



LI NING COMPANY LIMITED

李寧有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2331)

**Li Ning Company Takes Decisive Actions
Enhancing Operational Capability; Announcing Go-Forward Plan**

- *A multi-year blueprint for improving company performance and positioning Li Ning for long-term success*
- *CEO to step down; the Group will be led by Li Ning, Founder and Executive Chairman, and Mr. Jin-Goon Kim, Executive Vice Chairman*
- *Mr. Sam Su of YUM! appointed as an independent non-executive director, further enhancing the Board's retail and consumer expertise in China*

(5 July 2012 – Hong Kong) – **Li Ning Company Limited** (“Li Ning” or the “Group”; HKEx stock code: 2331), a leading sports brand enterprise in China today announced changes to its management team and the appointment of a new board member, along with a new go-forward plan to improve the Group’s performance and position Li Ning for profitable, sustainable growth.

Management Team

Mr. Zhang Zhiyong (“Mr. Zhang”) has stepped down as the Group’s Chief Executive Officer with effect from 4 July 2012. The Board is grateful for the efforts of Mr. Zhang who led the Group’s development into a leading Chinese sportswear brand. The Board and Mr. Zhang agreed mutually that bringing in new leadership is the right thing to take the Group to this next phase of its development.

At the same time, Mr. Zhang has also ceased to be a member of the Executive Committee of the Board. He will, however, continue to serve as an Executive Director and chief advisor to the Group’s Executive Committee to ensure a smooth transition for the new future CEO. A search is now underway for this position, and in the meantime, the Group will be led by Mr. Li Ning, Founder and Executive Chairman, and Mr. Jin-Goon Kim, Executive Vice Chairman.

Mr. Li will focus primarily on external affairs, such as the new relationship with the Chinese Basketball Association (CBA). Mr. Kim will be primarily responsible for internal affairs and operations, as well as driving the Group’s transformation during this transition. Mr. Kim has extensive experience gained serving as CEO or General Manager of several leading consumer and retail companies in Asia. He has a successful track record of driving transformation of consumer and retail companies in South Korea and China, including Dell Korea, China Grand Auto and Daphne.

Board of Directors

The Board is pleased to announce the appointment of Mr. Samuel Su as an independent non-executive director. Mr. Su is the Chairman and CEO of the China Division of YUM! Brands, Inc. and serves as an executive director and the vice chairman on Yum!’s board of directors, a leading restaurant group with well-known brands including Pizza Hut, KFC, Taco Bell and Little Sheep. With over 20 years of experience managing one of the leading consumer and retail franchises in China, Mr. Su enhances the Board’s expertise in retail and consumer markets in China.

The new Board composition not only adds deep industry knowledge and expertise but also demonstrates the Group's commitment to good corporate governance, by meeting best practice guidelines of having over one-third of its directors as independent non-executive directors.

Mr. Li Ning, Executive Chairman of the Group, commented, "The Board is pleased to welcome Mr. Kim and Mr. Su on board. We will continue strengthening our management team and recruiting new talent with relevant experience, to ensure that we are able to execute our plans. We are determined to develop LI-NING into a world-class sports brand, a brand that is fundamentally anchored on sports values and sports essence. I, together with Mr. Kim and the management team, are committed to bringing the Group to reach this goal."

Blueprint for Growth

The Group's go-forward plan has been designed to improve overall performance and growth. The management plans to enact a number of initiatives in three stages, and has already begun Phase One short-term initiatives around improving channel inventory, right-sizing cost structures, strengthening the organization and execution capabilities, enhancing channel profitability, focusing on core products in the domestic market, and investing in the brand and improving marketing effectiveness.

Phase Two will focus on improving the Group's supply chain, marketing and product planning model, including product development and consumer experience, and is currently in its pilot and concept stages. Phase Three will ensure the Group has in place the right business model to achieve its objectives of improving the profit structure and channels, sell-through, retail productivity and return on cash and investment.

With the enhanced management team and new leadership, as well as TPG's sector knowledge and operational capabilities, the Group is committed to capitalizing on its strong brand value and industry leadership to achieve profitable and sustainable growth.

"The announcements we are making today are the result of months of hard work by the Board and management after carefully listening to all related parties, internally and externally, and evaluating the business as it stands today, the challenges both inside and outside the Group, as well as where we want it to be in the medium to long term," Mr. Li continued. "The Board unanimously supports the new leadership and is confident that the initiatives we set out will move the Group in the right direction to return Li Ning to sustainable and profitable growth."

Mr. Kim, Executive Vice Chairman of Li Ning, commented, "The LI-NING brand is the leading domestic sportswear brand in China, with great brand value and growth potential. We believe the three-stage blueprint will give the Group the focus and clarity it needs to execute its development strategy. I am honored that the Li Ning Board has given me this role. I am confident that with the collective efforts of the Chairman and a strengthened management team, supported by TPG's wealth of operational know-how, we will build a platform for the Group with world-class operational capabilities."

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About Li Ning Company Limited

Li Ning Company Limited is one of the leading sports brand companies in China, mainly providing sporting goods including footwear, apparel, equipment and accessories for professional and leisure purposes primarily under the **LI-NING** brand. Headquartered in Beijing, the Group has brand marketing, research and development, design, manufacturing, distribution and retail capabilities. It has established an extensive supply chain management system and a retail distribution network in China, predominantly through outsourced manufacturing operations and franchised distribution.

In addition to its core LI-NING brand, the Group (i) manufactures, markets, distributes and sells outdoor sports products in China under the French brand **AIGLE**, the exclusive rights of which were granted to a joint venture established with Aigle International S.A.; (ii) engages in the manufacture, research and development, marketing and sale of table tennis and other sports equipment under the **Double Happiness** brand through a subsidiary in which the Group has 57.5% interest; (iii) develops, manufactures, markets, distributes and sells licensed products in China under the Italian sports fashion brand **Lotto** under an exclusive license granted by a company owned by Lotto Sport Italia S.p.A.; and (iv) engages in the research and development, manufacture and sale of badminton equipment under the **Kason** brand.

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