



DICKSON CONCEPTS (INTERNATIONAL) LIMITED
迪生創建(國際)有限公司*
(incorporated in Bermuda with limited liability)

PRESS RELEASE

FINANCIAL RESULTS

- * Turnover for the six months ended 30th September, 2006 was HK\$1,326.0 million, an increase of 10.5 per cent. compared with the same period last year.
- * Gross margins increased slightly from 55.0 per cent. up to 55.4 per cent. despite the difficult trading conditions in Taiwan caused by the political uncertainty there.
- * This year, the Group has made significant investments in its store opening programme which comprises the 100,000 sq. ft. Seibu store in Chengdu, the 145,000 sq. ft. Seibu store in Shenyang, the 52,000 sq. ft. Seibu store at Kowloon Hotel, Hong Kong and the opening of 48 other new single brand shops throughout Asia.
- * As a result of adopting conservative accounting policies and charging all operating expenses related to these investments for the full period under review, the Group's profit attributable to shareholders was reduced to HK\$72.4 million, a decrease of 15.6 per cent. compared with last year.
- * Whilst all this pre-opening and operating expenditure will have a short-term adverse impact on the Group's profits, the Group is confident that once these businesses mature, these stores will become the engine for the Group's strong and sustained growth in the medium to longer term.
- * In view of these results, the Board has resolved to declare an interim dividend of 13.8 cents per share, the same as last year.



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BUSINESS REVIEW

- * With a total of 31 shops opened so far this year, together with 102 Tommy Hilfiger shops, the Group's retail network currently totals 490 shops. This comprises 60 in Hong Kong, 225 in China, 171 in Taiwan and 34 in Singapore, Malaysia and the Philippines.
- * The acquisition of the Tommy Hilfiger group, which was completed in August 2006, has significantly expanded the Group's retail network. Given its solid and profitable track record, the strong recognition of the brand, its growing customer base and the continued aggressive expansion of its retail network, the Group is confident that the Tommy Hilfiger group will become an increasingly significant contributor to the Group's turnover and profits.
- * In Hong Kong, the Group continued to reinforce its leading position in luxury retailing in the territory. Whilst Harvey Nichols continues to strengthen its merchandise offering and enhance the shopping experience for its discerning customers, the Group has also been preparing for the opening of the third Hong Kong Seibu store located at Kowloon Hotel. Scheduled to open mid-December 2006, the store will be able to take maximum advantage of the busy Christmas and Chinese New Year trading period, thereby establishing its presence and consumer awareness within a short period.



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- * In China, in addition to the 51 Tommy Hilfiger shops in the country, the Group has opened a further 22 shops under brands such as Brooks Brothers, Tod's, S.T. Dupont and Dickson Watch & Jewellery, thereby further strengthening the Group's retail presence throughout China. The 100,000 sq. ft. Seibu store located in Chengdu, Sichuan province, was officially opened on 1st December, 2006 and has received a favourable response from both locals and visitors alike. Preparations for the soft opening in the first quarter of 2007 of the 145,000 sq. ft. Seibu store located in Shenyang, Liaoning province, are at an advanced stage, and the Group is confident that this fourth Seibu store will firmly establish Seibu's reputation as a leading luxury department store group in north eastern China.

- * In the rest of Asia, the Group's operations in Taiwan remain affected by the political uncertainty and the tightening of credit card limits by local banks. Nevertheless, the Group remains confident about the long term prospects of its operations in Taiwan, and its comprehensive retail network of 171 shops places the Group in an excellent position to improve turnover and profitability once normal trading conditions are restored. In Singapore, Malaysia and the Philippines, its retail network of 34 shops ensures that the Group is well placed to take advantage of any improvement in market conditions in these countries.

- * Bertolucci, the first luxury watch brand owned by the Group, has undertaken and implemented major development strategies since its acquisition. With the international launch of its latest watch collections and the expansion of its distribution channels, the Group is confident about Bertolucci's future development into a meaningful asset for the Group in the long term.



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FULL YEAR PROSPECTS

- * With Tommy Hilfiger's network of 102 shops, the opening of 31 shops, and the further 20 shops planned to be opened by the end of the current financial year, the Group's retail network will expand to well over 500 shops. This comprehensive network will provide the Group with a strong recurring income base for the Group's growth.
- * Whilst the Group's aggressive store opening programme will have an adverse impact on the Group's profits in the short term, as these significant investments fully develop and establish their presence in the market, the Group is confident that it will achieve strong and sustained turnover and profits growth in the years to come.

Hong Kong, 7th December, 2006.

Commenting on the Group's results for the six months ended 30th September, 2006, Dr. Dickson Poon, Group Executive Chairman of Dickson Concepts (International) Limited, said :

"I am pleased that despite the difficult trading conditions in Taiwan, the Group's turnover increased by 10.5 per cent and gross margins increased slightly from 55.0 per cent. up to 55.4 per cent.

With the Group's aggressive store opening programme expanding the Group's retail network to well over 500 shops by the end of the current financial year, the Group is confident that as these significant investments fully develop and establish their presence in the market, strong and sustained turnover and profits growth will be achieved in the years to come."