

[For Immediate Release]



I.T Limited Announces Annual Results 2008/09

Group Total Revenue Increased by 35.2%

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Financial Highlights

(HK\$' million)	For the year ended 28 Feb 2009	Change (%)
Revenue	2,733.3	+35.2
Gross profit	1,611.7	+34.1
Net profit	42.6	-75.1
EPS (HK cents)	4	-77.0
Adjusted EBITDA*	272.3	-1.7%
Adjusted operating profit*	154.1	-24.1%
Adjusted net profit*	124.5	-27.7%

* These figures assume that the non-cash share option expenses and impairment of goodwill were excluded. **Yet, the figures have NOT been audited by auditors and are for reference only.**

(27 May 2009 - Hong Kong) I.T Limited ("I.T" or the "Group"; stock code: 999), a well-established trendsetter in fashion retail market in the Greater China, announced today its annual results for the year ended 28 February 2009.

During the year under review, the Group's total revenue increased by 35.2% to HK\$2,733.3 million (2008: HK\$2,021.3 million) due to the growth in the retail sales of each of the markets the Group covers and the full year consolidation of the China operation. Gross profit increased by 34.1% to HK\$1,611.7 million (2008: HK\$1,201.9 million) and gross profit margin was slightly reduced by 0.5 percentage points to 59.0% (2008: 59.5%) as a result of deeper discount being offered in the second half and full year consolidation of China business which generally has a lower gross profit margin. Net profit decreased by 75.1% to HK\$42.6 million (2008: HK\$171.0 million).

The annual results were affected by the negative impact of the financial crisis on the Group's business operation, as well as the HK\$59.6 million impairment of goodwill and the HK\$21.1 million increase in non-cash share option expenses. Excluding these factors, net profit dropped by 27.7% only to HK\$124.5 million. The HK\$26.5 million increase in advertising and promotion expenses was another factor affecting the net profit.

Commenting on the Group's annual results, Vice Chairman and Managing Director of I.T, Dr. William Lo said, "Despite the goodwill impairment arising from the acquisition of our ex-China joint venture, and the slight loss of the China operation, we remain cautiously optimistic and are confident of the long term prospect of this market. During the financial year of 08/09, we recorded a growth of 44.3% in total revenue as well as a comparable store sales growth rate of 23.6% in the Mainland China market. In this March and April, comparable store sales growth rate remained high at 20.3%.

Coming back to our core market in Hong Kong, we grew steadily at 13.4% in terms of total revenue, and 4.5% in comparable store sales. Despite the softened consumption sentiment following the financial crisis, we managed to maintain the operating profit of Hong Kong operation at the same level as that of last year."

For the Group as a whole, in-house brands and international brands had the same weighting, accounting for 47.7% of total retail sales. Hong Kong remains the key revenue contributor, accounting for 75.6% of total retail sales, while Mainland China accounted for 21.8% of total retail sales and its importance is increasing.

Looking ahead, Dr. Lo said, "We would continue our defensive strategy towards the Hong Kong business, while maintaining our proactive cost control measures in order to protect and sustain the profitability of our core market. Regarding the Mainland market, we would explore opportunities to expand the market in a strategic manner.

We maintained a healthy balance sheet with HK\$442.0 million cash on hand at a low gearing ratio of 10.7%. This would enable us to weather the current storm and grasp the opportunities as they arise"

About I.T Limited

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

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