



安踏體育用品有限公司 ANTA SPORTS PRODUCTS LIMITED

For immediate release

ANTA Sports Announces 2009 Interim Results

Dare to Advance Strive for Perfection

*Healthy Growth Boosted by
Strong Brand Equity and Effective Distribution Network*

(17 August 2009, Hong Kong) **ANTA Sports Products Limited** (“ANTA Sports” or the “Group”, stock code: 2020) is pleased to announce the interim results of the Group for the six months ended 30 June 2009 (the “period”).

Performance Highlights

<i>(RMB million)</i>	Six months ended		Changes	
	30 June		(%)	
	2009	2008		
Turnover	2,817.0	2,205.2	↑	27.7
Gross profit	1,169.1	857.0	↑	36.4
Profit from operations	682.9	418.6	↑	63.1
Profit attributable to equity holders	608.3	434.3	↑	40.1
Free cash inflow	537.3	408.2	↑	31.6
Basic earnings per share (RMB cents)	24.43	17.44	↑	40.1
Interim dividend per share (HK cents)	12.0	10.0	↑	20.0
Payout ratio	43.3% of the 2009 1H profit			
Gross profit margin (%)	41.5	38.9	↑	2.6% pts
Operating profit margin (%)	24.2	19.0	↑	5.2% pts
Net profit margin (%)	21.6	19.7	↑	1.9% pts



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- Financial summary:
 - Achieved a turnover of approximately RMB2.82 billion, representing a satisfactory growth of 27.7%. The increase was attributable to the increase in average selling prices on both wholesale and retail levels driven by strong brand recognition, additional product offering and effective network expansion
 - Thanks to the enhanced brand image and product offering, as well as effective cost control, the Group's gross profit margin increased 2.6 percentage points to 41.5%
 - Profit attributable to shareholders surged 40.1% to RMB608.3 million. Basic earnings per share ("EPS") was RMB24.43 cents, representing an increase of 40.1%
 - The Board proposed an interim dividend of HK12 cents per share (2008 1H: HK10 cents). Dividend payout ratio was 43.3% of the 2009 1H profit
- Maintained solid financial position and healthy balance sheet
 - Inventory turnover: 43 days (2008 1H: 46 days)
 - Trade receivables turnover: 15 days (2008 1H: 17 days)
 - Free cash inflow increased by 31.6% to RMB537.3 million
- Remarkable growth in both sales volume and ASP (wholesale price)
 - Footwear: sales volume and ASP grew by 26.6.0% and 3.1% to 16.4 million pairs and RMB95.0 respectively
 - Apparel: sales volume and ASP grew by 22.0% and 5.7% to 25.7 million pieces and RMB46.3 respectively
- Number of authorized ANTA retail outlets across China rose by 8.2% (or 462 stores net) to 6,129 stores comparing to the end of 2008
 - Total sales floor area increased 12.3% to 641,484 sq. m.
 - Average sales floor area per store improved by 3.9% to 104.7 sq. m.
- Entered into a strategic sponsorship agreement with the Chinese Olympic Committee ("COC"). In the coming four years, ANTA Sports will sponsor sportswear for the China Sports Delegation in 11 influential international competitions
- Endorsed tennis stars Jelena Jankovic and Zhang Jie as to further explore and develop the tennis products market
- Continued to focus on research and development to enhance product differentiation



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Financial Review

Despite the economic recession, the Group managed to deliver a sustained and healthy growth during the period. For the six months ended 30 June 2009, the Group's turnover reached RMB 2.82 billion, representing a 27.7% growth compared to the same period of last year. Profit attributable to shareholders achieved a 40.1% year-on-year growth and reached RMB 608.3 million. Basic earnings per share was RMB 24.43 cents, an increase of 40.1% over last year.

The Group's enhanced brand equity and product offering resulted in its gross profit margin improving to 41.5%, an increase of 2.6 percentage points. Operating profit margin increased by 5.2% points to 24.2%. Net profit margin grew 1.9% points to 21.6%.

The Group maintained a solid financial position with strong free cash inflow of over RMB537.3 million during the period.

In view of the satisfactory performance, the Board proposed an interim dividend of HK12 cents per share (2008 1H: HK10 cents), making a dividend payout ratio of 43.3% of the profit for the first half of 2009.

“ANTA has achieved remarkable performance and satisfactory growth during the period amid the challenging environment. At 30 June 2009, our network comprised of 6,129 ANTA stores and 10 flagship stores in China, with 462 ANTA stores added to our retail network during the period. Moreover, the Group is honoured to become the strategic partner of COC. This privilege will further cement our leading position in the Chinese sportswear industry.” said Mr. Ding Shizhong, Chairman and CEO of ANTA Sports.

Business Review

Strengthen professional image of ANTA brand

To further strengthen professional image in the performance-based sportswear market and enhance brand differentiation, the Group strategically focuses on sponsoring elite athletes, popular sports leagues and influential sports associations. The Group endorsed Jelena Jankovic and Zheng Jie, two of the world's leading female tennis players during the period to capture the growing tennis market in China. The Group also entered into a strategic alliance agreement with the COC. In the coming four years, the China Sports Delegation will be wearing sportswear sponsored by ANTA Sports to 11 influential international competitions.



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Further expanded the nationwide distribution network

With a leading position in second and third tier cities in China, the Group strategically expanded its retail network in high growth and less penetrated areas during the period. The following table illustrated the expansion of distribution network of the Group:

	30 Jun 2009	31 Dec 2008*
Number of ANTA stores		
Eastern region	2,297	2,146
Southern region	1,890	1,783
Northern region	1,942	1,738
Total	6,129	5,667
Including: flagship stores	10	9
Sports Lifestyle stores	183	33
Kids Sportswear stores	160	81
Average sales floor area per store	104.7 sq.m.	100.8 sq.m.
Total sales floor area	641,484 sq.m.	571,204 sq.m.

** The comparative figures of eastern and northern regions have been restated as the Group has strategically moved Henan market from the eastern to the northern region to balance the efforts on market development among the regions.*

Enhanced R&D and quality control

The Group constantly invests to foster product quality and differentiation. A blend of local & international talents and institutions facilitate dynamic inspiration. During the period, the Group received the Gold award for “Footwear Design Competition 2009 – Professional Category, Sports Leisure Shoes” organised by the China Leather Association. The award recognised our professionalism and creativity in sportswear design. Furthermore, the Group further strengthened quality control procedures and helped suppliers to improve the quality. In addition, the Group strategically optimised the in-house and outsourced production mix. During the period, approximately 35.5% of footwear and 14.8% of apparel sold were produced in-house.



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Prospects

Looking ahead, riding on the increasing domestic demand and fast growing sportswear market, the Group believes that there is enormous growth potential ahead.

Sponsorships and endorsement

The strategic partnership with the COC will help gain brand exposure in China and worldwide. China Sports Delegation will be outfitted by ANTA sportswear at awards ceremonies in Hanoi Asian Indoor Games and Hong Kong East Asian Games which are going to be held in the second half of 2009.

Tennis products will be a key focus of the Group in the coming years. The endorsement of the “Tennis Duo”, Jelena Jankovic and Zheng Jie, empowers the Group’s drive to raise the popularity of tennis in the domestic market. Endorsers’ designated tennis series will be introduced to the mass market in China. Furthermore, the Group is going to sponsor a number of tennis events to nurture future tennis stars in China. The Group will also continue to work closely with existing sponsorship resources and consider sponsoring outstanding athletes in the future.

Diversification of market and product

While ensuring a further penetration in our core markets, the basketball and running segments, the Group will enrich our tennis sportswear products. The Group will also introduce more trendy and personalized products to the Sports Lifestyle series to fulfill demands of young and trendy consumers.

Expansion in distribution network

The Group will further expand and optimise the retail network in the second and third-tier markets. The Group will also dedicate to strengthen its brand presence in cities with high growth potential and continue to enhance the store image.

Enhancement in R&D and Quality Control

The Group will continue to upgrade existing and launch new technologies, and constantly refresh product portfolio to target the latest trends in the market, while imposing a stringent quality control.



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“China’s economy and domestic demand have gradually recovered since the implementation of stimulus measures. We are optimistic but with added caution when facing the market uncertainties and intensifying competition in the post-Olympic sportswear market. Looking ahead, the Group will leverage our brand equity, strong R&D capabilities, extensive distribution network, and to reinforce our competitive advantages so as to create greater value and return for our shareholders.” concluded Mr. Ding.

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About ANTA Sports Products Limited

As one of the leading branded sportswear enterprises in China, ANTA Sports Products Limited primarily designs, develops, manufactures and markets sportswear, including sports footwear, apparel and accessories. The Group has established an extensive distribution network and nation-wide retail outlets throughout China under the management of the distributors. The Group places great emphasis on branding by integrating the resources from sponsorship of sports leagues, placement of advertisements, online interaction with consumers and endorsement of elite athletes with featured products in order to enhance product differentiation. For the past eight years, ANTA’s footwear has been held a leading position in the composite index on market shares in China.

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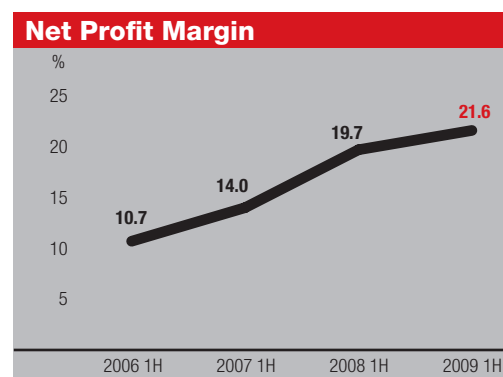
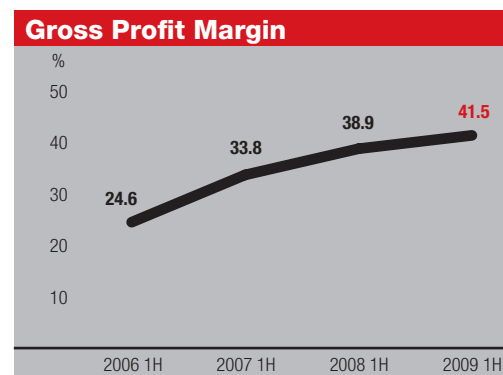
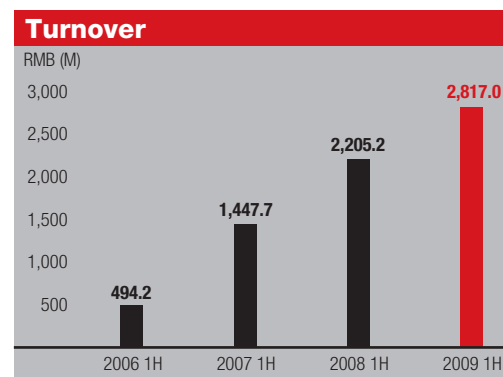
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FINANCIAL REVIEW

	Six months ended 30 June		
	2009	2008	Changes
	(RMB million)	(RMB million)	(in %)
Turnover	2,817.0	2,205.2	↑ 27.7
Gross profit	1,169.1	857.0	↑ 36.4
Profit from operations	682.9	418.6	↑ 63.1
Profit attributable to shareholders	608.3	434.3	↑ 40.1
Free cash inflow	537.3	408.2	↑ 31.6
	(RMB cents)	(RMB cents)	(in %)
Earnings per share			
– Basic	24.43	17.44	↑ 40.1
– Diluted	24.39	17.39	↑ 40.3
Shareholders' equity per share	188.54	170.77	↑ 10.4
	(HK cents)	(HK cents)	(in %)
Interim dividend per share	12	10	↑ 20.0
	(in %)	(in %)	(in % points)
Gross profit margin	41.5	38.9	↑ 2.6
Operating profit margin	24.2	19.0	↑ 5.2
Net profit margin	21.6	19.7	↑ 1.9
Effective tax rate	14.3	8.3	↑ 6.0
Advertising and promotional expenses (as a percentage of turnover)	11.2	14.0	↓ 2.8
Staff costs (as a percentage of turnover)	8.4	7.1	↑ 1.3
R&D costs (as a percentage of cost of sales)	3.3	3.1	↑ 0.2

	As at 30 June	
	2009	2008
	(in %)	(in %)
Average total shareholders' equity to average total assets	88.8	89.8
Return on average total shareholders' equity (annualised)	26.7	20.8
Return on average total assets (annualised)	23.7	18.7
	(in 181 days)	(in 182 days)
Average inventory turnover days	43	46
Average trade receivables turnover days	15	17
Average trade payables turnover days	32	39



Notes:

- (1) Return on average total shareholders' equity is equal to the profit attributable to the shareholders divided by the average balance of total shareholders' equity.
- (2) Return on average total assets is equal to the profit attributable to the shareholders divided by the average balance of total assets.
- (3) Average inventory turnover days is equal to the average balance of inventories divided by the cost of sales and multiplied by the number of days in the relevant period.
- (4) Average trade receivables turnover days is equal to the average balance of trade receivables divided by the turnover and multiplied by the number of days in the relevant period.
- (5) Average trade payables turnover days is equal to the average balance of trade payables divided by the cost of sales and multiplied by the number of days in the relevant period.

