



Rating  
**Buy**

Asia  
China

Consumer  
Retail / Wholesale Trade

Company  
**Belle International  
Alert**

Reuters 1880.HK    Bloomberg 1880 HK    Exchange HKG    Ticker 1880  
ADR Ticker BELLY    ISIN US0784541056

Date  
9 March 2015

**Company Update**

Price at 6 Mar 2015 (HKD)	8.13
Price target - 12mth (HKD)	12.00
52-week range (HKD)	10.32 - 7.41
HANG SENG INDEX	24,164

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## 4QFY15 – footwear SSS remains weak but sportswear SSS recovers

### 4QFY15 performance

Belle announced 4QFY15 SSSG of -4.2% and +10.9% for footwear and sportswear, respectively. The total store number was 20,557 by the end of the fiscal year – 14,128 footwear stores and 6,429 sportswear stores.

### Deutsche Bank view – no further deterioration in its rate of decline

For footwear SSS in 4QFY15 was similar to that in 3QFY15, while for sportswear it recovered. We will share more information once we have a discussion with management.

### Stock data

Market cap (HKDm)	68,628
Market cap (USDm)	8,848
Shares outstanding (m)	8,441.3
Major shareholders	Sheng & Tangs (58.3%)
Free float (%)	27
Avg daily value traded (USDm)	16.704

Source: Deutsche Bank

### Key data

FYE 2/28	2014A	2015E	2016E
Sales (CNYm)	36,794	40,211	43,489
Net Profit (CNYm)	4,401.8	4,625.3	4,977.9
DB EPS (CNY)	0.52	0.55	0.59
PER (x)	16.6	12.0	11.1
Yield (net) (%)	2.3	8.8	5.4

Source: Deutsche Bank

Figure 1: Store data and SSSG trend

Period	Absolute store increase						Belle SSSG trend		
	Footwear	Sportswear	Footwear/sportswear			Period	Footwear	Sportswear	
	Sub-total	Sub-total	Total	Sub-total	Sub-total	Total			
31/03/2011	8,615	3,787	12,402	303	132	435	1Q11	22.0%	7.0%
30/06/2011	9,153	4,004	13,157	538	217	755	2Q11	20.0%	5.5%
30/09/2011	9,544	4,306	13,850	391	302	693	3Q11	18.5%	2.5%
12/31/2011	10,270	4,680	14,950	726	374	1,100	4Q11	8.2%	3.5%
3/31/2012	10,608	4,819	15,427	338	139	477	1Q12	2.8%	-2.4%
31/06/2012	11,022	4,942	15,964	414	123	537	2Q12	10.5%	5.0%
31/09/2012	11,518	5,157	16,675	496	215	711	3Q12	2.8%	3.6%
31/12/2012	12,090	5,474	17,564	572	317	889	4Q12	3.0%	10.0%
3/31/2013	12,362	5,528	17,890	272	54	326	1Q13	4.5%	11.0%
31/06/2013	12,532	5,784	18,316	170	256	426	2Q13	0.5%	2.5%
31/09/2013	12,816	5,780	18,596	284	(4)	280	3Q13	1.3%	4.5%
31/12/2013	13,183	5,894	19,077	367	114	481	4Q13	1.3%	5.0%
2/28/2014	13,252	5,925	19,177				Dec 13-Feb 14	-2.7%	7.0%
5/31/2014	13,573	6,029	19,602	321	104	425	Mar 14-May 14	-1.8%	15.3%
8/31/2014	13,491	6,055	19,546	(82)	26	(56)	Jun 14-Aug 14	-2.8%	14.4%
11/30/2014	13,778	6,168	19,946	287	113	400	Sept-14-Nov 14	-5.6%	5.3%
2/28/2015	14,128	6,429	20,557	350	261	611	Dec 14-Feb 15	-4.2%	10.9%

Source: Deutsche Bank, company data

Deutsche Bank AG/Hong Kong

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