



Bossini International Holdings Limited
堡獅龍國際集團有限公司



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2005/06

Interim Results

**CORPORATE
PRESENTATION**

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December 2005

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Agenda

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- ▶ **Results Highlights**
- ▶ **Review of Operations**
- ▶ **Future Plans and Strategies**



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RESULTS HIGHLIGHTS

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Financial Highlights

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	2005 <i>HK\$ mn</i>	2004 <i>HK\$ mn</i>	Change
Turnover	997	879	+13%
Gross profit	479	448	+7%
Operating profit	61	80	-24%
EBITDA	85	104	-18%
Profit attributable to shareholders	45	62	-27%
Basic EPS (HK cents)	HK2.88 cents	HK4.04 cents	-29%
Interim dividend per share (HK cents)	HK1.80 cents	HK1.80 cents	0%
Payout ratio (%)	62%	45%	+17 % pts

For the six months ended 30 September

Key Financial Indicators

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	As at 30 Sep 2005	As at 30 Sep 2004	Change	As at 31 Mar 2005	Change
Inventory turnover (days)	72	63	+9 days	39	+33 days
Inventory level (HK\$ mn)	395	304	+30%	215	+84%
Percentage of coming season stock	87%	88%	-1% pt	81%	+6% pts
Current ratio (times)	2.09	2.05	+2%	2.53	-17%
Cash and bank balances (HK\$ mn)	167	200	-17%	326	-49%
Net cash* (HK\$ mn)	167	175	-5%	311	-46%
Total liabilities to equity ratio (%)	62%	62%	0% pt	47%	+15% pts
Capital expenditure (HK\$ mn)	43	29	+48%	50	-14%

*Time deposit, cash and bank balances less bank loans

Margin Overview

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	2005	2004	Change
Gross profit margin	48%	51%	-3% pts
Operating profit margin	6%	9%	-3% pts
EBITDA margin	9%	12%	-3% pts
Net margin	5%	7%	-2% pts
Effective tax rate	26%	22%	+4% pts

For the six months ended 30 September

Cost Breakdown

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- ▶ Total operating expenses contained within 42% of total turnover

HK\$ mn	2005		2004		Change
Turnover	997	100%	879	100%	+13%
Selling and distribution costs	306	30%	266	30%	+15%
Administrative expenses	99	10%	88	10%	+13%
Other operating expenses	18	2%	19	2%	-5%
Total operating expenses	423	42%	373	42%	+13%

For the six months ended 30 September

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REVIEW OF OPERATIONS



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Accomplishments in 2005/06

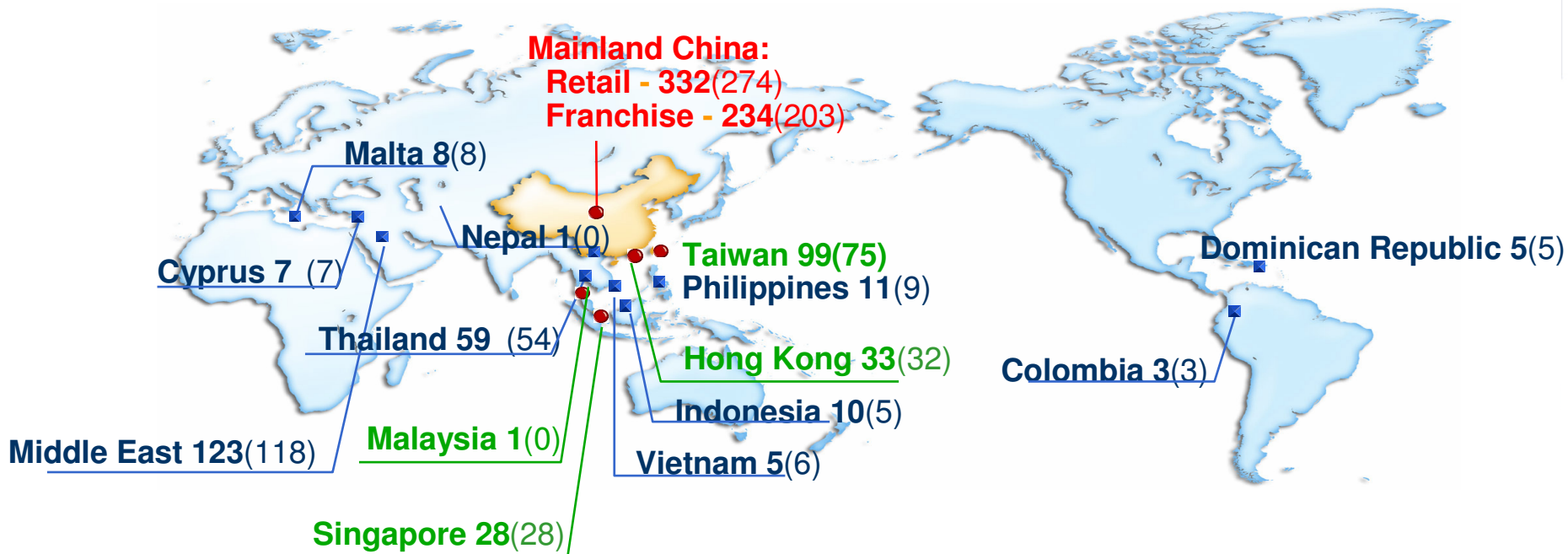
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- ▶ Network expansion well on track
- ▶ Achieved double-digit turnover growth
- ▶ Outstanding growth and performance in export franchise business

Distribution Network in 2005/06

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- ▶ **959 outlets in about 20 countries (Mar 2005: 827)**
 - **566 outlets (Mar 2005: 477) in Mainland China**
 - **161 directly managed outlets (Mar 2005: 135) in other core markets including Hong Kong, Taiwan, Singapore and Malaysia**
 - **232 export franchised outlets (Mar 2005: 215)**

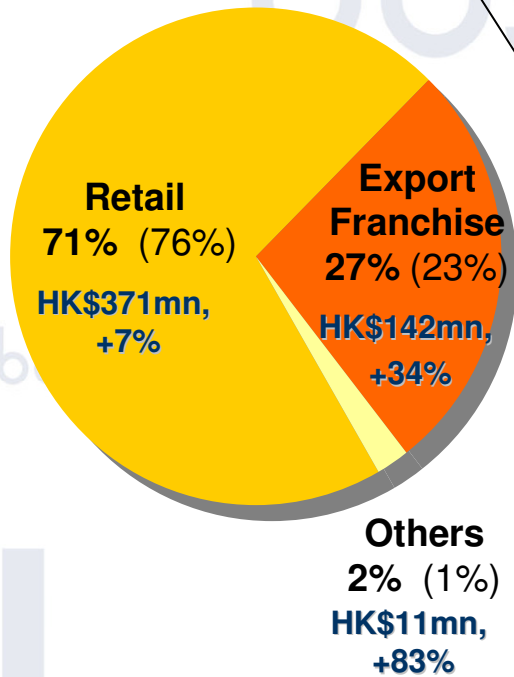


*For the six months ended 30 September 2005
31 March 2005 figures are shown in brackets*

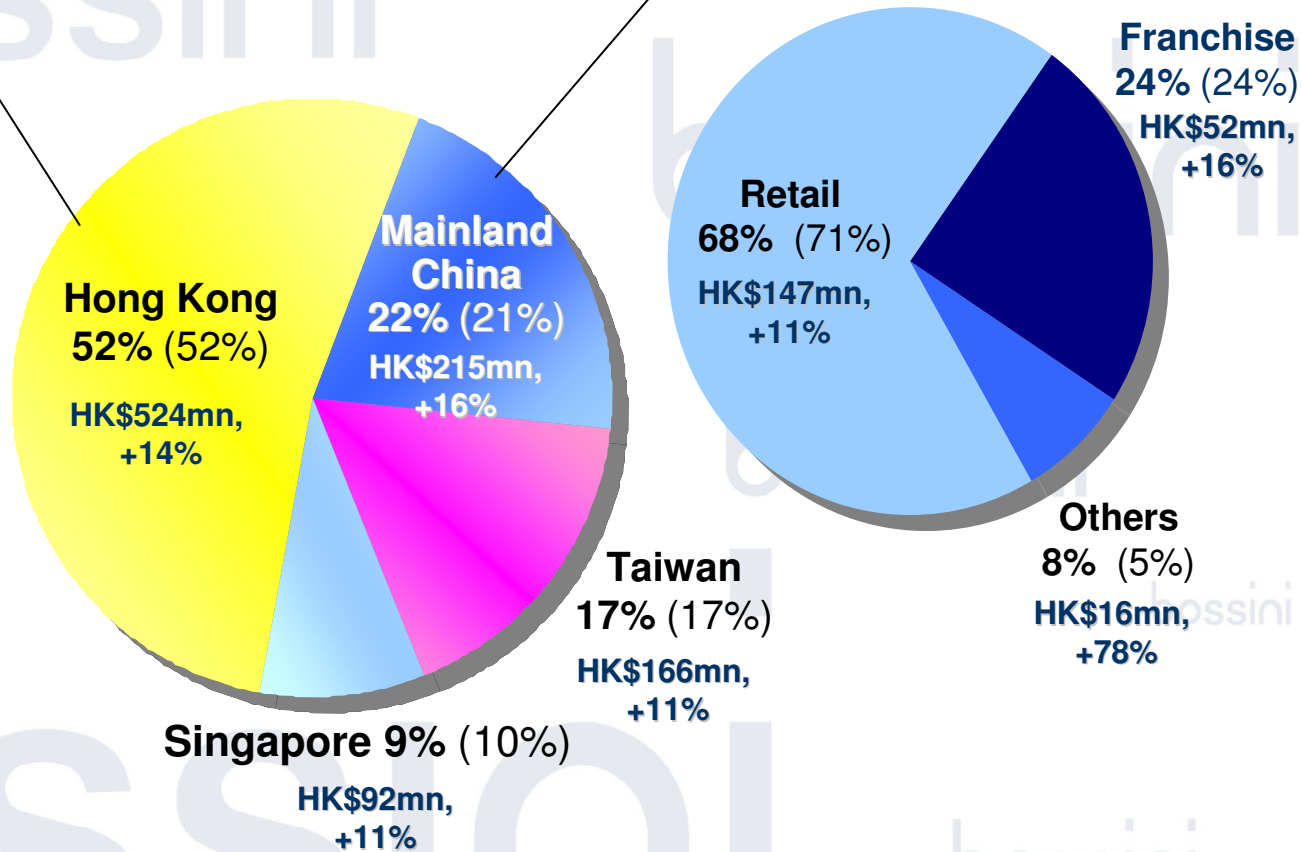
Turnover by Geographical Market



Hong Kong



Mainland China



For the six months ended 30 September 2005
30 September 2004 figures are shown in brackets

Retail Performance by Region

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Retail sales (HK\$ mn)

	<i>2005</i>	<i>2004</i>	<i>Change</i>	<i>Same store sales growth 2005</i>
Hong Kong	371	348	+7%	- 3%
Mainland China	147	132	+11%	+ 3%
Taiwan	166	150	+11%	- 6%
Singapore	92	83	+11%	+ 8%
Total	776	713	+9%	0%

For the six months ended 30 September

Franchise Performance by Region

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	Franchise Sales (HK\$mn)			No. of Franchised Outlets		
	2005	2004	Change	2005	2004	Change
Hong Kong Export	142	106	+34%	232	176	+ 56
Mainland China	52	45	+16%	234	182	+ 52
Total	194	151	+ 28%	466	358	+ 108

For the six months ended 30 September

Segmental Results

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	Operating Profit (HK\$ mn)			Operating Profit Margin		
	2005	2004	Change	2005	2004	Change
Hong Kong	59	57	+4%	11%	12%	-1% pt
Mainland China	1	6	-83%	0%	3%	-3% pts
Taiwan	-6	10	n/a	-4%	7%	-11% pts
Singapore	7	7	0%	8%	8%	0% pt
Total	61	80	-24%	6%	9%	-3% pts

For the six months ended 30 September



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FUTURE PLANS AND STRATEGIES

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Targets for 2H 2005/06

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- ▶ To maintain double-digit turnover growth
- ▶ To maintain the robust growth in export franchise business
- ▶ To achieve profitability in the Taiwan market
- ▶ To continue to seek network expansion, especially in Mainland China
- ▶ To exercise internal measure to contain costs within 40-41% of total turnover for full year
- ▶ To enrich product offering by introducing more varieties with trendy elements

Plans in 2H 2005/06

Hong Kong Market

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Retail business

- ▶ To seek prudent network expansion with opening of 1-2 new outlets
- ▶ To continue to optimise floor area utilisation
- ▶ To pilot marketing campaigns to boost sales and enhance brand image

Export franchise business

- ▶ To continue to achieve 30% annual sales growth
- ▶ To continue to develop new market with growth potential
- ▶ To strengthen relationships with franchisees and export partners

Plans in 2H 2005/06

Mainland China Market

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- ▶ To penetrate different market segment with triple product lines
 - ▣ “bossini”, “sparkle”, and “bossini style”
- ▶ To enrich product offering to mitigate effect of keen competition on “sparkle”
- ▶ To continue to strengthen the “bossini” brand

Plans in 2H 2005/06

Taiwan and Singapore Market

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Taiwan

- ▶ To turnaround the business with increasing contribution from new outlets opened in the first half
- ▶ To continue to optimise floor utilisation and to increase operating efficiency

Singapore

- ▶ To be the leading casual wear brand in Singapore by market share
- ▶ To continue to leverage on the successful experience in Singapore to develop the Malaysian market and open up to 3 outlets

Ultimate Goal

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- ▶ Sustain double digit growth for both top and bottom line in the medium and long term
- ▶ Commit consistent dividend payout ratio with at least 50% annually
- ▶ Become a dominant global player in the mass casual wear market



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OPEN FORUM

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