



To : Business Editor
FOR IMMEDIATE RELEASE

Parkson Announces Earnings Results For The Six Months Ended June 2010

Performance gaining strength

Financial Highlights For The Six Months Ended 30 June,

RMB000	2009	2010	% Change	*2010 Comparable	% Change
Total gross sales proceeds	6,103,932	6,883,051	12.8	6,883,051	12.8
Profit from operations	677,834	734,357	8.3	774,357	14.2
Net profit attributable to the Group	462,145	504,897	9.3	544,897	17.9
Basic earnings per share	RMB0.166	RMB0.180	8.4	RMB0.194	16.9

* Exclude the impact from the employee share options expense

(20 August 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 earnings results for the six months ended 30 June 2010.

Parkson continued to deliver solid growth in the first six months of the year 2010. Total gross sales proceeds rose 12.8% to RMB6,883.1 million with Same Store Sales (“SSS”) growth improved to 11.3%. Profit from operations increased by 8.3% and net profit attributable to the Group surged 9.3% to RMB504.9 million. Basic earnings per share was RMB0.180, grew by 8.4% over the same period of last year. Excluding the impact from the employee share options expense, on a comparable basis, profit from operations increased by 14.2% to RMB774.4 million and net profit attributable to the Group surged 17.9% to RMB544.9 million.

The board of directors proposed an interim dividend of RMB0.06 (2009: RMB0.05) in cash per share.

~ to be continued ~

Business Review

Commenting on the results, Mr. Alfred Cheng Yoong Choong, Managing Director of Parkson said, "The group continued to deliver solid performance with improving SSS growth and merchandise gross margin in the first half of the year.

"The Group expanded to Zhejiang province through the opening of a new store in Shaoxing city and continues to remodel the flagship stores or potential flagship stores to enhance its store image and improve its productivity. The opening of our third store in Beijing city, the Beijing Suntran store is set on 4 September 2010 and the opening of our second store in Wuxi city is targeted by the end of September. In addition, we are planning to open our first store in Zigong city and our second store in Hefei city by the end of this year". Mr. Cheng said.

The Group now operates and manages a total of 45 department stores, including 36 self-owned stores and 9 managed stores.

Prospects

"Recent economic data released by major economies seem to suggest that the world economy is returning to growth but there are still uncertainties and challenges to the sustainability of the recovery. Being the second largest economy in the world, the China economy is now more connected than ever to the development of the world economy and its growth more vulnerable to external factors. The challenges to China now is to maintain the momentum of its economic growth while continue to work on transforming its growth model to an economy that will be powered by its consumers" Mr. Cheng said.

"Looking forward, while there remain challenges confronting the China economy in the short to medium term, given the flexibility in its economic structure and its strong execution records, the China economy continues to be most promising to sustain its growth which will further support real incomes growth that will spur consumption, the Group believes that its business growth going forward will continue to gain momentum." Mr. Cheng further commented.

- End -

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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