

BODISEN BIOTECH, INC

FORM 8-K (Unscheduled Material Events)

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CIK	0001178552
Industry	Chemical Manufacturing
Sector	Basic Materials
Fiscal Year	12/31

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): May 23, 2006

BODISEN BIOTECH, INC .

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

333-99101
(Commission File
Number)

98-0381367
(I.R.S. Employer
Identification Number)

North Part of Xinquia Road, Yang Ling Agricultural High-Tech
Industries Demonstration Zone, Yang Ling,
People's Republic of China 712100
(Address of principal executive offices) (zip code)

86-29-87074957
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure

On Bodisen Biotech, Inc. expects to make a presentation concerning its business to potential business partners. The materials to be utilized during the presentation is filed as Exhibit 99.1 to, and incorporated by reference in, this report. In accordance with Regulation FD, this current report is being filed to publicly disclose all information that was provided in its press release. This report under Item 7.01 is not deemed an admission as to the materiality of any information in this report that is required to be disclosed solely by Regulation FD.

Item 9.01 Financial Statements and Exhibits.**(a) Financial statements of business acquired.**

Not applicable.

(b) Pro forma financial information.

Not applicable.

(c) Exhibits.**Exhibit Number****Description**

99.1	Presentation Materials of Bodisen Biotech, Inc.
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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BODISEN BIOTECH , INC.

Date: May 23, 2006

By: /s/ Qiong Wang

Name: Qiong Wang
Title: Chief Executive Officer

Bodisen Biotech, Inc.

“The First China Based Environmentally Friendly Bio Fertilizer Company Listed on a U.S. Stock Exchange, and Dual Listed in London ”



AMEX: BBC LSE AIM: BODI

www.bodisen.com

Safe Harbor Statement

This presentation contains "forward-looking statements" within the meaning of the "safe-harbor" provisions of the Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including changes from anticipated levels of sales, future national or regional economic and competitive conditions, changes in relationships with customers, access to capital, difficulties in developing and marketing new products, marketing existing products, customer acceptance of existing and new products, and other factors. Accordingly, although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company has no obligation to update the forward-looking information contained in this presentation.






Investment Highlights

- Ranked the 16th fastest growing company in China (*Forbes China January '06*)
- One of China's largest manufacturers of Organic Fertilizers, Liquid Fertilizers, Insecticides and Pesticides; over 60 different organic agricultural products certified by the Chinese government
- Profitable with 124% YOY revenue growth and 236% YOY net profit growth in Q1
- Strong gross margin of 30%+ versus 5% gross margin industry average
- Strong balance sheet with \$26 million in cash and no long term debt
- Highly experienced management team, extensive product distribution network in China through more than 500 nationwide wholesale distributors
- Favorable market environment
- AMEX listed, ~US\$200m market cap; dual listed on the London Stock Exchange AIM market
- Institutional ownership 14%
- Insider ownership 40%






Board and Management

	<p>Karen Qiong Wang (41) Chairman and Chief Executive Officer (20.6% shareholder) Wang Qiong founded Bodisen in 2001. She has over 10 years of experience in the fertilizer and chemical industries and from 1999 - 2001 was Chief Executive Officer and President of Shaanxi Bodisen Chemical Co., Ltd. From 1997 - 1999, she was President of Yang Ling Kang Yuan Chemical Company, which specialized in the research and development of agricultural products. Wang Qiong is a Deputy within the Peoples' Congress and in 2004 was Woman of the Year, as voted by the China National Women' Association. She is the only female CEO of a China based company listed on a US stock exchange.</p>
	<p>Bo Chen (50) President (19.7% shareholder) Chen Bo is one of Bodisen's founders. From 1999- 2001, he was Chief Operations Officer and Chief Technology Officer of Shaanxi Bodisen Chemical Co., Ltd; and from 1994 to 1999, he was the Chief Executive Officer and President of Yang Ling Shikanglu Chemurgical Technology Development Co., Ltd.</p>
	<p>Wang Chunsheng (43) Chief Operations Officer Wang Chunsheng joined Bodisen in 2001. Prior to this, from 1999 - 2001, he was Vice General Manager of the Shaanxi Bodisen Chemical Co. Ltd., with responsibility for sales and marketing. From 1997 - 1999, he was a Senior Sales Manager with Ling Kangyuan Agriculture Chemical Company.</p>



Board Majority Independent Directors

	<p>Yiliang Lai (40) Chief Financial Officer Yiliang Lai joined Bodisen in 2005 as Financial Controller, and became Chief Financial Officer later that year. He has also worked for Xi'an Hongsheng Biotech since 2002 as Chief Financial Officer. Prior to this, he was Head of Accounting at Shaanxi Kaida Limited, an auditor at the CPA firm ShenZhen CaiXin, and an accountant at China Shipping. Mr Lai is a Certified Public Accountant in China as well as a Certified Auditor.</p>
	<p>Patrick McManus (51) Non-executive Director Patrick McManus joined Bodisen's Board in 2004. He was elected Mayor of Lynn, Massachusetts in 1992, serving until 2002 when he retired to private law and accountancy practice in 2002. Mr. McManus is a Professor of Business and Finance at Salem State College in Massachusetts and is a Certified Public Accountant and holds a Juris Doctorate.</p>
	<p>David Gatton (52) Non-executive Director David Gatton joined Bodisen's Board in 2004. Since 1985, he has been Chairman and President of Development Initiatives, Inc, a Washington, D.C. – based government relations firm specializing in urban affairs, business development, public/private strategies and marketing, serving a variety of public and private clients.</p>



Market Opportunity

China is one of the world's largest fertilizer markets:

- 9% GDP growth in the last 20 years, population 1.3 billion; 750 million are farmers that have \$400 average annual income per household.
- Each farming household has less than 2 acres of planting area, spends 20% of annual household income on fertilizer and pesticides purchases, and is therefore highly sensitive to fertilizer quality and costs
- China is responsible for approximately 35% of the world's fertilizer consumption – more than 45m tons annually, of which 20% is imported * (Versus U.S. annual consumption of approximately ~20m tons)
- *China's fertilizer industry is a \$17 billion per year business, consisting of chemical fertilizers and organic fertilizers (less than 10% is organic based)*
- *Approximately \$1 billion highly fragmented annual organic fertilizer market (of which Bodisen produces a 3%)*
- History of intensive farming using chemical fertilizers has destroyed soil quality, depleted soil nutrients, decreased crop yields and created large scale water pollution



Sources: Food & Agriculture Organisation of the UN, 2005 Earth Policy Institute, China Ministry of Agriculture IFA Agriculture Conference presentation by Yande Zeng, Vice Director of Crop Production (March 2006)

Market Opportunity

- China only has 9% of world's arable land available to feed 21% of the world population*
- *Trend towards organic / 'green' foods grown on organic fertilizers*
 - *Sales rising 15%-30% per annum** buoyed by burgeoning middle class*
 - *Growth of supermarket chains and higher selling prices for organic foods*
 - *Government supported green initiative*
- *Farmers' shift towards higher income economic crops*
 - *From low value, land-intensive farming (rice, wheat etc.)*
 - *To higher value, labour intensive farming (fruit and vegetables)*
- **Government actions****
 - To improve agricultural yields and output
 - To reduce dependence on food imports
 - Amendment of land ownership laws that encourage farming
 - Tax incentives for farmers and suppliers - elimination of agricultural tax in 2006 reduces the tax burden to farmers by 15.5%
 - Bodisen enjoys two year income tax exemption through end of 2007, renewable thereafter
(*regular income tax on agricultural product companies is 15%*)



* Source: IFA Presentation, March 2006 by Yande Zeng, Ministry of Agriculture, China

** The China Ministry of Agriculture

Growth Strategies

- Capitalize on farmers' demand for higher crop yields and consumers' demand for healthy organic foods grown from Bodisen's certified organic fertilizers
- Continue to expand Bodisen brand name
 - One of China's "Most Recognized" agricultural brands*
 - More than 500 distributors nationwide
 - Sales strategy leverages power of 3rd party endorsements from farmers to build brand power
- Capitalize on fundamental shift from chemical fertilizer use to organic fertilizers
 - Despite raising prices twice during Q1, the company grew revenues to more than \$10.5 million, from \$4.7 million in 2005
- Leverage China's favorable agricultural market environment (no sales tax, no value added tax, no income tax)



*Source: China Light Industry Product Quality Assurance Centre

Growth Strategies Cont...

- Planned acquisition and/or build out of new manufacturing facilities in Northwest and Northeast China farm regions (where the Bodisen brand is already well known) by end of 2006 to position company for strong revenue growth in 2007, subject to normal conditions involved with acquisitions and/or construction



A One-Stop Solutions Provider of Agricultural Products

Bodisen products increase quality, yields, shelf-life, crop taste and resistance to disease of a wide range of crop types and

replenish nutrients to over-farmed soil – a one stop agricultural products provider that addresses complete farming needs

Organic Compound Fertilizer (~66% of sales) – wheat, tobacco, vegetables

- Increases soil nutrient levels by up to 20%
- Dissolves phosphorus and potash fertilizer which otherwise cannot be absorbed by soil
- Sold in 50kg bags with net income margin of 16% - 25%

Organic Liquid Fertilizer (~20% of sales) – 60% to 90% net income margin, fruit and other crops

- Increases crop yield through photosynthesis
- Reduces time to harvest and resistance to diseases

Pesticides (~14% of sales*) – 25% - 30% net income margin

- Eliminates and guards against disease while promoting resistance to pests



Efficient R&D Process

- Bodisen products are manufactured based on proprietary agricultural technology in a sophisticated manufacturing process involving strict quality control
- Product patents in the Chinese market are not advisable due to lack of IP protection
- Company's own research team works closely with agricultural universities and research laboratories on contracted research work, which results in regular new product launches and low R&D spending
- University labs have significant research capabilities and are not-for-profit, making collaboration with agricultural universities both effective and cost efficient
- ISO 9001 certified modern manufacturing process and facilities



New Product Launch

- Entry into highly profitable agricultural raw materials business (announced in Feb 2006)
- The expected Fall 2006 completion of a new 100,000 square foot manufacturing facility will initiate production of Mancozeb – an essential ingredient used in plant fungicide production for pesticides
 - Facility will increase Mancozeb production density by more than 15% to 20% compared to competitors' production
 - Completion of the facility is expected to make Bodisen one of the largest manufacturers of Mancozeb in China
 - Historically net profit margins of 30% - 40%



Sales and Marketing

- Highly efficient distribution channels through direct sales and marketing to rural communities throughout China – Bodisen has one of the largest agricultural product distribution networks in China
- Sales via nationwide wholesale distribution network, enabling deep penetration into wholesalers and end-user farmers
- Bodisen brands are marketed through print media, TV weather channels, agricultural trade fairs and conventions, including the most important trade shows that take place in November each year. The Company books a majority of next year product sales at these two events:
 - Agriculture Hi-Tech Exhibition (1,000 exhibitors, 1.1-1.5 million visitors)
 - Plant Protection Exhibition (2,000 exhibitors, 0.5 million visitors)
- Direct education to farming communities in collaboration with agricultural universities and government sponsored laboratories



China



* Source: Food & Agriculture Organisation of the UN

Favorable Environment

- Highly fragmented organic compound fertilizer industry: most are small-scale manure processors that cannot label products as certified “organic”
- Bodisen believes that it is the only agricultural product company that addresses complete planting needs of farmers: compound fertilizers for improving soil nutrient levels; liquid fertilizers for stronger leaves and flowers; pesticides for plant protection and healthy plant growth – certified as “organic” by the Chinese government and are sold year round, resulting in less seasonal volatility



Favorable Environment Cont...

- Limited foreign competition: global fertilizer companies do not have organic product lines for the Chinese market, they also lack cultural understanding of the Chinese agricultural industry (DuPont exited local fertilizers market, Mosaic and Agrium are experiencing sales declines to China, and Bunge has no presence in China). As a result, Bodisen has enjoyed nearly 100% annual sales growth in recent years
- Presently, no operator in China has national recognition (other than Bodisen) across organic biology compounds, liquid fertilizers and pesticides



Fundamentally Changing China's Fertilizer Industry

Compared to chemical fertilizers, Bodisen has significant advantages:

- Environmentally friendly vs. chemical fertilizers that harm soil conditions
 - Bodisen products are dissolved in soil within 48 hours of application. Phosphate chemical fertilizers may not dissolve in soil for years and, like other fertilizers, can destroy healthy soil conditions, including hardening of the soil
- Significantly higher crop yields and higher farm efficiency
 - Bodisen products generate up to 15%-35% higher crop yields compared to chemical fertilizers (depending on the area)



Fundamentally Changing China's Fertilizer Industry

- Ease of use
 - Bodisen's products contain more than 20 ingredients and bioactive agents that only require one application versus chemical fertilizers, where individual chemical components must be applied separately. This results in loosened soil, replenished soil nutrients, higher crop yield and higher crop quality
 - Bodisen compound fertilizers are sold at similar prices to chemical fertilizers
- Government supports organic fertilizers, allowing Bodisen to grab increasing market share away from chemical fertilizer companies
- Higher crop selling prices for "organically grown" produce, generating greater income for farmers
 - Crops grown with Bodisen products can be labelled as "organic" and "green" foods, which command up to 50%-150% higher price points, depending on crop type



High Barriers to Entry

- Established proprietary product lines and proven effectiveness of products
- High level of brand recognition by farmers: Bodisen brands are regarded as quality products that generate higher crop yields. Crop yields can be labelled as “organic” or “green” foods which command premium prices from end user consumers
- Depth of market penetration – to farmers level
- Establishment of effective and loyal wholesale market distribution networks that exclusively distribute Bodisen products
- Understanding of unique aspects of marketing to Chinese farmers who are largely illiterate
- Farmers develop strong Bodisen brand loyalty, making it difficult for competitors to convince farmers to switch to other brands



Highly Profitable

	Year-end Dec '03 US \$m	Year-end Dec '04 US \$m	Year-end Dec '05 US \$m
Revenue	9.8	16.2	31.0
Gross profit	3.1	6.6	11.5
Gross margin	31.8%	40.5%	37.1%
Total operating expenses	1.2	1.5	2.4
Operating profit	1.8	5.0	9.1
Net margin	<u>18.5%</u>	<u>31.1%</u>	<u>29.3%</u>
Total non - operating cost / income	0.41	(0.02)	(1.7)
Profit before taxation	1.9	5.0	7.4
EPS	0.13	0.33	0.48



Strong Start to 2006

	Quarter-end March '05 US \$m	Quarter-end March '06 US \$m
Revenue	4.7	10.5
Gross profit	1.7	4.2
Gross margin	35%	40%
Total operating expenses	.4	.8
Operating profit	1.2	3.5
Operating margin	<u>26%</u>	<u>32%</u>
Total non - operating cost / income	(0.43)	(0.78)
Profit before taxation	.8	2.7
EPS	0.05	0.15



Strong Balance Sheet - \$26 Million in Cash as of March 2006, Debt Free

	31 Dec '04 US \$m	31 Dec '05 US \$m	31 Mar '06 US \$m
Intangible assets (land use rights)	2.2	2.1	2.1
Tangible assets	12.6	13.6	16.2
Receivables	6.7	8.5	12.9
Cash	2.1	6.3	26.1
Creditors: less than 1 year	1.3		
Creditors: greater than 1 year	None		
Net assets	13.4	31.4	57.1



Cash Flow

	Quarter-end	
	March '05	March '06
	US \$m	US \$m
Cash Flows from Operating Activities	(2.4)	1.4
Cash Flows from Investing Activities	(0.9)	(0.4)
Cash Flows from Financing Activities	4.0	19.1
Cash & Equivalents Beginning Balance	2.1	6.3
Cash & Equivalents Ending Balance	2.8	26.1
Net Increase in Cash & Equivalents	0.7	19.8



Highlights

- Financial results for the three months ended March 2006
 - 124% increase in revenues from Q1 '05
 - 236% increase in net income from Q1 '05
- Continued success of increased marketing and distribution efforts
- Acquisition of 8.6% (2,063,768 shares) of China Natural Gas, Inc. for \$2.85m (Stock symbol: CHNG, price on May 18, '06: \$3.13), reducing costs on key raw materials which requires natural gas to manufacture
- Announced \$43m in new contracts signed in November '05 from two national agricultural product trade shows for '06 product delivery, representing 70% - 80% of next year ('06) sales
- Dual listing in London in Feb 2006 added \$19 million in net proceeds to balance sheet, debt free, \$26 million in cash



Strong Share Liquidity

Dual Listing on LSE and Amex

- Listed on Amex: August 2005; Dual listed on the London Stock Exchange AIM market February 2006
 - 12m British Pounds (US\$21.36 million) completed through IPO on London AIM: 1,643,836 new shares placed with a small number of large UK institutional investors: IPO was 3.5 times over-subscribed by institutions
 - The largest China-based company listed on the London AIM market
 - Use of proceeds: Two new facility expansion projects, each has capacity and revenue potential similar to existing facility of 200,000 tons of compound fertilizers annually; and further development of marketing campaigns; sufficient cash based on current business plan.
 - Dual listing and capital raise advised by London investment bank Charles Stanley, reporting accountant Deloitte & Touch, law firms Reed Smith and Jones Day, and Bodisen's US and China advisors, New York Global Group and its Beijing-based China subsidiary
 - Total fully-diluted shares outstanding: 17,374,691



Bodisen Biotech, Inc.

- A fast growing, highly profitable business
 - Favorable market environment: government promotes sector and offers tax incentives
 - A market leader in China's organic fertilizer industry, large customer base, serves China's largest population group – 750 million farmers
 - Proven, scaleable, and high margin business model with a nationally recognized brand name
 - High barriers to entry for competitors, end user consumers demand organic foods and are willing to pay higher prices which substantially improve farmers' profit margins
 - Net profit margin approximately 30%, compared to chemical fertilizer companies which typically have net profit margins of approximately 5%
 - Rapid growth in revenue and net income, strong balance sheet and cash position
 - Strong earnings potential in 2006 and 2007 in continued favorable environment
 - Strong share liquidity with broad institutional and insider ownership of shares



Contact Bodisen

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