



Bossini International Holdings Limited

bossini world



bossini family

2007/08 Annual Results
For the year ended 30 June 2008

Corporate Presentation
22 October 2008

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Agenda



- Results Highlights
- Review of Operations
- Future Plans and Strategies





Results Highlights



Achievements in 2007/2008



Improvements in Sales

- ☉ Same-store sales: +5%
- ☉ Net sales per sq. ft.: +20%

Strong Financial Position

- ☉ Net cash +135% to HK\$310 mn

Rebound in Profitability

- ☉ GP margin: +1% pt to 50%
- ☉ OP margin: +3% pts to 4%
- ☉ Net profit: +591% to HK\$64 mn

Strengthened Internal Management

- ☉ Inventory turnover days: shortened from 54 days to 36 days

Results Highlights



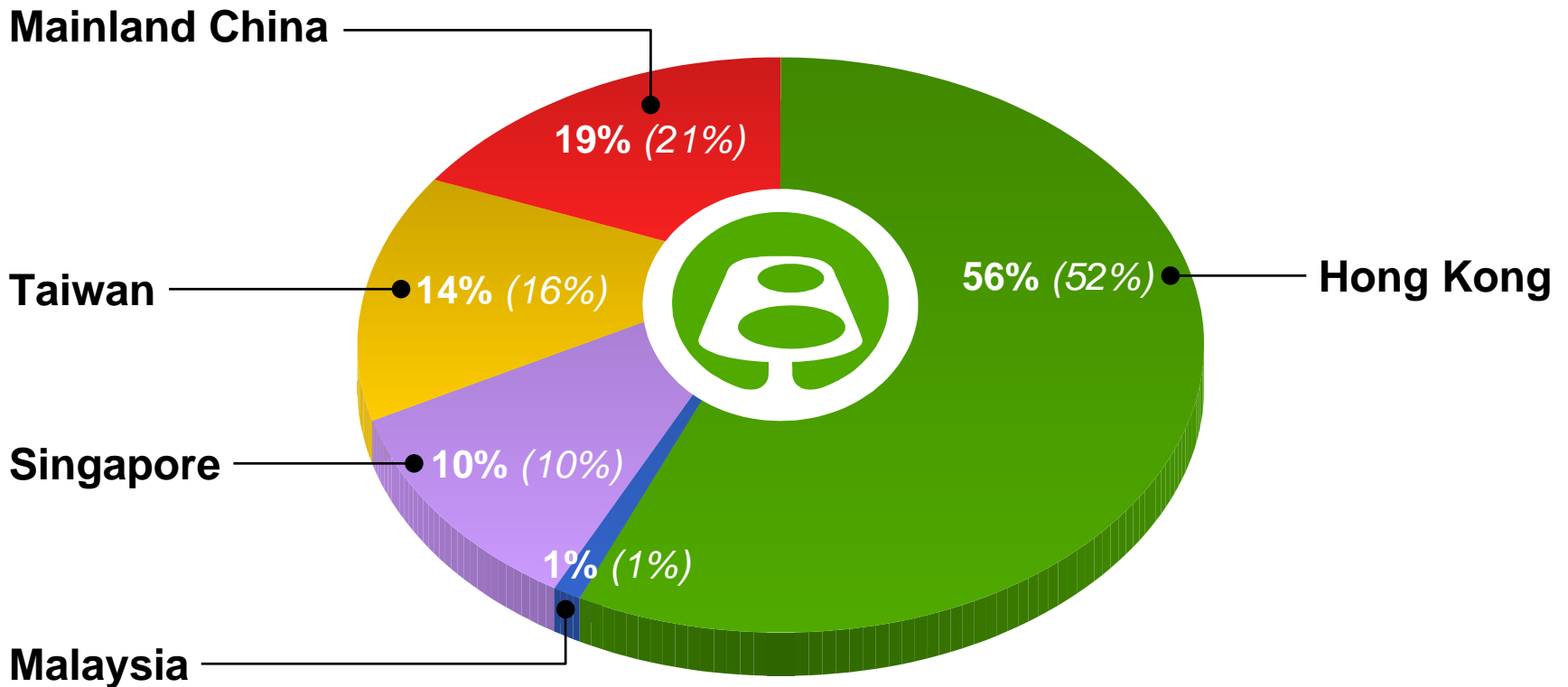
	For the 12 months ended 30 June 2008	For the 15 months ended 30 June 2007
<i>(HK\$ mn)</i>		
Revenue	2,317	2,568
Gross profit	1,170	1,270
EBITDA	163	110
Operating profit	90	37
Profit attributable to equity holders	64	9
Basic EPS (HK cents)	4.01	0.59
DPS (HK cents)	1.0	-

* The financial year end date has been changed. Accordingly, the financial period 2007/2008 covered the 12-month period from 1 July 2007 to 30 June 2008, while the financial year 2006/2007 covered the 15-month period from 31 March 2006 to 30 June 2007. The difference in duration of the two financial periods should be considered when making year-on-year comparisons.

Revenue Analysis



Revenue by geographical market



*For the 12 months ended 30 June 2008
Comparative figures for the 15 months ended 30 June 2007 in brackets*

Operational Indicators



	For the 12 months ended 30 June 2008	For the 15 months ended 30 June 2007	Change
Gross profit margin (%)	50	49	+1% pt
EBITDA margin (%)	7	4	+3% pts
Operating margin (%)	4	1	+3% pts
Net profit margin (%)	3	0.4	+3% pts

	At 30 June 2008	At 30 June 2007	Change
Inventory turnover * (days)	36	54	-18

* Inventories held at period end divided by annualised revenue times 365 days

Strong Financial Position



	At 30 Sept 2008	At 30 June 2008	At 30 June 2007
Net cash* (HK\$ mn)	352	310	132

* Time deposits, cash and bank balances less bank loans



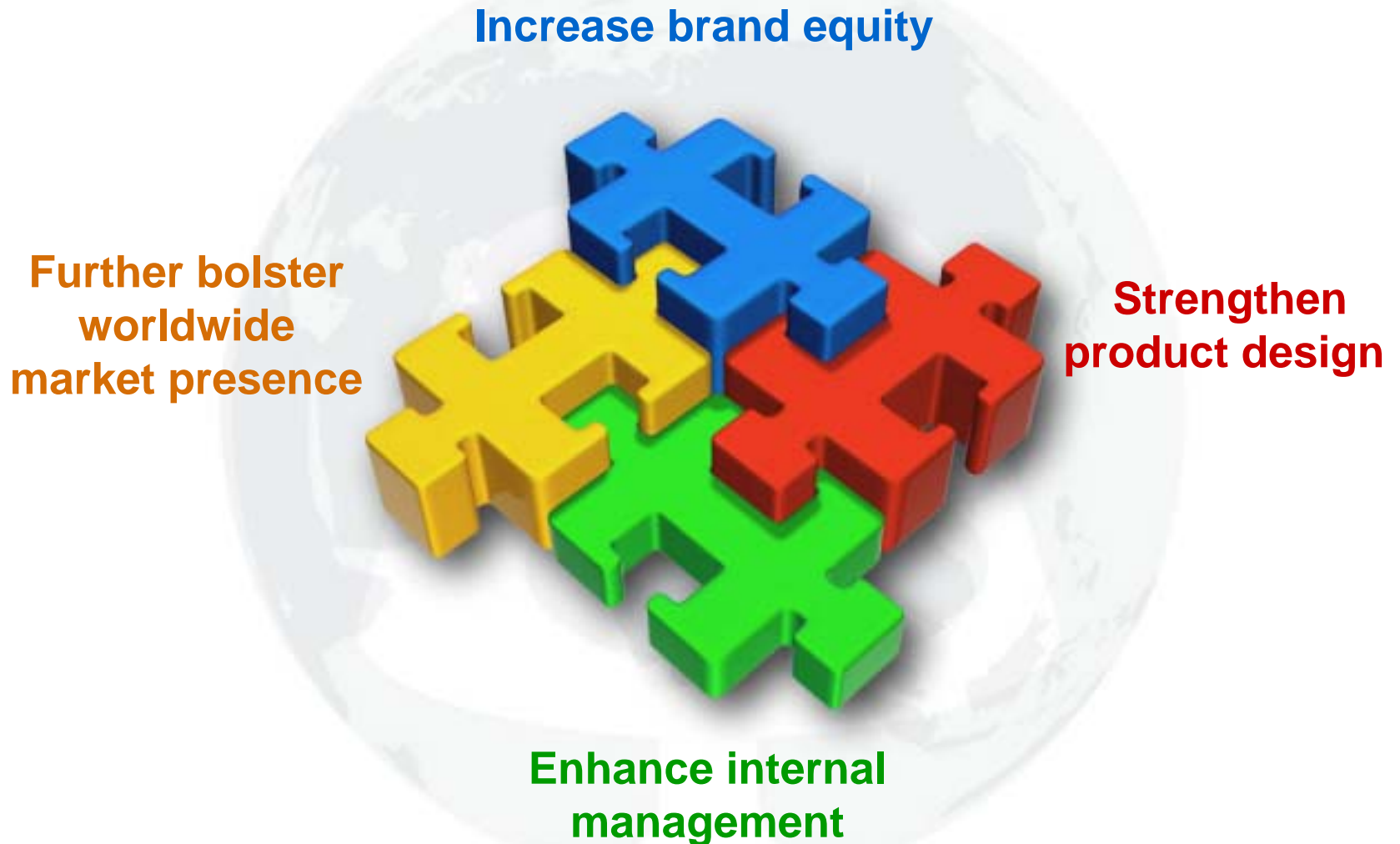
	At 30 June 2008	At 30 June 2007
Current ratio (times)	2.61	2.28
Cash and bank balances (HK\$ mn)	310	132
Total liabilities to equity ratio (%)	39	47
Return on equity (%)	10	1



Review of Operations



Business Focuses



Brand Revamp – International Rollout



Headquarters in Hong Kong as a role model for regional stores to follow



New brand image rolled out in 33 countries and regions



Malaysia



China



Taiwan

Retail Performance by Region



Encouraging growth dynamics across all core markets

Same-store sales growth

Net sales per sq. ft.

2007/08
(%)

2006/07
(%)

2007/08
(HK\$)

2006/07
(HK\$)

Change
(%)

	2007/08 (%)	2006/07 (%)	2007/08 (HK\$)	2006/07 (HK\$)	Change (%)
Hong Kong	6%	-7%	5,700	5,700	-
Mainland China	0%	-1%	1,500	1,100	+36%
Taiwan	5%	-14%	2,500	2,000	+25%
Singapore	4%	-13%	6,200	6,000	+3%
Malaysia	11%	n/a*	1,800	1,400	+29%
Total	5%	-8%	3,000	2,500	+20%

**No comparison for Malaysia in financial year 2006/07 as the operation in financial year 2005/06 was not on a full year term*

No. of Stores by Region



No. of Directly Managed Stores

	At 30 June 2008	At 30 June 2007	Change	# of Sparkle stores closed
Hong Kong	41	41	-	
Mainland China	304	346	-42	-86
Taiwan	89	93	-4	
Singapore	29	33	-4	
Malaysia	14	11	+3	
Sub-total	477	524	-47	

No. of Franchised Stores

Mainland China	188	205	-17	-29
Other countries	391	322	+69	
Sub-total	579	527	+52	
Total	1,056	1,051	+5	-115

Enriched Product Offering



- ⑤ Strengthened product design and explored new fabrics with a touch of style
- ⑤ Fostered large-scale cooperative agreement to launch appealing licensed items to bolster our product offerings with new attractions to simulate demand



Licensed Products



Licensed Products – Ongoing Effort to Strengthen Brand Image and Create Synergy



The M&M's licensed products won the “Best Licensee Award” by the Hong Kong Trade Development Council in July 2008

Internal Management



**Recruited high caliber personnel
to steer business development
in Mainland China**

**Introduced senior
management members
and a new brand
controller in charge
of the new
“bossinistyle” brand**



**Enhanced back office
management systems
to offer
stronger support
to daily business
management**

Operating Profit Margins by Market



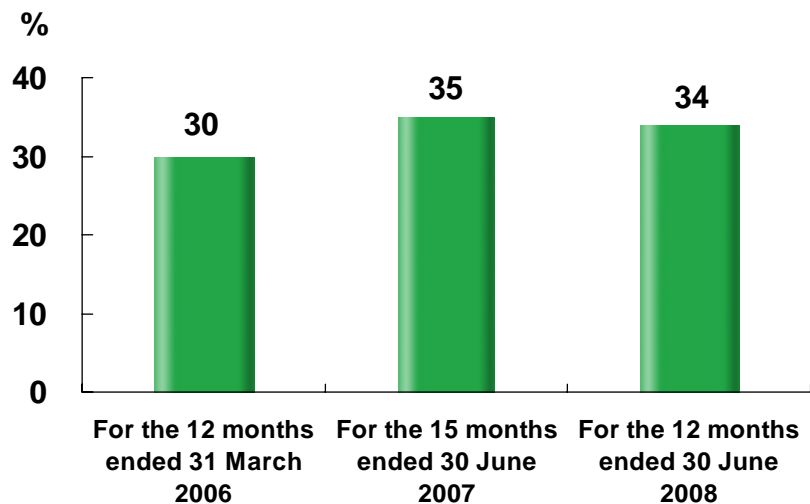
	For the 12 months ended 30 June 2008	For the 15 months ended 30 June 2007	Change
Hong Kong	11%	9%	+2% pts
Mainland China	-8%	-5%	-3% pts
Taiwan	-5%	-13%	+8% pts
Singapore	2%	2%	-
Malaysia	-15%	-17%	+2% pts
Consolidated	4%	1%	+3% pts

Cost Breakdown

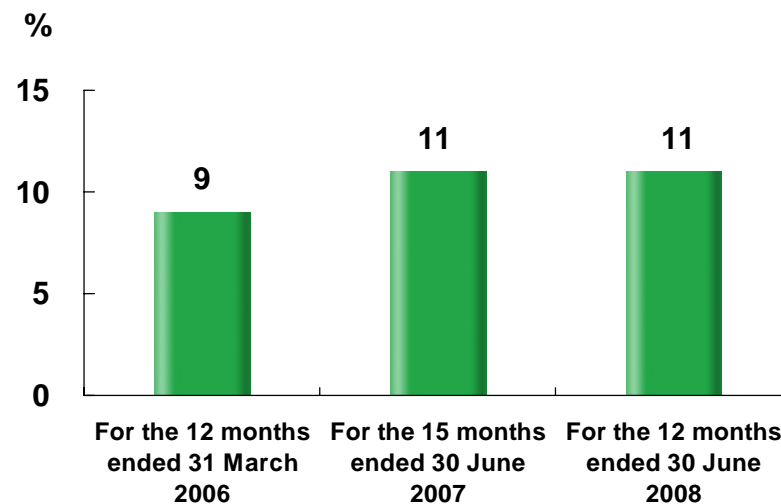
(As a percentage of revenue)



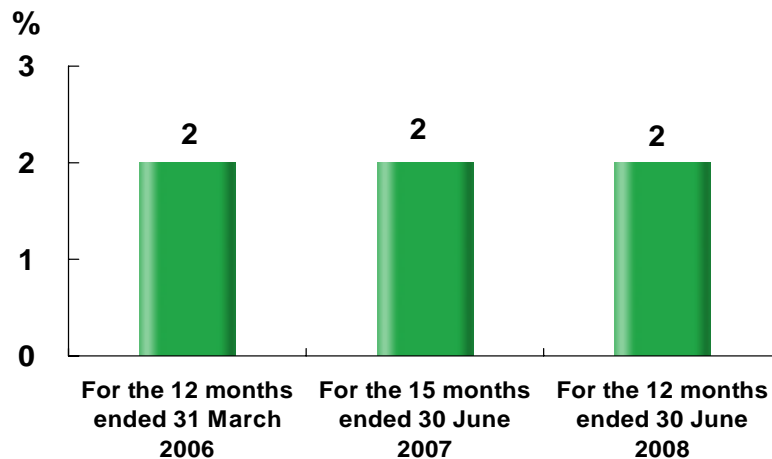
Selling and distribution costs



Administrative expenses



Other operating expenses



International Footprint



- Entered 8 new markets, including South Korea, Egypt, Russia, Romania, Mongolia, Morocco, Syria and Poland
- A total of 1,056 stores (2007: 1,051), with presence in about 33 countries and regions
- Total retail floor space decreased by 2% to 625,200 sq. ft.

492 (551)

Directly managed and franchised stores in Mainland China

391 (322)

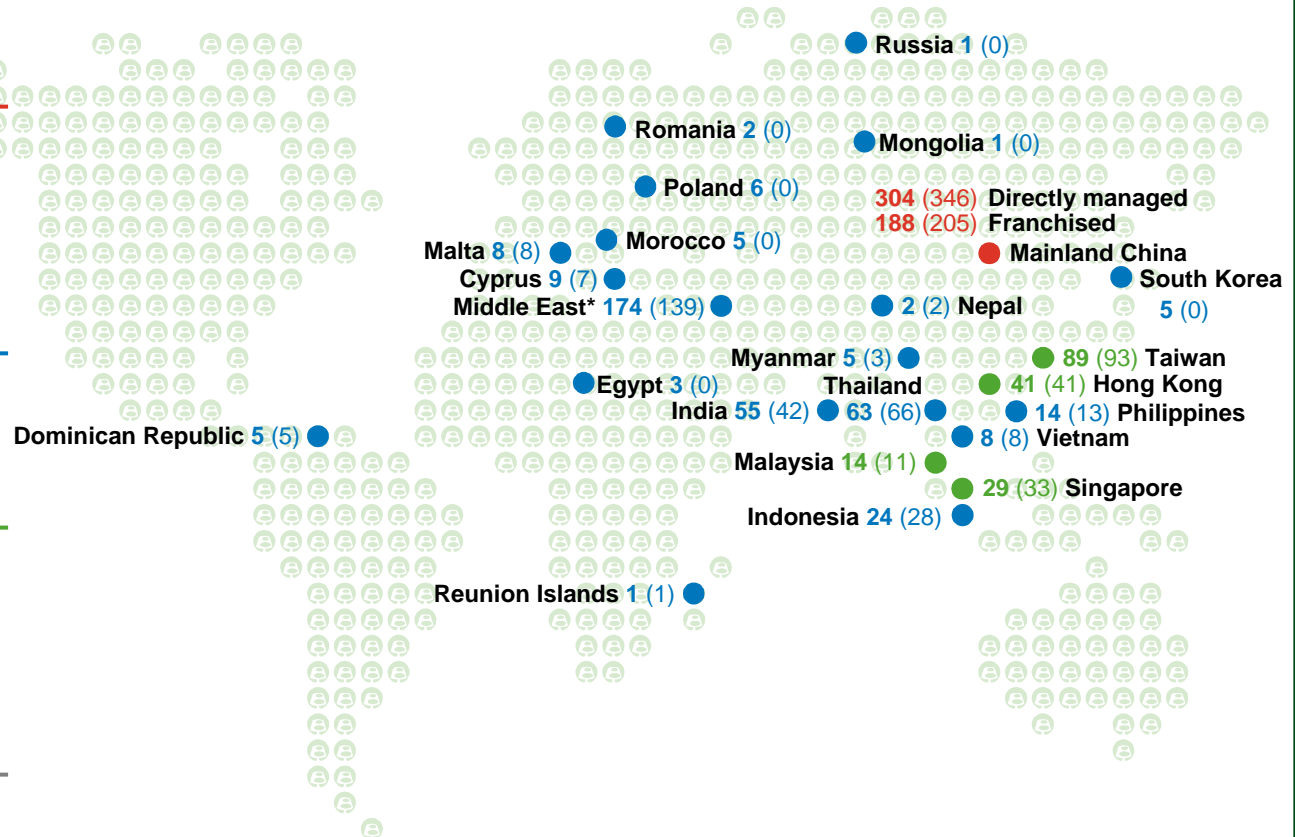
Export franchised stores

173 (178)

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

1,056 (1,051)

Stores in about 33 countries



At 30 June 2008 (comparative figures at 30 June 2007 in brackets)

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

Capex



For the
12 months ended
30 June 2008

(HK\$ mn)

Shop renovation	65
I.T. investment	12
Others	8
Total	85

Future Plans and Strategies



Objectives and Strategies in 2008



Top-of-mind brand leader, offering high quality products to consumers around the world

Expansion Roadmap



Plans

Hong Kong	<ul style="list-style-type: none">● Pragmatic expansion● 6 stores will be added in FY08/09● Launch “bossinistyle” in Hong Kong
Mainland China	<ul style="list-style-type: none">● 109 stores will be added in FY08/09
Taiwan	<ul style="list-style-type: none">● 3 stores will be added in FY08/09
Singapore	<ul style="list-style-type: none">● 3 stores will be added in FY08/09
Malaysia	<ul style="list-style-type: none">● 8 stores will be added in FY08/09
Export Franchising	<ul style="list-style-type: none">● Continue adding around 5 new countries per year at a steady pace



OPEN FORUM

