

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

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Corporate Presentation

2010/11 Interim Results

22 February 2011



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Agenda

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- ④ Financial Review
- ④ Review of Operations
- ④ Future Plans and Strategies
- ④ Open Forum



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Financial Review



1H 2010/11 Highlights



Global economies continue to grow steadily.

Both retail and franchise sales maintained growth across the board.

Added 101 new stores to bossini global distribution network.



Results Highlights



- Overall encouraging operational improvements were driven by flourishing economic atmosphere and our short- and long-term strategies
- Satisfactory operational performance and profitability growth were achieved in major regional markets

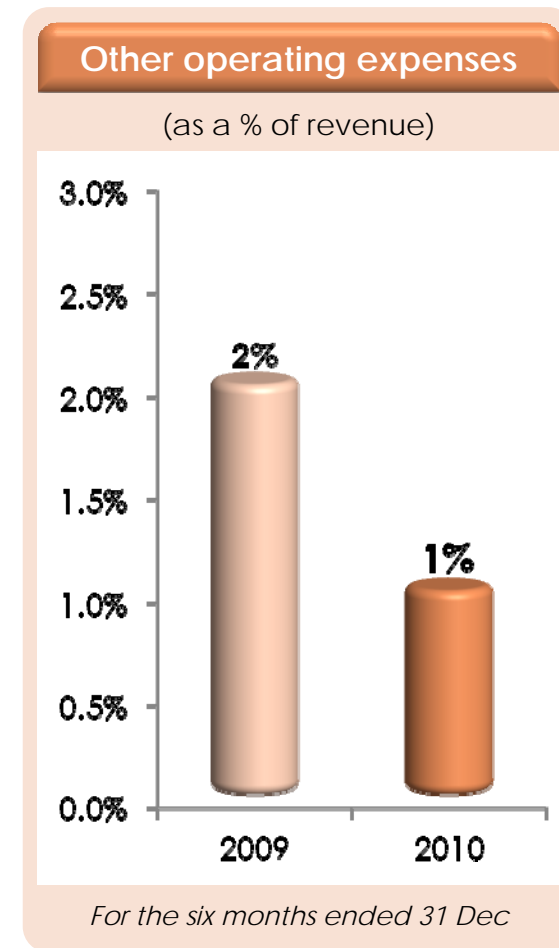
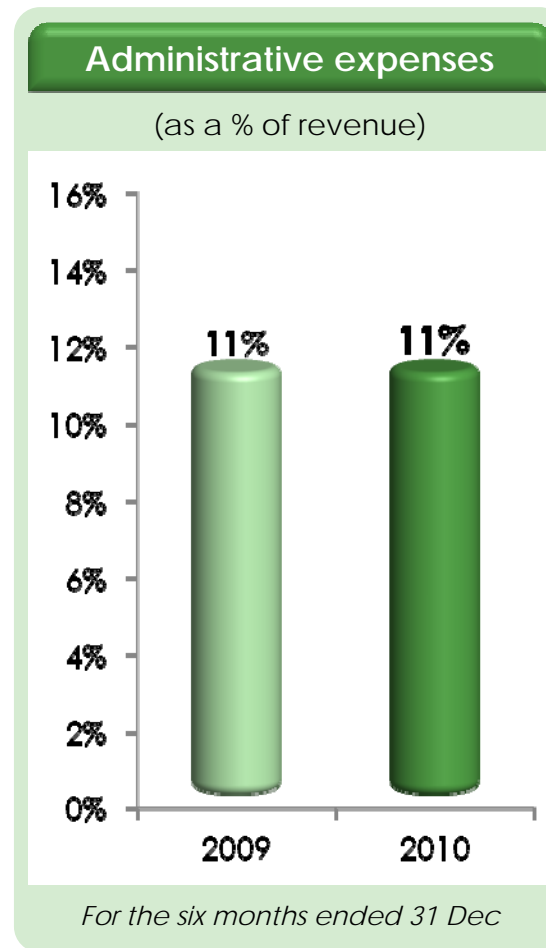
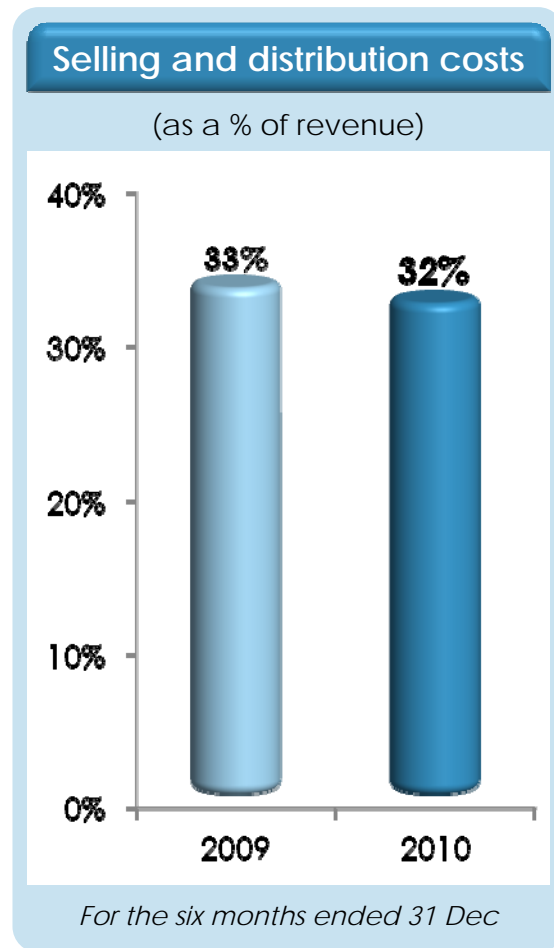
For the six months ended 31 Dec

<i>(HK\$ mn)</i>	2010	2009	Change
Revenue	1,315	1,171	+12%
Gross profit	663	600	+11%
EBITDA	125	102	+23%
Operating profit	92	64	+44%
Profit attributable to owners	73	50	+45%
Basic EPS <i>(HK cents)</i>	4.52	3.14	+44%
Interim dividend per share <i>(HK cents)</i>	2.2	1.1	+100%

Operating Expenses Breakdown



- Total operating expenses accounted for 44% of revenue (2009: 46%)



Solid Financial Position



	At 31 Jan 2011	At 31 Dec 2010	At 30 Jun 2010	At 31 Dec 2009
Cash and bank balances (HK\$ mn)	550	435	463	449
Net cash* (HK\$ mn)	388	262	402	331
<i>* Time deposits, cash and bank balances less bank loans</i>				
Current ratio (times)		1.88	2.16	2.11
Total liabilities to equity ratio (%)		78	60	63
Return on equity (%)		18	13	14

Review of Operations



Operating Environment in 1H 2010/11



Global economy has fundamentally moved on from the aftermath of the economic recession

Economies in various Asian and emerging markets continue to grow steadily



Rebound in consumer confidence

Satisfactory operational performance recorded in major regional markets

Business Strategies in 1H 2010/11



Deepening and broadening our brand value "be happy" across the entire Group

Further expanding the market potential in the mainland China

Optimising internal operational efficiencies particularly in the supply chain management



No. of Stores by Region



- Bossini continued to expand markets with promising potential and had total of 1,462 stores in 33 countries and regions
- Taiwan was back to expansion mode with number of stores increased by 7 to 93

	At 31 Dec 2010	At 30 Jun 2010	Change
<i>No. of Directly Managed Stores</i>			
Hong Kong	41	41	-
Mainland China	460	436	+24
Taiwan	93	86	+7
Singapore	26	26	-
Malaysia	20	22	-2
Sub-total	640	611	+29
<i>No. of Franchised Stores</i>			
Mainland China	325	297	+28
Other countries	497	453	+44
Sub-total	822	750	+72
Total	1,462	1,361	+101

Operational Indicators



For the six months ended 31 Dec			
	2010	2009	Change
Gross profit margin	50 %	51 %	-1% pt
EBITDA margin	10 %	9 %	+1% pt
Operating profit margin	7 %	5 %	+2% pts
Net profit margin	6 %	4 %	+2% pts
At 31 Dec 2010			
	At 31 Dec 2010	At 31 Dec 2009	Change
Inventory turnover [#] (days)	61	44	-17

[#] Inventory held at period/year end divided by annualised revenue times 365 days

Revenue Analysis



Hong Kong 52% (55%)

Mainland China 26% (23%)

Taiwan 11% (11%)

Singapore 9% (9%)

Malaysia 2% (2%)

Revenue by geographical market

*For the six months ended 31 Dec 2010
(Comparative figures for the six months
ended 31 Dec 2009 in brackets)*

Retail Performance by Region



- Overall same-store sales growth was 8%
- Same-store sales growth were positive across the board, ranging from 5% to 14%

For the six months ended 31 Dec

	<i>Same-store sales growth</i>		<i>Operating profit margins</i>		
	2010	2009	2010	2009	Change
Hong Kong	9%	8%	17%	13%	+ 4% pts
Mainland China	8%	-5%	-5%	-3%	- 2% pts
Taiwan	5%	-1%	-3%	-3%	-
Singapore	14%	-2%	-2%	-4%	+ 2% pts
Malaysia	10%	-24%	-4%	-18%	+ 14% pts
Total	8%	2%	7%	5%	+ 2% pts

International Footprint



- A total of 1,462 stores (30 Jun 2010: 1,361) with presence in 33 countries and regions

785 (733)

Directly managed and franchised stores in mainland China

497 (453)

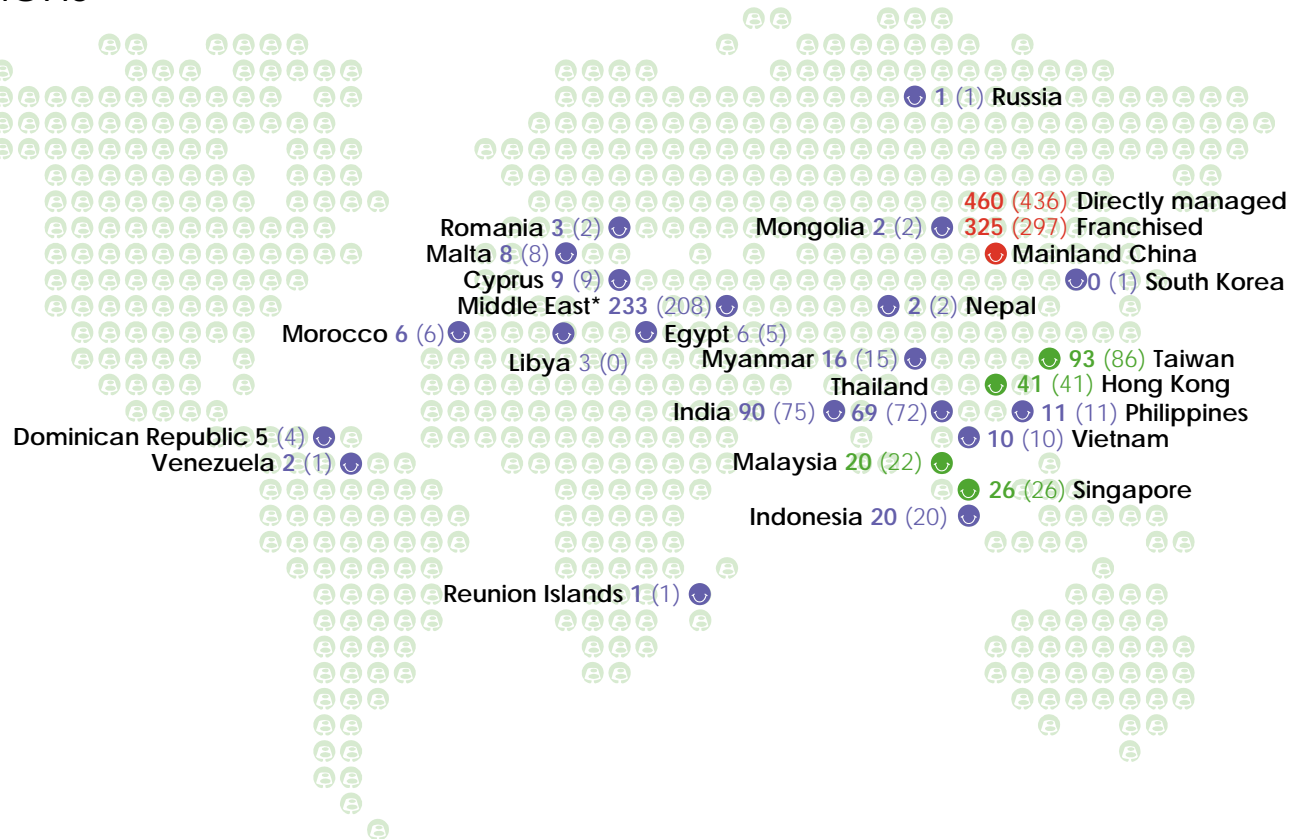
Export franchised stores

180 (175)

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

1,462 (1,361)

Total stores in 33 countries and regions



At 31 Dec 2010 (comparative figures at 30 Jun 2010 are shown in brackets)

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

Marketing and Branding



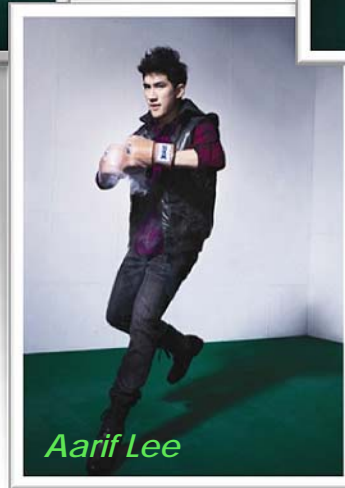
- Continue to take initiatives in strengthening the “be happy” brand value and uplifting the brand image



Popular Travel Host



Popular Young Model and Actress



Hong Kong's Up Hot New Singer, Song Writer and Actor



Hong Kong Football Hero

Co-branded and Licensed Products



bossini x Barney



bossini x M&M's



Strong Brand Recognition



- ④ Long-established well-known brand image along with continuous efforts to enhance our brand value helped improving our operations and profitability
- ④ Our brand image has been warmly received



Capex



For the six months ended 31 Dec 2010



(HK\$ mn)

Shop and office renovation	28
I.T. investment	5
Others	2
Total	35

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Future Plans and Strategies



Business Strategies



Bossini is one of the most renowned apparel brand leader in Asia-Pacific region, we are striving to improve our business performance continuously

Further expansion of the market share across the mainland China

Enhancement of the "bossini kids" line

Reinforcement of the unique brand value

Further strengthening internal operational efficiencies particularly in the supply chain management capabilities



Future Targets



Operational performance and profitability

Target to surpass record high profit by 2012/13

Our Vision

To be a top-of-mind brand leader globally



Strive to maintain our dividend payout ratio at 50%

Dividend payment

The mainland China will emerge as the key growth drivers in the medium to long term for the Group

Growth Drivers



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Open Forum