

[For Immediate Release]



Lifestyle International Announces 2008 Annual Results

***Record-high turnover representing a 13.1% increase
Store operations in healthy state despite challenging economic situation***

HK\$'000	For the year ended 31 December		
	2008	2007	Change
Total sales proceeds	7,674,699	6,780,518	+13.2%
Turnover	3,521,633	3,112,368	+13.1%
Profit attributable to shareholders	927,226	1,024,085	-9.5%
Adjusted profit excluding non-core items	957,742	944,085	+1.4%
Earnings per share - basic	HK54.52 cents	HK60.22 cents	-9.5%
Final dividend per share	HK12.0 cents	HK13.5 cents	-11%

(3 March, 2009 – 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 annual results for the year ended 31 December 2008.

Despite the economic slowdown and dipping consumer confidence, the Group once again achieved record-high turnover, which represented a 13.1% increase to HK\$3.52 billion. Total sales proceeds from both direct and concessionaire sales transactions increased 13.2% from HK\$6.78 billion in 2007 to HK\$7.67 billion. Profit attributable to shareholders amounted to HK\$927.2 million (FY2007: HK\$1,024.1 million), while basic earnings per share was HK54.52 cents, compared with HK60.22 cents of the previous year. The Board of Directors declared a final cash dividend of HK12.0 cents per share (FY2007: HK13.5 cents*). Take into account the interim dividend of HK12 cents paid during the year, the Group’s full year dividend amounted to HK24.0 cents per share (FY2007: HK24 cents*).

Commenting on the results in 2008, Mr. Thomas Lau, Managing Director of Lifestyle International, said: “The year 2008 saw dramatic changes in the global economy and financial market that had posted significant challenges to governments, corporations and individuals around the world. Despite all that, Lifestyle International had stayed focused on implementing sound business strategies for its core business and managed to achieve satisfactory results for the Group. In addition to the record breaking turnover of HK\$3.52 billion, our adjusted profit excluding non-core items such as the Egana loan provision is HK\$957.7 million, up 1.4% from the 2007 adjusted profit of HK\$944.1 million. This indicates performance of our core business remained healthy.”

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* Subdivision of shares from HK\$0.01 each into two subdivided share of HK \$0.005 each in September 2007

SOGO CWB remained the major contributor of the Group's revenue and profit. Sales growth of the flagship store, which in effect serves as a barometer of Hong Kong's economy, had been largely in line with changes in the financial market and economic changes. Thanks to its solid foundation and leading industry status, SOGO CWB maintained a moderate 7.7% sales growth on the whole, compared with 18.2% in the previous year. The average ticket size increased 9.7% to HK\$530. During the "Thankful Week" in November 2008, the store once again achieved record-breaking daily sales to the tune of HK\$44.4 million. This remarkable result illustrated strong customer loyalty.

SOGO TST has firmly established itself as a widely popular shopping destination for young and fashion-conscious customers in Kowloon. With average daily traffic at around 32,000, the stay-buy ratio increased from 13.8% to 14.2% while average ticket size jumped 15.7% to HK\$339. The store's sales surged approximately 26.8% from the previous year to HK\$570 million.

As the leading department store operator, we maintained a sizeable market share at around 2.2% of total retail sales and 21.4% of department store sales of Hong Kong.

Shanghai Jiuguang continued to thrive and grow in popularity and has established itself as one of the most sought-after mid-to-high end shopping destinations in Shanghai. It has been delivering consistent growth since its inception 4 years ago. During the year, it recorded 18.7% year-on-year same-store sales growth in RMB term, with the daily traffic footfall jumping 7.8% to 49,300 and average ticket size increasing marginally by 3.1% to RMB269.

The Group has been making tremendous progress during the year with its expansion in Mainland China. Dalian Jiuguang began trial operation before the Christmas in December 2008 and the official opening is scheduled for April 2009. The Group's second self-built store in China, Suzhou Jiuguang, located in the heart of Suzhou Industrial Park, was inaugurated on 16 January 2009. With a gross floor area of approximately 170,000 square metres, the six-level Suzhou Jiuguang is currently the largest department store in Suzhou City. It is home to more than 500 local and international brands, a vast array of products, an amusement centre, mega supermarket and fine dining and other amenities. Following on their heels will be the Tianjin store, which is expected to open in the second half of 2009. In the meantime, major development work for the Shenyang store is being planned and opening of the store is scheduled by the end of 2011.

Talking about the current economic uncertainties, Mr. Lau said: "We take a cautious view on the Hong Kong and mainland retail markets in 2009. Nevertheless, we believe the relative impact of the current financial crisis on China would not be as significant, and that domestic demand would continue to rise, thanks to the central government's stimulus package aimed at pushing economic growth and boosting domestic consumptions. The stimulus package is believed to benefit Hong Kong as well given its close economic ties with China. Furthermore, the current economic climate and financial uncertainties are set to provide investment opportunities to the Group and as such, the Group will continue to seek new projects with a view to expanding the Group's business in the coming years in the PRC."

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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, Dalian and Suzhou.

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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