



To : Business Editor

FOR IMMEDIATE RELEASE

Parkson Announces Interim Results For The Six Months Ended June 2009

Solid growth in a challenging environment

Financial Highlights

For the six months ended 30 June,

	2009 (RMB'000)	2008 (RMB'000)	% Change
Total gross sales proceeds	6,103,932	5,217,711	+17.0%
Total operating revenues	1,952,740	1,756,703	+11.2%
Profit from operations	677,834	593,853	+14.1%
Net profit attributable to the Group	462,145	411,798	+12.2%
Basic earnings per share	RMB0.166	RMB0.148	+12.2%

(23 August 2009 – HONG KONG) **Parkson Retail Group Limited** and its subsidiaries, jointly-controlled entities and an associate (“Parkson” or the “Group”, stock code: 3368) announced its interim results for the six months ended 30 June 2009.

Parkson continued to deliver solid growth despite challenging trading environment. Total gross sales proceeds rose 17.0% to RMB6,103.9 million. Total operating revenues increased by 11.2% to RMB1,952.7 million. Profit from operations rose by 14.1% and net profit attributable to the Group improved to RMB462.1 million, an increase of 12.2%. Basic earnings per share was RMB0.166, grew by 12.2% over the same period of last year.

The board of directors approved an interim dividend for the six months ended 30 June 2009 of RMB0.05 (2008: RMB0.06) in cash per share.

~ to be continued ~

Business Review

Commenting on the interim results, Mr. Alfred Cheng Yoong Choong, Managing Director of Parkson said, "The group continued its solid growth in the first half of the year 2009 with gross sales proceeds rose by 17.0% to RMB6,103.9 million and the operating revenues increased by 11.2% to RMB1,952.7 million. Despite marginal drop on the merchandise gross profit margin, the Group continued to enjoy operating margin expansion thanks to its tight operating cost control. Operating margin for the period improved to 34.7% and the net profit attributable to our shareholders increased by 12.2% to RMB462.1 million. "

"The Group continued to reinvent and remodel its stores to further enhance the stores image and to improve productivity from the more efficient use of the available floor space. Leveraging on our strong balance sheet and healthy financial position, the Group took advantage on the cyclical nature of the property market to acquire the Suntrans shopping complex in Chaoyang District of Beijing with an intention to open a full-fledged shopping destination that includes merchandise offering, entertainment and amenities services. The Group is targeting to open the store in the first quarter of next year. " Mr. Cheng said.

The Group now operates and manages a total of 42 stores, including 32 self-owned department stores and 10 managed department stores.

Prospects

"Most economists agreed that the worst of the economic crisis is over, however in light of the mixed economic and financial market indicators, most of them are divided as to the pace, timing and scale of recovery going forward.

Supported by its strong foreign exchange reserves, healthy financial system and productive workers, the PRC government has been able to use aggressive monetary policies and fiscal stimulus packages to avoid falling into recession and continue to achieve respectable growth. Looking forward, we believe that PRC economy is in the right path of a sustainable growth. However the recovery of its growth at this stage is still relatively fragile and vulnerable to major external shocks. The road of further recovery is expected to be bumpy as the loose monetary policy and easy credit is expected to be tightened alongside the increase pace of economic recovery. In line with the improving macro outlook, our business growth will be stronger going forward. However the improvement in our growth will continue to be slow and gradual and the momentum will pick up on a basis of a sustainable real economic growth and in particular the real income growth." Mr. Cheng said.

Corporate Information

Parkson is one of the leading department store chains in China, focusing on four categories of merchandise: Fashion & Apparel; Cosmetics & Accessories; Household & Electrical; and Groceries & Perishables, targeting the middle to upper middle-income consumers. Parkson was established in Malaysia in 1987 and started the China operation in 1994 thus making it one of the foreign pioneers in China department store industry.

*Issued by Financial Dynamics International for and on behalf of **Parkson Retail Group Limited**.*
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