



To : Business Editor
FOR IMMEDIATE RELEASE

Parkson Announces Results For The Year Ended December 2009

Solid Performance in an Improving Environment

Financial Highlights

For the 12 months ended 31 December,

	2009 (RMB'000)	2008 (RMB'000)	% Change
Total gross sales proceeds	12,367,494	10,691,070	+15.7
Total operating revenues	3,908,634	3,536,932	+10.5
Profit from operations	1,330,193	1,211,165	+9.8
Net profit attributable to the Group	910,846	841,142	+8.3

(22 February 2010 – HONG KONG) **Parkson Retail Group Limited** and its subsidiaries, jointly-controlled entities and an associate (“Parkson” or the “Group”, stock code: 3368) announced its results for the year ended 31 December 2009.

Parkson continued to deliver solid performance in the year 2009. Total gross sales proceeds surged 15.7% to RMB12,367.5 million. Total operating revenues increased by 10.5% to RMB3,908.6 million. Profit from operations rose by 9.8% and net profit attributable to the Group improved to RMB910.9 million, an increase of 8.3%. Basic earnings per share was RMB0.325.

The board of directors proposed a final dividend of RMB0.100 (2008: RMB0.085) in cash per share.

Business Review

Commenting on the results, Mr. Alfred Cheng Yoong Choong, Managing Director of Parkson said, “The group delivered a commendable performance in the year 2009 with improving same store sales (“SSS”) growth and merchandise gross margin in the second half of the year in line with

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recovery of economic growth in the PRC. The maturing store profile enables the Group to further allocate more floor spaces to fashion and cosmetic merchandise that generate higher productivity”.

“The Group remodeled the Taiyuan, Wuxi and Beijing stores with updated fashion brands, with premium and niche international cosmetic brands being introduced to the market. The Group took advantage on the down cycle of the property market in the month of January 2009 to acquire a shopping complex in Chaoyang District of Beijing with an intention to open a full-fledged shopping destination that includes exciting merchandise offerings, entertainment and pampering amenities and services. In addition, the Group signed 4 new lease agreements during the year under review and together with the shopping complex in Beijing, the Group is targeting to open 5 new stores in the year 2010”. Mr. Cheng said.

The Group now operates and manages a total of 44 department stores, including 35 self-owned stores and 9 managed stores.

Prospects

“The recent economic and financial market indicators appeared to be supporting the general view that the worst of this economic crisis is over and recovery has started. Comparatively, the PRC economy has been far more resilient during the crisis and structurally appeared to be healthier than any other major economies. However with the improving macro economic outlooks, the PRC government is now facing a delicate task of maintaining a balance between the pace of recovery of its economic growth and the inevitable need to gradually adjust its expansionary fiscal policies and tighten its monetary policies which will pose challenges and uncertainties to the economy.” Mr. Cheng said.

“Looking forward, the Group believes that the PRC economy is on the right track to a sustainable recovery of its growth but the road for further recovery of its growth is expected to be bumpy and challenging. On the back of the improving macro outlooks and increasing momentum on the real economic recovery, the Group will focus on improving its market share and merchandise gross margin. Cost rationalization will be enhanced to further improve operating efficiency as the Group strives to deliver positive operating margin expansion going forward” Mr. Cheng further commented.

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**.
For further information, please contact:*

Parkson Retail Group Limited
c/o Financial Dynamics International
Tel: (852) 2801 5333 Fax: (852) 2801 5323

Ms Peony Sze / Ms Karen Yu
Financial Dynamics International
Tel: (852) 3716 9821 / 9830 Fax: (852) 3716 9888
Mobile: (852) 9809 6285 / 6129 7050
E-mail: peony.sze@fd.com / karen.yu@fd.com