



Interim Results 2010 August 2010



 **金鷹** **金鷹商貿集團有限公司**
GOLDEN EAGLE GOLDEN EAGLE RETAIL GROUP LIMITED
Incorporated in the Cayman Islands with limited liability
Stock code:3308

Achievements in 1H2010

- ▶ **Achieved encouraging results amid challenging market landscape in 1H2010**
 - ✓ Total GSP increased to RMB5.0 billion, ↑ 34.2%
 - ✓ Concessionaire rate remains stable at 20.8%
 - ✓ Profit from operations increased to RMB617 million, ↑ 30.0%

- ▶ **Same store sales growth (“SSSG”) maintained at a high level of 25.4%**

- ▶ **Number of VIPs reached to over 697,000, accounting for 62.0% of the Group’s total GSP**

- ▶ **Working actively on the store expansion plan**

1H2010 Financial Highlights

<i>Six months ended 30 June (RMB million)</i>	1H2010	1H2009	(+/-)
Gross Sales Proceeds (GSP)	5,034.1	3,751.7	+34.2%
- Concessionaire Sales	4,660.2	3,455.7	+34.9%
- Direct Sales	350.3	278.8	+25.7%
- Rental Income and Management Service Fees	23.6	17.2	+37.6%
EBITDA	676.8	522.6	+29.5%
EBIT (Profit from operations)	616.9	474.6	+30.0%
Profit Attributable to Shareholders	462.0	75.2	514.0%
EPS – Basic (RMB)	0.238	0.043	459.6%

1H2010 Financial Highlights

<i>Six months ended 30 June (RMB million)</i>	1H2010	1H2009	(+/-)
Profit Attributable to Shareholders			
As reported	462.0	75.2	+514.0%
Excluding the effects of Convertible Bonds related items:			
- Fair value changes on conversion and redemption options	-	263.6	
- Effective interest expense	-	42.9	
- Exchange difference	-	(0.3)	
As adjusted	462.0	381.4	+21.1%
Adjusted Basic Earnings per Share (RMB)	0.238	0.216	+10.4%

Financial Position

<i>(RMB Million)</i>	As at 30 Jun 2010	As at 30 Dec 2009
Total Assets	6,362.4	5,983.4
Total Liabilities	3,222.0	3,064.8
Net Assets	3,140.4	2,918.6
Short-term Bank Loans	477.3	269.0
Cash and Near Cash (note 1)	1,958.1	2,290.0
Gearing Ratio (note 2)	7.5%	4.5%
Adjusted Gearing Ratio (note 3)	-	-

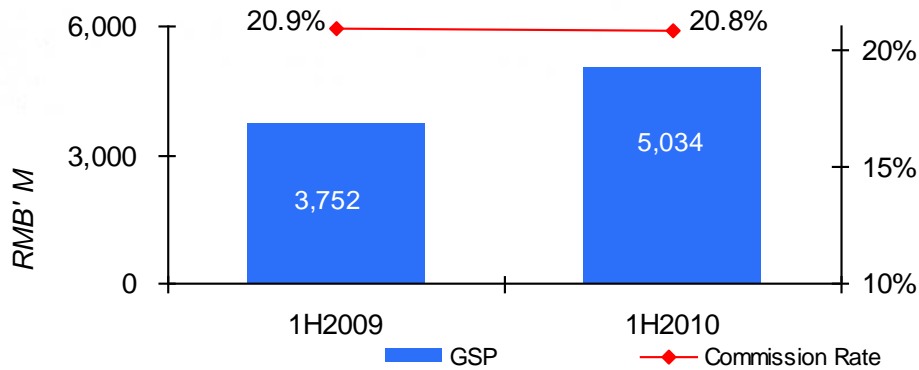
Note 1: *Cash and near cash represents bank balances and cash and various short-term bank related deposits, including investment in interest bearing instrument, structured bank deposit and pledged bank deposit.*

Note 2: *Gearing ratio = total bank borrowings / total assets*

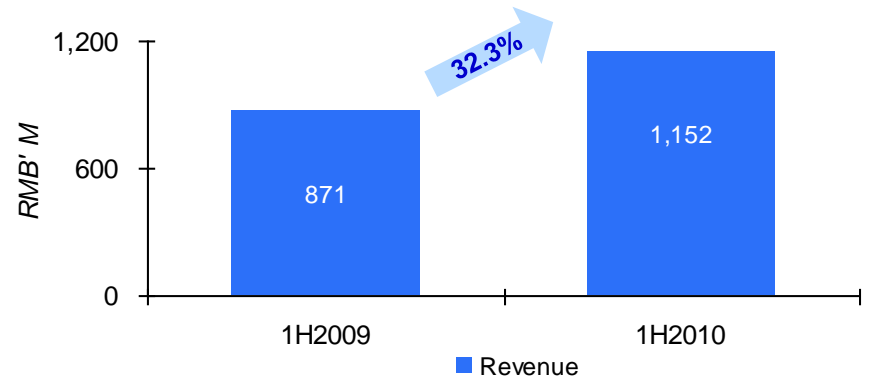
Note 3: *Adjusted gearing ratio excludes the effects of matching pledged/restricted bank deposits and short-term bank loans.*

Strong Growth and Profitability

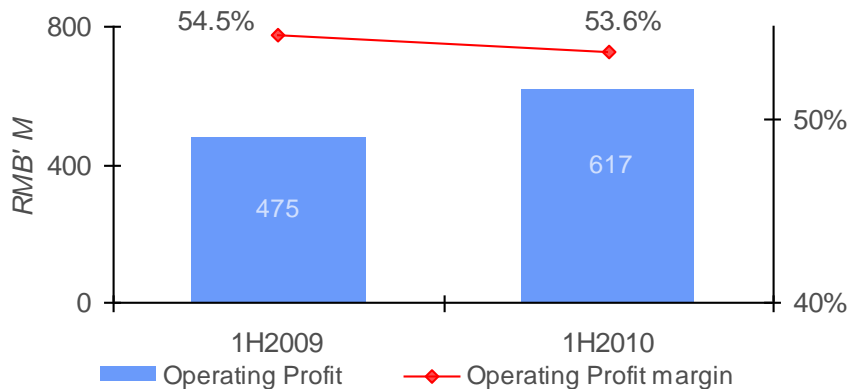
GSP & Commission Rate



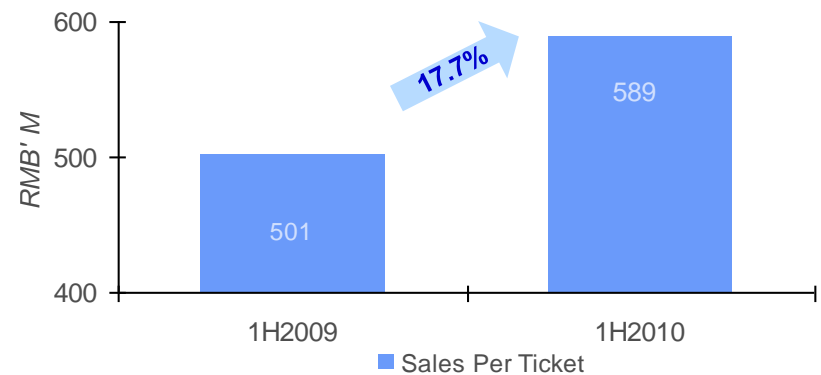
Revenue



Operating Profit

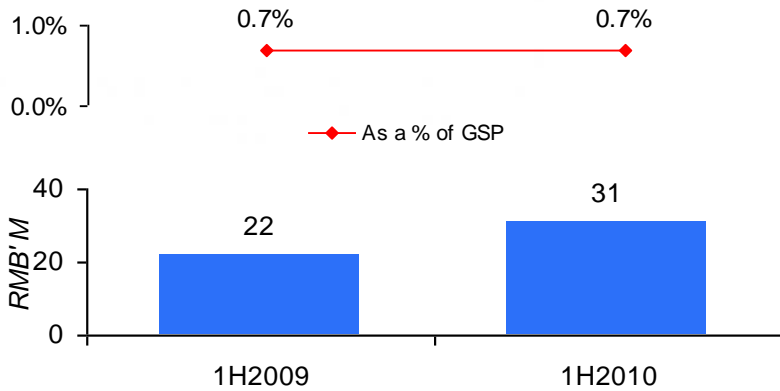


Sales Per Ticket (same store basis)

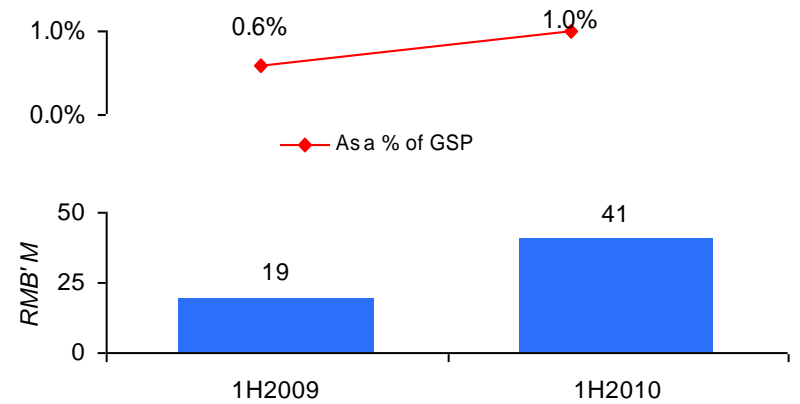


Stable Expense Ratios

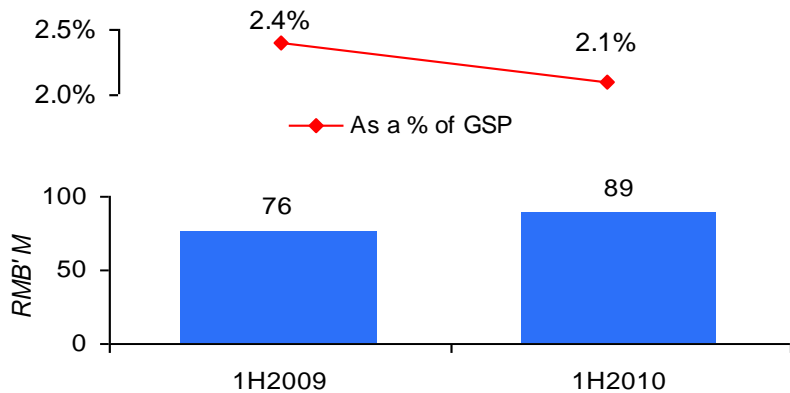
Advertising and Promotion Expense



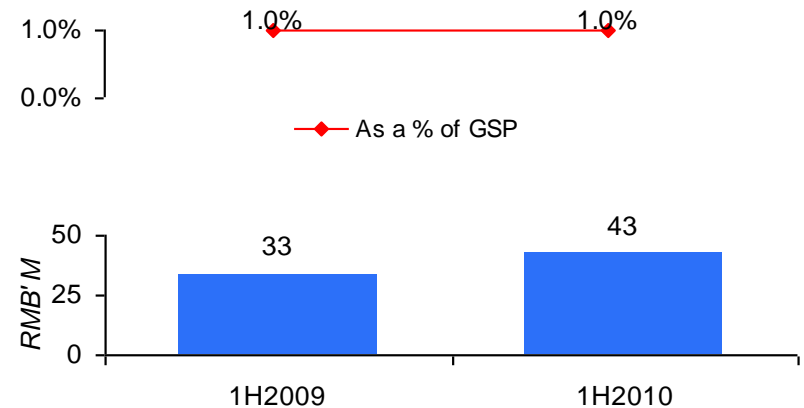
Rental Expense



Staff Expense



Water and Electricity Expense



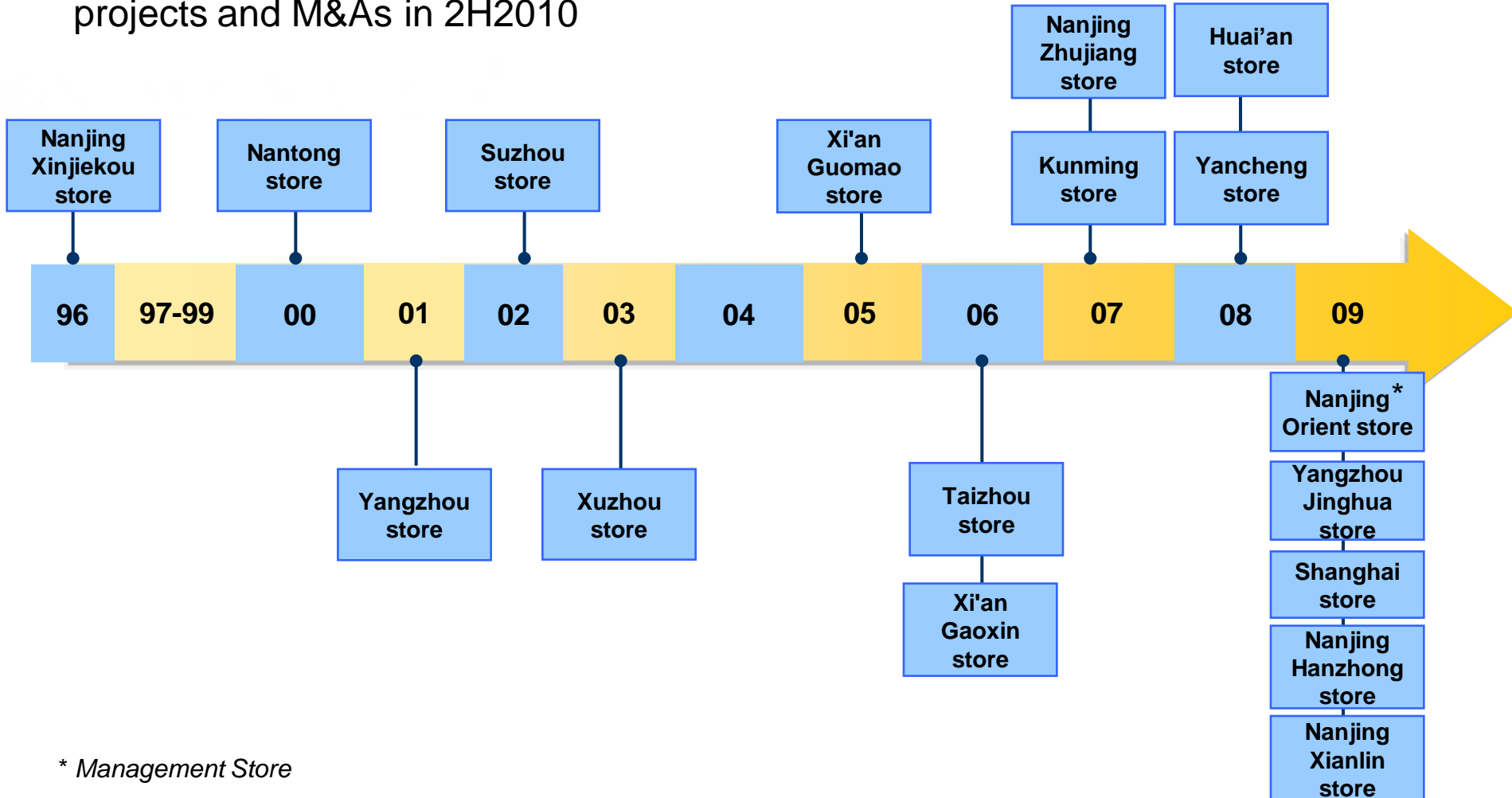


Business Review



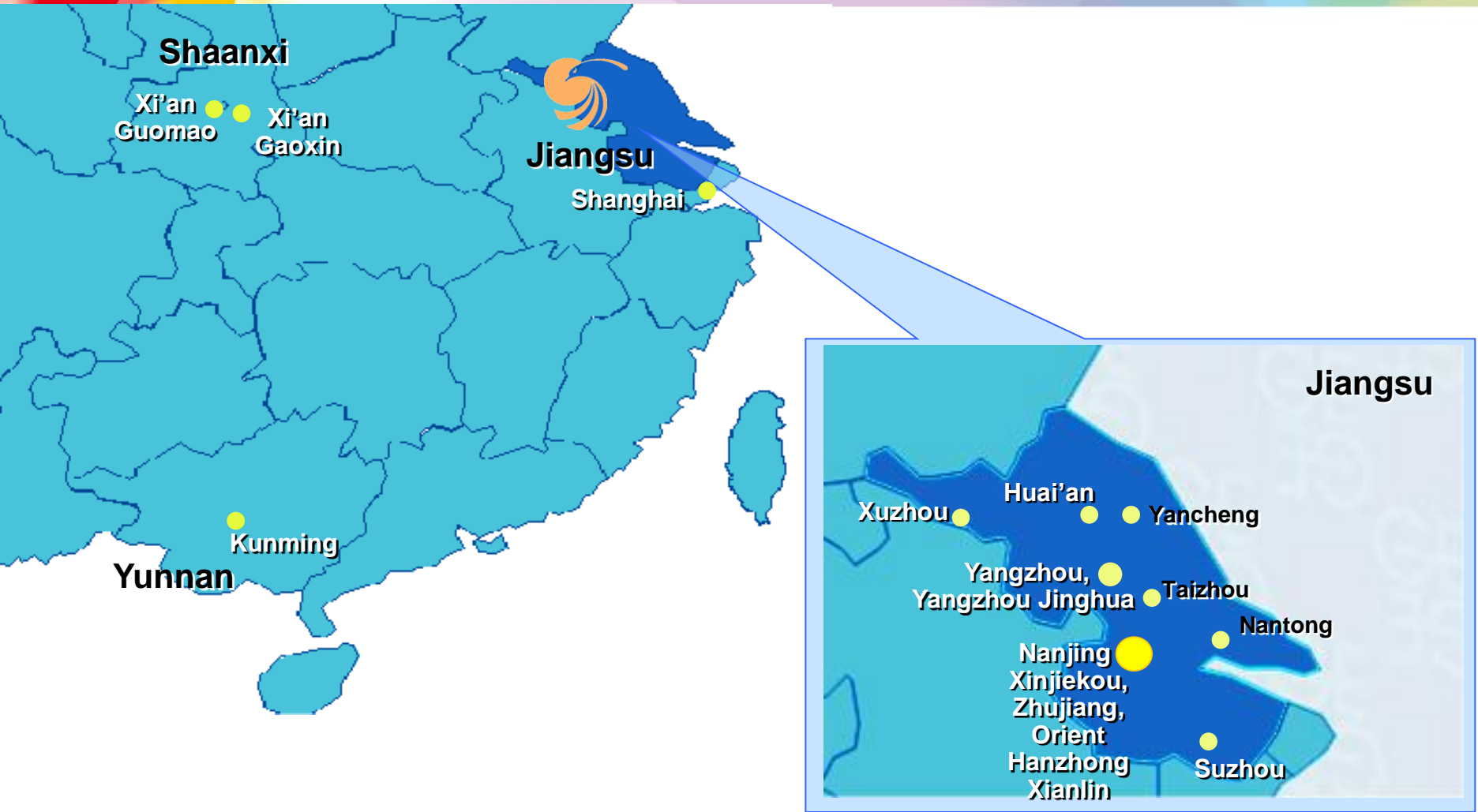
Growing Presence in the PRC

- ▶ Including Nanjing Orient Store, the Group's GFA has reached approx. 539,000 sq. m. as at 30 June 2010 and will reach to at least 610,000 sq.m. with the committed projects and M&As in 2H2010



* Management Store

Extensive Store Network



Rapidly Growing Store Sales

The leading stylish premium department store chain in second-tier cities, catering for the high-end retail market

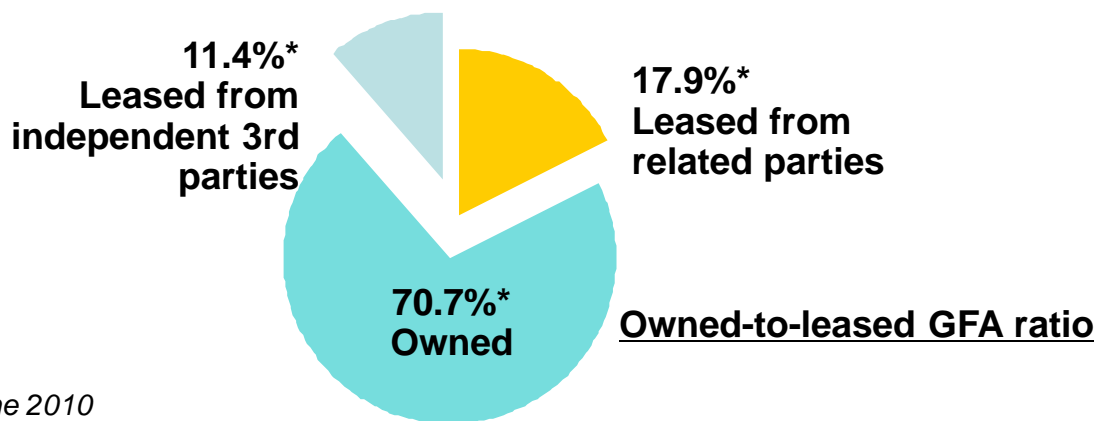
	NJ Xinjiekou	Nantong	Yangzhou	Suzhou	Xuzhou	Xi'an Guomao	Xi'an Gaoxin	Taizhou	Kunming	NJ Zhujiang	Huai'an	Yancheng	Yangzhou Jinghua	SH	NJ Hanzhong	NJ Xianlin
Years into operation (1)	14 Years	9.5 Years	8.5 Years	7.5 Years	6.5 Years	4.5 Years	4 Years	3.5 Years	3 Years	2.5 Years	1.5 Years	1.5 Years	1 Year	1 Year	1 Year	0.5 Year
1H 2010 sales (RMB' M)	1,600	130	612	148	699	47	376	306	134	167	149	243	90	201	87	39
1H 2010 sales growth (%)	15.0%	0.9%	16.8%	9.8%	26.8%	18.5%	49.3%	44.0%	29.6%	49.5%	52.1%	85.7%	NA	NA	NA	NA
Operating Area (sq.m.)	25,034	5,711	28,609	12,089	37,183	6,923	20,455	33,273	24,158	23,961	30,859	33,750	19,173	15,229	10,887	16,800

(1) As at 30 June 2010



Self Owned Properties

- ▶ Self owned properties in prime locations account for 70.7% of our GFA



* As a percentage of total GFA (sq. m.) as at 30 June 2010

Store (in operation)	Owned / leased	GFA (sq. m.)
Nanjing Xinjiekou	Owned	33,447
Nantong	Owned	8,795
Yangzhou	Owned / leased	37,562 / 3,450
Suzhou	Leased	14,960
Xuzhou	Owned	51,266
Xi'an Guomao	Leased	10,029
Xi'an Gaoxin	Owned	27,287
Taizhou	Owned	58,374

Store (in operation)	Owned / leased	GFA (sq. m.)
Kunming	Owned	33,702
Nanjing Zhujiang	Leased	33,578
Huai'an	Owned	49,689
Yancheng	Owned	62,000
Yangzhou 2	Leased	29,598
Shanghai	Leased	21,306
Nanjing Hanzhong	Leased	12,462
Nanjing Xianlin	Leased	24,440

Total

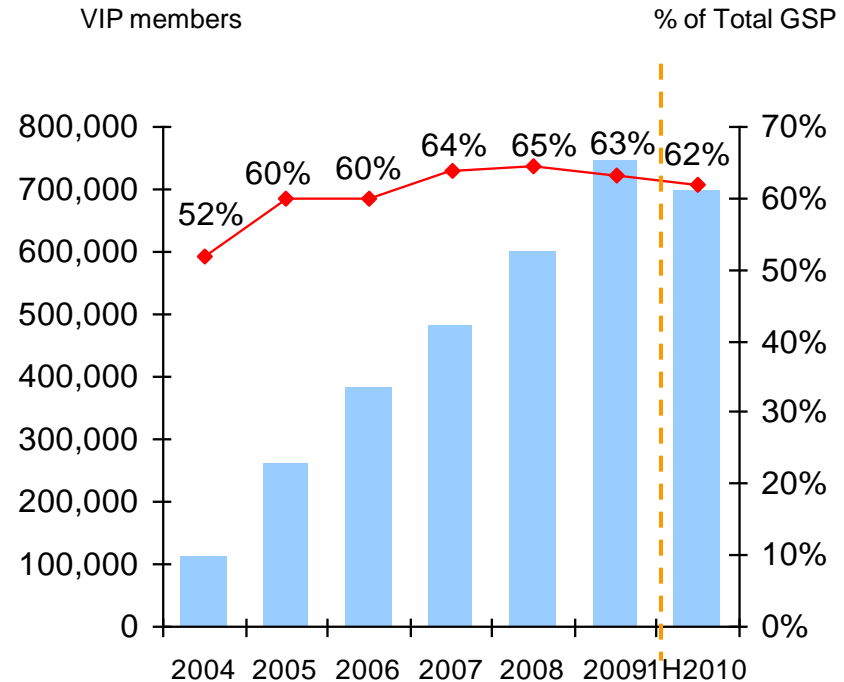
511,945

A Broad VIP Customer Base

A broad and growing VIP customer base has continued to strengthen customer loyalty and pave way for long term growth

- ▶ 697,000 members*
- ▶ VIP consumption accounted for 62.0% of total GSP in 1H2010
- ▶ 3 classes: Platinum, Gold and Silver
- ▶ Application and renewal based on spending
- ▶ Bonus awards, exclusive benefits
- ▶ Introduced Co-branded credit cards with Bank of China and Bank of Shanghai respectively

Purchases by VIP members

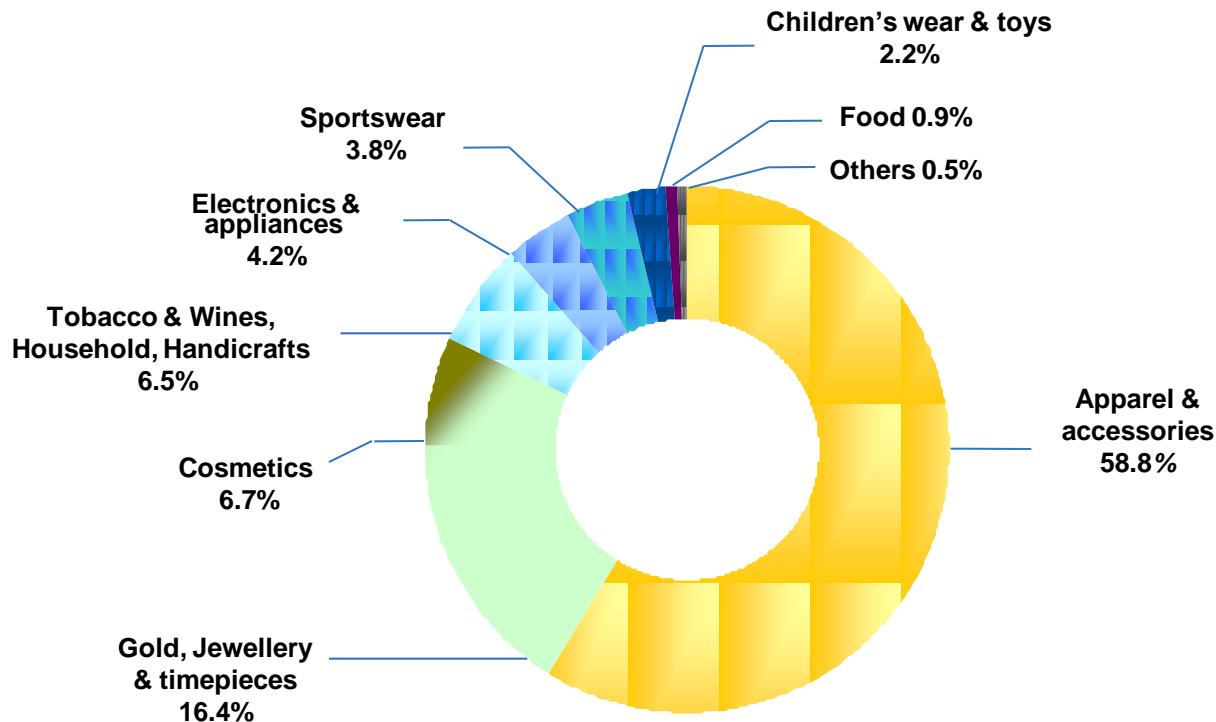


* As at 30 June 2010

Merchandise Offering

- ▶ Offer a wide range of mid-to-high end merchandise to meet the “one-stop shopping” needs of our customers

Merchandise Mix in 1H2010



Premium Brand Portfolio

Diversified merchandise offering >2,300 renowned brands

1H2010 Sales growth (same store basis)

Apparel & Accessories



23.1%

Gold, Jewelry & Timepieces



42.9%

Cosmetics



23.3%



Post Balance Sheet Event



Acquisition of 2 Department Stores in Hefei

On 27 July 2010, the Group had successfully acquired 100% equity interests in Anhui Ruijing Commercial Company Limited (“Anhui Ruijing”) at a consideration of RMB 267 million via open auction.

Anhui Ruijing operates two mid-to-high end department stores in Hefei City, Anhui Province, namely Ruijing Shopping Center (瑞景名品中心) and Ruijing International Shopping Plaza (瑞景國際購物廣場). Both department stores are operating at leased properties, with a GFA of 10,356 sq. m. and 12,294 sq. m. respectively.





Latest Store Expansion Plan



Upcoming New Stores

Upcoming store GFA (sq. m.)	Owned / leased	2010	2011	2012	2013
Hefei Ruijing, Anhui	Leased	10,356			
Hefei Ruijing II, Anhui	Leased	12,294			
Huaibei, Anhui	Leased	29,133			
Hefei, Anhui	Leased	75,600			
Yancheng Additional	Owned	19,476			
Suqian, Jiangsu	Owned		67,000		
Jiangning, Nanjing	Owned		50,000		
Hexi, Nanjing	Owned		70,000		
Kunshang, Jiangsu	Owned		50,000		
Kunming II, Yunnan	Leased		39,000		
Liyang, Jiangsu	Owned			50,000	
Danyang, Jiangsu	Leased			50,000	
Lianyungang, Jiangsu	Owned			40,000	
Xinjiekou II, Nanjing	Owned			50,000	
Changzhou, Jiangsu	Owned			80,000	
Nantong II, Jiangsu	Owned				60,000
Total	2009: 511,945	146,859	276,000	270,000	60,000

Upcoming New Stores (Cont'd)



Huaibei Store

Gross Floor Area: 29,133 sq. m.

Soft opening date: 4Q2010

Hefei Store

Gross Floor Area: 75,600 sq. m.

Soft opening date: 4Q2010 or early 2011

Yancheng Additional Area

Gross Floor Area: 19,476 sq. m.

Soft opening date: 4Q2010



Future Strategies



Operating and Growth Strategy

Operating Strategy

- ▶ Continuous brand portfolio adjustment and launch innovative promotional campaigns
- ▶ Self-owned properties or long-term leases enable the Group to be immune from rental inflation and to enjoy the upside of owned properties' appreciation
- ▶ Implement effective cost control, optimize operation flow and enhance overall management efficiency

Growth Strategy

- ▶ Sustain our leading position in Jiangsu Province
- ▶ Expedite the progress of entering the Anhui market
- ▶ Expand further in Xi'an and Kunming
- ▶ Merger and acquisition of companies that provide attractive returns

Our Mission



“To be the leading premium department store chain in the PRC”



Open Forum



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