



GIORDANO

2011 Interim Results

August 30, 2011

Operations Highlights – Group

<i>(In HK\$ millions)</i>	1H11	1H10	YOY change
Sales	2,649	2,137	+24%
Gross profit	1,581	1,237	+28%
Gross margin	59.7%	57.9%	+1.8 pp
EBITDA	550	341	+61%
Operating profit	452	271	+67%
Operating margin	17.1%	12.7%	+4.4 pp
Profit attributable to shareholders	346	202	+71%
Net profit margin	13.1%	9.5%	+ 3.6 pp
Net cash inflow from operating activities	416	260	+60%
Net cash and bank balances	1,132	792	+43%
Inventory days of sales ¹	28	25	+3
Number of outlets	2,442	2,206	+236

¹ Inventory held at period end divided by sales and multiplied by number of days in the period

2011 Interim Dividend

(In HK cents)

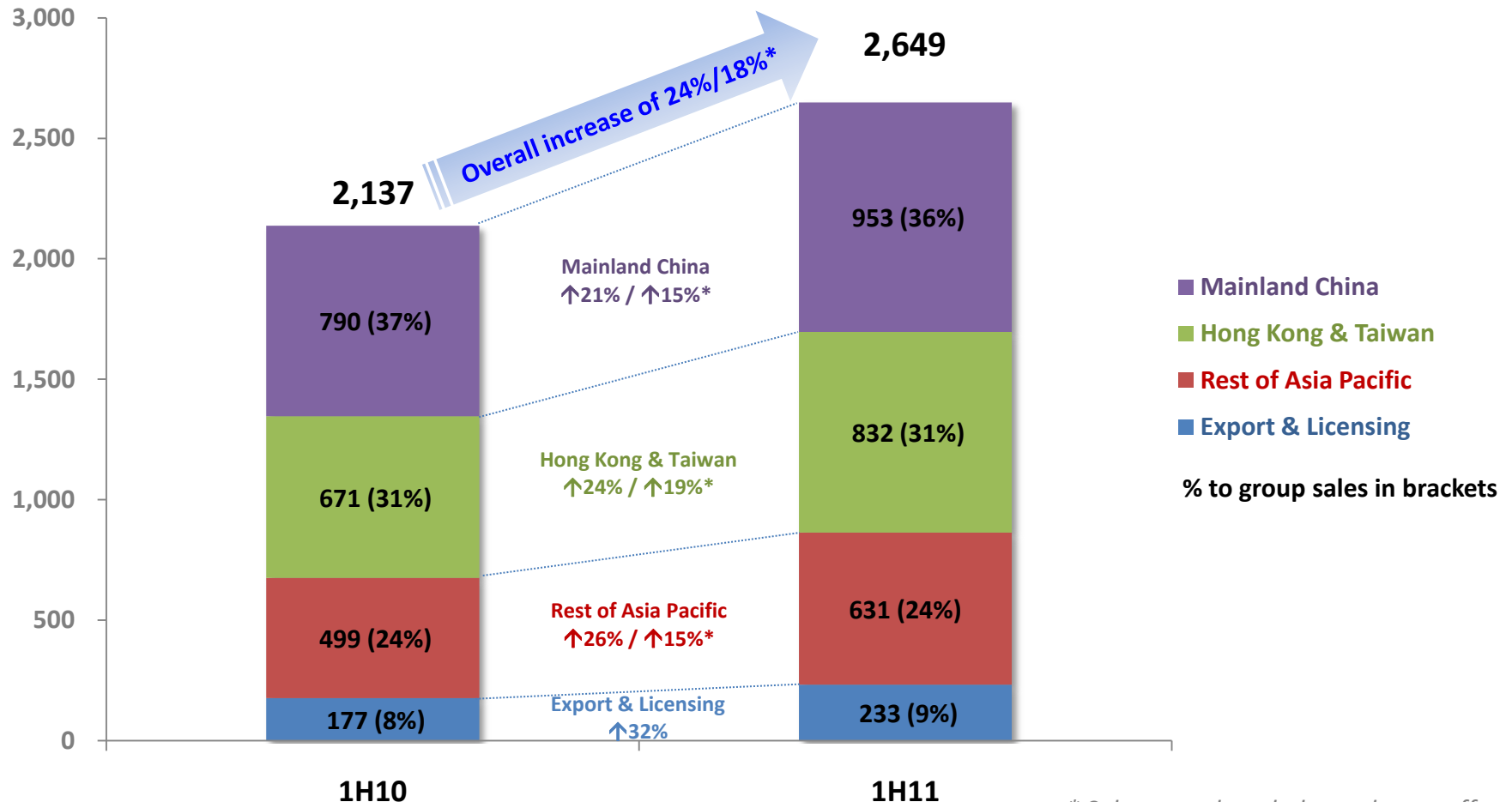
	2011	2010
Interim dividend	15.0	4.5
Special dividend	-	4.0
Total interim dividend	15.0	8.5
Earnings per share	23.0	13.5
Payout ratio	65%	63%

Book close date: September 21, 2011

Dividend payment date: on or about September 30, 2011

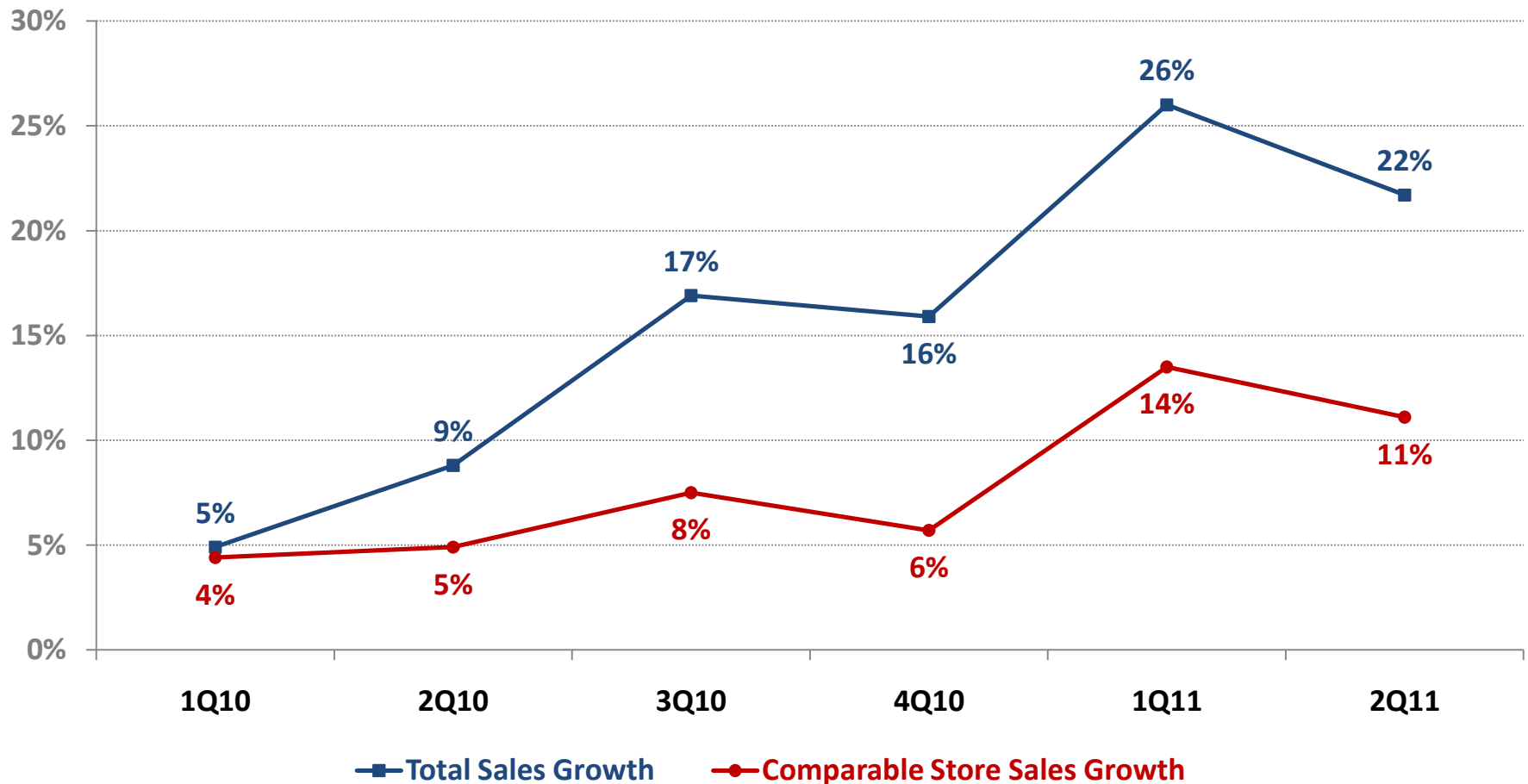
1H11 Sales Growth and Contribution by Region

(HK\$ millions)



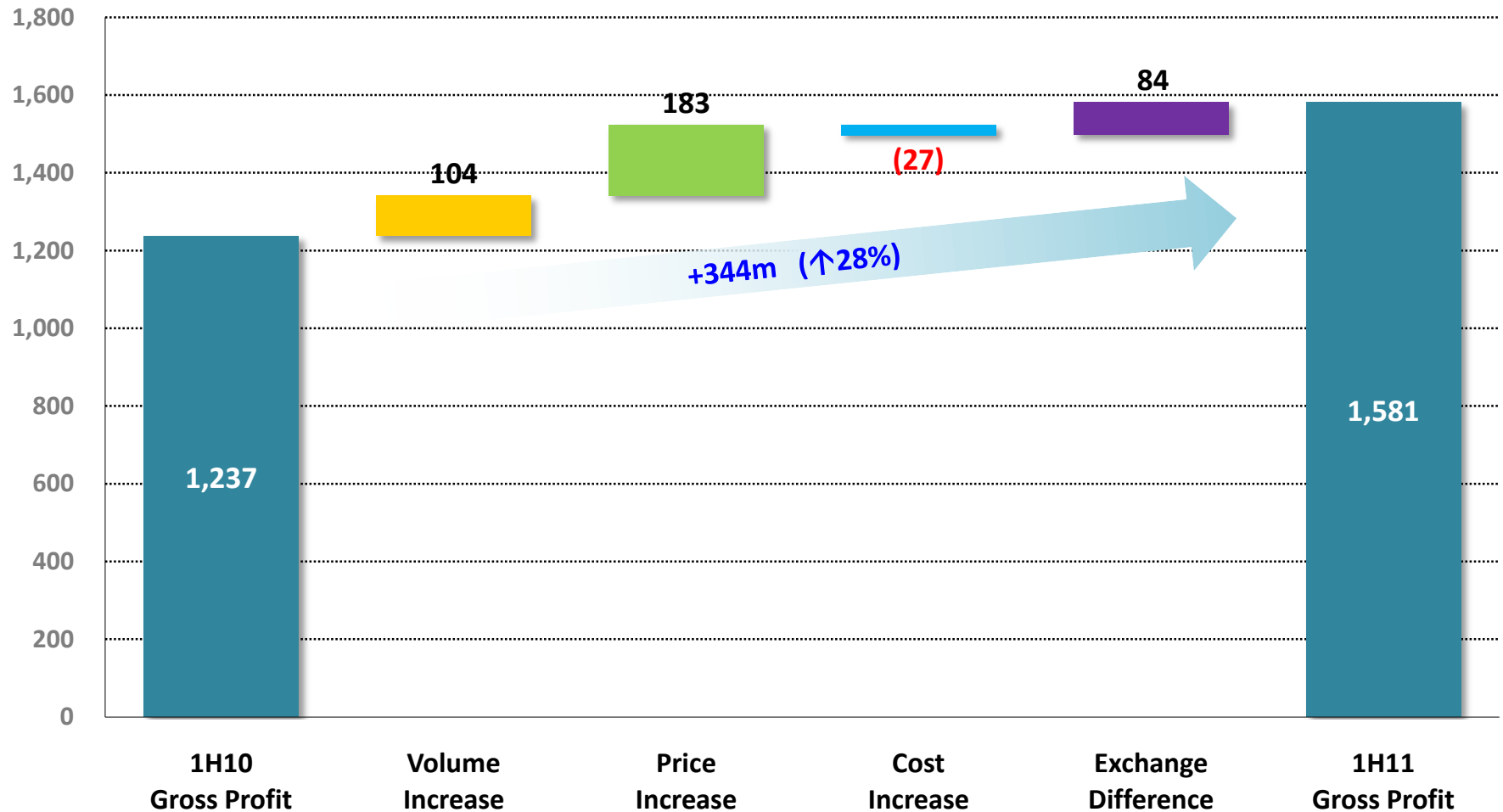
* Sales growth excludes exchange effects

Total Sales Growth and Comparable Store Sales Growth in the last 6 quarters – Group



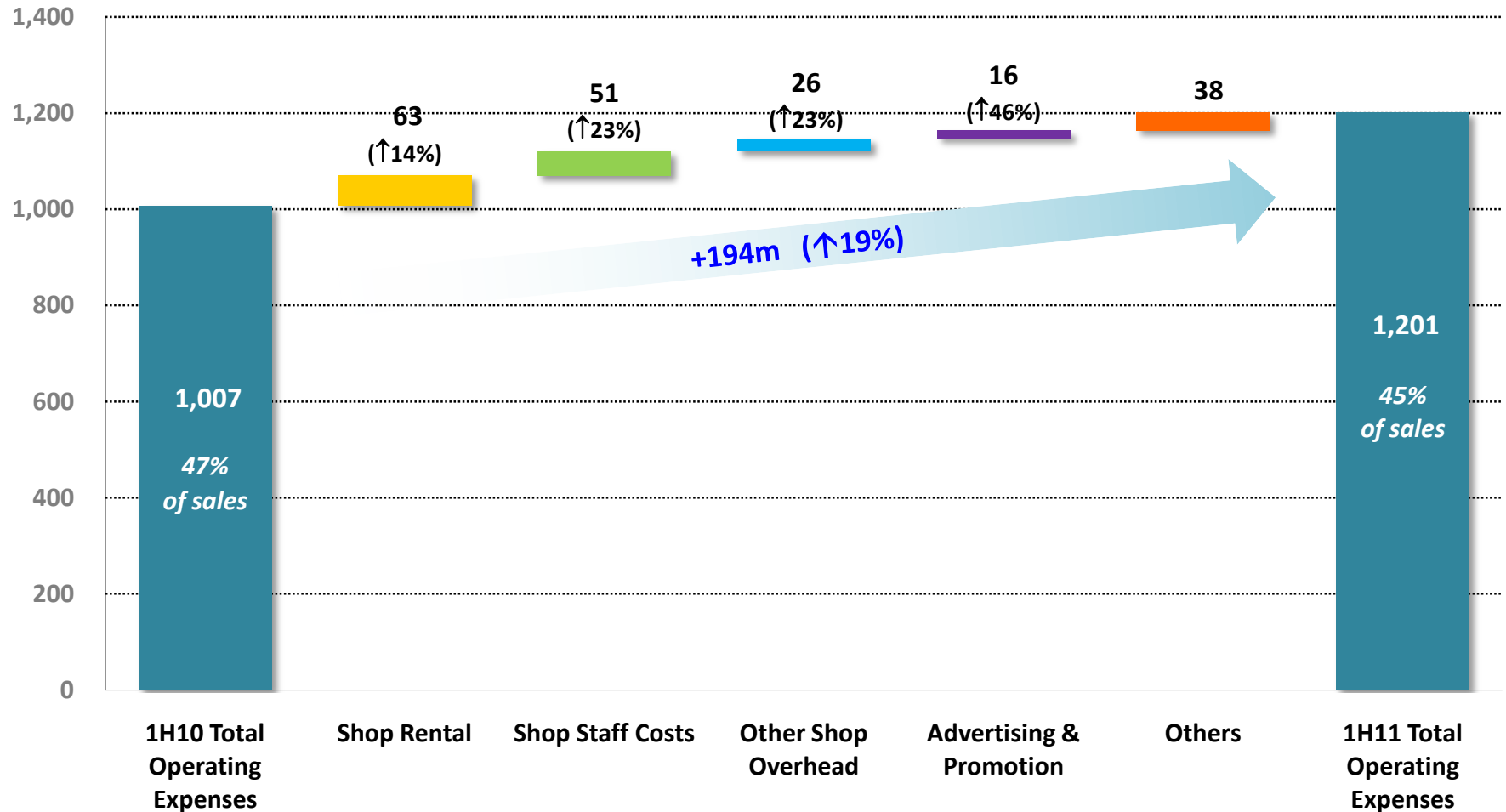
1H11 Gross Profit Reconciliation

(HK\$ millions)



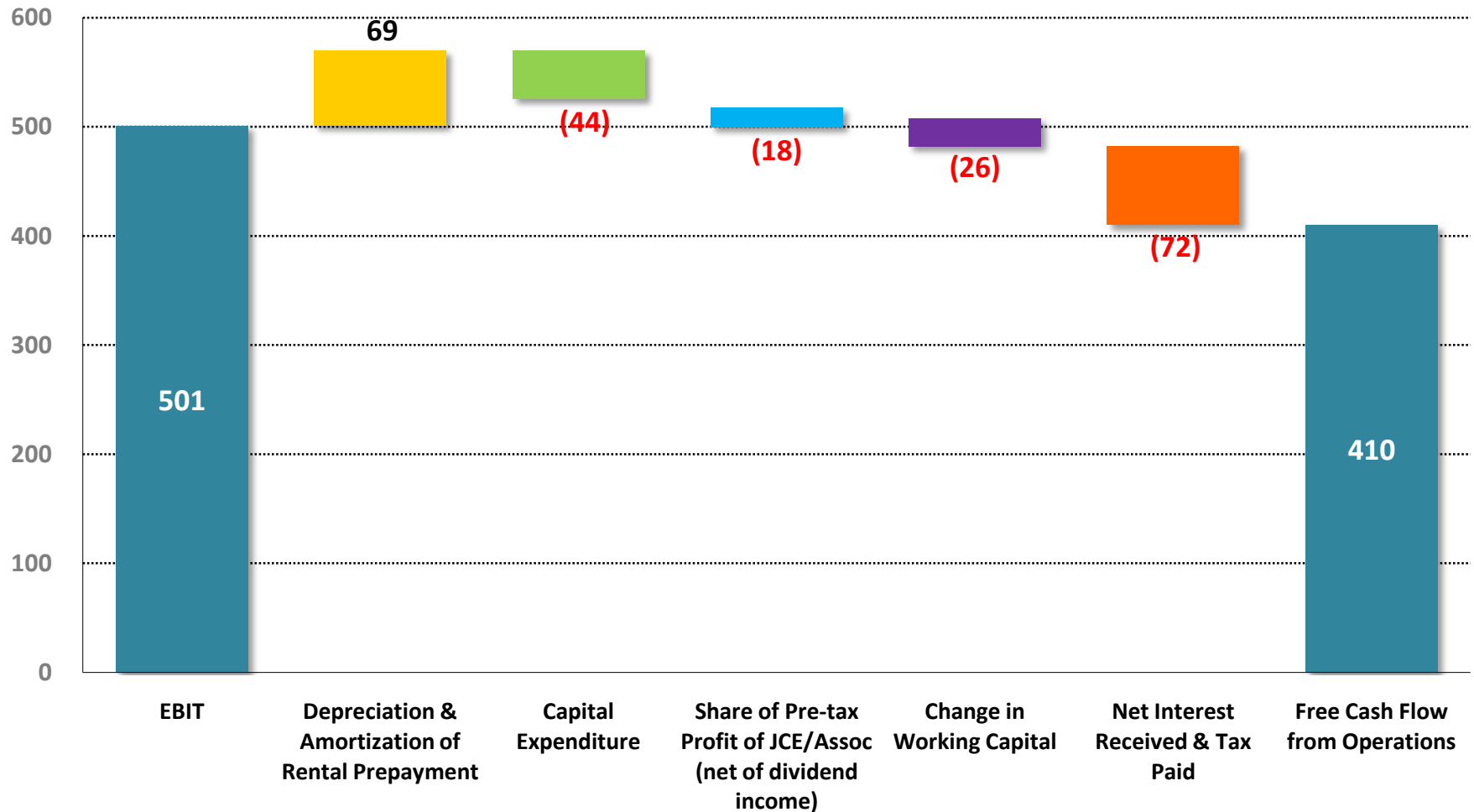
1H11 Total Operating Expenses Reconciliation

(HK\$ millions)



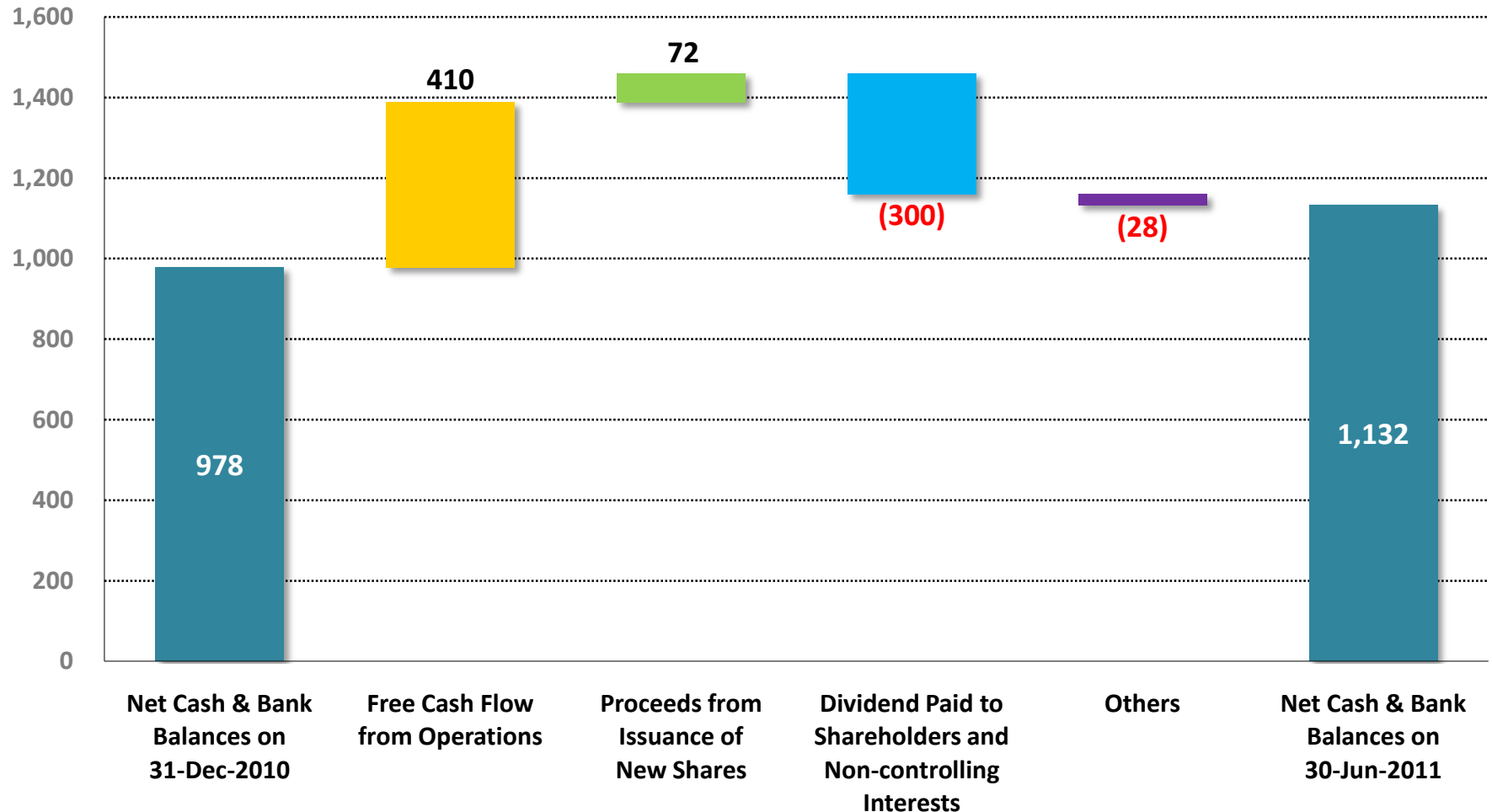
1H11 EBIT and Free Cash Flow from Operations

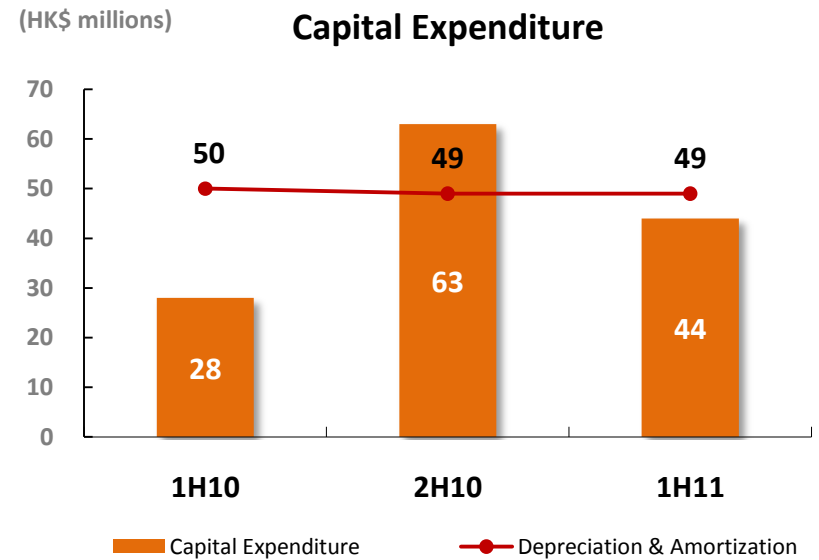
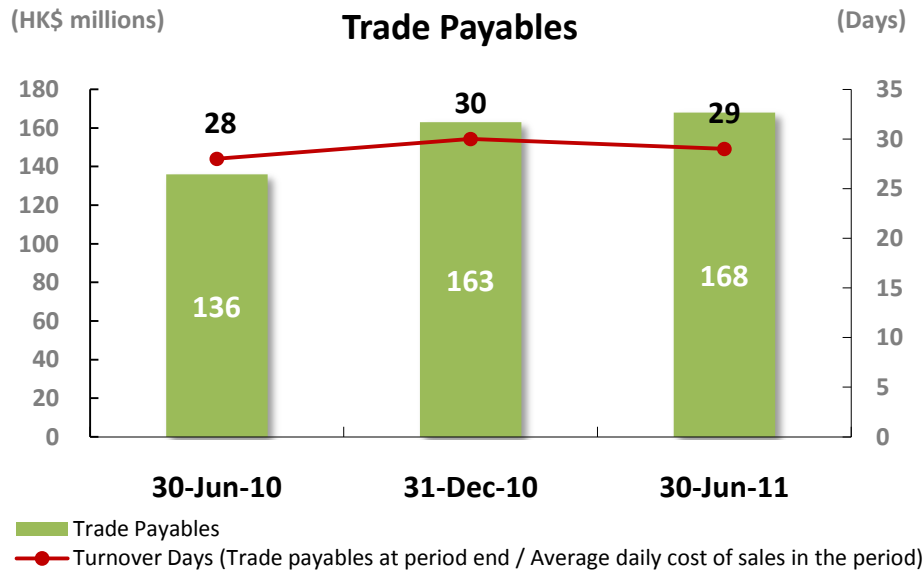
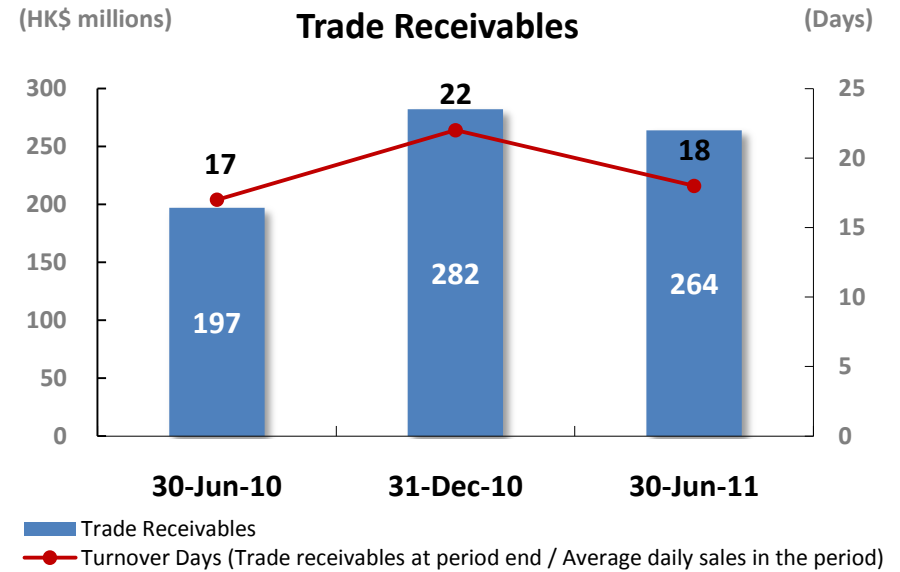
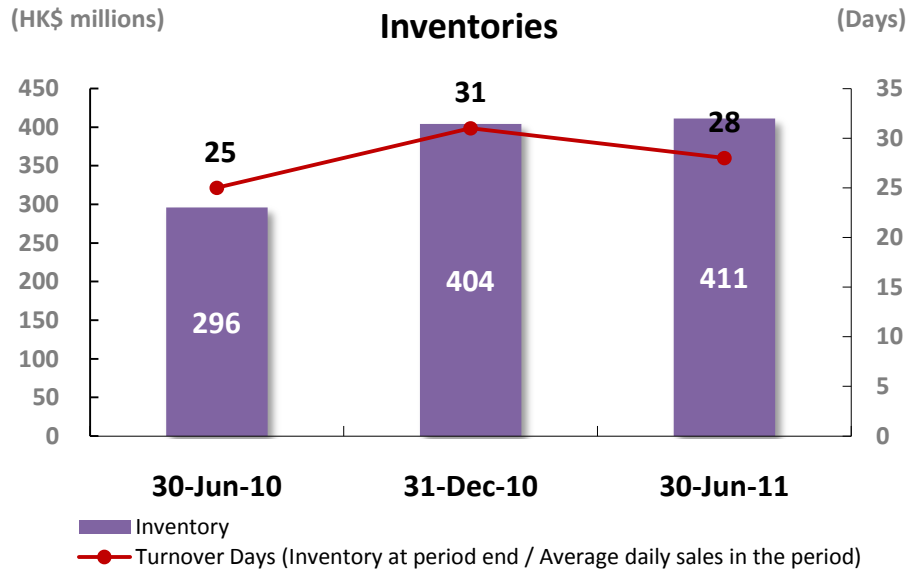
(HK\$ millions)



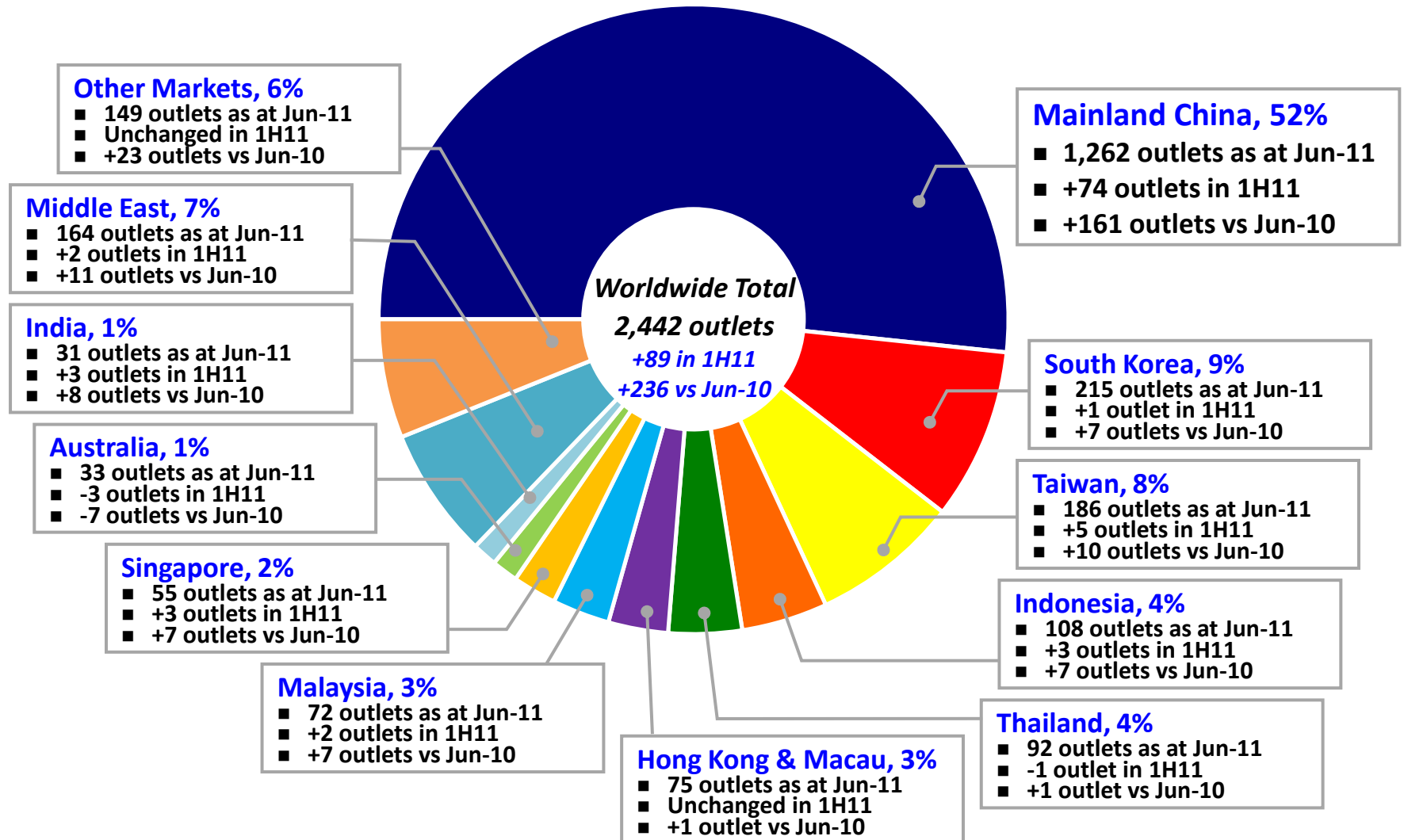
1H11 Change in Net Cash and Bank Balances

(HK\$ millions)





Store Number by Market as at 30 June 2011



Operations Highlights – Retail & Distribution

<i>(In HK\$ millions)</i>	1H11	1H10	YOY change
Total Sales ¹	2,416	1,960	+23%
Gross profit	1,528	1,194	+28%
Gross margin	63.2%	60.9%	+2.3 pp
Operating profit	458	270	+70%
Operating margin	19.0%	13.8%	+5.2 pp
Global brand sales ²	3,624	3,101	+17%
Comparable store sales increase ³	12%	4%	
Number of outlets	1,914	1,696	+218

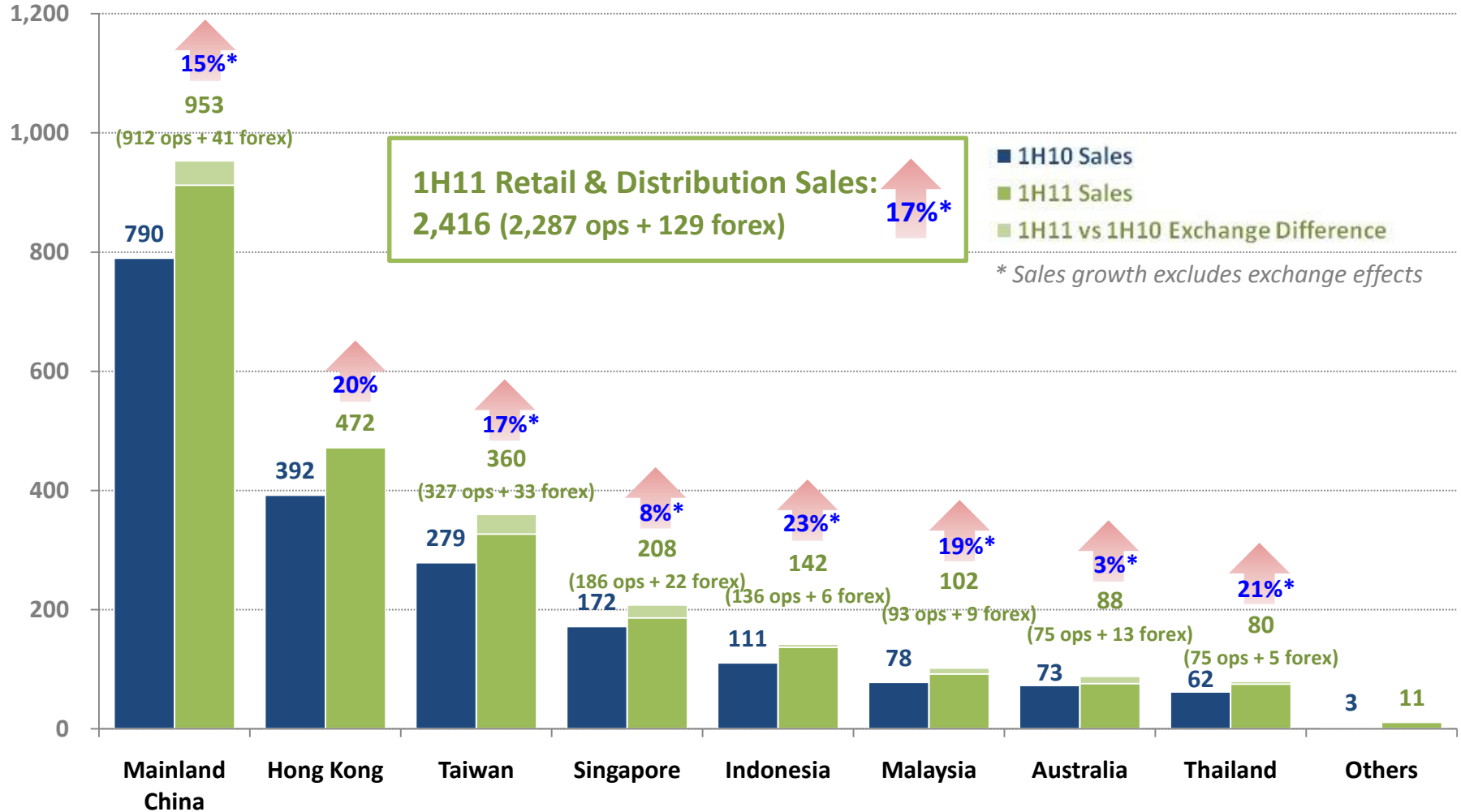
¹ Total Sales are total retail sales in self-operated stores and total wholesale sales to franchisees, translated at average \$ exchange rates.

² Global Brand Sales are total retail sales, at constant \$ exchange rates, in self-operated and franchised stores, operated by subsidiaries, JCE and associated company.

³ Comparable Store Sales are total Brand sales, at constant \$ exchange rates, from existing stores that have been operating throughout the prior period.

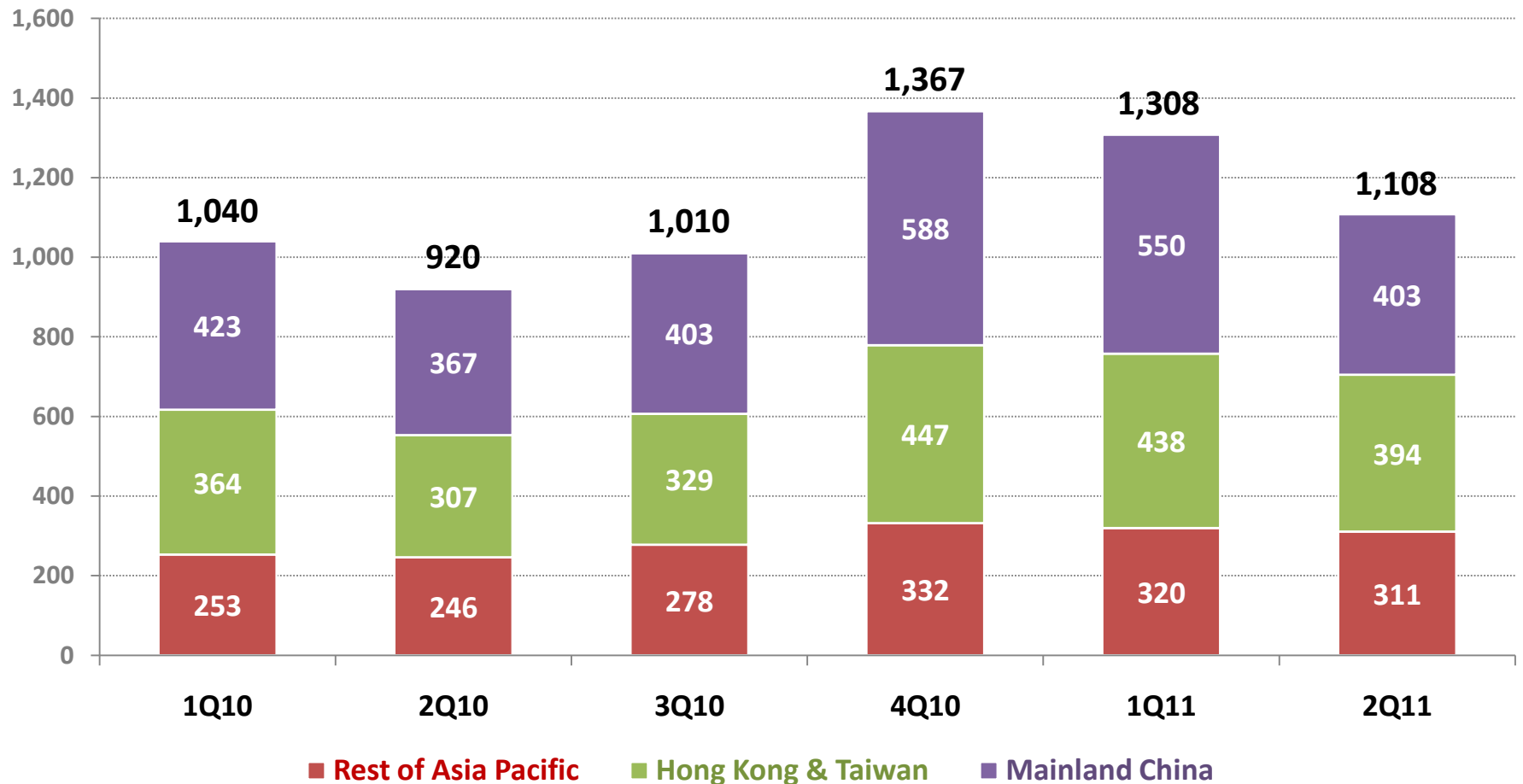
1H11 Retail & Distribution Sales by Market

(HK\$ millions)



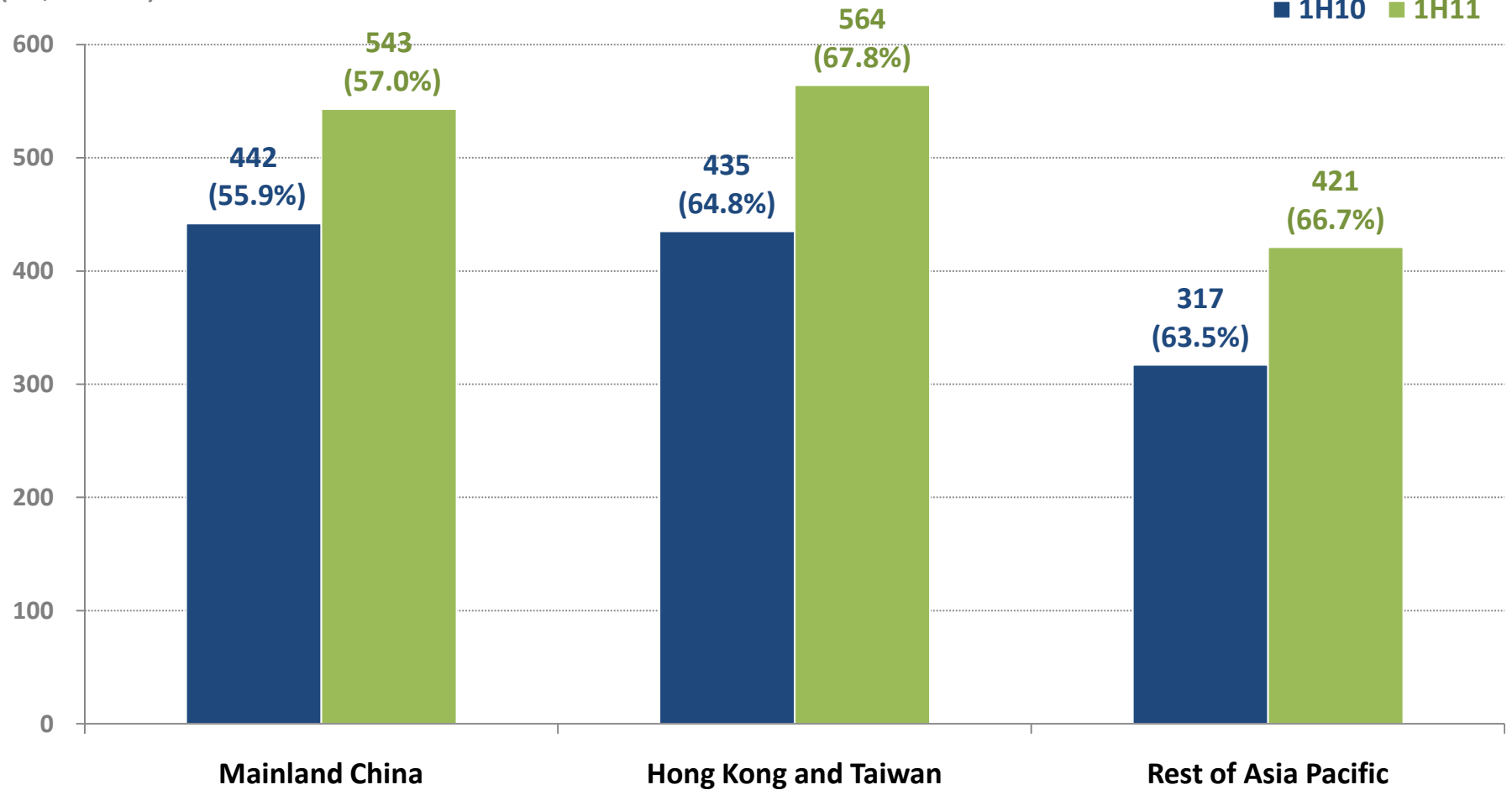
Retail & Distribution Sales by Region for the last 6 quarters

(HK\$ millions)



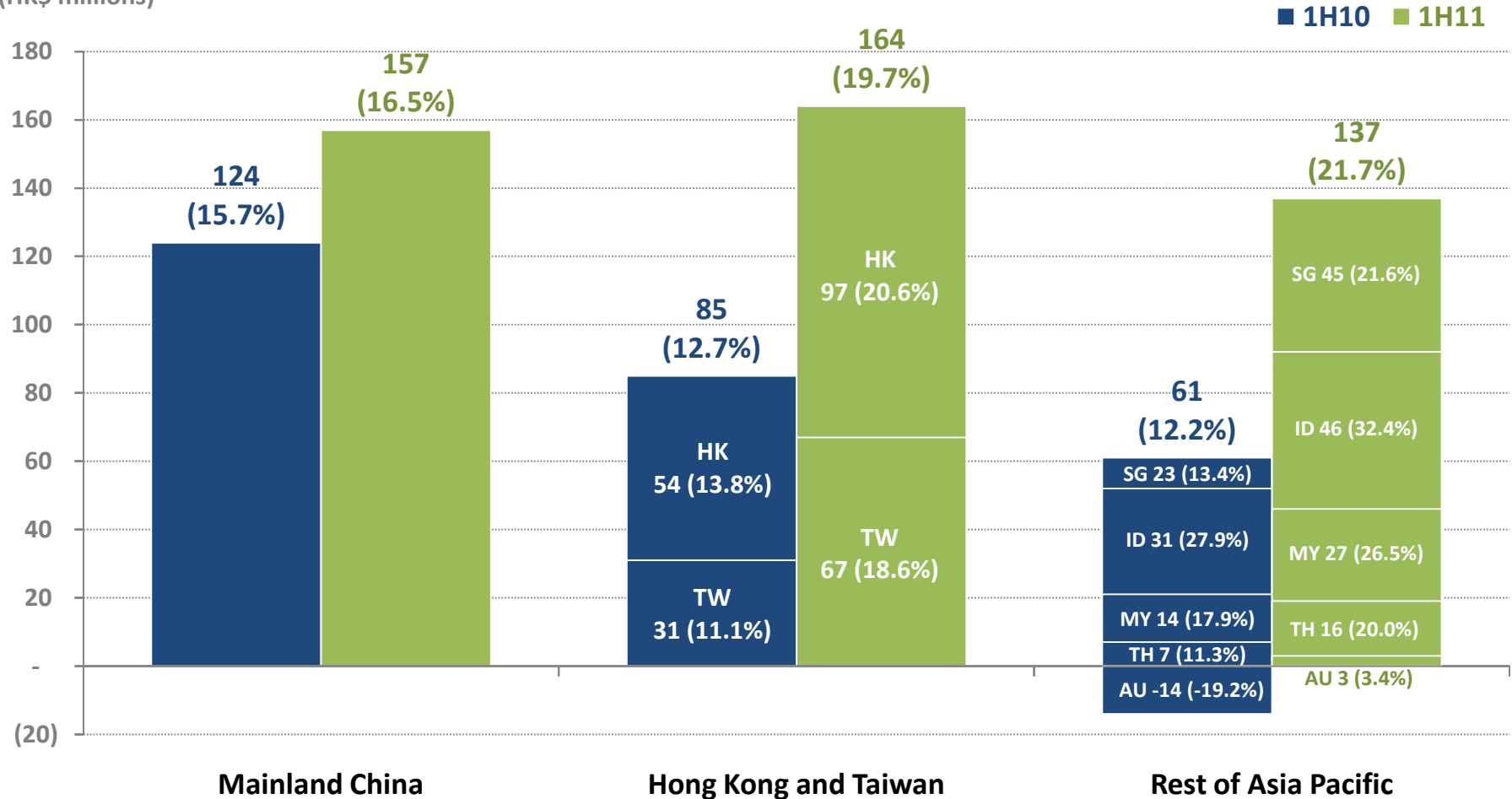
Retail & Distribution Gross Profit (Margin) by Region

(HK\$ millions)



Retail & Distribution Operating Profit (Margin) by Region

(HK\$ millions)



Retail & Distribution Review by Region

– Mainland China

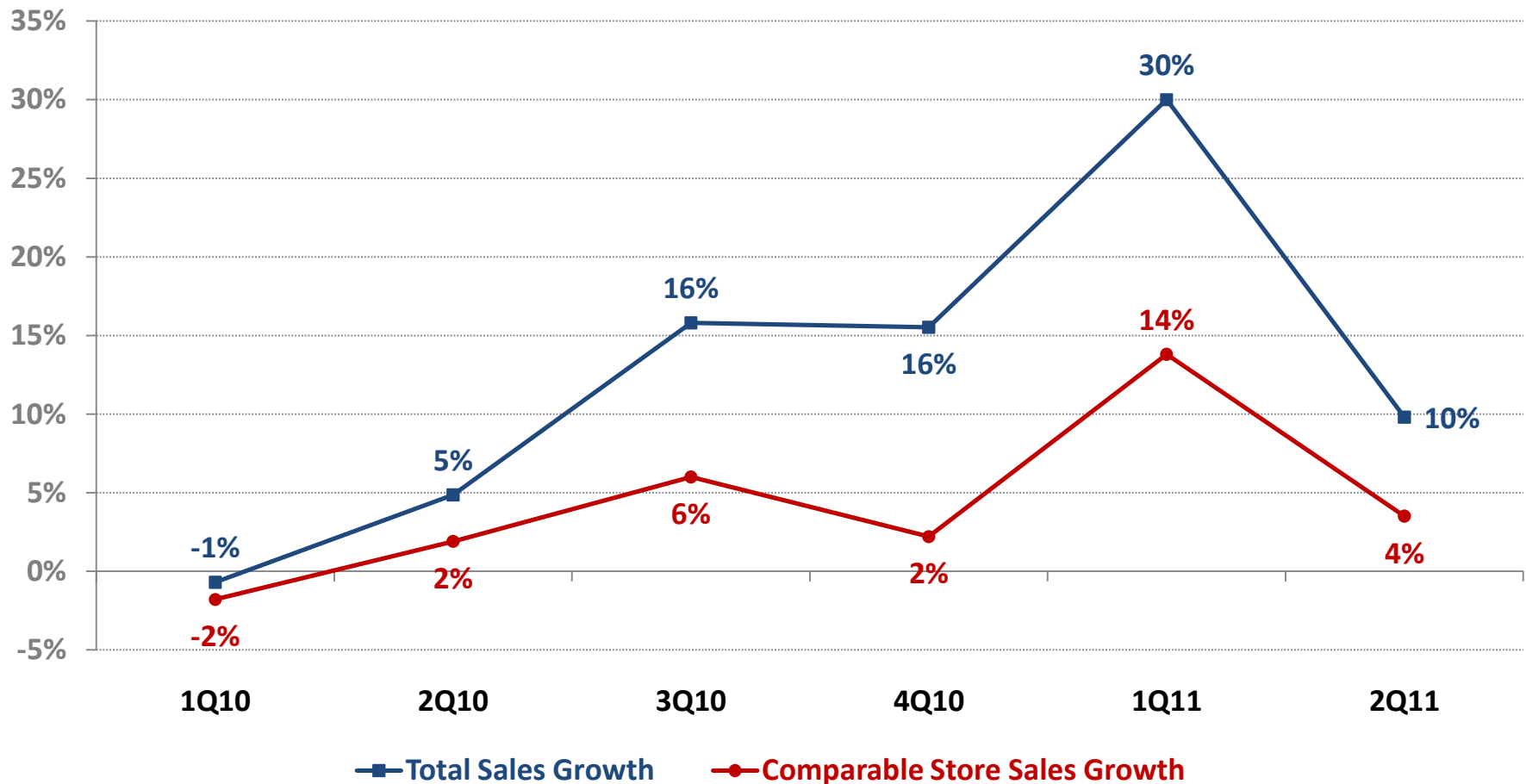
<i>(In HK\$ millions)</i>	1H11	1H10	YOY change
Total sales ¹			
Retail self-operated stores	626	521	+20%
Wholesale to franchisees	327	269	+22%
Total sales	953	790	+21%
Total brand sales ²			
Total sales	1,198	1,031	+16%
Comparable store sales increase ³	+9%	Flat	
Gross profit	543	442	+23%
Gross margin	57.0%	55.9%	+1.1 pp
Operating profit	157	124	+27%
Operating margin	16.5%	15.7%	+0.8 pp
Number of outlets	1,262	1,101	+161
Self-operated stores	495	443	+52
Franchised stores	767	658	+109

¹ Total Sales are total retail sales in self-operated stores and total wholesale sales to franchisees, translated at average \$ exchange rates.

² Total Brand Sales are total retail sales, at constant \$ exchange rates, in self-operated and franchised stores.

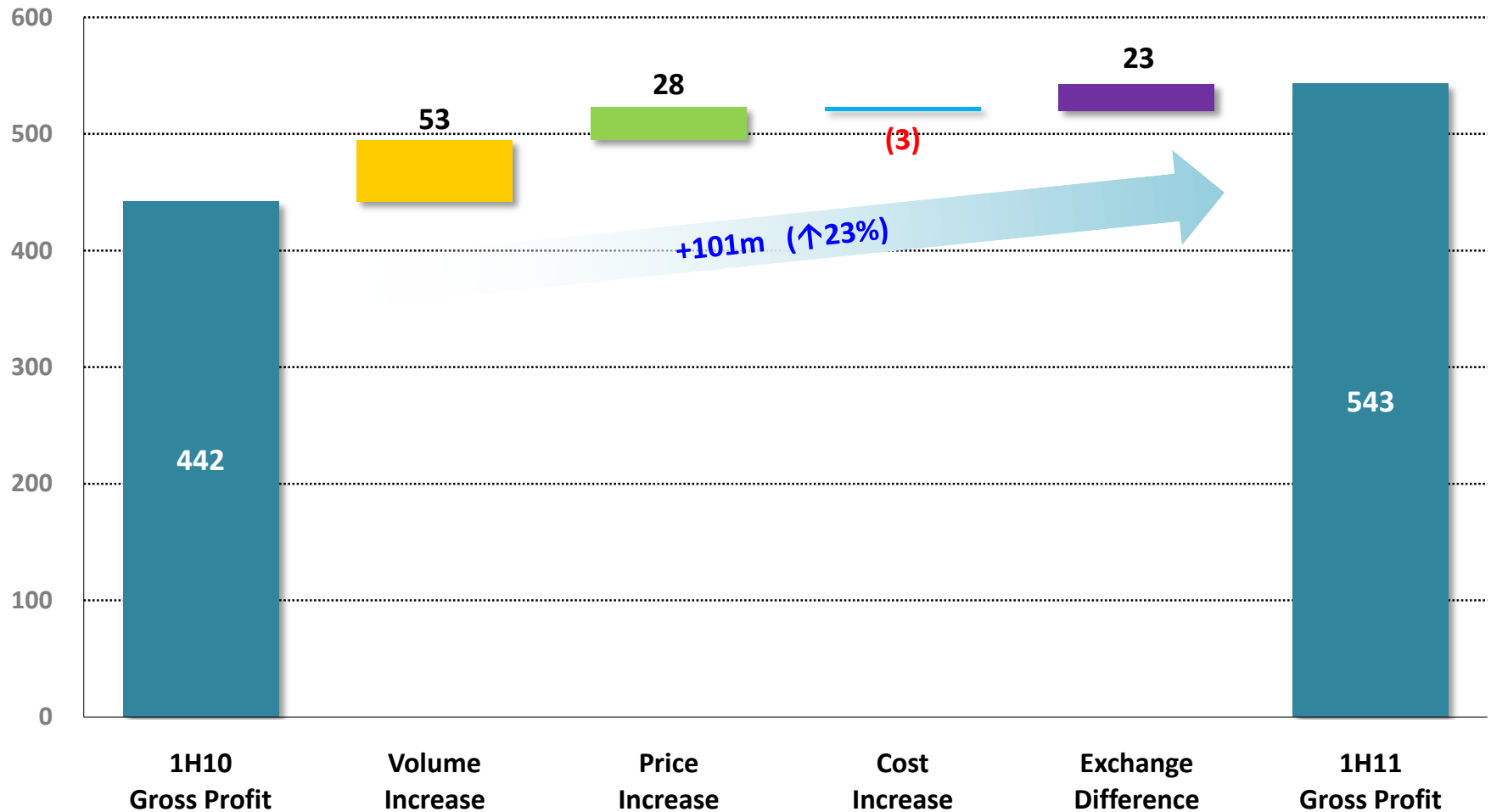
³ Comparable Store Sales are total Brand sales, at constant \$ exchange rates, from existing stores that have been open in the prior period.

Total Sales Growth and Comparable Store Sales Growth in the last 6 quarters – Mainland China



1H11 Gross Profit Reconciliation – Mainland China

(HK\$ millions)



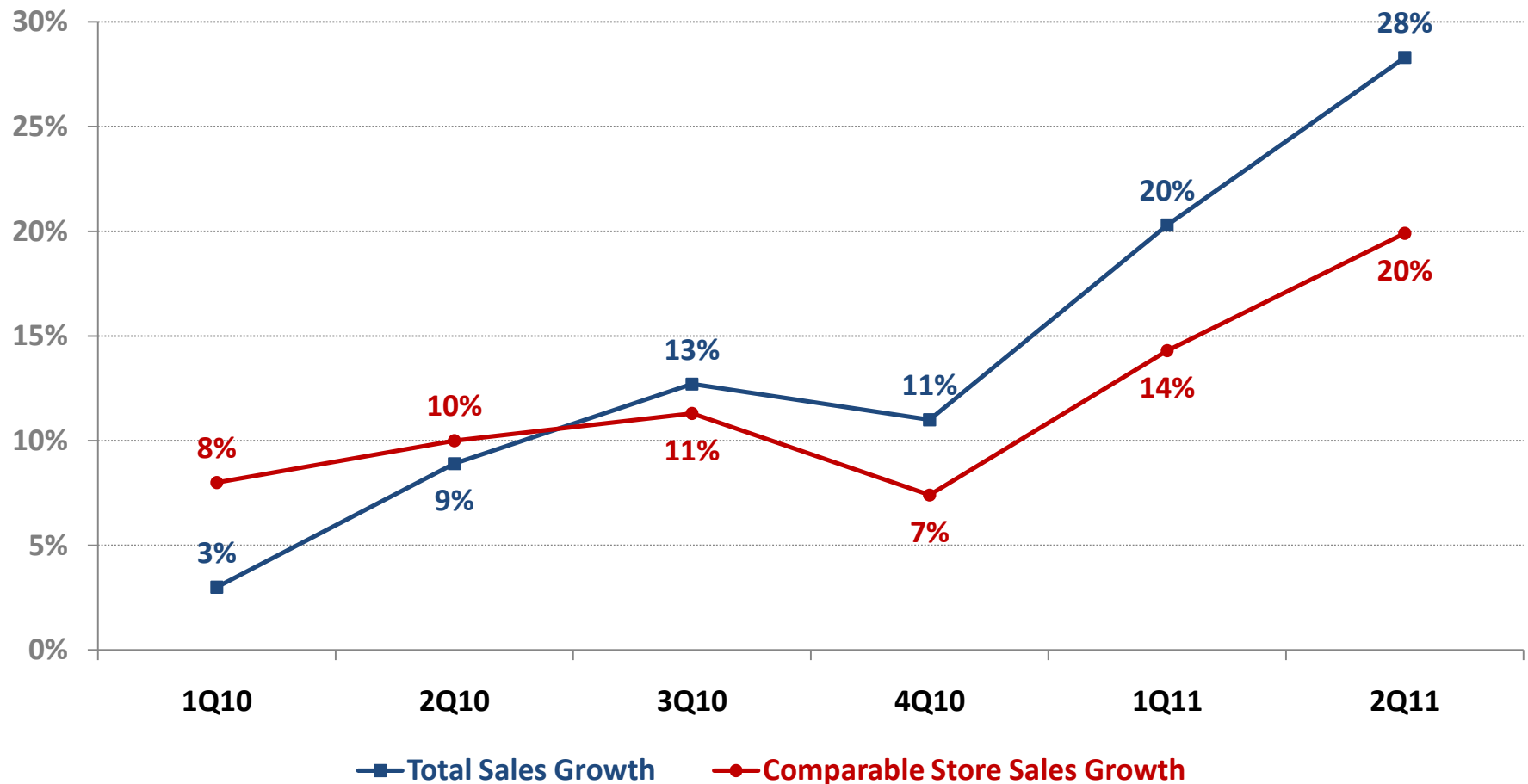
Retail & Distribution Review by Region – Hong Kong and Taiwan

<i>(In HK\$ millions)</i>	1H11	1H10	YOY change
Total sales ¹	832	671	+24%
Comparable store sales increase ²	+17%	+8%	
Gross profit	564	435	+30%
Gross margin	67.8%	64.8%	+3.0 pp
Operating profit	164	85	+93%
Operating margin	19.7%	12.7%	+7.0pp
Number of self-operated stores	261	250	+11

¹ Total Sales are total retail sales translated at average \$ exchange rates.

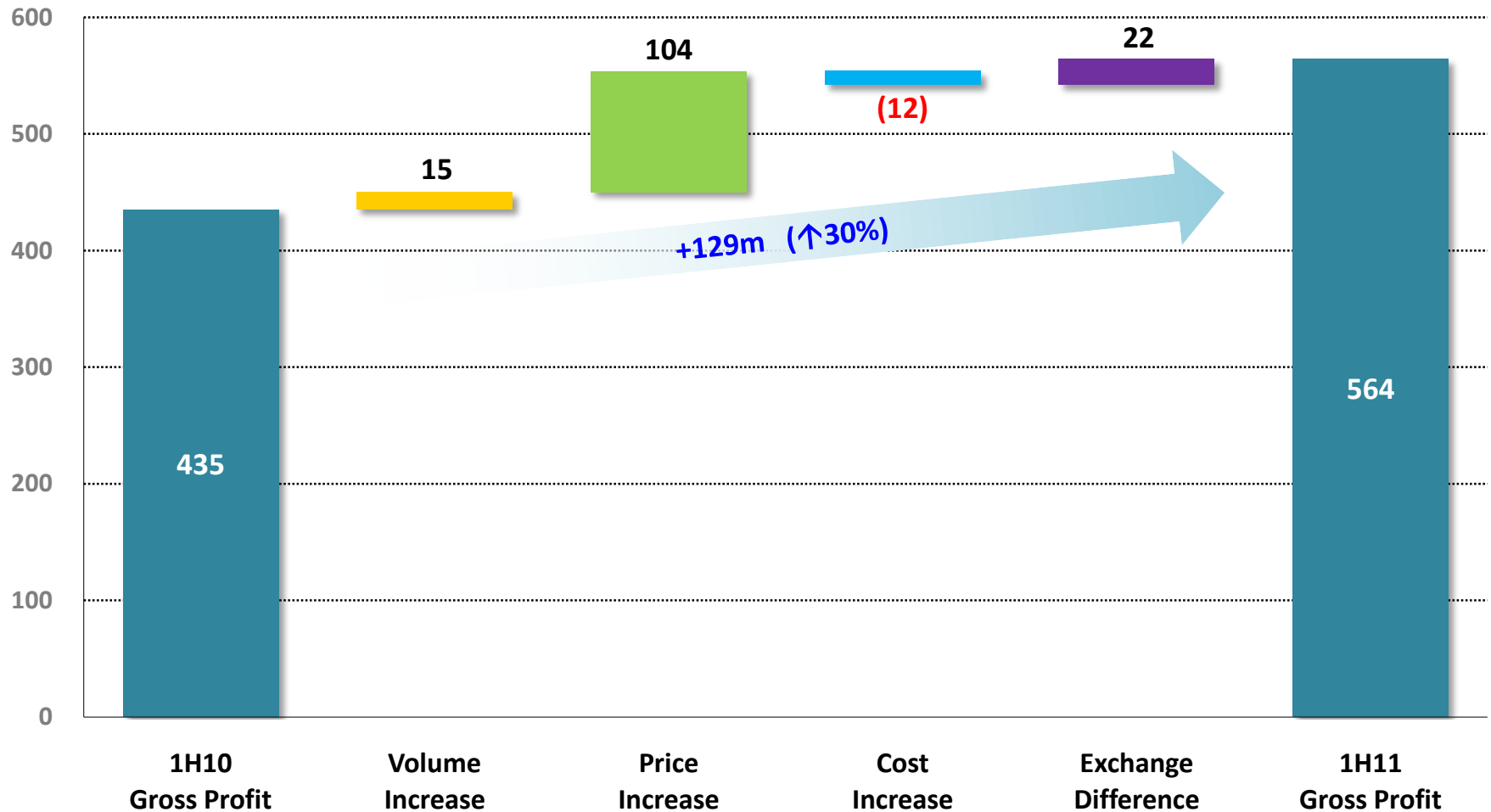
² Comparable Store Sales are total sales, at constant \$ exchange rates, from existing stores that have been open in the prior period.

Total Sales Growth and Comparable Store Sales Growth in the last 6 quarters – Hong Kong and Taiwan



1H11 Gross Profit Reconciliation – Hong Kong and Taiwan

(HK\$ millions)



Retail & Distribution Review by Region – Rest of Asia Pacific

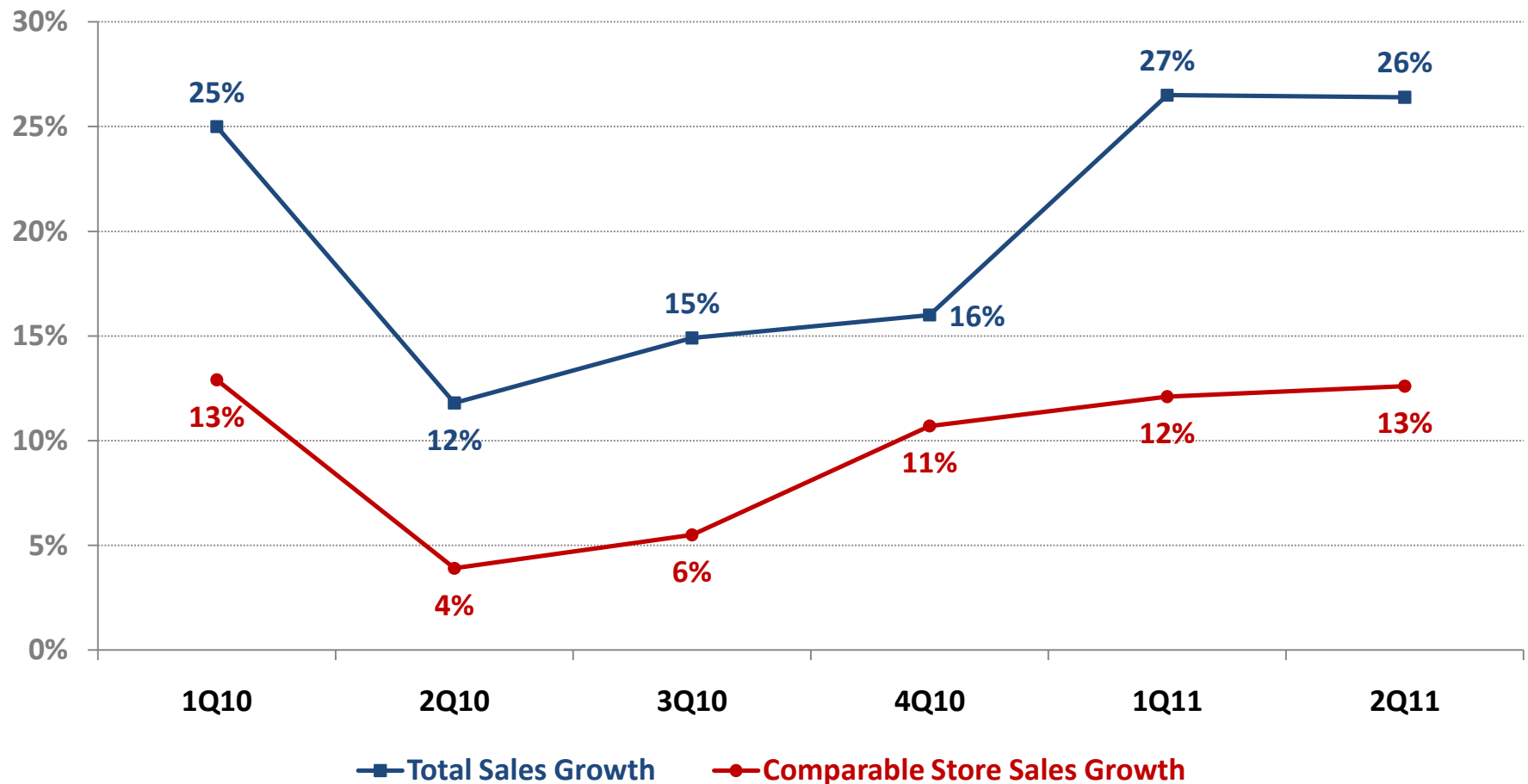
(In HK\$ millions)

	1H11	1H10	YOY change
Total sales ¹	631	499	+26%
Comparable store sales increase ²	+13%	+8%	
Gross profit	421	317	+33%
Gross margin	66.7%	63.5%	+3.2 pp
Operating profit	137	61	+125%
Operating margin	21.7%	12.2%	+9.5 pp
Number of self-operated stores	391	345	+46

¹ Total Sales are total retail sales translated at average \$ exchange rates.

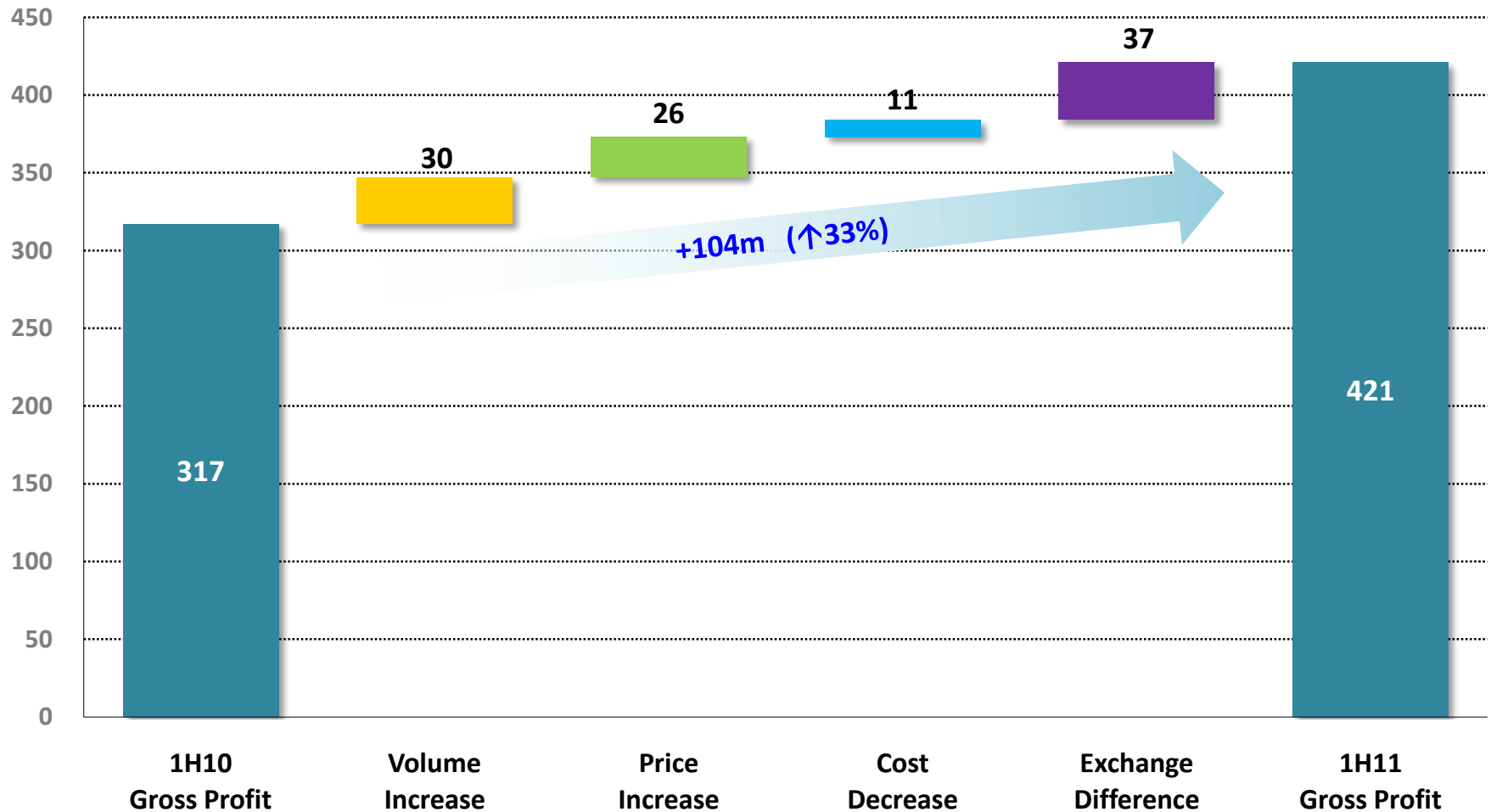
² Comparable Store Sales are total sales, at constant \$ exchange rates, from existing stores that have been open in the prior period.

Total Sales Growth and Comparable Store Sales Growth in the last 6 quarters – Rest of Asia Pacific



1H11 Gross Profit Reconciliation – Rest of Asia Pacific

(HK\$ millions)



Retail & Distribution Review by Brand – Giordano & Giordano Junior

<i>(In HK\$ millions)</i>	1H11	1H10	YOY change
Total sales ¹	2,102	1,702	+24%
Comparable store sales increase ²	+12%	+5%	
Operating profit	407	242	+68%
Operating margin	19.4%	14.2%	+5.2 pp
Number of outlets	1,742	1,565	+177

¹ Total Sales are total retail sales translated at average \$ exchange rates.

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

Retail & Distribution Review by Brand

– BSX

(In HK\$ millions)

	1H11	1H10	YOY change
Total sales ¹	111	81	+37%
Comparable store sales increase ²	+45%	+20%	
Operating profit	20	11	+82%
Operating margin	18.0%	13.6%	+4.4 pp
Number of outlets	88	62	+26

¹ Total Sales are total retail sales translated at average \$ exchange rates.

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

Retail & Distribution Review by Brand – Giordano Ladies

(In HK\$ millions)

	1H11	1H10	YOY change
Total sales ¹	159	129	+23%
Comparable store sales increase ²	+15%	+15%	
Operating profit	31	21	+48%
Operating margin	19.5%	16.3%	+3.2 pp
Number of outlets	49	41	+8

¹ Total Sales are total retail sales translated at average \$ exchange rates.

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

Retail & Distribution Review by Brand

– Concepts One

(In HK\$ millions)

	1H11	1H10	YOY change
Total sales ¹	26	36	-28%
Comparable store sales decrease ²	-22%	-38%	
Operating loss	(3)	(6)	+50%
Operating margin	(11.5%)	(16.7%)	+5.2 pp
Number of outlets	26	20	+6

¹ Total Sales are total retail sales translated at average \$ exchange rates.

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

Operations Highlights – Export & Licensing

<i>(In HK\$ millions)</i>	1H11	1H10	YOY change
Total Sales	254	195	+30%
Operating profit	44	27	+63%
Operating margin	17.3%	13.8%	+3.5 pp
Number of outlets	528	510	+18

Operations Highlights – Jointly Controlled & Associated Companies

South Korea ¹ <i>(In HK\$ millions)</i>	1H11	1H10	YOY change
Total sales ²	724	593	+22%
Comparable store sales increase ³	+9%	+26%	
Number of outlets	215	208	+7
Middle East ¹ <i>(In HK\$ millions)</i>	1H11	1H10	YOY change
Total sales ²	278	207	+34%
Comparable store sales increase/decrease ³	+35%	-8%	
Number of outlets	164	153	+11

¹ On 30 June 2011, the Group held 48.5% in Giordano South Korea and 20% in Giordano Middle East.

² Total Sales are total wholesale sales to JCE/Associate, translated at average \$ exchange rates.

³ Comparable Store Sales are total Brand sales, at constant \$ exchange rates, from existing stores that have been open in the prior period.

Outlook:

1. Concentrate on Mainland China expansion

- Develop a strong regional management structure in Mainland China
- Focus on key franchisee accounts

2. Increase marketing investment to drive sales, reinforce and enhance brand power

- Increase advertising and promotion in targeted local promotional campaigns to support expansion across the Group
- Build brand value through strategic pricing, better product mix and effective marketing

3. Maintain gross and operating margins

- Maintain and enhance pricing discipline
- Sustain and improve supply chain excellence
- Business process simplification

Summary of Total Sales and Comparable Store Sales Growth by Market

<i>(HK\$ millions)</i>	Total sales ¹			Comparable store sales ²	
	1H11	1H10	YOY increase	1H11	1H10
Mainland China	953	790	+21%	+9%	Flat
Hong Kong	472	392	+20%	+19%	+11%
Taiwan	360	279	+29%	+14%	+4%
Singapore	208	172	+21%	+5%	+5%
Indonesia	142	111	+28%	+15%	+20%
Malaysia	102	78	+31%	+14%	+21%
Thailand	80	62	+29%	+21%	+12%
Australia	88	73	+21%	+19%	-9%
Other Markets	11	3	+267%	+21%	-18%
Retail & Distribution total	2,416	1,960	+23%	+12%	+5%
Export & Licensing total	254	195	+30%		
Inter-segment sales	(21)	(18)	+17%		
Group total	2,649	2,137	+24%		

¹ Total Sales are total retail sales in self-operated stores and total wholesale sales to franchisees, translated at average \$ exchange rates.

² Comparable Store Sales are total Brand sales, at constant \$ exchange rates, from existing stores that have been operating throughout the prior period.

Global Retail Network

Number of outlets	As at 30-Jun-2011						As at Jun-10	Change
	<i>Giordano & Junior</i>	<i>Giordano Ladies</i>	<i>Concepts One</i>	<i>BSX</i>	Others	Total		
Mainland China	1,170	18	22	52	-	1,262	1,101	+161
Hong Kong & Macau	43	11	3	18	-	75	74	+1
Taiwan	156	13	-	17	-	186	176	+10
Singapore	52	3	-	-	-	55	48	+7
Indonesia	95	2	1	1	9	108	101	+7
Malaysia	71	1	-	-	-	72	65	+7
Thailand	91	1	-	-	-	92	91	+1
Australia	33	-	-	-	-	33	40	-7
Other Markets	31	-	-	-	-	31	-	+31
Retail & Distribution total	1,742	49	26	88	9	1,914	1,696	+218
South Korea	169	-	-	46	-	215	208	+7
Middle East ¹	161	-	-	3	-	164	153	+11
Other Markets	134	1	1	13	-	149	149	-
Export & Licensing total	464	1	1	62	-	528	510	+18
Group total	2,206	50	27	150	9	2,442	2,206	+236