

For immediate release



波司登國際控股有限公司

Bosideng International Holdings Limited

Bosideng Announces Interim Results for the Six Months Ended September 30, 2010

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**Net Profit surged 82.4% to RMB 110 million
Improved Gross Profit Margin to 37.9%**

The Board recommended the payment of an interim dividend of RMB6.5 cents per ordinary share to offer a higher reward to shareholders

Financial Highlights

<i>RMB '000</i>	For the six months ended		Change
	2010	2009	
Revenue	1,858,284	1,564,855	+18.8%
Gross profit	704,262	524,873	+34.2%
Gross profit margin (%)	37.9	33.5	+4.4pts
Profit attributable to equity holders	110,565	60,622	+82.4%
Basic and diluted EPS (RMB cents)	1.42	0.78	+82.1%
Final dividend per share (RMB cents)	6.5	3.8	+71.1%

(November 29, 2010 – Hong Kong) – Bosideng International Holdings Limited ("Bosideng", or the "Company", stock code: 3998, or together with its subsidiaries collectively referred to as the "Group"), the largest down apparel company in the PRC, announces its interim results for the six months ended September 30, 2010.

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For the six months ended September 30, 2010, the Group recorded revenue of approximately RMB1,858.3 million (2009: approximately RMB1,564.9 million), representing an increase of 18.8% as compared with the corresponding period last year. The increase was mainly driven by the 17.1% growth in branded down apparel business, due to the effective sales plan to control the inventory level and selling price in the off-peak season; and 130.0% growth in menswear apparel business, contributed by the full period of revenue recorded since the acquisition of the menswear apparel business in May 2009 and the increase in number of stores and success in brand promotion activities for "Bosideng MAN".

During the period under review, cost of sales decreased slightly as a percentage of revenue as compared to the previous year. Gross profit margin increased by 4.4 percentage points to 37.9%. Cost of sales amounted to approximately RMB1,154.0 million, or 62.1% of the Group's revenue. This is mainly attributable to the Group's strategy of maintaining profitability of branded down apparel and the increase in sales due to additional self owned stores under menswear business. Net profit attributable to equity holders of the Company increased sharply by 82.4% to RMB110.6 million. The Board has recommended the payment of an interim dividend of RMB6.5 cents per ordinary share for the six months ended September 30, 2010.

Mr. Gao Dekang, Chairman and CEO of Bosideng, said, "Affected by the European Sovereign Debt Crisis, the economic growth in China has slowed down due to the complicated external economic environment since the beginning of the year. However, since the fundamentals of Chinese economy were still strong, domestic demand maintained its growth and foreign demand continued to recover. During the reporting period, factors like surging raw material costs, rising labor costs and continuous appreciation in Renminbi, causing the cost to increase rapidly and the gross profit margin of the whole of apparel industry to suffer a pressure of decrease. However, as the domestic demand remained strong, the apparel industry of China continued to expand generally though the growth has slowed down. The industry performed well in the first half of the financial year, particularly the major brands who were able to transfer part of the increased costs to customers. The product quality and operation efficiency, of major brands have further improved and the industry has laid a good foundation for a healthy growth."

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During the period under review, down apparel business remained the major business of the Group. "Bosideng" branded apparel remained the highest contributor and contributed 51.8% or approximately RMB635.0 million of the total branded down apparel sales. "Snow Flying" branded apparel contributed 17.3% or approximately RMB211.6 million of the total branded down apparel sales. "Kangbo" and "Bengen" (previously known as "Bingjie") recorded revenues of RMB140.0 million and RMB217.4 million, which represented 11.4% and 17.7% of the total branded down apparel sales respectively, of which "Bengen" became the second largest contributor of the down apparel sales. In an effort to strengthen differentiation amongst various brands, the Group adjusted its product offerings under its portfolio of brands. During the period under review, "Bosideng Menswear" accounted for approximately 7.0% of the Group's total revenue.

In order to implement the development strategies of product portfolio, the Group enriched the culture and enhanced the brand positioning of "Bosideng" while accelerating the independent development of other dominant brands of the Group. In the past two years, the Group repositioned the "Bengen" brand under separate management and achieved satisfactory performance. Capitalized on its trendy design concepts, distinct brand style, precise market positioning and scientific operational management, the sales and market share of "Bengen" brand products increased significantly and were widely recognized by the market.

In order to enhance the diversity of the apparel products, reduce corporate operation risks, explore new sources of profit and to enhance profitability of the Company, the Group has proactively implemented a strategy to develop non-seasonal apparel products to expand its brand and product portfolio, and continued to implement the strategy in the reporting period. The results met the expectations of the Directors and our management. Ever since the acquisition of Bosideng menswear, it has been repositioned as a menswear brand demonstrating "Quality of Life" by leveraging on the "Bosideng" brand and strong support of the Group. It has successfully converged with our existing businesses and has experienced comprehensive improvements in various aspects including brand positioning, product quality, public awareness and sales channels. Products of Bosideng menswear are welcomed by the consumers at large and achieved outstanding results. Two major trade fairs for Bosideng menswear were held during the reporting period with popular response.

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The Group obtained the agency right of "Rocawear" business in the Greater China Region (including China, Hong Kong, Macau Special Administrative Region and Taiwan) in the previous financial year as a key step to develop the strategy of "non-seasonal apparel products" and become an integrated apparel brand operator. The joint venture of "Rocawear" has actively worked on the initial preparation for operation of "Rocawear" brand since its establishment. "Rocawear" brand formally entered the PRC market on September 3, 2010 and held its first product launch show in Shanghai.

As at September 30, 2010, the Group has 7,413 retail outlets for down apparel across the nation, comprising 987 outlets operated by the Group and 6,426 outlets operated/ supervised by third party distributors. As for "Bosideng Menswear", the Group has 865 retail outlets, comprising 88 outlets operated by the Group and 777 outlets operated according to franchise agreement/ by third party distributors. The Group has restructured its retail network of down apparel businesses significantly. While eliminating and replacing substandard distributors and retail shops with unsatisfactory performance, the Group was committed to formulating a reasonable overall planning, so as to promote constructive competition among different sales regions and improve operating results. The Group made adjustments to some of its down apparel stores to increase the number of specialty stores in response to the market condition. In particular, the number of specialty stores of "Bengen" increased after its independent management commenced. The retail network of Bosideng menswear continued to expand. It has commenced to enter first tier cities as a breakthrough by leveraging on the experience of its development in second and third tier cities. The proportion of self-operating stores and franchised stores has increased for enhancing brand positioning, increasing market sharing and balancing of development between self-operating stores, franchised stores and regional distribution network.

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Going forward, Mr. Gao said: "The Group holds a cautiously positive outlook. The local consumption pattern and spending power will keep improving in the next one or two decades, and the development of apparel industry of the PRC is stepping towards a new era with a new focus on brand development and upgrading after the expansion of market scale. The Group will leverage on the competitive edges of 'Bosideng' brand to integrate the style positioning, design, research and development as well as sales channels of its brands comprehensively with a global perspective to ensure the product styles are united but remain their own uniqueness and to satisfy different demands from consumers. In the next three to five years, the Group will continue to promote the development of non-seasonal apparel business, increase the proportion of the non-down apparel business in overall sales and further expand and optimize the international sales network, so as to transform Bosideng into an international well-known integrated apparel brand operator."

He continued: "The Group will continue to integrate and optimize sales channels of the down apparel products. For non-down apparel products, the Group will focus on market expansion. Among which, the number of retail outlets of "Bosideng MAN" is expected to grow in a more rapid pace and increase to approximately 1,200 in 2011, and the proportion of self-operating stores and franchised stores will also increase. For "Rocawear" brand business, the first store in China is expected to open in the year and is planned to open more than 300 "Rocawear" freestanding stores or shop-in-shop in the Greater China Region by 2013."

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About Bosideng International Holdings Limited:

Bosideng International Holdings Limited is the largest down apparel company in the PRC. It has 7,413 retail outlets across the nation, selling down apparel under its six core brands including "Bosideng", "Snow Flying", "Kangbo", "Bengen", "Shuangyu" and "Shangyu". Through these brands, the Group offers a wide range of down apparel products targeting various consumer segments, strengthening and expanding its leading position in the PRC down apparel industry.

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According to the information of China Industrial Information Issuing Center ("CIIIC"), in terms of sales in 2009, the down apparel products of four brands of the Company namely "Bosideng", "Snow Flying", "Kangbo" and "Bengen" together, enjoy a total of 38.0% of the market share[#] in the PRC. "Bosideng" was the leading down apparel brand in the PRC for 15 consecutive years from 1995 to 2009, according to CIIIC and the National Bureau of Statistics of China. As a leader in the PRC down apparel industry, the Group introduced, for the 14th consecutive year, the latest Fall/Winter apparel fashion trends to the world on behalf of the PRC at the "China International Clothing and Accessories Fair".

To further improve its product portfolio and increase profitability, the Group has adopted a non-seasonal product development strategy. Currently, the non-down apparel projects of the Group include Bosideng menswear project and the franchise project of "Rocawear" in the Greater China Region. The Bosideng menswear business has developed rapidly and has already set up 865 retail outlets throughout China, while the franchise project of "Rocawear" in the Greater China Region remains in preliminary preparation. Apart from investing in the continuous development of the non-down apparel projects, the Group is actively exploring opportunities to acquire non-down apparel brand with high development potential and good reputation in order to increase the proportion of non-down apparel business in total sales.

[#] Among the 30 largest down apparel brands

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