

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 coastline with the sea and a cloudy sky. A seagull is flying in the upper right portion of the sky.

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)

2012 Interim Results Announcement

August 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

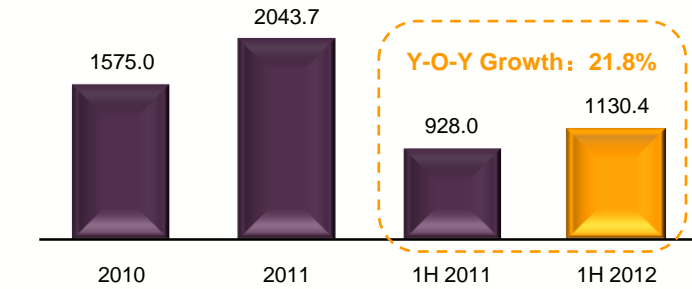
Distribution Network

1,449 proprietary outlets and 515 third-party outlets in China

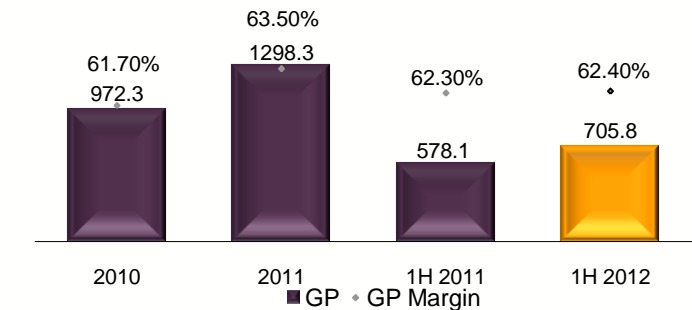


Financial Highlights

Total Revenue
(RMB Mn)



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



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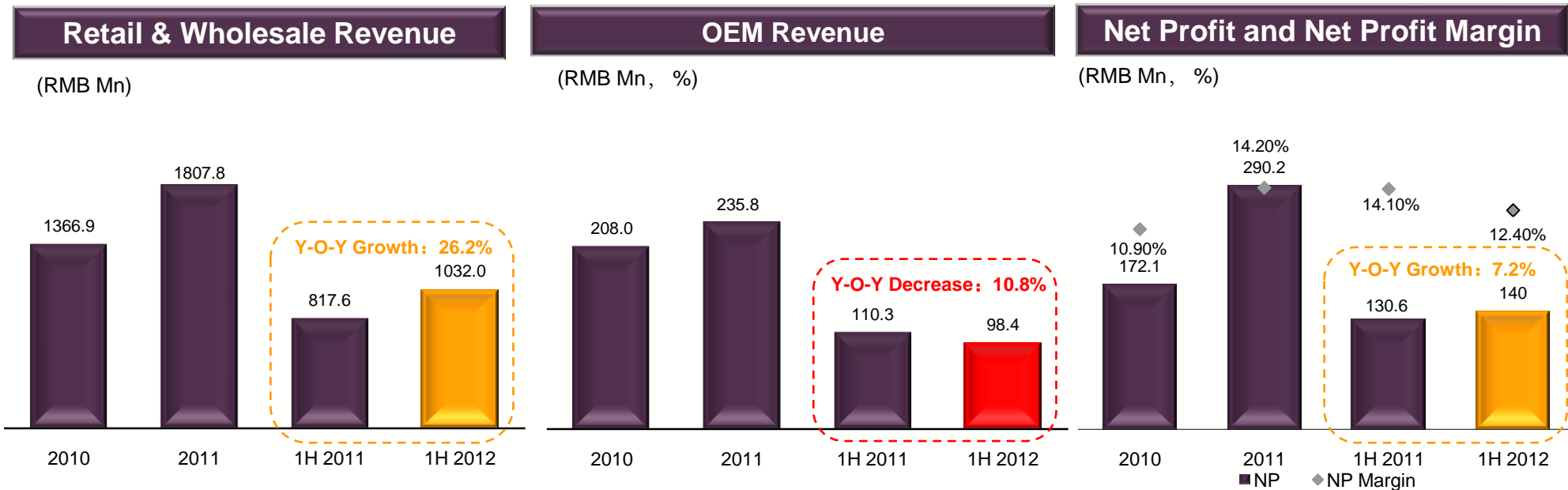
1. **Financial Highlights**
2. **Business Review**
3. **Future Strategies**
4. **Appendix**



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1. Financial Highlights

Strong Profitability



Same-store sales growth rate	2010	2011	1Q 2012	2Q2012	1H 2012
	12.3%	14.6%	3.6%	9.8%	6.4%

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

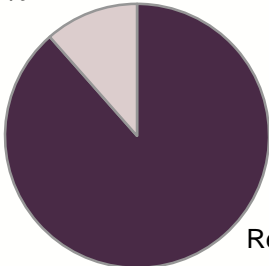
Retail Revenue Breakdown

2011

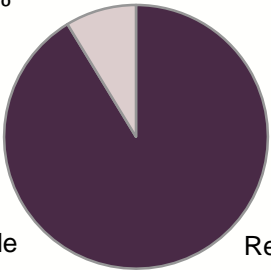
1H 2012

OEM
11.5%

OEM
8.7%



Retail & Wholesale
88.5%



Retail & Wholesale
91.3%

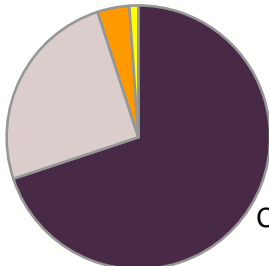
2011

1H 2012

naturalizer
3.9%

sundance
1.1%

EBLAN
25.1%



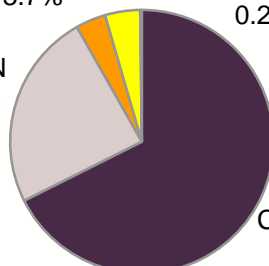
C.banner
69.9%

naturalizer
3.7%

sundance
4.3%

MIO
0.2%

EBLAN
24.2%



C.banner
67.6%

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

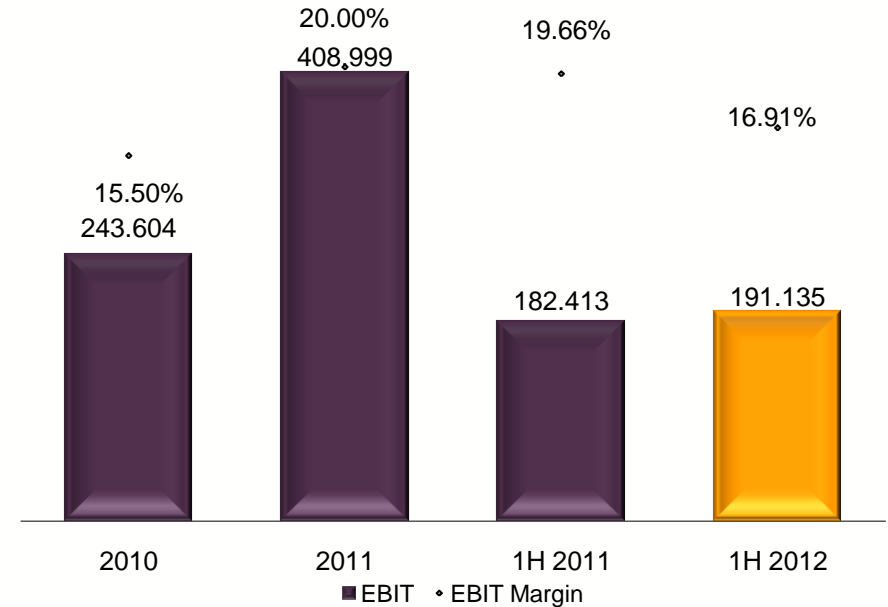
Strong Profitability



Breakdown of Costs

RMB Mn	2010	2011	1H 2011	1H 2012
Cost of Sales	602.7	745.4	349.9	424.6
<i>As % of Sales</i>	38.3%	36.9%	37.7%	37.6%
Distribution and Selling Expenses	653.0	817.8	359.7	478.5
<i>As % of Sales</i>	41.5%	40.0%	38.8%	42.3%
Administrative and General Expenses	84.8	74.4	35.1	55.2
<i>As % of Sales</i>	5.4%	3.6%	3.8%	4.9%
Other Income and Gains	9.1	2.9	n/a	19.1
<i>As % of Sales</i>	0.6%	0.1%	n/a	1.7%

EBIT and Margin (RMB mn, %)



Other income and gains of 1H 2012 was mainly constituted by Government Tax returns and bank deposit interest income

Working Capital Analysis

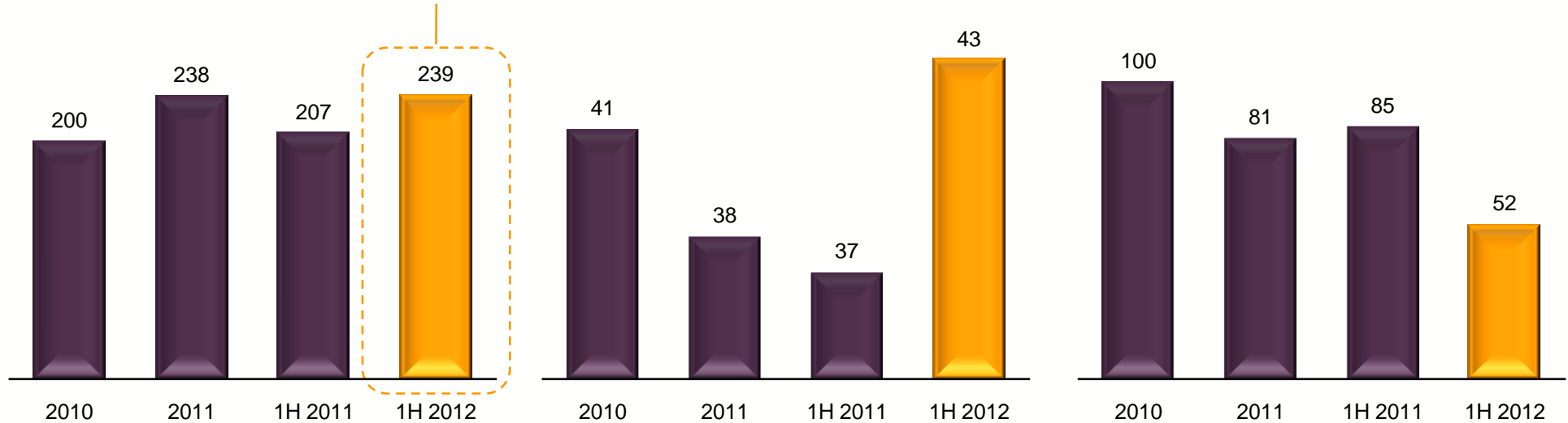


Inventory Days

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 working capital



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2. Business Review

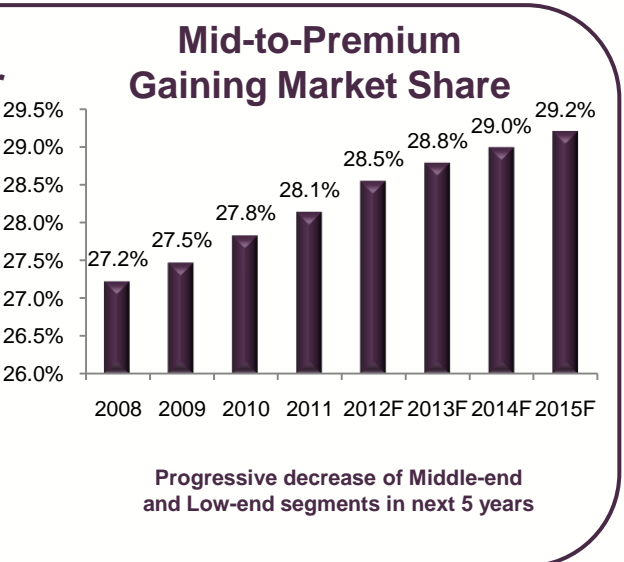
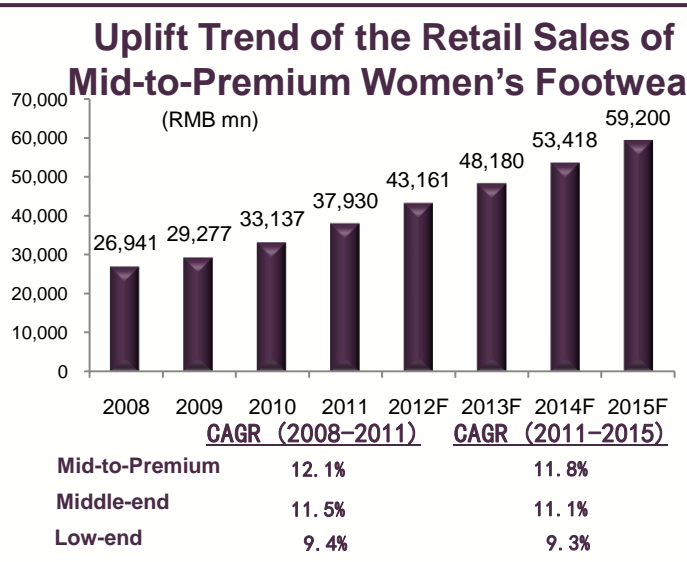
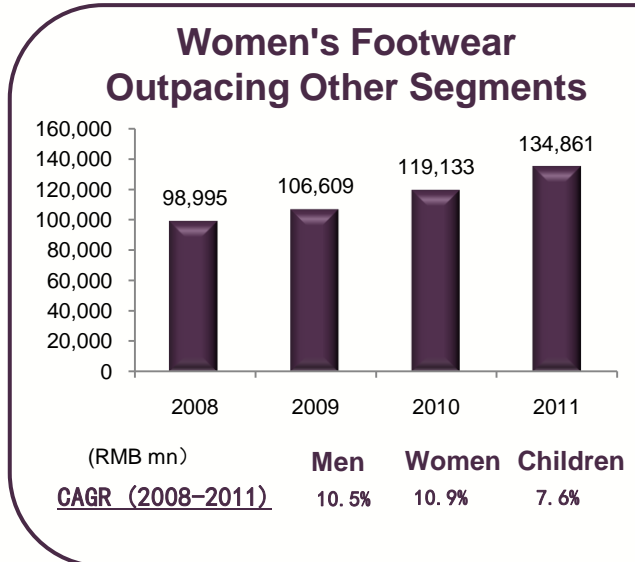
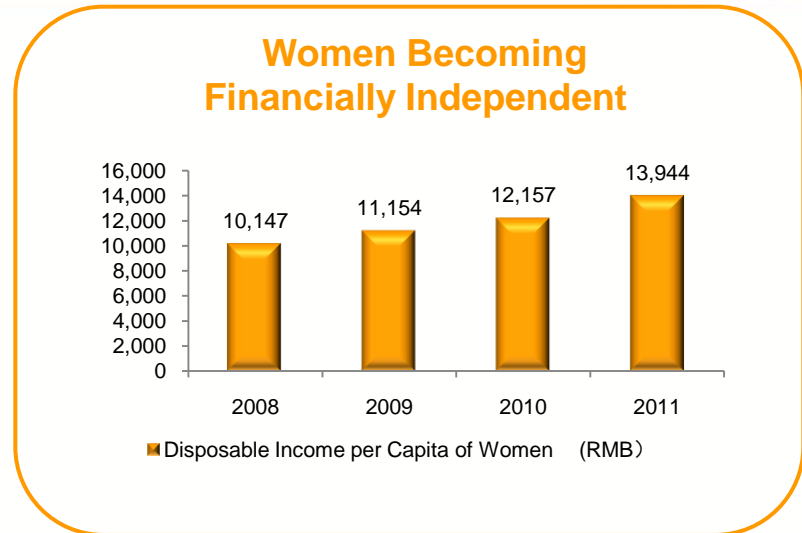
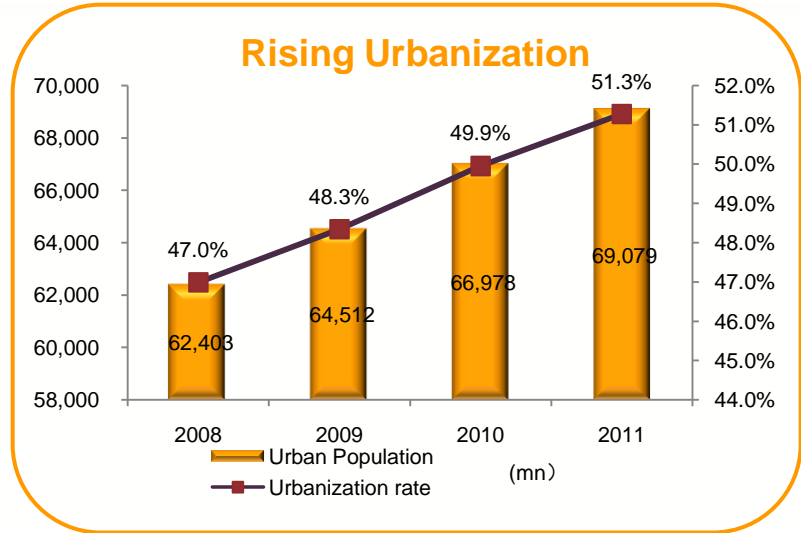


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-  1. **Strong Fundamentals - High Growth in Women's Footwear Market**
-  2. **Leader in Most Attractive Segment**
-  3. **Multi-brand Portfolio for Diversified Market Segmentation**
-  4. **Expanding Nationwide Distribution Network**
-  5. **Steady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



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.

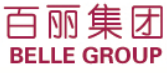









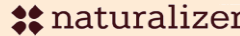


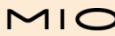










2. Leader in Most Attractive Segment



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	50.5%	 Belle  teemix  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  EBLAN  naturalizer  sundance  FABIOLA  MIO
 天创鞋业 TOP SCORE	4.8%	 KISSCAT
 ST&SAT	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 ⁽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 2011 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

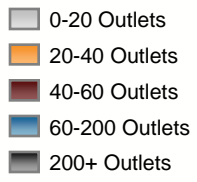
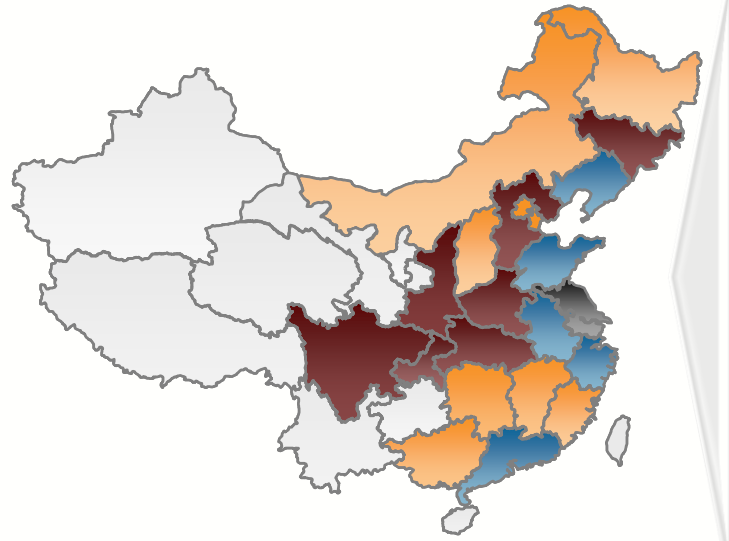
	Launched	Customer Base (Age)	Price Range (RMB)	Positioning	Highlight	
 C.banner 千百度	1996	20-40	500-2,500	 Fashion/Business /Business Casual 	4th largest brand in the mid-to-premium formal and casual segment (1)	
 EBLAN 伊伴	2004	20-35	500-2,500	 Fashion/Business /Business Casual 	45.4% CAGR of retail revenue from 2008 to 2011	
 naturalizer	2H 2007	25-44	650-3,000	 Casual/ Comfortable 	A leading women's footwear brand in the US	
 FABIOLA	1H 2011	25-39	1,000-3,000	 Premium Fashion/ Business/Business Casual	Display in mature C.banner Stores	
 sundance	August 2011	18-35	400-2,200	 Casual	Over 150 retail stores as of June 30, 2012	
 MIO	January 2012	22-28	800-3,000	 Premium Fashion/ Business/Business Casual	Over 80 retail stores as of June 30, 2012	

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



4. Expanding Nationwide Distribution Network

1,449 proprietary outlets and 515 third-party outlets across China



Note: all data as of June 30, 2012

Proprietary Outlets

- Primarily located in first-to-third-tier cities
 - To target at the customers with stronger spending power
- Focus on department stores
 - 1,440 department store outlets and 9 independent store outlets

786	C.banner 千百度
436	EBLAN 伊伴
72	naturalizer
149	sundance
6	MIO
1,449	Total

Third-party Outlets

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

323
110
-
5
77
515



5. Steady Growth in Outlets



	2008	2009	2010	2011	2012.06
Proprietary	494	544	623	735	786
Third-Party	160	194	230	311	323
Total	654	738	853	1,046	1,109

	2008	2009	2010	2011	2012.06
Proprietary	188	210	307	412	436
Third-Party	46	65	87	122	110
Total	234	275	394	534	546

	2008	2009	2010	2011	2012.06
Proprietary	40	32	42	67	72
Third-Party					
Total	40	32	42	67	72

	2008	2009	2010	2011	2012.06
Proprietary				97	149
Third-Party				4	5
Total				101	154

	2008	2009	2010	2011	2012.06
Proprietary					6
Third-Party					77
Total					83

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 June 30 2012, our VIP customer base has grown to:
 - “C.banner”: Over 370,000 VIPs
 - “EBLAN”: Over 77,000 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 6.75million pairs
- ✂ Efficient and cost-effective manufacturing



Significant operational **flexibility**



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

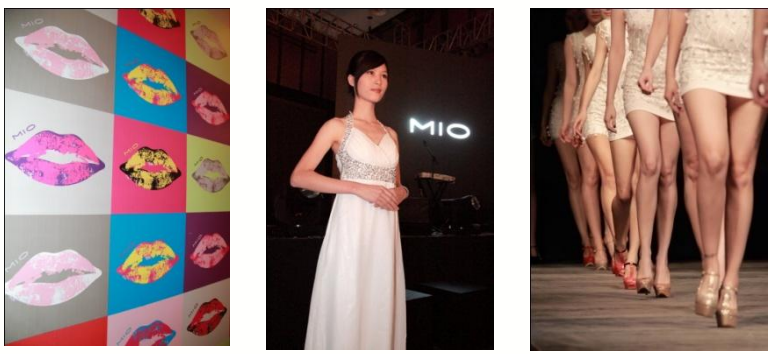


Enhanced **operational efficiency** and **competitiveness**

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





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 時尚優雅演譯
 繼自一九八九年的中國首屆品牌 C.banner 千百度，主打本國原創設計，將歐美時尚元素，結合中國傳統服飾設計，在產品款式、顏色及用料諸多變化，品牌的發展邁進今年第一、二、三屆年會，并以當年第一、二屆年會 C.banner 系列系列在著名模特兒的中國著名表演廳擔任表演大使，展現身著 C.banner 的優雅氣質。

秋冬新品登場
 本屆年會，在場推出新系列，在場有 4 個品牌系列：C.banner、FABJOLA、sundance 太陽舞、naturalizer。品牌系列包括：高級及專業系列、運動系列、休閒系列、及專業系列。C.banner 最新系列包括：運動系列、休閒系列、及專業系列。運動系列包括：運動系列、休閒系列、及專業系列。休閒系列包括：休閒系列、及專業系列。專業系列包括：專業系列、及專業系列。

不同品牌佈中國
 C.banner 利華公司與國聯利華有限公司合作了擁有優質品牌，及多季擁有四個定位不同的品牌：EBLAN (伊特) 利華公司、C.banner 利華公司、FABJOLA 利華公司、naturalizer 利華公司。

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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 10 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



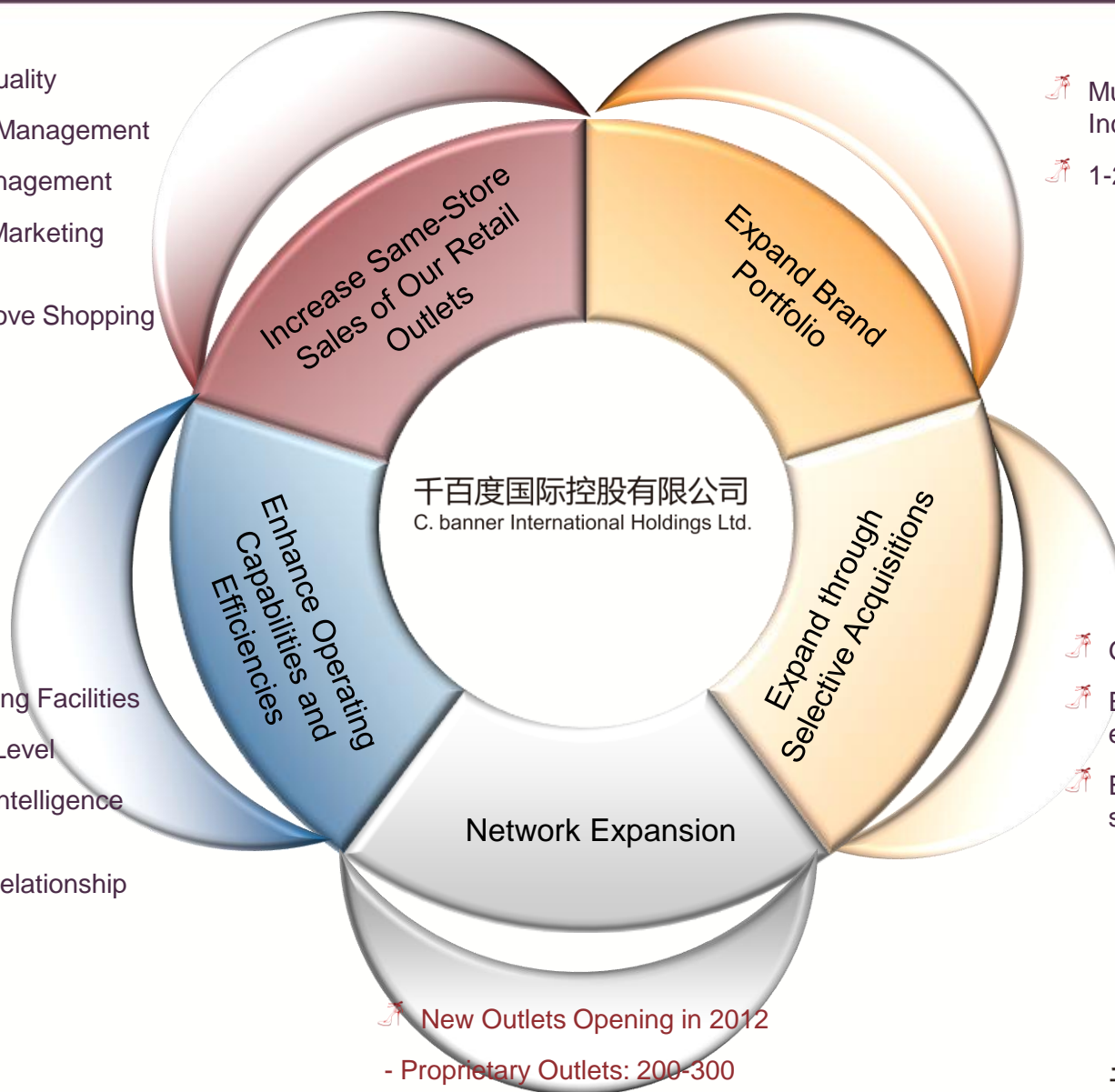
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3. Future Strategies

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
- 🔧 1-2 New Brands in 2013

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

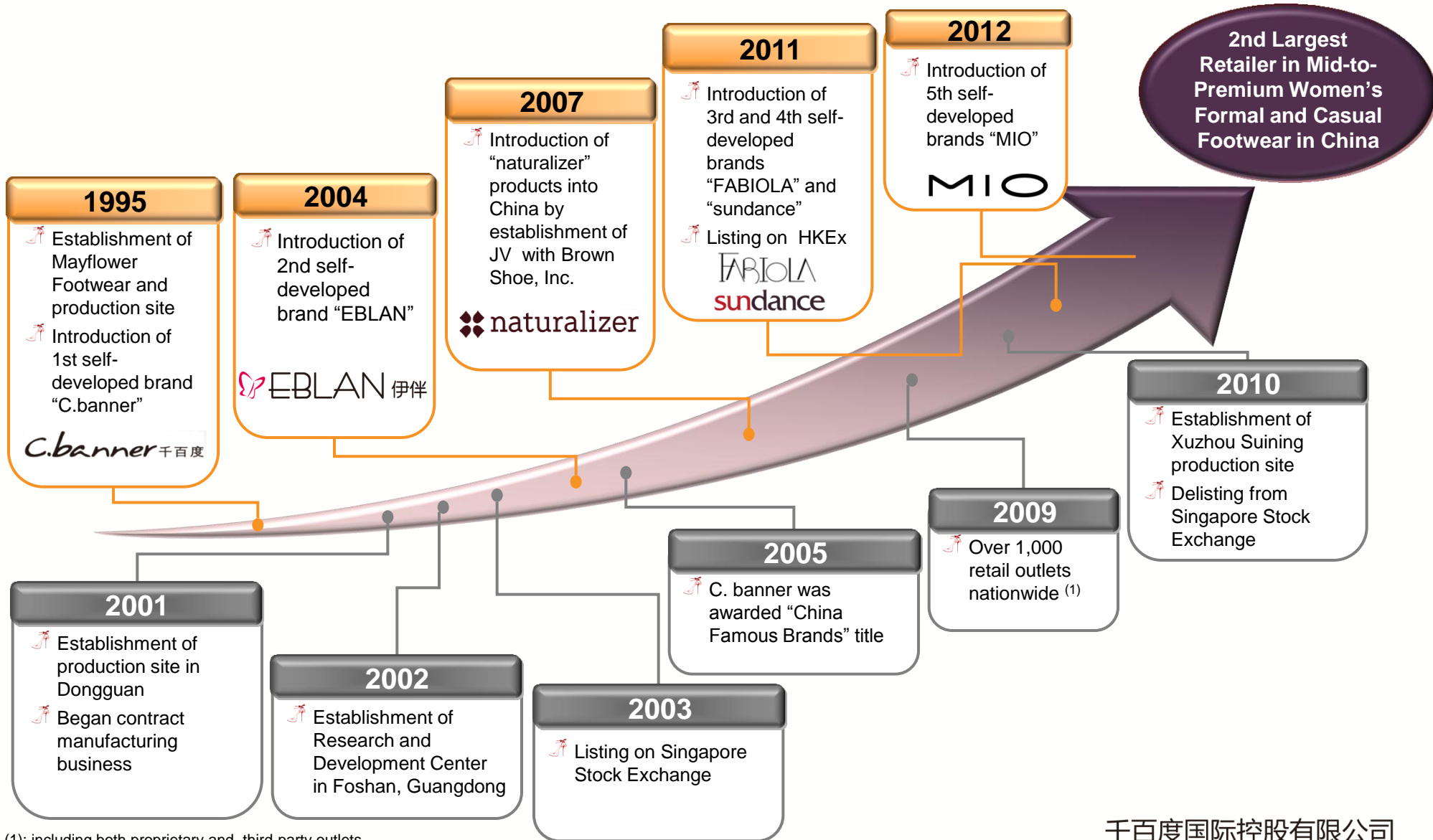
- 🔧 New Outlets Opening in 2012
 - Proprietary Outlets: 200-300
 - Third Party Outlets: around 100



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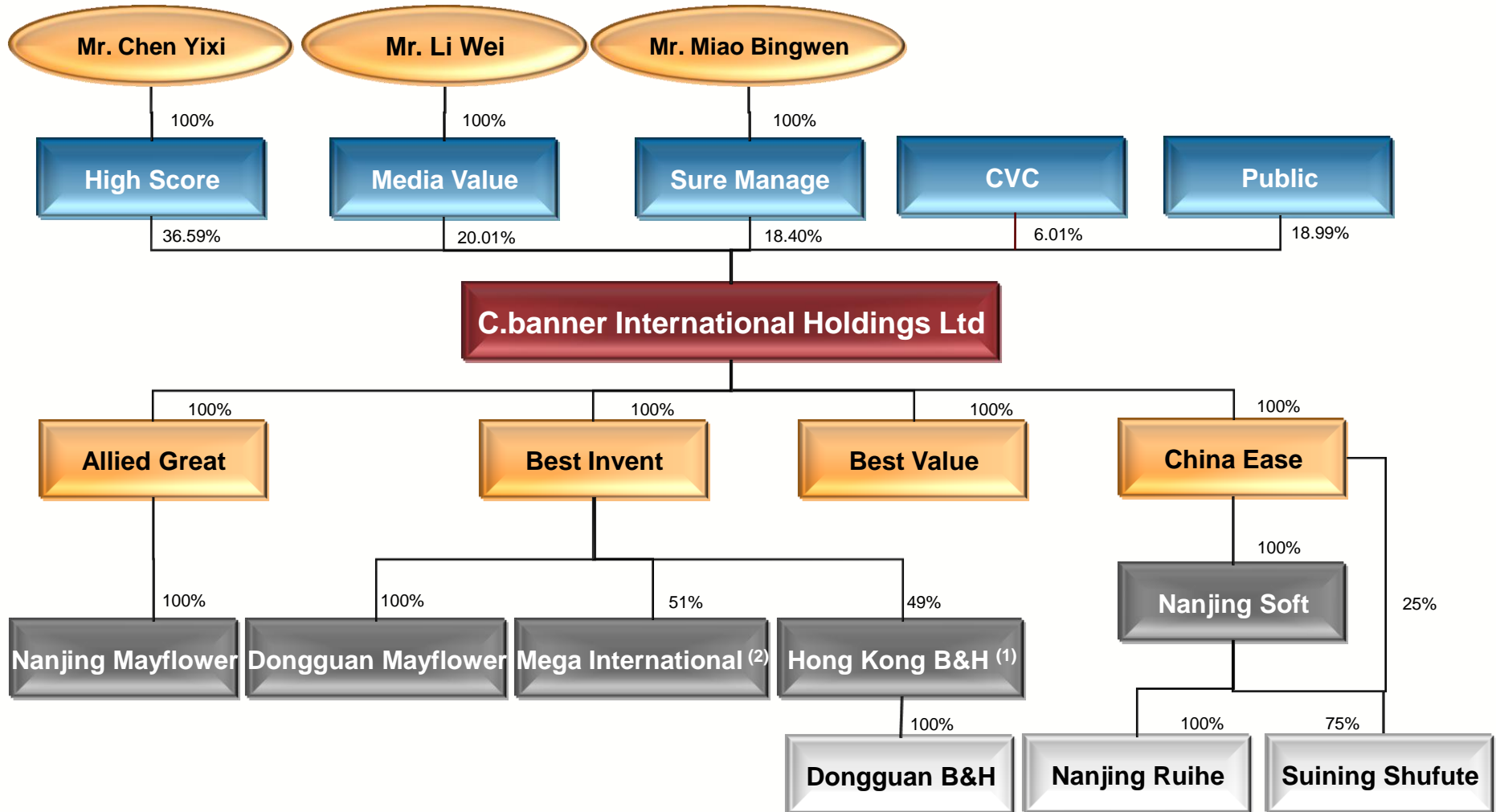
4. Appendix

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
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