

SUMMARY OF KEY FINANCIAL INFORMATION
31/12/2008

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31/12/2008	31/12/2007	31/12/2008	31/12/2007
		RM'000	RM'000	RM'000	RM'000
1	Revenue	45,958	47,271	137,129	121,664
2	Profit/(loss) before tax	4,365	7,981	11,163	15,299
3	Profit/(loss) for the period	3,122	5,747	8,550	11,163
4	Profit/(loss) attributable to ordinary equity holders of the parent	3,122	5,747	8,550	11,163
5	Basic earnings/(loss) per share (sen)	2.37	4.35	6.48	8.71
6	Proposed/Declared dividend per share (sen)	1.50	2.50	1.50	2.50
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent (RM)	0.9900		0.9400	

Note: For full text of the above announcement, please access Bursa Malaysia website at www.bursamalaysia.com

Remarks :

ESTHETICS INTERNATIONAL GROUP BERHAD
(Company No : 408061-P)

Unaudited Condensed Consolidated Income Statements
For The Third Quarter Ended 31 December 2008

	<u>Note</u>	Individual Period		Cumulative Periods	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		31/12/2008 (RM'000)	31/12/2007 (RM'000)	31/12/2008 (RM'000)	31/12/2007 (RM'000)
Revenue		45,958	47,271	137,129	121,664
Cost of sales / services		(19,450)	(19,665)	(61,215)	(52,998)
Gross profit		26,508	27,606	75,914	68,666
Other income		485	166	1,765	561
Other expenses		(22,564)	(19,669)	(66,504)	(54,072)
Results from operating activities		4,429	8,103	11,175	15,155
Finance cost		(37)	(1)	(59)	(23)
Interest income		34	33	94	177
Share of loss after tax of equity accounted associates		(61)	(154)	(47)	(10)
Profit before tax		4,365	7,981	11,163	15,299
Tax expense	B5	(1,243)	(2,234)	(2,613)	(4,136)
Profit for the period / year		3,122	5,747	8,550	11,163
Attributable to: Shareholders of the Company		3,122	5,747	8,550	11,163
Profit for the period / year		3,122	5,747	8,550	11,163
Earnings per share attributable to Shareholders of the Company:					
Basic earnings per share (sen)	B13	2.37	4.35	6.48	8.71
Diluted earnings per share (sen)		N/A	N/A	N/A	N/A
Weighted average number of shares ('000)		132,000	132,000	132,000	128,160

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2008 and the accompanying explanatory notes enclosed with the Quarterly Report.

Esthetics International Group Berhad
(Company No : 408061-P)

Unaudited Condensed Consolidated Balance Sheets
As At 31 December 2008

	<u>Note</u>	<u>As at 31/12/08 (RM '000)</u>	<u>As at 31/03/08 (RM '000)</u>
ASSETS			
Non-current assets			
Property, plant and equipment	A9	51,572	51,055
Intangible assets		3,773	3,791
Prepaid lease payments		839	853
Investment properties		1,818	4,714
Investments in associates		2,401	2,448
Deferred tax assets		853	781
		<u>61,256</u>	<u>63,642</u>
Current assets			
Other Investment		-	554
Receivables, deposits and prepayments		43,102	36,797
Inventories		46,316	47,064
Tax recoverable		538	431
Cash and cash equivalents		10,564	12,948
		<u>100,520</u>	<u>97,794</u>
TOTAL ASSETS		<u><u>161,776</u></u>	<u><u>161,436</u></u>
EQUITY AND LIABILITIES			
Equity attributable to Shareholders of the Company			
Share capital	A6	66,000	66,000
Reserves		7,610	5,589
Retained earnings		57,412	52,281
TOTAL EQUITY		<u>131,022</u>	<u>123,870</u>
Non-current liabilities			
Borrowings		67	83
Deferred tax liabilities		734	985
		<u>801</u>	<u>1,068</u>
Current liabilities			
Deferred revenue		8,069	8,529
Payables and accruals		17,119	25,490
Borrowings		2,827	26
Taxation		1,938	2,453
		<u>29,953</u>	<u>36,498</u>
TOTAL LIABILITIES		<u>30,754</u>	<u>37,566</u>
TOTAL EQUITY AND LIABILITIES		<u><u>161,776</u></u>	<u><u>161,436</u></u>
Net assets per share attributable to Shareholders of the Company (RM)		0.99	0.94

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report as at 31 March 2008 and the accompanying explanatory notes enclosed with the Quarterly Report.

Esthetics International Group Berhad
(Company No : 408061-P)

Unaudited Condensed Consolidated Cash Flow Statements
For The Period Ended 31 December 2008

	9 months and year-to-date ended 31/12/08 (RM '000)	9 months and year-to-date ended 31/12/07 (RM '000)
Cash flows from operating activities		
Profit before tax	11,163	15,299
Adjustments for : -		
Depreciation of property, plant and equipment	6,008	5,143
Amortisation of intangible assets	18	-
Amortisation of prepaid lease payments	14	13
Change in fair value of investment properties	53	52
Finance costs	59	23
Gain on disposal of property, plant and equipment	(75)	(55)
Gain on disposal of investment properties	(953)	-
Loss on disposal of other investment	41	-
Interest income	(94)	(177)
Property, plant and equipment written off	680	82
Inventories written off	1,358	57
Share of loss of equity accounted associates	47	10
Unrealised foreign exchange loss	404	331
Operating profit before changes in working capital	18,723	20,778
Changes in working capital		
Inventories	(610)	(3,647)
Receivables, deposits and prepayments	(5,368)	(5,495)
Payables and accruals	(8,371)	(5,788)
Deferred revenue	(460)	(2,258)
Cash generated from operating activities	3,914	3,590
Interest received	94	177
Tax paid	(3,558)	(2,525)
Net cash generated from operating activities	450	1,242
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,623)	(7,165)
Acquisition of subsidiary, net of cash acquired	-	1
Acquisition of intangible assets	-	(248)
Investment in associates	-	(1,333)
Proceeds from disposal of property, plant and equipment	249	793
Proceeds from investment properties	1,510	-
Net cash used in investing activities	(3,864)	(7,952)
Cash flows from financing activities		
Net proceeds from issuance of shares	-	8,570
Proceeds from short term borrowings	2,800	-
Dividends paid to shareholders of the Company	(3,419)	(3,300)
Repayment of borrowings	(15)	(23)
Interest paid	(59)	(20)
Net cash (used in)/ generated from financing activities	(693)	5,227
Net (decrease)/ increase in cash and cash equivalents	(4,107)	(1,483)
Effect of exchange rate fluctuations on cash held	1,723	(118)
Cash and cash equivalents at beginning of financial year	12,948	13,624
Cash and cash equivalents at end of financial period	10,564	12,023
<u>Note :</u>		
Cash and cash equivalents at end of financial period comprise:-		
Deposits placed with licensed banks	1,634	1,974
Cash and bank balances	8,930	10,049
	10,564	12,023

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2008 and the accompanying explanatory notes enclosed with the Quarterly Report.

Esthetics International Group Berhad
(Company No : 408061-P)

Unaudited Condensed Consolidated Statements of Changes in Equity
For The Period Ended 31 December 2008

	Note	<u>Share Capital (RM '000)</u>	<u>Non-distributable Share Premium (RM '000)</u>	<u>Translation Reserve (RM '000)</u>	<u>Distributable Retained Earnings (RM '000)</u>	<u>Total (RM '000)</u>
Nine (9) months ended 31 December 2008						
At 1 April 2008		66,000	6,097	(508)	52,281	123,870
Exchange differences on translation of the financial statements of foreign entities		-	-	2,021	-	2,021
Net profit for the period		-	-	-	8,550	8,550
Total recognised income and expense for the period		-	-	2,021	8,550	10,571
Dividends	A7	-	-	-	(3,419)	(3,419)
At 31 December 2008		<u>66,000</u>	<u>6,097</u>	<u>1,513</u>	<u>57,412</u>	<u>131,022</u>
Nine (9) months ended 31 December 2007						
At 1 April 2007		60,000	3,527	(301)	42,250	105,476
Exchange differences on translation of the financial statements of foreign entities		-	-	(316)	-	(316)
Net profit for the period		-	-	-	11,163	11,163
Total recognised income and expense for the period		-	-	(316)	11,163	10,847
Shares issued		6,000	2,570	-	-	8,570
Dividends	A7	-	-	-	(3,300)	(3,300)
At 31 December 2007		<u>66,000</u>	<u>6,097</u>	<u>(617)</u>	<u>50,113</u>	<u>121,593</u>

ESTHETICS INTERNATIONAL GROUP BERHAD (“the Company”) (408061-P)

Notes to the Quarterly Report for the Third Quarter ended 31 December 2008

A1. Basis of preparation and accounting policies

The Quarterly Report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134 : Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements, and should be read in conjunction with the audited financial statements for the financial year ended 31 March 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2008 except for the adoption of the following revised Financial Reporting Standards (FRSs) and new Interpretations effective for financial periods beginning on or after 1 April 2008:-

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group.

A2. Auditor’s report of previous annual financial report

The Group’s previous annual financial report for the financial year ended 31 March 2008 was not subject to any audit qualification.

A3. Seasonal or cyclical factors

Generally, the business of the Group experienced higher revenue in the second (2nd) and third (3rd) quarters of the financial year and during the festive seasons with correspondingly higher profits.

A4. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year-to-date.

A5. Significant estimates and changes in estimates

There were no changes in estimates that had material effect on the current quarter and financial year-to-date results.

A6. Debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

A7. Dividends paid

An interim dividend of 5% less 26% tax amounting to RM2,442,000 has been accrued for in the financial year ended 31 March 2008 and paid on 25 April 2008. On 8 October, 2008, the Company paid a final dividend of 7% less 26% tax amounting to RM3,418,800 in respect of the financial year ended 31 March 2008.

A8. Segmental information

	Current Year Quarter Ended 31 December 2008		Current Year To Date Ended 31 December 2008	
	Segment Revenue RM '000	Segment Results RM '000	Segment Revenue RM '000	Segment Results RM '000
Professional services and sales	23,099	3,496	62,906	4,770
Product distribution	32,659	222	109,380	6,960
Others	-	(59)	-	(308)
Total	55,758	3,659	172,286	11,422
Elimination	(9,800)	770	(35,157)	(247)
Consolidated	45,958	4,429	137,129	11,175

A9. Property, plant and equipment

The property, plant and equipment of the Group are carried at historical cost less accumulated depreciation. Accordingly, no valuations have been brought forward from the previous annual financial report.

A10. Subsequent event

On 3 February, 2009, the Company had announced the incorporation of a subsidiary company, PT EIG Lexwel ("PTEIGL") in Indonesia further to the final approval dated 31 December 2008 received from the Ministry of Law and Human Rights of the Republic of Indonesia. The share capital of PTEIGL is 99% held by Lexwel International (S) Pte. Ltd. and 1% held by Lexwel International Sdn. Bhd., both of which are wholly owned subsidiary company of EIG. The issued and paid up share capital of PTEIGL is USD300,000. The principal business activities of PTEIGL are importing and distributing of skin care and wellness products.

A11. Changes in composition of the Group

(i) The Company had on 23 October 2008 increased its investment in its subsidiary, namely Leonard Drake (S) Pte. Ltd. ("LDS") by the subscription of an additional one hundred thousand (100,000) ordinary shares of S\$1.00 each for a total cash consideration of S\$100,000 via its wholly-owned subsidiary, EIG Global Pte. Ltd. ("EIG Global"). The total investment of the Company in LDS held through EIG Global after the share subscription is two hundred thousand (200,000) shares of S\$1.00 each representing 100% of the issued and paid up capital of LDS.

A11. Changes in composition of the Group (Cont'd)

- (ii) On 12 December, 2008, EIG Global (China) Co. Ltd. ("EIGPRC") was incorporated as a wholly-owned subsidiary of EIG Global (HK) Ltd ("EIGHK") in Guangzhou, China with the intended and approved registered share capital of RMB1 million. The proposed business activities of EIGPRC are importing and distributing of skin care and wellness products. EIGPRC has yet to commence operations.

A12. Changes in contingent liabilities

	31 December 2008 Limit (RM'000)	31 December 2008 Utilised (RM'000)
Corporate guarantees extended by the Company to financial institutions in consideration of credit facilities given to subsidiary companies	23,500	16,932

A13. Capital commitments

	31 December 2008 RM'000
Property, plant and equipment	
Contracted but not provided for in the financial statements	1,855

A14. Related party transactions

There were no material related party transactions during the current financial period under review.

Additional information required by Bursa Malaysia Listing Requirements

B1. Review of performance

The Group recorded revenue of RM137.1 million for the financial period ended 31 December 2008 as compared to Group revenue of RM121.7 million for the financial period ended 31 December 2007, a growth of RM15.4 million or 12.7%. The growth has been attributable to higher revenue generated from Lexwel International Sdn Bhd, Leonard Drake (HK) Ltd. and EIG Global (HK) Ltd. in Hong Kong and Leonard Drake (S) Pte. Ltd. in Singapore.

Profit before tax for the current financial period was RM11.2 million versus RM15.3 million for the previous year corresponding period, a decrease of RM4.1 million. The contributing factors for the decrease in the profit before tax of the Group were as follows:-

- (i) higher advertising and promotion expenses (which have increased by RM2.5 million) were incurred to maintain competitiveness, to create brand awareness and loyalty, for new product launches and to recruit new customers;
- (ii) higher overall rental cost for Asterspring and Leonard Drake outlets in Malaysia, Hong Kong and Singapore amounting to RM2.3 million;
- (iii) inventories written off amounting to RM1.3 million for obsolete inventories; and
- (iv) one-off restoration expenditure and property, plant and equipment written off of RM0.7 million for one of the Leonard Drake outlet in Singapore which has been relocated due to excessive and unviable rental increase from the landlord.

Despite the more challenging economic environment, the mass market business under the fast moving consumer goods segment have turnaround to record profits for the current financial period under review.

The revenue from the regional and export businesses of the Group remained the same as previous year corresponding period at 47% of total Group revenue.

B2. Material changes in the quarterly results compared to the results of the preceding quarter

For the quarter ended 31 December 2008, the Group recorded profit before tax of RM4.4 million over revenue of RM46.0 million as compared to profit before tax of RM3.2 million over revenue of RM44.1 million in the preceding quarter.

B3. Commentary on prospects

The wellness and beauty industry is expected to continue to grow moderately in year 2009 while remaining competitive.

The Group's main growth and earnings drivers, both locally and regionally, for the current financial year are as follows:

- a) introduction of new wellness products and services;
- b) continuous extension of distribution network of dealers/distributors and corporate owned outlets;
- c) expansion of the fast moving consumer goods business;
- d) growth of the direct selling business;
- e) development of the ethical market;
- f) growth of the distribution of beauty equipment;

B3. Commentary on prospects (Cont'd)

- g) franchise scheme and expansion of the education and training business; and
- h) export of Company brands/mergers and acquisitions.

Barring further adverse development in the regional and local economy and consumer spending under the current economic environment, the Board is adopting focused and prudent strategies to consolidate the existing business operations and also to expand the geographical coverage of the Group to overcome the current economic challenges and to maintain profitability.

B4. Profit forecast

The disclosure requirements for explanatory notes for the variance of actual profit after taxation and minority interest and forecast profit after taxation and minority interest are not applicable.

B5. Tax expense

	Current Year Quarter Ended 31 December 2008 RM'000	Current Year-to-date Ended 31 December 2008 RM'000
Current tax expense		
Malaysian	1,174	1,951
Overseas	167	625
Deferred tax expense		
Malaysian	(98)	(9)
Overseas	-	46
	1,243	2,613

The Group effective tax rate for the financial year-to-date of 23.4% is lower than the Malaysian statutory tax rate principally due to lower regional statutory tax rates and utilisation of business losses brought forward by subsidiaries where the deferred tax assets are not recognised in previous financial year.

B6. Unquoted investment and properties

- (i) On 22 August 2008, Dermal Esthetica Sdn. Bhd. ("DESB"), a wholly-owned subsidiary, disposed off two (2) units of its investment properties to a third party with total consideration of RM1.5 million and registered a gain on disposal of RM0.5 million to the Group.
- (ii) On 31 December 2008, Esthetics Concept Sdn. Bhd. ("ECSB"), a wholly-owned subsidiary, disposed off one (1) unit of its investment property to a third party with total consideration of RM0.8 million and registered a gain on disposal of RM0.4 million to the Group.

B7. Quoted investment

There were no purchases and/or disposal of quoted investment for the current financial period under review except for Ina Gail Pte. Ltd., a wholly owned subsidiary of the Company had on 30 June 2008, disposed of the quoted shares in Malaysia under other investment at a loss of RM41,000.

B8. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at the reporting date.

B9. Borrowings and debt securities

	As at 31 December 2008 RM'000
Borrowings	
<i>Short Term</i>	
Hire purchase liabilities	27
Bank borrowing	2,800
<i>Total short term borrowings</i>	<u>2,827</u>
<i>Long term</i>	
Hire purchase liabilities	67
<i>Total long term borrowings</i>	<u>67</u>

B10. Off balance sheet financial instruments

As at the date of this announcement, the Group has no outstanding contracts involving off balance sheet financial instruments.

B11. Changes in material litigation

There was no pending material litigation as at the date of this announcement.

B12. Dividends

The Company paid a final dividend of 7% less 26% tax (31/12/2007 : final tax exempt dividend of 5%) amounting to RM3,418,800 (31/12/2007: RM3,300,000) in respect of financial year ended 31 March 2008 on 8 October, 2008.

The Board of Directors recommends an interim dividend of 3% less 25% tax (31/3/08 : interim dividend of 5% less 26% tax) amounting to RM1,485,000 (31/3/08 : RM2,442,000) for the current financial year to date. The date of entitlement to the interim dividend is 2 April 2009 and the payment date is 30 April 2009.

The Board of Directors has on 25 May 2007 approved a general dividend policy. It is the intention of the Board to endeavour to distribute between 30% to 50% of the Group's net profit to shareholders, for at least the next two (2) financial years, after taking into consideration, inter alia, the performance of the Group, the availability of cash resources and reinvestment opportunities.

B13. Basic earnings per share (Basis EPS)

Basic EPS is calculated by dividing the net profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Current Year Quarter Ended		Current Year To Date Ended	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Profit attributable to shareholders of the Company (RM'000)	3,122	5,747	8,550	11,163
Weighted average number of ordinary shares in issue ('000)	132,000	132,000	132,000	128,160
Basic EPS (Sen)	<u>2.37</u>	<u>4.35</u>	<u>6.48</u>	<u>8.71</u>

This announcement is dated 13 February 2009