



SIMPLY ME

GIORDANO

# GIORDANO

2019 First Quarter Operations Update | 18 April 2019

# Group sales by region

*Group sales decreased by 10.8%.*

<i>(In HK\$ million)</i>	Three months ended Mar 31	
	2019	2018
The rest of Asia Pacific	398	422
Mainland China	295	378
Hong Kong and Macau	225	248
Taiwan	161	201
The Middle East	140	134
Wholesale sales to overseas franchisees	80	74
<b>Group sales <sup>1</sup></b>	<b>1,299</b>	<b>1,457</b>
Global brand sales <sup>2</sup>	<b>1,605</b>	<b>1,772</b>
Group comparable store sales ("CSS") growth <sup>3</sup>	<b>(10.7%)</b>	<b>9.5%</b>
Inventories at period end	<b>512</b>	<b>507</b>

*1 Group sales refer to consolidated sales and include retail sales from Directly Operated Stores ("DOS") and wholesale sales to all overseas /non-consolidated franchisees.*

*2 Global brand sales are at 2019 exchange rates, and are greater than Group sales to include the total of Giordano retail sales, in DOS, franchised stores and stores operated by a joint venture.*

*3 Group CSS are total Giordano brand sales of consolidated subsidiaries, at constant exchange rates, from existing DOS and franchised stores that have been fully operating in the same prior period.*

## Group sales by channel

<i>(In HK\$ million)</i>	Three months ended Mar 31	
	2019	2018
Physical stores	1,055	1,184
E-business	72	81
Retail sales	1,127	1,265
Wholesale sales to franchisees	172	192
<b>Group sales</b>	<b>1,299</b>	<b>1,457</b>

## Store portfolio

### Store numbers at Mar 31

	2019	2018
<b>Retail and Distribution</b>		
Mainland China		
Franchised stores	623	604
DOS	290	321
The rest of Asia Pacific	600	598
Taiwan	200	199
The Middle East		
Franchised stores	40	40
DOS	143	146
Hong Kong and Macau	75	77
<b>Overseas franchisees</b>	<b>420</b>	<b>429</b>
<b>Total</b>	<b>2,391</b>	<b>2,414</b>

## System inventories

*Inventories held by the Group and at suppliers decreased by 3.8%, reflecting improved merchandise control.*

<i>(In HK\$ million)</i>	At		
	Mar 31 2019	Dec 31 2018	Mar 31 2018
Inventories held by the Group	512	552	507
Inventories held by 48.5% South Korea joint venture	200	200	169
Inventories held by franchisees in Mainland China	83	94	81
Finished goods at suppliers (not yet shipped)	24	27	50
<b>Total system inventories</b>	<b>819</b>	<b>873</b>	<b>807</b>