

Business
Fashion



Bosideng International Holdings Limited

波司登國際控股有限公司

(Stock code: 3998)

**2008/09 Interim Results
Corporate Presentation**

Sports
Fashion

Young
Fashion

Urban
Fashion



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Agenda



- Financial Review
- Business Review
- Future Plans and Strategies
- Open Forum



Financial Review



Business Strategies



- 1** Adjusted sales strategies during typical off-peak season and effectively lowered inventory level
- 2** Optimized distribution network by terminating distributors or retail stores which under-performed or small in floor area
- 3** Focused on brand building and marketing, "Bosideng" continued to be the top down apparel brand with absolute leadership in the PRC down apparel market
- 4** Unveiled and launched non-seasonal apparel in September 2008 as well as opened the first non-seasonal apparel franchised store in Changshu, China

Results Highlights

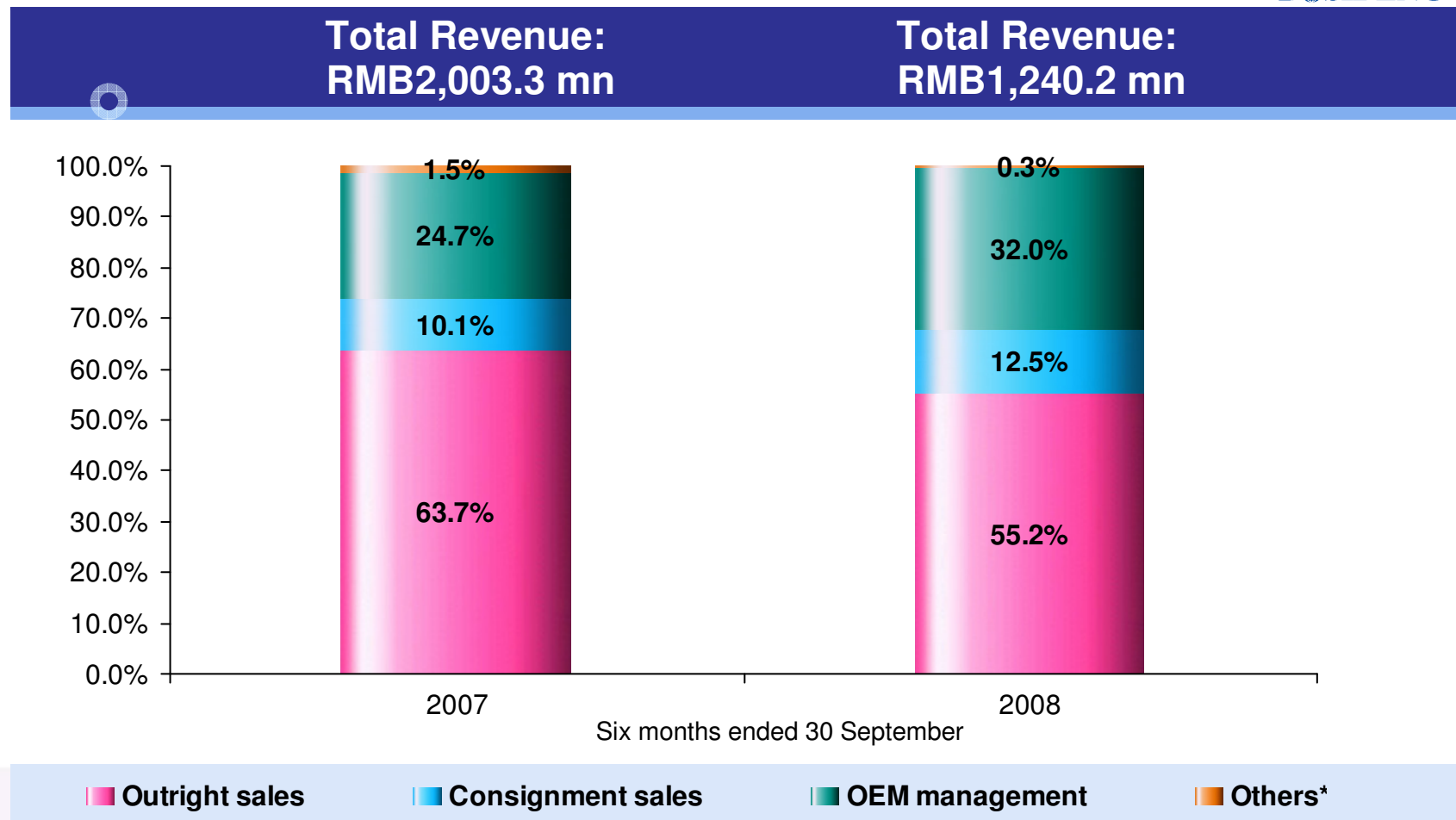


(RMB mn)	Six months ended 30 September		Change (%)
	2008	2007	
Revenue	1,240.2	2,003.3	- 38.1
Gross profit	374.9	629.2	- 40.4
Gross profit margin (%)	30.2	31.4	- 1.2% points
Profit from operations	18.8	328.0	- 94.3
Profit before income tax	76.8	286.8	- 73.2
Profit for the period	51.1	274.3	- 81.4
Earnings per share (RMB cents)			
- Basic	0.64	5.22	- 87.7
- Diluted	0.64	4.71	- 86.4
Special dividend (RMB cents)	3.8	NA	NA

Revenue Analysis

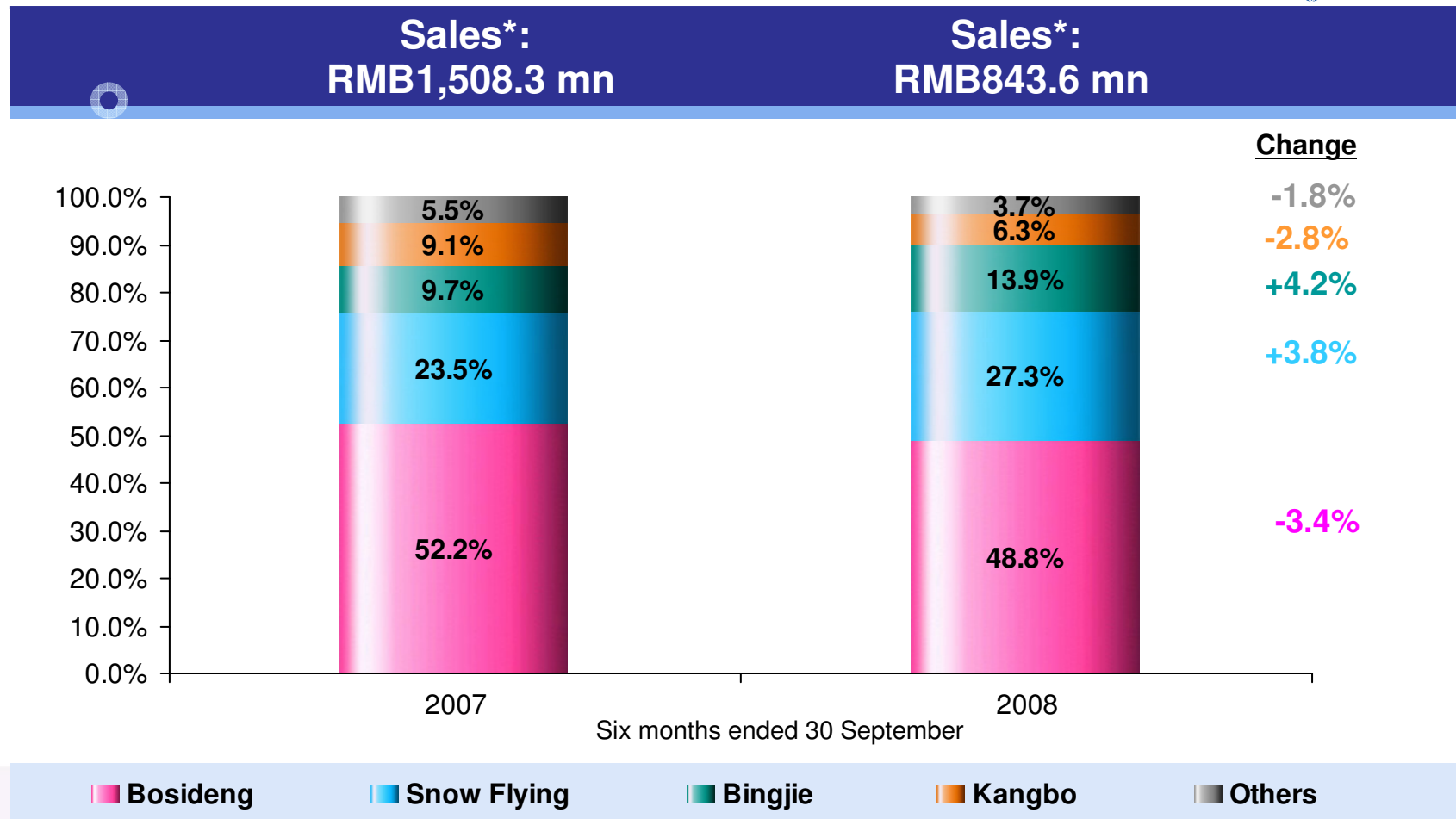


Revenue Composition by Sales Method



* Represents sales primary of raw materials related to down products and sales of non-seasonal apparel products

Down Apparel Revenue by Brands



* Sales rebates are not deducted from the total down apparel revenue or from revenues of each brand
 Sales rebates for the first half of 2007/08 and 2008/09 were RMB 10.0 mn and RMB 12.1 mn respectively

Operating Expenses



	2008		2007		Change (% points)
	RMB mn	% of revenue	RMB mn	% of revenue	
Total operating expenses	362.6	29.2	324.9	16.2	+13.0
Distribution expenses	257.0	20.7	287.1	14.3	+6.4
• Advertising and promotion expenses	120.5	9.7	148.2	7.4	+2.3
Administrative expenses	105.6	8.5	37.8	1.9	+6.6

- Distribution expenses in dollar amount decreased by 10.5%, however, increased by 6.4% points as a percentage of revenue since the decrease in actual spending was not as fast as the decrease in revenue. It is because the advertising and promotion cost increased sharply during the period of Beijing Olympic
- Increase in administrative expenses mainly came from impairment of bad and doubtful debts, increases in headcounts and professional expenses after IPO

Inventories



	At September 30, 2008	At March 31, 2008
Raw materials (RMB '000)	170,940	27,852
Work in progress (RMB '000)	205,334	10,184
Finished goods (RMB '000)	698,347	947,385

- Amount of raw materials and work in progress increased to pave the way for the upcoming peak sales season
- Amount of finished goods decreased due to effective sales strategy

Financial Position



	At September 30, 2008	At March 31, 2008
Cash and cash equivalents (RMBmn)	3,491.5	4,686.2
Held-to-maturity investments (RMBmn)	1,101.2	612.0
Current ratio	6.0	10.1
Gearing ratio	0	0.008
Operating cash inflow (RMBmn)	253.5	(194.9)

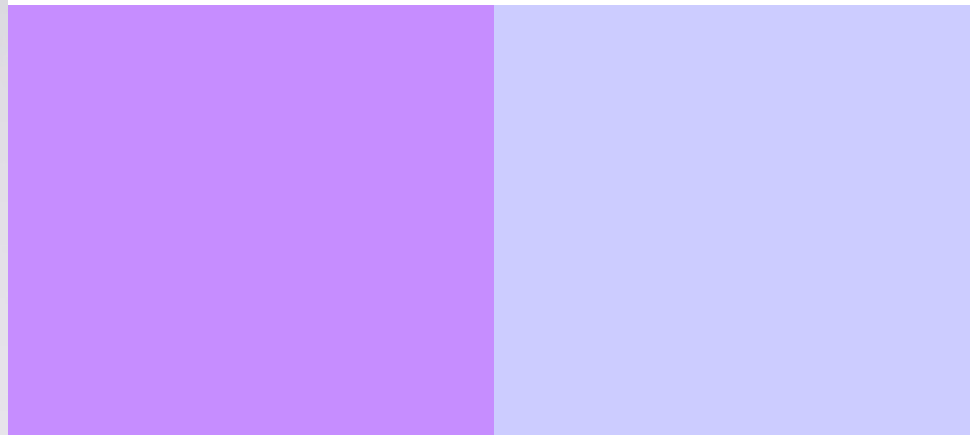
- Adopted prudent funding and treasury management policies and maintained a healthy financial position
- Met the working capital and other capital requirements with internally generated cash flow from operating activities and the proceeds of initial public offering

Current ratio = Current assets / current liabilities

Gearing ratio = Total loans and borrowings / total equity



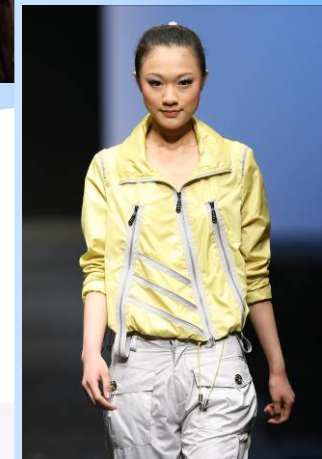
Business Review



Strong Brand Equity



- The only company to unveil to the world the latest trends in wintertime cold-resistant clothing in March, 2008 for 12 consecutive years
- Focused on brand building and marketing by utilizing various promotion resources through different promotion media and means



因為有了你 世界更美麗
A beautiful world all because of you

Awards and Recognitions



- The Group's effort are recognized during the review period

Date	Award	Organization
Nov 2008	National Quality Award	China Association for Quality
Aug 2008	Brand of Changing Chinese Life over the past 30 Years	China Times
Jun 2008	China Down Apparel Industry Remarkable Brand	China Brand Research Institute
Apr 2008	Ranked number 1 in terms of market share in China's down apparel products for 13 consecutive years (1995-2007)	China General Chamber of Commerce and China National Commercial Information Centre
Apr 2008	One of the Top 100 Enterprises	China National Garment Association

Retail Network



	As at		Change
	30 Sept 2008	31 Mar 2008	
Specialty stores			
– Operated by the Group	31	3	+28
– Supervised / operated by third party distributors	3,128	5,057	-1,929
Concessionary retail outlets			
– Operated by the Group	839	1,110	-271
– Supervised / operated by third party distributors	1,798	947	+851
Total	5,796	7,117	- 1,321



- Extended the coverage of ERP system to a greater number of outlets which facilitates timely access to key operational data and allows quicker responses to market changes

Note:

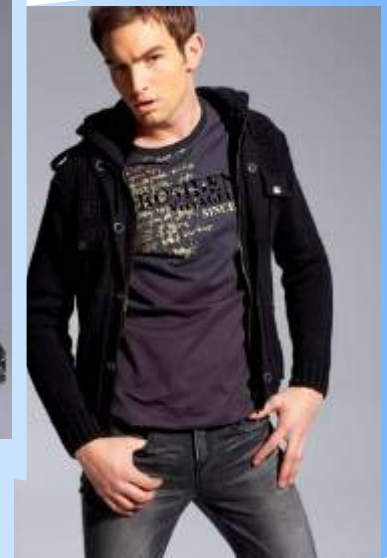
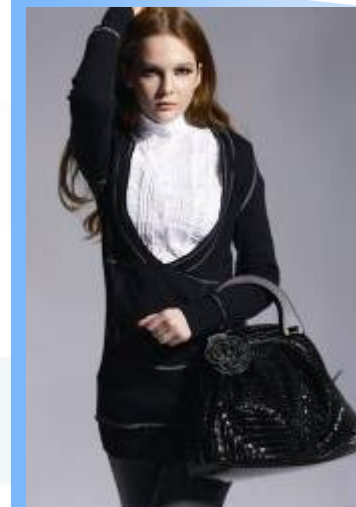
At 30 September 2008

Figures in bracket denote change as compared to 31 March 2008

Non-down Non-seasonal Apparel Launched



- Launched new non-down apparel under the Bosideng brand
- Target young and trend-conscious consumers to complement the down apparel business
- The first non-seasonal apparel flagship store launched in Changshu, Jiangsu Province





Future Plans and Strategies



The Road to Success



Down Apparel Products

- Add new concessionary stores in mid- to high-end department stores
- Establish new self-operated retail stores in tier-one cities, provincial capitals, and other major cities
- Enhance store image through the use of standardized modern interior décor and visual merchandising

Non-down Apparel Products

- Set up designated retail point of sales for this new product line in first and second-tier cities”
- Establish approximately 50 non-seasonal retail stores by the end of March 2009
- Leverage on Bosideng’s brand equity and network to further strengthen the profitability

Develop into a diversified and integrated apparel enterprise

Appealing Designs



- Continue to strengthen its brand differentiation to distinguish the different brands under the Bosideng umbrella

Bosideng



Snow Flying



Bingjie



Kangbo



The Road to Success



**Strengthen
Marketing Effort to
Enhance Brand
Reputation**

**Enhance
Product R&D
and Design
Capabilities**

**Further consolidate
and strengthen market
leading position**

**Enhance
Supply Chain
and Logistics
Management**

**Identify
Opportunities of
Merger and
Acquisition**

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