

A woman with dark hair, wearing a vibrant green, draped, short-sleeved dress and white high-heeled sandals with multiple straps, is sitting on a large, weathered rock. She is holding a yellow pencil in her right hand. The background shows a rocky beach, the ocean, and a cloudy sky with several birds in flight. A semi-transparent purple banner is overlaid on the right side of the image.

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)*

June 2012

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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

C.banner 千百度 EBLAN 伊伴  
FABIOLA sundance MIO

Licensed brand

naturalizer

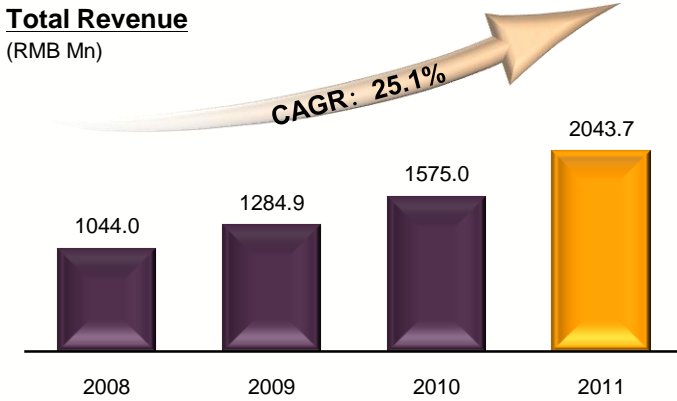
## Distribution Network

1,383 proprietary outlets and 441 third-party outlets in China

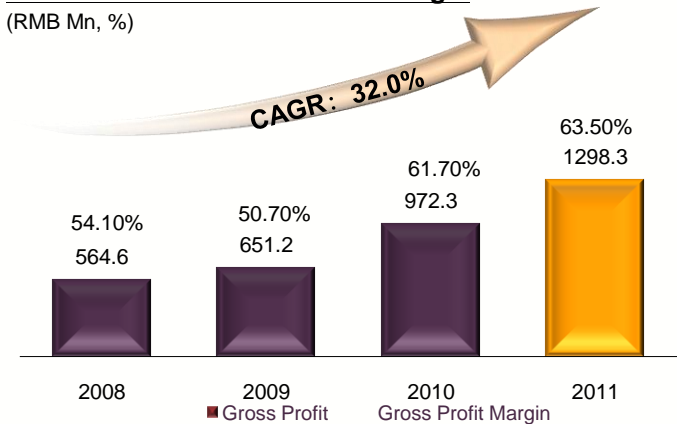


## Financial Highlights

**Total Revenue**  
(RMB Mn)



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



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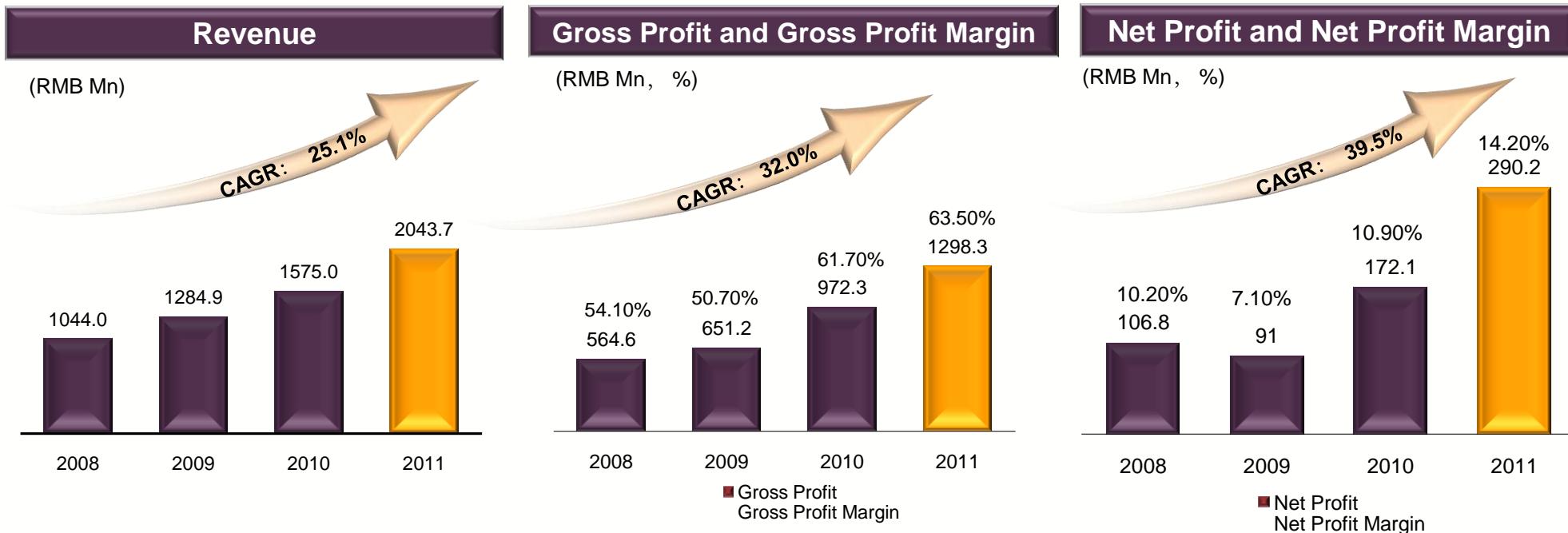
1. **Financial Highlights**
2. **Business Review**
3. **Future Strategies**
4. **Appendix**



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# 1. Financial Highlights

# Outstanding Profitability



Same-store sales growth rate	2009	2010	2011	1Q 2012
	17.7%	12.3%	14.6%	3.6%

**RMB 0.043 per share as the final dividend for the year ended 31 December 2011**

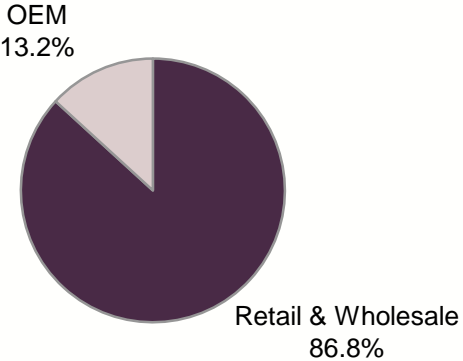
# Revenue Breakdown by Business and Retail Revenue



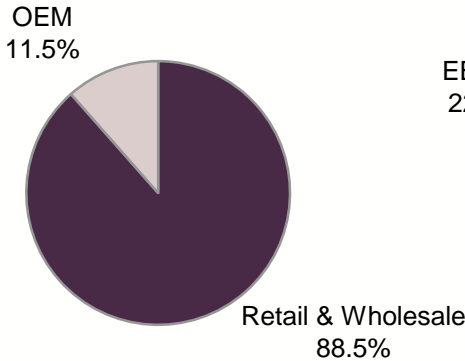
## Revenue Mix

## Retail Revenue Breakdown

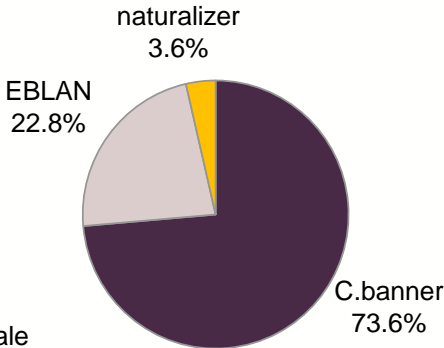
**2010**



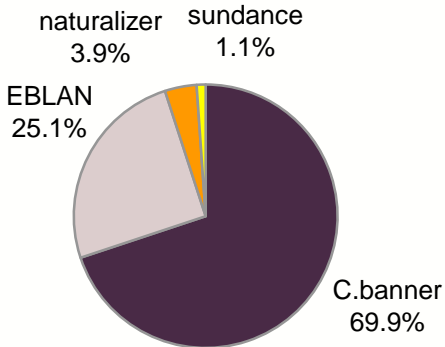
**2011**



**2010**



**2011**



**The rising proportion of the retail business with higher profit margin and the launching of “FABIOLA”, “sundance” and “MIO” brands will help consolidate the retail and wholesale business**

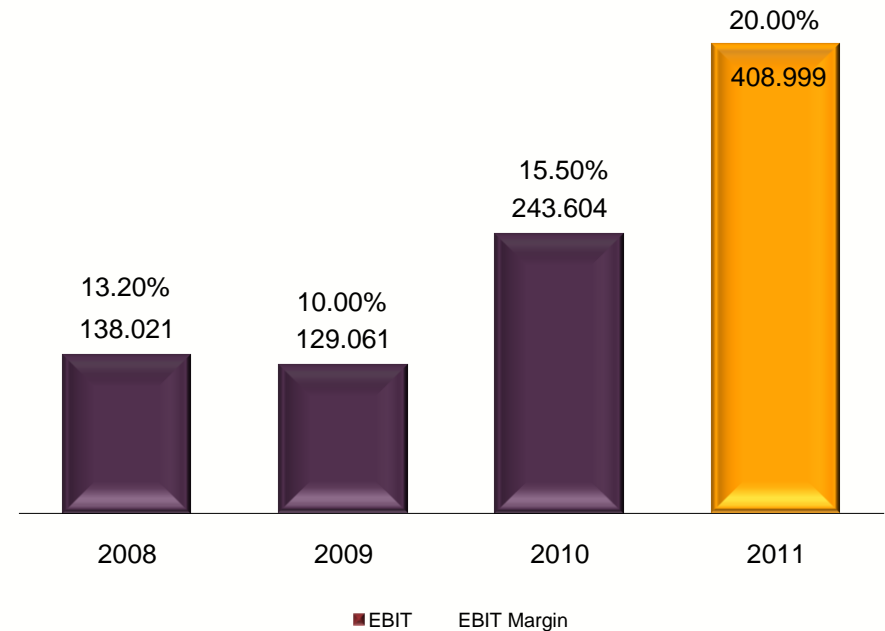
# Strong and Rising Profitability



## Breakdown of Costs

RMB Mn	2008	2009	2010	2011
Cost of Sales	479.4	633.7	602.7	745.4
<i>As % of Sales</i>	45.9%	49.3%	38.3%	36.9%
Distribution and Selling Expenses	378.8	468.0	653.0	817.8
<i>As % of Sales</i>	36.3%	36.4%	41.5%	40.0%
Administrative and General Expenses	55.6	64.9	84.8	74.4
<i>As % of Sales</i>	5.3%	5.1%	5.4%	3.6%
Other Income and Gains	7.8	10.8	9.1	2.9
<i>As % of Sales</i>	0.7%	0.8%	0.6%	0.1%

## EBIT and Margin (RMB mn, %)



**Our impressive margin uplift in 2010 and 2011 is largely due to our effective control of raw material costs**



# Working Capital Analysis

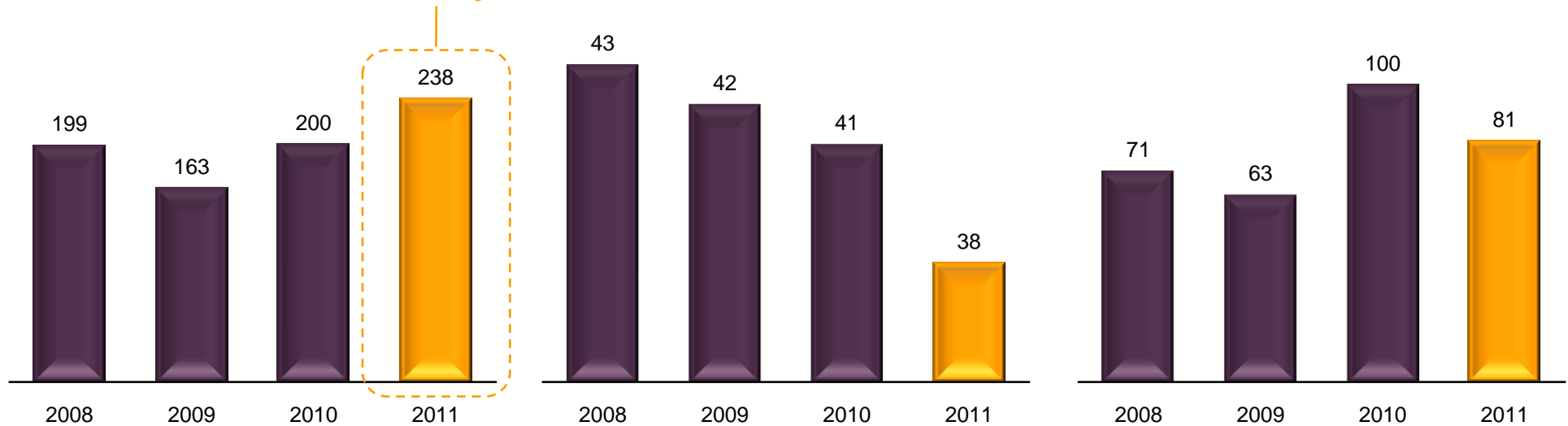


## Inventory Days

## Trade Receivable Days

## Trade Payable Days

■ Increase in Inventory Days caused by establishing new proprietary outlets and launching new brands



**The company displays effective working capital management with stable / improving working capital**











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## 2. Business Review

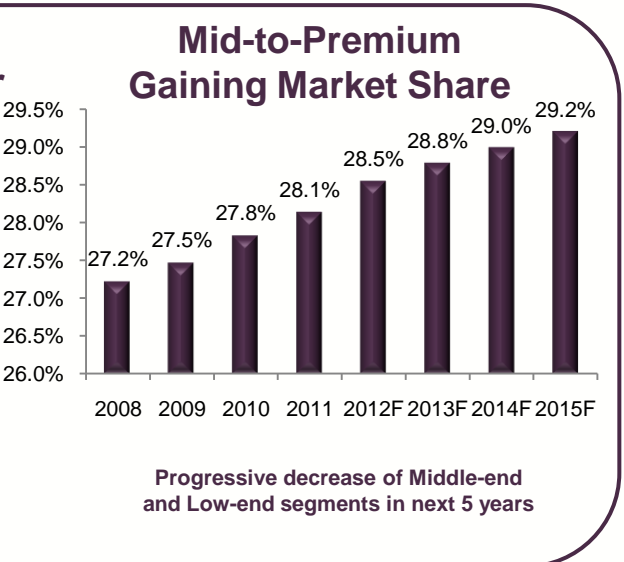
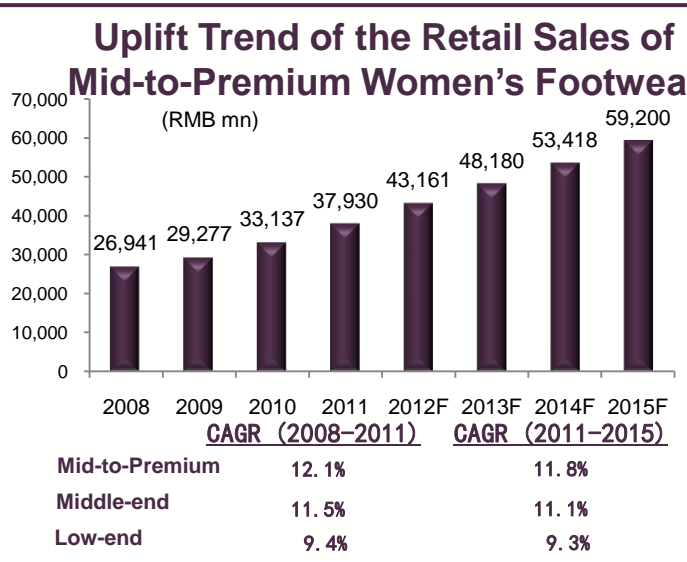
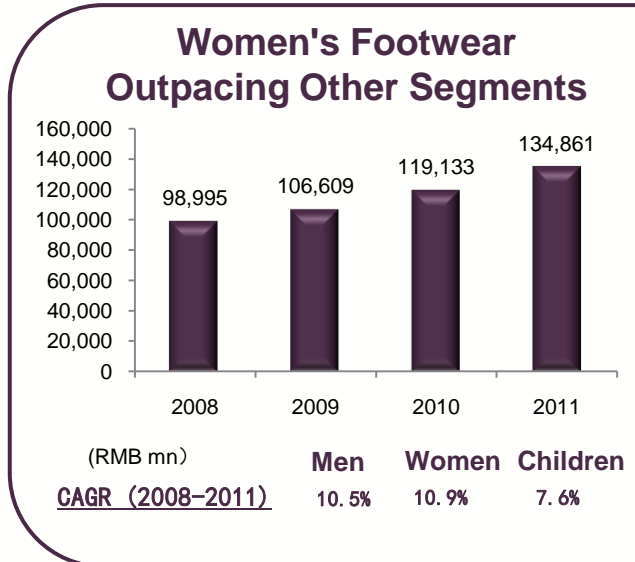
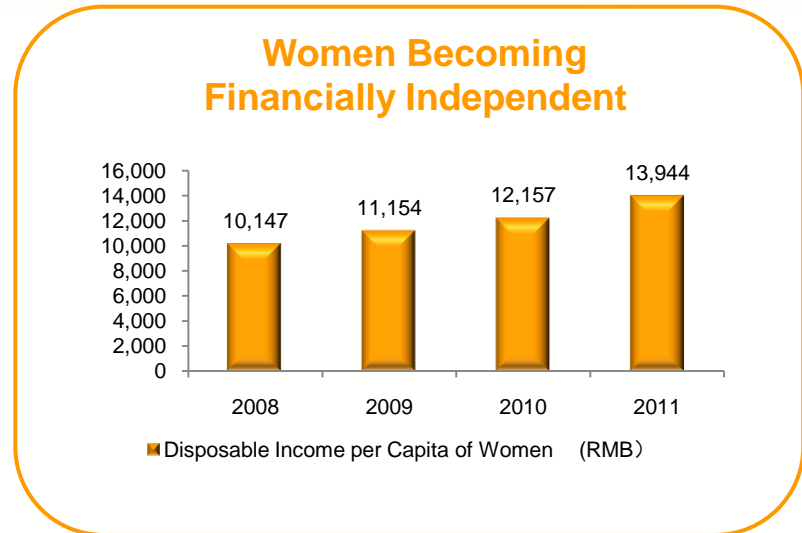
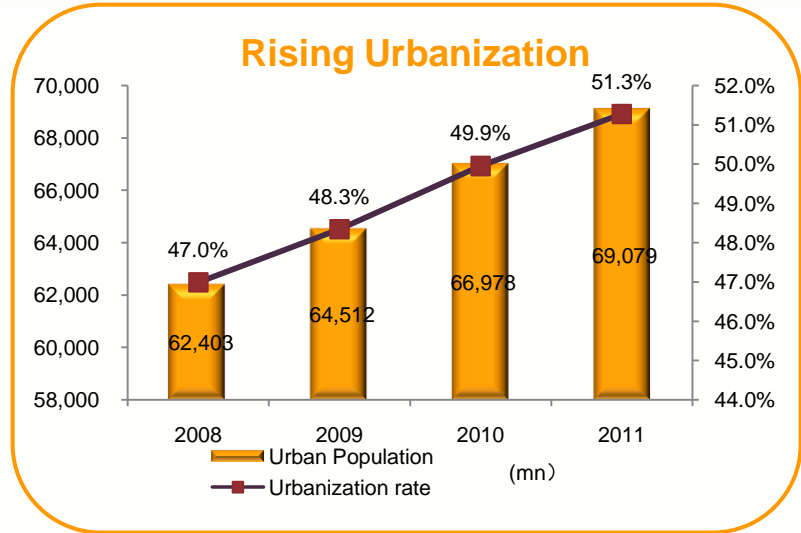


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-  1. **Strong Fundamentals - High Growth in Women's Footwear Market**
-  2. **Leader in Most Attractive Segment**
-  3. **Multi-brand Portfolio with Broad Customer Base**
-  4. **Expanding Nationwide Distribution Network**
-  5. **Steady Growth in 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



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.

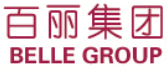









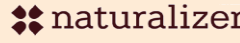


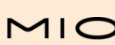










# 2. Leader in Most Attractive Segment



## 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 <sup>(1)</sup>	Major Brands
 百丽集团 BELLE GROUP	50.5%	 BELLE 百丽  teemix 天美意  Joy & Peace  STACCATO  Tata  MIRABELL
 千百度国际控股有限公司 C. banner International Holdings Ltd.	7.4%	 C.banner 千百度  EBLAN 伊伴  naturalizer  sundance  FABIOLA  MIO
 天创鞋业 TOP SCORE 天创鞋业	4.8%	 KISSCAT
 ST&SAT 星期六	4.0%	 ST&SAT  FONDBERYL®
 le saunda	3.8%	 le saunda  ce

✓ Increasing market share, from 4.7% in 2008 to 7.4% in 2011 <sup>(1)</sup>

✓ 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 2011 retail revenue.






















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# 3. Multi-brand Portfolio with Broad Customer Base



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

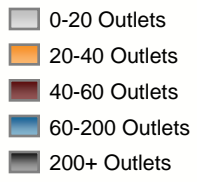
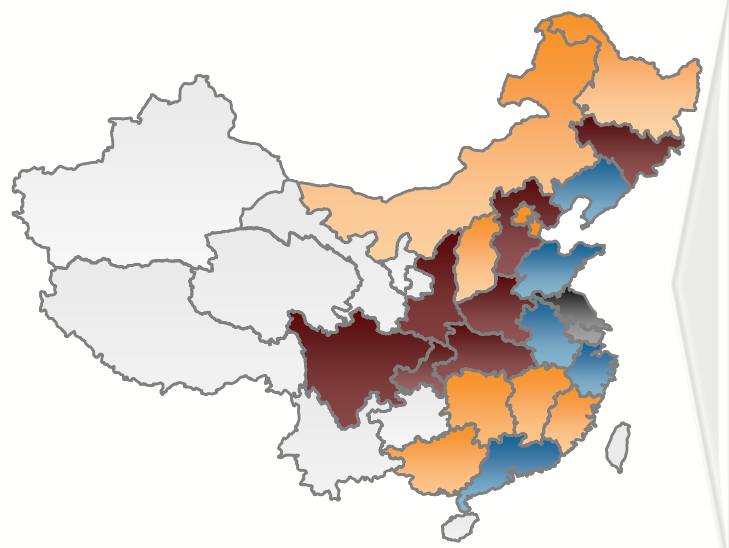
	Launched	Customer Base (Age)	Price Range (RMB)	Positioning	Highlight	
 C.banner 千百度	1996	20-40	500-2,500	 Fashion/Business /Business Casual 	<b>4th largest brand in the mid-to-premium formal and casual segment (1)</b>	
 EBLAN 伊伴	2004	20-35	500-2,500	 Fashion/Business /Business Casual 	<b>45.4% CAGR of retail revenue from 2008 to 2011</b>	
 naturalizer	2H 2007	25-44	650-3,000	 Casual/ Comfortable 	<b>A leading women's footwear brand in the US</b>	
 FABIOLA	1H 2011	25-39	1,000-3,000	 Premium Fashion/ Business/Business Casual	<b>New</b>	
 sundance	August 2011	18-35	400-2,200	 Casual	<b>Over 100 retail stores at the end of 2011</b>	
 MIO	January 2012	22-28	800-3,000	 Premium Fashion/ Business/Business Casual	<b>New</b>	

(1): according to Euromonitor, based on 2011 retail revenue.



# 4. Expanding Nationwide Distribution Network

1,383 proprietary outlets and 441 third-party outlets across China



Note: all data as of March 31, 2012

## Proprietary Outlets

- Primarily located in first-to-third-tier cities
  - To target at the customers with stronger spending power
- Focus on department stores
  - 1,374 department store outlets and 9 independent store outlets

771	C.banner 千百度
429	EBLAN 伊伴
70	naturalizer
112	sundance
1	MIO
<b>1,383</b>	<b>Total</b>

## Third-party Outlets

- Primarily located in other cities
  - To expand in a cost-effective manner
- Established by authorized distributors
  - 210 authorized distributors

309
104
-
5
13
<b>441</b>



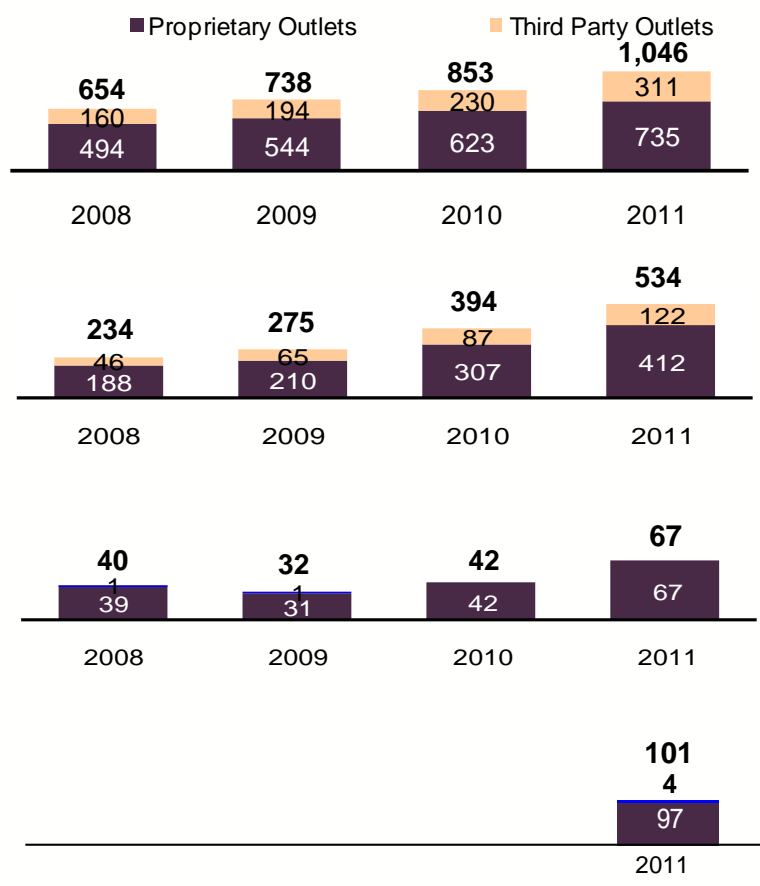
# 5. Steady Growth in Outlets



## Launched Brands



## Number of Outlets



Robust sales growth is driven by extensive sales network of both self-developed brands and licensed brand





# 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 December 31 2011, our VIP customer base has grown to:
  - “C.banner”: Over 280,000 VIPs
  - “EBLAN”: Over 57,000 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 6.3million pairs
- ✂ Efficient and cost-effective manufacturing



Significant operational **flexibility**



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

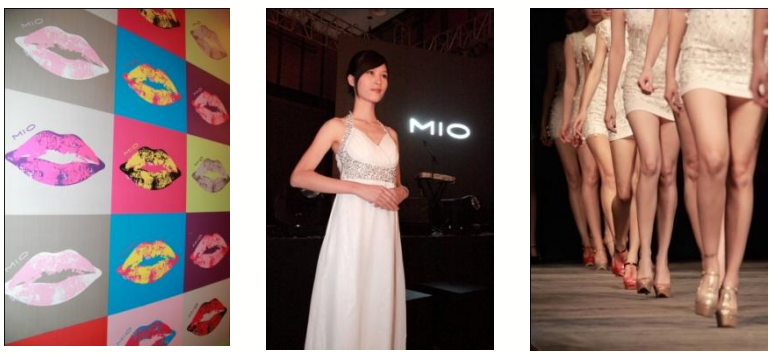


Enhanced **operational efficiency** and **competitiveness**

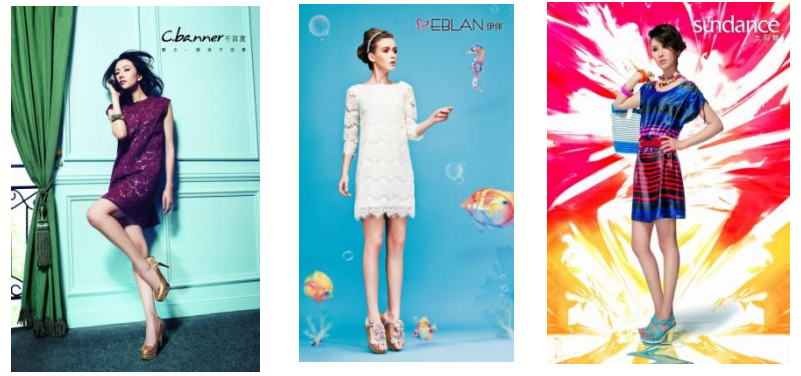
# 7. Effective Marketing Strategies

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







# 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 m<sup>2</sup>

✓ 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 8 years of experience in footwear design

## 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



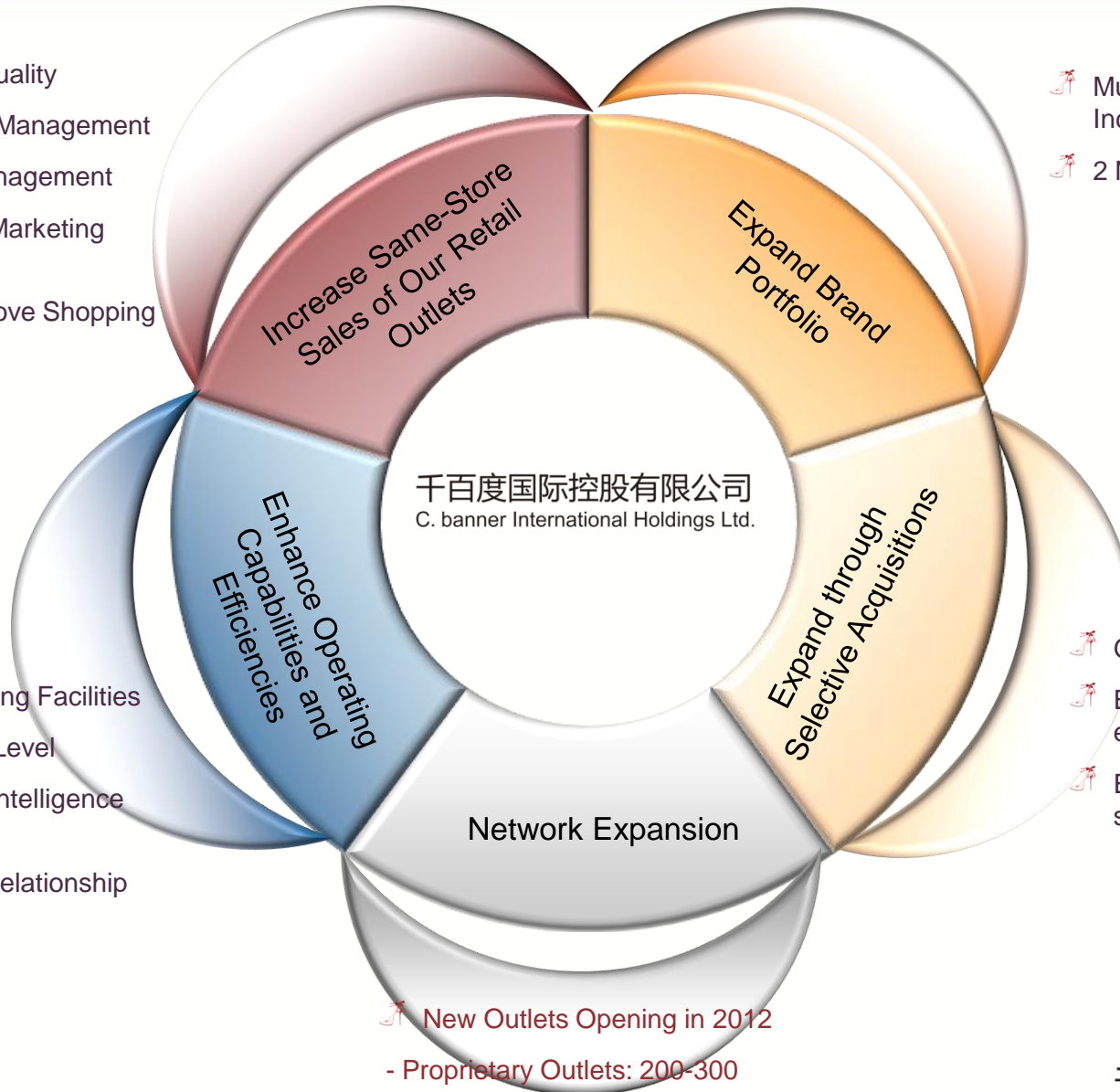
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### 3. Future Strategies

# Future Strategies

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

- 🔧 Expand Manufacturing Facilities
- 🔧 Optimize Inventory Level
- 🔧 Upgrade Business Intelligence System
- 🔧 Develop Strategic Relationship with Suppliers



- 🔧 Multi-brand Portfolio to Increase Market Share
- 🔧 2 New Brands in 2012

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

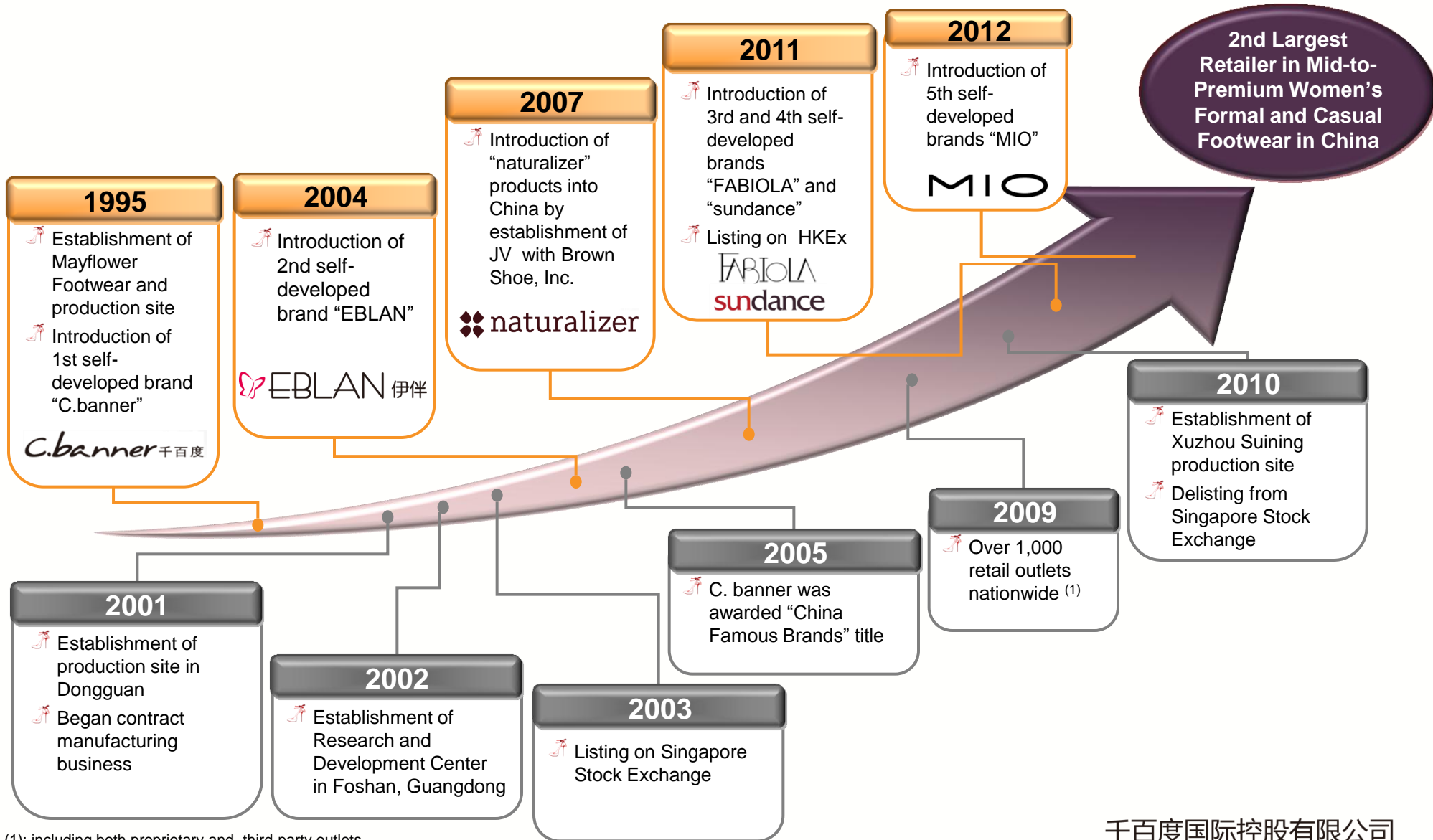
- 🔧 New Outlets Opening in 2012
  - Proprietary Outlets: 200-300
  - Third Party Outlets: around 100



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## 4. Appendix

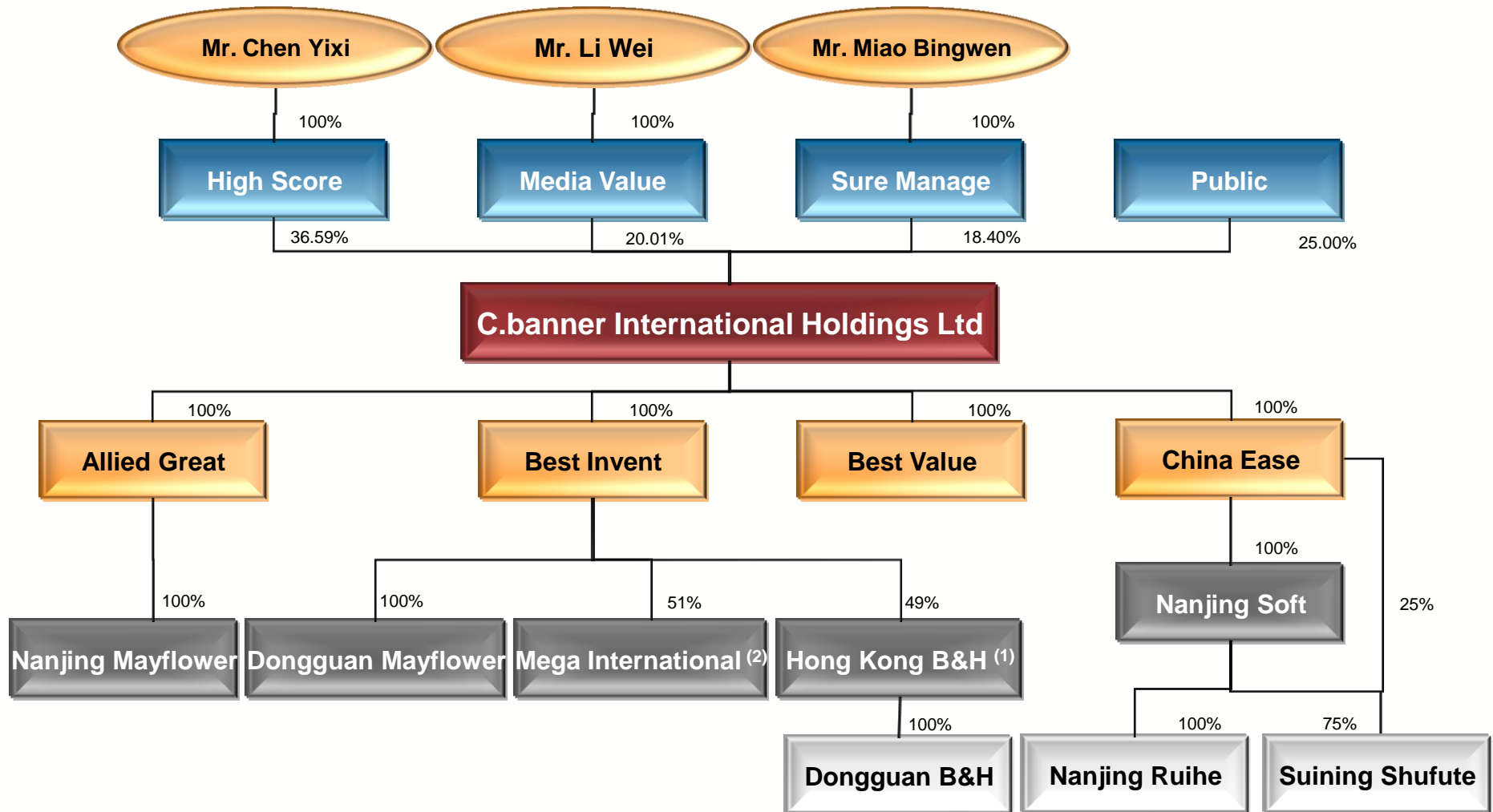
# Company History



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



# Corporate Structure



**Notes:**

(1) Hong Kong B&H is a joint venture company owned as to 49% by Best Invent and 51% by Brown Shoe Asia.

(2) Mega International is a joint venture company owned as to 51%, established in January 2012

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# Experienced and Dedicated Management Team

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



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