

For Immediate Release



**Li Ning Reports Satisfactory 2009 Annual Results
Sixth Consecutive Years of Consistent Growth
Strong Performance across All Financial Indicators**

Financial Highlights

RMB Mn	For the year ended 31 Dec		Change
	2009	2008	
Revenue	8,386.9	6,690.1	+25.4%
Gross profit	3,969.9	3,220.4	+23.3%
Operating profit	1,341.9	960.2	+39.7%
Profit attributable to equity holders	944.5	721.3	+31.0%
Basic EPS (RMB cents)	90.75	69.63	+30.3%
ROE	41.3%	39.6%	+1.7p.p.
Net Cash-to-Profit Ratio*	134.8%	96.1%	+38.7p.p.
Full-year dividend per ordinary share (RMB cents)	36.12	49.67	-27.3%
Including: Final	22.54	11.14	+102.3%
Special	n.a.	28.9	n.a.
Interim	13.58	9.63	+41.0%

*Net Cash-to-Profit Ratio = Net Cash Generated from Operating Activities/ Profit after tax

(17 March 2010 – Hong Kong) – Li Ning Group Limited (“Li Ning” or the “Group”; HKSE stock code: 2331), one of the leading sports brand enterprises in China, reported a set of satisfactory results for the year 2009. For the year ended 31 December 2009, the Group’s revenue grew by 25.4% to RMB8,386.9 million. Profit attributable to equity holders rose by 31.0% to RMB944.5 million. Earnings per share increased by 30.3% to RMB90.75 cents. The Board of Directors recommended payment of a final dividend of RMB22.54 cents per ordinary share (2008: RMB11.14 cents), accretive to a full-year payout of RMB36.12 cents per ordinary share.

“2009 was an extremely challenging year with economies around the world swept by the global financial crisis. China was also impacted by this crisis in 2009, especially in the first half of the year. In addition, the post-Beijing Olympics effect impacted the pace of growth of the sporting goods industry during the year,” said Mr. Li Ning, Chairman of the Group. “Against the backdrop of a challenging operating environment, the Group, under the excellent leadership of the management and relentless efforts of our staff, reinforced its financial strength and boosted its competitiveness in key areas including its brands, products and new sports category, thus achieving solid business and financial growth.”

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As the Group's core brand, LI-NING brand sales accounted for 91.7% of the total revenue, grew by 21.1% to RMB7,693,263,000. Sales of LI-NING brand footwear products, apparel products and accessories grew by 19.1%, 22.3% and 27.4% respectively.

The Group continued to develop its multi-brand strategy during the year. Revenue from Double Happiness and Lotto brands amounted to RMB427,088,000 and RMB76,155,000, accounting for 5.1% and 0.9% of the Group's total. Total revenue generated by AIGLE, Z-DO and Kason brands aggregated RMB190,404,000, representing for a relatively small proportion of the Group's total revenue.

Brand-building is the focus of the Group's business and reflects the Group's core competencies. To date, the Group's arsenal of best-in-class sports sponsorship resources include China's 5 National gold medal-winning teams in Table Tennis, Diving, Gymnastics, Shooting and Badminton, the Argentina National Basketball Team, the Spanish National Basketball Team and 18 Provincial Track and Field Teams in China, Russian pole vault athlete Elena Isinbayeva, tennis player Yan Zi, Peng Shuai, Sun Shengnan, Ivan Ljubicic and Yang Tsung-hua, NBA players Shaquille O'Neal, Baron Davis, Jose Calderon and Hasheem Thabeet. Their spectacular performance in various sports tournaments helped raise the professional image and profile of the LI-NING brand.

In 2009, the Group drove forward its brand differentiation strategy and made successful inroads into the badminton category. Playing in full LI-NING brand gear, the Chinese National Badminton Team defended their championship title at the 2009 LI-NING Sudirman Cup. In addition, during the year, the Group carried out a series of integrated marketing activities including the sponsorship of "BWF Super Series – 2009 LI-NING China Masters" and "Badminton World Federation Super Series – LI-NING China Open 2009", which immensely enhanced consumers' impression of LI-NING brand's badminton products and the association of the LI-NING brand with badminton. Meanwhile, leveraging on the immense popularity of badminton, the Group rolled out LI-NING brand badminton gear in Hong Kong and cities in Southeast Asia such as Singapore.

The Group continuously expanded its sales channel coverage, especially in second- and third-tier cities that have the strongest growth potential. Meanwhile, the Group has also enhanced the management of retail store operations in metropolitan and first-tier cities through establishing uniform retail operation standards. As at 31 December 2009, the Group had 8,156 retail outlets in China (7,249 of which were Li-NING brand stores), representing a net addition of 1,239 stores as compared to last year. With respect to the LI-NING brand, the Group had approximately 128 distributors operating a total of 6,854 franchised retail stores nationwide as well as a total of 395 directly-managed retail stores in Beijing, Shanghai and 15 other provinces in China.

The Group continued its tremendous efforts in the area of product design, research and development. In October 2009, three LI-NING brand products, namely basketball shoes Dragon scale (龍鱗) and G-SHARK (年輪), and football shoes TAICHI (太極), won the "iF Design Award China 2009". In December, G-SHARK (年輪) also won the "China Red Star Design Award 2009". The Group's "X-claw" (貓爪 5代越野跑鞋) and "Fossile" (化石溯溪鞋) were also among the winners. These awards are strong testimony to the Group's strengths in product innovation.

Going forward, structural changes of China's economy, urbanization and domestic consumption will become the focus of attention. Changes in lifestyle and income level become the driver of consumption of sporting goods and favourable government policies and regulations should bode well for the sporting goods industry. In addition, global marketing of sports events raise the awareness in sports in China and its sporting goods market is still expected to grow strongly in the future. Meanwhile, evolving consumer tastes with increasing preference for brands that combine personality and sports essence drive changes in the competitive landscape from channel expansion to product differentiation and brand innovation.

The Group is well aware of the changes in the competitive landscape. In 2010, the Group will boost the competitiveness of the LI-NING brand by establishing a more unique positioning and a stronger personality through integration of activities at the branding, product and retail levels. It will enhance product innovation and product development to create better differentiation of its brand. It will also drive its badminton business further and strive to attain a larger share in the market as well as continue to expand Lotto business to achieve healthy and sustainable growth.

The Group will enhance the performances at individual stores by promoting reforms in its channel management system and consistently improving its retail management capabilities. It will also optimize its supply chain and enhance its responsiveness and flexibility to accommodate the Group's rapid development.

"Achieving constant breakthroughs is the lifeblood to Li Ning. We will continue to adopt a proactive, yet prudent, strategy to deploy more resources in building our core competencies and competitiveness relating to brand and product. We will also continue to improve ourselves in the area of integrating the product, retail management and communication with consumers so as to achieve consistent and sustainable development and hence, creating even greater value for our shareholders and investors." Mr. Li concluded.

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About Li Ning Company Limited

Li Ning Company Limited is one of the leading sports brand enterprises in the PRC, possessing brand marketing, research and development, design, manufacturing, distribution and retail capabilities. The Group's products include footwear, apparel, accessories and equipment for sport and leisure uses under its own LI-NING brand. The Group has established an extensive supply chain management system, and a distribution and retail network in the PRC primarily through outsourcing of manufacturing operations and distribution via franchised agents. The Group also directly manages retail stores for the LI-NING brand.

The Group adopts a multi-brand business development strategy. In addition to its core LINING brand, the Group distributes sports products under its Z-DO brand via hypermarket channel. The Group has established a joint venture with AIGLE under which the joint venture has been granted an exclusive right by AIGLE to manufacture, market, distribute and sell outdoor sports products under the French brand AIGLE for 50 years in the PRC. The Group has a controlling interest in Shanghai Double Happiness, which together with its subsidiaries are principally engaged in manufacture, research and development, marketing and sale of table tennis and other sports equipment under the Double Happiness brand. A member of the Group has also entered into an exclusive 20-year license agreement with Lotto Sport to develop, manufacture, market, distribute and sell the licensed products under the Italian sports fashion brand Lotto in the PRC. The Group has also acquired the entire issued share capital of Kason Sports, which together with its subsidiary are principally engaged in the research and development, manufacture and sale of professional badminton equipment.

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