

EXTRACT**Content:**

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Women's Apparel Sales in BJ Worth CNY280 million in May

DATE: 2012-08-03

According to Beijing Commercial Information Consultation Center, sales value of women's Apparel in Beijing 18 mid-to-high range department stores in April 2012 and in May 2012 were CNY243 million and CNY280 million respectively. In April, women's apparel sales value down 18.59% m/m and down 5.75% y/y; In may, women's apparel sales value up 15.12% m/m and up 2.2% y/y.

Looking further into the sales rank of department stores, Cuiwei Place was champion both in April and in May. Cuiwei Place reported a CNY48.08 million sales value in May. Yansha Youyi rose from the 18th in April to the second in May. Wangfujing department store retained the third place. Looking further into the sales rank of women's apparel brands in may, MeierMei, Ports and Marisfrolg claimed the 1st, 2nd and 3rd rank respectively in sales value. Among them, MeierMei reported a CNY6.47 million sales value.

Yansha Youyi returned back to the top three in sales value

In May 2012, the 18 mid-to-high range department stores participated in the statistics, most of them achieved growth in women's apparel sales value. Compared with April overall sales value increased 15.12%.

Cuiwei Place won the champion with women's apparel sales value was CNY48.08 million, increased 31.88% m/m. Yansha Youyi claimed the 2nd with women's apparel sales value was CNY38.47 million, increased greatly up to 2186.6% m/m. Wangfujing department store claimed the 3rd rank with women's apparel sales value was CNY27.78million. Ranked fourth was Shuang'an, with a CNY21.39 million in women's apparel sales value, increased 8.46%. Dangdai claimed the fifth with CNY20.66 million. The rest of the department stores were less than CNY20 million in women's apparel sales value.

Looking further into the accumulated sales value rank of top 10 department stores in the period January-May 2012, Cuiwei Place and Yansha Youyi claimed the 1st and 2nd rank. Both were more than 10% market share in accumulated sales value. Wangfujing department store and Shunyi Guotai claimed the 3rd and the fourth, shared more or less 9.5% respectively. The rest of the department stores were less than 8% respectively.

Source: China Textile Network Company

Top 10 department stores in terms of accumulated sales value of women's apparel in Jan. - May 2012

Rank	Stores	Marketshare(%)	Rank in the last month
1	Cuiwei Place	13.58	1
2	Yansha Youyi	10.43	3
3	Wangfujing department store	9.57	4
4	Shunyi Guotai	9.57	2
5	Dangdai	7.24	6
6	Xidan Department store	7.22	5
7	Shuang'an Department Store	7.03	7
8	Urban-Rural Trade Center	6.33	8
9	Scitech	5.67	9
10	Chang'an Department Store	5.67	10

In May 2012, The 18 mid-to-high range department stores participated in the statistics, the overall women's apparel sales volume decreased 9.81% compared with April. Urban-Rural Trade Center shared of 13.27% in sales volume rose to the top position. Cuiwei Place was equally significant, with 12.81% rose to the second place. Xidan Department store and Shunyi Guotai sharply declined in sales volume, slipped to the third and the ninth places respectively. The third to the tenth were less than 10% in market share.

Top 10 department stores in terms of sales volume of women's apparel in May 2012

Rank	Stores	Marketshare(%)	Rank in the last month	Change(%)
1	Urban-Rural Trade Center	13.27	3	11.05
2	Cuiwei Plac	12.81	4	47.77
3	Xidan Department store	9.43	2	-23.26
4	Wangfujing department store	7.72	5	3.4
5	Fuxing Commercial City	7.1	6	9.62
6	Chang'an Department Store	6	11	58.22
7	Ganjiakou Mansion	5.74	7	11.06
8	Zihexin plaza	5.33	9	11.88
9	Shunyi Guotai	5.1	1	-82.36
10	Dangdai	4.95	8	0.31

Crcara had a significantly growth and entered the top ten

Looking further into the top 10 women's apparel brands in terms of sales value in May 2012. Most of the brands had a growth in sales value. MeierMei won the champion with sales value was CNY6.47 million. Ports had a greatly growth of 77.76% claimed the 2nd with CNY6.24 million. Marisfrog claimed the 3rd with CNY5.10 million. Women's apparel sales value for the rest of the brands were

between CNY3.00 million and CNY5.00 million. Among them, Crcara had a significant growth of 1070.51% m/m and claimed the eighth. Both VERO MODA and ONLY all decreased, from last month's championship slipped to fourth and seventh respectively.

Looking further into the top 10 brands in accumulated sales value in the period January-May 2012. The top three ONLY, VERO MODA and MeierMei shared more than 2.3% respectively. The rest brands, which ranked from fourth to tenth, shared between 1.0% and 1.8% respectively.

Top 10 women's apparel brands in terms of accumulated sales value in Jan. – May 2012

Rank	Stores	Marketshare(%)	Rank in the last month
1	ONLY	2.43	1
2	VERO MODA	2.38	2
3	MeierMei	2.38	3
4	Marisfrolg	1.72	4
5	Ports	1.64	7
6	White-collar	1.55	5
7	Lancy	1.54	6
8	CAGLIARI	1.1	11
9	SISTER	1.1	8
10	Ochirly	1.06	10

Looking further into the top 10 brands in sales volume in May 2012. Although sales volume declined, VERO MODA, ONLY and ESPRIT still maintained the top three positions . MeierMei and Ochirly increased 5.6% m/m and 2.63% m/m, ranking up to the fourth and the fifth respectively. LiangNuo, WEISI and JDing ranked among the top ten this month.

Top 10 women's apparel brands in terms of sales volume in May.2012

Rank	Stores	Marketshare(%)	Rank in the last month	Change(%)
1	VERO MODA	3.2	2	-49.91
2	ONLY	2.58	1	-60.13
3	ESPRIT	2.09	4	-24.61
4	MeierMei	1.53	5	5.6
5	Ochirly	1.45	6	2.63
6	Etam	1.21	3	-61.11
7	LiangNuo	0.91	12	13.9
8	Lideer	0.87	8	-4.75
9	WEISI	0.84	15	19.83
10	JDing	0.81	24	51.05

Source: CNTEX

Net profit increased slightly in most clothing listed companies

DATE: 2012-08-03

Entering July, listed companies' performance report in the first half of 2012 will be disclosed. Up to July 16th, 54 textile and clothing listed companies published performance reports. Among them, 5 companies' net profit increased, 23 companies' net profit slightly increased, 6 companies' net profit slightly reduced, 4 companies' net profit reduced compared with the expectation, 6 companies had losses for the first time, 9 companies sustained losses and 1 company made up the deficits and got surpluses.

CANUDILO achieved operating income of CNY168 million in the first quarter of 2012, an increase of 36.48% y/y. Net profit was CNY54 million, an increase of 53.38%y/y. CANUDILO had an optimistic view about the first half of 2012, expected the net profit increasing 50%~60% y/y. CANUDILO' net profit in the first half of 2011 was CNY50.72 million.

In addition, multi-brand pattern and the growing maturity, Saint Angelo also had an optimistic view about the first half of 2012 , expected the net profit increasing 30%~60% y/y. Saint Angelo' net profit in the first half of 2011 was CNY92.65 million.

According to performance report in the first half of 2012, TOREAD achieved sales revenue about CNY374 million ~ CNY399 million, an increase of 50%~60% y/y; Total profits about CNY75 million ~ CNY84.90 million, an increase of 46%~65% y/y; Net profit about CNY56.6 million ~ CNY63.10 million, an increase of 30%~45% y/y.

Septwolves also projected net profit increasing by 30%~50% compared with the same period in last year. Septwolves net profit in the first half of 2011 was CNY174.89 million.

After listing, LANCY brand awareness and influence further improved, marketing capabilities enhanced and terminal sales channels increased greatly. LANCY projected net profit increasing by 20%~50% compared with the same period in last year. LANCY net profit in the first half of 2011 was CNY96.2 million.

January - June 2012, projected performance

Brands	projected net / profit change range (y/y)	projected net profit(CNY100,00)
CANUDILO	50%~60%	5072
Saint Angelo	30%~60%	9265
Souyute	30%~50%	6546
Septwolves	30%~50%	17489
TOREAD	30%~45%	4353
LANCY	20%~50%	9620
Metersbonwe	10%~30%	37636
Busen	0%~30%	1689
SINOER	0%~20%	7191
baiyuankuye	0%~20%	2548
Semir	-35%~-45%	43749

Source: CNTEX

Xinxing Cathay Group and Weiqiao Pioneering Group entered Global Fortune 500 Companies

DATE: 2012-08-03

Beijing time on 9th July 2012, United States FortuneGlobal officially released the 2012 Global Fortune 500 Companies list. Xinxing Cathay Group and Weiqiao Pioneering Group entered Global Fortune 500 Companies.

In 2011, Xinxing Cathay Group topped the ranking of Global Fortune 500 Companies, ranked No. 484 by operating income of CNY147.6 billion (equivalent to \$22.832 billion). Xinxing Cathay Group is the country's largest military supplier, as well as the leading production base for occupational clothing and footwear.

Shandong Weiqiao Pioneering Group Company Ltd. has become a super-large enterprise that focuses on providing goods and integrated service of cotton industry, spinning and weaving, dyeing and finishing, garment, home textile, heat electricity and aluminum industry. With its first-class equipments, productive capacity and economic benefit, Weiqiao Pioneering Group ranked No.1 in textile industry of China in fourteen consecutive years. In 2011, Shandong Weiqiao Pioneering Group's sales revenue was \$24.9055 billion. Its profit was \$1.1276 billion. The group topped the ranking of Global Fortune 500 Companies, ranked No. 440.

Fortune of the world top 500 ranking is based on enterprise revenues as the main basis for evaluation, evaluation system covers the business revenue and net profit, total assets, shareholder rights, such as the total amount of total employees, it is to measure the world's large company scale, efficiency and the strength of the most famous, the most authoritative's list. This year, the fortune on the threshold of the world top 500 for about \$22 billion, about \$19.5 billion more than the previous year raised \$2.5 billion.

Source: CNTEX

The trade with the EU was facing a grim situation

DATE: 2012-08-03

According to customs statistics, January – May 2012, China's textile and apparel exports valued at \$93.523 billion. Compared with the same period in 2011 increased 2.63%. Among them, The exports to the European Union (the EU) valued at \$16.756 billion, accounted for 17.92% of total exports to the global in textile and apparel, down 11.17% y/y. The EU is one of the main markets for China's textile and apparel exports. The negative growth highlights the grim situation of the European Union market.

Market share declined in the EU

The EU, the United States, and Japan had been the three main markets of China's textile and apparel exports. Due to the influence of the whole economy in the EU, the market share declined significantly. According to Chinese customs data, January – May 2012, The EU shared 17.92% of China's textile and apparel exports, decreased 2.78% compared with the corresponding period in 2011. This is the first time for less than 20% over the past 5 years in the corresponding period. Depressed demand in the EU market have emerged.

Source: China Textile Network Company

Negative growth in the majority countries of the EU

According to the EU statistics, January - April 2012, Only 10 states maintained positive growth in textile and apparel imports from China . They were Bulgaria, Poland, Latvia, Lithuania, Estonia, Czechoslovakia, Austria, Cyprus, Romania and Sweden. The growth were 25.68%, 7.82%, 6.82%, 6.38%, 4.31%, 2.48%, 1.53%, 1.5%, 0.79% and 0.12% respectively. This 10 states accounted for only 7.41% of China's total exports to the EU in textile and apparel. The remaining states showed different ranges of negative growth. Among them, Italy, Greece, and Spain experienced a significant negative growth, for -16.69%, -11.86% and -10.23% respectively.

Negative growth in main products

According to the EU statistics, January - April 2012, China's textile and apparel exports to the EU valued at €10.942 billion. Of which, clothing valued at €8.583 billion, occupied 78.44% of the total, declined 7.6% y/y. Look into the product structure, January - April 2012, Yarns, cotton fabrics, men's/women's knitted clothing and men's/women's non-knitted clothing all showed negative growth. Of which, cotton fabrics valued at €132 million, decreased up to 39.83% y/y. Men's non-knitted clothing valued at 1462 million Euros, down 11.11% y/y; Ladies non-knitted clothing valued at €2098 million, down 10.36%.

Source: CNTEX

Nike Flyknit: Quantum leap for knitting

DATE: 2012-07-31

Industry rumour mills have been running at warp speed (no puns intended) since we published an article on Nike's Flyknit integrally knitted running shoe upper in February on our Knitting Industry website.

Now having taken a closer look at the knitted upper, we can reveal that Flyknit is without any doubt made on an electronically controlled flat knitting machine. Some have speculated that Flyknit is produced on circular knitting technology and although a version of Flyknit could be produced on a circular knitting machine, a substantial amount of post knit cutting would be required leaving 'raw edges' on the fabric. Flyknit has closed selvages all around the upper.

In addition, the Insertion of the support/lacing cables on the shoe side would not be possible as the machine would need to have a reciprocating movement to allow the laying in of the cables from side to side. Others have speculated about warp knitting or double needle bar raschel technology being involved but again post knit cutting would be required. Raschel and warp knitting machines have continuous warps and 'seamless' items still need to be cut from the machine. Weft insertion is possible on some machines but Flyknit would require a hybrid machine which also has jacquard needle selection.

Only flat knitting technology can give the result achieved in the Flyknit uppers shown so far. A modern flat knitting machine has the ability to produce closed selvages all around the upper whilst imparting complex shape and laying in the support/lacing cables. Having said that, this is a very complex piece of knitting which will have taken a lot of developing.

Source: CNTEX

Adidas unveils adizero Primeknit running shoe

DATE: 2012-07-31

In a sensational move just one day before the Olympic opening ceremonies, adidas has revealed the *adizero Primeknit*, its first one-piece upper performance running shoe featuring what it calls “a new seamless engineering technology.”

Images released tonight show a running shoe with an upper very similar to Nike's Flyknit flat knitted which goes on general release today.

“Using the latest design tools and a new seamless engineering construction, adidas has created a first-of-its-kind running shoe. While traditional sports shoes are built from several different pieces, this breakthrough method digitally knits the entire upper in one continuous piece,” the company said in a press release today.

James Carnes, Head of Design for Sport Performance at adidas, said:

“We are constantly innovating to bring superior performance products to the greatest athletes in the world. In designing the adizero Primeknit, our goal was to completely rethink how footwear is engineered, with a keen eye on sustainable construction. This revolutionary design will forever change the way we engineer shoes, combining both premium innovation and maximum performance benefits.”

“Three years in the making, the adizero Primeknit harnesses groundbreaking technology we've perfected to introduce here in London at the Olympic Games. The Olympics are the biggest stage in the world for sports innovation for the best athletes and we're proud to be front and center to debut this incredible technology in the market,” Carnes continued.

“Knitting fused yarn fine-tunes the exact amount of flexibility and support needed in every part of the shoe. No lining or reinforcements are necessary as the strength comes from the fused yarn, digitally knitted in distinct grid patterns to provide ventilation. This unique seamless engineering ensures precision construction and eliminates additional materials producing less waste. The lightweight running shoe wraps seamlessly around your foot for a comfortable fit.”

To celebrate the Olympic Games and this historic innovation, adidas created 2012 individually numbered pairs of the adizero Primeknit knitted in the same red and white colours adidas athletes will be competing in at the London Olympic Games.

The 2012 individually numbered adizero Primeknit will be available from tomorrow at a temporary store located at 10 Newburgh Street in London. Additional colours of the adizero Primeknit will be available in the U.S. this autumn at adidas.com and select retail stores.

Source: CNTEX