

[For immediate release]



Stella's Leadership in Luxury Underpins Growth in 2010

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Increase in ASP leads 32.1% revenue growth in 2010

Hong Kong, January 13, 2011 – Stella International Holdings Limited (“Stella”, or together with its subsidiaries, the “Group”; SEHK: 1836), a leading designer, manufacturer and retailer of quality footwear products, today announced its unaudited fourth quarter business update for the three months and year ended 31 December 2010.

Financial & Operational Highlights:

	For the three months ended 31 December (Unaudited)		For the year ended 31 December (Unaudited)	
	2010	2009	2010	2009
Revenue (US\$ million)				
- Manufacturing	299.3	230.5	1,235.1	963.2
- Retail business in China	22.9	15.2	62.4	42.3
Average selling price per pair (manufacturing) (US\$)	22.7	20.1	23.2	22.6
Total shipment during the period (mil pairs)	13.2	11.5	53.3	42.7
No. of retail stores in China (As at 31 December)			288	221

The Group recorded an unaudited consolidated revenue (including the Group's manufacturing business, China retail business, inter-segment sales eliminations and other businesses) of approximately US\$324.8 million and US\$1,295.6 million for the three months and year ended 31 December 2010 respectively. This represented an increase of approximately 32.1% and 28.5% as compared to the unaudited consolidated revenue for the corresponding periods of 2009.

The strong growth in revenue is mostly attributable to the strong performance of the Group's manufacturing business in the second half of 2010. The average selling price (“ASP”) of Stella's footwear products rose 2.7% in the year ended 31 December to US\$23.2 per pair. This strong bounce back reflected rises in input costs and the Group's ability to serve niche clients, especially luxury and premium brands.

In addition to the increase in ASP, the Group's shipment volumes continued to increase at a steady 24.8% to 53.3 million pairs over the year, while rising 14.8% in the final three months of the year. The Group run a full order book throughout most of the year, with revenue from the manufacturing business in the three months and year ended 31 December 2010 increasing by 29.8% and 28.2% respectively.

Looking forward, the Group will continue to seek more flexibility in its input costs by maintaining its strategy of diversifying production capacity into inland areas of China and South-East Asia in order to secure a stable and quality manpower supply. The Group will also continue to build its design and development capabilities to strengthen Stella's unique position on the value chain and attract an ASP that is higher than the industrial average.

The Group's retail business also continued to grow strongly as it maintained its store expansion strategy and further built its presence in the Chinese affordable luxury market. Sales for the Group's *Stella Luna* and *What For* stores in the three months and year ended 31 December 2010 reached US\$22.9 million and US\$62.4 million respectively, up 50.7% and 47.5% compared to the corresponding periods of last year. Same-store sales grew 42.2% during the final three months of the year. The Group operated 145 *Stella Luna* stores and 143 *What For* stores in China as of 31 December 2010.

In 2011, the Group will continue to explore opportunities to develop new brands that target segments of the market outside of women's shoes. It will also continue to prudently consider other opportunities to acquire selected footwear or accessories brands/channels to further expand its business and diversify the overall revenue mix of the Group.

Mr. Lawrence Chen, Chief Executive Officer of the Group, commented on the Group's performance and strategy, "Our ability to raise the unit price of our products, while still growing shipment volumes, demonstrates how much our customers value the quality of our products. Combined with our strategies to expand our production capacity and retail business, as well as contain costs, we are confident that we can continue to grow the long-term value of our shareholders."

Commenting on the outlook for the Group's businesses, Mr. Jack Chiang, Chairman of the Group, said, "The recovery of global consumer confidence and the China's continuing economic growth leads us to be generally optimistic about the outlook for our exports and the growth of our retail business. We look forward to further expanding our product base, increasing the market share of both our businesses, and continuing to grow with our customers in 2011."

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