



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

## **PRESS RELEASE**

- \* The year ended 31st March, 2009 proved to be one of the most challenging years for the Group in its history.
- \* Although the Group's operations made a positive start to the year, the global credit crisis around the world resulted in a sharp decline in consumer sentiment. This slowdown affected consumers around the world, and regional markets were particularly affected due to their reliance on both domestic and international consumers.
- \* Despite the economic slowdown, the Group's established businesses performed satisfactorily. However, the Group's earnings for the financial year ended 31st March, 2009 were significantly reduced as a result of losses arising from the impairment of fixed assets of the Group's recent investments in retail stores. These impairment losses are non-cash in nature and do not affect the Group's cash flow. Consequently, the Group's balance sheet and net cash position continue to be extremely strong.

## **FINANCIAL RESULTS AND FINAL DIVIDEND**

- \* Turnover for the year was HK\$3,838.7 million, an increase of 2.4 per cent. over last year.
- \* Profit for the year was HK\$51.8 million, a decrease of 75.4 per cent. compared with last year. Excluding the impact of the impairment losses, operating profit was HK\$203.3 million, a reduction of 10.0 per cent. compared with last year.
- \* As the impairment losses do not affect the Group's cash flow, and based on the operating profit achieved and the Group's strong net cash position, the Board is recommending the payment of a final dividend of 18.0 cents per ordinary share.



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- \* The final dividend together with the interim dividend of 11.0 cents per ordinary share amounts to a total annual dividend of 29.0 cents per ordinary share compared with 41.3 cents per ordinary share paid out last year.

## **REVIEW OF OPERATIONS**

- \* At the commencement of the year, the Group was looking forward to achieving strong continued turnover and profits growth. However, as the year progressed, the Group's performance was adversely affected by the rapid deterioration in economic conditions resulting from the global credit crisis.
- \* As economic conditions were expected to deteriorate, the Group took further measures to contain costs, maintain healthy inventory levels and implement strict buying budgets.
- \* The Group's retail network at 31st March, 2009 totalled 495 shops. This comprised 70 in Hong Kong, 268 in China, 3 in Macau, 114 in Taiwan and 40 in Singapore, Malaysia and the Philippines.
- \* Geographically, Hong Kong represented 55 per cent. of sales, China was 20 per cent., Taiwan was 16 per cent. and the rest of South East Asia was 9 per cent.
- \* The Group announced in February 2009 that its license to sell, manufacture and import certain licensed products under the 'Polo' and 'Ralph Lauren' trademarks had been extended by one year to 31st December, 2009. And Polo Ralph Lauren Corporation would pay the Group US\$18.2 million upon such expiration.



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- \* While Polo/Ralph Lauren has been a significant contributor to the Group's turnover and profits, it was well known that Polo Ralph Lauren Corporation intended to take control of their international operations as evidenced by taking control of their European and Japanese operations some years ago. The Group feels that it has negotiated the best exit possible as the combination of an additional year's operating profit and a cash receipt of US\$18.2 million has ensured that there will be no negative financial impact on the Group in the immediate future.
- \* Excluding the Polo Ralph Lauren shops, the Group will still have a meaningful retail network of in excess of 400 shops throughout the region.
- \* New brands introduced during the year for which shops were opened include 12 shops for Vertu, 7 shops for Alexandre de Paris, an Alviero Martini shop, and the Group's first exclusive Rolex shop.

## **FUTURE PROSPECTS**

- \* The global economic crisis has had an unprecedented negative impact on trading conditions around the world. Moreover, it remains unclear when the global economy will recover, and there is also the negative impact that the global H1N1 pandemic will have on international travel and consumer sentiment. Due to all this uncertainty, the Group will adopt a cautious approach to the further development and expansion of its businesses.
- \* However, the Group will continue to illustrate its unswerving commitment to the retail industry by investing in new representations and opening additional stores around the region should prime locations become available on attractive terms. This will enable the Group to enhance shareholder value in the longer term and demonstrate to brand principals the Group's ability to develop and maximize the potential of its brands at all times and under all circumstances.



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- \* With a net cash position of HK\$531.0 million and a strong balance sheet, the Group is confident that it is in a strong financial position to weather the global credit crisis, exploit any future recovery in economic conditions and take advantage of any investment opportunities of exceptional value.

Hong Kong, 22nd June, 2009