

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, 2011
Profit Attributable to Equity Holders
Surged 196.1% to Approximately RMB327 million**

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**The Board recommended payment of an interim dividend of
RMB3.8 cents per ordinary share**

Financial Highlights

<i>RMB '000</i>	For the six months ended		Change
	2011	2010	
	(Unaudited)	(Unaudited)	
Revenue	2,739,114	1,858,284	+47.4%
Gross profit	1,079,306	704,262	+53.3%
Gross profit margin (%)	39.4	37.9	+1.5ppts
Profit attributable to equity holders	327,398	110,565	+196.1%
Basic and diluted EPS (RMB cents)	4.21	1.42	+196.5%
Interim dividend per share (RMB cents)	3.8	6.5	-41.5%

(November 29, 2011 – 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, is pleased to announce its interim results for the six months ended September 30, 2011.

Financial review

For the six months ended September 30, 2011, the Group recorded a revenue of approximately RMB2,739.1 million (2010: approximately RMB1,858.3 million), representing an increase of 47.4% as compared with the corresponding period last year. The increase was mainly because the Group launched the light and slim autumn down apparel, bringing forward the sales period of down apparel to early September. Besides, the Group was able to pass the increase in costs to customers while raising product price and controlling inventory through flexible sales strategies; and conducted OEM business during the off-peak season to by effective resources allocation. The Group also further stepped up its non-seasonal apparel development and increased the contribution from non-down apparel business.

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During the period under review, gross profit margin increased to 39.4% from 37.9% in last corresponding period, representing an increase of 1.5 percentage points. As the Group effectively passed the costs to customers and made use of its abundant cash flows to prepay suppliers in order to procure and lock up raw materials at favourable prices at the beginning of the year. As such, the impact of the increase in costs was well under control. Moreover, the Group developed an internet sales model with lower costs so as to increase market share on the internet. Profit attributable to equity holders of the Company surged 196.1% to RMB327.4 million. The Board has recommended the payment of an interim dividend of RMB3.8 cents per ordinary share for the six months ended September 30, 2011.

Mr. Gao Dekang, Chairman and CEO of Bosideng, said, "The U.S. and European debt crises and the economic downturn further dampened the global market demand in the second and third quarters of 2011, resulting in a decline in consumer spending. On the other hand, the economic development of China remained strong. During the reporting period, although strong domestic demand enabled China's apparel industry to maintain its growth, rising raw material price, continuous appreciation of Renminbi and surging production costs imposed pressure on the gross profit margin of the industry in general. Bosideng, as the leading brand in the industry with improved brand image, product quality and operation efficiency, was able to transfer part of the increased costs to customers, thus maintaining a satisfactory growth."

Business review

During the period under review, branded down apparel business accounted for 64.8% of the Group's total revenue. As a result of brand positioning strategy, the *Bosideng* branded apparel remained the largest contributor and contributed 54.1% or approximately RMB977.3 million of the total branded down apparel sales. The *Snow Flying* branded apparel contributed 18.1% or approximately RMB326.1 million of the total branded down apparel sales. *Kangbo* and *Bengen* recorded revenues of RMB182.7 million and RMB290.7 million, which represented 10.1% and 16.1% of the total branded down apparel sales, respectively. The Group introduced the new Autumn down apparel line in 2011. Weighing only 260 grams, the high-end down apparel uses ultra-thin fabric with excellent cutting. The launch of the new Autumn line has enriched the Group's product portfolio, extended the sales period of down apparel and satisfied market demands for thin and light down products.

During the period under review, revenue from the non-down apparel business accounted for approximately 12.2% of the total revenue, representing an increase of 5.2 percentage points from 7.0% in the corresponding period last year. Among which, revenue from *Bosideng MAN* reached RMB169.4 million, representing a year-on-year increase of 29.5%, accounting for 50.9% of revenue from non-down apparel business. As the Group focused on closing stores in the first half of the year in order to consolidate its sales network, the growth of *Bosideng MAN* in the first half of the year was slower compared to last year. However, the overall development met the expectation of the management. During the period, the Group closed 198 stores in total and opened 147 new stores. As at September 30, 2011, *Bosideng MAN* had 928 stores in China (March 31, 2011: 979 stores).

Apart from *Bosideng MAN*, other non-down apparel businesses also recorded satisfactory development, taking up 49.1% of revenue from non-down apparel business. As at the end of the reporting period, the *ROCAWEAR* brand has established a total of 19 consignment counters (March 31, 2011: 7 consignment counters) in Beijing, Shanghai, Hangzhou, Tianjin and Chongqing. *BOSIDENG RICCI* has 23 specialty stores and consignment counters (March 31, 2011: 4 specialty stores and consignment counters) in prominent shopping malls and business districts in the Yangtze River Delta. *Mogao* has 443 specialty stores and consignment counters (March 31, 2011: 400 specialty stores and consignment counters) in China. There are a total of 1,120 stores (March 31, 2011: 866 stores) of the four brands of kids' wear in China, mainly in the eastern and southeastern China. *VETALLO* has established 3 specialty stores (March 31, 2011: nil) in prominent shopping malls in Shenyang, Dalian and Handan.

As at September 30, 2011, the Group had a total of 10,970 outlets, comprising 8,434 and 2,536 outlets were operated under the down and non-down apparel businesses respectively. Among the down apparel outlets, 1,031 outlets were operated by the Group and 7,403 outlets were operated by third party distributors. As for non-down apparel, 306 outlets were operated by the Group, 1,036 outlets were operated according to franchise agreement, and 1,194 outlets were operated by third party distributors.

Leveraging on the abundant cash flow and extensive network, the Group acquired 70% of the issued share capital of Talent Shine Limited and Sunny Bright Global Investments Limited, which own various mid to high end ladies' wear brands including *JESSIE* on 4 November, 2011, at a total consideration of RMB892.5 million. Established in 1999, *JESSIE* is a leading local trendy ladies' wear brand with business and casual styles targeting office ladies aged between 28 and 45. Upon completion of the acquisition, the Group continues to sell ladies' wear under the *JESSIE* brand by way of self-operated and franchised businesses in China. The Group expects to open approximately 200 new stores in the next three years, so that the total number of stores will reach over 400 stores, and it will also expand into the international market when opportunity arises. *JESSIE* will offer profit guarantee to the Group, guaranteeing CAGR in the profit after tax of more than 25% from 2012 to 2014 fiscal years.

In addition, in June 2011, Bosideng invested GBP20,050,000 to acquire a property at No. 28, South Molton Street which neighbours Oxford Street, the shopping center of London West End in the U.K. for the purpose of setting up the Bosideng down apparel and menswear flagship store and the Group's European headquarter. It is the Group's first overseas down apparel and menswear flagship store. The flagship store is expected to open in July 2012.

Business outlook

Going forward, Mr. Gao said: "The Group holds a prudent and positive view on the outlook of the economy and business development. The local consumption pattern and spending power will continue to improve in the next one to two decades. The Group will leverage on the competitive edges of the Bosideng brand to integrate the style positioning, design, research and development as well as sales channels of its brands; to ensure the product styles are complementary to each other while retaining their own uniqueness satisfying different demands from consumers. In the next three to five years, the Group will continue to increase the proportion of the non-down apparel business in the overall sales so as to transform Bosideng into a diversified and integrated apparel brand operator."

The Group will focus on the sound development of *Bosideng MAN*, and is expected to have 1,000 outlets in the financial year of 2012, and it will continue to upgrade its brand image, product quality and services in order to become a well-known menswear brand in China. For other brands, *ROCAWEAR* will continue its preparatory work, including selection of store location and establishment of sales network. *ROCAWEAR* targets to open more than 300 free standing stores and shop-in-shop by 2013. The Group plans to develop *BOSIDENG RICCI*'s sales channels mainly in eastern China in two years' time and expects to develop a nationwide coverage within three years. Moreover, the Group will continue to select store locations in order to expand the coverage of *VETALLO* in China.

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About Bosideng International Holdings Limited:

Bosideng International Holdings Limited (the "Company", together with its subsidiaries collectively referred to as the "Group") is the largest down apparel company in the PRC. It has six core down apparel brands, namely *Bosideng*, *Snow Flying*, *Kangbo*, *Bengen*, *Shuangyu* and *Shangyu*. The Group targets various consumer segments through product differentiation for each brand to further strengthen its leading position in the PRC down apparel industry.

According to the 17th ranking list for "China's Most Valuable Brands (中國最有價值排行榜)" in 2011, *Bosideng* was ranked 13th with a brand value of RMB20.66 billion and remained in the first place in the textile and clothing segment. The *Snow Flying* brand of the Group was ranked 48th with a brand value of RMB5.67 billion. According to China Industrial Information Issuing Center ("CIIIC"), Bosideng has been ranked first in the PRC market for 16 consecutive years while *Snow Flying* has been ranked second for 10 consecutive years in terms of national sales volume of down apparel. Total sales of four of the Group's brands, namely *Bosideng*, *Snow Flying*, *Kangbo* and *Bengen*, accounted for 36.7% of the PRC down apparel market[#]. According to CIIIC and the National Bureau of Statistics of China, *Bosideng* has been the leading PRC down apparel brand for 16 consecutive years from 1995 to 2010. As a leader in the PRC down apparel industry, the Group introduced, for the 15th consecutive year, the latest fashionable Fall/Winter apparel trends to the world on behalf of the PRC at the China International Clothing and Accessories Fair.

Leveraging its outstanding brand value and extensive sales network, Bosideng continued to adopt its non-season product development strategy. The performance of all our new brands, including *Bosideng MAN*, *BOSIDENG RICCI* lady's wear, *ROCAWEAR*, *D.D. Cat* kids wear, *Mogao* casual wear and *VETALLO* luxury business menswear, are satisfactory with steady growth. Apart from investing in the continuous development of the above non-down apparel business, the Group is actively exploring opportunities to acquire non-down apparel brands with high development potential and good reputation in order to further increase the proportion of non-down apparel business in total sales.

[#] Among the 30 largest down apparel brands

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