



GIORDANO
2009 Annual Results

March 25, 2010

Profits rebounded in 2nd half

Continuing operations (in HK\$M)	2H09	YOY Change	1H09	YOY Change
Turnover	2,230	- 6%	2,003	- 14%
Same store sales ¹	N/A	+ 2%	N/A	- 9%
Gross profit	1,210	- 5%	965	- 20%
Same store gross profit ¹	N/A	+ 13%	N/A	- 14%
Gross margin	54.3%	+ 5.7 pts	48.2%	- 3.5 pts
Operating profit	254	+ 195%	66	- 73%
Operating margin	11.4%	+ 7.8 pts	3.3%	- 7.1 pts
Profit attributable to shareholders	240	+ 216%	48²	- 78%

¹ In local currency for directly managed outlets open for the full two periods under comparison.

² 1H08 profit attributable to shareholders inclusive of HK\$17M gain on disposal of a jointly controlled company. Excluding this non-recurring item, 1H09 profit attributable to shareholders decreased by 76% YOY.

Full year bottom line steady

Continuing operations

For year ended December 31, 2009 (in HK\$M)

	2009	YOY Change
Turnover	4,233	- 10.1%
Same store sales ¹	N/A	- 3.7%
Gross profit	2,175	- 7.9%
Same store gross profit ¹	N/A	- 1.2%
Gross margin	51.4%	+ 1.3 pts
Operating profit	320	- 3.0%
Operating margin	7.6%	+ 0.6 pt
Profit attributable to shareholders	288	- 0.7% ²

¹ In local currency for directly managed outlets open for the full two periods under comparison.

²2008 profit attributable to shareholders inclusive of HK\$17M gain on disposal of a jointly controlled company. Excluding this non-recurring item, 2009 profit attributable to shareholders increased by 5.5% YOY.

Solid fundamentals

For year ended December 31	2009	2008 ¹
Net cash & bank balances (HK\$M)	750	454
Cash inflow from operating activities (HK\$M)	382	347
Inventory turnover on sales ²	25 days	23 days
Current ratio	3.0x	2.3x
Return on average total assets	11.1%	11.5%
Return on average shareholders' funds	14.5%	16.4%

¹ Continuing and discontinuing operations combined.

² Inventory held at year end divided by full year turnover times number of days during the year.

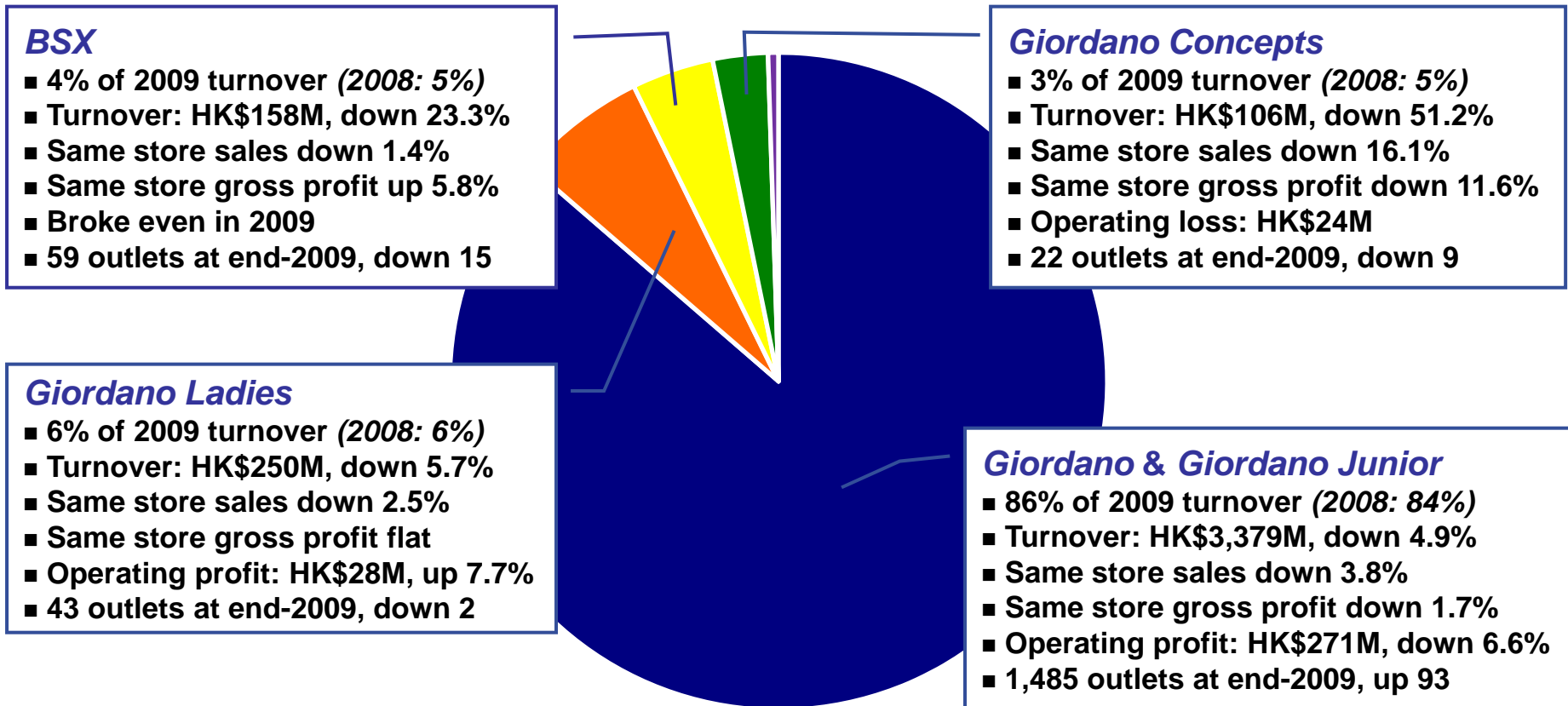
Return to shareholders

For the year ended December 31 (in HK cents)	2009	2008
Final dividend (proposed)	7.0	3.0
Special final dividend (proposed)	7.0	-
Interim dividend	2.0	4.5
Special interim dividend	-	2.0
Total full year dividend	16.0	9.5
Earnings per share	19.3	20.8¹
Payout ratio	83%	46%¹

¹ Continuing and discontinuing operations combined.

Retail & Distribution turnover by brand

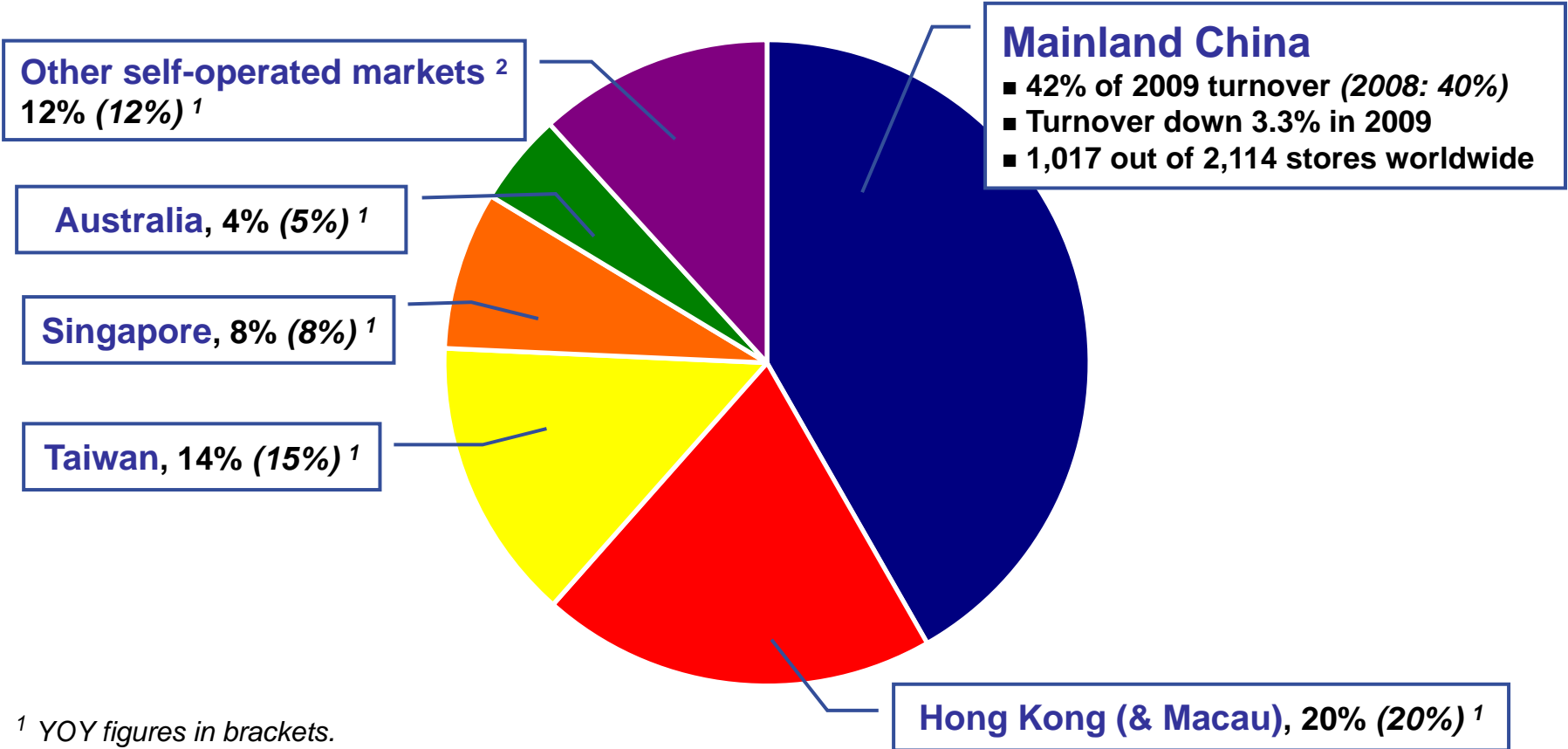
For the year ended December 31, 2009



¹ YOY figures in brackets.

Retail & Distribution turnover by market

For the year ended December 31, 2009



¹ YOY figures in brackets.

² Includes Malaysia, Thailand, Indonesia and Japan.

Performance review : Group markets

Mainland China	2009	2008	Remarks
Turnover (HK\$M)	1,633	1,689	<ul style="list-style-type: none"> ■ Performance began to recover in 2H09 ■ 2H09 gross margin up by 5.0 pts ■ Same store gross profit up 5.3% in 2H09 ■ Added 105 outlets in 2H09 ■ Double digit YOY gross profit increase in Jan and Feb 2010
Same store sales ¹	- 7.1%	+ 6.1%	
Same store gross profit ¹	- 5.4%	+ 6.3%	
Operating profit (HK\$M)	152	265	
Number of outlets	1,017	909	

Hong Kong (& Macau)	2009	2008	Remarks
Turnover (HK\$M)	775	850	<ul style="list-style-type: none"> ■ Business recovered in 2H09 ■ 2H09 same store gross profit up 16.6% ■ Closed seven stores in 2009 ■ Double digit YOY gross profit increase in the first two months of 2010
Same store sales ¹	- 1.2%	- 1.7%	
Same store gross profit ¹	+ 1.3%	- 3.8%	
Operating profit (HK\$M)	64	39	
Number of outlets	75	82	

¹ Local currency YOY % change for directly managed outlets open for the full two periods under comparison.

Performance review : Group markets

Taiwan	2009	2008	Remarks
Turnover (HK\$M)	555	634	<ul style="list-style-type: none"> ■ Gross margin up by 4.9 pts in 2009 ■ Same store gross profit up 7.4% in 2009 ■ Closed 18 outlets in 2009 ■ Double digit YOY gross profit increase in the first two months of 2010
Same store sales ¹	- 1.8%	- 3.2%	
Same store gross profit ¹	+ 7.4%	- 12.5%	
Operating profit (loss) (HK\$M)	27	(27)	
Number of outlets	174	192	

Singapore	2009	2008	Remarks
Turnover (HK\$M)	310	368	<ul style="list-style-type: none"> ■ Gross margin up by 1.5 pts in 2009 ■ Same store gross profit up 8.9% in 2H09 ■ Closed four outlets in 2009 ■ Double digit YOY gross profit increase in Jan and Feb 2010
Same store sales ¹	- 4.7%	- 7.7%	
Same store gross profit ¹	- 2.2%	- 12.8%	
Operating profit (loss) (HK\$M)	18	(14)	
Number of outlets	47	51	

¹ Local currency YOY % change for directly managed outlets open for the full two periods under comparison.

Performance review : Group markets

South Korea ²	2009	2008	Remarks
Turnover (HK\$M)	905	835	<ul style="list-style-type: none"> ■ Same store sales up 16.0% in 2009 ■ Same store gross profit up 16.8% in 2009 ■ 2009 profit contribution: HK\$38 million (2008: HK\$22 million) ■ 24 outlets added in 2009 ■ Double digit YOY gross profit increase in the first two months of 2010
Same store sales ¹	+ 16.0%	- 4.1%	
Same store gross profit ¹	+ 16.8%	- 3.7%	
Number of outlets	191	167	
Middle East ³	2009	2008	Remarks
Turnover (HK\$M)	477	539	<ul style="list-style-type: none"> ■ 2009 profit contribution: HK\$6 million (2008: HK\$11 million) ■ Six outlets added in 2009 ■ Gross profit declined by single digit in Jan and Feb 2010
Same store sales ¹	- 13.9%	+ 10.1%	
Same store gross profit ¹	- 17.7%	+ 11.6%	
Number of outlets	175	169	

¹ Local currency YOY % change for directly managed outlets open for the full two periods under comparison.

² On Dec 31, 2009, the Group held 48.5% in Giordano South Korea.

³ On Dec 31, 2009, the Group held 20.0% in Giordano Middle East.

Outlook

- Mainland China, Hong Kong, Taiwan, Singapore and South Korea all achieved double digit YOY same store gross profit increase in the first two months of 2010
- Three objectives for 2010
 1. Continue to improve gross and operating margins
 - Improve supply chain relationships
 - Business process simplification
 2. Reinforce points of differences to enhance competitiveness
 - *Giordano & Giordano Junior* will emphasize “quality essentials” and “value” with new product and marketing campaigns
 - *BSX* to prudently upgrade and expand its store network in 2010
 - *Giordano Concepts* rebranded to *Concepts One* to target high end menswear sector in Mainland China
 3. Concentrate on Mainland China expansion
 - Add about 150 stores in 2010
 - Emphasis on 2nd and 3rd tier cities through increased franchising

Number of outlets	As at Dec 31, 2009						Total	As at Dec 31, 2008	Change
	Giordano & Junior	Giordano Ladies	Giordano Concepts	BSX	Others				
Mainland China	964	17	17	19	-	1,017	909	+108	
Hong Kong (& Macau)	43	9	4	19	-	75	82	-7	
Taiwan	144	11	-	19	-	174	192	-18	
Singapore	45	2	-	-	-	47	51	-4	
Australia	45	-	-	-	-	45	56	-11	
Malaysia	64	2	-	-	-	66	67	-1	
Indonesia	86	2	1	2	8	99	97	+2	
Thailand	91	-	-	-	-	91	87	+4	
Japan	3	-	-	-	-	3	7	-4	
Retail & Distribution	1,485	43	22	59	8	1,617	1,548	+69	
South Korea	152	-	-	39	-	191	167	+24	
Middle East & India	172	-	1	2	-	175	169	+6	
Philippines	45	1	1	4	-	51	50	+1	
Others	80	-	-	-	-	80	72	+8	
Export & Licensing	449	1	2	45	-	497	458	+39	
TOTAL	1,934	44	24	104	8	2,114	2,006	+108	

Q&A

GIORDANO

2009 Annual Results

Giordano International Limited (Stock code: 709)