

Corporate Presentation

2012/13 Interim Results

26 February 2013



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- ⑧ **Financial Review**
- ⑧ **Review of Operations**
- ⑧ **Future Plans and Strategies**



bossini
BOSSINI HAPPY 25TH ANNIVERSARY

HAPPY
25



Financial Review



1H 2012/13 Highlights

Global economic weakness and uncertainty continued to mar the prospects of consumer sentiment recovery.

Decrease in profit due to the dampened export franchising markets, widened loss incurred from Taiwan operation and exorbitant rentals fuelled by fierce competition for prime shopping locations in Hong Kong.

Retail business in Hong Kong and Singapore delivered record-high sales, while Singapore achieved a turnaround in operating profitability.

Maintained a healthy financial position with cash and bank balances of HK\$344 million and a positive net cash balance of HK\$344 million as at 31 December 2012.

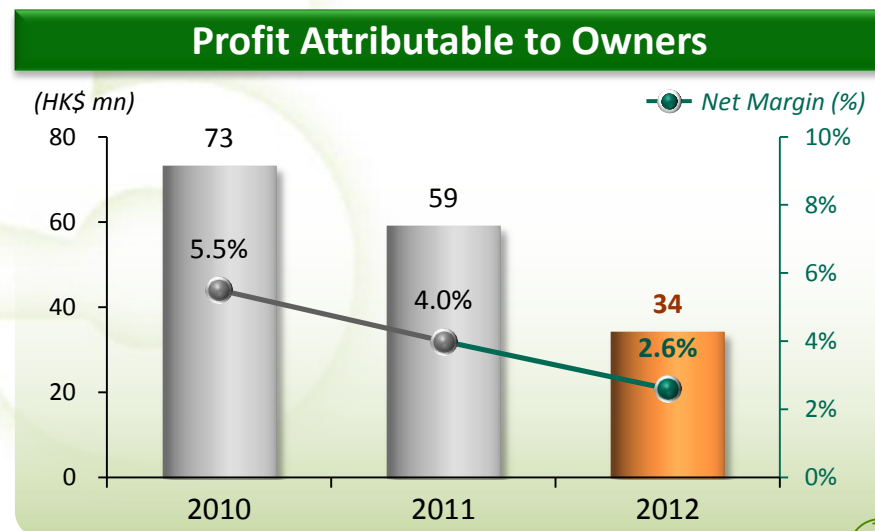
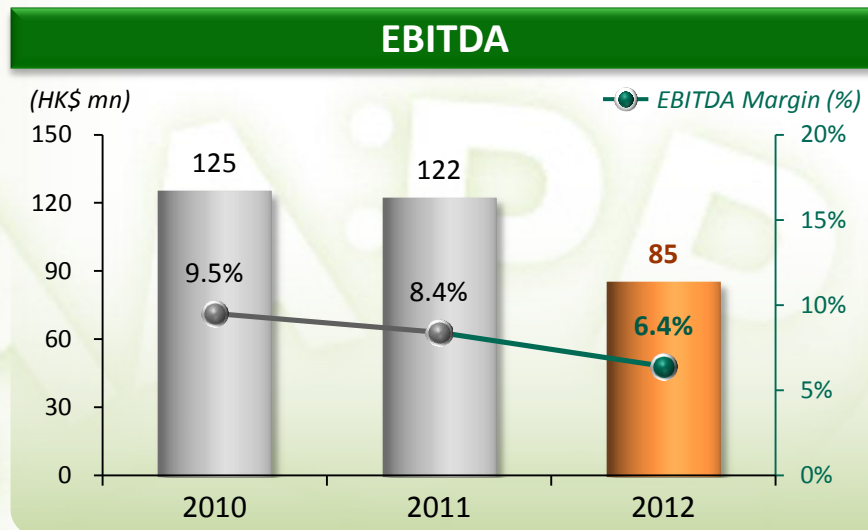
Improvement in inventory turnover days by 26 days to 100 days.

Results Highlights

For the six months ended 31 Dec

	2012	2011	Change
<i>(HK\$ mn)</i>			
Revenue	1,334	1,447	-8%
Gross profit	636	715	-11%
Gross margin (%)	48	49	-1% pt
EBITDA	85	122	-30%
Operating profit	51	81	-38%
Profit for the period attributable to owners	34	59	-42%
Basic EPS (HK cents)	2.10	3.62	-42%
Interim dividend per share (HK cents)	0.63	1.10	-43%
Special interim dividend per share (HK cents)	1.05	-	n/a

Softened Profitability



For the six months ended 31 Dec

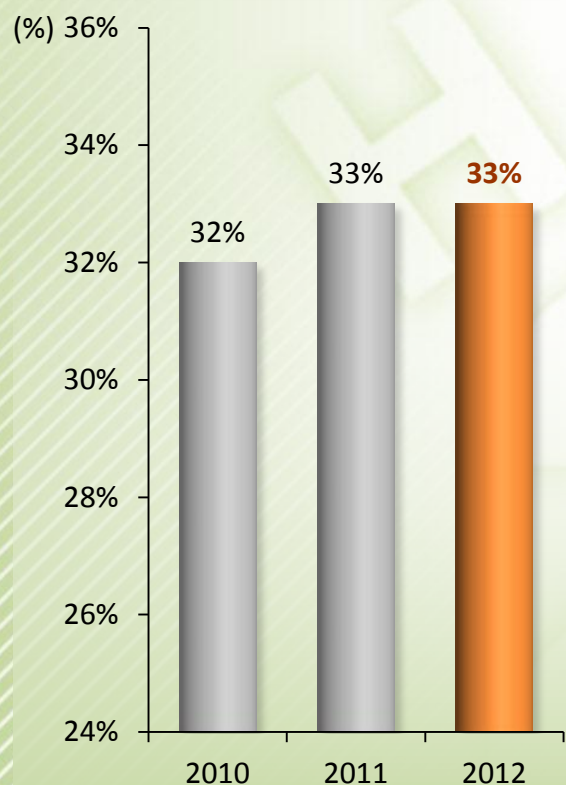


Operating Expenses Breakdown

Ⓔ Total operating expenses accounted for 45% (2011: 44%) of revenue

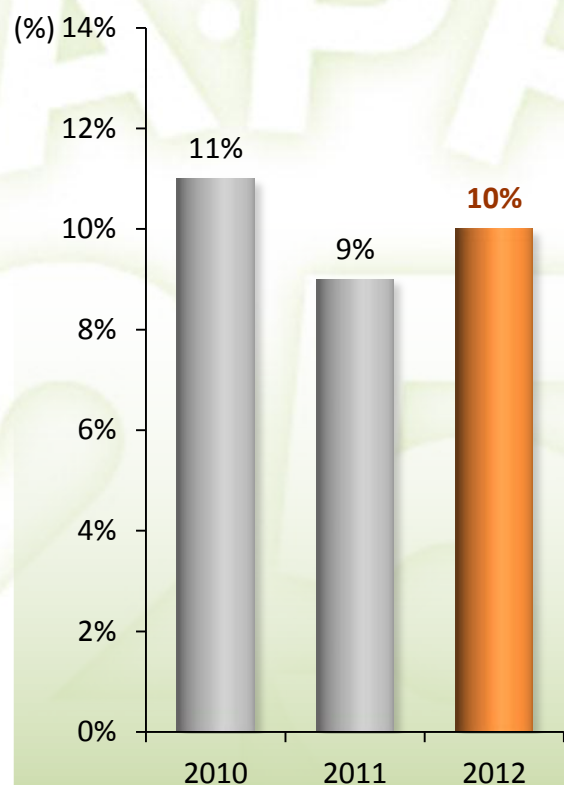
Selling and Distribution Costs

as a % of revenue



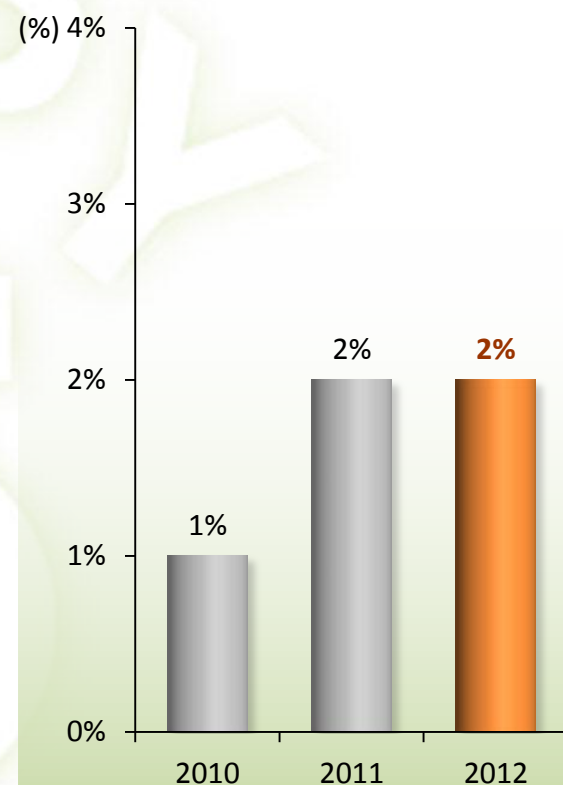
Administrative Expenses

as a % of revenue



Other Operating Expenses

as a % of revenue



For the six months ended 31 Dec

Solid Financial Position

	At 31 Jan 2013	At 31 Dec 2012	At 31 Dec 2011
Cash and bank balances (HK\$ mn)	378	344	370
Net cash* (HK\$ mn)	378	344	202

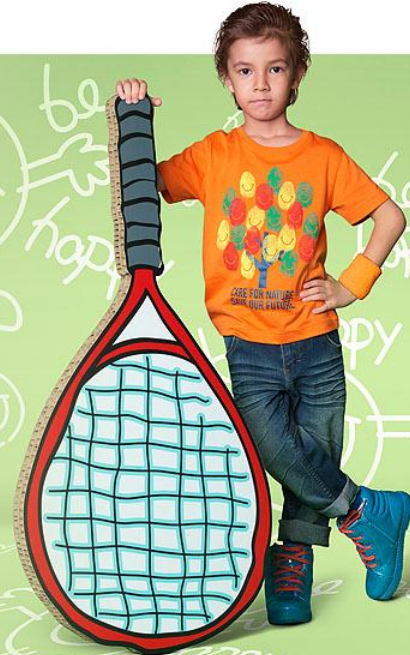
* Time deposits, cash and bank balances less bank loans

	At 31 Dec 2012	At 31 Dec 2011
Current ratio (times)	2.35	1.84
Total liabilities to equity ratio (%)	54	83
Return on equity (%)	9	14
Inventory turnover[#] (days)	100	126

[#] Inventory held at period end divided by annualised cost of sales times 365 days



Review of Operations



Business Strategies in 1H 2012/13



Enhancing the brand equity

Improving the efficiency
and responsiveness of
supply chain

Continuing consolidation
of distribution network in
loss-making regions



Operating Environment in 1H 2012/13

Global economic weakness and uncertainty continued to mar the prospects of consumer sentiment recovery

Asian and emerging markets faced the dual pressures of slow growth and increased uncertainty



Persistent and recurring crisis in United States

The Group experienced a modest single-digit decrease in sales

Revenue Analysis

Revenue by Geographical Market

*For the six months ended 31 Dec 2012
(Comparative figures for the six months
ended 31 Dec 2011 in brackets)*

Hong Kong
63% (56%)

Mainland China
17% (23%)

Taiwan
10% (11%)

Singapore
10% (9%)

Malaysia[^]
0% (1%)



[^] Starting from Nov 2011, the Malaysian business was changed from directly managed to export franchising mode of operation

Retail Performance by Region

- Overall same-store sales growth remained flat
- Both Hong Kong and Singapore achieved 5% same-store sales growth

For the six months ended 31 Dec

	Same-store sales growth*			Operating margins		
	2012	2011	Change	2012	2011	Change
Hong Kong	5%	15%	-10% pts	14%	18%	-4% pts
Mainland China	-5%	-1%	-4% pts	-23%	-17%	-6% pts
Taiwan	-19%	-2%	-17% pts	-15%	-8%	-7% pts
Singapore	5%	-5%	+10% pts	1%	-1%	+2% pts
Total	0%	7%	-7% pts	4%	6%	-2% pts

* For directly managed stores only

No. of Stores by Region

	At 31 Dec 2012	At 30 Jun 2012	Change
<i>No. of Directly Managed Stores</i>			
Hong Kong	41	41	-
Mainland China	231	350	-119
Taiwan	96	102	-6
Singapore	29	30	-1
Sub-total	397	523	-126
<i>No. of Franchised Stores</i>			
Mainland China	198	248	-50
Other countries	550	543	+7
Sub-total	748	791	-43
Total	1,145	1,314	-169

International Footprint

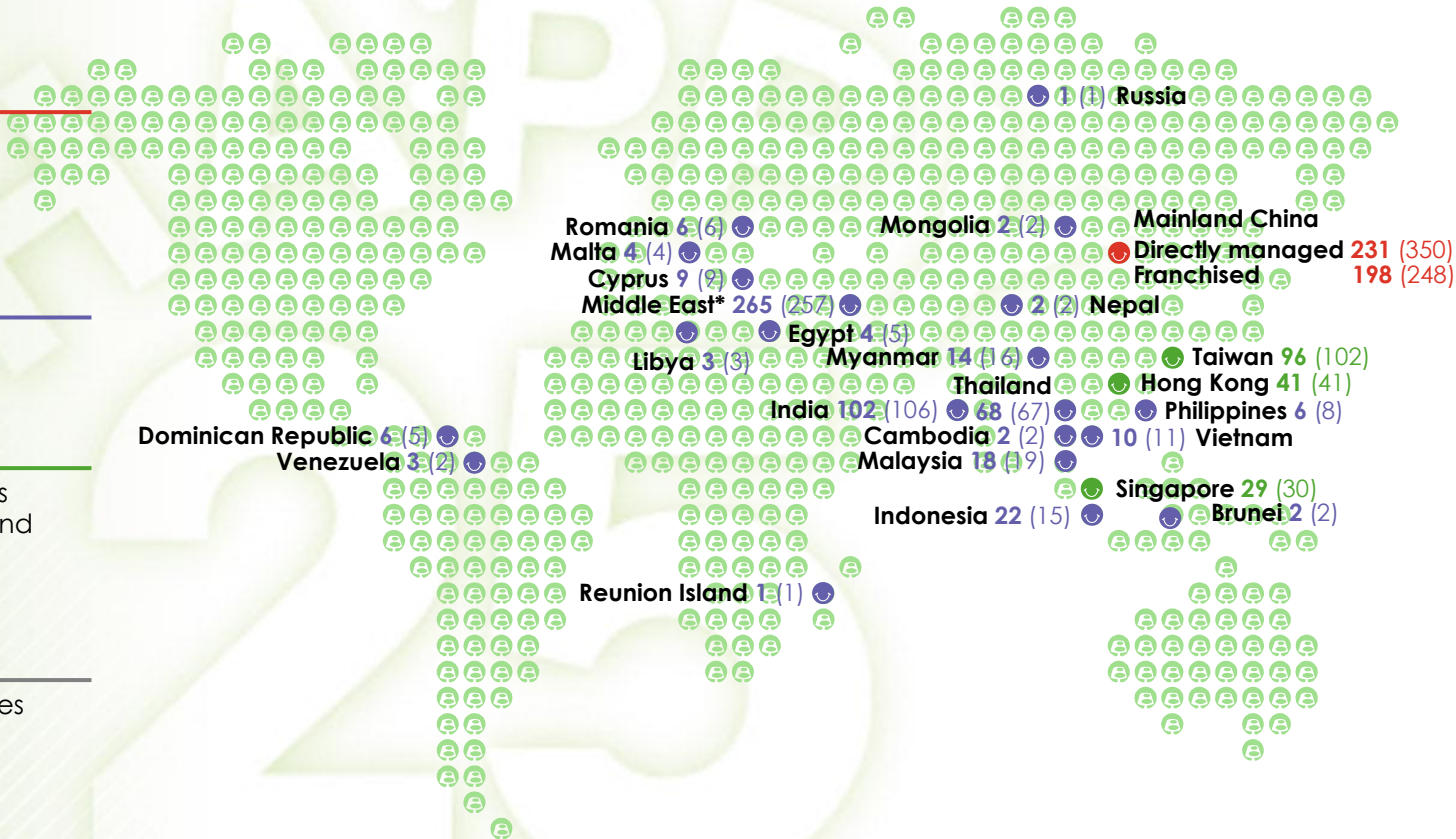
- A total of 1,145 (30 Jun 2012: 1,314) stores with presence in 36 countries and regions

429 (598)
Directly managed and franchised stores in mainland China

550 (543)
Export franchised stores

166 (173)
Directly managed stores in Hong Kong, Taiwan and Singapore

1,145 (1,314)
Total stores in 36 countries and regions



As at 31 Dec 2012 (comparative figures at 30 Jun 2012 are shown in brackets)

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

Marketing and Branding

- Ms. Joey Yung, a renowned pop artist, was appointed as our brand ambassador
- Joey has participated in **bossini x WOW!! Angry Birds** campaign as well as numerous celebration events for the Group's 25th anniversary



Co-branded and Licensed Products

bossini x WOW!! Angry Birds

ANGRY BIRDS



Strong Brand Recognition

bossini
BOSSINI HAPPY 25TH ANNIVERSARY

bossini



bossini

5 years +
商界展關懷
caring company
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發



Multi-Brand Strategy

“bossini”



“bossini kids”



“Yb”





**For the six months
ended 31 Dec 2012**

(HK\$ mn)

Shop and office renovation	14
I.T. investment	7
Others	1
Total	22



Future Plans and Strategies



Business Strategies

Focus on our principal markets while pragmatically expanding export franchising business in emerging markets that demonstrate opportunities for growth

Continue to introduce our new store concept

Continue to develop and launch co-branded and licensed products to drive sales momentum and brand value

Enhance our supply chain capabilities



Future Targets

Our Vision

To be the most preferred everyday wear brand

Operational performance

Enhance our supply chain capabilities and in conjunction with our strategic partner

Dividend payment

Strive to maintain our dividend payout ratio at 50%

Growth Drivers

Continue a pragmatic pace in network expansion

