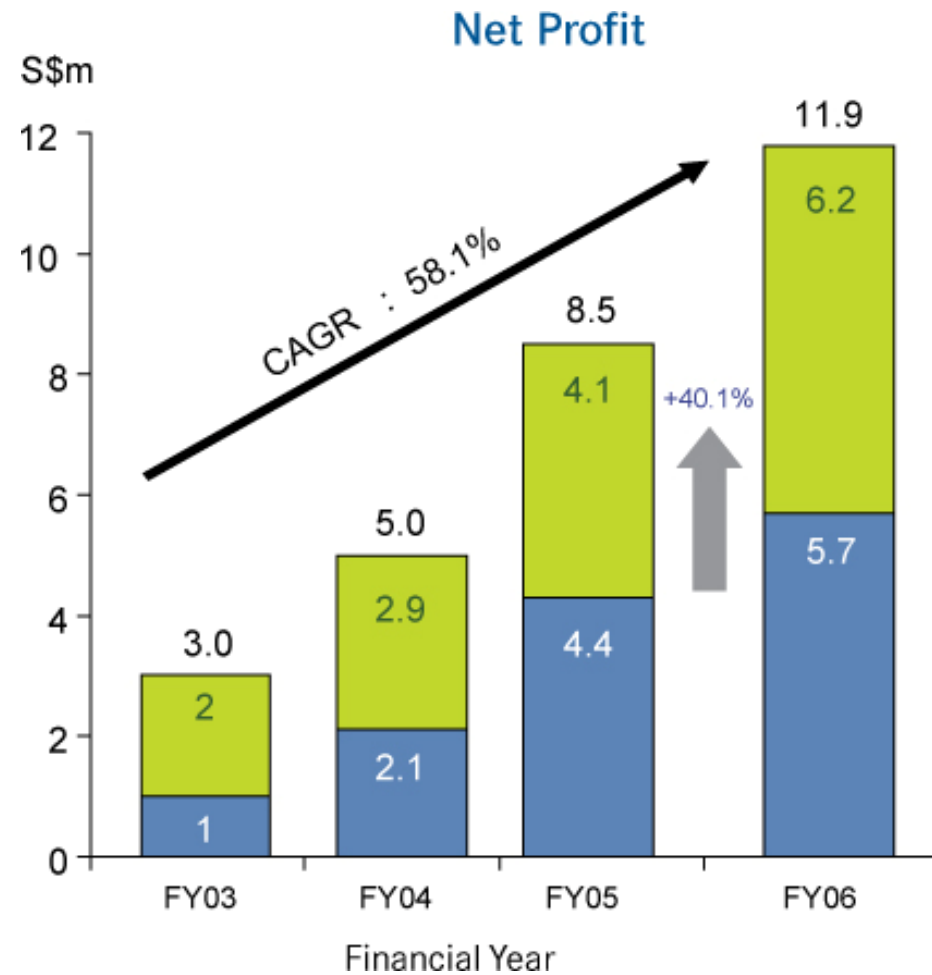
Key Financial Ratios

Per Share Analysis (\$ cents)	FY2004	FY2005	FY2006
Diluted EPS	3.66	5.50	7.19
Dividend/ Share	0.3	2.6	2.5
Dividend Payout Ratio	19.8%	48.9%	34.8%
Net Operating CF/ Share	3.86	3.40	7.9
Receivable days	51	36	57
Inventory days	167	130	110
Payable days	42	19	57
Liquidity (times)			
Current ratio	2.5	4.1	3.1
Quick ratio	2.1	3.6	2.7
Net debt to equity ratio	Net Cash	Net Cash	Net Cash
Returns (%)			
ROE	36.5%	29.4%	33.0%

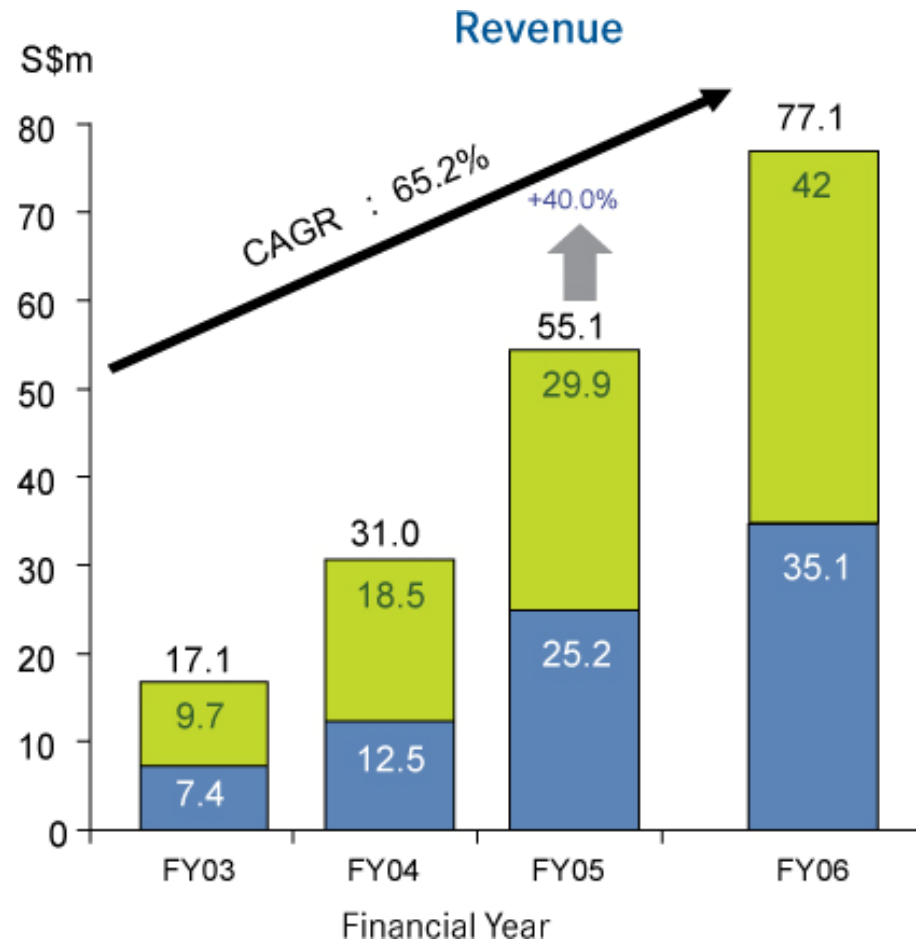
Financial Review

- ❖ GP margins stable at 77.7%
- ❖ Admin expenses mainly due to the Group's on-going expansion into regional market, e.g. Jakarta, Taichung and Hong Kong RCs
- ❖ Effective tax rate reduced from 24.1% for FY2005 to 19.9% for FY2006
 - RHQ Status awarded to the Group in July 2006
- ❖ Cashflow and balance sheet remain strong

Track Record: Net Profit



Track Record: Revenue



FY2006 OPERATING REVIEW



Segmental Breakdown

	FY2006		FY2005		+ / (-)
	S\$'000	%	S\$'000	%	
Activity Segment					
Direct Selling	76,622	99.4%	54,290	98.5%	41.1%
Retail	136	0.2%	176	0.3%	-22.7%
Export	356	0.4%	632	1.2%	-43.7%
	<u>77,114</u>	100%	<u>55,098</u>	100%	40.0%
Geographical Segment					
Malaysia	32,369	42.0%	22,971	41.7%	40.9%
Singapore	24,037	31.2%	17,987	32.6%	33.6%
Indonesia	17,550	22.8%	12,963	23.5%	35.4%
Others	3,158	4.0%	1,177	2.1%	168.3%
	<u>77,114</u>	100%	<u>55,098</u>	100%	40.0%

12 months ending 31 Dec 2006

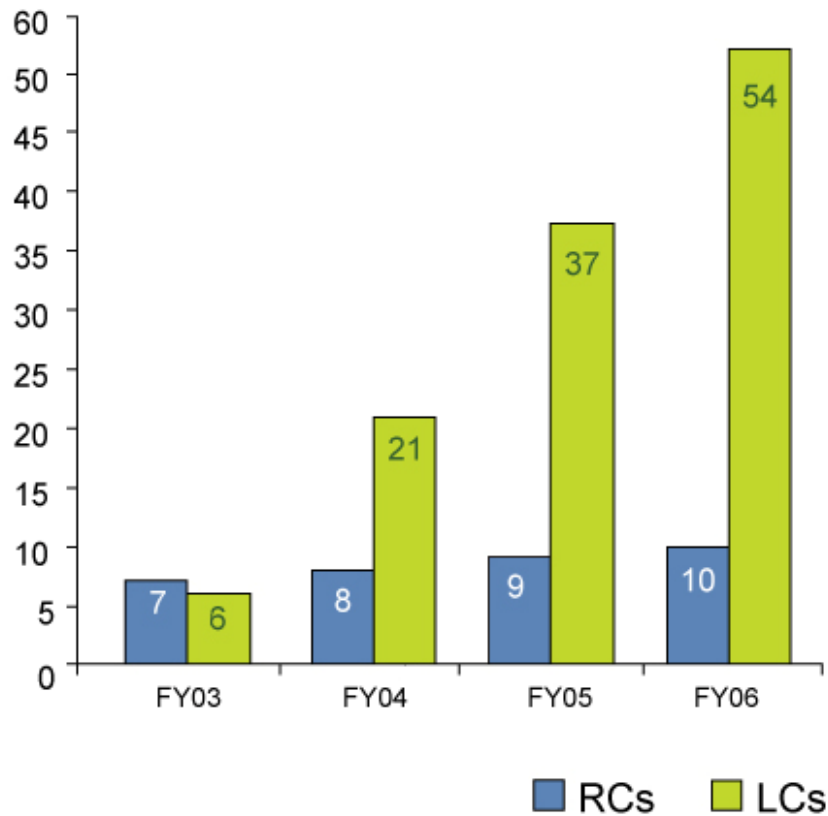


Geographical Review

- ❖ Singapore & Malaysia continue to exhibit strong growth
- ❖ Indonesia gathered momentum for 2H06
 - 35.4% growth for FY2006
 - 2H06 exhibited robust growth with revenue of S\$11.4m (1H06: S\$6.2m)
- ❖ Other markets driven by strong sales in Hong Kong, Taiwan and Vietnam

Regional & Lifestyle Centres

Regional and Lifestyle Centres

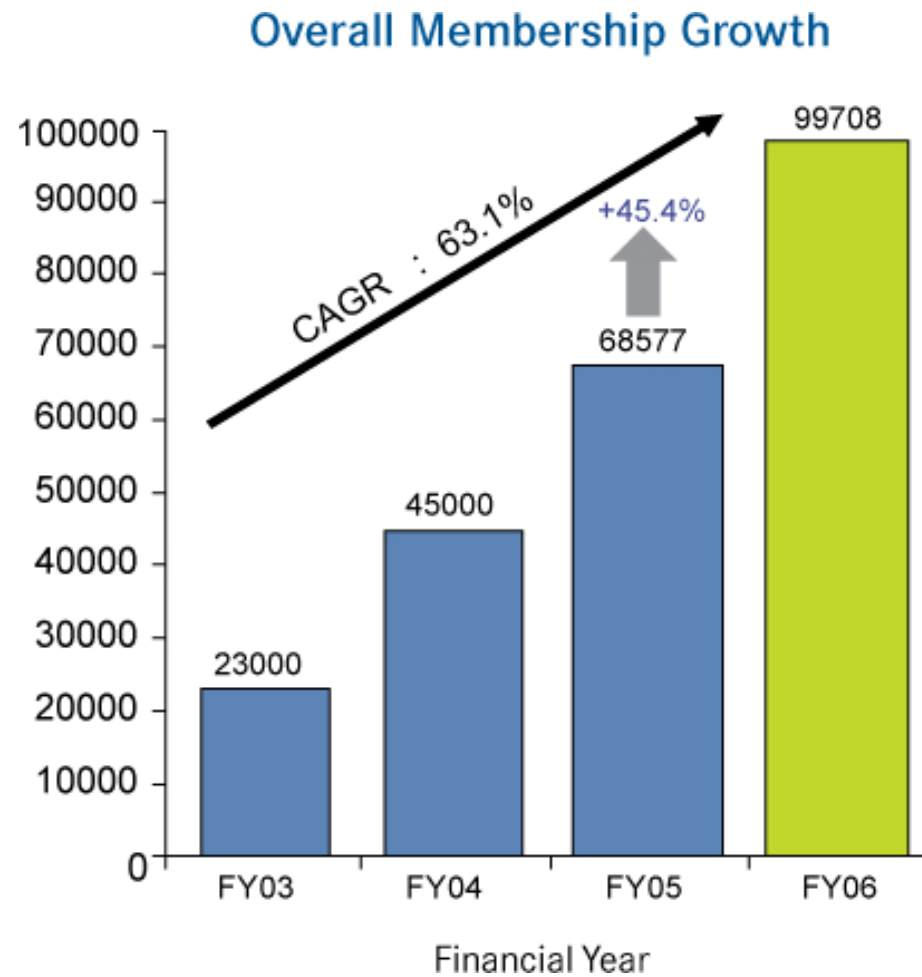


- ❖ 54 LCs – 46% increase from FY2005
- ❖ 10 RCs – Launch of RCs in Malaysia, Hong Kong and Taiwan

Membership By Geography

Geographical Segment	FY2006		FY2005		+ / (-)
		%		%	
Malaysia	40,737	40.9%	28,362	41.4%	43.6%
Singapore	37,604	37.7%	29,392	42.9%	27.9%
Indonesia	17,344	17.4%	9,244	13.5%	87.6%
Others	4,023	4.0%	1,579	2.3%	154.8%
	<u>99,708</u>	100.0%	<u>68,577</u>	100.0%	45.4%

Overall Membership Growth



OUTLOOK & FUTURE PLANS



Regional Expansion Strategy



New Market	Targeted Year of Incorporation
China	2007
Philippines	2008
South Korea	2009
Japan	2010

Sept 2006 Euromonitor Report Direct Selling in China

Table 81 Direct Selling Forecasts: Value 2005-2010

RMB million	2005	2006	2007	2008	2009	2010
Direct selling	20,966.5	26,235.5	30,405.2	33,967.0	36,784.0	39,906.6
Cosmetics and toiletries direct selling	6,748.4	8,183.9	9,699.5	11,215.0	12,427.5	13,791.5
Household care direct selling	4,250.0	4,679.7	4,902.5	5,125.4	5,392.8	5,571.0
Domestic electrical appliances direct selling	-	-	-	-	-	-
Consumer electronics direct selling	-	-	-	-	-	-
Clothing and footwear direct selling	-	-	-	-	-	-
Home furnishings and housewares direct selling	-	-	-	-	-	-
DIY, gardening and hardware direct selling	-	-	-	-	-	-
Leisure goods direct selling	-	-	-	-	-	-
Vitamins and dietary supplements direct selling	9,968.2	13,371.9	15,803.2	17,626.6	18,963.8	20,544.1
Food and drink direct selling	-	-	-	-	-	-
Other direct selling	-	-	-	-	-	-

❖ Direct Selling set to grow at a CAGR of 13.7% to 2010

China Market

- ❖ The Group has taken initiative to set up a Regional Centre in China
- ❖ New RC in Hong Kong and Taichung may serve to support the expansion into China

Overall Membership Growth

- ❖ Strong marketing and recruitment initiatives achieved 87.6% growth in Indonesian membership figures
- ❖ Hong Kong and Taiwan expected to expand rapidly
 - Distributors/consumers familiar with direct selling
- ❖ IFANCA certified health supplements expected to target Muslim markets
- ❖ Rapid regional expansion: Targeted membership growth for FY2007 ~ 30%

Product Pipeline

- ❖ Successful launch of Negative Ionizer for FY2006
 - Followed up with ÜberAir Ride
- ❖ Halal-certified health supplements available to penetrate new and existing Muslim countries
 - Indonesia, Malaysia and Brunei
- ❖ New warehouse and packaging facilities at Changi
 - Facilitate rollout of new products



Moving Forward

- ❖ Strengthening of position in existing key markets
- ❖ Regional expansion into China
- ❖ Strong pipeline of new products
- ❖ FY2007 expected to outperform FY2006

THANK YOU!

