



Corporate Presentation

2009/10 Annual Results

21 September 2010

Bossini International Holdings Limited
堡獅龍國際集團有限公司



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Agenda

-  Financial Review
-  Review of Operations
-  Future Plans and Strategies
-  Open Forum



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Financial Review

2009/10 Highlights



Encouraging operational performances indicated a successful implementation of our business strategies in line with our brand value “be happy”

GP margin expanded by 3% points to 52% attributable to stable product prices as a result of enhanced product designs and further improved margin management

Retail sales performance gained growth momentum with overall same-store sales grew by 5%, while Hong Kong market achieved a remarkable 11% same-store sales growth

Strong cash position with a net cash balance recorded a substantial increase of HK\$137 million to HK\$402 million

Added 183 new stores to Bossini global distribution network, taking the number of stores to 1,361



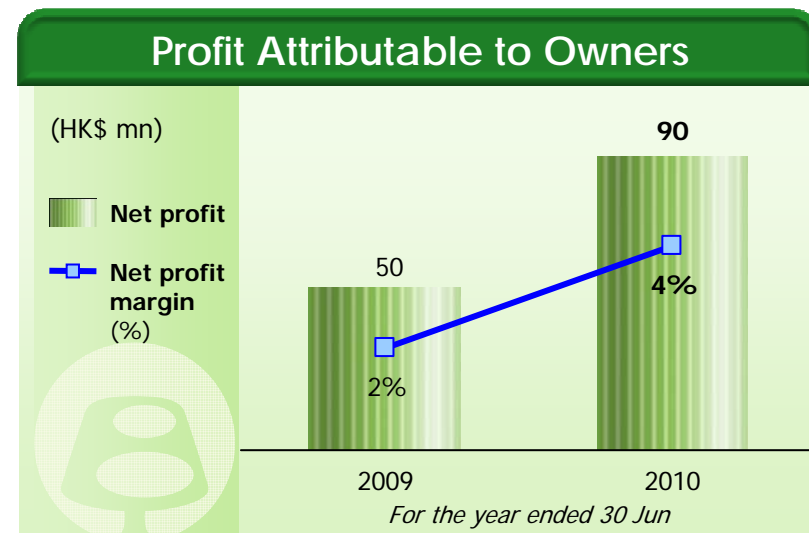
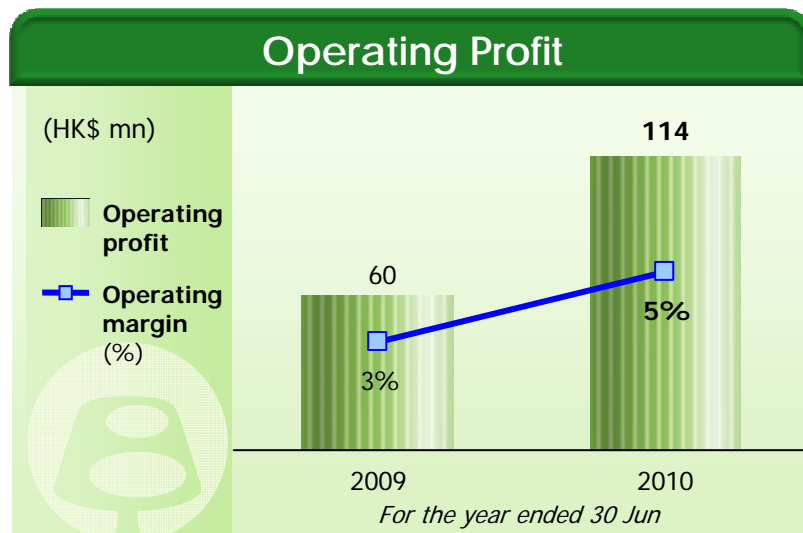
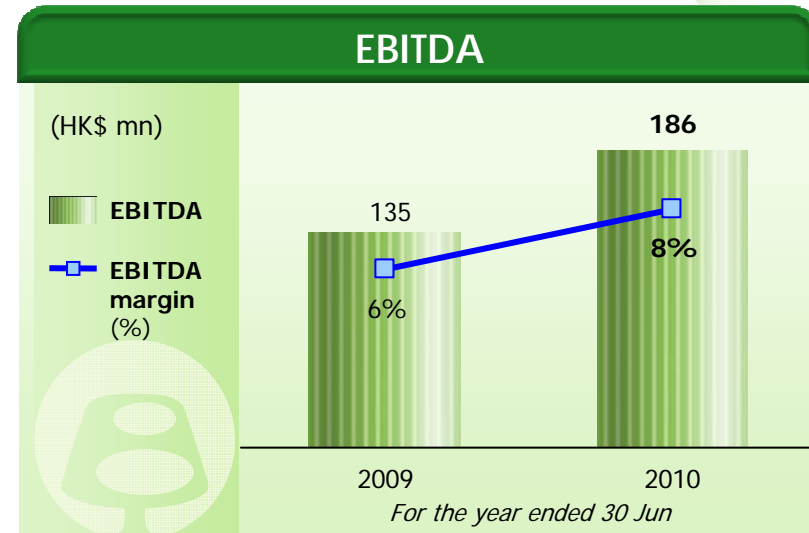
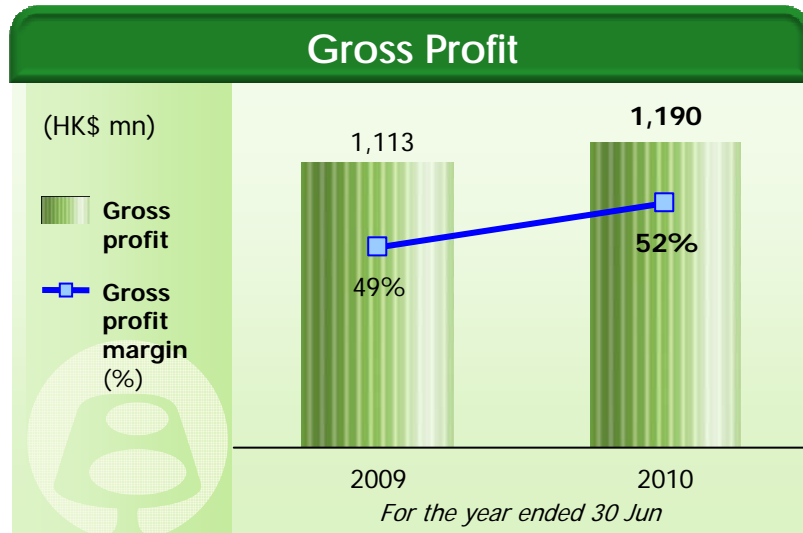
Results Highlights



	For the year ended 30 Jun		
	2010	2009	Change
<i>(HK\$ mn)</i>			
Revenue	2,306	2,254	+2%
Gross profit	1,190	1,113	+7%
EBITDA	186	135	+37%
Operating profit	114	60	+91%
Profit attributable to owners	90	50	+80%
Basic EPS <i>(HK cents)</i>	5.66	3.16	+79%
Dividend per share <i>(HK cents)</i>			
- Interim	1.1	1.0	+10%
- Final	2.3	1.0	+130%
- Special	0.3	-	n/a

- ☺ Retail sales growth compensated the decline in export franchising sales
- ☺ Effective cost management resulted in a 37% yoy growth in EBITDA
- ☺ Dividend payout ratio reached 65%

Rising Profitability by All Metrics



Solid Financial Position



- Cash and bank balances further increased to HK\$463 million as at 30 Jun 2010, while net cash rose to HK\$402 million

	At 31Aug 2010	At 30 Jun 2010	At 30 Jun 2009
Net cash* (HK\$ mn)	440	402	265

* Time deposits, cash and bank balances less bank loans

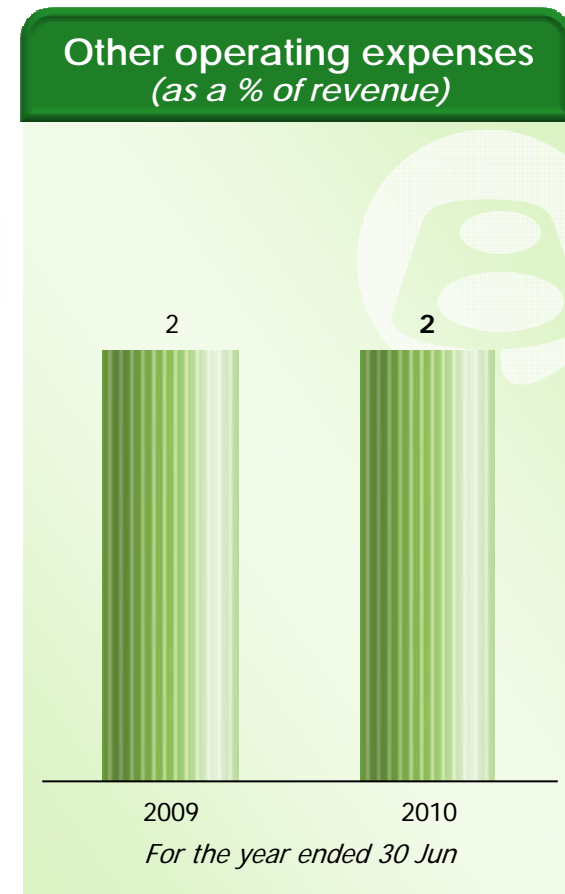
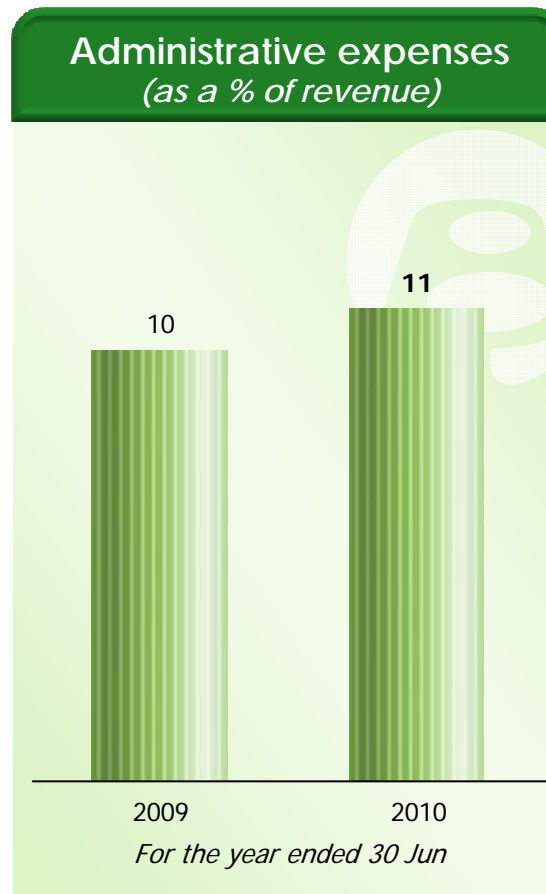
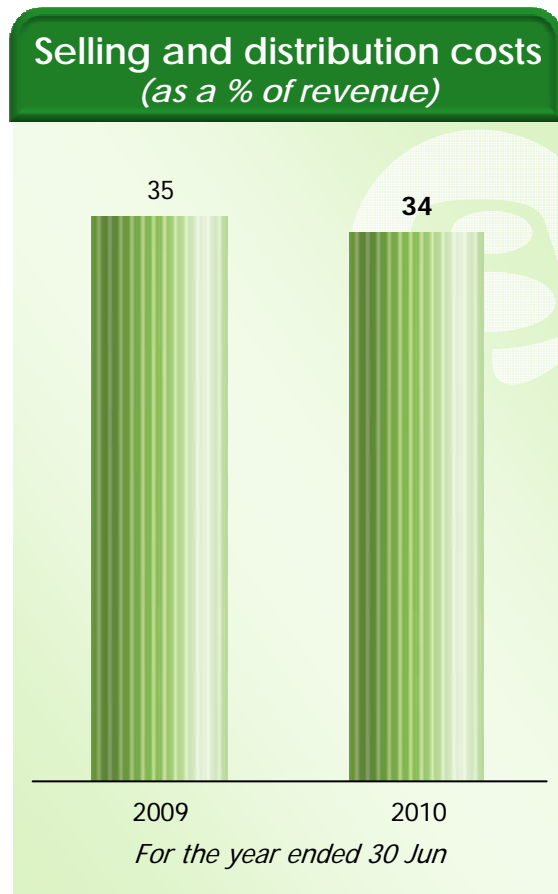
	At 30 Jun 2010	At 30 Jun 2009
Financial Position & Ratio		
Current ratio (times)	2.16	2.27
Cash and bank balances (HK\$ mn)	463	342
Total liabilities to equity ratio (%)	60	50
Return on equity (%)	13	8
Working Capital		
Inventory turnover# (days)	48	45

Inventory held at year end divided by annualised revenue times 365 days

Operating Expenses Breakdown



Total operating expenses accounted for 47% of revenue (2009: 47%)





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Review of Operations

Market Review



A year of mixed challenges



Core markets

Signs of economic recovery

- Many of the countries in the Asia-Pacific region have experienced gradual recovery during second half of 2009/10



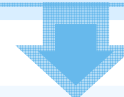
- Positive growth in overall same-store sales by 5%, while Hong Kong market up 11%



Export franchising markets

Lingering macro economic uncertainties

- Macro economic uncertainties still linger in some markets and affect the Group's export sales to a degree



- The Group capitalise the opportunities arise during the economic downturn
- Continued expansion in export franchising network

Focused Business Strategy



Enhancing the
"be happy"
brand image



Business
expansion in the
mainland China
market

Optimising internal operation

No. of Stores by Region



- ☉ Bossini is one of the most valued apparel brand owner, retailer and franchiser in the Asia-Pacific region with a total of 1,361 stores in 33 markets
- ☉ Total retail floor area reached 769,300 sq. ft. (2009: 700,500 sq. ft.)

No. of Directly Managed Stores

	At 30 Jun 2010	At 30 Jun 2009	Change
Hong Kong	41	41	-
Mainland China	436	362	+74
Taiwan	86	84	+2
Singapore	26	31	-5
Malaysia	22	20	+2
Sub-total	611	538	+73

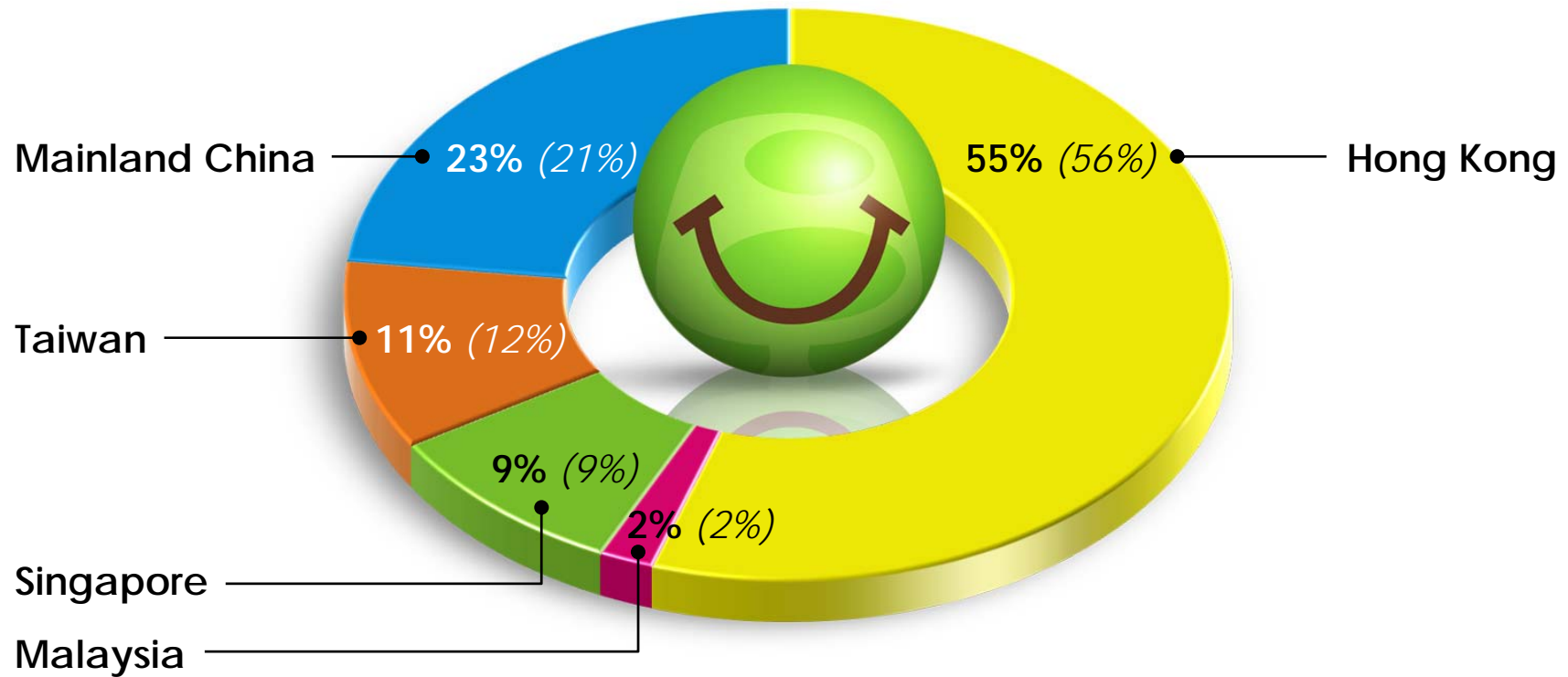
No. of Franchised Stores

Mainland China	297	216	+81
Other countries	453	424	+29
Sub-total	750	640	+110
Total	1,361	1,178	+183

Revenue Analysis



Revenue by geographical market



*For the year ended 30 Jun 2010
Comparative figures for the year ended 30 Jun 2009 in brackets*

Retail Performance by Region



- ⊕ Retail performance in Hong Kong and Taiwan improved significantly
- ⊕ Total operating profit margin increased to 5%

	Same-store			Operating margins		
	GP growth	sales growth		2010	2009	Change
	2010	2010	2009	2010	2009	Change
	(%)	(%)	(%)	(%)	(%)	(% pts)
<i>(For the year ended 30 Jun)</i>						
Hong Kong	15	11	-2	13	10	+3
Mainland China	1	-1	5	-7	-7	-
Taiwan	-2	-4	-12	-1	-8	+7
Singapore	1	-1	-8	-4	-3	-1
Malaysia	-9	-12	1	-17	-16	-1
Total	8	5	-3	5	3	+2

International Footprint



☛ A total of 1,361 stores (2009: 1,178) with presence in 33 countries and regions

733 (578)

Directly managed and franchised stores in mainland China

453 (424)

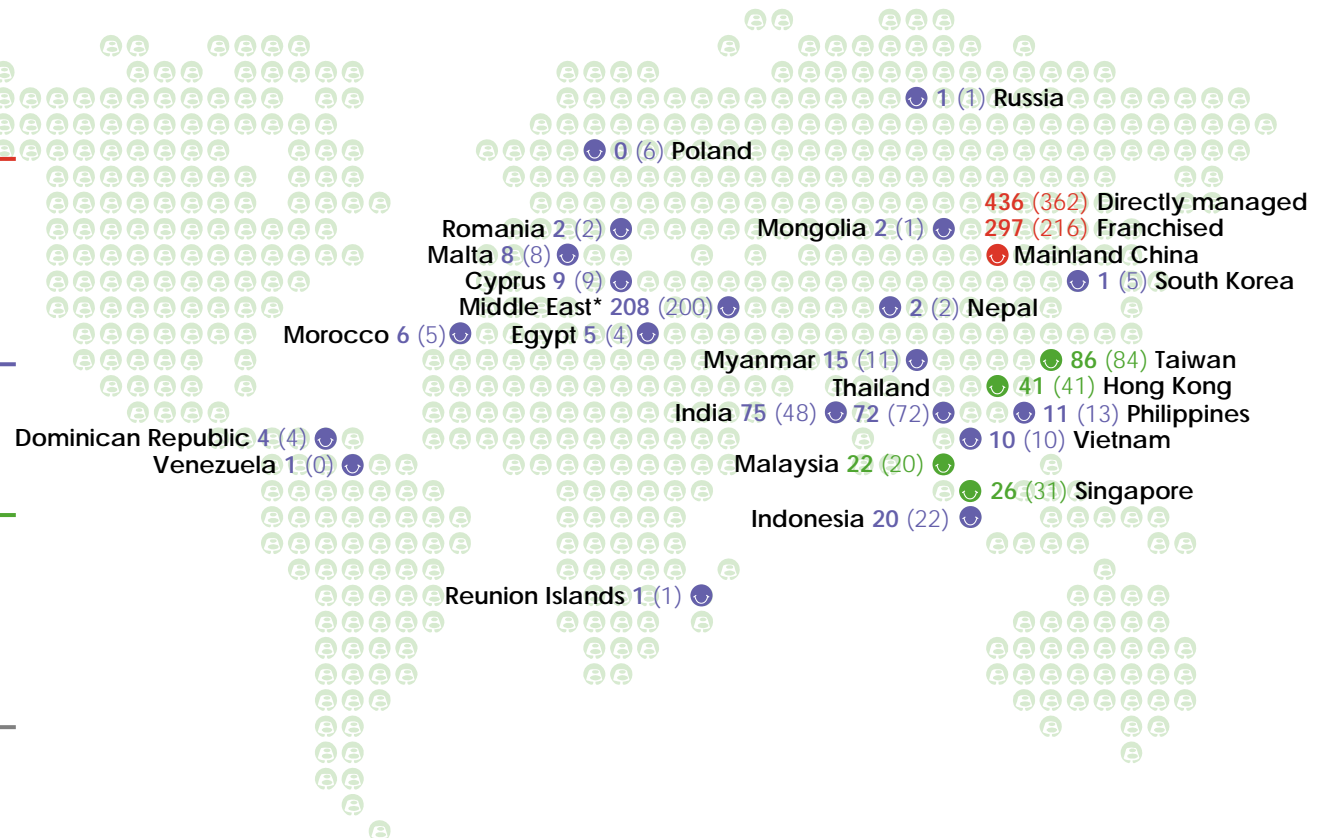
Export franchised stores

175 (176)

Directly managed stores in Hong Kong, Taiwan, Singapore and Malaysia

1,361 (1,178)

Total stores in 33 countries and regions



At 30 Jun 2010 (comparative figures at 30 Jun 2009 are shown in brackets)

* The Middle East includes UAE, Qatar, Lebanon, Bahrain, Kuwait, Iran, Jordan, Syria, Saudi Arabia and Oman

Strong Brand Recognition



Strong heritage and long history of "bossini" brand



Ongoing efforts in re-energising and refreshing our brand image with the "be happy" brand value



Positive growth in overall same-store sales by 5%



Multi-Brand Strategy



- Adopted a multi-brand strategy to target different market segments in the mainland China market



"bossini"



"bossinistyle"



"bossini kids"



"Yb"

Co-branded & licensed products



Our licensing programme has successfully added value to our "be happy" brand image

bossini x Thomas & Friends



bossini x Marvel



Co-branded & licensed products



bossini x Campbell Soup



bossini x Paddington Bear



bossini x Mr. Men & Little Miss



New Flagship Stores in mainland China



- City: Zhengzhou, Henan
- Date opened: June 2010
- Gross Floor Area: over 10,000 sq. ft.



- City: Urumqi, Xinjiang
- Date opened: June 2010
- Gross Floor Area: over 10,000 sq. ft.

- 🕒 The largest amongst the Group's global network
- 🕒 Highlighting the "bossini" concept and alluring marketing campaigns that will refresh and excite the customers

Capex



	For the year ended 30 Jun 2010
(HK\$ mn)	
Shop and office renovation	37
I.T. investment	20
Others	3
Total	60





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Future Plans and Strategies

Business Strategies



One of the most valued apparel brand owner, retailer and franchiser in the Asia-Pacific region

- Good value for money products
- Easy to mix and match products
- Outstanding customer services



Future Growth Drivers



- ⌚ The mainland China market will emerge as the key growth driver in the medium to long term for the Group
- ⌚ Our solid foundation and highly-renowned brand will ensure our export franchising business returns to a growth cycle

Network Development Plan for 2010/11	
	No. of Stores
Mainland China	+230
Hong Kong & other countries (Directly managed)	+16
Other countries (Export franchise)	+8
Total	+254



Long Term Target



Our Vision

To be a top-of-mind brand leader globally



Dividend Policy

Reward shareholders with fruitful long-term return and strive to maintain our dividend payout ratio above 50%





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Open Forum