

[For Immediate Release]



Lifestyle International Announces 2011 Unaudited Interim Results

***Hong Kong operations buoyed by strong consumer confidence and tourist spending
Mainland operations on the uptrend***

HK\$'000	For the six months ended 30 June		
	2011	2010	Change
Total sales proceeds	5,590,837	4,505,156	+24.1%
Turnover	2,405,020	1,993,433	+20.6%
EBIT	1,036,245	762,777*	+35.9%
Profit attributable to owners	807,309	617,945**	+30.6%
Earnings per share – basic	HK48.1 cents	HK36.9 cents	+30.4%
Interim dividend per share	HK19.2 cents	HK14.7 cents	+30.6%

* Exclude the discount on acquisition of associated company

** Restated

(8 August, 2011 – Hong Kong) Lifestyle International Holdings Limited (“Lifestyle International” or the “Company”, together with its subsidiaries, collectively as the “Group”; stock code: 1212), is pleased to announce its unaudited interim results for the six months ended 30 June, 2011.

During the review period, the Group recorded a 20.6% increase in turnover to HK\$2,405 million, when compared to HK\$1,993 million in the first half of 2010. Total sales proceeds increased 24.1% from HK\$4,505 million in the first half of 2010 to HK\$5,591 million. Profit attributable to owners reached HK\$807 million, up 30.6% compared to the same period last year. Earnings per share grew 30.4% to HK48.1 cents. The Board of Directors declared an interim dividend of HK19.2 cents per share, maintaining approximately 40% dividend payout ratio.

Commenting on the results in the first half of 2011, Mr. Thomas Lau, Managing Director of Lifestyle International, said, “On the back of buoyant retail market in Hong Kong, coupled with our well-executed strategies and the operating leverage we enjoy from our self-owned model, we delivered another set of impressive results for the first half of 2011.”

Echoing the market boom, the Group’s two SOGO stores in Hong Kong recorded a boost in takings during the period under review. SOGO CWB remained the biggest contributor to the Group’s revenue, total sales revenue jumped 23.1% to HK\$3.64 billion. During the Thankful Week event in May, SOGO CWB generated HK\$461 million in sales, which represented a 28% increase from the same event last year. Meanwhile, SOGO TST grew in tandem with the general market trend, with total sales revenue going up by 21.2% to HK\$381 million for the first half of 2011.

In Mainland China, Shanghai Jiuguang remained on a growth path and outperformed Shanghai retail sales amid a softening retail market since May. Sales takings totaled RMB983 million for the period under review, up 13.6% versus the same period last year. Affluent and middle-class consumers continued to be the main group of shoppers at the store.

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Suzhou Jiuguang delivered slightly better-than-expected results during the first half of 2011 as the store continued to grow in popularity, with net sales revenue rose 60.6% year-on-year. Dalian Jiuguang saw steady performance for the period under review, with net sales up 34.1% year-on-year.

Beiren Group, the Group's equity investment in Shijiazhuang, also reported impressive results for the period under review, with revenue increasing by 18%. The investment contributed approximately HK\$51 million in profit to the Group in the first six months of 2011, compared with HK\$27 million for the same period last year. The results indicated that Beiren is a valuable asset of the Group that is set to continue to deliver good performances.

In terms of new projects, development work of the Shenyang Jiuguang store building is in good progress and the store is scheduled for opening in 2013. To continue the expansion plan, the Group announced recently the entering into an MOU for two new projects respectively in Shanghai and Tianjin and negotiation on terms of the relevant agreements are still in progress.

Looking ahead, the Group believes that the retail market in the mainland will still be on a steady growth track in the second half of the year. However it remains cautious given the continued credit tightening policy at home and the many uncertainties abroad which inevitably will impact the pace of growth of the Chinese economy and dampen consumer confidence. On the contrary, the Group takes a relatively optimistic yet cautious view on Hong Kong's retail market that it believes the current boom will sustain amid generally positive market sentiment and continuous increase in tourist arrivals.

Mr. Lau concluded, "We will remain focused on sustaining our leading position in the Hong Kong market. We will continue to ramp up our operations, especially our younger establishments in Suzhou, Dalian and Tianjin. Meanwhile, consistent with our prudent and selective strategy, and leveraging on our robust financial position, we will continue to be on the lookout for lucrative opportunities."

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About Lifestyle International

Lifestyle International Holdings Limited is a successful department store operator which owns and operates two SOGO department stores in Hong Kong, three Jiuguang department stores respectively in Shanghai, Suzhou and Dalian as well as Lifestyle Plaza in Tianjin.

The Group has been working on a number of new stores to be launched in different PRC cities which will further strengthen the Group's market presence in the PRC.

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