

千百度国际控股有限公司
C. banner International Holdings Ltd.

C.banner International Holdings Ltd.

(HKEx Stock Code: 1028)

2013 Interim Results

August 2013



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Company Overview



C.banner: A leading multi-brand retailer of mid-to-premium women's footwear in China

The second largest retailer of mid-to-premium women's formal and casual footwear in China

Brand Portfolio

Self-developed brands



sundance

MIO

Licensed brand



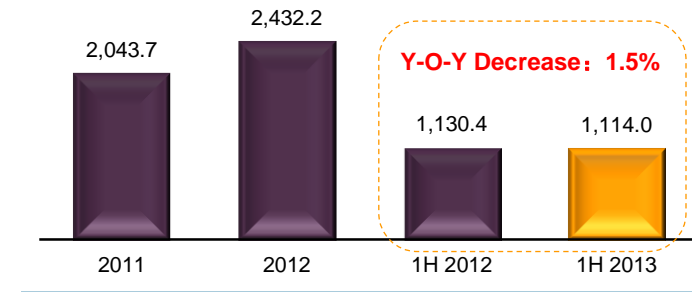
Distribution Network

1,615 proprietary outlets and 580 third-party outlets in China



Financial Highlights

Total Revenue
(RMB Mn)



Gross Profit and Gross Profit Margin
(RMB Mn, %)



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- 1. Financial Highlights**
- 2. Business Review**
- 3. Future Strategies**
- 4. Appendix**



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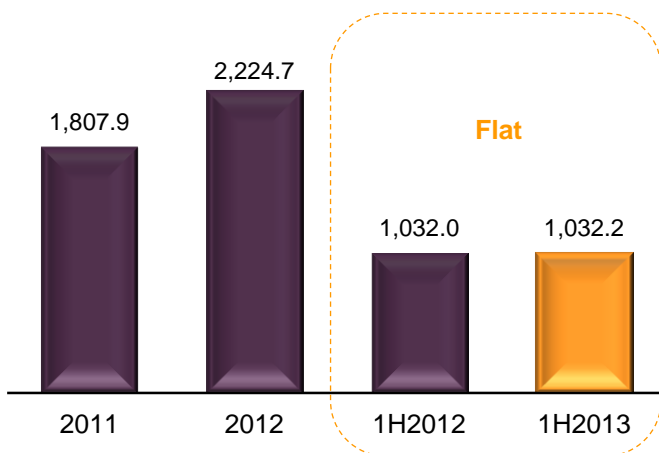
1. Financial Highlights

Financial Highlights



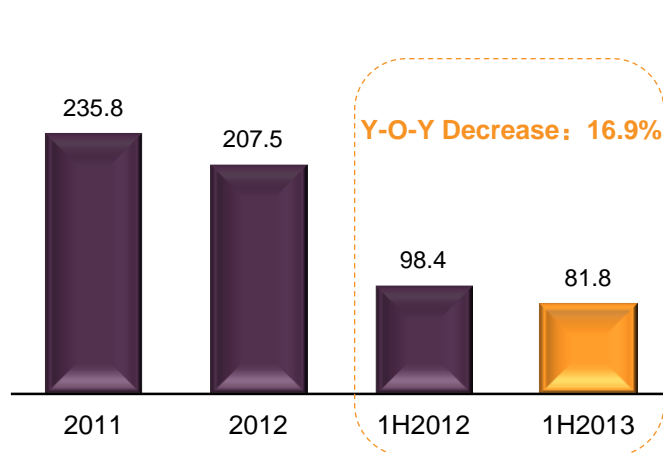
Retail & Wholesale Revenue

(RMB Mn)



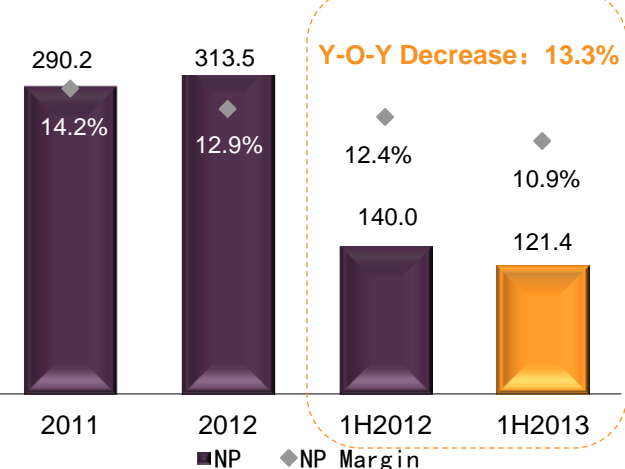
OEM Revenue

(RMB Mn)



Net Profit and Net Profit Margin

(RMB Mn, %)



SSSG	2010	2011	2012	1Q2013	2Q2013	1H2012
	12.3%	14.6%	6.3%	1.7%	-9.6%	-5.1%

Downsize of OEM revenue were mainly caused by reallocating contract production lines to produce for self-developed brands

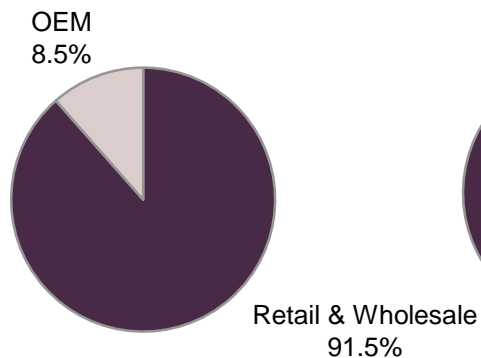
Revenue Breakdown by Business and Retail Revenue



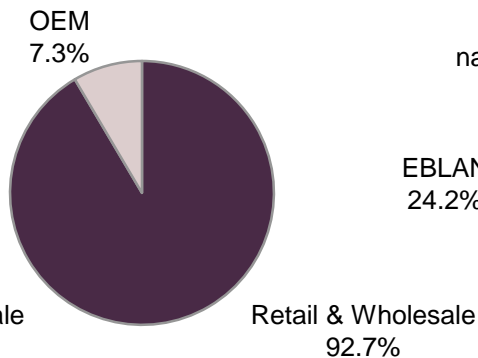
Revenue Mix

Retail Revenue Breakdown

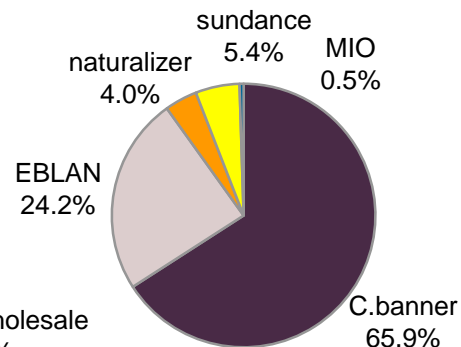
2012



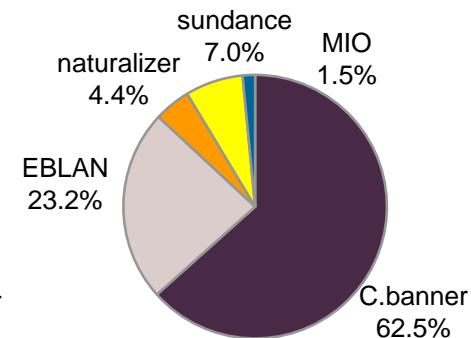
1H2013



2012



1H2013



**The rising proportion of the retail business with higher profit margin
and the launching of the new brands will help consolidate the retail and wholesale business**

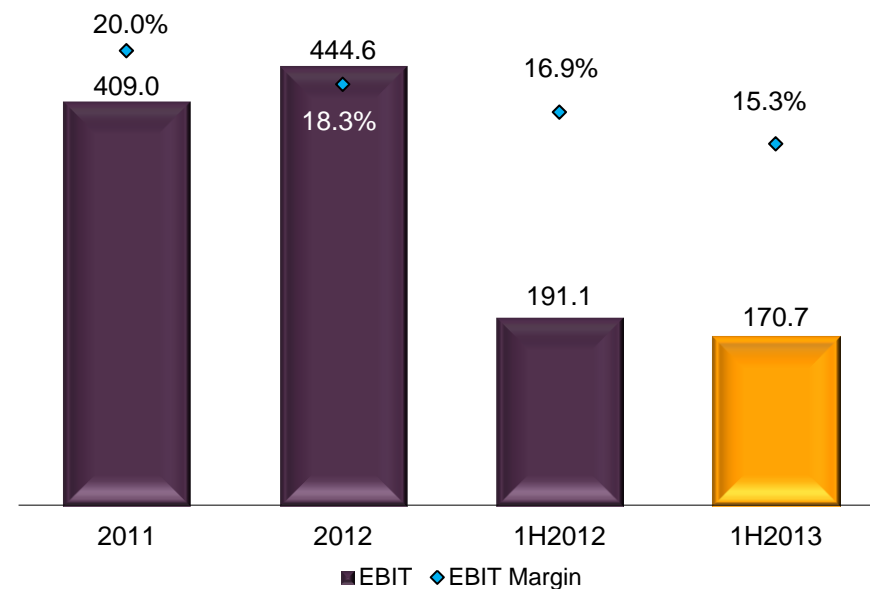
Costs and EBIT



Breakdown of Costs

RMB Mn	2011	2012	1H2012	1H2013
Cost of Sales	745.4	892.7	424.6	421.0
<i>As % of Sales</i>	36.5%	36.7%	37.6%	37.8%
Distribution and Selling Expenses	817.8	1040.5	478.5	516.9
<i>As % of Sales</i>	40.0%	42.8%	42.3%	46.4%
Administrative and General Expenses	74.4	111.0	55.2	45.5
<i>As % of Sales</i>	3.6%	4.6%	4.9%	4.1%
Other Income and Gains	2.9	56.6	19.1	40.1
<i>As % of Sales</i>	0.1%	2.3%	1.7%	3.6%

EBIT and Margin (RMB mn, %)



Other income and gains of 1H2013 was mainly constituted by government tax returns and interest income

Working Capital Analysis

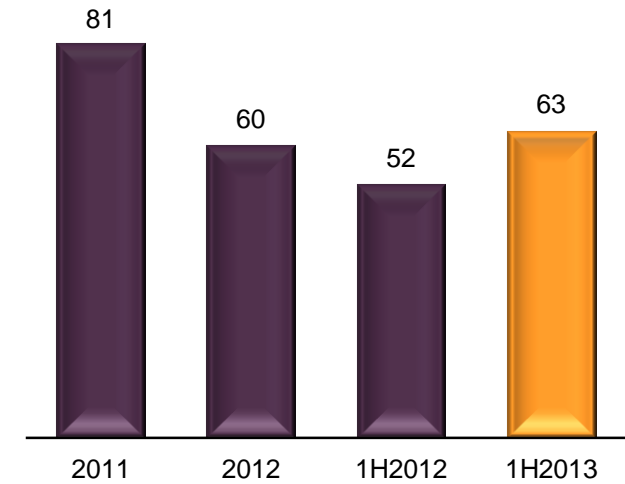
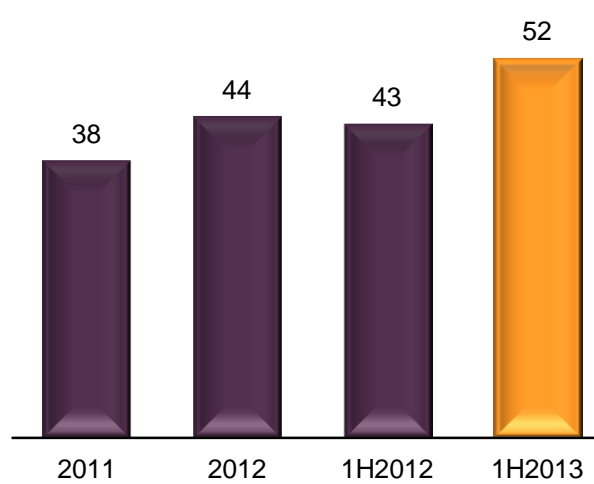
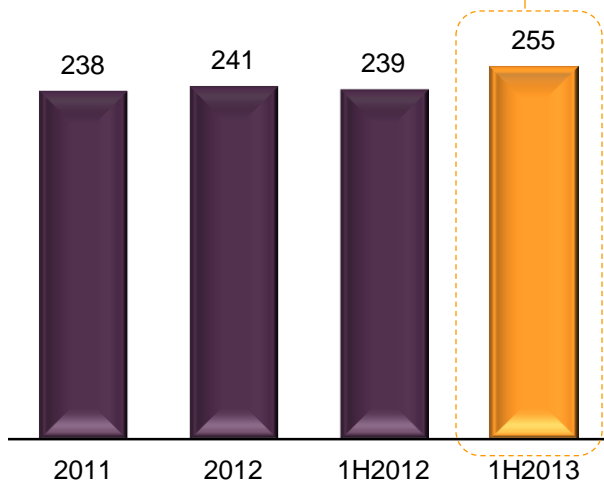


Inventory Days

Trade Receivable Days

Trade Payable Days

- In the 2nd half, will enhance the management of supply chain and the control of inventory to reduce the inventory days



The Company displays effective working capital management with stable working capital






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2. Business Review



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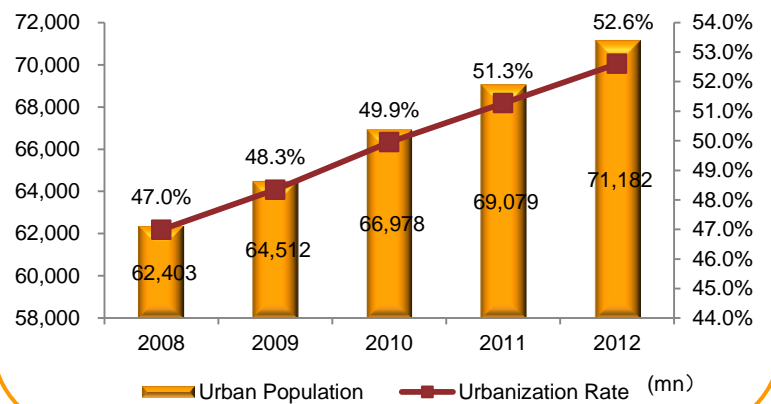
-  1. **Strong Fundamentals - High Growth in Women's Footwear Market**
-  2. **Leader in Most Attractive Segment**
-  3. **Multi-brand Portfolio for Diversified Market Segmentation**
-  4. **Expanding Nationwide Distribution Network**
-  5. **Steady Growth in Outlets**
-  6. **Vertically Integrated Model and Responsive Supply Chain**
-  7. **Effective Marketing Strategies**
-  8. **Customer-oriented Research and Development**



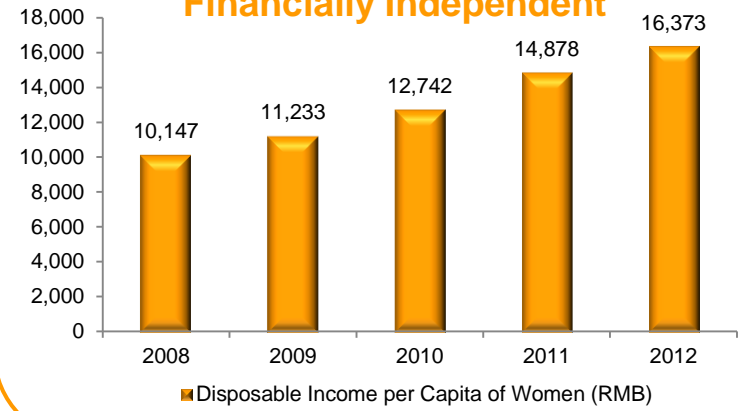
1. High Growth of Women's Footwear Market in China



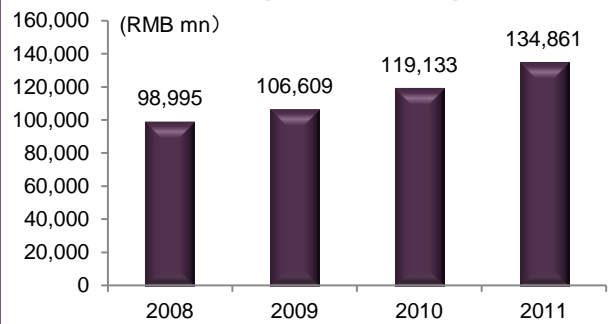
Rising Urbanization



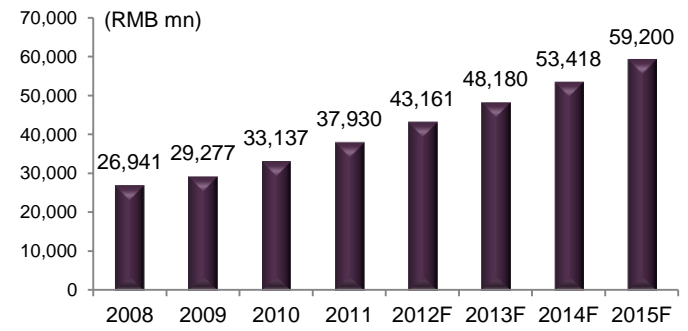
Women Becoming Financially Independent



Women's Footwear Outpacing Other Segments



Uplift Trend of the Retail Sales of Mid-to-Premium Women's Footwear



Mid-to-Premium Gaining Market Share



	CAGR (2008-2012)	CAGR (2013-2017)
Men	10.0%	13.2%
Women	11.6%	11.0%
Children	8.8%	10.7%

	CAGR (2008-2012)	CAGR (2013-2017)
Mid-to-Premium	12.1%	13.8%
Middle-end	11.6%	12.8%
Low-end	9.1%	8.6%

Progressive decrease of Middle-end and Low-end segments in next 5 years

Information in this presentation on the women's footwear market in the PRC is from independent market research carried out by Euromonitor International Ltd. but should not be relied upon in making, or refraining from making, any investment decision.











2. Leader in Most Attractive Segment



2nd Largest Retailer in the Mid-to-Premium Women's Formal and Casual Footwear Market

Top Five Retailers of Mid-to-Premium Women's Formal and Casual Footwear in China

Company	Market Share ⁽¹⁾	Major Brands
 百丽集团 BELLE GROUP	50.9%	
 千百度国际控股有限公司 C. banner International Holdings Ltd.	8.1%	
 天创鞋业	4.7%	
 ST&SAT	4.1%	
 le saunda	3.7%	

✓ Increasing market share, from 7.4% in 2011 to 8.1% in 2012 ⁽¹⁾

✓ Multi-brand strategy to meet market demand

✓ Focused on department stores, the primary retail channel for mid-to-premium women's footwear in China

✓ Supported by strong marketing campaigns

(1): according to Euromonitor, as measured by its 2012 retail revenue.



















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3. Multi-brand Portfolio for Diversified Market Segmentation



Multiple Brands Targeting A Broad Customer Base in the Mid-to-Premium Formal and Casual Segment

	Launched	Customer Base (Age)	Spring&Summer Price Range (RMB)	Positioning	Highlight	
 C.banner 千百度	1996	20-40	750-1,000	 Fashion/Business /Business Casual	 4th largest brand in the mid-to-premium formal and casual segment (1)	
 EBLAN 伊伴	2004	20-35	700 - 950	 Fashion/Business /Business Casual	 40.3% CAGR of retail revenue from 2008 to 2012	
 naturalizer	2H 2007	25-44	900-1,400	 Casual/ Comfortable	 A leading women's footwear brand in the US	
 sundance	August 2011	18-35	650 - 900	 Casual	200 retail stores as of June 30, 2013	
 MIO	January 2012	22-28	800-1,200	 Premium Fashion/ Business/Business Casual	139 retail stores as of June 30, 2013	

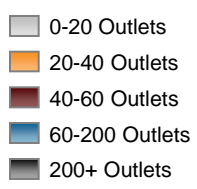
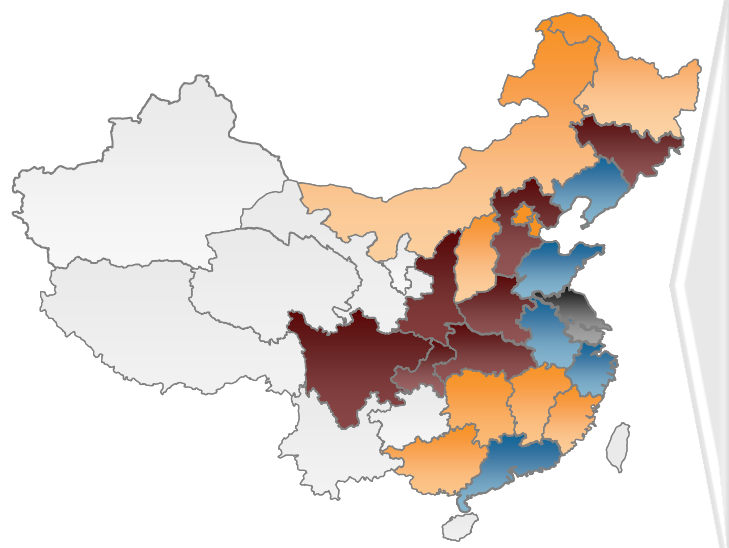
(1): according to Euromonitor, based on 2012 retail revenue.



4. Expanding Nationwide Distribution Network



1,615 proprietary outlets and 580 third-party outlets across China



Note: all data as of June 30, 2013

Proprietary Outlets

- Primarily located in first-to-third-tier cities
 - To target at the customers with stronger spending power
 - Focus on department stores
 - 1,614 department store outlets and 1 independent store outlets
- | | |
|--------------|--------------|
| 829 | C.banner 千百度 |
| 432 | EBLAN 伊伴 |
| 194 | sundance |
| 34 | MIO |
| 126 | Agent Brands |
| 1,615 | Total |

Third-party Outlets

- Primarily located in other cities
 - To expand in a cost-effective manner
 - Established by authorized distributors
 - 250 authorized distributors
- | | |
|------------|--------------|
| 357 | C.banner 千百度 |
| 112 | EBLAN 伊伴 |
| 6 | sundance |
| 105 | MIO |
| - | Agent Brands |
| 580 | Total |

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5. Steady Growth in Outlets



	2008	2009	2010	2011	2012	1H2013
Proprietary	494	544	623	735	828	829
Third-Party	160	194	230	311	366	357
Total	654	738	853	1,046	1,194	1,186

	2008	2009	2010	2011	2012	1H2013
Proprietary	188	210	307	412	444	432
Third-Party	46	65	87	122	123	112
Total	234	275	394	534	567	544

	2008	2009	2010	2011	2012	1H2013
Proprietary				97	184	194
Third-Party				4	8	6
Total				101	192	200

	2008	2009	2010	2011	2012	1H2013
Proprietary					23	34
Third-Party					113	105
Total					136	139

	2008	2009	2010	2011	2012	1H2013
Proprietary	40	32	42	67	77	126
Third-Party						
Total	40	32	42	67	77	126



6. Vertically Integrated Model and Responsive Supply Chain



We Operate on a Vertically Integrated Model and Control All Key Supply Chain Functions

Customer Service

- Direct customer access
- By 30 June 2013, our VIP customer base has grown to over 600,000 VIPs
- Very high customer interaction

Design

- Developed to capture the latest fashion trends and customer preferences
- Separate design teams for each brand to promote product uniqueness



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Marketing

- Extensive distribution network
- Strategic locations
- Strong marketing campaigns
- Full control over brand positioning and pricing

Manufacturing

- 3 production facilities located in Nanjing, Dongguan and Suining
 - Total annual production capacity of 7.2million pairs
- Efficient and cost-effective manufacturing



Significant operational **flexibility**



Quick response to changing market trends and customer tastes with **suitable** products



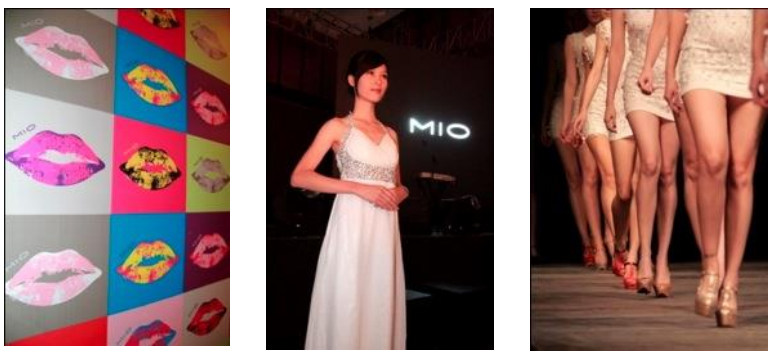
Enhanced **operational efficiency** and **competitiveness**

7. Effective Marketing Strategies



Diversified marketing campaigns focusing on the mid-to-premium women's footwear in China. Emphasis on the interaction with customers and enhance brand recognition.

Brand Events



Thematic Photos




naturalizer
LIVE YOUR LIFE. LOVE YOUR SHOES.





7. Effective Marketing Strategies (Cont'd)



Enhancement of brand awareness and reputation through exhibition in department stores and advertisement promotions in renowned magazines

Promotion Activities



Magazines and TV Commercials



C.banner 时尚偶像演绎
 源自一九八六年的中国自主品牌 C.banner 千百度，主打年轻时尚潮流，高质低价的性价比，深受年轻消费群体喜爱，在货品款式、颜色及面料选择等多方面，品牌力求突破传统单一、一成不变的模式，推出更多元化、更具活力、更具时尚感、更具个性的中国自主品牌，深受年轻消费群体喜爱。

不同品牌各有中国
 C.banner 时尚公司品牌运营团队精心打造了拥有自主品牌，且非普通传统品牌。品牌运营团队，在运营策略、品牌推广、品牌定位、品牌文化、品牌故事、品牌视觉、品牌体验、品牌服务等各个环节，力求做到极致。

秋冬新品登场
 随着天气转凉，在秋冬季节到来之际，品牌推出了一系列秋冬新品，包括：羊毛呢大衣、羽绒服、羊绒衫、羊绒裤、羊绒裙、羊绒袜、羊绒手套、羊绒围巾、羊绒帽、羊绒鞋、羊绒包等。这些新品不仅保暖舒适，而且时尚大方，深受年轻消费群体喜爱。

品牌合作
 C.banner 时尚公司品牌运营团队，积极与各大品牌合作，共同推出联名款产品。这些联名款产品不仅具有品牌特色，而且价格实惠，深受年轻消费群体喜爱。

品牌宣传
 C.banner 时尚公司品牌运营团队，通过多种渠道进行品牌宣传，包括：电视广告、杂志广告、网络广告、户外广告、线下活动等。这些宣传活动不仅提高了品牌知名度，而且增强了品牌美誉度。

品牌服务
 C.banner 时尚公司品牌运营团队，提供优质的售后服务，包括：退换货、维修、保养等。这些服务不仅解决了消费者的后顾之忧，而且增强了消费者对品牌的忠诚度。

品牌发展
 C.banner 时尚公司品牌运营团队，不断拓展品牌发展空间，包括：开设线下门店、推出线上商城、开展跨境电商等。这些举措不仅扩大了品牌影响力，而且提高了品牌竞争力。





8. Customer-oriented Research and Development



Strategically Located R&D Center with Strong Design Capacity



✓ Located at Foshan, next to Guangzhou, the hub of China's footwear industry

✓ Total GFA of approx. 15,000 m²

✓ Designs 2,000-2,400 SKUs per year for each of our self-developed brands

✓ Design managers for our self-developed brands, on average, have over 10 years footwear design experience

Systematic Research, Design and Development Capabilities

Market Research

- Regularly attend trade exhibitions and conduct field studies in Hong Kong and Europe; and collect market information from professional websites and publications
- Customer focused designs targeting at a broad customer base with differentiated products

Product Design

- Decide on seasonal themes including styles, colors, materials and other features; Create sample shoes to be tried on by models to test for proper fitting and wearing comfort
- Our creative and R&D director collaborate together to launch a series of shoe designs closely tracking international fashion trends

Product Development

- Determine the manufacturing process and cost
- Further discussions to rectify any problems discovered in the manufacturing process
- Determine quantities of subsequent batches based on consumer response and weekly sales records



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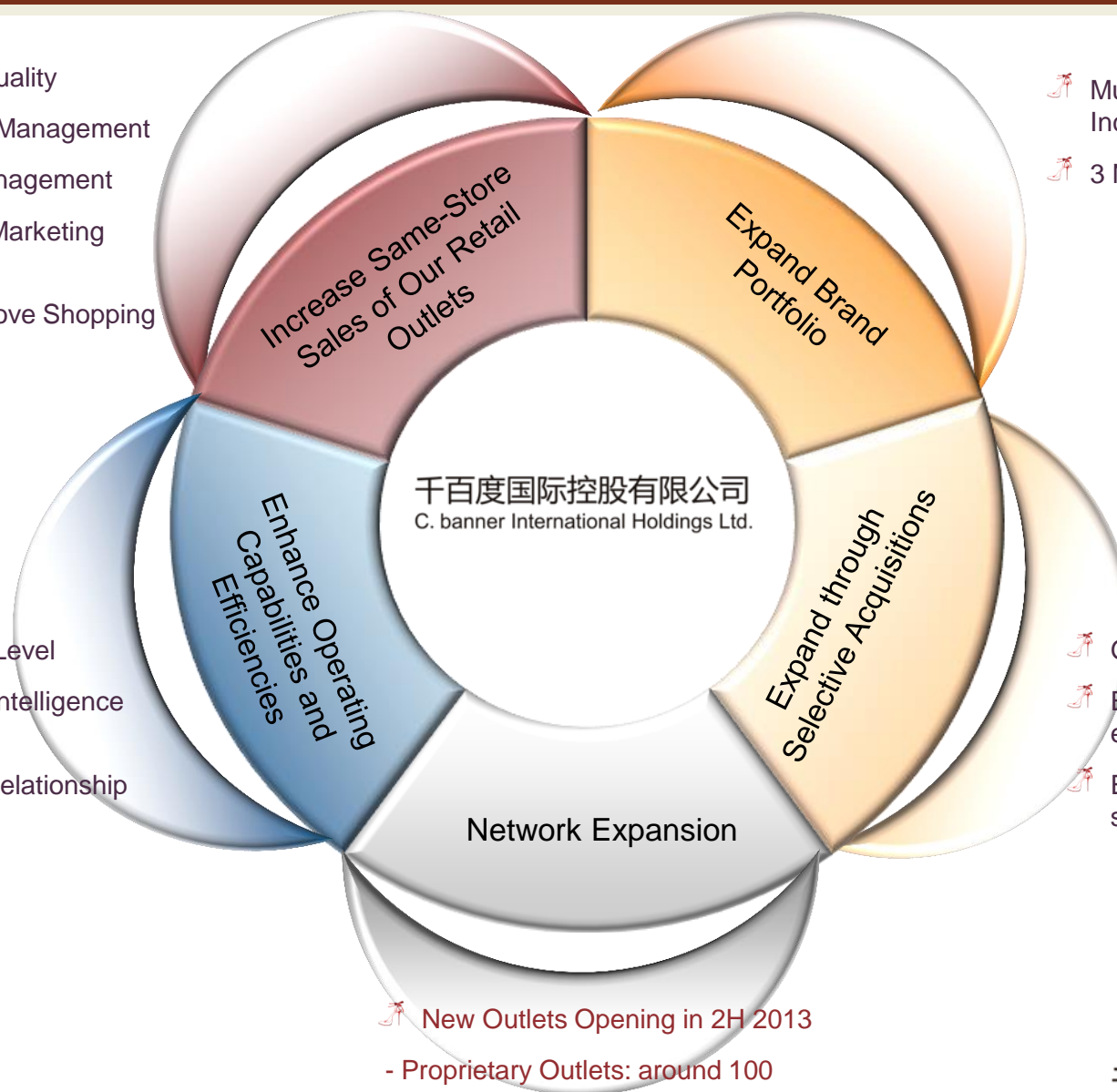
3. Future Strategies

Future Strategies



- 🔗 Increase Channel Quality
- 🔗 Strengthen Product Management
- 🔗 Strengthen Staff Management
- 🔗 Improve Sales and Marketing Capability
- 🔗 VIP Program – Improve Shopping Experience

- 🔗 Optimize Inventory Level
- 🔗 Upgrade Business Intelligence System
- 🔗 Develop Strategic Relationship with Suppliers



- 🔗 Multi-brand Portfolio to Increase Market Share
- 🔗 3 New Brands in 2013




- 🔗 Generate Synergies
- 🔗 Expand business in a time efficient manner
- 🔗 Enhance competitiveness and strengthen market position

- 🔗 New Outlets Opening in 2H 2013
 - Proprietary Outlets: around 100
 - Third Party Outlets: around 50



Briefing of New Cooperation Brands



Project Brief

-  In March 2013, the Group entered into distribution agreement to distribute ASH and JC brand ladies footwear in mainland China.
-  In July 2013, the Group entered into distribution agreement to distribute United Nude brand ladies footwear in mainland China.
-  In August 2013, the Group entered in distribution agreement and agreed to distribute French Connection brand footwear in mainland China.

Expansion Plan

-  The Group has taken over the operation of the existing ASH, JC and United Nude stores and are working on the expansion of the new stores under these brands. The stores of these three brands will reach around 100 by the end of 2013.
-  French Connection stores will be opened since 2014.



JC COLLEZIONE

UN UNITED NUDE™

FRENCH CONNECTION

Briefing of New Cooperation Brand (Cont'd)



Customer Base (Age): 18-28

Price Range (Spring&Summer): RMB1500-2800

Positioning: Fashion, Trendsetter, Casual



JC COLLEZIONE

Customer Base (Age): 22-32

Price Range (Spring&Summer): RMB800-2500

Positioning: Concise, Sexy, Delicate, Taste



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Briefing of New Cooperation Brands (Cont'd)



UN UNITED NUDE™

Customer Base: Fashion, self-confident and independent ladies

Price Range (Spring&Summer): RMB1000-3000

Positioning: Innovation, Unique, Irreplaceable

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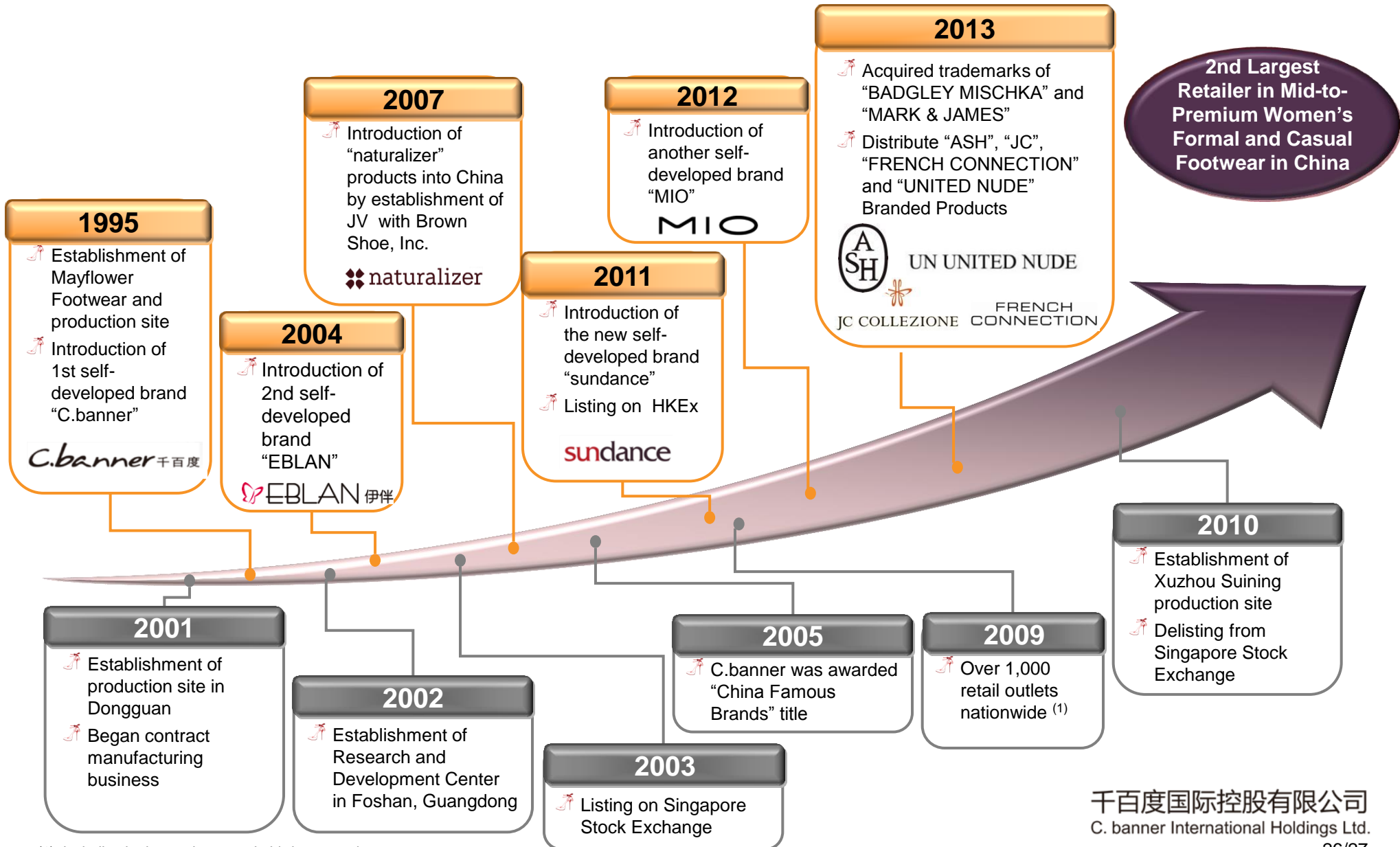
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4. Appendix

Company History



(1): including both proprietary and third-party outlets.

Experienced and Dedicated Management Team



Name	Title	Industry Experience	Experiences
Executive Directors			
CHEN Yixi	Chairman and Co-founder	> 15 yrs	<ul style="list-style-type: none"> ■ Outstanding Entrepreneur of Non-State-owned Companies ■ Vice Chairman of Nanjing Federation of Industry and Commerce ■ Vice President of Nanjing Enterprise Directors Association ■ B.A. in News Propagation, Nanjing Normal University ■ MBA from Cheung Kong Graduate School of Business
LI Wei	CEO, President and Co-founder	> 15 yrs	<ul style="list-style-type: none"> ■ B.S. in Chemistry, Nanjing University ■ MBA from China Europe International Business School
HUO Li	VP	> 10 yrs	<ul style="list-style-type: none"> ■ Over 13 years of extensive experience in banking ■ B.A. in Economics, Fudan University
XU Tingyu	CFO	> 10 yrs	<ul style="list-style-type: none"> ■ Over 12 years of extensive experience in banking ■ Non-practicing member of the PRC Certified Public Accountants Association ■ M.S. in Accountancy, Nanjing University



Over 65 years of combined industry experience



One of the leaders in the women's footwear industry



Inspirational leadership with clear vision and strategy



Extensive industry and operating experience and knowledge



Proven capability in operation and business development