

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, 2012
Revenue Grew by 12.4% to RMB3,080.0 million**

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**Gross Profit Margin Jumped by 6.2 Percentage Points
Interim Dividend of HK6.0 cents per Share is Recommended**

Financial Highlights(Unaudited)

<i>RMB '000</i>	For the six months ended		Change
	September 30 2012	2011	
Revenue	3,080,018	2,739,114	+12.4%
Gross profit	1,403,203	1,079,306	+30.0%
Gross profit margin (%)	45.6	39.4	+6.2 pts
Operating profit	426,537	275,870	+54.6%
Operating profit margin (%)	13.8	10.1	+3.7 pts
Profit before income tax	459,276	354,321	+29.6%
Profit attributable to equity shareholders	316,398	327,398	-3.4%
Basic and diluted EPS (RMB cents)	3.97	4.21	-5.7%
Interim dividend per share (RMB cents)	4.9	3.8	+28.9%

** Interim dividend is HK6.0 cents per ordinary share, equivalent to approx. RMB4.9 per ordinary share based on the exchange rate of The People's Bank of China on November 23, 2012.*

(November 28, 2012 – 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, 2012.

Financial review

For the six months ended September 30, 2012, the Group recorded a revenue of approximately RMB3,080.0 million (2011: approximately RMB2,739.1 million), representing an increase of 12.4% as compared with the corresponding period last year. The increase was mainly because the Group received franchise fees from down apparel distributors during the period under review. The Group also enhanced OEM business during the off-peak season by effective resources allocation, and implemented non-seasonal apparel development strategy to increase the contribution from non-down apparel business.

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During the period under review, gross profit margin increased to 45.6% from 39.4% in last corresponding period, representing an increase of 6.2 percentage points. This is mainly attributable to the stringent cost control measures; the economies of scale enjoyed by the Group, continued to raise product price and control inventory with flexible sales strategies. Operating profit was approximately RMB426.5 million, up 54.6% compared to the same period last year. Profit attributable to equity shareholders of the Company amounted to RMB316.4 million, representing a decrease of 3.4% from last year, mainly attributable to the increase in effective tax rate from 7.8% in the same period in 2011 to 30.9% in 2012. The Board has recommended the payment of an interim dividend of HKD6.0 cents per ordinary share for the six months ended September 30, 2012.

Business review

During the period under review, revenues of branded down apparel business and non-down apparel business were RMB1,842.4 million and RMB487.8 million, accounting for 59.8% and 15.8% of the Group's total revenue respectively. With the introduction of JESSIE ladies' wear, contribution from non-down apparel business increased by 3.6 percentage points as compared to 12.2% in the corresponding period last year.

During the 2012/13 financial year, the Group started to operate its down apparel brands separately, including *Bosideng*, *Snow Flying*, *Kangbo* and *Bengen*. The Group also redefined and separated its sales channels for down apparel business. Multi-brand counters in department stores were transformed into mono brand counters. Street stores operated by distributors were readjusted based on their locations and the positioning of brands.

During the period under review, revenue of the Group's down apparel business increased by 3.8% compared to the same period last year. *Bosideng* branded apparel remained the largest contributor and contributed 55.2% or approximately RMB1,030.5 million to the total branded down apparel sales. The *Snow Flying* branded apparel contributed 16.9% or approximately RMB316.2 million to the total branded down apparel sales. *Kangbo* and *Bengen* recorded revenues of RMB204.9 million and RMB247.3 million, which represented 11.0% and 13.3% of the total branded down apparel sales, respectively.

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Revenue from the non-down apparel business increased significantly, which recorded an increase of 46.7% from the corresponding period last year. The Group's first non-down brand, *Bosideng MAN* contributed 30.0% or approximately RMB146.1 million to the total non-down apparel sales of the Group. In order to further increase the proportion of non-down apparel business in the Group's total sales, the Group completed the acquisition of *JESSIE* ladies' wear in November 2011, which contributed 30.3% or approximately RMB147.6 million to the total non-down apparel sales of the Group. The *Mogao* casual wears contributed 34.7% or approximately RMB169.4 million to the total non-down apparel sales of the Group.

As at September 30, 2012, the Group had a total of 13,499 outlets, representing a net increase of 3,483 outlets compared to 10,016 outlets as compared to March 31 2012. Among which, the number of down apparel outlets reached 11,904, representing a net increase of 3,560 outlets as compared to March 31, 2012. The significant increase in the number of outlets was mainly attributable to the division of sales channels which transformed the multi-brand stores into mono brand stores, while the total sales area only slightly increased by approximately 5.4% to 919,000 square meters (872,000 square meters as at March 31, 2012). Non-down apparel outlets reached 1,595 outlets, representing a net decrease of 77 outlets as compared to March 31, 2012. As at September 30, 2012, the total number of retail outlets of *Bosideng MAN* was 887, representing a decrease of 14 outlets as compared to March 31, 2012; *JESSIE* had 264 sales outlets, including 109 self-operated outlets and 155 distribution outlets. The proportion of self-operated outlets increased to over 40%; *Mogao* had 402 sales outlets, including 193 self-operated outlets and 209 distribution outlets.

In addition, the first flagship store of the Group in Europe commenced its trial operation on July 26, 2012 in London and officially launched on October 12, 2012. The store mainly offers premium line of Bosideng's menswear, the "Bosideng • London" collection. The collection of menswear products is mostly manufactured in Europe. The opening of the Group's first overseas flagship store is an important milestone in the Group's internationalization development.

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Mr. Gao Dekang, Chairman and CEO of Bosideng, said, "The global economic growth remained stagnant in the first half of 2012. The Chinese economy entered a new phase with rising labour costs and greater pressure on resources. The risk of economic downturn in China increased in view of the challenging environment domestically and abroad. Therefore transformation becomes vital for local enterprises to retain its competitive. It is also the policy of China to encourage overseas expansion of outstanding local enterprises. In view of the domestic and overseas environment, the Group has formulated the '3+1' strategy for the 2012/13 financial year to develop the down apparel business as its core business, introduce new brands and non-seasonal products and expand the international markets. It is the mid- to long-term goal of the Group to become an internationally renowned integrated apparel brand operator."

The down apparel business will remain as the core business of the Group in the future. The Group will further develop and consolidate its leading market position by capitalizing on its extensive experience. The Group will continue its multi-brand development to enrich its brand portfolio by introducing new brands of different positioning for existing product lines, so as to provide more quality products to the domestic market. Meanwhile, the Group plans to expand its business scope from down apparel alone to various product lines with more variety and characteristics in three years' time. In order to realize the mid- to long-term goal of internationalization, the Group will recruit professionals with international background to prepare for its overseas expansion. The international headquarters will witness the further expansion of the international market by the Group.

Business outlook

Going forward, Mr. Gao said: "Looking forward to the second half of the year, the uncertainties of China's economy will remain and the business environment will continue to be difficult. The Group holds a prudent and positive view on the future development of each segment. The Group believes that the down apparel business will maintain its leading position in the industry with stable growth, whereas its non-down apparel business will be adversely influenced by the downturn of the consumer market and the industry in China. Despite the short-term consolidation of the menswear market, it is expected to have a healthy growth subsequently. The Group remains confident about the mid- to long-term development of the menswear market. The Group will continue to put effort into the development of *JESSIE* to strengthen its influence and business scale in the industry. The Group will seek opportunities to further enrich its non-down apparel business through merger and acquisition of outstanding menswear and ladies' wear brands.

"Well-aware of the challenges ahead and well-prepared to strive for excellence with dedication, the Group will maintain its prudent business development and lay a good foundation for achieving its mid- to long-term goals."

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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. Its top four down apparel brands, namely *Bosideng*, *Snow Flying*, *Kangbo* and *Bengen* accounted for 34.5% of the PRC down apparel market[#] in 2011. According to China Industrial Information Issuing Center and the National Bureau of Statistics of China, Bosideng has been the leading PRC down apparel brand for 17 consecutive years from 1995 to 2011.

Leveraging on its outstanding brand value and extensive sales network, the Group is actively exploring opportunities to acquire non-down apparel brands with high development potential and good reputation. Currently, key non-down apparel brands of the Group include *Bosideng MAN*, *JESSIE ladies' wear* and *Mogao* casual wear.

[#] Among the 30 largest down apparel brands

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