

【For Immediate Release】



Bossini International Holdings Limited

**Bossini Recorded a Revenue of HK\$2,568 million
For 15-month Period ended 30 June 2007**

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Pragmatically Adjusting to Capture Future Growth Opportunities

Results highlights

<i>HK\$ mn</i>	<i>For the 15 months ended 30 June 2007</i>	<i>For the 12 months ended 31 March 2006</i>
Revenue	2,568	2,200
Gross profit	1,270	1,025
Operating profit	37	140
Profit attributable to equity holders	9	105
Basic EPS attributable to ordinary equity holders (HK cents)	0.59	6.69
Dividend per share for the period (HK cents)	Nil	3.60

(Hong Kong, 18 October 2007) – **Bossini International Holdings Limited** (“Bossini” or the “Group”; HKSE stock code: 592) announced today its final results for the 15 months ended 30 June 2007. 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 dated 7 February 2007). Accordingly, this set of preliminary results covers the 15-month period from 1 April 2006 to 30 June 2007. It should be noted that the financial data presented herein are being compared with that for financial year 2005/06, the 12-month period ended 31 March 2006. The difference in duration of the two financial periods should be considered when making year-on-year comparisons.

The Group’s consolidated revenue for the 15-month period ended 30 June 2007 recorded HK\$2,568 million (2006: HK\$2,200 million). Gross profit of the Group for the period was HK\$1,270 million (2006: HK\$1,025 million). Gross margin rose by 2 percentage points to 49% (2006: 47%). Operating profit and operating margin were HK\$37 million (2006: HK\$140 million) and 1% (2006: 6%) respectively. Profit attributable to equity holders for the period was HK\$9 million (2006: HK\$105 million).

The export franchising business recorded satisfactory performance. Revenue for export franchising was HK\$389 million (2006: HK\$291 million). Operating profit reached HK\$114 million (2006: HK\$86 million), while operating margin was 29% (2006: 30%).

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Ms Kathy Chan, Chief Executive Officer of Bossini, said, "The period under review saw emergence of challenges as well as opportunities that provided the necessary drive for the Group to implement strategies to protect its hard-earned leading position in the retail industry in the region while creating new avenues of development for our business to grow further. Supported by the launch of new product lines and the brand revamp program, we cater to the needs of a wider group of customers and are confident that the Group will achieve progressive recovery in the years ahead."

The Group further extended its network coverage and established footprints in India, Oman and Reunion Island. At 30 June 2007, the Group operated 1,051 outlets around the world (2006: 1,068), covering more than 20 countries and regions. Of these, 524 outlets were managed directly (2006: 521), while 527 were franchised (2006: 547). The total retail floor space of the Group slightly increased by 1% to 636,900 sq. ft. at 30 June 2007 (2006: 631,100 sq. ft.).

During the period, the Group's brand revamp initiatives in Hong Kong received encouraging responses from customers and its business partners. The new brand image and color together with refurbished outlets effectively attracted attention not only from long time patrons of the Group's products but also new customers who find the new brand attributes appropriately deliver values that fit well into their lifestyles. The Group will continue to replicate this positive brand revamp in overseas markets in phases in this calendar year, spreading the new "bossini" brand attributes of Family Values, Smile, Color and Humor around the world and further enhancing the refreshing brand image and its market awareness.

On the product front, Bossini added three new product lines, Maternity, Baby and Young, to complement the new brand direction of "Understanding every family member's needs". The new product lines launched in early 2007 have been well received. Starting from the next financial year, the Group will increase the frequency of product launches from 8 collections to 12 collections per annum so as to further enrich its product portfolio and stimulate consumption desire with new product launch every month. In mid September, the Group introduced a brand-new limited edition of "bossini X M&M's" Miss Green collection. The crossover with M&M's synergistically extended both companies' common brand value of emphasis on family, riding on the perfect harmony of Miss Green's tone and the Group's new vivid green brand color.

The outlook for the Hong Kong retail operation in the coming year appears to be mixed with both opportunities and challenges. The Group will continue to maintain a pragmatic expansion strategy with a strong emphasis on profitability and efficiency. With the sales improvement realised in the first half of 2007, the management is confident that the Hong Kong operation has gone through its turning point which will ignite further improvements in the future. The Group plans to open two to four additional stores during the financial year 2007/08.

The management is confident that the Group's Mainland China operation will materialise a modest turnaround in the coming financial year. It will engage more management involvement in this operation and continue the realignments in its outlets and products there. Apart from the significant reduction in number of franchised outlet by 79 stores, the realignment of the "sparkle" operation will continue until early 2008 to reduce operating costs, reallocate financial resources and enhance profitability. Approximately 40 "sparkle" loss-making outlets are gradually being phased out and the remaining stores would be converted into the new young line "Yb by bossini" as appropriate. The Group also plans to open at least two new flagship stores in major cities of China in the financial year 2007/08.

Taiwan's retail market is expected to remain lackluster due to political and economic instabilities. The Group will redeploy its resources to other markets while putting its network expansion in Taiwan on hold for the financial year 2007/08. It plans to further close down 9 outlets in the market, reducing the total number of outlets to 84 from 93 at 30 June 2007. With the network realignment commenced in the latter part of the financial period, we are quite confident that the Taiwan operation would improve significantly in the upcoming year.

The management expects that Singapore will experience stable performance in the near future. The Group will continue to expand its sales network in the country throughout the financial year 2007/08 with three additional outlets. The Group is particularly optimistic about the outlook of its Malaysia operation which look promising in the long run once a considerable size of distribution network is established. The Group plans to increase the number of shops in Malaysia by 12 in the upcoming financial year.

"Leveraging the positive brand revamp program, product range innovation and effective network restructuring approach, the Group is well poised to reap the harvest from its efforts on revitalisation. In the coming year, the businesses in export franchise will still be the driving force of growth. The Group remains confident about the long-term growth potential." Ms Chan concluded.

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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 that extends to 1,051 outlets covering about 20 countries and regions worldwide.

Bossini embarked on a brand revamp program 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.

Appendix –Number of Outlets at a Glance

	30 June 2007	31 March 2006	Change
Number of Directly Managed Outlets			
Hong Kong	41	33	+8
Mainland China	346	344	+2
Taiwan	93	112	-19
Singapore	33	29	+4
Malaysia	11	3	+8
Sub-total	524	521	+3
Number of Franchised Outlets			
Mainland China	205	284	-79
Other countries (20 countries)	322	263	+59
Sub-total	527	547	-20
Total	1,051	1,068	-17

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