

[For Immediate Release]



**Li Ning Reports Strong 2007 Interim Results
Profit Attributable to Equity Holders Surged by 52.6%
to RMB 198.3 million**

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Gearing Up for the 2008 Beijing Olympics

Financial Highlights

RMB Mn	For the 6 months ended 30 June		Change (%)
	2007	2006*	
Revenue	1,909.4	1371.9	+39.2
Gross profit	930.4	668.4	+39.2
Earnings before interest, tax, depreciation and amortization (EBITDA)	299.2	184.9	+61.8
Profit attributable to equity holders	198.3	129.9	+52.6
Margin of profit attributable to equity holders (%)	10.4	9.5	+0.9 p.p.
Basic EPS (RMB cents)	19.21	12.66	+51.7
Interim dividend per ordinary share (RMB cents)	5.76	3.80	+51.6

* *Reclassified*

(28 August 2007 – Hong Kong) – Buoyed by the robust economic growth and the surging consumption spending in the PRC, **Li Ning Company Limited** (“**Li Ning**” or the “**Group**”; stock code: **2331**), one of the leading sports brand enterprises in China, announced outstanding results for the six months ended 30 June 2007 with the Group’s revenue grew by 39.2% to RMB 1,909,431,000. Sales of LI-NING branded products, which accounted for 98.2% of the total revenue, surged by 37.5% year-on-year to RMB 1,875,170,000. Profit attributable to equity holders rose by 52.6% to RMB 198,273,000. The Board of Directors recommended the payment of an interim dividend of RMB 5.76 cents per ordinary share (2006: RMB 3.80 cents).

“Thanks to our solid branding and marketing capabilities, strong product research and development, extensive distribution channel and enhancement in supply chain management, the Group has strengthened its core business and sustained rapid growth for the first half of 2007,” said Mr. Li Ning, Chairman of the Group. “In

addition the Group has continued its multi-brand strategy and successfully launched Z-DO in April. All of these have been instrumental in fuelling our business growth and laid a solid platform for us to capture the enormous opportunities as the 2008 Beijing Olympics looms."

The Group's core brand, the LI-NING brand performed remarkably in the first half of 2007. Sales of the footwear products surged by 44.5% as compared to the corresponding period last year, due to enhancements in the professional image as well as the incorporation of hi-tech elements into the product design. Apparel products recorded 36.3% growth in sales, which was attributable to clear positioning of product lines, stronger regional planning in product segmentation as well as effective integrated product sales and marketing efforts. Accessories products recorded 11.4% growth.

In line with the Group's multi-brand strategy, a new brand, Z-DO, was launched in April 2007. Targeting to the hypermarket sector, Z-DO products recorded revenue of RMB 28,022,000 for the period under review. Meanwhile, AIGLE brand which specializes in outdoor sports products, casual apparel and footwear products recorded revenue of RMB 6,239,000 for the period, representing a decrease of 23.9% as compared to the corresponding period last year. The decrease was mainly attributable to the slower opening of franchised retail outlets, and the recorded revenue has achieved the target for the period as the strategic focus was to enhance retail store efficiency in the first half of 2007.

In the first half of 2007, the Group continued to deploy a considerable amount of resources in sponsorships and market promotions, integrating the marketing and promotion efforts for its products, markets and retail network in order to further differentiate the brand and to enhance the brand image. The Group has also accelerated its marketing efforts to take advantage of the forthcoming 2008 Beijing Olympics which provides an unprecedented opportunity for the Group to propel the international profile of the LI-NING brand.

The Group has continued its sponsorship of the four national gold-medal teams, namely, the Gymnastics Team, Diving Team, Table Tennis Team and Shooting team, as well as the China University Basketball Association (CUBA), one of the top three basketball associations in the PRC and the Chinese University Football League (CUFL). Apart from being the official marketing partner in the PRC for the

Association of Tennis Professionals (ATP), the Group has also entered into sponsorship agreements with the Swedish Olympic Delegation and the Spanish Olympic Delegation for the upcoming 2008 Beijing Olympics.

In addition, the Group has entered into a sponsorship agreement with the Argentina Basketball Federation (Confederación Argentina de Básquet) during the period. Under this agreement, the Group becomes the official partner, and both men's and women's national basketball teams of Argentina will put on LI-NING brand apparel in major international sports events such as the 2008 Beijing Olympics and the 2012 London Olympics. The Group has also entered into collaboration with the Sudan Track and Field team, the Tanzania Track and Field team and the world top marathon Ethiopian runner, Ambesse Tolossa.

In the first half of 2007, the Group entered into a partnership agreement with the CCTV National Sports TV Channel, the largest professional sports channels in the PRC. According to the agreement, hosts, news presenters and reporters of all the programmes and tournaments broadcasted on CCTV National Sports TV Channel (which also includes the Olympics Channel during the 2008 Beijing Olympic Games) will wear LI-NING brand products.

Network expansion has continued to be one of the key focuses of the Group. As at 30 June 2007, the domestic distribution and retail network comprised about 240 distributors operating 4,188 franchised retail outlets under the LI-NING, Z-DO and AIGLE brands across the PRC as well as a total of 114 directly-managed retail stores and 280 concession counters under LI-NING and AIGLE brands in Beijing, Shanghai and 13 provinces in the PRC. During the period under review, the Group has put in place measures in the improvement of retail store performance and enhancement of the same store growth through establishing District Sales Representative (DSR) team and the setting up of a nation-wide store visit mechanism.

Going forward, the Group will continue its focus in strengthening its core business of the LI-NING brand and in sustaining its rapid growth momentum. In addition, the Group seeks to implement a growth model that features a combination of the same store growth and store expansion and to execute through a number of strategies, including regional product planning, implementation of innovative and differential marketing and promotional initiatives, enhancement in the performance and effectiveness of retail store outlets as well as the supply chain management platform.

“As the 2008 Beijing Olympics is approaching, the Group is intensifying its relevant marketing and promotion efforts focusing on metropolitan and first-tier cities in the PRC. Through a range of creative sports marketing campaigns, brand communication and product development strategies, the Group anticipates that the LI-NING brand will be further strengthened during the 2008 Beijing Olympics, hence building a solid foundation for the Group’s long-term development. The Group is determined to capitalize on the unprecedented opportunities in order to bring its business to new heights. It will continue to leverage on its strengths, which include LI-NING brand’s market position as the PRC’s leading sports brand, the Group’s prudent business strategies and the outstanding and professional management team to generate attractive returns for shareholders and investors as a whole,” concluded Mr. Li.

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About Li Ning Company Limited

Li Ning Company Limited is one of the leading sports brand enterprises in the PRC. It has its own branding, research and development, design, manufacturing, distribution and retail capabilities. The Group’s products include sports footwear, apparel and accessories for sport and leisure use which are primarily sold under its own LI-NING brand. The Group has established an extensive distribution and retail network in the PRC, under which distributors manage the franchised LI-NING retail outlets in congruence with the Group’s marketing direction. The Group also directly manages its own LI-NING retail outlets and concessions. In addition, the Group has established a joint venture with AIGLE under which the joint venture has been given the exclusive right by AIGLE to manufacture, market, distribute and sell for 50 years in the PRC, outdoor sports products which bear the AIGLE trademarks registered and owned by AIGLE. In April 2007, the Group officially launched a new brand called Z-DO. Z-DO’s products include sports footwear, apparel and accessories, and primarily targets the hypermarkets as its sales channel.

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