

# GIORDANO

## 2010 Third Quarter Update

For the Nine Months Ended September 30, 2010

Giordano International Limited (Stock code: 709)

November 16, 2010



## Operations Highlights – Group

	3 months ended Sep 30, 2010	9 months ended Sep 30, 2010	6 months ended Jun 30, 2010
<b>Group turnover, comprising:</b>			
<b>Retail &amp; Distribution (YOY change)</b>	+ 14.5%	+ 9.4%	+ 6.9%
<b>Export &amp; Licensing (YOY change)</b>	+ 44.6%	+ 18.2%	+ 6.0%
<b>Total (YOY change)</b>	+ 16.9%	+ 10.0%	+ 6.7%
<b>Group gross profit (YOY change)</b>	+ 27.3%	+ 28.0%	+ 28.2%
<b>Group gross margin</b>	56.7% (2009: 52.1%)	57.5% (2009: 49.4%)	57.9% (2009: 48.2%)
<b>Mainland China turnover (YOY change)</b>	+ 15.7%	+ 6.1%	+ 1.8%
<b>Mainland China same store sales<sup>1</sup> (YOY change)</b>	+ 6.0%	+ 1.9%	+ 0.2%
<b>Net cash &amp; bank balances (in HK\$ millions)</b>	756 <sup>2</sup>	756 <sup>2</sup>	792
<b>Inventory turnover on sales</b>	N/A	35 days (2009: 32 days)	25 days (2009: 25 days)

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

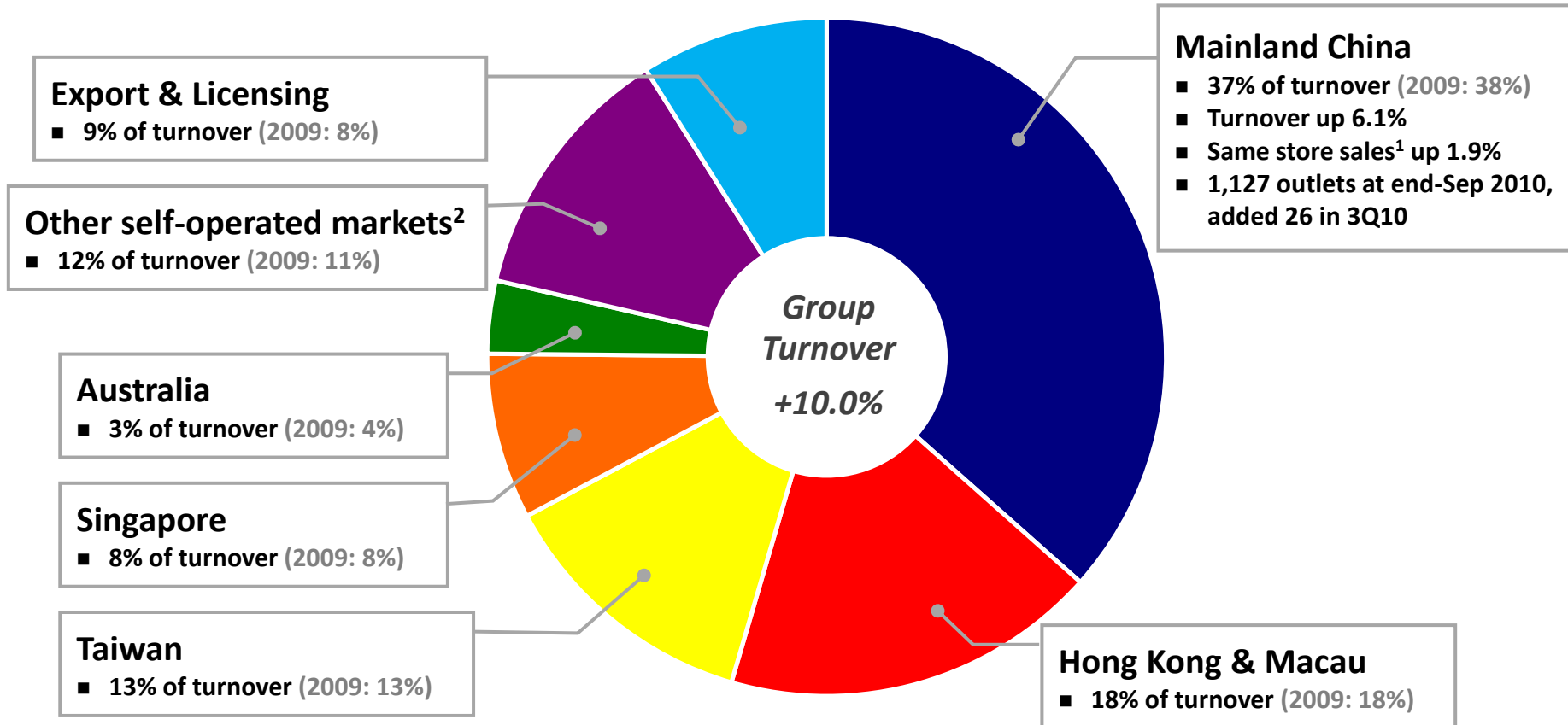
<sup>2</sup> The Group paid HK\$127 million in interim dividends in 3Q10.

## Operations Highlights – Group

	3Q10	2Q10	1Q10	4Q09	3Q09
<b>Group turnover</b> (YOY change)	+ 16.9%	+ 8.8%	+ 4.9%	- 2.9%	- 9.6%
<b>Retail &amp; Distribution turnover</b> (YOY change)	+ 14.5%	+ 7.9%	+ 6.0%	Flat	- 6.9%
<b>Group gross profit</b> (YOY change)	+ 27.3%	+ 24.1%	+ 32.5%	+ 15.1%	- 6.4%
<b>Group gross margin</b>	56.7%	59.4%	56.5%	56.0%	52.1%

# Group turnover by market

For the nine months ended September 30, 2010



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

<sup>2</sup> Includes Malaysia, Thailand, Indonesia and Japan

## Operations Highlights – Mainland China

	3Q10	2Q10	1Q10	4Q09	3Q09
<b>Turnover, comprising</b>	<b>+ 15.7%</b>	<b>+ 5.0%</b>	<b>- 0.8%</b>	<b>- 2.1%</b>	<b>- 5.0%</b>
Retail sales through self-operated stores (YOY change)	<b>+ 9.9%</b>	<b>+ 3.8%</b>	<b>- 5.7%</b>	<b>+ 1.0%</b>	<b>- 4.4%</b>
Wholesale sales to franchisees (YOY change)	<b>+ 25.6%</b>	<b>+ 7.5%</b>	<b>+ 10.1%</b>	<b>- 7.8%</b>	<b>- 5.9%</b>
<b>Total (YOY change)</b>	<b>+ 15.7%</b>	<b>+ 5.0%</b>	<b>- 0.8%</b>	<b>- 2.1%</b>	<b>- 5.0%</b>
<b>Same store sales<sup>1</sup> (YOY change)</b>	<b>+ 6.0%</b>	<b>+ 1.9%</b>	<b>- 1.8%</b>	<b>+ 1.2%</b>	<b>- 8.0%</b>
<b>Gross profit (YOY change)</b>	<b>+ 31.0%</b>	<b>+ 23.1%</b>	<b>+ 34.0%</b>	<b>+ 16.0%</b>	<b>- 4.2%</b>
<b>Number of outlets</b>	<b>1,127</b>	<b>1,101</b>	<b>1,040</b>	<b>1,017</b>	<b>963</b>
Self-operated	<b>433</b>	<b>443</b>	<b>436</b>	<b>420</b>	<b>411</b>
Franchised	<b>694</b>	<b>658</b>	<b>604</b>	<b>597</b>	<b>552</b>

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

## Operations Highlights – Hong Kong

	3Q10	2Q10	1Q10	4Q09	3Q09
<b>Turnover</b> (YOY change)	+ 9.8%	+ 12.1%	+ 2.8%	+ 1.6%	- 7.7%
<b>Same store sales</b> <sup>1</sup> (YOY change)	+ 8.2%	+ 13.9%	+ 9.9%	+ 9.8%	- 0.6%
<b>Gross profit</b> (YOY change)	+ 19.0%	+ 26.6%	+ 23.9%	+ 16.3%	- 7.3%
<b>Number of outlets</b>	73	74	73	75	75

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

## Operations Highlights – Taiwan

	3Q10	2Q10	1Q10	4Q09	3Q09
<b>Turnover</b> (YOY change)	+ 17.3%	+ 4.2%	+ 3.2%	+ 1.1%	- 11.9%
<b>Same store sales</b> <sup>1</sup> (YOY change)	+ 15.8%	+ 4.6%	+ 4.4%	+ 7.3%	- 1.5%
<b>Gross profit</b> (YOY change)	+ 27.4%	+ 14.2%	+ 29.0%	+ 36.1%	- 0.4%
<b>Number of outlets</b>	177	176	176	174	176

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

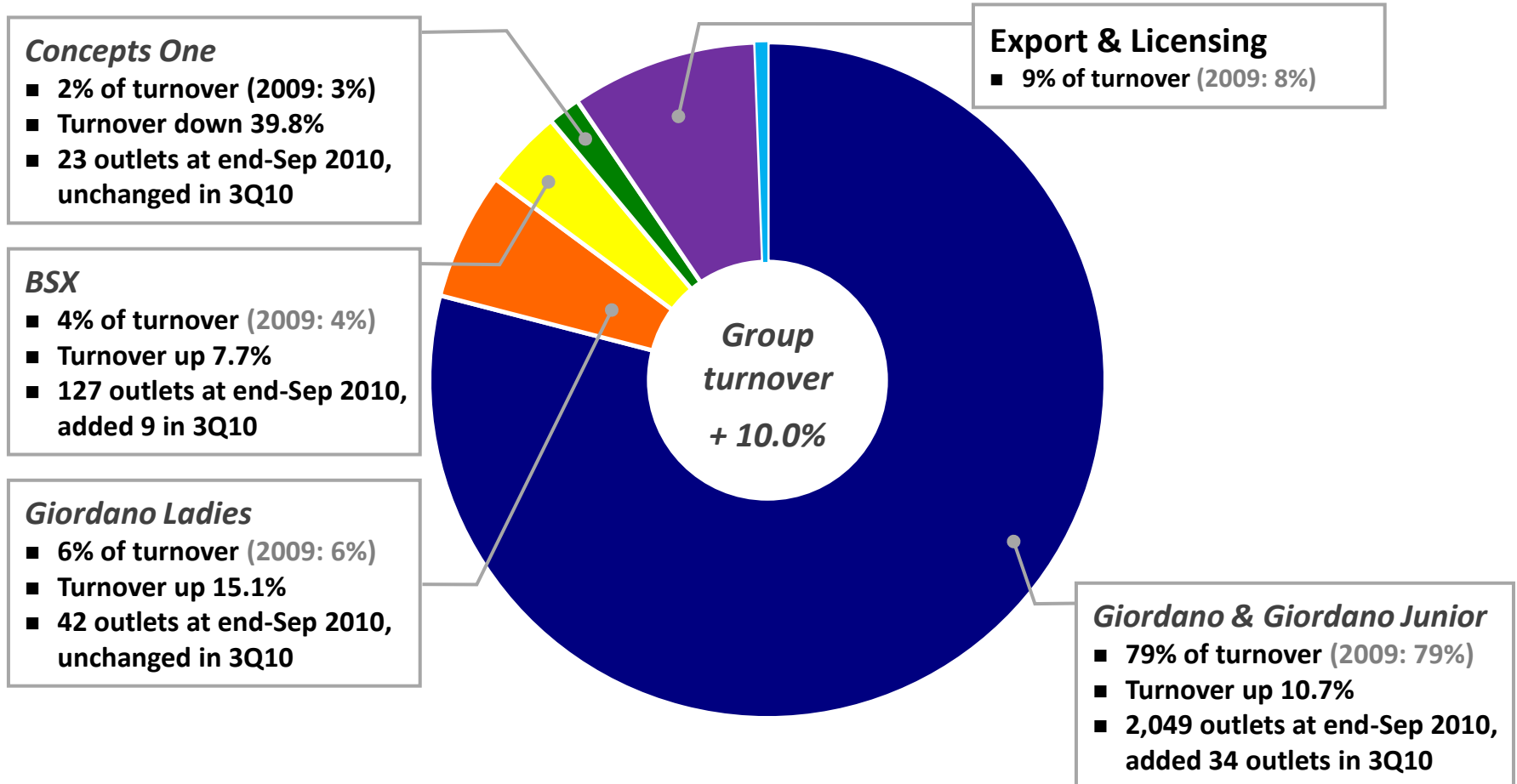
## Operations Highlights – Singapore

	3Q10	2Q10	1Q10	4Q09	3Q09
<b>Turnover</b> (YOY change)	+ 17.6%	+ 11.2%	+ 23.1%	- 8.9%	- 8.4%
<b>Same store sales</b> <sup>1</sup> (YOY change)	+ 0.4%	- 3.5%	+ 12.9%	- 10.8%	+ 1.9%
<b>Gross profit</b> (YOY change)	+ 31.9%	+ 32.6%	+ 65.5%	+ 12.8%	- 8.1%
<b>Number of outlets</b>	48	48	47	47	47

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

# Group turnover by brand

For the nine months ended September 30, 2010



## Review by Brand

Turnover (YOY change)	3 months ended Sep 30, 2010	9 months ended Sep 30, 2010	6 months ended Jun 30, 2010
<i>Giordano &amp; Giordano Junior</i>	+ 15.4%	+ 10.7%	+ 8.5%
<i>Giordano Ladies</i>	+ 18.3%	+ 15.1%	+ 13.2%
<i>Concepts One</i>	- 30.1%	- 39.8%	- 43.8%
<i>BSX</i>	+ 12.0%	+ 7.7%	+ 6.6%
<b>Retail &amp; Distribution Total</b>	+ 14.5%	+ 9.4%	+ 6.9%
<b>Export &amp; Licensing</b>	+ 44.6%	+ 18.2%	+ 6.0%
<b>Group Turnover</b>	+ 16.9%	+ 10.0%	+ 6.7%

Number of outlets	As at Sep 30, 2010						Total	As at Dec 31, 2009	Change
	Giordano & Junior	Giordano Ladies	Concepts One	BSX	Others				
Mainland China	1,061	15	19	32	-	1,127	1,017	+110	
Hong Kong & Macau	45	9	2	17	-	73	75	-2	
Taiwan	148	12	-	17	-	177	174	+3	
Singapore	46	2	-	-	-	48	47	+1	
Australia	39	-	-	-	-	39	45	-6	
Malaysia	65	1	-	-	-	66	66	-	
Indonesia	92	2	1	2	8	105	99	+6	
Thailand	91	-	-	-	-	91	91	-	
Japan	-	-	-	-	-	-	3	-3	
<b>Retail &amp; Distribution</b>	<b>1,587</b>	<b>41</b>	<b>22</b>	<b>68</b>	<b>8</b>	<b>1,726</b>	<b>1,617</b>	<b>+109</b>	
South Korea	163	-	-	52	-	215	191	+24	
Middle East & India	179	-	-	3	-	182	175	+7	
Philippines	46	1	1	3	-	51	51	-	
Others	74	-	-	1	-	75	80	-5	
<b>Export &amp; Licensing</b>	<b>462</b>	<b>1</b>	<b>1</b>	<b>59</b>	<b>-</b>	<b>523</b>	<b>497</b>	<b>+26</b>	
<b>TOTAL</b>	<b>2,049</b>	<b>42</b>	<b>23</b>	<b>127</b>	<b>8</b>	<b>2,249</b>	<b>2,114</b>	<b>+135</b>	