



GIORDANO

2009 Third Quarter Update

Giordano International Limited (Stock code: 709)

November 10, 2009 (Tuesday)

Group Operations Highlights

Continuing operations ¹

Three Months Ended Sep 30, 2009

YOY Change

Group turnover	- 9.6%
Retail & Distribution turnover	- 6.9%
Retail & Distribution same store sales ²	Flat
Mainland China turnover	- 5.0%
Mainland China same store sales ²	- 10.0%
Hong Kong turnover	- 7.7%
Hong Kong same store sales ²	+ 4.8%
Group gross margin (3Q08: 50.4%)	52.1% / + 170 bps

¹ Excluding the results of Placita, the Group's main garment manufacturing subsidiary, which was divested in 2H08.

² In local currency for self-operated outlets which were open for the full three months in each of the two fiscal years under comparison.

Group Operations Highlights

Continuing operations ¹

Nine Months Ended Sep 30, 2009

YOY Change

Group turnover	- 12.9%
Group gross margin (2008: 51.3%)	49.4% / - 190 bps
Retail & Distribution turnover	- 11.2%
Retail & Distribution same store sales ²	- 6.3%
Mainland China turnover	- 3.9%
Mainland China same store sales ²	- 9.4%
Net cash & bank balances (in HK\$ millions)	621
Inventory turnover on sales (2008: 30 days)	32 days

¹ Excluding the results of Placita, the Group's main garment manufacturing subsidiary, which was divested in 2H08.

² In local currency for self-operated outlets which were open for the full nine months in each of the two fiscal years under comparison.

Group Operations Highlights

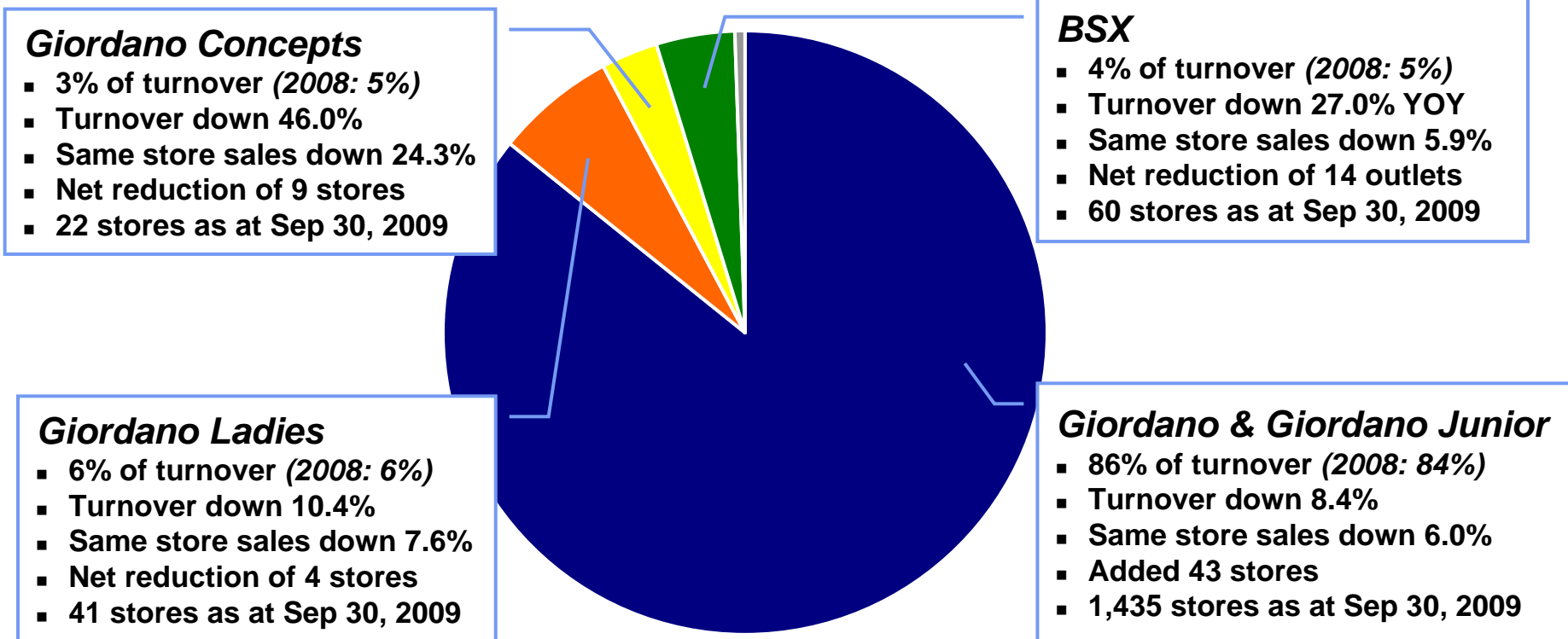
	YOY Change		
	3 months ended Sep 30, 2009	9 months ended Sep 30, 2009	6 months ended Jun 30, 2009
Group turnover ¹	- 9.6%	- 12.9%	- 14.5%
Retail & Distribution turnover	- 6.9%	- 11.2%	- 13.0%
Retail & Distribution same store sales ²	Flat	- 6.3%	- 9.2%
Group gross profit ¹	- 6.4%	- 16.0%	- 20.2%
Group gross margin ¹	52.1%	49.4%	48.2%

¹ Excluding the results of Placita, the Group's main garment manufacturing subsidiary, which was divested in 2H08.

² In local currency for self-operated outlets which were open for the full three, six and nine months in each of the two fiscal years under comparison.

Retail & Distribution Turnover by Brand

Nine Months Ended Sep 30, 2009



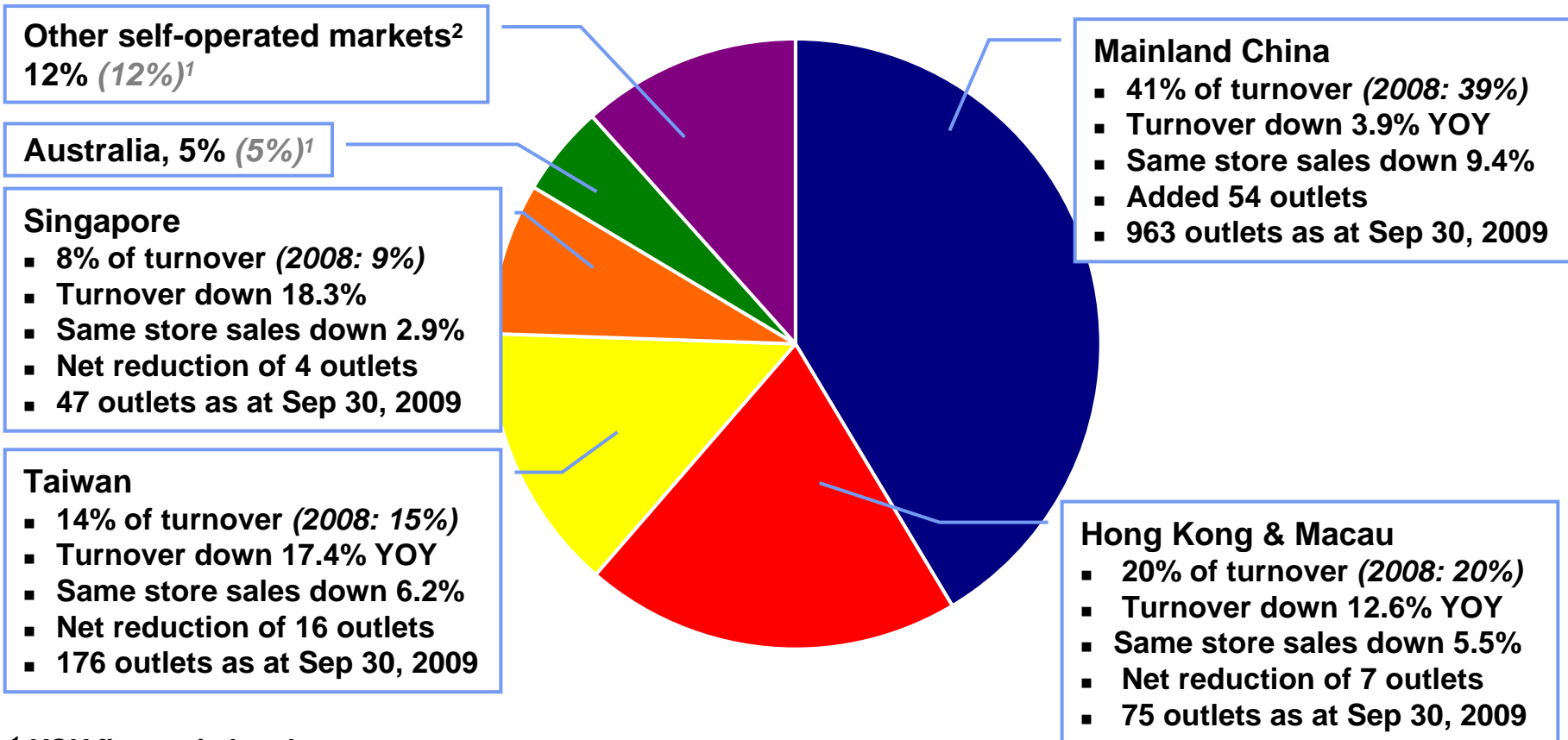
Review by Brand

	YOY Change		
	3 months ended Sep 30, 2009	9 months ended Sep 30, 2009	6 months ended Jun 30, 2009
Turnover			
<i>Giordano & Giordano Junior</i>	- 3.0%	- 8.4%	- 10.6%
<i>Giordano Ladies</i>	- 8.6%	- 10.4%	- 10.9%
<i>Giordano Concepts</i>	- 58.5%	- 46.0%	- 40.7%
<i>BSX</i>	- 17.8%	- 27.0%	- 31.5%
Retail & Distribution Total	- 6.9%	- 11.2%	- 13.0%
Same Store Sales ¹			
<i>Giordano & Giordano Junior</i>	+ 0.1%	- 6.0%	- 8.4%
<i>Giordano Ladies</i>	- 2.7%	- 7.6%	- 10.0%
<i>Giordano Concepts</i>	- 17.6%	- 24.3%	- 27.0%
<i>BSX</i>	+ 8.4%	- 5.9%	- 10.3%
Retail & Distribution Total	Flat	- 6.3%	- 9.2%

¹ In local currency for self-operated outlets which were open for the full three, six and nine months in each of the two fiscal years under comparison.

Retail & Distribution Turnover by Market

Nine Months Ended Sep 30, 2009



¹ YOY figures in brackets

² Includes Malaysia, Thailand, Indonesia and Japan

Performance Review by Market

Turnover	YOY Change		
	3 months ended Sep 30, 2009	9 months ended Sep 30, 2009	6 months ended Jun 30, 2009
Mainland China	- 5.0%	- 3.9%	- 3.5%
Hong Kong & Macau	- 7.7%	- 12.6%	- 15.1%
Taiwan	- 11.9%	- 17.4%	- 19.5%
Singapore	- 8.4%	- 18.3%	- 22.2%
Retail & Distribution Total ¹	- 6.9%	- 11.2%	- 13.0%
South Korea ¹	+ 15.3%	- 10.7%	- 21.5%
Middle East ¹	- 15.2%	- 11.3%	- 8.9%

¹ South Korea and Middle East sales are not consolidated into Group sales. On Sep 30, 2009, the Group held 48.5% in Giordano South Korea and 20.0% in Giordano Middle East.

Performance Review by Market

Same Store Sales ¹	YOY Change		
	3 months ended Sep 30, 2009	9 months ended Sep 30, 2009	6 months ended Jun 30, 2009
Mainland China	- 10.0%	- 9.4%	- 9.2%
Hong Kong & Macau	+ 4.8%	- 5.5%	- 10.8%
Taiwan	+ 2.6%	- 6.2%	- 9.5%
Singapore	+ 1.5%	- 2.9%	- 4.9%
Retail & Distribution Total ²	Flat	- 6.3%	- 9.2%
South Korea ²	+ 22.3%	+ 6.0%	+ 0.1%
Middle East ²	- 16.4%	- 14.6%	- 13.6%

¹ In local currency for self-operated outlets which were open for the full three, six and nine months in each of the two fiscal years under comparison.

² South Korea and Middle East sales are not consolidated into Group sales. On Sep 30, 2009, the Group held 48.5% in Giordano South Korea and 20.0% in Giordano Middle East.

Review & Outlook

■ **Business improving in 3Q09**

- Turnover decline narrowed compared to 1H09
- 3Q09 same store sales turned positive in Hong Kong, Taiwan and Singapore
- 3Q09 gross margin up YOY in Mainland China, Hong Kong, Taiwan and Singapore.
- Group gross margin up 170 basis points YOY to 52.1% in 3Q09

■ **Group finances remain healthy**

- Inventory turnover on sales for 9 months ended Sep 2009 was 32 days (9 months ended Sep 2008: 30 days)
- Net cash of HK\$621M as at Sep 30, 2009 (June 30, 2009: HK\$585M)

Review & Outlook

- **Resume expansion in Mainland China**
 - 51 outlets added in 3Q09

- **Reduce discounting and focus on high margin products to rebuild margins**

- **Sales and gross margin continued to improve in Oct**
 - Sales up about 10% in Mainland China
 - Group turnover increased by low single digit
 - Mainland China, Hong Kong, Taiwan and Singapore all achieved YOY gross margin gains

Number of outlets	As at Sep 30, 2009						Total	As at Dec 31, 2008	YTD Change
	<i>Giordano & Junior</i>	<i>Giordano Ladies</i>	<i>Giordano Concepts</i>	<i>BSX</i>	<i>Others</i>				
Mainland China	917	15	15	16	-	963	909	+ 54	
Hong Kong & Macau	42	9	5	19	-	75	82	- 7	
Taiwan	142	11	-	23	-	176	192	- 16	
Singapore	45	2	-	-	-	47	51	- 4	
Australia	46	-	-	-	-	46	56	- 10	
Malaysia	63	2	1	-	-	66	67	- 1	
Indonesia	86	2	1	2	8	99	97	+ 2	
Thailand	89	-	-	-	-	89	87	+ 2	
Japan	5	-	-	-	-	5	7	- 2	
<i>Retail & Distribution</i>	<i>1,435</i>	<i>41</i>	<i>22</i>	<i>60</i>	<i>8</i>	<i>1,566</i>	<i>1,548</i>	<i>+ 18</i>	
South Korea	148	-	-	35	-	183	167	+ 16	
Middle East & India	165	-	1	3	-	169	169	-	
Philippines	44	1	1	4	-	50	50	-	
Others	77	-	-	-	-	77	72	+ 5	
<i>Export & Licensing</i>	<i>434</i>	<i>1</i>	<i>2</i>	<i>42</i>	<i>-</i>	<i>479</i>	<i>458</i>	<i>+ 21</i>	
TOTAL	1,869	42	24	102	8	2,045	2,006	+ 39	