A MARKET IN 3 HOURS

THE SPORTS INDUSTRY IN CHINA

SEP. 3, 2015

ISPO ACADEMY JAPAN
AGENDA

1. THE STATUS
2. THE TREND
3. ISPO IN CHINA
THE STATUS
THE STATUS

- 5,000 Billion
- 0.6%
- No.1
5,000 Billion

Chinese government aims to reach 5,000 billion of Sports Industry Added Value by 2025.

Data from General Administration of Sport of China
Sports is only 0.6% of Chinese GDP.
Running has become No. 1 sports activity among sports consumers in China.

What sports do you most often participate?

- Running (44.2%)
- Badminton (35.0%)
- Table tennis (22.1%)
- Basketball (18.5%)
- Swimming (18.1%)
- Plazza fitness (13.3%)
- Football (12.9%)

Data from iResearch
Sports wear is the most popular consumption among sports consumers.

What are Chinese sports consumer buying in 2015?

Data from iResearch
SUB-CONCLUSION

- Sports is becoming a life-style in China, especially after Beijing Summer Olympics;

- You must take Chinese market seriously as an international brand;
THE TREND

- Booming
- Coming
- Slowing down
Official Registered Marathon 2011-2014

Data from Chinese Athletic Association
Most people start running in the last three years.

How long have you kept running?

- 33% < 1 yr
- 25% 1-3 yrs
- 27% 3-5 yrs
- 8% 5-10 yrs
- 8% > 10 yrs

Data from data100.com.cn
Strong consumptive power.

**Age of the Running Consumers**

- <24: 12%
- 25-35: 42%
- 36-45: 62%
- >45: 14%

Data from data100.com.cn
Prefer to run outside.

Where do you run?

- around the communities: 62%
- park: 49%
- road: 26%
- country side: 15%
- school & gym: 14%
- fitness studio: 8%
- home fitness: 7%
- others: 1%

Data from data100.com.cn
RUNNING IS BOOMING

Which gear do you have? (multi-choice)

- shoes: 55%
- insoles / socks: 35%
- water bottle / pack: 34%
- drinks: 33%
- earphone: 32%
- music accessories: 31%
- backpack: 31%
- underwear: 29%
- scarf: 26%
- waist pack: 25%
- watch: 23%
- goggles: 23%
- running pants: 22%
- protector: 20%
- mask: 18%
- sweat band: 14%
- reflecting strips: 13%
- compression pants: 12%
- compression clothes: 11%
- energy bars: 10%

Data from data100.com.cn
## Chinese Runner Consuming Ability (in 45 years from age 25-70, in RMB)

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>Average</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shoes</strong></td>
<td>9,600</td>
<td>64,800</td>
<td>120,000</td>
</tr>
<tr>
<td><strong>Apparel</strong></td>
<td>4,500</td>
<td>15,750</td>
<td>27,000</td>
</tr>
<tr>
<td><strong>Accessories</strong></td>
<td>0</td>
<td>11,250</td>
<td>22,500</td>
</tr>
<tr>
<td><strong>Food &amp; Drinks</strong></td>
<td>0</td>
<td>16,200</td>
<td>32,400</td>
</tr>
<tr>
<td><strong>Competition</strong></td>
<td>0</td>
<td>135,000</td>
<td>900,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,100</td>
<td>243,000</td>
<td>1,101,900</td>
</tr>
</tbody>
</table>

Data from data100.com.cn
RUNNING IS BOOMING

Runners go to fitness to train for running.
Running is a very popular topic in China;

Because of running, fitness is getting popular again;

Runners are willing to buy;

Runners still have a lot to buy;

Go to China right now.
BEIJING 2022
300 Million

- Chinese President Xi Jinping says winning the bid will encourage over 300 million Chinese to take up winter sports by 2022.
The Forecast of China Winter Sports Market

Data from Mr. Wu Bin
The Forecast of China Winter Sports Market

Data from Mr. Wu Bin
30 vs 458

- China has 458 ski resorts by 2014.
- Only 30 of these ski resorts matches the international level.

Data from China Ski Association
中国滑雪场分布

<table>
<thead>
<tr>
<th>省份</th>
<th>占比</th>
</tr>
</thead>
<tbody>
<tr>
<td>黑龙江</td>
<td>38.5%</td>
</tr>
<tr>
<td>新疆</td>
<td>11.0%</td>
</tr>
<tr>
<td>吉林</td>
<td>10.0%</td>
</tr>
<tr>
<td>北京</td>
<td>8.0%</td>
</tr>
<tr>
<td>辽宁</td>
<td>5.5%</td>
</tr>
<tr>
<td>河北</td>
<td>5.0%</td>
</tr>
<tr>
<td>内蒙</td>
<td>3.5%</td>
</tr>
<tr>
<td>山东</td>
<td>3.0%</td>
</tr>
<tr>
<td>其他</td>
<td>15.5%</td>
</tr>
</tbody>
</table>
Ski tourists keep increasing rapidly

<table>
<thead>
<tr>
<th>Season</th>
<th>Thousand People</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13 season</td>
<td>80</td>
</tr>
<tr>
<td>2013-14 season</td>
<td>150</td>
</tr>
<tr>
<td>2014-15 season</td>
<td>240</td>
</tr>
</tbody>
</table>

Data from Changbai Ski Resort
Messe München International | Connecting Global Competence
SUB-CONCLUSION

- Winter sports will have a big development in China;

- A lot of companies will benefit from it because of the long industry chain;

- The service providers (e.g. ski resort management) are very lack and have a big demand;

- Many investors jump into winter sports industry;

- Go to China right now.
Outdoor sports used to develop with a dramatic speed but now is slowing down from 2013.

Data from COCA 2014 Report
The number of brands keeps on growing but slowly. Chinese brands is becoming the main part of the market.
The number of brands keeps on growing but slowly. Chinese brands is becoming the main part of the market.

OUTDOOR SPORTS IS SLOWING DOWN

Data from COCA 2014 Report
OUTDOOR SPORTS IS SLOWING DOWN

The development of wholesale amount among different sizes brands

Data from COCA 2014 Report
OUTDOOR SPORTS IS SLOWING DOWN

Specialty stores keeps growing in a stable speed. Mass channel got a much less speed than before.

Data from COCA 2014 Report
E-commerce is getting a bigger and bigger share from the market.

Data from COCA 2014 Report
OUTDOOR SPORTS IS SLOWING DOWN

Analysis of the product category sales in different channels.

Data from COCA 2014 Report
SUB-CONCLUSION

- Outdoor sports is slowing but still developing and not mature yet;
- Be unique, be special;
- Fashion and function.
## CONCLUSION

<table>
<thead>
<tr>
<th>Segments</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Running</td>
<td>🔺</td>
</tr>
<tr>
<td>Fitness</td>
<td>🔺</td>
</tr>
<tr>
<td>Winter Sports</td>
<td>🔺</td>
</tr>
<tr>
<td>Action Sports</td>
<td>🔺</td>
</tr>
<tr>
<td>Outdoor Sports</td>
<td>🔺</td>
</tr>
<tr>
<td>Water Sports</td>
<td>🔺</td>
</tr>
<tr>
<td>Cycling</td>
<td>🔺</td>
</tr>
<tr>
<td>Adventure Tourism</td>
<td>🔺</td>
</tr>
</tbody>
</table>
ISPO

11-YEAR BOOST ASIAN SPORTS MARKET
ISPO 360°: ONE BRAND - LOTS OF SERVICES.

**MUNICH**
The leading international sports business platform.

**BEIJING**
The leading sports business platform in the Asian-Pacific region.

**ACADEMY**
The sports business’ central hub for comprehensive knowledge.

**AWARD**
The quality seal for the sports business.

**COMMUNITY**
The direct access to consumers for sports business companies.

**NEWS**
The multimedia news channel for sports business professionals.

**SHOP**
The online shop for sports business reports, studies and retail strategies.

**TEXTRENDS**
The platform for performance textile innovations.

**SHANGHAI**
New summer sports business platform in China.

**BRANDNEW**
The sports business’ best start-ups.

**JOBS**
The job exchange for the sports business.

**OPEN INNOVATION**
Crowdsourcing platform for product development, technical development and product testing in cooperation with clients.
ISPO BEIJING 2015 REVIEW
Date & Venue
January 28-31, 2015
China National Convention Center (CNCC)
Beijing, China

Exhibition Area
42,000 sqm
Full dimension of CNCC

Exhibitors & Brands
434 exhibitors
– Domestic: 379
– International: 55
656 brands from 22 countries & regions
 (+2.9%)

Visitors
29,948 visitors from 46 countries & regions
 (+0.9%)
– Domestic: 29,018 (from 31 provinces and districts)
– International: 930 (from 46 countries and areas)
EXHIBITOR FEEDBACK

• I remember that the first time I attended ISPO BEIJING is ten years ago. This year, the standard of our booth is higher and more beautiful. Visitors and exhibitors are vigorous. For MAMMUT, ISPO BEIJING is our first choice to promote our new products and the best the place to contact clients!

• Mr. Rolf Schmid
MAMMUT
CEO

• KAILAS has followed ISPO BEIJING for many year and we will continue to push the development of sports industry with ISPO. Meantime, I am happy that I can meet many old friends and know new friends, which is a big party for me!

• Mr. Baggio Zhong
KAILAS
Founder / CEO
EXHIBITORS – BOOTH PHOTOS
EXHIBITORS – BOOTH PHOTOS
EXHIBITORS – BOOTH PHOTOS
VISITORS BREAKDOWN

BUSINESS TYPE

- National Distributor: 7.72%
- Regional Distributor/Wholesaler: 16.35%
- Retailer through department store channel: 10.55%
- Retailer through specialty store channel: 9.92%
- Brand trusteeship company: 2.56%
- Import & Export merchant: 3.65%
- Department store/Shopping center: 3.76%
- Brand company: 9.51%
- Manufacturer: 7.67%
- Service company: 5.08%
- Investor: 2.23%
- Sports club: 8.49%
- Professional athletes/Sports team/Organization: 8.22%
- Government/Association: 2.17%
- Media: 5.30%
- Others: 8.11%
ISPO BEIJING 2016

FEB. 24-27, 2016

CHINA NATIONAL CONVENTION CENTER
ISPO SHANGHAI 2015
Date & Venue
July 2-4, 2015.
Shanghai New Expo Center (SNIEC)

Exhibition Area
33,000 sqm

Exhibitors & Brands
354 exhibitors
473 brands from 27 countries & regions

Visitors
18,957 visitors from 56 countries & regions
   – Domestic: 17,895 (from 31 provinces and districts)
   – International: 1,062 (from 56 countries and areas)
NEW CONCEPT FOR NEW TREND

OUTDOOR +

- Water Sports
- Sports Fashion
- Urban Fitness
- Adventure Tourism
ISPO SHANGHAI 2016

JUL. 7-9, 2016
SHANGHAI NEW INT’L EXPO CENTER
THANK YOU
AND
HOPE TO SEE YOU IN CHINA!