

[For Immediate Release]



Bossini International Holdings Limited

**Bossini Announces 2007/08 Interim Results
Net Profit Grew 5.31 Times to HK\$40 million**

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Regained Growth Momentum in Revenue and Profitability

Results Highlights

HK\$ mn	For the six months ended		Change
	31 December 2007	30 September 2006	
Revenue	1,159	970	+19%
Gross profit	579	464	+25%
Gross profit margin	50%	48%	+2% pts
Operating profit	54	19	+189%
Profit attributable to equity holders	40	6	+531%
Basic EPS attributable to ordinary equity holders (HK cents)	2.56	0.41	+524%

(Hong Kong, 19 March 2008) – **Bossini International Holdings Limited** (“Bossini” or the “Group”; HKSE stock code: 592) announced today its interim results for the six months ended 31 December 2007. Revenue for the period under review was up 19%, reaching HK\$1,159 million compared to the previous interim reporting period. Gross profit for the period increased 25% to HK\$579 million. Gross profit margin rose 2 percentage points to 50%. Operating profit and operating margin were HK\$54 million and 5% respectively. Profit for the period attributable to equity holders increased by 5.31 times to HK\$40 million.

The Board does not recommend payment of interim dividend (2006: Nil) for the period.

The financial year end date of the Company has been changed from 31 March to 30 June since the financial period 2006/07 (for details, please refer to the Company’s announcement of 7 February 2007). Accordingly, this set of interim results covers the six-month period from 1 July 2007 to 31 December 2007. Please note that the financial data of the previous interim reporting period, i.e., from 1 April 2006 to 30 September 2006, may not fully reflect the Group’s business performance change on a year-on-year basis due to differences in seasonal consumption patterns.

Ms. Kathy Chan, Chief Executive Officer of Bossini, said, "In addition to a better economic environment which provided a good base for our rebound, improvements in our operating performance were attributable to four major factors: (1) The launch of a more competitive collection for 2007, based on trendier designs and enhanced merchandise; (2) The broadening of product offerings that appeal to a larger group of customers, especially the young line "Yb"; (3) Improved retail operational productivity; and (4) The brand revamp programme. We paved the way to receive this rebound with a new brand image, new holistic brand values that focus on family, strengthened product design and widened product offering. As a result of these strategic moves, the Group's sales regained growth momentum in both franchise and retail businesses with same store sales growth across most core markets."

Overall same store sales of the Group grew 4%, compared to a decline of 9% in the reporting period in 2006. Net sales per sq. ft. of retail space increased by 17% to HK\$2,800 (2006: HK\$2,400).

Export franchising has consistently delivered strong revenue growth. In the first half of 2007/08, Bossini further expanded its international footprint in 6 new markets through export franchising; they are South Korea, Egypt, Russia, Romania, Syria and Poland. As at 31 December 2007, the Group operated 1,094 outlets (2006: 1,086) globally.

The Group achieved a 2-percentage-point gross margin expansion during the period under review. This is attributable to enhancement in product mix following the introduction of new product lines in early 2007. In addition, Bossini continued to strengthen its product design and offering by increasing the frequency of new product rollouts from 8 collections to 12 collections a year. Quantities of each design were also reduced to enable higher flexibility in addressing market needs and therefore reducing the need for season-end stock clearance discounts.

Despite costing pressure from constantly escalating rental and other operating expenses, the Group was able to maintain its operating expenses as a percentage of revenue at 46%, the same level as in the previous period.

The newly launched young line "Yb" has received positive feedback from retail customers since its launch in early 2007. Seeing strong potential in this new line, the Group launched "Yb" to export franchisees to develop a new revenue stream. So far response from franchisees has been as encouraging as seen on our retail level.

Following the launch of the holistic 360-degree brand revamp programme in Hong Kong in March 2007, the Group had rolled out the programme in phases globally. Implementation was completed in Hong Kong, Taiwan, Singapore and Malaysia during the period under review. For Mainland China and other export franchising markets, programme completion is scheduled by end of year 2008. More synergistic effect is expected to be generated along the way and the long-term benefits of this programme are to be seen in the coming years.

Going forward, the Group's key objective in the near-term is to achieve sustainable growth momentum. To increase the core competitiveness of its products, the Group will continue to enrich its product offerings. The Group is considering to launch "Yb" under a separate store identity to fully capture the potential of the youth apparel segment. In addition, the Group will continue to foster large-scale cooperative agreements to launch appealing licensed items to bolster its product offerings with new attractions and to stimulate demand.

On explaining its network expansion strategy, Ms. Chan said, "While the outlook for the Hong Kong retail sector looks positive, the rising rental and operating costs are also factors to consider in defining expansion roadmaps. The Group will continue to maintain a pragmatic expansion strategy with strong emphasis on profitability and efficiency. One or two additional stores in Hong Kong are in the pipeline to be opened in the second half of this fiscal year."

The export franchising business has consistently delivered excellent results. The Group expects to see sustainable growth in this business. Its plan is to add at least five new countries annually to further bolster its market presence worldwide.

Fuelled by a rising economy, the Group is optimistic about the growth potential of the Mainland China market. The Group will focus its effort in further expanding its franchising business, which includes increasing the number of image or flagship stores. Meanwhile, it will realign its network by gradually phasing out all *sparkle* outlets which are still in operation to redeploy resources for the development of *bossini* and *bossinistyle* brands. Over 20 *bossini* and *bossinistyle* stores will be opened in the second half of this fiscal year, at least two of which will be new flagship stores in major cities developed to radiate their influence to other satellite cities nearby.

Taking advantage of a stabilising political situation in Taiwan, the Group is confident that the performance of the Taiwan operations will improve significantly with reduced losses.

Singapore is a relatively stable market. We would maintain 33 stores in the financial year 07/08.

In addition, 2 outlets will be added in Malaysia in the second half of this fiscal year.

"Going forward, the Group is well positioned to reap the benefits of its initiatives in revitalising its brand, enhancing product competitiveness, strengthening its distribution network and increasing operational efficiencies. While the export franchising business will remain our growth engine, management holds a positive view towards its retail operations. We are committed to delivering sustainable growth in the long run," Ms. Chan concluded.

Appendix - Store composition by types and geographical locations are detailed as below:

	As at			
	31 December 2007		30 September 2006	
	Directly managed outlets	Franchised outlets	Directly managed outlets	Franchised outlets
Hong Kong	42	--	37	--
Mainland China	358	194	366	239
Taiwan	87	--	113	--
Singapore	33	--	28	--
Malaysia	14	--	8	--
Other countries	--	366	--	295
Total	534	560	552	534

About Bossini International Holdings Limited

Bossini International Holdings Limited is a leading apparel brand owner, retailer and franchiser in the region. Headquartered in Hong Kong, Bossini launched its first retail outlet in 1987. Over the past two decades, the Group has rapidly established an extensive international operating platform and distribution network that extends to 1,094 outlets covering about 30 countries and regions worldwide.

Bossini embarked on a brand revamp programme in March 2007 to position itself as a family-fit apparel brand for customers of all age groups. Renowned for its comfortable, easy to mix-and-match, colorful and energetic design style, Bossini offers a full range of value-for-money casual wear apparel products for babies', maternity, kids', young, ladies' and men's wear products.

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