



Interim Results 2011

August 2011



Achievements in 1H2011



金鷹商貿集團有限公司
GOLDEN EAGLE RETAIL GROUP LIMITED

- ▶ **Achieved encouraging results amid challenging market landscape in 1H2011**
 - ✓ Total GSP increased to RMB6.9 billion, ↑ 37.1%
 - ✓ Concessionaire rate decreased slightly to 20.0%
 - ✓ Profit from operations increased to RMB777.3 million, ↑ 26.0%.
 - ✓ Profit for the period increased to RMB612.2 million, ↑ 32.5%.
- ▶ **Same store sales growth (“SSSG”) maintained at a high level of 28.7%**
- ▶ **Number of VIPs reached over 842,000, accounting for 61.8% of the Group’s total GSP**
- ▶ **Working actively on the store expansion plan**



1H2011 Financial Highlights

<i>Six months ended 30 June (RMB million)</i>	1H2011	1H2010	(+/-)
Gross Sales Proceeds (GSP)	6,903.0	5,034.1	+37.1%
- Concessionaire Sales	6,353.6	4,660.2	+36.3%
- Direct Sales	518.9	350.3	+48.1%
- Rental Income and Management Service Fees	30.5	23.6	+29.5%
EBITDA	856.3	676.8	+26.5%
EBIT (Profit from operations)	777.3	616.9	+26.0%
Profit Attributable to Shareholders	612.2	462.0	+32.5%
EPS – Basic (RMB)	0.315	0.238	+32.4%



Financial Position



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<i>RMB Million</i>	As at 30 Jun 2011	As at 31 Dec 2010
Total Assets	8,590.1	7,984.3
Total Liabilities	4,564.9	4,304.1
Net Assets	4,025.2	3,680.2
Short-term Bank Loans	843.0	458.4
Cash and Near Cash (note 1)	2,632.3	2,746.5
Gearing Ratio (note 2)	9.8%	5.7%
Adjusted Gearing Ratio (note 3)	-	-

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

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

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



Cash Flow Statement



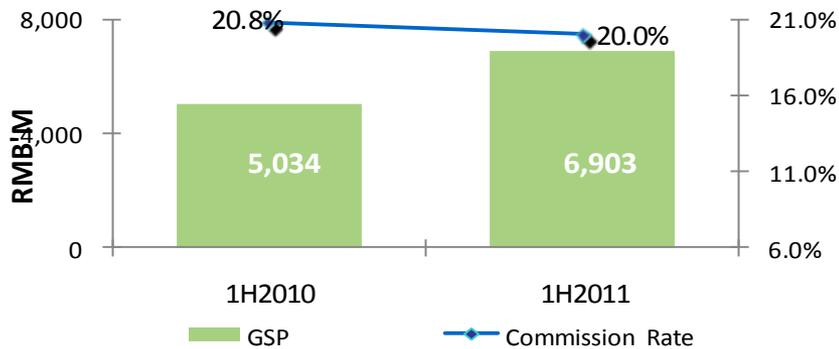
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<i>Six months ended 30 June (RMB million)</i>	1H2011	1H2010	(+/-)
Net cash from operating activities	542.9	505.1	+7.5%
Investing activities	(1,607.5)	(1,462.7)	+9.9%
Capex for the period	(745.0)	(552.0)	+35.0%
Net investments in short-term bank related deposits	(840.0)	(632.8)	+32.7%
Financing activities	107.9	(7)	NA
Net decrease in cash and cash equivalents	(956.7)	(964.6)	-0.8%

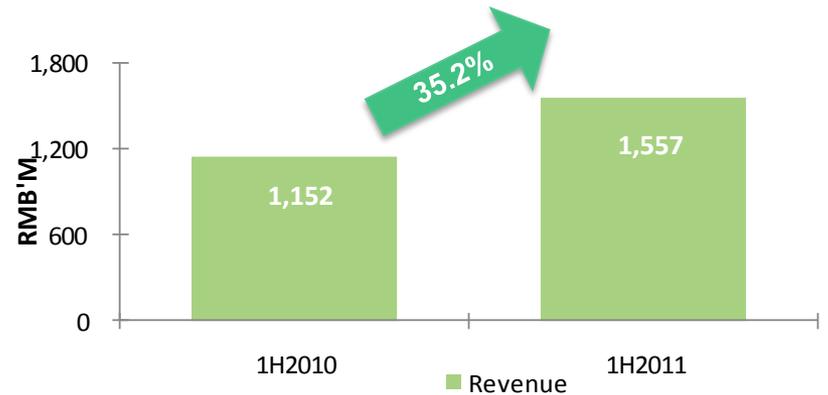


Strong Growth and Profitability

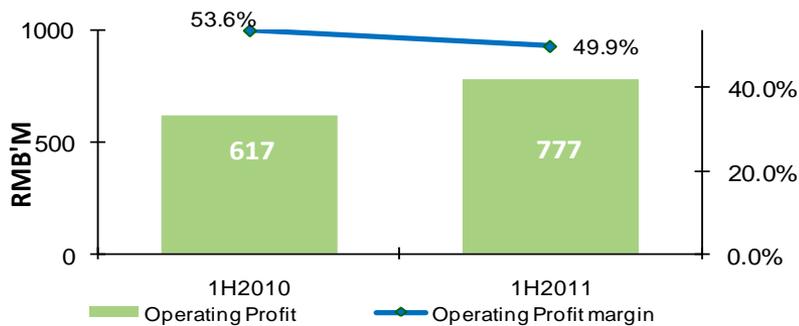
GSP & Commission Rate



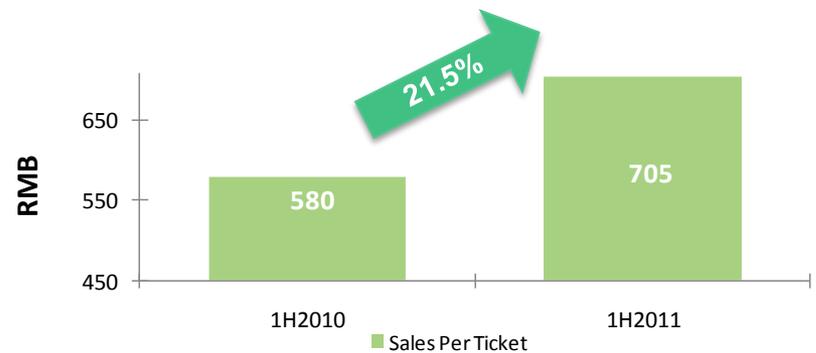
Revenue



Operating Profit



Sales Per Ticket (same store basis)



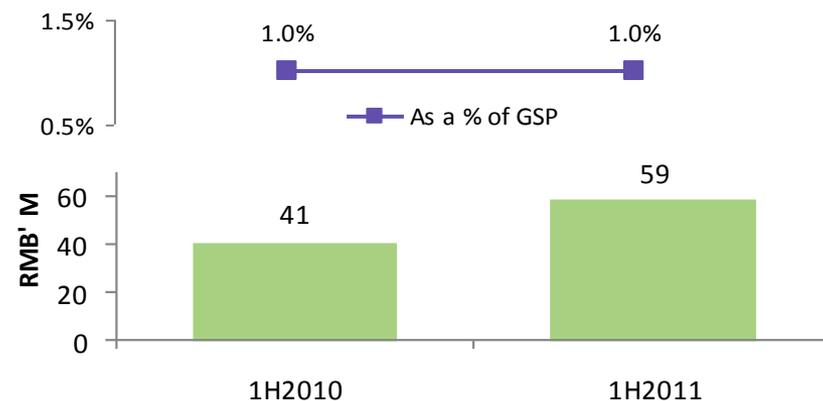


Stable Expense Ratios

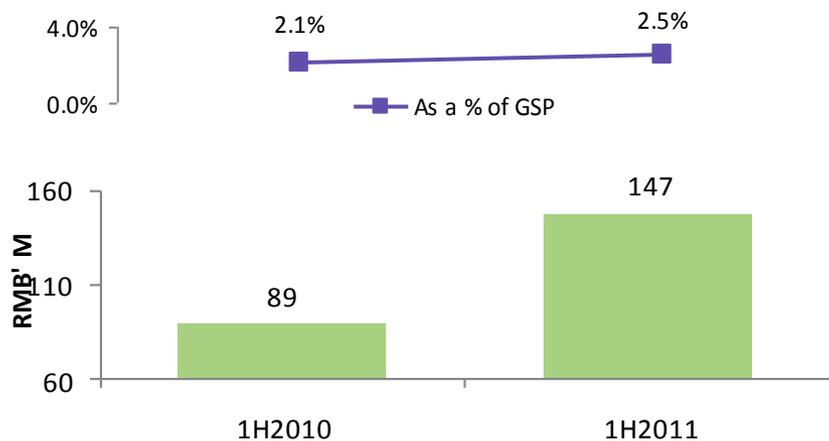
Advertising and Promotion Expense



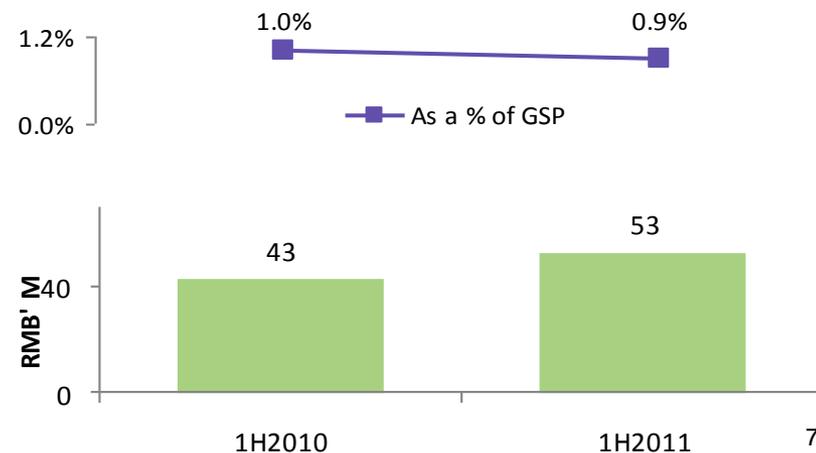
Rental Expense



Staff Expense



Water and Electricity Expense

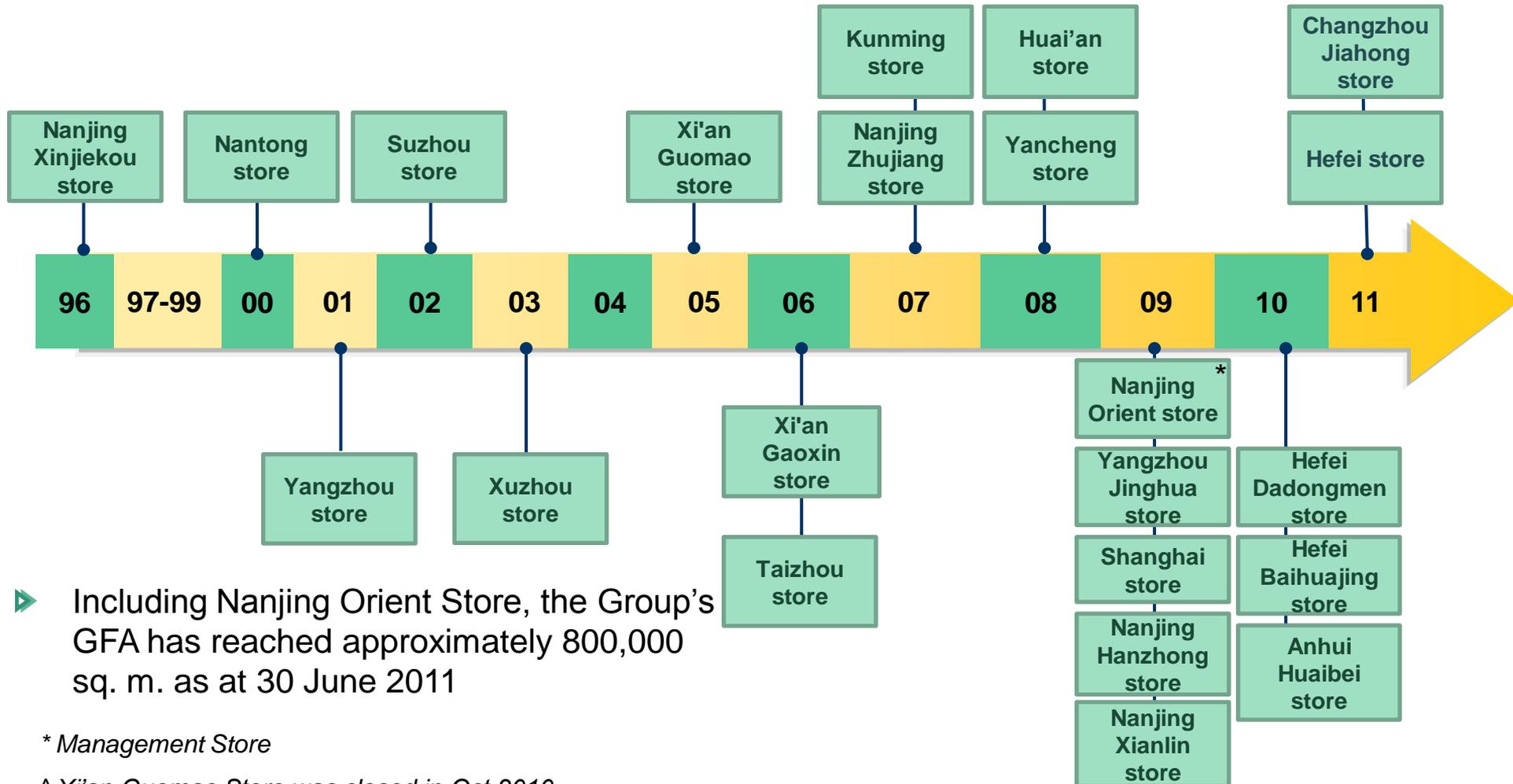




Business Review



Growing Presence in the PRC



▶ Including Nanjing Orient Store, the Group's GFA has reached approximately 800,000 sq. m. as at 30 June 2011

* Management Store

^ Xi'an Guomao Store was closed in Oct 2010



Extensive Store Network



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Rapidly Growing Store Sales

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

Chain Store	Years into operation ⁽¹⁾	1H2011 sales (RMB' M)	1H2011 sales growth (%)	Operating Area * (sq.m.)	Sales Per Ticket (RMB)
Nanjing Xinjiekou	15 Years	1,863	16.4%	25,010	1,036
Nantong	10.5 Years	152	16.5%	5,743	739
Yangzhou	9.5 Years	760	24.1%	28,751	728
Suzhou	8.5 Years	178	20.3%	12,089	529
Xuzhou	7.5 Years	921 ⁽²⁾	31.8% ⁽²⁾	43,459	697
Xi'an Gaoxin	5 Years	561	49.4%	20,767	769
Taizhou	4.5 Years	385	25.8%	36,579	621
Kunming	4 Years	171 ⁽³⁾	27.2% ⁽³⁾	72,954	1,092
Nanjing Zhujiang	3.5 Years	245	47.1%	26,146	479

(1) As at 30 June 2011

(2) Includes sales contribution from 8,668 sq.m. additional area opened in December 2010

(3) Excluding Phase 2, sales growth would be 25.6%



Rapidly Growing Store Sales (cont'd)

Chain Store	Years into operation ⁽¹⁾	1H2011 sales (RMB' M)	1H2011 sales growth (%)	Operating Area * (sq.m.)	Sales Per Ticket (RMB)
Huai'an	2.5 Years	192	28.7%	31,273	534
Yancheng	2.5 Years	420	73.1%	46,874	494
Yangzhou Jinghua	2 Years	129	43.4%	19,190	459
Shanghai	2 Years	232	15.5%	16,810	2,702
Nanjing Hanzhong	2 Years	111	27.5%	10,261	257
Nanjing Xianlin	1.5 Years	92 ⁽⁴⁾	136.9% ⁽⁴⁾	24,527	254
Hefei Dadongmen	Since August 2010	126	NA	8,635	3,197
Hefei Baihuajing	Since August 2010	193	NA	9,703	910
Anhui Huaibei	Since Nov 2010	74	NA	22,632	543

(1) As at 30 June 2011

(4) Excluding additional area, sales growth would be 85.1%

* Total operating area of 532,983 sq.m. as at 30 June 2011





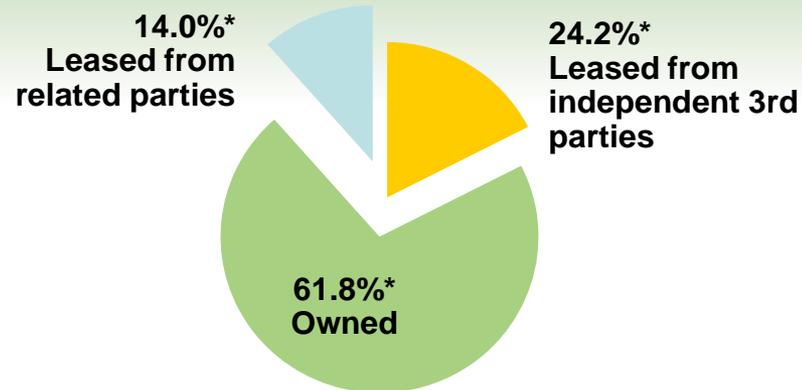
Self Owned Properties



▶ Self owned properties in prime locations account for 61.8% of our GFA

• As a percentage of total GFA (sq. m.) as at 30 June 2011

^ Including 82,276 sq.m. Phase 2 additional area



Owned-to-leased GFA ratio

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	15,916
Xuzhou	Owned	59,934
Xi'an Gaoxin	Owned	27,671
Taizhou	Owned	64,319
Kunming [^]	Owned	115,722
Nanjing Zhujiang	Leased	33,578
Huai'an	Owned	47,607

Store (in operation)	Owned / leased	GFA (sq. m.)
Yancheng	Owned	84,274
Yangzhou Jinghua	Leased	24,465
Shanghai	Leased	23,354
Nanjing Hanzhong	Leased	12,462
Nanjing Xianlin	Leased	38,937
Hefei Dadongmen	Leased	10,356
Hefei Baihuajing	Leased	12,294
Anhui Huaibei	Leased	29,616
Anhui Hefei	Leased	58,531
Changzhou Jiahong	Leased	32,676

Total

774,966



A Broad VIP Customer Base



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

- ▶ 842,000 members*
- ▶ VIP consumption accounted for 61.8% of total GSP in 1H2011
- ▶ 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, China Merchants Bank and Bank of Shanghai respectively

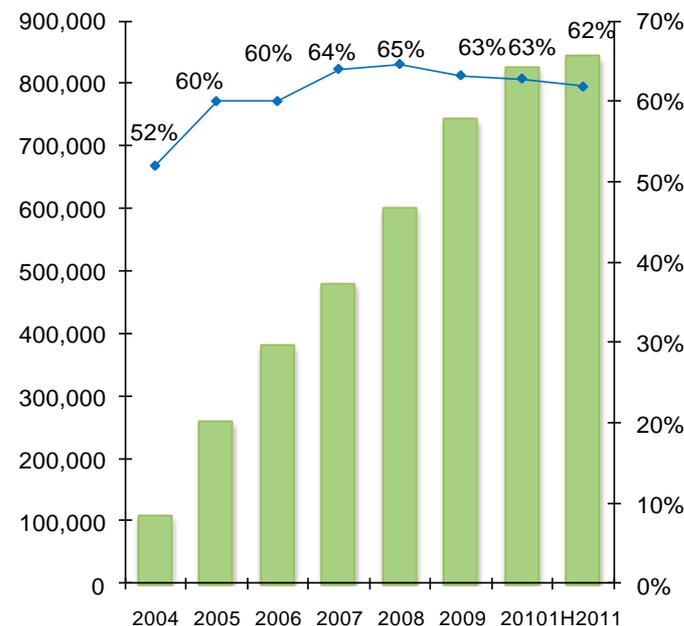
* As at 30 June 2011



Purchases by VIP members

VIP members

% of Total GSP

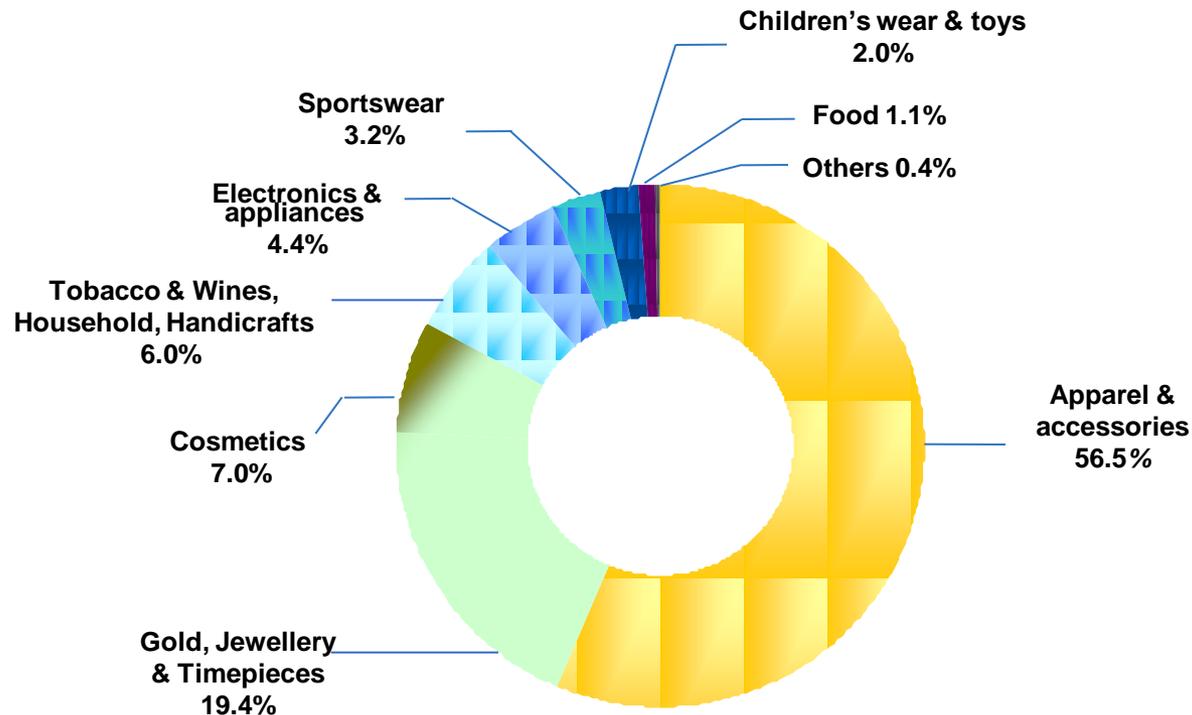




Merchandise Offering

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

Merchandise Mix in 1H2011





Merchandising Offering



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	1H2011 Sales growth (same store basis)	% to GSP by merchandise categories	
		1H2011	1H2010
Apparel & Accessories	24.2%	56.5%	58.8%
Gold, Jewellery & Timepieces	51.8%	19.4%	16.4%
Cosmetics	30.2%	7.0%	6.7%



Future Strategies



Operating and Growth Strategy



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Operating Strategy

- ▶ Continuous merchandising adjustments, effective marketing and promotion campaigns and customer services enhancement
- ▶ Implement effective cost control and optimize operation flow
- ▶ Self-owned properties or long-term leases

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 is in line with our strategy



Upcoming New Stores



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Upcoming store GFA (sq. m.)	Owned / Leased	2H2011	2012	2013	2014
Xi'an 2, Shaanxi (1)	Leased	19,000			
Kunming 3, Yunnan	Leased	39,000			
Suqian, Jiangsu	Owned	67,000			
Xuzhou 2, Jiangsu	Owned	35,800			
Liyang, Jiangsu	Owned	70,700			
Yancheng Additional, Jiangsu (2)	Owned	10,800			
Huaibei Additional, Anhui (2)	Leased	7,700			
Yancheng 2, Jiangsu (2)	Leased		20,000		
Changzhou 2, Jiangsu (2)	Leased		54,500		
Danyang, Jiangsu	Leased		50,000		
Xi'an 3, Shaanxi	Leased		62,500		
Kunshan, Jiangsu	Owned		118,500		
Ma'anshan, Anhui	Owned		50,000 (2)		
Xinjiekou 2, Nanjing	Owned			50,000	
Nantong 2, Jiangsu	Owned			60,000	
Jiangning, Nanjing	Owned			100,000	
Changzhou 3, Jiangsu	Owned				80,000
Hexi, Nanjing	Owned				160,000 (2)
Total	1H2011: 774,966	250,000	355,500	210,000	240,000

(1) The new location for our previous Xi'an Guomao Store

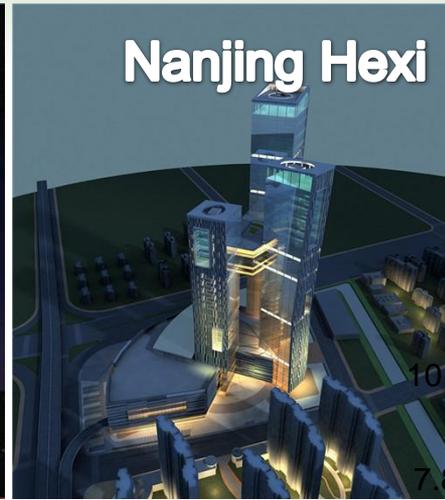
(2) Addition/revised since March 2011 Annual Presentation



Upcoming New Stores



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Our Mission



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



Open Forum



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