

Annual
Results

2014

TRINITY

TRINITY LIMITED
Stock Code: 891

17 March 2015

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Overview





Agenda

- Market backdrop
- Update since Interims
- Financial results for 2014
- 2015 and beyond
- Brand-building update



Market backdrop

- A challenging economic environment
- China's "new normal"
- Sector performance



Update since Interims

What we said last August:

- Liquidate aged inventories
- Consolidate internal services
- Review store portfolio
- Acquire new talent
- Develop brand stories



Liquidated aged inventories

90% of 2012 or older inventories removed

	2014	2H 2014	1H 2014	2013
Inventory turnover (days)	343			428
Free Cash Flow from Operations (HK\$ million)	\$33	\$66	(\$33)	\$148



Consolidated internal services

- Sourcing and production
- Merchandise planning
- Buying
- Marketing



Reviewed store portfolio

	2014 31 Dec	2014 Closed	2014 Opened	2013 31 Dec
Chinese Mainland	311	(86)	37	360
Hong Kong & Macau	38	(9)	7	40
Taiwan	41	(3)	3	41
Greater China	390	(98)	47	441
United Kingdom	8	(1)	0	9
France	1	0	0	1
Group total	399	(99)	47	451



Acquired new talent

- Chief Merchandising Officer
- Chief Planner
- Marketing Director
- HR Director

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Results for 2014

Moderate revenue decline in a challenging environment

HK\$ million	2014	2H 2014	1H 2014	2013	Variance
Revenue	2,624	1,364	1,260	2,696	(2.7%)
Gross Profit <i>Gross margin</i>	1,943 74.1%	945 69.2%	998 79.3%	2,036 75.5%	(4.6%) -1.4 pp
Operating Profit * <i>Operating margin</i>	173 6.6%	79 5.8%	94 7.4%	363 13.5%	(52.4%) -6.9 pp
Profit Attributable to Shareholders <i>Net margin</i>	161 6.1%	82 6.0%	79 6.3%	308 11.4%	(47.8%) -5.3 pp
* include net forex gain / (loss)	(33)	5	(38)	48	(168.8%)



SG&A increased

HK\$ million	2014	2013
Advertising & Promotion expenses <i>as % of revenue</i>	150 5.7%	158 5.9%
Other Selling and Marketing expenses <i>as % of revenue</i>	1,179 44.9%	1,128 41.8%
Administrative expenses <i>as % of revenue</i>	507 19.3%	509 18.9%
Total expenses <i>as % of revenue</i>	1,836 70.0%	1,795 66.6%



Improved same-store sales in 2H

Same-store Sales Growth	2014	2H 2014	1H 2014	2013
Chinese Mainland	-1.3%	2.6%	-6.0%	-11.1%
Hong Kong & Macau	0.5%	2.0%	-0.3%	6.0%
Taiwan	-0.1%	-3.0%	2.9%	-2.8%
Europe	8.4%	16.3%	0.4%	-4.3%
Group total	0.3%	3.2%	-3.0%	-5.3%



Retail revenue per sq ft up 6%

	2014	2013
Annual retail revenue (in HK\$ million)	2,478	2,567
Average operating sq ft	492,023	540,330
Revenue per sq ft (in HK\$)	5,036	4,750



Payout ratio maintained at 73%

HK cents	2014
Interim dividend - paid	2.4
Final dividend - proposed	4.3
Full year dividend	6.7



2015 and beyond

Market outlook

- Challenges
- Opportunities



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Strong Brand Building Activities



CERRUTI 1881



KENT&CURWEN

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BY APPOINTMENT
TO HER MAJESTY THE QUEEN
LONDON & MILWAUKEE, LONDON
GIEVES & HAWKES, LONDON



BY APPOINTMENT
TO HIS ROYAL HIGHNESS
THE DUKE OF SORBONNE
PARIS, TALORS & OUTFITTERS
GIEVES & HAWKES, LONDON



BY APPOINTMENT
TO HIS ROYAL HIGHNESS
THE PRINCE OF WALES
TALORS & OUTFITTERS
GIEVES & HAWKES, LONDON

GIEVES & HAWKES

No.1 SAVILE ROW LONDON



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