

## Giordano Releases First Quarter 2010 Operations Update

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Giordano International Limited (“Giordano” or the “Group”) released its 2010 first quarter operations update today.

Giordano made steady progress building on the recovery that began in the second half of 2009. The rebound was especially strong in Singapore and other Southeast Asian markets, all of which recorded double-digit year-on-year turnover growth in the first quarter. Overall, the Group’s turnover grew by 5% and same store sales by 4% year-on-year in the three months ended March 31, 2010.

Giordano increased its gross margin to 57%, 12 percentage points above the first quarter of 2009. As a result, the Group’s gross profit and same store gross profit rose by 33% and 27% respectively against the same period last year. Mainland China, Hong Kong, Taiwan, Singapore and South Korea all achieved double digit year-on-year gross profit gains during the first quarter of 2010.

3 months ended March 31, 2010	YOY turnover increase/(decrease)	YOY same store sales increase/(decrease)	YOY same store gross profit increase/(decrease)
Mainland China	(1%)	(6%)	19%
Hong Kong	3%	8%	24%
Taiwan	3%	5%	27%
Singapore	23%	13%	52%
South Korea	80%	31%	34%

Owing to prudent inventory management, inventory turnover on sales came in at 23 days for the three months ended March 31, 2010, two days less than the same period last year. Net cash and bank balances increased by HK\$205 million to approximately HK\$955 million as at March 31, 2010 (December 31, 2009: HK\$750 million) as a result of the Group’s improved cash flow from operations.

“As we noted in our 2009 final results announcement, Management’s first objective for 2010 is to rebuild Giordano’s margins. As a result of our relentless focus on managing inventory, controlling sourcing costs and limiting markdowns, all our major markets achieved strong double digit year-on-year gross profit gains in the first quarter of 2010.

Overall, the Group raised its first quarter gross margin by a remarkable 12 points to 57% compared to the same period last year. As a result, Giordano's first quarter gross profit rose by 33% against the same period in 2009," remarked Dr. Lau Kwok Kuen, Peter, Chairman and Chief Executive of Giordano.

"We will continue to focus on growing our margins. The Group's gross margin continues to trend up, so that our main markets including Mainland China, Hong Kong, Taiwan, Singapore and South Korea all registered double digit year-on-year gross profit gains in April," continued Dr. Lau.

"Our second objective is to quicken Giordano's expansion in Mainland China. In this regard, we added 23 outlets during the first quarter and another 35 in April, putting us on track to meet our goal of expanding our Mainland China network by over 150 stores in 2010. Equally important, we achieved a 34% year-on-year increase in gross profit during the first quarter, and April continued to see Mainland China posting double digit year-on-year gross profit gains," Dr. Lau concluded.

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**About Giordano:**

Giordano is a leading international retailer of men's, women's and children's apparel under the brand names *Giordano*, *Giordano Ladies*, *Giordano Junior*, *Concepts One* and *BSX*. Established in 1981, Giordano now operates over 2,000 stores and counters in Greater China, South Korea, Southeast Asia, Australia, India and the Middle East. Giordano is listed on the main board of Hong Kong Stock Exchange under the code 709.

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