

GIORDANO

2011 First Quarter Update

May 19, 2011



Operations Highlights – Group

(Amounts in HK\$M)

	1Q11	YOY change
Comparable Store Sales increase¹		+13%
Global Brand Sales²	1,866	+17%
Group Sales³ (include exchange effect)	1,415	+26%
Group Sales³ (exclude exchange effect)	1,350	+20%
Gross Profit	823	+30%
Gross Margin (1Q10: 56.5%)	58.2%	+1.7 pp
Net Cash & Bank Balances	1,239	+284
Inventory Days of Sales⁴ (1Q10: 23 days)	24 days	+1 day

¹ Comparable Store Sales are total Brand sales, at constant exchange rates, from existing stores that have been open in the prior period.

² Global Brand Sales are the total retail sales, at constant exchange rates, in self-operated and franchised stores, operated by subsidiaries and associates/JCEs.

³ Group sales are total retail sales in self-operated stores and total wholesale to franchisees.

⁴ Inventory held at period end divided by turnover times number of days during the period.

Operations Highlights – Group

		1Q11	4Q10	3Q10	2Q10	1Q10
Global Brand Sales¹	<i>(HK\$M)</i>	1,866	2,041	1,524	1,466	1,595
Comparable Store Sales increase²		+13%	+7%	+9%	+7%	+7%
Group Sales³, comprising:						
Retail & Distribution	<i>(HK\$M)</i> <i>(YOY change)</i>	1,308 +26%	1,367 +14%	1,010 +15%	920 +8%	1,040 +6%
Export & Licensing (net of inter-segment sales)	<i>(HK\$M)</i> <i>(YOY change)</i>	107 +29%	102 +46%	115 +44%	94 +18%	83 -8%
Total	<i>(HK\$M)</i> <i>(YOY change)</i>	1,415 +26%	1,469 +16%	1,125 +17%	1,014 +9%	1,123 +5%
Gross Profit	<i>(HK\$M)</i> <i>(YOY change)</i>	823 +30%	856 +21%	638 +27%	602 +24%	635 +32%
Gross Margin		58.2%	58.3%	56.7%	59.4%	56.5%
Number of Outlets		2,374	2,353	2,249	2,206	2,148

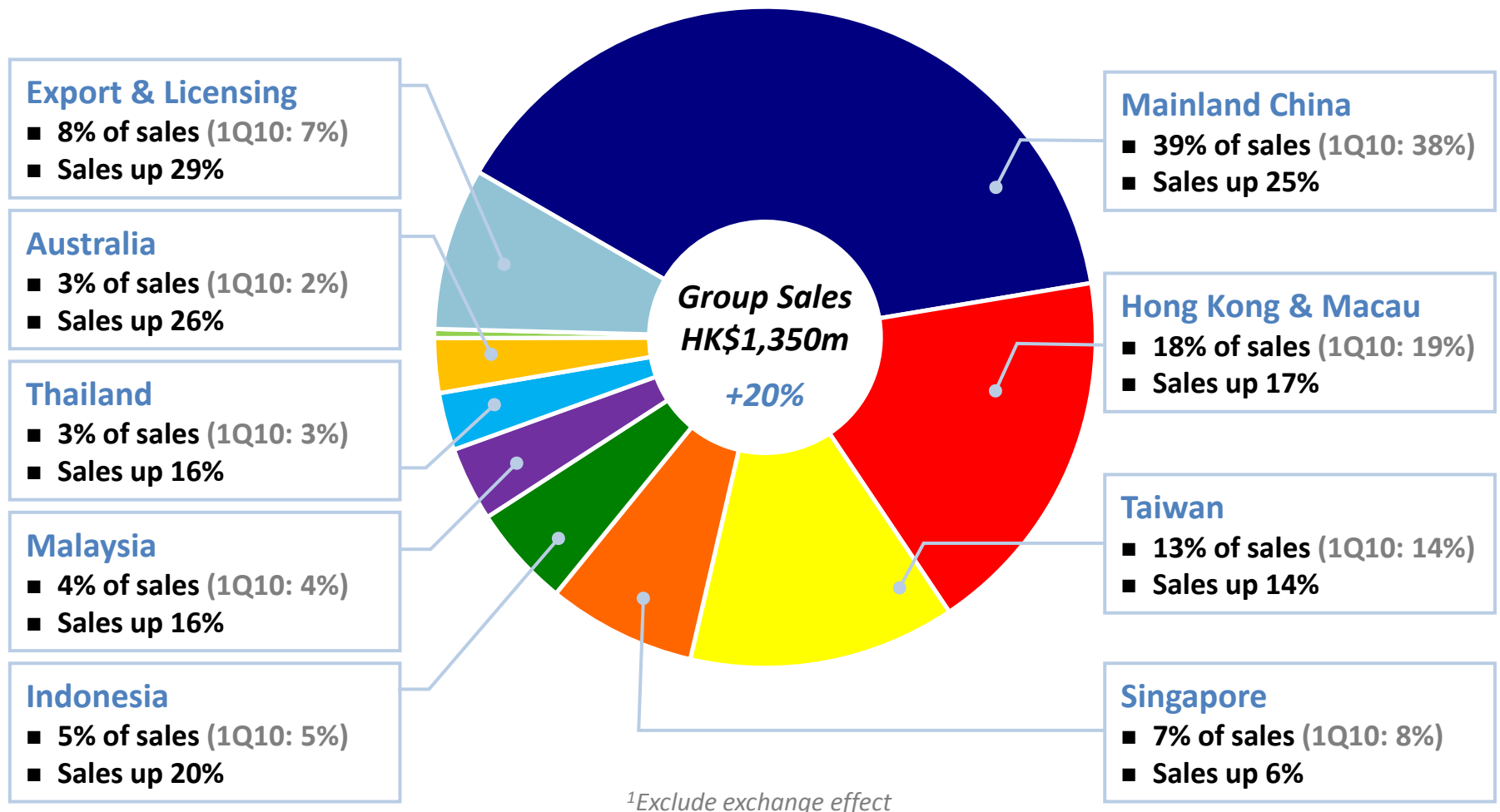
¹ Global Brand Sales are the total retail sales, at constant exchange rates, in self-operated and franchised stores, operated by subsidiaries and associates/JCEs.

² Comparable Store Sales are total Brand sales, at constant exchange rates, from existing stores that have been open in the prior period.

³ Group sales are total retail sales in self-operated stores and total wholesale to franchisees.

Group Sales¹ by Country/Segment

For the three months ended March 31, 2011



Operations Highlights – Mainland China

		1Q11	4Q10	3Q10	2Q10	1Q10
Total Brand Sales¹	<i>(HK\$M)</i> <i>(YOY change)</i>	678 +20%	705 +8%	451 +11%	461 +8%	564 +2%
Comparable Store Sales increase/decrease²	<i>(YOY change)</i>	+14%	+2%	+6%	+2%	-2%
Total Sales³	<i>(HK\$M)</i> <i>(YOY change)</i>	550 +30%	588 +16%	403 +16%	367 +5%	423 -1%
Retail self-operated stores	<i>(HK\$M)</i> <i>(YOY change)</i>	341 +23%	381 +11%	240 +10%	243 +4%	278 -6%
Wholesale to franchisees	<i>(HK\$M)</i> <i>(YOY change)</i>	209 +44%	207 +24%	163 +25%	124 +7%	145 +11%
Gross Profit	<i>(YOY change)</i>	+31%	+20%	+31%	+26%	+33%
Number of Outlets		1,211	1,188	1,127	1,101	1,040
Self-operated stores		458	448	433	443	436
Franchised stores		753	740	694	658	604

¹ Total Brand Sales are total retail sales, at constant exchange rates, in self-operated and franchised stores.

² Comparable Store Sales are total Brand sales, at constant exchange rates, from existing stores that have been open in the prior period.

³ Total Sales are total retail sales in self-operated stores and total wholesale sales to franchisees, translated at average exchange rates.

Operations Highlights – Hong Kong & Macau

		1Q11	4Q10	3Q10	2Q10	1Q10
Comparable Store Sales increase¹	<i>(YOY change)</i>	+16%	+9%	+8%	+14%	+10%
Total Sales²	<i>(HK\$M)</i> <i>(YOY change)</i>	246 +17%	255 +10%	194 +10%	182 +12%	210 +3%
Gross Profit	<i>(YOY change)</i>	+18%	+14%	+17%	+26%	+24%
Number of Outlets		75	75	73	74	73

¹ Comparable Store Sales are total sales from existing stores that have been open in prior period.

² Total Sales are total sales made by retail outlets in the period.

Operations Highlights – Taiwan

		1Q11	4Q10	3Q10	2Q10	1Q10
Comparable Store Sales increase¹	<i>(YOY change)</i>	+12%	+6%	+16%	+5%	+4%
Total Sales²	<i>(HK\$M)</i> <i>(YOY change)</i>	192 +25%	192 +12%	135 +17%	125 +4%	154 +3%
Gross Profit	<i>(YOY change)</i>	+38%	+23%	+27%	+14%	+31%
Number of Outlets		182	181	177	176	176

¹ Comparable Store Sales are total sales, at constant exchange rates, from existing stores that have been open in prior period.

² Total Sales are total retail sales translated at average exchange rates.

Operations Highlights – Singapore

		1Q11	4Q10	3Q10	2Q10	1Q10
Comparable Store Sales increase/decrease¹	<i>(YOY change)</i>	+2%	+3%	Flat	-4%	+13%
Total Sales²	<i>(HK\$M) (YOY change)</i>	109 +18%	102 +13%	86 +18%	80 +11%	92 +23%
Gross Profit	<i>(YOY change)</i>	+28%	+21%	+33%	+30%	+67%
Number of Outlets		54	52	48	48	47

¹ Comparable Store Sales are total sales, at constant exchange rates, from existing stores that have been open in prior period.

² Total Sales are total retail sales translated at average exchange rates.

Operations Highlights – Indonesia, Malaysia, Thailand and Australia

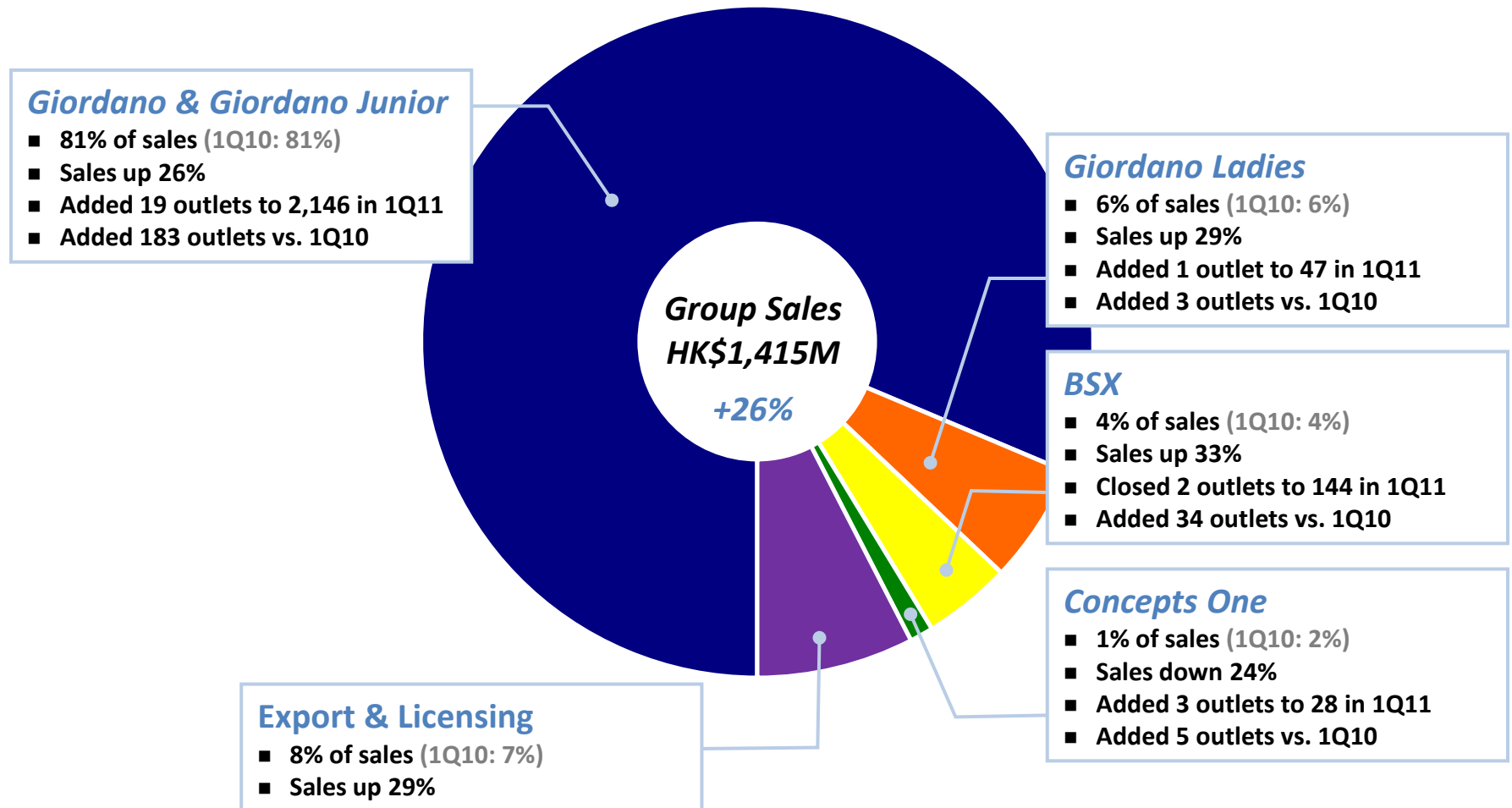
		1Q11	4Q10	3Q10	2Q10	1Q10
Comparable Store Sales increase¹	<i>(YOY change)</i>	+18%	+15%	+8%	+8%	+13%
Total Sales²	<i>(HK\$M)</i> <i>(YOY change)</i>	205 +29%	229 +19%	193 +16%	165 +15%	159 +28%
Gross Profit	<i>(YOY change)</i>	+34%	+33%	+26%	+36%	+52%
Number of Outlets		306	304	301	297	302

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² Total Sales are total retail sales translated at average exchange rates.

Group Sales by Brand/Segment

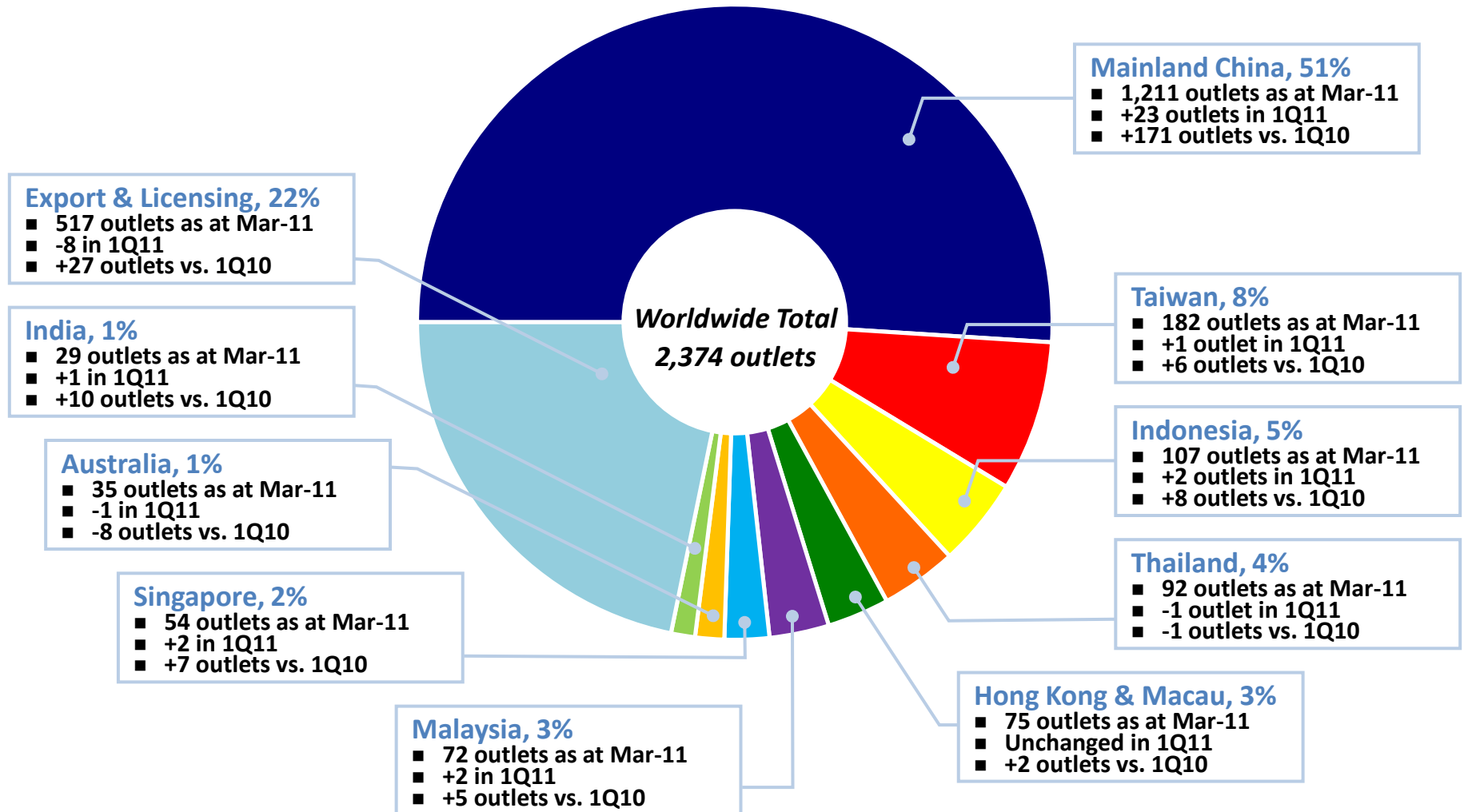
For the three months ended March 31, 2011



Review by Brand

Group Sales		1Q11	4Q10	3Q10	2Q10	1Q10
Giordano & Giordano Junior	(HK\$M) (YOY change)	1,151 +26%	1,202 +14%	883 +15%	803 +8%	911 +9%
Giordano Ladies	(HK\$M) (YOY change)	81 +29%	89 +16%	70 +19%	66 +29%	63 Flat
Concepts One	(HK\$M) (YOY change)	16 -24%	18 -18%	14 -30%	15 -32%	21 -50%
BSX	(HK\$M) (YOY change)	60 +33%	58 +32%	43 +13%	36 +3%	45 +10%
Retail & Distribution Total	(HK\$M) (YOY change)	1,308 +26%	1,367 +14%	1,010 +15%	920 +8%	1,040 +6%

1Q11 Store Numbers by Country/Segment



Our Strategies:

1. Concentrate on Mainland China expansion

- Emphasis on 2nd and 3rd tier cities through increased franchising
- Focus on key franchisee accounts
- To open flagship shops in Mainland China

2. Increase marketing investment to reinforce brand equity and drive sales

- Increase A&P spending
- Most of the increase in A&P dollars to be invested in targeted local promotional campaigns to support expansion in Mainland China

3. Maintain gross and operating margins

- Improve supply chain relationships
- Business process simplification