



**PRESS RELEASE**

**Yue Yuen Announces FY2009 First Quarter Results**

*Tackling the challenges arising from a weak global economy*

(Hong Kong, 31 March 2009) – **Yue Yuen Industrial (Holdings) Limited** (“the Group”, stock code: 551) today announced its unaudited consolidated results for the first quarter of Fiscal Year 2009 ended 31st December, 2008. Turnover increased year-on-year by 17.7% to US\$ 1,358.7 million and the profit attributable to equity holders of the Company increased by 9.6% year-on-year to US\$ 109.3 million.

Ongoing consolidation of the supply chain for the footwear manufacturing business was a positive influence on the Group during the three month period. For the first quarter there was a 17.6% year-on-year increase in footwear manufacturing turnover to US\$ 1,004.5 million and a corresponding 6.9% year-on-year increase in footwear production volume to 68.4 million pairs. Wholesale and retail operations in China, Hong Kong and Taiwan saw growth in consumer spending for athletic footwear and apparel so that their turnover increased year-on-year by 40.4% to US\$229.8 million.

**Total Turnover by Product Category**

Three months ended 31st Dec	2008		2007		y-o-y % change
	US\$ millions	%	US\$ millions	%	
Athletic Shoes	768.8	56.6	663.5	57.5	15.9
Casual/Outdoor Shoes	209.4	15.4	169.5	14.7	23.6
Sports Sandals	26.3	1.9	21.0	1.8	25.5
Retail Sales - Shoes & Apparel	229.8	16.9	163.7	14.2	40.4
Soles, Components & Others	124.4	9.2	136.5	11.8	(8.9)
<b>Total Turnover</b>	<b>1,358.7</b>	<b>100.0</b>	<b>1,154.2</b>	<b>100.0</b>	<b>17.7</b>

**Total Turnover by Geographical Market**

Three months ended 31st Dec	2008		2007		y-o-y % change
	US\$ millions	%	US\$ millions	%	
U.S.A.	407.9	30.0	347.2	30.1	17.5
Canada	26.0	1.9	21.2	1.8	22.2
Europe	342.5	25.2	310.7	26.9	10.2
South America	57.4	4.2	35.3	3.1	63.0
Asia	486.2	35.8	409.7	35.5	18.7
Other Areas	38.7	2.9	30.1	2.6	28.5
<b>Total Turnover</b>	<b>1,358.7</b>	<b>100.0</b>	<b>1,154.2</b>	<b>100.0</b>	<b>17.7</b>



## Yue Yuen Industrial (Holdings) Limited

### Further Information:

In the first two months of the second quarter of FY2009 (January and February of 2009), the Group recorded aggregate revenue of US\$809.2 million, a rise of 3.7% year-on-year. The Footwear manufacturing business recorded orders similar in value to those seen in the previous year. Wholesale and retail operations in China, Hong Kong and Taiwan still saw growth in consumer spending.

“The outlook for the global economy is uncertain. Supply chain consolidation has led to moderate sales growth in the first five months of FY2009 for the footwear manufacturing business. The management of the retail and wholesale operations in the Greater China Region will focus on improving their operating efficiency,” said Mr. Tsai Chi Neng, Chairman of the Group.

### **Yue Yuen Industrial (Holdings) Ltd.**

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## Consolidated Income Statement

For the three months ended 31st December, 2008

	For the three months ended 31 December,	
	2008 (Unaudited) US\$'000	2007 (Unaudited) US\$'000
Turnover	1,358,682	1,154,210
Cost of sales	<u>(1,023,641)</u>	<u>(869,302)</u>
Gross profit	335,041	284,908
Other income	36,670	38,711
Selling and distribution expenses	(105,746)	(69,682)
Administrative expenses	(103,123)	(90,003)
Other expenses	(41,430)	(38,461)
Fair value changes on derivative financial instruments	(6,300)	(15,411)
Finance costs	(17,141)	(16,441)
Share of results of associates	9,284	9,213
Share of results of jointly controlled entities	<u>4,351</u>	<u>4,771</u>
Profit before taxation	111,606	107,605
Income tax expense	<u>(4,247)</u>	<u>(2,643)</u>
Profit for the period	<u>107,359</u>	<u>104,962</u>
Attributable to:		
Equity holders of the Company	109,314	99,756
Minority interests	<u>(1,955)</u>	<u>5,206</u>
	<u>107,359</u>	<u>104,962</u>