

Giordano Releases First Quarter 2008 Operations Update

Highlights

- Cold temperatures in January and February gave an extra push to Giordano's already strong growth momentum in Mainland China, helping the Group to increase its Mainland China turnover by 40.8 percent in the three months ended March 31, 2008. Comparable store sales in Mainland China increased by 19.0 percent. Mainland China accounted for 36.3 percent of the Group's Retail & Distribution business.
- On the back of the strong performance in Mainland China, the Group's Retail & Distribution Division achieved a 16.4 percent increase in turnover and a 19.7 percent increase in gross profit in the three months ended March 31, 2008. The Retail Division's gross margin increased by 140 basis points to 49.4 percent.
- The Group as a whole registered a 15.1 percent increase in turnover and a 17.2 percent increase in gross profit in the first quarter due to continued challenges experienced by the Group's Garment Trading & Manufacturing Division. The Group's gross margin for the three months ended March 31, 2008 was 46.9 percent (1Q07: 46.1 percent).
- The Group continued to achieve strong growth in Mainland China in April, with turnover increasing by 22.3 percent, and plans to add about 40 outlets in the second quarter. Overall Group turnover increasing by 8.3 percent year-on-year in April 2008.
- The earthquake on May 12 caused only minor damage to our 23 stores in Chengdu (out of a total of 827 outlets in Mainland China) and operations have since resumed. The Group has arranged to make cash and in-kind donations in excess of RMB5.5 million for emergency relief for the earthquake in Sichuan.

May 22nd, 2008, Hong Kong

Giordano International Limited ("Giordano" or the "Group") released its operations update for the three months ended March 31, 2008 today. On the back of robust growth in Mainland China, the Group saw turnover increasing by 15.1 percent in the first quarter. Gross profit rose by 17.2 percent and gross margin rose to 46.9 percent (1Q07: 46.1 percent).

"Mainland China continues to be Giordano's growth engine. Cold temperatures in January and February gave an extra push to the Group's already strong growth momentum in Mainland China, enabling the Group to achieve an outstanding 40.8

percent year-on-year increase in our turnover. Furthermore, in the absence of the heavy markdowns that we were compelled to take last year, gross profit in Mainland China swelled by 61.3 percent during the first quarter of 2008. We added seven stores to bring our network to 827 outlets in Mainland China as at the end of March 2008 and Mainland China now accounts for 36.3 percent of the Group's retail business. Hong Kong and Taiwan also posted satisfactory results in the first quarter, with turnover growing by 4.4 percent in Hong Kong and 11.2 percent in Taiwan," remarked Dr. Lau Kwok Kuen, Peter, Chairman and Chief Executive of Giordano International Limited.

Dr. Lau continued, "We will follow through on our growth plan. In Mainland China, we expect to add about 40 outlets in the second quarter, including a number of flagship locations which would put us on track to achieve our target of adding 120 stores in Mainland China in 2008. So far second quarter 2008 performance has stayed on course, with sales in Mainland China growing by 22.3 percent and overall Group turnover increasing by 8.3 percent year-on-year in April 2008."

And on a personal note, Dr. Lau added, "We are deeply distressed by the earthquake in Sichuan on May 12. Fortunately, all of our staff are safe and our 23 stores in Chengdu have only suffered minor damage and operations have since resumed. However, countless others have been less fortunate and our hearts go out to the victims and their families. The Giordano Group and its staff will be making cash and in-kind donations in excess of RMB5.5 million for earthquake relief. I am especially heartened by the generosity of the people of Giordano as donations came not just from Greater China but as far afield as South Korea, the Middle East and Central America in a clear demonstration of the spirit of a 'World Without Strangers' at work."

- END -

About Giordano

Giordano is a leading international retailer of men's, women's and children's apparel under the brand names *Giordano*, *Giordano Concepts*, *Giordano Ladies*, *Giordano Junior*, *Bluestar Exchange* and *BSX*. Established in 1981, Giordano now operates 1,900 stores and counters in Greater China, Japan, Korea, Southeast Asia, Australia, India and the Middle East.

For further information, please contact:

William Yue

Telephone: +852.2746.4727

E-mail: williamyue@giordanogroup.com

Rosa Li

Telephone: +852.2746.3774

E-mail: rosali@giordanogroup.com