

[For Immediate Release]



Bossini International Holdings Limited

Bossini Announces 2012/13 Interim Results

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**Sales Decreased Modestly with Diminishment of Profit
Hong Kong and Singapore Delivered Record-High Sales
Financial Position Stayed Strong**

Results Highlights

<i>For the 6 months ended 31 December</i>	2012	2011	Change
Revenue	HK\$1,334 mn	HK\$1,447 mn	-8%
Gross profit	HK\$636 mn	HK\$715 mn	-11%
Gross margin	48%	49%	-1% pt
Profit for the period attributable to owners	HK\$34 mn	HK\$59 mn	-42%
EBITDA	HK\$85 mn	HK\$122 mn	-30%
Basic EPS attributable to ordinary equity holders	HK2.10 cents	HK3.62 cents	-42%
Dividend per share			
- interim	HK0.63 cent	HK1.10 cents	-43%
- special interim	HK1.05 cents	Nil	n/a

	At 31 January 2013	At 31 December 2012	At 31 December 2011
Cash and bank balances	HK\$378 mn	HK\$344 mn	HK\$370 mn
Net cash*	HK\$378 mn	HK\$344 mn	HK\$202 mn

*Time deposits, cash and bank balances less bank borrowings

(Hong Kong, 26 February 2013) – **Bossini International Holdings Limited** (“Bossini” or the “Group”; HKSE stock code: 592) announces today its interim results for the six months ended 31 December 2012.

Revenue for the Group for the six months ended 31 December 2012 decreased by approximately 8% to HK\$1,334 million (2011: HK\$1,447 million). Gross profit for the period under review was HK\$636 million (2011: HK\$715 million), resulting in a reduced gross margin of 48% (2011: 49%). Profit for the period attributable to owners was HK\$34 million (2011: HK\$59 million). EBITDA for the period under review was HK\$85 million (2011: HK\$122 million), while basic earnings per share were HK2.10 cents (2011: HK3.62 cents).

The Board of Directors declared the payment of an interim dividend of HK0.63 cent per share and a special interim dividend of HK1.05 cents per share for the six months ended 31 December 2012.

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The Group continued to maintain a healthy financial position with cash and bank balances of HK\$344 million (2011: HK\$370 million) and a net cash balance of HK\$344 million (2011: HK\$202 million) as of 31 December 2012. As at 31 January 2013, cash and bank balances increased to HK\$378 million with net cash balance also expanded to HK\$378 million.

During the first half of the financial year 2012/13, the global economy, clouded by the deep-rooted European debt, United States budget crisis as well as waning momentum in Asia and emerging markets, endured a feeble convalescence as economic weakness and uncertainty continued to mar the prospects of a recovery in consumer sentiment. In this difficult climate, the Group experienced a modest decrease in sales, leading to a diminishment of profit due mainly to the dampened export franchising markets, widened loss incurred from the Taiwan operation and exorbitant rentals fuelled by fierce competition for prime shopping locations in Hong Kong.

Notwithstanding the formidable backdrop, the Group managed to drive record-high sales in its Hong Kong and Singapore markets, with Singapore market achieving a turnaround in operating profitability for the period under review. Meanwhile, the Group had inventory turnover days of 100 days (2011: 126 days), a 26-day improvement over the 31 December 2011 level and a healthy level especially at a time when the overall industry is plagued by high inventory levels.

The Group followed its pragmatic approach to expansion in light of continued global economic weakness and uncertainty during the period under review and at the same time continued to wind down its “b.style de flyblue” stores in mainland China, Hong Kong and Singapore and closed the under-performing stores. In the export franchising markets, 7 stores were added during the period under review to a total of 550 (30 June 2012: 543) as it continued to take advantage of selected opportunities in certain markets. Overall, the Group had presence in 36 countries and regions as of 31 December 2012. Of the existing stores, 397 (30 June 2012: 523) were directly managed and 748 (30 June 2012: 791) were franchised stores.

The Group’s successful brand strategy relies partly on the leverage afforded by co-branded and licensed products. During the period under review, the Group again partnered with AllRightsReserved studio to develop and release the *bossini x WOW!! Angry Birds* crossover series, which included limited edition clothing for men, women and children, as well as accessories such as capes, gloves, earmuffs and scarves with designs inspired by signature slingshots and space canvases of the popular game. The series leveraged on the popular gaming phenomenon by cleverly combining brand messages in its “Get angry, be happy” slogan and benefitted from the participation of Ms. Joey Yung as series ambassador. Overall, the co-branded and licensed product programme received continued enthusiastic responses within the marketplace and remained an important driver of the Group’s overall sales performance.

Mr. Edmund Mak, Chief Executive Officer and Executive Director of Bossini, said, “The global economy continues to suffer under the lingering effects of the year 2008/09 financial crises, with the faint global growth in 2012 expected to be looming along in 2013. The Group expects retail environment in its main markets to remain volatile as tepid consumer sentiment persists. In response to these myriad challenges, the Group intends to focus on our principal markets while continue our consolidation of non-performing stores in mainland China and Taiwan in the short run. We will also continue to introduce our new store concept, already launched progressively in Hong Kong and soon to be established in other markets, to rejuvenate our brand and enhance the shopping experience of customers.”

Mr. Mak concluded, "Overall, the Group's management remains cautiously optimistic. The Bossini brand is now 25 years old and one of the most valued apparel brands in the Asia-Pacific region. We will continue to focus on preserving and building the value of this asset as we drive operational excellence, expand franchising opportunities, and work to preserve our unique corporate culture."

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Appendix - Store composition by type and geographical location is detailed as below:

	At 31 December 2012		At 30 June 2012	
	Directly managed stores	Franchised stores	Directly managed stores	Franchised stores
Hong Kong	41	--	41	--
Mainland China	231	198	350	248
Taiwan	96	--	102	--
Singapore	29	--	30	--
Other countries and regions	--	550	--	543
Total	397	748	523	791

About Bossini International Holdings Limited

Bossini is a leading apparel brand owner, retailer and franchiser in the region. Headquartered in Hong Kong, Bossini launched its first retail store in 1987. Over the past two decades, the Group has rapidly established an extensive international operating platform and distribution network that extends to 1,145 stores covering about 36 countries and regions worldwide.

Renowned for its comfortable, easy to mix-and-match, colourful and energetic style, Bossini offers a full range of good value for money, casual wear apparel products including ladies', men's, young and kids' wear, which are designed to fit customer needs.

For further information, please contact:

Porda Havas International Finance Communications Group

Cherry Cheung / Kawai Li / Aven Yu

Tel: (852) 3150 6773 / (852) 3150 6715 / (852) 3150 6795

Fax: (852) 3150 6728

Email: cherry.cheung@pordahavas.com / kawai.li@pordahavas.com / aven.yu@pordahavas.com