



Bossini International Holdings Limited



2009/10 Interim Results

For the six months ended 31 Dec 2009

Corporate Presentation

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# Agenda

- ② Financial Review
- ② Review of Operations
- ② Future Plans and Strategies
- ② Open Forum

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## Financial Review





# Results Highlights



- Delivered decent retail sales performance as evidenced by positive overall same-store sales growth
- Marginal decline in total revenue due to decrease in export franchising sales

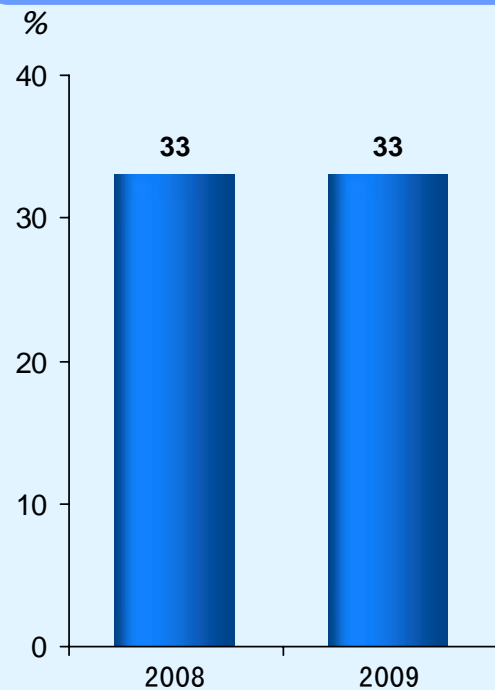
For the six months ended 31 Dec			
(HK\$ mn)	2009	2008	Change
Revenue	1,171	1,186	-1%
Gross profit	600	595	+1%
EBITDA	102	95	+7%
Operating profit	64	59	+9%
Profit attributable to equity holders	50	52	-3%
Basic EPS (HK cents)	3.14	3.24	-3%
Interim dividend per share (HK cents)	1.1	1.0	+10%

# Cost Management



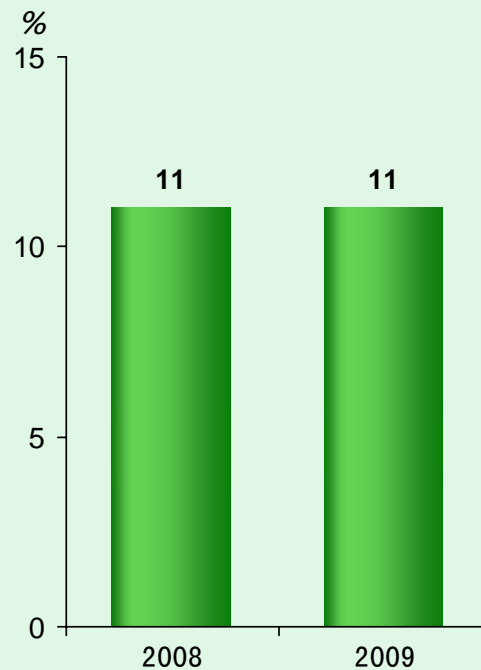
- Total operating expenses accounted for 46% of revenue (2008: 46%)

**Selling and distribution costs**  
(as a % of revenue)



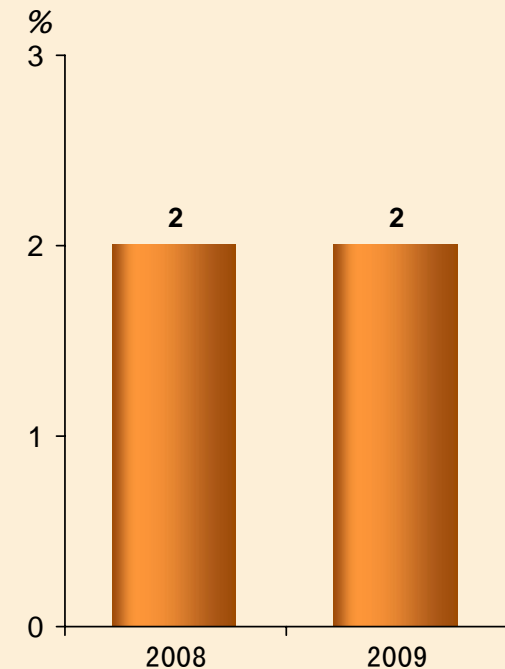
For the six months ended 31 Dec

**Administrative expenses**  
(as a % of revenue)



For the six months ended 31 Dec

**Other operating expenses**  
(as a % of revenue)



For the six months ended 31 Dec



# Solid Financial Position



	At 31 Dec 2009	At 30 Jun 2009	At 31 Dec 2008
<b>Net cash*</b> (HK\$ mn)	<b>331</b>	265	249

\* Time deposits, cash and bank balances less bank loans

	At 31 Dec 2009	At 30 Jun 2009	At 31 Dec 2008
<b>Current ratio</b> (times)	<b>2.11</b>	2.27	1.97
<b>Cash and bank balances</b> (HK\$ mn)	<b>449</b>	342	323
<b>Total liabilities-to-equity ratio</b> (%)	<b>63</b>	50	67
<b>Return on equity</b> (%)	<b>14</b>	8	15

- Cash and bank balances further increased to HK\$577 million as at 28 Feb 2010, while net cash rose to HK\$495 million

A man and a woman are posing with a green bicycle on a wooden pier. The man is standing behind the woman, holding the handlebars. The woman is sitting on the bicycle seat, with her legs extended horizontally. They are both smiling. The background shows a clear blue sky and a body of water.

## Review of Operations

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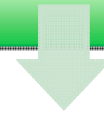


# Operating Environment in 1H 2009/10



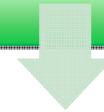
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Global economy remained uncertain as a result of the global financial tsunami



- Weakened consumer confidence triggered greater competition within the apparel sector

Poor economic conditions in major markets around the world



- Our export franchising business recorded a decline in sales after years of solid growth

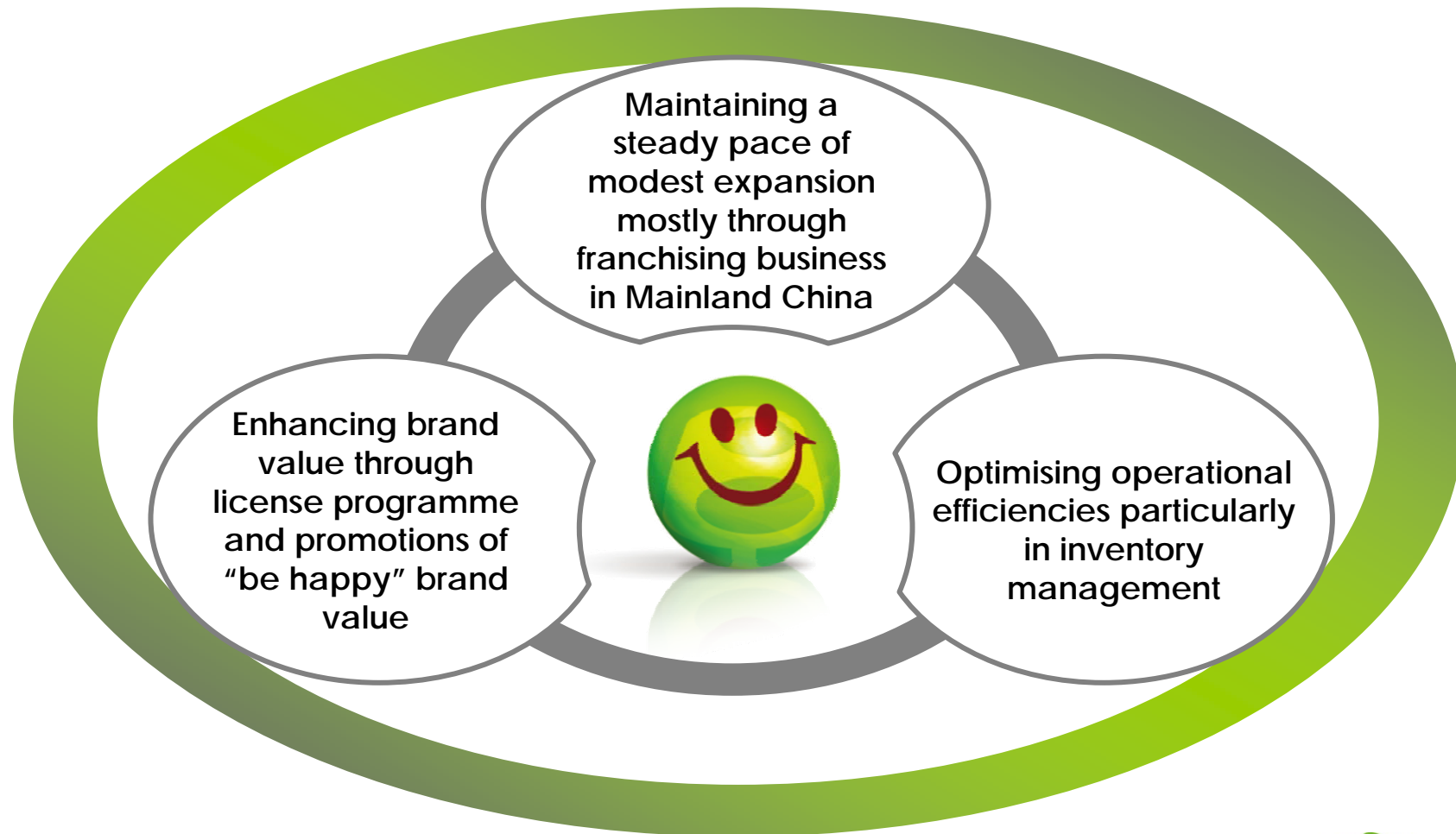
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# Business Strategies in 1H 2009/10



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# No. of Stores by Region



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- An international footprint with a total of 1,335 stores in about 33 countries and regions
- Total retail floor area reached 735,400 sq. ft. (2008: 653,300 sq. ft.)

## No. of Directly Managed Stores

	At 31 Dec 2009	At 31 Dec 2008	Change
Hong Kong	41	42	-1
Mainland China	417	316	+101
Taiwan	84	87	-3
Singapore	29	30	-1
Malaysia	21	18	+3
Sub-total	592	493	+99

## No. of Franchised Stores

Mainland China	310	161	+149
Other countries	433	436	-3
Sub-total	743	597	+146
<b>Total</b>	<b>1,335</b>	<b>1,090</b>	<b>+245</b>

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# Operational Indicators



For the six months ended 31 Dec			
	2009	2008	Change
Gross profit margin (%)	51	50	+1% pt
EBITDA margin (%)	9	8	+1% pt
Operating profit margin (%)	5	5	-
Net profit margin (%)	4	4	-

	At 31 Dec 2009	At 30 Jun 2009	At 31 Dec 2008
Inventory turnover <sup>#</sup> (days)	44	45	59

*# Inventory held at period/year end divided by annualised revenue times 365 days*

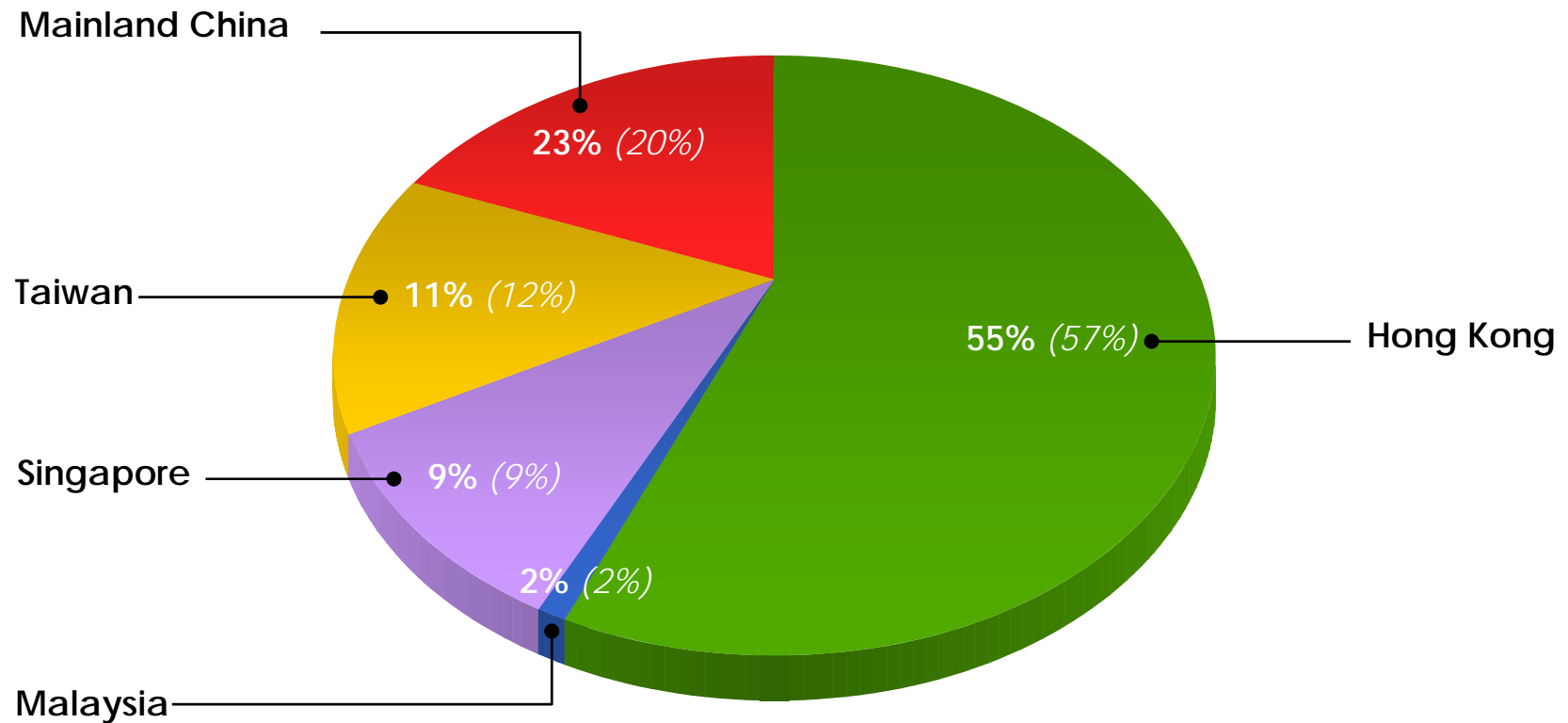


# Revenue Analysis



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## Revenue by geographical market



*For the six months ended 31 Dec 2009  
Comparative figures for the six months ended 31 Dec 2008 in brackets*

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# Retail Performance by Region



- Retail performance in Hong Kong and Taiwan improved considerably
- Total operating profit margin maintained at 5%

<i>For the six months ended 31 Dec</i>	<b>Same-store sales growth</b>		<b>Operating profit margins</b>		
	<b>2009 (%)</b>	<b>2008 (%)</b>	<b>2009 (%)</b>	<b>2008 (%)</b>	<b>Change (% pts)</b>
<b>Hong Kong</b>	8%	4%	13%	11%	+2% pts
<b>Mainland China</b>	-5%	8%	-3%	-3%	-
<b>Taiwan</b>	-1%	-10%	-3%	-9%	+6% pts
<b>Singapore</b>	-2%	-7%	-4%	1%	-5% pts
<b>Malaysia</b>	-24%	3%	-18%	-5%	-13% pts
<b>Total</b>	2%	1%	5%	5%	-

# Marketing and Branding



- Leveraged on celebrity's happy image to further enhance the spirit of our "be happy" brand philosophy



- Innovative marketing strategies to enhance brand value





# Further Diversified Brand Portfolio



- A new “bossinistyle” image shop was opened in Tsim Sha Tsui, Hong Kong
- The new “bossinistyle” shops also saw initial openings in Taiwan and Morocco



“bossinistyle”

- Further diversified our products offering with the expansion of “bossinistyle”, “Yb” and the kids line



Kids line



“Yb”



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# Co-branded Licensed Products



*bossini x Campbell Soup*



*bossini x Paddington Bear*



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# Capex



(HK\$ mn)

For the six months ended  
31 Dec 2009

Shop and office renovation

17

I.T. investment

4

Others

1

Total

22





Future Plans and Strategies

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# Business Strategies



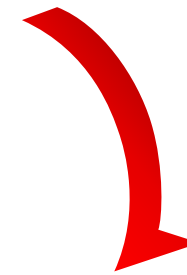
Expansion in  
Mainland China  
Market



Top-of-mind brand leader  
offering consumers with

Enhance Brand Image

- Good value for money products
- Easy to mix and match products
- Outstanding customer services



Optimise Internal  
Operation



# Targets for 2009/10



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## *Export franchising business*

Revive and return to a growth track when markets eventually recover

## *Hong Kong market*

Sustain growth momentum with the recovery of economy

## *Mainland China market*

Expand pragmatically and steadily as it continues to be the key growth driver

## *Taiwan market*

Continue bottom line improvements and expect nearly break-even for the full year 2009/10

## *Singapore market*

Optimistic with the Singapore market in the long run with the openings of various major tourist attractions

## *Dividend payment*

Strive to maintain our dividend payout ratio at 50%

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Open Forum

