

[For Immediate Release]



I.T Limited Announces Interim Results 2011/12

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Turnover Surges 60.3% Underpinned by Strong Sales

Financial Highlights

	For the six months ended 31 August		
(HK\$' million)	2011	2010	Change (%)
Turnover	2,404.6	1,499.8	+60.3
Gross profit	1,497.8	937.3	+59.8
Net profit	151.8	107.9	+40.7
Basic EPS (HK cents)	12.6	9.3	+35.5

(24 October 2011 - Hong Kong) I.T Limited ("I.T" or the "Group"; stock code: 999), a well-established trendsetter in the Greater China retail fashion market, announced its interim results for the six months ended 31 August 2011.

During the period under review, total turnover increased by 60.3% to HK\$2,404.6 million (1H FY2010/11: HK\$1,499.8 million) attributable to cost-effective expense management and proactive marketing strategies. Gross profit climbed by 59.8% to HK\$1,497.8 million (1H FY2010/11: HK\$937.3 million). The Group's gross profit margin maintained at 62.3% (1H FY2010/11: 62.5%). Net profit rose 40.7% to HK\$151.8 million (1H FY2010/11: HK\$107.9 million). The board has decided to recommend payment of an interim dividend of HK2.5cents per share (1H FY2010/11: HK4.2 cents).

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The Group managed to control costs as it broadened its operational scale, with operating expenses as a percentage of total turnover increasing slightly by 1 percentage point to about 54.4% (1H FY2010/11: 53.4%). Total rental expenses as a percentage of total turnover decreased from 25.3% to 22.6%. Total staff costs as a percentage of total turnover decreased from 17.7% to 16.2%. Advertising and promotion expenses increased by 105.6% to HK\$43.8 million, but still accounted for only 1.8% of total turnover (1H FY2010/11: 1.4%), as the Group stepped up promotional campaigns to reinforce its status as a fashion icon in line with its retail network expansion strategy.

Commenting on the Group's interim results, I.T Chairman and CEO Mr. Sham Kar Wai said, "During the period, market sentiments were jittery amidst fears of a potential global recession, further slowing of the U.S. economy and concerns of Europe's sovereign debt crisis. However, with our flexible business model, effective cost control policies, proactive marketing strategies and adjustment in discount levels, we have maintained the growth momentum from the previous year and successfully achieved another set of solid results."

Sales from the Group's Hong Kong retail operations posted a growth of 38.4% to HK\$1,445.9 million (1H FY2010/11: HK\$1,044.9 million), with an overall comparable store sales growth rate of 17.5% (1H FY2010/11: 13.4%). Consistent with a quicker pace of expansion in Mainland China, China sales increased by 56.2% to HK\$564.5 million (1H FY2010/11: HK\$361.3 million). The overall comparable store sales growth rate in Mainland China was 17.6% (1H FY2010/11: 8.0%).

In February 2011, the Group established its operations in Japan through the acquisition of Nowhere Group, and results of the newly acquired group were consolidated into I.T's. Total sales in Japan for the six months ended 31 August 2011 were HK\$247.4 million.

For the Group as a whole, in-house and international brands accounted for 55.9% and 40.8% of total retail sales respectively. Hong Kong remained the key revenue contributor, accounting for 62.7% of total retail sales (1H FY2010/11: 71.6%) while Mainland China continued to be a significant market, accounting for 24.5% of total retail sales (1H FY2010/11: 24.7%). Japan has become the third largest market of the Group, accounting for 9.1% of retail sales.

The Group maintained a solid balance sheet, with cash on hand totaling HK\$606.3 million and approximately HK\$304.0 million unutilized banking facilities.

Mr. Sham concluded, "The global market turmoil has had limited effect on our business and consumer sentiment remained positive overall in the first half of 2011/12. With the anticipated economic growth in China, we are cautiously optimistic about further expansion and growth. With our newly acquired operations in Japan, and our vast retail network in Greater China, I.T is well-positioned to capture new opportunities in the region particularly as the market bounces back."

"Looking ahead, we will continue to devote resources to expand our market share in Mainland China and Hong Kong. We remain confident in achieving the 30% increase in sales area in China by the end of 2011/12, as China's sales area already increased by 16% at the end of August. To gain stronger foothold in our Mainland market, we will look beyond Shanghai and Beijing and into Guangzhou, Shenzhen, Chongqing, Wuhan, Tianjin and Shenyang. We will also continue to leverage the use of advertising and marketing campaigns to further enhance our brand awareness and look for opportunities to acquire potential designer brands to strengthen our brand image and competitiveness and maintain a diversified portfolio for different market segments. Our multi-brand strategy and multi-layer business model will help us weather the unfavourable market conditions, to deliver sustainable returns for our shareholders and investors."

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About I.T Limited

I.T Limited is a well-established trend setter in the fashion retail market in Greater China. Through its "multi-brand, multi-layer" business model, I.T offers a wide range of apparel and accessory products from hundreds of international brands, as well as in-house and licensed brands at varying price ranges, targeting different customer segments.

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