

To: Business Editor
For Immediate Release



**Closely Monitors Retail End Inventory
Implements Prudent Order Policy
Xtep Records Mid-single Digit Growth in Sales Order for 2012 3Q**

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Broaden Product Offering to Strengthen Market Position

[21 March 2012, Hong Kong] Xtep International Holdings Limited (“Xtep” or the “Company” and, together with its subsidiaries, the “Group”; Stock code: 1368), a leading fashion sportswear enterprise in the PRC, announced that the Group recorded a year-on-year mid-single digit growth in sales value at its 2012 3Q sales fair, the growth was mainly due to an increase in sales volume.

As raw material prices remained steady, the average selling prices of footwear and apparel are comparable to last year. During the period, the Group closely collaborated with its distributors, kept abreast of market trends and adopted prudent, flexible measures to allow replenishment orders, thus ensuring a sound operation of the distribution channel.

As both the economy and market face severe challenges in the first half of 2012, the competition is keen, sparked by price slashes and hoarded inventory across the industry. Uncertainties may remain in the sector for the second half. The Group will continue to stringently manage its distribution channels, monitor the retail inventory, enhance retail sales growth and control the expansion of its distribution network.

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep, said, “While the market is still full of challenges this year, we are confident in the capability of our brand. At the 2012 3Q sales fair we launched several fashionable and functional products, which have been very well received by distributors. Leveraging on our rich product offering, outstanding product quality, value for money pricing, in addition to an effective marketing strategy and Xtep’s increasing brand status in running products, distributors are still fully confident in the Xtep brand. We will get prepared for opportunities, attract more talented professionals and carry

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out more effective brand promotion. Moreover, we aim to be a preferred choice for Chinese runners by promoting Xtep running products at our sponsored marathons. Urban series, women's and children's collections will also roll out to expand our market share and maximize returns for our shareholders.”

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About Xtep International Holdings Limited

Xtep International Holdings Limited has been listed on the main board of the Hong Kong Stock Exchange since 3 June 2008. Xtep is a leading domestic fashion sportswear brand in the PRC. The Group principally engages in the design, development, manufacture, sales and marketing of sports footwear, apparel and accessories. The Group has developed an extensive nationwide distribution network covering 31 provinces, autonomous regions and municipalities across the PRC.

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