



GIORDANO
World without strangers



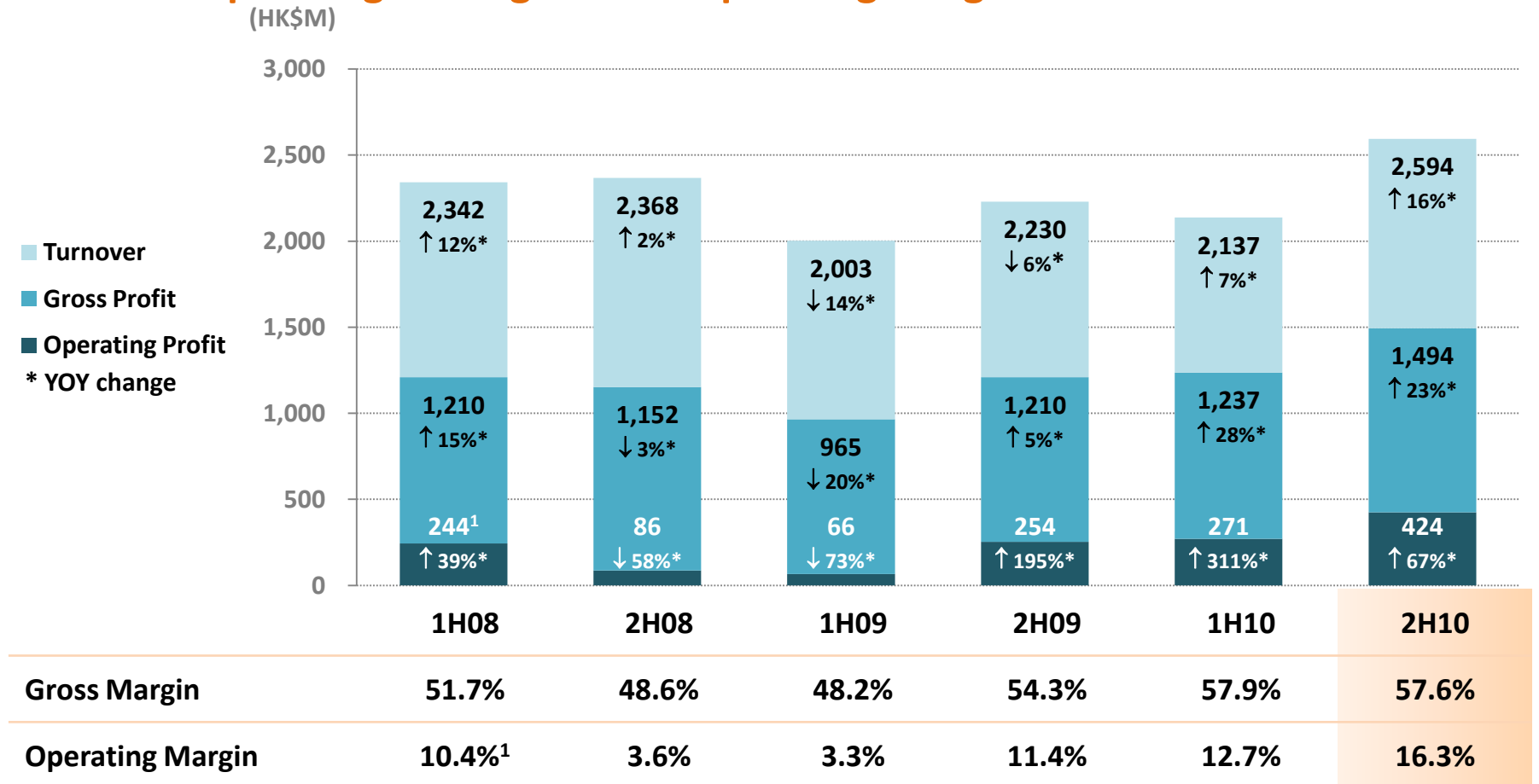
Giordano International Limited

2010 Annual Results

24 March, 2011

Operations Highlights – Group

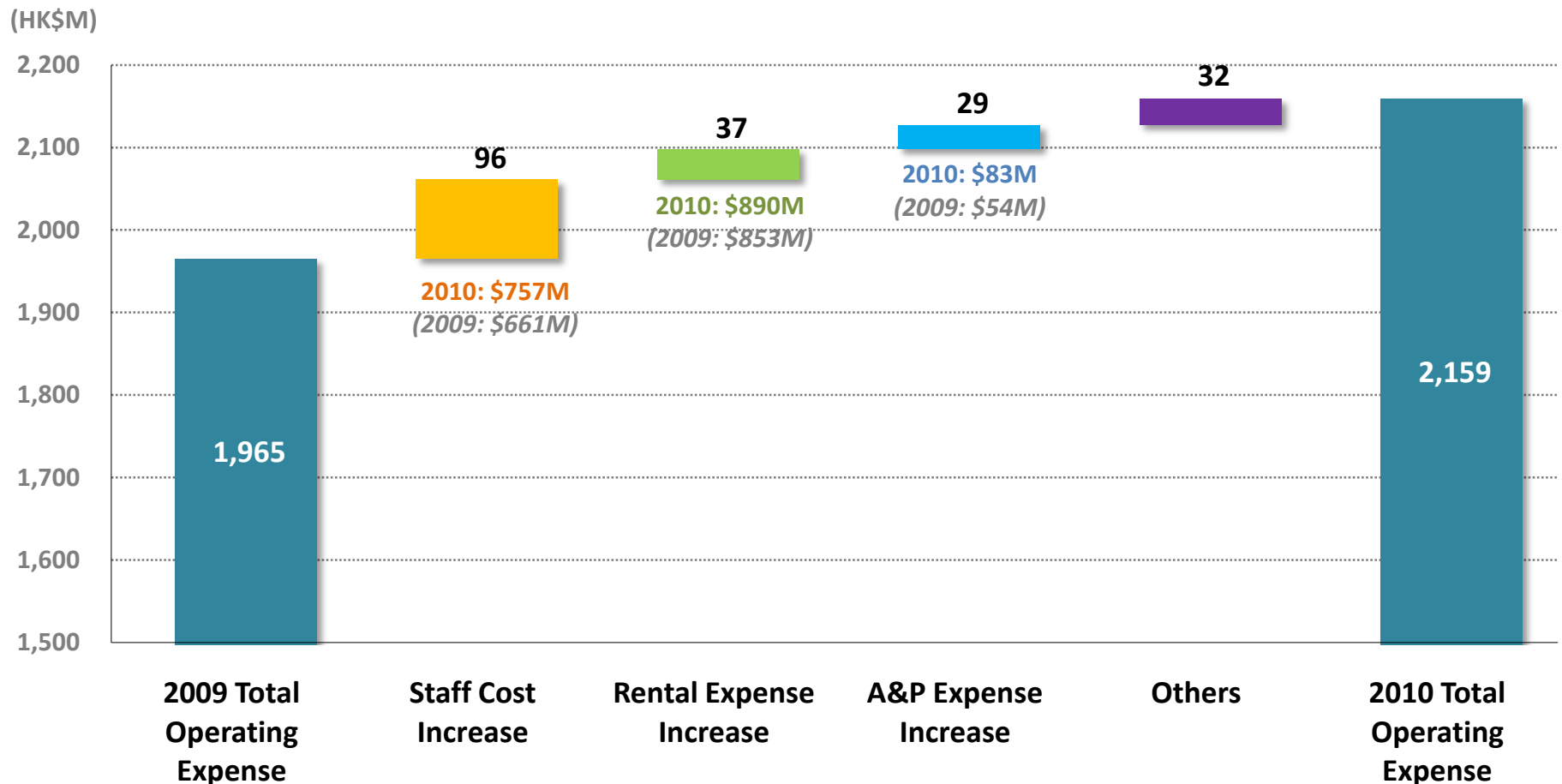
- 2H10 sales up 16%; gross margin maintained
- Positive operating leverage: 2H10 operating margin 16.3%



¹ Includes HK\$33M PRC reinvestment tax rebate. Otherwise, 1H08 operating margin = 9.0%

Operations Highlights – Group

- Investment in marketing: A&P spending up 54% to 1.8% of sales
- Tight cost controls: Total operating expenses up 10%



Operations Highlights – Group

■ Positive operating leverage: 2010 operating profit up 117%; net profit up 86%

Year ended December 31, 2010 (amounts in HK\$M)	2010	YOY Change	2H10	YOY Change	1H10	YOY Change
Turnover, comprising:						
Retail & Distribution	4,337	+11%	2,377	+14%	1,960	+7%
Export & Licensing (net of inter-segment sales)	394	+23%	217	+45%	177	+4%
Total	4,731	+12%	2,594	+16%	2,137	+7%
Gross profit	2,731	+26%	1,494	+23%	1,237	+28%
Gross margin	57.7%	+6.3 pp	57.6%	+3.3 pp	57.9%	+9.7 pp
Operating profit	695	+117%	424	+67%	271	+311%
Operating margin	14.7%	+7.1 pp	16.3%	+4.9 pp	12.7%	+9.4 pp
Profit attributable to shareholders	537	+86%	335	+40%	202	+321%
Return on sales	11.4%	+4.6 pp	12.9%	+2.1 pp	9.5%	+7.1 pp
Earnings per share (in HK cents)	36.0	+87%	22.5	+40%	13.5	+322%

Operations Highlights – Group

■ **Strong operating cash flow; disciplined cash & inventory management**

Year ended December 31 (amounts in HK\$M)	2010	2009
Net cash & bank balances	978	750
Net cash inflow from operating activities	610	382
Inventory turnover on sales ¹	31 days	25 days
Current ratio ²	2.9x	3.0x
Quick ratio ³	2.4x	2.4x
Return on average total assets	18.5%	11.1%
Return on average shareholders' funds	23.7%	14.5%

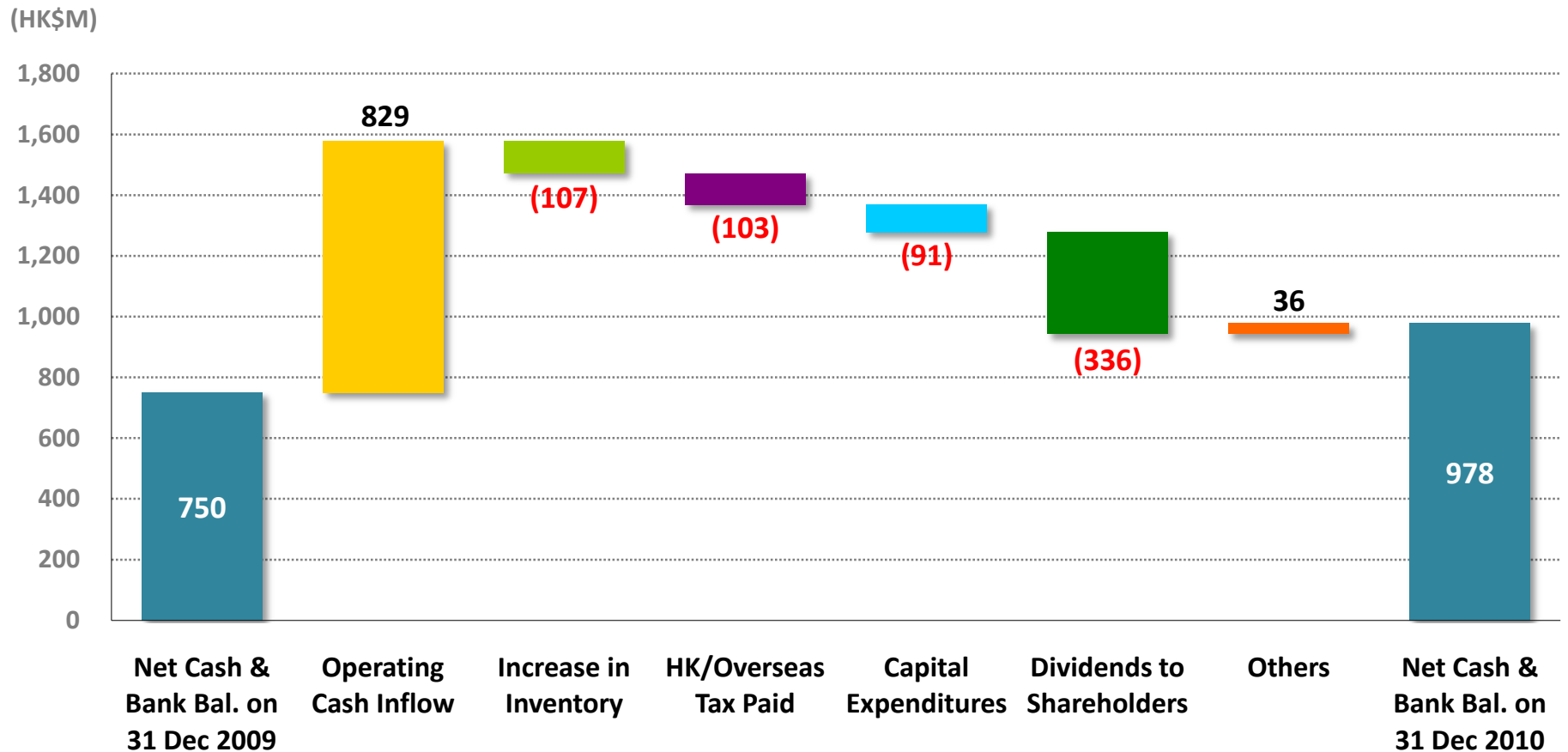
¹ *Inventory held at period end divided by turnover times number of days during the period. ITOS back to 22 days as at end-Feb 2011*

² *Current assets divided by current liabilities*

³ *Current assets excluding inventories divided by current liabilities*

Operations Highlights – Group

■ Strong operating cash flow; disciplined cash & inventory management



Return to Shareholders

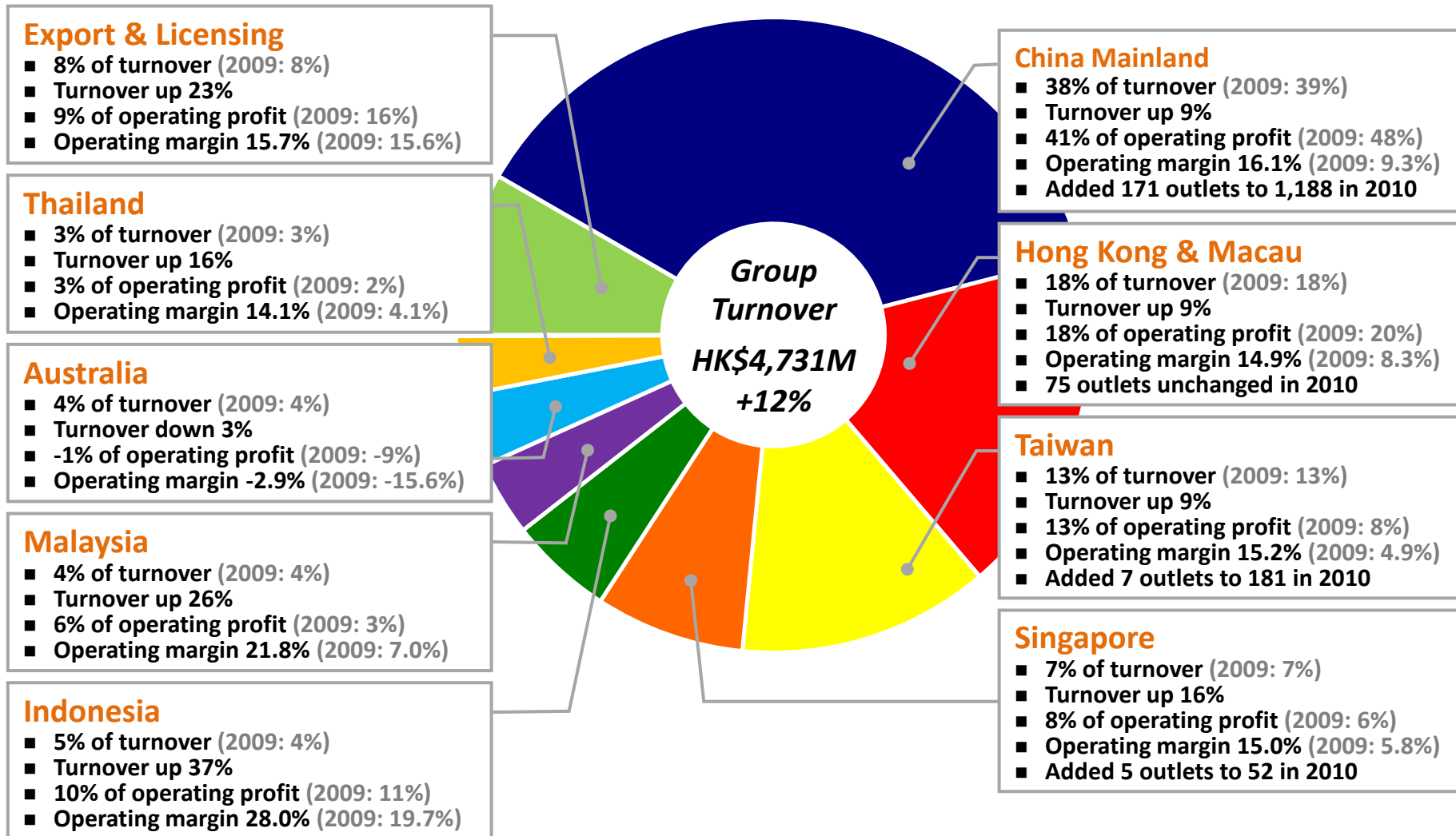
■ 2010 final dividend up 32%; full year dividend up 69%

Year ended December 31 (amounts in HK cents)	2010	2009
Final dividend (proposed)	7.0	7.0
Special final dividend (proposed)	11.5	7.0
Interim dividend	4.5	2.0
Special interim dividend	4.0	-
Total full year dividend	27.0	16.0
Earnings per share	36.0	19.3
Payout ratio	75%	83%
Dividend yield (Average share price – 2010: HK\$3.68; 2009: HK\$1.95)	7%	8%

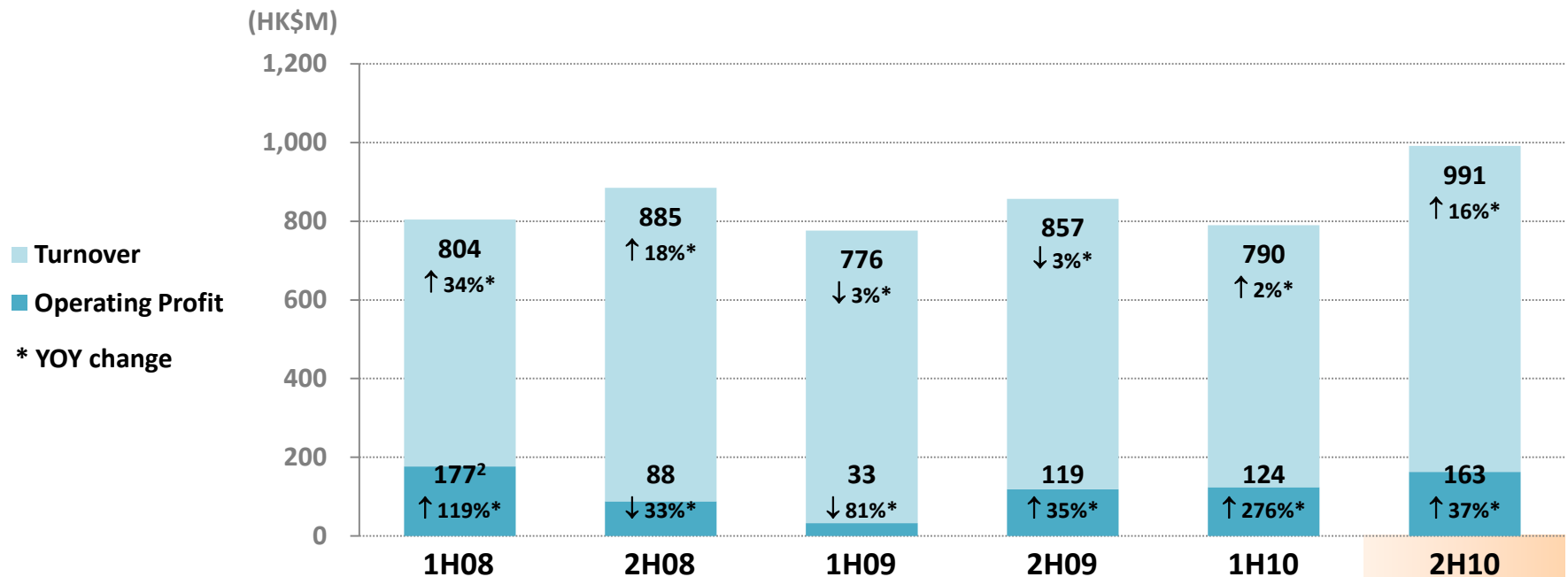
Book close date: June 9, 2011

Dividend payment date: on or about June 24, 2011

2010 Group Turnover & Operating Profit by Country/Segment



Operations Highlights – China Mainland



Number of Outlets	859	909	912	1,017	1,101	1,188
Same Store Sales¹	+10%	Flat	-9%	-2%	Flat	+4%
Operating Margin	22.0% ²	9.9%	4.3%	13.9%	15.7%	16.4%

- 2010 sales up 9%; operating profit up 89%
- Double digit turnover and gross profit growth in the first two months of 2011

¹ In local currency for self-operated and franchised outlets that were open in the two periods under comparison

² Includes HK\$33M PRC reinvestment tax rebate. Excluding rebate, 1H08 operating margin = 17.9%

Operations Highlights – China Mainland

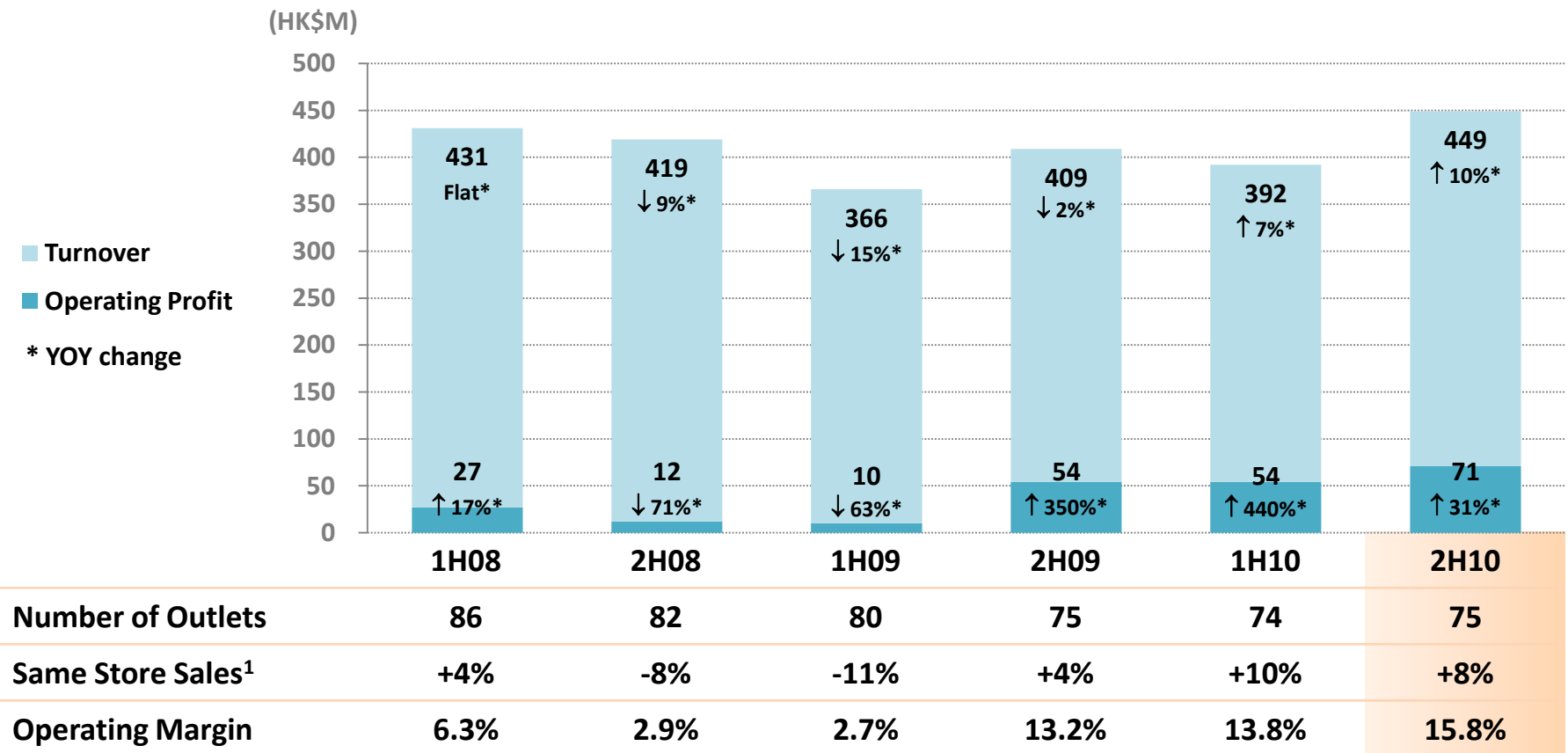
Year ended December 31, 2010 (amounts in HK\$M)	2010	YOY Change	2H10	YOY Change	1H10	YOY Change
Total Brand Sales¹	2,116	+9%	1,130	+12%	986	+5%
Turnover², comprising:	1,781	+9%	991	+16%	790	+2%
Retail sales in self-operated stores	1,142	+5%	621	+11%	521	-2%
Wholesale sales to franchisees	639	+17%	370	+25%	269	+9%
Same store sales³	+2%	N/A	+4%	N/A	Flat	N/A
Operating profit	287	+89%	163	+37%	124	+276%
Operating margin	16.1%	+6.8 pp	16.4%	+2.5 pp	15.7%	+11.4 pp
No. of outlets at period-end	1,188	+171	1,188	+171	1,101	+189
Self-operated stores	448	+28	448	+28	443	+42
Franchised stores	740	+143	740	+143	658	+147

¹ Total retail sales in both self-operated and franchised stores

² Retail sales in self-operated stores plus wholesale sales to franchisees

³ In local currency for self-operated and franchised outlets that were open in the two periods under comparison

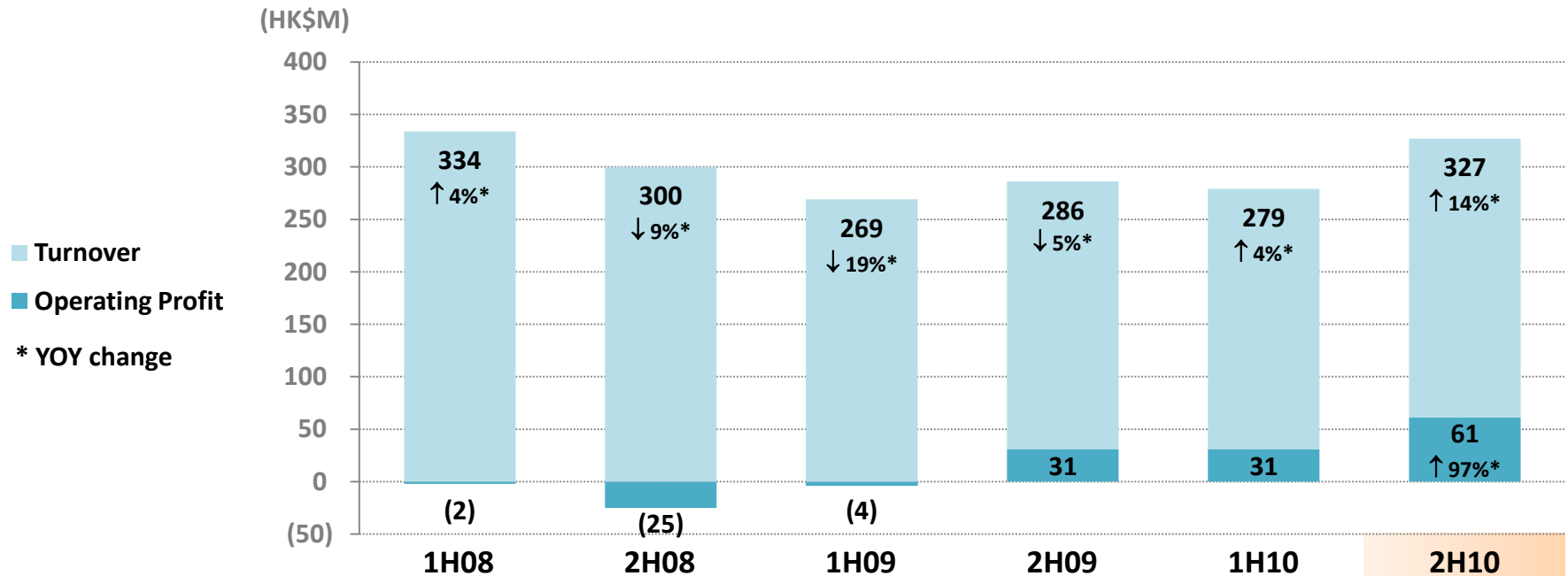
Operations Highlights – Hong Kong & Macau



- 2010 sales up 9%; operating profit up 95%
- Double digit turnover and gross profit growth in the first two months of 2011

¹ In local currency for self-operated and franchised outlets that were open in the two periods under comparison

Operations Highlights – Taiwan

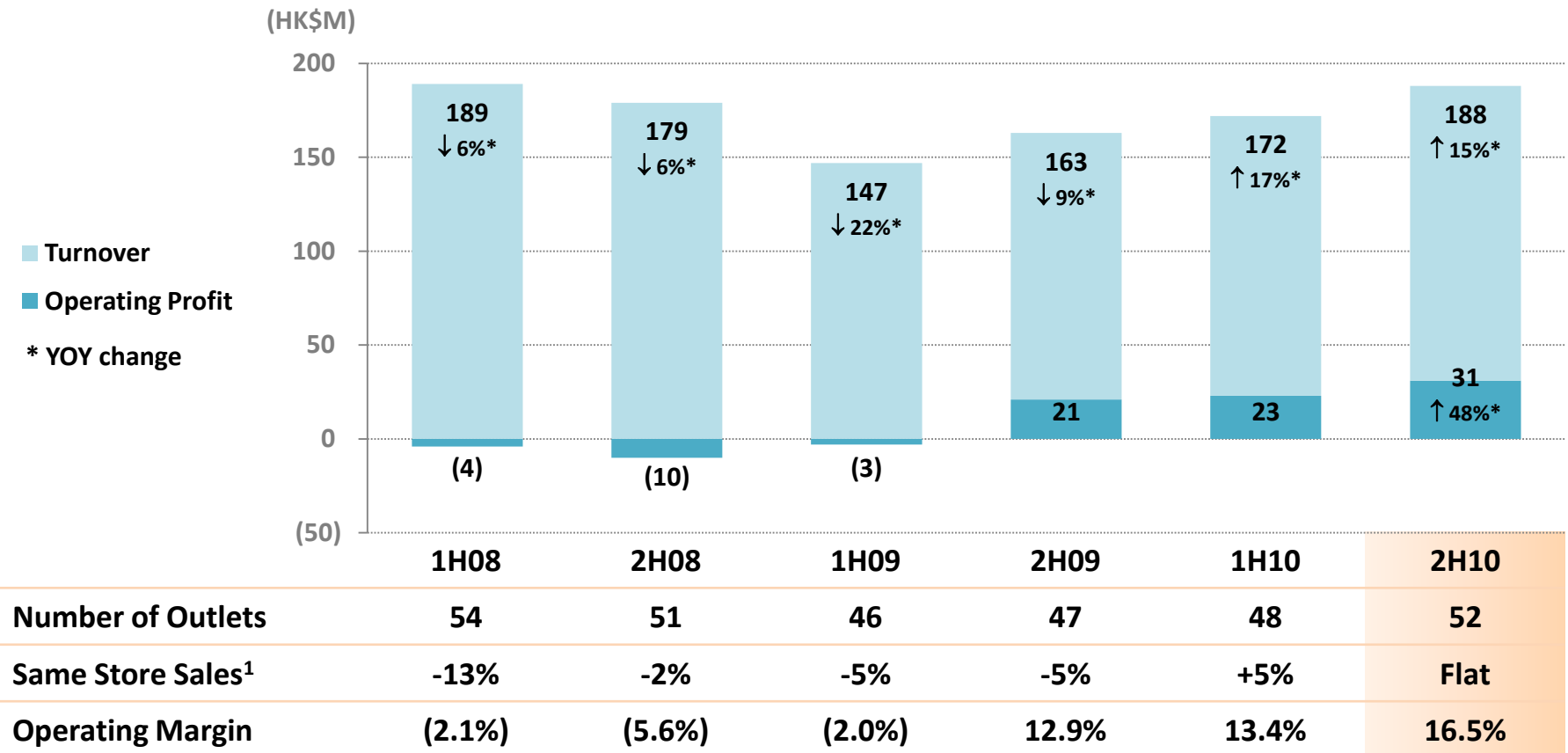


	1H08	2H08	1H09	2H09	1H10	2H10
Number of Outlets	200	192	179	174	176	181
Same Store Sales ¹	+2%	-8%	-10%	+4%	+4%	+10%
Operating Margin	(0.6%)	(8.3%)	(1.5%)	10.8%	11.1%	18.7%

- 2010 sales up 9%; operating profit up 241%
- Double digit turnover and gross profit growth in the first two months of 2011

¹ In local currency for self-operated and franchised outlets that were open in the two periods under comparison

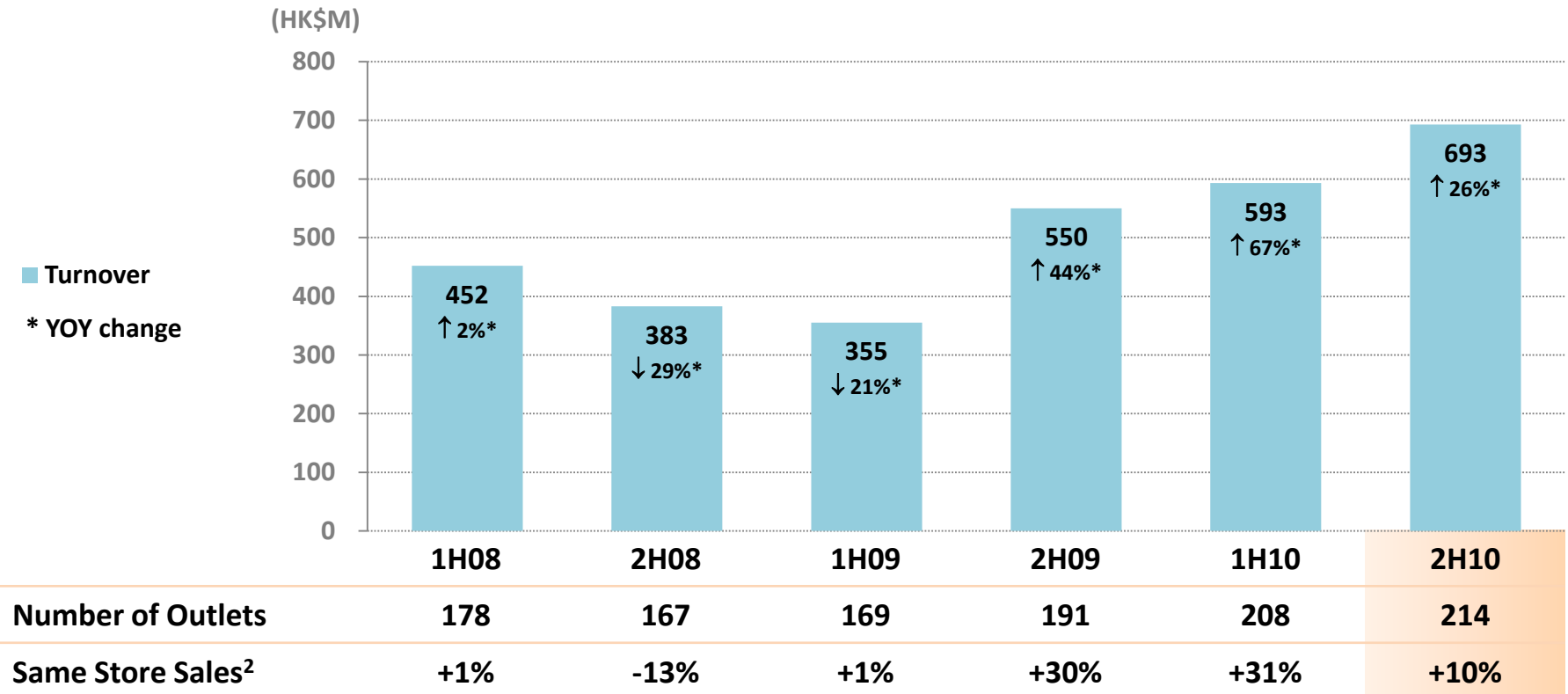
Operations Highlights – Singapore



- 2010 sales up 16%; operating profit tripled
- Double digit turnover and gross profit growth in the first two months of 2011

¹ In local currency for self-operated and franchised outlets that were open in the two periods under comparison

Operations Highlights – South Korea¹

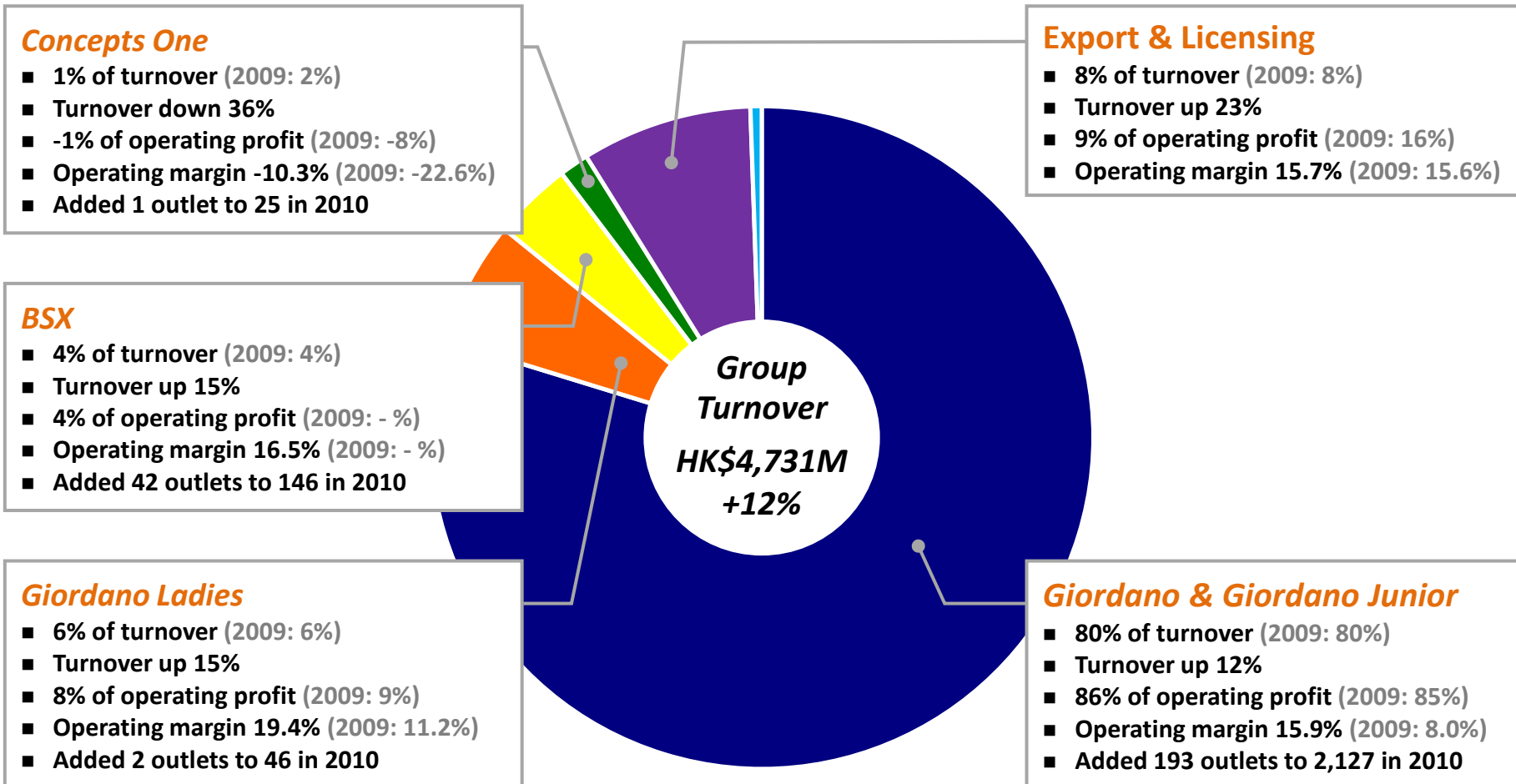


- 2010 sales up 42%; after-tax profit contribution to Group up 47% to HK\$56M (2009: HK\$38M)
- Double digit turnover and gross profit growth in the first two months of 2011

¹ On Dec 31, 2010, the Group held 48.5% in Giordano South Korea.

² In local currency for self-operated and franchised outlets that were open in the two periods under comparison.

2010 Group Turnover & Operating Profit by Brand



Outlook:

- **Three objectives for 2011**
 1. **Maintain gross and operating margins**
 - Improve supply chain relationships
 - Business process simplification
 2. **Increase marketing investment to reinforce brand equity and drive sales**
 - Increased A&P spending by 54% to 1.8% of sales in 2010
 - 2011 A&P spending to be at least 2.0% of sales
 - Most of the increase in A&P dollars to be invested in targeted local promotional campaigns to support expansion in China Mainland
 3. **Concentrate on Mainland China expansion**
 - 171 stores (84% franchised) added in 2010; target to add 300 stores in 2011
 - Sales up 15.6% in 2H10; target double-digit sales growth in 2011
 - Emphasis on 2nd and 3rd tier cities through increased franchising
- **All markets achieved double digit YOY sales and gross profit growth in Jan and Feb**
- **Group sales and gross profit up by mid-to-high teens in the first two months of 2011**

Number of outlets	As at Dec 31, 2010						Total	As at	Change
	<i>Giordano & Junior</i>	<i>Giordano Ladies</i>	<i>Concepts One</i>	<i>BSX</i>	Others	Dec 31, 2009			
China Mainland	1,111	15	20	42	-	1,188	1,017	+ 171	
Hong Kong & Macau	44	10	3	18	-	75	75	-	
Taiwan	151	13	-	17	-	181	174	+ 7	
Singapore	49	3	-	-	-	52	47	+ 5	
Australia	36	-	-	-	-	36	45	- 9	
Indonesia	92	2	1	1	9	105	99	+ 6	
Malaysia	69	1	-	-	-	70	66	+ 4	
Thailand	92	1	-	-	-	93	91	+ 2	
Japan	-	-	-	-	-	-	3	- 3	
<i>Group Markets</i>	<i>1,644</i>	<i>45</i>	<i>24</i>	<i>78</i>	<i>9</i>	<i>1,800</i>	<i>1,617</i>	<i>+ 183</i>	
South Korea	163	-	-	51	-	214	191	+ 23	
Middle East & India	187	-	-	3	-	190	175	+ 15	
Philippines	50	1	1	2	-	54	51	+ 3	
Others	83	-	-	12	-	95	80	+ 15	
<i>Non-group Markets</i>	<i>483</i>	<i>1</i>	<i>1</i>	<i>68</i>	<i>-</i>	<i>553</i>	<i>497</i>	<i>+ 56</i>	
WORLDWIDE TOTAL	2,127	46	25	146	9	2,353	2,114	+ 239	